

## February 12, 2021 Marketing Update

Futures as of	02/12/21	02/05/21	Trend	
<b>CZ21 Dec CORN</b>	<b>\$4.49</b>	<b>\$4.52</b>	<b>Neutral</b>	<b>-0.7%</b>
<b>SX21 Nov SOYBEANS</b>	<b>\$11.73</b>	<b>\$11.61</b>	<b>Bullish</b>	<b>1.0%</b>
<b>CTZ21 Dec COTTON</b>	<b>\$83.89</b>	<b>\$80.64</b>	<b>Bullish</b>	<b>4.0%</b>
<b>WN21 Jul WHEAT</b>	<b>\$6.30</b>	<b>\$6.32</b>	<b>Neutral</b>	<b>-0.3%</b>
<b>2022 Crop Prices</b>				
<b>CZ22 Dec CORN</b>	<b>\$4.17</b>	<b>\$4.19</b>	<b>Neutral</b>	<b>-0.4%</b>
<b>SX22 Nov SOYBEANS</b>	<b>\$10.63</b>	<b>\$10.40</b>	<b>Bullish</b>	<b>2.2%</b>
<b>CTZ22 Dec COTTON</b>	<b>\$74.16</b>	<b>\$73.71</b>	<b>Neutral</b>	<b>0.6%</b>
<b>WN22 Jul WHEAT</b>	<b>\$6.15</b>	<b>\$6.14</b>	<b>Neutral</b>	<b>0.1%</b>

### MARKET UPDATE

USDA released the February WASDE report last Tuesday. Very little change in ending stocks, but traders must have been expecting tighter stocks as the markets tumbled following the report. The good news is that the market climbed its way back the rest of the week and market prices remain strong.

The base crop insurance price discovery period ended on 2/15/2021 for SE crops. The preliminary base crop insurance prices provide excellent crop insurance guarantees for 2021 crops. The table below shows the expected base crop insurance prices:

Crop	Contract	CY19	CY20	CY21 *
Corn (SC)	CU	3.97	3.92	<b>4.73</b>
Corn (NC)	CZ	4.01	3.95	<b>4.51</b>
Cotton	CTZ	0.74	0.70	<b>0.80</b>
Soybeans	SF	9.65	9.36	<b>11.56</b>

### MARKETING PLAN UPDATE

Last weeks "pending marketing actions" were all filled. Review the recommendations page to see the current value of all trades for FLOID Farms. Note the following:

- FLOID Farms used a combination of futures (or HTA) and options to set a floor on their uninsured production (25%). Currently the liquidating value of the options are greater than the crop insurance base price for corn, soybeans, cotton, and wheat. This sets the farm up for good price protection in 2021.
- Look at the MOVING AVERAGE section of the supply & demand pages for each crop.
  - The 50-day, 100-day, and YTD moving averages still reflect strong long-term upward movement for each crop.
  - Cotton shows positive change in the 5-day & 20-day moving averages, indicating short term upward trends.
  - Soybeans have trended higher the past 5 days, but the 20-day average has weakened.

## February 12, 2021 Marketing Update

- d. Corn and wheat show weakening trends in both the 5-day and 20-day moving average. It may indicate more downward pressure on their prices.
3. FLOID Farms is placing the following orders to protect the current levels of corn and wheat prices:
  - a. Corn:
    - i. Buy 10% CU21 470 Put @ \$0.38 OB.
    - ii. Sell 10% CU21 520 Call @ \$0.25 OB.
  - b. Wheat:
    - i. Buy 15% WN21 630 Put @ \$0.35 OB
    - ii. Sell 15% WN21 700 Call @ \$0.25 OB

Continue to monitor the markets this week for pricing opportunities that WORK for your operation.

