

October 27, 2021: Marketing Update

Futures as of	10/27/21	10/20/21	Trend	
CZ21 Dec CORN	\$5.57	\$5.39	Bullish	3.3%
SX21 Nov SOYBEANS	\$12.39	\$12.46	Neutral	-0.5%
CTZ21 Dec COTTON	\$110.52	\$110.73	Neutral	-0.2%

2022 Crop Prices

CZ22 Dec CORN	\$5.47	\$5.21	Bullish	4.9%
SX22 Nov SOYBEANS	\$12.38	\$12.16	Bullish	1.8%
CTZ22 Dec COTTON	\$90.62	\$89.17	Bullish	1.6%
WN22 Jul WHEAT	\$7.69	\$7.41	Bullish	3.8%

23rd Annual Executive Marketing: Developing a Marketing Plan

Join us at the EM seminar January 5-7, 2022, at the Litchfield Golf & Beach Resort to write your 2022 Commodity Marketing Plan. Speakers include Dr. David Kohl, Virginia Tech; Eric Snodgrass, Nutrien; Doug Johnson, Moody's Analytics; and Scott Mickey, Clemson University. Register at <https://www.eventbrite.com/e/2022-executive-marketing-registration-194509231347>

2022 Executive Farm Management Program

The Executive Farm Management (EFM) program is created for large, commercial, family-owned operations in the Southeast whose operations represent the diversity of agriculture. The primary focus of EFM is to ensure participants have the tools they need to succeed in today's challenging business environment. The program builds core competencies in strategic planning, financial management and human resource management. It is delivered in a highly interactive, facilitated, and relevant setting custom designed for the participants. *Learn more about the program at go.ncsu.edu/efm*

MARKET OUTLOOK

CZ21 (December Corn) moved 3.3% higher last week to close at \$5.57, its highest close since August 16th. CZ22 (December 2022 Corn) was 4.9% higher yesterday and closed at \$5.47. Corn is rallying due to increased demand for Ethanol. Corn may find resistance to higher prices around \$5.73 (August 13) so consider catching up on 2021 corn marketing. SX21 (November Soybeans) was down slightly compared to last week with a close of \$12.39 yesterday. In October, SX21 has traded in a range from \$12.00 to \$12.46 and is struggling to trade above \$12.50. SX22 (November 2022 Soybeans) were 1.8% higher this week and closed yesterday at \$12.38. When looking at the CTZ1 (December Cotton) chart, it looks like the volatility has increased in October with \$0.04 swings in prices occurring several times. But at least this price swings are from \$1.04 to \$1.12! There are some indications that CTZ21 could go higher, but don't forget that CTZ21 closed at \$0.89 on September 20th. Yesterday's close was \$1.105. Take advantage of current prices in LOCK-IN equity growth for 2021.

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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	\$5.46
Soybeans	\$12.00	\$13.17
Cotton	\$0.82	\$0.93
Wheat	\$6.91	\$6.64

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%	Rolled	1/12/2021	4.7500	9/3/2021	5.0800	-0.3300	
1/11/2021	Futures/HTA	Roll CU21 to CZ21 @ \$0.12 OB	Adds \$0.28 to price	75%	Filled	9/3/2021	5.0800	9/3/2021	5.2400	-0.1600	
1/11/2021	Option	SELL CU21 520 Call @ \$0.25 OB	Sets max price \$1.16 > Growth	10%	Closed	1/12/2021	0.3000	8/24/2021	-0.2000	0.1000	
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%	Closed	2/3/2021	0.3100	8/24/2021	-0.2000	0.1100	
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	9/3/2021	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%	Closed	2/16/2021	0.2900	8/24/2021	-0.2000	0.0900	
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%	Closed	4/1/2021	0.3500	8/24/2021	-0.2000	0.1500	
5/20/2021	Futures/HTA	Sell CU21 @ \$5.70 OB	To offset CU21 440 Puts	20%	Rolled	5/20/2021	5.7900	9/3/2021	5.0800	0.7100	
6/24/2021	Futures/HTA	Sell CU21 @ \$5.50 OB	\$1.21 > Growth Target	20%	Rolled	6/25/2021	5.5500	9/3/2021	5.0800	0.4700	
6/24/2021	Roll Puts	Buy/Sell CU21 510P/470P @ \$0.10 OB	Roll Put Floor from \$4.70 to \$5.10	25%	Closed	6/28/2021	-0.1900	8/24/2021	0.0075	-0.1825	
8/4/2021	Futures/HTA	Sell CU21 @ \$5.60 OB	\$1.31 > Growth Target	25%	Rolled	8/6/2021	5.6000	9/3/2021	5.0800	0.5200	
8/4/2021	Futures/HTA	Sell CU21 @ \$5.90 OB	\$1.61 > Growth Target	15%	Pending	10/27/2021	5.5725				

