Weekly Commodity Markets Review

From: Joe Schmidt Date: April 27, 2012

U.S.D.A. confirmed a case of BSE in California on Tuesday—which immediately took cattle limit down with spillover over into corn as well. It high-lighted the continued trade to buy beans - sell corn.

U.S. durable goods orders fell in March 4.2%, the largest monthly drop in 3 years—a reminder of the weakness in the economic recovery. U.S. dollar index continues to be weak.

It was announced Wednesday that Great Britain was officially in a recession. Concerns in EU that austerity measures countries are undertaking will not deliver the results needed to solve their debt issues and shore up their economies.

Flour Markets:

Wheat futures closed higher for SRW and HRW wheat and sharply lower for HRS wheat. Freeze concerns for the HRS crop have been minimized sending spot prices to the lowest level since November of 2010 for that contract. Argentine wheat farmers say the government has driven winter wheat prices so low they cannot afford to seed even though conditions are good for planting. Weekly U.S. exports were 386,700 MT for 2011/2012 and 357,300 MT for 2012/2013 delivery, totaling 744,000 MT, at the upper end of trade estimates. The EU soft wheat exports this year are down 31% from a year ago for the same period. The EU is getting rain in the west but the east is still experiencing drier than normal conditions. U.S. harvest may come early this year in the south with some reports of harvest already beginning in southern Texas.

Basis levels are holding steady, although U.S. hard red winter wheat basis is down sharply in KS and TX on large production prospects. KC wheat futures prices are already cheap relative to nearby corn. Less threatening U.S. cold temperatures are advertised for late this weekend. Weather is the main concern for the new winter wheat crop with overnight temperatures below freezing in some areas. Kansas is still expecting to start harvest about two weeks early this year. Insect and disease damage increased this week as farmers continue to watch their crop closely. 57% of the spring wheat crop is planted as of April 22nd. The 5 year average is 19%. Canada released their spring wheat plantings forecast, which was higher than trade expectations. Global issues with soybeans and wheat may increase U.S. exports this year. Anticipated increase in U.S. exports could decrease the carryover of the 2013 wheat, which will weigh on wheat prices.

Increased wheat acres from Canada and less of weather threat in the U.S. is weighing on prices. Stats Canada projects all wheat acreage will be 23.4 million in 2011/2012. Canadian durum wheat acreage is expected to increase for a second year to 5.1 million acres from 4 million in 2011. There are freeze prospects in the forecast for the weekend but forecasters have moved the system further north for the more threatening temps. The freeze still has the potential to do some harm but not as much as if the temperatures extended further south including more acres.

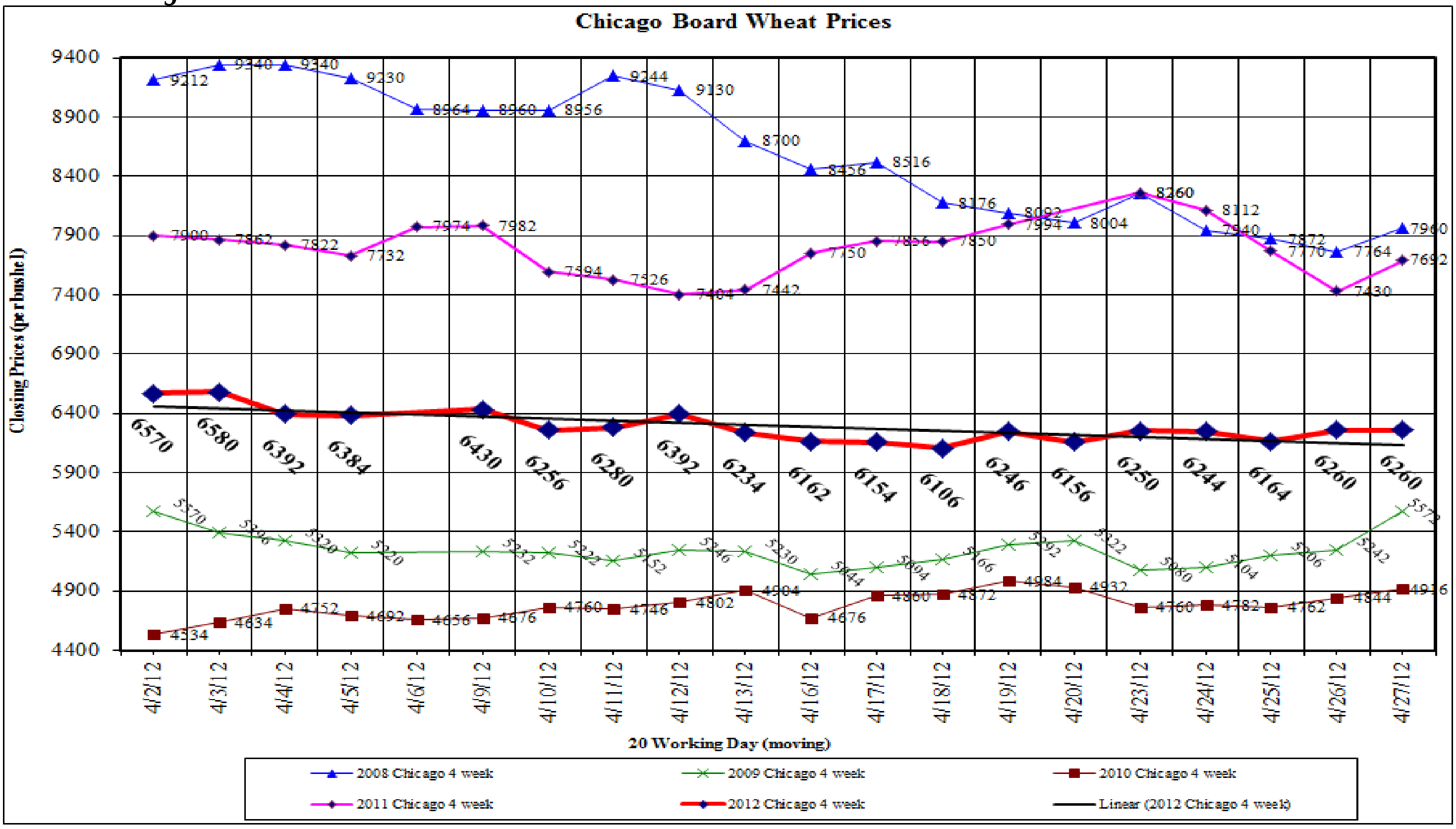
Weekly U.S.D.A. wheat export inspections were 24.391 million bushels, above the range of pre-report trade estimates. They are still down 198 million bushels from last year, with a little over a month to go in the marketing year.

