Advisory Service Marketing Profiles for Soybeans over 2002-2004

by

Evelyn V. Colino, Silvina M. Cabrini, Nicole M. Aulerich, Tracy L. Brandenberger, Robert P. Merrin, Wei Shi, Scott H. Irwin, Darrel L. Good, and Joao Martines-Filho

Advisory Service Marketing Profiles for Soybeans over 2002-2004

by

Evelyn V. Colino, Silvina M. Cabrini, Nicole M. Aulerich, Tracy L. Brandenberger, Robert P. Merrin, Wei Shi, Scott H. Irwin, Darrel L. Good, and Joao Martines-Filho [1]

June 2006

AgMAS Project Research Report 2006-05

[1] Evelyn V. Colino, Silvina M. Cabrini, Nicole M. Aulerich, Tracy L. Brandenberger, Robert P. Merrin, and Wei Shi are Graduate Research Assistants for the AgMAS Project in the Department of Agricultural and Consumer Economics at the University of Illinois at Urbana-Champaign. Scott H. Irwin is the Laurence J. Norton Professor of Agricultural Marketing, and Darrel L. Good is Professor in the Department of Agricultural and Consumer Economics at the University of Illinois at Urbana-Champaign. Joao Martines-Filho is former Manager of the AgMAS and *farmdoc* Projects in the Department of Agricultural and Consumer Economics at the University of Illinois at Urbana-Champaign and is Professor in the Escola Superior de Agricultura Luiz de Queiroz (ESALQ) at the University of São Paulo, Brazil.

DISCLAIMER

The advisory service marketing recommendations used in this research represent the best efforts of the AgMAS Project staff to accurately and fairly interpret the information made available by each advisory service. In cases where a recommendation is vague or unclear, some judgment is exercised as to whether or not to include that particular recommendation or how to implement the recommendation. Given that some recommendations are subject to interpretation, the possibility is acknowledged that the AgMAS track record of recommendations for a given program may differ from that stated by the advisory service, or from that recorded by another subscriber.

This material is based upon work supported by the Cooperative State Research, Education and Extension Service, U.S. Department of Agriculture, under Project Nos. 98-EXCA-3-0606 and 00-52101-9626. Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the authors and do not necessarily reflect the view of the U.S. Department of Agriculture. Additional funding for the AgMAS Project has been provided by the American Farm Bureau Foundation for Agriculture and Illinois Council on Food and Agricultural Research and Aurene T. Norton Trust.

Advisory Service Marketing Profiles for Soybeans over 2002-2004

Abstract

This report presents marketing profiles and loan deficiency payment/marketing loan gain profiles for the advisory services followed by the AgMAS Project for the 2002, 2003 and 2004 soybean crops. Marketing profiles are constructed by plotting the cumulative net amount priced under each program's set of recommendations throughout the crop year. Loan deficiency payment/marketing loan gain (LDP/MLG) profiles are constructed by plotting the cumulative percentage of the crop on which the LDP/MLG was claimed during the crop year.

Marketing profiles provide information to evaluate the style of advisory services in several ways. The percentage of crop priced is a measure of within-crop year price risk. The higher the proportion of a crop priced, the lower the sensitivity of the farmer's position value to crop price changes. For example, when 100% of the crop is priced there is no price sensitivity, which means that changes in price do not affect the value of the farmer's position. On the other hand, when the amount priced is 0%, the value of the farmer's position will vary in the same proportion as the change in price. Marketing profiles, therefore, allow investigating the evolution of price sensitivity under each service's set of recommendations along the marketing window.

Marketing profiles also provide other useful information. The number of steps in the profile lines and the location of these steps in the marketing window provide information about timing, frequency and size of recommended transactions. It is also possible to determine from the marketing profile figures how intensely a program uses options markets, since when options positions are open the profile line is irregular. In the same way, LDP/MLG profiles provide information about the size and timing of LDP/MLG claims.

Table of Contents

Introduction 1
Data Collection 2
Marketing Assumptions 4
Construction of Marketing Profiles 5
    Option Deltas 6
    Computation of the Cumulative Net Amount Priced 7
    Cross-Hedges 8
    Example of Marketing Profile Construction 9
    Further Issues 11
Construction of LDP/MLG Profiles 12
Summary of Marketing and LDP/MLG Profiles for Soybeans, 1995–2004 Crop Years 13
References 15
Table 1: Market Advisory Programs Tracked by
    the AgMAS Project, Soybeans, 1995-2004 Crop years 17
Figure 1: Example of Soybean Marketing Profile Construction 18
Figures 2.1 - 2.7: Ag Financial Strategies Profiles 19
Figures 3.1- 3.2: Ag Market Pro (cash) Profiles 23
Figures 4.1 - 4.2: Ag Market Pro (hedge) Profiles 24
Figures 5.1 - 5.7 Ag Review Profiles 25
Figures 6.1 - 6.7: AgLine by Doane (cash only) Profiles 29
Figures 7.1 - 7.7: AgLine by Doane (hedge) Profiles 33
Figures 8.1 - 8.7: AgResource Profiles 37
Figures 9.1 - 9.7: AgriVisor (aggressive cash) Profiles 41
Figures 10.1 - 10.7: AgriVisor (aggressive hedge) Profiles 45
Figures 11.1 - 11.7: AgriVisor (basic cash) Profiles 49
Figures 12.1 - 12.7: AgriVisor (basic hedge) Profiles 53
Figures 13.1 - 13.7: Allendale (futures only) Profiles 57
Figures 14.1 - 14.7: Brock (cash only) Profiles 61
Figures 15.1 - 15.7: Brock (hedge) Profiles 65
Figures 16.1 - 16.5: Co-Mark Profiles 69
Figures 17.1 - 17.7: Freese-Notis Profiles 72
Figures 18.1 - 18.7: Grain Field Marketing Profiles 76
Figures 19.1 - 19.4: Grain Marketing Plus Profiles 80
Figures 20.1 - 20.7: Northstar commodity Profiles 82
Figures 21.1 - 21.7: Pro Farmer (cash only) Profiles 86
Figures 22.1 - 22.7: Pro Farmer (hedge) Profiles 90
Figures 23.1 - 23.7: Progressive Ag Profiles 94
Figures 24.1 - 24.7: RMG (cash only) Profiles 98
Figures 25.1 - 25.7: RMG (futures & options) Profiles 102
Figures 26.1 - 26.7: RMG (options only) Profiles 106
Figures 27.1 - 27.7: Stewart Peterson Profiles 110
Figures 28.1 - 28.7: Top Farmer Intelligence Profiles 114
Figures 29.1 - 29.7: Utterback Profiles 118

Figures 30.1 - 41.2: Averages Across Programs.....122

Advisory Service Marketing Profiles for Soybeans over 2002-2004

Introduction

Marketing decisions are an important part of farm business management. Farmers are interested in the possibility of enhancing farm income and reducing income variability when marketing crops. There are many tools to assist farmers in such marketing decisions. Several surveys, including Patrick, Musser and Eckman (1998) and Schroeder et al. (1998), report that farmers specifically viewed one of these tools, professional market advisory services, as an important source of marketing information and advice. It is often thought that advisory services can process market information more rapidly and efficiently than farmers to determine the most appropriate marketing decisions, but limited research has been conducted in the area.

In 1994, the Agricultural Market Advisory Service (AgMAS) Project was initiated at the University of Illinois with the goal of providing unbiased and rigorous evaluation of advisory services for producers. Since its inception, the AgMAS Project has collected real-time marketing recommendations for at least 23 market advisory services each year and analyzed the performance of these services. In a recent publication, Irwin et al. (2005) evaluate corn and soybean advisory services over 1995-2004 and the results provide limited evidence that advisory programs as a group outperform market benchmarks, particularly after considering risk. The evidence about performance is more positive with respect to farmer benchmarks even after taking risk into account. For example, the average advisory return relative to farmer benchmarks is $8 to $12 per acre with only a marginal increase in risk.

AgMAS comparisons of net price received among advisory services are an important source of information for farmers in selecting an advisory service. However, pricing performance is not the only relevant aspect in the evaluation of advisory services. Pennings et al. (2004) show that the nature of the recommendations made by advisory services also is an important factor in the way farmers evaluate services. This research suggests that the nature of recommendations can be thought of as the "marketing philosophy" or "marketing style" of an advisory service.[1] Marketing style is defined by the tools that a service recommends and the complexity of the recommended marketing strategies. For example, recommendations may differ as to whether or not futures and options contracts are used, frequency of transactions and average amount per transaction. Farmers and other market observers are familiar with the idea that advisory services have different marketing styles. Williams (2001) identifies the marketing styles of five prominent advisors, labeled somewhat colorfully, as the banker, race car driver, astronaut, sprinter and insurance agent.

It is reasonable, then, to assert that farmers will prefer to follow a service with a style that matches their personal approach to marketing. However, objective information about advisory service marketing style has been quite difficult for farmers to obtain in the past. The research

[1] This terminology is adapted from the financial industry, where investments such as mutual funds and hedge funds typically are grouped by investment objective or "style."

found in several AgMAS reports provides a useful starting point.[2] Bertoli et al. (1999) examine corn and soybean marketing style from two perspectives for the services evaluated by the AgMAS Project in 1995. The first is the construction of a detailed "menu" of the tools and strategies used by each of the advisory services in 1995. The menu describes the type of pricing tool, frequency of transactions and magnitude of transactions. The second is the development of a daily index of the net amount sold by each market advisory service. To construct such an index, the various futures, options and cash positions recommended for a service on a given day are weighted by the respective position "delta." Daily values of the index are plotted for the entire 1995 crop year, generating the marketing "profile" for a service. Martines-Filho et al. (2003a, 2003b) and Colino et al. (2004a, 2004b) extend Bertoli's original research by constructing corn and soybean marketing profiles and loan deficiency payment/marketing loan gain profiles (LDP/MLG) for all advisory programs tracked by the AgMAS Project for the 1995-2001 crop years.

The purpose of this report is to present marketing profiles and loan deficiency payment/marketing loan gain profiles for the advisory services followed by the AgMAS Project for 2002 through 2004 soybean crops. In addition, the average profiles for 1995-2001 found in Colino et al (2004b) are updated through the 2004 crop year. As noted above, marketing profiles are constructed by plotting the cumulative net amount priced under each service's set of recommendations throughout a crop year. LDP/MLG profiles are constructed by plotting the cumulative percentage of the crop on which the LDP/MLG was claimed during the crop year. The soybean marketing profiles for 1995 are slightly revised versions of those presented in Bertoli et al. (1999). Finally, note that this report is not intended to be a complete analysis of advisory service marketing style in soybeans. Further analysis is required to categorize services by the types of tools and strategies used, as well as their typical marketing profile. Ultimately, the goal is to determine style categories for advisory services based on objective, quantitative factors. Previous studies of mutual fund and hedge fund style provide useful models for this effort (e.g., Sharpe, 1992; Brown and Goetzmann, 1997; Brown and Goetzmann, 2001).

The remainder of this report is organized as follows. First, the data collection procedures and assumptions employed by the AgMAS Project to evaluate advisory services' recommendations are presented. Second, the construction of marketing and LDP/MLG profiles is explained. Finally, the individual crop year profiles for the advisory services in soybeans for 2002, 2003, and 2004 are presented, along with average, maximum and minimum profiles across 1995-2004.

Data Collection

The marketing profiles presented in this report are based on data generated by the AgMAS Project. This section describes briefly the AgMAS data collection procedure. For a more complete explanation, refer to Irwin et al. (2006).

[2] In a related study, McNew and Musser (2002) study the pre-harvest pricing behavior of farmer marketing clubs in Maryland over 1994-1998. They find that farmers tend to forward price significantly less than that predicted by risk minimization hedging models and that the amount hedged varies substantially across marketing years.

The market advisory services evaluated by the AgMAS Project do not comprise the population or a random sample of market advisory services available to farmers. Neither approach is feasible because no public agency or trade group assembles a list of advisory services that could be considered the "population." To assemble the sample of services for the AgMAS Project, five criteria were developed to define an agricultural market advisory service and a list of services was assembled.

The first criterion is that marketing recommendations from an advisory service must be received electronically in real-time, in the form of satellite-delivered pages, Internet web pages or e-mail messages. Services delivered electronically generally ensure that recommendations are made available to the AgMAS Project at the same time as farm subscribers.

The second criterion used to identify services is that a service has to provide marketing recommendations to farmers rather than (or in addition to) speculators or traders. Some of the services tracked by the AgMAS Project do provide speculative trading advice, but that advice must be clearly differentiated from marketing advice to farmers for the service to be included.

The third criterion is that marketing recommendations from an advisory service must be in a form suitable for application to a representative farmer. That is, the recommendations have to specify the percentage of the crop involved in each transaction and the price or date at which each transaction is to be implemented.

The fourth criterion is that advisory services must provide “one-size fits all” marketing recommendations so there is no uncertainty about implementation. While different programs for basic types of subscribers may be tracked for an advisory service (e.g., a cash only program versus a futures and options hedging and cash program), it is not feasible to track services that provide “customized” recommendations for individual clients.

The fifth criterion addresses the issue of whether a candidate service is a viable, commercial business. This issue has arisen due to the extremely low cost and ease of distributing information over the Internet, either via e-mail or a website. It is possible for an individual with little actual experience and no paying subscribers to start a “market advisory service” by using the Internet. The specific criterion used is that a candidate advisory service must have provided recommendations to paying subscribers for a minimum of two marketing years before the service can be included in the AgMAS study.

Having assembled a sample of advisory services, the process of collecting recommendations begins with the purchase of subscriptions to each of the services. The information is received electronically, via satellite, websites or e-mail. Staff members of the AgMAS Project record the information provided by each advisory service on a daily basis. For the services that provide multiple daily updates, information is recorded as it is provided through the day.

Some advisory services offer two or more distinct marketing programs. This typically takes the form of one set of advice for marketers who are willing to use futures and options, and

a separate set of advice for farmers who only wish to make cash sales.[3] In this situation, recommendations under each program are recorded and treated individually as distinct strategies to be evaluated.

At the end of the marketing period, all of the (filled) recommendations are aligned in chronological order. The advice for a given crop year is considered complete for each advisory program when cumulative cash sales of the commodity reach 100%, all futures positions covering the crop are offset, all option positions covering the crop are either offset or expire, and the advisory program discontinues giving advice for that crop year.

The final set of recommendations attributed to each advisory program represents the best efforts of the AgMAS Project staff to accurately and fairly interpret the information made available by each advisory program. In cases where a recommendation is considered vague or unclear, some judgment is exercised as to whether or not to include that particular recommendation or how to implement the recommendation. Given that some recommendations are subject to interpretation, the possibility is acknowledged that the AgMAS track record of recommendations for a given program may differ from that stated by the advisory program, or from that recorded by another subscriber.

Marketing Assumptions

In order to evaluate the advisory services' recommendations certain explicit assumptions need to be made. The assumptions are intended to accurately depict "real-world" marketing conditions facing a representative central Illinois corn and soybean farmer. Key assumptions are explained in this section. Complete details on all assumptions can be found in Irwin et al. (2006).

First, a two-year marketing window, from September 1st of the year previous to harvest through August 31st of the year after the harvest, is used in the analysis. Note that throughout the remainder of this report, the term "crop year" is used to represent the two-year marketing window.

Second, since most of the advisory program recommendations are given in terms of the proportion of total production (e.g., "sell 5% of 2003 crop today"), some assumption must be made about the amount of production to be marketed. When making transactions prior to harvest, the actual yield is unknown, and the expected yield is employed to compute the bushel amount for each transaction. The expected yield for each year is based upon a log-linear trend regression model of actual yields. It is assumed that after harvest begins farmers have a reasonable idea of actual realized yield. The assumed actual yield corresponds to the Central Illinois Crop Reporting District yield.

Since harvest occurs at different dates each year, estimates of harvest progress as reported for central Illinois are used. Harvest progress estimates typically are not made available soon

[3] Some of the programs that are depicted as "cash only" have some futures-related activity, due to the use of hedge-to-arrive contracts, basis contracts and options.

enough to identify precisely the beginning of harvest, so an estimate is made based upon available data. Specifically, the date on which 50% of the crop is harvested is defined as the mid-point of harvest. The entire harvest period then is defined as a five-week window, beginning two and one-half weeks before the harvest mid-point, and ending two and one-half weeks after the harvest mid-point. To compute the bushel amount for each transaction, the percentage recommended is multiplied by the expected yield, if the position is opened before the first day of harvest, or by the actual yield, if the position is opened after the first day of harvest. This procedure implicitly assumes that the "lumpiness" of futures and/or options contracts is not an issue. Lumpiness is caused by the fact that futures contracts are for specific amounts, such as 5,000 bushels per CBOT soybean futures contract. For large-scale farmers, it is unlikely that this assumption adversely affects the accuracy of the results. This may not be the case for small- to intermediate-scale farmers, who are less able to sell in 5,000-bushel increments.

In some cases the AgMAS Project stopped following a program, either because the program went out of business or it stopped making recommendations for farmers. In such cases, it is assumed that cash bushels after the date of discontinuation are sold in equal amounts over the remaining days of the marketing window. Any futures or options positions that remain open on the date of discontinuation are closed on that date using settlement futures prices or options premiums.

Construction of Marketing Profiles

The marketing profile of an advisory program for a given crop year is constructed by plotting the cumulative net amount priced during the marketing season. The amount priced depends on the various positions recommended by the program. It is necessary to weight the different recommended transactions in some way to compute a daily index of the amount priced.

The computation of the percentage of the crop priced from cash, forward contract or futures positions is straightforward. Specifically, the percentage of the crop sold under cash, forward contracts or short futures can be added to compute total percentage priced. Likewise, the percentage of grain owned under long futures positions is subtracted.[4] For example, on a given pre-harvest day, assume that since the beginning of the crop year a service has recommended selling futures for 30% of expected production, cash forward contracting another 20% and, later, buying futures for 10% of the expected production. The value of the index on that day would be 40% (30% + 20% - 10%).

On the other hand, put and call options represent a more complicated situation since they are not straightforward purchases or sales of grain. To compute the percentage of the crop priced from positions in options markets, a measure of option risk, called "delta," is employed. The option delta indicates how much the option price will change per unit change in the price of the underlying asset, in this case, the futures price. The next section explains how deltas for calls and puts are computed and used in the computation of the daily index of the amount priced.

[4] Short refers to a "sell" position in the market. Long refers to a "buy" position in the market.

Option Deltas

Option deltas are computed using Black's model (Black, 1976), which is a valuation model for futures options. Black's model computes the premium for calls and puts on futures as a function of the risk-free interest rate, time to expiration and the relationship between the option strike price and the price of the underlying futures contract:

$$c = e^{-rT}[F_0 N(d_1) - XN(d_2)] \tag{1}$$

$$p = e^{-rT}[XN(d_2) - F_0 N(d_1)] \tag{2}$$

$$d_1 = \frac{\ln(F_0 / X) + \sigma^2 T / 2}{\sigma\sqrt{T}} \tag{3}$$

$$d_2 = d_1 - \sigma\sqrt{T} \tag{4}$$

where c is the theoretical value of a call, p is the theoretical value of a put, F_0 is the price of the underlying futures contract, X is the option's exercise (strike) price, T is the time to expiration as a proportion of a year, σ is the annualized volatility of underlying futures contract, r is the annual continuously compounded risk-free interest rate, e is the exponential function, *ln* is the natural logarithm function and $N(d_i)$ is the cumulative normal density function.

Based on Black's valuation model, it is possible to compute how much the option price (c or p) will change when the futures price (F_0) changes. This measure is called option delta(Δ).[5] The formulas to compute the options delta are as follows:

$$\Delta_{call} = e^{-rt} N(d_1) \tag{5}$$

$$\Delta_{put} = e^{-rt}[N(d_1) - 1]. \tag{6}$$

In this study, a two-step procedure is used to estimate options deltas. First, equation (1) or (2) is employed to compute the "implied" volatility of the underlying futures prices. Option premiums and futures prices are obtained from the Chicago Board of Trade for each day that an option position is opened. The risk-free interest rate employed is the three-month Treasury bill rate, obtained from the Federal Reserve Bank of St. Louis. Implied volatility is computed by solving equations (1) or (2) for the volatility that equates the observed market premium with the model value. Since it is not possible to invert equations (1) and (2) to express volatility as a function of the rest of the parameters, an iterative search is applied to find the implied volatility values.[6] Then, the estimated volatilities are used in formulas (5) and (6) to obtain the delta values for the recommended option positions.

[5] Delta formulas are formally derived by taking the partial derivative of the value function (equations 1 and 2) with respect to the futures price (F_0).

[6] Implied volatility is estimated using *Fincad XL* software.

The delta for option contracts changes daily, since the futures price will likely change from one day to the next. Time-to-expiration will, of course, decrease as time passes and volatility may change with time. Therefore, deltas employed in the construction of the marketing profiles are updated on a daily basis.

Long calls have positive delta values, since they represent the right to buy the underlying asset in the future at the exercise price, and therefore, become more valuable as the futures price increases. Deltas for call options must take values between 0 and 1. Calls that are deep-in-the-money have deltas close to one, and those which are deep out-of-the money have deltas close to zero. Near-the-money calls have deltas close to 0.5. Long puts have negative deltas values, since they represent the right to sell the underlying asset at the exercise price, and hence, the position becomes more valuable as the futures price decreases. Deltas for put options must fall between -1 and 0. Deep-in-the-money puts have deltas near -1 and deep-out-of-money puts have deltas of 0. Near-the-money puts have deltas close to -0.5. The deltas for short calls and puts are just the negative of the delta values for the corresponding long positions.

As mentioned earlier, deltas indicate approximately how much option prices will change per unit of change in the price of the underlying asset. For example, if the delta for a November soybean futures call is 0.8, a $0.10/bushel increase in the November soybean futures price will increase the option value by $0.08/bushel. Options deltas can also be interpreted as the equivalent position in the underlying asset in terms of price action sensitivity. For example, if an individual holds a long call on a soybean futures contract for 5,000 bushels, a call delta of 0.5 indicates that the call position is equivalent, in terms of price action sensitivity, to a long position in the futures contract for 2,500 bushels of soybeans. If the price of November soybean futures increases by $0.10/bushel, both the value of the call contract and the position in long futures increase by $250, indicating that they are equivalent in terms of price risk. This notion of delta is used to compute the cumulative net amount priced from positions in options markets. The equivalent long futures position is obtained by multiplying the size of the option position by its delta and the negative of this amount corresponds to the amount priced from that specific option. The next section presents the details of the computation of the index of the cumulative amount priced, where deltas are employed to convert an option position into the equivalent amount priced by futures positions.

Computation of the Cumulative Net Amount Priced

Option deltas allow all positions in cash, forward and futures and options markets recommended by a program to be combined into an index of the cumulative percentage of a crop priced for each day in the marketing window. The index value for an advisory program on day t is based on the transactions recommended by that program since the beginning of the crop year up to day t. For the pre-harvest period, the index reflects the amount priced as a percentage of the expected yield. Equation (7) presents the index computation for the pre-harvest period (for t between the first day of the marketing window and the day before the first day of harvest):

$$I_t = FC_t^{pre} + SF_t^{pre} - LF_t^{pre} - \sum_{i=1}^{n} \Delta_{it} O_{it}^{pre} \tag{7}$$

where I_t represents the cumulative percentage of grain priced as of day t for a specific program, FC_t^{pre} is the percentage of expected production sold under forward contracts since the beginning of the crop year as of date t, SF_t^{pre} is the percentage of expected production sold under open short futures contracts as of day t, LF_t^{pre} is the percentage of expected production bought under open long futures contracts as of day t, O_{it}^{pre} is the percentage of expected production sold or bought under each open option contract i and Δ_{it} is the delta for each option contract i on day t. Note that the negative sign on the last term in equation (7) reflects the fact that deltas for long puts and short calls (grain sales) are negative and deltas for long calls and short puts (grain purchases) are positive.

It is assumed that farmers learn the actual yield on the first day of harvest. At this time, total production is known and so, the percentage of grain priced before harvest is adjusted. For example, suppose that the expected yield for a certain crop year is 40 bushels/acre and the pre-harvest percentage priced based on this yield is 50%. Suppose that harvest arrives and the actual yield turns out to be 50 bushels/acre. The amount priced on the first day of harvest becomes 40% (50%*40/50). Hence, for the period after harvest, the index considers positions opened before harvest as based on actual yield. Equation (8) shows the computation of the index in the post-harvest period (for t between the first day of harvest and the last day in the marketing window):

$$(8)\ I_t = \left[FC_t^{pre} + SF_t^{pre} - LF_t^{pre} - \sum_{i=1}^{n} \Delta_{it} O_{it}^{pre} \right] * \frac{\hat{y}}{y} + C_t^{post} + FC_t^{post} + SF_t^{post} - LF_t^{post} - \sum_{i=1}^{n} \Delta_{it} O_{it}^{post}$$

where the superscript *pre*, as before, indicates the percentage of a crop priced from positions opened before harvest (based on expected yield), the term $(\hat{y}/y)$ converts percentages of expected yield to percentages of actual yield and the superscript *post* in the last five terms indicates that the terms refer to percentage of grain priced from positions initiated post-harvest (based on actual yield). The term C_t appears only with *post* superscript, since it represents the cumulative amount of grain sold in the spot market as of day t, and spot sales can only be made when the crop is available to the farmer after harvest.

The treatment of three other types of contracts should be mentioned as special cases. First, percentages of the crop sold through basis contracts are recorded on the date the cash price is determined (by setting the futures price). This results in basis contracts being treated the same as forward contracts, except that the percentages are not recorded when the basis contract is first entered, but when the final cash price is established. Second, percentages of the crop sold through hedge-to-arrive contracts (HTA) are recorded on the date the futures price is set. Thus, HTA contracts are being treated the same as selling futures contracts on the same date. Third, percentages of the crop sold through delayed pricing contracts are recorded on the date the cash price is established, which typically occurs after delivery.

Cross-Hedges

Cross-hedging is a marketing tool that can be recommended by an advisory program and occurs when a program includes within the set of recommendations for one commodity a

transaction in another commodity market. For example, on September 22, 2003 one service recommended cross-hedging 2003 soybean production in March 2004 corn futures contracts. This type of position is based on the fact that prices for different commodities are correlated, that is, they move together. Advisory programs made only a few cross-hedge recommendations during the years considered in this study. In the cases where a cross-hedge is recommended, the percentage priced from such a position in futures or options markets is computed as:

$$SF_{jt} = \beta_{kt} SF_{kt} \tag{9}$$

$$LF_{jt} = \beta_{kt} LF_{kt} \tag{10}$$

$$LF_{jt} = \beta_{kt} \Delta_{kt} O_{kt} \tag{11}$$

where subscript k indicates that the position is opened in commodity k market for a certain percentage of commodity j and β_{kt} is the change in commodity k futures price per unit change in commodity j futures price at time t. The term β_{kt} is estimated by ordinary least square regression of the change in k's futures price against the change in j's futures price. The data employed for the regression start the first day the futures contract is traded and continues until the day before date t. The estimated slope coefficient can be interpreted as the change in commodity k's futures price for a one-unit change in commodity j's futures price. In the case of cross-hedging with options, a long position in the futures market for the commodity for which the recommendation was implemented is computed by multiplying the size of the option position (O_{kt}) times the β_{kt} coefficient and the option's delta$\left(\Delta_{kt}\right)$.

Example of Marketing Profile Construction

A simple example of the construction of marketing profiles is considered in this section to facilitate understanding of the procedures used to develop actual marketing profiles for advisory services. The example is based on the following hypothetical set of soybean recommendations for the 2004 crop year:

Date	Recommendation
4/5/04	Sell November 2004 soybean futures for 30% of expected production.
6/21/04	Buy November 2004 soybean put options with a strike price of \$7.00/bushel for 50% of expected production.
7/27/04	Close futures position opened on April 5th by buying November 2004 soybean futures.
8/20/04	Close options position opened on June 21st by selling November 2004 soybean \$7.00/bushel put options.
8/20/04	Sell 50% of expected production using a forward contract.
3/18/05	Sell all the unsold production in the cash market (54.59%).

Figure 1 presents the marketing profile for this set of recommendations. Since the first transaction was made on April 5th , the net amount priced from the beginning of the crop year to this date equals 0%. On April 5th the profile line in Figure 1 makes the first step, and the

quantity priced becomes 30%, since short soybean futures have been recommended for 30% of expected production. The index computation according to equation (7) for April 5th is:

t = 4/5/04

$$FC_t^{pre} = 0\% \qquad SF_t^{pre} = 30\% \qquad LF_t^{pre} = 0\% \qquad O_{it}^{pre} = 0\%$$
$$I_t = 0\% + 30\% - 0\% - 0\% = 30\%.$$

The index value is the same until June 21st when long puts are recommended for 50% of the expected production. Note in Figure 1 that on June 21st the profile line has the second step, and on the dates following, the line takes values lower than 80% (30% + 50%). This happens because the absolute value of the put delta is always lower than one. For example, on the date that the put position is opened, the November soybean futures price is $6.79/bushel, which is lower than the strike price of $7.00/bushel, and therefore, the option is in-the-money. The option delta on June 21st is -0.509, indicating the position is equivalent to a 25.45% (0.527*50%= 25.45%) short position for expected production. For June 21st the value of the index is computed as:

t = 6/21/04

$$FC_t^{pre} = 0\% \qquad SF_t^{pre} = 30\% \qquad LF_t^{pre} = 0\% \qquad O_{1t}^{pre} = 50\% \qquad \Delta_{1t}^{pre} = -0.509$$
$$I_t = 0\% + 30\% - 0\% - 50\%(-0.509) = 55.45\%.$$

For the period of time when the put option position is open, the line becomes irregular, reflecting the fact that option delta changes every day.

The cumulative percentage changes substantially on July 27th, when there is a step down in the marketing profile line. On this date, the futures position is closed by buying futures, and hence, the amount priced decreased by 30%. From this date to August 20th the line represents the amount priced only from the long put option position on 50% of the expected production. The value of the index on July 27th is computed as:

t = 7/27/04

$$FC_t^{pre} = 0\% \qquad SF_t^{pre} = 0\% \qquad LF_t^{pre} = 0\% \qquad O_{1t}^{pre} = 50\% \qquad \Delta_{1t}^{pre} = -0.803$$
$$I_t = 0\% + 0\% - 0\% - 50\%(-0.803) = 40.15\%.$$

On August 20th the put position is closed and 50% of the expected production is sold under forward contracts, so the amount priced becomes 50%:

t = 8/20/04

$$FC_t^{pre} = 50\% \qquad SF_t^{pre} = 0\% \qquad LF_t^{pre} = 0\% \qquad O_{1t}^{pre} = 0\%$$
$$I_t = 50\% + 0\% - 0\% - 0\% = 50\%.$$

For the 2004 soybean crop, September 15th is the first day of harvest, and therefore, on this date the percentage priced is adjusted to reflect actual yield. The expected yield for 2004 is

49.04 bushel/acre and the actual yield is 54 bushel/acre. Since the actual yield is higher than expected, the proportion priced decreases on the first day of harvest to reflect this adjustment. Note in Figure 1 that there is a small step up on the first day of harvest, and the value of the index, according to Equation (8), becomes 45.41%:

t = 9/15/04

$$FC_t^{pre} = 50\% \qquad SF_t^{pre} = 0\% \qquad LF_t^{pre} = 0\% \qquad O_{1t}^{pre} = 0\% \qquad \hat{y} = 49.04 \qquad y = 54$$

$$C_t^{post} = 0\% \qquad FC_t^{post} = 0\% \qquad SF_t^{post} = 0\% \qquad LF_t^{post} = 0\% \qquad O_{1t}^{post} = 0\%$$

$$I_t = [50\% + 0\% - 0\% - 0\%] * (49.04 / 54) + 0\% + 0\% + 0\% - 0\% - 0\% = 45.41\% .$$

The last recommendation in this example occurs on March 18, 2005, when remaining production (54.59 %) is sold in the cash market and the amount priced becomes 100%:

`

t = 3/18/05 to t = 8/30/05

$$FC_t^{pre} = 50\% \qquad SF_t^{pre} = 0\% \qquad LF_t^{pre} = 0\% \qquad O_{1t}^{pre} = 0\% \qquad \hat{y} = 49.04 \qquad y = 54$$

$$C_t^{post} = 54.59\% \qquad FC_t^{post} = 0\% \qquad SF_t^{post} = 0\% \qquad LF_t^{post} = 0\% \qquad O_{1t}^{post} = 0\%$$

$$I_t = [50\% + 0\% - 0\% - 0\%] * (49.04 / 54) + 54.59\% + 0\% + 0\% - 0\% - 0\% = 100\% .$$

Further Issues

There are three additional issues associated with interpretation of the marketing profiles that should be noted. The first is related to the use of option deltas to compute the net amount priced for option positions. Technically, deltas are valid only for "infinitesimal" price changes, which mean that deltas may be imprecise measures when large price changes are considered. For example, if an option position for 50% of the crop with a delta of 0.527 is recommended, it will be equivalent, in terms of price sensitivity, to a long position in the underlying futures contract for 26.35% (50%*0.527) of the crop. This equivalence, though, strictly holds only for small futures price changes. There is no hard and fast rule for what constitutes "small" versus "large" futures price changes. The key point is that the approximation becomes systematically less reliable the larger the price change considered. Please note that the approximation is not likely to be a significant concern since option delta estimates are updated daily and soybean futures price changes usually are constrained by daily price limits.

The second interpretation issue is associated with basis risk, which is uncertainty associated with the difference between the local cash price and the futures price. In constructing marketing profiles, the amount priced under futures contracts is treated the same as a forward contracts, even though pricing under futures contracts is subject to basis variability whereas this is not the case for pricing under forward contracts. This does not create a problem in constructing marketing profiles because the profiles are based on quantity priced, not on price levels, and hence, basis risk is not a consideration. However, when interpreting marketing profiles, it is important to recognize that different forms of pricing may be reflected in the same marketing profile at different points in time.

The third interpretation issue is associated with spread risk, defined as uncertainty about the price difference between futures contracts with different expiration dates. Spread risk is a consideration when a hedging strategy involves two transactions: first selling futures with a nearby expiration date and later rolling-over the position to another contract with expiration closer to the delivery date of the grain. When constructing marketing profiles, the futures positions are treated separately as one-transaction hedges. This does not create a problem in constructing marketing profiles because the profiles are based on quantity priced, not on price levels, and hence, spread risk is not a consideration. Once again, when interpreting marketing profiles, it is important to recognize that different forms of pricing may be reflected in the same marketing profile at different points in time.

Construction of LDP/MLG Profiles

The 1996 "Freedom-to-Farm" Act established a loan deficiency payment program for several agricultural commodities, including soybeans. Under this program, if market prices are below a Commodity Credit Corporation loan rate, farmers can receive payments from the US government for the difference between the loan rate and the market price. Since there is considerable flexibility in the way the loan payment can be claimed by the farmer, there is the opportunity for advisory programs to give recommendations for the implementation of this program. In those years when the market price is lower than the loan rate, the use of the loan program is an important part of marketing strategies, since loan programs recommendations can have a big effect on the net price received. Furthermore, most of the advisory programs evaluated in the AgMAS Project make recommendations about loan deficiency payments and marketing loan gain (LDP/MLG) when market prices drop below the loan rates. To provide information about the ways that advisory services recommend claiming the deficiency payments, LDP/MLG profiles are developed for the 2002 and 2004 crop years. LDP/MLG profiles are not considered for the 2003 crop year because central Illinois soybean prices were always above loan rates during the marketing year. Averages LDP/MLG profiles across programs are also developed for the 1998-2002 and 2004 crop years. The "LDP/MLG profile" for each advisory service is constructed by plotting the cumulative percentage of the crop on which the LDP/MLG is claimed along the marketing window. The construction of these profiles is simpler than the construction of marketing profiles described in the previous section, but some explanation is needed about the computations.

Specific decision rules are needed regarding pre-harvest forward contracts because it is possible for an advisory program to recommend taking the LDP on those sales before the grain is actually harvested and available for delivery in central Illinois. To begin, it is assumed that amounts sold for harvest delivery with pre-harvest forward contracts are delivered first during harvest. Since LDPs must be taken when title to the grain changes hands, LDPs are assigned as these "forward contract" quantities are harvested and delivered. This requires assumptions regarding the timing and speed of harvest. Earlier it was noted that a five-week harvest window is used to define harvest. This window is centered on the day nearest to the mid-point of harvest progress in central Illinois as reported by NASS. Various assumptions could be implemented regarding harvest progress during this window. Lacking more precise data, a reasonable assumption is that harvest progress for an individual representative farm is a linear function of time. Then, it is assumed that, starting on the first day of harvest, grain becomes available for

delivery in equal amounts per day along the five-week harvest period. When forward cash sales have been made, the grain that becomes available is assumed to be delivered to cover these contracts and LDP/MLGs are assumed to be claimed at the delivery time. Other assumptions regarding the claim of LDP/MLGs for grain priced under futures and option contracts can be found in Irwin et al. (2006).

Summary of Marketing and LDP/MLG Profiles for Soybeans, 1995 – 2004 Crop Years

The figures in this report present marketing and LDP/MLG profiles from each advisory program followed in 2002, 2003, and 2004 by the AgMAS Project for soybeans and their respective averages profiles across 1995-2004. In certain cases the average profiles are presented for some, but not all 10 crop years, because either the program was dropped from the sample during this period of time or did not begin to be tracked until after the 1995 crop year. Table 1 presents a list of the programs whose marketing and LDP/MLG profiles are presented in this study. The reason why some programs are not included in all years over 1995-2004 also is listed in the "Comments" column of this table.

Figures 2.1 through 29.7 present the marketing and LDP/MLG profiles for individual programs in alphabetical order for the 2002 through 2004 crop years. For the programs that were tracked for more than two years, the average, maximum and minimum amount priced is computed and presented as a chart after the individual crop year figure.

The scale for the vertical axis of the figures generally runs from a negative 25% to a positive 125%, since, for the majority of the programs, the net amount priced varies between these two levels. However, a few programs have more extreme values of the percentage priced. Note that the amount priced is a measure of within-crop year price risk, as the higher the proportion of a crop priced, the lower the sensitivity of the value of the farmer's position to crop price changes. When 100% of the crop is priced there is no price sensitivity, which means that changes in price do not affect the value of the farmer's position. At the other extreme, when the amount priced is 0%, the value of the farmer's position will vary in the same proportion as the change in price, that is, if soybean price increases by 5%, the value of the farmer's position will also increase by 5%. A proportion of grain sold higher than 100% is called over-hedging, and is actually an overall short position in the soybean market. In this case, price changes have the opposite effect on the farmer's position value. If soybean price increases, the value of the farmer's position decreases and *vice versa*. For some programs it is possible to find a negative amount priced, indicating a net long position greater than total production. This can be interpreted as the farmer owning even more grain than expected or actual production. In this case, price sensitivity is even greater than with 0% of grain priced. For example, if the proportion of grain sold is -50%, when soybean prices decrease by 10%, the value of the farmer's position decreases 15%.

The scale for the horizontal axis of the figures corresponds to the two-year marketing window, that is, from September 1st of the year previous to harvest through August 31st of the year after harvest. However, a few programs begin their marketing recommendations over a particular crop year earlier than September 1st, and in these cases the figures start with a positive net percentage priced. Similarly, a few programs continue their marketing recommendations for

a period longer than the end of the two-year marketing window. In these cases, the net amount priced at the end of the graph is less than 100%.

The marketing profiles also provide other useful information. The number of steps in the profile lines and the location of these steps along the marketing season provide information about timing, frequency and size of recommended transactions. It is also possible to determine from the figures how intensely a program uses options markets, since, because deltas change daily, the profile line is irregular when options positions are open. In the same way, LDP/MLG profiles provide information about the size and timing of LDP/MLG claims.

Figures 30.1 through 39.4 contain the averages, maximums and minimums for marketing and LDP/MLG profiles across all advisory programs tracked in each crop year from 1995 to 2004 as well as the comparisons between those averages and the 24- and 20-month market benchmark profiles for each crop year. Figure 40.1 contains the marketing profile grand average, maximum and minimum across all services over the 1995–2004 crop years. Figure 40.2 compares the grand average to 24- and 20-month market benchmark profiles. Market benchmarks are those employed by the AgMAS project in the advisory services performance evaluation, and they measure the average price offered by the market to farmers during the marketing window. Under the 24-month market benchmark, the crop is sold in approximately equal amounts each day along the two-year marketing window beginning on September 1st of the year before harvest and ending on August 31st of the year after harvest. Under the 20-month benchmark the crop is sold in approximately equal amounts every day during the period that begins on January 1st of the year of harvest and ends on August 31st of the year after harvest. Figure 41.1 contains the LDP/MLG profile grand average, maximum and minimum across all services over the 1998-2002 and 2004 crop years. Finally, Figure 41.2 compares the LDP/MLG grand average to the 24- and 20-months market benchmark LDP/MLG profiles. Note that those figures where average marketing profiles and LDP/MLG profiles are developed the first day of harvest is an average of the first day of harvest across the set of years included in the chart.

References

Bertoli, R., C. Zulauf, S. H. Irwin, T. E. Jackson and D. L. Good. "The Marketing Style of Advisory Services for Corn and Soybeans in 1995." AgMAS Project Research Report 1999-02, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, August 1999. (http://www.farmdoc.uiuc.edu/agmas/reports/1999-02/agmas_1999-02.html)

Brown, S.J. and W.N. Goetzmann. "Mutual Fund Styles." *Journal of Financial Economics*, 43(1997):373-399.

Brown, S.J. and W.N. Goetzmann. "Hedge Funds With Style." Working Paper No. 00-29, Yale International Center for Finance, Yale University, February 2001.

Black F. "The Pricing of Commodity Contracts." *Journal of Financial Economics,* 3(1976): 167-179.

Colino, E. V., S.M. Cabrini, S.H. Irwin, D.L. Good and J. Martines-Filho. "Advisory Service Marketing Profiles for Corn in 2001." AgMAS Project Research Report 2004-02, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, April 2004. (http://www.farmdoc.uiuc.edu/agmas/reports/04_01/AgMAS04_01.html)

Colino, E.V., S.M. Cabrini, S.H.Irwin, D.L. Good and J. Martines-Filho. "Advisory Service Marketing Profiles for Soybeans in 2001." AgMAS Project Research Report 2004-02, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, April 2004. (http://www.farmdoc.uiuc.edu/agmas/reports/04_02/AgMAS04_02.html)

Irwin, S.H., D.L. Good, J. Martines-Filho and R.M. Batts. "The Pricing Performance of Market Advisory Services In Corn and Soybeans Over 1995-2004." AgMAS Project Research Report 2006-02, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, April 2006. (http://www.farmdoc.uiuc.edu/agmas/reports/06_02/AgMAS06_02.html)

Martines-Filho, J., S.M. Cabrini, B.G. Stark, S.H. Irwin, D.L. Good, W. Shi, R.L. Webber, L.A. Hagedorn and S.L. Williams. "Advisory Service Marketing Profiles for Corn Over 1995-2000." AgMAS Project Research Report 2003-03, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, March 2003. (http://www.farmdoc.uiuc.edu/agmas/reports/0303/text.html)

Martines-Filho, J., S.H. Irwin, D.L. Good, S.M. Cabrini, B.G. Stark, W. Shi, R.L. Webber, L.A. Hagedorn and Williams, S.L. "Advisory Service Marketing Profiles for Soybeans Over 1995-2000." AgMAS Project Research Report 2003-04, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, April 2003. (http://www.farmdoc.uiuc.edu/agmas/reports/03_04/text.html)

McNew, K. and W.N. Musser. "Farmer Forward Pricing Behavior: Evidence from Marketing Clubs." *Agricultural and Resource Economics Review*, 31(2002):200-210.

Pennings, J.M.E., O. Isengildina, S.H. Irwin and D.L.Good. "The Impact of Market Advisory Service Recommendations on Producers' Marketing Decisions." *Journal of Agricultural and Resource Economics*, 29(2004):308-327.

Pennings, J.M.E., S.H. Irwin, D.L. Good and O. Isengildina. "Heterogeneity in the Likelihood of Market Advisory Service Use by U.S. Crop Producers." *Agribusiness: An International Journal*, 21(2005):109-128.

Patrick, G.F., W.N. Musser and D.T. Eckman. "Forward Marketing Practices and Attitudes of Large-Scale Midwestern Grain Farmers." *Review of Agricultural Economics,* 20(1998):38-53.

Sharpe, W.F. "Asset Allocation: Management Style and Performance Measurement." *Journal of Portfolio Management*, 19(1992):7-19.

Williams, E. "The Compatibility Quotient: Before You Hire a Pro, Match Your Marketing Style." *Top Producer*, November 2001, pp. 14-17.

Table 1. Market Advisory Programs Tracked by the AgMAS Project, Corn and Soybeans, 1995-2004 Crop Years

Market Advisory Program	Crop Year										Comments
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	
Ag Alert for Ontario		✓									Included in 1996. After further review, deemed not directly applicable to US producers and dropped.
Ag Financial Strategies							✓	✓	✓	✓	Established program first tracked for the 2001 crop year.
Ag Market Professional (cash only)										✓	Established program first tracked for the 2004 crop year.
Ag Market Professional (hedge)										✓	Established program first tracked for the 2004 crop year.
Ag Profit by Hjort	✓	✓	✓	✓	✓						Went out of business at the end of August 2000.
Ag Review	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
AgLine by Doane (cash only)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
AgLine by Doane (hedge)		✓	✓	✓	✓	✓	✓	✓	✓	✓	New program for corn in 1996 and soybeans in 1998.
AgResource	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
Agri-Edge (cash only)	✓	✓	✓								Went out of business at the end of January 1998.
Agri-Edge (hedge)	✓	✓	✓								Went out of business at the end of January 1998.
Agri-Mark	✓	✓	✓	✓	✓	✓					Stopped providing specific recommendations regarding cash sales. Dropped after 2000 crop year.
AgriVisor (aggressive cash)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
AgriVisor (aggressive hedge)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
AgriVisor (basic cash)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
AgriVisor (basic hedge)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
Allendale (futures & options)		✓	✓	✓	✓	✓	✓	✓	✓	✓	New program for corn only in 1996.
Allendale (futures only)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
Brock (cash only)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
Brock (hedge)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
Cash Grain					✓	✓					Went out of business at the end of September 2000.
Co-Mark						✓	✓	✓	✓		Went out of business at the end of July 2003.
Freese-Notis	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
Grain Field Marketing							✓	✓	✓	✓	Established program first tracked for the 2001 crop year.
Grain Field Report	✓										Stopped providing specific recommendations regarding cash sales. Dropped after 1995 crop year.
Grain Marketing Plus						✓	✓	✓			Went out of business at the end of March 2003.
Harris Weather/Elliott Advisory	✓	✓									Stopped providing specific recommendations regarding cash sales. Dropped after 1996 crop year.
North American Ag	✓										Stopped providing specific recommendations regarding cash sales. Dropped after 1995 crop year.
Northstar Commodity							✓	✓	✓	✓	Established program first tracked for the 2001 crop year.
Pro Farmer (cash only)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
Pro Farmer (hedge)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
Progressive Ag		✓	✓	✓	✓	✓	✓	✓	✓	✓	Established program first tracked for the 1996 crop year.
Prosperous Farmer	✓										Stopped providing specific recommendations regarding cash sales. Dropped after 1995 crop year.
Risk Management Group (cash only)					✓	✓	✓	✓	✓	✓	Program discontinued at the beginning of March 2005.
Risk Management Group (futures & options)					✓	✓	✓	✓	✓	✓	Program discontinued at the beginning of March 2005.
Risk Management Group (options only)					✓	✓	✓	✓	✓	✓	Program discontinued at the beginning of March 2005.
Stewart-Peterson Advisory Reports	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
Stewart-Peterson Strictly Cash	✓	✓	✓	✓	✓	✓					Program discontinued at the end of October 2000.
Top Farmer Intelligence	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	Included for all corn and soybean crop years to date.
Utterback Marketing Services			✓	✓	✓	✓	✓	✓	✓	✓	Established program first tracked for the 1997 crop year.
Zwicker Cycle Letter	✓	✓	✓	✓							Merged with AgriVisor for the 1999 crop year and no longer included.

Note: A crop year is a two-year marketing window from September of the year previous to harvest through August of the year after harvest.

Figure 1. Example of Soybean Marketing Profile Construction for the 2004 Crop

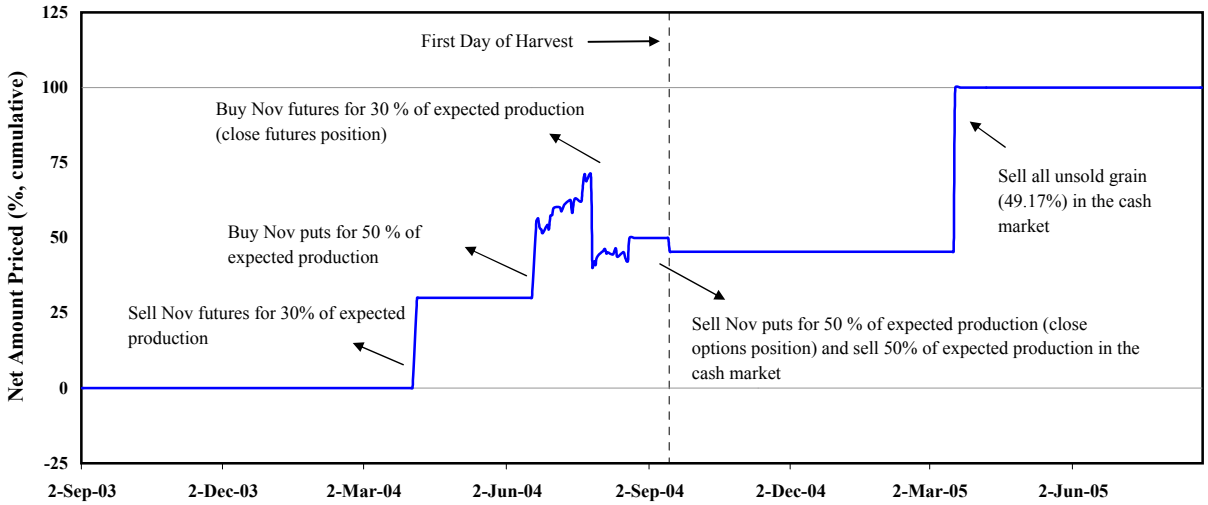


Figure 2.1. Soybean Marketing Profile, Ag Financial Strategies, 2002 Crop Year

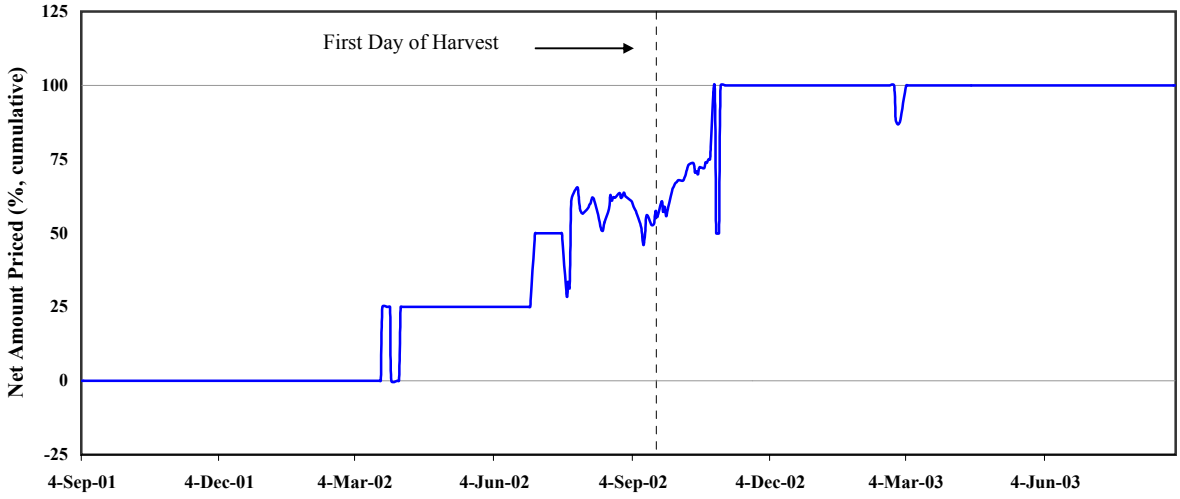
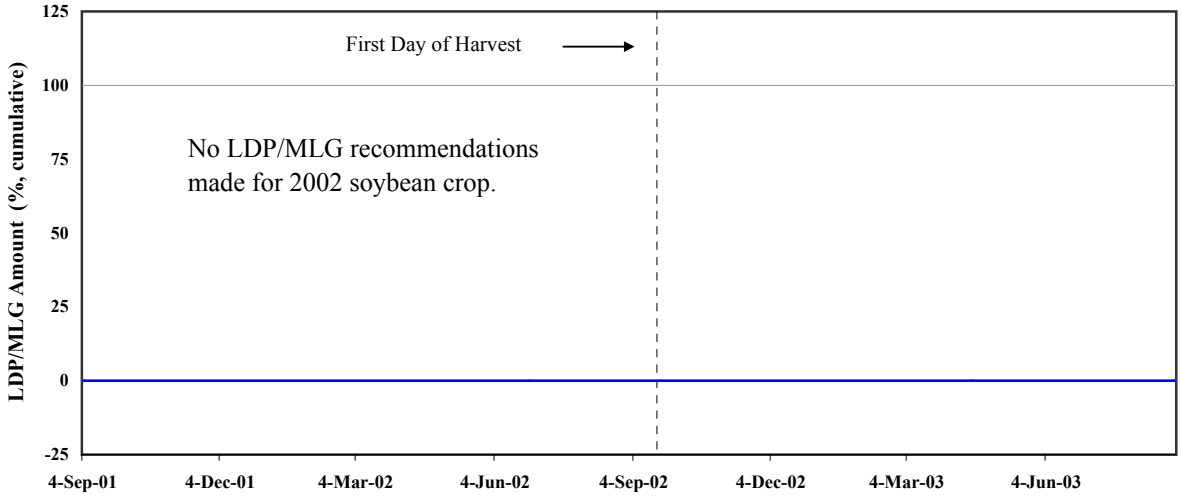


Figure 2.2. Soybean LDP/MLG Profile, Ag Financial Strategies, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 2.3. Soybean Marketing Profile, Ag Financial Strategies, 2003 Crop Year

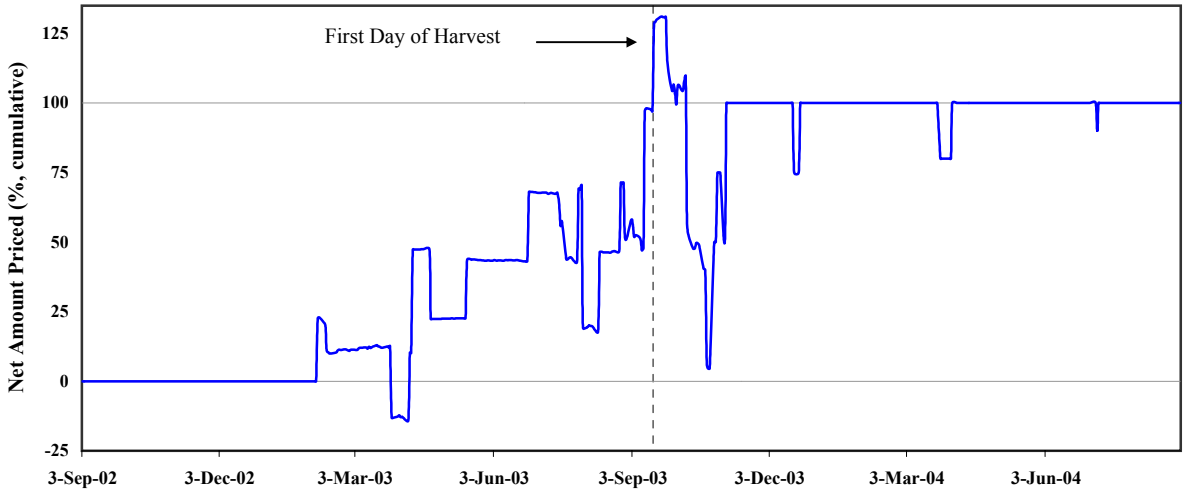


Figure 2.4. Soybean Marketing Profile, Ag Financial Strategies, 2004 Crop Year

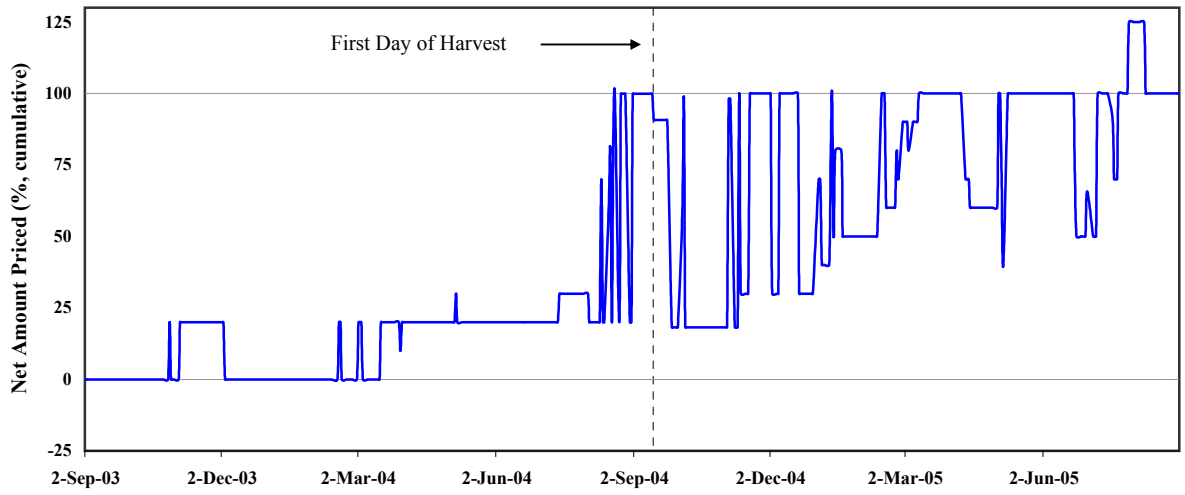
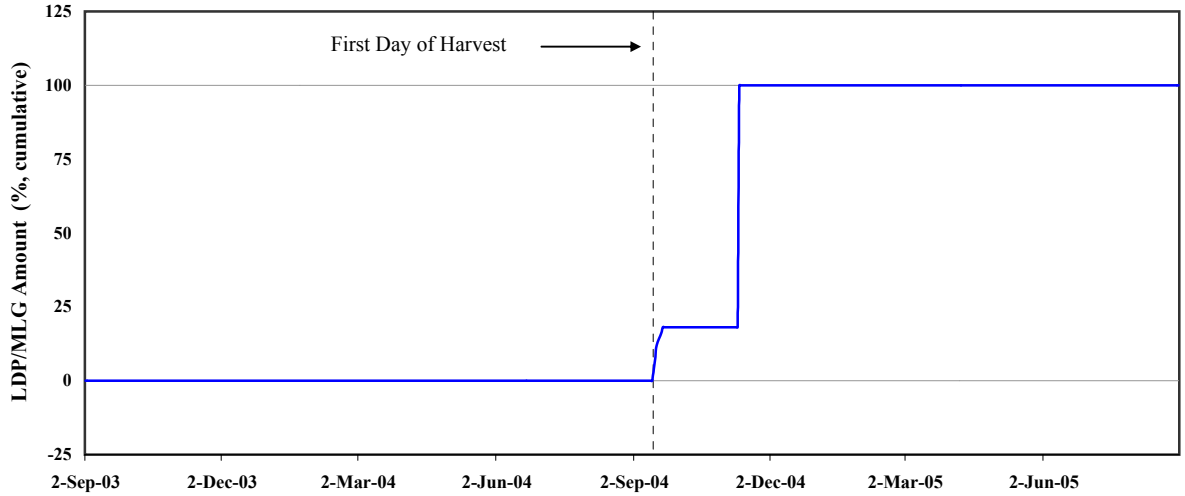


