

Re-Ownership Clock:

Is it time to re-own inventory sold? Our seasonal indexes will suggest it is time if you want to take advantage of Allendale's five year corn index heading into mid June and a month later for soybeans. As these indexes peak we have to marvel and take profit on re-ownership as the market peaks. At what level do you enter and take profit, you are the final decision maker and know the answer long before anyone else does.

Fundamental considerations include the free fall of crude oil and the stock market for many reasons and conversely the rise of the US dollar and gold. The perception is these "outside" market actions are not friendly for the US grain markets, reality says otherwise.

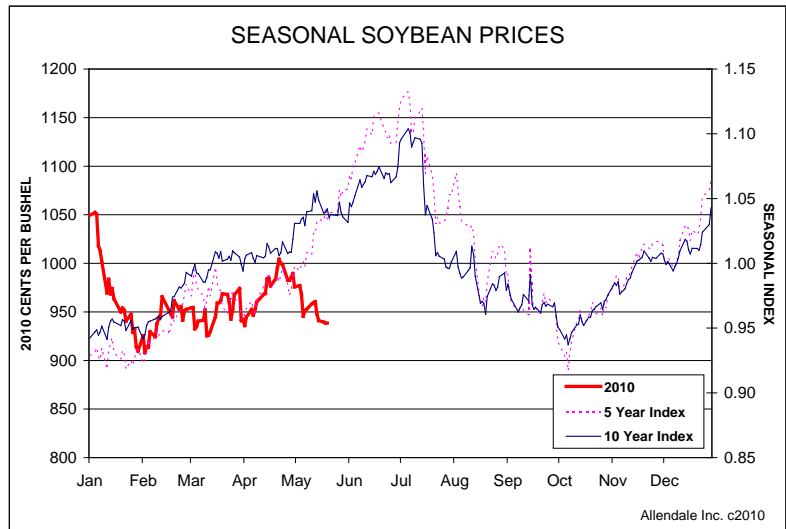
The "800 pound gorilla is in the room" is commonly heard on the CBOT trade floor with regards to China buying US corn. The bottom-line is China is buying US corn/DDGS whether to quell its escalating prices or delays in planting of its corn crop in the northeast and feed livestock herds/flocks in the drought south central region.

Weather is a key driver for US grain prices and provided the quick start we have enjoyed for corn, talk has centered on reproducing a corn crop which is likely to be safe from temperature extremes and building of projected corn stocks. However not safe from the transition to El Nino to La Nina may be the soybeans as private weather services forecast a dry late July into August, when the soybeans need the precipitation the most.

Allendale Inc recommends the use of box option strategies (buying a call option, and selling a put and selling a call) for re-ownership but once again you as the final decision maker you know what may be best suited for your particular business operation. Please do make certain you remain aware of the pending seasonals.

We welcome your questions.....Joe Victor

Allendale Inc welcomes any questions you may have by calling 800-551-4626 or e-mail research@allendale-inc.com



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