
Marketlines of Communication
Communication in the Marketing Industry

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I. ABSTACT

The report that follows is an insight into the discourse community within the agricultural marketing sector. The introduction gives a basic ground level of communication and aspects of its theory, along with the different ideas that will be discussed throughout the course of the report. The next section includes methods that were taken to research the topic, and the final sections include the results, which discuss the research findings. This also consists of a personal interview with an expert in the area of interest and an analysis of a document instrumental to this field. The final conclusions wrap up the overall insight gained from the report.

II. INTRODUCTION

In any field of interest, there is a specific knowledge or expertise, and there are certain procedures that are followed in order to most efficiently function and progress within that particular field. Regardless of what field of interest happens to be up for discussion, there is a common toll used throughout all of society. This is communication. A proverbial string, if you will, that is pulled through every aspect of life, especially the business world. By understanding some general theories about communication and by learning to practice effective communication strategies using some of these theories, we can improve our professional performance for our benefit on a personal level, as well as for the benefit of the company or organization involved.

Borg (2003) gives a good example of how society uses communication. Most often, we do not communicate to the world, as one entity, rather we use language to appeal to a particular group or audience. One way of categorizing these groups is referred to as discourse communities. Discourse communities can be described as groups comprised of individuals who share a similar goal or set of beliefs. In order for the group to achieve their goals, they use communication in many different terms to relay information to and from their targets (Borg, 2003, p.398).

According to Berkenkotter and Huckin (1995), in order to achieve professional success, one must understand the genres of written communication that are used in their field. These genres distribute information in whatever method deems necessary to the situation at hand (p.1). Whatever the nature of a genre, it is found that we gain

our perspective and knowledge of them through participating and interacting in the activities of our culture and/or community. This is referred to as situatedness (p.7). If we are able to act in our culture and learn its genres of communication, we will be able to create successful discourse communities. Quoted from the argument of Brown, Collins, and Duguid (1989), “People who use tools actively rather than just acquire them...build an increasingly rich, implicit understanding of the world in which they use the tools and of the tools themselves” (p.12). By practicing this ideology, along with other comments, we have the ability to generate effective communication among discourse communities.

In this assignment, we will touch base on how and where it is important in the business field, particularly marketing. Through examining information about the industry and how it communicates, an interview with an expert in the field, and finally an analysis of a document generally used by the expert, we will understand how discourse is practiced efficiently in the area of marketing, and how it affects its general community.

III. Methodology

To begin research on the topic of marketing communication, particularly agriculturally-related marketing, I took advantage of the web-based plethora of information on the topic. I primarily focused on marketing service companies in the Midwest region, along with the grain exchange/board of trade hubs in Minneapolis, Kansas City, and Chicago.

I concentrated on these areas because the Midwest is a prominent area of the United States to rely on effective discourse in this particular field.

After learning more about the topic, I conducted an interview with a professional market analyst, employed by Progressive Ag, a local marketing firm. By talking with an expert in the business and really understanding their day-to-day tasks, it was very clear how communication is an absolute necessity, and using it wisely is a major benefit to any company, both intrinsically and extrinsically.

Finally, I gathered documents that have been used by Progressive Ag and other organizations and selected one to be further analyzed for this report. Since Progressive Ag is the main entity of my research, I chose to examine their bi-monthly newsletter as a document of discourse. This seemed to give a sense of how the business communicates to its customers, and how it structures or organizes its information in a concise, yet effective genre.

IV. Results and Discussion

The internet gives a vast assortment of information about agricultural marketing, but once I began really looking, there was a common discourse that existed between each area of research. This holds the theory true that no matter the size of a discourse community, there is a common goal or belief shared by all, and communication must

be strategically implemented in a uniform and consistent manner so that the overall goal is achieved.

