

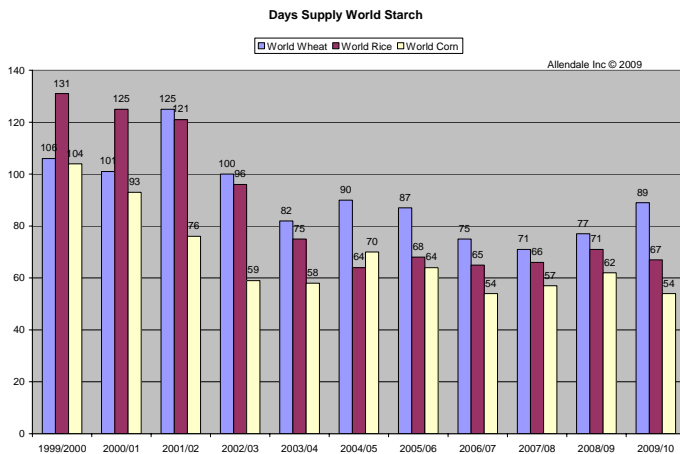
Corn Supply Remains Tight

When Allendale Inc analyzes the current days' supply of starches, proteins and veg-oils, we find that corn is clearly the winner with wheat and soybeans lagging behind. Please remember the number of days' supply is the cushion we have available after all demand is met.

We'll start with the corn. Domestically, the days' supply fell by 1 day with world supplies falling by 2 days. Also, the current 46 day supply is five fewer than a year ago but equal to the 2007/08 level and rests precariously above the record level low of just 34 days in 2003/04. Globally the number of days' supply matches the record level low of just 54 days, equal to 2006-07 and well below the record level high of 104 days in 1999/00, the eleven year average is running 68 days. Corn remains supportive to the futures as long as the number of days' supplies remains tight and outside futures such as crude oil and base metals remain

in an upward trend. Allendale Inc continues to advise storing corn at least into March 2010 and keeping an eye on the Dec/Mar spread.

Wheat was not kind to the Nov USDA results as the number of days of global supply grew by 1 day while the domestic supply grew by a massive 6 days. In just a very short two growing seasons, the number of days of domestic wheat cushion has grown by 3.2 times, to a level of 154 days and above the previous record of 145 days in 1999/00. Globally, wheat increased by a day and now stands at 89 days, one day short of the 2004/05 high and 18 days off the eleven year low dating 2007/08. The eleven year average on the



wheat is running 91 days.

The third starch, rice, came in unchanged, both domestically and globally, for November vs. the previous month. The global supply of 67 days is off from the eleven year average of 86 days. Cumulatively, the three global starches measure 8% higher than the historic lows from just two growing seasons ago 94% of the domestic starch growth of starches coming from wheat and Rice. Corn remains unchanged at just little more than one and a half months.

With respect to the soybeans, the global number of days' supply did increase by 2 to a level of 67 and represents the third largest over the past eleven years. The domestic days' supply increased 5 days to a level of 31 vs. last year's near record level low of just over two weeks. The present domestic increase of 14 days pales in comparison to the 26 day increase from 2004/05 to the 57 day cushion in 2005/06.

All world veg-oils increased by 3 days in the past month and remain 2 days less cushion vs. last year's levels and hold an eleven year average of 31 days.

Allendale, Inc remains optimistic for corn use but that wheat still has the darkest of black clouds overhead. Until the economic times permit less wheat supply (we would love to see an increase in wheat demand), corn, rice and soybeans are likely to experience tempered usage.

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

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