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

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

<table>
<thead>
<tr>
<th>Did you have/use:</th>
<th>Before Master Marketer</th>
<th>After Master Marketer</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing plan?</td>
<td>39%</td>
<td>89%</td>
<td>128%</td>
</tr>
<tr>
<td>If yes, written marketing plan?</td>
<td>14%</td>
<td>37%</td>
<td>164%</td>
</tr>
<tr>
<td>Determine costs of production?</td>
<td>52%</td>
<td>85%</td>
<td>64%</td>
</tr>
<tr>
<td>Include profit and/or growth needs?</td>
<td>31%</td>
<td>67%</td>
<td>116%</td>
</tr>
<tr>
<td>Fundamental analysis?</td>
<td>49%</td>
<td>91%</td>
<td>86%</td>
</tr>
<tr>
<td>Seasonal price?</td>
<td>57%</td>
<td>95%</td>
<td>67%</td>
</tr>
<tr>
<td>Technical analysis?</td>
<td>22%</td>
<td>76%</td>
<td>246%</td>
</tr>
</tbody>
</table>
### Average Improvement in Confidence on a Scale of 1-7 (1=low)

<table>
<thead>
<tr>
<th>Topic</th>
<th>Before Master Marketer</th>
<th>After Master Marketer</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managing Price &amp; Production Risk</td>
<td>3.41</td>
<td>5.59</td>
<td>64%</td>
</tr>
<tr>
<td>Production Risk Management Tools</td>
<td>3.91</td>
<td>5.67</td>
<td>45%</td>
</tr>
<tr>
<td>Marketing Tools</td>
<td>3.37</td>
<td>5.81</td>
<td>72%</td>
</tr>
<tr>
<td>Forward Contracts</td>
<td>4.22</td>
<td>5.70</td>
<td>35%</td>
</tr>
<tr>
<td>Basis Contracts</td>
<td>3.11</td>
<td>5.32</td>
<td>71%</td>
</tr>
<tr>
<td>Hedging with Futures</td>
<td>3.38</td>
<td>5.60</td>
<td>66%</td>
</tr>
<tr>
<td>Hedging with Options</td>
<td>3.14</td>
<td>5.55</td>
<td>77%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Session</th>
<th>Attendance</th>
<th>Impact/participant/year</th>
<th>% Gross Farm Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amarillo 1996</td>
<td>60</td>
<td>$32,201</td>
<td>3.2%</td>
</tr>
<tr>
<td>Lubbock 1997</td>
<td>64</td>
<td>$32,766</td>
<td>3.8%</td>
</tr>
<tr>
<td>Wharton 1997</td>
<td>47</td>
<td>$22,347</td>
<td>3.6%</td>
</tr>
<tr>
<td>Vernon 1998</td>
<td>41</td>
<td>$49,802</td>
<td>5.4%</td>
</tr>
<tr>
<td>Waco 1998</td>
<td>47</td>
<td>$32,210</td>
<td>5.1%</td>
</tr>
<tr>
<td>Amarillo 1999</td>
<td>62</td>
<td>$38,166</td>
<td>7.4%</td>
</tr>
<tr>
<td>Victoria 1999</td>
<td>44</td>
<td>$24,626</td>
<td>3.1%</td>
</tr>
<tr>
<td>Lubbock 2000</td>
<td>64</td>
<td>$35,158</td>
<td>7.1%</td>
</tr>
<tr>
<td>Uvalde 2000</td>
<td>27</td>
<td>$20,442</td>
<td>4.4%</td>
</tr>
<tr>
<td>Vernon 2001</td>
<td>43</td>
<td>$31,888</td>
<td>4.9%</td>
</tr>
<tr>
<td>Abilene 2001</td>
<td>21</td>
<td>$16,308</td>
<td>4.0%</td>
</tr>
<tr>
<td>Weslaco 2001</td>
<td>27</td>
<td>$47,803</td>
<td>3.8%</td>
</tr>
<tr>
<td>Amarillo 2002</td>
<td>52</td>
<td>$30,153</td>
<td>2.8%</td>
</tr>
<tr>
<td>Kingsville 2002</td>
<td>14</td>
<td>$29,669</td>
<td>3.9%</td>
</tr>
<tr>
<td>Lubbock 2003</td>
<td>16</td>
<td>$39,608</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

**Weighted Average:** $32,943², 4.4%²

**Estimated Impact of Classes Not Surveyed Yet**

<table>
<thead>
<tr>
<th>Session</th>
<th>Attendance</th>
<th>Impact/participant/year</th>
<th>% Gross Farm Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vernon 2004</td>
<td>52</td>
<td>$32,943</td>
<td>4.4%</td>
</tr>
<tr>
<td>Gainesville 2005</td>
<td>24</td>
<td>$32,943</td>
<td>4.4%</td>
</tr>
<tr>
<td>Amarillo 2006</td>
<td>63</td>
<td>$32,943</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

**Total:** 768, $32,943², 4.4%²

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1. Based on individual surveys returned where sufficient data was provided to calculate impact.
2. A weighted average of individual operations.
And...

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