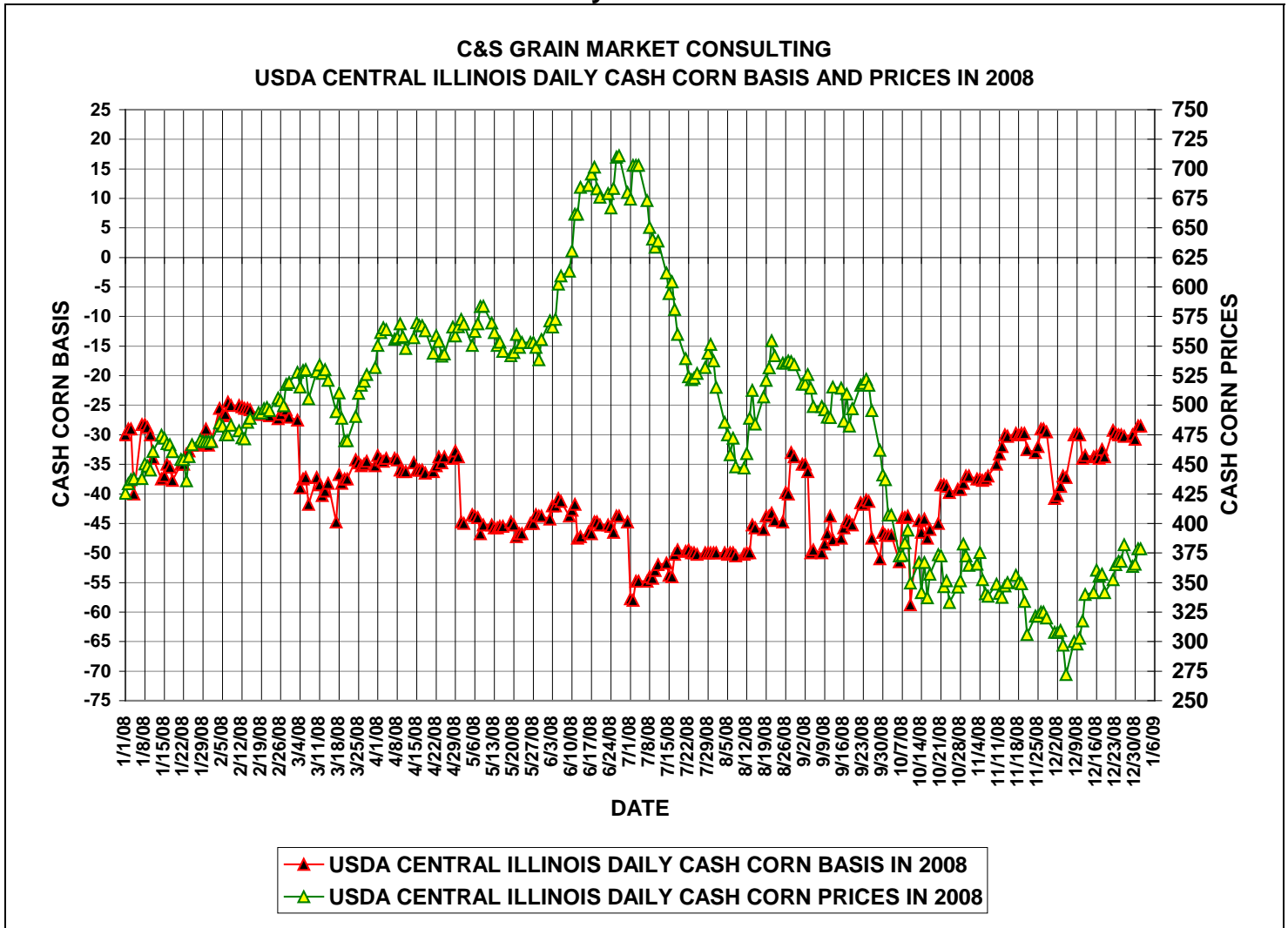


7/06/11
C&S Grain Market Consulting
The USDA Central Illinois Daily Cash Corn Basis And Prices In 2008



Comments:

After the market peaked in late June 2008, the USDA Central Illinois Cash Corn prices declined from \$7.11 to \$4.58 on August 6th, a decline of \$2.53 or 35.6% in 28 trading days.

