

# Grain Marketing Strategies for 2018

## *Examining 2018 Grain Sales Strategies*

Leonardville & Randolph, Kansas – January 8, 2018

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**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics



# Corn & Sorghum Markets



**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

# CME Corn Futures



Weekly Chart: December 2008 – January 2018 + 2/8/2018



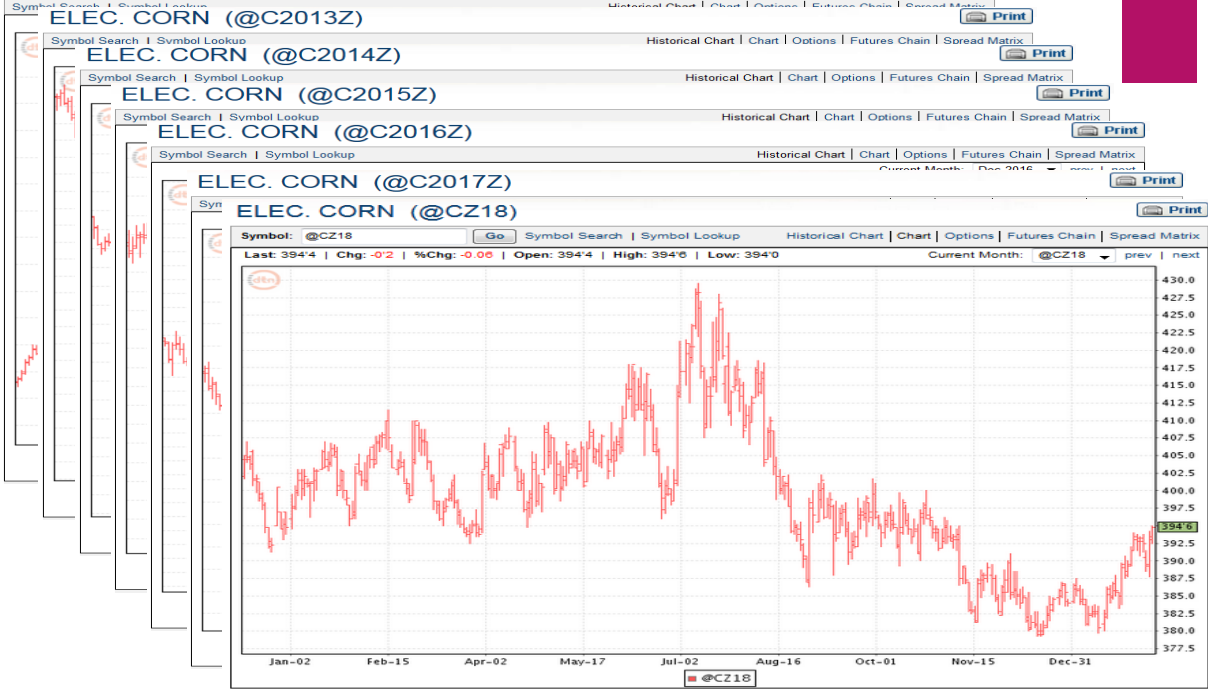
## Probability of Corn Futures Trends

*Examining 1990-2017 (Last 28 years)*

### ► Likelihood of Level-Higher DEC Corn Futures??

- Trends through Spring-Summer (June-July)?
  - ⇒ Spring-Summer Price ↑ occurred 28/28 Years (100%)
- Which direction did prices move by Fall (Nov-Dec)??
  - ⇒ Price moving sideways / higher = 9/28 Years (32%)
  - ⇒ Price moving lower = 19/28 Years (68%)

ELEC. CORN (@C2012Z)



ELEC. CORN (Jul 2018) [10 Minute Delay]

Refresh

Last	Change	%Chg	Open	High	Low	Previous	Volume	Exchange	Trade Time
380'2	0'0	0	379'6	380'4	379'4	380'2	120619	CBOT	02/07/18 20:40

Symbol: @CN18 Go Symbol Search | Symbol Lookup Strike Range: Near-the-Money Chart | Options | Futures Chain

Mar 2018 | May 2018 | Jul 2018 | Sep 2018 | Dec 2018 | Mar 2019 | May 2019 | Jul 2019 | Dec 2019 | Jul 2020 Jul 2018

Jul 2018 Options

Days Until Expiration: 135

Calls									Puts							
Symbol	Price	Chg	Open	High	Low	Volume	Open Int	Strike	Symbol	Price	Chg	Open	High	Low	Volume	Open Int
<input checked="" type="checkbox"/> @CN18C3300	50'7s	1'5	51'0	51'0	51'0	2	253	3300	<input checked="" type="checkbox"/> @CN18P3300	0'6s	0'1	---	---	---	231	6594
<input checked="" type="checkbox"/> @CN18C3400	41'5s	1'5	---	---	---	0	115	3400	<input checked="" type="checkbox"/> @CN18P3400	1'4	0'0	1'4	1'4	1'4	15	5530
<input checked="" type="checkbox"/> @CN18C3500	33'1s	1'4	---	---	---	0	671	3500	<input checked="" type="checkbox"/> @CN18P3500	3'0	0'0	3'0	3'0	3'0	501	11600
<input checked="" type="checkbox"/> @CN18C3600	26'0s	1'2	24'6	25'4	24'0	37	5924	3600	<input checked="" type="checkbox"/> @CN18P3600	5'7s	-0'2	6'1	6'1	5'6	4215	15660
<input checked="" type="checkbox"/> @CN18C3700	20'4s	1'0	19'6	20'0	19'0	472	17373	3700	<input checked="" type="checkbox"/> @CN18P3700	10'0	-0'2	10'0	10'0	10'0	4626	9586
<input checked="" type="checkbox"/> @CN18C3800	16'2s	0'7	15'2	16'2	15'0	891	24837	3800	<input checked="" type="checkbox"/> @CN18P3800	15'6	-0'2	15'6	15'6	15'6	608	9586
<input checked="" type="checkbox"/> @CN18C3900	12'6s	0'6	12'1	12'5	11'7	717	8578	3900	<input checked="" type="checkbox"/> @CN18P3900	22'4s	-0'6	23'0	23'0	22'2	208	3235
<input checked="" type="checkbox"/> @CN18C4000	10'2	0'2	10'0	10'2	10'0	1115	18055	4000	<input checked="" type="checkbox"/> @CN18P4000	29'6s	-0'7	30'1	30'1	30'1	2	2715
<input checked="" type="checkbox"/> @CN18C4100	8'0s	0'4	7'3	8'0	7'2	226	7851	4100	<input checked="" type="checkbox"/> @CN18P4100	37'5s	-1'0	---	---	---	0	1686
<input checked="" type="checkbox"/> @CN18C4200	6'6	0'3	6'6	6'6	6'6	501	8933	4200	<input checked="" type="checkbox"/> @CN18P4200	46'0s	-1'1	---	---	---	0	849
<input checked="" type="checkbox"/> @CN18C4300	5'1s	0'2	4'7	5'0	4'6	164	7538	4300	<input checked="" type="checkbox"/> @CN18P4300	54'5s	-1'2	---	---	---	0	238

In the money At the money

# ELEC. CORN (Dec 2018) [10 Minute Delay]

Refresh ↻

Last	Change	%Chg	Open	High	Low	Previous	Volume	Exchange	Trade Time
394'4	-0'2	-0.06	394'4	394'6	394'0	394'6	41966	CBOT	02/07/18 20:46

Symbol: @CZ18  [Symbol Search](#) | [Symbol Lookup](#) Strike Range: Near-the-Money  [Chart](#) | [Options](#) | [Futures Chain](#)

Mar 2018 | May 2018 | Jul 2018 | Sep 2018 | Dec 2018 | Mar 2019 | May 2019 | Jul 2019 | Dec 2019 | Jul 2020  Dec 2018

