Weekly Commodity Markets Review

From: Joe Schmidt Date: May 11, 2012

Borrowing costs for Spain and Italy are on the rise and in Greece coalition talks failed to put in place the austerity measures needed to ensure international bailout money. Crude oil continues to be weak, near a five month low. The U.S. dollar index spiked up due to uncertainty in the EU; U.S. dollar trading at upper end of the trading range. U.S. commodity markets continue to see massive fund liquidation on technical considerations and some tied to increased margin requirements for crude oil and gold futures. Recently both the financial and commodity markets suffered significant losses as traders and speculators sought shelter from a number of adverse developments. The recent downdraft in the market appears to have been triggered by weak employment data released in the U.S. last week as well as election victories in both France and Greece by anti-austerity parties. The markets, which have rallied consistently since the close of last year, spurred by the European Central Bank's (ECB) Long Term Refinancing Operation (LTRO), appear to have awoken to the fact that the program was a temporary salve but not a solution to the region's serious debt problems. As such, fear that a crisis stemming in the EU may upend the fragile global economic recovery appears to be once again spooking the markets. The question at hand is whether the EU and central banks can once again restore investor confidence by developing a realistic and comprehensive plan to finally address the region's financial issues or will they simply apply the temporary balm of throwing more money at the problem.

Although another financial downturn is not imminent, it is clear that recent political developments in Europe, as well as continued weak economic growth in the U.S. and China, have set markets on edge. The open question is whether current market apprehension gains momentum and turns into something more. Recent events in the EU and subsequent market instability indicate that the potential for a financial downturn, while small, has increased. Consequently, it is important to be aware that, in the event of another financial/economic downturn it is possible we will see energy prices sell-off precipitously and shoot temporarily to the downside. Should these events come to pass, expect the price of oil could fall temporarily into the range of $65-75 per barrel.

On Thursday, U.S.D.A. released their first survey-based estimate of 2012 U.S. winter wheat production, as well as initial supply/demand estimates for all of the major crops. The report was bearish for corn (due to the large increase in 2012/2013 supplies), bearish wheat (larger than expected 2012 winter wheat crop), bullish soybeans (tightening stocks in both 2011/2012 and 2012/2013), and slightly bullish for rice (tightening stocks in the U.S. and world):

- Old crop U.S. soybean carryout was lowered by 40 million bushels to 210 million, 11 million below trade expectations. New-crop carryout was reported at a bullish 145 million bushels.
- Old crop U.S. exports were forecast at 1.315 billion, 25 million higher given U.S.D.A.'s upward revision to China imports by 1 million tons to 56 million, in-line with current market estimates.
- New-crop U.S. soybean exports were pegged at 1.505 billion, higher than trade expectations.
- U.S.D.A. lowered world soybean production by 3.3 million tons (Argentina by 2.5 and Brazil by 1.0), as expected.
- New-crop world soybean production was estimated to increase 34.6 million tons, as expected.
- U.S.D.A. surprised the market by raising soybean oil 2011-2012 carryout by 275 million pounds. Meal balance was neutral.
- Brazil 2011-2012 corn production was upwardly revised by 5 million tons and Argentina was unchanged, which help boost the world carryout by 4.9 million tons, bearish in our opinion.
- U.S.D.A. has a 75 million ton year-on-year increase to global new-crop corn production, much larger than expected.
- 2012-2013 world carryout for corn is forecast to increase nearly 25 million tons.
- U.S.D.A. lowered the 2011-2012 U.S. corn for feed use by 50, and left exports unchanged, a surprise. This is bearish.
- World wheat carryout for 2011-2012 was lowered 9.2 million tons as the 2010-2011 carryout was lowered 2 million, 2011-2012 global wheat for feed usage was raised 9.75 million tons, partially offset by a higher 2011-2012 world export projection by 3 million tons.
- U.S. winter wheat production was reported about 50 million bushels above trade expectations at 1.694 billion bushels, led by a much higher than expected HRW wheat output of 1.032 billion.
- U.S. new-crop carryout was estimated to remain above 700 million bushels.

Flour Markets:
U.S. wheat futures closed lower in reaction to U.S.D.A. Supply and Demand and Crop Production reports, on strength in the U.S. dollar and renewed concerns regarding the European debt crisis. The market was also pressured as the U.S. winter wheat harvest is starting. Basis premiums have moved higher in an effort to keep some wheat coming to market. The impressively optimistic Wheat Quality Council's hard red winter wheat tour projections have led futures downward. Crop is well ahead of average pace, and tour forecasts called for record yields. Some insect and disease damage is occurring however, and Southwest Kansas soil moisture is running very dry. Reports of some freeze damage appearing are also a concern. Harvest has begun in Oklahoma and Texas; spring wheat crop weather is outstanding as well.

Spring wheat is trading below the 7500 area but with little resistance down to 600 after that. It also made its lowest low and close since November 2010 once again while in a downtrend overall since September 2011 basically on a 45 degree angle since April of this year. There's also strong resistance overhead from 800 to 850.

Political and economic turmoil in Europe is also pushing wheat markets lower. Warm and wet conditions are ideal for developing SRW and HRW crops. July Kansas City wheat futures are trading around support in the $6.30 area—good yield and production prospects are expected to continue to weigh on futures. KC and Chicago settled again lower but no change technically. KC has resistance above 680 and its last major support underneath 600. It's been trending down since February 2011. Chicago has been making lower highs since early this year continuing to be range-bound roughly between 600 and 700 but with definite lower tendencies since it's been trending lower starting in May 2011. There is also strong resistance above 650. Don't forget the possibility that the world wheat crop could be a record.

U.S. winter wheat conditions slipped 1 point to 63% good/excellent, 25% fair and 12% poor/very poor. U.S. winter wheat emergence at 47% compared with the 5-year average of 17%. The improvements: AR conditions improved 2 points to 57% good/excellent, CO 2 to 54%, ID 6 to 87%, IL 2 to 82%, MO 1 to 69%, MT 8 to 63%, OH 3 to 55%, OK 1 to 76%, OR 1 to 74% and SD 6 to 73%. The declines: KS conditions declined 2 points to 60% good/excellent, MI 2 to 64%, NE 4 to 66%, TX 2 to 34% and WA 3 to 90%. IN held steady at 75% and NC at 73%.

U.S. winter wheat heading at 63% compared with the 5-year average of 34%, with IL at 87% versus the 5-year average of 23%, IN 58% versus 7%, KS 92% versus 20%, MO 94% versus 32%, NE 25% versus 0 and TX 90% versus 63%.

U.S. spring wheat plantings advanced 10 points to 84%. That was well above last year's 19% and the 5-year average of 49%. MN at 99% compared with the 5-year average of 48%, MT 71% versus 50%, ND 82% versus 37% and SD 100% versus 73%. 47% of the spring wheat crop is emerged, compared to 5% last year and 17% average. Spring wheat crop conditions could be out as early as next week.

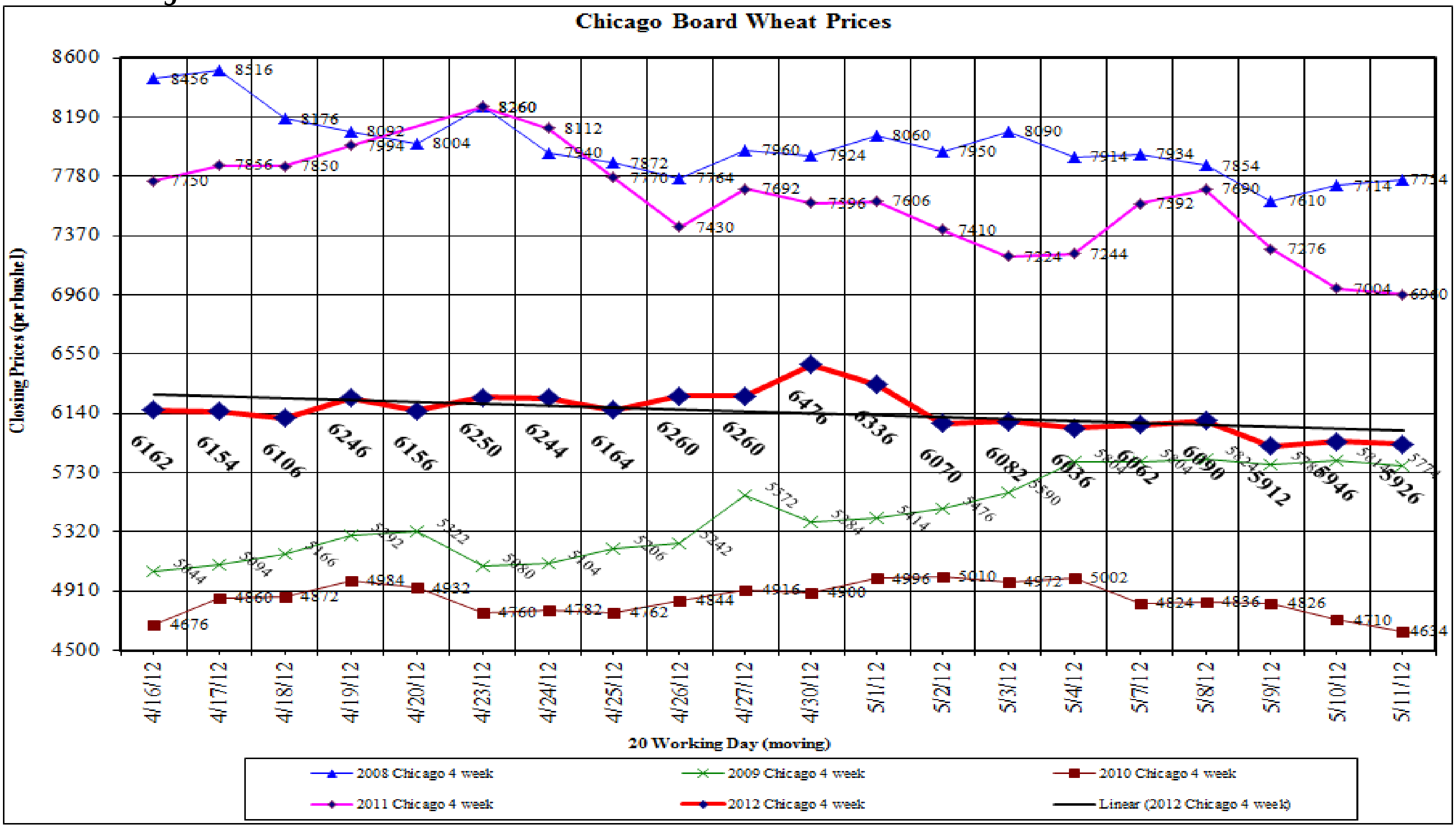
U.S. weather is favorable. Temperatures in the lower 30's overnight across parts of Nebraska were non-threatening to the winter wheat crop. West Texas will see an improvement in rainfall next workweek.

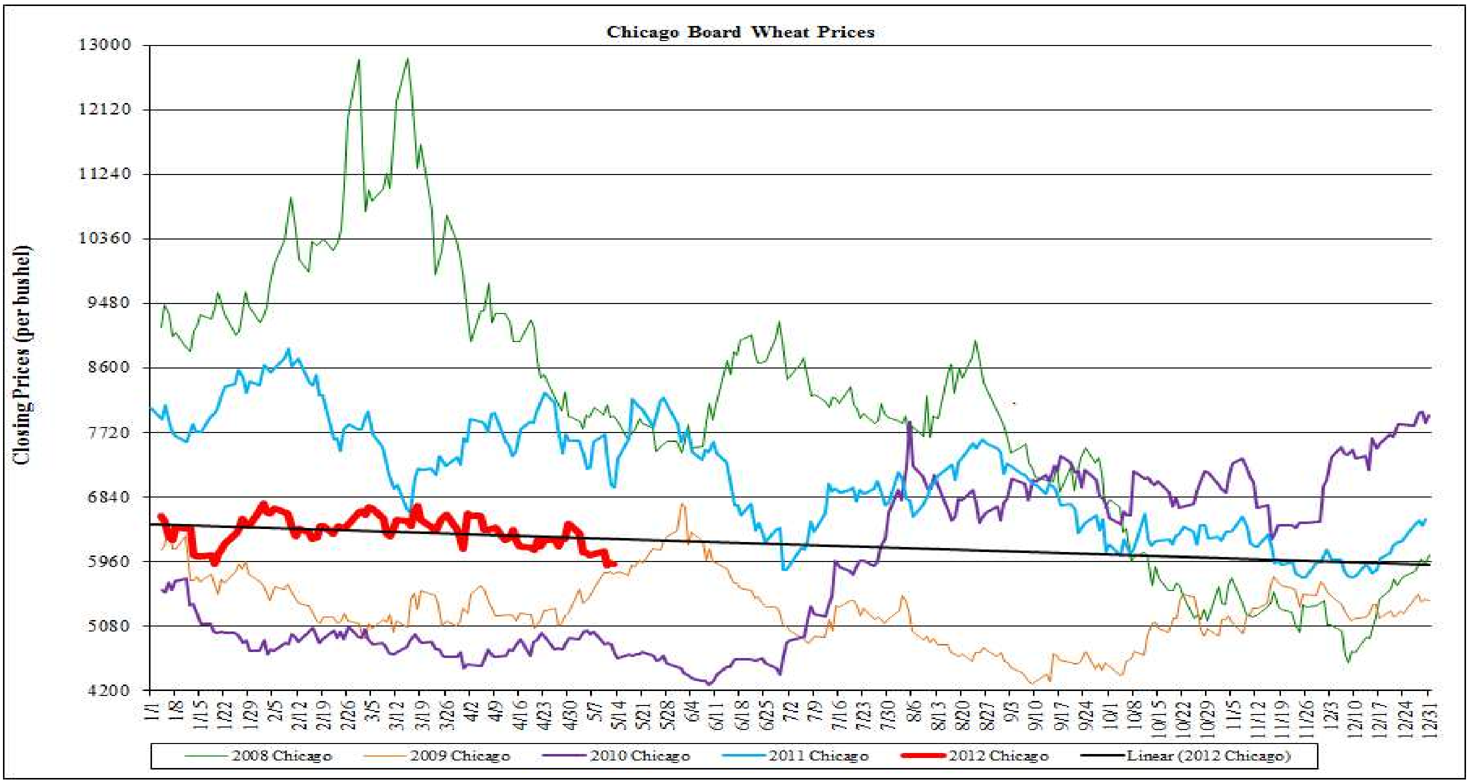
USDA reduced old crop from 793 to 768 mm, based on an increase in exports from 1000 to 1025 (HRW +15 mm and SRW +10 mm).

The U.S.D.A. forecast of the 2012 winter wheat crop is 1694 mm versus 1494 mm last year (+13%), with a record yield of 47.6 bushels per acre forecast. The HRW crop is forecast to rebound to 1032 mm (+32%) due to larger harvested acreage and a rebound in yields. HRW harvested acreage as a percent of planted (83.8%) is at one of the highest levels on record, which is consistent with the favorable growing conditions and high prices. SRW production is forecast to decline 6% to 428 mm bushels due to lower acreage and a decline in yields toward trend. White winter wheat production is forecast to decline 9% to 233 mm on lower yields.

The U.S.D.A. is forecasting a slight decline in 2012/2013 ending stocks to 735 mm, still a historically large 31% of usage. The U.S.D.A. balance table includes an increase in feed use to 230 mm (versus 180 mm last year), reflecting the narrow spread between wheat and corn prices as harvest approaches. The U.S.D.A. is also forecasting an increase in exports to 1150 mm (versus 1025 mm last year), in large part due to reductions in production among key global exporters. The 2012/2013 EU-27 wheat crop is forecast to decline to 132 MMT (versus 137.5), while the 2012/2013 FSU wheat crop is forecast at 97.8 MMT (versus 114.3). While the U.S.D.A. is forecasting a 12% increase in U.S. wheat exports, new crop wheat export sales remain lackluster (off from the previous two years' sales pace as of early May).

a. Chicago Board Wheat Prices

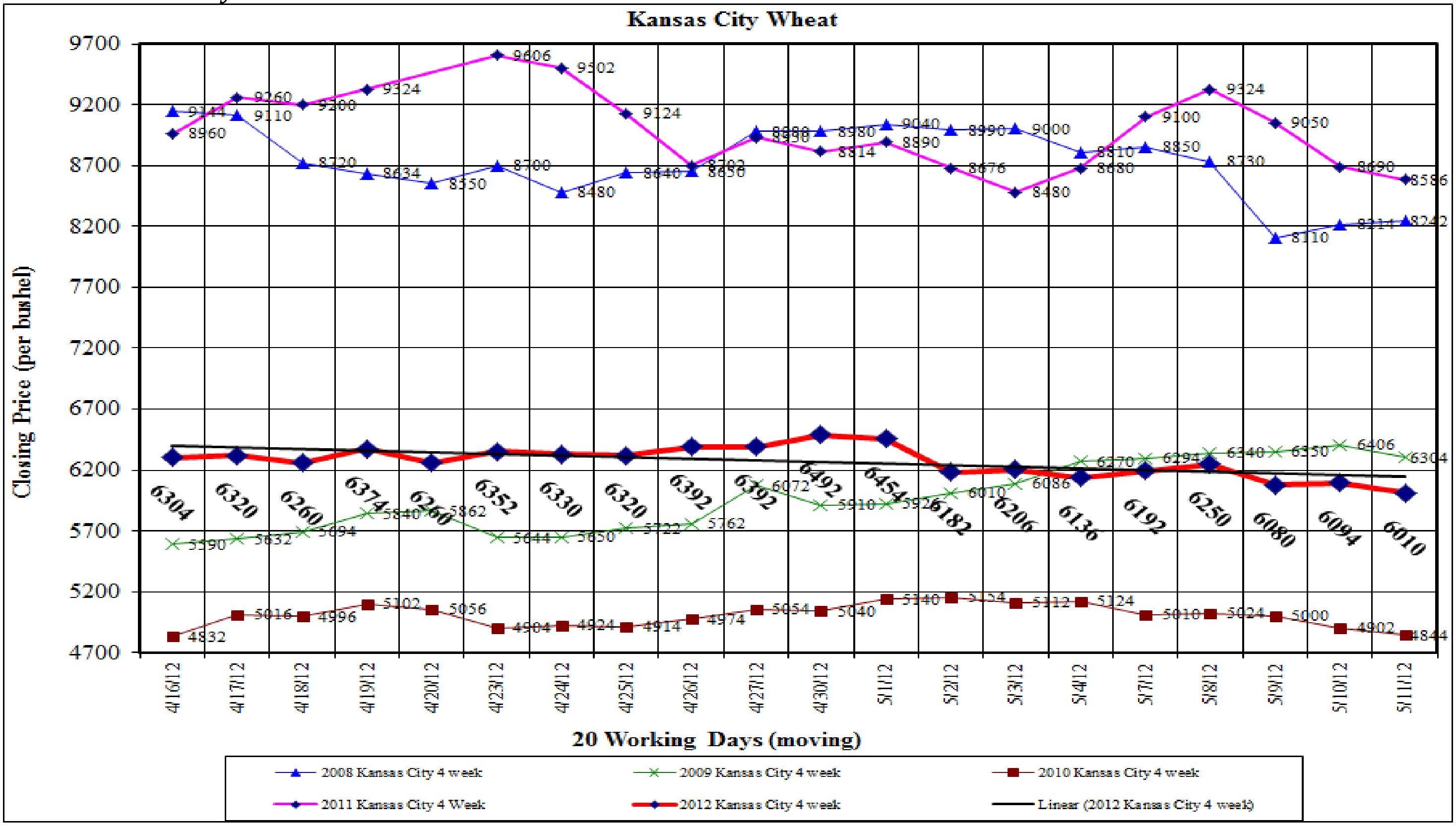


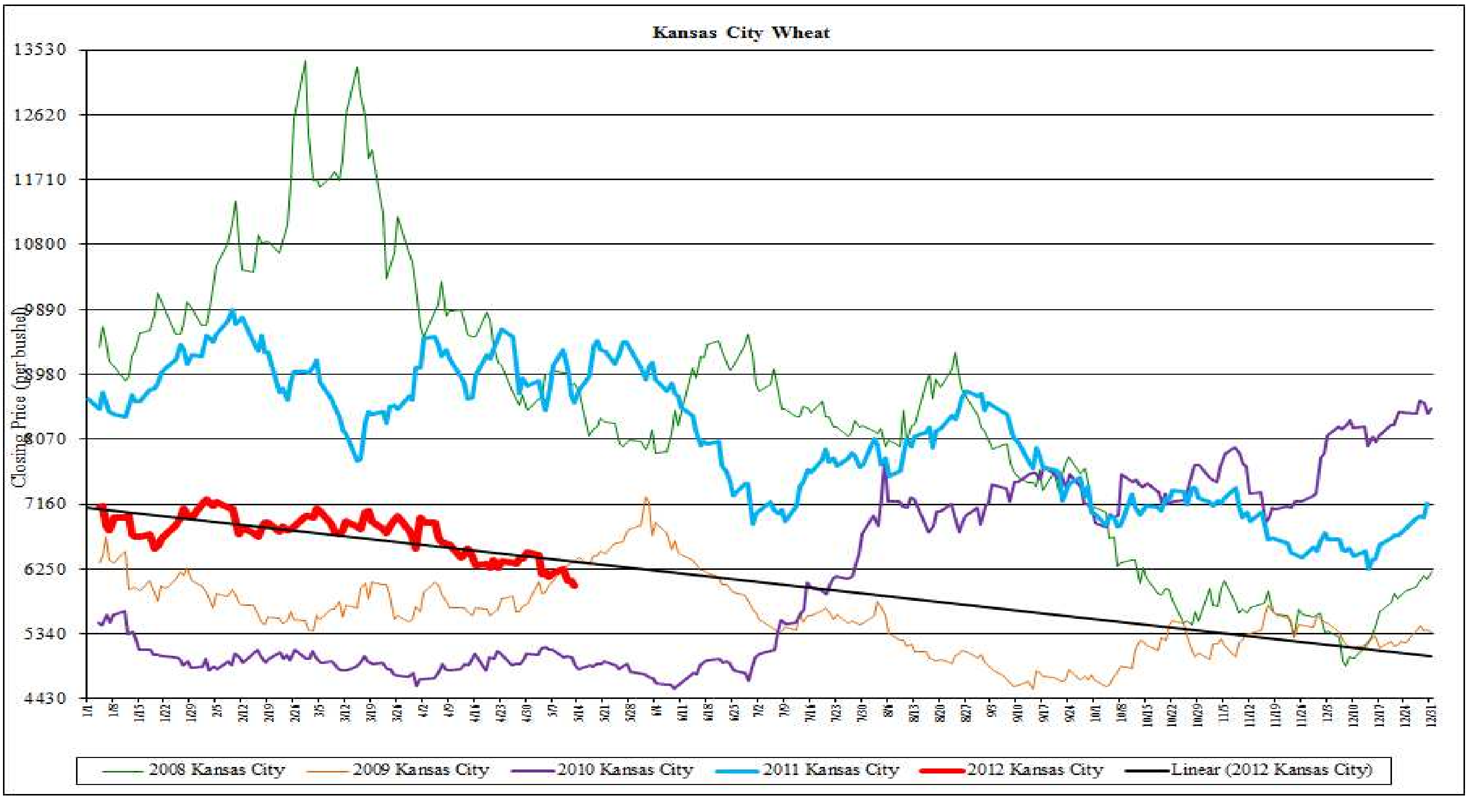


The Chicago Board chart above shows the price activity for the last 20 working days (one full period). Flour made from the wheat traded on this board includes **CAKE AND PASTRY** flours.

