



South Dakota Regional Weekly Cash Winter Wheat Price Charts and Winter Wheat Basis Charts

Alan May
Extension Grain Marketing Specialist
South Dakota State University
alan.may@sdstate.edu

Developing a successful marketing plan for grain commodities requires an understanding of basis. Basis is calculated by subtracting the daily closing futures price of the nearby grain futures contract from the daily cash price of that same grain commodity. Simply put, basis is defined as the cash price minus the futures price. Since cash prices in South Dakota are typically lower than futures prices, a negative number usually reflects basis values in South Dakota.

Basis can be viewed as the relationship between futures prices and cash prices. Understanding this relationship is critical in developing and implementing pricing strategies for grain commodities. Basis has several components. Cash grain prices in South Dakota are typically lower than futures prices because of transportation costs, storage costs, profit margins for sellers, and quality variations from those listed in the futures contract specifications. Specific local supply and demand conditions can also impact basis. The costs listed are deducted from the futures price to arrive at a locally offered cash price.

Basis is important in any pricing strategy. Basis has seasonal patterns that can be used to develop strategies for selling or holding grain. Basis is critical in any hedging strategy utilizing futures or options. It is important in evaluating cash forward contracts, minimum price contracts and hedge to arrive contracts. It is also critical in evaluating cash prices offered at any given point in time during the year.

The cash price and basis charts noted here are for six regions of South Dakota. The cash prices represented in these charts were collected each Thursday by the SDSU Economics Department. The cash prices are separated by region and a simple cash average price is then calculated for each specific region. The basis is calculated by subtracting the closing futures price of the nearby futures contract from the average cash price of grain in each of the six regions.

The counties in the regions listed are as follows:

Central: Aurora, Beadle, Brule, Buffalo, Hand, Hughes, Hyde, Jerauld and Sully

East Central: Brookings, Davison, Hanson, Kingsbury, Lake, McCook, Miner, Minnehaha, and Sanborn.

North Central: Brown, Campbell, Edmunds, Faulk, McPherson, Potter, Spink, and Walworth

Northeast: Clark, Codington, Day, Marshall, Deuel, Grant, Hamlin, Marshall, and Roberts

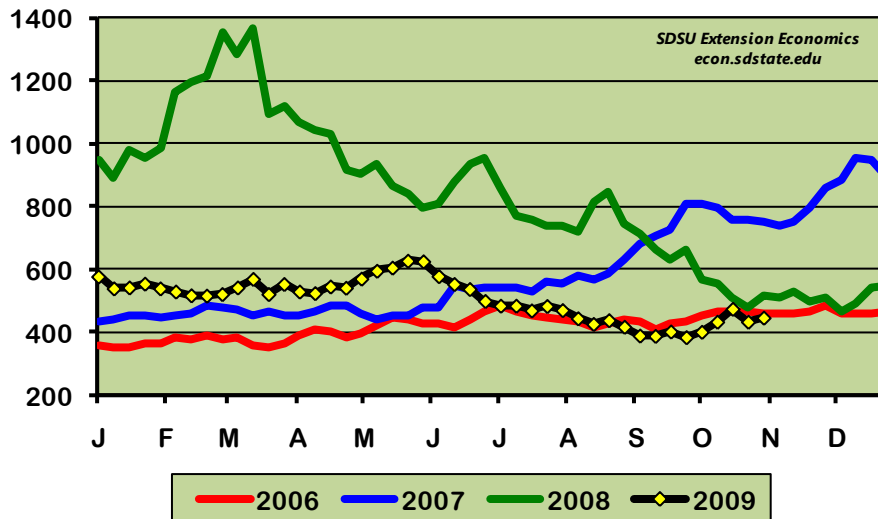
Southeast: Bon Homme, Charles Mix, Clay, Douglas, Hutchinson, Lincoln, Turner, Union, and Yankton.

