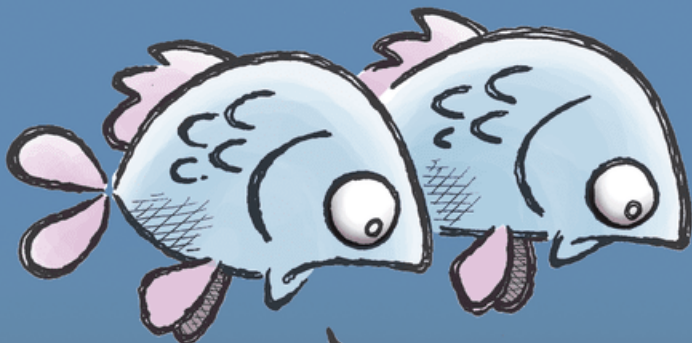




Marketing Class

DATE APRIL 24TH, 2020



NOT A
GOOD
SIGN.

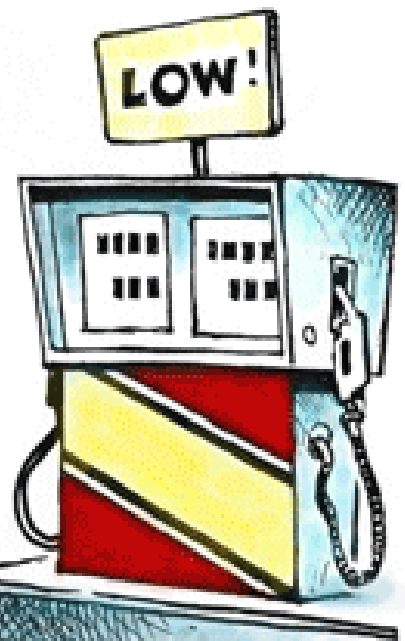
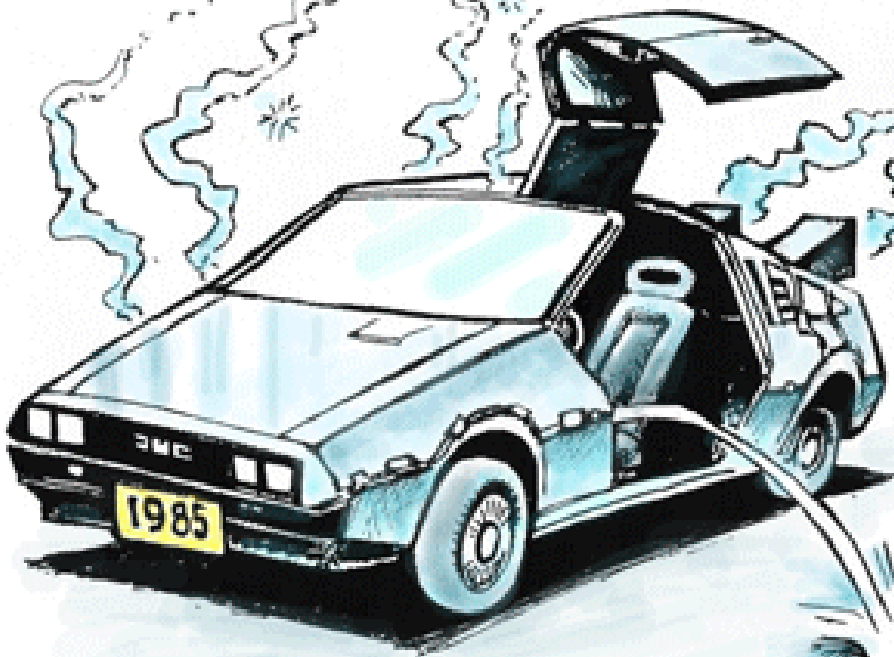


35TH Anniversary...

BACK TO THE FUTURE

WHAT?!
THIS CAN'T
BE 2020?!

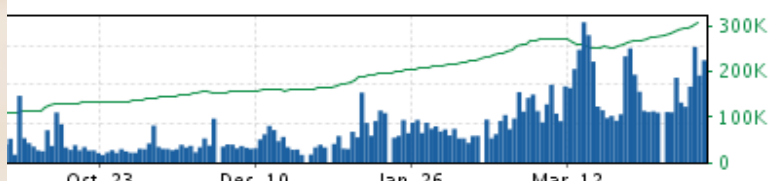
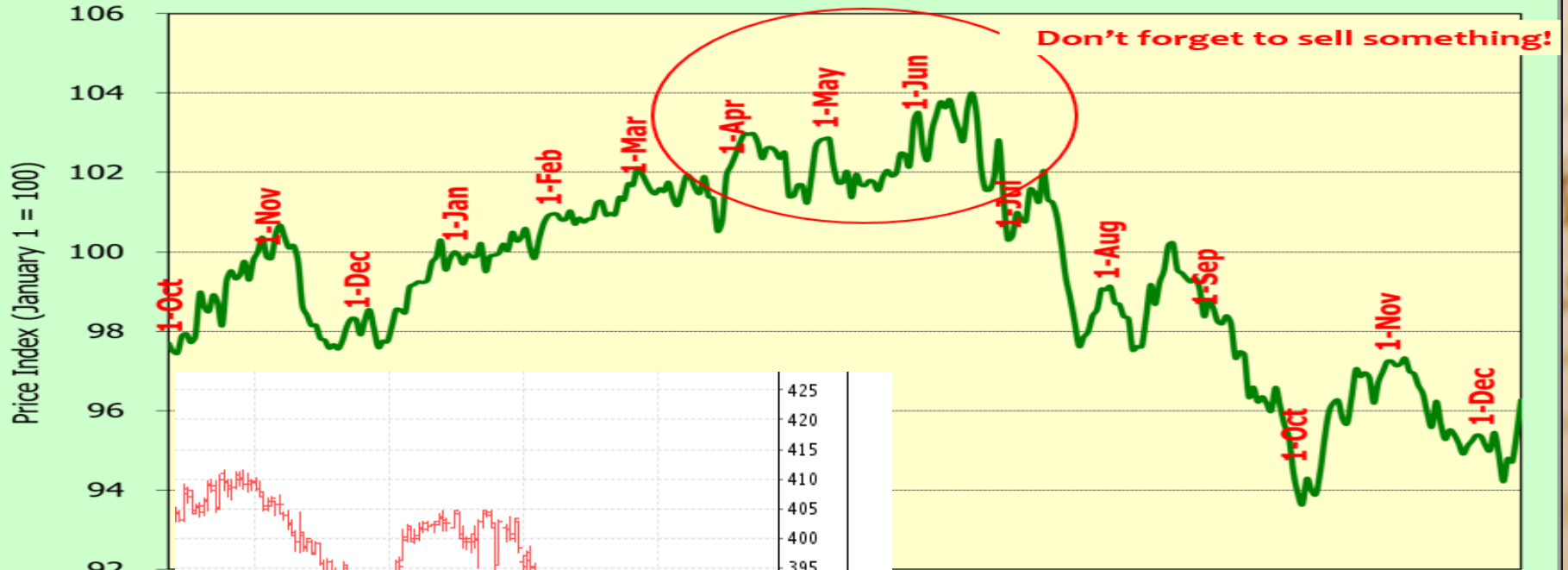
CHEAP GAS



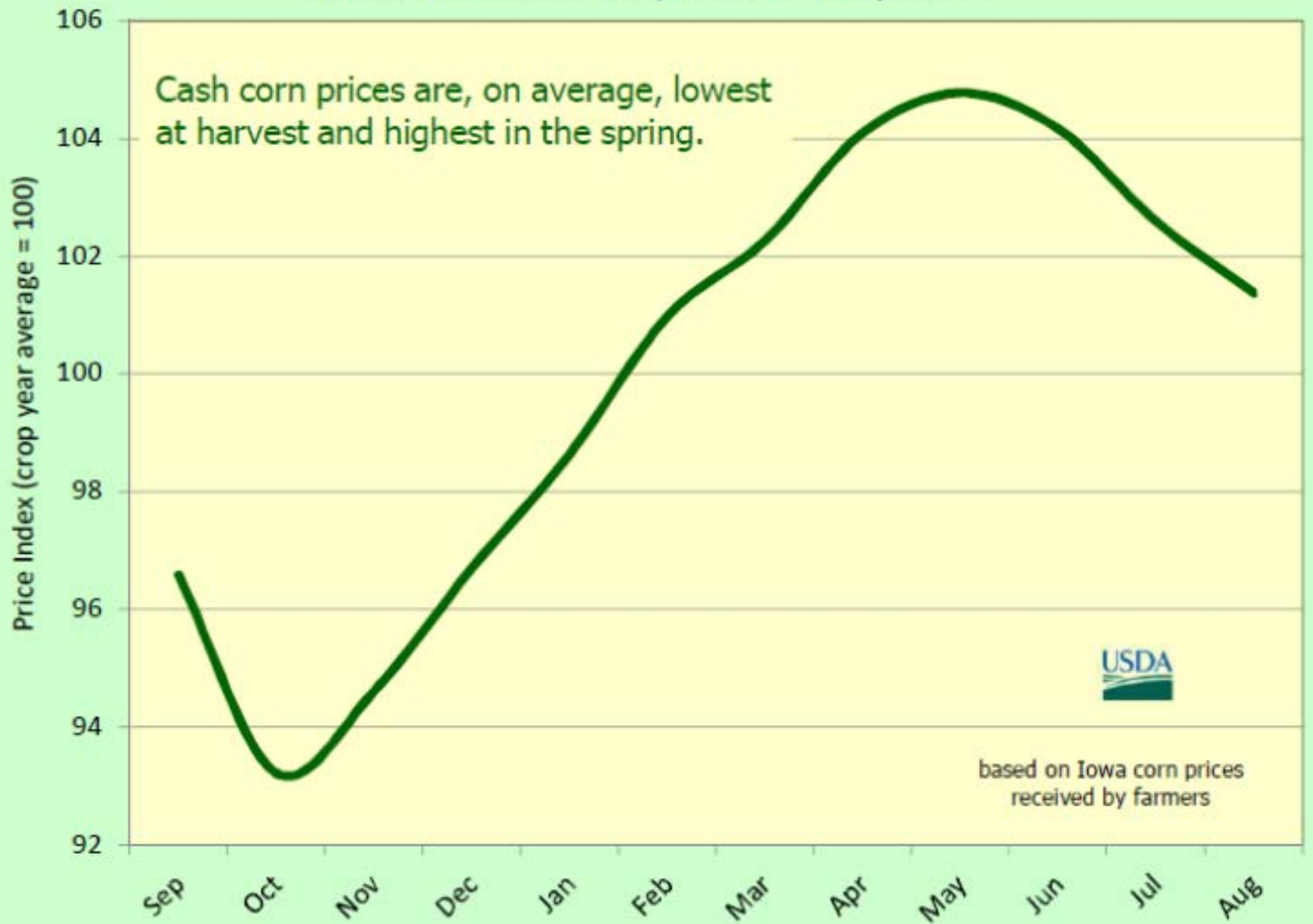
Topics for April 24th 2020

- Current Chart Comparison
- Paycheck Protection Program-2nd Round
- Cash Prices for Old Crop and New Crop
 - China Buying?/Revenue Insurance for 2020/CCC Loans/Wheat pricing/Targets
- Basis for Old Crop and New Crop
 - Basis for old/new crop. Basis Advance issues at elevator
- New USDA Program to support Agriculture

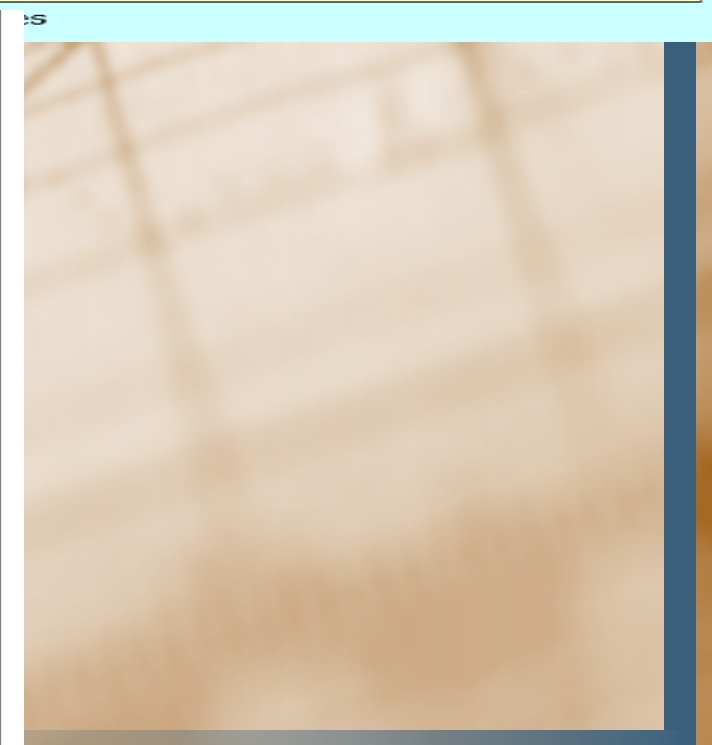
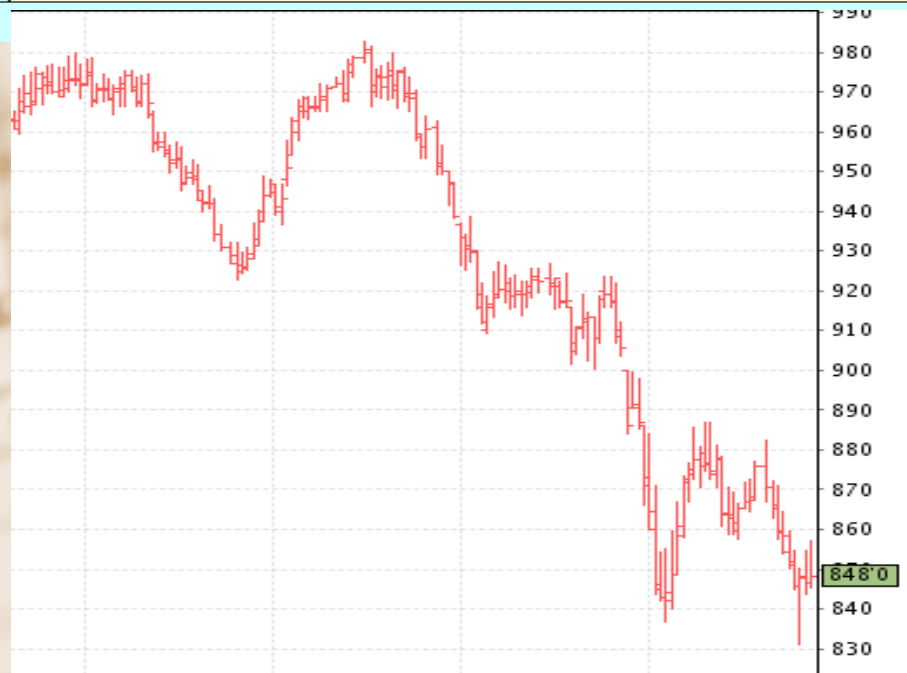
Chicago December Corn Futures, 2000-2018 average



