

## January 27, 2022: Marketing Update

Futures as of	01/27/22	01/20/22	Trend	
CU22 Sep CORN	\$5.79	\$5.76	Neutral	0.5%
CZ22 Dec CORN	\$5.67	\$5.62	Neutral	0.8%
SX22 Nov SOYBEANS	\$13.38	\$13.20	Bullish	1.3%
CTZ22 Dec COTTON	\$98.83	\$99.01	Neutral	-0.2%
WN22 Jul WHEAT	\$7.74	\$7.81	Neutral	-1.0%
CU23 Sep CORN	\$5.47	\$5.41	Bullish	1.1%
CZ23 Dec CORN	\$5.41	\$5.35	Bullish	1.2%
SX23 Nov SOYBEANS	\$12.60	\$12.63	Neutral	-0.2%
CTZ23 Dec COTTON	\$79.99	\$80.45	Neutral	-0.6%
WN23 Jul WHEAT	\$7.51	\$7.53	Neutral	-0.3%

### FLOID FARMS (Example)

FUTURES TARGET PRICES		FLOID FARM
GROWTH	BREAKEVEN	Current Value
<i>Price Targets as of 12/31/2021</i>		
\$5.22	\$4.89	\$5.80
\$13.40	\$11.95	\$13.29
\$93.00	\$88.00	\$97.63
\$9.27	\$8.46	\$7.72

## MARKET OUTLOOK

Corn, soybeans, and cotton each made new 100-day highs last week, before falling off on Thursday. July Wheat traded above \$8.00 last Monday, capping a \$0.71 rally from January 14<sup>th</sup> close at \$7.37. Poor weather conditions in South America and strong global demand for all commodities fueled price rallies, but a strengthening US dollar prevented further price gains. Net sales improved last week relative to the prior week for corn, soybeans, and cotton. Wheat prices were pressured when trader's worries over Russia and Ukraine conflict lessened.

The 2022 base crop insurance price officially started on January 15<sup>th</sup>, so we are about halfway through the price discover period. The pending base prices offer historically strong revenue guarantees for corn, soybeans, and cotton.

## MARKETING PLAN UPDATE

FLOID Farms created price floors under 50% of expected 2022 production in early January. The floors keep FF current values close to the respective futures price for corn, cotton, and wheat as those markets are trading sideways.

Soybeans, on the other hand are trending sharply higher. FF has decided to exit the SX22 1480 Calls that it purchased for \$0.45 on January 7<sup>th</sup>. FF will take a loss on this trade but will benefit more if SX22 continues higher.

CU22 (Sep Corn) and CZ22 (Dec Corn) made 100-day highs on January 26<sup>th</sup>. If the corn price continues to drop, FF will sell CU22 \$680 calls to recoup part of the cost of the put options. The calls closed on January 27<sup>th</sup> at \$0.205, up about \$0.03 from January 7<sup>th</sup> when the puts were purchased.

FF is meeting with their crop insurance agent to select 2022 crop insurance coverage for corn, cotton, and soybeans. Once that decision is made, they will make their ARC/PLC elections at the Farm Service Agency.

**2022 CORN** **FUTURES PRICING SIGNALS**    \$ 5.22    \$ 4.89    \$ 4.61

Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/3/2022	Put Option	BUY CU22 \$570 PUT @ \$0.41	SET FLOOR > GROWTH	50%	FILLED	1/7/2022	-0.4100	1/27/2022	0.4338	0.0238	
1/27/2022	Call Option	SELL CU22 \$680 Call @ \$0.20 OB	OFFSET PUT COST IF CU PRICE FALLS	50%	PENDING	1/27/2022	0.2050				

**2022 SOYBEANS** **FUTURES PRICING SIGNALS**    \$ 13.40    \$ 11.95    \$ 10.76

Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/3/2022	Put Call Option	BUY SX22 \$1280 PUT @ \$0.77 OB	Set Fence from \$11.74 to \$12.80	50%	FILLED	1/7/2022	-0.7500	1/27/2022	0.6838	-0.0663	
1/3/2022	Put Call Option	SELL SX22 \$1480 CALL @ \$0.29 OB	Set Fence from \$11.74 to \$12.80	50%	FILLED	1/7/2022	0.4500	1/27/2022	-0.5600	-0.1100	
1/27/2022	Put Call Option	EXIT SX22 \$1480 CALL @ \$0.60 OB	OPEN UPSIDE AGAIN	50%	PENDING						

