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 KFB’s Public Policy Team.

Daniel O’Brien
Extension Agricultural Economist
Kansas State University

Daniel O’Brien focuses on grain market supply-demand analysis, and price-income risk management strategies. He also has interests in bioenergy market profitability and market trends, grain market efficiency / behavioral finance, and crop production cost economics.
The Need for a Disciplined Pre-harvest 2021 Grain Sorghum Marketing Plan

A. Grain Sorghum Markets in 2021

Grain sorghum cash prices are determined using basis adjustments off of CME Corn futures contracts. On Monday, January 11, MAR 2021 corn futures closed at $4.92 ¼/bu, with DEC 2021 closing at $4.40 ¼. Strong Chinese export demand, dry conditions & export problems in South America have provided support for U.S. feedgrain & Grain Sorghum markets – improving sorghum basis prospects for any yet unsold 2020 crop sorghum, and drawing attention to what prices could be possible for the “next crop” 2021 harvest.

In comparison to DEC 2021 at $4.40 ¼, last day of trade closing prices for DEC 2020 was $4.19 ¼ on 12/14/2020, $3.66 ¼ for DEC 2019 corn, $3.76 ¼ for DEC 2018 corn, $3.36 ¼ for DEC 2017, $3.51 ¼ for DEC 2016, $3.81 ¾ for DEC 2015, $3.96 ½ for DEC 2014, $4.20 ½ for DEC 2013, and $4.20 ½ for DEC 2012 (a drought year). This variation over time in closing DEC Corn futures illustrates the need to follow an effective pre-harvest marketing plan in marketing the 2021 Kansas sorghum crop.

B. What Makes Up an Effective Grain Marketing Plan?

In this workshop, corn producers will be involved in the process involved in developing an effective pre-harvest grain sorghum marketing plan for the 2021 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 that have a track record providing positive grain marketing returns.

From there we present a structured, disciplined approach to developing and carrying out a grain marketing plan – in this case for a Kansas sorghum producer. One of the great values of this workshop setting is that it provides participants with a logical manner of making grain marketing plans, and then flexibly reassessing and changing them if market conditions change sharply.

Workshop Agenda

9:30 Registration (coffee & rolls)
9:45 Welcome & Introductions
9:50 Key Factors in Developing an Effective Sorghum Marketing Plan for 2021 (Nelson)
10:10 Cost of Production as a Pre-harvest Marketing Strategy Target (Nelson & O’Brien)
10:40 Using Sorghum Cost of Production as a Strategy Building Block (Nelson & O’Brien)
11:10 Seasonality of Sorghum Prices as a Marketing Opportunity (Nelson & O’Brien)
11:40 Grain Sorghum Market Outlook (O’Brien)
12:00 Lunch
12:30 Carrying Out a Grain Sorghum Pre-harvest Marketing Strategy for a representative Market Year (Nelson, O’Brien & Audience participants)
2:00 Review of the group marketing choices made in the workshop and how they may be applied to a farmer’s Pre-harvest 2021 Grain Sorghum Marketing Plan
2:30 End of Workshop

“Winning the Game” Grain Sorghum Marketing Workshop

9:30 a.m. – 2:30 p.m.
Wednesday, February 10th, 2021
St. Nicholas Parish Center
720 East 6th Street
Kinsley, KS

Name: ____________________________
Address: __________________________
City: ______________ State/Zip: ______
Phone: __________________________
Email: _____________________________

Pre-registration Fee: $10/ person
$12 cost at the door IF NOT preregistered
(Registration covers individually packaged noon lunch & breaks)

Attendance limited to 40 people due to COVID-19

Preregistration contacts

Edwards County Extension
Extension Agent Marty Gleason
Phone: 620-659-2149
Email: mgleason@ksu.edu

Hodgeman County Extension
Extension Agent Dewayne Craghead
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