July 8, 2010

Friends:

Thanks to all who attended the meeting on July 6th. The feedback has been positive and a number of excellent suggestions have been made to make future gatherings more productive. Thank you.

During the meeting someone asked if my approach works in markets other than the 4 that I limit myself too. To that end, and because we buy a lot of fuel (well not nearly as much per acre as some, but still quite a bit) I decided to do a quick study of Heating Oil which is the diesel fuel equivalent for hedging. Plus I had 4 hours and it was too hot to work outside!

You will see that the approach works AMAZINGLY well.

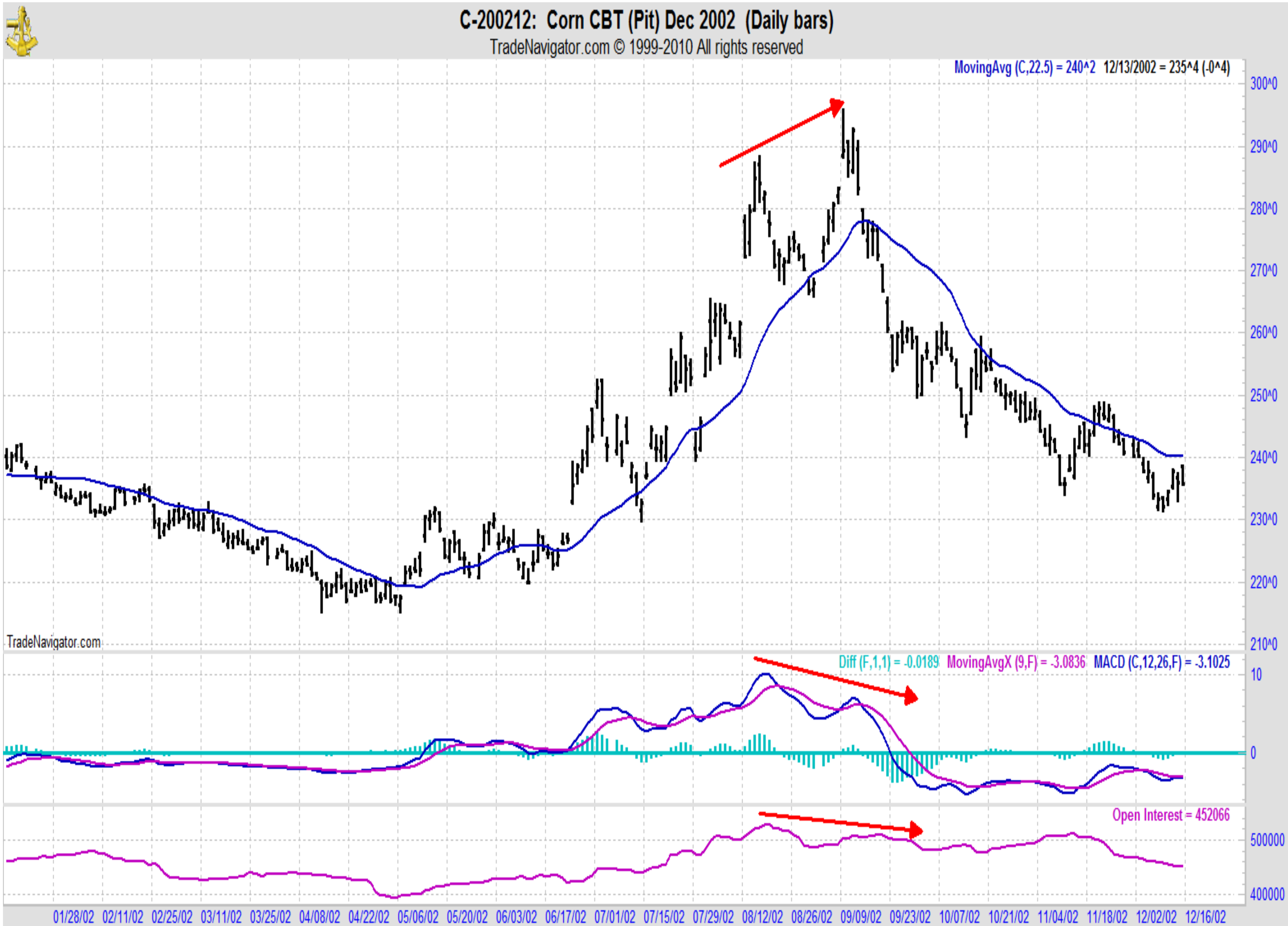
PLAN IMP: So kind of as a bonus chart deal, I have attached those charts, and we hedged our 100% of our fall fuel needs yesterday on the close with a stop below contract lows in the HOV10.

ALSO: Someone asked about the fact that this year is similar to 2002 for his area in NE. So, I have included a chart for 2002 Dec corn. You will note that the dates of the swings are very similar to our expectations for this year.

