

2005 RISK AND PROFIT

Conference & Trade Show

Kansas State University is committed to making its services, activities and programs accessible to all participants. If you have special requirements due to a physical, vision, or hearing disability, contact Deborah Goins, (785) 532-1504.

**Kansas State University Agricultural Experiment Station and Cooperative Extension Service
Manhattan, KS**

It is the policy of Kansas State University Agricultural Experiment Station and Cooperative Extension Service that all persons shall have equal opportunity and access to its educational programs, services, activities, and materials without regard to race, color, religion, national origin, sex, age or disability. Kansas State University is an equal opportunity organization. Issued in furtherance of Cooperative Extension Work, Acts of May 8 and June 30, 1914, as amended. Kansas State University, County Extension Councils, Extension Districts, and United States Department of Agriculture Cooperating, Fred A. Cholick, Director.



*"Knowledge for
Life"*



RISK AND PROFIT

Conference & Trade Show

*Economics Makes
You Money*

August 11-12, 2005

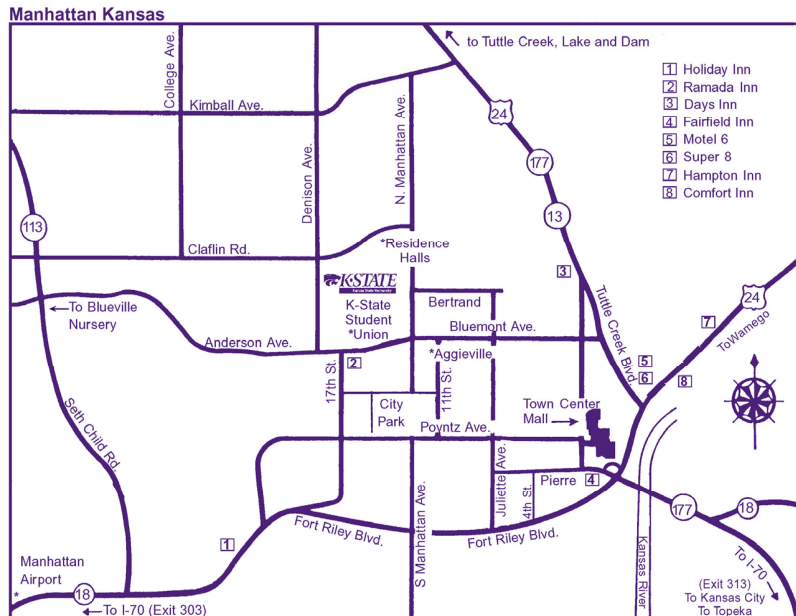
**Kansas State University
1720 Alumni Center
Manhattan, KS**

**Kansas State University
Agricultural Experiment Station and
Cooperative Extension Service**



"Knowledge for Life"

