### Page 32

# **ROOM ASSIGNMENTS**

1.	2015 Kansas Weather Compared to Long Term Trends Terry Griffin	Tadtman Boardroom
2.	Kansas Ag Land Values Update Mykel Taylor	Banquet Room A
3.	Do Kansas Farmers Pay Taxes? Allen Featherstone	Banquet Room A
4.	Will Policymakers Reduce the Farm Safety Net? Art Barnaby	Banquet Room B
5.	Chipotle Andrew Barkley	Tadtman Boardroom
6.	Making the Most of Precision Ag Technology and Big Data Terry Griffin	Banquet Room B
7.	Examination Of Machinery Costs And Investment In Kansas Gregg Ibendahl and Terry Griffin	Tadtman Boardroom
8.	Bluestem and Pasture Leasing Tentative Survey Results Leah Tsoodle	Banquet Room B
9.	Effect of Collective Action Water Policy on Kansas Farmers' Irrigation Decisions Krystal Drysdale and Nathan Hendrick	
10.	What is Needed for a Successful LEMA? Nathan Hendricks	Purple Pride, 305 Tadtman Boardroom
11.	Update on the Economic Impact of the Sheridan #6 LEMA Bill Golden	Purple Pride, 305
12.	Managing Risk in Today's Environment Elizabeth Yeager	Banquet Room A
13.	Farm Income Tax Management Mark Dikeman	Lecture Room 307
14.	Looking to the Future for the Kansas Grain Industry: Elevators, Railroads and Services Dan O'Brien	Banquet Room B Banquet Room A
15.	Economic Value of Trust (Survey) Claire Newman and Brian Briggeman	Lecture Room 307
16.	<ul> <li>a. Productivity Of Smallholder Producers In Northern Ghana Elizabeth Gutierrez, et al.</li> <li>b. The Use Of Fertilizer And Its Impact On Productivity In Northern Ghana Maxime Salin-Maradeix, et al.</li> </ul>	Lecture Room 307
17.	<ul> <li>a. Factors Influencing the Intensity of Market Participation of Maize, Rice and Soybean Smallholder Farmers: Recen Evidence from Northern Ghana Agness Mzyece, et a</li> <li>b. Effect of Credit Access on Storage and Infrastructure in Northern Ghana Adam Hancock, et al.</li> </ul>	t
18.	Hands-On: Using Excel Effectively Rich Llewelyn	Purple Pride, 305

## 2015 RISK AND PROFIT CONFERENCE Page 1

### **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 20th year, with more than 2650 total attendance and more than 400 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.

# Page 2 SESSIONS AND TOPICS

## THURSDAY, AUGUST 20, 2015

10:00 am - 10:30 am

REGISTRATION

10:30 am – 12:10 pm

**GENERAL SESSION 1** 

"Livestock Market Situation and Outlook" Glynn Tonsor—K-State Dept. of Agricultural Economics "Grain Market Situation and Outlook" Dan O'Brien—K-State Dept. of Agricultural Economics

12:15 pm – 1:00 pm

LUNCH

1:00 pm – 2:15 pm GENERAL SESSION 2 "Extreme Weather for Crops: Too Dry, Too Wet, and Even Ideal" Elwynn Taylor—Iowa State University

2:30 pm – 3:20 pm SESSION I Mykel Taylor Banquet Room A Kansas Ag Land Values Update Art Barnaby Banquet Room B Will Policymakers Reduce the Farm Safety Net? Gregg Ibendahl and Terry Griffin Tadtman Board Room, 201 Examination of Machinery Costs and Machinery Investment in Kansas Nathan Hendricks Purple Pride Room, 305 What is Needed for a Successful LEMA?

- a) Elizabeth Gutierrez, et al. Lecture Room, 307 Productivity of Smallholder Producers in Northern Ghana
- b) Maxime Salin-Maradeix, et al. Lecture Room, 307 Use of Fertilizer and Its Impacts on Productivity in Northern Ghana

### 2015 RISK AND PROFIT CONFERENCE Page 31

K-State Department of Agricultural Economics Graduate Programs

(M.S. and Ph.D.)

# Dr. Sean Fox

Director of Graduate Studies 218 Waters Hall Manhattan, KS 66506 <u>seanfox@k-state.edu</u>



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# Page 30 TRADE SHOW EXHIBITORS



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# 2015 RISK AND PROFIT CONFERENCE Page 3

3:30 pm – 4:20 pm	SESSION II			
Allen Featherstone	Banquet Room A			
Do Kansas Farmers Pay	/ Taxes?			
Terry Griffin	Banquet Room B			
Making the Most of Precision Ag Tech	Making the Most of Precision Ag Technology and Big Data			
Andrew Barkley Ta	adtman Board Room, 201			
Chipotle				
Krystal Drysdale and Nathan Hendricks Purple Pride Room, 305				
Effect of Collective Action Water Policy on Kansas Farmers' Irrigatior Decisions				
Mark Dikeman	Lecture Room, 307			
Farm Income Tax Management				
4:30 pm – 5:20 pm	SESSION III			
Elizabeth Yeager	Banquet Room A			
Managing Risk in Today's E	Environment			
Dan O'Brien	Banquet Room B			
Looking to the Future for the Kansas Grain Industry: Elevators, Railroads and Services				
Gregg Ibendahl and Terry Griffin Tadtman Board Room, 201				
Examination of Machinery Costs and Machinery Investment in Kansas				
Bill Golden	Purple Pride Room, 305			
Update on the Economic Impact of the Sheridan #6 LEMA				
Claire Newman/Brian Briggeman	Lecture Room, 307			
Economic Value of Trust				
Farmers receive \$50 for pa	articipating!			
5:30 pm - 6:00 pm	Social & Cash Bar			
6:00 pm - 6:45 pm	DINNER			
6:45 pm - 8:00 pm GENERAL SESSION 3: Evening Speaker "A Conversation With A Kansas Producer" Jason Ochs, Syracuse, Kansas				

