



Marketing Class

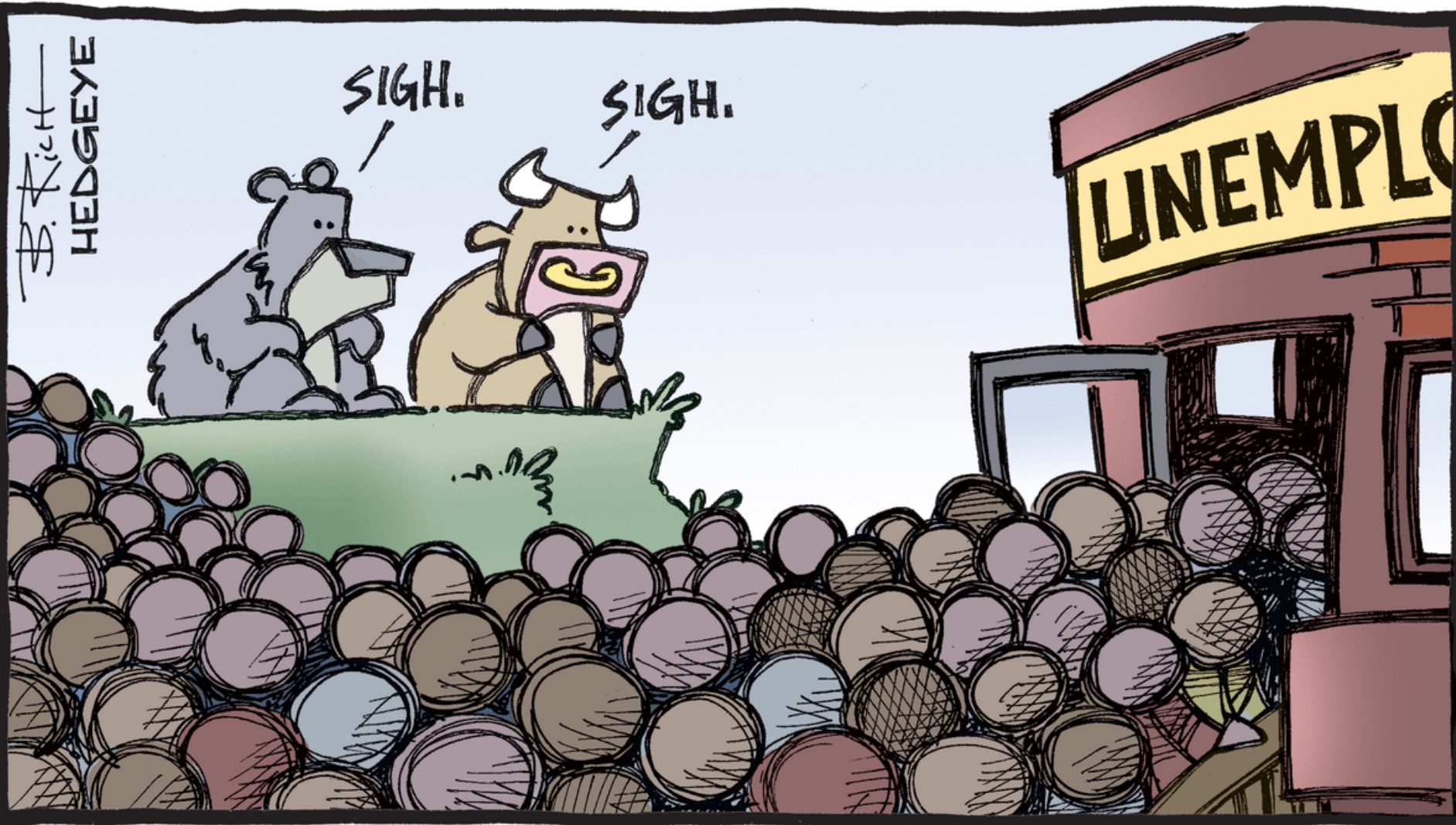
DATE JUNE 5TH, 2020

\$ Kicht
HEDGEYE

SIGH.

SIGH.

UNEMPLO



B. Rich — HEDGEYE

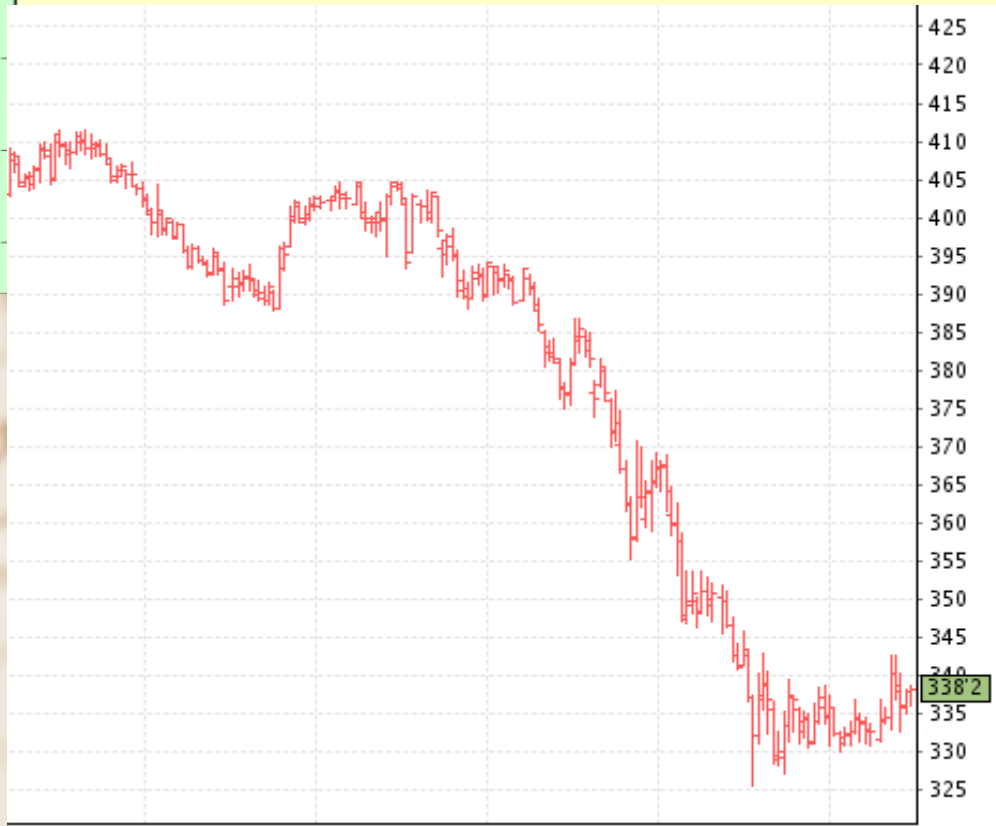


HELLO,
BASE, I'M
THINKING
ABOUT
EJECTING.

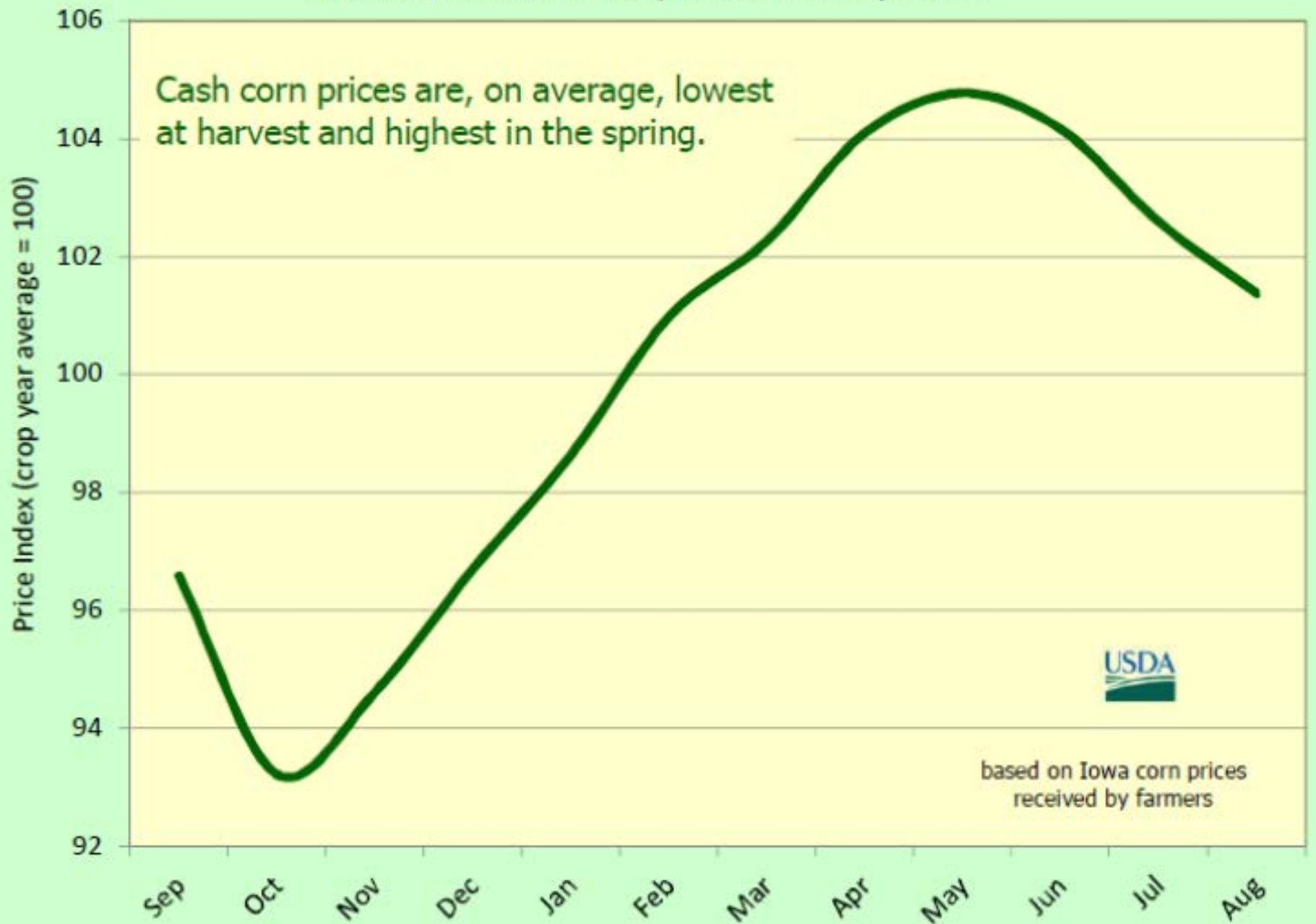
Topics for June 5th 2020

- Current Chart Comparison
- CFAP Update
- Cash Prices for Old Crop and New Crop
 - Basis for Old Crop and New Crop
 - Basis for old/new crop-recent improvements.
 - Discuss June WASDE

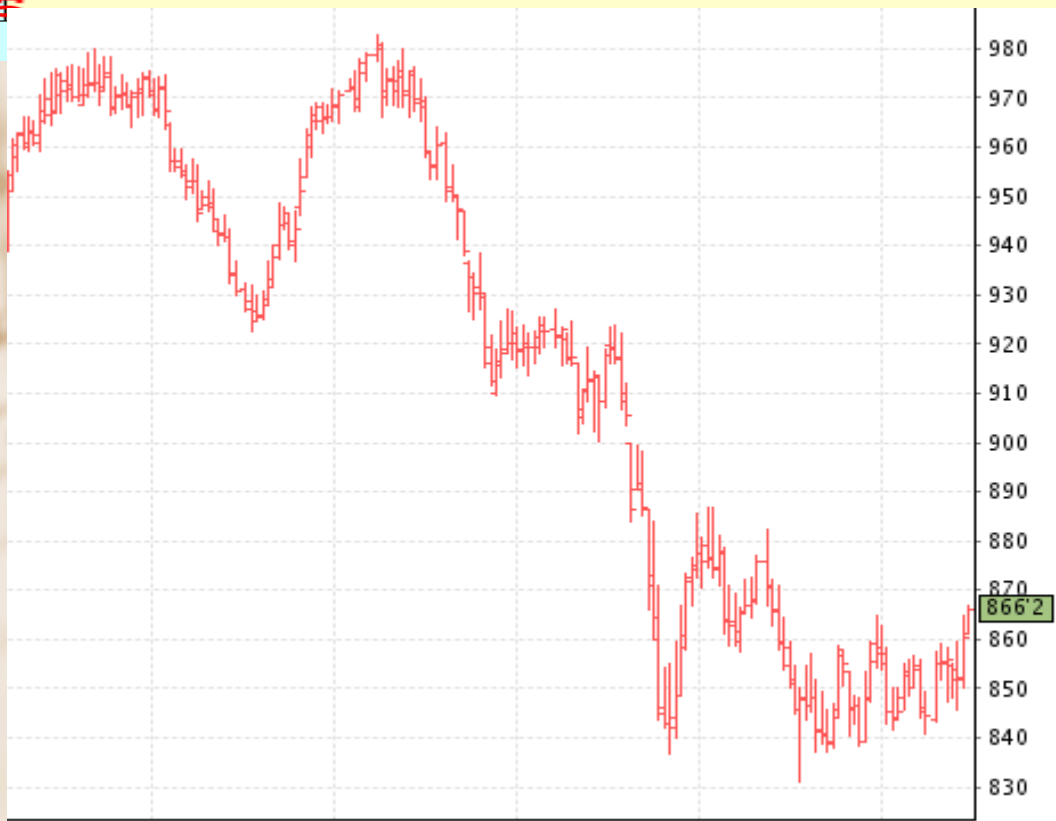
Chicago December Corn Futures, 2000-2018 average



