



# Marketing Class

DATE MAY 8<sup>TH</sup>, 2020

# "convenience" STORE.

NO SHIRT  
NO SHOES  
NO SERVICE

NO FACE MASK  
NO SERVICE

LIMITS  
ON  
EGGS &  
BEEF!

SHORTER  
HOURS!

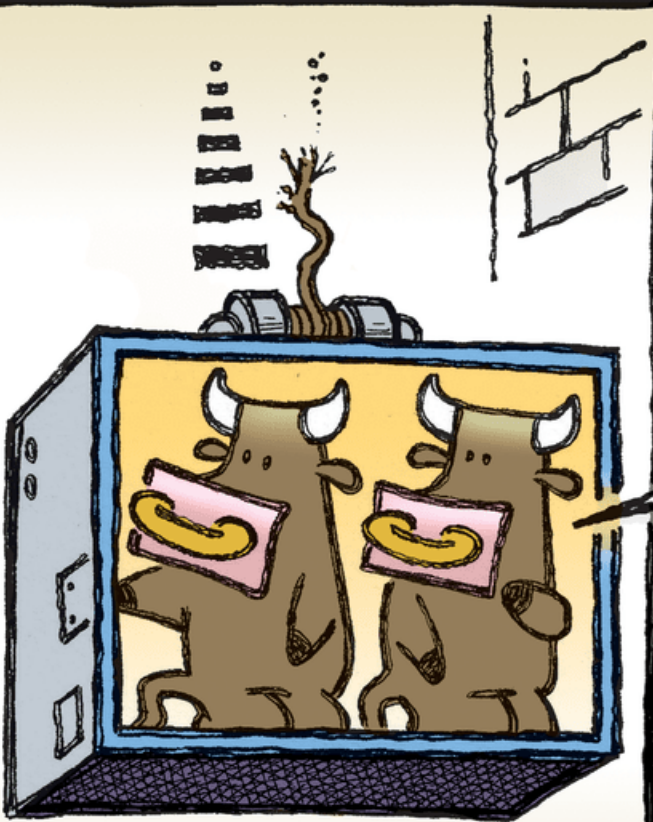
6 FEET  
APART!!

LIMIT 5  
CUSTOMERS  
IN STORE

SOCIAL  
DISTANCING!!

OPEN





TRY  
THE UP  
BUTTON  
AGAIN.

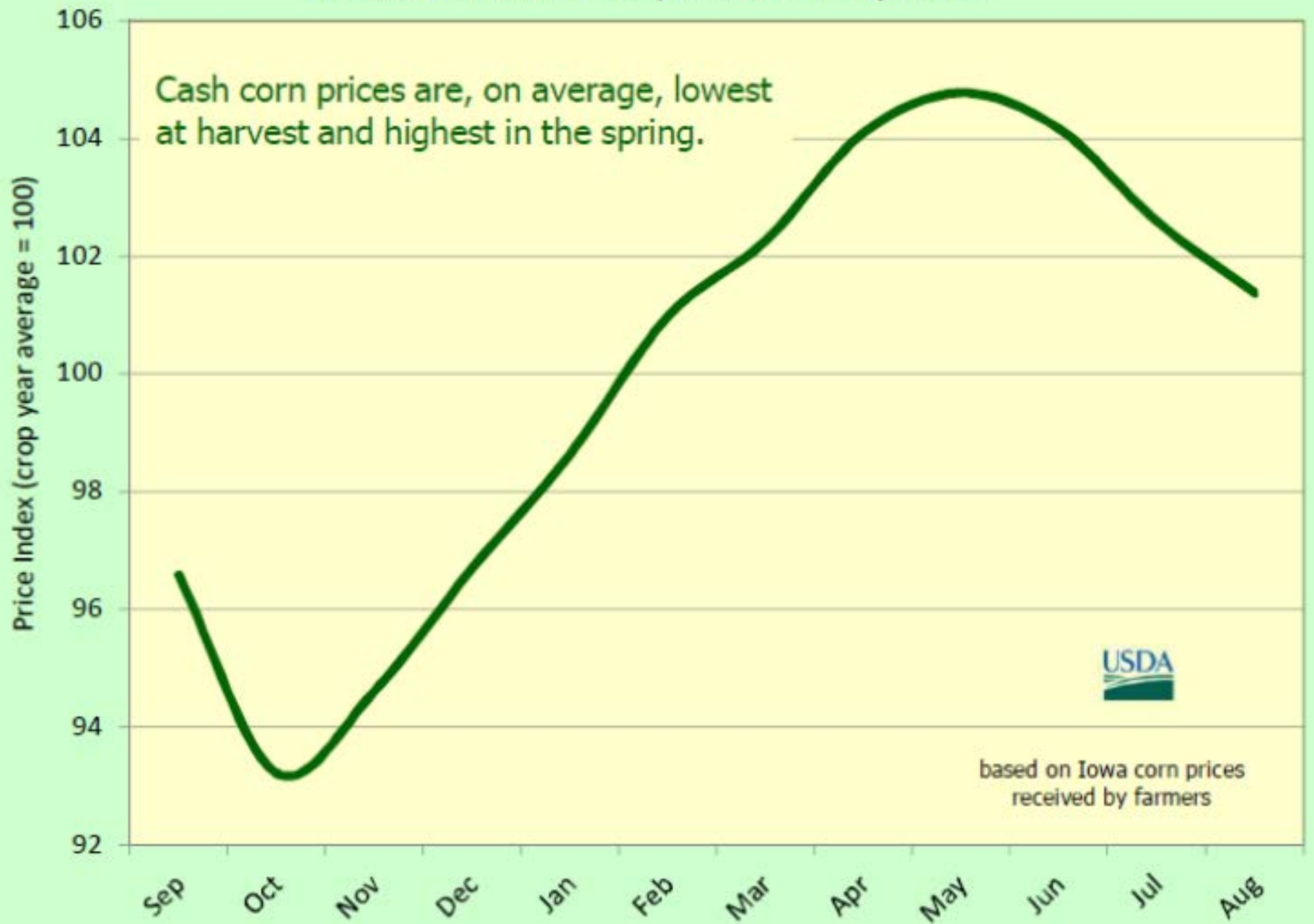
# Topics for May 8<sup>th</sup> 2020

- Current Chart Comparison
- EDIL Information
- Cash Prices for Old Crop and New Crop
  - China Buying-Trade War?
- Basis for Old Crop and New Crop
  - Basis for old/new crop-recent improvements.
  - New USDA Program to support Agriculture??

# Chicago December Corn Futures, 2000-2018 average



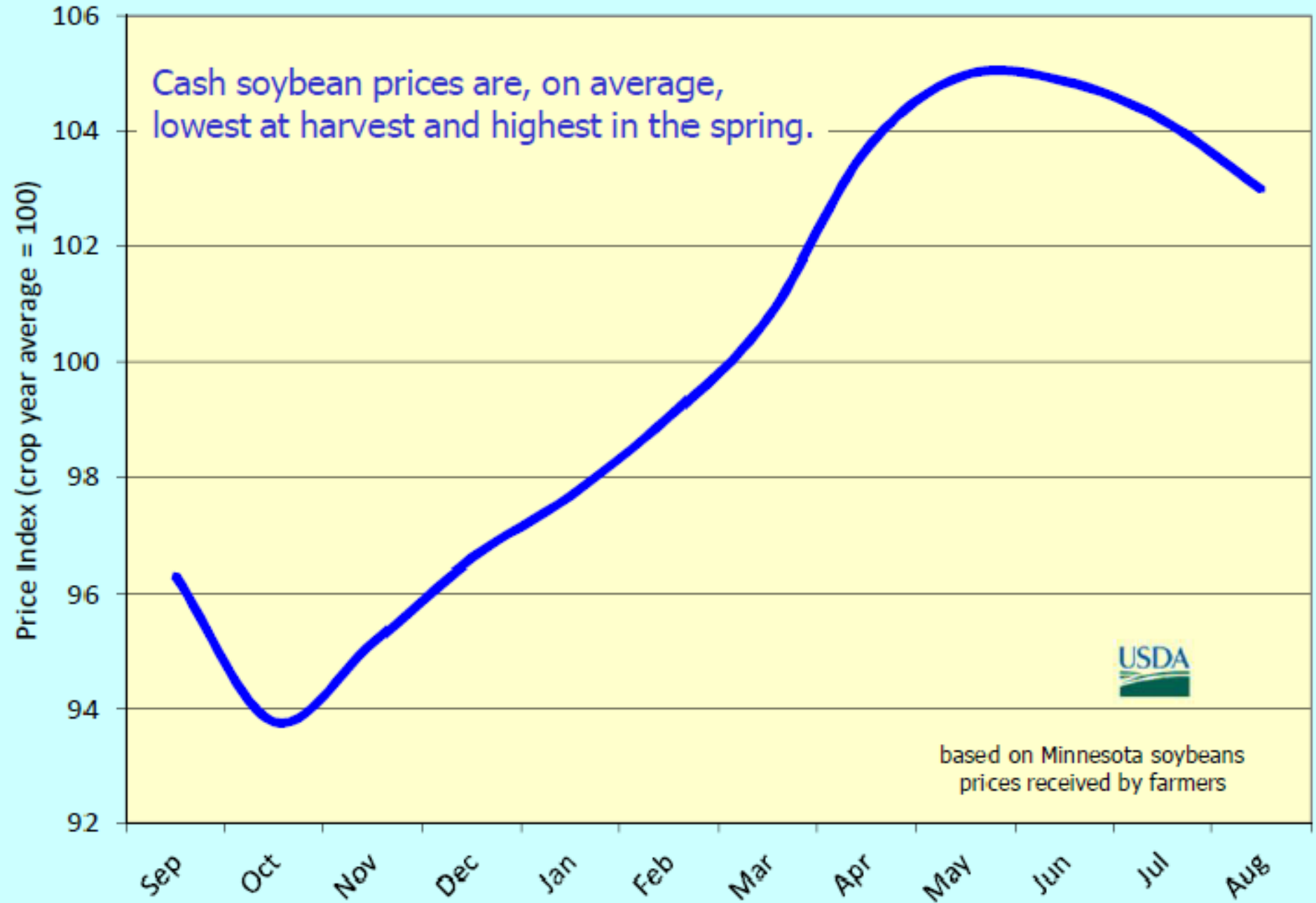
## Index of Iowa Corn Prices, 1990-2014 Crop Years



