

Benchmark your flax sales for 2008-09

Aug.15/08	\$16.50
Sep.02/08	\$16.50
Oct.02/08	\$13.50
Nov.03/08	\$13.00
Dec.01/08	\$13.00
Jan. 02/09	\$11.50
Feb.02/09	\$11.50
Mar.03/09	\$11.75
Apr.07/09	\$11.80
May.05/09	\$11.00
Jun.02/09	\$11.95
Jul.07/09	\$12.25

More money is made by marketing your grain in the top 25 percentile than chasing an extra bushel per acre; however, for the majority of farmers, more time and effort is put in agronomy than marketing. If a chemical company or seed company organizes a seminar on new varieties or new chemicals, farmers flock to the new technology and will spend hours each winter trying to maximize volume. Ask a farmer to spend 30 minutes a day on marketing and you would most likely be greeted with a scowl. It is a farmer's nature to chase yields; however, profitability outcomes are mostly affected by the manner when the grain was sold.

Now that we are coming to the end of another crop year, it is prudent to benchmark your sales against these two charts to see how well your marketing has paid



off this year. I like this adage: If you don't know where you have been, you're not going to know where to go.

The above chart represents the best possible price one could have attained at an elevator or processing plant in Saskatchewan during the past crop year. The difference between the high and the low is \$5.50 a bushel. Given that the average yield last year across western Canada was 22 bushels an acre, it represents a possible \$121.00 an acre from selling at the highs or selling at the lows. Because it should be no one's idea that he/she can sell all their grain at the peak, the top 25% of the high would put the price at \$12.37 and still equate to \$30.14 an acre difference over the lows. While no one expects that all your grain was sold at the lows of the crop year, understanding seasonal price patterns as described in the first Key Report will allow you to make better selling decisions throughout the crop year. Make the commitment this August 1 to spend extra time understanding the flax market and I'm sure that you will be rewarded with higher returns per acre in the 2009-10 crop year.

