

05-14-21

**\*\*\*Call FGT to discuss marketing. Remember as our owner we are on the same team.**

**\*\*\*You want to get an early start harvesting your corn crop? As member of FGT you have a corn dryer in a few FGT locations on the river. Give us a call to discuss drying discounts and moisture gains....you will probably be shocked on how early you can harvest. We did it a few years ago. I can email you a moisture sweet spot chart.**

**\*\*\*FGT is working on New Crop upgrades for 2021, for instance GVL is adding capacity to pits 7 and 8 and plans to run longer hours during the soybean harvest. Maybe to 2 am!!! Call Will for comments or details. Go FGT!**

**\*\*\*Rebate was mailed for Jan 2021. Total return is worth 16.8 cents cash, stock, equity, and DPAD. 2021 is looking better already!! This check is proof that doing business with your coop pays.**

**\*\*\* There have been a lot of pickup trucks, SUVs and Vans purchased lately that qualified for the Coop discount. You have to be current Coop member which means actively delivering bushels yearly. From what I understand the savings are significant. Call us for details.**

## **Market Chatter-**

We hit new highs again this week. I think I have stated that the last 4 weeks! Then the USDA report came out....we went up briefly then started trending downward. Then crashed Thursday. Soy down 47, corn down 37. Seems like neutral USDA report and good weather took us down? Still hard to figure out.

So what did the report say...SEE the numbers in USDA section below. Let's start with corn... the old crop corn was lowered to 1.27 carry out from 1.352 but new crop was pegged at 1.507 which is enough without a weather scare or further problems in South America.....the catch here is we are just planting and have a long way to go....It is easier to more bullish right now but the volatility that every one talks about is here to stay and some days hard to stomach! Corn has 2 other major moving parts that will eventually get solved and that is actual US exports and does Brazil corn crop end up going under 100 mmt. (My guess is US exports are higher and Safrina crop gets smaller) Moving to beans...no real shockers here but most traders still think that 120 is to high and we should be lower but it seems like that has always been a hard spot to go lower. Next year crop being 140 shows at this point that Soybeans should continue to have strong prices into next year. Soybean market shares the same volatility as corn so fasten your seat belt, 2021 is going to be a wild one! Make a plan and run some numbers of where you would like to be.

### **INTERESTING FACT OF LAST MAJOR MARKET RUN 2010-2014 CROPS**

FGT Flat price average farm sales

Soybeans

2010 Crop-10.48

2011 Crop-12.09

2012 Crop-15.59

2013 Crop-13.75

2014 Crop-11.22

Corn

2010 Crop-4.18

2011 Crop-6.00

2012 Crop-7.08

2013 Crop-5.06

2014 Crop-4.32

\*What can you draw for this? Well this puts in perspective of what prices did but every year is different. I have heard from many farmers that those years were their most profitable years in their career. Is this one #2? or #1? Who knows? One definite conclusion is that high prices do not last forever.

It is time to add the crop plantings and conditions report. This report comes out every Monday so the following information is 5 days old but it will give you a reference point for the report for this coming Monday. I am only adding soybeans and corn but will reference other crops if needed. The conditions part of the report will be added as the crops get planted. (as you can see we are on pace but have a long way to go.)

TW=This Week; LW=Last Week; LY=Last Year; AVG=Average

Crop Progress-05-10-2021

Corn Planted	67%TW	46%LW	65%LY	52%AVG
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Soybean Planted	42%TW	24%LW	36%LY	22%AVG
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## Things to Watch-

Political events in the US and the World, drought monitors, US exports....China demand for corn and soybeans....LA Nina-Dry in Argentina/southern Brazil--Shrinking Carry over numbers in the US, US planted acres, Planting progress, Safrina crop...shipped or should I say unshipped exports. Weekly planting progress/crop conditions report...Weather, Weather, Weather.

**USDA REPORT RECAP- May Report-Note the years move up to 20/21 instead of 19/20**

## Corn-

**Corn 20/21 -1.257 VS 1.352** billion last report carry over-(90.8 vs 90.8 million acres with a 172 vs 172 yield last report) the main difference was exports were raised 100 million (this could happen again)

**Corn 21/22 -1.507 VS "nothing" this is first report of new year** billion carry over last report-(91.1 million acres with a 179.5) Large acres and large yield to start off the year!

\*\*\*1.507 is actually enough if that holds all the way through the year which is doubtful. So what are some potential things that makes this number smaller....drought reducing yield in US, South America crop shorter (dry now) therefore pushing more exports to the US, undershooting current exports in US as of now...just to name a few. I believe 1.507 still supports a solid \$5 level.

We still have a long way to go.....

## Soybeans-

**Soybeans 20/21 -120 VS 120** million last report carry over. (83.1 million with a 50.2 yield)

**Soybeans 20/21 -140 vs "nothing" this is first report of the year** million carry over last report (87.6 million acres with a 50.8 yield) Notice acre increase from last year.

\*\*\*140 is light. Last time it went to 100 million we went to \$15.00! Stocks to use is 3.2% which also light. Soybeans carry over numbers are still more bullish than corn. Volatility is still high and we have a long way to go. Make a plan! Good Luck.

*Few things to note-*

- **Next USDA Production report is June 10, 2021.**
- **All current coop members are eligible for a discount on a new truck. Call Will for details.**
- One thing about being a local company is that you can come see us anytime to discuss the coop or markets or tour the facility.
- FGT has total account access via the web called FGT connect
- FGT has an App in the appstore/google for bids and tickets

- ***FGT- Did you Know?????***

- **That FGT began its 52nd year of business August 1, 2020.**
- **That FGT is not just another grain company or chemical company. It is a locally owned coop and is part of your farm investments. It makes sense and makes money to do business with yourself.**

**Thanks for supporting FGT. We appreciate your business.**

Going somewhere else reduces your bottom line.....

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