

Sally Sellthecarry
(page 1)

Corn



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1989-2006: Sally "sells the carry" in years when the November-July carrying charge is greater than 35 cents at harvest.
2007 forward: Sally "sells the carry" when the November-July carrying charge is greater than 120% of interest costs at harvest.
 To sell the carry, she places her crop into on-farm storage and sells July futures on the Friday between October 12-18.
 She lifts the hedge (buys back July and sells cash grain) on the Friday between May 25-31.
 Her price from the storage hedge is calculated net of on-farm storage costs (interest plus an in/out handling and shrink charge).
 If carrying charges are small at harvest, she sells her grain at harvest, just like her neighbor Barney.
Summary of Sally's results are on page 2.

Harvest						
Cash and futures prices (Friday between October 12-18)						
crop year	Chicago soybean futures		Pipestone	July Basis		
	November	July	Nov/July Carry			
1989/90	\$5.4425	\$5.8350	\$0.3925	\$5.06	(\$0.78)	<i>sold a large carry at harvest</i>
1990	\$6.2050	\$6.6575	\$0.4525	\$5.79	(\$0.87)	<i>sold a large carry at harvest</i>
1991	\$5.5250	\$5.9125	\$0.3875	\$5.20	(\$0.71)	<i>sold a large carry at harvest</i>
1992	\$5.3600	\$5.6350	\$0.2750	\$5.00	(\$0.64)	<i>small carry, grain sold at harvest</i>
1993	\$6.1450	\$6.3425	\$0.1975	\$5.75	(\$0.59)	<i>small carry, grain sold at harvest</i>
1994	\$5.3850	\$5.7350	\$0.3500	\$4.85	(\$0.89)	<i>sold a large carry at harvest</i>
1995	\$6.5325	\$6.8375	\$0.3050	\$5.92	(\$0.92)	<i>small carry, grain sold at harvest</i>
1996	\$6.8200	\$6.9850	\$0.1650	\$6.30	(\$0.69)	<i>small carry, grain sold at harvest</i>
1997	\$6.9200	\$7.1450	\$0.2250	\$6.38	(\$0.77)	<i>small carry, grain sold at harvest</i>
1998	\$5.5750	\$5.9000	\$0.3250	\$4.93	(\$0.97)	<i>small carry, grain sold at harvest</i>
1999	\$4.9200	\$5.2050	\$0.2850	\$4.17	(\$1.04)	<i>small carry, grain sold at harvest</i>
2000	\$4.6600	\$5.0225	\$0.3625	\$4.05	(\$0.97)	<i>sold a large carry at harvest</i>
2001	\$4.3500	\$4.5300	\$0.1800	\$3.80	(\$0.73)	<i>small carry, grain sold at harvest</i>
2002	\$5.4600	\$5.4700	\$0.0100	\$5.03	(\$0.44)	<i>small carry, grain sold at harvest</i>
2003	\$7.2925	\$6.5025	(\$0.7900)	\$6.81	\$0.31	<i>small carry, grain sold at harvest</i>
2004	\$5.1400	\$5.3850	\$0.2450	\$4.72	(\$0.67)	<i>small carry, grain sold at harvest</i>
2005	\$5.8950	\$6.1700	\$0.2750	\$5.17	(\$1.00)	<i>small carry, grain sold at harvest</i>
2006	\$5.9150	\$6.3050	\$0.3900	\$5.24	(\$1.07)	<i>sold a large carry at harvest</i>

