

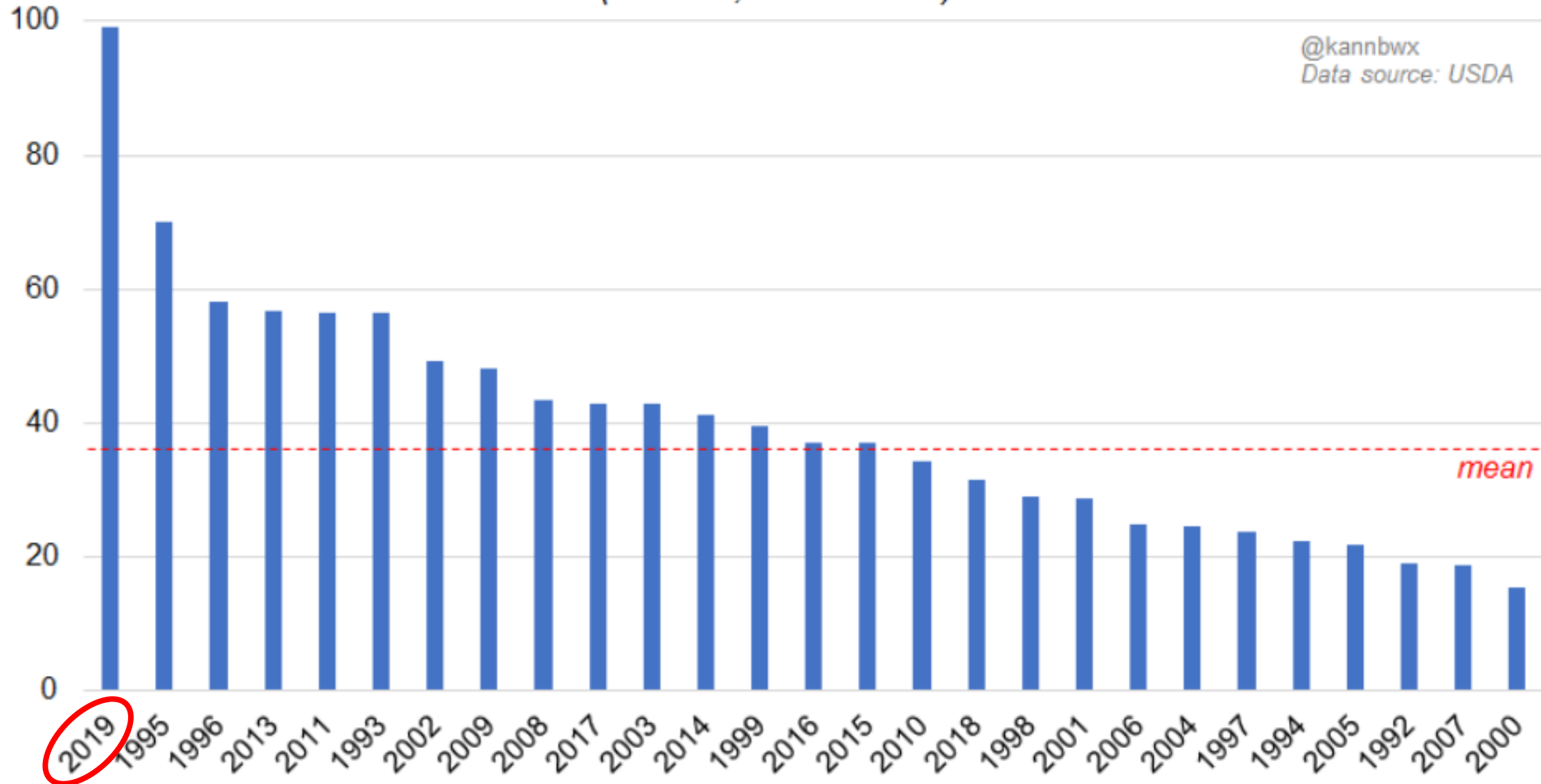
Farmward

May 2019

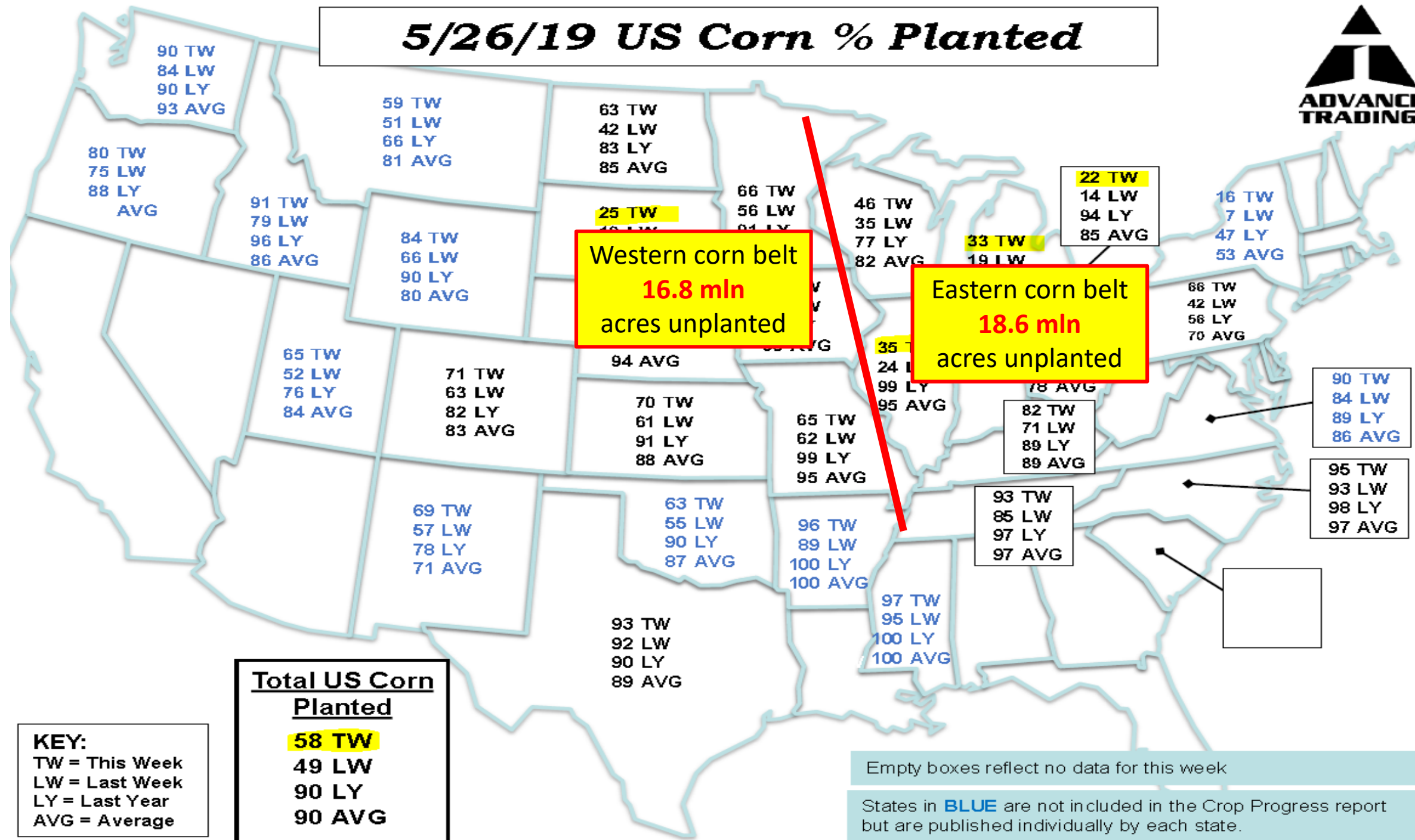
Planting Disruption.....
Marketing Discussion

