

2021 Wisconsin Ag Outlook Forum

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**TOTAL FARM
MARKETING**

BY STEWART-PETERSON

2021 Grain Market Outlook

Focus on the Year Ahead for the Corn and Soybean Markets



John Heinberg

Market Advisor

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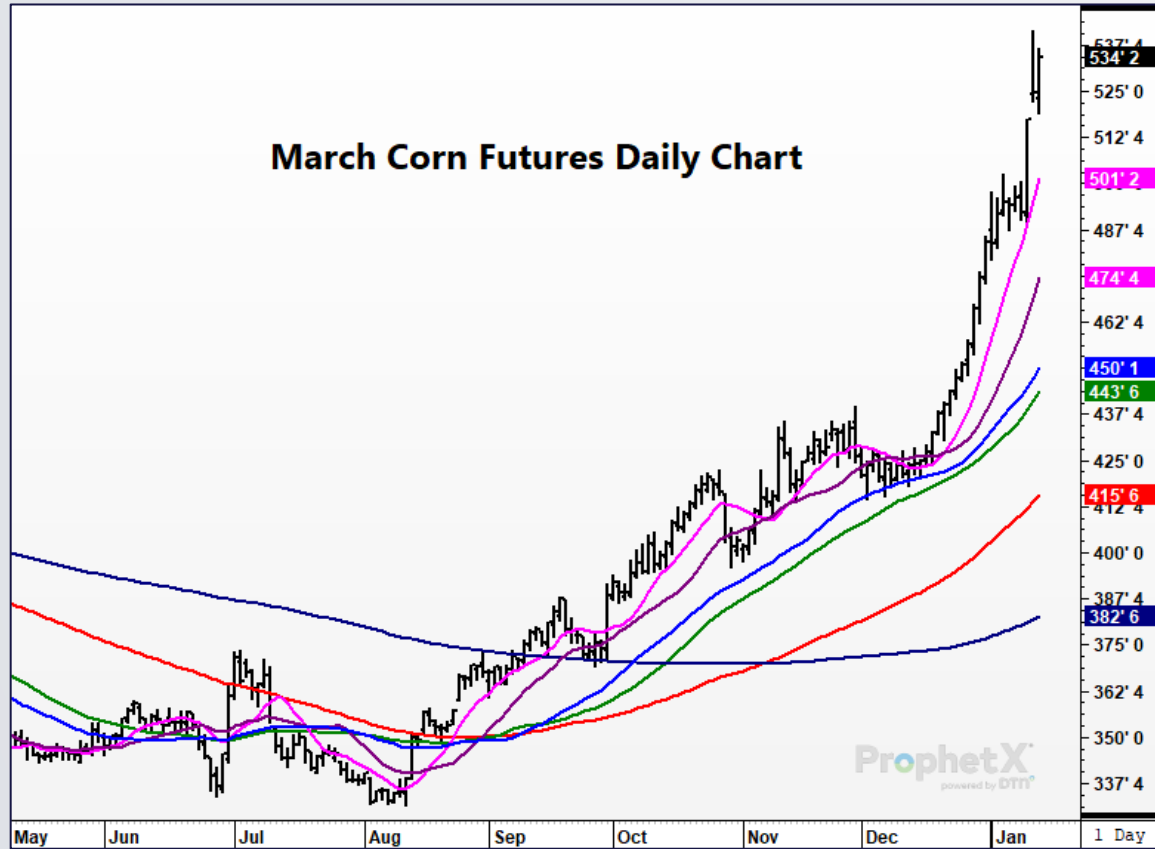
Immediate thoughts on the Market

- Volatility is here to stay...
- Demand, demand, demand...
- Corn and soybean supplies...Where did they go?
- What is going on with South American weather?
- The China impact...?
- What is going to happen in 2021?



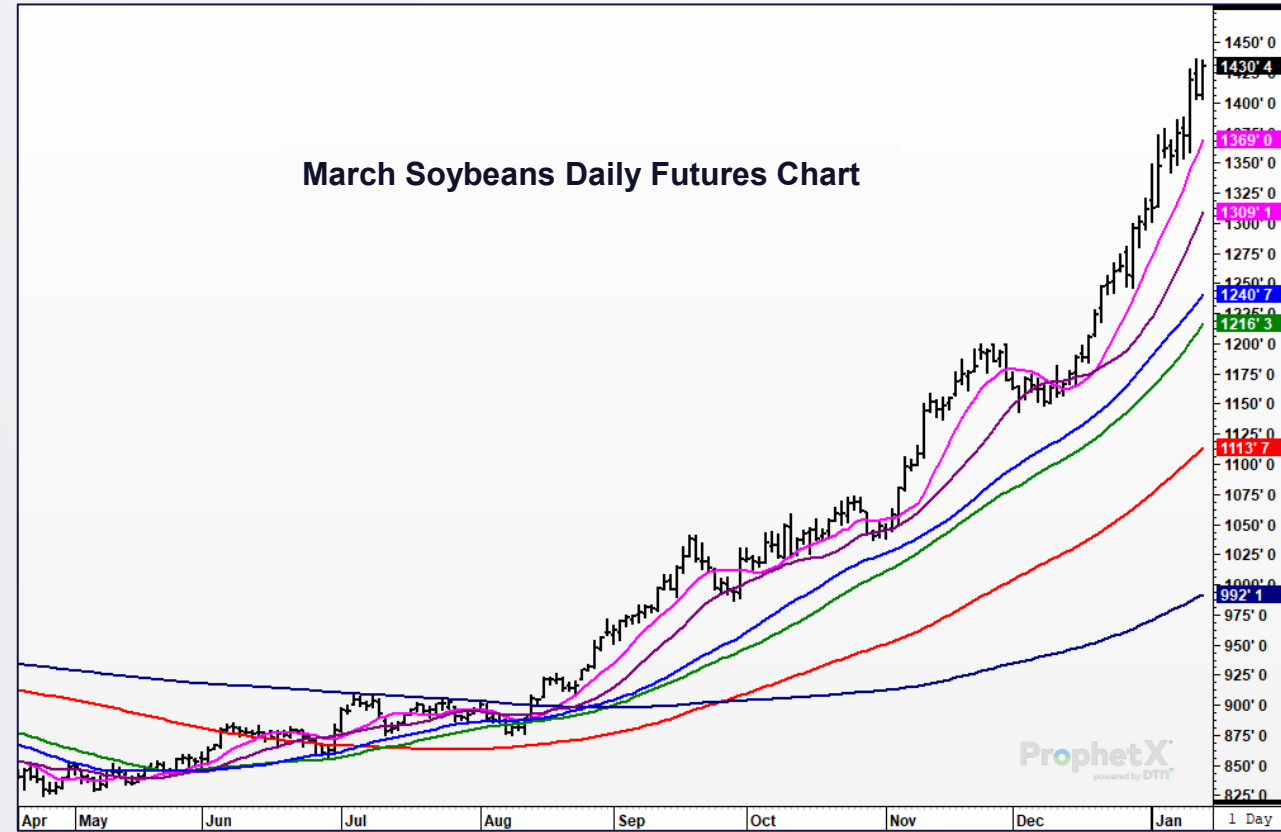
Grain prices have been on a historic rally...

March Corn Futures Daily Chart



March Corn Futures:
\$2.10 Rally since August 12th Low

March Soybeans Daily Futures Chart



March Soybean Futures:
\$6.11 Rally since April 24th Low



Looking into 2021...

What are the 5 Big Things to Watch in the Grain Markets?

1. The Supply Picture
2. A Demand Driven Market
3. The U.S. Dollar
4. The Flow of Money
5. The Weather for 2021

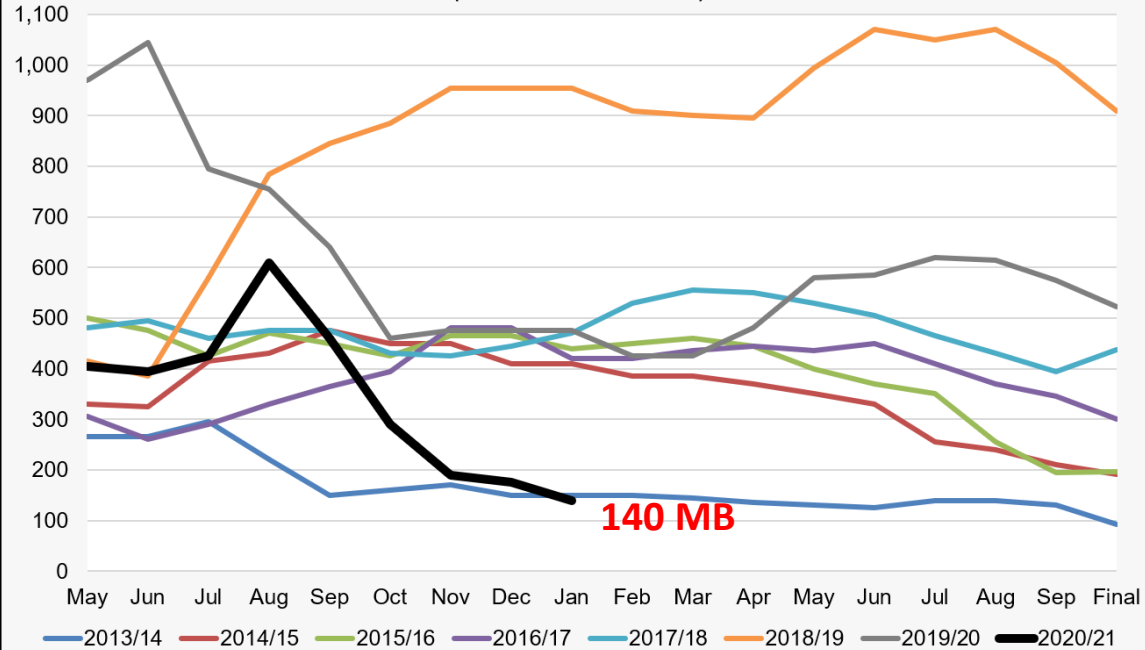


1. The Supply Picture

The Disappearance of U.S. Grain Supplies

U.S. Soybean Ending Stocks: USDA's Monthly Forecast

(millions of bushels)