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	2/12/2021	4.7225	0.0275	
1/11/2021	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%	Pending	2/12/2021	-0.2350				
1/11/2021	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Filled	1/12/2021	0.3000	2/12/2021	-0.2563	0.0438	
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	2/12/2021	0.4013	-0.0087	
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	2/12/2021	-0.2563	0.0538	
2/15/2021	Put Call Option	BUY CU21 470 PUT @ \$0.38 OB	Set Fence from \$4.57 to \$5.20	10%	Pending	2/12/2021	-0.4013				
2/15/2021	Put Call Option	SELL CU21 520 Call @ \$0.25 OB	Set Fence from \$4.57 to \$5.20	10%	Pending	2/12/2021	0.2563				

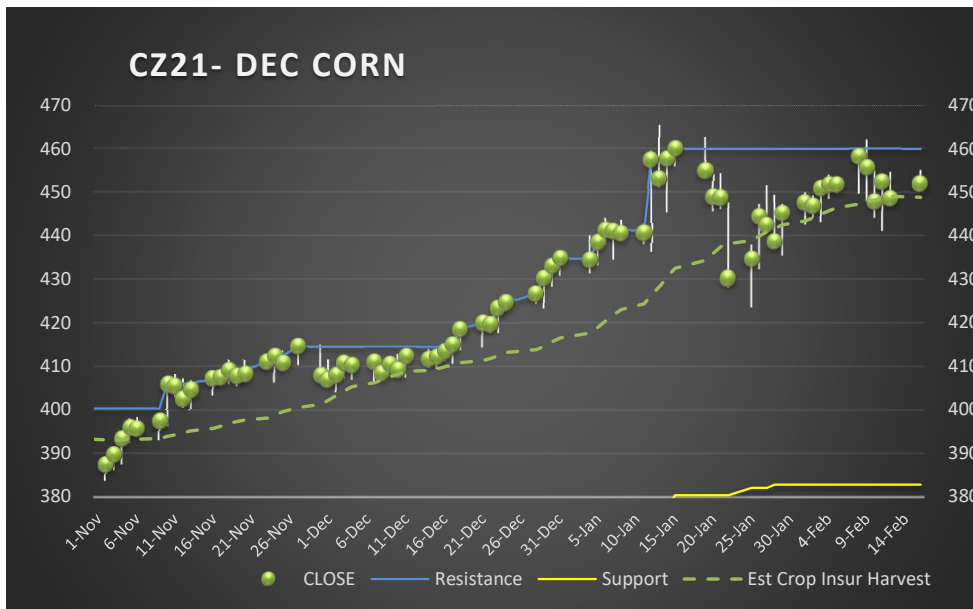
2021 SOYBEANS						FUTURES PRICING SIGNALS			\$ 12.00	\$ 10.73	\$ 10.75
Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/11/2021	Futures/HTA	Sell SX21 @ \$11.75 OB	\$1.00 > B/E Target, Builds Working Cap	10%	Filled	1/12/2021	11.7500	2/12/2021	11.7300	0.0200	
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	2/12/2021	0.6688	-0.1813	
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	2/12/2021	-0.5175	-0.0175	

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	2/12/2021	0.8389	-0.0689	
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	2/12/2021	0.0381	-0.0169	
1/29/2021	Put Call Put Option	SELL CT21 840 Call @ \$0.04 OB	Set Fence from \$.78 to \$.84	15%	Filled	2/4/2021	0.0550	2/12/2021	-0.0681	-0.0131	
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	2/12/2021	-0.0115	0.0085	

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	2/12/2021	6.3000	0.1500	
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	2/12/2021	0.4038	-0.0413	
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	2/12/2021	-0.2325	0.1075	
2/15/2021	Put Call Option	BUY WN21 630 PUT @ \$0.45 OB	Set Fence from \$6.20 to \$7.00	15%	Pending	2/12/2021	-0.4038				
2/15/2021	Put Call Option	SELL WN21 700 Call @ \$0.32 OB	Set Fence from \$6.20 to \$7.00	15%	Pending	2/12/2021	0.2325				