Figure 2.5. Soybean LDP/MLG Profile, Ag Financial Strategies, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 2.6. Soybean Marketing Profile, Ag Financial Strategies, 2001-2004 Crop Years

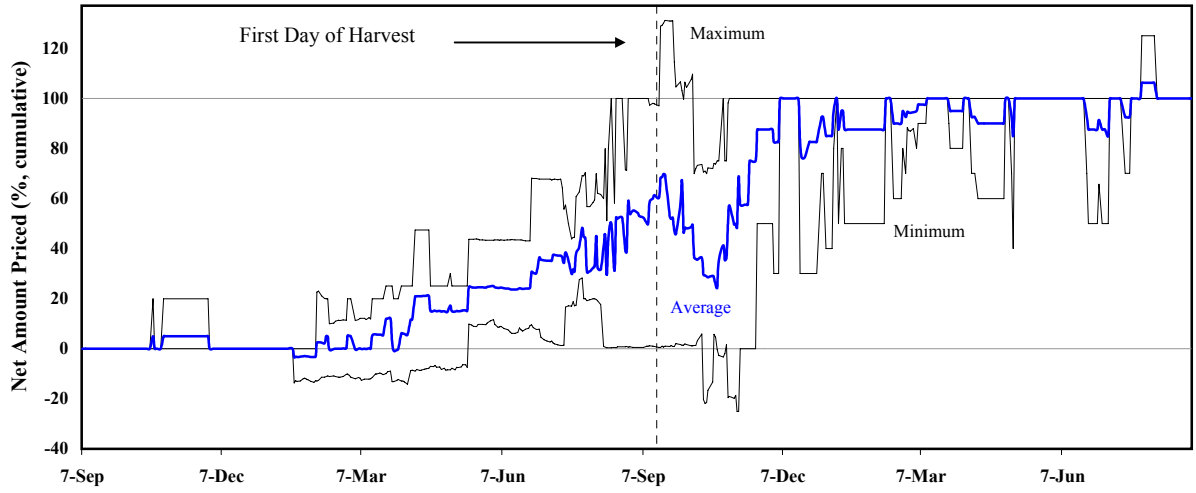
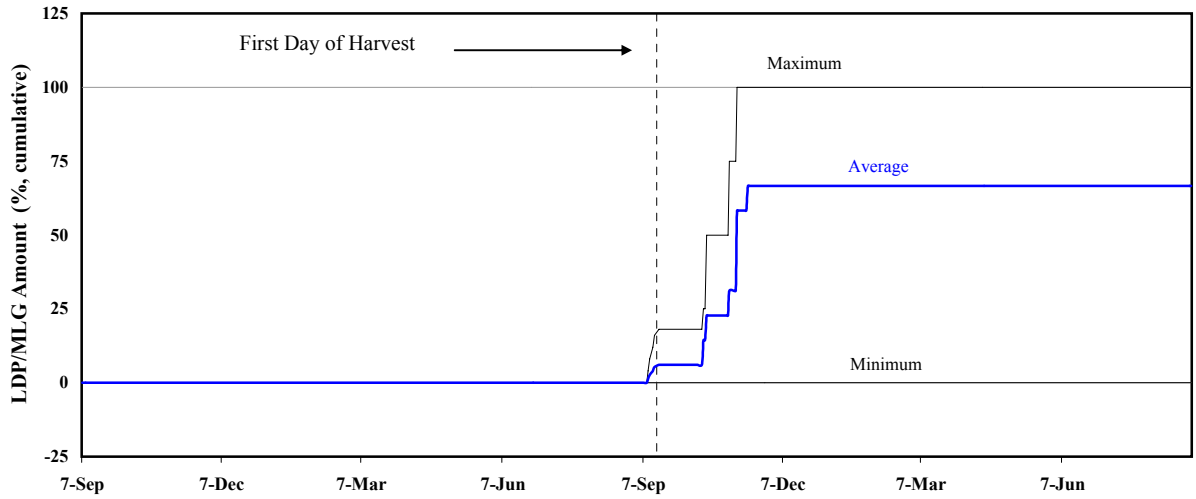


Figure 2.7. Soybean LDP/MLG Profile, Ag Financial Strategies, 2001-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 3.1. Soybean Marketing Profile, Ag Market Pro (cash), 2004 Crop Year

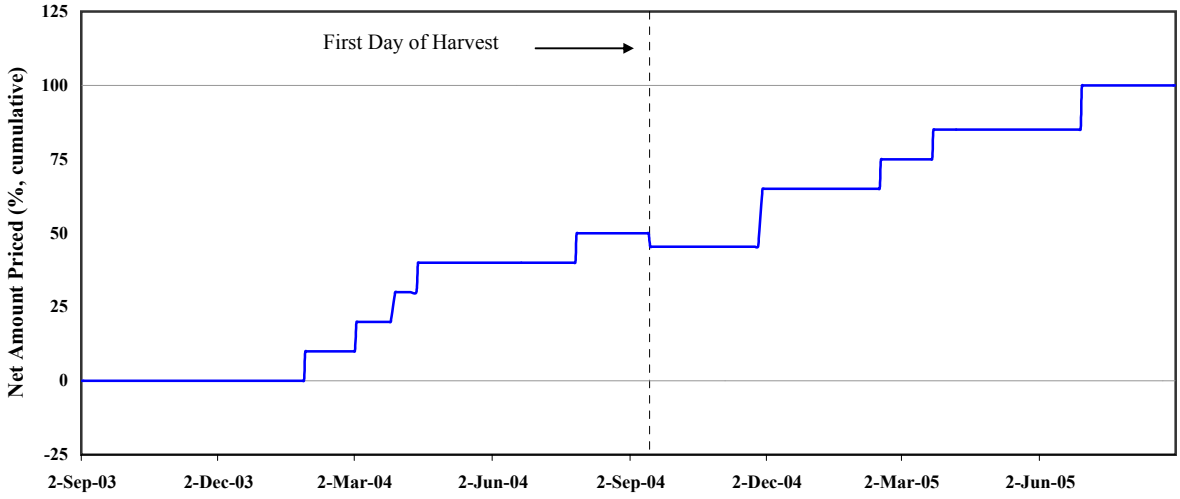
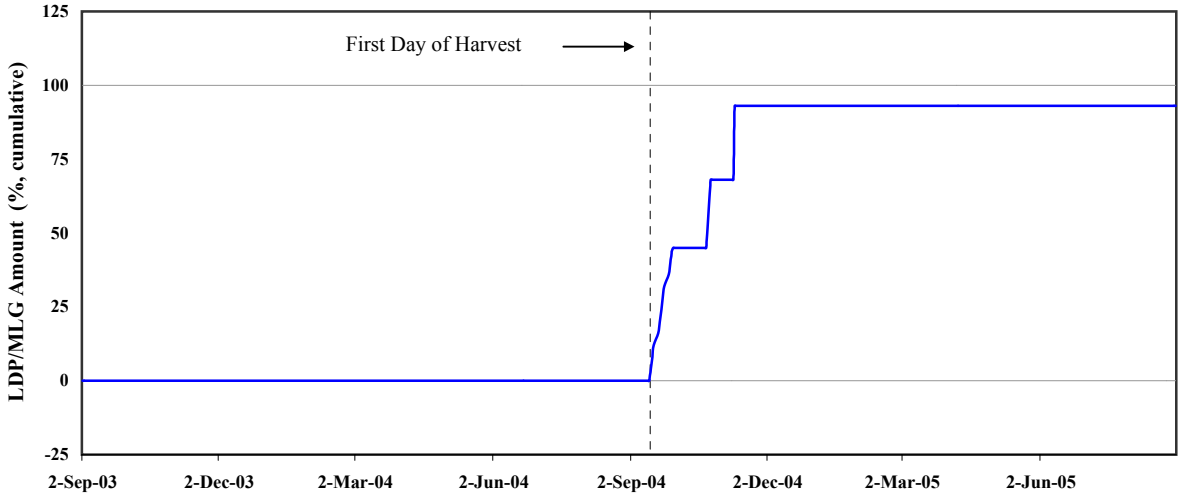


Figure 3.2. Soybean LDP/MLG Profile, Ag Market Pro (cash), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 4.1. Soybean Marketing Profile, Ag Market Pro (hedge), 2004 Crop Year

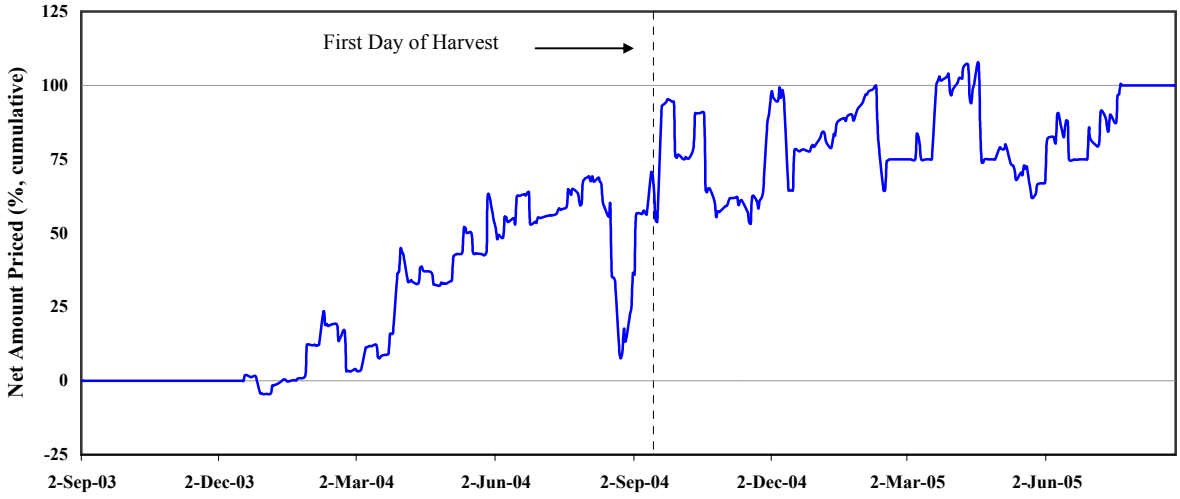
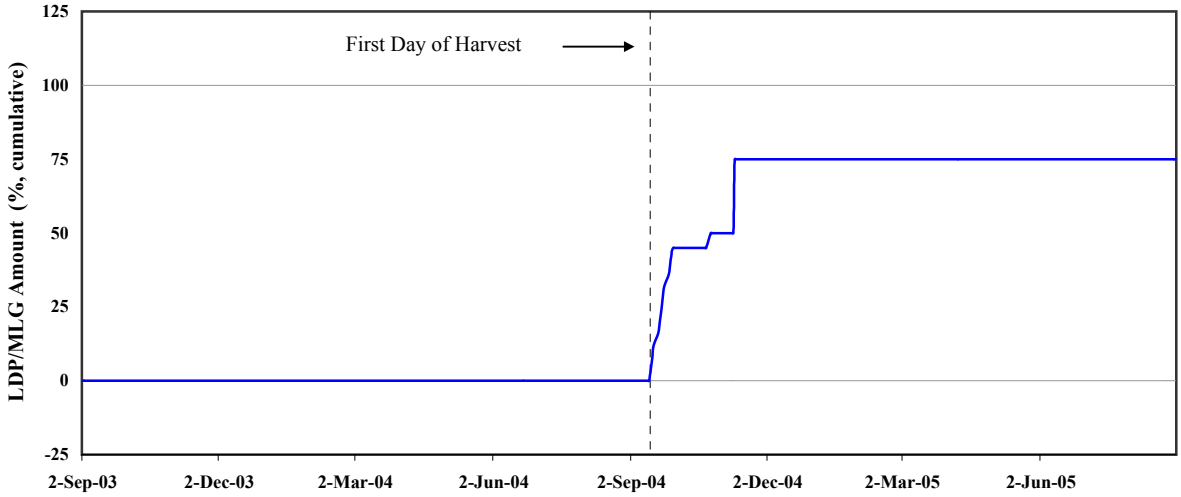


Figure 4.2. Soybean LDP/MLG Profile, Ag Market Pro (hedge), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 5.1. Soybean Marketing Profile, Ag Review, 2002 Crop Year

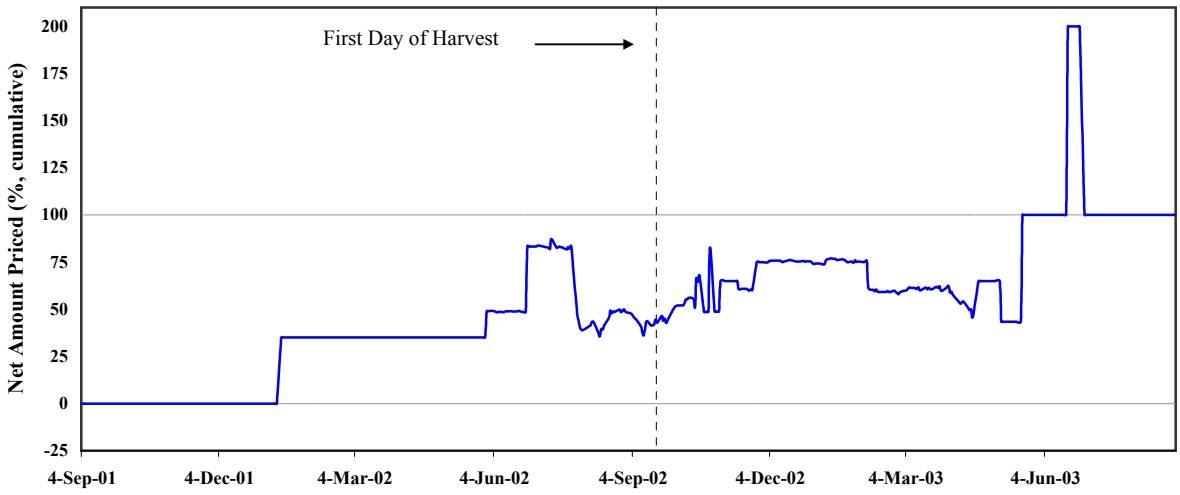
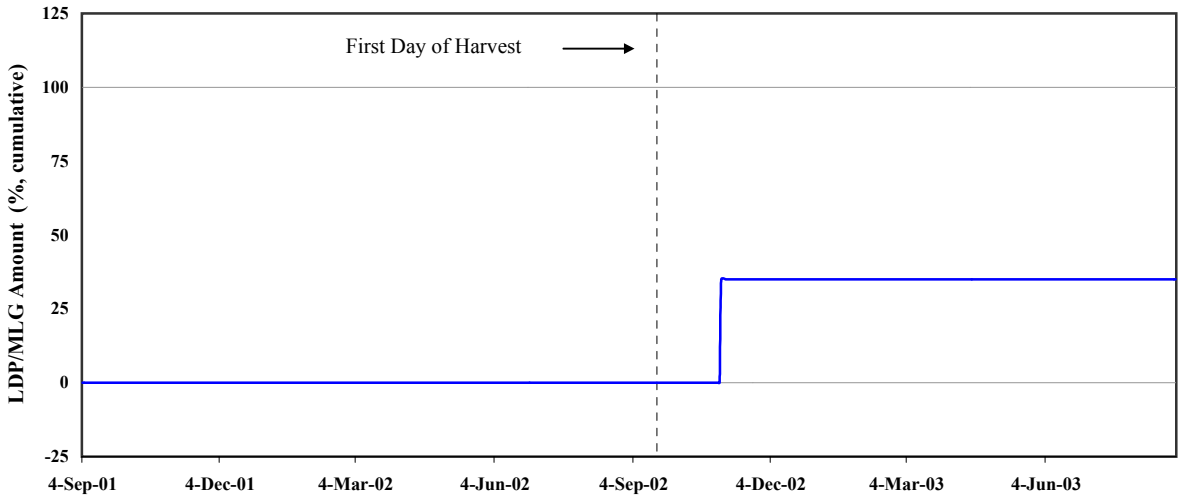


Figure 5.2. Soybean LDP/MLG Profile, Ag Review, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 5.3. Soybean Marketing Profile, Ag Review, 2003 Crop Year

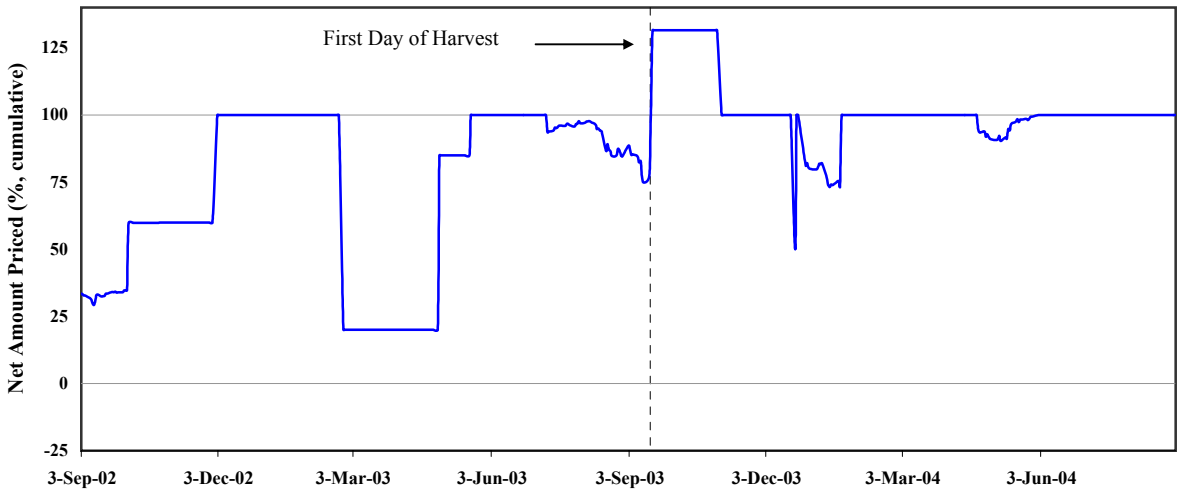


Figure 5.4. Soybean Marketing Profile, Ag Review, 2004 Crop Year

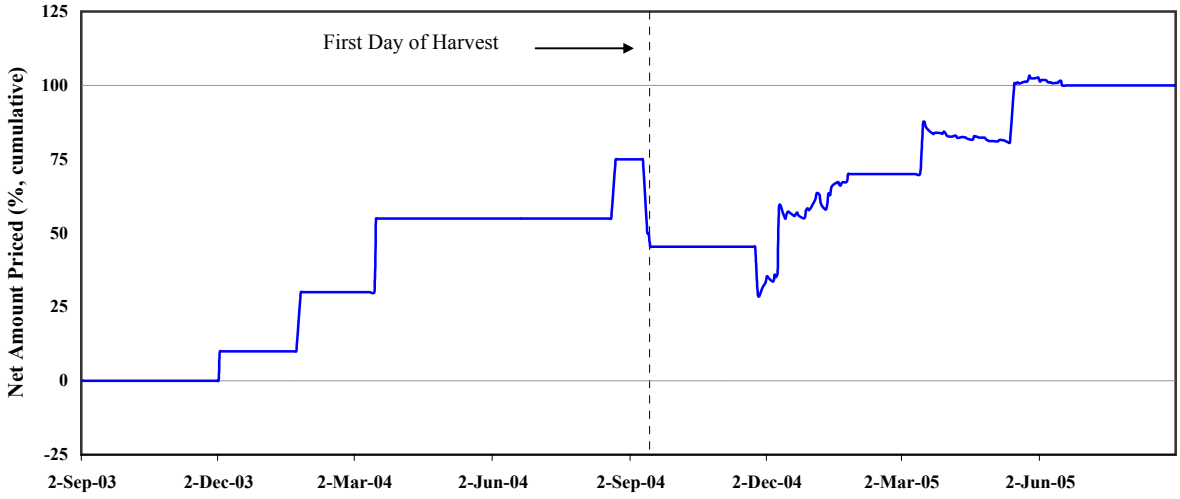
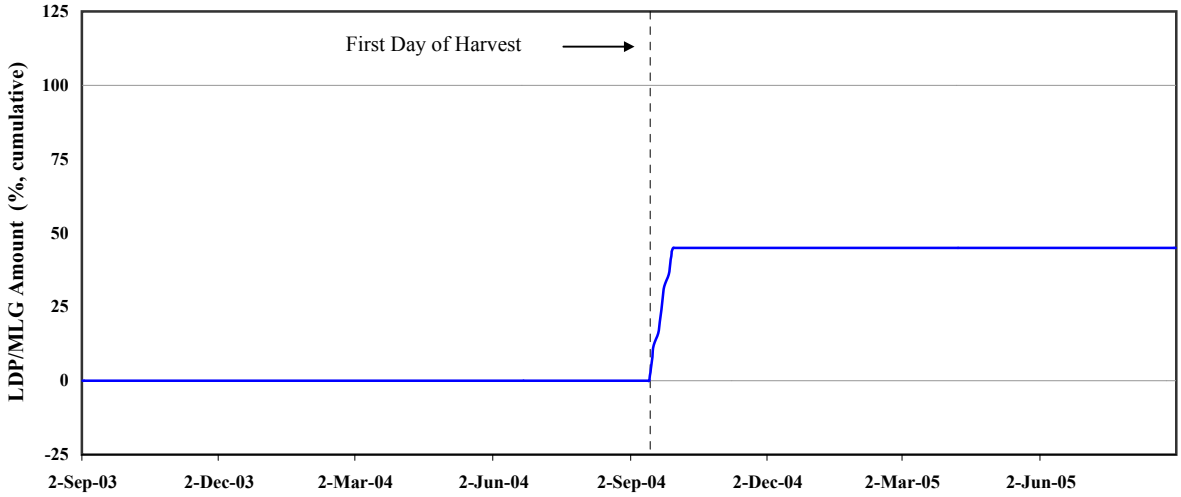


Figure 5.5. Soybean LDP/MLG Profile, Ag Review, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 5.6. Soybean Marketing Profile, Ag Review, 1995-2004 Crop Years

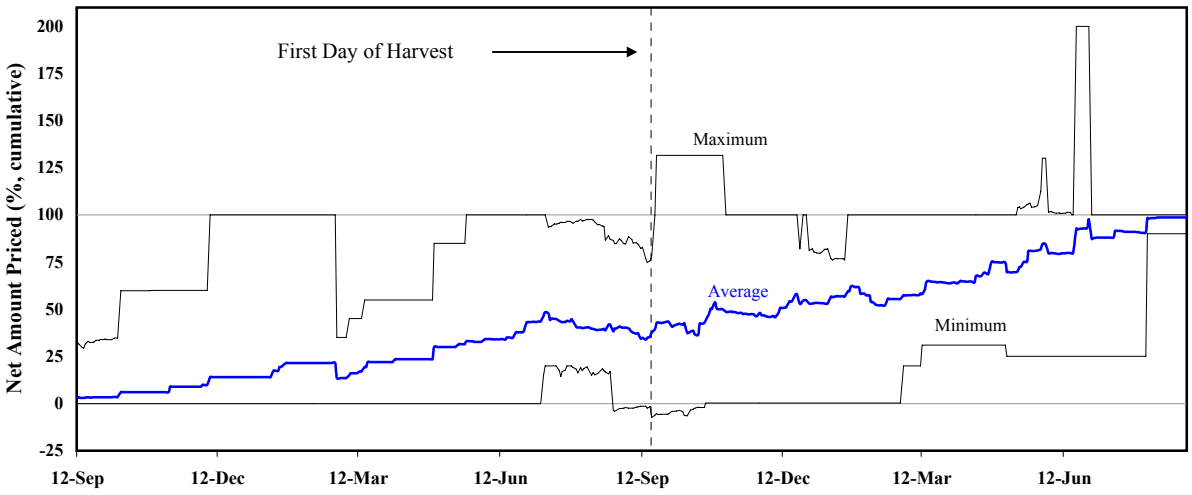
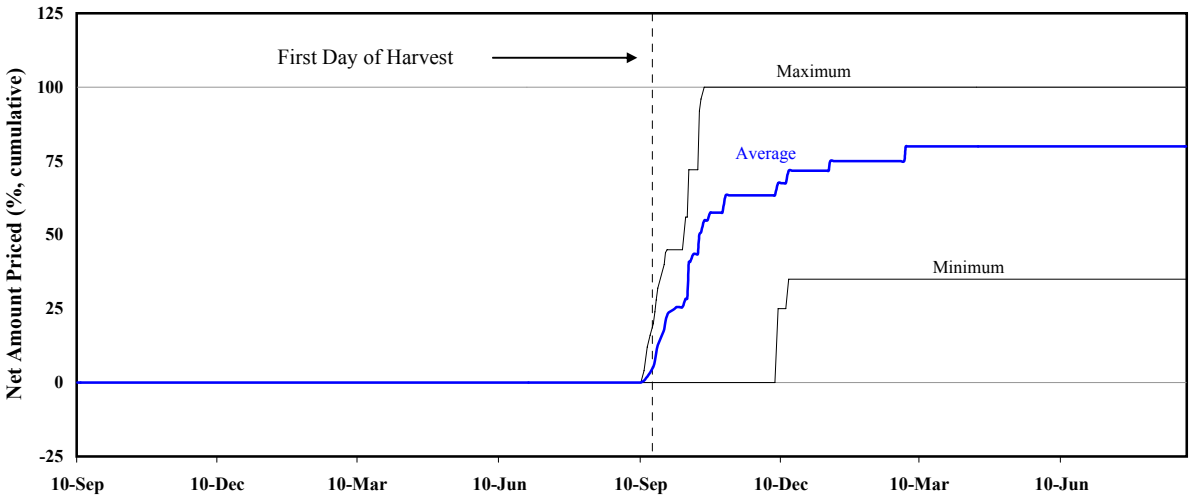


Figure 5.7. Soybean LDP/MLG Profile, Ag Review, 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 6.1. Soybean Marketing Profile, AgLine by Doane (cash only), 2002 Crop Year

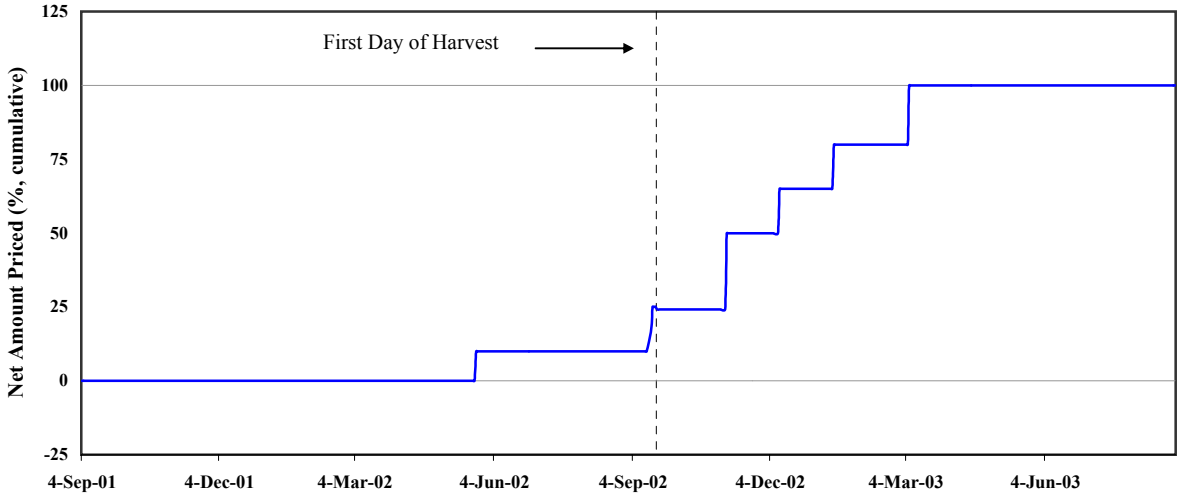
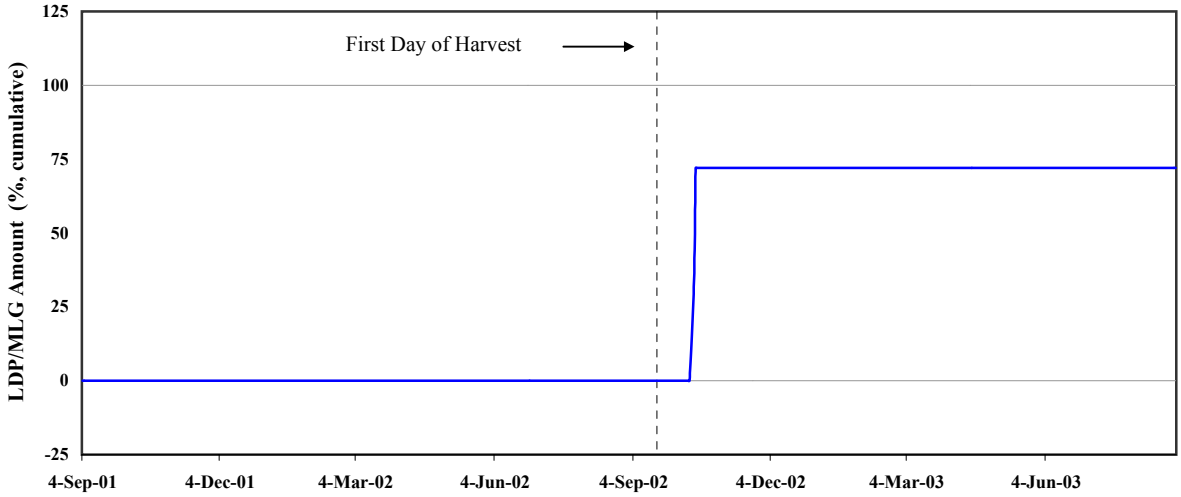


Figure 6.2. Soybean LDP/MLG Profile, AgLine by Doane (cash only), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 6.3. Soybean Marketing Profile, AgLine by Doane (cash only), 2003 Crop Year

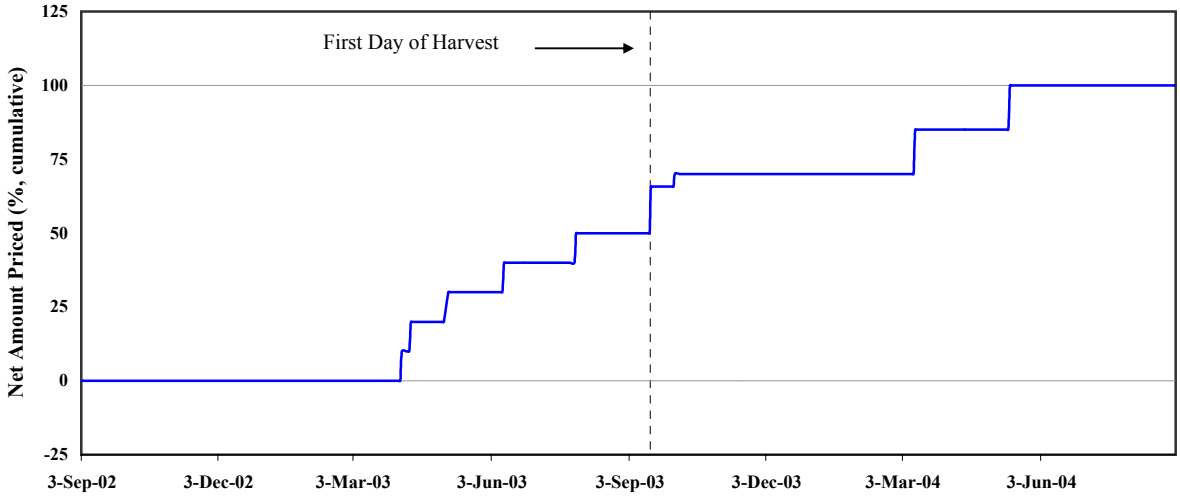


Figure 6.4. Soybean Marketing Profile, AgLine by Doane (cash only), 2004 Crop Year

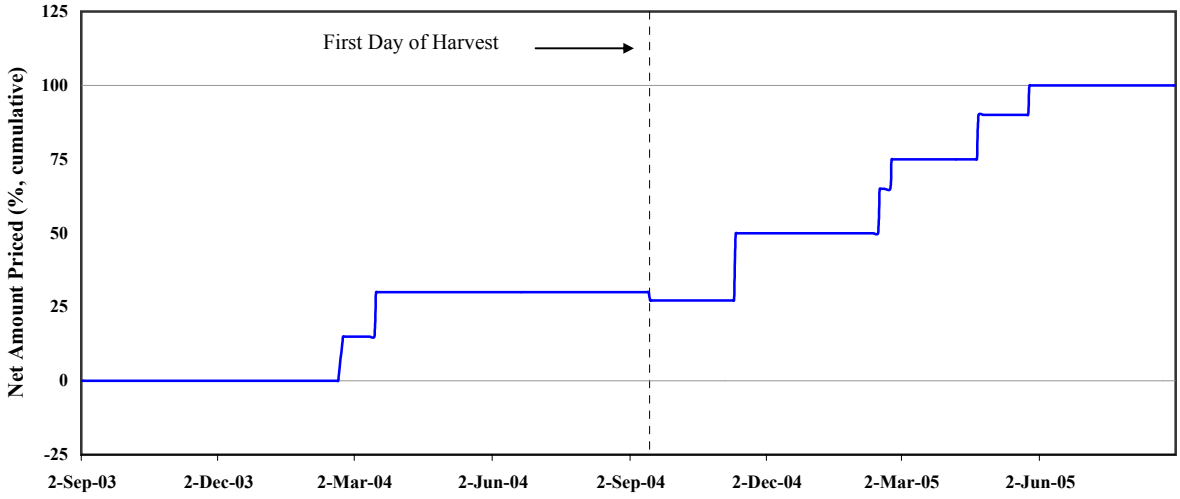
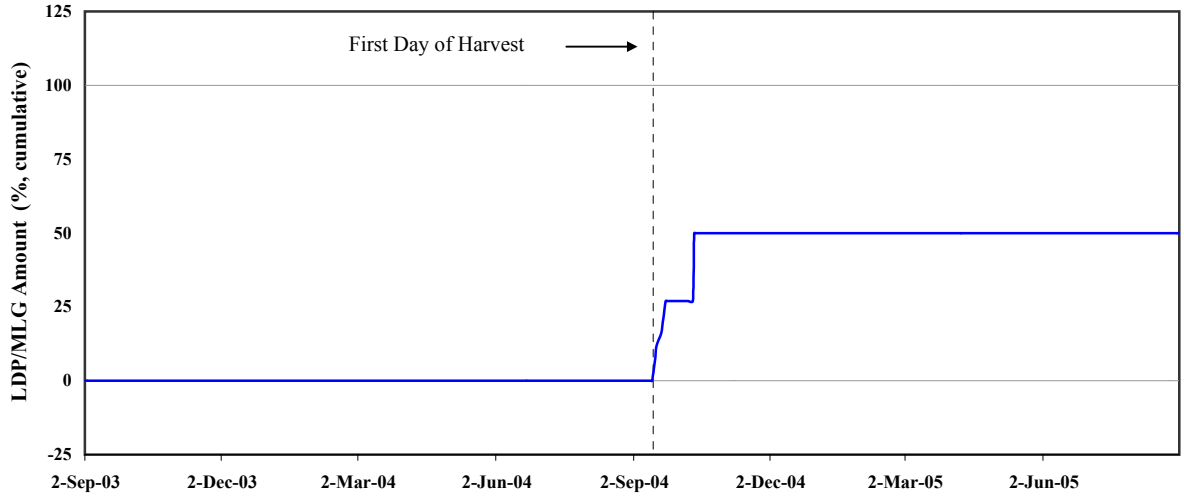


Figure 6.5. Soybean LDP/MLG Profile, AgLine by Doane (cash only), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 6.6. Soybean Marketing Profile, AgLine by Doane (cash only), 1995-2004 Crop Years

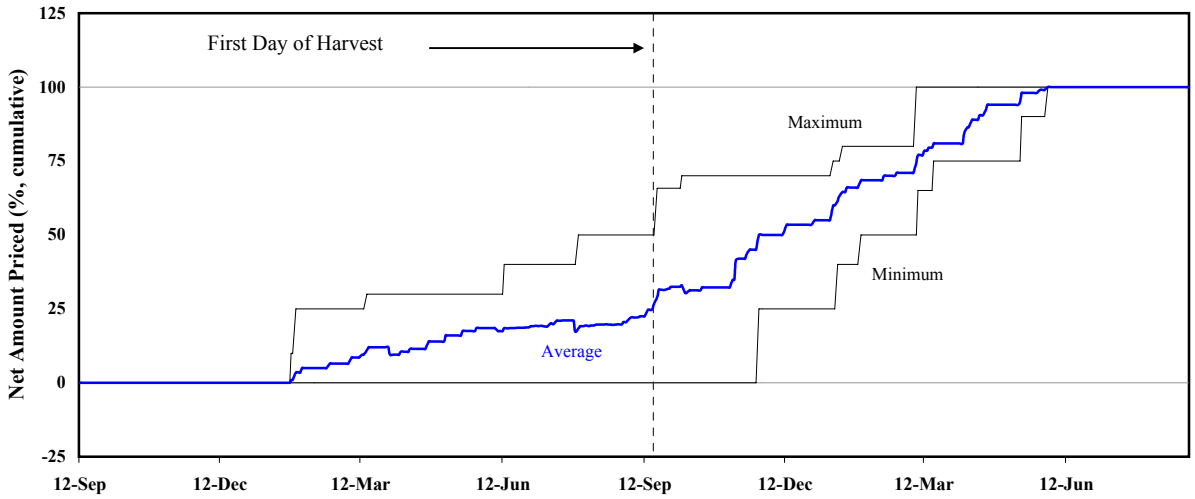
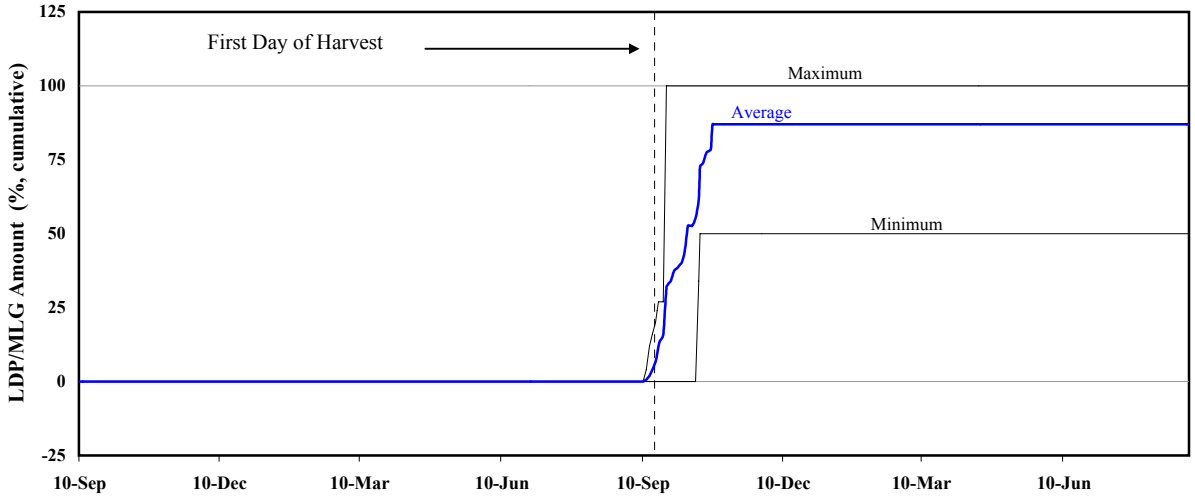


Figure 6.7. Soybean LDP/MLG Profile, Ag Line by Doane (cash only), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 7.1. Soybean Marketing Profile, AgLine by Doane (hedge), 2002 Crop Year

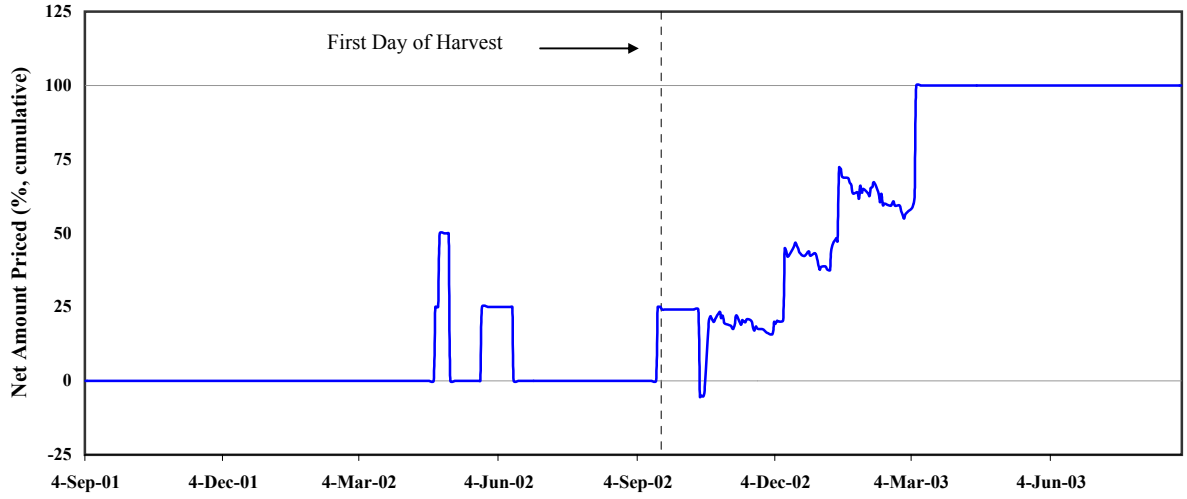
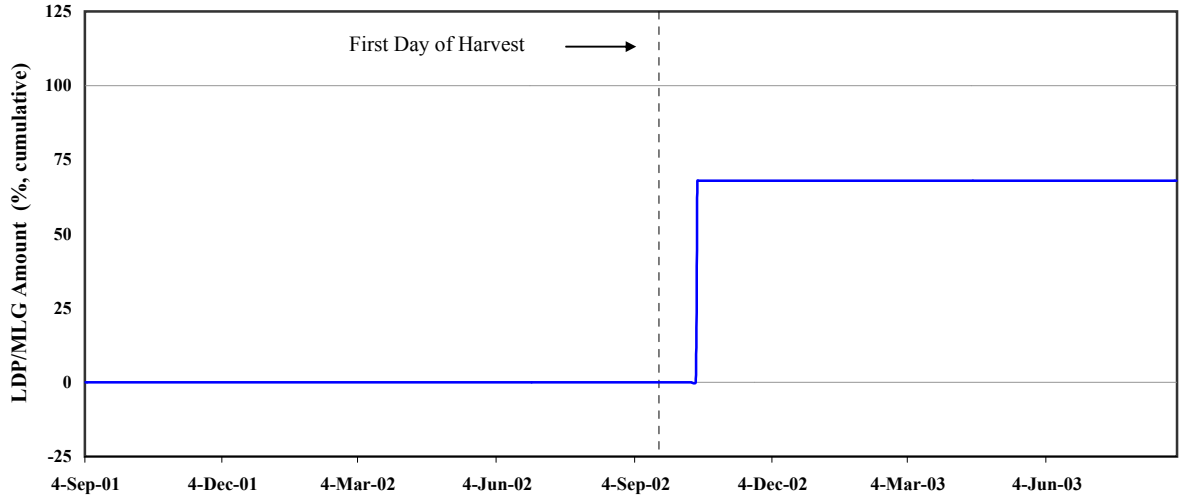


Figure 7.2. Soybean LDP/MLG Profile, AgLine by Doane (hedge), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 7.3. Soybean Marketing Profile, AgLine by Doane (hedge), 2003 Crop Year

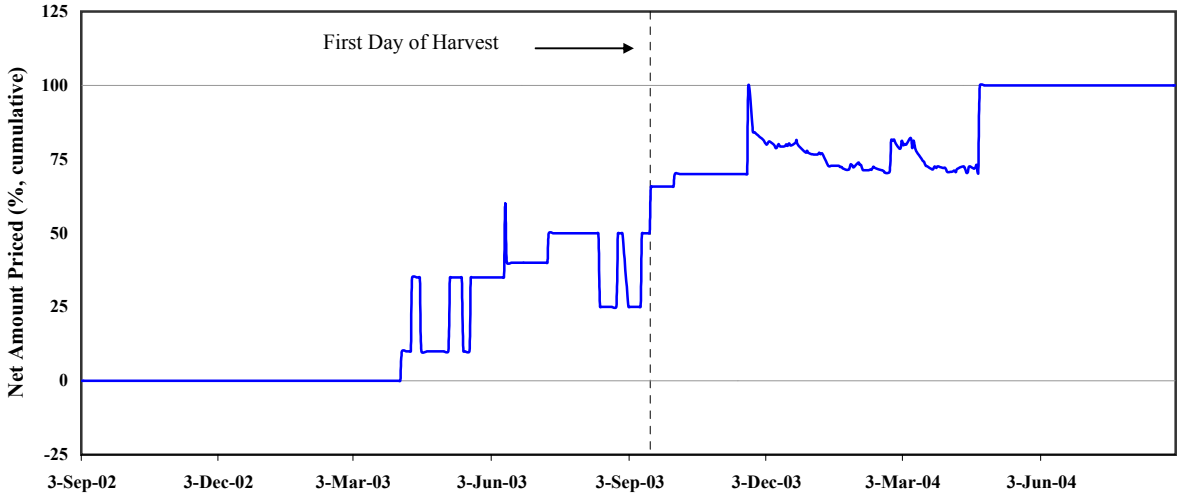


Figure 7.4. Soybean Marketing Profile, AgLine by Doane (hedge), 2004 Crop Year

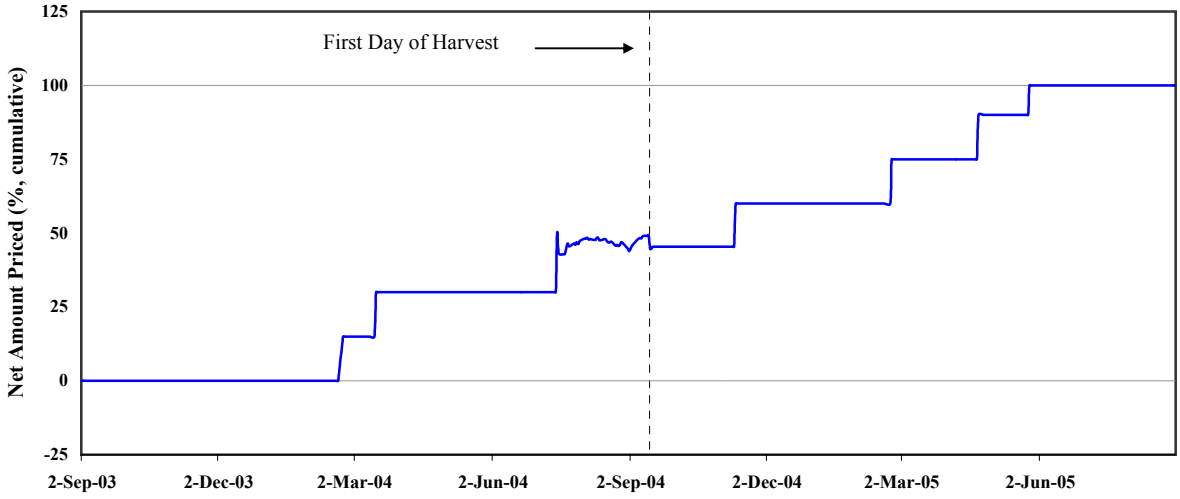
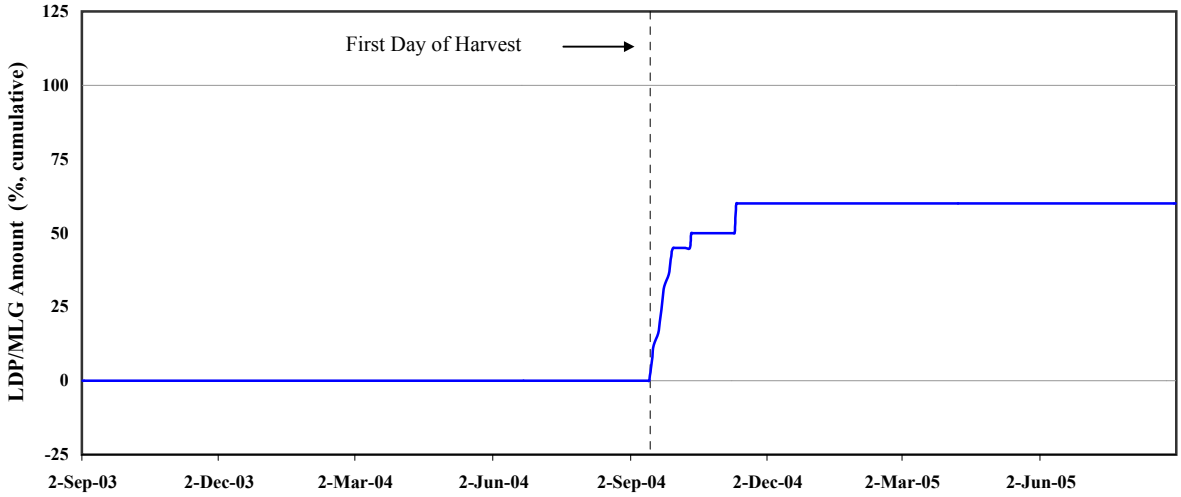


Figure 7.5. Soybean LDP/MLG Profile, AgLine by Doane (hedge), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 7.6. Soybean Marketing Profile, AgLine by Doane (hedge), 1996-2004 Crop Years

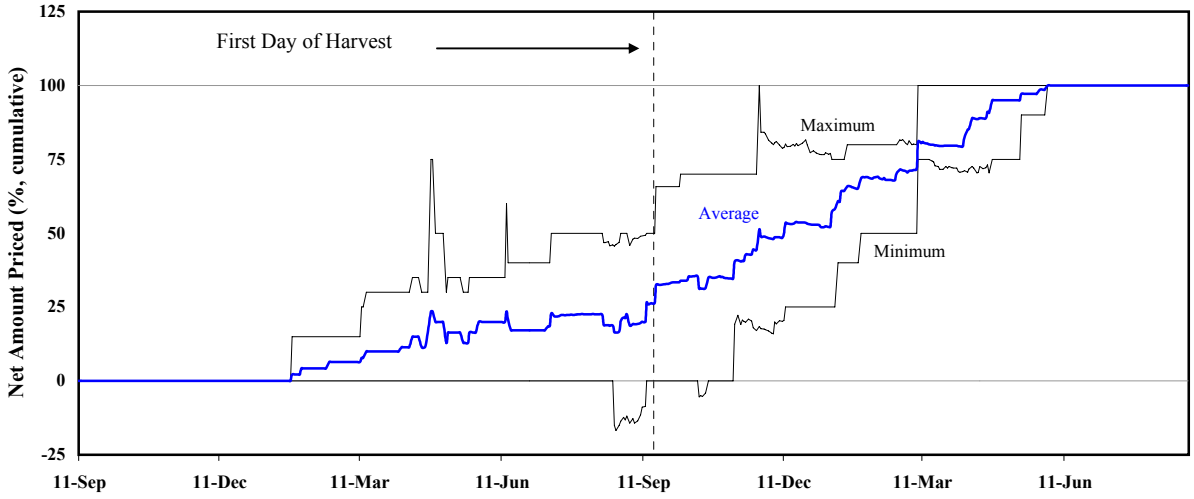
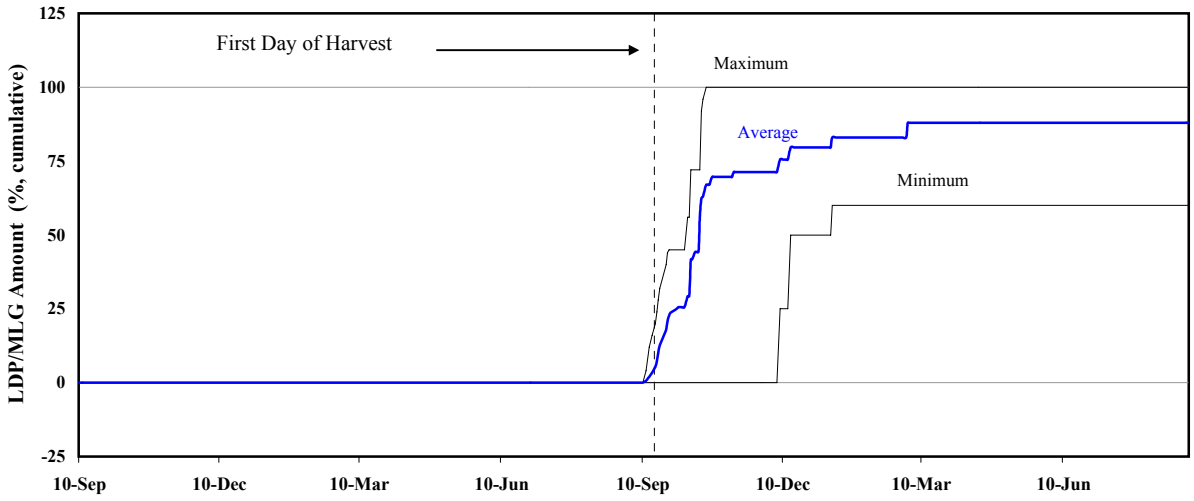


Figure 7.7. Soybean LDP/MLG Profile, Ag Line by Doane (hedge), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 8.1. Soybean Marketing Profile, AgResource, 2002 Crop Year

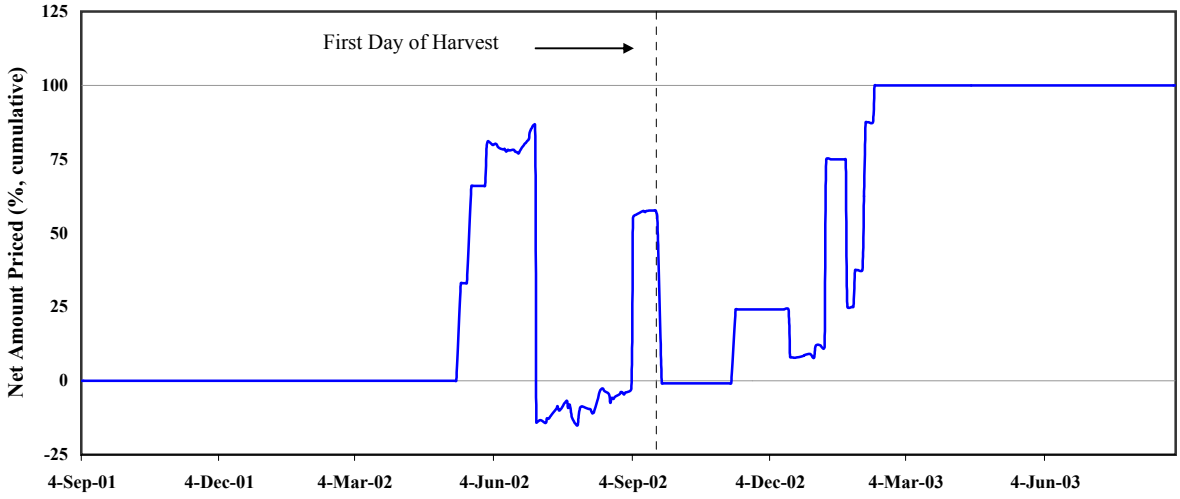
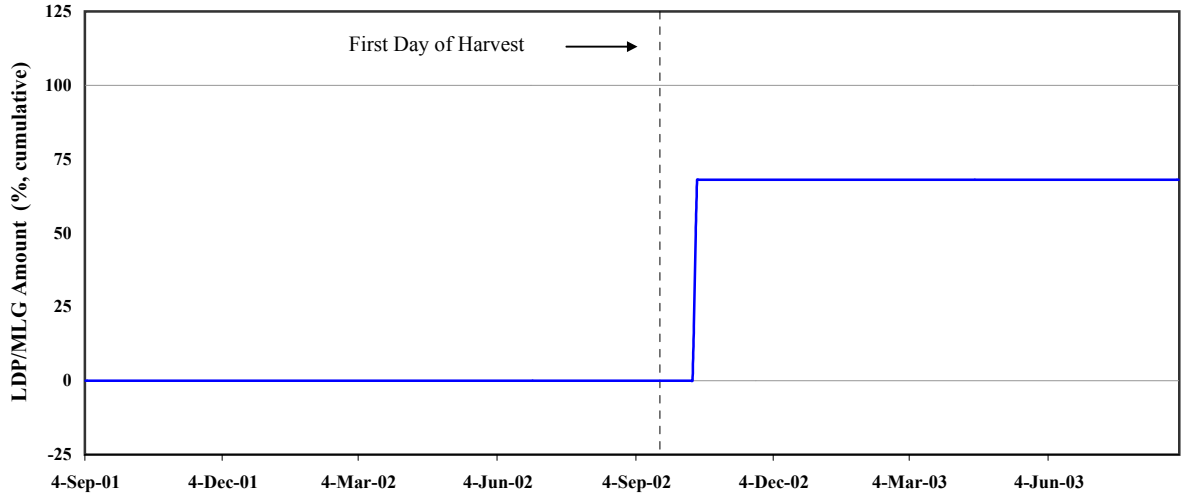


Figure 8.2. Soybean LDP/MLG Profile, AgResource, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 8.3. Soybean Marketing Profile, AgResource, 2003 Crop Year