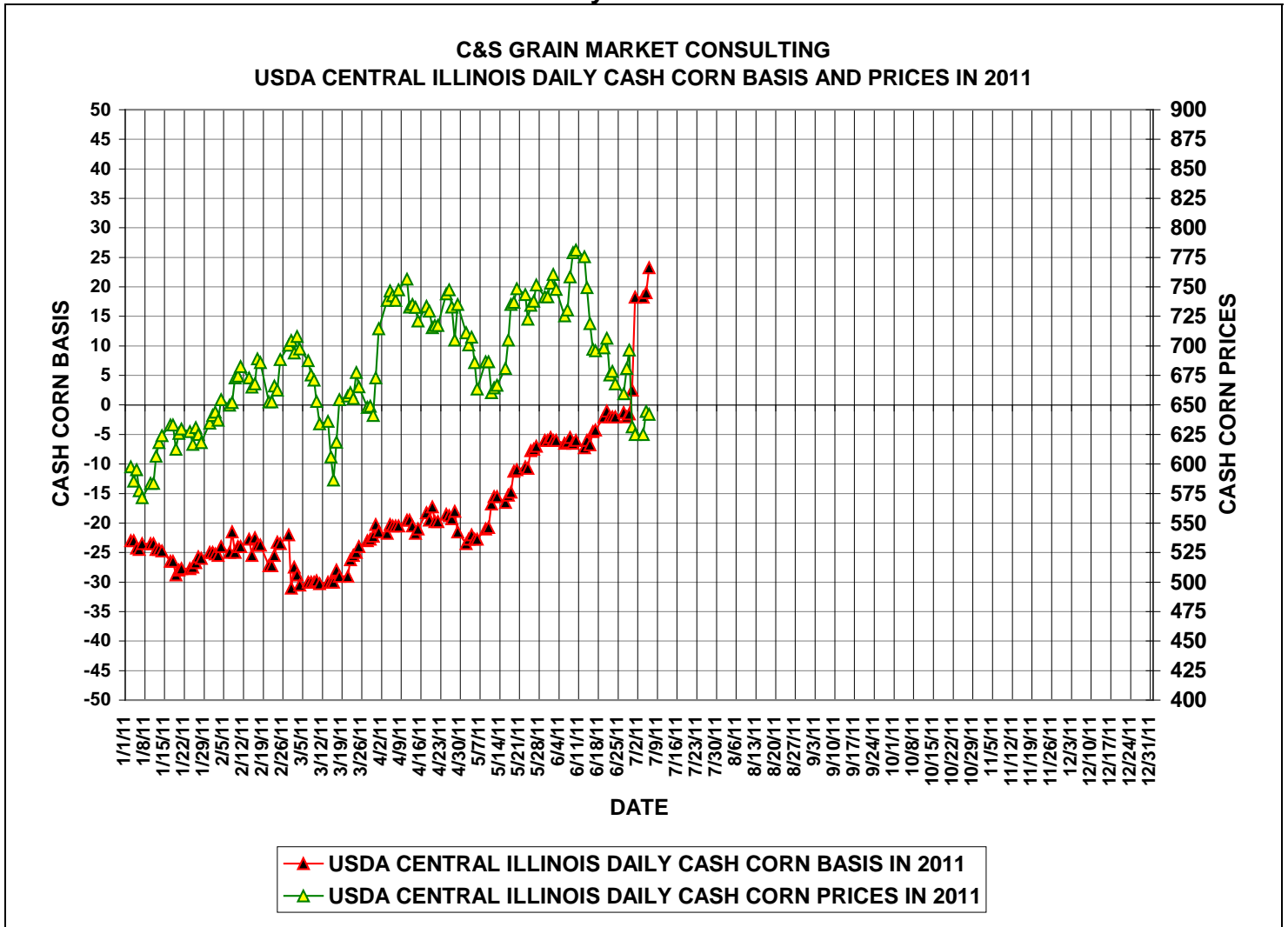
At the same time, the USDA Central Illinois Cash Corn Basis initially declined from -43.75 to -58.00 cents in the first 3 days and then quickly recovered to the -50 cent area through the August 6th Low.

After an 11-day rally in both price and basis, both headed south once again until mid October. From that point on until early December, prices continued to decline while the basis strengthened.

 The historical information herein provided is derived from public data sources and is believed to be accurate but cannot be guaranteed. Providing this information does not include an expressed or implied recommendation for making any trades or other financial decisions. There is risk of loss in trading futures. Any gain or loss resulting from the use of this information is entirely the responsibility of the user. Opinions expressed may change at any time.
C&S GRAIN MARKET CONSULTING William C. Fordham Promoting Stewardship in Marketing New Crop Corn and Soybeans Phone: 815-376-6101
 24704 2200 E ST, Ohio, IL 61349 Web: <http://www.cs-grainmarketconsulting.com> e-mail: wilmar@theramp.net Fax: 815-376-2301
 "Stewardship in Marketing: Fighting Fear and Greed by using knowledge of the past, an awareness of the present, and planning for the future"

7/06/11

The USDA Central Illinois Daily Cash Corn Basis And Prices In 2011



Comments: Updated through July 06, 2011

After the market peaked in early June 2011, the USDA Central Illinois Cash Corn prices declined from \$7.81 to \$6.25 on July 1st, a decline of \$1.56 or 20.0% in 15 trading days.

