

2008 RISK AND PROFIT

Conference & Trade Show

Kansas State University is committed to making its services, activities and programs accessible to all participants. If you have special requirements due to a physical, vision, or hearing disability, contact Rich Llewelyn, (785) 532-1504 or email: rvl@ksu.edu.

**Kansas State University Agricultural Experiment Station and Cooperative Extension Service
Manhattan, KS**

It is the policy of Kansas State University Agricultural Experiment Station and Cooperative Extension Service that all persons shall have equal opportunity and access to its educational programs, services, activities, and materials without regard to race, color, religion, national origin, sex, age or disability. Kansas State University is an equal opportunity organization. Issued in furtherance of Cooperative Extension Work, Acts of May 8 and June 30, 1914, as amended. Kansas State University, County Extension Councils, Extension Districts, and United States Department of Agriculture Cooperating, Fred A. Cholick, Director.



RISK AND PROFIT

Conference & Trade Show

SKY HIGH:

High Prices,
High Energy,
High Risk

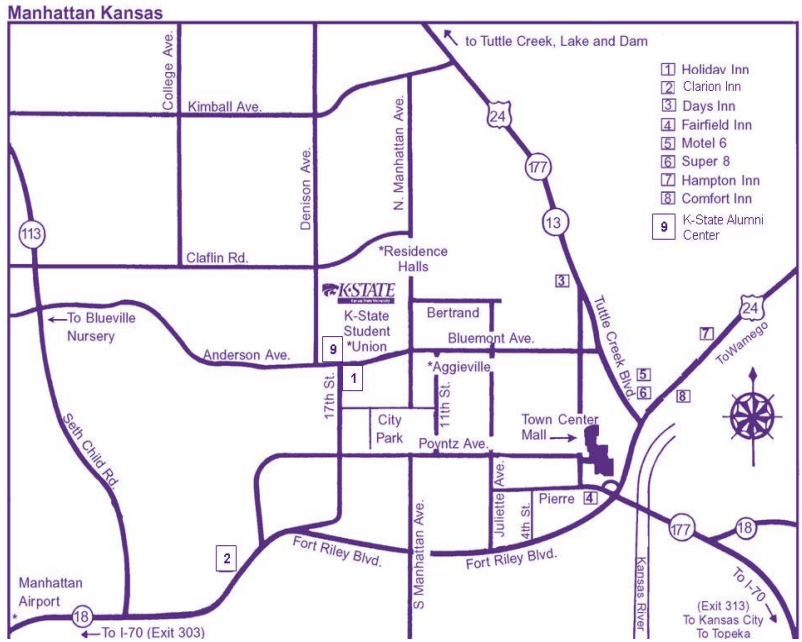
August 14-15, 2008

**Kansas State University
1720 Alumni Center
Manhattan, KS**

**Kansas State University
Agricultural Experiment Station and
Cooperative Extension Service**



Welcome to Manhattan, KS

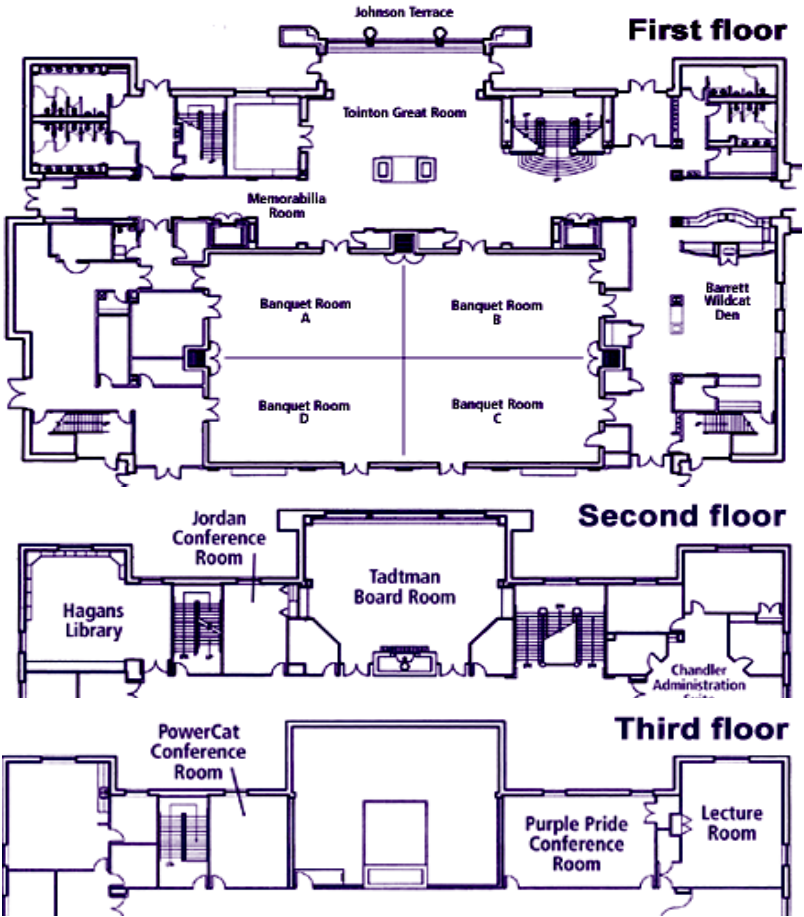


K-STATE ALUMNI CENTER

1st Floor The Tointon Great Room is an open, comfortable seating area, highlighted by the Frasier family limestone fireplace—ideal for a trade show between sessions of the conference. The Banquet Room can accommodate up to 750 people for a reception, or 400 people with round tables of eight guests per table. The room also can be divided into four quadrants, for more intimate gatherings.

2nd Floor The Tadtman Board Room overlooks Memorial Stadium and can accommodate 40 people in board room-style seating or 72 in dinner-style seating.

3rd Floor The third floor features four specialty conference rooms. The Purple Pride Room can accommodate 15-50 people, and the Lecture Room is set up with permanent theater-style seating for 30 people. The Truitt Room and the Powercat Room can each seat 12 persons.



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|--|-------------------|
