2014 Meeting Minutes

Project: NCCC-134 Conference on Applied Commodity Price Analysis, Forecasting and Market Risk Management.
Date/Location: April 21-22, 2014, St. Louis, Missouri, The Crowne Plaza St. Louis –Downtown Hotel. Conference began at 1:00 p.m., April 21, 2014, and ended at approximately 2:30 p.m., April 22, 2014.

Participants:

Fadi Abdelradi	University of Illinois
Anton Bekkerman	Montana State University
Marin Bozic	University of Minnesota
Lee Brittain	Teays Valley Investments
Wade Brorsen	Oklahoma State University
Jewelwayne Cain	University of Missouri
Roger Dahlgran	University of Arizona
Kevin Dhuyvetter	Kansas State University
Matthew Diersen	South Dakota State University
Jeffrey Dorfman	Univ. of Georgia
Xiaoli Etienne	University of Illinois
T. Randall Fortenbery	Washington State University
Philip Garcia	University of Illinois
Arne Hallam	Iowa State University
Xue Han	University of Illinois
Matthew Herrington	CME Group
Di Hu	University of Illinois
Zhepeng Hu	Oklahoma State University
Scott Irwin	University of Illinois
Olga Isengildina	University of Texas-Arlington
Joseph Kishore	University of Illinois
Berna Karali	University of Georgia
Sang-Hyo Kim	The Ohio State University
Stephen Koontz	Colorado State University
Christa Lachenmayr	Commodity Futures Trading Commission
Fabio Lanhoso de Mattos	University of Nebraska-Lincoln
Anzhi Li	University of Georgia
Bill Nelson	Doane’s
John Newton	The Ohio State University
Daniel O'Brien	Kansas State University
Joe Parcell	University of Missouri
Paul Peterson	University of Illinois
Gage Ridder	Kansas State University
Matthew Roberts	Ohio State University
Dwight Sanders	Southern Illinois University
Henry Schaefer	USDA
Adam Schmitz	South Dakota State University
Sarah Stutzman	Purdue University
Ye Su	University of Missouri

Maryam Tabatabaei	Colorado State University
Mykel Taylor	Kansas State University
Glynn Tonsor	Kansas State University
Xiaoyang Wang	University of Illinois
Zhiguang Wang	South Dakota State University
Marketa Wolfe	Washington State University
Yifei Wu	University of Georgia
Lei Yan	University of Illinois
Wenjiao Zhao	University of Illinois

16 Graduate Students
5 Professional
26 Faculty

Program (See Attached)

Meeting Agenda:
The NCCC-134 Regional Research Committee sponsored the 33nd annual conference on Applied Commodity Price Analysis, Forecasting, and Market Risk Management on April 21-22 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 39 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. Karl Skold, Director of Economic Research, Bunge North America was the featured luncheon speaker.

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. Five of the 26 papers represent collaborative works by researchers housed at different institutions. There were five industry attendees. As well, this meeting remains an important venue for graduate students to present their work. This year, 16 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-

Coordinators, Matt Diersen and Matt Roberts, led the meeting. Diersen and Roberts agreed to coordinate the meeting for an additional year, and to coordinate the reapproval process.

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 2015 meeting will be held at the same location on April Next year's meeting is scheduled for April 20-21 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 2014. The specific location of the 2015 meeting will again be the Crowne Plaza St. Louis – Downtown Hotel.

Meeting Adjourned: 4:30 p.m. April 22, 2014.
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 DETAILS

NCCC-134: Conference on Applied Commodity Price Analysis, Forecasting, and Market Risk Management
April 21-22, 2014

Pre-Registration & Lodging Deadline:
March 31, 2014

Online registration and credit card payment is available at:
http://www.regonline.com/2014nccc134

Registration Fee:
(full program, breaks, & lunch Tuesday)
Faculty & Professional ($160)
Student ($40)

We will try to accommodate walk-ins, but pre-registration is highly preferred.

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 31, 2014.*

Monday, April 21, 2014

12:00 p.m. Registration

Session 1 - Afternoon
Marin Bozic,
University of Minnesota

"Spatial Price Efficiency in the Urea Market." Zhepeng Hu and Wade Brorsen, *Oklahoma State University*.

1:35
"Soybean Oil Spatial Price Dynamics." Jewelwayne Cain and Joe Parcell, *University of Missouri*.

2:10
"Marketing Strategies for Grains and Livestock in 1997-2013: Performance Persistence and Risk-Return Tradeoffs." Fabio Mattos and Kathleen Brooks, *University of Nebraska*.

2:45 - Refreshment Break

Session 1 – Continued
Moderator: Dragan Miljkovic,
North Dakota State University
3:05
"The Performance of U.S. Futures Markets on the World Stage." Roger Dahlgran, *University of Arizona.*

3:40
"Sources of Roll Returns in the S&P GSCI Excess Return Index." Di Hu and Paul Peterson, *University of Illinois*.

4:15
"The Price Impact of Commodity Index Rolls: A Firm-Level Analysis Using Daily Data." Dwight Sanders, *Southern Illinois University*, and Scott Irwin, *University of Illinois*.

