

January 20, 2021 Marketing Update

Futures as of	01/20/21	01/13/21	Trend	
CZ21 Dec CORN	\$4.49	\$4.53	Neutral	-0.9%
SX21 Nov SOYBEANS	\$11.72	\$11.76	Neutral	-0.4%
CTZ21 Dec COTTON	\$77.95	\$76.80	Bullish	1.5%
WN21 Jul WHEAT	\$6.51	\$6.48	Neutral	0.5%
2022 Crop Prices				
CZ22 Dec CORN	\$4.09	\$4.09	Neutral	0.1%
SX22 Nov SOYBEANS	\$10.39	\$10.42	Neutral	-0.4%
CTZ22 Dec COTTON	\$72.32	\$72.20	Neutral	0.2%
WN22 Jul WHEAT	\$6.24	\$6.28	Neutral	-0.6%

MARKET UPDATE

Much change has occurred since the last update in the US, but not much change has occurred in the commodity markets for 2021 or 2022. Yesterday's closes were within 1% of last weeks prices. When you look at then charts, it appears that corn, soybeans, and wheat prices may have peaked last week, but that pattern occurs several times on the charts since October 1st.

FLOID Farms has 10% of its 2021 crops priced above its breakeven target price. The 1/20/21 future price closes remain above their BREAKEVEN price for soybeans, wheat, and cotton. Corn futures closed well above their GROWTH target. While FLOID FARM is not placing any orders today, they are likely to do so in the coming weeks. They are watching their Crop Insurance Guarantees:

CROP	BREAKEVEN TARGET PRICE	CROP INSURANCE PRICE AS OF 1/20/21
CORN (NC)—CZ21	3.99	4.36
CORN (SC) – CU21	3.99	4.51
SOYBEANS—SF22	10.73	11.28
COTTON—CTZ21	77.00	76.00
WHEAT—WN21	6.20	5.54 (BASE PRICE) 6.55 (HARVEST)

The projected crop insurance price is currently BETTER than the breakeven needed by FLOID Farms for corn and soybeans. The projected cotton base insurance price is almost to the breakeven. The crop insurance prices will be finalized on February 15th. If this continues, the FLOIDS will have a comfortable REVENUE guarantee. However, they will still need to protect their “uninsured” production. They intend to price their uninsured production by February 28th to coincide with their crop insurance signup dated. Depending on the crop, the FLOIDs will need to have 20-25% of production priced.

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	1/20/2021	4.7175	0.0325	
1/11/2020	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%	Pending	1/20/2021	-0.2275				
1/11/2020	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Filled	1/12/2021	0.3000	1/20/2021	0.2775	0.0225	

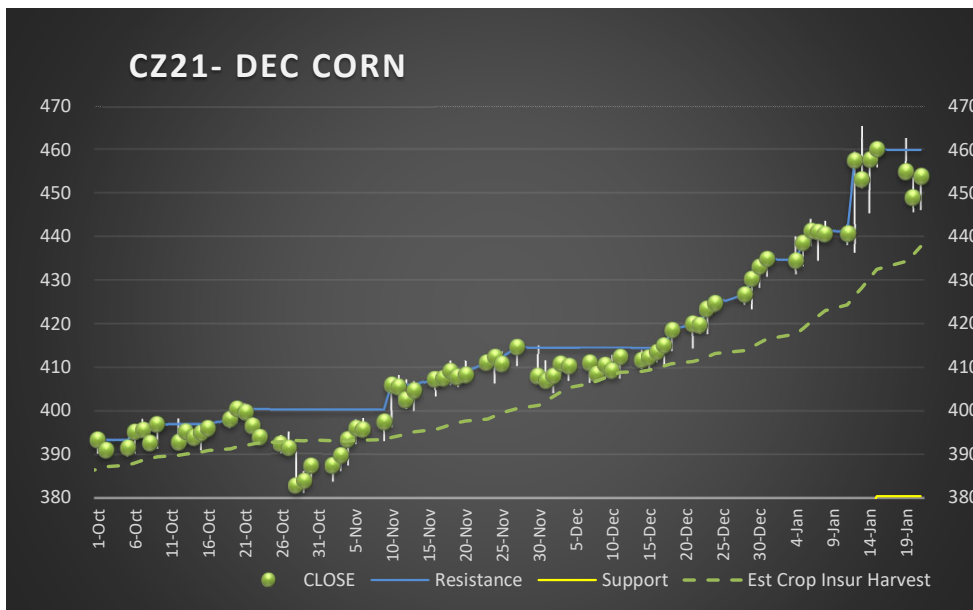
2021 SOYBEANS						FUTURES PRICING SIGNALS			\$ 12.00	\$ 10.73	\$ 10.75
Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/11/2021	Futures/HTA	Sell SX21 @ \$11.75 OB	\$1.00 > B/E Target, Builds Working Cap	10%	Filled	1/12/2021	11.7500	1/20/2021	11.7175	0.0325	