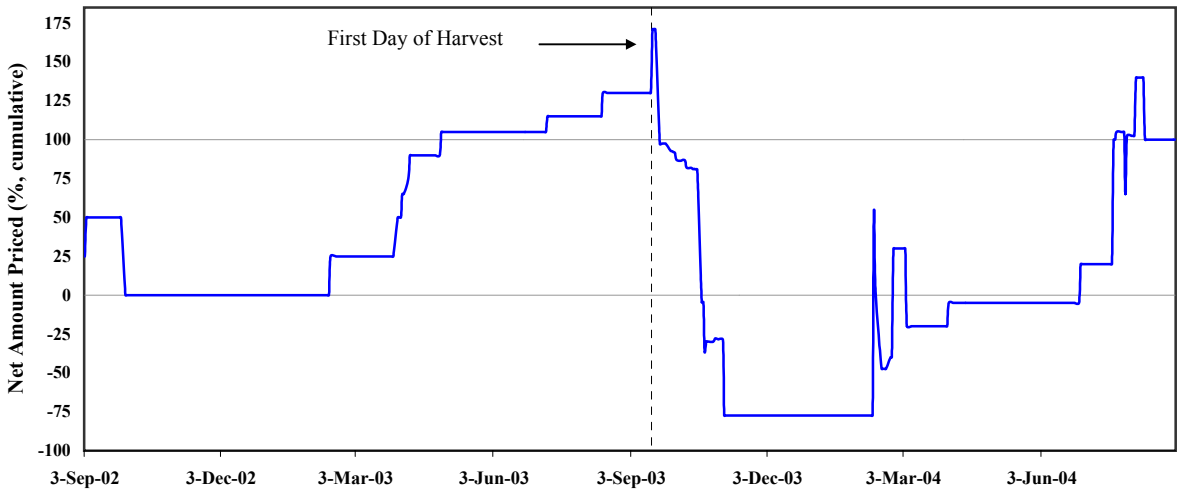


Figure 8.4. Soybean Marketing Profile, AgResource, 2004 Crop Year

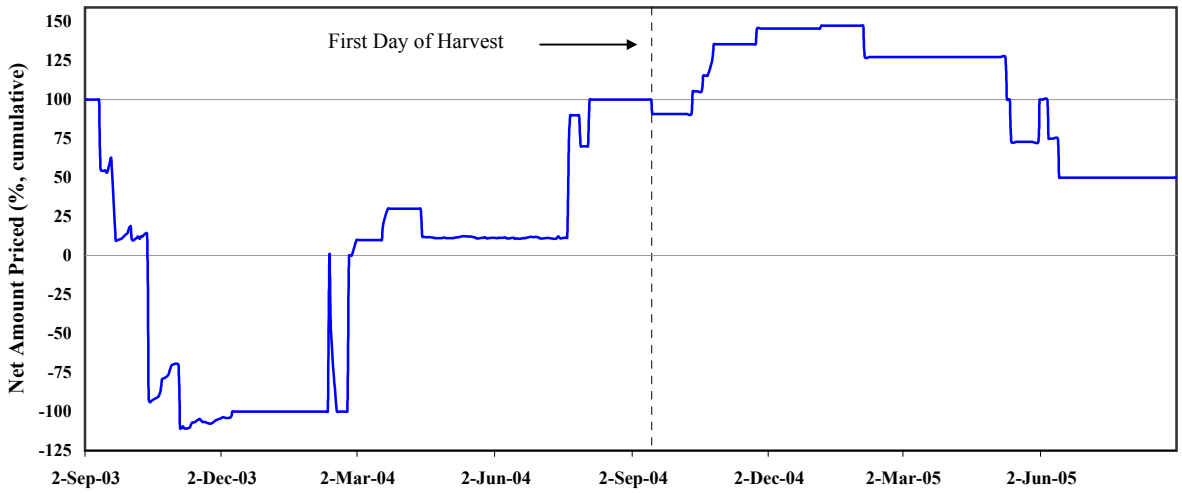
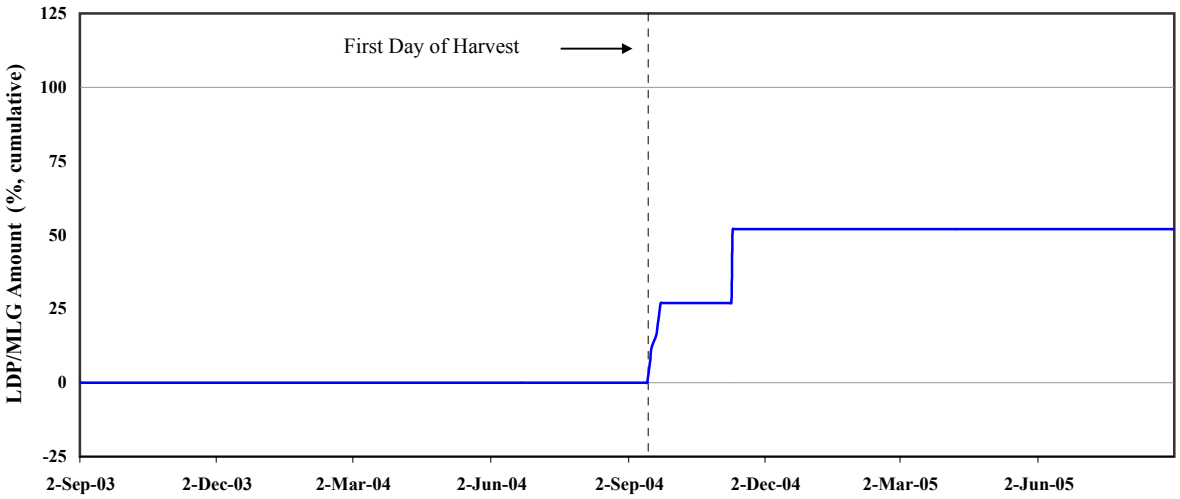


Figure 8.5. Soybean LDP/MLG Profile, AgResource, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 8.6. Soybean Marketing Profile, AgResource, 1995-2004 Crop Years

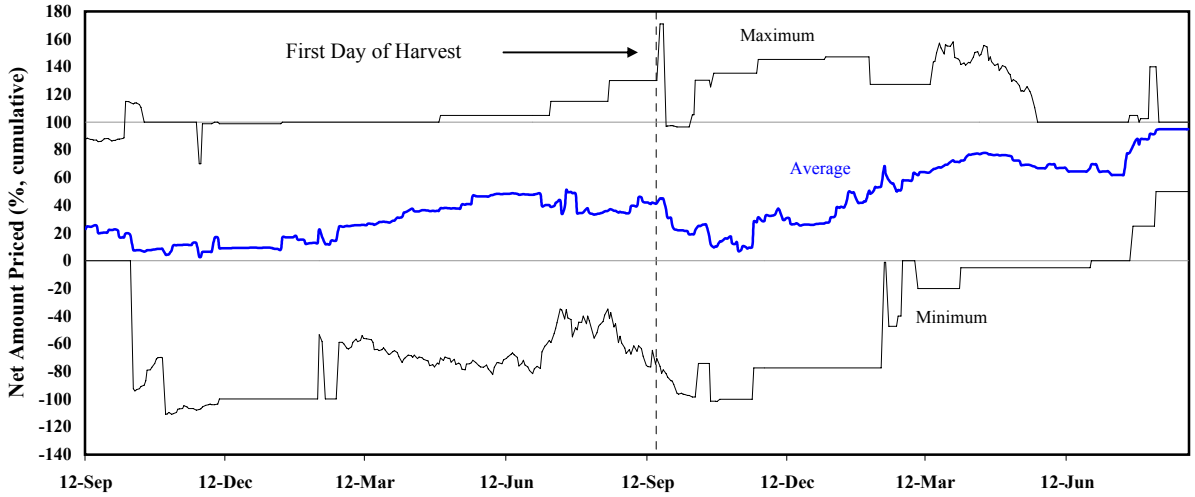
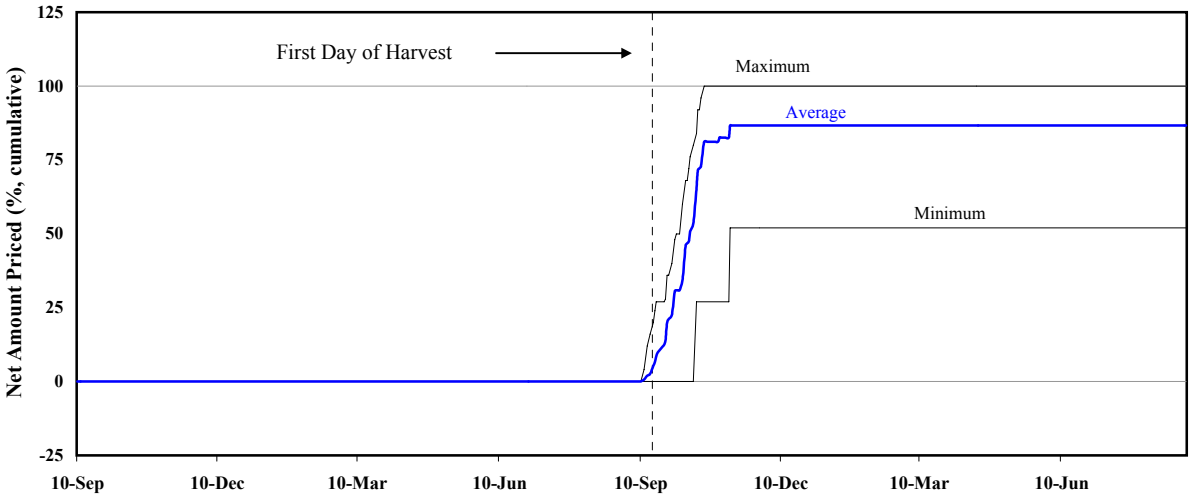


Figure 8.7. Soybean LDP/MLG Profile, AgResource, 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 9.1. Soybean Marketing Profile, AgriVisor (aggressive cash), 2002 Crop Year

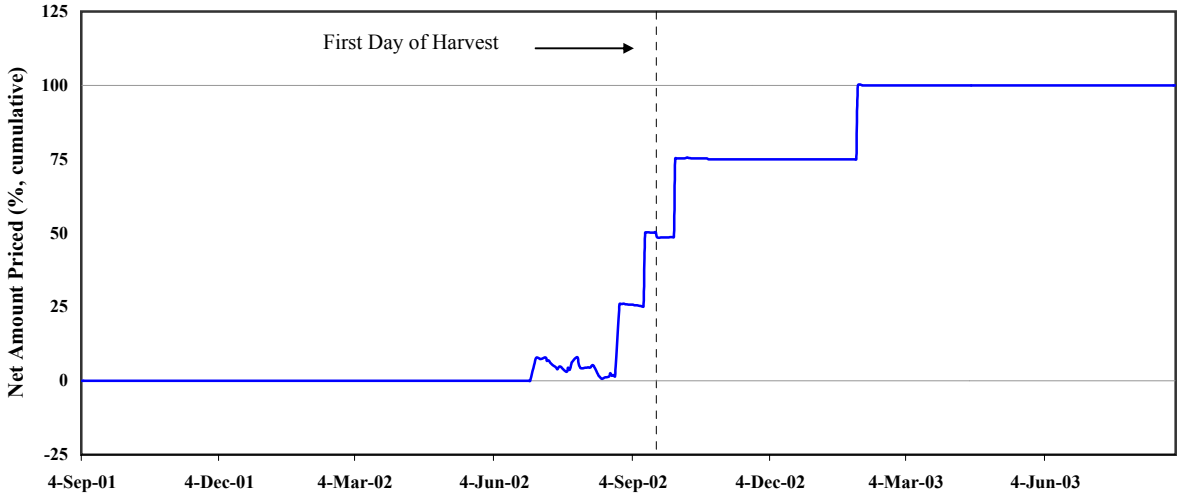
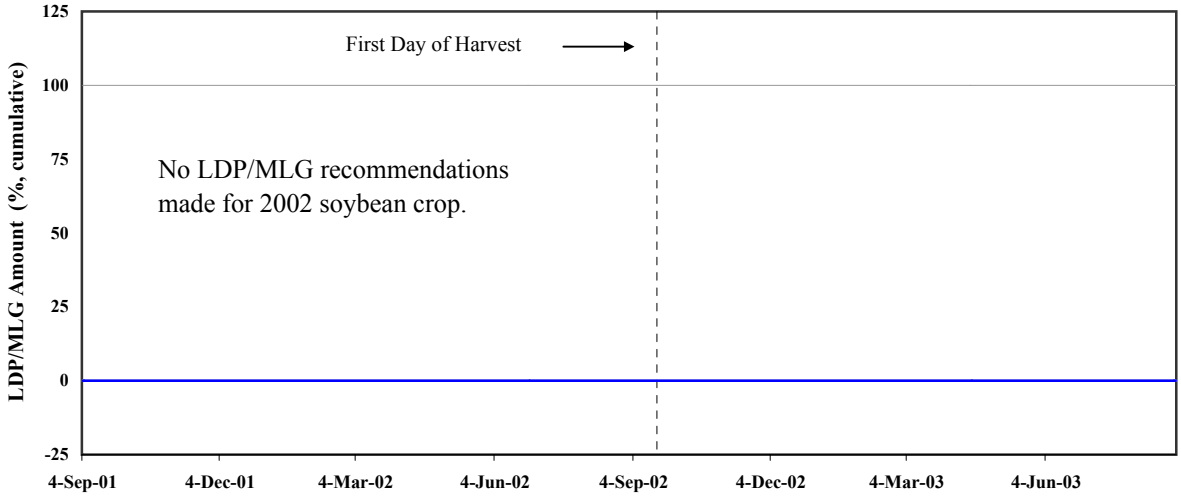


Figure 9.2. Soybean LDP/MLG Profile, AgriVisor (aggressive cash), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 9.3. Soybean Marketing Profile, AgriVisor (aggressive cash), 2003 Crop Year

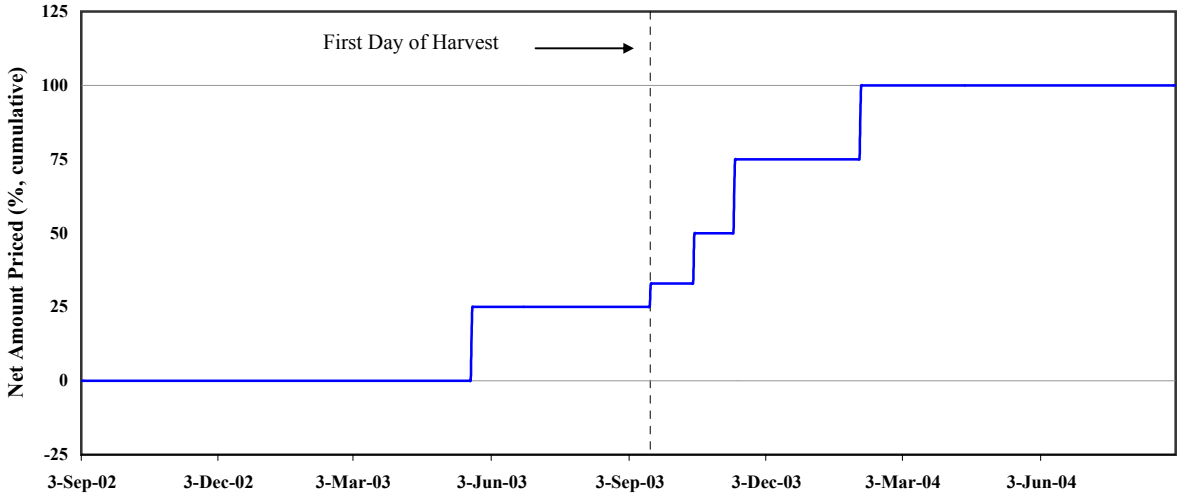


Figure 9.4. Soybean Marketing Profile, AgriVisor (aggressive cash), 2004 Crop Year

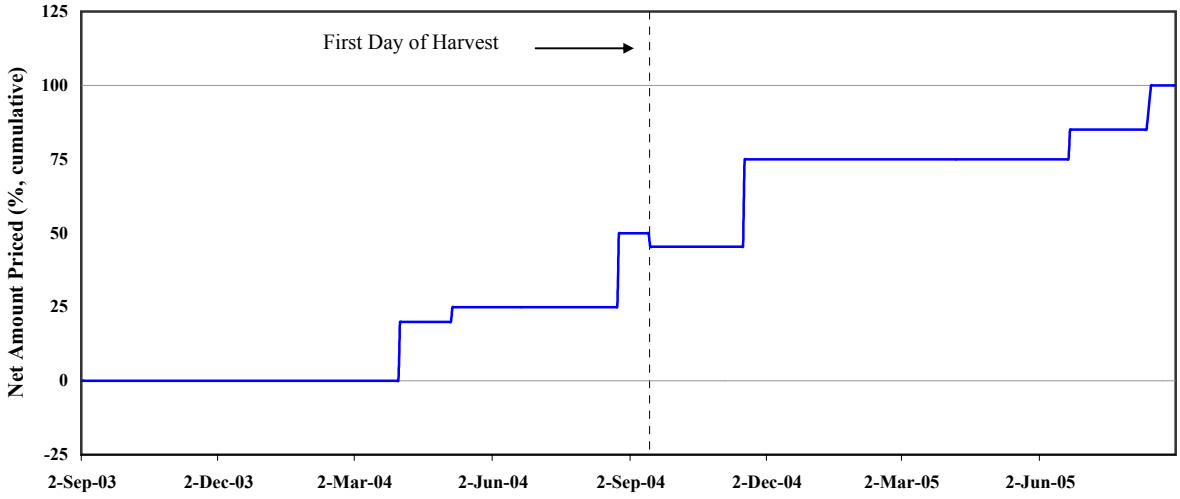
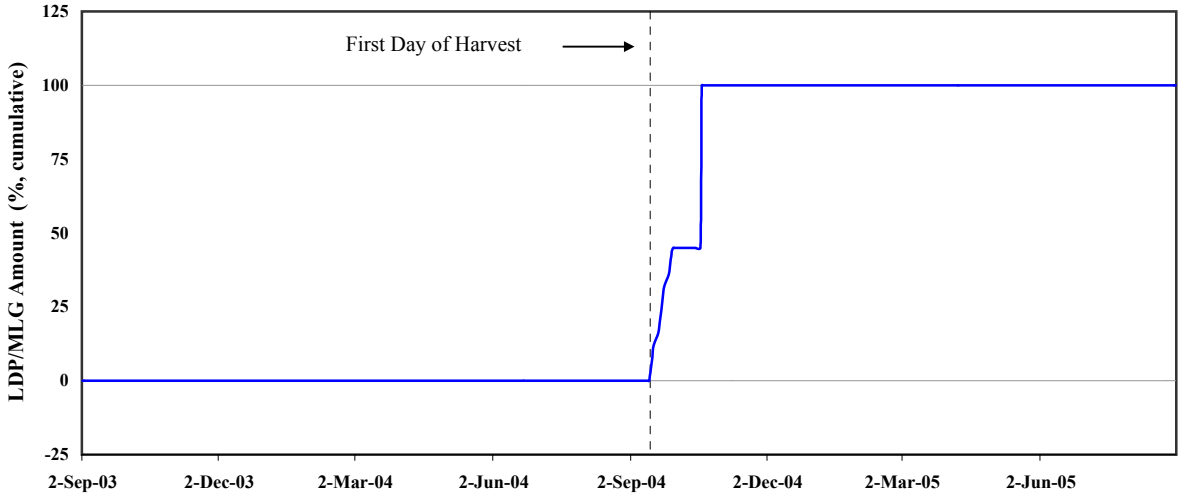


Figure 9.5. Soybean LDP/MLG Profile, AgriVisor (aggressive cash), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 9.6. Soybean Marketing Profile, AgriVisor (aggressive cash), 1995-2004 Crop Years

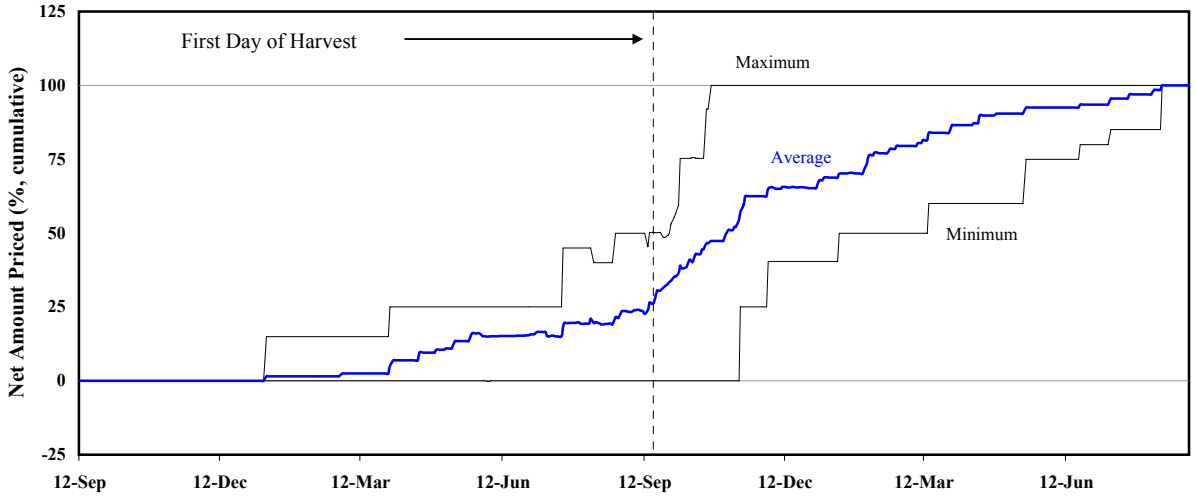
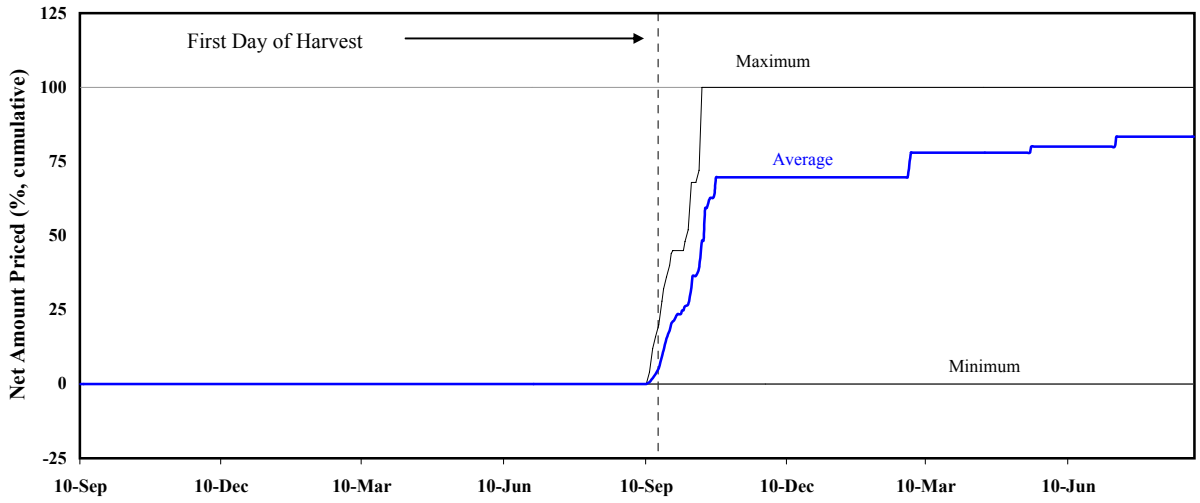


Figure 9.7. Soybean LDP/MLG Profile, AgriVisor (aggressive cash), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 10.1. Soybean Marketing Profile, AgriVisor (aggressive hedge), 2002 Crop Year

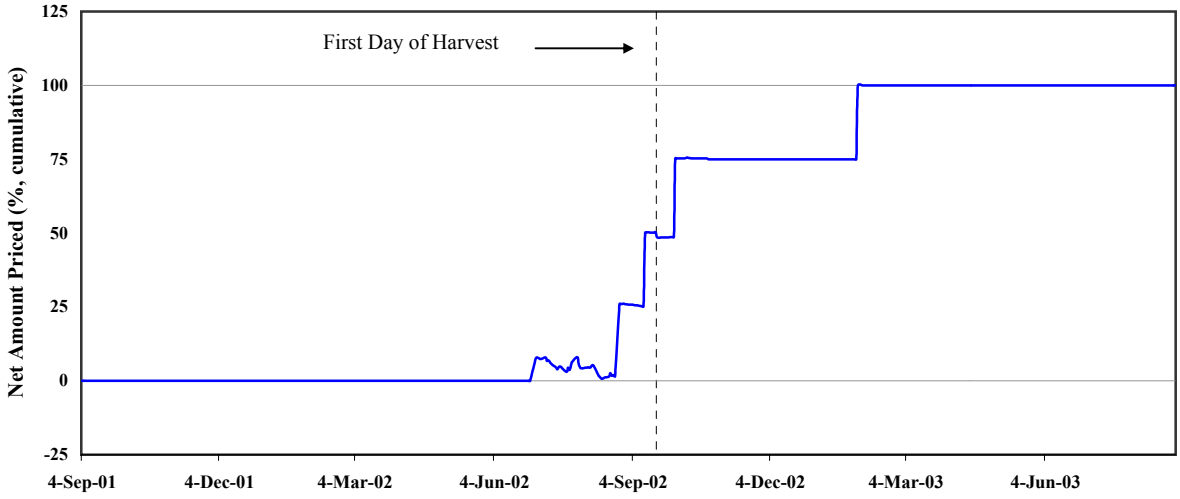
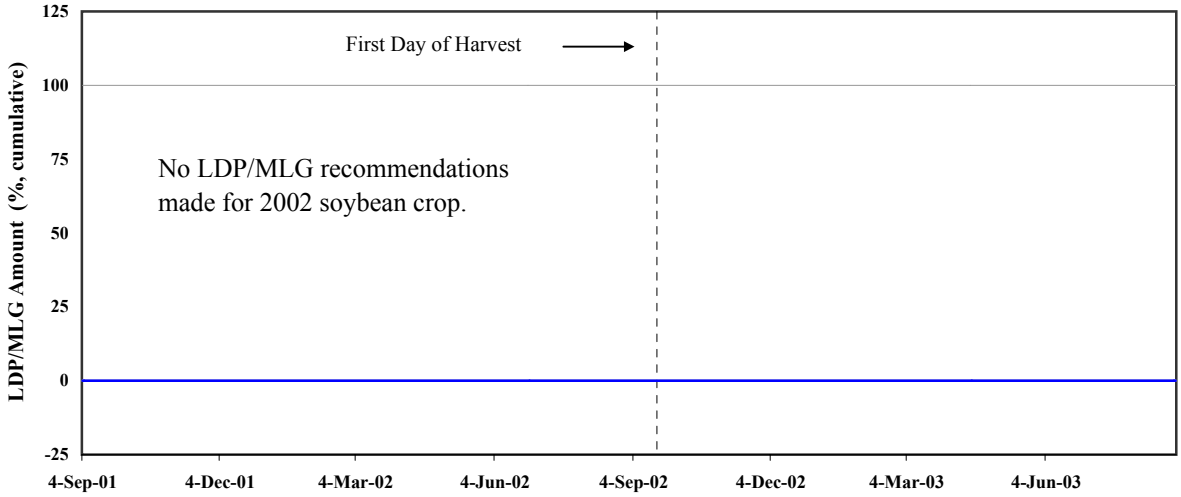


Figure 10.2. Soybean LDP/MLG Profile, AgriVisor (aggressive hedge), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 10.3. Soybean Marketing Profile, AgriVisor (aggressive hedge), 2003 Crop Year

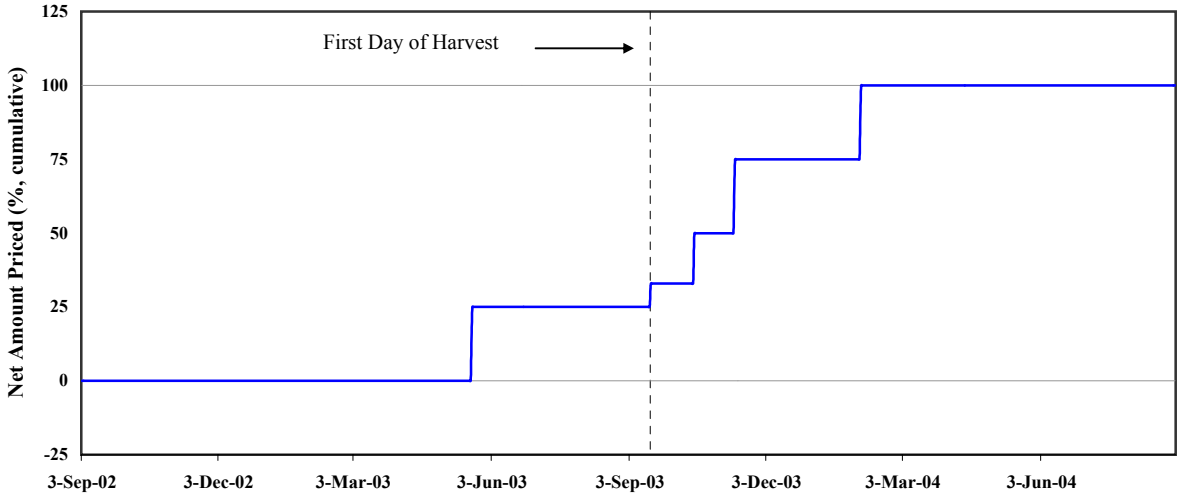


Figure 10.4. Soybean Marketing Profile, AgriVisor (aggressive hedge), 2004 Crop Year

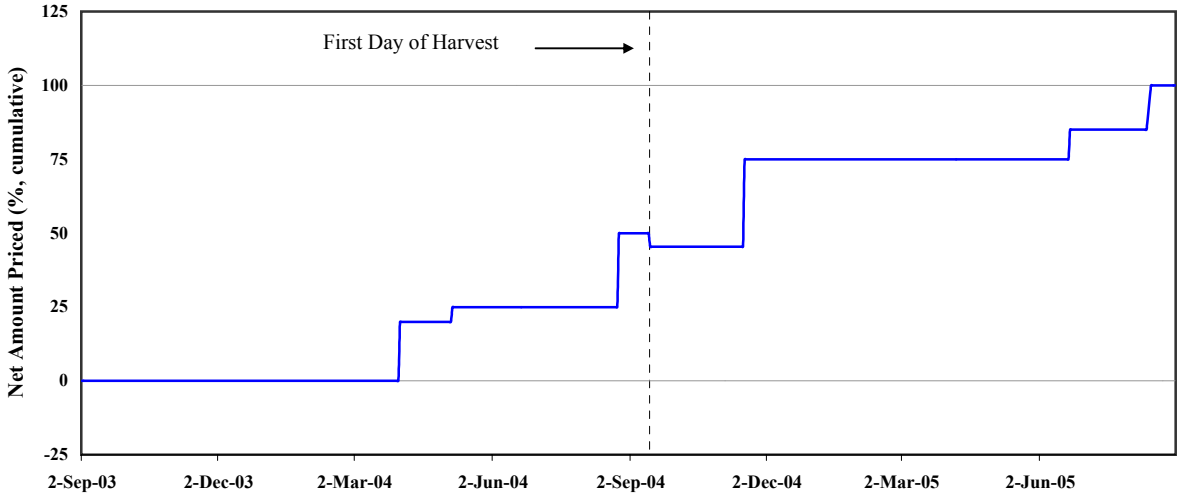
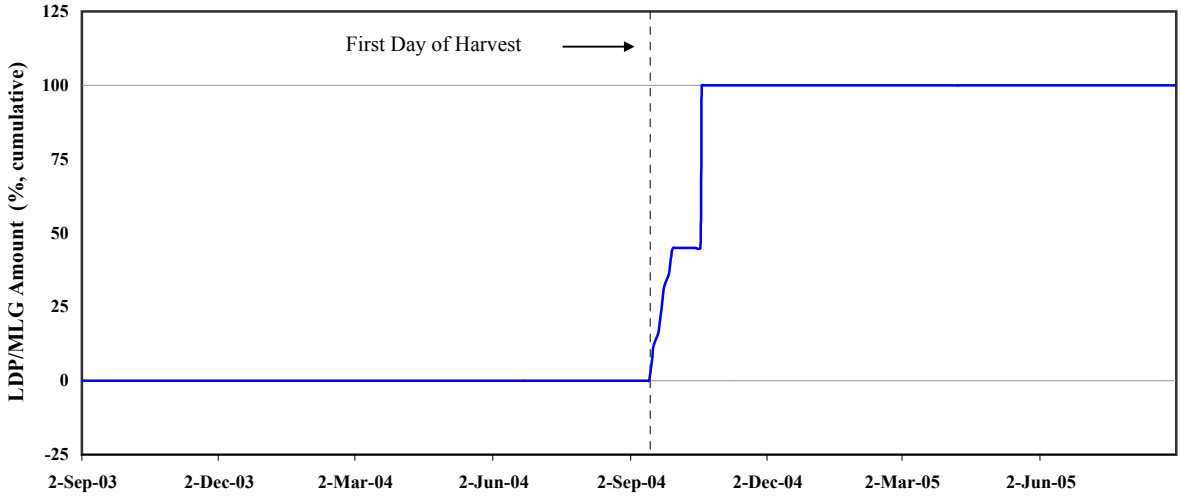


Figure 10.5. Soybean LDP/MLG Profile, AgriVisor (aggressive hedge), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 10.6. Soybean Marketing Profile, AgriVisor (aggressive hedge), 1995-2004 Crop Years

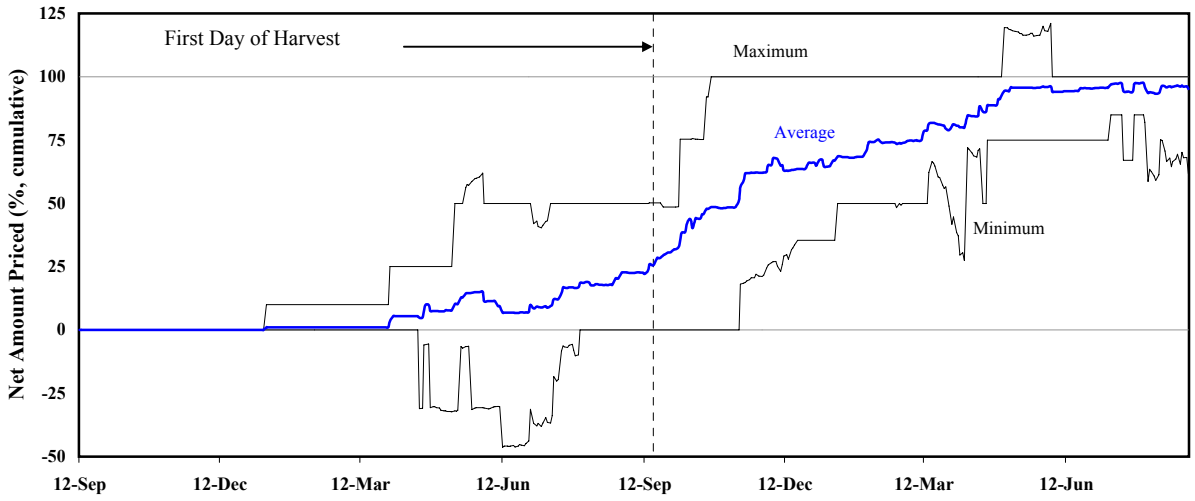
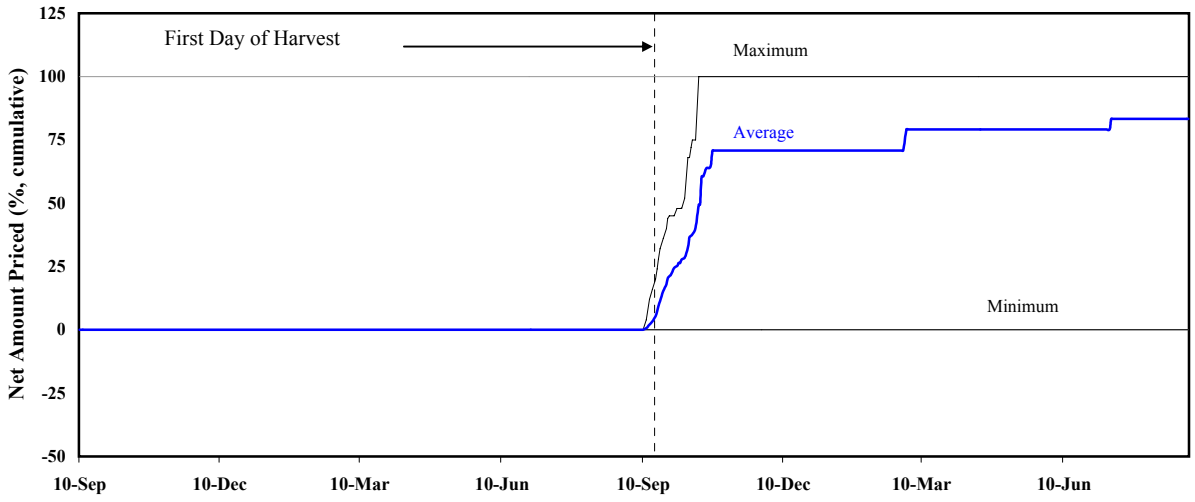


Figure 10.7. Soybean LDP/MLG Profile, AgriVisor (aggressive hedge), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 11.1. Soybean Marketing Profile, AgriVisor (basic cash), 2002 Crop Year

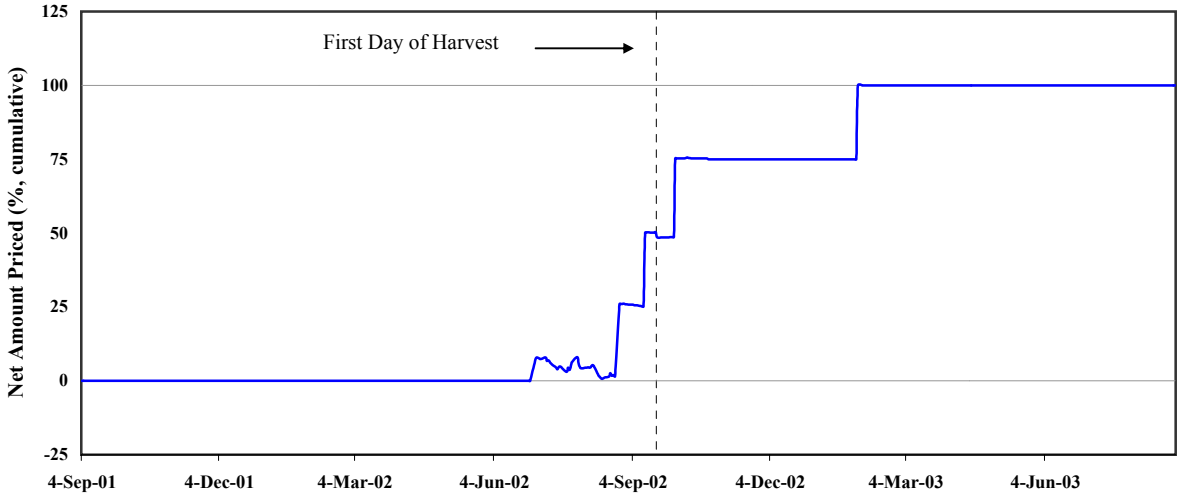
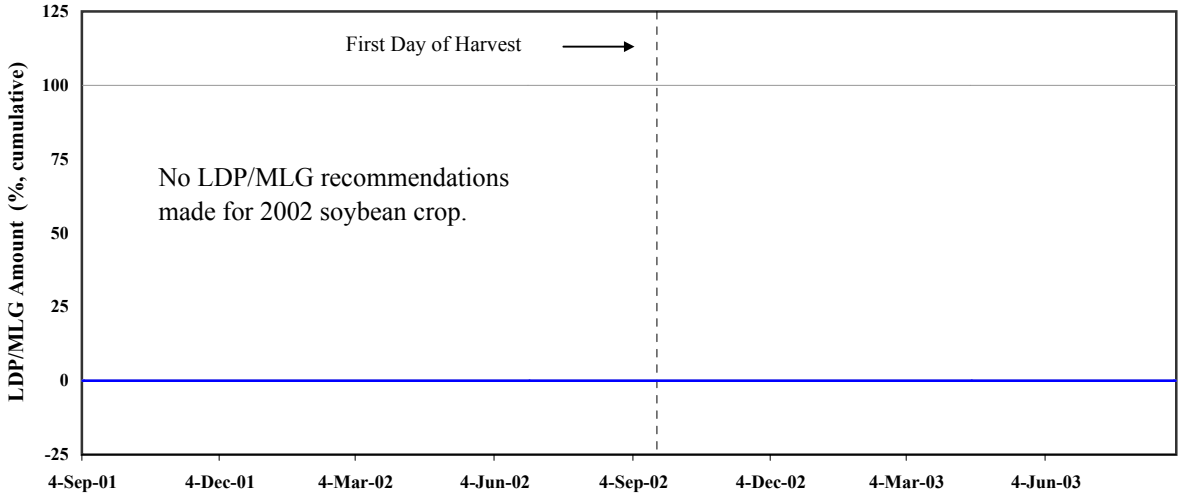


Figure 11.2. Soybean LDP/MLG Profile, AgriVisor (basic cash), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 11.3. Soybean Marketing Profile, AgriVisor (basic cash), 2003 Crop Year

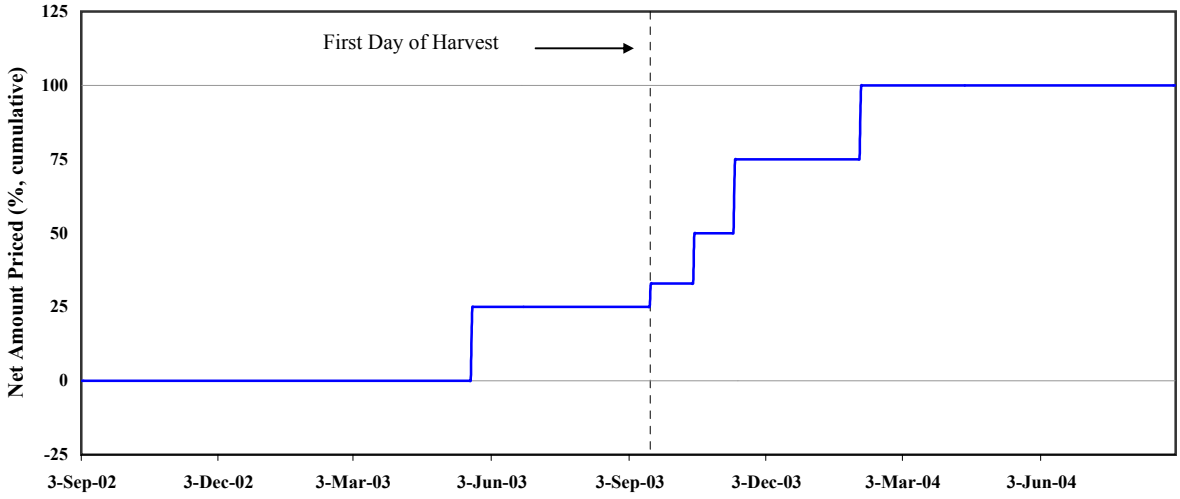


Figure 11.4. Soybean Marketing Profile, AgriVisor (basic cash), 2004 Crop Year

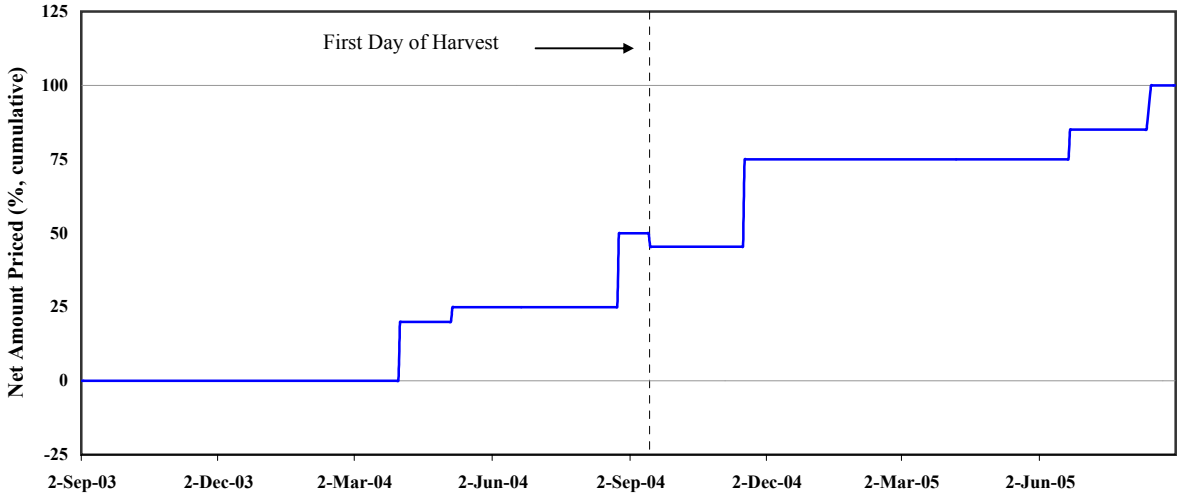
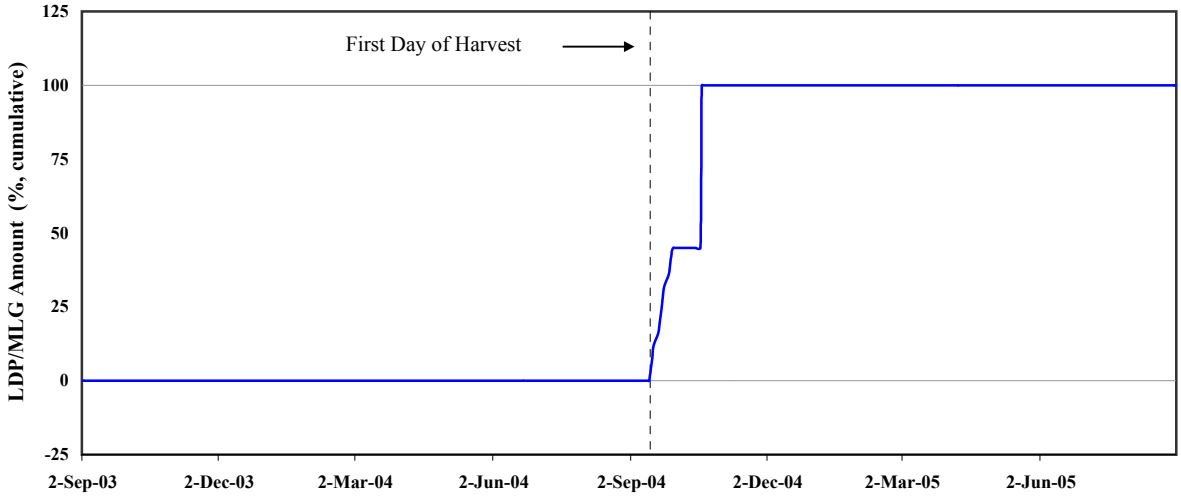


Figure 11.5. Soybean LDP/MLG Profile, AgriVisor (basic cash), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 11.6. Soybean Marketing Profile, AgriVisor (basic cash), 1995-2004 Crop Years

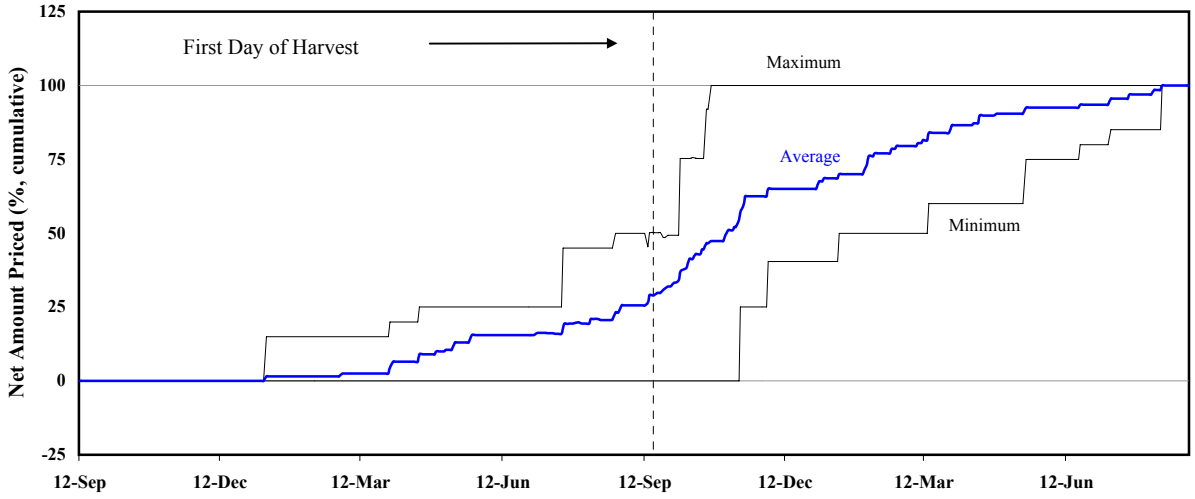
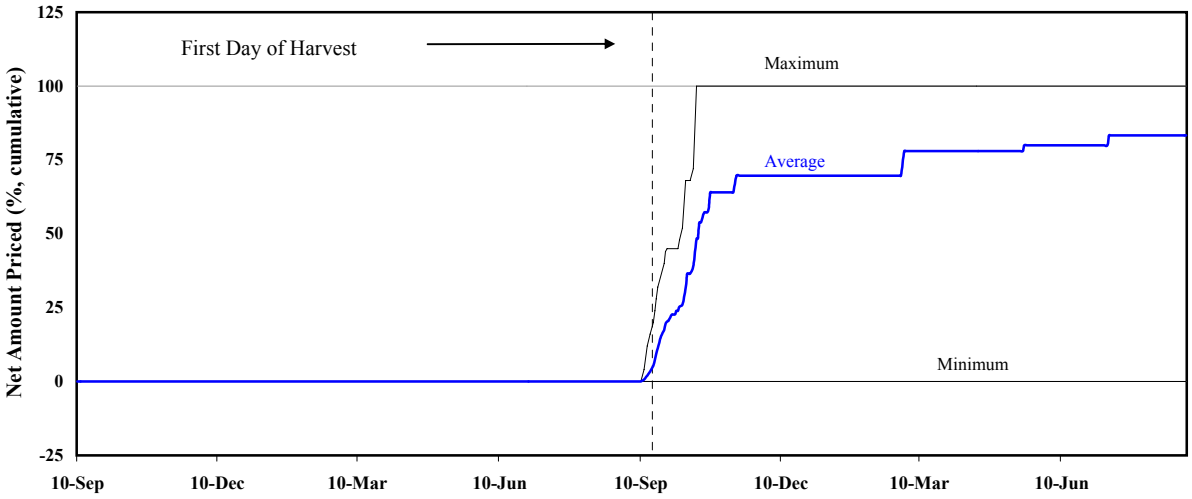


Figure 11.7. Soybean LDP/MLG Profile, AgriVisor (basic cash), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 12.1. Soybean Marketing Profile, AgriVisor (basic hedge), 2002 Crop Year

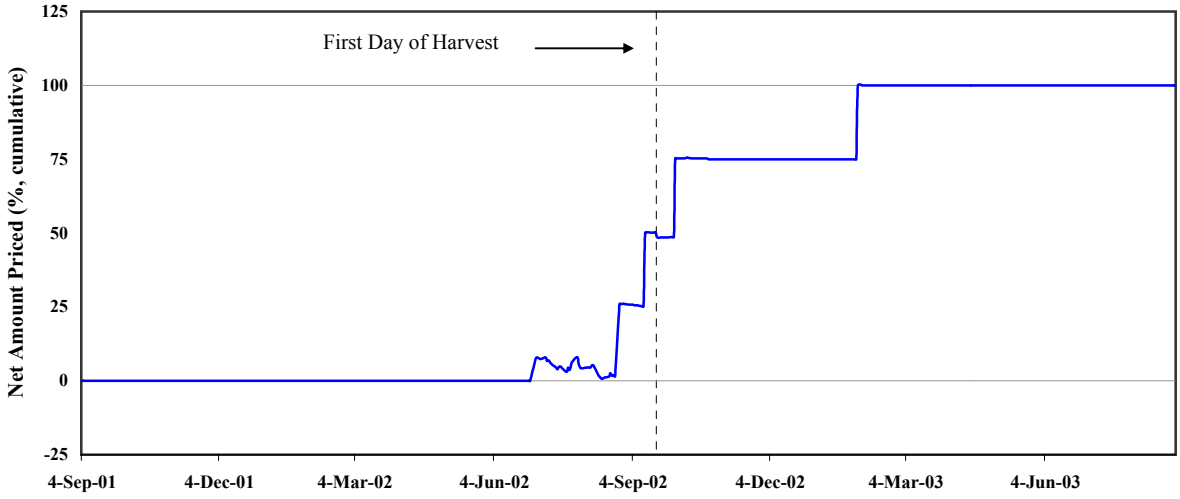
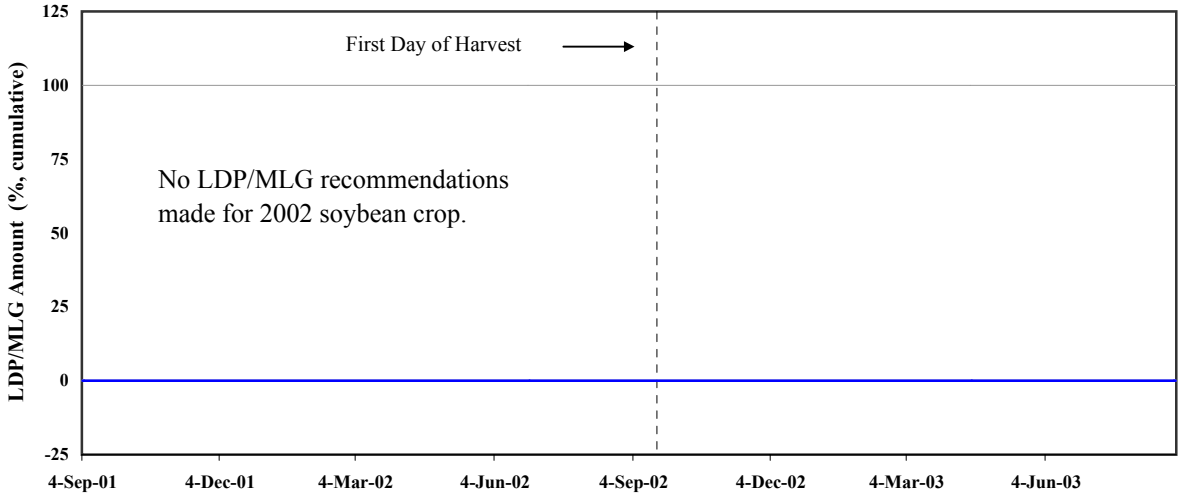


Figure 12.2. Soybean LDP/MLG Profile, AgriVisor (basic hedge), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 12.3. Soybean Marketing Profile, AgriVisor (basic hedge), 2003 Crop Year

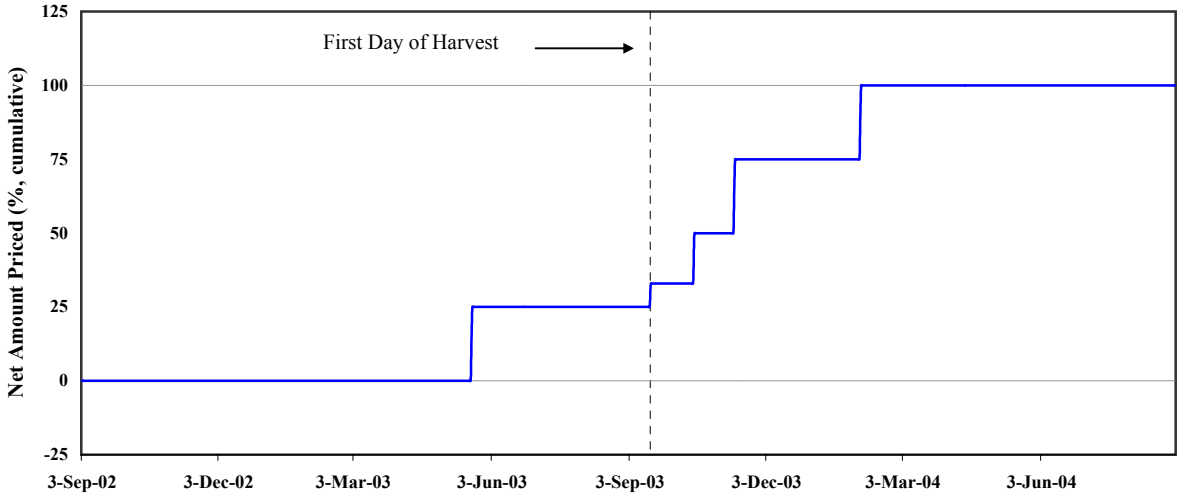


Figure 12.4. Soybean Marketing Profile, AgriVisor (basic hedge), 2004 Crop Year

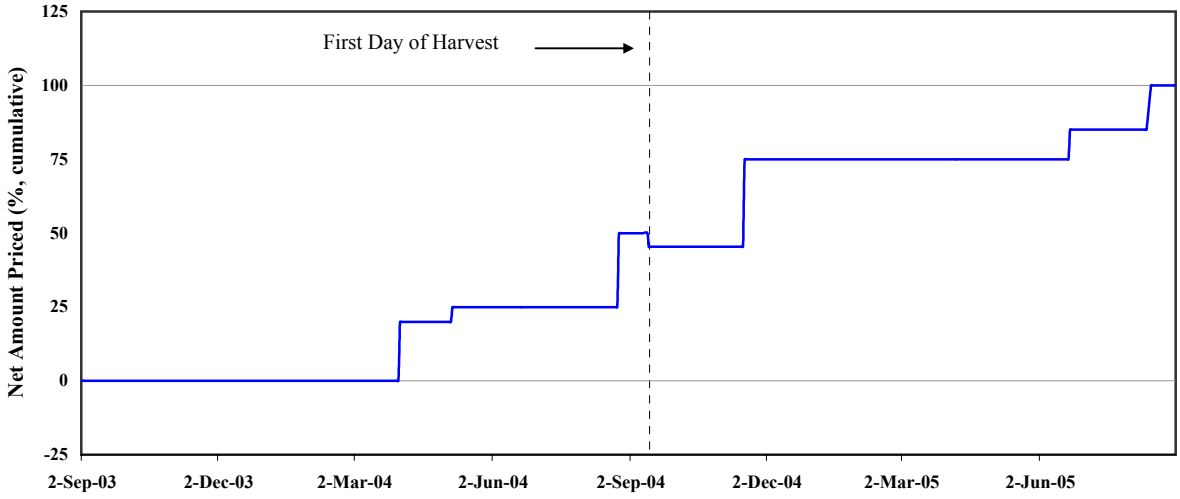
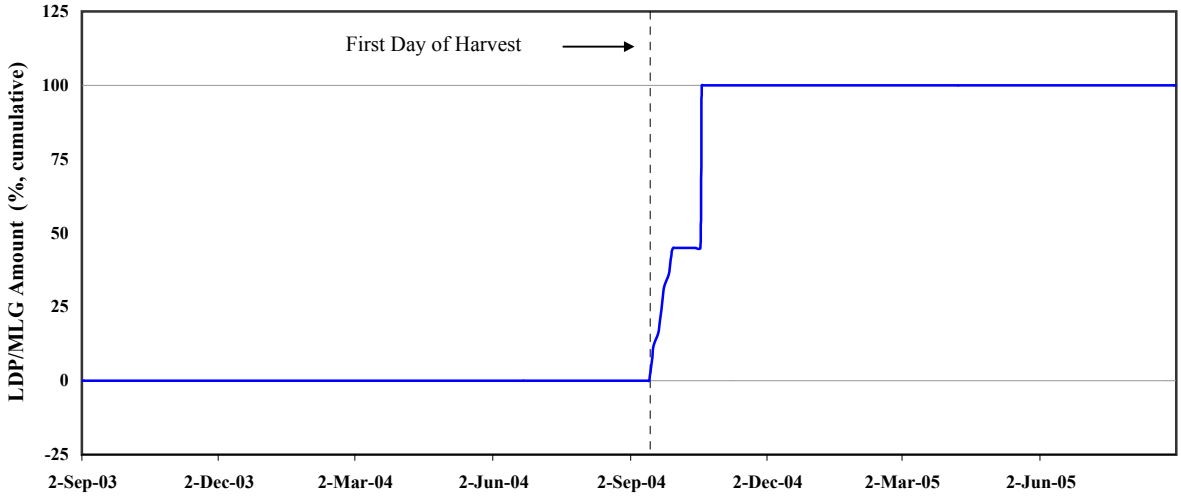


Figure 12.5. Soybean LDP/MLG Profile, AgriVisor (basic hedge), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 12.6. Soybean Marketing Profile, AgriVisor (basic hedge), 1995-2004 Crop Years

