

Ag Risk Managers Insurance Agency, L
Francis E. Felber, Lisa K. Schultz and Mark J. Prud
 Office (715) 418-2676 Fran (715) 340-5652 Lisa (715) 307-2386 Mark (651)

The following newsletter is being provided as an extended service to you for being a client of Ag Risk Managers Insurance Agency. ARM Insurance believes that the int long-term financial success. We at ARM Insurance are committed to adding value to your business. Be sure to let us know if we can do anything to serve you better. Th Financial.

MILK AND FEED USE MARKET LETTER

We are now 100% purchased in meal for 2010 at an average futures price of \$275.75.

May 23, 2010

CORN

A solid 7 cent gain on Friday gave corn a weekly advance of 13 ¼ cents. Chinese demand an bushels helped the July corn market move through the two week resistance at \$3.64 and clo market closed into all time contract highs at \$7.34 or \$3.60 higher than the US market. Sucl from corn months on any breaks below \$3.60 unless china's market would sell off sharply. / old corn client of the US, Japan, has really helped with a much stronger demand picture. W the USDA could again increase old crop exports and reduce old crop carryout by 30-50 mill crop corn carryout from the current 1.818 billion to 1.760 billion in the June report. Funds they finished the week owning about 28,000 contracts long.

The US stock market saw a good rally on Friday after a horrific sell off earlier in the week : seemed to worsen. For those concentrating on the stock market and its relationship to how (the 1050 level on the S & P is very important. The market will fall hard if this level but if br move to the massive support level of 1017.

The weekly continuation chart (July futures) shows that the weekly stochs have broken to tl for the July contract to take out and close above the \$3.77-\$3.82 level that NFI has been wri months. We've tested this resistance area 5 times since 1/11/10 and failed each time. A close to the top weekly BB and the Fib retracement level at \$3.96-\$3.98. With almost perfect weat corn to rally that high unless demand from china continues. Weekly MA's are at \$3.70 and



For the past 5 months the market has concentrated on a supply bear market that would take changes now that the new crop carryout did come out at the 2.1-2.4 billion bushels most we and Japan become much stronger buyers than anticipated. If demand continues to improve foreign buyers are looking at much more expensive corn that they thought. How long they v they need to pay closer attention to what is evolving.

MEAL

The meal market lost \$6.5 dollars on the week and things are getting a little dicey on the tec dropped off far more than the beans as China seems to have booked more meal than what i export business and crush as also dropped off considerably.

The weekly continuation chart shows weekly MA's are at \$277 and \$274 with Friday's close buyers quickly or a further drop in prices looks likely. Weekly stochs have turned bearish a will find it difficult to hold any decent rallies for now. It should be mentioned that the mont so meal should find good support in the July contract on a measurement down to \$2.66-\$2.5 then \$288.



MILK

US dairy exports have recovered modestly this year as world economic conditions improved. Monthly cheese and curd exports during March were 13,433 metric tons, a 70% increase over shipment pace. Cheese and curd exports for the 1st quarter totaled 32,860 metric tons, which record export rate set in 2008. Mexican imports of US cheese increased by 57% over February ago. Mexico was the single largest buyer of US cheese, accounting for 32% of total mo from E Asia, specifically S Korea and Japan. We expect 2010 US cheese exports will remain exports at 115,000 MTs. The March US dairy cheese export pace was impressive.

Butter/milk fat exports during March, nearly doubled from February and were also 180% World demand is rebounding and US butter prices have been competitively priced compared Oceanic markets. The USDA's April butter export estimate suggested that butter exports in Though March, exports are well ahead of last year, an average monthly butter and milk fat be required to meet the USDA's forecast. This should easily be attained, assuming that wor consumption rates in developing nations reflect stability.

October milk futures on the weekly chart show that the market tested the major resistance below the 4 week support of \$15.00. The top in the Oct market at \$15.26 is large as is the \$1 toward the bottom weekly BB at \$14.40 and will need to spend several weeks building a bas is at \$14.22.



The information provided in this marketing letter is not guaranteed for its accuracy. The views provided are those of Northland Financial and not those taken when using this letter to market your own products and the reader should use this marketing letter to make their own determination as when to se futures and/or options carries large risks.

Mark Prudhomme is commodity licensed as an IB and is a certified CTA. Mark was securities licensed for 15 years but surrendered his license in 2001

Thank You,
 Mark Prudhomme
 Northland Financial 651-464-8122
 Cell Phone 651-247-5331
northlandfi@msn.com