
MARKET WATCH

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**Below are excerpts from my weekly Market Watch radio spots.
Market Watch is broadcast on over two dozen radio stations across Western Canada.**

December 5th – Cash Advance: A Key Marketing Option

Financial flexibility and cost effective lending strategies are key components of a grain marketing plan.

Instead of being forced to sell your grain after harvest or early in the New Year to pay bills, consider storing your grain, using hedging strategies to protect your downside price risk and taking a low interest rate cash advance to get the additional funds you need to run your farming operation.

The Canadian Canola Growers Association (CCGA) helps finance the operating cash flow needs of western Canadian farmers through the [Advance Payments Program](#).

According to the CCGA, post-harvest grain advances are secured by the unsold stored crop. With the first **\$100,000 interest-free** and the next \$300,000 at prime rate, you can get a total of \$400,000 at a blended interest rate below prime, or about 2%.

This added cash flow gives you **more time to execute your grain marketing plan to sell when the time and price is best for you**. This is especially important if the price of your grain is trending higher or has valuable upside potential.

Bottom line, combining options & futures hedging strategies with the CCGA cash advance gives you significant flexibility to market your commodity, potentially increasing your farm's revenue.

December 12th – Tools of the Trade

You use tools on your farm everyday, but before you used those tools, you had to learn how to use them. The same is true of the marketing tools available to you.

At the recent Ag Excellence conference in Calgary, John DePape of FARM Co. talked about a survey done by Farm Shift on knowledge and training areas of interest to farmers. Marketing and revenue management tools were top of the list with the vast majority wanting to learn more about the following topics:

- 85% wanted more on Price Signals
- 77% on Marketing Strategies
- 74% Types of contracts available
- 70% Futures & Options Hedging
- 70% Basis information

This is good because revenue and price management are such an important topics since revenues are top line, 100 cent dollars; even a 5% to 10% improvement on your top line can significantly increase your net profit results.

Bottom line, as Benjamin Franklin said "An investment in knowledge pays the best interest." So to gain more knowledge about hedging and revenue management using options & futures, connect with me at commodity-options.ca or 844-982-0011 and I can help you learn about the tools of trade before you trade.

December 19th – Commodity Marketing: A Key part of your Farm Business & Succession Plan

We read a lot these days about farm succession planning. One way to get more out of your farm succession planning process is to improve the financial profitability of your farm through enhanced farm revenue management.

The revenues from selling your grain or livestock are the fruits of the productive assets of your land, equipment, inventory and, of course, your labour; revenues are the biggest consistent contributor to the value of your farm business every year.

Given revenues are 100 cent, top line dollars, improving your marketing can have a direct, immediate and significant benefit that goes straight to your bottom line. This can accrue over the years to dramatically increase the net equity of the farm business.

Developing effective enhanced marketing processes and procedures for yourself, for the next generation or for the third party taking over your farm business will provide solid continuity of sound farm marketing practices.

Bottom line, using flexible exchange traded options on grains, livestock and the Canadian dollar, you can implement farm marketing strategies to improve your business plan today and fine-tune your succession plan of tomorrow.

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