

June 9, 2010

Friends:

FIRST a word of CAUTION....my approach tends to be early AND it tends to attempt to pick changes in trends which is very non-politically correct these days....SO CAUTION.

Since the disclaimer is out of the way, I have attached some charts that I think are very interesting.

FEED NEEDS...we have extended meal coverage out thru Jan 2011 and would use nearby futures to cover corn needs and capture the carry possibly. We are booking 4th qtr meal in the cash market and locking in the basis.

EXITING 100% of hedge coverage in wheat/corn/beans on buy triggers, some above yesterdays high and some above last week's highs to be conservative.

Basically, I have written 3 times about how the pattern should unfold this year and it has unfolded just as expected. We wanted a collapse in early June and we have gotten one. So, we need to take action and make the market prove us wrong at this point.

A couple of BIG facts that strengthen our resolve in this matter.

1. The markets have declined below the price guarantees for everything. So we have the ridiculous government subsidized crop insurance for one price floor. Staying short makes us short x2 with no yield determined yet.
2. At this point in the growing season, we have priced in a lot of fear of a massive crop, and a lot of fear of declining global demand. So, if we go with the thought that the market only responds to future changes, how much bigger can the crop get, and how much worse can expected demand get in the next 60 days.

Obviously, we could be wrong and have been before. We also have been very right before.

So, we will see what happens, I just like this as a place to make the market prove me wrong. IF it does, I will probably make up more than the loss in price in terms of added bushels.

