

Farmer's Corner



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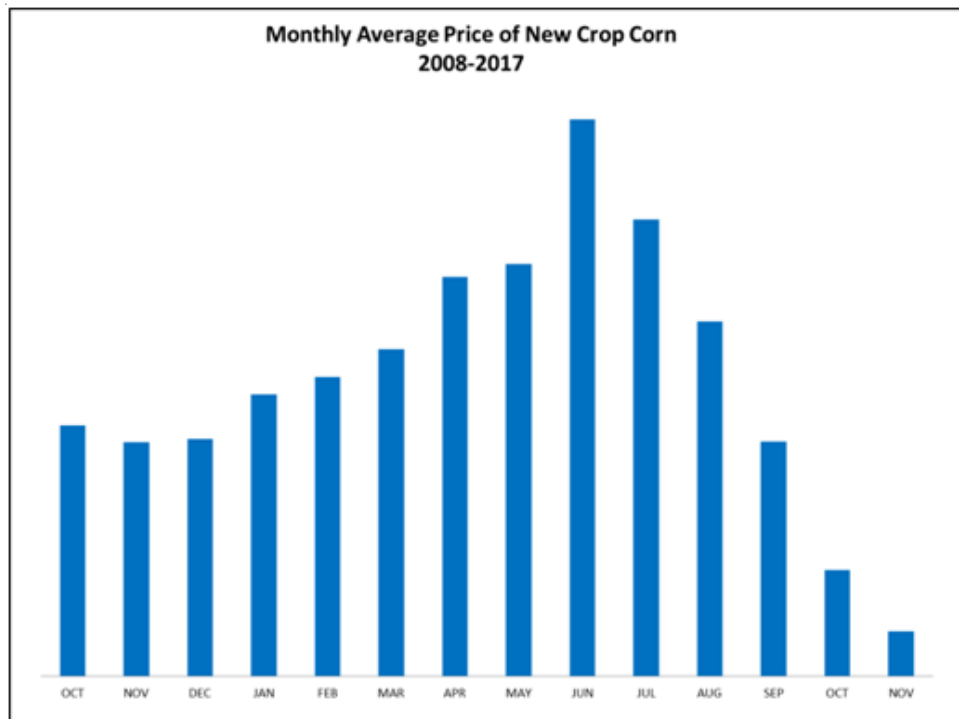
When “Wrong” Can Be “Right”!

“The market always goes up after I sell!” “How can I avoid selling at too low a price?” “I just wish there was a way to not be wrong making the decision to sell – or not to sell.”

Every farmer (or really any person who sells a product in a market where values can change a lot) has said or thought all of these things. They are common expressions of the anxiety that comes from making decisions that come with abundant opportunities for second-guessing. When you spend a lot of time focusing on what happens **after** you say “sold”, you are opening yourself up to lots of opportunities to feel wrong about having made a good decision.

If there is one thing that separates the good marketers from those that struggle, it is that good marketers are willing to be “wrong” to be right. They follow a thought out marketing plan and aren’t afraid to make decisions that they’ve arrived at through careful planning. Their strategy is simple, straightforward and easy to act on.

1. They know their cost of production per acre for the crop. (Both the crop in the bin and the one they are going to plant.)
2. They have goals in mind for the profit per acre they are shooting for.
3. They enter firm pricing targets to capture a range of prices.
4. They view prices moving higher as an opportunity to sell more rather than a reason to regret something they’ve already done.
5. They understand when the market is most likely to give them the best opportunity to make the sales they need. For example, on the next page is a chart of the monthly average price for new crop corn.



This chart shows a consistent opportunity to sell new crop during the spring and summer. It also provides some context for when to consider “Plan B” if your early pricing targets aren’t achieved. We can get similar charts for other crops too.

The important thing to realize is that selling and then having the market go higher is giving you the ability to capture more opportunity. The biggest mistake most marketers make when the market goes higher is that they stop selling! Don’t make that mistake, sell some, when the market goes higher sell some more.

Follow the plans laid out earlier in this newsletter and put them into action. We are here to help you do just that, please call or come in to talk this through further.