Cake and Pastry flour closed down $0.25/cwt. from last Friday's close.

b. Kansas City Board Wheat Prices

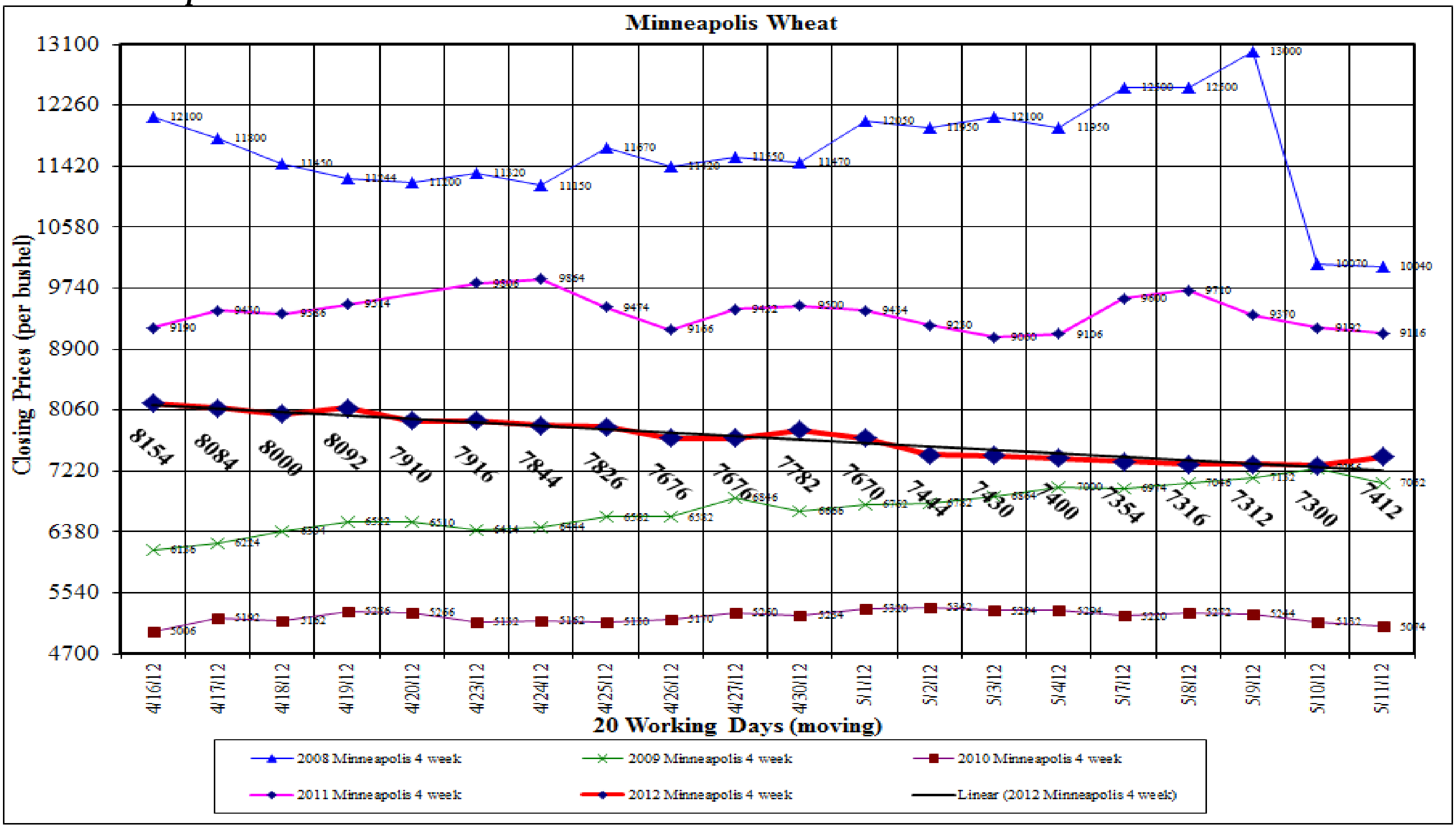


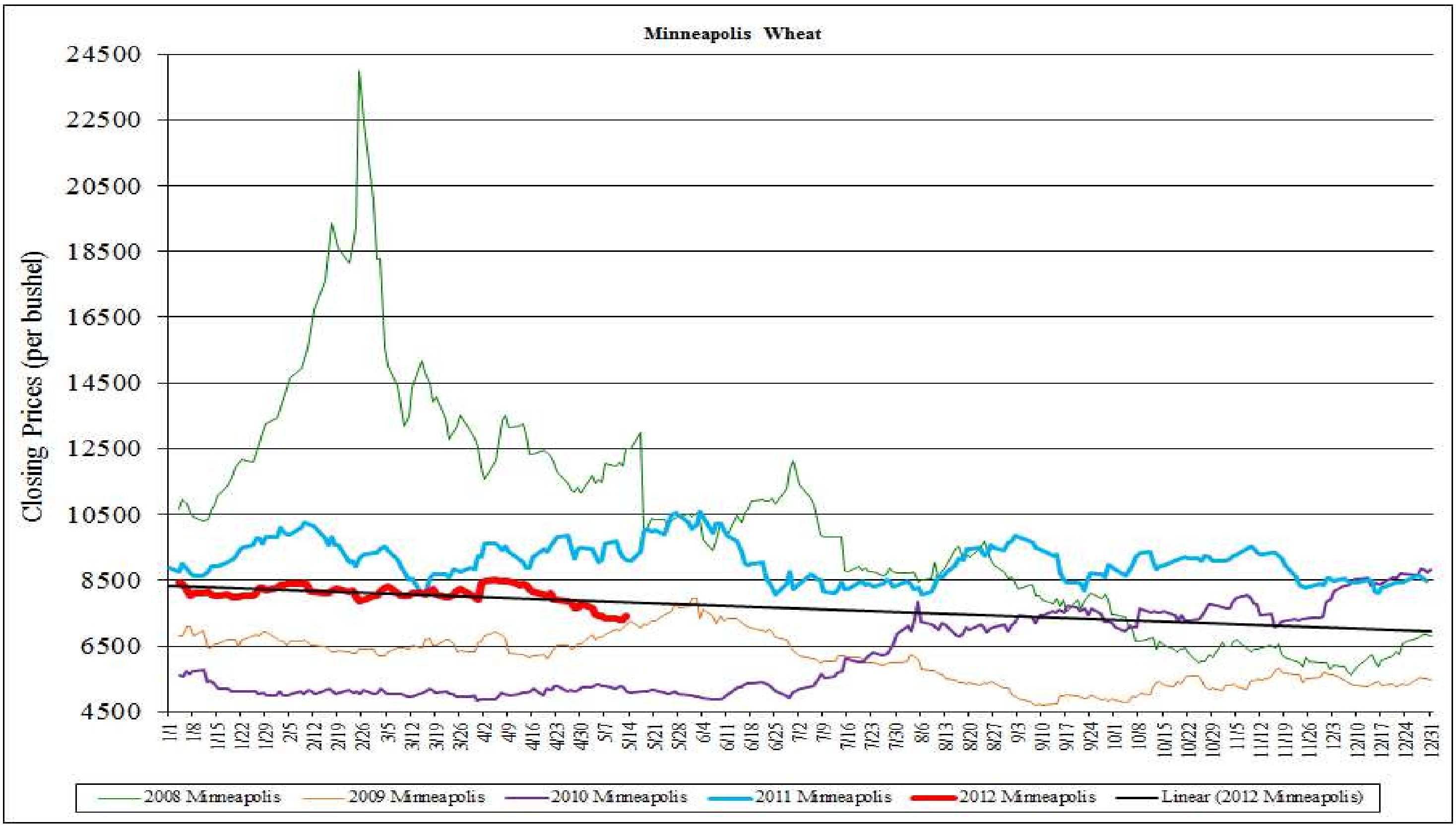


Kansas City Wheat is used to make **Hard Red Winter Patent flours (white pan bread) and H&R flours.**

Hard Red Winter wheat flour closed down $0.29/cwt. versus last Friday's close.

c. Minneapolis Board Wheat Prices





Minneapolis wheat is Hard Red Spring and is used to mill **high gluten and spring patent flours**.

The High Gluten flour market closed up $0.03/cwt. off last Friday's close.

Shortening Market:

The soybean market traded lower on additional fund liquidation in response to U.S.D.A.'s supply/demand report and on weakness in crude oil and equities on Eurozone financial uncertainty. U.S.D.A.'s supply/demand and the weekly export sales reports will dictate soybean market price direction. Financial developments in the Eurozone affecting outside market price direction will continue to impact the funds willingness to hold the massive net long position held in the soybean market.

With corn ending stocks for 2011/2012 increasing in Thursday's report 50 million bushels versus trade ideas for a 100 million bushel reduction and the 2012/2013 ending stocks jumping to 1.881 billion bushels, the case can be made that corn will keep working lower and the soy/corn ratio will widen out enough to entice huge soy plantings in South America this fall. The U.S.D.A. is running with this scenario showing 2012/2013 production in Brazil surging to 78.0 million metric tons from 65.0 million and Argentina jumping to 55.0 million from 42.5 million metric tons in 2011/2012. But even with that record production the U.S. is still only going to carryout 145 million bushels of beans next year (which would be the lowest number ever posted in the U.S.D.A.'s first new crop projection—**4.4% stocks-to-use**). Given that we first have to make this year's U.S. crop and then make a record crop in South America just to meet this tight carryout scenario, clearly it's way too early to have soy prices break.

Due to falling Brazilian real, China and Taiwan purchased up to 6 cargoes of soybeans from Brazil—it was estimated that South America has already sold 80% of their soybeans and meal. The soybean complex is caught between solid demand and strong fundamentals and technical weakness. The strong soybean meal market has taken some upward pressure off soybean oil basis values. Solid soybean exports of late are good indication that current prices are not dampening demand—prices will need to go higher to ration this year's supply.

U.S. soybean plantings doubled to 24% versus 6% last year and the 5-year average of 11%. AR at 57% compared with the normal of 25%, IL 21% versus 7%, IN 48% versus 10%, IA 7% versus 11%, KS 19% versus 5%, MN 19% versus 15%, MO 16% versus 6%, NE 29% versus 10%, OH 35% versus 13%, TN 23% versus 6% and WI 5% versus 6%. U.S. soybean emergence at 7% compared with the normal of 3%. AR beans were 41% emerged versus 14% average, IL 7% versus 1%, IN 16% versus 1%, LA 36% versus 31% and MS 58% versus 43%.

In their report on Thursday, U.S.D.A. issued bullish adjustments to the supply/demand estimates for both 2011/2012 and 2012/2013. Estimated stocks at the end of 2011/2012 were reduced from 250 mm to 210 mm bushels – crush was revised up from 1630 to 1645 mm (based upon larger than expected monthly NOPA crush data. U.S.D.A. increased exports from 1290 mm to 1315 mm, reflecting the recent flurry of sales to China and further reductions in South American soybean crops. U.S.D.A.'s initial outlook for 2012/2013 is extremely bullish. U.S.D.A. projected ending stocks of 145 mm equates to a stocks-use ratio of 4.4%, which would be the lowest in at least 40 years. The 2012 U.S. soybean crop is projected at 3205 mm, with trend yields of 43.9 bushels per acre and acreage held at U.S.D.A. Planting Intentions level of 73.9 mm. Given the surge in soybean prices, it is reasonable to expect U.S. soybean acreage to be at least 1 mm acres higher, which would add over 40 mm bushels to the supply.

U.S.D.A. is also estimating a sharp increase in U.S. soybean demand in 2012/2013 – 3285 mm bushels versus 3076 mm last year (+7%). Crush is forecast to increase by a modest 15 mm bushels, but U.S. soybean exports are forecast to increase by 190 mm bushels from 1315 mm to a record 1505 mm bushels.

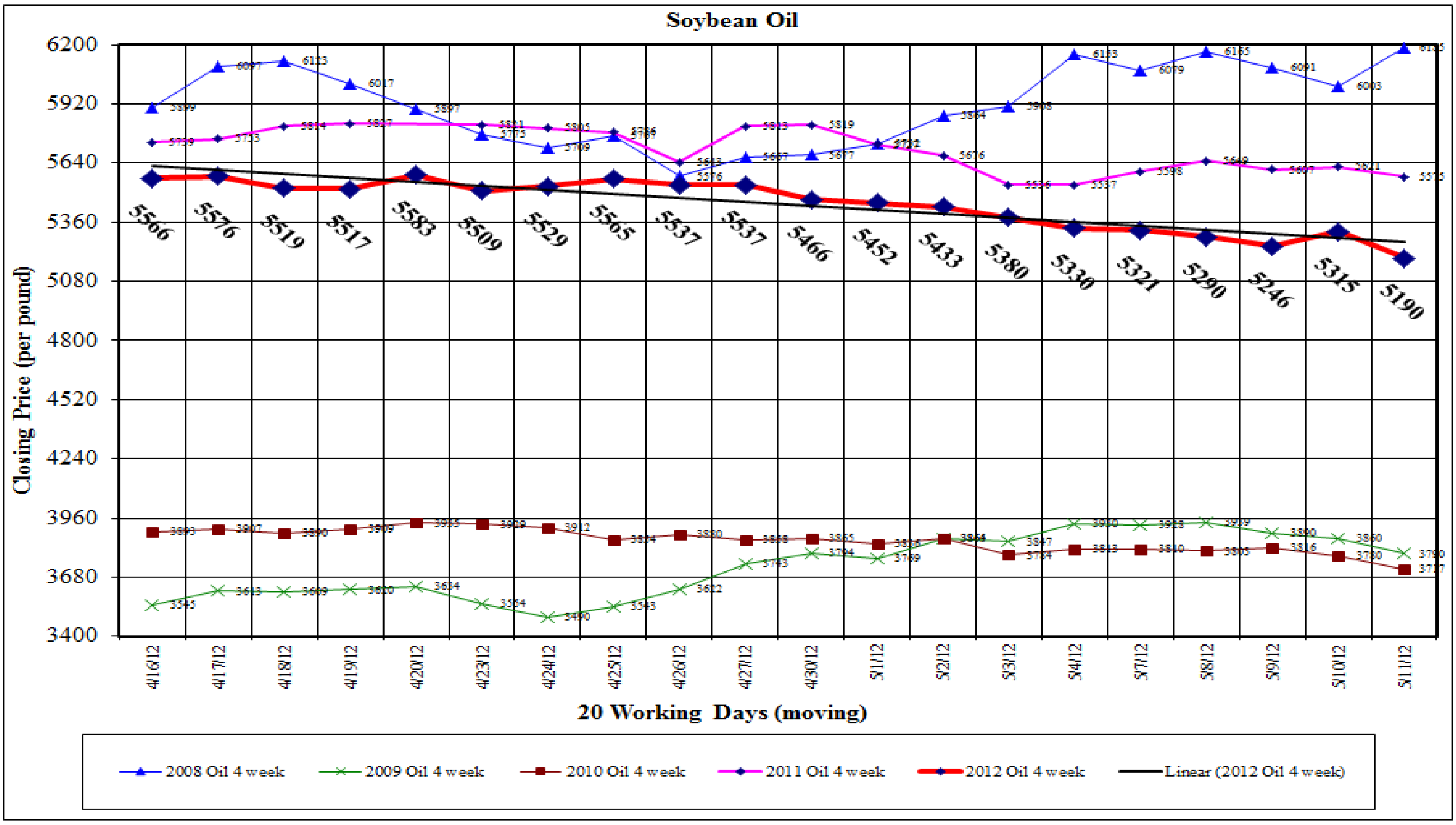
A couple of factors justifying the sharply higher exports include larger Chinese imports in 2012/2013 (61 MMT versus 56 MMT, a gain of 5 MMT or 184 mm bushels), as well as much lower South American stocks as of October 2012 (off 15 MMT or 544 mm bushels from the large levels of last fall). However the U.S.D.A. is also forecasting a sharp increase in 2013 South American production – Brazil's projected crop of 78 MMT (versus 65 MMT) and Argentina at 55 MMT (versus 42.5 MMT) would add nearly 1 billion bushels of supply to the market during the last half of the 2012/2013 crop year. There is a great deal of uncertainty about supply, and if Chinese import demand is sustained, the market is likely to remain volatile and well supported.

Somewhat lost in U.S.D.A.'s barrage of numbers yesterday was news that CONAB has raised Brazil's soybean production estimate by 1.1 million tons from April to 66.7 million, which was higher than U.S.D.A.'s new forecast for 65 million.

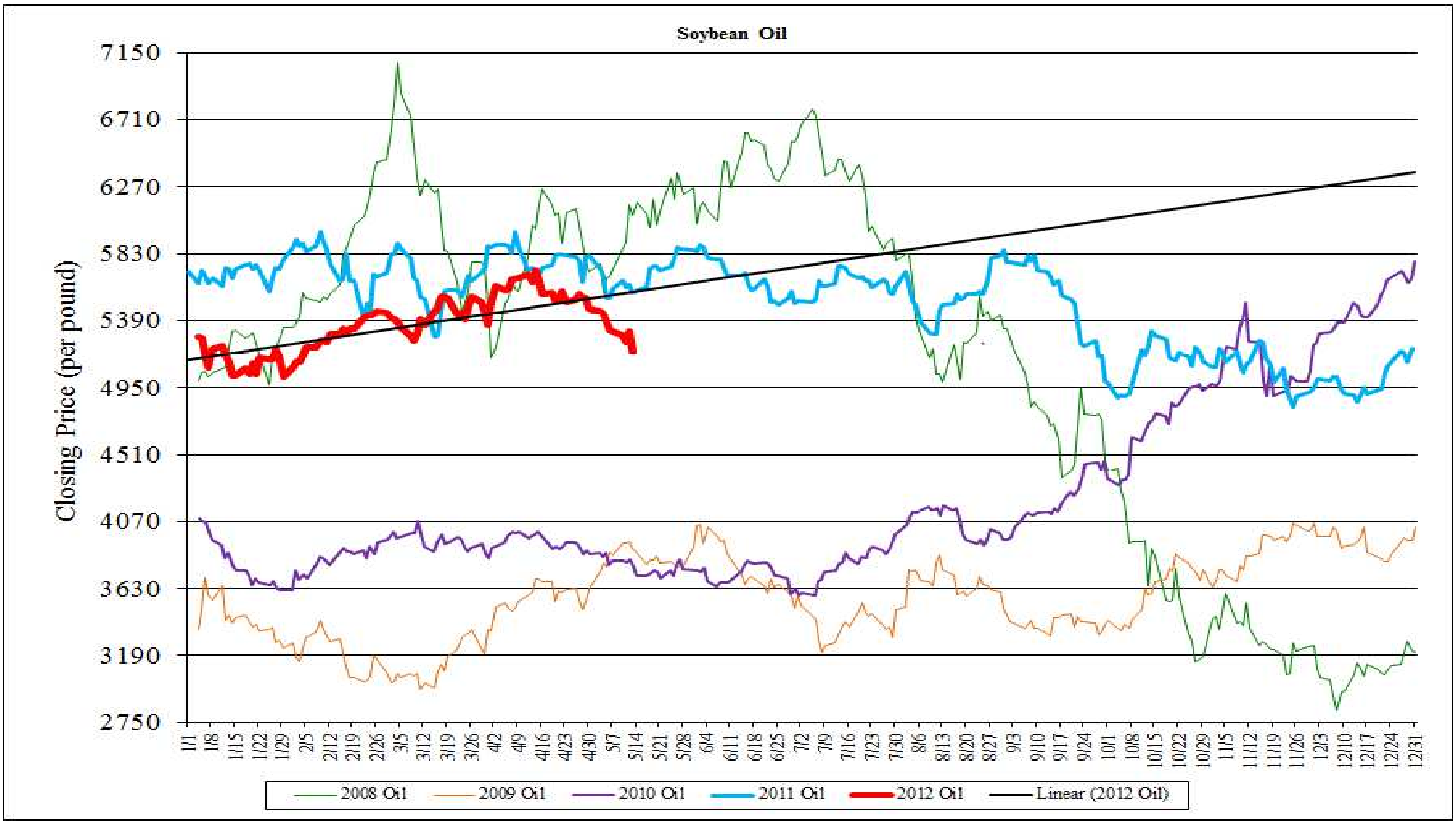
This week's oil market put in a weak performance as prices fell to lower levels along with weakness in soybeans. Major negative inputs included fund selling, weakness in the palm oil market, traders who bought meal/sold oil, weakness in soybeans and weakness in crude oil. Major supportive inputs included commercial buying, concerns that recent market declines have left prices near oversold levels, concerns regarding upcoming downtime in the U.S. crushing industry (tightening supplies of U.S. oil), rumors of interest from China to buy both old and new crop soy oil and increased consumer buying interest reacting to this week's price decline.

