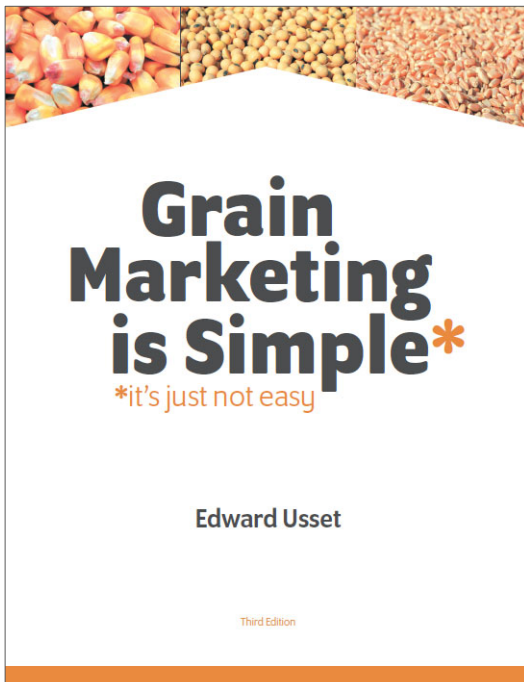


# LENDERS CONFERENCE 2024

# FINPACK<sup>®</sup>

Lenders Conference 2024

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Grain Market Economist, University of Minnesota  
Center for Farm Financial Management  
Farm Futures magazine columnist



**The 3<sup>rd</sup> Edition  
is here!**

[www.cffm.umn.edu/simple/](http://www.cffm.umn.edu/simple/)

*or*

[www.Lulu.com](http://www.Lulu.com)

# Agenda

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- ✓ Agricultural trade
- ✓ 2025 Pre-harvest marketing plans

## 2018 TRADE WAR: SW MN PRICE IMPACTS

---

Early May 2018

Soybeans: \$9.60/bu.

Corn: \$3.60/bu.

Mid-July 2018 (10 weeks later)

Soybeans: \$7.50/bu. (-20%)

Corn: \$3.00/bu. (-20%)

## What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
wheat						
pork						
beef						
chicken						



## What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
<b>corn</b>						
soybeans						
wheat						
pork						
beef						
chicken						



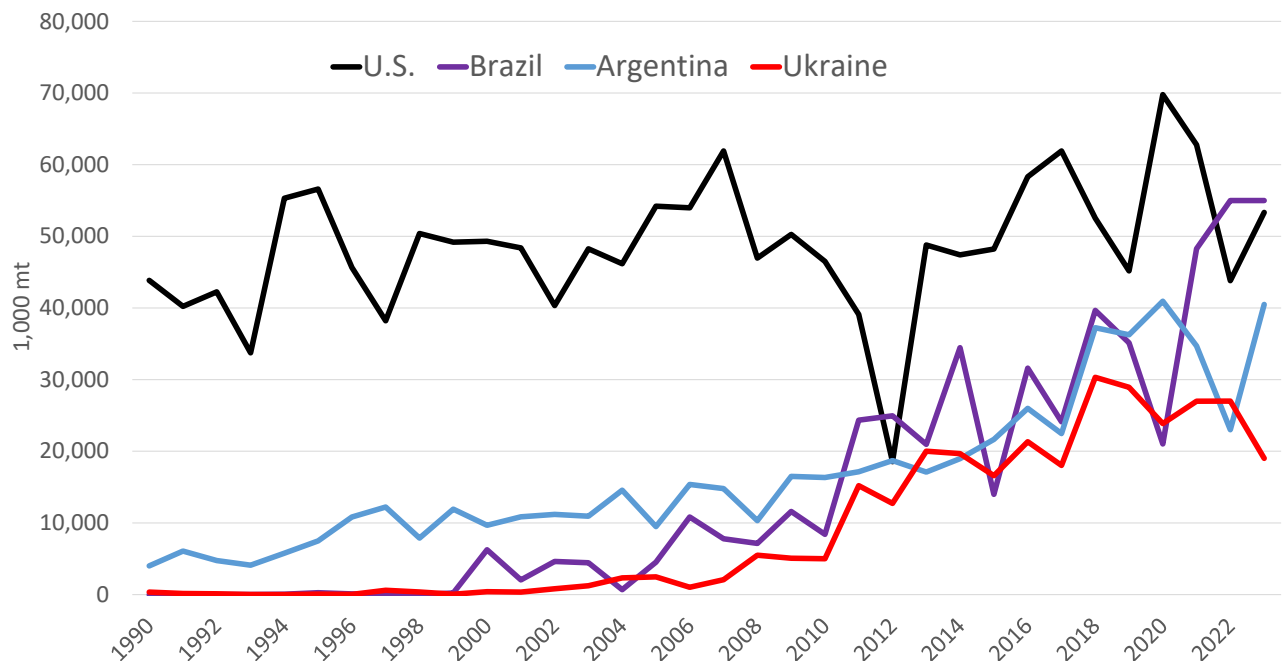
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	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
wheat						
pork						
beef						
chicken						