| 1. <i>Managing the Threat of \$3 Corn</i>
Art Barnaby | Banquet Room A |
| 2. <i>Current Issues Affecting Cooperatives</i>
Michael Boland | Banquet Room B |
| 3. <i>Financial Planning and FINPACK Analysis</i>
Duane Hund & LaVell Winsor | Lecture Room 307 |
| 4. <i>Labor Efficiency and Productivity</i>
Michael Langemeier | Purple Pride, 305 |
| 5. <i>Global Supply and Demand (Part I)</i>
Mike Woolverton & Daniel O'Brien | Banquet Room A |
| 6. <i>Global Supply and Demand (Part II)</i>
Mike Woolverton & Daniel O'Brien | Banquet Room A |
| 7. <i>Super-Sized Crop Farms: What Does It Take?</i>
Terry Kastens & Kevin Dhuyvetter | Banquet Room B |
| 8. <i>Cover Crop Economics: Costs, Risks & Adoption</i>
Jason Bergtold & Lucas Maddy | Purple Pride, 305 |
| 9. <i>Credit Scores of Kansas Farmers</i>
Allen Featherstone & Michael Langemeier | Tadtman Boardroom |
| 10. <i>Livestock: Who Wins, Who Loses, and Why?</i>
Orlen Grunewald | Tadtman Boardroom |
| 11. <i>Impacts of Climate Change on NW Kansas</i>
Bill Golden & Jeff Peterson | Lecture Room 307 |
| 12. <i>Strong Dollar/Weak Dollar: Impact on Agriculture</i>
Paul Clark, Kara Ross, Kelly Chen, Alexandra Gregory | Tadtman Boardroom |
| 13. <i>Food Crisis or Malthus Apologists?</i>
Vincent Amanor-Boadu | Tadtman Boardroom |
| 14. <i>A New Risk Era? Risk Management Tools</i>
Kevin Dhuyvetter & Ted Schroeder | Banquet Room B |
| 15. <i>Cost of Gain and Death Loss Trends in Cattle</i>
Rodney Jones | Purple Pride, 305 |
| 16. <i>Using WARAT to Assess Risk of Limited Irrigation</i>
Paul Clark, Bill Golden, & Leah Tsoodle | Lecture Room 307 |
| 17. <i>Kansas Ethanol Production and Its Effects</i>
Josh Roe & Daniel O'Brien | Banquet Room A |
| 18. <i>A New Risk Era: Crop Rental Arrangements</i>
Kevin Dhuyvetter & Terry Kastens | Banquet Room B |
| 19. <i>Web Ways: Intelligent Internet Interaction</i>
Rich Llewelyn | Lecture Room 307 |
| 20. <i>Farm Tax and Retirement Planning</i>
Kent Miller & Lynn Hennigan | Purple Pride, 305 |

Risk and Profit Conference

The Risk and Profit Conference was first held in 1996 in Manhattan. Hosted by the Department of Agricultural Economics at Kansas State University, the conference is now in its 13th year, with more than 2000 total attendance and nearly 250 total presentations on contemporary agricultural management topics.