After scratching the surface on web documents, pertaining to marketing, I found that statistical data updates are what fuels the industry and what unite its members in a market. Any type of agricultural marketing/trading service must be able to communicate the daily changing numbers that are the basis for all decisions. They then put much effort into analyzing these changes and interpreting trends in order to offer information efficiently. People depend on these forms of communication to make important economical and financial decisions.

One area of correspondence that Progressive Ag uses is its company website and its bi-monthly newsletter. The ProAg website is accessed mainly by customers who subscribe to their daily/weekly comments. These comments are written and compiled after each market day, and they communicate to customers the views and interpretations along with recommendations for market use. Customers who rely on Progressive Ag to help them achieve their trading and risk management goals read these commentaries and apply the necessary information to their own personal portfolio. The newsletter is another form of discourse. Progressive Ag sends out a newsletter twice per month that basically summarizes the market situation every two weeks. They put together comments from each market analysts on their respective specialty crops, and they incorporate charts and graphs that exemplify the statistical standings for the visual learners. This keeps customers up-to-date and informed on their expertise.

Some primary methods of communication that are used both internally and externally at ProAg are telephone, email, faxing, and text messaging. These are other venues in which ProAg is continually transferring information to their customers. The main channel of communication between a broker and his/her customer is via the telephone. They find this to be the most personal and effective way to suggest and request orders of business. Once the initial information has been processed, the broker/analyst stays in constant contact with their customer through email, fax, and text messaging.

Finally, ProAg sends its analysts around the local area to address customers and potential customers face-to-face through market advisory seminars. This gives the communities a chance to meet on a regular basis to discuss ideas and ask questions that they may have on a more personal and open level. It also keeps Progressive Ag aware of its duties and obligations to their business as a community.

Marketing communication became even more clear to me after conducting a personal interview with Jody Wosick, a market analyst/broker employed by Progressive Ag. She explained the different forms of communication that are pertinent to her everyday tasks. She estimated that 35% of her time is spent “conferencing or talking” with her customers. She explained that mastering this form of discourse is imperative to her position because it is the most common way that she speaks on a one to one basis with each customer, where they then relay ideas, recommendations, and eventually orders to each other. She portioned another 30% of her time to writing. This includes daily and weekly commentary, which is posted on

the Internet, text message alerts, and market promotions, such as postcards, brochures, and newspaper/radio ads. The main purposes of these written documents are to alert customers of market changes and new recommendations of cash commodity sales, along with new hedging recommendations in futures and options markets. They may also make potential customers aware of the beneficial services that ProAg provides.

Jody devotes 25% of her time to reading. She has to read and analyze many different documents and statistical charts that help her to understand the market each day and be able to interpret changes and recommend actions to her customers with an informed opinion. She also reads other publications and industry-related material that broadens her knowledge of agriculture and makes her a more well rounded employee. It also gives her new ideas for her own personal creativity, which she says is, in her opinion, “essential to any position.”

Ten percent of Jody’s time is left for the “other” category, which certainly doesn’t mean unimportant. Although it is not a constant task, her job requires her to offer marketing advice through ProAg’s marketing seminars, live radio ads and commentaries, and a number of agricultural “shows.” She really enjoys this portion of her job because it allows her to get on a “personal level” with customers and farmers alike. Jody says that her reasoning for entering her field was a result of the passion that she has for communicating her knowledge of agriculture to those seeking advice. She says this can be the most rewarding and at the same time, the most difficult aspect of her job because the market and just agriculture in general is

such an unpredictable and unstable industry. Many times this can make it difficult to affirm her expertise, but with the same token, it makes her feel like she has some ability to ease customers' anxieties. This fluctuation of good-will/stability keeps communication lines busy.

Analysis of a Document

Company documents can be written for many different causes, audiences, etc., but you can really get a handle on the way that organization communicates by taking a rhetorical approach to reading and examining their specific documents. For this report, I decided to review the newsletter that is sent out twice every month by Progressive Ag (APPENDIX). The newsletter is compiled by all of the employees at ProAg. Each one of them submits the portion of their expertise to give the letter a diversified, yet unified feel.