Welcome to Manhattan, KS

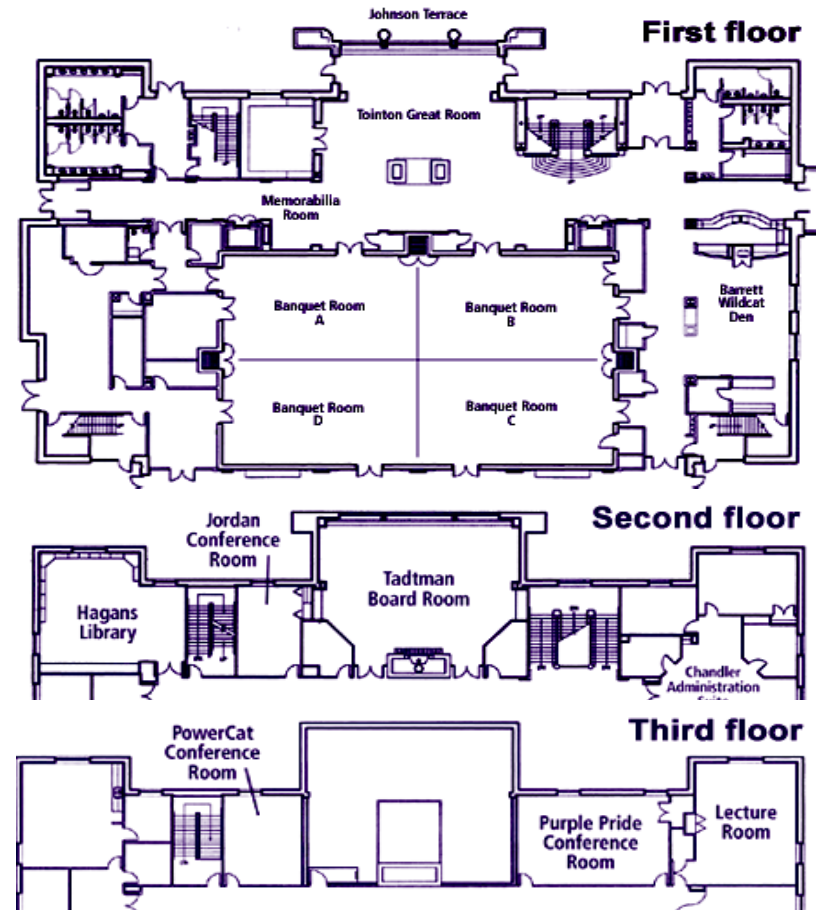


K-STATE ALUMNI CENTER

1st Floor The Tointon Great Room is an open, comfortable seating area, highlighted by the Frasier family limestone fireplace—ideal for a trade show between sessions of the conference. The Banquet Room can accommodate up to 750 people for a reception, or 400 people with round tables of eight guests per table. The room also can be divided into four quadrants, for more intimate gatherings.

2nd Floor The Tadtman Board Room overlooks Memorial Stadium and can accommodate 40 people in board room-style seating or 72 in dinner-style seating.

3rd Floor The third floor features two specialty conference rooms. The Purple Pride Room can be set up in a variety of styles to accommodate 15-50 people, and the Lecture Room is set up with permanent theater-style seating with data and telephone capabilities for 30 people.



Banquet Room A	<i>Entrepreneurship and Transition in Agriculture</i> Vincent Amanor-Boadu
Lecture Room	<i>Time to Sell the Double-Wide and Buy a Winnebago?</i> Joe Arata
Tadtman Board Room	<i>Economics for Fun and Profit</i> Andy Barkley
Banquet Room B	<i>Risk and Insurance</i> Art Barnaby
Tadtman Board Room	<i>White Wheat in Western Kansas</i> Todd Ziegler and Arlo Biere
Purple Pride Room	<i>Land Ownership and Retirement</i> Bob Burton and Nathan Hendricks
Banquet Room A	<i>Beef Trade Issues</i> Hikaru H. Peterson and Kim Cerny
Lecture Room	<i>Productivity and Farm Size</i> Paul Clark
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Banquet Room B	<i>No-Till, Short- and Long-Run Economics</i> Terry Kastens and Kevin Dhuyvetter
Purple Pride Room	<i>Impact of Farm Programs</i> Troy Dumler
Tadtman Board Room	<i>Credit Quality of Kansas Farms</i> Allen Featherstone
Banquet Rm A	<i>Things You Need to Know About Labor Management</i> Sarah Fogleman
Banquet Room A	<i>Successful Family Business Transitions</i> Rodney Jones
Purple Pride Room	<i>Efficiency and Livestock Production</i> Michael Langemeier
Banquet Room B	<i>Thinking About the Next Farm Bill</i> Brad Lubben
Lecture Room	<i>Factors Motivating Agritourism Entrepreneurs</i> David Mace
Lecture Room	<i>Does KSU's College of Ag Represent You?</i> Dan O'Brien
Banquet Room B	<i>Valuing Cattle Based on Beef Tenderness</i> Ted Schroeder and John Michael Riley
Purple Pride Room	<i>Taxing Farm Real Estate</i> Leah Tsoodle

Kansas State University Location & History

Kansas State University was founded February 16, 1863, as a land-grant institution under the Morrill Act. It was initially located on the grounds of the old Bluemont Central College, which was chartered in 1858. The university moved to its present site in 1875.

The 664-acre campus is in Manhattan, 125 miles west of Kansas City via Interstate 70 in the rolling Flint Hills of northeast Kansas. The campus is convenient to both business and residential sections of the city. Under an enactment of the 1991 Kansas Legislature, the Salina campus, 70 miles west of Manhattan, was established through a merger of the former Kansas College of Technology with the university.

Additional university sites include 18,000 acres in the four branch locations of the Agricultural Experiment Station (Hays, Garden City, Colby, and Parsons) and 8,600 acres in the Konza Prairie Research Natural Area jointly operated by the AES and the Division of Biology.

