

January 12, 2021 Marketing Update

Futures as of	01/12/21	01/05/21	Trend	
CZ21 Dec CORN	\$4.58	\$4.39	Bullish	4.3%
SX21 Nov SOYBEANS	\$11.77	\$11.41	Bullish	3.1%
CTZ21 Dec COTTON	\$77.23	\$76.11	Bullish	1.5%
WN21 Jul WHEAT	\$6.51	\$6.40	Bullish	1.7%

2022 Crop Prices

CZ22 Dec CORN	\$4.13	\$4.06	Bullish	1.7%
SX22 Nov SOYBEANS	\$10.39	\$10.44	Neutral	-0.5%
CTZ22 Dec COTTON	\$72.68	\$72.34	Neutral	0.5%
WN22 Jul WHEAT	\$6.31	\$6.27	Neutral	0.6%

MARKET UPDATE

The January WASDE report did reflect tighter ending stocks for the 2020 crops relative to last month's WASDE. The table below shows the changes in 2020/21 ending stocks compared to the December WASDE report.

Commodity	December 2020		January 2021		Changes
	Ending Stocks	ES/Use	Ending Stocks	ES/Use	
Corn	1,703 Mil Bu	11%	1,552 Mil Bu	11%	2019 ES, 2020 Yield & Use
Soybeans	175 Mil Bu	4%	140 Mil Bu	3%	2020 Yield & Use
Cotton	5.70 Mil Bales	33%	4.60 Mil Bales	26%	2020 Harvested Acre, Yield & Use
Wheat	862 Mil Bu	41%	836 Mil Bu	39%	2020 Feed Use

Interestingly, corn futures (CZ21) jumped nearly \$0.30 yesterday even though the Ending Stocks to Use ratio remained unchanged at 11%. This may reflect the need for 2021 corn acres to remain at 2020 levels (90.8 million acres) or higher. The drop in 2020 corn ending stocks was 150 million bushels – 76 million decline in beginning stocks and a 3.8 bu drop in US average yield. The US average cash price increased \$0.20 to \$4.20.

Soybean ending stocks declined 35 million bushels, leaving the ES/Use ratio at a miniscule 3%. World stocks of soybeans dropped to 84.31 MMT, down 1.33 MMT in December. With tight US and world soybean stocks, producers can plan on soybean prices remaining strong to ration demand. South America's soybean harvest is behind normal. The US average cash price increased \$0.60 to \$11.15.

Cotton stocks are also lower this month which reflects a 500,000 bale decrease in Texas and a 250,000-bale increase in exports. The US average cash price increased \$0.03 to \$0.68.

Wheat stocks also declined primarily due to increased feed usage. The US average cash price increased \$0.15 to \$4.85.

Most of the January 8, 2021 PENDING marketing actions for FLOID Farms were filled on January 12, 2021.

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	1/12/2021	4.7975	-0.0475	
1/11/2020	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%	Pending	1/12/2021	-0.2225				
1/11/2020	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Filled	1/12/2021	0.3000	1/12/2021	0.3020	-0.0020	

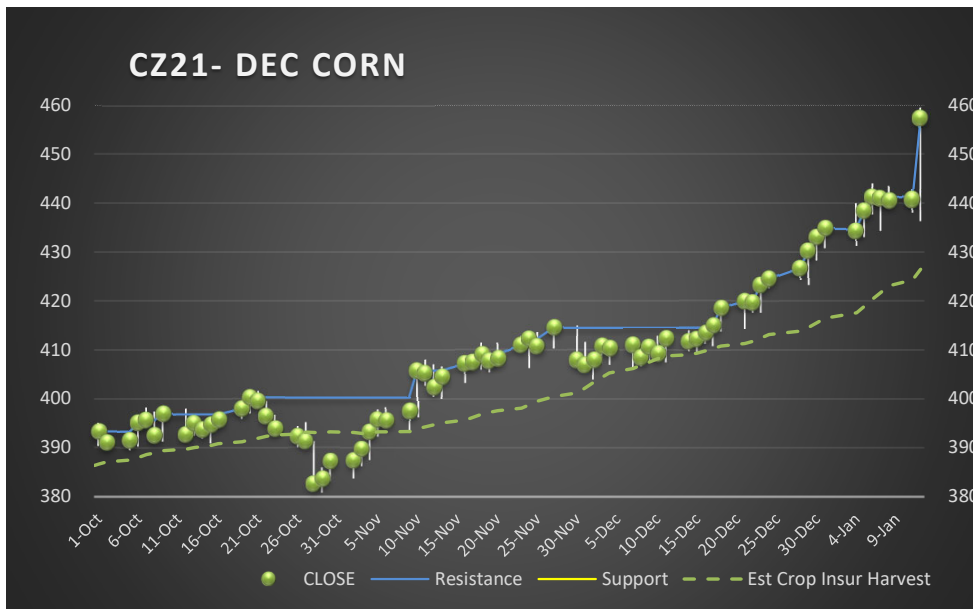
2021 SOYBEANS						FUTURES PRICING SIGNALS			\$ 12.00	\$ 10.73	\$ 10.75
Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/11/2021	Futures/HTA	Sell SX21 @ \$11.75 OB	\$1.00 > B/E Target, Builds Working Cap	10%	Filled	1/12/2021	11.7500	1/12/2021	11.7650	-0.0150	