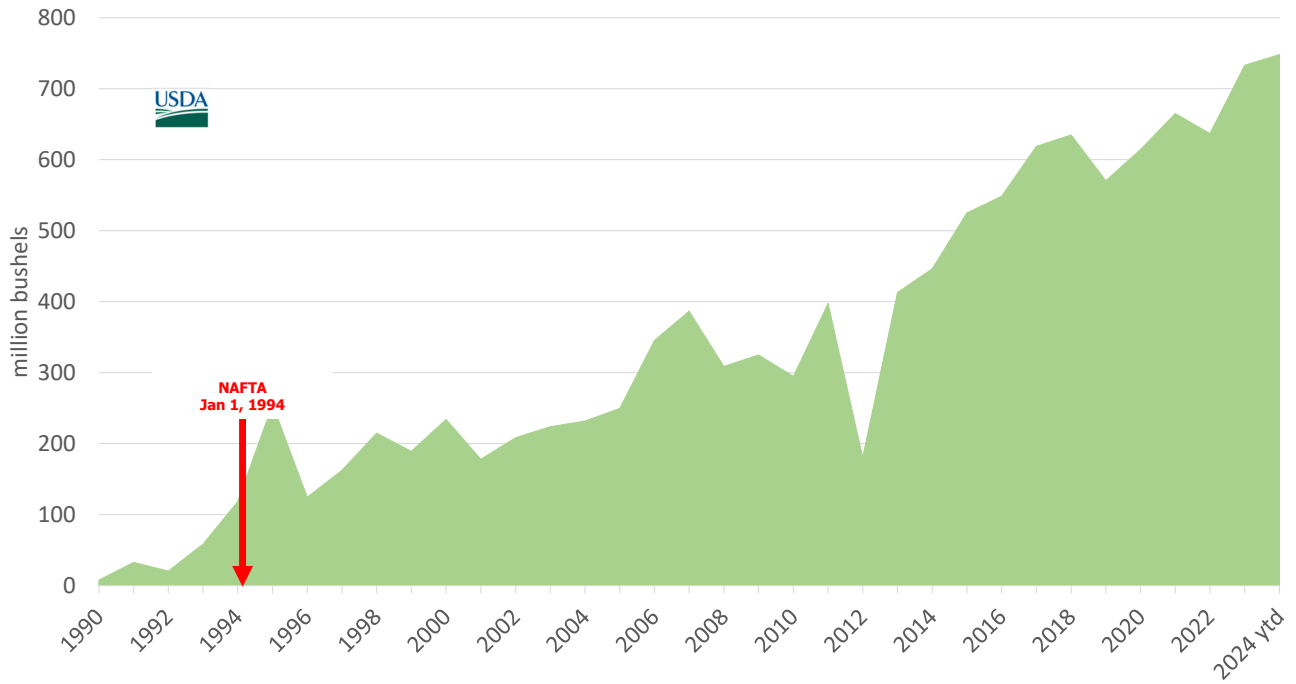
15% of production in 2023 vs. 24% in 1974



Corn Exports, 1990-2023



U.S. Corn Exports to Mexico, 1990-2024



What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
wheat						
pork						
beef						
chicken						