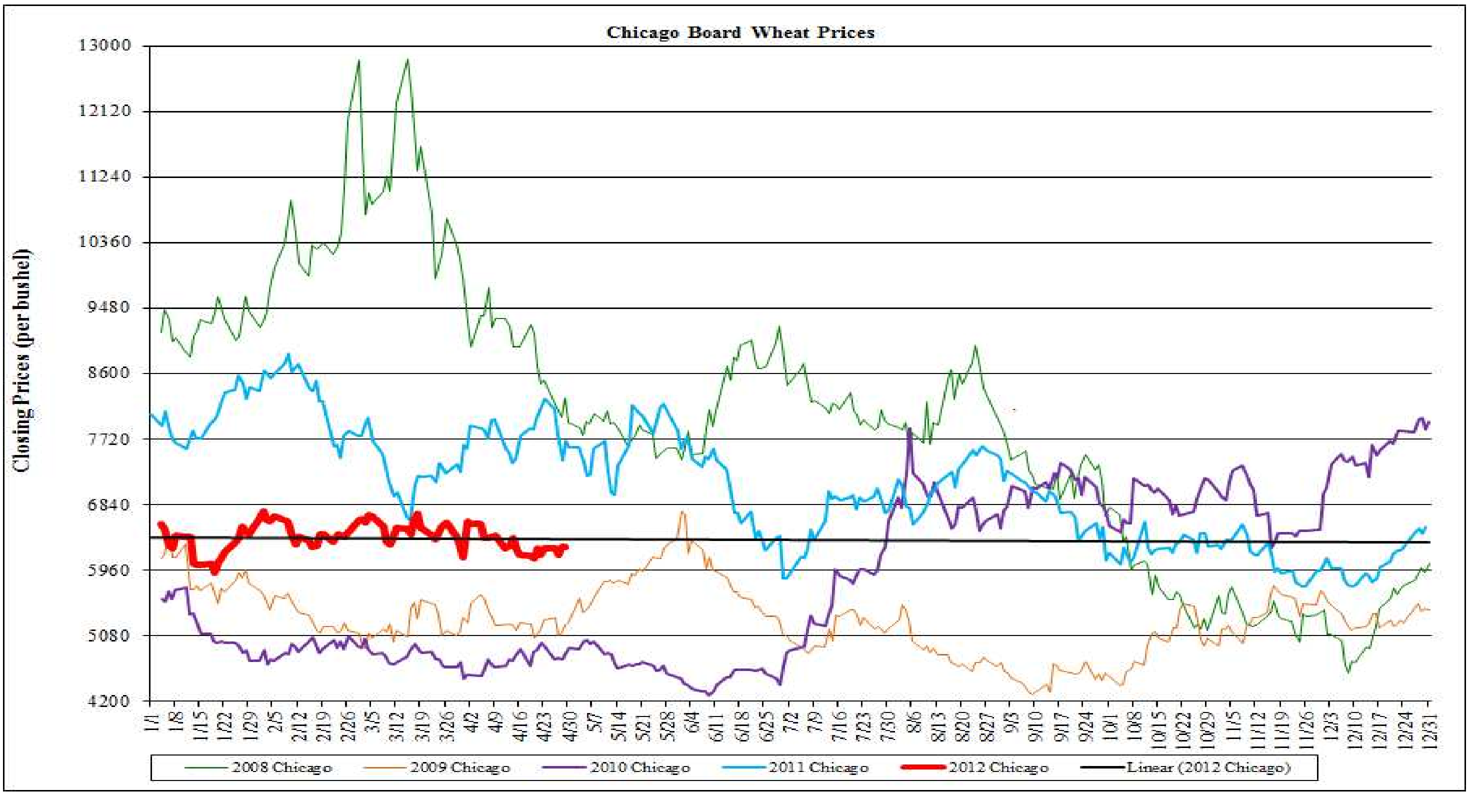
U.S.D.A. showed 57% of the U.S. spring wheat crop had been planted, compared to the 5 year average of only 19%. All major states are well ahead of normal except WA. MN at 84% compared with the normal of 17%, ND 45% versus 8% and SD 91% versus 30%. U.S. spring wheat emergence at 18% compared with the 5-year average of 4%. Spring wheat in North Dakota was 20% emerged as of Sunday.

