

ProfitTalk

Simple perspective on disciplined grain marketing for producers



4931 Line 3, Tottenham, ON L0G 1W0 | 905.939.7494 | office@dunkerronelevators.ca



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TIME WILL TELL

People spend significant energy pondering the possibilities of what may happen and perhaps even more energy worrying about it. Crop production and market movement discussions are filled with more than their share of both speculation and worry. After many of these discussions, I often hear the resignation to the impossibility of knowing for sure with the age-old adage “time will tell.”

Where did this saying come from? It turns out that Lucius Annaeus Seneca was a Roman philosopher who said, “Time discovers truth,” which seems to be the earliest record of this sentiment. While no one disagrees that time will reveal what will happen out of the myriad of possibilities, do we have to wait for that? If we do, what might that cost?

Grain marketing is a fickle endeavor or dare we say game. It plays on our emotions, our hopes, and our fears. Think of all the energy poured into trying to level the playing field between what we can’t control and what we can as we explore seed genetics, chemistry tools, and crop science. So much energy and yet we are still left wondering each year how it will turn out.

Not only that, but opportunities are highest when either the unknowns and/or our fears are at their greatest. On the flip side, we have fewer opportunities when we know more about the crop and perhaps more about our own production. To put it simply: Opportunity follows with risk . . . up or down.

In a matter of weeks, your fall crops will mature. There are fewer unknowns than when you began planning for this crop. It is probably a good time to reassess what you do know or can reasonably expect along with what opportunity is still available.

So, where do you stand on your marketing to this point? Here's an exercise to help you assess if you need to act now to take advantage of the opportunities that exist while there are still some unknowns:

	CORN	BEANS	
What is your total cost of production?			
How much have you sold? (bu sold x price)			
What is the difference between total cost and what is sold?			
How many estimated bushels do you have left to sell?			
What would be the income using today's price?			
What would be your total income vs total cost?			
Should you sell more bushels today or put in targets to reach your goals?			