

# Beloit – Kansas



**KANSAS FARM BUREAU**  
The Voice of Agriculture

## Milo Price and Basis Data

Each Wednesday, KFB Commodities Division Staff collect cash price information from several Kansas locations, including Beloit. Monthly prices are calculated as the average of the four Wednesdays for each month (when there are 5 Wednesdays, the 4<sup>th</sup> and 5<sup>th</sup> are averaged to form a single data point). We also average the 12 months, to obtain a crop year average price.

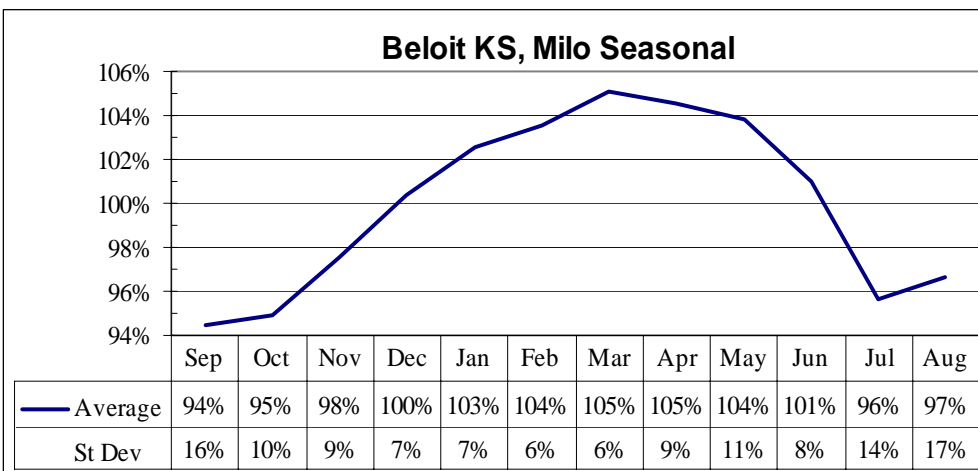
**Commodities Division**

[www.kfb.org](http://www.kfb.org)

**<commodities>**

Monthly Average Milo Prices	Beloit									
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Sep	\$3.05	\$4.64	\$4.95	\$3.69	\$2.56	\$2.44	\$2.59	\$3.24	\$4.67	\$3.67
Oct	\$3.08	\$4.94	\$4.09	\$3.94	\$2.75	\$2.33	\$3.00	\$3.17	\$4.47	\$3.69
Nov	\$3.20	\$5.22	\$3.60	\$3.78	\$2.90	\$2.41	\$3.23	\$3.18	\$4.39	\$4.09
Dec	\$3.35	\$5.67	\$3.61	\$3.81	\$2.89	\$2.55	\$3.51	\$3.24	\$4.21	\$4.10
Jan	\$3.40	\$5.81	\$3.68	\$3.86	\$2.95	\$2.89	\$3.58	\$3.17	\$4.11	\$4.26
Feb	\$3.42	\$6.08	\$3.89	\$3.92	\$3.01	\$2.99	\$3.46	\$3.13	\$3.99	\$4.41
Mar	\$3.53	\$6.29	\$4.30	\$4.00	\$3.01	\$3.08	\$3.38	\$3.21	\$3.70	\$4.72
Apr	\$3.61	\$7.23	\$4.28	\$3.70	\$2.90	\$3.14	\$3.30	\$3.02	\$3.74	\$4.76
May	\$3.82	\$7.44	\$4.04	\$3.64	\$2.79	\$3.31	\$3.30	\$3.05	\$3.38	\$4.51
Jun	\$4.06	\$7.18	\$3.92	\$3.57	\$2.77	\$2.69	\$3.04	\$3.17	\$3.51	\$4.31
Jul	\$4.40	\$7.03	\$3.68	\$3.38	\$2.35	\$2.33	\$3.21	\$3.59	\$3.09	\$3.65
Aug	\$4.34	\$6.44	\$3.79	\$2.85	\$2.63	\$2.33	\$3.25	\$4.39	\$3.41	\$3.25
Average	\$3.60	\$6.16	\$3.99	\$3.68	\$2.79	\$2.71	\$3.24	\$3.29	\$3.89	\$4.12

A **Seasonal Index**, can then be calculated by dividing each monthly price by the crop year average price. This index illustrates crop year seasonal highs and lows as a percentage of the average annual price.