U.S. Corn and Soybean acres left to plant on May 26

(millions; 1992 - 2019)



5/26/19 US Corn % Planted



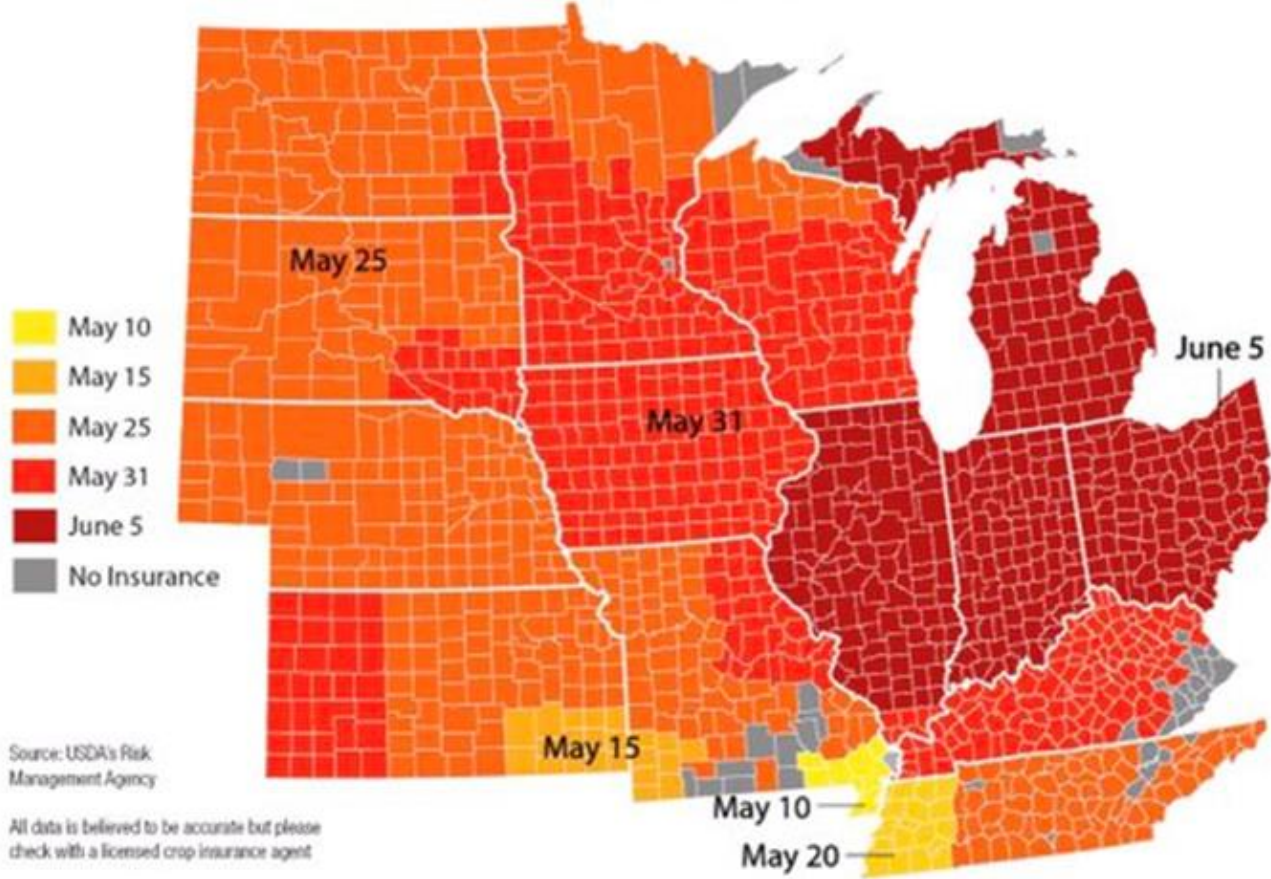


Black Swan event:

*An unpredictable or unforeseen event,
typically one with extreme consequences*

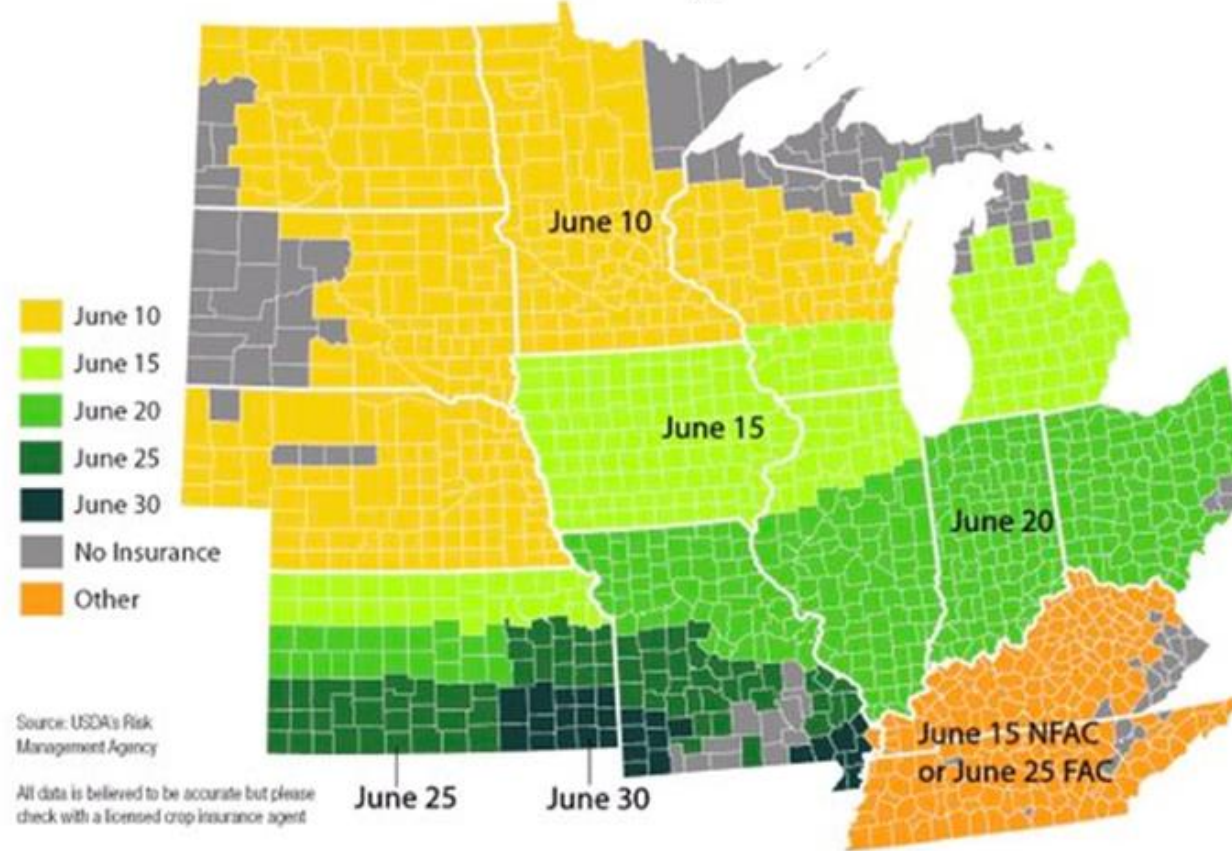
2019 Corn Crop Insurance

Final Planting Dates



2019 Soybeans Crop Insurance

Final Planting Dates



Nearly Every Producer in Corn Belt is.....

