

Does Storing Unpriced Crops Really Pay?

Steve Johnson

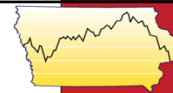
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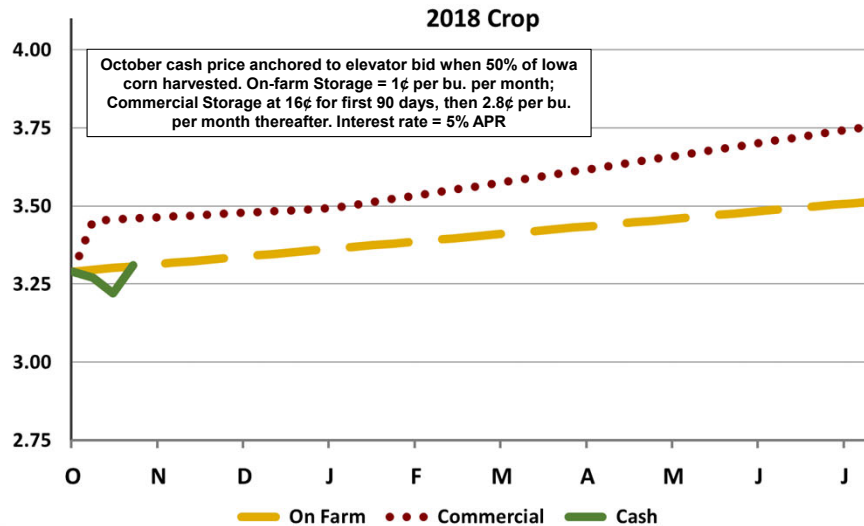
Marketing Considerations

- Develop a Crop Marketing Plan for unpriced grain in storage
- Calculate cost of grain ownership for bushels stored both on-farm as well as commercially
- Consider basis, futures carry, cash flow implications and your appetite for managing risk
- Develop your own historical perspective for storing unpriced corn and soybeans.

Cost of Corn Ownership Example, 2018 Crop (Cash Price at Mid-Harvest = \$3.29/bu., 5% Interest)



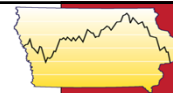
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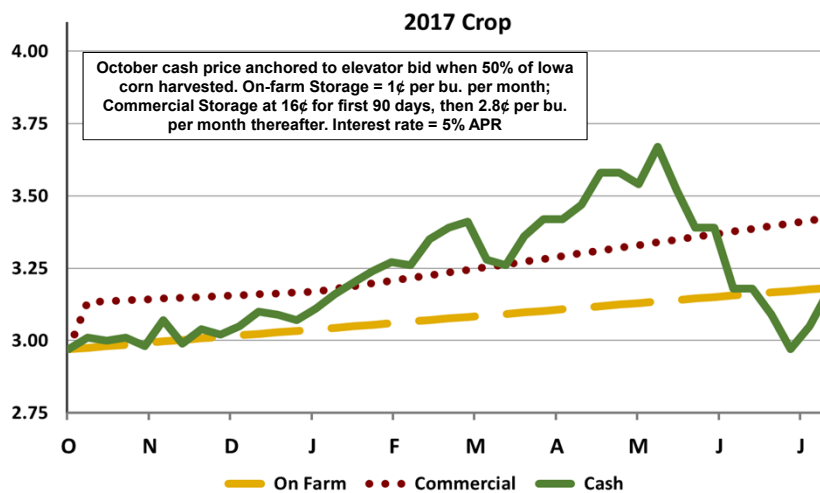
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Cost of Corn Ownership Example, 2017 Crop (Cash Price at Mid-Harvest = \$2.97/bu., 5% Interest)



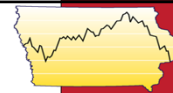
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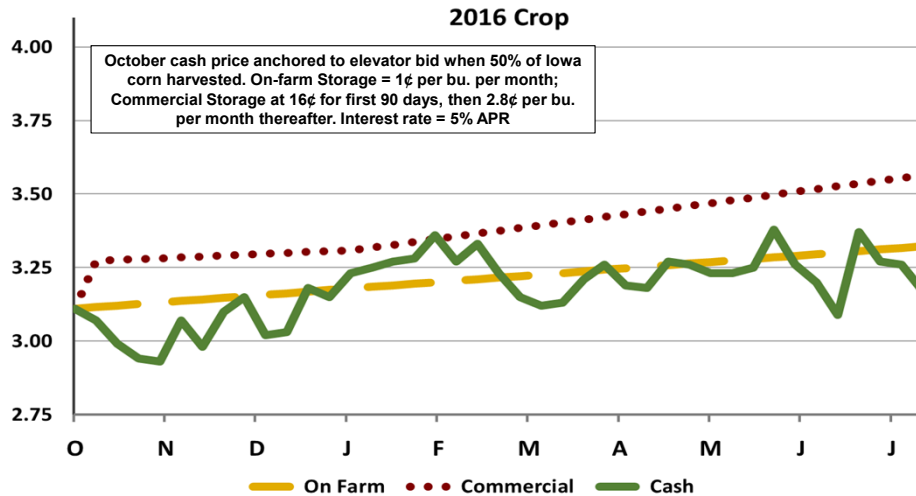
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Cost of Corn Ownership Example, 2016 Crop (Cash Price at Mid-Harvest = \$3.11/bu., 5% Interest)