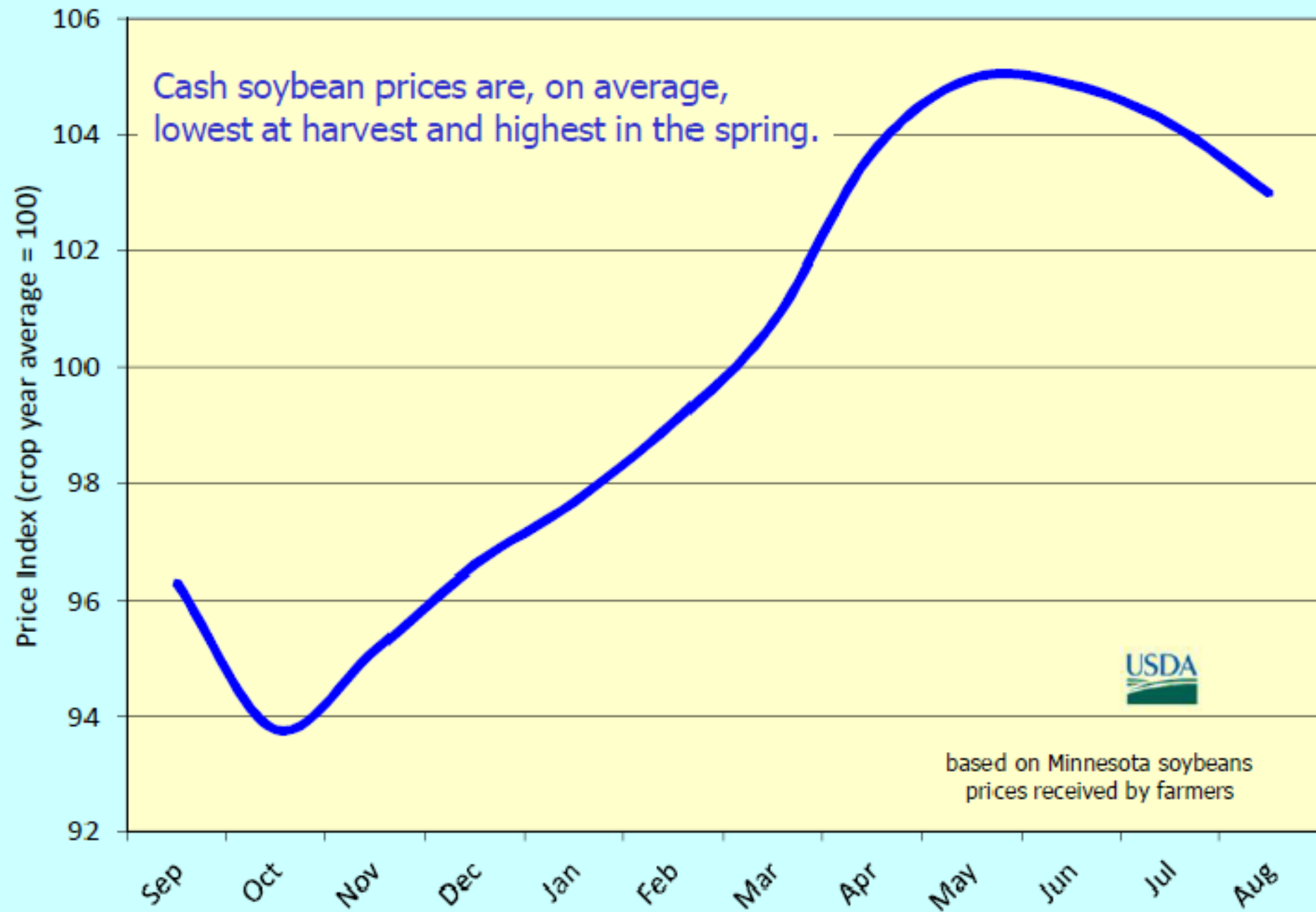
Index of Iowa Corn Prices, 1990-2014 Crop Years



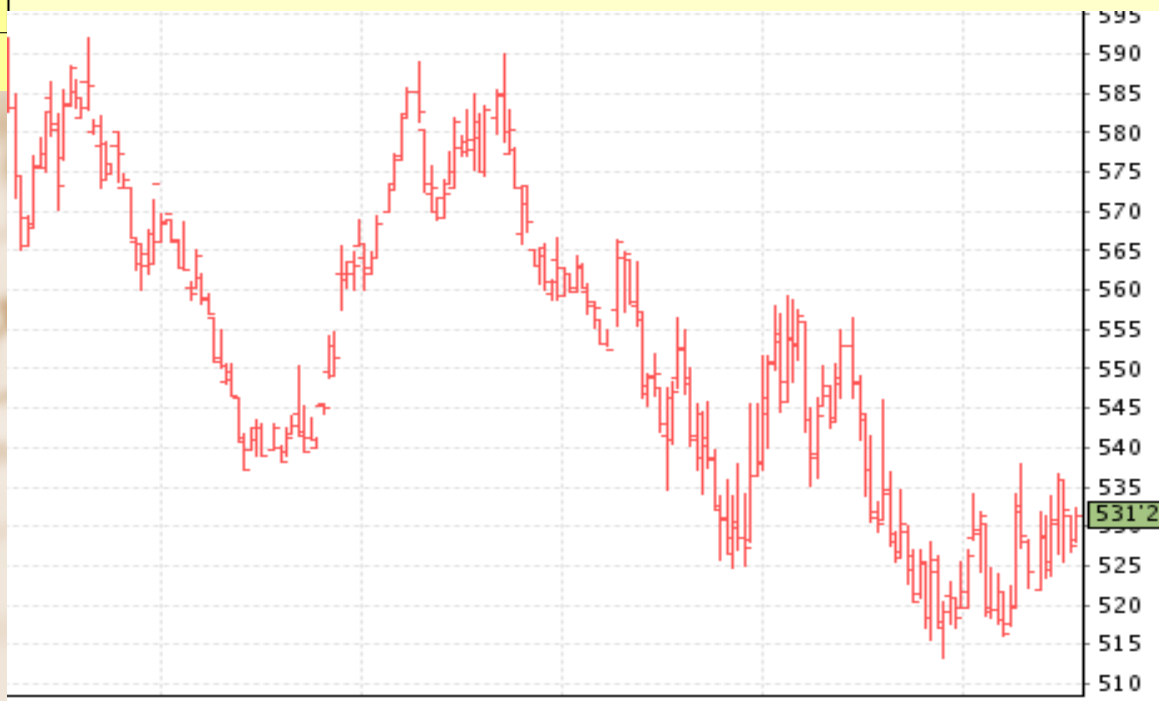
Chicago November Soybean Futures, 2000-2018



Index of Minnesota Soybean Prices, 1990-2014 Crop Years

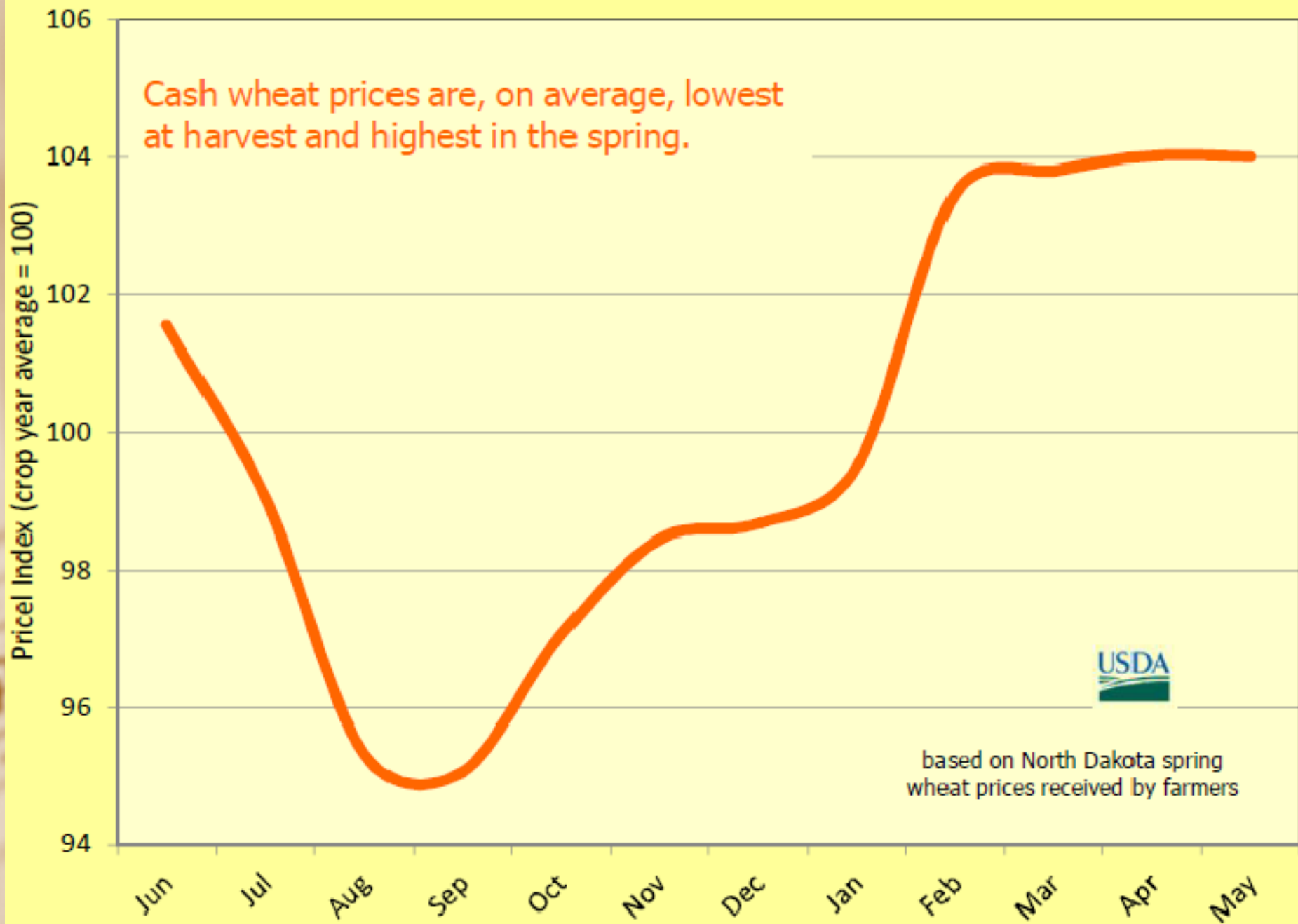


September MGEX Spring Wheat Futures, 2000-2018



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

ELECTRONIC CRUDE OIL (QCLN20)