“Going to this Meeting”

The Decision:

- Take full corn PP
- Plant corn beyond PP date
- Take partial corn PP and plant beans after waiting period
- Just switch to beans

Corn & Bean Nearby futures

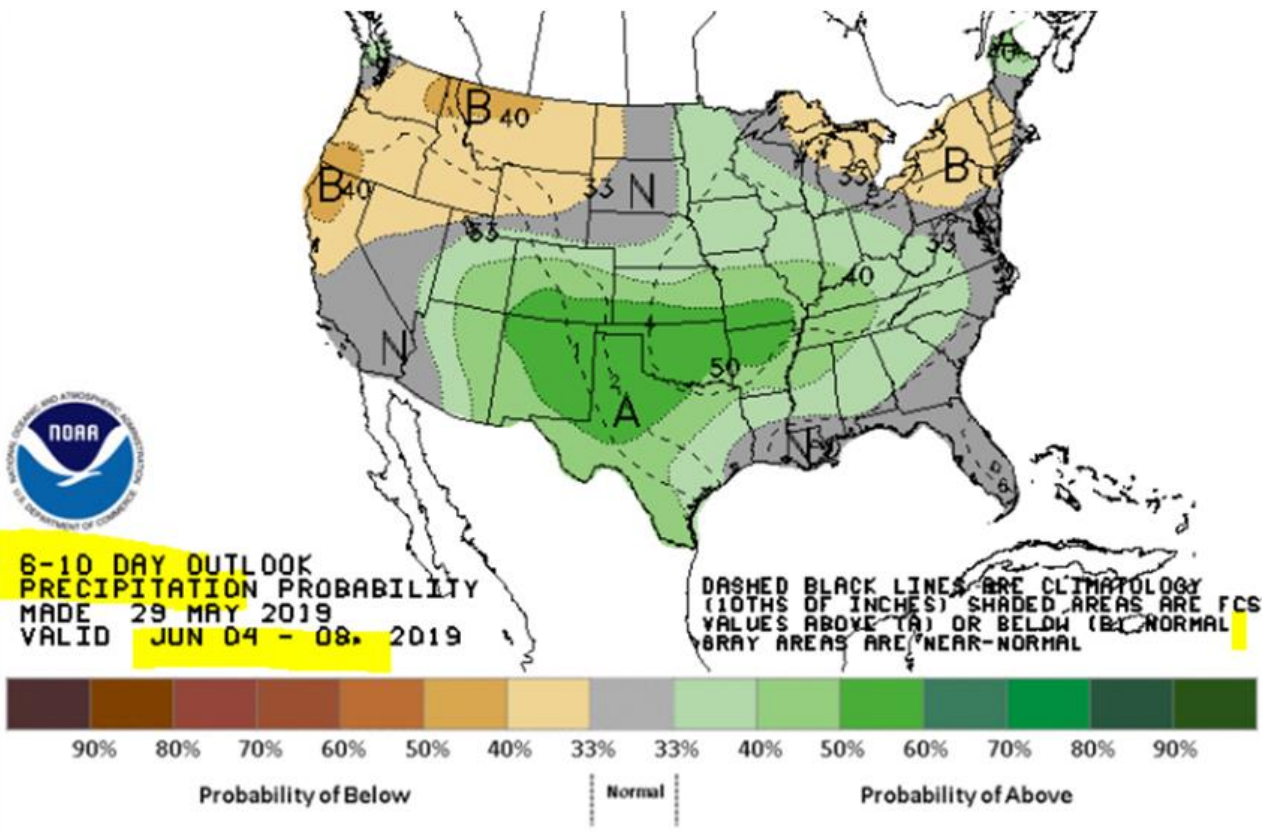
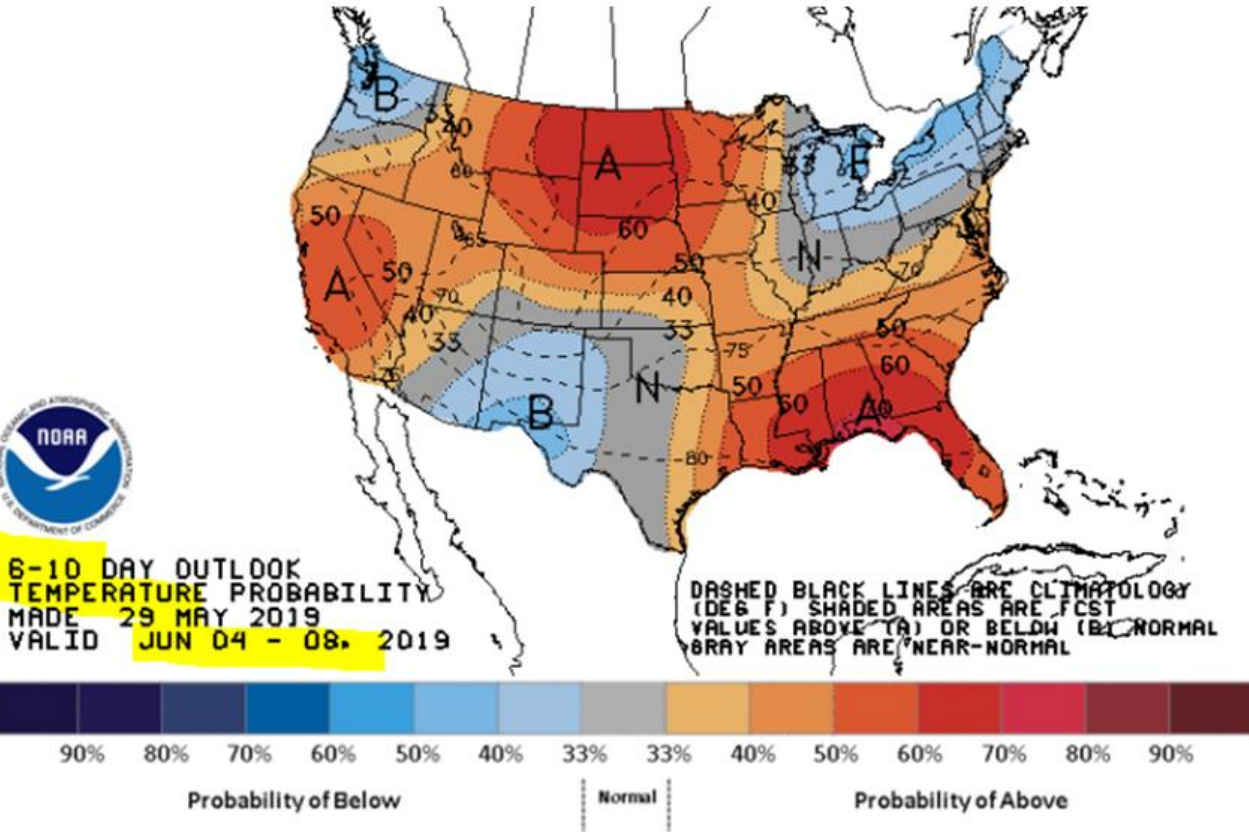


