Ochiltree County Ag News December 2015

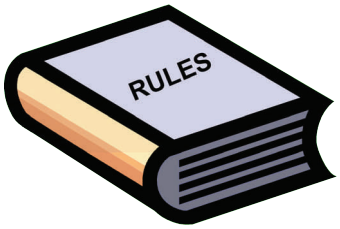
- Pesticides– Laws and Regulations Meeting: Dec.9th at 11:00 am
- Private Applicator License and Training– Dec. 16th, 8:00 am
- Developing a Marketing Plan

Pesticide Laws & Regulations Meeting

11:00 A.M. Wednesday, December 9, 2015

At Expo Meeting Room

All producers & pesticide applicators needing a Laws & Regulations CEU are invited to a 1 hour program on Wednesday, December 9, 2015 at the Ochiltree County Expo Center. It will begin at 11:00am and conclude at noon. There will be a $10.00 registration fee. Please bring your license numbers as well. One CEU will be provided in Laws and Regs.



For More information contact your local county extension agent .

Scott Strawn

Ochiltree County 806-435-4501

Private Applicator License and Training

Private Applicator License and Training

All producers wishing to obtain a private applicator license are invited to attend a training from **8:00 am until noon** at the Ochiltree County Expo Center on **Wednesday, December 16, 2015.** Registration fee will be $30.00 No preregistration is required

For more information contact the Ochiltree County Extension Office @ 806-435-4501

Developing A Marketing Plan

Stan Bevers, Mark Waller, Steve Amosson and Dean McCorkle*

It is essential for an agricultural producer to have a written marketing plan. Developing a good marketing plan will help you identify and quantify cost, set price goals, determine potential price outlook, examine production and price risk, and develop a strategy for marketing your crop.

While producers have traditionally done a good job of producing, they have often neglected marketing. In the past, farm loan programs and deficiency payments allowed producers to neglect or ignore the marketing side of their businesses. Now, with the possible elimination of farm programs and increased volatility in the markets, producers will have the right and the obligation to determine their own financial security. In the more uncertain and risky future, failing to plan may be the same as planning to fail.

Importance of a Written Plan

A marketing plan needs to be written down.

In any business you must have a set of goals and objectives. A marketing plan is a road map to work from. It helps identify where we are going and how we are going to get there. Each marketing year we encounter has some similarity to previous years, but we are still heading someplace we have never been before. We need that map to help us maintain perspective and stay on course.

The marketing plan needs to be written down. A plan not written down is only a dream we hope will come true. The plan must also be dynamic. As external market factors change, the marketing plan may need to be adjusted. Having a written plan provides discipline and is a good way to check your logic or the accuracy of your thought process after the year has ended.

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Components of a Marketing Plan

Financial Situation And Goals.
The first step in preparing a marketing plan is to review your financial situation. A review of the financial health of the operation (financial statements, debt load, non-farm income, ect.) will provide an initial idea of the amount of risk the operation can bear.

Determine What to Produce and Setting price Goals. The second step is to determine which commodity/commodities to produce, and what price is needed to fulfill your goals. Once you have an idea of the price objectives that will meet your costs and needs, you can compare the different crop alternatives to existing forward pricing opportunities and outlook projections to get an idea of which crop may be more profitable or less risky during the coming year. This, of course, needs to be evaluated along with agronomic and crop rotation considerations.

Market Outlook and Expectations.
The third component of the marketing plan is to assess the market situation, and determine what might happen to process as you progress through the production and marketing year. With the advent of the information age and vast advances in information technology, the various pieces of information that influence market prices are more readily available to the public all the time. This ever increasing amount of information can be overwhelming at times, so try to maintain perspective and keep the big picture in mind.

Production Risk Tools. The fourth component of the marketing plan is production risk. The tools for managing production and revenue risk are important not only because they reduce risk due to yield loss, but also because of their interaction with the pricing tools. Used correctly, they allow more flexibility to producers who wish to do more pre-harvest pricing.

Price Risk Tools. The fifth component of marketing plan is to know what pricing alternative are available, and which ones you feel comfortable using. Producers need to explore, learn, and use alternatives in the future. A few examples of available tools are forward contracts, hedging with futures and options, minimum price contracts, basis contracts, cooperative pools, harvest time cash sales and storage.

Price and Date Objectives. In this section of the marketing plan you can begin to combine the information from the previous sections (cash flow needs, cost, price objectives, outlook, production and price risk tools) and start identifying price and date triggers. By what date would you like to have some pre-harvest sales made? What price would you need pre-harvest versus what you would need or accept post-harvest? Are there some seasonal price tendencies that you want to try to take advantage of?

Strategies. Probably the most difficult, yet most important, component of the marketing plan is determining a way to combine all of your information into an overall strategy. This requires discipline, and takes into account all the previous information such as the expected production, break-even price, market outlook, ext. You need to have a plan that covers what to do if prices rise, but also what to do if prices decline.

Components of a Marketing Plan

- **Financial Situation And Goals**
- **Determining What to Produce and Setting Price Goals**
- **Market Outlook and Expectations**
- **Production Risk Tools**
- **Price Risk Tools**
- **Price and Date Objectives**
- **Strategies**

Evaluate the Plan.

Finally, the marketing plan needs to be evaluated both during and after the end of the marketing year. Determine what worked, and what did not, and why. Evaluating the plan will help you identify areas that you need to work on. You may need to expand your alternatives by learning more about specific marketing strategies. Having a marketing plan will help take some of the emotion out of marketing, but it takes discipline t execute the plan.

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We're on the Web

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