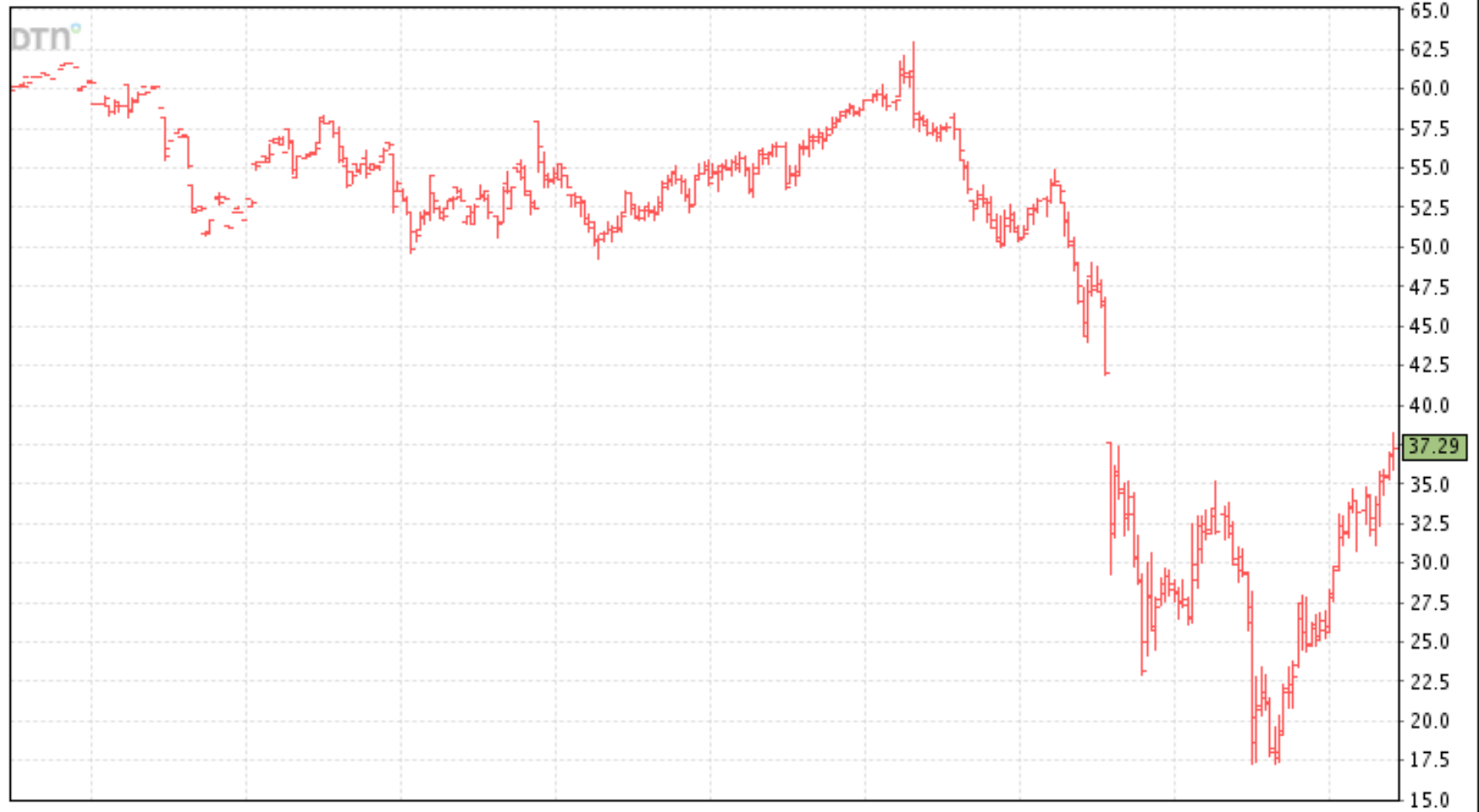
Symbol:

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

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

Last: 37.29 | Chg: 0.00 | %Chg: 0 | Open: 36.76 | High: 37.43 | Low: 36.38

Current Month:



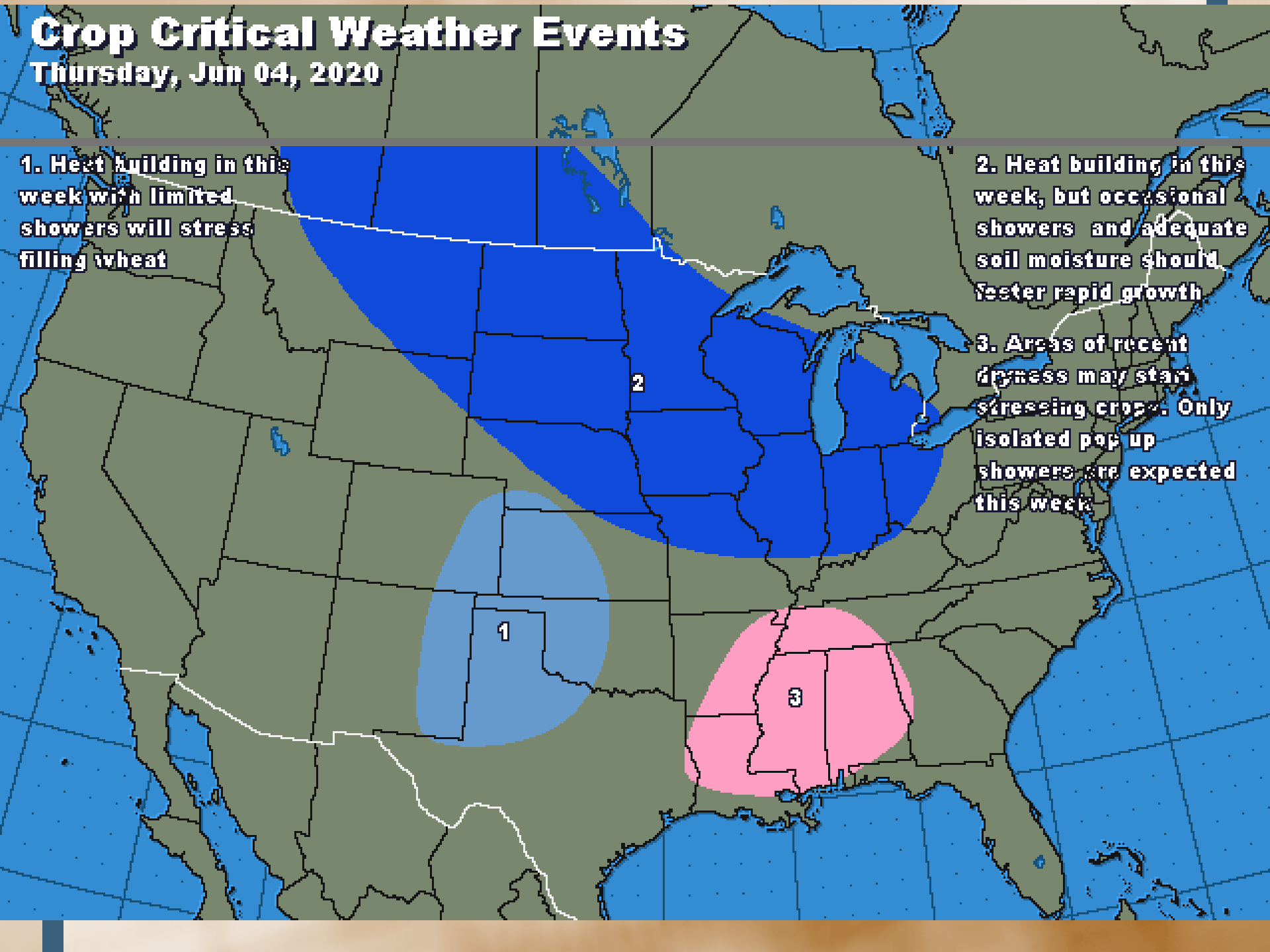
Crop Critical Weather Events

Thursday, Jun 04, 2020

1. Heat building in this week with limited showers will stress filling wheat

2. Heat building in this week, but occasional showers and adequate soil moisture should foster rapid growth

3. Areas of recent dryness may start stressing crops. Only isolated pop up showers are expected this week

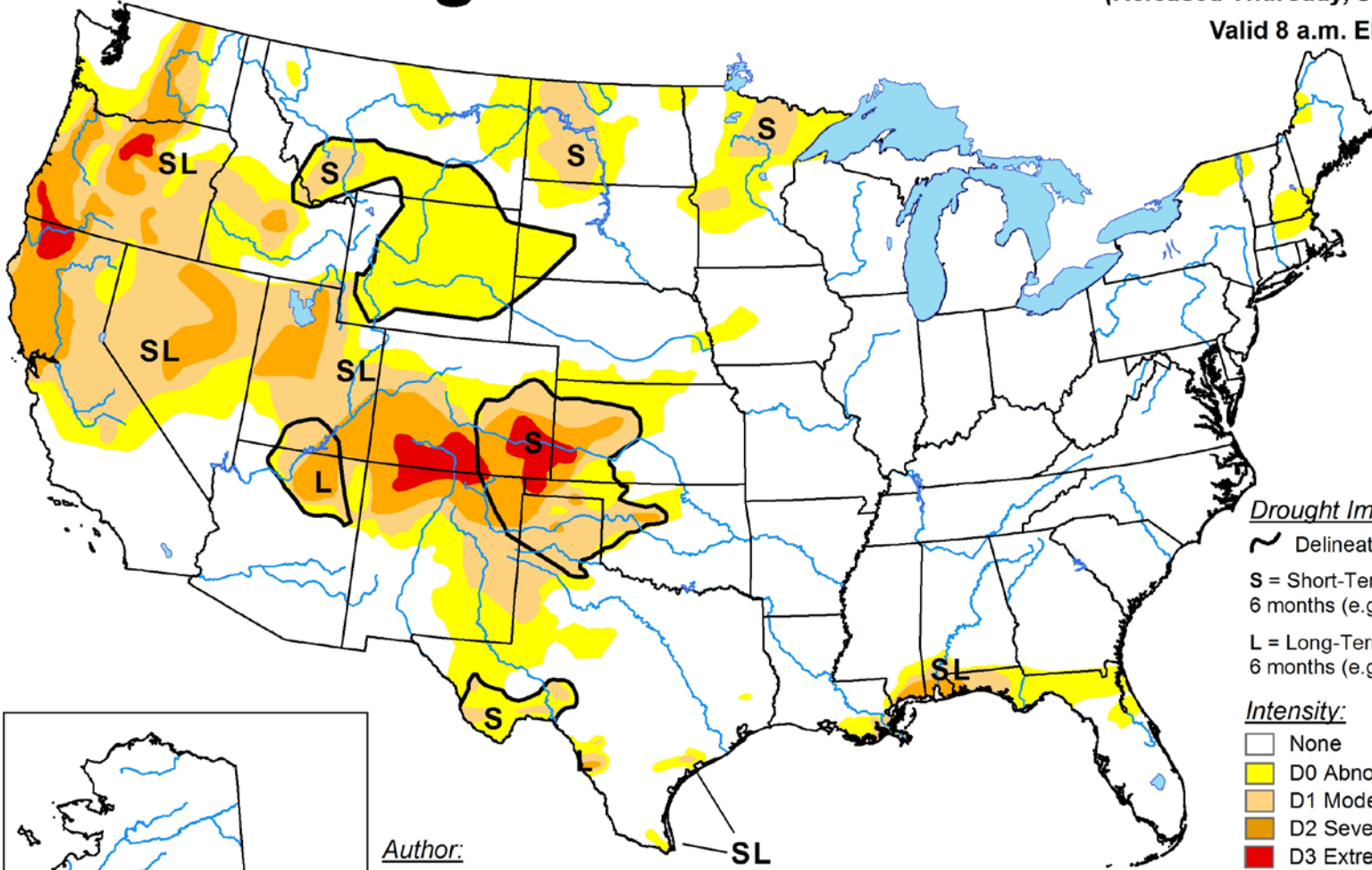


U.S. Drought Monitor

June 2, 2020

(Released Thursday, Jun. 4, 2020)

Valid 8 a.m. EDT



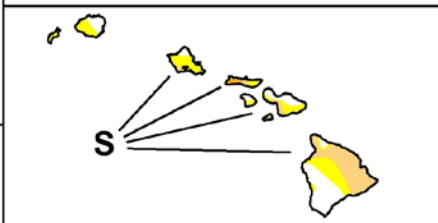
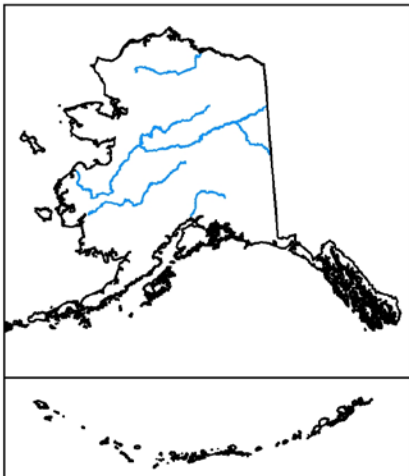
Drought Impact Types:

- ~ 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:
Curtis Riganti
National Drought Mitigation Center