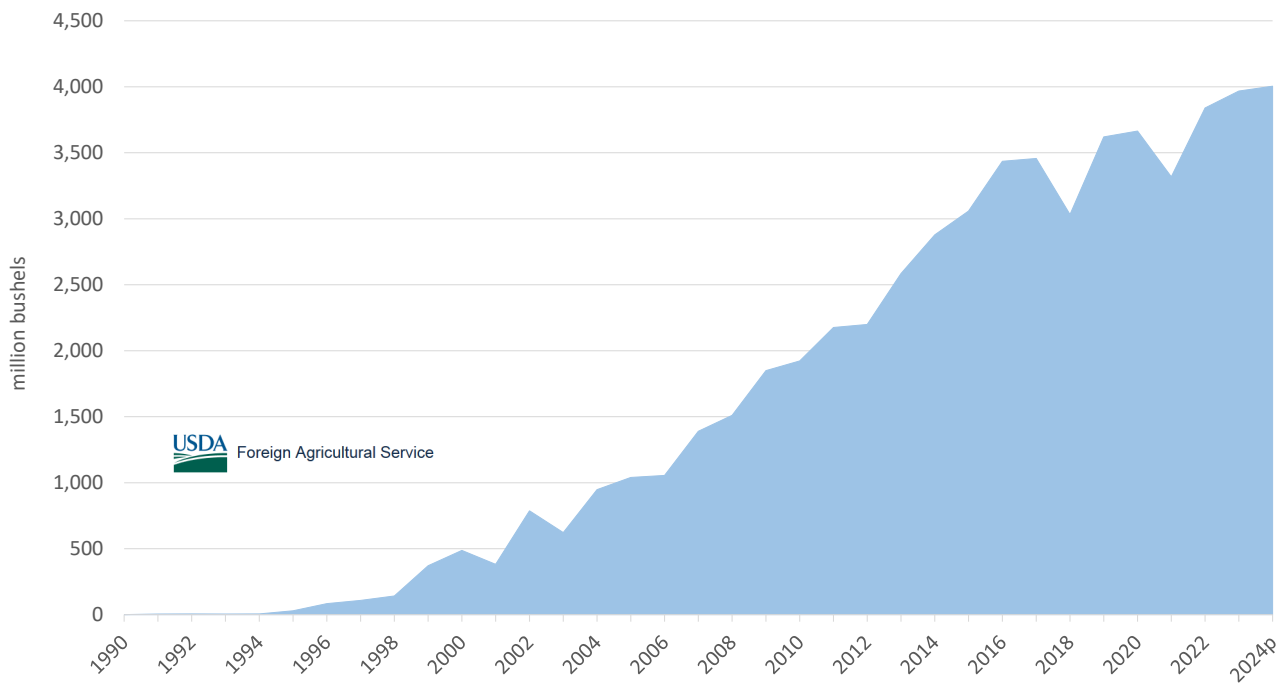
## What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
<b>soybeans</b>						
wheat						
pork						
beef						
chicken						

