

Sauk County Marketing Club 2006 Soybeans Pre-harvest Marketing Plan

Our simulated farm has 350 acres of soybeans at 43 bushels per acre, totaling 15,050 bushels of production. We took 75% CRC on 43 bushels APH yield; 15,000 bushels to sell. Crop insurance cost was \$9.97 per acre to protect 75% of Anticipated Production. 75% of anticipated APH yield totals 11,288 bushels to sell. Estimated cost of production was \$6.21/bushel.

Price

# of bushels	@ cash/futures rate	or sell by: (date)	using (method)	Filled
				Nov 8, 2005. Sold one July 06 \$6.00 put for 39 cents. July futures closed at \$6.06 on Nov 8. Closed out of position on April 11 July futures were \$5.76-1/2 and the \$6 put was at 38-1/2.
1,000	Market 2-14	Feb 14	Forward contract	Feb 14 sold 1,000 cash forward contract at \$5.66/bu
5,000	\$6.11 Nov futures	Mar 14	Options on Nov futures	Mar 14 established a fence—bought a \$6.00 put @ .44; sold a \$7.00 call @ \$23-1/2 for a net cost of 20-1/2 cents.
5,000	\$6.11 Nov futures	Mar 14	Options on Nov futures	Mar 14 established a fence—bought a \$6.20 put @ .55-1/2; sold a \$7.20 call @ .21-1/2 for a net cost of 30 cents.

Plan starts on February 14, 2006. Ignore decisions dates and make no sale if prices are lower than \$___ local cash price/\$___ November futures. Exit all options positions by mid-September. For CRC insurance, average closing price in February for Nov futures was \$6.19 (last year was \$5.53).

Historical basis has been approximately -.40 in Sauk County. \$4.86 loan rate as of February, 2006.

Last updated: July 11, 2006.