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MOST FARMERS ARE COMPETING IN MARKET PLACE WITH ONE HAND TIED

There is a general feeling of frustration among grain producers because they either don't have access to the information that affects prices, or they get it so much later that it becomes ineffective for them. It's a severe handicap to operate in a market where the people you must bargain with have market news information two days or more before it is made available to you. This statement should not be interpreted as indicating a collusion against producers by the marketing industry, but rather it is failure on the part of producers and those that serve them to insist on vastly improved market news distribution. There are many service-oriented radio and T.V. stations, as well as printed mediums, who want to serve producers, and are no doubt anxious to do this if you will tell them what you need from market news.

Some of the improvements needed in grain market news are as follows:

1. One improvement that can be made in producer market information is an improvement in the depth of news presently being given. For example, the futures market is important to producers as a current price indicator but what does it mean to a producer when he hears wheat is "up 7 to down 4"? The news itself is not of great value unless he knows what is up and what is down. The price trends of old and new crop futures are important to farmers, as old crop futures could go up the same day new crop futures go down; and for good and logical reasons. Those giving futures market quotations could greatly improve their service by differentiating between old- and new-crop futures. Other refinements

in quoting grain futures are to give them frequently, on a schedule, and at a rate enabling one to record and comprehend them. Yes, grain futures price quotations are very important to producers even if they do not trade in them. Grain futures are a responsive way of determining immediate and future price indications.

2. A second improvement in market news information can be accomplished by stressing the importance of regular news releases about outlook. Some examples are: the December 22 release on winter wheat plantings, the January 23 release on producers' intentions to plant all grains and the final March 17 intentions to plant all grains as well as stocks on hand reports. The impacts of these releases are immediately assessed by the grain trade but producers are generally not aware of the importance of this information and it is not always readily available to them.
3. In line with item 2, some producers throughout South Dakota are asking: "How can I get market outlook information?" There should be a system of assembling and disseminating information to producers regarding estimations of price-influencing conditions. This could include the acres planted, expected yield, estimated production and carryover from last year for a total supply of grain available. Then the estimated disappearance of grain including that used for feed, industrial use and export should be subtracted from the total supply to determine the amount of free stocks. These factors need to be up-dated each time new information is available; and they are

very important because of their relationship to price. Some method should be devised to get this information to producers on a regular and current basis.

4. The toll free market news information "call-in" program started in the South Dakota Department of Agriculture needs to be supported and improved upon. The program, still in its infancy, offers a service to many producers, but needs to be expanded to include more toll-free lines, more current futures prices for grains, and current cash prices for all South Dakota markets such as Minneapolis, and Sioux City. This entire program should be expanded to include livestock prices. The real advantage of this system of a toll-free telephone call is that a producer can get market news information any time of the day or night from his own home by using the telephone.
5. Another area of improvement enabling farmers to make better production and marketing decisions would be for all local elevators to quote new crop cash prices as well as current cash prices for grains. This service is possible in most grains through grain futures if not through a basic cash grain contract. These prices should be quoted even before planting time as it could influence planting decisions.

6. Criticism has been made about certain reports made by USDA to the effect that they are detrimental to the producer when they indicate large supplies of grain or cattle. The reports themselves do not alter the supply of course, and USDA reports are the producers' only guarantee of public reports. Many private companies make their own surveys and analyses similar to those of USDA but they are under no responsibility to make them available to the public. It would appear that the greatest difficulty with production and supply reports is that the producer learns the substance of them much later than those to whom he must eventually sell his produce.
7. The first necessary ingredient to better market news information is for producers to make their needs and wants known. If there is a unified demand for market news by producers - there will be action taken. If you want your voice to be heard but don't know where to begin, then write to your news sources or send your request to Art Sogn, Economics Department, SDSU, Brookings, S.D. 57006, and we will see that your wishes are made known.

Estimates of outlook can be quite useful when the information is current; it can be very misleading when it is not!

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