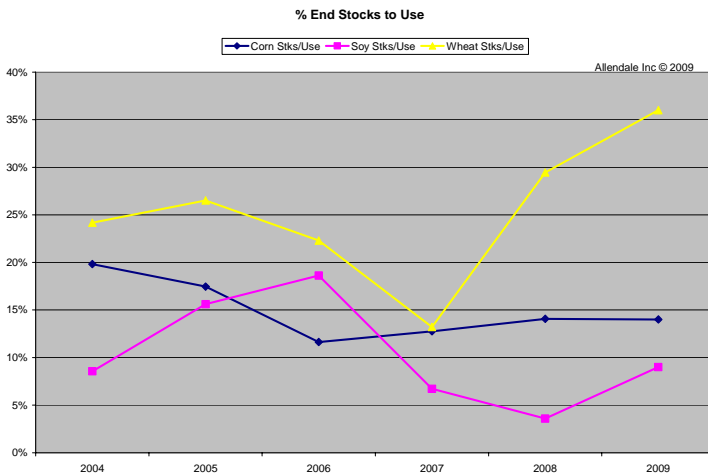


## Pre Report Thoughts....

[Allendale Inc](#) has released an eight and a half minute video, which we welcome you to preview in front of the forth coming USDA October 8 WASDE release as well as current events. The link to the video is found at the end of this update.

Allendale Inc clearly points out the preliminary estimates for corn and soybean yield as well as production and how these Oct estimates stack up against previous records as well as Allendale's estimate. The bottom-line is the trade as well as Allendale are anticipating higher yields and production for corn and soybeans. In Allendale's estimates we are looking for record corn and soybean crops, however as the video clearly points out despite a record corn crop, end stocks to use are projected to remain unchanged @ 14% vs year earlier levels. The same can not be



said for the soybeans as Allendale anticipates end stocks to use to increase to 9% vs year earlier levels of 4% and wheat, well it remains extremely heavily laden with a significantly higher end stocks to use.

Within Thursday's video Allendale explains and details South America corn and soybean production forecast as well as projected end stocks. Both Brazil and Argentina are looking towards record soybean crops and better than year earlier corn production. Despite record soybean production for South America one must realize the cash supplies are not expected to reach the international pipeline until late 1<sup>st</sup> to early 2<sup>nd</sup> quarter and will keep spot international demand focusing on the new supply from the USA.

There is light on the horizon for corn and meal demand as explained in the video as well our custom seasonal index which suggest the timing to lock in physical soy meal is now, not later. It is interesting to note how the Index funds (long only) are making it very clear how they are rebuilding longs in the corn and hold positions twice that of soybeans and wheat.

Were you aware of how the present Dec-Mar wheat spread is offering double the amount required to store wheat on farm? You will see how spreads have been developing for both corn and soybeans and may help in your decision making process as to what is most likely to provide a return on investment by using your storage bin.

Though the use of our custom software, we provide an example of a potential re-ownership strategy for soybeans as South America is planting its crops and before they could potentially be a reckon force in early 2010.

Allendale invites you to spend a few minutes to see and hear our thoughts as we enter the beginning stages of the 2009 harvest.

[Allendale's Pre October USDA WASDE You-Tube video](#)

(best witnesses in full screen mode)

We welcome your questions and comments.....Joe Victor

Allendale Inc welcomes any questions you may have by calling 800-551-4626 or

e-mail [research@allendale-inc.com](mailto:research@allendale-inc.com)

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