

March 12, 2021 Marketing Update

Futures as of	03/19/21	03/12/21	Trend	
CZ21 Dec CORN	\$4.72	\$4.79	Bearish	-1.5%
SX21 Nov SOYBEANS	\$12.20	\$12.44	Bearish	-1.9%
CTZ21 Dec COTTON	\$82.51	\$84.20	Bearish	-2.0%
WN21 Jul WHEAT	\$6.19	\$6.32	Bearish	-2.0%
2022 Crop Prices				
CZ22 Dec CORN	\$4.36	\$4.37	Neutral	-0.3%
SX22 Nov SOYBEANS	\$11.19	\$11.47	Bearish	-2.4%
CTZ22 Dec COTTON	\$74.46	\$74.13	Neutral	0.4%
WN22 Jul WHEAT	\$6.11	\$6.25	Bearish	-2.2%

MARKET OUTLOOK

The commodity markets cooled off last week, but prices are still at profitable levels for many producers. The next major USDA report that could influence price direction is the PROSPECTIVE PLANTINGS report which will be released on March 31st. Ahead of this report, many analysts are surveying producers to get a feel for what their planting intentions are for 2021. The table below shows some results that are currently available:

Source:	USDA WASDE	Newsletter	ProFarmer	FAPRI
Marketing Year	2020-21	2021-22	2021-22	2021-22
Intended Acres:	-----Million Acres-----			
Corn	90.8	92.0	93.4	91.3
Soybeans	83.1	90.0	88.9	90.4
Cotton	12.1	12.0	12.2	11.86
Wheat	44.3	45.0	Not Reported	45.9

Planted acres for all four crops are likely to increase in 2021 compared to last year. The next table shows the potential impact on the ending stocks to use ratio due to possible acreage changes:

Crop	WASDE	Newsletter	ProFarmer	FAPRI
Marketing Year	2020-21	2021-22	2021-22	2021-22
Corn	10.3%	9.9%	11.4%	9.1%
Soybeans	2.6%	3.0%	1.8%	3.5%
Cotton	23.6%	18.3%	19.9%	17.2%
Wheat	39.1%	34.1%	Not Reported	35.9%

All three possibilities (current newsletter, ProFarmer, and FAPRI) show ending stocks for corn and soybeans remaining tight in 2021 and the stocks to use ratio lower than in 2020. This should keep prices strong if all other usage assumptions remain constant. Cotton and wheat should also see tighter stocks than last year.

It is important to monitor the usage (Feed, domestic consumption, ethanol, and exports as reductions would increase ending stocks and likely suppress prices from current levels.

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MARKETING PLAN UPDATE

No changes in the FLOID Farms marketing plan this week. FF marketing plans continues to provide price comparable to current prices with some downside protection if futures drop.

If you have not protected any 2021 production, consider buying puts before the Prospective Plantings report is released. If the report provides a bearish outlook, the puts will provide a price floor. If the report is bullish, the puts are likely to only lose a few cents in the days following the report. Do not let the recent price weakness keep you from locking in these attractive pricing opportunities for 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	3/19/2021	4.8950	-0.1450	
1/11/2021	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	10%	Pending	3/19/2021	-0.1800				
1/11/2021	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Filled	1/12/2021	0.3000	3/19/2021	-0.2975	0.0025	
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	3/19/2021	0.2988	-0.1113	
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	3/19/2021	-0.2975	0.0125	
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	3/19/2021	0.2988	-0.0513	
2/15/2021	Put Call Option	SELL CU21 520 Call @ \$0.25 OB	Set Fence from \$4.57 to \$5.20	10%	Filled	3/19/2021	0.2900	3/19/2021	-0.2975	-0.0075	

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	3/19/2021	12.2000	-0.4500	
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	3/19/2021	0.4100	-0.4400	
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	3/19/2021	-0.5538	-0.0538	

