

Managing 2011 Crop Margins

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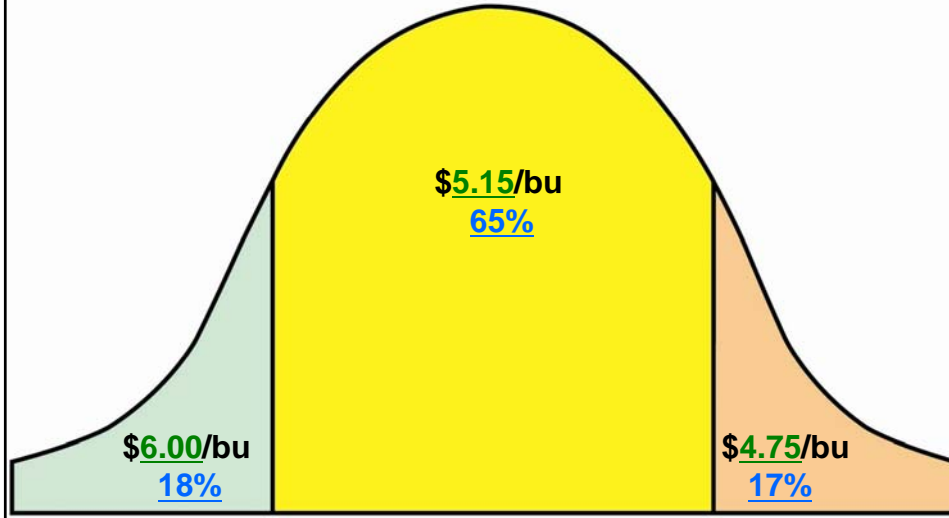
Presentation Objectives

- **Highlight the 2011-12 Marketing Year U.S. Corn and Soybean Supply/Demand & Price Outlook**
- **Forecast 2011 Crop Costs, Revenues and Margin Estimates**
- **Identify the Crop Risk Management Crossroads**
- **Highlight the 2011 Common Crop Insurance Policies**
- **Summarize 5 Crop Risk Management Strategies & 5 Related Web Sites**

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Corn Cash Price & Probability Forecast

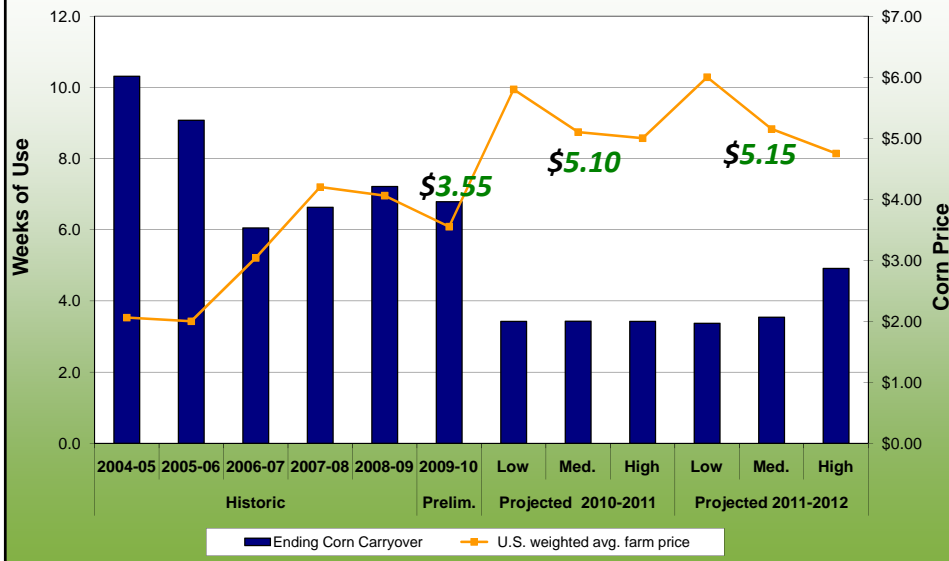
'11-'12 Marketing Year



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Source: Wisner, ISU Biofuels Economist, Nov. 29th, 2010

