

March 12, 2021 Marketing Update

Futures as of	03/12/21	03/05/21	Trend	
CZ21 Dec CORN	\$4.79	\$4.82	Neutral	-0.6%
SX21 Nov SOYBEANS	\$12.44	\$12.47	Neutral	-0.3%
CTZ21 Dec COTTON	\$84.20	\$84.54	Neutral	-0.4%
WN21 Jul WHEAT	\$6.32	\$6.43	Bearish	-1.7%
2022 Crop Prices				
CZ22 Dec CORN	\$4.37	\$4.39	Neutral	-0.3%
SX22 Nov SOYBEANS	\$11.47	\$11.27	Bullish	1.7%
CTZ22 Dec COTTON	\$74.13	\$75.46	Bearish	-1.8%
WN22 Jul WHEAT	\$6.25	\$6.30	Neutral	-0.7%

MARKET UPDATE

Last week's USDA WASDE report was basically unchanged from the February report. The report appeared to have little impact on commodity prices as the price trend of 2021 crops is mostly neutral compared to the prior week. The fundamental focus now shifts to the March 31st Planting Intentions report. The Soybean-Corn price ratio is currently 2.59 which favors more soybean plantings relative to corn. The estimated 21/22 supply-demand tables included with the newsletter project corn and soybean acres as:

Corn-2021 acres @ 92.0 million acres, up from 90.8 million acres in 2020.

Soybeans- 2021 acres @ 90.0 million acres, up from 83.1 million acres in 2020.

However, if trendline yields are achieved on these planted acres, ending stocks will remain tight at the end of the year. Any shifts in intended acres or planting delays could change prices quickly.

Cotton prices dropped below \$0.82 on Tuesday but climbed higher the rest of the week to close above \$0.84. Cotton needs bullish news to break through the contract high of \$0.88 set in late March. Likewise, wheat futures appear to be drifting lower. Wheat closed on March 12th about \$0.30 lower than its contract high set in late February.

MARKETING PLAN UPDATE

The cotton trades recommended last week were filled on March 9th. See the recommendation page for details. FLOID Farms has 25-45% of production protected for each crop. The current values of their marketing positions are slightly lower than the current market price, but FF does have downside protection.

Is your marketing plan up to date? If you have not protected any 2021 production at this time, consider doing so. If you have questions, please contact me @ smickey@clemson.edu

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	3/12/2021	4.9600	-0.2100	
1/11/2021	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%	Pending	3/12/2021	-0.1725				
1/11/2021	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Filled	1/12/2021	0.3000	3/12/2021	-0.3475	-0.0475	
1/29/2021	Put Call Option	BUY CU21 470 PUT @ \$0.46 OB	Set Fence from \$4.54 to \$5.20	15%	Filled	2/3/2021	-0.4100	3/12/2021	0.2913	-0.1188	
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	3/12/2021	-0.3475	-0.0375	
2/15/2021	Put Call Option	BUY CU21 470 PUT @ \$0.38 OB	Set Fence from \$4.57 to \$5.20	10%	Filled	2/16/2021	-0.3500	3/12/2021	0.2913	-0.0588	
2/15/2021	Put Call Option	SELL CU21 520 Call @ \$0.25 OB	Set Fence from \$4.57 to \$5.20	10%	Filled	3/12/2021	0.2900	3/12/2021	-0.3475	-0.0575	

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	3/12/2021	12.4375	-0.6875	
1/29/2021	Put Call Option	BUY SX21 1140 PUT @ \$0.85 OB	Set Fence from \$11.03 to \$13.00	15%	Filled	2/3/2021	-0.8500	3/12/2021	0.3763	-0.4738	
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	3/12/2021	-0.6888	-0.1888	

