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WISCONSIN CORN AND SOYBEAN PRODUCERS KNOWLEDGE  
AND USE OF OPTIONS AND RELATED MARKETING  
INSTRUMENTS

By

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Wisconsin Corn and Soybean Producers Knowledge and  
Use of Options and Related Marketing Instruments

Introduction:

For the first time since the 1930's farmers can once again trade options contracts on domestically produced agricultural commodities. The authorization for agricultural options trading in the fall of 1985 brought another new marketing alternative to the attention of Wisconsin farmers. This new marketing device offers opportunities and challenges for Wisconsin farmers. In this atmosphere of change it is useful to look at what farmers have learned about these new alternatives and how the alternatives fit into their overall marketing activities.

As a first step in learning more about Wisconsin grain farmers reaction to this new marketing tool the Department of Agricultural Economics with the support of the Agricultural Experiment Station and the cooperation of the Wisconsin Agricultural Statistics Service (WASS) surveyed a random sample of Wisconsin grain farmers in the Fall of 1986. The survey was aimed at providing bench mark data on farmers marketing activities and specifically their knowledge about agricultural options contracts.

Since WASS does not maintain a list of "cash grain" farmers the sample was drawn from a population defined as those Wisconsin farmers who had 100 acres or more of corn and 1 or more acres of soybeans. It was anticipated that these farmers were likely to have some cash grain trading activity and thus, be most interested in new marketing tools. This criteria resulted in a universe of 7700 farmers. A stratified random sample was drawn from this universe. The sample was stratified among crop reporting districts so that differences could be identified among the three Southern crop reporting districts as well as general conclusions for the state.<sup>2/</sup> The total sample surveyed was 2228 farms.

A questionnaire was designed in consultation with WASS and was pretested with a small group of farmers selected from the leadership of the Wisconsin Corn and Soybean Growers associations. In addition several agricultural lenders and grain dealers were asked to evaluate the survey. The survey was revised and mailed to farmers. (the complete questionnaire is contained in the Appendix)

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<sup>2/</sup> This report only reviews results for the state as a whole.



A total of 835 survey forms were returned for processing.<sup>3/</sup> Of these survey forms 39 were found to have so little data or such inconsistent data as to be unusable and were discarded from further data analysis. Thus, the data analysis began with a total of 796 observations. In reporting the results of the analysis the number of observations with data for a particular question does not always total 796 as not all respondents answered all questions.

#### Who Answered the Survey?

It is helpful at the outset to review some of the general characteristics of the survey respondents. The tables below provide insight into the general circumstances of survey respondents. The size of farms fit's closely with expectations. The average size of Wisconsin farms reported by WASS (6, p. 13) was 214.6 acres compared to farms in the sample where 48% of the farms were planting less than 259 acres to crops and where the average acres owned was 276.5. The average respondent had been farming 28 years. The 1982 Census of Agriculture reported that farm operators averaged 17.9 years on their present farm (5, p. 42).

Table 1. Acres Planted to Crops by Wisconsin Grain Farmers, 1986

ACRES PLANTED	FREQUENCY	PERCENT	CUMULATIVE FREQUENCY	CUMULATIVE PERCENT
<100	63	7.9	63	7.9
100-179	135	17.0	198	24.9
180-219	88	11.1	286	35.9
220-259	96	12.1	382	48.0
260-379	186	23.4	568	71.4
380-499	93	11.7	661	83.0
>500	129	16.2	790	99.2
NO RESPONSE	6	0.8	796	100.0

<sup>3/</sup> The response rate of 835 out of 2228 or about 37.5 percent is reasonable for mail surveys. We do not believe that there is significant non-respondent bias.

Table 2. Selected Characteristics of Wisconsin Grain Farmers, 1986

Item	N	Average	Std. Dev.	Minimum	Maximum
Acres Owned	782	276.5	148.1	0	3300.0
Years in Farming	771	28.0	8.0	1.0	70.0

Not entirely unexpectedly over 50 percent of the respondents indicate that they are Dairy farmers while the next biggest category is cash grain farmers at 26.6 percent (see Table 3). Dairy is such an important enterprise on Wisconsin farms that even those farms with large grain acreage are often primarily Dairy farms. In the 1982 Census of Agriculture, farms divided by Standard Industrial Classification, Wisconsin was estimated to have 11.21 percent of farms as cash grain farms and 47.04 percent as dairy farms. (5, p. 42). The relatively larger percentage of cash grain farms in our sample is a result of the population of corn and soybean growers defined for sampling.