Ending Corn Carryover and the U.S. Weighted Average Farm Price

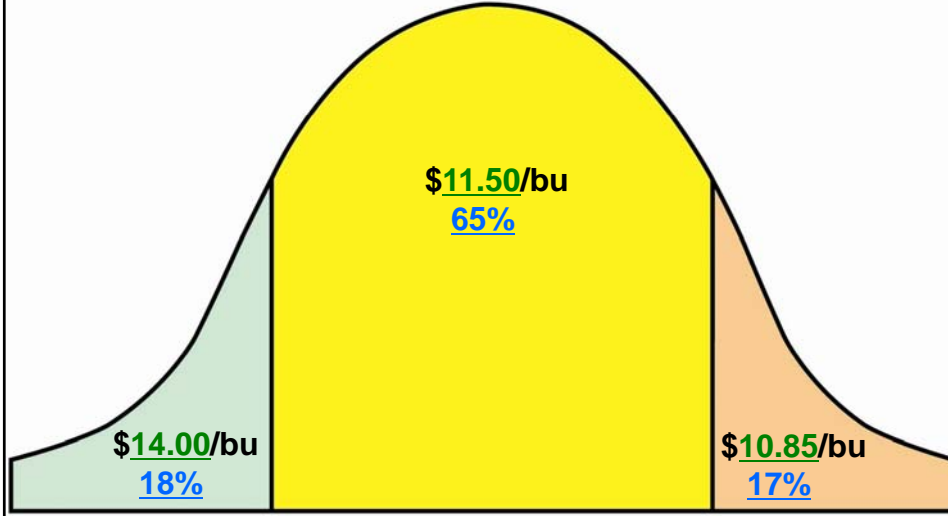


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Source: Wisner, ISU Biofuels Economist, Nov. 29th, 2010

Soybean Cash Price & Probability Forecast

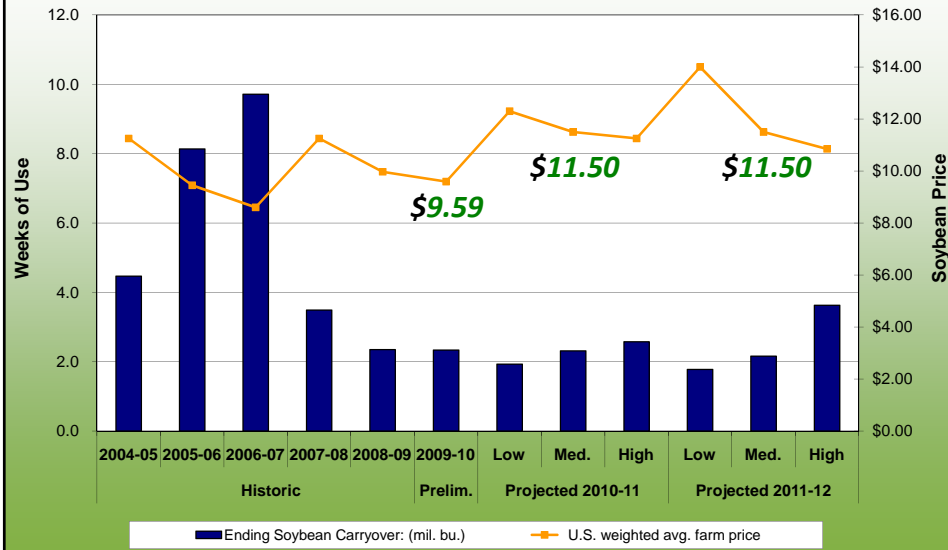
'11-'12 Marketing Year



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Source: Wisner, ISU Biofuels Economist, Nov. 29th, 2010

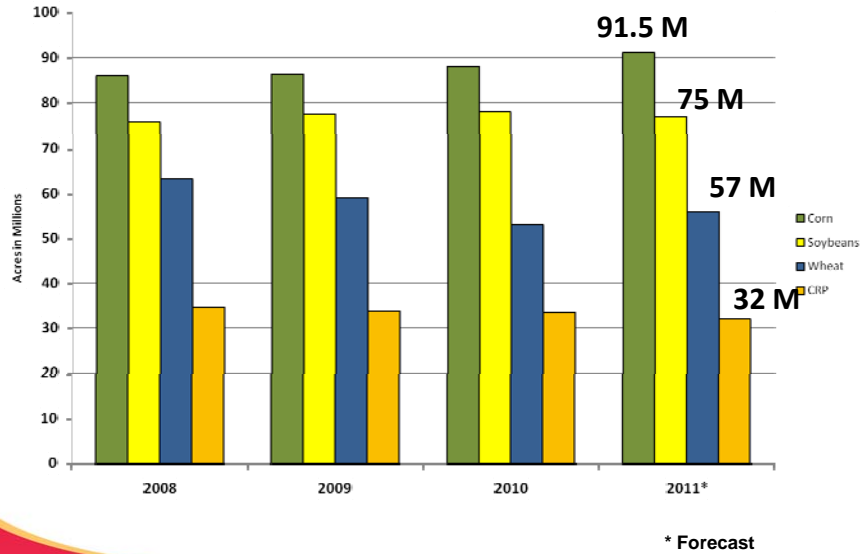
Ending Soybean Carryover and the U.S. Weighted Average Farm Price



