

**Sauk County Marketing Club  
Minutes of the June 9, 2005 meeting**

Robin told his Canada fish story then the meeting was called to order at 7:50 by President Zech.

Attendance: Ron Schultz, Dave Julius, Kevin Knuth, Robin Craker, Doug Marshall, Mel Zech, Paul Dietmann.

Discussed Club's current market position at CBOT. We are long one November \$6.40 call and short one November \$7.40 call; a bull call spread. November soybean futures have increased more than 75 cents since we took this position.

Discussed Club's marketing plan. Corn: Possibly buy a \$2.20 put at 10-1/2 cents premium and sell a 2.80 call for 7-1/2 cents for a net cost of 3 cents. Best scenario in this position is if market goes lower. Risk of margin calls on the 2.80 call if the market goes up. Motion by Robin, seconded by Kevin to take this position on 10,000 bushels for our simulated farm marketing plan. Motion carried.

Soybean marketing plan: Talked about the possibility of "rolling up" our put option position from a \$6.00 to a \$6.80 strike price. We would lose 18 cents on the previous position to get out of it. Could buy a November \$6.80 put for 48 cents, sell an \$8.20 call for 18 cents, which would cost us a net premium of 30 cents. Motion by Robin, seconded by Paul to sell our \$6 put for 14 cents, buy one \$6.80 put for 48 cents, and sell one \$8.20 call for 18 cents for our simulated farm marketing plan. Motion carried.

Current market conditions- Report comes out tomorrow. Prediction is that it will show an increase in corn carryout. Big report is June 30; planted acres report. Could see a major shift in acres. Soybean market continues its volatility but is moving higher. Other commodities have also seen more price movement due to fund investments in commodity markets. For example, heating oil prices have been moving recently, which is very unusual this time of year.

Meeting was adjourned at 9 pm. Next meeting will be held on July 7, 11 am at the Loganville Village Hall.

Respectfully submitted,

Paul Dietmann, Secretary