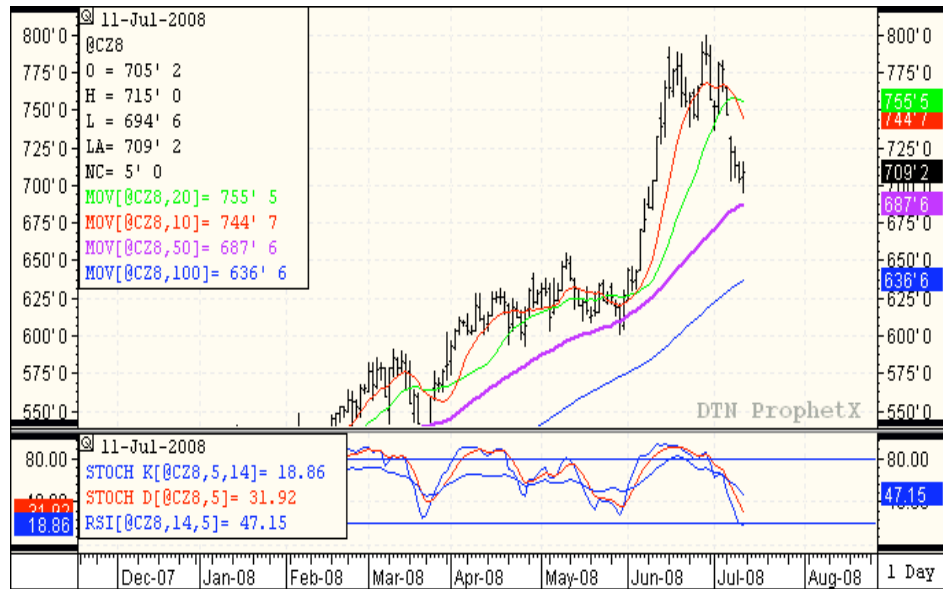


July 11, 2008

Weekly Review- Corn finished the week off higher after having a rough start to the week. Corn actually traded lower 5 days in a row, which has not happened since March. For the week, Dec. corn was 67 ¾ cents lower. Beans found support early in the week and rebounded nicely. Even with the strong second-half of the week beans finished the week 35 cents lower.

Corn- Corn struggling this week with ideas of yields climbing over 150 bu./acre and some amount of demand rationing at the levels we had to end last week. Trade also debating what type of actions will be taken by the CFTC and when the USDA will release CRP acres. My belief is that we are just seeing some weather premium taken out of the market. The weather over the next two weeks looks great for growing



corn. This should limit any upside and traders will be looking to sell rallies as long as the weather remains favorable. I look for the market to trade in a 50-cent trading range with the 50-day moving average providing great support. The 50-day moving average (purple line) has been a constant level of support since December corn went through \$4. (See Chart) This setback has also been a 50% retracement of the June upswing.

Soybeans- Beans rebounding nicely with traders seeing this break as a nice buying opportunity. The \$1.40 downfall is seen as just a correction as our major up-trending line is still intact. Downside on beans should be limited by our tight fundamentals and upside could be real aggressive if weather becomes adverse later in the growing season. If we get into a weather event that threatens the crop, a 1-bushel decline in yield will give trade the task of rationing demand. The old-crop highs did not seem to ration any demand. The Argentina strike is on once again so export business should pick up in the U.S. again, which will further tighten supply.

Recommendation- With time running out on the weather market for corn I like the idea of selling September calls to enhance sells on any rally that we have. The volatility in the market has given these short-dated calls some good premium to sell. There is risk with this so please consult Dan, Keith or I to see if this strategy will fit into your marketing plan. With the uncertainty in the bean market, I would like to look at some upside on beans. This break has given us an opportunity to get an option strategy on.

Have a great weekend!!