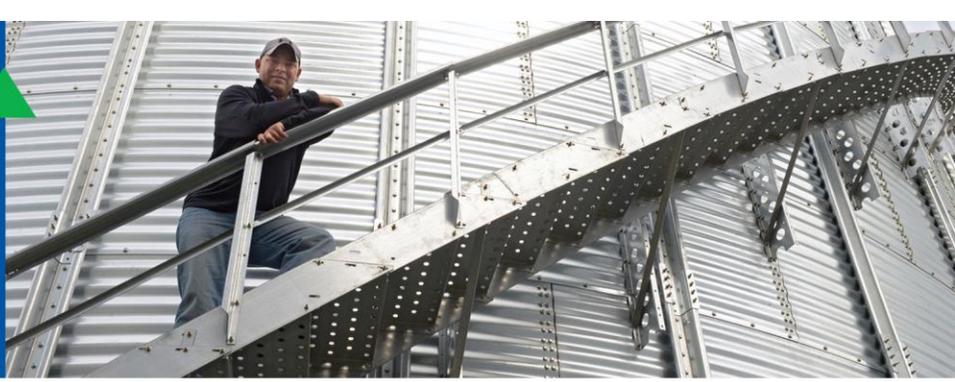




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Please visit our new website at <https://chshedging.com/clients/farmers-ranchers> for weekly marked-to-market price updates.

February 2021

Corn



We note the January high price of \$4.65 ½ on the weekly chart above. It is worth knowing that since 1990 there have been only 2 years that the January high has not been exceeded at some point between February 1st and contract expiration (2001 and 2013). Those are good odds suggesting higher prices are yet to come.

In the January report we displayed monthly charts to give some perspective on the corn rally. Since then, the market has gained back about 30-cents. We mentioned that the price collapse 4 weeks ago allowed us to go from very short to a more comfortable position where we are covered at about 50%. We remain at roughly 50% sold in July corn and about the same in December contracts. In the past month that open bias to price appreciation increased the overall price of our hedged bushels by 8-10c in the month. We like that progress and will continue to trade the position with a higher price bias and continue to aim at raising the final price that we can present to producers at the end of the programs.

Obviously, the prices posted at the end of this report are lower than the current market, but that should be expected in a rising market; ultimately rising futures will bring our prices higher too. It is up to us to be prepared for the time when

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the price collapses. We do not think we are there yet, so we will continue on this strategy; protecting what we have while maintaining exposure to higher prices.

For the December 2022 programs we are roughly 20% hedged and will slowly wade into higher prices with more sales.

Soybeans



Volatility is a word that is too easily thrown around in this industry, but if there was an example of it pictured in a dictionary, it would look like the first 3-weeks of this calendar year. That was a full dollar move higher and lower in 21-days. Since then, things have calmed down slightly, and the market recovered to challenge the highs once again.

The February USDA report did not make drastic adjustments to what the market was expecting on the supply and demand sheets, so we have reverted back to trading our tight old-crop stocks and have only just begun to explore the acreage challenges in the upcoming new crop. The market is expecting something along the lines of 92 million acres of corn and 90 million acres of soybeans. The USDA will give us outlook numbers this week, but those are only estimates without survey data. The important numbers won't be out for another month.

The January high phenomenon also applies to the soybeans with only 1 year since 1990 where that price was not exceeded during the rest of the November contract trading window. We like those odds and we are aiming at higher prices.



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We are actively trading the bushels under management and this month was a decent performance where we managed to raise the prices on all programs. The oldest November 2021 program has our focused attention since that program had some of the oldest sales which drag the average down. Look for the posted prices to continue to rise as our options strategies play out.

In round figures, we are roughly 40% sold in the July and November 2021 programs. We have not yet booked any sales on 2022 programs.

