

# Grain Marketing Strategies for 2018

## *Examining 2018 Grain Storage & Sales Strategies*

Leoti, Kansas – March 9, 2018

**DANIEL O'BRIEN**

EXTENSION AGRICULTURAL ECONOMIST

**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics



# Corn & Sorghum Markets



**KANSAS STATE**  
UNIVERSITY

Department of Agricultural Economics

# CME Corn Futures



Weekly Chart: February 2009 – January 2018 + 2/8/2018



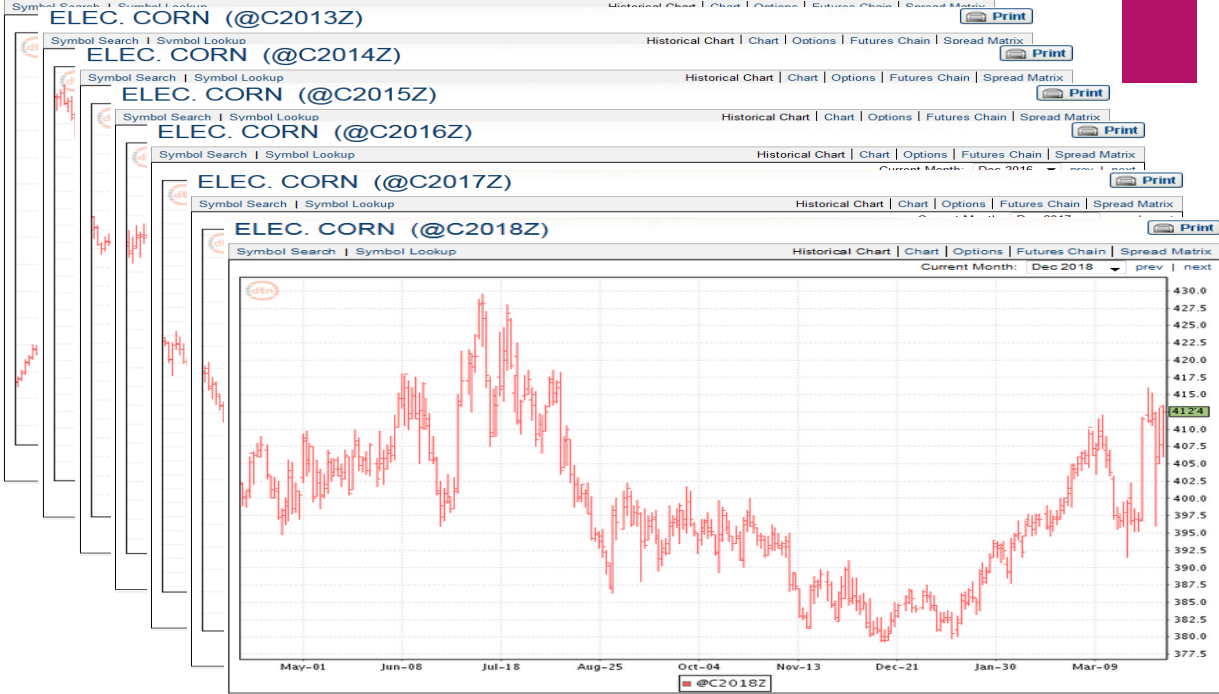
## Probability of Corn Futures Trends

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
397'0s	-12	-0.31	392'0	398'4	390'6	398'2	223334	CBOT	04/06/18 13:19

Symbol: @CN18  Symbol Search | Symbol Lookup Strike Range: Near-the-Money

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

Jul 2018

Jul 2018 Options

Days Until Expiration: 75

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"/> @CN18C3700	31'3s	-0'6	31'4	32'0	30'0	29	13883	3700	<input checked="" type="checkbox"/> @CN18P3700	4'4s	0'4	5'0	5'2	4'3	162	18562
<input checked="" type="checkbox"/> @CN18C3750	28'0s	-0'5	28'2	28'2	28'2	15	275	3750	<input checked="" type="checkbox"/> @CN18P3750	6'1s	0'5	5'7	6'3	5'7	122	1868
<input checked="" type="checkbox"/> @CN18C3800	25'1s	-0'3	24'0	25'4	23'5	393	25613	3800	<input checked="" type="checkbox"/> @CN18P3800	8'1s	0'7	9'4	9'4	7'5	1274	28790
<input checked="" type="checkbox"/> @CN18C3850	22'3s	-0'3	22'2	22'2	22'2	2	1416	3850	<input checked="" type="checkbox"/> @CN18P3850	10'3s	0'7	10'6	10'6	9'7	218	1017
<input checked="" type="checkbox"/> @CN18C3900	20'0s	-0'1	19'0	20'3	18'5	625	27981	3900	<input checked="" type="checkbox"/> @CN18P3900	13'0s	1'1	12'7	13'2	12'3	399	13233
<input checked="" type="checkbox"/> @CN18C3950	17'6s	-0'2	16'7	17'7	16'4	2034	2497	3950	<input checked="" type="checkbox"/> @CN18P3950	15'6s	1'0	15'6	15'7	15'1	342	1862
<input checked="" type="checkbox"/> @CN18C4000	15'6s	-0'1	13'4	16'0	13'4	3834	49037	4000	<input checked="" type="checkbox"/> @CN18P4000	18'6s	1'1	20'2	20'2	18'0	715	9363
<input checked="" type="checkbox"/> @CN18C4050	13'7s	-0'1	13'5	14'0	13'5	88	1768	4050	<input checked="" type="checkbox"/> @CN18P4050	21'7s	1'1	21'5	22'2	21'2	92	105
<input checked="" type="checkbox"/> @CN18C4100	12'2s	-0'1	10'5	12'4	10'5	650	19756	4100	<input checked="" type="checkbox"/> @CN18P4100	25'2s	1'1	25'0	25'7	24'7	104	3144
<input checked="" type="checkbox"/> @CN18C4150	10'7s	0'0	8'6	10'2	8'6	53	1041	4150	<input checked="" type="checkbox"/> @CN18P4150	28'7s	1'3	28'2	28'2	28'2	1	343
<input checked="" type="checkbox"/> @CN18C4200	9'4s	0'0	8'1	9'7	8'1	3220	18757	4200	<input checked="" type="checkbox"/> @CN18P4200	32'3s	1'2	---	---	---	0	918

In the money  At the money

Quotes generated on: Sun, Apr 8, 2018 5:30 PM CDT

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

Refresh

Last	Change	%Chg	Open	High	Low	Previous	Volume	Exchange	Trade Time
412'4s	-0'6	-0.18	407'6	413'4	406'0	413'2	65491	CBOT	04/06/18 13:19

