

Marketing Meeting

April 8, 2009

Presented By

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Big 3 Crops -Total

Agriculture Outlook

- Corn acres higher than expected at 85 million.
- Soybean acres lower than expected at 76 million.
- Cotton acres higher than expected at 8.81 million.
- Total projected planted acres of 245.95 million would be lowest total since 2006, down 7.1 million from a year ago.



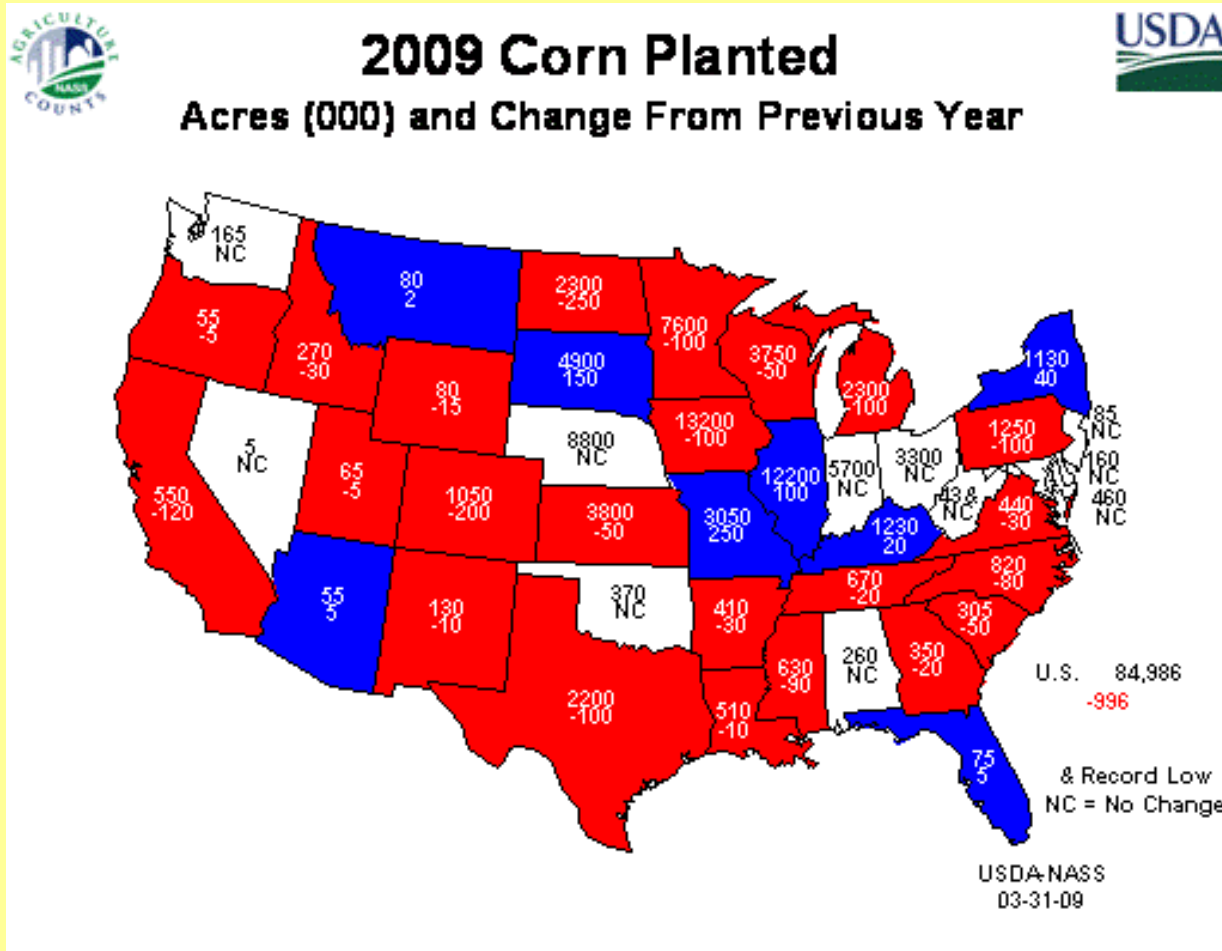
Changes in Corn Acreage

Changes in State Planted Corn Acreage

	million acres			
	2007	2008	2009proj	% Change
Iowa	14.2	13.3	13.2	-1%
Illinois	13.2	12.1	12.2	1%
Nebraska	9.4	8.8	8.8	0%
Minnesota	8.4	7.7	7.6	-1%
Indiana	6.5	5.7	5.7	0%
South Dakota	5.0	4.8	4.9	3%
Wisconsin	4.1	3.8	3.8	-1%
Kansas	3.9	3.9	3.8	-1%
Ohio	3.9	3.3	3.3	0%
Missouri	3.5	2.8	3.1	9%
Other States	21.7	19.9	18.7	-6%
United States	93.6	86.0	85.0	-1.2%

Source: USDA, March 31, 2009

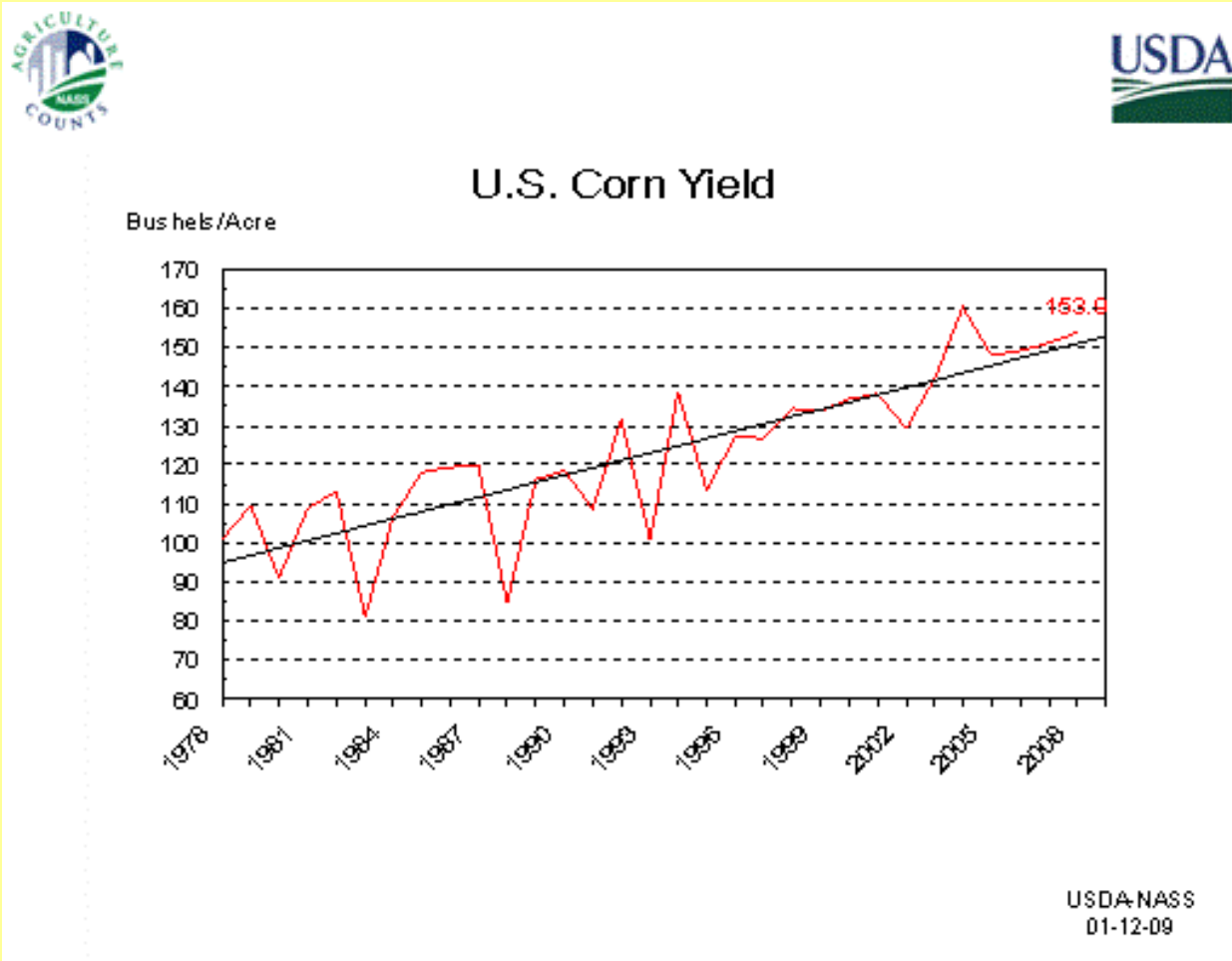
Corn by State



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U.S. Corn Yield



Bull vs Bear

U.S. CORN SUPPLY AND DEMAND 2009/10 Bullish vs. Bearish Scenarios

	Bullish Scenario	Average	Bearish Scenario
ACREAGE (Mil. Acres)			
Planted Area	83.5	85.0	86.0
Harvested Area	76.0	77.4	78.3
Yield	154.0	161.0	165.0
SUPPLY (Mil. Bushels)			
Beg. Stocks (Sep 1)	1,740	1,740	1,740
Production	11,704	12,461	12,920
Imports	12	12	12
Total Supply	13,456	14,213	14,672
USAGE (Mil. Bushels)			
Feed & Residual	5,350	5,350	5,350
Food/Seed/Ind	5,315	5,315	5,415
Ethanol for Fuel	3,900	3,900	4,000
Domestic Use	10,665	10,665	10,765
Exports	1,800	1,750	1,700
Total Use	12,465	12,415	12,465
STOCKS (Mil. Bushels)			
Ending Stocks (Aug 31)	991	1,798	2,207
Stocks/Use	8.0%	14.5%	17.7%
Farm Price (\$/Bu)	\$4.00-5.00	\$3.50-4.00	\$2.75-3.50