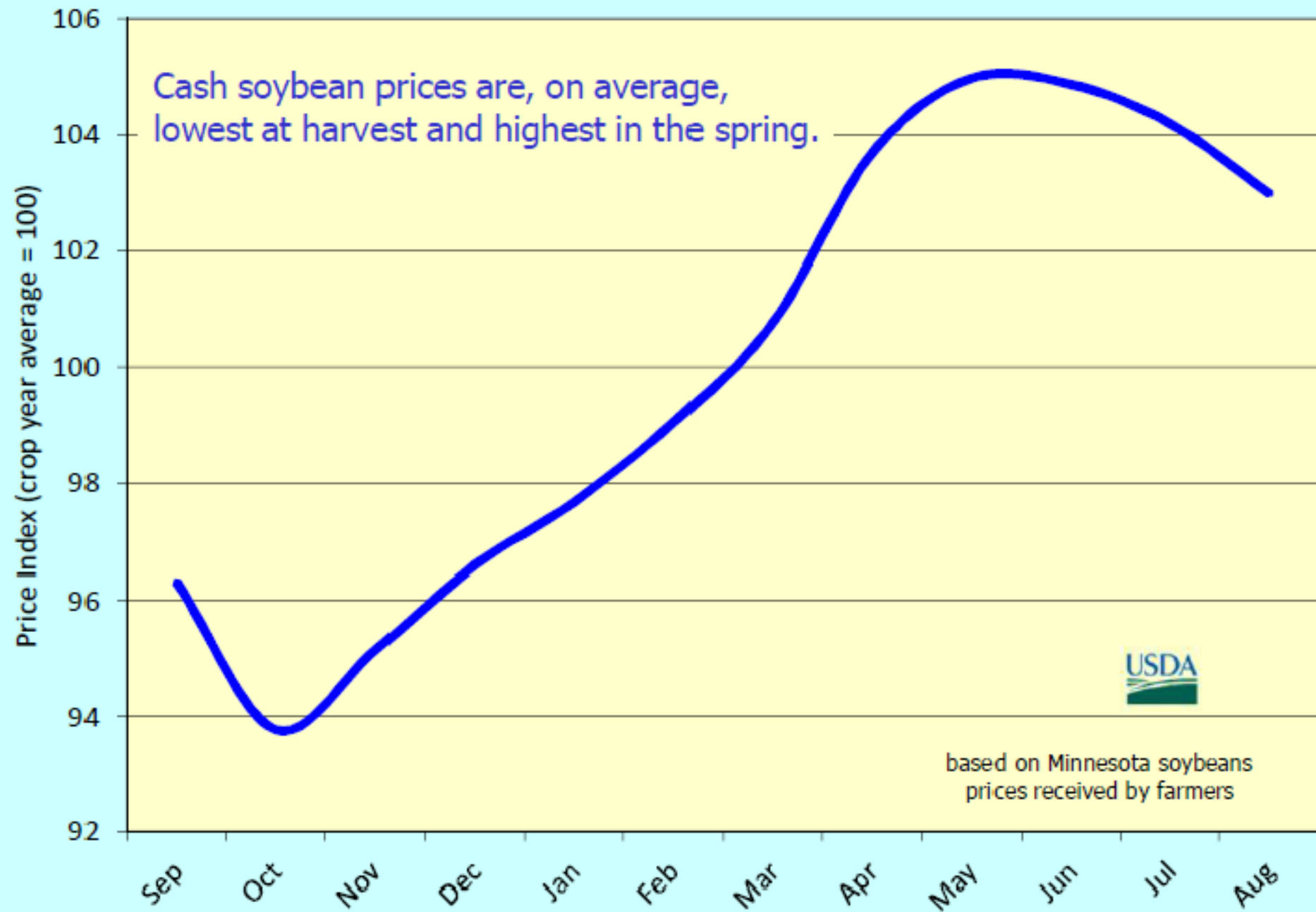
Index of Iowa Corn Prices, 1990-2014 Crop Years



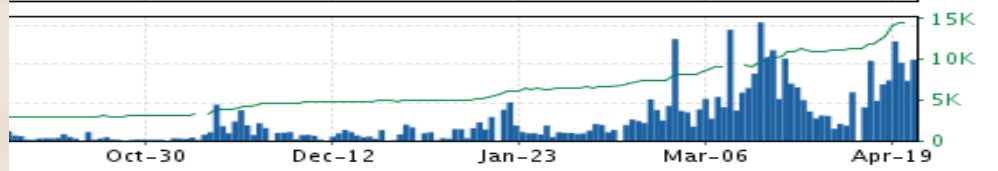
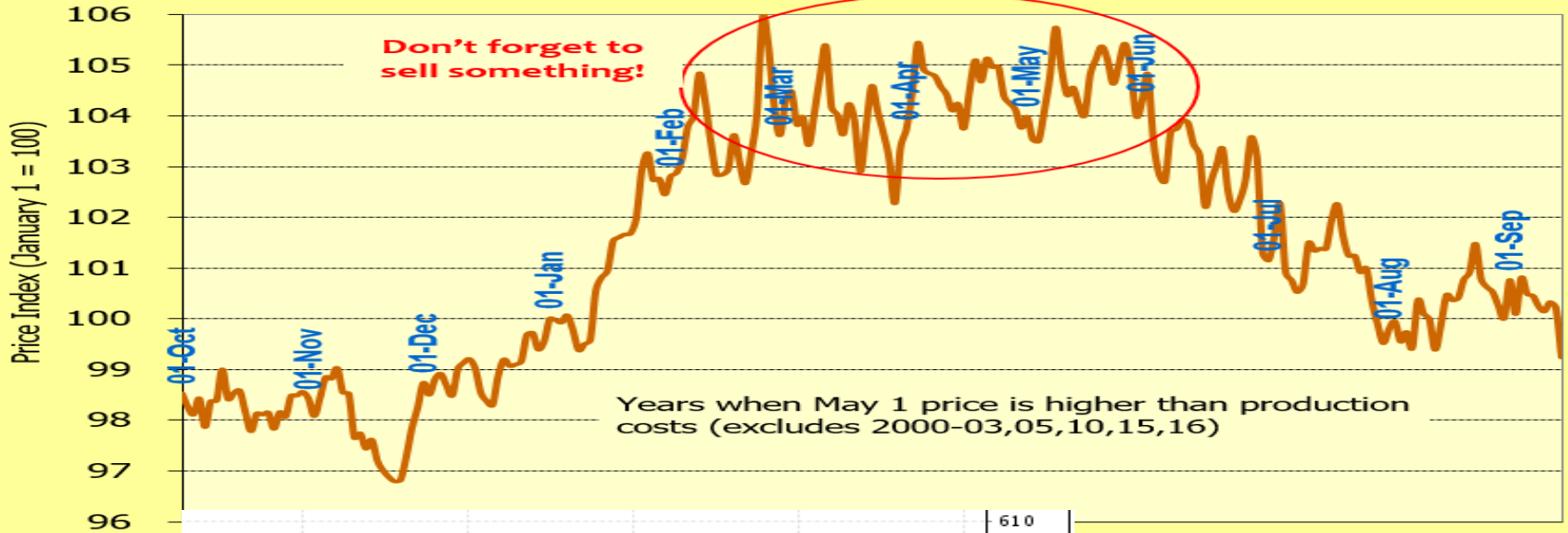
Chicago November Soybean Futures, 2000-2018