# Chicago November Soybean Futures, 2000-2018

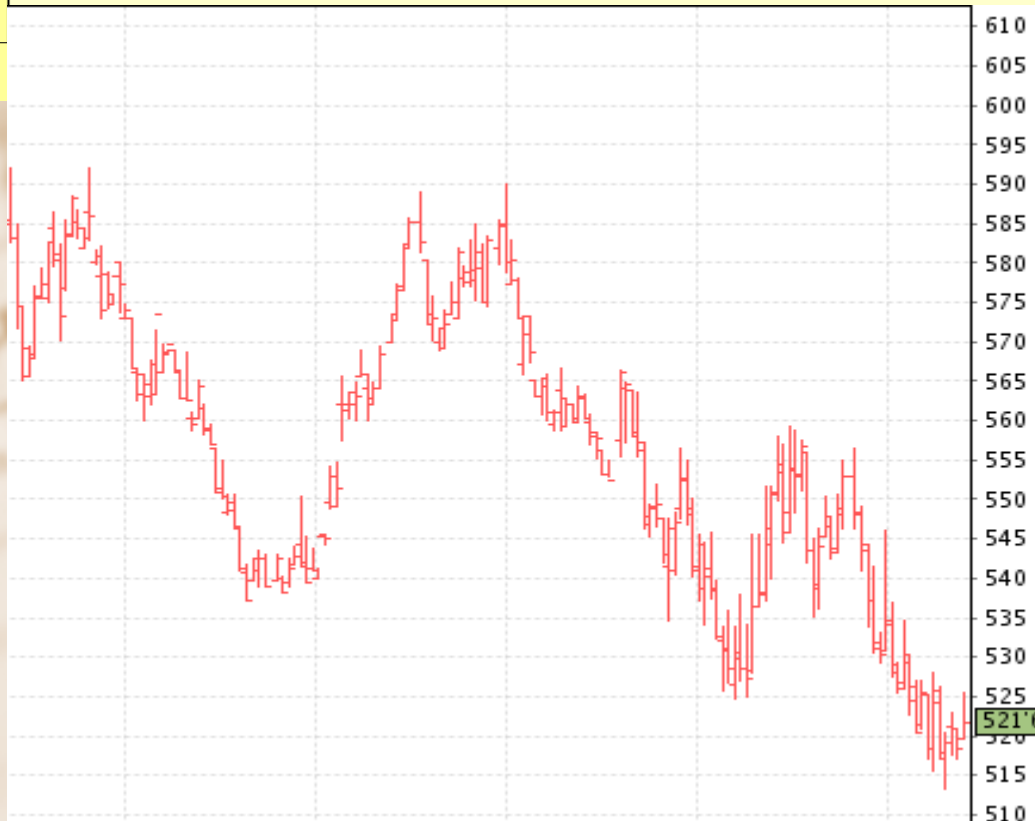


## Index of Minnesota Soybean Prices, 1990-2014 Crop Years



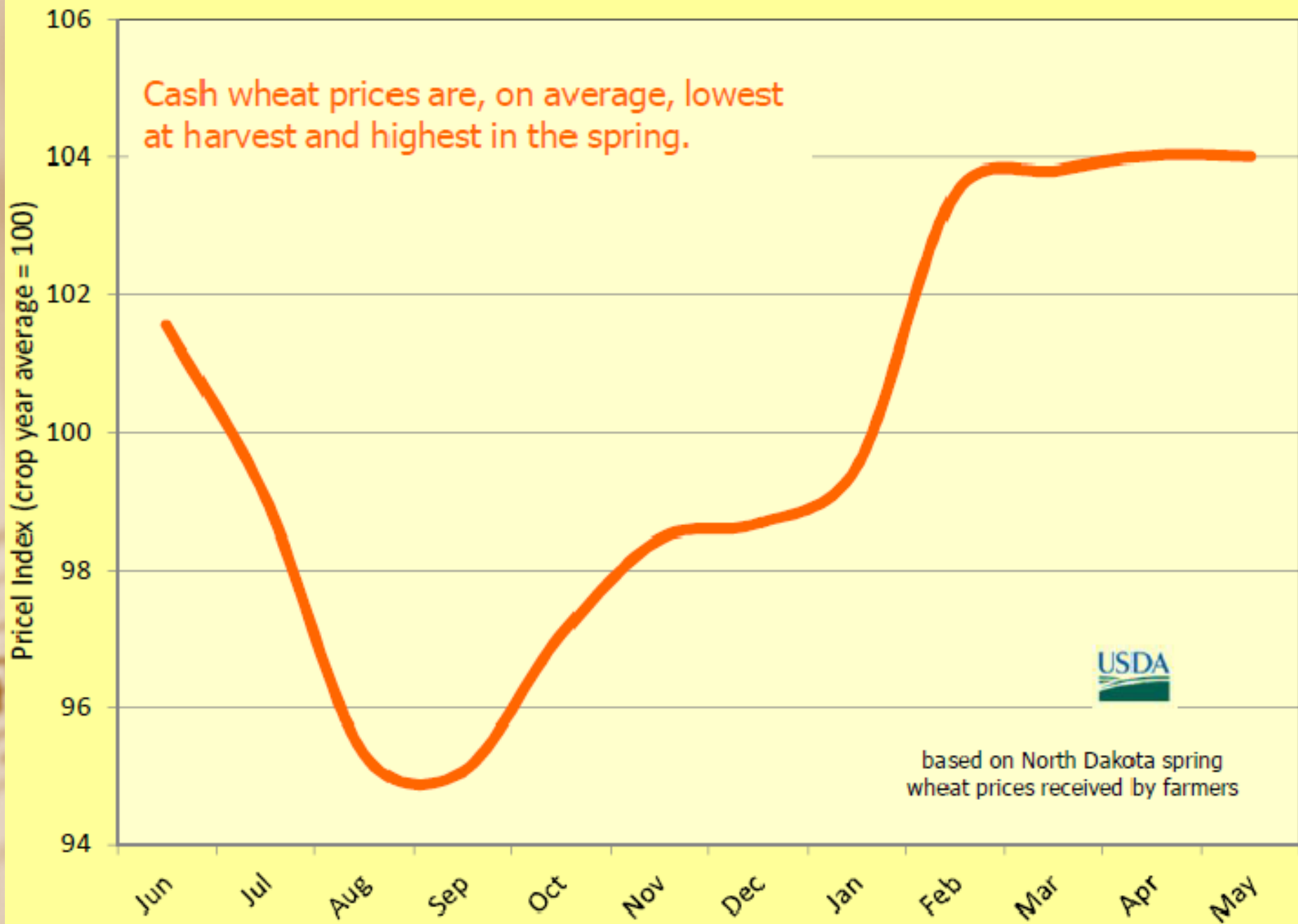


# September MGEX Spring Wheat Futures, 2000-2018



# 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.

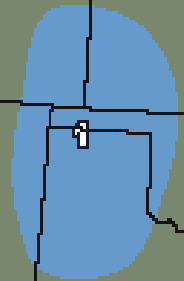


based on North Dakota spring wheat prices received by farmers

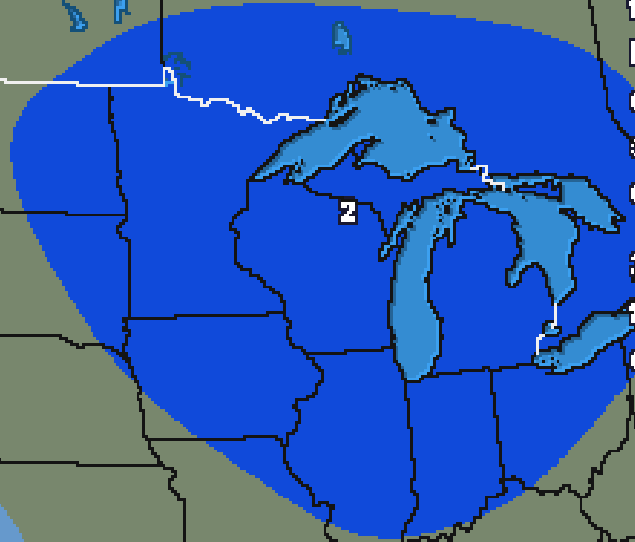
# Crop Critical Weather Events

Thursday, May 07, 2020

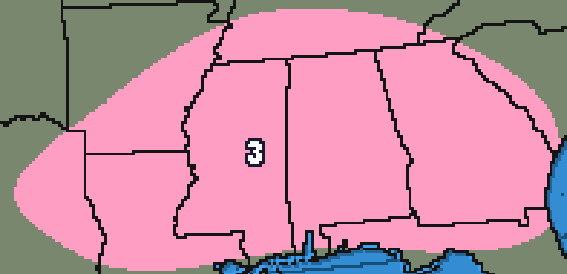
1. Continued dryness stressing winter wheat and unfavorable for planting cotton



2. Below freezing temperatures possible May 8-11 and could damage new corn and soybeans and developing wheat



3. Favorable conditions for planting and developing crops

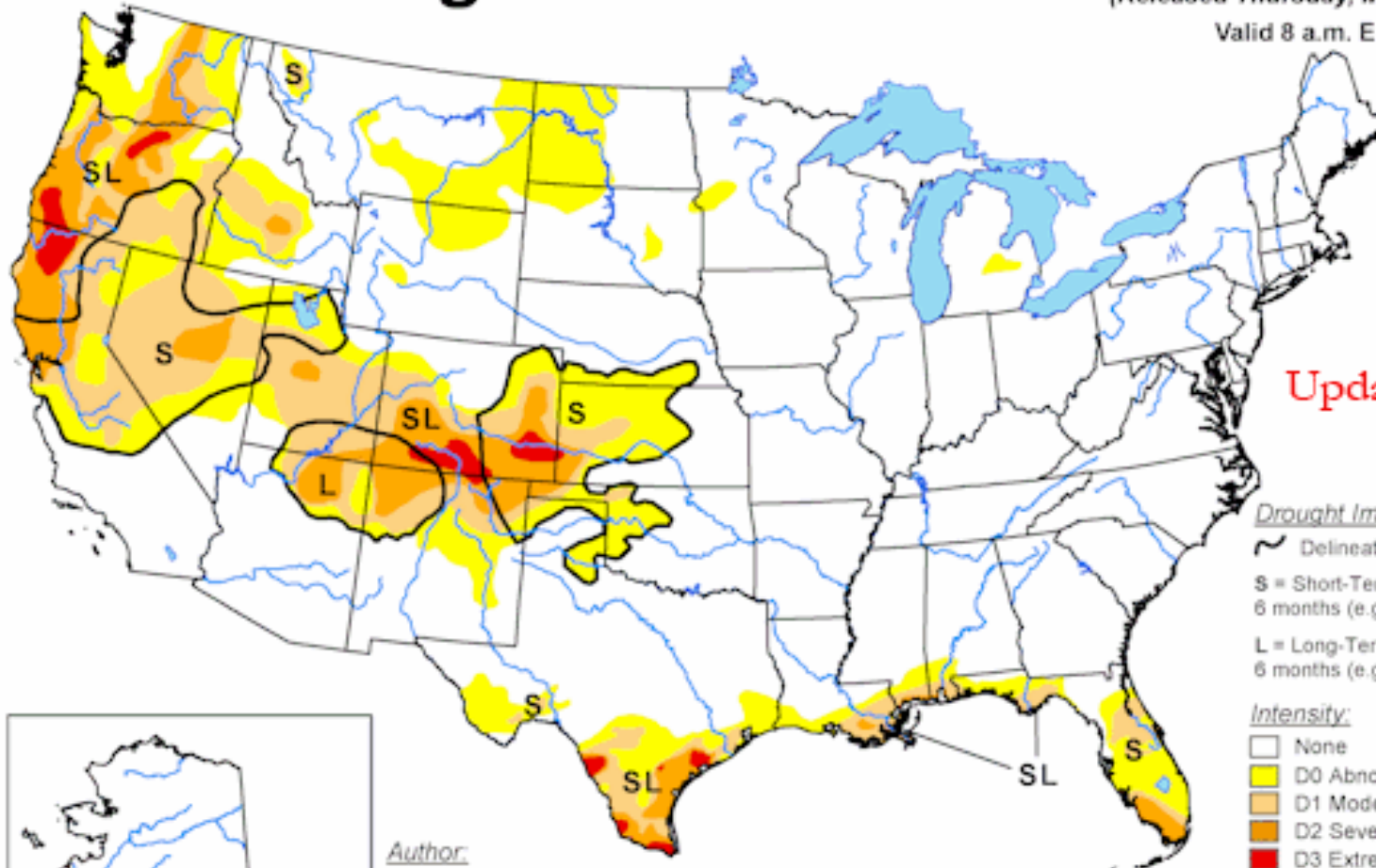


# U.S. Drought Monitor

May 5, 2020

(Released Thursday, May 7, 2020)

Valid 8 a.m. EDT



Updated Weekly

### Drought Impact Types:

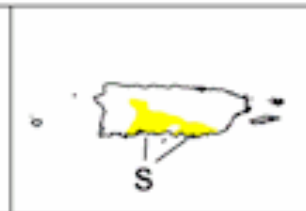
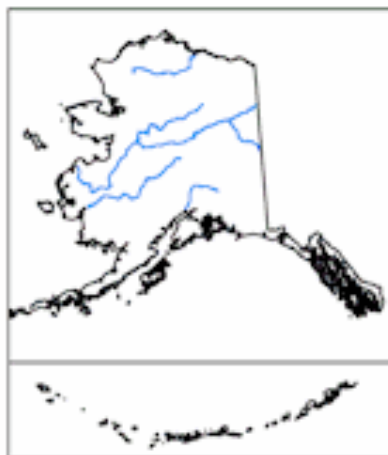
- ~ Delineates dominant impacts
- S = Short-Term, typically less than 6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically greater than 6 months (e.g. hydrology, ecology)

### Intensity:

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

Author:  
Brad Pugh  
CPC/NOAA

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>



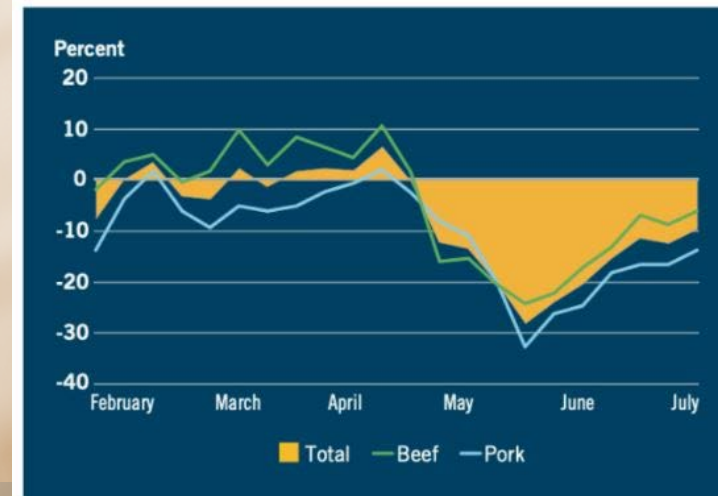
# Economic Injury Disaster Loan

- For those that want to apply for an EIDL loan, that application process is done online.
- <https://blog-abm-news.extension.umn.edu/2020/05/covid-19-response-what-is-eidl.html>

