



June 30 Webinar

- ✓ Specifically, from Mark,
 - Review postharvest wheat alternatives
 - Review preharvest feedgrain and soybean alternatives and plans
- ✓ Questions?
 - When should wheat being harvested now, be sold?
 - When will the wheat market realize that the wet weather is having a negative effect on the quality of wheat?
- ✓ Grain outlook provided by Dan O'Brien



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Postharvest Marketing Decisions

“Our postharvest marketing goal should be to better our position versus harvest values.”

Alternatives

1. Store Unhedged (possibly what many folks consider)
2. Store & Hedge, (store the crop & sell futures or buy a put option)
3. Sell the crop at harvest and move on (What a lot folks do)
4. Minimum Price Contract (Sell the crop & buy a call option; essentially avoiding storage cost/risk and “re-owning” on the board)
5. “Call Option Spread” (Sell the crop, buy a call & sell an OTM call; the same as the minimum price contract, but selling a call option to lower the price of the purchased call)



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An early look at 2025 Postharvest Wheat

Wheat Futures "Carry" Over Time					
	3/1	4/1	5/1	6/1	6/27
JUL	\$5.760	\$5.768	\$5.275	\$5.398	\$5.160
SEP	\$0.076	\$0.071	\$0.072	\$0.069	\$0.089
DEC	\$0.070	\$0.076	\$0.079	\$0.072	\$0.077
MAR	\$0.053	\$0.063	\$0.064	\$0.062	\$0.069
Total	\$0.52	\$0.56	\$0.57	\$0.54	\$0.61

July Futures Price, followed by monthly carry, through March of 2026.

While locations differ, expected storage returns on average, increased slightly from last month. Historically, storing wheat DOES NOT PAY, but will this year be different? **Will prices rise** enough to make unhedged storage work? **Will basis** appreciate enough to make a storage hedge work?

Examining the Potential for Wheat Storage on 6/27/2025					Expected		Expected		
Commercial Storage Costs Begin August 1st			2/21/2026	Expected	Comm.	Storage	On Farm	Storage	
			Deferred	3-Yr. Avg.	Storage	Hedge	Storage	Hedge	
MAR Wheat Futures			Basis	Basis	Costs	Returns	Costs	Returns	
			\$5.78						
Colby - Cornerstone Ag			\$4.59	(\$1.19)	(\$0.45)	\$0.74	\$0.59	\$0.14	\$0.28
Dodge City - Pride Ag			\$4.59	(\$1.19)	(\$0.34)	\$0.85	\$0.59	\$0.24	\$0.28
Concordia Coop - East			\$4.54	(\$1.24)	(\$0.30)	\$0.94	\$0.59	\$0.34	\$0.28
Haven - Producer Ag, MKC			\$4.72	(\$1.06)	(\$0.35)	\$0.71	\$0.60	\$0.10	\$0.28
Topeka - Cargill			\$5.06	(\$0.72)	(\$0.16)	\$0.56	\$0.61	(\$0.06)	\$0.30
Chanute - Beachner			\$4.68	(\$1.10)	(\$0.39)	\$0.71	\$0.59	\$0.10	\$0.28
Six City Average			\$4.70	(\$1.08)	(\$0.33)	\$0.75	\$0.59	\$0.14	\$0.28

Commercial Storage @ 7% Interest and \$0.06/bu./mo. storage charge; On Farm @ 7% Interest + 1% Shrink & \$0.05 In/Out Charge



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2025 Wheat	Postharvest Alternatives				2/26/26		
8/1/2025 Storage costs begin to accumulate. Central KS example.	(A) Sell the Grain	(B) Sell Grain, Buy a Call Option	(C) Sell Grain, Buy a Call, Sell a Call	(D) Sell Grain, Buy a Call, Sell 2 Calls	(\$1.06) Current Deferred Basis	6.8 Months of Storage	(E) Storage Hedge & Storage Costs
Local Cash Price	\$4.72	\$4.72	\$4.72	\$4.72	March Futures		\$5.78
Buy an Option	March => Call	Call	Call	Call	Expected Basis		(\$0.400)
A-T-M Strike	\$5.80	\$5.80	\$5.80	\$5.80	Interest		7.0% (\$0.187)
Option Premium	(\$0.40)	(\$0.40)	(\$0.40)	(\$0.40)	Mo. Chrg.		\$0.000
Sell an Option	March => Call	=> Call	=> Call		or 1 time: 1% Shrink and \$0.05 In-Out		(\$0.097)
O-T-M Strike	\$6.60	\$6.60	\$6.60	\$6.60	Storage to date		\$0.00
Option Premium	\$0.18	\$0.18	\$0.18	\$0.35			
Minimum Price	\$4.72	\$4.31	\$4.47	\$4.64	Expected Price		\$5.08
Futures Price to BE w/ (A)	\$6.21	\$6.05	\$6.05	\$5.88	Expected Profit		\$0.36