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	10/27/2021	12.3925	-0.6425	
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%	Closed	2/3/2021	0.5000	10/4/2021	-0.0300	0.4700	
3/26/2021	Put Call Option	BUY SX21 1140 PUT @ \$0.41 OB	BE+ \$.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+ \$.72 GROW-Planting Intention	25%	Closed	3/31/2021	0.4800	10/4/2021	-0.0300	0.4500	
5/20/2021	Futures/HTA	Sell SX21 @ \$13.75 OB	To offset SX21 1140 Puts	40%	Filled	5/20/2021	13.8000	10/27/2021	12.3925	1.4075	
8/4/2021	Futures/HTA	Sell SX21 @ \$13.50 OB	\$1.50 > Growth Target	25%	Filled	8/12/2021	13.6000	10/27/2021	12.3925	1.2075	
8/4/2021											

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

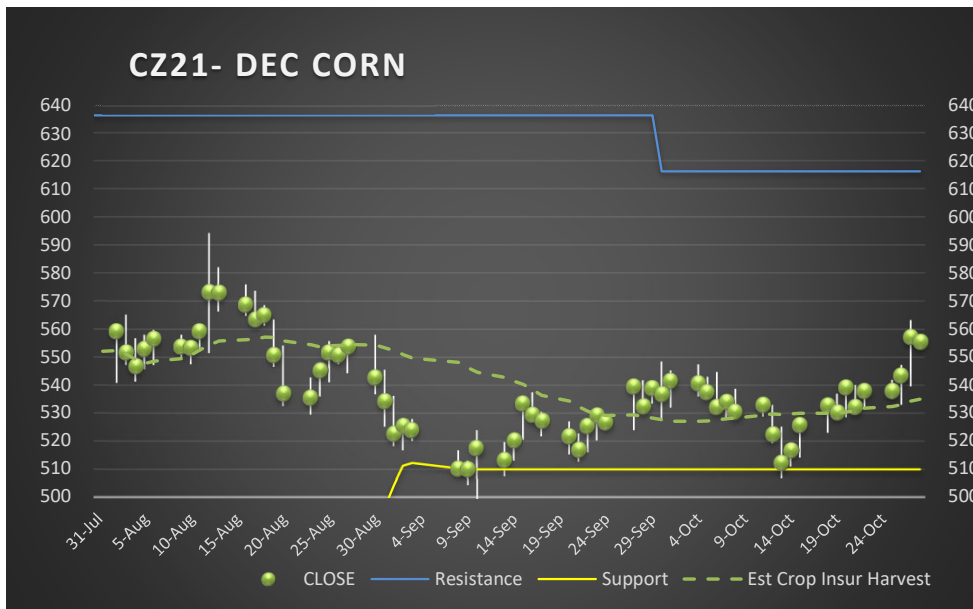
Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/11/2021	Futures/HTA	Sell CTZ21 @ \$0.77 OB	Achieves B/E Target, maintains WC	10%	Filled	1/12/2021	0.7700	10/27/2021	1.1052	-0.3352	
1/29/2021	Put Call Put Option	BUY CTZ21 7800 PUT @ \$0.06 OB	Set Fence from \$.78 to \$.84	15%	Filled	2/4/2021	-0.0550	10/27/2021	0.0001	-0.0549	
1/29/2021	Put Call Put Option	SELL CTZ21 8400 Call @ \$0.04 OB	Set Fence from \$.78 to \$.84	15%	Closed	2/4/2021	0.0550	9/20/2021	-0.0661	-0.0111	
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	10/27/2021	-0.0001	0.0199	
3/8/2021	Put Call Put Option	BUY CTZ21 8400 PUT @ \$0.056 OB	Set Fence from \$.84 to \$.90	15%	Closed	3/9/2021	-0.0616	8/5/2021	0.0204	-0.0412	
3/8/2021	Put Call Put Option	SELL CTZ21 9000 Call @ \$0.053 OB	Set Fence from \$.84 to \$.90	15%	Closed	3/9/2021	0.0536	8/5/2021	-0.0588	-0.0052	
6/24/2021	Futures/HTA	Sell CTZ21 @ \$0.87 OB	\$.05 > Growth Target	20%	Filled	6/25/2021	0.8755	10/27/2021	1.1052	-0.2297	
8/4/2021	Futures/HTA	Sell CTZ21 @ \$0.905 OB	\$.085 > Growth Target	20%	Filled	8/9/2021	0.9100	10/27/2021	1.1052	-0.1952	
9/20/2021	Futures/HTA	Sell CTZ21 @ \$0.905 OB	\$.085 > Growth Target	20%	Filled	9/22/2021	0.9050	10/27/2021	1.1052	-0.2002	
10/6/2021	Futures/HTA	Sell CTZ21 @ \$1.10 OB	\$.085 > Growth Target	20%	Filled	10/7/2021	1.1100	10/27/2021	1.1052	0.0048	

