



October 7, 2022

Grain Marketing

Center for Farm Financial Management

University of Minnesota

www.cffm.umn.edu/grain

Soybeans: 2022 Post-Harvest Marketing Plan

by Ed Usset

2022 production: 27,000 bushels

Objective: Seek strategies that balance risk and reward in the current market environment. Hold no unpriced soybeans beyond July 1, 2023.

20,000 bushels: Four separate pre-harvest sales made at an average price of \$13.36 Nov'22 futures: Set the basis at 28 cents under to price and deliver soybeans at 13.08/bu.

7,000 bushels (October 7 cash price @ \$13.39/bu.): Place in storage and hold for higher prices. Exit plan: Sell 2,000 bushels @ \$14.00, 3,000 @ \$14.50, and the last 2,000 bushels at \$15.00/bu. Risk no more than 50 cents/bu. under the harvest price - sell if the price falls below \$12.89. Bushels unsold at the end of April will be sold in equal increments, from mid-May to mid-June.



December 30, 2022

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Soybeans: Execution of the 2022 Post-Harvest Marketing Plan

by Ed Usset

October 7, 2022: Based solely on the numbers, a bullish case can be made on grain held in storage. But prices are high, the dollar is high, and demand is faltering. The strong basis at harvest is too good to pass up. I will set the basis on pre-harvest sales (20,000 bushels) and take a risk on the remaining 7,000 bushels in storage. I could see a scenario where futures prices rise but the basis weakens, and sales come to the market.

November 4, 2022: The post-harvest price rally came fast. Price and deliver 5,000 bushels at \$14.52/bu.

December 30, 2022: My last price objective is met. Price and deliver 2,000 bushels at \$15.04/bu.

Summary of the 2022 Soybean Crop:

20,000 bushels sold for...	\$13.08
2,000 bushels sold for...	\$14.52
3,000 bushels sold for...	\$14.52
2,000 bushels sold for...	<u>\$15.04</u>
Average price for 2022 soybeans	\$14.47