The \$0.40 premium, \$2,000 per 5,000 contract is pricey.

Doubling up on the number of calls sold, increases the minimum price but does bring on added risk.

Putting on a call spread (also selling a call) helps offset the purchased call & raises the min.

On-farm storage & and hedge, could be make a profit, but relies on a narrowing basis in a volatile year.

DO NOT consider this a marketing recommendation/advice, and ONLY work with tools you're comfortable with, and a broker/grain buyer you trust.



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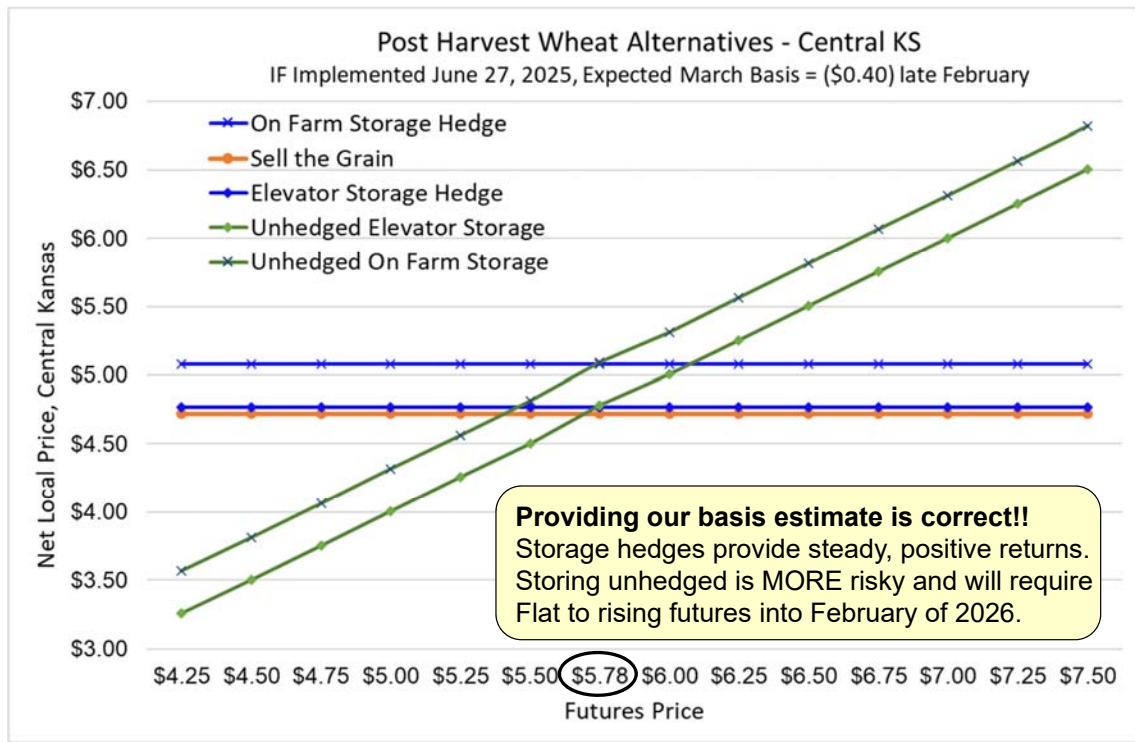


