

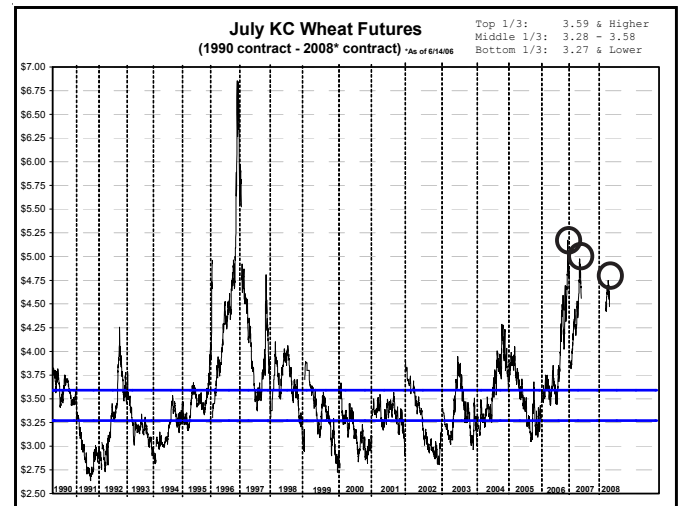
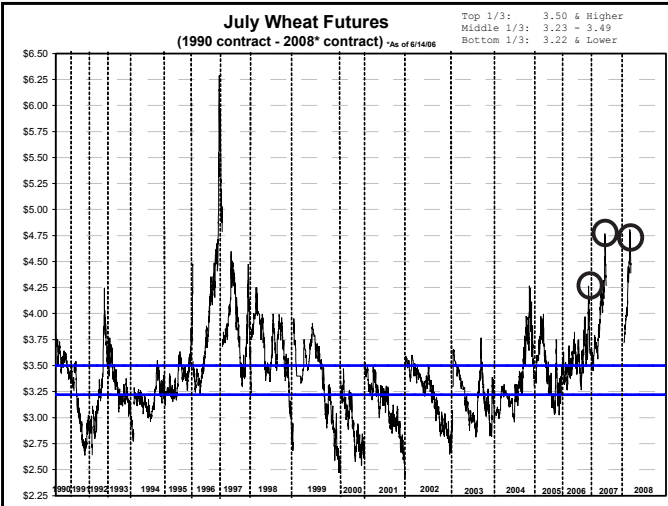
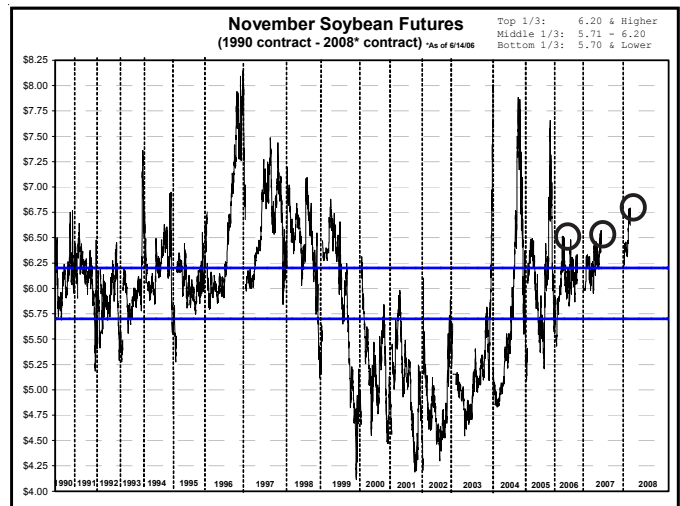
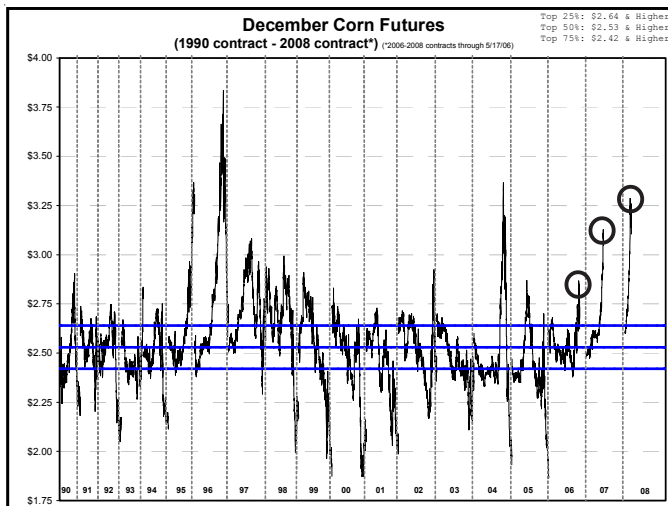
Farmer's Corner



