

## Managing Risk Using *AgManager.info*

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## You Know You're Too High Tech IF...

- You've never played solitaire with a real deck of cards.
- You have 15 phone numbers to reach your family of 3.
- You call your son's beeper to let him know that it is time to eat. He emails from his bedroom, "What's for dinner?"
- Your daughter sells Girl Scout Cookies via her web site.
- You chat daily with someone from South Africa, but you haven't spoken with your next door neighbor this year.
- The concept of using real money, instead of credit or debit, to make a purchase is foreign to you.
- You consider second-day air delivery painfully slow.
- Your reason for not staying in touch with family is that they do not have email addresses.
- You hear most of your jokes via email instead of in person.

## Technology for Cornhuskers...

**LOG ON:** Making a wood stove hotter.

**LOG OFF:** Don't add no more wood.

**MONITOR:** Keepin' an eye on the woodstove.

**DOWNLOAD:** Gettin' the firewood off the truck

**MEGA HERTZ:** When yer not careful gettin' the firewood

**RAM:** That thing that splits the firewood

**HARD DRIVE:** Gettin' home in the winter time

**WINDOWS:** What to shut when it's cold outside

**SCREEN:** What to shut when it's black fly season

**BYTE:** What them dang flies do

**MODEM:** What ya did to the hay fields

**LAPTOP:** Where the kitty sleeps

**KEYBOARD:** Where ya hang the dang keys

**SOFTWARE:** Them dang plastic forks and knives

**MOUSE:** What eats the grain in the barn

**MOUSE PAD:** That hippie talk fer the rat hole

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## Introduction

- Web 2.0: enhancing creativity, information sharing, and collaboration among users (web-based communities and services, such as social-networking sites, wikis, and blogs).
- Internet is a good way to obtain information, BUT:
  - Rapid change in technology
  - Lots and lots of info available
  - Increasing mobility and interactivity
  - Sometimes can be a bit overwhelming
- This presentation:
  - Current trends in internet use
  - Introduce *AgManager.info*
  - RSS feeds on *AgManager.info*
  - Risk management and decision tools on *AgManager.info*
  - Searching, navigation, and other cool things about using the internet

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## A Few Current Trends

- **Greater interactivity:** blogs, wikis, "YouTube" – takes time to find things; can waste time using it.
- **Increasing mobility :** laptop computers, PDA's, cell phones, i-Phones – real-time information.
- **Visual media** – video, graphics, GIS. Specialized software, download times.
- **Rapid information obsolescence** – frequent updates/revisions requiring diligence to view.
- **Limited number of sites** visited. Most usually go on-line for a specific site.

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## Development of *AgManager.info*

- 2001-2002 – *AgManager.info* developed and launched as a single, comprehensive site.
  - Initial focus on risk management, crops, and livestock marketing. Now:
    - Grain basis tool/maps, decision tools, updates
    - Publication of upcoming events/conferences
- Current usage of *AgManager.info*
  - More than 40,000 visits from 20,000 unique visitors per month (more than double since 2004)
  - Most popular sections:
    - Livestock, Crops, Farm management, Upcoming events, Agribusiness, Policy

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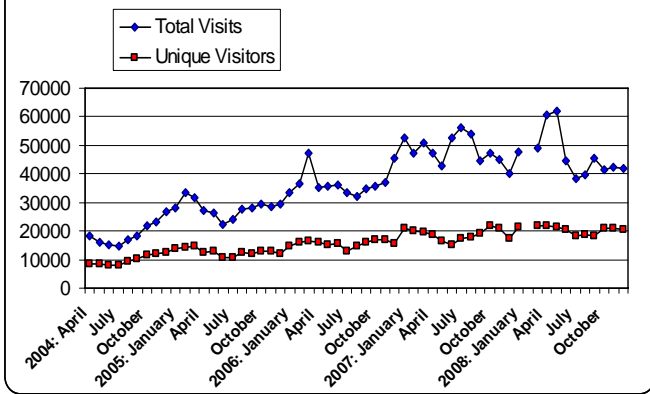


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## Monthly Visits/Visitors to AgManager



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## New and Coming Development of AgManager.info

- Notification of changes and updates using RSS feeds (in addition to current listserv to send emails)
- Web tools, operated in the web browser, as opposed to Excel spreadsheets.
- Development of the grain basis tool and maps to allow easier use and to expand the scope.
- Redesign

