



**HURLEY & ASSOCIATES**  
AGRI-MARKETING CENTERS | SINCE 1988

# NOTES

**Key Takeaways:**

**Notes:**



**Actions I Want to Take:**



## Conversation Starters with the Farm Team

### Harvest Topics

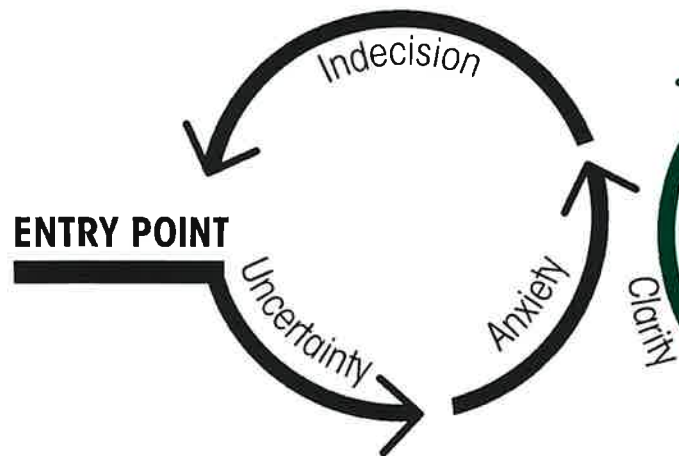
1. **Do you have a harvest plan and does it address your cash flow needs?**
  - Proactively looking at cash flow needs and planning accordingly helps avoid the trap of being forced to sell when you need cash.
2. **For unsold bushels, have you looked at re-ownership on paper vs. storing them at the elevator?**
  - This provides cash-flow while maintaining upside in the market.
3. **Have you locked in or are you actively looking to maximize market carry on bushels you will be storing?**
  - Carry (along with basis improvement) is a primary source of repayment for a bin.
4. **How is your harvest basis position and does it need to be reviewed?**
  - Basis can be a risk to your cash price (especially at harvest). If basis is better than normal in your given market you might consider locking some in.

### General Discussion Topics

1. **With planting mostly completed, do you have an idea where your break-evens are for this crop year?**
  - How do you evaluate action areas on where you want to start securing revenue?
2. **What are your plans to secure revenue (market plan) for the upcoming crop years?**
  - Do you have a plan?
  - Is the plan written down?
  - (How) Do you hold yourself accountable for the execution of the plan?
3. **What are you doing to proactively position yourself to capture rallies on new crop?**
  - What would be your mentality if corn rallied 50 cents in the next 2 weeks? Would you be in the right mindset to make a good business decision?
4. **What are you doing to proactively position your operation for the deferred crop years?**  
(ex. Dec 25' futures are currently 37 cents higher than Dec. 24' futures)
  - Whether a producer (or their lender) is excited about or uncomfortable with their current marketing position, avoiding tunnel vision is critical. Keep a strong focus on planning for next year and securing revenue when opportunity presents itself. In years with adequate supplies, opportunities often lie in the deferred years.

