



Increased Market Volatility Likely to Impact Farm Profits in 2012

7/5/2012 2:52:17 PM

Laurie Johns

IFBF Economist Says Farmers Need to Identify Signals & Opportunity

Fluctuating commodity prices, drought-stressed crops and global concern over lingering European debt, all play a role in the economic future of the Iowa farmer. Iowa Farm Bureau Federation (IFBF), Iowa's largest grassroots farm organization, is bringing national experts to the Iowa State Center Scheman Building in Ames July 23-24 to help farmers manage the incredible economic risks involved in farming today and identify new opportunities.

"Last week's sharp moves in corn and soybean markets are a clear indication the volatility is likely to stick around until harvest or beyond, Dave Miller, IFBF research & commodity services director, said. "The market was expecting a big crop, maybe the largest corn crop ever, but with the hot, dry weather hanging on, that is now in doubt," he said.

Other influences, such as the falling price of crude oil, the EU debt crisis and very low interest rates, are also having an impact on farm commodity markets and farmers' risk profiles, Miller said. "There are just dozens of ways now that we see risks being accentuated and we want farmers to be aware of those."

One example he noted is the recent jump in corn prices along with a slump in oil prices that has put a financial squeeze on ethanol makers and caused some plants to temporarily shut down. "In the long run, that could hurt corn demand," he said.

The continued viability of the ethanol industry will be just one topic discussed at the IFBF Economic Summit July 23-24. U.S. Agriculture Secretary Tom Vilsack will provide the summit's keynote address on July 24. Many other key players in the nation's economic future are also on the Summit agenda: Economist Danny Klinefelter of Texas A&M University and Jeff Plagge, president-elect of the American Bankers Association, to Iowa State University weather expert Elwynn Taylor, a panel of D.C. experts from the Senate and House Ag Committees and Daniel Mitchell of the D.C. 'think tank,' the CATO Institute. For a complete listing of the panelists and schedule, click [here](#).

While the summit will concentrate on managing risk, it will also explore future economic opportunities for farmers. "Just because there is a lot of risk, it doesn't mean there isn't a lot of opportunity out there now," Miller said. "It's important for a farmer to know the signals of change, to have a plan to cope with change and to have the proper capital structure in place to be able to thrive in this volatile climate."

The price of the two-day summit is \$50 for Iowa Farm Bureau members and \$150 for non-members. Information about the summit, lodging and online registration forms can be found at www.iowafarmbureau.com.