## Dec 2018 Options

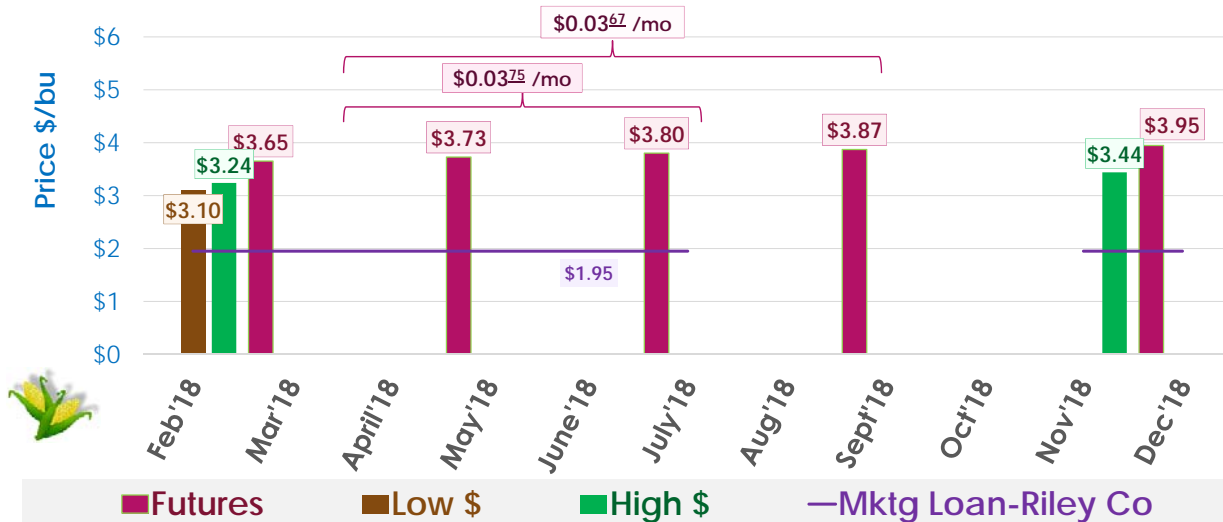
Days Until Expiration: 289

Calls									Puts							
Symbol	Price	Chg	Open	High	Low	Volume	Open Int	Strike	Symbol	Price	Chg	Open	High	Low	Volume	Open Int
<input checked="" type="checkbox"/> @CZ18C3400	574s	1'3	---	---	---	0	5	3400	<input checked="" type="checkbox"/> @CZ18P3400	3'2s	0'2	3'2	3'3	3'1	93	6174
<input checked="" type="checkbox"/> @CZ18C3500	49'5s	1'4	48'0	48'4	47'6	17	863	3500	<input checked="" type="checkbox"/> @CZ18P3500	5'2s	0'2	5'0	5'3	5'0	79	14090
<input checked="" type="checkbox"/> @CZ18C3600	42'5s	1'3	---	---	---	0	413	3600	<input checked="" type="checkbox"/> @CZ18P3600	8'2s	0'2	8'0	8'2	7'7	190	15796
<input checked="" type="checkbox"/> @CZ18C3700	36'5s	1'2	35'6	35'6	35'6	2	1611	3700	<input checked="" type="checkbox"/> @CZ18P3700	12'2	0'1	12'2	12'2	12'2	58	10925
<input checked="" type="checkbox"/> @CZ18C3800	31'4s	1'1	30'6	31'0	30'6	130	3058	3800	<input checked="" type="checkbox"/> @CZ18P3800	17'0	0'1	17'0	17'0	17'0	146	8260
<input checked="" type="checkbox"/> @CZ18C3900	27'1s	1'1	26'3	26'3	26'3	82	8381	3900	<input checked="" type="checkbox"/> @CZ18P3900	22'3s	-0'1	22'4	22'7	22'1	180	9660
<input checked="" type="checkbox"/> @CZ18C4000	23'0	-0'3	23'0	23'0	23'0	2766	17407	4000	<input checked="" type="checkbox"/> @CZ18P4000	28'4s	-0'1	28'6	28'7	28'4	70	5843
<input checked="" type="checkbox"/> @CZ18C4100	20'1s	1'0	19'2	20'1	18'7	247	5982	4100	<input checked="" type="checkbox"/> @CZ18P4100	35'2s	-0'2	---	---	---	4	3547
<input checked="" type="checkbox"/> @CZ18C4200	17'2	-0'1	17'2	17'2	17'2	294	15228	4200	<input checked="" type="checkbox"/> @CZ18P4200	42'3s	-0'3	---	---	---	0	974
<input checked="" type="checkbox"/> @CZ18C4300	15'0	0'0	15'0	15'0	15'0	148	10507	4300	<input checked="" type="checkbox"/> @CZ18P4300	49'7s	-0'4	---	---	---	0	1621
<input checked="" type="checkbox"/> @CZ18C4400	13'0s	0'5	12'3	13'0	12'1	194	7471	4400	<input checked="" type="checkbox"/> @CZ18P4400	57'7s	-0'4	---	---	---	0	5

In the money  At the money

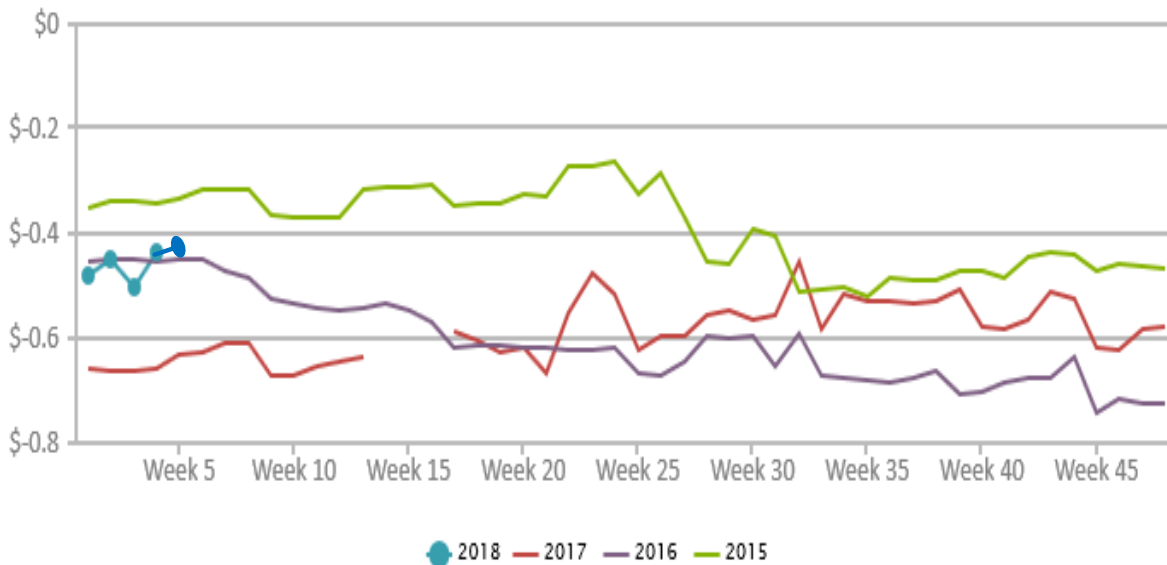
# Corn Cash & Futures Prices (\$/bu)

