



Marketing Class

DATE MAY 21ST, 2020



B. Rich
HEDGEYE

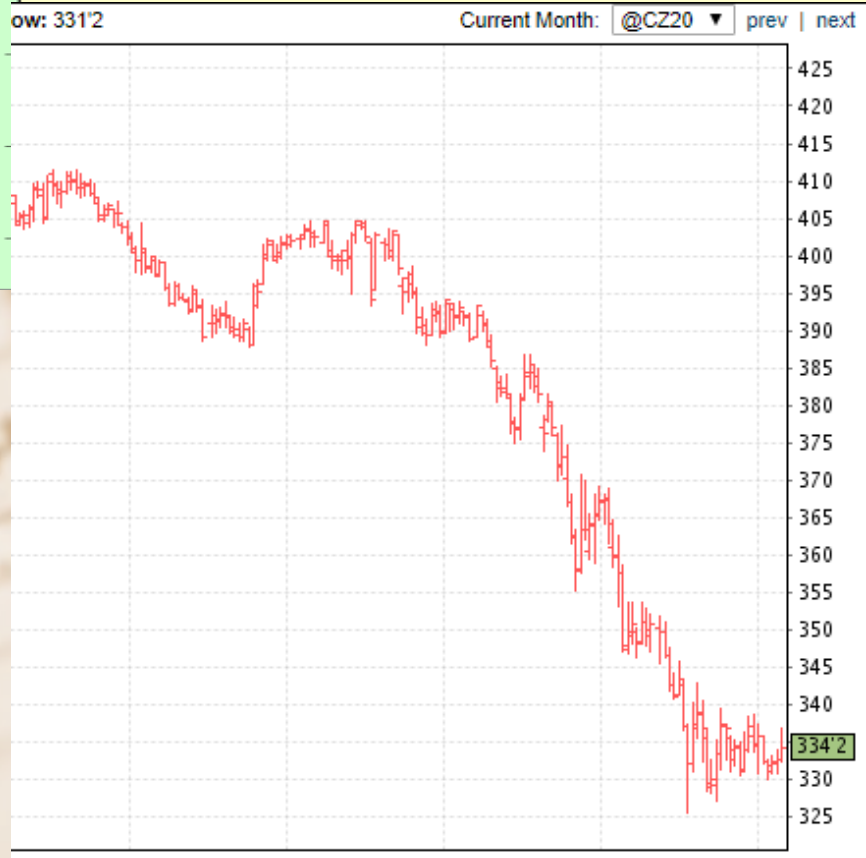
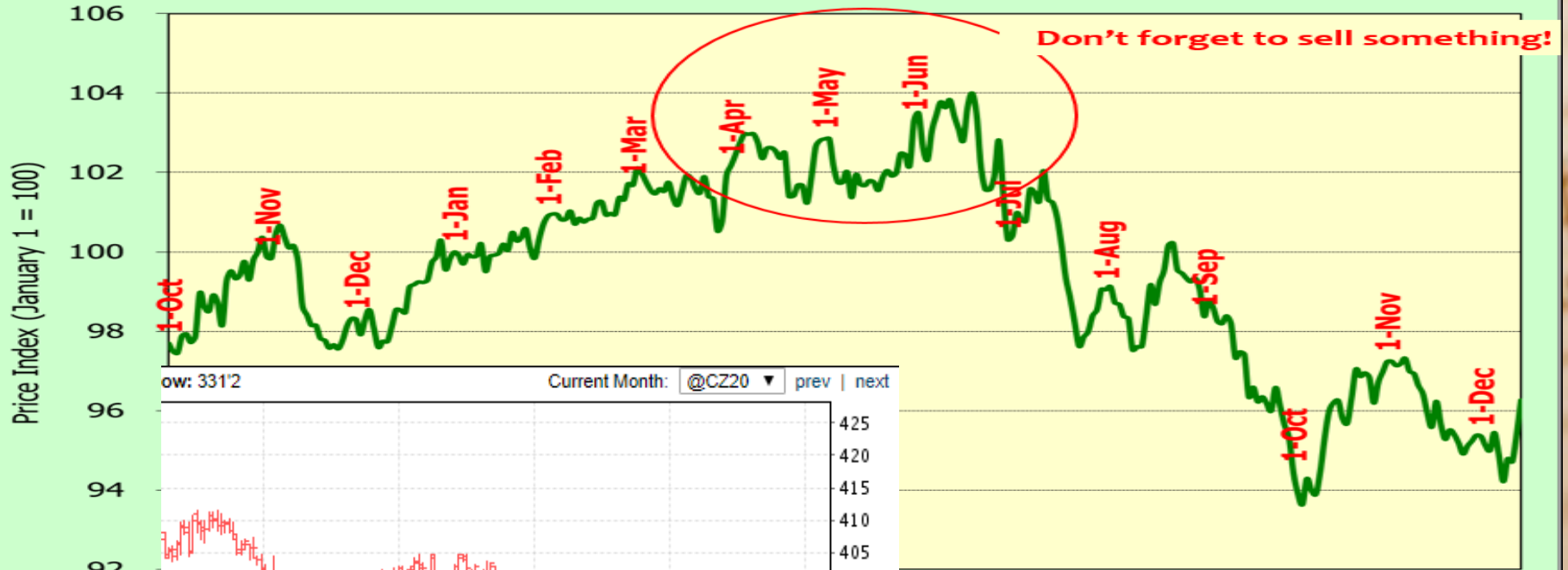


DAVE GRANLUND © www.davegranlund.com

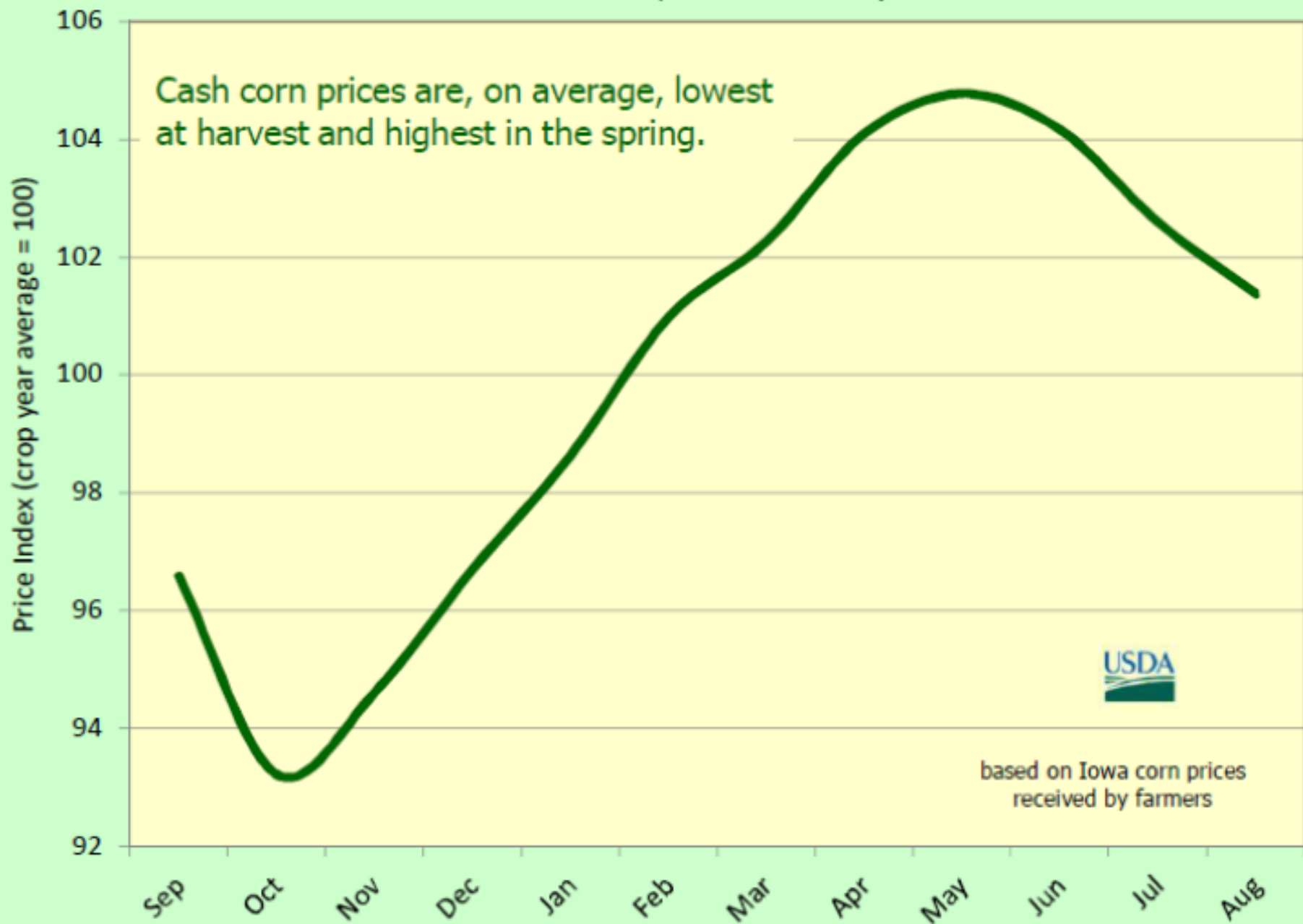
Topics for May 21st 2020

- Current Chart Comparison
- CFAP Program/Calculator
- Cash Prices for Old Crop and New Crop
 - Basis for Old Crop and New Crop
 - Basis for old/new crop-recent improvements.

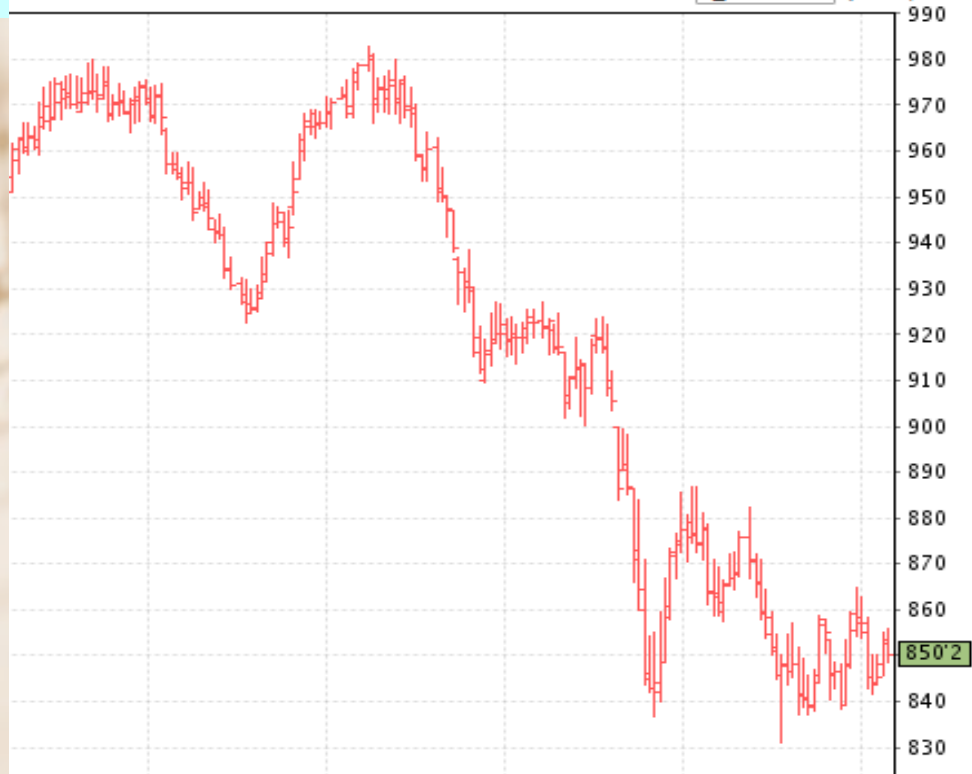
Chicago December Corn Futures, 2000-2018 average



