



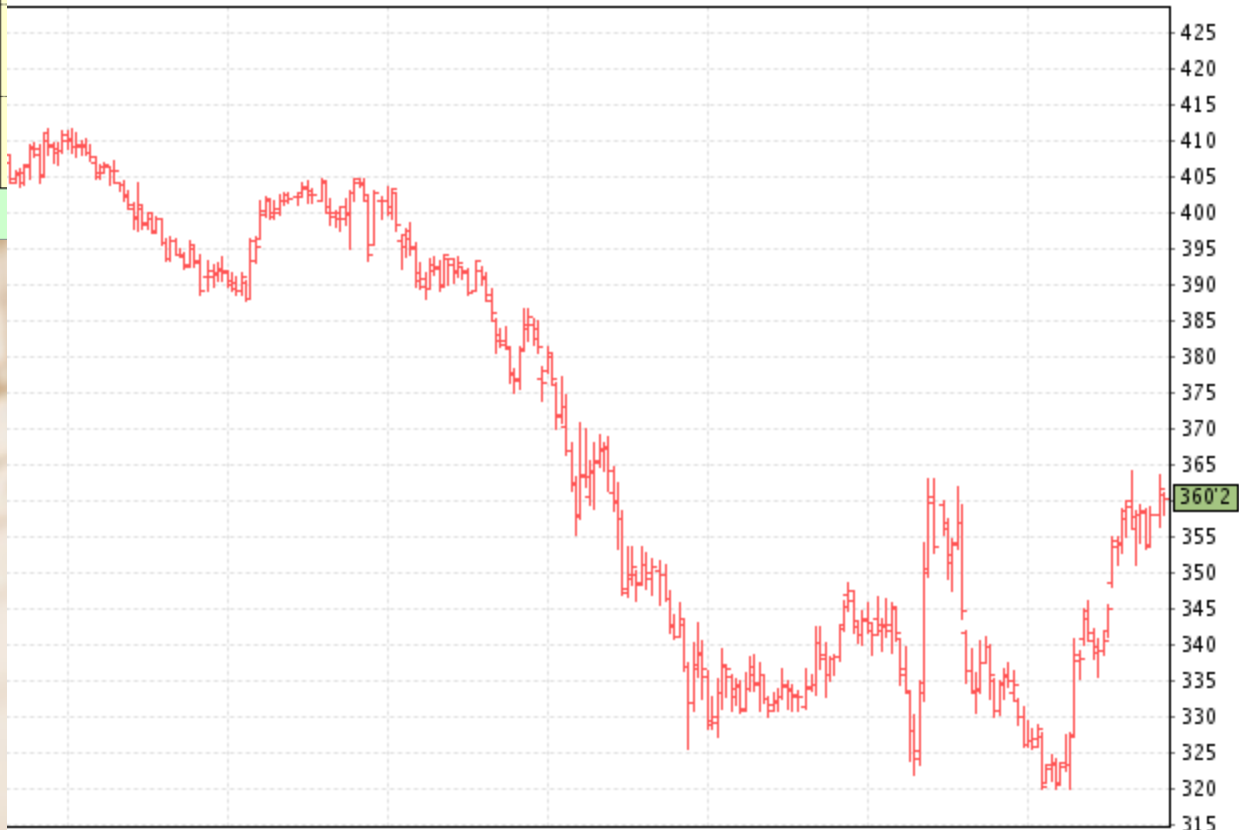
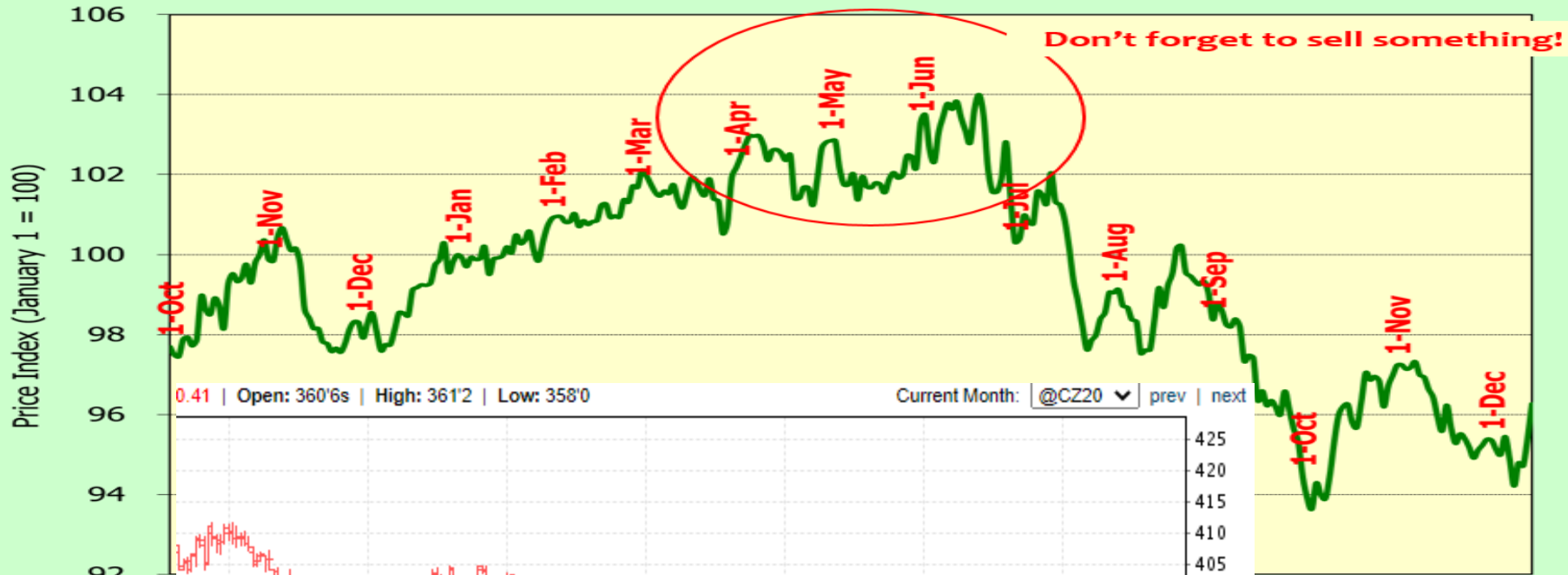
# Marketing Class

DATE SEPTEMBER 9<sup>TH</sup>, 2020

# Topics for September 9<sup>th</sup> 2020

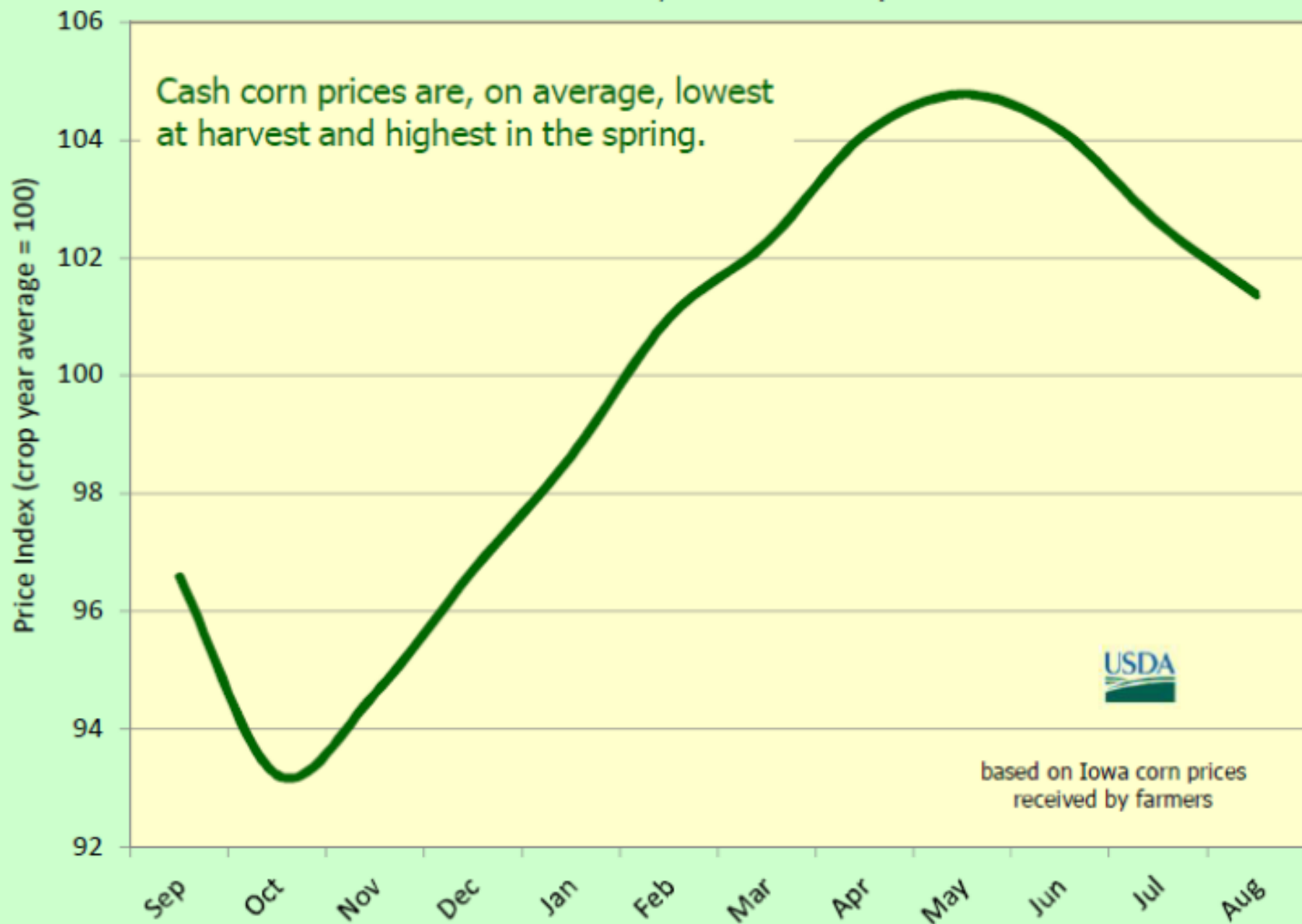
- Current Chart Comparison
- Updates on Grain Prices and Basis
- Cash Prices for Old Crop and New Crop
  - Basis for Old Crop and New Crop