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	10/27/2021	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	8/5/2021	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	10/27/2021	0.0000	6.5600	

CORN SUPPLY & DEMAND		WASDE as of 10/12/21				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-617	WASDE-617	WASDE-617	Estimate	Estimate	
Planted	89.7	90.7	93.3	92.5	91.5	
Harvested	81.3	82.3	85.1	84.5	83.6	
Yield	167.5	171.4	176.5	181.5	183.5	
Beg Stocks	2,221	1,919	1,236	1,500	1,602	
Production	13,620	14,111	15,019	15,338	15,339	
Imports	42	24	25	40	31	
Total Supply	15,882	16,055	16,280	16,877	16,972	
Feed	5,903	5,597	5,650	6,020	6,080	
Food/Seed	1,430	1,437	1,430	1,430	1,435	
Ethanol	4,852	5,032	5,200	5,200	5,200	
Exports	1,778	2,753	2,500	2,625	2,650	
Total Demand	13,963	14,819	14,780	15,275	15,365	
Ending Stocks (ES)	1,919	1,236	1,500	1,602	1,607	
Percent Use	14%	8%	10%	10%	10%	
USDA Price	\$ 3.56	\$ 4.53	\$ 5.45	-	-	
<i>Futures as of 10/27/2021</i>		\$5.30	\$5.57	\$5.47	\$4.96	