Table 3. Type of Farm Indicated by Wisconsin Grain Farmers, 1986

TYPE OF FARM	FREQUENCY	PERCENT	CUMULATIVE FREQUENCY	CUMULATIVE PERCENT
Cash Grain	194	26.6	194	26.6
Livestock	85	16.6	279	43.2
Dairy	455	50.3	734	93.5
Poultry	3	0.3	737	93.8
Fruit and Veg.	11	1.9	748	95.7
Other	45	4.3	796	4.3
NR	3	0.4	796	100.0

Marketing decision makers in our sample were also similar to Wisconsin farmers overall in terms of age profile. WASS reported in their Dairy Facts publication that the average age of Wisconsin Dairymen was 50.7 years in 1986. (7, p. 48) In our sample 67.4 percent of the sample was less than age 55. (see Table 4). The 1982 Census of Agriculture reported the average age of Wisconsin farmers as 48.4 (5, p. 42)



Table 4. Age of Primary Marketing Decision Maker Among Wisconsin Grain Farmers, 1986

AGE OF PRIMARY DECISION MAKER	MARKETING FREQUENCY	PERCENT	CUMULATIVE FREQUENCY	CUMULATIVE PERCENT
NR	18	.	.	.
< 25	9	1.2	9	1.2
26-35	112	14.4	121	15.6
36-44	174	22.4	295	37.9
45-54	229	29.4	524	67.4
> 55	254	32.6	778	100.0

In our sample 50.5 percent had 12 years of formal education, 22.9 percent had 13-16 years of formal education and 6.1 percent had more than 16 years of formal education. This is similar to educational attainment among all those living in non-metropolitan areas in the midwest. In 1980 non-metropolitan residents in the midwest were reported by the Census Bureau to have an average 11.8 years of formal education. Of non-metro residents in the midwest 48.8 percent had completed high school and 6.9 percent had completed college by 1980 (4, p. 53).

Table 5. Years of Formal Education Reported by Wisconsin Grain Farmers, 1986

FORMAL EDUCATION	FREQUENCY	PERCENT	CUMULATIVE FREQUENCY	CUMULATIVE PERCENT
NR	20	.	.	.
0-8	106	13.7	106	13.7
9-11	53	6.8	159	20.5
12	392	50.5	551	71.0
13-16	178	22.9	729	93.9
> 16	47	6.1	776	100.0

#### Grain Production and Marketing Activities of Farmers

Respondents to our survey indicated that they produced on average about 22,065 bushels of corn, 1,011 bushels of oats, over 825 bushels of soybeans and just over 421 bushels of wheat in the crop immediately preceding our survey (see Table 6). These average levels of grain production are consistent with the average farm sizes reported above and the predominance of diversified crop/livestock farms in our sample. The largest

volume producers in the sample reported corn production over 15 times greater than the average.

Table 6. Reported Grain Production of Wisconsin Grain Farmers, 1986

Commodity	N	Ave. Bu. Produced	Std. Dev.	Minimum	Maximum
CORN	625	22065.53	19451.3	0	350000
SOYBEAN	742	825.43	1917.0	0	55000
WHEAT	745	421.65	1041.6	0	30000
OATS	688	1011.49	994.6	0	12000

In an attempt to measure the extent of participation in the cash grain economy we asked respondents to report the percentage of their production which was sold. (see Table 7) Because of large numbers of producers with low volume of production and low percentage sales we also calculated the percent of each grain sold based on the total volume sold divided by the total volume produced for the sample. Once again the results reflect the nature of the farms in our sample and the conventional pattern of uses of the grains produced. Thus, the calculated percentage sold for corn and oats at 47.54 and 28.68 reflect the fact that on most of the farms in our sample the largest share of production of these grains is fed to livestock on the farm where it is produced.