Dec. 19 Corn Futures

20219 ~ Daily	
Open	434^0
High	450^6
Low	430^4
Last	449^2 1
Net Chg	+13^4 +3.10%
Time	12:36:56 PM 05/30/2019



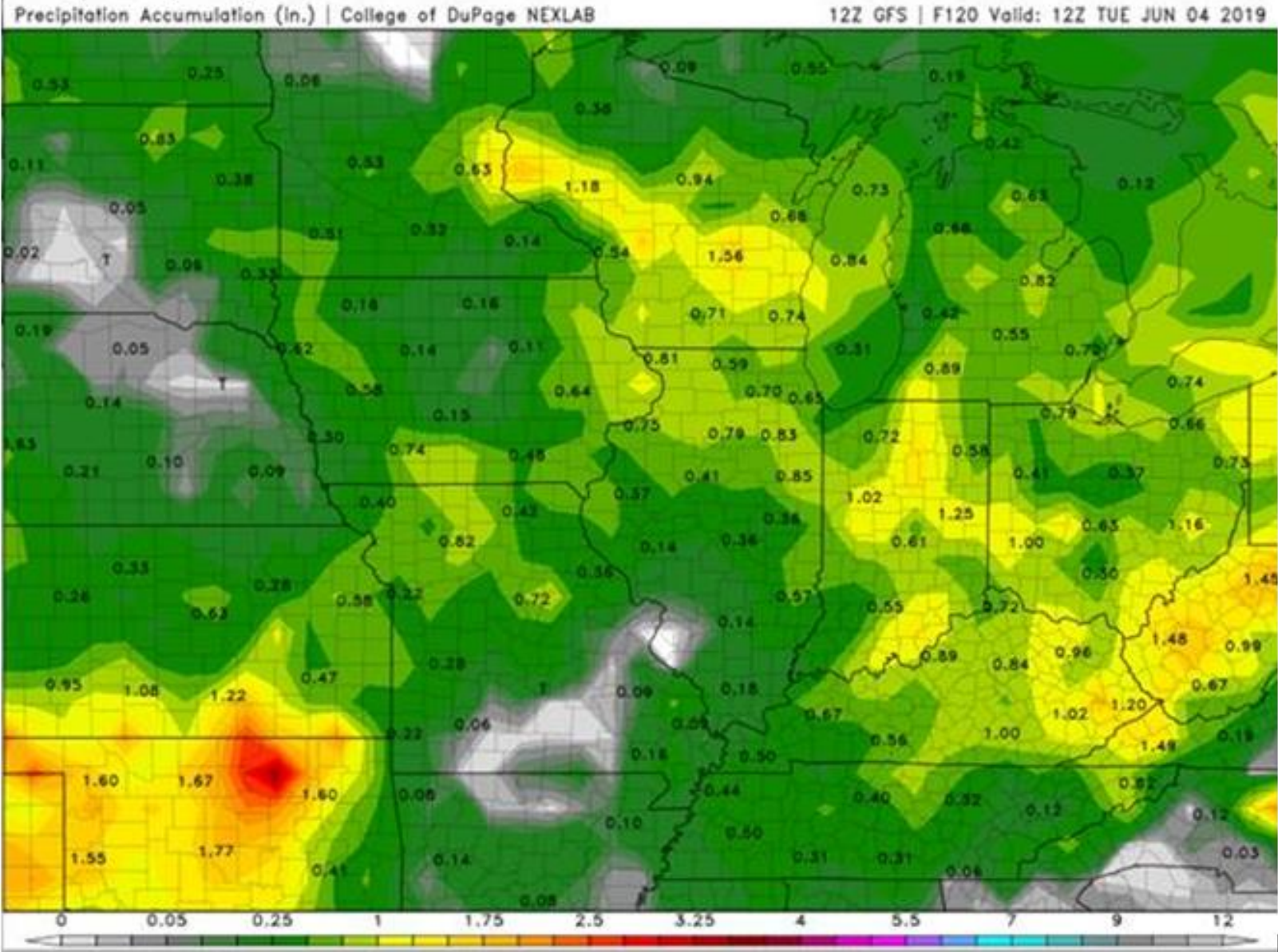
6-10 day forecast (June 4-8)



