

**Sauk County Marketing Club
Minutes of the July 11, 2006**

Meeting called to order by President Mel Zech.

Attendance: Kevin Knuth, Harley Wiese, Doug Marshall, Robin Craker, Ric Accola, Phil Greuendemann, Ron Schultz, Mel Zech, Paul Dietmann.

Ron reviewed current market conditions. July 10, 63% of corn rated good to excellent. A week previous it was rated at 68% good to excellent. Feeling is that crop conditions will deteriorate rapidly with temperatures reaching 100+ in some parts of the corn belt. 23% of the crop is silked compared to 20% historically. Illinois corn crop is much better than the same period last year. Beans dropped 6% in the good to excellent category last week. Supply and demand report is released tomorrow. Market wants to see at least 1 billion bushel corn carryout. If it drops below 1 billion, the market will very likely rally.

Market plans

Corn: Real position, \$2.50 put, is down 5 cents from where we bought it. Should we roll it up? Perhaps a better strategy is a bull-call spread. Discussed a September bull-call spread \$2.80 for 8 cents and \$3.10 for 4 cents. Net cost of 4 cents with an upside potential of 30 cents if market rallies. Motion by Robin, seconded by Ric to take a real bull-call spread position with a 30-cent spread at a net cost of 6 cents or less, and to exit the position at a net profit of 14-1/2 cents.

Soybeans: Market has been sideways. No action taken on plan.

Milk: No action taken.

Summer field trip: Plan is to tour the Port of Milwaukee and try to also catch a Brewer's game if possible. Aim for the third week or fourth week in August.

Meeting adjourned until August 8, 2006.

Respectfully submitted,

Paul Dietmann, Secretary