Moderated by: Eric Atkinson K-State Radio Network

# Page 4 FRIDAY, AUGUST 21, 2015

7:00 am - 7:30 am

**ROLLS/JUICE/COFFEE** 

7:30 am – 8:30 am GENERAL SESSION 4 "Whither the Cattle Cycle? Drought, or Something Else?" Gary Brester—Montana State University

SESSION IV 8:40 am - 9:30 am Mykel Taylor Banquet Room A Kansas Ag Land Values Update **Terry Griffin** Banquet Room B Making the Most of Precision Ag Technology and Big Data Andrew Barkley Tadtman Board Room, 201 Chipotle Krystal Drysdale and Nathan Hendricks Purple Pride Room, 305 Effect of Collective Action Water Policy on Kansas Farmers' Irrigation Decisions a) Agness Mzyece, et al. Lecture Room, 307 Factors Influencing the Intensity of Market Participation of Maize, Rice and Soybean Smallholder Farmers: Evidence from Northern Ghana b) Adam Hancock, et al. Lecture Room, 307 Effect of Credit Access on Storage and Infrastructure in Northern Ghana 9:40 am - 10:30 am SESSION V Allen Featherstone Banquet Room A Do Kansas Farmers Pay Taxes? Leah Tsoodle Banquet Room B Bluestem and Pasture Leasing Tentative Survey Results Tadtman Board Room, 201 Terry Griffin 2015 Kansas Weather Compared to Long Term Trends for Fieldwork Probabilities **Bill Golden** Purple Pride Room, 305 Update on the Economic Impact of the Sheridan #6 LEMA Claire Newman/Brian Briggeman Lecture Room, 307 Economic Value of Trust (Survey) Farmers receive \$50 for participating!

10:45 am - 11:45 am

**GENERAL SESSION 5** 

Future Farm Policy and Drought Risk Keith Coble, Mississippi State University

### 2015 RISK AND PROFIT CONFERENCE Page 29



# Kansas Agricultural Mediation Services (KAMS)

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# Page 28 TRADE SHOW EXHIBITORS



# **KANSAS SOYBEAN COMMISSION**

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# www.kansassoybeans.org



greatplainsgrazing@gmail.com www.GreatPlainsGrazing.org



# 2015 RISK AND PROFIT CONFERENCE Page 5

11:50 am - 12:30 pm

LUNCH

12:30 pm - 1:30 pm

GENERAL SESSION 6
Panel Discussion

Adrian Polansky—State USDA FSA Director, Kansas Ron Suppes—Farmer from Dighton, KS David Schemm—Farmer from Sharon Springs, KS Paul Penner—Farmer from Hillsboro, KS

1:40 pm - 2:30 pm	SESSION VI			
Dan O'Brien	Banquet Room A			
Looking to the Future for the Kansas Grain Industry: Elevators, Railroads and Services				
Art Barnaby	Banquet Room B			
Will Policymakers Reduce the Farm Safety Net?				
Terry Griffin	Tadtman Board Room, 201			
2015 Kansas Weather Compared to Long Term Trends for Fieldwork Probabilities				

 Rich Llewelyn
 Purple Pride Room, 305

 Hands-On: Using Excel Effectively

 Mark Dikeman
 Lecture Room, 307

Farm Income Tax Management

2:40 pm - 3:30 pm	SESSION VII			
Elizabeth Yeager	Banquet Room A			
Managing Risk in Today's Environment				
Leah Tsoodle	Banquet Room B			
Bluestem and Pasture Leasing Tentative Survey Results				
Nathan Hendricks	Tadtman Board Room, 201			
What is Needed for a Successful LEMA?				
Rich Llewelyn	Purple Pride Room, 305			
Hands-On: Using Excel Effectively (CONTINUED)				

**CONFERENCE ADJOURNS** 

# Page 6 THURSDAY, AUGUST 20, 2015

### 10:30 am – 12:10 pm GENERAL SESSION I Grain Market Situation and Outlook Dr. Dan O'Brien Livestock Market Situation and Outlook Dr. Glynn Tonsor

#### Grain Outlook - Dan O'Brien

Since January 2015 the prevailing consensus in feedgrain, oilseed and wheat markets has been that a "buyers market" exists, and that the current "large stocks - low price" situation in grain markets will continue through the remainder of 2015 into 2016 and possibly longer. In addition, the over-arching negative impact of financial and currency market trends and weak or uncertain demand for U.S. grain exports have also been negative factors affecting U.S. grain market price prospects. In this session we will first describe the current grain market situation, and then examine the key grain factors to watch in determining the path of grain markets from fall 2015 through 2016. The likelihood of alternative outcomes for corn, sorghum, wheat and soybean markets will be examined, with the probability of each scenario provided.