Symbol: @CZ18  Symbol Search | Symbol Lookup Strike Range: Near-the-Money

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

Dec 2018

## Dec 2018 Options

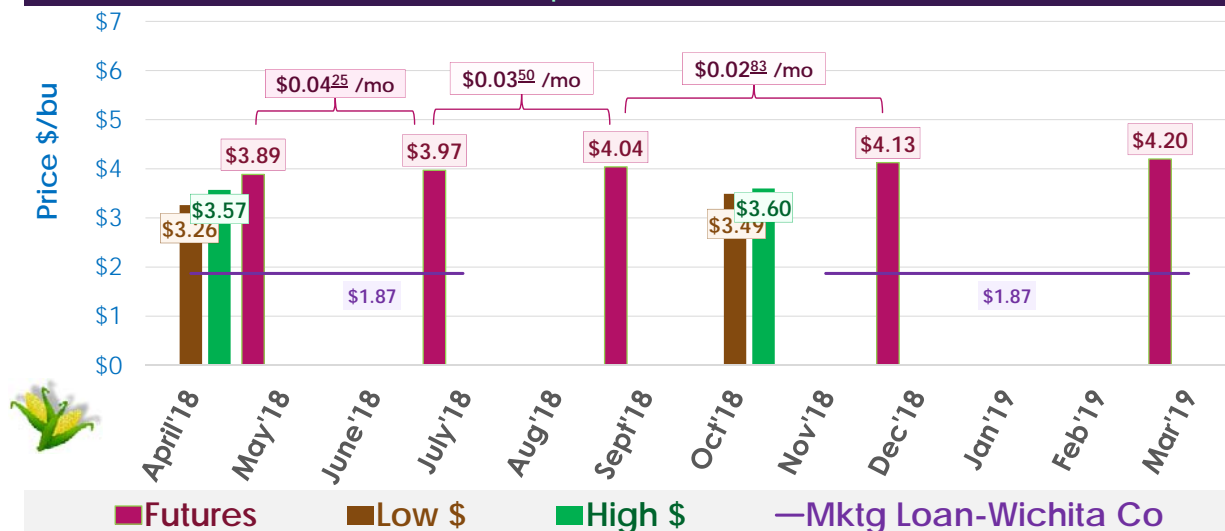
Days Until Expiration: 229

Calls									Puts							
Symbol	Price	Chg	Open	High	Low	Volume	Open Int	Strike	Symbol	Price	Chg	Open	High	Low	Volume	Open Int
<input type="checkbox"/> @CZ18C3600	59'1s	-0'2	---	---	---	0	598	3600	<input type="checkbox"/> @CZ18P3600	70s	0'3	7'0	7'0	6'5	1397	20367
<input type="checkbox"/> @CZ18C3700	52'0s	-0'3	---	---	---	0	1572	3700	<input type="checkbox"/> @CZ18P3700	97s	0'3	9'6	10'2	9'6	393	13498
<input type="checkbox"/> @CZ18C3800	45'7s	-0'1	---	---	---	21	3604	3800	<input type="checkbox"/> @CZ18P3800	13'5s	0'5	14'4	14'4	13'2	239	15610
<input type="checkbox"/> @CZ18C3900	40'3s	-0'2	40'2	40'2	39'4	13	8333	3900	<input type="checkbox"/> @CZ18P3900	18'1s	0'4	18'0	19'6	17'6	1123	14343
<input type="checkbox"/> @CZ18C4000	35'5s	-0'2	34'0	35'4	34'0	84	23810	4000	<input type="checkbox"/> @CZ18P4000	23'2s	0'4	23'7	24'0	22'6	375	19246
<input type="checkbox"/> @CZ18C4100	31'3s	-0'1	30'3	31'5	30'2	116	13392	4100	<input type="checkbox"/> @CZ18P4100	28'7s	0'5	29'2	29'6	28'6	264	6807
<input type="checkbox"/> @CZ18C4200	27'5s	-0'1	25'5	28'0	25'5	1499	21487	4200	<input type="checkbox"/> @CZ18P4200	35'1s	0'5	---	---	---	0	2191
<input type="checkbox"/> @CZ18C4300	24'3s	0'0	22'6	24'4	22'6	278	13236	4300	<input type="checkbox"/> @CZ18P4300	41'6s	0'6	42'1	42'1	42'1	10	2881
<input type="checkbox"/> @CZ18C4400	21'3s	0'0	19'4	21'4	19'4	606	12921	4400	<input type="checkbox"/> @CZ18P4400	48'5s	0'6	---	---	---	0	125
<input type="checkbox"/> @CZ18C4500	18'5s	-0'1	18'0	18'6	18'4	321	25125	4500	<input type="checkbox"/> @CZ18P4500	55'6s	0'5	---	---	---	0	1051
<input type="checkbox"/> @CZ18C4600	16'2s	-0'1	15'2	16'2	14'6	377	10825	4600	<input type="checkbox"/> @CZ18P4600	63'2s	0'5	63'3	63'3	63'2	2	621

In the money At the money  
 Quotes generated on: Sun, Apr 8, 2018 5:32 PM CDT

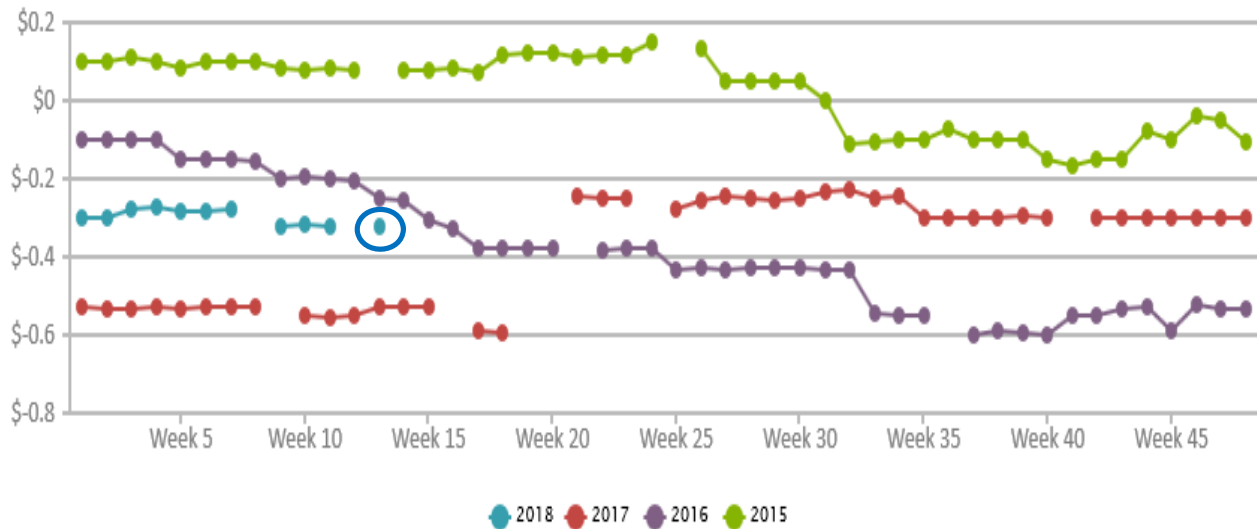
## Corn Cash & Futures Prices (\$/bu)

Leoti, KS Local Elevators – April 6, 2018



# SCOTT CITY, KS: Corn Basis - SCOTT COOP ASSOCIATION

www.AgManager.info

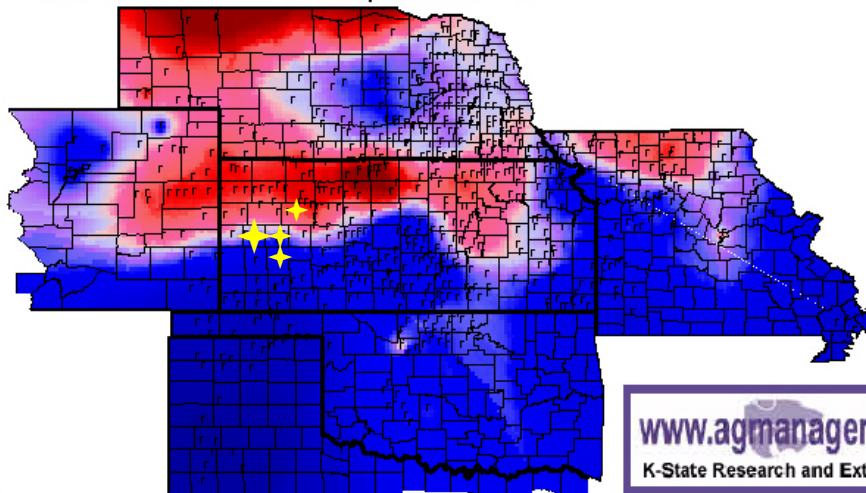
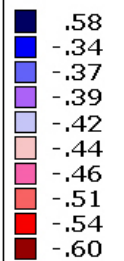


