



Marketing Savvy Pays

The Master Marketer Program

Presented By:
Dr. Steve Amosson
Regents Fellow
Professor and Extension Economist

Texas Cooperative
EXTENSION
The Texas A&M University System

Master Marketer Program

- 64-hour Training in Marketing/Risk Management
- Four 2-day Sessions held Two Weeks Apart
- Taught at an Applied Level by the Best Instructors Available
- 11 years in Existence
 - 768 Graduates



Master Marketer Program Objectives

- Teach the Development and Implementation of a Marketing Plan



- Provide the Knowledge and Understanding of Tools and Analysis Methods to Construct and *Execute* a Marketing Plan

Session I: General



- Begin Development of a Marketing Plan
 - Setting Goals and Objectives
 - Financial Analysis to Determine Risk Bearing Capabilities
 - Development of Enterprise Budgets for Targeted Commodities (Breakeven Prices)
- Contract Seasonality
- Brokerage Mechanics



Session I: (cont.) Pricing Tools



■ Futures and Options

- Basis
- Short/Long Hedges
- Puts/Calls
- Spreads
- Windows



■ Speculative Storage and Storage Hedges

■ Cash Contracts

- Forward Contracts
- Basis Contracts
- HTA
- Multi-year Contracts
- Minimum Price Contracts
- Etc.

Session II: Fundamental Analysis & Insurance

■ Supply and Demand (by targeted commodity)

- Understand Fundamental Market Factors
- Balance Sheet
- Estimation Techniques
- Uncertain Future Possibilities

■ Insurance Products

- MPCl
- CRC
- CRC+
- LRP
- Etc.



■ RAM Simulation

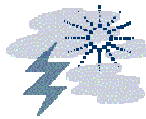
Session III: Fundamental and Technical Analysis

- More Fundamental Analysis
- Technical Analysis
 - Trends
 - Support and Resistance Planes
 - Retracements
 - Formations
 - Oscillators
 - Moving Averages
 - Simple Objective Rules
Not Forecasts
- Packer-Feeder
Simulation



Session IV: Miscellaneous

- Weather
 - Cycles
 - Indicators
 - Yield Determinants
- Niche Markets and
Specialty Crops
- Legal
 - Contracts
 - Inter-generational
Transfers
- Tying it all Together
 - Marketing Plan
Components
 - Real World Examples
 - Marketing Discipline
- Marketing Plans –
Summary



Efficient Markets

■ What We Teach:

- We Can't Outguess the Market
(Don't Shoot for One Sale at the High)
- Don't Know of Any Rule that Always Beats the Market
(A Large Set of Tools Provides Flexibility)
- Use a Long Marketing Horizon and Look for Profitable Pricing Opportunities
- There may be Local Market Opportunities

What I do know is ...



Master Marketer 2 ½ Year Post Survey (Average Responses)

Did you have/use:	Before Master Marketer	After Master Marketer	Percent Change
Marketing plan?	39%	89%	128%
If yes, written marketing plan?	14%	37%	164%
Determine costs of production?	52%	85%	64%
Include profit and/or growth needs?	31%	67%	116%
Fundamental analysis?	49%	91%	86%
Seasonal price?	57%	95%	67%
Technical analysis?	22%	76%	246%



**Average Improvement in Confidence
on a Scale of 1-7 (1=low)**

	Before Master Marketer	After Master Marketer	Percent Change
Managing Price & Production Risk	3.41	5.59	64%
Production Risk Management Tools	3.91	5.67	45%
Marketing Tools	3.37	5.81	72%
Forward Contracts	4.22	5.70	35%
Basis Contracts	3.11	5.32	71%
Hedging with Futures	3.38	5.60	66%
Hedging with Options	3.14	5.55	77%

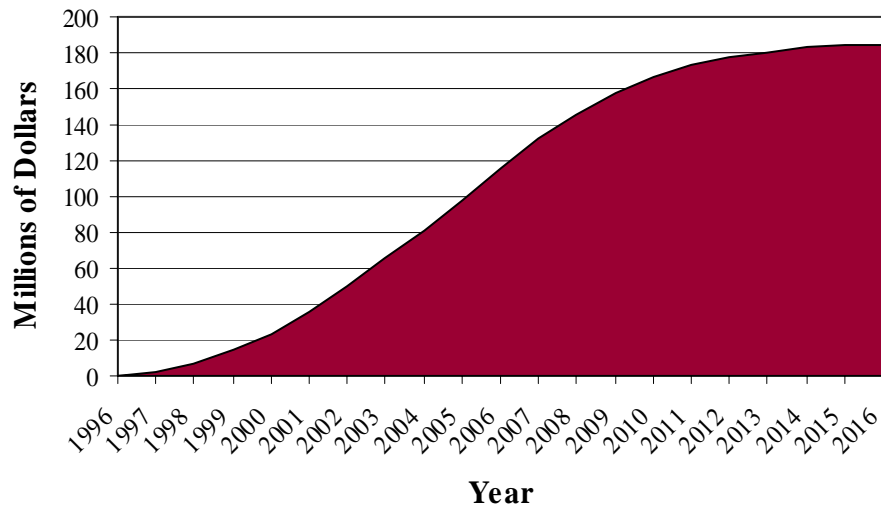
Texas Master Marketer Impact on Cash Receipts, 2 ½-Year Post-Impact Survey

Session	Attendance	Impact/participant/year ¹	% Gross Farm Income ¹
Amarillo 1996	60	\$32,201	3.2%
Lubbock 1997	64	\$32,766	3.8%
Wharton 1997	47	\$22,347	3.6%
Vernon 1998	41	\$49,802	5.4%
Waco 1998	47	\$32,210	5.1%
Amarillo 1999	62	\$38,166	7.4%
Victoria 1999	44	\$24,626	3.1%
Lubbock 2000	64	\$35,158	7.1%
Uvalde 2000	27	\$20,442	4.4%
Vernon 2001	43	\$31,888	4.9%
Abilene 2001	21	\$16,308	4.0%
Weslaco 2001	27	\$47,803	3.8%
Amarillo 2002	52	\$30,153	2.8%
Kingsville 2002	14	\$29,669	3.9%
Lubbock 2003	16	\$39,608	4.9%
Weighted Average:		\$32,943 ²	4.4% ²
ESTIMATED IMPACT OF CLASSES NOT SURVEYED YET			
Vernon 2004	52	\$32,943	4.4%
Gainesville 2005	24	\$32,943	4.4%
Amarillo 2006	63	\$32,943	4.4%
Total	768	\$32,943 ²	4.4% ²

¹Based on individual surveys returned where sufficient data was provided to calculate impact.

²A weighted average of individual operations

Projected Cumulative Impact of Texas Master Marketer Education 1996 – 2016 (projected)



And...



The Master Marketer Program
was a Major Reason the
Texas Legislature Passed a
Risk Management Initiative.

