

Seminars help farmers maximize profit

By JAMES HENRY
AgriNews Publications

WEST LAFAYETTE, Ind. — The biofuels boom makes marketing much more important for farmers.

In the past, most farmers factored loan deficiency payments into their grain marketing decisions.

But, with biofuels production driving up the demand for corn and soybeans, crop prices have been — and are expected to continue to be — too high to trigger LDPs.

Producers likely will not have that downward price protection offered by the government this year. Instead, they likely are going to face the full spectrum of price variability.

Farmers, though, can hone their marketing skills with help from Risk Management Commodities.

The company is planning a Winter Marketing and Planning Meeting series with events on Jan. 20 at the University Inn in West Lafayette and Jan. 27 at the Holiday Inn in Terre Haute.

The events are free and open to all producers. They will focus on both corn and livestock marketing.

“The good news about these markets is that the increasing demand for



Farmers can hone their crop and livestock marketing skills with help from Risk Management Commodities' Mike Zuzolo (left) and Chuck Shelby. The company, which recently moved to a new location at 1001 Main St. in downtown Lafayette, is conducting winter marketing meetings Jan. 20 in West Lafayette and Jan. 27 in Terre Haute.

ethanol this next two to three years forces the supply side to perform,” said

Risk Management Commodities' Mike Zuzolo.

“Even if corn acres are up 6 million to 9 million acres this year, if these acres are in fringe areas and not in the central Corn Belt, national yield is likely to suffer. This means it's going to be hard to grow over a 12 billion-bushel crop and add to ending stocks.

“This fact, combined with excellent export and livestock demand, causes the market to be especially supply sensitive and keep extra risk premium in corn prices until we get the crop safely planted in a timely manner.”

Zuzolo said the marketing seminars will cover using risk management tools in four key areas —

markets, options markets and seasonal price and basis patterns.

Presentations will be in a workshop format, so participants should bring pencils and calculators, he added.

There is no charge to participate in Risk Management Commodities' Winter Marketing and Planning Meeting series. Registration will begin at 8:30 a.m., and the sessions will start at 9 a.m.

Refreshments will be provided. Lunch will be served at noon. Advance registration is preferred.

To register or obtain more information, contact Risk Management Commodities at (866) 837-9027 or mike@myrmconline.com.

Producers will need to learn to live without the LDP — which pays them the difference per bushel between local market prices and local loan rates on program crops, when prices dip below loan rates — for as long as the biofuels market inflates corn and soybean prices, Zuzolo said.

That means they should sharpen their marketing skills to maximize their profits in volatile grain markets, he stressed.

“The potential downside to this newfound ethanol demand is that corn producers are going to need to develop a better understanding about the energy markets, since crude prices and rack ethanol prices tend to track very closely to each other — if ethanol prices go up, this can soften the blow of increasing corn prices for ethanol producers and cover their costs better,” Zuzolo said.

“But part of our job is to educate producers to the new fundamental factors responsible for price determination — whether it's energy markets or trading funds who many work off exchange rates and interest rates changes. This really encapsulates our winter seminars.”

Risk Management Commodities, which was formed about six years ago, can help from its new location at 1001 Main St. in downtown Lafayette.

The company has a combined experience of more than 40 years, witnessing \$10.60 soybeans, \$10 hogs and \$5 corn, Zuzolo noted.

The staff boasts a strong background in agricultural production and economics, offering clients a unique and valuable combination of expertise, he said.

More information, including a calendar of additional meetings and events, is online at www.myrmconline.com.

Profit Watch

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NEW CROP BASIS POSSIBILITIES

It seems that everyone is going to plant more corn acres in 2007 at the expense of mainly soybeans. The implications for new crop basis for corn and soybeans are significant.

With less bean acres, chances are we will have better basis levels than we have experienced in the last couple years.

On the other side of the coin we will have anywhere from 7 to 10 million more corn acres to deal with next fall.

Where are all those extra bushels going to go? There will be some new storage built, but undoubtedly not enough to put away the corn crop.

This will have a negative affect on new crop corn basis. We have already seen some locations in northern Iowa widen fall delivery basis by 7 cents.

However, once the crop finds a home there will more than likely be a lot better basis levels as the end users scramble to cover their needs.

It's a new environment, folks! Those of you that stay informed will benefit greatly from an awareness of basis levels...the good, the great, the bad and the ugly!

We advise our customers 24/7 on basis and pricing opportunities, re-ownership strategies and making sure their crop insurance is a good fit for their operation.

Call and ask for a 60-DAY FREE TRIAL of our service. This includes a daily commentary transmitted via DTN or internet e-mail.

See you here again next week!

Linda Meyer

AgriSource, Inc.