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	1/20/2021	0.7795	-0.0095	

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	1/20/2021	6.5050	-0.0550	

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 1/20/2021</i>		\$4.92	\$4.49	\$4.09		

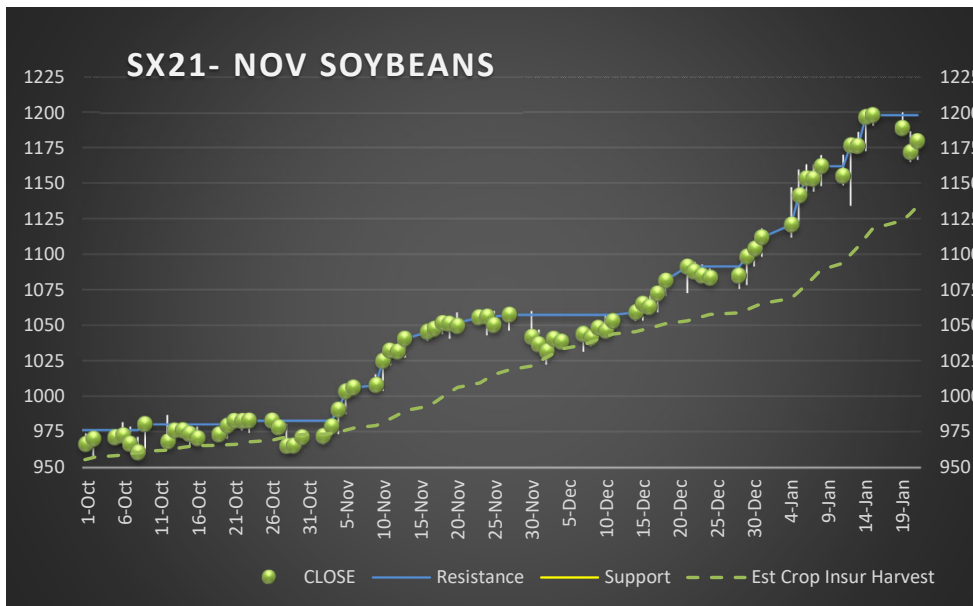
FUTURES PRICING SIGNALS	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 1/20/2021 =====>	\$4.49	CZ21	
2) What is Crop Insurance doing?	<u>NC-CZ21</u>	<u>SC-CU21</u>	
a) Base Price	\$ 4.36	\$ 4.51	
b) Harvest Price (PENDING)			
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 4.60	
b) Support (Lowest Close last 100 Days)		\$ 3.80	
c) Moving Average		Change	% Change
5 day	\$ 4.55	-8 1/2	-1.86%
20 day	\$ 4.39	30 1/2	7.29%
50 day	\$ 4.21	53 1/4	13.46%
100 day	\$ 4.05	67 1/2	17.69%
YTD	\$ 4.47	14 1/2	3.34%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$4.75	ZCU21
Options	10%	\$0.00	ZCZ21
Unpriced	90%	\$4.49	ZCZ21
Current Value	100%	\$4.52	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 1/20/2021		\$13.47	\$11.72	\$10.39		

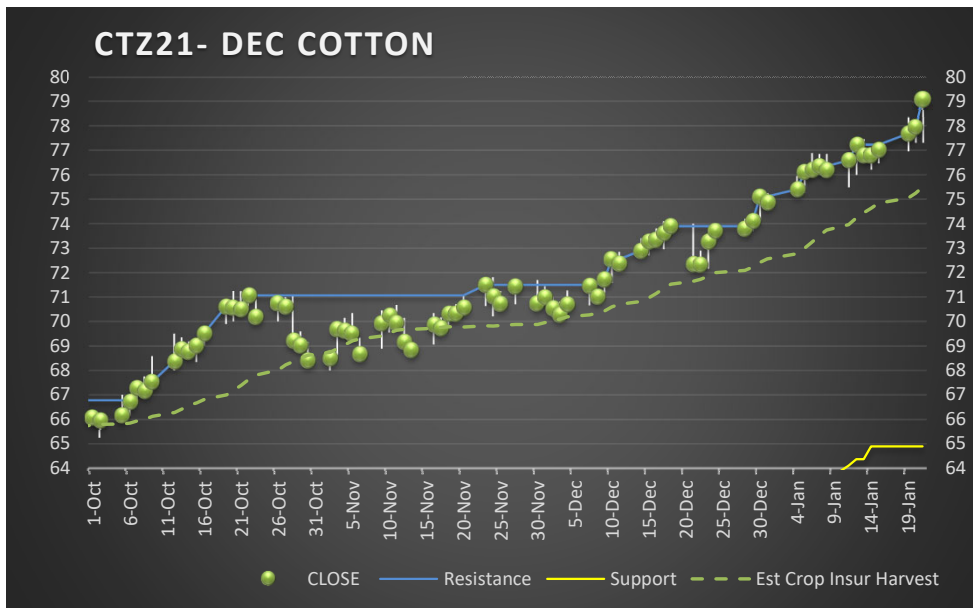
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 1/20/2021 =====>	\$11.72		SX21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 11.28	\$ 9.36	
b) Harvest Price (PENDING)			
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 11.98	
b) Support (Lowest Close last 100 Days)		\$ 9.32	
c) Moving Average		Change	% Change
5 day	\$ 11.86	-4 3/4	-0.40%
20 day	\$ 11.37	90 1/2	8.37%
50 day	\$ 10.82	168 1/2	16.80%
100 day	\$ 10.23	248 1/4	26.88%
YTD	\$ 11.66	51	4.55%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$11.75	SX21
Options	0%	\$0.00	SX21
Unpriced	90%	\$11.72	SX21
Current Value	100%	\$11.72	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 1/20/2021		\$80.35	\$77.95	\$72.32	\$0.00