41% of production in 2023 vs. 35% in 1974



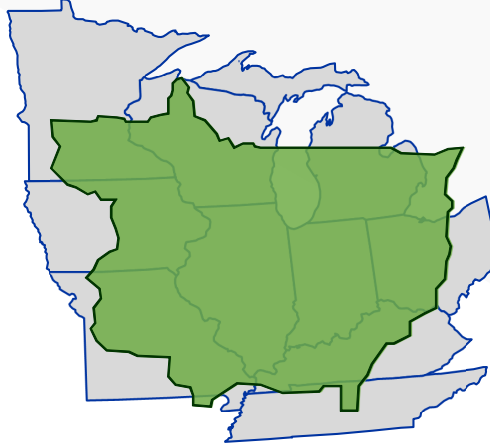
### Chinese Soybean Imports, 1990-2024



# MATO GROSSO VS. THE MIDWEST

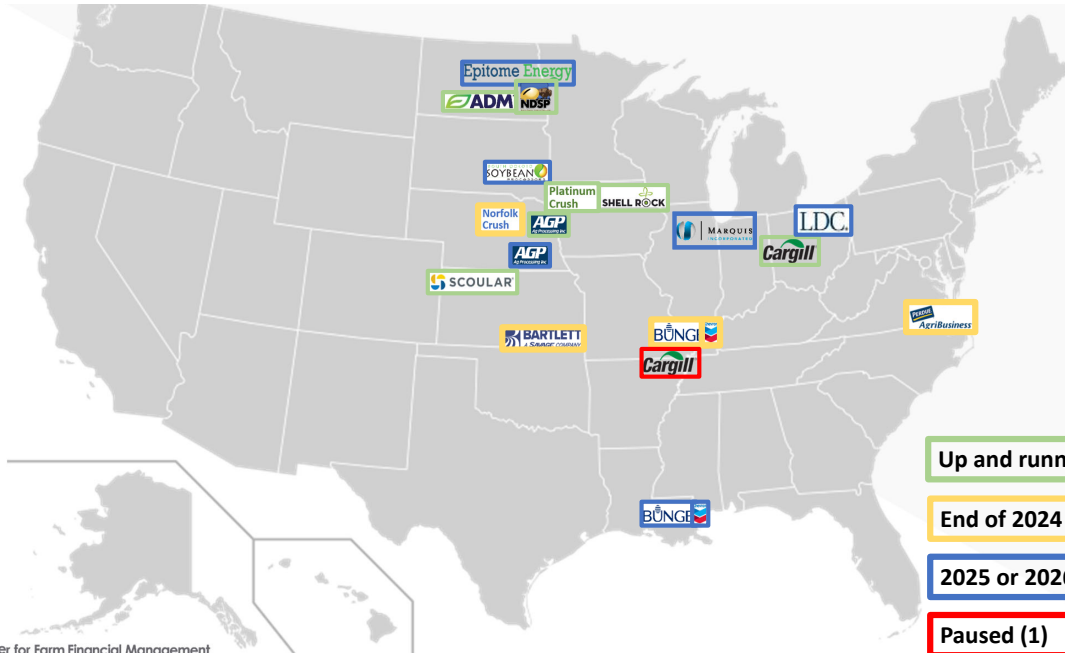
Transportation perspective:

Mato Grosso to Brazil ports is a similar distance as Minnesota to Florida.



Map courtesy of CHS Hedging

## October 2024 update: Soybean crush capacity is expanding!



# What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
<b>wheat</b>						
pork						
beef						
chicken						



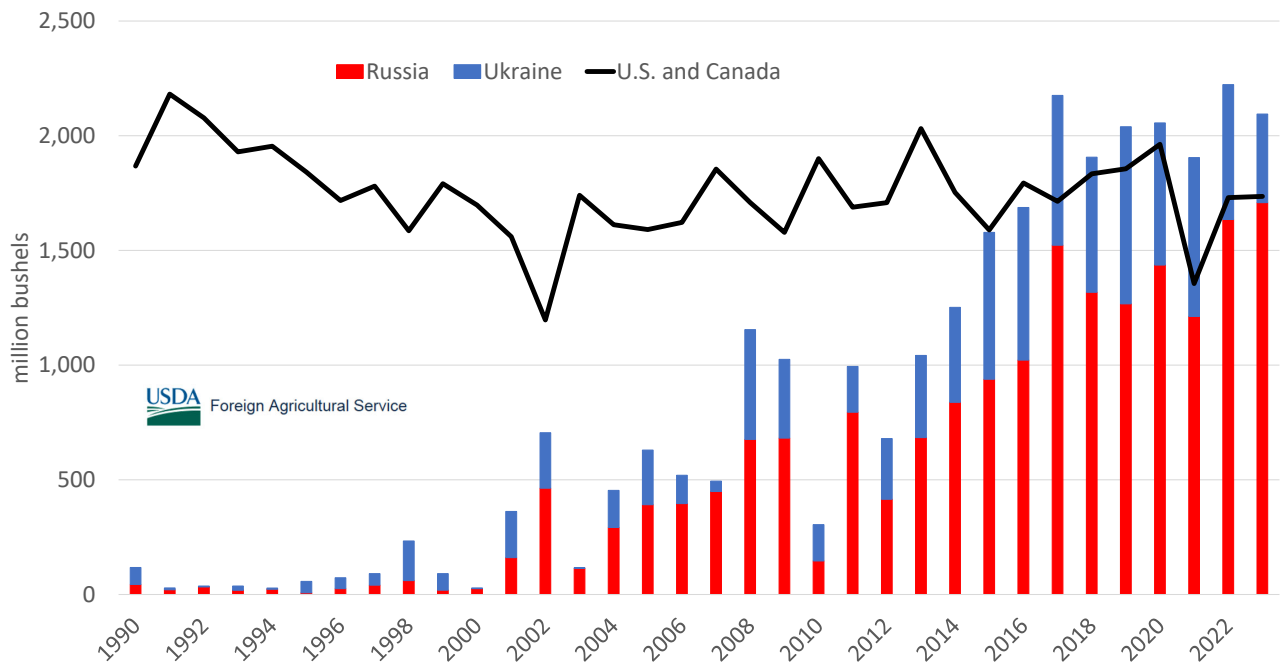
# What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
<b>wheat</b>						
pork						
beef						
chicken						