# Chicago December Corn Futures, 2000-2018 average

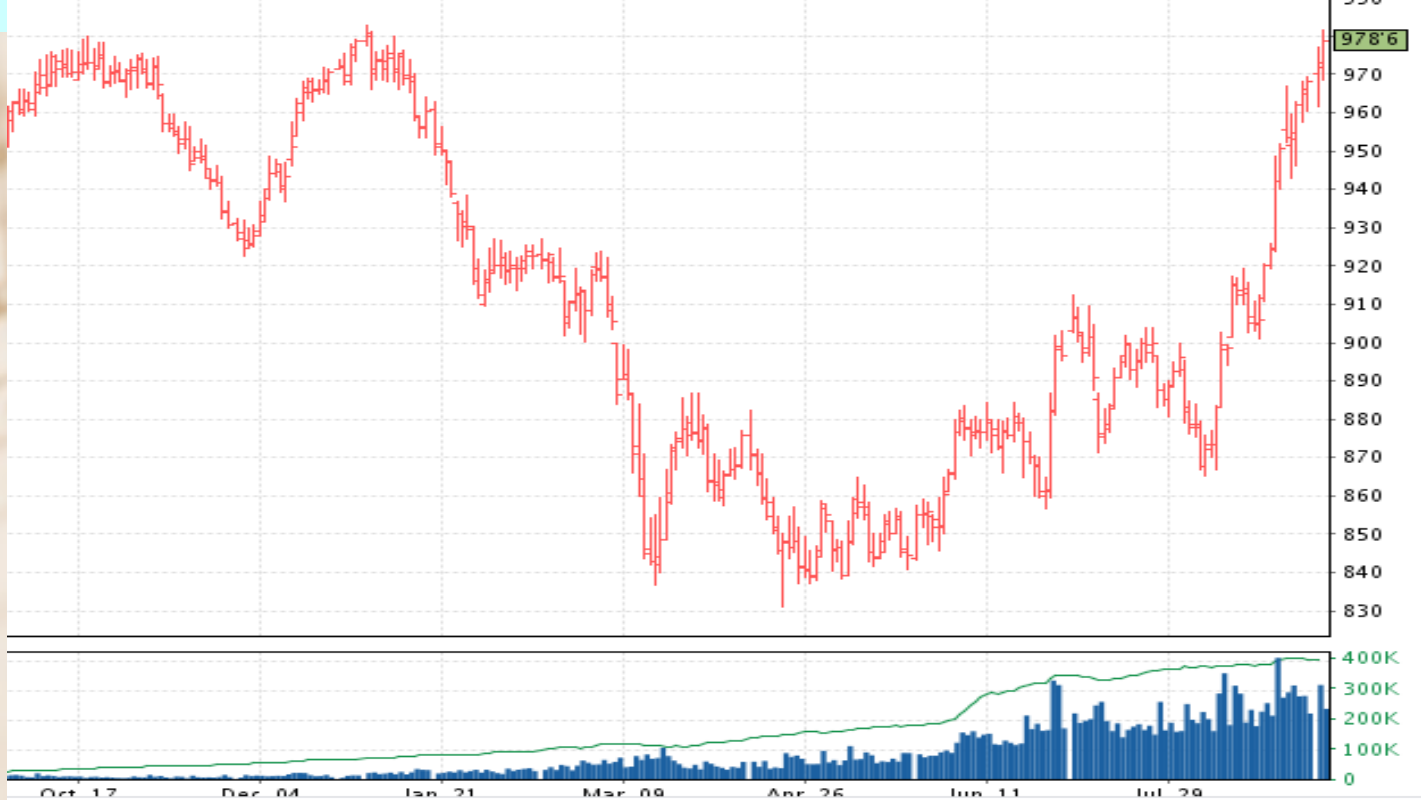


750K

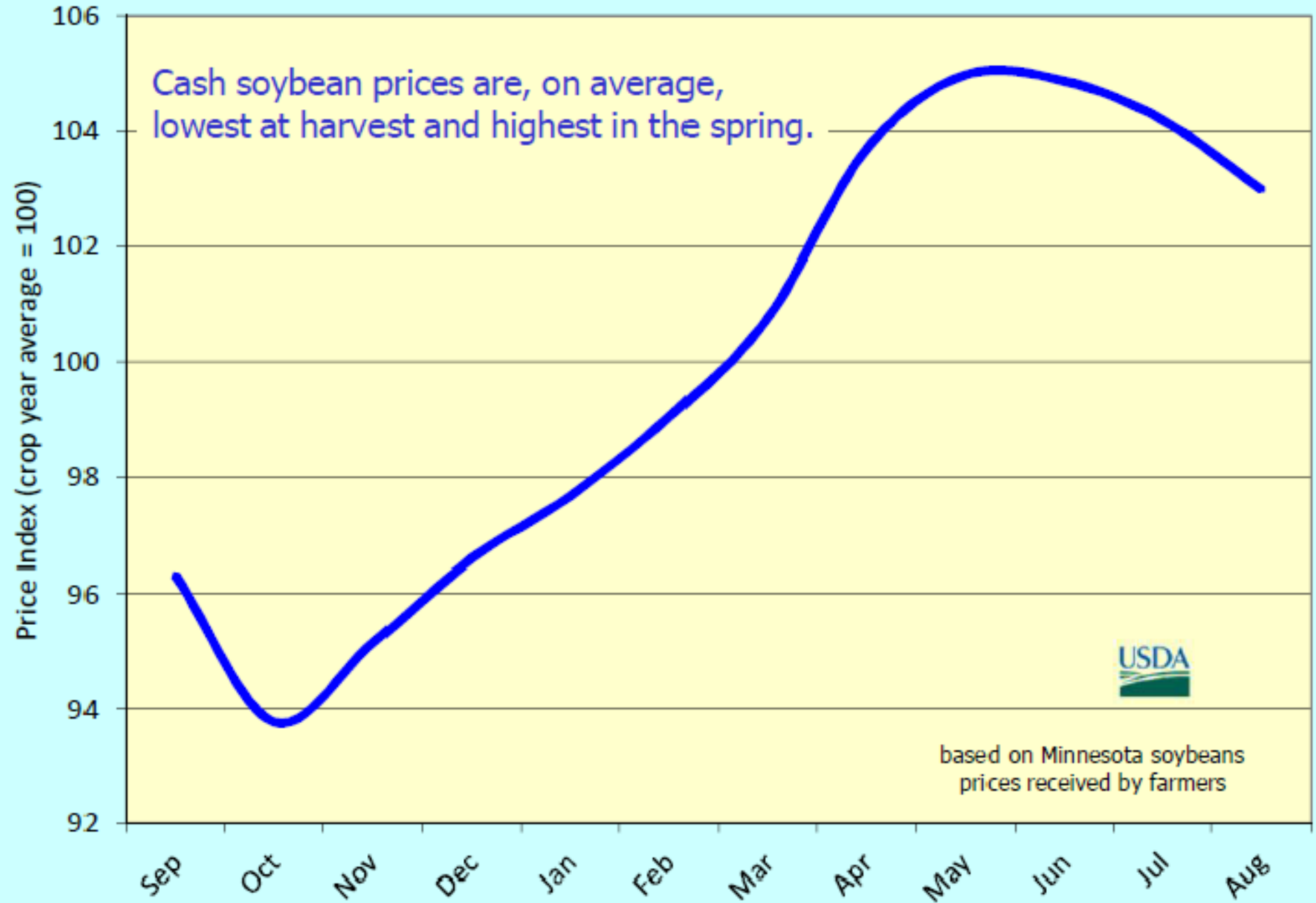
## Index of Iowa Corn Prices, 1990-2014 Crop Years



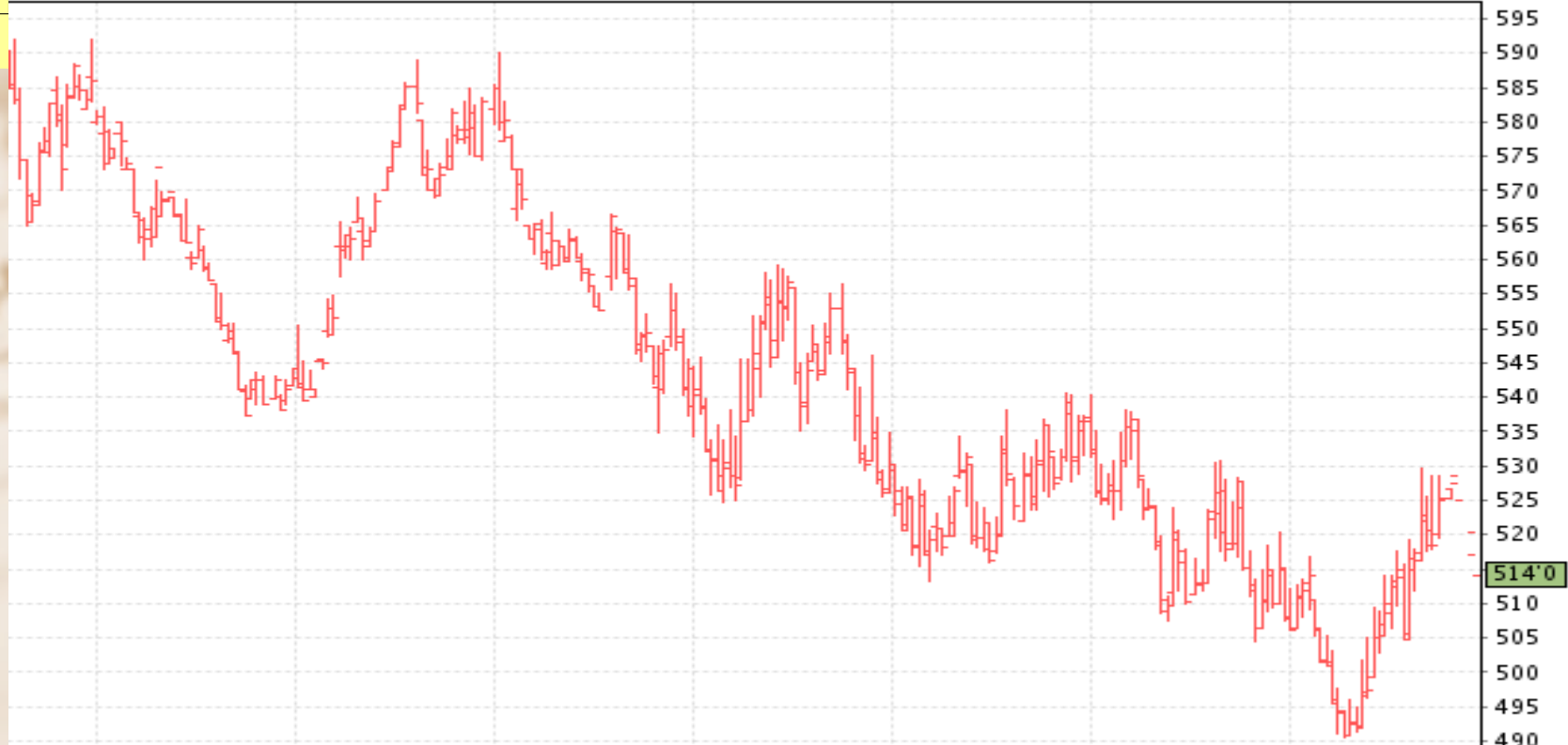
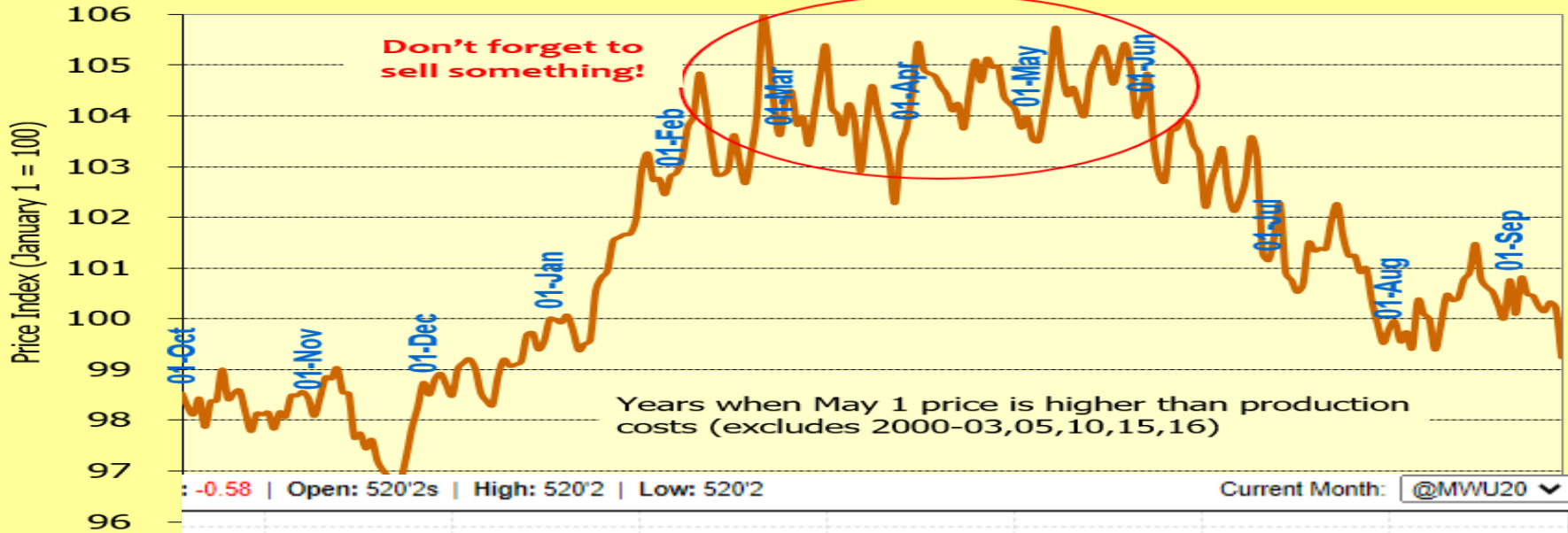
# Chicago November Soybean Futures, 2000-2018



## Index of Minnesota Soybean Prices, 1990-2014 Crop Years

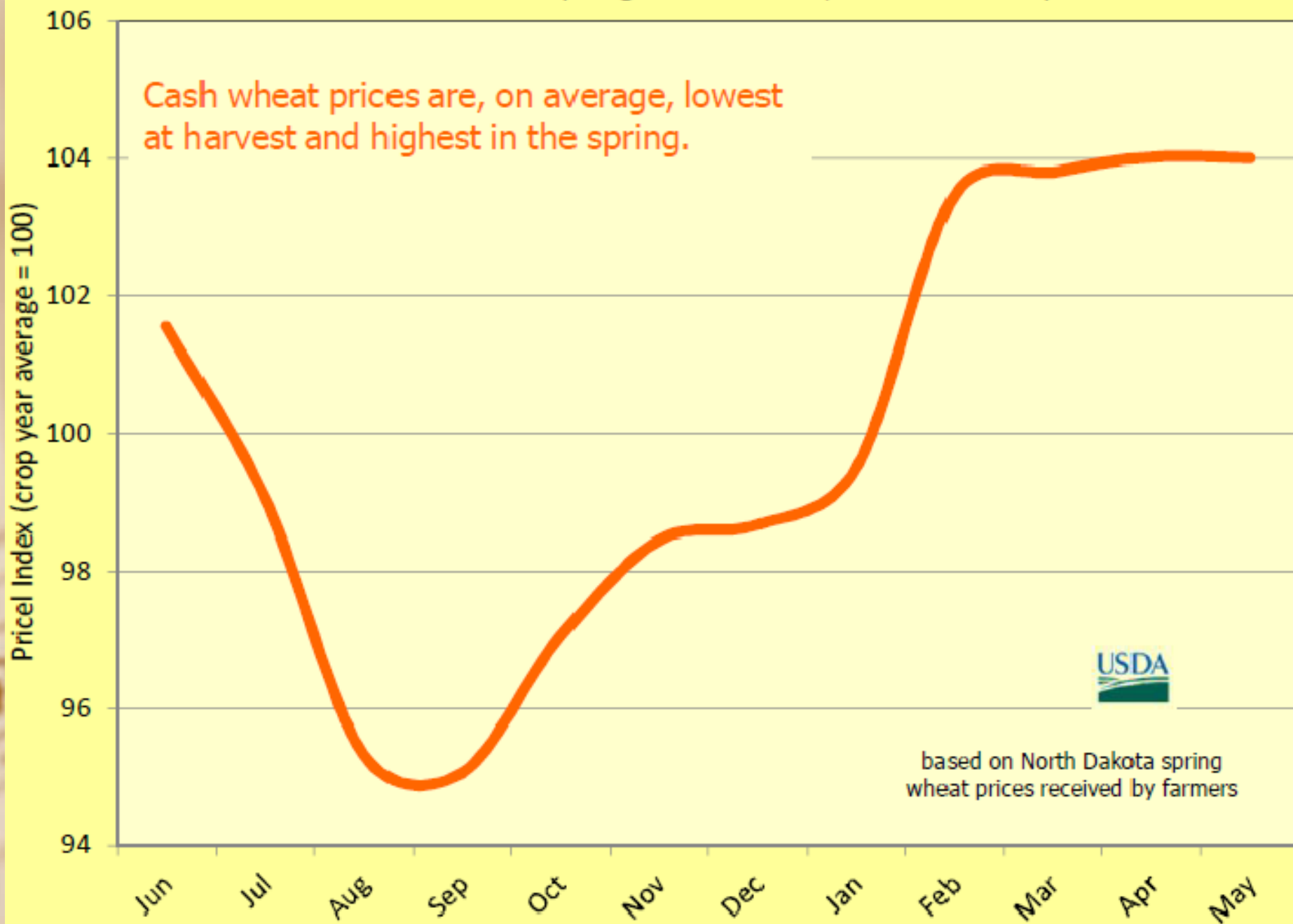


# September MGEX Spring Wheat Futures, 2000-2018



## Index of North Dakota Spring Wheat Prices, 1990-2014 Crop Years

Cash wheat prices are, on average, lowest at harvest and highest in the spring.