Index of Minnesota Soybean Prices, 1990-2014 Crop Years

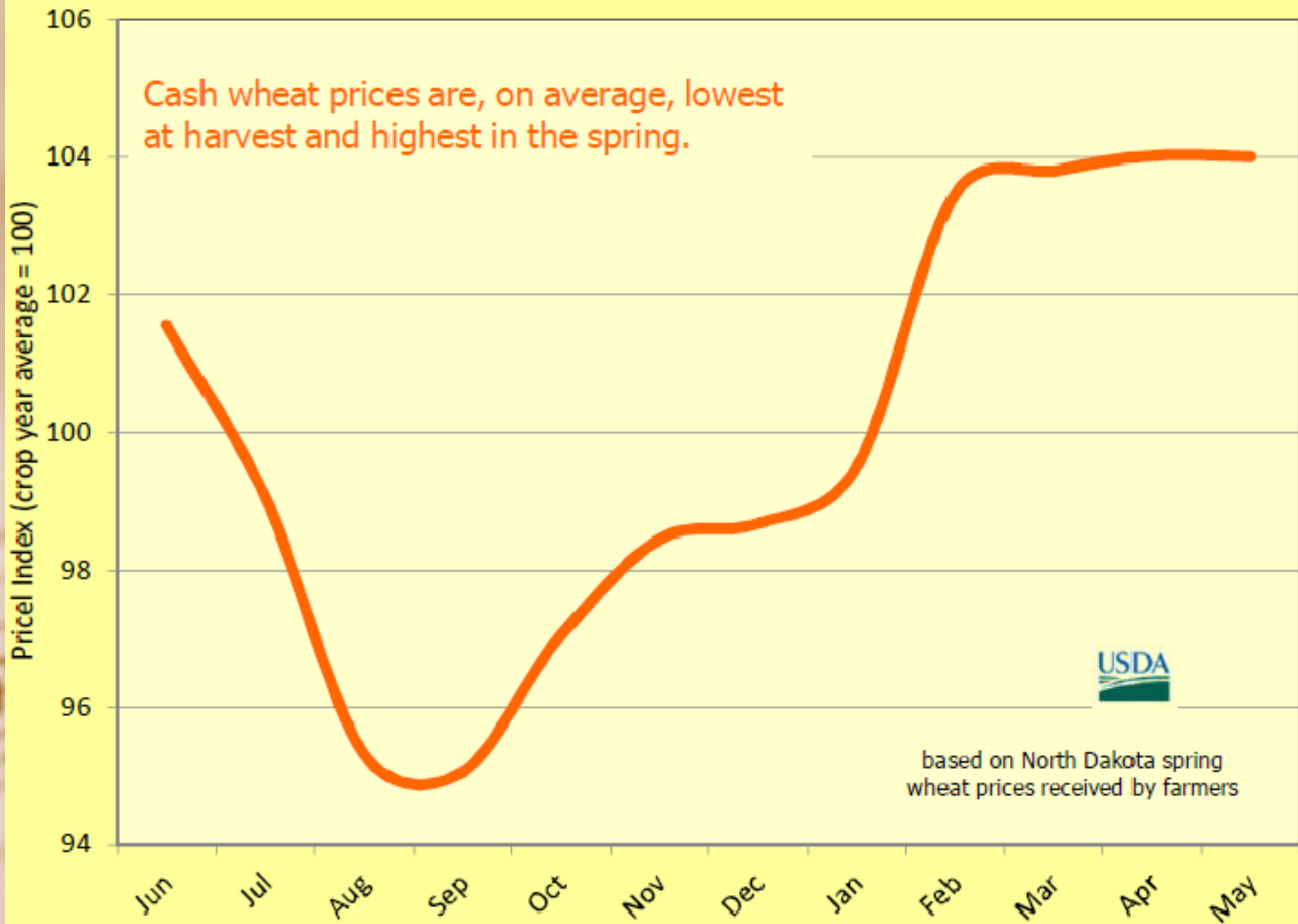


September MGEX Spring Wheat Futures, 2000-2018



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

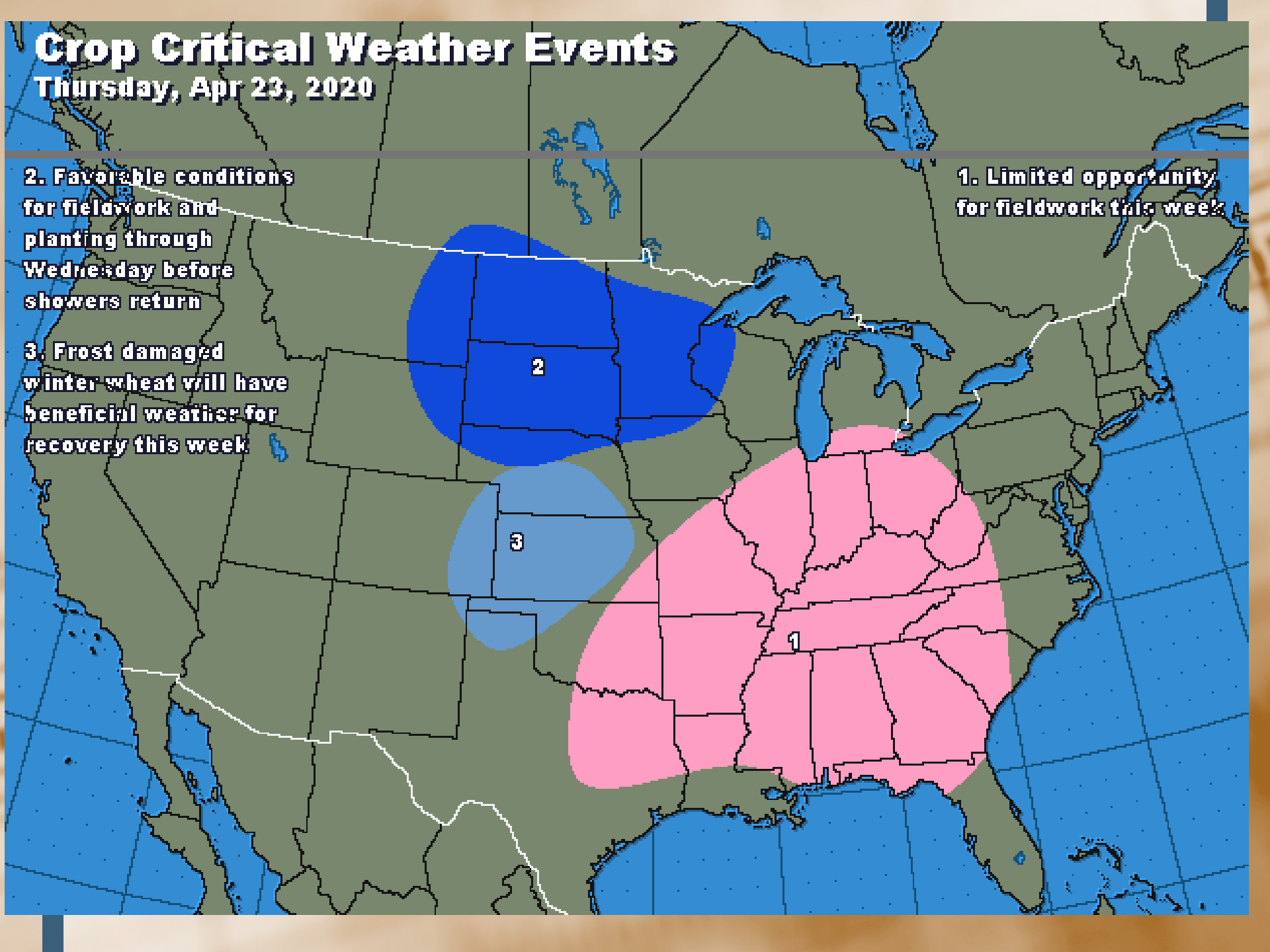
Crop Critical Weather Events

Thursday, Apr 23, 2020

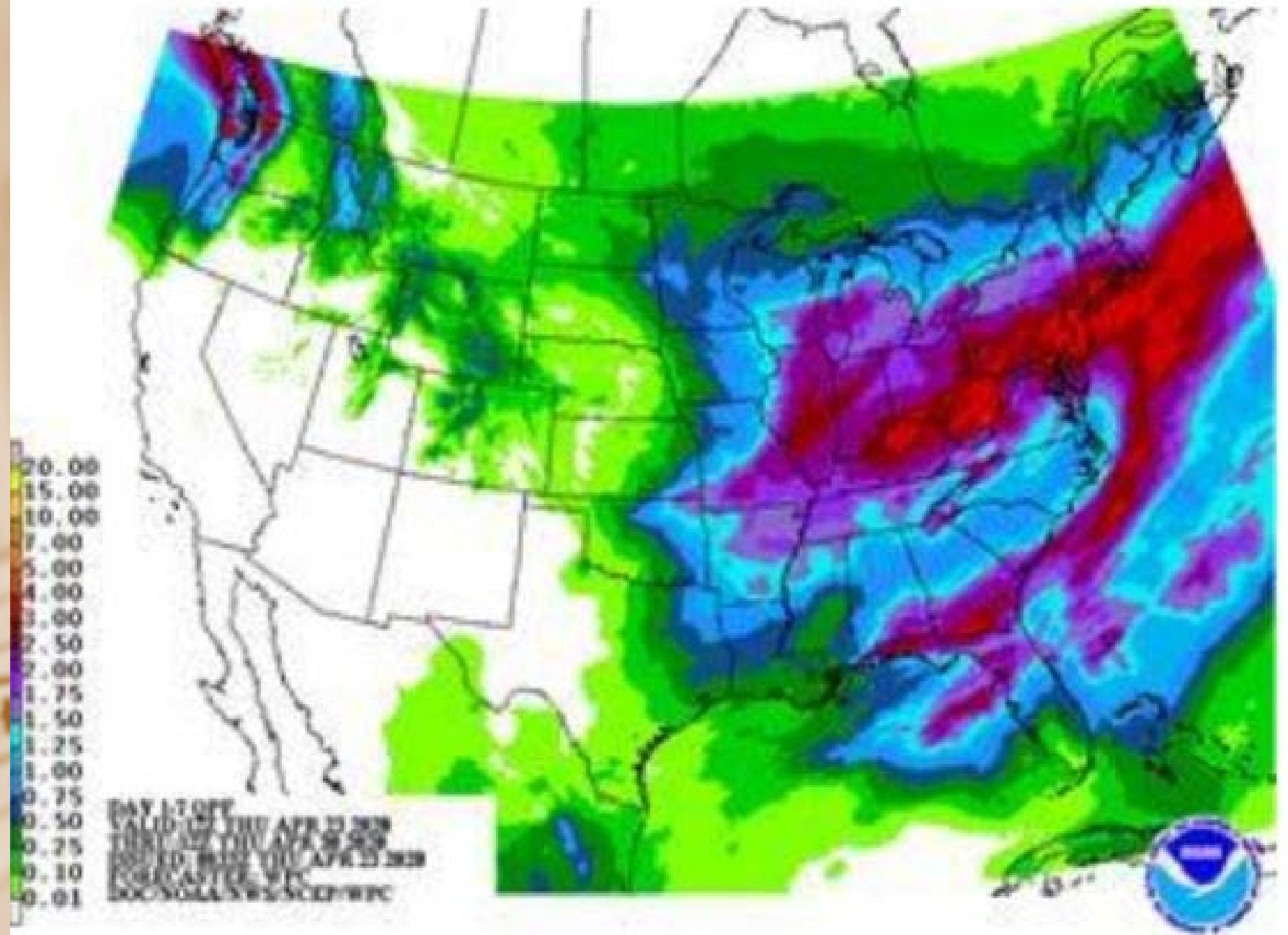
2. Favorable conditions for fieldwork and planting through Wednesday before showers return

3. Frost damaged winter wheat will have beneficial weather for recovery this week

1. Limited opportunity for fieldwork this week



7 DAY PRECIP FORECAST



Paycheck Protection Program

2nd Round of 310 billion will be approved soon by the house if not by time we meet. Some banks feel the loans in the queue will use up the 310 billion approved. If you haven't applied or don't get approved, it may still be worth your time to get it done even if the 310 billion runs out.

Loan Information

- Interest rate capped at 1%
- 2-year term
- Principal and interest payments deferred for 6 months
- Loan must be closed by June 30, 2020
- Portion of loan used for covered purposes is subject to forgiveness
- Loan funds must be used for payroll costs (including benefits, commissions and tips), mortgage interest, rent and utility costs.

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

- See Money Farm Article on China Buying to replenish their stocks
- Chinese group reported that China could soon buy 10 MMT (367 million bu-36.7 bu per mt) of US soybeans, 1 MMT of US cotton and 20 MMT US corn (787 million bushels or 39.3 bu per mt). 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.
- Oil Prices chart and thoughts on ethanol and corn usage, livestock issues
- Consider Revenue Guarantee for Corn planting (plant on highest revenue guarantee fields, prevented planting option if possible, other crops on other acres
- Extension of CCC loans to 12 months, possibility of taking CCC loan now, buy time to price crop into new crop time frame or until weather changes have been realized

ELECTRONIC CRUDE OIL (QCLM20)



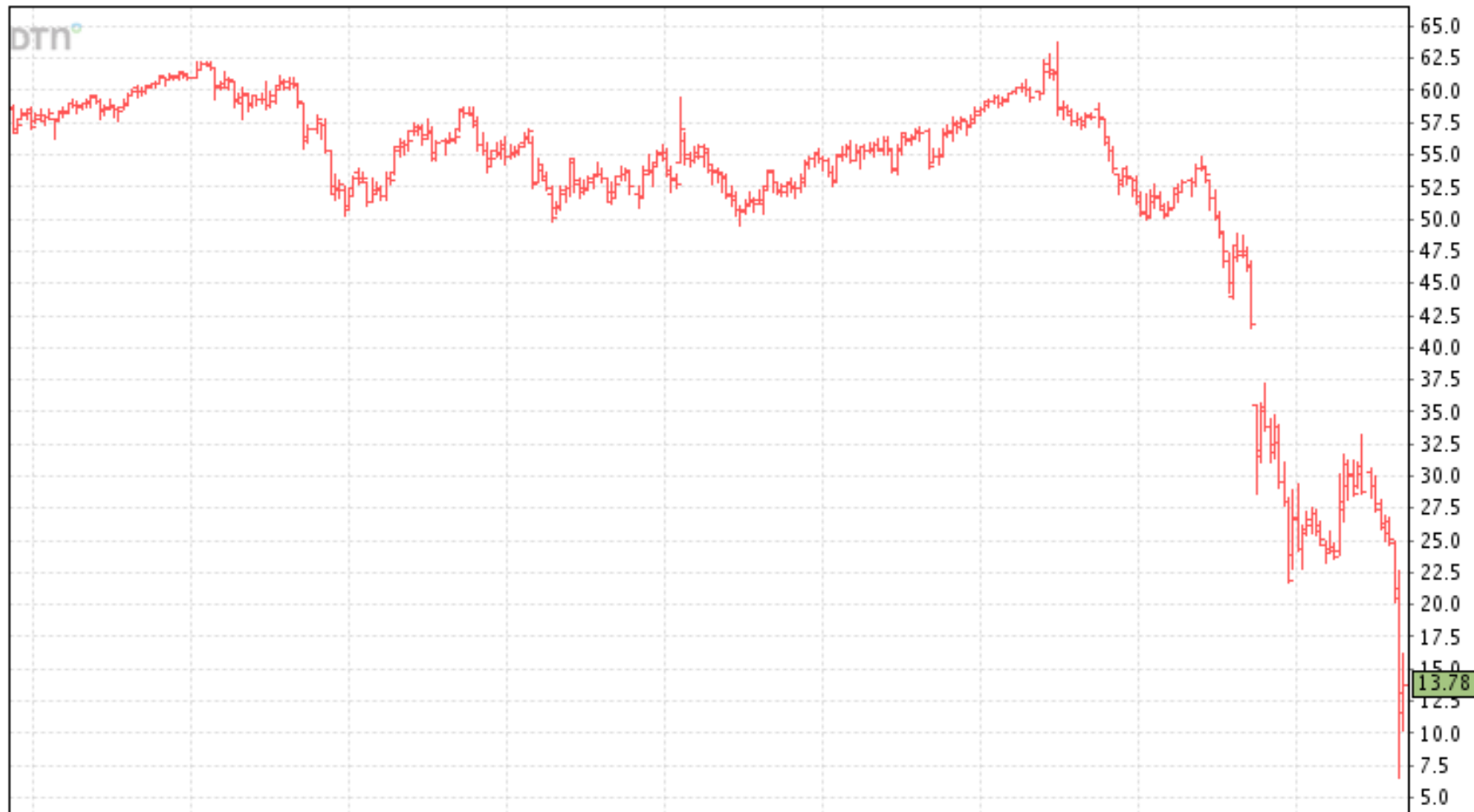
Symbol:

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

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

Last: 16.81 | Chg: 3.03 | %Chg: 21.99 | Open: 14.20 | High: 18.26 | Low: 13.35

Current Month:



ELEC. LEAN HOGS (@HEK20)