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	1/12/2021	0.7723	-0.0023	

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	1/12/2021	6.5100	-0.0600	

CORN SUPPLY & DEMAND		WASDE 1/12/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-608	WASDE-608	Estimate	Estimate	Estimate	
Planted	89.7	90.8	93.0	92.0	91.5	
Harvested	81.3	82.5	85.5	84.5	84.0	
Yield	167.5	172.0	179.5	181.5	183.5	
Beg Stocks	2,221	1,919	1,552	1,782	1,947	
Production	13,620	14,182	15,347	15,337	15,414	
Imports	42	25	33	33	31	
Total Supply	15,882	16,127	16,932	17,152	17,392	
Feed	5,903	5,650	5,925	6,000	6,100	
Food/Seed	1,430	1,425	1,425	1,430	1,435	
Ethanol	4,852	4,950	5,200	5,200	5,200	
Exports	1,778	2,550	2,600	2,575	2,600	
Total Demand	13,963	14,575	15,150	15,205	15,335	
Ending Stocks (ES)	1,919	1,552	1,782	1,947	2,057	
Percent Use	14%	11%	12%	13%	13%	
USDA Price	\$ 3.56	\$ 4.20	\$ -	-	-	
<i>Futures as of 1/12/2021</i>		\$4.92	\$4.58	\$4.13		

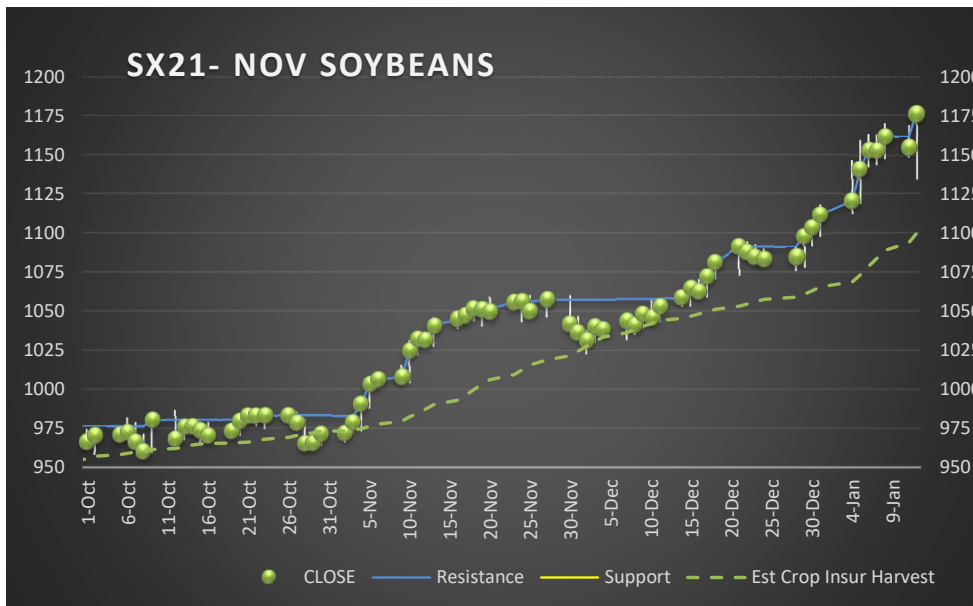
FUTURES PRICING SIGNALS	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 1/12/2021 =====>	\$4.58	CZ21	
2) What is Crop Insurance doing?	<u>NC-CZ21</u>	<u>SC-CU21</u>	
a) Base Price	\$ 4.26	\$ 4.36	
b) Harvest Price (PENDING)			
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 4.58	
b) Support (Lowest Close last 100 Days)		\$ 3.74	
c) Moving Average		Change	% Change
5 day	\$ 4.44	19	4.33%
20 day	\$ 4.29	45 1/4	10.98%
50 day	\$ 4.15	73 3/4	19.22%
100 day	\$ 4.01	83	22.16%
YTD	\$ 4.42	23	5.29%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$4.75	ZCU21
Options	10%	\$0.00	ZCZ21
Unpriced	90%	\$4.58	ZCZ21
Current Value	100%	\$4.59	CZ21
+ 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			

