

***“Managing
Corn on Corn”***
SE Area
Field Specialist Web Cast
March 12, 2007

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Agenda for Today

- **High Price Corn... Feast or Famine**
– Bob Wells
- **Corn Production Considerations**
– Jim Fawcett
- **Economics of Corn on Corn**
– Jim Jensen
- **Managing Rootworms, Nitrogen and Stands**
– Virgil Schmitt
- **Questions and Wrap-up**

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***High Price Corn...
Feast or Famine***

Thoughts for Decision Making

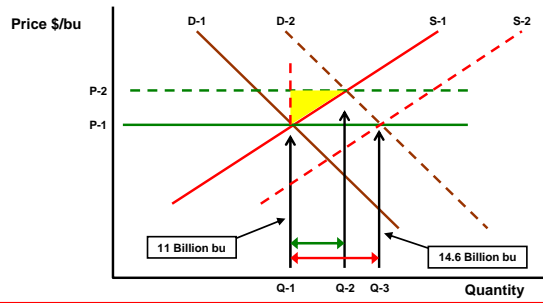
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Economics 101

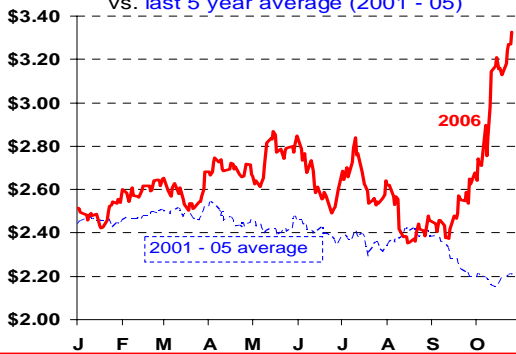
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Economics 101

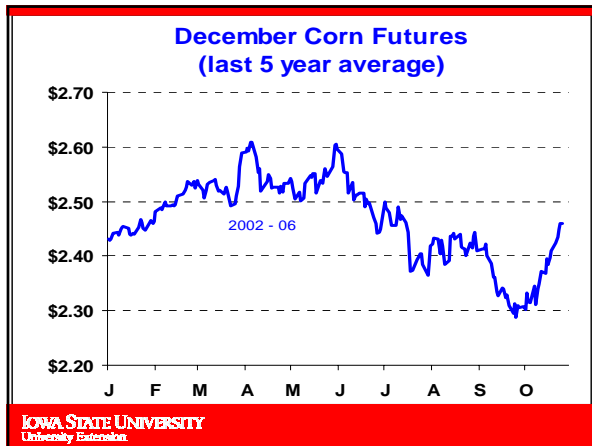


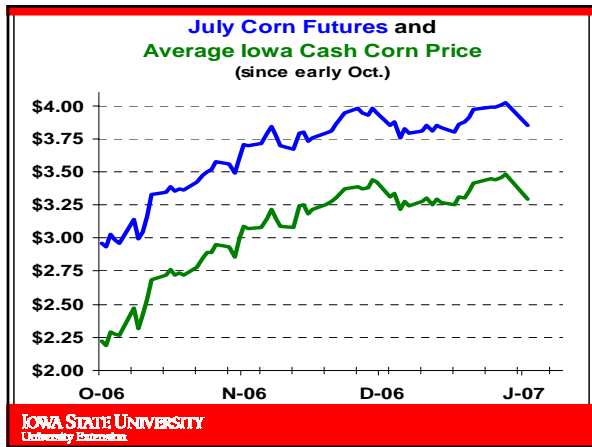
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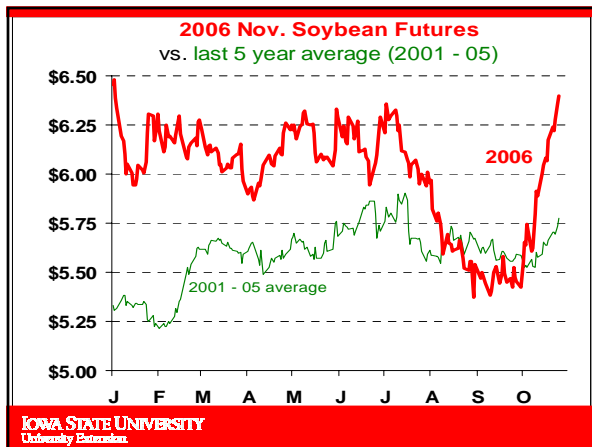
2006 Dec. Corn Futures vs. last 5 year average (2001 - 05)