Spring					
Cash and futures prices (Friday between May 25-31)					
Chicago soybean futures	Pipestone Cash Price	July Basis	July Basis		Price before storage*
			July Basis	Gain Harvest to Spring	
\$6.1900	\$5.76	(\$0.43)	\$0.35	\$0.35	\$5.41
\$5.8175	\$5.59	(\$0.23)	\$0.64	\$0.64	\$6.43
\$6.1400	\$5.80	(\$0.34)	\$0.37	\$0.37	\$5.57
\$6.0850	\$5.71	(\$0.38)	\$0.26	\$0.26	\$5.00
\$6.7450	\$6.46	(\$0.29)	\$0.31	\$0.31	\$5.75
\$6.0575	\$5.63	(\$0.43)	\$0.46	\$0.46	\$5.31
\$7.8825	\$7.40	(\$0.48)	\$0.44	\$0.44	\$5.92
\$8.8050	\$8.49	(\$0.32)	\$0.37	\$0.37	\$6.30
\$6.1850	\$5.82	(\$0.36)	\$0.40	\$0.40	\$6.38
\$4.6175	\$4.17	(\$0.45)	\$0.52	\$0.52	\$4.93
\$5.3425	\$4.88	(\$0.46)	\$0.57	\$0.57	\$4.17
\$4.4725	\$4.11	(\$0.36)	\$0.61	\$0.61	\$4.66
\$5.0875	\$4.75	(\$0.34)	\$0.39	\$0.39	\$3.80
\$6.2450	\$5.93	(\$0.32)	\$0.12	\$0.12	\$5.03
\$8.1400	\$8.17	\$0.03	(\$0.28)	(\$0.28)	\$6.81
\$6.6775	\$6.31	(\$0.37)	\$0.30	\$0.30	\$4.72
\$5.8250	\$5.17	(\$0.66)	\$0.35	\$0.35	\$5.17
\$8.1250	\$7.30	(\$0.83)	\$0.24	\$0.24	\$5.48

Harvest										
Cash and futures prices (Friday between October 12-18)										
Chicago soybean futures	Nov/July Carry	Pipestone Cash Price	Nov/July per month cents/bushel	Prime plus 1%	monthly interest cost cents/bushel	monthly carry, % of interest cost	July Basis			
							July Basis			
2007/08	\$9.7675	\$10.1850	\$0.4175	\$8.62	5.2	9.25%	6.6	79%	(\$1.57)	<i>small carry, grain sold at harvest</i>
2008	\$8.9400	\$9.3275	\$0.3875	\$8.24	4.8	5.50%	3.8	128%	(\$1.09)	<i>sold a large carry at harvest</i>
1990-2007	\$5.99	\$6.22	\$0.23	\$5.43					(\$0.79)	

Spring					
Cash and futures prices (Friday between May 25-31)					
Chicago soybean futures	Pipestone Cash Price	July Basis	July Basis		Price before storage*
			July Basis	Gain Harvest to Spring	
\$13.6350	\$12.86	(\$0.78)	\$0.79	\$0.79	\$8.62
\$6.77	\$6.36	(\$0.41)	\$0.38	\$0.38	\$5.56

* There are two ways to calculate the price before storage when Sally sells the carry; (1) July futures at harvest + the July basis in spring and, (2) the cash price at harvest + the July basis gain from harvest to spring.

Sally Sellthecarry
(page 2)



Soybeans



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Sally "sells the carry" in years when the November-July carrying charge is greater than 35 cents at harvest. To sell the carry, she places her crop into on-farm storage and sells July futures on the Friday between October 12-18. She lifts the hedge (buys back July and sells cash grain) on the Friday between May 25-31. Her price from the storage hedge is calculated net of on-farm storage costs (interest plus an in/out handling and shrink charge). If carrying charges are small at harvest, she sells her grain at harvest.
Detail behind Sally's results from selling the carry are on page 1.