Junction City, KS Local Elevators – February 8, 2018



# JUNCTION CITY, KS: Corn Basis - GEARY GRAIN INC

www.AgManager.info

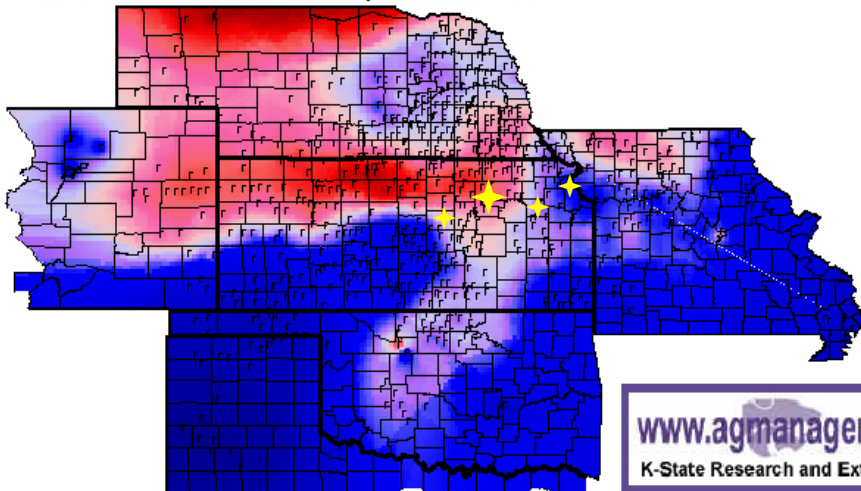


## Corn Basis, 01-31-2018

Basis = Cash Price - Nearby Futures Price

CBT Mar  
Futures  
Price: \$3.59

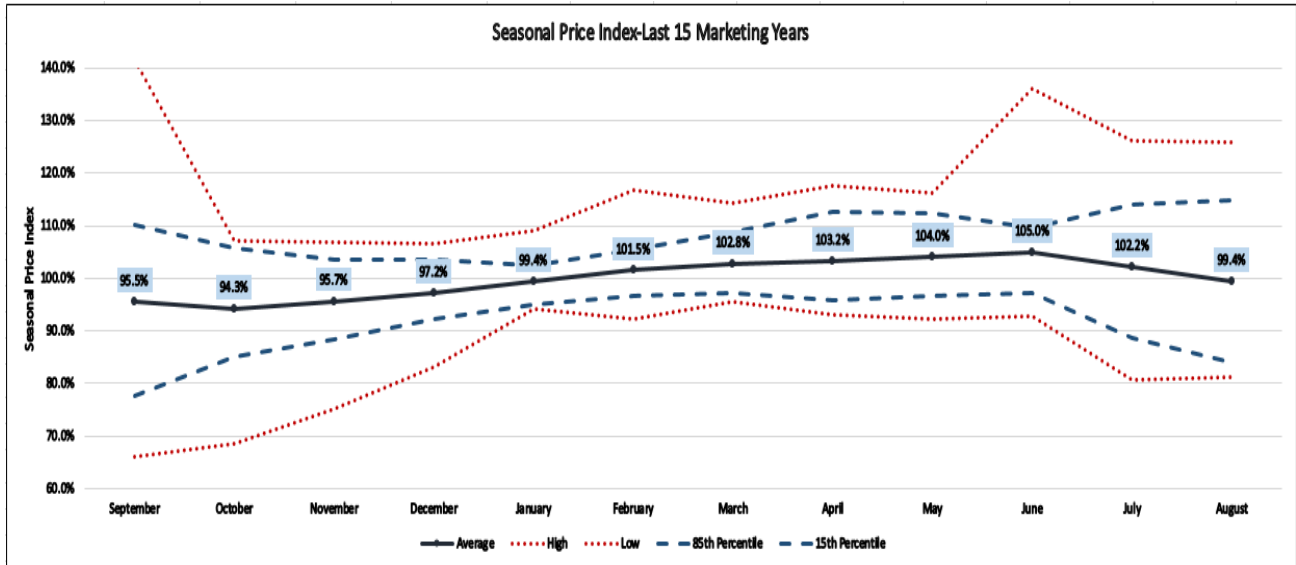
\$/Bushel	
Dark Blue	.56
Blue	-.29
Light Blue	-.33
Very Light Blue	-.34
White	-.38
Light Pink	-.42
Red	-.47
Dark Red	-.50
Dark Red	-.55
Dark Red	-.63



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K-State Research and Extension

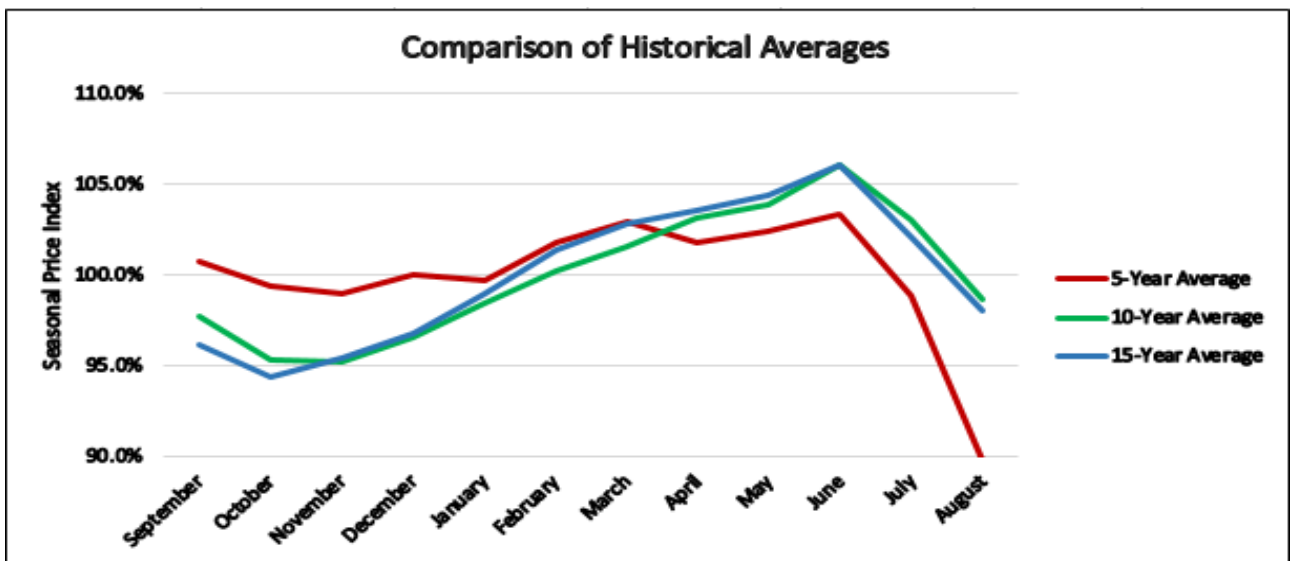
# Kansas Corn Seasonal Cash \$ Index

Monthly: Long Term Average



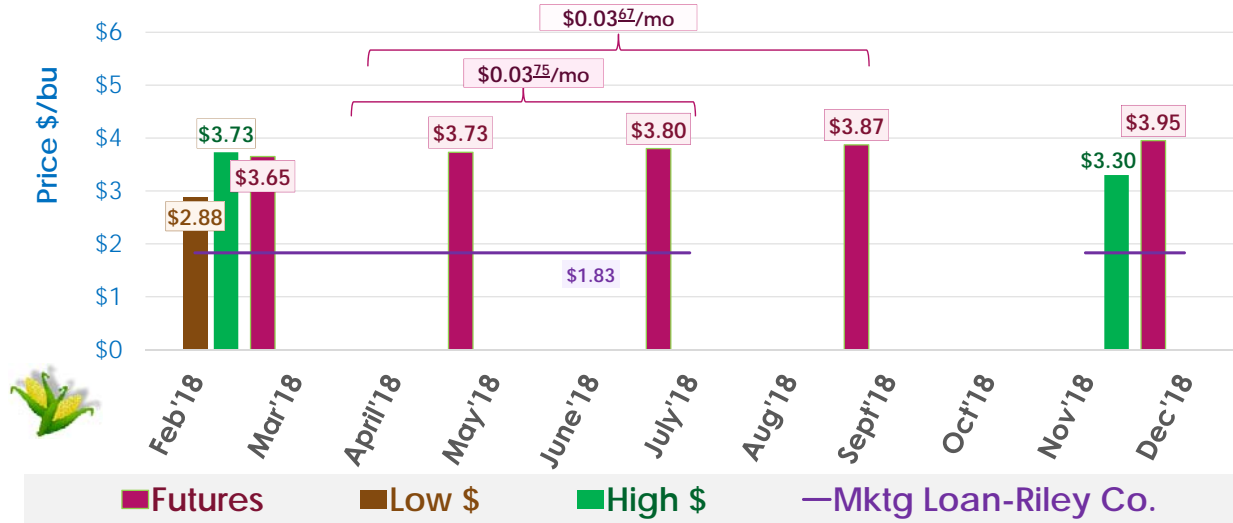
# Kansas Corn Cash Prices

5, 10 & 15 Year Averages



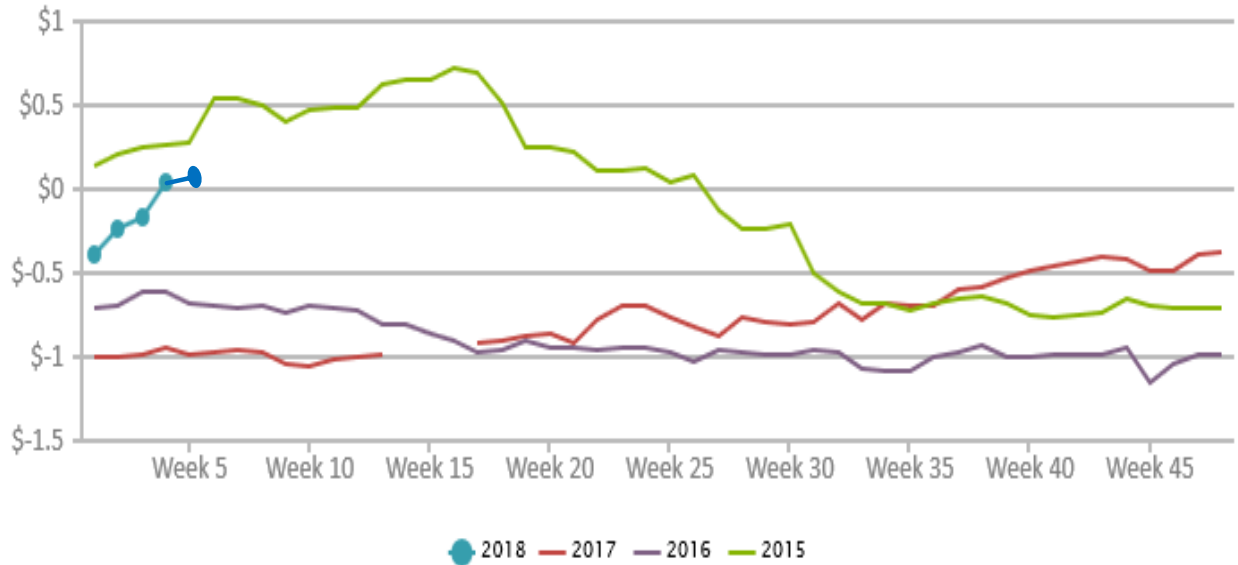
# Grain Sorghum Cash & Corn Futures \$'s

Dighton, KS Local Elevators – January 2, 2018



## JUNCTION CITY, KS: Grain Sorghum Basis - GEARY GRAIN INC

[www.AgManager.info](http://www.AgManager.info)