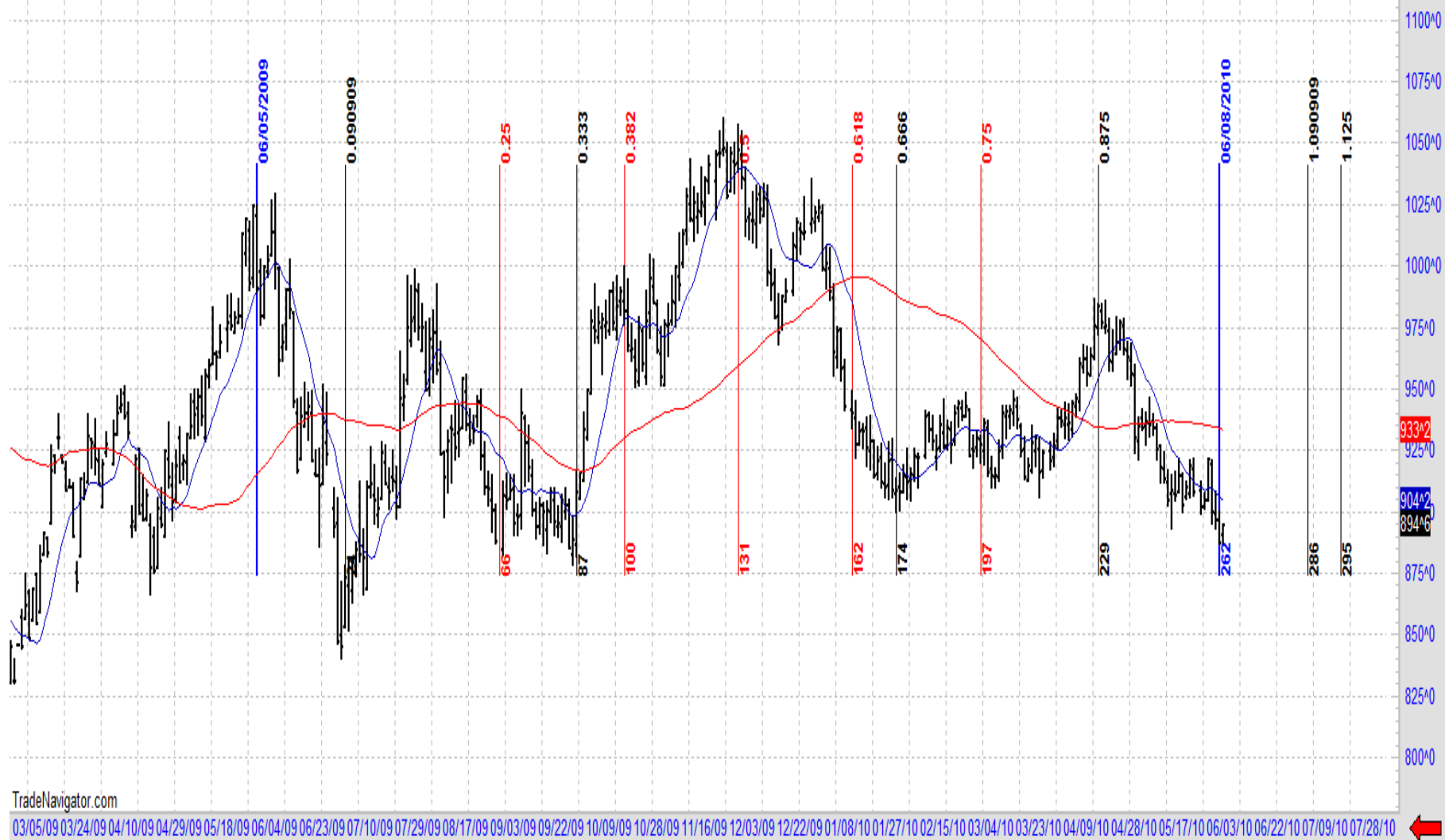
Good Luck,
Ken



S2-201011: Soybeans CBT (Comb) Nov 2010 (Daily bars)

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MovingAvg (C,72) MovingAvg (C,10.5) 6/9/10 08:14 = 894*6 (+7*6)



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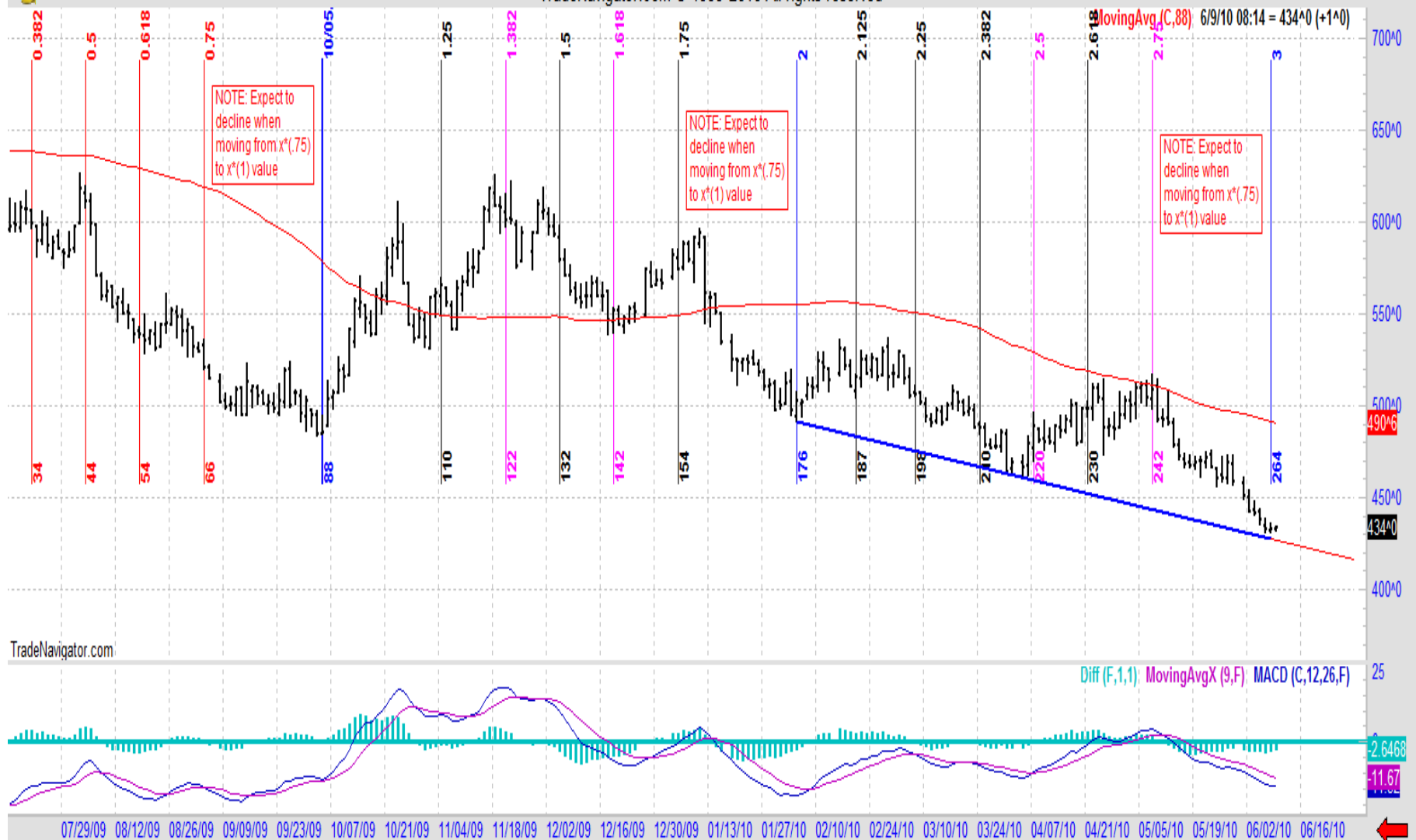
03/05/09 03/24/09 04/10/09 04/29/09 05/18/09 06/04/09 06/23/09 07/10/09 07/29/09 08/17/09 09/03/09 09/22/09 10/09/09 10/28/09 11/16/09 12/03/09 12/22/09 01/08/10 01/27/10 02/15/10 03/04/10 03/23/10 04/09/10 04/28/10 05/17/10 06/03/10 06/22/10 07/09/10 07/28/10





