



AgriPeril Advantage



Reed Burres

Quick Preview:

- ✓ Fall Prices Set
- ✓ Indemnity and Claims
- ✓ Election Expectations – (Politics Aside)
- ✓ Reed's Recommendation
- ✓ The Takeaway

Agents & Contributors

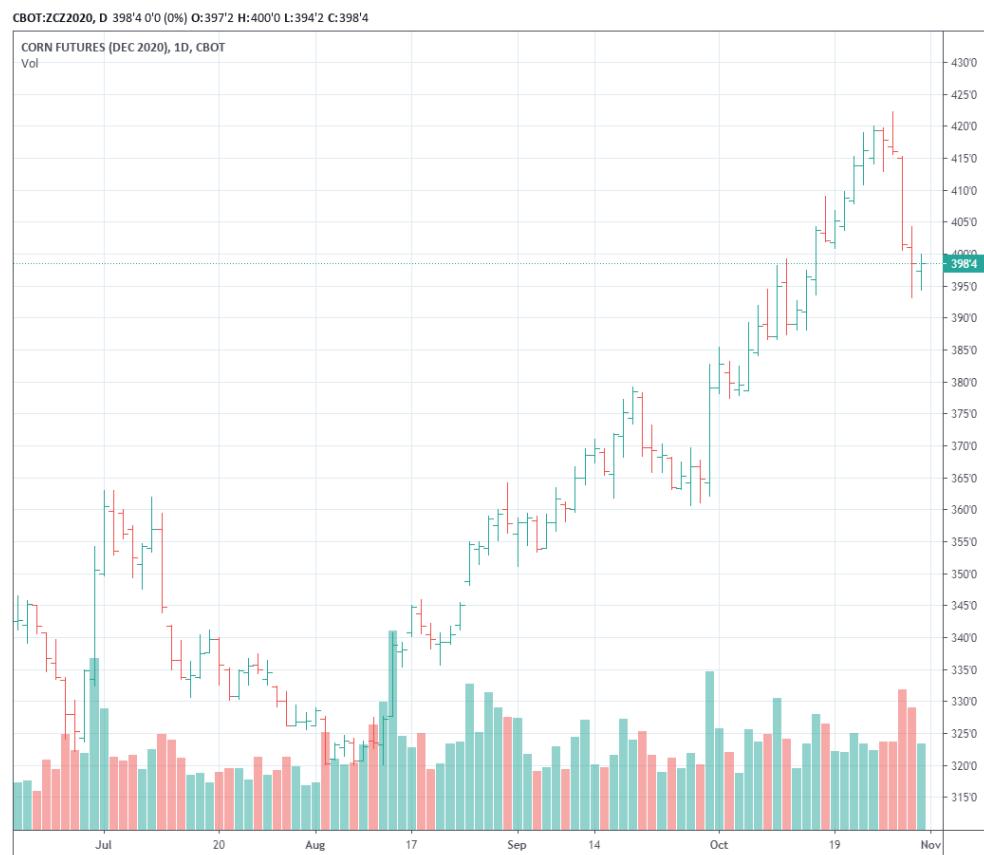
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Market Correct and Positions Flip

As the markets turned around this past week we saw many asking what rationale the funds had for taking substantial profit out of the market. This correction comes at a critical time for many as farmers across the Midwest begin to finish fall tillage and harvest are itch closer to making necessary post-harvest sales.



As trader positions very quickly shifted, we saw a \$0.15 reduction in December corn futures and a \$0.21 nose dive in November soybean futures. This comes with few concerns, but major concerns on the international frontier. Brazil continues to plant through delays and was able nearly double its previous planted hectares in just one week. The correction comes at a time when trade to China has increased significantly as weather delays have caused serious issues for Chinese corn harvest and the need to import US corn, which can only keep helping current ending stock numbers, which may be grossly underestimated.



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Indemnity and Claims

As we are now through the end of the harvest price discovery period, we see that prices have rebounded significantly compared to the spring prices as we finish out the 2020 harvest prices at \$3.99 for conventional corn and \$10.54 for conventional soybeans. These prices are largely unexpected for many, however, as summer growing conditions continually decayed prices gave rise to many new opportunities.