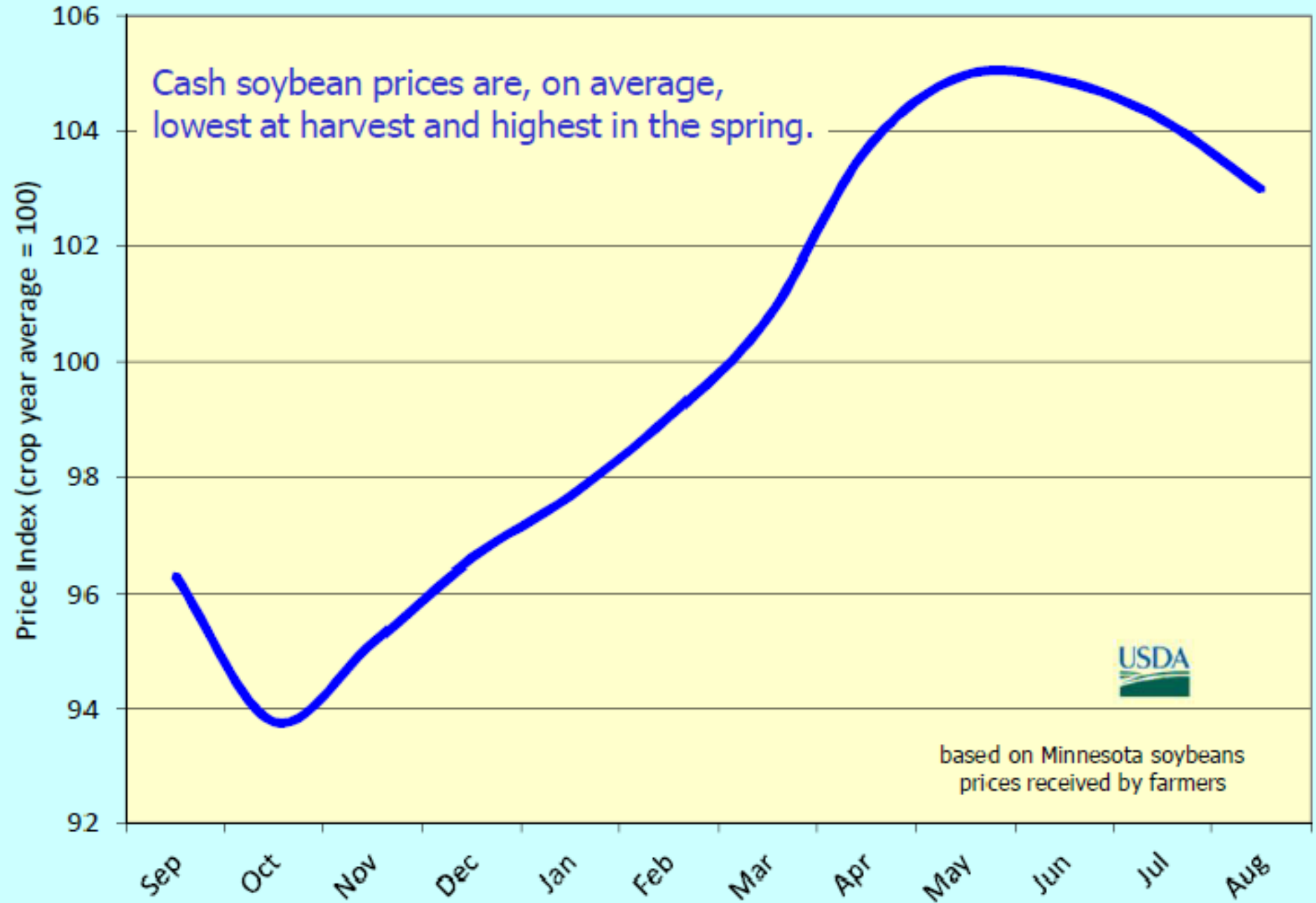
Index of Iowa Corn Prices, 1990-2014 Crop Years



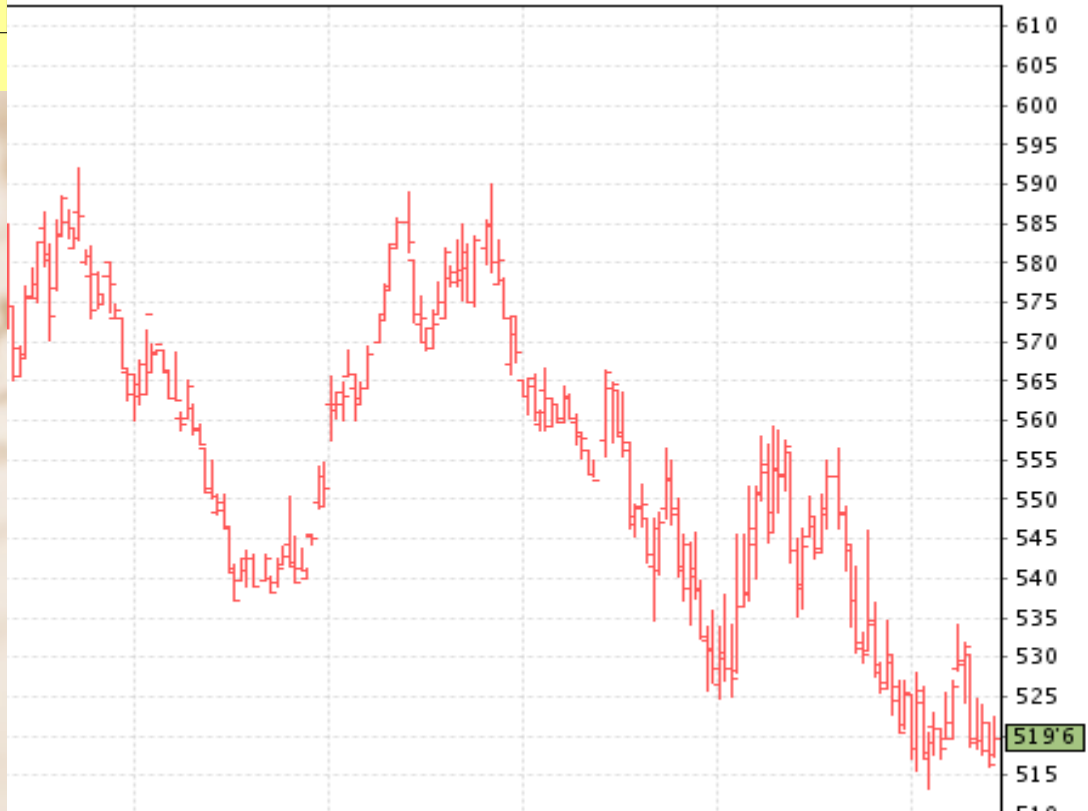
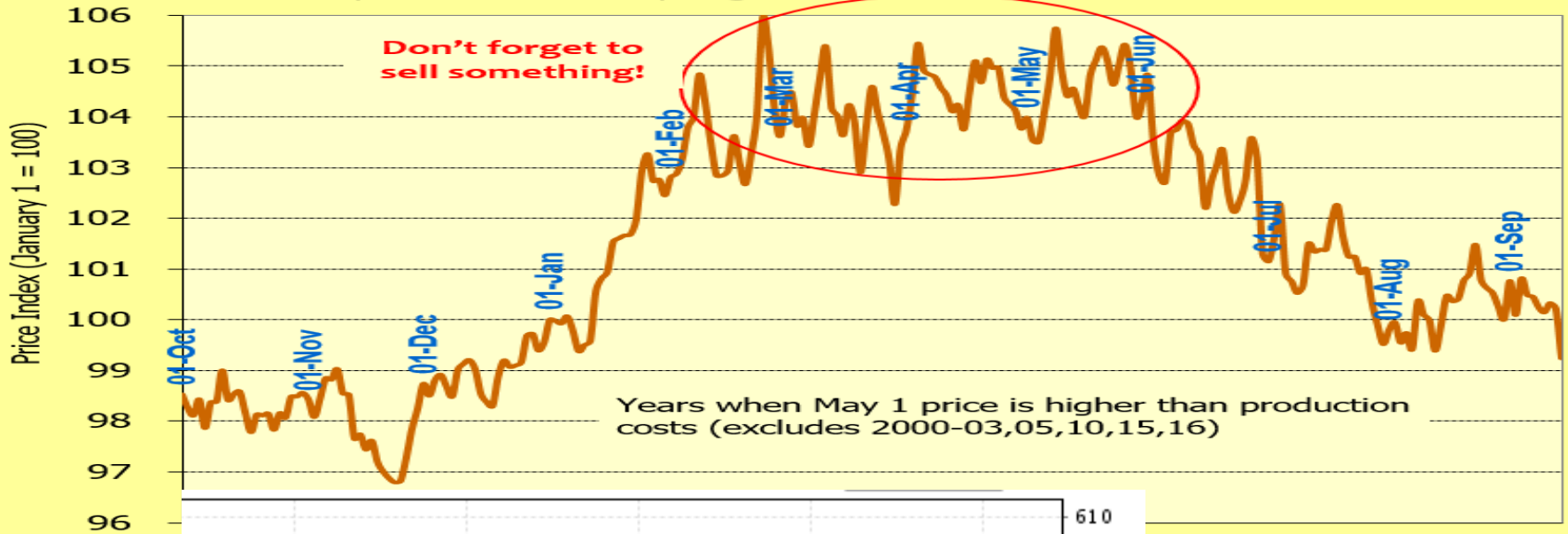
Chicago November Soybean Futures, 2000-2018



Index of Minnesota Soybean Prices, 1990-2014 Crop Years

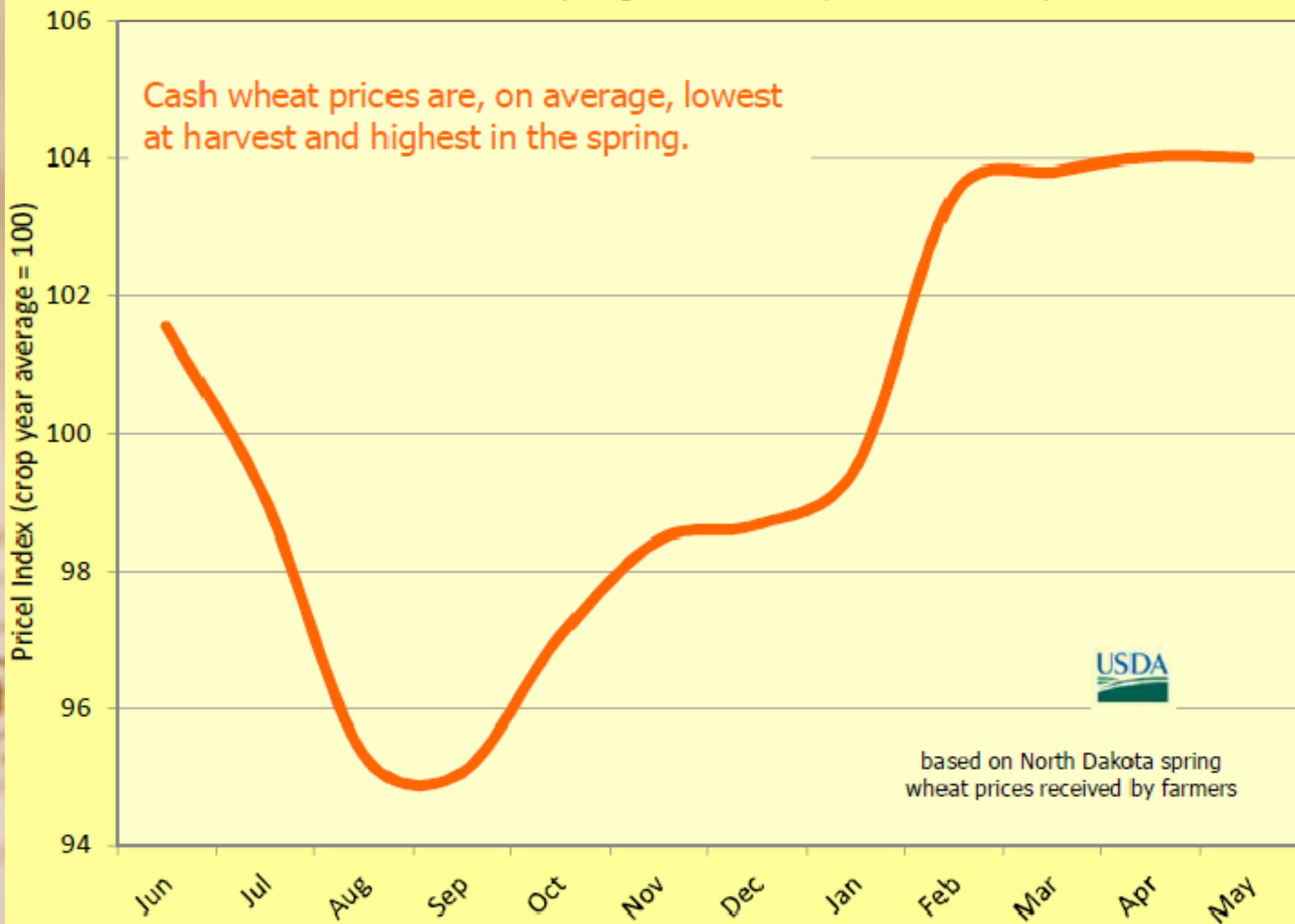


September MGEX Spring Wheat Futures, 2000-2018



Index of North Dakota Spring Wheat Prices, 1990-2014 Crop Years

Cash wheat prices are, on average, lowest at harvest and highest in the spring.



