

Forward Pricing Critical

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els of soybeans.

This year the elevator moved more than 3.5 million bushels of corn to customers in the region.

At peak from mid-October to the end of November, the operation has as many as 20 trucks hauling out grain per day.

The business has six trucks, three on full-time lease and four others are used by full-time owner/operators.

When the business began, said Ann Risser, the family used "one driver and one bin," she said, with a laugh. "We had no clue."

But since the Norman Wood Bridge opened up York County regions, the grain business blossomed "beyond our wildest expectations," Ann said.

When they began the business, Ann noted that they enjoyed the excitement of watching the Chicago Board of Trade (CBOT), and the

challenge, she said, of buying and selling grain.

They also learned how to operate an elevator simply "hands-on," she said, with local mills.

Back then, Pennfield and Wenger and lots of smaller mills were busy, as they still are. Right away the family recognized "the best market in the country," said Brent Risser, who helps market and works on grain shipments.

"We're grain deficient here," said Ann. Livestock and poultry growout managers feed more animals than ever before in the region. And dairy farms are getting larger — 400-cow dairies are becoming more common.

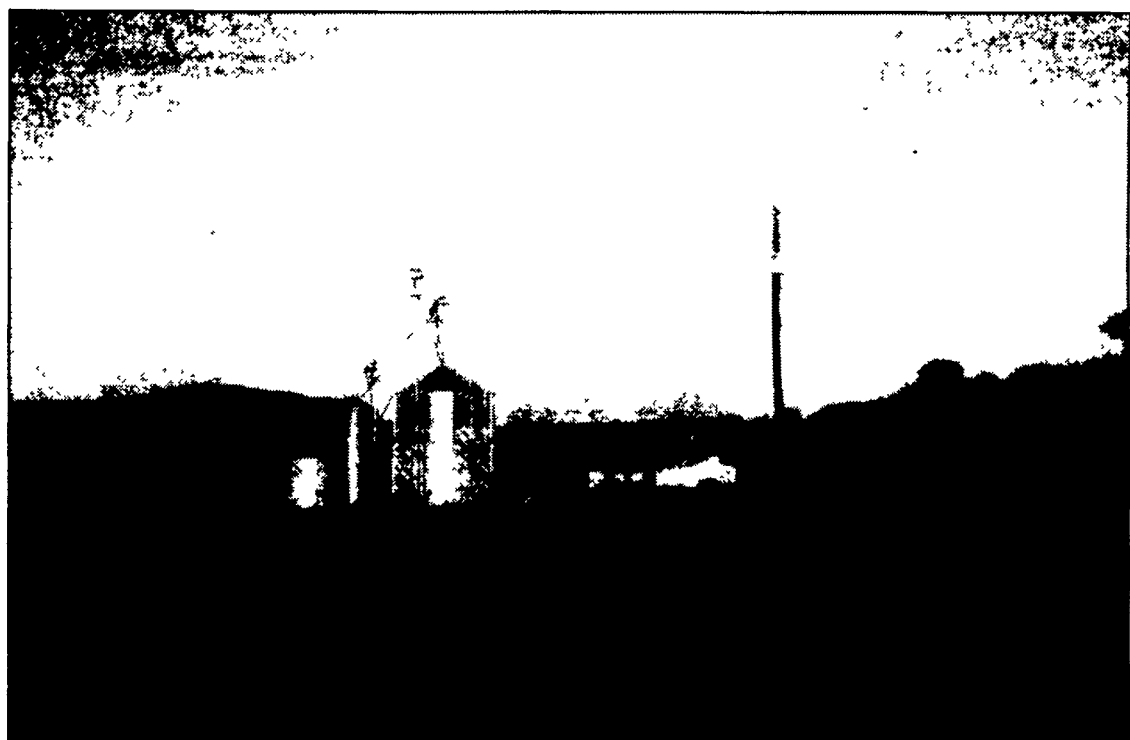
Big dairies require more corn.

For corn growers, looking at futures pricing continues to be key to survivability.

The best deal occurred early last summer, when growers could sell October-November corn at \$2.80 a



Mark, left, and son Brent Risser stand at the second of two corn piles at the farm in a year full of bounty. Photo by Andy Andrews, editor



Risser Grain operates this facility in Bloomsburg.

bushel, after reports came out about a possible Midwest drought. Some growers decided to sit on their corn.

But others could have used the Loan Deficiency Payment (LDP) schedule, locked in the prices at \$2.65-\$2.80 per bushel, and obtained an additional 40 cents per bushel from the LDP schedule.

The LDP began at 35-40 cents per bushel but now is 4 cents per bushel on corn.

Many farmers don't take advantage of LDP because they view it as "welfare," noted Brent.

Actually, it's more like social security, Ann noted. Combining that with simple forward pricing in this area "works very, very well," she said.

Every day, Ann noted,

when producers call, she tries to convince them of the importance of accepting LDP on the corn.

There are several important lessons, according to the grain provider. Growers should:

- Forward price as much as possible. There are several simple programs. Just talk to a grain elevator manager.
- Be disciplined, Ann noted. When a profit exists, take it, she said.
- Know what government programs are available and participate in them.
- Don't put corn in a bin and hope to get a good price for it.
- Be aware of where prices of feed commodities are going.

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