Table 7. Reported Percentage Sold and Calculated Percentage Sold by Wisconsin Grain Farmers, 1986

Commodity	N	% Sold Reported Average/Farm	% of Total Bushels* Calculated for Sample
CORN	727	33.06	47.54
SOYBEAN	756	23.53	87.51
WHEAT	762	16.52	91.33
OATS	748	10.42	28.68

\*Percent of total bushels for each commodity is calculated by multiplying the reported percent sold times the bushels produced this is summed across respondents to get total bushels sold this is then divided by the total bushels produced summed across respondents to get calculated percent sold.



Perhaps the most interesting characteristics of our sample farmers concerned their participation in various grain marketing activities (see Table 8). Just under one third of farmers dried corn on their farms.<sup>4/</sup> Very few had the capacity to blend grain on their farms. A little more than one third belong to a cooperative which provides grain marketing services. Cooperative and investor owned firms are used almost equally for storing grain off farm. A very small percentage of respondents reported storing grain at other farms.

Over half the producers participated in the 1985 USDA Feed Grain program and over three quarters of the respondents participated in the 1986 USDA Feed Grain program. On average farmers checked local prices twice each week and futures prices less than twice each week.

Looking at the sub-group of 389 respondents who reported that they had heard of agricultural options gives a first look at differences in marketing exhibited by this group. Those farmers who had heard of options more frequently dry corn on their farms, more frequently can blend corn on their farms, had higher rates of participation in the feed grain program, and checked both cash and futures prices more frequently.

Table 8. Grain Marketing Activities by Wisconsin Grain Farmers

Activity Options@	Whole Sample	Had Heard of
	-----Percent-----	
Dry Corn on Farm	32.0	44.0
Can Blend on Farm	6.3	9.3
Belong to Grain Mktg. COOP	34.6	38.2
Store Grain at COOP	16.0	16.5
Store Grain at Non-COOP	18.4	23.6
Store Grain at Other Farm	4.1	6.2
Participated in Feed Grain Program ---in 1985	56.0	70.0
---in 1986	76.0	82.0
	-----Times/Week-----	
Check Local Grain Prices	2	2.5
Check Futures Prices	1.7	2.4

@ refers to the sub-group of 389 respondents who had heard of agricultural options see Table 12 below.

<sup>4/</sup> Readers interest in comparisons of our results with previous surveys of Wisconsin farmers grain marketing activities may wish to consult the several surveys done by the Wisconsin Department of Agriculture Trade and Consumer protection in the 1970's (8, 9, 10, 11, 12).



Previous studies indicated that relatively few Wisconsin farmers were involved in forward pricing their corn and even fewer in direct futures trading (8,9,10,11). The respondents in this study also reported rather limited use of forward pricing.<sup>5/</sup> Over three quarters of the respondents did not use a cash forward contract in the last five years while over 91 percent had not used futures in the last five years (Table 9). Those who had heard of agricultural options were more frequent users of both cash forward and futures contracts in forward pricing during the last five years.

Table 9. Forward Pricing Activities of Wisconsin Grain Farmers

Contract Number of Heard@ Times in ----- The Last 5 yrs.	Used Futures to Forward Price		Used Cash Forward	
	Whole Sample	Have Heard@	Whole Sample	Have
	-----Percent-----			
Never	91.8	85.1	79.5	64.8
Once	1.7	2.2	3.2	4.7
2-4	3.7	6.3	9.9	16.6
5-10	1.3	3.0	4.0	7.8
>10	1.5	3.4	3.4	5.8

@ refers to the subgroup who had heard of agricultural options.

A slightly different view on the importance of forward pricing activities is shown in Table 10. When you look at the share of all corn produced and the share of all corn sold tabulated by the frequency of use of futures and forward contracts it is clear that a good deal more grain has been forward priced than indicated by the number of farmers who use forward pricing. It is clear that those with large volume of corn produced and sold are much more frequent users of both cash forward and futures contracts for forward pricing.

<sup>5/</sup> Studies of both corn and soybean marketing practices for Midwest corn and soybean producers were completed recently by the USDA (2, 3). The studies are not readily comparable to our results but may provide insight to the general marketing practices of corn and soybean growers.

