

JUNE 2023

# HARTMANN FARMS

## NEWSLETTER

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*HARTMANN FARMS, LLC*

# WHAT'S HAPPENING

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*Kelsey  
Thorell,  
Grain*

## EMPLOYEE SHOWCASE

This spring, Hartmann Farms welcomed a new employee to our scale house office.

Kelsey Thorell has taken over the role of Grain Merchandiser. Kelsey moved to Prairie du Sac in April. She is a UW Madison graduate and a Wonewoc native. Kelsey spent her first 20 years on the family farm, before taking a position in trading animal fats and proteins in Omaha, NE. She then transferred in 2022 to a grain merchandising position at a barge loading facility in St Paul, MN. Her favorite part of merchandising is helping producers with marketing and educating others about agriculture.

In 2023, Hartmann Farms welcomed Scott Willey to our team. Scott specializes in day to day grain operations, welding and equipment repair, as well as planting.

Prior to his employment at Hartmann Farms, Scott spent 17 years in the local 601 Pipetrades Union as a welder's assistant, welder, and pipefitter. Scott also has a lifetime of farming experience having grown up on his grandfather and father's farm. To him, working in ag means something new to learn or challenge him every day.

Scott's true passions are hunting and fishing. In his free time, he enjoys spending time with his wife and children and his two Drahthaar dogs.



*Scott  
Willey,  
Operations*

# GRAIN MARKETING

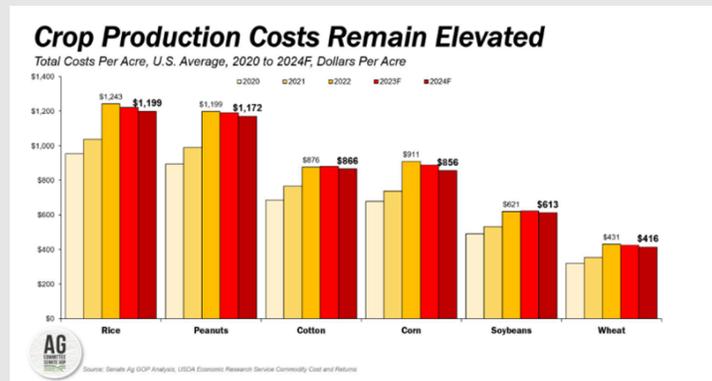
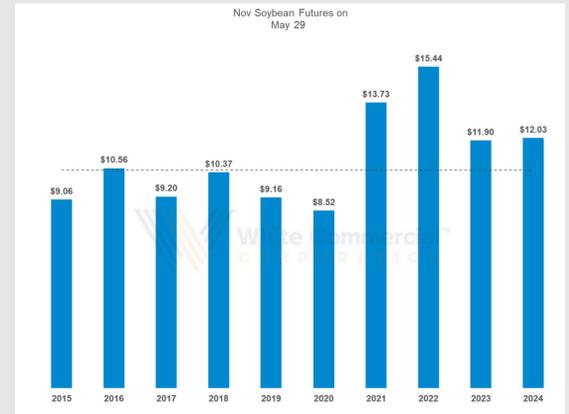
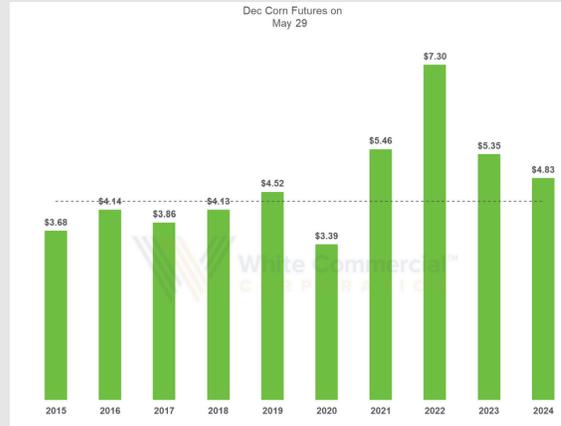
## MARKET INSIGHT

In May, grain markets rallied into 5-month highs across old and new crop corn and beans.

For those of you with on-farm storage or grain stored with Hartmann Farms, it is encouraged that you to take a break from the frenzy of spring and put in target offers. As planting progresses, even with many rain delays, the market has stopped responding to weather scares. Many of you still have old crop to sell and with a new season well underway, many marketers are bearish cash prices headed into fall. This is a busy time of year for all, but taking advantage of forward marketing now relieves pressure on making those decisions during harvest.