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

- Increases in states opening is positive for gasoline and ethanol usage. Margins are improving for processors and they are increasing production and putting cash bids back out.
- Livestock feed demand will be decreased due to losses specifically in the hog herds, however they can rebuild capacity quickly. Cattle herds are just keeping cattle on feed longer, feed demand should be ok. Plants are starting to ramp back open, issues with unemployment and health concerns. Could be short term shortages of meat in certain areas. Perdue says plants fully back in 10 days!
- Planting Progress-Corn, Soybeans, Wheat
- Basis Improvements/Changes

**EXHIBIT 1: Differences in U.S. Pork and Beef Supplies Available for Domestic Consumption in 2020 Versus 2019**  
Impact on Grocery Store Shelves



Note: Domestic supplies = domestic production plus imports less exports

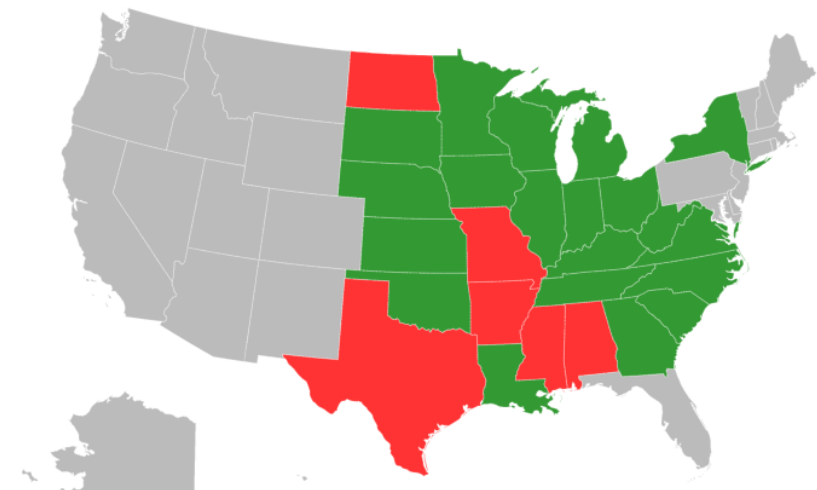
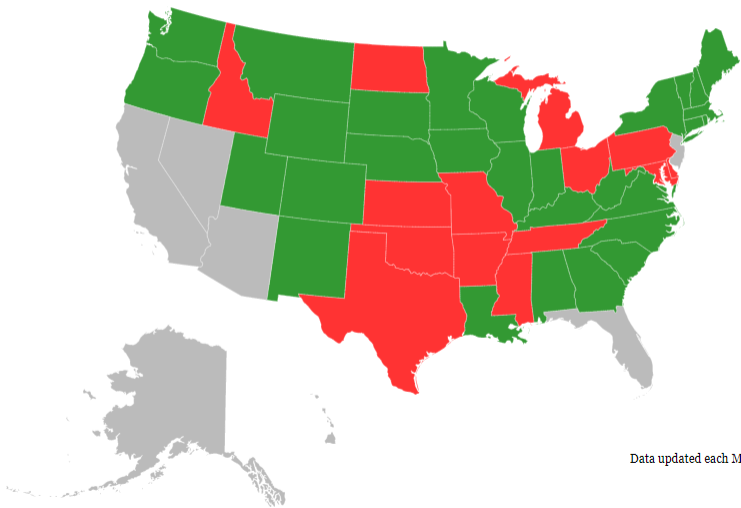
Source: USDA, CoBank Estimates

# 2020 CORN PLANTING-PROGRESS

# 2020 SOYBEAN PLANTING-PROGRESS

U.S. THIS YEAR: 51%

U.S. THIS YEAR: 23%



Data updated each Monday at 3 p.m. (CDT) by USDA NA

Below Average Above Average

## National Crop Progress Summary

	This Week	Last Week	Last Year	5-Year Avg.
Corn Planted	51	27	21	39
Corn Emerged	8	3	5	10
Soybeans Planted	23	8	5	11
Winter Wheat Headed	32	21	26	38
Spring Wheat Planted	29	14	19	43
Spring Wheat Emerged	6	4	4	16
Cotton Planted	18	13	16	17
Sorghum Planted	22	20	21	26
Barley Planted	41	24	34	50
Barley Emerged	12	8	10	23
Oats Planted	67	54	48	67
Oats Emerged	44	32	35	47
Rice Planted	49	39	45	64
Rice Emerged	32	23	33	45

\*\*

## National Crop Condition Summary

(VP=Very Poor; P=Poor; F=Fair; G=Good; E=Excellent)

	This Week					Last Week					Last Year				
	VP	P	F	G	E	VP	P	F	G	E	VP	P	F	G	E
Winter Wheat	4	10	31	48	7	4	11	31	47	7	2	6	28	52	12

# ELECTRONIC CRUDE OIL (QCLM20)

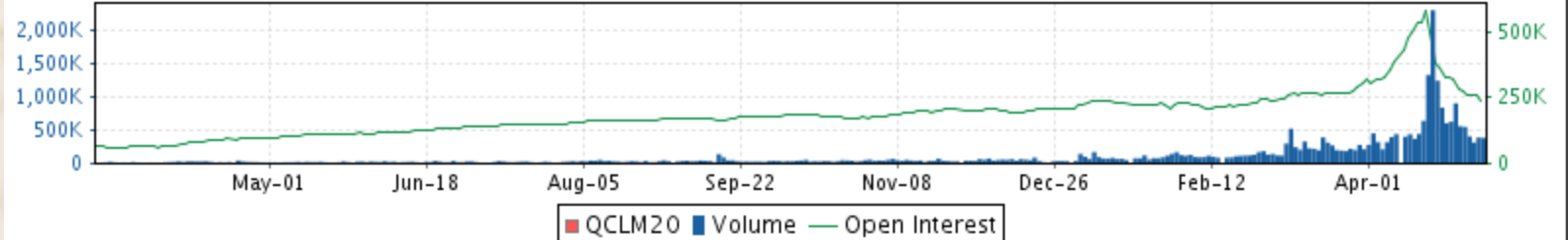
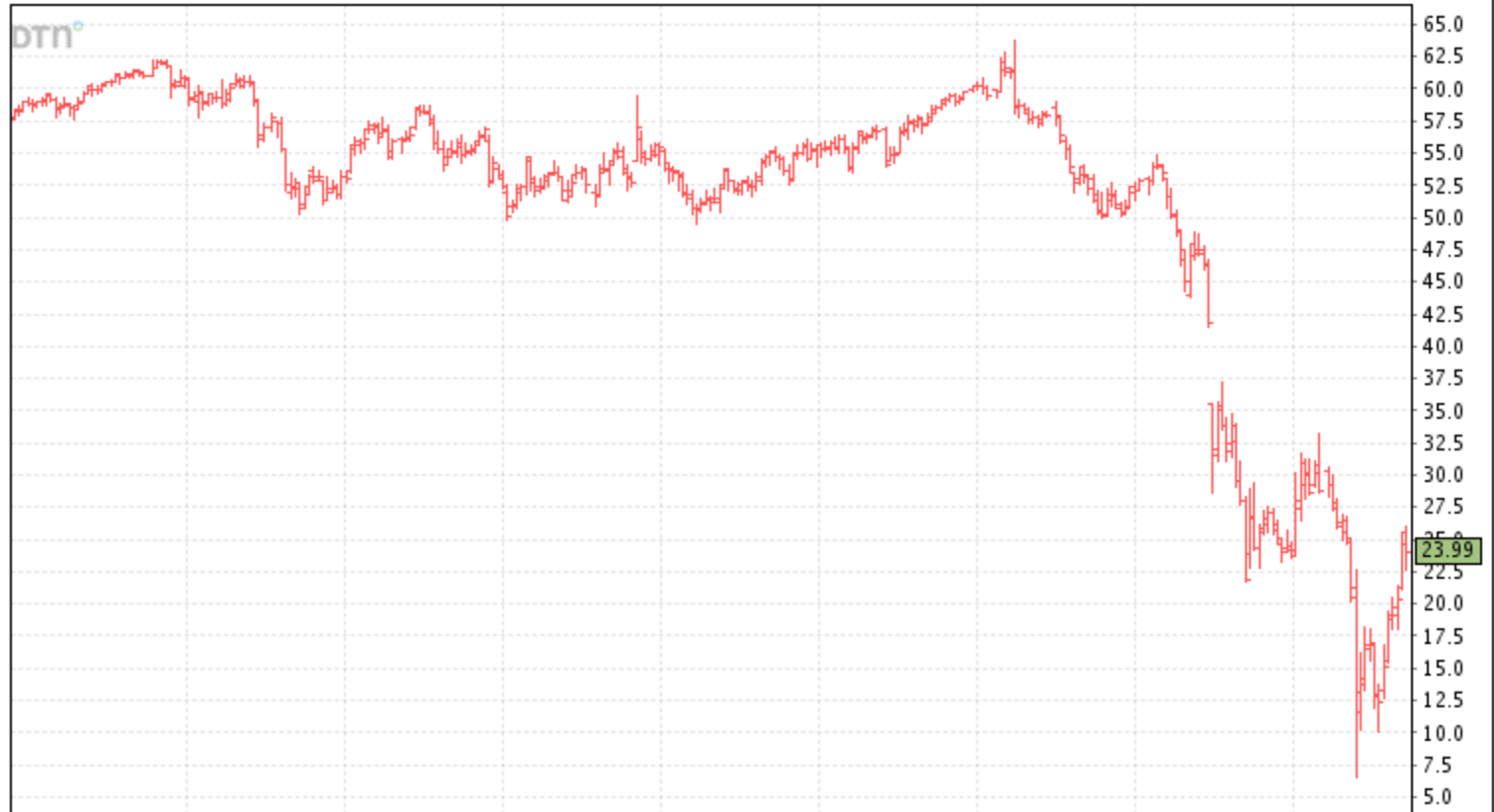
 Print

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

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

Last: 23.28 | Chg: -0.71 | %Chg: -2.96 | Open: 24.09 | High: 26.74 | Low: 22.94

Current Month:





# ELEC. LEAN HOGS (@HEK20)

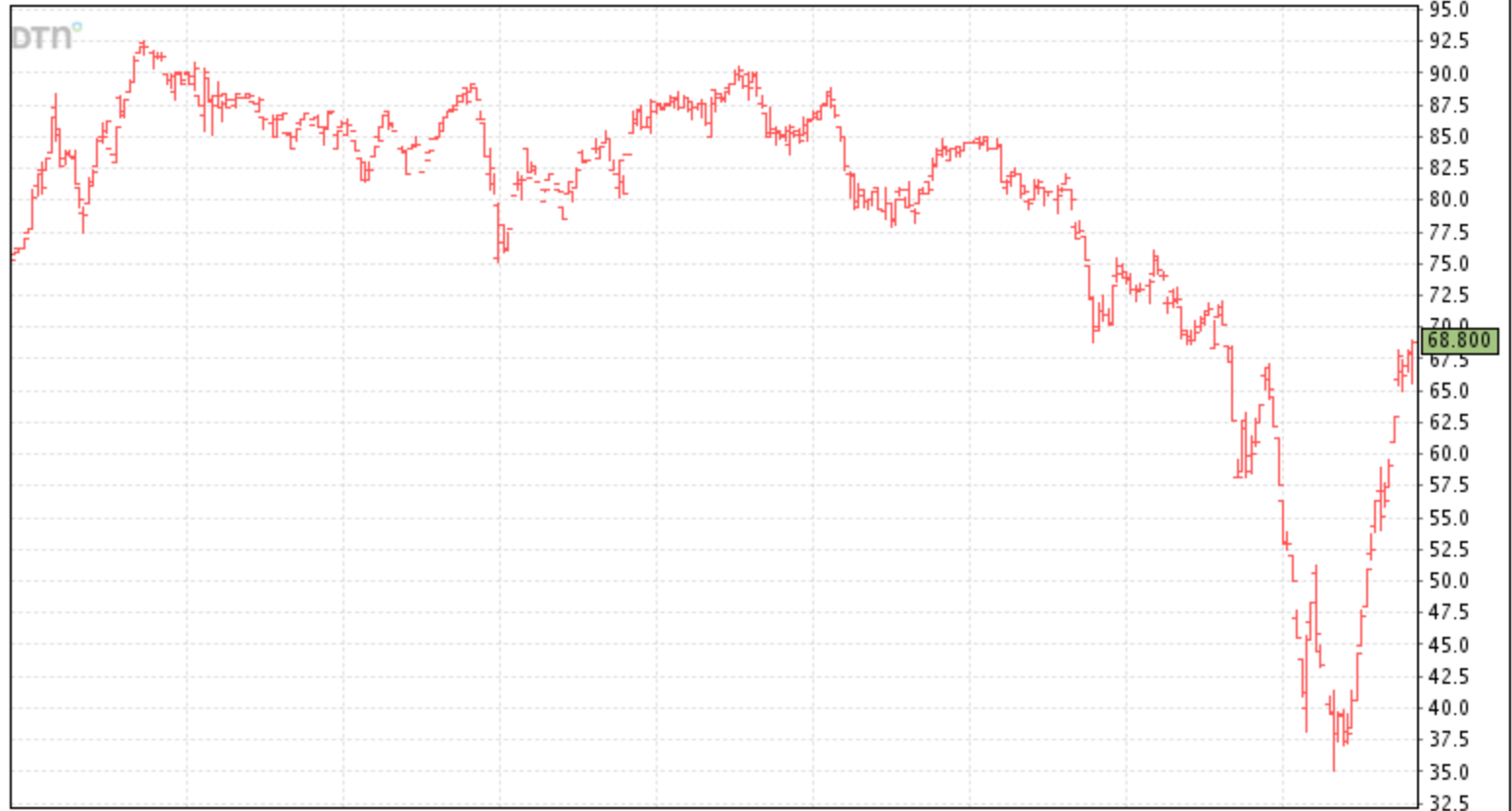
 Print

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

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

Last: 68.800 | Chg: 0.700 | %Chg: 1.03 | Open: 67.925s | High: 68.950 | Low: 65.550