CORN SUPPLY & DEMAND		WASDE 02/09/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-609	WASDE-609	Estimate	Estimate	Estimate	
Planted	89.7	90.8	93.0	92.5	91.5	
Harvested	81.3	82.5	85.5	85.0	84.0	
Yield	167.5	172.0	179.5	181.5	183.5	
<b>Beg Stocks</b>	<b>2,221</b>	<b>1,919</b>	<b>1,502</b>	<b>1,870</b>	<b>2,063</b>	
Production	13,620	14,182	15,347	15,428	15,414	
Imports	42	25	46	40	31	
<b>Total Supply</b>	<b>15,882</b>	<b>16,127</b>	<b>16,895</b>	<b>17,338</b>	<b>17,508</b>	
Feed	5,903	5,650	5,900	6,020	6,080	
Food/Seed	1,430	1,425	1,425	1,430	1,435	
Ethanol	4,852	4,950	5,100	5,200	5,200	
Exports	1,778	2,600	2,600	2,625	2,650	
<b>Total Demand</b>	<b>13,963</b>	<b>14,625</b>	<b>15,025</b>	<b>15,275</b>	<b>15,365</b>	
<b>Ending Stocks (ES)</b>	<b>1,919</b>	<b>1,502</b>	<b>1,870</b>	<b>2,063</b>	<b>2,143</b>	
Percent Use	14%	10%	12%	14%	14%	
<b>USDA Price</b>	<b>\$ 3.56</b>	<b>\$ 4.30</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	
<i>Futures as of 2/12/2021</i>		<b>\$5.45</b>	<b>\$4.49</b>	<b>\$4.17</b>		

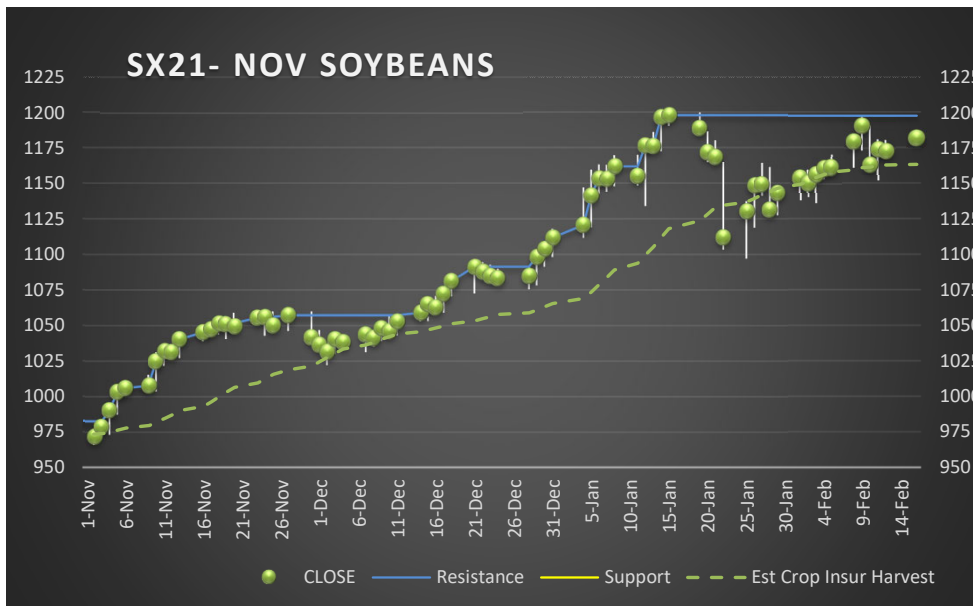
FUTURES PRICING SIGNALS	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 2/12/2021 =====>	<b>\$4.49</b>	<b>CZ21</b>	
2) What is Crop Insurance doing?	<b>NC-CZ21</b>	<b>SC-CU21</b>	
a) Base Price	<b>\$ 4.49</b>	<b>\$ 4.73</b>	
b) Harvest Price (PENDING)			
3) Fundamentals - where are prices headed?			
a) Seasonality		<b>UP</b>	
b) Ending Stocks		<b>DOWN</b>	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		<b>\$ 4.60</b>	
b) Support (Lowest Close last 100 Days)		<b>\$ 3.83</b>	
c) Moving Average		<b>Change</b>	<b>% Change</b>
5 day	<b>\$ 4.53</b>	<b>-3</b>	<b>-0.66%</b>
20 day	<b>\$ 4.48</b>	<b>-9</b>	<b>-1.97%</b>
50 day	<b>\$ 4.35</b>	<b>41 3/4</b>	<b>10.26%</b>
100 day	<b>\$ 4.16</b>	<b>60 1/2</b>	<b>15.58%</b>
YTD	<b>\$ 4.47</b>	<b>14 1/4</b>	<b>3.28%</b>