**46% of production in 2023 vs. 57% in 1974**



Wheat Exports, 1990-2023



**Ukraine**  
... rich black soils make it one of  
the most fertile places on Earth  
“The Breadbasket of Europe”



Map courtesy of CHS Hedging

# What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
wheat						
<b>pork</b>						
beef						
chicken						



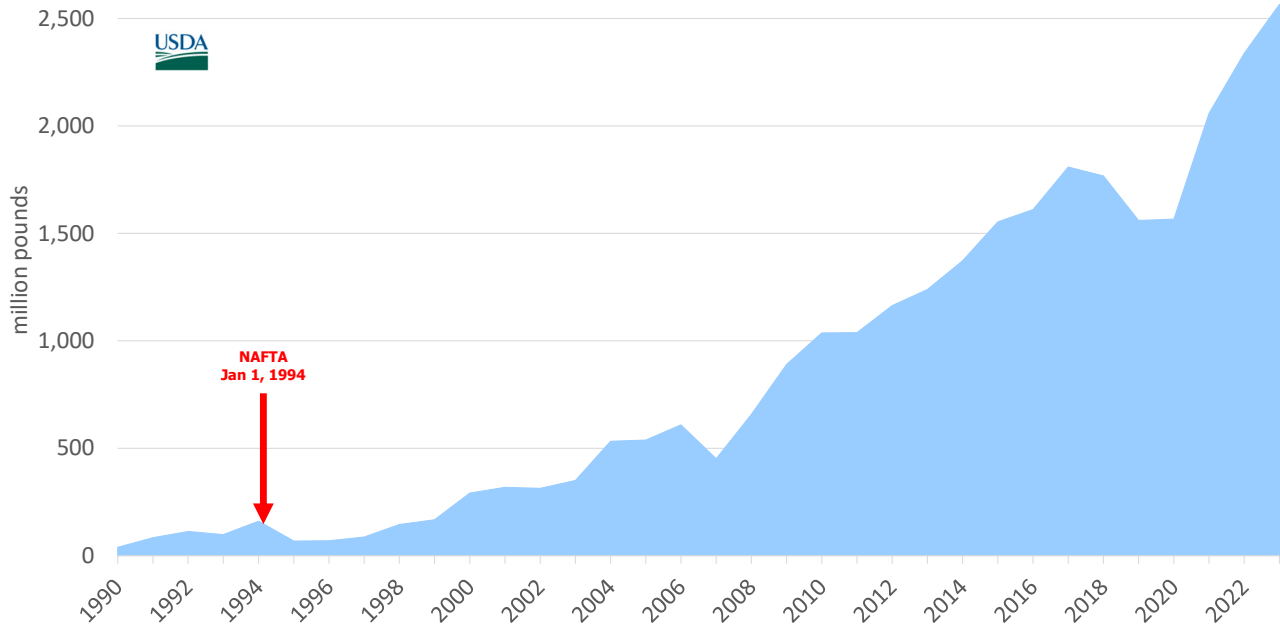
# What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
wheat						
<b>pork</b>						
beef						
chicken						

25% of production in 2023 vs. 1% in 1974



### U.S. Pork Exports to Mexico, 1990-2023



What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
wheat						
pork						
<b>beef</b>						
chicken						



