



October 9, 2015

Grain Marketing

Center for Farm Financial Management

University of Minnesota

www.cffm.umn.edu/grain

Soybeans: 2015 Post-Harvest Marketing Plan

by Ed Usset

2015 production: 25,000 bushels (530 acres @ 47 bushels per)

Objective: Seek strategies that balance risk and reward in the current market environment. Hold no unpriced soybeans beyond July 1, 2016.

5,000 bushels: priced and deliver at harvest at \$8.28/bu. Harvest prices are 8.28 cash, November nearby futures at \$8.98 and a nearby basis of 70 cents under the November contract.

20,000 bushels: Place in storage and hold for higher prices. Exit plan: Sell 5,000 bushels @ \$8.70, 5,000 bushels @ \$8.90, 5,000 bushels @ \$9.10 and 5,000 bushels @ \$9.30. Risk no more than 48 cents/bu. under the harvest price - sell if the cash price falls below \$7.80. Bushels unsold at the end of April will be sold in equal increments in May and June.



April 29, 2016

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Soybeans: Execution of the 2015 Post-Harvest Marketing Plan

by Ed Usset

October 9, 2015: A harvest with many disagreeable choices. I will take a chance with unpriced grain in storage, but my confidence level is not high. I am concerned that prices will not be much higher by next spring.

April 15, 2016: After months in a narrow cash trading range, the soybean market is finally rallying. Today I price 5,000 bushels at the current cash price of \$8.71/bu.

April 22, 2016: The rally continues, price another 5,000 bushels at the current cash price of \$9.02/bu.

April 29, 2016: The rally continues, and the current cash price of \$9.31/bu. exceeds all of the price objectives established at harvest. Price my remaining 10,000 bushels at \$9.31/bu.

Summary of the 2015 Soybean Crop:

5,000 bushels sold for...	\$8.28
5,000 bushels sold for...	\$8.71
5,000 bushels sold for...	\$9.02
10,000 bushels sold for...	<u>\$9.31</u>
Average price for 2015 soybeans	\$8.93