

August 4, 2021 Marketing Update

Futures as of	08/04/21	07/28/21	Trend	
CZ21 Dec CORN	\$5.47	\$5.49	Neutral	-0.4%
SX21 Nov SOYBEANS	\$13.26	\$13.61	Bearish	-2.6%
CTZ21 Dec COTTON	\$90.31	\$90.52	Neutral	-0.2%

2022 Crop Prices

CZ22 Dec CORN	\$5.06	\$4.97	Bullish	1.9%
SX22 Nov SOYBEANS	\$12.53	\$12.56	Neutral	-0.2%
CTZ22 Dec COTTON	\$81.56	\$81.58	Neutral	0.0%
WN22 Jul WHEAT	\$7.16	\$6.88	Bullish	4.1%

UPCOMING EVENTS:

August 12, 2021 WASDE (USDA will update expected crop yields in the August report).

MARKET NEWS

Corn, cotton, and peanut crop conditions declined slightly across the US last week, but soybeans saw some improvement. Soil moisture continues to be lacking in Iowa and Minnesota. Topsoil moisture is also short or very short in much of Kansas, Kentucky, Montana and the Dakotas. Would expect the national crop yields to drop some when the August WASDE report is released.

Table 1: USDA Crop Progress Report Released August 2, 2021 (Summarized)

Metric	Week Ending July 25, 2021	Week Ending August 1, 2021	2016-2020 Average
Corn Dough	18%	38%	33%
Corn Condition	G/E-64%	G/E-62%	
Soybean Setting Pods	42%	58%	52%
Soybean Condition	G/E-58%	G/E-60%	
Cotton Setting Bolls	37%	50%	53%
Cotton Condition	G/E-61%	G/E-60%	
Peanuts Condition	G/E-75%	G/E-73%	
SOIL MOISTURE	Very Short/Short	Adequate	Surplus
NC Topsoil	35	61	4
NC Subsoil	20	77	3
SC Topsoil	15	76	9
SC Subsoil	6	86	8

The corn, soybean, and cotton markets were down the past five trading days December Corn (CZ21) at \$5.47, November Soybeans (SX21) at \$13.26, and December Cotton (CTZ21) remained above \$90.00 and closed at \$90.31 yesterday.

MARKETING PLAN UPDATE

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.

August 4, 2021 Marketing Update

Crop	Growth Target	Current Value
Corn	\$4.29	\$5.34
Soybeans	\$12.00	\$13.04
Cotton	\$0.82	\$0.87
Wheat	\$6.91	\$6.64

With the calendar flipping over to August, FLOID Farms is making changes to their marketing plan.

CORN:

1. Close out of the CU520 Calls at \$0.32 or better. If successful, FF will break even on these positions.
2. Sell 25% of expected production for \$5.60 (CU21) or better. There is still little to no carry in the market from September to December. Therefore, it will be most profitable to forgo storage of the crop unless significant basis improvement can be achieved. If the carry improves, FF may decide to store some of 2021 production.
3. Sell 25% of expected production for \$5.90 (CU21) or better. At this price the recent gap would be filled, and FF would still have 10% of expected production to price at higher levels.

SOYBEANS:

1. Close out of the SX1300 Calls for \$0.60 or better. These options would lose \$0.11 per bushel, but the market is about \$2.00 per bushel higher than when options were sold.
2. Sell 25% of expected production at \$13.50 or better.

COTTON

1. Sell 20% of production at \$0.905 (CTZ21) or better to get to 50% priced.
2. Close out 15% CTZ78 Puts for \$0.008 or better.
3. Close out 15% CTZ84 Calls for \$0.08 or better.
4. Close out 15% CTZ84 Puts for \$0.02 or better.
5. May buy higher puts in the coming days or increase sales depending on crop progress.

