

January 8, 2021 Marketing Update

Futures as of	01/08/21	01/01/21	Trend	
CZ21 Dec CORN	\$4.41	\$4.35	Bullish	1.3%
SX21 Nov SOYBEANS	\$11.62	\$11.12	Bullish	4.5%
CTZ21 Dec COTTON	\$76.19	\$74.87	Bullish	1.8%
WN21 Jul WHEAT	\$6.32	\$6.28	Neutral	0.6%
2022 Crop Prices				
CZ22 Dec CORN	\$4.07	\$4.03	Neutral	1.0%
SX22 Nov SOYBEANS	\$10.63	\$10.18	Bullish	4.5%
CTZ22 Dec COTTON	\$72.29	\$70.37	Bullish	2.7%
WN22 Jul WHEAT	\$6.26	\$6.16	Bullish	1.7%

MARKET UPDATE

Many forecasters expect the January 12th WASDE report to reflect lower US and World ending stocks for corn, soybeans, and cotton. One would expect the market to rally on lower stocks, but it is possible that lower ending stocks have already been accounted for in the market. How the market responds to Tuesday’s report may determine if prices have peaked or will continue upward.

Producers should listen for 2021 US planting intentions predictions. Soybeans need more acres and corn cannot afford to lose any. US soybeans acres need to be at least 89 million to maintain current stocks and go as high as 91 million acres. Corn needs 92 million acres (versus 91.0 in 2019) to maintain its stocks. This battle for acres should provide price support. Nevertheless, do not lose sight of the rally that started back in August 2020. Therefore, FLOID Farms is ready to begin some 2021 crop sales. Their current pricing intentions are:

Corn:

<u>Date</u>	<u>Tool</u>	<u>Action</u>	<u>Reason</u>	<u>Quantity</u>
1/11/2021	Futures/HTA	Sell CU21 @ \$4.60 OB	\$0.31 > Growth Target	10%
1/11/2020	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%
1/11/2020	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%

Soybeans:

<u>Date</u>	<u>Tool</u>	<u>Action</u>	<u>Reason</u>	<u>Quantity</u>
1/11/2021	Futures/HTA	Sell SX21 @ \$11.75 OB	\$1.00 > B/E Target, Builds Working Cap	10%

Cotton:

<u>Date</u>	<u>Tool</u>	<u>Action</u>	<u>Reason</u>	<u>Quantity</u>
1/11/2021	Futures/HTA	Sell CTZ21 @ \$0.77 OB	Achieves B/E Target, maintains WC	10%

Wheat:

<u>Date</u>	<u>Tool</u>	<u>Action</u>	<u>Reason</u>	<u>Quantity</u>
1/11/2021	Futures/HTA	Sell WN21 @ \$6.40 OB	\$0.20 > B/E Target, Builds Working Cap	10%

These intentions are based on prices needed by FLOID Farms. Every producer should evaluate target prices for their operation as they are likely different from FLOID Farms.

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%	Pending	1/8/2021	4.5650				
1/11/2020	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%	Pending	1/8/2021	-0.1600				
1/11/2020	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Pending	1/8/2021	0.2200				