At the same time, the USDA Central Illinois Cash Corn Basis increased from -6.00 to +18.25 cents on July 1st, and is currently at +23.25 cents.

If the June 1st Corn Stocks of an extra 346 million bushels above what the "Trade" was expecting, as reported by NASS on June 30th is accurate, why is the basis increasing?

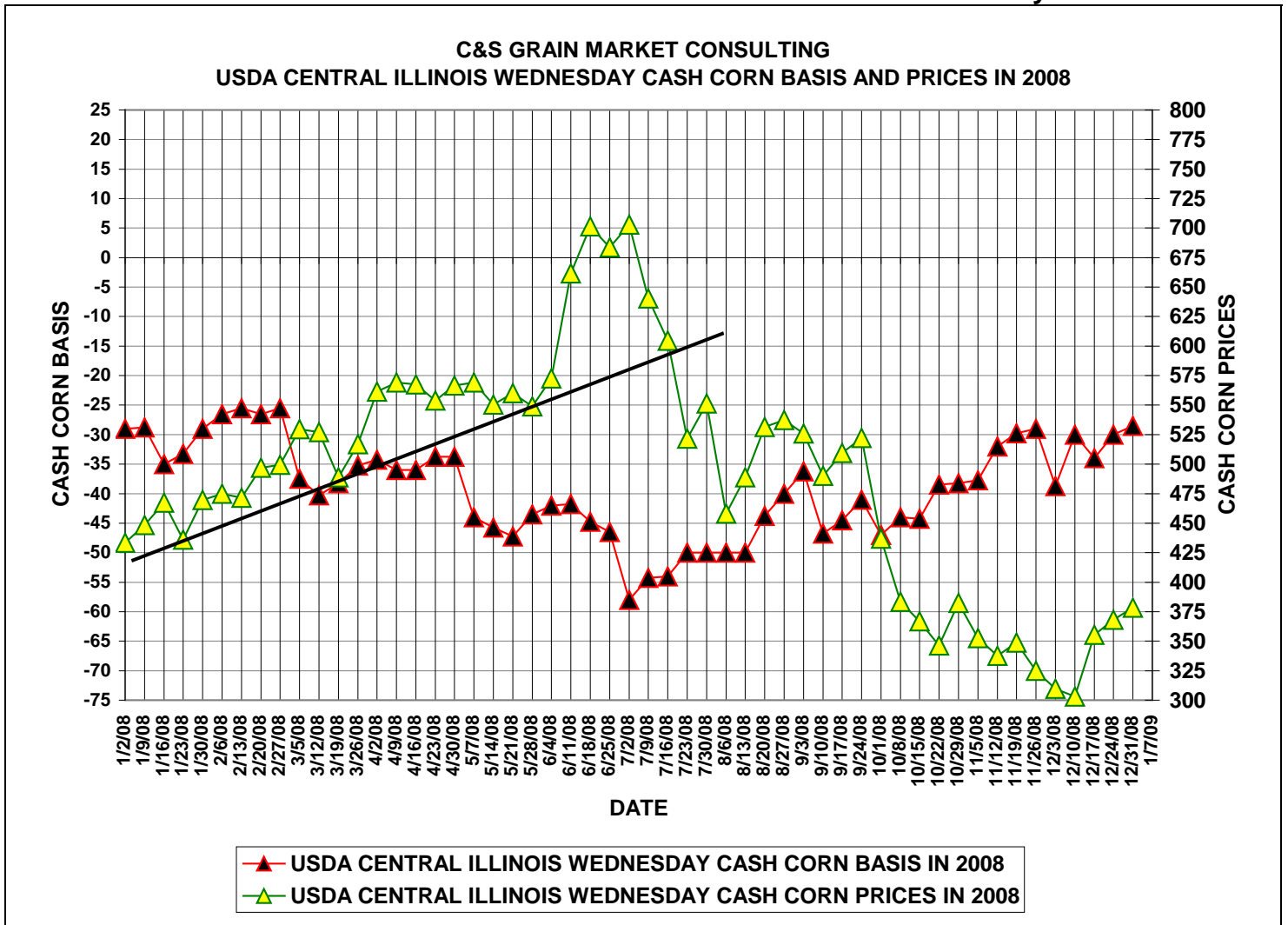
As the summer unfolds, the USDA Central Illinois Cash Corn Basis may become a good indicator of the true cash situation for Corn in the Midwest.

