

2013 Meeting Minutes

Project: NCCC-134 Conference on Applied Commodity Price Analysis, Forecasting and Market Risk Management.

Date/Location: April 22-23, 2013, St. Louis, Missouri, The Crowne Plaza St. Louis –Downtown Hotel. Conference began at 1:00 p.m., April 22, 2013, and ended at approximately 2:30 p.m., April 23, 2013.

Participants:

| | | |
|-------------------------|-------------------------------|---------------------------------|
| Nicole Aulerich | naulerich@cornerstone.com | Cornerstone Research |
| Anton Bekkerman | anton.bekkerman@montana.edu | Montana State University |
| Marin Bozic | mbozic@umn.edu | University of Minnesota |
| Wade Brorsen | wade.brorsen@okstate.edu | Oklahoma State University |
| E'licia Chaverest | duncan.chembezi@aamu.edu | Alabama A&M University |
| Duncan Chembezi | duncan.chembezi@aamu.edu | Alabama A&M University |
| Adam Christensen | adam.christensen@jhu.edu | Johns Hopkins University |
| Roger Dahlgran | dahlgran@u.arizona.edu | University of Arizona |
| Dennis Delaney | dennis.j.delaney@monsanto.com | Monsanto |
| Matthew Diersen | matthew.diersen@sdstate.edu | SDSU |
| Jeffrey Dorfman | jdorfman@uga.edu | Univ. of Georgia |
| Lisa Elliott | lisa.elliott@sdstate.edu | South Dakota State U. |
| T. Randall Fortenbery | r.fortenbery@wsu.edu | Washington State U. |
| Julieta Frank | Julieta.Frank@ad.umanitoba.ca | University of Manitoba |
| Jason Franken | jr-franken@wiu.edu | Western Illinois University |
| Philip Garcia | p-garcia@illinois.edu | University of Illinois |
| Arne Hallam | ahallam@iastate.edu | Iowa State University |
| Scott Irwin | sirwin@illinois.edu | University of Illinois |
| Olga Isengildina | isengild@uta.edu | University of Texas-Arlington |
| Berna Karali | bkarali@uga.edu | The University of Georgia |
| Nathan Kauffman | Nathan.Kauffman@kc.frb.org | Federal Reserve Bank of KC |
| Yasutomo Kojima | y5kojima@nodai.ac.jp | Tokyo University of Agriculture |
| Stephen Koontz | Stephen.Koontz@ColoState.Edu | Colorado State University |
| Fabio Lanhoso de Mattos | fmattos@unl.edu | University of Nebraska-Lincoln |
| Mark Manfredo | manfredo@asu.edu | Arizona State University |
| Andy McKenzie | mckenzie@uark.edu | University Arkansas |
| Dragan Miljkovic | Dragan.Miljkovic@ndsu.edu | North Dakota State University |
| Daniel O'Brien | dobrien@ksu.edu | Kansas State University |
| Frayne Olson | frayne.olson@ndsu.edu | North Dakota State University |
| Joe Parcell | morelandj@missouri.edu | University of Missouri |
| Paul Peterson | pepeters@illinois.edu | University of Illinois |
| Feng Qiu | feng.qiu@ualberta.ca | University of Alberta |
| Matthew Roberts | roberts.628@osu.edu | Ohio State University |
| Dwight Sanders | DwightS@siu.edu | Southern Illinois University |
| Adam Schmitz | adam.schmitz@sdstate.edu | South Dakota State U. |
| Aaron Smith | adsmith@ucdavis.edu | UC Davis |
| Mykel Taylor | mtaylor@ksu.edu | Kansas State University |
| Hernan Tejada | hernan.tejada@usu.edu | Utah State University |
| Cameron Thraen | thraen.1@osu.edu | The Ohio State University |