Table 10. Forward Pricing Activities of Wisconsin Grain Farmers

Number of Times in The Last 5 yrs.	Used Futures to Forward Price			Used Cash Forward Contract		
	-----Percent-----			-----Percent-----		
	Respond.	Bu. Corn	Bu. Corn	Respond.	Bu. Corn	Bu. Corn
		Produced	Sold		Produced	Sold
Never	91.8	69.8	52.8	79.5	57.8	41.0
Once	1.7	3.4	6.1	3.2	3.9	5.1
2-4	3.7	10.6	19.2	9.9	16.6	23.5
5-10	1.3	3.0	3.6	4.0	9.1	11.9
>10	1.5	13.3	18.4	3.4	12.6	18.5

Wisconsin producers in our sample were not very active buyers of specialized market information. Over 70 percent of the producers spent nothing on specialized market information services. Less than four percent spent more than \$200.00 annually on specialized market information. Those who had heard of agricultural options reported a greater frequency of expenditure on market information. However, even in the subgroup that had heard of options 58.2 percent spent nothing on special market information services.

Table 11. Expenditures on Specialized Market Information by Wisconsin Grain Producers

Expenditure/Year	Sample	Have Heard of Options@
	----- percent -----	----- percent -----
Nothing	71.6	58.2
\$1-\$100	20.8	28.5
\$101-\$200	3.9	6.3
>\$200	3.7	7.1

@ refers to the subgroup who had heard of agricultural options.

#### Awareness and Use of Agricultural Options

At the Time our survey was conducted agricultural options had been trading for about one year. Information had been widely disseminated about agricultural options through the farm and general press and through meetings sponsored by brokerage firms, grain dealers, the extension service and others.<sup>6/</sup> Still only

<sup>6/</sup> The primer on agricultural options prepared by the senior author of this report (1) is typical of the many extension, commodity exchange and trade publications available before



48.9 percent of the producers in our sample reported that they had heard of agricultural options trading (see Table 12). Seventy percent of those who had heard of options reported that magazine articles were where they had heard about them. Other important sources of information to at least 20 percent of those responding were radio, local grain dealers and television.

Of those who had heard of options trading only 27 producers 7.3 percent reported that they had traded an options contract at the time of our survey. The small number of producers who had traded a contract can be explained in part by the economic environment which included easy access to the U.S.D.A. Feed Grain program which provided the some of the same price protection as options trading. The U.S.D.A. Feed Grain program in 1985 had also provided a fair degree of protection from severe price declines even to those outside the program. This could have further discouraged farmers from looking at options.

Table 12. Awareness and use of Agricultural Options Reported by Wisconsin Grain Farmers, 1986

Have Heard of Agr. Options	FREQUENCY	PERCENT	CUMULATIVE FREQUENCY	CUMULATIVE PERCENT
Yes	389	48.9	389	48.9
No	407	51.1	796	100.0
Have Traded an Agricultural Options Contract				
NR	17	.	.	.
NO	345	92.7	345	92.7
YES	27	7.3	372	100.0

The small number who had heard of options is more troubling. The publicity surrounding the introduction of agricultural options was one of the most intense educational and promotional campaigns ever conducted on an agricultural issue. The publicity was aimed at making farmers aware of the primary ways in which options could be used in marketing crops and livestock. It was expected that a rather large share of farmers would have heard of options. It was also expected that the general level of understanding of how options would and could be used would be quite high.

and immediately after the introduction of agricultural options trading. In addition the farm press devoted a large amount of attention to this new marketing institution.



To test briefly the understanding which our respondents had of options we asked those who had heard of options to complete a brief multiple choice "quiz". The results of that quiz are outlined in Table 13. Over half those completing the quiz understood the basic idea that options would allow protection against price declines while leaving the opportunity to gain from price increases. Less than 25 percent of the respondents were able to correctly identify the definitions of option premium and strike price. Just over 30 percent correctly identified the advantages of buying a put option. These responses indicate considerable room for improvement in terms of understanding of agricultural options.

Table 13. Scores on Questions Concerning the Use of Options by Those Who had heard of Options

Question Content@	Percent Correct
What is an option premium?	24.4
What is a strike price?	24.4
Options are expected to be used as protection against lower prices leaving open the opportunity for gains with higher prices	52.4
Advantages of buying a put option	31.1

@ for the exact text of the questions see the questionnaire in the Appendix.