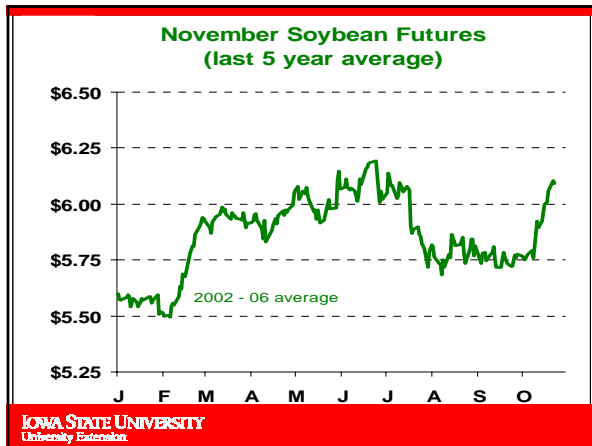


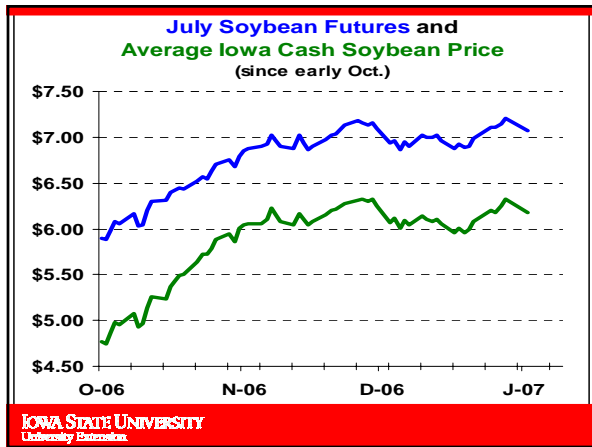
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Perspective: Gross returns per corn acre

	2006							
Dec Fut	\$2.47	\$3.50	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75	
Cash	\$2.07	\$3.10	\$3.35	\$3.60	\$3.85	\$4.10	\$4.35	
140	\$299	\$434	\$469	\$504	\$539	\$574	\$609	
150	\$331	\$465	\$503	\$540	\$578	\$615	\$653	
160	\$331	\$496	\$536	\$576	\$616	\$656	\$696	
170	\$352	\$527	\$570	\$612	\$655	\$697	\$740	
180	\$373	\$558	\$603	\$648	\$693	\$738	\$783	
190	\$393	\$589	\$637	\$684	\$732	\$779	\$827	
200	\$414	\$620	\$670	\$720	\$770	\$820	\$870	
Dec Fut	\$2.47	\$3.50	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75	
Cash	\$2.07	\$3.10	\$3.35	\$3.60	\$3.85	\$4.10	\$4.35	
140		\$144	\$179	\$214	\$249	\$284	\$319	
150		\$155	\$192	\$230	\$267	\$305	\$342	
160		\$165	\$205	\$245	\$285	\$325	\$365	
170		\$175	\$218	\$260	\$303	\$345	\$388	
180		\$185	\$230	\$275	\$320	\$365	\$410	
190		\$196	\$243	\$291	\$338	\$386	\$433	
200		\$206	\$256	\$306	\$356	\$406	\$456	

Avoid the “SIX”

Common Grain Marketing Mistakes

1. The reluctance towards pre-harvest pricing
2. Failure to understand and track your basis
3. Lack of an exit strategy
4. Holding grain in storage too long
5. Thinking you avoid storage costs when you sell grain and buy a call
6. **Remembering last year!!!**

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Take Home Message

- **Use a Marketing Plan**
– Pre-Harvest and Post-Harvest Marketing
- **Select Price Targets and Decision Dates**
- **Build in Flexibility**
- **Avoid the SIX common marketing mistakes**
- **HIGH PRICES = HIGHER RISK!!!**

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THANK YOU

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