



Hank Holder

Corn

Hank holds his grain "unpriced" in on-farm storage.

Ever the price optimist, Hank holds his grain in storage too long.

Hank is forced to sell his grain just before the following harvest, to free up storage for his next crop.

He finally sells his cash grain on the Friday between October 1-7.

His final price is calculated net of a full year of on-farm storage costs (interest plus an in/out handling and shrink charge).

crop year	Pipestone	Pipestone	Oct-Oct Price Change	October - September Storage Costs				Total on-farm storage cost	Net price after storage	Hank's weighted average** price
	Cash Price Friday Oct 12-18	Cash Price Friday Oct 1-7		Prime Lending Rate	Prime plus 1%	12 months interest cost	In/out Charge			
1989/90	\$2.08	\$1.96	(\$0.12)	10.50%	11.50%	\$0.24	\$0.08	\$0.32	\$1.64	\$1.73
1990	\$1.98	\$2.15	\$0.17	10.00%	11.00%	\$0.22	\$0.08	\$0.30	\$1.85	\$1.88
1991	\$2.15	\$1.85	(\$0.30)	8.00%	9.00%	\$0.19	\$0.08	\$0.27	\$1.58	\$1.69
1992	\$1.83	\$2.13	\$0.30	6.00%	7.00%	\$0.13	\$0.08	\$0.21	\$1.92	\$1.90
1993	\$2.20	\$1.81	(\$0.39)	6.00%	7.00%	\$0.15	\$0.08	\$0.23	\$1.58	\$1.70
1994	\$1.83	\$2.63	\$0.80	7.75%	8.75%	\$0.16	\$0.08	\$0.24	\$2.39	\$2.28
1995	\$2.78	\$2.58	(\$0.20)	8.75%	9.75%	\$0.27	\$0.08	\$0.35	\$2.23	\$2.34
1996	\$2.46	\$2.23	(\$0.23)	8.25%	9.25%	\$0.23	\$0.08	\$0.31	\$1.92	\$2.03
1997	\$2.38	\$1.44	(\$0.94)	8.50%	9.50%	\$0.23	\$0.08	\$0.31	\$1.13	\$1.38
1998	\$1.64	\$1.44	(\$0.20)	8.13%	9.13%	\$0.15	\$0.08	\$0.23	\$1.21	\$1.30
1999	\$1.38	\$1.49	\$0.11	8.25%	9.25%	\$0.13	\$0.08	\$0.21	\$1.28	\$1.30
2000	\$1.56	\$1.62	\$0.06	9.50%	10.50%	\$0.16	\$0.08	\$0.24	\$1.38	\$1.41
2001	\$1.57	\$2.24	\$0.67	5.50%	6.50%	\$0.10	\$0.08	\$0.18	\$2.06	\$1.96
2002	\$2.23	\$1.87	(\$0.36)	4.75%	5.75%	\$0.13	\$0.08	\$0.21	\$1.66	\$1.78
2003	\$1.80	\$1.76	(\$0.04)	4.00%	5.00%	\$0.09	\$0.08	\$0.17	\$1.59	\$1.63
2004	\$1.77	\$1.40	(\$0.37)	4.75%	5.75%	\$0.10	\$0.08	\$0.18	\$1.22	\$1.33
2005	\$1.41	\$2.24	\$0.83	6.75%	7.75%	\$0.11	\$0.08	\$0.19	\$2.05	\$1.92
2006	\$2.69	\$2.97	\$0.28	8.25%	9.25%	\$0.25	\$0.08	\$0.33	\$2.64	\$2.65
2007/08	\$3.06	\$4.02	\$0.96	8.25%	9.25%	\$0.28	\$0.08	\$0.36	\$3.66	\$3.54
2008	\$3.58									
<b>1990-2007</b>	<b>\$2.04</b>	<b>\$2.10</b>	<b>\$0.06</b>			<b>\$0.17</b>		<b>\$0.25</b>		<b>\$1.89</b>

\*\* Due to on-farm storage limitations, Hank must sell 20% of his crop at harvest, and at the harvest price. His final price will be a weighted average of 20% harvest sale and 80% from grain sales in the following October (net of storage costs).