



# Preharvest Marketing Plan OUTLINES

Simple, preharvest marketing plan templates from the Winning the Game Team, providing relevant examples for pricing increments, targets and decision dates to help guide decisions.

**They are NOT recommendations or advice!**



Developed by Ed Usset, University of Minnesota  
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# Preharvest Marketing Plan OUTLINES



- 1) Review three (wheat, began in October, corn and soybeans, began in January) preharvest marketing plan outlines
- 2) Examine two areas for focus/adjustment
  - a) Bushels to price preharvest
  - b) Minimum target prices



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

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[droughtmonitor.unl.edu](http://droughtmonitor.unl.edu)

“Insure at 80%; Use 80% of APH as the bushels to price preharvest.”  
 But will we produce 80% of APH?



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Preharvest plans should include a cost of production-based minimum TARGET PRICE, with “a little cushion added,” creating a value, in which NO sales will be made at prices below this level.

Cost of Production	Corn	Soybeans	Wheat
KSU Averages*	\$5.01	\$11.44	\$7.72
“Sample Cushion”	\$0.49	\$ 0.56	\$0.28
Min COP Value	\$5.50	\$12.00	\$8.00

*\*KSU Averages are the calculated average non-irrigated COP over the six cropping districts (grain sorghum = \$4.17).*



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### Dryland Wheat 2023

Total Cost	Expected		
Per Acre	Yield (bu.)		TC/Bu.
\$396	51		\$7.72
	-10%	46	\$8.58
<i>* Average of six</i>	-20%	41	\$9.65
<i>regional KSU</i>	-30%	36	\$11.03
<i>dryland budgets</i>	-40%	31	\$12.87
	-50%	26	\$15.44

*Where is this COP-based minimum TARGET PRICE Now! \$9.00 ???*



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# Sample 2023 Pre-Harvest Wheat Plan

**Begin Oct 1:** Insuring at 80%; Including 80%<sup>60%</sup> of APH as the bushels to price preharvest. *How Many Bushels are you pricing?*

*If you're willing to use futures and/or options, you can preharvest price 100% of expected production . . . BUT, if you only use preharvest tools that require delivery, ONLY price the bushels that you are "comfortable" with.*

## Using five increments

- Price 20% at \$10.00 July futures, or by February 1
- Price 20% at \$11.00 July futures, or by March 15
- Price 20% at \$12.00 July futures, or by April 15
- Price 30% at \$13.50 July futures, or by May 1-20
- Price 10% at \$14.50 July futures, or by June 1-20

Ignore decision dates and make no sale if prices are lower than **\$8.00 local cash price** [\$7.72 + \$0.28] non-irrigated KSU AVG].

**\$9.00**

**What's your minimum TARGET PRICE?**



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# Sample 2023 Pre-Harvest Wheat Plan



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# Sample 2023 Pre-Harvest Feedgrain Plan

**Begin Jan 1:** Insuring at 80%; Including 80% of APH as the bushels to price preharvest.

*What's Yours?*

## Using five increments

- Price 20% at \$6.10 December futures, or by March 15
- Price 20% at \$6.30 December futures, or by April 15
- Price 20% at \$6.60 December futures, or by May 15
- Price 30% at \$7.50 December futures, or by June 15
- Price 10% at \$8.30 December futures, or by July 15

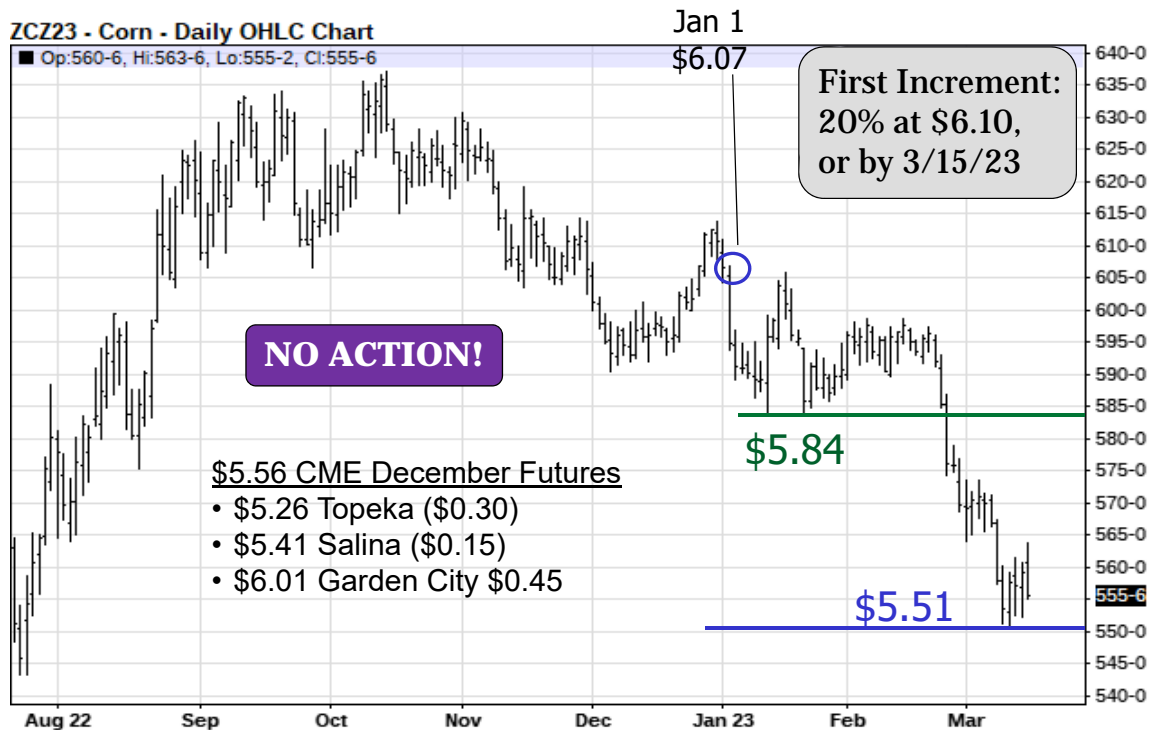
Ignore decision dates and make no sale if prices are lower than **\$5.50 local cash corn** price [ $\$5.01 + \$0.49$ ) non-irrigated KSU AVG].  
**\$4.86 local cash milo** price [ $\$4.17 + \$0.69$ ) non-irrigated KSU AVG].

