



Grain Marketing

Center for Farm Financial Management

University of Minnesota

www.cffm.umn.edu/grain

August 20, 2021

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

by Ed Usset

August 20, 2021: This has been an incredible year in spring wheat territory. The drought that ran through the Dakota and the Canadian Prairies may go down as the worst ever. It is right up there with the 1988 drought. Prices soared. Early sales were, in hindsight, too early and too cheap. And I have no appetite for holding \$9 wheat in storage, in hopes of even higher prices. Sell it all at harvest and look ahead to 2022.

Summary of the 2021 Wheat Crop:

7,500 bushels

\$8.72

22,500 bushels

\$6.62

Final average price for 2021 wheat

\$7.15



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2021 production: 30,000 bushels, harvest in late August.

Objective: Seek strategies that balance risk and reward in the current market environment. Hold no unpriced wheat beyond June 1, 2022.

- 7,500 bushels: Sell at harvest for \$8.72/bu.
- 22,500 bushels: Hedged earlier with a 5-sale average of \$7.09 in the Sep'21 contract. Set the basis at 47 cents under the Sep'21, for a final price of \$6.62/bu. (market prices on August 20 are \$9.19 Sep futures and \$8.72 local price)