Now more than ever as planting wraps up, producers should be aware of what their production costs are. Those costs are still at a high point in a 10-year average, which makes selling in a down-turned market challenging. Knowing the cost of production is the first option a producer should consider when choosing a target price to sell. If assistance is needed in figuring production costs or where to place target offers, please call the office or stop in at any time.

The back of this page may be filled out and sent back to the office if you would like to turn in a target offer.



### IMPORTANT NOTICE

HARTMANN FARMS, LLC PARTICIPATES IN WISCONSIN'S AGRICULTURAL PRODUCER SECURITY PROGRAM. IF WE FAIL TO RETURN YOUR GRAIN ON DEMAND, YOU MAY FILE A CLAIM UNDER THIS PROGRAM. THE PROGRAM MAY REIMBURSE YOU FOR THE LOSS OF UP TO \$100,000 WORTH OF GRAIN. FOR MORE INFORMATION, YOU MAY CONTACT THE WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION, 2811 AGRICULTURE DR., P O BOX 8911, MADISON, WI53708-8911, PHONE (608) 224-4998. SECTION ATCP 99.26(2)(A) OF THE WISCONSIN ADMINISTRATIVE CODE – GRAIN WAREHOUSE KEEPER DISCLOSURE TO PRODUCERS. HARTMANN FARMS, LLC PARTICIPATES IN WISCONSIN'S AGRICULTURAL PRODUCER SECURITY PROGRAM. IF WE FAIL TO PAY YOU FOR GRAIN WHEN PAYMENT IS DUE, YOU MAY FILE A CLAIM UNDER THIS PROGRAM. THE PROGRAM MAY REIMBURSE UP TO 80% OF THE FIRST \$60,000 OF YOUR ALLOWED CLAIM, AND UP TO 75% OF ANY ADDITIONAL AMOUNT.

FOR MORE INFORMATION, YOU MAY CONTACT THE WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION, 2811 AGRICULTURE DR., P O BOX 8911, MADISON, WI53708-8911, PHONE (608) 224-4998. SECTION ATCP 99.14(2)(A) OF THE WISCONSIN ADMINISTRATIVE CODE – GRAIN DEALER DISCLOSURE TO PRODUCERS AND PRODUCER AGENTS



# FEELING OVERWHELMED WITH MARKETING?

7 WAYS TO STREAMLINE YOUR FARM MARKETING FOR THE 2024 CROP.

## 1. Change Your Focus From Price to Profit:

The standard 4-seat Model T of 1909 cost \$850. By the 1920's, the price had fallen to \$290 because of increasing efficiencies of assembly line technique and volume. Henry Ford probably didn't drop his margin; in other words, he was making the same amount of money per car at \$850 and \$290. In 2024, adjusting for inflation, Ford's profit margin is probably not dramatically different than it was 100 years ago, even though a Ford car costs tens of thousands of dollars now. Even if that isn't the case, the point remains that price is only one factor of many that influences profit. If it is safe to say that profit on a modern-day Ford is close to what it was back in the early days, we can certainly see it takes a lot more dollars to produce the same "margin" (dollars per unit) today.

Farm marketing is no different. It takes more dollars today to produce the same amount of profit per acre than it did 10 years ago. The challenge is to market it for profit. The past few years have taught us that not only are prices volatile, but inputs are also extremely volatile and high prices don't always equal the highest margin. The price you sell at is only one part of the equation – a much more important part is what kind of profit margin that price represents.

## 2. Commit to Planning:

The first step in successful marketing is to plan for average. Some people play it safe while others for the home run. Who plants for average? Profitable growers do. Knowing your Actual Production History is a key element to the planning process. APH is what you should look to market each year.

Another key element to planning is figuring production cost. A huge percentage of inputs is seen and fertilizer. Plugging those two factors into a budget with your equipment schedules makes for a reasonable cost assessment. Fuel, labor and other misc. expenses complete the cost calculation and the easy part is done – you have everything you need to compute breakeven cost.

What is left is the hardest part of the planning process. You have to make a few decisions.

1. What is a reasonable profit to expect from my operation?
2. At what price do I want to sell my crop?
3. How much do I sell at one time?
4. When do I start selling?

These of these questions can be answered during the planning process.

## 3. Decide on a Reasonable Profit:

Developing meaningful benchmarks in a business is very important. Typical farming margins differ from state to state, even county to county. There are certainly many standards available to measure profit. The accountant uses ratios like Return on Investment, the banker is always focused on cash flow and the IRS has its measurements. The specific method you use to figure profit is not as important as simply having some method. Not establishing a reasonable profit goal means abandoning your marketing plan and giving your future over to the moves in the market. You lose control. Whether it is \$50 an acre or \$150 establishing a reasonable desired profit is a crucial component in successful marketing.

