

# Miller on the Market

## 5 Year Cycle

Weather patterns seen in 2009 are very similar to those seen in 2004. If you recall, we had very good moisture through pollination in '04 which created a bigger ear on those flex-ear hybrids and created, in some cases, 3 ears on a stalk on the fixed ear hybrids. This year is very similar as I have heard some say they have 4 ears on a stalk! Four ears?! The other thing similar in 2004 as in 2009 is the carryout we see facing the US not only this year but next year as well. One thing we seem to have going for us so far is that there is still some sort of premium built into commodities due to some outside influence whether it be fund money or just a risk premium because demand is higher than years ago. So, when similar trends repeat themselves we need to look at the historical data available to determine what will happen in the future. The chart below shows 2004 Dec. corn futures. As you can see, from the end of August to the end of the year, there is a considerable downtrend. Can this be avoided this year? Sure it can.... With a good frost scare. That didn't happen in 2004. Or we could have some other type of weather disaster that would have to be as widespread as a frost although this is not likely to happen. If it does, let's hope it doesn't happen here.



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