

Sauk County Marketing Club
Thursday, May 12, 2005

Meeting was called to order at 7:50 by President Mel Zech.

Attendance: Randy Liegl, Phil Gruendemann, Duane Lins, Kevin Knuth, Paul Dietmann, Galen Alwin, Vern Meinholz, Mel Zech

Discussed the USDA grain inventory report that was released this morning. Call was for corn to open lower at the CBOT and soybeans to open higher as corn stocks were projected to be higher and beans to be lower than previous estimates. Both closed significantly lower for the trading day.

Discussed the Club's 2005 marketing plan. What should we do about corn? The mood was bearish on corn. We've only made one sale under our plan and, given current market conditions, it's unlikely we'll be able to hit any more of our price targets. Talked about possibly amending the marketing plan by lowering our minimum acceptable price. Knuth/Liegl motion to amend the marketing plan and sell 20,000 bushels at \$2.20 December futures on May 13. Motion carried.

Talked about placing a bull call spread in November soybeans. Members were bullish on soybeans, believing that an outbreak of asian rust in the Midwest could trigger a significant positive price movement. Also, the threat of rust would cause more acres to be switched from soybeans to corn. Motion made by Randy Liegl, seconded by Kevin Knuth to buy a \$6.40 call and sell a \$7.40 call at the market on May 13 for a net premium of approximately 23 cents. Motion carried.

Talked about closing out the bull call spread position. Motion was made by Kevin Knuth, seconded by Phil Gruendemann to close out the position at a net profit of 50 cents. Motion carried. Need to keep an eye on this position. Asked the committee of Randy Liegl, Duane Lins and Doug Marshall to notify the Club when we get to 40 cents.

Talked about meeting locations. Could move between Honey Creek and Loganville. Decided to hold next meeting at the Honey Creek Town Hall on Thursday, June 9, 7:30 pm.

Meeting adjourned on a Liegl/Zech motion.

Respectfully submitted,

Paul Dietmann, Secretary