SOYBEAN SUPPLY & DEMAND		WASDE 1/12/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-608	WASDE-608	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	50.2	51.1	51.6	52.2	
Beg Stocks	909	525	140	228	315	
Production	3,553	4,135	4,553	4,598	4,599	
Imports	15	35	35	35	35	
Total Supply	4,477	4,695	4,728	4,860	4,949	
Crush	2,165	2,200	2,180	2,200	2,220	
Seed/Residual	105	125	120	135	135	
Exports	1,682	2,230	2,200	2,210	2,220	
Total Demand	3,952	4,555	4,500	4,545	4,575	
End Stocks (ES)	525	140	228	315	374	
Percent Use	13%	3%	5%	7%	8%	
USDA Price	\$ 8.57	\$ 11.15	\$ -			
Futures as of 1/12/2021		\$13.47	\$11.77	\$10.39		

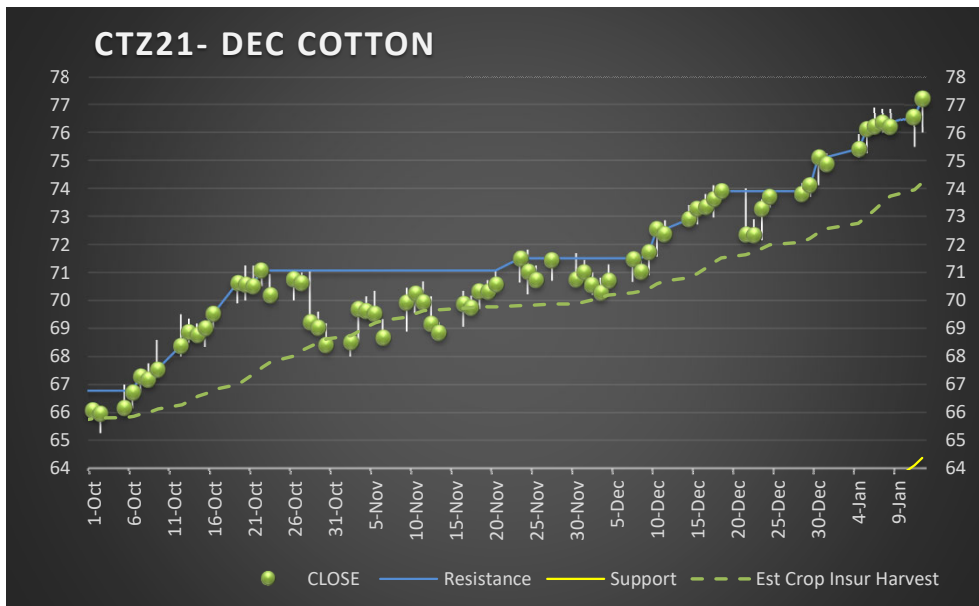
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 1/12/2021 =====>	\$11.77		SX21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 11.00	\$ 9.36	
b) Harvest Price (PENDING)			
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 11.77	
b) Support (Lowest Close last 100 Days)		\$ 9.15	
c) Moving Average		Change	% Change
5 day	\$ 11.60	35 1/4	3.09%
20 day	\$ 11.07	123 3/4	11.75%
50 day	\$ 10.62	211 1/4	21.89%
100 day	\$ 10.10	257	27.95%
YTD	\$ 11.52	55 3/4	4.97%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$11.75	SX21
Options	0%	\$0.00	SX21
Unpriced	90%	\$11.77	SX21
Current Value	100%	\$11.76	SX21
+ Expected Basis			
PENDING Actions			
1 Sell 10% SX21 @ \$11.75. Filled @ \$11.75 1/12/21			

COTTON SUPPLY & DEMAND		WASDE 1/12/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-608	WASDE-608	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	
Beg Stocks	4.85	7.25	4.60	6.30	7.84	
Production	19.91	14.95	19.15	19.39	19.63	
Imports	0.01	0.01	0.01	0.01	0.01	
Total Supply	24.77	22.21	23.76	25.70	27.48	
Domestic Use	2.15	2.40	2.40	2.40	2.40	
Exports	15.53	15.25	15.10	15.50	16.00	
Total Demand	17.68	17.65	17.50	17.90	18.40	
End Stocks (ES)	7.25	4.60	6.30	7.84	9.12	
Stocks to Use	41%	26%	36%	44%	50%	
USDA Price	\$ 59.60	\$ 68.00	\$ -	-	-	
Futures as of 1/12/2021		\$80.35	\$77.23	\$72.68	\$0.00	