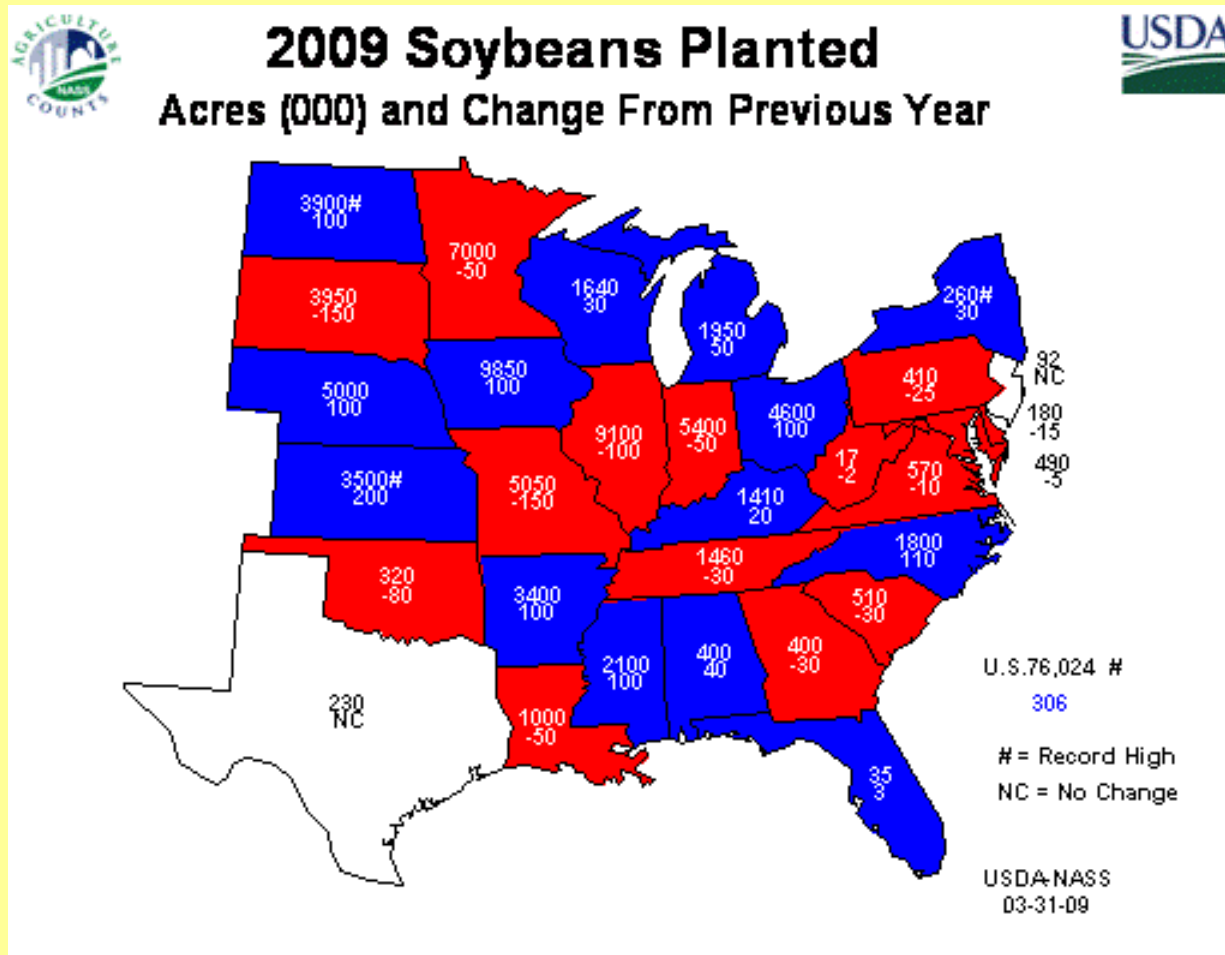
Changes in Soybean Acreage

Changes in State Soybean Area
million acres

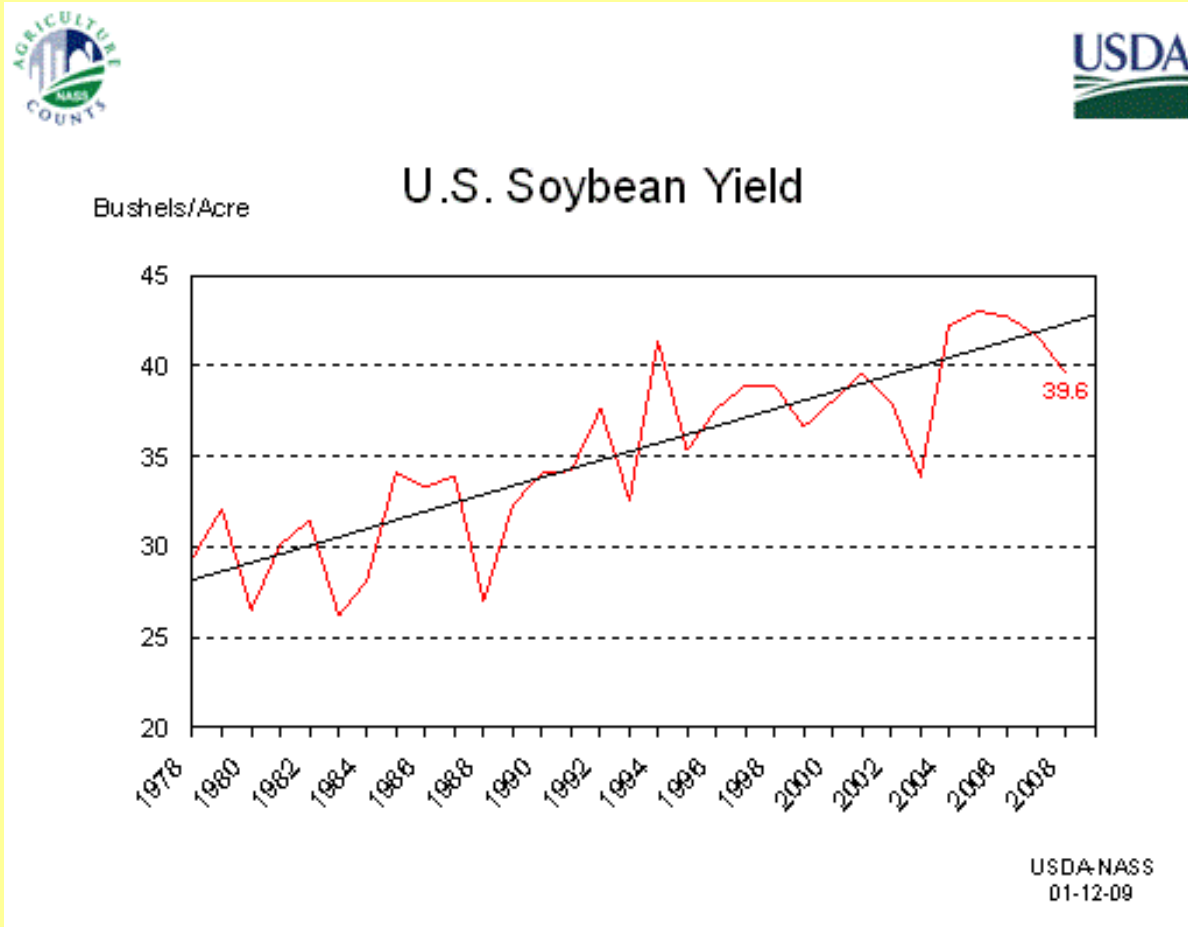
	2007	2008	2009proj.	% Change
Iowa	8.7	9.8	9.9	1%
Illinois	8.3	9.2	9.1	-1%
Minnesota	6.4	7.1	7.0	-1%
Indiana	4.8	5.5	5.4	-1%
Missouri	4.7	5.2	5.1	-3%
Ohio	4.3	4.5	4.6	2%
Nebraska	3.9	4.9	5.0	2%
South Dakota	3.3	4.1	4.0	-4%
North Dakota	3.1	3.8	3.9	3%
Arkansas	2.9	3.3	3.4	3%
Other States	14.6	18.5	18.8	2%
United States	64.7	75.7	76.0	0.4%