Current Month:



# ELEC. LIVE CATTLE (@LEM20)

 Print

Symbol: @LEM20

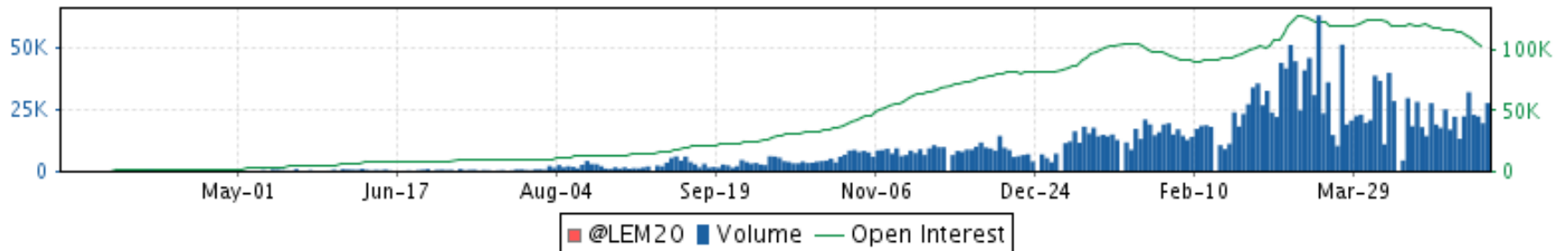
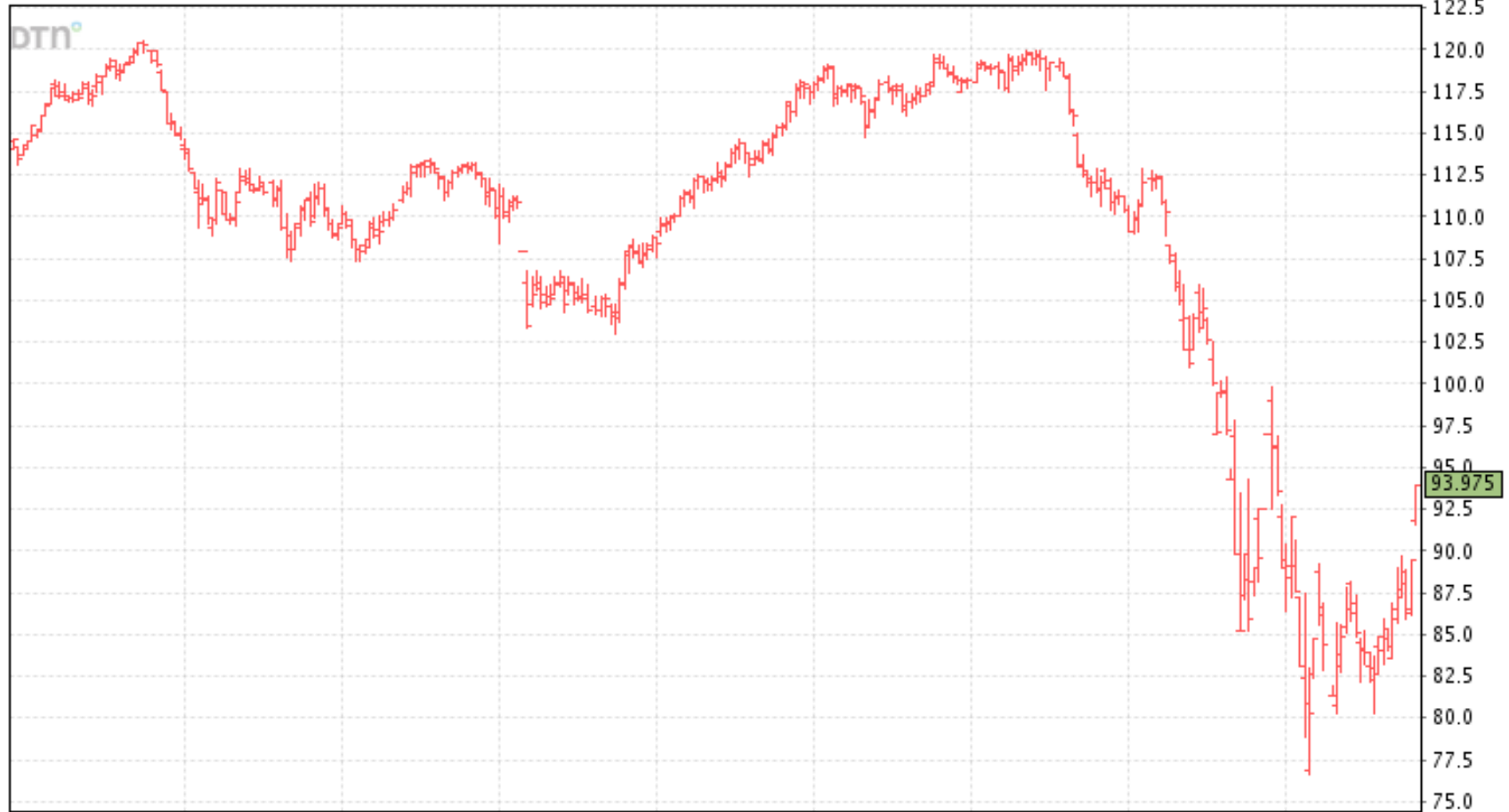
Go

Symbol Search | Symbol Lookup

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

Last: 93.975 | Chg: 4.500 | %Chg: 5.03 | Open: 91.750s | High: 93.975 | Low: 91.625

Current Month: @LEM20  next



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

- **ARC, PLC, and ARC IC for 2019 should have payments in Oct 20**
- 2020 Corn Bean Ratio:  $8.482/3.34 = 2.539$  to 1 (Favors Beans)
- **Any weather premium may not show up till mid May-Frost Concerns from last night and this weekend.**

# National Marketing Year Price Update for PLC/ARC

- 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.
- 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

	5/7/2020 1:35 p.m.			5/4/2020 8:33 a.m.			4/27/2020 8:03 a.m.			4/20/2020 8:59 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
<b>WHEAT:</b>	<u>July 20- May Del</u>	<u>July 20-June Del</u>	<u>Sept 20-Aug Del</u>	<u>July 20- May Del</u>	<u>July 20-June Del</u>	<u>Sept 20- Aug Del</u>	<u>May 20-Apr Del</u>	<u>May 20-May Del</u>	<u>Sept 20-Aug Del</u>	<u>May 20-Apr Del</u>	<u>May 20- May Del</u>	<u>Sept 20-Aug Del</u>
Georgetown	4.71	4.71					4.77			4.98		
Maple River	4.49	4.49	4.46	4.42	4.42	4.37	4.50	4.50	4.45	4.71	4.71	4.65
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	-0.06*1/5	-0.06*1/5		-0.06*1/5	-0.06*1/5		-0.06*1/5	-0.06*1/5		-0.06*1/5	-0.06*1/5	
Basis:Gtwn	-0.40	-0.40					-0.20			-0.20		
Breck	-0.60	-0.60	-0.65	-0.60	-0.60	-0.65	-0.45	-0.45	-0.65	-0.45	-0.45	-0.65
Felton	-0.52	-0.52	-0.47	-0.42	-0.42	-0.47	-0.42	-0.42	-0.47	-0.42	-0.42	-0.47
MRG	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.47	-0.47	-0.77	-0.47	-0.47	-0.77
<b>SOYBEANS:</b>	<u>July 20- May Del</u>	<u>July 20-June Del</u>	<u>Nov 20-Oct Del</u>	<u>July 20- May Del</u>	<u>July 20-June Del</u>	<u>Nov 20- Oct Del</u>	<u>May 20-Apr Del</u>	<u>May 20-May Del</u>	<u>Nov 20-Oct Del</u>	<u>May 20-Apr Del</u>	<u>May 20- May Del</u>	<u>Nov 20-Oct Del</u>
Georgetown	7.27	7.27					7.25			7.26		
Maple River	7.42	7.42	7.51	7.35	7.35	7.47	7.27	7.27	7.45	7.28	7.28	7.51
Basis: Gtwn	-1.17	-1.17					-1.04			-1.04		
Breck	-0.80	-0.75	-0.85	-0.80	-0.75	-0.85	-0.85	-0.80	-0.85	-0.85	-0.80	-0.90
Felton	-1.07	-1.07	-0.87	-1.17	-1.17	-0.97	-1.17	-1.17	-0.87	-1.07		-0.87
MRG	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97
<b>CORN:</b>	<u>July 20- May Del</u>	<u>July 20-June Del</u>	<u>Dec 20-Dec Del</u>	<u>July 20- May Del</u>	<u>July 20-June Del</u>	<u>Dec 20- Dec Del</u>	<u>May 20-Apr Del</u>	<u>May 20-May Del</u>	<u>Dec 20-Dec Del</u>	<u>May 20-Apr Del</u>	<u>May 20- May Del</u>	<u>Dec 20-Dec Del</u>
Georgetown	2.53	2.53					2.64			2.64		
Cargill	2.63	2.63	2.91	2.60	2.58	2.91	2.65	2.55	2.90	2.65	2.65	3.02
Basis-Gtwn	-0.65	-0.65					-0.46			-0.56		
Cargill	-0.55	-0.55	-0.43	-0.55	-0.57	-0.43	-0.45	-0.55	-0.43	-0.55	-0.55	-0.40
Felton	-0.67	-0.67	-0.77	-0.67	-0.67	-0.77	-0.62	-0.62	-0.72	-0.62	-0.62	-0.72
MRG	-0.57	-0.57	-0.57	-0.67	-0.62	-0.62	-0.67	-0.67	-0.62	-0.57	-0.57	-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-Improving some due to more states opening/driving.
- New Crop Basis for Corn and Soybeans are relatively good historically given the past several year.