Kansas State University Location & History

Kansas State University was founded February 16, 1863, as a land-grant institution under the Morrill Act. It was initially located on the grounds of the old Bluemont Central College, chartered in 1858. The university moved to its present site in 1875.

The 664-acre campus is in Manhattan, 125 miles west of Kansas City via Interstate 70 in the rolling Flint Hills of northeast Kansas. The campus is convenient to both business and residential sections of the city. Under an enactment of the 1991 Kansas Legislature, the Salina campus, 70 miles west of Manhattan, was established through a merger of the former Kansas College of Technology with the university. Additional university sites include 18,000 acres in the four branch locations of the Agricultural Experiment Station (Hays, Garden City, Colby, and Parsons) and 8,600 acres in the Konza Prairie Research Natural Area jointly operated by the AES and the Division of Biology.

One of the six universities governed by the Kansas Board of Regents, Kansas State University continues to fulfill its historic educational mission in teaching, research, and public service.

Alumni Center

The K-State Alumni Center houses the Association offices and offers meeting and banquet facilities for the university and community. Open to the public in October 2002, the 52,000 square-foot facility was funded entirely with private contributions by more than 1,300 donors. The Center is constructed of native Kansas limestone with K-State memorabilia displayed in the Memorabilia Room, as well as throughout the building. A high-tech room provides the latest in technology for state-of-the-art presentations.

THURSDAY, AUGUST 14, 2008

10:30 am – 12:00 pm REGISTRATION

11:30 am – 12:30 pm LUNCH

12:30 pm – 1:45 pm KEYNOTE ADDRESS

*"The Economic Outlook: A Fed's Eye View"***Dr. Jason Henderson**

Omaha Branch, Federal Reserve Bank of Kansas City

2:00 pm – 3:00 pm SESSION I

Mike Woolverton & Dan O'Brien Banquet Room A*Global Supply and Demand: Can We Feed the World? Part I***Kevin Dhuyvetter & Terry Kastens** Banquet Room B*A New Risk Era? How Will Crop Rental Arrangements Be Impacted?***Orlen Grunewald** Tadtman Board Room, 201*Livestock: Who Wins, Who Loses, and Why?***Michael Langemeier** Purple Pride Room, 305*Labor Efficiency and Productivity***Duane Hund & LaVell Winsor** Lecture Room, 307*Financial Planning and FINPACK Analysis*

3:10 pm – 4:10 pm SESSION II

Mike Woolverton & Dan O'Brien Banquet Room A*Global Supply and Demand: Can We Feed the World? Part II***Terry Kastens & Kevin Dhuyvetter** Banquet Room B*Super-Sized Crop Farms: What Does It Take?***Vincent Amanor-Boadu** Tadtman Board Room, 201*Food Crisis or Malthus Apologists?**Explaining the Reaction to Global Food Price Inflation***Jason Bergtold & Lucas Maddy** Purple Pride Room, 305*Cover Crop Economics: Costs, Risks and Adoption***Bill Golden & Jeff Peterson** Lecture Room, 307*Impacts of Climate Change on Irrigated Agriculture in Northwest Kansas*

Management Analysis & Strategic Thinking Now Enrolling Classes Begin November 11-12, 2008

Distance Education for Agricultural Producers

The MAST Program combines new information and decision-making tools with distance education for geographically isolated farmers and ranchers, ag lenders, and agribusiness professionals. An innovative distance education program for progressive farmers and ranchers, MAST delivers farm management information via state of the art technology that fits your needs. Classes are enrolling now for the fall.

