



January 2, 2013

Grain Marketing

Center for Farm Financial Management
University of Minnesota

<http://www.cffm.umn.edu/GrainMarketing/marketingplans.aspx>

Corn: 2013 Pre-Harvest Marketing Plan

by Ed Usset

Expected 2013 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 mid June.

- Price 10,000 bushels at \$5.00 cash price (\$5.50 Dec. futures) using forward contract/futures hedge/futures fixed contract.
- Price 10,000 bushels at \$5.40c/\$5.90f, or by March 27, pricing tool to be determined (“tbd”).
- Price 10,000 bushels at \$5.80c/\$6.30f, or by April 25, pricing tool tbd.
- Price 5,000 bushels at \$6.20c/\$6.70f, or by May 9, pricing tool tbd.
- Price 10,000 bushels at \$6.60c/\$7.10f, or by May 23, pricing tool tbd.
- Price 10,000 bushels at \$7.00c/\$7.50f, or by June 6, pricing tool tbd.
- Price the last 10,000 bushels at \$7.40c/\$7.90f, or by June 20, pricing tool tbd.

Plan starts on January 1, 2013. Earlier sales may be made at a 50 cent premium to price targets noted above and would be limited to 30,000 bushels.

Ignore decision dates and make no sale if prices are lower than \$5.00 local cash price/\$5.50 December futures.

Exit all options positions by mid-September, 2013.



May 9, 2013

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Corn: Execution of the 2013 Pre-Harvest Marketing Plan

by Ed Usset

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 \$5.00 cash price (\$5.50 Dec. futures) using forward contract/futures hedge/futures fixed contract. **Futures sale on January 2, 2013 @ \$5.92¼ Dec'13 futures**
- Price 10,000 bushels at \$5.40c/\$5.90f, or by March 27, pricing tool to be determined. **Futures sale on January 2, 2013 @ \$5.92¼ Dec'13 futures**
- Price 10,000 bushels at \$5.80c/\$6.30f, or by April 25, pricing tool tbd. **Futures sale on April 29, 2013 @ \$5.59½ Dec'13 futures**
- Price 5,000 bushels at \$6.20c/\$6.70f, or by May 9, pricing tool tbd.
- Price 10,000 bushels at \$6.60c/\$7.10f, or by May 23, pricing tool tbd.
- Price 10,000 bushels at \$7.00c/\$7.50f, or by June 6, pricing tool tbd.
- Price the last 10,000 bushels at \$7.40c/\$7.90f, or by June 20, pricing tool tbd.



April 29, 2013

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Corn: Execution of the 2013 Pre-Harvest Marketing Plan

by Ed Usset

January 2, 2013: I chose to pass on earlier opportunities, and the wait sent me over the cliff. Luckily, price opportunities are still well above break-even costs. I made my first two sales for 2013, with Dec'13 futures at \$5.92 per bushel.

April 29, 2013: The April 25 decision date arrived but new crop corn futures were 20 below my minimum pricing objective. Four days later (and aided by concerns over late spring plantings), prices popped back above my \$5.50 minimum, giving me the opportunity to make another sale with Dec'13 futures at \$5.60 per bushel.

May 9: Decision date arrives but prices are below my minimum. I will pass on a sale and hope for a rally.