U.S. stocks of soy oil at the end of the 2011/2012 crop year are forecast to total 2585 mm pounds, revised up from 2290 mm last month due to a forecast of larger soybean crush. All components of demand were left unchanged. The U.S.D.A. initial look at 2012/2013 indicates only a small decline in ending stocks to 2225 mm pounds. Larger crush and soy oil production during 2012/2013 is offset by a forecast of increased domestic use (+300 mm) and increased exports (+50 mm). Beginning with Thursday's report, the U.S.D.A. will not break out food use from methyl ester usage (biodiesel).

Shortening closed down $0.76/50# cube ($0.53/35# pail of oil, $0.0152/lb. for bulk oil) for the week.



Soybean Oil
Closing Price (per pound)
20 Working Days (moving)
2008 Oil 4 week
2009 Oil 4 week
2010 Oil 4 week
2011 Oil 4 week
2012 Oil 4 week
Linear (2012 Oil 4 week)
5566
5576
5519
5517
5583
5509
5529
5565
5537
5537
5466
5452
5433
5380
5330
5321
5290
5246
5315
5190



Soybean Oil
Closing Price (per pound)
2008 Oil
2009 Oil
2010 Oil
2011 Oil
2012 Oil
Linear (2012 Oil)

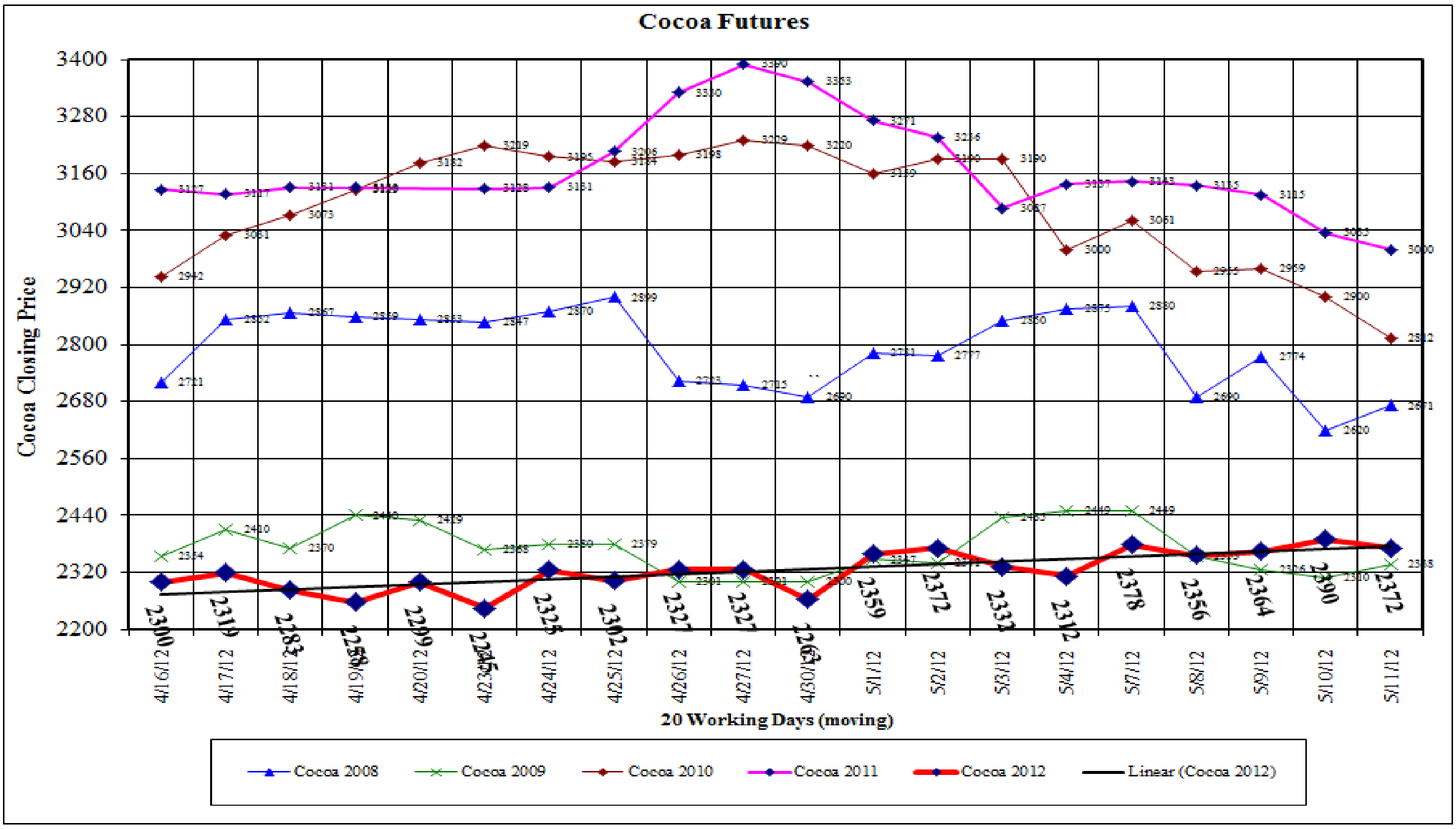
Cocoa Market:
All West Africa countries are harvesting the midcrop now, and yields have been dropping off after a strong start. Rain is forecast for many areas now, and overall weather does not seem too bad. Showers have been reported in other parts of West Africa this week. Rain would still be beneficial, but right now the rains will mostly support development for the next crop. Traders note that Ivory Coast crops seem to be available and arrivals are reported. Flowers are reported on trees there due to regular rains. Wire reports indicate that Nigeria offers have dried up as the Midcrop production has come in short. Ghana production is said to be short as well, and Cocobod has said it will revise its production estimates down in the next report. Scattered to isolate showers and storms are expected in West Africa over the weekend. Temperatures will average near to above normal. Malaysia and Indonesia should see episodes of scattered showers. Temperatures should average near normal. Brazil will be mostly dry and warm.

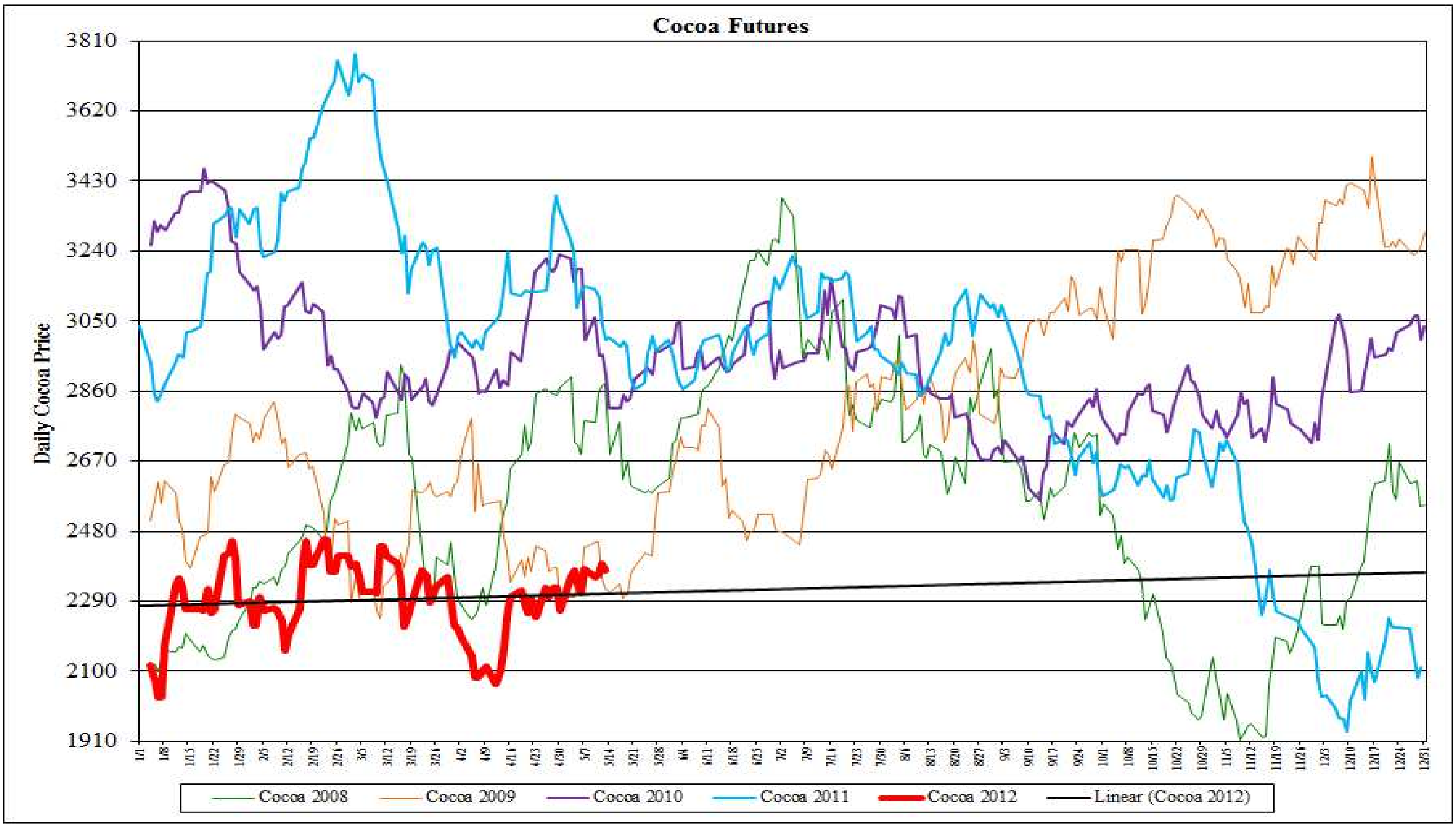
April has been another volatile month for the cocoa bean market. We traded at the lowest levels since the start of the year due to concerns about chocolate consumption and negative outlook in the macro environment. On top of this situation, index participants significantly reduced their long position, causing a further market slide. The European grind figures for Q1 2012 were unchanged versus one year ago, which appeared to be better than expected but didn't provide any strong bullish sentiment. The main reason for the recent market recovery from the lows is the system specs, which carry a sizeable short position, especially in the New York market. Only specs still have a lot to cover and this may provide a substantial market rally. However, Ghana and Ivory Coast forward selling will probably constrain the move and the market will need some fundamental back-up to remain sustainable at these levels.

The higher bean market has chased cocoa butter buyers away. Butter found reasonable buying interest when prices dipped below 2,300 (U.S. dollar). But when a rally in the terminal market brought prices back to 2,600 (U.S. dollar), nearly all the buyers disappeared. The long cover on butter allows buyers to pick their moments. There is no sign of improved chocolate demand, with grind figures in Europe unchanged for Q1 2012 versus one year ago.

Cocoa powder is experiencing steady shipments. Powder demand is steady and prices have remained relatively stable. The current cocoa butter ratios continue to weigh on the processing margins of the pressing industry, which may lead to a reduction in powder production. The fact that butter has not yet found sufficient support to rebound from the current low price levels, coupled with the low industry margin structure, makes powder resist price pressure. Customers continue to finalize 2012 cover and modest cover for first half 2013 is observed.

Cocoa closed up $60.00/ton for the week (compared to last Friday's close).


Cocoa Futures
Cocoa Closing Price
20 Working Days (moving)
Cocoa 2008
Cocoa 2009
Cocoa 2010
Cocoa 2011
Cocoa 2012
Linear (Cocoa 2012)


Cocoa Futures
Daily Cocoa Price
Cocoa 2008
Cocoa 2009
Cocoa 2010
Cocoa 2011
Cocoa 2012
Linear (Cocoa 2012)

Sugar Market
World sugar futures closed higher even as traders start to anticipate the Brazil crop becoming available. There was some selling tied to demand fears as the economic situation in Europe was upset after the elections last weekend. Markets trends are down longer term, and price action in New York suggests that more selling and down side pressure on prices is coming. London held better on ideas of strong EU demand for White Sugar. The EU noted that it got bids for many times the amount it had offered and had given the bidders only part of the volume they had asked for. Brazil got some nice rains last week, but there are still many concerns about how much they will produce this year because of dry weather earlier in the season. Harvesting is now about a month away. Supplies in northern countries have been big, especially in Thailand and India. The market has been weak overall on ideas of ample supplies from northern producers such as India and Europe keeping a lid on prices, but worries about the next Brazil production coming soon adding now to the pressure. Scattered showers or dry conditions are expected in Brazil over the weekend. Temperatures should be near normal. A Thai Sugar executive expects Sugarcane production there near 98 million tons.

World sugar prices eased some in April thanks to continuing forecasts for surplus during the second half of 2012. Many countries are reporting larger crops than last year, particularly India and Thailand. Prices were also pressured by some relatively positive estimates of Brazilian production; sales from commodity funds that were unwinding large long positions; and continued concerns about consumption, given the renewed pessimism about Europe's financial health. Prices are beginning to reach levels that should prompt better buying interest, but there does not seem to be too much potential for significant price increases unless something major goes wrong with Brazil's harvest, which begins soon.

#11 sugar futures have put in a twenty month-low during the week, but have since firmed on light volume. World sugar traders are still extremely bearish #11 sugar futures with the Brazilian harvest to be bigger than originally expected. Lower world sugar prices have stimulated buying by major importers like China. The lower world sugar prices now don't make economic sense for India to export sugar. U.S. supplies of raw sugar are more than adequate, but refined sugar remains tight. U.S. prices remain at their lows of the year, but with supplies tightening in Q3 prices are expected to firm.

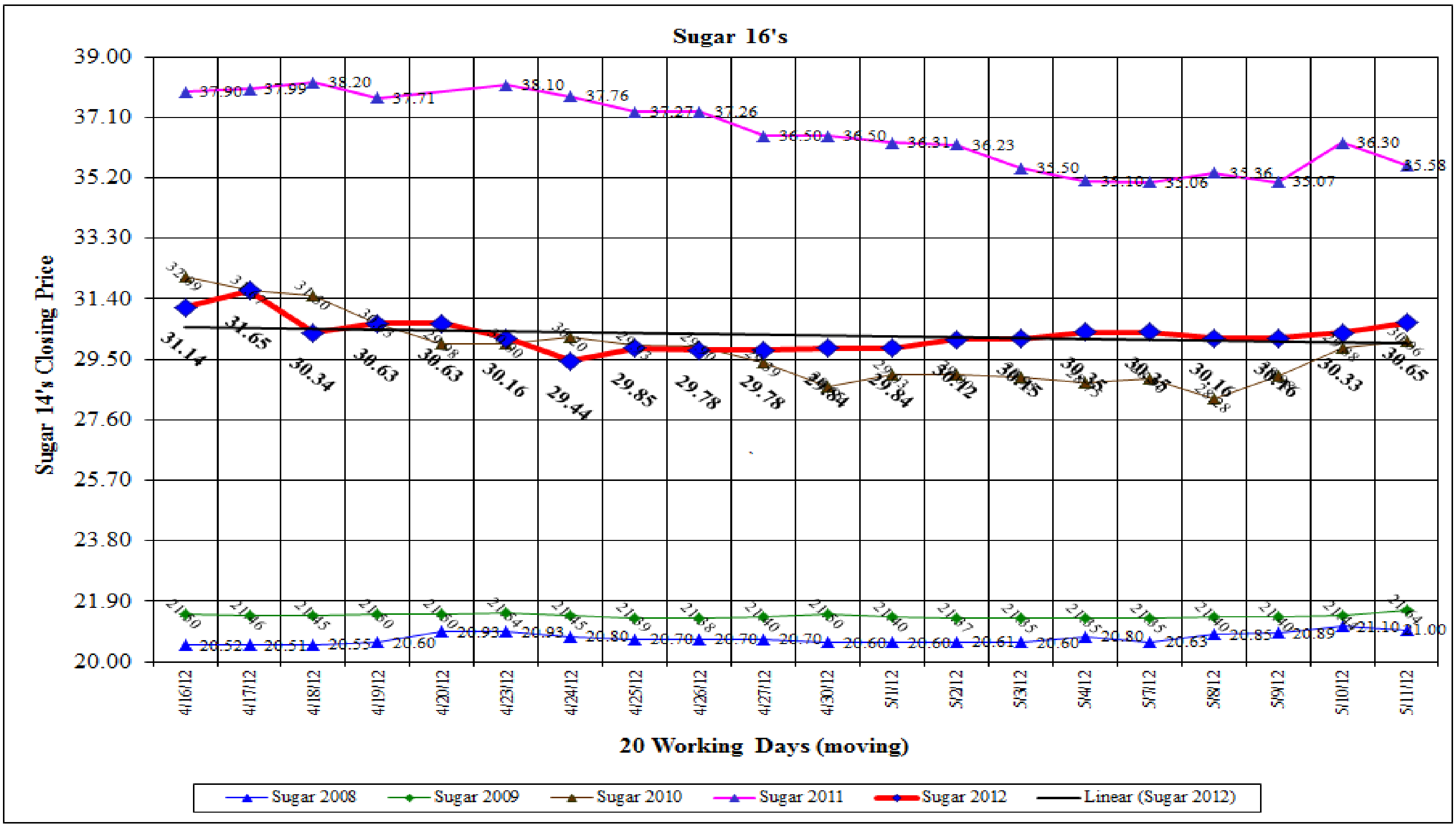
The Mexican sugar crop was originally reported to be 5.3 MMT. The latest good faith estimate comes in at 4.9 MMT with 70% of the crop having come across the border in the first 6 months. Clearly, Mexico would be short sugar already if not for an injection of Brazilian sugar into Mexico. Even so, this indicates significantly higher costs for Mexican sourced sugar in the back half of the marketing year.

Price Outlook: Near-term U.S. sugar prices remain soft, but increasing seasonal demand along with refining capacity constraints and still tight U.S. supply/demand picture will firm prices—stay close to market.