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Source: Wisner, ISU Biofuels Economist, Nov. 29th, 2010

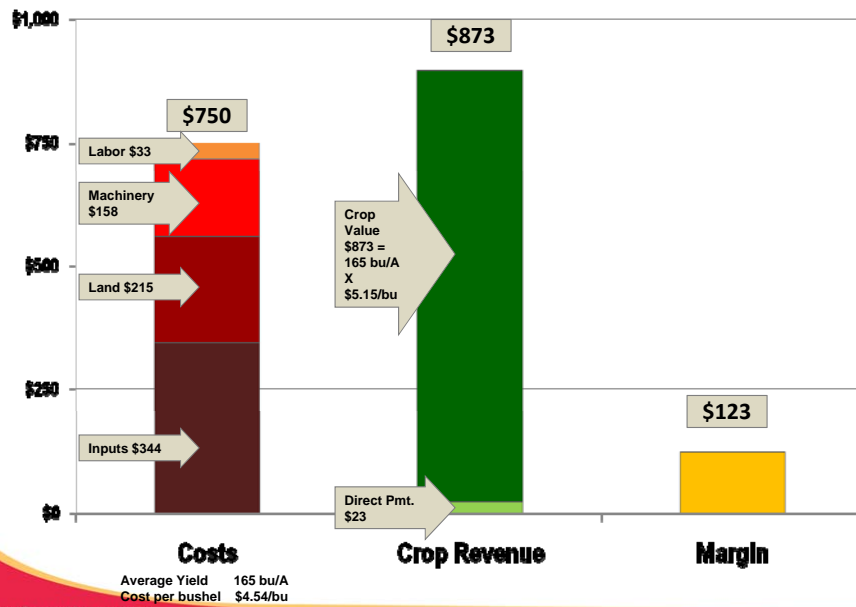
2011 U.S. Planted Acreage Forecast



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Source: Wisner, ISU Biofuels Economist, Nov. 29th, 2010

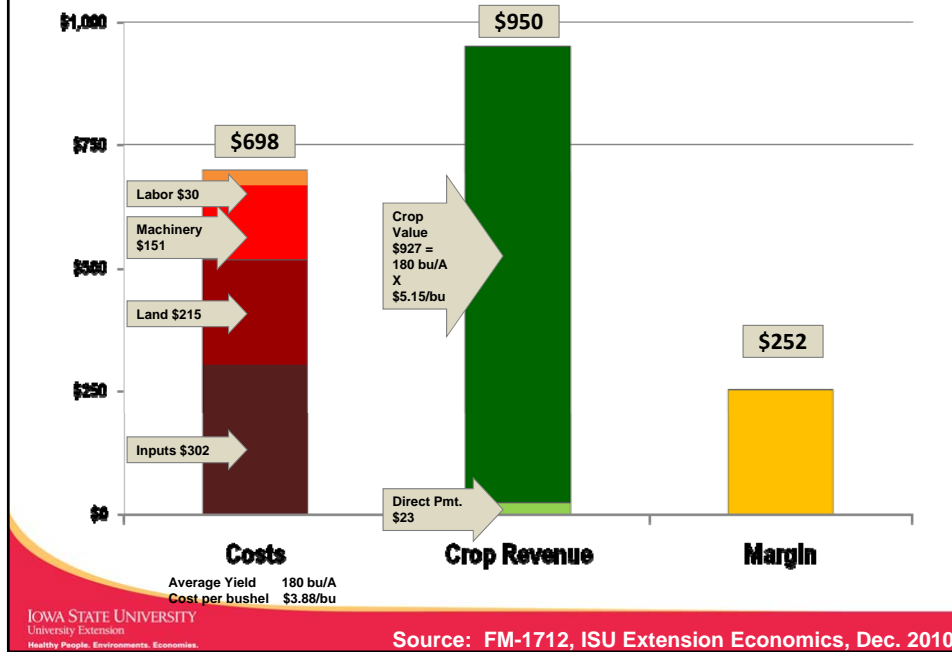
2011 Margin Estimate: Corn following Corn