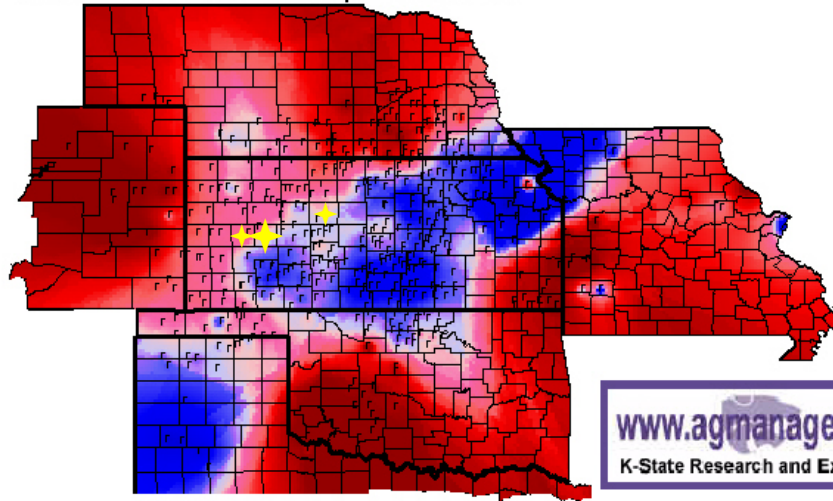
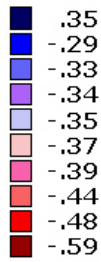


## Grain Sorghum Basis, 12-27-2017

Basis = Cash Price - Nearby Futures Price

CBT Corn  
Mar Futures  
Price: \$3.54

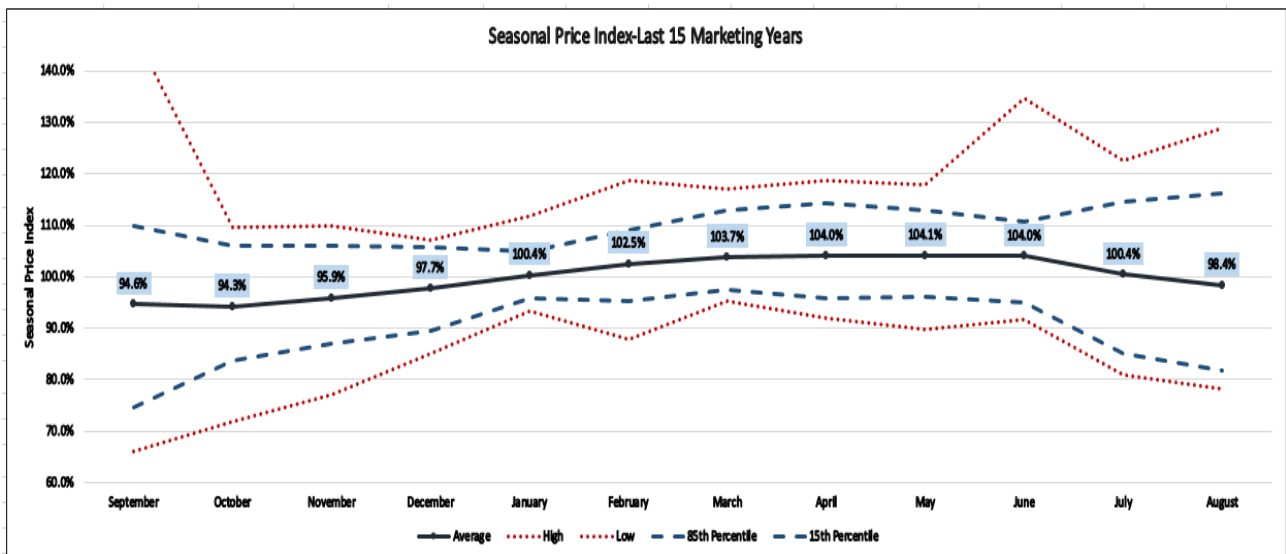
\$/Bushel



[www.agmanager.info](http://www.agmanager.info)  
K-State Research and Extension

## Kansas Sorghum Seasonal Cash \$ Index

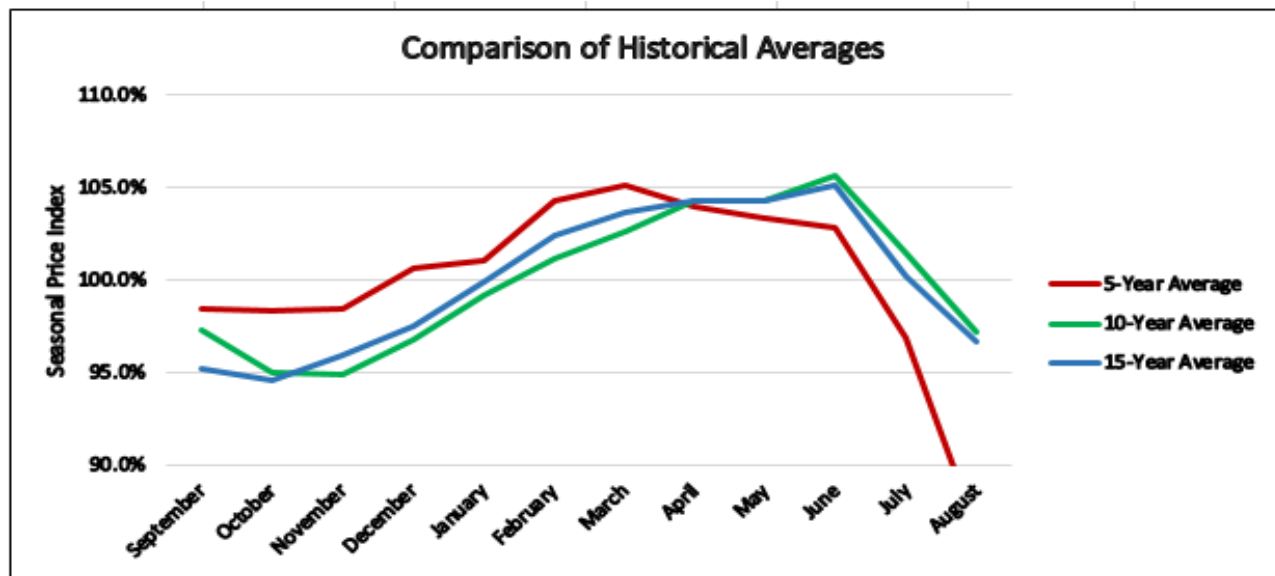
Monthly: Long Term Average





# Kansas Grain Sorghum Cash Prices

## 5, 10 & 15 Year Averages



## What “Old Crop” Corn & Sorghum Marketing Strategies are Likely to Work Best in 2018?

### ► For “Old Crop” 2017 Feedgrains

- **On-Farm Storage** ⇒ Yes, but not until spring-summer 2018
- **Off-Farm Storage** ⇒ Maybe, but will need larger 2018 rallies
- **Storage Hedge / Fwd Contract** ⇒ Maybe ⇒ futures have “carry”!
- **Buy Puts or Marketing Loan** ⇒ No Mktg Loans (Watch ↓ put costs)
- **Sell Cash & Buy Call Options** ⇒ Watch narrower Basis (Yes post sales\*)

## What “New Crop” Corn & Sorghum Marketing Strategies are Likely to Work Best in 2018?

### ► For “New Crop” 2018 Feedgrains

- **Futures Hedge (HTA)** ⇒ Yes, but not until spring-summer 2017
- **Forward Contract** ⇒ Maybe, but watch for better basis bids
- **Buy Puts** ⇒ Maybe @ spring/summer rallies
- **Marketing Loans** ⇒ Be aware of Mktg Loan\$ vs Net Put\$
- **Fwrd Contract + Buy Calls** ⇒ No if wide Basis (+ rally protection)

## Wheat Markets



# CME Kansas Hard Red Winter Wheat

Monthly Chart: December 2008 – January 2018 + 2/7/2018



## Probability of HRW Wheat Futures Trends

Examining 1990-2018 (Last 28 years)

### ► Likelihood of Level-Higher JULY HRW Wheat futures??

#### ○ Trends through Spring (March-May)??

⇒ Spring Price ⇒ ↑ occurred 27/28 Years (96%)

#### ○ Which direction did prices move by Summer (July-August)??

⇒ Price moving sideways / higher = 11/28 Years (39%)

⇒ Price moving lower = 17/28 Years (61%)

ELEC. HRW WHEAT (@KW2012N)

ELEC. HRW WHEAT (@KW2013N)

