



December 12, 2020

Grain Marketing

Center for Farm Financial Management
University of Minnesota

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

Spring Wheat: 2021 Pre-Harvest Marketing Plan

by Edward Usset

Expected 2021 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 March 29, pricing tool to be determined (“tbd”).
- Price 2,500 bushels at \$6.50c/\$7.00f, or by April 27, pricing tool tbd.
- Price 5,000 bushels at \$7.00c/\$7.50f, or by May 26, pricing tool tbd.
- Price my last 5,000 bushels at \$7.50c/\$8.00f, or by June 24, pricing tool tbd.

Plan starts on January 1, 2021. Earlier sales may be made at a 50-cent premium and would be limited to 15,000 bushels.

I will consider the Dec'21 futures contract for new crop sales at a 12-cent premium to Sep'21.

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



May 7, 2021

Grain Marketing

Center for Farm Financial Management
University of Minnesota

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

Spring Wheat: **Execution** of the 2021 Pre-Harvest Marketing Plan

by Edward Usset

Expected 2021 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. **Sep'21 futures sale January 4 @ \$6.16³/₄**
- Price 5,000 bushels at \$6.00c/\$6.50f, or by March 29 **Sep'21 futures sale January 14 @ \$6.55**
- Price 2,500 bushels at \$6.50c/\$7.00f, or by April 27 **Sep'21 futures sale April 22 @ \$7.20³/₄**
- Price 5,000 bushels at \$7.00c/\$7.50f, or by May 26 **Sep'21 futures sale April 26 @ \$7.54¹/₂**
- Price my last 5,000 bushels at \$7.50c/\$8.00f, or by June 24 **Sep'21 futures sale May 7 @ \$8.02³/₄**

Plan starts on January 1, 2021. Earlier sales may be made at a 50-cent premium and would be limited to 15,000 bushels.

I will consider the Dec'21 futures contract for new crop sales at a 12-cent premium to Sep'21.

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



May 7, 2021

Grain Marketing

Center for Farm Financial Management
University of Minnesota

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

Spring Wheat: **Execution** of the 2021 Pre-Harvest Marketing Plan by Edward Usset

January 4, 2021: Wheat prices are dragged higher by booming corn and soybean markets. Spring wheat futures are 50 cents higher in the last month. Time to get started on 2021. As I write this, the next price objective - \$6.50 Sep'21 futures – is just 8 cents away.

January 14, 2021: This is a wild one. I always enjoy reading the prognostications from the large financial firms – the recent headlines where a financial guru will say “I think we are in a bull market for commodities.” Good call, after the market has already risen 40-50% in grains. I will make a second sale of new crop wheat with Sep'21 futures at \$6.55/bu.

April 22 & 26, 2021: Markets are on fire and delivering the best pre-harvest pricing opportunities in years. Two more sales with September futures above \$7/bu.

May 7: The bull markets carries the September contract above \$8/bu for the first time since the North Dakota drought in the summer of 2017. Final sale made with Sep'21 futures at \$8.02¾.

I am 75% priced on the 2021 crop at an average Sep'21 futures price of \$7.08¾ or a cash price of about \$6.70 per bushel.