



Market Analysis/Commentary

December 2010

The year 2010 ended nothing like it started. In late 2009 I could feel the shift beginning. The world was void of crop snafus, the U.S. had just harvested record large summer crops, and the southern hemisphere was well on its way to doing the same. There was no disputing that Chinese demand was large and growing, however the world was poised to build some pretty hefty stocks, the likes of which would certainly weigh on prices for months to come. Our January returns were compliments of this bias which proved to be accurate.

By early spring, we had indeed realized record southern hemisphere crops; prices had fallen sharply in January and early February and then stabilized. China was back in the world market buying up soybeans at a much faster pace than had been anticipated. Prices began a slow creep higher, there was little direction, and nothing stood out fundamentally. Markets were entering a choppy, directionless period and it is hard to make money in markets like that. Our returns for the period February through June were meager as I struggled to define the markets' "ranges."

In mid-summer, things started to get interesting again. Summer crop weather was nothing short of odd. Crops were planted in the spring in a fairly timely fashion and then it began to rain. By early July the western Corn Belt was just "wet" and Iowa in particular had seen so much rain it was beginning to bother me. By mid-August, parts of Iowa had seen rains that rivaled the 1993 catastrophic flooding incident; I remembered how crops suffered that year from too much of a good thing...water. Meanwhile, all areas to the east and south of Iowa were extremely dry, and nationwide it got hot in mid-July. The market did not seem bothered by these events but my alarm bells were ringing and corn was cheap, it was time to buy. Poor U.S. growing weather, the monumental Russian drought and Chinese demand were all responsible for the meteoric rise in prices of all grains that began in July of 2010 and our returns from July forward reflect this.

So now I am faced with making money in 2011. The world's grain and oilseed supply problems have not gone away, and I can easily paint you a picture where prices would trade to, or beyond, the all time high levels of 2008. Inject another major crop disaster and we are talking some really spooky stuff as bio-fuels usage MANDATES no longer allow for a global recovery in one crop cycle. Prices appear poised to move higher, but caution is advised. As cataclysmic as the current situation might sound, we are not there just yet. Mother Nature holds all the cards and I will be watching the skies around the globe very carefully!

David Skudder
Global Ag LLC

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. TRADING COMMODITY FUTURES AND OPTIONS IS SPECULATIVE, INVOLVES RISK OF LOSS, AND IS NOT SUITABLE FOR ALL INVESTORS. Information above has been taken from sources we believe are reliable, but there is no guarantee that such information is accurate or complete and it should not be relied upon as such. Opinions expressed reflect judgments at this date and are subject to change without notice. The contents are for informational purposes only and should not be construed as an offer to sell or a solicitation to buy or sell any futures or options contracts.

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December 2010 Performance Summary

Program Description

Global Ag, LLC is a registered Commodity Trading Advisor formed in November 2008 and traded by David Skudder. Global Ag is an Ag sector-specific CTA focusing primarily on Grains and Oilseeds. Risk is taken in both long and/or short positions, intra- and inter- commodity spreads, as well as underlying/related commodity options.

Mr. Skudder's commodity background spans a period of 27 years. He has been professionally involved in the physical side of grain trading as a merchant and a broker and still maintains close ties to the industry.

Mr. Skudder considers himself a "fundamental" trader, implementing strategies based on his opinions of global weather and crop developments, related physical markets, country-specific commodity balances, and political events that might affect those flows.

Global Ag and Mr. Skudder are registered with the Commodity Futures Trading Commission (CFTC) and are members of the National Futures Association (NFA). Mr. Skudder is also a member of the Chicago Board of Trade.

The principals of Global Ag, LLC, David Skudder and Tom Nesvick, have been business associates since 1991. Mr. Skudder directs all trading for Global Ag. Mr. Nesvick is responsible for all administrative functions.

Managed Funds: \$141,453,323

Mr. Skudder presently manages **\$141,453,323**. Of this amount, **\$80,565,239** is managed in the Global Ag program described on this page. An additional **\$29,682,862** is charged varying commissions, no management or incentive fees, and is closed to new investment. Mr. Skudder trades **\$31,205,222** in proprietary funds as part of Global Ag, LLC. These funds are traded pari passu to the Global Ag program with different fee structures and commission rates.

For more information on the Global Ag program, please contact us for our most recent disclosure document.

Returns*

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Year
2010	17.74%	-4.70%	0.34%	-3.57%	3.25%	4.58%	2.98%	13.07%	8.91%	26.39%	-13.03%	14.00%	86.29%
2009	2.35%	0.77%	-0.16%	2.36%	12.02%	19.86%	-9.72%	5.23%	-7.21%	-1.93%	-2.29%	6.06%	26.79%
2008	-	-	-	-	-	-	-	-	-	-	-	2.78%	2.78%

Performance**

Total Return	142.25%		
Avg. Monthly Return	3.99%		
Std. Dev.	9.12%		
Sharpe Ratio	1.67		
Barclay Ratio	2.45		
Winning Months	17	Avg. Gain	8.38%
Losing Months	8	Avg. Loss	-5.33%

Correlations**

S&P 500	-0.06	Barclay CTA	0.24
US T-bonds	-0.06	EAFE	0.08
World Bonds	0.01		

Account Information

Primary Mkt.	Agriculture	Notional Trading	No
Min. Investment	\$200,000	Avg. M/E Ratio	11.31 %
Management Fee	2 %	Avg. Round Turns/YR/Million	5,700
Incentive Fee	20 %	AUM	\$80,565,239
Accepting Funds	Yes	Start Date	Dec. 2008

* Management and/or incentive fees along with other account expenses, as described in the Global Ag disclosure document, have been accounted for in the calculations.

