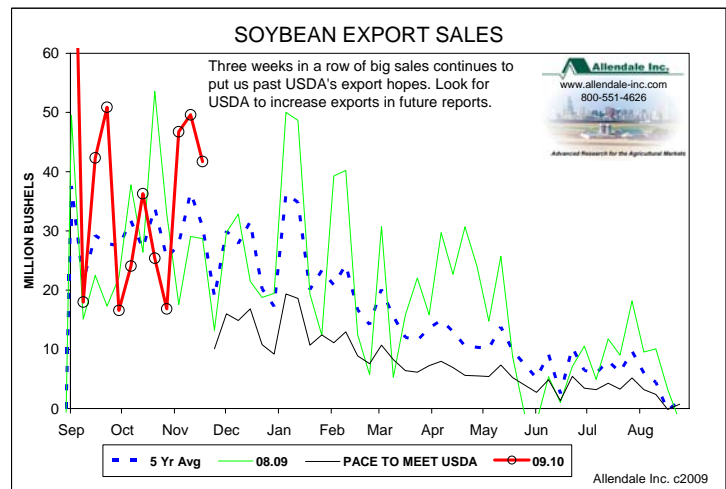


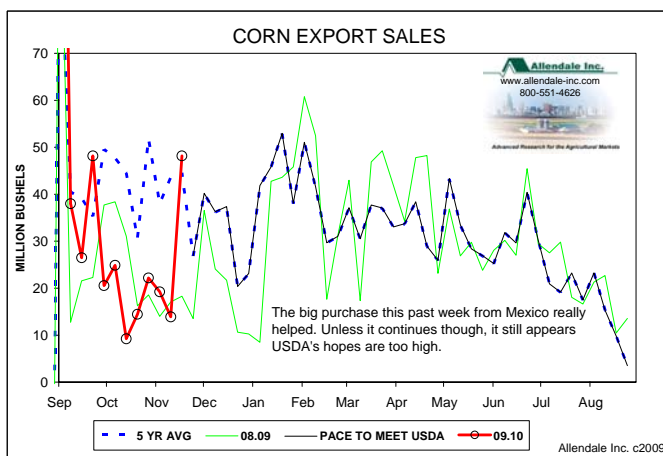
One is Not the Like the Other:

Allendale Inc suggests the closer to 70% harvested a crop is, the closer we come to the heaviest part of the harvest for that particular crop. Thus, we transition away from the production phase and enter the demand phase. Those involved in the evolution of the grain trade will always look to the weekly exports for corn and wheat while soybeans add in the monthly U.S. Census Bureau of soybeans crushed (NOPA reduces the level by approximately 6 million bushels/month and is worth noting).

Soybeans are well more than 70% harvested and performing admirably as both exports and crush are working in positive demand phase tandem. Weekly export sales of soybeans are running 75% of target while shipments are running 31% above (Allendale updates weekly). The U.S. Census Bureau soybean crush is 9% above target and Allendale Inc is poised to ask the question will USDA increase in its Dec WASDE the necessary 23 million bushels? Will the export baton be handed off to Argentina and Brazil in April/May of 2010 as it normally does? Experience tells us it will, but we will continue to follow the 3-5 day forecast to see just how aggressive S. America will become in 2010. Allendale has not wavered with its 2009/10 recommendations by selling soybeans off the combine and into the cash market in this demand driven, less than full on or off farm cash and futures carry market.



Corn is doing its best to transition away from its production phase into its demand phase and relies upon the weekly export sales market as its initial barometer. US corn sales are running 37% of target and as of 11/27/09 are at a pace which suggest a target of 1.431 billion and not the 2.100 billion bushels which



the USDA is presently using. Allendale is well aware of the 4.25 billion bushels which ethanol is anticipated to use and is not in the camp which suggest ethanol blend will jump from a national blend rate of 10% to 15%. Allendale remains bullish to the corn and soybean meal utilized for poultry feeding but remains bearish to USDA projections for feeding of meal and corn to dairy, beef and pork.

Fundamentals suggest a weaker outlook for corn and wheat as they are not demand driven like the soybeans. However, are we trading fundamentals?

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

Allendale Inc welcomes any questions you may have by calling 800-551-4626 or email research@allendale-inc.com

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

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