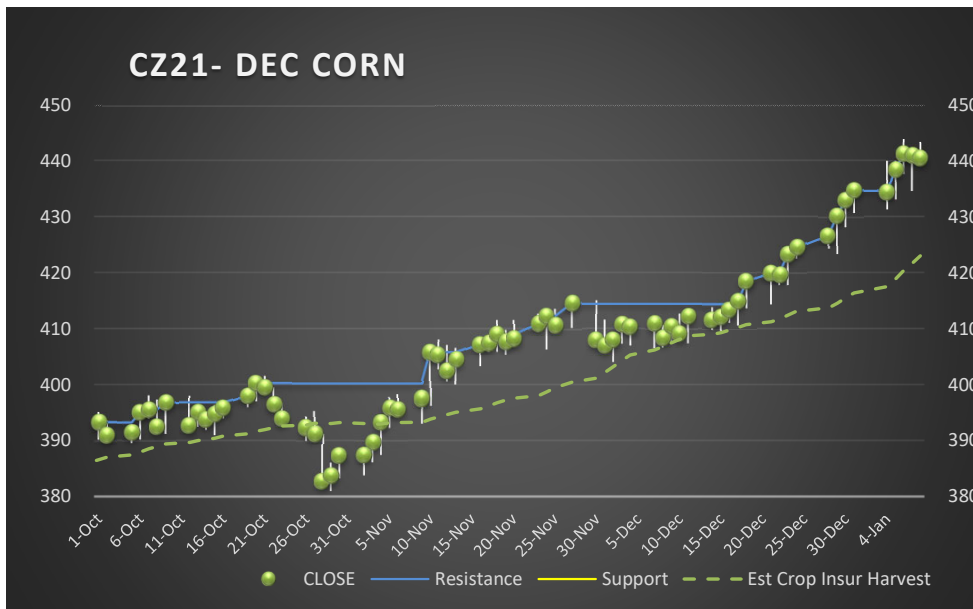
2021 SOYBEANS						FUTURES PRICING SIGNALS			\$ 12.00	\$ 10.73	\$ 10.75
Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/11/2021	Futures/HTA	Sell SX21 @ \$11.75 OB	\$1.00 > B/E Target, Builds Working Cap	10%	Pending	1/8/2021	11.6175				

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%	Pending	1/8/2021	0.7619				

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%	Working	1/8/2021	6.3175				

CORN SUPPLY & DEMAND					
WASDE 12/10/2020					
	19/20	20/21	21/22	22/23	23/24
	WASDE-607	WASDE-607	Estimate	Estimate	Estimate
Planted	89.7	91.0	93.0	92.0	91.5
Harvested	81.3	82.5	85.5	84.5	84.0
Yield	167.5	175.8	179.5	181.5	183.5
Beg Stocks	2,221	1,995	1,703	1,933	2,098
Production	13,620	14,507	15,347	15,337	15,414
Imports	42	25	33	33	31
Total Supply	15,882	16,528	17,083	17,303	17,543
Feed	5,827	5,700	5,925	6,000	6,100
Food/Seed	1,430	1,425	1,425	1,430	1,435
Ethanol	4,852	5,050	5,200	5,200	5,200
Exports	1,778	2,650	2,600	2,575	2,600
Total Demand	13,887	14,825	15,150	15,205	15,335
Ending Stocks (ES)	1,995	1,703	1,933	2,098	2,208
Percent Use	14%	11%	13%	14%	14%
USDA Price	\$ 3.56	\$ 4.00	\$ -	-	-
<i>Futures as of 1/08/2021</i>		\$4.92	\$4.41	\$4.07	