## Corn Basis, 04-04-2018

Basis = Cash Price - Nearby Futures Price

CBT May  
Futures  
Price: \$3.81

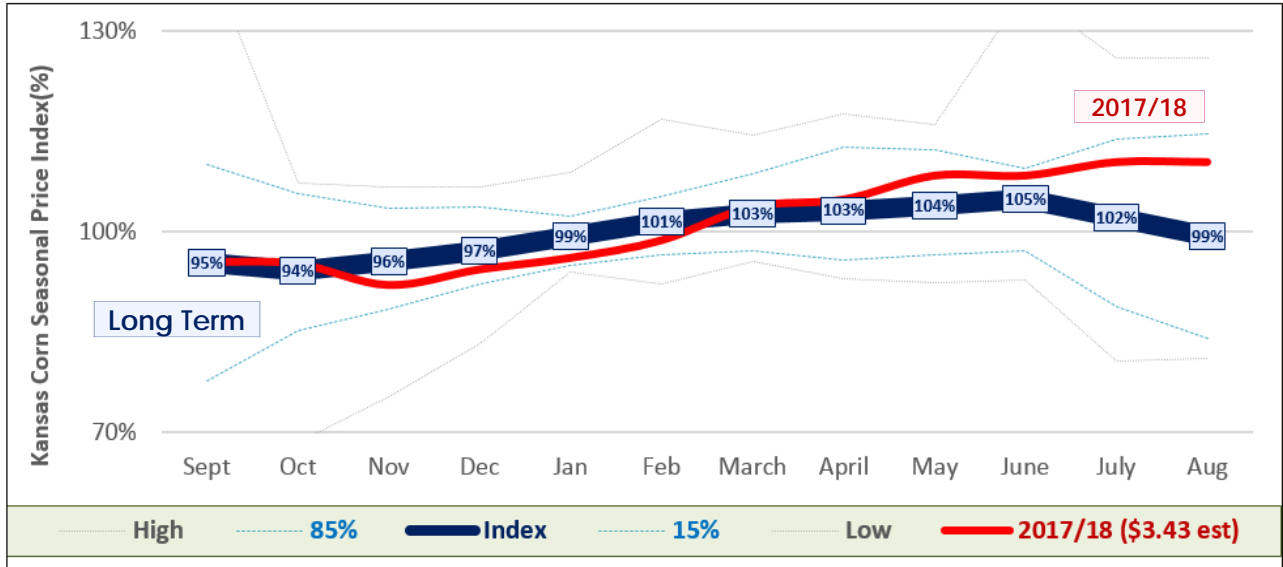
\$/Bushel



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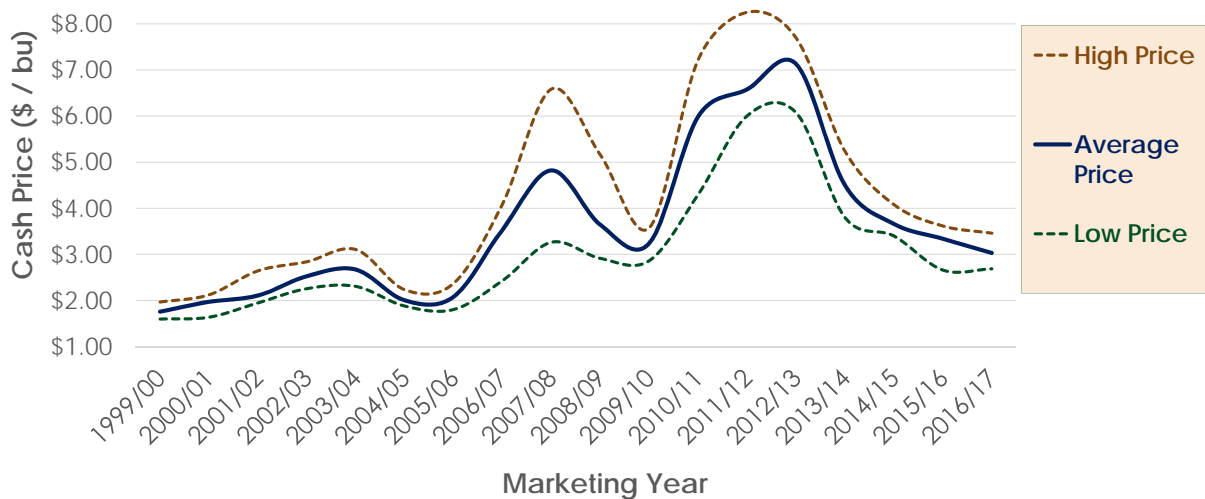
# West Central KS Corn Seasonal Cash \$ Index

Monthly: Long Term Average



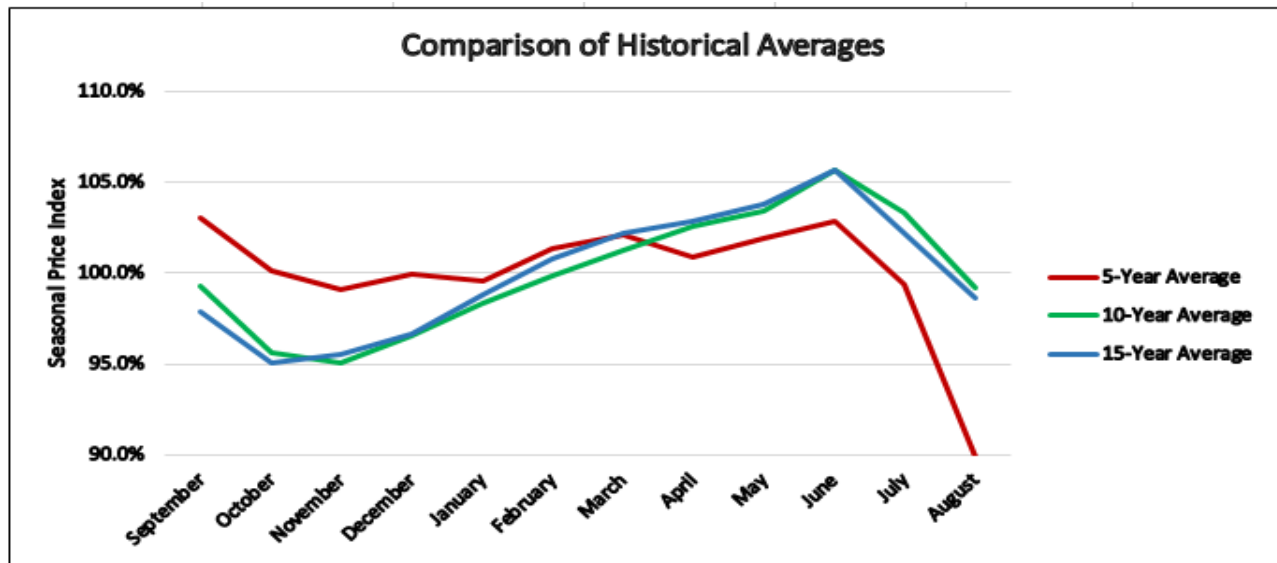
# West Central KS Corn Cash Prices

1999/2000 through 2016/17 Marketing Years



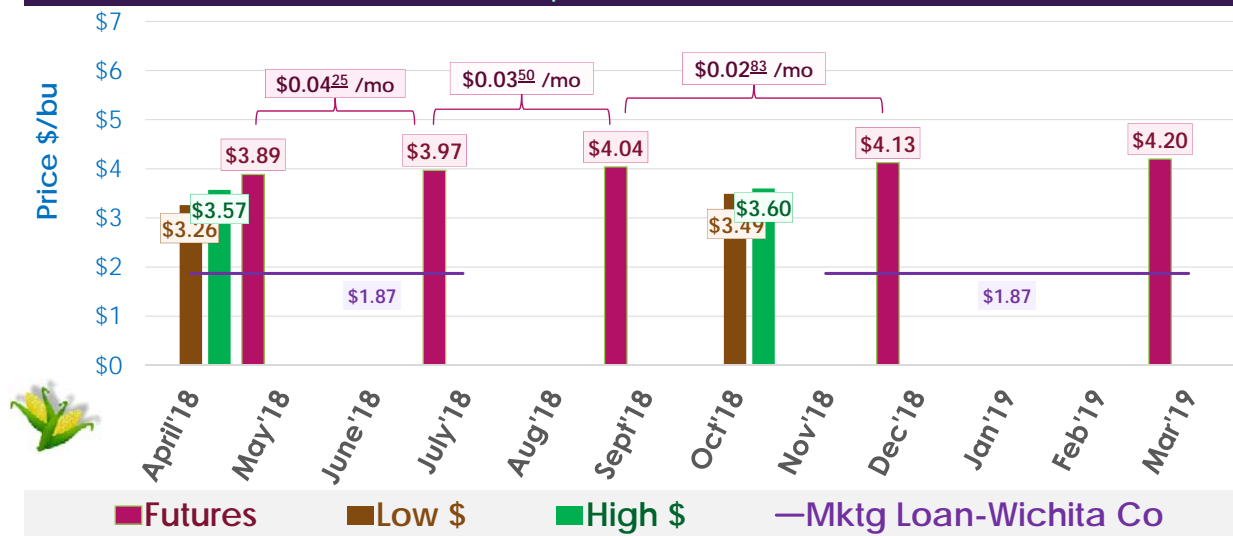
# West Central Kansas Corn Cash Prices

Most Recent 5, 10 & 15 Year Averages



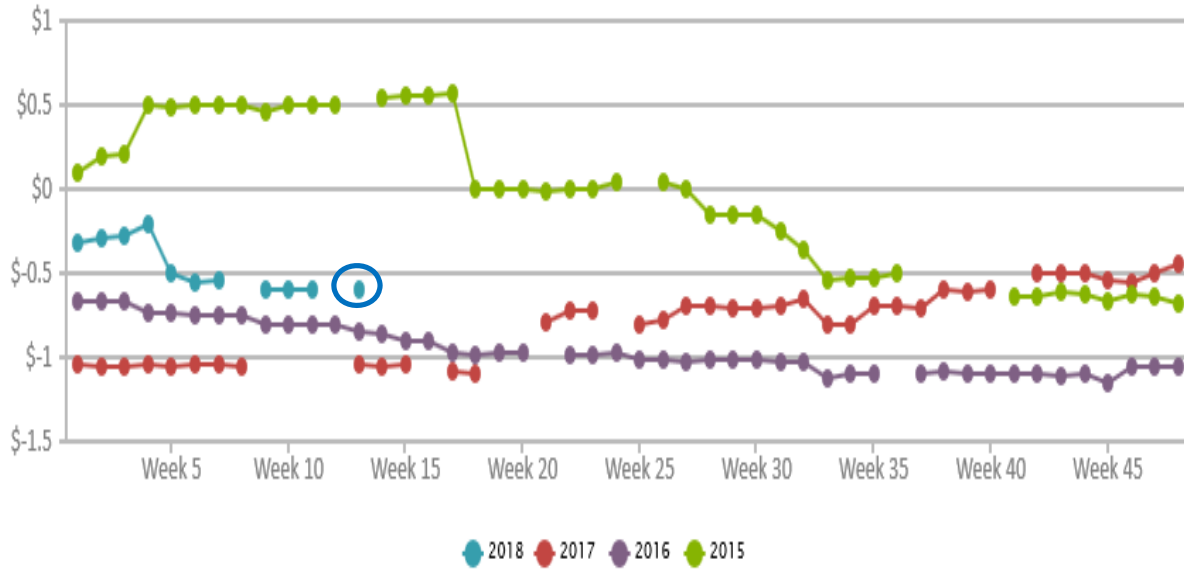
# Grain Sorghum Cash & Futures Prices (\$/bu)

