



Sally "sells the carry" in years when the September-March carrying charge is greater than 140% of interest costs. To sell the carry, she places her crop into on-farm storage and sells March futures on the Friday between August 20-26. She lifts the hedge (buys back March and sells cash grain) on the Friday between December 1-7. 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 (less than 140% of interest costs), she sells her grain at harvest, just like her neighbor Barney. **Summary of Sally's results are on page 2.**

Harvest										Late Fall					
Cash and futures prices (Friday between August 20-26)										Cash and futures prices (Friday between December 1-7)					
crop year	Minneapolis wheat futures		Crookston	Sep/Mar	Prime	monthly	monthly	March	Basis	Minneapolis	Crookston	March Basis			Price before storage*
	September	March	Cash	per month	plus 1%	cost	carry, % of					Gain	Harvest to	Spring	
	Sep/Mar	Carry	Price	cents/bushel	cents/bushel	cost	cost	cost	Harvest to	Price	March	Harvest to	Spring	storage*	
1989/90	\$3.9275	\$4.0600	\$0.1325	\$3.64	2.2	11.00%	3.3	66%	(\$0.42)	\$3.9825	\$3.60	(\$0.38)	\$0.04	\$3.64	<i>small carry, grain sold at harvest</i>
1990	\$2.8025	\$3.0300	\$0.2275	\$2.52	3.8	11.00%	2.3	164%	(\$0.51)	\$2.6350	\$2.30	(\$0.34)	\$0.18	\$2.70	<i>sold a large carry at harvest</i>
1991	\$2.8550	\$3.1050	\$0.2500	\$2.59	4.2	9.50%	2.1	203%	(\$0.52)	\$3.6875	\$3.48	(\$0.21)	\$0.31	\$2.90	<i>sold a large carry at harvest</i>
1992	\$3.1600	\$3.2800	\$0.1200	\$2.97	2.0	7.00%	1.7	115%	(\$0.31)	\$3.3850	\$3.34	(\$0.04)	\$0.27	\$2.97	<i>small carry, grain sold at harvest</i>
1993	\$3.2250	\$3.2750	\$0.0500	\$3.51	0.8	7.00%	2.0	41%	\$0.24	\$3.7475	\$4.59	\$0.84	\$0.61	\$3.51	<i>small carry, grain sold at harvest</i>
1994	\$3.7575	\$3.8100	\$0.0525	\$3.63	0.9	8.75%	2.6	33%	(\$0.18)	\$3.7700	\$3.72	(\$0.05)	\$0.13	\$3.63	<i>small carry, grain sold at harvest</i>
1995	\$4.6375	\$4.6325	(\$0.0050)	\$4.35	(0.1)	9.75%	3.5	-2%	(\$0.28)	\$4.8600	\$4.92	\$0.06	\$0.34	\$4.35	<i>small carry, grain sold at harvest</i>
1996	\$4.6600	\$4.6175	(\$0.0425)	\$4.37	(0.7)	9.25%	3.4	-21%	(\$0.25)	\$3.8150	\$3.76	(\$0.06)	\$0.19	\$4.37	<i>small carry, grain sold at harvest</i>
