



www.agmanager.info
 abarnaby@agecon.ksu.edu
 (785) 532.1515 (phone)
 (785) 532.6925 (fax)

G.A. "Art" Barnaby Jr.

Copyright 2005. All rights reserved. Contact Art to be added to e-mail list

Disclaimer: This web page is designed to aid farmers with their marketing and risk management decisions. The risk of loss in trading futures, options, forward contracts, and hedge-to-arrive can be substantial and no warranty is given or implied by the author or any other party. Each farmer must consider whether such marketing strategies are appropriate for his or her situation. This web page does not represent the views of Kansas State University.

Estimated revenue insurance Portland Harvest Price for Wheat in ID, NV, OR, UT, and WA and for Spring Wheat States with Sales Closing 3/15

Date	Daily Closing Price	Daily Closing Price	Daily Closing Price	Date	Daily Closing Price	Daily Closing Price	Daily Closing Price
	Portland Sep Cash	CBOT Sep 05 Wheat	MGE Sep 05 Wheat		Portland Sep Cash	CBOT Sep 05 Wheat	MGE Sep 05 Wheat
08/01/05	3.6100	3.3050	3.5000	08/16/05	3.5300	3.1025	3.3525
08/02/05	3.6100	3.3200	3.5300	08/17/05	3.5250	3.1425	3.3825
08/03/05	3.6100	3.2600	3.5000	08/18/05	3.5200	3.2075	3.4250
08/04/05	3.6150	3.2500	3.5025	08/19/05	3.5100	3.2525	3.4700
08/05/05	3.6050	3.2000	3.4550	08/22/05	3.5250	3.2300	3.4525
08/08/05	3.5950	3.2225	3.4425	08/23/05	3.5150	3.1725	3.5000
08/09/05	3.5800	3.1950	3.3725	08/24/05	3.4800	3.1400	3.5400
08/10/05	3.5750	3.2350	3.3625	08/25/05	3.4700	3.1575	3.4700
08/11/05	3.5850	3.2625	3.3950	08/26/05	3.4600	3.1225	3.5700
08/12/05	3.5800	3.2125	3.3900	08/29/05	3.4450	3.1050	3.5600
08/15/05	3.5750	3.1575	3.3975	08/30/05	3.4050	3.0725	3.5700
				08/31/05	3.3750	3.0150	3.5150

	Portland Wheat	Chicago Wheat	Spring Wheat
Avg Harvest Price	\$3.535	\$3.189	\$3.463
Plant Price	\$4.01		\$3.35
Price Change	(\$0.48)		\$0.11
% change Increase in	(-11.85%)		3.37%
Trigger Yield ¹	113.4%		100.0%

¹ In years when prices fall, it requires a smaller yield loss to trigger revenue insurance claims. For example the trigger yield for a Wheat grower with a 70.4 bushel APH times 70% coverage is 50 bushels based on the planting price of \$4.01. Based on today's lower harvest price this same Wheat grower will have a claim if yields are below 56.7 bushels or 113.4% of the minimum trigger yield of 50 bushels. Wheat growers may calculate their trigger yield by multiplying 113.4% times their APH times the percent insurance coverage they selected. Any yield below this level will trigger revenue insurance claims. This does not apply to MPC1-APH.

An Example Oregon Wheat Claim. A Oregon Wheat grower with a 71.4 bushels APH X 70% coverage X higher of harvest, plant price of \$4.01 would have had a revenue guarantee of \$200.50. If this grower produced 20 bushels, then based on today's price of \$3.54 the revenue to count would be \$70.80 and the indemnity payment would be the difference between the revenue to count and the revenue guarantee for gross indemnity payment of \$129.70 (before premium deduction).