

Margery the Fortune Teller

Soybeans



At harvest, Margery uses her crystal ball to forecast the highest cash price in the year ahead. She sells the highest cash price during the year after harvest (based on weekly cash price data). Starting October 1 (harvest) and up to September 30 of the next year.

crop year	Pipestone	Pipestone cash price high <u>date</u>	Pipestone cash price high <u>price</u>	harvest to high price <u>change</u>	Storage Costs							Total on-farm storage <u>cost</u>	high price net of storage	Margery's weighted average**
	Cash Price Friday <u>Oct 12-18</u>				Prime Lending <u>Rate</u>	Prime plus 1%	monthly interest <u>cost</u>	months of storage	total interest <u>cost</u>	In/out <u>charge</u>				
1989/90	\$5.06	27-Apr-90	\$6.00	\$0.94	10.50%	11.50%	\$0.048	6	\$0.29	\$0.11	\$0.40	\$5.60	\$5.49	
1990	\$5.79	2-Aug-91	\$5.96	\$0.17	10.00%	11.00%	\$0.053	10	\$0.53	\$0.11	\$0.64	\$5.32	\$5.41	
1991	\$5.20	12-Jun-92	\$5.83	\$0.63	8.00%	9.00%	\$0.039	8	\$0.31	\$0.11	\$0.42	\$5.41	\$5.37	
1992	\$5.00	23-Jul-93	\$6.90	\$1.90	6.00%	7.00%	\$0.029	9	\$0.26	\$0.11	\$0.37	\$6.53	\$6.22	
1993	\$5.75	20-May-94	\$6.79	\$1.04	6.00%	7.00%	\$0.034	7	\$0.23	\$0.11	\$0.34	\$6.45	\$6.31	
1994	\$4.85	21-Jul-95	\$5.88	\$1.03	7.75%	8.75%	\$0.035	9	\$0.32	\$0.11	\$0.43	\$5.45	\$5.33	
1995	\$5.92	12-Jul-96	\$8.00	\$2.08	8.75%	9.75%	\$0.048	9	\$0.43	\$0.11	\$0.54	\$7.46	\$7.15	
1996	\$6.30	9-May-97	\$8.53	\$2.23	8.25%	9.25%	\$0.049	7	\$0.34	\$0.11	\$0.45	\$8.08	\$7.72	
1997	\$6.38	7-Nov-97	\$6.84	\$0.46	8.50%	9.50%	\$0.051	1	\$0.05	\$0.11	\$0.16	\$6.68	\$6.62	
1998	\$4.93	27-Nov-98	\$5.30	\$0.37	8.13%	9.13%	\$0.037	1	\$0.04	\$0.11	\$0.15	\$5.15	\$5.11	
1999	\$4.17	12-May-00	\$5.14	\$0.97	8.25%	9.25%	\$0.032	7	\$0.23	\$0.11	\$0.34	\$4.80	\$4.68	
2000	\$4.05	13-Jul-01	\$4.84	\$0.79	9.50%	10.50%	\$0.035	9	\$0.32	\$0.11	\$0.43	\$4.41	\$4.34	
2001	\$3.80	16-Aug-02	\$5.52	\$1.72	5.50%	6.50%	\$0.021	10	\$0.21	\$0.11	\$0.32	\$5.20	\$4.92	
2002	\$5.03	26-Sep-03	\$6.17	\$1.14	4.75%	5.75%	\$0.024	11	\$0.27	\$0.11	\$0.38	\$5.79	\$5.64	
2003	\$6.81	7-May-04	\$10.35	\$3.54	4.00%	5.00%	\$0.028	7	\$0.20	\$0.11	\$0.31	\$10.04	\$9.40	
2004	\$4.72	24-Jun-05	\$7.03	\$2.31	4.75%	5.75%	\$0.023	8	\$0.18	\$0.11	\$0.29	\$6.74	\$6.34	
2005	\$5.17	23-Dec-05	\$5.73	\$0.56	6.75%	7.75%	\$0.033	2	\$0.07	\$0.11	\$0.18	\$5.55	\$5.48	
2006	\$5.24	14-Sep-07	\$8.65	\$3.41	8.25%	9.25%	\$0.040	11	\$0.44	\$0.11	\$0.55	\$8.10	\$7.52	
2007/08	\$8.62	3-Jul-08	\$15.54	\$6.92	8.25%	9.25%	\$0.066	9	\$0.60	\$0.11	\$0.71	\$14.83	\$13.59	
2008	\$8.24													
1990-2007	\$5.43			\$1.74			\$0.04				\$0.39		\$6.51	

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