based on North Dakota spring wheat prices received by farmers



# ELECTRONIC CRUDE OIL (QCLV20)



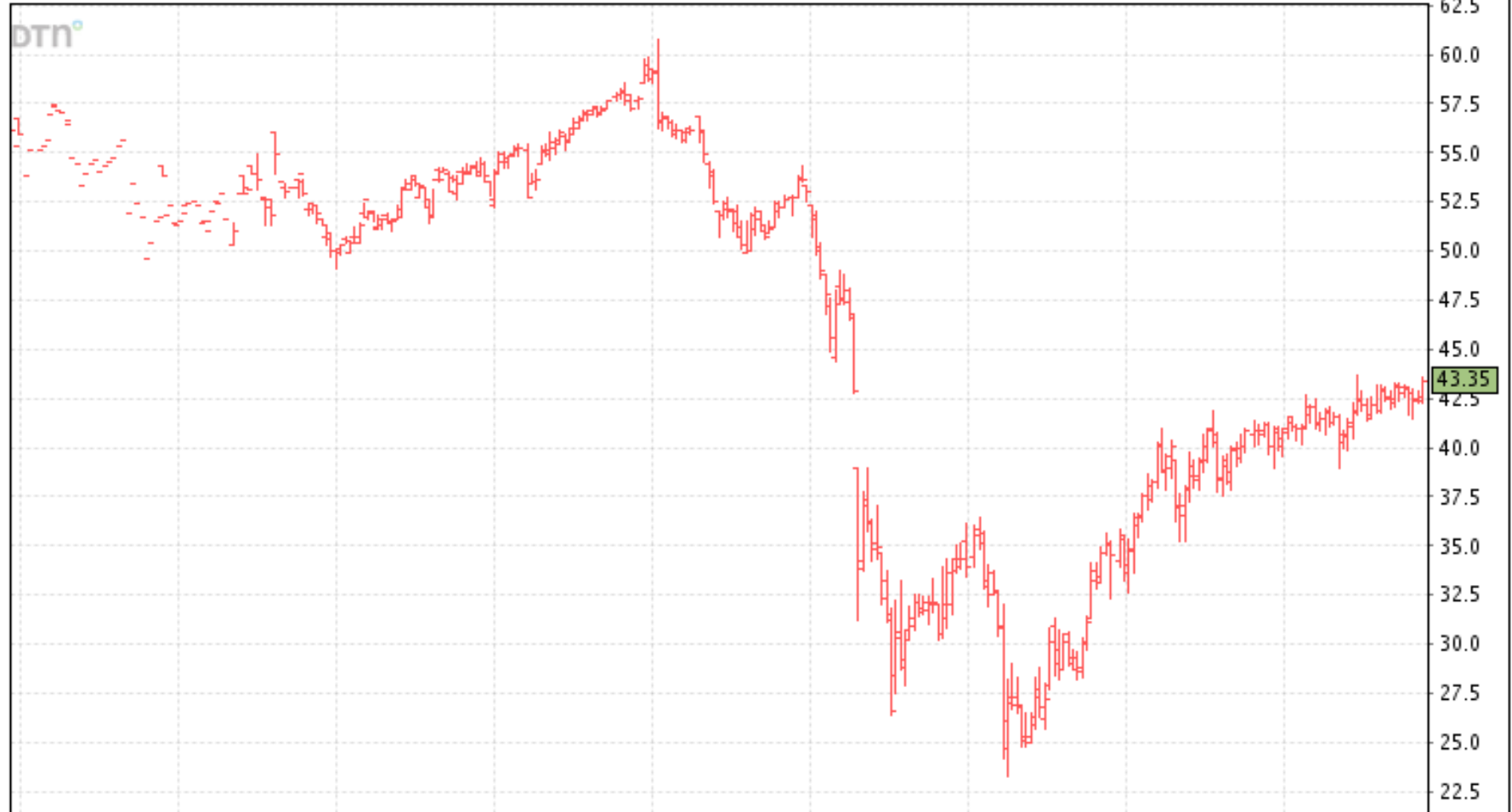
Symbol:

[Symbol Search](#) | [Symbol Lookup](#)

[Historical Chart](#) | [Chart](#) | [Options](#) | [Futures Chain](#) | [Spread Matrix](#)

Last: 43.41 | Chg: 0.06 | %Chg: 0.14 | Open: 43.39 | High: 43.78 | Low: 43.00

Current Month:



# Crop Critical Weather Events

Wednesday, Sep 09, 2020

1. Frosts and freezes halting filling crops

1

2. Increased rainfall benefiting filling corn and soybeans

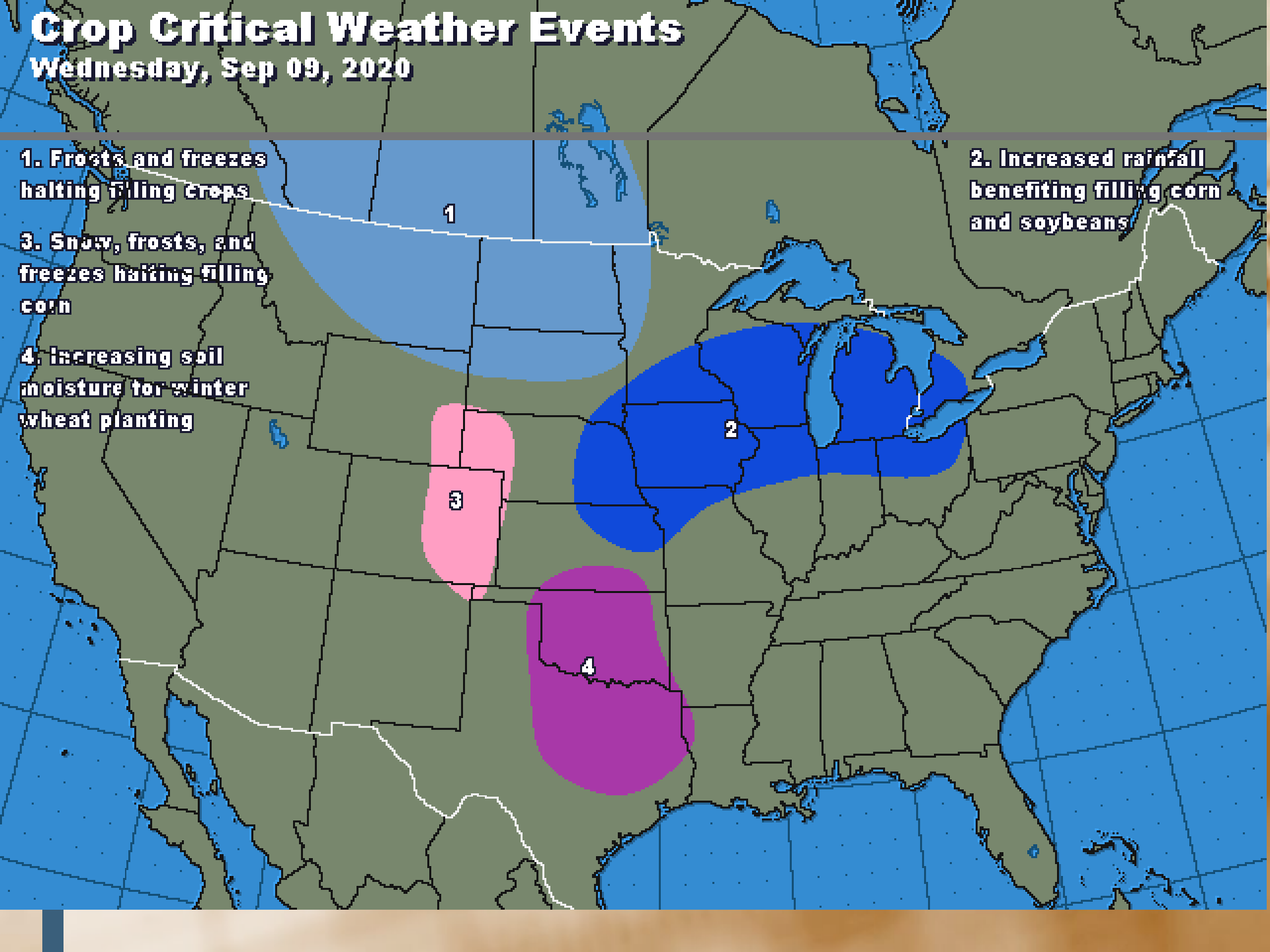
2

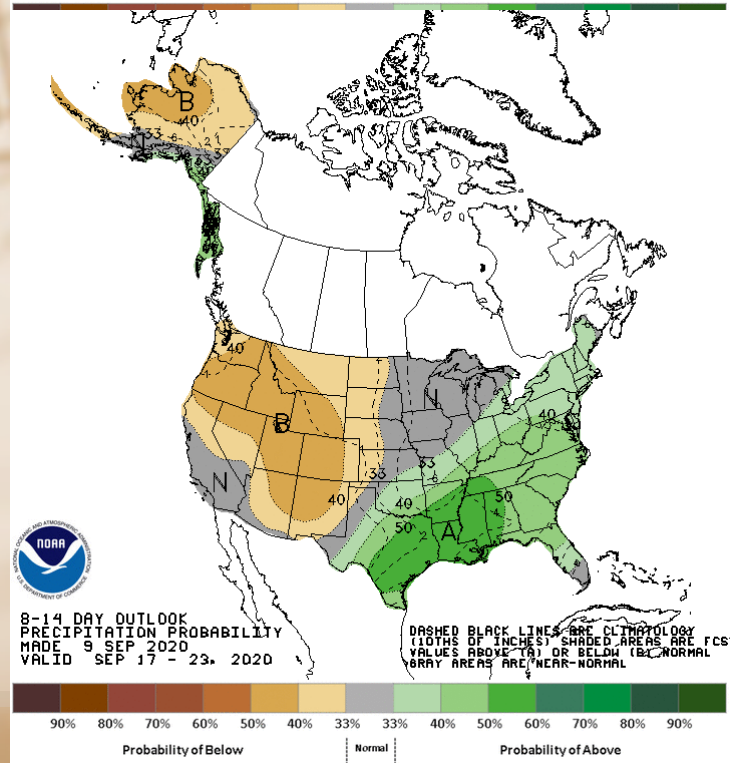
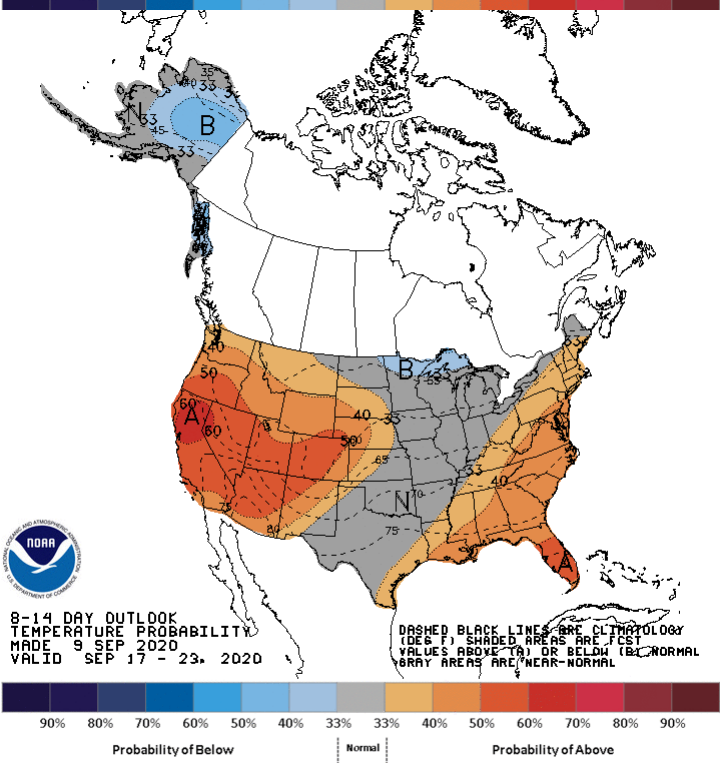
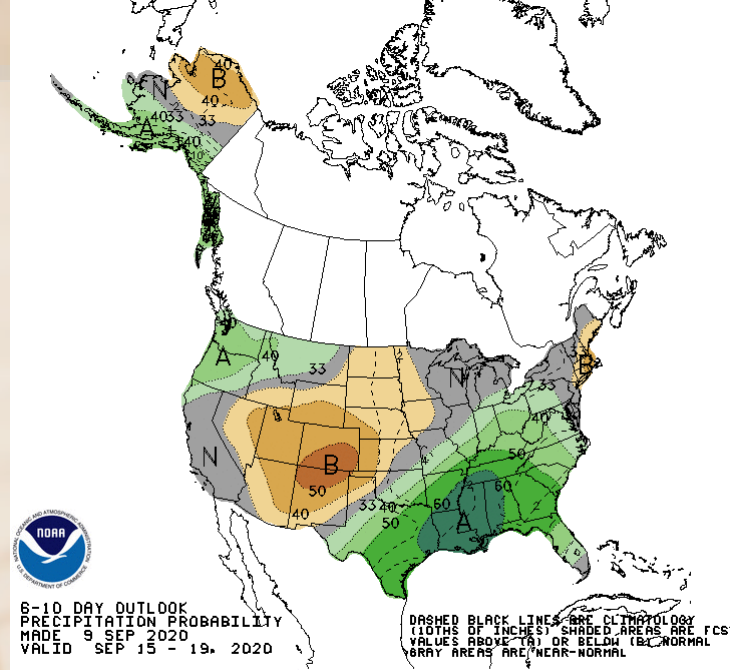
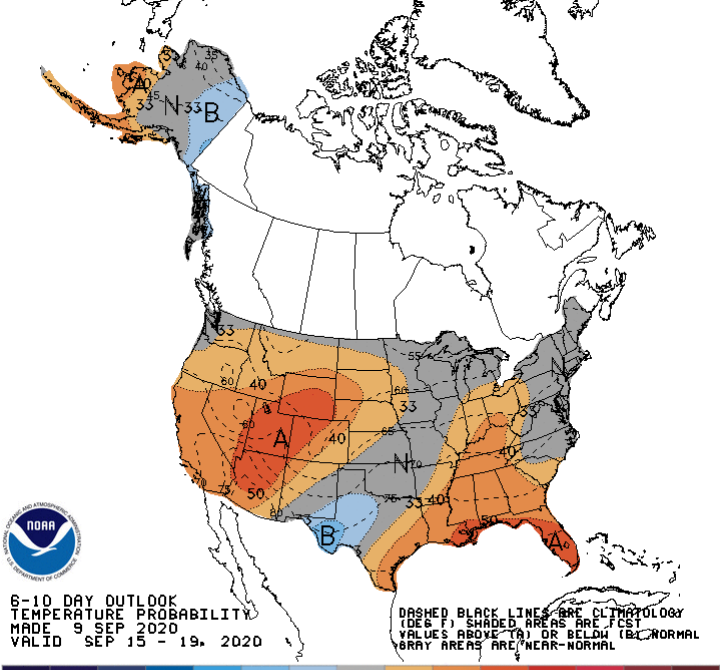
3. Snow, frosts, and freezes halting filling corn

