



January 1, 2020

Grain Marketing

Center for Farm Financial Management
University of Minnesota

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

Spring Wheat: 2020 Pre-Harvest Marketing Plan

by Edward Usset

Expected 2020 production: 30,000 bushels

Objective: Buy crop insurance to protect my production risk, and have 75% of my APH insured wheat crop priced by mid-June.

- Price 5,000 bushels at \$5.50 cash price (\$6.00 September futures) using forward contract/futures hedge/futures fixed contract.
- Price 5,000 bushels at \$6.00c/\$6.50f, or by April 7, pricing tool to be determined (“tbd”).
- Price 2,500 bushels at \$6.50c/\$7.00f, or by April 21, pricing tool tbd.
- Price 5,000 bushels at \$7.00c/\$7.50f, or by May 7, pricing tool tbd.
- Price my last 5,000 bushels at \$7.50c/\$8.00f, or by June 5, pricing tool tbd.

Plan starts on January 1, 2020. Earlier sales may be made at a 50-cent premium and would be limited to 15,000 bushels.

I will consider the Dec'20 futures contract for new crop sales at a 12-cent premium to Sep'20.

Ignore decision dates and make no sale if prices are lower than \$5.50 local cash price/\$6.00 September futures.