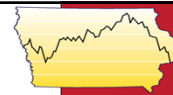
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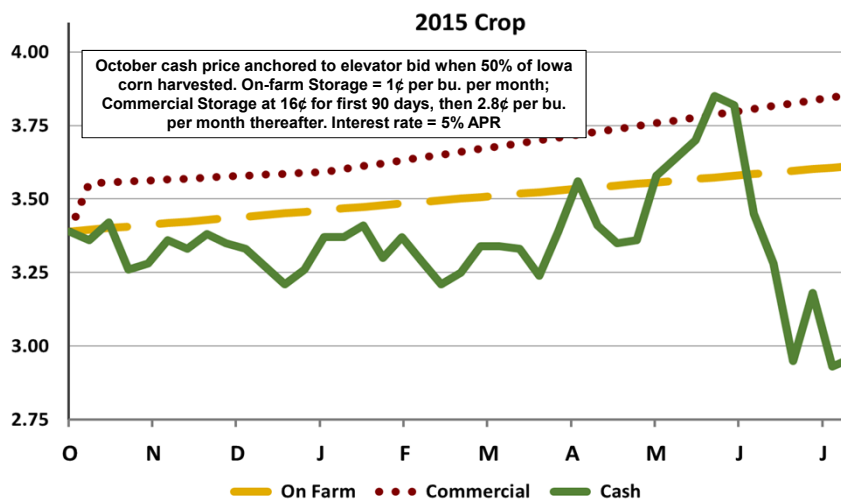
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Cost of Corn Ownership Example, 2015 Crop (Cash Price at Mid-Harvest = \$3.39/bu., 5% Interest)



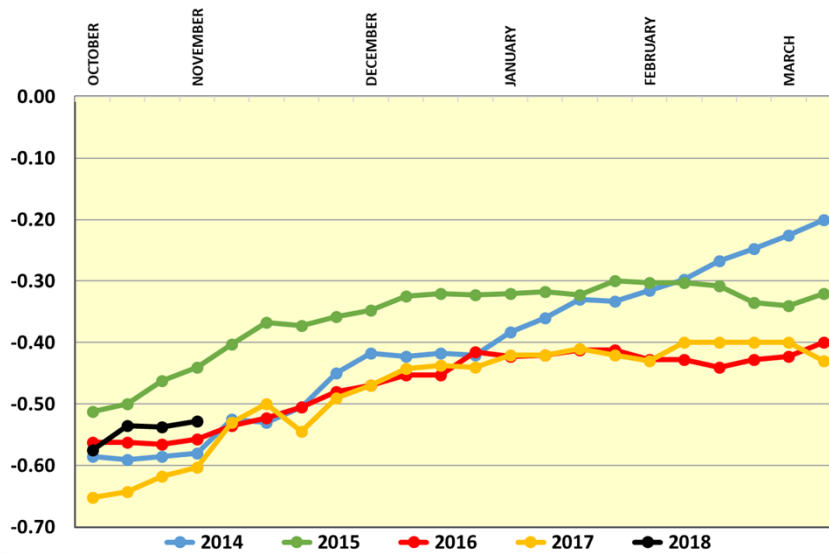
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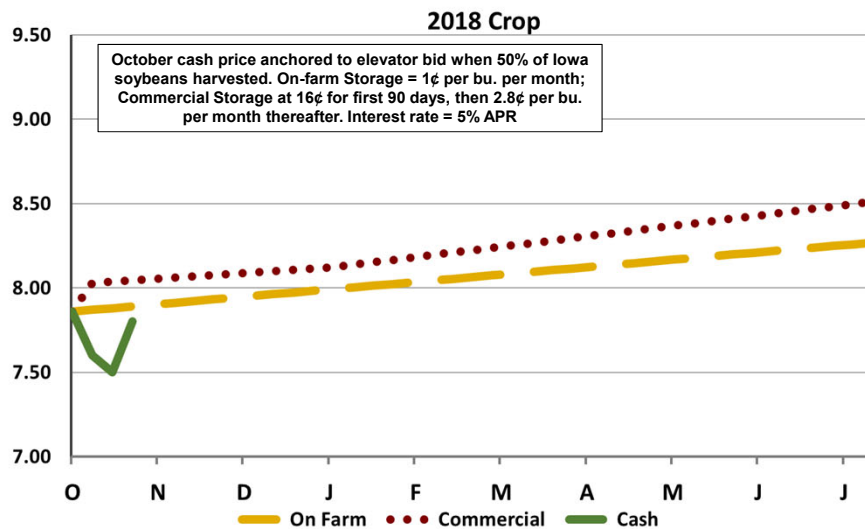
Basis Trends (versus March Corn futures)



