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Dept. of Agricultural Economics

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MEET THE SPEAKER

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 conducts statewide extension education programs on financial planning, risk, government commodity programs, and crop insurance. Art is an author of the KSU Risk Management web page located at: www.AgManager.info. Art has also 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 is a past three time winner of the American Agricultural Economics Association Distinguished Extension Program Award. Art is a frequent speaker at professional, farmer-producer, ag lenders, and insurance industry meetings.

2010

RAM II (Risk-Assessed Marketing) Workshop

February 22, 2010

Holiday Inn Express
2150 E. Wooster St.
Bowling Green,
OH

2010 RAM II (Risk Assessed Marketing) Workshops

Kansas, Ohio, Nebraska

McPherson, Beloit Bowling Green Imperial
Goodland, Russell Coshocton
Garden City



Kansas State University
Department of Agricultural Economics

Schedule & Program Description

Program Description

Changes in farm legislation, including the SURE and ACRE programs, expanded bio-fuels and ethanol, combined with volatile crop prices have caused many producers need to consider different methods for managing yield and price risk. This workshop will introduce producers to an integrated marketing/production management approach that combines government programs, crop insurance and alternative marketing techniques.

Among the topics addressed in this workshop are: Crop Revenue Insurance (CRC), Revenue Assurance (RA), Multi-Peril Crop Insurance Actual Production History (MPCI-APH), Income Protection (IP), Group Risk Plan (GRP), Group Risk Income Protection (GRIP), SURE and ACRE programs, futures, options, forward contracts, marketing loans, and basis contracts.

This project utilizes a case study, with producers managing a typical grain farm during an upcoming marketing year, making marketing decisions using various insurance, futures, and options alternatives and eligibility requirements for the SURE and ACRE programs. Participants will have the opportunity to select type and level of crop insurance, decide on ACRE program participation, and then to work through a typical grain marketing year, with four marketing opportunities, making use of risk-management tools such as futures, options, forward contracts and basis contracts.

Following the workshop, producers should have a better understanding of how crop insurance, when combined with alternative marketing techniques, may reduce farm financial risk and increase farm income.

Schedule

- 8:30 a.m.** Registration
- 9:00 a.m.** ***Introduction to Marketing Forward Contracts, Options, and Futures***
Dr. Art Barnaby
Discuss price risk management tools available to producers.
- 9:45 a.m.** ***SURE and ACRE Programs***
Dr. Art Barnaby
- 10:45 a.m.** Break
- 11:00 a.m.** ***Risk-Assessed Marketing (RAM)***
Combines Marketing Tools, Commodity Program Payments, and Crop Insurance.
- 12:00 noon** Lunch
- 1:00 p.m.** ***Introduce Case Farm***
Dr. Art Barnaby
Explanation of case farm exercise. Review of the case farm's financial situation, government program participation decisions, and its costs of production.
- 1:30 p.m.** ***Evaluate Insurance Alternatives***
Workshop participants will evaluate and choose an insurance plan for the case farm.
- 1:45 p.m.** ***Evaluate SURE & ACRE Participation***
Workshop participants will evaluate and make a decision regarding participation in the ACRE program, taking into account the costs and trade-offs involved with that decision.
- 2:00 p.m.** ***Evaluate Risk Management Strategies***
Workshop participants will be walked through the four pre-harvest marketing scenarios that are assumed to start at planting time. Participants will evaluate risk/return trade-offs of their marketing strategy. With minimal guidance, workshop participants will make marketing decisions, which are assumed to take place on selected dates. All grain not pre-harvest sold will be sold at harvest.
- 3:00 p.m.** ***Completion of Case Farm Exercise***
At harvest, participants will randomly draw a yield based on a pre-determined yield distribution, to simulate yield risk. All market revenue and production expenses will be calculated. Production expenses will include premiums for put options and insurance contracts selected by the participant. Revenues will also include indemnity payments and any marketing gain/losses from futures or forward contracts. Those having the highest net farm income for each of the four pre-determined yield categories will be recognized.
- 3:30 p.m.** ***Summary and Adjourn***

2010 RAM II WORKSHOP Registration February 22, 2010 Bowling Green, OHIO

Name: _____

Address: _____

City: _____ State/Zip: _____

Phone: _____

Email: _____

Cost: \$10.00
(Includes lunch & materials)
Registration deadline:
February 15, 2010

TO REGISTER:
Alan Sintermeyer
Wood County, OH Extension
419-354-9050
sundermeier.5@osu.edu

Hotel Information:
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Bowling Green, OH 43402
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