

**Sauk County Marketing Club  
Minutes of the May 9, 2006 Meeting**

Meeting was called to order at 11:15 by Treasurer Knuth.

Attendance: Kevin Knuth, Harley Wiese, Doug Marshall, Ric Accola, Phil Greuendemann, Ron Schultz, Paul Dietmann

Ron discussed planting progress and market direction. Corn planting progress is better than long-term average. Corn market has been trending lower and soybeans are sideways. Other commodities such as precious metals have been very strong. Dec 06 closed yesterday in the low \$2.60's, Dec 07 was in the low \$2.90's, Dec 08 \$3.05. Prospective demand for ethanol and possibly export to China is driving the long-term market. Short-term market is being held back by huge supply carried forward from 2005. Quite a discussion about ethanol, new plants being proposed, and whether Sauk County could sustain a plant.

**Milk Marketing Plan.** Milk price headed lower then leveled off. The April put we purchased on March 14 for .33 expired worthless as the announced price was \$10.93. June position established on March 14: Purchased an \$11 put for .33; it is now worth .29. Sold a \$12 call for .13; it is now worth .0. June futures are at \$10.82 today, which is the same price as April 11. August position established on March 14: Bought a \$12 put for .53; it is now worth .76. Sold an \$11 put for .18; it is now worth .24. Sold a \$13 call for .26; it is now worth .05. August futures are at \$11.38 today. If we closed the August position today, we would net \$.38 profit. Consensus was to just sit on this position and let the market rot. Paper position for September: bull call spread buying a \$12 call for 40 cents and sell a \$13 call for 13 cents; net cost 27 cents. September futures today are \$11.76.

**Corn Marketing Plan:** Our REAL position is a \$2.50 Dec put bought for 13-1/2 cents. We are approximately \$175 to the upside at this point and will do nothing with it. Consensus was to do nothing with the position that we had slated to enter on May 9.

**Soybean Marketing Plan:** The \$6/\$7 fence we put in on March 11 was up a net 11 cents and the \$6.20/7.20 fence was down 5 cents. The February 14 forward contract looks very good.

Meeting adjourned until June 13.

Respectfully submitted,

Paul Dietmann, Secretary