# 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

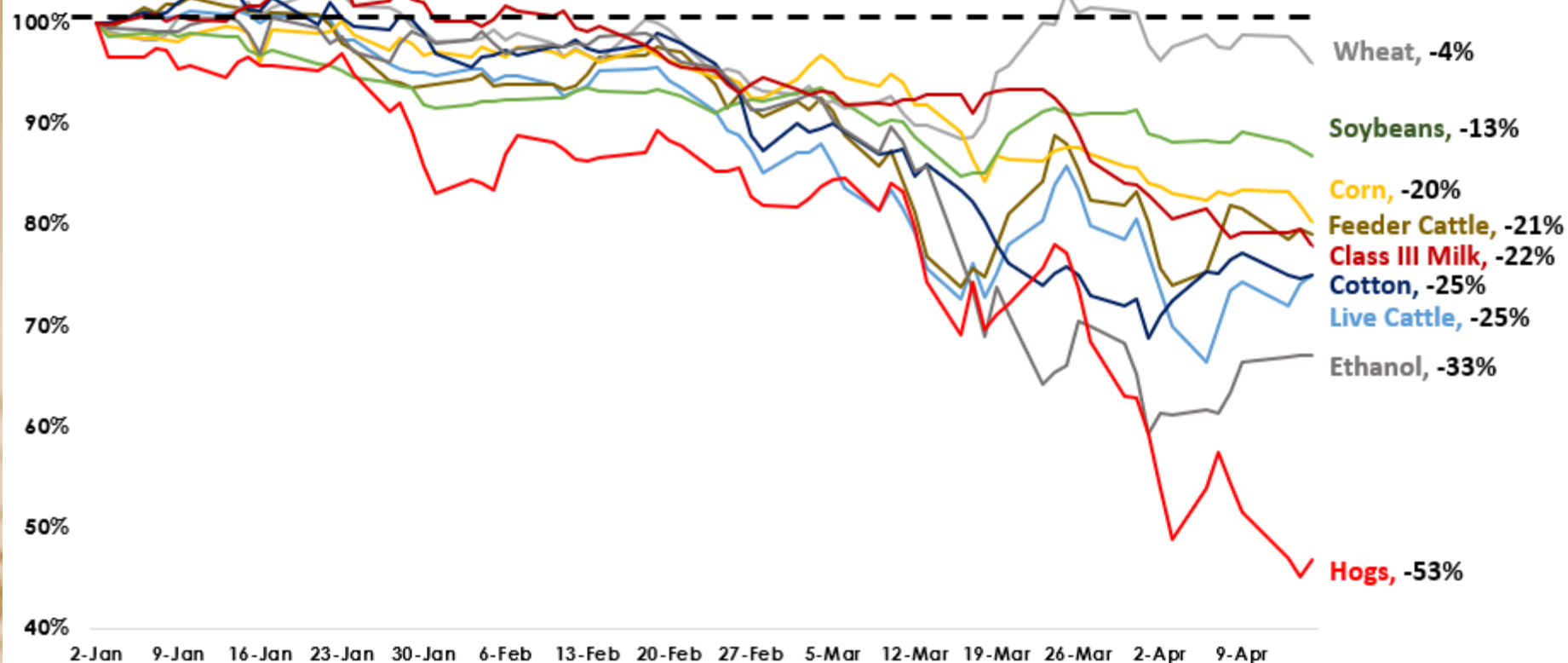
# New Coronavirus Food Assistance Program

- *Food Purchases: The U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) released its solicitation for proposals for the "Buy Fresh" Coronavirus Farm Assistance Program (CFAP) to purchase and distribute \$100 million a month of fresh fruit and vegetables for approximately six months.*
- Direct Aid:
- USDA has indicated that farmers will receive no more than \$125,000 per commodity, with an overall limit of \$250,000 per individual or entity – which is the same limit established in the farm bill for other farm subsidies. In addition, to be eligible for a payment, a commodity must have experienced at least a 5 percent decline in price since January.
- **USDA hopes to begin accepting applications for aid as soon as early May, with the goal of getting checks out to farmers by late May or early June.**
- \$9.6 billion – livestock and dairy producers
- \$3.9 billion – row crop producers (i.e. corn, soybeans, cotton)
- \$2.1 billion – specialty crops (i.e. fruits, vegetables, nuts)
- \$500 million – other crops (i.e. hemp, horticulture, goats, sheep)
- Sen. Hoeven stated in his initial press release that losses from January 1 through April 15 would be compensated at 85 percent, and losses after April 15 would be compensated at 30 percent.
- USDA has made it clear that farmers will be required to document actual losses "where prices and market supply chains have been impacted... resulting from lost demand and short-term oversupply for the 2020 marketing year caused by COVID-19." What is less clear is what specific documentation farmers will be required to provide in order to be eligible for a payment under CFAP.
- It's possible that farmers may be able to "self-certify" their losses up-front in order to apply, but would likely be required to provide documentation before receiving any payment. NSAC is urging USDA to permit simple and flexible documentation that reflects the nature of local food producers.



## Figure 2. COVID-19 Impact on Agricultural Futures Prices

Percentage Change January 2 to April 15 for Nearby Contract



# Current Efforts for resilience:



## *Rural Mental Health Specialists*

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



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<b>ELEC. CORN (@C) [10]</b>					<b>ELEC. SOYBEANS (@S) [10]</b>					<b>ELEC. WHEAT (@W) [10]</b>				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
May-20	316'0s	4'2	318'0	313'2	May-20	841'4s	11'0	845'2	831'0	May-20	529'0s	4'2	531'0	531'0
Jul-20	318'0s	3'6	320'4	314'0	Jul-20	844'2s	11'6	848'4	832'0	Jul-20	522'4s	5'0	527'0	516'4
Sep-20	323'2s	3'0	326'0	320'0	Aug-20	845'0s	11'0	849'2	833'6	Sep-20	525'4s	4'6	529'4	520'0
Dec-20	334'0s	2'6	336'2	331'0	Sep-20	844'6s	10'2	849'6	834'6	Dec-20	533'4s	4'4	537'4	528'4
Mar-21	347'0s	2'2	349'0	344'2	Nov-20	848'2s	9'0	853'4	839'2	Mar-21	541'0s	4'2	544'6	536'6
May-21	354'4s	1'6	356'2	352'0	Jan-21	849'2s	7'4	854'2	841'4	May-21	542'6s	3'6	545'6	540'2
Jul-21	359'6s	1'6	361'4	357'2	Mar-21	833'6s	3'6	841'0	829'4	Jul-21	536'0s	4'2	539'2	533'0
Sep-21	357'2s	1'0	359'6	355'2	May-21	829'4s	1'6	837'0	826'6	Sep-21	539'4s	4'0	---	---
<b>ELECTRONIC OATS (@O) [10]</b>					<b>ELECTRONIC SOYBEAN MEAL (@SM) [10]</b>					<b>ELECTRONIC SOYBEAN OIL (@BO) [10]</b>				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
May-20	315'2s	5'0	---	---	May-20	283.6s	0.5	284.6	283.0	May-20	25.94s	0.42	26.05	25.79
Jul-20	298'6s	7'2	301'4	290'4	Jul-20	288.1s	0.0	290.4	287.8	Jul-20	26.26s	0.42	26.39	25.79
Sep-20	269'2s	3'4	270'0	268'0	Aug-20	289.4s	0.0	291.5	289.2	Aug-20	26.44s	0.41	26.56	26.02
Dec-20	260'6s	3'6	262'0	257'2	Sep-20	290.8s	-0.1	292.8	290.5	Sep-20	26.60s	0.39	26.74	26.19
Mar-21	263'0s	3'6	---	---	Oct-20	291.7s	0.0	293.9	291.4	Oct-20	26.75s	0.38	26.89	26.35
May-21	266'0s	3'6	---	---	Dec-20	294.1s	0.1	296.4	293.7	Dec-20	27.08s	0.36	27.22	26.68
Jul-21	266'0s	3'6	---	---	Jan-21	294.4s	0.4	296.3	293.5	Jan-21	27.25s	0.35	27.38	26.90
Sep-21	273'2s	3'6	---	---	Mar-21	289.5s	-0.1	292.3	288.8	Mar-21	27.36s	0.33	27.51	27.06
<b>ELECTRONIC ROUGH RICE (@RR) [10]</b>					<b>ELEC. HRS WHEAT (@HW) [10]</b>					<b>ELEC. HRS WHEAT (@MW) [10]</b>				
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
May-20	16.850s	0.160	---	---	May-20	477'4s	1'0	488'0	488'0	May-20	498'2s	0'0	---	---
Jul-20	15.050s	0.160	15.085	14.860	Jul-20	478'6s	1'2	488'2	477'0	Jul-20	511'6	4'0	515'0	507'6
Sep-20	11.920s	-0.025	11.940	11.870	Sep-20	485'6s	1'6	494'4	484'0	Sep-20	522'4	4'2	525'4	519'6
Nov-20	11.720s	-0.035	---	---	Dec-20	497'0s	1'6	505'0	495'2	Dec-20	535'2	3'4	538'6	532'4
Jan-21	11.890s	-0.030	---	---	Mar-21	507'0s	1'4	514'6	505'4	Mar-21	547'4	2'2	552'0	547'4
Mar-21	12.040s	-0.030	---	---	<b>ELECTRONIC CANOLA (@RS) [10]</b>					May-21	553'4s	-2'6	---	---
May-21	12.040s	-0.030	---	---	Month	Last	Chg	High	Low	<b>ELECTRONIC MILLING WHEAT (@WA) [0]</b>				
<b>ELECTRONIC BARLEY (@BW) [0]</b>					Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	May-20	464.2s	1.8	---	---	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Jul-20	467.2s	1.8	468.4	465.1	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Nov-20	474.0s	1.7	475.0	472.3	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Jan-21	479.9s	1.9	480.8	478.5	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Mar-21	486.1s	2.0	486.8	485.0	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	<b>ELECTRONIC DURUM WHEAT (@DW) [0]</b>					Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Month	Last	Chg	High	Low	Month	Last	Chg	High	Low

Quotes generated on: Thu, May 7, 2020 1:41 PM CDT \*Quotes are in market time

## MARKETING NEWSLETTER COMPARISONS

Northland College–Josh Tjosaas and Ron Dvergstien, Instructors

5-7-2020	WHEAT	SOYBEANS	CORN	OTHER
<b>Pro Farmer:</b>	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.	<b>19: 70% sold for cash sellers and for H's 70% sold.</b>  Trend is lower.	19: 60% sold for cash sellers and for H's 50% sold. <b>20: 50% FO</b>  Trend is lower.	Cattle: No Sales  Trend is lower.
<b>Money Farm:</b>	19-60% HTA-\$5.48 <b>20-25% Hedged</b>	19-60% Sold-\$9.73 20-10% HTA	19: Price 60% HTA Dec 2019-\$4.09	<b>Luke Swenson writes this daily newsletter.</b>
<b>Martinson Ag:</b>	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	<b>Randy Martinson writes this daily newsletter.</b>
<b>Roach Ag:</b>				
<b>Farm Futures:</b>	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	<b>Bryce Knorr, <i>Farm Futures</i></b>
<b>Usset, U of MN:</b>	<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	<b>You can check out Ed Usset's website at <a href="http://www.cffm.umn.edu/GrainMarketing/MarketingPlans.aspx">http://www.cffm.umn.edu/GrainMarketing/MarketingPlans.aspx</a></b>
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
<b>NEXT USDA CROP REPORT: WASDE May 12<sup>th</sup>, 2020      <b>Bold: indicates change from last week.</b></b>				

“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.”

# LOCAL CASH GRAIN PRICES

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

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

	5/7/2020 1:35 p.m.			5/4/2020 8:33 a.m.			4/27/2020 8:03 a.m.			4/20/2020 8:59 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
<b><u>WHEAT:</u></b>	<u>July 20-May Del</u>	<u>July 20-June Del</u>	<u>Sept 20-Aug Del</u>	<u>July 20-May Del</u>	<u>July 20-June Del</u>	<u>Sept 20-Aug Del</u>	<u>May 20-Apr Del</u>	<u>May 20-May Del</u>	<u>Sept 20-Aug Del</u>	<u>May 20-Apr Del</u>	<u>May 20-May Del</u>	<u>Sept 20-Aug Del</u>
Georgetown	4.71	4.71					4.77			4.98		
Maple River	4.49	4.49	4.46	4.42	4.42	4.37	4.50	4.50	4.45	4.71	4.71	4.65
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	-0.06*1/5	-0.06*1/5		-0.06*1/5	-0.06*1/5		-0.06*1/5	-0.06*1/5		-0.06*1/5	-0.06*1/5	
Basis:Gtwn	-0.40	-0.40					-0.20			-0.20		
Breck	-0.60	-0.60	-0.65	-0.60	-0.60	-0.65	-0.45	-0.45	-0.65	-0.45	-0.45	-0.65
Felton	-0.52	-0.52	-0.47	-0.42	-0.42	-0.47	-0.42	-0.42	-0.47	-0.42	-0.42	-0.47
MRG	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.47	-0.47	-0.77	-0.47	-0.47	-0.77
<b><u>SOYBEANS:</u></b>	<u>July 20-May Del</u>	<u>July 20-June Del</u>	<u>Nov 20-Oct Del</u>	<u>July 20-May Del</u>	<u>July 20-June Del</u>	<u>Nov 20-Oct Del</u>	<u>May 20-Apr Del</u>	<u>May 20-May Del</u>	<u>Nov 20-Oct Del</u>	<u>May 20-Apr Del</u>	<u>May 20-May Del</u>	<u>Nov 20-Oct Del</u>
Georgetown	7.27	7.27					7.25			7.26		
Maple River	7.42	7.42	7.51	7.35	7.35	7.47	7.27	7.27	7.45	7.28	7.28	7.51
Basis: Gtwn	-1.17	-1.17					-1.04			-1.04		
Breck	-0.80	-0.75	-0.85	-0.80	-0.75	-0.85	-0.85	-0.80	-0.85	-0.85	-0.80	-0.90
Felton	-1.07	-1.07	-0.87	-1.17	-1.17	-0.97	-1.17	-1.17	-0.87	-1.07		-0.87
MRG	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97
<b><u>CORN:</u></b>	<u>July 20-May Del</u>	<u>July 20-June Del</u>	<u>Dec 20-Dec Del</u>	<u>July 20-May Del</u>	<u>July 20-June Del</u>	<u>Dec 20-Dec Del</u>	<u>May 20-Apr Del</u>	<u>May 20-May Del</u>	<u>Dec 20-Dec Del</u>	<u>May 20-Apr Del</u>	<u>May 20-May Del</u>	<u>Dec 20-Dec Del</u>
Georgetown	2.53	2.53					2.64			2.64		
Cargill	2.63	2.63	2.91	2.60	2.58	2.91	2.65	2.55	2.90	2.65	2.65	3.02
Basis-Gtwn	-0.65	-0.65					-0.46			-0.56		
Cargill	-0.55	-0.55	-0.43	-0.55	-0.57	-0.43	-0.45	-0.55	-0.43	-0.55	-0.55	-0.40
Felton	-0.67	-0.67	-0.77	-0.67	-0.67	-0.77	-0.62	-0.62	-0.72	-0.62	-0.62	-0.72
MRG	-0.57	-0.57	-0.57	-0.67	-0.62	-0.62	-0.67	-0.67	-0.62	-0.57	-0.57	-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		

