



# AgriPeril Advantage



## Reed Burres

### Quick Preview:

- ✓ Grain Sell of and Rebound
- ✓ First Measure of Iowa Derecho
- ✓ Reed's Recommendation
- ✓ The Takeaway

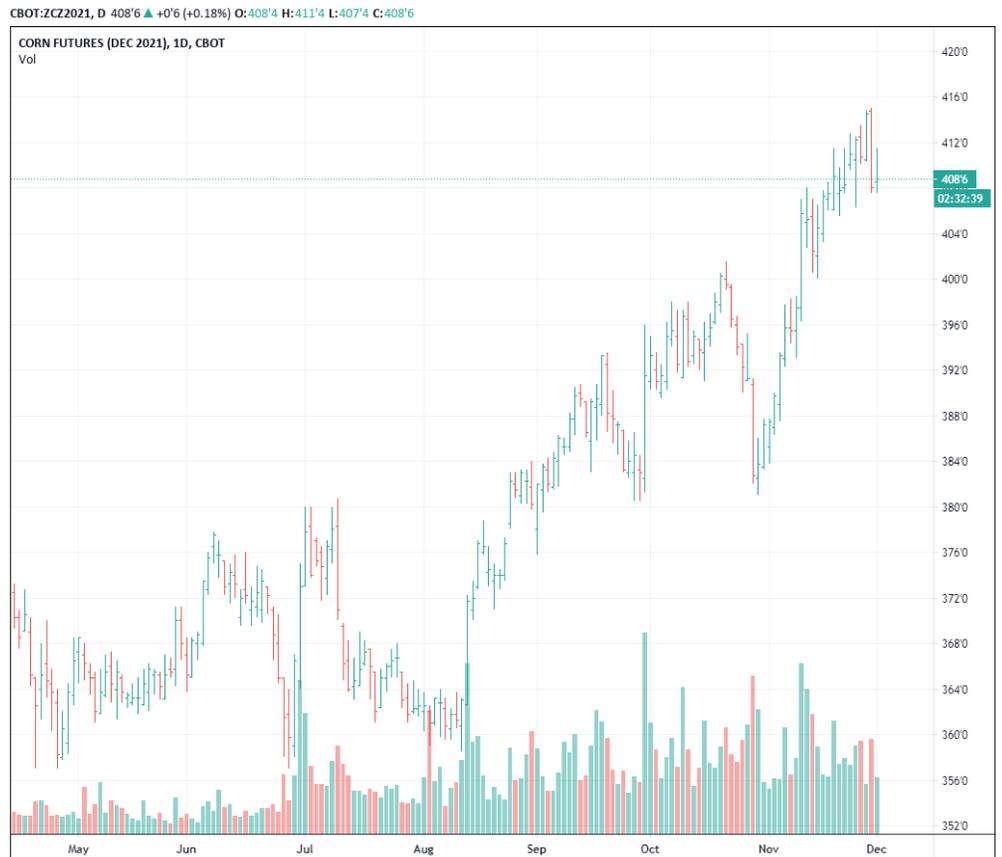


## Agents & Contributors

Tim Burres: [tim@agriperil.com](mailto:tim@agriperil.com)  
 Reed Burres: [reed@agriperil.com](mailto:reed@agriperil.com)  
 Ethan Laughery: [ethan@agriperil.com](mailto:ethan@agriperil.com)

## *Sell off and Rebounds*

As of late, we have seen strong rallies across all major commodity groups, even oats. As contract positions have flipped and grown more and more bullish, many wonder when the next big of position will be. Looking at many of the driving factors, we can see that market sentiment is very optimistic currently due to complications with South America weather outlook as well as an expected COVID "cure" hitting the market in the upcoming 60 days. Over the past two months we have been on top of the greatest price turnaround for corn and soybeans in recent memory. After rather tightened trading periods we have now taken the chains off and withstood a true weather event of widespread drought.



Above: After the November WASDE release, market prices have traded higher and pushed new resistance levels that have not been seen for December 21 futures. As a result, we have seen a strong increase in expected harvest prices.

