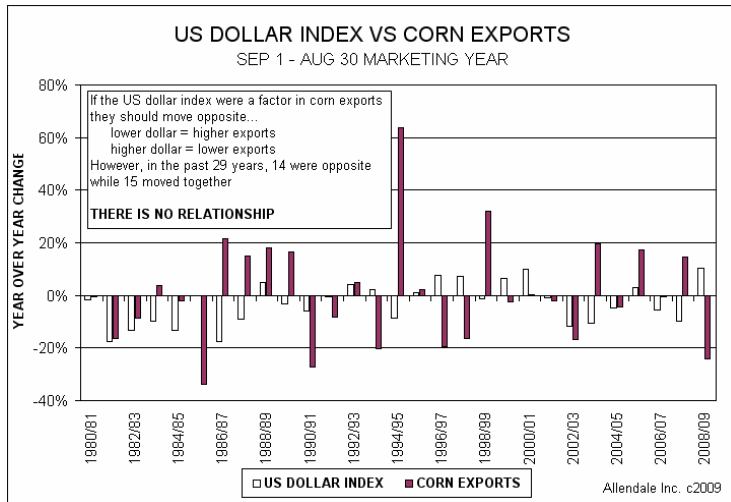


# The Dollar and Corn Exports....

The typical comment you may run across in the day to day grain futures trade activity reads, the lower dollar was bullish to futures, or visa versa. [Allendale Inc](#) has recently updated its research study regarding this particular statement which clearly shows there is not a correlation between the value of the US dollar and its impact on grain exports. We have not only researched the dollar's relationship to corn but also have results concerning soybeans, wheat, cattle and hogs. For this particular special report we focus solely on the corn. The long standing perception has



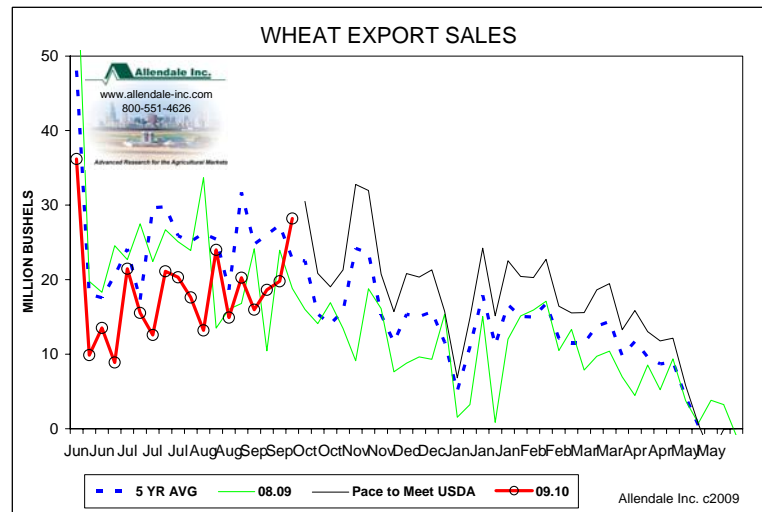
been, if the dollar is weak then corn importing countries will buy more than if the dollar was stronger and limiting their buying power. As you are able to view first hand, over the most recent 29 years, there have been 14 years when the dollar's action had a reverse effect of what the perception would have you believe. Most recently in the mid 2000's when the dollar was lower, corn exports were lower and when the dollar was higher, corn exports were higher.

This would not be the first time you would have to recognize perception vs reality and formulate it into your marketing/trading plan. If the flow of money wants to perceive a lower dollar will ultimately create strong demand for corn exports then there stands little reason to stand in front of the

100 car unit freight train. Of course just the opposite can hold true that with a rising dollar this same pool of money could perceive it will restrict corn exports and the buying enthusiasm could be limited and potentially turn the money flow into the seller's column.

Allendale Inc respects the trade's perception but in formulating our projected exports for corn, soybeans, wheat, hogs and cattle, do not accept it as holding merit. A very strong case in point is how the weak dollar has not helped the 2009-10 marketing year for wheat. Just last week the USDA did trim potential wheat exports by 5.3% to a new level of 900 million bushels vs its Sept forecast. It is clearly evident the weak dollar has not been a friend to the export sector. It's happened to wheat and we can't not assume just because the dollar is weak, the corn and soybean exports will ultimately reach USDA's projections.

As stated at the beginning we have performed research on the grains and meats and although still not a strong correlation, guess which commodity has the best correlation, among corn, soybeans, wheat, cattle and hogs? We invite you to e-mail [jvictor@allendale-inc.com](mailto:jvictor@allendale-inc.com) for the answer.



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)

## [Allendale's Annual Conference Information and Registration](#)

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