



Successful Market Planning



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Marketing Plan



- A tool to manage the emotional job of crop marketing
- Set up the plan ahead of time
- Personal and Simple
- Achieve original goals and manage risk



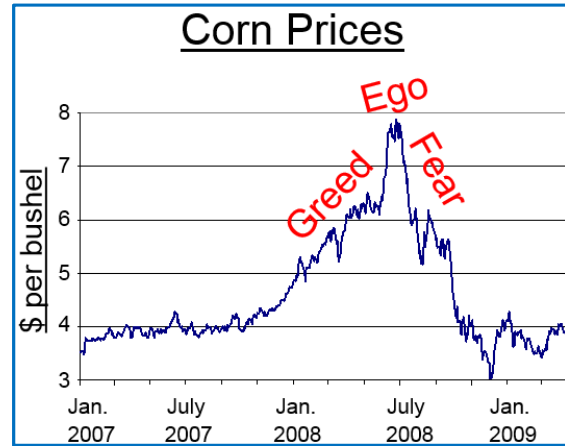
Marketing Plan



To avoid **Greed, Ego and Fear** dominating your marketing, have a plan and stick to it.

A marketing plan outlines your market strategy and your marketing objectives.

It should include marketing opportunities before and after harvest.



Marketing Plan Considerations



Bushels to Sell

- What's your expected production?
- What do you have in storage?

Breakeven Costs

- What are your production costs?
- What are your storage costs?
 - On-farm vs. off-farm?

What are your cash flow needs?



Marketing Plan Considerations



- Outline realistic price targets
- Have periodic price targets and quantities to sell
- Use a variety of marketing tools
- Have patience and be willing to reevaluate price goals
- Remember it's hard to lose money when making a profit



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Example Marketing Plan



Corn Pre-Harvest Marketing Plan

Objective: Buy crop insurance to protect my production risk and price 75% of my anticipated corn crop (per APH yield) by mid June.

Price 10,000 bushels at \$3.80 cash price (\$4.20 Dec. futures) using forward contract/futures hedge/HTA contract

Price 10,000 bushels at \$4.10c/4.50f, or by March 30, pricing tool tbd

Price 10,000 bushels at \$4.40c/4.80f, or by April 27, pricing tool tbd

Price 15,000 bushels at \$4.70c/5.10f, or by May 15, pricing tool tbd

Price 10,000 bushels at \$5.00c/5.40f, or by May 29, pricing tool tbd

Price 10,000 bushels at \$5.30c/5.70f, or by June 27, pricing tool tbd

Plan starts on January 1, 2018. Earlier sales may be made at a 40 cent premium and would be limited to 30,000 bushels.

Ignore decision dates and make no sale if prices are lower than \$3.80 local cash price/\$4.20 December futures.

Exit all options positions by mid-September 2018.

* c = cash price; f = futures price

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Marketing Plan Components



Market Planning and Transaction Log: Old Crop Corn

Total bushels to market: _____ bushel

Forward Cash Contract and Futures:

Date	Bushels	Futures Price	Basis	Cash Price	Why?	Reason for Action

Options:

Date	Bushels	Put or Call	Stri pri	Estimated Cash Floor	Why?	Reason for Action

Set a deadline for each action

Scale in sales over price ranges and time

Include "Reason for Action"

Can be customized for a variety of tools

Look for Plan templates in the Marketing Tools Workbook



Key points:



- Discipline to manage the emotional job of crop marketing.
- Keep it simple . . . Complicated plans may not be implemented.
- Allows for measures of success . . .
Achieving original goals, managing risk, etc.





Thanks for joining the

