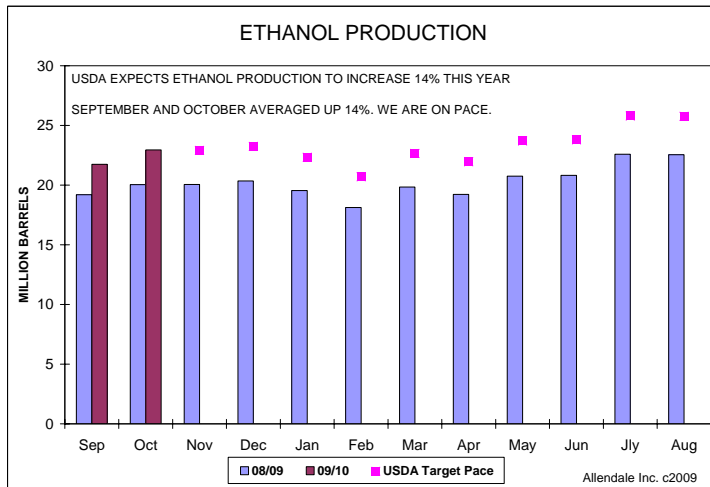


Corn for Ethanol (but what about feed use and exports?):

The demand of US corn for ethanol purposes is not going to go away as Allendale Inc sees it. Allendale Inc estimates 2009/10 corn for ethanol demand at 4.21 billion bushels and the corn you plant this spring 2010/11 corn for ethanol demand at 4.47 billion bushels. The profitability remains keenly strong for those ethanol companies which know how to do it right. Allendale Inc tracks demand from all sectors, understands the renewable fuel standard as well as the pending EPA summer announcement on



blend rate as and is willing to share our research when you call in. In the meantime you are more than welcome to view the following graphic which suggest ethanol production at 14% higher than year earlier levels is appropriate.

Allendale Inc needs to bring to your attention as long as actual 2009/10 production meets or exceeds the magenta squares, all is well within the ethanol sector.

USDA will not release 2010/11 official supply and demand date until its May 11th report but Allendale Inc estimates corn for feed and residual use only 25 million bushels higher than its 2009/10 estimate which is below

present USDA estimates and we are 5% higher vs the 2008/09 forecast of 5.246 billion bushels. The Cliff Note version of what USDA does in times of increased production, they have found it very easy to increase/bury corn for feed - residual use.

Allendale Inc respects the fact that corn for exports is 15.6% of annual production for the 2009/10 market year, better than year before levels of 15.4% as well as our 2010/11 estimates but well off the normal pace of 18 to 19%. It may be important to understand four of the five major importers of USA corn are doing better than year earlier levels but number one Japan is off 12% vs year ago levels. You also need to understand how corn as a world wide feed grain does compete against the feed wheat.

Keep your eye on crude oil and the dollar as well as to a lesser degree of other outside markets. Demand for us corn did not take us to recent highs. With 6.11 million acres not planted to winter wheat, we anticipate the next biggest happening at the CBOT to be the battle for corn and soybean acres in 2010. You know what pays the best per acre as well as anybody.

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](#)

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