#### Concluding Comments

Wisconsin grain farmers remain heavily influenced by their joint grain livestock enterprises. They operate relatively small farms compared to the more heavily cash grain producing states to the south and west. Most rely on livestock enterprises as the primary outlet for corn and oats. Few are spending aggressively for the acquisition of specialized information, the use of more complex marketing instruments is limited and their knowledge of agricultural options contracts is less than would have been expected given the large amount of publicity surrounding options trading.

Less than half of the farmers responding had heard of agricultural options. Those farmers who had heard of options more frequently dry corn on their farms, more frequently can blend corn on their farms, had higher rates of participation in the feed grain program, and checked both cash and futures prices more frequently. Only 27 farmers (7.3% of those who had heard of



options) reported that they had traded an options contract at the time of our survey.

The limited use of options by Wisconsin corn and soybean farmers is not surprising given the economic climate at the time of the survey. During 1986 corn and soybean prices were dominated by surplus stocks, and weak demand. Thus USDA feed grain and soybean price support programs dominated pricing and offered substantially better price levels than other marketing alternatives. The attractiveness of the programs is illustrated by the over 75 percent of respondents who participated in the 1986 Feed Grain program. These factors coupled with the limited experience using futures, the newness of the options market, and limited cash grain commitment on the part of most farmers all contributed to the limited use of this new marketing alternative.

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Appendix

Cover Letter and Questionnaire





National Agricultural Statistics Service, USDA

Wisconsin Department of Agriculture, Trade and Consumer Protection  
Agricultural Statistics Board

Wisconsin  
**Agricultural**  
**Statistics Service**  
P.O. Box 9160 Madison, WI 53715  
(608) 264-5317

July 29, 1986

Dear Farm Operator:

Within the last year, agricultural options contracts have become available as an additional commodity marketing tool. In order to better understand how agricultural options contracts are being used in the Wisconsin grain industry, the Department of Agricultural Economics at the University of Wisconsin-Madison is asking for your help. Grain producers are being asked to complete this survey and return it in the enclosed postage-free envelope. All data reported by you will be kept confidential and used only in combination with other responses to generate totals for use by the University staff. All names will be removed from the questionnaires before they are given to the University staff.

Thank you for your assistance.

Sincerely,

Carrol D. Spencer  
Agricultural Statistician

Would you like a copy of the results of this survey?    Yes ☐    No ☐

Would you like more information on agricultural options contracts?    Yes ☐    No ☐

(Please leave this front page attached to the questionnaire so that we may send requested information.)

# Agricultural Options Survey

## SECTION I

The following questions are about you and your farm operation. Answers to these questions are necessary to help us link marketing activity to general farm operations. Please remember that all answers will be kept confidential.

1. On your farm operation, how many acres are planted to crops? (do not include forest, pasture and waste land) (check the one best answer)

- ☐ Less than 100  
☐ 100 - 179  
☒ 180 - 219  
☐ 220 - 259  
☐ 260 - 379  
☐ 380 - 499  
☐ More than 500

2. Of the acres you farm, how many do you own?

\_\_\_\_\_ acres

3. How many years have you been farming?

\_\_\_\_\_ years

4. What type of farm do you classify your operation as? (check the one best answer)

- ☐ Cash grain  
☐ Livestock  
☐ Dairy  
☐ Poultry  
☐ Fruits and Vegetables  
☐ Other (specify) \_\_\_\_\_

5. Please indicate the percentage each of the following contributes to your income.

- ☐ Cash grain  
☐ Livestock  
☐ Dairy  
☐ Poultry  
☐ Fruits and Vegetables  
☐ Other (specify) \_\_\_\_\_

## SECTION II

The following questions are about the agricultural options market. We would like to know if you have heard of agricultural options, and if so, where you have heard of them. There are also a few test-like questions to see how much you know about agricultural options. The agricultural options market is new. We expect that many people won't know the answers. If you do not know the answer to a question, please mark "I don't know." Your honest answers will help us to see how well

the media and educational programs have explained agricultural options. Even if you have not heard of agricultural options, please continue with the survey as there are other questions we would like you to answer.