**Daniel O'Brien** was raised on a grain and livestock farm in south central Nebraska. He received bachelors and masters degrees in Agricultural Economics from the University of Nebraska-Lincoln. After completing his Ph.D. at Iowa State, he worked as the Extension Agricultural Economist at the Northwest Research and Extension Center in Colby and was Northwest Area Extension Administrative Director starting in 2003 before returning to his Extension Agricultural Economist position in January 2007. His ongoing extension and applied research interests and efforts are in the areas of a) grain market supply-demand analysis, bioenergy impacts and risk management strategies, b) grain industry market structure, conduct and performance – focusing on grain handling and transportation issues, and c) economic analysis of irrigated and dryland cropping systems, and cropland leasing arrangements.

#### Livestock Outlook - Glynn Tonsor

2015 has been a memorable year so far for the entire meat and livestock industry. The combination of changing meat and livestock supplies, animal health developments, adverse export market changes, and ongoing domestic meat demand strength have underpinned market developments and prospects for upcoming months. This session will primarily focus on the U.S. beef and cattle industry and summarize this situation and highlight "big picture factors" that will notably influence upcoming profitability. The session will include time for informal exchange of thoughts on broader economic issues facing the entire livestock and meat industry – so bring your questions!

**Glynn T. Tonsor** joined the Dept. of Agricultural Economics at Kansas State University in March 2010 as an Assistant Professor. He obtained his Ph.D. from KSU in 2006 and was an Assistant Professor in the Dept. of Agricultural, Food, and Resource Economics at Michigan State University from May 2006 to March 2010. Glynn's current efforts are primarily devoted to a range of integrated research and extension activities with particular focus on the cattle/beef and swine/pork industries. He has broad interests and experiences which span issues throughout the meat supply chain. Through applied research and first-hand knowledge of livestock production, Glynn has expertise in topics including animal identification and traceability, animal welfare and handling, food safety, and price risk management and analysis.

## 2015 RISK AND PROFIT CONFERENCE Page 27

# Page 26 FRIDAY, AUGUST 21, 2015

## 2:40 pm – 3:30 pm

# SESSION VII

#### **Elizabeth Yeager**

#### Yeager Banquet Room A Managing Risk in Today's Environment

Risk management is concerned to successful farm management. Traditionally, most farms have focused their attention on one particular aspect of risk, namely price and yield risk. In reality, farms face countless risks to their operations including prices and yields, but also weather operation human

countless risks to their operations including prices and yields, but also weather, operation, human resource, legal, and other risks. Understanding the interactions and management of these risk is no small task. This interactive session will guide you to think about risk on the farm more holistically as well as provide strategies for managing in times of financial stress.

#### Leah Tsoodle

#### Banquet Room B

Getting the Most Value From Limited Irrigation Water The Land Use Value Program Survey Division in the Department of Agricultural Economics collects information on all types of pasture use and practices, including Bluestem pasture. This survey replaces the "Bluestem Pasture Survey", conducted previously by NASS, and has never been offered in an electronic format. We asked for information describing the grazing outlook, pasture availability, pasture leasing rates, and charges for custom fence building. Response to this survey is/was voluntary and individual responses are completely confidential. The tentative results that we present will be aggregated to the Crop Reporting District level. The results from the survey will provide timely information about Kansas pasture use and practices to stakeholders, like you.

#### **Nathan Hendricks**

#### Tadtman Board Room, 201

#### What is Needed For A Successful LEMA?

I will discuss the conditions under which reductions in water withdrawals lead to long-run economic benefits and the conditions that make a proposed LEMA (Local Enhanced Management Area) more likely to be supported by local water users. The discussion will focus on principles identified by the literature with application to Kansas groundwater management. Types of issues that will be discussed for a successful LEMA include identifying policy boundaries, alternative forms of water use restrictions, monitoring, and sanctions. Rather than specific recommendations, the purpose of this session is to encourage careful consideration of different aspects of any LEMA.

#### Rich Llewelyn (CONTINUED) Purple Pride Room, 305 Hands-On: Using Excel Effectively

The ability to use Excel spreadsheets allows users to have the capability to benefit from the many Excel calculators and tools publicly available. This two-hour workshop will provide hands-on Excel training. The workshops will use laptop computers to allow participants to create their own spreadsheets. Various spreadsheets will be created which will teach the following skills: creating appropriate mathematical formulae and using the correct functions, linking between sheets, using absolute and relative references, formatting, copying, look-up tables, and what-if analysis. In addition, a portion of the session will introduce several of the Excel tools on the AgManager.info website.

### 2015 RISK AND PROFIT CONFERENCE Page 7

# 1:00 pm – 2:15 pm KEYNOTE ADDRESS Dr. Elwynn Taylor Professor in Ag Meteorology Iowa State University "Extreme Weather for Crops: Too Dry, Too Wet, and Even Ideal"



**Dr. Elwynn Taylor** is a professor at Iowa State University in Ag Meteorology with a vision of mega-trends in technology, climate and society that opens the horizons of our enigmatic world. His extensive knowledge and understanding of the world around us enlightens and entertains. His insightful presentations are immediately useful in the management of business and life. Few can explain the complexities of our world in a manner as clear, concise, and pleasant, as does Dr. Taylor, who re-

ceived his doctorate in Biology from Washington University in St. Louis. Scholars internationally recognize his expertise in interactions of the biological and physical environment.