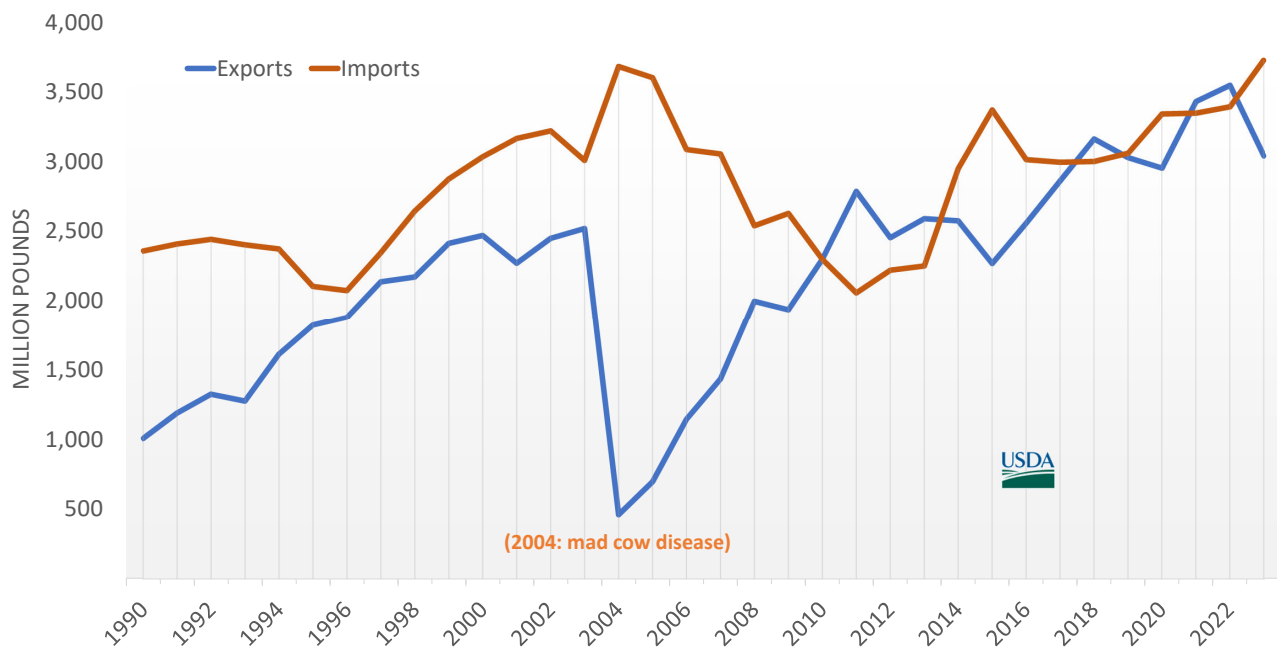
## What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
wheat						
pork						
<b>beef</b>						
chicken						