Soybeans by State



U.S. Soybean Yield



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Bull vs Bear

U.S. SOYBEAN SUPPLY AND DEMAND 2009/10 Bullish vs. Bearish Scenarios

	Bullish Scenario	Average	Bearish Scenario
ACREAGE (Mil. Acres)			
Planted Acres	76.0	76.0	78.0
Harvested Acres	75.0	75.0	77.0
Yield	40.5	43.0	43.0
SUPPLY (Mil. Bushels)			
Beg. Stocks (Sep 1)	185	185	185
Production	3,038	3,225	3,311
Imports	5	5	5
Total Supply	3,228	3,415	3,501
USAGE (Mil. Bushels)			
Crush	1,700	1,740	1,720
Exports	1,150	1,100	1,000
Seed	84	94	90
Residual	60	70	70
Total Use	2,994	3,004	2,880
STOCKS			
Stocks (Aug 31)			
CCC	0	0	0
Privately-Owned	234	411	621
Stocks/Use	7.8%	13.7%	21.6%
Farm Price (\$/Bu)	\$9.00-10.50	7.50-8.50	\$7.00-8.00



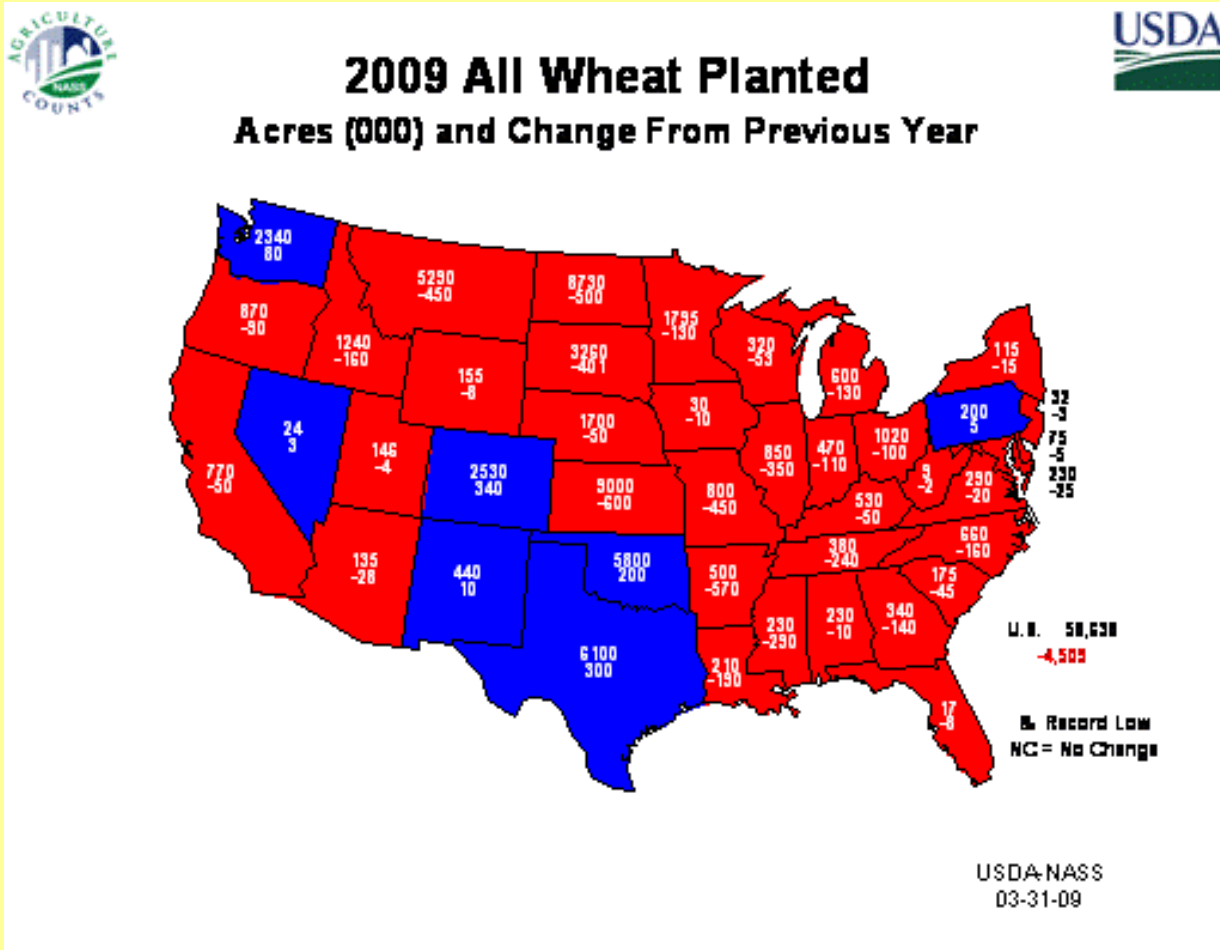
Changes in Wheat Acreage

Changes in State Wheat Area

	million acres			
	2007	2008	2009proj	% Change
Kansas	10.4	9.6	9.0	-6%
North Dakota	8.6	9.2	8.7	-5%
Texas	6.2	5.8	6.1	5%
Oklahoma	5.9	5.6	5.8	4%
Montana	5.2	5.7	5.3	-8%
South Dakota	3.5	3.7	3.3	-11%
Colorado	2.5	2.2	2.5	16%
Washington	2.2	2.3	2.3	4%
Nebraska	2.1	1.8	1.7	-3%
Minnesota	1.8	1.9	1.8	-7%
Other States	12.2	15.4	12.1	-21%
United States	60.4	63.1	58.6	-7.1%