5:00 – Reception

Monday, April 21, 2014

12:00 p.m. Registration

Session 2 - Afternoon
Moderator: *Anton Bekkerman,*
Montana State University
1:00
"Portfolio Investments: Are Commodities Useful?" Lei Yan and Philip Garcia, *University of Illinois*.

1:35
"Commodity Price Hedging with Agribusiness Stocks." Berna Karali and Jeffrey Dorfman, *University of Georgia.*

2:10
"Understanding the Relationship between Commodity and Equity Prices in Agricultural Marketing." Marketa Halova Wolfe and Randall Fortenbery, *Washington State University*.

2:45 - Refreshment Break

Session 2 – Continued
Joe Parcell,
University of Missouri
3:05
"Incorporating Known Forecasting Error to Improve Feeder Cattle Basis Forecasts." Glynn Tonsor and Kevin Dhuyvetter, *Kansas State University*.

3:40
"Composite Forecasting of Futures Prices: Can Forecasts of One Commodity Help Forecast Another?" Anzhi Li and Jeffrey Dorfman, *University of Georgia*.

4:15
"Forecasting Dairy Product Prices: Cheese Prices over Alternative Forecast Horizons." Maryam Tabatabaei and Stephen Koontz, *Colorado State University.*

5:00 – Reception

Tuesday, April 22, 2014

7:30 a.m. – Continental Breakfast

Session 3 - Morning
Moderator: *Fabio Mattos,*
University of Nebraska
8:05
"The Role of Speculation on Movements of Commodity Prices." Dragan Miljkovic, *North Dakota State University*.

8:40
"Risk Perception and Risk Management: An Empirical Study of Missouri Dairy Farmers." Ye Su, Emily Brundick, Joe Parcell, Scott Brown and Joe Horner, *University of Missouri*.

9:15
"A Structural Approach to Disentangling Speculative and Fundamental Influences on the Price of Corn." Xiaoli Etienne, Scott Irwin and Philip Garcia, *University of Illinois.*

9:50 - Refreshment Break

Session 3 – Continued
Randy Fortenbery,
Washington State University
10:10
"Short-Run and Long-Run Dynamics of Inflation and Changes in Commodity Prices: 1912-2011." Sarah Stutzman, Luis Pena Levano and Timothy Baker, *Purdue University*.

10:45
"Are Commodity Futures Getting Noisier?—Impact from High Frequency Quoting." Xiaoyang Wang, Philip Garcia and Scott Irwin, *University of Illinois.*

11:20
"The Competitive Position of the Black Sea Region in World Wheat Export Markets." Daniel O'Brien, *Kansas State University*, and Frayne Olson, *North Dakota State University*.

11:55 – Lunch

Tuesday, April 22, 2013

7:30 a.m. – Continental Breakfast

Session 4 - Morning
Moderator: *Roger Dahlgran, University of Arizona*

8:05
"The Quality of Price Discovery in the Corn and Live Cattle Futures Markets." Wanjiao Zhoa, Scott Irwin and Philip Garcia, *University of Illinois*.

8:40
"Parallel Bayesian Analysis of a Comprehensive Model of Agricultural Futures." Adam Schmitz, Zhiguang Wang and Jung-Han Kimn, *South Dakota State University*.

9:15
"Chewing the Cud: Using a Feed and Energy Price Portfolio to Manage Dairy Farm Risk." John Newton, *Ohio State University*, Cameron Thraen, *Ohio State University*, and Marin Bozic, *University of Minnesota*.

9:50 - Refreshment Break

Session 4 – Continued
Moderator: *Jeffrey Dorfman University of Georgia*

10:10
"Return of Risk Performance of the Basis Storage Strategy: A Study of Illinois Corn and Soybeans." Sanghyo Kim, Carl Zulauf and Matthew Roberts, *Ohio State University*.

10:45
"Quantifying the Public Information Effect on the Cotton Market." Ran Xie, *Clemson University*, Olga Isengildina, *University of Texas*, and Julia Sharp, *Clemson University*.

11:20
"How do Agricultural Futures Prices Respond to New Information about Drought Conditions?" Kathleen Brooks, Fabio Mattos and Karina Schoengold, *University of Nebraska*.

11:55 - Lunch

Tuesday, April 22, 2014

12: 40 – Luncheon Speaker

Karl Skold, Ph.D.
Director of Economic Research
Bunge North America

Session 5 - Afternoon

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

Moderator: *Matthew Diersen, South Dakota State University*

1:45
"How Large is the Agricultural Swaps Market?" Paul Peterson, *University of Illinois.*

2:20
"Competing for Wheat in the Great Plains: Impacts of Shuttle-Loading Grain Facilities on Basis." Anton Bekkerman, *Montana State University*, Mykel Taylor, *Kansas State University*, and Brian Briggeman, *Kansas State University*.

3:00 - Business Meeting
NCCC-134 Co-Chairs:
Matthew Roberts, *The Ohio State University*
(roberts.628@osu.edu)

Matthew Diersen, *South Dakota State University*
(matthew.diersen@sdstate.edu)

Note the NCCC-134 committee is up for renewal during 2014.

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.

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

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.

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 or to join the mailing list, 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 21-22, 2014

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

Now in the 33rd year of Applied Commodity Price Analysis, Forecasting, and Market Risk Management Research