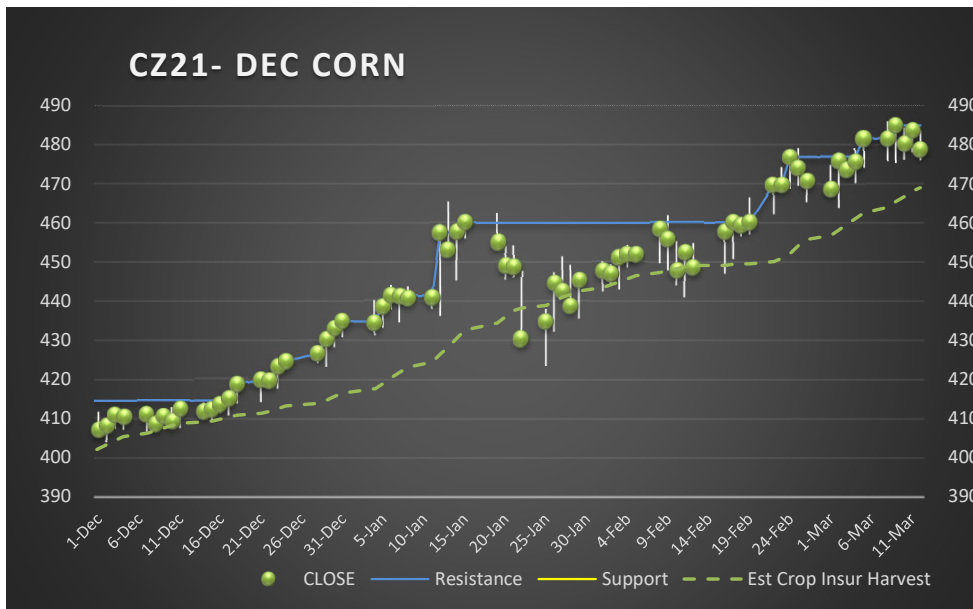
2021 COTTON						FUTURES PRICING SIGNALS			\$ 0.82	\$ 0.77	\$ 0.77
Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/11/2021	Futures/HTA	Sell CTZ21 @ \$0.77 OB	Achieves B/E Target, maintains WC	10%	Filled	1/12/2021	0.7700	3/12/2021	0.8420	-0.0720	
1/29/2021	Put Call Put Option	BUY CTZ21 7800 PUT @ \$0.06 OB	Set Fence from \$.78 to \$.84	15%	Filled	2/4/2021	-0.0550	3/12/2021	0.0365	-0.0185	
1/29/2021	Put Call Put Option	SELL CTZ21 8400 Call @ \$0.04 OB	Set Fence from \$.78 to \$.84	15%	Filled	2/4/2021	0.0550	3/12/2021	-0.0696	-0.0146	
1/29/2021	Put Call Put Option	SELL CTZ21 6900 Put @ \$0.02 OB	Cheapen Cost of strategy	15%	Filled	2/4/2021	0.0200	3/12/2021	-0.0107	0.0093	
3/8/2021	Put Call Put Option	BUY CTZ21 8400 PUT @ \$0.056 OB	Set Fence from \$.84 to \$.90	15%	Filled	3/9/2021	-0.0616	3/12/2021	0.0676	0.0060	
3/8/2021	Put Call Put Option	SELL CTZ21 9000 Call @ \$0.053 OB	Set Fence from \$.84 to \$.90	15%	Filled	3/9/2021	0.0536	3/12/2021	-0.0502	0.0034	

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	3/12/2021	6.3200	0.1300	
1/29/2021	Put Call Option	BUY WN21 630 PUT @ \$0.45 OB	Set Fence from \$6.17 to \$7.00	15%	Filled	2/5/2021	-0.4450	3/12/2021	0.3850	-0.0600	
1/29/2021	Put Call Option	SELL WN21 700 Call @ \$0.32 OB	Set Fence from \$6.17 to \$7.00	15%	Filled	2/1/2021	0.3400	3/12/2021	-0.1825	0.1575	
2/15/2021	Put Call Option	BUY WN21 630 PUT @ \$0.45 OB	Set Fence from \$6.20 to \$7.00	15%	Filled	2/16/2021	-0.3800	3/12/2021	0.3850	0.0050	
2/15/2021	Put Call Option	SELL WN21 700 Call @ \$0.32 OB	Set Fence from \$6.20 to \$7.00	15%	Filled	2/24/2021	0.3600	3/12/2021	-0.1825	0.1775	



