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MEET THE SPEAKERS

Art Barnaby

Art Barnaby was raised on a diversified farm, located in Elk County, Kansas. Art received his B.S. degree from Fort Hays State University, M.S. from New Mexico State University and a Ph.D. in Agricultural Economics from Texas A&M University. Art joined the Agricultural Economics faculty in 1979 and currently holds the rank of Professor. Art has worked with the private crop insurance industry, RMA, and Farmer Commodity groups on crop insurance issues. His research work with the private sector was the basis for the first revenue insurance contract, Crop Revenue Coverage. Art was named on the Top Producer Editors' list of "7 Economists, Bankers Who Challenged the Status Quo".

Dan O'Brien

Daniel O'Brien was raised on a grain and livestock farm in south central Nebraska. He received both bachelors and masters degrees in Agricultural Economics from the University of Nebraska-Lincoln. After completing his Ph.D. Iowa State University, he joined the NW Research and Extension Center in Colby. He served a 4 year term as the NW Area Extension Administrative Director before returning to his Extension Agricultural Economist position. His ongoing extension and applied research interests and efforts are in the areas of grain market supply-demand analysis, bioenergy impacts and price-income risk management strategies, and other crop production issues.

Glynn Tonsor

Glynn Tonsor joined the Dept. of Agricultural Economics at K-State in 2010. Glynn's current efforts are primarily devoted to a range of integrated research and extension activities with particular focus on the cattle/beef and swine/pork industries. Through both applied research and first-hand knowledge with livestock production, Glynn has expertise in topics including animal identification and traceability, animal welfare and handling, food safety, and price risk management and analysis.

2016

RAM II (Advanced Risk-Assessed Marketing) Workshop

January 25, 2016

Kaw Valley State Bank

1015 Kaw Valley Park Circle
WAMEGO, KS

2016 RAM II (Risk Assessed Marketing) Workshop



Schedule & Program Description

Workshop Description

This RAM workshop will introduce producers to an integrated marketing / production management approach that combines FSA programs, crop insurance and marketing tools.

The higher market volatility increases crop insurance premiums but it also makes it possible to profitably sell covered puts. This workshop includes a topic about the selling of covered puts to reduce crop insurance costs. This is what one grower discovered with this strategy:

"I followed your suggestion and sold a few puts at the disappearing deductible strike price to cheapen my crop insurance costs. Worked great!"; David Skattebo, Iowa Grower

This workshop utilizes a case study, with participant's managing a typical grain farm. Participants will have the opportunity to select type and level of crop insurance, decide on FSA program participation, and then to work through a typical grain marketing year, with four marketing opportunities, using risk-management tools. Following the workshop, producers should have a better understanding of how crop insurance, combined with alternative marketing techniques, may reduce farm financial risk and increase farm income.

A final segment will discuss applying the tools and principles learned to managing price risk for cattle.

Prepare ahead of time. The CME Group provides the "Self Study Guide to Hedging with Grain and Oilseed Futures and Options" at the CME Group website:

<http://www.cmegroup.com/trading/agricultural/self-study-guide-to-hedging-with-grain-and-oilseed-futures-and-options.html>

A second publication: "Managing Price Risk With Grain and Oilseed Futures and Options" can be found at:

<http://www.cmegroup.com/trading/agricultural/managing-price-risk-with-grain-and-oilseed-futures-and-options.html>

Schedule

8:30 Registration (coffee and rolls)

9:00 Risk-Assessed Marketing (RAM)

Combines marketing tools (forward contracts, options, futures), commodity program payments, and crop insurance, trading a lower crop insurance deductible by selling covered options.

10:45 Break

11:00 Introduce Case Farm

Explain case farm exercise. Review case farm's financial situation, government program participation decisions, and costs of production.

12:00 Lunch

1:00 Evaluate Insurance Alternatives

Workshop participants will evaluate and choose an insurance plan for the case farm.

1:30 Evaluate Risk Management Strategies

Workshop participants will walk through four pre-harvest marketing scenarios that are assumed to start at planting time. Participants will evaluate risk/return trade-offs of their marketing strategy and make marketing decisions. All grain not pre-harvest sold will be sold at harvest. At harvest, participants will randomly draw a yield based on a pre-determined yield distribution, to simulate yield risk.

2:15 Completion of Case Farm Exercise

At harvest, participants will randomly draw a yield based on a pre-determined yield distribution, to simulate yield risk. Market revenue and production expenses will be calculated using a computer analysis.

Revenues will include indemnity payments and any marketing gain/losses from futures or forward contracts.

2:30 Risk-Management for Livestock Producers

While final results for the case farm exercise are being determined, Glynn Tonsor will briefly discuss price risk management in the livestock industry, particularly for cattle producers, and answer questions.

3:00 Results, Summary and Questions

Return computer generated calculated results for each participant. Comparison of results between participants that includes their individual gains/losses from futures, options, forward contracts, and crop insurance.

3:15 End of Workshop

RAM II (Risk-Assessed Marketing) Workshop

January 25, 2016
WAMEGO, KS

Name: _____

Address: _____

City: _____ State/Zip: _____

Phone: _____

Email: _____

\$15 if pre-registered.
Includes lunch & RAM materials
\$20 after deadline or at the door
Registration deadline:
January 18, 2016

Registration limited to 35.

Send registrations to:

Kara Mayer
Wabaunsee County Extension
215 Kansas, PO Box 278
Alma, KS 66401
Phone: 785.765.3821
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