Chart suggested by our good friend Steve Clanton



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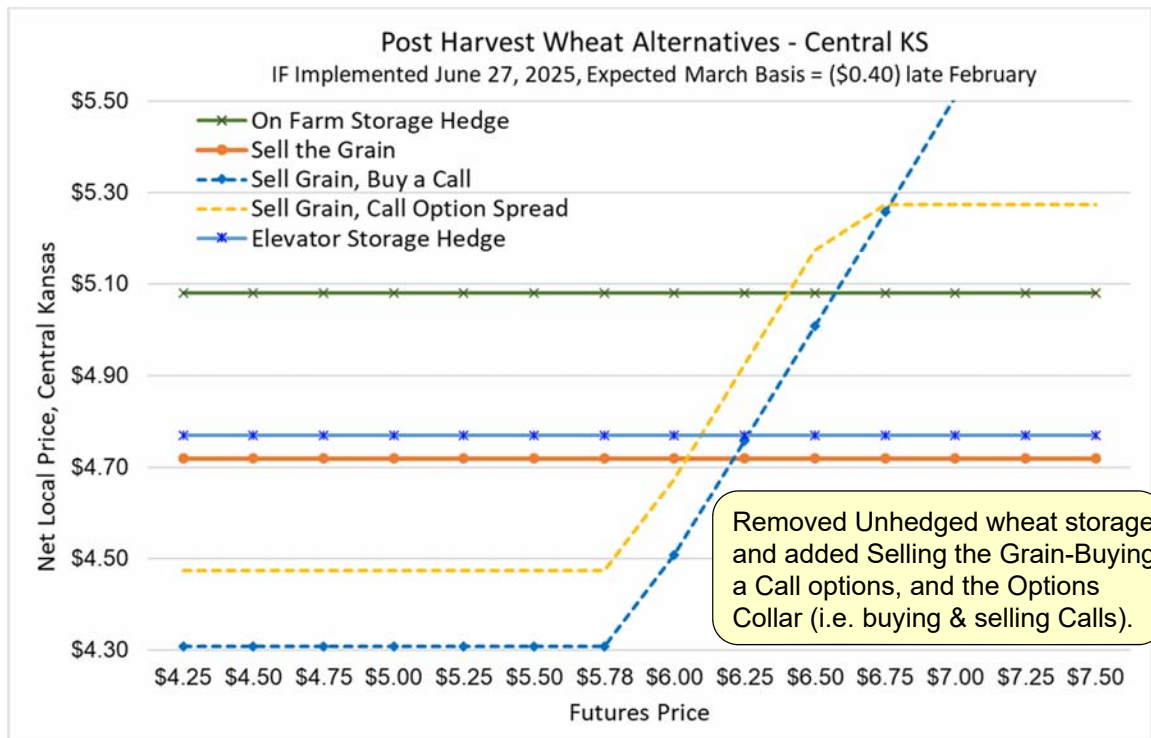


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KANSAS FARM BUREAU
The Voice of Agriculture

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Thank you so much!

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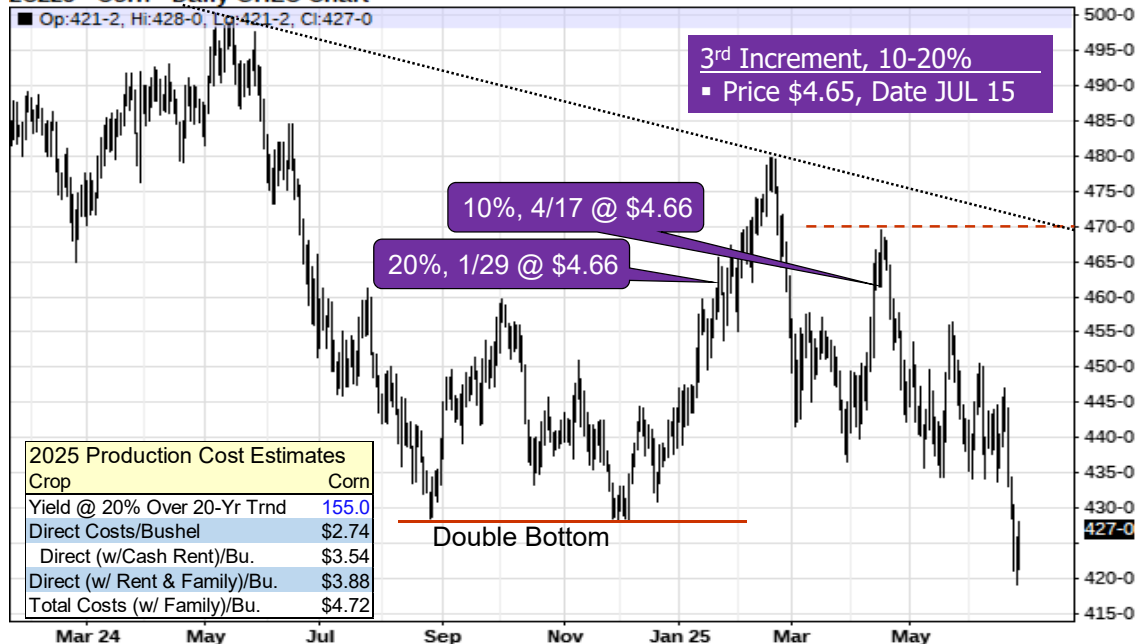
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2025 Preharvest Corn Plan Implementation

