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COMMODITY PRICING TOOLS

Hedging with futures and options

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www.cffm.umn.edu

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OBJECTIVE

- Examine basic grain pricing tools
  - ✓Cash/forward contracts
  - ✓Futures contracts
  - ✓Put options
  - ✓Paperfarming

2

PRICING TOOLS FOR THE SELLER

1. Forward contract
2. Selling futures contracts (short hedge)
3. Buy put options to establish a minimum price
4. Cash sale/forward contract and buy call options to establish a minimum price ("paperfarming")
5. Price windows/fences: Setting min./max. prices with put and call options
6. Selling call options

3

PRICING TOOLS FOR THE SELLER

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5. ~~Price windows/fences: Setting min./max. prices with put and call options~~
6. ~~Selling call options~~

4

May 4 2026 actual market prices

- Harvest bid: $4.42/bu.
- Dec'26 corn futures: $5.05/bu.
- Expected basis at harvest: 45 cents under
- 500 December put option: 35 cents/bu.
- 510 December call option: 35 cents/bu.

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PRICING TOOLS FOR THE SELLER

1. **Forward contract**
2. Selling futures contracts (short hedge)
3. Buy put options to establish a minimum price
4. Cash sale/forward contract and buy call options to establish a minimum price ("paperfarming")

6

FORWARD CONTRACT

+ final price known (fixed basis)
+ contract for any bushel amount
+ no brokerage fees or margins
- ends in delivery
- sometimes difficult to get a fair basis
- institutional risk!

7

ASSIGNMENT #1 (SENT MAY 18)

Make FORWARD sales…

- 25,000 bushels of corn (I sold $4.29 / $3.76 today)
- 10,000 bushels of soybeans (I sold $11.19 / $10.68 today)

8

PRICING TOOLS FOR THE SELLER

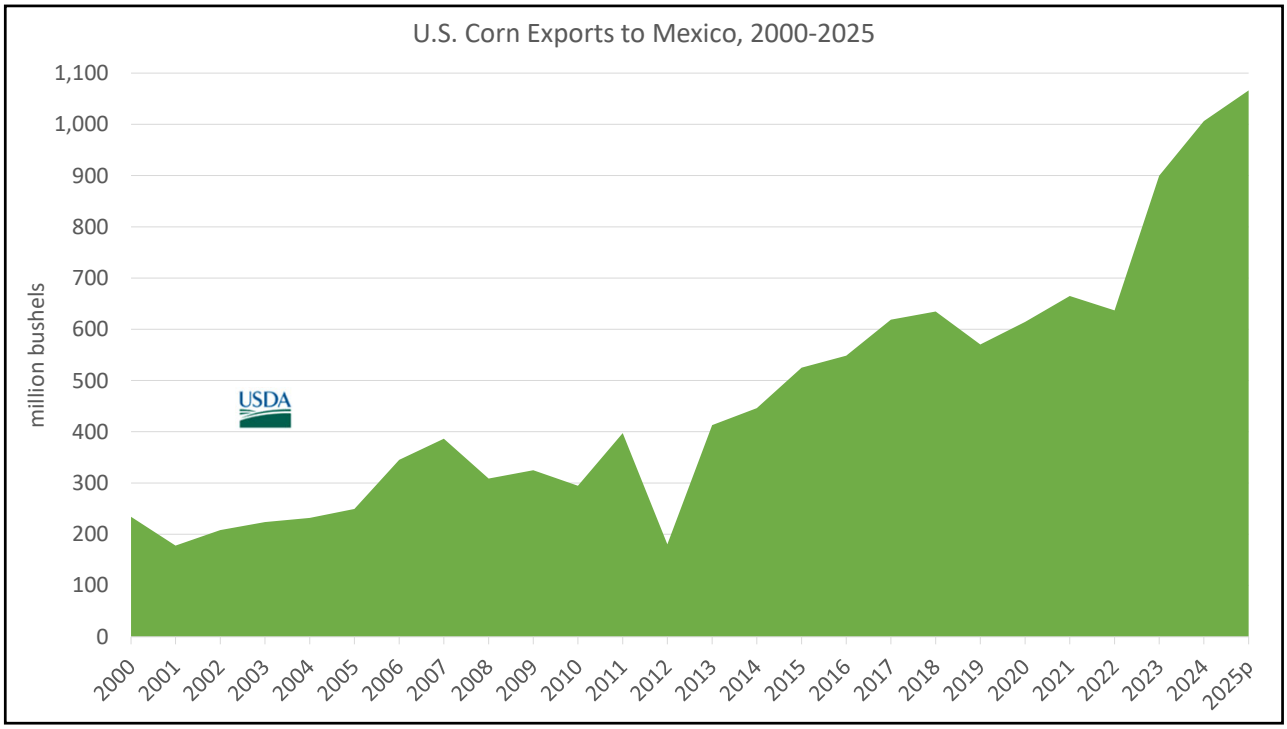
$4.42 and no upside

1. Forward contract
2. Selling futures contracts (short hedge)
3. Buy put options to establish a minimum price
4. Cash sale/forward contract and buy call options to establish a minimum price ("paperfarming")

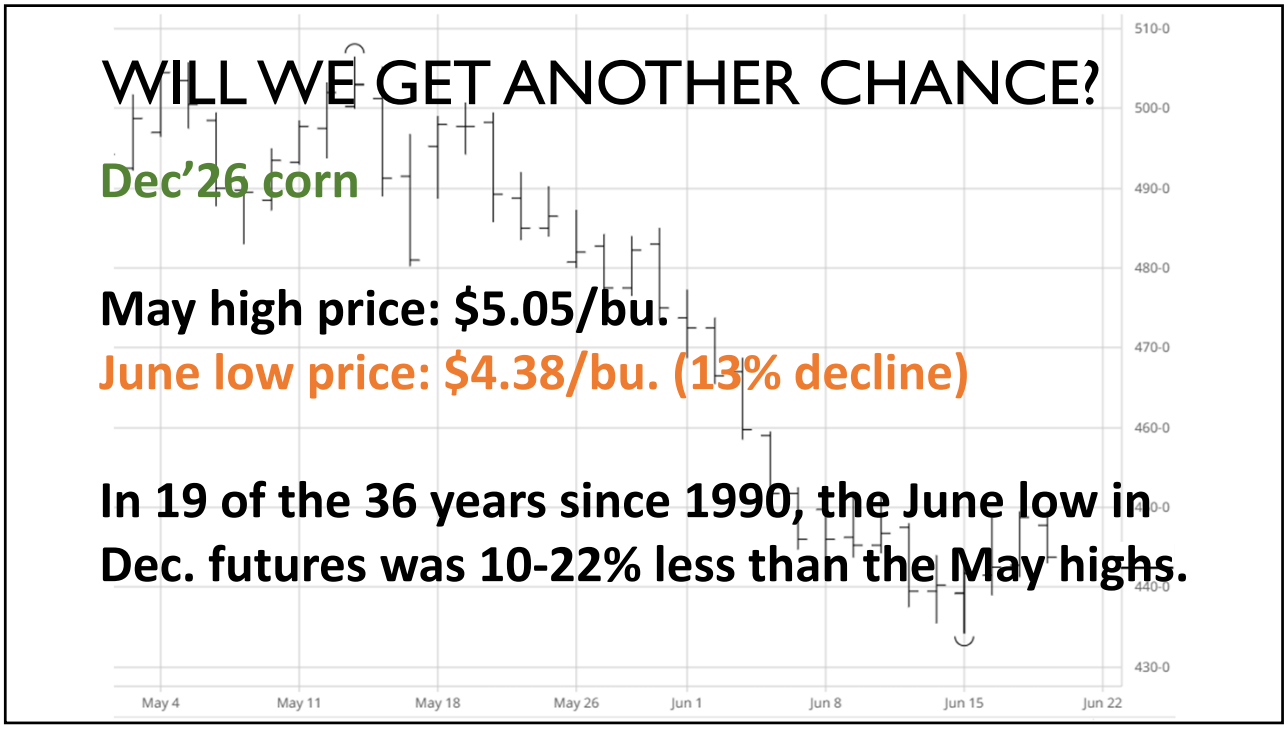
9

Corn comments

10


U.S. Corn Exports to Mexico, 2000-2025
million bushels
1,100
1,000
900
800
700
600
500
400
300
200
100
0
USDA
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025p

11


WILL WE GET ANOTHER CHANCE?
Dec'26 corn
May high price: $5.05/bu.
June low price: $4.38/bu. (13% decline)
In 19 of the 36 years since 1990, the June low in Dec. futures was 10-22% less than the May highs.
510-0
500-0
490-0
480-0
470-0
460-0
430-0
May 4
May 11
May 18
May 26
Jun 1
Jun 8
Jun 15
Jun 22

12

WILL WE GET ANOTHER CHANCE?

Dec'26 corn

Of these 19 years, how often did the July max meet or exceed the May max?

3 years

13

QUIZ TIME!

Name three commodities traded at the Coffee, Sugar & Cocoa Exchange.

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PRICING TOOLS FOR THE SELLER

1. Forward contract
2. **Selling futures contracts** (short hedge)
3. Buy put options to establish a minimum price
4. Cash sale/forward contract and buy call options to establish a minimum price ("paperfarming")

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HEDGING WITH FUTURES CONTRACTS

To buy or sell a futures contract as a temporary substitute for an intended later transaction in the cash market.

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HEDGING WITH FUTURES CONTRACTS

Two basic types of hedging...

- short hedge
- long hedge

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HEDGING WITH FUTURES CONTRACTS

- short hedge: the sales of futures against cash ownership, either inventory or forward purchases
- protects against falling prices

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WHO ARE THE SHORT HEDGERS?

