Marketing Plan (Example)

Crop: Corn

Current expected production 36,000 bushels/lb/cwt Units still not forward priced 36,000 bushels/lb/cwt

Previous units forward priced 0 bushels/lb/cwt Current expected break-even price $ 2.7 8 /bushel/lb/cwt

Targets

	Offensive plan	Defensive plan
Trigger price	2.50	2.30
Quantity to be sold	10,000 bushels	10,000 bushels

Target Price Worksheet

Date July 10	Forward contract (month Jan.)	Futures (month Dec.)	Put option (month Dec.)
Price (on the board)	2.40	2.82	2.90
Expected basis		.32	.32
Premium			.16
Expected price	2.40	2.50	2.44

Action taken: Date: July 10

Sold 10,000 bushels/lb/cwt using forward contract /futures/put option/other ____________

for December (date) delivery at $ 2.82 bushel/lb/cwt

Result at cash sale of grain

Cash sale of grain – Date: November 20	$ 2.35 /unit
Futures price, if used, when position sold	$ 2.82 /unit
Futures price, if used, when position bought back	$ 2.62 /unit
Gain or loss on futures transaction, if used	$ +.20 /unit
Option premium, if used	$ 0 /unit
Total marketing value of crop	$ 2.55 /unit