One of the six universities governed by the Kansas Board of Regents, Kansas State University continues to fulfill its historic educational mission in teaching, research, and public service.

This text was extracted from the 1997-99 Graduate Catalog.

Alumni Center

The K-State Alumni Center houses the Association offices and offers meeting and banquet facilities for the university and community. Open to the public in October 2002, the 52,000 square-foot facility was funded entirely with private contributions by more than 1,300 donors. The Center is constructed of native Kansas limestone with K-State memorabilia displayed in the Memorabilia Room, as well as throughout the building. A high-tech room provides the latest in technology for state-of-the-art presentations.

THURSDAY, AUGUST 11, 2005

10:00 am – 12:00 pm	REGISTRATION
11:00 am – 12:00 pm	LUNCH
12:20 pm – 1:20 pm	KEYNOTE ADDRESS— <i>Where is Commercial Ag Going?</i> –Kevin Dhuyvetter –Terry Kastens
1:20 pm – 1:40 pm	Break
1:40 pm – 2:30 pm	SESSION I
Banquet Room A	<i>Entrepreneurship and Transition in Agriculture</i> Vincent Amanor-Boadu
Banquet Room B	<i>Thinking About the Next Farm Bill</i> Brad Lubben
Tadtman Board Room	<i>Credit Quality of Kansas Farms</i> Allen Featherstone
Purple Pride Room	<i>Efficiency and Livestock Production</i> Michael Langemeier
Lecture Room	<i>Productivity and Farm Size</i> Paul Clark
2:40 pm – 3:30 pm	SESSION II
Banquet Rm A	<i>Things You Need to Know About Labor Management</i> Sarah Fogleman
Banquet Room B	<i>Risk and Insurance</i> Art Barnaby
Tadtman Board Room	<i>GM Wheat and International Trade</i> Sean Fox and John Crespi
Purple Pride Room	<i>Impact of Farm Programs</i> Troy Dumler
Lecture Room	<i>Does KSU's College of Ag Represent You?</i> Dan O'Brien



Management Analysis & Strategic Thinking

Distance Education for Farmers and Ranchers

The MAST Program combines new information and decision-making tools with distance education for geographically isolated farmers and ranchers, ag lenders, and agribusiness professionals. An innovative distance education program for progressive farmers and ranchers, MAST delivers farm management information via state of the art technology that fits your needs. Classes are enrolling now for the fall.

How the Program Works:

MAST begins with a two-day workshop on the K-State campus where program participants are introduced to key management tools and concepts to be emphasized in the program. For the next three months, participants learn through distance education methods, and progress through several learning modules focusing on various farm management tools and their application. After completing the distance education portion of the program, participants return for a final two-day program that will emphasize applying tools and concepts to their individual farm situations.

For more information about the MAST Program contact:

Alicia Goheen

Program Coordinator

Phone: (785) 532-4434

Fax: (785) 532-6925

agoheen@agecon.ksu.edu

Visit our website: www.agmanager.info/MAST for more details -- or check out the brochure included in your Risk and Profit materials.



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Agricultural Economics

www.agmanager.info



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<http://www.ag.ksu.edu>



KSRN — Kansas Radio Network
 20 McCain Auditorium
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 Manhattan, KS 66506-4701
 Phone (785) 532-5851

The Voice of Kansas State University

www.oznet.ksu.edu/radio/



KSU College of Education
 124 Bluemont Hall
 Manhattan, KS 66506
 (785) 532-7946
 Fax: (785) 532-7304