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|------------------------|------------------------------------|--|
| Andres Trujillo | andres.trujillobarrera@wur.nl | Wageningen University |
| Fabiana Urso | fperobelli@bvmf.com.br | BM&FBOVESPA |
| Zhiguang Wang | zhiguang.wang@sdstate.edu | South Dakota State University |
| James Welch | jmwelch@tamu.edu | Texas A&M University |
| Doug Yoder | yoder@ilfb.org | Illinois Farm Bureau |
| Ryan Bain | ryan.bain@email.wsu.edu | Washington State University |
| Daumantas Bloznelis | dbloznelis@yahoo.de | University of Illinois |
| Jewelwayne Cain | jscain@mail.missouri.edu | University of Missouri |
| Xiaoli Etienne | xliao3@illinois.edu | University of Illinois |
| Di Hu | dihu2@illinois.edu | University of Illinois |
| Joseph Janzen | janzen@primal.ucdavis.edu | University of California, Davis |
| Kishore Joseph | joseph20@illinois.edu | University of Illinois |
| Georg Lehecka | georg.lehecka@boku.ac.at | University of Natural Resources and Life Sciences, Vienna |
| Karen Lewis | kelewis4@asu.edu | Arizona State University |
| Scott Main | main3@illinois.edu | University of Illinois |
| Trent Milacek | trent.milacek@okstate.edu | Oklahoma State U. |
| John Newton | newton.276@osu.edu | Ohio State University |
| Veronica Pozo | vpozo@ksu.edu | Kansas State University |
| Adam Schmitz | abschmitz@gmail.com | South Dakota State University |
| Xiaoyang Wang | wang150@illinois.edu | University of Illinois |
| RAN XIExie@clemson.edu | Clemson University | Clemson University |
| Lei Yan | leiyan2@illinois.edu | University of Illinois |
| Hala Zahran | zahran.hala@gmail.com | University of Illinois |
| Wenjiao Zhao | wzhao10@illinois.edu | University of Illinois |
| Jerry Gennaria | jerry.gennaria@brightonagency.com | Brighton Agency |
| Scott McClure | scott.mcclure@brightonagency.com | Brighton Agency |
| Tina VonderHaar | tina.vonderhaar@brightonagency.com | Brighton Agency |

19 Graduate Students
8 Professional
37 Faculty
6 Foreign Institutions

Program (See Attached)

Meeting Agenda:

The NCCC-134 Regional Research Committee sponsored the 32nd annual conference on Applied Commodity Price Analysis, Forecasting, and Market Risk Management on April 22-23 in St. Louis, Missouri. Twenty-six papers were presented by the authors and discussed among meeting participants. The conference meeting holds two concurrent sessions where research papers with similar methods, commodities, and/or issues are organized. The 26 papers were selected by ten members of the NCCC-134 Executive Committee from 37 two-page prospectuses submitted prior to the conference. The resulting collection of papers ranged over futures and options market analysis, speculation, market information, effects and management of market risk, price forecasting evaluations, and several other price analysis topics. The format of the meeting allows for extensive discussion of the papers, results, and implications. Preliminary works and findings are encouraged.

Industry participants and well-established academic professionals are invited to speak during the business lunch. The goal of the luncheon speaking session is to discuss industry and research issues and discuss perspectives of successful economists. Presenting during the lunch allows discussion with the entire body of conference participants. This year, Dr. Craig Pirrong, Professor of Finance and Director of the Global Energy Management Institute at the University of Houston was the featured luncheon speaker. The title of his talk was "Commodities and Finance." In his presentation, Dr. Pirrong discussed the financialization of the commodity markets and the ensuing controversies surrounding speculation, manipulation and regulation.

As with 2013, the format continued to feature a paper session that was themed along the lines of the topic presented by the luncheon speaker (i.e., futures market performance), and presented in the luncheon room such that all lunch attendees could participate in this special session. Academic presenters were encouraged to focus their papers on the practical results, rather than methodology, given the large number of industry representatives that attended the luncheon. Nine of the 26 papers represent collaborative works by researchers housed at different institutions. There were six attendees from foreign institutions, including one foreign futures exchange, and eight industry attendees. As well, this meeting remains an important venue for graduate students to present their work. This year, 19 graduate students attended the conference, many of them presenting papers co-authored with faculty members.