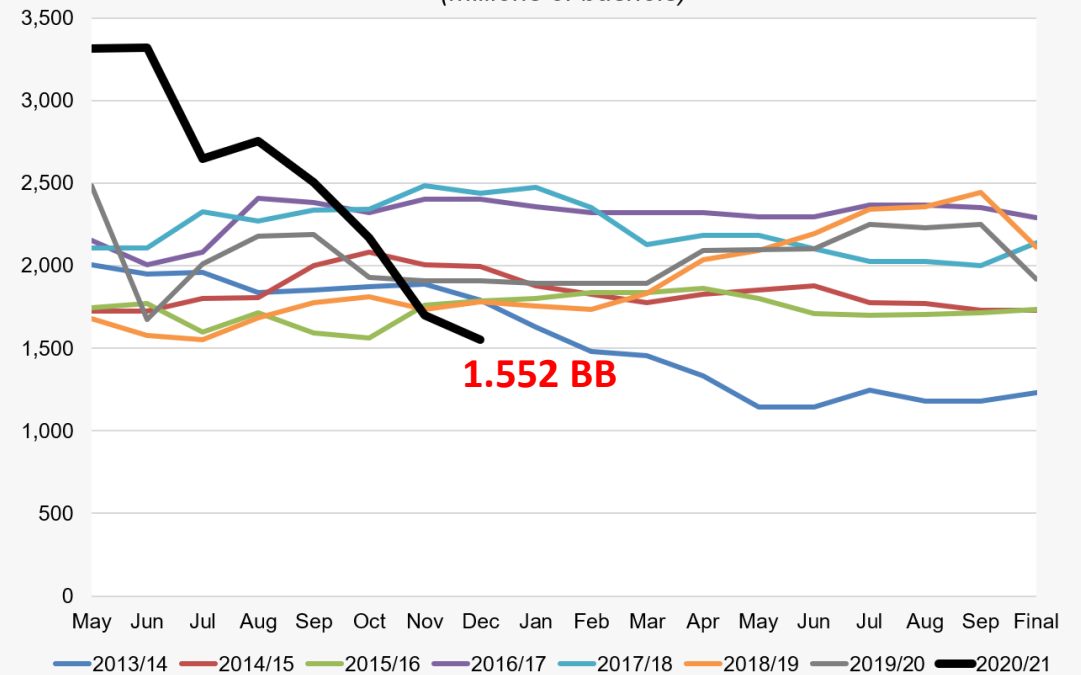


Data source: U.S. Department of Agriculture

@kannbwx

U.S. Corn Ending Stocks: USDA's Monthly Forecast

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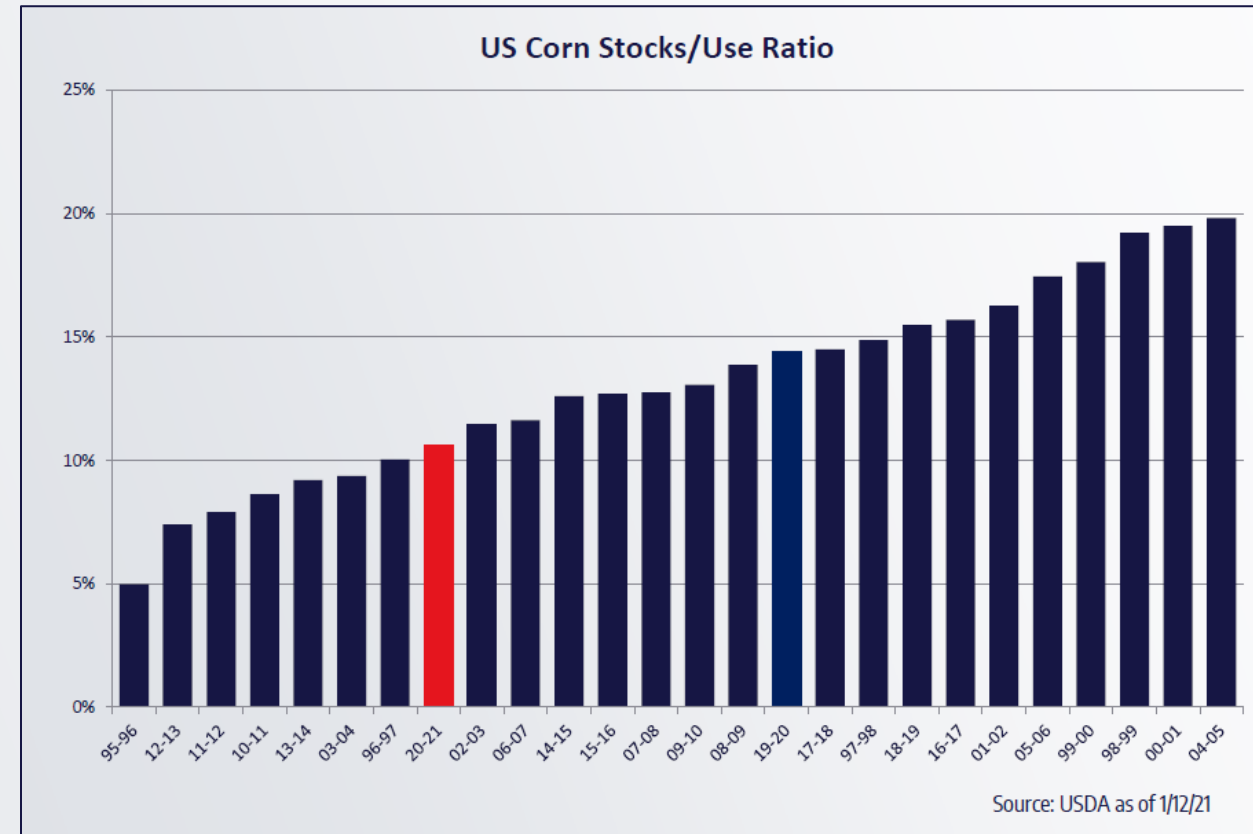
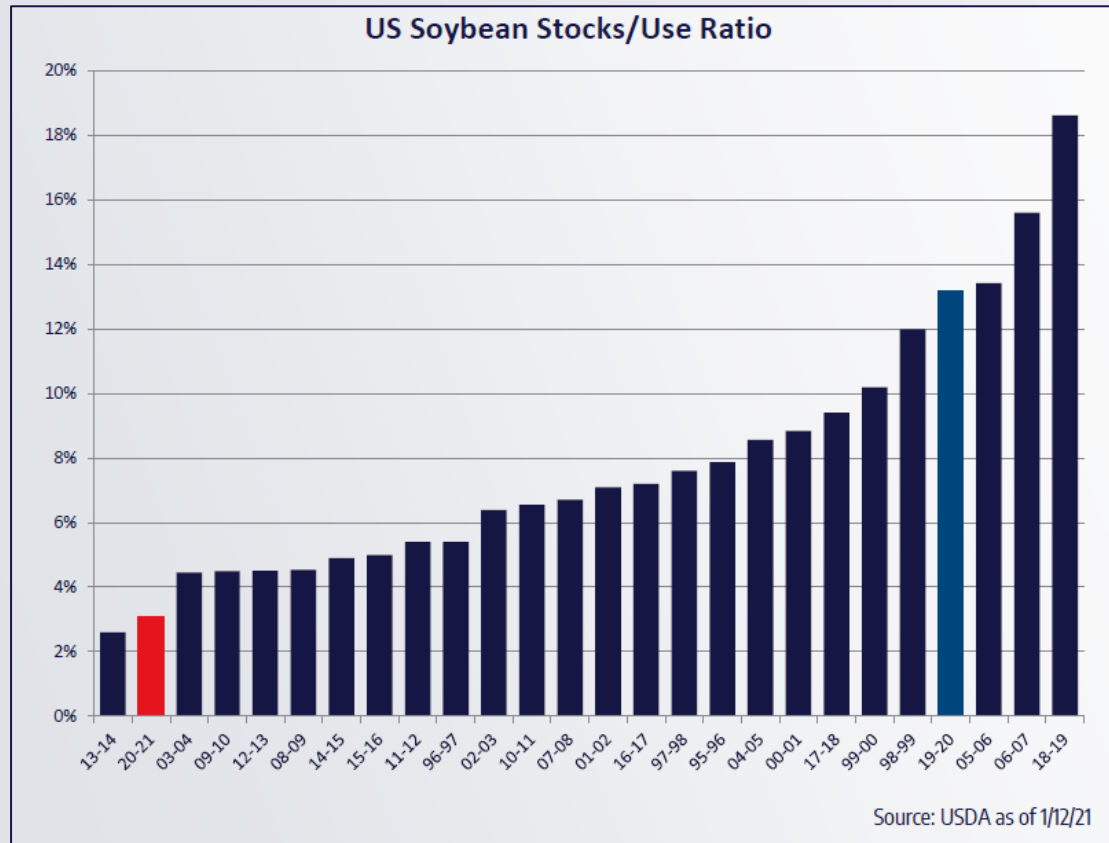
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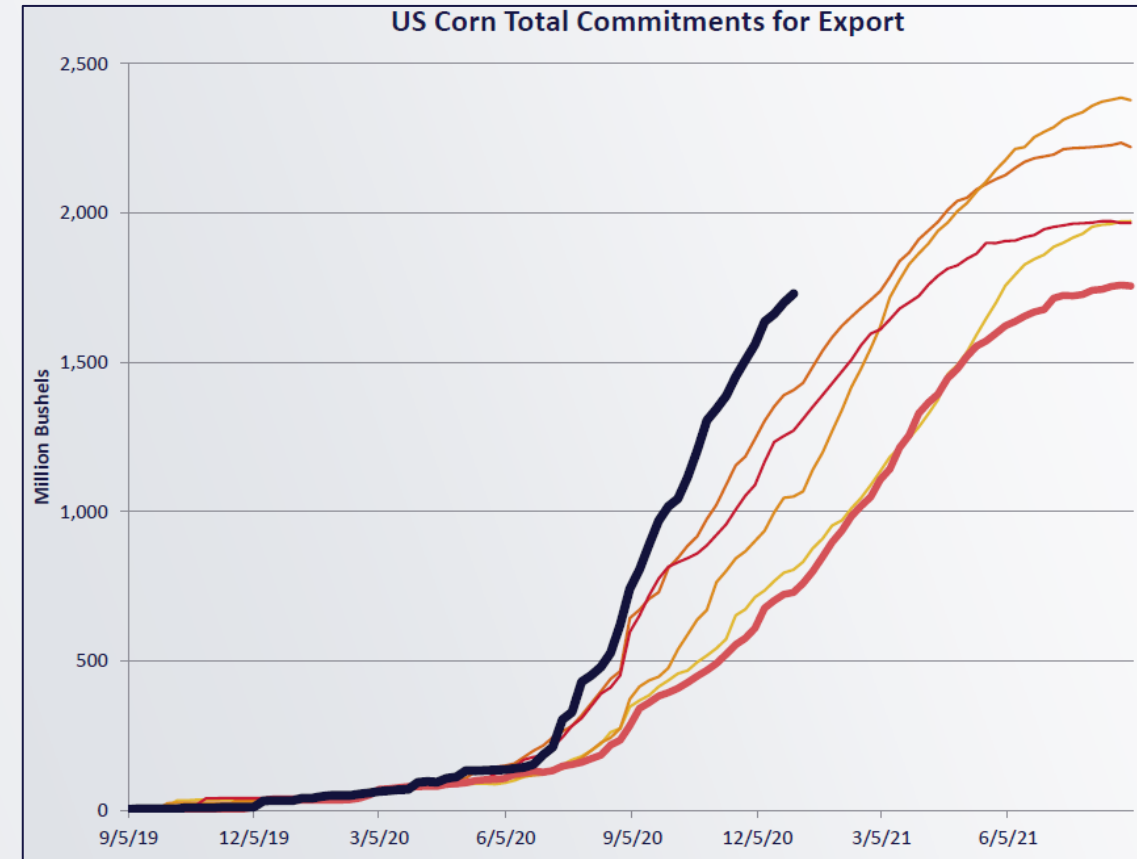
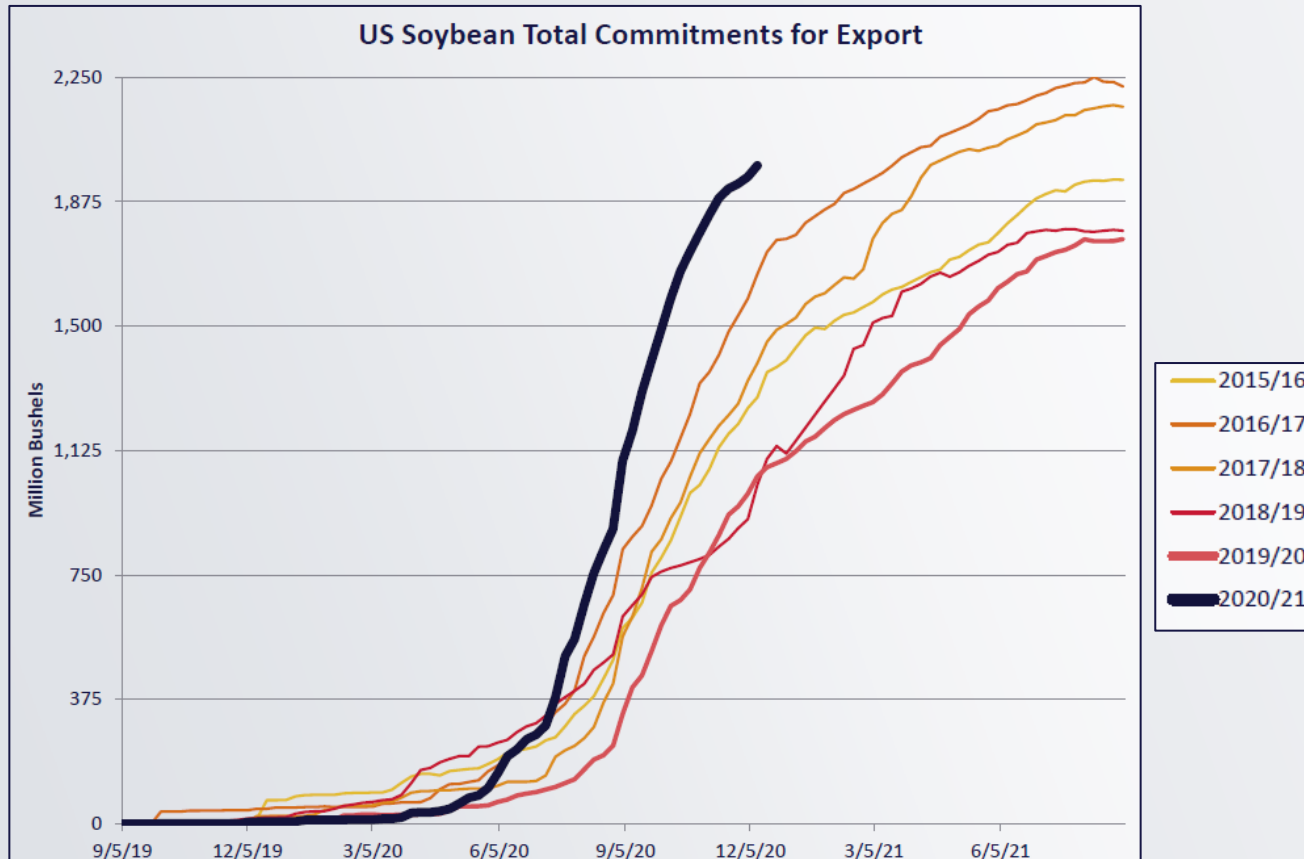
1. The Supply Picture