3

4. Increasing soil moisture for winter wheat planting

4

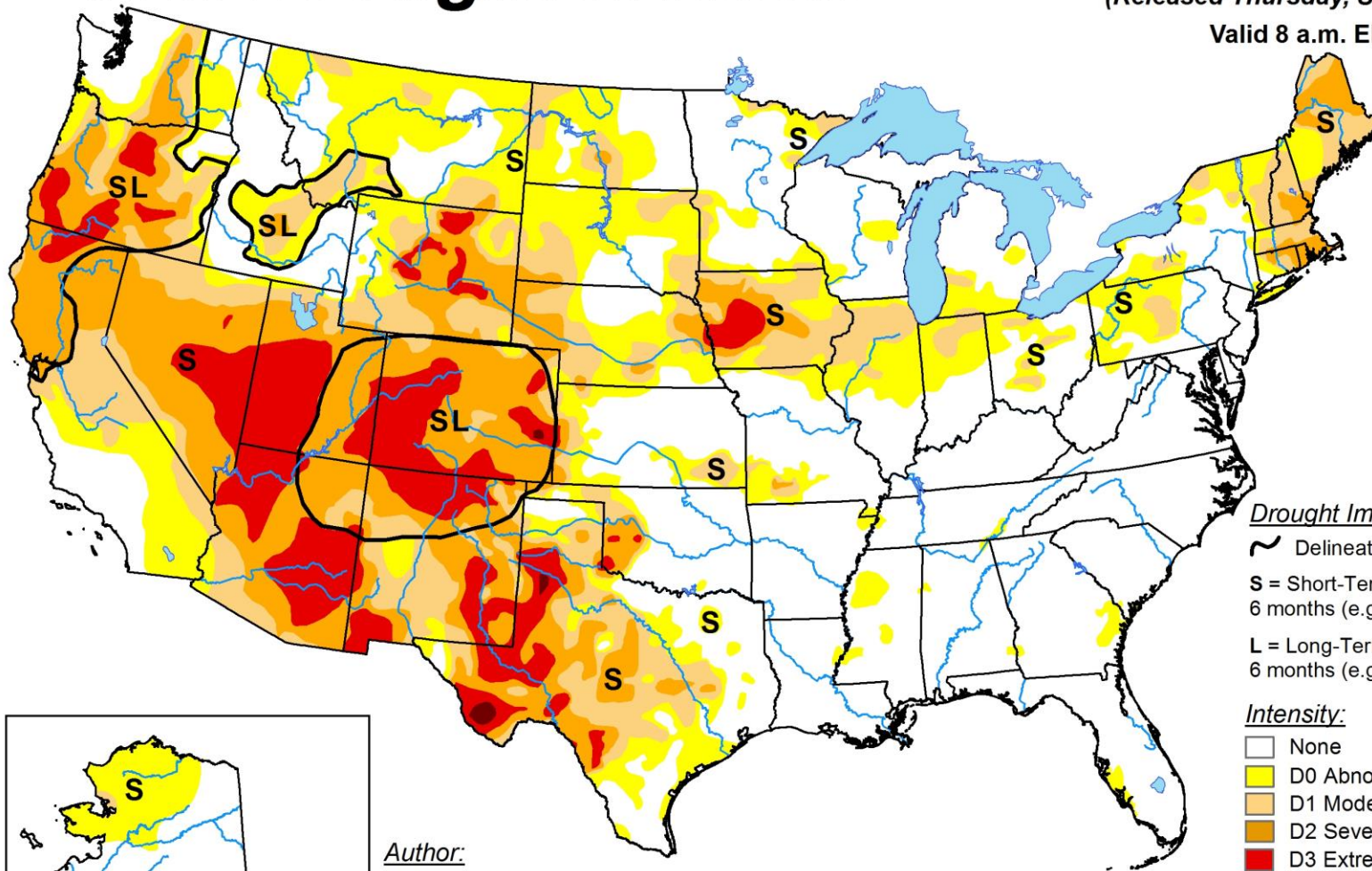




# U.S. Drought Monitor

September 1, 2020  
(Released Thursday, Sep. 3, 2020)

Valid 8 a.m. EDT



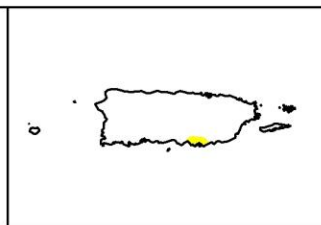
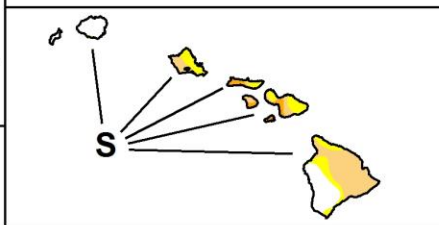
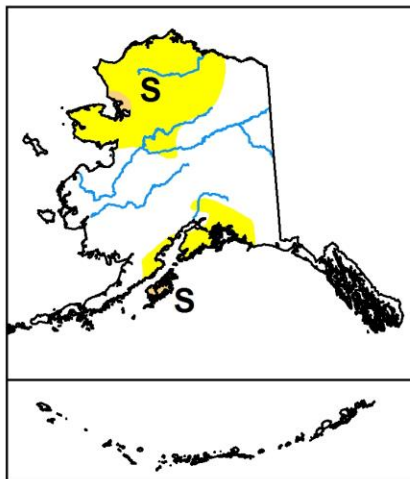
### Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

### Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

Author:  
Richard Tinker  
CPC/NOAA/NWS/NCEP



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



[droughtmonitor.unl.edu](https://droughtmonitor.unl.edu)

## LOCAL CASH GRAIN PRICES

Northland College-<http://www.northlandfbm-moorhead.com/>

Ron Dvergsten 218-686-5448 / Josh Tjosaa 299-5863-Instructors

	9/9/2020 6:44 p.m.			9/8/2020 10:44 a.m.			9/1/2020 9:26 a.m.			8/31/2020 10:26 a.m.		
	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop
<b>WHEAT:</b>	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Dec 20-Aug Del	Dec 20-Sept Del	Dec 20-Oct Del
Georgetown	4.96	4.96	4.96	4.96	4.96	4.96				5.01	5.01	
Maple River	4.81	4.84	4.84	4.81	4.84	4.84	4.86	4.86	4.86	4.79	4.79	4.86
Protein	+0.03*1/5	+0.03*1/5		+0.03*1/5	+0.03*1/5		+0.03*1/5	+0.03*1/5		+0.03*1/5	+0.03*1/5	
GFE	-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5	
Basis: Gtwn	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40				-0.40	-0.40	
Breck	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60
Felton	-0.37	-0.17	-0.17	-0.37	-0.17	-0.17	-0.37	-0.37	-0.17	-0.37	-0.37	-0.17
MRG	-0.55	-0.52	-0.52	-0.55	-0.52	-0.52	-0.55	-0.55	-0.55	-0.50	-0.50	-0.55
<b>SOYBEANS:</b>	Nov 20-Sept Del	Nov 20-Oct Del	Nov 20-Nov Del	Nov 20-Sept Del	Nov 20-Oct Del	Nov 20-Nov Del	Nov 20-Sept Del	Nov 20-Oct Del	Nov 20-Nov Del	Nov 20-Aug Del	Nov 20- Sept Del	Nov 20-Oct Del
Georgetown	9.03	9.03	9.03	8.94	8.94	8.94				8.79	8.79	8.79
Maple River	9.01	9.01	9.01	8.92	8.92	8.92	8.73	8.78	8.78	8.71	8.71	8.76
Basis: Gtwn	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75				-0.74	-0.74	-0.74
Breck	-0.70	-0.70	-0.65	-0.70	-0.70	-0.65	-0.70	-0.70	-0.65	-0.70	-0.70	-0.65
Felton	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67
MRG	-0.77	-0.77	-0.77	-0.77	-0.77	-0.77	-0.82	-0.77	-0.77	-0.82	-0.82	-0.77
<b>CORN:</b>	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Sept 20-Aug Del	Sept 20-Sept Del	Dec 20-Dec Del
Georgetown	3.10	3.10	3.10	3.04	3.04	3.04				2.95	2.95	
Cargill	3.25	3.25	3.38	3.19	3.19	3.32	3.12	3.15	3.25	3.12	3.12	3.27
Basis: Gtwn	-0.55	-0.55	-0.55	-0.55	-0.55	-0.55				-0.52	-0.52	
Cargill	-0.40	-0.40	-0.27	-0.40	-0.40	-0.27	-0.35Sep	-0.40	-0.30	-0.35	-0.35	-0.30
Felton	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.57	-0.47	-0.47	-0.47	-0.47	-0.47
MRG	-0.57	-0.47	-0.42	-0.57	-0.47	-0.42	-0.52	-0.47	-0.42	-0.52	-0.47	-0.42

### Loan Rates

	2020	2020	2020
Crop	Clay	Norman	Willkin
Wheat	3.96	3.95	3.97
Corn	2.05	2.02	2.03
Soybeans	5.96	5.92	5.98

Commodity Int. Rate: 1.125% Sept 1, 2020 Farm Storage Loans

Annual Interest Rate	Length of Loan Term	Annual Interest Rate	Length of Loan Term
0.125%	3 years	0.625%	10 years
0.250%	5 years	0.750%	12 years
0.500%	7 years		

## 2020 GRAIN SALES SUMMARY

<u>Name</u>	<u>Acres</u>	<u>Preharvest Sales</u>	<u>Sales to Date</u>	<u>Left to Presell</u>	<u>Percent Sold</u>	<u>Average Futures Price</u>	<u>Average Cash Price</u>	<u>Preharvest Sales</u>
Corn	500	67500	20000	47500	22%	\$ 3.55	\$ 3.25	\$ 65,000.00
Soybean	500	16500	19000	-2500	86%	\$ 9.35	\$ 8.80	\$167,150.00
Wheat	500	24375	20000	4375	62%	\$ 5.49	\$ 5.34	\$106,750.00
<b>Totals</b>	<b>1500</b>							<b>\$338,900.00</b>

## POST HARVEST SALES SUMMARY

	<u>Acres</u>	<u>Bushels to Sell</u>	<u>Total Bushels to Produce</u>	<u>Post Harvest Percent</u>	<u>Projected Price</u>	<u>Total Postharvest Sales</u>	<u>BU/A SOLD</u>	<u>BEP For Post Harvest</u>	<u>Projected BEY w Sales</u>
Corn	500	70000	90000	78%	\$ 3.50	\$ 245,000.00	40.00	\$ 3.36	174.48
Soybean	500	3000	22000	14%	\$ 8.75	\$ 26,250.00	38.00	\$ 5.52	41.79
Wheat	500	12500	32500	38%	\$ 5.25	\$ 65,625.00	40.00	\$ 7.08	73.70
Other Crop	0.000001			100%		\$ -		#DIV/0!	#DIV/0!
		<u>Tons</u>	<u>Tons Produced</u>						
Sugarbeets	1	28.00	28	100%	42	1176		\$ 40.28	26.856301
<b>Totals</b>	<b>1501</b>					<b>\$ 338,051.00</b>			

Project Corn Expense \$ 300,344.34

**ROI** -1%  
**Net Farm Income Ratio** -1%



		APH or Expected Yield	<b>44.00</b>
		Acres	<b>500</b>
	Crop Ins. Coverage Level or % to Pre-Sell		<b>75%</b>
		Coverage Level Yield	33
		Total Bu	22,000.00
		Bu to Pre-Sell	16,500.00
<b>Soybean Sales</b>		<b>My Break Even</b>	<b>\$ 8.35</b>

Date Sold	Future Price	Bushels	Total	Delivery Year**	Delivery Location & Time	Projected Basis	Cash Price	Cash Income
10/11/2019	\$ 9.75	5,000	\$ 48,750.00	Nov-20	Ulen	(\$0.55)	\$ 9.20	\$46,000.00
7/1/2020	\$ 9.00	2,500	\$ 22,500.00	Nov-20	Ulen	(\$0.55)	\$ 8.45	\$ 21,125.00
8/18/2020	\$ 9.10	2,500	\$ 22,750.00	Nov-20	Ulen	(\$0.55)	\$ 8.55	\$ 21,375.00
8/25/2020	\$ 9.20	5,000	\$ 46,000.00	Nov-20	Ulen	(\$0.55)	\$ 8.65	\$43,250.00
8/27/2020	\$ 9.30	2,000	\$ 18,600.00	Nov-20	Ulen	(\$0.55)	\$ 8.75	\$ 17,500.00
8/28/2020	\$ 9.50	2,000	\$ 19,000.00	Nov-20	Ulen	(\$0.55)	\$ 8.95	\$ 17,900.00
	\$ 9.65		\$ -				\$ 9.65	\$ -
			\$ -				\$ -	\$ -
			\$ -				\$ -	\$ -
			\$ -				\$ -	\$ -
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			\$ -				\$ -	\$ -
			\$ -				\$ -	\$ -
			\$ -				\$ -	\$ -
<b>Pre-Sales A</b>	<b>9.35</b>	<b>19,000</b>	<b>#####</b>		<b>Pre-Cash Sale Ave.</b>		<b>8.80</b>	<b>#####</b>

*Bushels Left to Pre-Sell*

*(2,500)*





# Basis for Old Crop and New Crop

- New Crop Basis for Corn and Soybeans are still relatively very good historically given the past several years. But, some elevators have started to slightly widen the basis in the last few days.

# Cash Prices for Old Crop and New Crop-Marketing Impact Factors

- Today's Report-Both USDA report (Friendly expected) and FSA report on PP is today-last year the PP report was more a market mover.
- Wheat- Not a lot expected in report-look to Sept 30 small grain report, Dec 5.495 is recent high- Look at 2021 prices-past few years contract highs during harvest (currently high was \$5.88-traded yesterday at \$5.85)-Last year (Dec 2019 high was \$6.15 in June but hit \$6.00 in Sept)

# Cash Prices for Old Crop and New Crop-Marketing Impact Factors

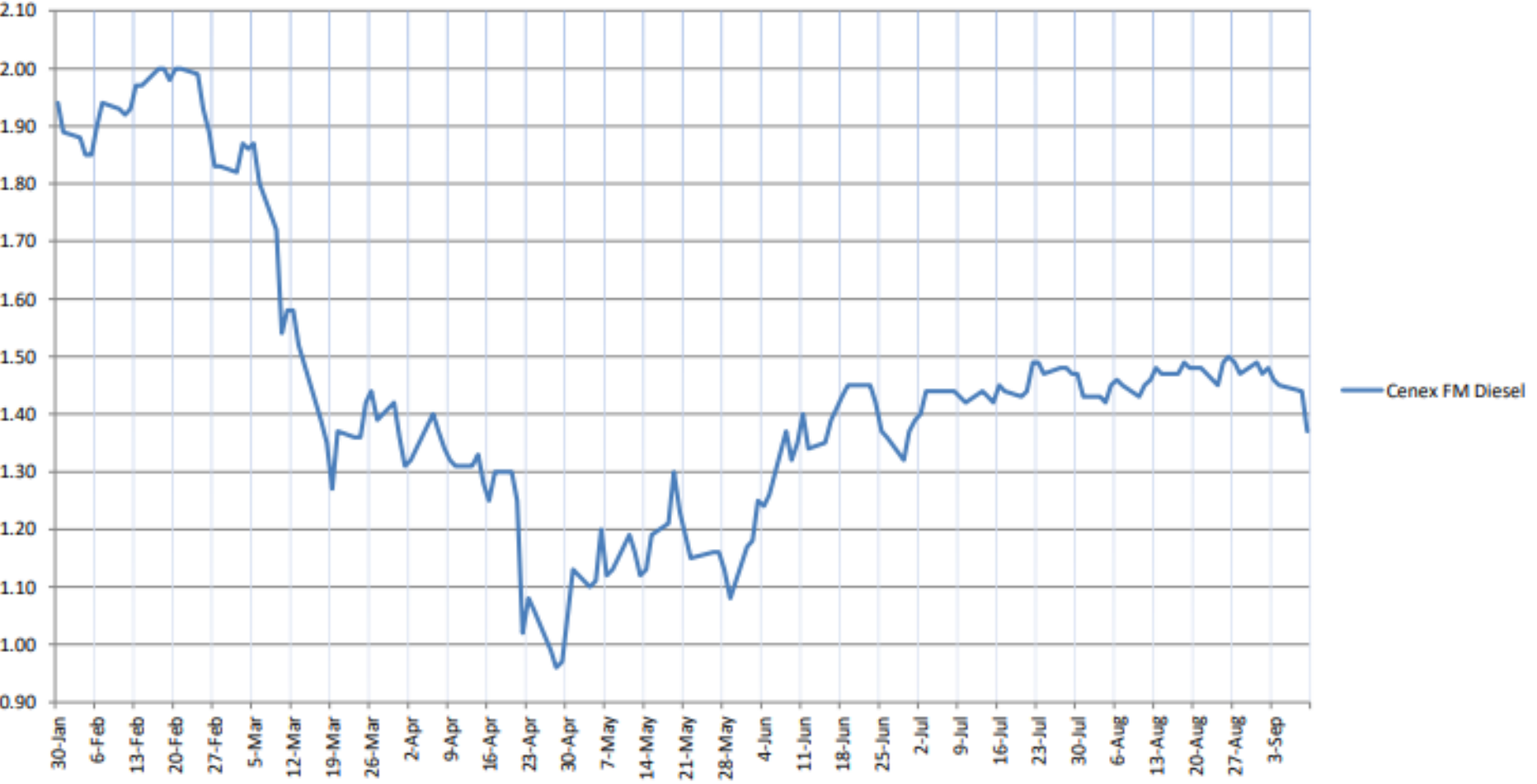
Corn-Report tomorrow-expected reduction in production-178.3 bu-3.5 bu below August (ending stocks at 2.451 versus 2.756), Frost damage reports, US Corn is cheapest in the world, Dec corn is trading around highs of \$3.65 since COVID drop, contract high around \$4.23 July 19/4.24 May 2018.