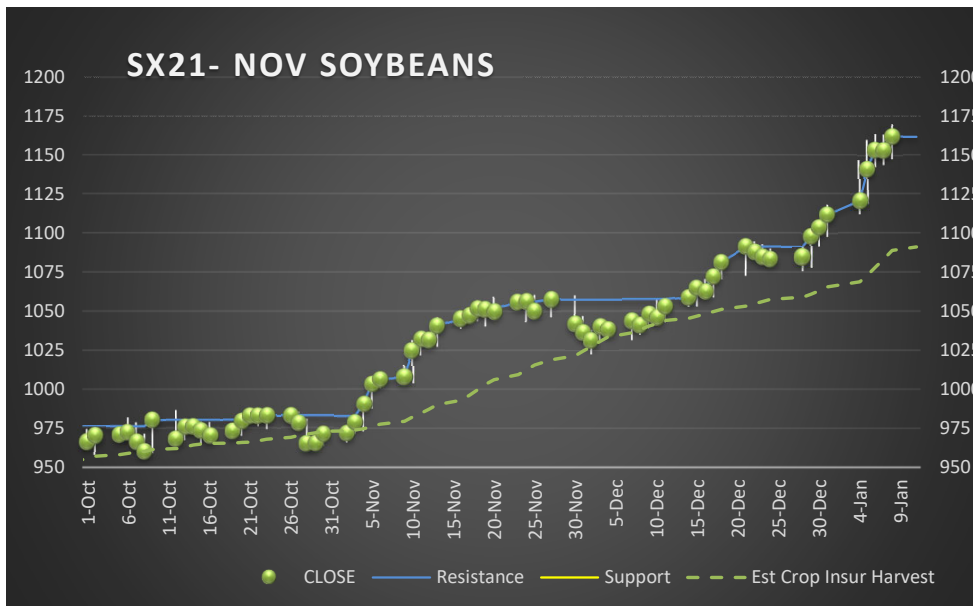
FUTURES PRICING SIGNALS	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 1/08/2021 =====>	\$4.41	CZ21	
2) What is Crop Insurance doing?	NC-CZ21	SC-CU21	
a) Base Price	\$ 4.23	\$ 4.31	
b) Harvest Price (PENDING)			
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			\$ 4.41
b) Support (Lowest Close last 100 Days)			\$ 3.74
c) Moving Average		Change	% Change
5 day	\$ 4.39	5 3/4	1.32%
20 day	\$ 4.25	30	7.31%
50 day	\$ 4.12	49 1/4	12.59%
100 day	\$ 4.00	63 3/4	16.92%
YTD	\$ 4.39	6	1.38%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	0%	\$0.00	ZCZ21
Options	0%	\$0.00	ZCZ21
Unpriced	100%	\$4.41	ZCZ21
Current Value	100%	\$4.41	CZ21
+ Expected Basis			
PENDING Actions			
1 Sell 10% CU21 @ \$4.60 or better. \$0.31 > than growth target			
2 Roll 10% from CU to CZ for \$0.12 or better to capture carry			
3 Sell 10% CU21 520 Call @ \$0.25 OB, to set max price @ \$5.45.			

SOYBEAN SUPPLY & DEMAND		WASDE 12/10/2020				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-607	WASDE-607	Estimate	Estimate	Estimate	
Planted	76.1	83.1	90.0	90.0	89.0	
Harvested	74.9	82.3	89.1	89.1	88.1	
Yield	47.4	50.7	51.1	51.6	52.2	
Beg Stocks	909	523	175	243	310	
Production	3,552	4,170	4,553	4,598	4,599	
Imports	15	15	15	15	15	
Total Supply	4,476	4,708	4,743	4,855	4,924	
Crush	2,165	2,195	2,180	2,200	2,220	
Seed/Residual	112	138	120	135	135	
Exports	1,676	2,200	2,200	2,210	2,220	
Total Demand	3,953	4,533	4,500	4,545	4,575	
End Stocks (ES)	523	175	243	310	349	
Percent Use	13%	4%	5%	7%	8%	
USDA Price	\$ 8.57	\$ 10.55	\$ -			
Futures as of 1/08/2021		\$13.47	\$11.62	\$10.63		

