

July 12, 2021 Marketing Update

Futures as of	07/12/21	07/05/21	Trend	
CZ21 Dec CORN	\$5.33	\$5.80	Bearish	-8.1%
SX21 Nov SOYBEANS	\$13.50	\$13.99	Bearish	-3.5%
CTZ21 Dec COTTON	\$88.16	\$86.97	Bullish	1.4%
WN21 Jul WHEAT	\$6.35	\$6.46	Bearish	-1.7%
2022 Crop Prices				
CZ22 Dec CORN	\$4.90	\$5.03	Bearish	-2.6%
SX22 Nov SOYBEANS	\$12.50	\$12.71	Bearish	-1.6%
CTZ22 Dec COTTON	\$79.58	\$79.27	Neutral	0.4%
WN22 Jul WHEAT	\$6.56	\$6.72	Bearish	-2.5%

UPCOMING EVENTS:

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

MARKET NEWS

The market reacted favorably for sellers to the July WASDE report released on Monday. December Corn (CZ21) closed UP \$0.16, November Soybeans (SX21) rallied \$0.21 higher, and December Cotton (CTZ21) was up \$0.45 to finish at just over \$88.00. As expected, July's trading has been volatile with trading ranges of \$0.60 for CZ21, \$1.00 for SX21, \$3.00 for CTZ21. For producers looking for selling opportunities, note the chart gaps for Corn and Soybeans. On July 6th, the corn and soybean markets gapped lower leaving trading gaps for

- CZ21 between \$5.52 and \$5.80.
- SX21 between \$13.73 and \$13.95.

The market will likely try to close these gaps in the coming weeks by trading at least to the high price level of the gaps. However, market rallies will find resistance around the recent highs of

- CZ21 @ \$5.90, and then @ \$6.16, and finally at the contract high of \$6.37.
- SX21 @ \$14.00 and at the contract high of \$14.60.
- CTZ21 @ the contract high of \$88.21.

Crop conditions, however, were mostly unchanged last week according to the USDA Crop Progress report.

Table 1: USDA Crop Progress Report Released July 12, 2021 (Summarized)

Metric	Week Ending July 4, 2021	Week Ending July 11, 2021	2016-2020 Average
Corn Condition	G/E-64%	G/E-65%	
Soybean Condition	G/E-59%	G/E-59%	
Cotton Condition	G/E-52%	G/E-56%	
Peanuts Condition	G/E-69%	G/E-73%	
SOIL MOISTURE	Very Short/Short	Adequate	Surplus
NC Topsoil	25	65	10
NC Subsoil	12	86	2
SC Topsoil	21	71	8
SC Subsoil	5	93	2

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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.

Crop	Growth Target	Current Value
Corn	\$4.29	\$5.30
Soybeans	\$12.00	\$13.04
Cotton	\$0.82	\$0.86
Wheat	\$6.91	\$6.64

No changes currently in FLOID Farms marketing strategy.

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	7/12/2021	5.4525	-0.7025
1/11/2021	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%	Pending	7/12/2021	-0.1225			
1/11/2021	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Filled	1/12/2021	0.3000	7/12/2021	-0.4213	-0.1213
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	7/12/2021	-0.4213	-0.1113
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	7/12/2021	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	7/12/2021	-0.4213	-0.1313
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	7/12/2021	-0.4213	-0.0713
5/20/2021	Futures/HTA	Sell CU21 @ \$5.70 OB	To offset CU21 440 Puts	20%	Filled	5/20/2021	5.7900	7/12/2021	5.4525	0.3375
6/24/2021	Futures/HTA	Sell CU21 @ \$5.50 OB	\$1.21 > Growth Target	20%	Filled	6/25/2021	5.5500	7/12/2021	5.4525	0.0975
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	7/12/2021	0.1300	-0.0600

