



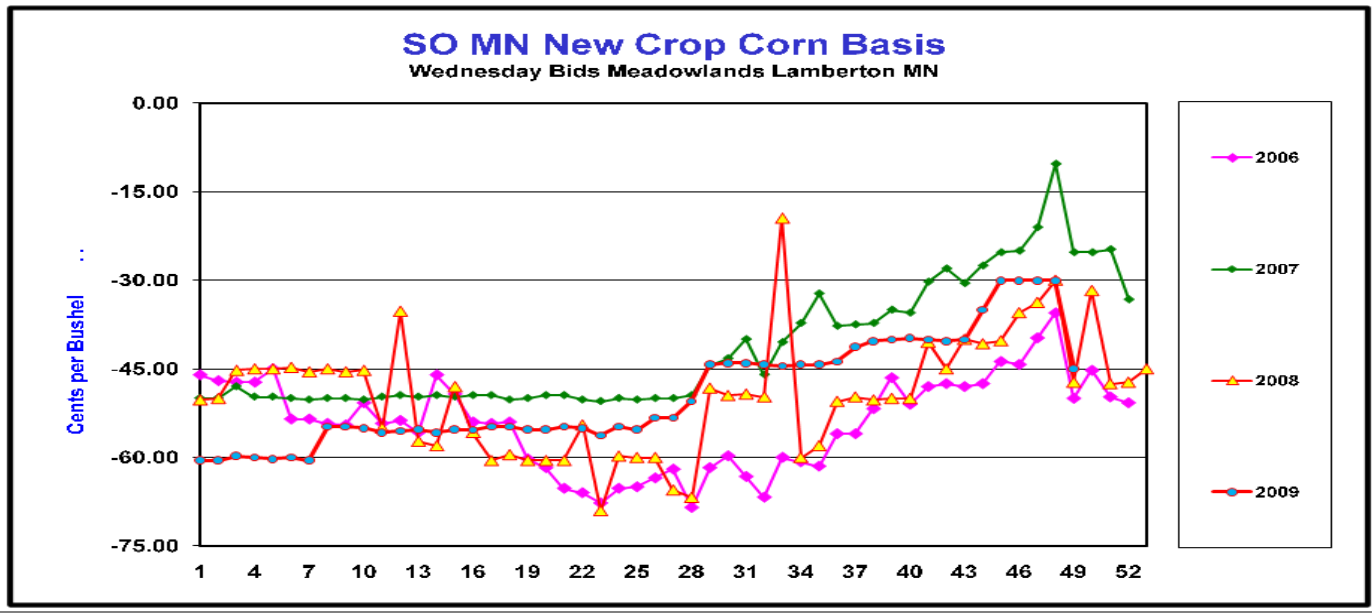
Basis

Wednesday, December 16, 2009

Two of the biggest variables besides price impacting marketing decisions for this year's crop are quality and the impact on basis. In areas with good quality the basis has held up very well for both corn and soybeans.

The following table shows that basis has been relatively narrow in central MN throughout the fall harvest.