The newsletter has been given the title "Progressive Ag Marketline," which is boldly printed at the top of every letter that is sent out. Directly above the title, the phrase "Leading Agriculture Into the 21st Century" is printed. This slogan is also one of the constants in the letter's format. It develops a sense of ethos right from the start by prompting the reader to feel that the following information has been written for their own benefit. It creates a sense of good-will over all, which appeals to the reader's sense of trust, in important concept when dealing with the market.

Progressive Ag follows the same basic format for each newsletter that is sent out. It's basic function is to give an overall synopsis of what the market has done in the

past two week period, and more importantly, it reiterates ProAg's recommendations for actions in the market. They accomplish this by appealing to the reader's visual and verbal needs. The letter is divided into sections; one for each crop, one for pertinent information of the time frame, and one for the overall recommendation summary. The overall summary, including a chart-visual, and a numbered list, is the first section. This sparks the reader's interest in the subject matter, and it brings questions in their minds, which are then answered in the sections that follow. This strategy of question and answer creates a sense of logos by convincing and solidifying the usefulness and truthfulness of the ideas.

Each category is emphasized with bold headings, for example, **CORN: ESTIMATES FOR HUGE CROP KEEPS PRESSURE ON MARKET.** Within these categories is a summary of that commodity's performance, fundamental news, and ProAg's recommendations. The goal is to inform the reader of new information and give them a suggestion of how to implement that into their trading plans. A sense of pathos is created here. Although the recommendations are technically meant to be a guide for the customer to follow, Progressive Ag does hope that they actually do follow their advice because they believe it is the correct response to the market. Therefore, they create a "relaxed disposition" in order to appeal to the audience to actually do what is recommended.

Along with the verbal rhetorics, graphs are also inserted within the categories to give a visual aspect to the letter. Progressive Ag understands that some of their

readers would rather look at a graph explaining the market's performance. Others like to use this as a supplement to the reading. This reiterates the sense of logs by adding to the competency of ProAg and solidifying their position.

With these rhetorical qualities, the newsletter is a written document that serves as a useful tool for customers. It uses the three sense of ethos, pathos, and logos in a structured, orderly method of written presentation. Progressive Ag's goal is to use this piece of literature twice per month to appeal to their customers' personal needs regarding their marketing services. The newsletter accomplishes this in a compact fashion, using the rhetorical communication methods discussed above.

V. Conclusion

After taking the steps to complete this report, I have come to a new understanding of communication as a whole. Berkenkotter and Huckin are absolutely right. There is an "art" to communication in any form. I believe some have a natural tendency toward effective communication and others have to work harder at the concept, but discourse is still that "string" that connects us all. When we are able to understand and therefore perfect our methods of communication, we are able to achieve our goals and the goals of any greater group that we may be a part of.

Through my research of the agricultural marketing field, most specifically Progressive Ag, and through my own personal experience in this area, I thought I had a pretty strong grasp on the importance of communication, but I had never really put this much thought into it or done analysis to this extent. I found areas of significance

that should be given more attention, not only because theory says so, but because the better we can communicate and the more problems we can overcome or even avoid by doing so, the stronger our information is presented to our respective targets. With communication as our tool, we can not only achieve our own goals, but we can help others and together obtain success.

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Appendix

PROGRESSIVE AG

WHEAT: WAITING FOR DEMAND NEWS

There wasn't a lot of fresh marketing moving news in the wheat markets this week, leaving wheat prices nearly unchanged from a week ago. The two main items of interest in the wheat market are harvest progress and demand/export items.