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$4.75	CU21
Options	25%	\$4.75	CU21
Unpriced	65%	\$4.72	CU21
<b>Current Value</b>	<b>100%</b>	<b>\$4.73</b>	<b>CZ21</b>
+ Expected Basis			
PENDING Actions			
1 Sell 10% CU21 @ \$4.60 or better. Filled @ \$4.75 1/12/21			
2 Roll 10% from CU to CZ for \$0.12 or better to capture carry			
3 Sell 10% CU21 520 Call @ \$0.25 OB. Filled @ \$0.30 1/12/21			
4 Buy 15% CU21 470 Put @ \$0.46 OB. Filled @ \$0.41 2/3/21			
5 Sell 15% CU21 520 Call @ \$0.30 OB. Filled @ \$0.31 2/3/21			
6 Buy 10% CU21 470 Put @ \$0.38 OB.			
7 Sell 10% CU21 520 Call @ \$0.25 OB.			

SOYBEAN SUPPLY & DEMAND		WASDE 02/09/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-609	WASDE-609	Estimate	Estimate	Estimate	
Planted	76.1	83.1	90.0	89.5	89.0	
Harvested	74.9	82.3	89.1	88.6	88.1	
Yield	47.4	50.2	51.1	51.6	52.2	
<b>Beg Stocks</b>	<b>909</b>	<b>525</b>	<b>120</b>	<b>238</b>	<b>294</b>	
Production	3,553	4,135	4,553	4,572	4,599	
Imports	15	35	35	15	15	
<b>Total Supply</b>	<b>4,477</b>	<b>4,695</b>	<b>4,708</b>	<b>4,824</b>	<b>4,908</b>	
Crush	2,165	2,200	2,170	2,195	2,220	
Seed/Residual	105	125	115	125	135	
Exports	1,682	2,250	2,185	2,210	2,225	
<b>Total Demand</b>	<b>3,952</b>	<b>4,575</b>	<b>4,470</b>	<b>4,530</b>	<b>4,580</b>	
<b>End Stocks (ES)</b>	<b>525</b>	<b>120</b>	<b>238</b>	<b>294</b>	<b>328</b>	
Percent Use	13%	3%	5%	6%	7%	
<b>USDA Price</b>	<b>\$ 8.57</b>	<b>\$ 11.15</b>	<b>\$ -</b>			
<b>Futures as of 2/12/2021</b>		<b>\$13.72</b>	<b>\$11.73</b>	<b>\$10.63</b>		

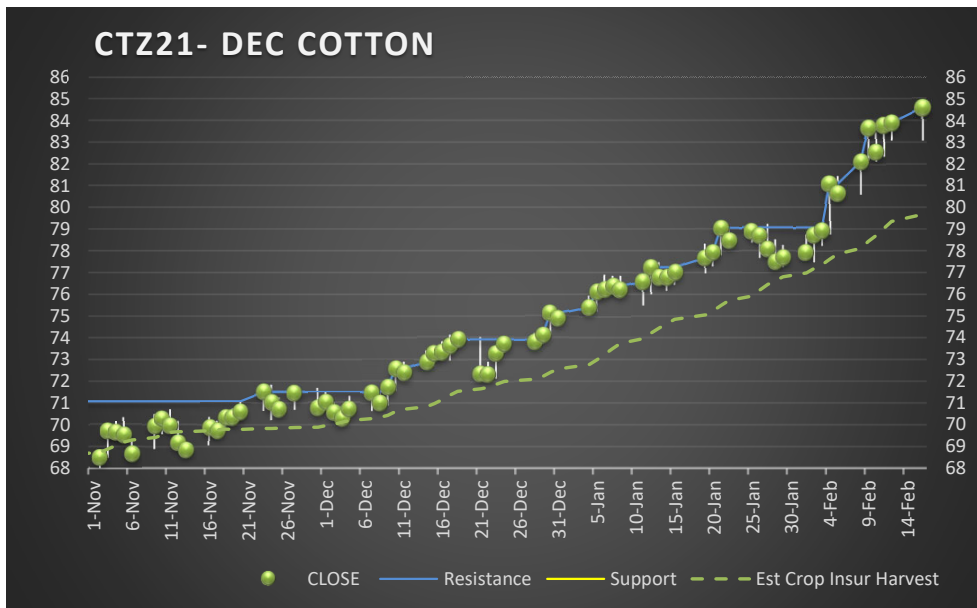
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 2/12/2021 =====>	<b>\$11.73</b>		SX21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 11.56	\$ 9.36	
b) Harvest Price (PENDING)			
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 11.98	
b) Support (Lowest Close last 100 Days)		\$ 9.46	
c) Moving Average		Change	% Change
5 day	\$ 11.76	12	1.03%
20 day	\$ 11.60	-23 1/2	-1.96%
50 day	\$ 11.21	136 1/2	13.17%
100 day	\$ 10.58	209	21.68%
YTD	\$ 11.60	52 1/4	4.66%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$11.75	SX21
Options	15%	\$11.63	SX21
Unpriced	75%	\$11.73	SX21
<b>Current Value</b>	<b>100%</b>	<b>\$11.72</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			