**11% of production in 2023 vs. 0.3% in 1974**



### U.S. Beef Trade, 1990-2023



# What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
wheat						
pork						
beef						
<b>chicken</b>						



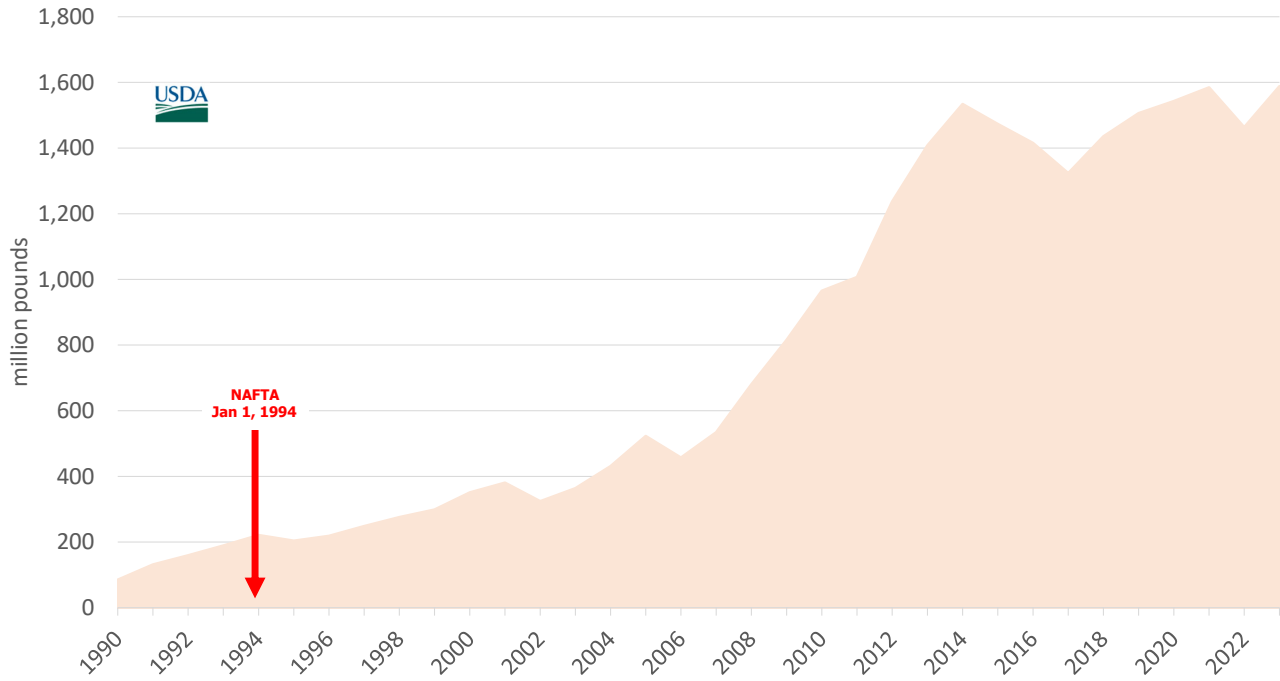
# What percent of total U.S. production was exported in 2023?

	<10%	10-20%	20-30%	30-40%	40-50%	>50%
corn						
soybeans						
wheat						
pork						
beef						
<b>chicken</b>						

**16% of production in 2023 vs. 1.5% in 1974**



### U.S. Broiler Exports to Mexico, 1990-2023



#### 2021 Annual U.S. Export Trade Data

Total value dairy exports \$7.8 bil.

(% production)

<b>nonfat dry milk</b>	<b>71%</b>
butterfat	4.7%
cheese	6.5%
<b>dry whey</b>	<b>53%</b>



# 2025 pre-harvest marketing plans for corn, soybeans and wheat

## CORN: 2025 PRE-HARVEST MARKETING PLAN

Objective: Buy crop insurance to protect my production risk and price 75% of my anticipated corn crop (per APH yield) by late June.

Price 15,000 bushels at \$5.05 cash price (\$5.45 Dec. futures) using forward contract/futures hedge/HTA contract

Price 10,000 bushels at \$5.45c/5.85f, or by April 11, pricing tool tbd

Price 10,000 bushels at \$5.85c/6.25f, or by April 23, pricing tool tbd

Price 10,000 bushels at \$6.25c/6.65f, or by May 12, pricing tool tbd

Price 10,000 bushels at \$6.65c/7.05f, or by May 27, pricing tool tbd

Price 10,000 bushels at \$7.05c/7.45f, or by June 11, pricing tool tbd

Price 10,000 bushels at \$7.45c/7.85f, or by June 25, pricing tool tbd

Plan starts on January 1, 2025. Earlier sales may be made at a 50-cent premium and would be limited to 30,000 bushels.

Ignore decision dates and make no sale if prices are lower than \$5.05 local cash price/\$5.45 December futures.

Exit all options positions by mid-September 2025.

**Dec'25 @ \$4.34**

## SOYBEANS: 2025 PRE-HARVEST MARKETING PLAN

Objective: Buy crop insurance to protect my production risk and price 75% of my anticipated soybean crop (per APH yield) by late June.

Price 5,000 bushels at \$12.40 cash price (\$12.90 Nov. futures) using forward contract/futures hedge/HTA contract

Price 5,000 bushels at \$13.40c/13.90f, or April 11, pricing tool tbd

Price 5,000 bushels at \$14.40c/14.90f, or by May 12, pricing tool tbd

Price 5,000 bushels at \$15.40c/15.90f, or by June 11, pricing tool tbd

Plan starts on January 1, 2025. Earlier sales may be made at a 75-cent premium and would be limited to 10,000 bushels.

