



D.B. MARKETING, INC.
MARKET MINDER GRAIN MARKETING SERVICE ADVICE

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08-08-07 #24 8:20 p.m. CST

Page one

USDA will come out with Supply/Demand and Crop Production at 7:30 am CST on Friday. Ranges for Corn yields are from 148 to 156 with average guess at 151.03. My January forecast based on weather models was 152.2. I would be surprised if I am not within 2.0 bpa. Traders are expecting a Soybean yield of 41.9. My forecast from January is 42.9. Prices have been rallying into the report, mostly short covering. Traders are looking for a bullish report. If we get one, it may already be factored into the market and prices may fall by the close. If the report is bearish, prices will go down sharply.

High Crude prices and the lower Corn prices that we had for a while will continue to spark Ethanol demand. With the current price structure in place, farmers are telling me that they would prefer to plant double crop Wheat-Beans rather than Corn because of lower input costs and higher net dollars. This sets up an interesting scenario. Next year, we need more Corn acres to supply demand, we need more Soybean acres or we will run out. We need more Cotton acres and more Wheat acres. Where will all the acres come from to meet demand? There will have to be price rationing, which means we will have a sharp rally at some point. I expect this rally to start after the Fall harvest, but it is possible that it has already started. Prices for Corn and Beans should do just the opposite from a year ago. Bean prices should shoot up and peak by the end of March. Corn prices should continue to be strong, peaking in the normal Summer time or later. Wheat should be peaking within the next month or two.

Reevaluate your Corn yields at this time. If you are not up to my recommendation of 40% sold for the Current Crop, get there tomorrow. Because of my bullishness into the 2008 crop year, I will wait for higher prices before doing additional sell recommendations. If you absolutely need to price more for Fall delivery, tomorrow would be a good day to do that. Upside potential on this rally is to \$3.71 +/- 2 cents.

We are in good shape with Soybean sales at present. I will wait for better prices. It's possible to see a short term top the week of August 20. Many farmers are spraying for mites and aphids. Check every field every day.

Wheat is bouncing into new price territory right now. Soon the focus will go to the 2008 July harvest, and with that will come lower prices. Presently, I am not liking the chart patterns. I like the current price, so sell another 10% of Current Crop on the opening tomorrow to bring you up to 90% sold. Sell 5% more for the 2008 crop on the opening to ring you up to 20% sold. Keep your other orders working, see below.

Steak dinner and market round table discussions, bring your farmer friends & neighbors over the age of 18 yrs. Free food, fellowship and discussion about the markets at these critical times. Your RSVP forms were mailed to you. We need you to **RSVP** by Monday noon before the meeting.
Friday evening, August 17, 5:00 pm in Lynnville, IA.
Saturday evening, August 18, 5:45 pm in Springfield, IL.
Friday evening, August 24 in, 4:45 pm in Manteno, IL.

CURRENT CROP 2007 WHEAT: We have sold 80%. Sell 10% on the opening tomorrow. Finish sales at \$7.01 versus September. That's 22 cents away.

CURRENT CROP 2007 SOYBEANS: We have sold 50%. No additional recommendations.

CURRENT CROP 2007 CORN: We have sold 40%. Get caught up, if behind. No additional recommendations.

NEW CROP 2008 WHEAT: We have sold 15%. Sell 5% on the opening tomorrow. Sell 10% at \$5.75 versus July 08. That's 11 cents away.

RED CROP 2008 SOYBEANS: We have sold 10%. No additional recommendations.

RED CROP 2008 CORN: We have sold 10%. No additional recommendations.

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08-08-07 #24 Page two

2007 WHEAT				WU07	6.79
%		FUT	TOT%	AVE	
<u>DATE</u>	<u>SOLD PRICE</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	
09-06-06	10 4.505	JULY	30	4.57	
10-26-06	5 4.62	JULY	35	4.57	
11-10-06	5 4.70	JULY	40	4.59	
02-16-07	5 4.94	JULY	45	4.63	
02-22-07	5 5.05	JULY	50	4.67	
06-26-07	10 6.11	JULY	60	4.91	
07-19-07	10 6.36	SEP	70	5.12	
07-31-07	10 6.37	SEP	80	5.27	

Sell 10% on the opening tomorrow
Sell 10% at \$7.01 versus Sept to finish sales

2008 WHEAT				WN08	5.6375
%		FUT	TOT%	AVE	
<u>DATE</u>	<u>SOLD PRICE</u>	<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>	
05-31-07	10 5.16	JULY 08	10	5.16	
06-26-07	5 5.75	JULY 08	15	5.36	

Sell 5% on the opening tomorrow
Sell 10% at \$5.75 versus July 08

2007 SOYBEANS				SX07	8.78
%		FUT	TOT%	AVE	
<u>DATE</u>	<u>SOLD PRICE</u>	<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>	
12-05-06	5 7.08	NOV	5	7.08	
01-17-07	5 7.62	NOV	10	7.35	
02-16-07	5 8.11	NOV	15	7.51	
02-28-07	5 8.195	NOV	20	7.75	
05-14-07	5 8.01	NOV	25	7.80	
05-18-07	5 8.24	NOV	30	7.88	
05-25-07	5 8.41	NOV	35	7.95	
06-11-07	5 8.69	NOV	40	8.04	
07-02-07	5 8.99	NOV	45	8.15	
07-13-07	5 9.44	NOV	50	8.28	

2008 SOYBEANS				SX08	8.9825
%		FUT	TOT%	AVE	
<u>DATE</u>	<u>SOLD PRICE</u>	<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>	
06-29-07	5 9.23	NOV08	5	9.23	
07-13-07	5 9.44	NOV08	10	9.33	

2007 CORN				CZ07	3.58
%		FUT	TOT%	AVE	
<u>DATE</u>	<u>SOLD PRICE</u>	<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>	
05-26-06	10 3.14	DEC	10	3.14	
11-10-06	5 3.47	DEC	15	3.25	
01-19-07	5 3.885	DEC	20	3.41	
02-07-07	5 3.93	DEC	25	3.51	
02-16-07	5 4.09	DEC	30	3.61	
05-07-07	5 4.00	DEC	35	3.67	
06-13-07	5 4.03	DEC	40	3.71	

2008 CORN				CZ08	4.0425
%		FUT	TOT%	AVE	
<u>DATE</u>	<u>SOLD PRICE</u>	<u>MTH</u>	<u>SOLD</u>	<u>PRC</u>	
05-03-07	10 4.01	DEC08	10	4.01	

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.