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Sedgwick County Extension

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Kansas Farm Bureau

Mark Nelson – Director of Commodities



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MEET THE SPEAKERS

Mark Nelson
Director of Commodities
Kansas Farm Bureau

Mark Nelson is responsible for conducting commodity sector analysis including grain markets, coordinating the activities of eight agricultural advisory committees, and serving as a member of KFB's Public Policy Team.

Daniel O'Brien
Extension Agricultural Economist
Kansas State University

Daniel O'Brien focuses on grain market supply-demand analysis, and price-income risk management strategies. He also has interests in bioenergy market profitability and market trends, grain market efficiency / behavioral finance, and crop production cost economics.

"Winning-The-Game"

Corn Marketing Workshop

Tuesday, December 1, 2020
8:00 a.m. – 12:00 p.m. (noon)
Sedgwick County Extension Office
\$5 registration fee (\$10 at door)

Focus of the Workshop

- **Developing Pre-harvest Marketing Strategies for the 2021 Kansas Corn Crop**
- **Focus on....**
 - **Using cost of production for price strategy targets**
 - **Seasonal price trend-based pre-harvest strategies**
 - **Using seasonal flexibility in 2021 Corn Marketing Plans**
 - **Pre-harvest Marketing Tools**
 - Forward Contracts
 - Basis Contacts
 - Hedge-to-Arrive (HTA) contracts
 - Futures Hedge (short / sell)
 - Buying Put/Call Options



The Need for a Disciplined Pre-harvest 2021 Corn Marketing Plan

A. Expected Corn Market Trends in 2021

On Friday, October 16, 2020, DEC 2020 corn futures closed at \$4.02 /bu, with DEC 2021 closing at \$3.95 ¾ . Recent USDA reports and strong export demand from China have provided support for Corn futures markets – improving “2020 current crop” sales prospects, and drawing attention to what could be possible for the “next crop” 2021 harvest.

In comparison to DEC 2020 and DEC 2021 in the \$3.95 ¾ - \$4.02 range, on the same or next closest date (October 16th) in past years, DEC 2019 closed at \$3.91 ¾, DEC 2018 at \$3.75 ¼, DEC 2017 at \$3.50 ½, DEC 2016 at \$3.54, DEC 2015 at \$3.76 ¾, DEC 2014 at \$3.52 ¼, DEC 2013 at \$4.42 ¾, and DEC 2012 (drought year) at \$7.38 ¼. This variation in DEC Corn futures illustrates the need to have an effective pre-harvest marketing plan to follow in marketing the 2021 Kansas corn crop.

B. What Makes Up an Effective Grain Marketing Plan?

In this workshop, corn producers will be involved in the process involved in developing an effective pre-harvest corn marketing plan for the 2021 crop.

This workshop takes the approach of first accounting for cost of production as a beginning target criteria for pre-harvest marketing strategy actions. It also makes use of prevalent seasonal pre-harvest price patterns that have a track record providing positive grain marketing returns.

From there we present a structured, disciplined approach to developing and carrying out a grain marketing plan – in this case for a Kansas corn producer. One of the great values of this workshop setting is that it provides participants with a logical manner of making grain marketing plans, and then flexibly reassessing and changing them if market conditions change sharply.

Workshop Agenda

- 8:00 Registration** (coffee & rolls)
- 8:15 Welcome & Introductions**
- 8:20 Key Factors in Developing an Effective Corn Marketing Plan for 2021** (Nelson)
- 8:45 Cost of Production as a Pre-harvest Marketing Strategy Target** (Nelson & O'Brien)
- 9:10 Using Corn Cost of Production as a Strategy Building Block** (Nelson & O'Brien)
- 9:35 Seasonality of Corn Prices as a Marketing Opportunity** (Nelson & O'Brien)
- 10:00 Break**
- 10:10 Corn Market Outlook for 2020/21** (O'Brien)
- 10:25 Carrying Out a Corn Pre-harvest Marketing Strategy for a representative Corn Market Year** (Nelson, O'Brien & Audience participants)
- 11:50 Summary of Workshop Case Farm**
Review of the group marketing choices made in the workshop and how they may be applied to a farmer's Pre-harvest 2021 Corn Marketing Plan
- 12:00 End of Workshop**



NORTH CENTRAL
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EDUCATION



KANSAS STATE
UNIVERSITY

Agricultural Economics

“Winning the Game”

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Wichita, KS

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Tuesday, December 1, 2020

Name: _____

Address: _____

City: _____ State/Zip: _____

Phone: _____

Email: _____

Preregistration Fee: \$5 / person

\$10 cost at the door IF NOT preregistered

(Fee includes breaks & workshop materials - No lunch or refunds)

Attendance limited to 40 people due to COVID-19

Preregistration contacts

Sedgwick County Extension Office

7001 West 21st Street North

Wichita, Kansas 67205

Online Registration: <http://bit.ly/CrnMkt>

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Nancy Richardson

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