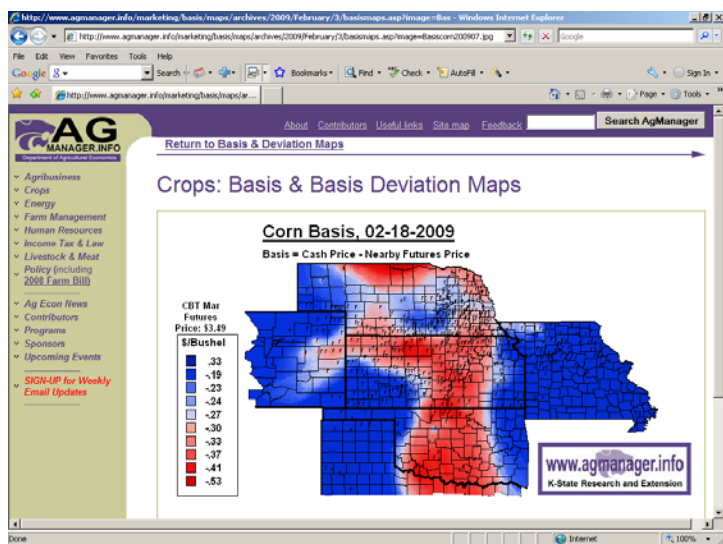
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## RSS Feeds on AgManager

## Gathering Information Via RSS Feeds

- RSS (Real Simple Syndication) feeds: access information without visiting each website
- Browse the RSS feed on your reader. If there is a topic of interest, go directly to the site for the full article.
- Sites with RSS feeds will have buttons such as those shown below:



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## Using RSS Feeds

- Websites create RSS feeds that can be subscribed to. When the content on the website changes, the news reader will retrieve it automatically and display changes.
- Many news readers available including:
  - Yahoo, GoogleReader, NewzCrawler, FeedDemon, or NewsGator, among others.
- It is also possible to subscribe using Internet Explorer 7.0 or Mozilla Firefox 3.0.

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## Subscribing to RSS Feeds

- If using a reader, the general steps to follow are:
  - 1) Right-click an RSS/XML button on a website, then click Copy Link Location (Firefox) or Copy Shortcut (Internet Explorer).
  - 2) Go to your News reader and choose to add new feed.
  - 3) Paste URL in the appropriate box and click Add.
- Most readers offer various options for organizing the RSS feeds you have signed up for. Experiment with these to organize your material in the most useful way.

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## Subscribing to RSS Feeds

- If using Internet Explorer 7 (or 8.0 beta):
  - 1) Click the RSS button in the Internet Explorer toolbar
  - 2) Choose a folder or create a new folder for the feed
  - 3) Click "Subscribe".
- If using Mozilla Firefox 2.0 or 3.0:
  - 1) Click on an RSS/XML button on a site
  - 2) Click "Subscribe Now".
  - 3) Choose a folder or create a new folder for the feed, then click OK.

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**Yahoo Reader for RSS Feeds**

The screenshot shows the Yahoo Reader interface with a left-side menu containing categories like Kansas State Football, World News from Reuters, Financial News from MarketWatch.com, and InterVarsity. The main content area displays news items with timestamps and a search bar is visible in the upper right corner.

## Using AgManager

- Left-side menu with topic areas
- "Site Updates" on right side
- "Site Map" on top menu
- "Contributors" link on left side and top menus
- Search tool in upper right corner
- Events graphics in middle and also accessed through "Upcoming Events" link on left
- Four categories of materials:
  - Updates: "Grain Outlook", "In the Cattle Markets"
  - Data and charts: livestock charts, WASDE
  - Research and white papers
  - Decision tools

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## Decision Tools on AgManager

- Most tools are in Excel
- Many tools use macros for printing and navigation.
- Need to set macro security settings to moderate, which will cause Excel to ask if you want to enable macros.
- Some tools require inputs from the user. Usually blue cells/font will signify input cells by the user.
- As part of RMA project, selected tools will be set up using a "dashboard", which operates in the web browser. No need to deal with macros, etc.