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C&S Grain Market Consulting

The USDA Central Illinois Cash Corn Basis And Prices On Wednesdays In 2008



Comments:

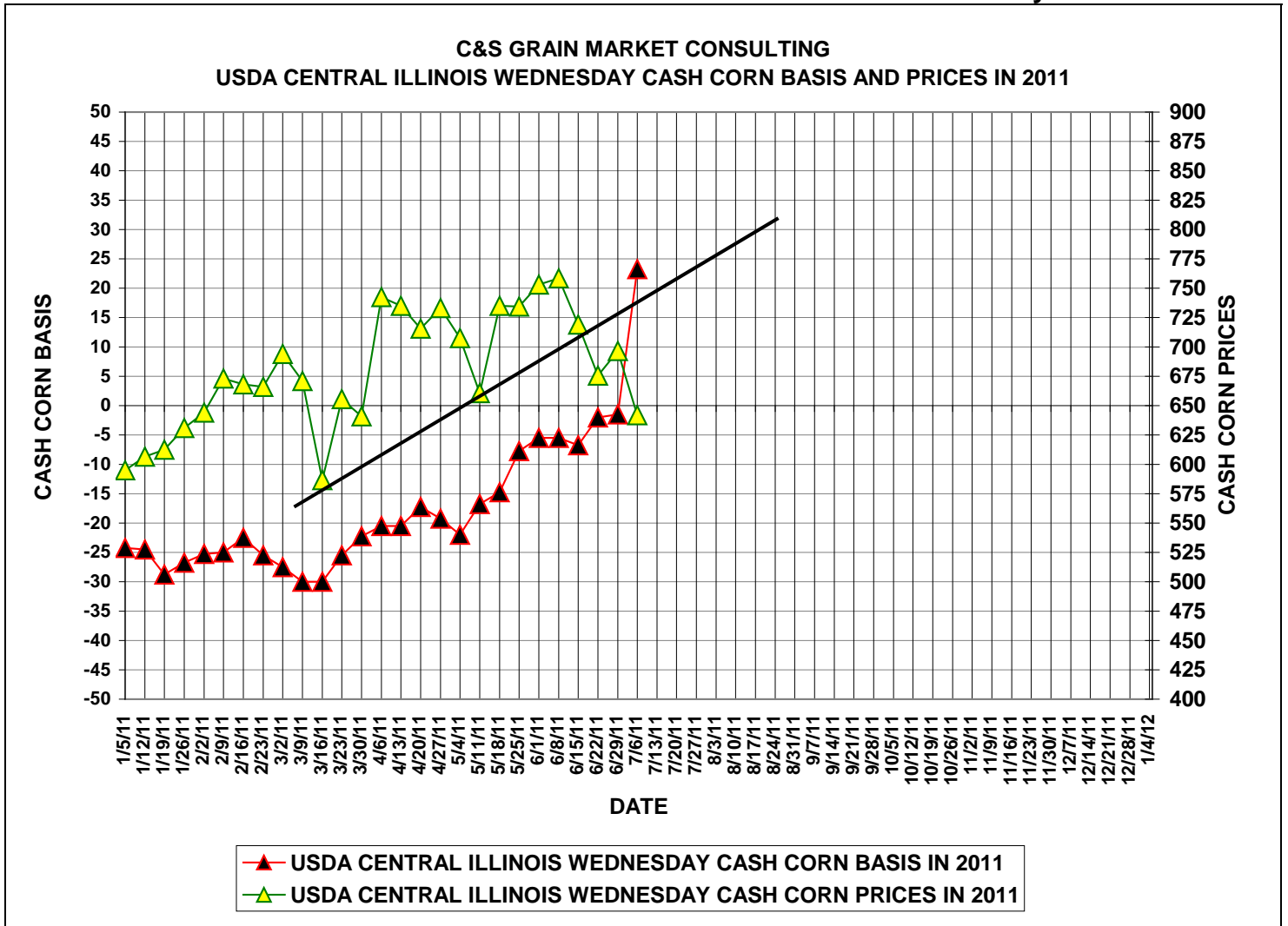
The Chart above indicates what the USDA Central Illinois Cash Corn Prices and Cash Basis's were on every Wednesday in 2008.

When the Uptrend line that is drawn through the January, March and May Lows was broken, cash prices never rallied enough to get back to it in August.

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7/06/11

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The USDA Central Illinois Cash Corn Basis And Prices On Wednesdays In 2011



Comments: Updated through July 06, 2011

The Chart above indicates what the USDA Central Illinois Cash Corn Prices and Cash Basis's has been so far on every Wednesday in 2011.

When the Uptrend line that is drawn through the March and May Lows was broken, it appears to have signaled lower prices. The 2011 Uptrend line is steeper than the one in 2008, so if prices are able to rally enough this year to get back toward the broken Uptrend line, it might signal a potential Double Top if achieved by the end of July. I won't hold my breath!

In the meantime, the Cash Basis should help us determine if there really is as much Corn around as what NASS reports, and if the decline in 2011 is going to be a severe as it was in 2008.

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