Winter wheat conditions moved toward the middle, losing 1% out of good/excellent and losing 1% out of poor/very poor. U.S. winter wheat conditions were reported 63% good/excellent versus 35% last year. That's still sharply higher than last year's 35% good/excellent, 25% fair and 40% poor/very poor. Winter wheat improvements—AR conditions improved 2 points to 52% good/excellent, CO 2 to 44%, IL 7 to 84%, NE 1 to 64%, NC 5 to 88%, OH 5 to 51%, OR 1 to 70% and SD 2 to 60%. Winter wheat declines—ID fell 7 points to 80% good/excellent, IN 2 to 76%, KS 1 to 68%, MI 2 to 65%, MO 1 to 70%, MT 6 to 51%, TX 2 to 36% and WA 5 to 84%. U.S. winter wheat heading advanced 13 points to 42%, well above last year's 20% and the 5-year average of 15%.

Wheat continues under pressure from large ending stocks and Euro-crisis worries, even though 2012 crop production and ending stocks forecasts are coming down on reports of great-than-expected winterkill in Europe and late frost damage to boot. It's fighting a strong seasonal tendency to decline through May in the absence of serious weather threats. You can get just about any EU weather forecast and crop condition estimate that you want to pay for right now. Ditto for freeze prospects in the northern U.S. next week. There are freeze prospects in the forecast for the weekend for North Dakota, Minnesota and Wisconsin as well as Manitoba and Ontario.