- grain producers
- livestock producers
- dairy producers
- grain elevators
- processors

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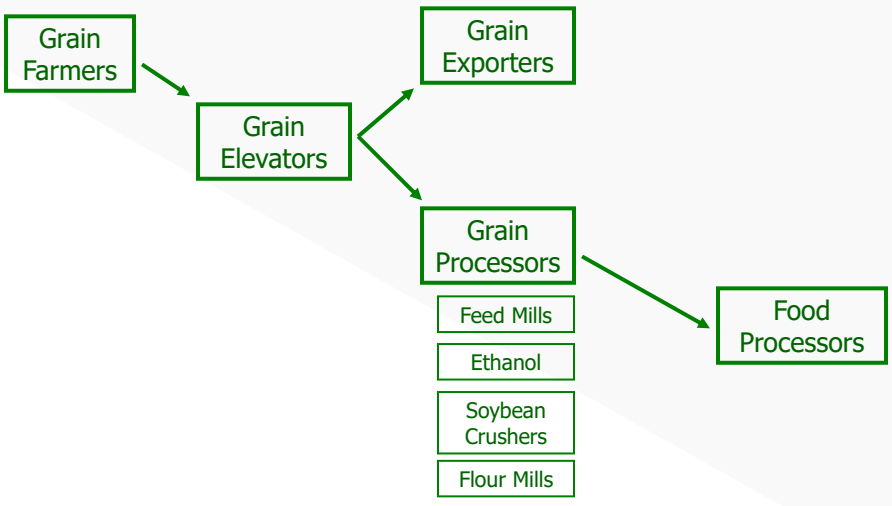

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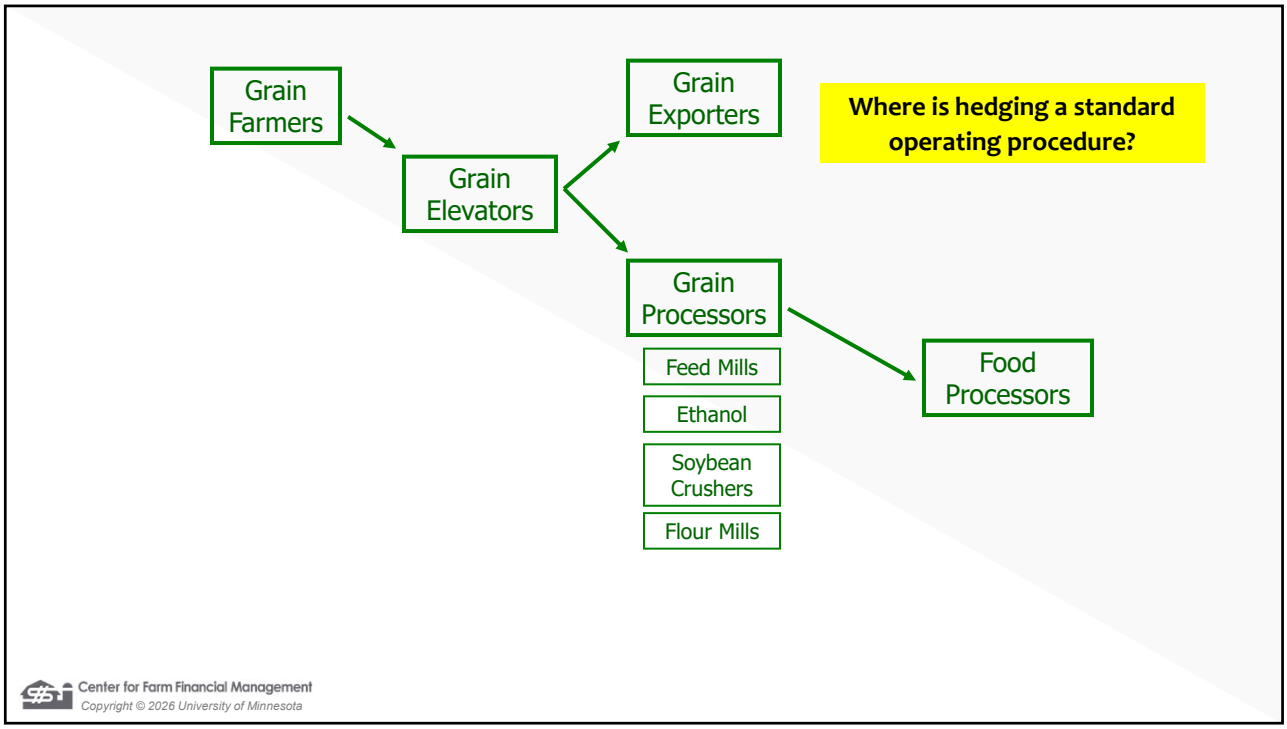
Grain Farmers
Grain Elevators
Grain Exporters
Grain Processors
Feed Mills
Ethanol
Soybean Crushers
Flour Mills
Food Processors
Where is hedging a standard operating procedure?
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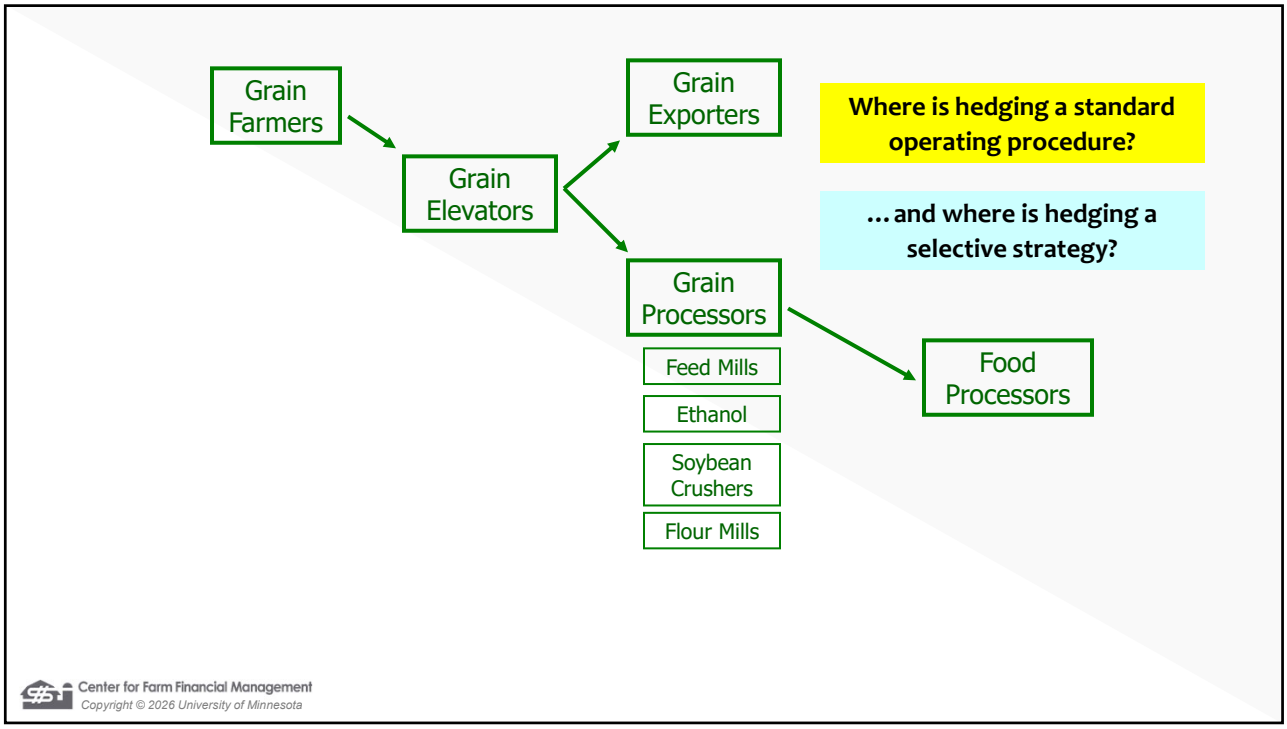
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Where is hedging a standard operating procedure?
… and where is hedging a selective strategy?
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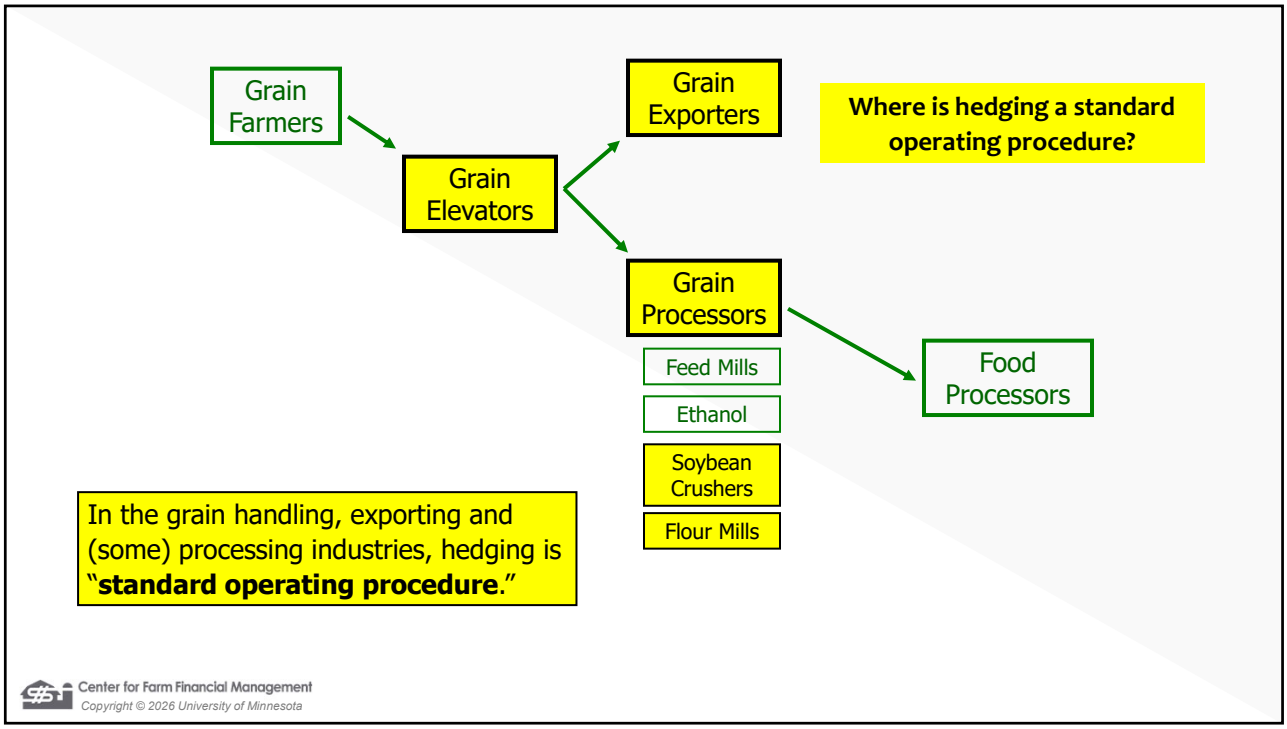
Grain Farmers
Grain Elevators
Grain Exporters
Grain Processors
Feed Mills
Ethanol
Soybean Crushers
Flour Mills
Food Processors
Where is hedging a standard operating procedure?
In the grain handling, exporting and (some) processing industries, hedging is "standard operating procedure."
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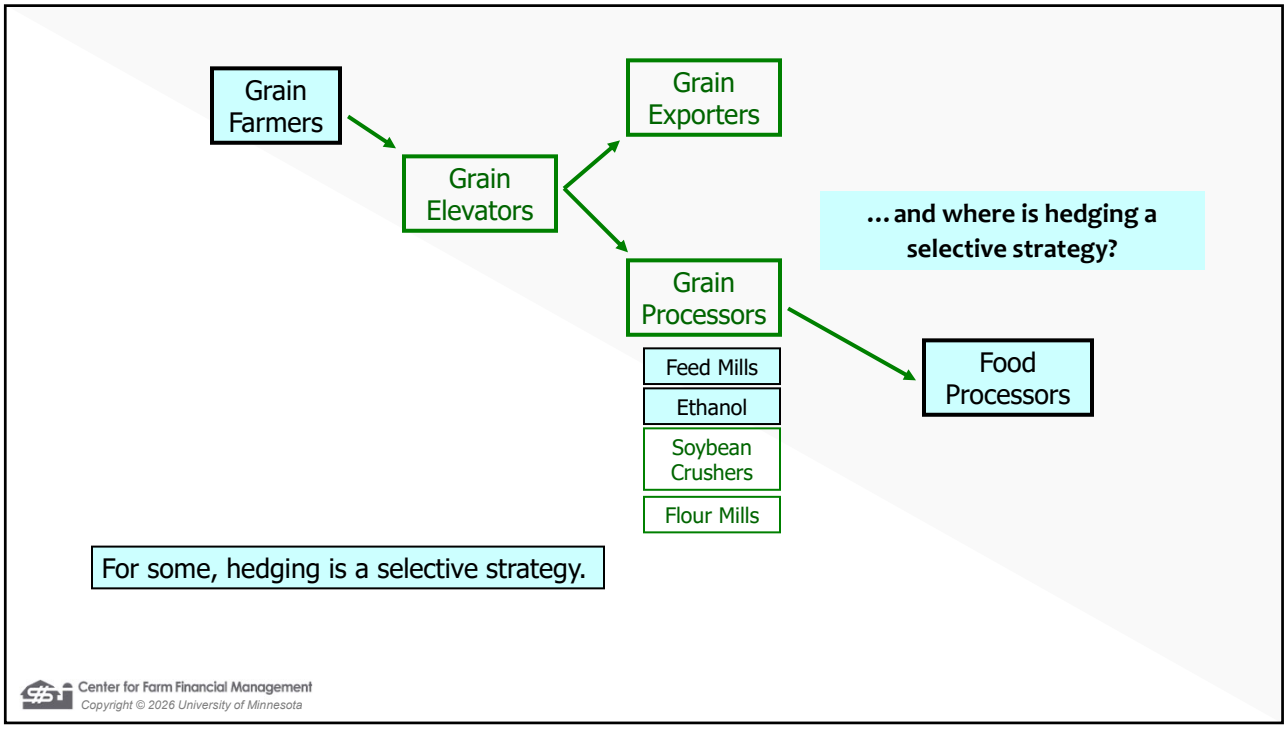
Grain Farmers
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Feed Mills
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Food Processors
... and where is hedging a selective strategy?
For some, hedging is a selective strategy.
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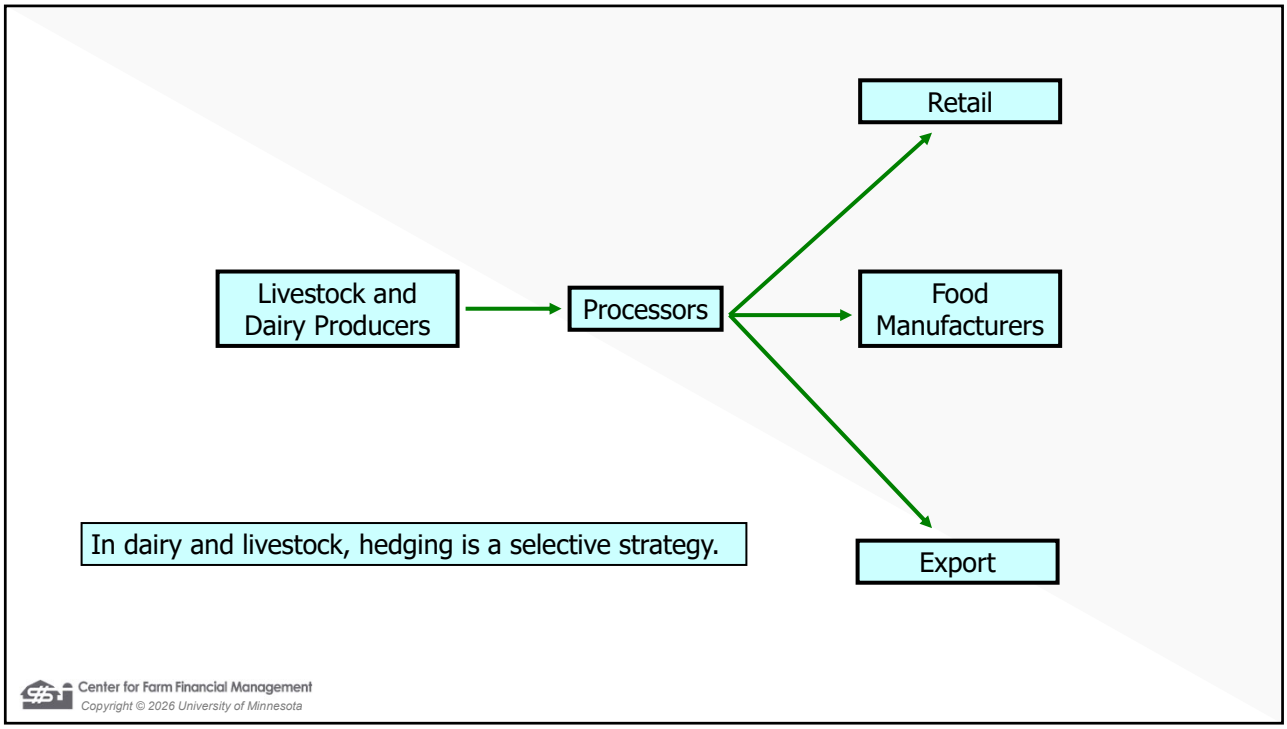