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## Decision Tools on AgManager

- A few tools to note:
  - **KSU-Lease** and **KSU-LandBuy**: the most popular tools on the site. Helpful in determining equitable crop-share and cash lease rental arrangements.  
[www.AgManager.info/farmgmt/land/lease/tools/KSU-Lease.xls](http://www.AgManager.info/farmgmt/land/lease/tools/KSU-Lease.xls)
  - **KSU-Option Strategies**: tool to determine alternative marketing strategies for livestock using futures, options, and LRP. Developed with funding from RMA.  
[www.AgManager.info/marketing/decisions/KSU-OptionStrategies.xls](http://www.AgManager.info/marketing/decisions/KSU-OptionStrategies.xls)
  - **AGR-Lite**: Also developed with RMA funding, this tool assists producers in assessing whether AGR-Lite will fit their operation.  
[www.agmanager.info/crops/insurance/spreadsheets/AGR-Lite.xls](http://www.agmanager.info/crops/insurance/spreadsheets/AGR-Lite.xls)

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### KSU-Lease: Budget input page

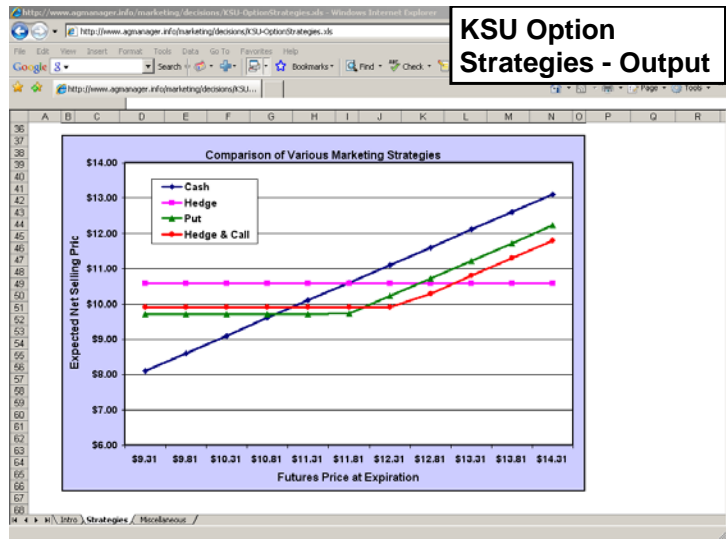
CROP BUDGETS SHOWING TOTAL COSTS AND RETURNS									
Crop System	Corn	Milo	Soybean	Wht Rot	Wht Cont	Total	Per Acre	Per Acre	
Planted acres of each crop	3.0	16.0	5.0	38.0	38				
Tillable acres per planted acre	1.00	1.00	1.00	1.00	1.00	100.0	Planted	Tillable	
<b>INCOME PER ACRE</b>									
A. Yield per acre	90.0	80.0	27.0	45.0	45.0				
B. Price per unit	\$3.76	\$3.50	\$7.96	\$5.55	\$5.55	\$0.00			
C. Net government payments	\$15.25	\$15.25	\$15.25	\$15.25	\$15.25	\$1,535	\$15.25	\$15.25	
D. Indemnity payments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00	\$0.00	
E. Miscellaneous income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0.00	\$0.00	
F. Returns/acre (A x B) + C + D + E	\$354.05	\$295.00	\$230.27	\$265.25	\$265.25	\$27,094	\$270.94	\$270.94	
<b>COSTS PER ACRE</b>									
1. Seed	\$47.04	\$9.48	\$33.75	\$19.00	\$11.40	\$1,617	\$16.17	\$16.17	
2. Herbicide	26.19	20.03	9.06	2.85	6.43	797	7.97	7.97	
3. Insecticide / Fungicide	1.00	0.00	0.00	1.00	1.00	79	0.79	0.79	
4. Fertilizer and Lime	113.53	100.88	31.16	105.50	81.48	9,231	92.31	92.31	
5. Crop Consulting	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
6. Crop Insurance	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
7. Drying	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
8. Miscellaneous	5.75	5.75	5.75	5.75	5.75	575	5.75	5.75	
9. Machinery Expense	100.86	96.29	59.52	98.97	98.97	9,895	98.95	98.95	
10. Non-machinery Labor	11.44	10.52	6.76	11.18	11.18	1,093	10.93	10.93	
11. Irrigation	0.00	0.00	0.00	0.00	0.00	0	0.00	0.00	
12. Land Charge / Rent	46.80	46.80	46.80	46.80	46.80	4,680	46.80	46.80	
G. SUB TOTAL	\$351.81	\$289.35	\$192.00	\$290.54	\$262.10	\$27,646	\$276.46	\$276.46	
13. Interest on 1/2 Nonland Costs	10.88	8.44	5.04	8.46	7.32	792	7.92	7.92	
H. TOTAL COSTS	\$362.69	\$297.79	\$197.04	\$299.00	\$269.42	\$28,438	\$284.38	\$284.38	
I. RETURNS OVER COSTS (F - H)	\$(8.64)	\$(2.79)	\$(33.23)	\$(33.75)	\$(4.17)	\$(1,344)	\$(13.44)	\$(13.44)	
J. TOTAL COSTS/UNIT (H/A)	\$4.03	\$3.72	\$7.30	\$6.64	\$5.99				
K. RETURN TO TOTAL COST (I+13)G	0.64%	1.98%	19.93%	8.71%	1.20%	4.73%	4.73%	4.73%	