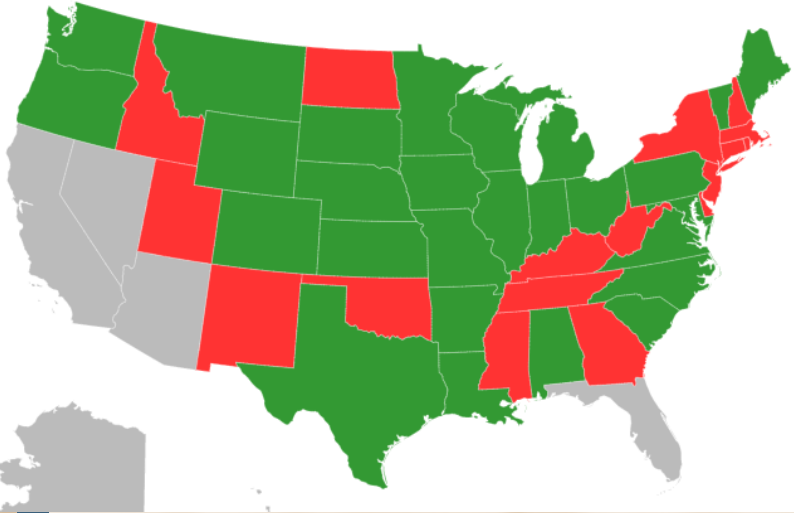
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>



droughtmonitor.unl.edu

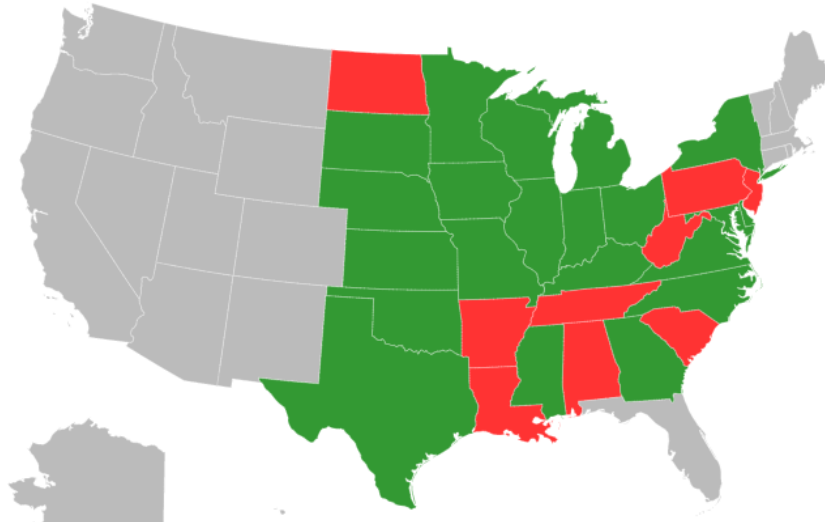
2020 CORN PLANTING-PROGRESS

U.S. THIS YEAR: 93%



2020 SOYBEAN PLANTING-PROGRESS

U.S. THIS YEAR: 75%



North Dakota Wheat Progress

As of Week ending May 31st, Planting was 85% versus 95% typical and emergence was at 52% versus 62% typical

CFAP Program Information

- **USDA clarifies eligibility for CFAP**
- USDA released the following clarification of contracts/risk management strategies that are eligible/ineligible for Coronavirus Food Assistance Program (CFAP) payments.
- **Eligible contracts (Entered on or before Jan. 15):**
 - Basis contract • Basis fixed contract
 - Delayed price contract • Deferred price contract
 - No price established
- **Ineligible contracts (Entered on or before Jan. 15):**
 - Cash contract • Hedge-to-arrive contract
 - Fixed price contract • Window contract
 - Forward price contract • Option contract
 - Cash forward contract • Futures fixed contract
 - Minimum price contract • Futures contract

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

- Wheat-May to June is typical strong pricing timing
- Corn-Debate on PP for Corn versus plant Soybeans, Leave upside open, put orders in for rallies of \$.10-\$.15, Ethanol usage is up 6 million last week, but still down 30+million from last year this week. Gas usage will be followed closely

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

- Soybeans-Brazil issues with currency versus dollar, COVID cases, China buying over last week, Likely most upside potential based on acres and current projections
- Look to reward rallies, Funds are near record of 2008 in short position.
- Election and China debate will be watched going forward
- 2020 Corn Bean Ratio: $8.786/3.424 = 2.566$ to 1 (Favors Beans-both futures are up from two weeks ago (+\$0.20 beans and +\$.09 on corn))

National Marketing Year Price Update for PLC/ARC

- **ARC, PLC, and ARC IC for 2019 should have payments in Oct 20**
- Corn at \$3.60 below PLC Reference of \$3.70, Payment estimate \$0.10 per PLC bushel*.85
- *Soybeans at \$8.50 above PLC Reference of \$8.40*
- Wheat at 4.66 below PLC reference price of \$5.50. Payment estimate \$0.90 (May 12th was last update) per PLC bushel *.85
- 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.
- ARC-CO Estimates as of May 12th update:
- Clay-Corn=None, Soybean=\$18, Wheat=\$32
- Norman-Corn=None, Soybean=\$21, Wheat=\$35
- Wilkin-Corn=None, Soybean=None, Wheat=\$31

LOCAL CASH GRAIN PRICES

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

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

	6/4/2020 2:19 p.m.			6/1/2020 8:53 a.m.			5/26/2020 8:00 a.m.			5/18/2020 10:02 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- June Del	July 20-July Del	Sept 20-Aug Del	July 20- June Del	July 20-July 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	4.76	4.76					4.74	4.74		4.65	4.65	
Maple River	4.64	4.64	4.61	4.63	4.63	4.52	4.52	4.52	4.48	4.43	4.43	4.39
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	-0.50	-0.50					-0.40	-0.40		-0.40	-0.40	
Breck	-0.60	-0.60	-0.60	-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	-0.52	-0.52	-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- June Del	July 20-July Del	Nov 20-Oct Del	July 20- June Del	July 20-July 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	7.78	7.78					7.41	7.41		7.50	7.50	
Maple River	7.81	7.81	7.90	7.57	7.57	7.68	7.41	7.41	7.62	7.50	7.50	7.67
Basis: Gtwn	-0.90	-0.90					-0.97	-0.97		-0.97	-0.97	
Breck	-0.70	-0.70	-0.70	-0.70	-0.70	-0.75	-0.70	-0.70	-0.75	-0.70	-0.70	-0.80
Felton	-0.97	-0.97	-0.82	-0.97	-0.97	-0.82	-0.97	-0.97	-0.82	-0.97	-0.97	-0.82
MRG	-0.87	-0.87	-0.87	-0.87	-0.87	-0.87	-0.97	-0.97	-0.87	-0.97	-0.97	-0.87
CORN:	July 20- June Del	July 20-July Del	Dec 20-Dec Del	July 20- June Del	July 20-July 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	2.69	2.69					2.55	2.55		2.55	2.55	
Cargill	2.89	2.94	3.08	2.83	2.88	2.99	2.65	2.65	2.98	2.65	2.65	2.95
Basis-Gtwn	-0.60	-0.60					-0.65	-0.65		-0.65	-0.65	
Cargill	-0.40	-0.35	-0.35	-0.50	-0.45	-0.37	-0.55	-0.55	-0.37	-0.55	-0.55	-0.37
Felton	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77
MRG	-0.47	-0.47	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52

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% June 1, 2020 Farm Storage Loans

Annual Interest Rate	Length of Loan Term	Annual Interest Rate	Length of Loan Term
0.250%	3 years	0.625%	10 years
0.375%	5 years	0.750%	12 years
0.500%	7 years		

Basis for Old Crop and New Crop

- Basis Changes-Old Crop Corn-Still 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, Possibly start at \$3.00 cash (MFP#3?)
- 19 Soybeans Corn-July Futures 2020-\$9.40-9.50
- 20 Soybeans Dec Futures 2020-\$9.60 Start-Cash \$8.75 Cash Flow plan, Possibly start at \$8.00 cash (MFP#3?)
- 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 , Start around \$5.50 Dec
- Dec Wheat at \$5.526 on 6/4-If get -\$0.10 basis, \$5.42 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

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	329'0s	5'0	329'4	324'0	Jul-20	867'6s	10'2	873'2	855'2	Jul-20	523'6s	11'6	529'0	512'0
Sep-20	333'2s	4'6	333'6	328'2	Aug-20	868'6s	9'6	873'4	857'2	Sep-20	527'4s	11'6	532'6	515'6
Dec-20	342'6s	4'4	342'6	337'6	Sep-20	870'2s	9'6	874'4	858'2	Dec-20	536'6s	10'6	542'2	526'0
Mar-21	355'0s	4'4	355'0	350'2	Nov-20	876'6s	10'4	879'6	864'4	Mar-21	546'2s	10'4	551'2	535'6
May-21	361'2s	4'0	361'4	356'6	Jan-21	881'4s	11'0	883'4	868'4	May-21	550'4s	10'6	554'6	539'6
Jul-21	366'2s	3'6	366'6	361'4	Mar-21	879'0s	12'2	881'2	864'4	Jul-21	547'0s	10'6	551'0	536'6
Sep-21	366'4s	4'4	366'6	361'2	May-21	882'6s	14'4	884'2	866'0	Sep-21	551'0s	10'2	553'6	546'2
Dec-21	373'4s	4'6	373'4	367'6	Jul-21	891'0s	15'0	892'2	873'6	Dec-21	559'6s	9'6	562'0	555'6
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	345'4s	13'6	350'0	331'0	Jul-20	289.8s	3.5	292.4	285.7	Jul-20	27.82s	-0.04	27.86	27.50
Sep-20	298'4s	6'6	301'0	292'4	Aug-20	291.9s	3.5	294.4	287.9	Aug-20	28.01s	-0.04	28.03	27.68
Dec-20	281'2s	4'0	287'2	277'6	Sep-20	293.6s	3.6	296.0	289.8	Sep-20	28.19s	-0.03	28.21	27.86
Mar-21	281'2s	2'4	---	---	Oct-20	294.9s	3.6	297.2	291.2	Oct-20	28.35s	-0.02	28.36	28.02
May-21	289'2s	2'4	---	---	Dec-20	297.8s	3.5	300.1	294.1	Dec-20	28.68s	0.00	28.71	28.33
Jul-21	289'2s	2'4	---	---	Jan-21	298.9s	3.6	300.8	295.2	Jan-21	28.89s	0.02	28.92	28.53
Sep-21	296'4s	2'4	---	---	Mar-21	298.9s	4.1	299.8	294.6	Mar-21	29.07s	0.04	29.09	28.69
Dec-21	296'4s	2'4	---	---	May-21	299.9s	5.1	300.4	294.7	May-21	29.24s	0.06	29.24	28.84
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	22.065s	1.500	22.065	20.630	Jul-20	472'2s	14'4	476'6	457'0	Jul-20	526'2s	6'0	529'6	519'4
Sep-20	12.545s	-0.035	12.660	12.450	Sep-20	479'2s	14'4	483'4	464'2	Sep-20	537'4s	6'2	540'4	530'6
Nov-20	12.075s	0.005	12.145	11.995	Dec-20	490'6s	13'6	495'0	476'4	Dec-20	551'2s	7'0	554'2	547'4
Jan-21	12.270s	0.025	12.250	12.250	Mar-21	502'0s	13'2	505'4	488'0	Mar-21	563'4s	6'6	565'4	558'4
Mar-21	12.420s	0.025	---	---	May-21	509'0s	12'6	512'4	498'6	May-21	570'6s	6'2	573'2	572'0
May-21	12.420s	0.025	---	---	ELECTRONIC CANOLA (@RS) [10]					Jul-21	575'4s	5'2	579'2	576'0
Jul-21	12.420s	0.025	---	---	Month	Last	Chg	High	Low	ELECTRONIC MILLING WHEAT (@WA) [0]				
ELECTRONIC BARLEY (@BW) [0]					Month	Last	Chg	High	Low	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Jul-20	463.6s	2.7	465.9	459.2	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Nov-20	470.8s	2.4	472.9	467.3	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Jan-21	477.3s	2.5	479.3	474.3	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	Mar-21	482.7s	2.4	484.7	481.3	Month	Last	Chg	High	Low
Month	Last	Chg	High	Low	May-21	487.9s	2.3	489.9	486.6	Month	Last	Chg	High	Low
ELECTRONIC DURUM WHEAT (@DW) [0]					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, Jun 4, 2020 2:16 PM CDT *Quotes are in market time