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SELLING FUTURES

+ price often higher than forward contract
+ not locked into delivery
- 5,000 bushel units
- margin account and margin risk
- basis risk

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SELLING FUTURES

+ **price often higher than forward contract**

+ **not locked into delivery**

- 5,000 bushel units

- margin account and margin risk

- basis risk

Why?

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SLEEPY EYE, MN
NEW CROP CORN BASIS, 2016-2025

- Comparing new crop basis bids in early May and early October (harvest)
- 8 years (80%) the basis improved
- 1 year (10%) basis was steady
- 1 year (10%) the basis weakened

Year	Early May	Early Oct	Basis Improvement
2016	(0.56)	(0.46)	0.10
2017	(0.58)	(0.66)	(0.08)
2018	(0.62)	(0.55)	0.07
2019	(0.55)	(0.30)	0.25
2020	(0.50)	(0.50)	0.00
2021	(0.45)	(0.15)	0.30
2022	(0.40)	(0.25)	0.15
2023	(0.45)	(0.35)	0.10
2024	(0.50)	(0.35)	0.15
2025	(0.50)	(0.48)	0.02
2026	(0.60)		
average	**(0.51)**	**(0.41)**	**0.11**

All figures are in $/bushel.
Early May figures represent the new crop corn bid in early May, less December futures.
Early October figures represent the harvest price of corn, less December futures.

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SLEEPY EYE, MN
NEW CROP SOYBEAN BASIS, 2016-2025

- Comparing new crop basis bids in early May and early October (harvest)
- 5 years (50%) the basis improved
- 3 years (30%) basis was steady
- 2 years (20%) the basis weakened

Year	Early May	Early Oct	Basis Improvement
2016	(0.75)	(0.70)	0.05
2017	(0.80)	(0.80)	0.00
2018	(0.80)	(1.00)	(0.20)
2019	(0.90)	(0.90)	0.00
2020	(0.80)	(0.70)	0.10
2021	(0.65)	(0.30)	0.35
2022	(0.50)	(0.38)	0.12
2023	(0.65)	(0.65)	0.00
2024	(0.70)	(0.50)	0.20
2025	(0.65)	(0.85)	(0.20)
2026	(0.85)		
average	**(0.72)**	**(0.68)**	**0.04**

All figures are in $/bushel.
Early May figures represent the new crop soybean bid in early May, less November futures.
Early October figures represent the harvest price of soybeans, less November futures.

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ASSIGNMENT #2 (SENT MAY 26)

Make FUTURES sales…

- Four contracts Dec'26 futures (25,000 bushels of corn) (I sold $4.85 / $4.37 today)
- One contract Nov'26 futures (10,000 bushels of soybeans) (I sold $11.85 / $11.43 today)

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SELLING FUTURES TO ESTABLISH A PRICE

5.05*	+	(-0.45)	–	.01	=	4.59
fut. price (when sold)	+	expected basis	–	fees	=	expected price

* Based on May 4 market prices

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SELLING FUTURES TO ESTABLISH A PRICE

5.05	+	(-0.45)	–	.01	=	4.59
fut. price (when sold)	+	expected basis	–	fees	=	expected price

Your customer sold futures, and higher prices will lead to margin calls.

Between now and harvest, do you want higher or lower prices?

Are margin calls good?

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SELLING FUTURES TO ESTABLISH A PRICE

4.37	+	(-0.45)	–	.01	=	3.91
fut. price (when sold)	+	expected basis	–	fees	=	expected price

Let's update it for yesterday (June 23).

Where is Dec'26 corn currently trading?

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SELLING FUTURES TO ESTABLISH A PRICE

11.12	+	(-0.60)	–	.01	=	10.51
fut. price (when sold)	+	expected basis	–	fees	=	expected price

Soybeans too!

Where are Nov'26 soybeans currently trading?

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MARGINS – THE BANKER'S CHALLENGE!

1. All traders–including hedgers–must post margin, a guarantee of performance
2. Gains and losses on futures positions are "marked-to-market" daily
3. Established by exchanges (~5-10% of contract value)

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Forward contracting and/or selling futures in May.

Is there value in pricing grain early?

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Meet Barney Binless and Terry Timer

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Barney Binless

Barney has no marketing plan, no storage and no interest in early pricing. He is our benchmark. His price is the harvest price each year.

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Terry Timer

Terry knows that seasonal highs in new crop futures often occur in the spring. For corn and soybeans, she prices 20% increments, March-June. For wheat, Feb-May. Prices must be above production costs.