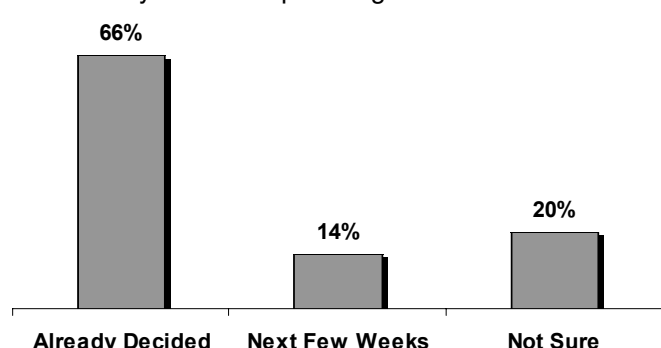
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The risk of loss in trading commodities can be substantial, and past performance is not necessarily indicative of future results. Therefore, you should carefully consider whether such trading is suitable for you or your organization in light of your financial condition. Any examples given are strictly hypothetical and no representation is being made that any person will or is likely to achieve profits or losses similar to those examples. Neither the information, nor any opinion expressed shall be construed as an offer to buy or sell any futures or options on futures contracts.

Poll Results

When will you decide your 2007 planting intentions?



For a new poll question, see page A1.

To express your opinion, visit www.agrinews-pubs.com

Auction Calendar

Multiple Dates – Multiple Times, Locations, & Owners, See Ad, Sullivan Auctioneers, (217) 847-2160.

Multiple Dates – Featured Farms & Upcoming Auctions, See Ad, Schrader Real Estate & Auction Co., Inc., (800) 451-2709.

Multiple Dates – Spring Auctions, See Ad, Soy Capital Ag Service, (800) 532-5263.

Fri., Jan. 12 – Complete Dispersal Harvest Equipment Auction, 10 a.m., Lee & Verda Albrecht Harvesting, Hillsboro, Kan., Del Peterson & Associates, (800) 492-9090.

Sat., Jan. 13 – Farm Machinery-Cattle-Hay Equipment Auction, 9 a.m., Perry & Andera Neel, Iuka, Ill., Dagg's Auction Service, (618) 835-4416.

Sat., Jan. 13 – Machinery-Livestock Equipment & Large Quantity of Hay Auction, 9:30 a.m., Lowell & LuAnn Davis-Keith & Daphne Blankers, London Mills, Ill., Dan Boyer, (309) 245-2293.

Sat., Jan. 13 – Land Auction-76 +/- Acres, 10 a.m., Hecker, Ill., Buy-A-Farm, (800) 443-1998.

Sat., Jan. 13 – Farm Machinery Auction, 10 a.m., Biggs Farms, Westfield, Ill., Stanfield Auction Co., (217) 345-7772.

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Sat., Jan. 13 – Large Auction of Late Model & Collector's Farm Equipment, 10 a.m., Dihl & Ruth Ann Wecker & Family, Rockton, Ill., Hack's Auction & Realty Service, Inc., (815) 239-1436.

Sat., Jan. 13 – 196 Acre Farmland Auction, 10 a.m. (C.S.T.), Palestine, Ill., Parrott Real Estate & Auction Co., (800) 294-5738.

Sat., Jan. 13 – Farm Machinery & Equipment Auction, 10 a.m., Robert Thiel, Carrollton, Ill., Moss Real Estate & Auction Service, (217) 673-3001.

Sat., Jan. 13 – Public Land Auction-117.4 +/- Acres, 10 a.m., Kramer Farms, Ft. Branch, Ind., Sohn & Associates, (812) 467-0227.

Mon., Jan. 15 – Farm Consignment Auction, 9 a.m., Mt. Erie, Ill., Mt. Erie Ruritans, (618) 838-8398.

Mon., Jan. 15 – Farm Machinery Auction, 9:30 a.m., Sikeston, Missouri, DeWitt Auction Co., (800) 533-9488.

Mon., Jan. 15 – 145 +/- Acres, 10 a.m., George "Dana" & Anne McCurdy, Bradford, Ill., Rediger Auction Service, (815) 699-7999.

Mon., Jan. 15 – 2 Hour Closing Out Farm Auction, 10:30 a.m., Ken & Judy Daily, Windsor, Ill., Bauer Auction Service, (217) 459-2579.

Mon., Jan. 15 – Tractors-Combine-Equipment & More, 11 a.m., Hatlen Bros., Evansville, Wis., Auction Specialists Stoughton, (608) 873-7791.

Tues., Jan. 16 – Real Estate Auction, 10 a.m., Johnson-Skelton Farm, Roseville, Ill., Adkisson Auction Service, (309) 426-2000.