Crop Critical Weather Events

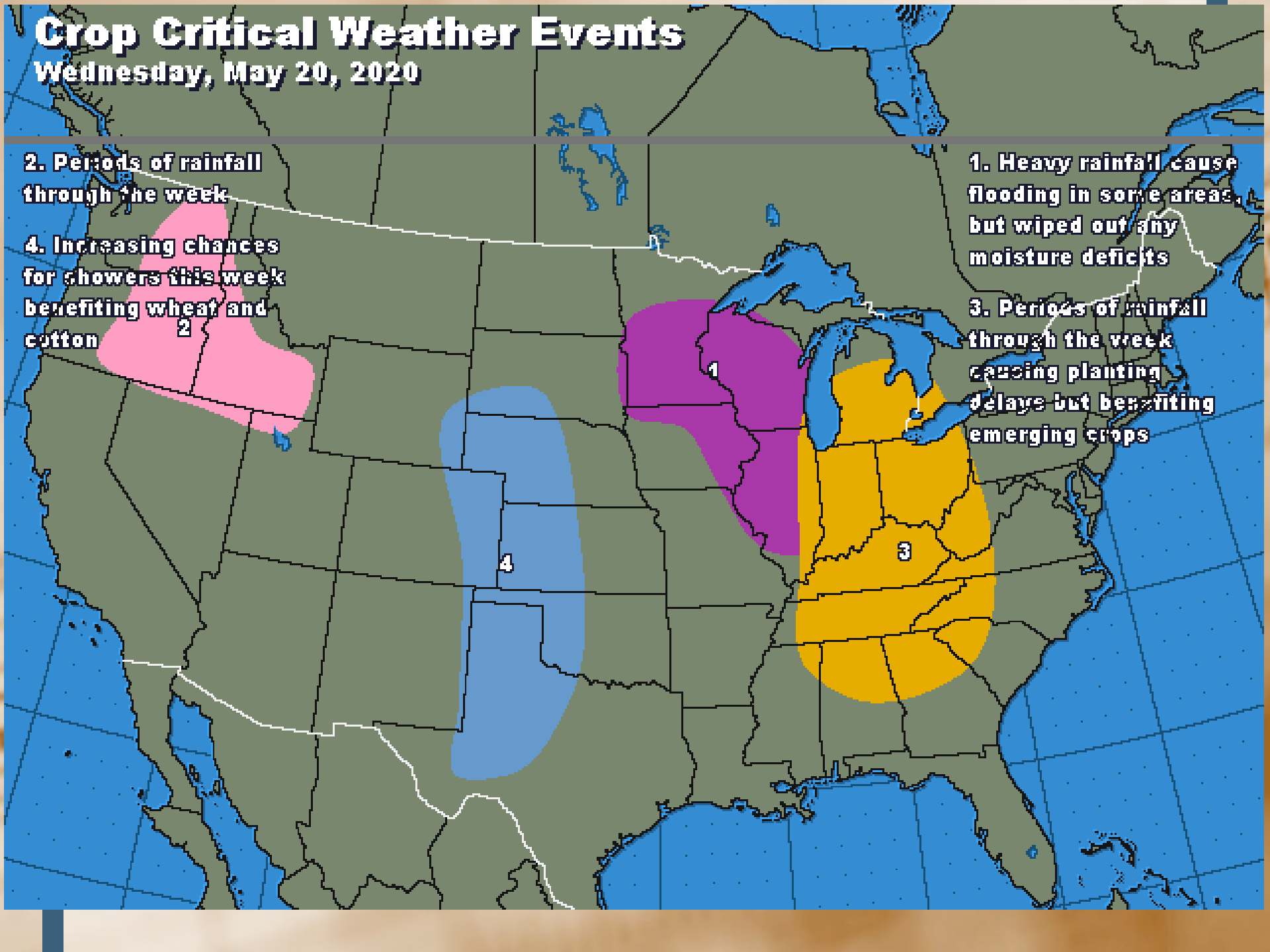
Wednesday, May 20, 2020

2. Periods of rainfall through the week

4. Increasing chances for showers this week benefiting wheat and cotton

1. Heavy rainfall cause flooding in some areas, but wiped out any moisture deficits

3. Periods of rainfall through the week causing planting delays but benefiting emerging crops

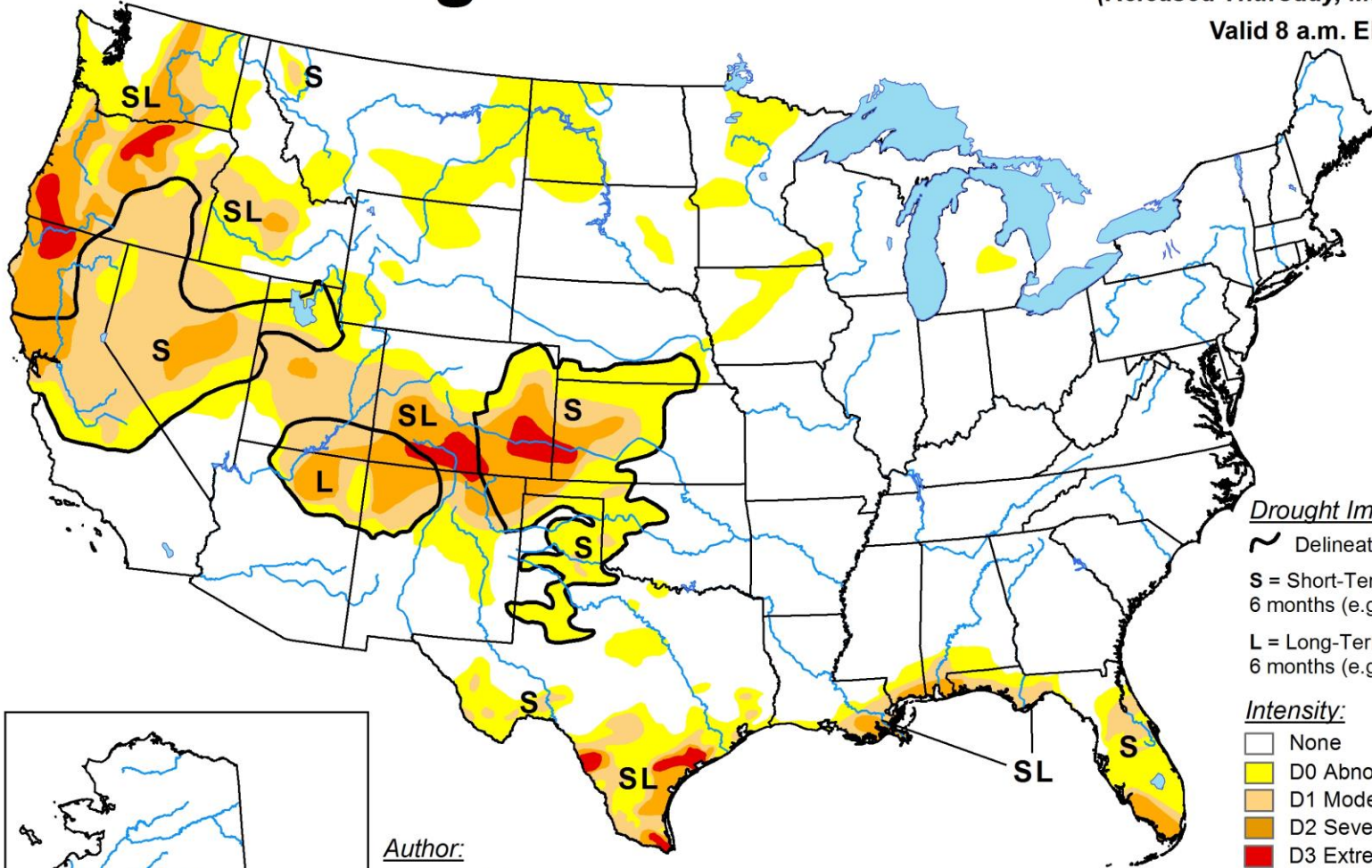


U.S. Drought Monitor

May 12, 2020

(Released Thursday, May. 14, 2020)

Valid 8 a.m. EDT



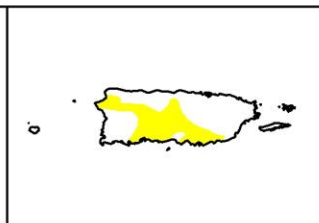
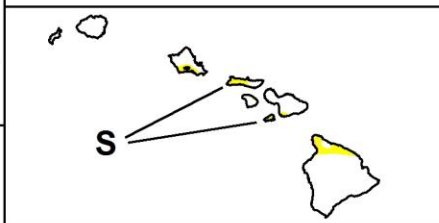
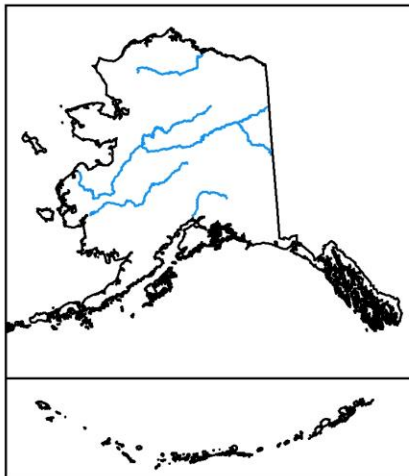
Drought Impact Types:

- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

Intensity:

- None
- D0 Abnormally Dry
- D1 Moderate Drought
- D2 Severe Drought
- D3 Extreme Drought
- D4 Exceptional Drought

Author:
Richard Tinker
CPC/NOAA/NWS/NCEP



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



droughtmonitor.unl.edu

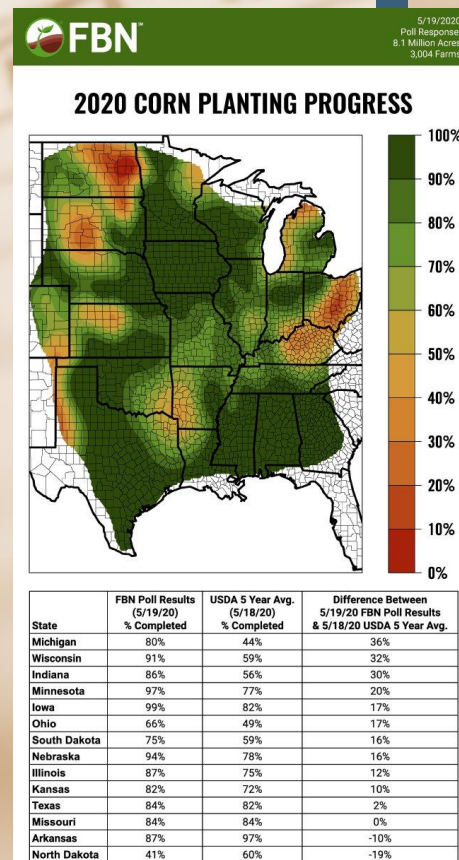
CFAP Program Information

- Walk through on Calculator from Josh and Ron.
- Signup May 26th, hoping checks within 7-10 days.
- Might be more coming-Per Sonny Perdue interview with RRF network. They don't believe this is adequate.

Side note-Whip + Quality loss adjustment figured by July.

Cash Prices for Old Crop and New Crop-Marketing Impact Factors

- More states opening up-MN update
- Packing facilities are starting to ramp back up on processing-Interesting sights of beef and pork prices at grocery stores though.
- Waiting for more China buying
- Acre estimate changes-basically 2.5 million switch-Corn-Soy
- Planting Progress-Corn, Soybeans, Wheat-good except ND
- Virtual Wheat tour
- Basis Improvements/Changes
- Grain are oversold, but difficult to get much movement.

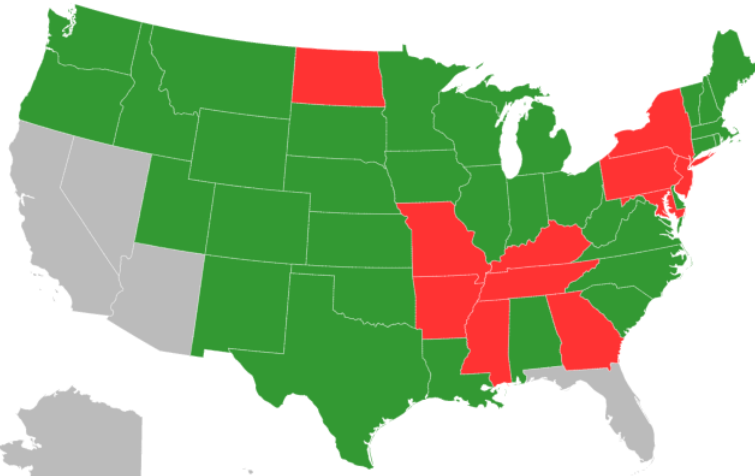


Western MO/AR are experiencing planting delays and replanting due to heavy rains and flooding in that area.