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CBOT DECEMBER CORN FUTURES, 2000-2025

- ✓ 20 years (77%) the market declined
- ✓ 6 years (23%) the market improved

Year	1-May	1-Oct	Change
2000	2.62	1.99	(0.63)
2001	2.27	2.11	(0.16)
2002	2.20	2.56	0.36
2003	2.33	2.20	(0.13)
2004	3.17	2.06	(1.11)
2005	2.27	2.06	(0.21)
2006	2.72	2.68	(0.04)
2007	3.79	3.69	(0.10)
2008	6.32	4.84	(1.48)
2009	4.33	3.41	(0.93)
2010	3.92	4.66	0.74
2011	6.61	5.93	(0.69)
2012	5.39	7.57	2.18
2013	5.51	4.39	(1.12)
2014	5.00	3.21	(1.78)
2015	3.80	3.89	0.09
2016	3.97	3.37	(0.60)
2017	3.95	3.52	(0.43)
2018	4.20	3.66	(0.54)
2019	3.86	3.93	0.06
2020	3.37	3.83	0.46
2021	5.64	5.42	(0.22)
2022	7.42	6.78	(0.65)
2023	5.25	4.89	(0.37)
2024	4.73	4.29	(0.44)
2025	4.47	4.17	(0.31)
2026	4.99		
Average	**4.20**	**3.89**	**(0.31)**

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IOWA AVERAGE CORN PRICES, 1989-2025

Barney Binless harvest price the Friday between Oct 12-18.

Terry is only willing to price insured bushels (80%), if the price is above production costs.

Terry made no pre-harvest sales in 8 corn years.

27 "active" years			
	Terry	Barney	Terry's advantage
corn	3.46	3.23	0.23
years >Barney	22 (81%)		
years >10%	14	3	

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CBOT NOVEMBER SOYBEAN FUTURES, 2000-2025

- ✓ 16 years (62%) the market declined
- ✓ 10 years (38%) the market improved

Year	1-May	1-Oct	Change
2000	5.80	4.90	(0.90)
2001	4.34	4.52	0.18
2002	4.56	5.42	0.86
2003	5.53	6.87	1.34
2004	7.45	5.35	(2.10)
2005	6.22	5.73	(0.49)
2006	6.26	5.45	(0.81)
2007	7.84	9.92	2.08
2008	11.93	10.53	(1.40)
2009	9.71	9.18	(0.53)
2010	9.76	10.57	0.81
2011	13.74	11.79	(1.95)
2012	13.93	15.60	1.68
2013	12.09	12.68	0.59
2014	12.26	9.17	(3.09)
2015	9.41	8.77	(0.64)
2016	10.18	9.54	(0.64)
2017	9.65	9.57	(0.07)
2018	10.51	8.58	(1.93)
2019	8.73	9.20	0.47
2020	8.55	10.24	1.69
2021	13.40	12.47	(0.93)
2022	14.91	13.65	(1.26)
2023	12.75	12.77	0.02
2024	11.65	10.57	(1.08)
2025	10.24	10.13	(0.11)
2026	11.83		
average	**9.67**	**9.35**	**(0.32)**

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PRICING TARGETS

Soybeans show the need for a minimum price!

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CBOT NOVEMBER SOYBEAN FUTURES, 2000-2025

- ✓ **Soybeans needs a minimum price!**
- ✓ Exclude 7 years when the selling price on May 1 was less than production costs.

Year	1-May	1-Oct	Change
2000	5.80	4.90	(0.90)
2001	4.34	4.52	0.18
2002	4.56	5.42	0.86
2003	5.53	6.87	1.34
2004	7.45	5.35	(2.10)
2005	6.22	5.73	(0.49)
2006	6.26	5.45	(0.81)
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2013	12.09	12.68	0.59
2014	12.26	9.17	(3.09)
2015	9.41	8.77	(0.64)
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2017	9.65	9.57	(0.07)
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2019	8.73	9.20	0.47
2020	8.55	10.24	1.69
2021	13.40	12.47	(0.93)
2022	14.91	13.65	(1.26)
2023	12.75	12.77	0.02
2024	11.65	10.57	(1.08)
2025	10.24	10.13	(0.11)
2026	11.83		
average	**9.67**	**9.35**	**(0.32)**

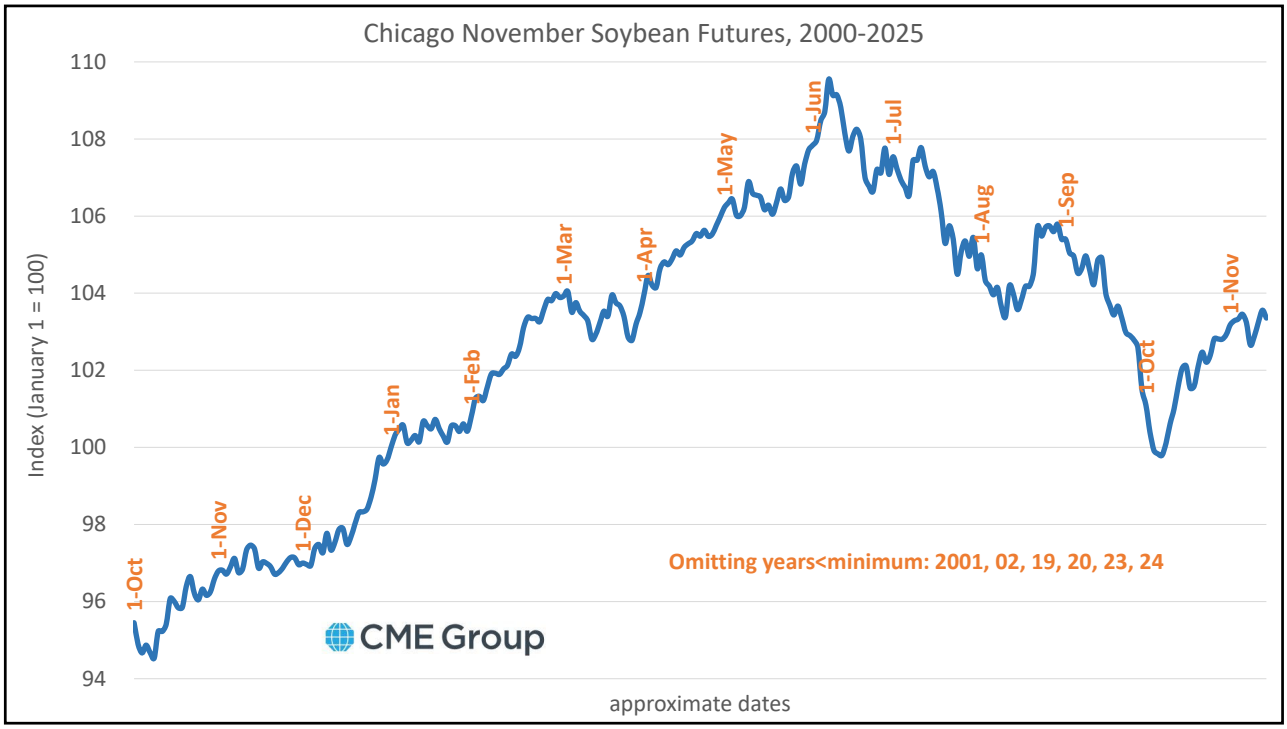
45

CBOT NOVEMBER SOYBEAN FUTURES, 2000-2025

- ✓ 14 years (74%) the market declined
- ✓ 5 years (26%) the market improved

Year	1-May	1-Oct	Change
2000	5.80	4.90	(0.90)
2003	5.53	6.87	1.34
2004	7.45	5.35	(2.10)
2005	6.22	5.73	(0.49)
2006	6.26	5.45	(0.81)
2007	7.84	9.92	2.08
2008	11.93	10.53	(1.40)
2009	9.71	9.18	(0.53)
2010	9.76	10.57	0.81
2011	13.74	11.79	(1.95)
2012	13.93	15.60	1.68
2013	12.09	12.68	0.59
2014	12.26	9.17	(3.09)
2015	9.41	8.77	(0.64)
2016	10.18	9.54	(0.64)
2017	9.65	9.57	(0.07)
2018	10.51	8.58	(1.93)
2021	13.40	12.47	(0.93)
2022	14.91	13.65	(1.26)
2026	11.83		
average	**10.06**	**9.53**	**(0.53)**

46



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IOWA AVERAGE SOYBEAN PRICES, 1989-2025

Barney Binless harvest price the Friday between Oct 5-11.

Terry is only willing to price insured bushels (80%), if the price is above production costs.

Terry made no pre-harvest sales in 7 soybean years.

28 "active" years			
	Terry	Barney	Terry's advantage
soybeans	8.26	7.81	0.45
years >Barney	19 (68%)		
years >10%	11	4	