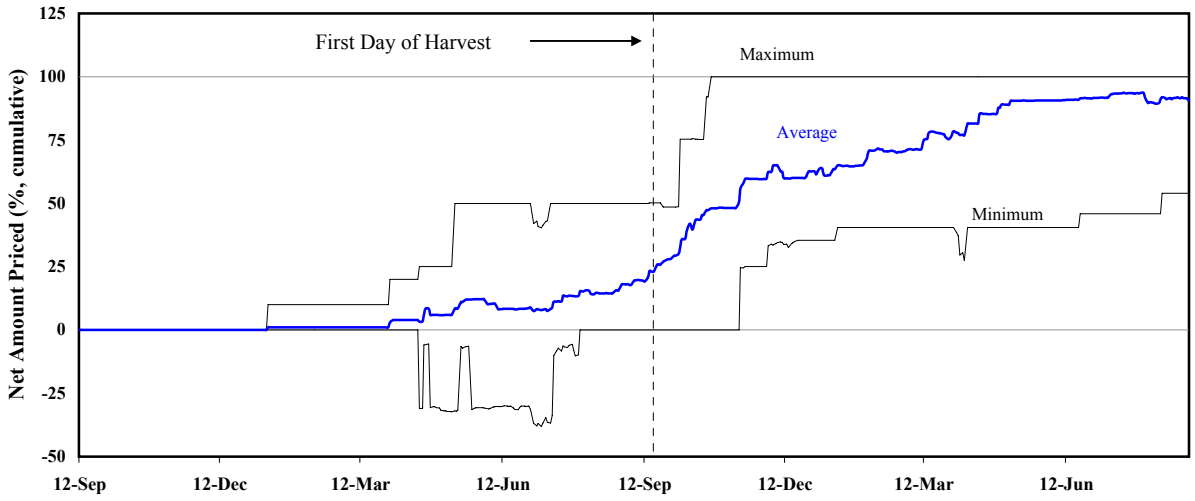
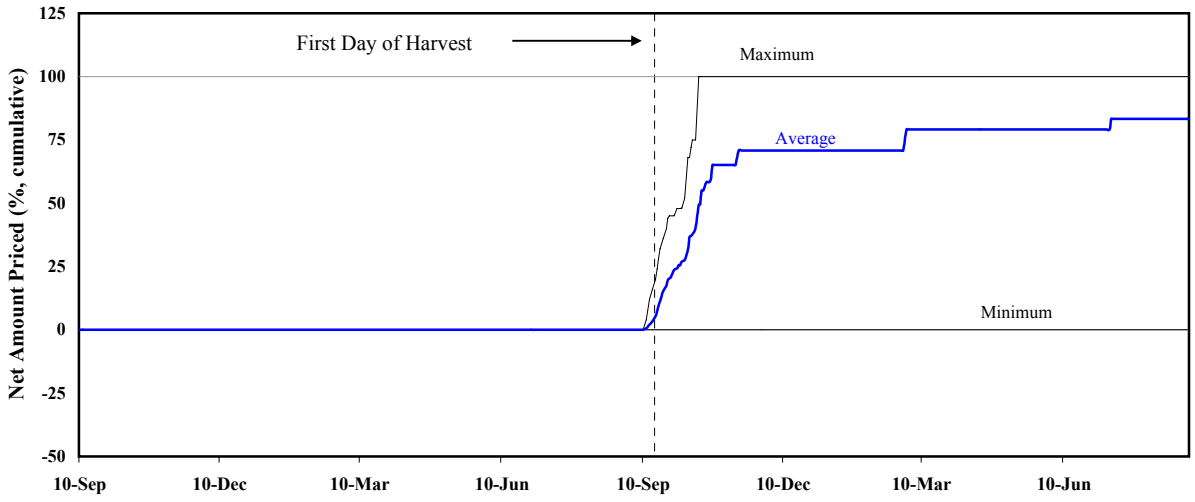


Figure 12.7. Soybean LDP/MLG Profile, AgriVisor (basic hedge), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 13.1. Soybean Marketing Profile, Allendale (futures only), 2002 Crop Year

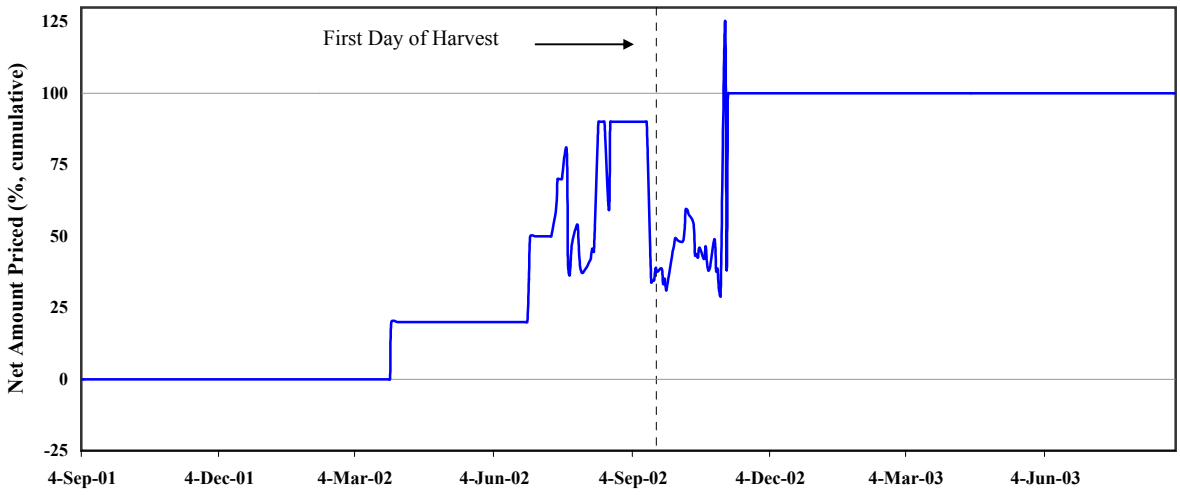
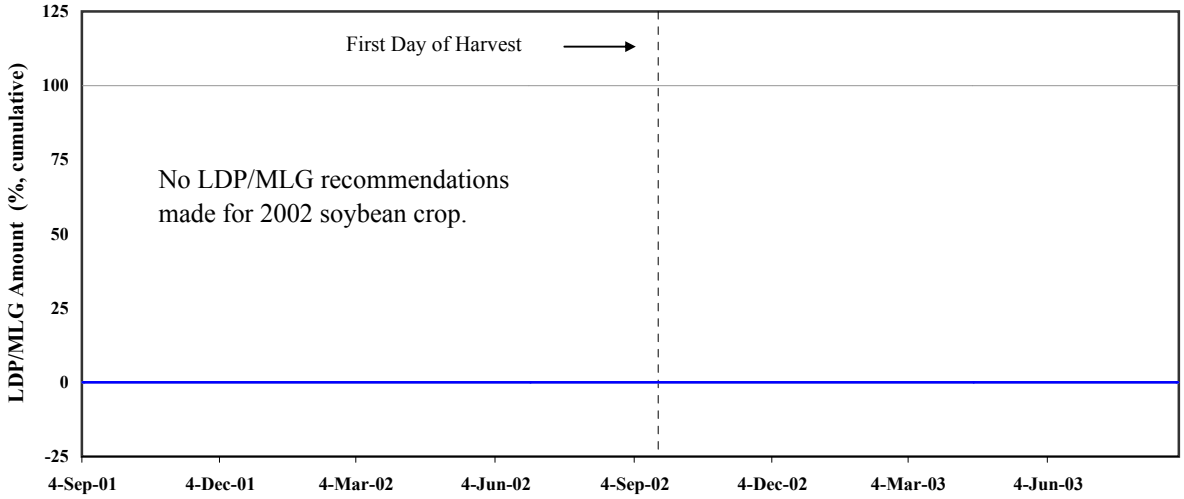


Figure 13.2. Soybean LDP/MLG Profile, Allendale (futures only), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 13.3. Soybean Marketing Profile, Allendale (futures only), 2003 Crop Year

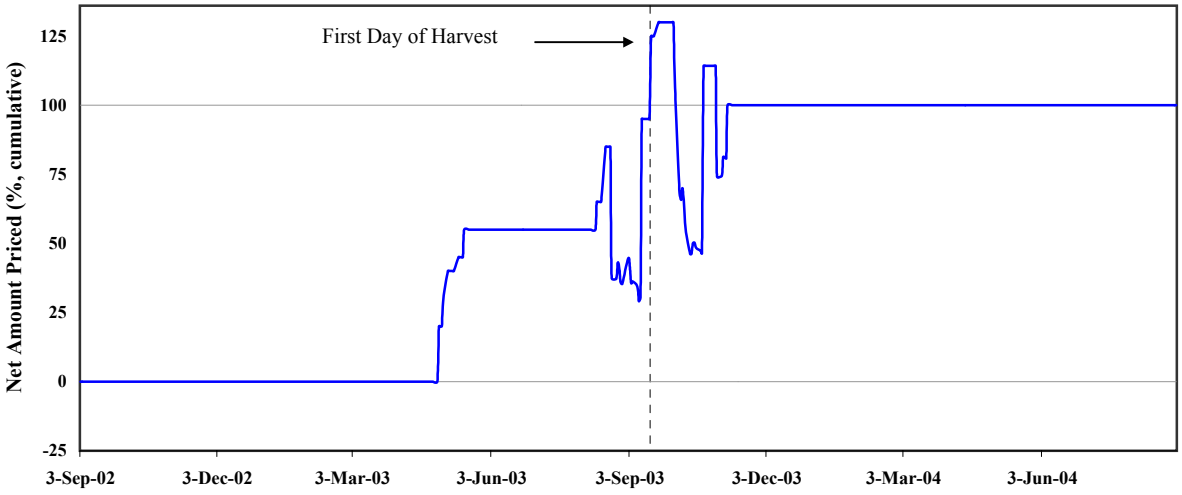


Figure 13.4. Soybean Marketing Profile, Allendale (futures only), 2004 Crop Year

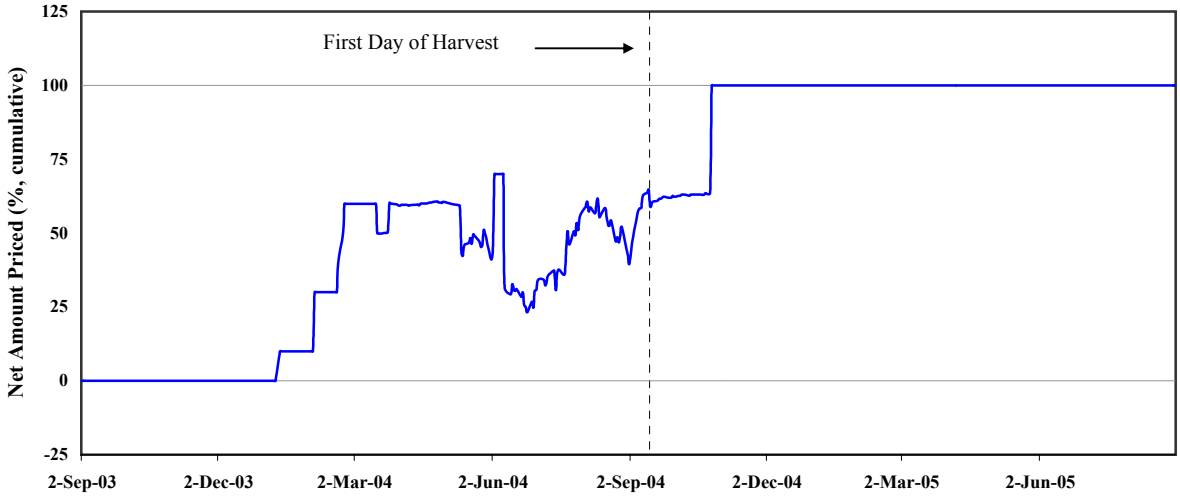
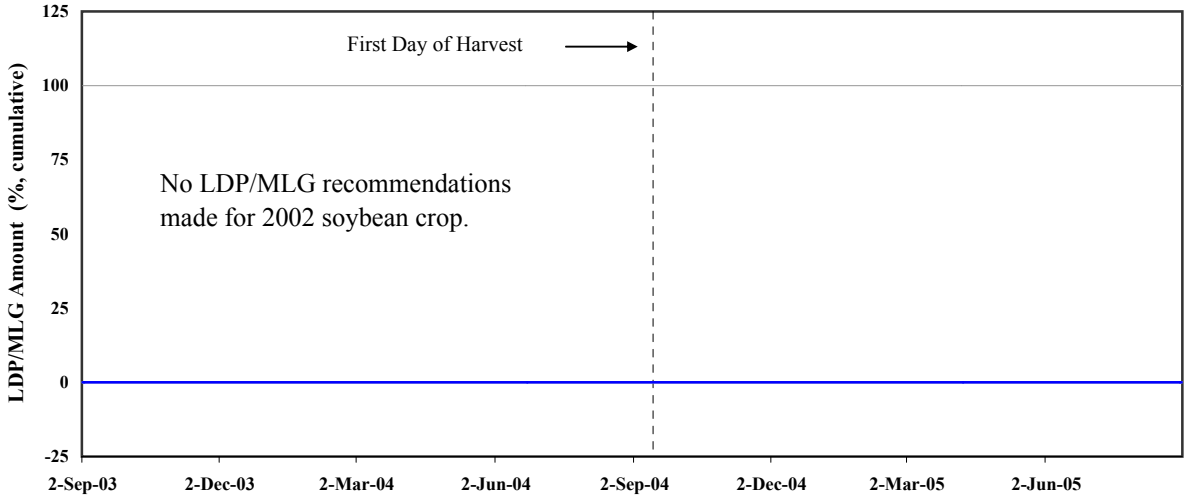


Figure 13.5. Soybean LDP/MLG Profile, Allendale (futures only), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 13.6. Soybean Marketing Profile, Allendale (futures only), 1995-2004 Crop Years

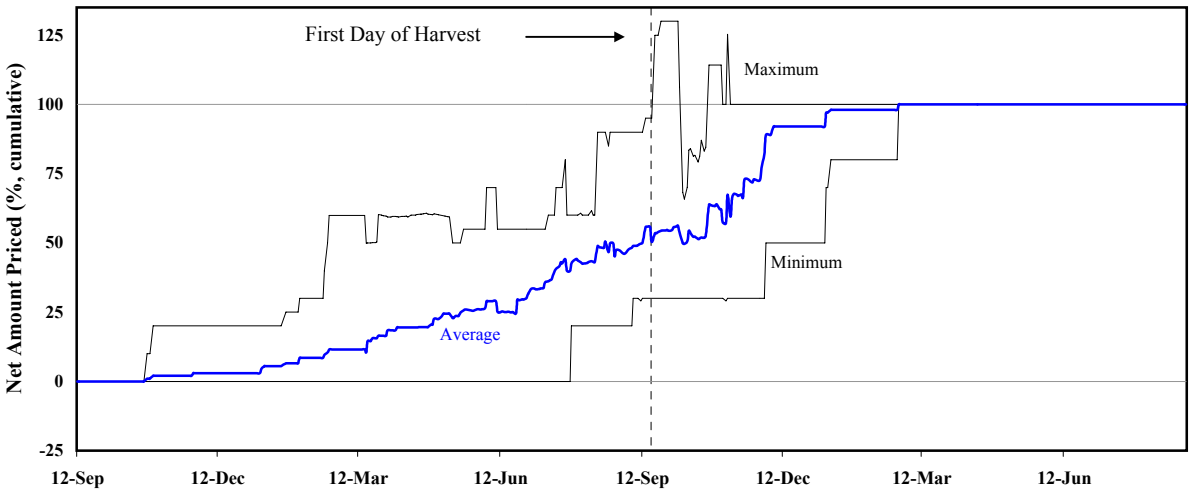
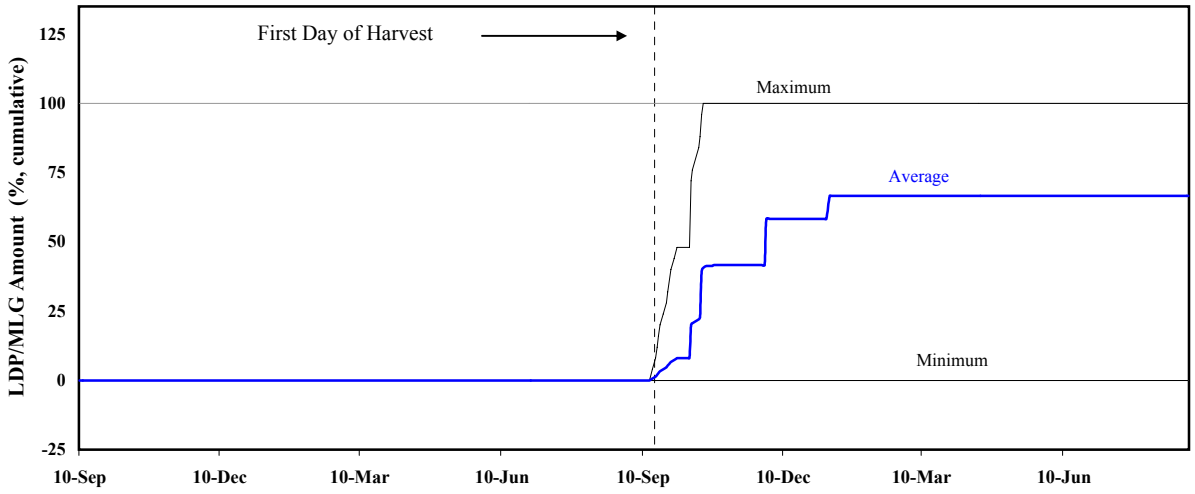


Figure 13.7. Soybean LDP/MLG Profile, Allendale (futures only), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 14.1. Soybean Marketing Profile, Brock (cash only), 2002 Crop Year

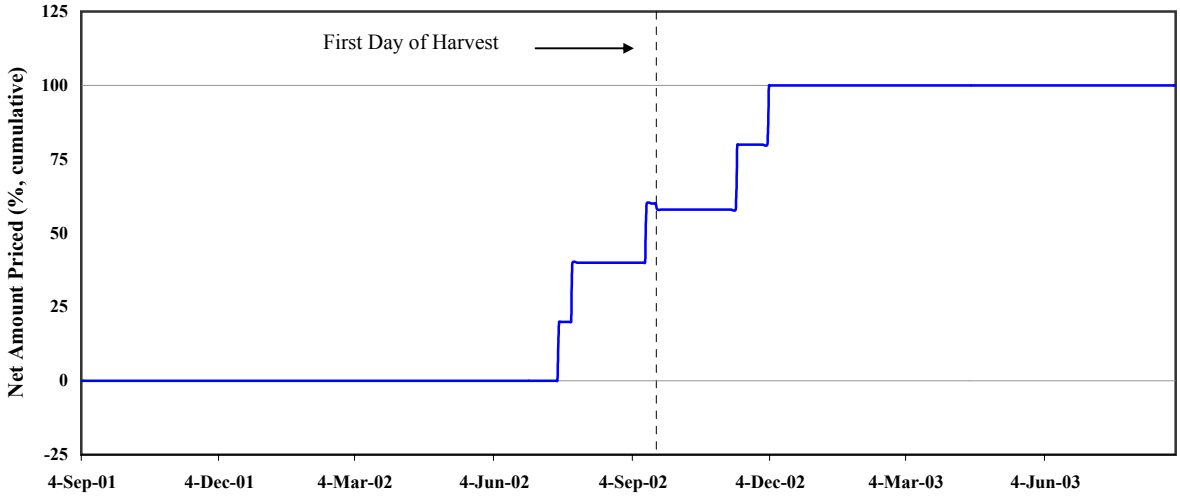
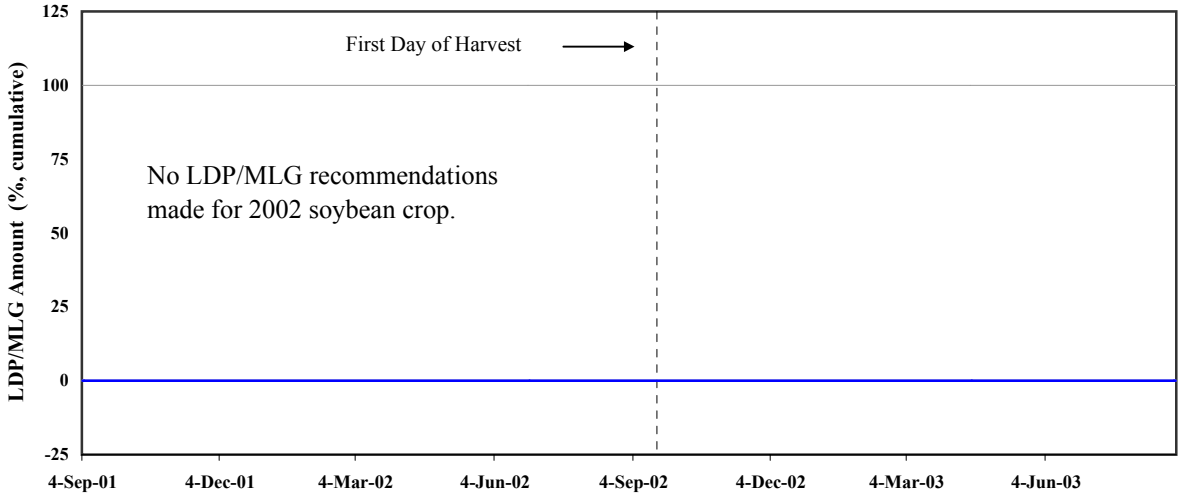


Figure 14.2. Soybean LDP/MLG Profile, Brock (cash only), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 14.3. Soybean Marketing Profile, Brock (cash only), 2003 Crop Year

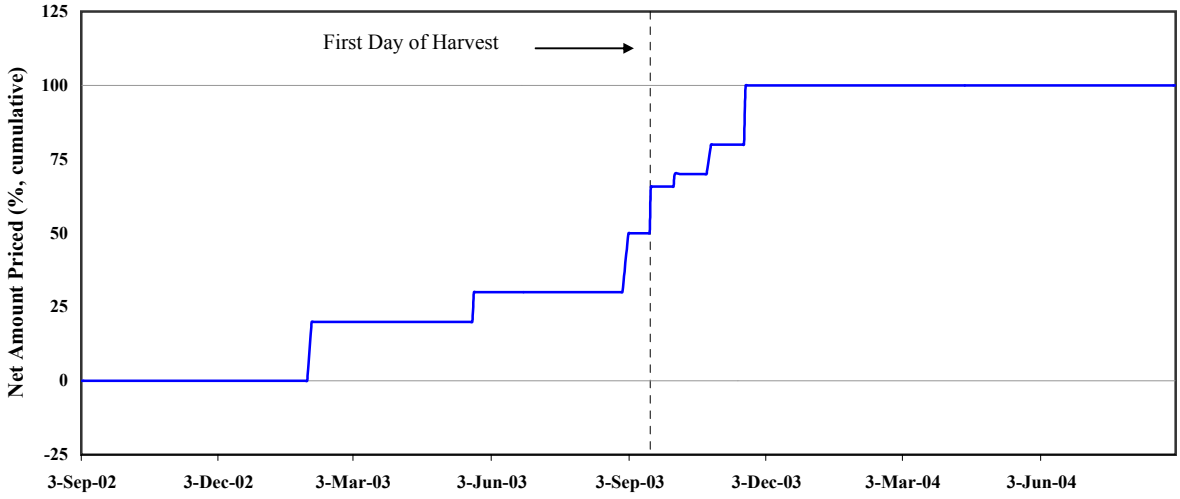


Figure 14.4. Soybean Marketing Profile, Brock (cash only), 2004 Crop Year

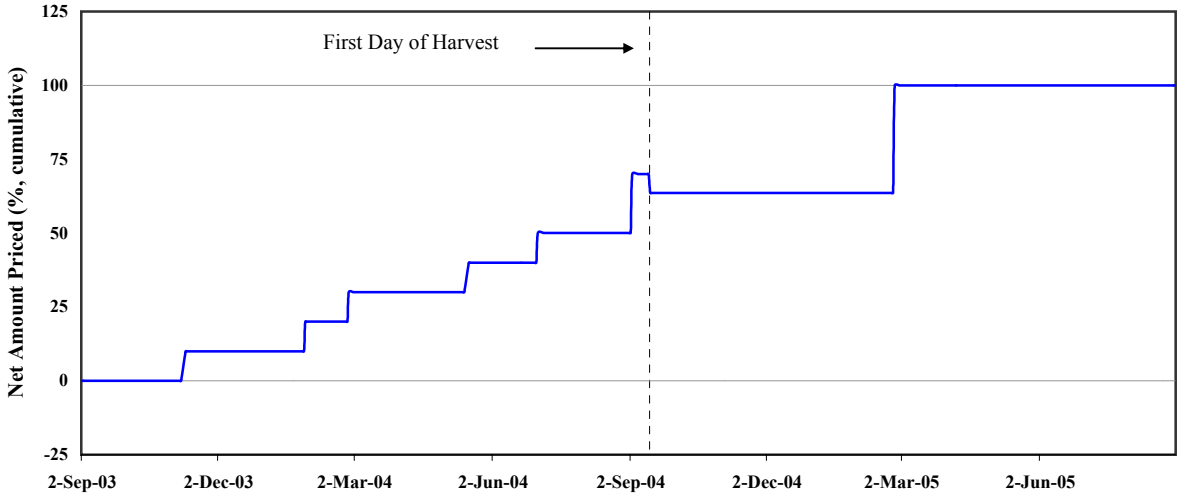
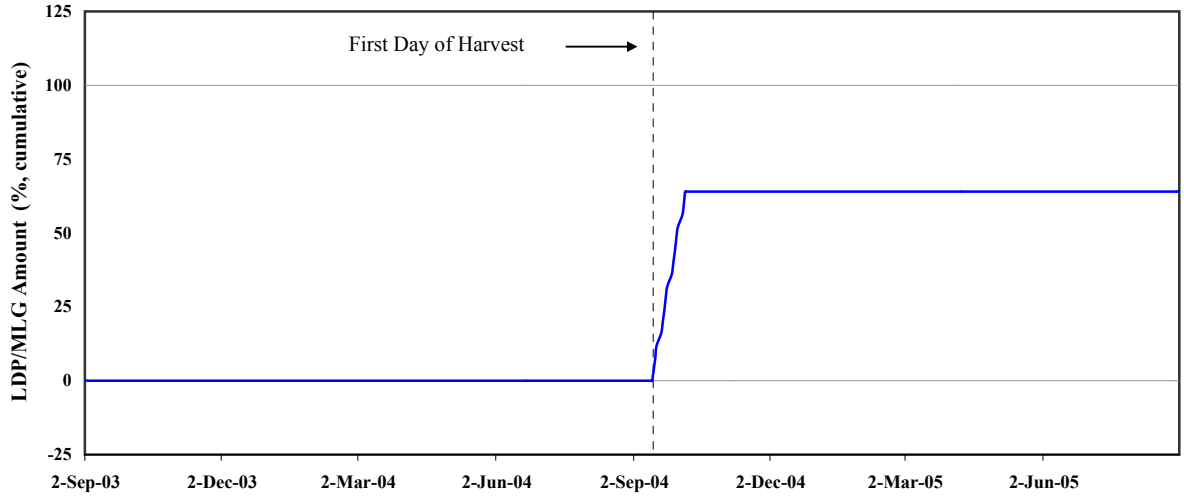


Figure 14.5. Soybean LDP/MLG Profile, Brock (cash only), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 14.6. Soybean Marketing Profile, Brock (cash only), 1995-2004 Crop Years

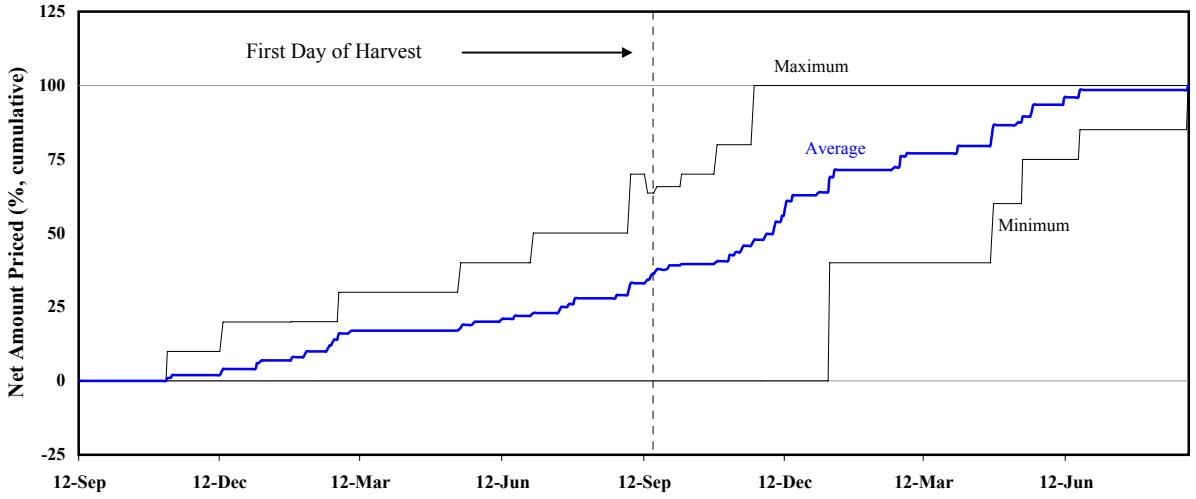
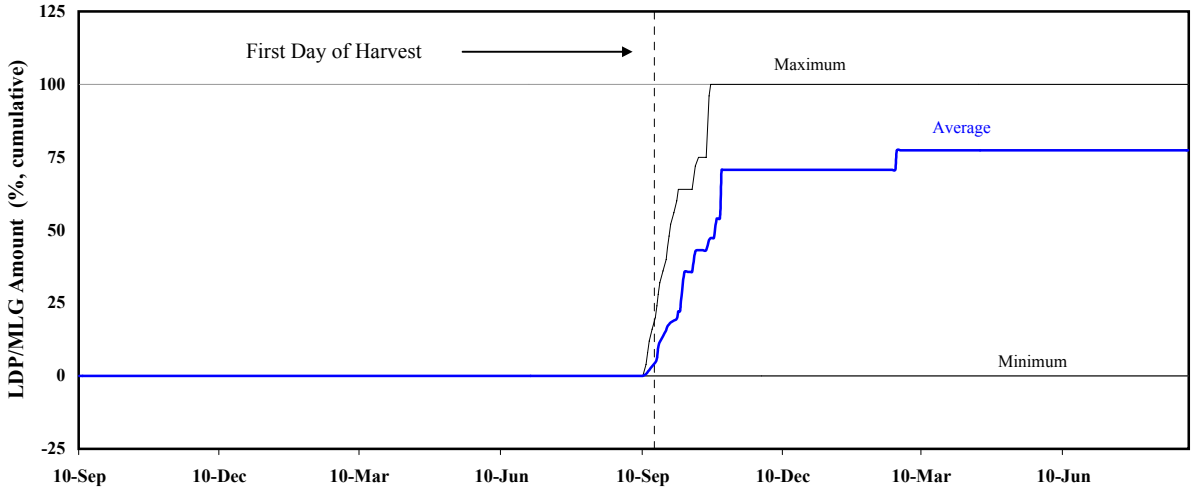


Figure 14.7. Soybean LDP/MLG Profile, Brock (cash only), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 15.1. Soybean Marketing Profile, Brock (hedge), 2002 Crop Year

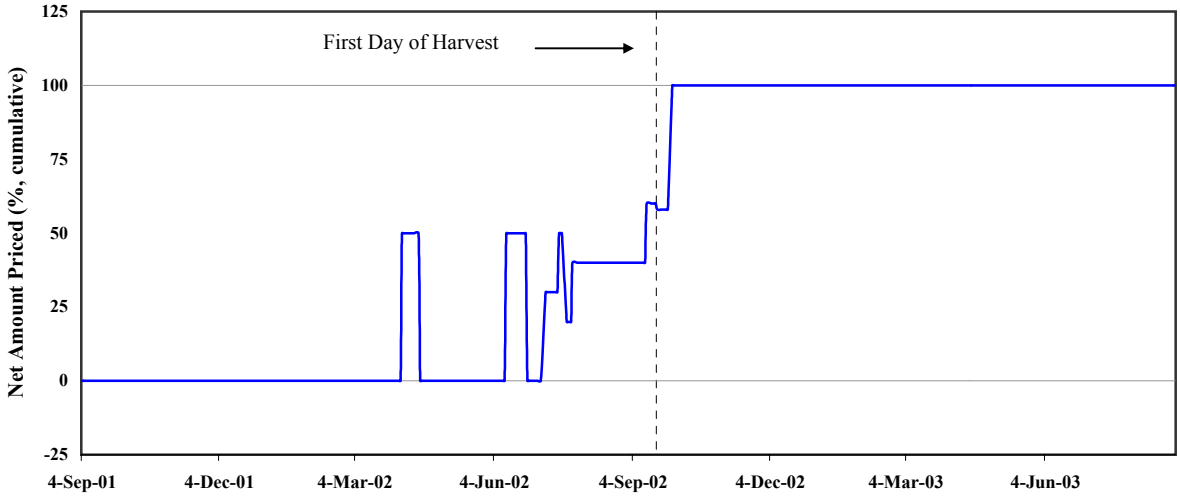
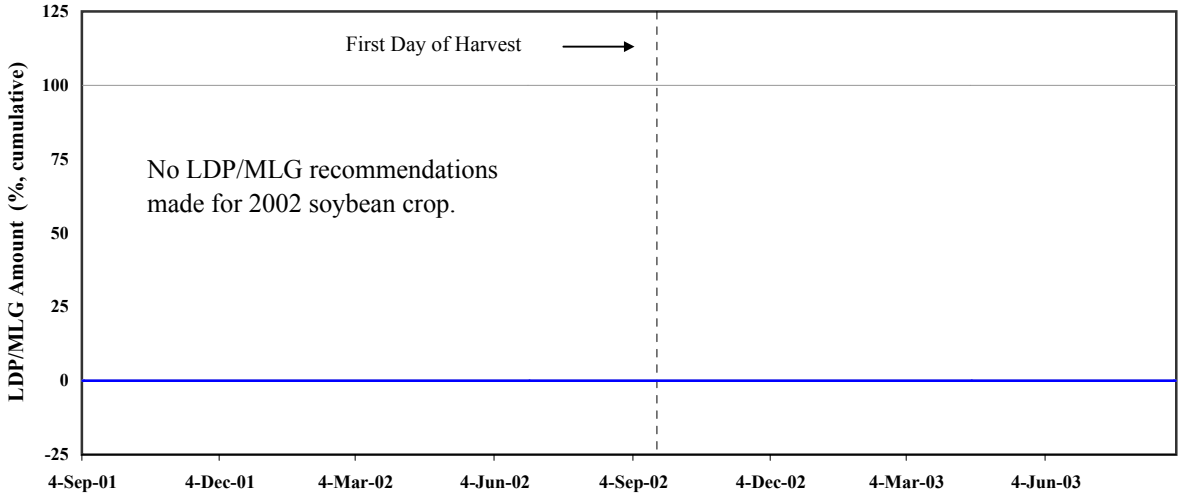


Figure 15.2. Soybean LDP/MLG Profile, Brock (hedge), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 15.3. Soybean Marketing Profile, Brock (hedge), 2003 Crop Year

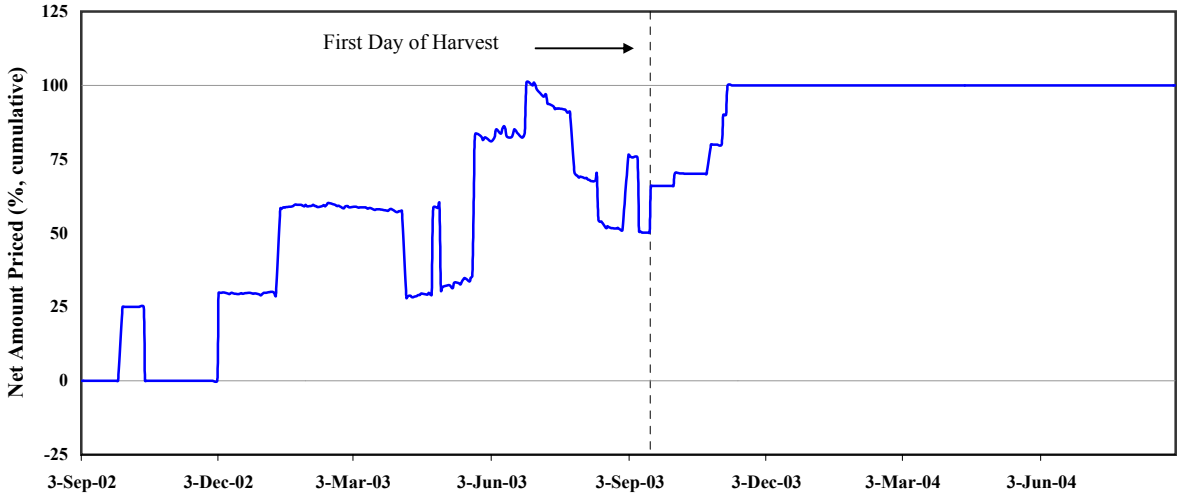


Figure 15.4. Soybean Marketing Profile, Brock (hedge), 2004 Crop Year

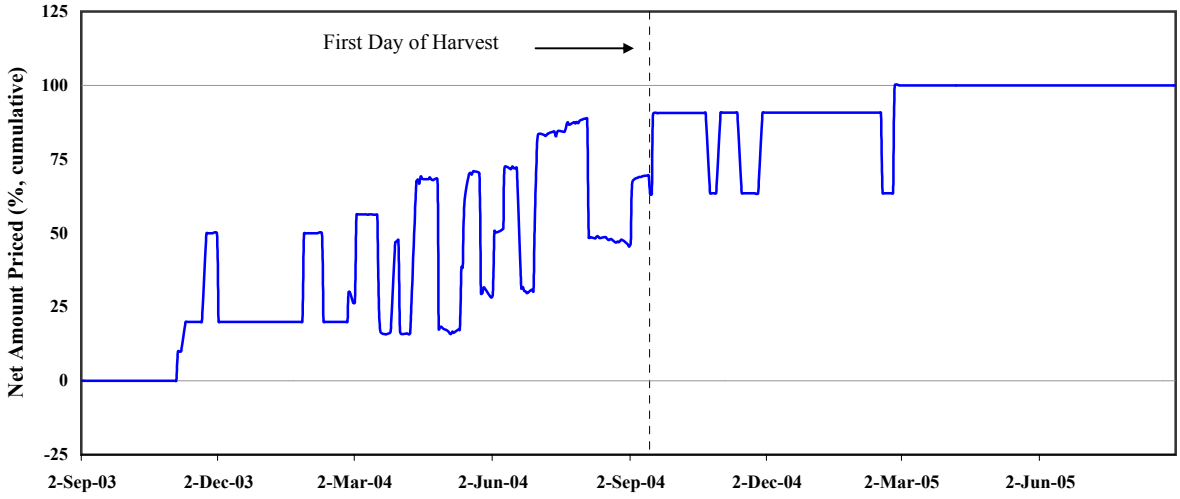
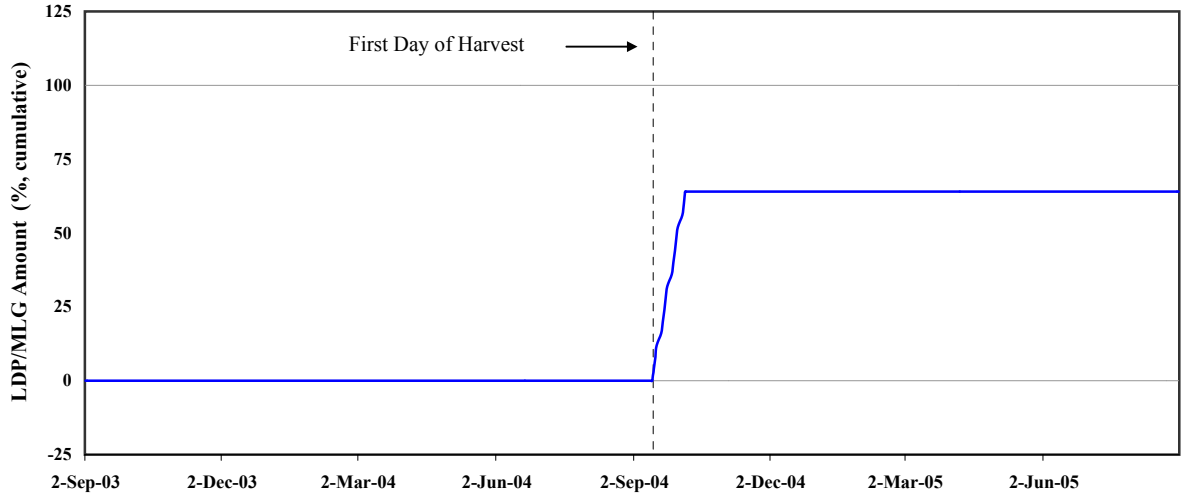


Figure 15.5. Soybean LDP/MLG Profile, Brock (hedge), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 15.6. Soybean Marketing Profile, Brock (hedge), 1995-2004 Crop Years

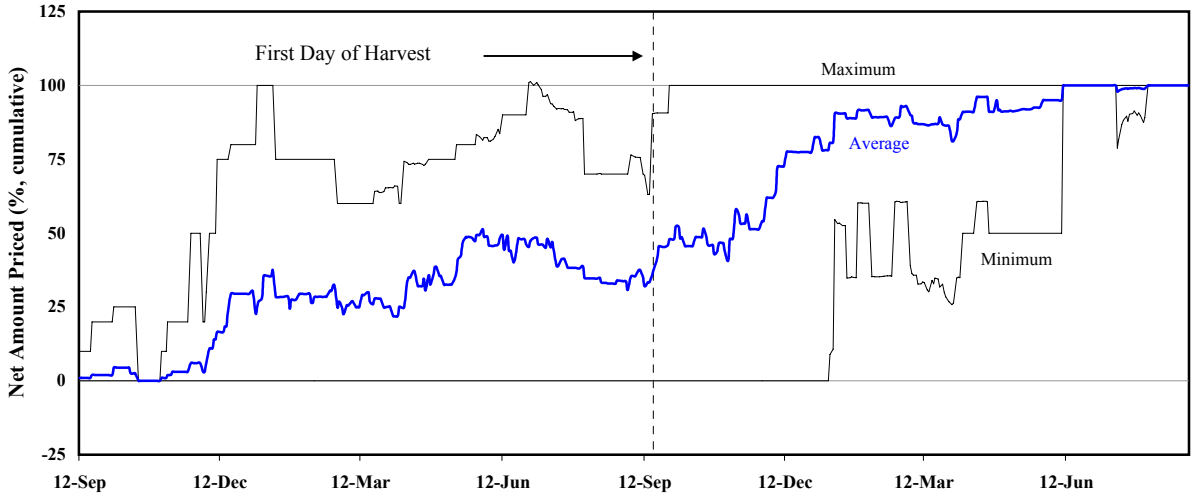
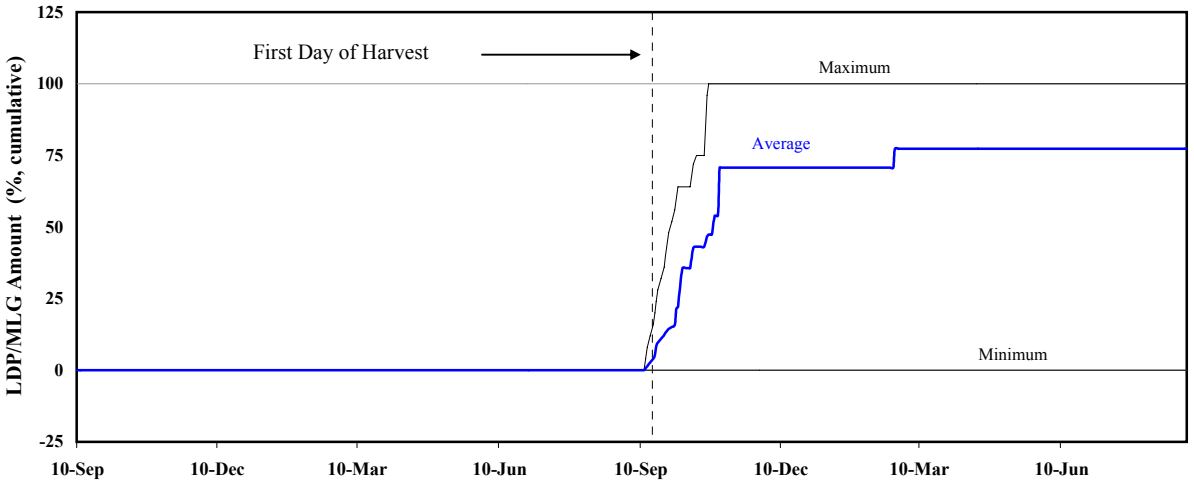


Figure 15.7. Soybean LDP/MLG Profile, Brock (hedge), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 16.1. Soybean Marketing Profile, Co-Mark, 2002 Crop Year

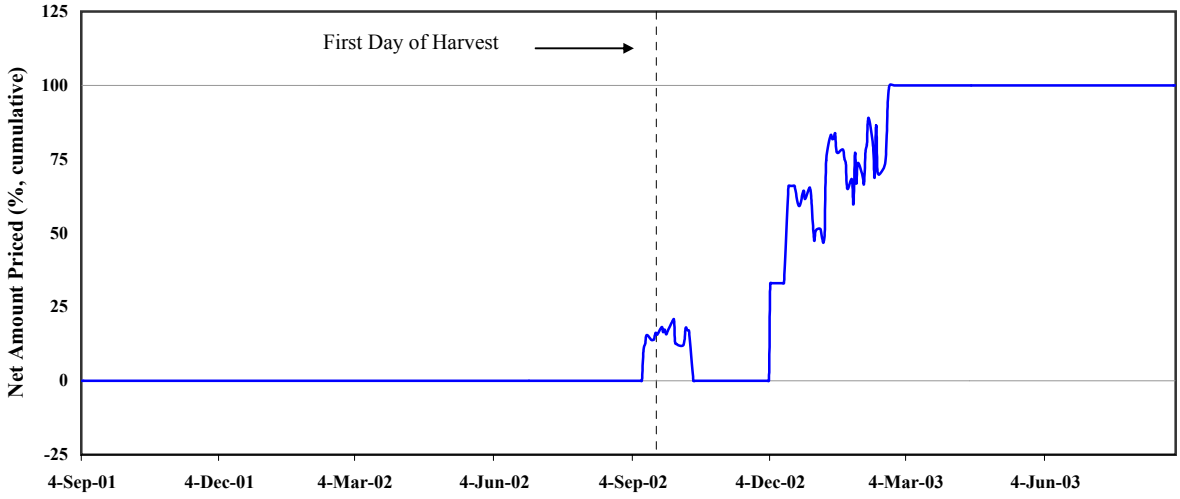
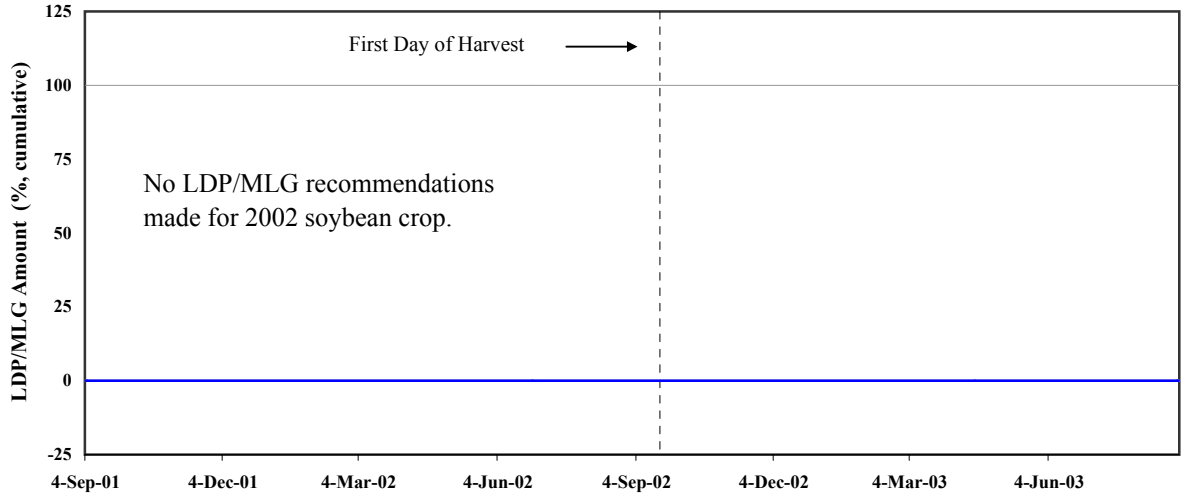


Figure 16.2. Soybean LDP/MLG Profile, Co-Mark, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 16.3. Soybean Marketing Profile, Co-Mark, 2003 Crop Year

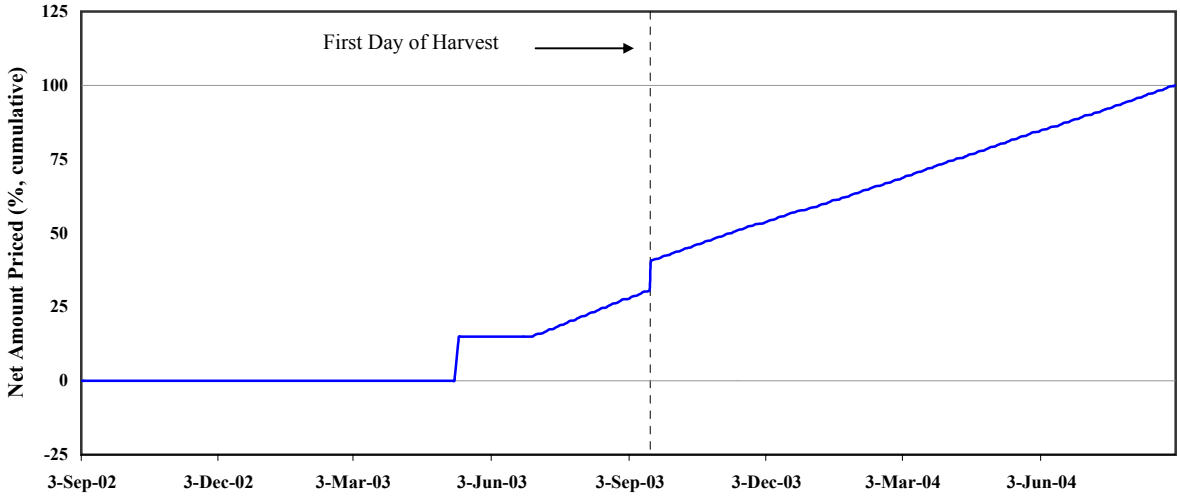


Figure 16.4. Soybean Marketing Profile, Co-Mark, 2000-2003 Crop Years

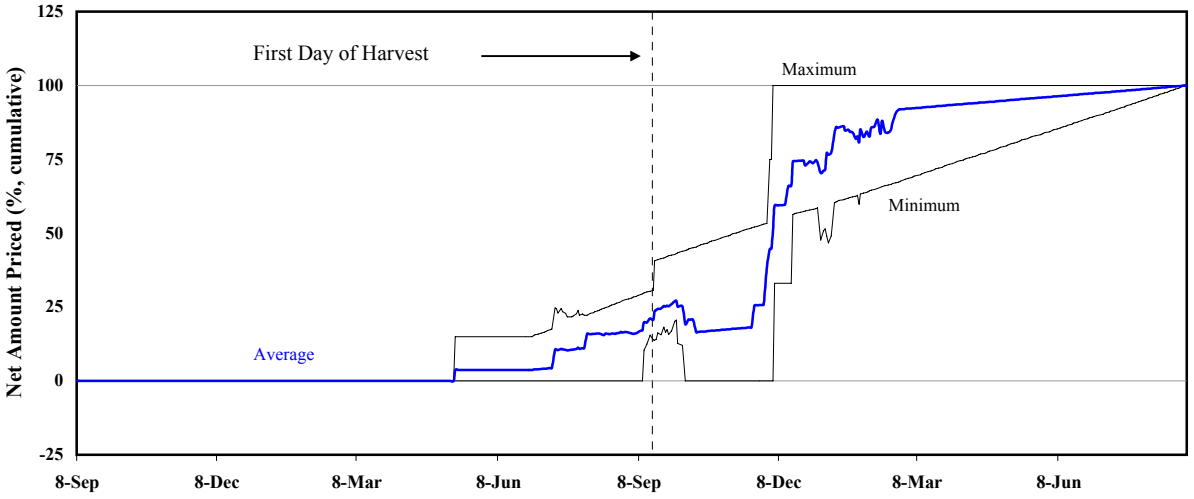
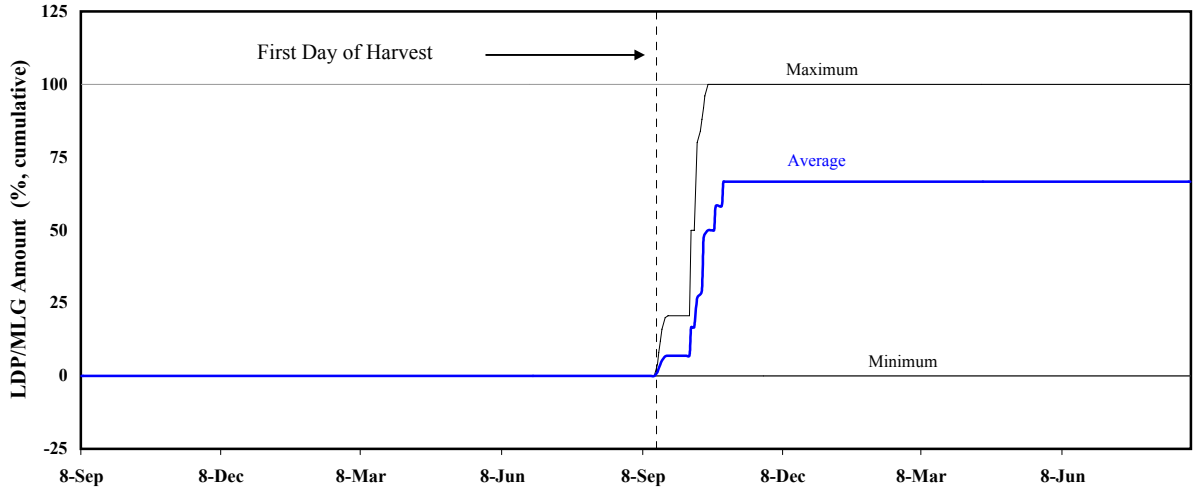


Figure 16.5. Soybean LDP/MLG Profile, Co-Mark, 2000-2002 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 17.1. Soybean Marketing Profile, Freese-Notis, 2002 Crop Year

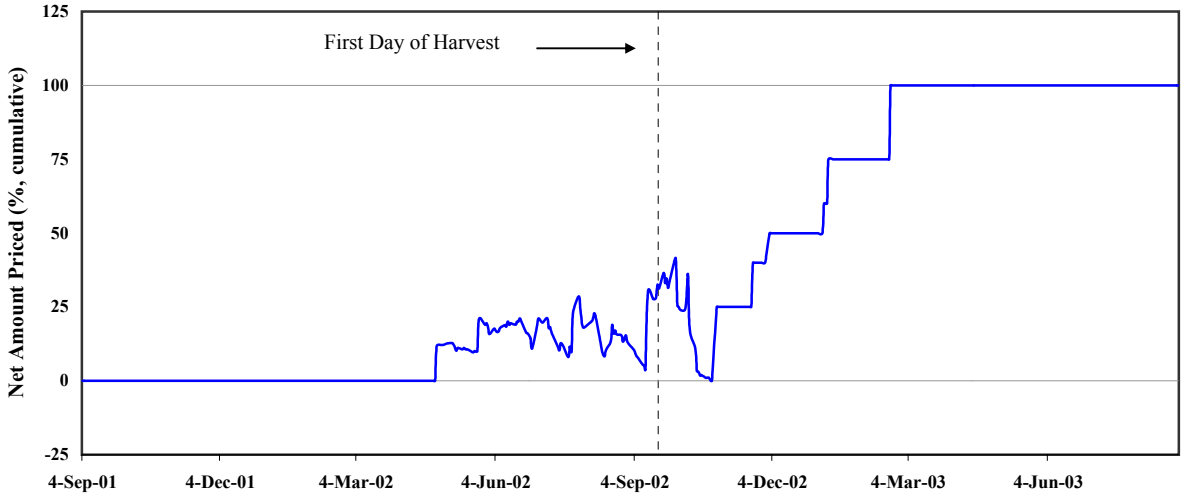
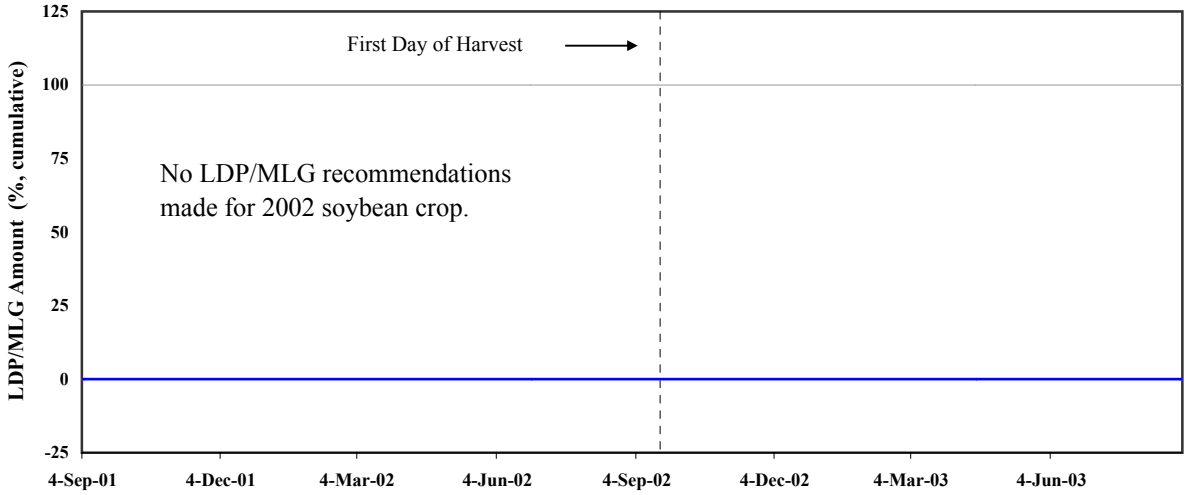


Figure 17.2. Soybean LDP/MLG Profile, Freese-Notis, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 17.3. Soybean Marketing Profile, Freese-Notis, 2003 Crop Year