Tight Stocks-to-Use Ratios



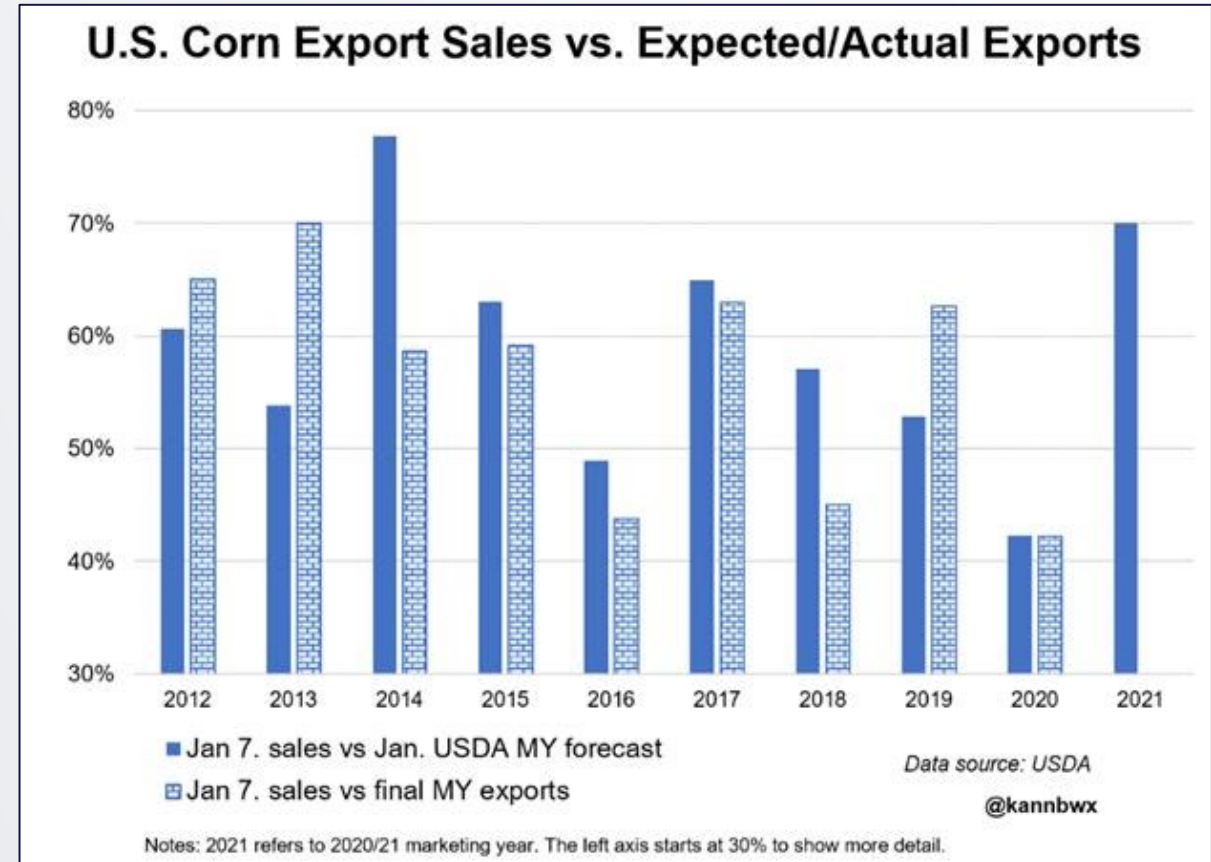
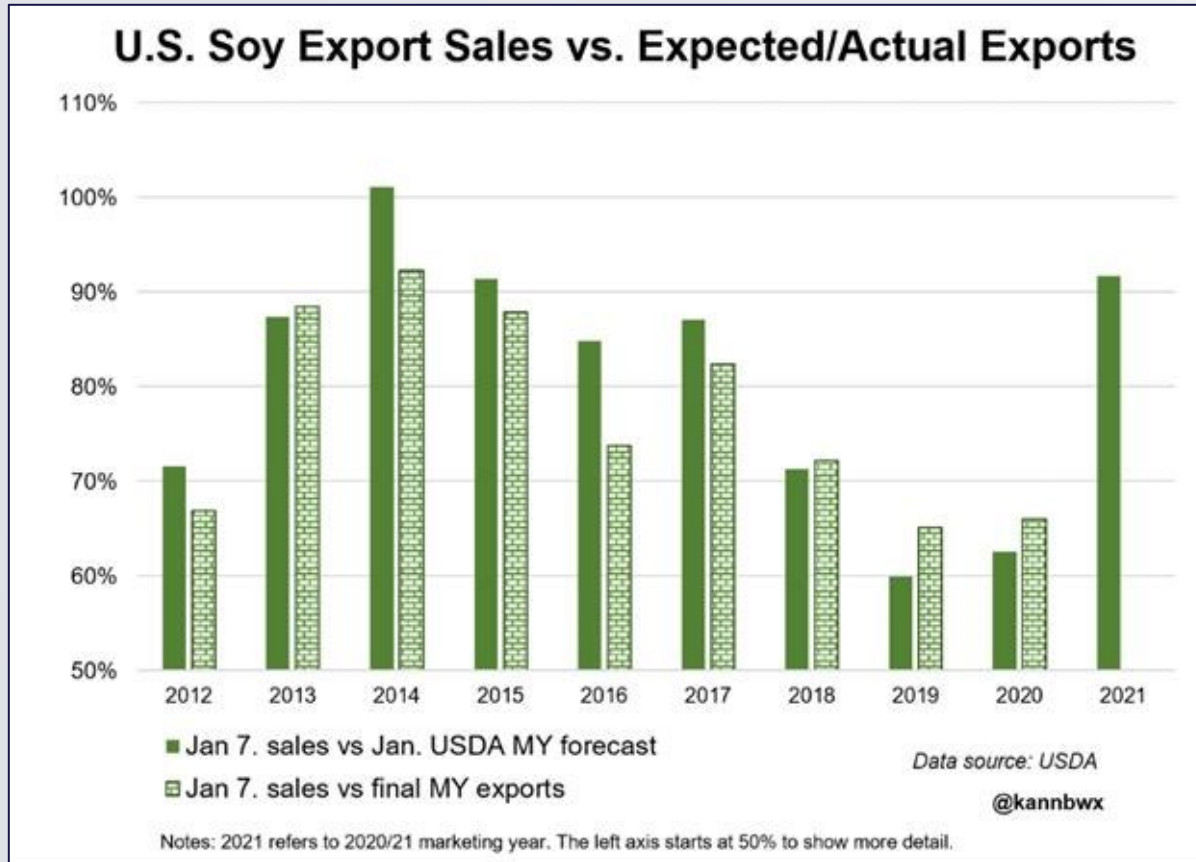
2. A Demand Driven Market

