Meeting assets for Marketing Meeting September 4th 2026 are ready!

Quick recap

The meeting focused on crop conditions, harvest progress, and marketing strategies amid ongoing drought and recent storms. Josh and others discussed how late rain would likely help sugar beets but not corn, and how some farmers had already harvested entire fields early due to poor yields, affecting crop insurance calculations. They reviewed crop insurance options, including ECO, SCO, MCO, and new margin protection products, and compared costs and coverage levels. Josh gave a detailed market update on corn, soybeans, and wheat, noting recent price rallies, strong demand, and the impact of geopolitical events like comments from Putin and changes in Russian export taxes. The group discussed yield estimates for the area, with wheat around 70 bushels, soybeans reduced to 37, and corn down to 155, and how these changes affected percentages sold and marketing plans. Josh explained PLC and ARC-County payment projections for 2025 and potential 2026 payments, showing that PLC payments for corn and soybeans were modest in Clay County but higher for wheat, while ARC-County could pay more if yields were low. They also touched on FSA loan issues, including the requirement to include spouse's finances, and on high diesel prices and local fuel market dynamics.

Next steps

Josh

- Update the break-even charts for crops based on the new yield estimates (wheat 70 bu, beans 37 bu, corn 155 bu).
- Send the PLC payment projection spreadsheet to the attendees, with instructions to change the yellow numbers for their specific PLC yields.
- Look into a possible option strategy (puts or calls) for the unpriced bushels of corn and soybeans, to discuss at the next meeting.
- Evaluate and potentially make additional sales of corn and soybeans after harvest is completed and actual yields are known.
- Share the post-harvest strategy for wheat with the group.
- Prepare calculations and analysis for the 2026 ARC/PLC program decision, which will be made in the fall of 2026.

Summary

Crop Insurance and Harvest Decisions

Josh discussed crop conditions and insurance decisions with other participants. They discussed how early harvest decisions affect crop insurance claims, with Josh explaining that farmers often choose to harvest entire fields rather than partial ones to simplify insurance calculations. The group also covered FSA financing requirements, including the need to include spousal financial information in applications. Market conditions were reviewed, with Josh noting recent price rallies in corn, soybeans, and wheat markets, and discussing the potential for USDA to adjust production projections in the upcoming September report. The conversation concluded with a review of post-harvest wheat marketing strategies, including rolling grain forward and making strategic sales at various price levels.

Crop Sales Strategy Adjustments

Josh discussed adjusting crop sales strategies based on expected yields, reducing projected bushels for corn and soybeans while updating break-evens. He noted that current market conditions show wheat up 70 cents, beans up $1.70, and corn up $1 from previous weeks, with variable yields expected across the region. Josh decided to pause further sales of corn and soybeans until harvest data is available to better assess actual yields.

Grain Sales and Strategy Update

Josh discussed the current status of wheat and corn sales, noting that wheat is 91% sold while corn is at 77% sold. He explained his post-harvest strategy for wheat, including a recent cash sale at $7.08 and the use of futures and basis adjustments. Josh also outlined his pre-harvest strategy for corn and soybeans, using specific yield and price targets, and suggested exploring option strategies for future sales.

Wheat Pricing and Trading Strategies

Josh discussed wheat pricing strategies, explaining how to set sell prices based on futures markets and the importance of being slightly below round numbers to ensure orders get filled first. He compared trading volumes and prices across different wheat markets including Kansas City, Chicago, and Minneapolis, noting that Kansas City and Chicago typically have higher volumes than Minneapolis. The discussion focused on analyzing option prices for different wheat contracts, particularly comparing Kansas City and Chicago markets, with Josh considering whether to buy certain options given the margin requirements and market volumes.

Options Trading and PLC Estimates

Josh discussed trading strategies involving options, explaining the risks and benefits of selling calls and buying out-of-the-money calls. He provided details on PLC (Price Loss Coverage) estimates for 2025 payments, noting that while corn and soybean payments were expected to be in the $20-30 range, wheat might see a modest payment of around 15 cents per bushel based on current projections. Josh also mentioned that the decision deadline for the 2026 ARC-PLC program was moved to fall, giving farmers more time to assess yields and prices before making their election.