1. How have you heard about agricultural options? (check all that apply)

- ☐ Have not heard of agricultural options (skip to Section III)  
☐ Magazine articles  
☐ Extension publications  
☐ Extension meetings  
☐ Commodity brokerage seminars  
☐ Commodity exchange seminars  
☐ Lender  
☐ Radio  
☐ Television  
☐ Local Grain Dealer  
☐ Other (explain) \_\_\_\_\_

2. What is an option "premium"? (check the one best answer)

- ☒ I don't know  
☐ The price at which the option can be exercised  
☐ The amount paid to purchase an option  
☐ The same as the strike price

3. What is the "strike price" of an option? (check the one best answer)

- ☐ I don't know  
☐ The amount paid to purchase an option  
☐ The price of the underlying futures contract  
☐ The price at which the option can be exercised

4. Agricultural options are expected to be used by farmers as: (check the one best answer)

- ☐ I don't know  
☐ A way to sell to the local elevator  
☐ A form of price insurance  
☐ An exact substitute for hedging in the futures market

5. The advantages of buying a put option are: (check the one best answer)

- ☐ I don't know  
☐ Limiting the impact of lower prices  
☐ Allowing you to participate in upward price moves  
☐ Both 2 and 3

6. Have you used agricultural options in your grain marketing? (check the one best answer)

- ☐ No  
☐ Yes



7. If the government price supports were eliminated or significantly lowered, do you view agricultural options as an alternative? (check the one best answer)

- ☐ No  
☐ Yes  
☐ Don't know enough about agricultural options

### SECTION III

This section of questions asks about your marketing program. We need to know how you make marketing decisions. Also, we need to know how you store your grain and what kind of physical facilities you have for storing and handling grain.

1. Please indicate who is the primary marketing decision-maker in your farm operation (check all that apply)

- ☐ I am  
☐ Spouse  
☐ Son  
☐ Daughter  
☐ Hired farm manager  
☐ Other (specify) \_\_\_\_\_

2. What is the age of the primary marketing decision-maker in your farming operation? (check the one best answer)

- ☐ 25 or less  
☐ 26 - 35  
☐ 36 - 44  
☐ 45 - 55  
☐ Over 55

3. How many years has the primary marketing decision-maker been making marketing decisions? (check the one best answer)

- ☐ 0 - 5 years  
☐ 6 - 15 years  
☐ 16 - 25 years  
☐ 26 - 35 years  
☐ More than 36 years

4. How many years of formal education has the primary marketing decision-maker in your farming operation had? (check the one best answer)

- ☐ 0 - 8 years  
☐ 9 - 11 years  
☐ 12 years  
☐ 13 - 16 years  
☐ More than 16 years

5. How often does your lender influence your marketing decisions? (check the one best answer)

- ☐ Never  
☐ Rarely  
☐ Sometimes  
☐ Often  
☐ Always

6. Please indicate in the following table how you used crops produced in 1985.

Crop	Bushels produced	Percent sold	Percent fed on farm
Corn			
Soybeans			
Wheat			
Oats			
Other			

7. How long do you store grain ON YOUR FARM during a typical year? (check all that apply)

Length of time	Corn	Soybeans	Wheat	Oats
Do not produce this crop				
Never store on farm				
Up to 2 mos. after harvest				
3 - 6 months after harvest				
More than 6 months				

8. In what form do you generally store your harvested corn? (Check all that apply. If you do not store, please skip to question 10)

- ☐ Ear corn  
☐ Ground ear corn or silage  
☐ Wet shelled corn  
☐ Dry shelled corn

9. Do you dry your shelled corn? (If yes, please indicate what percentage of your corn production this is. If no, please skip to question 10.)

