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IGP Plans Risk Management Course

Course sections will focus on the importance of risk management within trading markets.

MANHATTAN, Kan. – Understanding the importance of risk management within trading markets is crucial to the security of a company’s financial future. Individuals interested in expanding their knowledge of marketplace challenges are encouraged to take advantage of the Risk Management course on August 11-15 at the International Grains Program Conference Center in Manhattan, Kan.

The course is divided into two parts: Basic and Advanced. The first three days are focused on the key elements of price risk management and hedging through the use of grain futures. The Basic section of the course will also focus on basis trading and its impact on those who purchase and sell grains.

“In this basic segment we cover what the commodity exchanges provide, how they can be used to manage risk and the pitfalls of trading futures,” says Jay O’Neil, senior agricultural economist for the International Grains Program at Kansas State University.

The second segment of the course will take place during the last two days and will focus on the use of futures options and the OTC markets when dealing with risk management.

A management trainee for Stafford County Flour Mill and past course participant, Derek Foote, hoped to expand his knowledge of the current market and learn how to improve his techniques. “I wanted to gain a broader perspective on marketing tools to use,” Foote says. “I have learned different strategies and options to use that we haven’t used in the past.”

The Risk Management course is designed to help participants gain a valuable understanding of the relationship between cash and futures markets, futures spreads, principles of hedging, and principles of risk management and trading strategies.

“Our program is not focused on the use of grain futures and options for speculation; instead, we concentrate on the proper use of futures and options as a risk management tool to control price volatility and market risk,” O’Neil says.

In addition to grain marketing and risk management courses, IGP offers standard courses in flour milling and grain processing, and feed manufacturing and grain management. To register for this course, visit www.igpevents.grains.ksu.edu. For more information about IGP, visit www.grains.k-state.edu/igp.