



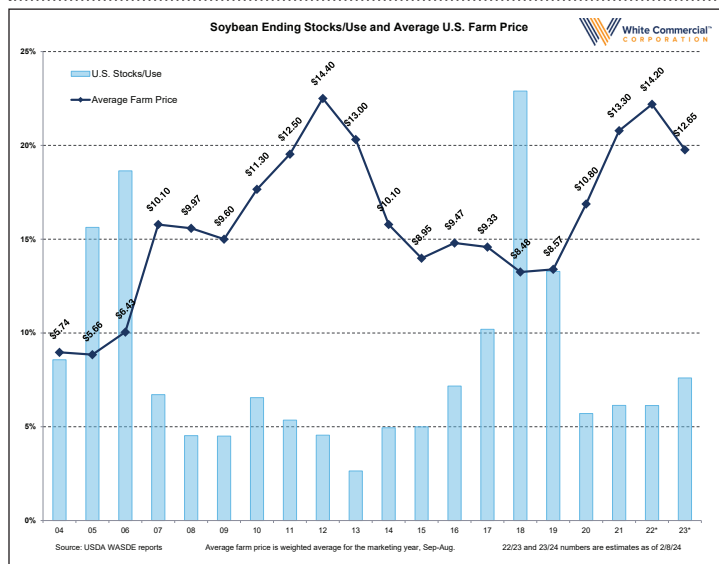
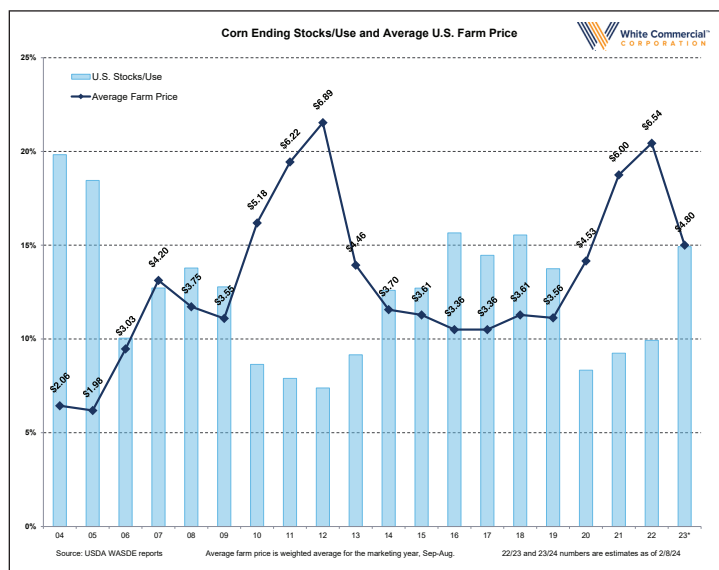
OPPORTUNITY IN THE SEASON OF UNCERTAINTY

Our human nature is such that we prefer stability over instability, certainty over uncertainty. But in the grain marketing world, instability and uncertainty create opportunity.

During 2020, 2021 and 2022 crop years we saw uncertain supplies in the face of strong demand for your products. These circumstances resulted in record profits in cash grain farming. In 2023, crop production stabilized, with more normal yields, less uncertainty, and the profit per acre dropped accordingly. Going forward, as we plan to market 2024 crops and beyond, are there ways to capitalize on uncertainty? Let's look at uncertainty from a big picture, grand scale view and from a seasonal perspective.