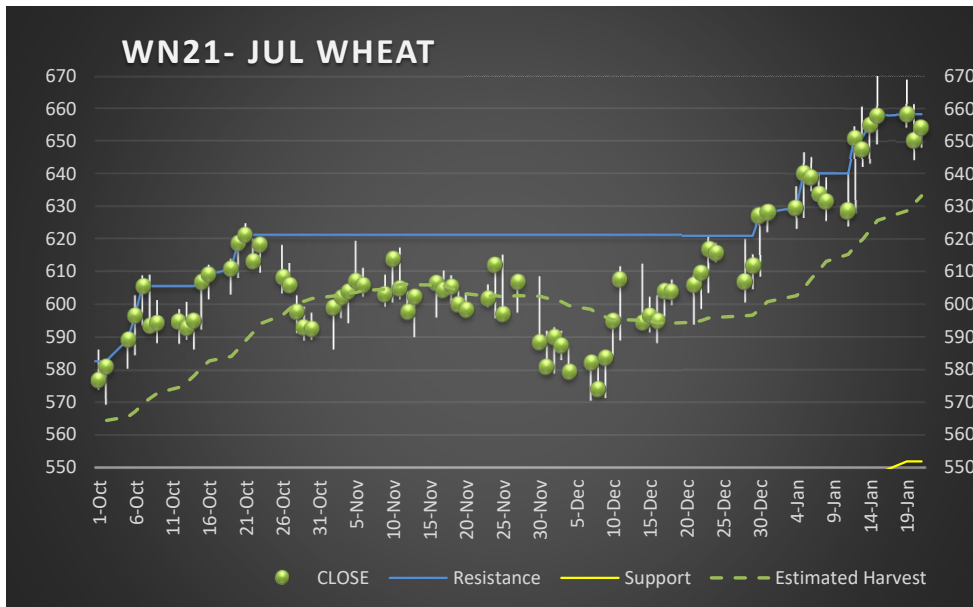
FUTURES PRICING SIGNALS	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 1/20/2021 =====>	\$77.95	CTZ21	
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$76.00	\$70.00	
b) Harvest Price (PENDING)			
% loss due to price change		-8%	-10%
3) Fundamentals - where are prices headed?			
a) Seasonality		Down	
b) Ending Stocks		UP	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			\$ 77.95
b) Support (Lowest Close last 100 Days)			\$ 64.88
c) Moving Average		<u>Change</u>	<u>% Change</u>
5 day	\$ 77.25	0.72	0.93%
20 day	\$ 75.50	4.05	5.48%
50 day	\$ 72.83	8.43	12.13%
100 day	\$ 70.09	12.62	19.32%
YTD	\$ 76.70	2.54	3.37%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$77.00	CTZ21
Options	0%	\$0.00	CTZ21
Unpriced	90%	\$77.95	CTZ21
Current Value	100%	\$77.86	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 1/20/2021		\$6.54	\$6.51	\$6.24	\$6.24	

FUTURES PRICING SIGNALS	\$ 6.91	\$ 6.20	\$ 6.23
1) Futures as of 1/20/2021 =====>	\$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)	\$ 6.55	\$ 4.97	
% loss due to price change	18%	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)	\$ 5.52		
c) Moving Average		Change	% Change
5 day	\$ 6.54	-1/2	-0.08%
20 day	\$ 6.32	46 3/4	7.74%
50 day	\$ 6.11	43 1/2	7.17%
100 day	\$ 5.97	97 1/2	17.63%
YTD	\$ 6.44	20 3/4	3.29%



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			