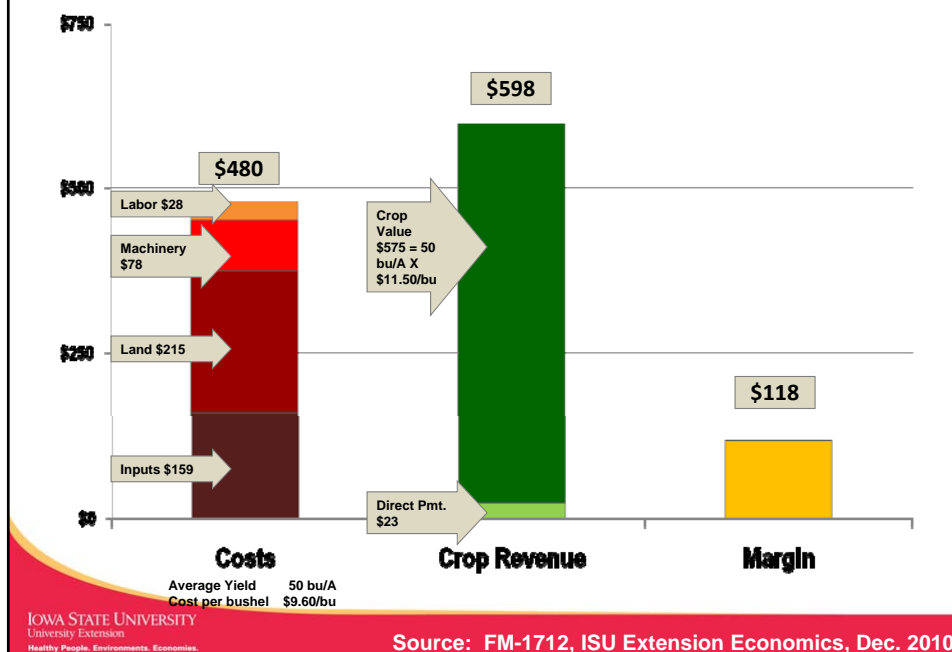
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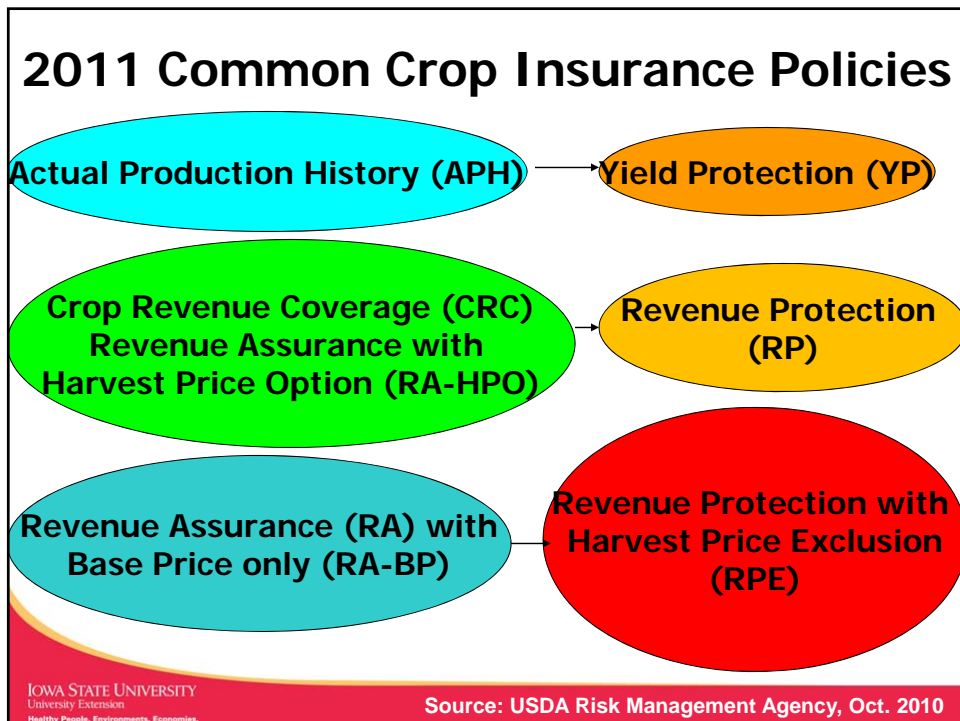
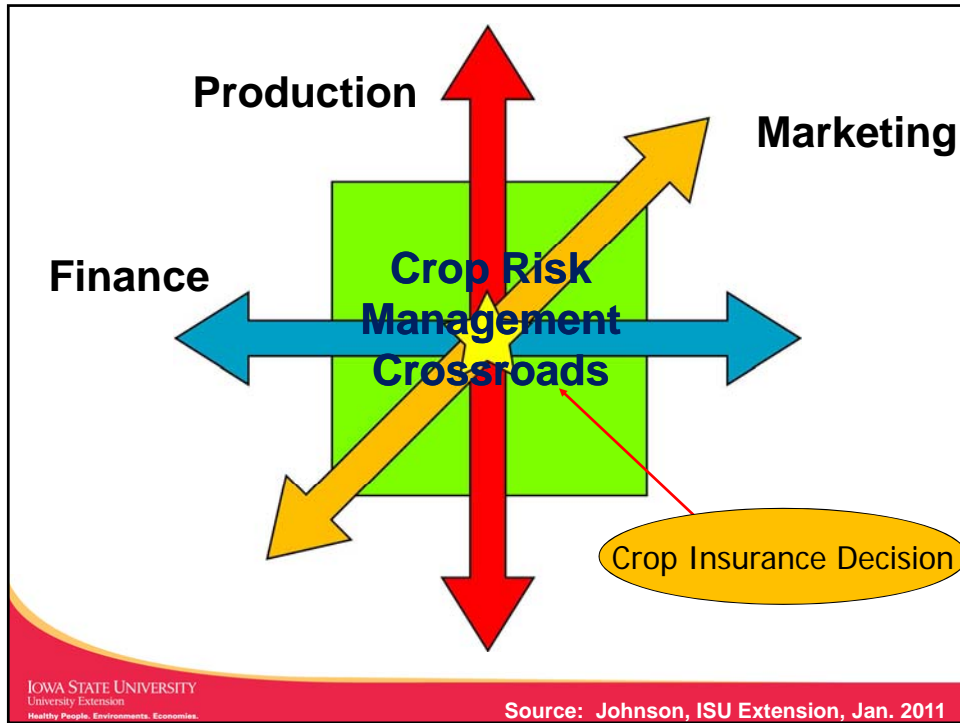
Source: FM-1712, ISU Extension Economics, Dec. 2010