Mid-day weather..... change.... Corn got legs

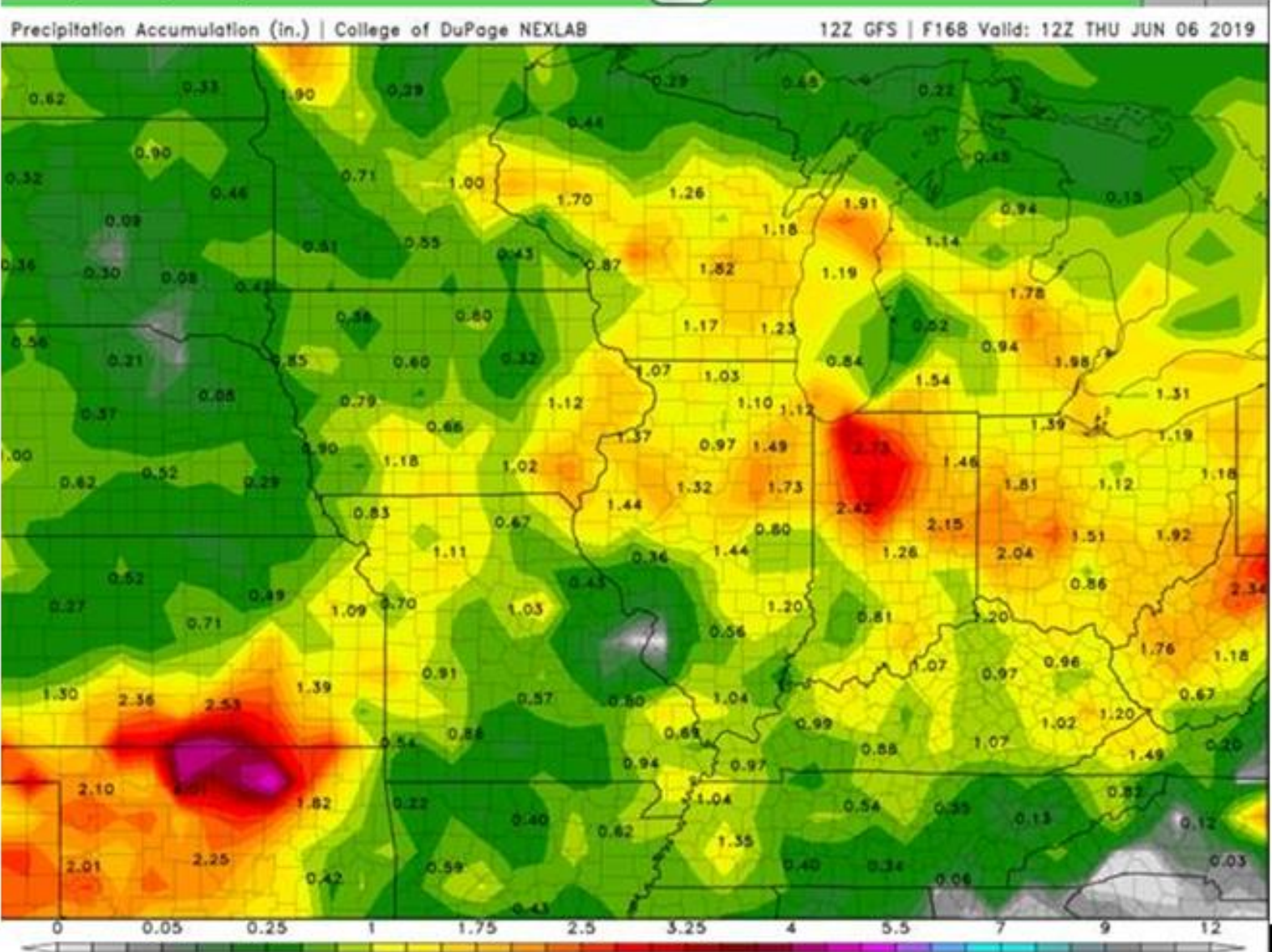


5-day total precip



Mid-day weather..... change.... Corn got legs

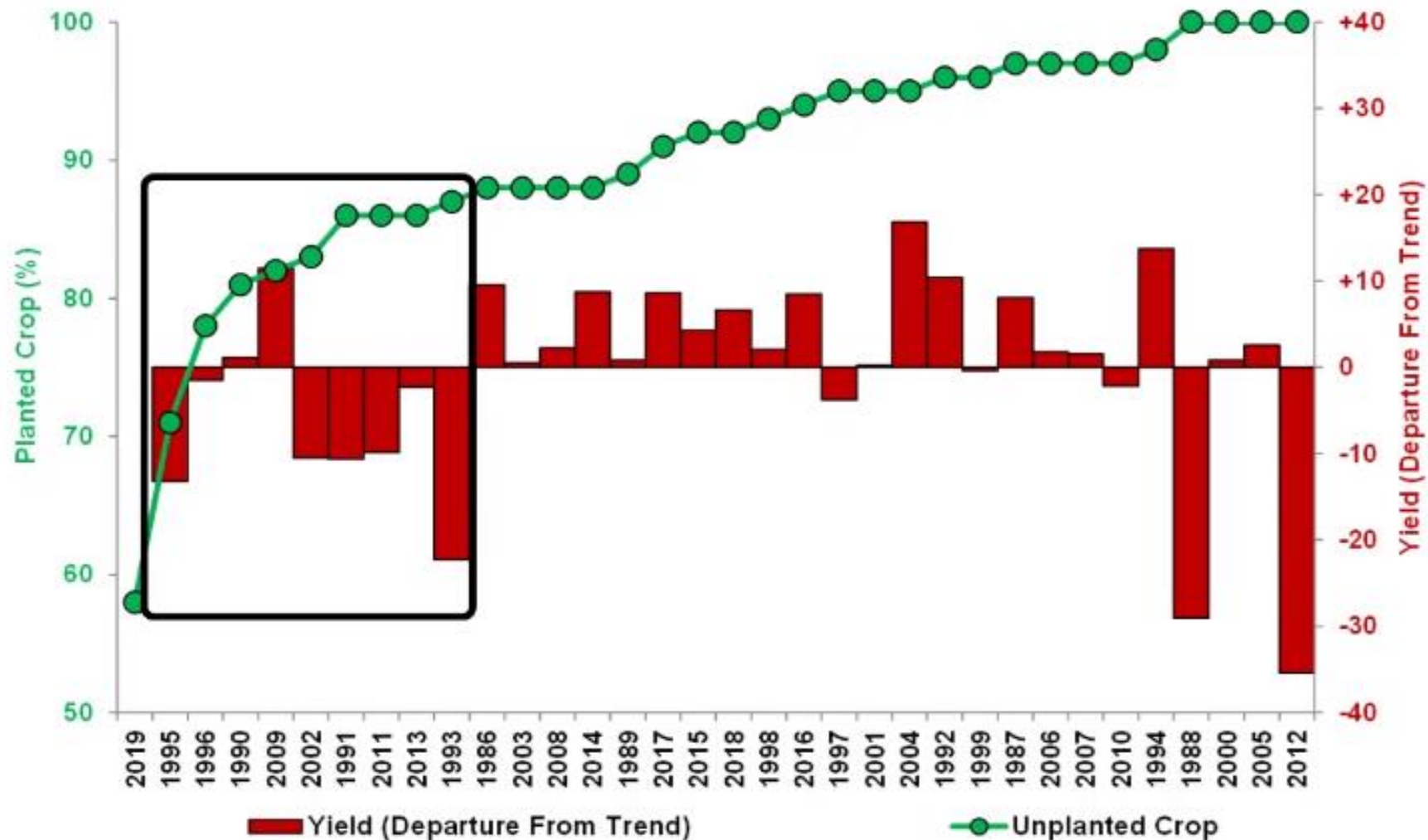
7-day total precip



CORN YIELD RISK MUCH HIGHER

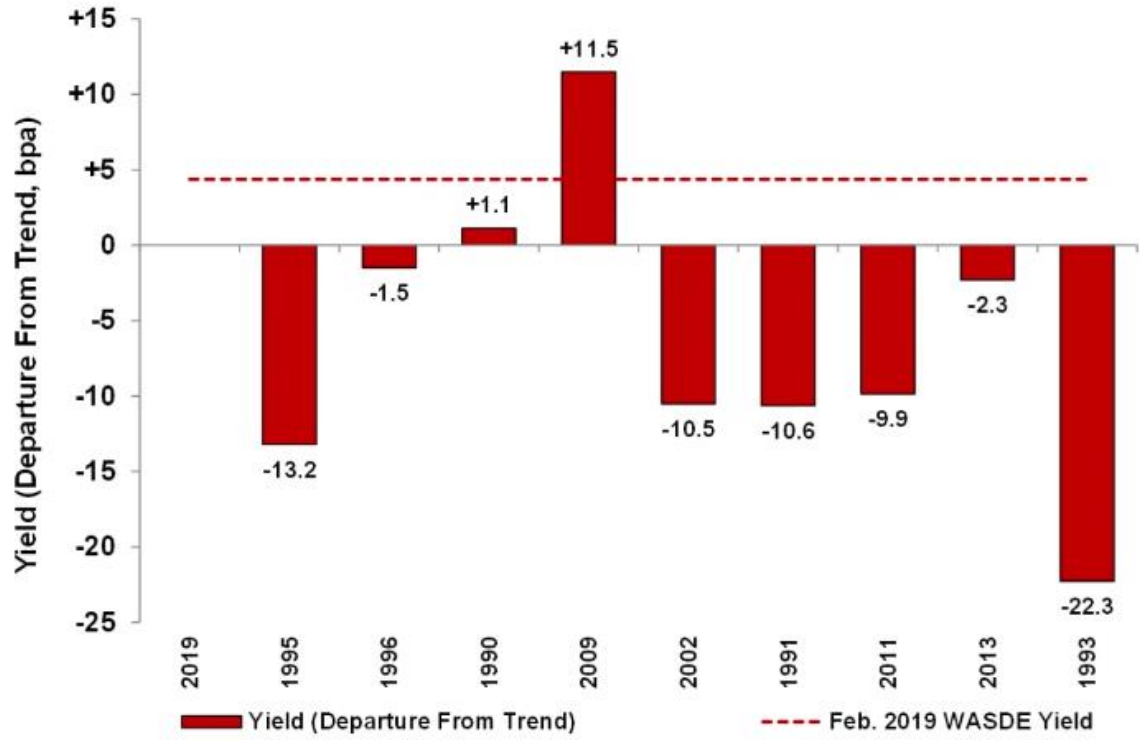
U.S. Corn Planted and Final Yield

Week of May 26 / 1986 – 2019



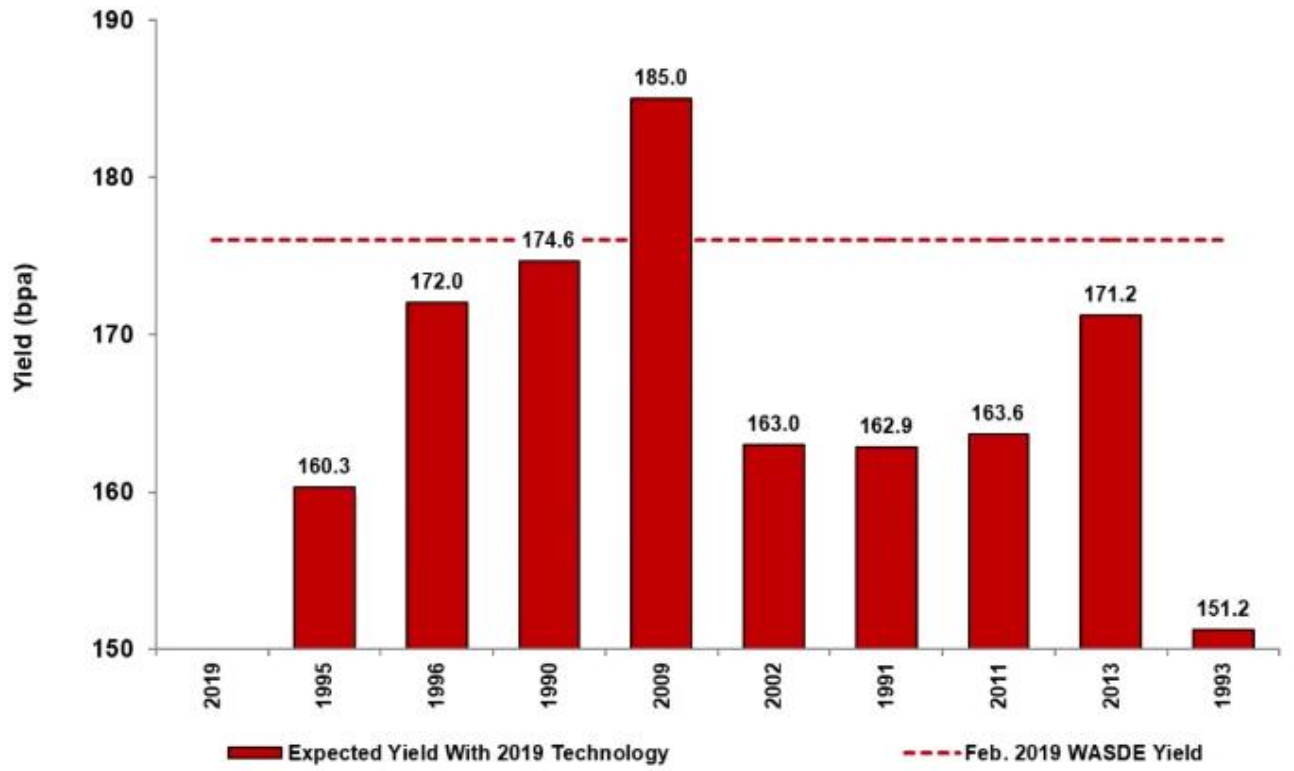
U.S. Corn Yield, 9 Latest-Planted Years

Week of May 26 / 1986 – 2019



U.S. Corn Yield, 9 Latest-Planted Years

Week of May 26 / 1986 – 2019



US Corn Balance Sheet Analysis

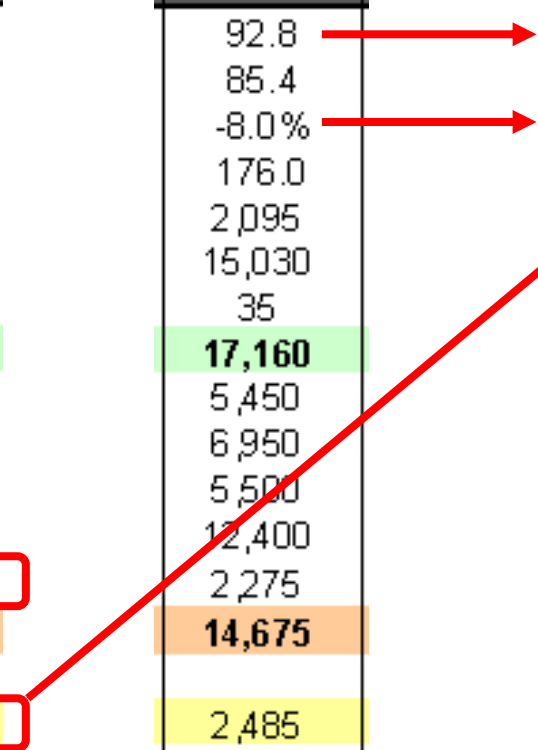


5/28/2019	
CORN	
Planted Acres (myn a)	
Harvested Acres	
Abandonment	
Yield	
Beginning Stocks	
Production	
Imports	
Total Supply & Impts	
Feed/Residual	
Food, Seed, Industrial	
Ethanol for Fuel	
Domestic Use, Total	
Exports	
Total Use	
Ending Stocks	
U.S. Stocks/Use Ratio	
