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| 1. <i>Kansas Land Values</i><br><b>Mykel Taylor and Kevin Dhuyvetter</b>                            | Banquet Room A                         |
| 2. <i>Kansas Rental Values</i><br><b>Kevin Dhuyvetter and Mykel Taylor</b>                          | Banquet Room A                         |
| 3. <i>Pasture Lease Pricing: Comparing Methods</i><br><b>David Kehler</b>                           | Banquet Room A                         |
| 4. <i>Basics of Futures and Options: Part 1</i><br><b>Sean Fox</b>                                  | Purple Pride, 305                      |
| 5. <i>Basics of Futures and Options: Part 2</i><br><b>Sean Fox</b>                                  | Purple Pride, 305                      |
| 6. <i>Short-Dated Corn and Soybean Options</i><br><b>Orlen Grunewald</b>                            | Purple Pride, 305                      |
| 7. <i>USDA Crop and Livestock Reports</i><br><b>Rich Llewelyn</b>                                   | Lecture Room, 307<br>Tadtman Boardroom |
| 8. <i>Investing 101 and Why Economists Drive Dodge Darts</i><br><b>Joe Arata</b>                    | Purple Pride, 305                      |
| 9. <i>Grain Ethanol and Biodiesel Impacts</i><br><b>Daniel O'Brien</b>                              | Banquet Room B                         |
| 10. <i>The Farm Bill and Crop Insurance</i><br><b>Art Barnaby</b>                                   | Banquet Room A                         |
| 11. <i>U.S. Beef Demand</i><br><b>Glynn Tonsor</b>  | Tadtman Boardroom                      |
| 12. <i>Tacking the Big Issues in the U.S. Cattle Industry</i><br><b>Glynn Tonsor</b>                | Tadtman Boardroom                      |
| 13. <i>World Supply and Demand For Food</i><br><b>Nathan Hendricks</b>                              | Banquet Room B                         |
| 14. <i>Strategic Risk Management</i><br><b>Bryan Schurle</b>  | Banquet Room B                         |
| 15. <i>Risk Rating Kansas Farmer Cooperatives</i><br><b>Brian Briggeman and Chuck Mickelson</b>     | Lecture Room 307                       |
| 16. <i>Are the Most Profitable Farms Consistently the Most Profitable?</i><br><b>Gregg Ibendahl</b> | Banquet Room B                         |
| 17. <i>Estate Planning Basics</i><br><b>Kent Miller</b>   | Tadtman Boardroom                      |
| 18. <i>There is More to An Estate Plan Than a Will or Trust</i><br><b>Clay Simons</b>               | Tadtman Boardroom                      |
| 19. <i>Economic Impact of Ogallala Aquifer Depletion</i><br><b>Bill Golden</b>                      | Lecture Room 307                       |
| 20. <i>Rural Grocery Initiative</i><br><b>Hikaru H. Peterson</b>                                    | Lecture Room 307                       |

### 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 18th year, with more than 2400 total attendance and more than 350 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.

## WEDNESDAY, AUGUST 21, 2013

10:30 am – 12:00 pm REGISTRATION

11:30 am – 12:30 pm LUNCH

12:30 pm – 1:45 pm KEYNOTE ADDRESS

*“Grain Markets and the RFS: All Eyes on the EPA”***Scott Irwin:**Laurence J. Norton Chair of Agricultural Marketing  
University of Illinois, Champaign, IL

2:00 pm – 2:50 pm SESSION I

**Mykel Taylor and Kevin Dhuyvetter** Banquet Room A*Kansas Land Values -- How Do Survey Values Compare With  
Transaction Prices?***Dan O'Brien** Banquet Room B*Corn and Grain Sorghum Production Efficiency in Kansas***Sean Fox** Banquet Room C*Basics of Futures and Options: Part 1***Hikaru Peterson** Lecture Room, 307*Rural Grocery Initiative*

3:00 pm – 3:50 pm SESSION II

**Kevin Dhuyvetter and Mykel Taylor** Banquet Room A*Kansas Rental Values -- What Cash Rent Information is Right?***Gregg Ibendahl** Banquet Room B*Are the Most Profitable Farms Consistently the Most Profitable?***Kent Miller** Tadtman Board Room, 201*Estate Planning: Important Issues***Sean Fox** Banquet Room C*Basics of Futures and Options: Part 2***Rich Llewelyn** Lecture Room, 307*USDA Crop and Livestock Reports: What, When, and Where?*

