

# Master Marketer Newsletter

<http://mastermarketer.tamu.edu>

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## Master Marketer Highlights

### Farm Bill Discussions

The Texas A&M AgriLife Extension Service will host meetings to explain the new cotton provisions in the farm bill. DeDe Jones, Risk Management Extension Specialist, will be updating cotton producers on the Bipartisan Budget Act of 2018, changes to seed cotton as a covered commodity, and actions to take in the very near future. The Texas A&M Agricultural and Food Policy Center's decision aid tool, <https://www.afpc.tamu.edu/tools/cotton-base> will also be discussed to aid producers in understanding the new seed cotton program. For more information, contact DeDe Jones at 806-677-5600.

- July 12, 2018, 9 a.m. in Canyon at the Randall County Extension Office, 200 Brown Road
- July 12, 2018, 1 p.m. in Hereford at the Deaf Smith County Extension Office, 903 14th Street
- July 13, 2018, 12 p.m. in Vernon at the Texas A&M AgriLife Research and Extension Center, 11708 US-70

### QuickBooks

Two QuickBooks Pro Short Courses will be held in the coming months. The trainings will be conducted by DeDe Jones of the Texas A&M AgriLife Extension Service's FARM Assistance Program. No prior computer experience is necessary to participate in the course and participants will learn to enter transactions and analyze costs and profits in this accounting program often used by agricultural lenders and producers. The \$150 registration fee is due upon arrival and includes computer use and teaching materials. Class size is limited to 15 and those planning

to attend should RSVP to DeDe Jones at 806-677-5667.

- August 21-22, 2018, 9:30 a.m. - 4:30 p.m. in Amarillo at the Texas A&M AgriLife Research and Extension Center, 6500 W Amarillo Blvd
- September 11-12, 2018, 9:30 a.m. - 4:30 p.m. in Lubbock at the Texas A&M AgriLife Research and Extension Center, 1102 E FM 1294

### Texas Agriculture Law

Tiffany Dowell Lashmet is an Assistant Professor and Extension Specialist specializing in Agricultural Law with the Texas A&M AgriLife Extension Service. Licensed to practice law in both New Mexico and Texas, she is offering three Ranchers Leasing Workshops this fall. These free half-day workshops focus on grazing, hunting, and livestock leases and each participant will receive a copy of the Ranchers Leasing Handbook. Of the 500 Texans who have attended thus far, 100% have said they would recommend this program to a friend. For more information or to register, contact Tiffany Dowell Lashmet at [tdowell@tamu.edu](mailto:tdowell@tamu.edu) or 806-677-5681.

- September 7, 2018, 12 p.m. - 4 p.m. in Bryan at the Brazos Center, 3232 Briarcrest Drive. Lunch will be sponsored by Ag Workers Insurance and you can stick around for Aggie football in College Station the next day!
- September 18, 2018, 1 p.m. - 5 p.m. in Ft. Worth at the TSCRA Building, 1301 West 7th Street, Suite 201. This program is held in conjunction with TSCRA Ranching 101.
- November 8, 2018, 9 a.m. - 1 p.m. in Waco at the McClennan County Community College Emergency Services Education Center, 7601 Steinbeck Bend Drive. Lunch will be sponsored by Ag Workers Insurance.



## Guest Column

**John Robinson,**

Professor and Extension Economist-Cotton Marketing,  
Department of Agricultural Economics,  
Texas A&M University

### **Rocketing Cotton Prices Provide Opportunity**

ICE cotton futures first rallied last November, then resumed an up-trend in March, and have been on a real tear since mid-May. New crop Dec'18 in particular has blasted through 80 cents per pound, then 85, then 90, and as of this writing has been holding on in the lower nineties.

Because it's early, the expectations for new crop supply are fraught with uncertainty. We expect more cotton planted cotton acreage in the U.S. compared to last year. Northwestern Texas and the cotton producing regions of Oklahoma, Kansas, New Mexico, and Arizona remain under Extreme or Exceptional Drought classification. Depending on timely moisture, the supply of U.S. cotton could swing three million bales either way. The uncertainty of that outcome will keep a weather premium in Dec'18 cotton futures until football season. Internationally, there is also uncertainty about India's current and future supply, and the major cotton-producing region in China has apparently experienced severe weather at planting.