Tues., Jan. 16 – 60 Acres Farmland, 10 a.m., Morris Pratt Estate, Fairbury, Ill., Immke Auction, (815) 832-4957.

Wed., Jan. 17 – Tools-Equipment & Miscellaneous, 10 a.m., Susie Sparks, Knoxville, Ill., Folger's Auction Service, (309) 879-2373.

Wed., Jan. 17 – Fertilizer-Truck & Trailer Equipment Auction, 10 a.m., Illini FS, Hayes, Ill., Del Peterson & Associates, (800) 492-9090.

Wed., Jan. 17 – Closing Out Farm Auction, 10:30 a.m., Jim & Terry Cowan, Abingdon, Ill., Adkisson Auction Service, (309) 426-2000.

Thurs., Jan. 18 – 40+ Tractors-Tractors w/Loaders-Tillage Equipment & Much More, 9:30

a.m., Mid-State Equipment, Watertown, Wis., Bill State Auction & Realty Co., (608) 585-2431.

Thurs., Jan. 18 – Farm Machinery, 10 a.m., Gene & Sheri King, Pontiac, Ill., Immke Auction, (815) 832-4957.

Fri., Jan. 19 – Annual Livestock Equipment & Machinery Sale, 9 a.m., Congerville, Ill., Reel Livestock Center, (309) 448-2288.

Fri., Jan. 19 – 243 Acres, 2 p.m., Riebe Trust, Ottawa, Ill., George Hupp, (815) 433-3111.

Sat., Jan. 20 – Farm Land, 10 a.m., Joseph A. Bodeen Estate, Aledo, Ill., Dale Jones Auction Service, (309) 582-7734.

Sat., Jan. 20 – Tractors-Case IH Combine-Truck-Tillage & Grain Handling Equipment, 10 a.m., Donald Parks, Greenfield, Ill., Moss Real Estate & Auction Service, (217) 673-3001.

Sat., Jan. 20 – 40 Acre Land Auction, 10 a.m. (C.S.T.), St. Francisville, Ill., Parrott Real Estate & Auction Co., (800) 294-5738.

Sat., Jan. 20 – Farm Toy Auction, 10 a.m., Leroy Treutel Family, El Paso, Ill., Aumann Auctions, (888) 282-8648.

Sat., Jan. 20 – Farm Machinery & Livestock Equipment, 10:30 a.m., Steve & Jan Supple, Cascade, Iowa, Ivan Kurt, (563) 852-3967.

Mon., Jan. 22 – Large Estate Farm Auction, 10 a.m., Kent Woodyard Estate, Ashmore, Ill., Bauer Auction Service, (217) 459-2579.

Mon., Jan. 22 – Farm Equipment Auction, 10:30 a.m., L.W. Smith Farms, Battle Creek, Mich., Schrader Real Estate & Auction Co., Inc., (800) 451-2709.

Mon., Jan. 22 – Farmland at Auction, 5:30 p.m., James Hurt & Donald Hurt, Cantrall, Ill., Luke Lee Gaule, (217) 523-7272.

Tues., Jan. 23 – Large Farm Auction, 9:30 a.m., Brad & Jeff Corzatt, Roseville, Ill., Adkisson Auction Service, (309) 426-2000.

Tues., Jan. 23 – Land Auction, 1 p.m., JW & Helen Lay, Knox City, Missouri, Sullivan Auctioneers, (217) 847-2160.

Tues., Jan. 23 – Real Estate Auction-44.4 Acres, 6 p.m. (C.S.T.), Timmer Family Trust, Whitfield, Ind., Schrader Real Estate & Auction Co., (800) 451-2709.

Wed., Jan. 24 – Real Estate-192 Acres, 10 a.m., Rollin & Sherry M. Swanson, Rio, Ill., Folger's Auction Service, (309) 879-2373.

Wed., Jan. 24 – Land Sale, 10 a.m., Ron & Sharon Hank, Aledo, Ill., Steve Relander, (309) 582-5681.

Thurs., Jan. 25 – Truck Tractors-Straight Trucks & Trailers, 10 a.m., Bettendorf, Iowa, US Auctioneers, Inc., (563) 332-5444.

Thurs., Jan. 25 – Complete Anhydrous Dispersal Auction, 10 a.m., K & B Ag Supply Inc., Fairfax, Iowa, Del Peterson & Associates, (866) 318-6251.

Thurs., Jan. 25 – Land Auction-94+ Acres, 10 a.m., Butler, Ill., Buy-A-Farm, (800) 443-1998.

Fri., Jan. 26 – Real Estate Auction-157.98 Acres M/L, Brakeville-Schulte Farm, Monmouth, Ill., Adkisson Auction Service, (309) 426-2000.