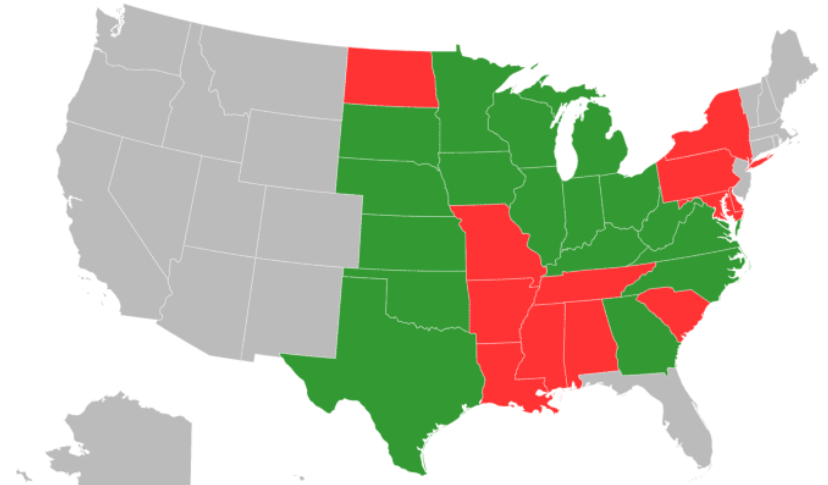
2020 CORN PLANTING-PROGRESS

2020 SOYBEAN PLANTING-PROGRESS

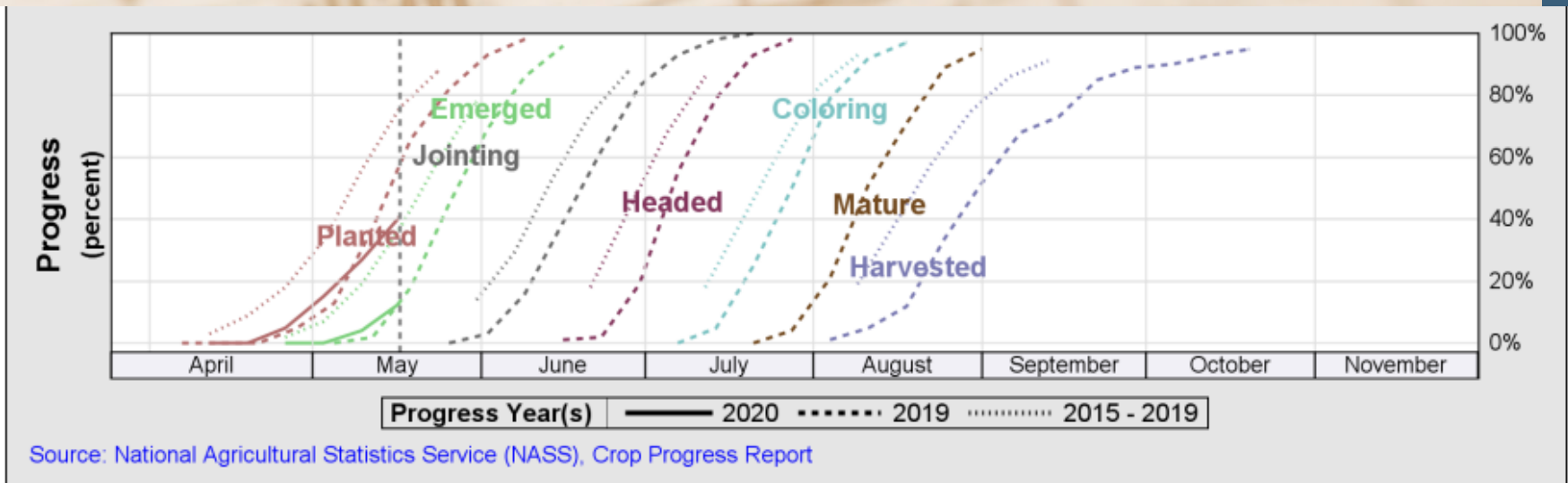
U.S. THIS YEAR: 80%



U.S. THIS YEAR: 53%



North Dakota Wheat Progress



Source: National Agricultural Statistics Service (NASS), Crop Progress Report

ELECTRONIC CRUDE OIL (QCLN20)

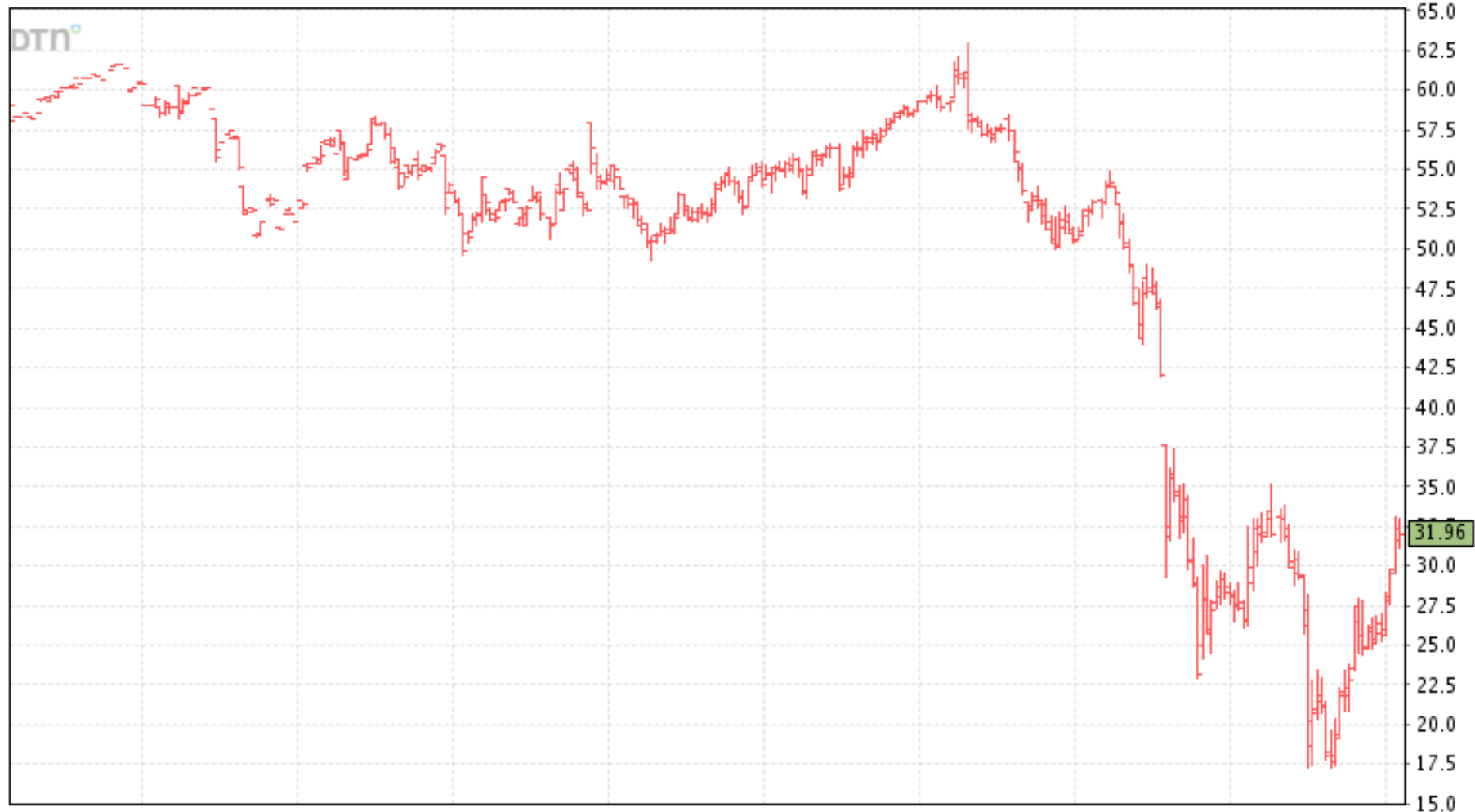
 Print

Symbol: [Symbol Search](#) | [Symbol Lookup](#)

[Historical Chart](#) | [Chart](#) | [Options](#) | [Futures Chain](#) | [Spread Matrix](#)

Last: 32.98 | Chg: 1.02 | %Chg: 3.19 | Open: 31.89 | High: 33.74 | Low: 31.56

Current Month:



ELEC. LEAN HOGS (@HEM20)

 Print

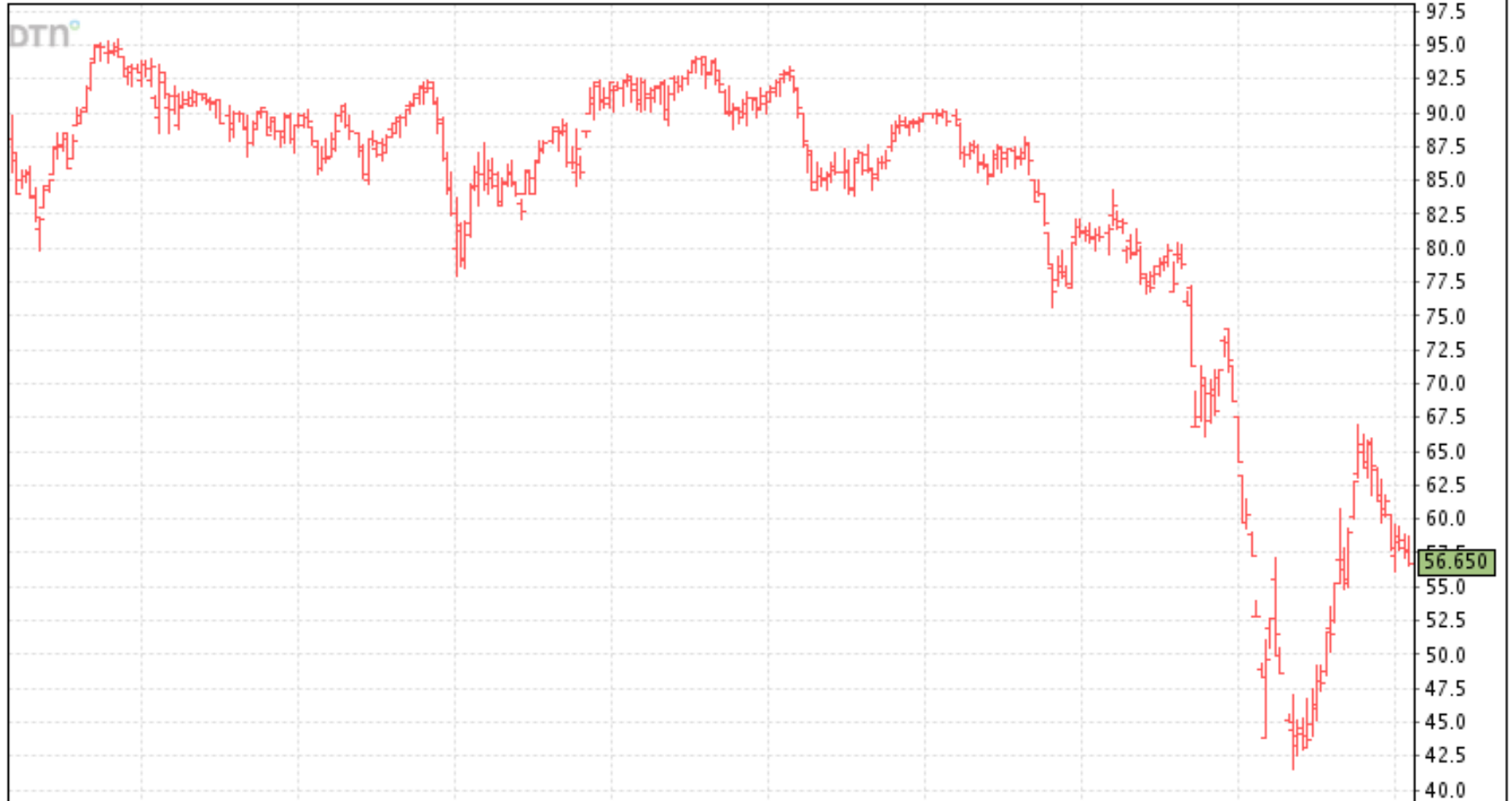
Symbol:

[Symbol Search](#) | [Symbol Lookup](#)

[Historical Chart](#) | [Chart](#) | [Options](#) | [Futures Chain](#) | [Spread Matrix](#)

Last: 56.600 | Chg: -0.050 | %Chg: -0.09 | Open: 56.050 | High: 56.900 | Low: 55.750

Current Month:



ELEC. LIVE CATTLE (@LEM20)



Symbol: @LEM20

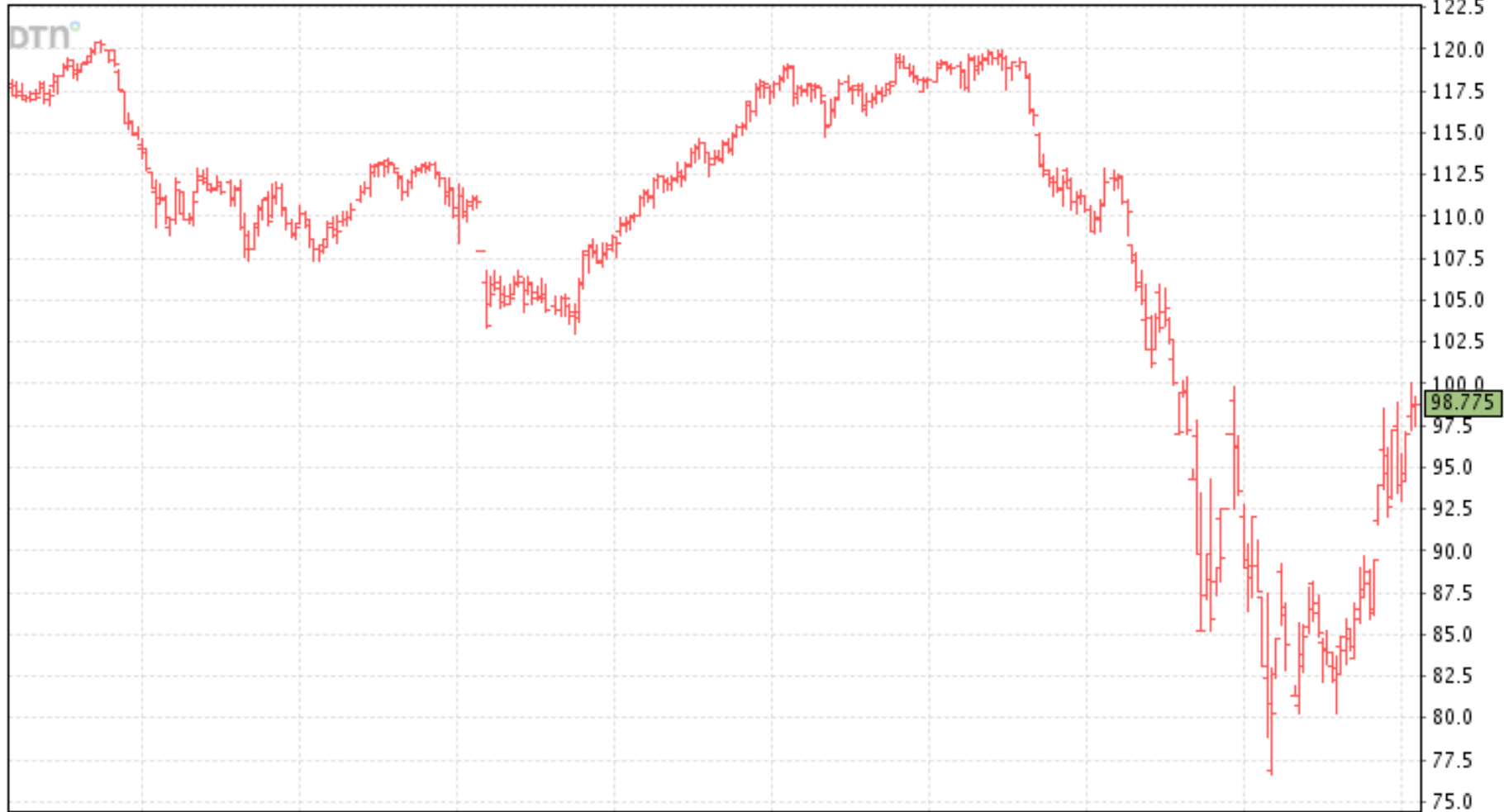
Go

Symbol Search | Symbol Lookup

Historical Chart | Chart | Options | Futures Chain | Spread Matrix

Last: 98.125 | Chg: -0.650 | %Chg: -0.66 | Open: 99.000 | High: 99.775 | Low: 97.825

Current Month: @LEM20 next



Cash Prices for Old Crop and New Crop-Marketing Impact Factors

- 2020 Corn Bean Ratio: $8.544/3.334 = 2.563$
to 1 (Favors Beans-up from two weeks ago.)