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Soybean comments

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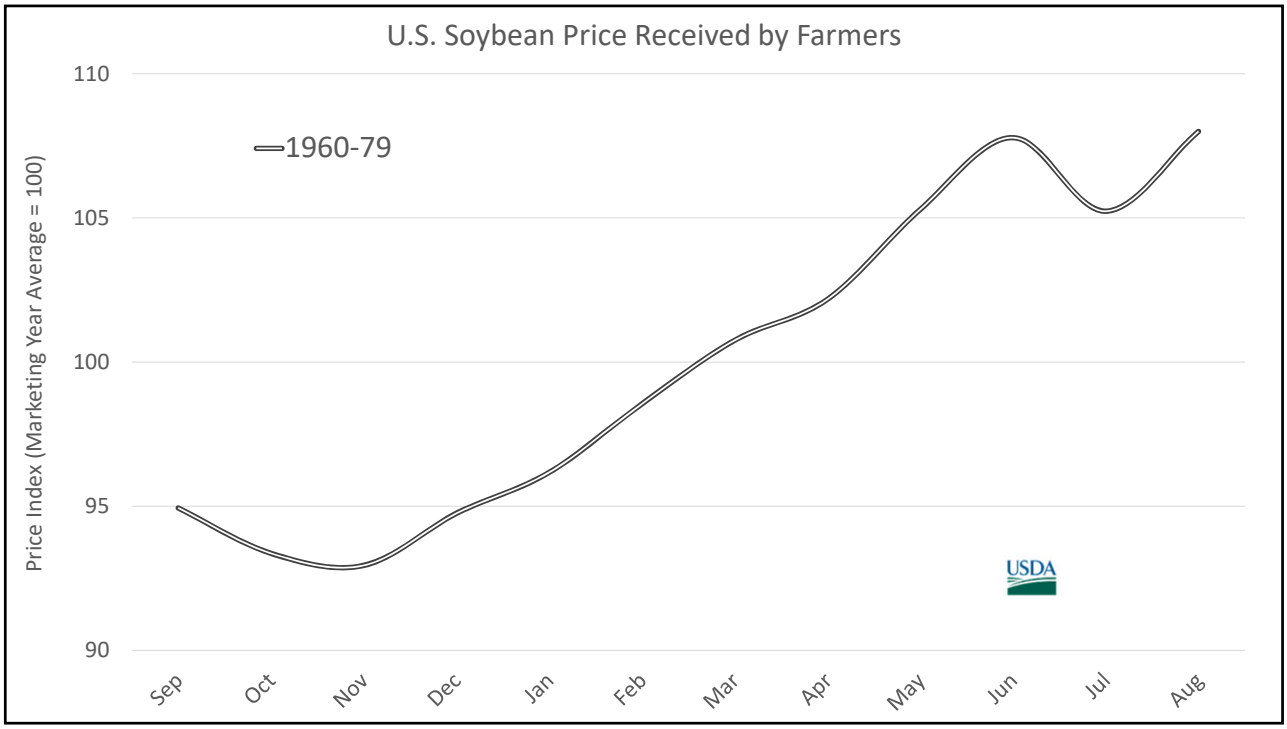
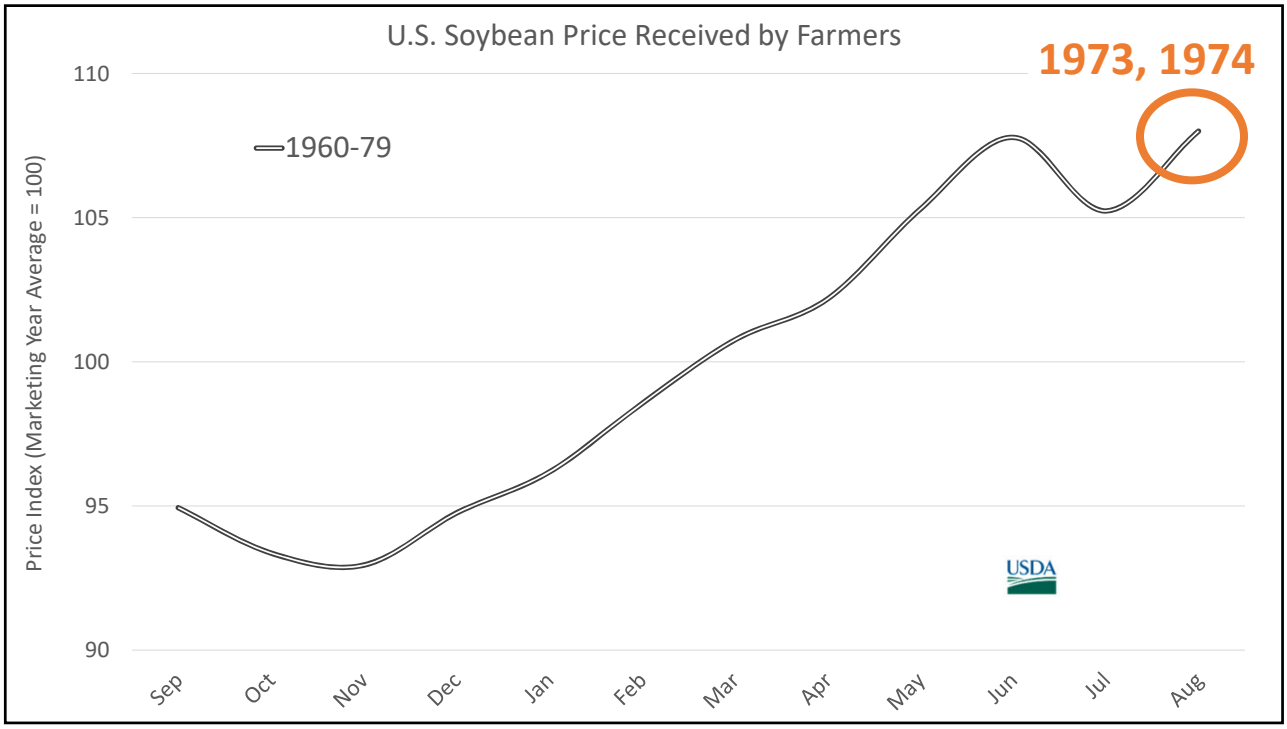
SOYBEANS: 2005-2024 vs 1960-79

- Radical change in the world soybean market
- Southern Hemisphere now dominates with leading "market share"
- Does this lead to a fundamental change in seasonal price patterns?

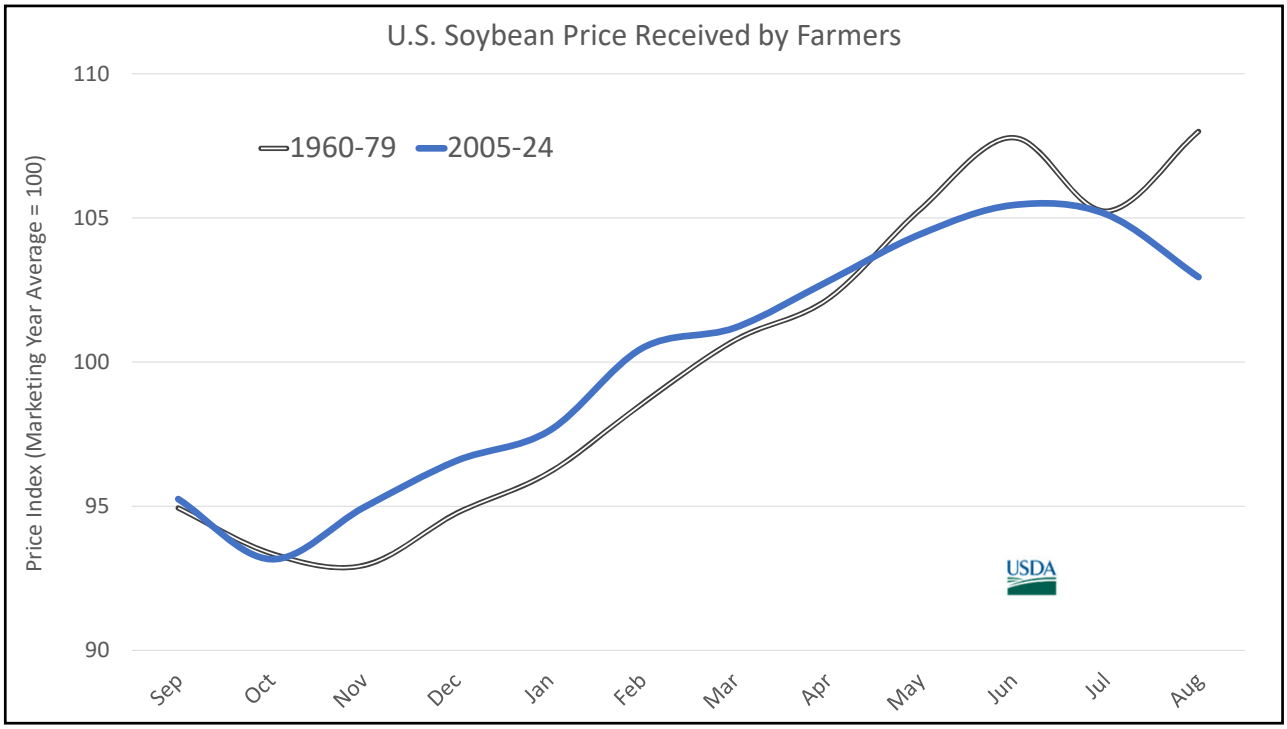
50


U.S. Soybean Price Received by Farmers
1960-79
Price Index (Marketing Year Average = 100)
110
105
100
95
90
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
USDA

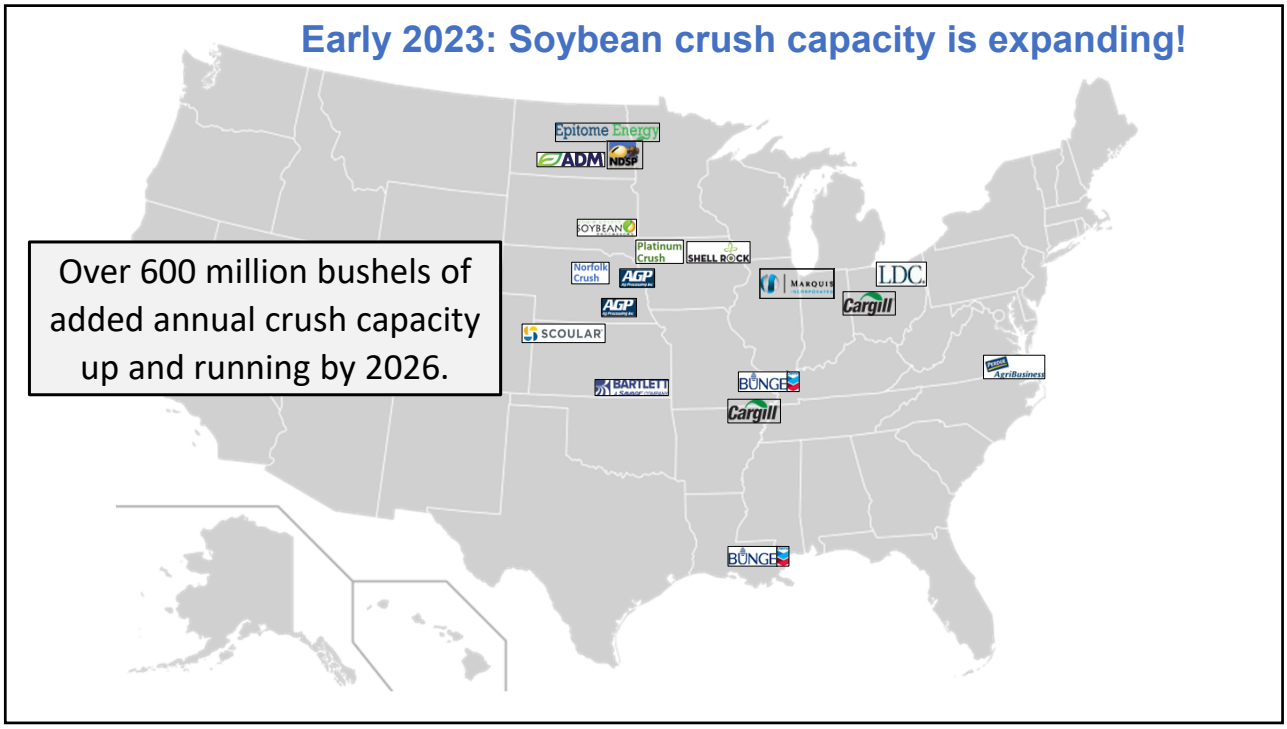
51


U.S. Soybean Price Received by Farmers
1973, 1974
1960-79
Price Index (Marketing Year Average = 100)
110
105
100
95
90
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
USDA