a. Chicago Board Wheat Prices

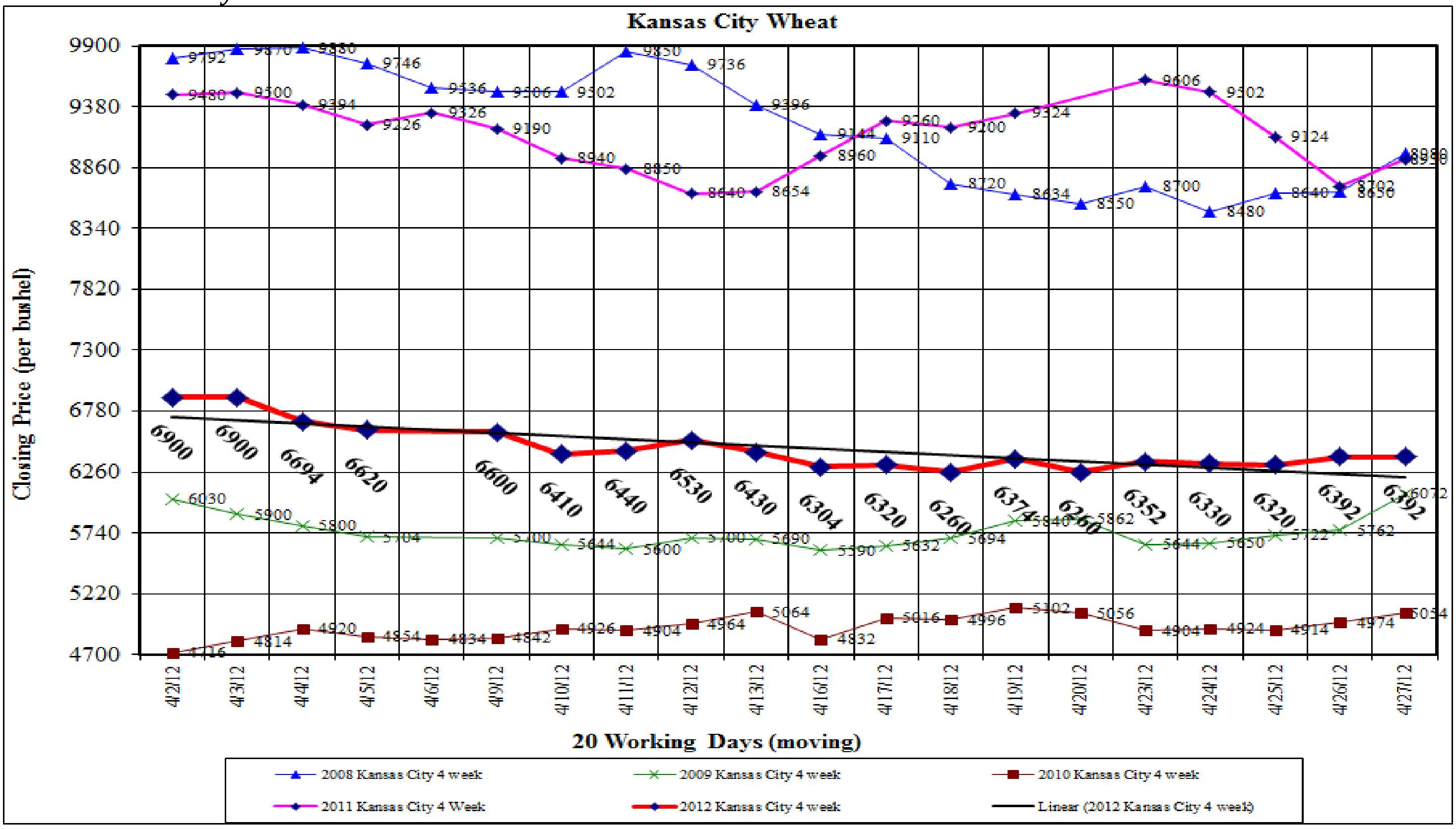


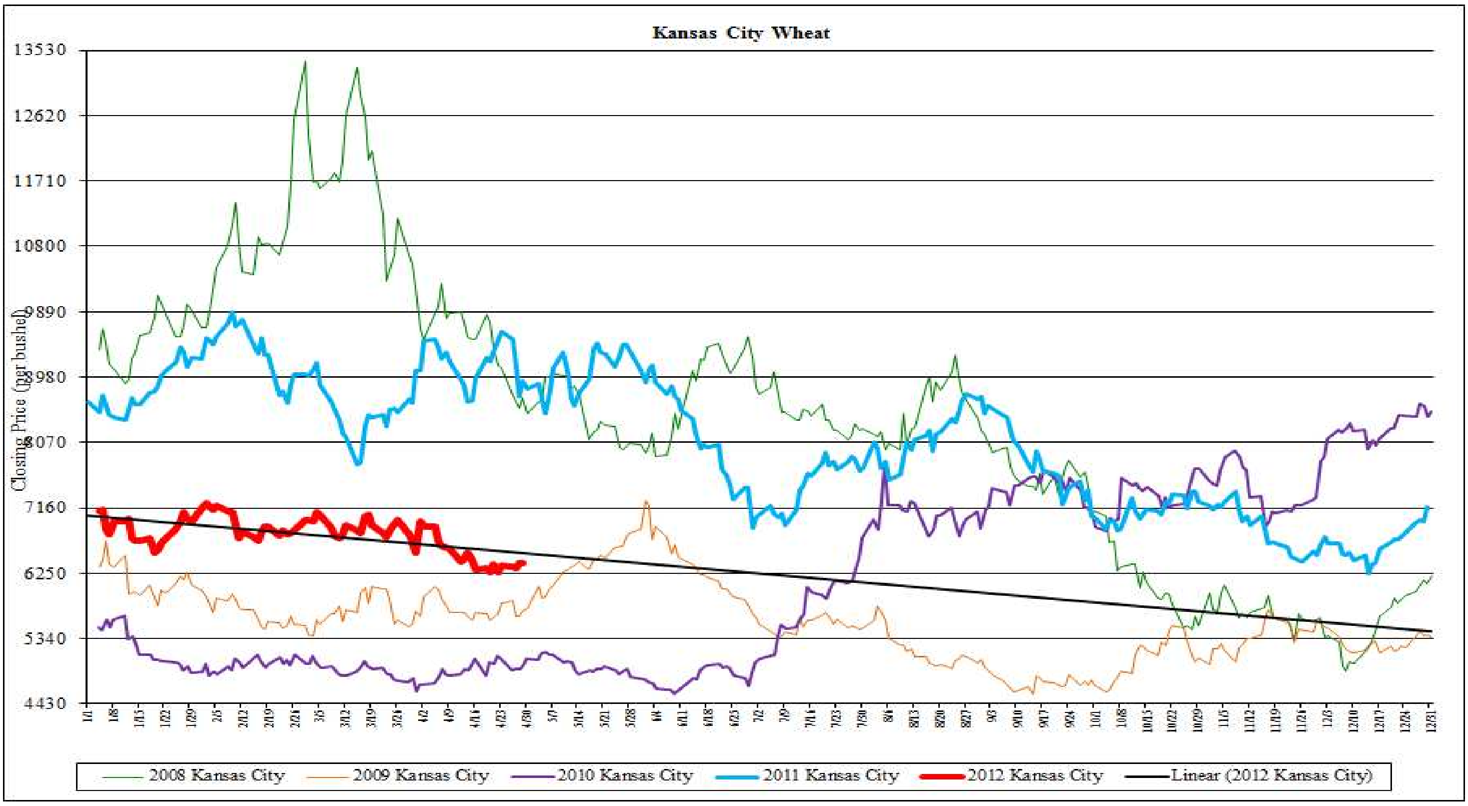


The Chicago Board chart above shows the price activity for the last 20 working days (one full period). Flour made from the wheat traded on this board includes **CAKE AND PASTRY** flours.

Cake and Pastry flour closed up $0.24/cwt. from last Friday's close.

