

July 27, 2021 Marketing Update

Futures as of	07/27/21	07/20/21	Trend	
CZ21 Dec CORN	\$5.46	\$5.66	Bearish	-3.4%
SX21 Nov SOYBEANS	\$13.60	\$13.89	Bearish	-2.1%
CTZ21 Dec COTTON	\$90.23	\$88.51	Bullish	1.9%

2022 Crop Prices

CZ22 Dec CORN	\$4.96	\$5.02	Bearish	-1.2%
SX22 Nov SOYBEANS	\$12.53	\$12.75	Bearish	-1.7%
CTZ22 Dec COTTON	\$81.28	\$79.76	Bullish	1.9%
WN22 Jul WHEAT	\$6.77	\$6.98	Bearish	-3.1%

UPCOMING EVENTS:

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

MARKET NEWS

Corn and soybean crop conditions declined slightly across the US last week, but cotton and peanut conditions improved. In parts of the Midwest, soil moisture is lacking—Iowa's subsoil moisture is short to very short on 60% of cropland and in Minnesota 80% of cropland subsoil moisture is short to very short. Would expect the national crop yields to drop some when the August WASDE report is released.

Table 1: USDA Crop Progress Report Released July 26, 2021 (Summarized)

Metric	Week Ending July 18, 2021	Week Ending July 25, 2021	2016-2020 Average
Corn Dough	8%	18%	17%
Corn Condition	G/E-65%	G/E-64%	
Soybean Setting Pods	23%	42%	36%
Soybean Condition	G/E-60%	G/E-58%	
Cotton Setting Bolls	23%	37%	42%
Cotton Condition	G/E-60%	G/E-61%	
Peanuts Condition	G/E-72%	G/E-75%	
SOIL MOISTURE	Very Short/Short	Adequate	Surplus
NC Topsoil	20	77	3
NC Subsoil	19	77	4
SC Topsoil	3	84	13
SC Subsoil	2	98	--

The corn and soybean markets were down the past five trading days, but cotton was higher. December Corn (CZ21) dropped \$0.20 to close at \$5.46, November Soybeans (SX21) were down \$0.29 to \$13.60, and December Cotton (CTZ21) broke through \$90.00 and closed at \$90.23 yesterday.

Corn/Soybean "Gap" Update: Chart gaps created on July 6th.

- CZ21 between \$5.52 and \$5.80. Reached \$5.73 on July 21st. **Gap NOT closed** at this time
- SX21 between \$13.73 and \$13.95. Reached \$14.08 on July 16th. **Gap CLOSED.**

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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. Found resistance at \$14.18 on July 19th.
- CTZ21 @ the contract high of \$88.21. Broke resistance on July 12th, made new high @ \$90.59 on July 22nd.

December corn trend makes it unlikely the gap will be filled this week. Instead, would like to see CZ21 hold at the \$5.40 level or else the market could test the support at \$5.20. November soybeans appear to be forming a pennant at \$13.60 with a high on June 10th @ \$14.65 and a low on June 17th @ \$12.53. If soybeans continue trading lower, their strongest support is the \$12.53 price.

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	\$5.33
Soybeans	\$12.00	\$13.11
Cotton	\$0.82	\$0.89
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	7/27/2021	5.4875	-0.7375
1/11/2021	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%	Pending	7/27/2021	-0.0250			
1/11/2021	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Filled	1/12/2021	0.3000	7/27/2021	-0.3750	-0.0750
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	7/27/2021	-0.3750	-0.0650
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	7/27/2021	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	7/27/2021	-0.3750	-0.0850
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	7/27/2021	-0.3750	-0.0250
5/20/2021	Futures/HTA	Sell CU21 @ \$5.70 OB	To offset CU21 440 Puts	20%	Filled	5/20/2021	5.7900	7/27/2021	5.4875	0.3025
6/24/2021	Futures/HTA	Sell CU21 @ \$5.50 OB	\$1.21 > Growth Target	20%	Filled	6/25/2021	5.5500	7/27/2021	5.4875	0.0625
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	7/27/2021	0.0613	-0.1288

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	7/27/2021	13.5950	-1.8450
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	7/27/2021	-0.9388	-0.4388
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	7/27/2021	-0.9388	-0.4588
5/20/2021	Futures/HTA	Sell SX21 @ \$13.75 OB	To offset SX21 1140 Puts	40%	Filled	5/20/2021	13.8000	7/27/2021	13.5950	0.2050