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	8/4/2021	5.4575	-0.7075
1/11/2021	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%	Pending	8/4/2021	0.0100			
1/11/2021	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Filled	1/12/2021	0.3000	8/4/2021	-0.3213	-0.0213
1/29/2021	Put Call Option	BUY CU21 470 PUT @ \$0.46 OB	Set Fence from \$4.54 to \$5.20	15%	Closed	2/3/2021	-0.4100	6/28/2021	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	8/4/2021	-0.3213	-0.0113
2/15/2021	Put Call Option	BUY CU21 470 PUT @ \$0.38 OB	Set Fence from \$4.57 to \$5.20	10%	Closed	2/16/2021	-0.3500	8/4/2021	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	8/4/2021	-0.3213	-0.0313
3/26/2021	Put Call Option	BUY CU21 440 PUT @ \$0.19 OB	GROWTH Floor - Planting Intention	20%	Closed	3/31/2021	-0.1500	5/21/2021	0.0400	-0.1100
3/26/2021	Put Call Option	SELL CU21 520 Call @ \$0.28 OB	GROWTH Floor - Planting Intention	20%	Filled	4/1/2021	0.3500	8/4/2021	-0.3213	0.0288
5/20/2021	Futures/HTA	Sell CU21 @ \$5.70 OB	To offset CU21 440 Puts	20%	Filled	5/20/2021	5.7900	8/4/2021	5.4575	0.3325
6/24/2021	Futures/HTA	Sell CU21 @ \$5.50 OB	\$1.21 > Growth Target	20%	Filled	6/25/2021	5.5500	8/4/2021	5.4575	0.0925
6/24/2021	Roll Puts	Buy/Sell CU21 510P/470P @ \$0.10 OB	Roll Put Floor from \$4.70 to \$5.10	25%	Filled	6/28/2021	-0.1900	8/4/2021	0.0425	-0.1475

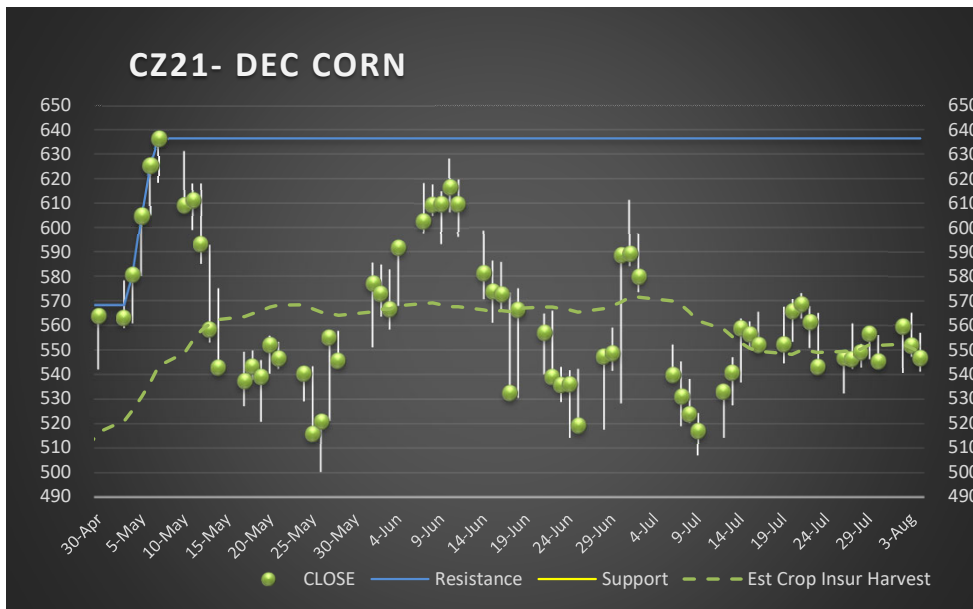
2021 SOYBEANS					FUTURES PRICING SIGNALS			\$ 12.00	\$ 10.73	\$ 10.73
Recommendation					ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)
1/11/2021	Futures/HTA	Sell SX21 @ \$11.75 OB	\$1.00 > B/E Target, Builds Working Cap	10%	Filled	1/12/2021	11.7500	8/4/2021	13.2575	-1.5075
1/29/2021	Put Call Option	BUY SX21 1140 PUT @ \$0.85 OB	Set Fence from \$11.03 to \$13.00	15%	Closed	2/3/2021	-0.8500	5/21/2021	0.0550	-0.7950
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	8/4/2021	-0.6858	-0.1858
3/26/2021	Put Call Option	BUY SX21 1140 PUT @ \$0.41 OB	BE+ \$0.72 GROW-Planting Intention	25%	Closed	3/29/2021	-0.4000	5/21/2021	0.0550	-0.3450
3/26/2021	Put Call Option	SELL SX21 1300 Call @ \$0.46 OB	BE+ \$0.72 GROW-Planting Intention	25%	Filled	3/31/2021	0.4800	8/4/2021	-0.6858	-0.2058
5/20/2021	Futures/HTA	Sell SX21 @ \$13.75 OB	To offset SX21 1140 Puts	40%	Filled	5/20/2021	13.8000	8/4/2021	13.2575	0.5425

