

February 9, 2011

Friends:

Well, leave it to NASS/USDA to really make things interesting! Our feed efficiency at hog farm is 10% better than last year due to corn quality....not so for anyone else in America I guess....we are good (not).

My prior email about "troubling" feelings was well founded. Unfortunately for me, we are still short the CZ @ \$5.98! The call for me this morning is over \$100k for sure.

WHAT TO DO?

It sure seems dumb to buy new corn for over \$6, but we have to be dumb when dealing with IDIOTS :-)

The stop was placed at \$6.12. With a call for opening limit-up, that might be a little slippage. With no good options on the table, we are going to pull the stop and just wait and see what happens.

We will do one of three things:

1. Put stop above today's high tomorrow to exit.
2. Enter order to buy@ 6.12 OB (most likely)
3. Buy a few every hour on stop above high of the day at that time,

I'd say 50% chance corn could close lower in the new crop. My friends in Chicago at the cbot think the chance is 0%.....the boat is listing to one side real bad.

IF we can get open interest to decline on this last leg higher, well the game will be over and bulls will go back into hibernation for another few years.

Just proving record profits mostly make for record stress...not less stress.

Ken