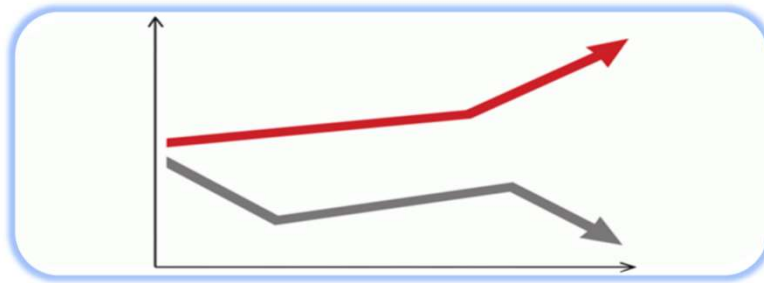


Third Thursday: 2021-22 Crop Marketing Series



Ed Kordick
Farmer Education Program Manager
ekordick@ifbf.org
www.iowafarmbureau.com

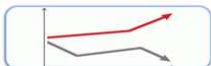


3

Third Thursday: 2021-22 Crop Marketing Series

Each webinar will include:

1. Educational topic from “Five Common Mistakes in Grain Marketing”
2. Corn and soybean market update (futures, cash, basis)
3. 2021-22 Iowa Commodity Challenge marketing plan update



4

Third Thursday: 2021-22 Crop Marketing Series

Live at 1:00 pm, also recorded for later viewing

- Nov. 18, 2021: Thinking you avoid storage costs when you sell grain and buy a call
- Dec. 16, 2021: Failure to understand and track your basis
- Jan. 20, 2022: The reluctance towards pre-harvest pricing
- Feb. 17, 2022: Lack of an exit strategy
- March 17, 2022: Holding grain in storage too long
- April 21, 2022: Five Common Mistakes in Grain Marketing: Wrap-up with Ed Usset.



7

ABOUT THE DATA...

Data and methodology...

- ✓ Iowa average corn and soy prices, 1989-2021
- ✓ Monthly prices: USDA/NASS
- ✓ Look for strong tendencies (nothing is 100%)
- ✓ Consider large differences (>10%)

8

A DIFFERENT APPROACH TO MARKETING

What is a Marketing Plan?

A marketing plan is a **proactive strategy** to price your grain that considers your financial goals, cash flow needs, price objectives, storage capacity, crop insurance coverage, anticipated production, and appetite for risk

Proactive, not reactive, not overactive



...and not inactive

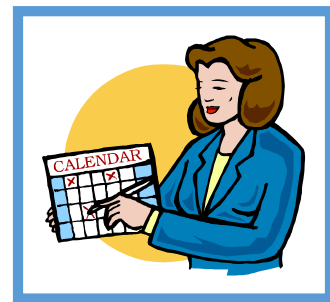
Barney Binless

Barney has no marketing plan, no storage and no interest in early pricing. He is our benchmark. His price is the harvest price each year.

MISTAKE #1: THE RELUCTANCE TOWARDS PRE-HARVEST PRICING

Are there any seasonal tendencies in futures prices that would favor pre-harvest pricing?

Terry Timer



Terry knows that seasonal highs in new crop futures often occur in the spring. For corn and soybeans, she prices 20% increments, March-June. Prices must be above production costs.

Terry Timer



Minimum prices in 2021...

- ✓ Corn **\$4.25** December futures
- ✓ Soybeans **\$9.75** November Futures



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Terry Timer



Minimum prices in **2022**...

- ✓ Corn **\$4.60** December futures
- ✓ Soybeans **\$10.50** November Futures



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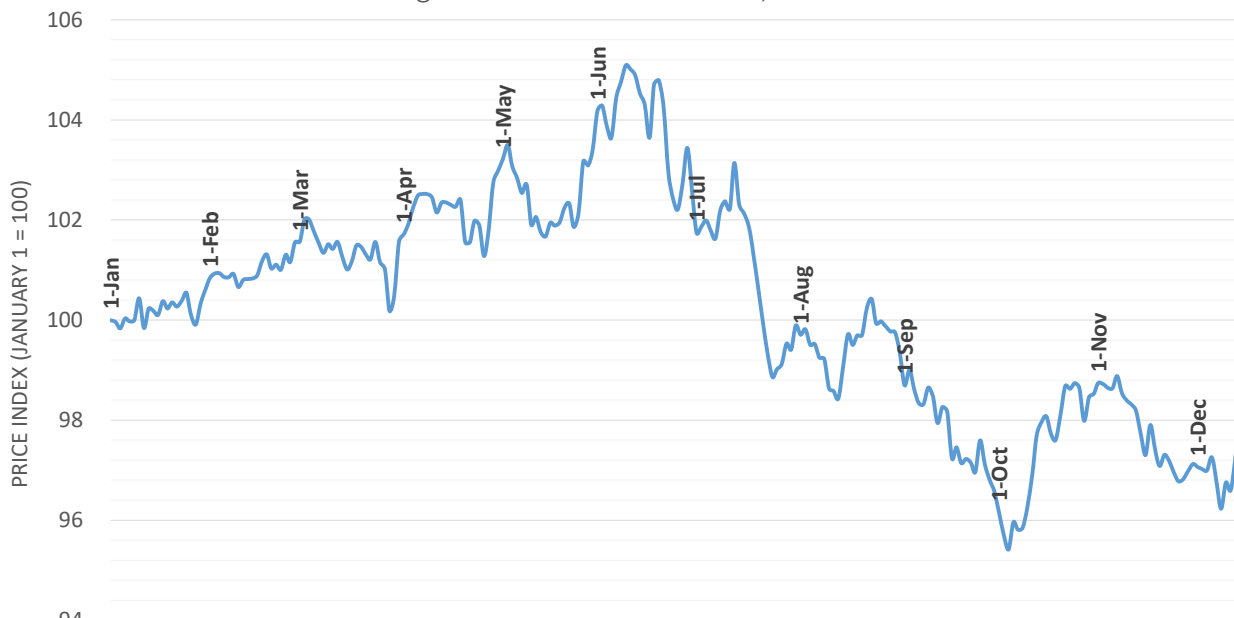
CBOT DECEMBER CORN FUTURES, 2000-2021

- ✓ 16 years (73%) the market declined
- ✓ 6 years (27%) the market improved

Year	1-May	1-Oct	Change
2000	2.62	1.99	(0.63)
2001	2.27	2.11	(0.16)
2002	2.20	2.56	0.36
2003	2.33	2.20	(0.13)
2004	3.17	2.06	(1.11)
2005	2.27	2.06	(0.21)
2006	2.72	2.68	(0.04)
2007	3.79	3.69	(0.10)
2008	6.32	4.84	(1.48)
2009	4.33	3.41	(0.93)
2010	3.92	4.66	0.74
2011	6.61	5.93	(0.69)
2012	5.39	7.57	2.18
2013	5.51	4.39	(1.12)
2014	5.00	3.21	(1.78)
2015	3.80	3.89	0.09
2016	3.97	3.37	(0.60)
2017	3.95	3.52	(0.43)
2018	4.20	3.66	(0.54)
2019	3.86	3.93	0.06
2020	3.37	3.83	0.46
2021	5.64	5.42	(0.22)
Average	3.96	3.68	(0.29)