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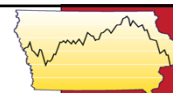
Cost of Soybean Ownership Example, 2018 Crop (Cash Price at Mid-Harvest = \$7.86/bu., 5% Interest)



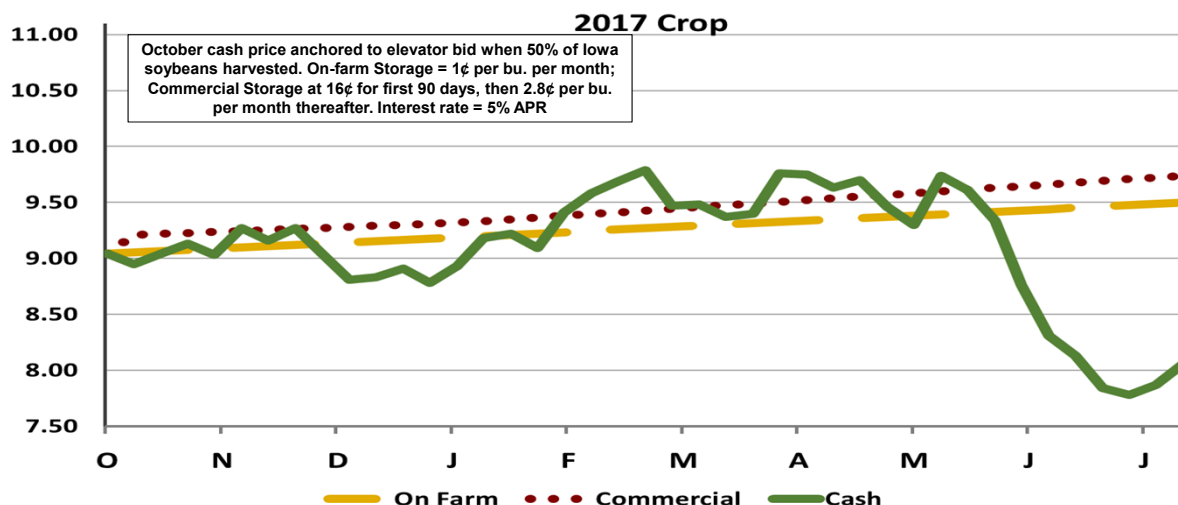
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Cost of Soybean Ownership Example, 2017 Crop (Cash Price at Mid-Harvest = \$9.04/bu., 5% Interest)



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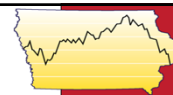


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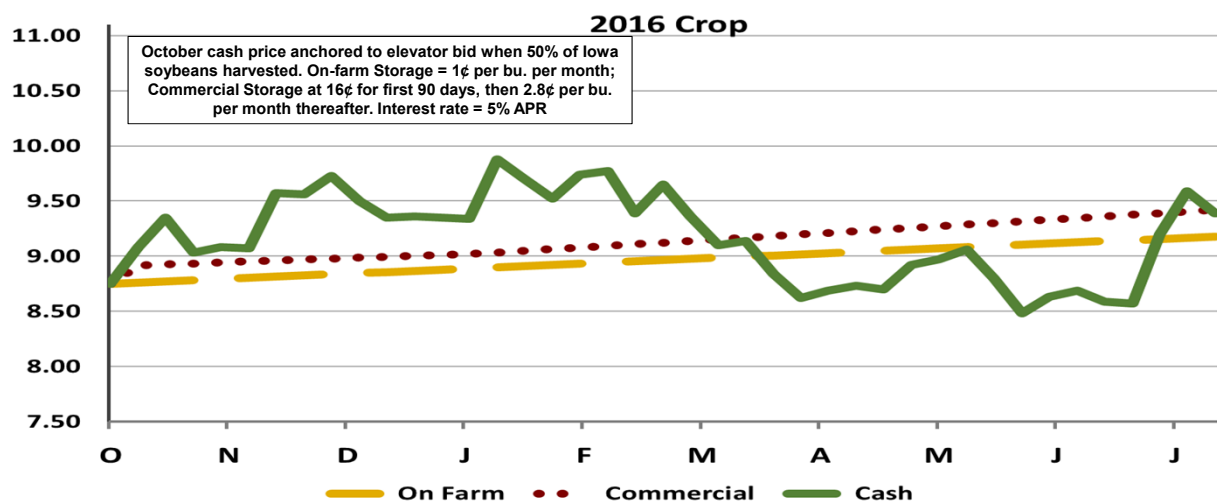
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Cost of Soybean Ownership Example, 2016 Crop (Cash Price at Mid-Harvest = \$8.75/bu., 5% Interest)