### KSU-Lease: Share input page

Landowner	Operator	Operator's share of production inputs (enter 100% if equitably shared)	Corn	Milo	Soybean	Wht Rot	Wht Cont	Total
Average landowner, South Central KS, 555 987 6543	Average farmer, South Central KS, 555 123 4567	100%	100%	100%	100%	100%	100%	100%
Basis for equitable share calculations: For the entire rotation (L4 = 0), Crop-by-crop (L4 = 1) L4 ==> 0								
<b>OPERATOR'S share of production inputs (enter 100% if equitably shared)</b>								
Crop System	Planted acres		Corn	Milo	Soybean	Wht Rot	Wht Cont	Total
Seed	100.0	100%	100%	100%	100%	100%	100%	100%
Fertilizer:								
N (dry/liquid)	100%	100%	100%	100%	100%	100%	100%	100%
P	100%	100%	100%	100%	100%	100%	100%	100%
K	100%	100%	100%	100%	100%	100%	100%	100%
Lime	0%	0%	0%	0%	0%	0%	0%	0%
Herbicide								
Bicep Lite II Magnum (PRE)	100%	100%	100%	100%	100%	100%	100%	100%
Anazine II - crop oil	100%	100%	100%	100%	100%	100%	100%	100%
Bicep II Magnum (PRE)	100%	100%	100%	100%	100%	100%	100%	100%
Glyphosate	100%	100%	100%	100%	100%	100%	100%	100%
+ 2% Ammonium Sulfate	100%	100%	100%	100%	100%	100%	100%	100%
Aly	100%	100%	100%	100%	100%	100%	100%	100%
+ Banvel	100%	100%	100%	100%	100%	100%	100%	100%
Glean	100%	100%	100%	100%	100%	100%	100%	100%
xxx	100%	100%	100%	100%	100%	100%	100%	100%
xxx	100%	100%	100%	100%	100%	100%	100%	100%
Seed treatment	100%	100%	100%	100%	100%	100%	100%	100%
Insecticide / Fungicide	100%	100%	100%	100%	100%	100%	100%	100%
xxx	100%	100%	100%	100%	100%	100%	100%	100%
xxx	100%	100%	100%	100%	100%	100%	100%	100%
Crop consulting	100%	100%	100%	100%	100%	100%	100%	100%
Crop insurance	100%	100%	100%	100%	100%	100%	100%	100%
Drying cost	100%	100%	100%	100%	100%	100%	100%	100%
Operator's equitable share (O/S)			75.2%	67.4%	63.8%	70.5%	65.5%	69.7%

### KSU Option Strategies – Inputs and output

Comparison of Futures and Options Market Strategies									
Strategy	Cash	Hedge	Put	Call	Hedge & Call				
Buying or selling (buy=1, sell=2)									
Futures price at time of trade	\$11.91								
Expected price	\$10.50								
Interval for futures price change to consider	\$0.50								
Futures (buy=1, sell=2)	2								
Put option strike 1	\$11.80								
Premium	\$0.67								
Buy=1, Sell=2	1								
Number bought/sold	1								
Put option strike 2									
Premium									
Buy=1, Sell=2									
Number bought/sold									
Call option strike 1									
Premium									
Buy=1, Sell=2									
Number bought/sold									
Call option strike 2									
Premium									
Buy=1, Sell=2									
Number bought/sold									
Commission to buy AND sell futures, \$/unit (bu, cw)	\$0.015								
Option commission to buy OR sell an option, \$/unit	\$0.009								
Total premium paid	\$0.00	\$0.00	\$0.870	\$0.680					
Total premium received	\$0.00	\$0.00	\$0.00	\$0.00					
Total commission	\$0.015	\$0.015	\$0.028	\$0.028					
Net cost per unit	\$0.00	\$0.015	\$0.879	\$0.704					