CORN SUPPLY & DEMAND		WASDE 03/09/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-610	WASDE-610	Estimate	Estimate	Estimate	
Planted	89.7	90.8	92.0	92.5	91.5	
Harvested	81.3	82.5	84.4	85.0	84.0	
Yield	167.5	172.0	179.5	181.5	183.5	
Beg Stocks	2,221	1,919	1,502	1,552	1,744	
Production	13,620	14,182	15,150	15,428	15,414	
Imports	42	25	25	40	31	
Total Supply	15,882	16,127	16,677	17,019	17,189	
Feed	5,903	5,650	5,850	6,020	6,080	
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	2,600	2,650	2,625	2,650	
Total Demand	13,963	14,625	15,125	15,275	15,365	
Ending Stocks (ES)	1,919	1,502	1,552	1,744	1,824	
Percent Use	14%	10%	10%	11%	12%	
USDA Price	\$ 3.56	\$ 4.30	\$ 4.20	-	-	
<i>Futures as of 03/12/2021</i>		\$5.65	\$4.82	\$4.40		

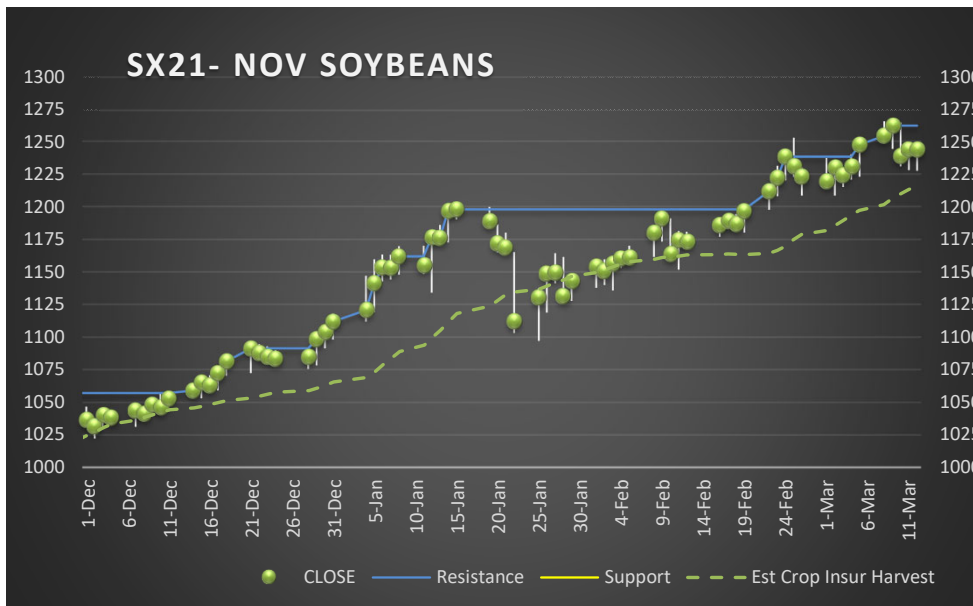
FUTURES PRICING SIGNALS	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 03/12/2021 =====>	\$4.79	CZ21	
2) What is Crop Insurance doing?	NC-CZ21	SC-CU21	
a) Base Price	\$ 4.48	\$ 4.73	
b) Harvest Price (PENDING)	\$ 4.69	\$ 4.89	
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 4.85	
b) Support (Lowest Close last 100 Days)		\$ 3.83	
c) Moving Average		Change	% Change
5 day	\$ 4.82	-2 3/4	-0.57%
20 day	\$ 4.72	26 1/4	5.80%
50 day	\$ 4.56	48 1/2	11.27%
100 day	\$ 4.31	83	20.97%
YTD	\$ 4.57	44 1/4	10.18%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$4.75	CU21
Options	35%	\$4.89	CU21
Unpriced	55%	\$4.96	CU21
Current Value	100%	\$4.92	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			
4 Buy 15% CU21 470 Put @ \$0.46 OB. Filled @ \$0.41 2/3/21			
5 Sell 15% CU21 520 Call @ \$0.30 OB. Filled @ \$0.31 2/3/21			
6 Buy 10% CU21 470 Put @ \$0.38 OB. Filled @ \$0.35 2/16/21			
7 Sell 10% CU21 520 Call @ \$0.25 OB. Filled @ \$0.29 2/19/21			