Wheat





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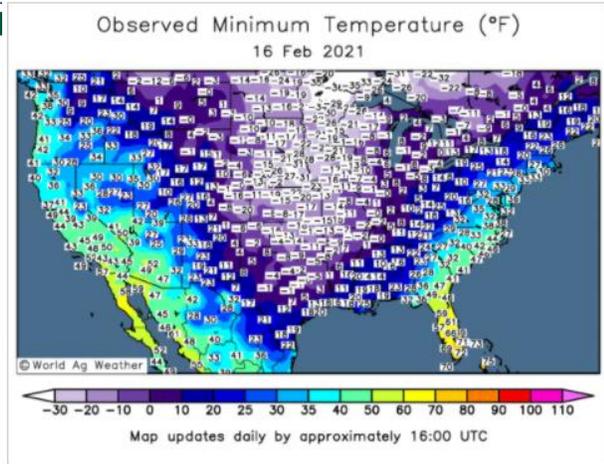
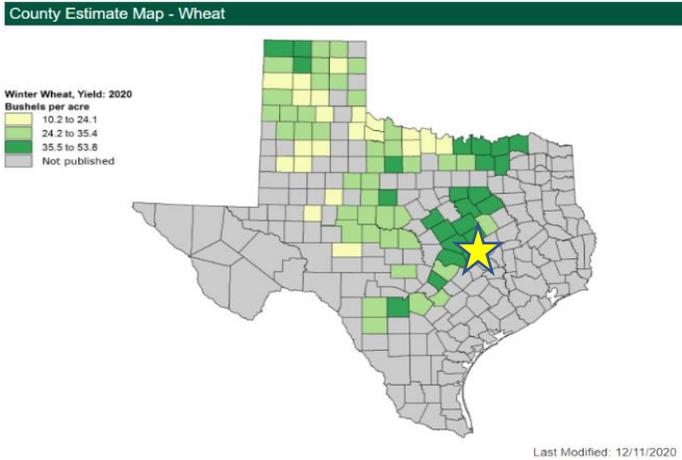
Wheat has the most interesting new story development of all the grains. The record cold weather that reached all the way to the gulf coast.

We have a few reasons to be bullish wheat; there are stories of winter kill in the Ukraine, dry conditions in Russia with poor germination and export taxes, Chinese domestic prices are starting to rise and they are buying wheat from around the world. All of those reasons are legitimate, but this past weekend looks like it could be a disaster for the southern USA. It is a bit too soon to assess the damage, but the early signs are there.

We highlight Texas wheat production because it is ahead of schedule and 13% headed as of a week ago, which means all of the crop is in a growth phase of some description. We have observed temperatures of -5 degrees F for Waco Texas (star on the TX map). That is one of the best and most southern wheat counties in TX. There are many wheat analysts who will downplay winterkill production downgrades, and on many occasions, we would agree with them. This is not one of them. We are very concerned about serious damage across the HRW belt. We have lifted some hedges and gained exposure to higher prices. The market has not moved yet, but we are ready when it does.

There are bull-flags developing in all wheat charts.

USDA's National Agricultural Statistics Service
Texas Field Office (Part of the Southern Plains Regional Field Office)



On HRS wheat, we are net 30% hedged.

On HRW we are net 40% hedged.

On SRW we are net 40% hedged.



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Weekly Market Valuations As of 02/16/21

