2021 Wisconsin Ag Outlook Forum
January 26, 2021

2021 Grain Market Outlook
Focus on the Year Ahead for the Corn and Soybean Markets

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Market Advisor
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: $2.10 Rally since August 12th Low

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)

U.S. Corn Ending Stocks: USDA’s Monthly Forecast
(millions of bushels)

Data source: U.S. Department of Agriculture
@kannbwx

140 MB

1.552 BB
1. The Supply Picture

Tight Stocks-to-Use Ratios

Source: USDA as of 1/12/21
2. A Demand Driven Market

Record Export Sales on the Books

[Graphs showing US Soybean and US Corn Total Commitments for Export]
2. A Demand Driven Market

Percentage of USDA Export Targets

U.S. Soy Export Sales vs. Expected/Actual Exports

U.S. Corn Export Sales vs. Expected/Actual Exports

Notes: 2021 refers to 2020/21 marketing year. The left axis starts at 50% to show more detail.
3. The U.S. Dollar

<table>
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<th>Year</th>
<th>Value</th>
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<td>2016</td>
<td>95.00</td>
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<tr>
<td>2017</td>
<td>92.50</td>
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<tr>
<td>2018</td>
<td>90.00</td>
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<tr>
<td>2019</td>
<td>89.21</td>
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<tr>
<td>2020</td>
<td>89.00</td>
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U.S. Dollar Index Weekly Chart

Lowest level since April 2018
3. The U.S. Dollar
4. The Flow of Money

Seasonal Managed Money Net Position for Soybeans

Seasonal Managed Money Net Position for Corn

Source: CFTC
4. The Flow of Money

Managed Futures: Agriculture
From www.barclayhedge.com
5. The Weather for 2021

[Map showing LA NIÑA in the Pacific Ocean]
5. The Weather for 2021

Drought Map Comparison of January 2021 vs 2020

Statistics Comparison

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<th>None</th>
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<th>D1-D4</th>
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<th>D3-D4</th>
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<th>D5CI</th>
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<td>2021-01-12</td>
<td>38.24</td>
<td>61.76</td>
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<td>2020-01-07</td>
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<td>37.70</td>
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<td>-29.27</td>
<td>-21.04</td>
<td>-9.26</td>
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</table>
2021 Outlook
The Upcoming Acre Battle

US Soybean Planted Acreage

US Corn Planted Acreage

Most Recent: 83.1 As of 01/12/2021
The Hightower Report

Most Recent: 90.8 As of 01/12/2021
The Hightower Report
2021 Outlook
The Upcoming Acre Battle
2021 Outlook
Possible Corn Price Objectives

Continuous March Corn Monthly Chart
2021 Outlook

Possible Corn Price Objectives

December Corn Futures Continuous Monthly Chart
2021 Outlook

Possible Soybean Price Objectives

Soybean Continuous Monthly Chart--Tracking March
2021 Outlook
Possible Soybean Price Objectives

November Soybeans Continuous Monthly Chart
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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