15

Chicago December Corn Futures, 2000-2021



16

CBOT NOVEMBER SOYBEAN FUTURES, 2000-2021

- ✓ 13 years (59%) the market declined
- ✓ 9 years (41%) the market improved

Year	1-May	1-Oct	Change
2000	5.80	4.90	(0.90)
2001	4.34	4.52	0.18
2002	4.56	5.42	0.86
2003	5.53	6.87	1.34
2004	7.45	5.35	(2.10)
2005	6.22	5.73	(0.49)
2006	6.26	5.45	(0.81)
2007	7.84	9.92	2.08
2008	11.93	10.53	(1.40)
2009	9.71	9.18	(0.53)
2010	9.76	10.57	0.81
2011	13.74	11.79	(1.95)
2012	13.93	15.60	1.68
2013	12.09	12.68	0.59
2014	12.26	9.17	(3.09)
2015	9.41	8.77	(0.64)
2016	10.18	9.54	(0.64)
2017	9.65	9.57	(0.07)
2018	10.51	8.58	(1.93)
2019	8.73	9.20	0.47
2020	8.55	10.24	1.69
2021	13.40	12.47	(0.93)
average	9.17	8.91	(0.26)

PRICING TARGETS

Choose your **minimum*** price threshold

Soybeans show the need for a minimum price!

CBOT NOVEMBER SOYBEAN FUTURES, 2000-2021

- ✓ Soybeans needs a minimum price!
- ✓ Exclude 4 years when the selling price on May 1 was less than production costs.

Year	1-May	1-Oct	Change
2000	5.80	4.90	(0.90)
2001	4.34	4.52	0.18
2002	4.56	5.42	0.86
2003	5.53	6.87	1.34
2004	7.45	5.35	(2.10)
2005	6.22	5.73	(0.49)
2006	6.26	5.45	(0.81)
2007	7.84	9.92	2.08
2008	11.93	10.53	(1.40)
2009	9.71	9.18	(0.53)
2010	9.76	10.57	0.81
2011	13.74	11.79	(1.95)
2012	13.93	15.60	1.68
2013	12.09	12.68	0.59
2014	12.26	9.17	(3.09)
2015	9.41	8.77	(0.64)
2016	10.18	9.54	(0.64)
2017	9.65	9.57	(0.07)
2018	10.51	8.58	(1.93)
2019	8.73	9.20	0.47
2020	8.55	10.24	1.69
2021	13.40	12.47	(0.93)
average	9.78	9.29	(0.49)

CBOT NOVEMBER SOYBEAN FUTURES, 2000-2021



- ✓ 13 years (72%) the market declined
- ✓ 5 years (28%) the market improved

Year	1-May	1-Oct	Change
2000	5.80	4.90	(0.90)
2001	4.34		
2002	4.56		
2003	5.53	6.87	1.34
2004	7.45	5.35	(2.10)
2005	6.22	5.73	(0.49)
2006	6.26	5.45	(0.81)
2007	7.84	9.92	2.08
2008	11.93	10.53	(1.40)
2009	9.71	9.18	(0.53)
2010	9.76	10.57	0.81
2011	13.74	11.79	(1.95)
2012	13.93	15.60	1.68
2013	12.09	12.68	0.59
2014	12.26	9.17	(3.09)
2015	9.41	8.77	(0.64)
2016	10.18	9.54	(0.64)
2017	9.65	9.57	(0.07)
2018	10.51	8.58	(1.93)
2019	8.73		
2020	8.55		
2021	13.40	12.47	(0.93)
average	9.78	9.29	(0.49)



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IOWA AVERAGE CORN PRICES, 1989-2021

25 "active" years			
	Terry	Barney	Terry's advantage
corn	3.24	3.04	0.20
years >Barney	20		
years >10%	13	3	

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IOWA AVERAGE SOYBEAN PRICES, 1989-2021

26 "active" years			
	Terry	Barney	Terry's advantage
soybeans	7.88	7.44	0.44
years >Barney	16		
years >10%	11	4	

Common Roadblocks to Risk Management Before Harvest

- **Bushels are not certain.**

- What if I sell and I don't raise enough bushels?

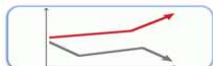
Revenue Protection crop insurance is an answer – provides money to fulfill marketing plan.



- **Seller's remorse**

- What if I sell and the price goes higher?

Plan can include scale-in sales, minimum price tools using options or contracts.





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.



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October 4, 2021

Grain Marketing

Center for Farm Financial Management
University of Minnesota

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

Soybeans: 2022 Pre-Harvest Marketing Plan

by Ed Usset

Expected 2022 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 \$9.75 cash price (\$10.50 Nov futures) using forward contract/futures hedge/futures fixed contract.
- Price 5,000 bushels at \$10.50c/\$11.25f, or by April 14, pricing tool to-be-determined (tbd).
- Price 5,000 bushels at \$11.25c/\$12.00f, or by May 17, pricing tool tbd.
- Price 5,000 bushels at \$12.00c/\$12.75f, or by June 14, pricing tool tbd.

Plan starts on January 1, 2022. Earlier sales may be made at a 75-cent premium and would be limited to 10,000 bushels.

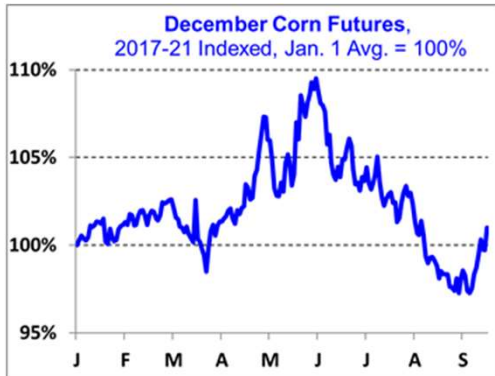
Ignore decision dates and make no sale if prices are lower than \$9.50 local cash price/\$10.25 November futures.

Exit all options positions by mid-September 2022.

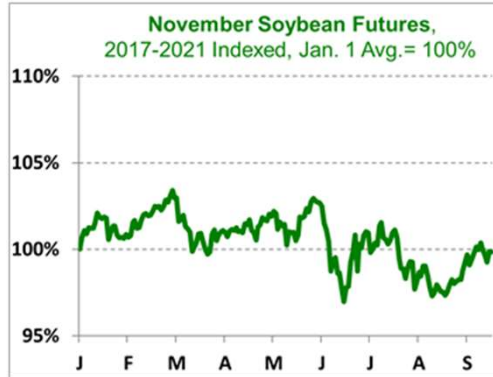


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Get Ready to Manage 2022 Crop Price Risk



Every farm operation has unique financial risk bearing ability -- still there is a consistent need to plan risk management for unpredictable markets



Price goals are great especially if they achieve revenue goals. But what if those price goals are never achieved? Incorporating deadline dates into the plan is worth attention.