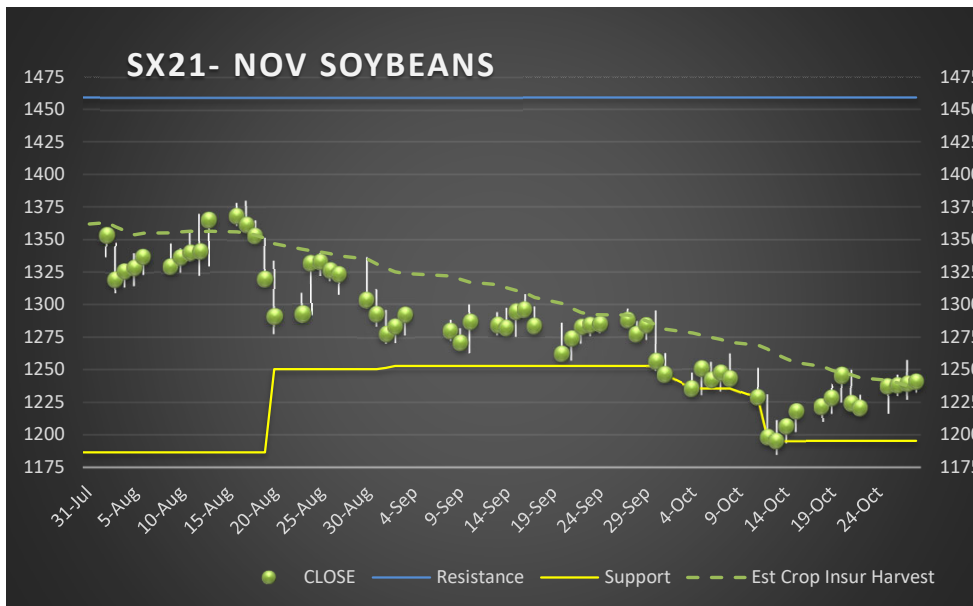
FUTURES PRICING SIGNALS	\$ 4.29	\$ 3.99	\$ 3.99
1) Futures as of 10/27/2021 =====>	\$5.57	CZ21	
2) What is Crop Insurance doing?	NC-CZ21	SC-CU21	
a) Base Price	\$ 4.48	\$ 4.73	
b) Harvest Price (PENDING)	\$ 5.34	\$ 5.52	
3) Fundamentals - where are prices headed?			
a) Seasonality		DOWN	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			\$ 6.17
b) Support (Lowest Close last 100 Days)			\$ 5.10
c) Moving Average		Change	% Change
5 day	\$ 5.42	18	3.34%
20 day	\$ 5.34	18 1/4	3.39%
50 day	\$ 5.33	-11 1/2	-2.02%
100 day	\$ 5.46	-34 1/4	-5.79%
YTD	\$ 5.21	122 3/4	28.25%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	75%	\$5.08	CZ21
Unpriced	25%	\$5.57	CZ21
Open Options		\$0.00	
Closed Positions		\$0.26	
Current Value	100%	\$5.46	CZ21
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			

SOYBEAN SUPPLY & DEMAND		WASDE as of 10/12/21				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-617	WASDE-617	WASDE-617	Estimate	Estimate	
Planted	76.1	83.4	87.2	89.5	89.0	
Harvested	74.9	82.6	86.4	88.4	87.9	
Yield	47.4	51.0	51.5	51.6	52.2	
Beg Stocks	909	525	256	320	367	
Production	3,553	4,216	4,448	4,562	4,590	
Imports	15	20	15	15	15	
Total Supply	4,477	4,761	4,719	4,897	4,972	
Crush	2,165	2,141	2,190	2,195	2,220	
Seed/Residual	105	99	119	125	135	
Exports	1,682	2,265	2,090	2,210	2,225	
Total Demand	3,952	4,505	4,399	4,530	4,580	
End Stocks (ES)	525	256	320	367	392	
Percent Use	13%	6%	7%	8%	9%	
USDA Price	\$ 8.57	\$ 10.80	\$ 12.35			
Futures as of 10/27/2021		\$12.28	\$12.39	\$12.38	\$11.98	

