



Wall Street Grand 2009 Agriculture Report

I hope many of you read my article on gold. I have highlighted structural problems with the U.S. and the global economy to back up my theory that we are about to see a major collapse in the dollar and the biggest rally in gold Wall Street has ever seen. Even though I am extremely bullish on gold and feel it will reap the most gains from this inevitable economic collapse, we do have to diversify and be invested in some of the other opportunities that have risen recently.

In my last article, I explain how our country now has about \$11 trillion in debt with no real way of paying back this debt. The main problem is we have gone from being the biggest creditor nation to now the biggest debtor nation because we import all our consumed goods from borrowed money from countries like China and do not produce anything anymore with this borrowed money. All our country does is consume and spend without producing anything!

In my opinion, China would actually be better not lending us anymore money or exporting all their goods and should consume their own goods. They have the population to do just that and would probably be in a better position if they did!

Just recently, China announced that they will be issuing a \$586 Billion stimulus plan of their own. Most likely China will begin selling US Treasuries to fund this stimulus plan since they don't have the ability to print the money without being the world's reserve currency. This is another huge problem since simultaneously the US will be selling its own trillions of dollars in treasuries for our own bailouts and stimulus. This will result in the US printing trillions of dollars out of thin air creating hyperinflation and a major collapse in the dollar.

Other than gold, the one thing that I think could help our country get back on its feet is agriculture. The one thing our nation has going for itself and could produce for the world is agricultural resources and farm goods! These are the strong roots of our country that at one point helped make us the strongest country in the world!

I am very sad that we have so many young men and women right now that have taken out these huge student loans that they will be paying back for many years and in return have got the same degree as millions of other students with no jobs available! Just yesterday, President elect Barack Obama stated that he will be issuing a new stimulus to make sure we save or create at least 2.5 Million jobs by 2011

<http://www.nationalpost.com/news/story.html?id=988250>) because of this jobless crisis that is only going to get worse. In order to achieve this goal with a new stimulus plan, Obama will most likely spend unlimited amounts of money using the "printing press". This again will be an adding factor to our rally in gold. Think about how many companies will be going bankrupt in the next few years! Our government can't bail out everyone! In my opinion, all of these students and people that need jobs should be learning how to farm! There is a huge drought in the amount of farmers right now and nobody is taking the incentive to teach new generations this valuable resource. Every farmer I know is rich!

Everyone should realize that even if we are in a depression people will never stop eating and consuming farm goods. This is a huge safe haven and with the drought in farmers, there will be a huge amount of demand with limited supply. Prices will skyrocket! With the hyperinflation our government is creating, a collapse in the dollar, and limited supply on farm goods- every characteristic is there for agriculture stocks to explode!

Recently, a popular billionaire investor had a pretty good quote on Bloomberg: "There are 3 billion people in Asia who were not involved the last time we had a commodities rally and aren't going to lose their appetite because of problems in the U.S... Even if America goes bankrupt, those 3 billion people are going to continue to do well and eat more."

Now, consider the macro economic forces that should trend bullishly for agricultural commodities in the coming years. The markets are in turmoil but we know people won't stop consuming agricultural resources. Cotton sales to Chinese textile companies have been growing for years and are likely to continue to grow in the near future. Most attractively cotton is 70% down below the all time high! This is unheard of!

As for sugar... sugar is the cheapest it has ever been! Sugar is down 80% from its all time high! In my opinion, it is only a matter of time before oil prices move back up increasing the demand for bio-fuels thus driving up the price of sugar, from which a majority of the world's ethanol originates.

Rising incomes in Asia will increase demand for meat, which should increase demand for grains (corn and soy beans) and stress the supply of grains. Also, the next storm season could cause a supply crunch to add to the bullish long-term trend. All of these macro-economic realities are long term bullish characteristics for agriculture commodities!

It's true that grains like wheat have risen substantially and are not at price levels that are not as attractive as they have been in the past. Therefore, I would wait for a pull back before looking into these individual commodity investments.

The biggest threat in my mind that could temporarily drag down this type of investment is when the equity bubble bursts and leverage investors and hedge funds still need to liquidate commodity positions to satisfy margin calls or drum up cash. Ultimately commodities like agriculture and gold will go extremely higher in the long term.

I have done some research for some great agriculture investment opportunities for our club!

First, a good way to get your feet wet in a safe long-term investment in agriculture is with three ETF/ETNs to consider-

1) Powershares DB Agriculture Fund: [DBA](#) *

The Powershares fund is an index of futures contracts on wheat, soybeans, corn and sugar based on the Deutsche bank Liquid Commodity Index - Optimum Yield Agriculture. The index has a base weight of the following:

Corn : 22.62%
Soybeans: 30.89%
Sugar: 15.89%
Wheat: 30.6%

2) Elements Rogers Intl Commodity Agriculture ETN: [RJA](#) ***

RJA is an ETN that tracks the agriculture subindex of the Rogers International Commodity Index

3) Van Eck's Agribusiness ETF: [MOO](#) ***

This ETF invests in 40 global companies involved in the agriculture business. The companies must have a market cap of at least \$150 million, a monthly trading volume of 250,000 shares over the last six months, trade on a global exchange, and have a worldwide daily average trading volume of at least \$1 million during the past six months.

Now I want to give you 11 new stocks to watch before the agriculture rally! Congrats if you were able to gain on our 11 new gold stock picks announced on Sunday! 10 out of 11 were up the very next day!

[Here are our new 11 agriculture stock picks-](#)

1) Potash CP Saskatchewan- POT

2) Archer Daniels MD LND- ADM

3) Bunge Ltd- BG

4) Deere Co- DE

- 5) Monsanto Co- MON
- 6) Agrium Inc- AGU
- 7) Syngenta AG ADS- SYT
- 8) Mosaic Company- MOS
- 9) Cosan Ltd. - CZZ
- 10) China Agritech- CAGC
- 11) Corn Products International Inc. – CPO

We look forward to bringing you more big gold and agriculture picks in the near future!