**Kick-Off Session: November 19-20, 2013**  
**Concluding Session: February 18-19, 2014**

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### K-State Department of Agricultural Economics

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4:00 pm – 4:50 pm

SESSION III

David Kehler

Banquet Room A

*Pasture Lease Pricing, a Comparison of Methods*

Dan O'Brien

Banquet Room B

*Corn and Grain Sorghum Production Efficiency in Kansas*

Clay Simons

Tadtman Board Room, 201

*There's More to an Estate Plan Than a Will or Trust*

Joe Arata

Banquet Room C

*Investing 101 and Why Economists Drive Dodge Darts*

Bill Golden

Lecture Room, 307

*Economic Impacts of the Ogallala Aquifer Depletion in West-Central Kansas*

5:00 pm - 6:00 pm

Social & Cash Bar

6:00 pm - 6:45 pm

DINNER

6:45 pm - 8:00 pm

EVENING SPEAKER

*"A Conversation With A Kansas Producer"*

**Terry Kastens**  
Herndon, Kansas

Moderated by: **Eric Atkinson**  
K-State Radio Network

6:45 am - 7:15 am BREAKFAST

7:15 am - 9:00 am GENERAL SESSION

*Grain Outlook: Dan O'Brien*

*Livestock Outlook: Glynn Tonsor*

9:00 am - 9:10 am Break

9:10 am - 10:00 am SESSION IV

Art Barnaby Banquet Room A

*The Farm Bill and Crop Insurance*

Bryan Schurle Banquet Room B

*Strategic Risk Management*

Kent Miller Tadtman Board Room, 201

*Estate Planning: Important Issues*

Orlen Grunewald Purple Pride Room, 305

*Short-Dated Corn and Soybean Options*

Hikaru Peterson Lecture Room, 307

*Rural Grocery Initiative*

10:10 am - 11:00 am SESSION V

Mykel Taylor and Kevin Dhuyvetter Banquet Room A

*Kansas Land Values -- How Do Survey Values Compare With Transaction Prices?*

Nathan Hendricks Banquet Room B

*World Supply and Demand for Food: An Historical Perspective and Future Prospects*

Clay Simons Tadtman Board Room, 201

*There's More to an Estate Plan Than a Will or Trust*

Joe Arata Purple Pride Room, 305

*Investing 101 and Why Economists Drive Dodge Darts*

Bill Golden Lecture Room, 307

*Economic Impacts of the Ogallala Aquifer Depletion in West-Central Kansas*

11:10 am - 12:00 am SESSION VI

Kevin Dhuyvetter and Mykel Taylor Banquet Room A

*Kansas Rental Values -- What Cash Rent Information is Right?*

Bryan Schurle Banquet Room B

*Strategic Risk Management*



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**11:10 am - 12:00 pm**

**Glynn Tonsor**

*U.S. Beef Demand: Recent Project Synthesis and Expert Views on the Next 10 Years*

**SESSION VI (Continued)**

Tadtman Board Room, 201

**Orlen Grunewald**

Purple Pride Room, 305

*Short-Dated Corn and Soybean Options*

**Brian Briggeman and Chuck Mickelson**

Lecture Room, 307

*Risk Rating Kansas Farmer Cooperatives: An Application of the Moody's Rating Methodology*

**12:10 - 12:50 pm**

**LUNCH**

**1:00 pm - 1:50 pm**

**SESSION VII**

**David Kehler**

Banquet Room A

*Pasture Lease Pricing, a Comparison of Methods*

**Nathan Hendricks**

Banquet Room B

*World Supply and Demand for Food: An Historical Perspective and Future Prospects*

**Glynn Tonsor**

Tadtman Board Room, 201

*Tackling Big Issues in the US Cattle Industry: An Interactive 'Clicker Session'*

**Sean Fox**

Purple Pride Room, 305

*Basics of Futures and Options: Part 1*

**Brian Briggeman and Chuck Mickelson**

Lecture Room, 307

*Risk Rating Kansas Farmer Cooperatives: An Application of the Moody's Rating Methodology*

