Post-Harvest Wheat Marketing Strategies

Wheat harvest is just around the corner and I want to look at several post-harvest marketing strategies. The strategy that has consistently given the best returns with less risk is sell the wheat at harvest. The returns are calculated using June 15 as the harvest price with a 6% opportunity charge. When calculating the returns from the cash price on June 15 to the cash prices in December through March, the 10-year average net returns are the following: December 1, +8 cents/bu., January 1, +7 cents/bu., February 1, +20 cents/bu., and March 1, +25 cents/bu. In addition, there are no variable or fixed storage costs.

The storage hedge strategy has also given consistent returns but with more risk and additional costs. This strategy attempts to capture the basis improvement from harvest until winter utilizing on-farm storage.

The storage hedge has given a positive return 15 out of the past 15 years. In this strategy, a short hedge (Sell March Futures) is placed at or soon after harvest and the wheat is stored on-farm. The hedge is lifted when the wheat is sold in December through March to capture the improvement in basis.

In this strategy, variable storage costs are calculated at 6% interest plus 1 cent per bushel per month. The wheat is placed in on-farm storage on June 15 and held in storage until December 1, January 1, February 1, and March 1 when the wheat is sold and the hedge is lifted (buy back March Futures). The 10-year average net returns are: December 1 +46 cents/bu., January 1 +51 cents/bu., February 1 +50 cents/bu., and March 1 +51 cents/bu.

Another popular strategy is to store wheat unhedged from June 15 until December through March. Variable storage costs are calculated at 6% interest plus 1 cent per bushel per month. This strategy has given mixed results over the years. Over the past 10 years, it has given positive returns only 2 - 3 years. The goal of this strategy is to take advantage of any improvement in basis and/or futures prices. The 10-year average net returns are: December 1 -14 cents/bu., January 1 -14 cents/bu., February 1 -27 cents/bu., and March 1 -34 cents/bu. While this strategy has given some big results in some years, the year to year returns varied greatly from +$3.48/bu. to -$2.79/bu.

The major disadvantage of the two storage strategies is that it requires purchasing additional grain storage just for wheat or tying up grain bins for six months or longer that will not be available for corn and soybean storage. In addition, the returns to the two strategies do not include the in and out storage costs (you never take out as many bushels as you put in the bin), insect control, extra drying and aeration, and additional labor and management. These additional storage costs could easily run an extra 20 – 40 cents per bushel.

Shorter-term strategies of storing wheat either hedged or unhedged until August or September have also given mixed results. The 10-year average net returns for a storage hedge to capture the basis improvement from June 15 to August 1 was -20 cents/bu. and to September 1 was a -34 cents/bu. The 10-year average net returns for storing the wheat unhedged for the price appreciation from June 15 to August 1 was -14 cents/bu., and to September 1 was -52 cents/bu.
Another strategy that has been successful 8 out of the past 10 years is to sell the wheat at harvest and buy March futures to take advantage of any appreciation in the futures prices from June 15 until August 1 or September 1 when the futures contract is sold. The 10-year average net returns for this strategy from June 15 to August 1 was +14 cents/bu., and to September 1 was +32 cents/bu. While the net returns were positive, there were some wide variability in returns from year to year from +$0.68/bu. to -$0.33/bu.

In summary, the post-harvest marketing strategy that has given the most consistent returns with less financial risk is sell the wheat at harvest. A storage hedge using on-farm storage to capture the basis improvement from harvest until winter has consistently given good returns but with additional costs and risks. The downside to this strategy is tying up grain storage for six months or longer. Also, the in and out storage costs, insect control, extra drying and aeration, and additional labor and management can reduce the returns by 20 – 40 cents per bushel. Another strategy that has had consistent returns the past 10 years, and does not require storage, is selling the wheat at harvest and buying March futures at or soon after harvest to take advantage of any appreciation in the futures prices from June 15 until August 1 or September 1.

David Reinbott, Ag Business Specialist, University Of Missouri Extension.

2018 Missouri Cash Rental Rate Survey

Whether you are a landowner or a tenant, your response to this survey provides valuable information to Missouri farmers. Farmers seek and use the University of Missouri cash rental rate survey results to make business decisions. This survey seeks information about cash rental rates for cropland, pastureland, grain bins, and hunting leases.

Survey results will be summarized and reported online. You can see past cash rental rate survey results at https://extension2.missouri.edu/G427.

This survey is anonymous and should take about 5 minutes to complete. You only need to complete the sections of the survey that apply to you.

