



January 1, 2020

Grain Marketing

Center for Farm Financial Management
University of Minnesota

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

Corn: 2020 Pre-Harvest Marketing Plan

by Edward Usset

Expected 2020 production: 100,000 bushels

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 15,000 bushels at \$3.75 cash price (\$4.25 Dec. futures) using forward contract/futures hedge/futures fixed contract.
- Price 10,000 bushels at \$4.05c/\$4.55f, or by April 7, pricing tool to-be-determined (“tbd”).
- Price 15,000 bushels at \$4.35c/\$4.85f, or by May 7, pricing tool tbd.
- Price 10,000 bushels at \$4.65c/\$5.15f, or by May 21, pricing tool tbd.
- Price 15,000 bushels at \$4.95c/\$5.45f, or by June 5, pricing tool tbd.
- Price the last 10,000 bushels at \$5.25c/\$5.75f, or by June 19, pricing tool tbd.

Plan starts on January 1, 2020. Earlier sales may be made at a 40-cent premium and would be limited to 30,000 bushels.

Ignore decision dates and make no sale if prices are lower than \$3.75 local cash price/\$4.25 December futures.

Exit all options positions by mid-September, 2020.



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Revised June 15 and published in CSD July 8, 2020

<https://www.farmprogress.com/commentary/adapt-your-plan-changing-market>

Corn: 2020 Pre-Harvest Marketing Plan (revised June 15, published July 8)

by Edward Usset

Expected 2020 production: 100,000 bushels

Objective: Buy crop insurance to protect my production risk and have **60%** of my anticipated corn crop (based on APH) priced by mid-June.

- **Price 20,000 bushels at \$3.10 cash price (\$3.60 Dec. futures), pricing tool tbd**
- **Price 20,000 bushels at \$3.30c/3.80f, pricing tool tbd**
- **Price 20,000 bushels at \$3.50c/4.00f, pricing tool tbd**

Ignore decision dates and make no sale if prices are lower than **\$3.10** local cash price/**\$3.60** December futures.

Exit all options positions by mid-September, 2020.



September 8, 2020

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Corn: 2020 Pre-Harvest Marketing Plan (revised June 15, published July 8) by Edward Usset

Expected 2020 production: 100,000 bushels

Objective: Buy crop insurance to protect my production risk and have **60%** of my anticipated corn crop (based on APH) priced by mid-June.

- **Price 20,000 bushels at \$3.10 cash price (\$3.60 Dec. futures), pricing tool tbd**
Dec'20 futures sale September 8, 2020 @ \$3.61³/₄
- **Price 20,000 bushels at \$3.30c/3.80f, pricing tool tbd**
- **Price 20,000 bushels at \$3.50c/4.00f, pricing tool tbd**

Ignore decision dates and make no sale if prices are lower than **\$3.10** local cash price/**\$3.60** December futures.

Exit all options positions by mid-September, 2020.



September 1, 2020

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Corn: **Execution** of the 2020 Pre-Harvest Marketing Plan by Ed Usset

September 1, 2020: In mid-June, I penned a column (published July 8) for Corn & Soybean Digest titled, "Revising my marketing plan" <https://www.farmprogress.com/commentary/adapt-your-plan-changing-market> In it I presented a revised pre-harvest marketing plan for corn with lower minimum prices - \$3.60 Dec'20 corn futures. Market prices promptly rallied above \$3.60, but I had not yet posted my changes for all to see. I don't allow myself to take action if my plan was not posted.

Time to get it posted. Dec'20 futures are near the \$3.60 mark again and I will not miss a second chance.

September 8, 2020: Dec'20 futures bottomed at \$3.20 in early August. Today was the first close above \$3.60 since the early-July rally and a good time to get started on pricing 2020 crop. I'll sell four contracts of Dec'20 futures at \$3.61³/₄ to price 20,000 bushels of new crop corn.

2020 status: I am 20% sold with Dec'20 futures at \$3.61³/₄, or a cash price at harvest of about \$3.10.