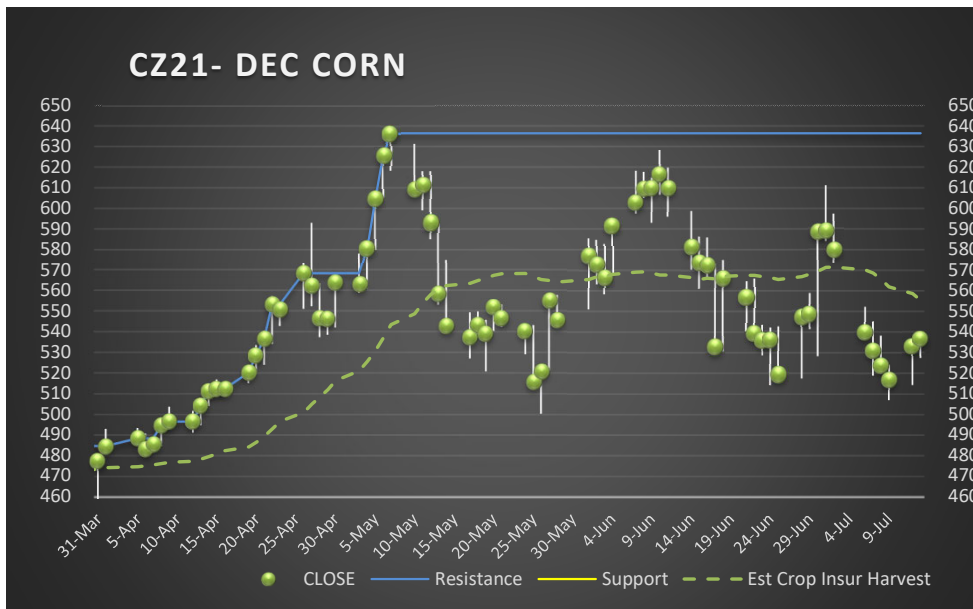
2021 SOYBEANS					FUTURES PRICING SIGNALS			\$ 12.00	\$ 10.73	\$ 10.75
Recommendation					ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)
1/11/2021	Futures/HTA	Sell SX21 @ \$11.75 OB	\$1.00 > B/E Target, Builds Working Cap	10%	Filled	1/12/2021	11.7500	7/12/2021	13.5025	-1.7525
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	7/12/2021	-0.9900	-0.4900
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	7/12/2021	-0.9900	-0.5100
5/20/2021	Futures/HTA	Sell SX21 @ \$13.75 OB	To offset SX21 1140 Puts	40%	Filled	5/20/2021	13.8000	7/12/2021	13.5025	0.2975

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	7/12/2021	0.8816	-0.1116
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	7/12/2021	0.0123	-0.0427
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	7/12/2021	-0.0719	-0.0169
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	7/12/2021	-0.0021	0.0179
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	7/12/2021	0.0317	-0.0299
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	7/12/2021	-0.0459	0.0077
6/24/2021	Futures/HTA	Sell CT21 @ \$0.87 OB	\$.05 > Growth Target	20%	Filled	6/25/2021	0.8755	7/12/2021	0.8816	-0.0061

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	7/12/2021	6.3500	0.1000
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	7/12/2021	6.3500	0.5000
6/24/2021	Futures/HTA	Sell WN21 @ \$6.55 OB	To complete 2021 Sales	60%	Filled	6/25/2021	6.5600	7/12/2021	6.3500	0.2100

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	-	-
Futures as of 7/12/2021		\$6.30	\$5.33	\$4.90	\$4.48

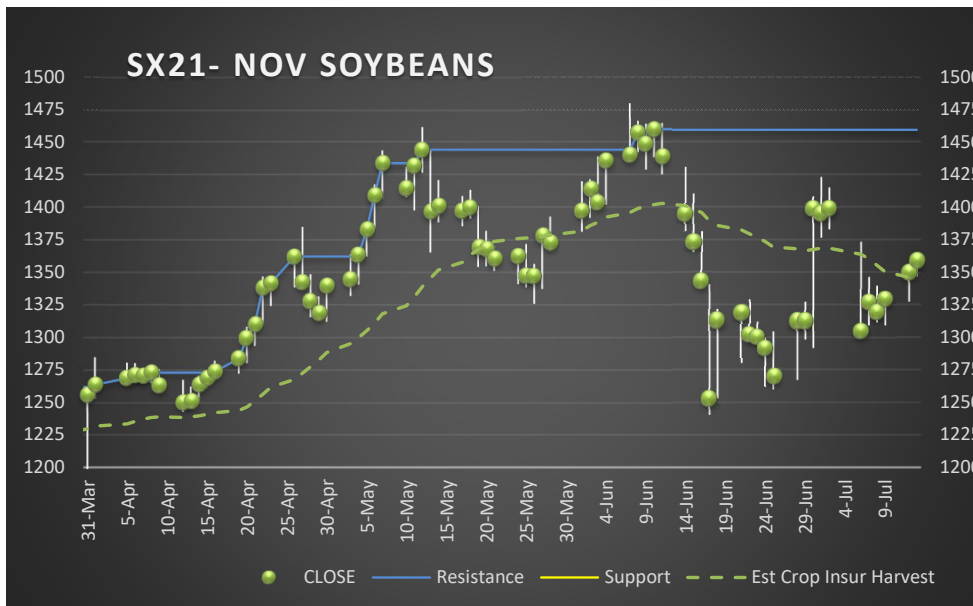
FUTURES PRICING SIGNALS	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 7/12/2021 =====>	\$5.33	CZ21	
2) What is Crop Insurance doing?	NC-CZ21	SC-CU21	
a) Base Price	\$ 4.48	\$ 4.73	
b) Harvest Price (PENDING)	\$ 5.59	\$ 5.70	
3) Fundamentals - where are prices headed?			
a) Seasonality		DOWN	
b) Ending Stocks		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	\$ 5.29	-46 3/4	-8.06%
20 day	\$ 5.51	-76 3/4	-12.59%
50 day	\$ 5.65	-13 1/4	-2.43%
100 day	\$ 5.28	73	15.87%
YTD	\$ 5.09	98 1/2	22.67%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	50%	\$5.49	CU21
Unpriced	50%	\$5.45	CU21
Open Options		-\$0.07	5.10-5.20
Closed Options		-\$0.09	
Current Value	100%	\$5.30	CU21
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			
2 Roll 10% from CU to CZ for \$0.12 or better to capture carry			
12 Roll CU470 Puts up to CU510 Puts for \$0.10 OB Filled 6/25 for \$0.09.			
13 Sell 20% CU21 for \$5.50 or better using Fut/HTA Filled 6/25 @ \$5.55			