**2022 COTTON** **FUTURES PRICING SIGNALS**    \$ 0.93    \$ 0.88    \$ 0.83

Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/11/2022	Put Call Option	BUY CTZ22 \$95 PUT @ \$0.09 OB	Set Fence from \$.90 to \$1.15	50%	FILLED	1/11/2022	-0.0900	1/27/2022	0.0711	-0.0189	
1/12/2022	Put Call Option	SELL CTZ22 \$115 CALL @ \$0.04 OB	Set Fence from \$.90 to \$1.15	50%	FILLED	1/12/2022	0.0394	1/27/2022	-0.0446	-0.0052	

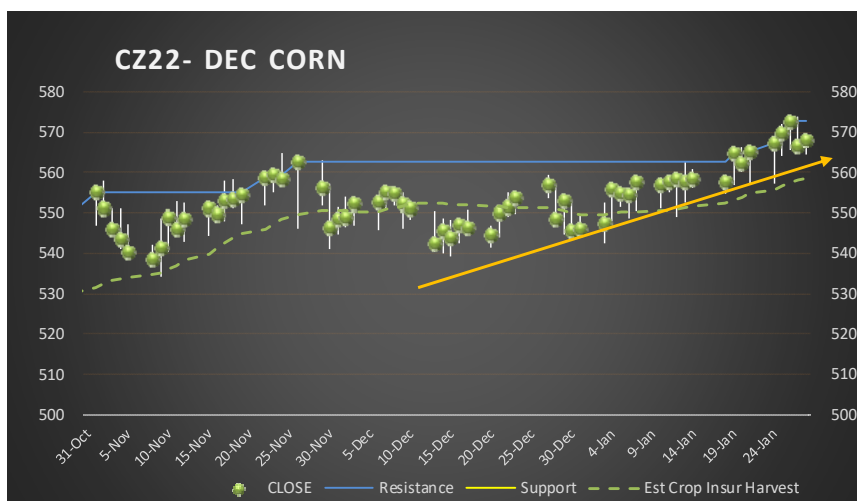
**2022 WHEAT** **FUTURES PRICING SIGNALS**    \$ 9.27    \$ 8.46    \$ 7.79

Recommendation						ENTRY			OFFSET (Current Price)		
Date	Tool	Action	Reason	Quantity	STATUS	Date	Price	Date	Price	Gain(Loss)	
1/11/2022	Put Call Option	BUY WN22 \$760 PUT @ \$0.50 OB	Set Fence from \$7.2 to \$9.60	50%	FILLED	1/11/2022	-0.5000	1/27/2022	0.5038	0.0038	
1/11/2022	Put Call Option	SELL WN22 \$960 CALL @ \$0.10 OB	Set Fence from \$7.2 to \$9.60	50%	FILLED	1/11/2022	0.1200	1/27/2022	-0.1550	-0.0350	

