

MASTER MARKETER PROGRAM
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Abstract

The Master Marketer Program combines three successful concepts, intensive education, the Master Volunteer and marketing clubs. Producers are trained in advanced risk management and marketing techniques through an intensive 64 hour program and then extend that knowledge to other producers through marketing clubs. Based on the results of the 1996 pilot program in Amarillo and the early registration in the 1997 Lubbock effort, the Master Marketer Program is a huge success. Producers attending the course expect their bottom line will be improved substantially. The marketing clubs that have been started and will be started can only enhance the positive impact the Master Marketer Program has had.

The approach of this project is to combine three successful educational concepts into a unique Master Marketer Program to assist agricultural producers in managing change in agriculture through the use of advanced risk management and marketing knowledge.

The use of intensive educational programming is a time proven concept for increasing educational effectiveness and is the core to the Master Marketer effort. In this multi-dimensional program, 64 hours of classroom training includes a combination of lecture, case examples, simulation and class exercises, and group activities. The emphasis is on hands-on practice, with the examples designed to reflect the producers own operations as closely as possible.

The marketing club concept is one method that has proven successful in raising producers' marketing skill levels. Generally, a group of 15 to 25 producers organize with the assistance of Extension. They meet once or twice a month to learn about risk management techniques. Clubs, as a group, often trade futures and options to gain experience at a limited risk. The usual life of a marketing club is one to three years, depending upon interest. This method of education has some tremendous advantages over traditional short duration educational workshops. The learning process is not so rushed, allowing producers more time to absorb new information. The longer time frame over which contact is maintained and education takes place allows for more hands-on practice and observation of actual market dynamics and the benefits/costs of various marketing/risk management alternatives. The success and growth of

marketing clubs in Texas has been hindered, to some extent, by a lack of local leadership, lack of financial/personnel support by Extension, and inadequate marketing knowledge by club leadership.

The master volunteer program is another educational concept that has been gaining popularity in Extension educational programming. This concept involves extension specialists training volunteers to serve as local resource people for the community. Successful examples of the use of the master program approach in Texas are the Master Gardeners and the Agri-Food Master Programs. To date, however, this concept has generally been limited to more prescriptive, less dynamic subject matter.

The target audience is moderate to large scale producers and other agribusiness people with strong leadership skills, an intermediate level risk management/marketing knowledge, and a willingness to work with their local county extension agent to start a marketing club and share what they have learned with other producers.

Introduction

The signing of the 1996 Farm Bill ushered in a new era for farmers and ranchers. The new program is billed as the farm program that lets farmers plant for the market, but the new flexibility will bring an increased level of volatility. As farmers in the U.S. and abroad react to volatile prices, we could see great swings in acres planted to different crops and in prices. The new farm bill sets the stage for a new environment for economic decision making. The producer that survives in this new economic environment must have superior risk management skills.

The likely result of these changes in agriculture is an increase in price risk at a time when producers are least able to afford it. The changing structure of agriculture continues to move in the direction of fewer, larger, more capital intensive farms. These farms also tend to be highly levered and more specialized in their production mix, and hence, are at greater risk from adverse price movements or production shortfalls.

The marketing/risk management skills of U.S. producers must improve if they are going to successfully compete in the dynamically changing worldwide agricultural industry of the next century. The task of raising producers' marketing/risk management skills is a formidable one, requiring intensive educational programming.

The Master Marketer Program

The purpose of this project is to combine successful educational concepts into a unique Master Marketer Program to assist agricultural producers in managing change in agriculture through the use of advanced risk management and marketing knowledge.

The Master Program is an educational concept that has been gaining popularity in Extension educational programming. This concept involves specialists providing intensive training to volunteers who will serve as local resource people for the community.

The marketing club concept is another method that has proven successful in raising producers' marketing skill level. The most successful marketing clubs have been led by able and enthusiastic producers with strong support from the county agent. The success and growth of marketing clubs in Texas has been hindered, in many cases, by the absence of willing and able local producer leaders.

The purpose of this project is to combine the master program approach with the proven marketing club concept. In January 1996, the pilot Master Marketer Program was begun. Producers from the Texas Panhandle went through 64 hours of marketing education (including crop insurance and production risk management) in Amarillo. The best instructors were selected from universities and businesses across the U.S. After completion of the program, the 60 producers from 28 counties were asked to work with their county extension agent to establish and lead marketing clubs in their home counties. This first group has already helped establish over 20 new marketing clubs.

In January 1997, the second year of the Master Marketer Program will begin. The program will be conducted in the next extension district to the south (Lubbock). While the structure of the program will be similar, the commodity emphasis will be regionally focused toward the major crops produced in the area.

For 1997, the Master Marketer Program will be focused on intensive training of at least one producer per county in advanced marketing/risk management techniques. First,

selected producers, with an expressed interest in marketing and demonstrated leadership abilities, will go through an intensive marketing education program (64 hours). The four 2-day sessions of intensive training will help the selected producers move well beyond their current level of marketing expertise. These highly trained producers will then serve as volunteers to work with the county agent in starting and leading marketing clubs in their own county. The end result should be an expansion in the number of volunteer educators, and valuable educational opportunities for producers within a cost effective framework that circumvents the personnel and resource constraints currently hindering marketing/risk management educational efforts.

Summary and Future Plans

The Master Marketer Program is designed to train marketing club leaders. Given the results of the pilot program, the decision has been made to expand the Master Marketer Program to the rest of the state. To do this, additional resources are necessary. We will seek resources from a number of different sources.

Agricultural county agents reviewing the Amarillo effort have identified the need for a course syllabus with distinct educational lessons in it for the marketing clubs. A second priority cited to increase the educational effectiveness of the marketing clubs was the development of a newsletter and web site to enhance interaction.

The addition of the marketing club support notebooks, newsletter and web site should not only enhance program effectiveness, but also increase its efficiency. Club leaders will be able to select program topics without having to develop their own.