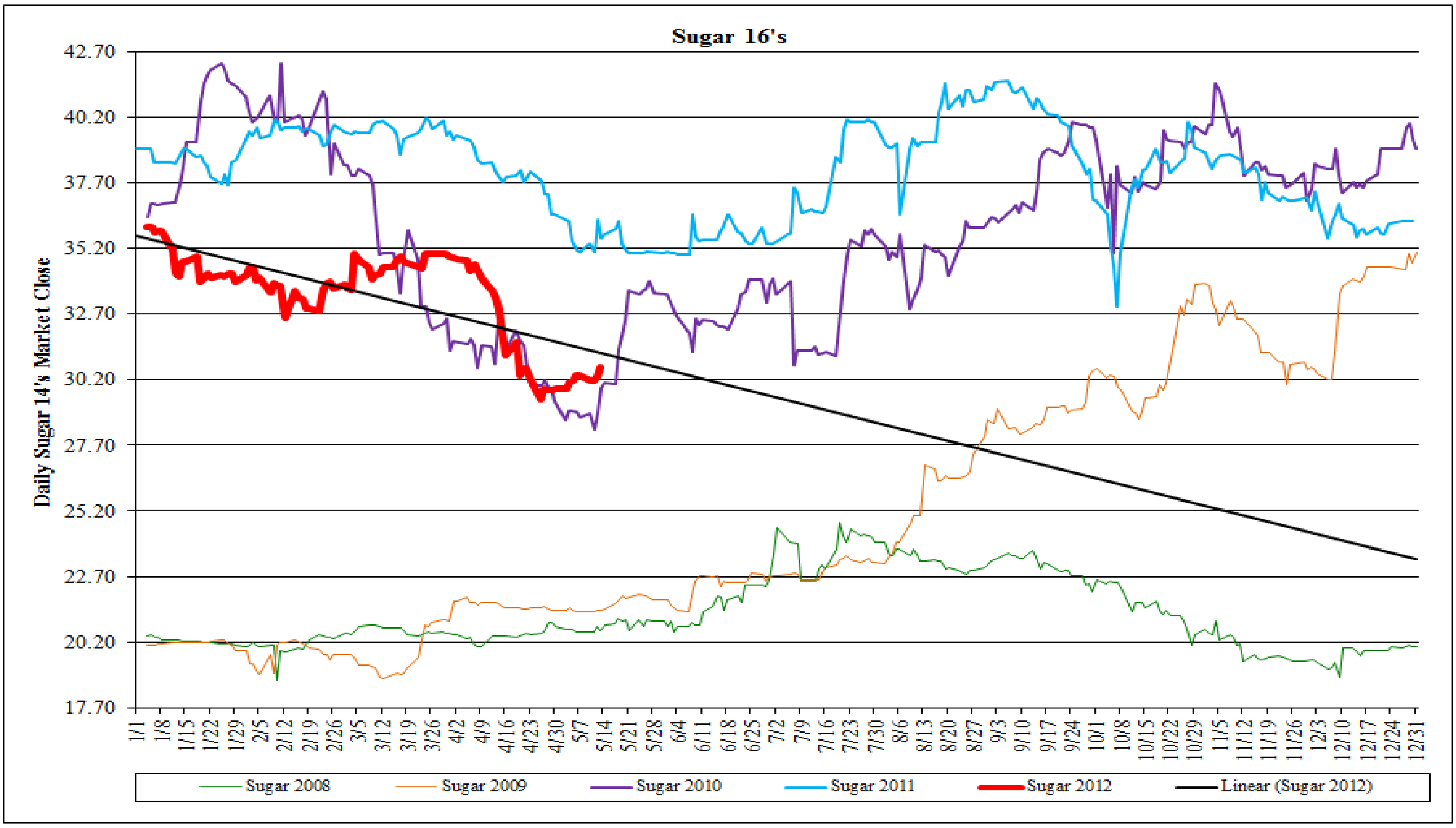
With Brazilian harvest in full swing, world sugar prices will be at or near a low over the next several weeks. Reporters will love to tout the slight sugar "surplus" the market could enjoy in 2012. What they won't tell you is that annual production surplus's or deficits are highly irrelevant in regard to overall prices. It's what's left in the barn at the end of the year that counts. Ending stocks to usage ratios will be at the lowest level in recorded history this year. That should mean limited downside in sugar over the second half of 2012. Then as the bulk of Brazilian harvest moves through the pipeline, the market will soon begin to turn its attention the northern beet crop harvested in the fall. This could very well be a catalyst for higher prices.

In their Thursday report, U.S.D.A.'s sugar stocks estimate (at the end of the 2011/2012 crop year) are revised up to 14.2% of usage (versus 6.8% last year), due to sharply higher TRQ imports. Stocks-use at the end of 2012/2013 is forecast to decline to 10.3%.

Sugar 16's closed up $0.30/cwt. for the week (versus last Friday's close).

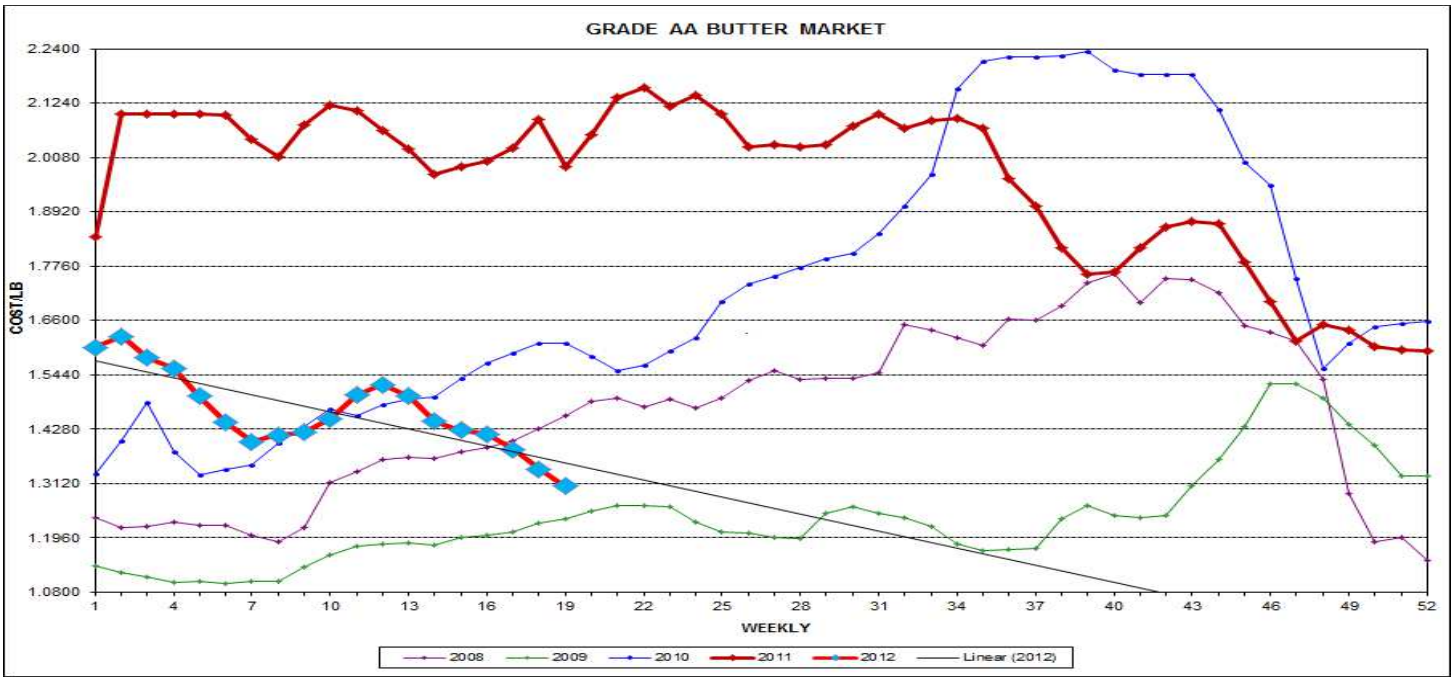


Sugar 16's
Sugar 14's Closing Price
20 Working Days (moving)
Sugar 2008
Sugar 2009
Sugar 2010
Sugar 2011
Sugar 2012
Linear (Sugar 2012)



Sugar 16's
Daily Sugar 14's Market Close
Sugar 2008
Sugar 2009
Sugar 2010
Sugar 2011
Sugar 2012
Linear (Sugar 2012)

Butter Dairy Market



Score AA butter closed up $0.0175/lb. on Friday, ending the week at $1.32/lb. The weekly average is $1.3065/lb. down $0.0355/lb. from last week's average.

A. Butter Market

In the U.S.D.A. report released on Thursday, milk production during 2013 was forecast to increase fractionally during 2012. Milk prices are forecast to rise 3.5% to $17.75, led by a forecast increase in the annual average price of cheese to $1.65 (versus $1.58) and butter to $1.53 (versus $1.46).

U.S. milk production in March was above 4%, which meant that January and March 2012 milk production was up over 5% on average from 2011; this is a large increase. Warm weather, good grazing conditions, increased herd size, and quantity of milk per cow were responsible for the increase. This coincides with similar production gains in Oceania and Europe. These worldwide production gains, combined with lackluster worldwide consumption, led to an increase in stocks of milk powders and milk fat. Milk production is expected to remain strong through the spring and perhaps into early summer depending on weather, but expectations are that sometime later this year dairy farms will begin to increase herd retirement when their income over feed cost declines.

During the week, butter price dipped to the lowest level ($1.3000) since October 2009, but firmed to $1.3200 by weeks' end. Butter producers and handlers are indicating that churning schedules are seasonally strong. Cream offerings to the churn remain plentiful. Many butter producers are stating that cream offerings are surpassing their capacity. Current churning is generating butter stocks that are outpacing demand, thus clearances to inventory are occurring. In many instances, butter producers are generating bulk versus print, especially if they know the end location at this time is inventory. Butter demand is fair at best. Most orders being placed are for short term or immediate needs, with minimal longer term orders being negotiated and finalized. Cooperatives Working Together (CWT) continues to accept butter export assistance requests and during the week announced that they recently accepted requests totaling nearly 518,086 pounds (235 MT), the lightest weekly acceptances thus far this year. Thus far in 2012,
CWT has assisted with exports of 41.3 million pounds.

B. Dairy Powders

Central nonfat dry milk prices are unchanged to lower on a continued weak market. Eastern NDM production schedules remain very active, leading to building inventories which keeps downward pressure on prices. Western low/medium heat NDM milk prices moved lower on light trading, with a weak undertone. Central dry buttermilk prices are unchanged to lower. Eastern dry buttermilk inventories are increasing and putting significant pressure on prices. In the west, dry buttermilk prices trend lower and the market tone remains weak in light trading. A decrease in the market values of nonfat solids and butterfat exerted pressure on the low end of the dry whole milk spot market. Central dry whey prices are unchanged for the week, while the top of the range decreased by one cent. Current dry whey production in the Northeast is expanding inventories and keeping downward pressure on prices. Western dry whey prices are mostly steady with the top of the range lower as contract prices adjust. The whey protein concentrate 34% market is unchanged to lower on the range as some contract prices adjusted to variable bases. The lactose market is unchanged on a steady market. Casein markets remain weak with prices generally holding steady.

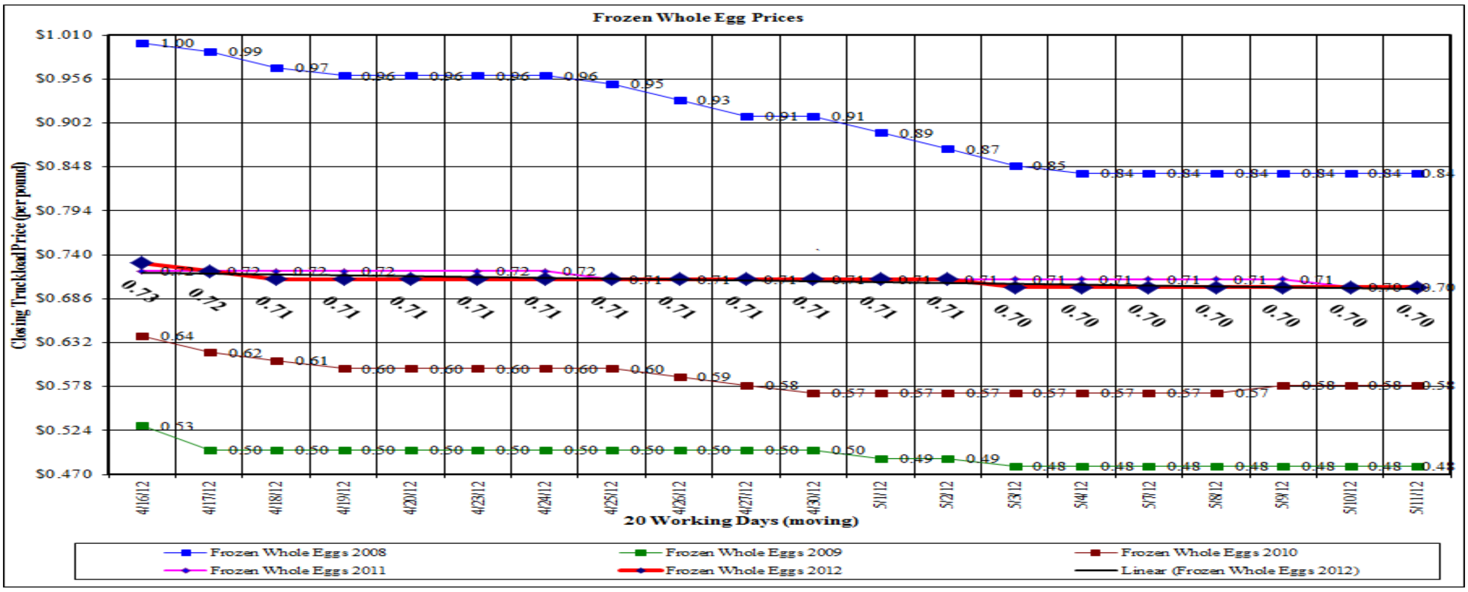
Eggs

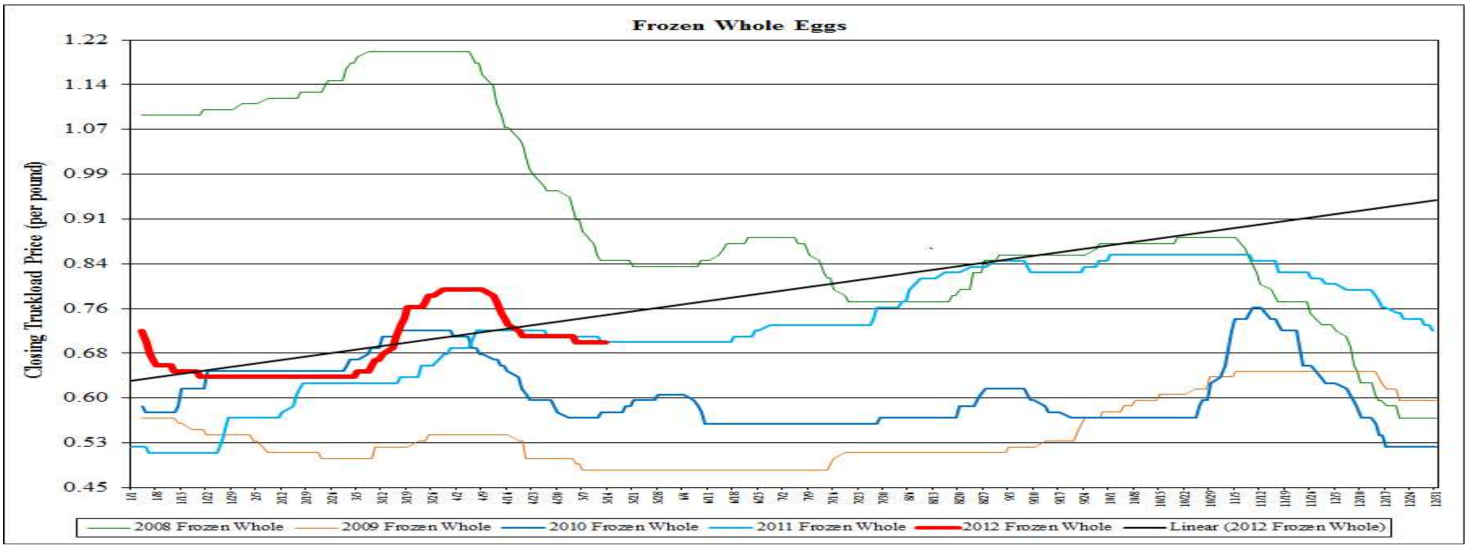
Retail demand is categorized as fair overall; however spurts of improvement are noted. Buying interest is about seasonally average, although May can traditionally be one of the slowest periods of the year. Feature activity is helping in some instances, but ad volumes remain generally weak at current price levels. Promotions are scheduled through the end of the month though, and all will monitor their effects on consumer buying patterns. Foodservice continues steady improvements, with a number of participants pointing to Mother's Day weekend as the driver. Supplies of jumbos are well balanced. Extra-large are mixed from plant to plant. Large are adequate. Mediums are available. Smalls and browns are generally balanced due mostly to export opportunity. Wholesale traders are mostly inactive, as the inventory situation limits overall need to secure spot market supplies. Buyers can easily source their needs in most cases, but note that sellers are not as abundant in number compared to previous weeks. Those with product for sale hold steady market ranges for the most part, especially in the heavier size categories. Mediums continue to come in at mixed value due to overall availability. Further processors are bidding for breaking eggs in a wide range, with averages supportive of current levels. The market appears settled.

Broiler egg-sets and chick placements in the week ending May 5 were both 96% of last year-in line with recent trends.

Across all products, prices remain unchanged for the week. Liquid whole egg is receiving some attention however, as at least one buyer is looking for product toward the high end of current market ranges. Liquid yolk and whites remain firm, but most activity is recorded toward the low side. Contractual movement has been steady, due to average seasonal sales. The frozen and dried complexes are fairly inactive. Most buyers have covered their immediate needs, but a limited numbers of spot sales have been recorded.

