

Driving with a Rear-View Mirror

One of the first instructions driving students are given is to check the rear-view mirror. Along with that comes the advice that you should not drive looking into that same mirror for extended periods of time, unless of course you want to be the first one to the scene of an accident.

The challenge that many producers face right now is spending way too much time staring into the rear-view mirror of marketing and focusing on missed opportunities. I should have sold my wheat here, or wow, I missed it on corn there, or the tariffs on soybeans really took away an opportunity.

As of the writing of this article, there appears to be as much old crop grain on farms as we've seen for many years. Marketing old crop can be very much like trying to drive a car while looking in the rear-view mirror; you can get so focused on the old crop that you never see opportunities on new crop. Many producers readily admit that until they have at least half of their old crop grain sold, they don't even pay attention to new crop prices.

That can be a big problem; in most cases the new crop values are equal to old crop if not better! When facing large carryovers, as we appear to be doing today, being able to sell new crop at an equal or higher price to old might be a gift.

Tax time is the perfect opportunity to do a double check on where you currently stand for old crop profit per acre and use those numbers as a starting point for a marketing plan on new crop.

You're already getting the numbers together; take time to get some profit goals in mind that you want to achieve. Then, even more importantly, take the few extra minutes that are needed to **PUT IN TARGET ORDERS FOR BOTH OLD AND NEW CROP!**

Only by having firm targets working will you expose yourself to the opportunity of selling and reaching your goals. Markets trade 17½ hours a day; that's more than you or anyone else can spend watching for the price spikes that will help you get the job done. If you are lucky, your orders will get filled in the middle of the night and you won't have to trust yourself to make a logical call when emotions are running high.

This simple strategy allows your focus to remain on where you want to go and not where you've been, and helps you reach your destination with lower risk of fender benders.