**\$3.88**  
Spring Price



**\$3.99**  
Harvest Price



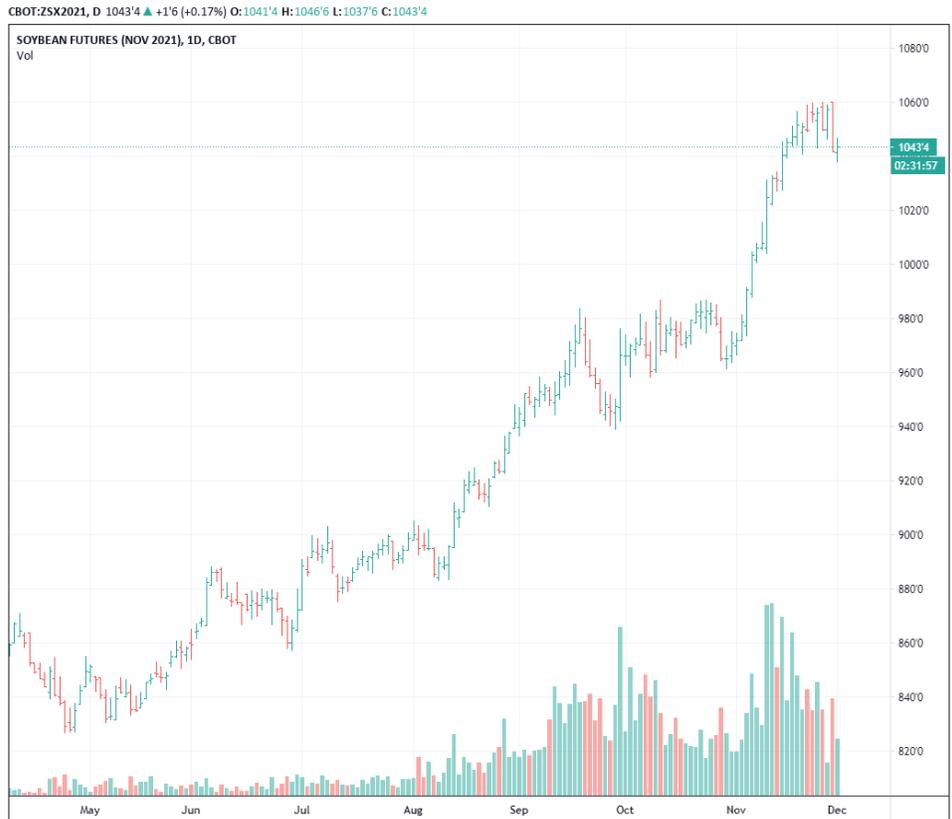
# AgriPeril Advantage

## Rebounds Continued:

A strong climb in the 2021 November soybean contracts has given many something to keep a closer eye on. With soybean contracts being on as steep of a rally as they have been on, it may be time to consider making some forward contracting decisions.

Graph Data: CME, SX21

Something that is worth taking a closer look at is the expected 2020 Iowa soybean production estimates. Though these numbers are still only estimates, they serve as a strong guess that Iowa soybean production was not as greatly impacted by drought conditions as many may have thought. Production highs of the mid 2010's set a strong benchmark to hit and 2021 will be a decisive year for production. If prices continue to remain strong many may consider breaking out of existing corn on corn rotations.

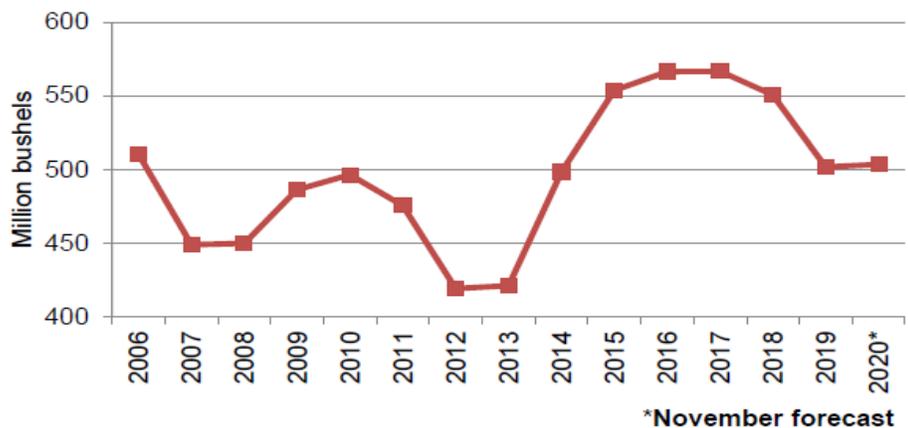


**\$9.17**  
**Spring Price**



**\$10.55**  
**Harvest Price**

**Soybean Production - Iowa: 2006-2020**



\*November forecast

**\*Disclaimer\***  
The market content published through the AgriPeril Advantage is based on factual information. Market projections are opinions and is not a recommendation that any particular commodity, portfolio of securities, transaction or investment strategy is suitable for any specific person.