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 CT21 @ \$0.77 OB	Achieves B/E Target, maintains WC	10%	Filled	1/12/2021	0.7700	8/4/2021	0.9031	-0.1331
1/29/2021	Put Call Put Option	BUY CT21 7800 PUT @ \$0.06 OB	Set Fence from \$.78 to \$.84	15%	Filled	2/4/2021	-0.0550	8/4/2021	0.0070	-0.0480
1/29/2021	Put Call Put Option	SELL CT21 8400 Call @ \$0.04 OB	Set Fence from \$.78 to \$.84	15%	Filled	2/4/2021	0.0550	8/4/2021	-0.0839	-0.0289
1/29/2021	Put Call Put Option	Sell CT21 6900 Put @ \$0.02 OB	Cheapen Cost of strategy	15%	Filled	2/4/2021	0.0200	8/4/2021	-0.0011	0.0189
3/8/2021	Put Call Put Option	BUY CT21 8400 PUT @ \$0.056 OB	Set Fence from \$.84 to \$.90	15%	Filled	3/9/2021	-0.0616	8/4/2021	0.0208	-0.0408
3/8/2021	Put Call Put Option	SELL CT21 9000 Call @ \$0.053 OB	Set Fence from \$.84 to \$.90	15%	Filled	3/9/2021	0.0536	8/4/2021	-0.0508	0.0028
6/24/2021	Futures/HTA	Sell CT21 @ \$0.87 OB	\$.05 > Growth Target	20%	Filled	6/25/2021	0.8755	8/4/2021	0.9031	-0.0276

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	8/4/2021	0.0000	6.4500
1/29/2021	Put Call Option	BUY WN21 630 PUT @ \$0.45 OB	Set Fence from \$6.17 to \$7.00	15%	Closed	2/5/2021	-0.4450	5/21/2021	0.1200	-0.3250
1/29/2021	Put Call Option	SELL WN21 700 Call @ \$0.32 OB	Set Fence from \$6.17 to \$7.00	15%	Closed	2/1/2021	0.3400	6/25/2021	0.0000	0.3400
2/15/2021	Put Call Option	BUY WN21 630 PUT @ \$0.45 OB	Set Fence from \$6.20 to \$7.00	15%	Closed	2/16/2021	-0.3800	5/21/2021	0.1200	-0.2600
2/15/2021	Put Call Option	SELL WN21 700 Call @ \$0.32 OB	Set Fence from \$6.20 to \$7.00	15%	Closed	2/24/2021	0.3600	6/25/2021	0.0000	0.3600
5/20/2021	Futures/HTA	Sell WN21 @ \$6.85 OB	To offset WN21 630 Puts	30%	Filled	5/20/2021	6.8500	8/4/2021	0.0000	6.8500
6/24/2021	Futures/HTA	Sell WN21 @ \$6.55 OB	To complete 2021 Sales	60%	Filled	6/25/2021	6.5600	8/4/2021	0.0000	6.5600

CORN SUPPLY & DEMAND					
WASDE as of 6/10/21					
	19/20	20/21	21/22	22/23	23/24
	WASDE-613	WASDE-613	WASDE-613	Estimate	Estimate
Planted	89.7	90.8	92.7	92.5	91.5
Harvested	81.3	82.5	84.5	84.5	83.6
Yield	167.5	172.0	179.5	181.5	183.5
Beg Stocks	2,221	1,919	1,082	1,432	1,539
Production	13,620	14,182	15,165	15,342	15,343
Imports	42	25	25	40	31
Total Supply	15,882	16,127	16,272	16,814	16,913
Feed	5,903	5,725	5,725	6,020	6,080
Food/Seed	1,430	1,420	1,415	1,430	1,435
Ethanol	4,852	5,050	5,200	5,200	5,200
Exports	1,778	2,850	2,500	2,625	2,650
Total Demand	13,963	15,045	14,840	15,275	15,365
Ending Stocks (ES)	1,919	1,082	1,432	1,539	1,548
Percent Use	14%	7%	10%	10%	10%
USDA Price	\$ 3.56	\$ 4.40	\$ 5.60	-	-
<i>Futures as of 8/04/2021</i>		\$5.46	\$5.47	\$5.06	\$4.69

