

Sauk County Marketing Club
Minutes of the March 14, 2006 meeting

Meeting called to order at 11:15 a.m.

Attendance: Kevin Knuth, Randy Liegl, Tom Broughton, Steve Rinkowski, Doug Marshall, Larry Wilkinson, Harley Wiese, Duane Lins, Ric Accola, Ed Green, Warren Traeger, Phil Greuendemann, Ron Schultz, Paul Dietmann, Mel Zech

Ron reviewed the closeout of our bull-call spread position in May corn. We exited the position with a net 10 cents profit. Market dropped soon after, so the timing on the closeout was good.

Ron also reviewed the most recent crop report, which was bearish for old crop corn and soybeans. Planting intentions report will come out later this month; Sparks is predicting a drop in corn acres and rise in soybean acres. December corn futures may be holding some acres in corn or roll more acres into corn. Need 11 billion bushels of corn to meet demand. China may become a net importer of corn, which would help market. Current basis is terrible. Lot of people are sitting on last year's crop and racking up storage costs. May want to sell cash corn and take a bull call spread if expectation is for market to rise.

Discussion about ethanol and the state ethanol bill that was recently defeated in the state senate. Motion by Harley, seconded by Randy to send a letter to Dale Schultz commending him for supporting the ethanol bill and encouraging him to continue fighting for passage in the future.

Talked about 2006 soybean marketing plan. Possibility of buying a \$6.00 put and selling a \$7.00 call for a net cost of 20 cents/bu. Would protect \$6 on downside and opportunity of \$1 on the upside. Established one fence at \$6 and \$7 on 5,000 bushels and another at \$6.20 and \$7.20 on 5,000 bushels.

Revisited corn marketing plan. Established a fence on 10,000 bushels by buying a \$2.60 put and selling a \$3.00 call at a net cost of .12-3/4 cents.

Starting working on a milk marketing plan. Looked at Jim Faust's Hedging Opportunity Chart. Took positions in April, June and August.

Motion by Randy, seconded by Kevin to adjourn. Next meeting will be held on Tuesday, April 11, 2006.

Respectfully submitted,

Paul Dietmann, Secretary