

Helping Ohio Farmers' Manage Risk with Grain Marketing Education

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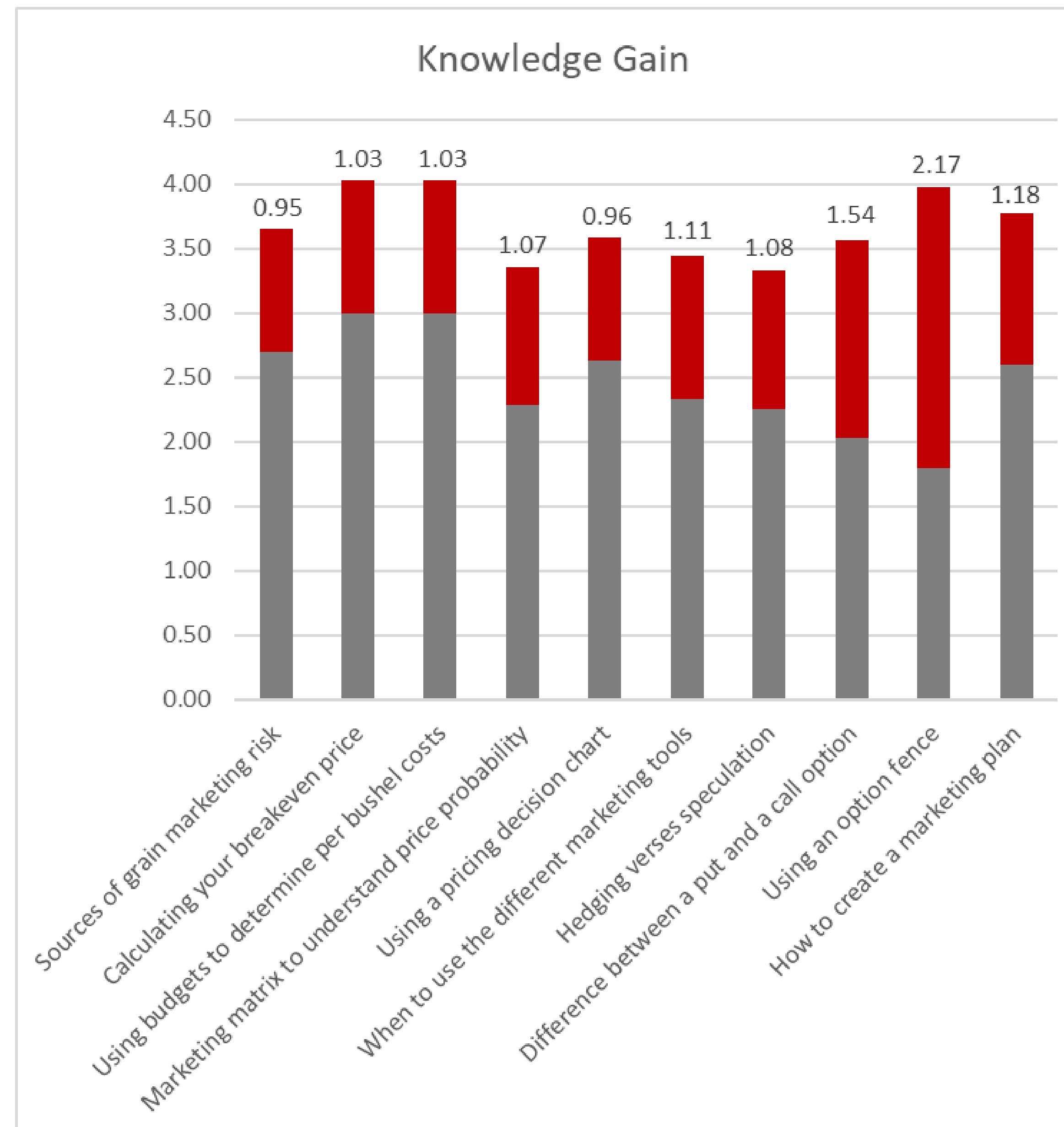
Background

Grain marketing education was an expressed need from farmers in Ohio, especially younger and beginning farmers. OSU Extension Educators enhanced existing curriculum to provide education targeting younger producers. Education was delivered both in a classroom setting as well as webinar based. The curriculum consisted of in class activities, homework, readings, and lectures. This material is based upon work supported by USDA/NIFA under Award Number 2015-49200-24226.

		National Yields	
		Poor (-10%) \$5	Good (+10%) \$3
Farm Yield	Poor (-30%)	High Prices, Few Bushels • Insurance • Must you buy out contracts? • Do you have bushels left to sell?	Low Prices, Few Bushels • Insurance • Must you buy out contracts?
	Good (+20%)	High Prices, Many Bushels • Yeeeeeeeeehaaaaaaa • Did you sell too much to early? • How much upside do you have?	Low Prices, Many Bushels • Revenue Insurance • Did you sell enough early? • Did you get downside protection?

Programming

Over the past two years, seven classes consisting of three session each were held across Ohio reaching ninety-four participants. Offering a session each week allowed time for participants to complete homework and read the assigned material. Class curriculum included topics on risk preference, financial risk capacity, cost of production, a marketing matrix, basis, options, and creating a marketing plan. Additionally, local grain originators were invited to discuss the variety of products offered locally. Participants received a notebook with all the teaching materials, homework assignments, and reading materials.



Impact

Knowledge was gained on all eighteen indicators. Indicators with the greatest knowledge gain were on the topics of option fences (+2.17), difference between put and call (+1.54), writing grain marketing plans (+1.18) and using a pricing decision chart (+1.11). Eighty percent of the participants were using crop budgets to set marketing targets, but only eleven percent and twenty-six percent had brokerage accounts and written grain marketing plans, respectively. Participants were asked what they would change in the next six months. Fifty-seven percent said they would, and forty-three percent said they might create a written grain marketing plan. Compared to only twenty-six percent currently having a written plan, this could be impactful. Additionally, sixty-eight percent indicated they would try a new grain marketing tool in 2019. Participants indicated they were better prepared to manage grain marketing risk through knowledge of their cost of production, knowing their farm's financial risk capacity, having a written grain marketing plan, and knowing when to use certain marketing strategies.

