



June 9, 2009

# Grain Marketing

Center for Farm Financial Management

University of Minnesota

[www.cffm.umn.edu/publications/grain.aspx](http://www.cffm.umn.edu/publications/grain.aspx)

## Soybeans: 2010 Pre-Harvest Marketing Plan

by Ed Usset

Expected 2010 production: 24,000 bushels (530 acres @ 45 bushels per)

**Objective:** Buy crop insurance to protect my production risk, and have 75% of my anticipated soybean crop priced by early June.

- Price 2,500 bushels at \$8.35 cash price (\$9.05 Nov futures) using some form of fixed-price contract: forward contract, HTA, sell futures.
- Price 2,500 bushels at \$8.85c/\$9.55f, or by March 29, pricing tool to be determined (“tbd”).
- Price 2,500 bushels at \$9.35c/\$10.05f, or by April 14, pricing tool tbd.
- Price 2,500 bushels at \$9.85c/\$10.55f, or by April 28, pricing tool tbd.
- Price 2,500 bushels at \$10.35c/\$11.05f, or by May 13, pricing tool tbd.
- Price 2,500 bushels at \$10.85c/\$11.55f, or by May 27, pricing tool tbd.
- Price my last 2,500 bushels at \$11.35c/\$12.05f, or by June 10, pricing tool tbd.

Plan starts on January 1, 2010. Earlier sales will be made at a 35 cent premium to price targets noted above and will be limited to 10,000 bushels.

Ignore decision dates and make no sale if prices are lower than \$8.35 local cash price/\$9.05 November futures.

Exit all options positions by mid-September, 2010.



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## Soybeans: **Execution** of the 2010 Pre-Harvest Marketing Plan by Ed Usset

Objective: Buy crop insurance to protect my production risk, and have 75% of my anticipated soybean crop priced by early June.

- Price 2,500 bushels at \$8.35 cash price (\$9.05 Nov futures) using some form of fixed-price contract. **Futures sale on June 9, 2009 @ \$9.98½ Nov'10 futures**
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- Price 2,500 bushels at \$9.35c/\$10.05f, or by April 14, pricing tool tbd.
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