Leoti, KS Local Elevators – April 6, 2018



# SCOTT CITY, KS: Grain Sorghum Basis - SCOTT COOP ASSOCIATION

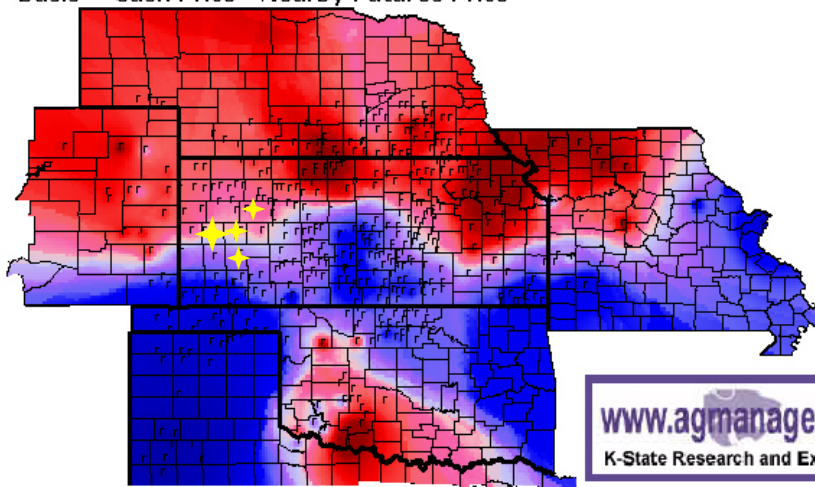
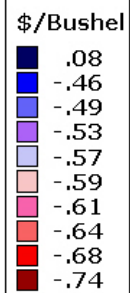
www.AgManager.info



## Grain Sorghum Basis, 04-04-2018

Basis = Cash Price - Nearby Futures Price

CBT Corn  
May Futures  
Price: \$3.81

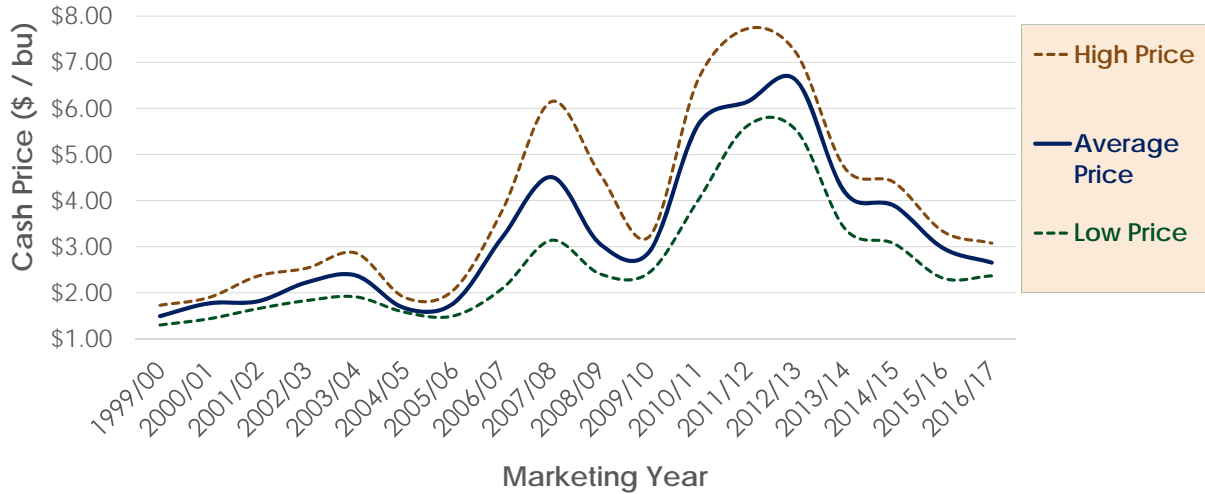


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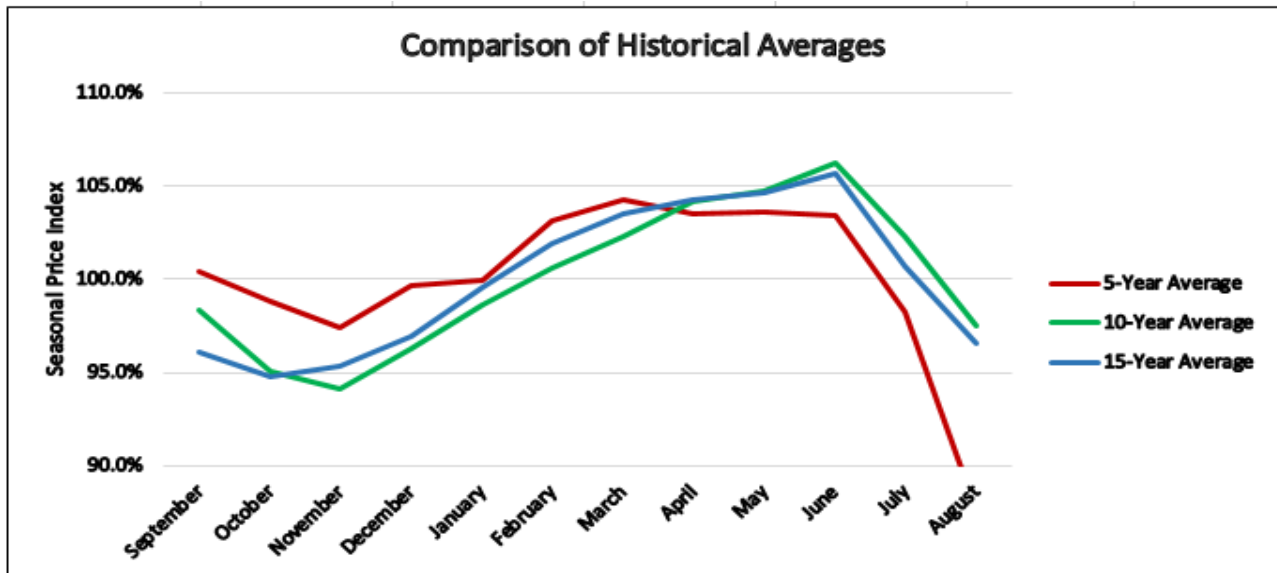
# West Central KS Grain Sorghum Cash Prices

## 1999/2000 through 2016/17 Marketing Years



# West Central Kansas Sorghum Cash Prices

## Most Recent 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\$
- **Fwr Contract + Buy Calls** ⇒ No if wide Basis (+ rally protection)

# Wheat Markets



**KANSAS STATE UNIVERSITY** Department of Agricultural Economics

## CME Kansas Hard Red Winter Wheat

Monthly Chart: February 2009 – March 2018 + 4/6/2018



# Probability of HRW Wheat Futures Trends

Examining 1990-2018 (Last 28 years)