** The information contained in these tables has been taken from the Barclays database and are believed to be correct.

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Managed Accounts Returns[^]

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	18.74%	-6.48%	-0.96%	-4.07%	1.94%	4.64%	3.21%	17.25%	11.63%	30.59%	-13.85%	14.59%	95.99%
2009	2.25%	0.43%	0.53%	2.75%	16.99%	24.72%	-9.83%	5.08%	-7.55%	-2.02%	-3.10%	5.28%	35.51%
2008	15.84%	17.57%	-14.97%	16.45%	9.08%	24.62%	-2.15%	-2.72%	-0.16%	21.01%	9.86%	4.57%	142.17%
2007	12.47%	-0.75%	-0.11%	-0.23%	-2.68%	0.39%	11.93%	-14.47%	1.45%	14.21%	8.54%	8.65%	42.17%
2006	4.43%	3.15%	8.61%	1.36%	4.44%	5.67%	4.47%	-0.29%	-9.74%	-38.14%	21.90%	3.54%	-3.93%
2005	11.57%	-32.18%	-12.80%	14.52%	8.69%	-7.01%	24.18%	-9.73%	-5.69%	-2.68%	2.43%	-1.42%	-20.66%
2004	-	-	-	-	-38.74%	6.88%	20.00%	-0.97%	23.10%	4.58%	7.96%	-3.61%	4.24%

Managed Accounts- Monthly Breakdown[^]

Winning Months	50	Avg. Gain	9.91%
Losing Months	30	Avg. Loss	-8.30%

[^] The performance shown directly above is the result of the discretionary accounts traded by Mr. Skudder. Please note, these accounts are charged only varied commission rates, not management and incentive fees. The difference in returns between these discretionary accounts and the Global Ag managed accounts will be due to the differing fee structure and commission rates.

Proprietary Returns^{^^}

	Jan	Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2010	20.33%	-5.09%	0.80%	-2.82%	3.48%	5.76%	4.26%	16.57%	11.04%	32.83%	-13.35%	14.80%	118.31%
2009	1.70%	2.20%	-0.07%	2.49%	7.66%	10.18%	-4.73%	2.13%	-4.28%	-0.66%	-0.86%	7.20%	24.16%
2008	19.26%	14.42%	-5.76%	10.45%	4.22%	10.54%	-0.78%	-0.35%	0.60%	5.13%	3.27%	3.23%	82.40%
2007	12.52%	2.72%	1.65%	1.79%	0.17%	-3.61%	11.23%	-9.60%	2.12%	12.48%	8.68%	3.85%	50.51%
2006	6.47%	3.07%	14.75%	1.85%	6.43%	4.87%	5.02%	2.41%	-5.07%	-31.91%	23.03%	5.71%	29.44%
2005	5.17%	-10.93%	-3.48%	1.30%	1.28%	0.37%	3.28%	-1.41%	-1.79%	1.11%	1.64%	-5.12%	-9.22%
2004	0.31%	-0.62%	16.10%	7.49%	-15.34%	3.54%	5.93%	0.50%	7.27%	2.38%	2.59%	-1.05%	29.41%
2003	-0.68%	6.79%	2.05%	3.34%	-10.56%	2.22%	6.37%	-8.25%	1.87%	-0.85%	-1.19%	3.07%	2.66%
2002	-4.89%	5.25%	0.03%	-4.78%	0.12%	10.16%	17.22%	7.31%	8.61%	8.92%	9.81%	0.36%	72.44%
2001	10.95%	-0.33%	13.33%	0.83%	1.16%	12.93%	8.35%	9.15%	11.57%	1.99%	3.99%	3.94%	110.00%
2000	13.49%	1.00%	2.74%	-10.09%	-3.86%	-0.99%	3.61%	14.68%	-5.01%	-8.13%	7.82%	8.94%	22.79%
1999	-	-	-4.71%	14.82%	10.71%	4.16%	-3.34%	11.51%	11.62%	3.39%	6.71%	6.50%	78.37%

Proprietary-Monthly Breakdown^{^^}

Winning Months	104	Avg. Gain	6.72%
Losing Months	38	Avg. Loss	-5.17%

^{^^}The Proprietary returns reflect the personal accounts of the principals of Global Ag, LLC and affiliates. Mr. Skudder began trading these funds pari passu to the Global Ag program in December 2009. Please note, accounts in this category are not adjusted pursuant to the management and incentive fee structure of Global Ag, LLC.

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