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Industry Expert Teaches Strategies for Trading Future Prices
IGP Institute holds risk management course for better trading practices.

MANHATTAN, Kan. – Grain trading is a necessary, but not an easy task. Factors including why, how and when to exchange grains makes the U.S. trading industry complex. To enhance knowledge on this topic, the IGP Institute held the IGP–KSU Risk Management Course August 1-5, 2016. Seven professionals traveled to the IGP Institute’s Conference Center for the training, five of which stayed for the advanced section on the final two days of the course.

Senior Agricultural Economist and Course Manager Jay O’Neil says the risk management course was well done with international flour millers and domestic ethanol producers.

“It is always interesting when we get to the last day and conduct the trading simulation and watch how the participants apply what they have learned. During the simulation exercise, we are able to observe how the students balance their urges to speculate in the futures market against their needs to manage the risk for their respective companies. This brings the objectives of the course into focus for everyone,” O’Neil says.

The course was split by level of experience, basic and advanced. Students learned many skills and techniques for risk management including why we have futures markets, fundamental and technical analysis, futures spreads principles of hedging, principles of risk management and basic trading, and principles of futures and options trading. During the advance session, participants learned risk management through the use of option and over-the-counter (OTC) markets.

Participant Gabriela Moraes, market analyst at M.Dias Branco in Jaboatao dos Guararapes, Brazil says she enjoyed everything about the course and it was a good experience for her and her company.

“I learned what we could do to minimize our risk when buying grains. I also learned a lot about other things in the market, like U.S. wheat and U.S. grains,” Moraes says.

This is just one example of the trainings offered through the IGP Institute. In addition to grain marketing and risk management, the institute offers courses in the areas of flour milling and grain processing, and feed manufacturing and grain quality management. For more information, visit the IGP Institute website at www.ksu.edu/igp.

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