How the Program Works:

MAST begins with a two-day workshop on the K-State campus where program participants are introduced to key management tools and concepts to be emphasized in the program. For the next three months, participants learn through distance education methods, and progress through several learning modules focusing on various farm management tools and their application. After completing the distance education portion of the program, participants return for a final two-day program that will emphasize applying tools and concepts to their individual farm situations.

For more information about the MAST Program contact:

Alicia Goheen

Program Coordinator

Phone: (785) 532-4434

Fax: (785) 532-6925

agoheen@agecon.ksu.edu

Visit our website: www.AgManager.info/MAST for more details -- or check out the brochure included in your Risk and Profit materials.


Agricultural Economics

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www.mab.ksu.edu


Kansas Farm Management Association

Your Farm. Your Information. Your Decision.

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 Phone: 785.532.1513 • Fax: 785.532.6925

www.ageconomics.ksu.edu/kfma

4:20 pm – 5:20 pm

SESSION III

Josh Roe & Dan O'Brien

Banquet Room A

*Kansas Ethanol Production and Its Effect on Crops,
 Livestock, Trucking, and a Community*

Kevin Dhuyvetter & Ted Schroeder

Banquet Room B

*A New Risk Era? Are Traditional Risk Management
 Tools and Strategies Still Effective?*

Paul Clark, Kara Ross, & Kelly Chen

Tadman Board Room, 201

*Strong Dollar/Weak Dollar: An Economist's View on the Value of the US
 Dollar and Its impact on Agriculture*

Rodney Jones

Purple Pride Room, 305

Cost of Gain and Death Loss Trends in the Cattle Feeding Sector

Rich Llewelyn

Lecture Room, 307

Web Ways: Intelligent Internet Interaction

5:30 pm - 6:30 pm

Social & Cash Bar

6:30 pm - 7:30 pm

DINNER

7:30 pm - 8:30 pm

EVENING SPEAKER

"The 2008 Farm Bill: A New Era in Farm Policy?"

Troy Dumler

Kansas State University

6:45 am - 7:30 am **BREAKFAST**

7:30 am - 9:10 am **GENERAL SESSION**

Livestock Outlook: James Mintert
Grain Outlook: Michael Woolverton

9:10 am - 9:20 am Break

9:20 am - 10:20 am **SESSION IV**

Art Barnaby Banquet Room A

Managing the Threat of \$3 Corn

Michael Boland Banquet Room B

Current Issues Affecting Retail Agribusinesses and Cooperatives

Vincent Amanor-Boadu Tadtman Board Room, 201

Food Crisis or Malthus Apologists?
Explaining the Reaction to Global Food Price Inflation

Michael Langemeier Purple Pride Room, 305

Labor Efficiency and Productivity

Paul Clark, Bill Golden & Leah Tsoodle Lecture Room, 307

*Using a Computer-Based Irrigation Decision Tool (WARAT) to Assess
the Risk of Limited Irrigation in Northwest Kansas*

10:30 am - 11:30 am **SESSION V**

Josh Roe & Dan O'Brien Banquet Room A

*Kansas Ethanol Production and Its Effect on Crops,
Livestock, Trucking, and a Community*

Michael Boland Banquet Room B

Current Issues Affecting Retail Agribusinesses and Cooperatives

Allen Featherstone & Michael Langemeier Tadtman Board Room

Credit Scores of Kansas Farmers

Kent Miller & Lynn Hennigan Purple Pride Room, 305

Farm Tax and Retirement Planning in Good Economic Years

Duane Hund & LaVell Winsor Lecture Room, 307

Financial Planning and FINPACK Analysis

11:40 pm - 12:40 pm **LUNCH**

DISCUSSION/Q&A



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Manhattan, KS 66506
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Email: ksfac@ksu.edu

<http://www.ksagclassroom.org>

12:50 pm - 1:50 pm

SESSION VI

Mike Wolverton & Dan O'Brien

Banquet Room A

Global Supply and Demand: Can We Feed the World? Part I

Terry Kastens & Kevin Dhuyvetter

Banquet Room B

Super-Sized Crop Farms: What Does It Take?

