



June 2010

Grain Marketing

Center for Farm Financial Management

University of Minnesota

www.cffm.umn.edu/grain

Spring Wheat: 2009 Baseline Prices

by Ed Usset

A baseline price is needed to measure your plan versus the market. I use the price quoted at my local elevator on the 2nd Friday of each month for an 18-month period starting in January and ending in June of the following year. Remember to use the new crop price as your baseline until the month of harvest (if your elevator is not quoting new crop prices, you can use new crop futures and expected harvest basis to estimate a price). After harvest use the spot price. If new crop or spot prices are less than the loan rate, use the loan rate. When you have completed the sales of your crop for that year, compare your weighted average selling price against the baseline.

2009

	futures	basis	cash	cash/loan
Jan-09	7.01	-0.40	6.61	6.61
Feb	6.24	-0.40	5.84	5.84
Mar	6.05	-0.40	5.65	5.65
Apr	6.28	-0.40	5.88	5.88
May	6.96	-0.40	6.56	6.56
Jun	7.26	-0.40	6.86	6.86
Jul	6.03	-0.40	5.63	5.63
Aug	5.49	-0.40	5.09	5.09
Sep		#N/A	4.59	4.59
Oct		#N/A	4.71	4.71
Nov		#N/A	5.35	5.35
Dec		#N/A	5.14	5.14
Jan-10		#N/A	5.05	5.05
Feb		#N/A	4.94	4.94
Mar		#N/A	4.93	4.93
Apr		#N/A	4.88	4.88
May		#N/A	4.79	4.79
Jun		#N/A	4.79	4.79
Average				5.40
My price				7.96

Quotes based on the 2nd Friday of each month