Kansas Foundation for
 Agriculture in the Classroom

<http://www.ksagclassroom.org>

3:40 pm – 4:30 pm

Banquet Room A

SESSION III

Beef Trade Issues

Hikaru H. Peterson and Kim Cerny

Banquet Room B

Valuing Cattle Based on Beef Tenderness

Ted Schroeder and John Michael Riley

Tadtman Board Room

Credit Quality of Kansas Farms

Allen Featherstone

Purple Pride Room

Efficiency and Livestock Production

Michael Langemeier

Lecture Room *Time to Sell the Double-Wide and Buy a Winnebago?*

Joe Arata

4:30 pm – 4:50 pm

Break

4:50 pm – 5:30 pm

Changing The Face Of Agriculture

–Zelia Z. Wiley

– Vincent Amanor-Boadu

5:30 pm - 6:15 pm

Social & Cash Bar

6:15 pm - 7:30 pm

DINNER

7:30 pm - 8:30 pm

ENTERTAINMENT

Comedian – Mark Mayfield

6:45 am - 7:30 am	BREAKFAST
7:40 am - 9:10 am	<i>Livestock and Grain Outlook</i> –James Mintert –Mike Woolverton
9:10 am - 9:30 am	Break
9:30 am - 10:20 am	SESSION IV
Banquet Room A	<i>Successful Family Business Transitions</i> Rodney Jones
Banquet Room B	<i>Thinking About the Next Farm Bill</i> Brad Lubben
Tadtman Board Room	<i>GM Wheat and International Trade</i> Sean Fox and John Crespi
Purple Pride Room	<i>Taxing Farm Real Estate</i> Leah Tsoodle
Lecture Room	<i>Does KSU's College of Ag Represent You?</i> Dan O'Brien
10:30 am - 11:20 am	SESSION V
Banquet Rm A	<i>Things You Need to Know About Labor Management</i> Sarah Fogleman
Banquet Room B	<i>No-Till, Short- and Long-Run Economics</i> Terry Kastens and Kevin Dhuyvetter
Tadtman Board Room	<i>White Wheat in Western Kansas</i> Todd Ziegler and Arlo Biere
Purple Pride Room	<i>Impact of Farm Programs</i> Troy Dumler
Lecture Room	<i>Factors Motivating Agritourism Entrepreneurs</i> David Mace
11:20 am - 11:40 am	Break
11:40 pm - 12:50 pm	LUNCH & PARTICIPANT SURVEY –John Michael Riley et al.
12:50 pm – 1:10 pm	Break



DTN

9110 W Dodge Road
Omaha, NE 68114
Phone: (402) 399-6466

www.dtn.com



Kansas Farm Bureau /
Agriculture Solutions

2627 KFB Plaza
Manhattan, KS 66503
Phone: (785) 587-6000

www.kfb.org



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Fax: (308) 785-2560

www.thehomeagency.com



AM580 WIBW Radio

1210 SW Executive Drive
Topeka, KS 66615
Phone: (785) 272-3456
Fax: (785) 228-7282

www.am580wibw.com/



Frontier Farm Credit

2401 N. Seth Child Rd.
PO Box 1807
Manhattan, KS 66505
Phone: (785) 776-6931
(800) 874-2474

www.frontierfarmcredit.com



Farm Credit of Central KS

7940 W. Kellogg Dr
P.O. Box 12800
Wichita, Kansas 67277
Phone: (316) 721-1100
(800) 466-1146

www.fcskansas.com

1:10 pm - 2:00 pm

Banquet Room A *Entrepreneurship and Transition in Agriculture*
Vincent Amanor-Boadu

Banquet Room B *Risk and Insurance*
Art Barnaby

Tadtman Board Room *Economics for Fun and Profit*
Andy Barkley

Purple Pride Room *Land Ownership and Retirement*
Bob Burton and Nathan Hendricks

Lecture Room *Factors Motivating Agritourism Entrepreneurs*
David Mace

SESSION VI

2:10 pm - 3:00 pm

Banquet Room A *Beef Trade Issues*
Hikaru H. Peterson and Kim Cerny

Banquet Room B *No-Till, Short- and Long-Run Economics*
Terry Kastens and Kevin Dhuyvetter

Tadtman Board Room *White Wheat in Western Kansas*
Todd Ziegler and Arlo Biere

Purple Pride Room *Taxing Farm Real Estate*
Leah Tsoodle

Lecture Room *Productivity and Farm Size*
Paul Clark

SESSION VII

3:10 pm - 4:00 pm

Banquet Room A *Successful Family Business Transitions*
Rodney Jones

Banquet Room B *Valuing Cattle Based on Beef Tenderness*
Ted Schroeder and John Michael Riley

Tadtman Board Room *Economics for Fun and Profit*
Andy Barkley

Purple Pride Room *Land Ownership and Retirement*
Bob Burton and Nathan Hendricks

Lecture Room *Time to Sell the Double-Wide and Buy a Winnebago?*
Joe Arata

SESSION VIII

3:10 pm – 4:00 pm

SESSION VIII

Banquet Room A

Rodney Jones

Successful Family Business Transitions

When considering family business succession, the delicate balance between the business system, the family system, and the ownership system must be addressed. Family business managers have identified the management of human relationships as often being the weakest link in their business management system. This session will address the integration of communication, strategic transition planning, and the realities of financial planning within the context of family business transition planning.