b. Kansas City Board Wheat Prices

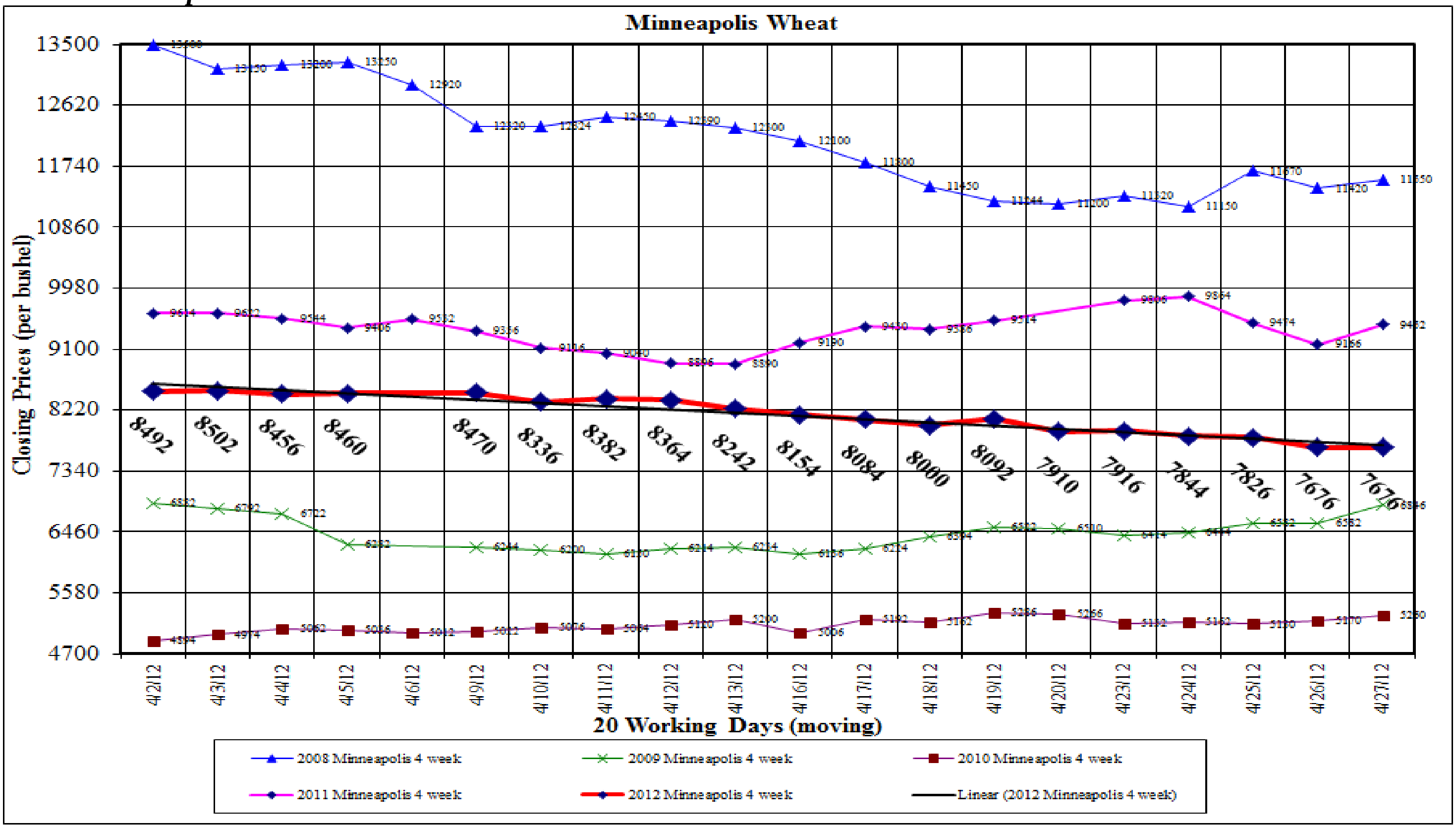


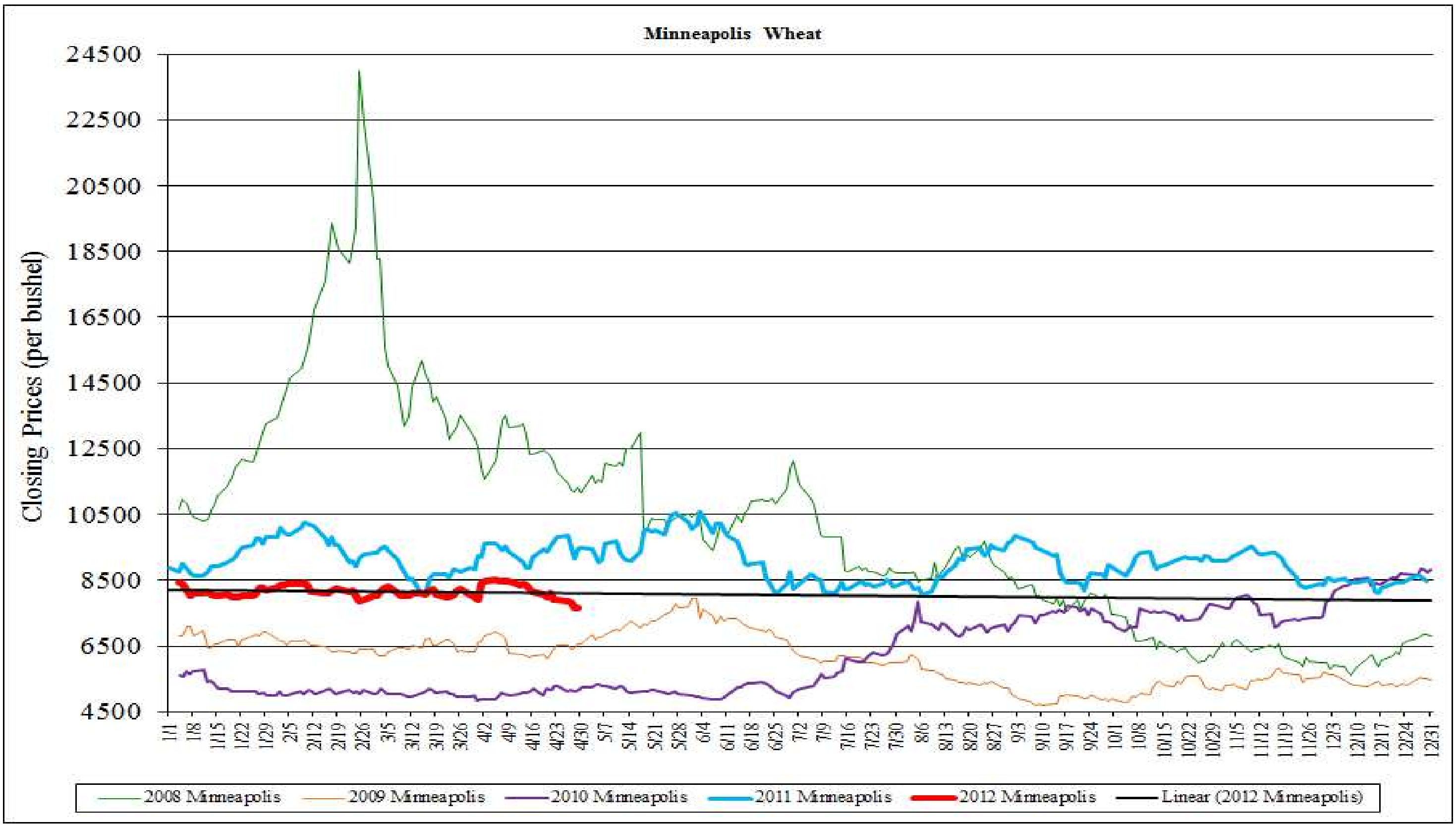


Kansas City Wheat is used to make **Hard Red Winter Patent flours (white pan bread) and H&R flours.**

Hard Red Winter wheat flour closed up $0.30/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 down $0.54/cwt. off last Friday's close.

Shortening Market:

Soybean futures closed higher this week. Soybean basis levels are also showing a premium for nearby delivery with farmers busy planting and exporters needing supplies. Weekly export sales were 926,200 MT for 2011/2012 delivery and 483,000 MT for 2012/2013 delivery for a total of 1.409 MMT. Managed Money net long positions are at a higher level than when soybeans made the high in 2008. A drop in world ending stocks, possible reduced U.S. soybean acres in 2012 and demand from China continue to support prices.

Story of the week was much the same as last week. The soy crop in South America continues to shrink, meal prices continue to rally, oil share continues to fall. Since April 18th, May soy oil has traded in just a 114 point range, or a range that is about 2% of the current contract value. On the other end of the spectrum, May meal has traded in a $43.7 range, or 10.2% of current contract value, and May beans have traded in a 105.25 cent range, or 7% of current contract value. So on the bright side, soybean oil price volatility is way down. It could be a good time to look at soybean oil option as implied volatility for July oil has been relatively stagnant around 17%, while bean vols have increased from 20% to over 25% in the last week, and meal vols have gone from 22% to 29%.

The market is in a realization period trying to get a handle on just how tight the 2012/2013 U.S. soybean S&D will look on the upcoming U.S.D.A. S&D report in 2 weeks. With the South American crops getting smaller, the trade feels that the U.S.D.A. will need to post a carryout level that keeps prices high enough to either buy additional acreage or limit consumption. As harvest continues to wrap up in Argentina - it is becoming more apparent that crop yields