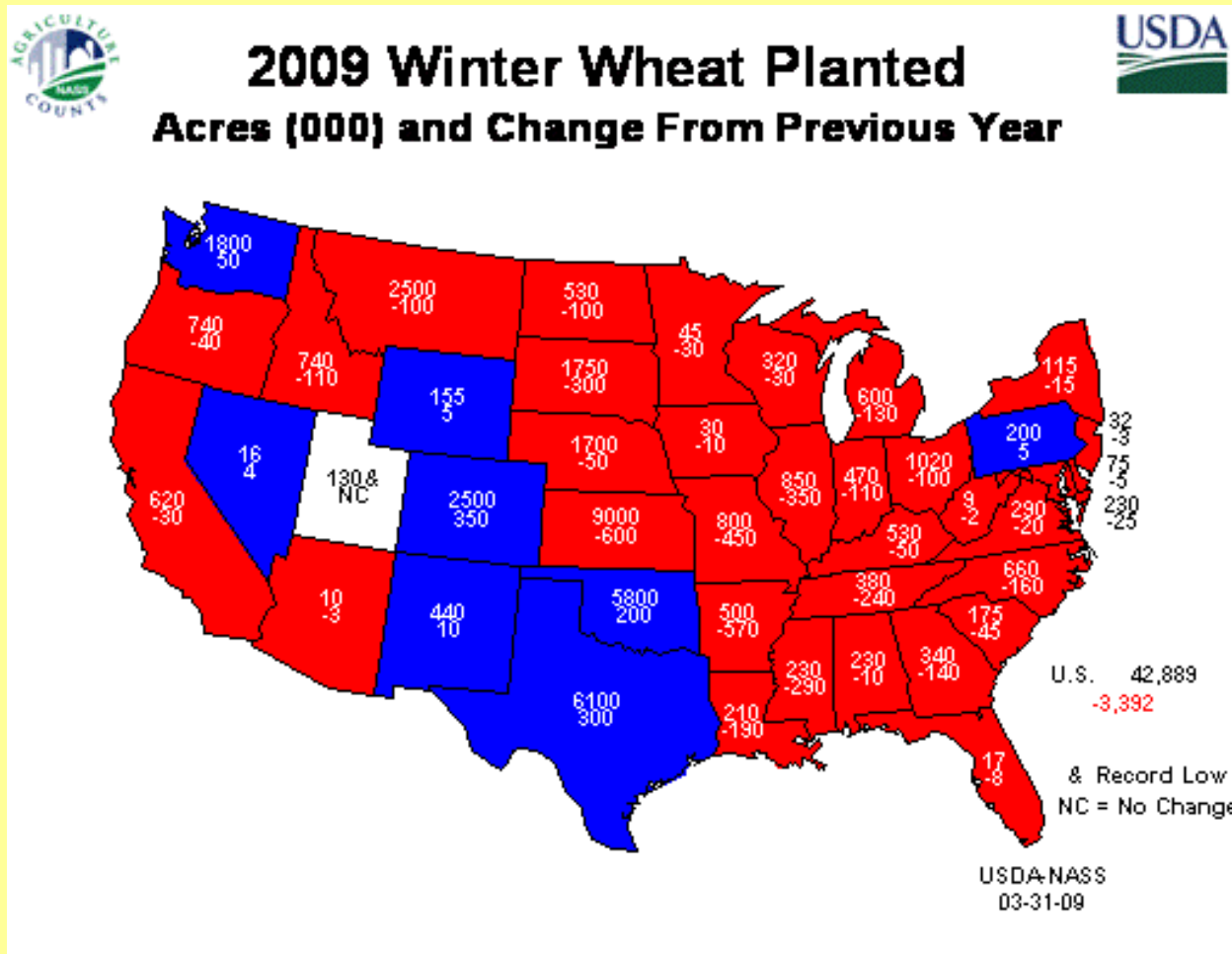
Wheat by State



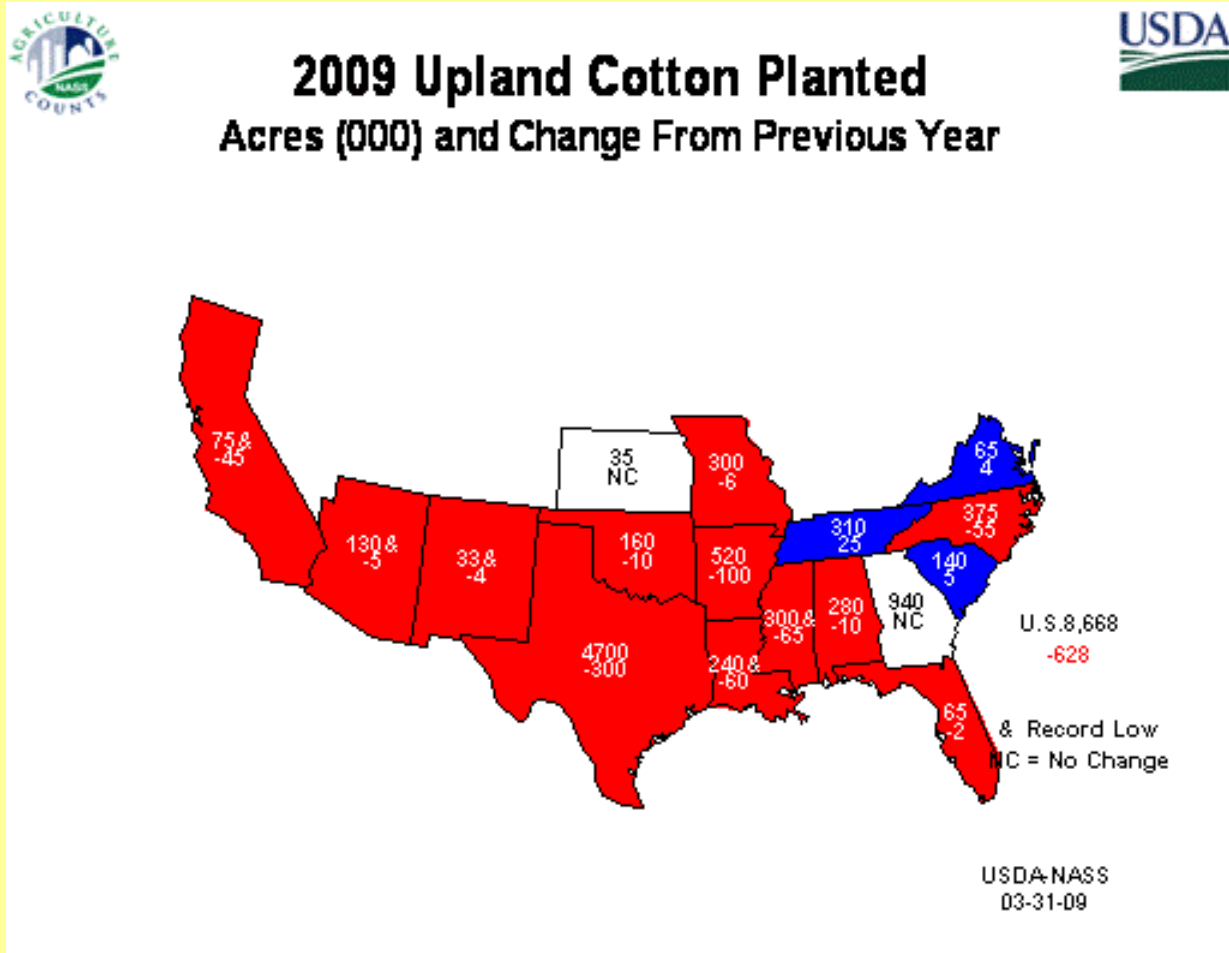
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Winter Wheat by State



Cotton by State



Major Crops - Comparison

Plantings of 8 major U.S. field crops				
	2006	2007	2008	2009
Corn	78.33	93.53	85.98	84.99
Sorghum	6.52	7.71	8.28	6.96
Oats	4.17	3.76	3.22	3.40
Barley	3.45	4.02	4.23	3.95
Wheat	57.33	60.46	63.15	58.64
Rice	2.84	2.76	3.00	3.18
Soybeans	75.52	64.74	75.72	76.02
Cotton	15.27	10.83	9.47	8.81
Total	243.44	247.81	253.05	245.96

Millions of Acres



Does the Acreage Add Up?

- Final Planted Acreage will likely be higher but in what crop(s)?



Can You Find Goofy?



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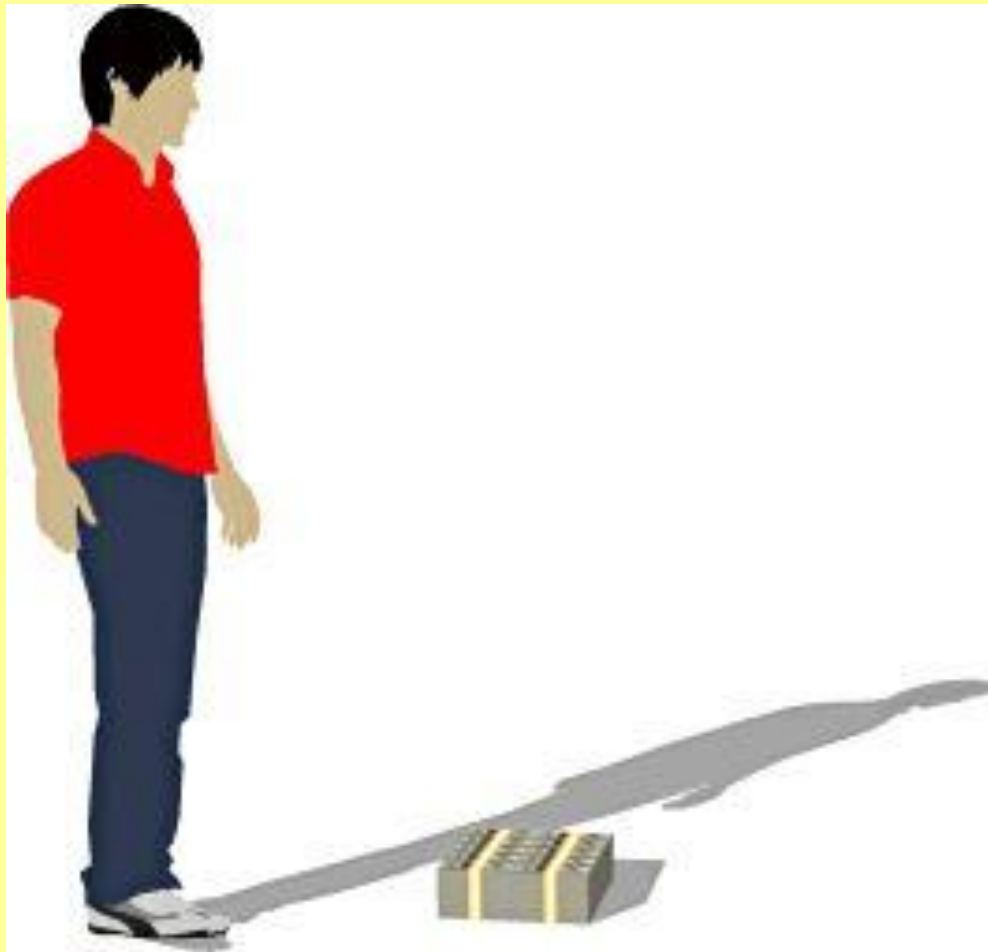
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$$100 - \$100 = \$10,000$$