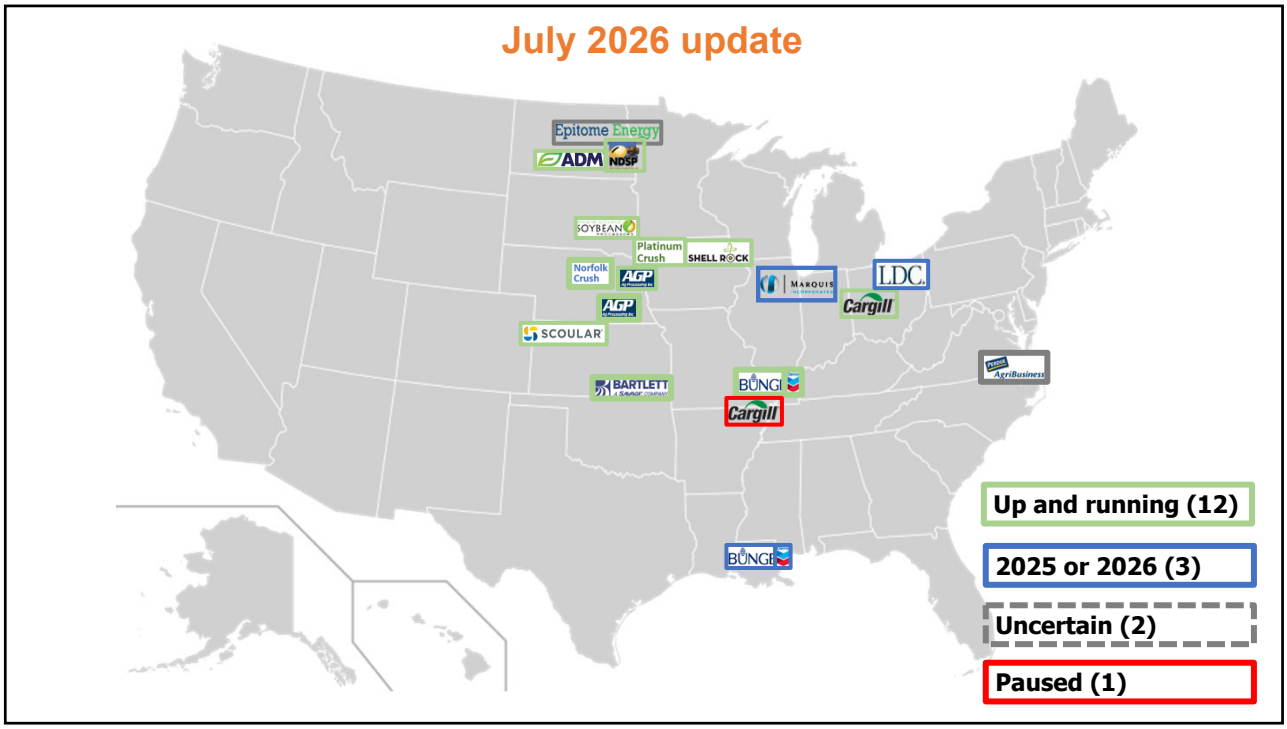
52


U.S. Soybean Price Received by Farmers
Price Index (Marketing Year Average = 100)
110
105
100
95
90
1960-79
2005-24
USDA
Sep
Oct
Nov
Dec
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug

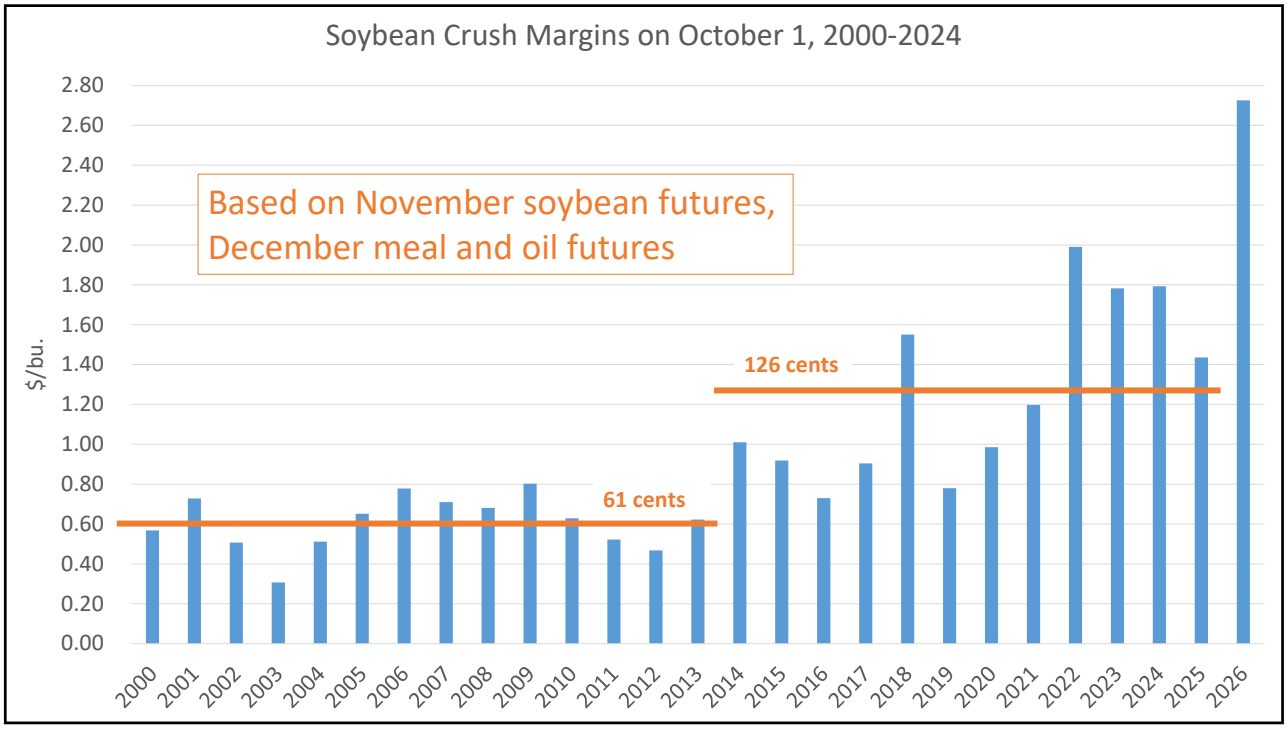
53


Early 2023: Soybean crush capacity is expanding!
Over 600 million bushels of added annual crush capacity up and running by 2026.
Epitome Energy
ADM
NDSP
SOYBEAN
Platinum Crush
SHELL ROCK
Norfolk Crush
AGP
MARQUIS
LDC
Cargill
SCOULAR
BARTLETT
BUNGE
Cargill
AgriBusiness
BUNGE

54


July 2026 update
Epitome Energy
ADM
NDSP
SOYBEAN
Platinum Crush
SHELL ROCK
Norfolk Crush
AGP
AGP
SCOULAR
MARQUIS
LDC
Cargill
BARTLETT
BUNGE
Cargill
AgriBusiness
BUNGE
Up and running (12)
2025 or 2026 (3)
Uncertain (2)
Paused (1)

55


Soybean Crush Margins on October 1, 2000-2024
Based on November soybean futures,
December meal and oil futures
$/bu.
2.80
2.60
2.40
2.20
2.00
1.80
1.60
1.40
1.20
1.00
0.80
0.60
0.40
0.20
0.00
126 cents
61 cents
2000
2001
2002
2003
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2026

56

PRICING TOOLS FOR THE SELLER

$4.42 and no upside

1. Forward contract

$4.59 and no upside

2. Selling futures contracts (short hedge)
3. Buy put options to establish a minimum price
4. Cash sale/forward contract and buy call options to establish a minimum price ("paperfarming")

57

QUIZ TIME!

What was the original name of the Chicago Mercantile Exchange?

The Chicago Butter & Egg Board
(est. 1898)

58

QUIZ TIME!

Name two commodities that once traded at the Chicago Butter & Egg Board.

59

How can we use put options in place of futures to establish a new crop price?

60

THE OPTIONS ALTERNATIVE IN HEDGING

- Short hedge with futures, or…
- Buy a put option to set a minimum price

- Long hedge with futures, or…
- Buy a call option to set a maximum price

61

PRICING TOOLS FOR THE SELLER

1. Forward contract
2. Selling futures contracts (short hedge)
3. **Buy put options** to establish a minimum price
4. Cash sale/forward contract and buy call options to establish a minimum price ("paperfarming")

62

OPTIONS

An option is the right, but not the obligation, to buy or sell a futures contract at some predetermined price at anytime within a specified time.

63

OPTIONS

The appeal? Buying options protects against an unfavorable price move but still offers the opportunity to benefit from a favorable move.

Also, option buyers pay premiums but are not exposed to margin issues.

64

OPTIONS TERMS

- A call option is the right to buy futures
- A put option is the right to sell futures

65

OPTIONS

Commodity sellers (e.g., producers) generally buy put options; offering limited risk and unlimited potential.

Selling options is a trading strategy–generally not used to manage risk.

66

BUY PUT OPTIONS

+ the right to sell futures
+ establish (nearly) a minimum price
+ no margin calls
+ not locked into delivery
+ basis opportunity
- basis risk
- 5,000-bushel units
- **high cost!**

67

ASSIGNMENT #3 (SENT JUNE 1)

Buy PUT options…

- I bought two Dec 470 put contracts (10,000 bushels of corn) for 26 cents per bushel
- Today at 44 cents per bushel

68

BUY PUT OPTIONS

5.00*	+	-0.45	–	0.35*	–	.01	=	4.19
strike price	+	expected basis	–	premium	–	fees	=	minimum price

* Based on May 4 market prices

69

BUY PUT OPTIONS

5.00	+	-0.45	–	0.35	–	.01	=	4.19
strike price	+	expected basis	–	premium	–	fees	=	minimum price

Put options increase in value as prices decline.

Between now and harvest, do you want higher or lower prices?

70

BUY PUT OPTIONS

4.30 + -0.40 – 0.19 – .01 = 3.70

strike price + expected basis – premium – fees = minimum price

Let's update it for yesterday (June 23).

Where is Dec'26 corn currently trading ($4.37)
and how much will an at-the-money put cost?

71

BUY PUT OPTIONS

11.00 + -0.60 – 0.42 – .01 = $9.97

strike price + expected basis – premium – fees = minimum price

Soybeans too!

Where are Nov'26 soybeans currently trading ($11.12)
and how much will an at-the-money put cost?

72

March 31, 2026

Advice Alerts

Corn producers: Hedge anticipated 2026 production... December corn futures have recently stalled on the daily bar chart. We advise corn hedgers to buy $4.80 December puts on 40% of anticipated 2026 production, bringing total hedges to 50% (10% sale with a forward contract). Our fill was 32¢ on today's close.

73

April 13, 2026

NEW HEDGE - CORN NEW-CROP 2026 - Hedging another 10% by purchasing the DEC26 $4.60 puts and selling the $5.00 calls for even-money to a slight credit. This provides a floor at $4.60 but kicks us out at $5.00. In total, this now gives us a floor on about 50% of our estimated new-crop production at just above $4.60 per bushel.