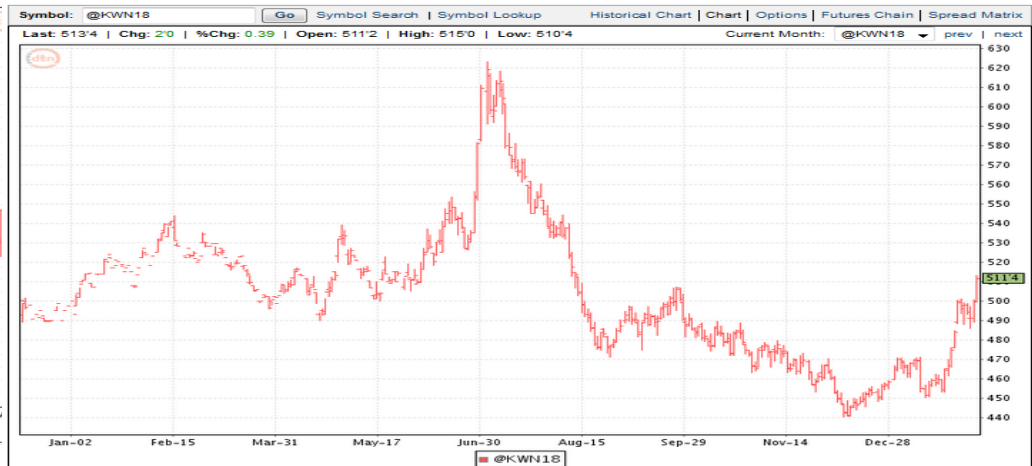
ELEC. HRW WHEAT (@KW2014N)

ELEC. HRW WHEAT (@KW2015N)

ELEC. HRW WHEAT (@KW2016N)

ELEC. HRW WHEAT (@KW2017N)

ELEC. HRW WHEAT (@KWN18)



ELEC. HRW WHEAT (Jul 2018) [10 Minute Delay]

Refresh 2

Last	Change	%Chg	Open	High	Low	Previous	Volume	Exchange	Trade Time
513'0	1'4	0.29	511'2	515'0	510'4	511'4	24154	KCBT	02/07/18 21:18

Symbol: @KWN18 Go Symbol Search | Symbol Lookup Strike Range: Near-the-Money Chart | Options | Futures Chain

Mar 2018 | May 2018 | Jul 2018 | Sep 2018 | Dec 2018 | Mar 2019 Jul 2018

Jul 2018 Options

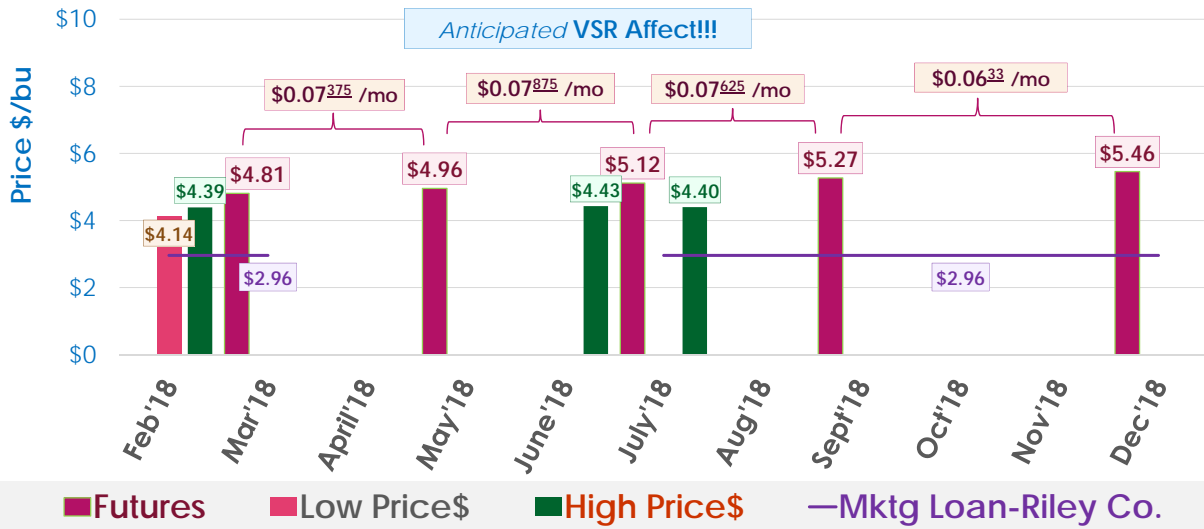
Days Until Expiration: 135

Calls								Puts								
Symbol	Price	Chg	Open	High	Low	Volume	Open Int	Strike	Symbol	Price	Chg	Open	High	Low	Volume	Open Int
<input checked="" type="checkbox"/> @KWN18C4600	58'6s	10'8	--	--	--	4	117	4600	<input checked="" type="checkbox"/> @KWN18P4600	7'4s	-1'1	77	77	7'2	51	600
<input checked="" type="checkbox"/> @KWN18C4700	51'7s	10'2	--	--	--	20	276	4700	<input checked="" type="checkbox"/> @KWN18P4700	10'0	-0'4	10'0	10'0	10'0	875	1088
<input checked="" type="checkbox"/> @KWN18C4800	46'0	0'2	46'0	46'0	46'0	143	524	4800	<input checked="" type="checkbox"/> @KWN18P4800	14'3s	-2'2	16'0	16'0	14'0	66	214
<input checked="" type="checkbox"/> @KWN18C4900	40'2s	9'0	36'2	37'0	36'2	2	47	4900	<input checked="" type="checkbox"/> @KWN18P4900	18'7s	-3'0	19'2	19'2	18'2	4	268
<input checked="" type="checkbox"/> @KWN18C5000	35'3s	8'2	30'0	34'0	30'0	30	3619	5000	<input checked="" type="checkbox"/> @KWN18P5000	24'0s	-3'5	25'0	25'0	23'7	83	307
<input checked="" type="checkbox"/> @KWN18C5100	31'1s	7'5	28'6	28'6	28'6	11	358	5100	<input checked="" type="checkbox"/> @KWN18P5100	30'0	0'3	30'0	30'0	30'0	86	95
<input checked="" type="checkbox"/> @KWN18C5200	27'2s	6'7	23'0	27'5	23'0	38	607	5200	<input checked="" type="checkbox"/> @KWN18P5200	35'6s	-5'0	--	--	--	0	131
<input checked="" type="checkbox"/> @KWN18C5300	23'7s	6'2	20'0	20'0	20'0	12	298	5300	<input checked="" type="checkbox"/> @KWN18P5300	42'3s	-5'5	--	--	--	0	78
<input checked="" type="checkbox"/> @KWN18C5400	20'7s	5'5	17'0	17'2	17'0	31	373	5400	<input checked="" type="checkbox"/> @KWN18P5400	49'2s	-6'2	--	--	--	0	42
<input checked="" type="checkbox"/> @KWN18C5500	19'0	0'6	19'0	19'0	19'0	20	651	5500	<input checked="" type="checkbox"/> @KWN18P5500	56'5s	-6'6	--	--	--	2	27
<input checked="" type="checkbox"/> @KWN18C5600	16'0s	4'6	14'1	16'2	14'0	3	420	5600	<input checked="" type="checkbox"/> @KWN18P5600	64'2s	-7'2	--	--	--	0	44