South Central: Gregory, Lyman, Jones, Mellette, Todd, Tripp



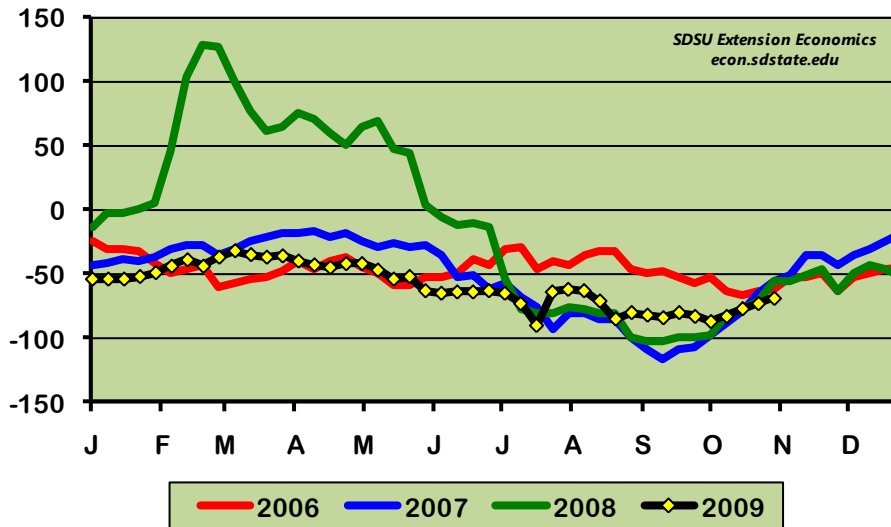
SOUTH DAKOTA – Central Region
WINTER WHEAT: Weekly Cash Price Chart and Basis Chart
Counties: Aurora, Beadle, Brule, Buffalo, Hand, Hughes, Hyde, Jerauld, Sully

Central SD Cash Winter Wheat
 (Weekly Average)



Data Compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

Central SD Winter Wheat Basis
 (Weekly Average)



Data Compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

Data collected and compiled at South Dakota State University, Cooperative Extension Service, Economics Department. Alan May, Extension Grain Marketing Specialist.
 For questions or to request data set, call 605-688-4862 or email: alan.may@sdstate.edu
<http://econ.sdstate.edu> - SDSU Economics Department