SOYBEAN SUPPLY & DEMAND		WASDE 03/09/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-610	WASDE-610	Estimate	Estimate	Estimate	
Planted	76.1	83.1	90.0	89.5	89.0	
Harvested	74.9	82.3	89.1	88.6	88.1	
Yield	47.4	50.2	50.8	51.6	52.2	
Beg Stocks	909	525	120	147	204	
Production	3,553	4,135	4,526	4,572	4,599	
Imports	15	35	35	15	15	
Total Supply	4,477	4,695	4,681	4,734	4,817	
Crush	2,165	2,200	2,210	2,195	2,220	
Seed/Residual	105	125	124	125	135	
Exports	1,682	2,250	2,200	2,210	2,225	
Total Demand	3,952	4,575	4,534	4,530	4,580	
End Stocks (ES)	525	120	147	204	237	
Percent Use	13%	3%	3%	4%	5%	
USDA Price	\$ 8.57	\$ 11.15	\$ 11.25			
Futures as of 03/12/2021		\$14.38	\$12.54	\$11.35		

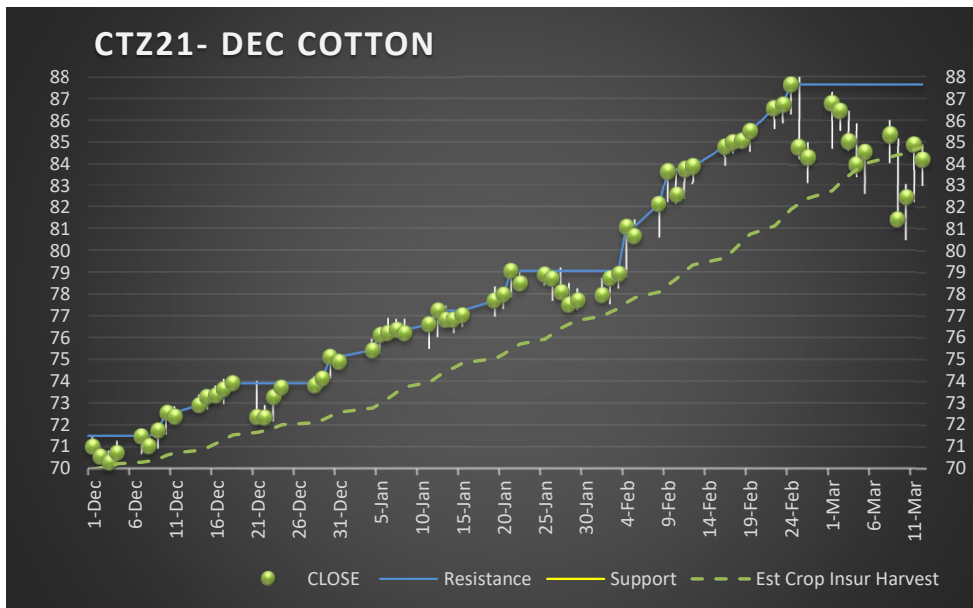
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 03/12/2021 =====>	\$12.44		SX21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 11.54	\$ 9.36	
b) Harvest Price (PENDING)	\$ 12.13	\$ 9.15	
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 12.62	
b) Support (Lowest Close last 100 Days)		\$ 9.65	
c) Moving Average		Change	% Change
5 day	\$ 12.49	-3 1/2	-0.28%
20 day	\$ 12.22	69 1/2	5.92%
50 day	\$ 11.83	145 1/2	13.25%
100 day	\$ 11.07	273 1/2	28.19%
YTD	\$ 11.86	123	10.97%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$11.75	SX21
Options	15%	\$12.10	SX21
Unpriced	75%	\$12.44	SX21
Current Value	100%	\$12.32	SX21
+ Expected Basis			
PENDING Actions			
1 Sell 10% SX21 @ \$11.75. Filled @ \$11.75 1/12/21			
2 Buy 15% SX21 1140 Put @ \$0.85 OB. Filled @ \$0.85 2/3/21			
3 Sell 15% SX21 1300 Call @ \$0.47 OB. Filled @ \$0.50 2/3/21			