# AgriPeril Advantage

## Insurance Calendar

**December 15<sup>th</sup>:**  
MPCI Revenue Loss  
Reporting Deadline

**January:**  
Coverage Reviews

**February:**  
Spring Update Meeting  
Date: TBA

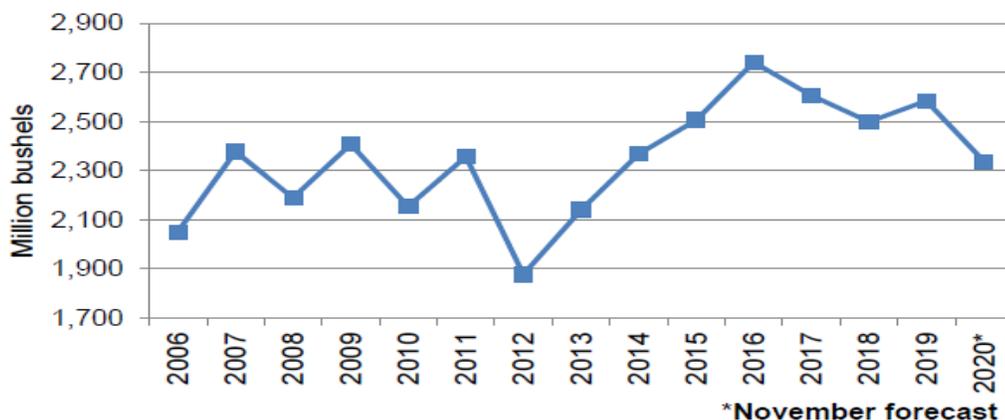
**February:**  
Spring Price  
Discovery Period

**March 15<sup>th</sup>:**  
Sales Closing Date

## Derecho Corn Impact:

As further information came from the yield monitor in some of the most directly impacted areas, it was clear to see that the 2020 Derecho damage caused a strong rebound in the corn market for a reason. Looking at 2019 yield information versus 2020, we saw over a 15 bushel per acre decrease across the entire state. With this being said, factors such as drought did cause yield loss on a county basis in non-Derecho impacted counties. Below information comes from: NASS Report, Iowa, November 2020.

**Corn Production - Iowa: 2006-2020**



**Area Harvested, Yield, and Production Summary – Iowa and United States: 2019 and Forecasted November 1, 2020**

Crop	Area harvested		Yield per acre		Production	
	2019 (1,000 acres)	2020 (1,000 acres)	2019	2020	2019 (1,000)	2020 (1,000)
<b>IOWA</b>						
Corn.....bushels	13,050	12,700	198.0	184.0	2,583,900	2,336,800
Soybeans.....bushels	9,120	9,320	55.0	54.0	501,600	503,280
<b>UNITED STATES</b>						
Corn.....bushels	81,337	82,527	167.5	175.8	13,619,928	14,506,795
Soybeans.....bushels	74,939	82,289	47.4	50.7	3,551,908	4,170,262

### Reed's 2020 Recommendation:

#### Multi-Peril Crop Insurance:

- Corn: 85% Revenue Protection with \$0.15 of price buy-up insuring a price of \$4.03 per bushel.
- Soybeans: 85% Revenue Protection with \$0.50 of price buy-up insuring a price of \$9.67

#### Hail Insurance:

\$250 per acre BASIC Coverage Soybeans  
\$250 per acre DXS10 Hail Coverage, DXS5 Wind with Extra Harvest Expense

## The Takeaway:

All in all, it appeared that we may have had more than we realized we could have been thankful for this Thanksgiving. I hope your time was spent with family, in-person, or remotely. Keep 2021 marketing in mind, we never know where prices will go! Until next, have a safe holiday season, and always work to manage your operations risk!

All the best,