

## April 23, 2021 Marketing Update

Futures as of	04/23/21	04/16/21	Trend	
<b>CZ21 Dec CORN</b>	\$5.51	\$5.12	<b>Bullish</b>	7.6%
<b>SX21 Nov SOYBEANS</b>	\$13.45	\$12.74	<b>Bullish</b>	5.6%
<b>CTZ21 Dec COTTON</b>	\$85.16	\$82.53	<b>Bullish</b>	3.2%
<b>WN21 Jul WHEAT</b>	\$7.10	\$6.55	<b>Bullish</b>	8.4%
<b>2022 Crop Prices</b>				
<b>CZ22 Dec CORN</b>	\$4.89	\$4.71	<b>Bullish</b>	3.9%
<b>SX22 Nov SOYBEANS</b>	\$12.00	\$11.54	<b>Bullish</b>	4.0%
<b>CTZ22 Dec COTTON</b>	\$77.60	\$75.89	<b>Bullish</b>	2.3%
<b>WN22 Jul WHEAT</b>	\$6.76	\$6.40	<b>Bullish</b>	5.7%

## MARKET NEWS

Corn and soybeans have been making new contract highs almost every day this past week. Corn is trading at levels not achieved since July 2013. The rally is being led by corn as the US stocks continue to tighten and South America's safrinha corn crop is experiencing moisture stress on as much as 45% of production as the "dry season" approaches. Meanwhile US ethanol inventories are at their lowest level since 2014.

The USDA Crop Progress report indicates that corn, soybean, and cotton planting is progressing at the 5-year average pace or better as of April 18<sup>th</sup>. The percent planted is low at this time, but no planting delays are reported. Both topsoil and subsoil moisture are at least 65% adequate or surplus across the country. Moisture improved compared to the prior week, but it is lower than last year at this time. Note that Iowa is reporting short or very short subsoil moisture on 42% of its cropland.

## MARKETING PLAN UPDATE

FLOID Farms spent considerable time this week reviewing its marketing positions considering the market rallies. Making margin calls on its "Sold Calls" has frayed some nerves especially since the market is higher than where they sold the calls (See strategy page). For now, FF is not making any changes in their marketing plan for the following reasons:

1. The current value for each crop is above their "Growth" price which means FF should be able to increase equity by more than 25% of their earnings.

Crop	Growth Target	Current Value
Corn	\$4.29	\$5.50
Soybeans	\$12.00	\$13.07
Cotton	\$0.82	\$0.84
Wheat	\$6.91	\$6.97

2. USDA will release the Planted Acres report on June 30<sup>th</sup>. This report will indicate what actual planted acres are for 2021 as of June 1<sup>st</sup>. The price rally may result in more corn being planted than intended which could improve the supply outlook. FLOID Farms will continue to monitor the weekly crop progress report to confirm that planting stays on pace.

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3. FF reviewed the 2013 Dec Corn Futures chart shown below



Once the market peaked (7/11/2013 @\$5.27) it lost \$0.80 per bushel over the next month and drifted lower through November to a low of \$4.12 on 11/18/2013.

FLOID Farms may take some actions in the weeks ahead with the primary goal of raising the minimum price provided by the put options. However, given the high volatility, they are not ready to execute currently.

Review your marketing activity to confirm that your marketing plan is achieving your goals.

2021 CORN					FUTURES PRICING SIGNALS			\$ 4.29	\$ 3.99	\$ 3.99
Recommendation					ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)
1/11/2021	Futures/HTA	Sell CU21 @ \$4.60 OB	\$0.31 > Growth Target	10%	Filled	1/12/2021	4.7500	4/23/2021	5.7825	-1.0325
1/11/2021	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%	Pending	4/23/2021	-0.2700			
1/11/2021	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Filled	1/12/2021	0.3000	4/23/2021	-0.8025	-0.5025
1/29/2021	Put Call Option	BUY CU21 470 PUT @ \$0.46 OB	Set Fence from \$4.54 to \$5.20	15%	Filled	2/3/2021	-0.4100	4/23/2021	0.1000	-0.3100
1/29/2021	Put Call Option	SELL CU21 520 Call @ \$0.30 OB	Set Fence from \$4.54 to \$5.20	15%	Filled	2/3/2021	0.3100	4/23/2021	-0.8025	-0.4925
2/15/2021	Put Call Option	BUY CU21 470 PUT @ \$0.38 OB	Set Fence from \$4.57 to \$5.20	10%	Filled	2/16/2021	-0.3500	4/23/2021	0.1000	-0.2500
2/15/2021	Put Call Option	SELL CU21 520 Call @ \$0.25 OB	Set Fence from \$4.57 to \$5.20	10%	Filled	2/16/2021	0.2900	4/23/2021	-0.8025	-0.5125
3/26/2021	Put Call Option	BUY CU21 440 PUT @ \$0.19 OB	GROWTH Floor - Planting Intention	20%	Filled	3/31/2021	-0.1500	4/23/2021	0.0500	-0.1000
3/26/2021	Put Call Option	SELL CU21 520 Call @ \$0.28 OB	GROWTH Floor - Planting Intention	20%	Filled	4/1/2021	0.3500	4/23/2021	-0.8025	-0.4525