LOCAL CASH GRAIN PRICES

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

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

	6/4/2020 2:19 p.m.			6/1/2020 8:53 a.m.			5/26/2020 8:00 a.m.			5/18/2020 10:02 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- June Del	July 20-July Del	Sept 20-Aug Del	July 20- June Del	July 20-July 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	4.76	4.76					4.74	4.74		4.65	4.65	
Maple River	4.64	4.64	4.61	4.63	4.63	4.52	4.52	4.52	4.48	4.43	4.43	4.39
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	-0.50	-0.50					-0.40	-0.40		-0.40	-0.40	
Breck	-0.60	-0.60	-0.60	-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	-0.52	-0.52	-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- June Del	July 20-July Del	Nov 20-Oct Del	July 20- June Del	July 20-July 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	7.78	7.78					7.41	7.41		7.50	7.50	
Maple River	7.81	7.81	7.90	7.57	7.57	7.68	7.41	7.41	7.62	7.50	7.50	7.67
Basis: Gtwn	-0.90	-0.90					-0.97	-0.97		-0.97	-0.97	
Breck	-0.70	-0.70	-0.70	-0.70	-0.70	-0.75	-0.70	-0.70	-0.75	-0.70	-0.70	-0.80
Felton	-0.97	-0.97	-0.82	-0.97	-0.97	-0.82	-0.97	-0.97	-0.82	-0.97	-0.97	-0.82
MRG	-0.87	-0.87	-0.87	-0.87	-0.87	-0.87	-0.97	-0.97	-0.87	-0.97	-0.97	-0.87
<u>CORN:</u>	July 20- June Del	July 20-July Del	Dec 20-Dec Del	July 20- June Del	July 20-July 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	2.69	2.69					2.55	2.55		2.55	2.55	
Cargill	2.89	2.94	3.08	2.83	2.88	2.99	2.65	2.65	2.98	2.65	2.65	2.95
Basis-Gtwn	-0.60	-0.60					-0.65	-0.65		-0.65	-0.65	
Cargill	-0.40	-0.35	-0.35	-0.50	-0.45	-0.37	-0.55	-0.55	-0.37	-0.55	-0.55	-0.37
Felton	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77	-0.62	-0.62	-0.77
MRG	-0.47	-0.47	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52

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% June 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	0.625%	10 years
0.375%	5 years	0.750%	12 years
0.500%	7 years		

MARKETING NEWSLETTER COMPARISONS

Northland College–Josh Tjosaas and Ron Dvergstén, Instructors

6-4-2020	WHEAT	SOYBEANS	CORN	OTHER
Pro Farmer:	19: 100% sold for cash sellers and for H's 100% sold. 20: 30% sold for cash sellers and 30% sold for HTA Trend is steady.	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 steady.
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 4/24/2020</u> 20: No sales	<u>Updated 3/13/2020</u> 20: 20% sold at 9.80 Futures	<u>Updated 3/20/2020</u> 20: No sales	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 June 11th, 2020 Bold: indicates change from last week.				

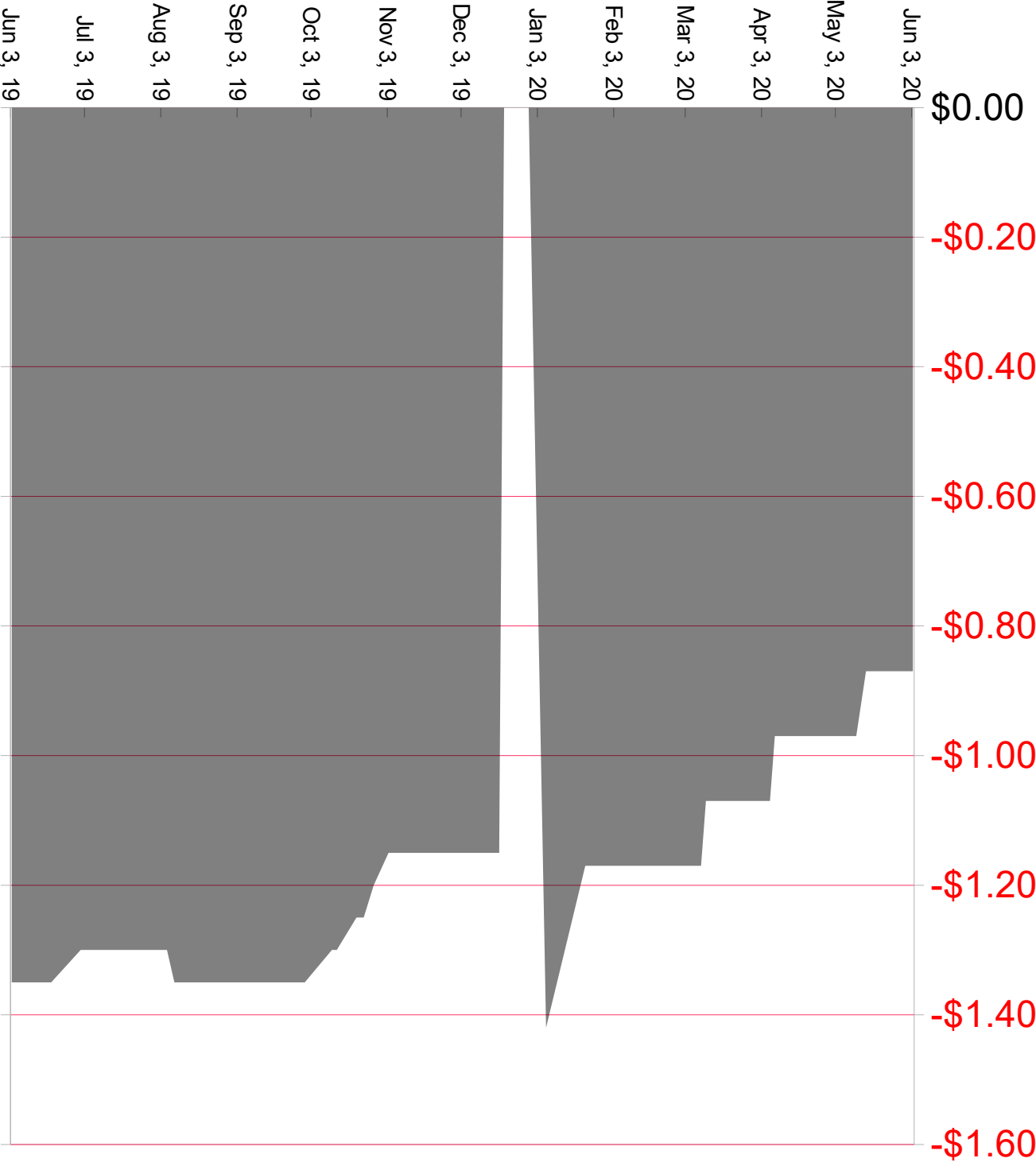
“The information provided by Northland Farm Business Management is for informational and comparison purposes only. It is not intended to be considered marketing or trading advice for your individual operation. The risk of loss in trading futures and/or options is substantial and each investor and/or 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.”

Corn Quotes	5/26/2020	Spread		5/28/2020	Spread		6/1/2020	Spread		6/3/2020	Spread
Dec-20	3.344		Dec-20	3.34		Dec-20	3.36		Dec-20	3.374	
Mar-21	3.472	0.128	Mar-21	3.46	0.12	Mar-21	3.476	0.116	Mar-21	3.502	0.128
May-21	3.544	0.2	May-21	3.53	0.19	May-21	3.544	0.184	May-21	3.57	0.196
Jul-21	3.596	0.252	Jul-21	3.58	0.24	Jul-21	3.6	0.24	Jul-21	3.624	0.25
Dec-20		Spread	Dec-20		Spread	Dec-20		Spread	Dec-20		Spread
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
		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
		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
		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
		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
		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
		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

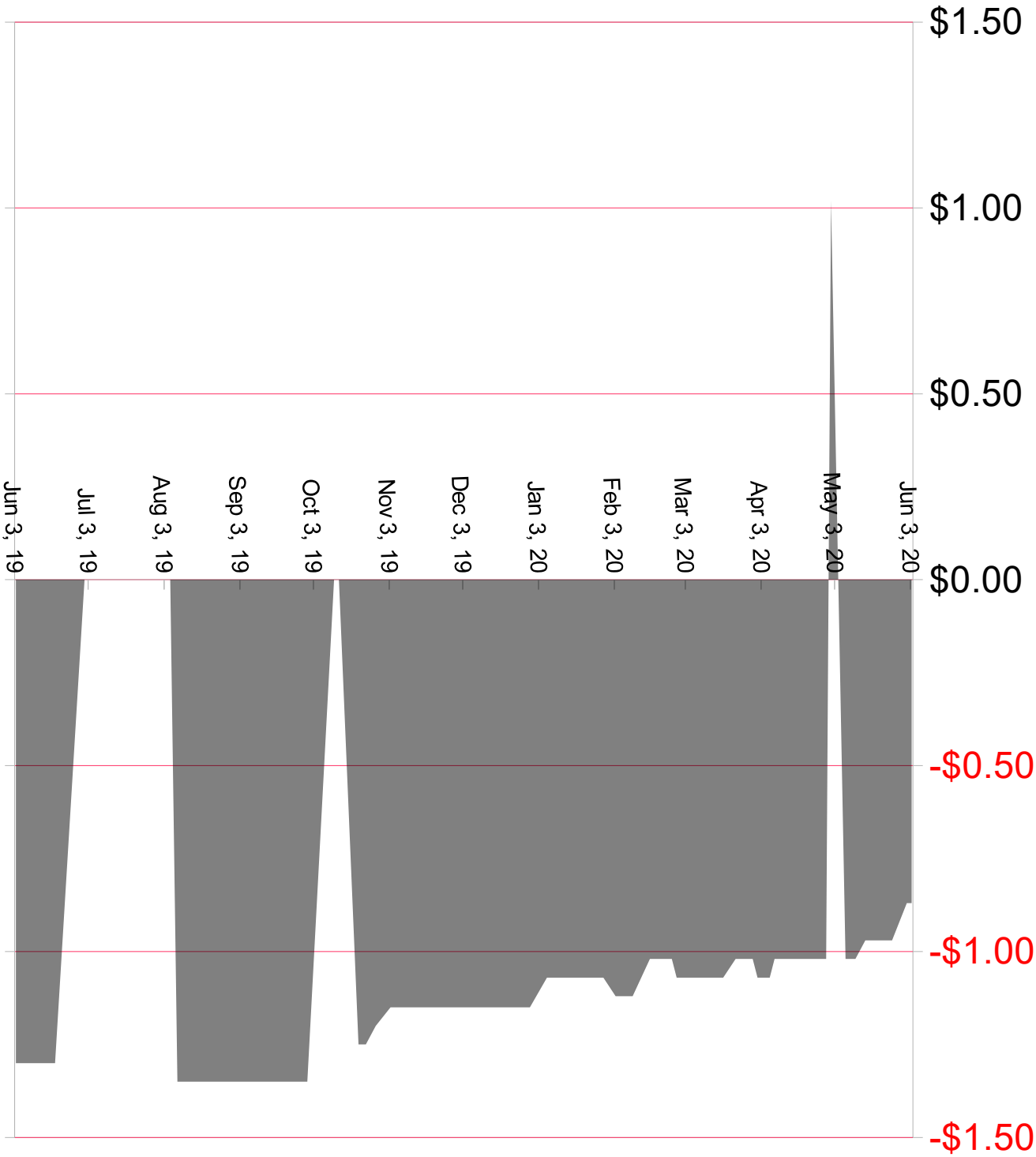
Check Elevators

	5/22/20	5/26/20	6/11/20	6/30/20
Old Corn-Ag Valley	-53	-53	-53	-60
Old Corn-Felton	-62	-62	-62	-62
Old Corn-Cargill	-55	-55	-50	-
Old Corn-Georgetown	-65	-65	-	-60
Old Corn-Tharaldson	-40	-40	-35	-35
Old Corn-CW Valley	-59	-59	-59	-50
Old Corn-HEC	-60	-62	-50	-50
Old Corn-Maple River	-52	-52	-52	-47
Old Soybean-Ag Valley	-85	-85	-84	-77
Old Soybean-Felton	-97	-97	-97	-97
Old Soybean-Minn Kota	-70	-70	-70	-70
Old Soybean-Georgetown	-97	-97	-	-90
Old Soybean-CW Valley	-83	-83	-80	-78
Old Soybean-HEC	-97	-97	-90	-87
Old Soybean-Maple River	-97	-97	-87	-87
Old S.W.-Ag Valley	-43	-43	-43	-42
Old S.W.-Felton	-52	-52	-52	-52
Old S.W.-Minn Kota	-60	-60	-60	-60
Old S.W.-Georgetown	-40	-40	-	-50
Old S.W.-CW Valley	-55	-55	-55	-55
Old S.W.-HEC	-57	-57	-57	-57
Old S.W.-Maple River	-62	-62	-62	-62
New Corn-Ag Valley	-58	-58	-58	-50
New Corn-Felton	-77	-77	-77	-77
New Corn-Cargill	-37	-37	-37	-
New Corn-Georgetown	-	-	-	-
New Corn-Tharaldson	-35	-35	-35	-35
New Corn-CW Valley	-62	-62	-60	-60
New Corn-HEC	-62	-62	-62	-62
New Corn-Maple River	-50	-52	-52	-52
New Soybean-Ag Valley	-81	-81	-79	-79
New Soybean-Felton	-82	-82	-82	-82
New Soybean-Minn Kota	-75	-75	-75	-75
New Soybean-Georgetown	-	-	-	-
New Soybean-CW Valley	-90	-90	-90	-90
New Soybean-HEC	-87	-87	-87	-87
New Soybean-Maple River	-87	-87	-87	-87
New S.W.-Ag Valley	-54	-54	-54	-53
New S.W.-Felton	-47	-47	-47	-47
New S.W.-Minn Kota	-65	-65	-65	-60
New S.W.-Georgetown	-	-	-	-
New S.W.-CW Valley	-60	-60	-60	-60
New S.W.-HEC	-67	-67	-67	-62
New S.W.-Maple River	-77	-77	-77	-77