In the money At the money  
 Quotes generated on: Wed, Feb 7, 2018 9:30 PM CST

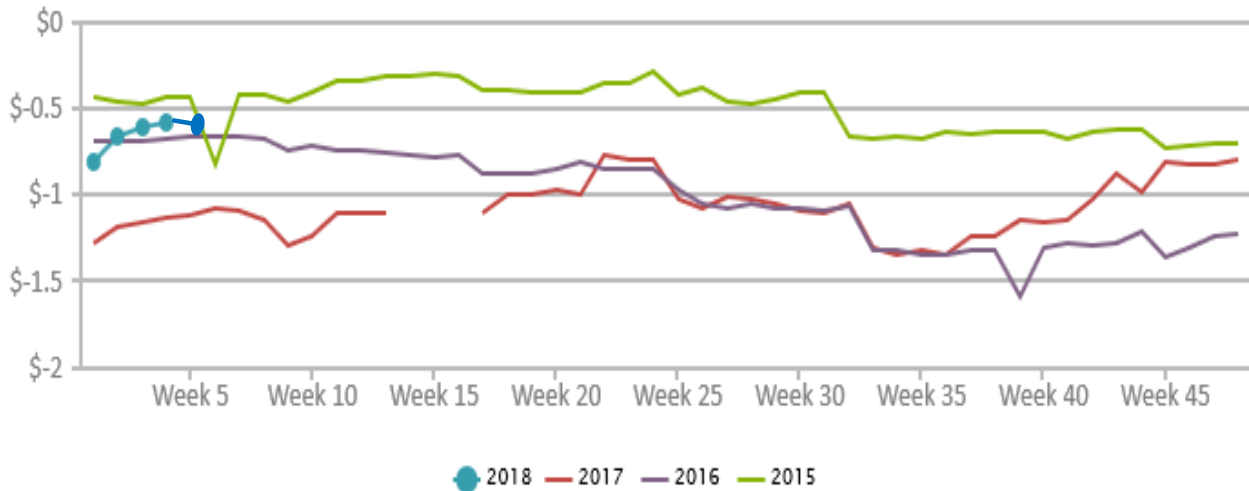
# Wheat Cash & HRW Wheat Futures

Junction City, KS Local Elevators – February 7, 2018



## JUNCTION CITY, KS: Hard Red Winter Wheat Basis - GEARY GRAIN INC

www.AgManager.info

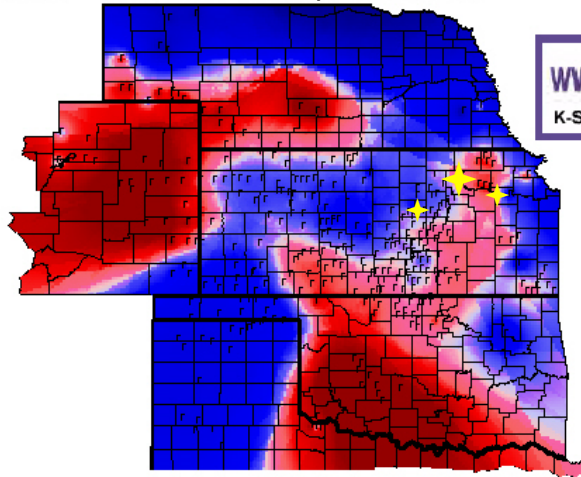


## Wheat Basis, 01-31-2018

Basis = Cash Price - Nearby Futures Price

KCBT Mar  
Futures  
Price: \$4.50

\$/Bushel

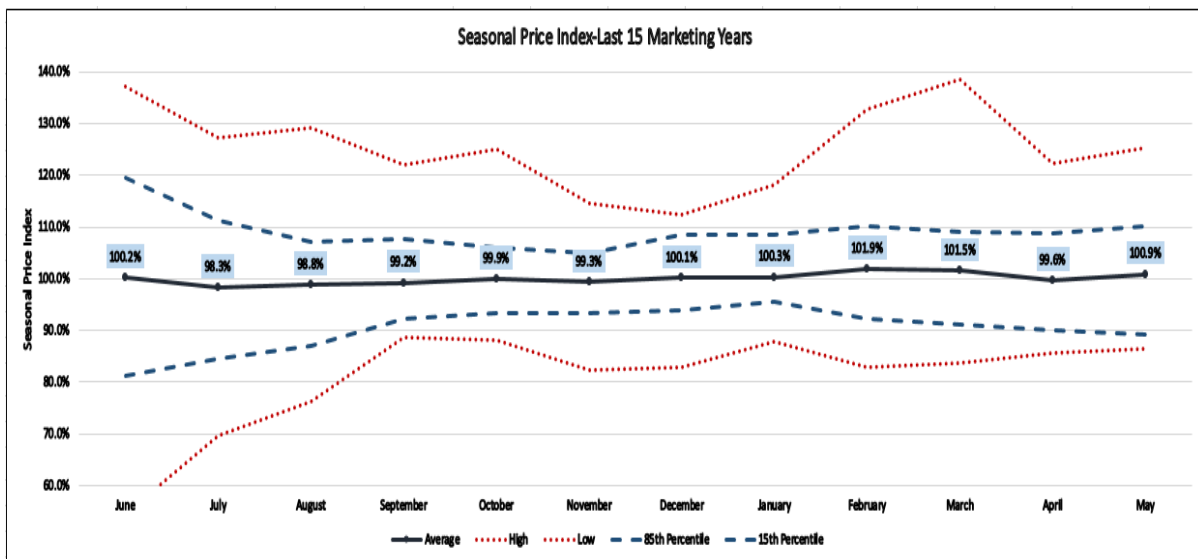


[www.agmanager.info](http://www.agmanager.info)

K-State Research and Extension

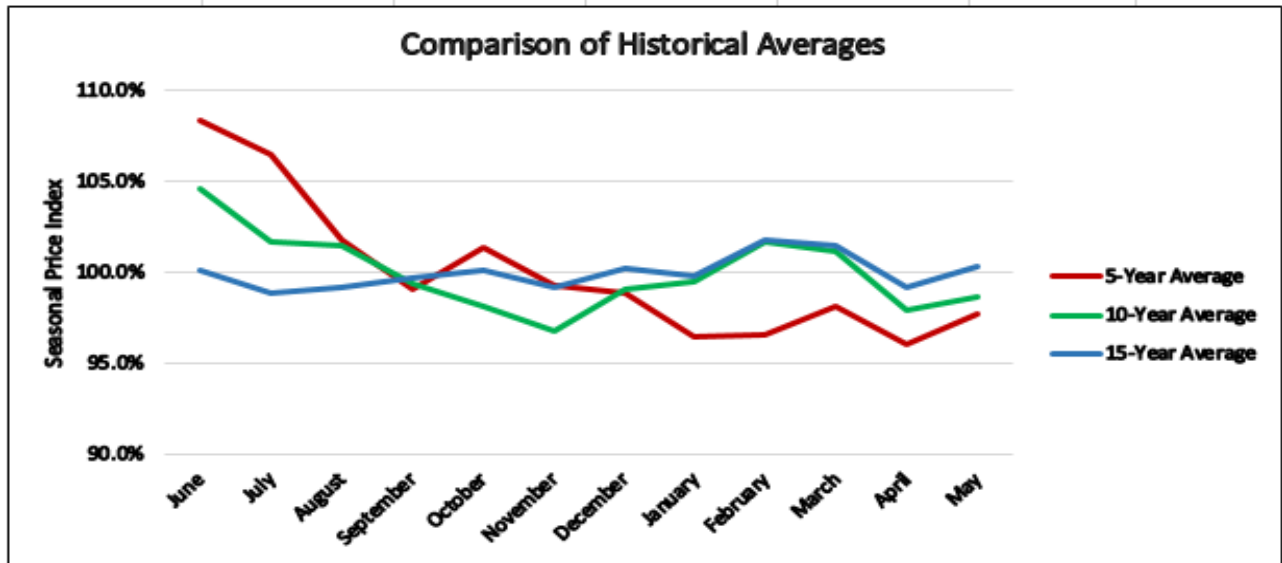
## Kansas Wheat Seasonal Cash \$ Index

Monthly Prices: Long Term Average



# Kansas Wheat Cash Prices

## 5, 10 & 15 Year Averages



## What “Old Crop” Wheat Marketing Strategies are Likely to Work Best in 2018?

### ► For “Old Crop” 2017 Wheat

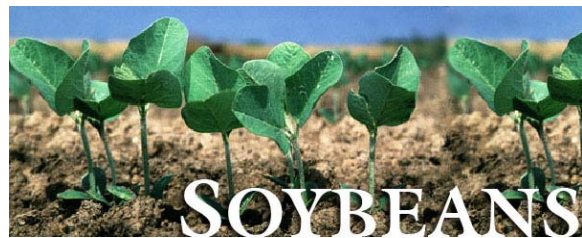
- **On-Farm Storage** ⇒ By now are waiting for Spring 2018 rally
- **Off-Farm Storage** ⇒ Ditto on-farm, but need larger 2018 rallies
- **Storage Hedge / Fwd Contract** ⇒ Hedge w. open basis (HTA)
- **Buy Puts or Marketing Loan** ⇒ ? Mktg Loans\*\* (only buy put if LDP)
- **Sell Cash & Buy Call Options** ⇒ ↓ wide Basis (but do if after sales)

## What “New Crop” Wheat Marketing Strategies are Likely to Work Best in 2018?

### ► For “New Crop” 2018 Wheat

- **Futures Hedge** ⇒ Yes, but not till Spring 2018 (watch basis risk\*\*\*)
- **Forward Contract** ⇒ Maybe, but watch for wide basis bids
- **Buy Puts** ⇒ Maybe @ Spring 2018 rallies
- **Marketing Loan** ⇒ A 2<sup>nd</sup> or 3<sup>rd</sup> best cash strategy (end dates?)
- **Forward Contract + Buy Calls** ⇒ ↓ wide Basis (+ rally protection)

## Soybean Markets



**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics



# CME Soybean Futures

Monthly Chart: December 2008 – January 2018 + February 7, 2018



## Probability of Soybean Futures Trends

*Examining 1990-2016 (Last 27 years)*

### ► Likelihood of Level-Higher NOV Soybean Futures??

#### ○ Trend through Spring-Summer (May-August)??

⇒ Spring-Summer Price ↑ occurred 23/27 Years (85%)

#### ○ Which direction did prices move by Fall (Oct-Nov)??

⇒ Price moving sideways / higher = 12/28 Years (43%)

⇒ Price moving lower = 16/28 Years (57%)

ELEC. SOYBEANS (@S2012X)

ELEC. SOYBEANS (@S2013X)