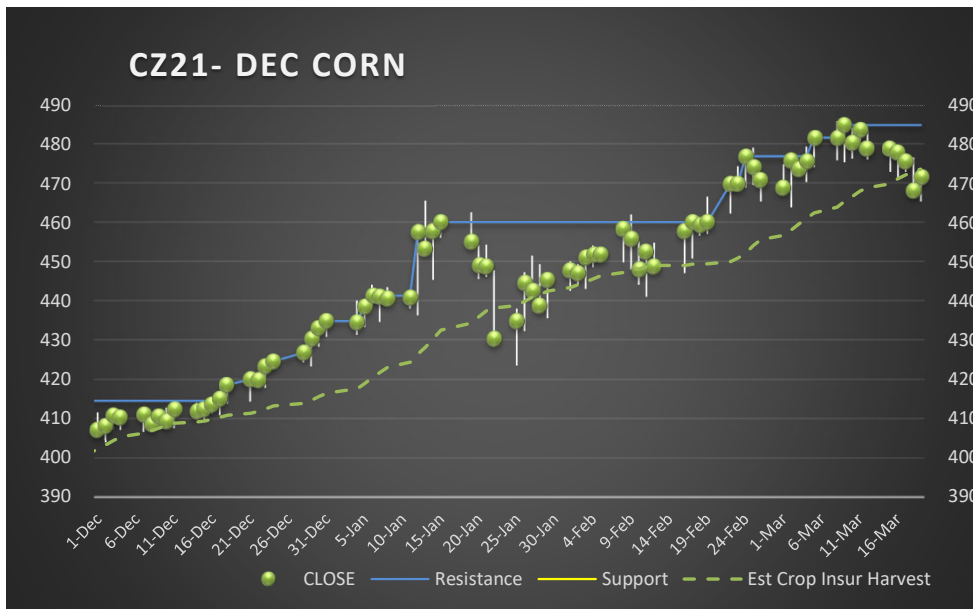
2021 COTTON						FUTURES PRICING SIGNALS			\$ 0.82	\$ 0.77	\$ 0.77
Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/11/2021	Futures/HTA	Sell CTZ21 @ \$0.77 OB	Achieves B/E Target, maintains WC	10%	Filled	1/12/2021	0.7700	3/19/2021	0.8251	-0.0551	
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	3/19/2021	0.0402	-0.0148	
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	3/19/2021	-0.0593	-0.0043	
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	3/19/2021	-0.0122	0.0078	
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	3/19/2021	0.0742	0.0126	
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	3/19/2021	-0.0417	0.0119	

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	3/19/2021	6.1925	0.2575	
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	3/19/2021	0.4400	-0.0050	
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	3/19/2021	-0.1413	0.1988	
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	3/19/2021	0.4400	0.0600	
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	3/19/2021	-0.1413	0.2188	



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	84.1	84.5	83.6
Yield	167.5	172.0	179.5	181.5	183.5
Beg Stocks	2,221	1,919	1,502	1,493	1,599
Production	13,620	14,182	15,091	15,342	15,343
Imports	42	25	25	40	31
Total Supply	15,882	16,127	16,618	16,874	16,973
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	1,493	1,599	1,608
Percent Use	14%	10%	10%	10%	10%
USDA Price	\$ 3.56	\$ 4.30	\$ 4.20	-	-
<i>Futures as of 03/19/2021</i>		\$5.65	\$4.82	\$4.40	

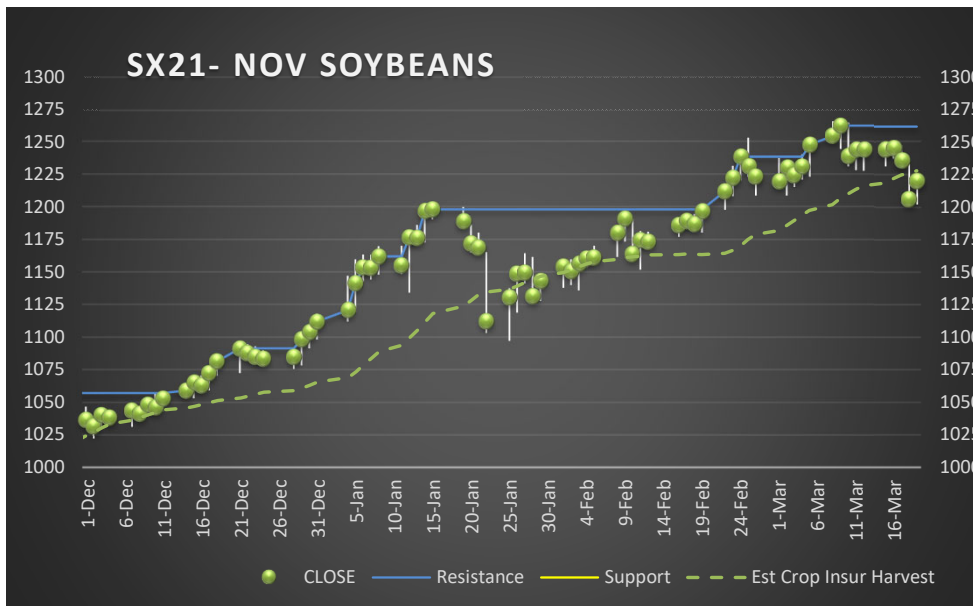
FUTURES PRICING SIGNALS			
	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 03/19/2021 =====>	\$4.72	CZ21	
2) What is Crop Insurance doing?	NC-CZ21	SC-CU21	
a) Base Price	\$ 4.48	\$ 4.73	
b) Harvest Price (PENDING)	\$ 4.74	\$ 4.93	
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending 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	\$ 4.74	-7 1/4	-1.51%
20 day	\$ 4.76	11 1/2	2.50%
50 day	\$ 4.60	30 1/4	6.86%
100 day	\$ 4.35	77 1/2	19.67%
YTD	\$ 4.59	37	8.52%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$4.75	CU21
Options	35%	\$4.86	CU21
Unpriced	55%	\$4.90	CU21
Current Value	100%	\$4.87	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	88.9	88.4	87.9	
Yield	47.4	50.2	50.8	51.6	52.2	
Beg Stocks	909	525	120	137	185	
Production	3,553	4,135	4,517	4,562	4,590	
Imports	15	35	35	15	15	
Total Supply	4,477	4,695	4,671	4,715	4,789	
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	137	185	209	
Percent Use	13%	3%	3%	4%	5%	
USDA Price	\$ 8.57	\$ 11.15	\$ 11.25			
Futures as of 03/19/2021		\$14.38	\$12.54	\$11.35		