Symbol: @HEK20

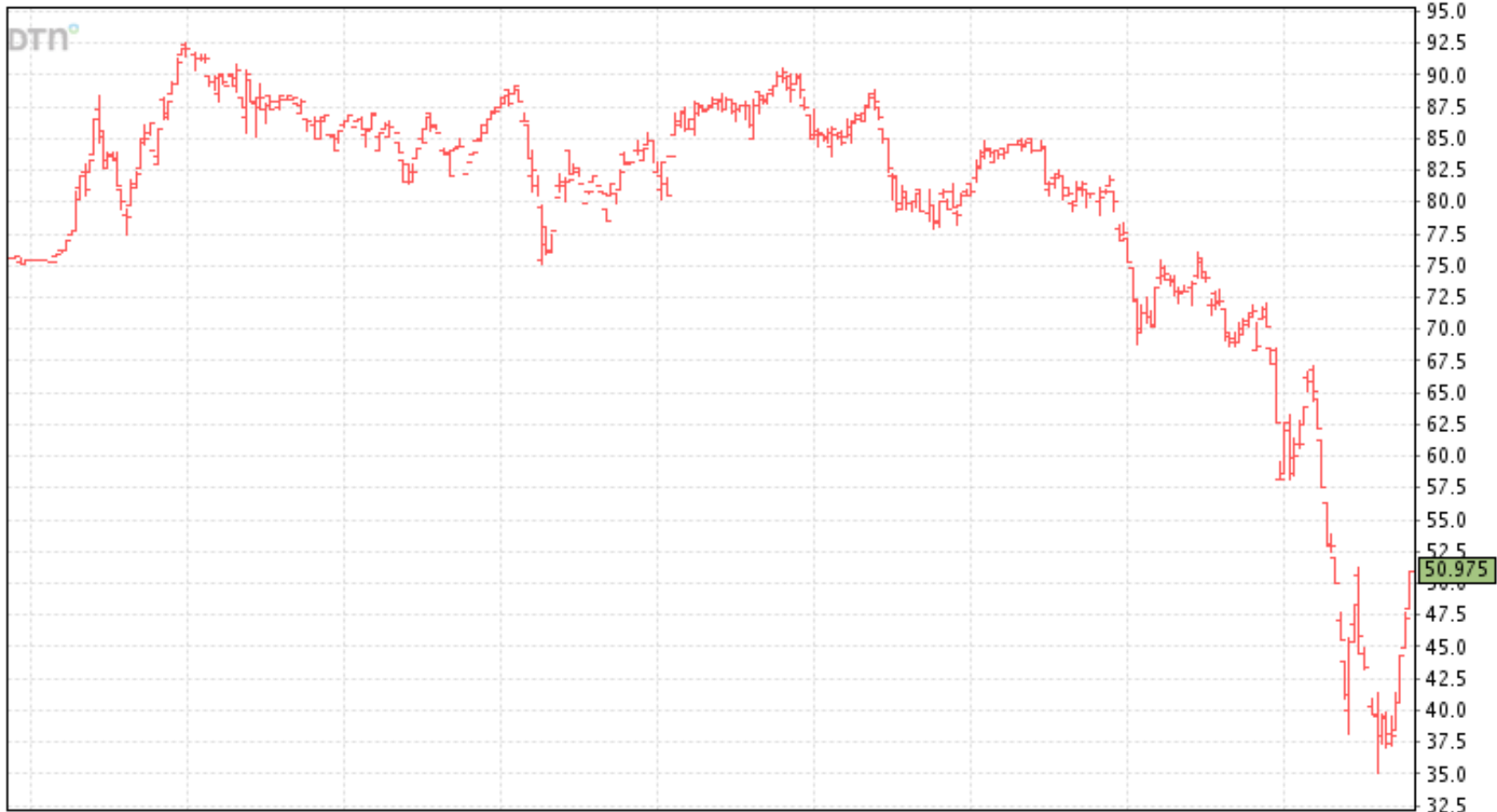
Go

Symbol Search | Symbol Lookup

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

Last: 50.975 | Chg: 3.750 | %Chg: 7.94 | Open: 47.975s | High: 50.975 | Low: 47.975

Current Month: @HEK20 next



ELEC. LIVE CATTLE (@LEJ20)

 Print

Symbol: @LEJ20

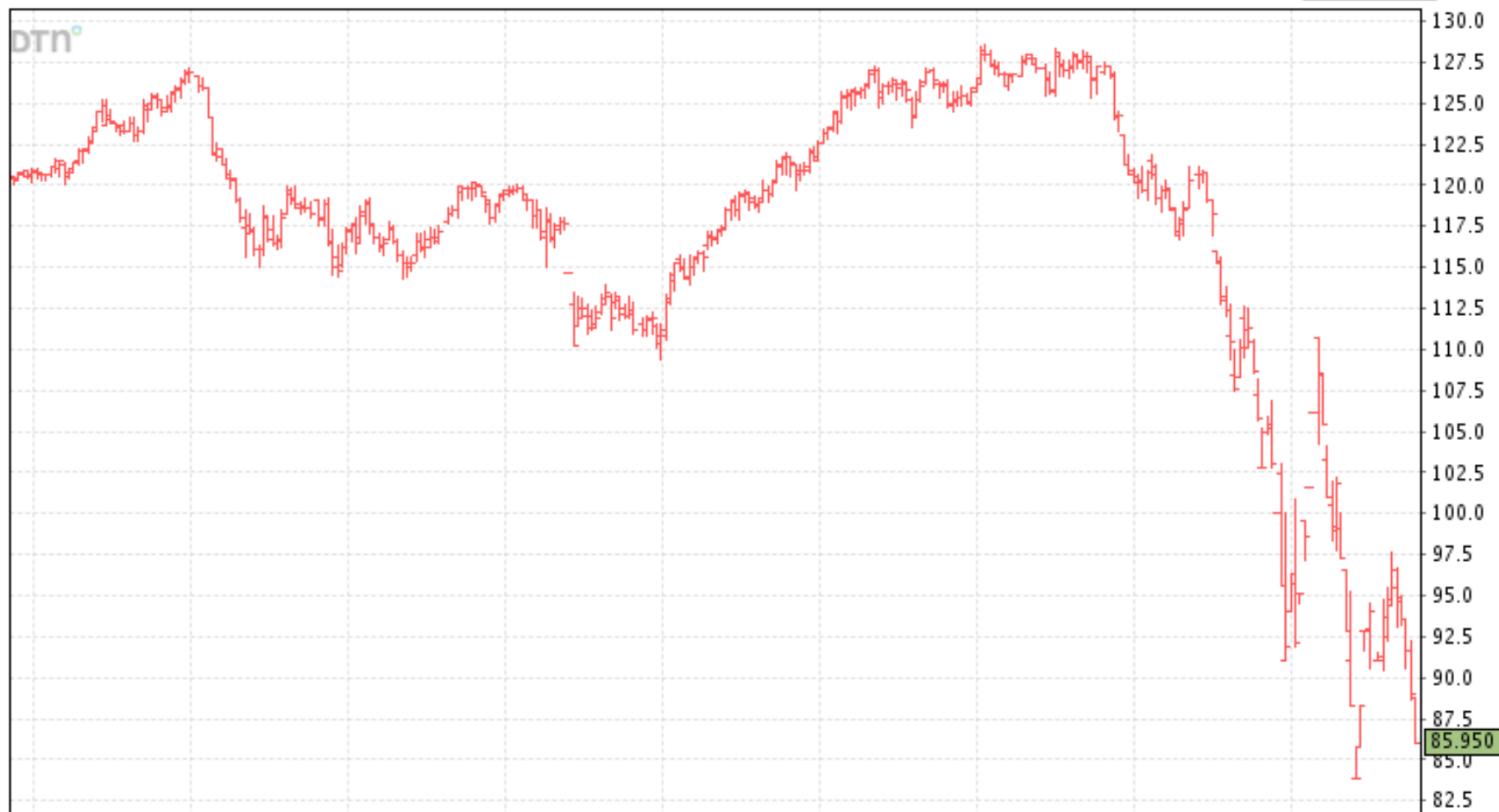
Go

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

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

Last: 85.950 | Chg: -3.000 | %Chg: -3.37 | Open: 88.750s | High: 88.750 | Low: 85.950

Current Month: @LEJ20 ▼ 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: 8.48/3.39 2.50 to 1(Neutral)
- **Meat processing slow down-Shut down of plants/farmer euthanize livestock, dumping milk in Wisconsin**
- **Essential worker illnesses.**
- **May basis contract roll by 4-24-20**
- **Any weather premium may not show up till mid May.**

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

- New Crop Pricing option (Wheat)-target \$5.50-5.80-Sept or \$5.60-\$5.90 Dec with thoughts to roll(Sept) if have storage-pick up basis improvement historically and time, plus discounts are usually lower in Dec, \$5.25 was price in cash flow plan

National Marketing Year Price Update for PLC/ARC

- Corn at \$3.65 below PLC Reference of \$3.70
- Soybeans at \$8.65 above PLC Reference of \$8.40
- Wheat at 4.60 below PLC reference price of \$5.50.
- 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. More changes to come.

LOCAL CASH GRAIN PRICES

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

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

	4/24/2020 1:48 p.m.			4/20/2020 8:59 a.m.			4/13/2020 7:38 a.m.			4/6/2020 8:52 a.m.		
	2019 Crop	2019 Crop	2019 Crop	2019 Crop	2019 Crop	2020 Crop	2019 Crop	2019 Crop	2019 Crop	2019 Crop	2019 Crop	2019 Crop
WHEAT:	Max 20-Apr Rel	Max 20-Mar Rel	Sept 19-Apr Rel	Max 20-Apr Rel	Max 20-Mar Rel	Sept 19- Apr Rel	Max 20-Apr Rel	Max 20-Mar Rel	Sept 19-Apr Rel	Max 20-Apr Rel	Max 20- Mar Rel	Sept 19-Apr Rel
Georgetown	4.86			4.98			5.13					
Maple River	4.73	4.73	4.53	4.71	4.71	4.65	4.89	4.89	4.78	4.84	4.84	4.73
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	
GRX	-.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	-0.20			-0.20			-0.20					
Breck	-0.45	-0.45	-0.65	-0.45	-0.45	-0.65	-0.45	-0.45	-0.65	-0.45	-0.45	-0.65
Felton-July	-0.42	-0.42	-0.47	-0.42	-0.42	-0.47	-0.17	-0.27-Jly	-0.47	-0.17	-0.27- Jly	-0.47
MRC-July	-0.47	-0.47	-0.77	-0.47	-0.47	-0.77	-0.47	-0.47	-0.77	-0.47	-0.47	-0.77
SOYBEANS:	Max 20-Apr Rel	Max 20-Mar Rel	Nov 20-Dec Rel	Max 20-Apr Rel	Max 20-Mar Rel	Nov 20- Dec Rel	Max 20-Apr Rel	Max 20-Mar Rel	Nov 20-Dec Rel	Max 20-Apr Rel	Max 20- Mar Rel	Nov 20-Dec Rel
Georgetown	7.35			7.26			7.59					
Maple River	7.45	7.45	7.51	7.28	7.28	7.51	7.61	7.61	7.79	7.46	7.46	7.54
Basis-Gtwn	-1.04			-1.04			-1.04					
Breck	-0.85	-0.80	-0.90	-0.85	-0.80	-0.90	-0.85	-0.80	-0.90	-0.85	-0.85	-0.90
Felton-July	-1.17	-1.17	-0.87	-1.07		-0.87	-1.07		-0.87	-1.07		-0.87
MRC-July	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97	-1.07	-1.07	-1.07
CORN:	Max 20-Apr Rel	Max 20-Mar Rel	Dec 20-Dec Rel	Max 20-Apr Rel	Max 20-Mar Rel	Dec 20- Dec Rel	Max 20-Apr Rel	Max 20-Mar Rel	Dec 20-Dec Rel	Max 20-Apr Rel	Max 20- Mar Rel	Dec 20-Dec Rel
Georgetown	2.64			2.64			2.73					
Cargill	2.64	2.64	2.99	2.65	2.65	3.02	2.75	2.75	3.09	2.88	2.83	3.08
Basis-Gtwn	-0.55			-0.56			-0.57					
Cargill	-0.55	-0.55	-0.40	-0.55	-0.55	-0.40	-0.55	-0.55	-0.40	-0.40	-0.45	-0.40
Felton-July	-0.62	-0.62	-0.72	-0.62	-0.62	-0.72	-0.57	-0.62-Jly	-0.72	-0.57	-0.62- Jly	-0.72
MRC-July	-0.67	-0.67	-0.62	-0.57	-0.57	-0.62	-0.57	-0.57	-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: 1.625% Apr 1, 2020 Farm Storage Loans

Annual Interest Rate	Length of Loan Term	Annual Interest Rate	Length of Loan Term
0.750%	3 years	1.000%	10 years
0.750%	5 years	1.125%	12 years
1.000%	7 years		

Basis for Old Crop and New Crop

- Basis Changes-Old Crop Corn-Increasing due to decrease in ethanol demand.
- New Crop Basis for Corn and Soybeans are relatively good historically given the past several year.
- Basis Fix Advance Issue- Some Farmers currently owe the elevator money since they took the 70% advance and the price has decreased enough that the current value to grain is less than the advance amount

Market Plan 2020

- We will relook at pricing opportunities as the curve starts to slow.
- 5 year lows for Corn (3.14), Soybeans (8.15), and Wheat (4.66). Hopefully we don't get there but that would be key support.

