

Between the Farm and Your Table: The Finance Behind Your Holiday Dinner

(NAPS)—When you sit down to a holiday feast this year, you may not be thinking about the global financial markets that helped land the meal on your table. The ingredients in your favorite stuffing, the butter in those mashed potatoes and even the gasoline in the car that got your relatives to your door, all cost something. What goes into determining these prices?

Long before your dinner, each ingredient traveled along a global supply chain that started with producers, continued with processors and ultimately ended at the supermarket or the gas station. The prices of commodities like food and oil are impacted by this journey.

It often starts with the farmer and, like all business owners, farmers must turn a profit. Unpredictable events, such as severe weather, swings in global demand and reductions in available farmland, can negatively impact that profit. To mitigate these risks, farmers and others in the supply chain come to the futures marketplace. Here, the price of a commodity like corn can be locked in with binding contracts known as futures. So even if bad weather hits or disease hurts livestock populations, a farmer already knows what the selling price of his product, and can plan for it.

Futures can help prices become more stable, which means consumers see relative consistency when they buy groceries. So, when you made your trip



The prices of agricultural futures depend on a number of external factors—and these prices ultimately impact what you pay for your food.

to the grocery store to prepare your holiday table, the futures industry was already in motion.

To learn more, check out Futures Fundamentals at www.futuresfundamentals.org. Here, you can learn more about the who, why and what of futures markets in an accessible and fun way. The site is divided into three sections, each featuring the role of futures as told through stories, interactive infographics, videos and quizzes. Activities first break down key financial concepts including microeconomics and supply and demand. You can learn how familiar tasks, like buying a home or car, are affected by futures markets. After those initial lessons, there is even a trading simulator, so you can put what you've learned to use. The site also provides teachers with modules to bring these economics lessons to classrooms, all online and at no cost.

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