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Get Ready to Manage 2022 Crop Price Risk

What are the opportunities right now versus costs of production estimates?
OR
Is price above Terry's minimum price?

ISU Cost Estimates

2022 corn \$3.96 (198 bpa target yield)
includes adjustments in fertilizer rates

2022 beans \$10.09 (57 bpa target yield)

Terry Timer

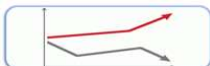


Minimum prices in **2022...**

✓ Corn **\$4.60** December futures

✓ Soybeans **\$10.50** November Futures

Source: ISU Extension and Outreach



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Get Ready to Manage 2022 Crop Price Risk

Estimated Costs of Crop Production in Iowa—2022

Ag Decision Maker

File A1-20

Estimated Costs of Crop Production in Iowa—2022

Page 3

Corn Following Soybeans

	178 bushels per acre		198 bushels per acre		218 bushels per acre		Your Estimate
	Fixed	Variable	Fixed	Variable	Fixed	Variable	
Preharvest Machinery ¹	\$21.00	\$18.40	\$21.00	\$18.40	\$21.00	\$18.40	\$
Seed, Chemical, etc.	Units		Units		Units		
Seed @ \$3.56 per 1000 kernels	28,000	\$99.68	30,000	\$106.80	35,000	\$124.60	\$
Nitrogen @ \$0.72 per pound	114	82.08	124	89.28	135	97.20	
Phosphate @ \$0.62 per pound	67	41.54	74	45.88	82	50.84	
Potash @ \$0.56 per pound	53	29.68	59	33.04	65	36.40	
Lime (yearly cost)		8.60		8.60		8.60	
Herbicide		39.40		39.40		39.40	
Crop insurance		14.90		16.40		17.70	
Miscellaneous		9.90		11.00		12.10	
Interest on preharvest variable costs (8 months @ 5.5%)		12.62		13.52		14.86	
Total		\$338.40		\$363.93		\$401.70	\$
Harvest Machinery							
Combine	\$14.00	\$7.10	\$14.00	\$7.10	\$14.00	\$7.10	\$

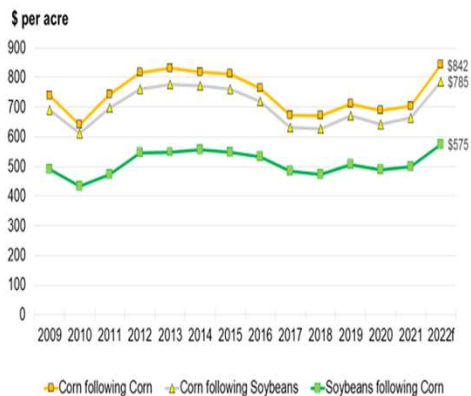
<https://www.extension.iastate.edu/agdm/crops/pdf/a1-20.pdf>

Source: ISU Extension and Outreach

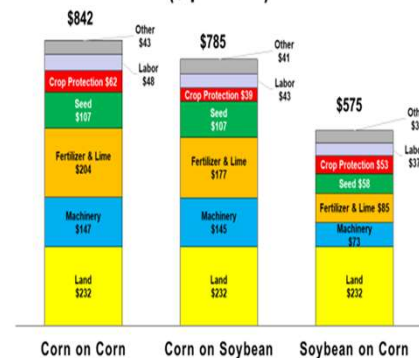
30

Get Ready to Manage 2022 Crop Price Risk

Costs of Crop Production in Iowa



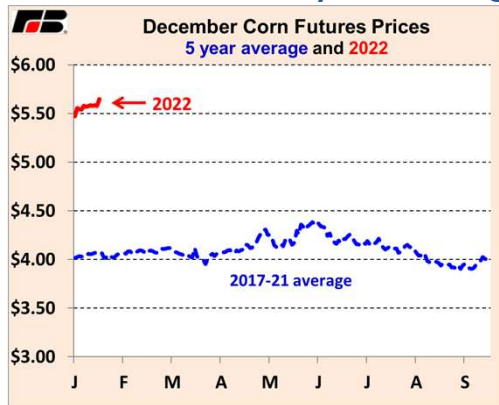
Costs of Crop Production in Iowa – 2022 (\$ per acre)



Source: ISU Extension and Outreach

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Get Ready to Manage 2022 Crop Price Risk



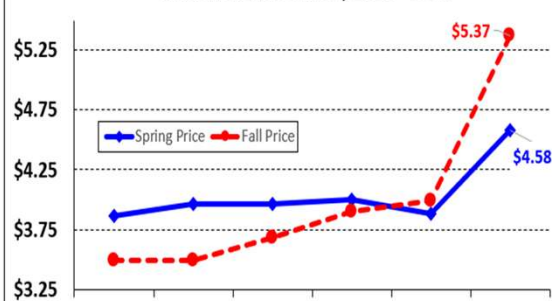
2022 December corn is starting off the calendar year much higher than the past 5-year average



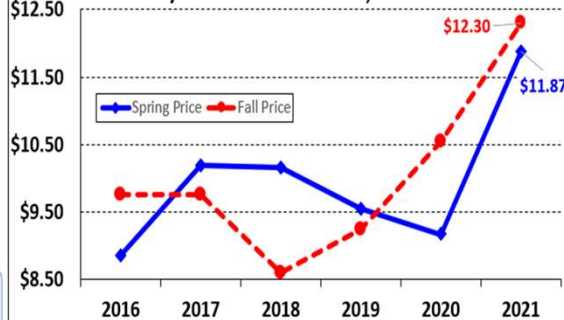
2022 November soybean futures are also starting off the calendar year much higher than the past 5-year average

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Corn Insurance Prices, 2016 - 2021



Soybean Insurance Prices, 2016 - 2021



Get Ready to Manage 2022 Crop Price Risk

Spring crop insurance prices will be determined in February.

1/19/22 December corn futures prices was \$5.65

If that level was the Feb. 2022 average, it would be the highest spring price since 2013.

1/19/22 November soybean futures price was \$13.05.

If that level was the Feb. 2022 average, it would be the highest spring price since 2011.

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Get Ready to Manage 2022 Crop Price Risk

Last year's prices in corn and soybean markets can lead to caution in selling crops prior to harvest.

Don't fall prey to the "availability bias". Human decision making tends to give more weight to memories that are easily recalled (happened recently or vividness) and this can lead to discounting more logical choices.

The emotion of "missing the boat" of higher prices should be balanced with the prudent need for marketing from a revenue standpoint.



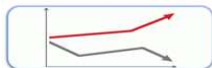
34

Get Ready to Manage 2022 Crop Price Risk

A marketing plan using incremental sales and deadline dates could start like the example below:

Example 2020 New Crop Marketing Plan

- Sell 5,000 corn bushels at new crop bid of \$5.10 or by April 15.
- Sell 5,000 corn bushels at new crop bid of \$5.30 or by May 15.
- Sell 5,000 corn bushels at new crop bid of \$5.50 or by June 15.
-



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Third Thursday: 2021-22 Crop Marketing Series

The reluctance towards pre-harvest pricing

Summary Points:

- A pre-determined marketing plan, done when not affected by market emotions, is key.
- Seasonal timing is worth consideration for a portion of production.
- Deadline dates offer discipline.
- Very high production costs result in more risk.



