

Farmer's Corner



November/December 2011

Number 6

Things We Learned and/or Remembered in 2011 (so far)

- ✓ 35 days can encompass a price swing of more than \$2.00 a bushel
- ✓ The price can drop when the crop seems small and demand is strong
- ✓ Livestock can and will eat wheat if it gets cheap enough relative to corn
- ✓ A volatile market can dramatically change the mental value we put on a price
(2011: "Corn is only \$6.00 at harvest? I can't sell that cheap – it was just \$8.00!")
(Every other year of our lives: "Corn Is \$6.00 at harvest? Eureka – our ship has come in!")
- ✓ Trying to judge or predict market movements based on logic and sound reasoning is a waste of time
- ✓ The cost of waiting for an extra dime can be measured in dollars
- ✓ Farming has in all likelihood never been a more risky endeavor than it is right now
- ✓ Farming has in all likelihood never been a more profitable endeavor than it is right now
- ✓ When you lock in high input costs, it doesn't hurt to lock in a high selling price too
- ✓ The higher a market goes, the farther it can fall
- ✓ It is hard to sell at a profit, but it's even harder to go broke doing it
- ✓ A lot of the people who predict grain prices don't have their income for the year riding on whether they are wrong or right
- ✓ No matter how crazy things get, we are doing this because we can't imagine doing anything else, and these are the good times – let's make the most of them!



The next couple of months will include the celebrations of Thanksgiving, Christmas, and the New Year. Hopefully these will be times that find us with family and friends, thankful for the gifts of this year and looking forward to the future.

Thank you for your business and friendship. We appreciate the opportunity to work with you and look forward to a continuing partnership.