National Marketing Year Price Update for PLC/ARC

- **ARC, PLC, and ARC IC for 2019 should have payments in Oct 20**
- Corn at \$3.63 below PLC Reference of \$3.70, Payment estimate \$0.07
- *Soybeans at \$8.55 above PLC Reference of \$8.40*
- Wheat at 4.62 below PLC reference price of \$5.50. Payment estimate \$0.88
- Based on those prices PLC would give a payment for Corn and Wheat. Max ARC-Co Wheat likely
- Wheat has till May 31 for marketing year to end and corn has till August 31 for that marketing year to end.

LOCAL CASH GRAIN PRICES

Northland College-<http://www.northlandfbm-moorhead.com/>

Ron Dvergsten 218-686-5448 / Josh Tjosaas 299-5863-Instructors

	5/20/2020 1:41 p.m.			5/18/2020 10:02 a.m.			5/11/2020 9:35 a.m.			5/4/2020 8:33 a.m.		
	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop
WHEAT:	July 20- May Del	July 20-June Del	Sept 20-Aug Del	July 20- May Del	July 20-June Del	Sept 20- Aug Del	July 20-May Del	July 20-June Del	Sept 20-Aug Del	July 20-May Del	July 20- June Del	Sept 20-Aug Del
Georgetown	4.81	4.81		4.65	4.65		4.81	4.81				
Maple River	4.59	4.59	4.55	4.43	4.43	4.39	4.59	4.59	4.54	4.42	4.42	4.37
Protein	+0.03*1/5	+0.03*1/5		+0.03*1/5	+0.03*1/5		+0.03*1/5	+0.03*1/5		+0.03*1/5	+0.03*1/5	
GFE	-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5	
Basis: Gtwn	-0.40	-0.40		-0.40	-0.40		-0.40	-0.40				
Breck	-0.60	-0.60	-0.65	-0.60	-0.60	-0.65	-0.60	-0.60	-0.65	-0.60	-0.60	-0.65
Felton	-0.52	-0.52	-0.47	-0.52	-0.52	-0.47	-0.52	-0.52	-0.47	-0.42	-0.42	-0.47
MRG	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77
SOYBEANS:	July 20- May Del	July 20-June Del	Nov 20-Oct Del	July 20- May Del	July 20-June Del	Nov 20-Oct Del	July 20-May Del	July 20-June Del	Nov 20-Oct Del	July 20-May Del	July 20- June Del	Nov 20-Oct Del
Georgetown	7.50	7.50		7.50	7.50		7.40	7.40				
Maple River	7.50	7.50	7.67	7.50	7.50	7.67	7.55	7.55	7.64	7.35	7.35	7.47
Basis: Gtwn	-0.97	-0.97		-0.97	-0.97		-1.17	-1.17				
Breck	-0.70	-0.70	-0.75	-0.70	-0.70	-0.80	-0.80	-0.75	-0.85	-0.80	-0.75	-0.85
Felton	-0.97	-0.97	-0.82	-0.97	-0.97	-0.82	-0.97	-0.97	-0.82	-1.17	-1.17	-0.97
MRG	-0.97	-0.97	-0.87	-0.97	-0.97	-0.87	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97
CORN:	July 20- May Del	July 20-June Del	Dec 20-Dec Del	July 20- May Del	July 20-June Del	Dec 20-Dec Del	July 20-May Del	July 20-June Del	Dec 20-Dec Del	July 20-May Del	July 20- June Del	Dec 20-Dec Del
Georgetown	2.55	2.55		2.55	2.55		2.55	2.55				
Cargill	2.65	2.65	2.97	2.65	2.65	2.95	2.63	2.63	2.93	2.60	2.58	2.91
Basis-Gtwn	-0.65	-0.65		-0.65	-0.65		-0.65	-0.65				
Cargill	-0.55	-0.55	-0.37	-0.55	-0.55	-0.37	-0.55	-0.55	-0.43	-0.55	-0.57	-0.43
Felton	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.67	-0.67	-0.77
MRG	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.57	-0.57	-0.57	-0.67	-0.62	-0.62

Loan Rates

	2020	2020	2020
Crop	Clay	Norman	Wilkin
Wheat	3.96	3.95	3.97
Corn	2.05	2.02	2.03
Soybeans	5.96	5.92	5.98

Commodity Int. Rate: 1.125% May 1, 2020 Farm Storage Loans

Annual Interest Rate	Length of Loan Term	Annual Interest Rate	Length of Loan Term
0.250%	3 years	0.750%	10 years
0.375%	5 years	0.750%	12 years
0.625%	7 years		

Basis for Old Crop and New Crop

- Basis Changes-Old Crop Corn-Slightly Improving
- New Crop Basis for Corn and Soybeans are relatively good historically given the past several year. Consider looking for unable to store amounts of soybeans and even corn.

2019 and 2020 Crop Targets

- 19 Corn-July Futures 2020-\$3.80-\$4.00
- 20 Corn Dec Futures 2020-\$4.00-4.10 Start-Cash \$3.50-Cash Flow plan
- 19 Soybeans Corn-July Futures 2020-\$9.40-9.50
- 20 Soybeans Dec Futures 2020-\$9.60 Start-Cash \$8.75 Cash Flow plan
- 19 Spring Wheat-July Futures 2020-\$5.50-\$5.70
- 20 Spring Wheat Sept Futures 2020-\$5.75-5.80-Cash \$5.25 Cash Flow Plan
- 20 Spring Wheat Dec Futures 2020-\$5.95-6.00
- Dec Wheat at \$5.44 on 5/20-If get -\$0.10 basis, \$5.34 cash if better than the cash flow at \$5.25-something to consider

Current Efforts for resilience:



Rural Mental Health Specialists

*Supported in partnership with the
Minnesota Department of Ag and
Centers of Excellence

Ted Matthews

tedmatthews317@gmail.com

Cell Phone: 320-266-2390



**Monica McConkey-new*

monicamarielm@yahoo.com

Phone: 218-280-7785

CFAP Crop Estimator	2019 Production	2019 Inventory Not > 50%	CARES	CCC Pa	Combin	Payment Arr	
Malting Barley (bu)			0	\$0.34	\$0.37	\$0.71	\$0.00
Canola (lb)			0	\$0.01	\$0.01	\$0.02	\$0.00
Corn (bu)			0	\$0.32	\$0.35	\$0.67	\$0.00
Upland Cotton (lb)			0	\$0.09	\$0.10	\$0.19	\$0.00
Millet (bu)			0	\$0.31	\$0.34	\$0.65	\$0.00
Oats (bu)			0	\$0.15	\$0.17	\$0.32	\$0.00
Sorghum (bu)			0	\$0.30	\$0.32	\$0.62	\$0.00
Soybeans (bu)			0	\$0.45	\$0.50	\$0.95	\$0.00
Sunflowers (lb)			0	\$0.02	\$0.02	\$0.04	\$0.00
Wheat, Durum (bu)			0	\$0.19	\$0.20	\$0.39	\$0.00
Wheat, Hard Red Spring (bu)			0	\$0.18	\$0.20	\$0.38	\$0.00

Total Amount Expected \$0.00

USDA will initially pay only 80% of total amount

* Enter numbers in green columns only

ELEC. CORN (@C) [10]					ELEC. SOYBEANS (@S) [10]					ELEC. WHEAT (@W) [10]				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Jul-20	319'4s	-1'6	321'4	317'2	Jul-20	846'6s	4'2	849'4	842'0	Jul-20	513'6s	15'0	517'6	496'0
Sep-20	324'2s	-1'2	325'6	321'6	Aug-20	849'2s	4'0	851'6	844'6	Sep-20	515'2s	13'6	519'2	499'2
Dec-20	334'0s	-0'2	335'0	331'2	Sep-20	849'6s	4'0	852'2	845'6	Dec-20	522'6s	12'2	527'0	508'6
Mar-21	346'4s	0'0	347'4	344'0	Nov-20	854'0s	3'6	856'6	850'0	Mar-21	530'0s	10'6	534'0	517'4
May-21	354'0s	0'6	354'6	351'2	Jan-21	857'0s	3'2	860'0	853'4	May-21	532'6s	9'6	536'4	521'0
Jul-21	359'2s	0'6	359'6	356'2	Mar-21	850'2s	3'2	854'0	847'0	Jul-21	530'0s	8'0	533'4	519'2
Sep-21	359'2s	0'6	359'6	356'0	May-21	848'2s	3'0	852'6	845'0	Sep-21	533'2s	8'0	534'0	526'2
Dec-21	365'6s	1'2	366'2	362'0	Jul-21	855'6s	3'2	860'2	852'4	Dec-21	543'0s	7'4	546'2	532'6
ELECTRONIC OATS (@O) [10]					ELECTRONIC SOYBEAN MEAL (@SM) [10]					ELECTRONIC SOYBEAN OIL (@BO) [10]				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Jul-20	318'0s	2'2	320'4	315'4	Jul-20	285.5s	0.9	287.5	284.5	Jul-20	27.36s	0.27	27.40	26.92
Sep-20	282'2s	0'2	283'2	281'2	Aug-20	287.3s	0.8	289.3	286.4	Aug-20	27.53s	0.25	27.57	27.11
Dec-20	275'0s	2'2	275'0	273'6	Sep-20	288.8s	0.7	290.6	287.9	Sep-20	27.69s	0.26	27.71	27.29
Mar-21	278'0s	2'0	275'6	275'6	Oct-20	290.0s	0.6	292.0	289.2	Oct-20	27.84s	0.26	27.85	27.44
May-21	281'0s	2'0	---	---	Dec-20	293.1s	0.6	294.9	292.2	Dec-20	28.15s	0.26	28.17	27.73
Jul-21	281'0s	2'0	---	---	Jan-21	294.0s	0.3	296.2	293.4	Jan-21	28.32s	0.25	28.33	27.92
Sep-21	288'2s	2'0	---	---	Mar-21	291.7s	0.2	294.2	291.3	Mar-21	28.42s	0.25	28.44	28.06
Dec-21	288'2s	2'0	---	---	May-21	290.2s	0.3	293.1	289.8	May-21	28.53s	0.25	28.55	28.15
ELECTRONIC ROUGH RICE (@RR) [10]					ELEC. HRS WHEAT (@KW) [10]					ELEC. HRS WHEAT (@MW) [10]				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Jul-20	16.085s	0.015	16.195	16.005	Jul-20	453'2s	11'6	454'0	438'6	Jul-20	520'4s	12'2	523'6	508'2
Sep-20	11.965s	0.030	11.970	11.920	Sep-20	459'6s	11'4	460'4	445'4	Sep-20	531'6	12'0	534'2	520'0
Nov-20	11.705s	0.000	11.710	11.710	Dec-20	471'4s	11'2	472'0	458'2	Dec-20	544'2s	11'4	546'6	533'6
Jan-21	11.905s	0.000	---	---	Mar-21	482'4s	10'4	482'4	469'6	Mar-21	556'6	10'4	556'6	547'0
Mar-21	12.055s	0.000	---	---	May-21	489'6s	10'0	490'2	477'4	May-21	564'4	9'6	566'2	555'6
May-21	12.055s	0.000	---	---	ELECTRONIC CANOLA (@RS) [10]					Jul-21	561'0s	2'0	---	---
Jul-21	12.055s	0.000	---	---	ELECTRONIC BARLEY (@BW) [0]					ELECTRONIC MILLING WHEAT (@WA) [0]				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Jul-20	472.6s	0.3	473.9	471.8	Jul-20	472.6s	0.3	473.9	471.8	Jul-20	472.6s	0.3	473.9	471.8
Nov-20	479.3s	0.3	480.4	478.6	Nov-20	479.3s	0.3	480.4	478.6	Nov-20	479.3s	0.3	480.4	478.6
Jan-21	485.5s	0.0	486.8	485.4	Jan-21	485.5s	0.0	486.8	485.4	Jan-21	485.5s	0.0	486.8	485.4
Mar-21	490.9s	0.0	492.2	490.7	Mar-21	490.9s	0.0	492.2	490.7	Mar-21	490.9s	0.0	492.2	490.7
May-21	494.7s	0.5	496.8	494.5	May-21	494.7s	0.5	496.8	494.5	May-21	494.7s	0.5	496.8	494.5
ELECTRONIC DURUM WHEAT (@DW) [0]														
Month	Last	Chg	High	Low										