## January 27, 2022: Marketing Update

CORN SUPPLY & DEMAND		WASDE as of 01/12/22				
	19/20	20/21	21/22	22/23	23/24	
	WASDE-620	WASDE-620	WASDE-620	Estimate	Estimate	
Planted	89.7	90.7	93.4	92.0	91.7	
Harvested	81.3	82.3	85.4	84.3	84.0	
Yield	167.5	171.4	177.0	178.8	180.8	
<b>Beg Stocks</b>	<b>2,221</b>	<b>1,919</b>	<b>1,234</b>	<b>1,540</b>	<b>1,700</b>	
Production	13,620	14,111	15,115	15,075	15,189	
Imports	42	25	25	25	27	
<b>Total Supply</b>	<b>15,882</b>	<b>16,055</b>	<b>16,375</b>	<b>16,640</b>	<b>16,916</b>	
Feed	5,900	5,602	5,650	5,800	6,000	
Food/Seed	1,429	1,438	1,435	1,440	1,445	
Ethanol	4,857	5,028	5,325	5,200	5,200	
Exports	1,777	2,753	2,425	2,500	2,550	
<b>Total Demand</b>	<b>13,963</b>	<b>14,821</b>	<b>14,835</b>	<b>14,940</b>	<b>15,195</b>	
<b>Ending Stocks (ES)</b>	<b>1,919</b>	<b>1,234</b>	<b>1,540</b>	<b>1,700</b>	<b>1,721</b>	
Percent Use	14%	8%	10%	11%	11%	
<b>USDA Price</b>	<b>\$ 3.56</b>	<b>\$ 4.53</b>	<b>\$ 5.45</b>	-	-	
<i>Futures as of 01/27/2022</i>				<b>\$5.67</b>	<b>\$5.41</b>	

FUTURES PRICING SIGNALS	\$5.22	\$4.89	\$ 4.61
1) Futures as of 01/27/2022 =====>	<b>\$5.67</b>		<b>CZ22</b>
2) What is Crop Insurance doing?		<b>NC-CZ22</b>	<b>SC-CU22</b>
a) Base Price PENDING		<b>\$ 5.58</b>	<b>\$ 5.72</b>
3) Fundamentals - where are prices headed?			
a) Seasonality			<b>UP</b>
b) Ending Stocks			<b>DOWN</b>
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			<b>\$ 5.73</b>
b) Support (Lowest Close last 100 Days)			<b>\$ 4.92</b>
c) Moving Average		<b>Change</b>	<b>% Change</b>
5 day	<b>\$ 5.68</b>	4 1/2	1%
20 day	<b>\$ 5.59</b>	13 3/4	2%
50 day	<b>\$ 5.55</b>	15 1/2	3%
100 day	<b>\$ 5.40</b>	65 1/4	13%
YTD	<b>\$ 5.60</b>	19 1/4	4%



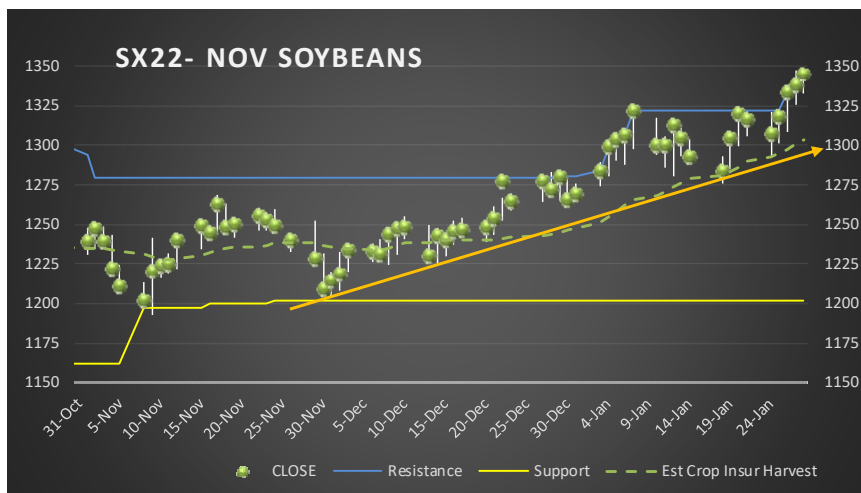
STRATEGY Summary			
<b>Tool</b>	<b>Percentage</b>	<b>Price</b>	<b>Contract</b>
HTA/Futures	0%	\$0.00	CU22
Unpriced	100%	\$5.79	CU22
Open Options		\$0.01	
Closed Positions		\$0.00	
<b>Current Value</b>	<b>100%</b>	<b>\$5.80</b>	<b>CU22</b>
+ Expected Basis			
PENDING Actions			
1 SELL CU22 \$680 Call @ \$0.20 OB IF MKT DROPS.			

CZ22 gained \$0.03 last week and set a new 100-day high at \$5.73. CZ22 continues to trade above the uptrend line dating back to mid-December.