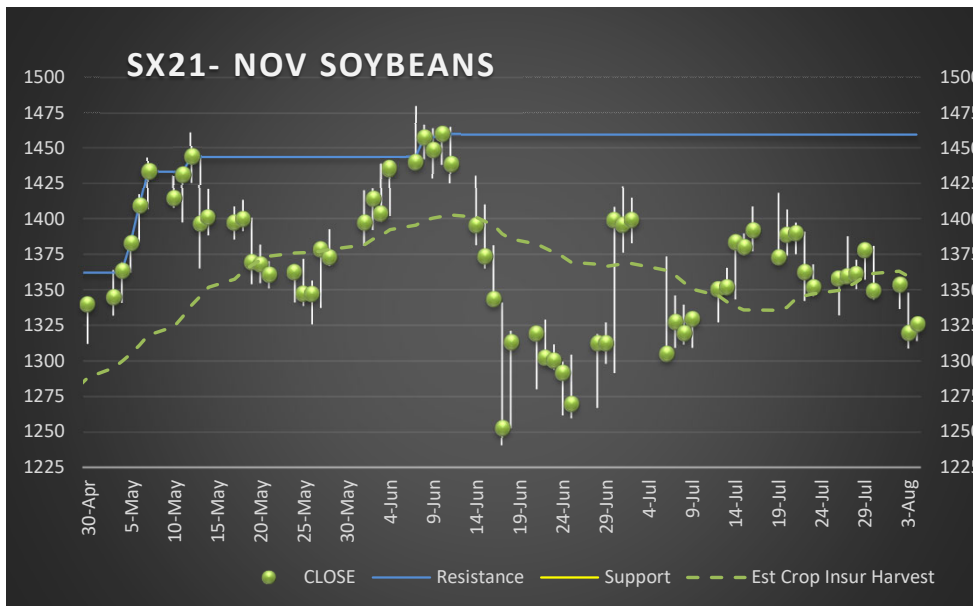
FUTURES PRICING SIGNALS	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 8/04/2021 =====>	\$5.47	CZ21	
2) What is Crop Insurance doing?	NC-CZ21	SC-CU21	
a) Base Price	\$ 4.48	\$ 4.73	
b) Harvest Price (PENDING)	\$ 5.49	\$ 5.53	
3) Fundamentals - where are prices headed?			
a) Seasonality		DOWN	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 6.37	
b) Support (Lowest Close last 100 Days)		\$ 4.53	
c) Moving Average		Change	% Change
5 day	\$ 5.52	-2 1/4	-0.41%
20 day	\$ 5.49	15 3/4	2.97%
50 day	\$ 5.58	6 1/2	1.20%
100 day	\$ 5.41	68	14.20%
YTD	\$ 5.14	112 1/4	25.83%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	50%	\$5.49	CU21
Unpriced	50%	\$5.46	CU21
Open Options		-\$0.04	5.10-5.20
Closed Options		-\$0.09	
Current Value	100%	\$5.34	CU21
<i>+ Expected Basis</i>			
PENDING Actions			
1 See Recommendations for previous actions.			
2 Roll 10% from CU to CZ for \$0.12 or better to capture carry			
14 Close 45% CU520C for \$0.32 OB.			
15 Sell 25% CU21 for \$5.60 OB using HTA/Futures.			
16 Sell 15% CU21 for \$5.90 OB using HTA/Futures.			

SOYBEAN SUPPLY & DEMAND		WASDE as of 6/10/21				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-613	WASDE-613	WASDE-613	Estimate	Estimate	
Planted	76.1	83.1	87.6	89.5	89.0	
Harvested	74.9	82.3	86.7	88.4	87.9	
Yield	47.4	50.2	50.8	51.6	52.2	
Beg Stocks	909	525	135	155	202	
Production	3,553	4,135	4,405	4,562	4,590	
Imports	15	20	35	15	15	
Total Supply	4,477	4,680	4,575	4,732	4,807	
Crush	2,165	2,170	2,225	2,195	2,220	
Seed/Residual	105	105	119	125	135	
Exports	1,682	2,270	2,075	2,210	2,225	
Total Demand	3,952	4,545	4,420	4,530	4,580	
End Stocks (ES)	525	135	155	202	227	
Percent Use	13%	3%	4%	4%	5%	
USDA Price	\$ 8.57	\$ 11.05	\$ 13.70			
Futures as of 8/04/2021		\$13.26	\$13.26	\$12.53	\$11.67	

