

RAIN MAKES LOTS OF GRAIN

Decatur Elevator Bids as of 01/20/10

Corn

Cash	\$3.43
Fall 10	\$3.65

Soybeans

Cash	\$9.28
Fall 10	\$8.90

Corn Supply/Demand Projections

USDA Figures	07-08	08-09	09-10
Planted (mil ac)	93.5	86.0	86.5
Harvested (mil ac)	86.5	78.6	79.6
Yield (bu/acre)	150.7	153.9	165.2
—million bushels—			
Beginning Stocks	1,304	1,624	1,673
Production	13,038	12,092	13,151
Imports	20	14	10
Total Supply	14,362	13,730	14,834
Feed/Residual	5,938	5,246	5,550
Food/Seed	1,338	1,276	1,270
Ethanol	3,026	3,677	4,200
Exports	2,436	1,858	2,050
Total Use	12,738	12,056	13,070
Carryover	1,624	1,673	1,764

The USDA January crop production and grain stocks report projected record large corn and soybean production. Concerns over a rain soaked growing season, with an estimated 500 million bushels of corn left to be harvested, were washed away by the January 13 report. Corn and soybean usage is also projected to be record large.

Corn

Supply - The market was surprised by the estimate of a record 2009 yield of 165.2 bushels per acre. The previous high yield was in 2004 at 160.3 bushels per acre, an amazing increase of 4.9 bushels per acre. Harvest of 79.6 million acres is the second most since 86.5 million acres in 2007. Total production is a record 13.15 billion bushels. Adding 2008 crop carryover of 1.67 billion bushels produces a record large supply of 14.83 billion bushels. Excellent growing conditions west of the Mississippi River helped overcome wet conditions east of the Mississippi River, and a late harvest over most of the country.

Demand - Total usage is projected to be a record 13.07 billion bushels, a 1.01 billion bushel increase over last year. Feed/residual use estimate of 5.55 billion bushels is an increase of 304 million bushels over last year. Despite poor

livestock margins, the feeding rate is projected to increase due to light corn test weight. Ethanol is projected to use a record 4.30 billion bushels, 623 million bushels over last year. Food/seed usage of 1.28 billion bushels is 6 million bushels less than last year due to lower high fructose corn syrup usage. Exports at 1.93 billion bushels is 67 million bushels more than last year, but well off the 07/08 record of 2.44 billion bushels. The lower dollar is a contributing factor in making corn exports more competitive.

Carryover - With production of 13.15 billion bushels and usage of 13.07 billion, carryover is projected to increase 91 million bushels. Total carryover is projected to be a comfortable 1.76 billion bushels, the third straight year of increased carryover. This year's stock to usage ratio of 13.5% is not burdensome, but the trend of increasing stocks continues.

Future Considerations - The USDA has indicated it will update US corn production in March due to the estimated 500 million bushels left to be harvested. South American production has been virtually flawless to-date, and large South American supplies could weigh on exports. Continued liquidation of money manager long positions could weigh on the market. New crop 2010 acreage concerns could provide some support. The

South American crop is still mostly in question, and possible US spring concerns surrounding the lack of fall tillage and fertilization are potential supporting factors.

Corn Market Summary - Present adequate supplies have the market complacent. Future production concerns, possible high energy and cheaper dollar could be supportive features.

Soybean Supply/Demand Projections

USDA Figures	07-08	08-09	09-10
Planted (mil ac)	64.7	75.7	77.5
Harvested (mil ac)	64.1	74.7	76.4
Yield (bu/acre)	41.7	39.7	44.0
—million bushels—			
Beginning Stocks	574	205	138
Production	2,677	2,967	3,361
Imports	10	13	8
Total Supply	3,261	3,185	3,507
Crush	1,803	1,662	1,710
Exports	1,161	1,283	1,375
Seed & Residual	92	101	177
Total Use	3,056	3,047	3,262
Carryover	205	138	245

Soybeans

Supply - A record 2009 soybean yield of 44.0 bushels per acre was projected. The previous high yield was in 2005 at 43.1 bushels per acre. Harvest of 76.4 million acres is also a record, 1.7 million acres more than last year's previous record. Obviously, record production resulted at 3.36 billion bushels, 293 million bushels more than the previous record in 2005. Adding 2008 crop carryover of 138 million bushels produces a supply of 3.51 billion bushels, the second highest on record, and 322 million bushels more than last year. Adequate moisture at pod fill overcame rain delayed planting and harvest.

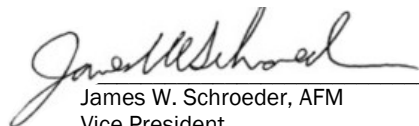
Demand - Total usage is projected to be a record 3.26 billion bushels, a 215 million bushel increase over

last year. Crush of 1.71 billion bushels is a slight increase of 48 million bushels over last year. The high moisture content of this year's crop seems to be reducing the combined product (meal and oil) yield. December crush was an all time record high. Exports are projected to be an all time record high at 1.38 billion bushels, an increase of 92 million bushels over last year's record pace. The lower dollar is also helping soybean exports.

Carryover - With production of 3.36 billion bushels and usage of 3.26 billion bushels, carryover is projected to increase 107 million bushels. Total carryover is projected to be 245 million bushels, the second year of increased carryover. This year's stocks to usage ratio of 7.5% is higher than the previous two years, but is relatively tight.

Future Considerations - The USDA will resurvey farmers in the Southeast in March due to their unharvested areas. Present tight world soybean supplies could rapidly turn to excess if the South American crop continues its excellent progress through harvest. A larger than expected decline in winter wheat seedings could add to soybean and/or corn acres in 2010. Petroleum prices and the value of the dollar will affect soybean oil and exports.

Soybean Market Summary - Present tight supplies should support the market in the short run. Future possible record large South American production could weaken soybean values in the future. Spring planting and US production prospects are not that far away.



James W. Schroeder, AFM
Vice President

This material is based on factual information believed to be accurate, but not guaranteed.



Hickory Point Bank & Trust, fsb
Agricultural Services
Trust and Investment Management

Locations ...

225 North Water Street
Decatur, Illinois 62523
Ph. (217) 875-3131
Fax (217) 872-6297

James W. Schroeder, AFM
Bruce M. Huber, AFM, ARA
Seth M. Baker, AFM

Vice President
Vice President
Asst. Vice President

1400 S. Lincoln Avenue, Suite G
O'Fallon, Illinois 62269
Ph. (618) 622-9490
Fax (618) 622-9492

Dale R. Kellermann, AFM, CCA

Asst. Vice President

Services ...

- ▲ Farm Management
- ▲ Real Estate Sales & Purchases*
- ▲ Rural Appraisals
- ▲ Consulting
- ▲ Complete Trust Administration

"Enhancing Farmland Ownership"

*offered through Schroeder/Huber LLC, Real Estate Broker services not offered through Hickory Point Bank & Trust, fsb

www.hpbAGservices.com