



WPC GRAIN CHAT

www.walkerproducts.net

Fall 2018

A Word About Fall Harvest

We are eagerly looking forward to the upcoming fall harvest. Crops for fall look good! They were spoon fed small amounts of rain throughout August and we seemed to have high humidity which also allowed most of the crops to survive. The September rains have been timely to give us hope for a bountiful harvest.

We are readying the elevator for the crops. The remaining wheat has been moved out of the elevator to the ground pile and other places. We are anticipating good yields and are preparing space to accommodate this. We do not anticipate having any problems holding the fall crop. Our goal is to provide you a pleasant experience when delivering to us. We aim to be helpful, respectful and efficient with your time.

FALL CROP POLICY

For 2018 we will be placing ALL UNSOLD FALL CROPS into OPEN STORAGE as you deliver them to us. In past years we had placed all incoming Soybeans into Delayed Price (DP) contracts giving us title to the grain in exchange for a contract allowing you to price them at any time. This allowed us to make space in the elevator for fall crops. This year, it could be in your best interest to keep title of the grain until sold. You will need title to the grain if government LDP's come into play should prices plummet further. We hope that market prices do not fall to levels that would trigger LDP's, but it is unclear at this time. Therefore, we will be placing all fall grains in Open storage until you sell them. With the uncertainty of market prices, we feel this will give you more marketing flexibility.

If there is a need in the future we may ask for volunteers to put unsold grain on DP, but this will be completely voluntary and will only be done if absolutely necessary.

TRADE DISPUTES

Everyone is concerned about how the continuing trade disputes with foreign governments will impact grain prices. This is causing great uncertainty in marketing fall crops. Should there be an agreement to end disputes, the market is anticipated to react favorably. But we do not know when or if this will happen. Today it was reported that it is unlikely to be resolved in the

near future. But that is just one person's opinion. No one really knows.

So, with this kind of uncertainty, how does one market their fall crops? One option is a Minimum Price Contract. Minimum Price Contracts allow you to sell your grain and receive cash at the current board price. An option is then bought (at a price) which allows you to set a base futures price and month. Then, should the market rally, you can sell the option to receive any money gained over your base price.

What these do is twofold. 1) You sell your grain at the market price, stop storage fees, and receive cash, so you are protected from prices plummeting further, as opposed to keeping it in open storage and just seeing what happens. 2) You are able to stay in the market until your option expires. Should the market rally, you will get that futures gain also. If the market does not rally, you only lose the fees you paid for the option initially. There are no further fees

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2018 FALL STORAGE & D.P. POLICIES

ALL FALL GRAIN WILL BE PLACED IN OPEN STORAGE

Due to the volatility of the current grain market, all unsold milo, corn and soybeans received for 2018 fall harvest will be **available for Open Storage**. This will give greater flexibility for capturing any government benefits.

Storage rates for Milo & Corn are
4.5 cents/bu/month.

Storage rates for Soybeans is
5 cents/bu/month.

All commodities are given 15 free allowance days calculated from delivery date. After 15 days, storage will then will revert back to begin at delivery date.

or anything else to do. The option just expires. Please note that this is a futures contract only. You will profit in the gain in the futures, but you will not receive any profit gains due to basis changes. In other words, the gain is from the futures market, not from the cash board.

Minimum price contracts can be tied to forward contracts, target contracts and any grain sold out of open storage. These are typically done in 5000 bushel increments. However, we allow you to split them with fellow farmers or landlords.

Navigating the marketing waters through this fall harvest may be challenging. Please feel free to stop by or call to discuss marketing alternatives. Aside from Minimum Price Contracts, we offer Forward Contracts and Target Contracts to aid in your marketing decisions. We feel that keeping things simple is the key ingredient to reducing risk, capturing opportunities and maintaining consistent success.

Just a Note about Harvest Hours



It is our desire to be open when farmers are harvesting. Closing hours will be posted on a daily basis determined by the need. However, there are times when we are not sure if anyone is cutting. During those times, an **ON CALL** note will be posted on the office doors. We are available even if the drive door is shut. Just call the office number 524-4107 and the call will be forwarded to the person on call. **Please don't let the lack of personnel deter you from calling. We are only a few minutes away.**

REMINDER!

HARVEST REMINDERS

1. Check your tickets daily (It's easier to change tickets sooner rather than later)
2. Call ahead if you have changes to ticket names or splits, or have new field names. This avoids delays at the scale.
3. Be safe and have a bountiful harvest!

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FIND US ON THE WEB:

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Mission Statement

Walker Products Company is an independently owned country grain elevator in Lincoln, Kansas dedicated to bringing profitability to area farmers by using clear-cut marketing concepts proven to add value to the farming operation. We are dedicated to educating ourselves and our customers in farm and business management and ready to assist you with your grain handling and marketing needs. Friendly, customer service is the foundation of our business with integrity at its core. With over 60 years of experience our focus remains the same...

We are committed to your success!!

Important Fall News Inside!

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