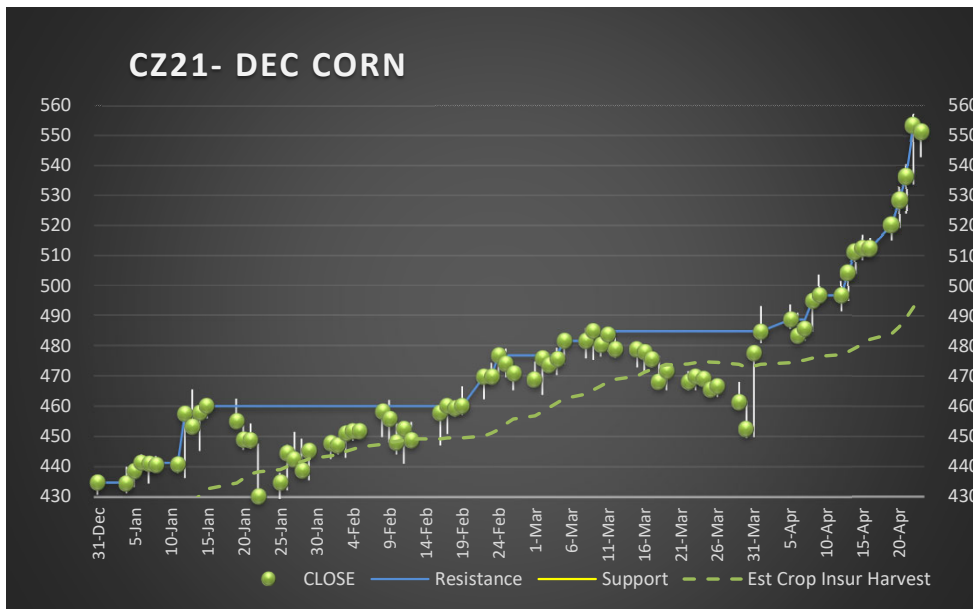
2021 SOYBEANS					FUTURES PRICING SIGNALS			\$ 12.00	\$ 10.73	\$ 10.75
Recommendation					ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)
1/11/2021	Futures/HTA	Sell SX21 @ \$11.75 OB	\$1.00 > B/E Target, Builds Working Cap	10%	Filled	1/12/2021	11.7500	4/23/2021	13.4475	-1.6975
1/29/2021	Put Call Option	BUY SX21 1140 PUT @ \$0.85 OB	Set Fence from \$11.03 to \$13.00	15%	Filled	2/3/2021	-0.8500	4/23/2021	0.1400	-0.7100
1/29/2021	Put Call Option	SELL SX21 1300 Call @ \$0.47 OB	Set Fence from \$11.03 to \$13.00	15%	Filled	2/3/2021	0.5000	4/23/2021	-1.0888	-0.5888
3/26/2021	Put Call Option	BUY SX21 1140 PUT @ \$0.41 OB	BE+ \$.72 GROW-Planting Intention	25%	Filled	3/29/2021	-0.4000	4/23/2021	0.1400	-0.2600
3/26/2021	Put Call Option	SELL SX21 1300 Call @ \$0.46 OB	BE+ \$.72 GROW-Planting Intention	25%	Filled	3/31/2021	0.4800	4/23/2021	-1.0888	-0.6088