Soybeans-Closed down for first time in last 12 trading sessions (Top Heavy?), Expect Soybeans at 51.6 bu versus 53.3, Ending stocks at 455 MB versus 610 MB, Jan 2020 \$9.812 is contract high, Traded \$9.77 on the 8<sup>th</sup>, Market has rallies \$1.50 since June and \$1.10 since Early August.

Helping US demand, there were rumors today of China buying US corn and soybeans. The trade is hoping to see these sales announcements tomorrow morning. The rumor followed China's announcements to increase the country's reserves of food and energy products. Starting in 2021, they will supposedly start buying large amounts of crude, materials and agricultural products to alleviate any future supply disruptions. Hopefully, this will aid in China's fulfillment of the Phase 1 deal.

Look at fall fertilizer and fall fuel, propane prices. Wayne's Chart

### Cenex Fieldmaster Diesel Transport Price



# CFAP 2- Possibly 20 Billion

- Agriculture Secretary Sonny Perdue said Thursday that he will release the rules for the next round of Coronavirus Food Assistance Program payments to farmers next week, just ahead of the deadline for applying for the first round.
- Speaking at a farm in Radcliffe, Iowa, after touring crop damage from last month's storms, Perdue said the payments would be designed to compensate farmers for losses incurred after April 15 through the end of the year.
- He also said that CFAP-2 would be designed to address concerns among cattle producers that they weren't compensated for post-April 15 losses due to the COVID-19 pandemic.
- Perdue indicated the CFAP-2 payments would go to the same commodities eligible for the first round. He confirmed there would be no payments for ethanol producers, textile mills and other processors of agricultural commodities that are seeking aid, citing pandemic-related disruptions. Perdue said USDA would need additional authority from Congress to make those kinds of payments.
- 14 Billion compared to 19 billion first time (16 in direct, 3 to food box program)-only 9.4 billion has been allocated

# PLC and ARC 2019-Paid Fall 2020

- PLC Payments
- Corn-\$0.10, Soybeans-NA, Wheat-\$0.92
- ARC-CO
- Clay-Corn \$14, Soy-NA, Wheat-\$39
- Norman-Corn \$13, Soy-NA, Wheat-\$43
- Wilkin-Corn \$15, Soy-NA, Wheat-\$38

# 2019 and 2020 Crop Targets

- 20 Corn Dec Futures 2020-\$4.00-4.10 Start-Cash \$3.50-Cash Flow plan, Possibly start at \$3.00 cash (MFP#3?CFAP2)
- 20 Soybeans Dec Futures 2020-\$9.60 Start-Cash \$8.75 Cash Flow plan, Possibly start at \$8.00 cash (9.19 yesterday) MFP#3?CFAP2) lock current new crop basis
- 20 Spring Wheat Dec Futures 2020-\$5.95-6.00 , Start around \$5.50 Dec
- Dec Wheat at \$5.454 on 6/18-If get -\$0.10 basis, \$5.35 cash if better than the cash flow at \$5.25-something to consider



# Current Efforts for resilience:



## *Rural Mental Health Specialists*

\* Supported in partnership with the  
Minnesota Department of Ag and  
Centers of Excellence

*Ted Matthews*

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*\*Monica McConkey-new*

[monicamarielm@yahoo.com](mailto:monicamarielm@yahoo.com)

Phone: 218-280-7785

<b>ELEC. CORN (@C) [10]</b>					<b>ELEC. SOYBEANS (@S) [10]</b>					<b>ELEC. WHEAT (@W) [10]</b>				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Sep-20	357'2s	7'2	357'6	349'6	Sep-20	985'0s	5'2	986'2	982'4	Sep-20	540'0s	6'0	548'4	539'4
Dec-20	365'0s	4'6	366'6	359'4	Nov-20	977'4s	-1'2	982'0	974'2	Dec-20	548'2s	4'4	556'6	542'6
Mar-21	375'0s	4'2	376'2	369'6	Jan-21	981'4s	-1'6	985'6	978'4	Mar-21	557'2s	4'2	564'6	551'6
May-21	381'4s	4'0	382'2	376'4	Mar-21	980'0s	-1'2	983'4	976'6	May-21	562'6s	4'4	569'4	557'2
Jul-21	385'2s	3'4	386'0	381'0	May-21	980'4s	-1'4	983'6	977'6	Jul-21	562'0s	4'2	568'0	557'0
Sep-21	382'4s	3'6	383'0	378'4	Jul-21	982'4s	-1'6	986'0	979'6	Sep-21	567'2s	3'6	572'6	562'6
Dec-21	387'6s	2'4	388'2	384'6	Aug-21	979'0s	-2'4	982'2	978'4	Dec-21	576'6s	3'2	581'6	574'4
Mar-22	396'4s	2'4	397'0	393'6	Sep-21	962'2s	-3'6	965'0	961'6	Mar-22	583'2s	2'4	588'0	582'2
<b>ELECTRONIC OATS (@O) [10]</b>					<b>ELECTRONIC SOYBEAN MEAL (@SM) [10]</b>					<b>ELECTRONIC SOYBEAN OIL (@BO) [10]</b>				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Sep-20	271'4s	4'4	---	---	Sep-20	311.1s	0.2	312.0	310.5	Sep-20	33.13s	-0.08	33.20	33.18
Dec-20	272'2s	4'4	273'2	267'0	Oct-20	312.7s	-0.2	314.4	311.7	Oct-20	33.03s	0.03	33.22	32.88
Mar-21	272'2s	4'4	273'0	270'0	Dec-20	317.5s	-0.6	319.4	316.8	Dec-20	33.20s	-0.01	33.43	33.06
May-21	271'0s	5'2	272'0	272'0	Jan-21	319.3s	-0.7	321.1	318.7	Jan-21	33.35s	-0.03	33.57	33.23
Jul-21	271'0s	5'2	---	---	Mar-21	319.5s	-0.6	321.0	318.8	Mar-21	33.51s	-0.03	33.72	33.39
Sep-21	275'0s	5'2	---	---	May-21	319.0s	-0.6	320.4	318.2	May-21	33.66s	-0.02	33.85	33.53
Dec-21	284'0s	5'2	---	---	Jul-21	319.0s	-0.7	320.6	318.5	Jul-21	33.79s	0.00	33.95	33.66
Mar-22	284'0s	5'2	---	---	Aug-21	318.2s	-0.9	320.1	318.0	Aug-21	33.71s	0.00	33.80	33.64
<b>ELECTRONIC ROUGH RICE (@RR) [10]</b>					<b>ELEC. HRW WHEAT (@KW) [10]</b>					<b>ELEC. HRS WHEAT (@MW) [10]</b>				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Sep-20	12.580s	0.040	---	---	Sep-20	476'2s	3'0	484'2	480'4	Sep-20	517'0s	3'0	---	---
Nov-20	12.480s	0.040	12.605	12.370	Dec-20	474'0s	3'0	485'2	469'6	Dec-20	535'4s	0'0	544'2	532'4
Jan-21	12.650s	0.075	12.755	12.520	Mar-21	485'0s	3'0	496'0	480'6	Mar-21	548'4s	-0'4	557'0	546'2
Mar-21	12.780s	0.075	---	---	May-21	492'0s	2'4	502'6	489'0	May-21	556'2s	-1'0	565'2	555'6
May-21	12.885s	0.060	12.900	12.900	Jul-21	498'4s	2'0	508'4	497'0	Jul-21	563'2s	-0'4	571'4	563'2
Jul-21	12.940s	0.060	---	---	<b>ELECTRONIC CANOLA (@RS) [10]</b>					Sep-21	569'2s	-0'2	576'0	568'4
Sep-21	12.470s	0.005	---	---	<b>ELECTRONIC MILLING WHEAT (@WA) [0]</b>									
<b>ELECTRONIC BARLEY (@BW) [0]</b>					Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Nov-20	509.8s	4.4	511.7	502.6	Month	Last	Chg	High	Low
Jan-21	517.3s	5.1	519.4	510.1	Jan-21	517.3s	5.1	519.4	510.1	Month	Last	Chg	High	Low
Mar-21	523.3s	5.8	525.6	515.9	Mar-21	523.3s	5.8	525.6	515.9	Month	Last	Chg	High	Low
May-21	526.6s	5.3	528.9	520.3	May-21	526.6s	5.3	528.9	520.3	Month	Last	Chg	High	Low
Jul-21	527.6s	4.2	529.9	522.8	Jul-21	527.6s	4.2	529.9	522.8	Month	Last	Chg	High	Low
<b>ELECTRONIC DURUM WHEAT (@DW) [0]</b>					Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low

Quotes generated on: Thu, Sep 10, 2020 6:45 PM CDT \*Quotes are in market time

# LOCAL CASH GRAIN PRICES

Northland College-<http://www.northlandfbm-moorhead.com/>

Ron Dvergstén 218-686-5448 / Josh Tjosaas 299-5863-Instructors

	9/9/2020 6:44 p.m.			9/8/2020 10:44 a.m.			9/1/2020 9:26 a.m.			8/31/2020 10:26 a.m.		
	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop	2020 Crop
<u>WHEAT:</u>	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Dec 20-Aug Del	Dec 20-Sept Del	Dec 20-Oct Del
Georgetown	4.96	4.96	4.96	4.96	4.96	4.96				5.01	5.01	
Maple River	4.81	4.84	4.84	4.81	4.84	4.84	4.86	4.86	4.86	4.79	4.79	4.86
Protein	+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5	
GFE	-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5	
Basis:Gtwn	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40				-0.40	-0.40	
Breck	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60	-0.60
Felton	-0.37	-0.17	-0.17	-0.37	-0.17	-0.17	-0.37	-0.37	-0.17	-0.37	-0.37	-0.17
MRG	-0.55	-0.52	-0.52	-0.55	-0.52	-0.52	-0.55	-0.55	-0.55	-0.50	-0.50	-0.55
<u>SOYBEANS:</u>	Nov 20-Sept Del	Nov 20-Oct Del	Nov 20-Nov Del	Nov 20-Sept Del	Nov 20-Oct Del	Nov 20-Nov Del	Nov 20-Sept Del	Nov 20-Oct Del	Nov 20-Nov Del	Nov 20-Aug Del	Nov 20- Sept Del	Nov 20-Oct Del
Georgetown	9.03	9.03	9.03	8.94	8.94	8.94				8.79	8.79	8.79
Maple River	9.01	9.01	9.01	8.92	8.92	8.92	8.73	8.78	8.78	8.71	8.71	8.76
Basis: Gtwn	-0.75	-0.75	-0.75	-0.75	-0.75	-0.75				-0.74	-0.74	-0.74
Breck	-0.70	-0.70	-0.65	-0.70	-0.70	-0.65	-0.70	-0.70	-0.65	-0.70	-0.70	-0.65
Felton	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67	-0.67
MRG	-0.77	-0.77	-0.77	-0.77	-0.77	-0.77	-0.82	-0.77	-0.77	-0.82	-0.82	-0.77
<u>CORN:</u>	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Dec 20-Sept Del	Dec 20-Oct Del	Dec 20-Nov Del	Sept 20-Aug Del	Sept 20-Sept Del	Dec 20-Dec Del
Georgetown	3.10	3.10	3.10	3.04	3.04	3.04				2.95	2.95	
Cargill	3.25	3.25	3.38	3.19	3.19	3.32	3.12	3.15	3.25	3.12	3.12	3.27
Basis-Gtwn	-0.55	-0.55	-0.55	-0.55	-0.55	-0.55				-0.52	-0.52	
Cargill	-0.40	-0.40	-0.27	-0.40	-0.40	-0.27	-0.35Sep	-0.40	-0.30	-0.35	-0.35	-0.30
Felton	-0.47	-0.47	-0.47	-0.47	-0.47	-0.47	-0.57	-0.47	-0.47	-0.47	-0.47	-0.47
MRG	-0.57	-0.47	-0.42	-0.57	-0.47	-0.42	-0.52	-0.47	-0.42	-0.52	-0.47	-0.42

### Loan Rates

	2020	2020	2020
Crop	Clay	Norman	Wilkin
Wheat	3.96	3.95	3.97
Corn	2.05	2.02	2.03
Soybeans	5.96	5.92	5.98

Commodity Int. Rate: 1.125% Sept 1, 2020 Farm Storage Loans

<u>Annual Interest Rate</u>	<u>Length of Loan Term</u>	<u>Annual Interest Rate</u>	<u>Length of Loan Term</u>
0.125%	3 years	0.625%	10 years
0.250%	5 years	0.750%	12 years
0.500%	7 years		