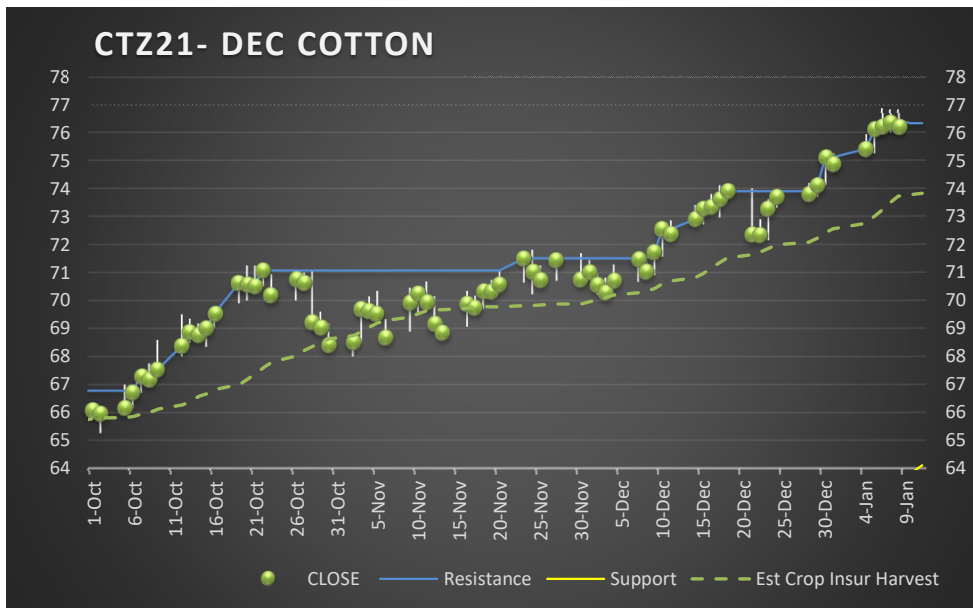
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 1/08/2021 =====>	\$11.62		SX21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 10.90	\$ 9.36	
b) Harvest Price (PENDING)			
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			\$ 11.62
b) Support (Lowest Close last 100 Days)			\$ 9.15
c) Moving Average		<u>Change</u>	<u>% Change</u>
5 day	\$ 11.46	50	4.50%
20 day	\$ 10.96	113 3/4	10.85%
50 day	\$ 10.54	183 3/4	18.79%
100 day	\$ 10.05	243 1/2	26.52%
YTD	\$ 11.46	41	3.66%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	0%	\$0.00	SX21
Options	0%	\$0.00	SX21
Unpriced	100%	\$11.62	SX21
Current Value	100%	\$11.62	SX21
+ Expected Basis			
PENDING Actions			
1 Sell 10% SX21 @ \$11.75 to build working capital. \$1 > BE target			

COTTON SUPPLY & DEMAND		WASDE 12/10/2020				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-607	WASDE-607	Estimate	Estimate	Estimate	
Planted	13.74	12.12	12.12	12.12	12.12	
Harvested	11.61	9.01	9.89	9.89	9.89	
Yield	823.0	850.0	936.7	948.5	960.2	
Beg Stocks	4.85	7.25	5.70	7.40	8.95	
Production	19.91	15.95	19.31	19.55	19.79	
Imports	0.01	-	-	-	-	
Total Supply	24.77	23.20	25.00	26.95	28.74	
Domestic Use	2.15	2.50	2.50	2.50	2.50	
Exports	15.53	15.00	15.10	15.50	16.00	
Total Demand	17.68	17.50	17.60	18.00	18.50	
End Stocks (ES)	7.25	5.70	7.40	8.95	10.24	
Stocks to Use	41%	33%	42%	50%	55%	
USDA Price	\$ 59.60	\$ 65.00	\$ -	-	-	
Futures as of 1/08/2021		\$80.35	\$76.19	\$72.29	\$0.00	

