Soybeans: 2020 Pre-Harvest Marketing Plan
by Ed Usset

Expected 2020 production: 25,000 bushels

Objective: Buy crop insurance to protect my production risk and have 75% of my anticipated soybean crop priced by mid-June.

- Price 5,000 bushels at $9.00 cash price ($9.75 Nov futures) using forward contract/futures hedge/futures fixed contract.
- Price 2,500 bushels at $9.75c/$10.50f, or by April 7, pricing tool to-be-determined (“tbd”).
- Price 5,000 bushels at $10.50c/$11.25f, or by May 7, pricing tool tbd.
- Price 5,000 bushels at $11.25c/$12.00f, or by June 5, pricing tool tbd.

Plan starts on January 1, 2020. Earlier sales may be made at a 75-cent premium and would be limited to 10,000 bushels.
Ignore decision dates and make no sale if prices are lower than $9.00 local cash price/$9.75 November futures.
Exit all options positions by mid-September 2020.
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- Price 5,000 bushels at $9.00 cash price ($9.75 Nov futures) using forward contract/futures hedge/futures fixed contract. Futures sale on Jan 2 @ $9.80¾ Nov’20 futures
- Price 2,500 bushels at $9.75c/$10.50f, or by April 7 HTA Sep 9 @ $9.78¾ Nov’20 futures
- Price 5,000 bushels at $10.50c/$11.25f, or by May 7 Futures sale on Sep 9 @ $9.78¾ Nov’20 futures
- Price 5,000 bushels at $11.25c/$12.00f, or by June 5, pricing tool tbd.

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January 2, 2020: An early start to pricing 2020 soybeans as the Nov’20 contract settles above my minimum price.

September 9: The Summer of Covid sent commodity markets on a wild ride. What started as a modest first sale at $9.80/bu. in early January has been, so far, the high for the year. Nov’20 futures bottomed near $8.30/bu. in mid-April, and one month ago was trading near $8.70/bu. A close today above my $9.75/bu. minimum ($9.78 ¾) calls for action and playing a little catch-up. I could, according to my plan, price an additional 5,000 bu., but I am content to put it off for two weeks before revisiting the situation.

2020 status: 50% sold near $9.80 Nov’20 futures, or a cash price near $9.10/bu.