Quotes generated on: Wed, May 20, 2020 1:42 PM CDT *Quotes are in market time

LOCAL CASH GRAIN PRICES

Northland College-<http://www.northlandfbm-moorhead.com/>

Ron Dvergstén 218-686-5448 / Josh Tjosaas 299-5863-Instructors

	5/20/2020 1:41 p.m.			5/18/2020 10:02 a.m.			5/11/2020 9:35 a.m.			5/4/2020 8:33 a.m.		
	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2020 Crop
<u>WHEAT:</u>	July 20- May Del	July 20-June Del	Sept 20-Aug Del	July 20- May Del	July 20-June Del	Sept 20- Aug Del	July 20-May Del	July 20-June Del	Sept 20-Aug Del	July 20-May Del	July 20- June Del	Sept 20-Aug Del
Georgetown	4.81	4.81		4.65	4.65		4.81	4.81				
Maple River	4.59	4.59	4.55	4.43	4.43	4.39	4.59	4.59	4.54	4.42	4.42	4.37
Protein	+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5		+.03*1/5	+.03*1/5	
GFE	-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5		-.06*1/5	-.06*1/5	
Basis:Gtwn	-0.40	-0.40		-0.40	-0.40		-0.40	-0.40				
Breck	-0.60	-0.60	-0.65	-0.60	-0.60	-0.65	-0.60	-0.60	-0.65	-0.60	-0.60	-0.65
Felton	-0.52	-0.52	-0.47	-0.52	-0.52	-0.47	-0.52	-0.52	-0.47	-0.42	-0.42	-0.47
MRG	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77
<u>SOYBEANS:</u>	July 20- May Del	July 20-June Del	Nov 20-Oct Del	July 20- May Del	July 20-June Del	Nov 20-Oct Del	July 20-May Del	July 20-June Del	Nov 20-Oct Del	July 20-May Del	July 20- June Del	Nov 20-Oct Del
Georgetown	7.50	7.50		7.50	7.50		7.40	7.40				
Maple River	7.50	7.50	7.67	7.50	7.50	7.67	7.55	7.55	7.64	7.35	7.35	7.47
Basis: Gtwn	-0.97	-0.97		-0.97	-0.97		-1.17	-1.17				
Breck	-0.70	-0.70	-0.75	-0.70	-0.70	-0.80	-0.80	-0.75	-0.85	-0.80	-0.75	-0.85
Felton	-0.97	-0.97	-0.82	-0.97	-0.97	-0.82	-0.97	-0.97	-0.82	-1.17	-1.17	-0.97
MRG	-0.97	-0.97	-0.87	-0.97	-0.97	-0.87	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97
<u>CORN:</u>	July 20- May Del	July 20-June Del	Dec 20-Dec Del	July 20- May Del	July 20-June Del	Dec 20-Dec Del	July 20-May Del	July 20-June Del	Dec 20-Dec Del	July 20-May Del	July 20- June Del	Dec 20-Dec Del
Georgetown	2.55	2.55		2.55	2.55		2.55	2.55				
Cargill	2.65	2.65	2.97	2.65	2.65	2.95	2.63	2.63	2.93	2.60	2.58	2.91
Basis-Gtwn	-0.65	-0.65		-0.65	-0.65		-0.65	-0.65				
Cargill	-0.55	-0.55	-0.37	-0.55	-0.55	-0.37	-0.55	-0.55	-0.43	-0.55	-0.57	-0.43
Felton	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.67	-0.67	-0.77
MRG	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.57	-0.57	-0.57	-0.67	-0.62	-0.62

Loan Rates

	2020	2020	2020
Crop	Clay	Norman	Wilkin
Wheat	3.96	3.95	3.97
Corn	2.05	2.02	2.03
Soybeans	5.96	5.92	5.98

Commodity Int. Rate: 1.125% May 1, 2020 Farm Storage Loans

<u>Annual Interest Rate</u>	<u>Length of Loan Term</u>	<u>Annual Interest Rate</u>	<u>Length of Loan Term</u>
0.250%	3 years	0.750%	10 years
0.375%	5 years	0.750%	12 years
0.625%	7 years		

MARKETING NEWSLETTER COMPARISONS

Northland College–Josh Tjosaas and Ron Dvergstén, Instructors

5-7-2020	WHEAT	SOYBEANS	CORN	OTHER
Pro Farmer:	19: 90% sold for cash sellers and for H's 90% sold. 20: 30% sold for cash sellers and 30% sold for HTA Trend is even.	19: 70% sold for cash sellers and for H's 70% sold. Trend is lower.	19: 60% sold for cash sellers and for H's 50% sold. 20: 50% FO Trend is lower.	Cattle: No Sales Trend is lower.
Money Farm:	19-60% HTA-\$5.48 20-25% Hedged	19-60% Sold-\$9.73 20-10% HTA	19: Price 60% HTA Dec 2019-\$4.09	Luke Swenson writes this daily newsletter.
Martinson Ag:	18-90% sold FF at \$6.065 Sept 19-30% sold FF at \$6.15 Sept 19	18-90% sold FF at \$9.87 19: 25% sold FF at \$9.04	18-95% sold at \$4.09 Dec 19-50% sold at \$4.21 Dec 19	Randy Martinson writes this daily newsletter.
Roach Ag:				
Farm Futures:	19: Price 60% of 2019 production at an average Minneapolis futures price of \$5.51.	19: Price 20% of 2019 production at \$9.70 basis July 2020 futures or HTAs.	19: Price 20% of expected 2019 at \$4.48175. Price 10% at \$4.3125 July Futures or HTA 20: Price 10% of expected 2020 at 4.21 Dec 20	Bryce Knorr, <i>Farm Futures</i>
Usset, U of MN:	<u>Updated 1/20/2020</u> 19: 83.3% sold at \$5.15; 5,000 bu left to price	<u>Updated 3/13/2020</u> 20: 20% sold at 9.80 Futures	<u>Updated 3/13/2020</u> 19: 95% sold at \$4.23 Cash	You can check out Ed Usset's website at http://www.cffm.umn.edu/GrainMarketing/MarketingPlans.aspx
Terms:	CBT-Chicago Board of Trade	OC–Old Crop	P–Put Option	FC–Forward Contract
	MGE-Minneapolis Grain Exchange	NC–New Crop	C–Call Option	H-Hedge
	KC–Kansas City Board of Trade	OTM–Out-of-the-Money	ATM–At-the-Money	F/O-Futures/Options
NEXT USDA CROP REPORT: WASDE May 12th, 2020 Bold: indicates change from last week.				

“The information provided by Northland Farm Business Management is for informational and comparison purposes only. It is not intended to be considered marketing or trading advice for your individual operation. The risk of loss in trading futures and/or options is substantial and each investor and/or trader must consider whether this is a suitable investment. By accepting this communication, you agree that you are capable of making independent trading decisions, and agree that you are not, and will not, rely solely on this communication in making trading decisions.”

