

2017 Pre-Harvest Marketing Plan for Spring Wheat

*Based on the structure of Ed Usset's-UMN/CFFM Marketing Specialist Pre-Harvest Marketing Plans

Expected 2017 Production:	35000 bushels	500 acres @	70 bushels per acre
		Bushels to Pre-Harvest	26250
Objective: Buy crop insurance to protect my production risk, and hedge	75%	of my anticipated crop priced by mid-June	
		Typical Fall Corn Basis	-0.35 Additional bump in price
20% Price	5250 bushels at 5.95 cash price	6.30	Sept Futures using forward contract/futures/hedge/futures fixed
20% Price	5250 bushels at 6.05 cash price	6.40	Futures or by 23-Mar pricing tool to-be-determined ("tbd")
20% Price	5250 bushels at 6.15 cash price	6.50	Futures or by 21-Apr pricing tool to-be-determined ("tbd")
20% Price	5250 bushels at 6.25 cash price	6.60	Futures or by 19-May pricing tool to-be-determined ("tbd")
20% Price	5250 bushels at 6.35 cash price	6.70	Futures or by 20-Jun pricing tool to-be-determined ("tbd")

Plan starts on Jan 1 2017

Ignore decision dates and make no sale if prices are lower than 5.95 local cash price 6.30 December futures

Exit all options positions by mid-September, 2017

Bushels marketing may have to be adjusted to fit futures contracts

Highlighted areas can be modified

Name: **Farm Business Management-Projection for 2017 Valley-Prices as of 12/7/2016**

2016 PROJECTED FARM CASH FLOW BY CROP/BEP

	Basis -.35 WHEAT Acres	\$5.54 Dec 17	Basis -.65 SOYBEANS Acres	\$10.17 Nov 17	Basis -.55 CORN Acres	\$3.84 Dec.17	No JV Cost, and typical labor management charge Sugar Beets Acres			Misc Crop
CROP INCOME										
Acres	1		1		1		1			0.0001
Wok Units	30		30		55		120			0.003
Yield Per Acre	70.00	70.00	45.00	45.00	165.00	165.00	26.00	26.00		
Price Received per Bushel/Ton	\$ 5.19		\$ 9.52		\$ 3.29		\$ 43.00		FSA Beet Estimate	
Total Product Return per Acre	\$ 363.30	\$ 363.30	\$ 428.40	\$ 428.40	\$ 542.85	\$ 542.85	\$ 1,118.00	\$ 1,118.00	\$	-
Miscellaneous Payments		\$ -		\$ -		\$ -		\$ -		
Gross Return per Acre	\$ 363.30	\$ 363.30	\$ 428.40	\$ 428.40	\$ 542.85	\$ 542.85	\$ 1,118.00	\$ 1,118.00	\$	-

DIRECT EXPENSES

Seed	\$ 20.00	\$ 20.00	\$ 65.00	\$ 65.00	\$ 98.00	\$ 98.00	\$ 225.00	\$ 225.00	
Fertilizer	\$ 85.00	\$ 85.00	\$ 30.00	\$ 30.00	\$ 115.00	\$ 115.00	\$ 90.00	\$ 90.00	
Crop Chemicals	\$ 28.00	\$ 28.00	\$ 30.00	\$ 30.00	\$ 26.00	\$ 26.00	\$ 79.00	\$ 79.00	
Crop Insurance	\$ 14.00	\$ 14.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 23.00	\$ 23.00	
Fuel and Oil	\$ 14.00	\$ 14.00	\$ 14.00	\$ 14.00	\$ 24.00	\$ 24.00	\$ 58.00	\$ 58.00	
Repairs	\$ 21.00	\$ 21.00	\$ 21.00	\$ 21.00	\$ 35.00	\$ 35.00	\$ 90.00	\$ 90.00	
Custom Labor		\$ -		\$ -		\$ -	\$ 53.00	\$ 53.00	
Stock Quota Joint Venture		\$ -		\$ -		\$ -		\$ -	
Land Rent/Costs	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 150.00	\$ 150.00	
Drying		\$ -		\$ -	\$ 15.00	\$ 15.00		\$ -	
Operating Interest	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	\$ 9.00	\$ 9.00	\$ 14.00	\$ 14.00	
Miscellaneous	\$ 4.50	\$ 4.50	\$ 3.00	\$ 3.00	\$ 3.50	\$ 3.50	\$ 5.00	\$ 5.00	
TOTAL DIRECT EXPENSE	\$ 316.50	\$ 316.50	\$ 313.00	\$ 313.00	\$ 470.50	\$ 470.50	\$ 787.00	\$ 787.00	\$ -

OVERHEAD EXPENSES

	w/\$30 labor/mgmt charge	w/\$30 labor/mgmt charge	w/\$50 labor/mgmt charge	w/\$100 labor/mgmt charge
Overhead Expenses	\$ 100.00	\$ 100.00	\$ 150.00	\$ 330.00
TOTAL OVERHEAD EXPENSE	\$ 100.00	\$ 100.00	\$ 150.00	\$ 330.00

TOTAL EXPENSES/ACRE	\$ 416.50	\$ 416.50	\$ 413.00	\$ 413.00	\$ 620.50	\$ 620.50	\$ 1,117.00	\$ 1,117.00	\$ -
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NET RETURN/ACRE	\$ (53.20)	\$ 15.40	\$ (77.65)	\$ 1.00	\$ -
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Estimated Income	\$ 363.30	\$ 428.40	\$ 542.85	\$ 1,118.00	\$ -
Estimated Expense	\$ 416.50	\$ 413.00	\$ 620.50	\$ 1,117.00	\$ -
Profit Per Acre	\$ (53.20)	\$ 15.40	\$ (77.65)	\$ 1.00	\$ -
Profit Margin	-12.77%	3.73%	-12.51%	0.09%	#DIV/0!

BEP	\$ 5.95	\$ 9.18	\$ 3.76	\$ 42.96	#DIV/0!
Net Return \$50/A	\$ 6.66	\$ 10.29	\$ 4.06	\$ 44.88	#DIV/0!
Net Return \$100/A	\$ 7.38	\$ 11.40	\$ 4.37	\$ 46.81	#DIV/0!
Net Return \$150/A	\$ 8.09	\$ 12.51	\$ 4.67	\$ 48.73	#DIV/0!
Net Return \$200/A	\$ 8.81	\$ 13.62	\$ 4.97	\$ 50.65	#DIV/0!

Developed by Randy Zimmerman, NCTC Ulen-Mahnomen

Modified by Josh Tjosaas and Ron Dvergsten-Moorhead

TOTALS

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	235.003
0.00	306
\$ -	\$ 2,452.55
\$ -	\$ -
\$ -	\$ 2,452.55

\$ -	\$ 408.00
\$ -	\$ 320.00
\$ -	\$ 163.00
\$ -	\$ 77.00
\$ -	\$ 110.00
\$ -	\$ 167.00
\$ -	\$ 53.00
\$ -	\$ -
\$ -	\$ 525.00
\$ -	\$ 15.00
\$ -	\$ 33.00
\$ -	\$ 16.00
\$ -	\$ 1,887.00

\$ -	\$ 680.00
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\$ -	\$ 2,567.00
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	\$ (114.45)
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