2021 COTTON					FUTURES PRICING SIGNALS			\$ 0.82	\$ 0.77	\$ 0.77
Recommendation					ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)
1/11/2021	Futures/HTA	Sell CTZ21 @ \$0.77 OB	Achieves B/E Target, maintains WC	10%	Filled	1/12/2021	0.7700	4/23/2021	0.8516	-0.0816
1/29/2021	Put Call Put Option	BUY CTZ21 7800 PUT @ \$0.06 OB	Set Fence from \$.78 to \$.84	15%	Filled	2/4/2021	-0.0550	4/23/2021	0.0363	-0.0187
1/29/2021	Put Call Put Option	SELL CTZ21 8400 Call @ \$0.04 OB	Set Fence from \$.78 to \$.84	15%	Filled	2/4/2021	0.0550	4/23/2021	-0.0730	-0.0180
1/29/2021	Put Call Put Option	Sell CTZ21 6900 Put @ \$0.02 OB	Cheaper Cost of strategy	15%	Filled	2/4/2021	0.0200	4/23/2021	-0.0102	0.0098
3/8/2021	Put Call Put Option	BUY CTZ21 8400 PUT @ \$0.056 OB	Set Fence from \$.84 to \$.90	15%	Filled	3/9/2021	-0.0616	4/23/2021	0.0681	0.0065
3/8/2021	Put Call Put Option	SELL CTZ21 9000 Call @ \$0.053 OB	Set Fence from \$.84 to \$.90	15%	Filled	3/9/2021	0.0536	4/23/2021	-0.0464	0.0072

2021 WHEAT					FUTURES PRICING SIGNALS			\$ 6.91	\$ 6.20	\$ 6.23
Recommendation					ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)
1/11/2021	Futures/HTA	Sell WN21 @ \$6.40 OB	\$0.20 > B/E Target, Builds Working Cap	10%	Filled	1/12/2021	6.4500	4/23/2021	7.1025	-0.6525
1/29/2021	Put Call Option	BUY WN21 630 PUT @ \$0.45 OB	Set Fence from \$6.17 to \$7.00	15%	Filled	2/5/2021	-0.4450	4/23/2021	0.0950	-0.3500
1/29/2021	Put Call Option	SELL WN21 700 Call @ \$0.32 OB	Set Fence from \$6.17 to \$7.00	15%	Filled	2/1/2021	0.3400	4/23/2021	-0.5000	-0.1600
2/15/2021	Put Call Option	BUY WN21 630 PUT @ \$0.45 OB	Set Fence from \$6.20 to \$7.00	15%	Filled	2/16/2021	-0.3800	4/23/2021	0.0950	-0.2850
2/15/2021	Put Call Option	SELL WN21 700 Call @ \$0.32 OB	Set Fence from \$6.20 to \$7.00	15%	Filled	2/24/2021	0.3600	4/23/2021	-0.5000	-0.1400

CORN SUPPLY & DEMAND		USDA Prospective Planting			
	19/20	20/21	21/22	22/23	23/24
	WASDE-611	WASDE-611	Estimate	Estimate	Estimate
Planted	89.7	90.8	91.1	92.5	91.5
Harvested	81.3	82.5	83.2	84.5	83.6
Yield	167.5	172.0	179.5	181.5	183.5
<b>Beg Stocks</b>	<b>2,221</b>	<b>1,919</b>	<b>1,352</b>	<b>1,195</b>	<b>1,302</b>
Production	13,620	14,182	14,943	15,342	15,343
Imports	42	25	25	40	31
<b>Total Supply</b>	<b>15,882</b>	<b>16,127</b>	<b>16,320</b>	<b>16,577</b>	<b>16,675</b>
Feed	5,903	5,700	5,850	6,020	6,080
Food/Seed	1,430	1,425	1,425	1,430	1,435
Ethanol	4,852	4,975	5,200	5,200	5,200
Exports	1,778	2,675	2,650	2,625	2,650
<b>Total Demand</b>	<b>13,963</b>	<b>14,775</b>	<b>15,125</b>	<b>15,275</b>	<b>15,365</b>
<b>Ending Stocks (ES)</b>	<b>1,919</b>	<b>1,352</b>	<b>1,195</b>	<b>1,302</b>	<b>1,310</b>
Percent Use	14%	9%	8%	9%	9%
<b>USDA Price</b>	<b>\$ 3.56</b>	<b>\$ 4.30</b>	<b>\$ 4.20</b>	-	-
<i>Futures as of 04/23/2021</i>		<b>\$6.40</b>	<b>\$5.45</b>	<b>\$4.87</b>	