- ☐ No  
☐ Yes \_\_\_\_\_ %

10. If you dry shelled corn, what kind of dryer do you have? (check the one best answer)

- ☐ In-bin high temperature  
☐ Column high temperature  
☐ In-bin ambient air  
☐ Combination high-low temperature  
☐ Dryeration  
☐ Other (specify) \_\_\_\_\_

11. Do you have facilities which permit you to blend grain to meet minimum grade standards? (check the one best answer)

- ☐ No  
☐ Yes

12. How long do you store grain OFF THE FARM during a typical year? (check all that apply)

Length of time	Corn	Soybeans	Wheat	Oats
Do not produce this crop				
Never store off farm				
Up to 2 mos. after harvest				
3-6 months after harvest				
More than 6 months				

13. If you store grain off your farm, where is it stored? (check all that apply)

- ☐ Cooperative  
☐ Private grain elevator  
☐ Other farmer  
☐ Other (specify) \_\_\_\_\_

14. Do you belong to a cooperative that offers grain marketing? (check the one best answer)

- ☐ No  
☐ Yes

15. How often in the last 5 years have you used cash forward contracts or hedging with futures to market any of your corn, soybean, wheat, and oats crop? (check all that apply)

Number of times	Cash forward contract	Hedging with futures
Never .....		
Once .....		
2-4 times .....		
5-10 times .....		
More than 10 times ....		

16. How many times each week do you check on local market grain prices? \_\_\_\_\_

17. How many times per week do you check on grain futures prices? \_\_\_\_\_

18. If you forward price BEFORE HARVEST, please indicate what percentage of your production is forward priced in a typical year.

Corn \_\_\_\_\_ %

Soybeans \_\_\_\_\_ %

Wheat \_\_\_\_\_ %

Oats \_\_\_\_\_ %

19. Did you in 1983, 1984, 1985, 94 1986 participate in any government grain programs through your ASCS office (such as acreage set-aside, price support loans, farmer owned reserve loans, etc.)? (check all that apply)

	1983	1984	1985	1986
No .....				
Yes .....				

#### SECTION IV

One of the areas of rapid change is the availability of market information. The advent of agricultural options trading will further expand the need for information. This section asks questions about where you get market information.

1. We would like to know what the sources of your marketing information are. Which of the following magazines and publications do you receive on a routine basis? (check all that apply)

- ☐ Successful Farming or Farm Journal  
☐ Soybean Digest or Corn Growers publications  
☐ Futures Magazine  
☐ Farm Futures  
☐ Commodity brokerage market letters  
☐ Wall Street Journal  
☐ Local, state, or regional newsletters  
☐ Other (specify) \_\_\_\_\_

2. How much do you spend each year for market information services such as telephone hotlines or special market letters? (check the one best answer)

- ☐ Nothing  
☐ \$0 - \$100  
☐ \$101 - \$200  
☐ More than \$200

3. Please indicate your level of interest in the following market information categories. (Indicate level of interest from 0 not interested to 5 very interested)

- ☐ Grain markets  
☐ Livestock markets  
☐ Agricultural news  
☐ Headline news  
☐ Pest management bulletins  
☐ Weather news

University of Wisconsin-Extension has offered an agricultural information service called INFOTEXT. To receive INFOTEXT you need a decoder or a personal computer. The information is transmitted as part of the Public Television signal. The following set of questions is about INFOTEXT and your interest in similar market news services.



4. Have you heard of INFOTEXT before?

- ☐ Yes  
☐ No

(If your answer is no, then skip to question 7.)

5. Which of the following INFOTEXT formats have you heard about?

- ☐ INFOTEXT line 21 "rolling" text format through a decoder  
☐ INFOTEXT through computer dial-up via a modem  
☐ INFOTEXT in the teletext or page format

6. Please rate from 0 to 5, where 0 is no interest and 5 is very interested, your interest in the INFOTEXT formats listed below. (circle the number which applies)

INFOTEXT line 21 rolling text format      1   2   3   4   5

INFOTEXT computer dial-up via modem    1   2   3   4   5

INFOTEXT in the teletext or page format   1   2   3   4   5

7. Do you receive a strong Wisconsin Public television signal?

- ☐ Yes  
☐ No

If yes, which Channel \_\_\_\_\_ broadcast

\_\_\_\_\_ cable

If you would like more information on the INFOTEXT information service mentioned above, you can write to INFOTEXT, Old Radio Hall, University of Wisconsin, Madison, WI 53706

We appreciate very much your cooperation in completing this survey.