\$1,000,000



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\$100 Million



\$ 1 Billion

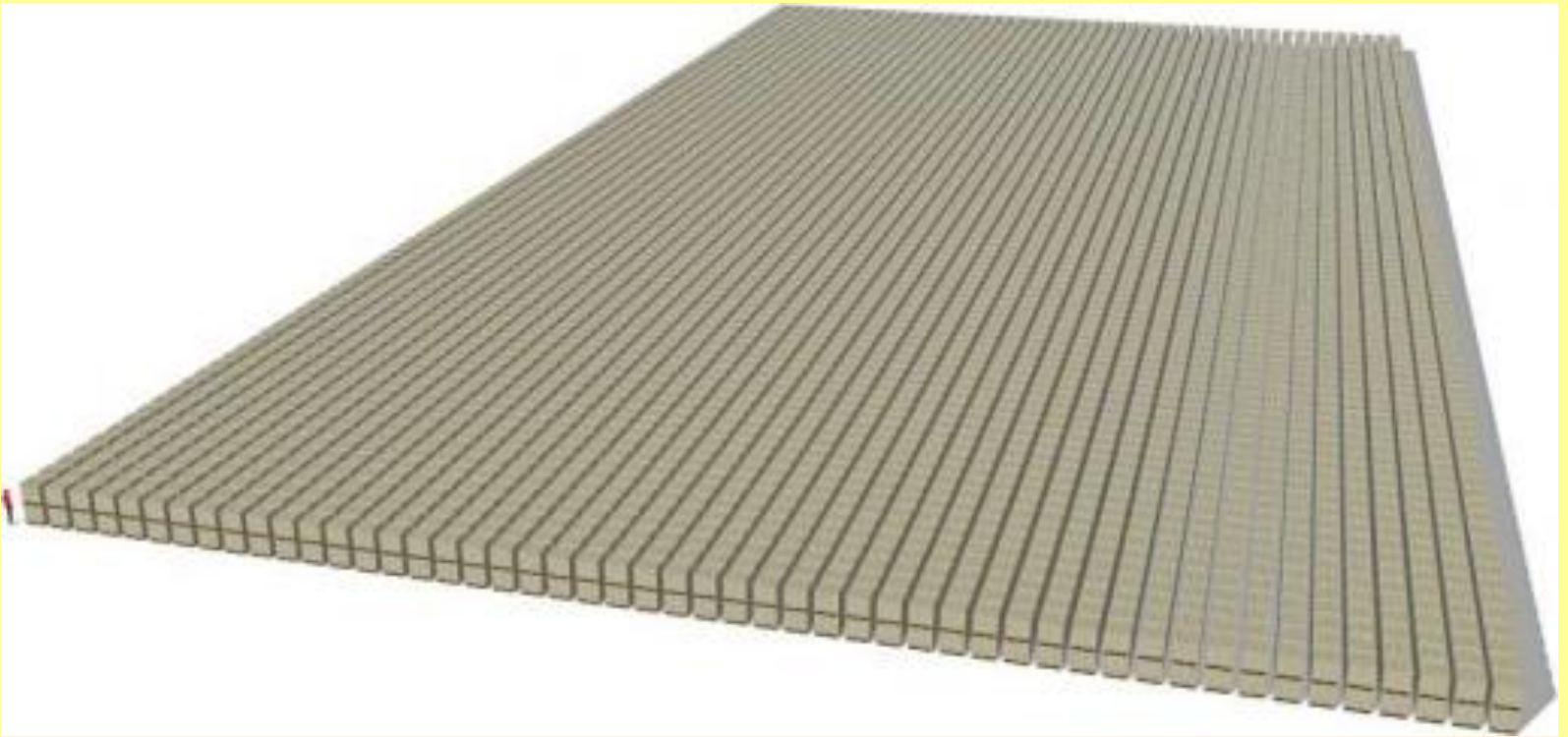


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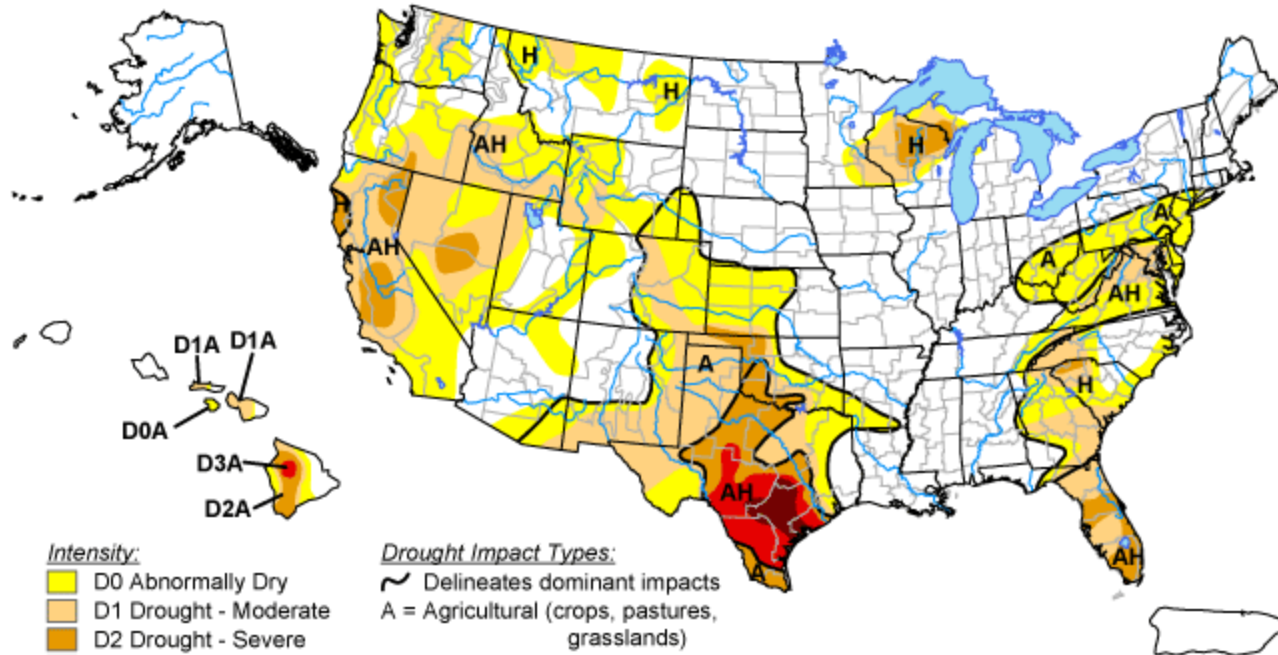
Visualizing -\$1 Trillion Dollars \$1,000,000,000,000



U.S. Drought Monitor

U.S. Drought Monitor

March 31, 2009
Valid 8 a.m. EDT



Intensity:

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

Drought Impact Types:

- ~ Delineates dominant impacts
- A = Agricultural (crops, pastures, grasslands)
- H = Hydrological (water)