COTTON SUPPLY & DEMAND		WASDE 02/09/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-609	WASDE-609	Estimate	Estimate	Estimate	
Planted	13.74	12.09	12.09	12.09	12.09	
Harvested	11.61	8.70	9.81	9.81	9.81	
Yield	823.0	825.0	936.7	948.5	960.2	
<b>Beg Stocks</b>	<b>4.85</b>	<b>7.25</b>	<b>4.30</b>	<b>5.95</b>	<b>7.44</b>	
Production	19.91	14.95	19.15	19.39	19.63	
Imports	0.01	0.01	0.01	0.01	0.01	
<b>Total Supply</b>	<b>24.77</b>	<b>22.21</b>	<b>23.46</b>	<b>25.35</b>	<b>27.08</b>	
Domestic Use	2.15	2.40	2.40	2.40	2.40	
Exports	15.53	15.50	15.10	15.50	16.00	
<b>Total Demand</b>	<b>17.68</b>	<b>17.90</b>	<b>17.50</b>	<b>17.90</b>	<b>18.40</b>	
<b>End Stocks (ES)</b>	<b>7.25</b>	<b>4.30</b>	<b>5.95</b>	<b>7.44</b>	<b>8.67</b>	
Stocks to Use	41%	24%	34%	42%	47%	
<b>USDA Price</b>	<b>\$ 59.60</b>	<b>\$ 68.00</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	
<b>Futures as of 2/12/2021</b>		<b>\$86.41</b>	<b>\$83.89</b>	<b>\$74.16</b>	<b>\$0.00</b>	

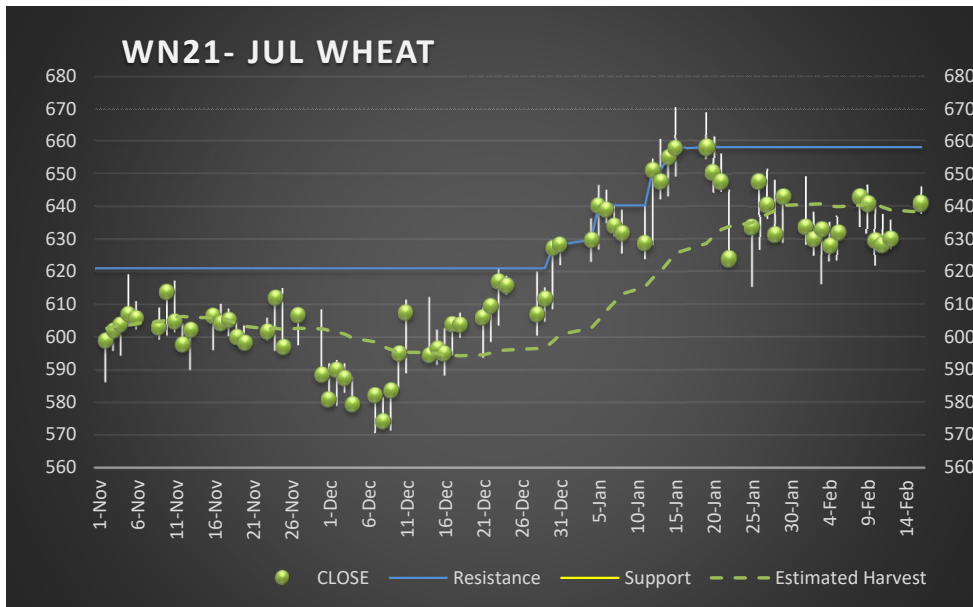
FUTURES PRICING SIGNALS	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 2/12/2021 =====>	<b>\$83.89</b>		CTZ21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	<b>\$80.00</b>	\$70.00	
b) Harvest Price (PENDING)			
% loss due to price change		-13%	-10%
3) Fundamentals - where are prices headed?			
a) Seasonality		<b>Down</b>	
b) Ending Stocks		<b>UP</b>	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			<b>\$ 83.89</b>
b) Support (Lowest Close last 100 Days)			<b>\$ 65.58</b>
c) Moving Average		<u>Change</u>	<u>% Change</u>
5 day	<b>\$ 83.20</b>	3.25	4.03%
20 day	<b>\$ 79.71</b>	7.09	9.23%
50 day	<b>\$ 76.18</b>	12.89	18.15%
100 day	<b>\$ 72.54</b>	18.14	27.59%
YTD	<b>\$ 78.69</b>	8.48	11.25%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$77.00	CTZ21
Options	15%	\$83.17	CTZ21
Unpriced	75%	\$83.89	CTZ21
<b>Current Value</b>	<b>100%</b>	<b>\$83.09</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			