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MARKETING IS NOT EASY!

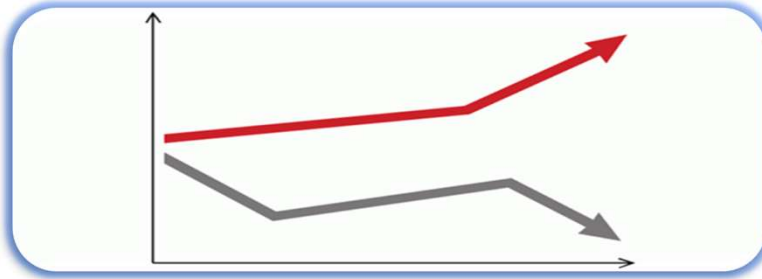
An approach that works **over** time is
not guaranteed to work **every** time.

MARKETING WILL NEVER BE EASY!

Nothing is 100%

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2021 Crop Corn and Soybean Market Update: Futures, Cash, Basis



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Weekly Tracking Table (Old Crop)

Corn Location: Bondurant

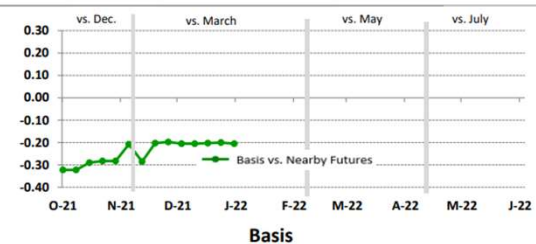
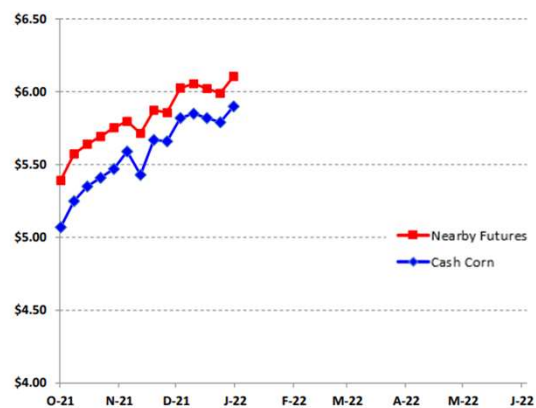
Date	Spot Cash Price	NEARBY Futures Price	BASIS	March Cash Contract	March Contract Basis	March Futures Price	May Futures Price	July Futures Price
10/20/21	5.07	5.39 Dec	-0.32	5.22	-0.26	5.48	5.52	5.52
10/27/21	5.25	5.57 Dec	-0.32	5.38	-0.28	5.66	5.70	5.70
11/03/21	5.35	5.64 Dec	-0.29	5.48	-0.24	5.72	5.77	5.77
11/10/21	5.41	5.69 Dec	-0.28	5.57	-0.22	5.79	5.84	5.85
11/17/21	5.47	5.75 Dec	-0.28	5.59	-0.23	5.82	5.86	5.87
11/24/21	5.59	5.80 Dec	-0.21	5.69	-0.17	5.86	5.90	5.91
12/01/21	5.43	5.72 Mar	-0.29	5.48	-0.23	5.72	5.73	5.74
12/08/21	5.67	5.87 Mar	-0.20	5.67	-0.20	5.87	5.89	5.89
12/15/21	5.66	5.86 Mar	-0.20	5.66	-0.20	5.86	5.87	5.87
12/22/21	5.82	6.03 Mar	-0.21	5.82	-0.21	6.03	6.04	6.03
12/29/21	5.85	6.06 Mar	-0.21	5.85	-0.21	6.06	6.07	6.05
01/05/22	5.82	6.02 Mar	-0.20	5.82	-0.20	6.02	6.03	6.00
01/12/22	5.79	5.99 Mar	-0.20	5.79	-0.20	5.99	6.01	5.98
01/19/22	5.90	6.11 Mar	-0.21	5.90	-0.21	6.11	6.11	6.07
01/26/22		Mar						
02/02/22		Mar						

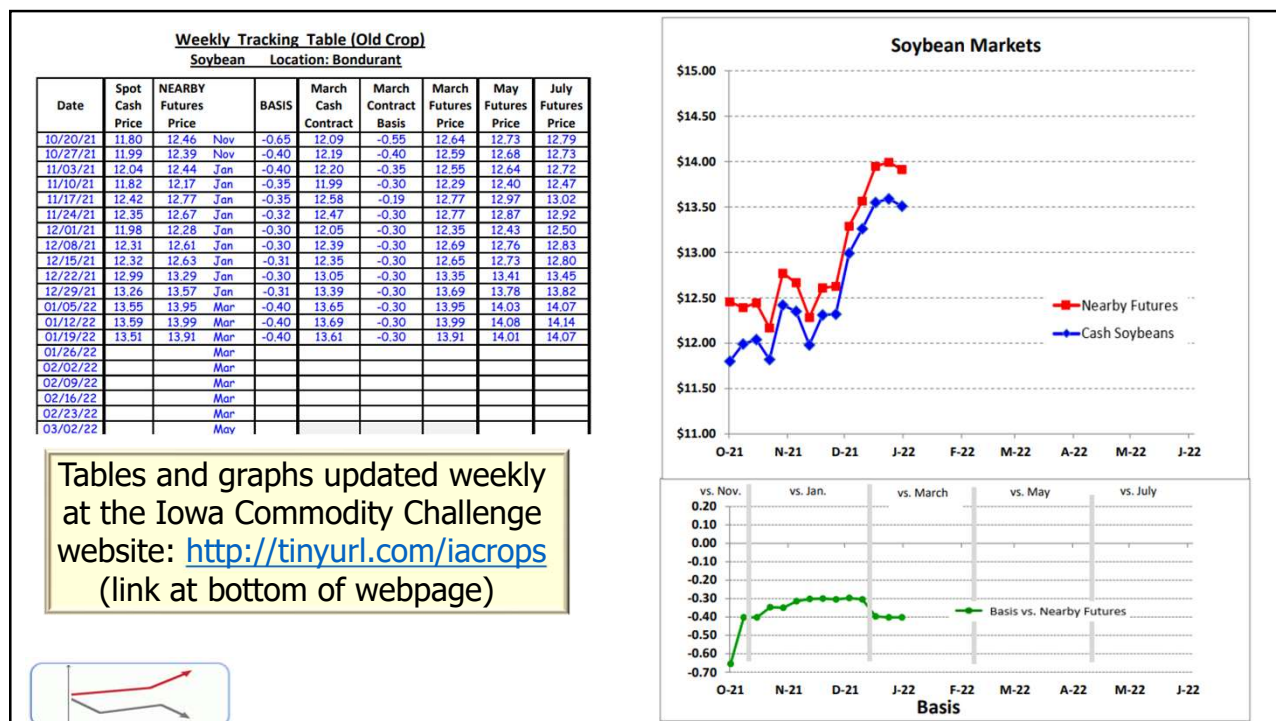
Tables and graphs updated weekly at the Iowa Commodity Challenge website: <http://tinyurl.com/iacrops> (link at bottom of webpage)