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 7/12/2021		\$14.04	\$13.50	\$12.50	\$11.55	

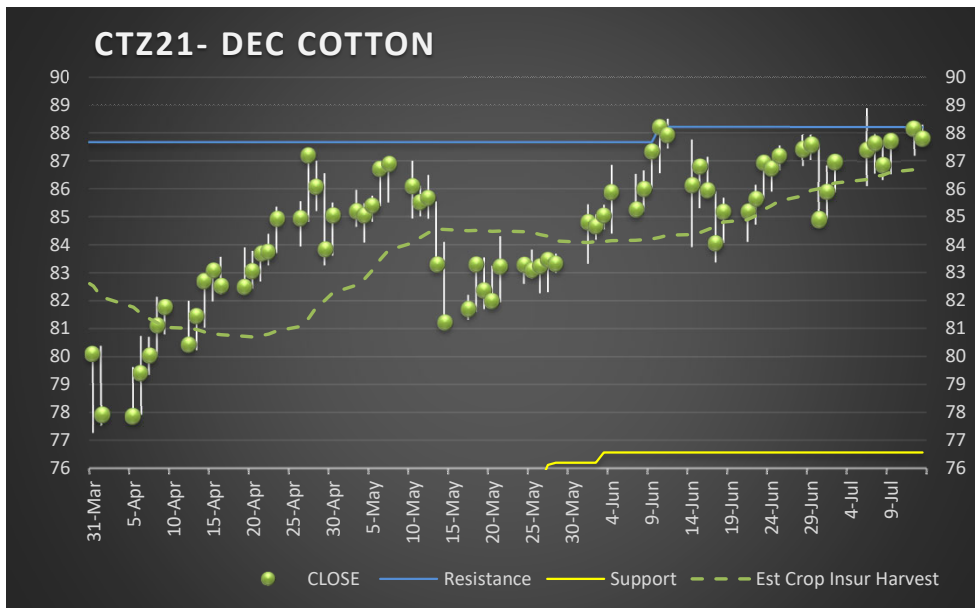
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 7/12/2021 =====>	\$13.50	SX21	
2) What is Crop Insurance doing?	2021	2020	
a) Base Price	\$ 11.54	\$ 9.36	
b) Harvest Price (PENDING)	\$ 13.45	\$ 9.15	
3) Fundamentals - where are prices headed?			
a) Seasonality	DOWN		
b) Ending Stocks	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	\$ 13.26	-48 3/4	-3.48%
20 day	\$ 13.31	-88 1/2	-6.15%
50 day	\$ 13.71	31 1/2	2.39%
100 day	\$ 13.12	161 1/4	13.56%
YTD	\$ 12.76	229 1/2	20.48%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	50%	\$13.39	SX21
Unpriced	50%	\$13.50	SX21
Open Options		-\$0.20	Cap @ 13.00
Closed Options		-\$0.21	
Current Value	100%	\$13.04	SX21
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			
8			

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 7/12/2021		\$0.09	\$88.16	\$0.79	\$0.79	