Click on the link to take the survey: 2018 Cash Rental Rate Survey

https://missouri.qualtrics.com/jfe/form/SV_bKm0QuTUhipiY4t
Crop Report

**Wheat**  Harvest time is quickly approaching. Check combine equipment for harvest losses. Check in front of the header for pre-harvest losses and behind the header and behind the separator for equipment losses. Total losses from combine should be less than 5%. Approximately 20 seeds per square foot is equal to 1 bushel per acre. Check for grain on the ground and grain left in heads and adjust machine accordingly. Generally, at least 10 square feet should be evaluated when making pre-harvest and harvest estimates for losses.

**Corn**  Calls are coming in about yellow corn. Wet weather can bring stress to corn in a number of ways. If soils remain saturated, oxygen depletion in the soil pores will reduce a root’s ability to uptake nutrients. Continue to monitor wet fields as they dry and see if plants begin to green up as roots grow and take up available nitrogen. The other concern with wet, warm weather is nitrogen loss or movement below the root zone. Nitrogen is relatively mobile in soils which is also a factor of soil texture. Nitrate nitrogen may leach below a root zone or be potentially lost to the atmosphere through denitrification under anaerobic conditions generally where water ponding occurs. Fields that are poorly drained or that had all of the nitrogen applied prior to planting should be monitored closely since they have more potential for nitrogen stress. If plants do not rebound as they enter rapid elongation where nitrogen demand is highest, additional applications of nitrogen should be considered. Visual assessment of color, tissue testing and size measurement are crop-based diagnostic tools. Visual assessment is the quickest and there are aerial and satellite imaging companies that can provide nitrogen loss estimates. Tissue testing is a good assessment of nutrient levels at the time of sampling. The [MU's nitrogen website](https://plantsciences.missouri.edu/nutrientmanagement/nitrogen/loss.htm) has information on nitrogen loss and best management practices.

**Soybeans**  The MO Department of Agriculture extended the application cutoff date for the 24c labeled dicamba products Engenia, Xtendimax and Fexapan to June 10th for the southeast MO counties. Certificate of training, notice of application form and application timing requirements have NOT changed and more information can be found on the [Mo Department of Agriculture website](https://agriculture.mo.gov/plants/pesticides/dicamba-facts.php). In general, overcast weather can be a challenge on weed control from postemergence products and with the warm temperatures pigweeds are taking off full speed. Continue to monitor fields for pigweed emergence and evaluated control efficacy of all postemergence herbicide programs. Dr. Larry Steckel addresses some of these challenges in his [UT Crops News article](http://news.utcrops.com/2018/05/mid-may-weather-has-hampered-liberty-engenia-and-xtendimax-weed-control/?utm_source=Tennessee&utm_campaign=8ba2479160-UTcrops_News_Updates&utm_medium=email&utm_term=0_1708063e0d-8ba2479160-173413945).

**MU Weather Stations**  University of Missouri has a network of weather stations that offer current weather conditions for an area. That network called the Missouri Mesonet has real-time weather maps from real-time weather stations that provide climatic information such as soil and air temps, rainfall and an additional map of potential temperature inversions. Check out the [Missouri Mesonet website](http://agebb.missouri.edu/weather/realTime/maps/index.php#air_temp).

Anthony Ohmes, Agronomy Specialist, University Of Missouri Extension.

MU Nitrogen:  [https://plantsciences.missouri.edu/nutrientmanagement/nitrogen/loss.htm](https://plantsciences.missouri.edu/nutrientmanagement/nitrogen/loss.htm)
MO Department of Agriculture:  [https://agriculture.mo.gov/plants/pesticides/dicamba-facts.php](https://agriculture.mo.gov/plants/pesticides/dicamba-facts.php)
Missouri Mesonet:  [http://agebb.missouri.edu/weather/realTime/maps/index.php#air_temp](http://agebb.missouri.edu/weather/realTime/maps/index.php#air_temp)
Missouri livestock producers may be looking south for hay due to concerns over predicted hay shortages.

Buyer beware of red imported fire ants hitching a ride on hay from south of Missouri’s border, says University of Missouri Extension field crops entomologist Kevin Rice.

This invasive species attacks native insects, birds, reptiles, and small animals. When disturbed, they will defend themselves against livestock and humans with a vicious sting. The sting contains a venom that causes intense burning and itching. The ants also give off a pheromone that invites their nestmates to attack.

While the stings are painful, less than 1 percent of people need medical attention from being stung by red imported fire ants.

Fire ants were unintentionally introduced in Alabama from South America in the 1940s. Entomologists report them in 13 states. Few predators attack them. The good news, Rice says, is that they do not survive Missouri winters.

Bales crossing state lines should be inspected and certified by U.S. Department of Agriculture or state regulatory officials. Rice says the seller should provide certification of inspection.

Also, he suggests that buyers visually inspect each bale for fire ants. Place baits such as hot dogs or peanut butter next to bales for an hour and then scout. If you find ants in hay, collect several specimens and take them to your local MU Extension office.

