

Sauk County Marketing Club  
Minutes of the August 9, 2005 meeting

Meeting was called to order at 11:15.

Attendance: Phil Gruendemann, Ron Schultz, Mel Zech, Duane Lins, Harley Wiese, Paul Dietmann, Kevin Knuth, Galen Alwin, Mike Pfanku.

Went over our marketing plan. Corn – Dec was down 4 cents this morning. Ron Schultz said that we may have already seen the highs of the summer for Dec futures. Last Friday's trade took out all of the technical supports so it is likely that the price is headed down. Funds have been net long in the market so they need to sell off at some point. This Friday's report is crucial. Average estimate for this year's crop is 10.3 billion bushels, which would take an average crop of 140 bushels/acre. A lot of old crop corn is moving in the country right now and the ethanol plants in Monroe and Friesland are full early every morning. Basis is very weak. Ron passed out current December put prices. Talked about buying a \$2.30 put for 11-1/2 cents and selling a \$2.10 put for 3-1/2 cents, which would give us a potential profit of 12 cents or so if Dec futures drop below \$2.10. No action taken.

Soybeans - Most forecasts are for a 38-39 bushel average and total US production of 2.8 billion bushels. Yield in 2004 was 42 bushels/acre; in 2003 it was 32. November closed at \$6.70 Monday and was down 17 cents this morning. Low price of the year for beans on average is usually the first week in October. Could buy a \$6.60 put today for 37 cents and sell a \$6.00 put for 11 cents. Discussed taking this position if we could buy it for a net 20 cents or so.

Club trade: Bear put spread in November soybeans - Motion by Paul, seconded by Phil to buy a \$6.60 November put and sell a \$6.00 put if we can get in for a net cost of 23 cents or less. Motion carried. Motion by Kevin, seconded by Duane to exit position with a sell stop order when it hits 25 cents over the cost of position, or a net of 48 cents (would take a market drop of 48 cents). Motion carried. Committee watching the position consists of Kevin, Galen, Mel and Paul.

Summer field tour – Possibly the ethanol plant at Friesland, Jung's Seeds at Randolph, and Didion at Cambria. Possible dates September 6, 8 or 9.

Next meeting date will be the day of the tour.

Respectfully submitted,

Paul Dietmann, Secretary