1997	\$4.1500	\$4.1050	(\$0.0450)	\$3.84	(0.7)	9.50%	3.0	-25%	(\$0.27)	\$3.8975	\$3.78	(\$0.12)	\$0.15	\$3.84	<i>small carry, grain sold at harvest</i>
1998	\$3.2025	\$3.3550	\$0.1525	\$2.96	2.5	9.50%	2.3	108%	(\$0.40)	\$3.6575	\$3.32	(\$0.34)	\$0.06	\$2.96	<i>small carry, grain sold at harvest</i>
1999	\$3.3375	\$3.5975	\$0.2600	\$2.91	4.3	9.25%	2.2	193%	(\$0.69)	\$3.2100	\$2.89	(\$0.32)	\$0.37	\$3.28	<i>sold a large carry at harvest</i>
2000	\$2.9725	\$3.2525	\$0.2800	\$2.63	4.7	10.50%	2.3	203%	(\$0.62)	\$3.3050	\$3.13	(\$0.18)	\$0.45	\$3.08	<i>sold a large carry at harvest</i>
2001	\$3.1325	\$3.4100	\$0.2775	\$2.96	4.6	7.50%	1.9	250%	(\$0.45)	\$3.1050	\$3.02	(\$0.09)	\$0.37	\$3.33	<i>sold a large carry at harvest</i>
2002	\$4.0975	\$4.1350	\$0.0375	\$3.95	0.6	5.75%	1.9	33%	(\$0.19)	\$4.0575	\$3.92	(\$0.14)	\$0.05	\$3.95	<i>small carry, grain sold at harvest</i>
2003	\$3.8125	\$3.9200	\$0.1075	\$3.43	1.8	5.00%	1.4	125%	(\$0.49)	\$3.9925	\$3.70	(\$0.29)	\$0.20	\$3.43	<i>small carry, grain sold at harvest</i>
2004	\$3.4525	\$3.6050	\$0.1525	\$3.18	2.5	5.50%	1.5	174%	(\$0.43)	\$3.5025	\$3.46	(\$0.04)	\$0.38	\$3.56	<i>sold a large carry at harvest</i>
2005	\$3.5700	\$3.5050	(\$0.0650)	\$3.50	(1.1)	7.50%	2.2	-50%	(\$0.00)	\$3.7500	\$3.74	(\$0.01)	(\$0.00)	\$3.50	<i>small carry, grain sold at harvest</i>
2006	\$4.4500	\$4.6850	\$0.2350	\$4.16	3.9	9.25%	3.2	122%	(\$0.52)	\$5.2850	\$4.93	(\$0.36)	\$0.17	\$4.16	<i>small carry, grain sold at harvest</i>
2007	\$6.7075	\$6.8575	\$0.1500	\$6.02	2.5	9.25%	4.6	54%	(\$0.84)	\$10.0250	\$9.92	(\$0.11)	\$0.73	\$6.02	<i>small carry, grain sold at harvest</i>
2008	\$9.3750	\$9.6800	\$0.3050	\$8.82	5.1	6.00%	4.4	115%	(\$0.86)	\$5.5100	\$5.70	\$0.19	\$1.05	\$8.82	<i>small carry, grain sold at harvest</i>
2009	\$5.3200	\$5.6125	\$0.2925	\$4.96	4.9	4.25%	1.8	278%	(\$0.65)	\$5.6300	\$5.40	(\$0.23)	\$0.42	\$5.38	<i>sold a large carry at harvest</i>
2010	\$7.0000	\$7.2350	\$0.2350	\$6.10	3.9	4.25%	2.2	181%	(\$1.14)						<i>sold a large carry at harvest</i>
1990-2009	\$4.13	\$4.27	\$0.14	\$3.86	2.3	8.05%	2.5	106%	(\$0.41)	\$4.24	\$4.15	(\$0.09)	\$0.32	\$3.99	

