

Proactive Grain Marketing



Grain marketing is just as important as growing the crop. With high input costs and unpredictable grain prices, farmers need a disciplined proactive approach to marketing to stay profitable year after year.

Become a Proactive Marketer

Being proactive means planning your sales strategy ahead of time and not reacting to every price swing. Instead of waiting until harvest to sell your grain or trying to guess the top of the market, proactive grain marketing involves:

- Setting realistic price targets based on your cost of production.
- Watching the market regularly or working with a trusted advisor.
- Using tools like forward contracts and target orders.
- Understanding your farm's cash flow needs so you know when you need to sell grain before you find yourself in a cash shortfall.

Proactive marketers aim to manage risk rather than beat the market.

What makes a Successful Marketer?

A successful grain marketer isn't the one who always gets the highest price, it's the one who consistently locks in profitable returns and avoids emotional decisions. Traits of a good marketer include:

- Discipline: Sticking to a plan even when emotions run high.
- Knowledge: Understanding costs, market trends, and pricing tools.
- Patience: Waiting for target prices instead of chasing every rally.
- Adaptability: Adjusting your plan if weather, yields, or markets change.

Approach marketing with discipline year after year and tune out the "market noise".

Know Your Numbers: Per-Acre Profitability

The foundation of any good marketing plan is knowing your cost of production per acre and per bushel.

This includes:

- Seed, fertilizer, and chemical costs
- Fuel and equipment
- Land rent or ownership costs
- Labor, storage, and overhead

Once you know your break-even price per bushel, you can set realistic targets to lock in profit, not just price.

Selling Ahead: A Tool, not a Gamble

Selling grain ahead of harvest can feel risky, especially if you are unsure of your yield or what the year will bring. But when used wisely, forward sales can help manage price risk and cash flow. Here are some tips to do it right:

- Only sell a portion of your expected production based on a conservative yield estimate.
- Spread out your sales over time to average into the market.

The goal is to secure a profitable price on part of your crop. You should discuss the implications of not producing enough grain to fill a forward contract with your grain buyer and trusted legal advisor before signing any contracts.

Target Orders: Let the Market work for you

Target orders are a simple and powerful tool. They allow you to set the desired price. If the market hits it, even overnight or during a quick rally, your sale is made automatically. Benefits include:

- Taking emotion out of decision-making.
- Capturing short-lived price spikes.
- Staying disciplined to your marketing plan.

Work with your grain buyer or broker to set these up and don't forget to review them regularly.

High Input Costs and Low Grain Prices: A tough combo

In recent years, farmers have faced a difficult reality: rising costs of fertilizer, fuel, and land while grain prices fluctuate or decline. In this environment disciplined marketing becomes even more critical. Here are some tips:

- Control what you can: You can't control prices, but you can control your costs and timing.
- Don't chase the top, it's more important to lock in profits than to wait for a possible rally.
- Use averages by forward selling some grain at profitable levels.

Disciplined grain marketing isn't about hitting the top of the market, it's about making informed, profitable decisions consistently. By knowing your costs, planning ahead, and using tools like target orders and forward contracts, you can turn marketing from a gamble into a strategy. A good plan brings peace of mind and often better financial results.

Contact us:

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