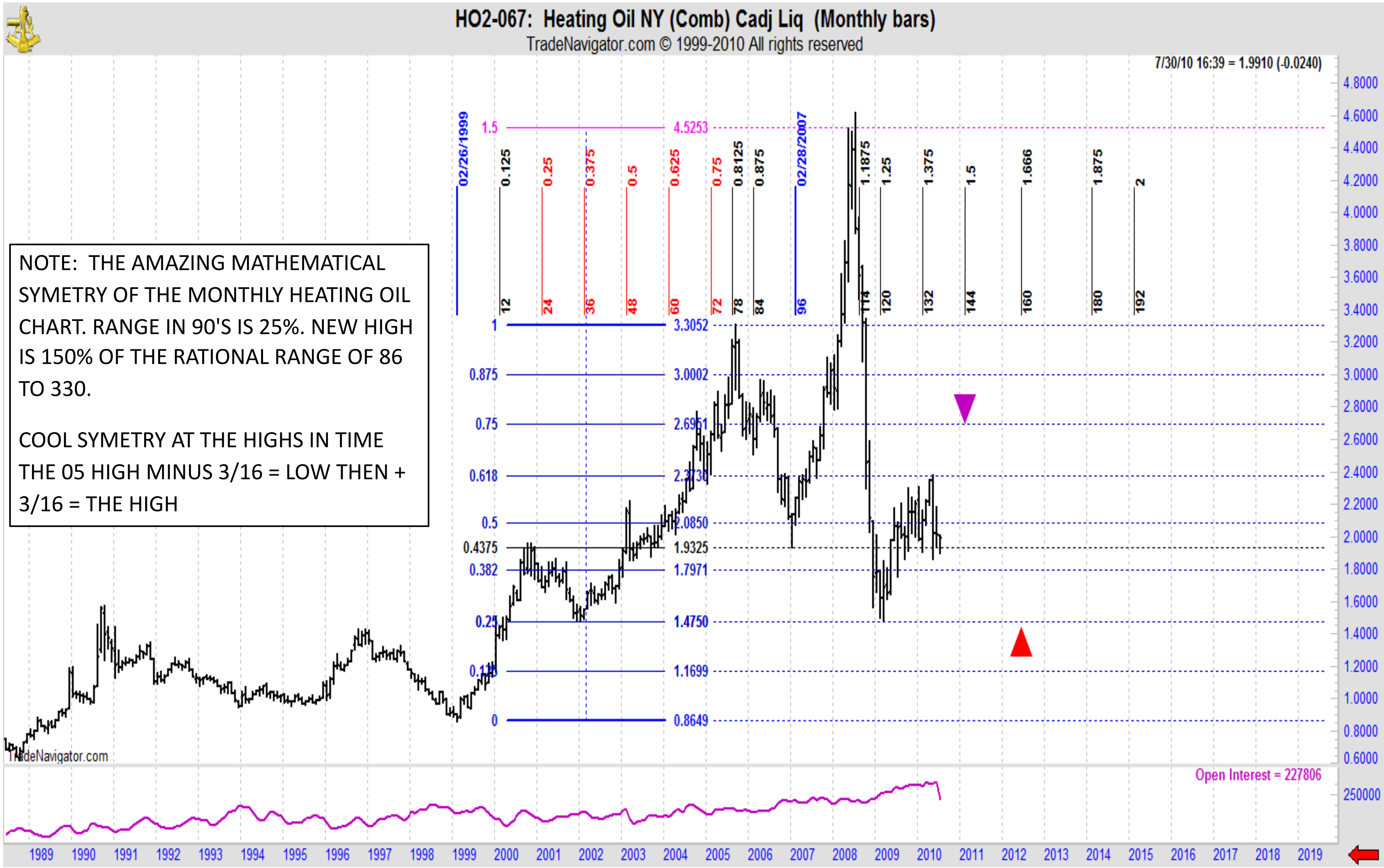
ALSO: Note that contract lows must hold in everything going forward. So, pretty easy marketing right now. Wait un-hedged on anything and just see what happens.

For those who have asked for copies of the materials and tapes, we are in production and will get them out asap but I do not know when asap is at this point. Info will follow.