Plan start: Jan 1
DEC CME corn @ \$4.46 ½

Currently 30% priced @ \$4.66;
Expected net cash price of \$4.56

ZCZ25 - Corn - Daily OHLC Chart



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2025 Preharvest Corn Plan Implementation

Plan start: Jan 1
DEC CME corn @ \$4.46 ½

Currently 30% priced @ \$4.66 ;
Expected net cash price of \$4.56

Examining New Crop Corn Bids 6/27/2025			10/15/2025		
Forward Cash Contracts & "Price Target" conversions		Actual New Crop Basis	Fut. Target Equivalent Forw. Contr.	5-Yr. Avg. New Crop Basis	Current Basis Vs. 5-Yr Avg.
DEC Corn Futures	\$4.270				
Colby - Cornerstone Ag	\$3.92	(\$0.35)	\$4.30	\$0.21	(\$0.56)
Garden City Coop	\$4.32	\$0.05	\$4.70	(\$0.00)	\$0.05
Concordia East - Ag Mark	\$3.87	(\$0.40)	\$4.25	(\$0.11)	(\$0.29)
Haven - Producer Ag, MKC	\$4.08	(\$0.19)	\$4.46	\$0.08	(\$0.27)
Topeka - Gordon, Cargill	\$3.72	(\$0.56)	\$4.10	(\$0.13)	(\$0.43)
Chanute - Beachner	\$3.91	(\$0.36)	\$4.29	(\$0.06)	(\$0.30)
Six Location Average	\$3.97	(\$0.30)	\$4.35	(\$0.00)	(\$0.30)

It's very important to know your costs of production

Both the average FC bid [\$3.97] and our first "futures" price target of \$4.65 cover direct costs, cash rent, & family living.

New crop basis bids are ~\$0.30/bu. weaker than avg.

2025 Production Cost Estimates	
Crop	Corn
Yield @ 20% Over 20-Yr Trnd	155.0
Direct Costs/Bushel	\$2.74
Direct (w/Cash Rent)/Bu.	\$3.54
Direct (w/ Rent & Family)/Bu.	\$3.88
Total Costs (w/ Family)/Bu.	\$4.72



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Central Kansas Corn Example

PREHARVEST	FIXED PRICE ALTs		RETAIN UPSIDE		Option "Collars"	
Marketing Alternatives DEC-25 Corn	Forward Cash Contract (FCC)*	Sell Futures (Short Hedge)*	Buy a Put Option*	Forward Contract & Buy a Call Opt.	Buy the Put & Sell a Call Option*	Buy the Put & Sell a Call Option
Futures Price	\$4.27	\$4.270				
Expected Basis	(\$0.19)	(\$0.10)	(\$0.10)			
Expected Price	\$4.08	\$4.16				
Option Strike			\$4.30	\$4.50	\$4.90	\$5.10
Option Premium			(\$0.25)	(\$0.15)	\$0.16	\$0.12
Minimum Price	\$4.08	\$4.16	\$3.94	\$3.92	\$4.09	\$4.05
Maximum Price	\$4.08	\$4.16	???	???	\$4.69	\$4.85
Estimated Option Costs per Contract			(\$1,235)	(\$735)	(\$460)	(\$655)

"*" Alternatives are graphed on the following slide.