2021 COTTON **FUTURES PRICING SIGNALS** \$ 0.82 \$ 0.77 \$ 0.77

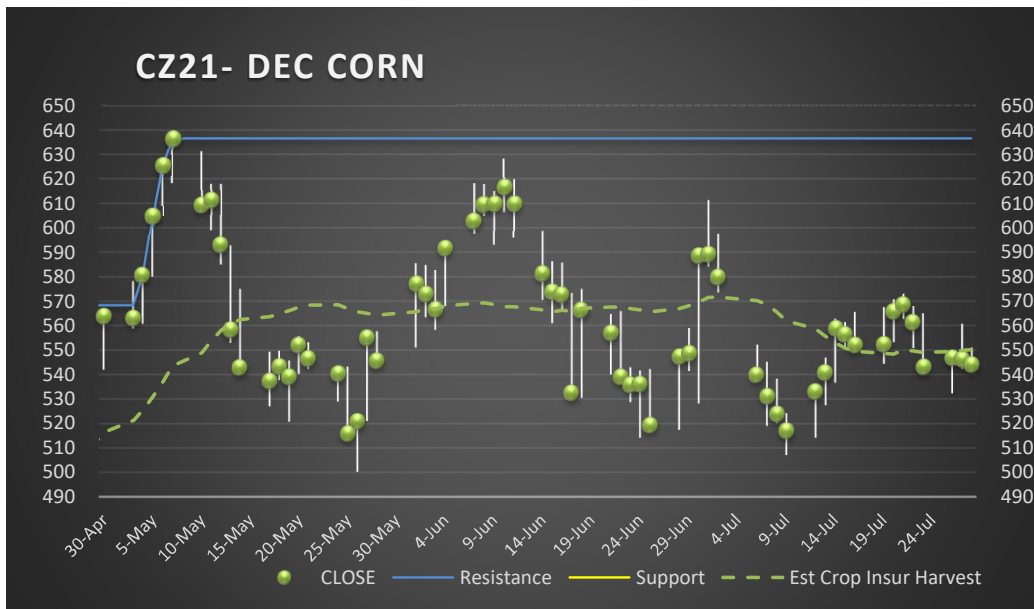
Recommendation					ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)
1/11/2021	Futures/HTA	Sell CT21 @ \$0.77 OB	Achieves B/E Target, maintains WC	10%	Filled	1/12/2021	0.7700	7/27/2021	0.9023	-0.1323
1/29/2021	Put Call Put Option	BUY CT21 7800 PUT @ \$0.06 OB	Set Fence from \$.78 to \$.84	15%	Filled	2/4/2021	-0.0550	7/27/2021	0.0079	-0.0471
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	7/27/2021	0.0849	0.1399
1/29/2021	Put Call Put Option	Sell CT21 6900 Put @ \$0.02 OB	Cheaper Cost of strategy	15%	Filled	2/4/2021	0.0200	7/27/2021	-0.0013	0.0187
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	7/27/2021	0.0205	-0.0411
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	7/27/2021	-0.0530	0.0006
6/24/2021	Futures/HTA	Sell CT21 @ \$0.87 OB	\$.05 > Growth Target	20%	Filled	6/25/2021	0.8755	7/27/2021	0.9023	-0.0268

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	7/27/2021	0.0000	6.4500
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	7/27/2021	0.0000	6.8500
6/24/2021	Futures/HTA	Sell WN21 @ \$6.55 OB	To complete 2021 Sales	60%	Filled	6/25/2021	6.5600	7/27/2021	0.0000	6.5600

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 7/27/2021		\$6.30	\$5.46	\$4.96	\$4.48

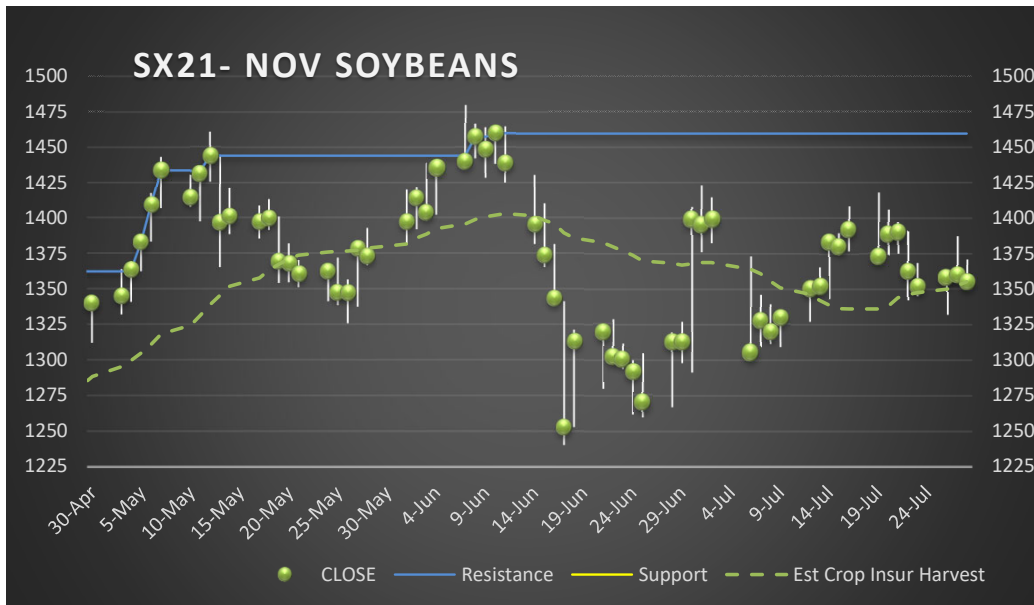
FUTURES PRICING SIGNALS	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 7/27/2021 =====>	\$5.46	CZ21	
2) What is Crop Insurance doing?	NC-CZ21	SC-CU21	
a) Base Price	\$ 4.48	\$ 4.73	
b) Harvest Price (PENDING)	\$ 5.50	\$ 5.59	
3) Fundamentals - where are prices headed?			
a) Seasonality		DOWN	
b) Ending Stocks		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	\$ 5.53	-19 1/2	-3.45%
20 day	\$ 5.52	-1	-0.18%
50 day	\$ 5.57	3 1/2	0.64%
100 day	\$ 5.37	70 3/4	14.88%
YTD	\$ 5.12	111 3/4	25.72%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	50%	\$5.49	CU21
Unpriced	50%	\$5.49	CU21
Open Options		-\$0.06	5.10-5.20
Closed Options		-\$0.09	
Current Value	100%	\$5.33	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 7/27/2021		\$14.04	\$13.60	\$12.53	\$11.55