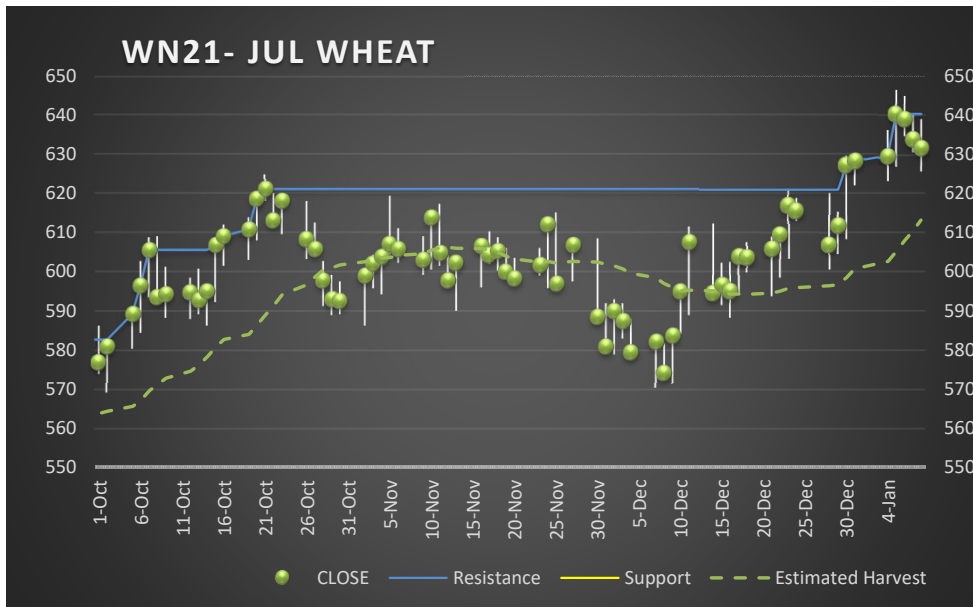
FUTURES PRICING SIGNALS	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 1/08/2021 =====>	\$76.19	CTZ21	
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$74.00	\$70.00	
b) Harvest Price (PENDING)			
% loss due to price change	-5%	-10%	
3) Fundamentals - where are prices headed?			
a) Seasonality	Down		
b) Ending Stocks	DOWN		
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 76.35	
b) Support (Lowest Close last 100 Days)		\$ 63.49	
c) Moving Average		<u>Change</u>	<u>% Change</u>
5 day	\$ 76.05	1.32	1.76%
20 day	\$ 74.09	4.46	6.22%
50 day	\$ 71.71	5.57	7.89%
100 day	\$ 69.21	12.44	19.51%
YTD	\$ 76.05	0.78	1.03%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	0%	\$0.38	CTZ21
Options	0%	\$0.00	CTZ21
Unpriced	100%	\$76.19	CTZ21
Current Value	100%	\$76.19	CTZ21
+ Expected Basis			
PENDING Actions			
1 Sell 10% CTZ21 @ \$0.77 or better to breakeven			

WHEAT SUPPLY & DEMAND		WASDE 12/10/2020				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-607	WASDE-607	Estimate	Estimate	Estimate	
Planted	45.5	44.3	46.5	45.5	45.0	
Harvested	37.4	36.7	38.8	37.8	37.3	
Yield	51.7	49.7	48.8	49.2	49.6	
Production	1,932	1,826	1,893	1,860	1,850	
Beg Stocks	1,080	1,028	862	840	807	
Imports	105	120	140	139	140	
Total Supply	3,117	2,974	2,896	2,839	2,797	
Feed	101	100	79	79	79	
Food, Seed	1,023	1,027	1,027	1,028	1,029	
Exports	965	985	950	925	920	
Total Demand	2,089	2,112	2,056	2,032	2,028	
End Stocks	1,028	862	840	807	769	
Percent Use	49%	41%	41%	40%	38%	
USDA Price	\$ 4.58	\$ 4.70	\$ -	-	-	
Futures as of 1/08/2021	\$6.54	\$6.32	\$6.26	\$6.26	\$6.26	

FUTURES PRICING SIGNALS	\$ 6.91	\$ 6.20	\$ 6.23
1) Futures as of 1/08/2021 =====>	\$6.32		WN21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 5.54	\$ 4.86	
b) Harvest Price (PENDING)	\$ 6.35	\$ 4.97	
% loss due to price change	15%	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)	\$ 6.40		
b) Support (Lowest Close last 100 Days)	\$ 5.34		
c) Moving Average		Change	% Change
5 day	\$ 6.35	3 1/2	0.56%
20 day	\$ 6.15	48	8.22%
50 day	\$ 6.04	26	4.29%
100 day	\$ 5.90	92	17.04%
YTD	\$ 6.35	2	0.32%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	0%	\$0.00	WN21
Options	0%	\$0.00	WN21
Unpriced	100%	\$6.32	WN21
Current Value	100%	\$6.32	WN21
+ Expected Basis			
PENDING Actions			
1 Sell 10% WN21 @ \$6.40 OB. > B/E & builds working capital			