crop year	Pipestone Cash Price Friday Oct 12-18	October - May Storage Costs					Price before storage	Storage cost	Net price after storage	Sally's weighted average**	
		Prime Lending Rate	Prime plus 1%	7 months interest cost	In/out Charge	Total on-farm storage cost					
1989/90	\$5.06	10.50%	11.50%	\$0.34	\$0.11	\$0.45	\$5.41	\$0.45	\$4.96	\$4.98	<i>sold a large carry at harvest</i>
1990	\$5.79	10.00%	11.00%	\$0.37	\$0.11	\$0.48	\$6.43	\$0.48	\$5.95	\$5.92	<i>sold a large carry at harvest</i>
1991	\$5.20	8.00%	9.00%	\$0.27	\$0.11	\$0.38	\$5.57	\$0.38	\$5.19	\$5.19	<i>sold a large carry at harvest</i>
1992	\$5.00	6.00%	7.00%	\$0.20	\$0.11	\$0.31	\$5.00	#N/A	\$5.00	\$5.00	<i>small carry, grain sold at harvest</i>
1993	\$5.75	6.00%	7.00%	\$0.23	\$0.11	\$0.34	\$5.75	#N/A	\$5.75	\$5.75	<i>small carry, grain sold at harvest</i>
1994	\$4.85	7.75%	8.75%	\$0.25	\$0.11	\$0.36	\$5.31	\$0.36	\$4.95	\$4.93	<i>sold a large carry at harvest</i>
1995	\$5.92	8.75%	9.75%	\$0.34	\$0.11	\$0.45	\$5.92	#N/A	\$5.92	\$5.92	<i>small carry, grain sold at harvest</i>
1996	\$6.30	8.25%	9.25%	\$0.34	\$0.11	\$0.45	\$6.30	#N/A	\$6.30	\$6.30	<i>small carry, grain sold at harvest</i>
1997	\$6.38	8.50%	9.50%	\$0.35	\$0.11	\$0.46	\$6.38	#N/A	\$6.38	\$6.38	<i>small carry, grain sold at harvest</i>
1998	\$4.93	8.13%	9.13%	\$0.26	\$0.11	\$0.37	\$4.93	#N/A	\$4.93	\$4.93	<i>small carry, grain sold at harvest</i>
1999	\$4.17	8.25%	9.25%	\$0.23	\$0.11	\$0.34	\$4.17	#N/A	\$4.17	\$4.17	<i>small carry, grain sold at harvest</i>
2000	\$4.05	9.50%	10.50%	\$0.25	\$0.11	\$0.36	\$4.66	\$0.36	\$4.30	\$4.25	<i>sold a large carry at harvest</i>
2001	\$3.80	5.50%	6.50%	\$0.14	\$0.11	\$0.25	\$3.80	#N/A	\$3.80	\$3.80	<i>small carry, grain sold at harvest</i>
2002	\$5.03	4.75%	5.75%	\$0.17	\$0.11	\$0.28	\$5.03	#N/A	\$5.03	\$5.03	<i>small carry, grain sold at harvest</i>
2003	\$6.81	4.00%	5.00%	\$0.20	\$0.11	\$0.31	\$6.81	#N/A	\$6.81	\$6.81	<i>small carry, grain sold at harvest</i>
2004	\$4.72	4.75%	5.75%	\$0.16	\$0.11	\$0.27	\$4.72	#N/A	\$4.72	\$4.72	<i>small carry, grain sold at harvest</i>
2005	\$5.17	6.75%	7.75%	\$0.23	\$0.11	\$0.34	\$5.17	#N/A	\$5.17	\$5.17	<i>small carry, grain sold at harvest</i>
2006	\$5.24	8.25%	9.25%	\$0.28	\$0.11	\$0.39	\$5.48	\$0.39	\$5.09	\$5.12	<i>sold a large carry at harvest</i>
2007/08	\$8.62	8.25%	9.25%	\$0.47	\$0.11	\$0.58	\$8.62	#N/A	\$8.62	\$8.62	<i>small carry, grain sold at harvest</i>
2008	\$8.24	4.50%	5.50%	\$0.26	\$0.11	\$0.37					
1990-2007	\$5.43			\$0.26		\$0.37	\$5.56			\$5.44	

** Due to on-farm storage limitations, Sally must sell 20% of her crop at harvest, and at the harvest price. Her final price will be a weighted average of 20% harvest sale and 80% from selling the carry.