SUMMARY: Corn yield per acre in Riley County, KS has been more erratic from 2001-2014 than was experienced from 1981-2000. The year-to-year volatility of soybean yield is similar to that of corn. The consistency of the pattern of favorable and adverse production years indicates that the management of "Weather Related Risk" to production and marketing during the coming decade will be of increasing importance to farm profits. The 2010-2011 drought conditions from Texas to Kansas and in the central cornbelt during 2012-2013 are similar to those experienced during the mid-1950's (both episodes being directly related to very strong La Niña events). Precipitation patterns appear to have a multi-year nature as do other major components of our climate. Risk management is, and should be, more than disaster insurance hedging the farm against the random nature of weather and markets. Use of government estimates and forecasts combined with careful analysis of observed crop conditions and weather impacts provide profitable alternative positions that can enhance the financial security of an individual's farming program.

# Page 8 THURSDAY, AUGUST 20, 2015

## 2:30 pm - 3:20 pm

SESSION I Banguet Room A

#### **Mykel Taylor**

Kansas Ag Land Values Update

This presentation covers recent information on the land market in Kansas, trends in rental rates, and discusses where land values and rental rates might be headed in the near future.

#### Art Barnaby

Banquet Room B

#### Will Policymakers Reduce the Farm Safety Net?

Currently the Law provides for the commodity title that primarily covers price risk and a crop insurance title that covers yield risk. Both programs cover revenue risk, but the bulk of the revenue risk is covered under crop insurance. These have been "floated" in Congress: to eliminate the harvest price, eliminate the subsidy on the harvest price, means testing and to fix declining APH's. How would any of these changes affect actuarial soundness, and farmer participation decisions? Should farmers rethink their crop insurance decisions with the addition of the commodity title? Would the elimination of the harvest price affect actuarial soundness? Does that mean anything to farmers?

### Gregg Ibendahl/Terry Griffin Tadtman Board Room, 201

#### Examination of Machinery Costs and Investment in Kansas

Machinery is an important asset class on grain farms with the typical Kansas farm owning \$400,000 of machinery. Because farm machinery is expensive and costly to operate, farms have incentives to monitor and control their machinery purchases. However, farm incomes nearly doubled in 2007 and have remained high through 2013. This paper examines whether farmers used that extra income to purchase more and newer equipment and, if they did, whether equipment costs increased significantly. We find that equipment levels (either more or newer equipment) did increase slightly over 20 years and substantially since 2007. However, the added equipment did not significantly affect production costs as the operating costs of the machinery is over six times the management depreciation cost.

#### Nathan Hendricks

#### Purple Pride Room, 305

#### What is Needed For A Successful LEMA?

I will discuss the conditions under which reductions in water withdrawals lead to long-run economic benefits and the conditions that make a proposed LEMA (Local Enhanced Management Area) more likely to be supported by local water users. The discussion will focus on principles identified by the literature with application to Kansas groundwater management. Types of issues that will be discussed for a successful LEMA include identifying policy boundaries, alternative forms of water use restrictions, monitoring, and sanctions. Rather than specific recommendations, the purpose of this session is to encourage careful consideration of different aspects of any LEMA.

#### a) Elizabeth Gutierrez, et al.

Lecture Room, 307

#### Productivity of Smallholder Producers in Northern Ghana

This study examines and measures the performance differences between male and female producers in northern Ghana. Evidence from this study confirms the existence of gender differential in performance of smallholder's farmers in Northern Ghana. This study proves that there is a statistically significant gap of 51 percent between male and female performance and suggests that if males and females have equal access to resources, significant differences still exist between their performances.

#### b) Maxime Salin-Maradeix, et al.

#### Lecture Room, 307

Use Of Fertilizer And Its Impact On Productivity In Northern Ghana The purpose of this study is to gain a better understanding of how fertilizer affects the variation in productivity among smallholder farmers in northern Ghana. A two-part model is estimated and it takes into account several factors affecting producer's decision such as main crop and seed selection, irrigation, managerial decisions, and education. The results of this study lead to some recommendations in order to improve the use of fertilizer in Northern Ghana.

### 2015 RISK AND PROFIT CONFERENCE Page 25

#### FRIDAY, AUGUST 21, 2015 Page 24

# 1:40 pm – 2:30 pm

### **Banquet Room A**

SESSION VI

Looking to the Future for the Kansas Grain Industry: Elevators. Railroads and Services

In this session we will examine the current state of the Kansas grain industry in 2015 in terms of number and storage capacity of grain elevators and where they are located, the cooperative and/or independent business associations that exist in different parts of the state, the locations of high capacity-high speed shuttle train loading facilities in the state as well as ethanol plants and livestock feeding operations, and the status of railroad service for both primary (i.e., BNSF and UP) and other (K&O, SKOL, CKRY, etc.) rail providers to Kansas grain industry locations. This information will be compared to similar data from 2007, and will also be examined for different regions across the state. The session will wrap up with observations on future trends in the competitive structure of the Kansas grain industry.

#### Art Barnaby

Dan O'Brien

#### **Banquet Room B**

Will Policymakers Reduce the Farm Safety Net? Currently the Law provides for the commodity title that primarily covers price risk and a crop insur-

ance title that covers yield risk. Both programs cover revenue risk, but the bulk of the revenue risk is covered under crop insurance. These have been "floated" in Congress: to eliminate the harvest price, eliminate the subsidy on the harvest price, means testing and to fix declining APH's. How would any of these changes affect actuarial soundness, and farmer participation decisions? Should farmers rethink their crop insurance decisions with the addition of the commodity title? Would the elimination of the harvest price affect actuarial soundness? Does that mean anything to farmers?