are even lower than earlier estimates. Buenos Aires Exchange lowered its estimate to 43 mmt - which seems similar to recent estimates from others. Beans are responding to that message and should continue to work higher into the 1500-1550 range over the next few months. At the same time, oil is losing ground to meal since the general feeling is that the higher crush rate in the U.S. will result in more oil production than originally thought. Consequently, the oil share should continue to struggle with oil prices following beans at a slower pace and basis levels likely to soften during the September-December period as the U.S. crusher really ramps up their rates. Oil prices will trade between $0.55/lb.-$0.60/lb. for the next 2 months as we work through U.S. plantings and before weather becomes the main feature in the U.S.

May soybean futures rallied and are challenging the August 2011 highs on rumors of additional Chinese buying of old and new crop U.S. soybeans. Soybean prices in Brazil are at record levels taking out 2008 prices, an unusual situation with harvest winding down and more soybeans available. The Brazilian Real is at a discount to the dollar compared to 2008. A drop in world ending stocks, possible reduced U.S. soybean acres in 2012 and demand from China has helped to push prices higher.

Oil World revised their Argentine crop estimate for the 3rd time in as many weeks dropping output to 42.5 million metric tons from 44.0 million last week. The concern over ever declining South American production is finally making an impact on prices with beans closing at the highest level since 2008. Oil has been bringing up the rear in the complex; losing ground to meal on ideas that the lost South America production will result in higher crush levels in the U.S. this summer and fall. Consequently, the Oil/Meal spread has dropped to 40% from 45% just 3 months ago. It is possible that we'll see some fund buying come in to keep soy oil prices above the 5573 mark. Soy oil is expected to continue to trade in a range between $0.55/lb.-$0.60/lb. for the next 2 months until weather becomes a feature in the U.S.