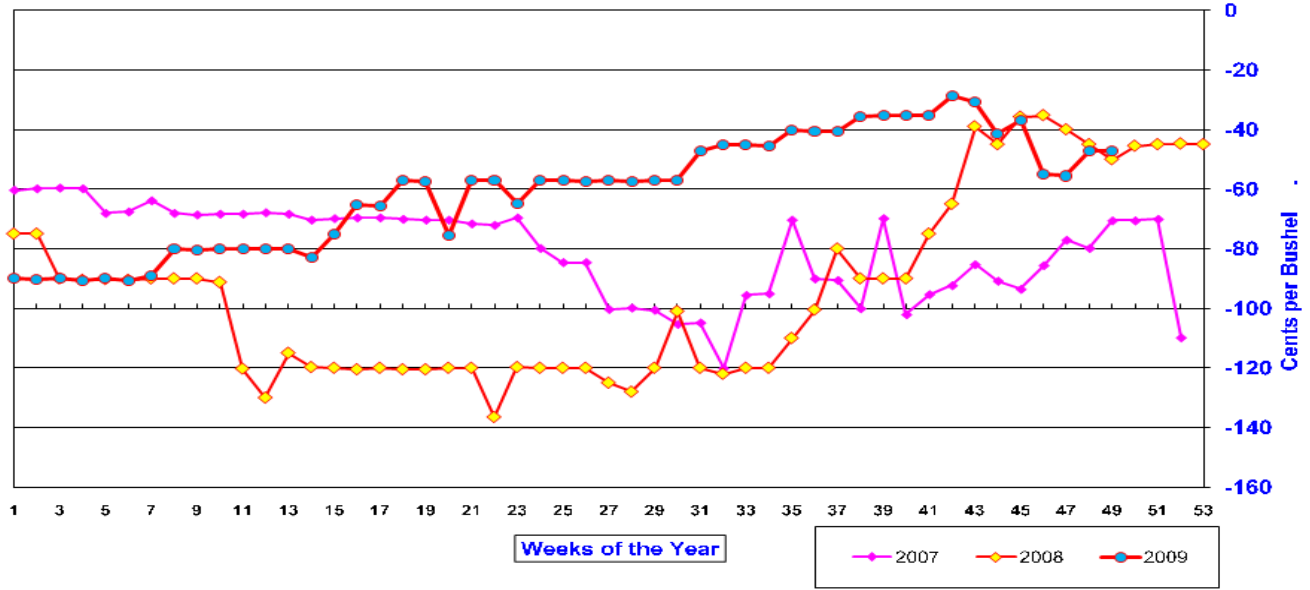
| | | Meadowland Farmers Cooperative Redwood County, MN 507-752-7352 www.rconet.org | | | | | | | |
|----|-------------|----------------------------------------------------------------------------------------------------------------------------|--------------|----------|---------------|-------------|--------------|-------------|---------------|
| | | Corn Bid | Nearby Basis | Corn Bid | Harvest Basis | Soybean Bid | Nearby Basis | Soybean Bid | Harvest Basis |
| 35 | 02-Sep-2009 | 293.00 | -20.25 | 275.00 | -44.25 | 1121.00 | 170.00 | 911.00 | -40.00 |
| 36 | 09-Sep-2009 | 288.00 | -17.50 | 266.00 | -43.75 | 958.00 | 29.50 | 888.00 | -40.50 |
| 37 | 16-Sep-2009 | 317.00 | -19.25 | 295.00 | -41.25 | 920.00 | -30.50 | 910.00 | -40.50 |
| 38 | 23-Sep-2009 | 308.00 | -22.25 | 290.00 | -40.25 | 885.00 | -35.50 | 885.00 | -35.50 |
| 39 | 30-Sep-2009 | 320.00 | -24.00 | 304.00 | -40.00 | 892.00 | -35.00 | 892.00 | -35.00 |
| 40 | 07-Oct-2009 | 336.00 | -23.75 | 320.00 | -39.75 | 877.00 | -35.00 | 877.00 | -35.00 |
| 41 | 14-Oct-2009 | 353.00 | -30.00 | 343.00 | -40.00 | 959.00 | -35.00 | 959.00 | -35.00 |
| 42 | 21-Oct-2009 | 368.00 | -30.25 | 358.00 | -40.25 | 978.00 | -30.50 | 980.00 | -28.50 |
| 43 | 28-Oct-2009 | 339.00 | -30.00 | 329.00 | -40.00 | 938.00 | -30.50 | 938.00 | -30.50 |
| 44 | 04-Nov-2009 | 354.00 | -30.00 | 349.00 | -35.00 | 954.00 | -41.50 | 954.00 | -41.50 |
| 45 | 11-Nov-2009 | 364.00 | -30.00 | 364.00 | -30.00 | 927.00 | -36.75 | 927.00 | -36.75 |
| 46 | 18-Nov-2009 | 368.00 | -30.00 | 368.00 | -30.00 | 972.00 | -55.00 | 972.00 | -55.00 |
| 47 | 25-Nov-2009 | 362.00 | -30.00 | 362.00 | -30.00 | 999.00 | -55.50 | 999.00 | -55.50 |
| 48 | 02-Dec-2009 | 355.00 | -30.00 | 355.00 | -30.00 | 1000.00 | -47.00 | 1000.00 | -47.00 |
| 49 | 09-Dec-2009 | 338.00 | -45.00 | 338.00 | -45.00 | 990.00 | -47.00 | 990.00 | -47.00 |



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New Crop Cash Soybean Basis

Wednesday Closes Meadowlands Lamberton MN



| ADM Soybean Processing | | | |
|------------------------|-------|-------|--------|
| Mankato, MN | | | |
| | Flat | Basis | Option |
| DEC | 10.32 | -0.23 | F |
| JAN | 10.17 | -0.38 | F |
| FEB | 10.27 | -0.35 | H |
| MARCH | 10.27 | -0.35 | H |
| APRIL | 10.27 | -0.40 | K |
| MAY | 10.27 | -0.40 | K |
| JUNE | 10.31 | -0.40 | N |
| JULY | 10.31 | -0.40 | N |
| OCT 2010 | 9.62 | -0.60 | T |

The Mankato and Southern MN Soybean basis is the tightest for the winter time frame since April 26, 2006 when it was at -14.75 in Mankato.

If you are in a poor basis region consider delivering direct to a processor with a good basis.

If you have seed beans that are priced using a component of the Mankato basis you should get them priced.

If you desire to re-own soybeans use call options or futures.