#### Terry Griffin Tadtman Board Room. 201

#### 2015 Kansas Weather Compared to Long Term Trends

Producers strive to plant and harvest crops during optimal times for their given location. The leading uncontrollable factor impacting being able to conduct fieldwork in timely manner is the number of days suitable for fieldwork (DSFW). Knowledge of DSFW assists in planning, machinery purchase, and acreage allocation decisions. Machinery management decisions should be made considering equipment capacity and the likelihood of having sufficient DSFW to operate the machinery. Knowledge of these probabilities on DSFW, planting or harvest progress, and potential yield losses by planting and harvest date is important for machinery management, acreage allocation and financing decisions; and ultimately how many acres can realistically be managed with a given set of equipment. An understanding of DSFW also allows producers to anticipate bottlenecks that may occur during the growing season. Terry discusses long-term Kansas weather trends over last 35 years and specifically addresses how DSFW in 2015 compares for each of the nine crop reporting districts. Terry offers farm management examples for how these data can be used practically. **Rich Llewelyn** 

Purple Pride Room, 305

#### Hands-On: Using Excel Effectively

The ability to use Excel spreadsheets allows users to have the capability to benefit from the many Excel calculators and tools publicly available. This two-hour workshop will provide hands-on Excel training. The workshops will use laptop computers to allow participants to create their own spreadsheets. Various spreadsheets will be created which will teach the following skills: creating appropriate mathematical formulae and using the correct functions, linking between sheets, using absolute and relative references, formatting, copying, look-up tables, and what-if analysis. In addition, a portion of the session will introduce several of the Excel tools on the AgManager info website.

#### Mark Dikeman Lecture Room. 307

#### Farm Income Tax Management

In good years or bad, agricultural producers have a variety of tax management tools at their disposal. However, utilizing many of these strategies requires planning ahead. This presentation will provide an introduction to farm and ranch taxation, discuss tax management "theory", and look at some of the options available to farm and ranch taxpayers.

#### 2015 RISK AND PROFIT CONFERENCE Page 9

# Page 10 THURSDAY, AUGUST 20, 2015

# 3:30 pm - 4:20 pm

# SESSION II

#### Allen Featherstone

#### Banquet Room A

#### Do Kansas Farmers Pay Taxes?

During the last Kansas Legislative session proposals were introduced to change the taxes that farmers pay. This presentation will examine the property, sales, and income taxes that Kansas farmers pay using the Kansas Farm Management Association data.

#### **Terry Griffin**

#### Banquet Room B

Making the Most of Precision Ag Technology and Big Data Terry shares how farmers are implementing precision agriculture technologies at the farm level followed by how data collected by these systems are being used to make decisions. He explains how precision agricultural technologies such as yield monitors, GPS-enabled navigation, and automated application controllers are being used to empower farmers and their advisors to make better decisions. Terry describes how precision ag data evolved into today's 'big data'; and how the not-so-futuristic uses of farm-level data will generate value to be captured by farmers, landowners, and differing segments across the agricultural industry. Terry addresses the myths and realities of big data including a discussion of what the successful big data warehouse may look like. Terry briefly reviews ownership and access rights with respect to data; and how that data may impact farmland values and rental rates. He draws on examples regarding how the value of the initial uses of data differs from secondary and re-use of that data; and how those differences translate into perceived value from farm-level data to big data.

#### **Andrew Barkley**

### Tadtman Board Room, 201

#### Chipotle

Chipotle's "Food with Integrity" marketing effort has caused controversy, anger, and claims of false advertising within the food and agricultural industries. Yet, Chipotle remains one of the most successful restaurants in history, with growing sales and stock market values. This apparent contradiction will be explored in this presentation. Economics will be used to explain why Chipotle is successful, in spite of angering numerous groups, and what we can learn from Chipotle's achievement. The presentation will also provide useful, forward-looking strategies and successful reactions to Chipotle's success.

### Krystal Drysdale/Nathan Hendricks Purple Pride Room, 305

Effect of Collective Action Water Policy on Kansas Farmers' Irrigation Decisions

We evaluate changes in irrigation decisions in response to two collective action water policies in Kansas: the Rattlesnake Creek Management Plan and the Sheridan 6 LEMA. We estimate the impact of the two policies on total water use, water use intensity (inches per acre irrigated), total irrigated acreage, and cropping patterns. Our results indicate how farmers adjusted to the policies and what proportion of reduced water withdrawals (if any) were achieved through changes in irrigated acres, changes in cropping patterns, or change in the intensity of irrigation.

#### Mark Dikeman

#### Lecture Room, 307

#### Farm Income Tax Management

In good years or bad, agricultural producers have a variety of tax management tools at their disposal. However, utilizing many of these strategies requires planning ahead. This presentation will provide an introduction to farm and ranch taxation, discuss tax management "theory", and look at some of the options available to farm and ranch taxpayers.