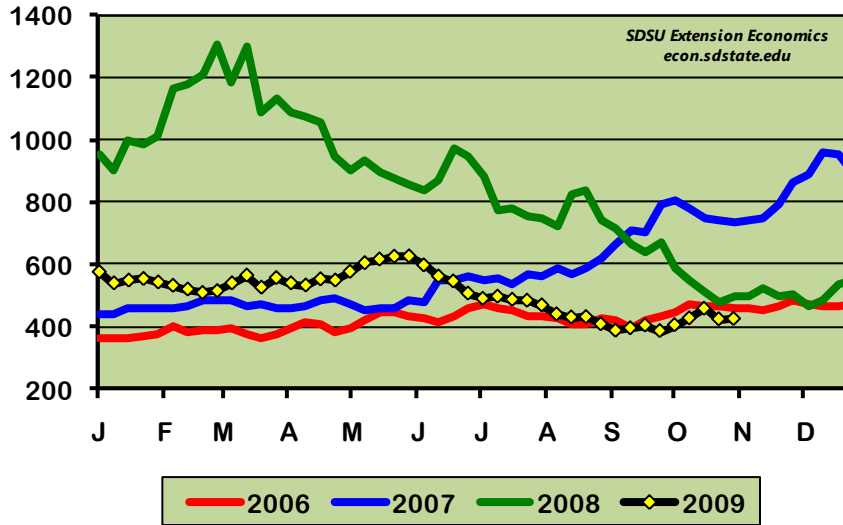


SOUTH DAKOTA – East Central Region

WINTER WHEAT: Weekly Cash Price Chart and Basis Chart

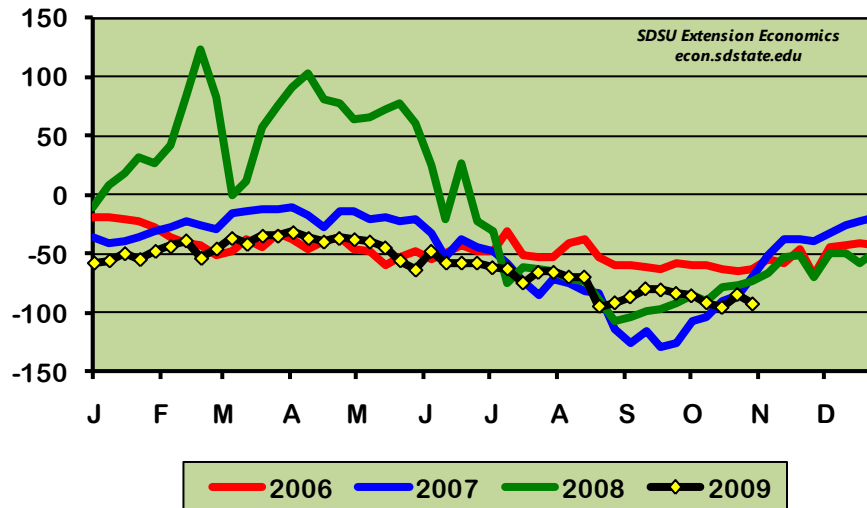
Counties: *Brookings, Davison, Hanson, Kingsbury, Lake, McCook, Miner, Moody, Minnehaha, Sanborn*

East Central SD Cash Winter Wheat (Weekly Average)



Data Compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

East Central SD Winter Wheat Basis (Weekly Average)

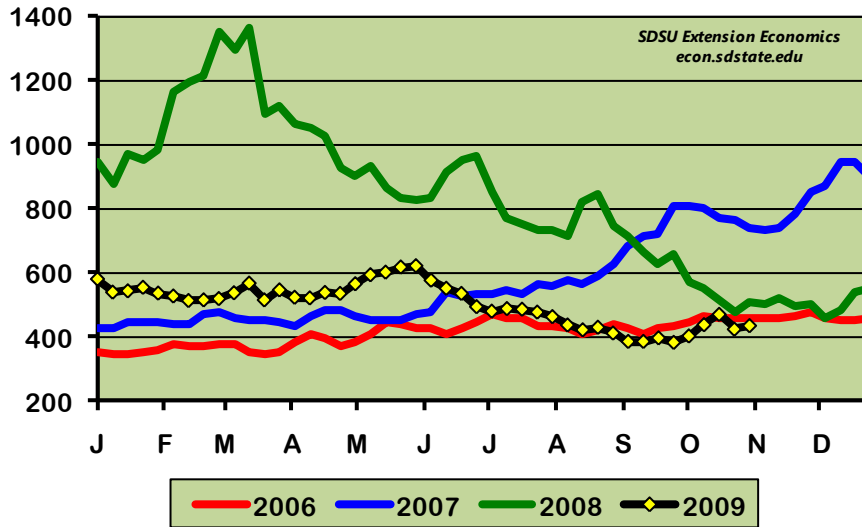


Data Compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

Data collected and compiled at South Dakota State University, Cooperative Extension Service, Economics Department. Alan May, Extension Grain Marketing Specialist.
 For questions or to request data set, call 605-688-4862 or email: alan.may@sdstate.edu
<http://econ.sdstate.edu> - SDSU Economics Department

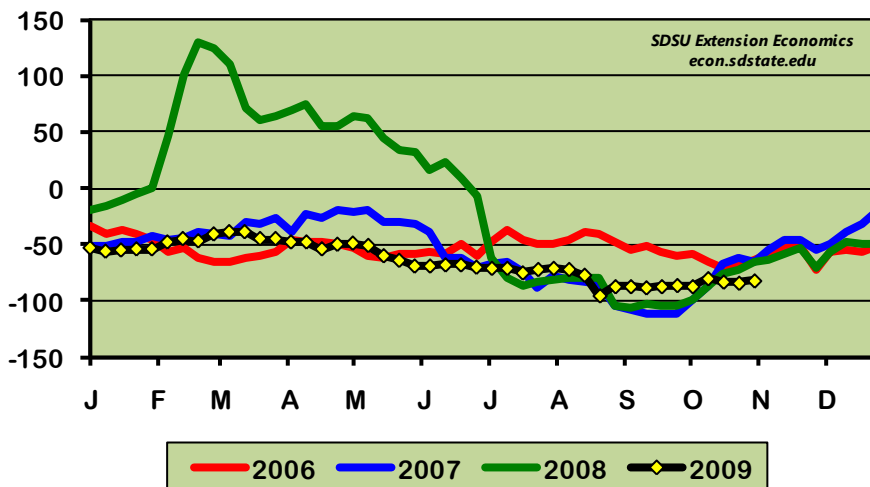
SOUTH DAKOTA – North Central Region
WINTER WHEAT: Weekly Cash Price Chart and Basis Chart
Counties: Brown, Campbell, Edmunds, Faulk, McPherson, Potter, Spink, Walworth