#### **4. Sell Meaningful Amounts:**

*Reasonable profits (total net dollars) are only obtained by selling the entire crop. No business plans on selling a portion of the inventory at a profit and then running a clearance on the rest. They may not always get it exactly right, but having inventory in the back that's not for sale is a concept long abandoned in most businesses.*

*Selling meaningful amounts in the spring/summer rally season when profit goals are achieved, followed by additional large sales after the crop is made, and then selling the rest at harvest is a tried-and-true method that avoids risk and excess costs.*

#### **5. Expose Yourself to the Market:**

*How much do you think it would cost to pay someone to watch the market for you 17 hours a day? When you start to work on your plan for profit, you are going to have to watch the market very closely to make sure that you can obtain your desired margin. You'll need discipline to sell your crop at a profit every year.*

*Target contracts will help you watch the market for your desired price for FREE. Free? Yep, they expose your crop to the marketplace 17 hours a day at no cost to you. These contracts are tools that work to get your crop sold at your desired margins, so you don't have to have a clearance sale after harvest. The most successful grain marketers are making profit using targets.*

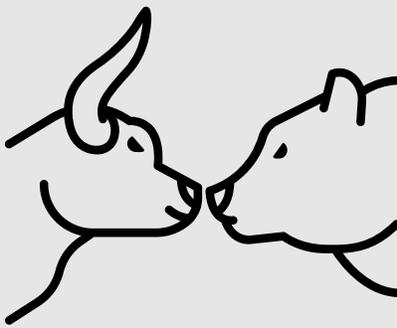
#### **6. Understand Crop Insurance:**

*A crop insurance policy is a good tool to use with your marketing plan because it protects a portion of your revenue. Producers should always carefully consider how a particular policy will work in conjunction with their marketing plans to insure the best possible outcome each crop year. Crop insurance agents, along with your elevator personnel, can assist you in developing a good marketing plan using targets in tandem with crop insurance. Understanding crop insurance is important to the farm today because of the huge risk that production ag takes on each season.*

#### **7. Avoid the Hecklers:**

*The hecklers are the people that stand behind you and tell you myths that will distract you from your plan. Much of what is being presented as sound farm marketing will be false advertising. There is a lot of false advertising in world of grain marketing. Don't buy into the promise of something else is always better or that someone else is always selling a better price. Remember, this is your grain marketing, and you write your own story.*

*\*\*\*This section of our newsletter was written and authorized for use by our friends at White Commercial Corporation*



# CROP CORNER

## UNDERSTANDING THE ROLE OF HUMIDITY IN TAR SPOT PREVENTION

Consistent high humidity levels over consecutive days throughout the growing season can act as an early warning sign that Tar Spot might strike. If your daily average exceeds 75%, the risk of conducive environmental conditions significantly increases. It's of utmost importance to start tracking humidity around June 20th to July 31st; being proactive in detecting any concerning trends early on and taking necessary preventive measures against Tar Spot.

Tar Spot, a notorious fungal disease, thrives in cool temperatures, high humidity levels, and prolonged leaf wetness. These conditions, especially over 2-3 weeks along with an extended 30-day temperature range between 60-75 degrees, create an environment that is highly conducive to rapid disease development.

As a farmer, you can mitigate the risk of Tar Spot and safeguard your yield by monitoring the weather and making the all important decision about whether a fungicide is warranted. You can protect your crops and ensure a successful harvest season by staying proactive and attentive to environmental cues.



## Farm Facts

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- **Total U.S. corn yield (tons per acre) has increased more than 360% since 1950**
- **A whopping 40% of all food grown and produced in the U.S. is never eaten.**
- **Women make up 36% of the total number of U.S. farm operators; 58% of all farms have at least one female decision-maker.**
- **Wisconsin ranks first in the export of specialty cheeses, ginseng roots, prepared/preserved cranberries, mink, dairy bovine genetics, and prepared meats.**

# REMINDERS



## *Lunch and Learn Session*

As spring slows and summer approaches, Hartmann Farms would like to host a round of customer luncheons focusing on educating women in agriculture about the importance and “how-to’s” of grain marketing. If you or someone you know is interested in participating in a small women’s group, please contact Kelsey at the elevator at (608)-592-3764 or scan the QR code on your smartphone to sign up now!

## *Upcoming Dates*

Acreage Report - June 28th

Office Closed - July 4th

USDA WASDE Report - July 12th

FSA Acreage Reporting Due - July 15th



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TEXT: HARTMANN  
TO: 608-336-3124

## *For More Information*

download our app OR visit  
[hartmannfarmsgain.com](http://hartmannfarmsgain.com)