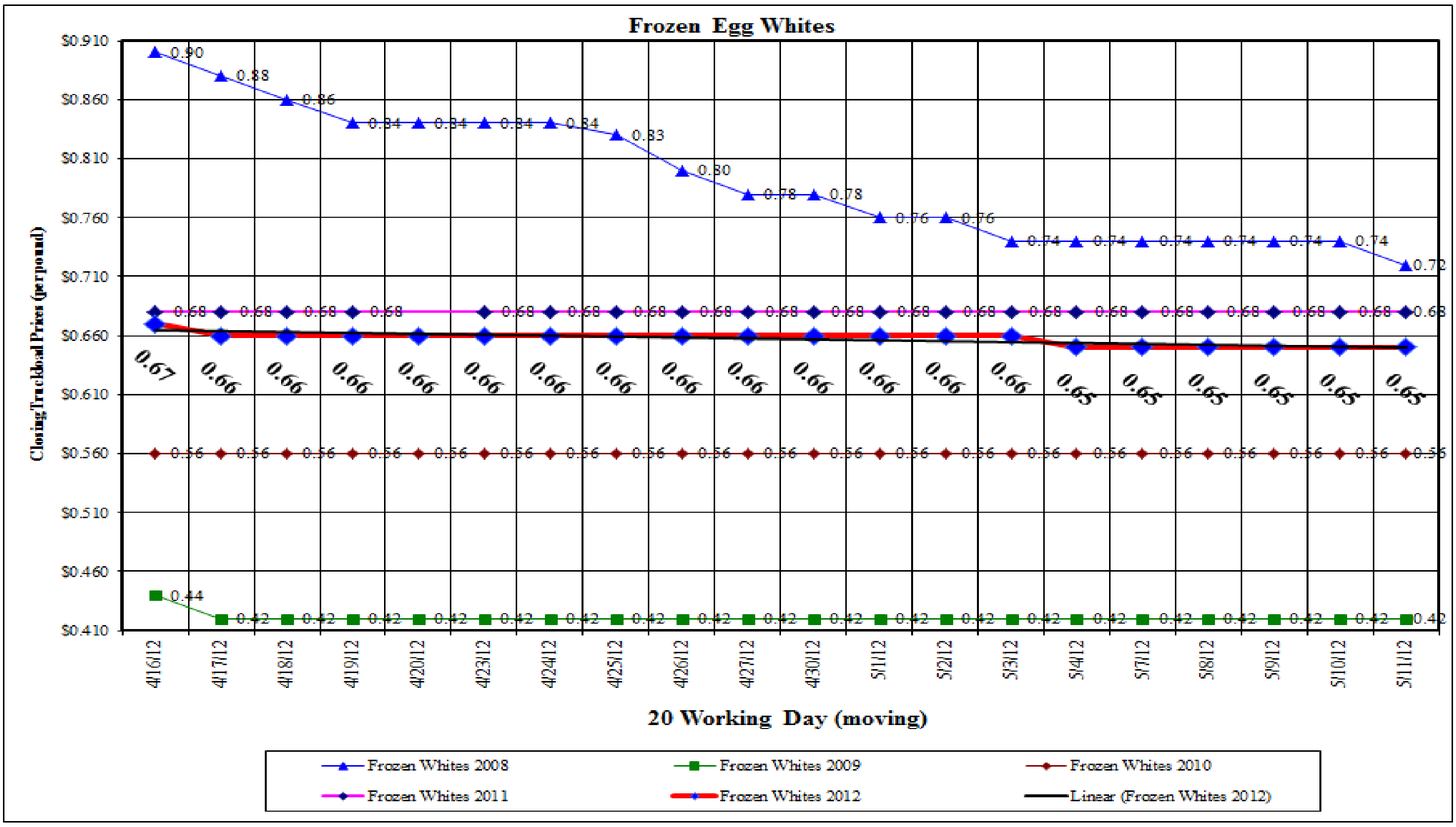
a. Frozen Wholes

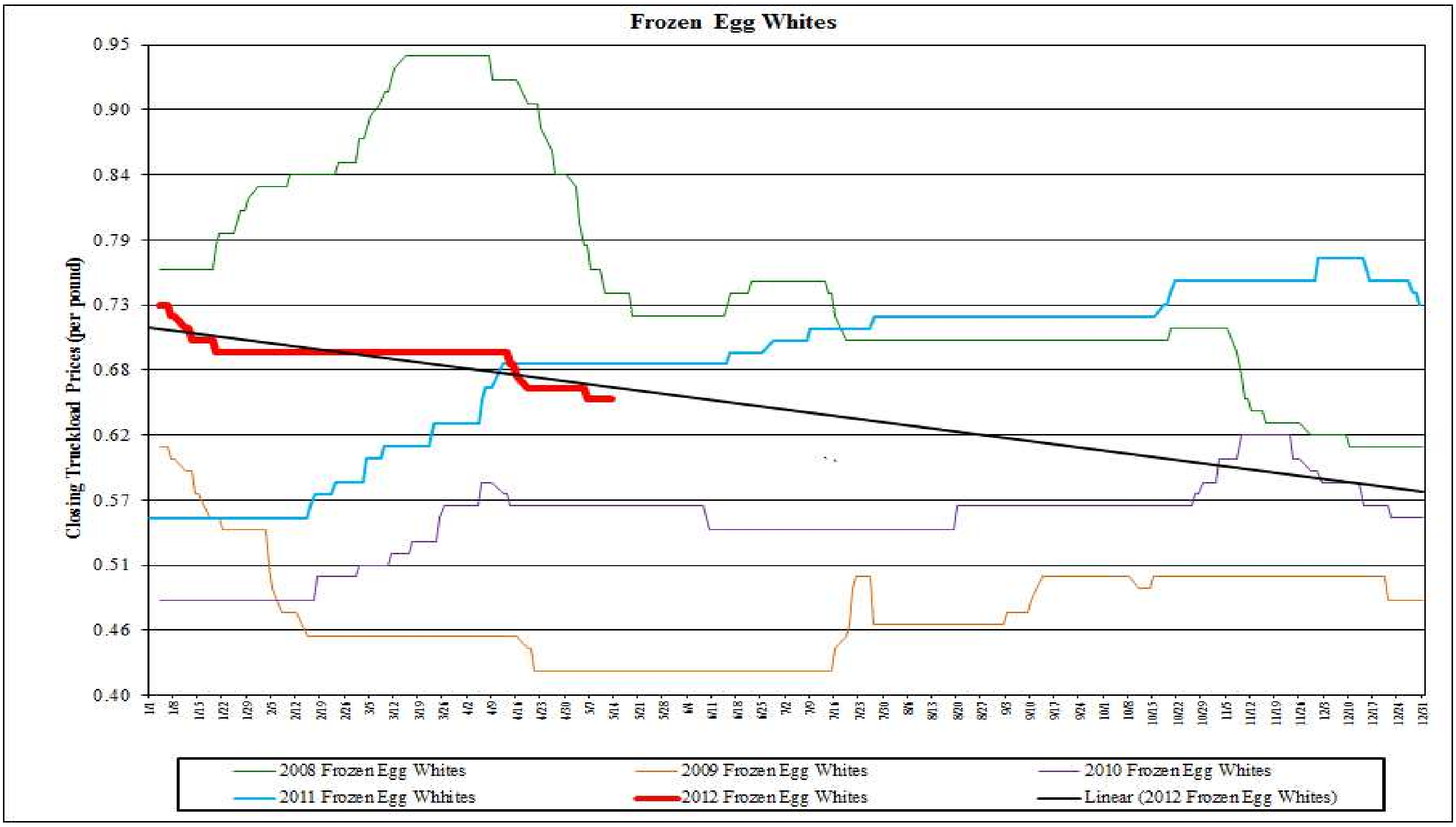




Frozen Whole Eggs closed "no change" for the week (compared to last Friday's close).

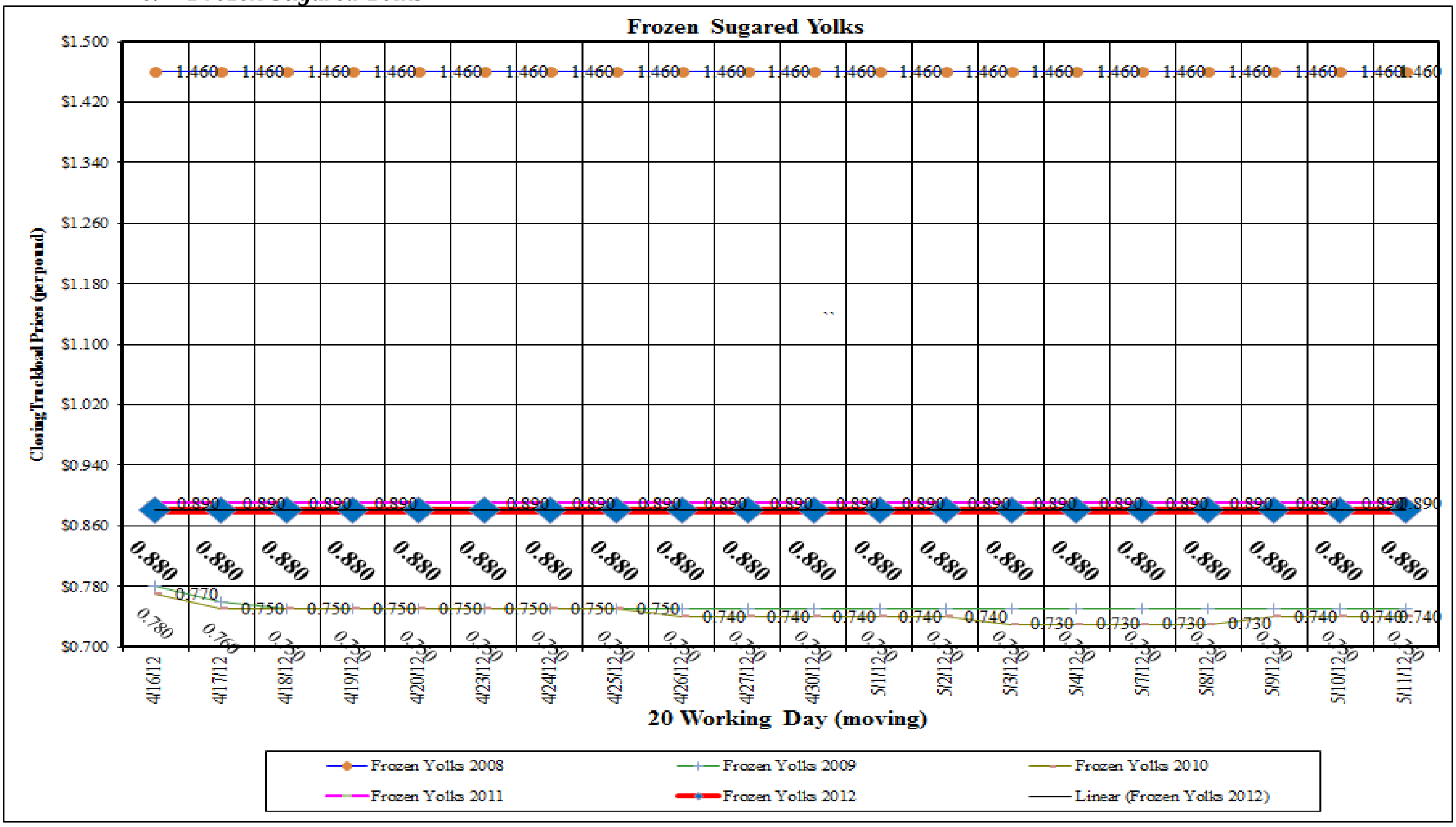
b. Frozen White

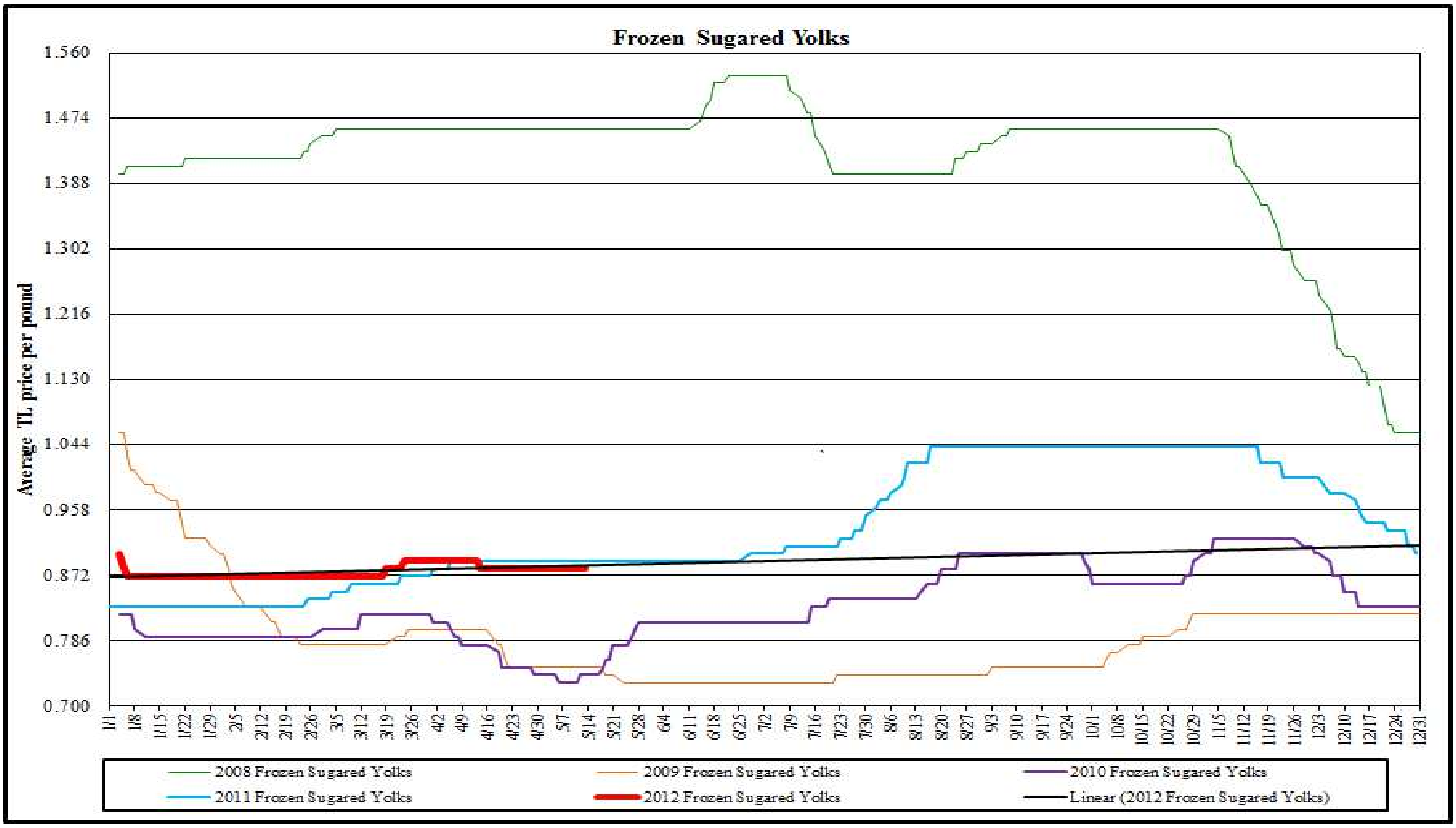




Frozen Egg Whites closed "no change" for the week (compared to last Friday's close).

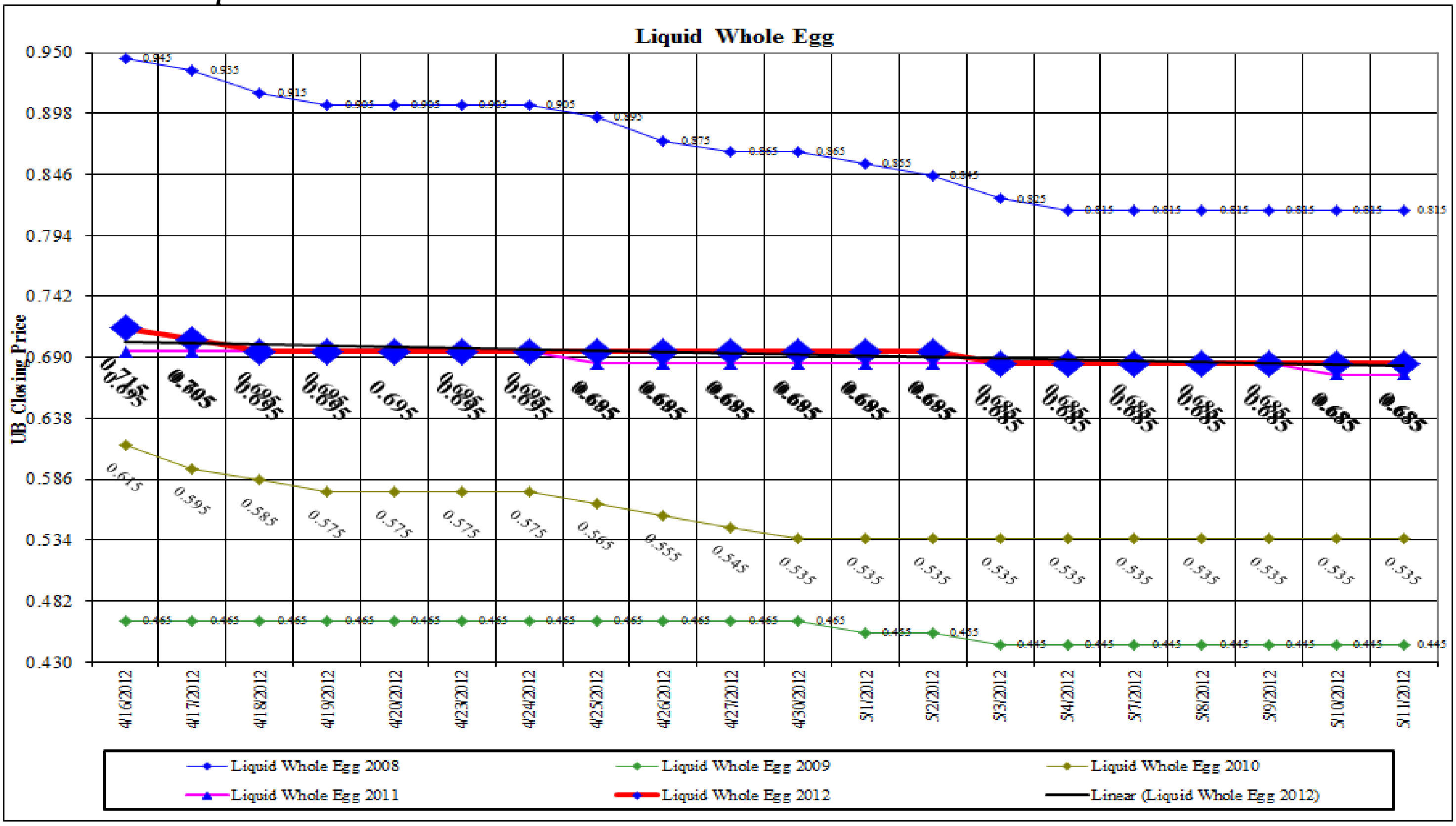
c. Frozen Sugared Yolks

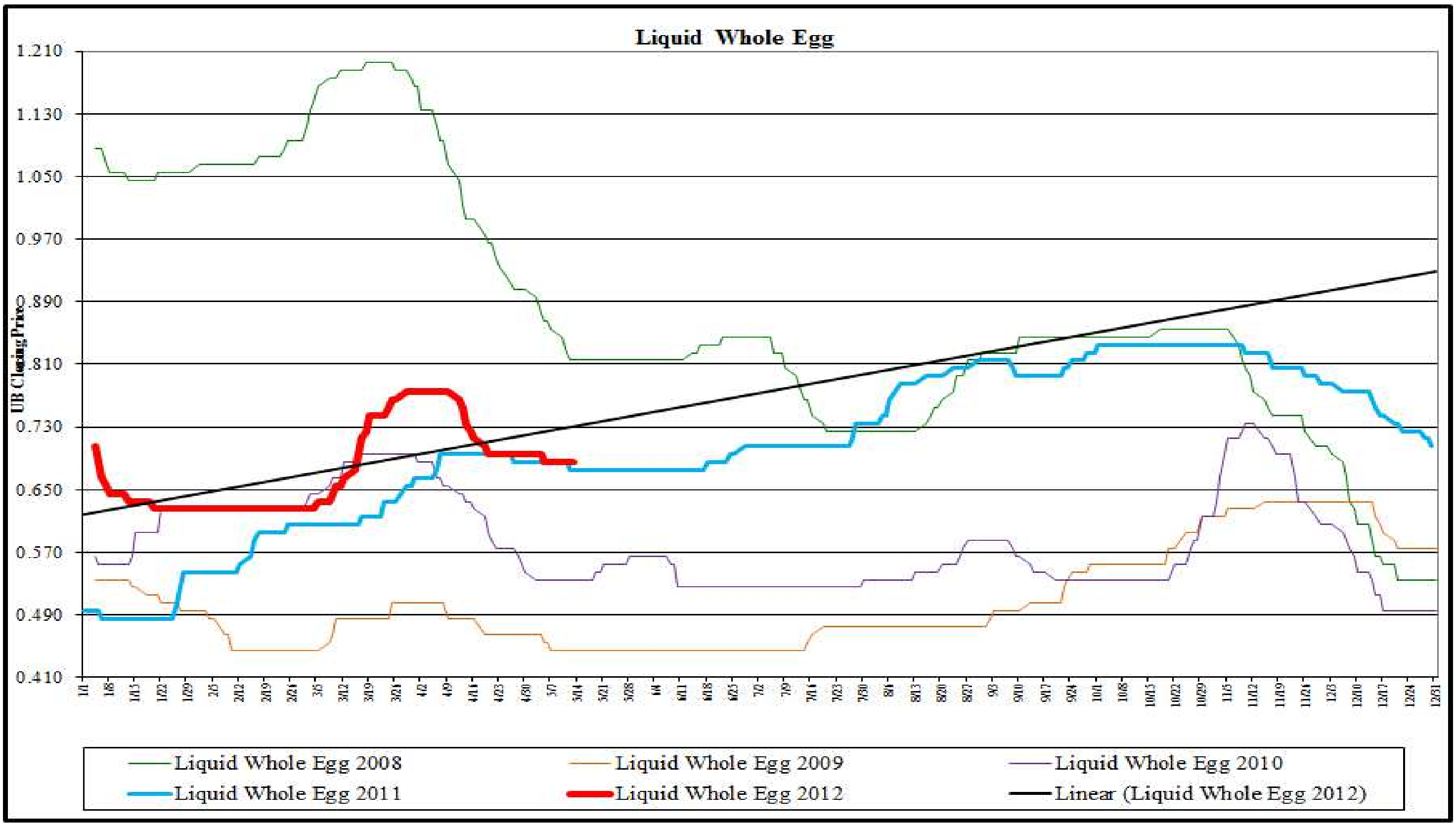




Frozen Sugared Yolks closed "no change" for the week (compared to last Friday's close).

