

# Farmer's Corner



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## A Time to Sell

Harvest is the time that we all anxiously await. It is the point when all your hopes, fears hard work and sweat turn into reality. There is no more wondering about the condition of the crop; the bushels are made! Now all that is left to do is complete the marketing of it.

In a year such as this when prices are up the decisions of marketing are relatively easy. You just need to stick with your plan:

- 1) sell at a profit.
- 2) turn grain into money as soon as possible.
- 3) avoid additional marketing costs.

Today's prices offer the opportunity for you to meet all of these goals. Now it is just a matter of following through with your plans . . . *sell the bushels and pick up a check.*

In all likelihood you have at least some bushels contracted already. Once you finish harvest we can work with you to determine how many bushels you have left to sell.

The key here is to turn your grain into money. The minute the combine turns off, the marketing meter begins. From this point forward it will cost you to own grain. There's storage or other price later fees, interest costs, and shrink that all work against you. With today's extremely high prices, just the shrink will cost you more than it ever has. The good thing is that you can avoid all of these costs by selling. And, today's prices give you the opportunity to do so at some great profits.

Rarely are the decisions of marketing so easy but with high fall prices it really is not a difficult decision to make. Selling at a profit is always right!

## **The Risk of Waiting**

No doubt there are some farmers who are entertaining the idea of putting grain in storage or other price later alternatives. With the so called experts predicting higher prices, and remembering what happened last year, the idea of waiting sure is tempting. *But, is playing the waiting game really a wise decision?*

Grain in storage has unlimited price potential. The only problem is that the price potential goes both ways. In other words, the price can go just as far down as it can go up. There is absolutely nothing that can protect you from lower price, and storage costs and interest can eat up whatever extra income you may get from storage. Remember too that you will pay these costs whether the price goes up or not.

Then there are the quality issues to consider if you store the bushels in your own bins. It loses weight if you aerate it. If you don't aerate it, then you have trouble with damage from mold or just plain old rot. And, insects love to chew on it. If you absolutely must wait to price the bushels, you can do so and eliminate these quality risks by entering into a Price Later contract with the elevator.

It's very common to get into a rut with grain marketing. The last few years have been good to those who wait to sell. So, it's easy to think this year will be the same. Will it be? Who knows? It always seems the year that it just HAS to do it again is the year it doesn't. One thing is for sure: one year, waiting to sell will be the wrong thing to do and folks will get burned badly by it. Why not go ahead and protect yourself from that possibility by taking your profits off the table now.

If prices were unprofitable, it might make sense to hold on to the bushels but that is not the case this year. Prices are at historically high, profitable levels. So, I ask you . . . *why take on the risks, costs, work and worry of storing grain when you have the opportunity to sell profitable prices now?*

## **Looking Forward**

A successful marketing program has one simple goal . . . sell at a profit every year. Once you have sold and deposited the money into the bank from this year's crop, it is a great time to start thinking about how you will meet or beat your goals next year.

Good prices are already available for 2013. The key to long-term success is to find something that works and keep on doing it. Selling bushels and/or entering targets for next year will get you started on the right path for another successful marketing season.