



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

G.A. "Art" Barnaby Jr.

Copyright 2006. 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 Harvest Price for Wheat², for States with Sales Closing 9/30 and located North of Kansas

Date	Daily Closing Price	Daily Closing Price	Date	Daily Closing Price	Daily Closing Price
	KCBOT Sep 06 Wheat	CBOT Sep 06 Wheat		KCBOT Sep 06 Wheat	CBOT Sep 06 Wheat
07/17/06	4.9075	3.9300	07/31/06	4.9275	3.9750
07/18/06	4.9025	3.9800	08/01/06	4.8200	3.9250
07/19/06	4.8700	3.9300	08/02/06	4.8525	4.0150
07/20/06	5.0250	4.0650	08/03/06	4.8450	3.9525
07/21/06	5.0600	4.0725	08/04/06	4.8600	3.9600
07/24/06	4.9925	4.0050	08/07/06	4.8450	3.9300
07/25/06	4.8950	3.9325	08/08/06	4.6975	3.8400
07/26/06	4.8200	3.8200	08/09/06	4.7150	3.8800
07/27/06	4.8550	3.8775	08/10/06	4.6925	3.8650
07/28/06	4.8400	3.8850	08/11/06	4.5425	3.7375
			08/14/06	4.4400	3.7400

	KC Wheat	Chicago Wheat
Avg Harvest Price	\$4.848	\$3.929
Plant Price	\$3.52	\$3.50
Price Change	\$1.33	\$0.43
% change Increase in	37.73%	12.26%
Trigger Yield ¹	0.0%	0.0%

¹ In years when prices fall, it requires a smaller yield loss to trigger revenue insurance claims but in years with higher prices it will require an insurable yield loss to trigger a claim. The CRC coverage for an example wheat grower with a 50 bushel APH times 70% coverage times planting price of \$3.52 equals \$123.20 of coverage. Because of higher prices and based on today's higher harvest price this same Wheat grower coverage will increase to 50 bushel APH times 70% coverage times current market price of \$4.85 equals \$169.68.

An Example Nebraska Wheat Claim. A Nebraska Wheat grower with a 50 bushels APH times 70% coverage times higher of harvest price of \$4.85 or plant price of \$3.52 would have a revenue guarantee of \$169.68. If this grower produced 15 bushels, then based on today's price of \$4.85 the revenue to count would be \$72.75 and the indemnity payment would be the difference between the revenue to count and the revenue guarantee for gross indemnity payment of \$96.93 (before premium deduction).