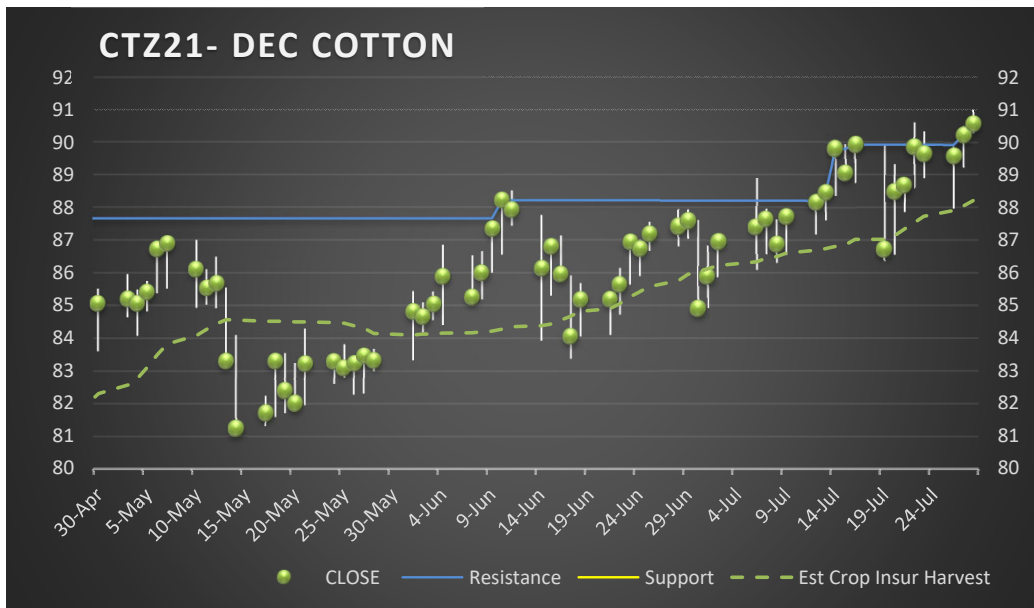
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 7/27/2021 =====>	\$13.60		SX21
2) What is Crop Insurance doing?	2021	2020	
a) Base Price	\$ 11.54	\$ 9.36	
b) Harvest Price (PENDING)	\$ 13.59	\$ 9.15	
3) Fundamentals - where are prices headed?			
a) Seasonality		DOWN	
b) Ending Stocks		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	\$ 13.64	-29	-2.09%
20 day	\$ 13.61	47	3.58%
50 day	\$ 13.66	-41 1/4	-2.94%
100 day	\$ 13.29	129	10.48%
YTD	\$ 12.84	238 3/4	21.30%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	50%	\$13.39	SX21
Unpriced	50%	\$13.60	SX21
Open Options		-\$0.18	Cap @ 13.00
Closed Options		-\$0.21	
Current Value	100%	\$13.11	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 7/27/2021		\$0.09	\$90.23	\$0.79	\$0.79

FUTURES PRICING SIGNALS			
	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 7/27/2021 =====>	\$90.23	CTZ21	
2) What is Crop Insurance doing?	2021	2020	
a) Base Price	\$80.00	\$70.00	
b) Harvest Price (PENDING)	\$88.00	\$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)			\$ 90.23
b) Support (Lowest Close last 100 Days)			\$ 76.55
c) Moving Average		Change	% Change
5 day	\$ 89.61	1.72	1.94%
20 day	\$ 88.18	2.80	3.20%
50 day	\$ 86.30	9.01	11.09%
100 day	\$ 84.55	6.23	7.42%
YTD	\$ 83.45	14.82	19.65%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	30%	\$0.8403	CTZ21
Unpriced	70%	\$0.9023	CTZ21
Open Options		\$0.0107	.78-.90
Closed Options		\$0.0000	
Current Value	100%	\$0.8944	CTZ21
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			
7 Sell 20% CTZ21 for \$0.87 or better using PUT/HTA if needed by 7/25 @ \$ 87.55			