## January 27, 2022: Marketing Update

SOYBEAN SUPPLY & DEMAND		WASDE as of 01/12/22				
		19/20	20/21	21/22	22/23	23/24
		WASDE-620	WASDE-620	WASDE-620	Estimate	Estimate
Planted	76.1	83.4	87.2	88.4	88.5	
Harvested	74.9	82.6	86.3	87.5	87.6	
Yield	47.4	51.0	51.4	50.5	51.0	
<b>Beg Stocks</b>	<b>909</b>	<b>525</b>	<b>256</b>	<b>350</b>	<b>288</b>	
Production	3,553	4,216	4,435	4,419	4,470	
Imports	15	20	15	15	15	
<b>Total Supply</b>	<b>4,477</b>	<b>4,761</b>	<b>4,707</b>	<b>4,783</b>	<b>4,773</b>	
Crush	2,165	2,141	2,190	2,240	2,280	
Seed/Residual	105	99	118	125	130	
Exports	1,682	2,265	2,050	2,130	2,160	
<b>Total Demand</b>	<b>3,952</b>	<b>4,505</b>	<b>4,357</b>	<b>4,495</b>	<b>4,570</b>	
<b>End Stocks (ES)</b>	<b>525</b>	<b>256</b>	<b>350</b>	<b>288</b>	<b>203</b>	
Percent Use	13%	6%	8%	6%	4%	
<b>USDA Price</b>	<b>\$ 8.57</b>	<b>\$ 10.80</b>	<b>\$ 12.60</b>			
<b>Futures as of 01/27/2022</b>				<b>\$13.38</b>	<b>\$12.60</b>	

FUTURES PRICING SIGNALS	\$13.40	\$11.95	\$ 10.76
1) Futures as of 01/27/2022 =====>	<b>\$13.38</b>		SX22
2) What is Crop Insurance doing?	<b>2022</b>		
a) Base Price PENDING	<b>\$ 13.02</b>		
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		UP	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			<b>\$ 13.38</b>
b) Support (Lowest Close last 100 Days)			<b>\$ 12.02</b>
c) Moving Average		<b>Change</b>	<b>% Change</b>
5 day	<b>\$ 13.23</b>	17 3/4	1%
20 day	<b>\$ 13.04</b>	58	5%
50 day	<b>\$ 12.70</b>	88 3/4	7%
100 day	<b>\$ 12.55</b>	78 1/2	6%
YTD	<b>\$ 13.08</b>	54 1/4	4%



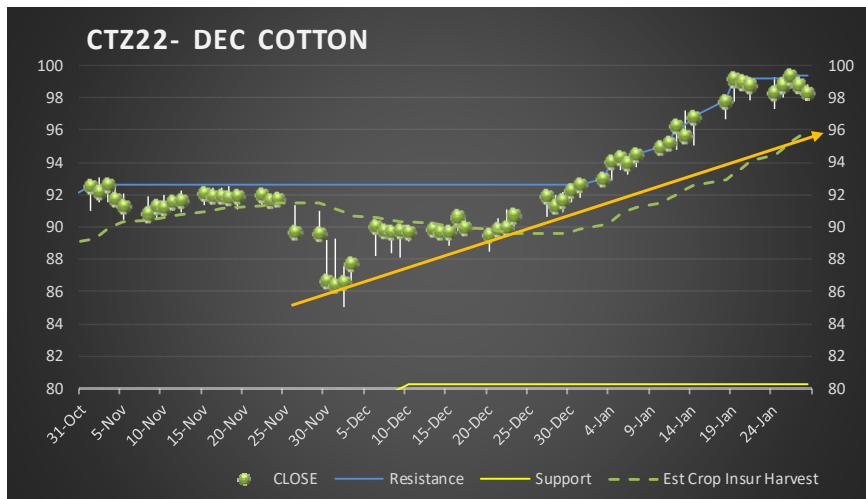
STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	0%	\$0.00	SX22
Unpriced	100%	\$13.38	SX22
Open Options		-\$0.09	
Closed Positions		\$0.00	
<b>Current Value</b>	<b>100%</b>	<b>\$13.29</b>	SX22
+ Expected Basis			
PENDING Actions			
1 Exit SX22 1480 Calls for \$0.60 or better.			