*What's Yours?*



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# Sample 2023 Pre-Harvest Feedgrain Plan



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# Sample 2023 Pre-Harvest Soybean Plan

**Begin Jan 1:** Insuring at 80%; Including 80% of APH as the **bushels to price preharvest.**

*What's Yours?*

## Using five increments

- Price 20% at \$14.00 November futures, or by March 15
- Price 20% at \$14.20 November futures, or by April 15
- Price 20% at \$15.00 November futures, or by May 15
- Price 30% at \$15.50 November futures, or by June 15
- Price 10% at \$18.00 November futures, or by July 15

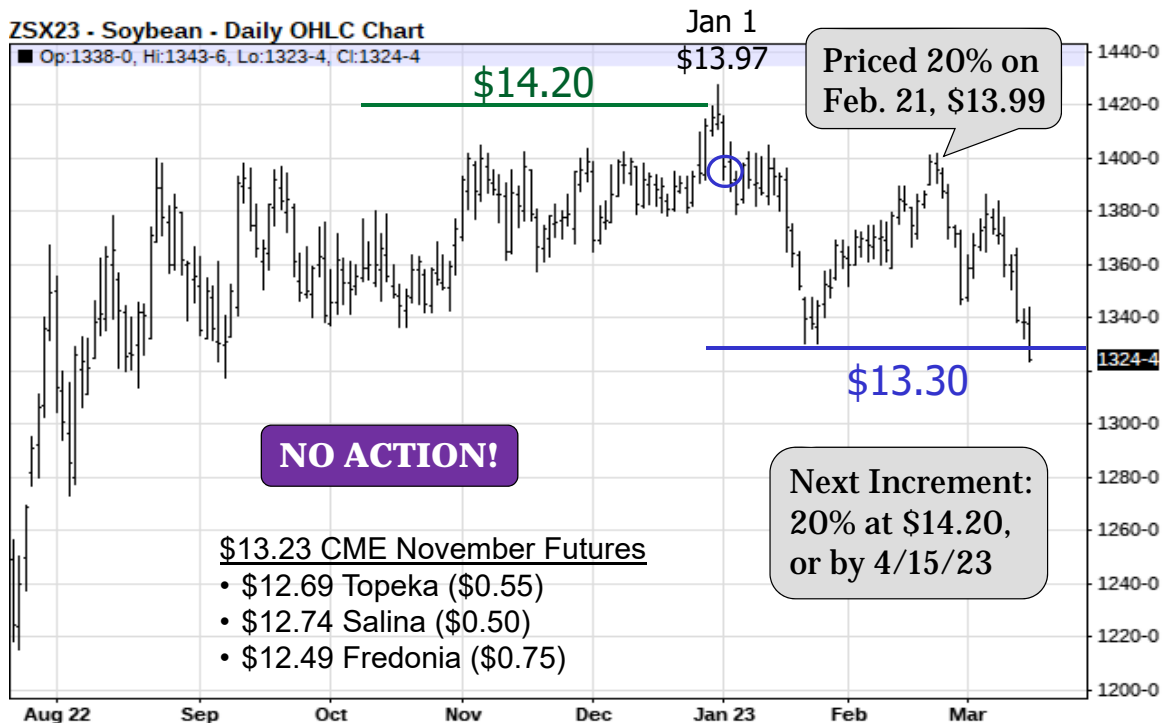
Ignore decision dates and make no sale if prices are lower than **\$12.00 local cash** price [ $\$11.43 + \$0.57$ ] non-irrigated KSU AVG).

*What's Yours?*



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# Sample 2023 Pre-Harvest Soybean Plan



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