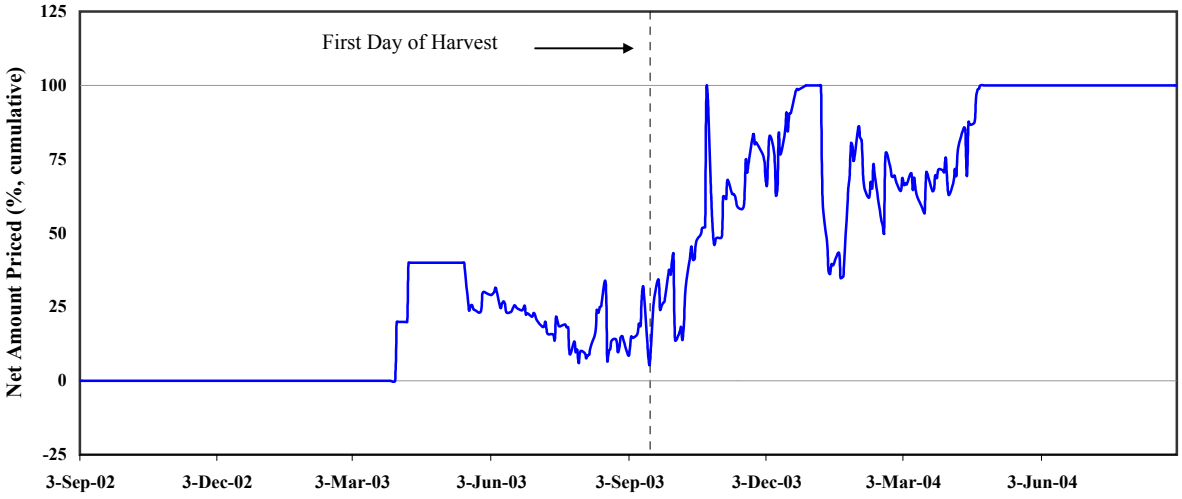


Figure 17.4. Soybean Marketing Profile, Freese-Notis, 2004 Crop Year

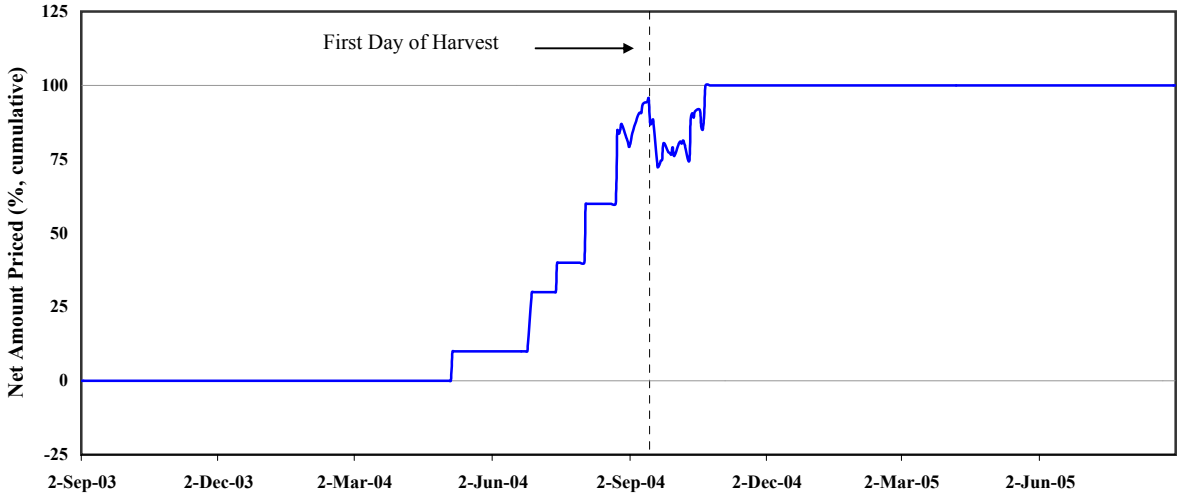
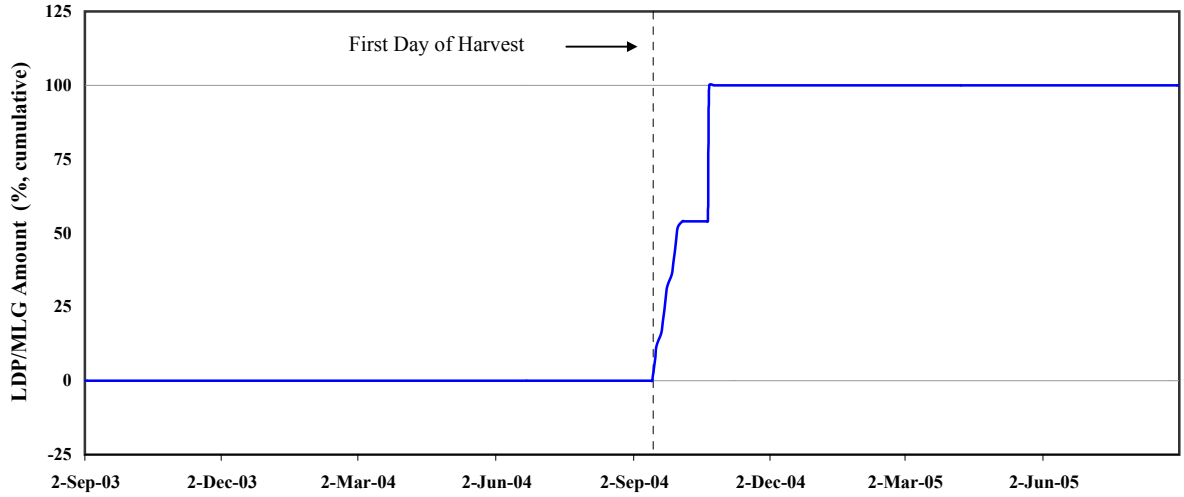


Figure 17.5. Soybean LDP/MLG Profile, Freese-Notis, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 17.6. Soybean Marketing Profile, Freese-Notis, 1995-2004 Crop Years

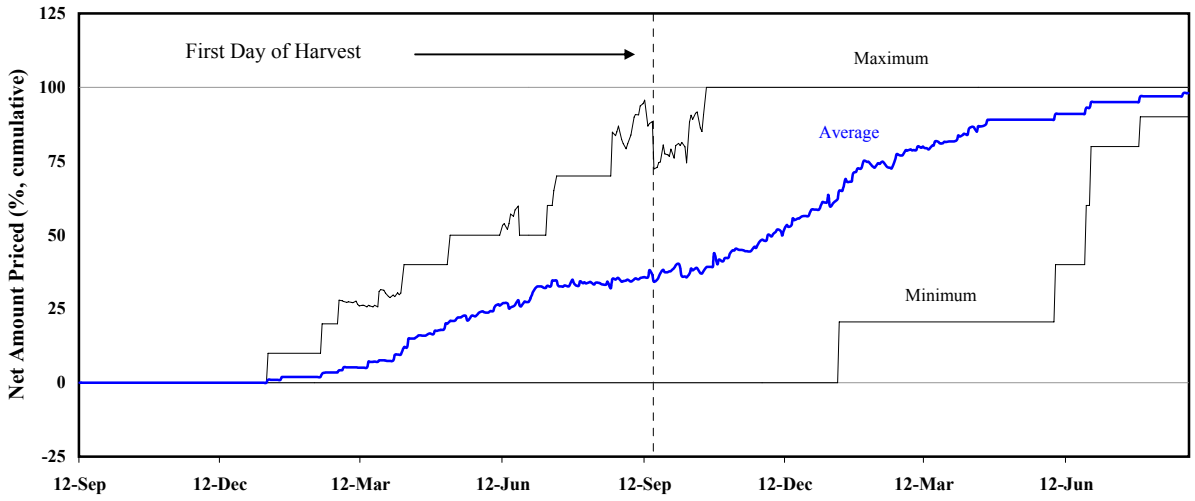
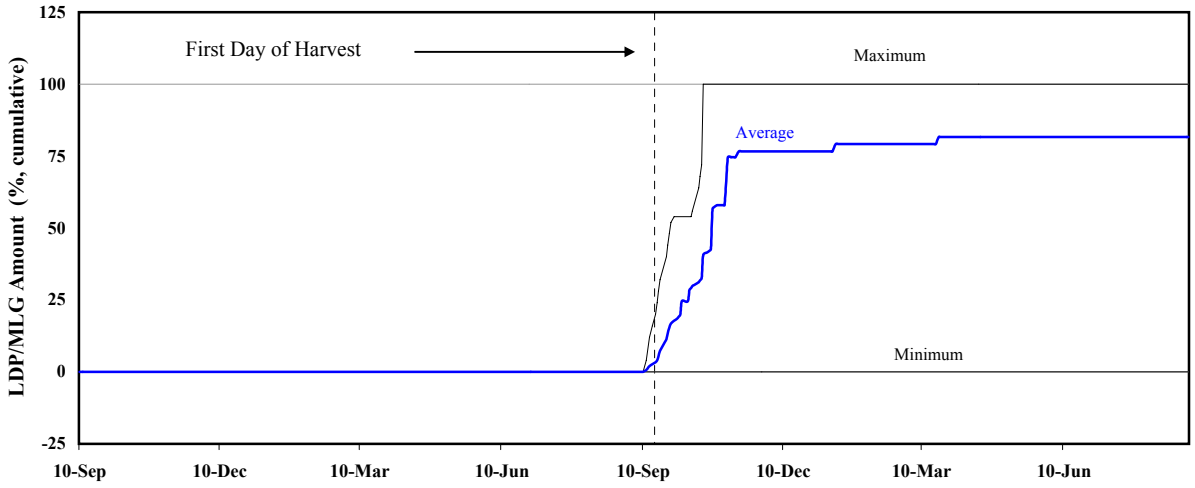


Figure 17.7. Soybean LDP/MLG Profile, Freese-Notis, 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 18.1. Soybean Marketing Profile, Grain Field Marketing, 2002 Crop Year

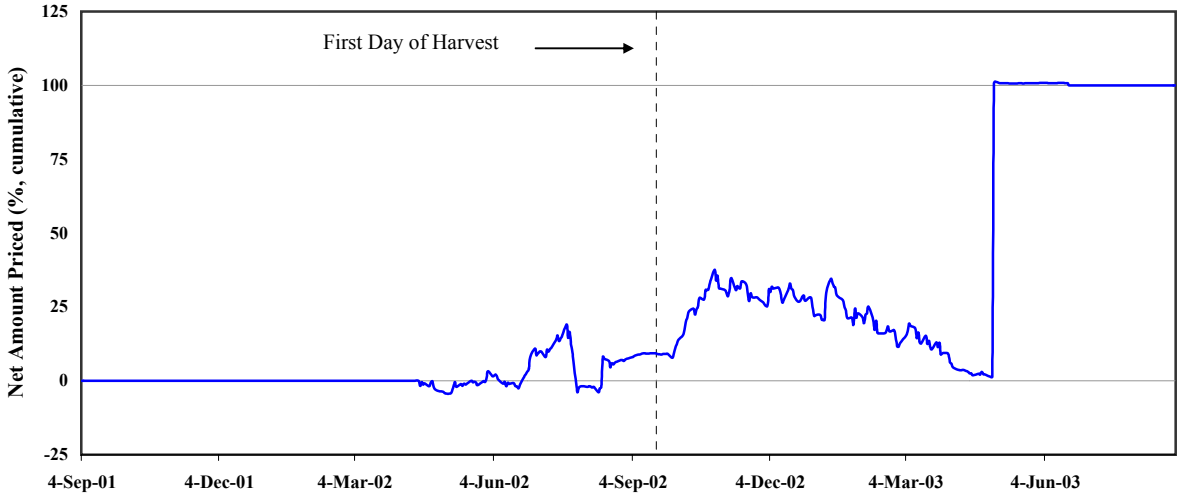
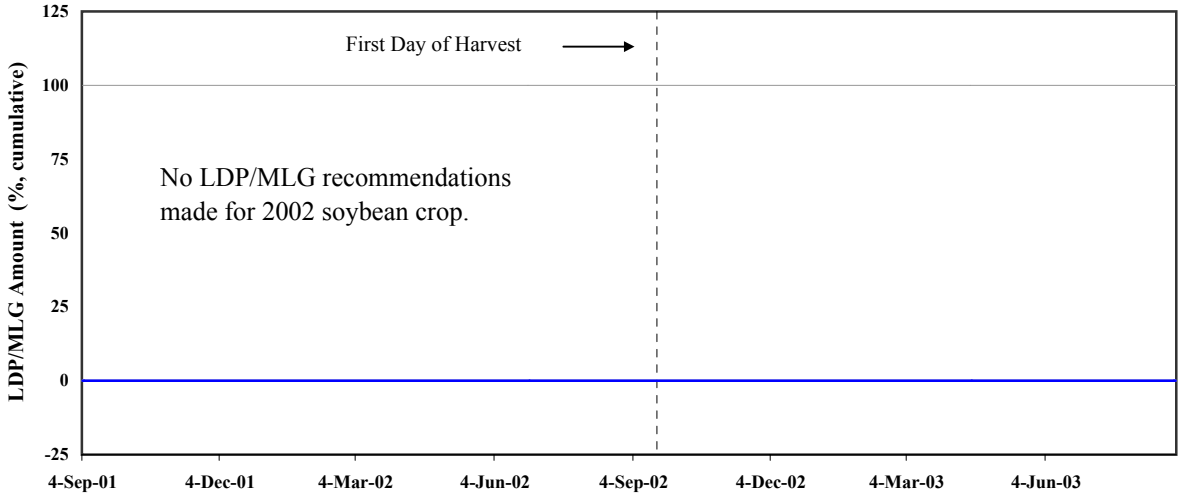


Figure 18.2. Soybean LDP/MLG Profile, Grain Field Marketing, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 18.3. Soybean Marketing Profile, Grain Field Marketing, 2003 Crop Year

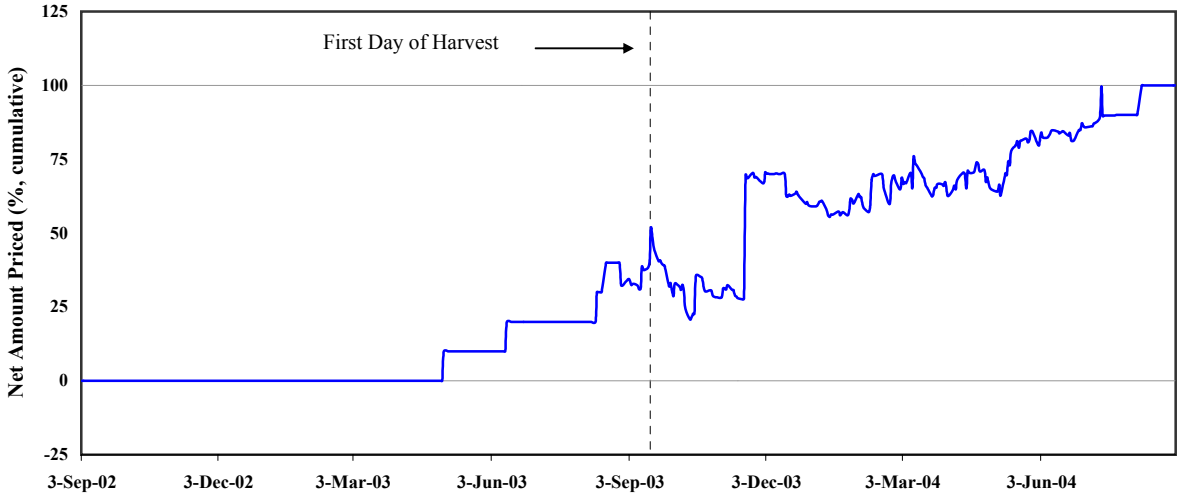


Figure 18.4. Soybean Marketing Profile, Grain Field Marketing, 2004 Crop Year

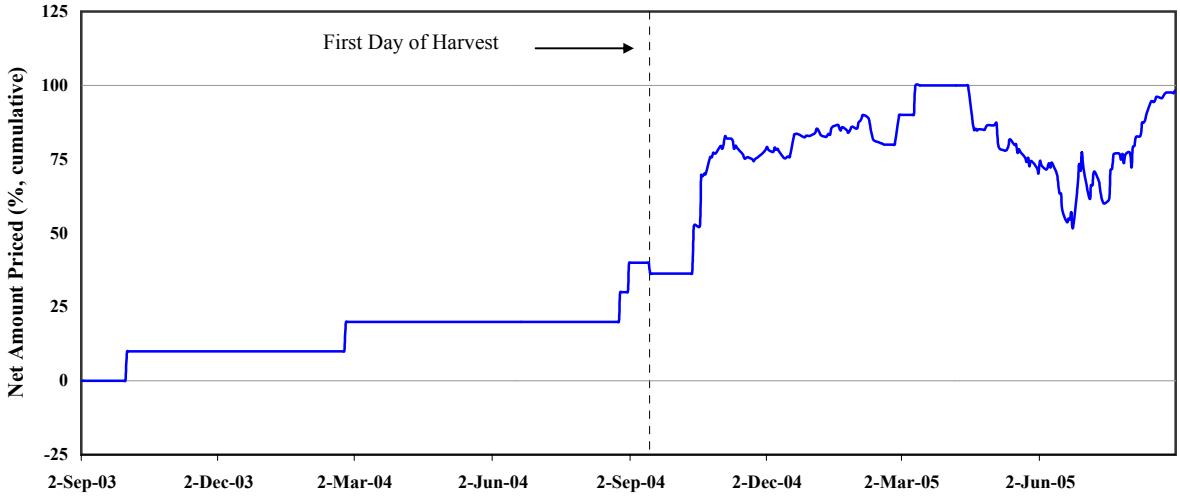
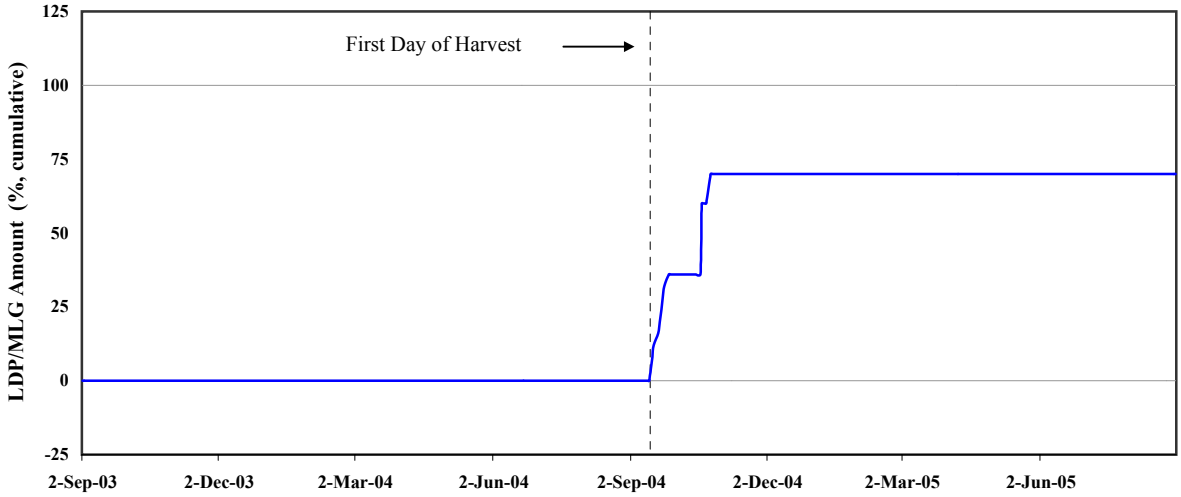


Figure 18.5. Soybean LDP/MLG Profile, Grain Field Marketing, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 18.6. Soybean Marketing Profile, Grain Field Marketing, 2001-2004 Crop Years

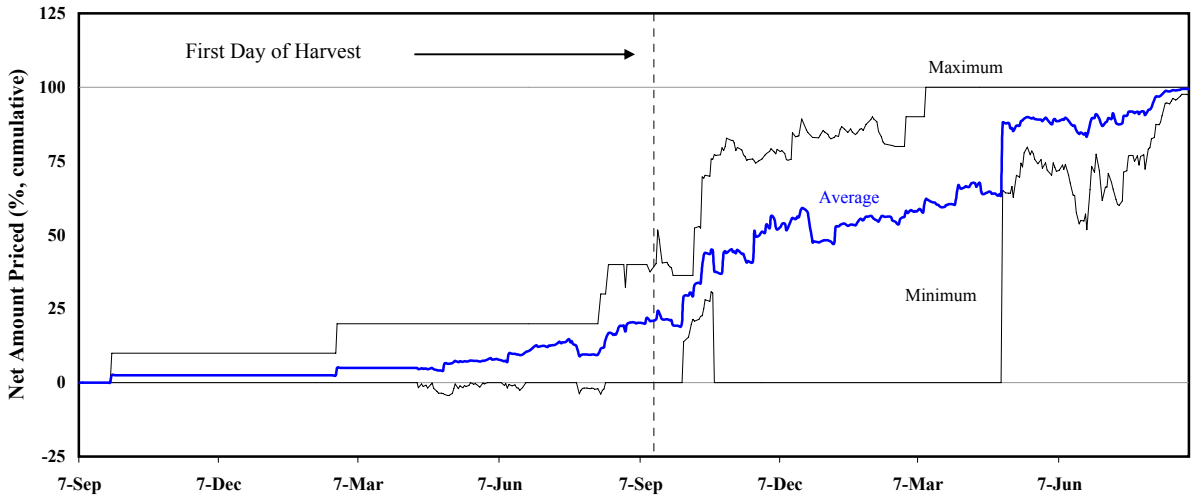
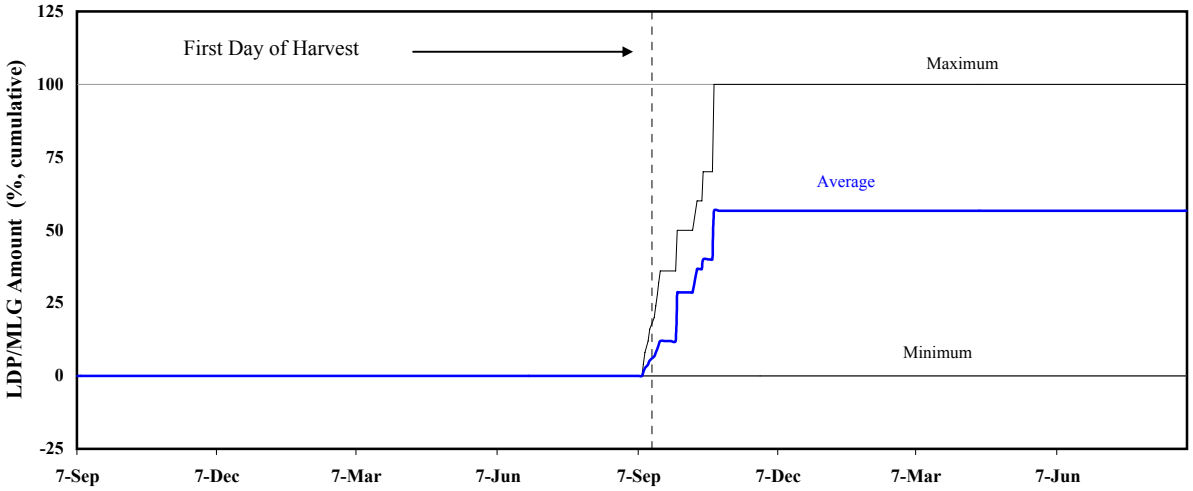


Figure 18.7. Soybean LDP/MLG Profile, Grain Field Marketing, 2001-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 19.1. Soybean Marketing Profile, Grain Marketing Plus, 2002 Crop Year

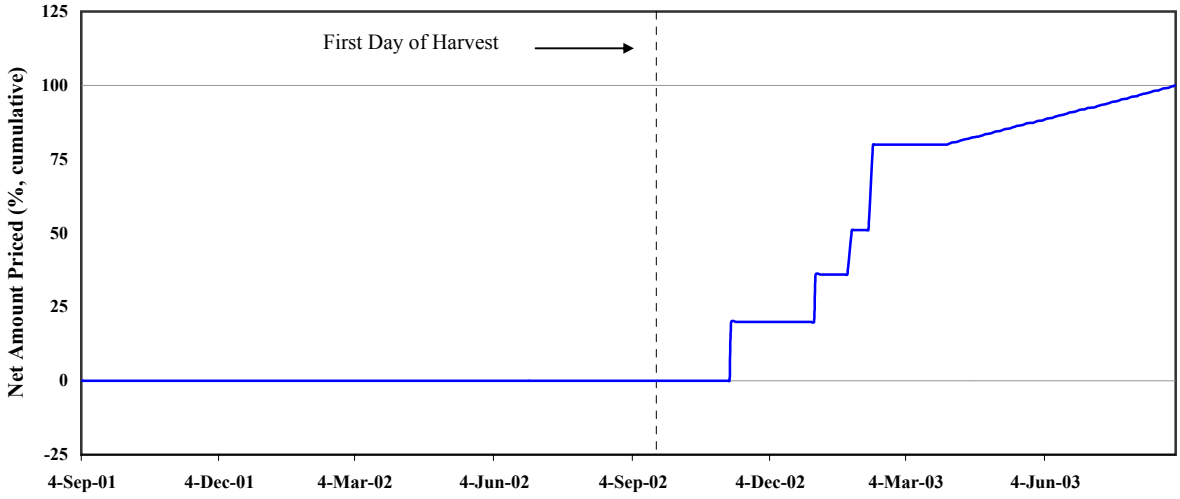
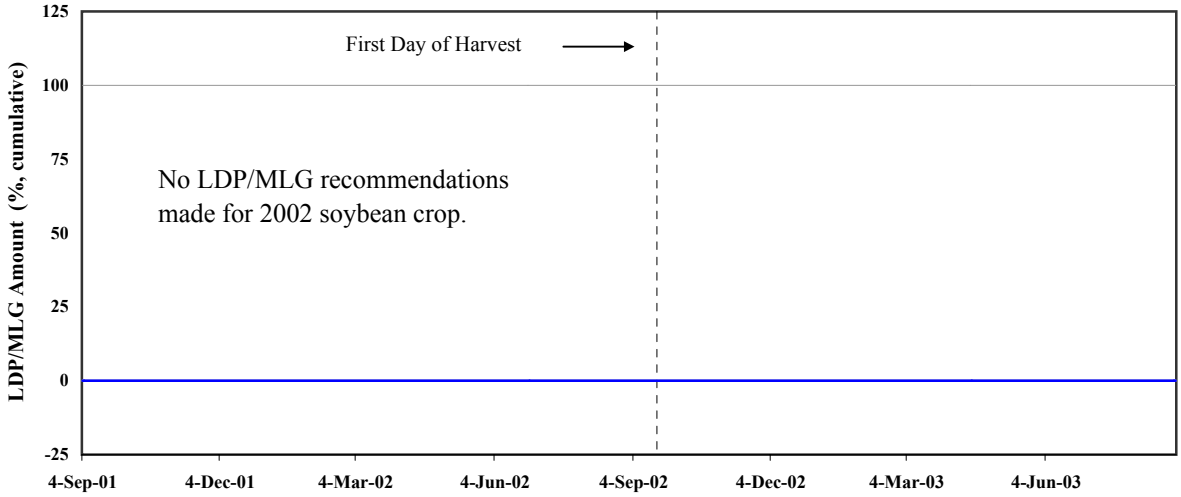


Figure 19.2. Soybean LDP/MLG Profile, Grain Marketing Plus, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 19.3. Soybean Marketing Profile, Grain Marketing Plus, 2000-2002 Crop Years

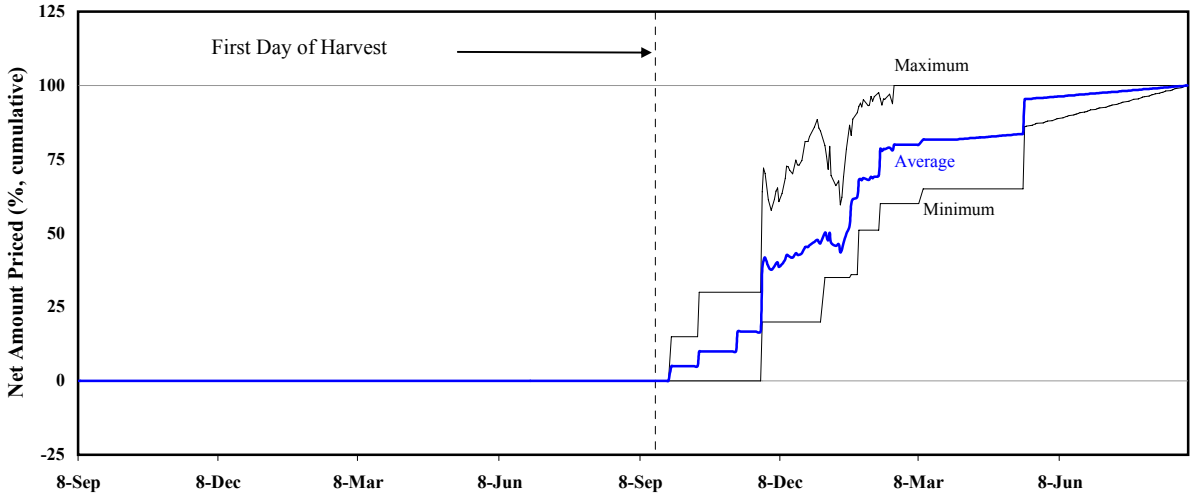
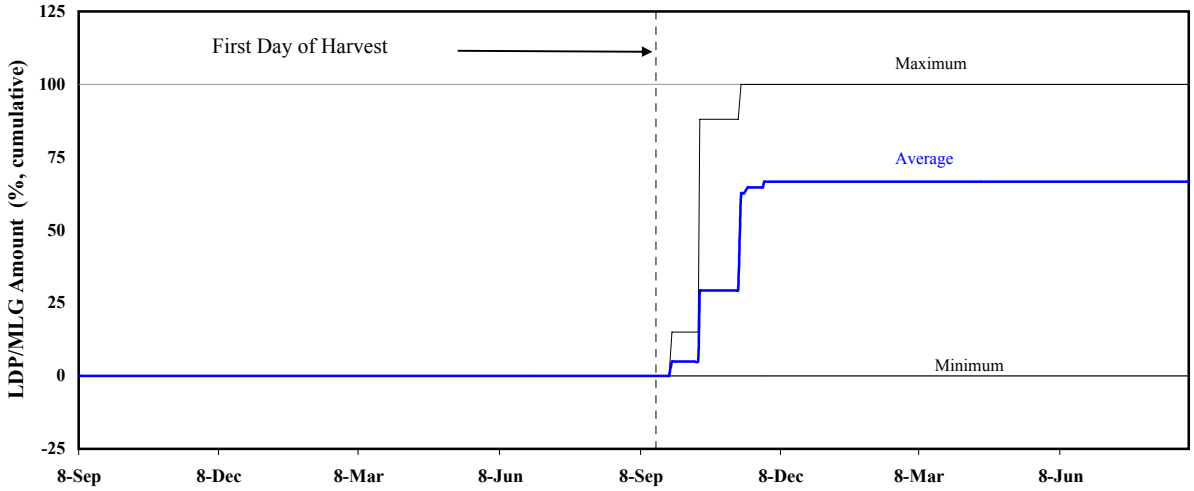


Figure 19.4. Soybean LDP/MLG Profile, Grain Marketing Plus, 2000-2002 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 20.1. Soybean Marketing Profile, Northstar Commodity, 2002 Crop Year

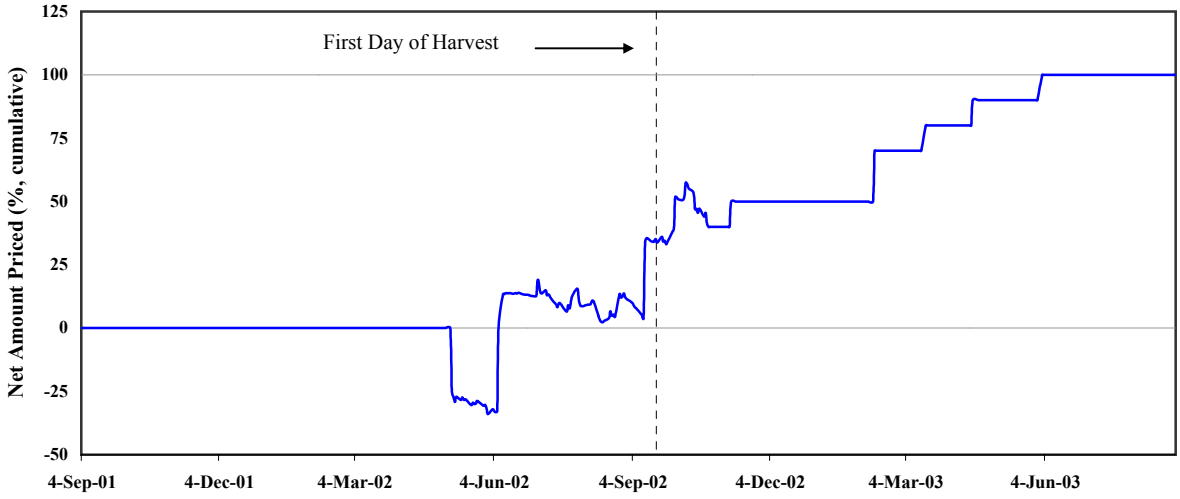
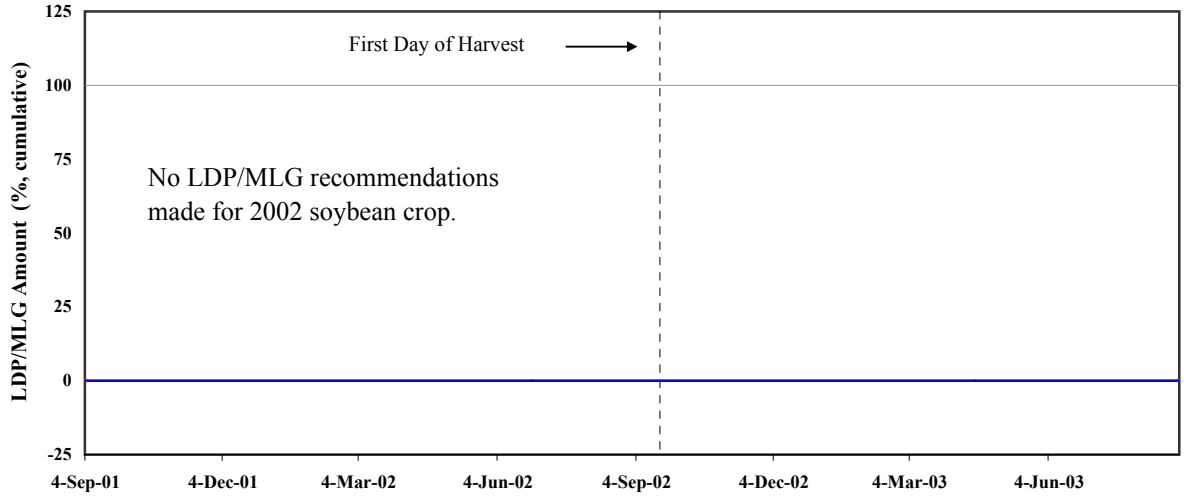


Figure 20.2. Soybean LDP/MLG Profile, Northstar Commodity, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 20.3. Soybean Marketing Profile, Northstar Commodity, 2003 Crop Year

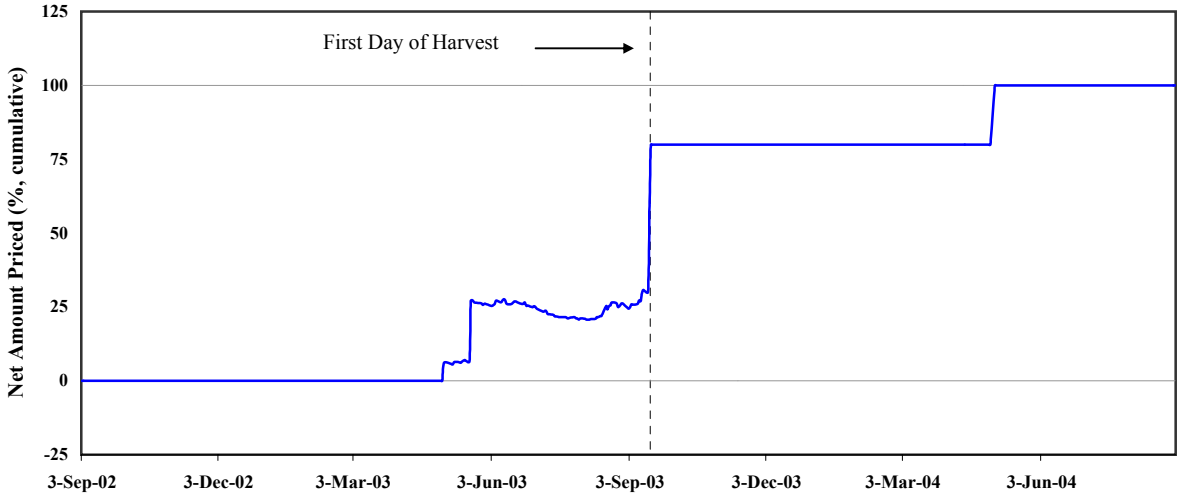


Figure 20.4. Soybean Marketing Profile, Northstar Commodity, 2004 Crop Year

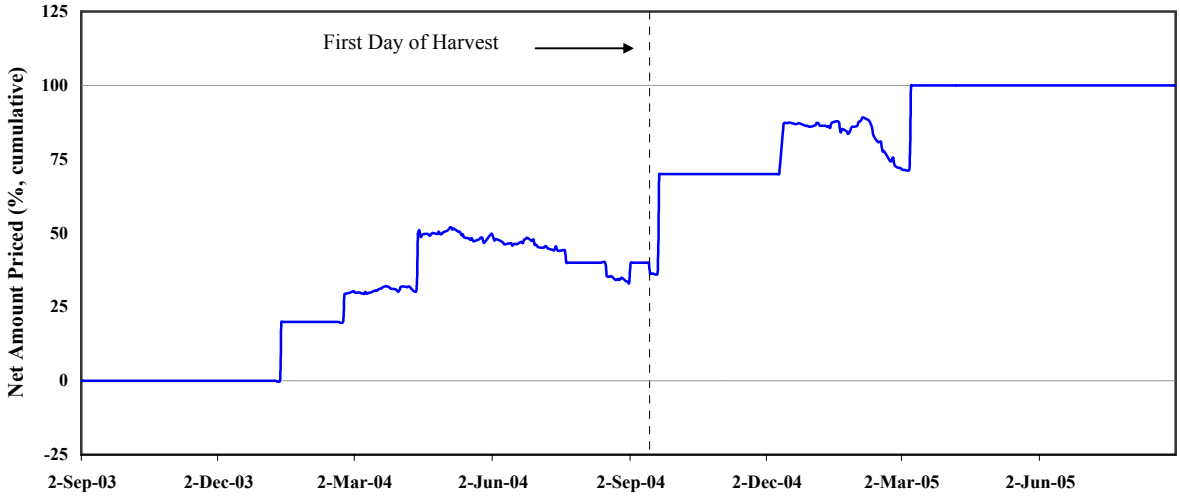
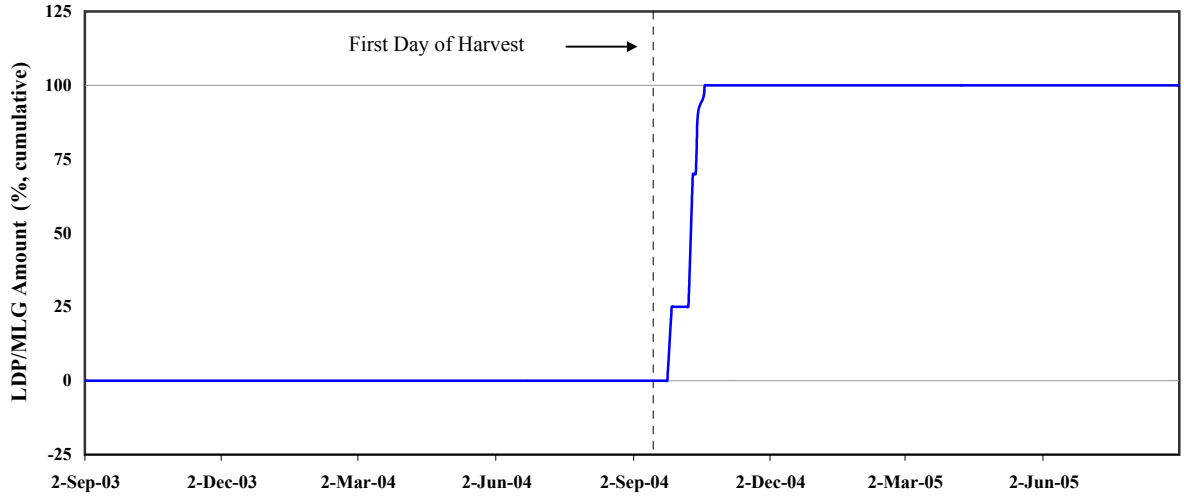


Figure 20.5. Soybean LDP/MLG Profile, Northstar Commodity, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 20.6. Soybean Marketing Profile, Northstar Commodity, 2001-2004 Crop Years

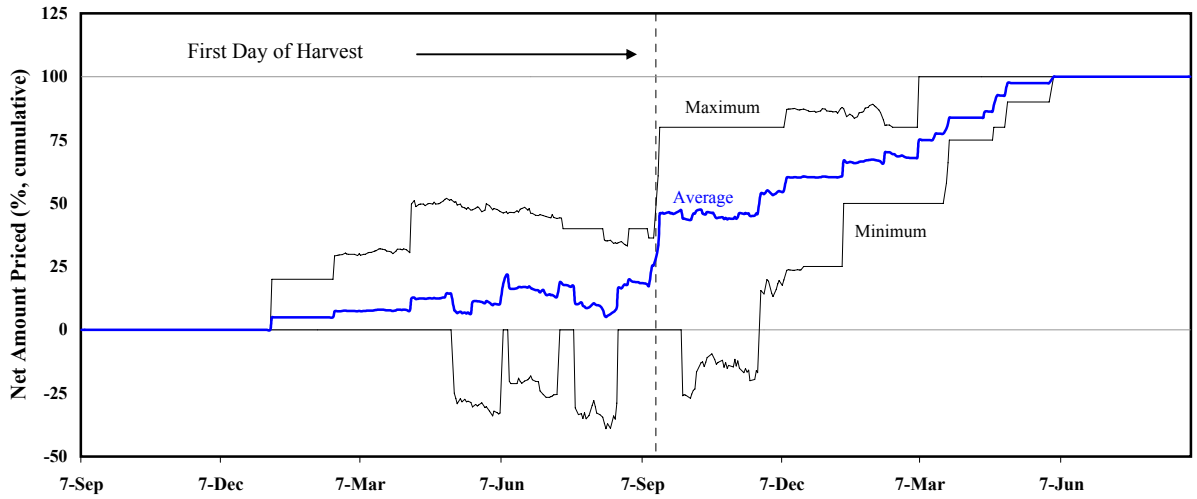
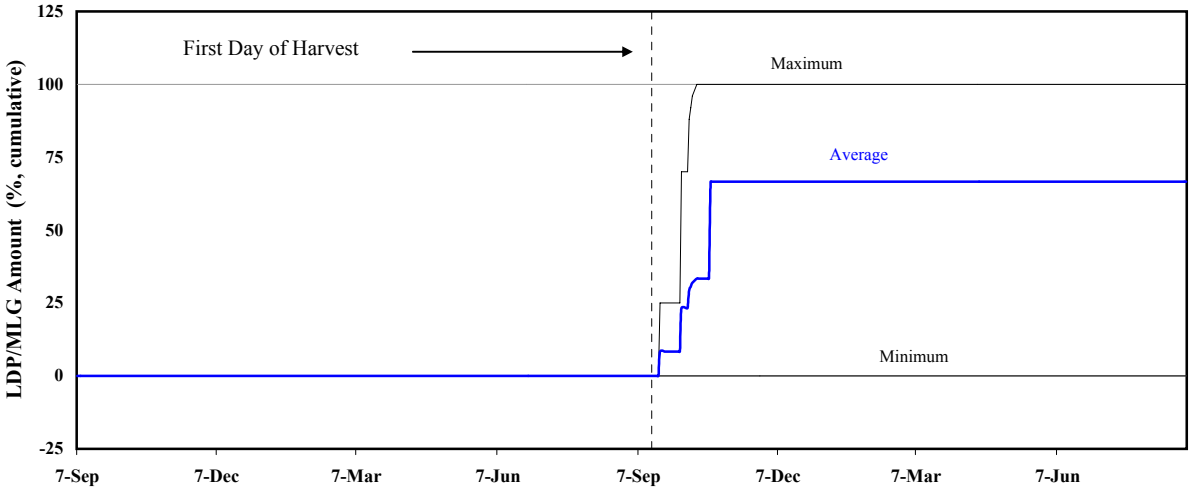


Figure 20.7. Soybean LDP/MLG Profile, Northstar Commodity, 2001-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 21.1. Soybean Marketing Profile, Pro Farmer (cash only), 2002 Crop Year

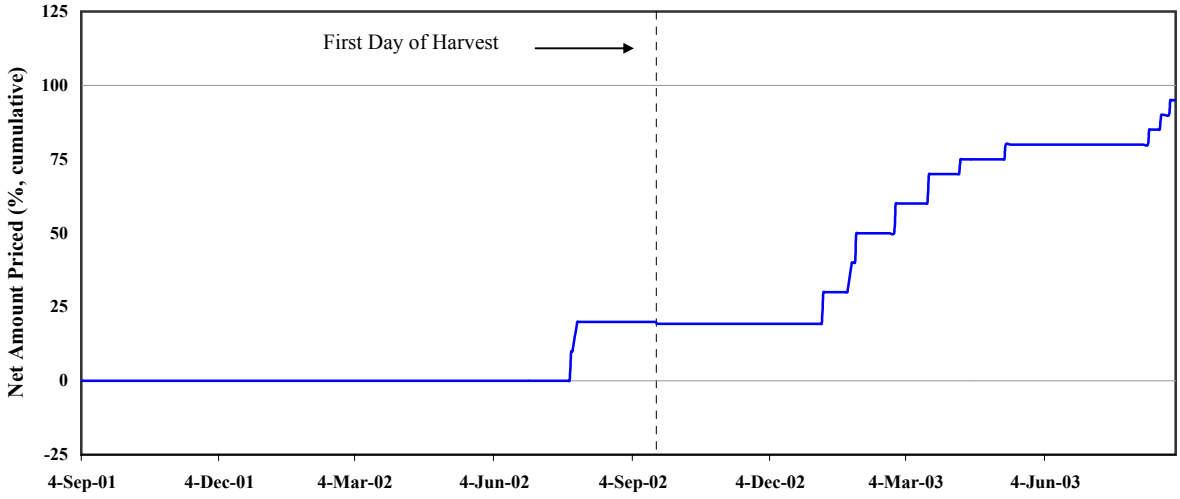
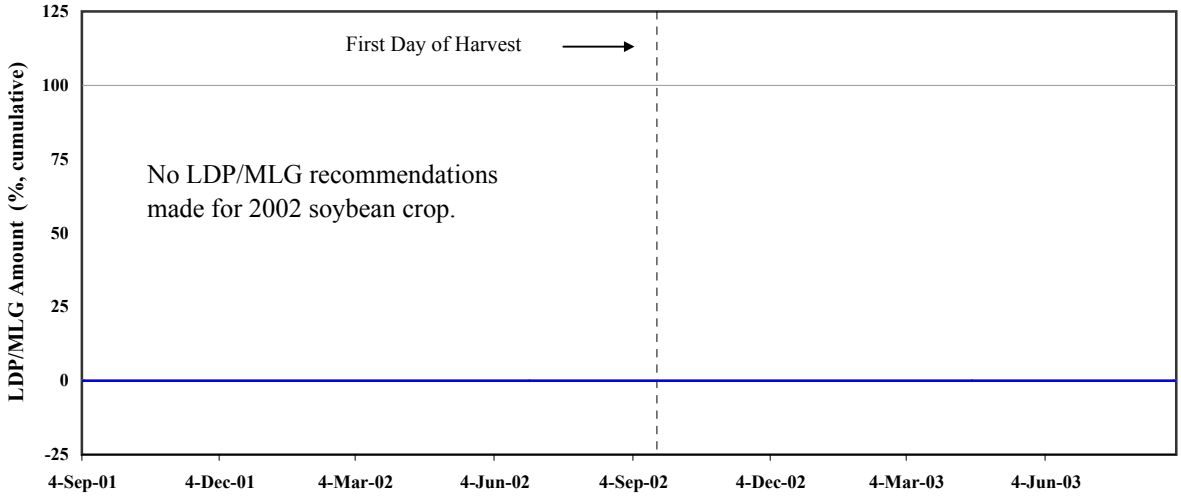


Figure 21.2. Soybean LDP/MLG Profile, Pro Farmer (cash only), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 21.3. Soybean Marketing Profile, Pro Farmer (cash only), 2003 Crop Year

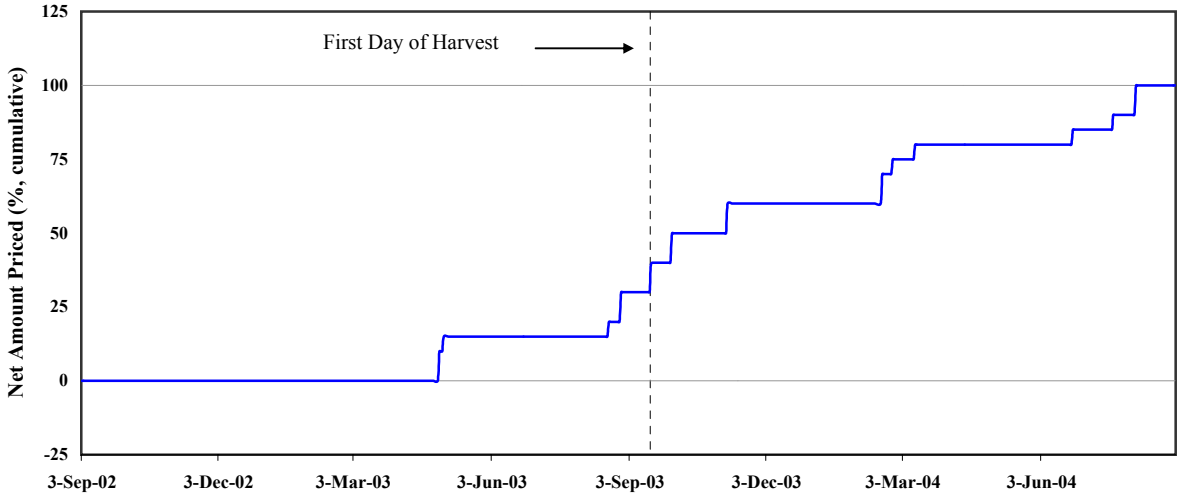


Figure 21.4. Soybean Marketing Profile, Pro Farmer (cash only), 2004 Crop Year

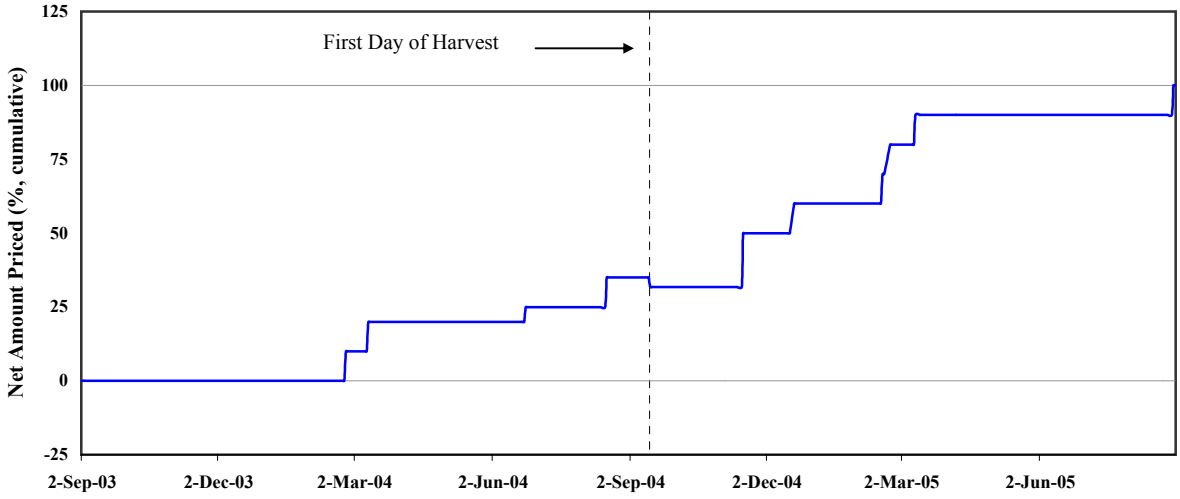
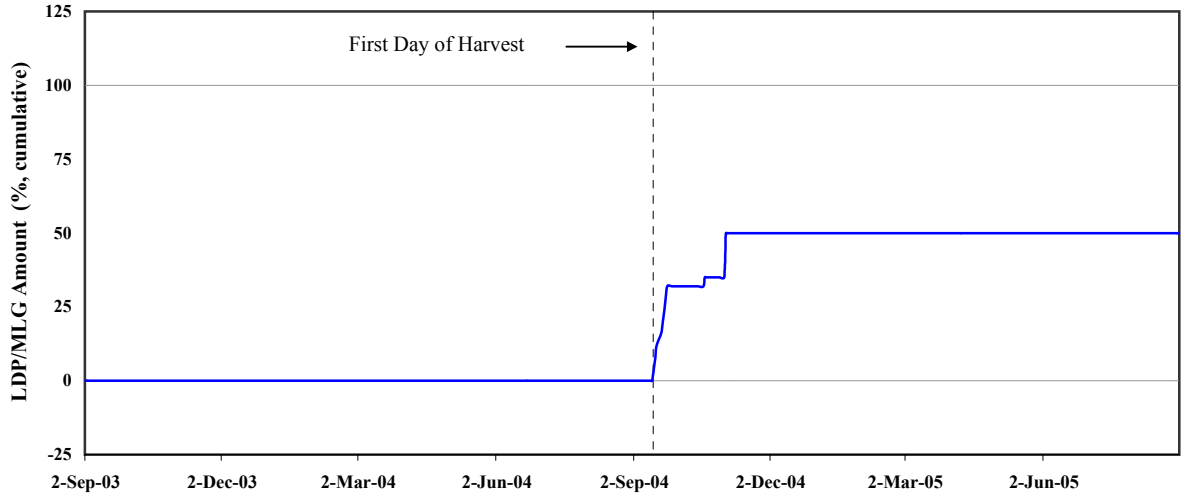


Figure 21.5. Soybean LDP/MLG Profile, Pro Farmer (cash only), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 21.6. Soybean Marketing Profile, Pro Farmer (cash only), 1995-2004 Crop Years

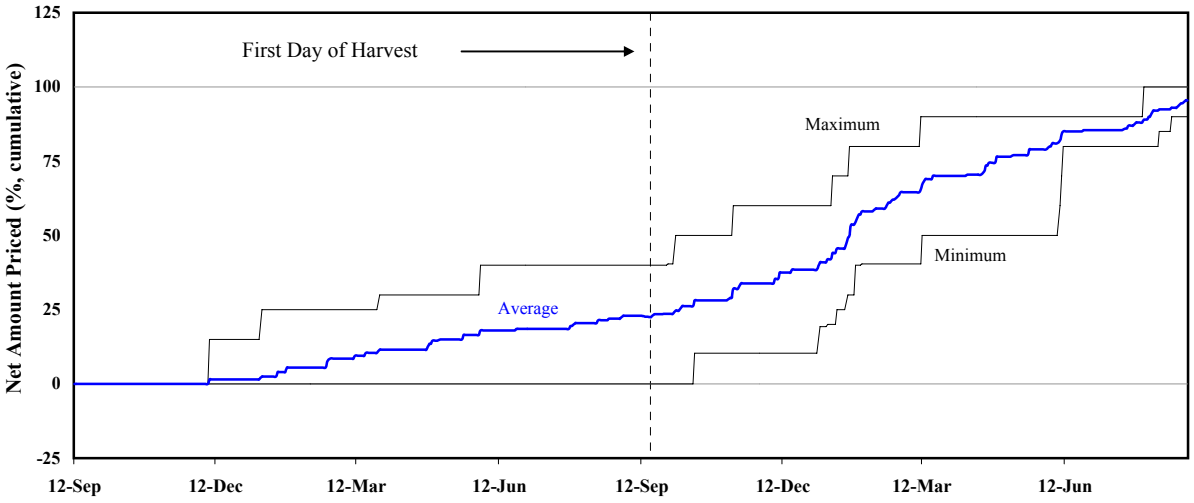
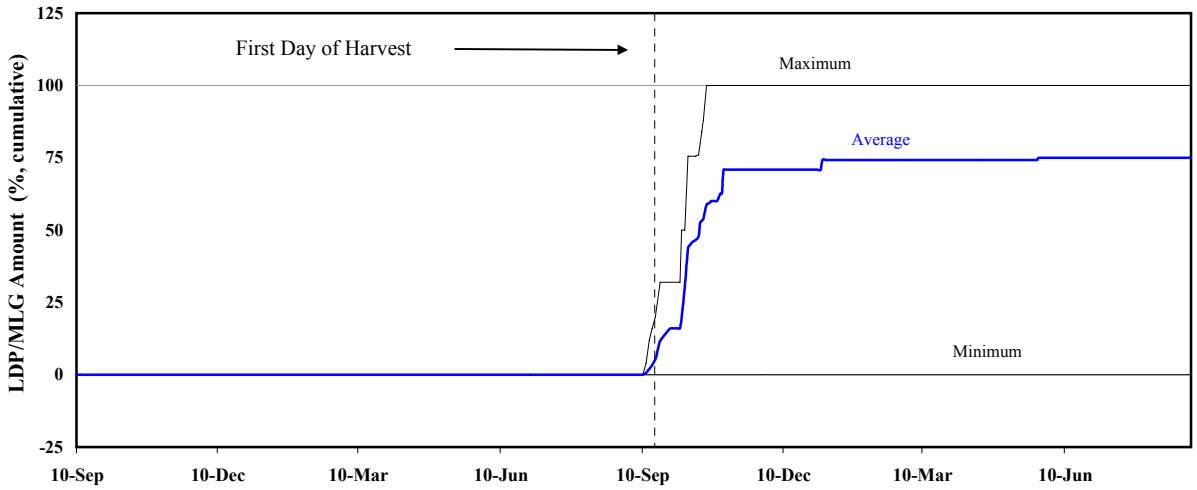


Figure 21.7. Soybean LDP/MLG Profile, Pro Farmer (cash only), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 22.1. Soybean Marketing Profile, Pro Farmer (hedge), 2002 Crop Year

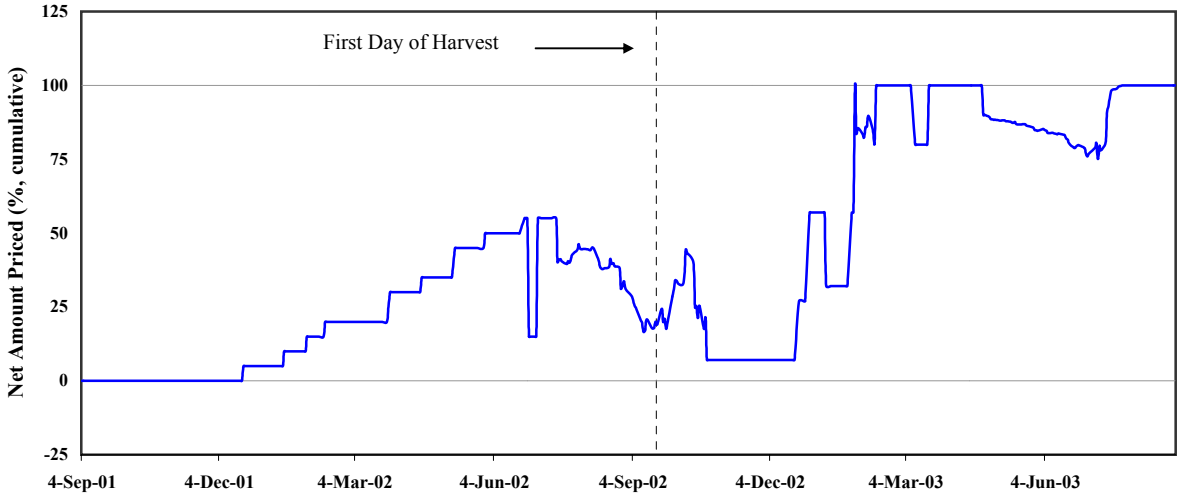
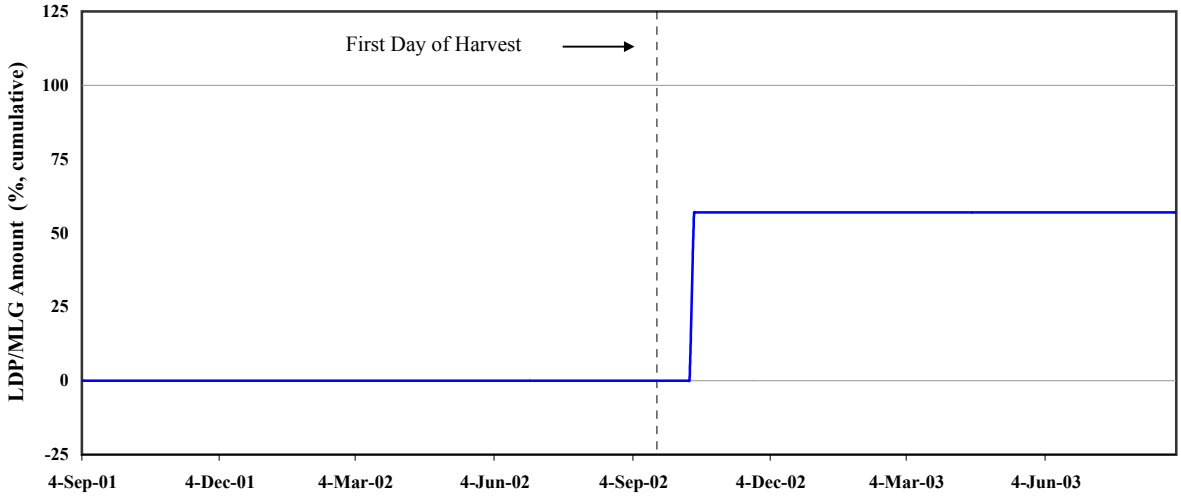