**2:00 pm - 2:50 pm**

**SESSION VIII**

**Art Barnaby**

Banquet Room A

*The Farm Bill and Crop Insurance*

**Gregg Ibendahl**

Banquet Room B

*Are the Most Profitable Farms Consistently the Most Profitable?*

**Rich Llewelyn**

Tadtman Board Room, 201

*USDA Crop and Livestock Reports: What, When, and Where?*

**Sean Fox**

Purple Pride Room, 305

*Basics of Futures and Options: Part 2*

**3:00 pm - 3:30 pm**

**GENERAL SESSION**

*Panel Discussion and Q&A*







2:00 pm - 2:50 pm

SESSION I

Mykel Taylor and Kevin Dhuyvetter Banquet Room A
Kansas Land Values -- How Do Survey Values Compare With Transaction Prices?

The session will provide insight into the current cropland and pasture land market in Kansas. Using actual land sales from the Property Valuation Department in Topeka, county-level estimates of land values will be presented. We will also discuss factors driving land values, including parcel size, soil quality rating, timing of sale, and investor-related issues such as interest rates and real estate market liquidity.

Dan O'Brien Banquet Room B
Corn and Grain Sorghum Production Efficiency in Kansas

The production and economic efficiency of corn and grain sorghum is a critical issue for Kansas farmers. The results of a study by KSU Agronomists and Ag Economists is discussed, focusing on how corn and grain sorghum compare under irrigated and dryland cropping systems, and under what cropping systems and in what geographic regions of the state that crop producers might prefer one crop or another or both in proportion depending on factors critical to their farming operations.

Sean Fox Banquet Room C

Basics of Futures and Options: Part 1

Futures markets: a. Where they are, contracts traded, months traded, contract specs, volume, open interest, b. Performance guarantee, offsetting – how those work, c. Margin requirements, price limits d. Open outcry vs computer trading. Trading: a. Opening an account, Choosing a broker – local vs online, commissions, b. Types of order: market, limit, stop orders, c. Hedging accts vs Speculation accts (margin and tax implications). Hedging: a. Basis, basis risk, basis patterns, b. Basics of a short (long) hedges, c. Futures vs cash forward contracts d. Hedge-to-arrive (HTA) and basis contracts, e. Marketing alternatives for different price and basis situations.

Hikaru Peterson Lecture Room, 307

Rural Grocery Initiative

Rural communities struggle to sustain core economic, nutritional, and civic needs as they battle economic and demographic forces of decline. A central piece of the infrastructure sustaining rural regions is the small-town, independently-owned grocery store. These stores are a vital piece of the local food system, providing a supply of fresh fruits, vegetables, dairy, breads, grains, and meats. They are a cornerstone business functioning as an important part of the economic engine that drives rural regions of our country. These stores are also important community assets, serving as community recruitment and retention tools and functioning as sites where social capital is built. Yet, almost daily, another of these small businesses shuts its doors and calls it quits. The Rural Grocery Initiative at Kansas State University was launched in 1997 to identify and develop models to sustain retail sources of food for rural Kansas citizens. This session will share the Initiative's recent research and outreach efforts and asks the audience to share stories about their community needs.

Notes from this session:

Multiple horizontal lines provided for taking notes.





3:00 pm - 3:50 pm

SESSION II

Kevin Dhuyvetter and Mykel Taylor Banquet Room A

Kansas Rental Values -- What Cash Rent Information is Right?

Beginning in 2009 Kansas Agricultural Statistics (KAS) has surveyed producers and landowners regarding cash rent for crop land and pasture at the county level. This provides much more information than has been available historically (values were only available at the Crop Reporting District level). However, in recent years with land values increasing significantly, the appropriateness of these survey values as a reflection of the current cash rent market has been questioned. In response to this, an alternative method of estimating cash rents for cropland at the county level has been developed. This session will outline the alternative method developed and report on values from the two approaches and discuss reasons as to why they might vary. While a similar type of approach is not currently available for pasture rents, an alternative approach for estimating pasture rents at the county level will also be presented and discussed.

