Sauk County Marketing Club
2006 Corn Pre-harvest Marketing Plan

Our simulated farm has 350 acres of corn at 155 bushels per acre, totaling 54,250 bushels of production. We took 75% CRC on 155 bushels APH yield; 30,000 bushels to sell. Crop insurance cost is estimated to be $13.42 per acre to protect 75% of Anticipated Production. 75% of anticipated APH yield totals 40,688 bushels to sell. Estimated cost of production was $2.38/bushel.

# of bushels	@ cash/ futures rate	or sell by: (date)	using (method)	Filled
				Nov 8, 2005. Bought one May 06 $2.20 call for .09-3/4 and sold one May $2.60 call for .02, net cost of 7-3/4 cents. May 06 futures were trading at $2.17 on Nov 8. Position closed on April 11, 2006—sold 2.20 call for 20-1/2; bought 2.60 call for ½ cent, net gain of 20 cents. NET ON POSITION: 12-1/4 cents (less commission)
5,000	$2.15 cash	Feb 14	Forward contract	February 14 at $2.15 cash forward contract
5,000	$2.55 futures	Feb 14	Dec futures	Feb 14 sold one Dec futures contract at $2.55.
5,000	$2.20 cash	March 15	Forward contract	March 3 sold 5,000 bushels at $2.20 on a cash forward contract.
5,000	$2.60 futures	March 15	Dec futures	Feb 16 sold one Dec futures contract at $2.60-1/4.
10,000	$2.58 Dec futures	March 14	Options on Dec futures	Mar 14 established a fence—bought a $2.60 put @ .24-1/2 and sold a $3.00 call @ .11-3/4 for a net of 12-3/4 cents.
5,000	$2.25 cash	March 30	Forward contract	No sale made. Cash forward price for November delivery was $2.13 on March 30.
5,000	$2.30 cash	April 11	Forward contract	April 3 sold 10,000 bushels to Peavey for $2.30/bushel on a cash forward contract.
5,000	$2.35 cash	April 25	Forward contract	April 25 sold 5,000 bushels to Peavey for $2.35/bu on a cash forward contract.
5,000		May 9	Bear put with a 40 cent strike price spread as close to in-the-money at a net cost of 8 cents or less	No position taken at May 9 meeting since we couldn't achieve the 40-cent spread for 8 cents or less.
		April 11		REAL POSITION Bought one Dec $2.50 put for 13-1/2 cents, to be liquidated at a 20-cent profit.
10,000		June 13	Bull-call spread	Bought two $2.80 Dec calls for 20 cents and sold two $3.10 call for 9 cents.
5,000	$2.62 Sept 06 futures	July 11	Bull-call spread	REAL POSITION Order to buy one Sept $2.80 call and sell one Sept $3.10 call for a net cost of 6 cents or less.

Plan starts on February 14, 2006. Ignore decisions dates and make no sale if prices are lower than $2.15 local cash price/$2.55 December futures. Exit all options positions by mid-September. For CRC insurance, Dec 06 average closing futures price in February was $2.59 (last year was $2.32).

Historical basis has been -.30 in Sauk County. We expect basis at harvest to be -.40. $1.86 loan rate as of February, 2006.

Last updated: July 11, 2006