

ProfitTalk

Simple perspective on disciplined grain marketing for producers



presented by
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ARE YOU LISTENING?

I grew up on a beef farm in Wisconsin that has 2 creeks running through it. Like many things in life, most of the time they were just there. I didn't give them much thought. For my dad, it seemed the creeks were often a source of anxiety. A mother cow giving birth near one was perilous, and a large rain would occasionally cause them to spill out of their banks and ruin fences. These unfortunate events would tend to overshadow the fact that they constantly provided the livestock with water for free.

One of the creeks flows about 100 yards from the house. With all his complaining about them, I was surprised when my dad pointed out that he enjoyed sitting on the porch listening to the creek. "Listening to the creek?" I asked. "You can't hear the creek from the house." "You can if you listen," he answered. He pointed out that if you sit quietly and listen for it, not only can you hear the creek, but the longer you listen the louder it sounds. He was right. I had lived there for years and never listened.

This kind of scenario plays out in many arenas of life. It's amazing what is there to be noticed for those who pay attention, and what is missed by those who don't. It shows up time and again in grain marketing. The market is always providing a price to sell grain, but it's easy to take it for granted. In addition, focusing on how the market can cause pain allows it to be a source of anxiety, but it can be a source of security and opportunity to those who listen and respond.

Harvest is winding down and many of you will have grain in storage at the elevator or in an on-farm bin. What is your plan to get it sold? Are you actively listening to the market for your opportunity to sell? Do you know what you are listening for? Too often the plan is simply to wait for higher prices. But if you don't know what price you're looking for it's easy to always want more. This approach often leads to missed opportunity.

A better strategy is to have a specific goal. Crunch the numbers on your production and have a firm price you are willing to sell. Then you will know what you are listening for. With this information in hand, enter target orders to carry out your plan. Let the target orders do the listening for you!

This concept works great for all unsold grain. Avoid spending all your energy on selling last year's crop, causing you to miss opportunity on the next crop. You need to be listening for those opportunities as well.

Farmers inherently always have grain to sell whether it be last year's crop or the next one. Always know what you have to sell and be listening for your opportunity.