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

Sally Sellthecarry
(page 2)
POST-HARVEST
Spring Wheat



Sally "sells the carry" in years when the September-March carrying charge is greater than 140% of interest costs. To sell the carry, she places her crop into on-farm storage and sells March futures on the Friday between August 20-26. She lifts the hedge (buys back March and sells cash grain) on the Friday between December 1-7. 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 (less than 140% of interest costs), she sells her grain at harvest, just like her neighbor Barney.

Detail behind Sally's results from selling the carry are on page 1.

Crokston Cash Price Friday crop year	August - December Storage Costs					Total on-farm storage cost	Price before storage	Storage cost	Net price after storage	Sally's weighted average** price	
	Aug 20-26	Prime Lending Rate	Prime plus 1%	3 months interest cost	In/out Charge						
1989/90	\$3.64	10.00%	11.00%	\$0.10	\$0.08	\$0.18	\$3.64	#N/A	\$3.64	\$3.64	<i>small carry, grain sold at harvest</i>
1990	\$2.52	10.00%	11.00%	\$0.07	\$0.08	\$0.15	\$2.70	\$0.15	\$2.55	\$2.54	<i>sold a large carry at harvest</i>
1991	\$2.59	8.50%	9.50%	\$0.06	\$0.08	\$0.14	\$2.90	\$0.14	\$2.76	\$2.72	<i>sold a large carry at harvest</i>
1992	\$2.97	6.00%	7.00%	\$0.05	\$0.08	\$0.13	\$2.97	#N/A	\$2.97	\$2.97	<i>small carry, grain sold at harvest</i>
1993	\$3.51	6.00%	7.00%	\$0.06	\$0.08	\$0.14	\$3.51	#N/A	\$3.51	\$3.51	<i>small carry, grain sold at harvest</i>
1994	\$3.63	7.75%	8.75%	\$0.08	\$0.08	\$0.16	\$3.63	#N/A	\$3.63	\$3.63	<i>small carry, grain sold at harvest</i>
1995	\$4.35	8.75%	9.75%	\$0.11	\$0.08	\$0.19	\$4.35	#N/A	\$4.35	\$4.35	<i>small carry, grain sold at harvest</i>
1996	\$4.37	8.25%	9.25%	\$0.10	\$0.08	\$0.18	\$4.37	#N/A	\$4.37	\$4.37	<i>small carry, grain sold at harvest</i>
1997	\$3.84	8.50%	9.50%	\$0.09	\$0.08	\$0.17	\$3.84	#N/A	\$3.84	\$3.84	<i>small carry, grain sold at harvest</i>
1998	\$2.96	8.50%	9.50%	\$0.07	\$0.08	\$0.15	\$2.96	#N/A	\$2.96	\$2.96	<i>small carry, grain sold at harvest</i>
1999	\$2.91	8.25%	9.25%	\$0.07	\$0.08	\$0.15	\$3.28	\$0.15	\$3.13	\$3.09	<i>sold a large carry at harvest</i>
2000	\$2.63	9.50%	10.50%	\$0.07	\$0.08	\$0.15	\$3.08	\$0.15	\$2.93	\$2.87	<i>sold a large carry at harvest</i>
2001	\$2.96	6.50%	7.50%	\$0.06	\$0.08	\$0.14	\$3.33	\$0.14	\$3.19	\$3.14	<i>sold a large carry at harvest</i>
2002	\$3.95	4.75%	5.75%	\$0.06	\$0.08	\$0.14	\$3.95	#N/A	\$3.95	\$3.95	<i>small carry, grain sold at harvest</i>
2003	\$3.43	4.00%	5.00%	\$0.04	\$0.08	\$0.12	\$3.43	#N/A	\$3.43	\$3.43	<i>small carry, grain sold at harvest</i>
2004	\$3.18	4.50%	5.50%	\$0.04	\$0.08	\$0.12	\$3.56	\$0.12	\$3.44	\$3.39	<i>sold a large carry at harvest</i>
2005	\$3.50	6.50%	7.50%	\$0.07	\$0.08	\$0.15	\$3.50	#N/A	\$3.50	\$3.50	<i>small carry, grain sold at harvest</i>
2006	\$4.16	8.25%	9.25%	\$0.10	\$0.08	\$0.18	\$4.16	#N/A	\$4.16	\$4.16	<i>small carry, grain sold at harvest</i>
2007	\$6.02	8.25%	9.25%	\$0.14	\$0.08	\$0.22	\$6.02	#N/A	\$6.02	\$6.02	<i>small carry, grain sold at harvest</i>
2008	\$8.82	5.00%	6.00%	\$0.13	\$0.08	\$0.21	\$8.82	#N/A	\$8.82	\$8.82	<i>small carry, grain sold at harvest</i>
2009	\$4.96	3.25%	4.25%	\$0.05	\$0.08	\$0.13	\$5.38	\$0.13	\$5.25	\$5.19	<i>sold a large carry at harvest</i>
2010	\$6.10	3.25%	4.25%								
1990-2009	\$3.81			\$0.08		\$0.16	\$3.91			\$3.86	

** 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.