

One Year in Particular:

Allendale Inc asked several multi-state agronomists what is most important to an annual corn crop and received the same response, “they are all important, but you can not have the others without the most important and that is planting pace”. Allendale Inc went back to 1987 and tried to find as many years possible which had similar planting pace, good to excellent condition and percent of silk and found one year which matches pretty close to 2010.

The year we found was 2004 with a 3% better planting pace than the 81% which 2010 held on May 9th. Present good to excellent crop conditions as of July 4th 2010 are 71% vs the 73% in 2004. The percent silk as of July 4th 2010 was 19% identical to 2004. We looked at a host of other years since 1987 but only 2004 came close to what is developing in 2010.

The present domestic stocks for corn are 1.573 billion and in 2004 end stocks for the June WASDE were 741 million bushels (in July revised upward by 250 million bushels). USDA had an excellent pace of planting, good to excellent condition ratings and percent of silk but did not raise its yield per acre of 145. Allendale Inc suggests USDA is unlikely to raise its yield per acre in the July WASDE report released the morning of July 9th.

The only similarities for weather in 2004 was a wetter and cooler than average summer, comparable to the summer of 2010.

In 2004 Dec futures were able to stage a rally of 8.8% during the summer with 2010 rallying 15.5% and then sold off into 2004 Dec futures expiration.

Just one idea you may want to consider is as follows: buy a 390 Dec put, sell a 340 put and sell a 450 call, for seven cents. The range of per acre return is \$627.12 if corn futures were to be \$3/bu and \$826.70 if corn futures were to reach \$4.50/bu. Allendale Inc has representatives which can explain our “Evaluator” for your particular business.

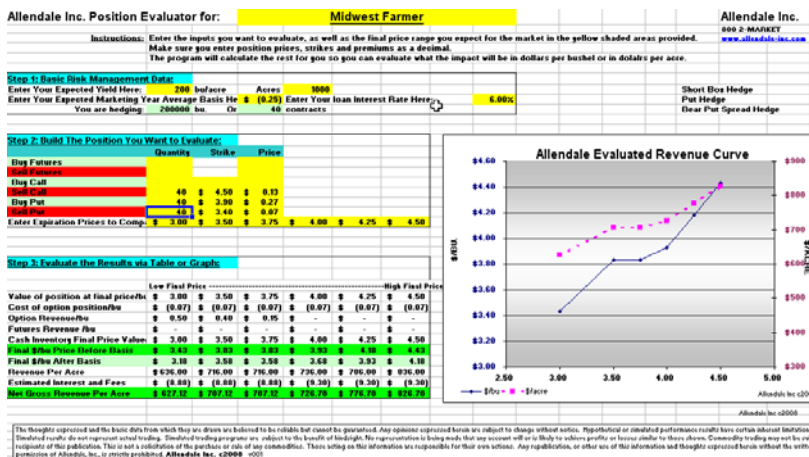
Questions you may want to ask are does planting pace, conditions and % silking matter to you and or the market? What, if any, marketing plan have you implemented? Do you have complete control of your risk?

Give these questions and more you may have before USDA releases its July WASDE.

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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