

April 9, 2009

Friends:

As many of you will remember, our plan has always included a sale of corn (old and new) on Holy Thursday. This is driven by 2 factors: 1) Salvation wasn't cheap and it is a very small symbolic gesture of our gratitude and 2) It is within a few days of the calculated average seasonal high in CZ futures on or around 4/10.

For some reason corn has been very weak versus soy on this last leg higher, as has wheat. The market is telling us something, maybe that despite all the moaning from farmers they will actually plant lots of corn again? If the weather breaks, and as inputs keep dropping, it is surely possible.

Also, this rally will continue to seriously impact demand. It is surely possible to have \$2.65 corn this fall the way things are going.

SOYBEAN "STAR OF LIFE":

Please take a moment to review the soybean chart activity on March 30th. This is a perfect, well exactly perfect, example of a Star of Life. Island low at a higher level than the ultimate low. So, just forget everything you think you know about soybean fundamentals, a rally of 21 days, but far more normally 40 trading days "should" follow. This would make the soybean high right around MAY 26th.

Everyone will want to have completed most of the 2009 crop sales by this date.

Please note that corn and wheat did NOT exhibit this action and therefore it would be wise to keep them completely separate in your mind.

SALES POSITION:

We are still 100% sold on new corn from last year, with no plans to try to trade it in this environment. For beans, we never ignore "Stars of Life" and have quite a few left to resell on this rally.

TIMING:

My thoughts are that this will be a textbook "seasonal" type of year. Spring highs in April or May depending on weather, June/July lows, Frost rally into 9/10, and ultimate fall lows at levels well below the spring highs. IF a drought develops, it will almost assuredly be a 1983 type event with similar price action, so you can review the 1983 charts for direction as that time approaches.

The similarity to spring 2006 is still quite striking as I wrote to you in the last update. Don't lose site of the fact that they should persist.

And remember, salvation did not come cheap, have a prayer filled holiday.

Ken