



D.B. MARKETING, INC.
CASHFAX GRAIN MARKETING SERVICE ADVICE

1-800-359-0732 www.DBMGrain.com

07-20-06 #21 7:35 p.m. CST

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I am looking for Natural Gas prices to increase over the next nine months. This will cause Nitrogen fertilizer prices to rise. Lock in Fall prices if you can.

There are changes being proposed for Crop Insurance. The amended provisions would replace the Crop Revenue Coverage, Income Protection, Indexed Income Protection, Actual Production History and Revenue Assurance plans of insurance and would take place starting 2009 crop years. You can have input, see: <http://www.rma.usda.gov/regs/2006/combopr.pdf>

The timing isn't right for Soybean prices to fall out of bed yet. South America will be planting 5 - 7 % less acres this Fall. Next year's USA acres have to be down because of the higher Corn prices pulling 3 -5 million acres that way. That said there could be another rally left in Soybeans. If you look at the monthly November Soybean 2006 chart, it shows a coil with a probable breakout to the top. The last five months have been alternating higher then lower closes of about 20 cents. It would indicate that August prices should shoot up by at least 20 - 45 cents. Maybe we will get our next sales level done yet.

I discovered the morning after the last report that ten years ago, (July 12, 1996), we made the all time high price in the July Corn Futures contract at \$5.545 (FC/CC of 553). Ten year anniversaries are important, usually highs or lows. In this case, it was another top (at least short term) in the Corn market. Prices will probably work sideways to lower for a awhile. I do believe at this time, the yields will not be there in Corn like traders are presently thinking. They are thinking too much about last year when we had a drought in Illinois and we still had good yields. They are thinking that Iowa will be the same like Illinois last year. Things are different this year, and the national yields will not be as good due to: later planting, less nitrogen used, poorer stands, poorer Subsoil moisture, insect pressure, root problems, bigger dry areas, and heat at pollination time. I give a 50% chance that we will take the summer highs out before Christmas time, when we find out yields are not there. My January forecast was 144.3 BPA, and I think that maybe close. Plan to harvest Corn early to capture an LDP that won't be around very long.

Soft Red Winter Crop yields were good. Futures prices are good, basis stinks. It may get a little better, but not much. It's the case where commercial trade is trading at one place and Futures are trading much higher due to problems in other classes of Wheat. We should get our next sales done on this rally.

CURRENT CROP 2005 SOYBEANS: We have sold 90%. Sell the last at \$6.23 versus August . That's 39 cents away.

CURRENT CROP 2005 CORN: We have finished sales.

CURRENT CROP 2006 WHEAT: We have sold 70%. Sell 10% at \$4.19 versus September. That's 12 cents away.

NEW CROP 2006 SOYBEANS: We have sold 40%. Sell 10% at \$6.49 versus November. That's 43 cents away.

NEW CROP 2006 CORN: We have sold 50%. No additional recommendations.

NEW CROP 2007 WHEAT: We have sold 20%. No additional recommendations.

RED CROP 2007 SOYBEANS: No additional recommendations.

RED CROP 2007 CORN: We have sold 10%. No additional recommendations.

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2006 WHEAT				
<u>DATE</u>	<u>SOLD PRICE</u>	<u>FUT</u>	<u>TOT%</u>	<u>AVE</u>
		<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>
10-05-05 20	3.71	JULY	20	3.71
12-23-05 10	3.50	JULY	30	3.64
01-27-06 10	3.69	JULY	40	3.65
03-10-06 10	3.99	JULY	50	3.72
05-17-06 10	4.19	JULY	60	3.80
07-13-06 10	4.08	SEP	70	3.84

Sell 10% at \$4.19 versus September

2007 WHEAT				
<u>DATE</u>	<u>SOLD PRICE</u>	<u>FUT</u>	<u>TOT%</u>	<u>AVE</u>
		<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>
05-17-06 10	4.61	JULY	10	4.61
07-13-06 10	4.58	JULY	20	4.60

2005 SOYBEANS				
<u>DATE</u>	<u>SOLD PRICE</u>	<u>FUT</u>	<u>TOT%</u>	<u>AVE</u>
		<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>
02-22-05 10	5.78	NOV	10	5.78
03-01-05 10	6.13	NOV	20	5.96
03-11-05 10	6.37	NOV	30	6.09
05-25-05 10	6.52	NOV	40	6.20
06-10-05 10	6.78	NOV	50	6.32
12-15-05 10	6.05	MAR	60	6.27
02-10-06 10	5.82	MAR	70	6.21
03-14-06 10	5.87	MAY	80	6.17
05-11-06 10	6.115	JULY	90	6.16

Finish Sales at \$6.23 versus August

2006 SOYBEANS				
<u>DATE</u>	<u>SOLD PRICE</u>	<u>FUT</u>	<u>TOT%</u>	<u>AVE</u>
		<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>
12-15-05 10	6.215	NOV	10	6.21
02-10-06 10	6.18	NOV	20	6.20
04-28-06 10	6.24	NOV	30	6.21
05-11-06 10	6.3075	NOV	40	6.24

Sell 10% at \$6.49 versus November

2007 SOYBEANS				
<u>DATE</u>	<u>SOLD PRICE</u>	<u>FUT</u>	<u>TOT%</u>	<u>AVE</u>
		<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>
None				

2005 CORN				
<u>DATE</u>	<u>SOLD PRICE</u>	<u>FUT</u>	<u>TOT%</u>	<u>AVE</u>
		<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>
03-15-05 10	2.48	DEC	10	2.48
06-08-05 10	2.3575	DEC	20	2.42
06-17-05 10	2.48	DEC	30	2.44
06-20-05 10	2.55	DEC	40	2.47
07-14-05 10	2.63	DEC	50	2.50
01-30-06 10	2.22	MAR	60	2.45
02-10-06 10	2.2225	MAR	70	2.42
05-11-06 10	2.47	JULY	80	2.43
05-12-06 10	2.61	JULY	90	2.45
07-10-06 10	2.57	SEP	done	2.46

2006 CORN				
<u>DATE</u>	<u>SOLD PRICE</u>	<u>FUT</u>	<u>TOT%</u>	<u>AVE</u>
		<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>
01-30-06 10	2.56	DEC	10	2.56
02-10-06 10	2.5725	DEC	20	2.57
02-24-06 10	2.63	DEC	30	2.59
04-06-06 10	2.71	DEC	40	2.62
05-18-06 10	2.87	DEC	50	2.67

2007 CORN				
<u>DATE</u>	<u>SOLD PRICE</u>	<u>FUT</u>	<u>TOT%</u>	<u>AVE</u>
		<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>
05-26-06 10	3.14	DEC	10	3.14

Bold print indicates changes from last fax or orders in place.

THIS ASSUMES NORMALLY MAKING SALES 14 MONTHS BEFORE THE CROP IS PLANTED THROUGH SEPTEMBER 1, THE YEAR FOLLOWING CORN AND BEAN HARVEST OR MARCH 1, THE YEAR FOLLOWING WINTER WHEAT HARVEST. WE MAKE 4 TO 10 SALES PER MARKETING PERIOD OF BETWEEN 10% AND 25%.

Trading Commodities and Futures involves Significant Risk of Loss. It is not suitable for every investor. Information contained herein is the opinion of the writer and may change at any time. Past performance is not indicative of future results. Information obtained from sources believed to be reliable, but in no way guaranteed.