74

PRICING TOOLS FOR THE SELLER

$4.42 and no upside

1. Forward contract

$4.59 and no upside

2. Selling futures contracts (short hedge)

$4.19 and unlimited upside

3. Buy put options to establish a minimum price

4. Cash sale/forward contract and buy call options to establish a minimum price ("paperfarming")

75

Wheat comments

76

THE WHEAT MARKET

Since year 2000…

the U.S. population has grown by 22%

77

THE WHEAT MARKET

Since year 2000…

the U.S. population has grown by 22%

food use of wheat is up 2%

78

Per capita flour consumption slides to new 39-year low mark in 2025

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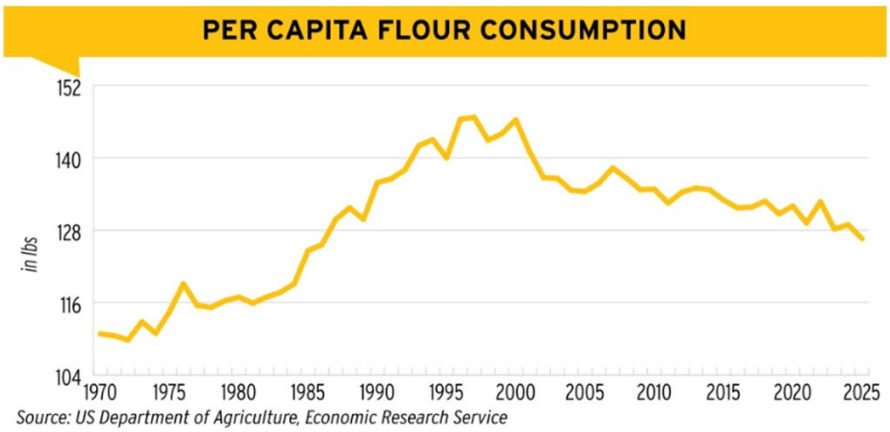


Source: US Department of Agriculture, Economic Research Service

79

PRICING TOOLS FOR THE SELLER

1. Forward contract
2. Selling futures contracts (short hedge)
3. Buy put options to establish a minimum price
4. Cash sale/forward contract and buy call options to establish a minimum price ("paperfarming")

80

FORWARD CONT. AND BUY CALL OPTIONS

+ establish a firm minimum price (basis is fixed)
+ no possibility of margin calls
- ends in delivery
- institutional risk on the forward contract
- sometimes difficult to get a fair basis
- **high cost!**

81

ASSIGNMENT #4 (FINAL TASK SENT JUNE 8)

Forward contract and buy call options…

- I sold 10,000 bushels of corn for harvest delivery at $3.81/bu. and bought two Dec 450 call contracts for 22 cents/bushel
- I sold 5,000 bushels of soybeans for harvest delivery at $10.60/bu. and bought one Nov 1140 call contract for 44 cents/bushel

82

FORWARD CONT.AND BUY CALL OPTIONS

4.42* – 0.35* – .01 = 4.06

forward sales price – premium – fees = minimum price

* Based on May 4 market prices

83

PRICING TOOLS FOR THE SELLER

1. Forward contract — **$4.42 and no upside**
2. Selling futures contracts (short hedge) — **$4.59 and no upside**
3. Buy put options to establish a minimum price — **$4.19 and unlimited upside**
4. Cash sale/forward contract and buy call options to establish a minimum price ("paperfarming") — **$4.06 and unlimited upside**

84

From my May 18 email…

In the **SDBA Ag School OLD crop 2026** game, you are holding 50,000 bushels of corn and 20,000 bushels of old crop soybeans from last year's harvest. Use cash sales to get this grain sold ***before the end of June***.

85

From my May 18 email…

"When we meet in Spearfish, I will explain why I think this grain should be priced ***before the end of June***."

86

Meet May Sellers and Hank Holder

87

May Sellers

May has on-farm storage. She holds her crop in the bin to sell in late spring. Her price is the cash price in the last week of May, less variable storage costs (interest and shrink).

88

May Sellers

Corn and soybeans: Mays stores 80% of her harvested grain until spring, selling on the Friday between May 25-31. 20% is sold at harvest.

89

Hank Holder

Hank is our perennial bull, always convinced that prices are about to surge higher. But Hank only has enough storage for one crop, so each year he is forced to sell right before harvest, to make room for the new crop. His price is the following harvest price, less storage costs.

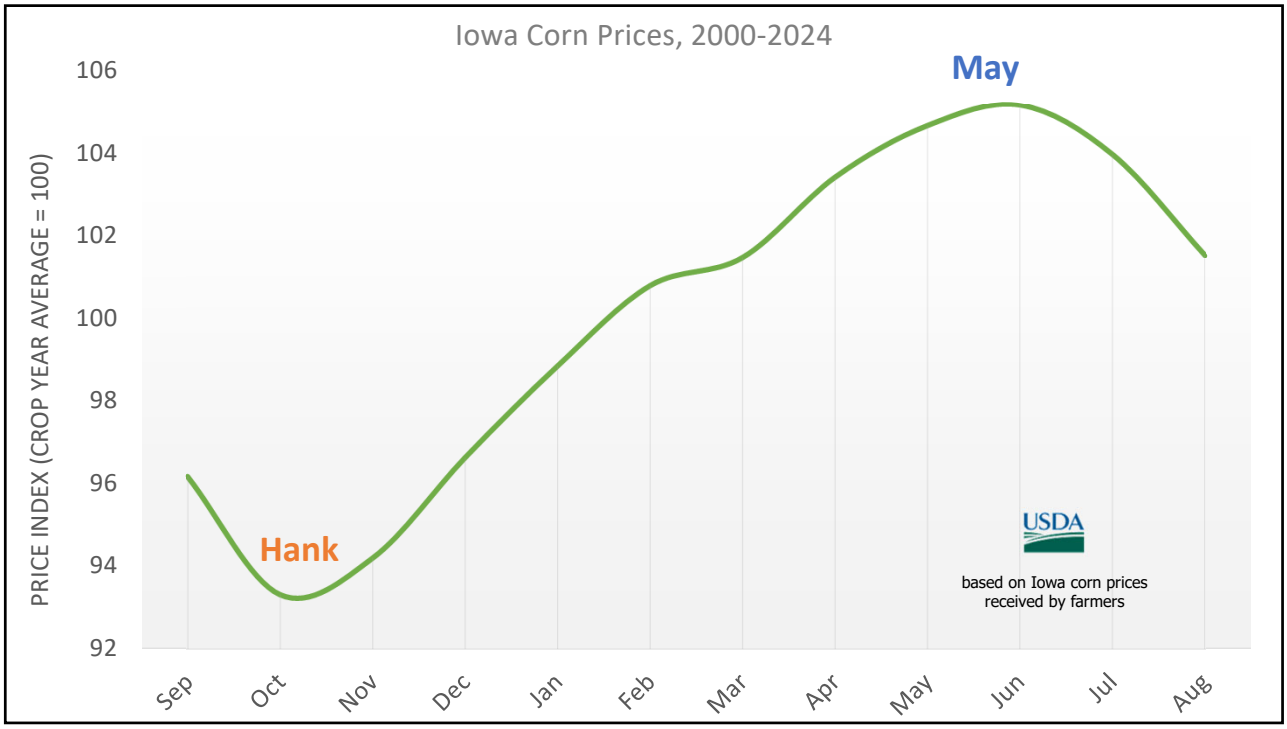
90

Hank Holder

Hank sells 20% of his **corn** at harvest, and stores 80% until the following harvest, selling on the Friday between October 1-7.

Hank sells 20% of his **soybeans** at harvest, and stores 80% until the following harvest, selling on the Friday between Sep 28-Oct 4.

91



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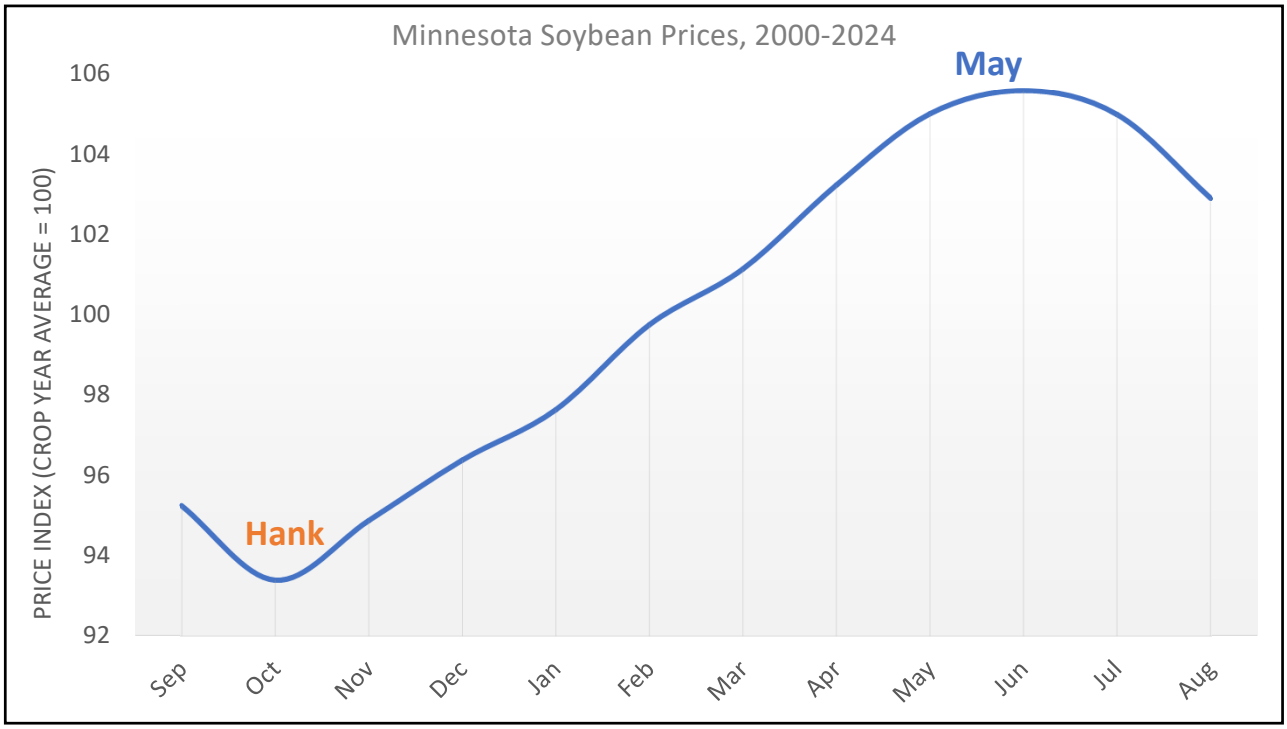