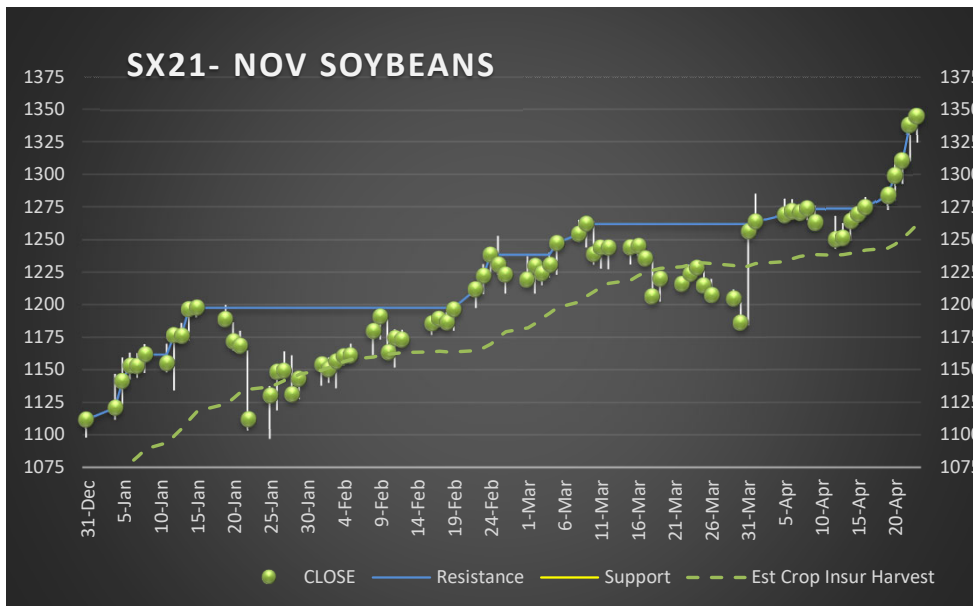
FUTURES PRICING SIGNALS	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 04/23/2021 =====>	<b>\$5.51</b>	<b>CZ21</b>	
2) What is Crop Insurance doing?	<b>NC-CZ21</b>	<b>SC-CU21</b>	
a) Base Price	\$ 4.48	\$ 4.73	
b) Harvest Price (PENDING)	\$ 4.97	\$ 5.15	
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		UP	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 5.53	
b) Support (Lowest Close last 100 Days)		\$ 4.07	
c) Moving Average		Change	% Change
5 day	\$ 5.38	39	7.61%
20 day	\$ 5.01	85 3/4	18.42%
50 day	\$ 4.83	103 1/4	23.05%
100 day	\$ 4.58	136 3/4	32.99%
YTD	\$ 4.70	116 3/4	26.87%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$4.75	CU21
Options	55%	\$5.45	CU21
Unpriced	35%	\$5.78	CU21
<b>Current Value</b>	<b>100%</b>	<b>\$5.50</b>	<b>CZ21</b>
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			
2 Roll 10% from CU to CZ for \$0.12 or better to capture carry			
8 Buy 20% CU21 440 Put @ \$0.19 OB. Filled 3/31 @ \$0.15			
9 Sell 20% CU21 520 Call @ \$0.28 OB. Filled 4/4 @ \$0.35			