SX22 gained \$0.18 last week continuing an uptrend since December 1<sup>st</sup>. New 100-day highs were made each of the past three days.

**January 27, 2022: Marketing Update**

COTTON SUPPLY & DEMAND					
WASDE as of 01/12/22					
	19/20	20/21	21/22	22/23	23/24
	WASDE-620	WASDE-620	WASDE-620	Estimate	Estimate
Planted	13.74	12.09	11.22	12.00	12.80
Harvested	11.61	8.28	9.97	9.90	10.60
Yield	823.0	847.0	849.0	952.1	962.3
<b>Beg Stocks</b>	<b>4.85</b>	<b>7.25</b>	<b>3.15</b>	<b>3.20</b>	<b>5.51</b>
Production	19.91	14.61	17.62	19.64	21.25
Imports	0.01	-	0.01	-	-
<b>Total Supply</b>	<b>24.77</b>	<b>21.86</b>	<b>20.78</b>	<b>22.83</b>	<b>26.76</b>
Domestic Use	2.15	2.35	2.55	2.55	2.60
Exports	15.53	16.37	15.00	14.78	15.68
<b>Total Demand</b>	<b>17.68</b>	<b>18.72</b>	<b>17.55</b>	<b>17.33</b>	<b>18.28</b>
<b>End Stocks (ES)</b>	<b>7.25</b>	<b>3.15</b>	<b>3.20</b>	<b>5.51</b>	<b>8.48</b>
Stocks to Use	41%	17%	18%	32%	46%
<b>USDA Price</b>	<b>\$ 59.60</b>	<b>\$ 66.30</b>	<b>\$ 90.00</b>	<b>-</b>	<b>-</b>
<b>Futures as of 01/27/2022</b>				<b>\$98.83</b>	<b>\$79.99</b>

FUTURES PRICING SIGNALS	\$93.00	\$88.00	\$ 83.00
1) Futures as of 01/27/2022	=====>	<b>\$98.83</b>	CTZ22
2) What is Crop Insurance doing?		<b>2022</b>	
a) Base Price PENDING		<b>\$0.96</b>	
3) Fundamentals - where are prices headed?			
a) Seasonality		<b>UP</b>	
b) Ending Stocks		<b>DOWN</b>	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)			<b>\$ 99.37</b>
b) Support (Lowest Close last 100 Days)			<b>\$ 80.27</b>
c) Moving Average		<b>Change</b>	<b>% Change</b>
5 day	<b>\$ 98.85</b>	<b>-0.18</b>	<b>0%</b>
20 day	<b>\$ 96.20</b>	<b>7.18</b>	<b>8%</b>
50 day	<b>\$ 92.56</b>	<b>6.73</b>	<b>7%</b>
100 day	<b>\$ 90.04</b>	<b>15.57</b>	<b>19%</b>
YTD	<b>\$ 96.62</b>	<b>5.88</b>	<b>6%</b>



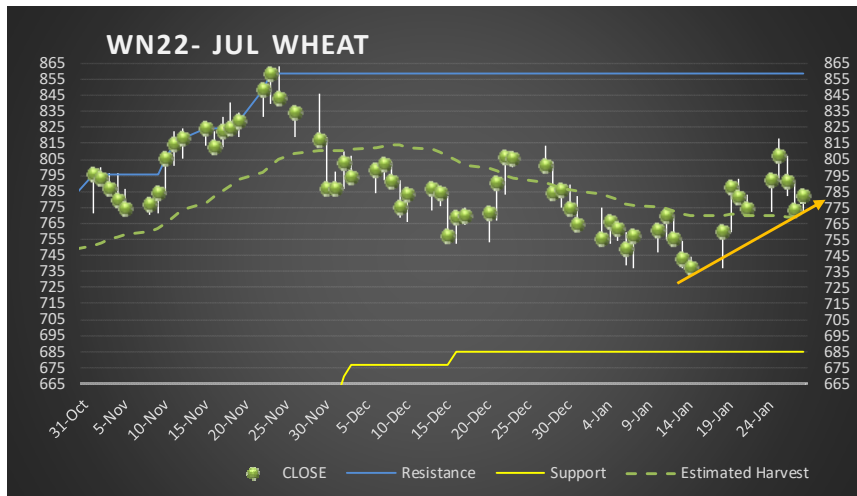
STRATEGY Summary			
Tool	Percentage	Price	Contract
HTA/Futures	0%	\$0.0000	CTZ22
Unpriced	100%	\$0.9883	CTZ22
Open Options		-\$0.0121	
Closed Positions		\$0.0000	
<b>Current Value</b>	<b>100%</b>	<b>\$0.9763</b>	<b>CTZ22</b>
+ Expected Basis			
PENDING Actions			
1			

