

## Options for Selling Grain

### 1. Sell off the combine for cash

**Advantages:** no risk of a price drop

**Disadvantages:** could potentially miss out on market gains

**Advice:** suggested to sell a percentage (if there is no on-farm storage) before storage rates begin, but advised not to sell all

### 2. Store in the local elevators

**Advantages:** may be able to take advantage of a rally in market as producer is allowed 10 days free storage before initial begins on the 11<sup>th</sup> day

**Disadvantages:** storage after 10 days costs money (initial storage \$1.50/mt and every tonne after is \$0.08/day)

**Advice:** Do not put all of your crop in storage. Sell a portion

### 3. Store on-farm

**Advantages:** may be able to take advantage of a rally in the market and wheat is in your hands. More potential to bargain a better price in the future

**Disadvantages:** may not have enough bin space for corn and beans

**Advice:** Recommended if you have the space (and if you took advantage of the higher bean and corn prices by forward contracting them) as it gives you more option for selling when in your possession

### 4. Sell for deferred delivery

**Advantages:** should be able to get a return on the carry

**Disadvantages:** because on farm already, there may still be an increase in the cash price without carry and will miss out on that opportunity

**Advice:** Recommended to sell a portion for deferred delivery but not all

### 5. Basis contracts

**Advantages:** Receive a payment for 60% now and no storage costs (if done on or before day 10)

**Disadvantages:** Basis is not currently strong. Rolling the contract from one futures month to the next costs 3 cents per bushel.

**Advice:** Good option for a portion of the crop but not all