## MARKETING NEWSLETTER COMPARISONS

Northland College–Josh Tjosaas and Ron Dvergstén, Instructors

9-10-2020	WHEAT	SOYBEANS	CORN	OTHER
<b>Pro Farmer:</b>	20: 65% sold for cash sellers and 65% sold for HTA, 20% FO 21: 10% sold for cash sellers and 10% sold for HTA, 0% FO  Trend is steady.	20: 50% Cash, 50%Hedgers/0%FO  Trend is up.	20: 40% Cash, 40%Hedgers/20%FO  Trend is steady.	Cattle: No Sales  Trend is steady.
<b>Money Farm:</b>	19-60% C/F-\$5.48 20-25% C/F	<b>20-50% Cash Sold</b>	20: 50% Hedged	<b>Luke Swenson writes this daily newsletter.</b>
<b>Martinson Ag:</b>	19-75% sold FF at \$5.52 Sept	<b>20: 25% Sold Option .15, 25% sold \$9.70 Nov</b>	<b>19-85% sold at \$3.83 Futures 20: 25% Sold Dec 3.30 Put, 25% Sold \$3.59 Dec</b>	<b>Randy Martinson writes this daily newsletter.</b>
<b>Roach Ag:</b>		<b>Day 16 Soybean Sell Signal Wednesday Sept 9, 2020</b>	<b>Day 15 Corn Sell Signal Wednesday Sept 9, 2020</b>	
<b>Farm Futures:</b>	19: Price 60% of 2019 production at an average Minneapolis futures price of \$5.51.	19: Price 20% of 2019 production at \$9.70 basis July 2020 futures or HTAs.	19: Price 20% of expected 2019 at \$4.48175. Price 10% at \$4.3125 July Futures or HTA  20: Price 10% of expected 2020 at 4.21 Dec 20	<b>Bryce Knorr, <i>Farm Futures</i></b>
<b>Usset, U of MN:</b>	<u>Updated 4/24/2020</u> 20: 5,000 bu at \$4.95	<u>Updated 3/13/2020</u> 20: 20% sold at 9.80 Futures	<u>Updated 3/20/2020</u> 20: No sales	<b>You can check out Ed Usset’s website at <a href="http://www.cfm.umn.edu/GrainMarketing/MarketingPlans.aspx">http://www.cfm.umn.edu/GrainMarketing/MarketingPlans.aspx</a></b>
Terms:	CBT-Chicago Board of Trade	OC–Old Crop	P–Put Option	FC–Forward Contract
	MGE-Minneapolis Grain Exchange	NC–New Crop	C–Call Option	H-Hedge
	KC–Kansas City Board of Trade	OTM–Out-of-the-Money	ATM–At-the-Money	F/O-Futures/Options
<b>NEXT USDA CROP REPORT: WASDE Sept 11<sup>th</sup>, 2020      <b>Bold: indicates change from last week.</b></b>				

“The information provided by Northland Farm Business Management is for informational and comparison purposes only. It is not intended to be considered marketing or trading advice for your individual operation. The risk of loss in trading futures and/or options is substantial and each investor and/or trader must consider whether this is a suitable investment. By accepting this communication, you agree that you are capable of making independent trading decisions, and agree that you are not, and will not, rely solely on this communication in making trading decisions.”