Expected CZ Dec 1	
Expected Avg Farm PriceRange	

USDA	ATI
2018/19	2018/19
89.1	89.1
81.7	81.7
-8.3%	-8.1%
176.4	176.4
2,140	2,140
14,420	14,420
35	40
16,595	16,600
5,300	5,250
6,900	6,930
5,450	5,450
12,200	12,180
2,300	2,110
14,500	14,290
2,095	2,310
14.4%	16.2%
\$3.50	3.20-\$3.60

USDA
2019/20
92.8
85.4
-8.0%
176.0
2,095
15,030
35
17,160
5,450
6,950
5,500
12,400
2,275
14,675
2,485
16.9%
\$3.30

Low	ATI	High-A	High-B
2019/20	2019/20	2019/20	2019/20
88.0	88.0	88.0	88.0
79.6	79.6	79.6	79.6
-9.5%	-9.5%	-9.5%	-9.5%
160.0	165.0	170.0	175.0
2,310	2,310	2,310	2,310
12,742	13,141	13,539	13,937
30	30	30	50
15,082	15,480	15,879	16,297
4,930	5,060	5,183	5,306
6,915	6,940	7,015	7,040
5,425	5,450	5,525	5,550
11,845	12,000	12,198	12,346
2,100	2,100	2,100	2,100
13,945	14,100	14,298	14,446
1,137	1,380	1,581	1,851
8.2%	9.8%	11.1%	12.8%
	\$4.36		
	\$3.40-\$3.80		



What to do with old crop?