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Poet in Bingham Lake is offering corn at -.24 basis for March delivery and -.28 for July delivery. While not historically record tight these are still very good basis prices for the region.

Poet Bingham Lake

CORN

USDA has adjusted the calculations of LDP data.

[Click here for more information.](#)

| Delivery | Cash Price | Futures Month | Futures Price | Futures Change | Basis |
|--------------|------------|---------------|---------------|----------------|-------|
| Dec 31, 2009 | 3.72 | COH | 4076 | 02 | -0.36 |
| Jan 31, 2010 | 3.78 | COH | 4076 | 02 | -0.30 |
| Feb 28, 2010 | 3.81 | COH | 4076 | 02 | -0.27 |
| Mar 31, 2010 | 3.84 | COH | 4076 | 02 | -0.24 |
| Apr 30, 2010 | 3.90 | COK | 4180 | -02 | -0.28 |
| May 31, 2010 | 3.92 | COK | 4180 | -02 | -0.28 |
| Jun 30, 2010 | 3.97 | CON | 4270 | -02 | -0.30 |
| Jul 31, 2010 | 3.99 | CON | 4270 | -02 | -0.28 |
| Aug 31, 2010 | 3.99 | COU | 4326 | 04 | -0.34 |
| Sep 30, 2010 | 3.99 | COU | 4326 | 04 | -0.34 |
| Oct 31, 2010 | 3.98 | COZ | 4384 | 04 | -0.40 |
| Nov 30, 2010 | 4.00 | COZ | 4384 | 04 | -0.38 |
| Dec 31, 2010 | 4.08 | COZ | 4384 | 04 | -0.30 |

Price as of 12/18/09 10:01AM CST.

| New Ulm | | | | | | |
|---------|--------------|--------------|-------------|---------------|-------|------------------|
| Name | Delivery | Delivery End | Basis Month | Futures Price | Basis | Cash Price Notes |
| Com | Dec 01, 2009 | Dec 31, 2009 | March 2010 | 407-0 | -47 | \$3.60 |
| Com | Jan 01, 2010 | Jan 31, 2010 | March 2010 | 407-0 | -40 | \$3.67 |
| Com | Feb 01, 2010 | Feb 28, 2010 | March 2010 | 407-0 | -40 | \$3.67 |
| Com | Mar 01, 2010 | Mar 31, 2010 | March 2010 | 407-0 | -38 | \$3.69 |
| Com | Apr 01, 2010 | Apr 30, 2010 | May 2010 | 417-4 | -40 | \$3.78 |
| Com | May 01, 2010 | May 31, 2010 | May 2010 | 417-4 | -40 | \$3.78 |
| Com | Jun 01, 2010 | Jun 30, 2010 | July 2010 | 426-4 | -40 | \$3.87 |
| Com | Jul 01, 2010 | Jul 31, 2010 | July 2010 | 426-4 | -40 | \$3.87 |

Western MN markets aren't holding the corn basis nearly as well as historically.

ADM Marshall often has -.25 to -.15 basis during December and is .30 to .40 wider than recent years.