The HRS wheat harvest continues to plug along in the north. As of Oct 3 the US spring wheat crop was 94% harvested, compared to 88% complete the previous week and 99% for the five-year average. ND was 91% complete; MN was 95% complete, MT was 95% complete. ID, SD and WA have all finished their harvest. Saskatchewan producers are said to be 47% complete with harvest, compared to just 21% the previous week and 88% for the five-year average. It looks like spring wheat producers will have an excellent chance of finishing their harvest this weekend as temps are expected to be in the 70s in most locations.

Stats Canada released their Crop Production report this week, with the Canadian all-wheat estimate coming in at 24.5 mmt, down from the previous estimate of 25.6 mmt and coming in at the low end of pre-report estimates ranging from 24.5 to 27 mmt. Last years crop production was 23.6 mmt. The spring wheat production forecast is up 5% from last year to 16.9 mmt. Saskatchewan and Alberta farmers have reported increases in yield which pushed production up 10-15%; however, Manitoba producers have reported decreases of 18% from last year which resulted in an overall decrease in yield and harvested area from 2003.

The winter wheat crop is off to a good start. Fifty-eight percent of the crop is said to be planted, ahead of average pace of 54% for this time of year. Twenty-nine percent of the crop has emerged, also ahead of average pace of 27%.

USDA reported wheat sales for the week ending Sept 30 at 29.5 mbu, bringing total commitments to 545.7 mbu. Shipments were solid as well with over 26 mbu inspected for export. Progressive Ags export models improved slightly to be running 20% ahead of USDAs projected export pace. At 18 weeks into the 2004-05 marketing year, US sales are running 1% ahead of last year's pace. This weeks impressive sales report is exactly the type of news the wheat markets need to see if they are to stop moving lower.

Overall, Progressive Ag does not look for much upside potential in the wheat markets. There was a large crop this year, as was evidenced on last weeks USDA reports. The large US supplies will also need to content with a large world crop in the export arena. Unless we see a significant pick up in exports one can expect prices to slowly drift lower.

HEDGERS: Producers who need to move wheat quickly (in order to make more storage room for corn/beans) should look to sell the necessary amount. Producers should have made catch-up sales on over-run 2004 wheat at \$3.85 Dec Mpls futures. Also, producers should have priced 25% of 05 wheat at \$3.85 Sept 05 Mpls futures. HRS wheat producers should have taken the LDP on 100% of your production (if you are done harvesting). The hardest part to marketing wheat this year has been due to steep protein discounts. Producers who have 13.5% protein or higher should look at selling this wheat. Extremely high protein wheat (15% and above) should be used to blend with lower protein wheat to get a 14% protein wheat. Producers who have low quality wheat (13.5% protein or less) should bin this wheat and look to lock in March or May futures. This should give us enough time to improve the protein discounts.

DID YOU ACHIEVE THE QUADRUPLE DIP?

For farmers who bought revenue insurance protection in northern areas, though, it will not matter if they get below average crops because crop insurance will kick in right away on any yield below average. (Since soybean prices are down 25% from the base prices of \$6.72. Pro Ag strongly recommended revenue insurance this year for our \$10 million dollar book of insurance business (and growing). There is a reason why marketing and crop insurance should be an integrated risk management plan (Pro Ag's mantra for farmers since 2001), and 2004 was a story-book year for why that is the case! For our growers who bought revenue insurance at high levels (70% or higher) and have below average yields, they will get a true "quadruple dip"!!! This is a \$2+ profit in soybean hedges, a crop insurance payment on any yield below average, a LDP payment on harvested bushels, and a CCP payment on all FSA bushels. A true 'quadruple dip', not a phantom 'triple dip' that many uninformed market pretenders are pushing!!! Revenue insurance is a whole new ballgame in the MARKETING field, and producers who understood that had the confidence to sell at historic high levels this spring (\$8 Nov. soybean futures, \$3.40 Dec corn futures, and \$4.50+ Mnpls Sept. wheat futures). If you buy your crop insurance from anyone who doesn't understand that fact (or really understand marketing), you are wasting half the value of your revenue insurance and your premium.