CTZ22 is trending higher and remains above the uptrend dating back to December 1. Watch today's close to see if cotton continues to drop or resumes higher trading.

**January 27, 2022: Marketing Update**

WHEAT SUPPLY & DEMAND		WASDE as of 01/12/22				
		19/20	20/21	21/22	22/23	23/24
	WASDE-620	WASDE-620	WASDE-620	Estimate	Estimate	
Planted	45.5	44.5	46.7	48.1	45.5	
Harvested	37.4	36.8	37.2	40.3	37.7	
Yield	51.7	49.7	44.3	49.4	49.8	
Production	<b>1,932</b>	<b>1,828</b>	<b>1,646</b>	<b>1,990</b>	<b>1,878</b>	
Beg Stocks	1,080	1,028	845	628	696	
Imports	105	100	100	151	150	
<b>Total Supply</b>	<b>3,117</b>	<b>2,956</b>	<b>2,591</b>	<b>2,769</b>	<b>2,724</b>	
Feed	101	95	110	125	100	
Food, Seed	1,023	1,025	1,028	1,023	1,023	
Exports	965	992	825	925	920	
<b>Total Demand</b>	<b>2,089</b>	<b>2,111</b>	<b>1,963</b>	<b>2,073</b>	<b>2,043</b>	
<b>End Stocks</b>	<b>1,028</b>	<b>845</b>	<b>628</b>	<b>696</b>	<b>681</b>	
Percent Use	49%	40%	32%	34%	33%	
<b>USDA Price</b>	<b>\$ 4.58</b>	<b>\$ 5.05</b>	<b>\$ 7.15</b>	-	-	
<i>Futures as of 01/27/2022</i>				<b>\$7.74</b>	<b>\$7.51</b>	

FUTURES PRICING SIGNALS	\$9.27	\$8.46	\$ 7.79
1) Futures as of 01/27/2022 =====>		<b>\$7.74</b>	WN22
2) What is Crop Insurance doing?		<b>2022</b>	
a) Base Price		\$ 7.14	
b) Harvest Price (PENDING)		\$ 7.69	
3) Fundamentals - where are prices headed?			
a) Seasonality		UP	
b) Ending Stocks		DOWN	
4) Technical Signals indicating?			
a) Resistance (Highest Close last 100 Days)		\$ 8.58	
b) Support (Lowest Close last 100 Days)		\$ 6.85	
c) Moving Average		Change	% Change
5 day	\$ 7.88	-7 3/4	-1%
20 day	\$ 7.68	-12	-2%
50 day	\$ 7.88	-50 1/2	-6%
100 day	\$ 7.65	58	8%
YTD	\$ 7.68	18 1/2	2%



STRATEGY Summary			
Tool	Percentage	Price	Contract
Open Options	0%	\$0.00	WN22
Unpriced	100%	\$7.74	WN22
Open Options		(\$0.02)	
Closed Options		\$0.00	
<b>Current Value</b>	<b>100%</b>	<b>\$7.72</b>	<b>WN22</b>
+ Expected Basis			
PENDING Actions			
1			

WN22 changed direction last week and closed at \$7.87 on January 19<sup>th</sup>. Wheat traded lower on Thursday and on Friday overnight trading. Would like WN22 to hold on to its recent gains.