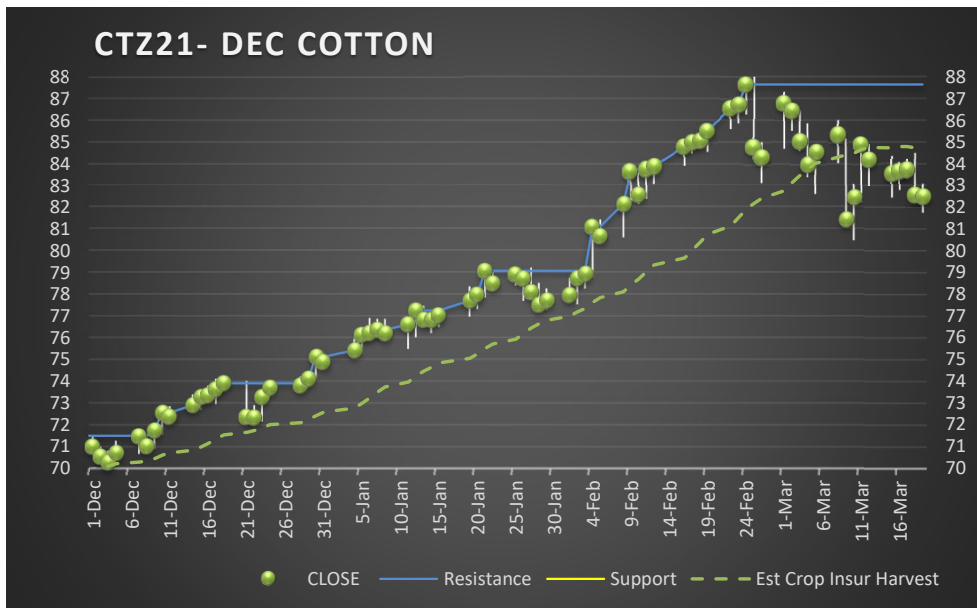
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 03/19/2021 =====>	\$12.20	SX21	
2) What is Crop Insurance doing?	2021	2020	
a) Base Price	\$ 11.54	\$ 9.36	
b) Harvest Price (PENDING)	\$ 12.26	\$ 9.15	
3) Fundamentals - where are prices headed?			
a) Seasonality	UP		
b) Ending Stocks	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	\$ 12.30	-23 3/4	-1.91%
20 day	\$ 12.33	23 3/4	1.99%
50 day	\$ 11.93	66 3/4	5.79%
100 day	\$ 11.20	237 1/4	24.14%
YTD	\$ 11.90	99 1/4	8.86%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$11.75	SX21
Options	15%	\$11.95	SX21
Unpriced	75%	\$12.20	SX21
Current Value	100%	\$12.12	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	11.86	12.09	11.86	
Harvested	11.61	8.70	9.63	9.81	9.63	
Yield	823.0	811.0	840.0	948.5	960.2	
Beg Stocks	4.85	7.25	4.20	3.09	4.73	
Production	19.91	14.70	16.85	19.39	19.26	
Imports	0.01	-	-	-	-	
Total Supply	24.77	21.95	21.04	22.48	23.99	
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	3.09	4.73	5.54	
Stocks to Use	41%	24%	17%	27%	30%	
USDA Price	\$ 59.60	\$ 69.00	\$ 75.00	-	-	
Futures as of 03/19/2021		\$88.32	\$85.34	\$75.80	\$0.00	