# 2018 and 2019 Wheat



# 2018 and 2019 Soybeans



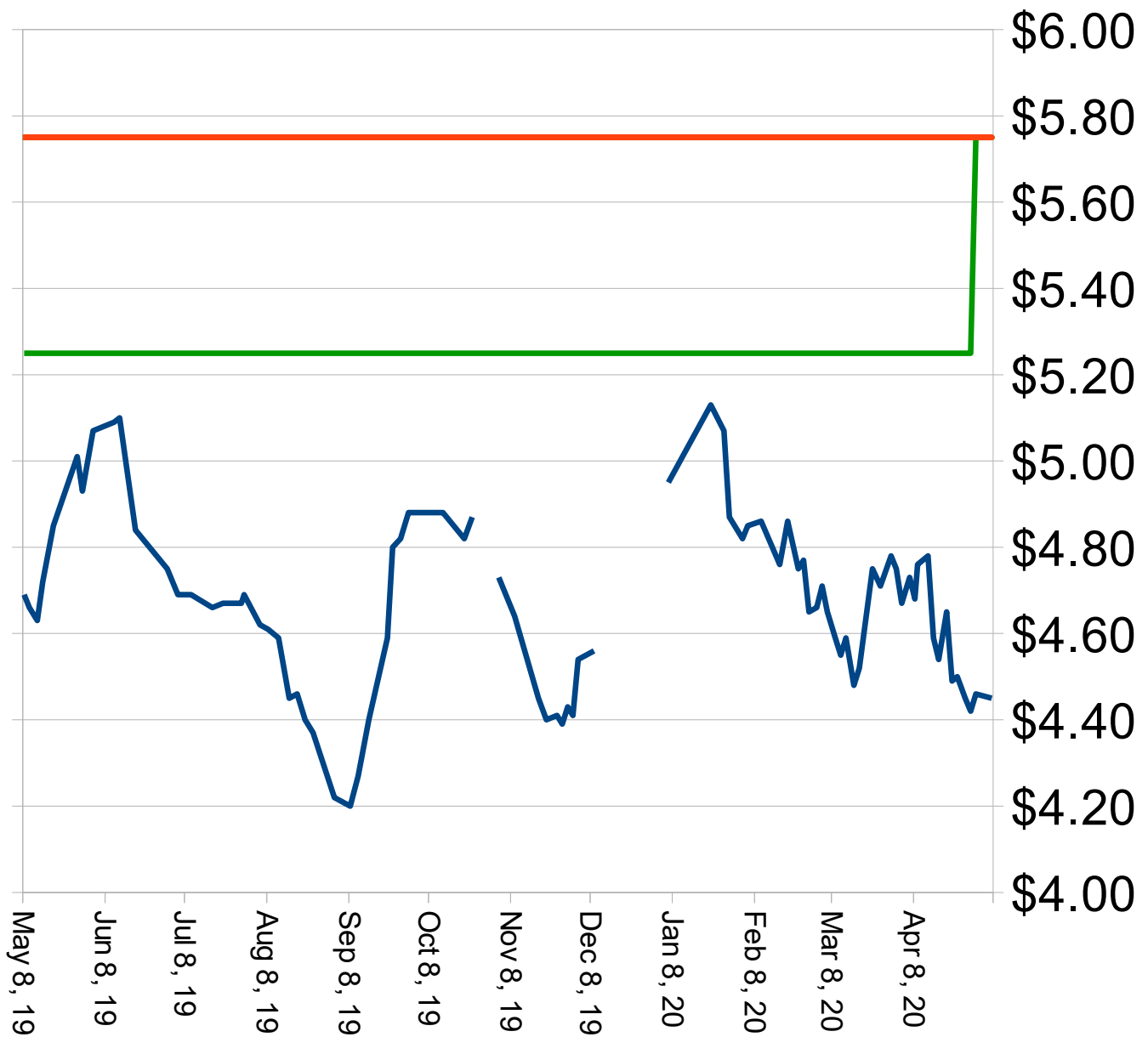
# 2018 and 2019 Corn





# 2019 & 2020 Wheat

2019 Red, 2020 Green



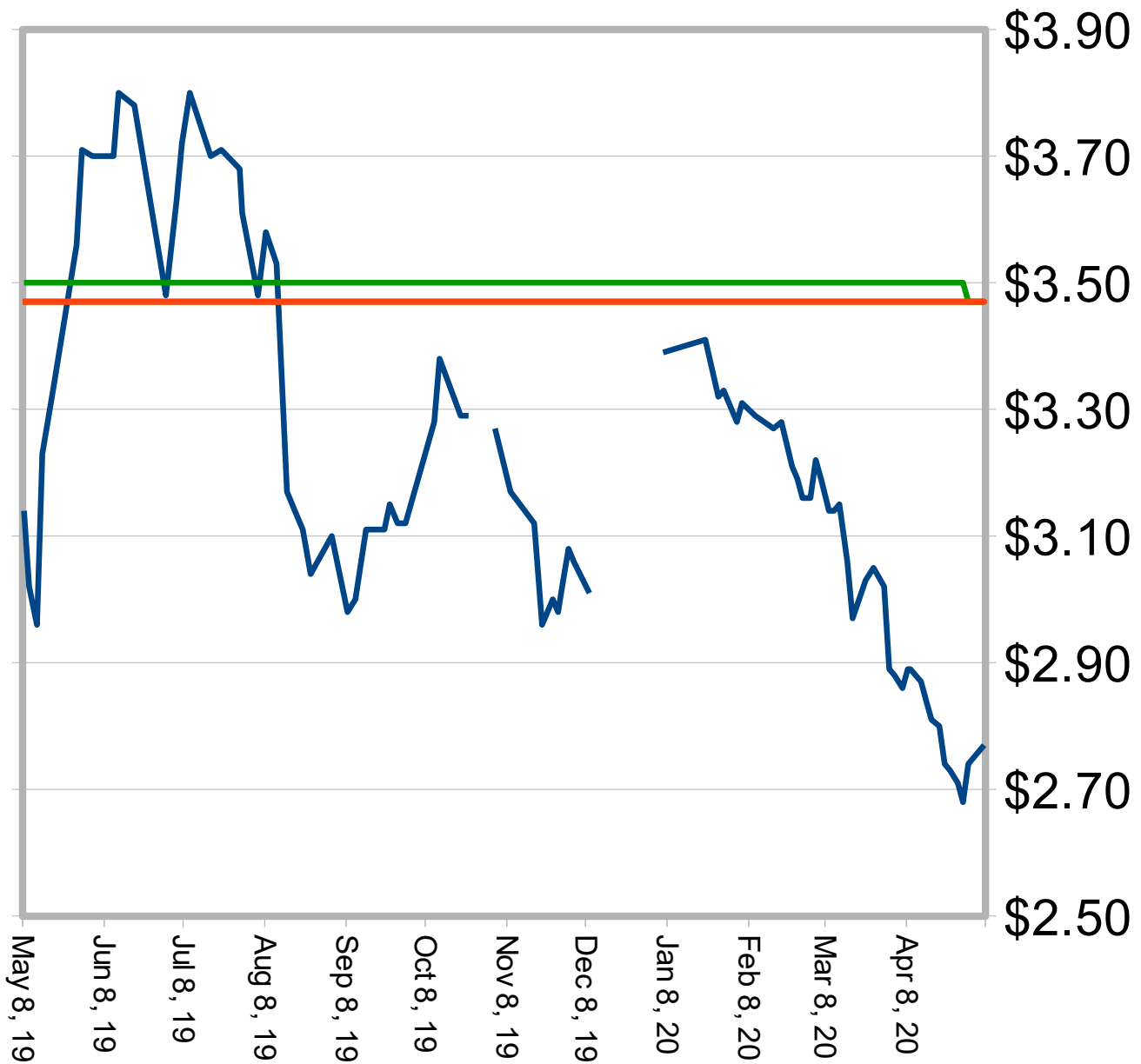
# 2019 & 2020 Soybeans

2019 Red, 2020 Green

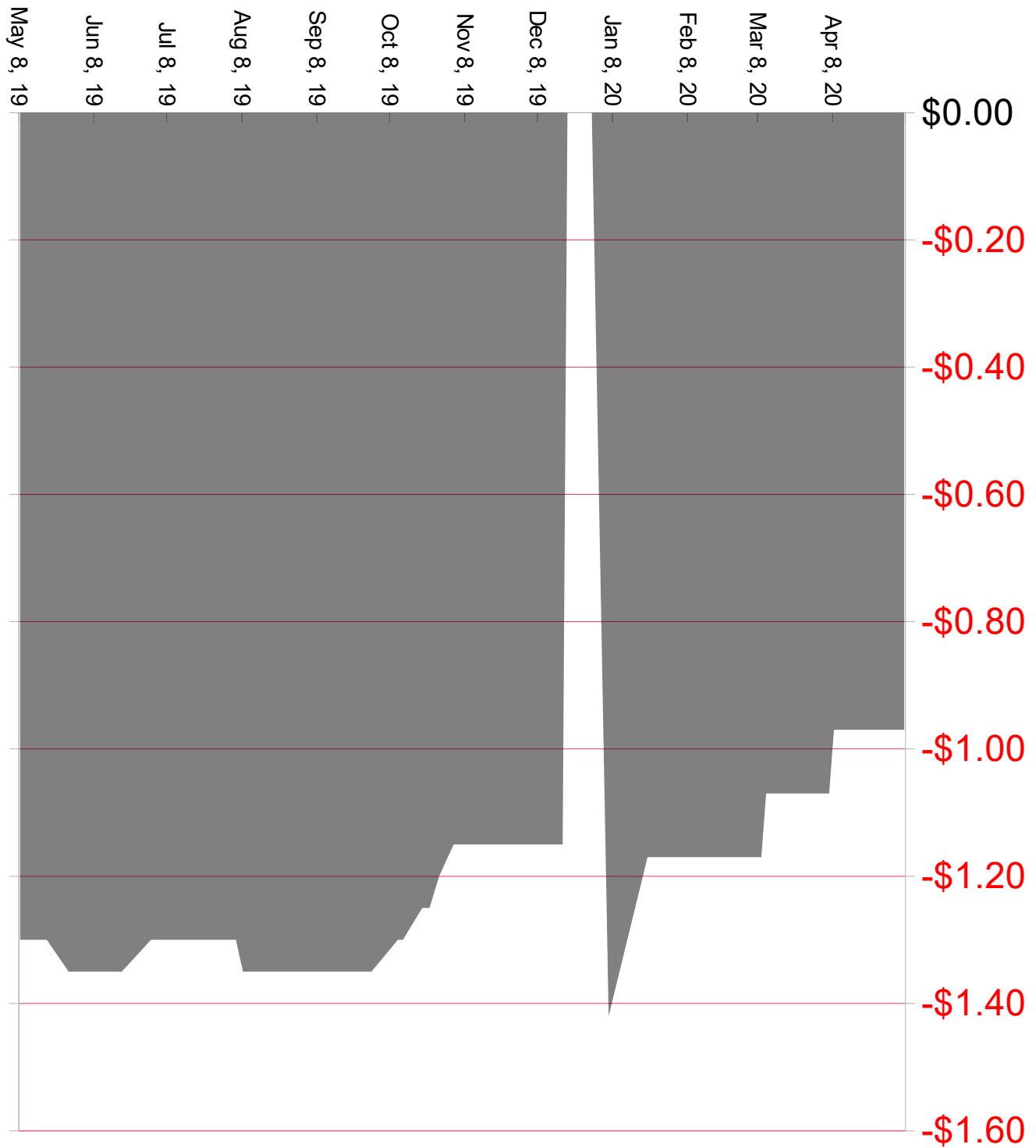


# 2019 and 2020 Corn

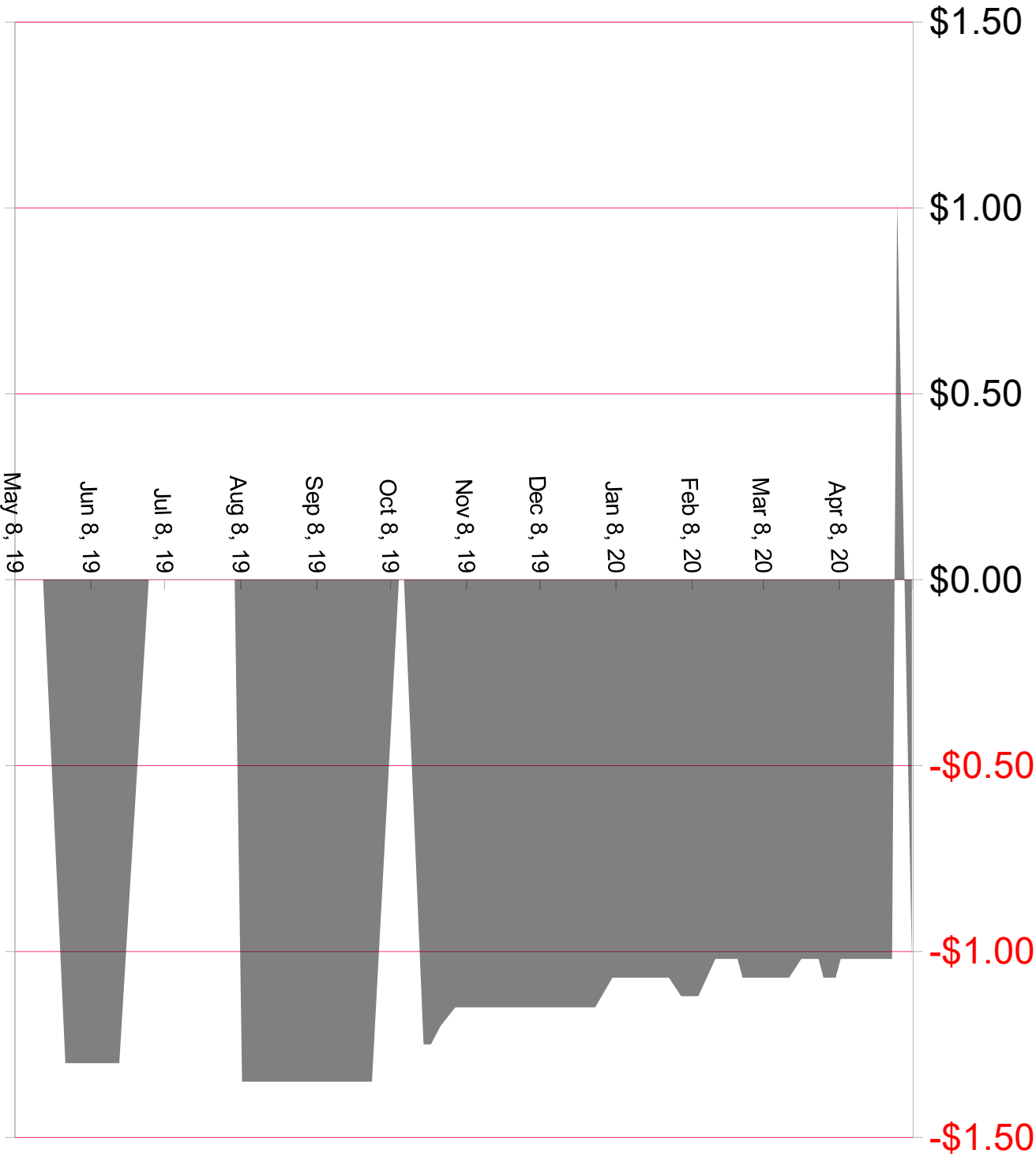
2019 Red, 2020 Green



# New crop Soybean basis



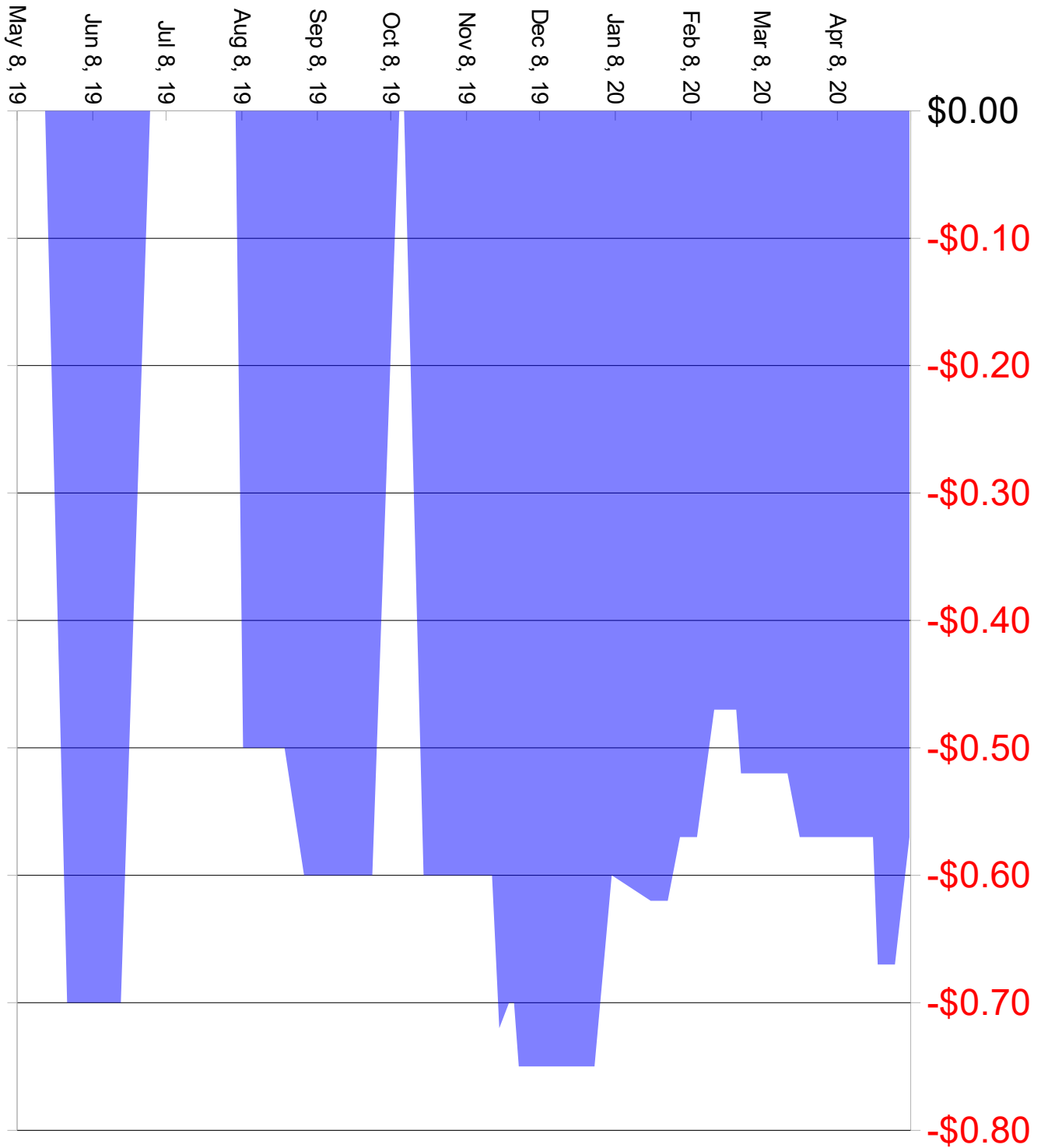
# Old crop Soybean basis



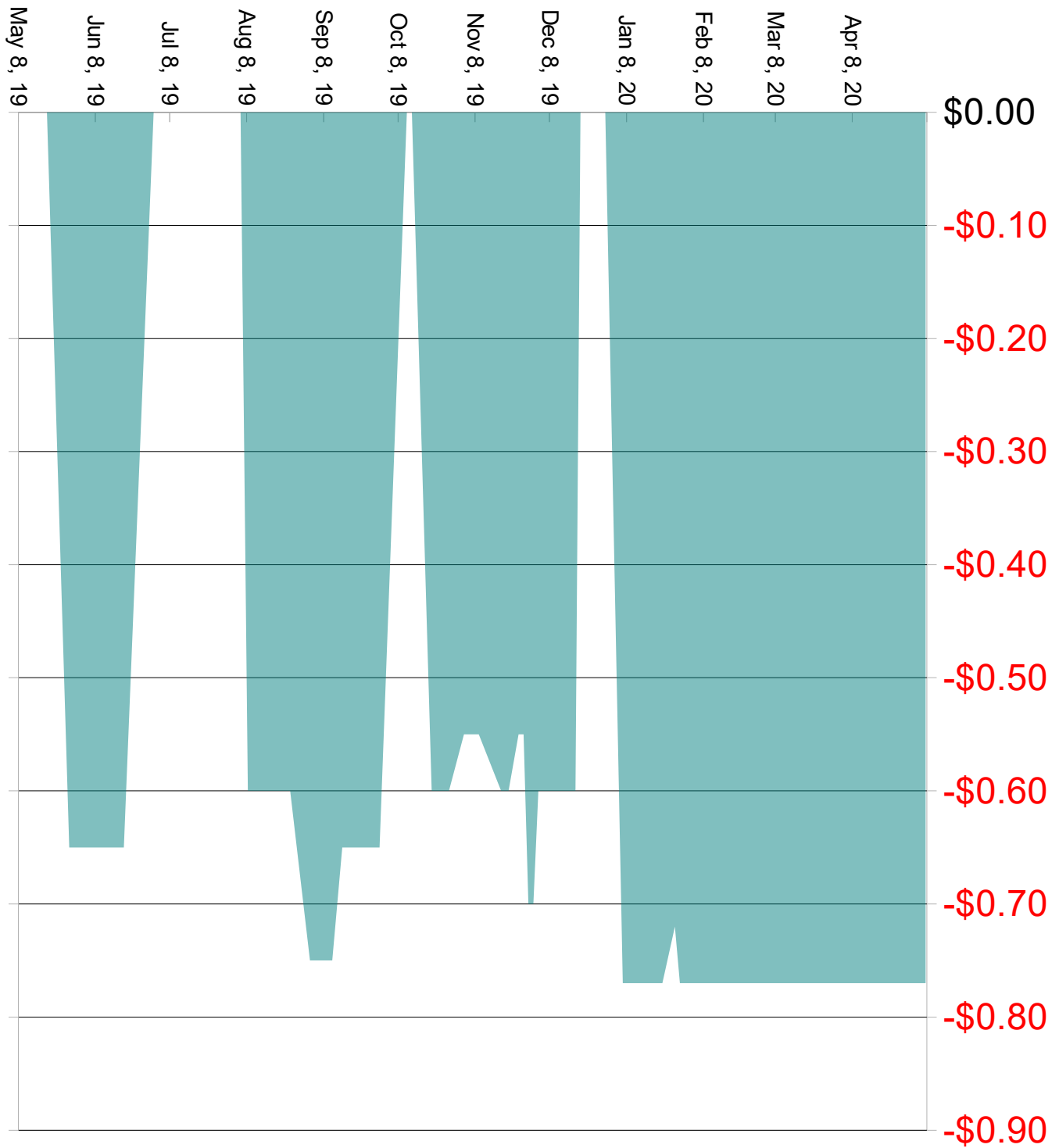
# new crop Corn basis



# 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			Spread
Dec-20	3.356		Dec-20	3.334		Dec-20	3.312		Dec-20		
Mar-21	3.486	0.13	Mar-21	3.472	0.138	Mar-21	3.444	0.132	Mar-21		0
May-21	3.562	0.206	May-21	3.552	0.218	May-21	3.52	0.208	May-21		0
Jul-21	3.616	0.26	Jul-21	3.612	0.278	Jul-21	3.572	0.26	Jul-21		0
		Spread			Spread			Spread			Spread
Dec-20			Dec-20			Dec-20			Dec-20		
Mar-21		0	Mar-21		0	Mar-21		0	Mar-21		0
May-21		0	May-21		0	May-21		0	May-21		0
Jul-21		0	Jul-21		0	Jul-21		0	Jul-21		0