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://drought.unl.edu/dm>

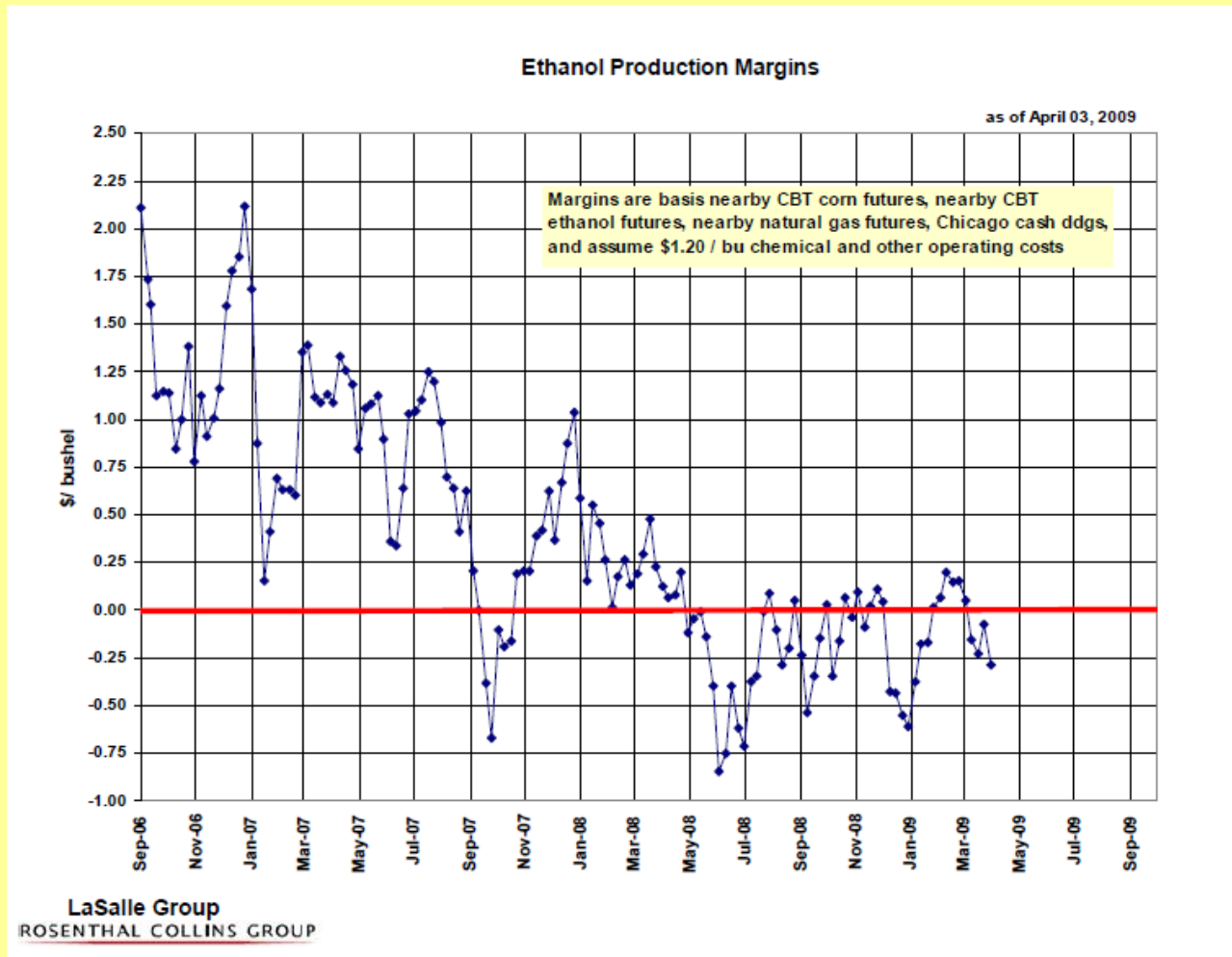


Released Thursday, April 2, 2009

Author: Mark Svoboda, National Drought Mitigation Center



Ethanol Production Margins



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U.S. Ethanol S&D

US Ethanol S&D						
(mln gallons)						
	Jan	Jan	2009 as	Sep-Jan	Sep-Jan	2008-09
	2008	2009	% 2008	2007-08	2008-09	% 2007-08
Beginning stocks	441	597		433	625	
Production	664	821	124%	3048	4166	137%
Imports	21	16		108	176	
Total Supply	1127	1434		3589	4967	
Usage	678	838	124%	3141	4371	139%
Ending Stocks	448	596		448	596	
Estimated Corn	243	294	121%	1120	1499	134%
Grind for Ethanol (milbus)						



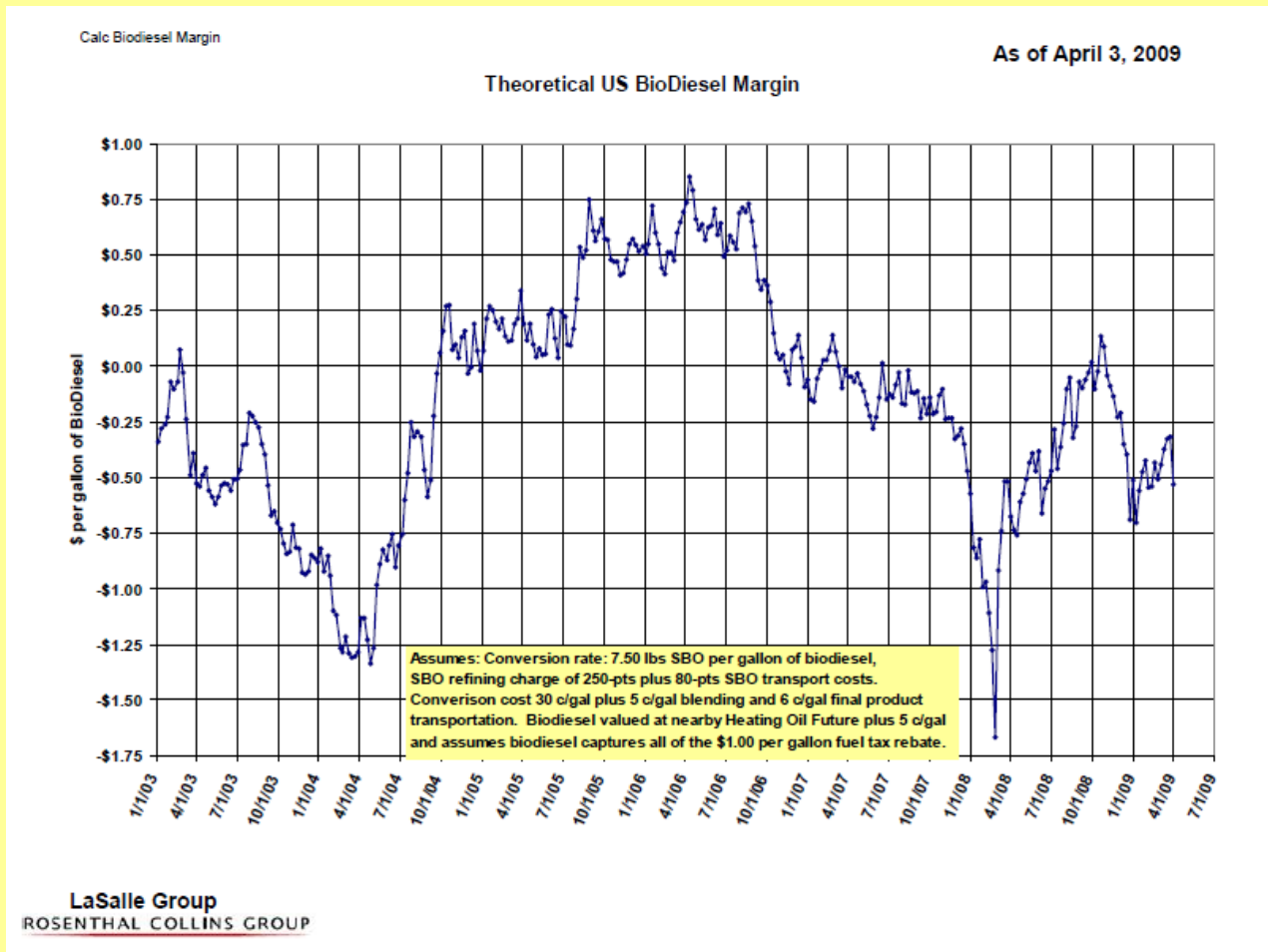
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ROSENTHAL COLLINS GROUP

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U.S. Biodiesel Margins



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RFS

Renewable Fuels Standards (bIn gallons)

Year	Renewable Biofuel	Advanced Biofuel	Cellulosic Biofuel	Biomass-based Diesel	Undifferentiated Advanced Biofuel	Total RFS
2008	9.0					9.0
2009	10.5	.6		.5	0.1	11.1
2010	12	.95	.1	.65	0.2	12.95
2011	12.6	1.35	.25	.8	0.3	13.95
2012	13.2	2	.5	1	0.5	15.2
2013	13.8	2.75	1		1.75	16.55
2014	14.4	3.75	1.75		2	18.15
2015	15	5.5	3		2.5	20.5
2016	15	7.25	4.25		3.0	22.25
2017	15	9	5.5		3.5	24
2018	15	11	7		4.0	26
2019	15	13	8.5		4.5	28
2020	15	15	10.5		4.5	30
2021	15	18	13.5		4.5	33
2022	15	21	16		5	36

LaSalle Group
ROSENTHAL COLLINS GROUP



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USDA April 9th Expectations

	Average	Range	March 2008-09 USDA	2007-08 USDA
Corn (14)	1.731	1.675-1.954	1.740	1.624
Soybeans (14)	0.169	0.101-0.185	0.185	0.205
Wheat (13)	0.697	0.666-0.727	0.712	0.306
		Corn	Soybeans	Wheat
ADM Inv Svcs		1.740	0.185	0.700
Alaron		1.730	0.180	0.712
Citigroup		1.690	0.170	0.692
Doane Advisory Svcs		1.765	0.175	0.727
Farm Futures		1.675	0.165	0.680
Fortis		1.690	0.165	0.712
Kropf & Love		1.740	0.175	0.712
Linn Group		1.690	0.101	0.666
N Am Risk Man Svcs		1.740	0.170	0.687
Newedge USA LLC		1.720	0.185	0.671
Prime Ag		1.700	0.175	0.712
Prudential Bache		1.715	0.175	0.712
Risk Manag Com		1.954	0.172	0.681



Action

- Combine Your Crop Insurance & Grain Marketing
 - Your Goal Should Be to Market Value \$ Revenue/a \geq your insurance guarantee
- '09 Base Revenue Prices
 - Corn \$4.04
 - Soybeans \$8.80
- Remember, failure to market is NOT an insurable cause of loss



Action

- Evaluate Counterparty Risk
 - The risk that a counterparty might fail to fulfill its contractual obligations.