Record Export Sales on the Books

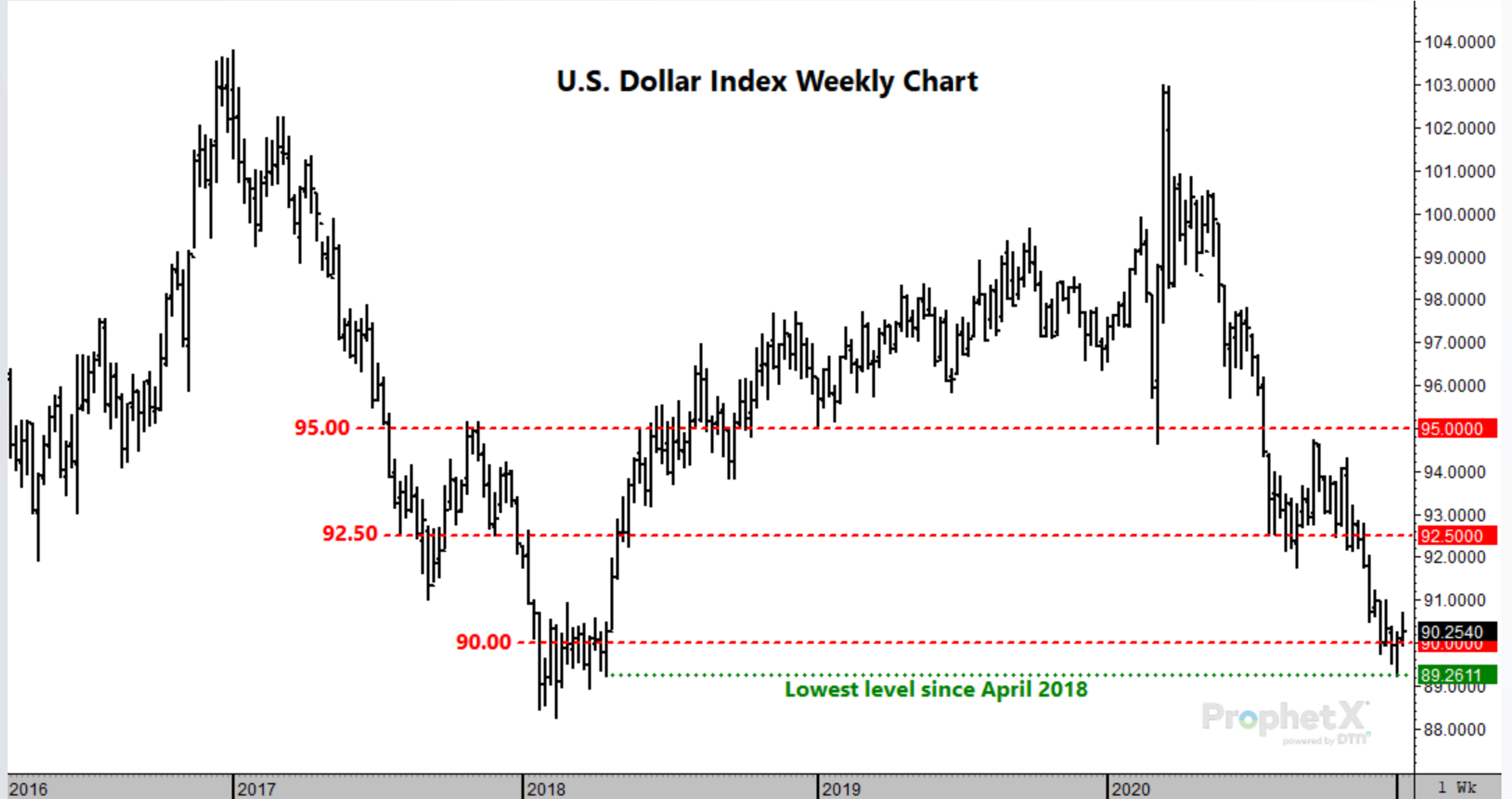


2. A Demand Driven Market

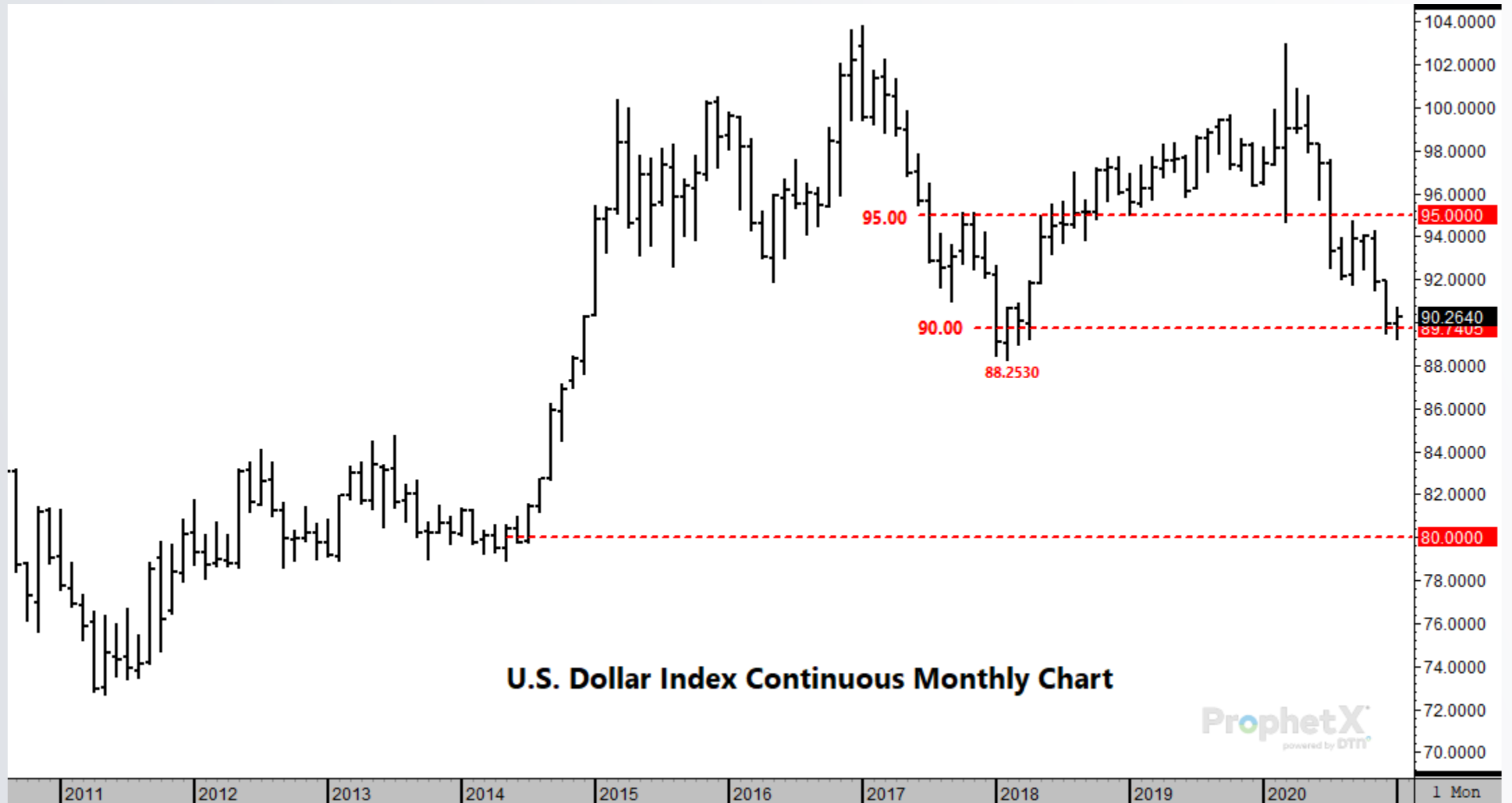
Percentage of USDA Export Targets



3. The U.S. Dollar

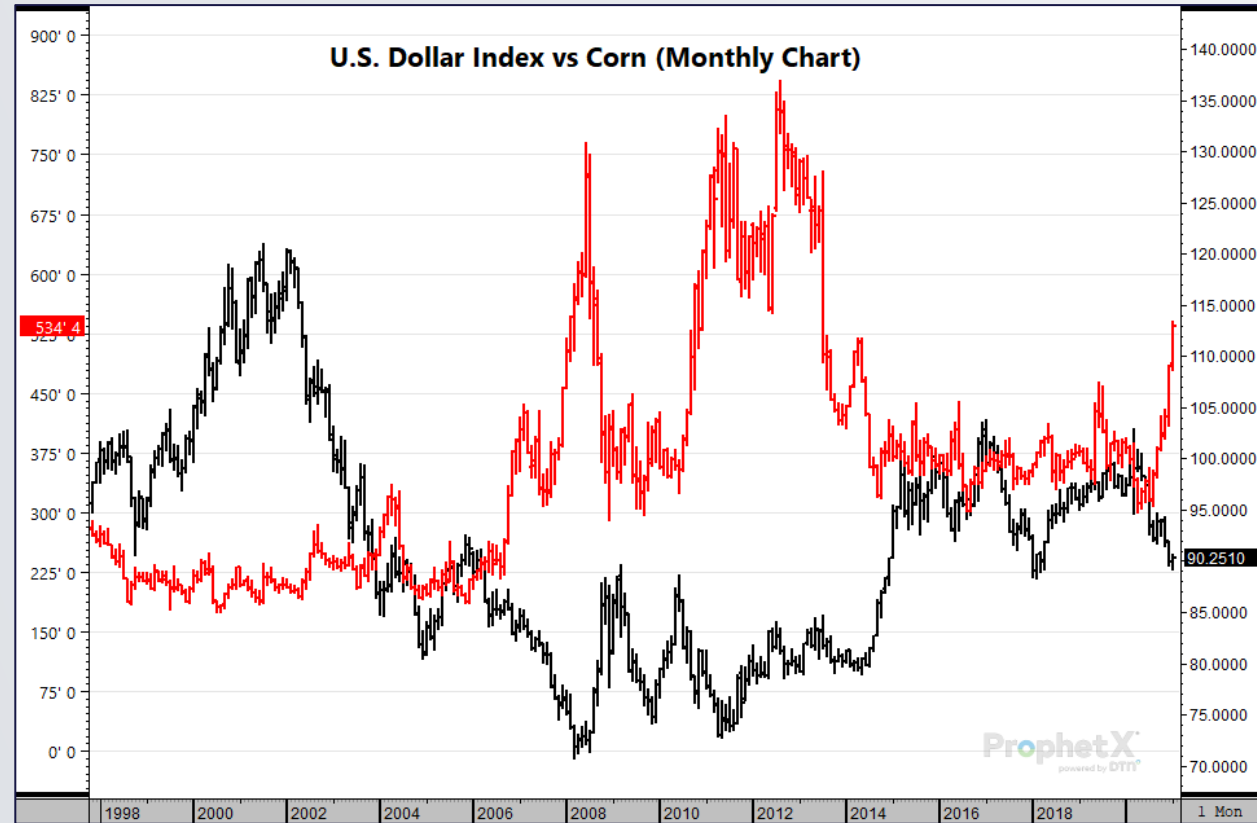


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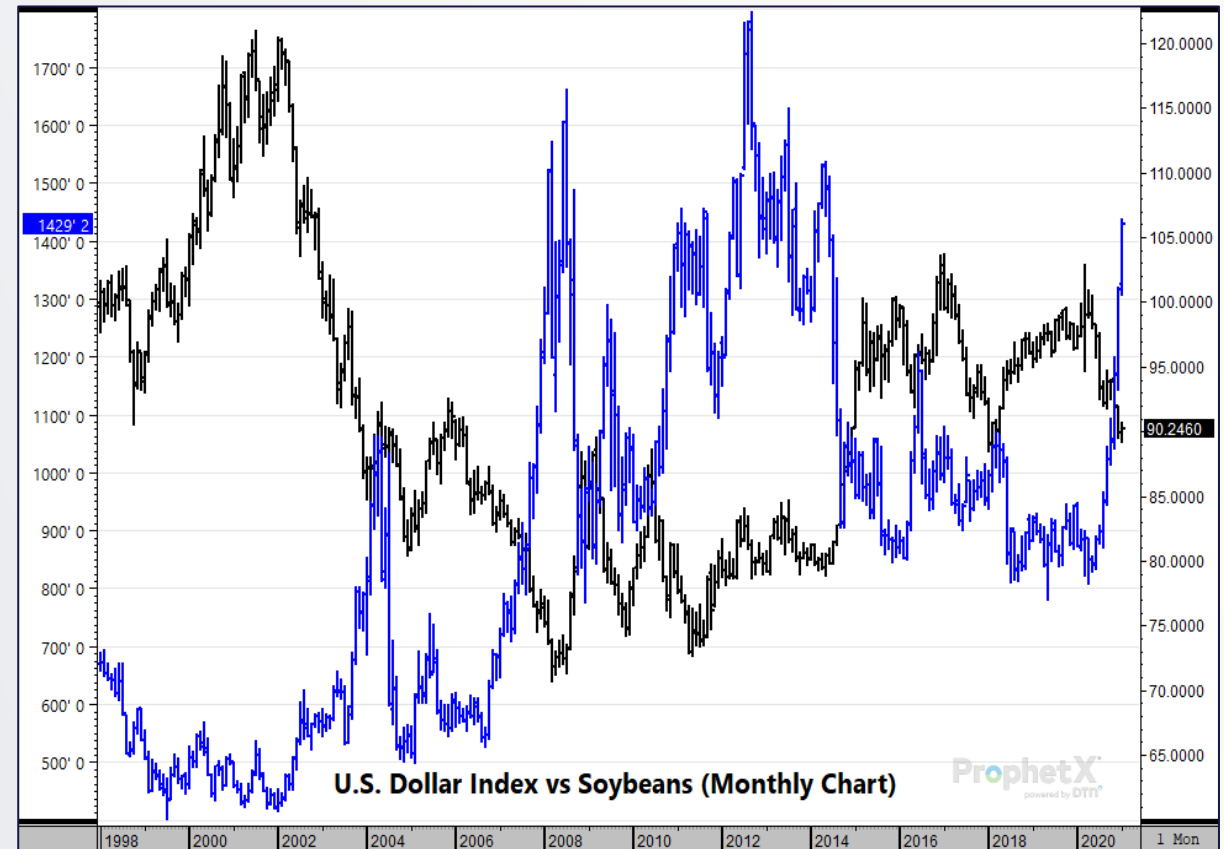