Following the research paper presentations program on Tuesday, a short business meeting of the NCCC-134 executive committee and other interested participants was held. NCCC-134 Committee Co-Coordinator, Matt Diersen and Matt Roberts, led the meeting. Pursuant to the discussion from the 2012 meeting, the special edition of the Journal of Agribusiness commemorating the 30th anniversary of NCCC-134 was presented. The issue had only been mailed to subscribers in the previous week. Overall, it was acknowledged by the committee that there has been a resurgence of interest in the area of commodity price analysis and risk management given the recent high prices and volatility in commodity markets among other important issues. Given this, it was concluded that the NCCC-134 continues to be an important catalyst for research in the area of commodity price analysis and risk management.

Matt Diersen announced details for electronic submission of completed papers to the NCC-134 website, hosted by farmdoc. The site will continue to hold committee announcements as well as all papers from all past meetings.

Subject to venue availability, the 2014 meeting will be held at the same location on April Next year's meeting is scheduled for April 21-22 in St. Louis, Missouri. Format will be similar to this year's meeting with presented papers selected by a screening committee from a set of proposals due in October 2013. The specific location of the 2013 meeting will again be the Crowne Plaza St. Louis – Downtown Hotel.

Meeting Adjourned: 4:30 p.m. April 23, 2013.

Respectfully submitted,

Matthew C. Roberts, The Ohio State University

Matthew Diersen, South Dakota State University

Co-coordinators, NCCC-134 Committee

Arne Hallam, Iowa State University

Administrative Advisor

REGISTRATION FORM

NCCC-134: Conference on Applied Commodity Price Analysis, Forecasting, and Market Risk Management: April 22-23, 2013
Pre-Registration Deadline: March 30, 2013

Online registration and credit card payment is available at:
<http://www.regonline.com/2013nccc134>

Full Registration Fee: (full program, breaks, & lunch Tues.)
Faculty & Professional (\$160) _____
Student (\$55) _____

Name _____
Title _____
Organization _____
Address _____

City/State/Zip _____
Phone (____) _____
E-mail: _____

Make checks payable to **Ohio State University**.
Walk-ins are welcome, but pre-registration is highly preferred. Please send an e-mail to Matthew Roberts (roberts.628@osu.edu) if you intend to register on-site.

Return form and payment to:
Matthew C. Roberts
AEDE, The Ohio State University
AA103
2120 Fyffe Road
Columbus, OH 43210

Proceedings will be published electronically at:
<http://www.farmdoc.uiuc.edu/nccc134/>

Monday, April 22, 2013

12:00 p.m. Registration

Session 1 - Afternoon

Moderator: *Anton Bekkerman,*
Montana State University

1:00

“Risk Premiums and Forward Basis: Evidence from the Soybean Oil Market.” Karen Lewis, Mark Manfredo, Ira Altman, and Dwight Sanders, *Arizona State University and Southern Illinois University.*

1:35

“The Quality of Price Discovery and the Transition to Electronic Trading: The Case of Cotton Futures.” Joseph Janzen, Aaron Smith, and Colin Carter, *University of California-Davis.*

2:10

“Testing for Bubbles in Agricultural Futures Markets.” Xiaoli Etienne, Scott Irwin, and Philip Garcia, *University of Illinois at Urbana-Champaign.*

2:45 - Refreshment Break

Session 1 – Continued

Moderator: *Dwight Sanders,*
Southern Illinois University

3:05

“Price Density Forecasts in the Hog Market: Composite Procedures.” Andres Trujillo-Barrera, Philip Garcia, and Mindy Mallory, *Wageningen University and University of Illinois at Urbana-Champaign.*