The soybean market remains particularly sensitive to business demand because of lower supplies. High meal prices in Argentina are turning buyers back to the U.S., and the bean crop there continues to show disappointing production numbers. Soybean stocks at select export elevators and terminals were up 1.255 million bushels from last week as more grain moved to the gulf for export. Weekly U.S. export inspections are slowing seasonally, but still running at or above year ago levels for this time frame. Cumulative shipments are 277.591 million bushels behind last year, but had been trailing by close to 290 million bushels earlier in the year. U.S.D.A. reported that 165,000 metric tons of old crop were sold to an unknown destination, helping to support old crop.

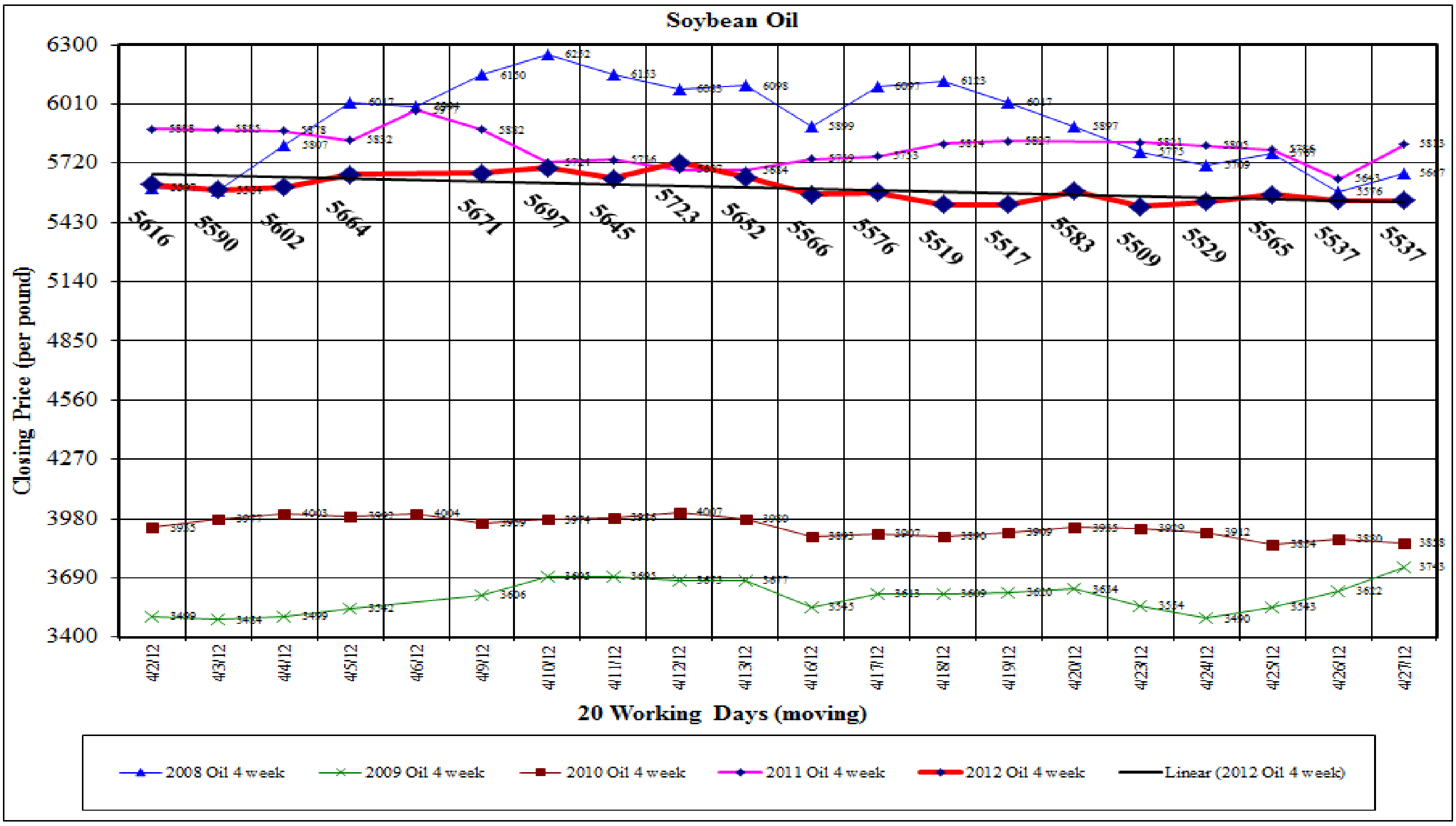
After the close on Monday, U.S.D.A. showed U.S. soybean plantings came in a record 6% versus the 5-year average of 2%. AR at 28% compared with the normal of 11%, IL 5% versus 1%, IN 11% versus 1%, IA 1% versus 1%, KY 7% versus 1%, LA 33% versus 28%, MI 2% v 0, MS 40% versus 34%, MO 4% versus 1%, NC 2% versus 2%, OH 7% versus 1% and TN 3% versus 1%.

Stubbornly strong export demand and rapid corn planting both helped soybeans last week. China is still booking U.S. beans regularly at a time of year when their interest normally shifts to South America. And rapid corn planting makes it less likely there will be any late shift to soybeans, exceeding planting intentions for new crop.