### 2015 RISK AND PROFIT CONFERENCE Page 23

# 12:30 pm – 1:30 pm General Session VI PANEL DISCUSSION

### Adrian Polansky, Moderator

State Executive Director, USDA Farm Service Agency in Kansas



Adrian Polansky was appointed as state executive director of USDA's Farm Service Agency in Kansas by President Barack Obama in July 2009. He served in the same capacity from 1993 to 2001 under the Clinton Administration. Polansky brings a lifetime of agriculture experience to USDA. He served as secretary of the Kansas Department of Agriculture from 2003 to 2009, and owns a 1,900-acre family farm and wholesale farm seed company, both in Belleville, Kansas. Polansky is a lifelong Kansan who graduated from Kansas State University in 1972 with a Bachelor of Science degree in

agronomy. He has received many honors including the Kansas State University 2011 Distinguished Alumnus Award and 2006 College of Agriculture Distinguished Service Award.

#### Ron Suppes, Dighton, Kansas



Ron Suppes, Dighton, Kansas, represents District 2, west central Kansas, on the Kansas Wheat Commission. Suppes has been a Kansas Wheat Commissioner since 2003, serving as Chairman in 2013-2014. He was Chairman of U.S. Wheat Associates from 2007-2008, and currently serves as a member of the Board of Directors. He has traveled overseas extensively to promote Kansas and U.S. Wheat farmer interests. Ron and his wife, Shirley, farm about 11,000 acres in Lane, Scott, and Finney counties. Their main crops are wheat and sorghum. Their daughter and son-in-law, Shandi and

Chris Westergard, and granddaughter, Madison, live in Scott City. Their son, Shayne Suppes, farms with his parents, and has two daughters, Payton and Riley.

#### David Schemm, Sharon Springs, Kansas



David Schemm is a wheat farmer from Sharon Springs. He has been active on the Kansas Association of Wheat Growers Board since 2002. Within the Kansas Association of Wheat Growers, his fellow producers have elected him as a membership district director, secretary-treasurer, vice president and most recently president. David has also served on the board of the National Association of Wheat Growers (NAWG). He is an outstanding business manager in his farming operation and grows wheat, corn, grain, sorghum and

sunflowers. David was raised on the farm he now works, having graduated from Ambassador University. He returned to the farm in 1993. David and his wife Lisa have two adult sons who also work on the farm.

#### Paul Penner, Hillsboro, Kansas



Paul Penner owns and manages a cash grain farm in central Kansas near Hillsboro. His principal crops are wheat, soybeans, grain sorghum, corn and grass hay. A long-time member of KAWG, Paul has held each of that organization's officer chairs and has served as vice president and president. During his time in KAWG's leadership, Paul has been actively involved in the formation of Heartland Plant Innovations, Inc., a for-profit biotechnology company of which KAWG is a majority shareholder. He holds a bachelor's degree in business administration and economics from Tabor College in Hillsboro. Paul

and his wife, Deborah, have three adult children and celebrated the birth of twin granddaughters in 2010.

# Page 22 FRIDAY, AUGUST 21, 2015

10:45 am – 11:45 am General Session V Dr. Keith Coble *W.L. Giles Distinguished Professor of Agricultural Economics* Mississippi State University *"Future Farm Policy and Drought Risk"* 



**Dr. Keith Coble** is the W.L. Giles Distinguished Professor of Agricultural Economics and holds teaching, research, and extension appointments. His work focuses on risk management, agricultural and food policy, renewable energy, climate, insurance, and experimental economics. Coble has analyzed how farmers can use risk management tools such as futures contracts, crop insurance, and federal commodity programs. Work in renewable energy focuses on the federal policy for renewable energy and eco-

nomic feasibility of renewable energy. He has testified before Congressional Committees and has co-authored over fifty reports for government agencies. His insurance analysis and studies have modified several billion dollars of U.S. crop insurance premiums per year. Coble currently serves on the Council on Food, Agricultural and Resource Economics' Blue Ribbon Panel of Experts who provide guidance about matters of significance to policy makers.

**SUMMARY:** While significant progress has been made agronomics and farm management, drought still looms large as a risk that producers face. The 2014 Farm Bill focused on agricultural risk protection and insurance to an unprecedented degree. Coble will look at the drivers of the risk programs in the 2014 Farm Bill and then look forward at the crop insurance program of and farm programs of the future. In particular, the effect of big data on ag risk, potential changes in crop insurance subsidy, environmental issues, and future drought policy will be addressed.

### 2015 RISK AND PROFIT CONFERENCE Page 11

# Page 12 THURSDAY, AUGUST 20, 2015

## 4:30 pm - 5:20 pm

# SESSION III

#### **Elizabeth Yeager**

# Banquet Room A

Managing Risk in Today's Environment

Risk management is central to successful farm management. Traditionally, most farms have focused their attention on one particular aspect of risk, namely price and yield risk. In reality, farms face countless risks to their operations including prices and yields, but also weather, operation, human resource, legal, and other risks. Understanding the interactions and management of these risk is no small task. This interactive session will guide you to think about risk on the farm more holistically as well as provide strategies for managing in times of financial stress.

#### Dan O'Brien

#### Banquet Room B

Looking to the Future for the Kansas Grain Industry: Elevators, Railroads and Services

In this session we will examine the current state of the Kansas grain industry in 2015 in terms of number and storage capacity of grain elevators and where they are located, the cooperative and/or independent business associations that exist in different parts of the state, the locations of high capacity-high speed shuttle train loading facilities in the state as well as ethanol plants and livestock feeding operations, and the status of railroad service for both primary (i.e., BNSF and UP) and other (K&O, SKOL, CKRY, etc.) rail providers to Kansas grain industry locations. This information will be compared to similar data from 2007, and will also be examined for different regions across the state. The session will wrap up with observations on future trends in the competitive structure of the Kansas grain industry.

