

Farmer's Corner



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Number 6

It Doesn't Get Much Easier Than This

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. 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 good prices and good yields it really is not a difficult decision to make. Selling at a profit is always right!

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How Much Do You Have Made?

Below is a grid that you can use to estimate your profit potential. Look across the top for your estimated cost per acre. Look down the side for your yield per acre. Follow the grid where the two intersect and you will see what your profit per acre is at a market price of \$3.40 corn and \$8.50 beans.

CORN

		1 Acres \$3.40 per bushel															
		COST PER ACRE															
		\$280	\$290	\$300	\$310	\$320	\$330	\$340	\$350	\$360	\$370	\$380	\$390	\$400	\$410	\$420	\$430
100		\$60	\$50	\$40	\$30	\$20	\$10	\$0	(\$10)	(\$20)	(\$30)	(\$40)	(\$50)	(\$60)	(\$70)	(\$80)	(\$90)
105		\$77	\$67	\$57	\$47	\$37	\$27	\$17	\$7	(\$3)	(\$13)	(\$23)	(\$33)	(\$43)	(\$53)	(\$63)	(\$73)
Y 110		\$94	\$84	\$74	\$64	\$54	\$44	\$34	\$24	\$14	\$4	(\$6)	(\$16)	(\$26)	(\$36)	(\$46)	(\$56)
I 115		\$111	\$101	\$91	\$81	\$71	\$61	\$51	\$41	\$31	\$21	\$11	\$1	(\$9)	(\$19)	(\$29)	(\$39)
E 120		\$128	\$118	\$108	\$98	\$88	\$78	\$68	\$58	\$48	\$38	\$28	\$18	\$8	(\$2)	(\$12)	(\$22)
L 125		\$145	\$135	\$125	\$115	\$105	\$95	\$85	\$75	\$65	\$55	\$45	\$35	\$25	\$15	\$5	(\$5)
D 130		\$162	\$152	\$142	\$132	\$122	\$112	\$102	\$92	\$82	\$72	\$62	\$52	\$42	\$32	\$22	\$12
135		\$179	\$169	\$159	\$149	\$139	\$129	\$119	\$109	\$99	\$89	\$79	\$69	\$59	\$49	\$39	\$29
P 140		\$196	\$186	\$176	\$166	\$156	\$146	\$136	\$126	\$116	\$106	\$96	\$86	\$76	\$66	\$56	\$46
E 145		\$213	\$203	\$193	\$183	\$173	\$163	\$153	\$143	\$133	\$123	\$113	\$103	\$93	\$83	\$73	\$63
R 150		\$230	\$220	\$210	\$200	\$190	\$180	\$170	\$160	\$150	\$140	\$130	\$120	\$110	\$100	\$90	\$80
155		\$247	\$237	\$227	\$217	\$207	\$197	\$187	\$177	\$167	\$157	\$147	\$137	\$127	\$117	\$107	\$97
A 160		\$264	\$254	\$244	\$234	\$224	\$214	\$204	\$194	\$184	\$174	\$164	\$154	\$144	\$134	\$124	\$114
C 165		\$281	\$271	\$261	\$251	\$241	\$231	\$221	\$211	\$201	\$191	\$181	\$171	\$161	\$151	\$141	\$131
R 170		\$298	\$288	\$278	\$268	\$258	\$248	\$238	\$228	\$218	\$208	\$198	\$188	\$178	\$168	\$158	\$148
E 175		\$315	\$305	\$295	\$285	\$275	\$265	\$255	\$245	\$235	\$225	\$215	\$205	\$195	\$185	\$175	\$165
180		\$332	\$322	\$312	\$302	\$292	\$282	\$272	\$262	\$252	\$242	\$232	\$222	\$212	\$202	\$192	\$182
185		\$349	\$339	\$329	\$319	\$309	\$299	\$289	\$279	\$269	\$259	\$249	\$239	\$229	\$219	\$209	\$199
190		\$366	\$356	\$346	\$336	\$326	\$316	\$306	\$296	\$286	\$276	\$266	\$256	\$246	\$236	\$226	\$216
195		\$383	\$373	\$363	\$353	\$343	\$333	\$323	\$313	\$303	\$293	\$283	\$273	\$263	\$253	\$243	\$233
200		\$400	\$390	\$380	\$370	\$360	\$350	\$340	\$330	\$320	\$310	\$300	\$290	\$280	\$270	\$260	\$250
205		\$417	\$407	\$397	\$387	\$377	\$367	\$357	\$347	\$337	\$327	\$317	\$307	\$297	\$287	\$277	\$267

SOYBEANS

		1 Acres \$8.50 per bushel											
		COST PER ACRE											
		\$250	\$260	\$270	\$280	\$290	\$300	\$310	\$320	\$330	\$340	\$350	\$360
E 35		\$48	\$38	\$28	\$18	\$8	(\$3)	(\$13)	(\$23)	(\$33)	(\$43)	(\$53)	(\$63)
L 40		\$90	\$80	\$70	\$60	\$50	\$40	\$30	\$20	\$10	\$0	(\$10)	(\$20)
D 45		\$133	\$123	\$113	\$103	\$93	\$83	\$73	\$63	\$53	\$43	\$33	\$23
50		\$175	\$165	\$155	\$145	\$135	\$125	\$115	\$105	\$95	\$85	\$75	\$65
P 55		\$218	\$208	\$198	\$188	\$178	\$168	\$158	\$148	\$138	\$128	\$118	\$108
E 60		\$260	\$250	\$240	\$230	\$220	\$210	\$200	\$190	\$180	\$170	\$160	\$150
R 65		\$303	\$293	\$283	\$273	\$263	\$253	\$243	\$233	\$223	\$213	\$203	\$193
70		\$345	\$335	\$325	\$315	\$305	\$295	\$285	\$275	\$265	\$255	\$245	\$235
A 75		\$388	\$378	\$368	\$358	\$348	\$338	\$328	\$318	\$308	\$298	\$288	\$278
C 80		\$430	\$420	\$410	\$400	\$390	\$380	\$370	\$360	\$350	\$340	\$330	\$320

Stop by for a visit and we will be glad to sit down with you and run current numbers.

Playing the Waiting Game?

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 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?***

Keep Up the Good Work

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 2008. 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.

TARGET CONTRACT

I, _____, offer to sell
_____ bushels of
_____ to _____
at a price of \$_____ per bushel.
Delivered To: _____
Delivery Period: _____

(Producer) Date _____ 20____

(Elevator) Date _____ 20____

TARGET CONTRACT

I, _____, offer to sell
_____ bushels of
_____ to _____
at a price of \$_____ per bushel.
Delivered To: _____
Delivery Period: _____

(Producer) Date _____ 20____

(Elevator) Date _____ 20____

Much to Be Thankful For



In just a few weeks, families across the nation will be gathering to celebrate Thanksgiving. We would like to take the opportunity to extend our sincere thanks to you, our customer, for the opportunity to serve your farm marketing needs. We know that we cannot be successful unless you are successful; that is why we are dedicated to offering you only the best in low-risk marketing alternatives that will help you reach your profit goals.

We appreciate your business and look forward to many more years of working together to create better opportunities for your business and ours, and to strengthen the community that we share.

We wish all the best for you and your family during the holiday season and hope that this Thanksgiving and all those to come find you and yours with much to be thankful for.