North Central SD Cash Winter Wheat
 (Weekly Average)



Data Compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

North Central SD Winter Wheat Basis
 (Weekly Average)



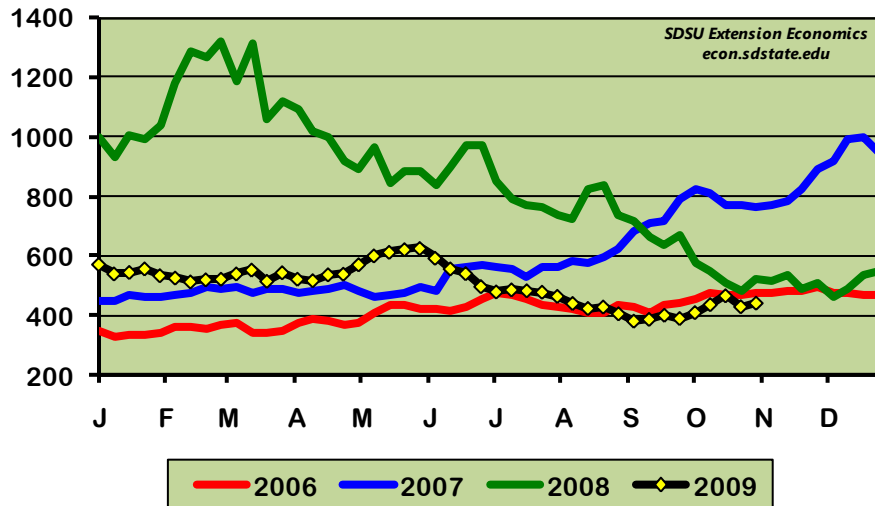
Data Compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

Data collected and compiled at South Dakota State University, Cooperative Extension Service, Economics Department. Alan May, Extension Grain Marketing Specialist.
 For questions or to request data set, call 605-688-4862 or email: alan.may@sdstate.edu
<http://econ.sdstate.edu> - SDSU Economics Department



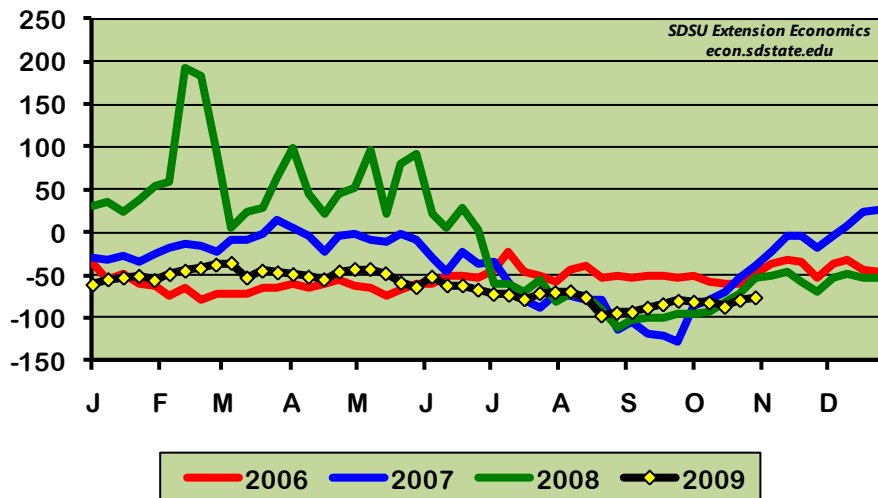
SOUTH DAKOTA – Northeast Region
WINTER WHEAT: Weekly Cash Price Chart and Basis Chart
 Counties: Clark, Codington, Day, Deuel, Grant, Hamlin, Marshall, Roberts