Contract	Pricing Period	Futures Month	Current Market Valuation
Pro Advantage -2022 Corn (2 yr)	12/2020 - 09/2022	Dec 2022	\$ 4.2021
Pro Advantage -2021 Corn (1 yr)	12/2020 - 09/2021	Dec 2021	\$ 4.4943
Pro Advantage - 2021 Corn (1yr)	09/2020 - 09/2021	Dec 2021	\$ 4.2141
Pro Advantage - 2021 Corn (2 yr)	01/2020 - 09/2021	Dec 2021	\$ 4.1944
Pro Advantage - 2022 Corn (2yr)	09/2020 - 09/2021	Dec 2022	\$ 4.1819
Pro Advantage - 2021 July Corn	12/2020 - 06/2021	Jul 2021	\$ 4.9287
Pro Advantage -2022 Soybeans (2 yr)	12/2020 - 09/2022	Nov 2022	\$ 10.7425
Pro Advantage - 2021 Soybeans (1 yr)	12/2020 - 09/2021	Nov 2021	\$ 11.6749
Pro Advantage - 2021 Soybeans (2 yr)	01/2020 - 09/2021	Nov 2021	\$ 10.2216
Pro Advantage - 2021 Soybeans (1yr)	09/2020 - 09/2021	Nov 2021	\$ 10.7471
Pro Advantage - 2022 Soybeans (2yr)	09/2020 - 09/2021	Nov 2022	\$ 10.7425
Pro Advantage - 2021 July Soybeans	12/2020 - 06/2021	Jul 2021	\$ 12.9883
Pro Advantage - 2020 Spring Wheat (2 yr)	12/2020 - 08/2022	Sep 2022	#N/A
Pro Advantage - 2020 Spring Wheat (1 yr)	12/2020 - 08/2021	Sep 2021	\$ 6.4129
Pro Advantage - 2021 Spring Wheat (2 yr)	01/2020 - 08/2021	Sep 2021	\$ 6.3814
Pro Advantage - 2022 HRW Wheat (2 yr)	09/2020 - 05/2022	Jul 2022	\$ 5.9106
Pro Advantage - 2021 HRW Wheat (2 yr)	08/2019 - 05/2021	Jul 2021	\$ 5.6356
Pro Advantage - 2020 HRW Wheat (1 yr)	09/2020 - 05/2021	Jul 2021	\$ 6.2913
Pro Advantage - 2020 SRW Wheat (2 yr)	09/2020 - 05/2022	Jul 2022	\$ 6.1551
Pro Advantage - 2021 SRW Wheat (1 yr)	09/2020 - 05/2021	Jul 2021	\$ 6.3575
Pro Advantage - 2021 SRW Wheat (2 yr)	08/2019 - 05/2021	Jul 2021	\$ 6.3713



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Weekly Market Valuations As of 01/19/21

Contract	Pricing Period	Futures Month	Current Market Valuation
Pro Advantage - 2022 Corn (2 yr)	12/2020 - 09/2022	Dec 2022	\$ 4.1200
Pro Advantage - 2021 Corn (1 yr)	12/2020 - 09/2021	Dec 2021	\$ 4.4037
Pro Advantage - 2021 Corn (1yr)	09/2020 - 09/2021	Dec 2021	\$ 4.1675
Pro Advantage - 2021 Corn (2 yr)	01/2020 - 09/2021	Dec 2021	\$ 4.1323
Pro Advantage - 2022 Corn (2yr)	09/2020 - 09/2021	Dec 2022	\$ 4.1054
Pro Advantage - 2021 July Corn	12/2020 - 06/2021	Jul 2021	\$ 4.7829
Pro Advantage - 2022 Soybeans (2 yr)	12/2020 - 09/2022	Nov 2022	\$ 10.5800
Pro Advantage - 2021 Soybeans (1 yr)	12/2020 - 09/2021	Nov 2021	\$ 11.3676
Pro Advantage - 2021 Soybeans (2 yr)	01/2020 - 09/2021	Nov 2021	\$ 10.0807
Pro Advantage - 2021 Soybeans (1yr)	09/2020 - 09/2021	Nov 2021	\$ 10.5451
Pro Advantage - 2022 Soybeans (2yr)	09/2020 - 09/2021	Nov 2022	\$ 10.5800
Pro Advantage - 2021 July Soybeans	12/2020 - 06/2021	Jul 2021	\$ 12.7690
Pro Advantage - 2020 Spring Wheat (2 yr)	12/2020 - 08/2022	Sep 2022	#N/A
Pro Advantage - 2020 Spring Wheat (1 yr)	12/2020 - 08/2021	Sep 2021	\$ 6.4084
Pro Advantage - 2021 Spring Wheat (2 yr)	01/2020 - 08/2021	Sep 2021	\$ 6.3562
Pro Advantage - 2022 HRW Wheat (2 yr)	09/2020 - 05/2022	Jul 2022	\$ 5.8554
Pro Advantage - 2021 HRW Wheat (2 yr)	08/2019 - 05/2021	Jul 2021	\$ 5.6370
Pro Advantage - 2020 HRW Wheat (1 yr)	09/2020 - 05/2021	Jul 2021	\$ 6.2523
Pro Advantage - 2020 SRW Wheat (2 yr)	09/2020 - 05/2022	Jul 2022	\$ 6.1733
Pro Advantage - 2021 SRW Wheat (1 yr)	09/2020 - 05/2021	Jul 2021	\$ 6.2350
Pro Advantage - 2021 SRW Wheat (2 yr)	08/2019 - 05/2021	Jul 2021	\$ 6.3955



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