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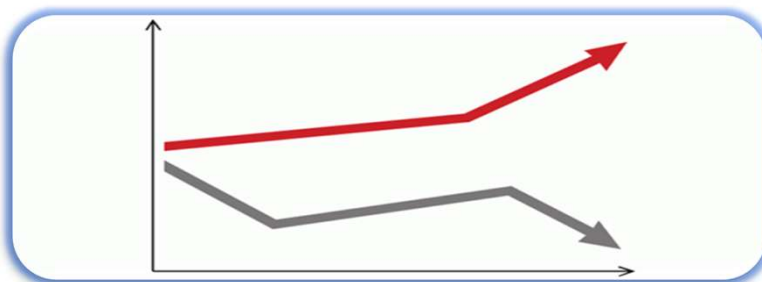
Corn Markets





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Example 2021-22 Crop Marketing Plans



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2021-22 Iowa Commodity Challenge: Example Marketing Plans

2021-22 Corn Marketing Plan

Diverse Marketer (+10% vs. harvest cash)

Details: 75,000 corn bushels from the 2021 crop harvested on October 20, 2021
Must be marketed by ~~June 15, 2022~~ March 16, 2022

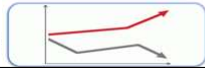
- October 20: Sold 30,000 bushels cash corn at the market: \$5.00
- October 20: Sold 15,000 bushels cash corn at the market: \$5.00
Bought 3 July corn futures contracts at \$5.45; Goal: \$5.96 (+10%) or ~~June 1~~ March 16.
~~11/24/21 Sold 3 July corn futures contracts at \$5.96~~
- October 20: Sold 15,000 bushels cash corn at the market: \$5.00
Bought 3 July \$5.50 corn call options at \$0.41 premium; Goal \$0.92 (+10%) or ~~June 1~~ March 16.
- October 20: Store 15,000 bushels cash corn; Goal: +10% vs. harvest cash or ~~June 1~~ March 16. (see "Crop Storer" schedule)
~~11/1/21 Sold 15,000 bu. @ \$5.53 for 50 cent margin~~

2021-22 Soybean Marketing Plan

Diverse Marketer (+10% vs. harvest cash)

Details: 25,000 soybean bushels from the 2021 crop harvested on October 20, 2021
Must be marketed by ~~June 15, 2022~~ March 16, 2022

- October 20: Sold 10,000 bushels cash soybeans at the market: \$11.76
- October 20: Sold 5,000 bushels cash soybeans at the market: \$11.76
Bought 1 July soybean futures contract at \$12.73; Goal: \$13.91 (+10%) or ~~June 1~~ March 16.
~~12/28/21 Sold 1 July soybean futures contract at \$13.91~~
- October 20: Sold 5,000 bushels cash soybeans at the market: \$11.76
Bought 1 July \$12.80 soybean call option at \$0.72 premium; Goal \$1.91 (+10%) or ~~June 1~~ March 16.
- October 20: Store 5,000 bushels cash soybeans; Goal: +10% vs. harvest cash or ~~June 1~~ March 16. ("Crop Storer" schedule) ~~12/26/21 Sold 5,000 bu. @ \$13.08 for 52 cent margin.~~



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2021-22 Iowa Commodity Challenge: Example Marketing Plans

2021-22 Corn Marketing Plan

Crop Storer (+10% vs. harvest cash)

Details: 75,000 corn bushels from the 2021 crop harvested on October 20, 2021
Must be marketed by ~~June 15, 2022~~ March 16, 2022

- October 20: Store 75,000 bushels cash corn; Goal: Sell at 50¢ gain above storage or ~~June 1~~ March 16.

	Harvest Cash	+	Gain Goal	+	Storage	=	Price goal
November	\$5.00	+	0.50	+	0.03	=	\$5.53
December	\$5.00	+	0.50	+	0.06	=	\$5.56
January	\$5.00	+	0.50	+	0.09	=	\$5.59
February	\$5.00	+	0.50	+	0.12	=	\$5.62
March	\$5.00	+	0.50	+	0.15	=	\$5.65
April	\$5.00	+	0.50	+	0.18	=	\$5.68
May	\$5.00	+	0.50	+	0.21	=	\$5.71

~~11/1/21 Sold 75,000 bu.
@ \$5.53 for 50¢ margin~~

$$*($5.00 [\text{harvest cash}] + 0.50 [\text{gain}] + .21 [7 \text{ months at } 3\text{c}] = \$5.71$$

2021-22 Soybean Marketing Plan

Crop Storer (+10% vs. harvest cash)

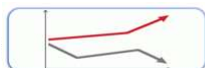
Details: 25,000 soybean bushels from the 2021 crop harvested on October 20, 2021
Must be marketed by ~~June 15, 2022~~ March 16, 2022

- October 20: Store 25,000 bushels cash soybeans; Goal: Sell at \$1.18¢ gain above storage or ~~June 1~~ March 16.

	Harvest Cash	+	Gain Goal	+	Storage	=	Price goal
November	\$11.76	+	1.18	+	0.06	=	\$13.00
December	\$11.76	+	1.18	+	0.12	=	\$13.06
January	\$11.76	+	1.18	+	0.18	=	\$13.12
February	\$11.76	+	1.18	+	0.24	=	\$13.18
March	\$11.76	+	1.18	+	0.30	=	\$13.24
April	\$11.76	+	1.18	+	0.36	=	\$13.30
May	\$11.76	+	1.18	+	0.42	=	\$13.36

~~12/26/21 Sold 25,000 bu.
@ \$13.08 for 52¢ margin~~

$$*($11.76 [\text{harvest cash}] + 1.18 [\text{gain}] + .42 [7 \text{ months at } 6\text{c}] = \$13.36$$



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2021-22 Iowa Commodity Challenge: Example Marketing Plans

2021-22 Corn Marketing Plan

Futures Buyer (+10% vs. harvest cash)

Details: 75,000 corn bushels from the 2021 crop harvested on October 20, 2021
Must be marketed by ~~June 15, 2022~~ March 16, 2022

Update: 1/19/22
Cash up 90¢ at \$5.90
Futures up \$1.07 at \$6.07

- October 20: Sold 75,000 bushels cash corn at the market: **\$5.00**
Bought 15 July corn futures contracts at **\$5.45**; Goal: \$5.96 (+10%) or ~~June 1~~ March 16.
11/24/21 Sold 15 July corn futures contracts at \$5.96

2021-22 Soybean Marketing Plan

Futures Buyer (+10% vs. harvest cash)

Details: Details: 25,000 soybean bushels from the 2021 crop harvested on October 20, 2021
Must be marketed by ~~June 15, 2022~~ March 16, 2022

Update: 1/19/22
Cash up \$1.75 at \$13.51
Futures up \$1.32 at \$14.07

- October 20: Sold 25,000 bushels cash soybeans at the market: **\$11.76**
Bought 5 July soybean futures contracts at **\$12.75**; Goal: \$13.94 (+10%) or ~~June 1~~ March 16.
01/04/22 Sold 5 July soybean futures contracts at \$13.94



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2021-22 Iowa Commodity Challenge: Example Marketing Plans

2021-22 Corn Marketing Plan

Call Buyer (+10% vs. harvest cash)

Details: 75,000 corn bushels from the 2021 crop harvested on October 20, 2021
Must be marketed by ~~June 15, 2022~~ March 16, 2022

Update: 1/19/22
Cash up 90¢ at \$5.90
Option up 31¢ at 72¢

- October 20: Sold 75,000 bushels cash corn at the market: **\$5.00**
Bought 15 July \$5.50 corn call options at \$0.41 premium; Goal \$0.92 (+10%) or ~~June 1~~ March 16.