Northeast SD Cash Winter Wheat
 (Weekly Average)



Data Compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

Northeast SD Winter Wheat Basis
 (Weekly Average)



Data Compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

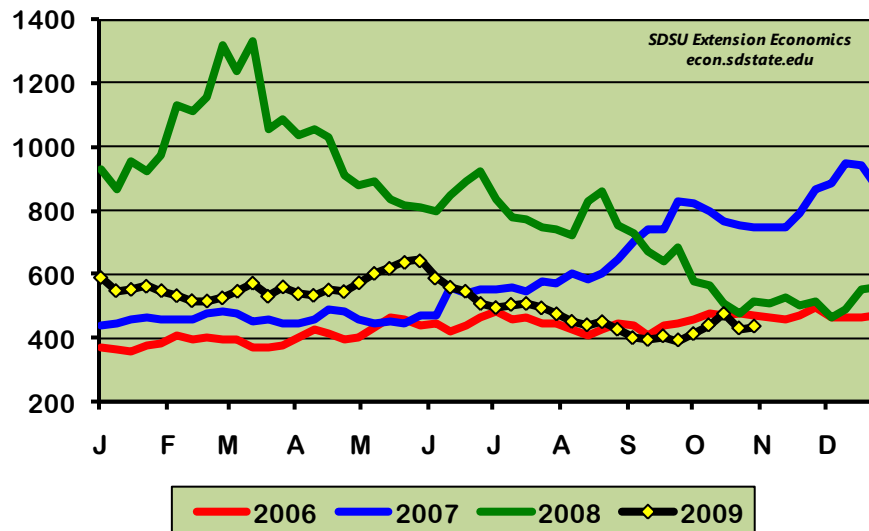
Data collected and compiled at South Dakota State University, Cooperative Extension Service, Economics Department. Alan May, Extension Grain Marketing Specialist.
 For questions or to request data set, call 605-688-4862 or email: alan.may@sdstate.edu
<http://econ.sdstate.edu> - SDSU Economics Department



SOUTH DAKOTA – Southeast Region
WINTER WHEAT: Weekly Cash Price Chart and Basis Chart
Counties: Bon Homme, Charles Mix, Clay, Douglas, Hutchinson, Lincoln, Turner, Union, Yankton

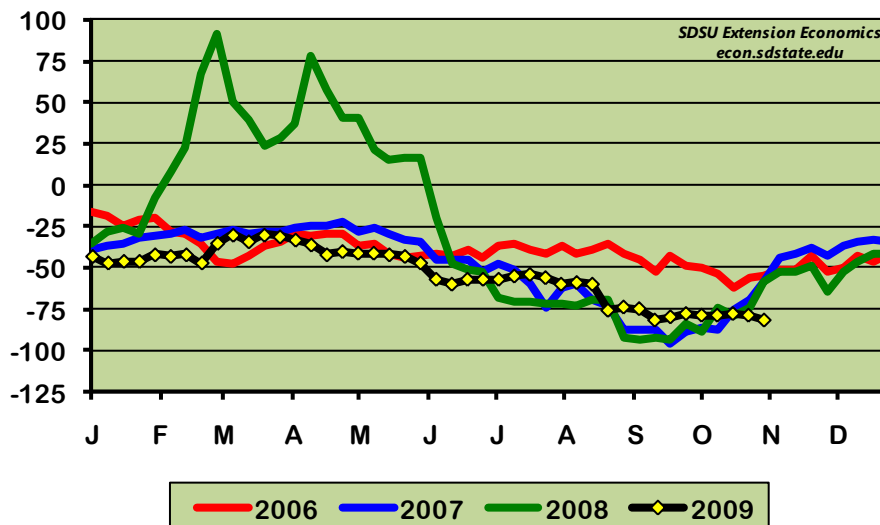
(This region has a very small sampling of cash winter wheat prices and at times no prices are reported. Users should take this into account when viewing these charts.)

