

April 29, 2008

Friends:

Apparently it is our year so far, just .3" last night, so back to planting this afternoon. If you are looking at the 6 to 14 day forecasts that are terribly cold and wet, remember that they were 100% wrong this week! They are trend extenders by nature, so they always miss the change in trend so maybe it will break differently. I hope so for those out west.

PLAN MP:

For corn and soy we are just going to stay hedged and hope to grow it! So, we are roughly 100% hedged corn and 75% hedged beans. It is very possible corn is going to \$7.20, if so, we will let it go there and not chase it. Only thing worse than selling \$5.40 corn to early is to buy it back at \$6.30 and then have go limit down a few days!

BIG OPPORUTNITY IN WHEAT!!!

Will it work AGAIN!!

The last down move in wheat was 33 tdays. Some of you remember we nailed that reversal to the hour almost and added a nice bit to early sales in the wheat.

In this move, Friday was the 33rd day. For a multitude of reasons, ALL wheat hedges should be lifted. Stay un-hedged for a few weeks and see what happens.

ALSO, we will be covering some of our hedged corn with long wheat on a bushel for bushel basis (about 30%). Since this is a true spec position I do not consider it marketing and it isn't part of any plan. It is just an investment opportunity.

Regardless, go to 100% un-hedged wheat and just give it a few weeks to see what happens.

The goal here is to resell it on a bounce up to the 50 day moving average, or about \$1.50 higher in the next 30 days.

ALSO, we are rolling all of our long hog contract hedges that are in the nearby May and June options (only 15% of the position) out to the Dec at a discount. We want to own them for a long time and the funds will need to exit the May soon maybe.

Good Luck all,  
Ken