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Hank Holder

Hank breaks The 11th Commandment of Grain Marketing

"Thou shall not hold unpriced corn or soybeans in the bin beyond July 1"

94

IOWA AVERAGE CORN PRICES, 1989-2024

			
	May	Hank	May's advantage
corn	3.39	2.91	0.48
years >Hank	27 (75%)		
years >10%	23	4	

95

IOWA AVERAGE CORN PRICES, 1989-2024

			
	May	Hank	May's advantage
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years >10%	23	4	

96

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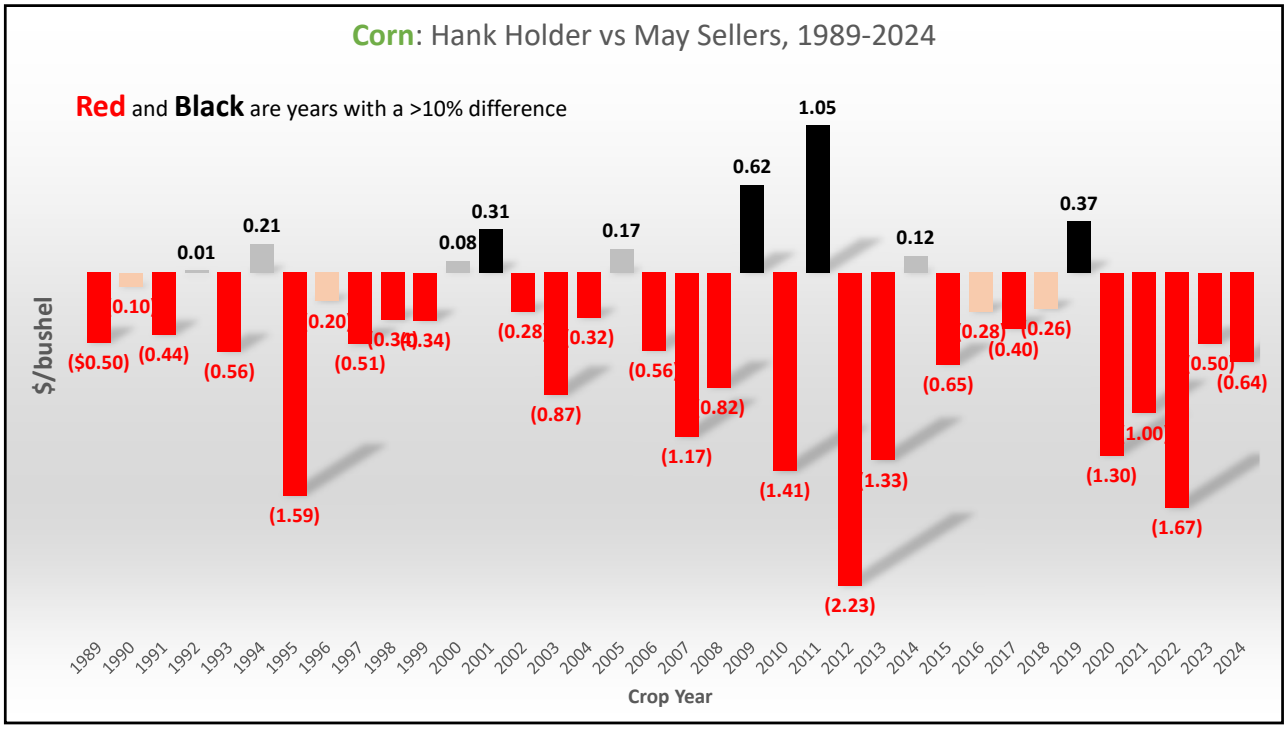
years >10%	23	4	

97



98

Grain Comments

CHS Hedging

June 23, 2026

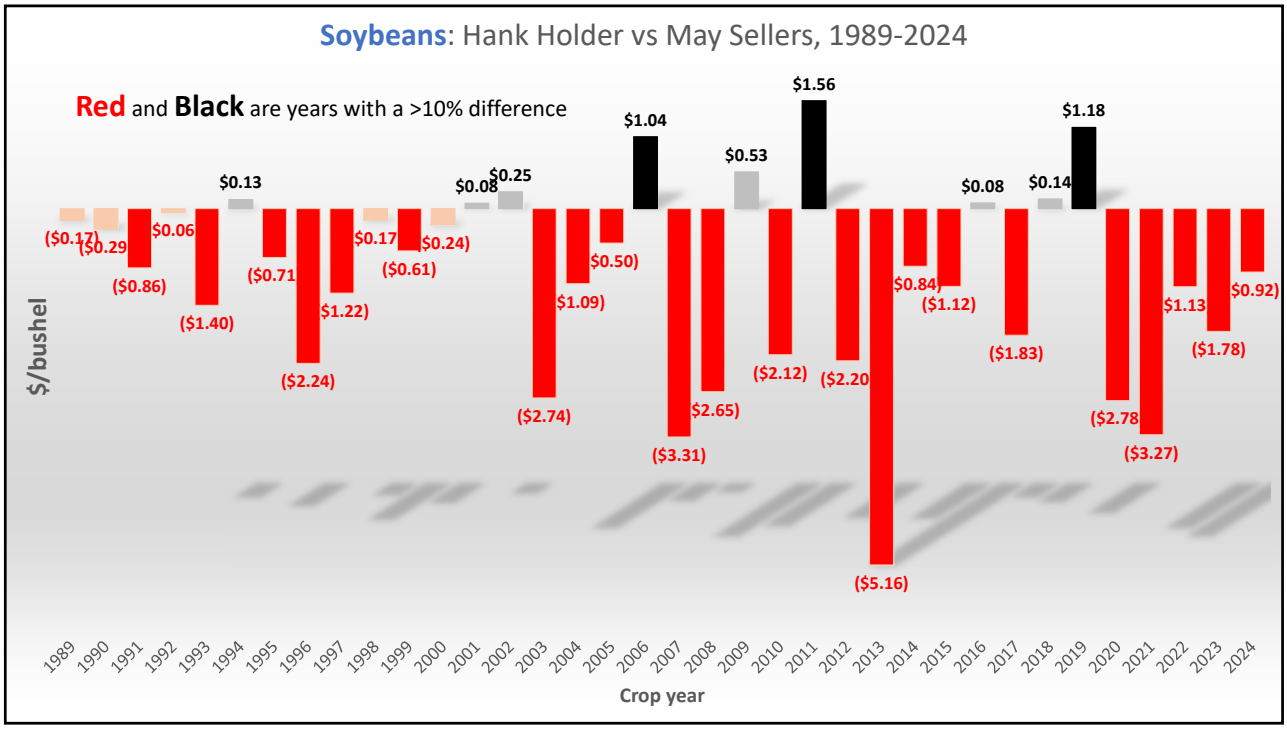
"Farmer selling continues to be limited as they sit and wait on the **old crop bushels they still have**."

99

IOWA AVERAGE SOYBEAN PRICES, 1989-2024

			
	May	Hank	May's advantage
soybeans	8.30	7.29	1.01
years >Hank	26 (72%)		
years >10%	20	3	

100



101

RED RIVER VALLEY WHEAT PRICES, 1989-2024

			
	May	Hank	May's advantage
wheat	5.05	4.65	0.40
years >Hank	26 (72%)		
years >10%	23	5	

May sells wheat on the Friday between December 1-7

102

Hank Holder

Hank breaks The 11th Commandment of Grain Marketing

"Thou shall not hold unpriced corn or soybeans in the bin beyond July 1"

("Thou shall not hold unpriced **wheat** in the bin beyond **May 15**")

103

104

Commodity Challenge

SDBA Ag School NEW crop 2026

The Leaderboard: **Corn**

- $4.20/bu. Rachel Ulfers, Federal Home Loan Bank of Des Moines
- $4.16/bu. Alexander Thyen, Quoin Financial Bank - Miller, SD

CHS Foundation

National FFA Endorsed Activity

105

Commodity Challenge

SDBA Ag School NEW crop 2026

The Leaderboard: **Corn**

- $4.20/bu. Rachel Ulfers, Federal Home Loan Bank of Des Moines
- $4.16/bu. Alexander Thyen, Quoin Financial Bank - Miller, SD

- **$3.75/bu. Tymber Joens, 1st Financial Bank - Dupree**

CHS Foundation

National FFA Endorsed Activity

106

Commodity Challenge

SDBA Ag School NEW crop 2026

The Leaderboard: **Soybeans**

- $11.60/bu. Rachel Ulfers, Federal Home Loan Bank of Des Moines

CHS Foundation

National FFA Endorsed Activity

107

Commodity Challenge

SDBA Ag School NEW crop 2026

The Leaderboard: **Soybeans**

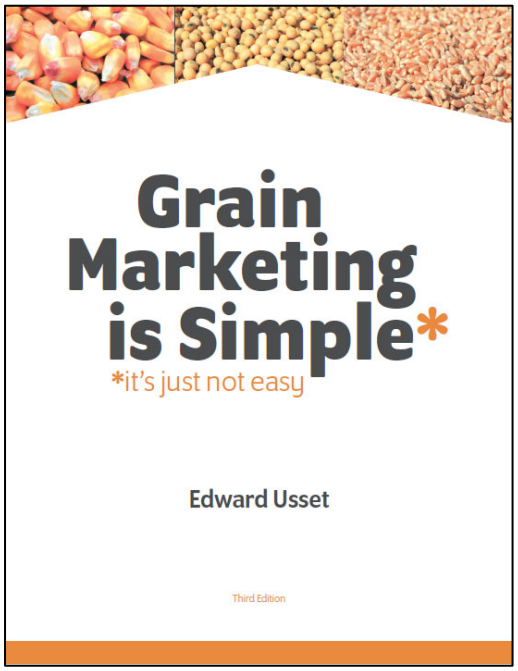
- $11.60/bu. Rachel Ulfers, Federal Home Loan Bank of Des Moines

- **$10.65/bu. Koby Kayser, The First National Bank Sioux Falls**

CHS Foundation

National FFA Endorsed Activity

108



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Remote learning opportunities at the University of Minnesota

	Course
Sept. – Dec. 2026	3411 Agri Commodity Markets
Jan. – May 2027	4481 Futures and Options Markets

Interested? Send me an email… usset001@umn.edu

110

MY STUDENTS SPEAK!

…and the reviews are in.

111

MY STUDENTS SPEAK!

"The instructor was rather
scatter-brained and confused
about the content."

112

MY STUDENTS SPEAK!

"I found the material *painfully boring*."

113

MY STUDENTS SPEAK!

"The lectures were *brutally dull*."

114

MY STUDENTS SPEAK!

"Ed is *the man*."

115

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Hedging with futures and options

Edward Usset, Grain Marketing Economist
University of Minnesota
Columnist: Farm Futures Magazine
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