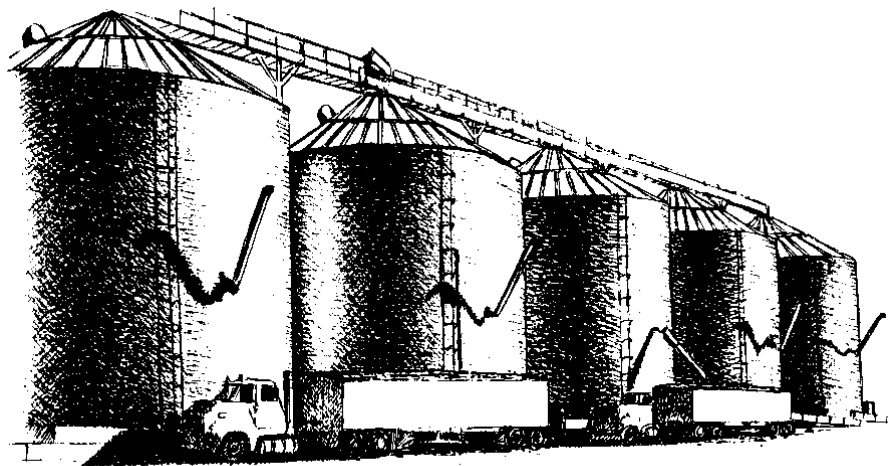




# GRAIN MARKETING

# 5 STEP PLAN



# FARM MARKETING

## 5 STEP PLAN

### ***STEP 1***

Project your acres and average yields.

### ***STEP 2***

Figure your cost per acre.

### ***STEP 3***

What is my profit per acre goal?

### ***STEP 4***

Figure your target price:  
**(cost + profit goal)/yield**

### ***STEP 5***

Take Action!

**STEP ONE**

# Project Your Acres and Average Yields

CROP	ACRES	X	AVG. YIELD PER ACRE	=	TOTAL BUSHELS TO SELL
_____	_____		_____		_____
_____	_____		_____		_____
_____	_____		_____		_____
_____	_____		_____		_____
_____	_____		_____		_____

## ***STEP TWO***

# **Figure Your Cost Per Acre**

Fertilizer	_____
Seed	_____
Herbicide	_____
Insecticide/Fungicide	_____
Land Preparation	_____
Planting/Cultivating/Harvesting	_____
Land Rent	_____
Irrigation	_____
Hauling	_____
Drying	_____
Price Insurance	_____
Interest/Other	_____
	<b>_____</b>
TOTAL	_____

***STEP THREE***

**What Is My Profit  
Per Acre Goal?**

Crop

Goal

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## **STEP FIVE**

# **Take Action!**

### **OBJECTIVE:**

*To sell at or above the target price that you have projected, and still maintain flexibility if you have a shortfall in yield.*

## **High Prices**

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Far above target price, and normally in the top 1/3 of historical price range.

Sell using Forward Price Contract. Sell more than one year, using Multi-Year Contracts. Use Minimum Price Contract if non-production is a concern.

## **Medium Prices**

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Prices near target levels. Sell 50% using forward price and 50% using minimum price. This gives you 100% downside protection and 50% upside protection.

Vary percentage with risk of yield reduction. Some areas may need to go to 100% minimum price - others may use as little as 25%.

## **Low Prices**

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Use Target Price to try to achieve desired target before harvest (Forward Contract plus Minimum Price). If not available by harvest, sell 100%, using minimum price.