Figure 22.2. Soybean LDP/MLG Profile, Pro Farmer (hedge), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 22.3. Soybean Marketing Profile, Pro Farmer (hedge), 2003 Crop Year

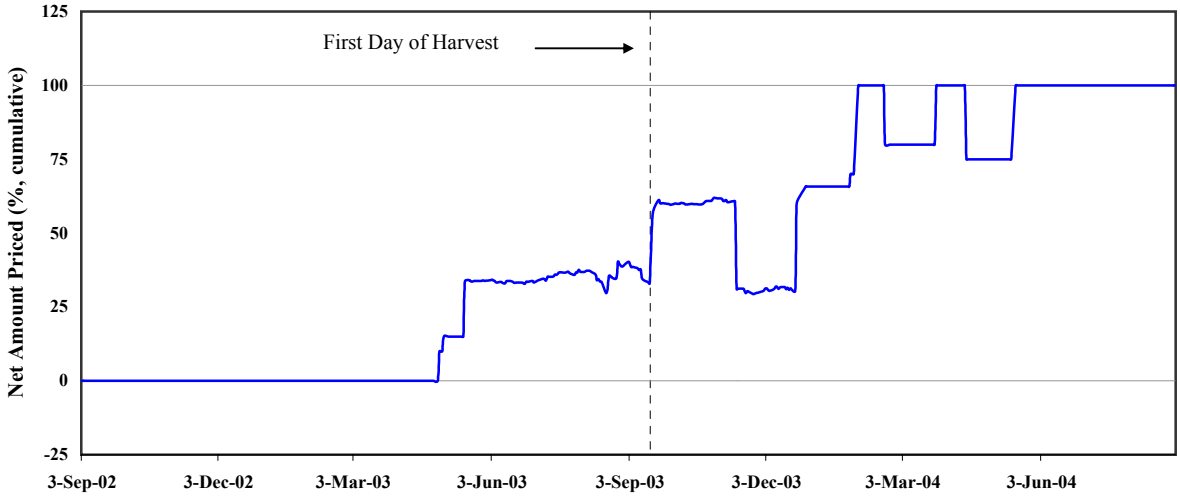


Figure 22.4. Soybean Marketing Profile, Pro Farmer (hedge), 2004 Crop Year

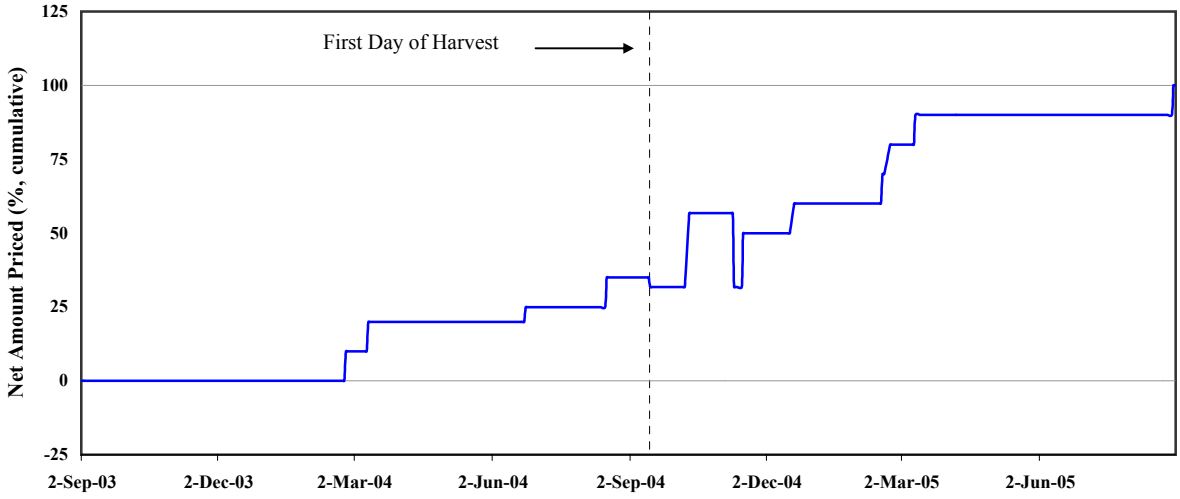
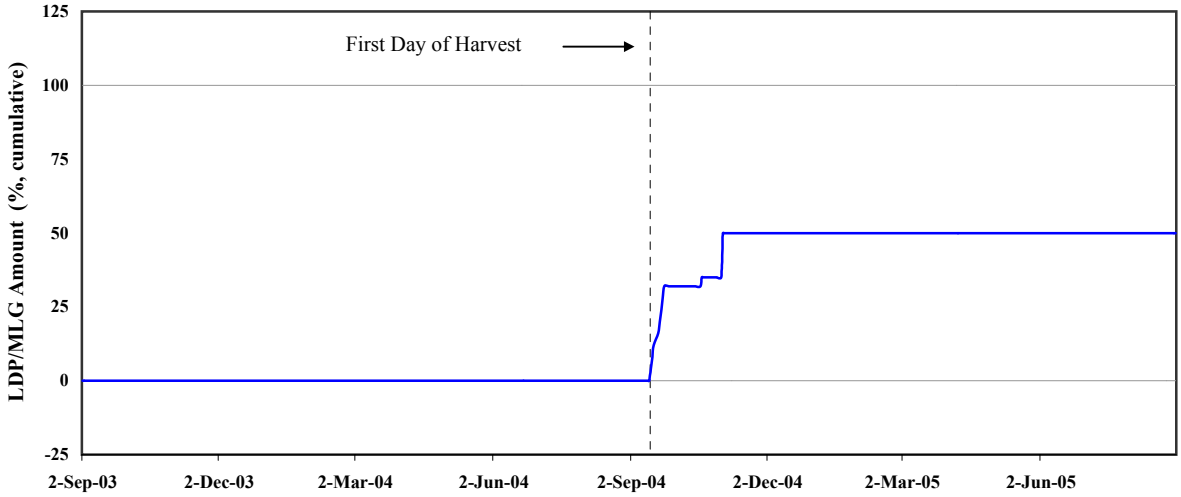


Figure 22.5. Soybean LDP/MLG Profile, Pro Farmer (hedge), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 22.6. Soybean Marketing Profile, Pro Farmer (hedge), 1995-2004 Crop Years

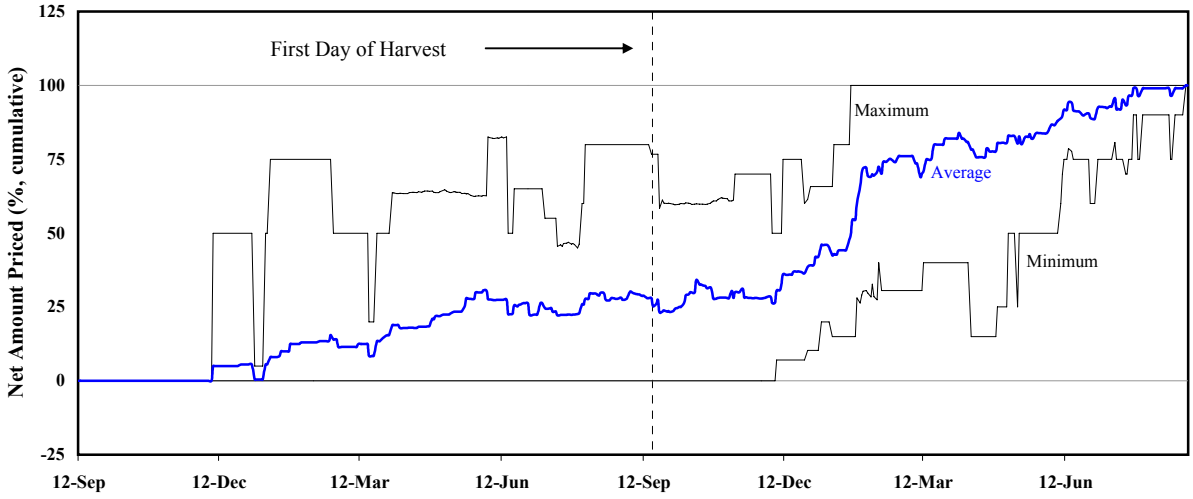
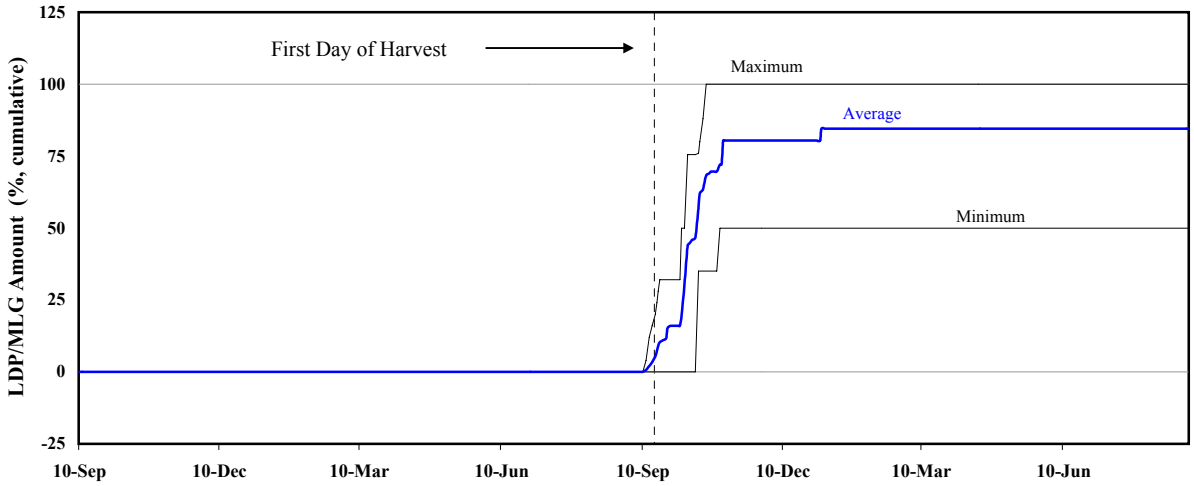


Figure 22.7. Soybean LDP/MLG Profile, Pro Farmer (hedge), 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 23.1. Soybean Marketing Profile, Progressive Ag, 2002 Crop Year

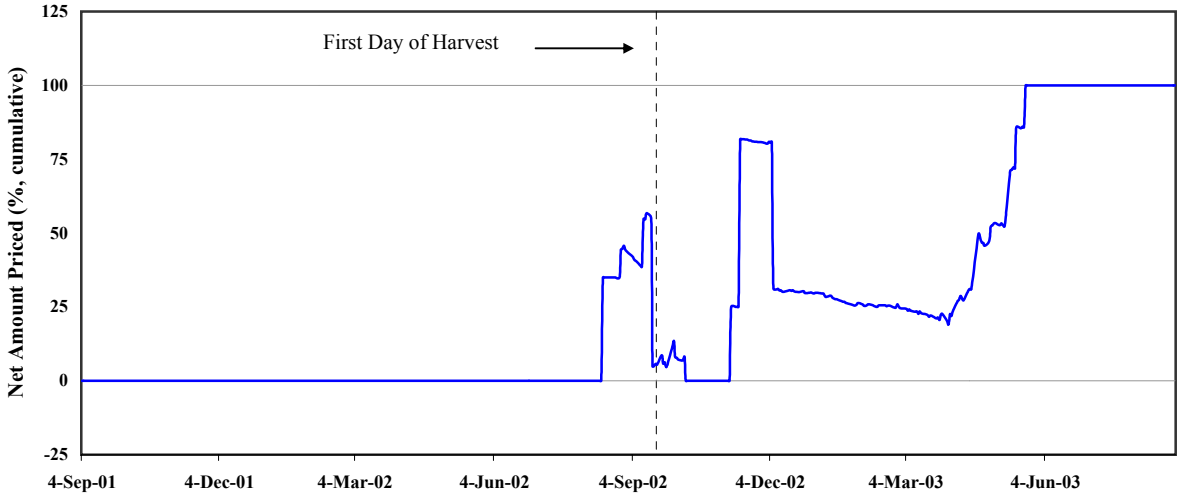
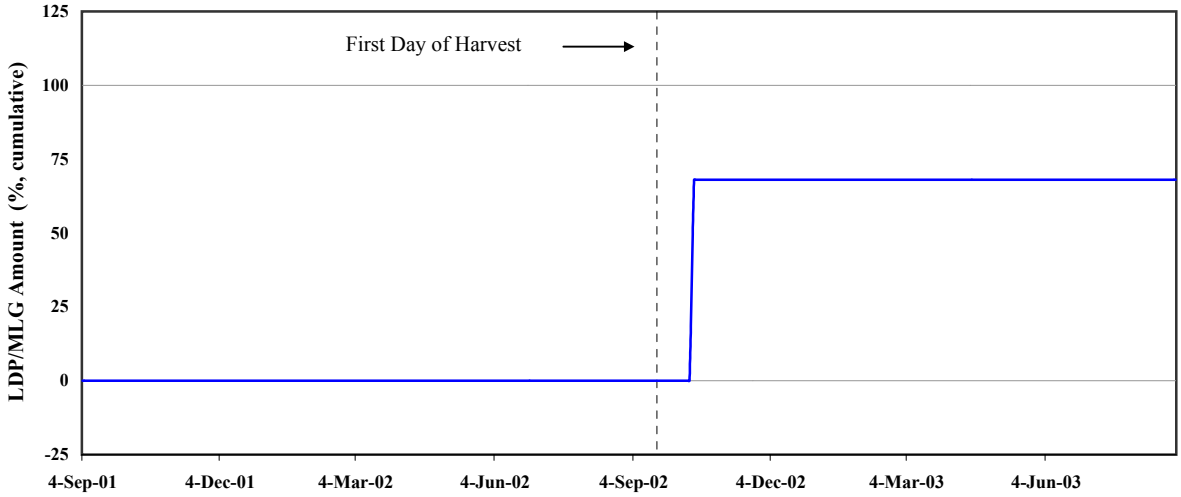


Figure 23.2. Soybean LDP/MLG Profile, Progressive Ag, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 23.3. Soybean Marketing Profile, Progressive Ag, 2003 Crop Year

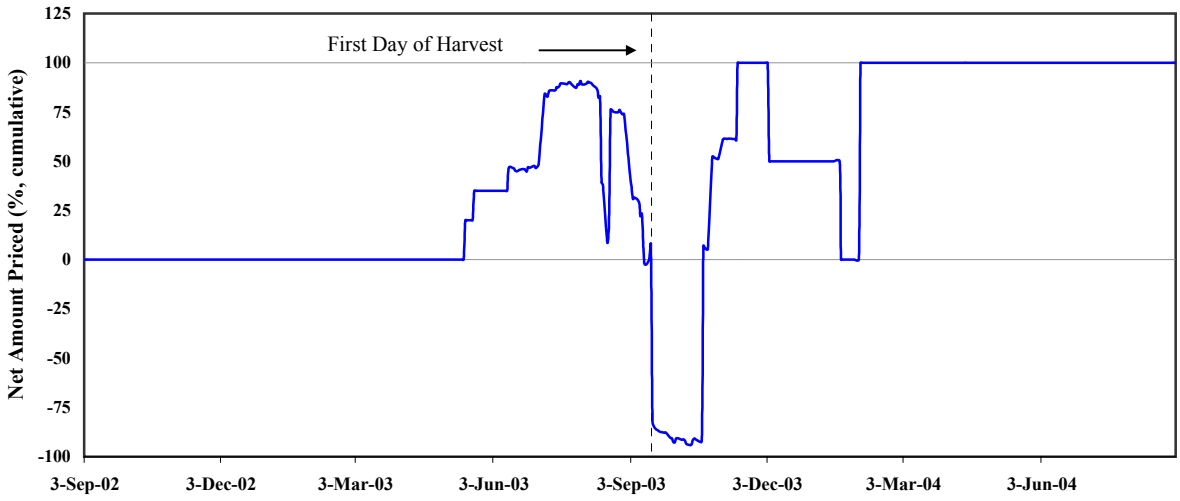


Figure 23.4. Soybean Marketing Profile, Progressive Ag, 2004 Crop Year

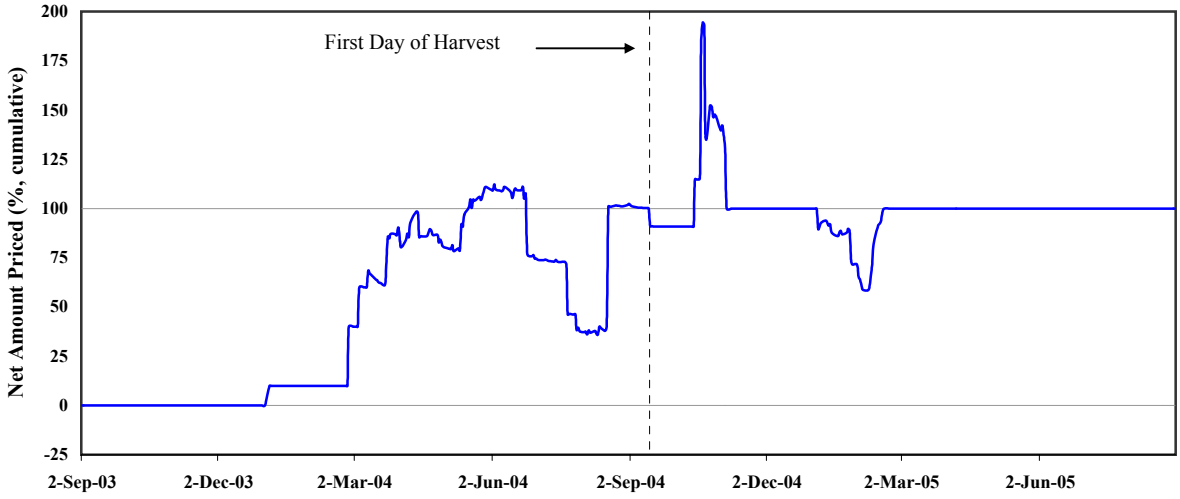
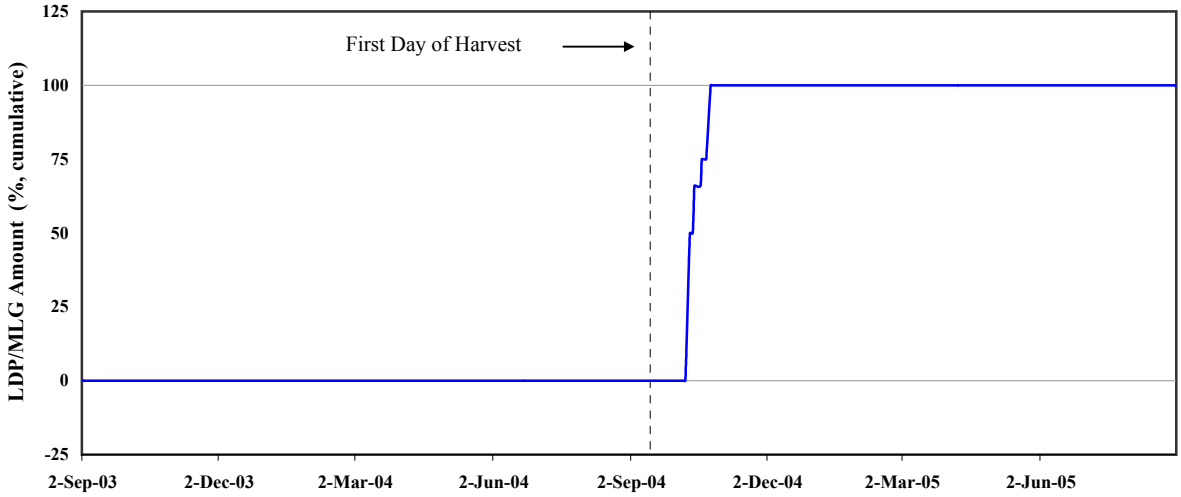


Figure 23.5. Soybean LDP/MLG Profile, Progressive Ag, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 23.6. Soybean Marketing Profile, Progressive Ag, 1996-2004 Crop Years

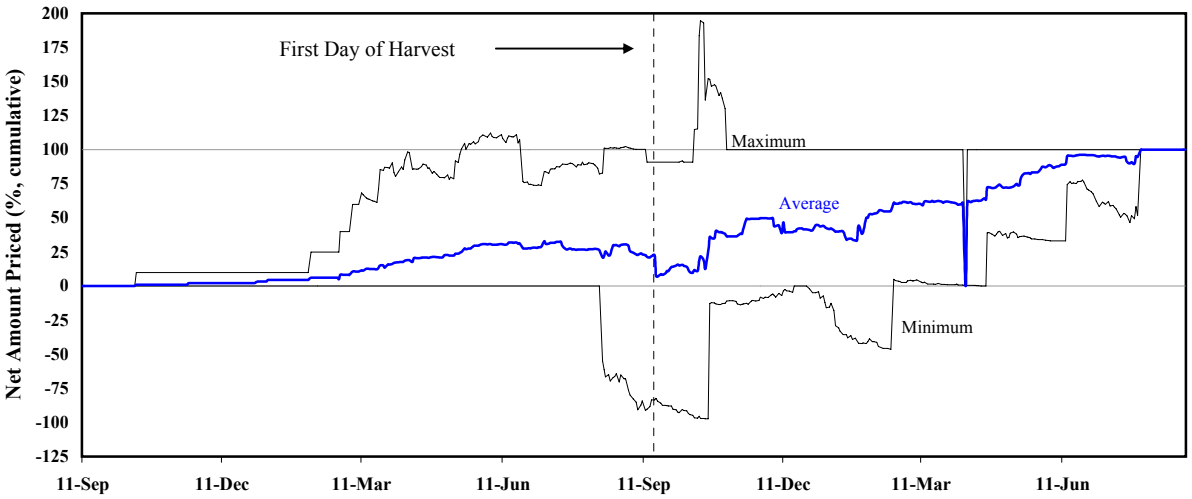
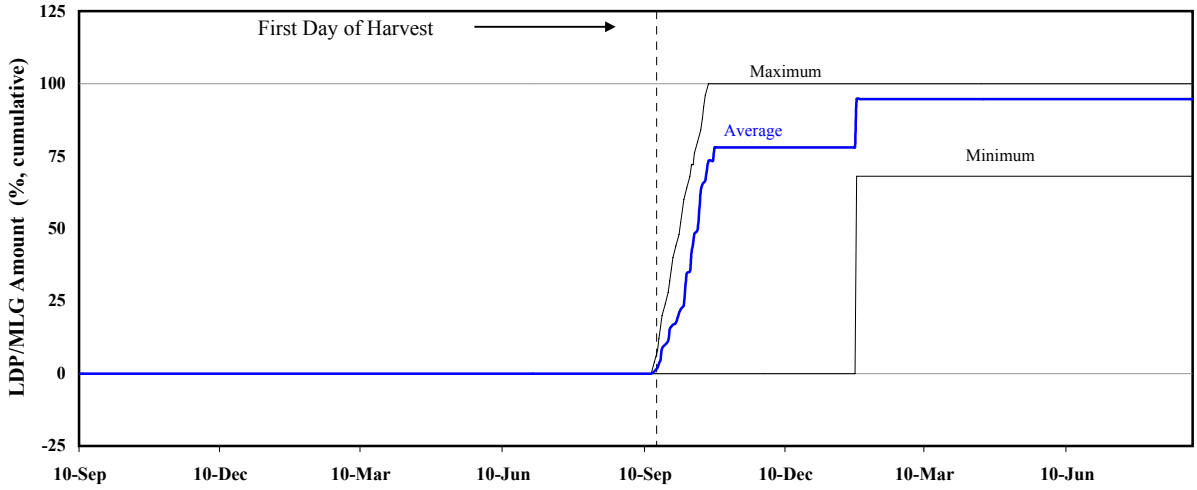


Figure 23.7. Soybean LDP/MLG Profile, Progressive Ag, 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 24.1. Soybean Marketing Profile, RMG (cash only), 2002 Crop Year

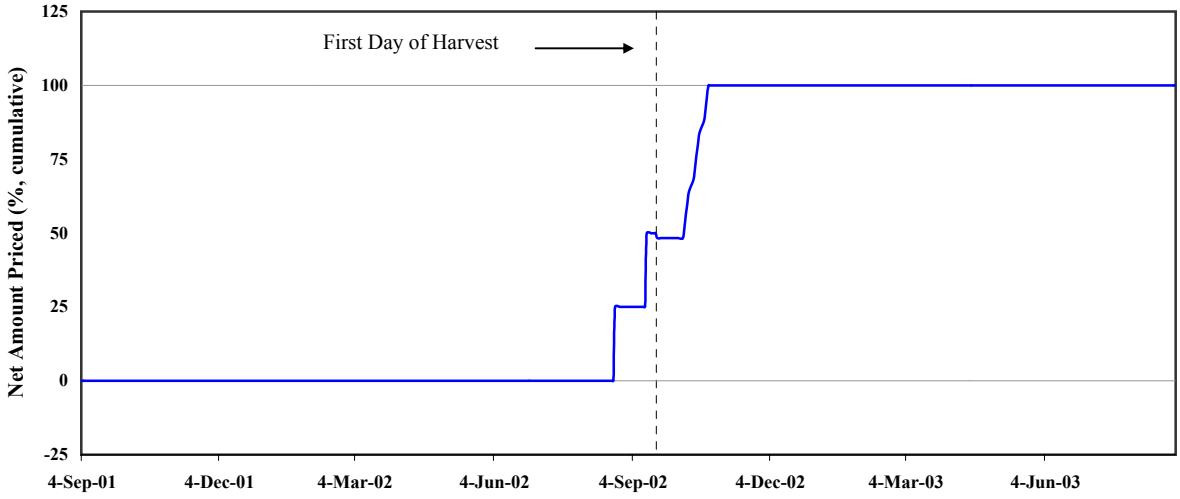
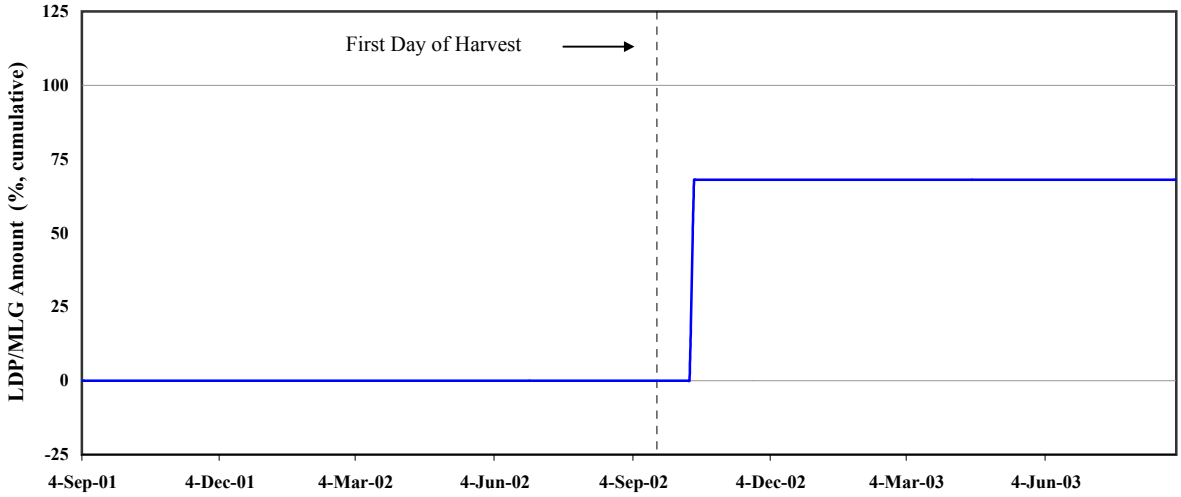


Figure 24.2. Soybean LDP/MLG Profile, RMG (cash only), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 24.3. Soybean Marketing Profile, RMG (cash only), 2003 Crop Year

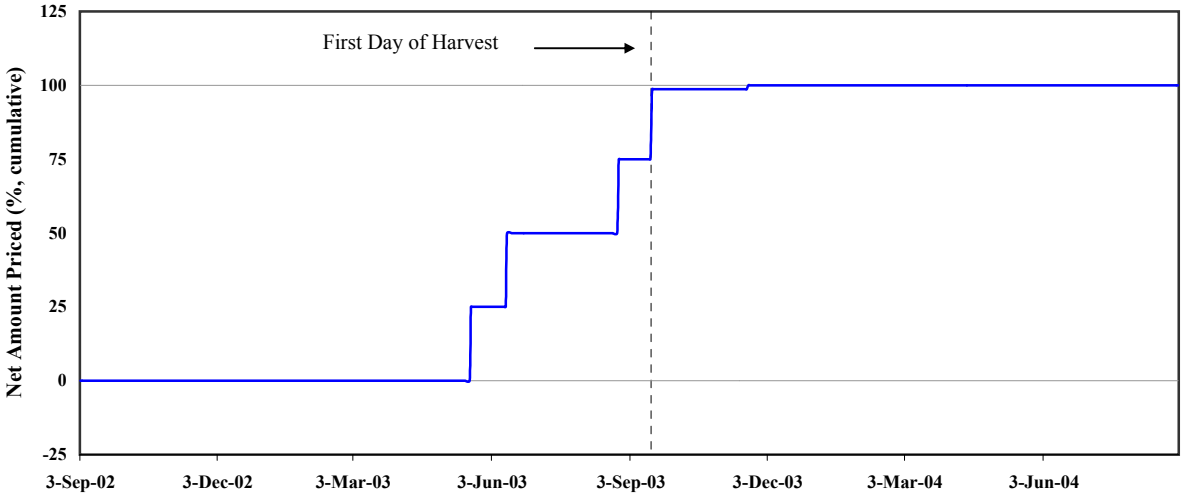


Figure 24.4. Soybean Marketing Profile, RMG (cash only), 2004 Crop Year

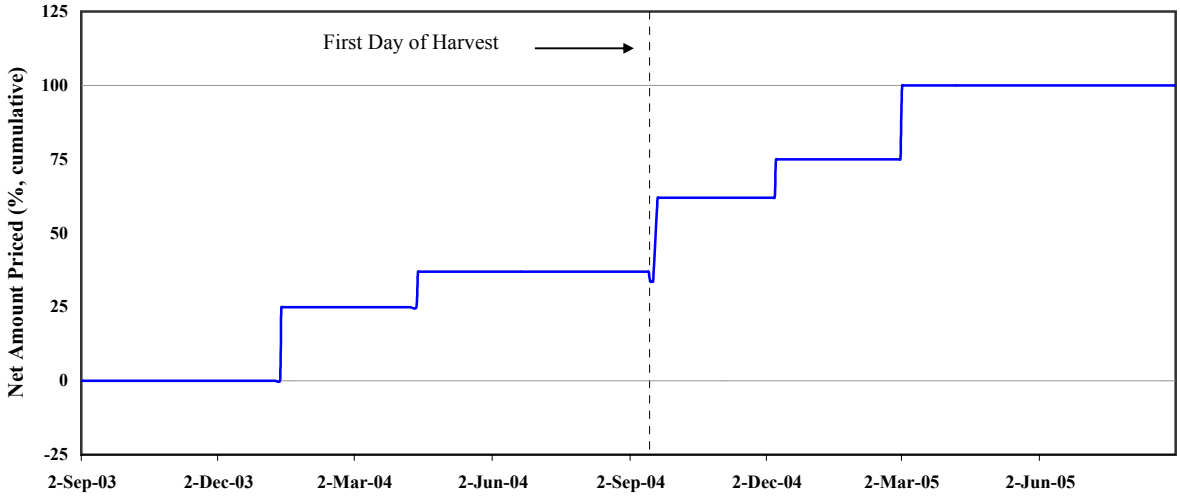
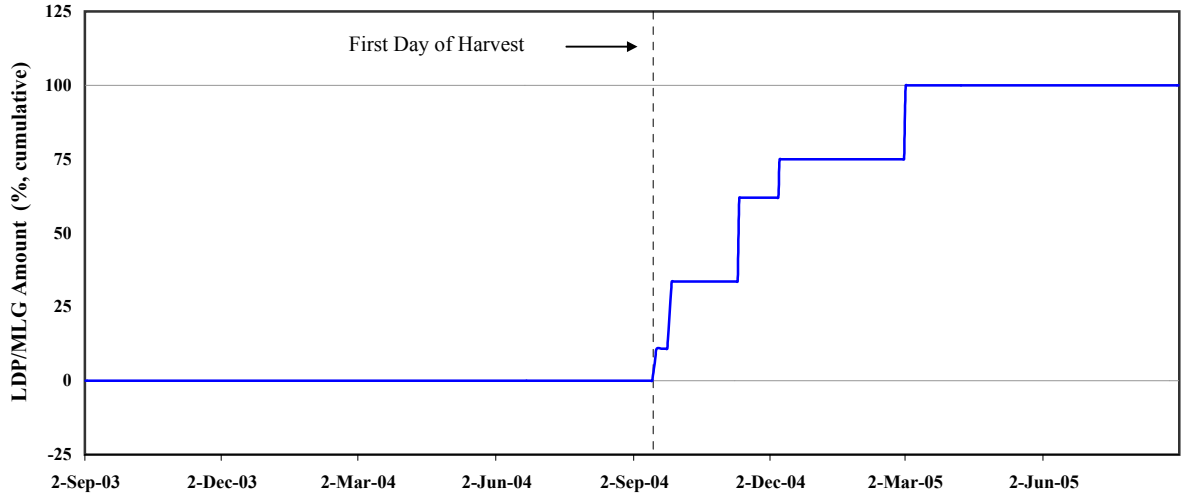


Figure 24.5. Soybean LDP/MLG Profile, RMG (cash only), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 24.6. Soybean Marketing Profile, RMG (cash only), 1999-2004 Crop Years

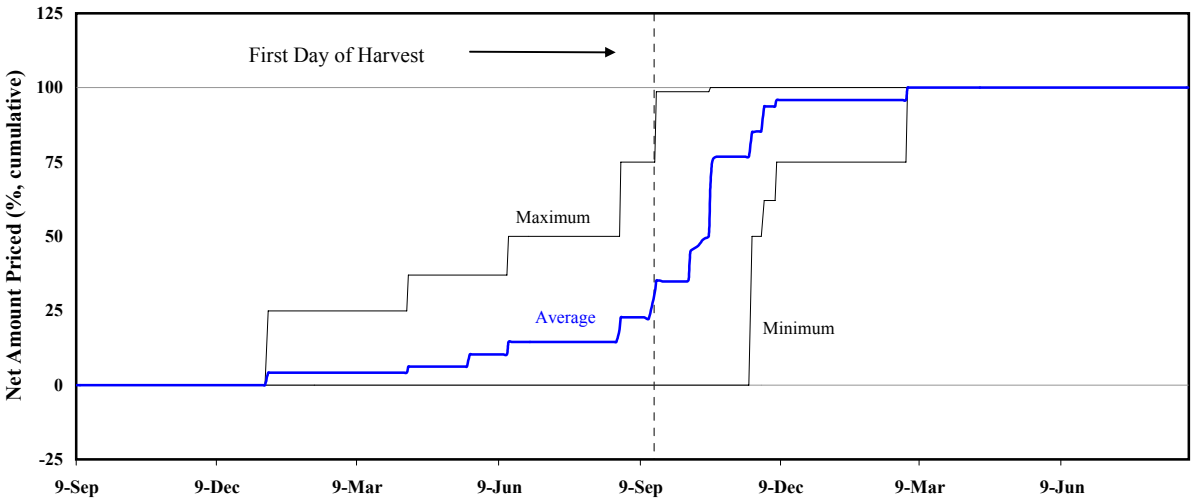
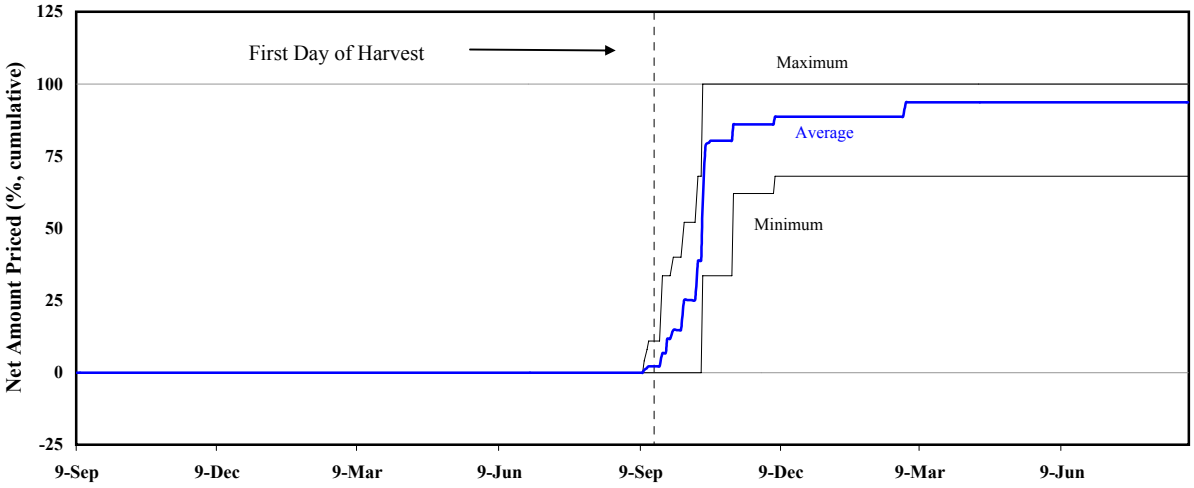


Figure 24.7. Soybean LDP/MLG Profile, RMG (cash only), 1999-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 25.1. Soybean Marketing Profile, RMG (futures & options), 2002 Crop Year

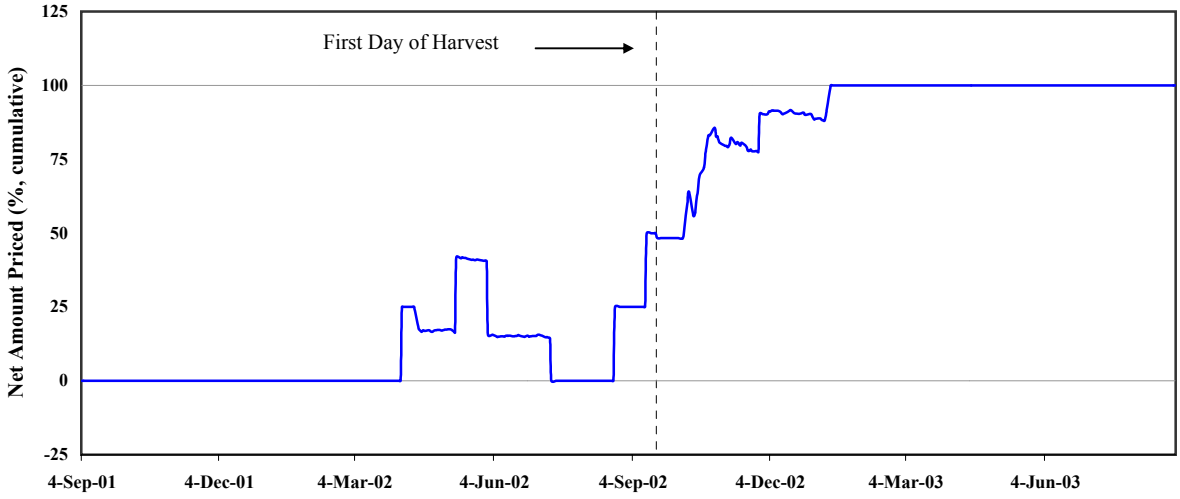
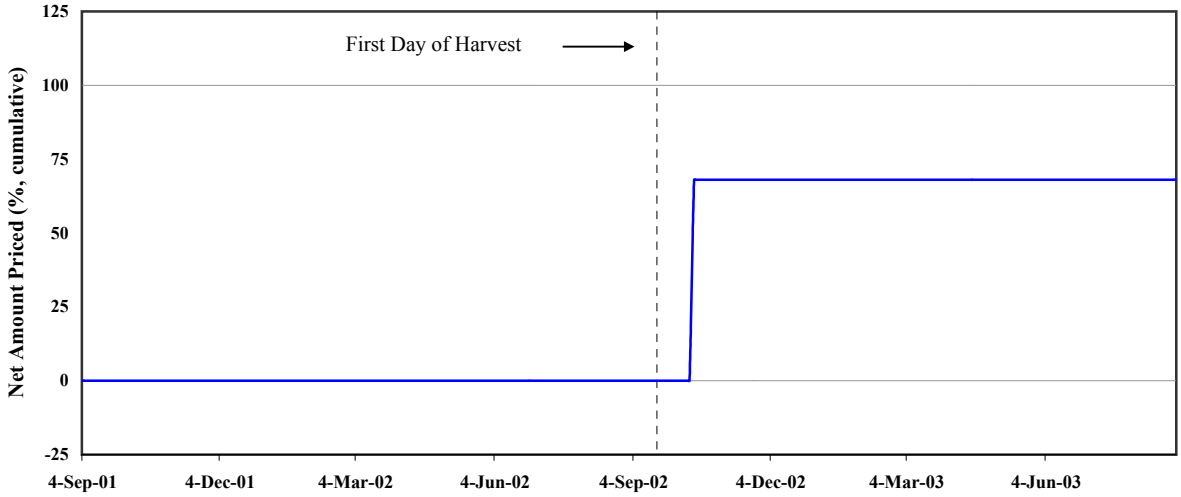


Figure 25.2. Soybean LDP/MLG Profile, RMG (futures & options), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 25.3. Soybean Marketing Profile, RMG (futures & options), 2003 Crop Year

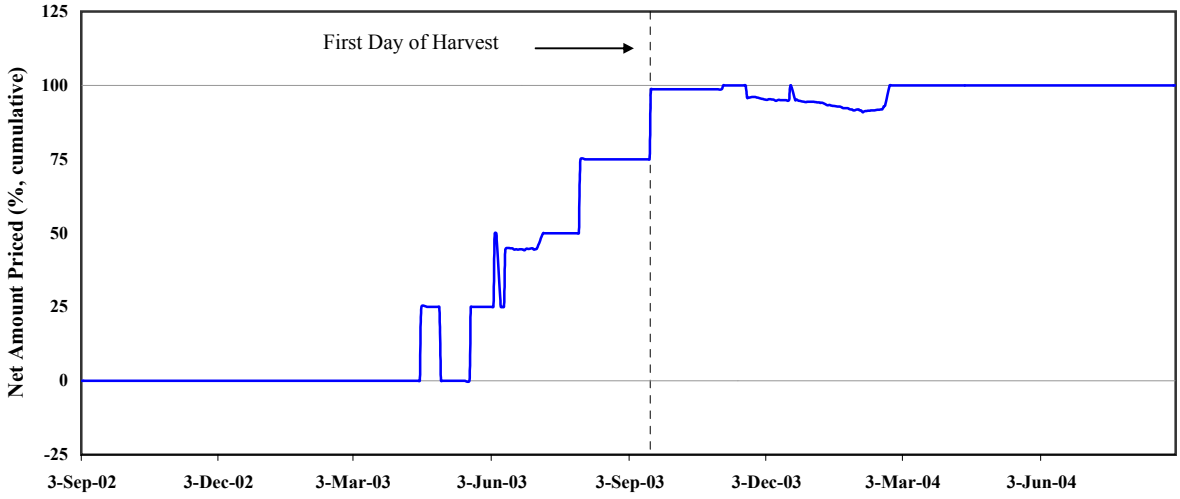


Figure 25.4. Soybean Marketing Profile, RMG (futures & options), 2004 Crop Year

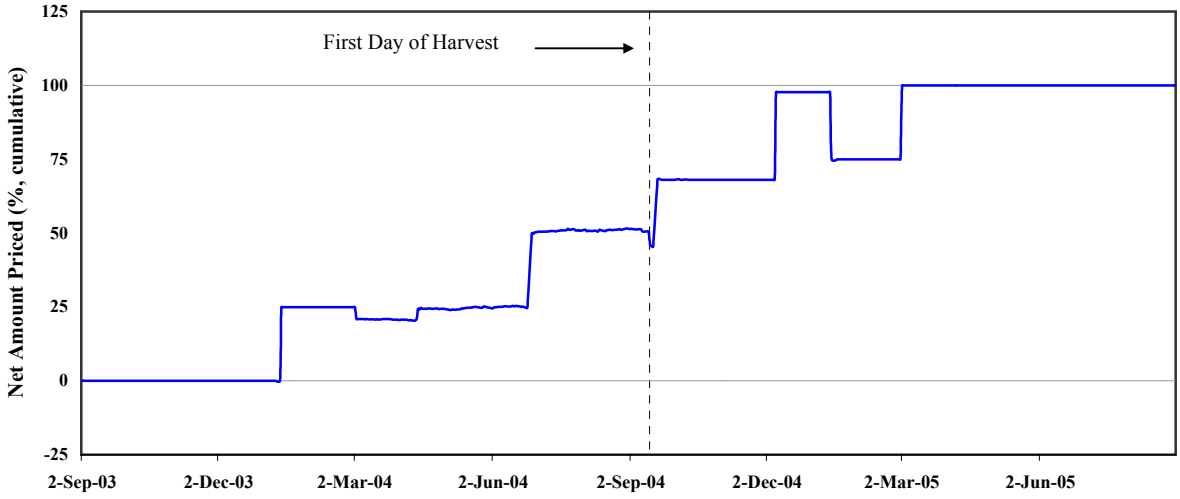
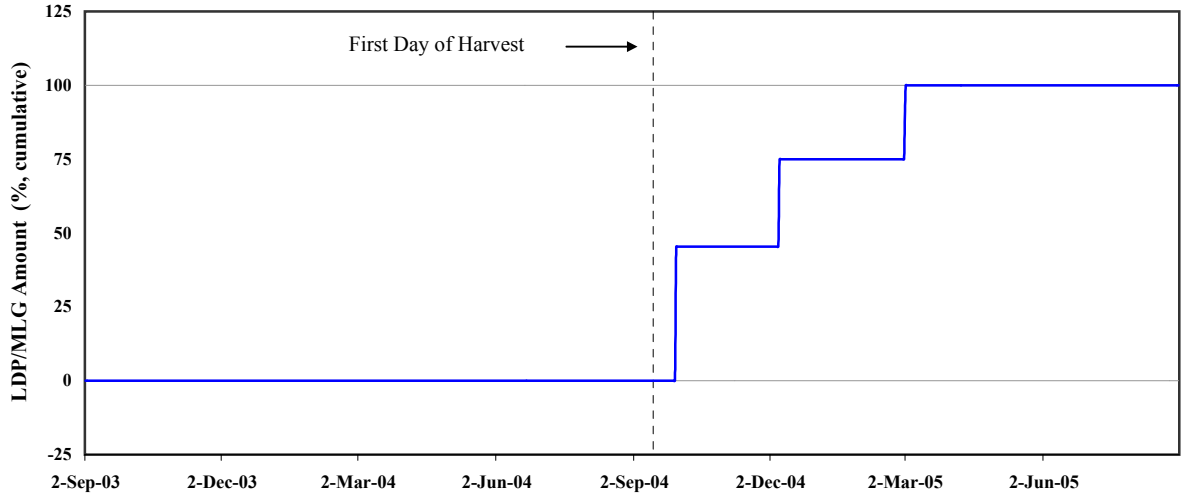


Figure 25.5. Soybean LDP/MLG Profile, RMG (futures & options), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 25.6. Soybean Marketing Profile, RMG (futures & options), 1999-2004 Crop Years

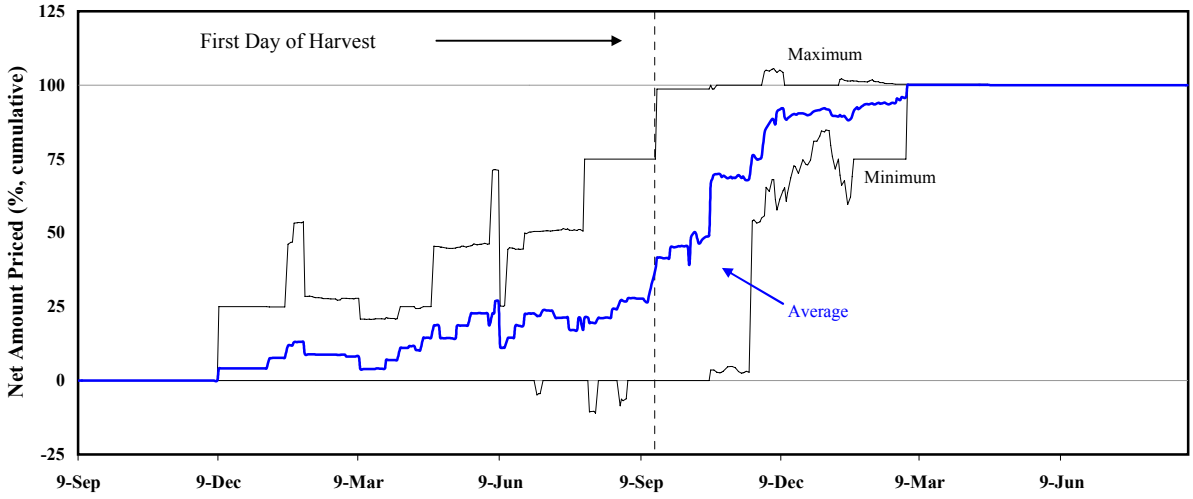
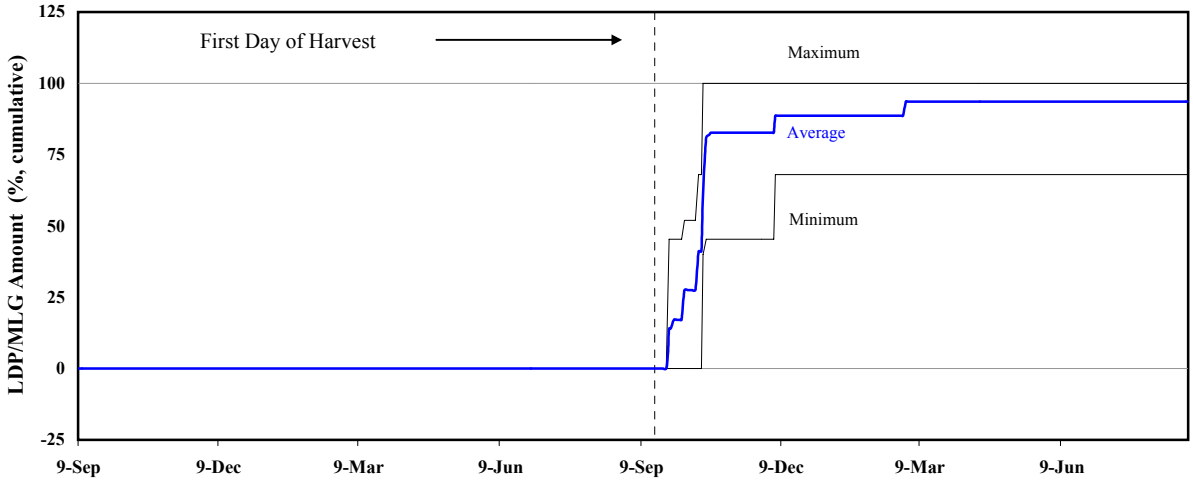


Figure 25.7. Soybean LDP/MLG Profile, RMG (futures & options), 1999-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 26.1. Soybean Marketing Profile, RMG (options only), 2002 Crop Year

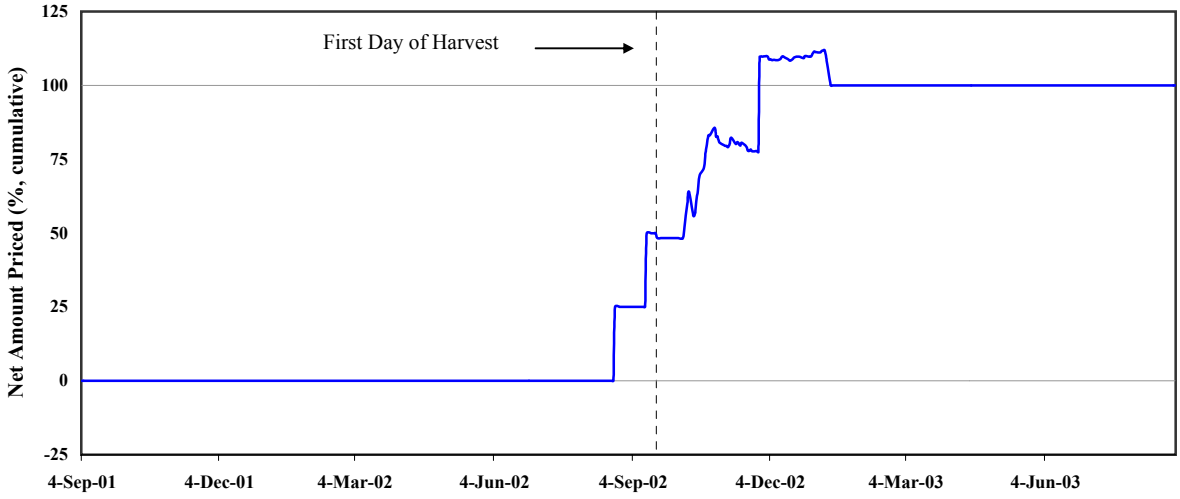
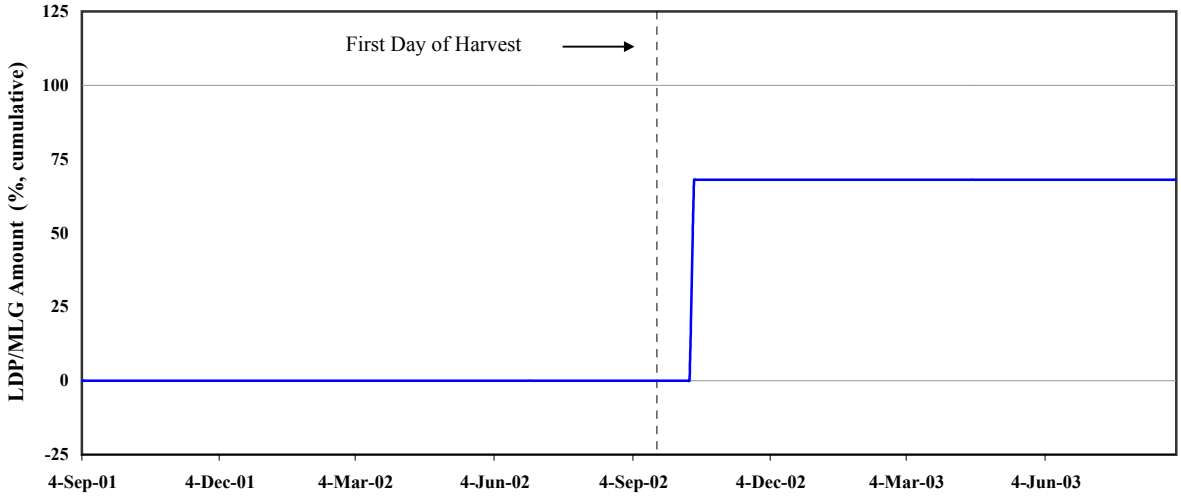


Figure 26.2. Soybean LDP/MLG Profile, RMG (options only), 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 26.3. Soybean Marketing Profile, RMG (options only), 2003 Crop Year

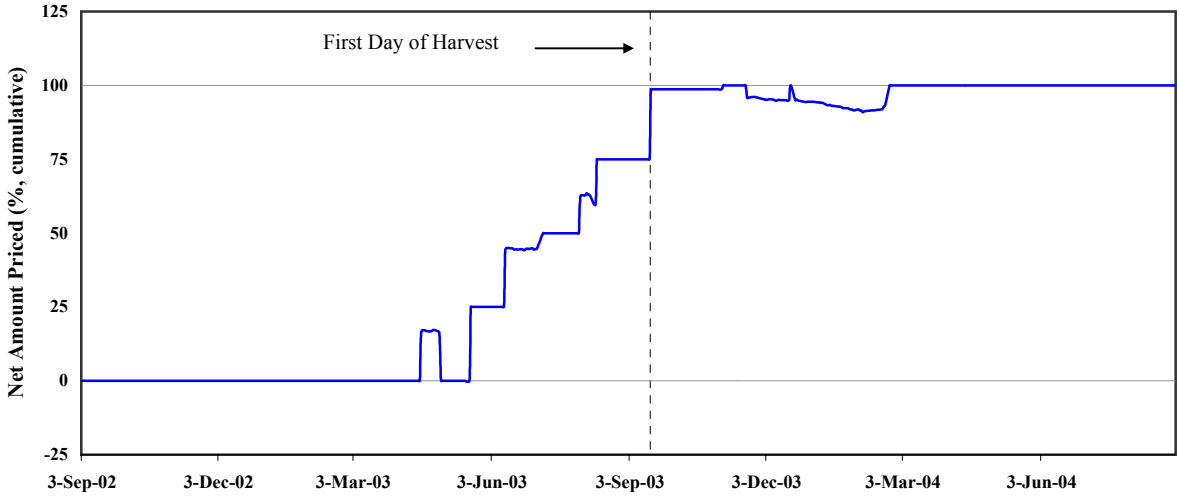


Figure 26.4. Soybean Marketing Profile, RMG (options only), 2004 Crop Year

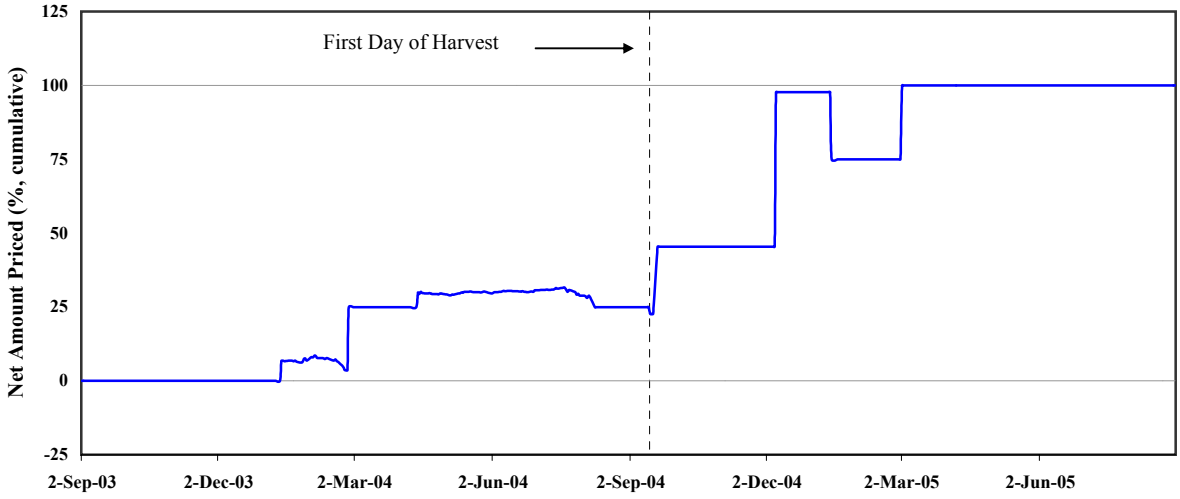
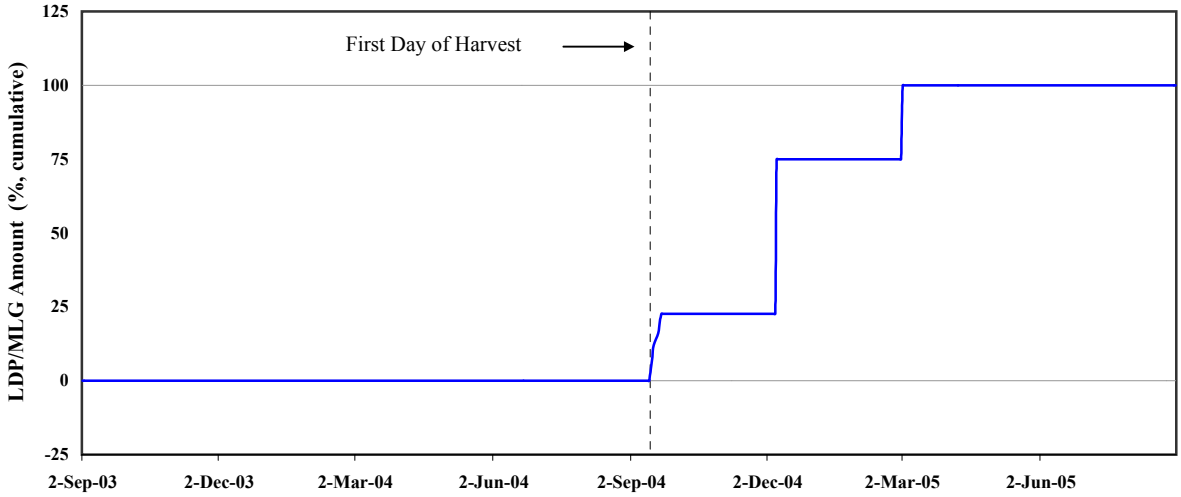