COTTON SUPPLY & DEMAND		WASDE 03/09/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-610	WASDE-610	Estimate	Estimate	Estimate	
Planted	13.74	12.09	12.00	12.09	12.00	
Harvested	11.61	8.70	10.00	9.81	9.74	
Yield	823.0	811.0	840.0	948.5	960.2	
Beg Stocks	4.85	7.25	4.20	3.75	5.39	
Production	19.91	14.70	17.50	19.39	19.48	
Imports	0.01	-	-	-	-	
Total Supply	24.77	21.95	21.70	23.14	24.87	
Domestic Use	2.15	2.30	2.50	2.30	2.50	
Exports	15.53	15.50	15.50	15.50	16.00	
Total Demand	17.68	17.80	18.00	17.80	18.50	
End Stocks (ES)	7.25	4.20	3.75	5.39	6.42	
Stocks to Use	41%	24%	21%	30%	35%	
USDA Price	\$ 59.60	\$ 69.00	\$ 75.00	-	-	
Futures as of 03/12/2021		\$88.32	\$85.34	\$75.80	\$0.00	

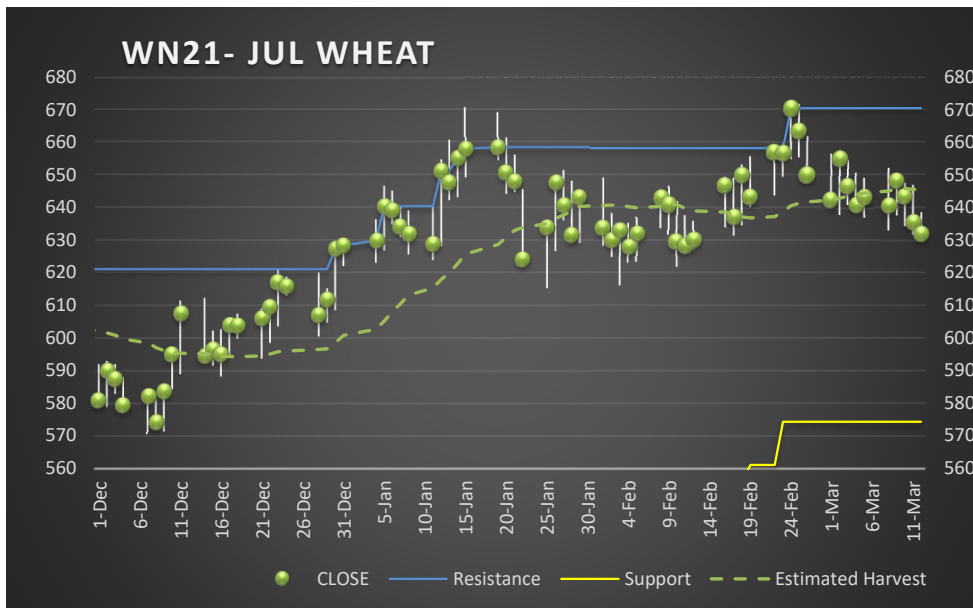
FUTURES PRICING SIGNALS	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 03/12/2021 =====>	\$84.20		CTZ21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$80.00	\$70.00	
b) Harvest Price (PENDING)	\$85.00	\$63.00	
3) Fundamentals - where are prices headed?			
a) Seasonality		Down	
b) Ending Stocks		UP	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			\$ 87.66
b) Support (Lowest Close last 100 Days)			\$ 68.41
c) Moving Average		<u>Change</u>	<u>% Change</u>
5 day	\$ 83.65	-0.34	-0.40%
20 day	\$ 84.97	0.42	0.50%
50 day	\$ 80.95	10.09	13.61%
100 day	\$ 75.97	14.68	21.12%
YTD	\$ 81.20	8.79	11.66%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$77.00	CTZ21
Options	15%	\$83.91	CTZ21
Unpriced	75%	\$84.20	CTZ21
Current Value	100%	\$83.44	CTZ21
+ Expected Basis			
PENDING Actions			
1 Sell 10% CTZ21 @ \$0.77 or better. Filled @ \$0.77 on 1/12/21			
2 Buy 15% CTZ21 7800 Put @ \$0.06 OB. Filled @ \$0.055 2/4/21			
3 Sell 15% CTZ21 8400 Call @ \$0.04 OB. Filled @ \$0.055 2/4/21			
4 Sell 15% CTZ21 6900 Put @ \$0.02 OB. Filled @ \$0.02 2/4/21			
5 Buy 15% CTZ21 8400 Put @ \$0.056 OB. Filled @ \$0.0616 on 3/9/21			
6 Sell 15% CTZ21 9000 Call @ \$0.053 OB. Filled @ \$0.0536 on 3/9/21			

