

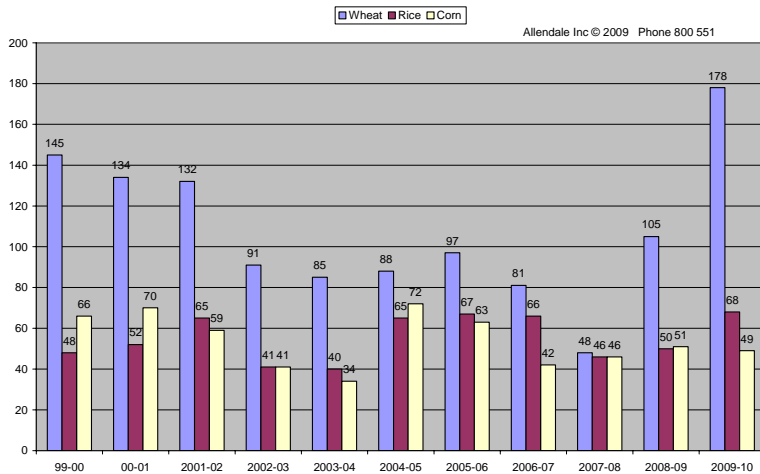
Grain Days of Supply:

USDA has released its litany of reports on Tuesday which did include one major surprise. U.S. winter wheat plantings of 37.097 million acres are estimated to be the lowest dating back to the year 1913. There are several reasons for the light plantings which include less than stellar old crop prices (economic) as well as weather related issues. A 14% decline in new winter wheat prices include eastern cornbelt region of the Mississippi River of 1.085 million acres, western cornbelt of 1.248 million acres, south and east regions of 950 thousand and 2.95 million acres in the Plains states of Texas, Kansas, Oklahoma, Colorado as well as Montana. The bottom line is these acres are expected to compete for corn, soybeans, sorghum and other small grains and can be a whole other story.

When looking at the economics please consider the chart which clearly does show how wheat harvested in 2009 and after all demand is met, grew by 20 days in the most recent month as domestic and export demand continues to be trimmed. At 178 days or 48.8% of an entire year, it's no wonder why old crop wheat basis (central Illinois) of \$1.23 under vs 60 cents under for new crop harvested in the summer of 2010.

Yes as a starch, old crop wheat does compete with corn and yes the corn days supply did grow by 2 but remains low indeed. Allendale Inc does respect the fact that the majority of the corn crop not harvested remains in NE, SD, ND and MN as well as IL. Given this information and quarterly stocks, Allendale Inc does anticipate better corn basis levels for this region and our old crop corn marketing advice remains unchanged. Though

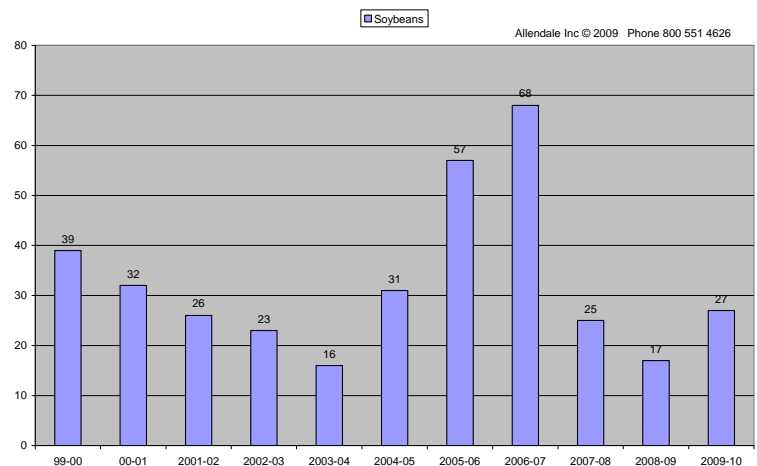
Days Supply Wheat, Rice, Corn



the number of days supply for wheat grew considerably the direct opposite for domestic soybeans are provided

As a matter of fact the number of days supply fell by 2 for soybeans vs month earlier levels as pointed out in this Allendale Inc chart and at 27 days is about average. Not average is the international level which measures 69 days, equal to 2005/06 and shy of the record level high of 77 days in 2006/07 and well off the low of 47 days in 1999/2000. This new world estimate is predicated upon a healthy pod fill in South America. Domestic and exported soybeans have been demand driven, not true for U.S. corn or wheat. Allendale Inc, offers trade and hedge recommendations for old and new crop, will unveil the complete grain, livestock, outside markets and weather outlook for 2010 on Jan 22-23, 2010 and would like to see you there.

Days Supply USA Soybeans



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

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

The thoughts expressed and the basic data from which they are drawn are believed to be reliable but cannot be guaranteed. Any opinions expressed herein are subject to change without notice. Hypothetical or simulated performance results have certain inherent limitations. Simulated results do not represent actual trading. Simulated trading programs are subject to the benefit of hindsight. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. Commodity trading may not be suitable for recipients of this publication. This is not a solicitation of the purchase or sale of any commodities. Those acting on this information are responsible for their own actions. Any republication, or other use of this information and thoughts expressed herein without the written permission of Allendale, Inc., is strictly prohibited. Allendale Inc. c2009