2011 Margin Estimate: Corn following Soybeans



2011 Margin Estimate: Soybeans following Corn





5 Crop Risk Management Strategies

Use a Variety of Marketing Tools: Forward Cash Contract, HTA, Options & Futures

Use Cash Flow Needs to Drive Sales: Consider Carry, Basis & Storage Costs

Use Revenue Protection (RP) and Consider Additional Hail Coverage

Know Your Cost of Production & Manage Profit Margin per Acre

Lock-in 2011 Crop Costs, Make Pre-Harvest Sales

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Source: Johnson, ISU Extension, Jan. 2011

Crop Risk Management Web Sites

- **Crop Risk Management - ISU Polk County**
Monthly Crop Marketing Newsletters & Webcasts; Updates on Crop Insurance, Government Farm Program, Grain Contracts and Farmland Leasing
www.extension.iastate.edu/polk/farmmanagement
- **CALT - ISU Center for Ag Law & Taxation**
www.calt.iastate.edu
- **Ag-Decision Maker – ISU Extension Economics**
(Decision Tools, Publications, Voiced Media & Monthly e-Newsletter)
www.extension.iastate.edu/agdm
- **Farm Doc - U of Illinois Extension Economics**
(Crop Insurance Premium Calculator, Crop Insurance Decision Tool, FAST Tools)
www.farmdoc.illinois.edu
- **Ag Manager – K-State Extension Economics**
www.agmanager.info

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Source: Johnson, ISU Extension, Jan. 2011