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

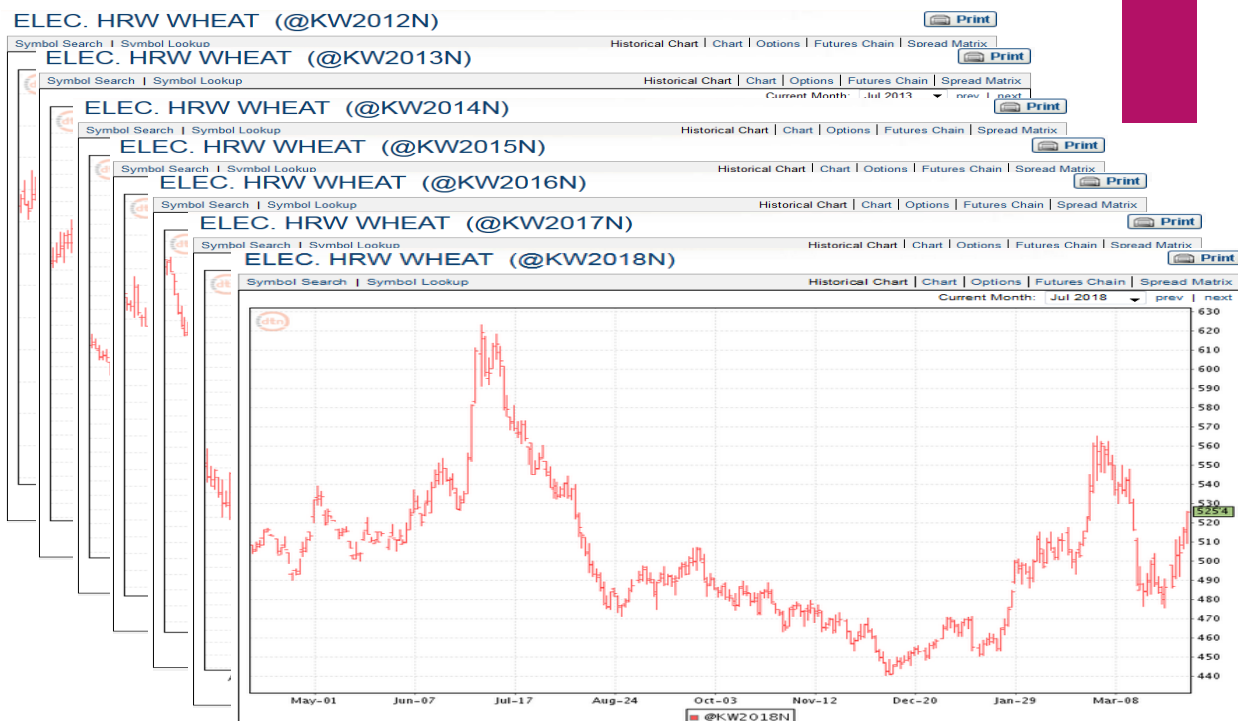
### ○ Trends through Spring (March-May)??

⇒ 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 (Jul 2018) [10 Minute Delay]

Refresh

Last	Change	%Chg	Open	High	Low	Previous	Volume	Exchange	Trade Time
533'4	8'0	1.52	533'0	536'2	531'2	525'4	28695	KCBT	04/08/18 20:45

Symbol: @KWN18  [Symbol Search](#) | [Symbol Lookup](#) Strike Range: Near-the-Money  | [Options](#) | [Futures Chain](#)

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

## Jul 2018 Options

Days Until Expiration: 75

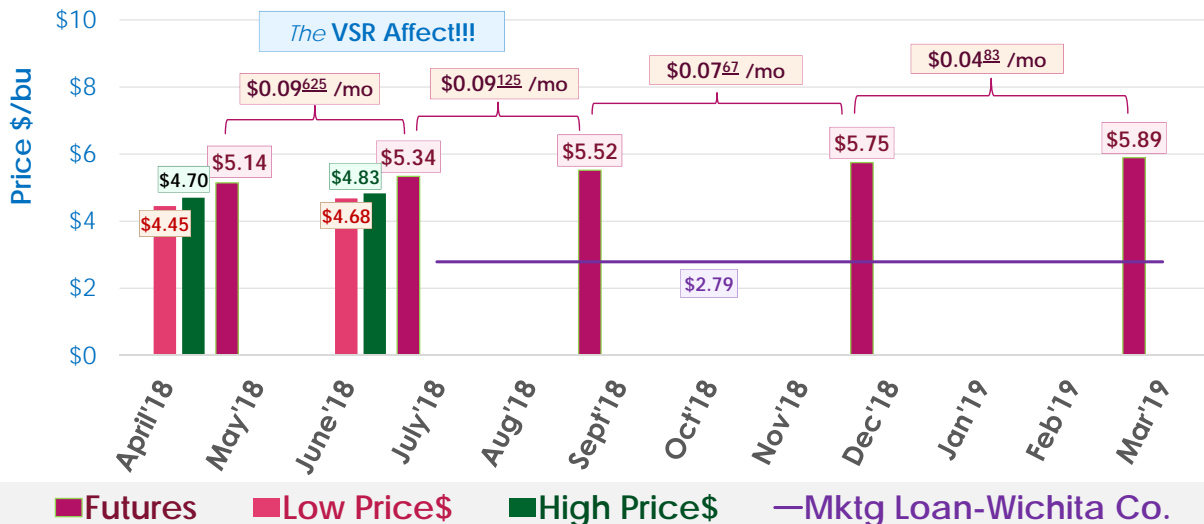
Calls									Puts								
Symbol	Price	Chg	Open	High	Low	Volume	Open Int	Strike	Symbol	Price	Chg	Open	High	Low	Volume	Open Int	
<input type="checkbox"/> @KWN18C5100	38'2s	8'0	--	--	--	0	1576	5100	<input type="checkbox"/> @KWN18P5100	22'6s	-3'0	--	--	--	0	374	
<input type="checkbox"/> @KWN18C5150	35'7s	5'8	--	--	--	0	34	5150	<input type="checkbox"/> @KWN18P5150	25'3s	-3'2	--	--	--	0	10	
<input type="checkbox"/> @KWN18C5200	33'6s	5'5	31'0	33'0	30'0	23	1404	5200	<input type="checkbox"/> @KWN18P5200	28'2s	-3'3	28'6	28'6	28'6	1	818	
<input type="checkbox"/> @KWN18C5250	31'5s	5'2	--	--	--	0	0	5250	<input type="checkbox"/> @KWN18P5250	31'1s	-3'5	--	--	--	0	0	
<input type="checkbox"/> @KWN18C5300	29'6s	5'1	--	--	--	0	715	5300	<input type="checkbox"/> @KWN18P5300	34'1s	-3'7	--	--	--	0	121	
<input checked="" type="checkbox"/> @KWN18C5350	27'7s	4'7	--	--	--	0	1	5350	<input checked="" type="checkbox"/> @KWN18P5350	37'3s	-4'0	--	--	--	0	0	
<input type="checkbox"/> @KWN18C5400	26'1s	4'6	19'0	24'6	19'0	57	941	5400	<input type="checkbox"/> @KWN18P5400	40'5s	-4'1	42'0	42'0	42'0	2	195	
<input type="checkbox"/> @KWN18C5450	24'4s	4'5	--	--	--	0	0	5450	<input type="checkbox"/> @KWN18P5450	43'7s	-4'3	--	--	--	0	0	
<input type="checkbox"/> @KWN18C5500	22'7s	4'3	16'6	22'0	16'6	15	1959	5500	<input type="checkbox"/> @KWN18P5500	47'2s	-4'5	--	--	--	2	185	
<input type="checkbox"/> @KWN18C5550	21'3s	4'2	--	--	--	0	0	5550	<input type="checkbox"/> @KWN18P5550	50'6s	-4'6	--	--	--	0	0	
<input type="checkbox"/> @KWN18C5600	20'0s	4'1	17'6	18'0	17'0	19	3425	5600	<input type="checkbox"/> @KWN18P5600	54'3s	-4'7	--	--	--	0	116	

