

Sauk County Marketing Club
Minutes of the July 7, 2005 Meeting

Meeting was called to order at 11:15.

Attendance: Kevin Knuth, Vern Meinholz, Ed Green, Harley Wiese, Doug Marshall,
Robin Craker

Discussed Arlan Suderman article in the June 2005 Wisconsin Agriculturist regarding the growing influence of hedge fund dollars being invested in the commodity markets.

Talked about the Club's CBOT bull call spread position in November soybeans. Position was up to a net profit of \$.47 or so on June 24, the week before we exited. Market dropped the following Monday, June 27, and the trade committee made the decision to get out. Market continued falling through the week. Consensus was that getting out was the right move. Club netted 25 cents, in essence adding 25 cents to the price of 5,000 bushels of our beans.

Vern talked about his personal position in November beans. He bought a \$6.20 put for 15 cents. He's rolled the position up to \$6.80 for an additional 18 cents premium. His broker suggests rolling up if the strike price can be raised 20 cents for a 6-cent premium. He also suggest rolling down a position if 12 cents of premium can be taken out of the market by reducing the strike price 20 cents.

Reviewed the Club's marketing plans. The feeling at the June meeting was that the market was heading lower, which is reflected in the positions taken at that meeting. With the current volatility in the market due to weather concerns and the London bombing this morning, the group decided not to make any moves at this time.

Next meeting date and location: Tuesday, August 9, 11 am at Loganville.

Meeting was adjourned.

Respectfully submitted,

Paul Dietmann, Secretary