Red imported fire ants measure 1/8-1/4 inch long and can be distinguished from other ants by a two-segment petiole (or waist) and 10-segment antennae that end in two-segment clubs, Rice says. This reddish-brown ant bears a distinctive stinger at the tip of the abdomen.

More information

Imported fire ant information page from USDA’s Animal and Plant Health Inspection Service: bit.ly/2HptzEX.

“Out-of-state hay may harbor red imported fire ants” (2012 news release), extension.missouri.edu/n/1514.
The deadline for the U.S. Department of Agriculture’s 2017 Census of Agriculture has been extended to July 30. Forms can be returned by mail or securely submitted online.

University of Missouri Extension economist Ryan Milhollin says federal, state and local governments, as well as agribusinesses, researchers, trade associations and others, use the data to serve farmers and rural communities. USDA conducts the survey every five years. It is the only source of uniform, comprehensive and impartial data for every county in the U.S., Milhollin says.

Law requires response. “Even if you are no longer farming, please return the census form,” says Robert Garino, state statistician for USDA in Columbia. Otherwise, USDA continues to follow up with mailed questionnaires, phone calls or visits from a USDA enumerator.

Information from the Census of Agriculture shapes programs, including MU Extension programs, that benefit many farm groups. It gives a picture of the economic impact of agriculture in the country. Results affect funding sources that help agriculture.

Data strengthens numerous farm groups, large and small, Milhollin says. Data helps policymakers see emerging trends such as young and beginning farmers and ranchers; women, veteran and minority farmers and ranchers; specialty crops; and organic production. This helps legislators make decisions that protect the future of agriculture, he says.

Find the survey online at agcensus.usda.gov. For more information, call the toll-free census help line at 888-424-7828 or contact Garino at 573-876-0950.

Pesticide collection day

MO Department of Natural Resources is sponsoring a Pesticide Collection Day.

Perryville MFA on
Saturday, June 23, 2018 from 8:00 a.m. to 12:00 p.m. (noon).

More information on the event can be found on the department’s website and the event flyer links.

Invest in Rural Missouri
A StrikeForce Project

Growing the economy by investing in rural communities and increasing opportunities for families is key to our Nation’s future. In 2016 Missouri designated 46 StrikeForce counties where collaboration has allowed community partners and public entities to provide targeted assistance.

The StrikeForce Project does this in partnership with University of Missouri Extension, NRCS/USDA, and Lincoln University by providing training that will help educate Missouri’s farm community, private landowners, conservation organizations, cooperating agencies, and general citizenry. Goals include:

- Increase in consumption of local and regionally produced products;
- Increase in customers and sales of local and regionally produced products;
- Strengthen market opportunities for farm and ranch operations serving local markets; and
- Improve food safety of local and regionally produced products.

When possible the project will work to support mentorship between experienced and beginning growers. For more information go to

https://www.facebook.com/MOStrikeForce/

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**Upcoming Workshop Schedule:**

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<th>Date</th>
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<th>Registration Info</th>
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<tr>
<td>June 12, 2018</td>
<td>Horticulture Tour/ Arcadia</td>
<td>To Register call 573-238-2420</td>
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<tr>
<td>June 27, 2018</td>
<td>Blackberry School / Mt. Vernon</td>
<td>To Register call 417-483-8139</td>
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<tr>
<td>June 28 &amp; 29</td>
<td>Tomato School / Jackson</td>
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<td>August 6, 2018</td>
<td>FSMA (Food Safety) / Sikeston</td>
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<tr>
<td>July 25, 2018</td>
<td>Horticulture Tour/ Puxico</td>
<td>To Register call 573-238-2420</td>
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<td>August 23, 2018</td>
<td>FSMA (Food Safety) / Doniphan</td>
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<tr>
<td>Fall, 2018</td>
<td>Farmer Development/ TBA</td>
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<td>Fall, 2018</td>
<td>Beginning Farmer/ Taney Co.</td>
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<td>Fall, 2018</td>
<td>Retail Farm to Market/ TBA</td>
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<td>Fall, 2018</td>
<td>Experienced Farmer/ TBA</td>
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<td>Fall, 2018</td>
<td>FSMA (Food Safety) / Southwest</td>
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<td>December 7, 2018</td>
<td>FSMA (Food Safety) / Kennett</td>
<td>To Register call 573-686-8064</td>
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TOMATO CONFERENCE OFFERED

The Cape Girardeau County Extension Center will host a Missouri Tomato Conference featuring special guest speakers and southeast Missouri commercial growers. This two-day conference is for those who grow commercially, selling direct to retail or at a farmers market or for those who are serious hobbyists and want to learn more about this highly sought after vegetable. The Webb City Farmers Market, in conjunction with the University of Missouri Extension and Lincoln University Co-operative Extension, are sponsoring the event on **Thursday, June 28 and Friday, June 29**. The conference will begin at the Cape Girardeau County Extension Center located at 684 Jackson Trail in Jackson, MO.