2025 Production Cost Estimates	
Crop	Corn
Yield @ 20% Over 20-Yr Trnd	155.0
Direct Costs/Bushel	\$2.74
Direct (w/Cash Rent)/Bu.	\$3.54
Direct (w/ Rent & Family)/Bu.	\$3.88
Total Costs (w/ Family)/Bu.	\$4.72

Low minimum price but with upside potential

Higher minimum but with a cap on price gains



ONLY work with tools you're comfortable with, and a broker/grain buyer you trust.
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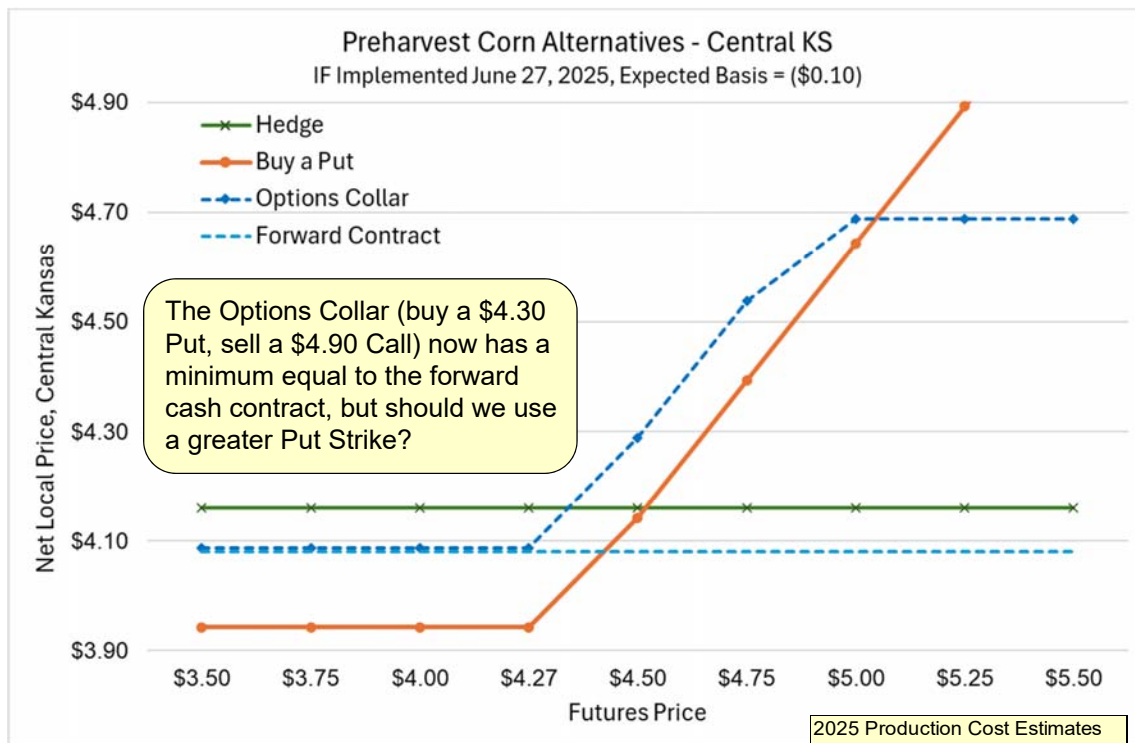


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Central Kansas Corn Example

PREHARVEST	FIXED PRICE ALTs		RETAIN UPSIDE		Option "Collars"	
Marketing Alternatives DEC-25 Corn	Forward Cash Contract (FCC)*	Sell Futures (Short Hedge)*	Buy a Put Option*	Forward Contract & Buy a Call Opt.	Buy the Put & Sell a Call Option*	Buy the Put & Sell a Call Option
Futures Price	\$4.27	\$4.270				
Expected Basis	(\$0.19)	(\$0.10)	(\$0.10)			
Expected Price	\$4.08	\$4.16				
Option Strike			\$4.50	\$4.50	\$4.90	\$5.10
Option Premium			(\$0.38)	(\$0.15)	\$0.16	\$0.12
Minimum Price	\$4.08	\$4.16	\$4.02	\$3.92	\$4.16	\$4.12
Maximum Price	\$4.08	\$4.16	???	???	\$4.56	\$4.72
Estimated Option Costs per Contract			(\$1,875)	(\$735)	(\$1,100)	(\$1,295)