SOYBEAN SUPPLY & DEMAND		USDA Prospective Planting				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-611	WASDE-611	Estimate	Estimate	Estimate	
Planted	76.1	83.1	87.6	89.5	89.0	
Harvested	74.9	82.3	86.5	88.4	87.9	
Yield	47.4	50.2	50.8	51.6	52.2	
<b>Beg Stocks</b>	<b>909</b>	<b>525</b>	<b>120</b>	<b>17</b>	<b>64</b>	
Production	3,553	4,135	4,396	4,562	4,590	
Imports	15	35	35	15	15	
<b>Total Supply</b>	<b>4,477</b>	<b>4,695</b>	<b>4,551</b>	<b>4,594</b>	<b>4,669</b>	
Crush	2,165	2,190	2,210	2,195	2,220	
Seed/Residual	105	105	124	125	135	
Exports	1,682	2,280	2,200	2,210	2,225	
<b>Total Demand</b>	<b>3,952</b>	<b>4,575</b>	<b>4,534</b>	<b>4,530</b>	<b>4,580</b>	
<b>End Stocks (ES)</b>	<b>525</b>	<b>120</b>	<b>17</b>	<b>64</b>	<b>89</b>	
Percent Use	13%	3%	0%	1%	2%	
<b>USDA Price</b>	<b>\$ 8.57</b>	<b>\$ 11.25</b>	<b>\$ 11.25</b>			
<b>Futures as of 04/23/2021</b>		<b>\$15.25</b>	<b>\$13.27</b>	<b>\$11.87</b>		

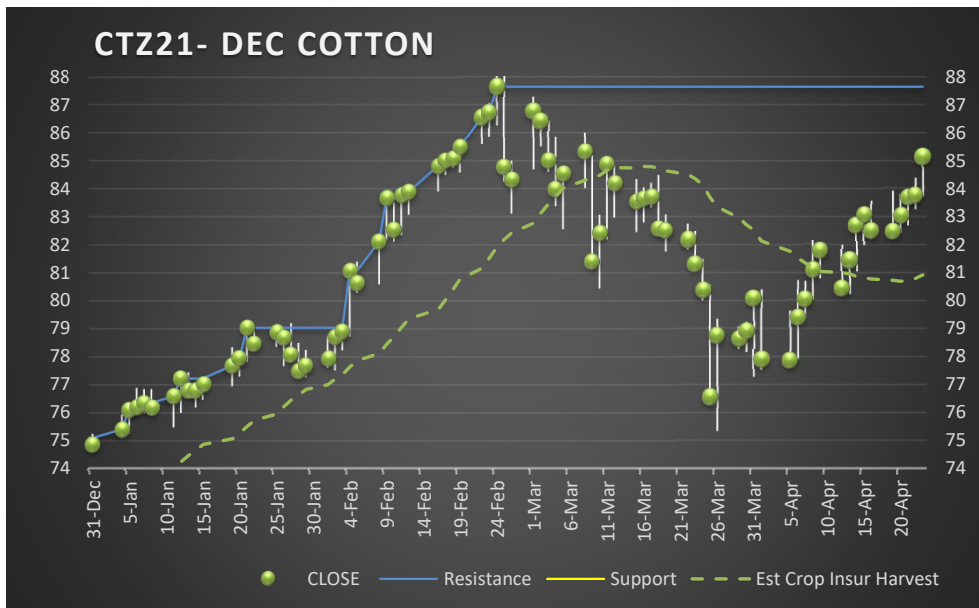
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 04/23/2021 =====>	<b>\$13.45</b>		<b>SX21</b>
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 11.54	\$ 9.36	
b) Harvest Price (PENDING)	\$ 12.62	\$ 9.15	
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		UP	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 13.45	
b) Support (Lowest Close last 100 Days)		\$ 10.32	
c) Moving Average		Change	% Change
5 day	\$ 13.15	70 3/4	5.55%
20 day	\$ 12.68	130	10.70%
50 day	\$ 12.40	181 1/4	15.58%
100 day	\$ 11.78	287 1/2	27.19%
YTD	\$ 12.12	224	19.99%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$11.75	SX21
Options	40%	\$12.93	SX21
Unpriced	50%	\$13.45	SX21
<b>Current Value</b>	<b>100%</b>	<b>\$13.07</b>	<b>SX21</b>
+ Expected Basis			
PENDING Actions			
1 Sell 10% SX21 @ \$11.75. Filled @ \$11.75 1/12/21			
2 Buy 15% SX21 1140 Put @ \$0.85 OB. Filled @ \$0.85 2/3/21			
3 Sell 15% SX21 1300 Call @ \$0.47 OB. Filled @ \$0.50 2/3/21			
4 Buy 25% SX21 1140 Put @ \$0.41 OB. Filled @ \$0.40 3/29/21			
5 Sell 25% SX21 1300 Call @ \$0.46 OB. Filled @ \$0.48 3/31/21			

