

What does the term Basis Eyes mean to you?

Responses from White Commercial customers, 2023



Ontario

To have basis eyes you need total immersion. You can't just think about basis once a week, it needs to be a constant process. You need to talk to all your regular buyers on a regular basis and network with other sellers. You need to constantly monitor peripheral markets for changes that are headed your way. You always need to know your limits on the buy and the sell side so you can grab good opportunities when they present themselves. "Call you back tomorrow" will cost you because someone else knows today.

Illinois

To me it means to me the ability to know what local market is asking for. It tells us what we need to be doing with the grain that we have control of.

Manitoba

Recognizing good basis levels when you see them and making sales and/or purchases. Making sales when no one is selling and buying when grain wants to come.

Illinois

Basis eyes means keeping focused on basis opportunities and filtering out all of the other news.

Missouri

To me basis eyes involves understanding and seeing how the basis is working and will work in every circumstance to bring about the necessary end goal within the market. To properly distribute grain from where it is to where it is needed. I would say that having basis eyes involves two disciplines: observation and interpretation/anticipation. Observation can be done by anyone that is willing to put in the time to search out basis bids. Interpretation/anticipation comes from the experience of seeing and understanding how similar past circumstances will play out in developing future circumstances.

Idaho

Checking competitor bids as well as end users. Being mindful of my own space and not overpaying for space that is expensive to use or unavailable. Having a good pulse on how big or small the crop looks prior to harvest. Weighing those values with the carry available in the market and not giving that away if possible.

Indiana

The first time I heard the expression basis eyes was when we were joining White Commercial. Cindy Smith described Brent Rogers as having the best basis eyes of anybody in the business. From that conversation and getting to know Brent, I developed the following meaning:

The use of experience to anticipate basis movement.

Experience comes from tracking and studying basis histories in different environments and market conditions.

Experience can come from one's own background or learning from others.

Georgia

To me, having basis eyes means knowing my local market and knowing what a good buy and sell basis looks like at all times. I need to know both the local supply (or access to supply) as well as demand for the given commodity at every moment of time. It is important to know the local seasonal tendencies of both the supply and demand as well. I believe this is the greatest asset to being a successful grain merchandiser. I don't know much about the rest of the world, but I have made it my highest professional goal to be an expert in my local market. It has worked well.



Michigan

I think it is an awareness of what basis is and how it relates to your grain business. I have always found it interesting that some people are indifferent but I don't think they see the opportunity that is available. It is always surprising even after many years in the business to me the amount of margin or lack of margin that people make doing the same basic things.

I think making it a priority in your business and comparing with others in the business you can tell the people that have basis eyes and the ones that do not.

Also, I feel you can always get better, your knife can always be sharper so you are ready to use it when given opportunity.

Illinois

Basis Eyes - changes how we look at grain values.

Basis Eyes - changes our focus from what our buying/selling price is to what is our "buy/sell basis" (per bushel). It is a new way of viewing value when handling bushels in the grain business. Basically, we no longer concern ourselves with price per bushel and now our focus is on our buy/sell basis when merchandising our grain stocks.

Basis Eyes have to be trained to see correctly.

Basis eyes are like bifocals. The first time you wear them it is difficult to register what is being seen but in time the vision starts to become more and more vivid.

Basis Eyes will help keep you from being tripped up by objects that don't appear because of the environmental glare. And helps you to see where real value truly is.

Ultimately, Basis Eyes changes a trader from being a speculator and conforms them into a merchant.

North Carolina

Basis eyes is like having a blindfold that ignores price fluctuations. If you concentrate and plan accordingly on locking in your basis margin, you will be alright.

Indiana

Seeing opportunity because you know what buyers are thinking, while also knowing your area's crop size, remaining crop, spreads (today and recently) and having an idea when the farmer will move. All while thinking about if you have any logistical and locational plans which can be changed to save freight by delivering from multiple origins to a closer market than what your original plan was.

Ohio

To me it is a "feeling" that the basis is moving in the right direction for your particular situation and you are ready to take action or have already taken action which is beneficial to the bottom line.

The "feeling" is backed up by using the forward sale worksheet after harvest and you know what basis is needed in each time slot clear through summer for a profitable outcome.

Kansas

Basis eyes to me is keeping good track of your buy basis and knowing what basis has done in the past according to market structure and with that knowing/thinking what good sell basis is and what works for you. It's all about the bottom line.