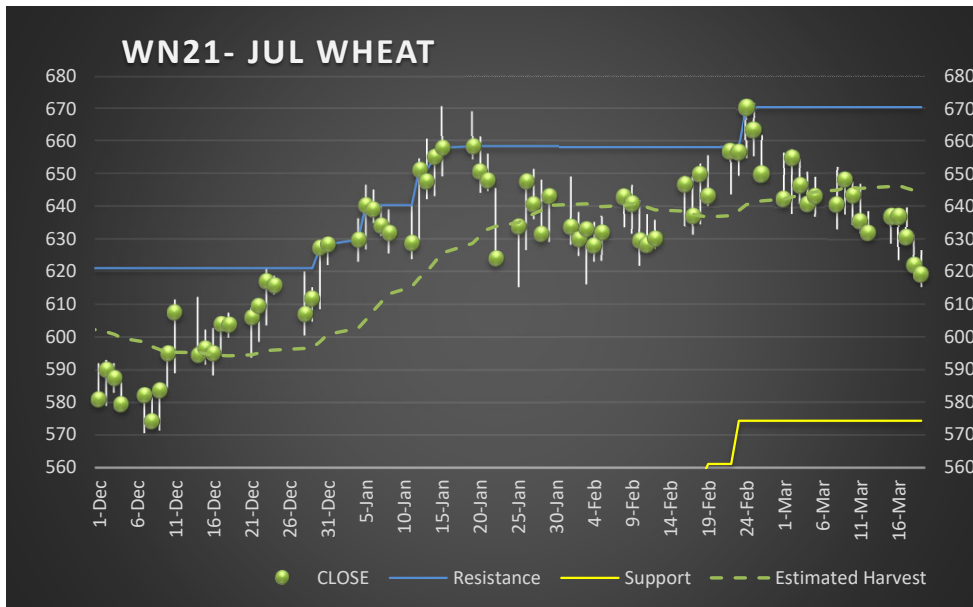
FUTURES PRICING SIGNALS	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 03/19/2021 =====>	\$82.51	CTZ21	
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$80.00	\$70.00	
b) Harvest Price (PENDING)	\$85.00	\$63.00	
3) Fundamentals - where are prices headed?			
a) Seasonality		Down	
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	\$ 83.20	-1.69	-2.01%
20 day	\$ 84.56	-2.99	-3.50%
50 day	\$ 81.72	6.30	8.27%
100 day	\$ 76.60	12.32	17.55%
YTD	\$ 81.39	7.10	9.42%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$77.00	CTZ21
Options	30%	\$82.77	CTZ21
Unpriced	60%	\$82.51	CTZ21
Current Value	100%	\$82.04	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	45.9	45.6	45.4	
Harvested	37.4	36.7	38.3	38.1	37.9	
Yield	51.7	49.7	49.1	49.2	49.6	
Production	1,932	1,826	1,881	1,872	1,879	
Beg Stocks	1,080	1,028	836	752	733	
Imports	105	120	130	140	143	
Total Supply	3,117	2,974	2,847	2,764	2,755	
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	752	733	722	
Percent Use	49%	39%	36%	36%	36%	
USDA Price	\$ 4.58	\$ 5.00	\$ 5.50	-	-	
Futures as of 03/19/2021		\$6.47	\$6.41	\$6.31	\$6.00	

FUTURES PRICING SIGNALS	\$ 6.91	\$ 6.20	\$ 6.23
1) Futures as of 03/19/2021 =====>	\$6.19	WN22	
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 5.54	\$ 4.86	
b) Harvest Price (PENDING)	\$ 6.29	\$ 4.97	
% loss due to price change	14%	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	\$ 6.29	-12 3/4	-2.02%
20 day	\$ 6.44	-24	-3.73%
50 day	\$ 6.41	-19 3/4	-3.09%
100 day	\$ 6.22	1 1/4	0.20%
YTD	\$ 6.41	-10 1/2	-1.67%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	10%	\$6.45	WN21
Options	30%	\$6.31	WN21
Unpriced	60%	\$6.19	WN21
Current Value	100%	\$6.25	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 @ \$.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			