Banquet Room B

Ted Schroeder and John Michael Riley

Valuing Cattle Based on Beef Tenderness

One of the most important characteristics consumers care about and have demonstrated willingness to pay for is beef tenderness. USDA quality grades are poor predictors of meat tenderness. However, mechanical shear force can be used to objectively measure tenderness. This presentation will illustrate how problematic USDA quality grades are at assigning appropriate value to beef carcasses and propose and evaluate a new tenderness-based fed cattle valuation system.

Tadtman Board Room

Andy Barkley

Economics for Fun and Profit

Economics provides a deep and useful source of knowledge that provides insights for career enhancement, improved decision making, and personal growth. This presentation will provide 12 simple economic ideas that can be put to immediate use to enhance happiness, business success, and profitability. The goal of this presentation is to leave you with at least one life-enhancing idea that could be immediately adopted.

Purple Pride Room

Bob Burton and Nathan Hendricks

Land Ownership and Retirement

Using data from the most recent 30-year time period, ownership of Kansas non-irrigated cropland is evaluated as a source of retirement income. To provide perspective on land ownership as a retirement strategy, sale of the land and purchase of stocks or U.S. government bonds is compared to retaining ownership of the land. In addition to the 30-year analysis, 15-, 10-, and 5-year time periods are also analyzed. Portfolios of non-irrigated cropland, stocks and bonds are also considered.

Lecture Room

Joe Arata

Time to Sell the Double-Wide and Buy a Winnebago?

A discussion of interest rates, real estate prices, the supply and demand for money and the U.S. balance of payments and budget deficits. The relationship between the supply of loanable funds and U.S. interest rates has become more complicated as long-term interest rates have remained near historic lows while short-term rates have increased. Among the complications is the possibility that financial globalization may be changing the links between interest rates, liquidity and asset prices. Movements in asset prices across countries appears to have become more synchronized.

Notes from this session:

Horizontal lines for taking notes.

1:40 pm - 2:30 pm

SESSION I

Banquet Room A

Vincent Amanor-Boadu

Entrepreneurship and Transition in Agriculture

This paper explores the role of entrepreneurship in managing transition by agricultural producers. It focuses on an essential fact about our economic system: the entrepreneur's incessant desire to creatively destroy perceived sources of competitive advantage in order to create new ones in a marketplace that is constantly changing. The paper provides producers with a model to manage their transition decisions.

Banquet Room B

Brad Lubben

Thinking About the Next Farm Bill

The 2007 Farm Bill is just around the corner. The Secretary of Agriculture has already started his listening tour to find out what producers and other stakeholders want from Washington. But how will that compare with what they get? The presentation will highlight these factors and other issues, including competing demands for spending between traditional program commodities and new commodities and between commodities in general and conservation and other program areas.

Tadman Board Room

Allen Featherstone

Credit Quality of Kansas Farms

Using previous research on the probability of default for agricultural loans, farms in Kansas were examined to estimate credit quality. After estimating credit quality, farms were assigned a credit rating similar to Standard and Poors' rating system. These credit ratings were analyzed to determine how the credit ratings change and factors that may be used to anticipate changes in overall credit quality.

Purple Pride Room

Michael Langemeier

Efficiency and Livestock Production

The number of farms with a livestock enterprise has been declining for years. Using Kansas Farm Management Association data, this presentation will examine the impact of a major decline in livestock production on individual farm efficiency, financial performance, and downside risk. Information on the relative efficiency of various farm types and farm sizes will also be presented.

Lecture Room

Paul Clark

Productivity and Farm Size

Productivity measures the quantity of outputs of a production process relative to the level of inputs. The more output resulting from a given level of input, the more productive the process. The productivity of U.S. Agriculture has increased significantly in recent years, allowing fewer farmers to produce increasing amounts of farm commodities on a relatively constant or even declining acreage base. Using a subset of Kansas farms, we estimate that overall, as farm size increases, there is a small, positive and statistically significant impact on productivity growth.

Notes from this session:

Lined area for taking notes from the session.