Figure 26.5. Soybean LDP/MLG Profile, RMG (options only), 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 26.6. Soybean Marketing Profile, RMG (options only), 1999-2004 Crop Years

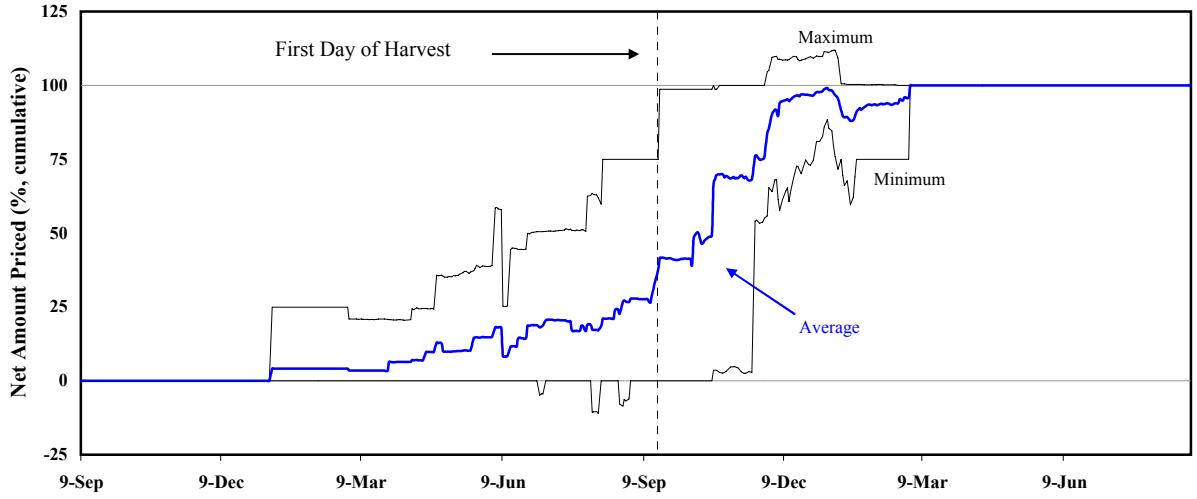
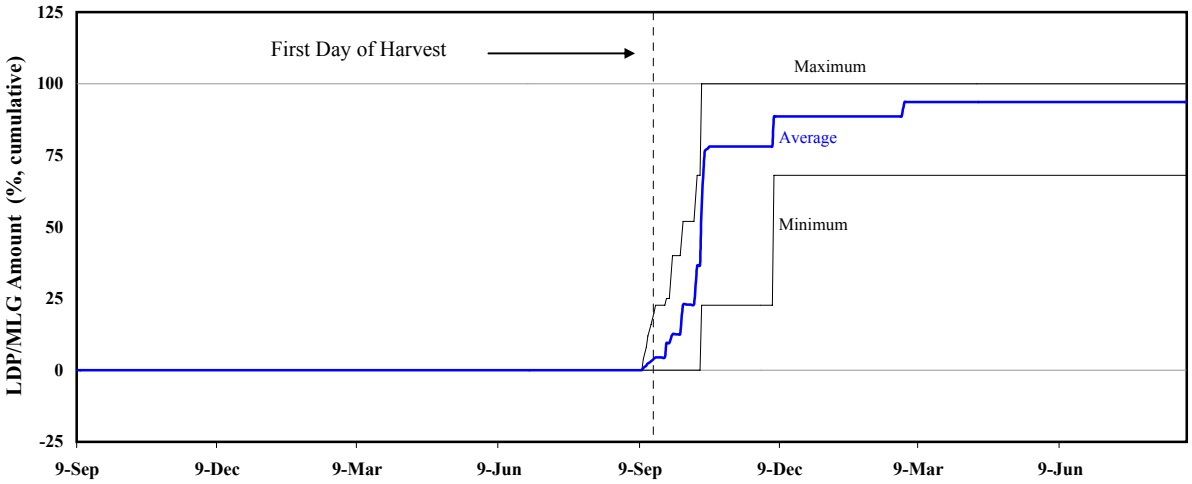


Figure 26.7. Soybean LDP/MLG Profile, RMG (options only), 1999-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 27.1. Soybean Marketing Profile, Stewart-Peterson Advisory Reports, 2002 Crop Year

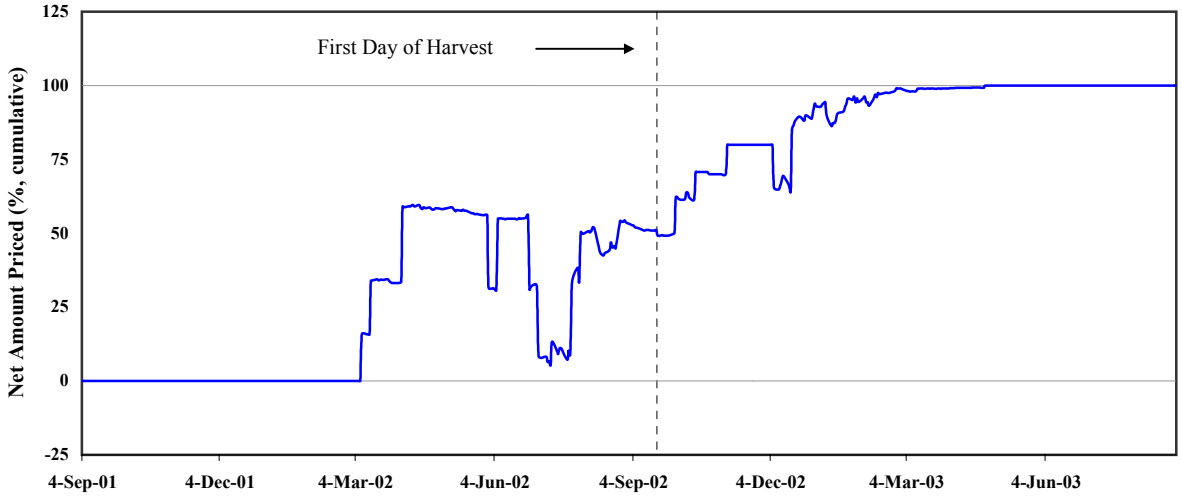
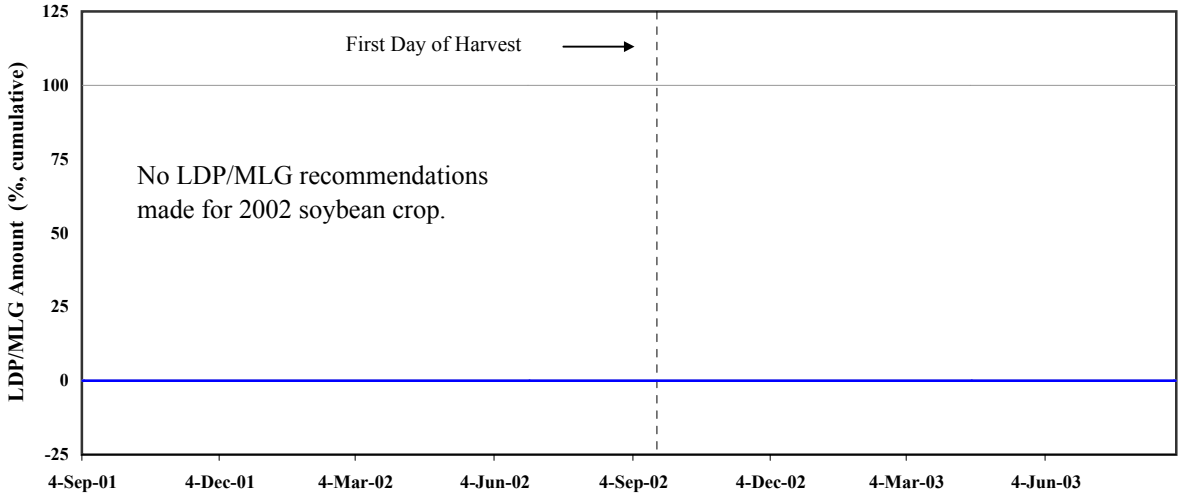


Figure 27.2. Soybean LDP/MLG Profile, Stewart-Peterson Advisory Reports, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 27.3. Soybean Marketing Profile, Stewart-Peterson Advisory Reports, 2003 Crop Year

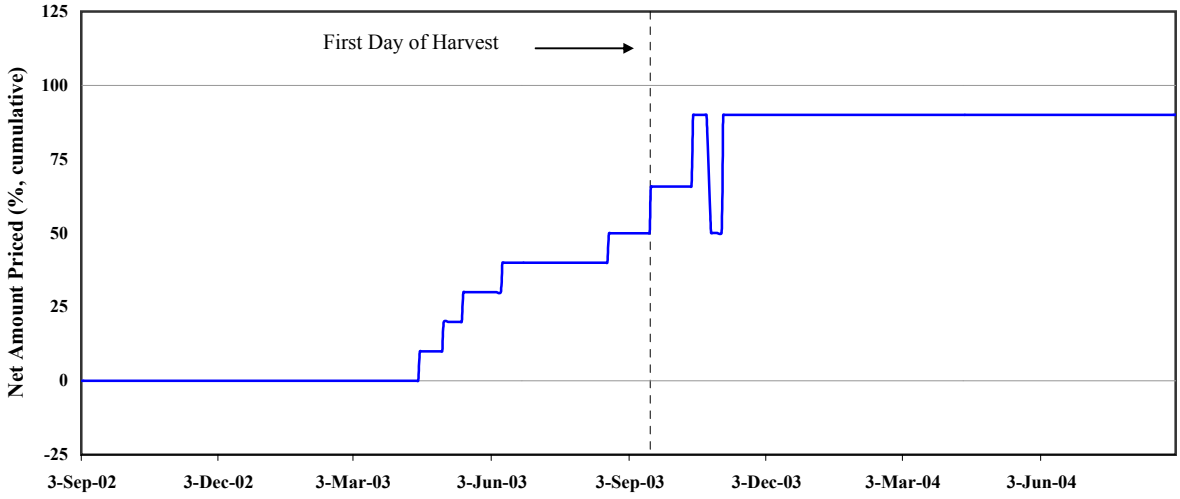


Figure 27.4. Soybean Marketing Profile, Stewart-Peterson Advisory Reports, 2004 Crop Year

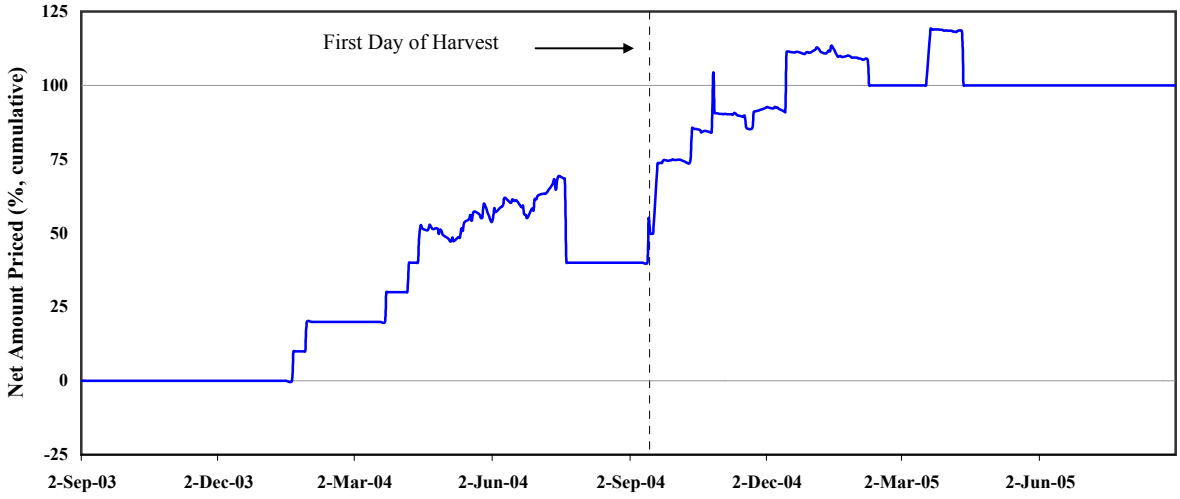
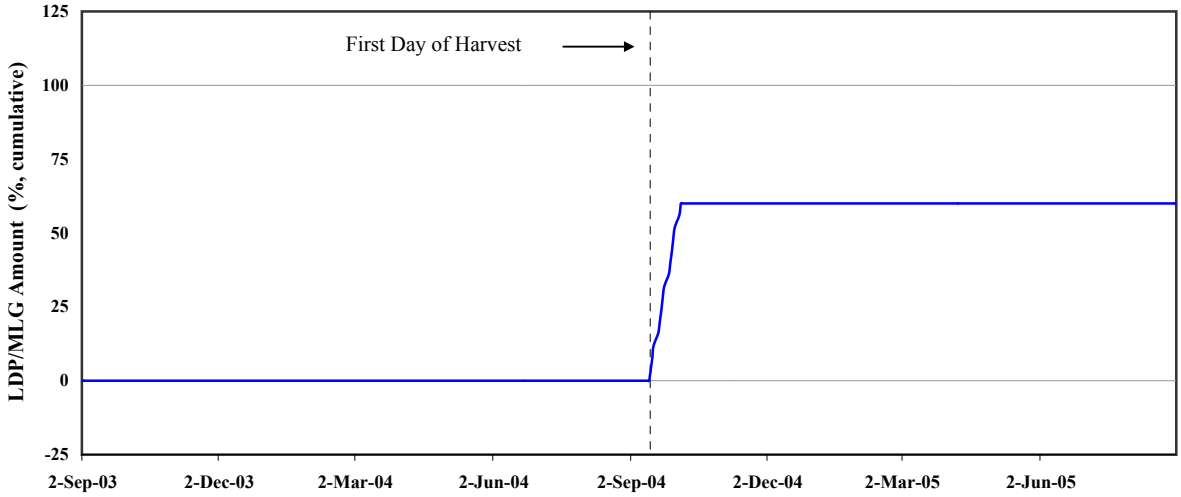


Figure 27.5. Soybean LDP/MLG Profile, Stewart-Peterson Advisory Reports, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 27.6. Soybean Marketing Profile, Stewart-Peterson Advisory Reports, 1995-2004 Crop Years

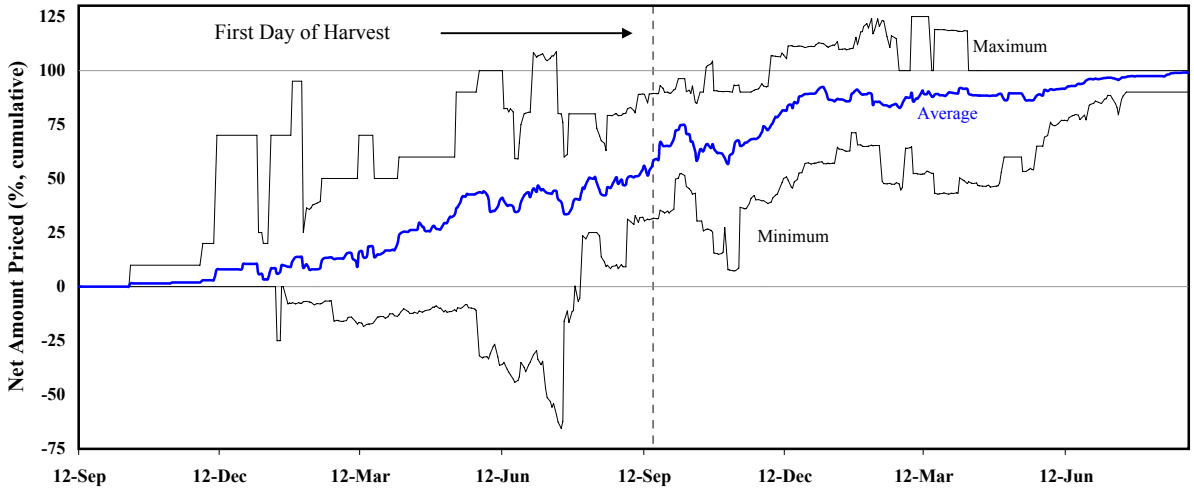
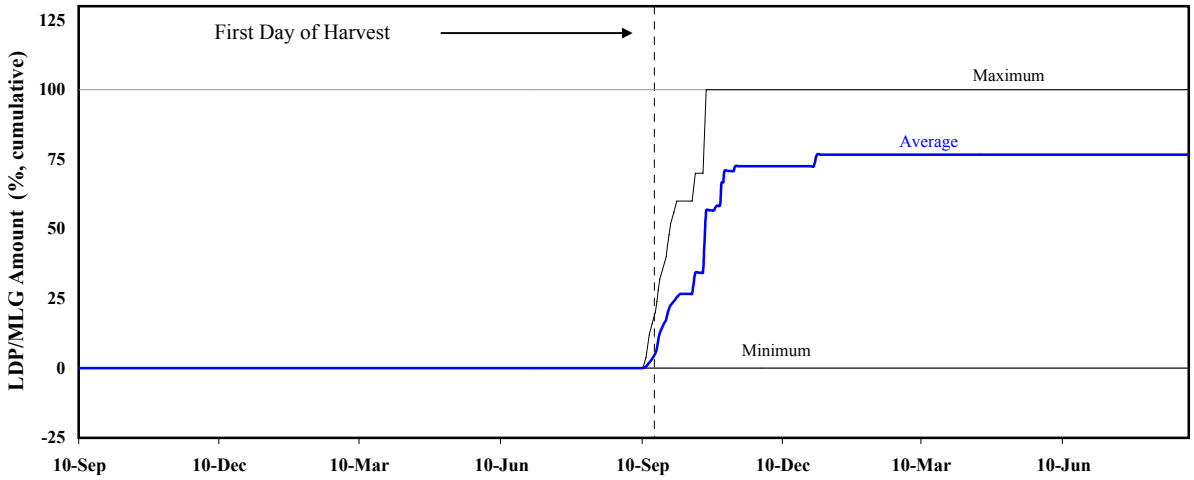


Figure 27.7. Soybean LDP/MLG Profile, Stewart-Peterson Advisory Reports, 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 28.1. Soybean Marketing Profile, Top Farmer Intelligence, 2002 Crop Year

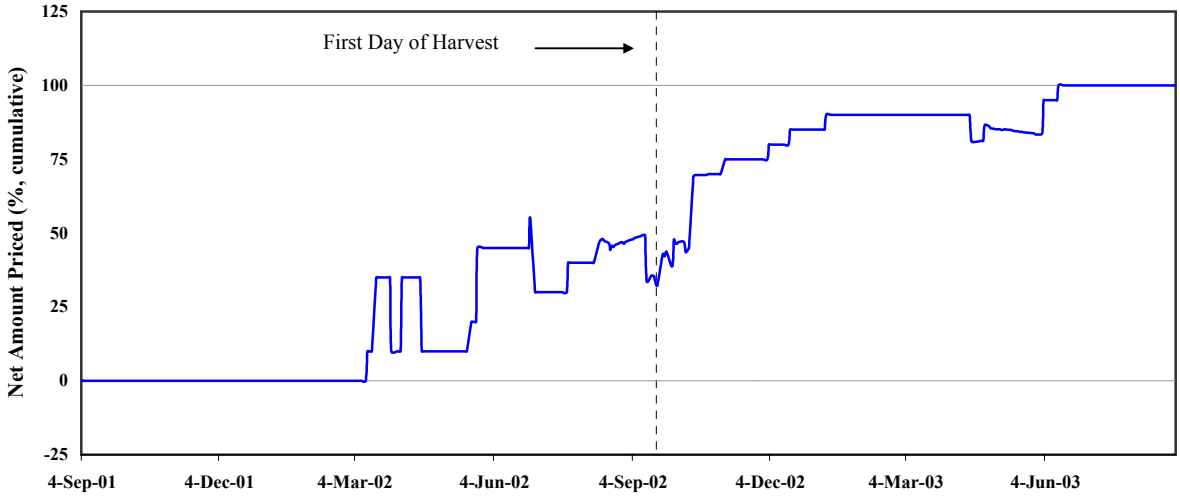
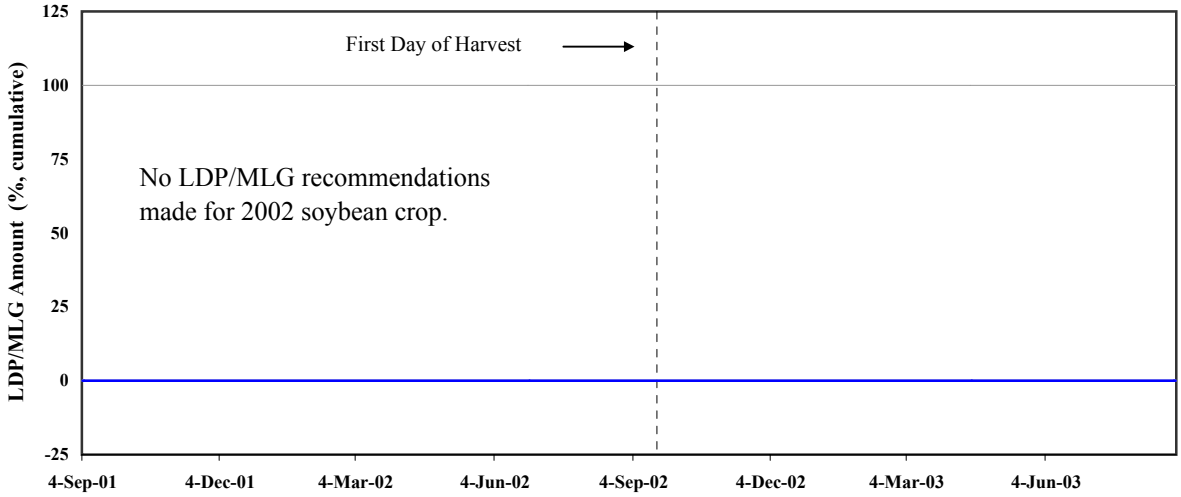


Figure 28.2. Soybean LDP/MLG Profile, Top Farmer Intelligence, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 28.3. Soybean Marketing Profile, Top Farmer Intelligence, 2003 Crop Year

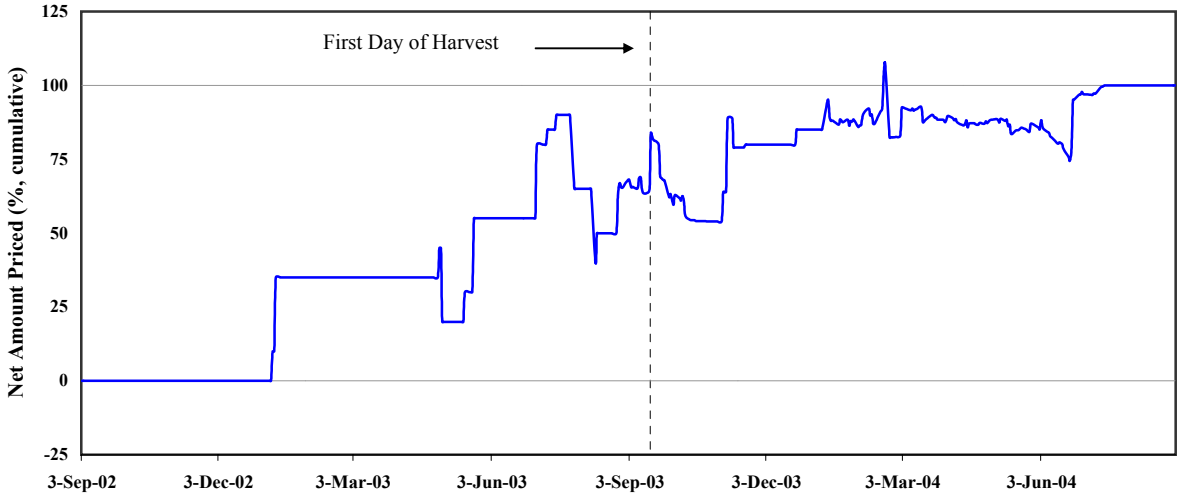


Figure 28.4. Soybean Marketing Profile, Top Farmer Intelligence, 2004 Crop Year

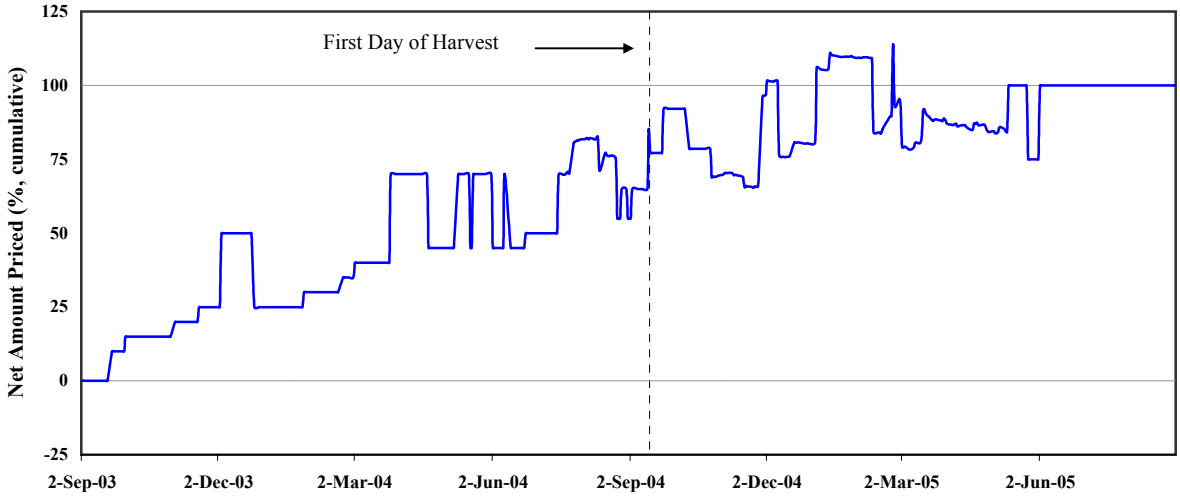
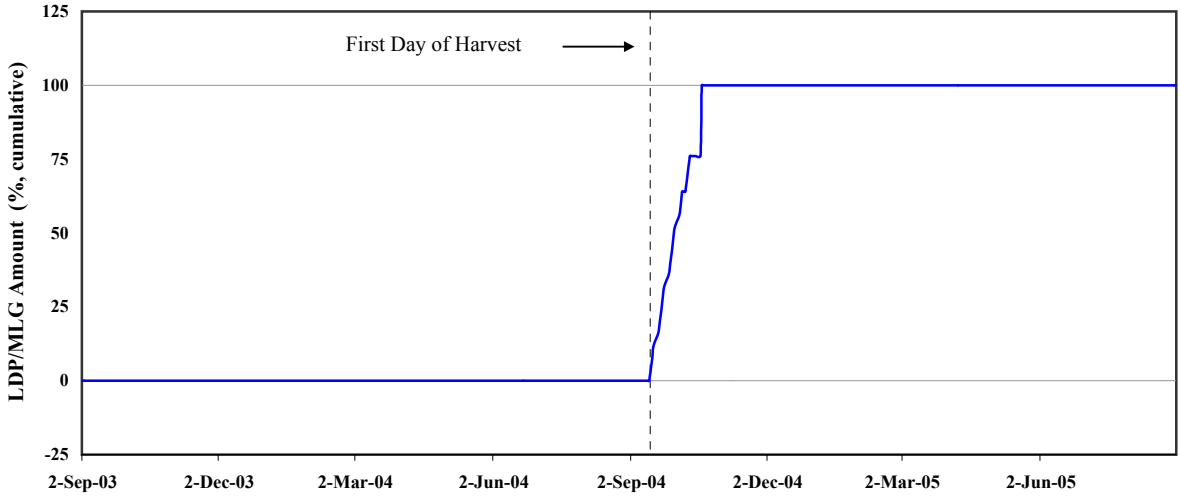


Figure 28.5. Soybean LDP/MLG Profile, Top Farmer Intelligence, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 28.6. Soybean Marketing Profile, Top Farmer Intelligence, 1995-2004 Crop Years

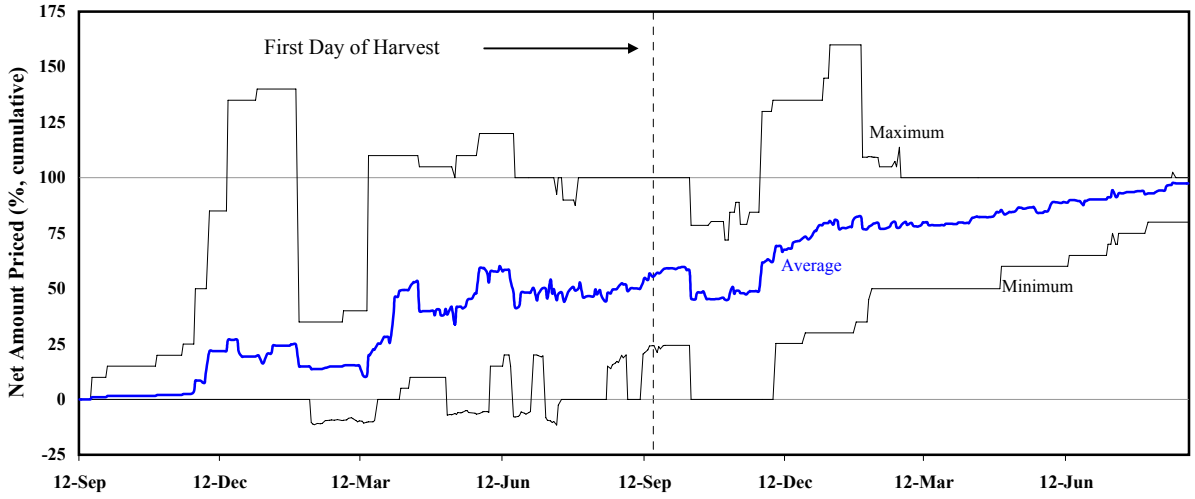
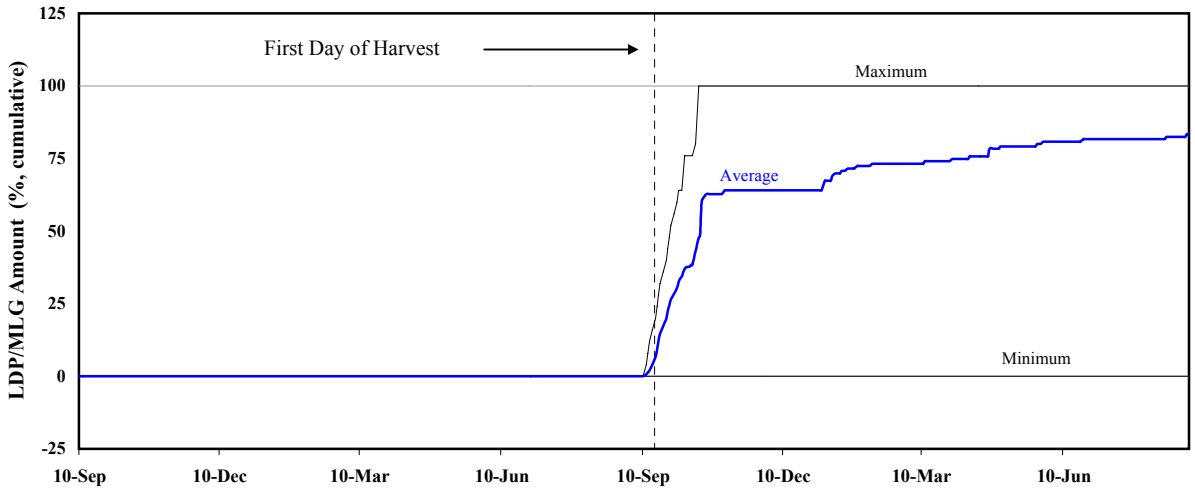


Figure 28.7. Soybean LDP/MLG Profile, Top Farmer Intelligence, 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 29.1. Soybean Marketing Profile, Utterback Marketing Services, 2002 Crop Year

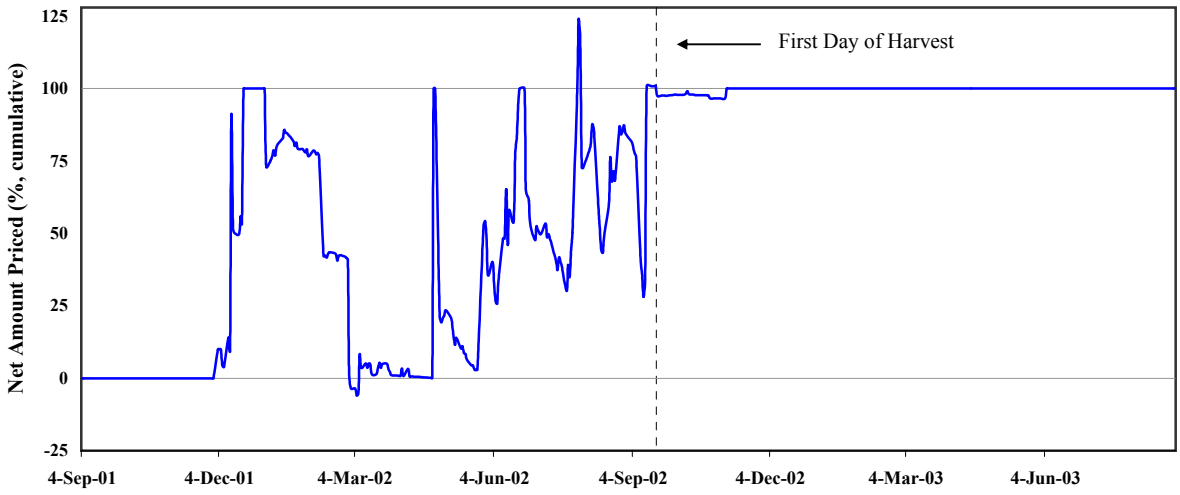
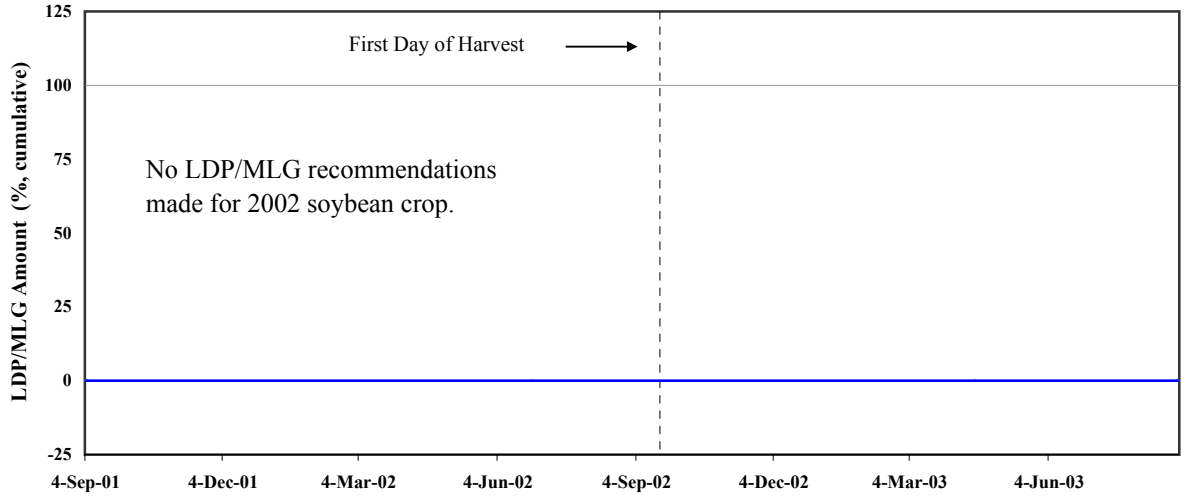


Figure 29.2. Soybean LDP/MLG Profile, Utterback Marketing Services, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 29.3. Soybean Marketing Profile, Utterback Marketing Services, 2003 Crop Year

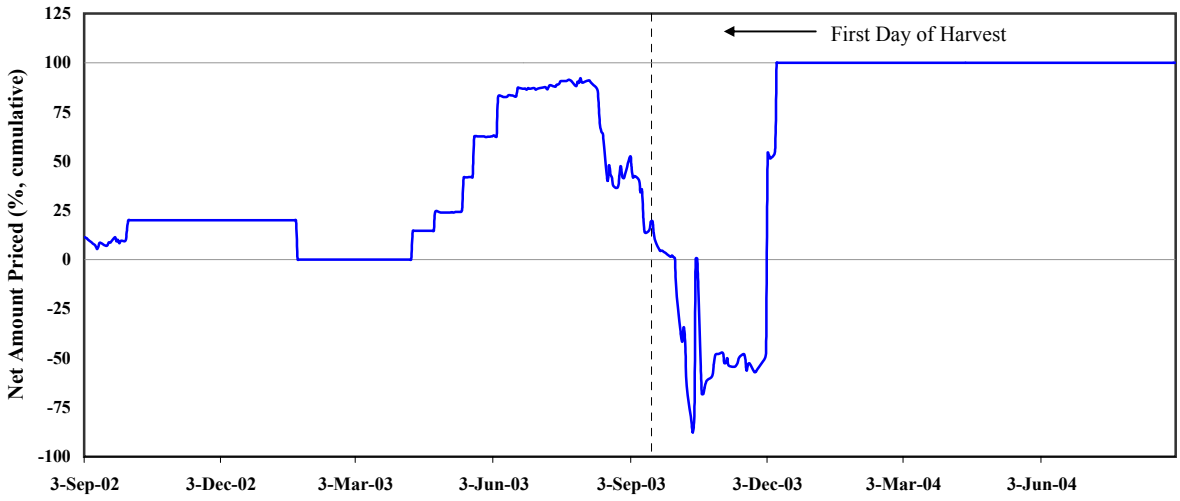


Figure 29.4. Soybean Marketing Profile, Utterback Marketing Services, 2004 Crop Year

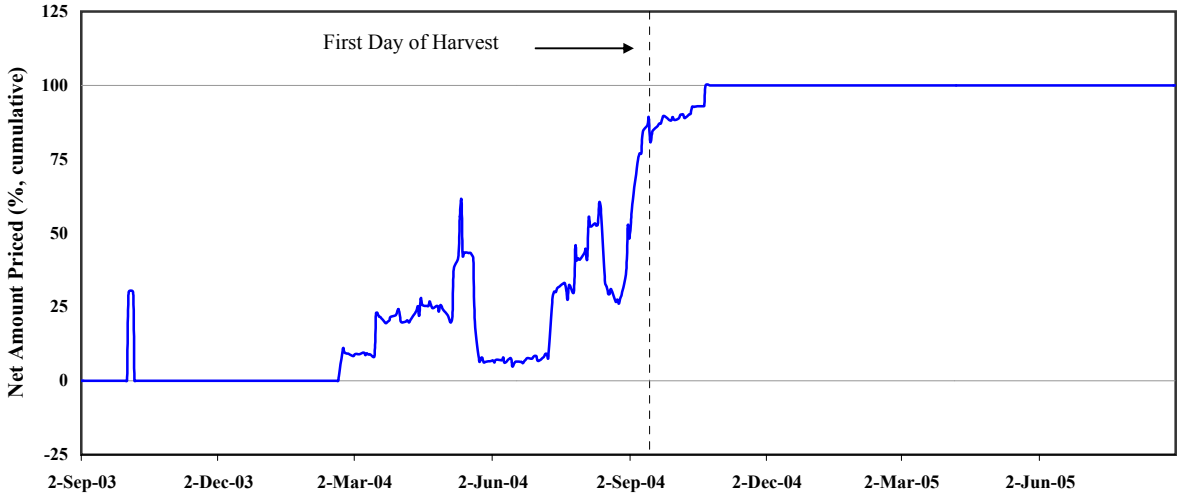
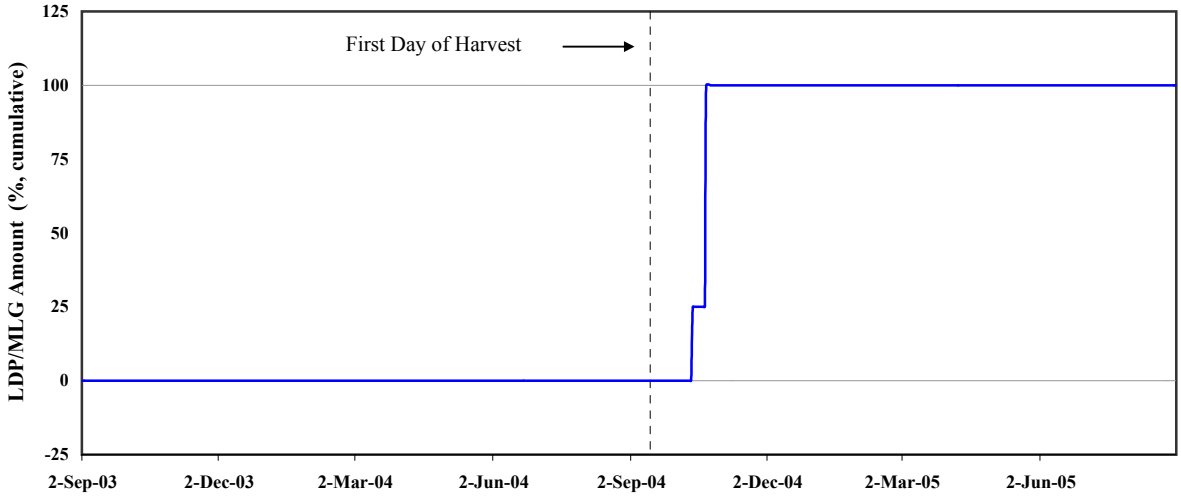


Figure 29.5. Soybean LDP/MLG Profile, Utterback Marketing Services, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 29.6. Soybean Marketing Profile, Utterback Marketing Services, 1997-2004 Crop Years

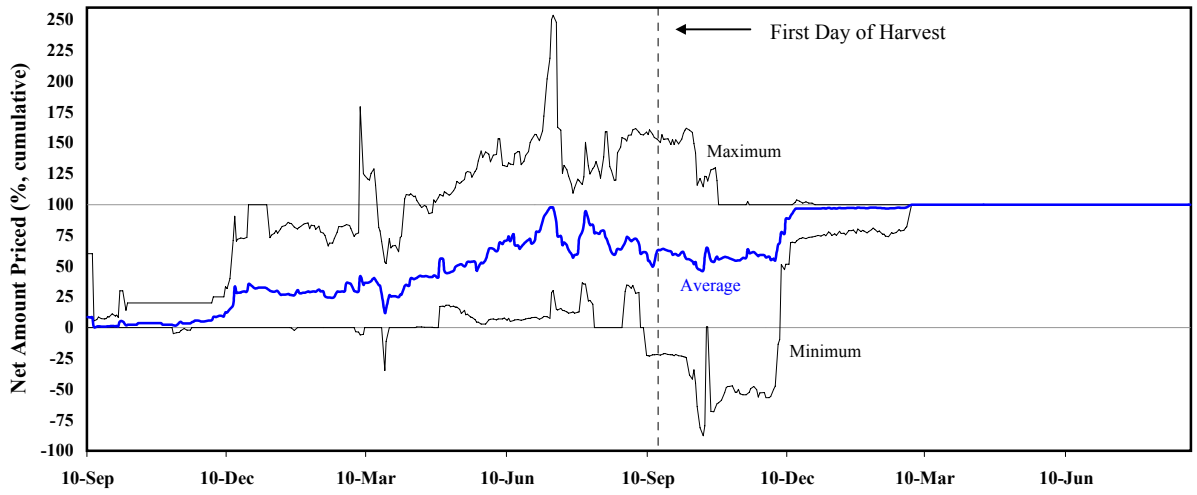
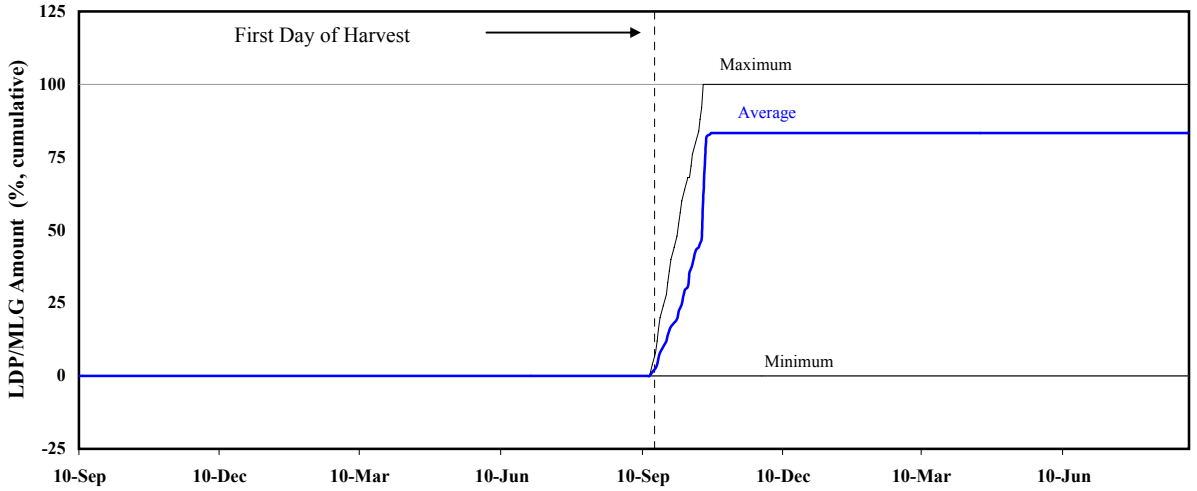


Figure 29.7. Soybean LDP/MLG Profile, Utterback Marketing Services, 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 30.1. Soybean Marketing Profile, All Programs, 1995 Crop Year

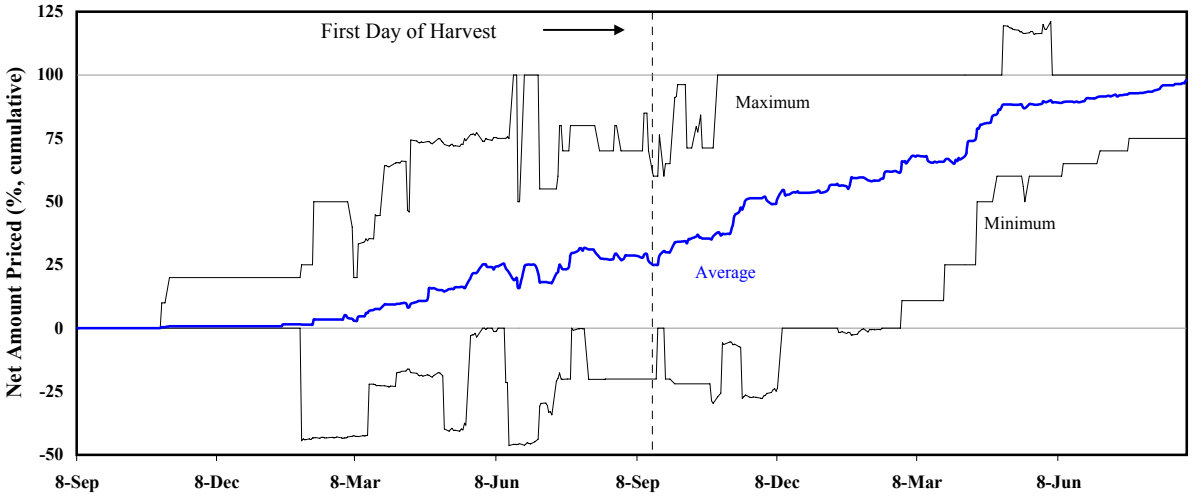


Figure 30.2. Soybean Marketing Profile, 24- and 20-Month Market Benchmark and All Programs, 1995 Crop Year

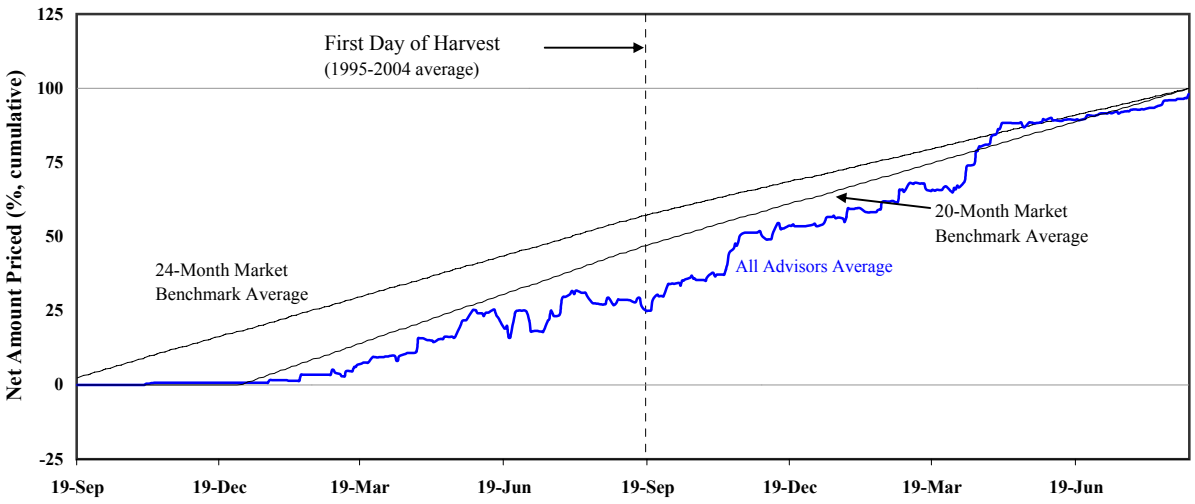


Figure 31.1. Soybean Marketing Profile, All Programs, 1996 Crop Year

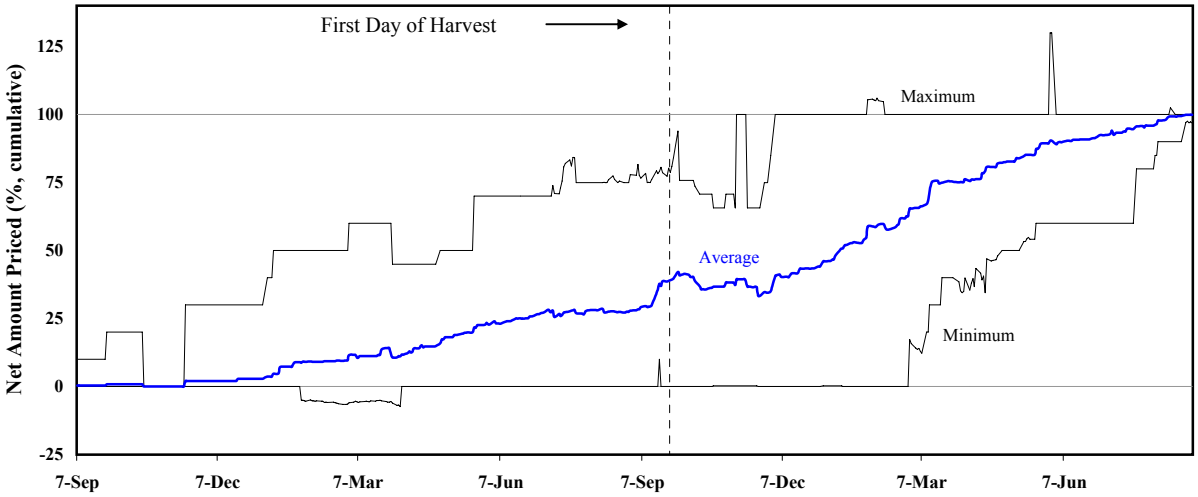


Figure 31.2. Soybean Marketing Profile, 24- and 20-Month Market Benchmark and All Programs, 1996 Crop Year

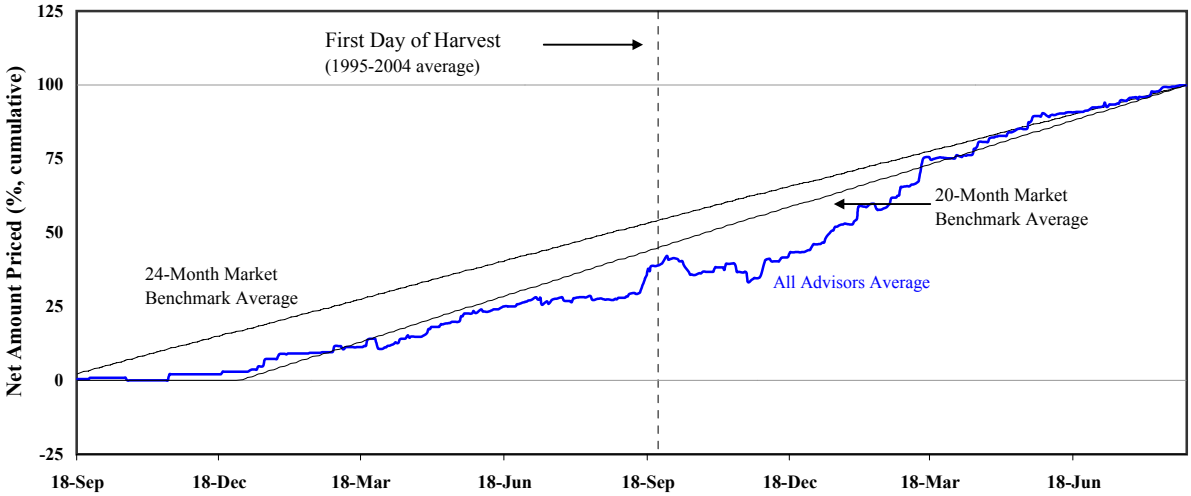


Figure 32.1. Soybean Marketing Profile, All Programs, 1997 Crop Year

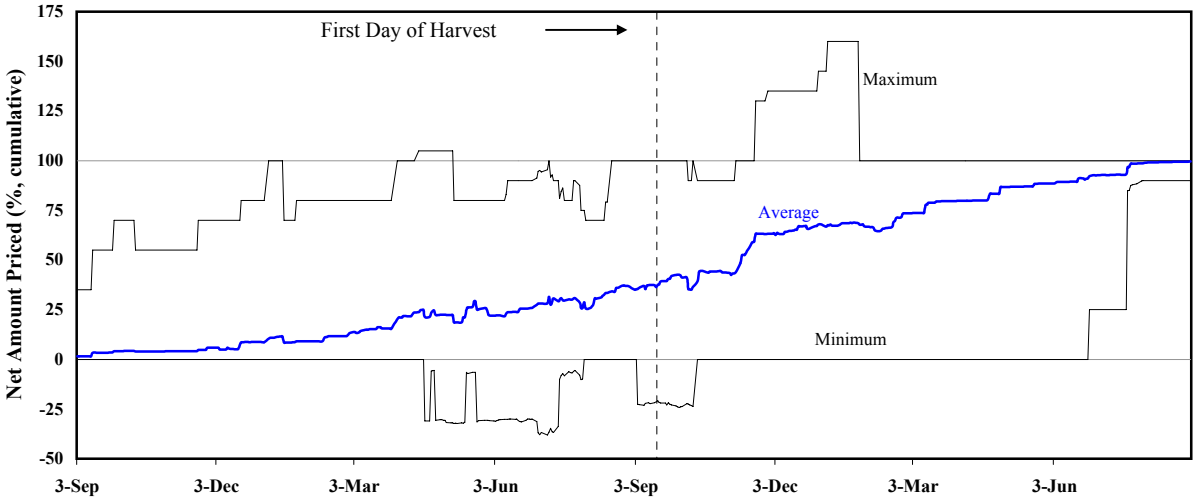


Figure 32.2. Soybean Marketing Profile, 24- and 20-Month Market Benchmark and All Programs, 1997 Crop Year