2018 and 2019 Wheat



2018 and 2019 Soybeans



2018 and 2019 Corn



2019 & 2020 Wheat

2019 Red, 2020 Green



2019 & 2020 Soybeans

2019 Red, 2020 Green

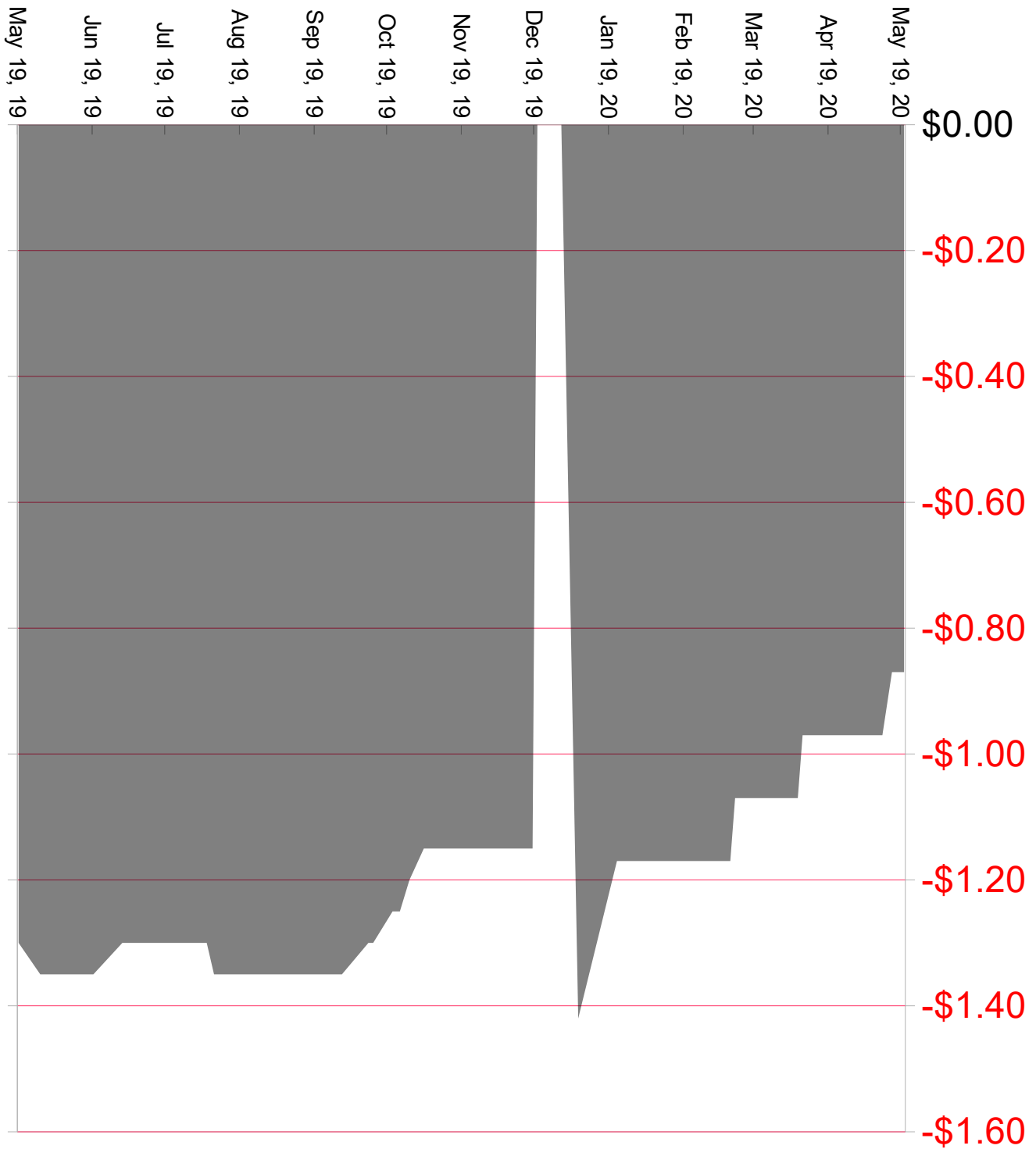


2019 and 2020 Corn

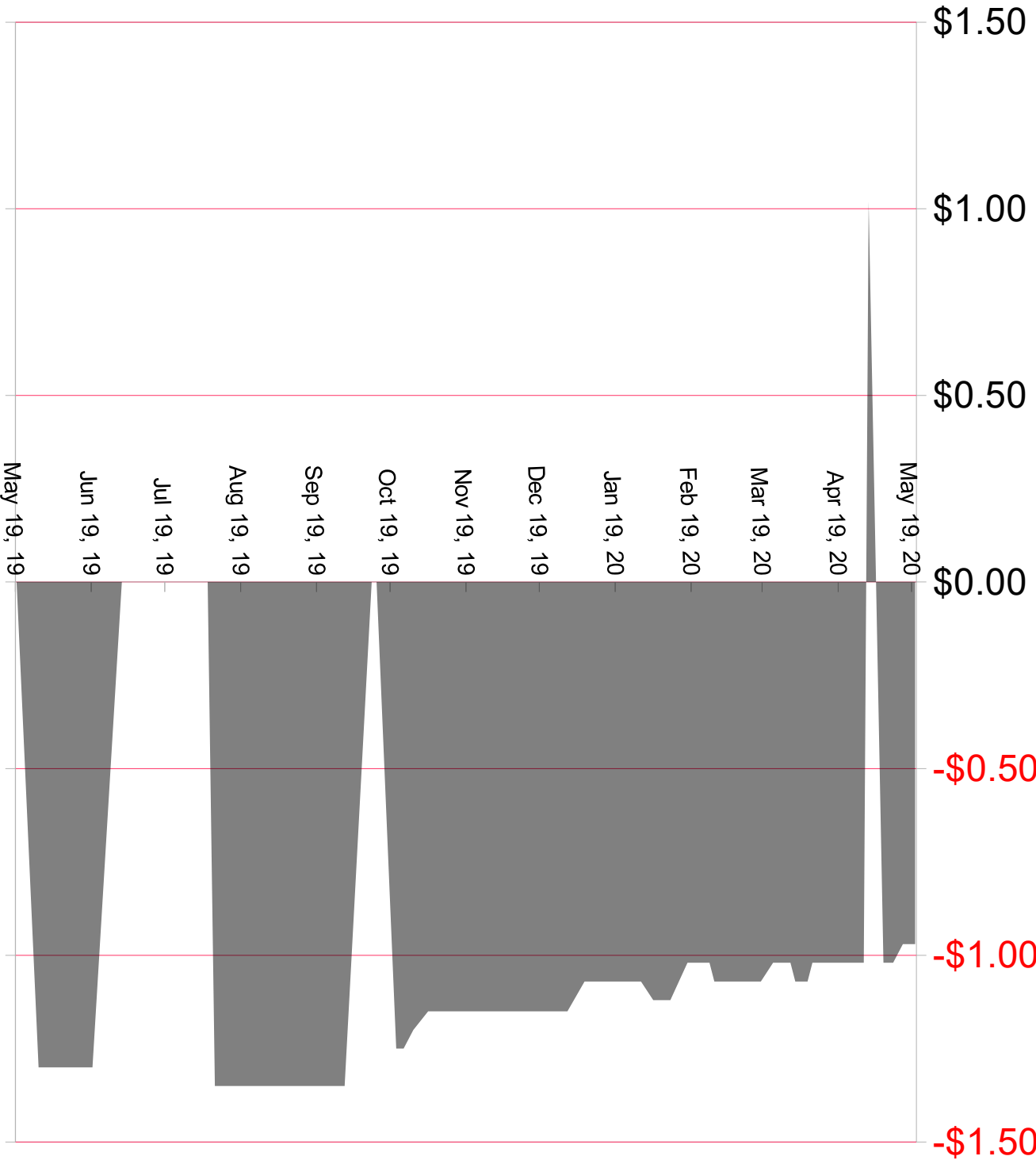
2019 Red, 2020 Green



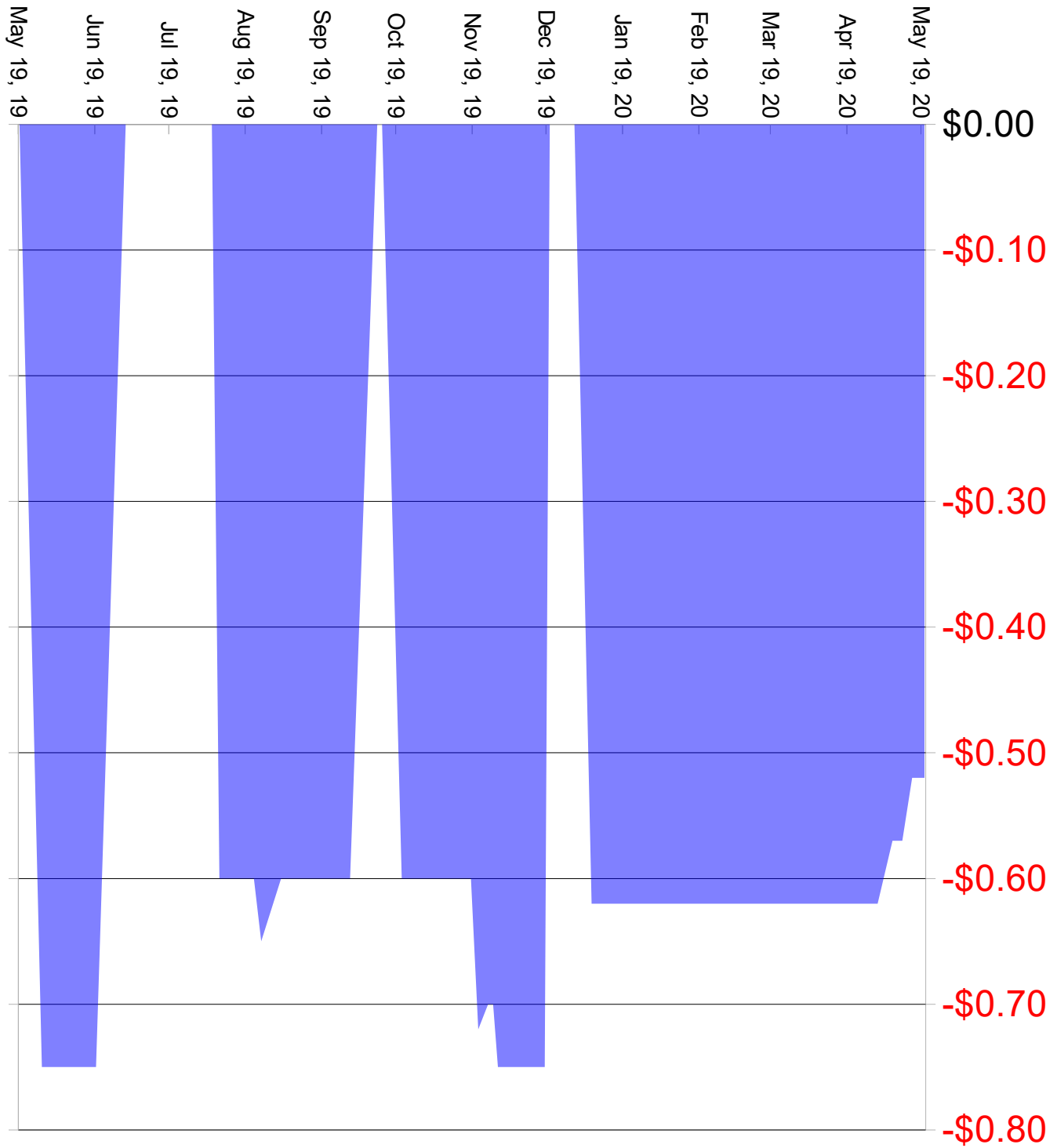
New crop Soybean basis



Old crop Soybean basis



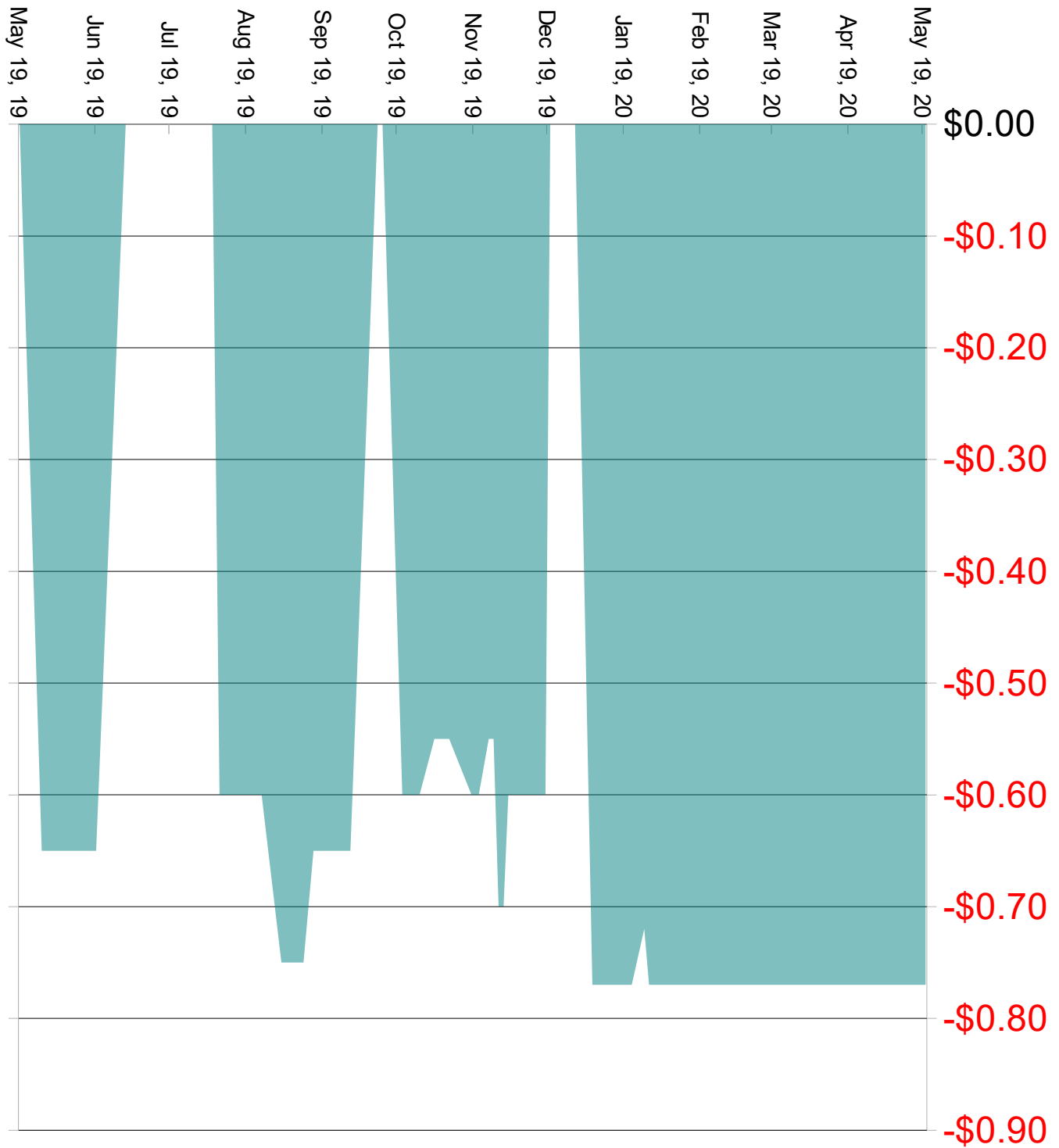
new crop Corn basis



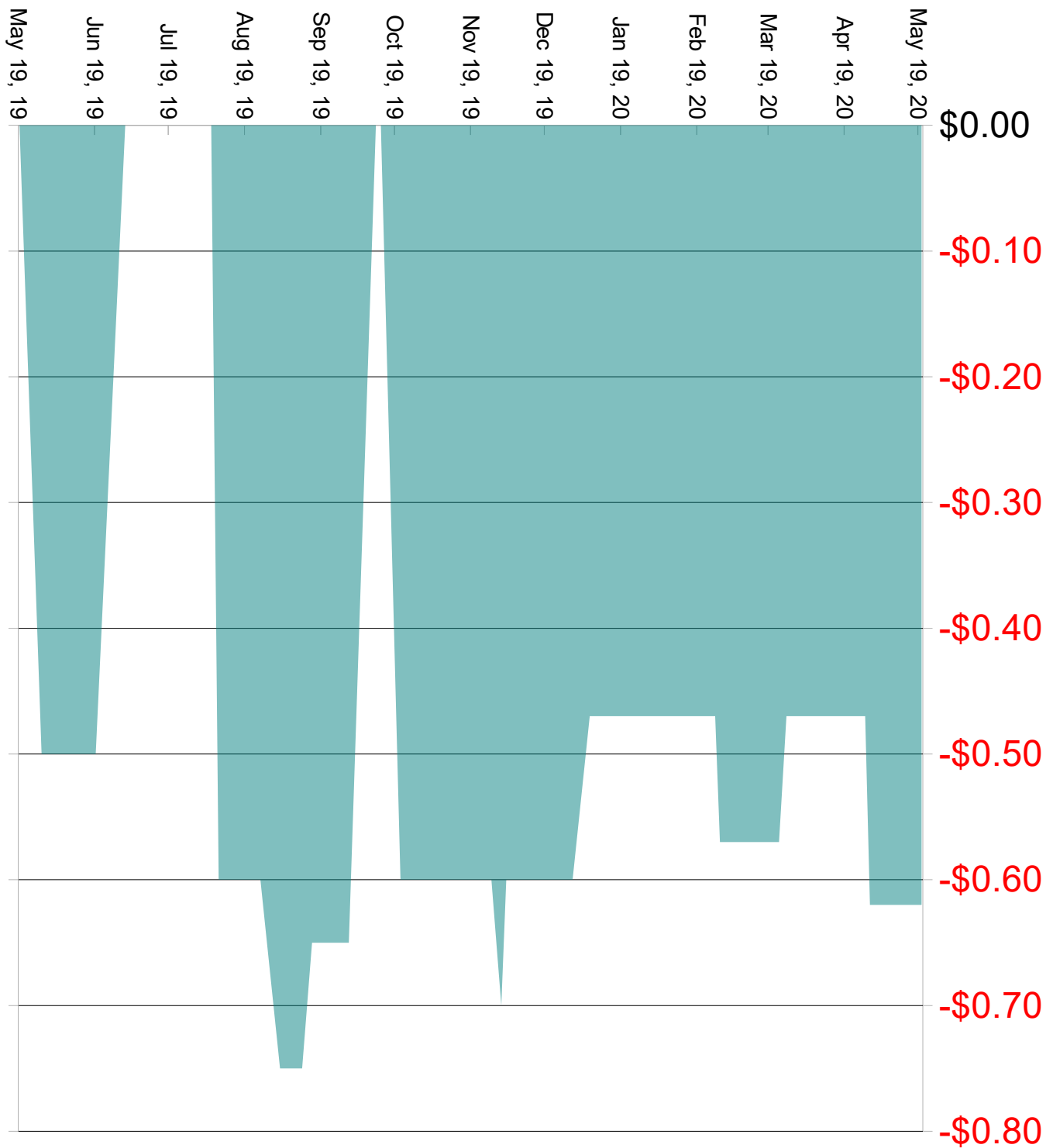
old crop Corn basis



new crop Wheat basis



old crop Wheat basis



Corn Quotes	2/6/2020	Spread		2/12/2020	Spread		2/18/2020	Spread		2/24/2020	Spread
Dec-20	3.896		Dec-20	3.926		Dec-20	3.914		Dec-20	3.83	
Mar-21	3.99	0.094	Mar-21	4.02	0.094	Mar-21	4.006	0.092	Mar-21	3.92	0.09
May-21	4.026	0.13	May-21	4.052	0.126	May-21	4.046	0.132	May-21	3.966	0.136
Jul-21	4.052	0.156	Jul-21	4.076	0.15	Jul-21	4.064	0.15	Jul-21	3.984	0.154
	2/26/2020			3/2/2020			3/6/2020			3/11/2020	
Dec-20	3.816	Spread	Dec-20	3.78	Spread	Dec-20	3.81	Spread	Dec-20	3.754	Spread
Mar-21	3.916	0.1	Mar-21	3.874	0.094	Mar-21	3.92	0.11	Mar-21	3.854	0.1
May-21	3.96	0.144	May-21	3.926	0.146	May-21	3.97	0.16	May-21	3.906	0.152
Jul-21	3.984	0.168	Jul-21	3.956	0.176	Jul-21	3.996	0.186	Jul-21	3.926	0.172
	3/13/2020	Spread		3/16/2020	Spread		3/18/2020	Spread		3/20/2020	Spread
Dec-20	3.764		Dec-20	3.682		Dec-20	3.59		Dec-20	3.632	
Mar-21	3.864	0.1	Mar-21	3.79	0.108	Mar-21	3.7142	0.1242	Mar-21	3.732	0.1
May-21	3.912	0.148	May-21	3.836	0.154	May-21	3.772	0.182	May-21	3.774	0.142
Jul-21	3.936	0.172	Jul-21	3.854	0.172	Jul-21	3.8	0.21	Jul-21	3.794	0.162
	3/23/2020	Spread		3/26/2020	Spread		4/1/2020	Spread		4/3/2020	Spread
Dec-20	3.646		Dec-20	3.672		Dec-20	3.492		Dec-20	3.5	
Mar-21	3.744	0.098	Mar-21	3.774	0.102	Mar-21	3.61	0.118	Mar-21	3.612	0.112
May-21	3.782	0.136	May-21	3.82	0.148	May-21	3.672	0.18	May-21	3.666	0.166
Jul-21	3.8	0.154	Jul-21	3.84	0.168	Jul-21	3.706	0.214	Jul-21	3.7	0.2
	4/6/2020	Spread		4/9/2020	Spread		4/13/2020	Spread		4/17/2020	Spread
Dec-20	3.48		Dec-20	3.506		Dec-20	3.49		Dec-20	3.452	
Mar-21	3.592	0.112	Mar-21	3.622	0.116	Mar-21	3.606	0.116	Mar-21	3.564	0.112
May-21	3.652	0.172	May-21	3.69	0.184	May-21	3.676	0.186	May-21	3.632	0.18
Jul-21	3.686	0.206	Jul-21	3.732	0.226	Jul-21	3.724	0.234	Jul-21	3.684	0.232
	4/22/2020	Spread		4/24/2020	Spread		4/27/2020	Spread		4/29/2020	Spread
Dec-20	3.364		Dec-20	3.36		Dec-20	3.324		Dec-20	3.304	
Mar-21	3.49	0.126	Mar-21	3.476	0.116	Mar-21	3.452	0.128	Mar-21	3.44	0.136
May-21	3.56	0.196	May-21	3.542	0.182	May-21	3.522	0.198	May-21	3.514	0.21
Jul-21	3.604	0.24	Jul-21	3.592	0.232	Jul-21	3.566	0.242	Jul-21	3.57	0.266
	5/1/2020	Spread		5/4/2020	Spread		5/6/2020	Spread		5/11/2020	Spread
Dec-20	3.356		Dec-20	3.334		Dec-20	3.312		Dec-20	3.362	
Mar-21	3.486	0.13	Mar-21	3.472	0.138	Mar-21	3.444	0.132	Mar-21	3.49	0.128
May-21	3.562	0.206	May-21	3.552	0.218	May-21	3.52	0.208	May-21	3.564	0.202
Jul-21	3.616	0.26	Jul-21	3.612	0.278	Jul-21	3.572	0.26	Jul-21	3.616	0.254
	5/15/2020	Spread		5/18/2020	Spread		5/20/2020	Spread			Spread
Dec-20	3.316		Dec-20	3.32		Dec-20	3.33		Dec-20		
Mar-21	3.444	0.128	Mar-21	3.444	0.124	Mar-21	3.454	0.124	Mar-21		0
May-21	3.522	0.206	May-21	3.514	0.194	May-21	3.53	0.2	May-21		0
Jul-21	3.574	0.258	Jul-21	3.564	0.244	Jul-21	3.576	0.246	Jul-21		0

Good planting weather, Chinese buying and a WASDE report made for mixed markets. For the week, July wheat dropped 22 cents and the nearby corn contract was unchanged. Chinese buying and trade talk met a bullish WASDE in the soy complex as the July soybean contract fell 12 cents. July soybean meal weakened \$3.30 per ton. July cotton increased \$1.98 per hundredweight. Over in the dairy parlor, June Class III milk futures jumped again, this time \$3.12. Another volatile week in the livestock sector. June cattle improved \$2.35. August feeders dropped \$5.87. And the June lean hog contract declined \$3.82. In the currency markets, the U.S. Dollar index increased 62 ticks. June crude skyrocketed higher by 20 percent this week, or \$5.01 per barrel. COMEX Gold gained \$44 per ounce. And the Goldman Sachs Commodity Index added 3 points to finish at 273.05. Joining us now to give us some insight are two of our regular market analysts Don Roose and Jeff French. Gentlemen, good to see you both.

Glad to be back, Paul.

Yeager: We're going to go wheat first here, Jeff. This is a market I just said down 22 cents. You've got a couple of things going on. You've got improving weather and good carryout. Is there something else in this market we don't know?

French: I think mostly the selling this week was to do with the technical stance. You had the Kansas City contract take the brunt of the selling after that contract took out the 200 day moving average. And you've seen the funds here switch from being long to going short. They're only long about 3,000 to 4,000 contracts, that's down a lot from recent levels. So next week is going to be key. Chicago contract right at \$5. Early weakness next week probably needs to be sold because it could open up another door to 15, 20 cents lower and test the March lows.

Yeager: All right. Don, we've got a question from Gavin from McCook, Nebraska and he's asking, Jeff just touched a little bit on KC wheat, we've got another Kansas City wheat question here specifically. He's asking will KC wheat rally as domestic conditions worsen or become more known? So I guess you're getting the same question I asked Jeff, just specific to Kansas City.

Roose: Well, I think when you look at the Kansas City wheat, our ending stocks on wheat are still no shortage of any class of wheat whether it's hard red, soft red, spring wheat. We're a little bit dry in the western Corn Belt, in the western part of Kansas, that's a little bit of support. But it's that time of year where we're not that far away from harvest. I would say the positiveness on the wheat market all classes is the fact that it's dry in parts of Europe, dry in the Black Sea area. Remember, Russia is the largest wheat exporter in the world and so we've got to watch those guys the next two weeks and see what happens. But we're marching to a crop right now.

Yeager: Weather is the story in a couple of other commodities. Jeff, I'll ask you real quick, are you making any sales before this thing goes lower in Kansas City?

French: I think I want to wait and see next week, if it opens lower, takes out this week's lows, the door is down another 15, 20 cents lower. So look to sell early weakness next week.

Yeager: Okay. So cut your losses here. In corn, Don, you mentioned weather. Is our only hope right now in this market something to do with Mother Nature?

