

January 4, 2011

Friends:

Just back from our 3 week trip to Mali, West Africa, to visit the village where our daughter serves as in the Peace Corps. An amazing trip. More to follow on that.

PLAN IMP:

We were amazingly blest that not one sales trigger was hit while we were gone. The markets have just climbed higher the whole time. Better lucky than smart. Of course, smart is why we use triggers instead of price targets based upon cost of production. Some graphs attached.

Please note that with the October/November reports this is officially a WEATHER INDUCED SHORT-CROP YEAR. As such, 2011 should be extremely EASY. Highs should come about now, and then a VERY important high in late March/early April, and then a MAJOR collapse after early June leading to a very large yield on very large acres.

So, you will see on the attached charts some of the timing that supports that outlook.

ALSO, I will paste in here something I posted elsewhere to a friend.

Have any of you done your nws's yet? Have you budgeted the profit for 2011 using \$5.20 corn and \$12 beans?

The reluctance to sell is just not very healthy frankly. If this ends like it should, and Dec 2011 corn goes off the board under \$4 or so as it should, there will be some clinically depressed folks around.

We are now 30 months from the highs in 2008, the rally from 2005 up to 2008 was 31 months, the long term ideal time of major trend in corn is 33 months. So we are within 13 weeks of the ultimate highs in corn for the next 3 years.

To even contemplate that our businesses deserve such high returns is arrogance in the extreme.

So, I sit here with all the sales triggers in place and wait for them to be hit. Sold some yesterday on the trigger of the EPIPHANY...it's amazing that folks don't even know what that is anymore.

Take care,
Ken



C2-056: Corn CBT (Comb) Cont Exp (Monthly bars)

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W2-201107: Wheat CBT (Comb) Jul 2011 (Daily bars)

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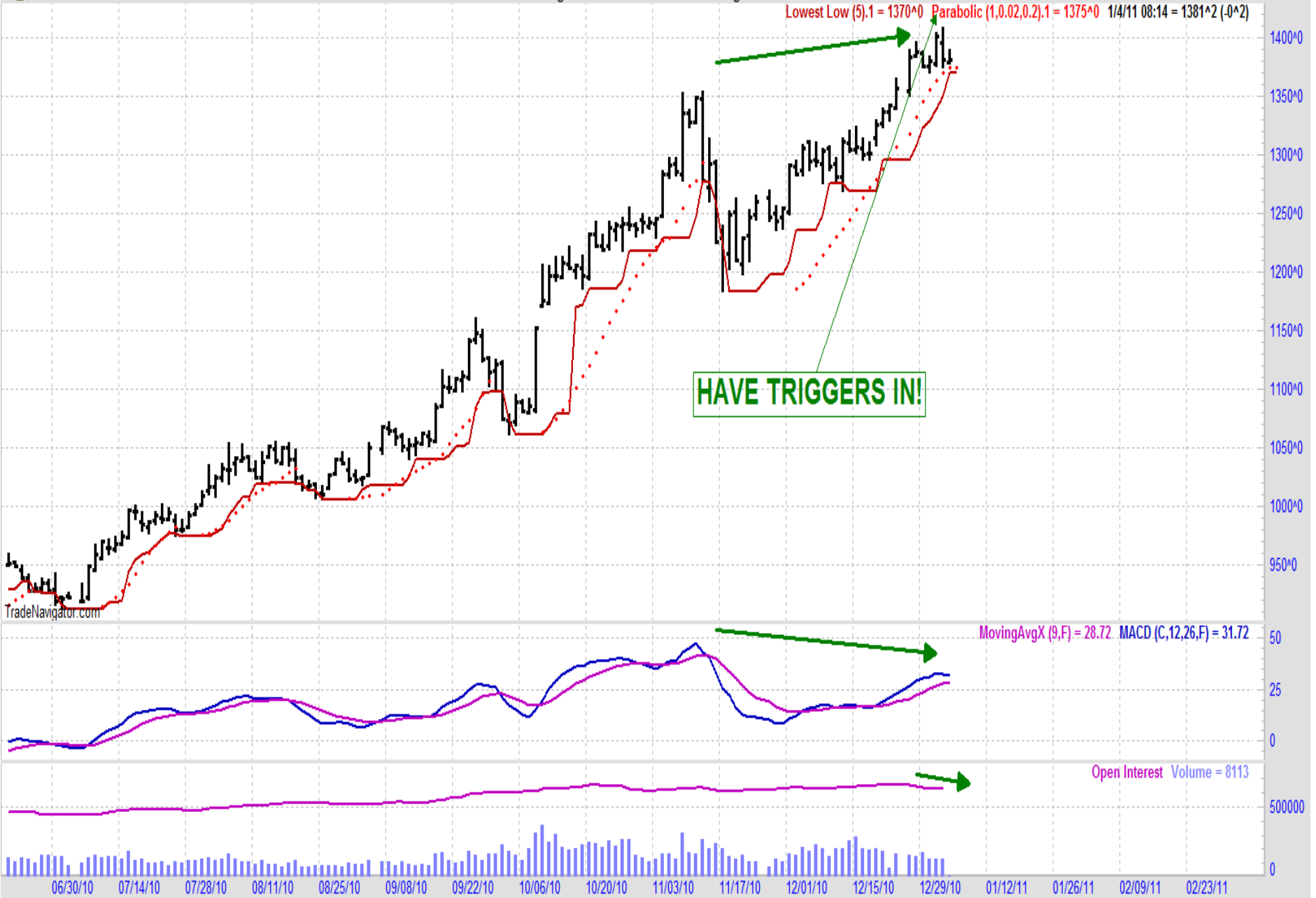
Lowest Low (3).1 = 813^6 Parabolic (1,0.0,0.2).1 = 814^6 1/4/11 08:14 = 838^6 (-1^0)





S2-201103: Soybeans CBT (Comb) Mar 2011 (Daily bars)

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W2-057: Wheat CBT (Comb) Cont Liq (Weekly bars)

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