Ignore decision dates and make no sale if prices are lower than \$12.40 local cash price/\$12.90 November futures.

Exit all options positions by mid-September 2025.

**Nov'25 @ \$10.08**

## HRS WHEAT 2025 PRE-HARVEST MARKETING PLAN

Objective: Buy crop insurance to protect my production risk and price 75% of my anticipated wheat crop (per APH yield) by mid June.

Price 5,000 bushels at \$7.10 cash price (\$7.50 Sep wheat futures) using forward contract/HTA contract/sell futures

Price 5,000 bushels at \$7.60c/\$8.00f, or by March 14, pricing tool tbd

Price 5,000 bushels at \$8.10c/\$8.50f, or by April 12, pricing tool tbd

Price 5,000 bushels at \$8.60c/\$9.00f, or by May 12, pricing tool tbd

Price my last 5,000 at \$9.10c/\$9.50f, or by June 11, pricing tool tbd

Plan starts on November 1, 2024. Earlier sales may be made at a 50-cent premium and would be limited to 15,000 bushels.

Sell December futures contract for new crop sales at a 20-cent premium to September.

Ignore decision dates and make no sale if prices are lower than \$7.10 local cash price/\$7.50 September futures.

**Sep'25 @ \$6.30**

## Pre-harvest pricing of the 2025 crop...

Should we price grain less than production costs?



Aunt Tilly



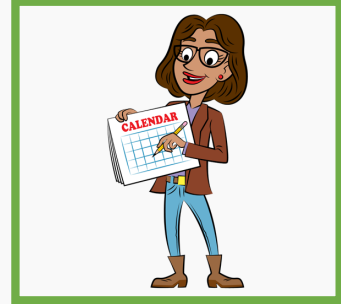
Terry Timer

Tilly and Terry price new crop corn and soybeans in 20% increments, March-June (Feb-May for wheat).

Tilly has no minimum price objective. Terry has a minimum price based on production costs.





Aunt Tilly





Terry Timer

Let's look at Aunt Tilly's batting average in years when Terry Timer was not able to price grain before harvest (pre-harvest pricing opportunities were less than production costs)



## IOWA AVERAGE CORN PRICES, 1989-2024

<b>9 years</b>		
	Barney/Terry	Tilly
average	2.93	3.15
>Barney		6 (67%)
>10%	2	5

## IOWA AVERAGE SOYBEAN PRICES, 1989-2024

<b>8 years</b>		
	Barney/Terry	Tilly
average	7.32	7.27
>Barney		3 (38%)
>10%	2	1

## RED RIVER VALLEY WHEAT PRICES, 1989-2024

<b>11 years</b>		
	Barney/Terry	Tilly
average	4.51	4.46
>Barney		6 (55%)
>10%	2	3

# LESSONS FROM 35+ YEARS...



- ✓ Know your production costs and have a minimum price *but...*
- ✓ Sometimes we maximize profits- sometimes we minimize losses



## Remote learning opportunities at the University of Minnesota

Timing	Course
January – May 2025	4481 Ag Futures and Options Markets
September – December 2025	3411 Commodity Marketing



# MY STUDENTS SPEAK!

---

...and the reviews are in.

# MY STUDENTS SPEAK!

---

“The instructor was rather  
*scatter-brained and confused*  
about the content.”

# MY STUDENTS SPEAK!

---

“I found the material *painfully boring.*”

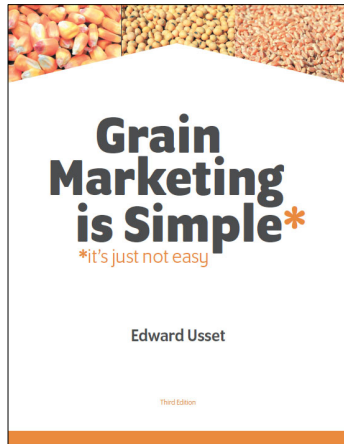
# MY STUDENTS SPEAK!

---

“The lectures were *brutally dull.*”

# FINPACK<sup>®</sup>

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**Thank you!**

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Grain Market Economist, University of Minnesota  
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