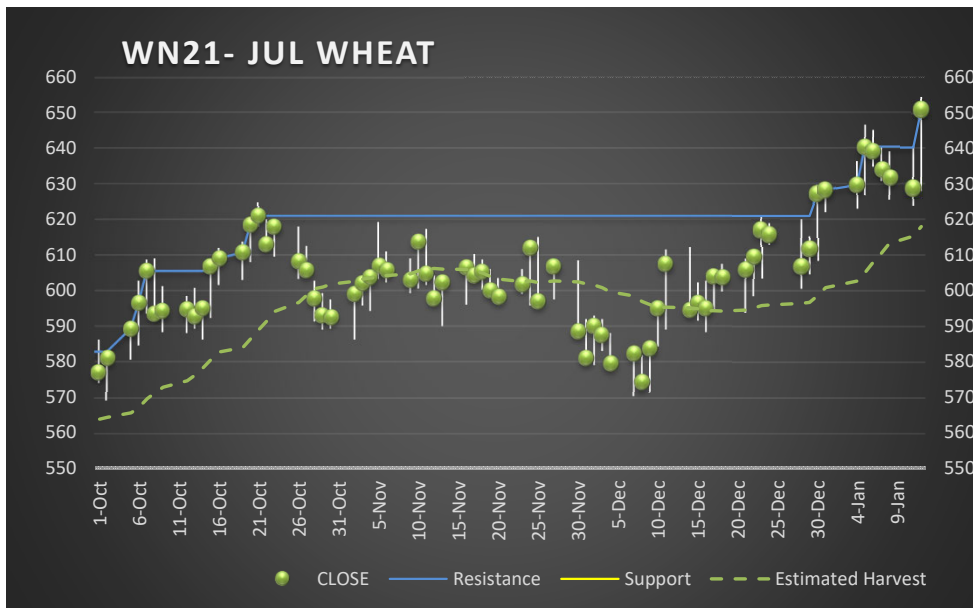
FUTURES PRICING SIGNALS	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 1/12/2021 =====>	\$77.23	CT221	
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$74.00	\$70.00	
b) Harvest Price (PENDING)			
% loss due to price change		-5%	-10%
3) Fundamentals - where are prices headed?			
a) Seasonality		Down	
b) Ending Stocks		UP	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			\$ 77.23
b) Support (Lowest Close last 100 Days)			\$ 64.36
c) Moving Average		<u>Change</u>	<u>% Change</u>
5 day	\$ 76.52	1.12	1.47%
20 day	\$ 74.53	4.86	6.72%
50 day	\$ 72.02	8.20	11.88%
100 day	\$ 69.47	13.13	20.48%
YTD	\$ 76.30	1.82	2.41%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$77.00	CTZ21
Options	0%	\$0.00	CTZ21
Unpriced	90%	\$77.23	CTZ21
Current Value	100%	\$77.21	CTZ21
+ Expected Basis			
PENDING Actions			
1 Sell 10% CTZ21 @ \$0.77 or better. Filled @ \$0.77 on 1/12/21			

WHEAT SUPPLY & DEMAND		WASDE 1/12/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-608	WASDE-608	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	836	814	781	
Imports	105	120	140	139	140	
Total Supply	3,117	2,974	2,870	2,813	2,771	
Feed	101	125	79	79	79	
Food, Seed	1,023	1,028	1,027	1,028	1,029	
Exports	965	985	950	925	920	
Total Demand	2,089	2,138	2,056	2,032	2,028	
End Stocks	1,028	836	814	781	743	
Percent Use	49%	39%	40%	38%	37%	
USDA Price	\$ 4.58	\$ 4.85	\$ -	-	-	
Futures as of 1/12/2021		\$6.54	\$6.51	\$6.31	\$6.31	

FUTURES PRICING SIGNALS	\$ 6.91	\$ 6.20	\$ 6.23
1) Futures as of 1/12/2021 =====>	\$6.51		WN21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 5.54	\$ 4.86	
b) Harvest Price (PENDING)	\$ 6.37	\$ 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)	\$ 6.51		
b) Support (Lowest Close last 100 Days)	\$ 5.42		
c) Moving Average		Change	% Change
5 day	\$ 6.37	10 3/4	1.68%
20 day	\$ 6.19	43 1/2	7.16%
50 day	\$ 6.06	58	9.78%
100 day	\$ 5.92	114 3/4	21.40%
YTD	\$ 6.36	21 1/4	3.37%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$6.45	WN21
Options	0%	\$0.00	WN21
Unpriced	90%	\$6.51	WN21
Current Value	100%	\$6.50	WN21
+ Expected Basis			
PENDING Actions			
1 Sell 10% WN21 @ \$6.40 OB. Filled @ \$6.50 1/12/21			