



## Despite Record High Commodities Prices, Marketing Plans Are Key To Profits

"Marketing should be based upon a plan, not emotions."

In a highly-technical, but yet down-to-earth factual presentation, Tom Leffler of Leffler Commodities and Ag Consulting at Augusta asked: "Where are prices going? More importantly, are you ready?"

At the 580 WIBW Farm Profit Conference in Lyndon, Leffler, Lyon County native with a farming and cattle background and commodity broker and ag marketing advisor since 1991, spoke to nearly 150 farmers and ranchers from eight counties.

In a PowerPoint presentation, Leffler revealed commodity price futures now compared to a year ago. Wheat, corn and soybeans prices are all down from 12 months earlier. July Kansas City wheat is off \$2.10 from an \$8.38 high, while corn is \$3.01 lower than a \$7.34 peak. March soybeans are down \$1.63 from \$14.89.

However, all cattle are up considerably. March feeders are \$167, showing an \$18.13 increase, as August feeders, at \$170.42, are \$9.87 above a year earlier. April lean hogs are up \$5.85, to \$94.20.

These numbers compare to record high prices of wheat at \$13.95, corn \$8.49, and soybeans \$17.89. Feeder cattle high has been \$172.77, as live cattle traded at a peak of \$144.57, and lean hogs topped at \$107.47.

"There have been opportunities to sell commodities at all of these high levels," Leffler pointed out. "Did you take advantage of those peak prices? Or, is your marketing plan guided by greed, hope and fears, 'coulda, woulda, shoulda' marketing like many producers?"

"Just how important is marketing to you? Is marketing shooting for the highs or selling at a profit? Which is it?" questioned Leffler, who presents daily reports on 580 WIBW agriculture programs.

To market at a profit, producers typically need marketing advice, and Leffler contended that service should be included in a farm budget. "However, futures trading involves risk of loss, and is not suitable for everyone," he emphasized.

Yet, for those who would like to change their marketing ways, Leffler insisted, "You must know your cost of production, understand the use of futures and options, and know your local and current and historical basis.

"It's essential to write, post and execute your marketing plan in various methods and increments," he contended. "This requires being a disciplined marketer and to use risk management."

In order to be satisfied with a marketing plan, "Do not dwell on past mistakes or decisions, but have a plan, if the wrong decision is made. You must accept that markets are highly unpredictable," Leffler emphasized. "Most importantly, if you cannot handle these requirements, hire a marketing advisor."



The energetic, entertaining speaker declared: "Discipline is the way you handle yourself no matter what else is going on around you. Having discipline results in success. Lacking discipline can result in failure.

"Markets can remain illogical far longer than you or I can remain financially solvent. Never forget that," Leffler concluded. Detailed information can be obtained at [www.lefflercom.com](http://www.lefflercom.com), or by emailing [tom@lefflercom.com](mailto:tom@lefflercom.com). Toll free phone number to visit with Leffler is 866-468-6866.

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### Padre says:

*"The farmer is the only man in our economy who buys everything at retail, sells everything at wholesale, and pays the freight both ways."*