Note: St Dev, stands for Standard Deviation and is a statistical measure of variability. For example, the greater the standard deviation, the greater the price variability at that point in time.

**Basis = Cash Price - Futures Price**

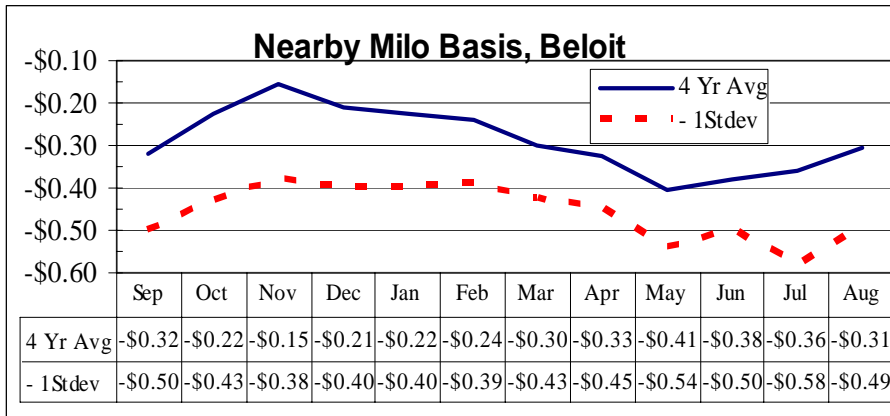
A **negative** basis implies that the cash price is **less** than futures and a **positive** basis means that the cash price is **greater** than futures.



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Monthly Average - Nearby Milo Basis	Beloit									
	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Sep	-\$0.52	-\$0.42	-\$0.39	-\$0.60	-\$0.64	-\$0.80	-\$0.47	-\$0.41	-\$0.12	-\$0.28
Oct	-\$0.43	-\$0.45	-\$0.58	-\$0.59	-\$0.67	-\$0.71	-\$0.37	-\$0.32	-\$0.03	-\$0.17
Nov	-\$0.36	-\$0.36	-\$0.67	-\$0.63	-\$0.57	-\$0.61	-\$0.29	-\$0.26	\$0.03	-\$0.09
Dec	-\$0.40	-\$0.34	-\$0.63	-\$0.62	-\$0.60	-\$0.58	-\$0.26	-\$0.33	-\$0.05	-\$0.19
Jan	-\$0.42	-\$0.38	-\$0.64	-\$0.56	-\$0.52	-\$0.54	-\$0.22	-\$0.33	-\$0.07	-\$0.28
Feb	-\$0.41	-\$0.37	-\$0.63	-\$0.49	-\$0.46	-\$0.53	-\$0.19	-\$0.29	-\$0.12	-\$0.35
Mar	-\$0.48	-\$0.37	-\$0.60	-\$0.50	-\$0.54	-\$0.57	-\$0.25	-\$0.27	-\$0.26	-\$0.41
Apr	-\$0.50	-\$0.46	-\$0.61	-\$0.42	-\$0.56	-\$0.51	-\$0.22	-\$0.31	-\$0.30	-\$0.48
May	-\$0.53	-\$0.64	-\$0.52	-\$0.45	-\$0.64	-\$0.55	-\$0.17	-\$0.38	-\$0.56	-\$0.52
Jun	-\$0.43	-\$0.64	-\$0.47	-\$0.44	-\$0.62	-\$0.54	-\$0.23	-\$0.34	-\$0.44	-\$0.51
Jul	-\$0.43	\$0.22	-\$0.38	-\$0.48	-\$0.64	-\$0.55	-\$0.36	-\$0.34	-\$0.42	-\$0.32
Aug	-\$0.39	-\$0.03	-\$0.55	-\$0.48	-\$0.70	-\$0.48	-\$0.35	-\$0.15	-\$0.31	-\$0.42

"Nearby" basis is calculated by subtracting the nearby futures contract price from the local cash price. Nearby futures are defined as the futures contract "nearest" to expiration. For our calculations, as we enter the delivery month, we roll to the next nearby contract. For example, during the month of September, we roll to the December futures price to calculate nearby basis and in December use March.



CBT Corn Futures contract months that we utilize are: March, May, July, September and December.

Note: For more information on basis and how it can be used, see our Marketing Education section for "Understanding Grain Basis."