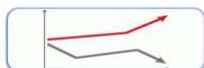
2021-22 Soybean Marketing Plan

Call Buyer (+10% vs. harvest cash)

Details: Details: 25,000 soybean bushels from the 2021 crop harvested on October 20, 2021
Must be marketed by ~~June 15, 2022~~ March 16, 2022

Update: 1/19/22
Cash up \$1.75 at \$13.51
Option up 76¢ at \$1.48

- October 20: Sold 25,000 bushels cash soybeans at the market: **\$11.77**
Bought 5 July \$12.80 soybean call options at \$0.72 premium; Goal \$1.91 (+10%)



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2021-22 Iowa Commodity Challenge: Example Marketing Plans

2021-22 Corn Marketing Plan

Harvest Seller

Update: 1/19/22
Cash up 90¢ at \$5.90

Details: 75,000 corn bushels from the 2021 crop harvested on October 20, 2021

- October 20: Sold 75,000 bushels cash corn at the market: **\$5.00**

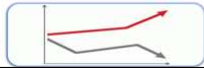
2021-22 Soybean Marketing Plan

Harvest Seller

Details: 25,000 soybean bushels from the 2021 crop harvested on October 20, 2021

- October 20: Sold 25,000 bushels cash soybeans at the market: **\$11.76**

Update: 1/19/22
Cash up \$1.75 at \$13.51



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Leaderboard

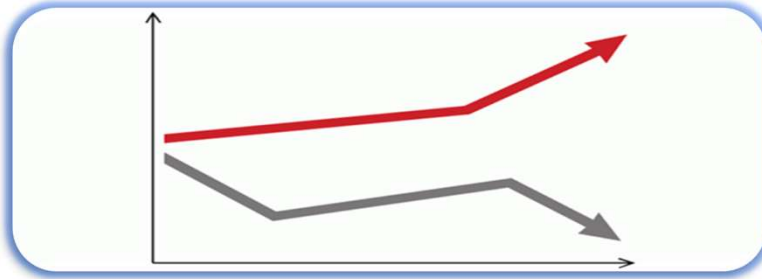
Graphical View Grid View

Player	Soybeans 10/20/2021 (per bu.)	Corn 10/20/2021 (per bu.)	Balance
	\$13.92	\$5.98	\$781,727.23
	\$13.51	\$5.91	\$780,687.50
	\$13.51	\$5.91	\$780,687.50
	\$13.51	\$5.91	\$780,687.50
	\$13.51	\$5.91	\$780,687.50
	\$13.51	\$5.91	\$780,687.50
	\$13.51	\$5.91	\$780,687.50
	\$13.51	\$5.91	\$780,687.50
	\$13.51	\$5.91	\$780,687.50
	\$13.51	\$5.91	\$780,687.50
	\$13.51	\$5.91	\$780,687.50
	\$13.51	\$5.91	\$780,687.50
	\$13.44	\$5.84	\$774,381.58
	\$13.08	\$5.87	\$767,025.00
	\$12.88	\$5.88	\$756,856.79
	\$12.80	\$5.78	\$748,873.47
Crop Storer ..	\$12.94	\$5.82	\$737,309.93
	\$12.83	\$5.81	\$736,598.54
Futures Buyer ..	\$12.93	\$5.50	\$735,939.21
	\$12.39	\$5.82	\$731,039.76
	\$12.33	\$5.68	\$725,101.93
Call Option Buyer ..	\$12.62	\$5.31	\$711,001.71
Diverse Marketer ..	\$12.38	\$5.28	\$704,088.38
Harvest Seller ..	\$11.76	\$5.00	\$698,876.71

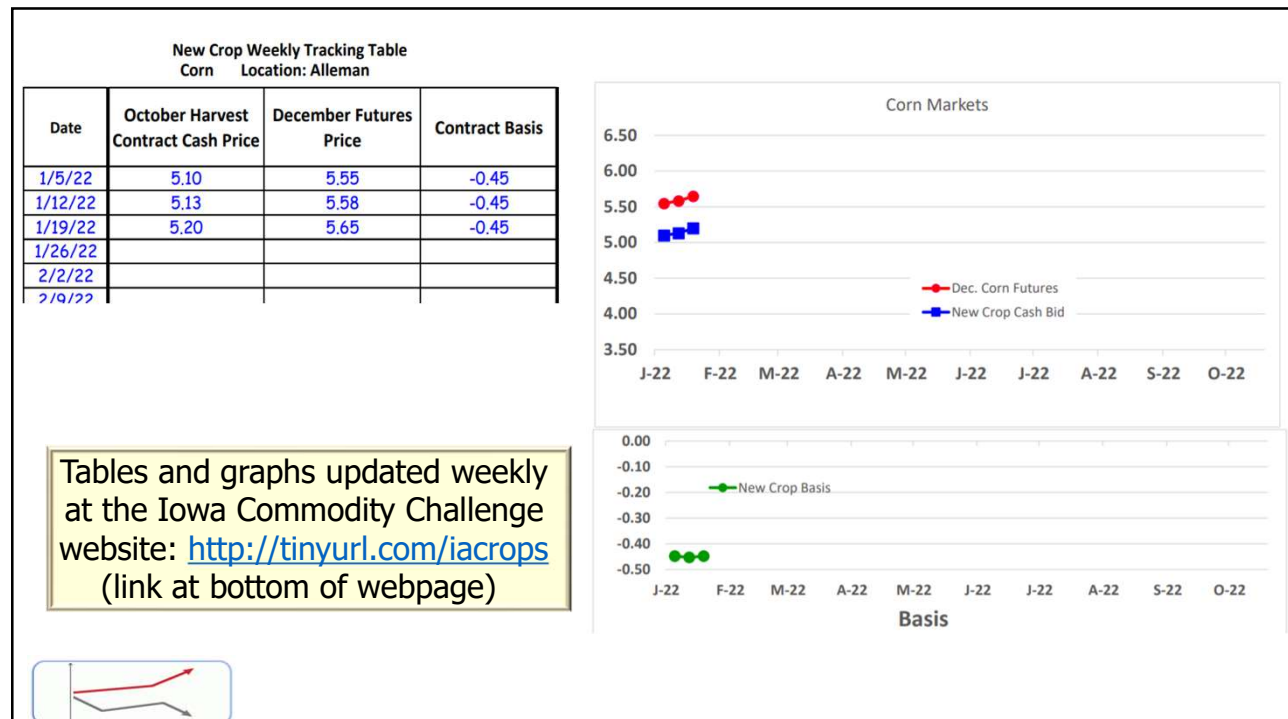


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2022 New Crop Corn and Soybean Market Update: Futures, Cash, Basis