2019 and 2020 Crop Targets

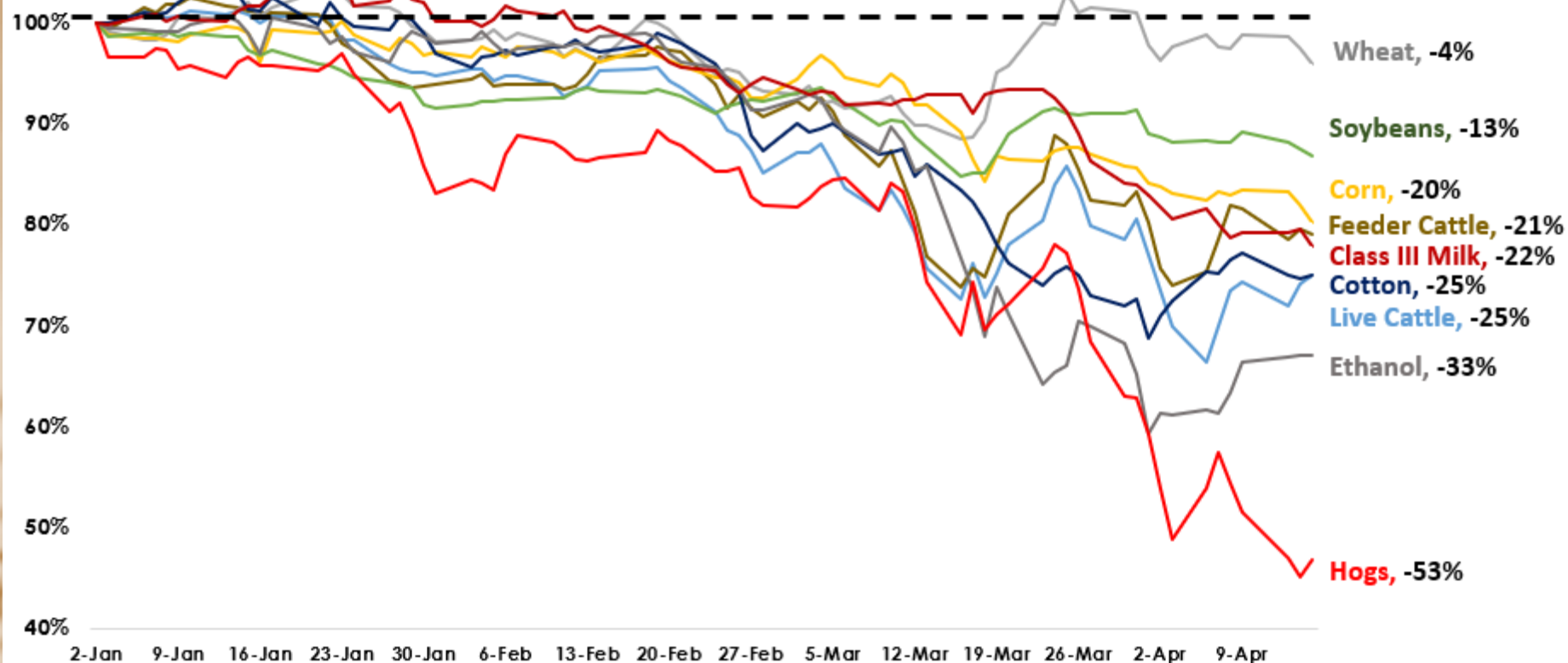
- 19 Corn-July Futures 2020-\$3.80-\$4.00
- 20 Corn Dec Futures 2020-\$4.00-4.10 Start-Cash \$3.50-Cash Flow plan
- 19 Soybeans Corn-July Futures 2020-\$9.40-9.50
- 20 Soybeans Dec Futures 2020-\$9.60 Start-Cash \$8.75 Cash Flow plan
- 19 Spring Wheat-July Futures 2020-\$5.50-\$5.70
- 20 Spring Wheat 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

- See Handout from Farm Bureau
- The Coronavirus Food Assistance Program, crafted using funding in the CARES Act, is made of two components: direct payments to farmers and ranchers totaling \$16 billion, and \$3 billion in food product purchases for distribution.
- The payments will be coupled to actual production and based on actual losses agricultural producers experienced in response to price declines and supply chain disruptions, i.e., sales of commodities impacted by COVID-19. To qualify for a payment, a commodity must have declined in price by at least 5% between January and April. As Figure 1 demonstrates, most agricultural products have quite easily qualified at this threshold. (see next page chart)

Figure 2. COVID-19 Impact on Agricultural Futures Prices

Percentage Change January 2 to April 15 for Nearby Contract

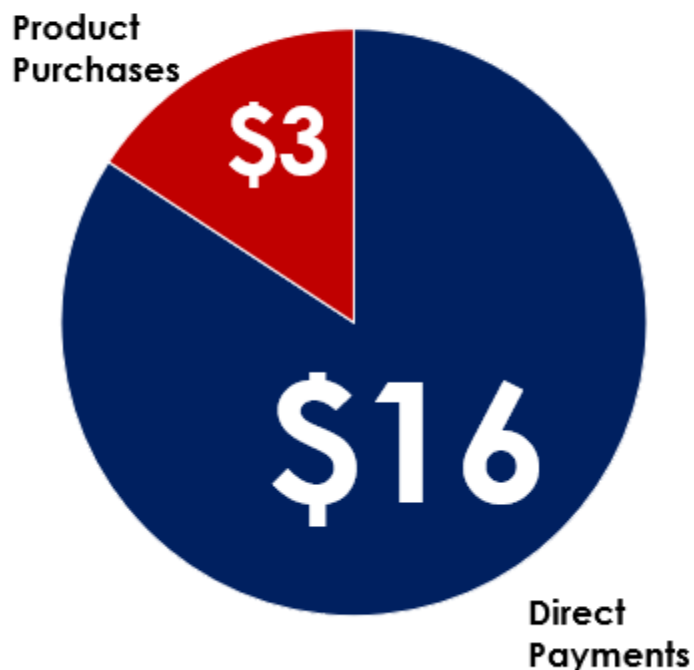


New Coronavirus Food Assistance Program

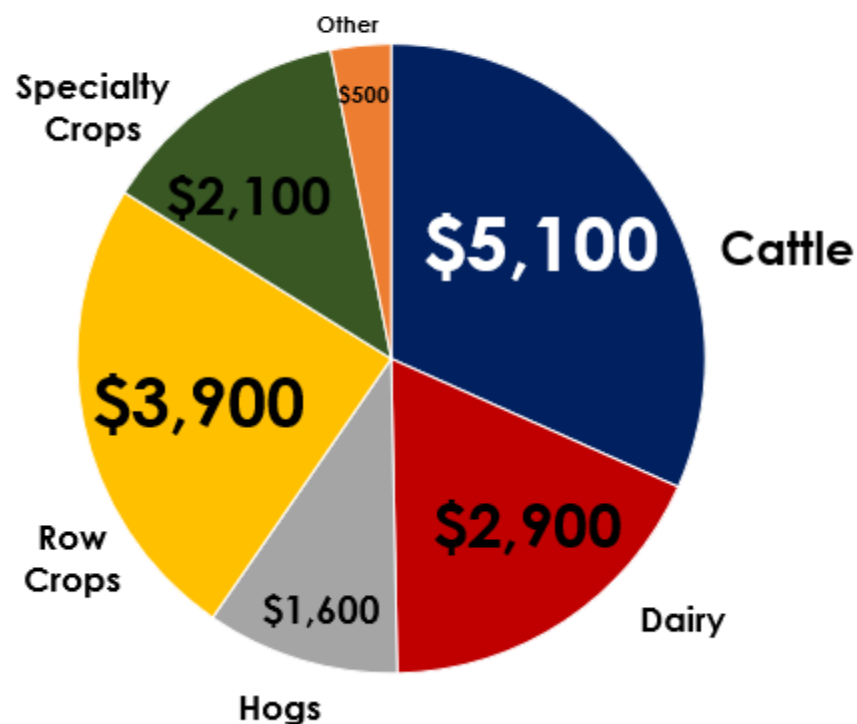
- Of the \$16 billion provided for direct payments to producers, it's been reported that \$9.6 billion is directed toward the livestock industry, e.g., cattle, dairy and hogs; \$3.9 billion is for producers of row crops, such as cotton; \$2.1 billion is for specialty crop producers; and \$500 million is for other crops. USDA has yet to confirm this distribution of funding. (See next page slide)

Figure 3. Expected CFAP Funding By Program and Commodity

CFAP Funding By Program (Billion \$)



Direct Payments By Commodity (Million \$)



New Coronavirus Food Assistance Program

- One part of the payment will be determined from price losses that **occurred January 1 through approximately April 15-17 (no final date confirmed by department)**; Producers will be compensated for 85% of the price loss during that period. The other part of the payment calculation is derived from losses from **April 15-17** through the next two quarters, for which producers will be compensated 30% of expected losses.

Miscellaneous

- 3rd party risk, and the biggest elevators in MN are required to have a \$600,000 bond. For reference, on April 20, one of my local elevators had 1.7mb of wheat basis fix May contracts that needed to be priced. 1.7mb at \$4.80/bu is over \$8,000,000. If the elevator were to become insolvent, just in wheat May basis fix contracts, they owed farmers \$8,000,000. (yes there might have been advances, but you get the point) The elevator bond won't even cover a farmer's lawyer fees.

Current Efforts for resilience:



Rural Mental Health Specialists

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



Ted Matthews

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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
May-20	319'2s	1'6	323'4	315'0	May-20	839'2s	4'4	848'6	833'6	May-20	547'0s	4'0	551'4	538'4
Jul-20	326'0s	1'2	331'0	322'2	Jul-20	846'6s	4'2	856'6	841'6	Jul-20	544'6s	1'0	552'0	539'0
Sep-20	329'6s	2'2	334'2	326'4	Aug-20	847'0s	3'6	856'6	842'6	Sep-20	546'4s	0'0	554'0	542'2
Dec-20	338'6s	2'0	343'0	335'4	Sep-20	845'4s	2'4	854'6	842'4	Dec-20	552'4s	-1'2	560'4	549'2
Mar-21	350'6s	1'2	355'2	348'2	Nov-20	848'0s	1'4	857'0	845'2	Mar-21	557'2s	-3'2	566'0	554'6
May-21	357'2s	1'2	362'0	355'0	Jan-21	849'0s	0'4	858'0	846'6	May-21	555'0s	-3'6	565'0	553'0
Jul-21	361'6s	0'6	366'6	359'6	Mar-21	838'0s	-2'0	849'2	836'0	Jul-21	544'2s	-3'2	552'6	541'4
Sep-21	358'2s	-0'6	363'6	356'6	May-21	837'2s	-3'2	848'0	835'4	Sep-21	545'2s	-3'2	549'0	544'2
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
May-20	295'0s	-8'2	305'0	292'2	May-20	288.7s	0.4	290.9	286.1	May-20	25.61s	0.04	26.29	25.57
Jul-20	281'4s	4'6	283'0	274'0	Jul-20	293.1s	0.2	295.4	290.3	Jul-20	26.04s	0.05	26.70	25.98
Sep-20	263'4s	2'4	265'0	262'2	Aug-20	292.8s	-0.2	295.7	290.6	Aug-20	26.22s	0.06	26.85	26.16
Dec-20	253'6s	1'4	254'4	251'0	Sep-20	293.5s	-0.4	296.4	291.6	Sep-20	26.41s	0.07	26.98	26.32
Mar-21	257'0s	0'6	---	---	Oct-20	293.8s	-0.5	296.7	292.3	Oct-20	26.57s	0.09	27.08	26.55
May-21	257'0s	0'6	---	---	Dec-20	295.8s	-0.8	298.8	294.7	Dec-20	26.90s	0.09	27.49	26.81
Jul-21	257'2s	0'6	---	---	Jan-21	295.3s	-1.2	298.3	294.5	Jan-21	27.06s	0.05	27.65	27.03
Sep-21	264'4s	0'6	---	---	Mar-21	291.0s	-1.5	294.1	290.2	Mar-21	27.20s	0.03	27.80	27.15
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
May-20	16.675s	0.850	16.675	15.750	May-20	485'4s	-4'4	495'0	482'6	May-20	505'4s	1'6	513'6	503'2
Jul-20	15.365s	0.470	15.480	14.820	Jul-20	493'2s	-4'4	502'6	490'2	Jul-20	519'6s	3'2	526'2	515'6
Sep-20	12.000s	-0.040	12.040	11.945	Sep-20	499'4s	-4'4	509'2	497'0	Sep-20	530'2s	3'4	534'6	526'0
Nov-20	11.975s	0.015	12.000	11.920	Dec-20	509'4s	-4'4	519'0	507'0	Dec-20	543'0s	3'0	547'4	539'0
Jan-21	12.095s	0.010	---	---	Mar-21	519'4s	-4'4	529'0	517'0	Mar-21	555'0s	2'4	555'0	553'4
Mar-21	12.195s	0.010	---	---	ELECTRONIC CANOLA (@RS) [10]					May-21	563'2s	2'2	564'4	560'2
May-21	12.195s	0.010	---	---	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	May-20	457.0s	3.3	459.7	454.4	Month	Last	Chg	High	Low
Jul-20	461.7s	1.4	464.4	460.6	Jul-20	461.7s	1.4	464.4	460.6	Month	Last	Chg	High	Low
Nov-20	470.2s	1.2	472.6	468.7	Nov-20	470.2s	1.2	472.6	468.7	Month	Last	Chg	High	Low
Jan-21	476.6s	0.9	477.8	475.3	Jan-21	476.6s	0.9	477.8	475.3	Month	Last	Chg	High	Low
Mar-21	482.6s	0.6	484.1	481.4	Mar-21	482.6s	0.6	484.1	481.4	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, Apr 23, 2020 1:52 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