In the money At the money

Quotes generated on: Sun, Apr 8, 2018 9:00 PM CDT

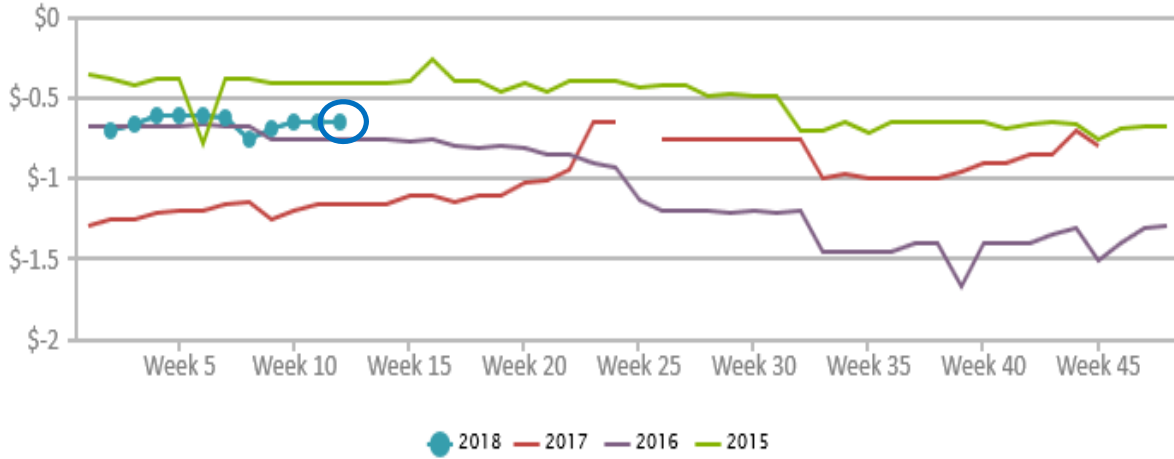
# Wheat Cash & HRW Wheat Futures

Leoti, KS Local Elevators – April 6, 2018



# GARDEN CITY, KS: Hard Red Winter Wheat Basis - GARDEN CITY COOP

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



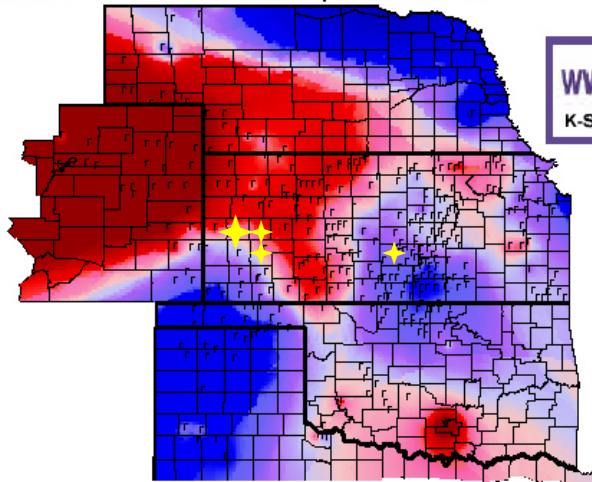
## Wheat Basis, 04-04-2018

Basis = Cash Price - Nearby Futures Price

KCBT May Futures Price: \$4.86

\$/Bushel

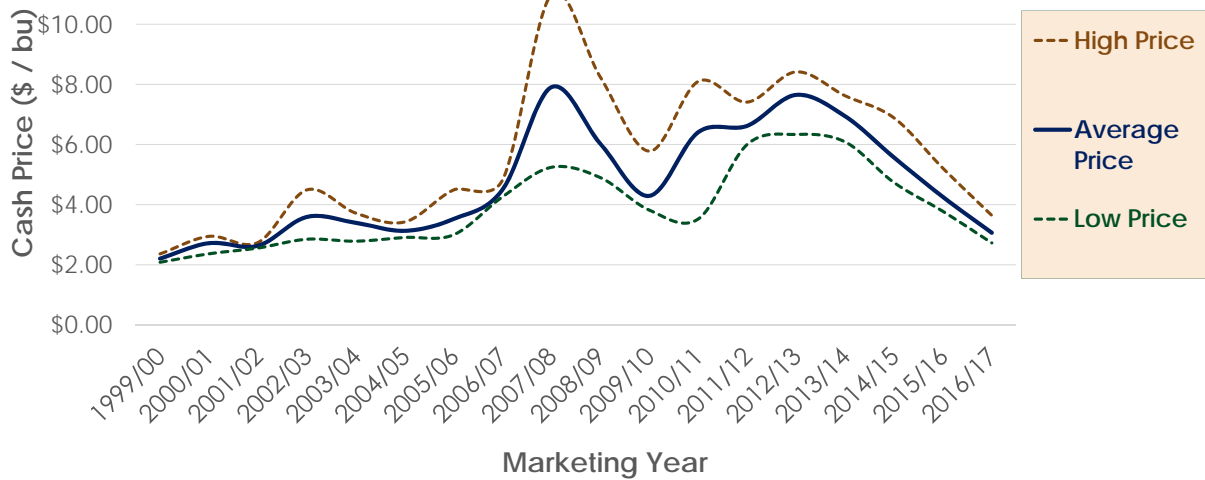
- .45
- -.43
- -.44
- -.50
- -.55
- -.57
- -.62
- -.63
- -.64
- -.72



[www.agmanager.info](http://www.agmanager.info)  
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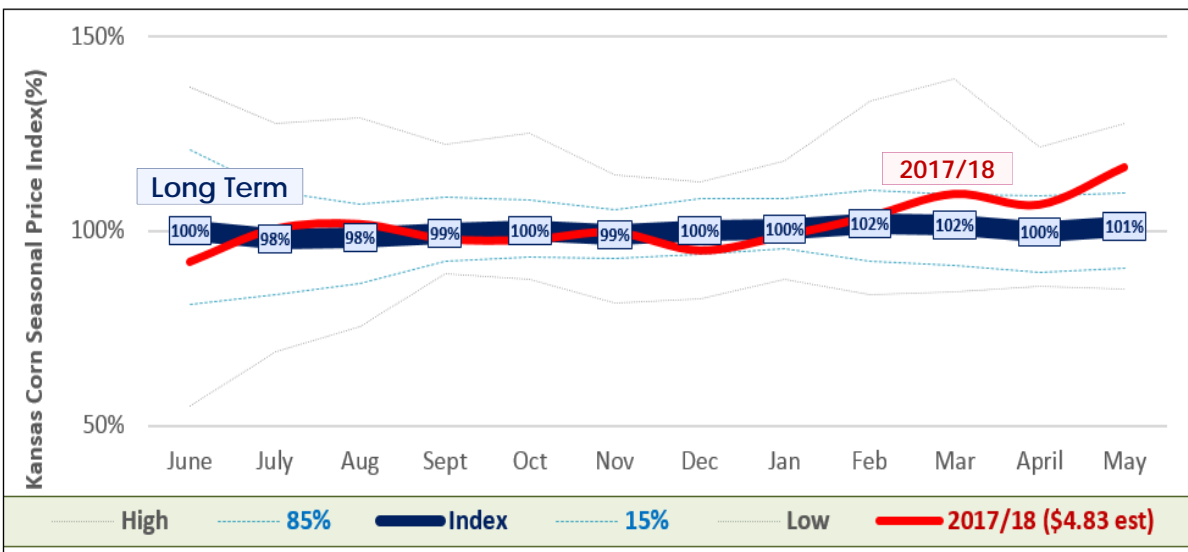
# West Central KS Wheat Cash Prices

## 1999/2000 through 2016/17 Marketing Years



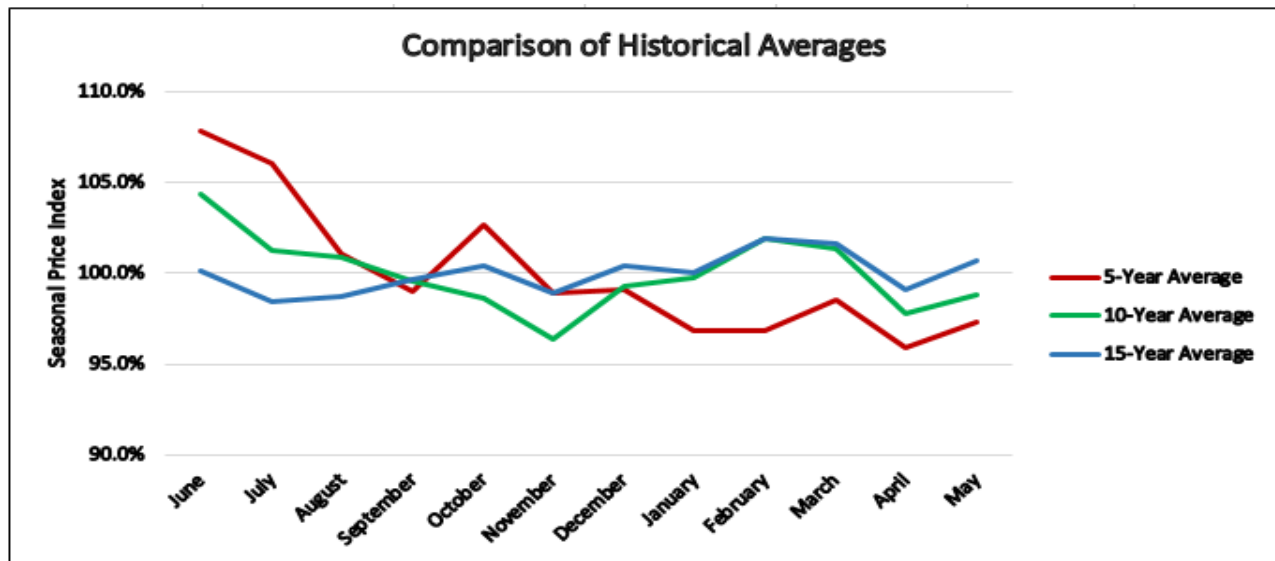
# West Central KS Seasonal Cash \$ Index