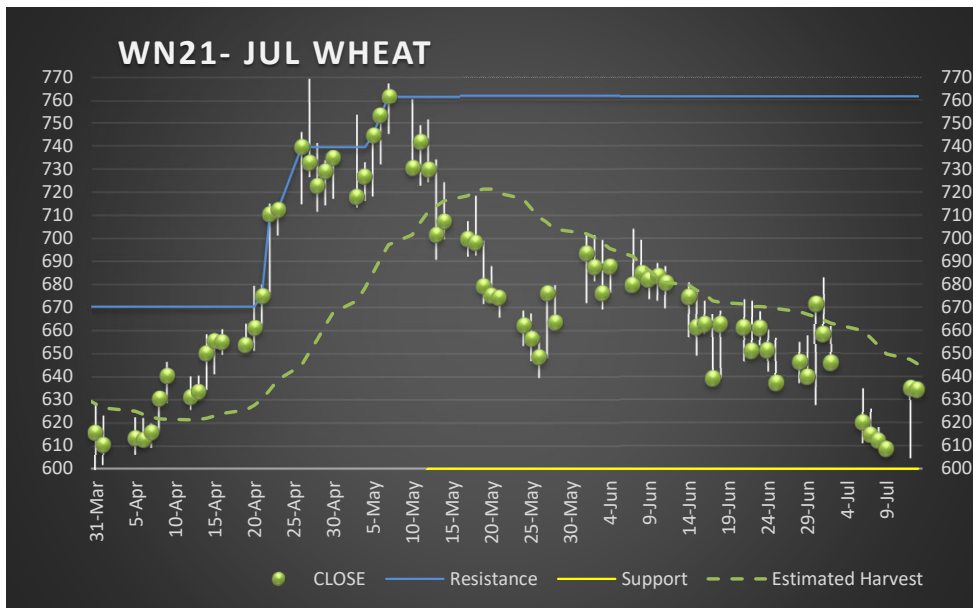
FUTURES PRICING SIGNALS	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 7/12/2021 =====>	\$88.16		CTZ21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$80.00	\$70.00	
b) Harvest Price (PENDING)	\$87.00	\$63.00	
3) Fundamentals - where are prices headed?			
a) Seasonality		DOWN	
b) Ending Stocks		UP	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			\$ 88.21
b) Support (Lowest Close last 100 Days)			\$ 76.55
c) Moving Average		<u>Change</u>	<u>% Change</u>
5 day	\$ 87.56	1.19	1.37%
20 day	\$ 86.52	0.24	0.27%
50 day	\$ 85.41	4.32	5.15%
100 day	\$ 84.18	3.16	3.72%
YTD	\$ 82.97	12.75	16.91%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	30%	\$0.8403	CTZ21
Unpriced	70%	\$0.8816	CTZ21
Open Options		-\$0.0096	.78-.90
Closed Options		\$0.0000	
Current Value	100%	\$0.8596	CTZ21
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			
7 Sell 20% CTZ21 for \$0.87 or better using FUL/HTA Filled 6/25 @ \$87.55			

WHEAT 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	45.5	44.3	46.7	45.6	45.4	
Harvested	37.4	36.7	38.1	38.1	37.9	
Yield	51.7	49.7	45.8	49.2	49.6	
Production	1,932	1,826	1,746	1,872	1,879	
Beg Stocks	1,080	1,028	844	665	646	
Imports	105	100	145	140	143	
Total Supply	3,117	2,954	2,735	2,677	2,668	
Feed	101	98	170	77	78	
Food, Seed	1,023	1,021	1,025	1,029	1,030	
Exports	965	992	875	925	925	
Total Demand	2,089	2,111	2,070	2,031	2,033	
End Stocks	1,028	844	665	646	635	
Percent Use	49%	40%	32%	32%	31%	
USDA Price	\$ 4.58	\$ 5.05	\$ 6.50	-	-	
Futures as of 7/12/2021		\$6.09	\$6.35	\$6.56	\$6.17	

FUTURES PRICING SIGNALS	\$ 6.91	\$ 6.20	\$ 6.23
1) Futures as of 7/12/2021 =====>	\$6.35		WN22
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 5.54	\$ 4.86	
b) Harvest Price (PENDING)	\$ 6.21	\$ 4.97	
% loss due to price change	12%	2%	
3) Fundamentals - where are prices headed?			
a) Seasonality	Down		
b) Ending Stocks	UP		
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)	\$ 7.62		
b) Support (Lowest Close last 100 Days)	\$ 6.00		
c) Moving Average		Change	% Change
5 day	\$ 6.18	-10 3/4	-1.66%
20 day	\$ 6.46	-45 3/4	-6.72%
50 day	\$ 6.77	-94	-12.89%
100 day	\$ 6.62	-2 1/4	-0.35%
YTD	\$ 6.57	5 1/4	0.83%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	100%	\$6.64	WN21
Unpriced	0%	\$6.35	WN21
Open Options		\$0.00	Cap @ 7.00
Closed Options		\$0.02	
Current Value	100%	\$6.64	WN21
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			
8 Sell 60% WN21 @ \$6.55 OB using HTA/Futures. Filled 6/25 @ \$6.56			