Gregg Ibendahl Banquet Room B

Are the Most Profitable Farms Consistently the Most Profitable?

Whether by luck, better management, more rainfall, or a different enterprise mix, some farmers will be more profitable than other farmers. However, over a period of years, is there consistency among the population of farmers who are most profitable? Are the most profitable farms in any given year also the most profitable farms over a long-term time horizon? This paper investigates a 15-year panel data set of similar farms from Kansas to determine if the most profitable farms are consistent across time. We find that both management and weather/luck contribute to overall profitability. Even though the bottom decile of farmers consistently have negative net farm income each year, the 15-year average net farm income only has 4 percent of farms with a negative average.

Kent Miller Tadtman Board Room, 201

Estate Planning: Important Issues

Congress finally passed permanent legislation in January 2013 in regards to the Federal Estate Tax Exemption, so farmers finally have direction to complete their estate and transition planning. This session will review the current estate and gift tax rules and present some example estate plans a farmer may want to consider.

Sean Fox Banquet Room C

Basics of Futures and Options: Part 2

Market analysis: a. Fundamental analysis, b. Technical analysis – charts, terminology, etc. Options: a. Puts and calls, b. Option premium – intrinsic and time value, c. Options for hedging (minimum price contracts).

Rich Llewelyn Lecture Room, 307

USDA Crop and Livestock Reports: What, When, and Where?

For the most part, commodity markets are efficient. It is unlikely that someone will consistently beat the market. But it is possible to end up well behind the market if you don't know what is going on. Focusing on USDA crop and livestock reports, this presentation will help participants understand what information is freely available and when, as well as where to find it, in order to be aware of times when a market may be absorbing this information, causing changes in prices.

Notes from this session:

Horizontal lines for taking notes.



4:00 pm - 4:50 pm

SESSION III

David Kehler

Banquet Room A

Pasture Lease Pricing, a Comparison of Methods

This session will provide the opportunity for a discussion of pasture grazing leases. We will discuss and evaluate the different types of leases such as “double – stock”, ¾ season, and full season grazing. The various methods of pricing will be presented and discussed. These include per acre, per head and per gain methods. While this discussion while focus on Flint Hills native grazing, the principles will apply to all types of pasture.

Dan O'Brien

Banquet Room B

Corn and Grain Sorghum Production Efficiency in Kansas

The production and economic efficiency of corn and grain sorghum is a critical issue for Kansas farmers. The results of a study by KSU Agronomists and Ag Economists is discussed, focusing on how corn and grain sorghum compare under irrigated and dryland cropping systems, and under what cropping systems and in what geographic regions of the state that crop producers might prefer one crop or another or both in proportion depending on factors critical to their farming operations.

Clay Simons

Tadtman Board Room, 201

There's More to an Estate Plan Than a Will or Trust

Agricultural production is an asset intensive business, and farm and ranch families generally accumulate substantial estates over their careers. While an understanding of the legal aspects of an estate plan is important, there are a variety of issues that families should consider before they visit their lawyer and draw up an estate plan. This session explores many of these issues including having an accurate inventory of assets, the differing goals of spouses, treatment of on farm and off farm heirs and the importance of family communications.

Joe Arata

Banquet Room C

Investing 101 and Why Economists Drive Dodge Darts

Economic financial theory is based in part on the theories that include the Efficient Market Hypothesis, Random Walk theory and others that are manifestly false and incorrect.

Bill Golden

Lecture Room, 307

Economic Impacts of Ogallala Aquifer Depletion in West-Central Kansas

Between 1990 and 2005, Groundwater Management District #1 experienced a reduction in irrigated crop acres of approximately 44,500 acres or 16.6%. The purpose of this research was to estimate the economic impact associated with this reduction on the producer and regional economy. The preliminary results suggest that the reduction in irrigated acres occurred gradually enough to allow producers and communities to mitigate possible losses in revenues. Evidence suggests that rapid adoption of more efficient irrigation technology allowed irrigated crop producers to maintain profitability by shifting to a higher valued crop mix. Comparisons of farm revenue, farm labor, and total wages in the community suggest that relative to Groundwater Management District #4, Groundwater Management District #1 experienced limited negative economic impacts.

Notes from this session:

Series of horizontal lines provided for taking notes.