# 2018 and 2019 Wheat



# 2018 and 2019 Soybeans



# 2018 and 2019 Corn



# 2019 & 2020 Wheat

2019 Red, 2020 Green





# 2019 & 2020 Soybeans

2019 Red, 2020 Green

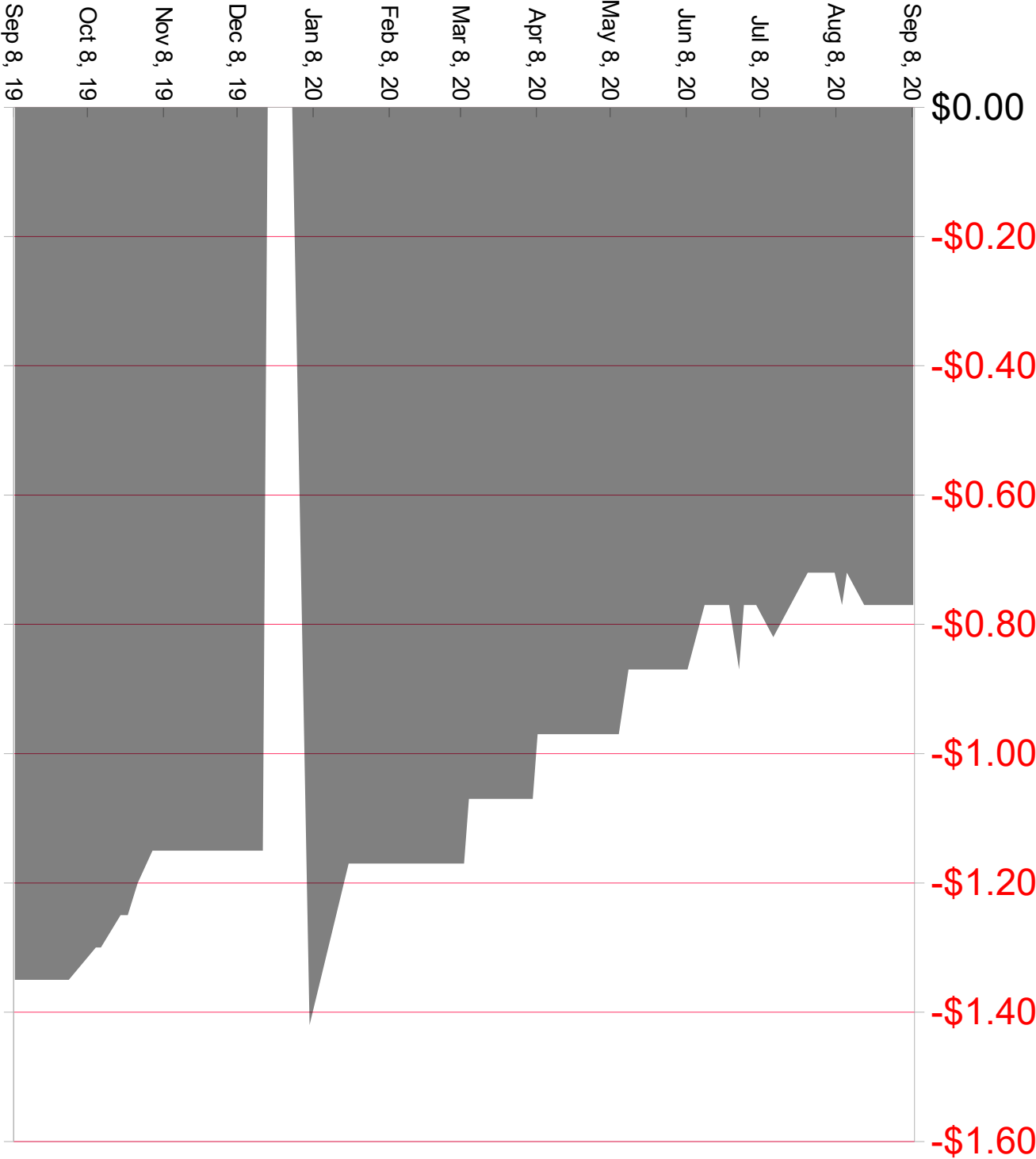


# 2019 and 2020 Corn

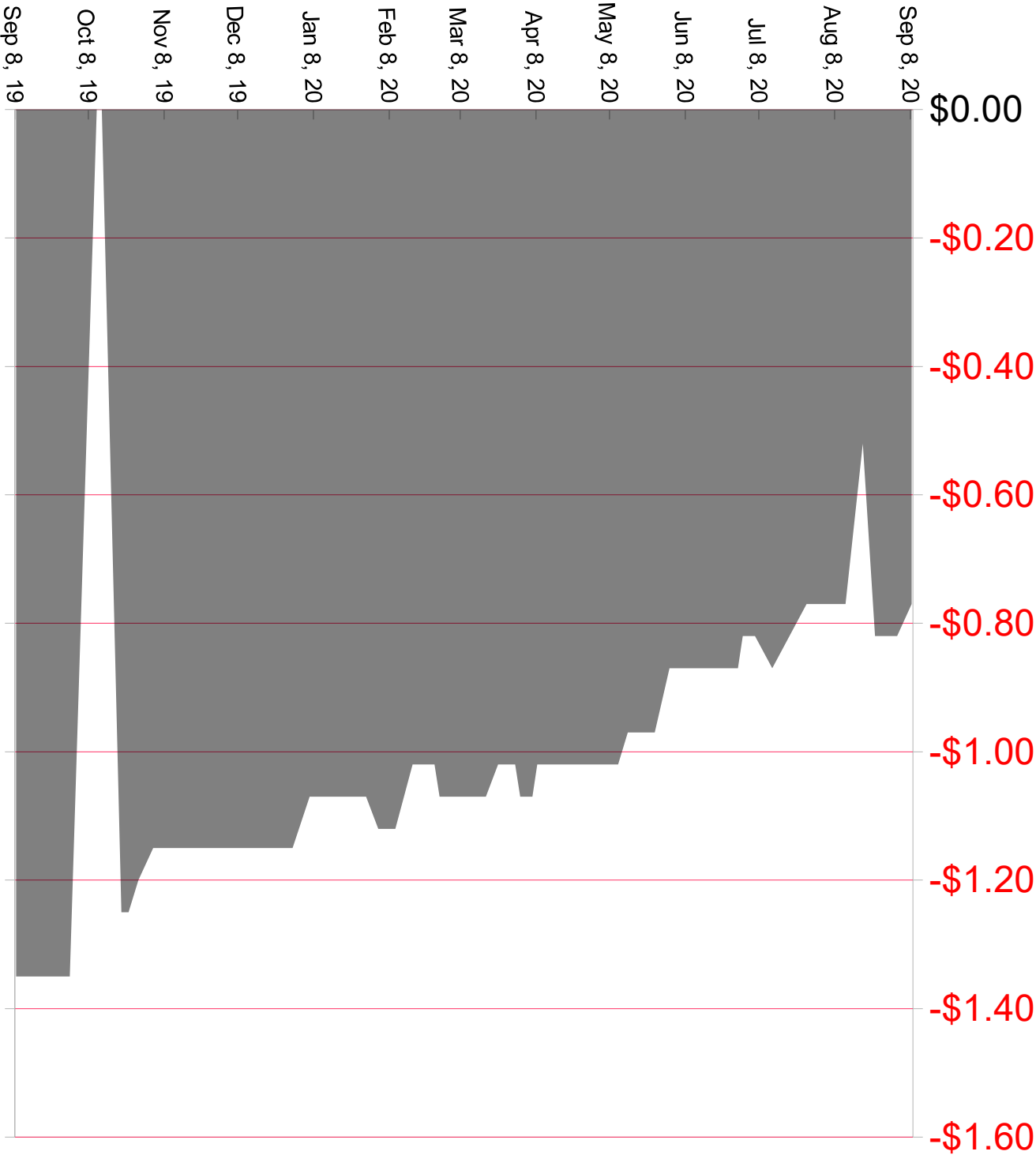
2019 Red, 2020 Green



# New crop Soybean basis



# Old crop Soybean basis



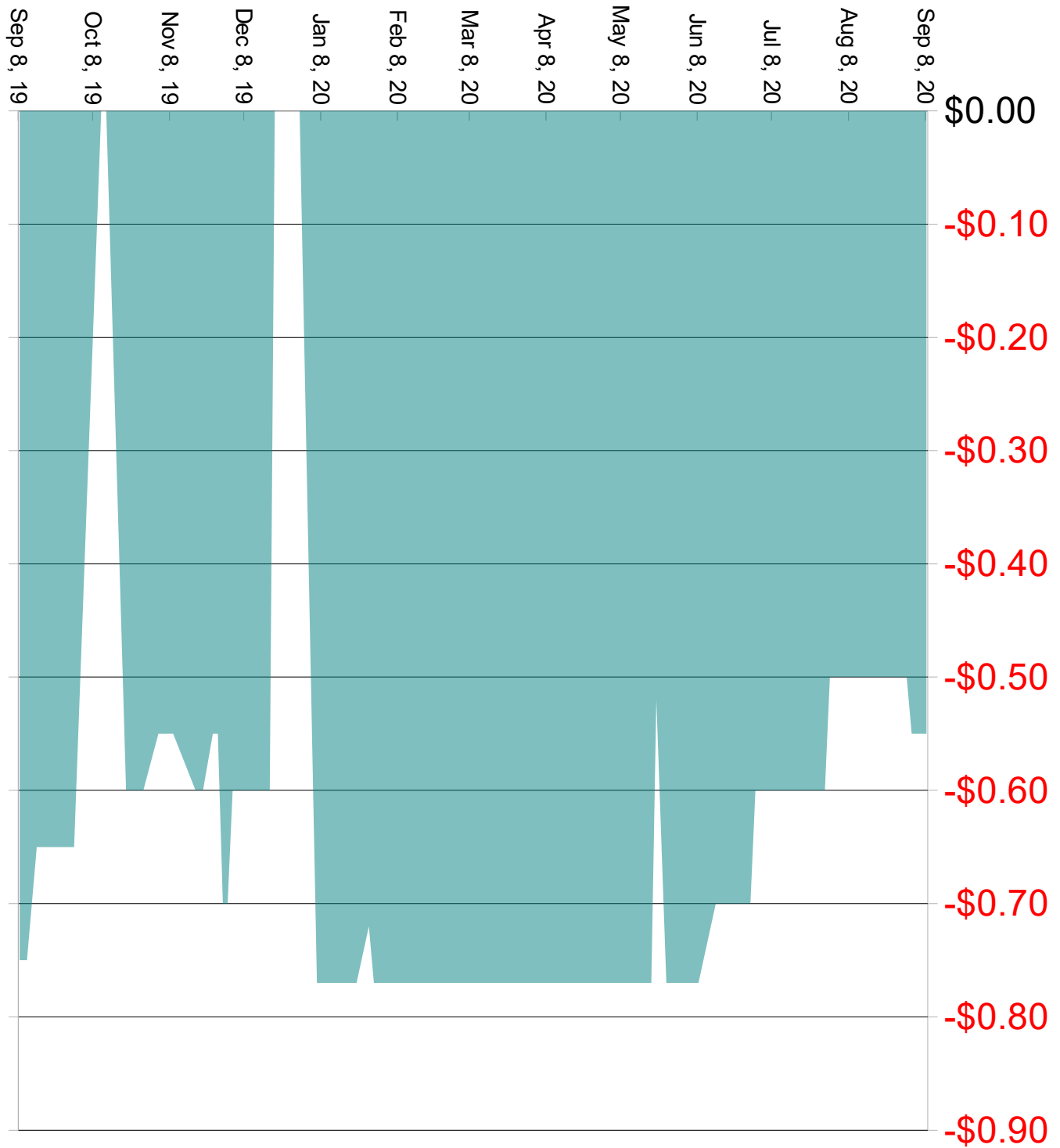
# new crop Corn basis



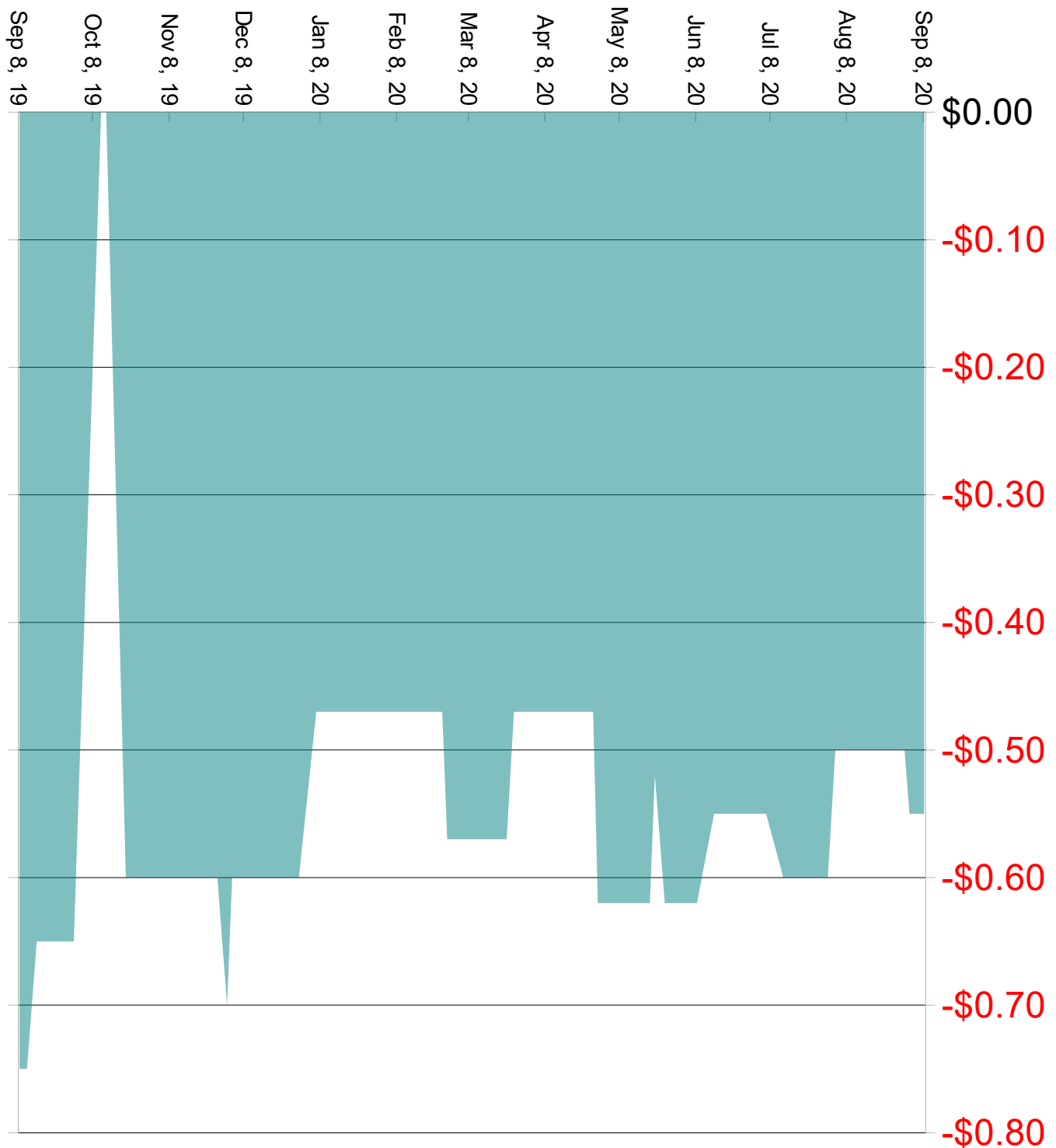
# old crop Corn basis



# new crop Wheat basis



# old crop Wheat basis







Corn Quotes	5/26/2020	Spread		5/28/2020	Spread		6/1/2020	Spread		6/3/2020	Spread
Dec-20	3.344		Dec-20	3.34		Dec-20	3.36		Dec-20	3.374	
Mar-21	3.472	0.128	Mar-21	3.46	0.12	Mar-21	3.476	0.116	Mar-21	3.502	0.128
May-21	3.544	0.2	May-21	3.53	0.19	May-21	3.544	0.184	May-21	3.57	0.196
Jul-21	3.596	0.252	Jul-21	3.58	0.24	Jul-21	3.6	0.24	Jul-21	3.624	0.25
	6/8/2020			6/15/2020			6/18/2020			6/22/2020	
Dec-20	3.476	Spread	Dec-20	3.41	Spread	Dec-20	3.416	Spread	Dec-20	3.41	Spread
Mar-21	3.59	0.114	Mar-21	3.524	0.114	Mar-21	3.53	0.114	Mar-21	3.524	0.114
May-21	3.652	0.176	May-21	3.592	0.182	May-21	3.59	0.174	May-21	3.592	0.182
Jul-21	3.702	0.226	Jul-21	3.642	0.232	Jul-21	3.64	0.224	Jul-21	3.642	0.232
	6/23/2020	Spread		6/25/2020	Spread		6/29/2020	Spread		7/1/2020	Spread
Dec-20	3.366		Dec-20	3.292		Dec-20	3.334		Dec-20	3.572	
Mar-21	3.486	0.12	Mar-21	3.406	0.114	Mar-21	3.442	0.108	Mar-21	3.682	0.11
May-21	3.56	0.194	May-21	3.484	0.192	May-21	3.514	0.18	May-21	3.74	0.168
Jul-21	3.612	0.246	Jul-21	3.546	0.254	Jul-21	3.574	0.24	Jul-21	3.786	0.214
	7/2/2020	Spread		7/6/2020	Spread		7/13/2020	Spread		7/20/2020	Spread
Dec-20	3.53		Dec-20	3.56		Dec-20	3.376		Dec-20	3.35	
Mar-21	3.644	0.114	Mar-21	3.672	0.112	Mar-21	3.474	0.098	Mar-21	3.456	0.106
May-21	3.7	0.17	May-21	3.73	0.17	May-21	3.54	0.164	May-21	3.524	0.174
Jul-21	3.742	0.212	Jul-21	3.77	0.21	Jul-21	3.592	0.216	Jul-21	3.574	0.224
	7/27/2020	Spread		7/29/2020	Spread		8/3/2020	Spread		8/6/2020	Spread
Dec-20	3.346		Dec-20	3.27		Dec-20	3.272		Dec-20	3.232	
Mar-21	3.454	0.108	Mar-21	3.386	0.116	Mar-21	3.386	0.114	Mar-21	3.354	0.122
May-21	3.524	0.178	May-21	3.462	0.192	May-21	3.462	0.19	May-21	3.434	0.202
Jul-21	3.58	0.234	Jul-21	3.516	0.246	Jul-21	3.52	0.248	Jul-21	3.506	0.274
	8/7/2020	Spread		8/10/2020	Spread		8/12/2020	Spread		8/17/2020	Spread
Dec-20	3.236		Dec-20	3.21		Dec-20	3.272		Dec-20	3.432	
Mar-21	3.354	0.118	Mar-21	3.324	0.114	Mar-21	3.386	0.114	Mar-21	3.552	0.12
May-21	3.434	0.198	May-21	3.406	0.196	May-21	3.464	0.192	May-21	3.626	0.194
Jul-21	3.502	0.266	Jul-21	3.474	0.264	Jul-21	3.526	0.254	Jul-21	3.684	0.252
	8/19/2020	Spread		8/24/2020	Spread		8/26/2020	Spread		8/28/2020	Spread
Dec-20	3.412		Dec-20	3.424		Dec-20	3.542		Dec-20	3.57	
Mar-21	3.54	0.128	Mar-21	3.55	0.126	Mar-21	3.66	0.118	Mar-21	3.672	0.102
May-21	3.616	0.204	May-21	3.622	0.198	May-21	3.724	0.182	May-21	3.74	0.17
Jul-21	3.672	0.26	Jul-21	3.676	0.252	Jul-21	3.77	0.228	Jul-21	3.782	0.212
	8/31/2020	Spread		9/2/2020	Spread		9/8/2020	Spread		9/10/2020	Spread
Dec-20	3.572		Dec-20	3.562		Dec-20	3.592		Dec-20	3.602	
Mar-21	3.67	0.098	Mar-21	3.656	0.094	Mar-21	3.696	0.104	Mar-21	3.706	0.104
May-21	3.736	0.164	May-21	3.724	0.162	May-21	3.76	0.168	May-21	3.774	0.172
Jul-21	3.776	0.204	Jul-21	3.766	0.204	Jul-21	3.802	0.21	Jul-21	3.816	0.214

## 2020 GRAIN SALES SUMMARY

**Name**

	Acres	Preharvest Sales	Sales to Date	Bushels to Left to Presell	Percent Sold	Average Futures Price	Average Cash Price	Total Preharvest Sales
Corn	500	67500	20000	47500	22%	\$ 3.55	\$ 3.25	\$ 65,000.00
Soybean	500	16500	15000	1500	68%	\$ 9.33	\$ 8.78	\$ 131,750.00
Wheat	500	24375	10000	14375	31%	\$ 5.61	\$ 5.51	\$ 55,050.00
Totals	1500							\$ 251,800.00

## POST HARVEST SALES SUMMARY

	Acres	Bushels to Sell	Total Bushels to Produce	Post Harvest Percent	Projected Price	Total Postharvest Sales	BU/A SOLD	BEP For Post Harvest	Projected BEY w Sales
Corn	500	70000	90000	78%	\$ 3.50	\$ 245,000.00	40.00	\$ 3.43	177.34
Soybean	500	7000	22000	32%	\$ 8.75	\$ 61,250.00	30.00	\$ 7.78	42.45
Wheat	500	22500	32500	69%	\$ 5.25	\$ 118,125.00	20.00	\$ 6.61	76.63
Other Crop	0.000001			100%		\$ -		#DIV/0!	#DIV/0!
		Tons	Tons Produced						
Sugarbeets	1	28.00	28	100%	42	1176		\$ 40.28	26.856301
Totals	1501					\$ 425,551.00			

Project Corn Expense	\$ 305,344.34
Project Soybean Expense	\$ 186,214.35
Projected Wheat Expense	\$ 203,714.35
Projected Sugarbeet Expenses	\$ 1,127.96
Projected Misc. Crop Expense	\$ 0.00
<b>Total Project Farm Expense</b>	<b>\$ 696,401.00</b>

	<b>ROI</b>	<b>-3%</b>
	<b>Net Farm Income Ratio</b>	<b>-3%</b>
2014 Sales		<b>Net Return</b>
<b>\$ 677,351.00</b>		<b>\$ (19,050.00)</b>
	<b>Return/Acre</b>	<b>\$ (12.69)</b>

Name: 2020 Marketing Group Summary

**2019 PROJECTED FARM CASH FLOW BY CROP/BEP**

CROP INCOME	WHEAT		SOYBEANS		CORN		Sugar Beets		Other Crop		TOTALS
	Acre		Acre		Acre		Acre		Acre		
Acres	500		500		500		1		0.000001		1501
Wok Units	15000		15000		27500		120		0.00004		57620.00004
Yield Per Acre	65.00	32,500.00	44.00	22,000.00	180.00	90,000.00	28.00	28.00		0.00	144528
Price Received per Bushel	\$ 6.00		\$ 9.00		\$ 3.35		\$ 42.00				
Total Product Return per Acre	\$ 390.00	\$ 195,000.00	\$ 396.00	\$ 198,000.00	\$ 603.00	\$ 301,500.00	\$ 1,176.00	\$ 1,176.00	\$ -	\$ -	\$ 695,676.00
Miscellaneous Payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gross Return per Acre	\$ 390.00	\$ 195,000.00	\$ 396.00	\$ 198,000.00	\$ 603.00	\$ 301,500.00	\$ 1,176.00	\$ 1,176.00	\$ -	\$ -	\$ 695,676.00

**DIRECT EXPENSES**

Seed	\$ 23.00	\$ 11,500.00	\$ 63.00	\$ 31,500.00	\$ 89.00	\$ 44,500.00	\$ 225.00	\$ 225.00	\$ -	\$ -	\$ 87,725.00
Fertilizer	\$ 90.00	\$ 45,000.00	\$ 12.00	\$ 6,000.00	\$ 105.00	\$ 52,500.00	\$ 84.00	\$ 84.00	\$ -	\$ -	\$ 103,584.00
Crop Chemicals	\$ 33.00	\$ 16,500.00	\$ 33.00	\$ 16,500.00	\$ 28.00	\$ 14,000.00	\$ 118.00	\$ 118.00	\$ -	\$ -	\$ 47,118.00
Crop Insurance	\$ 15.00	\$ 7,500.00	\$ 18.00	\$ 9,000.00	\$ 21.00	\$ 10,500.00	\$ 30.00	\$ 30.00	\$ -	\$ -	\$ 27,030.00
Fuel and Oil	\$ 14.58	\$ 7,289.14	\$ 14.58	\$ 7,289.14	\$ 26.73	\$ 13,363.42	\$ 58.31	\$ 58.31	\$ -	\$ -	\$ 28,000.00
Repairs	\$ 28.64	\$ 14,317.95	\$ 28.64	\$ 14,317.95	\$ 52.50	\$ 26,249.57	\$ 114.54	\$ 114.54	\$ -	\$ -	\$ 55,000.00
Custom Hire/Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 60.00	\$ 60.00	\$ -	\$ -	\$ 60.00
Stock Quota Joint Venture	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land Rent/Costs	\$ 124.92	\$ 62,458.36	\$ 124.92	\$ 62,458.36	\$ 124.92	\$ 62,458.36	\$ 124.92	\$ 124.92	\$ 124.92	\$ 0.00	\$ 187,500.00
Drying	\$ -	\$ -	\$ -	\$ -	\$ 20.00	\$ 10,000.00	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00
Operating Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL DIRECT EXPENSE</b>	<b>\$ 329.13</b>	<b>\$ 164,565.44</b>	<b>\$ 294.13</b>	<b>\$ 147,065.44</b>	<b>\$ 467.14</b>	<b>\$ 233,571.34</b>	<b>\$ 814.77</b>	<b>\$ 814.77</b>	<b>\$ 124.92</b>	<b>\$ 0.00</b>	<b>\$ 546,017.00</b>

**OVERHEAD EXPENSES**

Overhead Expenses	\$ 78.30	\$ -	\$ 78.30	\$ -	\$ 143.55	\$ -	\$ 313.19	\$ -	\$ 104.40	\$ -	\$ -
<b>TOTAL OVERHEAD EXPENSE</b>	<b>\$ 78.30</b>	<b>\$ 39,148.91</b>	<b>\$ 78.30</b>	<b>\$ 39,148.91</b>	<b>\$ 143.55</b>	<b>\$ 71,773.00</b>	<b>\$ 313.19</b>	<b>\$ 313.19</b>	<b>\$ 104.40</b>	<b>\$ 0.00</b>	<b>\$ 150,384.00</b>

<b>TOTAL EXPENSES/ACRE</b>	<b>\$ 407.43</b>	<b>\$ 203,714.35</b>	<b>\$ 372.43</b>	<b>\$ 186,214.35</b>	<b>\$ 610.69</b>	<b>\$ 305,344.34</b>	<b>\$ 1,127.96</b>	<b>\$ 1,127.96</b>	<b>\$ 229.31</b>	<b>\$ 0.00</b>	<b>\$ 696,401.00</b>
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<b>NET RETURN/ACRE</b>	<b>\$ (17.43)</b>	<b>\$ 23.57</b>	<b>\$ (7.69)</b>	<b>\$ 48.04</b>	<b>\$ (229.31)</b>	<b>\$ (725.00)</b>					
ROD	\$ 60.87	\$ 101.87	\$ 135.86	\$ 361.23	\$ (124.92)						
Estimated Income	\$ 390.00	\$ 396.00	\$ 603.00	\$ 1,176.00	\$ -						
Estimated Expense	\$ 407.43	\$ 372.43	\$ 610.69	\$ 1,127.96	\$ 229.31						
Profit Per Acre	\$ (17.43)	\$ 23.57	\$ (7.69)	\$ 48.04	\$ (229.31)						
Profit Margin	-4.28%	6.33%	-1.26%	4.26%	-100.00%						

<b>BEP</b>	<b>\$ 6.27</b>	<b>\$ 8.46</b>	<b>\$ 3.39</b>	<b>\$ 40.28</b>	<b>#DIV/0!</b>						
Net Return \$50/A	\$ 7.04	\$ 9.60	\$ 3.67	\$ 42.07	#DIV/0!						
Net Return \$100/A	\$ 7.81	\$ 10.74	\$ 3.95	\$ 43.86	#DIV/0!						
Net Return \$150/A	\$ 8.58	\$ 11.87	\$ 4.23	\$ 45.64	#DIV/0!						
Net Return \$200/A	\$ 9.35	\$ 13.01	\$ 4.50	\$ 47.43	#DIV/0!						