	4/24/2020 1:48 p.m.			4/20/2020 8:59 a.m.			4/13/2020 7:38 a.m.			4/6/2020 8:52 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>	<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>	<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	4.86			4.98			5.13					
Maple River	4.73	4.73	4.53	4.71	4.71	4.65	4.89	4.89	4.78	4.84	4.84	4.73
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	-0.20			-0.20			-0.20					
Breck	-0.45	-0.45	-0.65	-0.45	-0.45	-0.65	-0.45	-0.45	-0.65	-0.45	-0.45	-0.65
Felton-July	-0.42	-0.42	-0.47	-0.42	-0.42	-0.47	-0.17	-0.27-Jly	-0.47	-0.17	-0.27-Jly	-0.47
MRG-July	-0.47	-0.47	-0.77	-0.47	-0.47	-0.77	-0.47	-0.47	-0.77	-0.47	-0.47	-0.77
<u>SOYBEANS:</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>	<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	7.35			7.26			7.59					
Maple River	7.45	7.45	7.51	7.28	7.28	7.51	7.61	7.61	7.79	7.46	7.46	7.54
Basis: Gtwn	-1.04			-1.04			-1.04					
Breck	-0.85	-0.80	-0.90	-0.85	-0.80	-0.90	-0.85	-0.80	-0.90	-0.85	-0.85	-0.90
Felton-July	-1.17	-1.17	-0.87	-1.07		-0.87	-1.07		-0.87	-1.07		-0.87
MRG-July	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97	-1.02	-1.02	-0.97	-1.07	-1.07	-1.07
<u>CORN:</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>	<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	2.64			2.64			2.73					
Cargill	2.64	2.64	2.99	2.65	2.65	3.02	2.75	2.75	3.09	2.88	2.83	3.08
Basis-Gtwn	-0.55			-0.56			-0.57					
Cargill	-0.55	-0.55	-0.40	-0.55	-0.55	-0.40	-0.55	-0.55	-0.40	-0.40	-0.45	-0.40
Felton-July	-0.62	-0.62	-0.72	-0.62	-0.62	-0.72	-0.57	-0.62-Jly	-0.72	-0.57	-0.62-Jly	-0.72
MRG-July	-0.67	-0.67	-0.62	-0.57	-0.57	-0.62	-0.57	-0.57	-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: 1.625% Apr 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>
0.750%	3 years	1.000%	10 years
0.750%	5 years	1.125%	12 years
1.000%	7 years		

MARKETING NEWSLETTER COMPARISONS

Northland College–Josh Tjosaas and Ron Dvergstén, Instructors

4-23-2020	WHEAT	SOYBEANS	CORN	OTHER
Pro Farmer:	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.	19: 60% sold for cash sellers and for H's 50% sold. Trend is lower.	19: 60% sold for cash sellers and for H's 60% sold. Trend is lower.	Cattle: No Sales Trend is lower.
Money Farm:	19-60% HTA-\$5.48 20-10% Hedged @\$5.75	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 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	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 May 12th, 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.”

2019 Base Line Prices for Wheat, Soybeans and Corn

Local price (forward contract) quoted at Barnesville, MN (Wheat & Soybeans) and Cargill (Wahpeton Corn Plant) for 2019 grain on the second Monday of each month. County Loan is the Minimum Price.

Month	Wheat	Basis	Soybeans	Basis	Corn	Basis
Jan 2019	5.28	-.60	8.28	-1.24	3.57	-.45
Feb	5.22	-.58	8.35	-1.23	3.56	-.43
Mar	5.06	-.50	8.04	-1.25	3.47	-.43
Apr	4.87	-.54	8.13	-1.23	3.51	-.40
May	4.67	-.56	7.01	-1.18	3.26	-.40
June	5.18	-.57	7.54	-1.29	3.91	-.40
July	4.75	-.59	7.90	-1.30	4.07	-.40
Aug	4.64	-.55	7.61	-1.25	3.78	-.57
Sept	4.21	-.74	7.32	-1.27	3.17	-.25
Oct	4.86	-.62	8.31	-1.05	3.53	-.45
Nov	4.61	-.55	8.03	-1.07	3.20	-.55
Dec	4.67	-.49	7.91	-1.07	3.32	-.45
Jan 2020	5.18	-.38	8.34	-1.06	3.42	-.45
Feb	5.02	-.33	7.86	-.95	3.42	-.38
Mar	4.81	-.35	7.77	-.97	3.30	-.40
Apr	4.97	-.39	7.79	-.84	2.75	-.55
May						
Jun						
Average	4.87	-0.52	7.89	-1.14	3.45	-0.43

2020 Base Line Prices for Wheat, Soybeans and Corn

Local price (forward contract) quoted at Barnesville, MN (Wheat & Soybeans) and Cargill (Wahpeton Corn Plant) for 2020 grain on the second Monday of each month. County Loan is the Minimum Price.

Month	Wheat	Basis	Soybeans	Basis	Corn	Basis
Jan 2020	5.37	-0.50	8.48	-1.06	3.68	-0.35
Feb	5.03	-0.60	8.12	-1.06	3.56	-0.35
Mar	4.78	-0.58	7.90	-0.98	3.35	-0.40
Apr	4.96	-0.59	7.89	-0.86	3.09	-0.40
May						
June						
July						
Aug						
Sept						
Oct						
Nov						
Dec						
Jan 2021						
Feb						
Mar						
Apr						
May						
Jun						
Average	5.04	-0.57	8.1	-0.99	3.42	-0.35