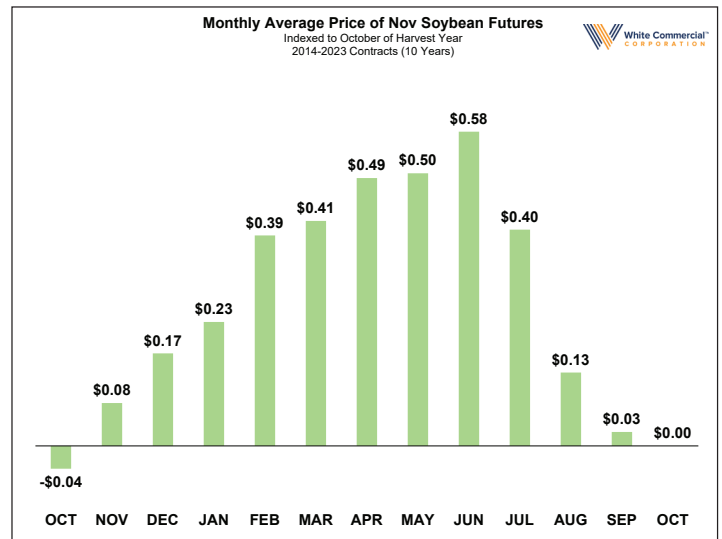
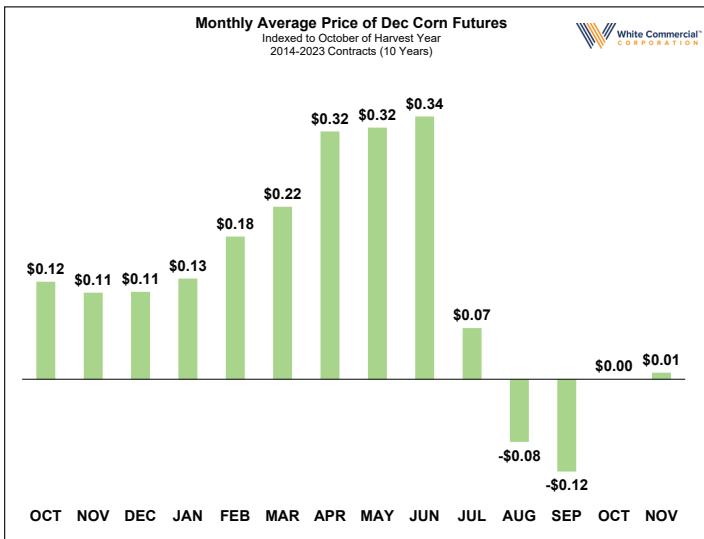
From a big picture perspective, three consecutive years of reduced yields & normal demand, resulting in three years of lower stocks/use ratios gave producers three years of high prices and high profits per acre. The uncertainty of whether there would be enough bushels to satisfy the demand until the next harvest served to create good farm marketing opportunities. In 2023 the uncertainty diminished with higher production, higher stocks/use ratios, lower prices, and lower resulting profits. The charts to the right demonstrate these statistics graphically.

At this point in time, we have no idea about 2024 yields, carryout, prices or profits, a fact that creates uncertainty, which leads to potential marketing opportunities. In the grand scheme, times of scarcity and uncertainty create marketing opportunity, while times of stability bring the reverse and the market is always attempting to determine which it will be.



At this juncture, we are now entering the season of the year that is filled with uncertainty about 2024 production. As of this writing, we don't know much about 2024 crops, except perhaps the prospective acres to be planted to corn and soybeans. We don't know if all the acres will be planted; we don't know anything about the growing season, whether it will be too hot or too cold, too wet or too dry, or whether it will be a perfect growing season. Nevertheless, there will be no shortage of prognosticators who are willing to venture guesses on each of these factors. Regardless of the credibility of these guesses, they have a way of impacting what the market thinks grain is worth. Often, this scenario provides good short-term opportunities to price some new crop bushels. Seasonally, what has been the best period of the year in which to price new crop bushels?

The accompanying charts below show the answer to this question. In the ten-year period from 2014-2023, which includes a greater number of years having adequate supplies, the best pricing opportunities were earlier in the spring to early summer and waiting until harvest to make pricing decisions resulted in a loss of opportunity. So, what can we do with this information, since our crystal ball has not yet revealed what the 2024 growing season will be?



It would seem to be prudent to take at least a defensive position on some bushels and prepare for a good growing season with more adequate supplies. Work up a marketing plan based on cost of production and desired profit which will easily convert into a target price. Expose your crop to the market now during the present season of uncertainty using Target Offers. Allow this effective tool to work for you, free of charge, 17.5 hours per day, five days per week. As always, we are ready to help you implement a marketing plan that suits your business. We wish you a very successful season as you plant and care for the 2024 crops!