Action

- Use a Variety of Marketing Tools
 - Open Offers at Your Selling Price
 - Expose your offer to the market whenever it's trading
 - 6 pm to 6 am and 9:30 am to 1:15 pm (CST) Chicago
 - Don't limit yourself to 25% of the time opportunity



Futures Highs/Lows

Cnt	Last	High	High Date	Low	Low Date
• +CK9	396' 1	822' 0	6/27/2008	315' 6	12/5/2008
• +CN9	306' 4	826' 0	6/27/2008	314' 0	9/15/2006
• +CZ9	427' 4	707' 0	6/16/2008	302' 0	10/11/2006
•					
• +SK9	989' 4	1653' 4	7/3/2008	779' 2	12/5/2008
• +SX9	908' 4	1557' 4	7/3/2008	670' 0	11/16/2006
•					
• +WN9	551' 6	1144' 6	2/27/2008	447' 0	10/31/2006





7-Apr-2009
 +WN9
 O = N/A
 H = N/A
 L = N/A
 LA= 551' 6
 NC= -17' 2
 MOV[+WN9,50]= 553' 5
 MOV[+WN9,100]= 569' 4
 MOV[+WN9,40]= 544' 1
 MOV[+WN9,20]= 546' 3

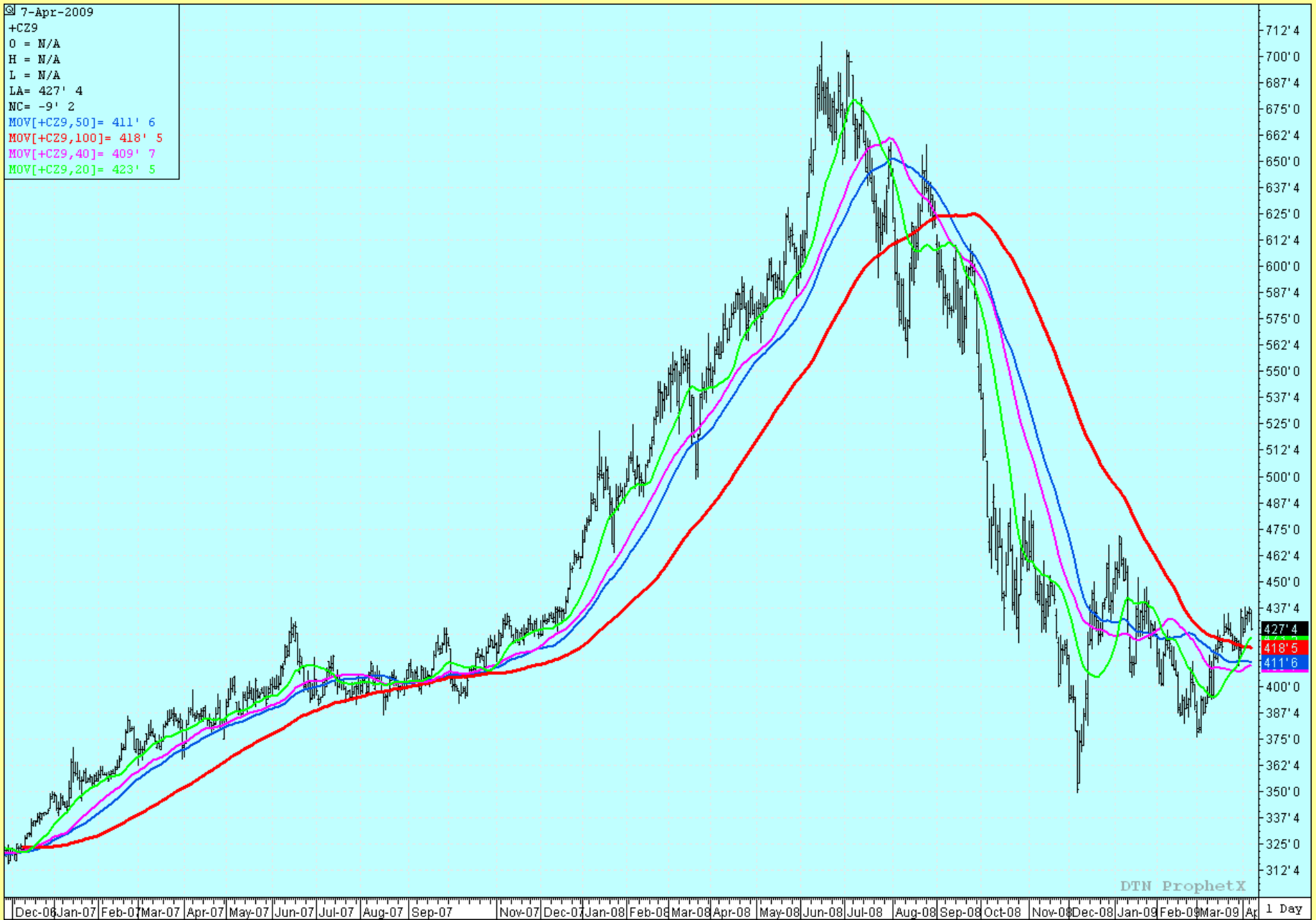


7-Apr-2009
 C@c
 O = 402' 0
 H = 403' 4
 L = 395' 4
 LA= 396' 2
 NC= -9' 2
 MOV[C@c,50]= 373' 6
 MOV[C@c,100]= 373' 3
 MOV[C@c,40]= 373' 5
 MOV[C@c,20]= 391' 0
 V=447' 4
 V=449' 4
 A=-71.1, V=-179' 8



DTN Prophet X

7-Apr-2009
 +CZ9
 O = N/A
 H = N/A
 L = N/A
 LA= 427' 4
 NC= -9' 2
 MOV[+CZ9,50]= 411' 6
 MOV[+CZ9,100]= 418' 5
 MOV[+CZ9,40]= 409' 7
 MOV[+CZ9,20]= 423' 5

