

Sauk County Marketing Club
Minutes of the October 10, 2006 Meeting

Meeting was called to order at 11:35.

Attendance: Kevin Knuth, Doug Marshall, Harley Wiese, Phil Greuendemann, Paul Dietmann

Discussed current market conditions. Dec corn was up more than 18 cents yesterday at the CBOT and down 11 cents this morning. Wheat was up the limit yesterday. Cash corn price yesterday in Rock Springs and Hillsboro was \$2.37 (and \$2.47 in Cottage Grove), which gives us a local basis of 52-1/2 cents. With market poised to continue going up, does it make sense to store? Storage costs: 4-1/4 cents per point drying cost; a minimum of 10 cents per bushel storage until December 31, then 3 cents per bushel per month; shrink of 1.4% for each % over 14%; 15 cents/bushel carryover charge for previous year's grain carried past September 1; 10 cents per bushel load-out charge.

Corn marketing plan: Need to go back and close out our option positions as of September 15. Our real position is still open. At the November meeting we will consider storage options.

2007 Corn Marketing Plan: Motion by Kevin, seconded by Doug, to forward contract 5,000 bushels of corn for delivery in fall of 2007, and hedge 5,000 bushels by selling a Dec 07 corn contract at \$3.10. Motion carried.

Soybean marketing plan: No action taken for quite a while. With wheat and corn climbing, it seems that soybeans will have to rise at some point to compete for acres for next year's crop. Cash soybeans \$5.08 with Nov at \$5.74-1/2 at the CBOT, giving us a 66-1/2 cent local basis. Watch the soybean market over the next month and consider taking a bullish position at the Club's November meeting for Nov '07.

Milk marketing plan: The September bull call spread expired essentially worthless. October futures are \$12.26 today, which makes our \$12.60 forward contract look good. Motion by Kevin, seconded by Paul to forward contract 50,000 lbs for July '07 delivery at \$13.23 (10 cents under current CME price). Motion carried.

Field trip: Port of Milwaukee pushed our tour back to December because they are too busy through harvest. Suggestion by Kevin to wait until they re-open in the spring. Paul will contact the Port and see what works best.

Meeting adjourned until November 14, 2006.

Respectfully submitted,

Paul Dietmann, Secretary