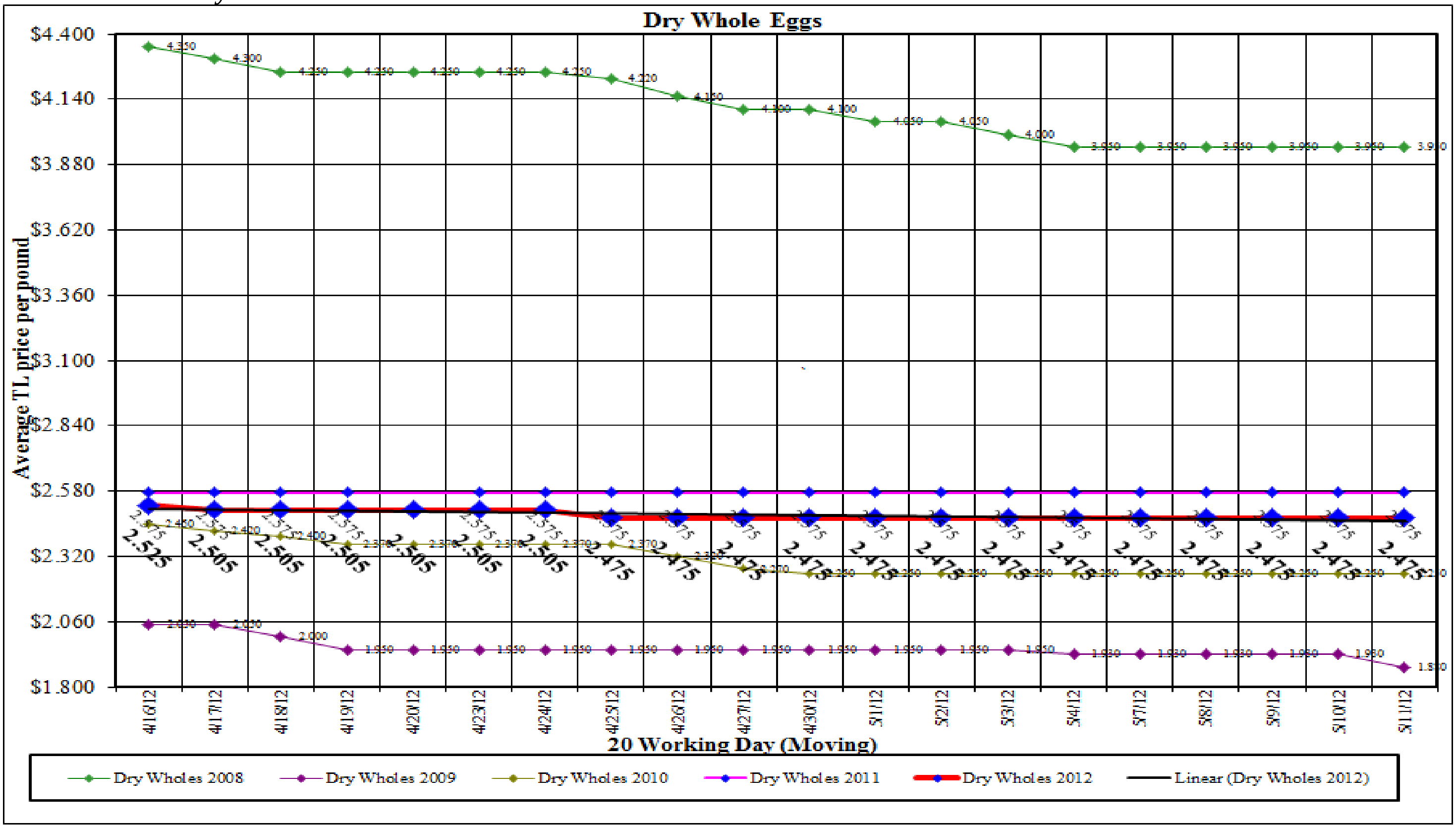
d. Liquid Wholes

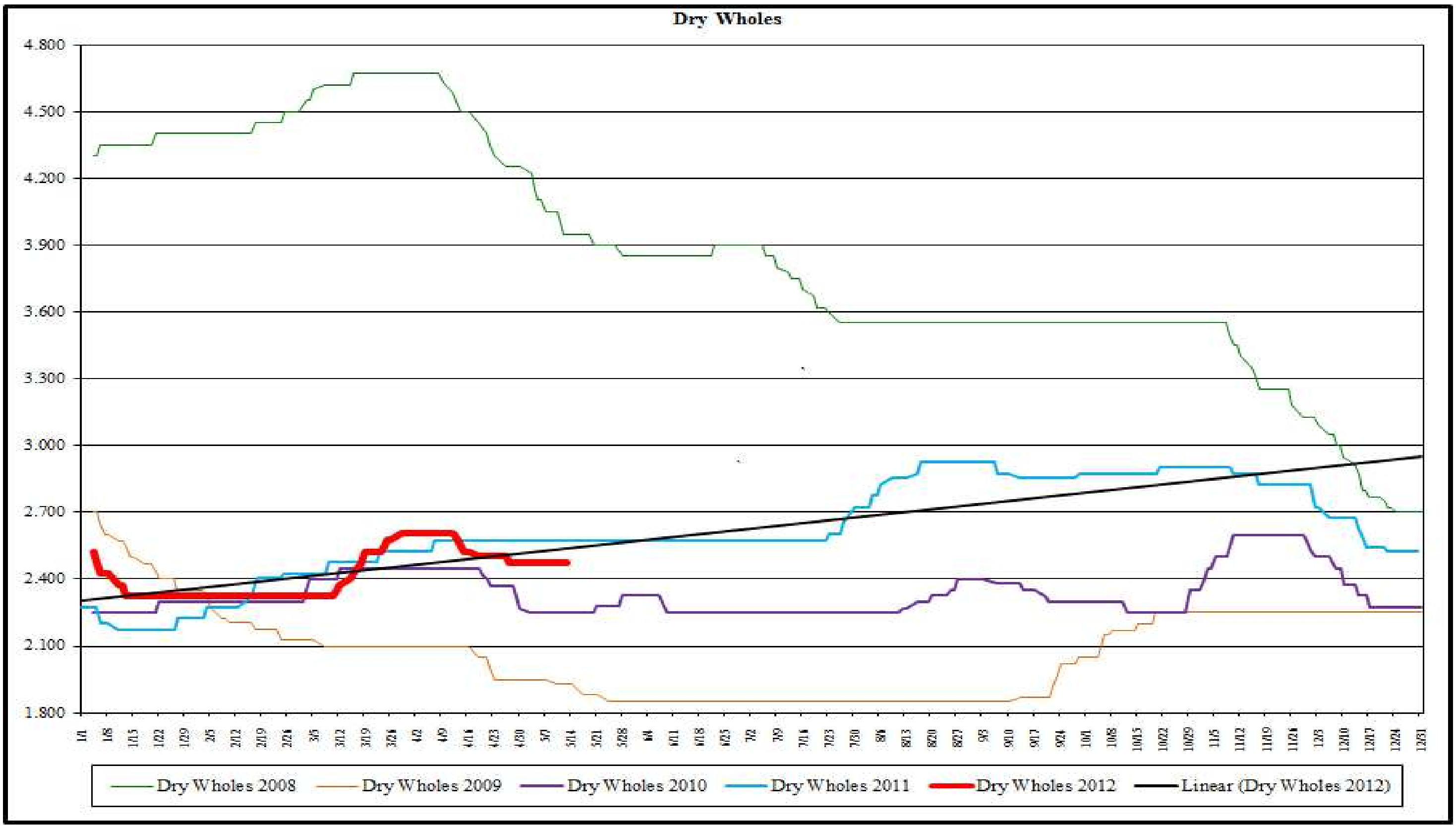




Liquid whole eggs closed "no change" for the week (compared to last Friday's close).

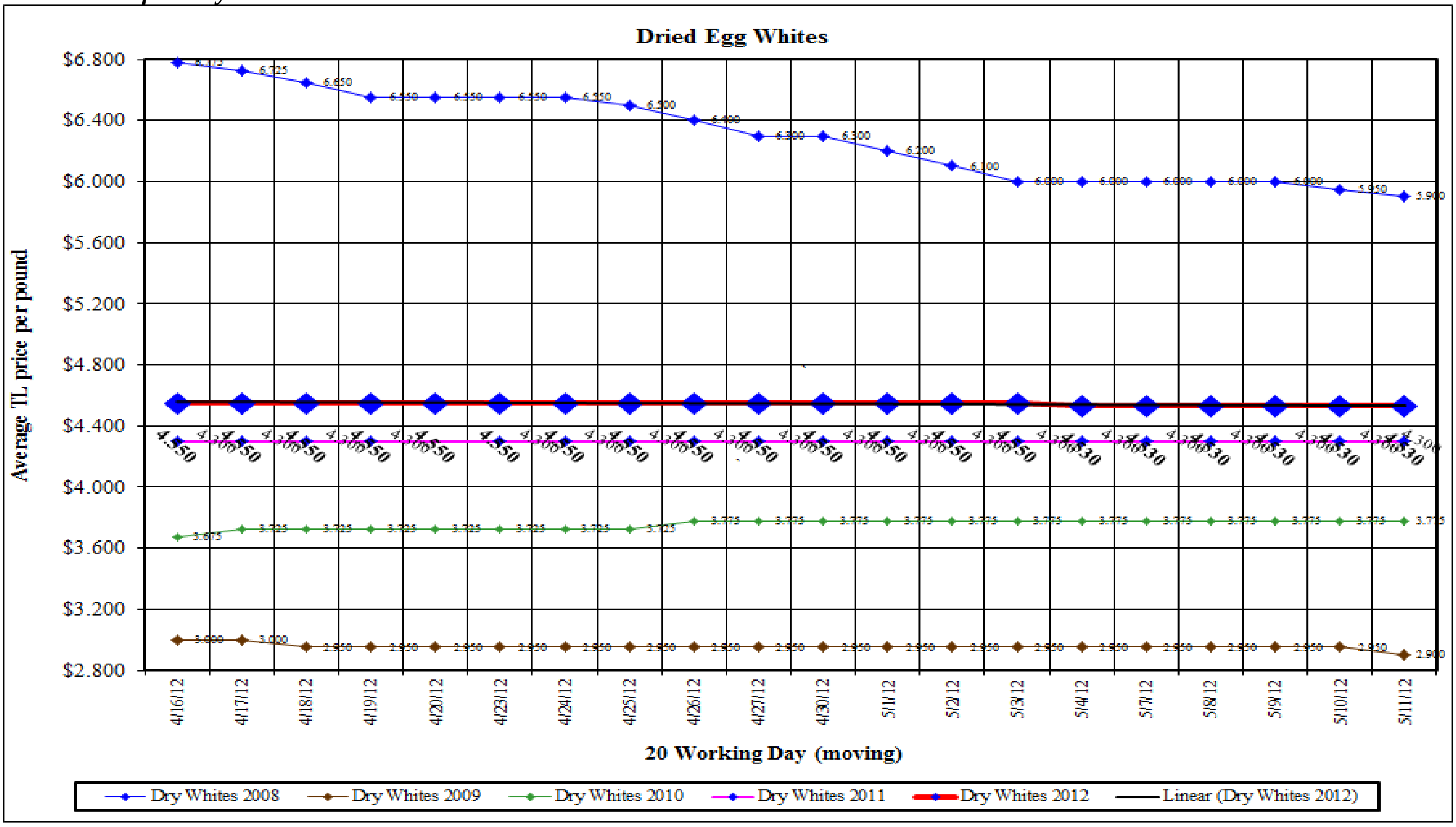
e. Dry Wholes

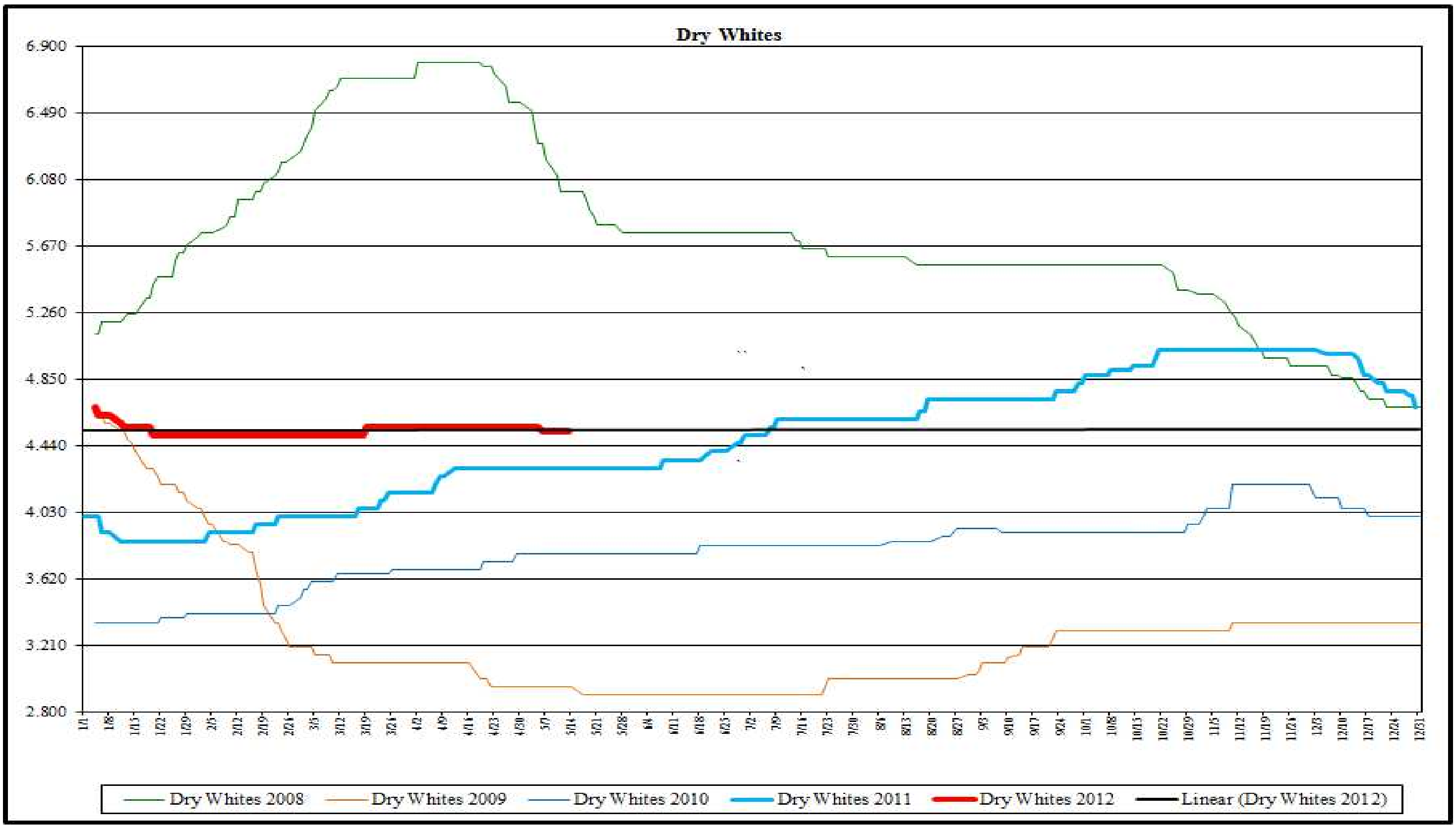




Dried Whole Eggs closed "no change" for the week (compared to last Friday's close).

f. ***Dry Whites***





Dried Egg Whites closed "no change" for the week (compared to last Friday's close).

Corn
The corn market traded lower on forecasts for favorable weather across the corn belt for corn planting and early crop development and on U.S.D.A.'s large increase in 2012-2013 U.S. corn carryout. Eurozone political/financial uncertainty continues to provide heavy overhead resistance for the market. A further slight weakening in Gulf barge values (and reports of better farmer selling of old crop corn) contributed to follow-thru selling in May corn futures.

Corn remains range bound between 590 and 685, basis, the July contract, since the beginning of October no matter what the fundamental news has been. There's very good resistance overhead which is where the July contract stalled recently. July corn has been pressured higher while the May contract dropped 20 cents off its highs. The July contract has been helped by very few deliveries against the May contract. However, many elevators are pricing off the July contract and there is a difference of roughly forty-five cents between the two. The July corn contract continues to hold a support area from 610 down to 600.

U.S. corn plantings advanced a higher-than-expected 18 points to 71% versus 32% last year versus the 5-year average of 47%. The spreads between this year and normal are huge. IL at 89% compared with the 5-year average of 47%, IN 84% versus 35%, IA 64% versus 58%, KS 75% versus 52%, MN 73% versus 53%, MO 84% versus 50%, NE 74% versus 50%, ND 57% versus 24%, OH 79% versus 33%, SD 57% versus 23% and WI 34% versus 30%.

U.S. corn emergence is well ahead of normal at 32% versus 5% last year versus the 5-year average of 13%. There doesn't seem to be any cold threat to the U.S. corn crop in the forecast.

In Thursday's report, U.S.D.A. increased old crop (2011/2012) ending stocks by 50 mm to 851 mm – due to combination of more wheat available for feed use and early harvest (pre-September 1) due to the early planting progress. Other components of demand were left unchanged. At 851 mm or 6.7% of usage, this is the still the tightest stocks-use ratio facing the corn market since 1995/1996.

The U.S.D.A. initial projections for 2012/2013 are for larger stocks than had been expected and thus bearish even from the lower price levels in new crop corn futures. The U.S.D.A. is forecasting 2012/2013 ending stocks to increase to 1.9 billion bushels, equal to 13.7% of usage. The U.S.D.A. arrived at this estimate as follows:

- A crop of 14.8 billion is projected based upon 95.9 mm planted acres (from U.S.D.A. intentions report) and a record yield of 166 bushels per acre. U.S.D.A. applied a higher yield (they consider 164 bushels per acre to be trend) due to the early planting progress.
- Usage for 2012/2013 increased sharply (+1.1 billion) to 13.8 billion – includes gains in feed and residual (+900 mm), and exports (+200 mm). Without these projected gains, U.S.D.A. would be publishing an ending stocks estimate in excess of 2.0 billion.

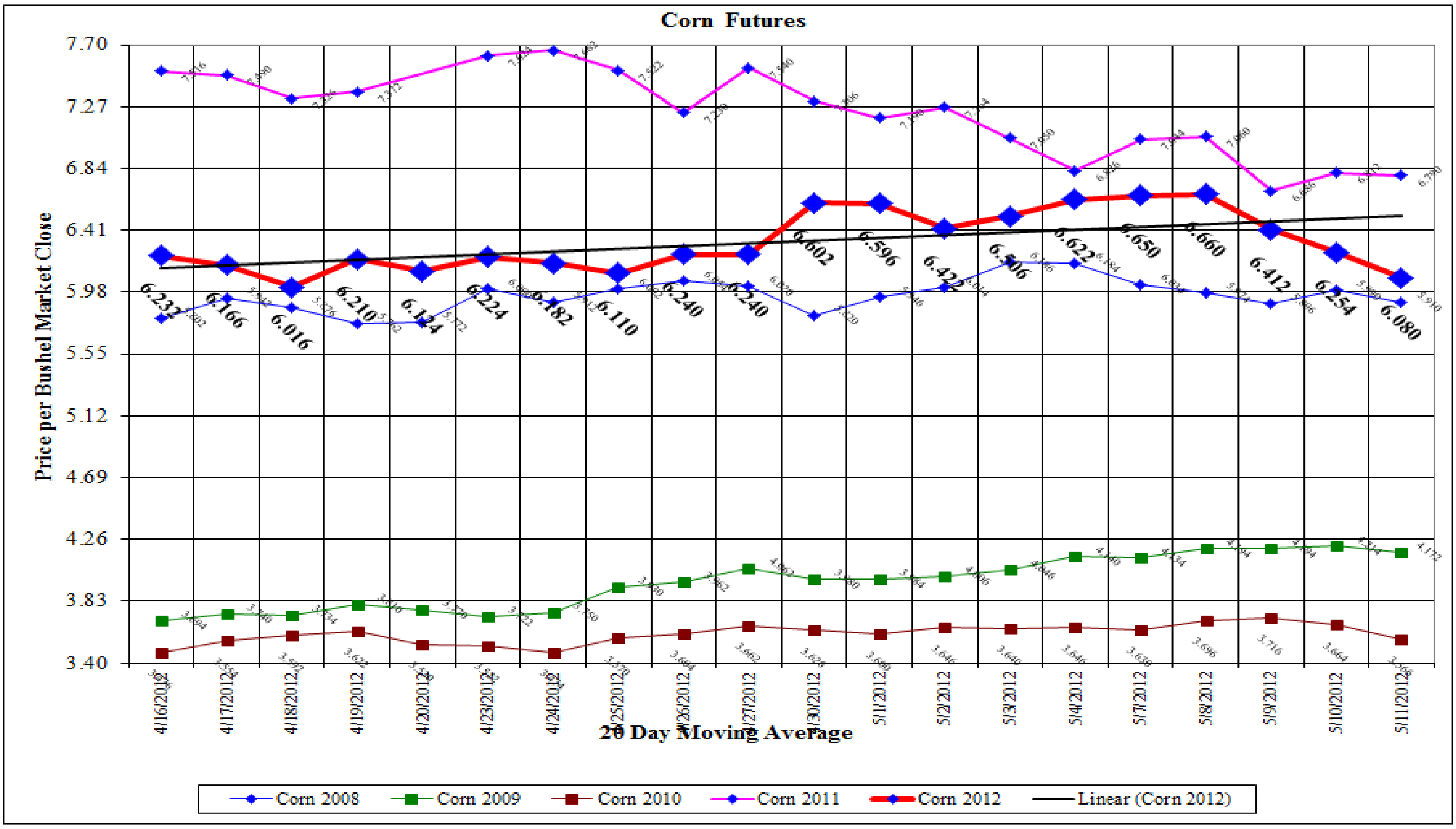
U.S.D.A.'s average farm price projections mid-point for 2012/2013 corn prices is $4.80, down from $6.10 this year.

