

June 10, 2011

Friends:

I just wanted to make a point that it is time to get aggressive. Especially in wheat for 2012 and soybeans for 2011.

The Bean/Bean Oil charts are amazingly bearish. It is TIME to protect yourself.

A very bullish report in corn, wheat and beans rally in sympathy and then fail. THESE ARE BEARISH events, especially in beans and wheat.

So, just protect yourself. If you want proof of the emotional condition of the markets, go to Agonline, look at the bull venom, versus the complete lack of interest in a post to hedge wheat. The boat is LEANING to one side in a big way. My role is to point out the obvious.

More proof, PoorFarmer has wasted 20 cents a bushel on 25% of the old crop buying \$9.00 Sept calls. It is hard to imagine a more ill-advised use of capital for a farmer. OF course, they also threw another 30 cents at buying \$7.50 dec calls to cover new crop sales. Remember that back-adjusted corn chart. They are just playing the wrong end of the math.

TACTICS:

For 2011 SOYBEANS, we are going to 110% hedged in the SX at the market on the open this morning. The market will be gaping lower out of a massive distribution topping pattern. Bean Oil is set for a all out collapse fwiw.

BECAUSE this is a distribution top that is very mature, we MUST limit our risk on these additional hedges. We will exit on a stop if the SX makes new highs for the year. So, risking about 40 cents or so. For Wheat we have sold more WN12. Again, stops above the high of the move for now.

So, to be clear, GET THE SOYBEANS HEDGED!!!!!!

Ken