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

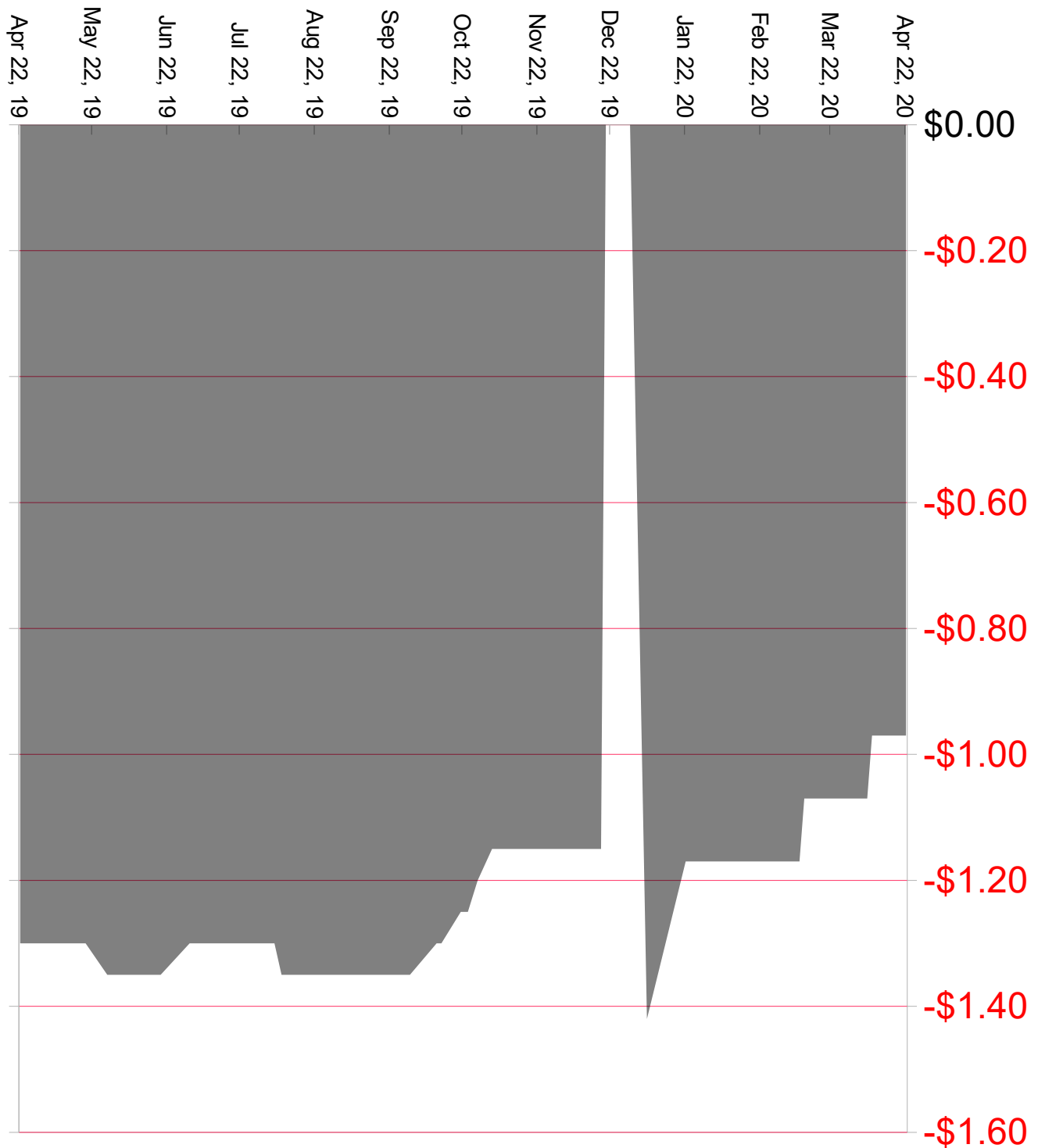


2019 and 2020 Corn

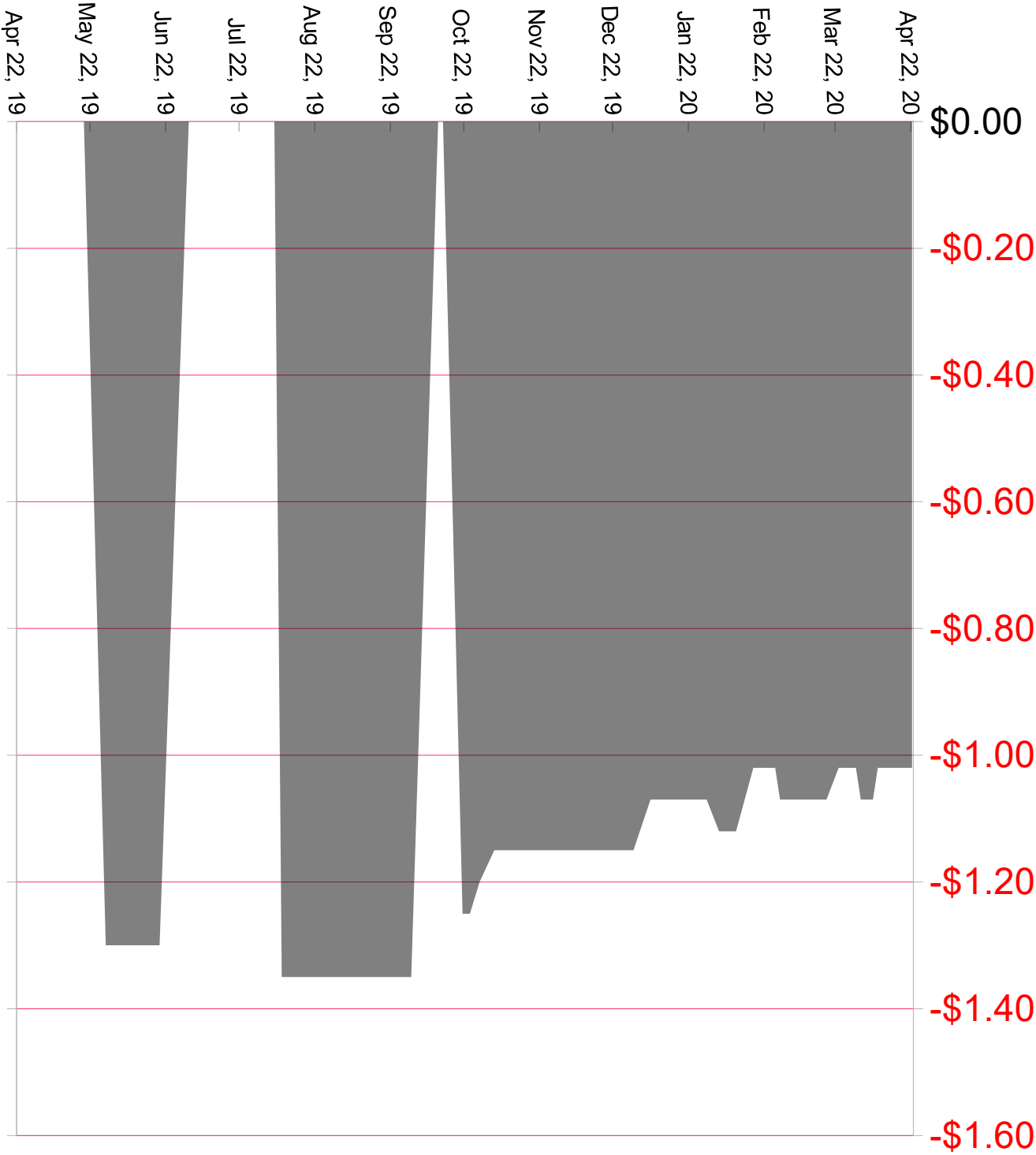
2019 Red, 2020 Green



New crop Soybean basis



Old crop Soybean basis



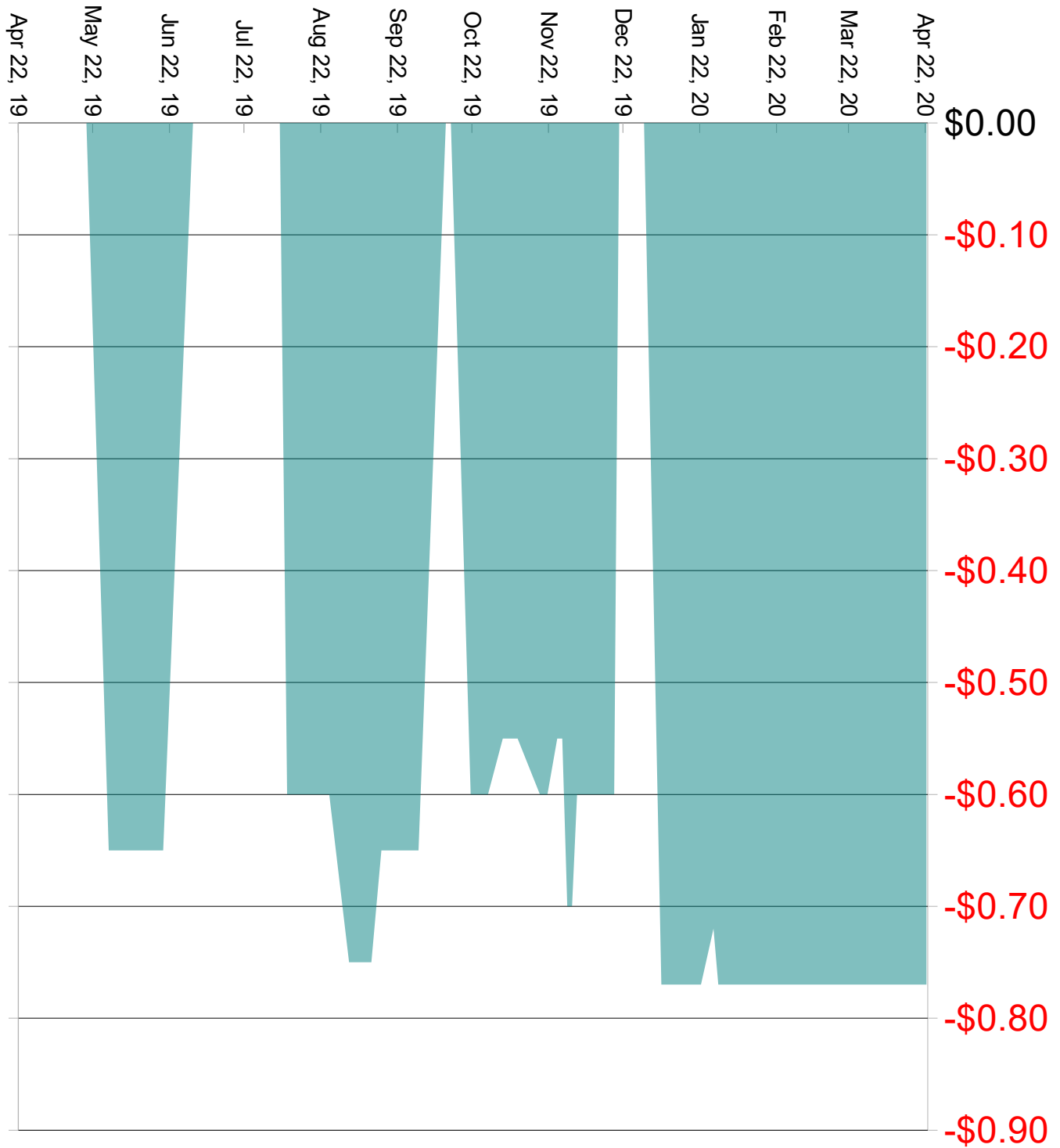
new crop Corn basis



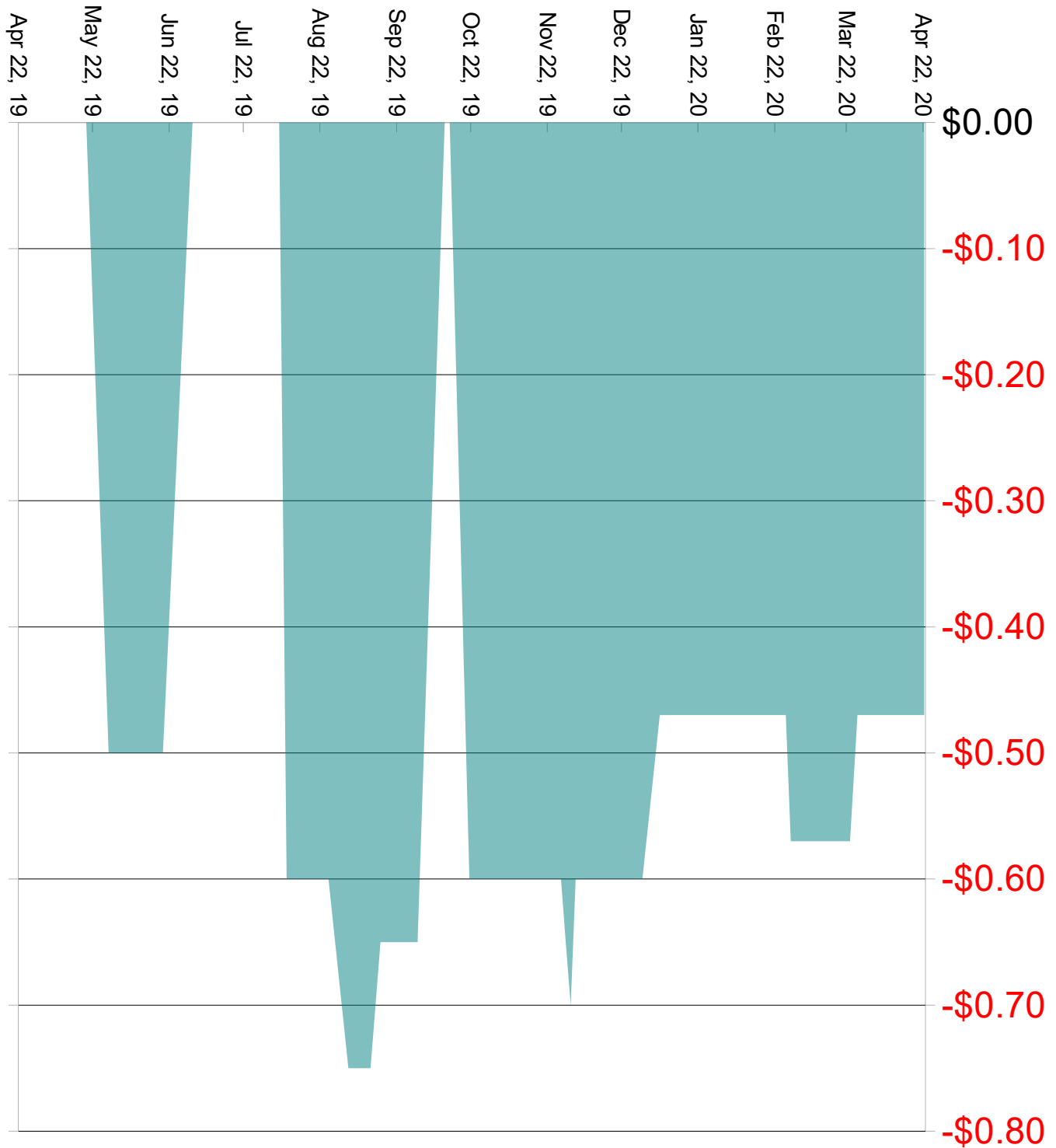
old crop Corn basis



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			Spread			Spread			Spread
Dec-20	3.364		Dec-20			Dec-20			Dec-20		
Mar-21	3.49	0.126	Mar-21		0	Mar-21		0	Mar-21		0
May-21	3.56	0.196	May-21		0	May-21		0	May-21		0
Jul-21	3.604	0.24	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

Impact of COVID-19 on Agriculture

UPDATE: What's in USDA's New Coronavirus Food Assistance Program?



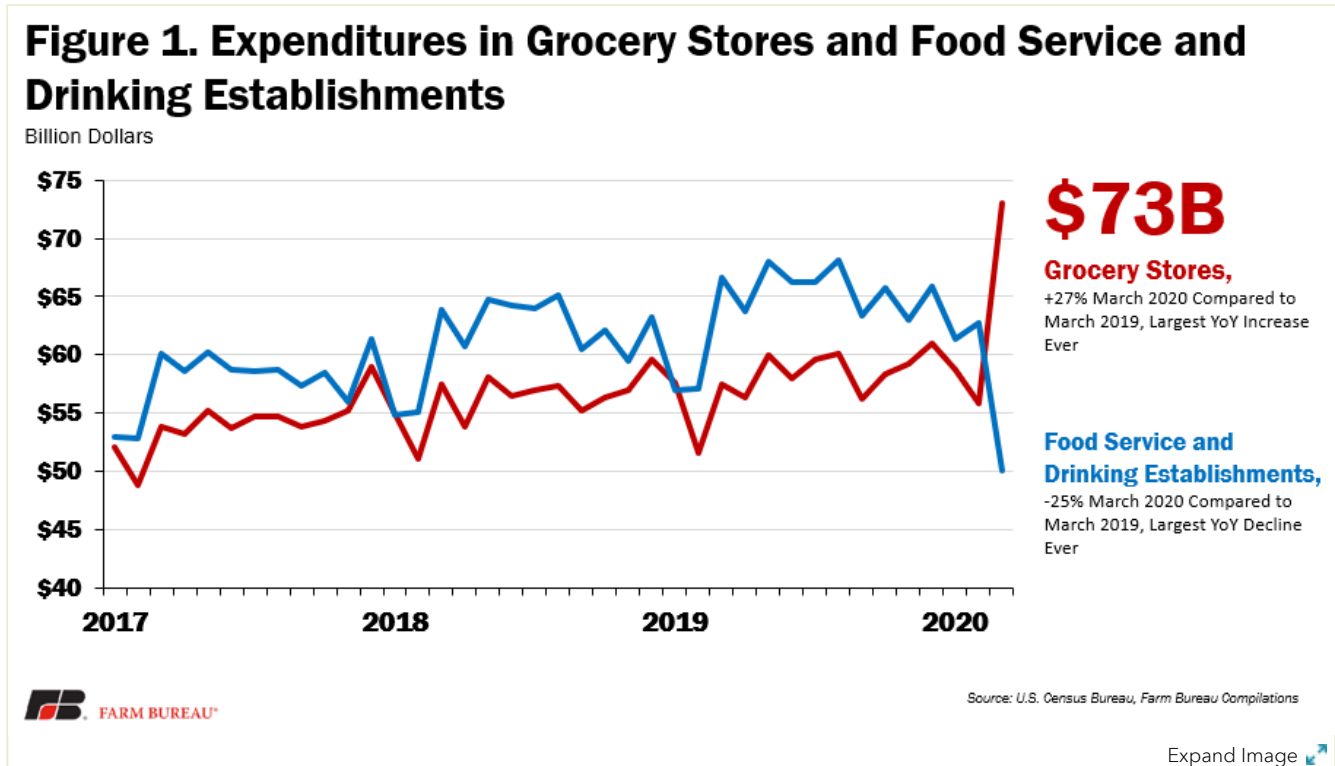
[Market Intel](#) / April 23, 2020

This article is an update to a previous Market Intel that was posted, changes made to the previous article will be in ~~striketrough~~ and **bold**. American Farm Bureau Federation and state Farm Bureau presidents held a call with officials at USDA ; these changes reflect discussions held on that call.

To provide immediate financial assistance to farmers and ranchers impacted by COVID-19, e.g., [Coronavirus Sends Crop and Livestock Prices into a Tailspin](#) and [Pandemic Injects Volatility into Cattle and Beef Markets](#), the [Coronavirus Aid, Relief, and Economic Security Act](#) provided the secretary of Agriculture with an immediate \$9.5 billion and the Commodity Credit Corporation with a \$14 billion replenishment, which will be available in July ([What's in the CARES Act for Food and Agriculture](#)). On April 17, [USDA unveiled](#) details of the much-anticipated CARES Act assistance package for agriculture, which includes \$16 billion in direct payments to farmers and ranchers and \$3 billion in food product purchases for distribution.

Commodity prices across the board have been significantly impacted as a result of the economic consequences of social distancing and the closing of non-essential businesses, especially the full or partial shuttering of the retail, food

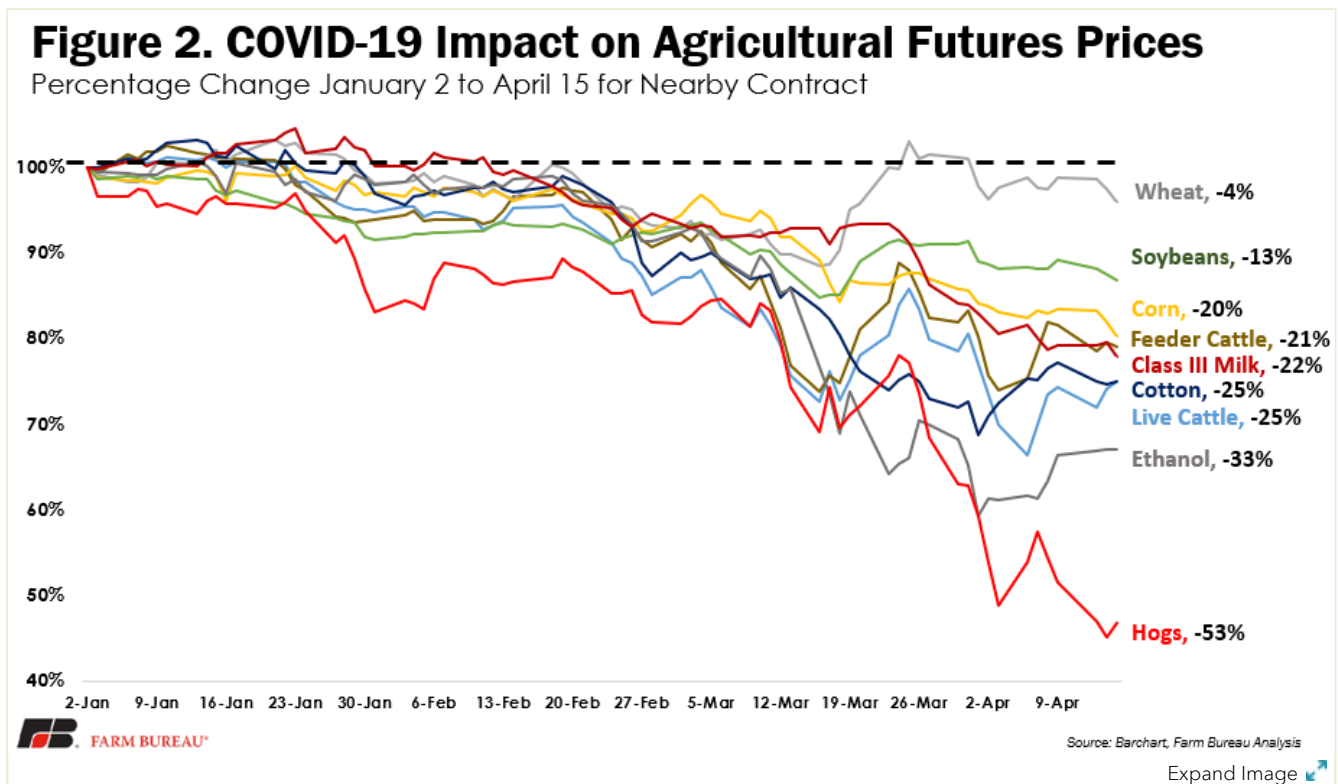
service and restaurant sectors. For example, during March, Census Bureau [data](#) revealed that in-store clothing sales - impacting demand for cotton - had fallen by 50%. Additionally, grocery store sales were at a record \$73 billion, while sales in food service and drinking establishments declined by 25% year-over-year to \$50 billion, Figure 1.