## OVERCOMING UNCERTAINTY

### CURRENT

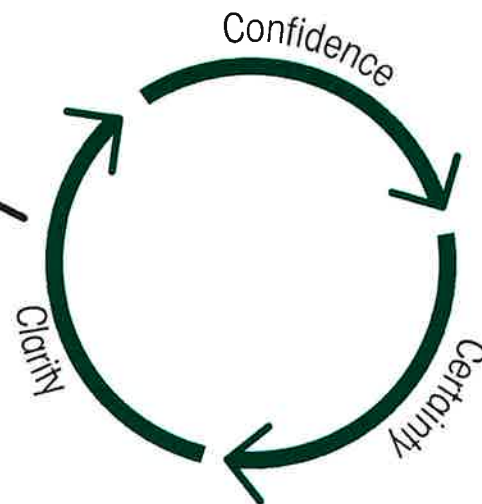


**Recognize**

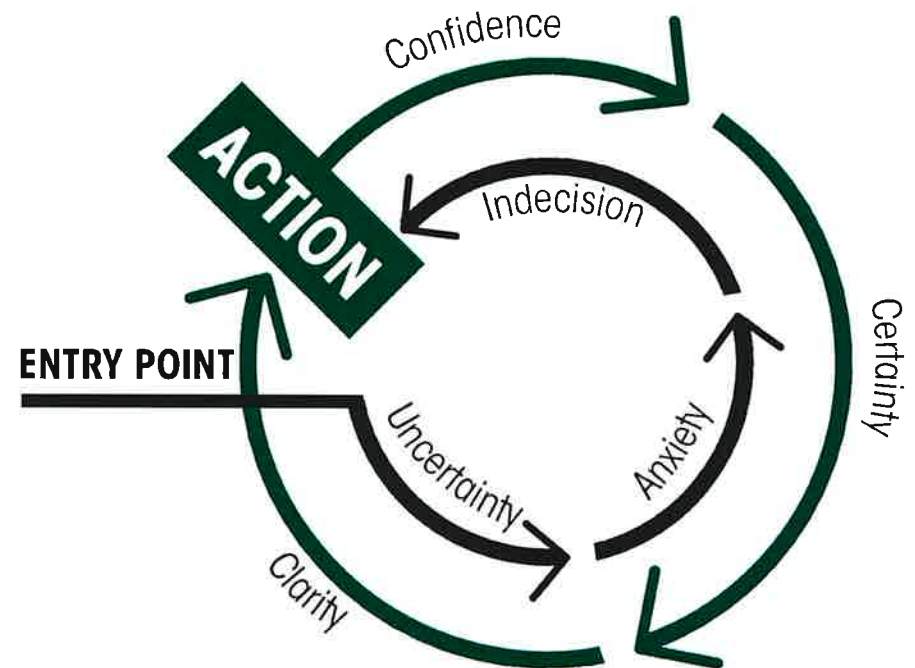
↳ **Reassess**

↳ **Take Action**

### DESIRED



### DECISIVE MOMENT



# HEDGING & THE BALANCE SHEET

Producer grows 100,000 bushels of corn

Dec Futures	\$4.00
Basis	-\$0.50
Cash	\$3.50

We hedge 50,000 bushels (50%) at today's futures price

Cash	\$5,000	Operating LOC	\$200,000
Crop Inventory	\$350,000	Hedge LOC	
Hedge Account		Current Portion Term Debt	\$50,000
Total Current Assets	\$355,000	Total Current Liabilities	\$250,000
		Working Capital	\$105,000

## Lower Prices At Delivery

Dec Futures	\$3.00
Basis	-\$0.50
Cash	\$2.50

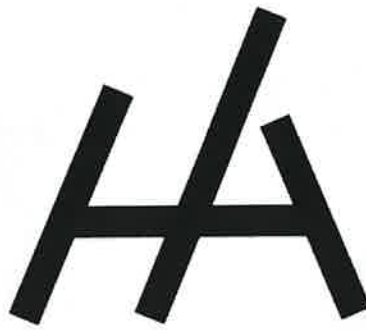
Cash	\$5,000	Operating LOC	\$200,000
Crop Inventory	\$250,000	Hedge LOC	
Hedge Account	\$50,000	Current Portion Term Debt	\$50,000
Total Current Assets	\$305,000	Total Current Liabilities	\$250,000
		Working Capital	\$55,000

## Higher Prices At Delivery

Dec Futures	\$5.00
Basis	-\$0.50
Cash	\$4.50

Cash	\$5,000	Operating LOC	\$200,000
Crop Inventory	\$450,000	Hedge LOC	\$50,000
Hedge Account		Current Portion Term Debt	\$50,000
Total Current Assets	\$455,000	Total Current Liabilities	\$300,000
		Working Capital	\$155,000

Educational Example Only. Does not include commissions and fees.



*HURLEY & ASSOCIATES*

AGRI-MARKETING CENTERS

## What we DO:

**Create  
individualized  
market plans**



**Provide  
transparency  
through our  
HA Portal**

**\*Ask us for a demo!**



**Implement  
dynamic  
planning**



**Build  
long term  
partnerships**



**Focus  
on producer's  
unique cash  
flow needs**



## What we DON'T do:

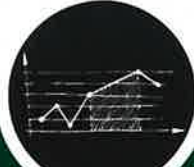
**Predict  
the markets**



**Provide  
blanket  
recommendations**



**Chase  
price trends**



**Represent  
a third party**



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