

Marketing Poor Quality Grain
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Weather and untimely rains can often create higher disease pressure, as well as producers struggling to get the crop off in a timely matter. This combination can typically result in poor quality grain being harvested. Marketing lower quality grain can create unneeded stress and grief for producers, however there are ways to cope with downgraded crops. The most important part of marketing poor quality grain is being prepared. Don't panic, know the quality and find a buyer who will offer the best value.

Producers often panic too quickly when it comes to downgraded grain, especially at harvest time. At this time of year, buyers will obviously prefer to take good quality over poor and may indicate that the poorer quality will not be marketable. Once the entire harvest is complete and buyers know exactly what qualities exist, opportunities for marketing poorer quality grain may occur. Companies will continue to try to find a market for this type of grain, especially if it is in excess, as profit also depends on quantities handled. It may take some extra work, but shop the sample around to different companies. Just because some buyers aren't in the market to buy lower quality grain, doesn't mean others are in the same position. Explore new markets, as opportunity from non typical buyers could exist, such as livestock producers with feed shortages. Communication with buyers is very important in the event that a deal becomes available, so continue to stay in contact to take advantage of these opportunities.

A crucial step in marketing grain is taking good samples. Without thorough samples, it is tough to know what is actually in the bin. Since the entire crop may not be affected, it may be possible to work with companies to make a package deal by blending some of the poor quality with good quality to bring the grade up to a favourable average. Ensure large enough samples are taken so there is enough to take to various companies in competition for the grain. Consulting with independent graders such as the Canadian Grain Commission is also beneficial, as it can provide an unbiased assessment of the sample which can help prevent possible disputes with buyers.

Many farmers have likely already contracted some of this year's crop. If there is not enough good quality to fill the contract, communicate with the buyer to fully understand the discounts or buy-out clauses. Sometimes it could be worth buying out the contract and taking that loss to allow a fresh start with a new market opportunity that has arisen elsewhere. Depending on the contract and grain that is available, there may be an opportunity to get another producer to take over and fill the contract. Companies may be able to work out an agreement with producers that result in a more favorable, least-cost scenario.

Unless cash flow is an issue on the farm, being patient could be the best action to take as new markets may arise for poor quality grain. As the harvest comes into the bin, try not to panic about quality being lower than desired. Market the product to as many companies and end users as possible and make the most desirable decision that financially benefits the farm.

For further information, support and resources, contact the Manitoba Agriculture's Farm Management Team at <http://www.gov.mb.ca/agriculture/business-and-economics/farm-business-management-contacts.html>