3:40

“Pricing and Hedging Calendar Spread Options on Agricultural Commodities.” Adam Schmitz, Zhiguang Wang, and Jung-Han Kimn, *South Dakota State University.*

4:15

“Determination of Factors Driving Increased Grain Basis Volatility in the Great Plains.” Mykel Taylor, Kevin Dhuyvetter, and Glynn Tonsor, *Kansas State University.*

5:00 – Reception

Monday, April 22, 2013

12:00 p.m. Registration

Session 2 - Afternoon

Moderator: *Fabio Mattos,*
University of Nebraska

1:00

“Extended Trading Hours and Intraday Volatility Patterns in Corn Futures Markets.” Nathan Kauffman and Sergio Lence, *Federal Reserve Bank of Kansas City and Iowa State University.*

1:35

“Smoothing in USDA’s Commodity Forecasts.” Stephen MacDonald and Olga Isengildina, *Economic Research Service and University of Texas at Arlington.*

2:10

“Measuring Asymmetric Price Transmission in the U.S. Hog/Pork Markets: A Dynamic Conditional Copula Approach.” Feng Qiu and Barry Goodwin, *University of Alberta and North Carolina State University.*

2:45 - Refreshment Break

Session 2 – Continued

Moderator: *Joe Parcell,*
University of Missouri

3:05

“Testing the Effectiveness of Using a Corn Call Instead of a Feeder Cattle Put for Feeder Cattle Price Protection.” Hernan Tejada and Dillon Feuz, *Utah State University.*

3:40

“Understanding Public Information: Impacts on Local Markets.” T. Randall Fortenbery and Ryan Bain, *Washington State University.*

4:15

“Is Term Structure of Class III Milk Implied Forward Volatility Too Flat? A Double-Straddle Test.” Cameron Thraen, Marin Bozic and Fanda Yang, *Ohio State University and University of Minnesota.*

5:00 – Reception

Tuesday, April 23, 2013

7:30 a.m. – Continental Breakfast

Session 3 - Morning

Moderator: *Mark Manfredo,*
Arizona State University

8:05

“Electronic versus Open Outcry: Side-by-Side Trading in Live Cattle Futures Markets.” Wenjiao Zhao, Scott Irwin, Philip Garcia and Mindy Mallory, *University of Illinois at Urbana-Champaign.*

8:40

“Asymmetric Price Transmission in the U.S. Beef Market: New Evidence from New Data.” Veronica Pozo and Ted Schroeder, *Kansas State University.*

9:15

“Hedge or Cross-Hedge? Evaluating Risk Management Strategies in the Distillers’ Dried Grains Market.” Hernan Tejada and Anton Bekkerman, *Utah State University and Montana State University.*

9:50 - Refreshment Break

Session 3 – Continued

Moderator: *Dragan Miljkovic,*
North Dakota State University

10:10

“Information Transmission between Livestock Futures and Expert Price Forecasts.” Jason Franken, Philip Garcia, Scott Irwin, and Xiaoli Etienne, *Western Illinois University and University of Illinois at Urbana-Champaign.*

10:45

“A Nonparametric Search for Information Effects from USDA Reports.” Jeffrey Dorfman and Berna Karali, *University of Georgia.*

11:20

“Price Discovery in U.S. Fed Cattle Markets.” Kishore Joseph, Philip Garcia, and Paul Peterson, *University of Illinois at Urbana-Champaign.*

11:55 – Lunch

Tuesday, April 23, 2013

7:30 a.m. – Continental Breakfast

Session 4 - Morning

Moderator: *Stephen Koontz,*
Colorado State University

8:05

“How Do Producers Decide the “Right” Moment to Price Their Crop? An Investigation in the Canadian Wheat Market.” Fabio Mattos and Stefanie Fryza, *University of Manitoba.*