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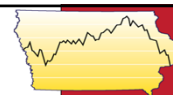


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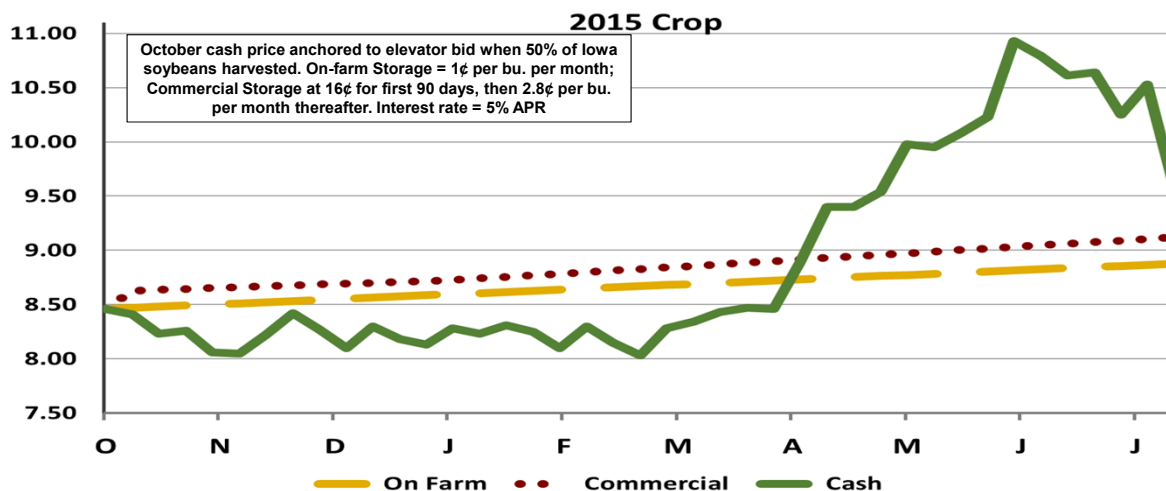
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Cost of Soybean Ownership Example, 2015 Crop (Cash Price at Mid-Harvest = \$8.46/bu., 5% Interest)



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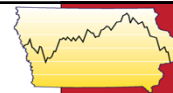


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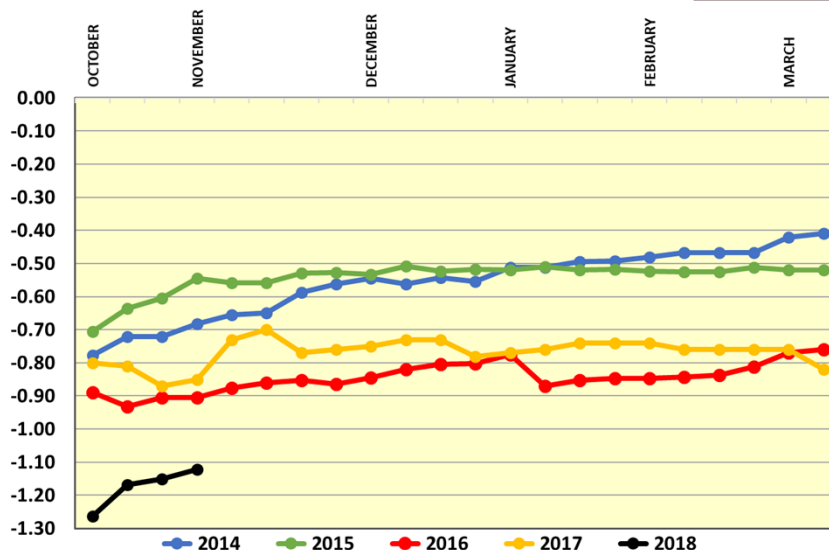
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Basis Trends (versus March Soybean futures)



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Key points:



- Calculate your cost of grain ownership; both on-farm and commercially stored bushels.
- Learn to use a variety of marketing strategies & tools.
- Timing of final cash sales is critical so understand implications for futures carry and basis appreciation.
- Develop a Crop Marketing Plan for your stored bushels to increase discipline and overcome emotions.



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Thanks for joining the



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