#### Gregg Ibendahl/Terry Griffin Tadtman Board Room, 201

**Examination of Machinery Costs and Investment in Kansas** Machinery is an important asset class on grain farms with the typical Kansas farm owning \$400,000 of machinery. Because farm machinery is expensive and costly to operate, farms have incentives to monitor and control their machinery purchases. However, farm incomes nearly doubled in 2007 and have remained high through 2013. This paper examines whether farmers used that extra income to purchase more and newer equipment and, if they did, whether equipment costs increased significantly. We find that equipment levels (either more or newer equipment) did increase slightly over 20 years and substantially since 2007. However, the added equipment did not significantly affect production costs as the operating costs of the machinery is over six times the management depreciation cost.

#### Bill Golden Purple Pride Room, 305 Update on the Economic Impact of the Sheridan #6 LEMA

Past economic studies differ in the calculated economic impact associated with groundwater use restrictions. One high priority subarea in northwest Kansas has recently mandated a reduction in groundwater use. Monitoring the Sheridan #6 Local Enhanced Management Area (LEMA) in real time will allow us to observe producer innovation aimed at maintaining revenues and disseminate these data to producers and stakeholders in other areas. The knowledge of how irrigated crop producers react to conservation policies will provide guidance on what is expected to happen in the future as groundwater supplies are diminished and/or conservation policies are implemented. While this research is ongoing, this presentation will review the observed impacts which occurred in the first two years of the five year LEMA.

#### Claire Newman/Brian Briggeman Lecture Room, 307 Economic Value of Trust (Survey) Farmers receive \$50 for participating!

Are you a farmer and/or rancher? Do you want to help a graduate student on her research project? Do you want to make \$50? If so, you are in luck! Please come to this session where Dr. Brian Briggeman and Claire Newman will be administering a survey on the economic value of trust. Results from this research will help sales and service representatives from local cooperatives, businesses, lenders, and service providers build more trusted relationships with farmers and/or ranchers. The research team consists of K-State faculty, KFMA staff, and Claire Newman, a graduate student in the Agricultural Economics Department. We are very well suited to conduct high quality research, but we need your help!

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#### FRIDAY, AUGUST 21, 2015 Page 20

# 9:40 am - 10:30 am

#### Allen Featherstone

**Banquet Room A** 

SESSION V

#### Do Kansas Farmers Pav Taxes?

During the last Kansas Legislative session proposals were introduced to change the taxes that farmers pay. This presentation will examine the property, sales, and income taxes that Kansas farmers pay using the Kansas Farm Management Association data. Leah Tsoodle

#### **Banquet Room B**

Getting the Most Value From Limited Irrigation Water

The Land Use Value Program Survey Division in the Department of Agricultural Economics collects information on all types of pasture use and practices, including Bluestern pasture. This survey replaces the "Bluestem Pasture Survey", conducted previously by NASS, and has never been offered in an electronic format. We asked for information describing the grazing outlook, pasture availability, pasture leasing rates, and charges for custom fence building. Response to this survey is/was voluntary and individual responses are completely confidential. The tentative results that we present will be aggregated to the Crop Reporting District level. The results from the survey will provide timely information about Kansas pasture use and practices to stakeholders, like you. Tadtman Board Room, 201

#### **Terry Griffin**

#### 2015 Kansas Weather Compared to Long Term Trends

Producers strive to plant and harvest crops during optimal times for their given location. The leading uncontrollable factor impacting being able to conduct fieldwork in timely manner is the number of days suitable for fieldwork (DSFW). Knowledge of DSFW assists in planning, machinery purchase, and acreage allocation decisions. Machinery management decisions should be made considering equipment capacity and the likelihood of having sufficient DSFW to operate the machinery. Knowledge of these probabilities on DSFW, planting or harvest progress, and potential yield losses by planting and harvest date is important for machinery management, acreage allocation and financing decisions: and ultimately how many acres can realistically be managed with a given set of equipment. An understanding of DSFW also allows producers to anticipate bottlenecks that may occur during the growing season. Terry discusses long-term Kansas weather trends over last 35 years and specifically addresses how DSFW in 2015 compares for each of the nine crop reporting districts. Terry offers farm management examples for how these data can be used practically.

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#### 2015 RISK AND PROFIT CONFERENCE Page 13

# Page 14 THURSDAY, AUGUST 20, 2015

# 6:45 pm – 8:00 pm EVENING SESSION "A Conversation With A Kansas Producer"

# Summary

In an interview format with Eric Atkinson, from the K-State Radio Network (KSRN), **Jason Ochs**, from Syracuse, KS will discuss some things that have helped him be successful in his operation.



My name is Jason Ochs. I was born and raised in Syracuse, KS. After graduating high school I enlisted in the Army. My last duty station was in Pennsylvania, this is where I met my wife, Sarah. We moved back to Kansas shortly after getting married. We attended college in Garden City, KS and then moved on to Manhat-

tan, KS. There I worked in financial services for several years. This work led me to Colorado Springs, CO. I had the opportunity to move back to Syracuse to work for Skyland Grain and farm part time. I was an agronomy manager and also a branch manager. My parents' semi-retired in 2011 from farming so my brother and I used that opportunity to start Plum Creek Farms and are slowly acquiring equipment and land. I am currently serving on Kansas Wheat Commission board and Farm Credit board.