New crop Soybean basis



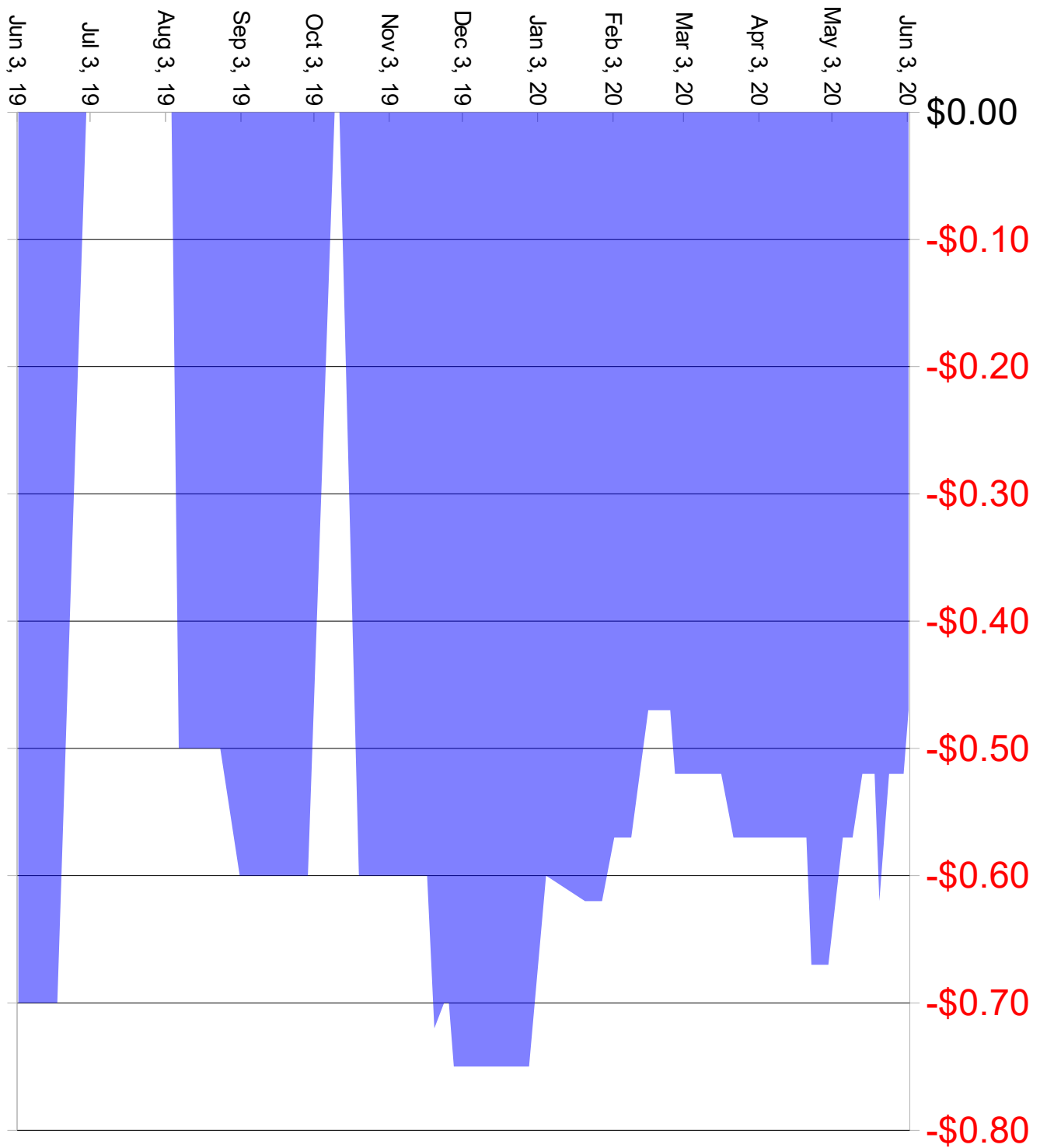
Old crop Soybean basis



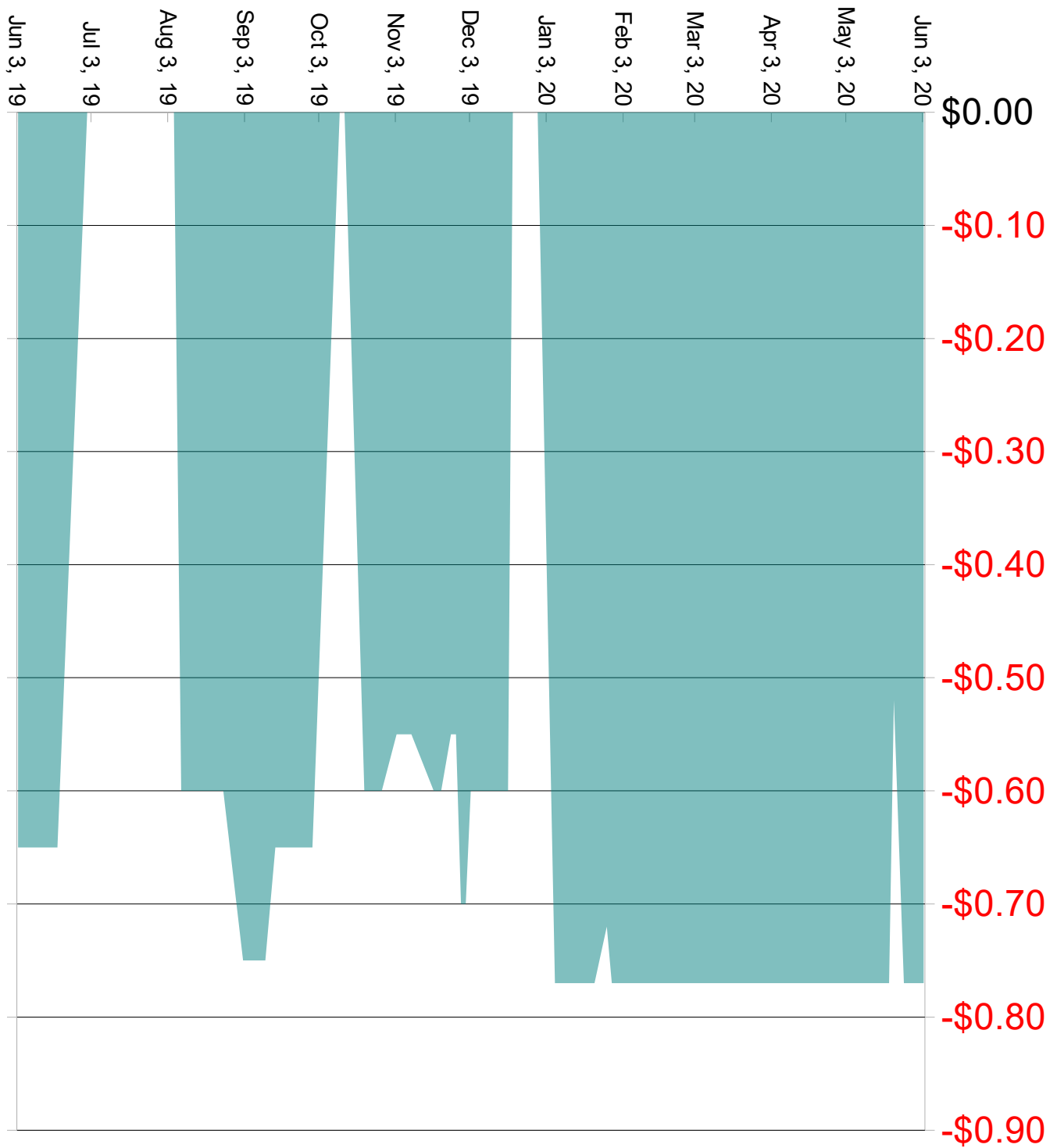
new crop Corn basis



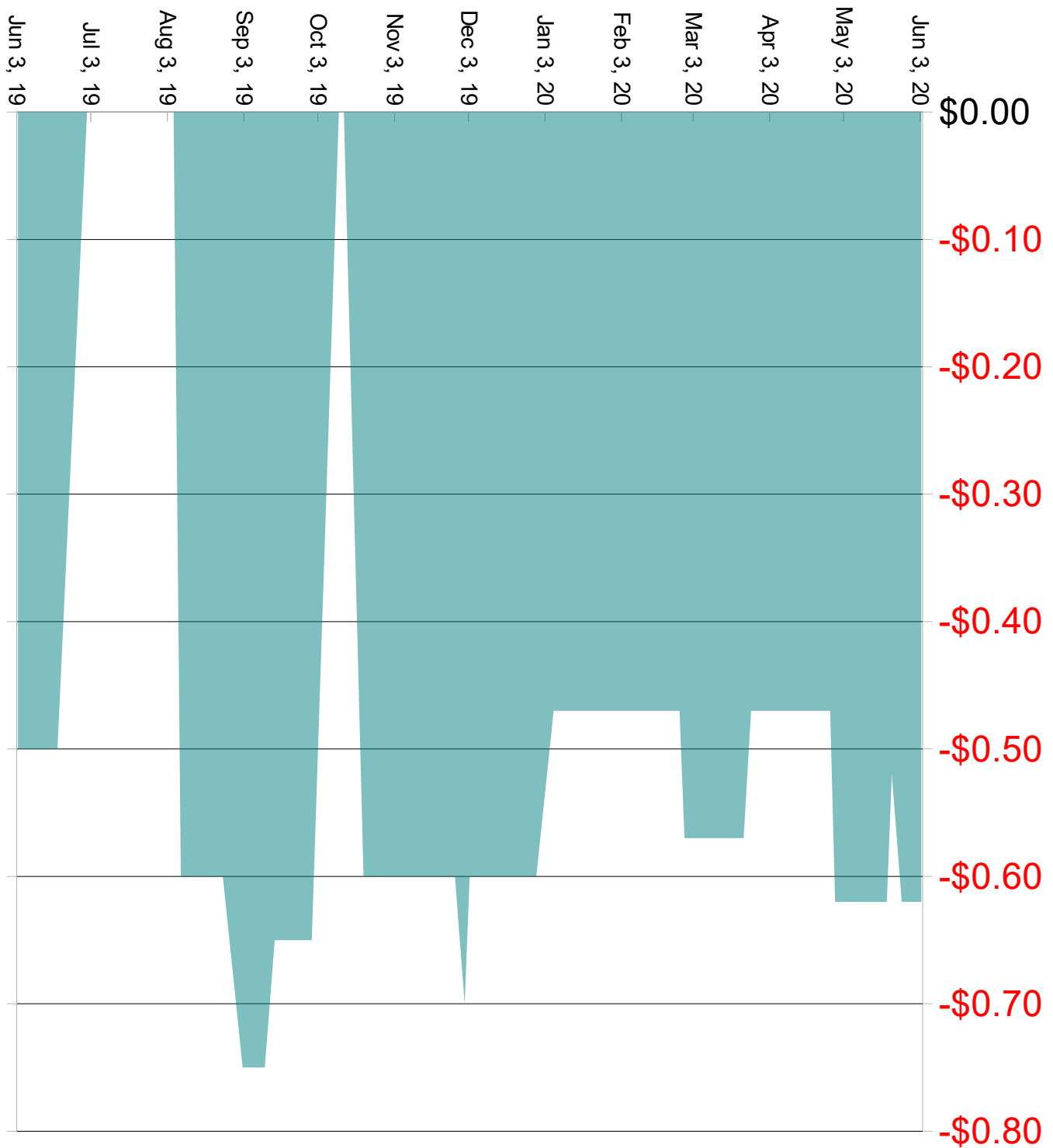
old crop Corn basis



new crop Wheat basis



old crop Wheat basis



2018 and 2019 Wheat



2018 and 2019 Soybeans

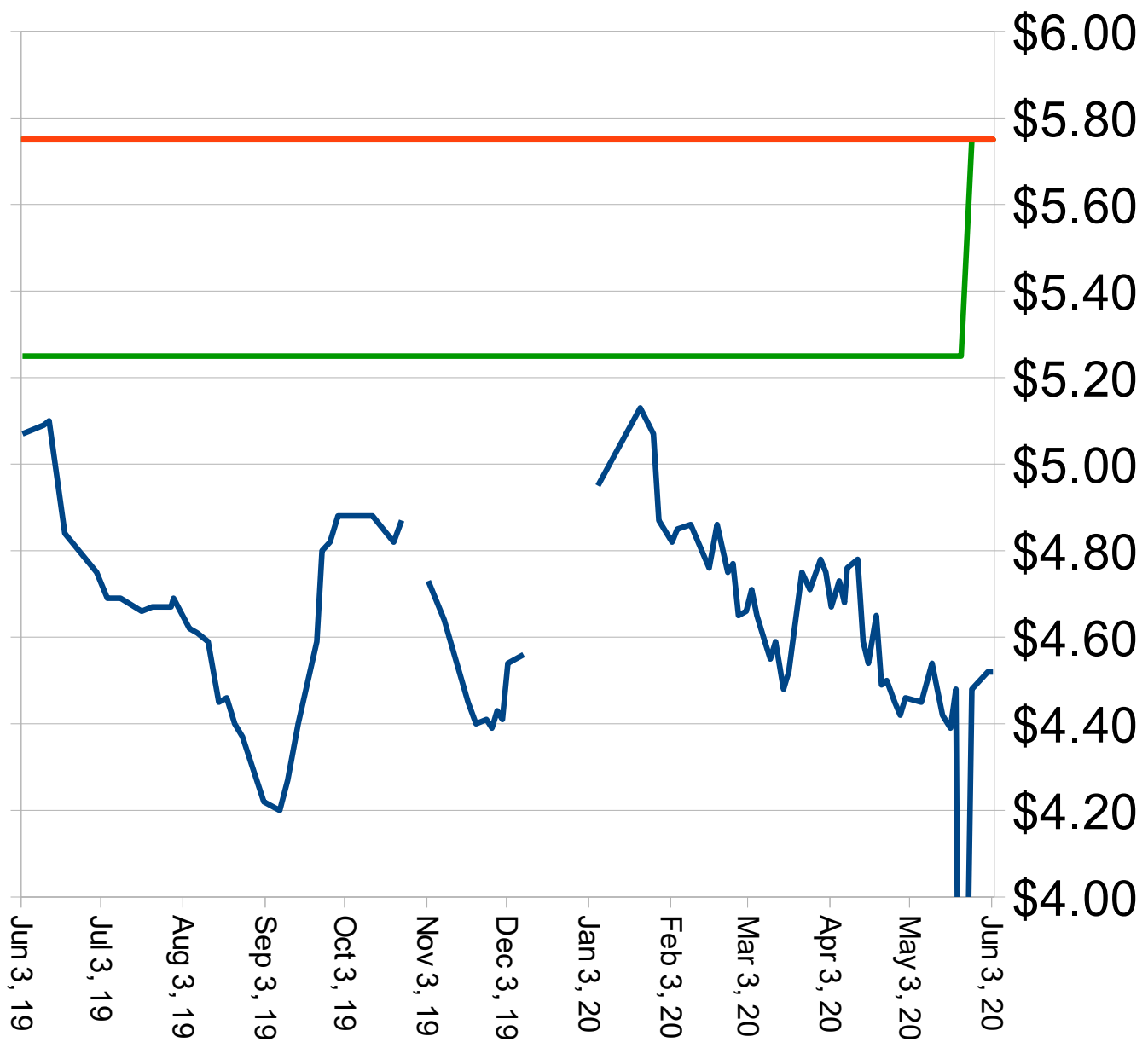


2018 and 2019 Corn



2019 & 2020 Wheat

2019 Red, 2020 Green



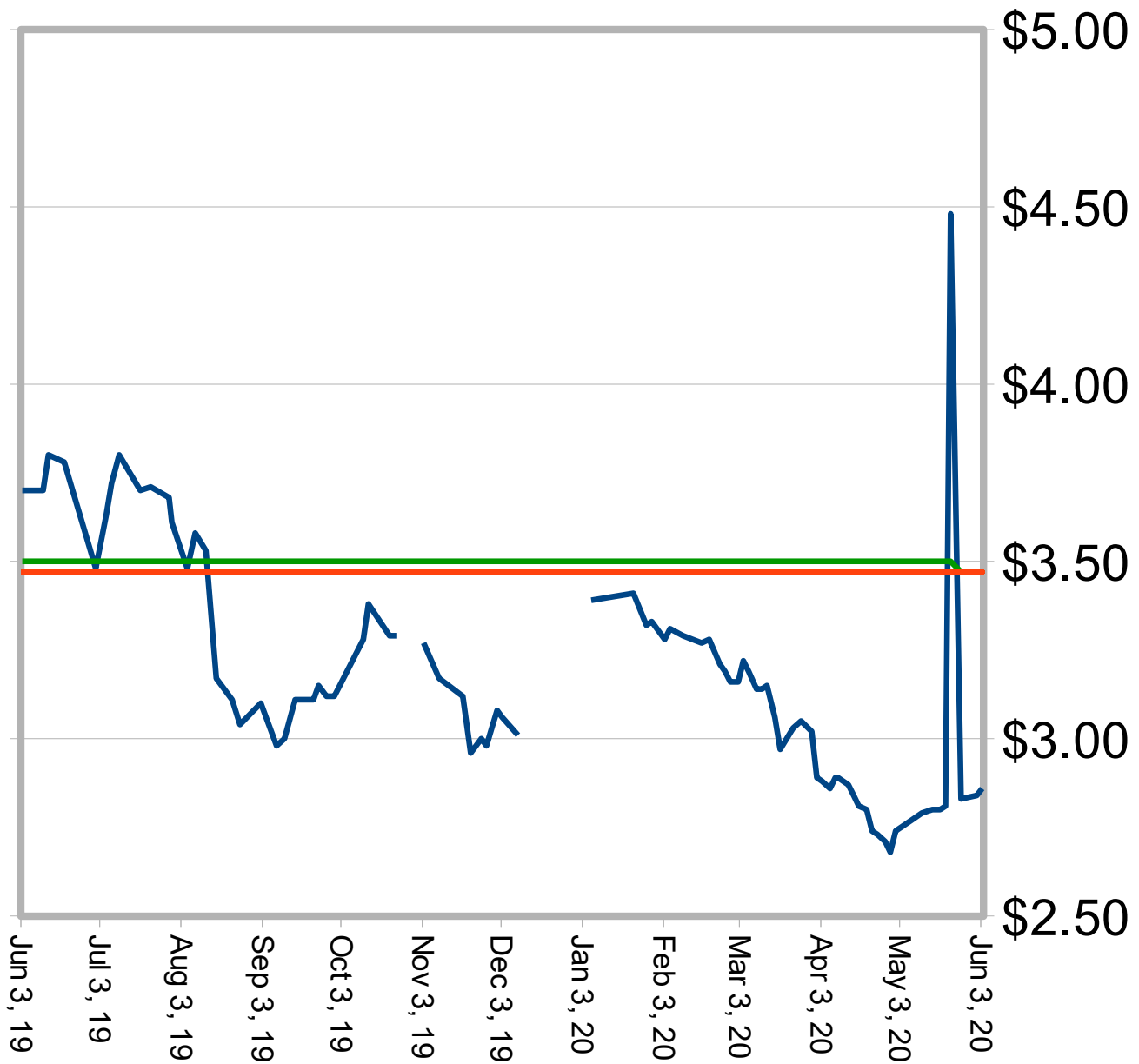
2019 & 2020 Soybeans

2019 Red, 2020 Green



2019 and 2020 Corn

2019 Red, 2020 Green



DAILY COMMENTARY

Thursday, June 4, 2020

DAILY COMMENTARY

Grain futures opened higher across the board this morning with another announced sale of 120,000 MT of soybeans to unknown destinations. Again, speculation is that China has been the recent buyer of soybeans. The news supported futures despite lackluster weekly export sales.

USDA Weekly Export Sales For the Week Ended May 28 2020		
<i>Crop</i>	<i>Reported (2019/2020)</i>	<i>Trade Estimates (2019/2020)</i>
Corn	637,500	400,000-900,000
Soybeans	495,200	500,000-1,000,000
Wheat	179,500	50,000-250,000

Conflicting reports remain on future Chinese purchases of US Ag products. The Wall Street Journal published a headline yesterday stating China cancelled 23 cargoes of US soybeans. On closer inspection, China did not cancel any previous orders but rather chose not to buy more US

soybeans at that time. With airline tensions growing between the two countries, the banter may continue with US Ag products swinging in the mix. Starting June 16th, President Trump will block Chinese airlines following China preventing the resumption of flights between the two countries. Chinese airlines, however, have been able to fly freely between both destinations.

‘Oats Knows’? Is an old market saying that references the oat market as a leading indicator of upcoming price movement in other grains, especially corn. The main idea behind the theory is that the oat market is more pure by not being as heavily influenced by funds or noncommercial traders. If this concept is correct (given current markets), grains may be about to break out of recent ranges. While this theory doesn’t hold true 100% of the time, it is interesting to examine the chart comparisons in years like 2011-2013. Just a bullish thought of the day! See the charts below comparing December corn futures and December oat futures.