Monthly Prices: Long Term Average



# West Central Kansas Wheat Cash Prices

## Most Recent 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)

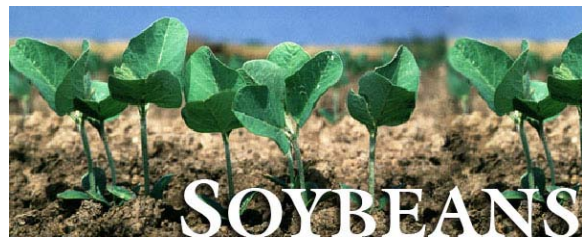


## What “New Crop” Wheat Marketing Strategies are Likely to Work Best in 2018?

### ► 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)

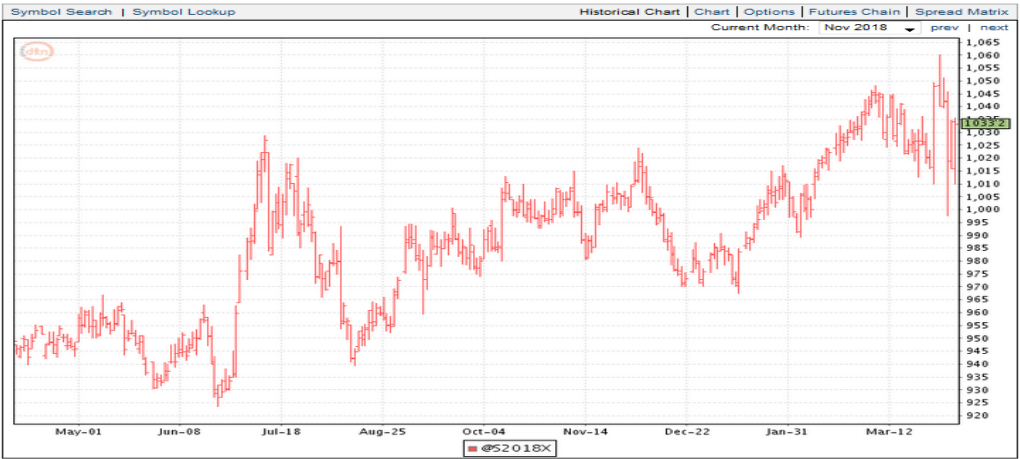
ELEC. SOYBEANS (@S2014X)

ELEC. SOYBEANS (@S2015X)

ELEC. SOYBEANS (@S2016X)

ELEC. SOYBEANS (@S2017X)

ELEC. SOYBEANS (@S2018X)



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

Refresh

Last	Change	%Chg	Open	High	Low	Previous	Volume	Exchange	Trade Time
1051'6	18'0	1.74	1038'2	1054'0	1037'4	1033'6	164385	CBOT	04/08/18 23:25

Symbol: @SK18 Go Symbol Search | Symbol Lookup Strike Range: Near-the-Money Chart | Options | Futures Chain

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

May 2018

May 2018 Options

Days Until Expiration: 12

Calls								Puts								
Symbol	Price	Chg	Open	High	Low	Volume	Open Int	Strike	Symbol	Price	Chg	Open	High	Low	Volume	Open Int
@SK18C10000	38'7s	3'6	22'0	33'0	21'0	183	7235	10000	@SK18P10000	2'4	-2'5	3'2	3'2	2'4	5392	18592
@SK18C10100	45'0	14'0	34'6	45'0	34'6	399	2245	10100	@SK18P10100	3'7	-3'4	5'5	5'5	3'7	3212	7029
@SK18C10200	38'0	13'6	25'6	38'0	25'6	1340	11112	10200	@SK18P10200	4'7	-5'5	7'2	7'5	4'7	2519	17683
@SK18C10300	30'0	11'5	22'0	30'0	22'0	2384	5087	10300	@SK18P10300	7'2	-7'3	10'5	10'5	7'2	2555	6491
@SK18C10400	22'7	9'3	16'6	22'7	16'6	2176	12732	10400	@SK18P10400	11'1	-8'5	14'0	15'0	11'1	865	11614
@SK18C10500	17'0	7'2	13'0	17'0	12'2	4936	11329	10500	@SK18P10500	15'3	-10'5	19'1	19'5	15'3	123	10681
@SK18C10600	12'1	5'1	9'4	13'0	8'6	3257	10862	10600	@SK18P10600	20'2	-13'0	24'6	25'1	20'2	0	6549
@SK18C10700	9'2	4'2	6'3	9'3	6'3	2050	6189	10700	@SK18P10700	41'1s	-1'5	59'4	59'4	41'4	93	2652
@SK18C10800	6'0	2'4	4'7	6'0	4'7	4167	10610	10800	@SK18P10800	49'5s	-2'0	64'4	64'4	55'0	9	573
@SK18C10900	4'6	2'2	4'2	4'6	4'2	1516	4291	10900	@SK18P10900	58'6s	-2'0	77'1	77'1	59'2	10	146
@SK18C11000	3'0	1'2	2'3	3'4	2'3	2472	15140	11000	@SK18P11000	68'0s	-2'3	---	---	---	0	99

In the money At the money

Quotes generated on: Sun, Apr 8, 2018 11:36 PM CDT

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

Refresh

Last	Change	%Chg	Open	High	Low	Previous	Volume	Exchange	Trade Time
1046'2	13'0	1.26	1038'0	1048'2	1037'0	1033'2	55696	CBOT	04/08/18 23:26

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

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

Nov 2018

## Nov 2018 Options

Days Until Expiration: 201

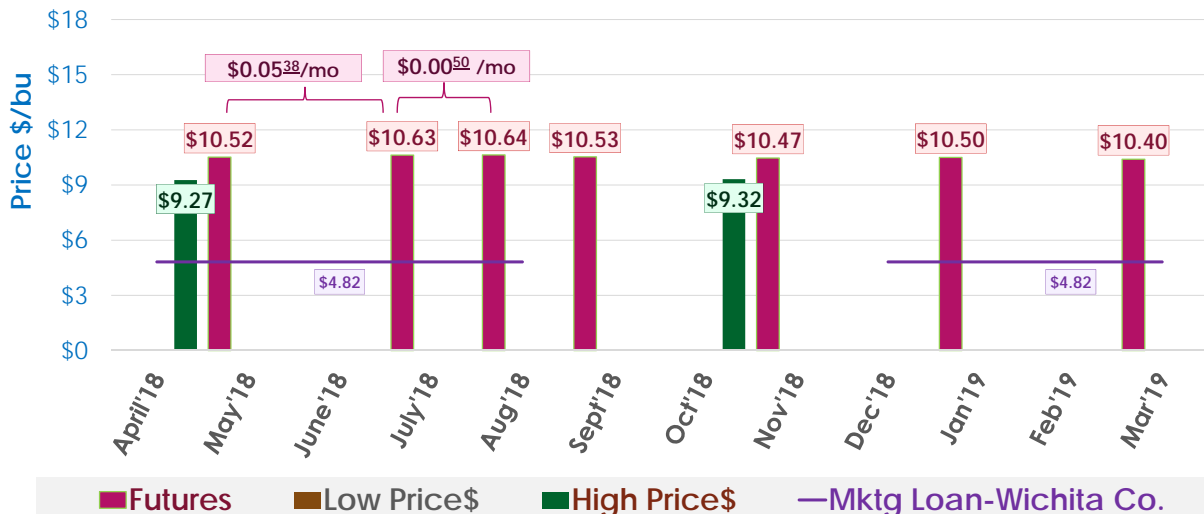
Calls									Puts							
Symbol	Price	Chg	Open	High	Low	Volume	Open Int	Strike	Symbol	Price	Chg	Open	High	Low	Volume	Open Int
<input type="checkbox"/> @SX18C9400	112'6s	2'7	---	---	---	0	77	9400	<input type="checkbox"/> @SX18P9400	19'6	-0'4	19'5	19'6	19'5	789	4141
<input type="checkbox"/> @SX18C9600	99'6s	3'3	---	---	---	0	334	9600	<input type="checkbox"/> @SX18P9600	24'4	-2'5	25'0	25'0	24'4	291	4591
<input type="checkbox"/> @SX18C9800	88'0s	3'5	---	---	---	0	1019	9800	<input type="checkbox"/> @SX18P9800	32'1	-3'0	32'1	32'1	32'1	331	4119
<input type="checkbox"/> @SX18C10000	80'0	2'5	80'0	80'0	80'0	19	4336	10000	<input type="checkbox"/> @SX18P10000	40'0	-4'3	41'3	41'6	40'0	6158	14328
<input type="checkbox"/> @SX18C10200	73'7	6'0	73'7	73'7	73'7	150	2624	10200	<input type="checkbox"/> @SX18P10200	51'6	-3'0	53'0	53'0	50'5	211	5754
<input type="checkbox"/> @SX18C10400	59'4s	3'1	52'4	56'3	52'4	1201	5094	10400	<input type="checkbox"/> @SX18P10400	66'2s	3'7	66'6	66'6	65'7	620	2741
<input type="checkbox"/> @SX18C10600	59'7	7'6	56'2	59'7	56'2	641	7271	10600	<input type="checkbox"/> @SX18P10600	78'6s	3'5	---	---	---	11	709
<input type="checkbox"/> @SX18C10800	50'6	5'0	47'0	50'6	47'0	70	4287	10800	<input type="checkbox"/> @SX18P10800	92'1s	3'2	100'7	100'7	100'7	15	279
<input type="checkbox"/> @SX18C11000	46'4	6'4	43'0	46'7	43'0	4203	36752	11000	<input type="checkbox"/> @SX18P11000	106'2s	2'7	---	---	---	0	980
<input type="checkbox"/> @SX18C11200	39'5	4'5	39'5	39'5	39'5	1112	3547	11200	<input type="checkbox"/> @SX18P11200	121'1s	2'5	126'0	126'0	126'0	1	147
<input type="checkbox"/> @SX18C11400	35'4	5'0	33'6	35'4	33'6	85	3419	11400	<input type="checkbox"/> @SX18P11400	136'3s	2'2	136'0	136'0	136'0	1	1055

