

IMPACT

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“Marketing Mornings” develops market savvy for grain farmers

AT A GLANCE

Farmers develop grain marketing skills from unbiased market information and a workshop to help individuals understand their own marketing behaviors.

The Situation

Marketing grain crops can be a challenge, even when prices are strong. Marketing grain crops becomes a risk management task of utmost importance when prices are low relative to operating costs. Farm management specialists indicate that the marketing decisions farmers must make are complicated by incomplete information on prices and trends and also tend to have a strong emotional element. Risk exposure increases in times of lower grain prices and the emotional component intensifies as well.

Farmers are often more comfortable with long days of work producing grain crops or checking out the latest equipment and agricultural technology than facing the task of marketing grain successfully. Yet most farmers recognize this problem and want to improve their grain marketing knowledge and skills.

Our Response

Ken Hart, University of Idaho Extension educator based in Lewis County, began to work on a special series of workshops to meet the need for grain marketing education. Farmers in extension advisory groups and grain growers association boards have frequently repeated their desire for this type of extension educational program. “Marketing Mornings: Professional Development for Professional Farmers” was initiated in 2012. The program was first offered in 2013 and then again in 2017, aided by USDA/NIFA grants from the Western Center for Risk Man-



University of Idaho Norm Ruhoff work with professional farmers to understand futures, options and basis in grain marketing.

agement Education and assistance from the Idaho barley, wheat and oilseed commissions.

“Marketing Mornings” is a two-part workshop offered over two to three days. The first part of the workshop is focused on grain market information. Outlooks and grain market fundamentals such as supply and demand are provided by industry and university professionals. The 2017 program included information on cost of production, barley, pulse, wheat and oilseed market information and outlooks, and tools for grain marketing.

The second part of the program is important to the success of farmers. Nationally known experts in grain marketing present a workshop of specific information for farmers which is framed by the current marketing year and environment. Art Barnaby, Kansas State University, in 2013 with a workshop about grain marketing and crop insurance as components for a comprehensive risk management strategy.

The 2017 program featured Ed Usset, a grain marketing specialist for the Center for Financial Management at the University of Minnesota. Ed is the author of an excellent book on grain marketing titled "Grain Marketing is Simple: It's Just Not Easy." Ed presented a workshop on pre-harvest marketing strategies. This workshop included an introduction to his "celebrity producers," six typological farmers that helped workshop participants understand their own market behavior and how those behaviors might influence their pre-harvest marketing choices.

Ed Usset recorded a webinar for Idaho farmers titled "How to Write a Pre-harvest Marketing Plan." Workshop participants were encouraged to view the webinar as a follow-up to the workshop. The webinar is at <https://umn.webex.com/umn/lsr.php?RCID=ec31c25ee120468a8041bb476f66afc4>. (Note: Your browser may require an installation of the WebEx extension in order to view the webinar.)

Program Outcomes

Participation in these workshops has been good, ranging from 30 to 75 participants. Many of the participants operate large acreage grain farms, creating impact from this program that spread across many thousands of acres of grain production.

Post workshop evaluations were used to measure the effectiveness of the programs in 2013 and 2017. The results from 2017 will be outlined here, but they were very similar to the results as measured in the 2013 post workshop evaluation.

Participants were asked to make their own assessment of marketing knowledge prior to the workshop, with ranking of 1=low to 5=high. The result was 1=10.7 percent, 2=25 percent, 3=21.4 percent, 4=25 percent, and 5=17.9 percent.

When asked if the first part of the workshop on markets and fundamentals helped improve participants knowledge, 10 percent indicated an average increase in knowledge and 90 percent indicated a good to excellent increase in grain marketing knowledge.

When asked if the second part of the workshop with Ed Usset on pre-harvest market strategies helped improve participants knowledge, zero indicated a below average or average increase in knowledge while 23 percent indicated a good increase in knowledge and 77 percent indicated an excellent increase in knowledge. The evaluation was mailed to participants with a stamped return envelope. Twenty-eight completed evaluations were returned.

Participants were also asked to list the top three grain risk management concerns they had for the upcoming 2017/2018 marketing year. Crop price/market variability, cost or production/input prices, and weather were far and away to

most important risk sources identified by participants (91 percent of sources mentioned).

Participants were asked to identify priority topics for future grain producer education workshops. Top notch speakers like Ed Usset were encouraged, as well as more information on marketing fundamentals and tools such as basis, hedging and understanding cost of production. Plans are underway to address these topics with another workshop in 2019.

FOR MORE INFORMATION

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