

September 9, 2010

Friends:

ANYONE want to play "NEW MOON HOMERUN DERBY" with me?

9/8 was the new moon and c/sb seem to have a POSSIBLE high EXACTLY during the normal early Sept seasonal time frame. Frankly, it is TIME to get DEFENSIVE NOW. Sell with stops above the new moon has some statistical validity, especially with such a strong seasonal behind it this time.

OK, I can hear the thoughts out there....What about the expected high for 12/10 or so? I STILL EXPECT that it will happen. And possibly at a silly high level, like \$5.40 corn. BUT as I mentioned in the last note, there is a time to play offense and a time to play defense. From 9/8 until 10/10 is just ALMOST never a time to play offense.

Since the hogs are actually making money this year, and some of our initial sales were from 2008, we can right now LOCK in the most profitable year in our farm's history. Nothing wrong with defending that from now until Oct 9th!

PLAN IMP:

We are reselling all the corn and soy to get back to 100% sold for the 2010 growing season. For wheat it is a real tough call in my book, I would just wait and make it sell you if it takes out the August low.

WHAT IF:

Well, what if we get a super bullish USDA report and grains gap higher. So it goes, we are putting a win of roughly \$1 for corn and \$1.50 for beans on top of what were already great sales. IF, IF, things go crazy and we get corn to 5.40 and beans to 12.40, we will sell most if not all the 2011 crop and IF it goes higher than that, we will sell the 2012. HIGHER commodity prices right now are HORRIFIC for the global economy. So, if they come now, they will not be here later, simple math really.

ROLL DOWN FCS LAND MORTGAGES....NOW....rates have been driven irrationally lower by direct FED intervention. I really have no clue when the FED runs out of bullets, but it will some day. At FCS, this is easy to do, just call on the phone and in 5 minutes you can roll them down for very low fees.

DO IT NOW!!!! This is just ridiculous policy. Since no one else in the world wants our government long bonds at this time, we will just have the fed buy them and basically monetize them. The currency is dead gents, so locking up today's rates on currency that will become worthless is just common sense in a world gone stark raving mad.

Send a portion of the interest saved to the local food bank. Plenty of folks didn't have the government subsidies that you did to position yourself to profit from their folly.

BEAN YIELDS:

A little disappointing to me, 62, 57.6, 59.0, 65.2, 63.3 by field. Of course, my father sternly pointed out that those yields are the highest ever grown on those farms in history. He didn't think being disappointed showed much wisdom. So, I stand humbled, just thought that

they would be 2 or 3 better. Bottom line is just more flooding damage than I thought. The last field at 63.3 on planted acres had a full 3 acres, or 10%, of field zeroed out by the water.

SO, ROLL DOWN RATES NOW...and defend grain prices is the plan for the next 30 days.

Take care and BE SAFE.
Ken