Options Chain 1

PCN19{A}

Last: 429^A4 (2)

Order Entry: S 421

Monetary V...: \$21,475.00

Net Chan: 10^A6

Jul 19 American

Calls

Bid	Ask	Net Change	Last	Strike	
33 ^A 0 (337)	33 ^A 4 (40)	8 ^A 0	33 ^A 2 (1)	400	4
29 ^A 3 (282)	29 ^A 7 (44)	6 ^A 7	29 ^A 1 (1)	405	5
26 ^A 1 (466)	26 ^A 7 (436)	6 ^A 2	26 ^A 0 (1)	410	7
23 ^A 2 (81)	23 ^A 6 (33)	5 ^A 2	22 ^A 5 (1)	415	9
20 ^A 5 (454)	21 ^A 1 (40)	5 ^A 0	20 ^A 2 (3)	420	1
18 ^A 3 (363)	18 ^A 6 (173)	4 ^A 4	17 ^A 6 (1)	425	1
16 ^A 2 (278)	16 ^A 4 (2)	4 ^A 7	16 ^A 4 (1)	430	1
14 ^A 2 (584)	14 ^A 5 (764)	3 ^A 7	14 ^A 0 (10)	435	2
12 ^A 4 (474)	12 ^A 6 (28)	3 ^A 6	12 ^A 4 (1)	440	2
10 ^A 7 (741)	11 ^A 1 (323)	3 ^A 3	10 ^A 7 (10)	445	3
9 ^A 3 (2149)	9 ^A 6 (818)	3 ^A 1	9 ^A 5 (10)	450	3
8 ^A 1 (740)	8 ^A 3 (180)	2 ^A 0	7 ^A 4 (23)	455	4
7 ^A 0 (711)	7 ^A 2 (210)	2 ^A 2	7 ^A 0 (20)	460	4
6 ^A 0 (2684)	6 ^A 2 (10)	1 ^A 3	5 ^A 4 (5)	465	4
5 ^A 2 (405)	5 ^A 4 (2435)	1 ^A 2	4 ^A 6 (42)	470	5
4 ^A 4 (2413)	4 ^A 6 (1105)	1 ^A 1	4 ^A 4 (5)	475	5
3 ^A 7 (3851)	4 ^A 1 (418)	1 ^A 0	3 ^A 5 (122)	480	5
3 ^A 3 (3452)	3 ^A 5 (607)	0 ^A 7	3 ^A 1 (26)	485	6
3 ^A 0 (498)	3 ^A 1 (49)	1 ^A 1	3 ^A 0 (1)	490	7
2 ^A 5 (2361)	2 ^A 6 (49)	0 ^A 5	2 ^A 2 (10)	495	7
2 ^A 3 (120)	2 ^A 4 (231)	1 ^A 0	2 ^A 3 (5)	500	8
2 ^A 0 (5790)	2 ^A 2 (2122)	0 ^A 0	1 ^A 2 (20)	505	8
1 ^A 7 (27)	2 ^A 0 (365)	0 ^A 6	1 ^A 7 (10)	510	9
1 ^A 5 (1170)	1 ^A 7 (866)		1 ^A 0 P	515	9
1 ^A 4 (363)	1 ^A 5 (1276)	0 ^A 4	1 ^A 4 (26)	520	9

**5 – 14 c / bu
for 3 weeks**

What About New Crop Risk?



ZCZ19{A}	Last	Order Entry	Monetary V...	Net Change	NC %	High	Low	Bid	
	449 ⁰ (5)	S 533	\$22,450.00	13 ²	3.04 %	450 ⁶	430 ⁴	449 ⁰ (6)	449 ⁰

Dec 19 American

Calls

Puts

Bid	Ask	Net Change	Last	Strike	Last	Net Change	Ask	Bid
137 ⁴ (66)	140 ⁶ (66)		125 ⁷ P	310	0 ⁵ P		0 ⁶ (2881)	0 ⁵ (440)
127 ⁵ (66)	130 ⁷ (66)	12 ⁰	128 ⁰ (6)	320	0 ⁷ (6)	0 ⁰	1 ⁰ (2268)	0 ⁷ (203)
117 ⁷ (66)	121 ¹ (66)		106 ² P	330	1 ² (21)	0 ¹	1 ³ (8571)	1 ¹ (8660)
108 ² (66)	111 ⁴ (66)		96 ⁶ P	340	1 ⁵ (8)	0 ⁰	1 ⁶ (49)	1 ⁵ (409)
99 ⁵ (61)	101 ⁶ (72)		87 ⁴ P	350	2 ³ (7)	0 ⁰	2 ³ (38)	2 ² (327)
90 ⁵ (71)	92 ⁶ (82)		78 ⁶ P	360	3 ² (26)	-0 ²	3 ³ (3249)	3 ¹ (2752)
82 ⁰ (78)	84 ¹ (89)	9 ⁵	80 ¹ (1)	370	4 ⁴ (10)	-0 ⁶	4 ⁵ (49)	4 ³ (3910)
73 ² (115)	75 ⁰ (50)	7 ⁵	70 ⁴ (21)	380	6 ⁴ (1)	-1 ¹	6 ⁴ (49)	6 ² (2945)
67 ¹ (26)	67 ⁷ (23)	12 ¹	68 ² (20)	390	9 ¹ (1)	-1 ⁵	9 ¹ (636)	8 ⁷ (498)
60 ⁵ (36)	61 ² (38)	11 ¹	61 ⁴ (25)	400	12 ⁰ (1)	-2 ⁷	12 ³ (367)	12 ¹ (512)
54 ⁵ (43)	55 ² (33)	10 ⁴	55 ⁴ (3)	410	16 ¹ (5)	-3 ³	16 ³ (508)	16 ¹ (266)
49 ³ (38)	49 ⁷ (3)	9 ⁷	50 ² (10)	420	20 ⁷ (1)	-3 ⁷	21 ⁰ (434)	20 ⁵ (1273)
44 ⁵ (2)	45 ¹ (3)	9 ²	45 ⁴ (2)	430	25 ⁷ (3)	-4 ⁵	26 ¹ (66)	25 ⁶ (1244)
40 ³ (38)	40 ⁶ (123)	8 ⁶	41 ³ (2)	440	31 ¹ (11)	-5 ⁶	31 ⁶ (54)	31 ³ (667)
36 ³ (343)	36 ⁶ (37)	7 ⁵	36 ⁷ (1)	450	37 ³ (1)	-6 ⁰	37 ⁶ (206)	37 ³ (514)
32 ⁷ (248)	33 ² (282)	7 ²	33 ³ (2)	460	43 ⁴ (1)	-6 ⁶	44 ¹ (319)	43 ⁶ (2)
29 ⁵ (284)	30 ⁰ (560)	7 ¹	30 ⁴ (1)	470	51 ⁵ (1)	-5 ⁶	50 ⁶ (189)	50 ² (550)
26 ⁵ (295)	27 ⁰ (744)	6 ¹	27 ⁰ (1)	480	57 ⁶ (10)	-7 ⁰	57 ⁶ (403)	57 ² (151)
23 ⁷ (548)	24 ² (923)	5 ³	24 ⁰ (1)	490	66 ³ (1)	-6 ⁰	65 ⁰ (403)	64 ³ (187)
21 ³ (926)	21 ⁶ (961)	5 ¹	21 ⁵ (2)	500	71 ³ (10)	-8 ⁷	72 ³ (38)	71 ⁶ (40)
19 ¹ (750)	19 ⁴ (1126)	4 ³	19 ⁰ (1)	510	88 ² P		80 ⁰ (38)	79 ³ (40)
17 ¹ (469)	17 ³ (190)	4 ⁴	17 ³ (1)	520	96 ⁴ P			
15 ² (552)	15 ⁴ (156)	4 ⁰	15 ⁴ (2)	530	105 ⁰ P			
13 ⁵ (493)	13 ⁷ (428)	3 ⁷	14 ¹ (1)	540	113 ⁵ P			
12 ¹ (505)	12 ³ (246)	3 ³	12 ³ (10)	550	122 ³ P			
10 ⁶ (602)	11 ⁰ (125)	2 ⁵	10 ⁴ (5)	560	131 ² P			
9 ⁵ (596)	9 ⁷ (1818)	2 ²	9 ² (2)	570	140 ² P		130 ¹ (13)	129 ³ (13)
8 ⁴ (777)	8 ⁶ (181)	2 ⁵	8 ⁶ (16)	580	149 ³ P		139 ⁰ (22)	138 ² (15)
7 ⁵ (431)	7 ⁷ (1627)	2 ³	7 ⁷ (44)	590	158 ⁵ P		148 ¹ (15)	147 ² (15)
6 ⁶ (380)	7 ⁰ (816)	2 ¹	7 ⁰ (4)	600	168 ⁰ P		157 ² (15)	156 ³ (13)
6 ¹ (49)	6 ² (839)	1 ⁴	5 ⁷ (4)	610	177 ⁴ P		166 ⁴ (15)	165 ⁴ (15)
5 ³ (382)	5 ⁵ (960)	1 ²	5 ¹ (100)	620	187 ⁰ P		182 ³ (38)	168 ³ (38)
4 ⁷ (49)	5 ⁰ (405)	1 ⁰	4 ⁴ (1)	630	196 ⁴ P		191 ⁴ (38)	178 ⁰ (38)
4 ³ (49)	4 ⁵ (659)	1 ¹	4 ² (37)	640	206 ¹ P		201 ² (30)	187 ³ (30)
3 ⁷ (370)	4 ¹ (511)	1 ³	4 ¹ (2)	650	215 ⁶ P		210 ⁵ (30)	196 ⁷ (30)
3 ⁴ (383)	3 ⁶ (625)		2 ⁴ P	660	225 ⁴ P		219 ⁷ (30)	206 ⁷ (30)
2 ³ (98)	2 ⁴ (1290)	0 ⁷	2 ⁴ (10)	700	264 ⁶ P		258 ¹ (30)	246 ² (30)
0 ⁷ (7484)	1 ¹ (8423)	0 ³	1 ⁰ (49)	800	364 ² P		355 ⁷ (30)	346 ³ (30)