W2-201007: Wheat CBT (Comb) Jul 2010 (Daily bars)

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SM2-056: Soybean Meal (Comb) Cont Exp (Weekly bars)

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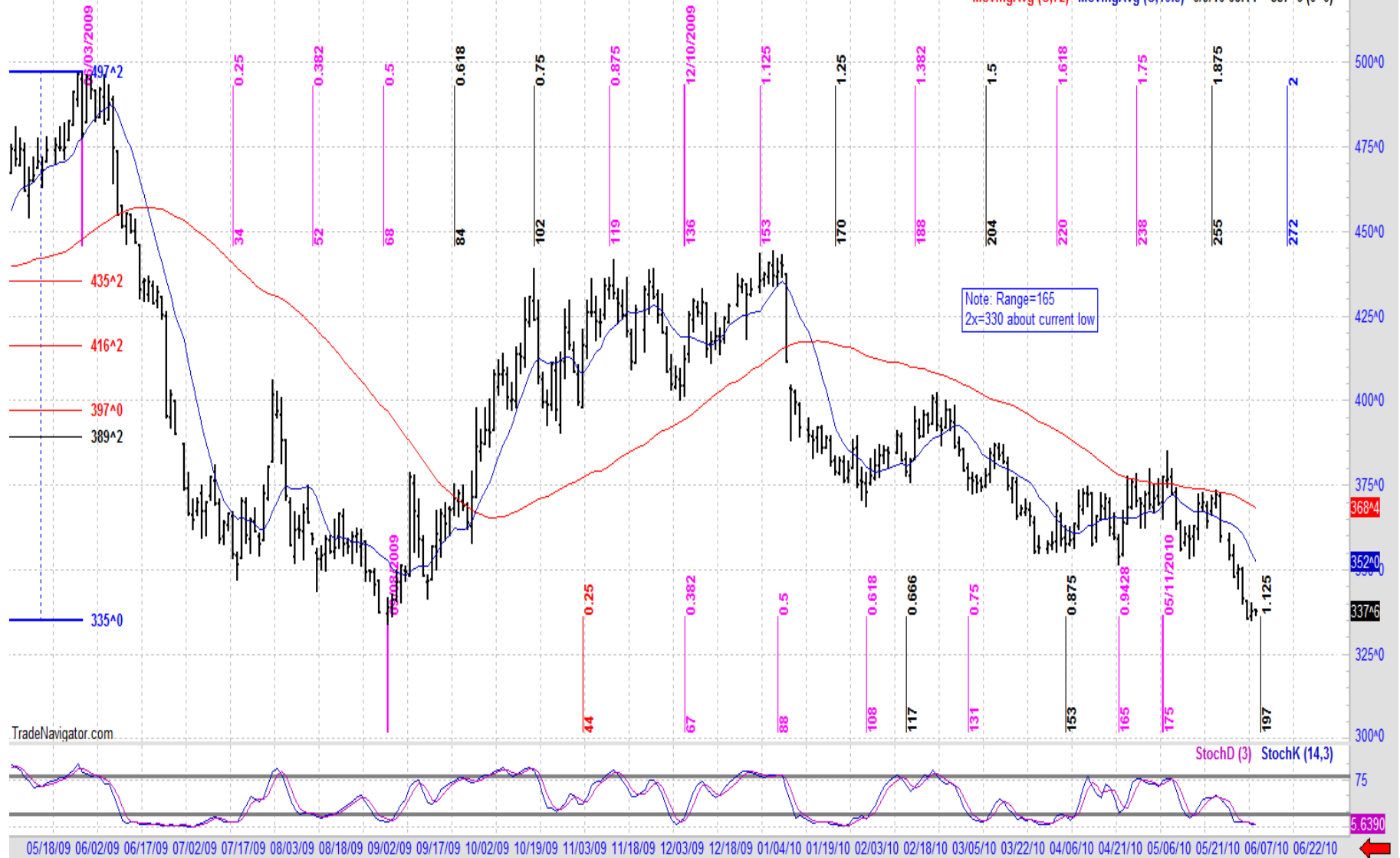




C2-201007: Corn CBT (Comb) Jul 2010 (Daily bars)

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MovingAvg (C,72) MovingAvg (C,10.5) 6/9/10 08:14 = 337*6 (0*0)



TIME TO IMPLEMENT BUYING TRIGGERS IF YOU ARE SO INCLINED