### AGR-Lite Decision Tool

Adjusted Gross Revenue-Lite (AGR-Lite) Farmer Worksheet									
Insurance Year	2003	RMA		KANSAS STATE UNIVERSITY		MANAGER.INFO		Department of Agricultural Economics	
Coverage Level	75%	By choosing the 75% coverage level farm managers must produce a minimum of one commodity to be eligible. Additionally, the 75% coverage level allows for a 10% RMA subsidized premium.							
Payment Rate	98%								
Base Period Years	2003	AE (Allowable Farm Income)	Indexing	Base Period Years	2003	AE (Allowable Expense)	Indexing		
Average	\$0			Average	\$0				
Indexed Average	\$0			Index Eligibility	Index				
Expected AEI	\$0			Factor Eligibility	No Factor				
Approved AGR	\$0			Indexed AE	\$0				
AGR Liability	\$0			Factored AE	\$0				
AGR Eligibility	Not Approved			Approved AE	\$0				
Expected AGR Loss Inception Point	NA								
Allowable Farm Income for Current Year	2003			Allowable Expense for Current Year	2003	\$0			

### Crops Decision Tools

Title	Spreadsheet	Author	Excel	Corresponding Paper	PDF
KSU-NPL_CropBudgets.xls	A spreadsheet for analyzing economic optimal fertilizer (N & P) and irrigation (I) input levels	Kastner, Chayvetter, Dumler	Download		Download
Crop Profitability Comparison	2000 Crop Profitability Comparison Worksheet for Northwest Kansas	O'Brien	Download		
KSU-VegetativeBuffer.xls	A spreadsheet for analyzing the economics of vegetative buffers	Smith, Williams	Download		
KSU-StreambankStabilization.xls	A spreadsheet for analyzing the economics of streambank stabilization	Smith, Williams	Download		
KSU-Tillage.xls	A spreadsheet to estimate the costs and returns of alternative tillage management strategies	Smith, Chayvetter, Williams	Download		
Economics of spraying soybeans	Partial budget to analyze the economics of spraying fungicides on soybeans	Chayvetter, Jardine	Download		
Wheat Freeze Information and Options	Wheat Freeze Options	Dumler, O'Brien	Download	Wheat Freeze Information Sheet	Download
CRP Decision	Decision tool to evaluate options for landowners with expiring contracts on CRP acres	Herbel, Jones	Download	Decision Considerations for Expiring CRP Contracts	Download
KSU-CRP_HAYorGRAZE.xls	Tool to estimate the costs of CRP acres	Taylor, Chayvetter, Jardine	Download	Extension bulletin discussing haying or grazing CRP acres	Download
KSU Irrigation Energy Cost	Tools to compare the irrigation pumping costs of various energy sources	Chayvetter, Dumler	Download		

## Other Internet Skills and Info

- Navigation
- Searching
- Downloads and software
- Other (malware, passwords, monitoring, filtering, updates).

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## Navigation

- Links generally underlined and/or bold
- Use Bookmarks (Favorites) to save sites
- Use “In-Line Auto Complete” in Tools/Options menu to save typing in sites
- Use on-site menus and “recent updates”
- Use the right-click on the mouse:
  - Save, print, move forward or backward, add a shortcut or bookmark the page, or to search for highlighted terms.
- Use the “Back” and “Forward” buttons on the tool bar to save time.

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## Searching the Web (1)

- Search directories such as Google or Yahoo have changed searching. Still need skill:
  - Be specific. Use unique terms.
  - Enclose phrases in quotation marks (“”)
  - Word order matters: policy agricultural versus agricultural policy
  - Use ‘OR’ (capital letters) to find pages that include either of two search terms
  - ‘+’ search, where the ‘+’ sign includes common words usually ignored (the, I, for, etc)
  - To search for your term and any synonyms, use ‘~’ sign

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## Searching the Web (2)

- Others:
  - To search just one site, use the word ‘site:’ then the website to search following your search term. Example: farm bill site:AgManager.info
  - To search for a number range: use 2 periods (..) between the upper and lower number. Example: DVD player \$50..\$100 to search for a DVD player that costs between \$50 and \$100.
  - Fill in the blank search: use an asterisk (\*) to answer something you don’t know. Example: Kansas State \* will return results for Kansas State University, Kansas State Wildcats, Kansas State Fair, etc.
  - Highlight a word on a website, right-click, and Google-search for it.