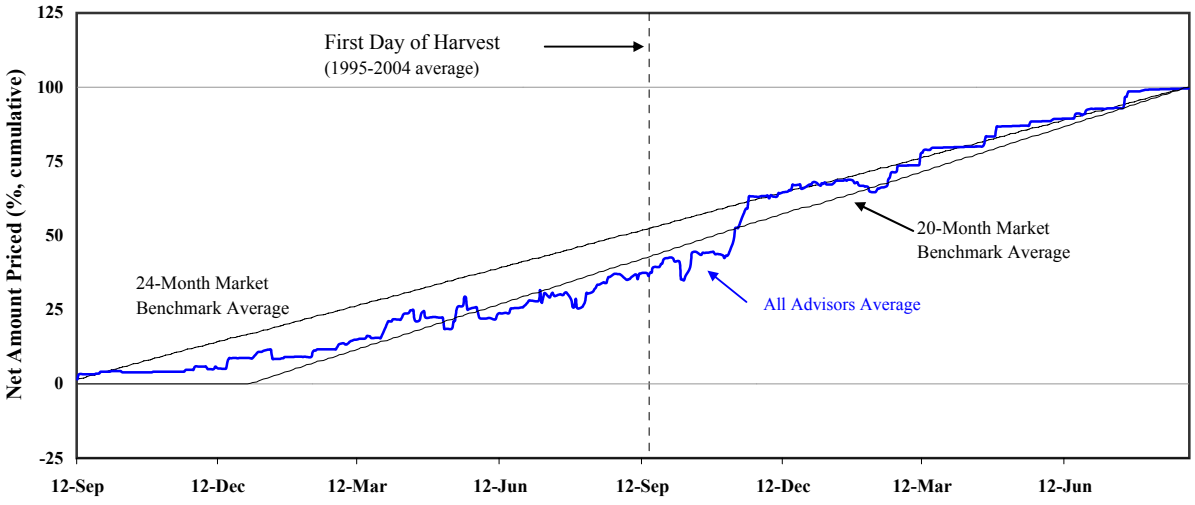


Figure 33.1. Soybean Marketing Profile, All Programs, 1998 Crop Year

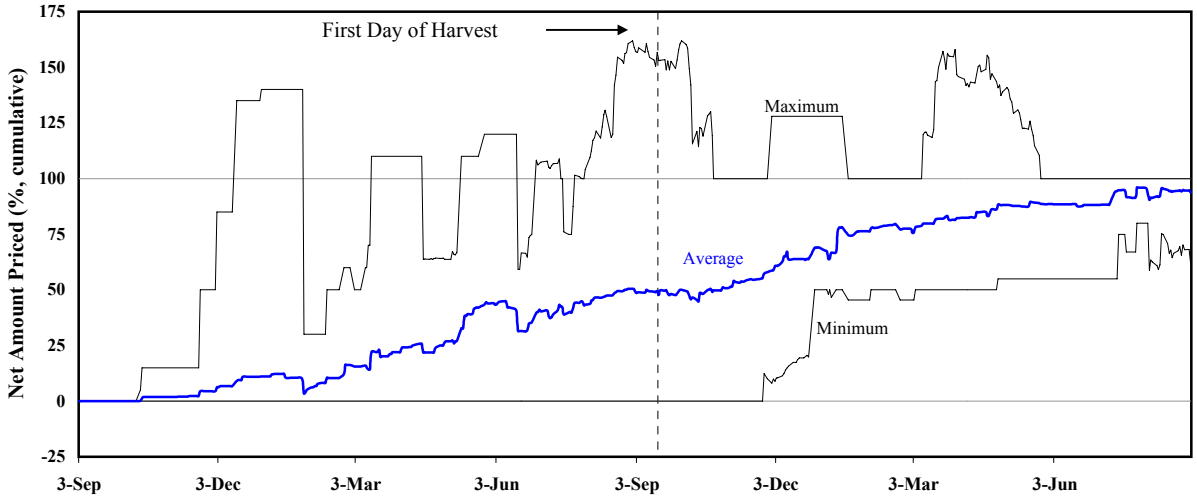
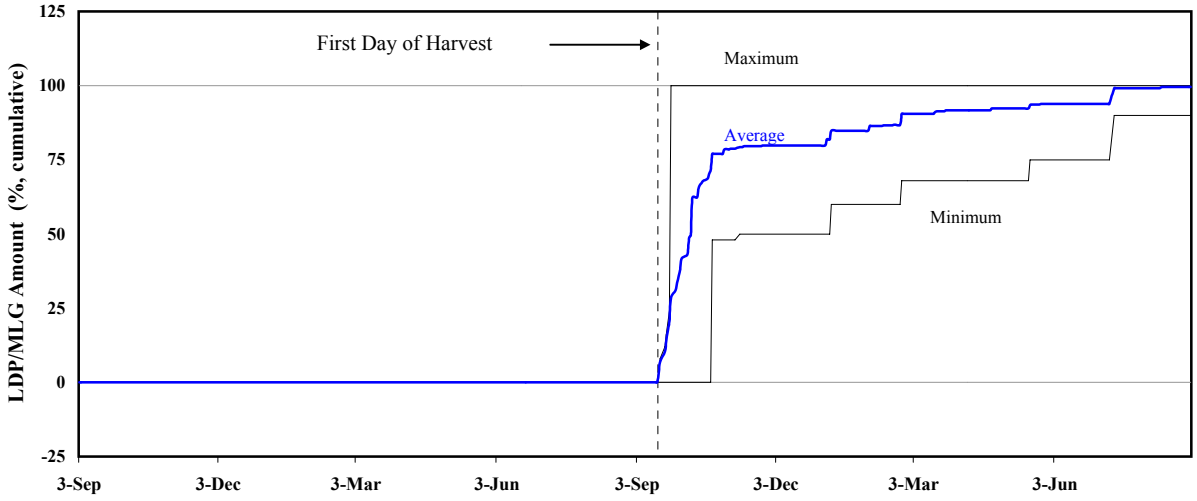


Figure 33.2. Soybean LDP/MLG Profile, All Programs, 1998 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 33.3. Soybean Marketing Profile, 24- and 20-Month Market Benchmark and All Programs, 1998 Crop Year

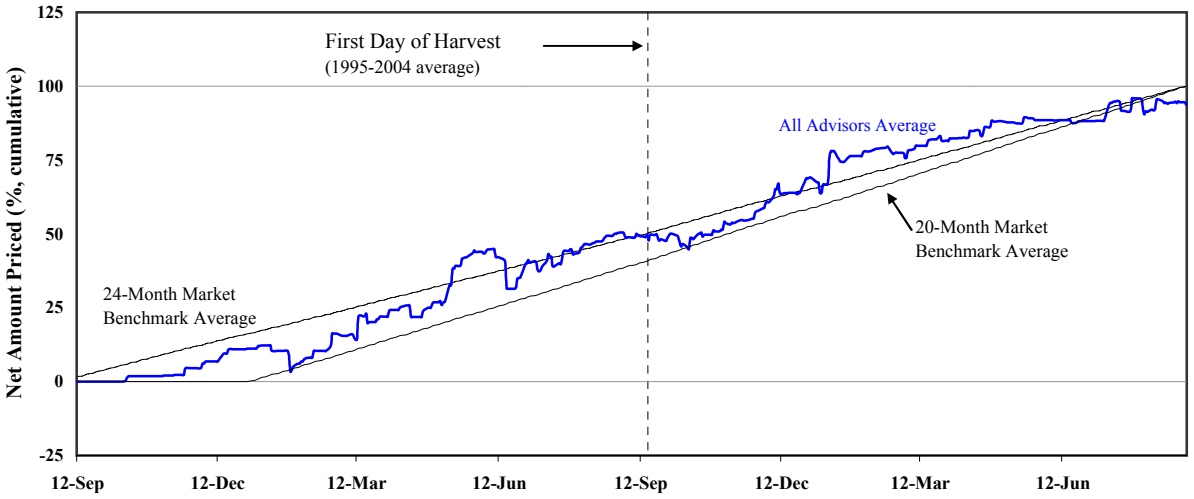
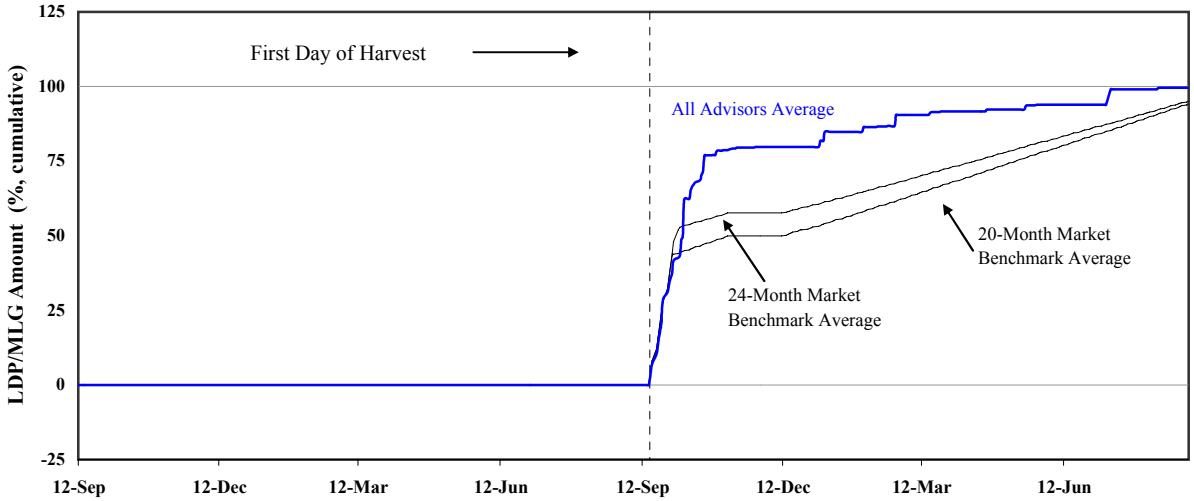


Figure 33.4. Soybeans LDP/MLG Profile, 24- and 20-Month Market Benchmarks and All Programs, 1998 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 34.1. Soybean Marketing Profile, All Programs, 1999 Crop Year

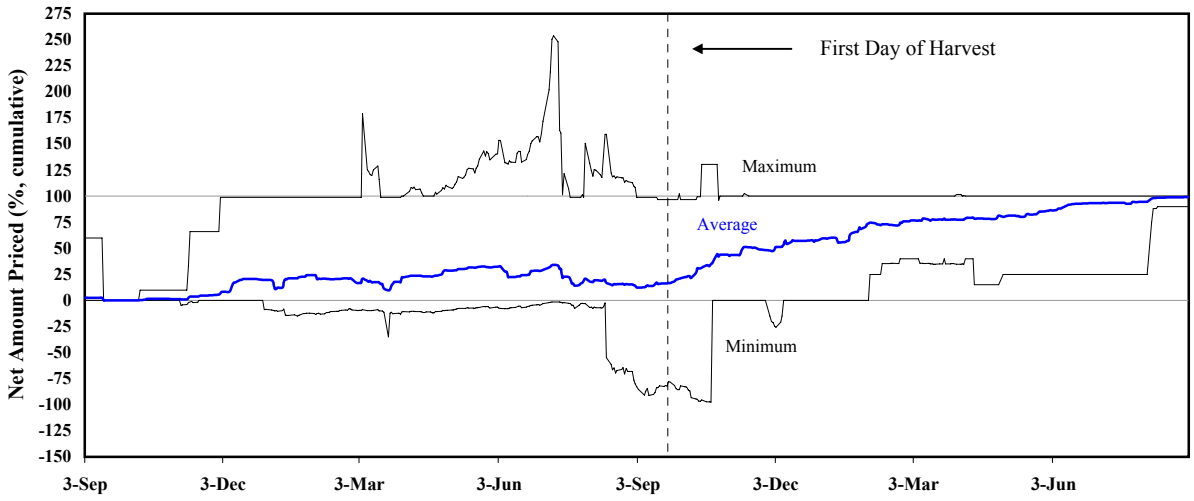
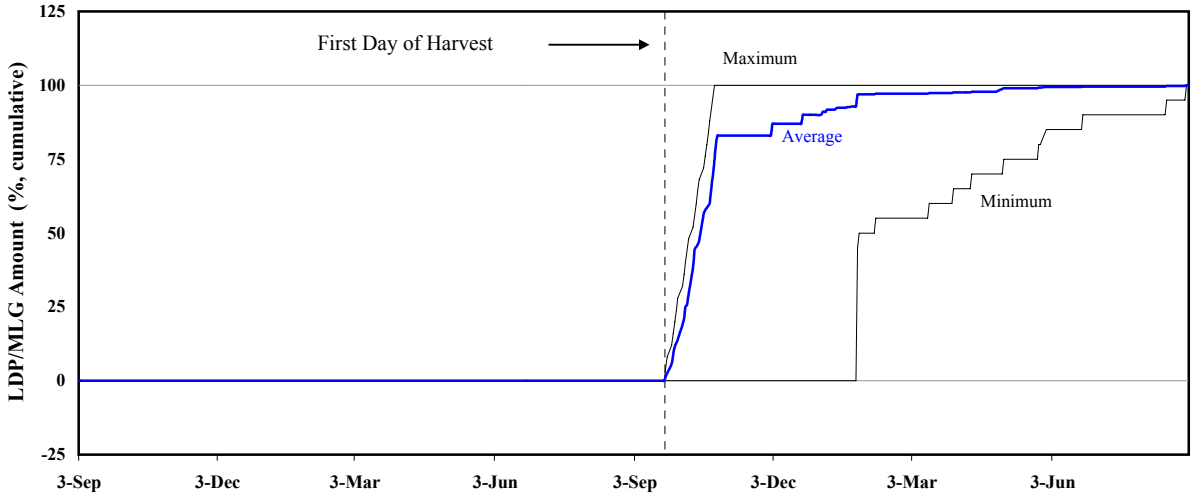


Figure 34.2. Soybean LDP/MLG Profile, All Programs, 1999 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 34.3. Soybean Marketing Profile, 24- and 20-Month Market Benchmark and All Programs, 1999 Crop Year

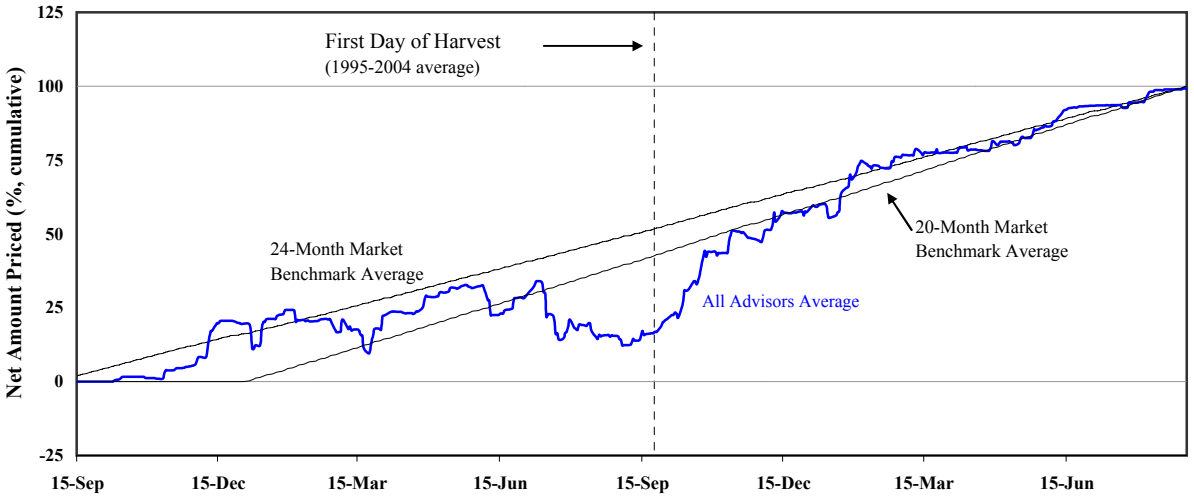
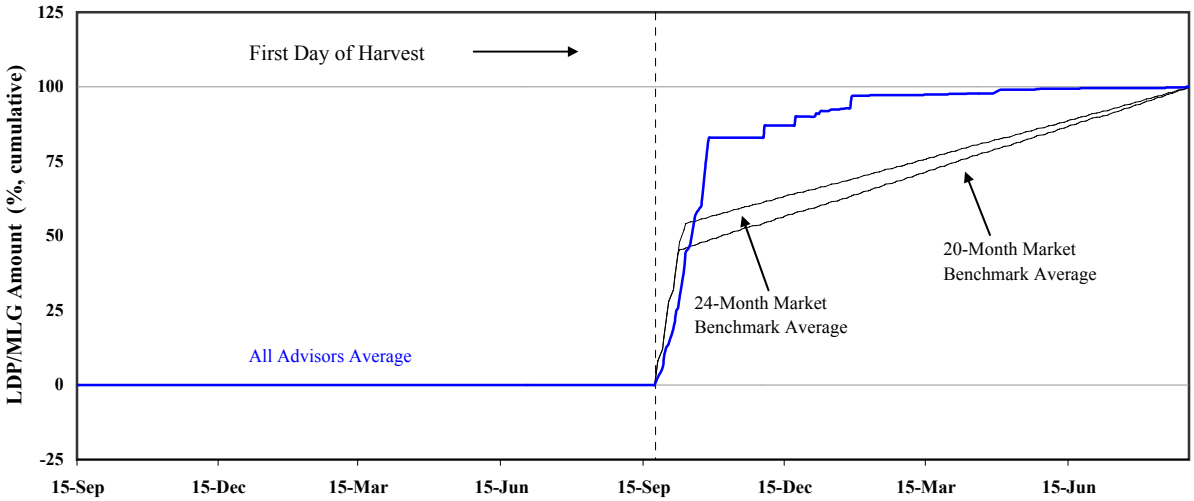


Figure 34.4. Soybeans LDP/MLG Profile, 24- and 20-Month Market Benchmarks and All Programs, 1999 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 35.1. Soybean Marketing Profile, All Programs, 2000 Crop Year

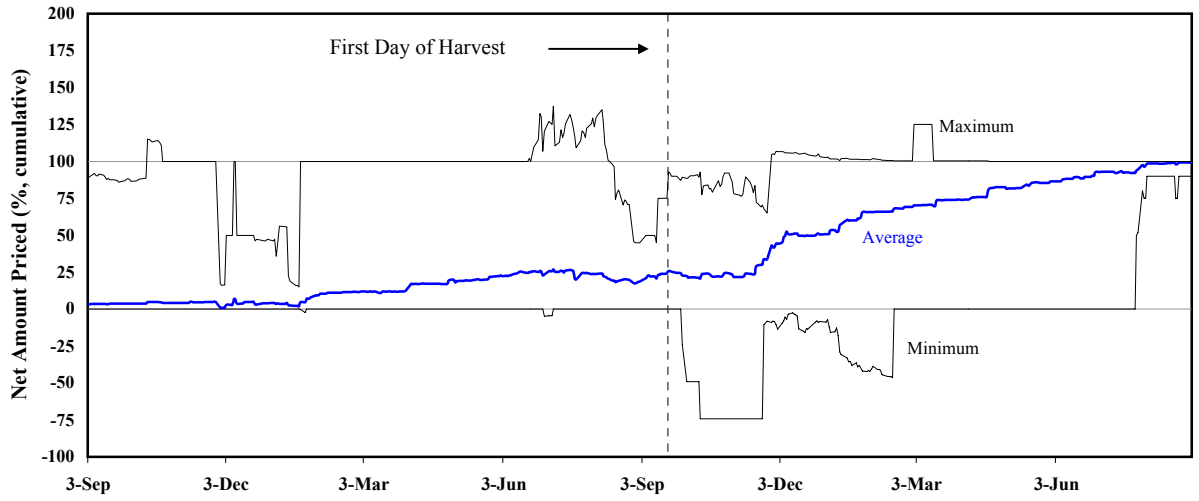
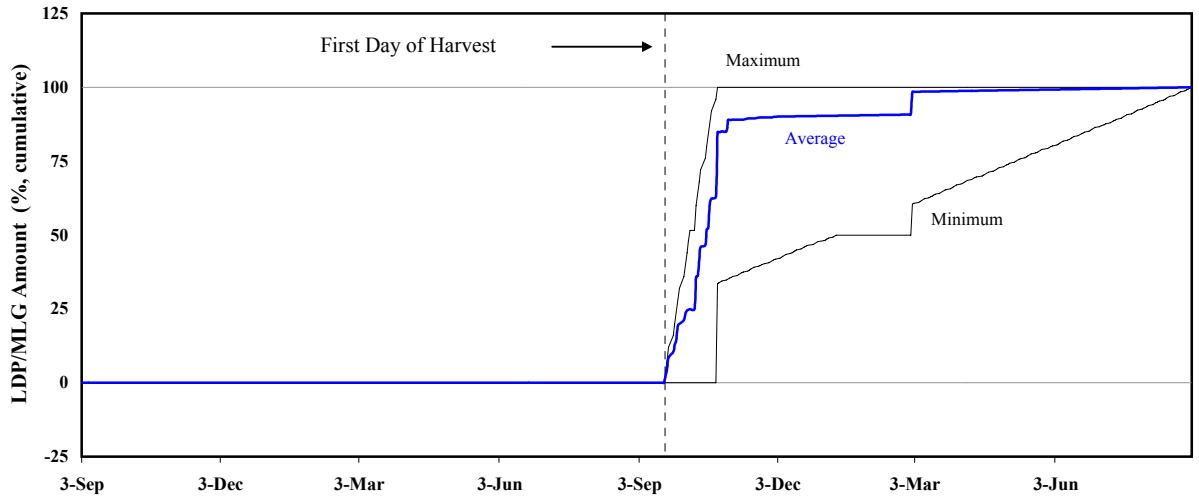


Figure 35.2. Soybean LDP/MLG, All Programs, 2000 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 35.3. Soybean Marketing Profile, 24- and 20-Month Market Benchmark and All Programs, 2000 Crop Year

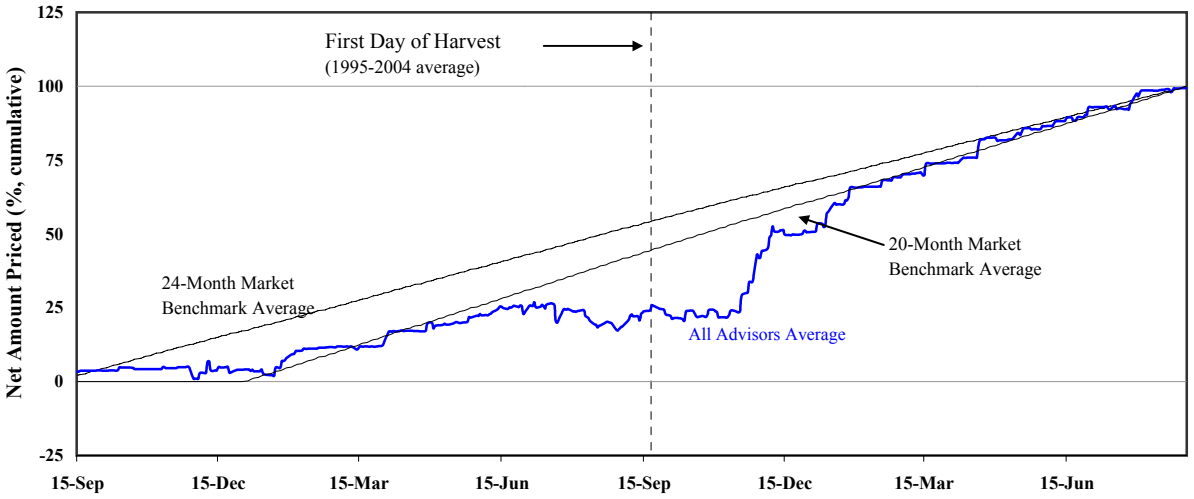
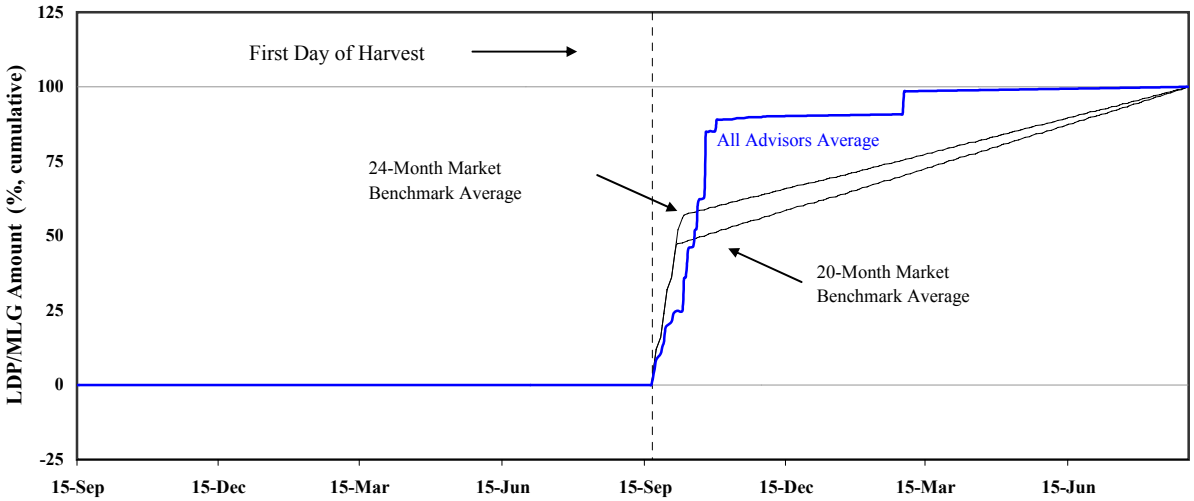


Figure 35.4. Soybeans LDP/MLG Profile, 24- and 20-Month Market Benchmarks and All Programs, 2000 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 36.1. Soybean Marketing Profile, All Programs, 2001 Crop Year

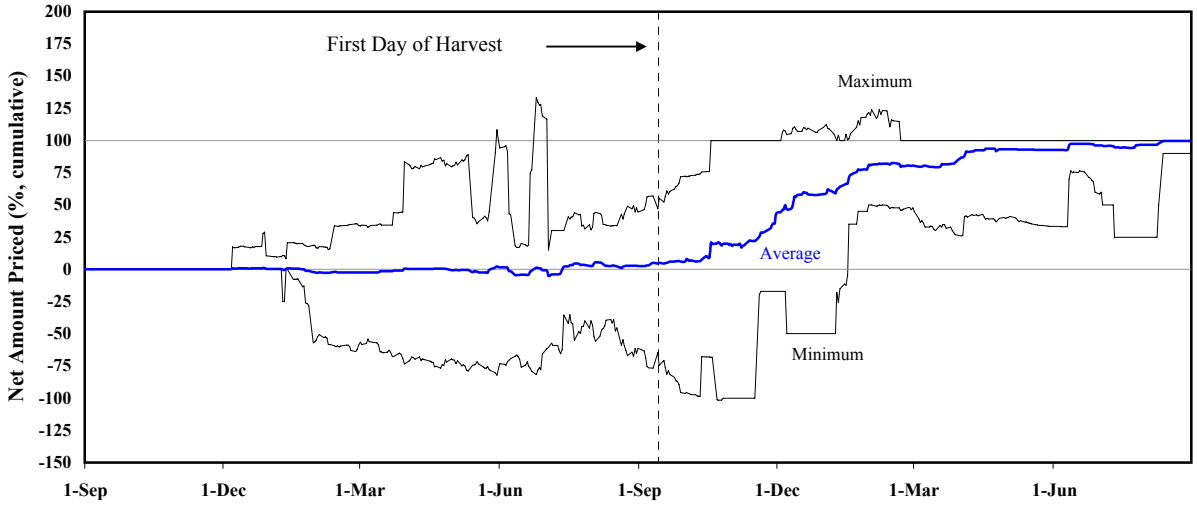
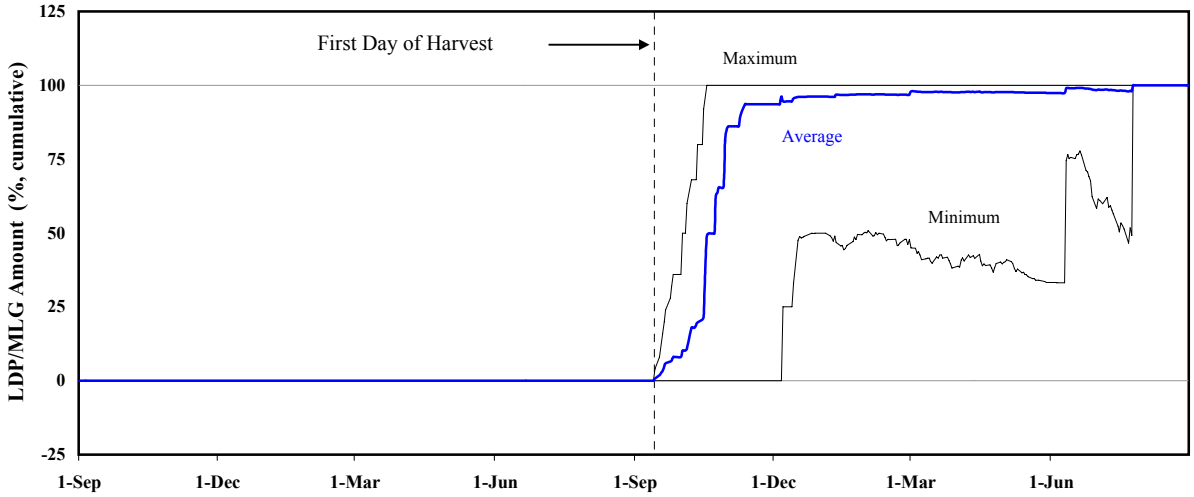


Figure 36.2. Soybean LDP/MLG, All Programs, 2001 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 36.3. Soybean Marketing Profile, 24- and 20-Month Market Benchmark and All Programs, 2001 Crop Year

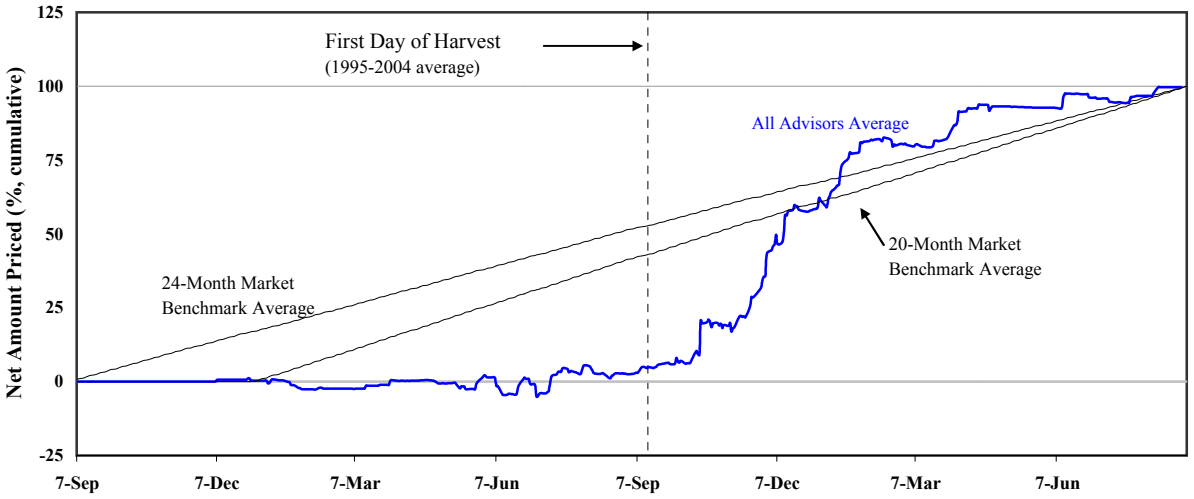
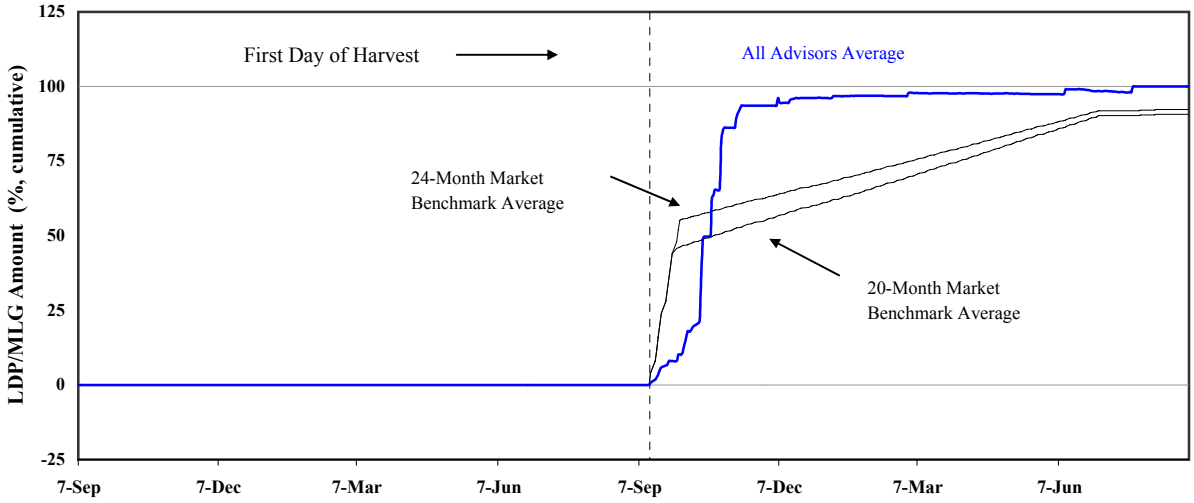


Figure 36.4. Soybeans LDP/MLG Profile, 24- and 20-Month Market Benchmarks and All Programs, 2001 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 37.1. Soybean Marketing Profile, All Programs, 2002 Crop Year

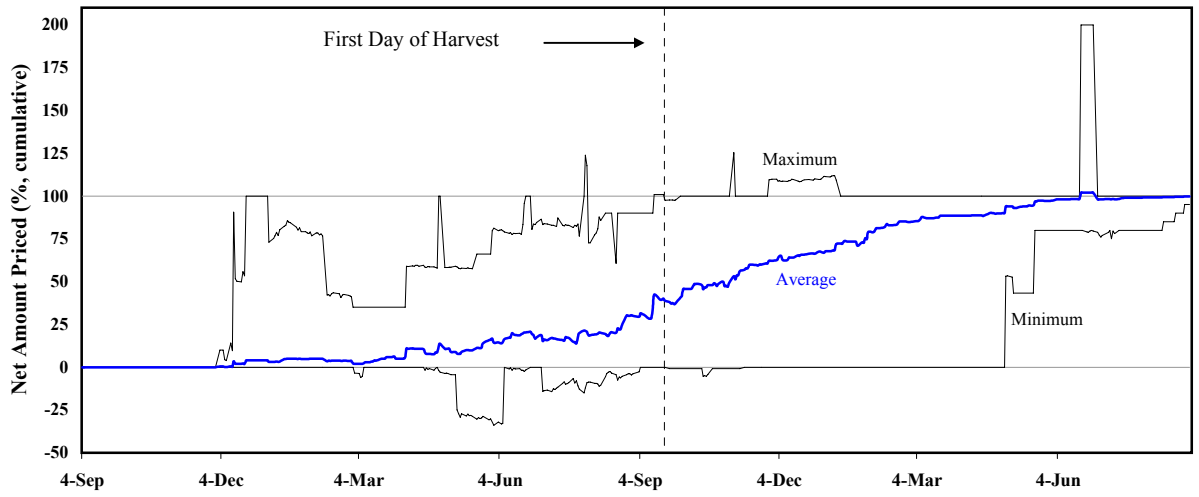
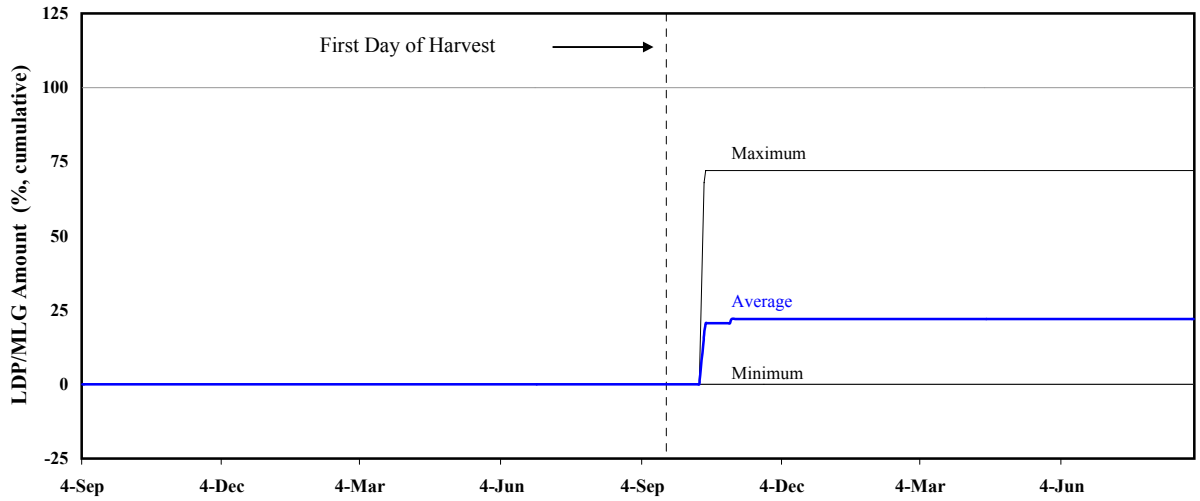


Figure 37.2. Soybean LDP/MLG, All Programs, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 37.3. Soybean Marketing Profile, 24- and 20-Month Market Benchmark and All Programs, 2002 Crop Year

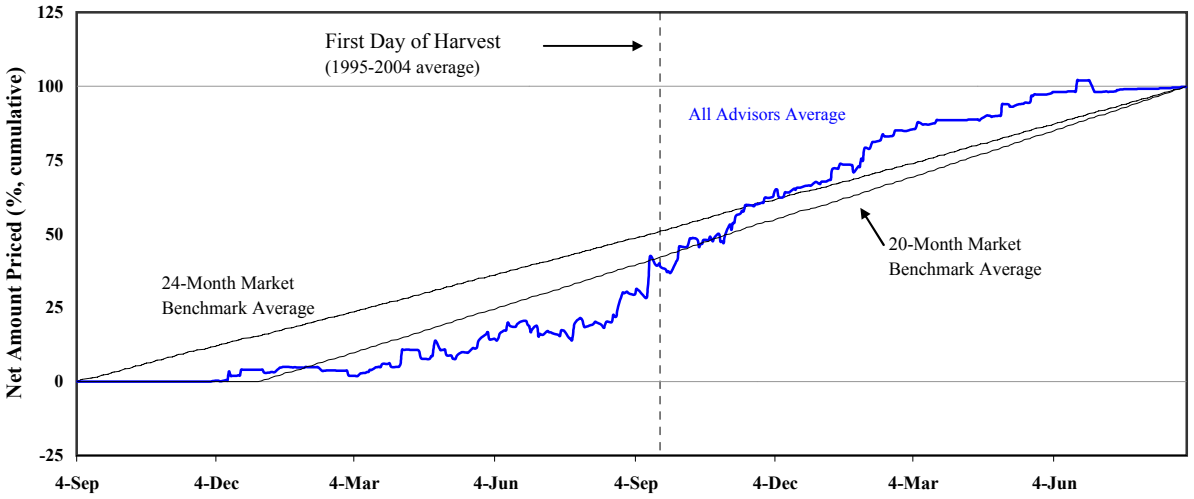
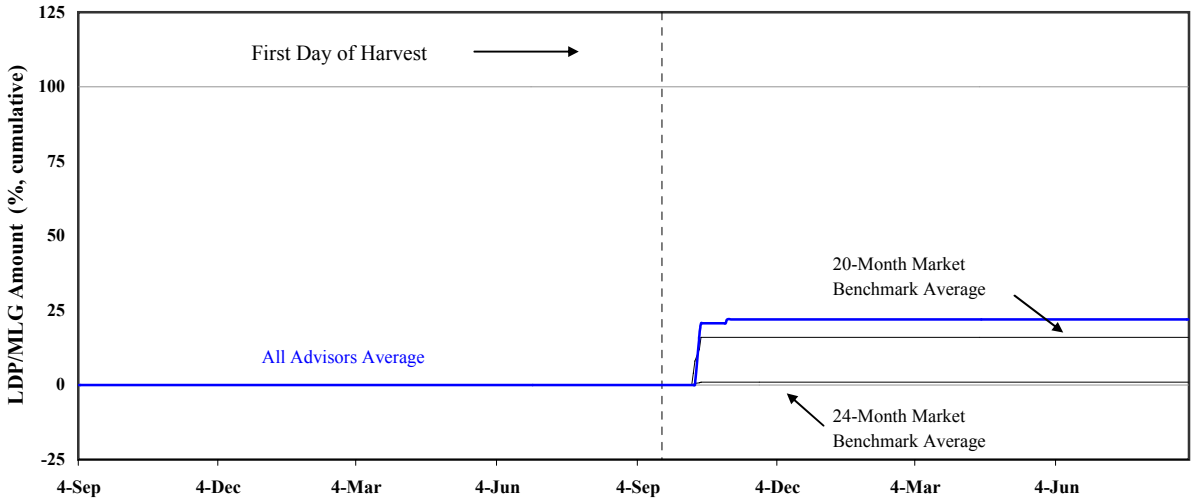


Figure 37.4. Soybeans LDP/MLG Profile, 24- and 20-Month Market Benchmarks and All Programs, 2002 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 38.1. Soybean Marketing Profile, All Programs, 2003 Crop Year

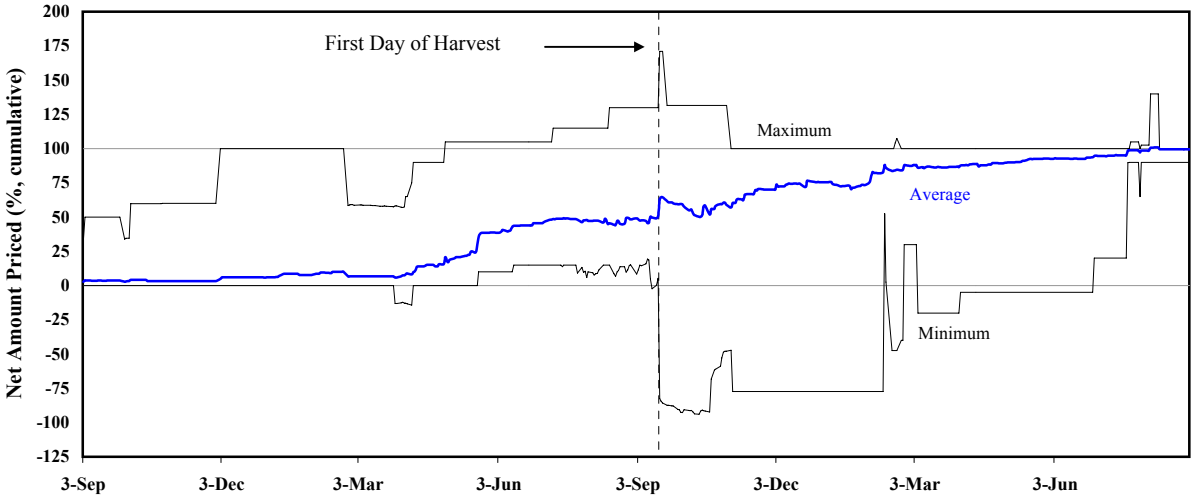


Figure 38.2. Soybean Marketing Profile, 24- and 20-Month Market Benchmark and All Programs, 2003 Crop Year

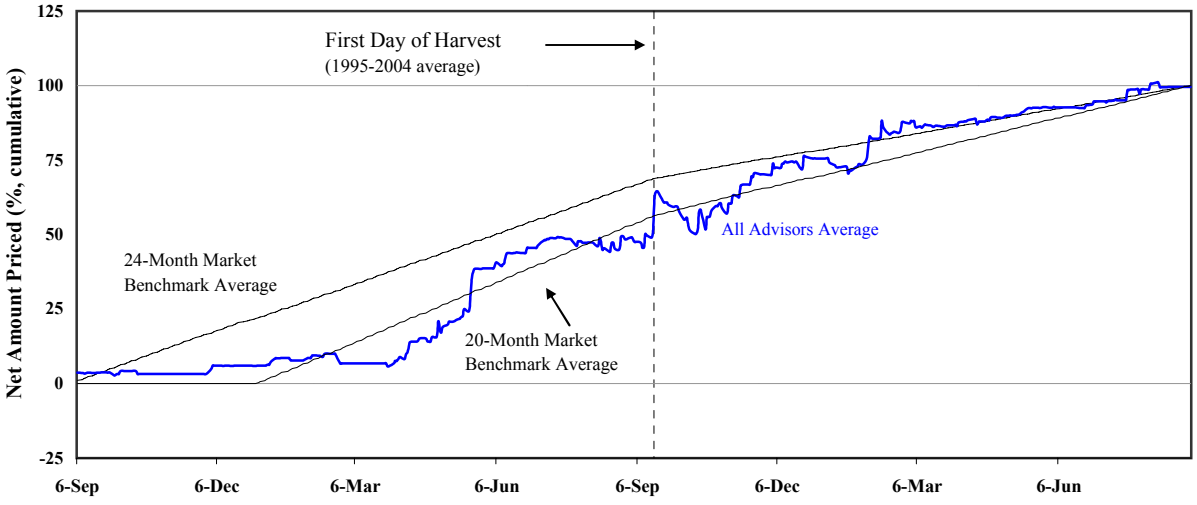


Figure 39.1. Soybean Marketing Profile, All Programs, 2004 Crop Year

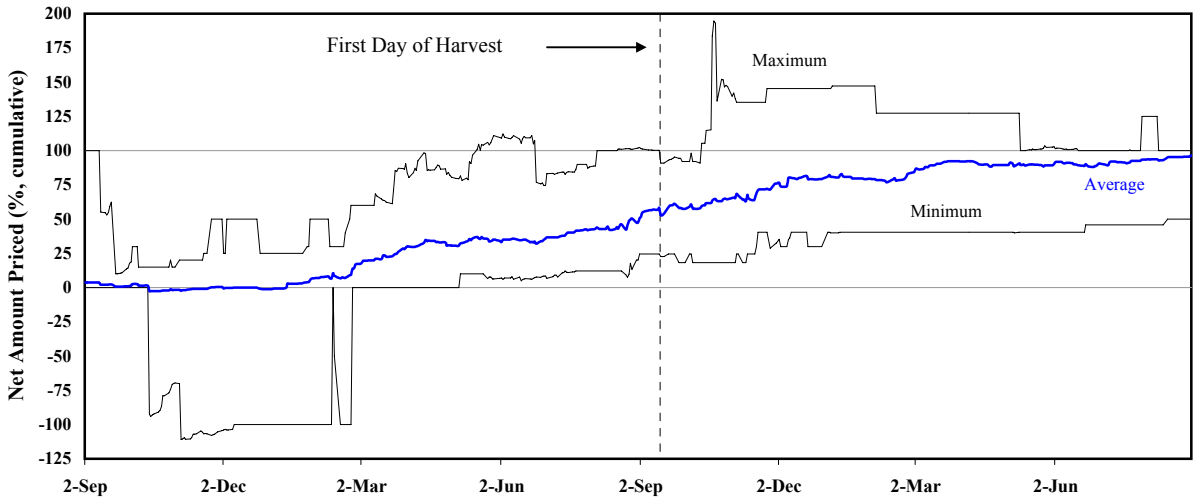
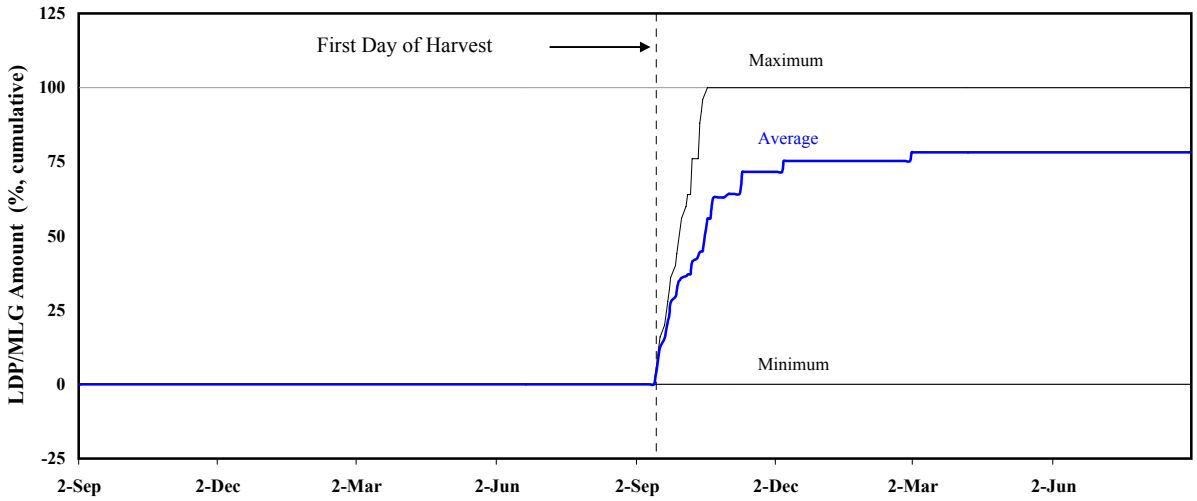


Figure 39.2. Soybean LDP/MLG, All Programs, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 39.3. Soybean Marketing Profile, 24- and 20-Month Market Benchmark and All Programs, 2004 Crop Year

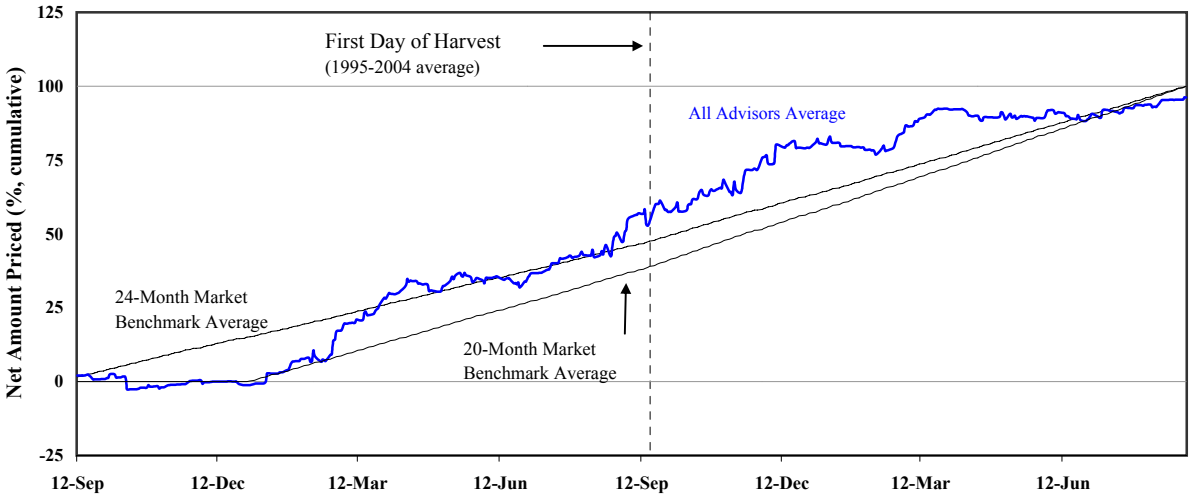
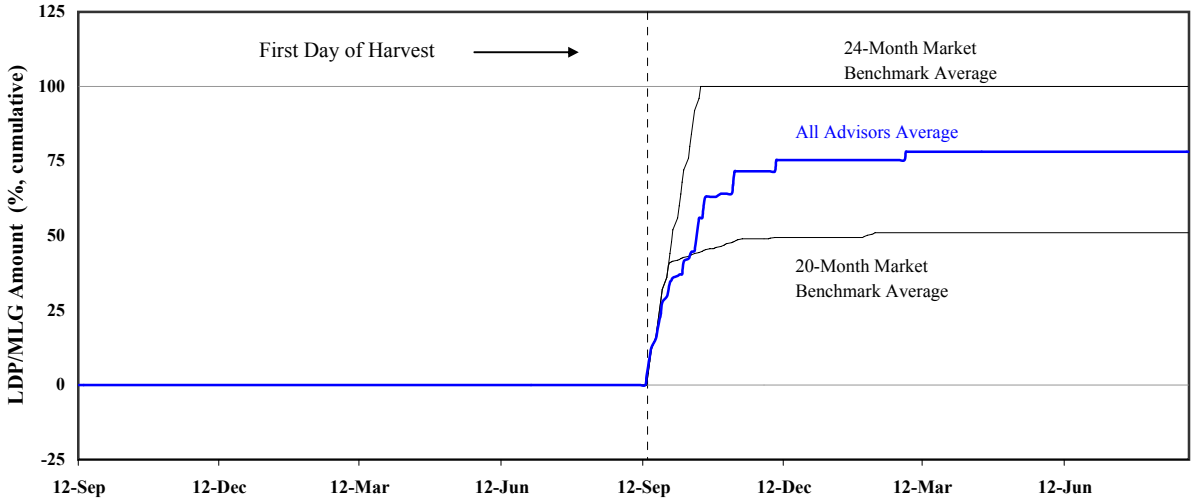


Figure 39.4. Soybeans LDP/MLG Profile, 24- and 20-Month Market Benchmarks and All Programs, 2004 Crop Year



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain.

Figure 40.1. Soybean Marketing Profile, All Programs, 1995-2004 Crop Years

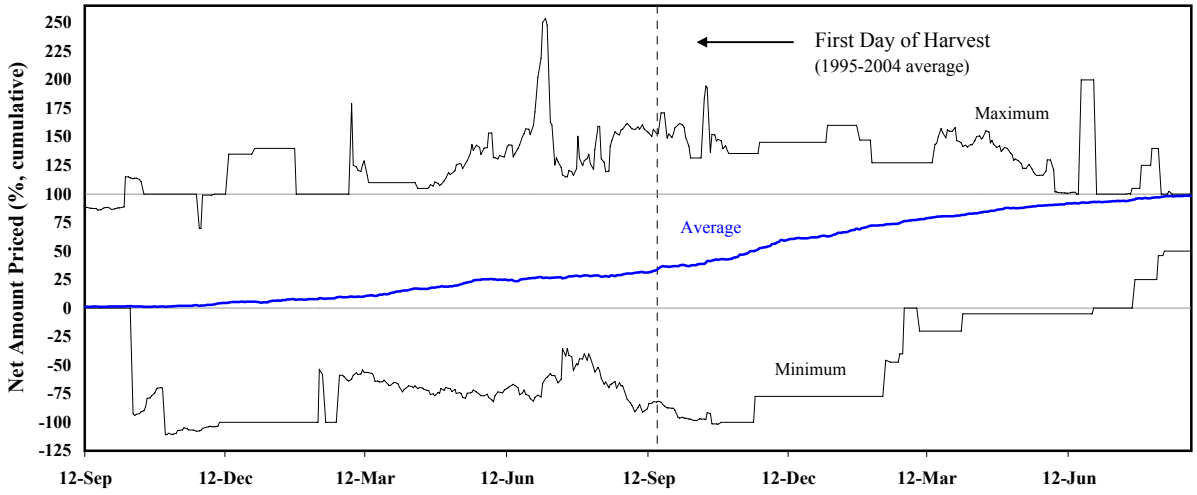
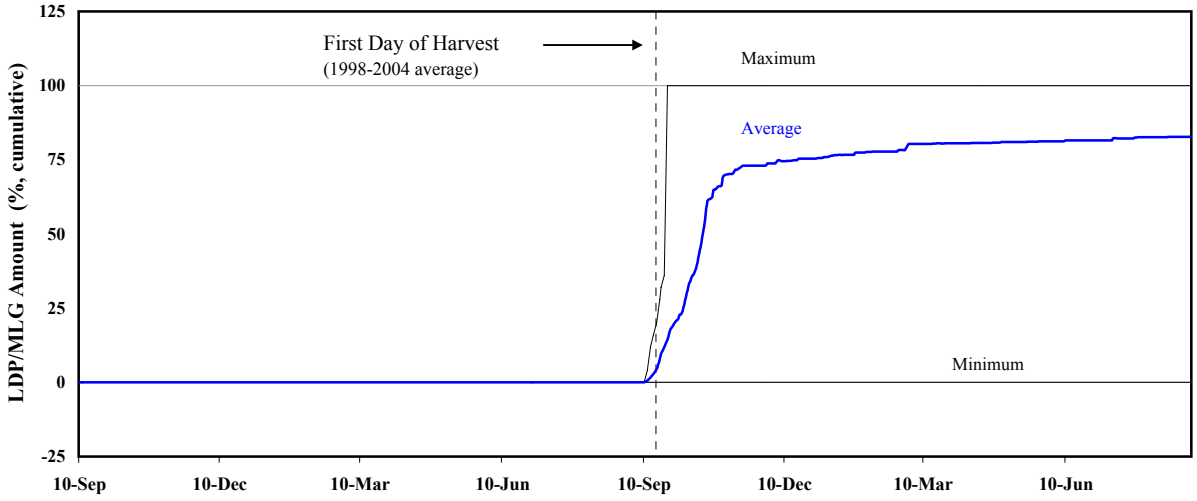


Figure 40.2. Soybean LDP/MLG Profile, All Programs, 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.

Figure 40.3. Soybean Marketing Profile, Average 24- and 20-Month Market Benchmark and All Programs, 1995-2004 Crop Years

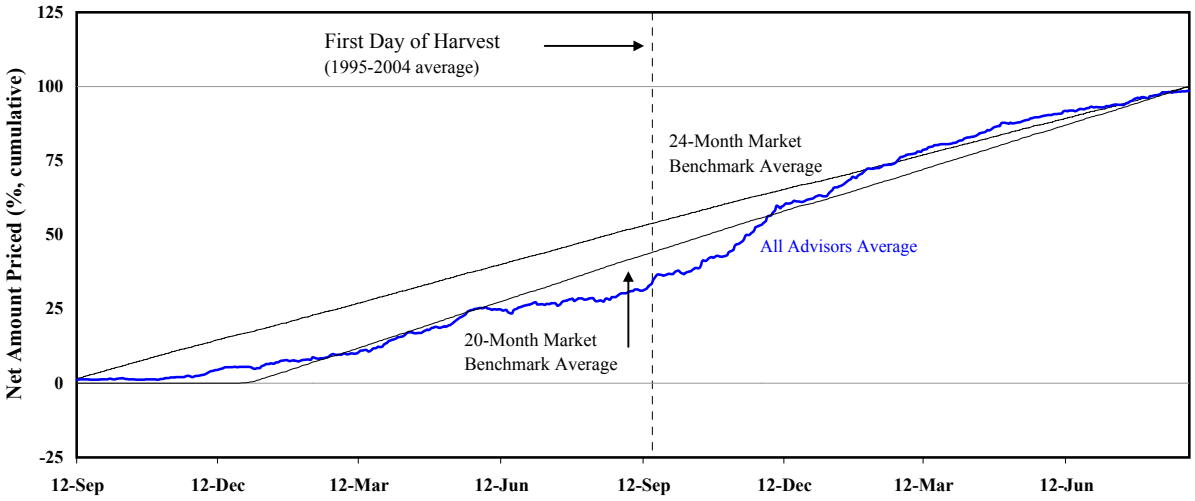
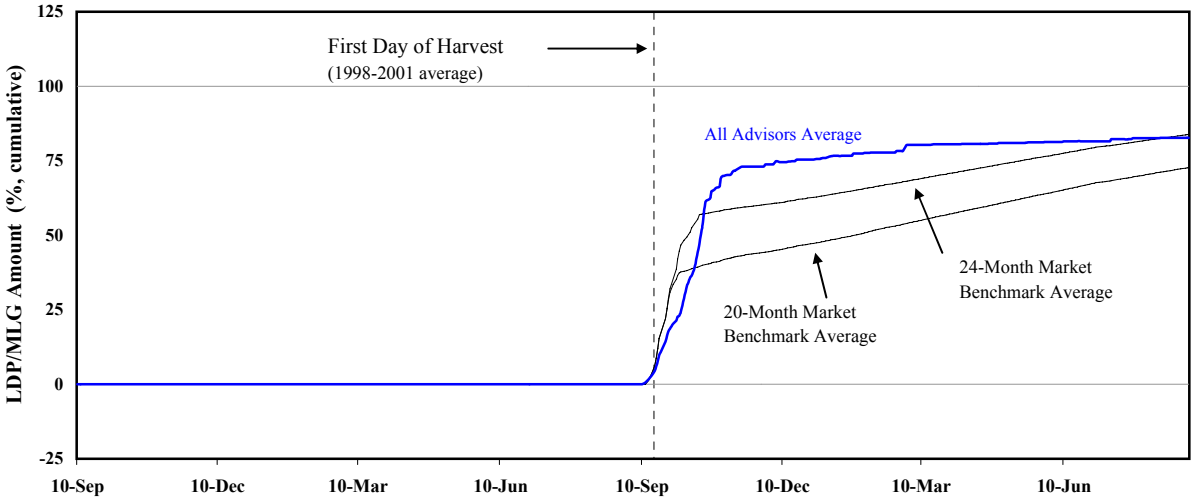


Figure 40.4. Soybean LDP/MLG Profile, Average 24- and 20-Month Market Benchmark and All Programs, 1998-2004 Crop Years



Note: LDP stands for loan deficiency payment and MLG stands for marketing loan gain. The 2003 crop year is excluded from the average, minimum and maximum computations since positive LDP/MLG's were not available during this crop year for soybeans.