3. The U.S. Dollar

U.S. Dollar Index vs Corn (Monthly Chart)

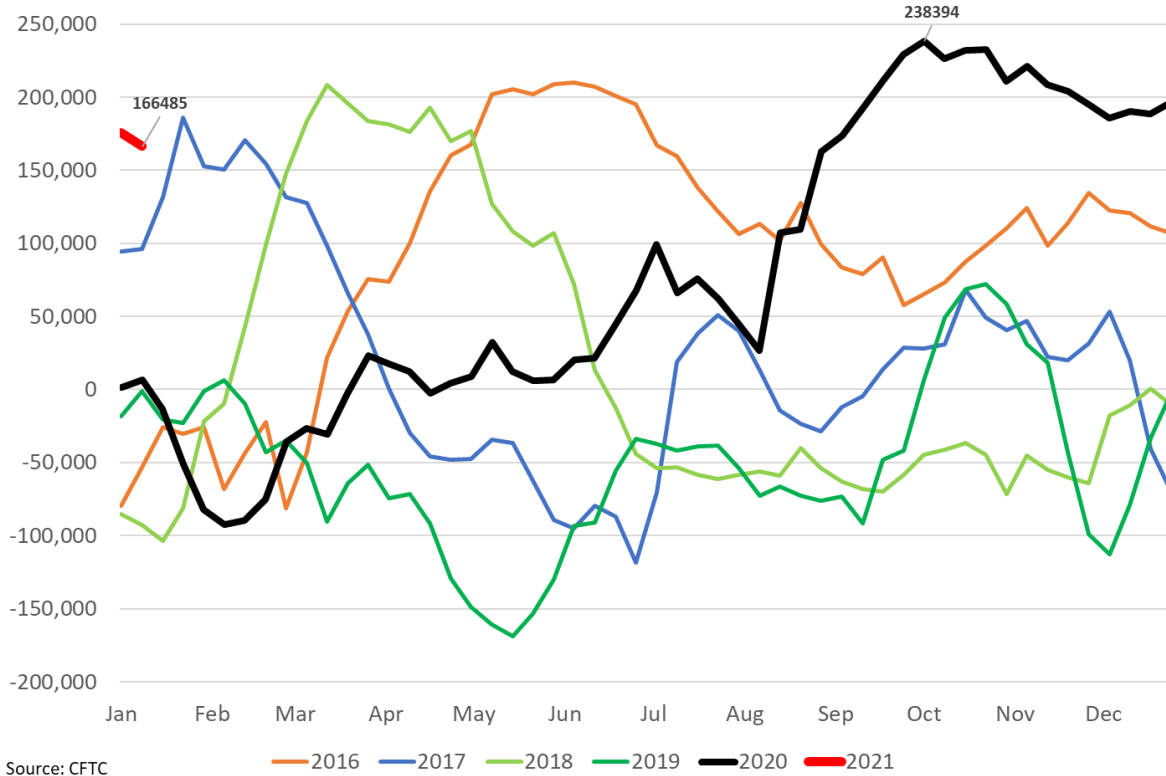


U.S. Dollar Index vs Soybeans (Monthly Chart)

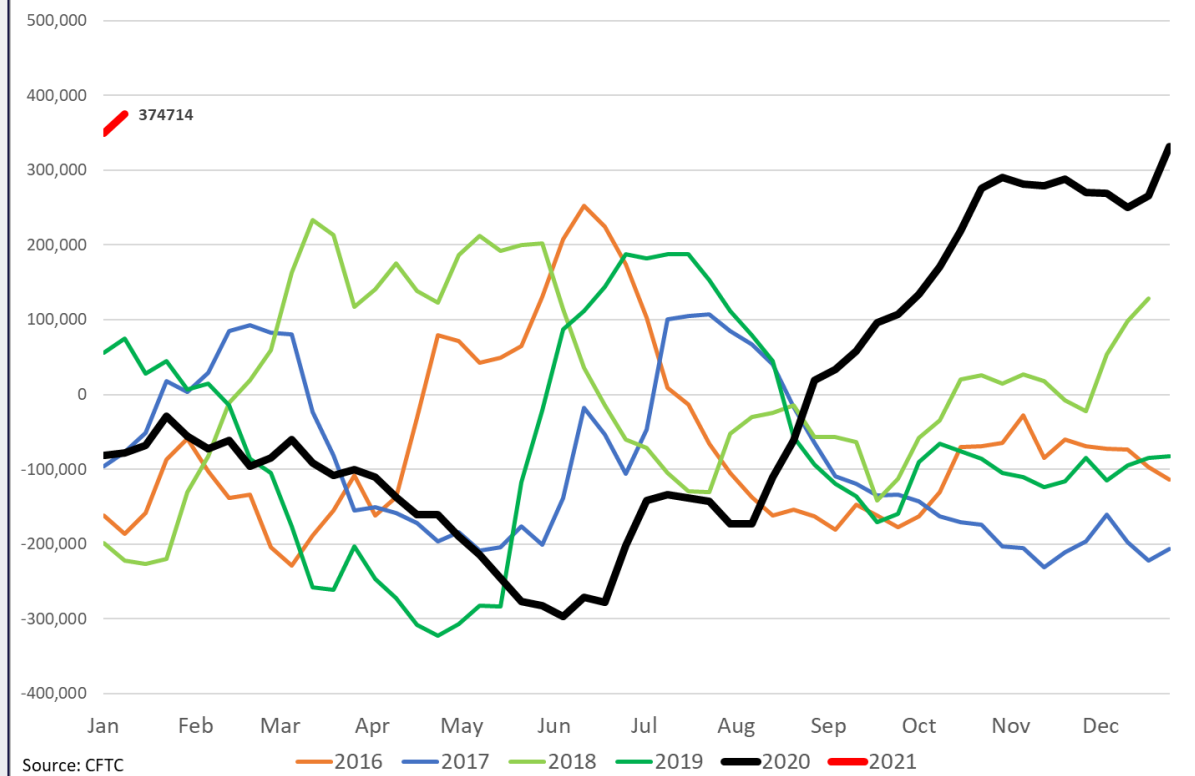


4. The Flow of Money

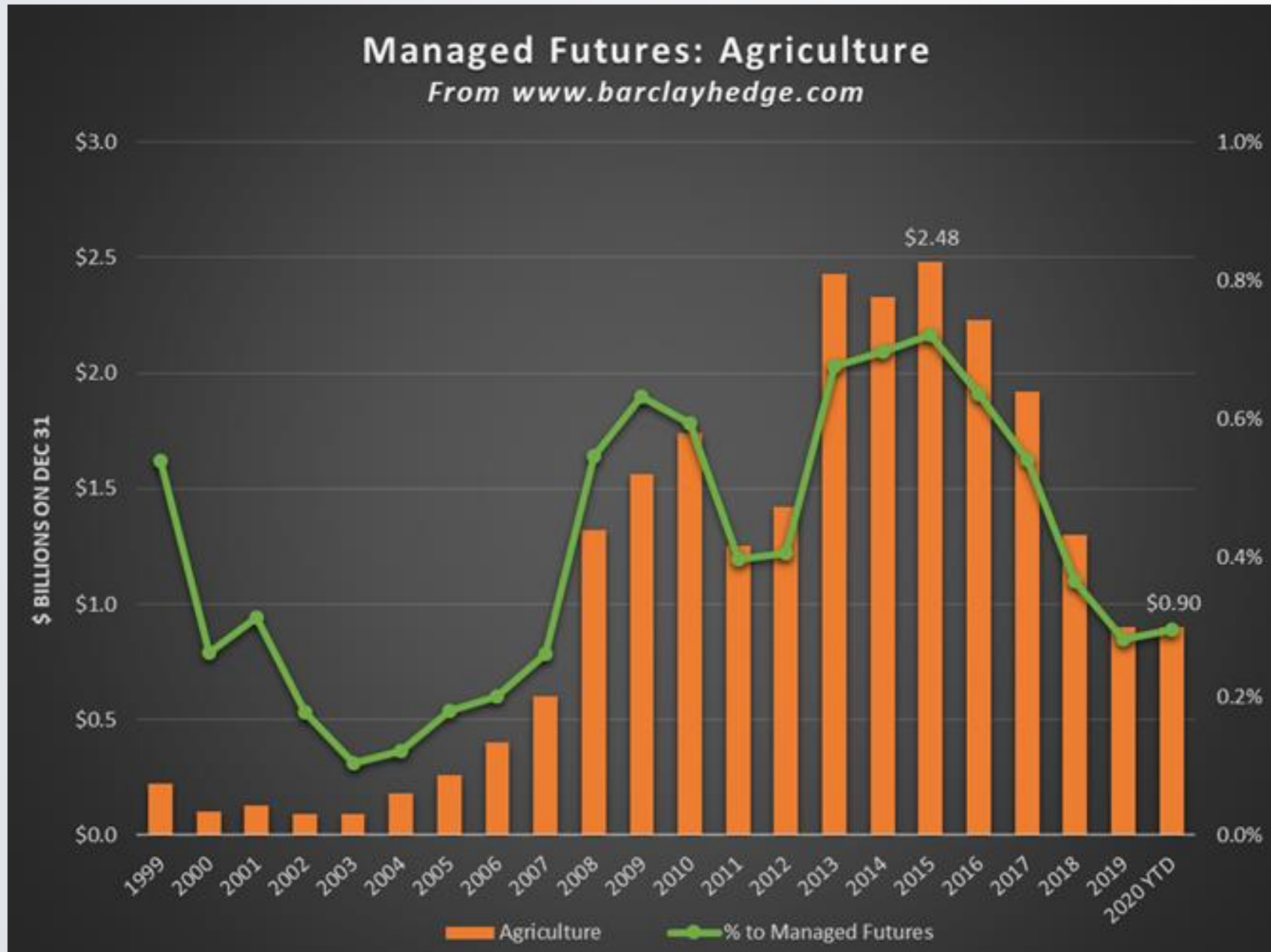
Seasonal Managed Money Net Position for Soybeans