2:40 pm - 3:30 pm

SESSION II

Banquet Room A

Sarah Fogleman

Things You Need to Know About Labor Management

If you've ever been intimidated by the thought of hiring your first employee or managing your current ones, this session will help you to focus on the big picture of labor management with easily-implemented steps guaranteed to help. Sarah will take you through the issues of initial paperwork, writing position descriptions, establishing wages, and performing the dreaded performance appraisal.

Banquet Room B

Art Barnaby

Risk and Insurance

Group Risk Income Protection (GRIP) and Group Risk Plan (GRP) are available to many Kansas farmers. GRP has been expanded to include more crops and counties. GRIP has just been introduced for corn, grain sorghum, and soybeans. It is anticipated in the near future GRIP will be introduced for wheat. GRIP/GRP may be a better alternative for growers that have suffered from multiple year crop losses caused by declining APH. Before growers switch to GRIP/GRP they need to understand the limitations.

Tadtman Board Room

Sean Fox and John Crespi

GM Wheat and International Trade

The decision to adopt genetically modified wheat rests on a comparison of expected costs and benefits. Costs include potential loss of international markets and reduced domestic demand for wheat based products. In this presentation we summarize some recent work that suggests that adopting GM wheat would have a minor impact on domestic demand but a potentially large impact on overseas demand resulting in demand losses that could outweigh the productivity gains from the GM adoption.

Purple Pride Room

Troy Dumler

Impact of Farm Programs

U.S. farm subsidies have faced increased scrutiny in recent years. The increased coverage of special interest groups in the media, coupled with successful challenges of farm subsidies in the WTO and record domestic budget deficits result in a negative outlook for U.S. farm subsidies. Using several measures, this paper will determine the relative importance of U.S. farm program payments for Kansas farms, and evaluate the economic consequences of reducing or eliminating government payments.

Lecture Room

Dan O'Brien

Does KSU's College of Ag Represent You?

Just as a farmer or agribusiness chooses to invest limited resources in a mix or portfolio of enterprises that maximize returns, so does an educational institution such as the KSU College of Agriculture. People, dollars, and positions are invested across various departments within the K-State College of Ag in a manner that is intended to maximize the value of those resources to the public. A descriptive categorization of KSU Ag College physical enterprises will be compared with the value of agricultural enterprises in the state of Kansas for the sake of context and perspective.

Notes from this session:

Horizontal lines for taking notes.

10:30 am – 11:20 am

SESSION V

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Banquet Room B

Terry Kastens and Kevin Dhuyvetter

No-Till, Short- and Long-Run Economics

In some places, for example the High Plains, no-till leads to immediate and obvious increases in crop yields due to immediate savings in water. In such areas, despite input costs rising with no-till, crop revenue tends to rise more, increasing profitability. Important issues are changing surface residue and soil structure and related changes in water evaporation, infiltration, and storage, as well as changes in soil organic matter and related changes in optimal fertilizer requirements.

Tadtman Board Room

Todd Ziegler and Arlo Biere

White Wheat in Western Kansas

After 40 years of plant breeding devoted to developing hard white winter wheat varieties adapted to Kansas, producer adoption has been slow. This session will be devoted to understanding the economic and business conditions surrounding white wheat and to explore future potential developments. The focus of this presentation is to present and discuss the analysis of a survey taken of Kansas Farm Management cooperators concerning production of white wheat and farmer attitudes that led to the decision of whether or not to grow white wheat.

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Lecture Room

David Mace

Factors Motivating Agritourism Entrepreneurs

Agritourism is a relatively new concept in the United States, but it is gaining in popularity with farmers and ranchers as a way to make extra money and contribute to the preservation of their communities and lifestyles. Because agritourism is new, much is left to be understood about what motivates farmers and ranchers to undertake agritourism ventures. This paper analyzes the results of a survey of 85 farmers and ranchers, with an eye toward understanding the factors that are motivating producers to embark on agritourism initiatives.

Notes from this session:

Horizontal lines for taking notes.

9:30 am – 10:20 am

SESSION IV

Banquet Room A

Rodney Jones

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Banquet Room B

Brad Lubben

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Purple Pride Room

Leah Tsoodle

Taxing Farm Real Estate

Given the importance of land valuation to the various stakeholders, the objective of this research is to develop a theoretically sound model that robustly estimates the market value of land in Kansas, accounting for urban influence. This calculation will enable one to determine how residential rents would be affected by a property tax policy change to market value appraisal of all land types (residential, agricultural, commercial, etc.).

Lecture Room

Dan O'Brien

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