Take care,
Ken

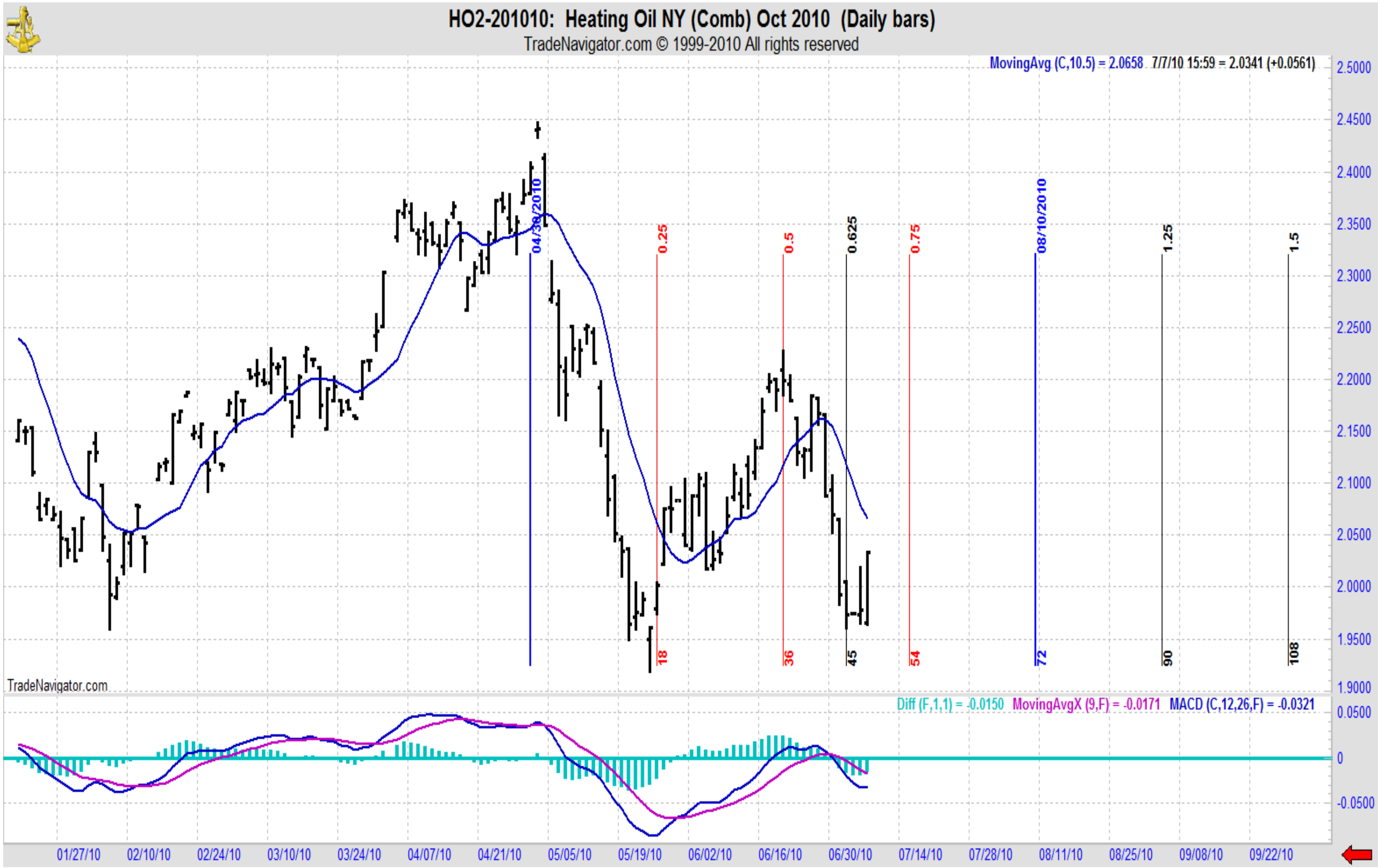


C-200212: Corn CBT (Pit) Dec 2002 (Daily bars)
TradeNavigator.com © 1999-2010 All rights reserved
MovingAvg (C,22.5) = 240^2 12/13/2002 = 235^4 (-0^4)
300^0
290^0
280^0
270^0
260^0
250^0
240^0
230^0
220^0
210^0
TradeNavigator.com
Diff (F,1,1) = -0.0189 MovingAvgX (9,F) = -3.0836 MACD (C,12,26,F) = -3.1025
10
0
Open Interest = 452066
500000
400000
01/28/02 02/11/02 02/25/02 03/11/02 03/25/02 04/08/02 04/22/02 05/06/02 05/20/02 06/03/02 06/17/02 07/01/02 07/15/02 07/29/02 08/12/02 08/26/02 09/09/02 09/23/02 10/07/02 10/21/02 11/04/02 11/18/02 12/02/02 12/16/02



NOTE: THE AMAZING MATHEMATICAL SYMETRY OF THE MONTHLY HEATING OIL CHART. RANGE IN 90'S IS 25%. NEW HIGH IS 150% OF THE RATIONAL RANGE OF 86 TO 330.

COOL SYMETRY AT THE HIGHS IN TIME THE 05 HIGH MINUS 3/16 = LOW THEN + 3/16 = THE HIGH



NOTE THE PERFECT (ALMOST) 18 DAY DECLINE AND THEN THE 18 DAY RALLY AND THEN THE 9 DAY DECLINE.

THE TIMING RHYTHM IS EXTREMELY PRECISE AND MADE FOR AN EASY DECISION TO COVER FALL FUEL 7/9/10.