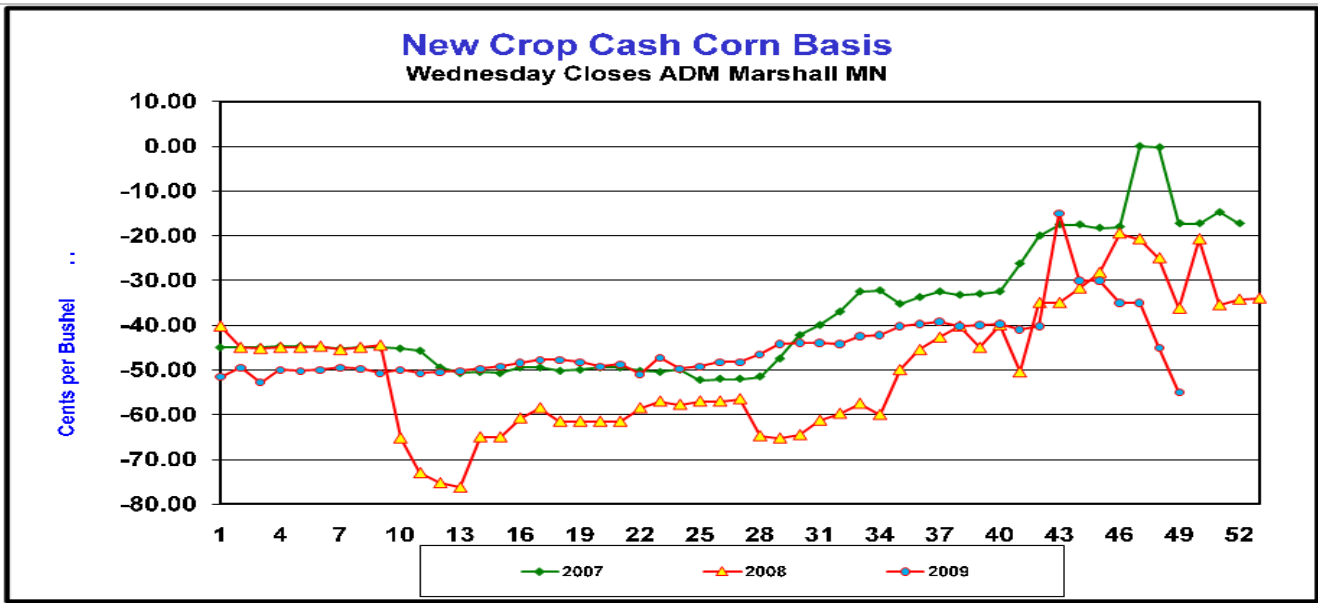
Cottonwood MN

| Delivery | Cash Price | Futures Month | Futures Price | Futures Change | Basis |
|---------------|------------|---------------|---------------|----------------|-------|
| December | 3.45 | @COH | 409'4 | 2'0 | -0.65 |
| January | 3.49 | @COH | 409'4 | 2'0 | -0.61 |
| February | 3.63 | @COH | 409'4 | 2'0 | -0.47 |
| March | 3.66 | @COH | 409'4 | 2'0 | -0.44 |
| April | 3.71 | @COK | 420'2 | 2'0 | -0.49 |
| May | 3.75 | @COK | 420'2 | 2'0 | -0.45 |
| June | 3.78 | @CON | 429'0 | 1'6 | -0.51 |
| July | 3.83 | @CON | 429'0 | 1'6 | -0.46 |
| October | 3.84 | @COZ | 440'0 | 2'0 | -0.56 |
| December-2010 | 3.88 | @COZ | 440'0 | 2'0 | -0.52 |
| January-2011 | 3.92 | @C1H | 449'0 | 1'2 | -0.57 |

Price as of 12/16/09 09:12AM CST.

| ADM Corn Processing | | | |
|---------------------|------|-------|------|
| Marshall, MN | | | |
| | Flat | Basis | Opt. |
| DEC | 3.53 | -0.55 | H |
| JAN | 3.60 | -0.48 | H |
| FEB | 3.66 | -0.42 | H |
| MARCH | 3.73 | -0.35 | N |
| APRIL | 3.80 | -0.38 | K |
| MAY | 3.83 | -0.35 | K |
| JUNE | 3.88 | -0.39 | N |
| JULY | 3.90 | -0.37 | N |
| OCT 2010 | 3.89 | -0.49 | T |

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The West Central and Northern MN basis has widened for both corn and soybeans as harvest has progressed. While typical corn basis for Dec to March will be -.35 to -.40 in the region basis are now at -.74 to -1.25 basis December to March. Soybean basis also widened unexpectedly by as much as .40 to -.70 for the Dec to March deliveries.

Quality concerns have been a huge issue for this region of the state with low test weight, mold and extra fines causing high levels of foreign material.

We have had a concern about locking in basis and being subject to unfavorable discount schedules or being held hostage because of delivery to a facility that has uncompetitive discount schedules.

CORN

| | | Dec | Jan | Feb | Mar | Apr | June | N/C 2010 | N/C 2011 |
|--------------|------------|-------|-------|-------|-------|-------|-------|----------|----------|
| Murdock/Kerk | Basis | -0.74 | -0.70 | -0.63 | -0.56 | -0.58 | -0.56 | -0.60 | -0.68 |
| | Cash Price | 3.33 | 3.37 | 3.44 | 3.51 | 3.60 | 3.71 | 3.77 | 3.82 |
| Benson | Basis | -0.74 | -0.70 | -0.63 | -0.56 | -0.58 | -0.56 | -0.60 | -0.68 |
| | Cash Price | 3.33 | 3.37 | 3.44 | 3.51 | 3.60 | 3.71 | 3.77 | 3.82 |

SOYBEANS

| | | Dec | Jan | Feb | Mar | June | N/C 2010 | N/C 2011 |
|--------------|------------|-------|-------|-------|-------|-------|----------|----------|
| Murdock/Kerk | Basis | -0.78 | -0.75 | -0.70 | -0.70 | -0.76 | -0.77 | -0.87 |
| | Cash Price | 9.86 | 9.89 | 9.99 | 9.99 | 10.05 | 9.49 | 9.40 |
| Benson | Basis | -0.78 | -0.75 | -0.70 | -0.70 | -0.76 | -0.77 | -0.87 |
| | Cash Price | 9.86 | 9.89 | 9.99 | 9.99 | 10.05 | 9.49 | 9.40 |

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