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Mark Nelson – Director of Commodities



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**MEET THE SPEAKERS**

**Mark Nelson**

Director of Commodities  
Kansas Farm Bureau

Mark Nelson is responsible for conducting commodity sector analysis including grain markets, coordinating the activities of eight agricultural advisory committees, and serving as a member of Kansas Farm Bureau's Public Policy Team.

**Daniel O'Brien**

Extension Agricultural Economist  
Kansas State University

Daniel O'Brien focuses his work on grain market analysis & risk management strategies. He also has interests in bioenergy market trends and profitability, grain futures market price efficiency, the behavioral psychology of market choices, & crop enterprise cost economics.



**“Winning-The-Game”**

**Corn Marketing  
Workshop**

**Wednesday, February 9, 2022**

5:00 – 9:00 p.m.

**Richmond Community Building**  
205 W Central St, Richmond, KS 66080

**No Cost to Attend**

(*BUT* pre-registraton is needed for meals, etc.)

**Focus of the Workshop**

- Developing **Pre-harvest Marketing Strategies** for the **2022 Kansas Corn Crop**

**- Focus on....**

- Using corn cost of production for price strategy targets
- Seasonal price trend-based pre-harvest strategies Futures & Basis
- Using seasonal flexibility in 2022 Corn Marketing Plans
- Pre-harvest Marketing Tools
  - Forward Contracts
  - Basis Contacts
  - Hedge-to-Arrive (HTA) contracts
  - Futures Hedge (short / sell)
  - Buying Put/Call Options

# The Need for a Disciplined Pre-harvest 2022 Corn Marketing Plan

## A. Expected Corn Market Trends in 2022

On Tuesday, January 11, 2022, DEC 2022 corn futures closed at \$5.57 ½ /bu. Recent USDA reports indicate strong ethanol and feed demand, as well as prospects for moderate strength in exports from China and elsewhere in the world. Demand for U.S. corn has been sustained even with record high U.S. corn prices.

Uncertainty over 2022 U.S. corn prospects help to support market price prospects. Extreme tightness in U.S. and World fertilizer supplies leading to record high nitrogen fertilizer prices raise concerns about 2022 corn production prospects, and support corn futures prices going forward. This uncertainty in 2022 U.S. corn supply-demand prospects illustrates the need to have an effective, well conceived pre-harvest marketing plan to follow in marketing the 2022 Kansas corn crop.

## B. What Makes Up an Effective Grain Marketing Plan?

In this workshop, corn producers will be involved in the process of developing an effective pre-harvest corn marketing plan for the 2022 crop.

This workshop takes the approach of first accounting for cost of production as a initial target price criteria for pre-harvest marketing strategy actions. It also makes use of prevalent seasonal pre-harvest price patterns, and basis data trends in developing grain marketing strategies.

From there we present a structured, disciplined approach to developing and carrying out a grain marketing plan – in this case for a Kansas corn producer. This workshop provides participants with a logical and discipline approach to developing and carrying out grain marketing plans, and then flexibly reassessing and changing them if market conditions merit a change.



Agricultural Economics

## Workshop Agenda – Corn Focus

5:00 p.m. **Registration**

5:10 p.m. **Welcome & Introductions** (Frontier Extension Agent – Ryan Schaub)

5:15 p.m. **Supper** (provided at No Cost)

5:45 p.m. **Key Factors in Developing an Effective Grain Marketing Plan** (Nelson & O'Brien)

- Crop costs of production-based price targets
- Seasonal price pattern-market tendencies
- Local grain basis trends: *preharvest-to-harvest*
- Grain marketing tools: *fwd. contracts, futures, options*
- How psychology affects marketing decisions

6:20 p.m. **Developing a Pre-harvest Marketing Plan Action Strategy** (Nelson & O'Brien)

- Identifying specific grain price targets
- Setting dates for taking market actions
- Choosing decision rules for pricing actions
- Measuring success in grain marketing

6:55 p.m. **Break**

7:00 p.m. **Experiencing a Pre-harvest Grain Marketing Plan<sup>Corn</sup>** (Nelson, O'Brien & Participants)

- Carrying out a preharvest corn marketing plan for a representative year
- Review the effectiveness of group marketing plan choices made in the workshop

8:00 p.m. **U.S. Corn Market Outlook<sup>Year 2022</sup>** (O'Brien)

8:30 p.m. **Building a Preharvest Marketing Plan for Corn in 2022** (Nelson & O'Brien)

- Using the U.S. Corn Market Outlook to develop a Pre-harvest Marketing Plan<sup>2022</sup>

9:00 p.m. **End of Workshop**



NORTH CENTRAL  
EXTENSION  
RISK  
MANAGEMENT  
EDUCATION

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**Richmond Community Building**  
205 W Central St, Richmond, KS 66080

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State/Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

Email: \_\_\_\_\_

### No Cost to Attend

*BUT*, pre-registration is needed for meals & materials

Attendance limited

### Pre-registration contacts

## Frontier Extension District

Garnett office: 785.448.6826

Ottawa office: 785.229.3520

Lyndon office: 785.828.4438

Email: [reschaub@ksu.edu](mailto:reschaub@ksu.edu)