*** Alternatives are graphed on the following slide.

2025 Production Cost Estimates	
Crop	Corn
Yield @ 20% Over 20-Yr Trnd	155.0
Direct Costs/Bushel	\$2.74
Direct (w/Cash Rent)/Bu.	\$3.54
Direct (w/ Rent & Family)/Bu.	\$3.88
Total Costs (w/ Family)/Bu.	\$4.72

The \$4.50 Put vs. \$4.30 provides a \$0.07 to \$0.08 greater minimum, but will cost another \$640.



ONLY work with tools you're comfortable with, and a broker/grain buyer you trust.
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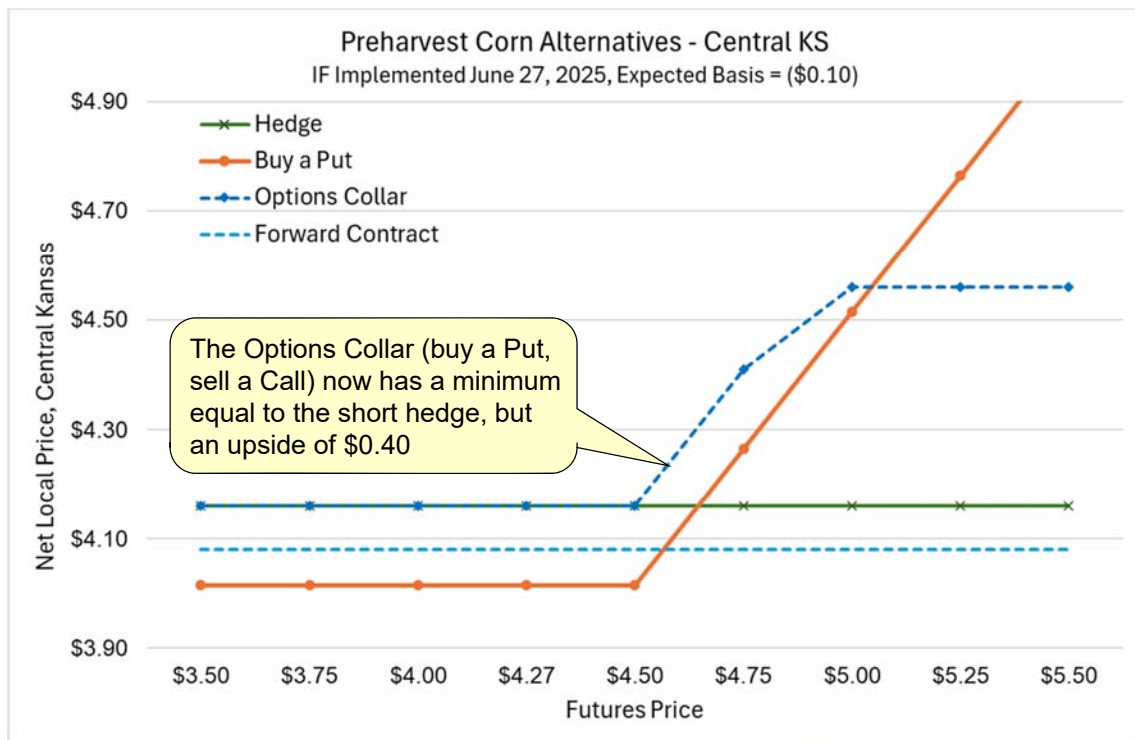