In the money At the money

Quotes generated on: Sun, Apr 8, 2018 11:37 PM CDT

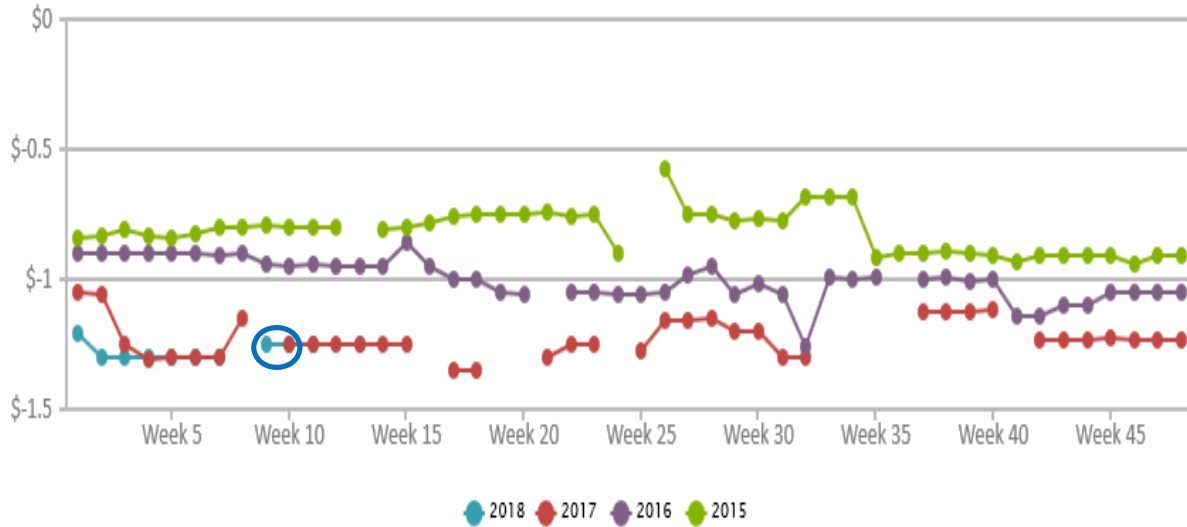
## Soybean Cash & Futures Price\$'s

Leoti, KS Local Elevators - April 6, 2018



# SCOTT CITY, KS: Soybeans Basis - SCOTT COOP ASSOCIATION

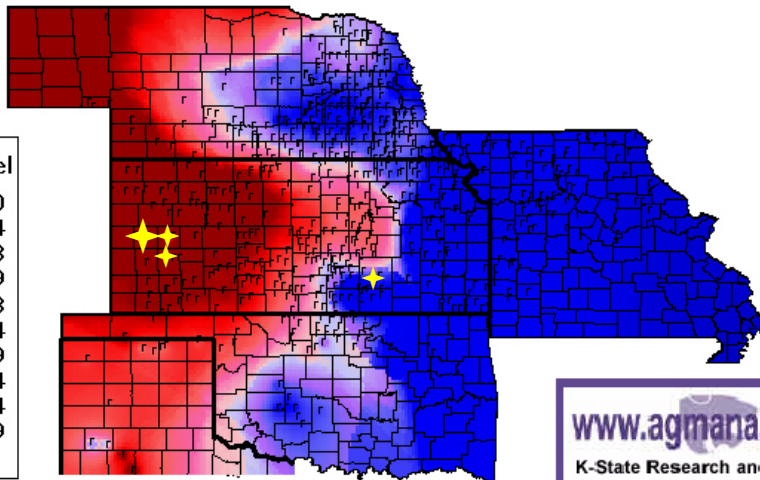
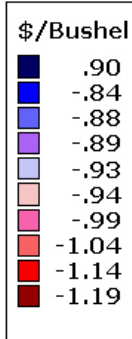
www.AgManager.info



## Soybean Basis, 04-04-2018

Basis = Cash Price - Nearby Futures Price

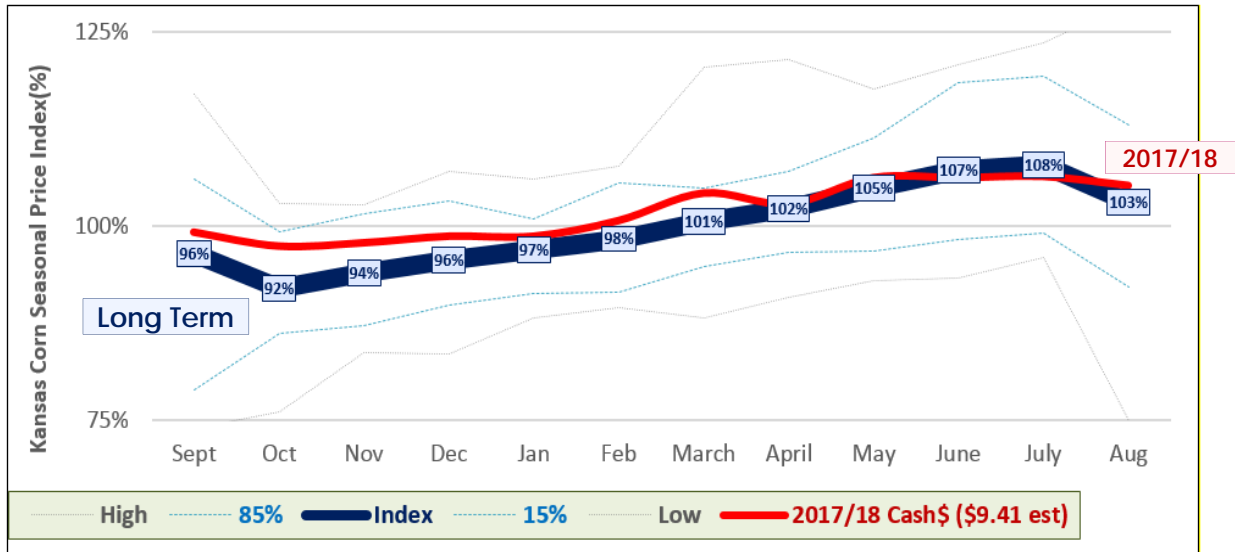
CBT May  
Futures  
Price: \$10.15



www.agmanager.info  
K-State Research and Extension

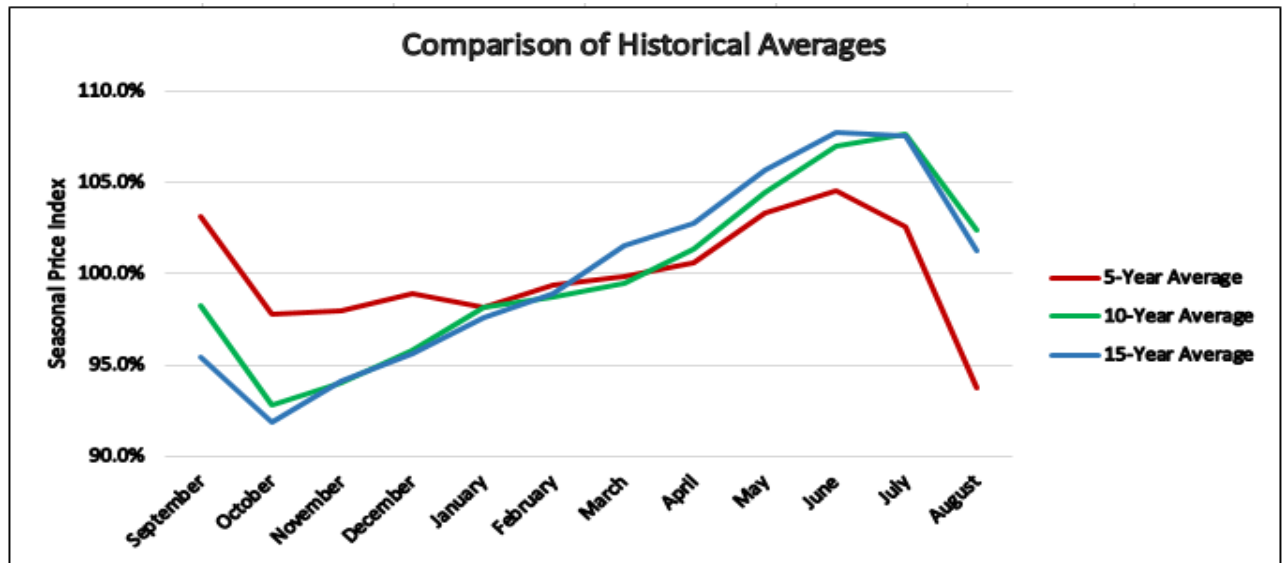
# West Central KS Seasonal Cash \$ Index

Monthly Prices: Long Term Average



# West Central Kansas Soybean Cash Prices

Most Recent 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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