



October 3, 2022

Grain Marketing

Center for Farm Financial Management
University of Minnesota

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Soybeans: 2023 Pre-Harvest Marketing Plan

by Ed Usset

Expected 2023 production: 27,000 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 \$13.00 cash price (\$13.50 Nov futures) using forward contract/futures hedge/futures fixed contract.
- Price 5,000 bushels at \$14.20c/\$14.70f, or by April 6, pricing tool to-be-determined (tbd).
- Price 5,000 bushels at \$15.40c/\$15.90f, or by May 5, pricing tool tbd.
- Price 5,000 bushels at \$16.60c/\$17.10f, or by June 5, pricing tool tbd.

Plan starts on January 1, 2023. 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 \$13.00 local cash price/\$13.50 November futures.

Exit all options positions by mid-September 2023.



July 17, 2023

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Soybeans: **Execution** of the 2023 Pre-Harvest Marketing Plan

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- Price 5,000 bushels at \$13.00 cash price (\$13.50 Nov futures) using forward contract/futures hedge/futures fixed contract. **Futures sale on January 3, 2023 @ \$13.97 Nov'23 contract**
- Price 5,000 bushels at \$14.20c/\$14.70f, or by April 6 **Futures sale June 21 @ \$13.77 Nov'23**
- Price 5,000 bushels at \$15.40c/\$15.90f, or by May 5 **Futures sale July 3 @ \$13.53³/₄ Nov'23**
- Price 5,000 bushels at \$16.60c/\$17.10f, or by June 5 **Futures sale July 17 @ \$13.78 Nov'23**

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Soybeans: **Execution** of the 2023 Pre-Harvest Marketing Plan

by Ed Usset

January 3, 2023: The new year has started, and the plan is active. I make a sale of one contract of Nov'23 soybean futures at \$13.97 per bushel.

June 21, 2023: This is a strong weather rally. On May 31, the Nov'23 contract closed under \$11.50/bu. Three week later and prices are more than \$2/bu. higher. It's worth another sale at \$13.77/bu.

July 3, 2023: The price trend during the last week of June was awful, but an incredible June 30 planted acres report has reoriented soybean prices to move north and back above my \$13.50 minimum. It's worth another sale at \$13.53³/₄.

July 17, 2023: Pricing gets tricky when we are into July and past all decision dates. The market is volatile and strong. I decided after my last sale to take a deep breath and wait two more weeks before deciding on a final sale. Two weeks have passed and I will make my last sale with Nov'23 futures at \$13.78/bu.

I am 75% sold on the 2023 crop at an average Nov'23 futures price of \$13.76 or a cash price of about \$13.20 per bushel.