Developed by Randy Zimmerman, NCTC Ulen-Mahnomen

Modified by Josh Tjosaas, NCTC Moorhead

2019 PROJECTED FARM CASH FLOW BY CROP/BEP

Overhead Costs	
Fuel/Oil	\$ 28,000.00
Repairs	\$ 55,000.00
Other Labor	\$ 15,000.00
Leases	\$ 5,000.00
Real Estate Taxes	\$ 10,000.00
Farm Insurance	\$ 7,500.00
Utilities	\$ 4,000.00
Dues and Fees	\$ 1,950.00
Misc.	\$ 1,500.00
Operating Interest	\$ 8,500.00
Family Living	\$ 80,000.00
Other	
Other Expenses	
Principle/Int Payment	\$ 52,434.00
Other Income	\$ 35,500.00
Total Overhead Cost	\$ 150,384.00
Total Work Units	57,620
Overhead Cost per Unit	\$ 2.61

Principle payments and Interest	
1 Mach	\$ 5,684.00
2 Bin	\$ 5,250.00
3 Other Depr	\$ 41,500.00
4	
5	
6	
7	
8	
9	
10	
Total Payments	\$ 52,434.00
Payments/Acre	\$ 44.93
Other Income	
Gov Payments	\$ 17,500.00
Dividends	\$ 15,000.00
Other Income	
Non Farm Income	\$ 3,000.00
Total	\$ 35,500.00

	Work Units	OVC/U	Overhead Cost/Acre/Crop	Overhead Cost/Acre
Wheat	15000	\$ 2.61	\$ 39,148.91	\$ 78.30
Soybeans	15000	\$ 2.61	\$ 39,148.91	\$ 78.30
Corn	27500	\$ 2.61	\$ 71,773.00	\$ 143.55
Sugar Beets	120	\$ 2.61	\$ 313.19	\$ 313.19
Other Crop	0.00004	\$ 2.61	\$ 0.00	\$ 104.40
	57620.00004		\$ 150,384.00	

Land Payments/Rent		Land Payments/Rent	
land Rent	\$ 187,500.00		
Total Rent and Land Payments	\$ 187,500.00	\$	-
<b>Total Payment per Acre</b>	<b>\$ 124.92</b>		











January 1, 2020

# Grain Marketing

Center for Farm Financial Management  
University of Minnesota

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

## Corn: 2020 Pre-Harvest Marketing Plan

by Edward Usset

Expected 2020 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 \$3.75 cash price (\$4.25 Dec. futures) using forward contract/futures hedge/futures fixed contract.
- Price 10,000 bushels at \$4.05c/\$4.55f, or by April 7, pricing tool to-be-determined (“tbd”).
- Price 15,000 bushels at \$4.35c/\$4.85f, or by May 7, pricing tool tbd.
- Price 10,000 bushels at \$4.65c/\$5.15f, or by May 21, pricing tool tbd.
- Price 15,000 bushels at \$4.95c/\$5.45f, or by June 5, pricing tool tbd.
- Price the last 10,000 bushels at \$5.25c/\$5.75f, or by June 19, pricing tool tbd.

Plan starts on January 1, 2020. 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 \$3.75 local cash price/\$4.25 December futures.

Exit all options positions by mid-September, 2020.



# Grain Marketing

Center for Farm Financial Management  
University of Minnesota

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

**Revised June 15 and published in CSD July 8, 2020**

<https://www.farmprogress.com/commentary/adapt-your-plan-changing-market>

## **Corn: 2020 Pre-Harvest Marketing Plan (revised June 15, published July 8)**

by Edward Usset

Expected 2020 production: 100,000 bushels

Objective: Buy crop insurance to protect my production risk and have **60%** of my anticipated corn crop (based on APH) priced by mid-June.

- **Price 20,000 bushels at \$3.10 cash price (\$3.60 Dec. futures), pricing tool tbd**
- **Price 20,000 bushels at \$3.30c/3.80f, pricing tool tbd**
- **Price 20,000 bushels at \$3.50c/4.00f, pricing tool tbd**

Ignore decision dates and make no sale if prices are lower than **\$3.10** local cash price/**\$3.60** December futures.

Exit all options positions by mid-September, 2020.



September 8, 2020

# Grain Marketing

Center for Farm Financial Management  
University of Minnesota

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

## Corn: 2020 Pre-Harvest Marketing Plan (revised June 15, published July 8) by Edward Usset

Expected 2020 production: 100,000 bushels

Objective: Buy crop insurance to protect my production risk and have **60%** of my anticipated corn crop (based on APH) priced by mid-June.

- **Price 20,000 bushels at \$3.10 cash price (\$3.60 Dec. futures), pricing tool tbd**  
Dec'20 futures sale September 8, 2020 @ \$3.61<sup>3</sup>/<sub>4</sub>
- **Price 20,000 bushels at \$3.30c/3.80f, pricing tool tbd**
- **Price 20,000 bushels at \$3.50c/4.00f, pricing tool tbd**

Ignore decision dates and make no sale if prices are lower than **\$3.10** local cash price/**\$3.60** December futures.

Exit all options positions by mid-September, 2020.



September 1, 2020

# Grain Marketing

Center for Farm Financial Management  
University of Minnesota  
[www.cffm.umn.edu/grain](http://www.cffm.umn.edu/grain)

## Corn: Execution of the 2020 Pre-Harvest Marketing Plan by Ed Usset

September 1, 2020: In mid-June, I penned a column (published July 8) for Corn & Soybean Digest titled, "Revising my marketing plan" <https://www.farmprogress.com/commentary/adapt-your-plan-changing-market> In it I presented a revised pre-harvest marketing plan for corn with lower minimum prices - \$3.60 Dec'20 corn futures. Market prices promptly rallied above \$3.60, but I had not yet posted my changes for all to see. I don't allow myself to take action if my plan was not posted.

Time to get it posted. Dec'20 futures are near the \$3.60 mark again and I will not miss a second chance.

September 8, 2020: Dec'20 futures bottomed at \$3.20 in early August. Today was the first close above \$3.60 since the early-July rally and a good time to get started on pricing 2020 crop. I'll sell four contracts of Dec'20 futures at \$3.61<sup>3</sup>/<sub>4</sub> to price 20,000 bushels of new crop corn.

2020 status: I am 20% sold with Dec'20 futures at \$3.61<sup>3</sup>/<sub>4</sub>, or a cash price at harvest of about \$3.10.



August 21, 2020

# Grain Marketing

Center for Farm Financial Management

University of Minnesota

[www.cffm.umn.edu/grain](http://www.cffm.umn.edu/grain)

## Spring Wheat: 2020 Post-Harvest Marketing Plan

by Ed Usset

2020 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, 2021.

- 5,000 bushels: Storage limitations. Sell at harvest for \$4.95/bu.
- 15,000 bushels: Place wheat in storage sell the carry with the Mar'21 futures contract. Harvest price is \$4.95/bu., or 20 cents under the Sep'20 contract (\$5.15), and 45 under the Mar'21 contract (\$5.40). Basis will narrow in the months ahead, possibly to option price the March contract by year-end. Net result if I reach option price?  $\$5.40 + (-0.00) = \$5.40/\text{bu}$ . Exit plan: Unwind the hedge when the cash basis reaches option price the March contract or by February 25.
- 10,000 bushels: place in storage and wait for better prices. Sell 4,000 bushels when the cash price reaches \$5.60, 3,000 at \$5.70 and the last 3,000 at \$5.80. Old crop sales will be completed by the end of April.



# Grain Marketing

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University of Minnesota

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August 21, 2020

## Spring Wheat: Execution of the 2020 Post-Harvest Marketing Plan

by Ed Usset

August 21 2020: The story in 2020 has been a virtual repeat of 2019. Harvest is here and, like last year, not get a single pre-harvest sale made. Carries are large (again) so I need to sell the carry on some bushels. But prices are low and the wheat market is overdue for a nice price rally – I will take a shot with some unpriced wheat in storage.

### Summary of the 2020 Wheat Crop:

5,000 bushels	\$4.95
15,000 bushels	???
4,000 bushels	???
3,000 bushels	???
3,000 bushels	<u>???</u>
Final average price for 2020 wheat	

## DAILY COMMENTARY

Grain futures opened higher today ahead of tomorrow's September USDA report. The majority of today's session was focused on position setting and profit taking ahead of tomorrow's release. A breakdown of report expectations can be found in the grain comments below. Overall, the trade continues to focus on the expected decline of corn and soybean production. Wheat should have a relatively quiet report as final crop numbers will be released in the stock report on September 30th.

An export sale of 195,00 MT of soybeans to China for 2020/21 was announced this morning. Demand adjustments could lead to a bullish surprise tomorrow if they adjust exports higher again this month. Remember, the USDA increased exports to all three major crops in the August report. It will depend on how the USDA is viewing recent activity. New crop export demand has been strong and the USDA could move exports higher. However, they may also wait to make adjustments until they surpass current estimates. Weekly export sales will be released tomorrow due to the holiday.

There were several other headlines circulating today that helped support grain and livestock futures. First, it was announced overnight that Germany reported its first ever case of African Swine Fever in a wild boar. This sent hog prices limit up this morning. Quarantine measures have been put in place for commercial facilities to control the spread. Corn harvest in the region will likely be delayed to limit wild boar movement as they typically hide in the standing corn. Germany is currently the largest pork producer in the EU. There is already talk that China and Japan will halt exports due to the reported case.

Helping US demand, there were rumors today of China buying US corn and soybeans. The trade is hoping to see these sales announcements tomorrow morning. The rumor followed China's announcements to increase the country's reserves of food and energy products. Starting in 2021, they will supposedly start buying large amounts of crude, materials and agricultural products to alleviate any future supply disruptions. Hopefully, this will aid in China's fulfillment of the Phase 1 deal.

The Brazilian crop agency, Conab, did raise its estimates for corn and soybean production in Brazil for the 2019/2020 growing season. While the crop remains large, the country's internal grain prices remain historically high. There was talk today that Brazil might temporarily eliminate import tax to help lower prices. This hints to potential US imports.

## **CORN COMMENTARY**

Corn futures found support this morning on possible positive demand in ethanol. This week's ethanol production report was released today due to Monday's holiday. Corn used in last week's production is estimated at 52.74 million bushels. Note, this is a short week with only four days counting towards the start of the next marketing year. This makes it not a true weekly number. Ethanol production was up 2% from last week while stocks fell over 4%. The ethanol industry also received supportive news yesterday as President Trump will likely deny gap-year biofuel blending waivers for 58 small refineries across the country. This would eliminate demand hurdles for those in the industry that depend on refineries to purchase their fuel additive to



blend into petroleum-based fuel products.

We do have some producers locking in some March 2021 sales. Some areas are seeing some good basis improvement including ethanol plants to make this a good option. Going out to March, we have seen cash sales near \$3.50 in the valley.

The trade is also finalizing positions ahead of tomorrow's monthly report. The average trade estimate for 2020/21 corn production is 14,891 million bushels versus the USDA August 2020/21 estimate of 15,278 million bushels. The average yield estimate is 178.3 BPA versus 181.8 in August. Ending stocks for the new year are also expected to be down slightly from August. World stocks are also expected to decrease slightly. Remember, this is the first monthly report to include field and farmer surveys.

December corn closed at \$3.65, up 4 cents.

## **SOYBEAN COMMENTARY**

Soybeans saw two sided trade today ahead of tomorrow's report. Average estimates expect 2020/21 soybean production at 4,282 million bushels versus 4,425 in August. Soybean yield estimates are also lower than the August report with average estimates at 51.8 BPA versus 53.3 in August. Both US and world ending stocks are also expected to slightly decrease.

Ahead of tomorrow's report, we are comfortable taking some risk off of new crop basis contracts by locking in futures. **We are recommending moving to**

**50% cash sold**, with harvest basis locked, we are happy selling some here into this rally. If you want to renoun some of those bushels; 60 cent near the money call spreads are currently trading near 14 cents. That is a good opportunity cost for upside.

A month ago we bought puts under soybeans and sold calls (and quickly covered half of them as the market started to turn). We are ok with leaving those for now. There is still a recommendation of 20% short calls. We recommend closing those with these sales. If you want to gamble; you can let them ride through the report.

Remember as many of us want to get bullish/greedy (we do); the market has given us \$1.50 rally since June and \$1.10 in the past month! Don't let greed stop prudent sales.

November soybean futures settled at \$9.77, down a penny.

## **WHEAT COMMENTARY**

Wheat futures opened higher this morning. Tomorrow's report isn't expected to show much change from the August report. However, USDA could increase Australia, Canada and Black Sea wheat crops. This is causing the trade to expect a slight increase to carryout.

Wheat markets continue to find support from durns adding to their net long positions and higher prices for Black Sea and French wheat. Black Sea wheat continues to trade higher making new season highs. The US Dollar is also

retracing some of its recent gains today. There are also growing concerns for planting in Ukraine as conditions remain dry.

December Chicago wheat finished up 4 cents at \$5.48; December Kansas City closed at \$4.74, up 3 cents; December Minneapolis settled up less than a penny at \$5.36.

### Cenex Fieldmaster Diesel Transport Price