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OPPORTUNITY IS KNOCKING . . .



WILL YOU OPEN THE DOOR?

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A REAL TRIPLE-TREAT

The Top-Third charts on the previous page show a very rare set of circumstances that the market presented to crop producers this year. Top-Third charts display the price history of the new crop futures contract from the time of its inception until it ceases trading. The two horizontal lines divide the range of prices for the entire 19 year period into thirds, the lower third, middle third and the upper third. Successful marketers make it a priority to sell their production in the upper third of this multi-year price range, while statistics reveal the sad fact that two-thirds of crop marketers will market in the lower third of the market.

Notice the recent activity in the three years that are currently trading, 2006, 2007 and 2008. The unique circumstances demonstrated by these current charts are truly phenomenal and very rare in history. The prices for three crops, corn, soybeans and wheat have traded in the top third of the market for three different crop years' production, 2006, 2007 and 2008, all at the same time. This is incredible! It is not uncommon to see current year new crop futures contracts for corn, soybeans and wheat achieve top-third status simultaneously, but to experience even better selling opportunities for the next two years' production is a real triple-treat and an opportunity that must be seized by all discerning crop marketers.

MISSION ACCOMPLISHED

We have long promoted selling crop production ahead of harvest when prices generally are best. We try to promote tools, concepts and practices that help the producer sell better and bring more dollars into rural communities. Some producers have embraced these concepts more than others, as the dire statistics stated above confirm, two-thirds of the producers have typically sold in the bottom-third of the market. Looking ahead, this statistic may be changing, as an increasing number of producers have recognized the recent opportunities and have sold many bushels of their expected production for 2006, 2007, and 2008 delivery. In fact, most country elevators have more bushels contracted for later delivery than ever before. More farmers are recognizing good prices when they occur and are taking action. If you are a part of this growing group of astute crop marketers who seized these recent opportunities, congratulations! Your planning, perseverance and discipline met with opportunity and you are the winner.

HOW GOOD ARE THESE PRICES?

We hear some producers say that these prices are not good enough, given the increasing costs of production and the prospects of our commodities being used for fuel and other new uses. True, production costs have increased and the demand for your commodities is very good, but can you afford to pass up such good prices, some of which rank in the upper 3% of the price range for the last 19 years? The following table gives perspective to a recent snapshot of prices compared to their multi-year range.

How Good are Today's Prices? <i>*As of close on June 14, 2006</i>		
Futures	Price	Percentage of time that futures have traded at this price since 1990
Dec 06 Corn	\$ 2.62	29.0%
Dec 07 Corn	\$ 2.94	4.4%
Dec 08 Corn	\$ 3.11	2.3%
Nov 06 Soybeans	\$ 6.18	35.0%
Nov 07 Soybeans	\$ 6.45	17.6%
Nov 08 Soybeans	\$ 6.62	12.6%
CBT Jul 06 Wheat	\$ 3.61	24.0%
CBT Jul 07 Wheat	\$ 4.27	3.4%
CBT Jul 08 Wheat	\$ 4.39	2.4%
KC Jul 06 Wheat	\$ 4.61	3.9%
KC Jul 07 Wheat	\$ 4.56	4.3%
KC Jul 08 Wheat	\$ 4.47	5.6%

When you look at today's prices in this context, it becomes clear that current opportunities cannot be ignored. Will prices go higher? Are prices moving to a new plateau? Since none of us has access to the answers to those questions, we are left with making decisions based on history and on facts. When we look at history we see that prices have seldom reached these levels and they have remained high for only short periods of time. Why should we expect this pattern of alternating high and low prices to be any different in the future than it has been in the past? Steadily increasing consumption is supplied by steadily increasing production with the laws of supply and demand keeping prices in check, except for occasional brief bursts of high prices. If you let such good pricing opportunities pass, your chances of selling in the upper third of the market diminish greatly.