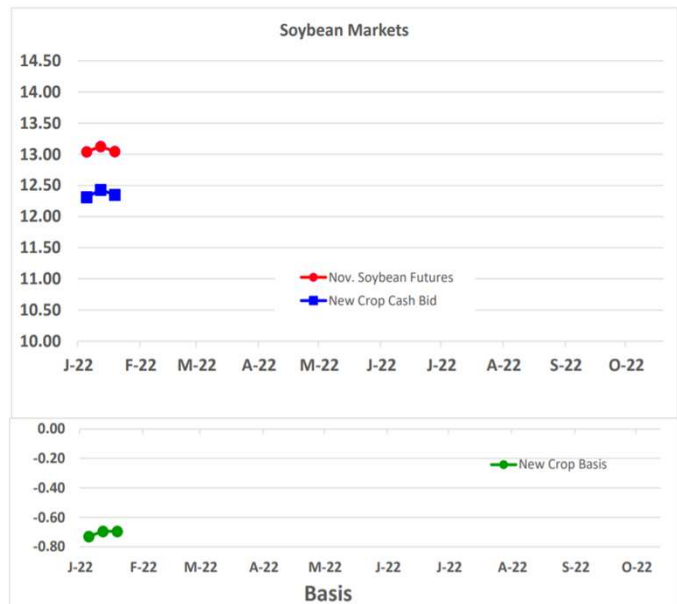
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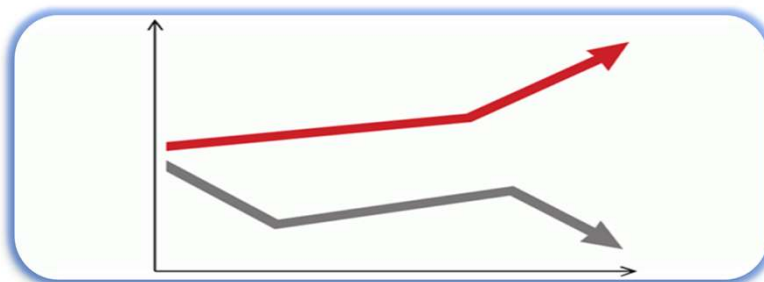
New Crop Weekly Tracking Table			
Soybeans		Location: Alleman	
Date	October Harvest Contract Cash Price	November Futures Price	Contract Basis
1/5/22	12.31	13.04	-0.73
1/12/22	12.43	13.13	-0.70
1/19/22	12.35	13.05	-0.70
1/26/22			
2/2/22			
2/9/22			

Tables and graphs updated weekly at the Iowa Commodity Challenge website: <http://tinyurl.com/iacrops> (link at bottom of webpage)



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Example 2022 New Crop Marketing Plans



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2022 New Crop Iowa Commodity Challenge: Example Marketing Plans

2022 New Crop Corn Marketing Plan

DateSeller

Details: 105,000 corn bushels to sell before 2022 harvest on October 19, 2022.

Strategy: Sell prior to harvest incrementally from March – August.

- Sell 15,000 bushels December corn futures on March 16.
- Sell 20,000 bushels December corn futures on April 13.
- Sell 20,000 bushels December corn futures on May 18.
- Sell 20,000 bushels December corn futures on June 15.
- Sell 20,000 bushels December corn futures on July 13.
- Sell 10,000 bushels December corn futures on August 17.

2022 New Crop Corn Soybean Marketing Plan

DateSeller

Details: 30,000 soybean bushels to sell before 2022 harvest on October 19, 2022.

Strategy: Sell prior to harvest incrementally from March – August.

- Sell 5,000 bushels November soybean futures on March 16.
- Sell 5,000 bushels November soybean futures on April 13.
- Sell 5,000 bushels November soybean futures on May 18.
- Sell 5,000 bushels November soybean futures on June 15.
- Sell 5,000 bushels November soybean futures on July 13.
- Sell 5,000 bushels November soybean futures on August 17.



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2022 New Crop Iowa Commodity Challenge: Example Marketing Plans

2022 New Crop Corn Marketing Plan

GoalOrDateSeller

Details: 105,000 corn bushels to sell before 2022 harvest on October 19, 2022.

Strategy: Sell prior to harvest at incrementally, predetermined prices goals OR March – August whichever comes first.

- Sell 15,000 bushels December corn futures at \$5.50 or March 16. **1/3/22 Sold 3 Dec. corn contracts at \$5.50**
- Sell 20,000 bushels December corn futures at \$5.70 or April 13.
- Sell 20,000 bushels December corn futures at \$5.90 or May 18.
- Sell 20,000 bushels December corn futures at \$6.10 or June 15.
- Sell 20,000 bushels December corn futures at \$6.30 or July 13.
- Sell 10,000 bushels December corn futures at \$6.50 or August 17.

Update:
1/19/22
Dec. at \$5.65

2022 New Crop Corn Soybean Marketing Plan

GoalOrDateSeller

Details: 30,000 soybean bushels to sell before 2022 harvest on October 19, 2022.

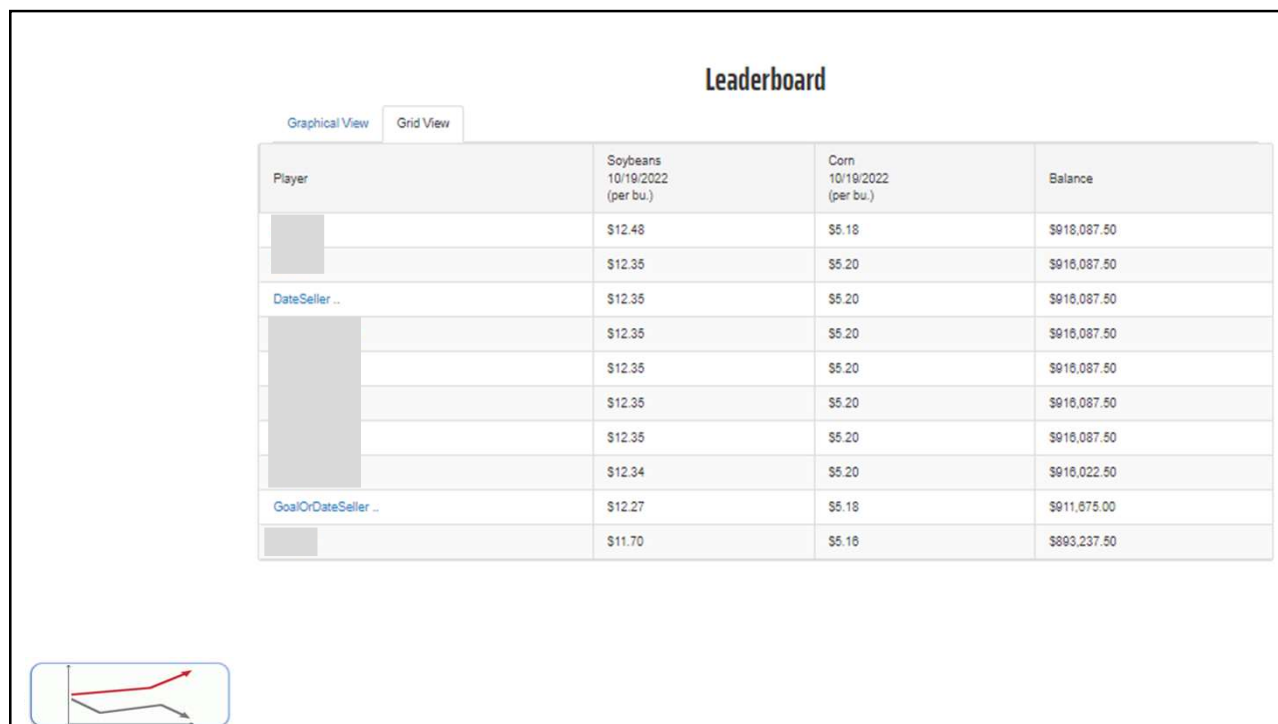
Strategy: Sell prior to harvest at incrementally, predetermined prices goals OR March – August whichever comes first.