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## Downloads and Software

- Adobe Reader (PDF), Adobe Flash (animation), Adobe Shockwave (multi-media). [[www.Adobe.com](http://www.Adobe.com)]
- Other multi-media: RealPlayer, QuickTime, Windows Media Player.
- **OpenOffice.org** – free open-source software with word processing, spreadsheets, and presentation software. Compatible with MS Office. [www.OpenOffice.org](http://www.OpenOffice.org)
- Telephony: Skype at [www.skype.com](http://www.skype.com)
- **Good source for misc: Gizmo’s at:** [www.techsupportalert.com](http://www.techsupportalert.com)

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## Miscellaneous

- Dealing with malware:
  - Viruses (AVG Anti-Virus at [www.grisoft.com](http://www.grisoft.com))
  - Anti-spyware: Gizmo’s at [www.techsupportalert.com](http://www.techsupportalert.com)
  - Use a firewall (Windows has a built-in firewall)
- Be careful of spam and “phishing”
- Creating good passwords:
  - Think of a familiar phrase or sentence and take the first letter of each word.
  - Capitalize letters, like a proper name in the phrase.
  - Substitute numbers/letters for words: 2 =to; 4=for; L8=late; R=are; U=you; etc.
  - Add punctuation where it makes sense (comma, etc)

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## Miscellaneous

- Hoaxes and urban legends: [www.snopes.com](http://www.snopes.com)
- Monitoring and filtering: different functions
  - Monitoring: [www.CovenantEyes.com](http://www.CovenantEyes.com); or [www.SafeEyes.com](http://www.SafeEyes.com). Both have a monthly or annual fee.
  - Filtering: CovenantEyes (above) has limited filtering. Also: [www.NetNanny.com](http://www.NetNanny.com); [www.CyberSitter.com](http://www.CyberSitter.com); [www.CyberPatrol.com](http://www.CyberPatrol.com); or [www.SeeNoEvil.com](http://www.SeeNoEvil.com).
- Old sites or information that has been removed or changed: [www.archive.org](http://www.archive.org)
- Keep programs updated. Microsoft releases updates on the 2nd Tuesday of each month for Windows. Set automatic updates for virus programs.

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## Miscellaneous

- Microsoft Windows 7 (follows Vista) will come out in 2010. Windows XP no longer sold as of June 30, 2008, but still supported until Windows 7.
- Compatibility pack for using MS Office 2007 with Office 2003 (top of the list):  
<http://www.microsoft.com/downloads/>
- For MS Office 2007, a useful site with 2003 templates to learn 2007 is:  
<http://office.microsoft.com/en-us/help/HA101491511033.aspx>

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## Miscellaneous

- Blogs:
  - Sponsored blogs such as the University of Illinois ([www.farmgate.uiuc.edu](http://www.farmgate.uiuc.edu)), or news blogs (almost everywhere)
  - Start your own using one of several blog sites, including Blogspot ([www.blogspot.com](http://www.blogspot.com)), Blogger ([www.blogger.com](http://www.blogger.com))
- Other fun/useful programs/sites
  - Map programs Mapquest, GoogleMaps, or YahooMaps.
  - Satellite views: GoogleEarth (Now with GoogleOcean)
  - YouTube

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## Miscellaneous

- Social networking sites:
  - Facebook
  - MySpace
  - Many more
- Browsers:
  - Internet Explorer version 7 (Microsoft) with v. 8 (beta) now out.
  - Mozilla Firefox (version 3.0 per June, 2008)
  - Google Chrome (October, 2008)
  - Netscape
  - For Apple, Safari browser 3.0
  - Many others

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## The Final Word

- Lots of info available on the internet
- AgManager is an important agricultural site
  - Information aggregation: RSS feeds
  - Decision tools
  - Other information
- Efficient internet use:
  - Find a limited number of useful sites
  - Search and navigation skills
  - Appropriate software
  - Be careful



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