Allen Featherstone & Michael Langemeier Tadtman Board Room

Credit Scores of Kansas Farmers

Rodney Jones

Purple Pride Room, 305

Cost of Gain and Death Loss Trends in the Cattle Feeding Sector

Bill Golden & Jeff Peterson

Lecture Room, 307

Impacts of Climate Change on Irrigated Agriculture in Northwest Kansas

2:00 pm - 3:00 pm

SESSION VII

Mike Wolverton & Dan O'Brien

Banquet Room A

Global Supply and Demand: Can We Feed the World? Part II

Kevin Dhuyvetter & Terry Kastens

Banquet Room B

A New Risk Era? How Will Crop Rental Arrangements Be Impacted?

Orlen Grunewald

Tadtman Board Room, 201

Livestock: Who Wins, Who Loses, and Why?

Jason Bergtold & Lucas Maddy

Purple Pride Room, 305

Cover Crop Economics: Costs, Risks and Adoption

Paul Clark, Bill Golden & Leah Tsoodle

Lecture Room, 307

Using a Computer-Based Irrigation Decision Tool (WARAT) to Assess the Risk of Limited Irrigation in Northwest Kansas

3:10 pm - 4:10 pm

SESSION VIII

Art Barnaby

Banquet Room A

Managing the Threat of \$3 Corn

Kevin Dhuyvetter & Ted Schroeder

Banquet Room B

A New Risk Era? Are Traditional Risk Management Tools and Strategies Still Effective?

Paul Clark, Kara Ross, & Kelly Chen

Tadtman Board Room, 201

Strong Dollar/Weak Dollar: An Economist's View on the Value of the US Dollar and Its Impact on Agriculture

Kent Miller & Lynn Hennigan

Purple Pride Room, 305

Farm Tax and Retirement Planning in Good Economic Years

Rich Llewelyn

Lecture Room, 307

Web Ways: Intelligent Internet Interaction

3:10 pm – 4:10 pm

SESSION VIII

Notes from this session:

Banquet Room A

Art Barnaby

Managing the Threat of \$3 Corn

The new Farm Bill has added “free” Supplemental Revenue (SURE) coverage that is directly tied to crop insurance. When growers select their level of crop insurance protection they are also selecting their level of “free” SURE coverage. In addition, the Farm Bill and the administration made a number of important changes to crop insurance that will directly impact the risk management decisions made by growers. It is unlikely all details will be available for September 30 crop insurance signup.

Banquet Room B

Kevin Dhuyvetter & Ted Schroeder

New Risk Era? Are Traditional Risk Management Tools Effective?

Price variability, market volatility, limit moves... These are some of the terms that are becoming common in everybody’s vocabulary these days. What are the implications of this increased risk from a marketing standpoint? Should producers be increasing their use of risk management tools, or are these tools even effective in this environment? This session will discuss price risks in the current environment and what impact they have on various marketing tools/strategies.

Tadtman Board Room

Paul Clark, Kara Ross, Kelly Chen

Strong Dollar/Weak Dollar: Its impact on Agriculture

Recently, the press has had stories about the damaging effect of the ‘weak’ US dollar. Trade theory tells us that as the price of the dollar, the export sector benefits and the import sector suffers. As a result, there is an increase in the export demand for the commodity, which contributes to an increase in the domestic price. On the other hand, prices paid for imported goods increase, raising the cost of production. This paper reviews the basics of foreign exchange and what it means to say a currency is ‘weak’ or ‘strong’. We then compare the trade-weighted exchange rate of the US dollar to the CRB commodity price index and NASS ‘Prices Paid by Farmers’ to investigate how changes in the exchange rate of the dollar impact prices received and paid by farmers.

Purple Pride Room

Kent Miller & Lynn Hennigan

Farm Tax and Retirement Panning in Good Economic Years

Kansas farmers realized record high farm incomes during 2007. Kent and Lynn will review tax management strategies that will help soften the tax bite in 2008. They will review new tax legislation that significantly expands depreciation available on purchases of equipment and buildings in 2008. Retirement plans for farmers and their employees will also be discussed.

Lecture Room

Rich Llewelyn

Web Ways: Intelligent Internet Interaction

The Internet is an excellent way to obtain needed information. However, rapid changes in technology (Web 2.0), the abundant and varied information available, as well as the increased mobility and interactivity allowed by the Internet can create challenges and difficulties in efficiently accessing and using the information on the web. Though not comprehensive, this presentation notes some of the current trends in Internet usage and seeks to help users to make more effective use of the Internet. The AgManager.info website is used as an example of some of the issues discussed.

