

Bridgnorth Monitor Farm meeting report

Meeting 10: Grain marketing

Date: 6 February 2018

Location: Norton Village Hall, Norton, Shropshire
TF11 9EQ



For more information, visit: cereals.ahdb.org.uk/bridgnorth

Meeting summary – key messages

- Currency is supporting UK wheat prices
- Grain marketing can be less successful than it should be because of the human element
- Use the average as a benchmark or baseline
- Selling some grain each month is generally better than doing nothing for months on end

Dealing with volatility

Dealing with volatility

- Grain marketing = deciding when and how you will 'take' your price
- How do you maximise the opportunity?
- Strategies for short-term volatility management include:
 - forward selling
 - averaging
 - pools
 - minimum price
 - target / stop-loss price

Strategies for medium-term commodity cycle management

- Longer term profit averaging for tax
- Will all the land be cropped?
- Risk vs reward
- Commodity vs niche vs other income
- Machinery policy

Commodity prices are affected by:

- Weather & production
- Macro-economy & demand
- Currency

Averaging, varieties and pricing

Use of averaging: why averaging is the minimum standard when it comes to price

- Revenue can be averaged over five years
- This can be used as a benchmark for longer term decisions
- But this should be used as the minimum standard

Variety choice

- This is where grain marketing starts
- Depends on factors such as yield, disease resistance, standing ability, as well as where you farm (proximity to mills, demand for feed wheat etc.)
- Disease ratings for new varieties on the AHDB Recommended Lists 2017/18 for cereals and oilseeds demonstrates advances in combining high yields with good resistance traits
- Question – should you sit on your hands, or sell an amount each month?
- Answer – *don't do nothing*
- Caution – don't make selling decisions based only on cost
You will get caught out if yields are lower than expected

AHDB Recommended Lists survey

Have your say on the RL – how it works now and what you'd like to see in future RL publications.

[Click to take the survey](#)

Pricing strategy

What might you need to know in order to achieve your aims? Possibilities could include:

- Cost budget & yield forecast
- Cash flow projections
- Refresh short and long term objectives
- Where the market is
- Market view, appetite for risk & position
- Sensitivity analysis – not a price forecast

Find out more

[Post-Brexit prospects for UK grains](#)

[What might Brexit mean for UK trade in cereal and oilseed products?](#)

[Challenges facing UK grains post-Brexit video](#)

For more information on Brexit, visit ahdb.org.uk/brexit

[AHDB's market news](#)

[Market data centre](#)

For more information on markets, visit ahdb.org.uk/market

For information on varieties, visit cereals.ahdb.org.uk/varieties



Next meeting


Date: 6 March 2018

Topic: Land drainage ([register to attend](#))

Time: 10.00–13.00

Location: Norton Village Hall, Norton, Shropshire, TF11 9EQ

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To find out more about Farmbench, AHDB's benchmarking tool, contact: Megan Loynes

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