WHAT DO THESE PRICES MEAN TO YOU?

At the end of the day, what matters most is how current pricing opportunities affect your farming operation. If you contract when prices are high, how much will you raise your average selling price and how many extra dollars will come into your operation? Finding answers to these questions is a meaningful exercise. The table below shows how recent pricing opportunities impact returns to the producer, using national average historic selling prices and yields as reported by farmers across the nation. We suggest that you compute what current prices mean to your operation by filling in your own numbers in the appropriate blanks, using your own historic average prices and yields.

Average Yearly Prices vs. Recent Opportunity Prices			
Average Corn vs. Forward Contract Corn	2006	2007	2008
Average Corn Price per bushel*	\$ 2.13	\$ 2.13	\$ 2.13
Average Corn Yield per acre*	143.6	143.6	143.6
Recent Opportunity Price	\$ 2.47	\$ 2.76	\$ 2.90
Extra dollars available for 500 acre farm	\$ 24,412.00	\$ 45,234.00	\$ 55,286.00
Average Wheat vs. Forward Contract Wheat	2006	2007	2008
Average Wheat Price per bushel*	\$ 3.20	\$ 3.20	\$ 3.20
Average Wheat Yield per acre*	42.78	42.78	42.78
Recent Opportunity Price	\$ 4.50	\$ 4.44	\$ 4.25
Extra dollars available for 500 acre farm	\$ 27,807.00	\$ 26,523.60	\$ 22,459.50
Average Beans vs. Forward Contract Beans	2006	2007	2008
Average Bean Price per bushel*	\$ 5.70	\$ 5.70	\$ 5.70
Average Bean Yield per acre*	39.4	39.4	39.4
Recent Opportunity Price	\$ 5.90	\$ 6.20	\$ 6.35
Extra dollars available for 500 acre farm	\$ 3,940.00	\$ 9,850.00	\$ 12,805.00

WHAT ABOUT ETHANOL?

Even though some prices have been in the upper 10% of their long-term trading range and calculations show above average returns, some producers still feel to pass on taking advantage of recent selling opportunities because they think that the prospect of our feed-grains being used for ethanol production will surely take prices to a new plateau and they don't want to miss out. No question, new uses for our feed grains are positive for the agricultural industry. But to assume that prices in the upper 10% of the market are not good selling opportunities is to make a bold assumption. Selling a good average price is the goal of the successful farm marketer. It would seem that locking in prices such as those shown above on at least part of one's production would make a very positive contribution toward raising your personal average selling price. Could it be that the euphoria created by the fast growing ethanol industry has already found its way to the market and is giving you a gift today? Don't let it get away.

Opportunity is missed by most people because it comes dressed in overalls and looks like work.

—Thomas Edison



The word opportunity has a good connotation to everyone and is something to be desired.

We live in a land of freedom where multitudes of opportunities abound and have become commonplace. Commonplace things tend to be taken for granted and may become rather dull, even though they may be prized possessions. Such things as freedom, health, family and faith are like that. If we expect to enjoy and to perpetuate such opportunities, experience teaches that we must give them adequate attention.

The American farmer is blessed with a wonderful free enterprise system to which he can market his crop production. With very rare exceptions, there is always a market for your commodities. There are always buyers and sellers, at some price. The challenge to producers becomes one of knowing when to accept the price that is offered. If the price of corn begins with a “2”, which it does most of the time, many are waiting until the price begins with a “3”, which happens only occasionally. Meanwhile, the difference between selling at \$2.13 and \$2.56 on a consistent basis represents a significant difference in opportunity.

We want to challenge you to give adequate attention to your crop marketing opportunities. Our staff is waiting to help you and to share our crop marketing resources with you. Opportunities abound!