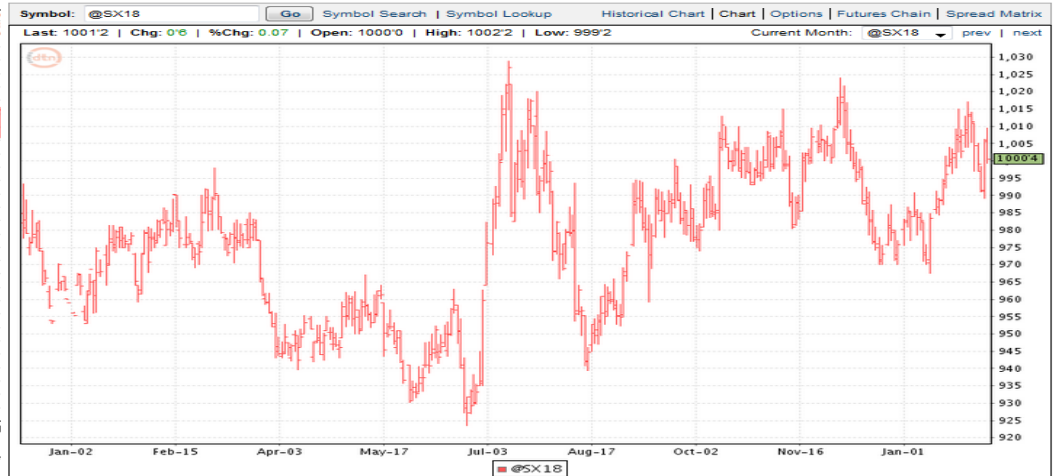
ELEC. SOYBEANS (@S2014X)

ELEC. SOYBEANS (@S2015X)

ELEC. SOYBEANS (@S2016X)

ELEC. SOYBEANS (@S2017X)

ELEC. SOYBEANS (@SX18)



ELEC. SOYBEANS (Jul 2018) [10 Minute Delay]

Refresh

Last	Change	%Chg	Open	High	Low	Previous	Volume	Exchange	Trade Time
1004'4	0'4	0.05	1004'0	1006'6	1003'2	1004'0	35845	CBOT	02/07/18 21:23

Symbol: @SN18 Go Symbol Search | Symbol Lookup Strike Range: Near-the-Money Chart | Options | Futures Chain

Mar 2018 | May 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Nov 2018 | Jan 2019 | Mar 2019 | May 2019 | Nov 2019 Jul 2018

Jul 2018 Options

Days Until Expiration: 135

Calls									Puts							
Symbol	Price	Chg	Open	High	Low	Volume	Open Int	Strike	Symbol	Price	Chg	Open	High	Low	Volume	Open Int
<input checked="" type="checkbox"/> @SN18C9000	106'5s	-3'3	110'0	110'0	110'0	3	31	9000	<input checked="" type="checkbox"/> @SN18P9000	3'1	0'1	3'2	3'2	3'1	97	2737
<input checked="" type="checkbox"/> @SN18C9200	88'6s	-3'3	---	---	---	0	11	9200	<input checked="" type="checkbox"/> @SN18P9200	5'1s	0'1	5'2	5'2	5'2	82	1960
<input checked="" type="checkbox"/> @SN18C9400	72'4s	-3'1	---	---	---	0	150	9400	<input checked="" type="checkbox"/> @SN18P9400	8'6s	0'2	8'6	8'6	8'2	72	2708
<input checked="" type="checkbox"/> @SN18C9600	58'1s	-2'7	---	---	---	0	166	9600	<input checked="" type="checkbox"/> @SN18P9600	14'2s	0'4	13'7	14'4	13'3	351	2536
<input checked="" type="checkbox"/> @SN18C9800	45'7s	-2'5	---	---	---	110	918	9800	<input checked="" type="checkbox"/> @SN18P9800	22'0s	0'7	19'5	21'5	19'5	132	3509
<input checked="" type="checkbox"/> @SN18C10000	36'0s	-2'2	41'6	41'6	36'2	464	3267	10000	<input checked="" type="checkbox"/> @SN18P10000	32'0s	1'2	31'3	31'7	29'5	347	2945
<input checked="" type="checkbox"/> @SN18C10200	28'1s	-1'6	29'2	30'4	28'4	169	2496	10200	<input checked="" type="checkbox"/> @SN18P10200	44'0s	1'5	42'0	44'1	42'0	47	1058
<input checked="" type="checkbox"/> @SN18C10400	21'7s	-1'3	25'0	25'0	21'7	532	2133	10400	<input checked="" type="checkbox"/> @SN18P10400	57'6s	2'1	---	---	---	0	238
<input checked="" type="checkbox"/> @SN18C10600	17'1s	-1'0	20'0	20'0	17'7	41	1709	10600	<input checked="" type="checkbox"/> @SN18P10600	72'7s	2'4	---	---	---	0	29
<input checked="" type="checkbox"/> @SN18C10800	13'3s	-0'7	13'7	13'7	13'2	13	5263	10800	<input checked="" type="checkbox"/> @SN18P10800	89'0s	2'5	---	---	---	0	3
<input checked="" type="checkbox"/> @SN18C11000	10'5s	-0'5	13'1	13'1	10'6	181	5544	11000	<input checked="" type="checkbox"/> @SN18P11000	106'1s	2'7	103'0	103'0	103'0	4	5

In the money At the money

# ELEC. SOYBEANS (Nov 2018) [10 Minute Delay]

Refresh

Last	Change	%Chg	Open	High	Low	Previous	Volume	Exchange	Trade Time
1001'6	1'2	0.12	1000'0	1002'2	999'2	1000'4	15859	CBOT	02/07/18 21:27

Symbol: @SX18  Symbol Search | Symbol Lookup Strike Range: Near-the-Money

Mar 2018 | May 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Nov 2018 | Jan 2019 | Mar 2019 | May 2019 | Nov 2019

## Nov 2018 Options

Days Until Expiration: 261

Calls									Puts							
Symbol	Price	Chg	Open	High	Low	Volume	Open Int	Strike	Symbol	Price	Chg	Open	High	Low	Volume	Open Int
<input type="checkbox"/> @SX18C9000	110'5s	-4'6	---	---	---	0	14	9000	<input type="checkbox"/> @SX18P9000	11'0s	0'2	10'3	11'1	10'3	184	8655
<input type="checkbox"/> @SX18C9200	95'7s	-4'4	100'0	100'0	100'0	2	28	9200	<input type="checkbox"/> @SX18P9200	16'1s	0'4	16'0	16'1	15'3	421	2658
<input type="checkbox"/> @SX18C9400	82'6s	-4'2	---	---	---	0	78	9400	<input type="checkbox"/> @SX18P9400	22'6s	0'5	22'3	22'3	22'3	9	2400
<input type="checkbox"/> @SX18C9600	71'2s	-4'0	---	---	---	0	390	9600	<input type="checkbox"/> @SX18P9600	31'1	0'0	31'1	31'1	31'1	25	1785
<input type="checkbox"/> @SX18C9800	61'2s	-3'5	62'5	62'5	62'5	1	951	9800	<input type="checkbox"/> @SX18P9800	40'7s	1'2	40'0	40'3	39'0	44	1855
<input type="checkbox"/> @SX18C10000	52'5s	-3'1	55'0	55'0	52'7	138	6137	10000	<input type="checkbox"/> @SX18P10000	52'1s	1'6	50'0	51'4	48'6	139	4015
<input type="checkbox"/> @SX18C10200	45'2s	-2'6	---	---	---	1	1768	10200	<input type="checkbox"/> @SX18P10200	64'4s	2'1	63'2	63'2	63'2	6	582
<input type="checkbox"/> @SX18C10400	38'6s	-2'4	42'3	42'3	40'0	50	3060	10400	<input type="checkbox"/> @SX18P10400	77'7s	2'4	---	---	---	0	545
<input type="checkbox"/> @SX18C10600	33'0	-0'2	33'0	33'0	33'0	15	3340	10600	<input type="checkbox"/> @SX18P10600	92'2s	2'6	---	---	---	0	168
<input type="checkbox"/> @SX18C10800	28'5s	-2'0	32'0	32'0	28'4	85	2051	10800	<input type="checkbox"/> @SX18P10800	107'3s	3'0	---	---	---	0	34
<input type="checkbox"/> @SX18C11000	24'5s	-1'7	27'1	27'1	24'3	855	9119	11000	<input type="checkbox"/> @SX18P11000	123'2s	3'1	---	---	---	0	4