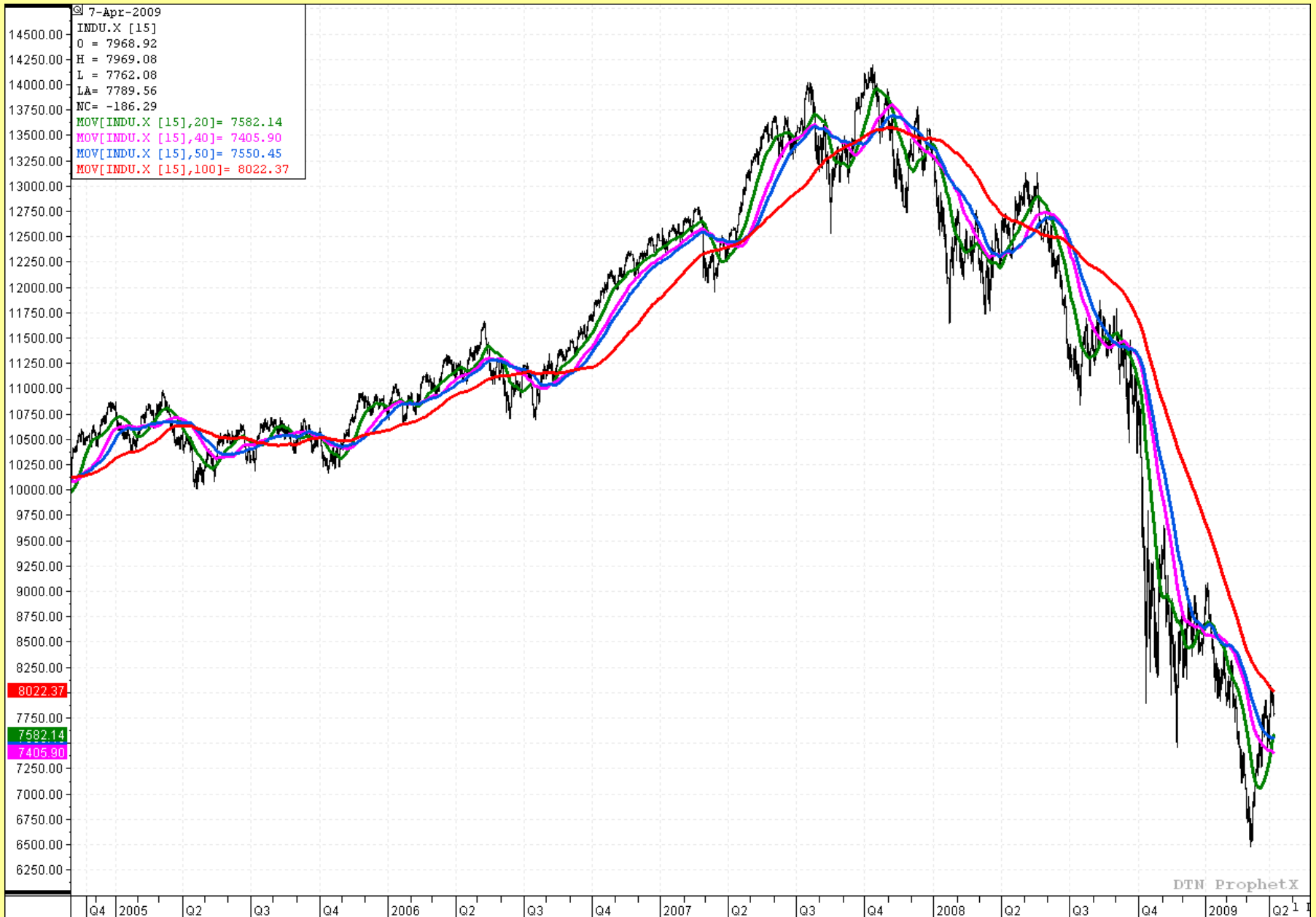


DTH ProphetX



7-Apr-2009
 +SX9
 O = N/A
 H = N/A
 L = N/A
 LA= 908' 4
 NC= -3' 4
 MOV[+SX9,50]= 873' 0
 MOV[+SX9,100]= 898' 7
 MOV[+SX9,40]= 859' 7
 MOV[+SX9,20]= 876' 6



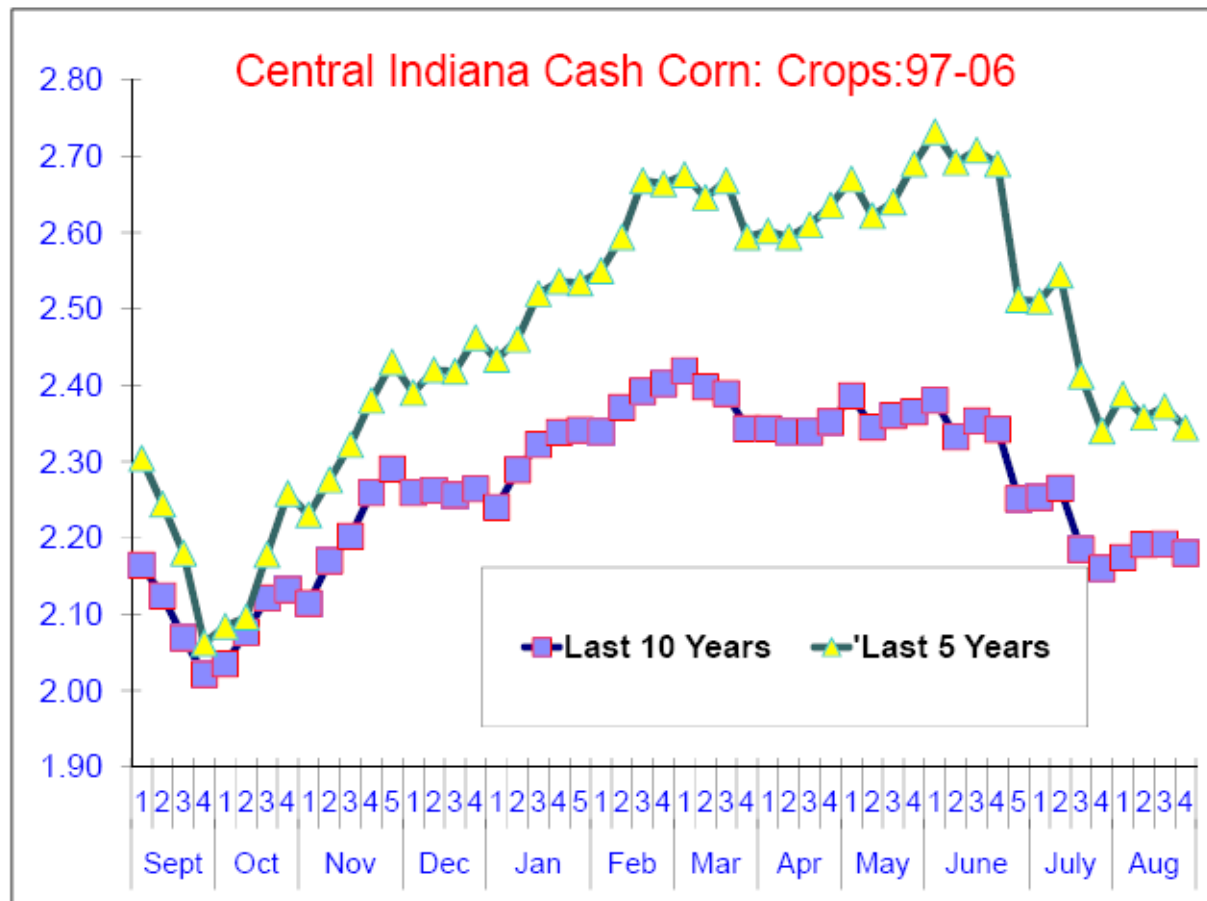


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Window of Opportunity



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Average Futures Prices 3/31 to 7/5 vs 7/6 to 10/31

Start Date End Date Bushels Priced (out of 10000) % Priced Market Index				Start Date End Date Bushels Priced (out of 10000) % Priced Market Index				
Forward Price				Forward Price				DIFFERENCE
DRC				DRC				
Price				Price				
3/31/1990	7/5/1990	10000	2.729	7/6/1990	10/31/1990	10000	2.4066	0.3224
3/31/1991	7/5/1991	10000	2.4867	7/6/1991	10/31/1991	10000	2.4945	-0.008
3/31/1992	7/5/1992	10000	2.5939	7/6/1992	10/31/1992	10000	2.2008	0.3931
3/31/1993	7/5/1993	10000	2.3834	7/6/1993	10/31/1993	10000	2.4536	-0.07
3/31/1994	7/5/1994	10000	2.5401	7/6/1994	10/31/1994	10000	2.2027	0.3374
3/31/1995	7/5/1995	10000	2.7225	7/6/1995	10/31/1995	10000	2.9949	-0.272
3/31/1996	7/5/1996	10000	3.4525	7/6/1996	10/31/1996	10000	3.1977	0.2548
3/31/1997	7/5/1997	10000	2.6538	7/6/1997	10/31/1997	10000	2.6553	-0.002
3/31/1998	7/5/1998	10000	2.5985	7/6/1998	10/31/1998	10000	2.1964	0.4021
3/31/1999	7/5/1999	10000	2.3299	7/6/1999	10/31/1999	10000	2.1255	0.2044
3/31/2000	7/5/2000	10000	2.4485	7/6/2000	10/31/2000	10000	1.9588	0.4897
3/31/2001	7/5/2001	10000	2.201	7/6/2001	10/31/2001	10000	2.2177	-0.017
3/31/2002	7/5/2002	10000	2.256	7/6/2002	10/31/2002	10000	2.6035	-0.348
3/31/2003	7/5/2003	10000	2.3925	7/6/2003	10/31/2003	10000	2.2541	0.1384
3/31/2004	7/5/2004	10000	3.0052	7/6/2004	10/31/2004	10000	2.2481	0.7571
3/31/2005	7/5/2005	10000	2.3484	7/6/2005	10/31/2005	10000	2.2225	0.1259
3/31/2006	7/5/2006	10000	2.692	7/6/2006	10/31/2006	10000	2.6588	0.0332
3/31/2007	7/5/2007	10000	3.8007	7/6/2007	10/31/2007	10000	3.5203	0.2804
3/31/2008	7/5/2008	10000	6.5987	7/6/2008	10/31/2008	10000	5.3845	1.2142



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Watch List

- Monthly USDA and [WASDE Reports](#)
- June 30th Planted Acreage
- [Weekly Crop Progress Reports](#)
- [Weather](#)
- “Outside Markets”
- ACRE
 - [FSA Final Rules](#)
- [KG Web Site](#)
- [DSA Web Site](#)



Work Safely



Many thanks!
Please Stay in Touch



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