Thursday will feature the topics: Managing Tomatoes under Plasticulture, Top three tomato diseases and management, White flies and other troublesome insects, Herbicides and specialty crops and What a Grower Can Do to Optimize the Shelf Life of their Tomatoes. There will be two concurrent sessions in the afternoon. Field tomatoes will focus on irrigation management and the use of caterpillar tunnels while Greenhouse and High Tunnel tomatoes will focus on Humidity control and issues with heaters. Each will contain a local farmer perspective as part of the discussion.

Friday events will consist of farm tours and on-site education at two area farms from 8:30 a.m. to 12:30 p.m.

The following speakers will be featured during the workshop: Dr. Rick Snyder, extension/research professor at the Central Mississippi Research and Experiment Station in Crystal Springs, Mississippi; Dr. Joe Kemble, extension vegetable specialist and professor at Auburn University, Alabama; David Middleton, Farm Outreach Worker with Lincoln University Cooperative Extension in Lawrence and Greene Counties; Shon Bishop, small farm specialist for the Innovative Small Farmers Outreach Program with extensive experience in high tunnel installation.

Guest growers include Rick Bollinger of Luckey Pickins Farm and Rennie Phillips of Sandhill’s Farms. Also on hand will be University of Missouri horticulture specialists Donna Aufdenberg, Robert Balek, Patrick Byers, and Sarah Denkler.

For information or to register contact the Cape Girardeau County Extension Center at 573-243-3581. Complete conference information and registration form are available at [https://www.facebook.com/MOStrikeForce/](https://www.facebook.com/MOStrikeForce/).

The Missouri Tomato Conference is underwritten by the Webb City Farms Market and a MO StrikeForce grant from the Missouri Department of Agriculture.

Commodities and markets - [http://extension.missouri.edu/scott/crop-budgets.aspx](http://extension.missouri.edu/scott/crop-budgets.aspx)
MU Extension livestock specialist Patrick Davis is offering a bus tour opportunity to see several cattle operations and learn more about herd management, avoid disease conditions and increase herd profitability on August 6-9, 2018. The tour features:

August 6th
Neosho Valley Feeders, small feedlot operation based in Parsons, Kansas. Kansas State Southeast Research and Extension Center in Parsons, Kansas. Jaymeylynn Farney, assistant professor and beef systems extension specialist, will lead a discussion around beef cattle, and forage management. Southeast Kansas Genetics, Galesburg, Kansas. Tour goers will learn about the cattle reproductive technologies business, embryo transfer, pregnancy blood testing and disease testing.

August 7th
AGCO manufacturing on 345 acres in Hesston, Kansas offers Challenger, FENDT, GSI, Massey Ferguson combines, Valtra, Fella, Fuse, Gleaner, Sunflower and White planters with much of the equipment dedicated to hay. Mushrush Red Angus Cattle’s main enterprise consists of 750 registered Red Angus Cows split evenly between spring and fall calving herds. Located in the heart of Kansas Flint Hills near Elmdale, the operation features about 8,000 acres of native tallgrass prairie. Four generations of the same family live and work on the farm.

August 8th
Pioneer Woman Mercantile in the heart of Osage County, Oklahoma offers shopping, a bakery and a restaurant. Langford Hereford in Okmulgee, Oklahoma has raised and sold registered Hereford cattle for 80 years offering more than 600 bulls and 450 females for sale yearly. Dismukes Ranch in Checotah, Oklahoma is a seedstock breeder of registered Angus and Charolais cattle. They select cattle for their physical and phenotype traits primarily putting the highest value on udder quality, feet and fertility.

August 9th
Thorne Land and Cattle, Inc. in Adair, Oklahoma offers Simmental/Angus, Maine-Anjou and a few Braunvieh cattle. Spur Angus Ranch in Vinita, Oklahoma is a registered seedstock Angus operation that began in the 1930s, converting to Angus in the 1950s. The ranch covers 15,000 acres and annually holds one of the United States’ top sales for Angus bulls and females.

Registration for the tour is $375 per person and includes bus transportation and double occupancy hotel rooms. Meals are paid by the participants. Payment is payable by July 15 to MU Extension, Hickory County, 203 Cedar Street, Hermitage, MO 65668. For more information, contact MU Extension agronomy specialist Terry Halleran at 417–745–6767, livestock specialist Gene Schmitz at 660–438–5012 or Patrick Davis at 417–276–3313. Registration deadline is July 15, 2018.