

Interstate Mills Strategy Update

ISM Grain Merchandising - (800) 290-2449 Country Hedging - (800) 433-4385

March 9, 2010 Volume 14 Number 10

CORN

2009 Crop-Futures: You are hedged 70% at \$4.82 versus July futures. **Consider setting basis at -42 the July for June delivery.** Hedge 15% at \$4.15 versus July futures. **July closed 3/8 at \$3.86.**

2009 Crop-Options: **Consider buying a \$3.70 May put and selling a \$4.00 May call for a net cost of about 7 cents. Call office for details.**

2010 Crop-Futures: You are hedged 40% at \$5.03 versus December futures. Hedge 10% at \$4.45 versus December futures. **December closed 3/8 at \$4.03.**

2011 Crop-Futures: You have hedged 10% at \$4.55 versus the December. Consider hedging 5% at \$4.51 versus December futures. **December closed 3/8 at \$4.17.**

2012 Crop-Futures: You are hedged 10% at \$4.58 versus December futures. Consider hedging 5% at \$4.85 versus December. **December closed 3/8 at \$4.15 1/2.**

Market movers: The USDA Supply/Demand report will be released at 7:30 AM on March 10th, 2010. Texas corn plantings are estimated at 6% complete versus 19% last year. A private estimate has the Brazil corn crop at 53.0 mt versus 51.0 mt last year. The Argentine corn harvest is estimated at 3% complete. Ethanol margins have declined while blender margins have improved. **Trend is sideways/lower.**

Export sales last week **30.0** mb versus **15.8** mb previous week.

Export inspections **34.1** mb versus **38.9** mb last week

Funds were estimated long **38,800** futures contracts versus long **16,100** last week.

BEANS

2009 Crop-Futures: You are priced on 60% at \$10.39. You are hedged 15% at \$9.79 versus May futures. Consider hedging 15% at \$9.87 versus May futures. **Closed 3/8 at \$9.48.**

2009 Crop-Options: **Consider buying a \$9.40 May put and selling a \$10.00 May call for a cost of about 20 cents. Call office for details.**

2010 Crop-Futures: You are hedged 40% at \$11.58 versus November. Hedge 5% at \$9.61 versus November futures. **Closed 3/8 at \$9.31.**

2011 Crop-Futures: You are hedged 10% at \$10.13 versus November futures. Hedge 5% at \$10.00 versus November futures. **Closed 3/8 at \$9.49 1/2.**

2012 Crop-Futures: You are hedged 5% at \$10.50 versus November. Consider hedging 5% at \$10.00 versus November. **Closed 3/8 at \$9.41 3/4.**

Market movers: The Buenos Aires Cereals exchange estimate Argentine soybean production at 52 mmt. Conab now estimates 2009/10 production at 67.6 mmt, up 18.4% from last year. Brazilian Census Bureau now estimate production at 66.9 mmt. Safras estimates Brazilian soybean harvest is 33% complete versus 20% on average. Chinese soybean acres are expected to drop again this year. Last year China produced 14.5 mmt. The average trade guess on the Supply/Demand report for carryout is projected at 195 mb. **Trend is sideways/lower.**

Export sales last week **6.7** mb versus **8.8** mb previous week.

Export inspections **30.9** mb versus **40.1** mb last week.

Funds were estimated short **12,200** future contracts versus short **16,500** last week.

For more information call Tim Donelan 800-433-4385

Item in bold print are weekly changes.

The information contained in this letter is taken from sources which we believe to be reliable, but is not guaranteed by us as to accuracy or completeness and is sent to you for information purposes only. There is a risk of loss when trading commodity futures and options. Country Hedging Inc. bases its recommendations solely on the judgment of Country Hedging Inc. personnel.