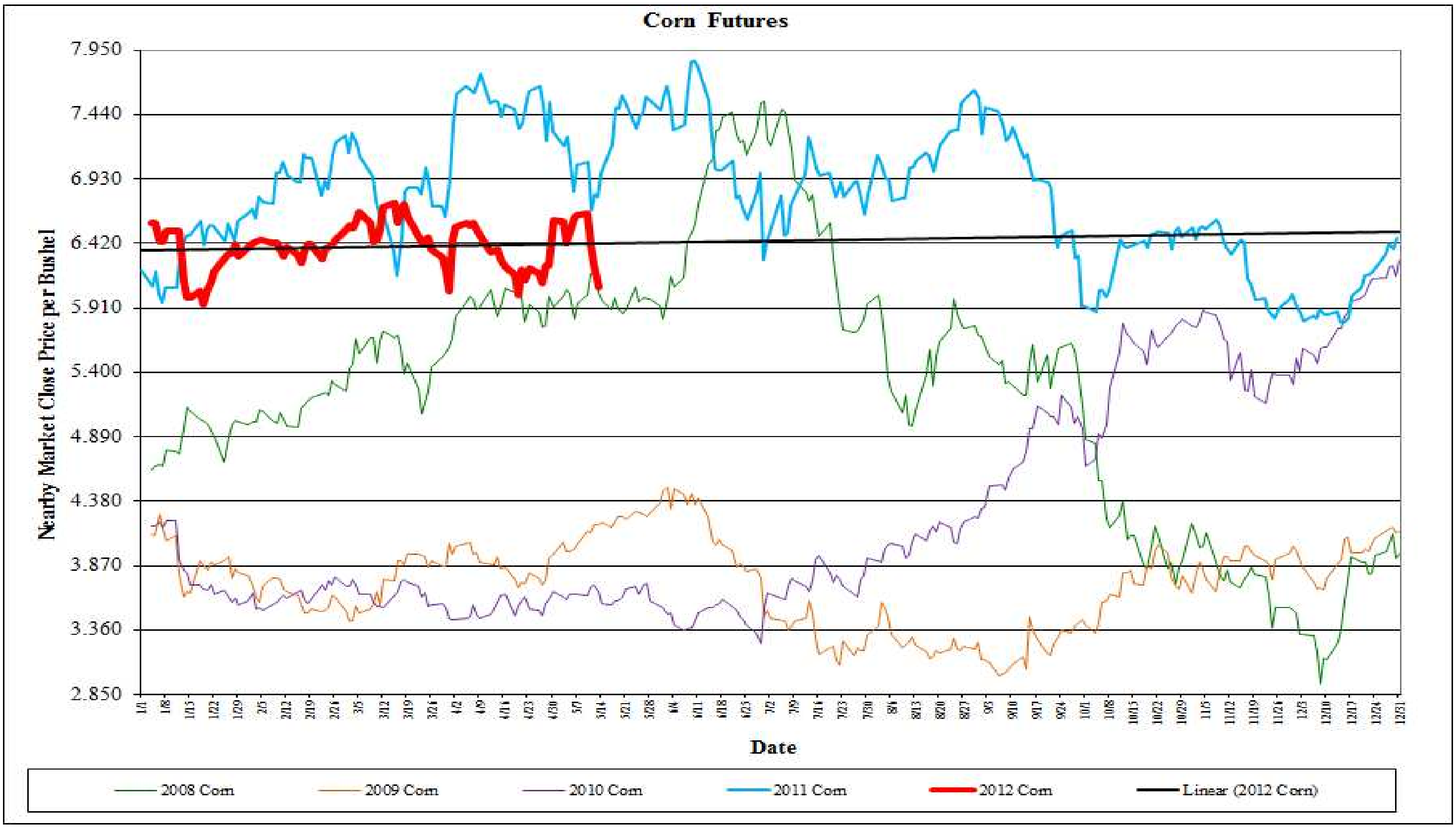
The reports were generally bullish, due to

a) smaller than expected March 1 corn stocks,
b) smaller than expected soybean acreage, and
c) smaller than expected HRS acreage.

The lone bearish number from U.S.D.A. Thursday was the 2012 corn acreage estimate of 95.9 mm acres.

Corn futures closed down $0.542/bushel for the week (versus last Friday's close).


Corn Futures
Price per Bushel Market Close
20 Day Moving Average
Corn 2008
Corn 2009
Corn 2010
Corn 2011
Corn 2012
Linear (Corn 2012)

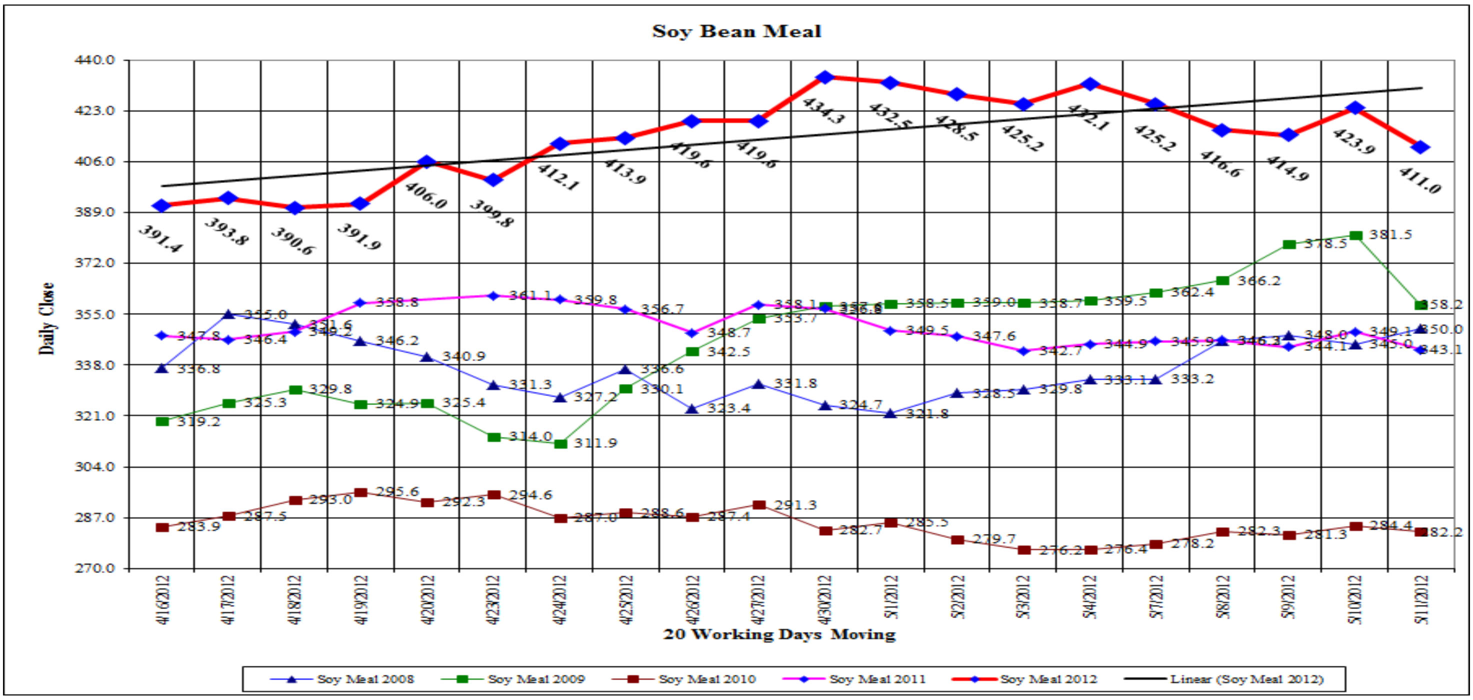

Corn Futures
Nearby Market Close Price per Bushel
Date
2008 Corn
2009 Corn
2010 Corn
2011 Corn
2012 Corn
Linear (2012 Corn)

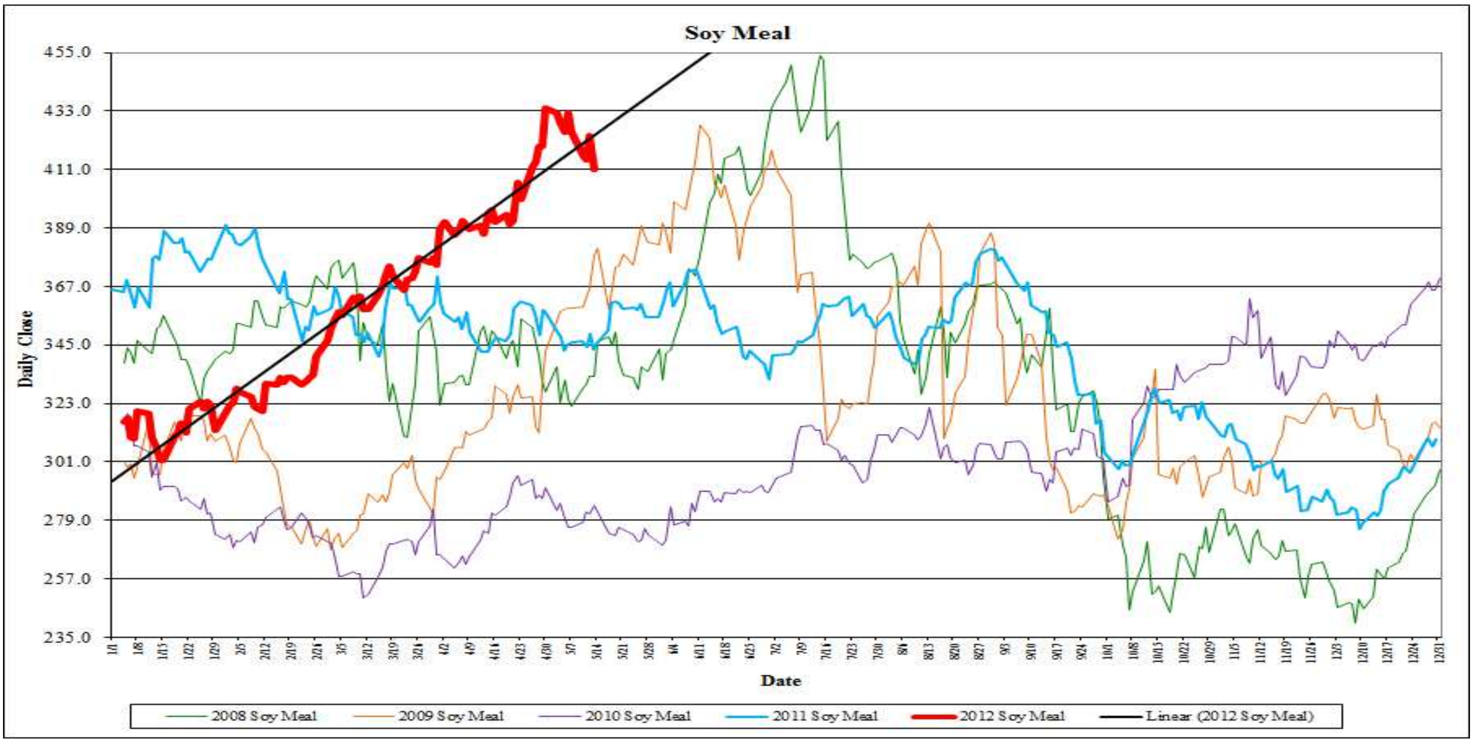
Soy Meal

This week's meal market put in a negative performance as prices fell to lower levels along with weakness in other markets. Major negative inputs included fund selling, weakness in soybeans/corn/wheat, weakness in the Chinese market and strength in the U.S. dollar. Major supportive inputs included commercial buying, strength in some domestic basis levels, reports of excellent consumer buying interest as prices fell to lower levels, traders who bought meal/sold oil, reports of continued export interest in the U.S. market, reports of continued strength in the domestic U.S. basis, and concerns regarding upcoming downtime in the U.S. crushing industry (tightening supplies of U.S. meal).

In Thursday's report, U.S.D.A. 2011/2012 soybean meal exports were increased to 9,100 thousand short tons compared to 8,900 in the April report. Meal exports for 2012/2013 were pegged at 8,400 thousand short tons, which would be the lowest meal export level since 2005/2006.

Soy meal futures closed down $21.10/ton for the week (versus last Friday's close).

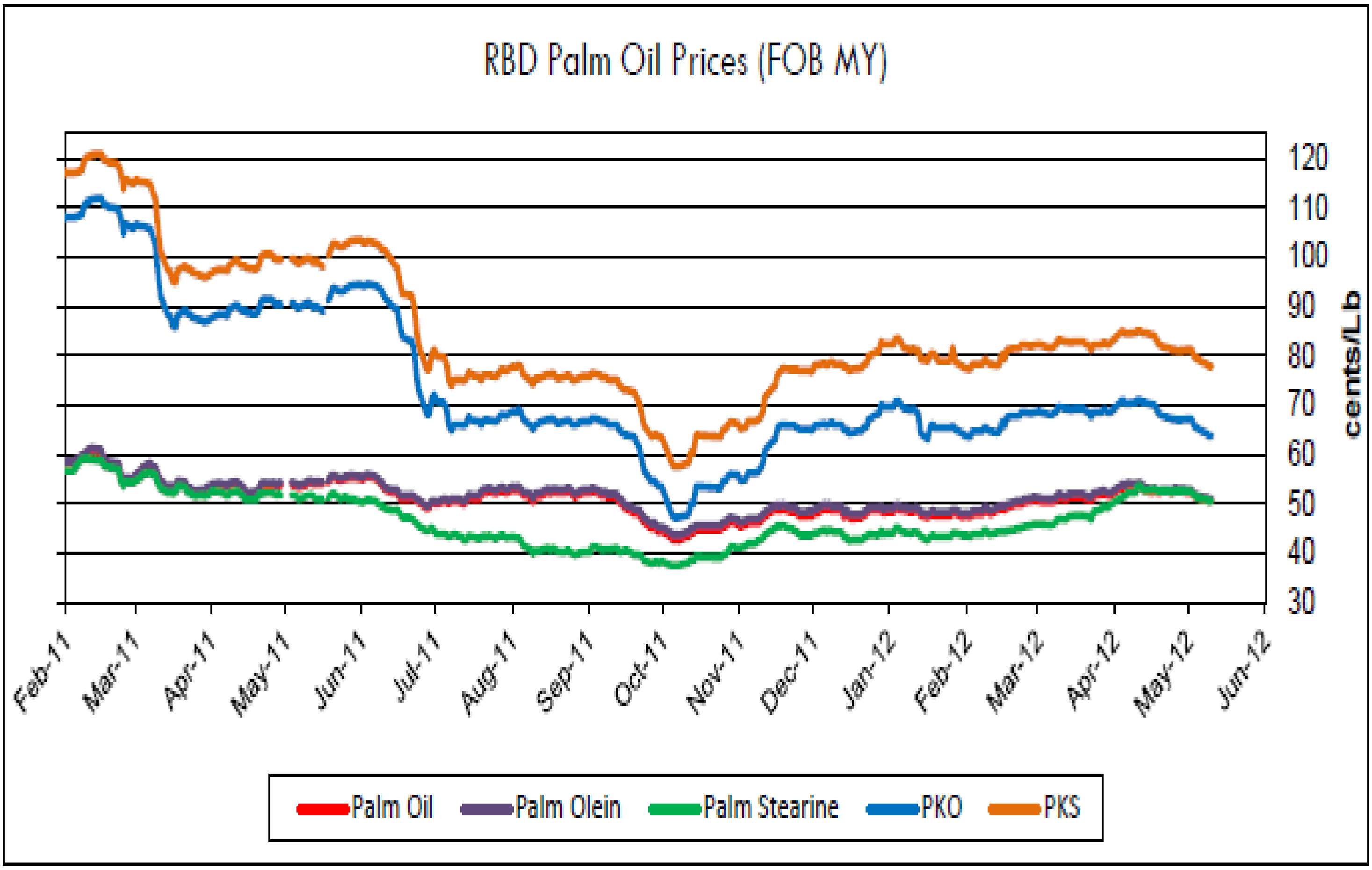




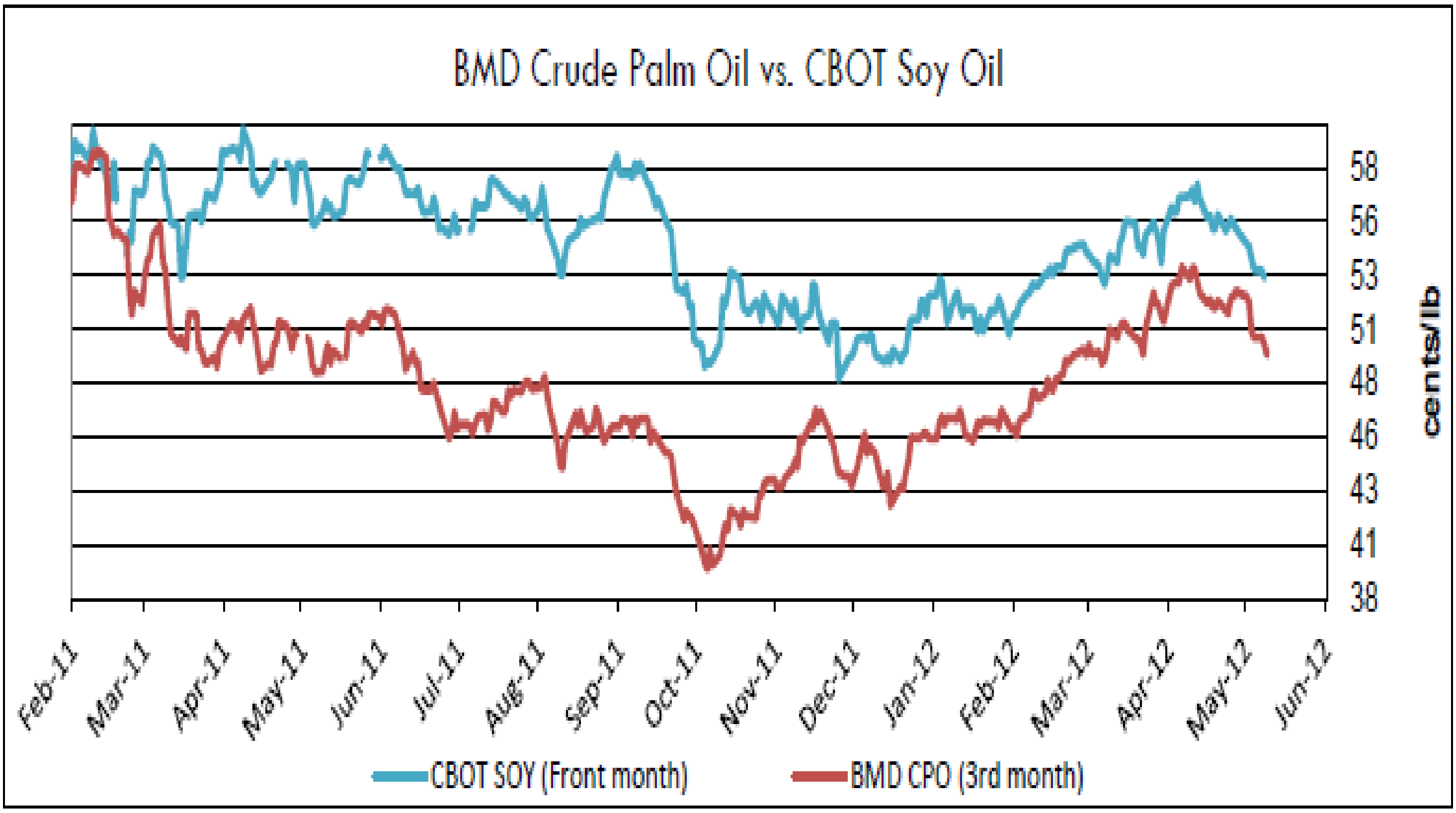
Palm Oil
Malaysian palm oil futures slipped to a 9-week low before ending more than 2% lower as political uncertainty in the euro zone and weak industrial production data in China weighed on the demand outlook for the edible oil. China's industrial production in April grew at its slowest pace in nearly three years, which along with poor trade numbers on Thursday, suggest the world's No. 2 economy continues to slow down after a weak first-quarter performance. A gloomy global economic outlook with slowing Malaysian exports sent palm oil futures down 2.5% this week. Benchmark July palm oil futures fell 74 ringgit to close at 3,275 ringgit ($1,067) per ton. Prices earlier touched a low of 3,265 ringgit, the weakest since March 8. Exports for the first 10 days of May fell 6%—and 14.2% from a month ago—according to cargo surveyors ITS and SGS. Lower demand from major food buyers China and India contributed to the fall in shipments, while the slowing global economic growth is also a concern. But a low global stocks of oilseeds, suggesting a tightening supply of the raw materials for competing edible oils, remains a bullish factor for palm oil. The U.S.D.A. forecast record exports next season for soybeans, shrinking U.S. stocks to the lowest in four years. On the local front, the Malaysian Palm Oil Board also reported April stock levels at a one-year low. Malaysia's April palm oil stock level fell 5.4% from a month ago due to the tree stress, which some analysts said was at the lower range of the consensus' expectation.

It was a mixed bag for coconut and palm kernel oil this April as both alternated between taking direction from their own fundamentals and from the soy-palm complex. Prices fell a few cents in the last week of the month, mostly on MDEX Palm and CBOT Soy losing ground due to a lack of new fundamental inputs. The story in palm and soy has been one of disappointing crop numbers in the face of increased demand; those markets have had a terrific bull run since January. While in the past two weeks soy and palm have fallen into a slightly lower range, the expectation is for those markets to continue their upward trend as the fundamental story plays itself out. In the next few weeks, traders will be looking at whether early Ramadan can induce palm buying interest and whether perfect growing conditions for domestic soy continue.

Laurics (coconut and palm kernel) continue to trade in a fairly narrow range, though the downward move this past week caused them to reach their lowest point since December. Slow demand continues to be a driving factor. It seems much of the industry is covered through Q3 2012, and with prices reluctant to fall significantly, nobody is interested in putting on additional cover. Tightness in palm kernel has been supporting the market, and since coconut production has begun to improve, coconut is now at a discount to palm kernel. This should correct itself over time as the buyers who can alternate between the two oils are attracted toward coconut. The outlook on the overall direction for palm kernel and coconut is less clear, but the tendency is on the bull side. If demand can turn itself around and the soy-palm complex picks up steam again, we could be in for a significant move higher.