Roose: Well, I think when you look at it the ending stocks that we have at 3.3 billion, the government was very liberal with their demand on ethanol, on feed, on exports. So it looks like right now is you're going to have to have some kind of a surprise from a weather standpoint or some kind of a large Chinese buying program. The support is underneath the market on all these things, we've just hit a floor with the fear that China could be in for bigger buying and it's the wrong time of year to get overly negative, we've got the full growing season ahead of us, so there's a lot of respect for weather out here yet.

Yeager: That's the volatility that you're talking about. You mention a floor. Do you think there is the potential -- we were unchanged on the week, so does that tell you we're just biding time until news develops or what?

Roose: Well, I think when you look at it to be overly bullish is one thing, to be bearish at these levels this time of year is another. But a lot of cash grain to move out here as you guys know and I think that is the real overhang on the market is it's kind of getting to be musical chairs as we go through week by week.

Yeager: Jeff, all your corn is in there at the family place in western Iowa. What are they hoping for?

French: Well, we're in that stretch that needed rain and it came here this week, expecting to get more tomorrow, and then the heat units come next week. We've been cool here throughout the Midwest. So the heat coming in next week should be about perfect for us. So I look at that December and we definitely have found a floor here at \$3.30. The funds are short 214,000, 210,000, 215,000 contracts, that's a billion bushels of corn. That is a lot of corn with the summer growing season ahead of us. So do they want to press it here? It doesn't feel like it. I think after that report we should have made new lows but we didn't. So it doesn't look like the funds want to push it here at these levels.

Yeager: Don mentioned the ethanol number maybe being a little liberal. Do you buy to that sentiment? Was that a surprise for you in the report that we're going to maybe chew through more corn once we start driving again?

French: That's something that we'll just have to see how quickly the economy opens up. But the USDA was kind of playing the good cop here because to keep it at 3.3 billion bushel carryover we have to grow corn demand next year by a billion bushels. Can it be done? Yeah, sure it can be done, but it's going to be an uphill battle. So the trend is the May crop report tends to be a little bit lower than the September report. Four out of the last five years the May report has come below the September report.

Yeager: Don, there was a mention of there's still some corn in the field in eastern North Dakota, we're resurveying acres. There's concern that there's going to be an addition to this old crop. Are you buying that?

Roose: Well, you're right. There still is issues from last year yet. We had a big crop of course. But you get up in that Northern Plains, North Dakota area, there's issues with getting the crop out yet from last year, plus that's the one area that still is wet and they're having a hard time getting the crop in. So not enough to make a difference is the real issue when you're lugging around a record ending stocks figure that really looks quite liberal right now.

Yeager: All right, Jeff, do you have a target price where you might be thinking of trying to make a sale here in corn. Let's go December.

French: December, big resistance is up at \$3.55. With the basis level that's just not going to get a lot of excitement up there. But Dec up at \$3.55 that's the first hurdle.

Yeager: This might sound the same, Don, weather an issue in soybeans. But this might be a different story in soybeans. Why?

Roose: Well, I think when you look at the soybeans first of all that is the one that Brazil has had their way with the demand, but that's starting to shift over to the U.S. right now and so our, again, the government was pretty liberal with the export pace, very strong for next year, up 375 million, probably could still take the exports down 100 million for this year, again. But look at where the government had the cash price, \$8.20 on soybeans, \$3.20 on corn. I think they're just saying at least for right now no real big selling. And actually from a producer's standpoint it's a dangerous level because you have insurance at the present level. So I don't see big selling here on new crop, maybe old crop, but I think the farmer is going to wait and see what happens with the crop and use his insurance.

Yeager: Jeff, why is there such a difference here in this market particularly when it comes to that old crop, new crop?

French: Well, I think you look at the beans and you look at this last May report, they increased national yield by 2.5 bushels. You start shaving that national yield down by a bushel or a bushel and a half then you start looking at a carryout number that is down where 350, 400 million bushels. That can turn into a goal market very quickly. But again, we need to continue to grow the demand. We had China in here pretty good buyers this week, they bought 27 million bushels, 3 days consecutively. But the market is just kind of disappointed in that. They can do more and we need to see them buying more as well.

Yeager: All right, you said the C word, let's talk about it. We have these trade discussions where the President has said I want to reopen some negotiation. There is a possibility China is in a weakened position right now. But if they get too upset or too punched in the mouth do you think they're going to continue to be buyers, Don or Jeff? I'll let either one of you answer that one first.

Roose: I think it is a dangerous situation. We're trying to finish off the Phase 1 deal, let alone 2 and 3 and at the same time we're punching pretty hard on the coronavirus also with some of these technology issues we brought up on Thursday. And I think that's what the market is kind of about the same, just kind of eggshells walking around want to push China on one direction but not the other. So it's going to keep some volatility in the marketplace.

Yeager: Jeff, is that the volatility in the marketplace? Is China that X factor right now like Don is talking about?

French: Yeah, they can say that they're going to buy and they very well may do that. The first three or four months of this year they haven't. Could they make it up? Yeah they can. But the state can say what they want to say but private companies over there have demonstrated that they're going to go after the cheapest commodity in the world and right now with the strength of our dollar some of our commodities are not the cheapest in the world here right now.