WHEAT SUPPLY & DEMAND		WASDE 03/09/2021				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-610	WASDE-610	Estimate	Estimate	Estimate	
Planted	45.5	44.3	45.0	45.6	45.4	
Harvested	37.4	36.7	37.2	37.9	37.7	
Yield	51.7	49.7	49.1	49.2	49.6	
Production	1,932	1,826	1,827	1,865	1,870	
Beg Stocks	1,080	1,028	836	698	672	
Imports	105	120	130	140	143	
Total Supply	3,117	2,974	2,793	2,703	2,685	
Feed	101	125	140	77	78	
Food, Seed	1,023	1,028	1,030	1,029	1,030	
Exports	965	985	925	925	925	
Total Demand	2,089	2,138	2,095	2,031	2,033	
End Stocks	1,028	836	698	672	652	
Percent Use	49%	39%	33%	33%	32%	
USDA Price	\$ 4.58	\$ 5.00	\$ 5.50	-	-	
Futures as of 03/12/2021		\$6.47	\$6.41	\$6.31	\$6.00	

FUTURES PRICING SIGNALS	\$ 6.91	\$ 6.20	\$ 6.23
1) Futures as of 03/12/2021 =====>	\$6.32		WN22
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 5.54	\$ 4.86	
b) Harvest Price (PENDING)	\$ 6.40	\$ 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)	\$ 6.71		
b) Support (Lowest Close last 100 Days)	\$ 5.74		
c) Moving Average		Change	% Change
5 day	\$ 6.40	-11 1/4	-1.75%
20 day	\$ 6.47	3 3/4	0.60%
50 day	\$ 6.42	20 1/4	3.31%
100 day	\$ 6.22	23	3.78%
YTD	\$ 6.42	2 1/4	0.36%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$6.45	WN21
Options	30%	\$6.39	WN21
Unpriced	60%	\$6.32	WN21
Current Value	100%	\$6.35	WN21
+ Expected Basis			
PENDING Actions			
1 Sell 10% WN21 @ \$6.40 OB. Filled @ \$6.50 1/12/21			
2 Buy 15% WN21 630 Put @ \$0.45 OB Filled @ \$0.445 2/5/21			
3 Sell 15% WN21 700 Call @ \$0.30 OB Filled @ \$0.34 2/1/21			
4 Buy 15% WN21 630 Put @ \$0.35 OB Filled @ \$0.38 2/16/21			
5 Sell 15% WN21 700 Call @ \$0.25 OB			