(Graph source: Loders Croklaan)



(Graph source: Loders Croklaan)

Energy Markets
Crude oil declined due to stockpiles rising to their highest level since August 1990. This is proof that global demand for fuel is declining, signaling that there is a global economic slowdown.

Natural Gas--
Prices in near month contracts are little changed week on week and the range appears to be narrowing as the market is consolidating. The drop off in gas production from dry wells has been more than replaced by production from wet wells in search of more valuable crude and NGLs. WTI's near $10 fall over the past few days, however, is creating concern that there could be a downturn in domestic oil production, should lower prices materialize. Another unintended consequence of the shale boom is a glut of NGLs. Because NGLs have been more correlated with the price of oil than gas, their production has kept unhedged producers viable in the face of gas prices less than their operating costs. As NGL prices drop, producers will be less likely to continue to operate gas rigs. According to Reuters, if inventory injections keep pace with the five-year average between now and October, storage capacity would be eclipsed by 10.5%. SCE's San Onofre nuclear power plant, which has been shut down since January, is expected to come back online in June, ahead of schedule. To make up for that load, it is estimated that gas plants used 0.5 bcf/d.

With cooling season on the horizon, there is some short term mild bullish pressure on prices. However, expect rallies to be short lived and weakness to return as inventories continue to build. The fundamental bullish story for gas remains to be long term in nature, while the current fundamentals are weak.

Electric markets--
Summertime volatility is right around the corner. If hedging strategies are available, users should consider removing risk through September. Where possible, on peak blocks should be used to hedge risk.

Petroleum markets—
Gasoline prices are falling throughout the Midwest. Finally we are seeing some price variation - prices are dropping by 1-2 pennies in some places, while others are taking it down faster. Notice, when prices jump there is no fudging.

The sell-off continued with oil prices touching the mid-$97 range (WTI) before stabilizing. Although some argue that prices appear to be reconnecting with weak underlying fundamentals, there is certainly room for doubt since fundamentals have been ignored for such a long time. The recent move seems to be more of a reaction to a drop in equities markets than any sort of re-coupling with underlying fundamentals – possibly the pruning of liquid positions to raise cash. It is more likely that prices remain 10-15% above underlying fundamentals and that current pricing levels are being supported by loose global monetary policy and increasing geopolitical risk.

The recent pullback in the markets, while dramatic, still leaves prices significantly above fundamental levels. Over the past months stockpiles around the globe have continued to grow as the world's largest producers (i.e., the U.S., Saudi Arabia and Russia) continue to pump at or near record levels. Moreover, the return of supply from Libya has been offsetting losses from more marginal producers such as Yemen, Syria and Sudan. Overall, the markets are extremely well supplied and demand, as a result of slow growth in the U.S., recession in Europe and slowing growth in Asia (China), remains tepid. The current state of the markets can be summed up in the fact that, as of last week, the U.S. held commercial crude oil stockpiles in excess of 375 million barrels (the highest level seen in decades).

Recently, energy prices have traded at inflated levels as a result of two prime factors – overly accommodative monetary policy and geopolitical risk. Since the financial crisis, all major central banks have undertaken some form of quantitative easing. As a consequence, the global financial markets are awash in liquidity. One of the side effects of this policy has been asset and commodity inflation. At present there are whispers in the market of the potential for another round of quantitative easing from the U.S. Federal Reserve (QE3). This extraordinary policy action undertaken by central banks in the wake of the financial crisis and continued to date has supported energy and commodity prices in recent years.

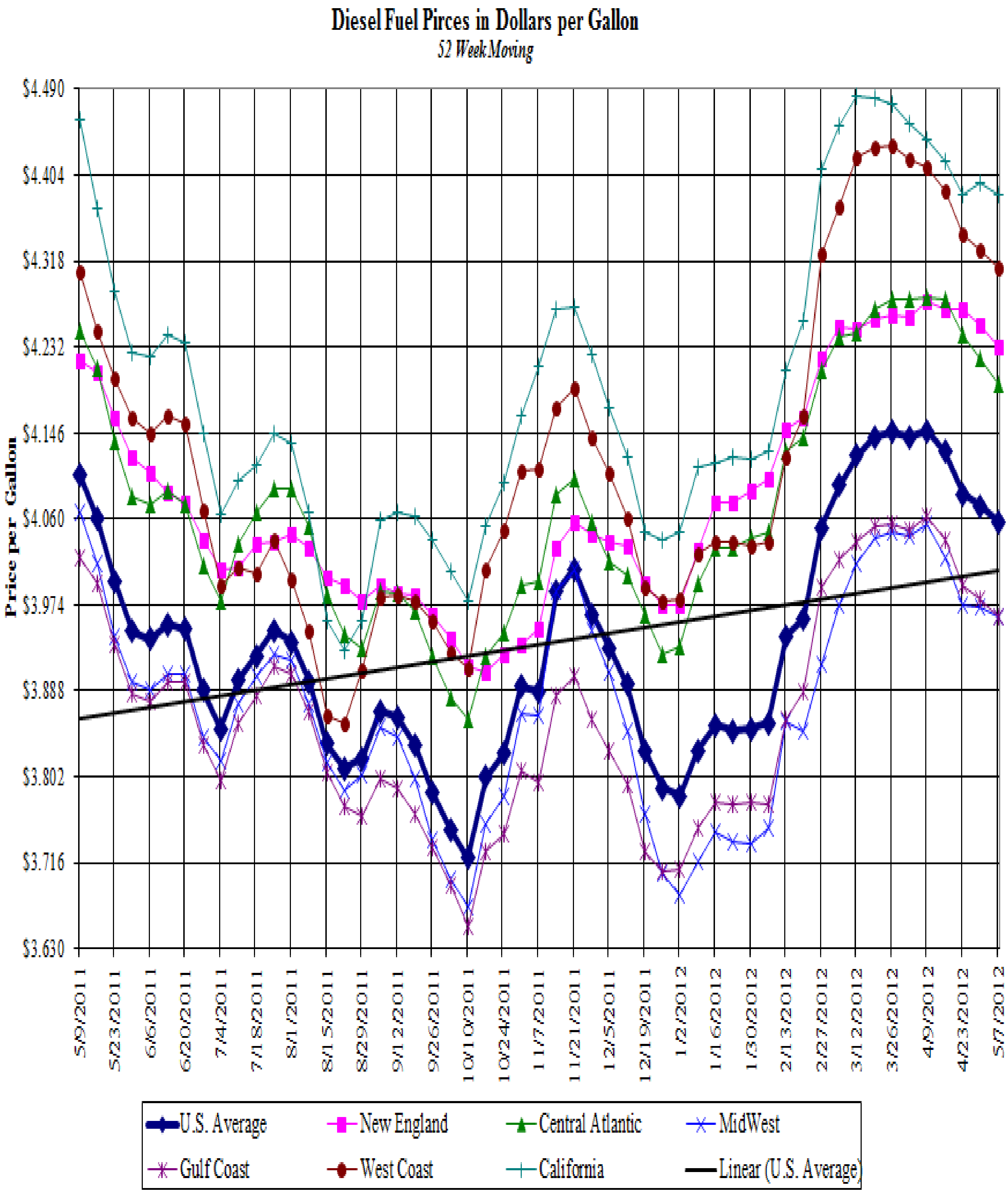
Increased geopolitical risk is the other factor contributing to elevated energy prices. Today this risk effectively takes two forms – Arab Spring and Iran's nuclear program. Although Arab Spring commenced over a year ago, it continues to evolve in countries like Egypt, Libya, Bahrain, Yemen and Syria. Each of these countries is in a different state of evolution with regard to the transition from long-standing dictatorships to some other form of governance. One irrefutable truth is that the transition will be both long and difficult. For example, last weekend protestors in Egypt once again took to the streets calling for the transition of power away from the current military government (which only recently gained control from long-standing dictator Hosni Mubarak) to non-military political parties, including the Muslim brotherhood. As each country goes through this process there is a real risk that the transition towards democratic rule will be co-opted by non-democratic interest groups (i.e., military and/or religious institutions). There can be little doubt that continuing instability in such a crucial energy producing region (i.e. - Mideast and North Africa) will continue to be a concern to the energy markets.

Iran's nuclear program and its current confrontation with the West represent another significant concern to the markets. Although Iran and the P5+1 have recently reinitiated discussions concerning Iran's uranium enrichment program, most market traders remain highly skeptical that a diplomatic breakthrough can be achieved in the coming months. The history between the P5+1 and Iran is one of deeply ingrained distrust and it seems highly unlikely that either party will be willing to take the first conciliatory step – there is simply too little political room in which to maneuver. From the West's point of view, the P5+1 will be looking for Iran to ship out its stockpiles of highly enriched uranium and agree to more wide-reaching inspections of its nuclear facilities as part of any agreement. On the other hand, it is equally clear that Iran will be looking for the P5+1 to lift some of the economic sanctions being applied against it before making any concessions. It is most likely that both parties will continue to meet and hold "constructive" discussions, without resolution to the issue. Moreover, such complex and politically sensitive discussions will be difficult to undertake with Israel waiting in the background, holding a stopwatch and threatening pre-emptive action.

Although overly accommodative monetary policy and geopolitical risk have been supporting prices above fundamental levels, recent economic data incontrovertibly indicates that global economic activity is slowing. Moreover, recent election victories by anti-austerity candidates in France and Greece appear to have shaken already fragile global financial markets. Consequently, energy prices are now going to be pulled between two polar extremes – the growing risk of another significant financial/economic crisis (which last time saw energy prices drop as low as $57 per barrel) or the risk of a significant supply disruption in the Mideast as a result of further political instability or a preemptive strike taken against Iran. In short, extreme volatility will be the name of the game in the coming months as markets attempt to handicap which of these polar extremes is more likely.

Prices in Dollars Per Gallon

Date	U.S. Average	East Coast	New England	Central Atlantic	Lower Atlantic	Midwest	Gulf Coast	Rocky Mtn	West Coast	California
5/9/2011	$4.1040	$4.1170	$4.2180	$4.2480	$4.0520	$4.0660	$4.0220	$4.1560	$4.3070	$4.4590
5/16/2011	$4.0610	$4.0750	$4.2070	$4.2100	$4.0050	$4.0150	$3.9960	$4.1340	$4.2480	$4.3710
5/23/2011	$3.9970	$4.0110	$4.1610	$4.1380	$3.9430	$3.9420	$3.9350	$4.1010	$4.2010	$4.2870
5/30/2011	$3.9480	$3.9620	$4.1210	$4.0820	$3.8970	$3.8960	$3.8840	$4.0200	$4.1610	$4.2270
6/6/2011	$3.9400	$3.9550	$4.1050	$4.0740	$3.8910	$3.8890	$3.8770	$4.0150	$4.1460	$4.2230
6/13/2011	$3.9540	$3.9680	$4.0870	$4.0880	$3.9050	$3.9050	$3.8960	$3.9880	$4.1630	$4.2450
6/20/2011	$3.9500	$3.9620	$4.0770	$4.0740	$3.9040	$3.9040	$3.8960	$3.9590	$4.1560	$4.2360
6/27/2011	$3.8880	$3.9140	$4.0380	$4.0140	$3.8600	$3.8420	$3.8340	$3.8850	$4.0690	$4.1460
7/4/2011	$3.8500	$3.8700	$4.0090	$3.9780	$3.8120	$3.8180	$3.7980	$3.8510	$3.9930	$4.0650
7/11/2011	$3.8990	$3.9260	$4.0120	$4.0340	$3.8720	$3.8750	$3.8560	$3.8380	$4.0120	$4.0990
7/18/2011	$3.9230	$3.9630	$4.0340	$4.0660	$3.9120	$3.9030	$3.8820	$3.8270	$4.0050	$4.1140
7/25/2011	$3.9490	$3.9880	$4.0370	$4.0900	$3.9400	$3.9250	$3.9130	$3.8480	$4.0380	$4.1450
8/1/2011	$3.9370	$3.9740	$4.0450	$4.0900	$3.9180	$3.9180	$3.9040	$3.8550	$4.0000	$4.1360
8/8/2011	$3.8970	$3.9360	$4.0310	$4.0530	$3.8770	$3.8750	$3.8680	$3.8510	$3.9490	$4.0670
8/15/2011	$3.8350	$3.8710	$4.0010	$3.9830	$3.8110	$3.8150	$3.8060	$3.8260	$3.8630	$3.9570
8/22/2011	$3.8100	$3.8440	$3.9940	$3.9440	$3.7880	$3.7890	$3.7720	$3.8150	$3.8550	$3.9280
8/29/2011	$3.8200	$3.8430	$3.9770	$3.9300	$3.7930	$3.8030	$3.7630	$3.8390	$3.9080	$3.9580
9/5/2011	$3.8680	$3.8860	$3.9940	$3.9870	$3.8330	$3.8520	$3.8000	$3.8900	$3.9810	$4.0580
9/12/2011	$3.8620	$3.8790	$3.9850	$3.9850	$3.8250	$3.8410	$3.7900	$3.9030	$3.9840	$4.0670
9/19/2011	$3.8330	$3.8530	$3.9830	$3.9680	$3.7920	$3.7990	$3.7650	$3.8920	$3.9770	$4.0620
9/26/2011	$3.7860	$3.8040	$3.9630	$3.9220	$3.7390	$3.7380	$3.7300	$3.8670	$3.9570	$4.0390
10/3/2011	$3.7490	$3.7650	$3.9410	$3.8810	$3.6990	$3.6990	$3.6930	$3.8460	$3.9270	$4.0070
10/10/2011	$3.7210	$3.7410	$3.9120	$3.8600	$3.6740	$3.6710	$3.6510	$3.8280	$3.9100	$3.9770
10/17/2011	$3.8010	$3.8150	$3.9070	$3.9220	$3.7610	$3.7540	$3.7260	$3.8850	$4.0100	$4.0530
10/24/2011	$3.8250	$3.8320	$3.9250	$3.9460	$3.7750	$3.7820	$3.7450	$3.9090	$4.0490	$4.0960
10/31/2011	$3.8920	$3.8860	$3.9350	$3.9940	$3.8360	$3.8660	$3.8080	$3.9590	$4.1070	$4.1630
11/7/2011	$3.8870	$3.8750	$3.9500	$3.9970	$3.8160	$3.8630	$3.7960	$3.9780	$4.1090	$4.2130
11/14/2011	$3.9870	$3.9640	$4.0300	$4.0850	$3.9060	$3.9870	$3.8820	$4.0930	$4.1710	$4.2700
11/21/2011	$4.0100	$3.9840	$4.0560	$4.1000	$3.9180	$4.0100	$3.9030	$4.1440	$4.1910	$4.2710
11/28/2011	$3.9640	$3.9530	$4.0450	$4.0570	$3.8820	$3.9490	$3.8590	$4.0940	$4.1420	$4.2240
12/5/2011	$3.9310	$3.9340	$4.0360	$4.0180	$3.8620	$3.9070	$3.8280	$4.0350	$4.1050	$4.1720
12/12/2011	$3.8940	$3.9170	$4.0320	$4.0030	$3.8300	$3.8480	$3.7940	$3.9910	$4.0610	$4.1220
12/19/2011	$3.8280	$3.8730	$3.9950	$3.9630	$3.7830	$3.7650	$3.7270	$3.9130	$3.9920	$4.0470
12/26/2011	$3.7910	$3.8400	$3.9730	$3.9250	$3.7520	$3.7060	$3.7080	$3.8610	$3.9780	$4.0390
1/2/2012	$3.7830	$3.8440	$3.9730	$3.9320	$3.7540	$3.6830	$3.7090	$3.8360	$3.9790	$4.0460
1/9/2012	$3.8280	$3.9080	$4.0290	$3.9960	$3.8200	$3.7170	$3.7500	$3.8430	$4.0260	$4.1110
1/16/2012	$3.8540	$3.9430	$4.0760	$4.0310	$3.8530	$3.7460	$3.7770	$3.8230	$4.0370	$4.1160
1/23/2012	$3.8480	$3.9380	$4.0770	$4.0300	$3.8430	$3.7360	$3.7740	$3.8170	$4.0370	$4.1210
1/30/2012	$3.8500	$3.9450	$4.0880	$4.0400	$3.8480	$3.7340	$3.7760	$3.8160	$4.0330	$4.1200
2/6/2012	$3.8560	$3.9480	$4.1010	$4.0460	$3.8460	$3.7510	$3.7750	$3.8170	$4.0360	$4.1280
2/13/2012	$3.9430	$4.0280	$4.1500	$4.1280	$3.9300	$3.8570	$3.8600	$3.8410	$4.1210	$4.2090
2/20/2012	$3.9600	$4.0530	$4.1610	$4.1420	$3.9660	$3.8480	$3.8860	$3.8570	$4.1640	$4.2580
2/27/2012	$4.0510	$4.1340	$4.2210	$4.2080	$4.0630	$3.9140	$3.9920	$3.9190	$4.3260	$4.4100
3/5/2012	$4.0940	$4.1670	$4.2530	$4.2430	$4.0940	$3.9740	$4.0200	$3.9860	$4.3720	$4.4540
3/12/2012	$4.1230	$4.1690	$4.2500	$4.2470	$4.0960	$4.0160	$4.0360	$4.0690	$4.4210	$4.4830
3/19/2012	$4.1420	$4.1840	$4.2590	$4.2690	$4.1060	$4.0400	$4.0530	$4.1190	$4.4310	$4.4810
3/26/2012	$4.1470	$4.1900	$4.2630	$4.2790	$4.1100	$4.0460	$4.0550	$4.1360	$4.4330	$4.4760
4/2/2012	$4.1420	$4.1900	$4.2620	$4.2800	$4.1090	$4.0420	$4.0490	$4.1250	$4.4200	$4.4560
4/9/2012	$4.1480	$4.1900	$4.2780	$4.2820	$4.1060	$4.0550	$4.0630	$4.1290	$4.4110	$4.4400
4/16/2012	$4.1270	$4.1810	$4.2690	$4.2800	$4.0910	$4.0210	$4.0380	$4.1290	$4.3890	$4.4180
4/23/2012	$4.0850	$4.1460	$4.2690	$4.2450	$4.0500	$3.9740	$3.9930	$4.0900	$4.3450	$4.3840
4/30/2012	$4.0730	$4.1300	$4.2550	$4.2200	$4.0390	$3.9710	$3.9800	$4.0720	$4.3300	$4.3960
5/7/2012	$4.0570	$4.1080	$4.2320	$4.1940	$4.0210	$3.9620	$3.9620	$4.0470	$4.3120	$4.3850


Diesel Fuel Pirces in Dollars per Gallon
52 Week Moving
Price per Gallon
$4.490
$4.404
$4.318
$4.232
$4.146
$4.060
$3.974
$3.888
$3.802
$3.716
$3.630
5/9/2011
5/23/2011
6/6/2011
6/20/2011
7/4/2011
7/18/2011
8/1/2011
8/15/2011
8/29/2011
9/12/2011
9/26/2011
10/10/2011
10/24/2011
11/7/2011
11/21/2011
12/5/2011
12/19/2011
1/2/2012
1/16/2012
1/30/2012
2/13/2012
2/27/2012
3/12/2012
3/26/2012
4/9/2012
4/23/2012
5/7/2012
U.S. Average
New England
Central Atlantic
MidWest
Gulf Coast
West Coast
California
Linear (U.S. Average)

Fruits/Nut Markets

Blueberries—**US (FL): Blueberry season to finish with low volumes**
The Florida blueberry season is set to finish this month with volumes that are lower than growers initially expected. Weather and pest issues have contributed to low production which, in turn, has led to strong prices. Florida was hoping to do about 22 million pounds this season, but it looks like final numbers will be around 15 million pounds. A freeze in February had a big impact on this year's production, something which was exacerbated by a bird problem that has been bigger than in previous years. Birds have been the worst this season—more so than growers can remember in a very long time. The season is expected to stretch to the middle of this month and it's not expected production will pick up before that time, though quality and prices have been good due to a lack of volume.

Cherries—**US (WA): Abundance of cherries for 4th July this year**
Warm weather is good news for cherry growers. Last year's cherries were delayed by cold weather and there was a shortage for the 4th July - typically the most important part of the year for sales. The Washington State Fruit Commission says the sudden temperature increase recently started the cherries growing. They anticipate four million boxes by the end of next month - double what was achieved at the same time last year.

"We're hoping that this kind of weather that we have today that's really quite nice here in the valley just kinda holds out throughout the season. That would be perfect," says Fruit Commission President B.J. Thurlby.

The commission predicts that harvest across the region will be staggered enabling a constant stream of fruit throughout the summer months.

Almonds—
Almond shipment numbers for April 2012 were released Thursday at 148 million versus 126 million last April. This is a 17% increase from shipments last April. Year-to-date shipments are tracking at 15% ahead of last year. Receipts for this crop year broke through the 2 billion LB threshold at 2.017 billion LBS. It will take some time for the market to react but anticipate some strength. The next “big” event very well could be the June 29th Objective estimate. If we see a large objective estimate, we could possibly see a chink in the armor with potential weakness in pricing but for it now it would appear that the almond industry is running full steam ahead.