WHEAT SUPPLY & DEMAND		WASDE 02/09/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-609	WASDE-609	Estimate	Estimate	Estimate	
Planted	45.5	44.3	45.4	45.6	45.4	
Harvested	37.4	36.7	37.7	37.9	37.7	
Yield	51.7	49.7	48.8	49.2	49.6	
Production	<b>1,932</b>	<b>1,826</b>	<b>1,840</b>	<b>1,865</b>	<b>1,870</b>	
Beg Stocks	1,080	1,028	836	797	771	
Imports	105	120	149	140	143	
<b>Total Supply</b>	<b>3,117</b>	<b>2,974</b>	<b>2,825</b>	<b>2,802</b>	<b>2,784</b>	
Feed	101	125	75	77	78	
Food, Seed	1,023	1,028	1,028	1,029	1,030	
Exports	965	985	925	925	925	
<b>Total Demand</b>	<b>2,089</b>	<b>2,138</b>	<b>2,028</b>	<b>2,031</b>	<b>2,033</b>	
<b>End Stocks</b>	<b>1,028</b>	<b>836</b>	<b>797</b>	<b>771</b>	<b>751</b>	
Percent Use	49%	39%	39%	38%	37%	
<b>USDA Price</b>	<b>\$ 4.58</b>	<b>\$ 5.00</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	
<b>Futures as of 2/12/2021</b>		<b>\$6.36</b>	<b>\$6.30</b>	<b>\$6.15</b>	<b>\$5.88</b>	

FUTURES PRICING SIGNALS	\$ 6.91	\$ 6.20	\$ 6.23
1) Futures as of 2/12/2021 =====>	<b>\$6.30</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)	\$ 6.34	\$ 4.97	
% loss due to price change	14%	2%	
3) Fundamentals - where are prices headed?			
a) Seasonality	UP		
b) Ending Stocks	UP		
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)	\$ 6.58		
b) Support (Lowest Close last 100 Days)	\$ 5.56		
c) Moving Average		Change	% Change
5 day	\$ 6.34	-2	-0.32%
20 day	\$ 6.38	-25	-3.82%
50 day	\$ 6.23	49	8.43%
100 day	\$ 6.09	63	11.11%
YTD	\$ 6.39	1/4	0.04%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$6.45	WN21
Options	15%	\$6.67	WN21
Unpriced	75%	\$6.30	WN21
<b>Current Value</b>	<b>100%</b>	<b>\$6.37</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 @ \$0.30 OB Filled @ \$0.34 2/1/21			
4 Buy 15% WN21 630 Put @ \$0.35 OB			
5 Sell 15% WN21 700 Call @ \$0.25 OB			