Sat., Jan. 27 – Land Auction-149 +/- Acres, 1 p.m., Joseph J. & Florence Seiffert Trust, Carlyle, Ill., Mark Krausz Auction Service, (618) 588-4917.

Mon., Jan. 29 – Real Estate Auction-190 +/- Acres, 5 p.m., Rodkey Auction, Kokomo, Ind., Schrader Real Estate & Auction Co., (800) 451-2709.

Mon., Jan. 29 – Real Estate Auction-80 Acres M/L, 6 p.m., Beverly A. Drum, Toledo, Ill., Stanfield Auction Co., (217) 345-7772.

Tues., Jan. 30 – Land Auction, 10 a.m., Dr. J. J.

Heffernan, Urbana, Ill., Jim Clingan Auction & Realty, 217-469-2500.

Tues., Jan. 30 – Real Estate Auction-360.73 Acres (M/L), 10 a.m., Wolf Family Farms, Monmouth, Ill., Adkisson Auction Service, (309) 426-2000.

Tues., Jan. 30 – Real Estate Auction-40 Acres, 6 p.m. (CST), Betsy Simpson & James Mason, Vincennes, Ind., Schrader Real Estate & Auction Co., Inc., (800) 451-2709.

Wed., Jan. 31 – Farm Equipment Auction, 11 a.m. (EST), Ridgeview Farms, Inc., Lagro, Ind., Schrader Real Estate & Auction Co., Inc., (800) 451-2709.

Fri., Feb. 2 – 640 Acres M/L, 10 a.m., Gertrude L. Gorman Heirs, Toulon, Ill., VanHyfte Auction Service, (309) 935-6633.

Sat., Feb. 3 – Consignment, 9 a.m., Kendall County Fair Association, Yorkville, Ill., Debolt Auction, (630) 675-7589.

Sat., Feb. 3 – Farm Machinery-Trailers & Vehicles, 9:30 a.m., Carl Soldati, Princeton, Ill., Rediger Auction Service, (815) 699-7999.

Sat., Feb. 3 – Closing Out Farm Equipment Auction, 10 a.m., Gene & Tina Guengerich, Pekin, Ill., Shelaburger Auction Company, (309) 968-7565.

Mon., Feb. 5 – Real Estate Auction-228 +/- Acres, 6 p.m., James Eric Vaughn, Amo, Ind., Schrader Real Estate & Auction Co., Inc., (800) 451-2709.

Tues., Feb. 6 – Farm Equipment Auction, 10:30 a.m., Gene Metz Farms, Fayette, Ohio, Schrader Real Estate & Auction Co., Inc., (800) 451-2709.

Sat., Feb. 10 – Tremendous Recreational Opportunity on 107 Acres (+/-), 10 a.m., Tim & Cathy Speerly, Bartonville, Ill., Maloof Realtor Auction Division, (309) 361-0397.

Thurs., Feb. 22 – Spring Farm Closeout & Consignment Auction, Raymond, Ill., Agri-Tech, Inc., (217) 229-4217.

Fri., Feb. 23 – Grundy County Consignment's 27th Annual Farm Machinery Consignment Auction, 9 a.m., Morris, Ill., Richard A. Olson & Assoc., (815) 942-4266.

Tues., Feb. 27 – Land Auction-40 Acres, 6 p.m. (Central Time), Alberta Gwin-Louine Malone-Ardith Lambert & Rebecca Wilder, Rensselaer, Ind., Neihouser Realty & Auction, Inc., (219) 567-9002.

Sat., March 3 – 45th Annual Great Gang of Farmers Consignment, 9:30 a.m., Great Gang of Farmers & German-Bliss, Princeville, Ill., John H. Bliss, (309) 385-4316.

Sat., March 17 – Consignment, 9 a.m., LeLand, Ill., LeLand Lions Club, (815) 509-3724.

Livestock

Mon., Jan. 15 – Special Bred Cow-Heifer & Bull Sale, 6 p.m., Rushville, Ill., Schuyler Livestock Sales, (217) 322-3385.

Tues., Jan. 16 – Bred Cows, 1 p.m., Walnut Auction Sales, Walnut, Ill., Scott Cuvelier, (815) 284-3045.

Fri., Jan. 19 – Special Bred Cow & Bred Heifer Sale, 10:30 a.m., Galesburg, Ill., Galesburg Livestock Sales, (309) 342-1416.

Sat., Jan. 20 – Bred Cows/Bred Heifers-150 Head of Cattle, Noon, Congerville, Ill., Reel Livestock Center, (309) 448-2288.

Tues., Jan. 23 – 100% Merial, 1 p.m., Walnut Auction Sales, Walnut, Ill., Scott Cuvelier, (815) 284-3045.