2002 production: 25,000 bushels (640 acres @ 38 bushels per), harvest in late August, loan rate @ $2.90.

Objective: Seek strategies that offer a price higher than the loan rate. Hold no unpriced wheat beyond July 1, 2003.

On August 30 with harvest looming, I decided to set the basis on all 15,000 bushels that were priced in July with hedge-to-arrive contracts. This gives me a final price of $3.37 per bushel on the first 7,500 bushels, and $3.58 per bushel on the second 7,500 bushels.

Sell the balance of my spring wheat production (10,000 bushels) at harvest.
Objective: Seek strategies that offer a price higher than the loan rate. Hold no unpriced wheat beyond July 1, 2003.

On August 30 with harvest looming, I decided to set the basis on all 15,000 bushels that were priced in July with hedge-to-arrive contracts. This gives me a final price of $3.37 per bushel on the first 7,500 bushels, and $3.58 per bushel on the second 7,500 bushels.

Set basis on August 30, 2002 @ 13 under the Sep. Final price of $3.37 ($3.50 futures, 13 under basis) on 7,500 bushels. Final price of $3.58 ($3.71 futures, 13 under basis) on another 7,500 bushels.

Sell the balance of my spring wheat production (10,000 bushels) at harvest.

Sold at harvest on September 6 @ $4.76
Summary of the 2002 Wheat Crop: Pre and Post-Harvest Marketing Actions

Pre-harvest actions…
7,500 bushels sold for…. $3.37
7,500 bushels sold for…. $3.58

Post-harvest actions…
10,000 bushels sold for…. $4.76

Final average price for 2002 wheat $3.99