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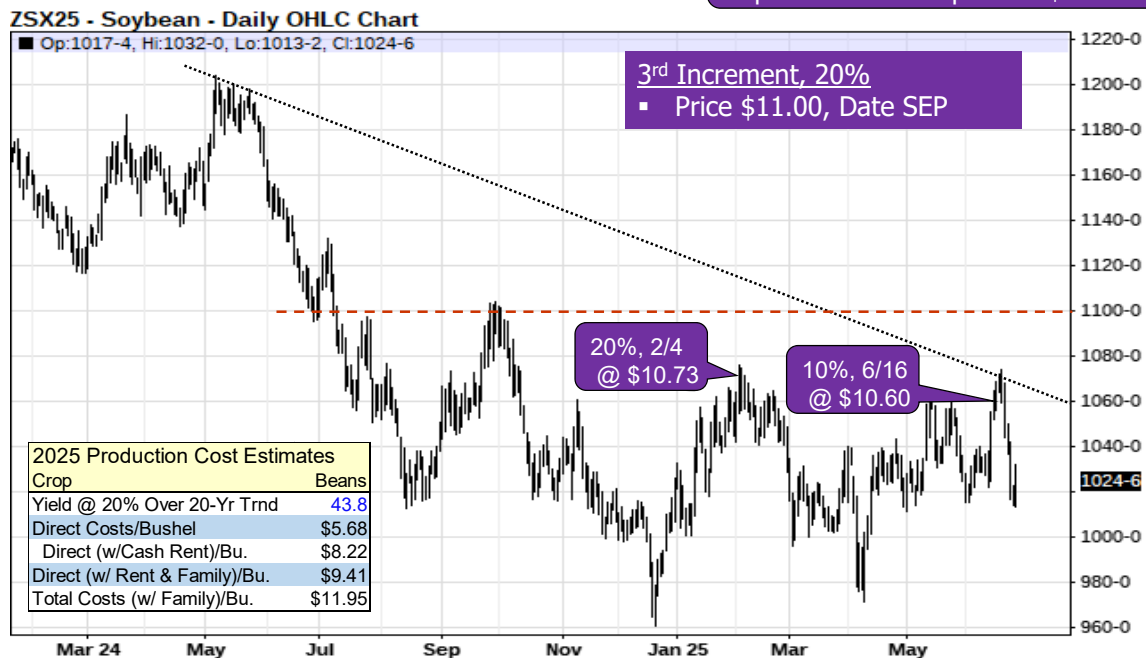
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Crop	Corn
Yield @ 20% Over 20-Yr Trnd	155.0
Direct Costs/Bushel	\$2.74
Direct (w/Cash Rent)/Bu.	\$3.54
Direct (w/ Rent & Family)/Bu.	\$3.88
Total Costs (w/ Family)/Bu.	\$4.72

2025 Preharvest Bean Plan Implementation

Plan start: Jan 1
NOV CME soybeans @ \$10.28

Currently 30% priced @ \$10.68;
Expected net cash price of \$10.12



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2025 Preharvest Bean Plan Implementation

Plan start: Jan 1
NOV CME soybeans @ \$10.28

Currently 30% priced @ \$10.68;
Expected net cash price of \$10.12

Examining New Crop Bean Bids 6/27/2025					
Forward Cash Contracts & "Price Target" conversions			\$11.00	10/25/2025	
		Actual New Crop Basis	Fut. Target Equivalent Forw. Contr.	5-Yr. Avg. New Crop Basis	Current Basis Vs. 5-Yr Avg.
NOV Soybean Futures	\$10.248				
Colby - Cornerstone Ag	\$9.20	(\$1.05)	\$9.95	(\$1.05)	\$0.00
Garden City Coop	\$9.25	(\$1.00)	\$10.00	\$0.99	(\$1.99)
Concordia East - Ag Mark	\$9.50	(\$0.75)	\$10.25	(\$0.71)	(\$0.04)
Haven - Producer Ag, MKC	\$9.58	(\$0.67)	\$10.33	(\$0.56)	(\$0.11)
Topeka - Gordon, Cargill	\$9.65	(\$0.60)	\$10.40	(\$0.45)	(\$0.15)
Chanute - Beachner	\$9.65	(\$0.60)	\$10.40	(\$0.47)	(\$0.13)
Six Location Average	\$9.47	(\$0.78)	\$10.22	(\$0.37)	(\$0.40)

It's very
important to
know your
costs of
production

2025 Production Cost Estimates	
Crop	Beans
Yield @ 20% Over 20-Yr Trnd	43.8
Direct Costs/Bushel	\$5.68
Direct (w/Cash Rent)/Bu.	\$8.22
Direct (w/ Rent & Family)/Bu.	\$9.41
Total Costs (w/ Family)/Bu.	\$11.95

Both the average FC bid [\$9.47] and our first "futures" price target cover direct costs, cash rent, & family living, but not fixed costs.