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### Page 18

# FRIDAY, AUGUST 21, 2015

### 8:40 am – 9:30 am

### SESSION IV Banquet Room A

Mykel Taylor

#### Kansas Ag Land Values Update

This presentation covers recent information on the land market in Kansas, trends in rental rates, and discusses where land values and rental rates might be headed in the near future.

#### **Terry Griffin**

#### Banquet Room B

Making the Most of Precision Ag Technology and Big Data Terry shares how farmers are implementing precision agriculture technologies at the farm level followed by how data collected by these systems are being used to make decisions. He explains how precision agricultural technologies are being used to empower farmers to make better decisions. Terry describes how precision ag data evolved into today's 'big data'; and how the not-sofuturistic uses of farm-level data will generate value to be captured by farmers, landowners, and segments across the agricultural industry. He addresses the myths and realities of big data including a discussion of what a successful big data warehouse may look like. Terry briefly reviews ownership and access rights and how data may impact farmland values and rental rates. He draws on examples regarding how the value of the initial uses of data differs from secondary and re-use of that data; and how those differences translate into perceived value from farm-level data to big data.

#### Andrew Barkley

#### Chipotle

Chipotle's "Food with Integrity" marketing effort has caused controversy, anger, and claims of false advertising within the food and agricultural industries. Yet, Chipotle remains one of the most successful restaurants in history, with growing sales and stock market values. This apparent contradiction will be explored. Economics will be used to explain why Chipotle is successful, in spite of angering various groups, and what we can learn from Chipotle's achievement. The presentation also provides forward-looking strategies and successful reactions to Chipotle's success.

#### Krystal Drysdale/Nathan Hendricks Purple Pride Room, 305

# Effect of Collective Action Water Policy on Kansas Farmers'

Irrigation Decisions

We evaluate changes in irrigation decisions in response to two collective action water policies in Kansas: the Rattlesnake Creek Management Plan and the Sheridan 6 LEMA. We estimate the impact of the two policies on total water use, water use intensity (inches per acre irrigated), total irrigated acreage, and cropping patterns. Our results indicate how farmers adjusted to the policies and what proportion of reduced water withdrawals (if any) were achieved through changes in irrigated acres, changes in cropping patterns, or change in the intensity of irrigation.

#### a) Agness Mzyece, et al

In the intensity of irrigation.

Tadtman Board Room. 201

Factors Influencing Intensity of Market Participation of Maize, Rice and Soybean Smallholder Farmers: Evidence from Northern Ghana

This study examines factors influencing the intensity of market participation by Maize, Rice and Soybean farmers in Northern Ghana. The analysis is based on the data from the agriculture production survey and the population based survey in northern Ghana. The results show that the factors that significantly influence the decision to participate in the market include farm output (kg), access to information, access to credit, and the type of major crop produced ( whether Maize, Rice or Soybeans). Factors that influence quantity of output sold, apart from farm output and price, were the access to information, type and number of buyers, as well as transport and transaction costs.

#### b) Adam Hancock, et al

Lecture Room, 307

#### Effect of Credit Access on Storage and Infrastructure in North Ghana

The purpose of this paper is to increase the understanding of storage behavior of smallholder maize farmers in northern Ghana. The analysis is based on data from a USAID funded agriculture production survey conducted in 2013 and 2014 in northern Ghana. Econometric analysis was performed using the Maximum Likelihood Estimation method. Results suggest that farms within areas targeted by development initiatives benefit from extension education programs. Those not directly associated with extension and development programs may benefit from spillovers of knowledge and resources from their neighbors.

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# Page 16 FRIDAY, AUGUST 21, 2015

7:30 am – 8:30 am General Session IV Dr. Gary Brester Professor, Department of Agricultural Economics Montana State University "Whither the Cattle Cycle? Drought or Something Else?"



**Dr. Gary Brester** is a Professor in the Department of Agricultural Economics and Economics at Montana State University. He was raised on an irrigated sugarbeet and malting barley farm near Laurel, MT. He has two degrees from MSU - a BS in Agricultural Business and an MS in Applied Economics. He received his PhD in Economics from North Carolina State University. Dr. Brester was a faculty member in the K-State Department of Agri-

cultural Economics from 1990-1997. Brester's applied research program includes livestock and grain, risk management, international trade, agribusiness, and farm management issues. Dr. Brester's annual beef consumption is three times the national average.

SUMMARY: Current record-high calf prices have occurred (in inflation-adjusted terms) three times since 1920 -- in 1951, 1973, and 1979. In each case, price spikes were caused by a combination of low cattle numbers and demand side factors. However, each of these record-high price events was short-lived -- less than three years. In general, prices declined by 50% as macroeconomic conditions reversed themselves (e.g., Korean War era purchases and incomes declined, and OPEC oil shocks permanently increased production costs and substantially reduced beef demand). But, cattle inventories also increased for a short time in response to high prices in each of these cases. If history repeats itself, then record high cattle prices will not exist for an extended period of time. However, if the factors that have caused current high prices do not reverse themselves, and cattle inventories do not increase substantially, then cattle prices are likely to remain at relatively high levels provided that negative demand side shocks do not occur. Specifically, increased labor, grazing, and feed costs along with crop production profitability, land use issues, and drought will likely hamper supply responses.

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