- Sell 5,000 bushels November soybean futures at \$12.50 or March 16. **1/3/22 Sold 1 Nov. soybean contract at \$12.75**
- Sell 5,000 bushels November soybean futures at \$12.90 or April 13. **1/4/22 Sold 1 Nov. soybean contract at \$12.90**
- Sell 5,000 bushels November soybean futures at \$13.30 or May 18.
- Sell 5,000 bushels November soybean futures at \$13.70 or June 15.
- Sell 5,000 bushels November soybean futures at \$14.10 or July 13.
- Sell 5,000 bushels November soybean futures on \$14.50 or August 17.

Update: 1/19/22
Nov. at \$13.05



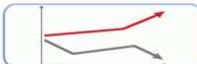
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Iowa Commodity Challenge webpage


<http://tinyurl.com/ICCtools>



IOWA STATE UNIVERSITY
Extension and Outreach
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HOME PAGE CROPS LIVESTOCK WHOLE FARM BUSINESS DEVELOPMENT COOPERATIVES

Iowa Commodity Challenge



For Iowa Commodity Challenge market simulation instructions and example marketing plans, please click [here](#).

Topic	Presentation	PDF Handout	Presenter
1. Introduction to Crop Marketing	Video	Handout	Chad Hart, ISU Extension and Outreach
2. Successful Market Planning	Video	Handout	Ed Kordick, Iowa Farm Bureau Federation
3. Futures Hedging	Video	Handout	Ed Kordick, Iowa Farm Bureau Federation
4. Futures Hedging and Basis Movement	Video	Handout	Ed Kordick, Iowa Farm Bureau Federation
5. Using Crop Contracts	Video	Handout	Ray Jenkins, ISU Crop Marketing Extension Educator
6. Working with Your Grain Merchandiser	Video	Handout	Ray Jenkins, ISU Crop Marketing Extension Educator
7. Basis, Carry and Cost of Ownership	Video	Handout	Steve Johnson, ISU Extension and Outreach
8. Forward Cash Contracts	Video	Handout	Steve Johnson, ISU Extension and Outreach
9. Margin Flows	Video	Handout	Chad Hart, ISU Extension and Outreach
10. Basis Options, Intrinsic and Time Value	Video	Handout	Chad Hart, ISU Extension and Outreach
11. Store Cash Bushels and Buy Put Option	Video	Handout	Ed Kordick, Iowa Farm Bureau Federation
12. Sell Cash Bushels and Buy Call Option	Video	Handout	Ed Kordick, Iowa Farm Bureau Federation
13. Pre-Harvest Marketing New Crop	Video	Handout	Steve Johnson, ISU Extension and Outreach
14. Conquer Marketing Concerns	Video	Handout	Steve Johnson, ISU Extension and Outreach
15. Does Storing Unpriced Crops Really Pay?	Video	Handout	Steve Johnson, ISU Extension and Outreach

[View all videos on the ISU Extension and Outreach Iowa Commodity Challenge Vimeo channel.](#)

For the UPDATED Iowa Commodity Challenge Marketing Tool Workbook, [please click here](#).

For the 2021 Estimated Costs of Production, [please click here](#).

For the Crop Marketing Matrix (tools that fit different market situations), [please click here](#).

For blank Marketing Planning & Transaction Log Worksheets (editable), [please click here](#).

Updated: For the 2021-22 Iowa Commodity Challenge Weekly Tracking Table and Charts (01-12-22), [please click here](#).

Updated: For the 2022 New Crop Iowa Commodity Challenge Weekly Tracking Table and Charts (01-12-22), [please click here](#).

Information is also available at www.iowafarmbureau.com. Questions? Contact [Ed Kordick](#).

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Third Thursday: 2021-22 Crop Marketing Series

Live at 1:00 pm, also recorded for later viewing

- Nov. 18, 2021: Thinking you avoid storage costs when you sell grain and buy a call
- Dec. 16, 2021: Failure to understand and track your basis
- Jan. 20, 2022: The reluctance towards pre-harvest pricing
- Feb. 17, 2022: **Lack of an exit strategy**
- March 17, 2022: Holding grain in storage too long
- April 21, 2022: Five Common Mistakes in Grain Marketing: Wrap-up with Ed Usset.



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2022 New Crop Iowa Commodity Challenge

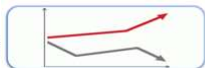
Your invitation:

Join the 2022 New Crop Iowa Commodity Challenge simulation to practice with real markets and see how the strategies of **DateSeller** and **GoalOrDateSeller** perform as the crop year continues.

How to Join:

The follow-up webinar evaluation has question #3 asking if you would like the instructions emailed to you to join the 2022 New Crop Iowa Commodity Challenge (this also adds you to a group to receive periodic crop marketing education e-mails from Ed Kordick). Just enter your e-mail address in the box!

OR send me an e-mail ekordick@ifbf.org and I will reply with the instructions!



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WHY IS AN IMPERFECT PLAN BETTER THAN NO PLAN AT ALL?



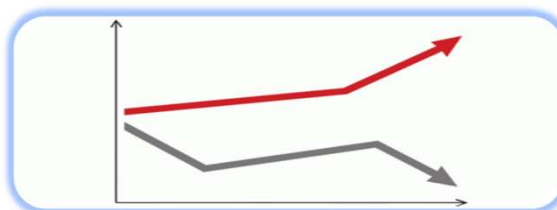
A plan is a benchmark for your goals.

If you have a plan, you have something to adapt in a changing environment

 Center for Farm Financial Management
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Third Thursday: 2021-22 Crop Marketing Series



Thank you for
your participation!

Join me next time:
Feb. 17, 2022:

Lack of an exit strategy

Ed Kordick
Farmer Education Program Manager
ekordick@ifbf.org
www.iowafarmbureau.com



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