COTTON SUPPLY & DEMAND		USDA Prospective Planting				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-611	WASDE-611	Estimate	Estimate	Estimate	
Planted	13.74	12.09	12.00	12.09	12.00	
Harvested	11.61	8.70	9.74	9.81	9.74	
Yield	823.0	811.0	840.0	948.5	960.2	
<b>Beg Stocks</b>	<b>4.85</b>	<b>7.25</b>	<b>3.90</b>	<b>2.94</b>	<b>4.53</b>	
Production	19.91	14.70	17.05	19.39	19.48	
Imports	0.01	-	-	-	-	
<b>Total Supply</b>	<b>24.77</b>	<b>21.95</b>	<b>20.94</b>	<b>22.33</b>	<b>24.02</b>	
Domestic Use	2.15	2.30	2.50	2.30	2.50	
Exports	15.53	15.75	15.50	15.50	16.00	
<b>Total Demand</b>	<b>17.68</b>	<b>18.05</b>	<b>18.00</b>	<b>17.80</b>	<b>18.50</b>	
<b>End Stocks (ES)</b>	<b>7.25</b>	<b>3.90</b>	<b>2.94</b>	<b>4.53</b>	<b>5.52</b>	
Stocks to Use	41%	22%	16%	25%	30%	
<b>USDA Price</b>	<b>\$ 59.60</b>	<b>\$ 68.00</b>	<b>\$ 75.00</b>	-	-	
<b>Futures as of 04/23/2021</b>		<b>\$0.85</b>	<b>\$0.84</b>	<b>\$0.77</b>	<b>\$0.00</b>	

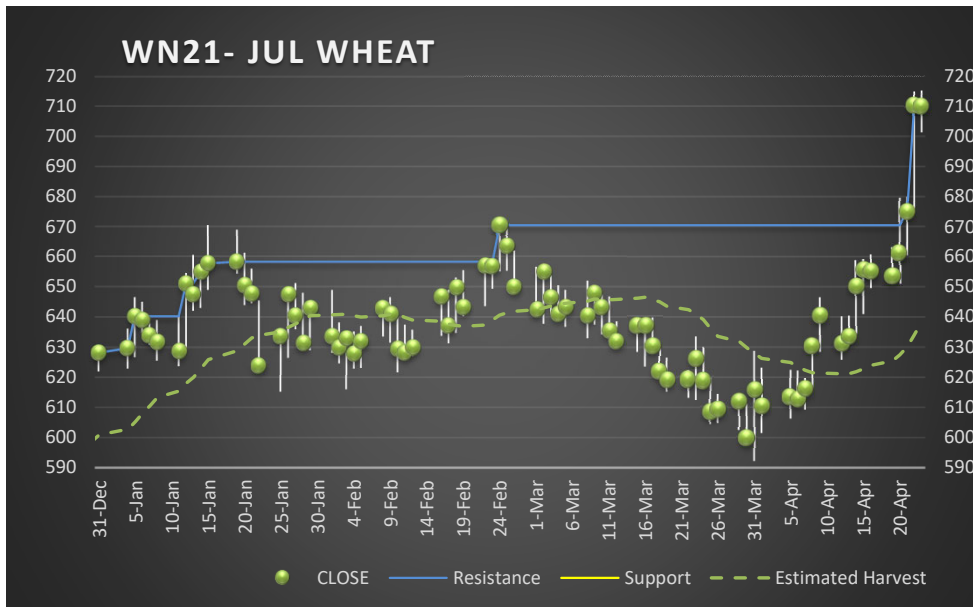
FUTURES PRICING SIGNALS	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 04/23/2021 =====>	<b>\$85.16</b>	CTZ21	
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	<b>\$80.00</b>	\$70.00	
b) Harvest Price (PENDING)	<b>\$81.00</b>	\$63.00	
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		UP	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			<b>\$ 87.66</b>
b) Support (Lowest Close last 100 Days)			<b>\$ 70.28</b>
c) Moving Average		Change	% Change
5 day	<b>\$ 83.63</b>	2.63	3.19%
20 day	<b>\$ 81.15</b>	8.61	11.25%
50 day	<b>\$ 82.85</b>	2.62	3.17%
100 day	<b>\$ 79.26</b>	13.72	19.20%
YTD	<b>\$ 81.26</b>	9.75	12.93%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$77.00	CTZ21
Options	30%	\$84.90	CTZ21
Unpriced	60%	\$85.16	CTZ21
<b>Current Value</b>	<b>100%</b>	<b>\$84.26</b>	<b>CTZ21</b>
+ Expected Basis			
PENDING Actions			
1 Sell 10% CTZ21 @ \$0.77 or better. Filled @ \$0.77 on 1/12/21			
2 Buy 15% CTZ21 7800 Put @ \$0.06 OB. Filled @ \$0.055 2/4/21			
3 Sell 15% CTZ21 8400 Call @ \$0.04 OB. Filled @ \$0.055 2/4/21			
4 Sell 15% CTZ21 6900 Put @ \$0.02 OB. Filled @ \$0.02 2/4/21			
5 Buy 15% CTZ21 8400 Put @ \$0.056 OB. Filled @ \$0.0616 on 3/9/21			
6 Sell 15% CTZ21 9000 Call @ \$0.053 OB. Filled @ \$0.0536 on 3/9/21			

