Name: \_\_\_\_\_Key\_\_\_\_\_\_\_

Grain Market Plan

Pretend you are now a corn farmer. Each question below is a scenario that a real farmer might face. Use the data you have to make the best decision possible. Be sure to give reasons for why you chose the option you did.

Marketing options:

store the grain dry the grain sell the grain

1. You are an experienced farmer with multiple grain bins equipped with drying systems. You just harvested one field of corn that averaged 20% moisture. What do you do with the grain and why?

You would need to dry the grain or sell the grain. The grain should not be stored without drying, because it could impact the quality of the grain. Drying the grain would take input costs, and selling the grain would result in a price dock at the cooperative.

1. You are a beginning farmer, and do not yet have storage or drying equipment of your own. You have harvested two fields of corn that averaged 13% moisture. What do you do with the grain and why?

It likely wouldn’t be cost effective to dry this grain, as it is already in the 10-15% window that we would like. Depending on some financial factors, perhaps it would be worth it for this farmer to purchase their own grain bin to use for many seasons to come. This farmer could also sell their grain at the market for full price and avoid storage fees or the cost of a new grain bin.

1. You are a farmer that is considering retirement. You once did have a grain bin, but it was recently lost to a tornado and you did not rebuild it. You have harvested a small field of corn that averaged 16% moisture. What do you do with the grain and why?

This farmer likely would not want to build a new grain bin as they would not benefit from it for long. We also know that the grain will need to be dried down one way or another. Perhaps this farmer would sell the grain at the decreased price to avoid storage and drying fees at the local cooperative, or they could pay the storage and drying fees in hopes of higher market prices in the future.