In the money  At the money

Quotes generated on: Wed, Feb 7, 2018 9:42 PM CST

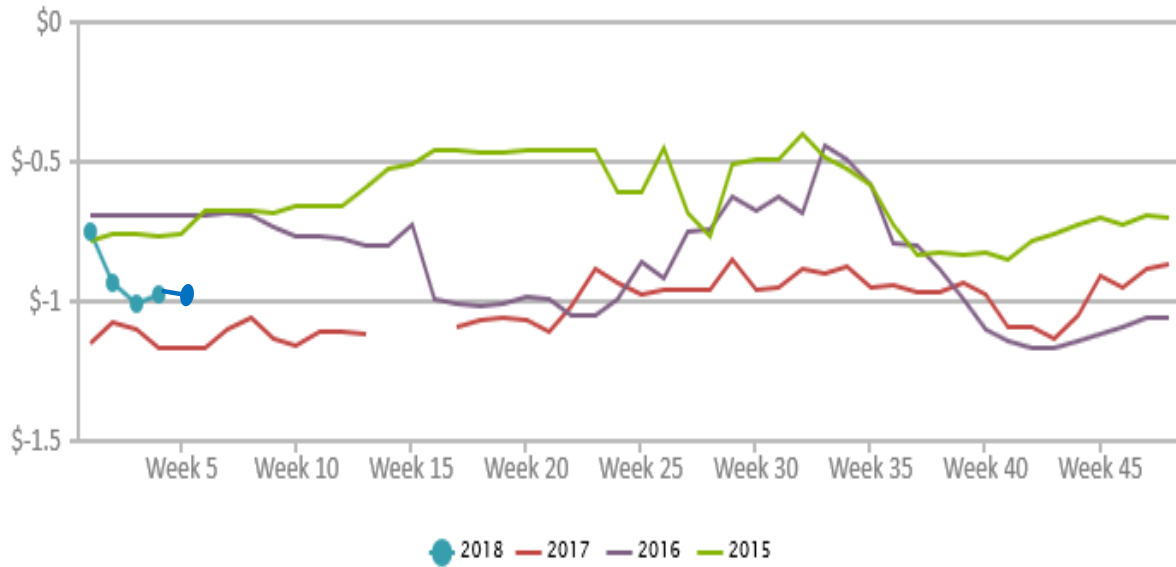
## Soybean Cash & Futures Price\$'s

Junction City, KS Local Elevators - February 7, 2018



# JUNCTION CITY, KS: Soybeans Basis - GEARY GRAIN INC

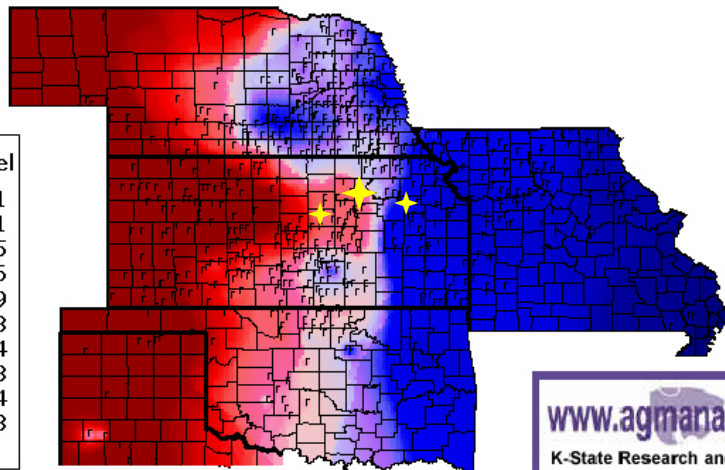
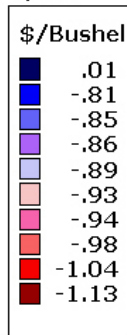
www.AgManager.info



## Soybean Basis, 01-31-2018

Basis = Cash Price - Nearby Futures Price

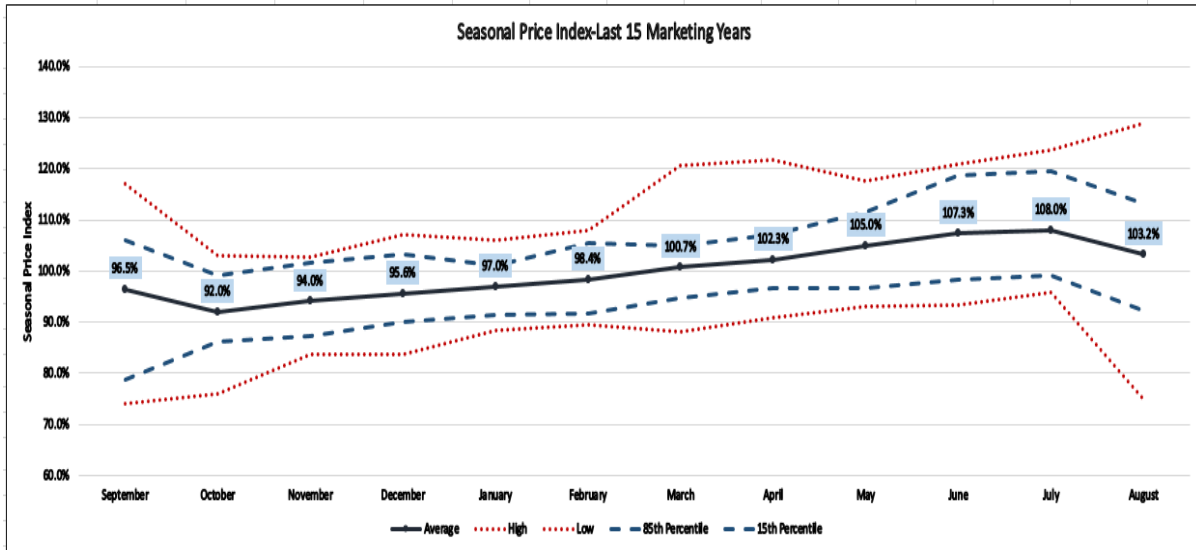
CBT Mar  
Futures  
Price: \$9.94



www.agmanager.info  
K-State Research and Extension

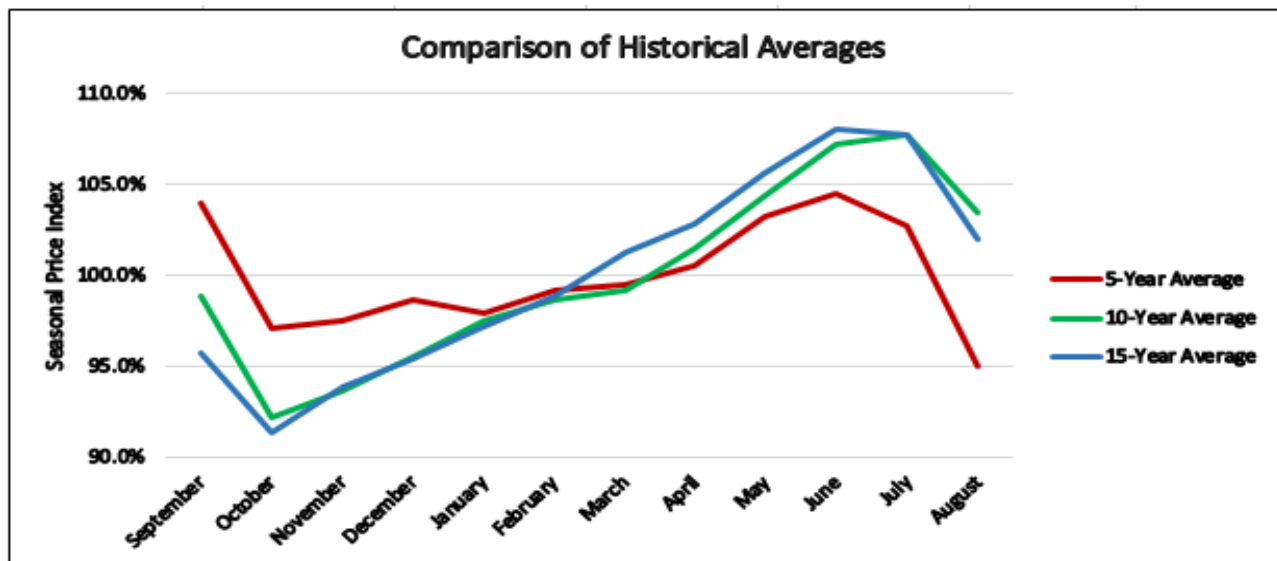
# Kansas Soybean Seasonal Cash \$ Index

Monthly Prices: Long Term Average



# Kansas Soybean Cash Prices

5, 10 & 15 Year Averages



## What “Old Crop” Soybean Marketing Strategies are Likely to Work Best in 2018?

### ► For “Old Crop” 2017 Soybeans

- **On-Farm Storage** ⇒ Yes, but @ risk to ↑ 2018 So. America crop
- **Off-Farm Storage** ⇒ Ditto On-Farm storage but at higher costs
- **Storage Hedge / Fwd Contracts** ⇒ ≈?? – futures are “flat”!
- **Buy Puts or Marketing Loans** ⇒ Yes ⇒ Buy Puts (No ⇒ Mktg Loan)
- **Sell Cash & Buy Calls** ⇒ Use after cash sales “*IF*” mkt rallies

## What “New Crop” Soybean Marketing Strategies are Likely to Work Best in 2018?

### ► For “New Crop” 2018 Soybeans

- **Futures Hedge** ⇒ ??? – How much risk of low fall 2018 \$’s?
- **Forward Contract** ⇒ Ditto, but watch for wide fall ‘18 basis bids
- **Buy Puts** ⇒ Yes – @ spring/summer rallies
- **Marketing Loans** ⇒ Extremely low Mktg Loan\$ vs Net Put\$
- **Forward Contract + Buy Calls** ⇒ Use as post-FC rally protection

# Questions?

Daniel O'Brien – Kansas State University

[www.AgManager.info](http://www.AgManager.info)

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