Southeast SD Cash Winter Wheat
 (Weekly Average)



Data compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

Southeast SD Winter Wheat Basis
 (Weekly Average)



Data compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

Data collected and compiled at South Dakota State University, Cooperative Extension Service, Economics Department. Alan May, Extension Grain Marketing Specialist.
 For questions or to request data set, call 605-688-4862 or email: alan.may@sdstate.edu
<http://econ.sdstate.edu> - SDSU Economics Department



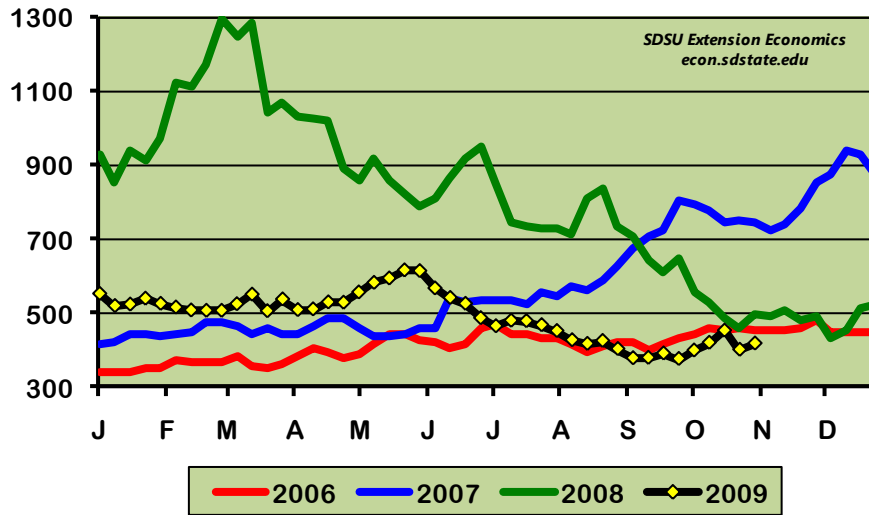
SOUTH DAKOTA – South Central Region

WINTER WHEAT: Weekly Cash Price Chart and Basis Chart

Counties: Gregory, Lyman, Jones, Mellette, Todd, Tripp

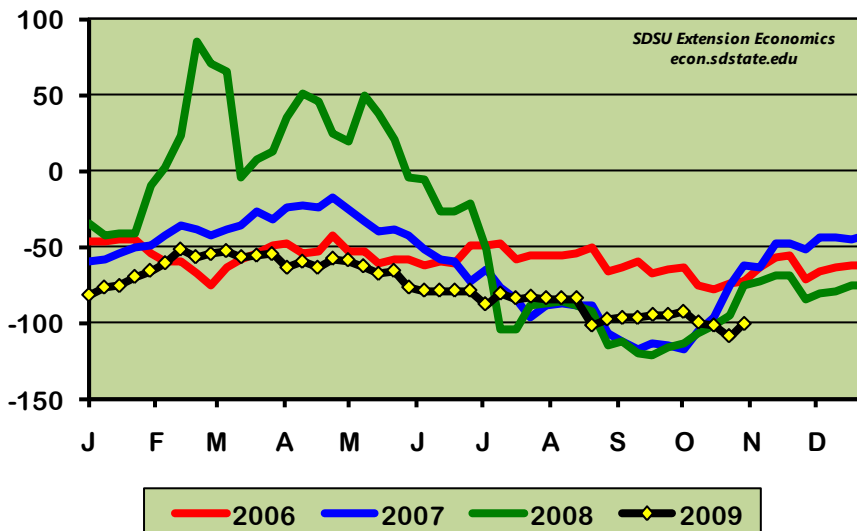
(This region has a very small sampling of cash winter wheat prices and at times no prices are reported. Users should take this into account when viewing these charts.)

South Central SD Cash Winter Wheat (Weekly Average)



Data compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

South Central SD Winter Wheat Basis (Weekly Average)



Data compiled by SDSU Extension Economics - <http://econ.sdstate.edu>

Data collected and compiled at South Dakota State University, Cooperative Extension Service, Economics Department. Alan May, Extension Grain Marketing Specialist.
For questions or to request data set, call 605-688-4862 or email: alan.may@sdstate.edu
<http://econ.sdstate.edu> - SDSU Economics Department