WHEAT SUPPLY & DEMAND		USDA Prospective Planting				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-611	WASDE-611	Estimate	Estimate	Estimate	
Planted	45.5	44.3	46.4	45.6	45.4	
Harvested	37.4	36.7	38.7	38.1	37.9	
Yield	51.7	49.7	49.1	49.2	49.6	
Production	<b>1,932</b>	<b>1,826</b>	<b>1,901</b>	<b>1,872</b>	<b>1,879</b>	
Beg Stocks	1,080	1,028	851	788	769	
Imports	105	110	130	140	143	
<b>Total Supply</b>	<b>3,117</b>	<b>2,964</b>	<b>2,883</b>	<b>2,800</b>	<b>2,791</b>	
Feed	101	100	140	77	78	
Food, Seed	1,023	1,028	1,030	1,029	1,030	
Exports	965	985	925	925	925	
<b>Total Demand</b>	<b>2,089</b>	<b>2,113</b>	<b>2,095</b>	<b>2,031</b>	<b>2,033</b>	
<b>End Stocks</b>	<b>1,028</b>	<b>851</b>	<b>788</b>	<b>769</b>	<b>758</b>	
Percent Use	49%	40%	38%	38%	37%	
<b>USDA Price</b>	<b>\$ 4.58</b>	<b>\$ 5.00</b>	<b>\$ 5.50</b>	-	-	
<b>Futures as of 04/23/2021</b>	<b>\$7.02</b>	<b>\$7.02</b>	<b>\$6.62</b>	<b>\$6.40</b>		

FUTURES PRICING SIGNALS	\$ 6.91	\$ 6.20	\$ 6.23
1) Futures as of 04/23/2021 =====>	<b>\$7.10</b>	WN22	
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 5.54	\$ 4.86	
b) Harvest Price (PENDING)	\$ 6.82	\$ 4.97	
% loss due to price change	23%	2%	
3) Fundamentals - where are prices headed?			
a) Seasonality	Down		
b) Ending Stocks	UP		
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)	\$ 7.11		
b) Support (Lowest Close last 100 Days)	\$ 5.74		
c) Moving Average		Change	% Change
5 day	\$ 6.82	55 1/4	8.44%
20 day	\$ 6.40	101 3/4	16.72%
50 day	\$ 6.40	80 3/4	12.83%
100 day	\$ 6.30	103 1/2	17.06%
YTD	\$ 6.39	80 1/2	12.78%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$6.45	WN21
Options	30%	\$6.87	WN21
Unpriced	60%	\$7.10	WN21
<b>Current Value</b>	<b>100%</b>	<b>\$6.97</b>	<b>WN21</b>
+ Expected Basis			
PENDING Actions			
1 Sell 10% WN21 @ \$6.40 OB. Filled @ \$6.50 1/12/21			
2 Buy 15% WN21 630 Put @ \$0.45 OB Filled @ \$0.445 2/5/21			
3 Sell 15% WN21 700 Call @ \$0.32 OB Filled @ \$0.34 2/1/21			
4 Buy 15% WN21 630 Put @ \$0.45 OB Filled @ \$0.38 2/16/21			
5 Sell 15% WN21 700 Call @ \$0.32 OB Filled @ \$0.36 2/24/21			