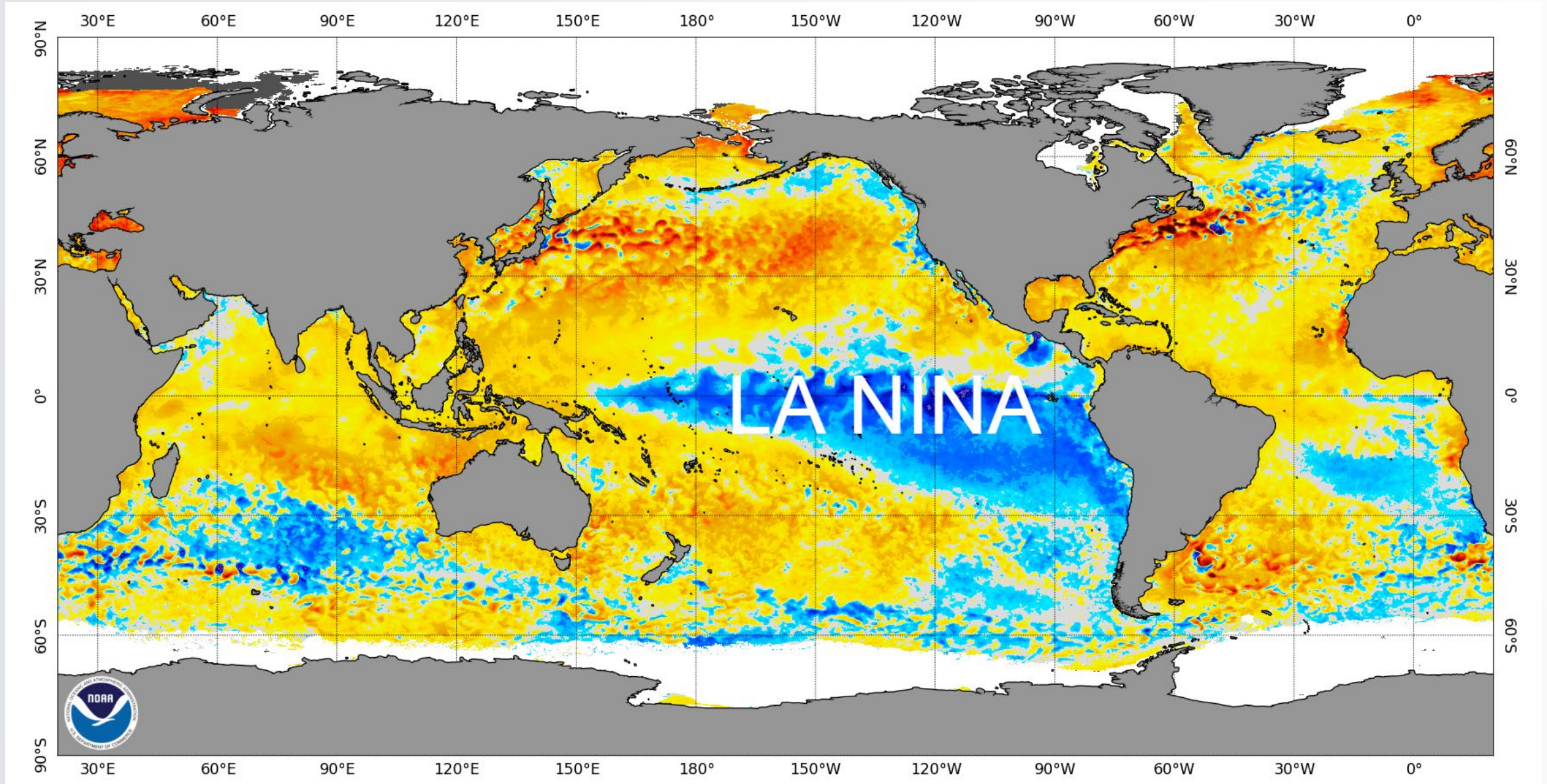
Seasonal Managed Money Net Position for Corn



4. The Flow of Money

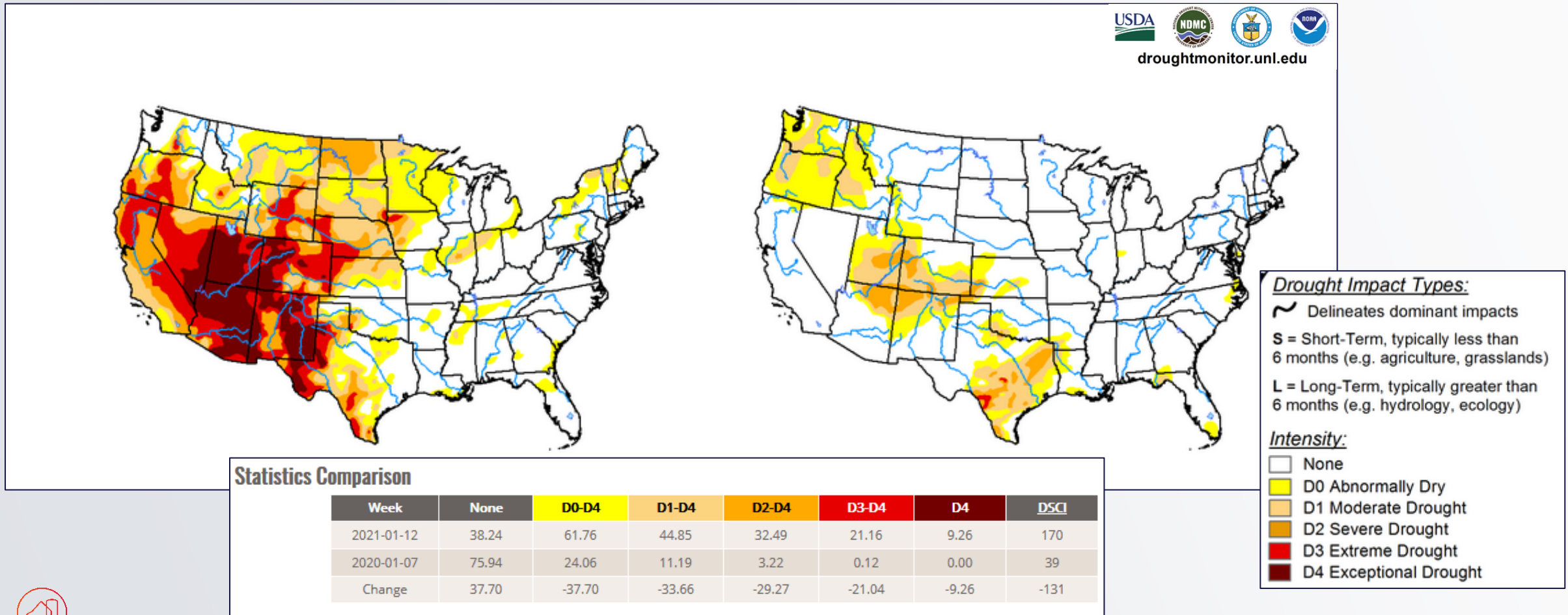


5. The Weather for 2021



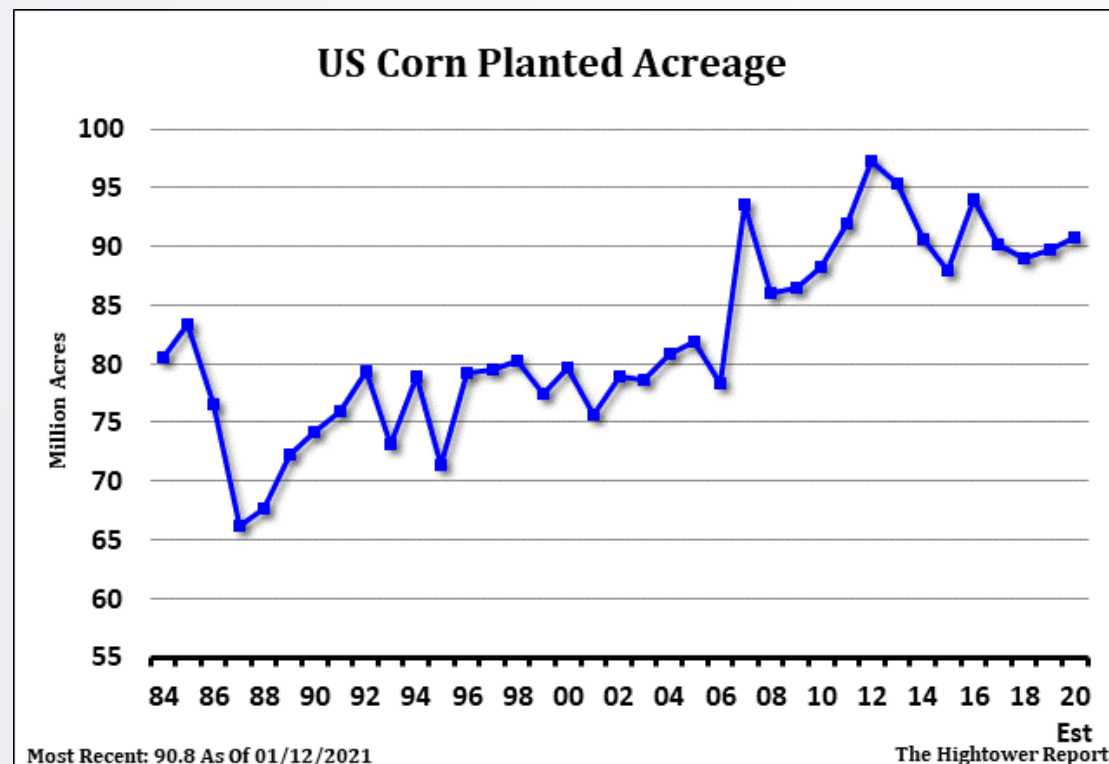
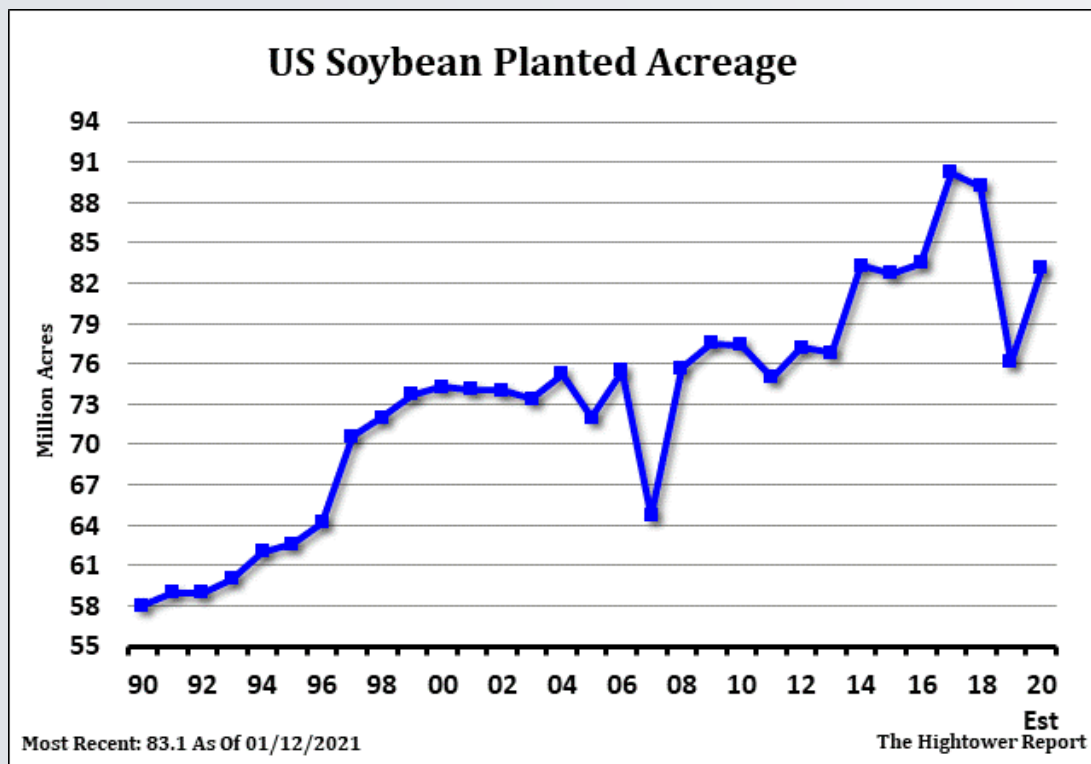
5. The Weather for 2021