ZC - Corn - Monthly Candlestick Chart

Op:325-4, Hi:329-4, Lo:319-2, Cl:328-4



ZO - Oats - Monthly Candlestick Chart

■ Op:324-0, Hi:350-0, Lo:322-6, Cl:344-6



CORN COMMENTARY

Corn traded higher today after finding support from the soybean market. While July futures are trading roughly 20 cents off of recent lows, it will be hard for the market to find support for a sustained rally. While recent soybean sales have been supportive in hopes China will continue

purchases of US Ag products, there has been little fresh news in the corn market. Ethanol plants remain shut down or operating at a lower capacity, US weather remains cooperative, the US crop looks to be in good shape, and China has not been an active daily buyer of US corn. While lower US acres are expected, demand has not changed as Argentina remains a competitive exporter. Weather and Chinese headlines will remain major market movers.

July corn futures finished at \$3.29, up 5 cents.

SOYBEAN COMMENTARY

Continued reports of Chinese interest in addition to recent sales announcements has the soybean market trading around resistance levels. It's important to note that soybean meal has been the recent leader of the soy complex. The continued pressure on the US Dollar has made US soybeans the cheaper origin versus Brazil. While US soybean exports remain on the lower range of trade estimates, US soybean meal exports were noticeably higher this past week. If this trend continues and July soybeans hold closing above \$8.60, a rally may be sustainable.

July soybeans closed the session up 10 cents at \$8.67.

WHEAT COMMENTARY

Wheat markets traded substantially higher in today's session on drier

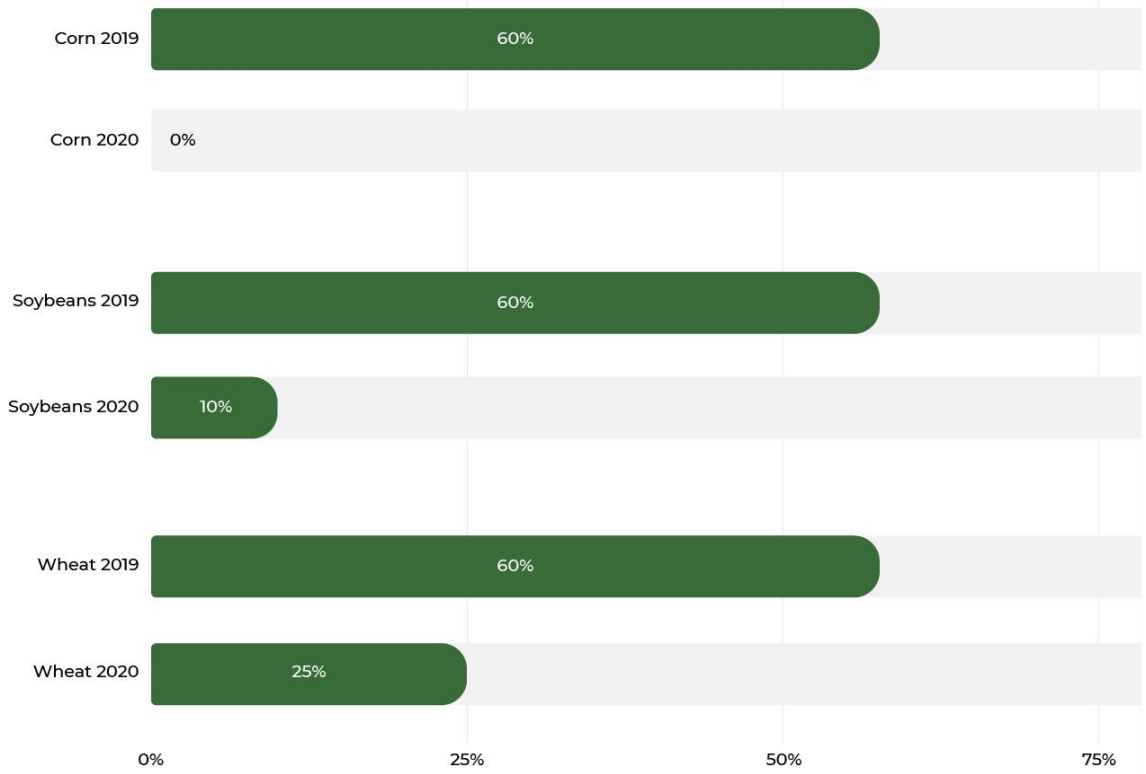
forecasts for the Black Sea region over the next couple of weeks. Remember, last week weather forecasts were just the opposite going into the weekend. This has obviously become a global weather market and will be monitored closely by the trade as it seems to 'yoyo' each week. Large scale damage will need to be proven in the Black Sea to push futures higher. The continued weaker US Dollar also added support today.

