

POET Market Manager Update (December 2021 Pricing Period) – As of 10/31/2021 – Program #12

December '21 Futures gained 31 ½ cents in October closing at \$5.68 ¼. Most of the month was spent between \$5.10 and \$5.40, which is where the market has primarily traded going back to the beginning of September. December futures ripped higher the final four sessions of the month gaining 30 ¼ cents in those four days alone.

There was not one single item that can be pointed at as the reason for the sharp gain at the end of the month. Some are pointing to strong ethanol margins that could result in upward demand revisions from the USDA. Additionally, the cash market remains strong which is another friendly factor. On the flip side, there is nothing on the export side that can be viewed as bullish...typically U.S. exports are the primary source of global corn from November thru May but this year that window looks to be mostly January thru March with competitive offers showing up out of South America earlier than normal.

There is also an uplift in almost all commodity markets that we have been seeing, which has likely had even more impact on prices than anything fundamentally related to just corn. During October, Chicago wheat gained 47 ¼ cents while Minneapolis wheat gained almost \$1.40. Crude oil gained almost \$9/barrel and RBOB gained 21 cents. The biggest exception was soybeans, which actually declined 20 cents in October. Old crop soybean carryout is expected to return to levels that are more comfortable this year and could get burdensome next year if fertilizer prices remain on fire. The market appears to be starting to price accordingly to try and keep too many corn acres from switching to soybeans next spring.

We are currently 89% priced for program #12 at \$4.86 versus the December '21 CBOT.

With existing open accumulator positions we have the potential to be 100% priced at \$4.95.