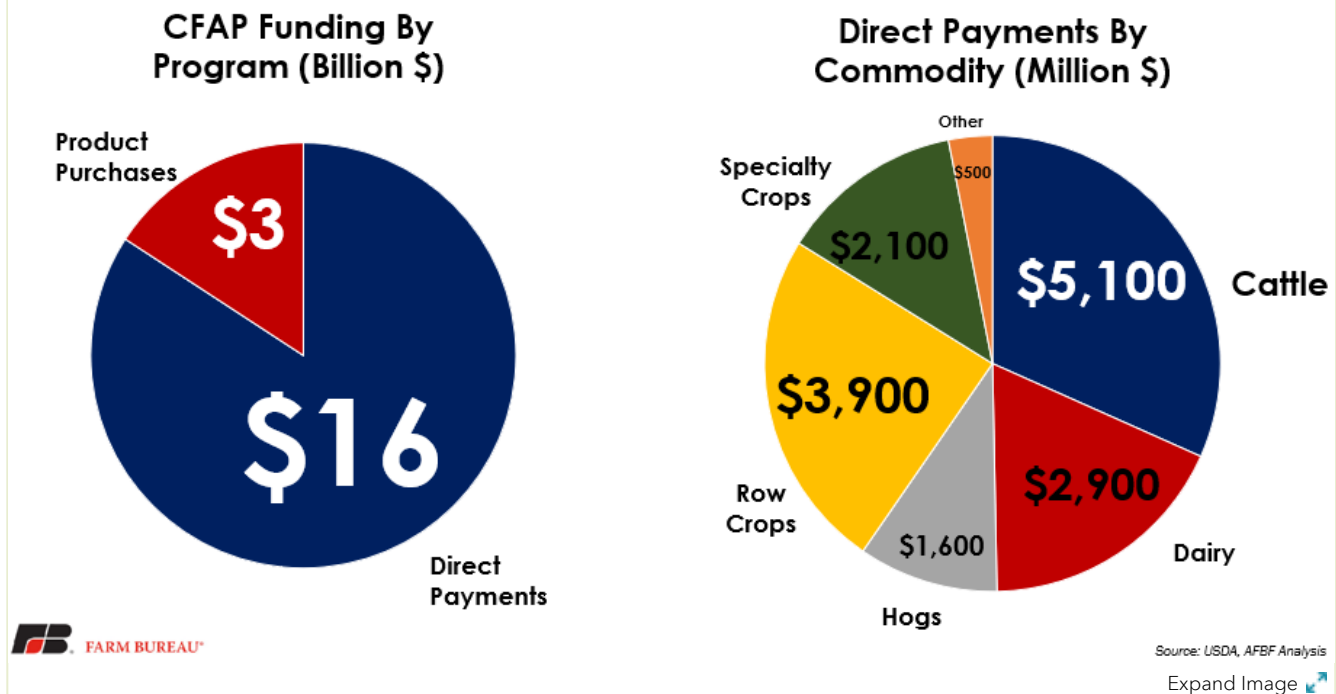
Direct Payments to Producers

The Coronavirus Food Assistance Program, crafted using funding in the CARES Act, is made of two components: direct payments to farmers and ranchers totaling \$16 billion, and \$3 billion in food product purchases for distribution.

The direct payments will financially assist producers with additional adjustment and marketing costs resulting from lost demand due to COVID-19. The payments will be coupled to actual production and based on actual losses agricultural producers experienced in response to price declines and supply chain disruptions, i.e., sales of commodities impacted by COVID-19. To qualify for a payment, a commodity must have declined in price by at least 5% between January and April. As Figure 1 demonstrates, most agricultural products have quite easily qualified at this threshold.



Of the \$16 billion provided for direct payments to producers, it's been reported that \$9.6 billion is directed toward the livestock industry, e.g., cattle, dairy and hogs; \$3.9 billion is for producers of row crops, such as cotton; \$2.1 billion is for specialty crop producers; and \$500 million is for other crops. USDA has yet to confirm this distribution of funding. **While these "buckets" of money are current estimates of what may be needed for each industry, if one "bucket" needs less, USDA will still be able to move money between "buckets" to ensure the funds get to where they are needed.**

Figure 3. Expected CFAP Funding By Program and Commodity

USDA has disclosed the payments are determined using two calculations. One part of the payment will be determined from price losses that **occurred January 1 through approximately April 15-17 (no final date confirmed by department)**; Producers will be compensated for 85% of the price loss during that period. The other part of the payment calculation is derived from losses from **April 15-17** through the next two quarters, for which producers will be compensated 30% of expected losses.

There is still some confusion around what price series will be used for each commodity in the calculation of payments. USDA has indicated that they will utilize the most reflective price series for each commodity. Unfortunately, not all products have a usable price series for USDA to work with, but there will be an opportunity for specialty categories to demonstrate losses to the Agricultural Marketing Service or Farm Service Agency, a process that will be specified in rulemaking.

Additionally, there is concern around coverage for domestic aquaculture production. The Commerce Department has been provided \$300 million to support seafood and aquaculture, however, it is unclear to whether this will cover domestic aquaculture, as opposed to international fishing, at all and, if it is covered, to what extent. USDA will be in close communication with the

Commerce Department regarding this issue. As it currently stands, it is uncertain where or how domestic aquaculture will be covered, although USDA has indicated a desire to see it receive funds.

Since the length of enforced social distancing measures remains to be seen, there will be some self-certification of losses, so producers will need to save records and paperwork to demonstrate losses. This is particularly true for producers who are being forced to depopulate livestock or forced to destroy their product (i.e., dumping milk, plowing under specialty crops) as CFAP payments are expected to help to partially offset these losses.

In the dumped milk example, it is not expected that producers will be compensated for the full value of the dumped milk, but the milk that is produced and dumped will still be eligible for the payment rate that milk receives under the direct payment program (i.e., 85% of the price drop from January to April). CFAP funds will not be used to pay for depopulated livestock. Additionally, the funds are intended to cover producers who own the commodity or product, so animals raised under contract (i.e., poultry grown under contract for an integrator) are not expected to be covered.

USDA has set a goal to distribute payments in May. Payment limits still apply, set at \$125,000 per commodity with an overall limit of \$250,000 per individual or entity. Additionally, USDA has indicated that CFAP may take into consideration other farm program benefits, which could limit some CFAP payments to prevent farmers from being paid more across multiple farm programs. **Participation in other farm programs such as Agriculture Risk Coverage, Price Loss Coverage, Dairy Margin Coverage and Dairy Revenue Protection is complementary to CFAP and will not lower a recipient's CFAP payments.**

Product Purchase Program

USDA will partner with regional and local food distributors in areas where the workforce has been significantly impacted by the closure of many restaurants, hotels, and other food service entities to purchase \$3 billion in fresh produce, dairy and meat. USDA will start by buying an estimated \$100 million per month in fresh fruits and vegetables, \$100 million per month in a variety of dairy products, and \$100 million per month in meat products.

The distributors and wholesalers will then provide a pre-approved box of fresh produce, dairy and meat products to food banks, community and faith-based organizations, and other non-profits serving Americans in need.

On Tuesday, USDA will host a webinar outlining how interested parties can submit proposals to help the agency purchase and distribute these agricultural products. The agency indicated it will be accepting proposals in the next two weeks.

In addition to the \$3 billion, USDA announced it would use other available funding sources to purchase and distribute food. USDA still has up to \$873.3 million available in Section 32 funding to purchase a variety of agricultural products for distribution to food banks. USDA has indicated that the use of these funds will be determined by a mix of industry requests, USDA analysis and food bank needs. Additionally, the Families First Coronavirus Response Act and the CARES Act provided another \$850 million for food bank administrative costs and USDA procure, of which at least \$600 million must be food purchases.

Summary

The Coronavirus Food Assistance Program helps provide immediate support to farmers, ranchers and agribusinesses struggling under the immense weight of the COVID-19 impact. While the details of this package are still not fully known, the \$16 billion in direct support to livestock, specialty and non-specialty crops will help to offset COVID-19-related losses as well as \$3 billion in commodity purchases

While the package was designed to be all inclusive, not all of the many industries damaged by this pandemic were directly identified for support. For example, livestock sectors such as ~~poultry~~, sheep and lamb, as well as specialty livestock such as mink, or horticultural producers were not directly referenced in the CFAP package. Rest assured, there will be an opportunity for specialty categories to demonstrate losses to AMS or FSA and receive CFAP support, **and USDA has indicated its desire and willingness to cover these products if possible.** The ethanol industry ~~is also not expected to~~ **will not** receive financial support in the current CFAP package. While direct payments to corn producers will help, ethanol supplies that far exceed demand and impending storage capacity constraints will continue to weigh down corn demand and cash corn prices.

While this program is an important down payment in making agriculture whole from the unprecedented and unexpected economic fallout related to COVID-19, more help will be needed as the full extent of the crisis becomes known. To that end, USDA will see the Commodity Credit Corporation replenished by \$14 billion in July but more funding will likely be needed.

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AILY COMMENTARY
Thursday, April 23, 2020

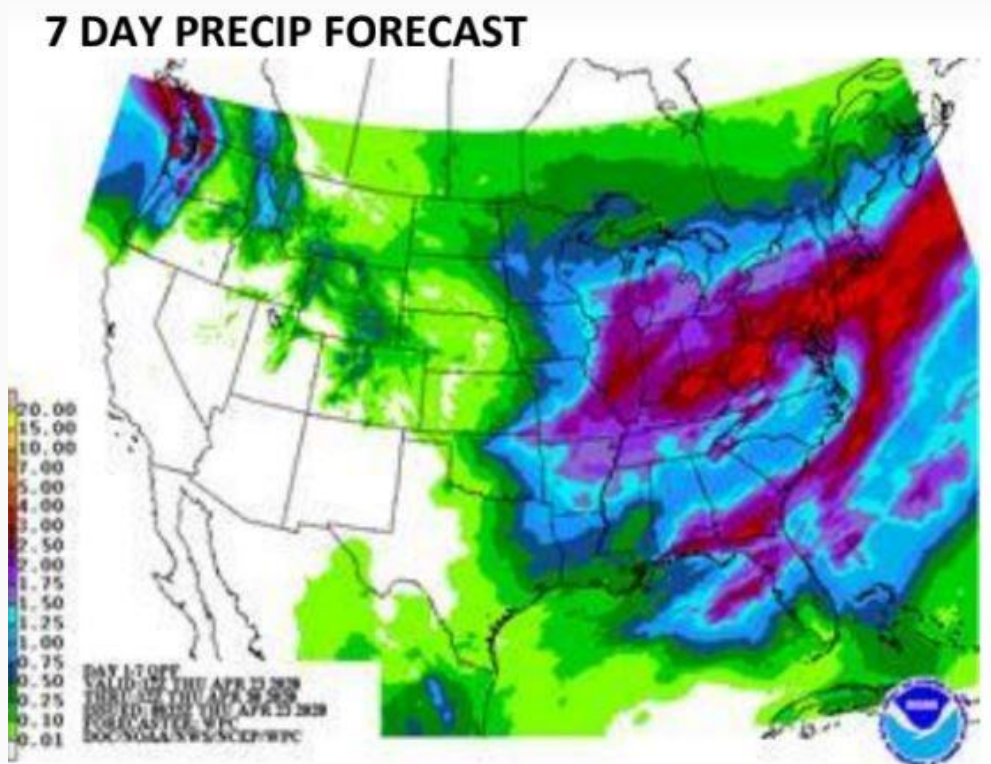
DAILY COMMENTARY

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

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.

Recommendations

PRICE RECOMMENDATIONS

● Cash/Futures ● Hedged ● GTC ● Open