***AILY COMMENTARY***  
*Thursday, April 23, 2020*

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**DAILY COMMENTARY**

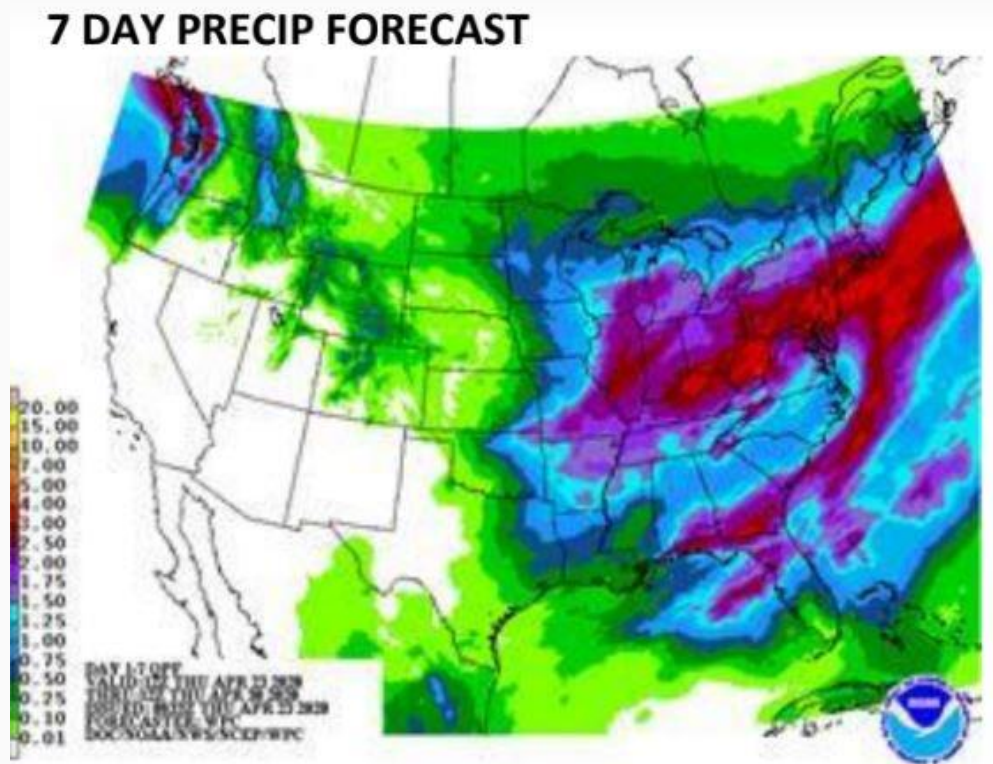
Grain markets opened higher this morning on supportive China news. There were rumors overnight from China that they could soon buy more US goods to meet the phase one trade agreement. A Chinese group reported that China could soon buy 10 MMT of US soybeans, 1 MMT of US cotton and 20 MMT US corn. The purchases are rumored to stock the country's reserves that have been depleted due to the Coronavirus. Again, this is a rumor and no confirmation has been made. Hopefully some follow through or confirmation will be made in the week ahead.

China did continue their interest in US soybeans this morning with another announced export sale of 272,000 MT of soybeans. With the supportive Chinese rumor this morning, we hope the trend continues. Weekly export sales were also announced this morning with grains being reported within the range of estimates.

Weather is also becoming a headline the trade is starting to pay close attention to. Forecasts for the Midwest are now showing more rains over the weekend and into next week. The updated models are below. Russia and

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Europe are also looking to remain dry.



Crude oil prices have recovered since the start of the week which may be adding additional support to grain futures. Equity and energy markets traded higher in today's session. The US Dollar traded lower early today, adding some support.

### CORN COMMENTARY

May corn futures continued higher today; roughly 20 cents off of contract lows made earlier in the week. December futures are also trading near \$3.40. This is a nice technical bounce after hitting multi-year lows on

Tuesday. However, we remain cautious on how long a rally can be sustained without further bullish news or headlines. We also fear that if the new crop contract sustains a rally above \$3.50 futures, 97 million acres of corn might be planted. This area will be monitored closely and we may advise you if the market starts to hover in this area. If new crop corn cannot sustain a rally here, it will likely solidify more US acres of soybeans.

Supply and demand remain key. While the Chinese rumor this morning is supportive and could certainly help ending stocks, it needs to be confirmed to be sustained. This is especially true given the current situation of ethanol. Daily export sales announcements will likely be watched closely.

Despite the strong open this morning, futures came under pressure late morning before turning back positive into the close. May corn futures finished at \$3.19, up penny.

### **SOYBEAN COMMENTARY**

Soybean futures rallied as much as 14 cents overnight with meal and oil also higher. Like corn, a short-term bottom may be in place. Despite China's second day purchase of US soybeans, the market continues to watch US exports. Exports this morning were reported at 344,900 MT which is 41% higher than last week. Still, US soybean exports remain behind as South America remains competitive. The Brazilian Real

continues to record lows versus the US Dollar which is giving South America a competitive advantage for exports.

Soybean futures did come off early highs later in the session. Still, futures finished up about 4 cents. May soybeans closed at \$8.39.

### **WHEAT COMMENTARY**

Wheat markets followed corn and soybeans slightly higher early in today's session. There was support from Russia's Ag Ministry announcing that the country has met half of its export quota. Remember, once their quota (7 million tonnes) is hit, they are expected to shut off exports. This is expected to happen mid-May.

It is worth noting that Australia has been receiving beneficial and widespread rains that are expected to increase their 2020 crop outlook. Australia's 2020/2021 wheat production forecast is currently at 23 MMT, more than 50% larger than 2019/2020.

Like corn and soybeans, futures turned lower late in the morning. May Kansas City wheat closed down 4 cents at \$4.85; May Minneapolis ended at \$5.05, up a penny; and May Chicago finished at \$5.47, up 4 cents.

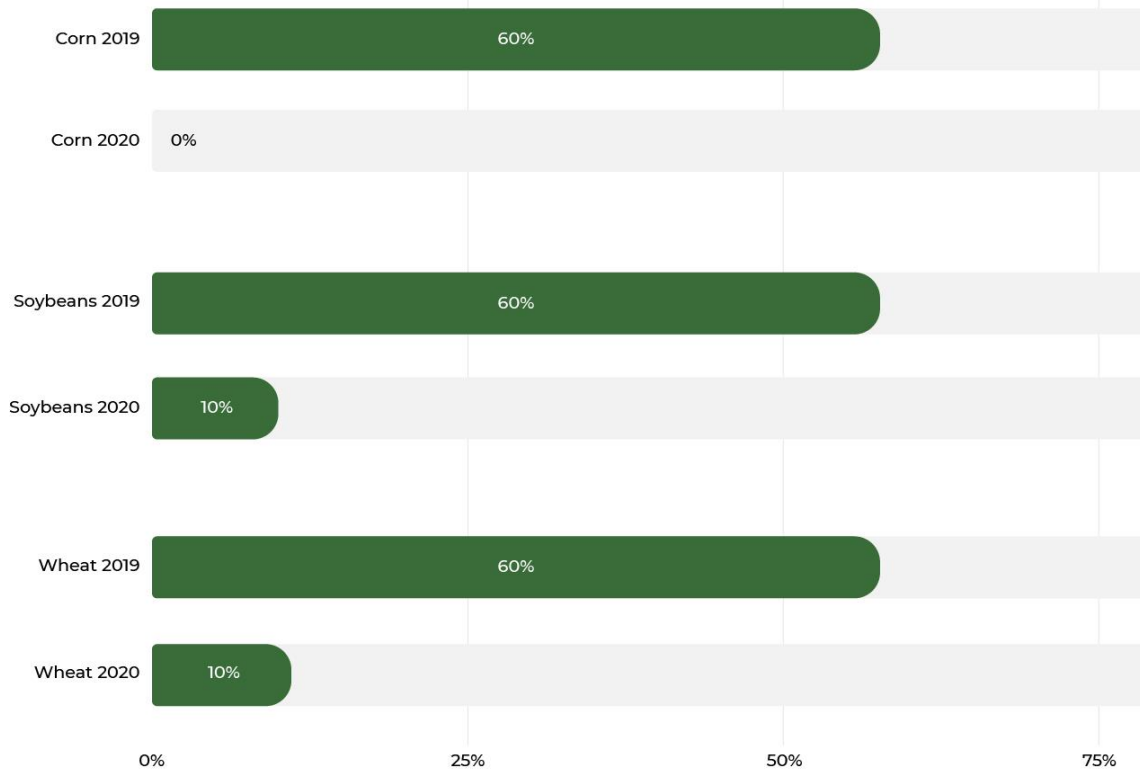
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## Recommendations

### PRICE RECOMMENDATIONS

● Cash/Futures ● Hedged ● GTC ● Open



Yeager: Back to the grains. You talk about wheat a little bit, the dry grains, it wasn't dry, it's been dry in Europe. They got a little rain. Is that the biggest weight on the market right now?

Kub: Yeah, I think from day to day, that wheat market, you see it fluctuate based on that weather forecast and the weather forecast for the next 10 days, not just Europe, but going into Russia and Ukraine also, there is rain in that forecast. So we saw the global wheat prices sort of pull back from day to day. You're talking about Chicago, Kansas City, and even the Paris wheat futures, but uniquely Minneapolis wheat futures have not been behaving in the same way as those other bigger wheat futures markets are. They've just been trending lower day after day.

Yeager: We have a couple of good wheat questions we'll get to in market plus. Are you holding, buying or selling right now on wheat?

Kub: Well, I can understand why the Minneapolis wheat futures are moving lower. Let's talk about spring wheat specifically. And it's because there's more planting potential there. There's more motivation for farmers to get in there and plant that spring wheat instead of corn. Just from the price ratio alone. I mean you wouldn't think that \$5 spring wheat is, is really motivating but compared to \$3.30 corn, I guess it is. So there is potential for more downward movement there and it might be a, you know, this might be the best you can get.

Yeager: Corn was struggling for a while this week then came Thursday. Was this only end of the month profit taking or was something, is something else in play here in corn?

Kub: Oh, I wouldn't, I wouldn't say this week's, you know, a little bit of a jump in corn prices is anything to write home about or get real excited about. I mean, I think the larger market factors, specifically the bearishness of ethanol and fuel usage in the United States and globally, that is just going to be kind of, not permanent, but a long-term drag on corn prices.

Yeager: That oil is something that did rally, I think the last two days it's gone green. Why is corn so susceptible when it goes down, but it doesn't quite react on the way up to go out?

Kub: Well, I just want to make a comment that it's not too hard for oil to go up from negative 40. But yeah, but for corn and for ethanol and, and energy, all of this is because the news that's coming in is bearish as the market is, is factoring in how long and how bad the demand destruction may be. You know, the RFA this week came out with a study suggesting that for a whole calendar year, ethanol demand might be down 20%. So if you've just backed that off, 20% less ethanol needs 20% less corn used in ethanol that's a billion bushels. That's a billion bushels of corn for ethanol usage gone. And you're talking about a 22% stocks to use ratio instead of a 15% stocks to use ratio. That's bearish. I mean, it doesn't have to be a linear relationship in prices, prices don't have to go down just because the inventory gets slightly higher. You know, if you have enough, you have enough, but it will always have value and it can be stored. This is dry grain. This isn't hogs. You can store it until the market shows up.

Yeager: All right. Real quick, I have to get in Phil from Ontario, Canada's question here is that he's asking about December, he says with December corn at \$3.34 and with COVID-19 a constant is the old adage of a high and mid-June out of the window this year? Is corn limiting wheat?

Kub: Yeah. That seasonal expectation that we have is to see the higher prices and sort of May, June, July timeframe. That's for normal years. That's for years when you have sort of a normal abundance of crops and that's the pattern you see. But I want to say that 2020 is not a normal year. You know, 2012 wasn't a normal year. We had a drought and so prices went up towards harvest. 2020 I believe is going to be one of those years where you have a sudden crush of supply or in this case a sudden collapse in demand and it may very well be the case that we have seen the highest already for that new crop December corn contract. Those by the way were back in January 15th at like \$4.04 and three-quarters.

Yeager: Oh for the winter of times that we would like to talk about soybean wise here, Elaine there was news Thursday into Friday about a tough tariff talk. The President threatening more tariffs on

China. They're just starting to buy. Is this going to jeopardize any or keep a lid on some of these rallies?

Kub: Absolutely. So Thursday was a good day for the soybean market. 264,000 metric tons of soybeans were sold or were purchased by China. That's good. That's great news. And we did see soybean markets move up 17 cents, but like you mentioned, then the headlines come back in and it's like you say, just back in winter where you have this kind of cat fight hitting and spitting between the United States and China. And that takes all the wind out of the sails of the idea that trade would be normalized, but that phase one trade deal, whatever, really come back into the picture. And so that certainly takes it all back out again.

Yeager: Well, it was something we talked about week with Arlan. It was, you know, just when you thought there they know a good deal. They came in and buy on the, on the low side of things. With soybeans this week there was a purchase by Mexico, pretty small, but then these China rumors overnight and then they are purchasing. So I guess I'll ask long-term here, are you selling that November contract or are you holding right now?

Kub: Well, \$8.50 cents isn't the level that anybody really appreciates. But that seasonal pattern, again, it's the same for soybeans as for corn. If we're not going to see a high because of planting problems or because of weather problems in the summer, we don't know, perhaps. But the most likely expectation is if we're going to have this bearishness of supply or lack of demand carrying through with us all the way into fall, we would expect to see prices continue flat or lower all the way into fall.