8:40

“How Much Would It Be Worth to Know the WASDE Report in Advance?” Trent Milacek and B. Wade Brorsen, *Oklahoma State University.*

9:15

“Have Farmers and Ranchers Lost Confidence in Futures Markets?” David Anderson, Rob Hogan, John Robinson, Mark Welch, and Emmy Williams, *Texas A&M University*

9:50 - Refreshment Break

Session 4 – Continued

Moderator: *Roger Dahlgran,*
University of Arizona

10:10

“Hedging and Speculative Pressures: An Investigation of the Relationships among Trading Positions and Prices in Commodity Futures Markets.” Georg Lehecka, *University of Natural Resources and Life Sciences, Vienna.*

10:45

“Evaluating the Dairy Title of the 2013 Farm Bill using Implied Structural Models.” John Newton, Marin Bozic, Cameron Thraen and Brian Gould, *Ohio State University, University of Minnesota, and University of Wisconsin.*

11:20

“Measuring Asymmetric Volatility Spillover in the Ukrainian Wheat Market.” Kateryna Goychuk and William Meyers, *University of Missouri.*

11:55 - Lunch

Tuesday, April 23, 2013

12: 40 – Luncheon Speaker

Craig Pirrong

Professor of Finance and Director of the Global Energy Management Institute

University of Houston

Session 5 - Special Session on Index Investments

Session 5 will be held in the luncheon room following the guest speaker.

Moderator: *Frayne Olson,*
North Dakota State University

1:45

“How Could We Have Been So Wrong? The Puzzle of Disappointing Returns to Commodity Index Investments.” Scott Irwin, Dwight Sanders, and Aaron Smith, *University of Illinois at Urbana-Champaign, Southern Illinois University and University of California-Davis.*

2:20

“Do Roll Returns Really Exist? An Analysis of the S&P GSCI.” Paul Peterson, *University of Illinois at Urbana-Champaign.*

3:00 - Business Meeting

NCCC-134 Co-Chairs:
Matthew Roberts, *The Ohio State University*
Matthew Diersen, *South Dakota State University*

Additional Information

This conference will focus on commodity price analysis, forecasting, and risk management applications in several commodity markets. Presentations will last 20 minutes and be followed by a 15 minute group discussion.

Conference Location

The conference will be held in the Crowne Plaza St. Louis – Downtown Hotel, in downtown St. Louis, Missouri. The hotel is located at 4th and Pine Street.

Lodging

A block of rooms has been reserved for conference participants at the Crowne Plaza St. Louis – Downtown Hotel, at 4th and Pine Street. Rates are \$109/night for single/double occupancy, \$119/night for triple, and \$129/night for quad (plus applicable taxes). Individuals must make their own reservations and credit card guarantees with the Crowne Plaza at 1-800-925-1395 (Monday through Friday; 8:00 a.m. to 5:30 p.m. Central Time). Ask for the “NCCC-134 Conference” block of rooms. *Rooms and rates guaranteed only until March 30, 2013.*

Transportation

MetroLink, the St. Louis region’s light rail system has two stations at the airport - Main Terminal and the East Terminal. The MetroLink to downtown St. Louis is \$2.25 for a one-ride ticket. From the airport take MetroLink downtown and get off at the 8th and Pine Street station. The Crowne Plaza is located 4 blocks east (toward the river) at the corner of 4th and Pine Street.

Reception

A reception (hors d’oeuvres) will be held immediately following the Monday sessions (5:00 p.m.).

For more information see the NCCC-134 web site at: <http://www.farmdoc.uiuc.edu/nccc134/>

NCCC-134
APPLIED COMMODITY PRICE ANALYSIS, FORECASTING AND MARKET RISK MANAGEMENT

April 22-23, 2013

**Crowne Plaza St. Louis - Downtown
4th & Pine Street
St. Louis, Missouri**



Now in the 32nd year of Applied Commodity Price Analysis, Forecasting, and Market Risk Management Research