Expected 2012 production: 90,000 bushels (600 acres @ 150 bushels per)

Objective: Buy crop insurance to protect my production risk, and have 75% of my anticipated corn crop (based on APH) priced by early June.

- Price 10,000 bushels at $4.25 cash price ($4.65 Dec. futures) using forward contract/futures hedge/futures fixed contract.
- Price 10,000 bushels at $4.50c/$4.90f, or by March 8, pricing tool to be determined (“tbd”).
- Price 10,000 bushels at $4.75c/$5.15f, or by April 6, pricing tool tbd.
- Price 5,000 bushels at $5.00c/$5.40f, or by April 20, pricing tool tbd.
- Price 10,000 bushels at $5.25c/$5.65f, or by May 4, pricing tool tbd.
- Price 10,000 bushels at $5.50c/$5.90f, or by May 18, pricing tool tbd.
- Price the last 10,000 bushels at $5.75c/$6.15f, or by June 4, pricing tool tbd.

Plan starts on January 1, 2012. Earlier sales will be made at a 25 cent premium to price targets noted above and will be limited to 35,000 bushels.

Ignore decision dates and make no sale if prices are lower than $4.25 $4.60 local cash price/$4.65 $5.10 December futures.

Exit all options positions by mid-September, 2012.
Objective: Buy crop insurance to protect my production risk, and have 75% of my anticipated corn crop (based on APH) priced by early June.

- Price 10,000 bushels at $4.25 cash price ($4.65 Dec. futures) using forward contract/futures hedge/futures fixed contract. Futures sale on July 8, 2011 @ $6.14 Dec’12 futures
- Price 10,000 bushels at $4.50c/4.90f, or by March 8, pricing tool to be determined. Futures sale on July 8, 2011 @ $6.14 Dec’12 futures
- Price 10,000 bushels at $4.75c/5.15f, or by April 6, pricing tool tbd. Futures sale on July 8, 2011 @ $6.14 Dec’12 futures
- Price 5,000 bushels at $5.00c/5.40f $5.35c/5.85f, or by April 20, pricing tool tbd. Futures sale on Jan 3, 2012 @ $5.90 Dec’12 futures
- Price 10,000 bushels at $5.25c/5.65f $5.60c/6.10f, or by May 4, pricing tool tbd. Futures sale on May 4, 2012 @ $5.24¼ Dec’12 futures
- Price 10,000 bushels at $5.50c/5.90f $5.85c/$6.35f, or by May 18, pricing tool tbd. Futures sale on May 18, 2012 @ $5.37 Dec’12 futures
- Price the last 10,000 bushels at $5.75c/$6.15f $6.10c/$6.60f, or by June 4, pricing tool tbd.
July 8, 2011: I started talking about the 2012 crop late last winter. I wasn’t ready to take the plunge, but the opportunity was on my radar. Why today? I’ve dawdled long enough – the prospect of delivering cash corn close to $5.75/bushel in 2012 is a great place to start. If I’m lucky, these first sales will be my worst sales. I sold 6 contracts of Dec’12 corn futures at $6.14 per bushel.

January 3, 2012: Sold one contract of Dec’12 corn futures at $5.90 per bushel.

May 4, 2012: Decision date sale of one contract of Dec’12 corn futures at $5.24¼ per bushel.

May 18, 2012: Another decision date and another sale of one contract of Dec’12 corn futures at $5.37 per bushel.

I am about 60% sold on my 2012 crop at an average Dec’12 futures price of $5.82 or a cash price of about $5.40 per bushel.