



October 4, 2021

Grain Marketing

Center for Farm Financial Management
University of Minnesota

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

Corn: 2022 Pre-Harvest Marketing Plan

by Edward Usset

Expected 2022 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 \$4.10 cash price (\$4.60 Dec. futures) using forward contract/futures hedge/futures fixed contract.
- Price 10,000 bushels at \$4.40c/\$4.90f, or by March 22, pricing tool to-be-determined (tbd).
- Price 15,000 bushels at \$4.70c/\$5.20f, or by April 14, pricing tool tbd.
- Price 10,000 bushels at \$5.00c/\$5.50f, or by May 17, pricing tool tbd.
- Price 15,000 bushels at \$5.30c/\$5.80f, or by June 14, pricing tool tbd.
- Price the last 10,000 bushels at \$5.60c/\$6.10f, or by June 28, pricing tool tbd.

Plan starts on January 1, 2022. 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 \$4.10 local cash price/\$4.60 December futures.

Exit all options positions by mid-September 2022.



January 5, 2022

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Corn: Execution of the 2022 Pre-Harvest Marketing Plan

by Edward Usset

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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 \$4.10 cash price (\$4.60 Dec. futures) using forward contract/futures hedge/futures fixed contract. **Futures sale Oct.4, 2021 @ \$5.34¼ Dec'22 contract**
- Price 10,000 bushels at \$4.40c/\$4.90f, or by March 22 **Futures sale Oct.4, 2021 @ \$5.34¼ Dec'22**
- Price 15,000 bushels at \$4.70c/\$5.20f, or by April 14 **Futures sale Jan. 3, 2022 @ \$5.47½ Dec'22**
- Price 10,000 bushels at \$5.00c/\$5.50f, or by May 17 **Futures sale Jan. 5, 2022 @ \$5.51½ Dec'22**
- Price 15,000 bushels at \$5.30c/\$5.80f, or by June 14, pricing tool tbd.
- Price the last 10,000 bushels at \$5.60c/\$6.10f, or by June 28, pricing tool tbd.

Plan starts on January 1, 2022. Earlier sales may be made at a 40-cent premium and would be limited to 30,000 bushels.

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Corn: **Execution** of the 2022 Pre-Harvest Marketing Plan

by Edward Usset

October 4, 2021: My plan has a start date of January 1, 2022 but I reserve the right to start earlier. I have been watching 2022 prices for several months. Selling the Dec'22 contract (5 contracts, or 25,000 bushels) at \$5.34 is the LOC high, matching prices attained at the corn market peak on May 7. BTW, since early May, the Dec'21 contract is down nearly \$1/bu. \$5.34 futures/\$4.90 cash is well over production costs – assuming a normal year.

Early January 2022: The bull markets continues, with more sales made on the 3rd and 5th of January.

2022 status: I am 50% sold with Dec'22 futures at \$5.42, or a cash price at harvest of about \$5.00.