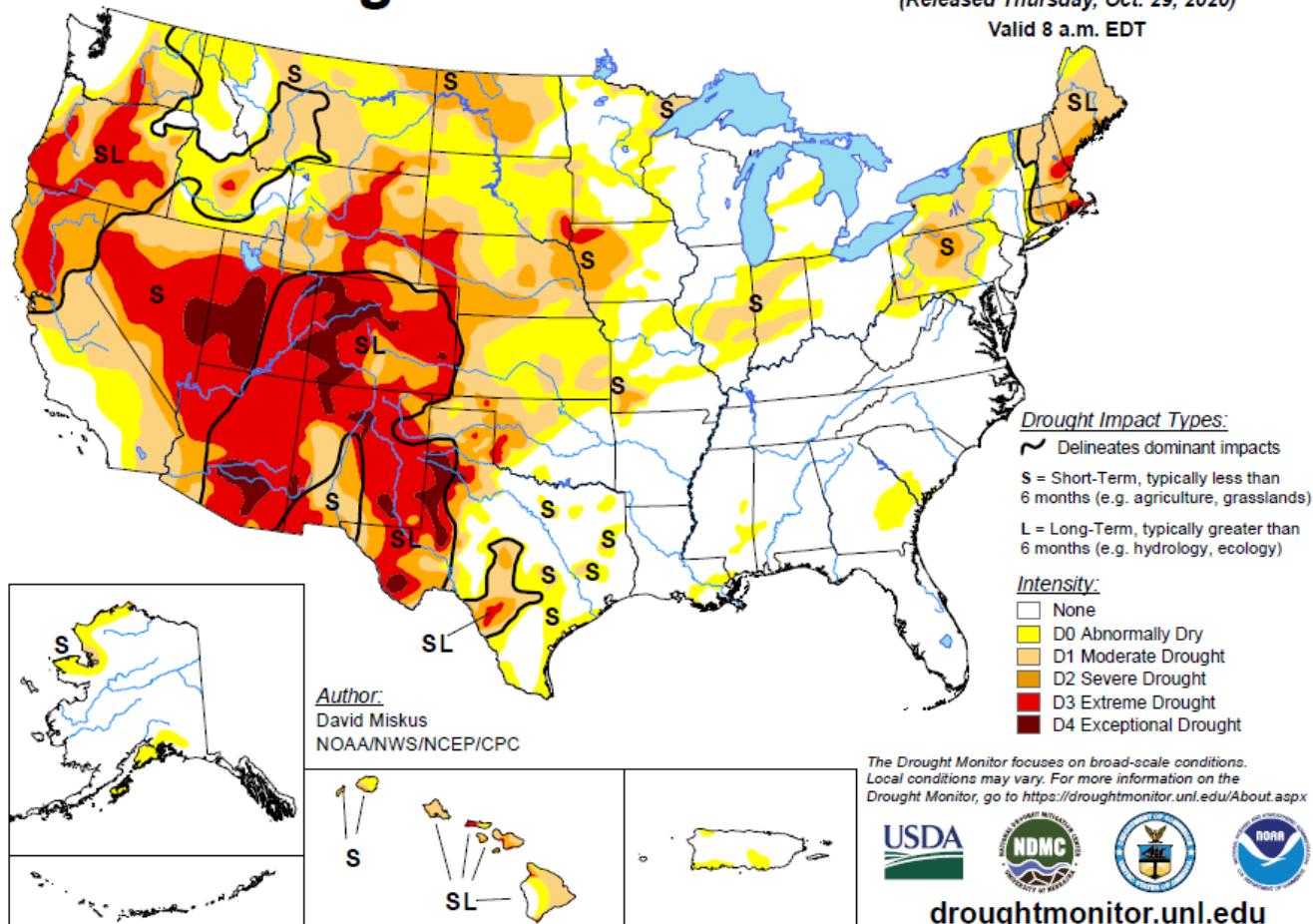
As the harvest price is higher than spring prices, it provides a unique situation which seldom occurs, giving way for only yield losses to cause indemnity to be paid out for the 2020 crop year. Yield losses have run rampant across the Cornbelt, with many pockets of excessive drought varying largely by where rainfall has been good enough to grace the area with adequate precipitation.

U.S. Drought Monitor

October 27, 2020

(Released Thursday, Oct. 29, 2020)

Valid 8 a.m. EDT





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Insurance Calendar

November 1st:

Harvest Price Announced

November 15th:

Pasture, Rangeland & Forage
Insurance Sales Closing

November 20th:

Apple & Grape Coverage
Sales Closing

December 15th:

Revenue Loss Filing
Deadline

January 1st:

New Year

Disclaimer

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The Takeaway:

As we have seen great uncertainty with current markets, we can only expect to see continued doubt. Fortunately, as traders look to perhaps price in any negativity and anticipation in the upcoming election, we may see prices rebound following the November 3rd election and following the November 11th WASDE. Though we are more than a trading week away from each of these events we will likely see continued sideways trading until we can gain further clarity. The reality for many is that we will need additional international news to cause continued rebounds, if not, we will likely see sideways trades, mostly of the downward focus for the continued future.

Until next time, keep the markets in sight and make sure to capitalize on any rallies between now and harvest. If our September edition doesn't make it out prior to your operation beginning harvest, please have a safe harvest season. Be safe, remind friends to be patient especially while traveling on roads where harvesting equipment may be on. Thanks for reading!

All the best,

A handwritten signature in black ink that reads "Reed".