New crop basis bids are \$0.40bu. weaker than avg.



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Central Kansas Soybean Example

PREHARVEST	FIXED PRICE ALTs		RETAIN UPSIDE		Option "Collars"	
Marketing Alternatives NOV-25 Beans	Forward Cash Contract (FCC)*	Sell Futures (Short Hedge)*	Buy a Put Option*	Forward Contract & Buy a Call Opt.	Buy the Put & Sell a Call Option*	Buy the Put & Sell a Call Option
Futures** Price	\$10.25	\$10.25				
Expected Basis	(\$0.67)	(\$0.56)	(\$0.56)			
Expected Price	\$9.58	\$9.68				
Option Strike			\$10.30	\$10.30	\$10.80	\$11.00
Option Premium			(\$0.43)	\$0.38	\$0.38	\$0.32
Minimum Price	\$9.58	\$9.68	\$9.30	\$9.95	\$9.66	\$9.60
Maximum Price	\$9.58	\$9.68	???	???	\$10.16	\$10.30
Estimated Option Costs per Contract			(\$2,165)	\$1,905	(\$285)	(\$590)

** Alternatives are graphed on the following slide.

Low minimum
price but with
upside potential

Higher minimum
but with a cap on
price gains



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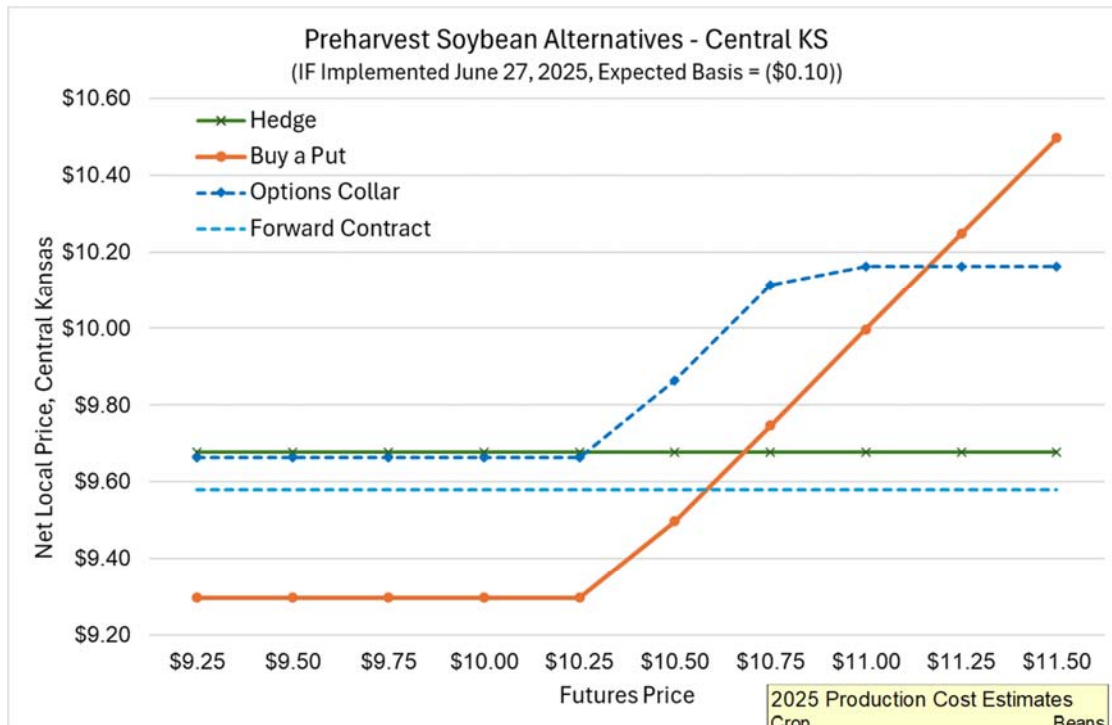


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How Low Can Corn Futures Go?

ZC - Corn - Monthly OHLC Chart



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How Low Can HRW Wheat Futures Go?

KE - Hard Red Winter Wheat - Monthly OHLC Chart



WINNING THE GAME

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How Low Can Soybean Futures Go?

ZS - Soybean - Monthly OHLC Chart



WINNING THE GAME

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