Drought Map Comparison of January 2021 vs 2020



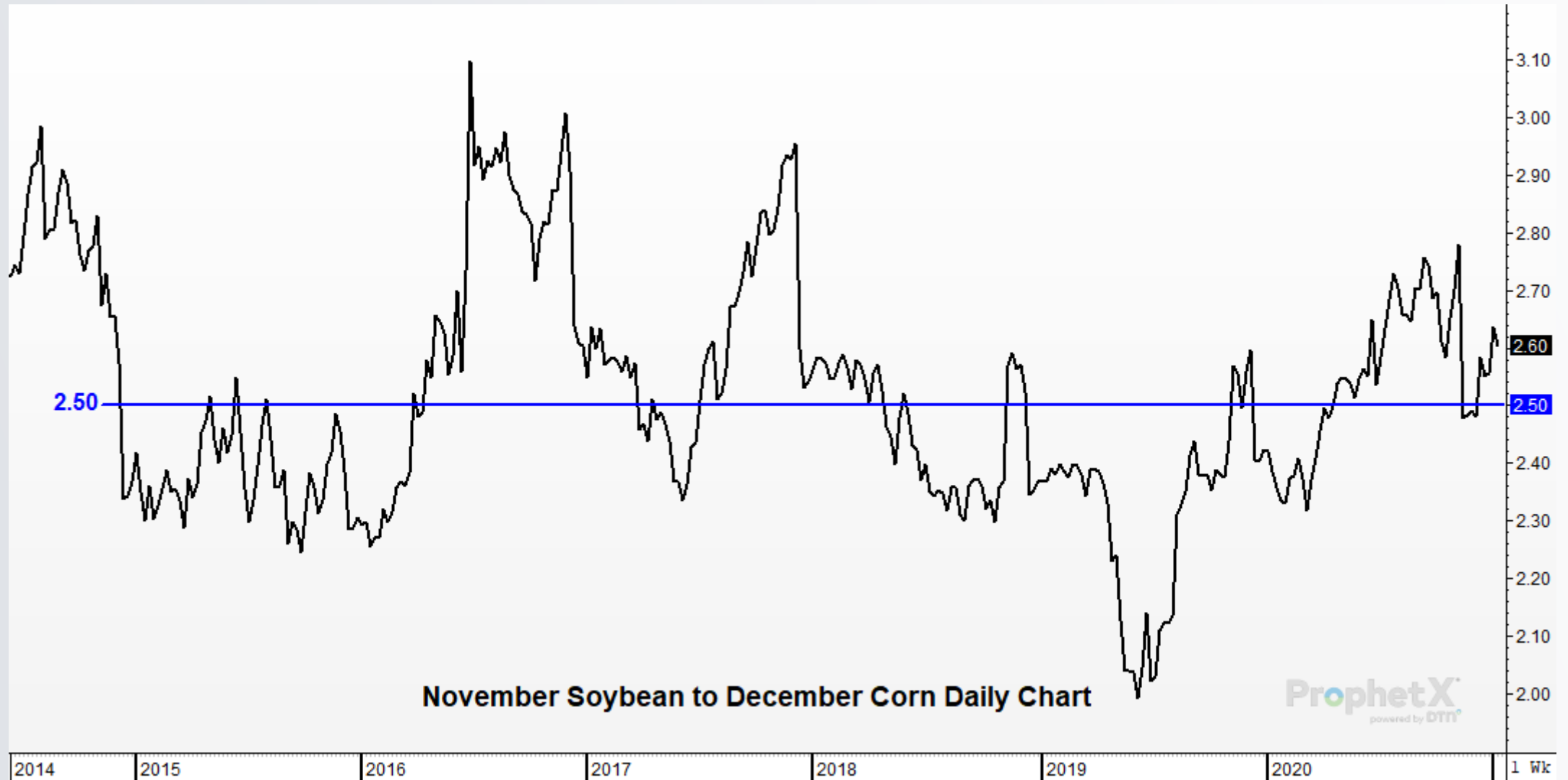
2021 Outlook

The Upcoming Acre Battle



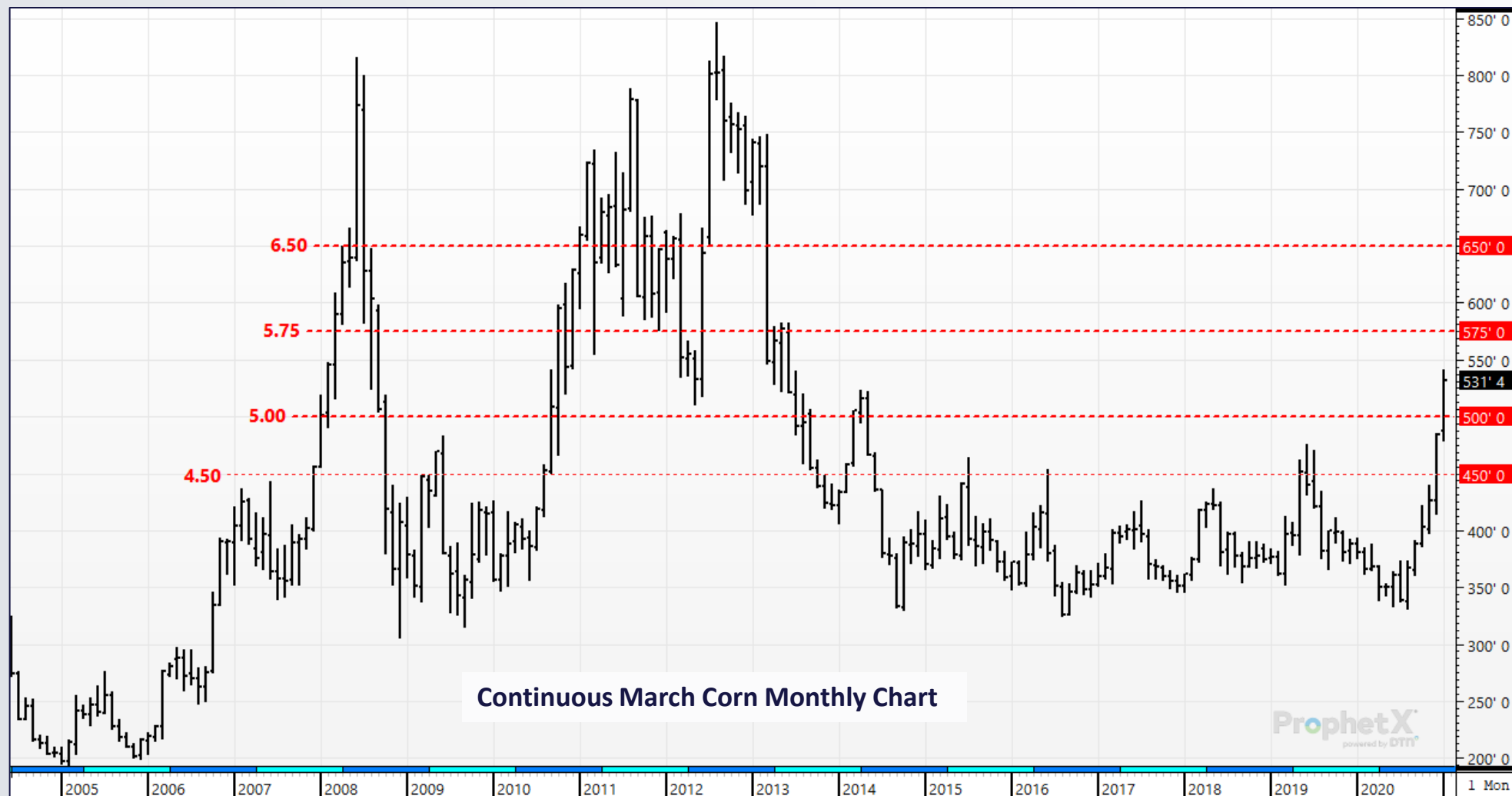
2021 Outlook

The Upcoming Acre Battle



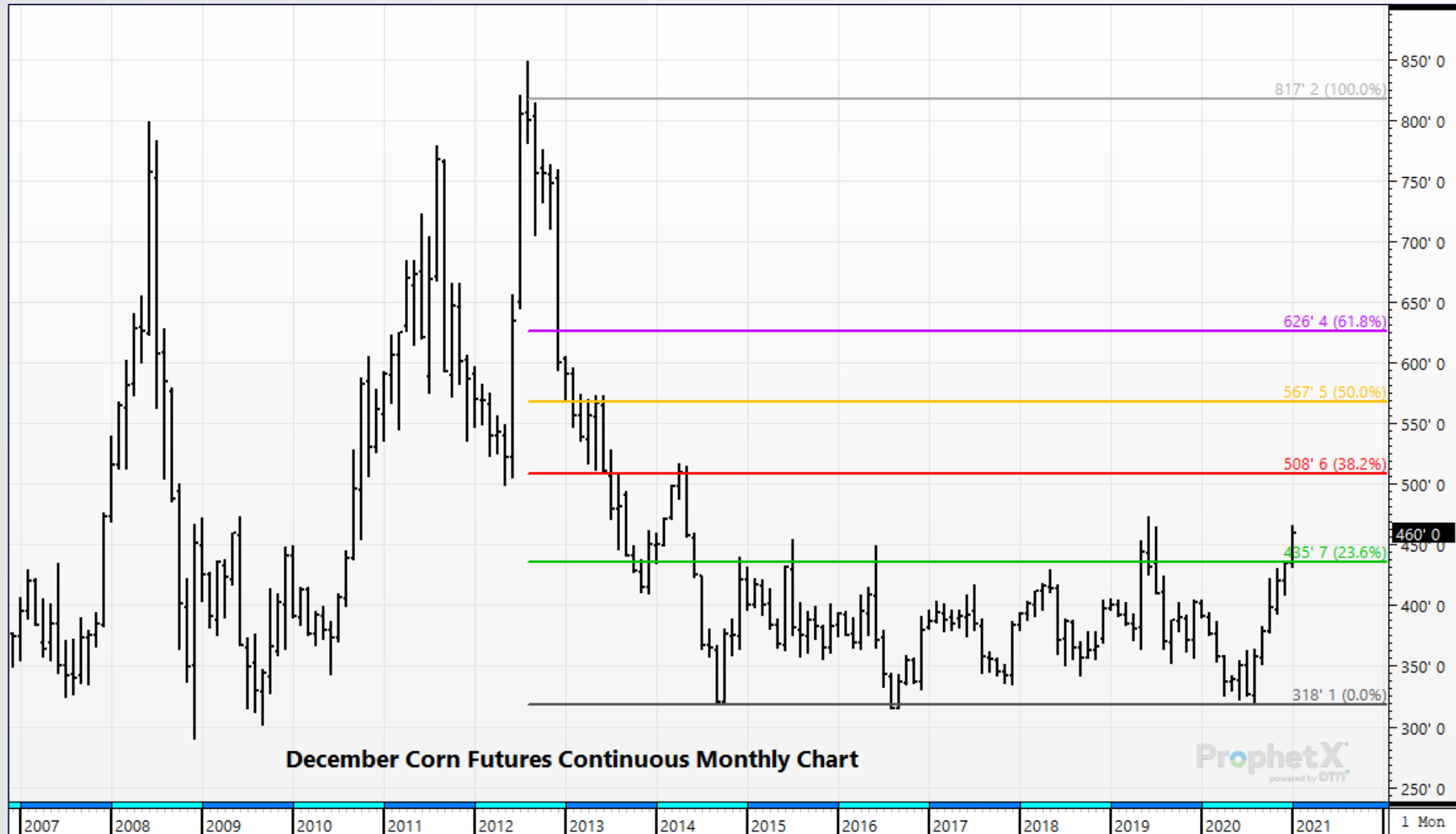
2021 Outlook

Possible Corn Price Objectives



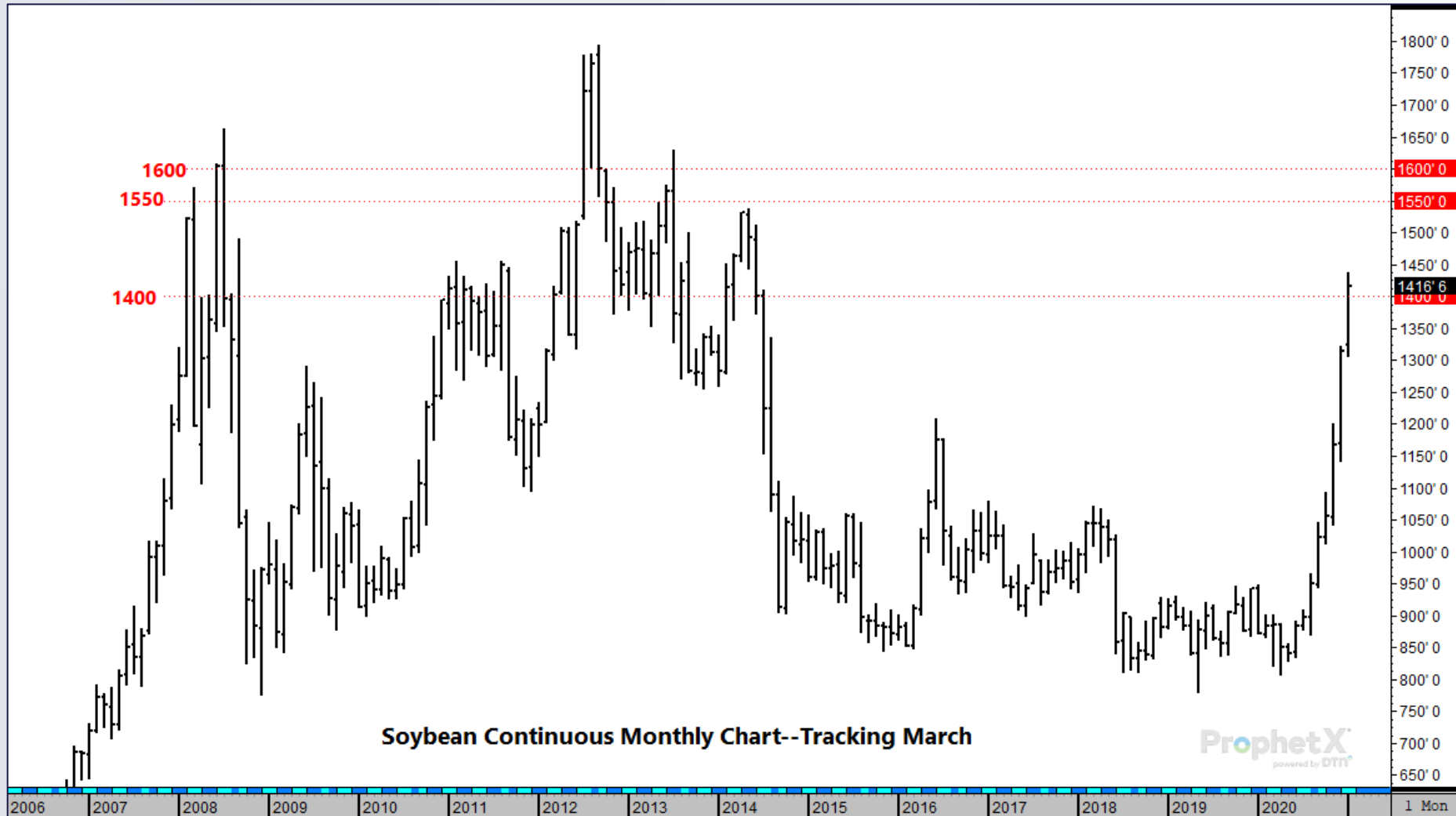
2021 Outlook

Possible Corn Price Objectives



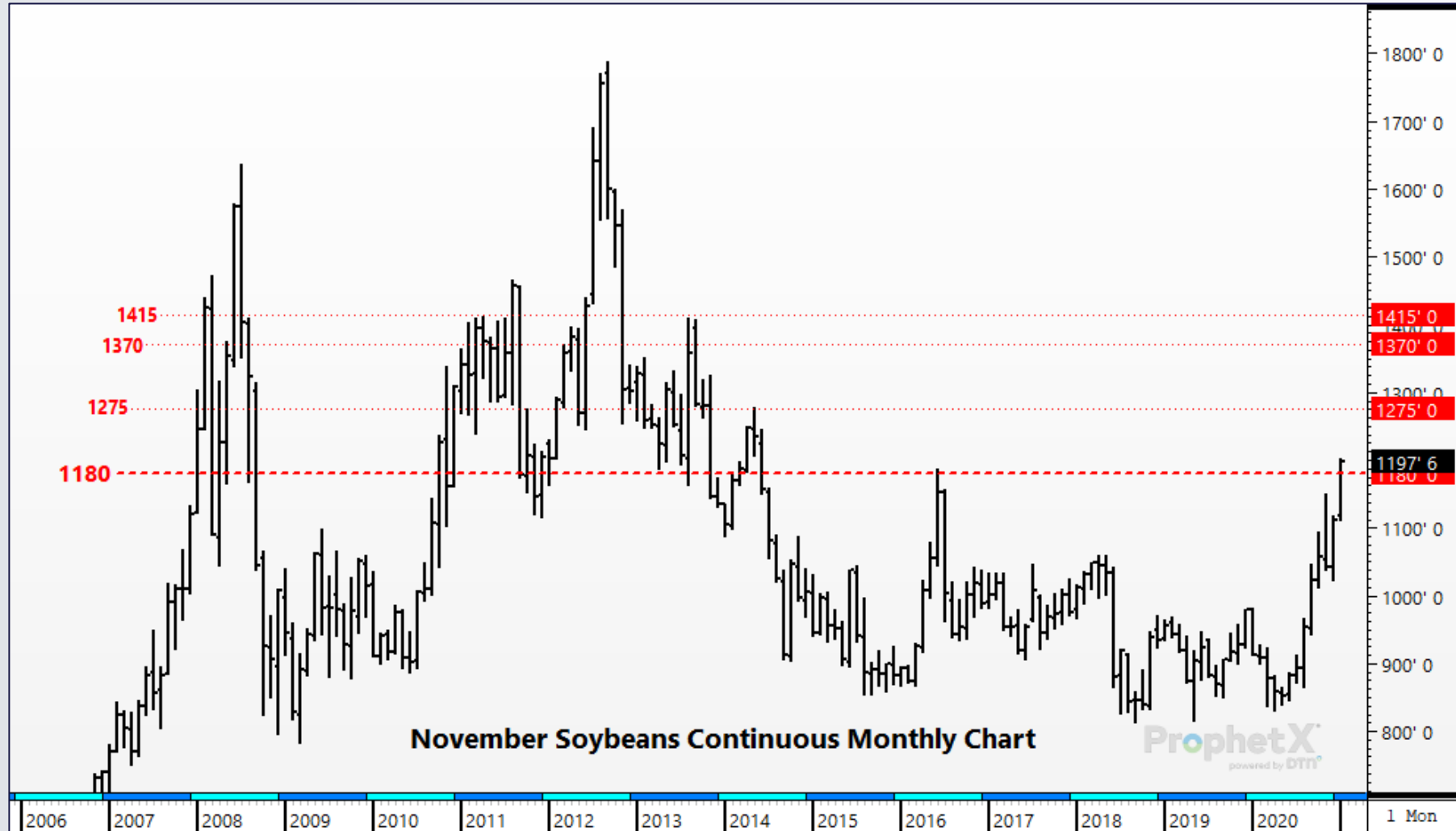
2021 Outlook

Possible Soybean Price Objectives



2021 Outlook

Possible Soybean Price Objectives



Marketing Keys for 2021

- Volatility will not be going away...
- Instead of worrying about how “high” prices can go, take advantage of the opportunity and manage the risk.
- Stay disciplined to targets; build the “base” through cash sales and defensive strategies.
- Market the opportunity, and “own the potential.”
- Put strategies will be key to protect unpriced bushels.
- Producers need to measure the risks of “do nothing” vs the costs of using marketing tools and strategies.
- Don't forget about 2022!



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John Heinberg
Market Advisor
Total Farm Marketing
800.334.9779 Ext. 362
johnh@totalfarmmarketing.com
<https://www.totalfarmmarketing.com/>
 Twitter: John Heinberg@casheagle1



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BY STEWART-PETERSON

Thank you for your time.