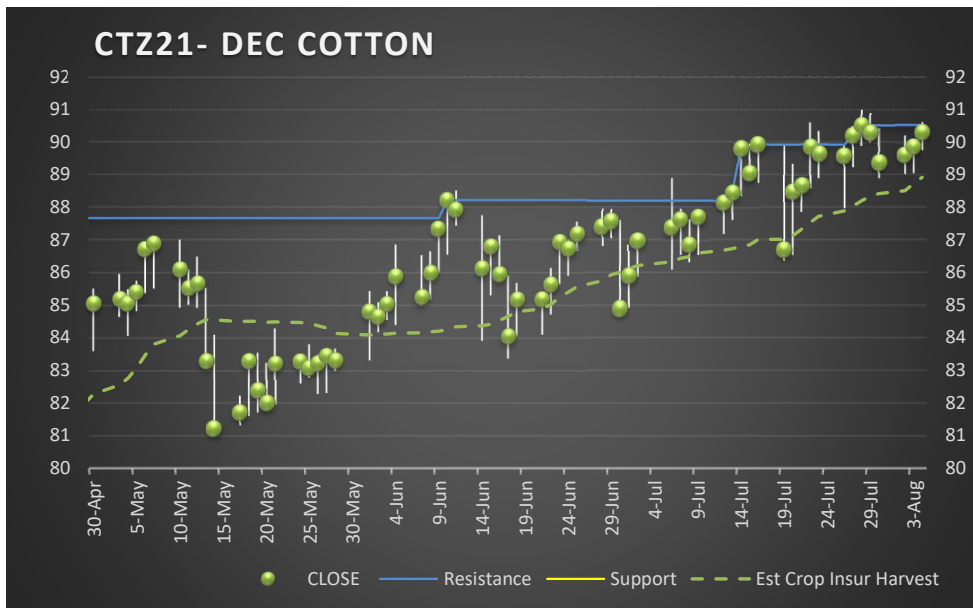
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 8/04/2021 =====>	\$13.26	SX21	
2) What is Crop Insurance doing?	2021	2020	
a) Base Price	\$ 11.54	\$ 9.36	
b) Harvest Price (PENDING)	\$ 13.59	\$ 9.15	
3) Fundamentals - where are prices headed?			
a) Seasonality	DOWN		
b) Ending Stocks	DOWN		
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)	\$ 14.60		
b) Support (Lowest Close last 100 Days)	\$ 11.86		
c) Moving Average	Change	% Change	
5 day	\$ 13.45	-35 1/4	-2.59%
20 day	\$ 13.59	-1 1/2	-0.11%
50 day	\$ 13.63	-36 1/2	-2.68%
100 day	\$ 13.35	82	6.59%
YTD	\$ 12.86	205	18.29%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	50%	\$13.39	SX21
Unpriced	50%	\$13.26	SX21
Open Options		-\$0.08	Cap @ 13.00
Closed Options		-\$0.21	
Current Value	100%	\$13.04	SX21
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			
8 Buy 40% SX1300C for \$0.60 OB.			
9 Sell 25% SX21 for \$13.50 OB.			

COTTON SUPPLY & DEMAND					
WASDE as of 6/10/21					
	19/20	20/21	21/22	22/23	23/24
	WASDE-613	WASDE-613	WASDE-613	Estimate	Estimate
Planted	13.74	12.09	11.72	12.09	11.72
Harvested	11.61	8.28	10.50	9.73	9.43
Yield	823.0	847.0	814.0	948.5	960.2
Beg Stocks	4.85	7.25	3.15	3.30	4.72
Production	19.91	14.61	17.80	19.23	18.87
Imports	0.01	-	-	-	-
Total Supply	24.77	21.86	20.95	22.53	23.59
Domestic Use	2.15	2.30	2.50	2.30	2.50
Exports	15.53	16.40	15.20	15.50	16.00
Total Demand	17.68	18.70	17.70	17.80	18.50
End Stocks (ES)	7.25	3.15	3.30	4.72	5.14
Stocks to Use	41%	17%	19%	27%	28%
USDA Price	\$ 59.60	\$ 66.50	\$ 75.00	-	-
Futures as of 8/04/2021		\$0.90	\$0.90	\$0.81	\$0.81

FUTURES PRICING SIGNALS			
	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 8/04/2021 =====>	\$90.31	CTZ21	
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$80.00	\$70.00	
b) Harvest Price (PENDING)	\$89.00	\$63.00	
3) Fundamentals - where are prices headed?			
a) Seasonality		DOWN	
b) Ending Stocks		UP	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			\$ 90.52
b) Support (Lowest Close last 100 Days)			\$ 76.55
c) Moving Average		Change	% Change
5 day	\$ 89.90	-0.21	-0.23%
20 day	\$ 89.16	2.68	3.06%
50 day	\$ 87.18	7.02	8.43%
100 day	\$ 84.92	6.11	7.26%
YTD	\$ 83.72	14.90	19.76%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	30%	\$0.8403	CTZ21
Unpriced	70%	\$0.9031	CTZ21
Open Options		-\$0.0144	.78-.90
Closed Options		\$0.0000	
Current Value	100%	\$0.8699	CTZ21
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			
8 Sell 20% CTZ21 for \$0.905 or better using Fut/HTA			
9 Sell 15% CTZ78P for \$0.008 OB.			
10 Buy 15% CTZ84C for \$0.08 OB.			
11 Sell 15% CTZ84P for \$0.02 OB.			