

GRAIN MARKETING PLAN WORKSHEET

1. How many bushels available to sell -- old-crop?

_____ bu. corn
_____ bu. soybeans

2. How many bushel available to sell -- new-crop?

_____ acres corn X expected _____ bu./a. " _____ bushels
_____ acres soybean X expected _____ bu./a. " _____ bushels

Lowest average corn yield on my farm, last 5 years: _____ bu./a.

Lowest average soybean yield on my farm, last 5 years: _____ bu./a.

3. Expected marketing year average price

\$ _____ /bu. corn (September-August) old-crop

\$ _____ /bu. corn (September-August) new-crop

\$ _____ /bu. soybean (September-August) old-crop

\$ _____ /bu. soybeans (September-August) new-crop

4. My cash-flow costs of production and price goals:

<u>Costs</u>	<u>Price Goals</u>
_____ old-crop corn	_____
_____ new-crop corn	_____
_____ old-crop soybeans	_____
_____ new-crop soybeans	_____

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... and justice for all

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5. Timing of major cash needs

<u>Date</u>	<u>Amount of Cash</u>	<u>Description of Expense</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

6. Most likely time prices will approach my goals.

- _____ old-crop corn
- _____ new-crop corn
- _____ old-crop soybeans
- _____ new-crop soybeans

7. Percent of expected crop I would be willing to sell by:

	<u>Corn</u>	<u>Soybeans</u>
February 1	_____ percent	_____ percent
March 15	_____ percent	_____ percent
May 1	_____ percent	_____ percent
June 1	_____ percent	_____ percent
July 1	_____ percent	_____ percent
July 15	_____ percent	_____ percent
August 1	_____ percent	_____ percent
August 15	_____ percent	_____ percent

8. Marketing tools and techniques I expect to use:

- _____ Seal under FSA loans at \$_____/bu. (old-crop corn) & \$_____/bu. (new-crop corn)
- _____ Seal under FSA loans at \$_____/bu. (old-crop beans) & \$_____/bu. (new-crop beans)
- _____ LDP program, corn & soybeans
- _____ Forward contracts with local elevator for _____ delivery.
- _____ Hedging in futures market for _____ delivery.
- _____ Put options
- _____ Sell and re-own by purchasing call options
- _____ Elevator storage, _____ bushels corn & _____ bushels soybeans
- _____ On-farm storage, _____ bushels corn & _____ bushels soybeans
- _____ Sale at harvest, _____ bushels corn & _____ bushels soybeans
- _____ Standing sales offer price to local elevator
- _____ Scale-up marketing on up-trending prices
- _____ Other (specify)

9. Expected AMTA (corn, wheat) or Market Access (soybeans) FSA payment/bu. of actual production:

Corn \$_____/bu. Soybeans \$_____/bu.

10. Do I need income shifted to next year for tax purposes?

- No
- Yes. Tool to be used for doing this:

- _____ Storage
- _____ Delayed payment contract
- _____ Storage and hedging in futures contracts
- _____ Shifting input purchases

11. Approximate post-harvest basis for my area one month before future contract expiration, in cents under futures:

\$_____/bu., corn

\$_____/bu. soybeans

12. Approximate harvest basis under nearby futures in my area.

\$_____/bu., corn

\$_____/bu., soybeans

13. Six marketing rules to remember:

- You can't go broke taking a profit.
- Selling all my crop at the season's high price is an unrealistic goal.
- Greed, fear and panic are the three most common emotions in marketing.
- When selling before harvest, you don't have to sell all the crop at one time.
- After the market top is reached, prices usually drop faster than they went up.
- If you don't know what your costs are, it's hard to know if you have a profitable price.

14. Contingency Plans

-- How to finance margin calls if using futures markets or options fences

From savings By borrowing Pre-arranged 3-way agreement with lender

-- How to handle possible crop short-fall

With multi-peril insurance Buying back forward pricing positions

Covering forward sales with call option purchase

CRC Revenue Insurance

RA Revenue Insurance

-- Will I reverse a sales position if prices rise substantially?

Yes No Possibly under extremely unusual conditions

With call option purchases near the time of sale

-- If price goal appears unattainable

How long will I wait? _____

Can I trim or postpone some costs and lower price goal? _____

CORN STORAGE COSTS (\$/BU.)

3 MONTHS:

OFF-FARM

ON-FARM

(CENTS/BU.)

INTEREST

EXTRA SHRINK

EXTRA DRYING

STORAGE

EXTRA HANDLING

TOTAL

8 MONTHS:

INTEREST

EXTRA SHRINK

EXTRA DRYING

STORAGE

EXTRA HANDLING

QUALITY DETERIORATION &
SHRINK LOSS (1%)

TOTAL

SOYBEAN STORAGE COSTS (\$/BU.)

3 MONTHS:	<u>OFF-FARM</u> (CENTS/BU.)	<u>ON-FARM</u>
INTEREST	_____	_____
STORAGE	_____	_____
EXTRA HANDLING	_____	_____
TOTAL	_____	_____
8 MONTHS:		
INTEREST	_____	_____
STORAGE	_____	_____
EXTRA HANDLING	_____	_____
QUALITY DETERIORATION & SHRINK LOSS (1%)	_____	_____
TOTAL	_____	_____