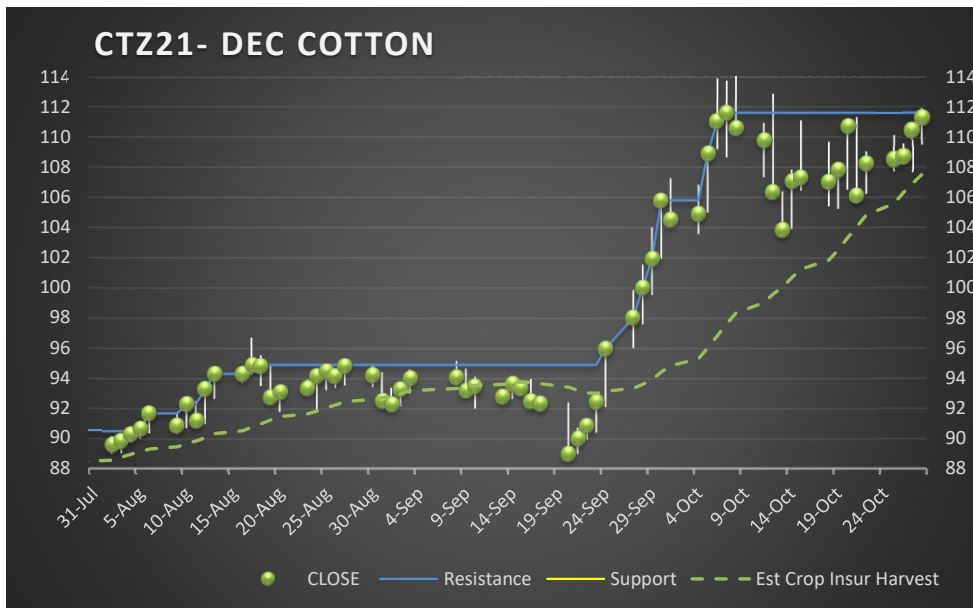
FUTURES PRICING SIGNALS	\$ 12.00	\$ 10.73	\$ 10.75
1) Futures as of 10/27/2021 =====>	\$12.39	SX21	
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$ 11.54	\$ 9.36	
b) Harvest Price (PENDING)	\$ 12.46	\$ 9.15	
3) Fundamentals - where are prices headed?			
a) Seasonality	DOWN		
b) Ending Stocks	DOWN		
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 14.60	
b) Support (Lowest Close last 100 Days)		\$ 11.95	
c) Moving Average		Change	% Change
5 day	\$ 12.32	-6 1/4	-0.50%
20 day	\$ 12.31	-44 1/2	-3.47%
50 day	\$ 12.70	-129	-9.43%
100 day	\$ 13.13	-196 1/4	-13.67%
YTD	\$ 12.85	118 1/2	10.57%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	75%	\$13.46	SX21
Unpriced	25%	\$12.39	SX21
Open Options		\$0.00	Cap @ 13.00
Closed Positions		-\$0.02	
Current Value	100%	\$13.17	SX21
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			

COTTON SUPPLY & DEMAND					
WASDE as of 10/12/21					
	19/20	20/21	21/22	22/23	23/24
	WASDE-617	WASDE-617	WASDE-617	Estimate	Estimate
Planted	13.74	12.09	11.19	12.09	11.19
Harvested	11.61	8.28	9.92	9.73	9.01
Yield	823.0	847.0	871.0	948.5	960.2
Beg Stocks	4.85	7.25	3.15	3.20	4.59
Production	19.91	14.61	18.00	19.23	18.02
Imports	0.01	-	0.01	-	0.01
Total Supply	24.77	21.86	21.16	22.43	22.62
Domestic Use	2.15	2.35	2.50	2.35	2.50
Exports	15.53	16.37	15.50	15.50	16.00
Total Demand	17.68	18.72	18.00	17.85	18.50
End Stocks (ES)	7.25	3.15	3.20	4.59	4.16
Stocks to Use	41%	17%	18%	26%	22%
USDA Price	\$ 59.60	\$ 66.30	\$ 90.00	-	-
Futures as of 10/27/2021		\$1.06	\$1.11	\$0.91	\$0.83

FUTURES PRICING SIGNALS	\$ 82.00	\$ 77.00	\$ 77.00
1) Futures as of 10/27/2021 =====>	\$110.52		CTZ21
2) What is Crop Insurance doing?	<u>2021</u>	<u>2020</u>	
a) Base Price	\$80.00	\$70.00	
b) Harvest Price (PENDING)	\$107.00	\$63.00	
3) Fundamentals - where are prices headed?			
a) Seasonality		DOWN	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			\$111.61
b) Support (Lowest Close last 100 Days)			\$ 84.06
c) Moving Average		<u>Change</u>	<u>% Change</u>
5 day	\$108.43	-0.21	-0.19%
20 day	\$107.98	8.58	8.42%
50 day	\$ 99.53	16.21	17.19%
100 day	\$ 94.01	24.64	28.69%
YTD	\$ 87.89	35.11	46.56%



STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	90%	\$0.9301	CTZ21
Unpriced	10%	\$1.1052	CTZ21
Open Options		-\$0.0053	CTZ21
Closed Positions		-\$0.0086	
Current Value	100%	\$0.9337	CTZ21
+ Expected Basis			
PENDING Actions			
1 See Recommendations for previous actions.			
10 Sell 10% CTZ21 using Futures/HTA @ \$110.00 OB Filled 10/7 @			