Exercise for Seasonality

1. Review and briefly summarize the five steps in properly “using seasonal price patterns” in your marketing program.

   a. 

   b. 

   c. 

   d. 

   e. 

2. Look at the normal seasonal price patterns for Corn. What are the three pricing windows (time periods) to be watching for?

   a. 

   b. 

   c. 

3. Looking at the illustration of central Indiana cash corn prices for 1990 to 1999 and storage costs:

   a. Was commercial storage profitable on average?

   b. Why does on-farm storage look so profitable on average?
c. What is the expected penalty for storing corn into say August 1 of the following summer?

d. Storage until what period has provided the best returns on Average for commercial storage? For on-farm storage?

4. What is the futures delivery month used to calculate the corn basis for:

a. The third week of October?

b. The second week of February?

c. The first week of May?

d. The fourth week of June?

5. During what weeks does the corn basis in Central Indiana tend to reach a low? The soybean basis?

6. What is the pricing window (time period) to consider forward pricing new crop soybeans and corn for pre-harvest pricing? (USE the New crop OHIO River Bids).

7. From your analysis in #6 about how much higher price would have been received for corn and soybeans to price during the “pricing window” in comparison to taking the harvest price?

a. For corn?
b. For Soybeans?

8. Name four characteristics of price patterns in years of very large crops:
   a. 
   b. 
   c. 
   d. 

9. Name four characteristics of price patterns in very short production years?
   a. 
   b. 
   c. 
   d. 

10. Name two characteristics of price patterns in the year following a very short crop?
    a. 
    b. 