

## SPONSORED BY:



Cooperative Extension

COLLEGE OF AGRICULTURE &  
NATURAL RESOURCES

### 4B Agricultural Consultants

**G. A. (Art) Barnaby, Jr.**

**Senior Agricultural Economist**

**And**

**Professor**

**Kansas State University**

**Manhattan, KS**

**Phone: (785) 532-1515**

**E-mail: [barnaby@ksu.edu](mailto:barnaby@ksu.edu)**



**AgManager**  
.info

## MEET THE SPEAKER

### Art Barnaby

Dr. 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. He currently holds the rank of Professor. Art conducts national extension education programs on market risk, government commodity programs, crop insurance and public policy. In 2016, Art was named one of Farm Credit's Fresh Perspectives Top 100 Honorees. In 2013, Art was 1 of 30 people who were named on Top Producer Editors' list of "Brave Thinkers: 30 Leaders Who Made a Difference" and on their list of "7 Economists, Bankers Who Challenged the Status Quo". Art is a past winner of the Excellence in Extension Award presented by the National Association of Public and Land Grant Universities. He is also a three-time winner of the American Agricultural Economics Association Distinguished Extension Program Award. Art was a member of the 2015 Western Agricultural Economics Association's Group Extension Project Award for the OSU-KSU 2014 Farm Bill Decision Tool and Education Program. He has authored several research projects on crop insurance issues and their impacts on farmers. His research work with the private sector was the basis for the first revenue insurance contract. Art is an author on the KSU WEB page located at: <http://www.agmanager.info>. Art is a frequent speaker at professional, farmer-producer, ag lender, and insurance industry meetings.

## 2017

## RAM II

(Advanced Risk-Assessed Marketing)

## Workshop

**Thursday, February 23, 2017**

**University of Delaware  
Carvel Research &  
Education Center  
Georgetown, DE**

Space is limited.  
Please pre-register.



# Schedule & Program Description

## Workshop Description

Current grain prices are often below the cost of production. Surviving this market down turn, that may last for the next 2 years or more, will be the focus of this updated RAM workshop. The RAM workshop is a timely education program that will provide farmers with new ideas and risk skills to survive this market down turn. In addition to low commodity prices, the lack of convergences in the futures contracts will impact the results from short hedges-forward contracts and crop revenue insurance that pays based on a zero basis. Storage is one method for dealing with the lack of convergence in the futures market, but that will open a new set of risks.

The workshop will also explain why many farmers didn't receive a commodity program payment while the farm across the road in the next county received the maximum payment. As a result, in many counties crop insurance will provide most or all of the government's risk protection. Therefore, it is important to select the right type and level of crop insurance coverage.

This workshop utilizes a case study, with participant's managing a typical grain farm. Participants working the case problem will improve their understanding of the different marketing strategies, crop insurance coverages and how to make the best use of the "free" protection in the FSA commodity program.

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**

**9:00 Introduction Crop Insurance and Hedging Tools.**

*Recent non-convergence in futures impacted results from crop insurance. The 5 year county history and spreads between NASS prices, cash prices, and loan rates will impact the effectiveness of FSA's commodity programs as risk management tools. Given the large decline in farm incomes crop insurance and marketing decisions are even more important for farm survival. **No decision is a decision.***

**10:45 Break**

**11:00 Futures and Options**

*It is important to understand farmers **cannot** deliver grain on a short futures hedge; they will have to buy back their position. Futures markets are trading warehouse/shipping certificates and not corn/wheat and under some conditions this paper will have more value than the commodity. This will challenge the thinking of even the most experienced marketer.*

**12:00 Lunch**

**1:00 Introduce Case Farm**

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

**1:30 Evaluate Risk Management Strategies**

*Workshop participants will walk through 3 to 4 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.*

**2:45 Completion of Case Farm Exercise**

*At harvest, participants will randomly draw a yield based on a pre-determined yield distribution, to simulate yield risk and net farm income will be calculated.*

**3:15 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, government programs and crop insurance.*

**3:30 End of Workshop**



## RAM II

### (Risk-Assessed Marketing) WORKSHOP

Thursday, February 23, 2017  
University of Delaware  
Carvel Research & Ed Center  
Georgetown, DE

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State/Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

## Free Workshop

Registration deadline:  
**February 20, 2017**

Seating limited to 45.

Send registrations to:  
**Laurie Wolinski**  
University of Delaware  
213 Townsend Hall  
Newark, DE 19716  
Phone: 302-831-2538  
Email: [Lgw@udel.edu](mailto:Lgw@udel.edu)  
Fax: 302-831-0857