July Chicago wheat closed up 11 cents at \$5.23; July Kansas City finished up 14 cents at \$4.72; and July Minneapolis settled at \$5.26, up 6 cents.

Recommendations

PRICE RECOMMENDATIONS

● Cash/Futures ● Hedged ● GTC ● Open



The relations involving Hong Kong and China kept traders' attention for much of the week before a hot and dry forecast changed focus. For the week, July wheat gained 12 cents and the nearby corn contract gained 8 cents. The Chinese purchased several cargoes of Brazilian beans leaving a cheaper U.S. product in the bins. The July soybean contract rallied 8 cents. July soybean meal declined 90 cents per ton. July cotton lost 2 cents per hundredweight. Over in the dairy parlor, June Class III milk futures added \$1.30. In the livestock sector, August cattle expanded \$2.27, August feeders jumped \$6.55 and the July lean hog contract improved \$1.13. In the currency markets, the U.S. Dollar index weakened 139 ticks. June crude continued its run up with a \$1.52 gain per barrel. COMEX Gold rose \$9.40 per ounce. And the Goldman Sachs Commodity Index increased 4 points to finish at 300.15. Joining us now to give us some insight is our market analyst, Angie Setzer. Angie, welcome back, good to see you again.

Setzer: Thanks for having me.

Yeager: Let's talk about -- we have all sorts of things hanging over the top. The weather of course has played a factor. And that became a story this week in the wheat market. Now, at first there was this thing about oats, there's this old saying, oats knows. But you and I both know there's just not that many people trading oats, it doesn't mean as much as it used to. But there this thing about feed grains and food grains and wheat is one of those. So what is the bigger move here in Kansas City? Is it the weather? Or is it this food issue?

Setzer: I think a lot of it is the weather. I think we're starting to see a lot of that frost and freeze damage become evident. Everyone said at the time that the crop was a little bit delayed when the freeze really happened and so there was a lot of uncertainty as to what that would mean. Well, now the crop is just about ready to be harvested or it will be ready to be harvested pretty soon and everyone is recognizing that we are in fact seeing some pretty significant production loss because of that freeze event that took place. And also at the same time no one ever wants to see significant amounts of rainfall take place, the areas that are exceptionally wet now you're to the point where we don't really want a lot of rain on that wheat crop either. So I think the concern is that production could be significantly lower than what we've seen and what we were expecting. And then the question always is, what is the quality going to look like in that crop as well if we do run into a situation where we've had some irreparable damage with that heavy rain that has fallen.

Yeager: You and I talked about in the lead up to Josh's story about Texas to Nebraska and to the points east, that whole area was an inch to two inches of rain. And in Texas and Oklahoma where it's been dry, you're right, that's the last thing you need as you're coming down the home stretch. You talk about the frost. But let's talk about the colder areas in the Dakotas and into Minnesota. They're still struggling to get that crop out of corn. There has been some planting of spring wheat, it's majority in the field. What is going on with that crop?

Setzer: That's the other thought process is what are we going to see there in some of these areas that are still exceptionally wet but they're still struggling to get the corn crop off, the conditions may not have been that great to get the crop planted and on top of that we've really been kind of beating the hard red wheat, both spring and winter, down. Chicago wheat I feel like we've been spending most of our time euphoric with pricing with the opportunity of \$5.94 at one point on July and September Chicago wheat here. It's not every day that you have the soft red wheat market, which we call it the fun stuff, donuts, pastries, things like that, it's not all that important to your diet from a staple standpoint. And so to see that really outpace Minneapolis and Kansas City wheat throughout the winter months was kind of an amazing sight. So I think a lot of folks have really been kind of playing up this idea that we just have too much of hard wheat and we're going to continue to have too much of it when the reality is it only takes one year and in Kansas City wheat it's been a couple of years, let's be honest. We've had a couple of years of poor falls, we've had a couple of years of not as great a production as we anticipated once we get there. And so I think we're going to kind of recognize perhaps that we don't have that wheat crop there that we've always liked to count on.

Yeager: Let's put you on the spot here. Are you making a sale? You did rally 12 cents on the nearby contract. Does this thing have some more legs up? Or is it time to pull the trigger and make a sale?

Setzer: I think if you don't have anything sold after seeing the price kind of recover a little bit it always makes sense to look at getting started at some point in time. Hopefully it's your lowest sale. And so it's something to pay attention to. We tend to seasonally see wheat have some strength May through June. For me with the Chicago wheat we tend to look at really heavily marketing the next year's crop towards the tail end of June ahead of harvest for the current year. So I think we're working our way into a seasonally strong standpoint and so I would be just kind of cognoscente of what you have sold. If it's nothing then take advantage of any sort of price recovery. If it's something and it's at a lower price or your average isn't as great and you want to see what happens I think from a seasonal standpoint you can probably get away with that.

Yeager: Let's move to corn, Angie. We have a question that came in and we know a few people know who you are on Twitter and we always appreciate your interaction there. And if you want to hit up this show it's @MarketToMarket. This question came in from Eric in Merville, Iowa. We like this one. Planting was early most everywhere which favors strong corn acres versus planned. Eric says, I'm now seeing that manifest, especially with big acre outfits. Western Corn Belt anomaly? Or is Corn Belt-wide happening, things happening in the Corn Belt-wide this year?

Setzer: Yeah, I think outside of the areas that have struggled with wet weather. Let's pre-outlay the fact that yes, there are going to be some areas that are going to be struggling with the wetter weather, southern Ohio and the Delta, Kentucky, the Dakotas in some spots. But if you're talking Iowa, Nebraska, Minnesota, Kansas, even Michigan here I think that is a true concern. I think it's going to be big time in the Western Corn Belt that you're going to see it happen. Traditionally in the past is exactly what Eric had said, you get corn planted quickly, which if you look at Iowa planting pace, basically that crop went into the ground across most of the state in about 5 days if you talk to an agronomist, maybe 10 days if you look at it realistically speaking. There wasn't a lot of time to switch intentions. On top of that I kind of hit up the Twitter poll just to see, now granted it's not a scientific based answer to go off of necessarily but it gives you an indication and 70% of respondents, there was over 1,000 people, 70% said they didn't change their plans from March 1st. So my opinion on this whole thing all along is kind of like my neighbor's crop is terrible but mine looks really good. So everyone always assumes it's their neighbor that is making the switch because economically speaking why wouldn't you, right, that's what we're reading everywhere. I just do not think that we necessarily saw that switch away. Now I think we will potentially have lower corn acres because of the prevent plant. I think you could see a lot of folks that have the capability too that may have intended to put soybeans but have the ability to declare prevent plant via corn that will do that. So I think you could see actually the intended acres on corn go up, which is going to make everyone's head explode because they don't agree with the 97 to obviously we couldn't have 99. But I think you could have a bigger pie to kind of pull corn out of. And I'm of the mindset that maybe we lose a couple million but I still think we're going to come in around 95 million or so.

Yeager: All right, that's the new crop. I probably should have waited, I'm going to go out of order now and go back to the old crop. What is going to move this thing out of the bins because if you get a rally because wheat pulled corn along this week if you buy that theory, or if you buy that there's an ethanol demand coming up, what else do you think is going to chew through some of this old crop that is sitting around?

Setzer: Time. The calendar, date on the calendar. The reality is, let's be honest, the crop is in the ground across much of the country, we're going to wake up tomorrow and be ready to harvest it, that's how summer goes. Especially if you grow what, it goes planting, spraying, wheat harvest, harvest and your summer is gone and it's Christmas. And so I think a lot of folks are going to recognize the fact that we are running short, especially in these areas that did get the crop planted early. If we see some heat which we're expecting, which was part of the reason the market rallied, but we really need it throughout the month of June to get some heat after this rainfall that we've been seeing in a lot of these areas. So I think once we really get through pollination especially you'll see the

bins kind of crack open whether people want to open them or not. I think right now one of the things that we have seen is that ethanol use has recovered. This week you were basically looking at ethanol demand was up about 6 million bushels versus last week, it's up about 19 million versus the low that we had seen. But we're still about 32 million weekly usage below where we needed to be. So these ethanol plants are getting back up and running, they need corn. They weren't even anticipating buying corn. Everyone had kind of written ethanol's eulogy throughout the month of March into the first part of April. So you're seeing some aggression from a bid standpoint, you're seeing some aggression in spreads and you saw a little bit of a rally this week in corn. And so I think for a lot of farmers they see that and they say, everyone told me the corn price was never going to go up again and basis was going to be poor forever and it's not so I'm just going to wait because it's got to get better next week. Right? And so I think it's important to kind of be cognoscente of what we're seeing take place. We're seeing chick placements down, we're seeing the hog supply down, we're seeing cattle placements probably a little bit higher this month but still down year over year. And ethanol is really great at producing itself out of profitability. So if you're looking at a whole bin of corn and you're looking at some aggressive bid structures from your ethanol plant locally, don't be that person that waits until you absolutely have to move it because typically what I see in this market structure especially is when you're forced to make a decision it's a decision you don't want to make.

Yeager: Right. And here's a decision I don't like to make and that is quickly put you on the spot. Are you selling the old crop or the new crop contract right now? And at what target?

Setzer: I really think the biggest thing for a grower to be looking at is talking to his buyer about some of the other structured type products that they can use and that's what we've been using for our growers. We're not necessarily buying calls but we're making sure that we have some upside. We have our downside risk covered but we have some upside open, the upside potential open because it's really hard for me to say puke it all and get rid of it. My guy tells me we do work lower as we work our way through the summer but seasonally we should see some strength coming in. So I would talk to my buyer about some of the products that you can use in that sense, maybe sit tight a little bit and see what you can come up with here over the next couple of weeks as the weather kind of unfolds. But just be in a seller's mood and be looking to put in hard target orders at levels that are 10, 15, 20 cents higher if we do get that rally. But also make sure that your downside risk is covered in some way, shape or form, especially with old crop because I think you could see basis and futures fall apart.

Yeager: I've got to interrupt you again. Soybeans. The President just before we went out to record we thought he was maybe going to talk about Hong Kong and he did but not to the sense that trade was impacted, it was after the market had closed. Is that trade issue going to be weighing on soybeans or is there something else at play?

Setzer: Oh, it's going to continue to weigh on soybeans. We saw this week we had 10 to 15 cargos of sales, obviously the U.S. had a verbal agreement so to speak with China. The Hong Kong tweet came out and that's the rumor on the street. We were up big for soybeans, we started higher and then we closed lower the one day and that's what it was, we had put some business on the books Oct/Dec like we needed and China basically instructed their traders at that point in time to change the origin because they were angry about this conversation about Hong Kong. And so they went and we saw it inked for Brazil and we kind of derailed that rally train that we had established. So it's definitely going to be something that we're going to continue to watch. I do think Brazil is going to need to buy, excuse me, China is going to need to buy U.S. soybeans. If Brazil keeps it up they're going to need to buy U.S. soybeans too because they're just shipping soybeans to everybody. And I think to a certain extent we've seen it happen before, especially with corn, where they get really excited about making the sales, their currency has told them to make sales and so the physical product all of a sudden doesn't necessarily show up like they thought it would and so I'm actually surprised that they sold Oct/Dec like they did just simply because I think by the time we get there we're going to talk about how tight they are on domestic supply availability.