

## The Partner

**2011 Crop quantities could be tight. Secure your supplies now for:**

Non-GMO Soybeans

Organic Soybeans

Hard Red Spring Wheat

Organic Hard Red Spring Wheat

White Sorghum

Check out our website: [www.sb-b.com](http://www.sb-b.com)

**A Family Heritage**  
...since 1906

Tradition of Customer Care

Unmatched Reliability

Leadership in Identity Preserved Non-GMO Production

A History of Innovation and Quality

## A Challenging Spring Planting Season

Slowly but surely is a good way to describe the 2011 spring planting season. Warm temperatures did not arrive until mid/late April which caused the snowmelt to be delayed. Many producers were eager and upbeat to get into the field this spring as they watched CBOT price levels reach record highs.

However, as the weather conditions remained cool and damp, it impacted the planting times of each crop this spring. Most producers hope to have their wheat planted by the end of April and corn by the end of May each year but some simply were not able to get everything planted they had originally planned for.



We estimate Hard Red Spring Wheat acres may be down 20-30% across the Midwest this year. As an alternative, they moved their intended wheat acres to either corn or soybeans. Despite the fact the wheat acres were down, a cool summer may more than make up for lost acreage as wheat does very well in cool/damp conditions.

As farmers neared the end of May, all focus shifted to soybean planting. Prior to May 31<sup>st</sup>, most major soybean producing areas in the U.S. were reporting only 25-50% complete. The normal averages for this timeframe are 75-100% complete. Many farmers were getting concerned they may not get their soybeans planted this spring.



Things quickly turned better in early June and most farmers were able to get the majority or all of their soybeans planted in a 4-6 day window. Soybeans have the ability to do very well even if planted in June. The sub soils have abundant moisture so in contrast to wheat, soybeans and corn now need warm temperatures!

SB&B Foods is happy to report a large majority of the intended soybean acreage did get planted. We will now follow our frequent routine of producer visits, field monitoring and production seminars.

The crop is now in the ground so we now all hope for a great production season. We will continue to monitor the production and provide updates throughout the growing season. Once again, thank for your continued relationship with SB&B and we look forward to another successful year with our customers.

Your business is truly appreciated!



Robert & Todd Sinner  
President & Vice President  
SB&B Foods, Inc






## Market Commentary

The June 9, 2011 USDA Report was bullish for corn, neutral to slightly negative soybeans, and considered neutral for wheat. The corn numbers showed steep cuts in US and World ending supply projections, leaving the world corn stocks to use ratio at 13% which is the lowest ever. The soybean numbers are believed to be still unknown because many acres had not been planted at report time. The June 30, 2011 upcoming USDA Report should help us better understand the soybean acreage numbers.

1. **Weather** - There are many areas in the world with unsettled weather. Drought in the southern plains, drought in Europe and areas of China, extremely wet in various US production regions and Canada, and flooding all through the Missouri and Mississippi River Valley's. With reduced carryovers in all crops, any further weather disruption may cause more market volatility.
2. **China, India, Indonesia** – With China continuing to try to slow their economy down, we ask the same question as the newsletter in July 2010, are grain demand projections high enough? Demand has slowed, but if additional weather problems develop will demand accelerate?
3. **Crude Oil** – The crude oil chart continues to perform in the opposite direction as the US Dollar Index.
4. **The US Dollar Index** – appears to be close to a intermediate bottom which may put pressure on commodities. Social and financial unrest in Greece is helping support the US Dollar short-term.
5. **Ending grain and soybean supplies** – Stocks to use ratios in corn, beans, and wheat are lower than normal. Weather events have been extreme. The world needs to build grain inventories.
6. **Outside markets** – Part of the grain market volatility is being driven by fundamentals (lower than normal supplies and higher demand), but the outside markets (concerns of inflation/deflation, US debt and job growth, the unrest in Greece and other countries, growth in China, India, and Indonesia) probably have more to do with the direction of the commodity market than the actual supply and demand of the physical product.

Tom Bresnahan  
CFO  
SB&B Foods, Inc. 

### Identity Ag Processing, Wisconsin receives the Chippewa County Economic Development 2011 Business of the Year Award.

Identity Ag Processing, Wisconsin (IAPW) started processing high quality Non-GMO Identity Preserved products for SB&B customers in September of 2010.

The award was presented for it's strong community focus and significant economic impact to the region. The addition of IAPW along with IAP in North Dakota has proved to be a tremendous asset to our customers.



Identity Ag Processing Wisconsin (IAPW)