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Harvey County Extension

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Kansas Farm Bureau

Mark Nelson – Director of Commodities



Central National Bank, Newton



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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 Kansas Farm Bureau's Public Policy Team.

Daniel O'Brien
Extension Agricultural Economist
Kansas State University

Daniel O'Brien focuses his work on grain market analysis & risk management strategies. He also has interests in bioenergy market trends and profitability, grain futures market price efficiency, the behavioral psychology of market choices, & crop enterprise cost economics.



“Winning-The-Game”

Corn Marketing Workshop

Thursday, January 20, 2022
9:30 a.m. – 2:30 p.m.

Meridian Center
1420 East Broadway Ct,
Newton, KS 67114

Focus of the Workshop

- **Developing Pre-harvest Marketing Strategies for the 2022 Corn Crop**
- **Focus on....**
 - Using corn cost of production for price strategy targets
 - Seasonal price trend-based pre-harvest strategies ^{Futures & Basis}
 - Using seasonal flexibility in 2022 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 2022 Corn Marketing Plan

A. Expected Corn Market Trends in 2022

On Tuesday, January 4, 2022, DEC 2022 corn futures closed at \$5.47 ½ /bu. Recent USDA reports indicate strong ethanol and feed demand, as well as prospects for moderate strength in exports from China and elsewhere in the world. Demand for U.S. corn has been sustained even with record high U.S. corn prices.

Uncertainty over 2022 U.S. corn prospects help to support market price prospects. Extreme tightness in U.S. and World fertilizer supplies leading to record high nitrogen fertilizer prices raise concerns about 2022 corn production prospects, and support corn futures prices going forward. This uncertainty in 2022 U.S. corn supply-demand prospects illustrates the need to have an effective, well conceived pre-harvest marketing plan to follow in marketing the 2022 Kansas corn crop.

B. What Makes Up an Effective Grain Marketing Plan?

In this workshop, corn producers will be involved in the process of developing an effective pre-harvest corn marketing plan for the 2022 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, and basis data trends in developing grain marketing strategies.

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. This workshop provides participants with a logical, disciplined approach to developing and carrying out grain marketing plans, and then flexibly reassessing and changing them if market conditions merit a change.



Agricultural Economics

Workshop Agenda – Corn Focus

9:30 a.m. **Registration**

9:45 a.m. **Welcome & Introductions** (Extension Agents – Ryan Flaming, others)

9:50 a.m. **Key Factors in Developing Effective Grain Marketing Plans** (Nelson & O'Brien)

- Crop costs of production-based price targets
- Seasonal price pattern-market tendencies
- Local grain basis trends: *preharvest-to-harvest*
- Grain marketing tools: *fwd contracts, futures, options*
- How psychology affects marketing decisions

10:40 a.m. **Break**

10:45 a.m. **Developing Pre-harvest Marketing Plan Action Strategies** (Nelson & O'Brien)

- Identifying specific grain price targets
- Setting dates for taking market actions
- Choosing decision rules for pricing actions
- Measuring success in grain marketing

11:20 a.m. **Experiencing a Pre-harvest Grain Marketing Plan^{Corn}** (Participants & Instructors)

- Carrying out a preharvest corn marketing plan for a representative year

12:00 p.m. **Lunch**

12:30 p.m. **A Pre-harvest Marketing Plan Experience** (*finishing up learning experience*)

- Review the effectiveness of group marketing plan choices made in the workshop

1:15 p.m. **Corn Market Outlook^{Year 2022}** (O'Brien)

2:00 p.m. **Building a Preharvest Marketing Plan for Corn in 2022** (Nelson & O'Brien)

- Using the U.S. Corn Market Outlook to develop a Pre-harvest Marketing Plan²⁰²²

2:30 p.m. **End of Workshop**



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Name: _____

Address: _____

City: _____ State/Zip: _____

Phone: _____

Email: _____

No cost to attend - Thanks to our Sponsor,
The Andersons!
[Pre-register to Reserve a Seat and Lunch](#)
(Attendance is limited)

Preregistration contacts

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