\$40/acre

What is “the market” offering today?



\$4.10 Dec. Floor
X 170 bpa (??)
= \$700/acre floor

+ \$65 MFP(??)
\$765/acre

Still have insurance and market upside

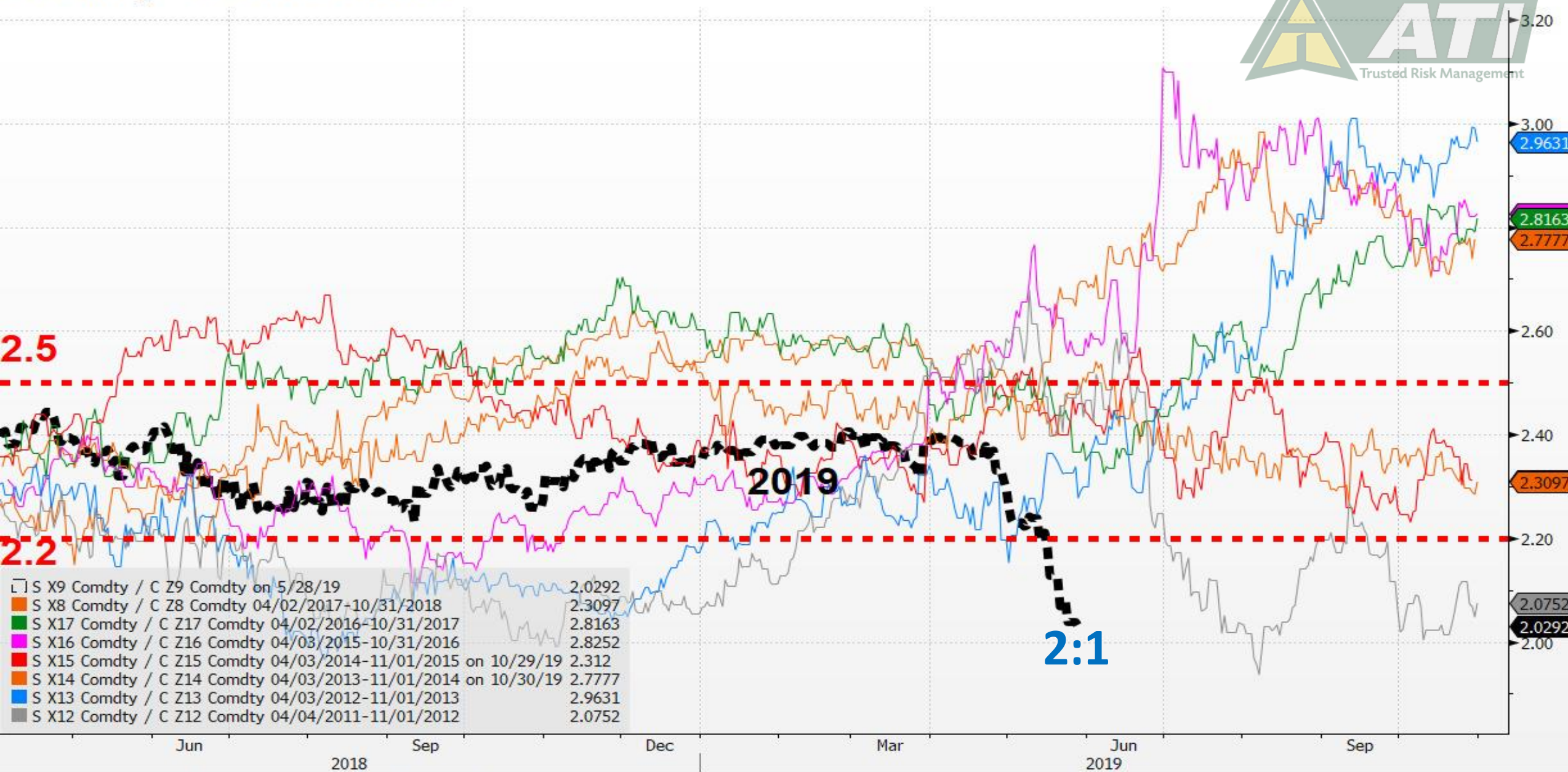
Crunch Your Numbers

Gut Check

Best Wishes!

Thank You

Bean / Corn Ratio



S X9 Comdty / C Z9 Comdty on 5/28/19	2.0292
S X8 Comdty / C Z8 Comdty 04/02/2017-10/31/2018	2.3097
S X17 Comdty / C Z17 Comdty 04/02/2016-10/31/2017	2.8163
S X16 Comdty / C Z16 Comdty 04/03/2015-10/31/2016	2.8252
S X15 Comdty / C Z15 Comdty 04/03/2014-11/01/2015 on 10/29/19	2.312
S X14 Comdty / C Z14 Comdty 04/03/2013-11/01/2014 on 10/30/19	2.7777
S X13 Comdty / C Z13 Comdty 04/03/2012-11/01/2013	2.9631
S X12 Comdty / C Z12 Comdty 04/04/2011-11/01/2012	2.0752

Source: Advance Trading Inc