The other major factor is that new crop demand is off and running. The pace of 2018/19 outstanding exports sales (bales sold, but not shipped until after August 1) is at an historically high level for this time of the year. These export sales contracts obligate merchants to ship remaining old and early new crop bales for Fall delivery. The influence these export commitments should keep the Dec'18 contract supported, especially if there is any remaining production uncertainty.

Considering this, I am not as worried as I was a couple of months ago about Dec'18 falling below 70 cents, or even 75 cents. However, from where we are now, even 75 cents is a long, long way to fall. That is, the market is offering a real opportunity to either price or hedge some of your expected production. That opportunity may not be there at harvest time.

Remember, the only thing you can know for sure is whether a forward contract or hedge on today's futures price will be a profitable, or at least survivable, price floor. With the rally in Dec'18 cotton futures, the cost of insuring downside price protection has gotten cheaper. Amazingly, near the money put options on Dec'18 ICE cotton cost have been surprisingly affordable with this rally. As of this writing, you can insure a minimum cash price in the neighborhood of 80 cents, while maintaining upside potential for cash sales.

For additional thoughts on these and other cotton marketing topics, please visit my weekly online newsletter at <http://agrilife.org/cottonmarketing/>

## Choice Website



The USDA has unveiled farmers.gov as a one-stop website for producers to make appointments with USDA offices, file forms, and apply for USDA programs. The website gathers the three agencies that make up their Farm Production and Conservation mission area, the Farm Service Agency, the Natural Resources Conservation Service, and the Risk Management Agency, to offer production and conservation tools, financial and technical assistance along with commodity, lending and disaster programs for America's working lands.

Farmers.gov is built around farmers, ranchers, and foresters needs and ideas through a streamlined, farmer-centered approach, bringing the most usable information together in a new way. With multiple features being added over the coming months, the website is designed to provide online self-service applications, educational materials, engagement opportunities, and business tools to increase efficiency and productivity while preserving and fostering long-held traditional relationships between local USDA offices and producers.

With 104 Federal web resources in one place and 100% mobile friendly pages, farmers.gov has a wide array of useful features. The running blog houses stories from the three agencies including articles on crop insurance and stories about and by America's agricultural producers, as well as the partners and programs that support USDA's customers. The stories emphasize "news producers can use" and showcase the benefits of American agriculture and voluntary conservation on private working lands.

## FARM Assistance Update

**Steven Klose,**

Professor and Extension Risk Management Specialist,  
Department of Agricultural Economics,  
Texas A&M University

**YOUR INPUT NEEDED!**

Texas A&M AgriLife Extension – Agricultural Economics is conducting the 2018 Texas Custom Rates survey. Topics include rates paid/charged for a variety of farm & ranch custom operations such as specific tillage, planting, application, harvesting, fence building, and more. Our Custom Rates publication dates back over 40 years and is the only source to find market rates paid for these types of services.

Please consider a few minutes to share your knowledge and make this information the most accurate and reliable possible. Follow <http://agecoext.tamu.edu/crs2018> to take the survey. You only complete the questions with which you are familiar, therefore most people should be able to complete the survey in 10-15 minutes or less. The survey will be open a few more weeks through the middle of July 2018.

When complete, the 2018 publication along with all past publications will be available at: <http://agecoext.tamu.edu/crs>

If you have any questions regarding the survey please contact Dr. Steven Klose at [sklose@tamu.edu](mailto:sklose@tamu.edu)

## Master Marketer Highlights, Continued Beef Cattle Short Course

The 2018 Beef Cattle Short Course will be held August 6-8 on the Texas A&M University Campus in College Station, Texas. The Cattleman's College will feature more than 20 concurrent sessions and opportunities to receive pesticide CEUs and veterinarian CECs and BQA credits. Over 150 agriculture related businesses and trade show exhibitors will also be in attendance. For registration and more information on this beef cattle educational program, visit <http://beefcattleshortcourse.com/>

# TEXAS A&M AGRI LIFE EXTENSION

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If you would like to receive this newsletter by email,  
or have any other questions about the Master Marketer System,  
please contact Emmy Kiphen at [emmykiphen@tamu.edu](mailto:emmykiphen@tamu.edu) or (979) 847-6143.

An archive of newsletters can be found online by visiting  
<http://agecoext.tamu.edu/programs/marketing-programs/master-marketer-program/newsletters/>

Educational Programs of Texas A&M AgriLife Extension Service are open to all citizens  
without regard to race, color, sex, disability, religion, age, or national origin.

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