The market still needs to work higher to limit U.S. bean demand or buy additional acres and given that this year's planting pace is off to a quick start in the U.S. most of the acreage increase will need to come from South America this fall—so we won't get out of this bullish situation for 9-12 months. Continue to buy the dips in the low end of the $0.55/lb.-$0.60/lb. trading range.

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. Due to early spring planting season some farmers will switch some acres to soybeans from corn or "find" a few more acres as the new crop soybean/corn ratio reaches 2.5/1.0, which favors soybeans. If the weather is very rainy and the rest of the corn planting is slowed in the western corn belt, the market will equate it to more bean weakness.

Shortening closed down $0.25/50# cube ($0.17/35# pail of oil, $0.005/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)
5616
5590
5602
5664
5671
5697
5645
5723
5652
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5576
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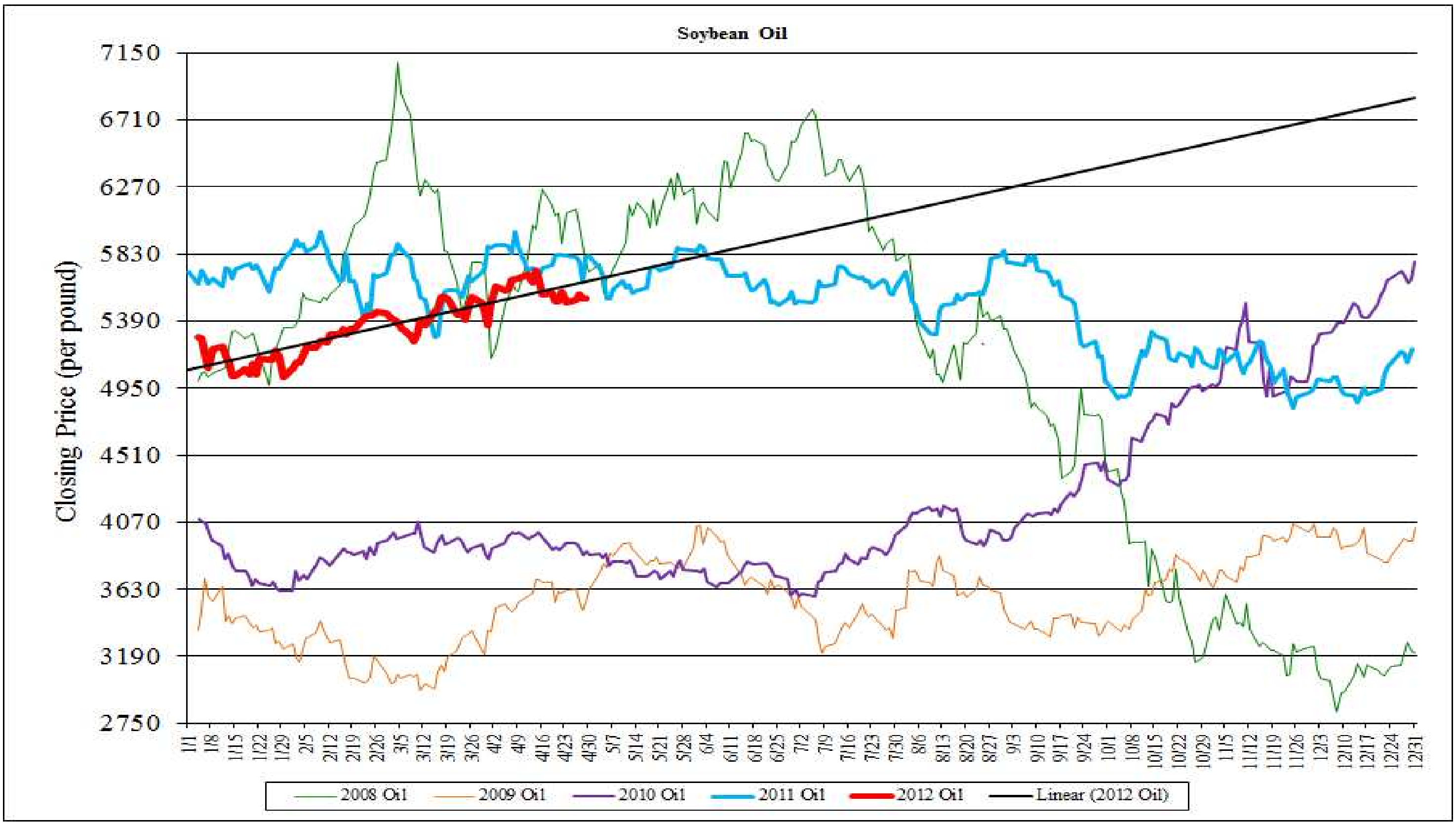

Soybean Oil
Closing Price (per pound)
2008 Oil
2009 Oil
2010 Oil
2011 Oil
2012 Oil
Linear (2012 Oil)

Cocoa Market:

Cocoa prices climbed to a 3-week high on optimism demand is holding up from the European debt crisis after Q1 European cocoa grindings rose +1% quarter over quarter (-0.1% year over year).

Other bullish factors include:

(1) ICO's estimate of a -71,000 MT global cocoa deficit for 2011/2012 and its prediction that 2011/2012 global cocoa output will drop -10% year over year to 3.87 MMT, and

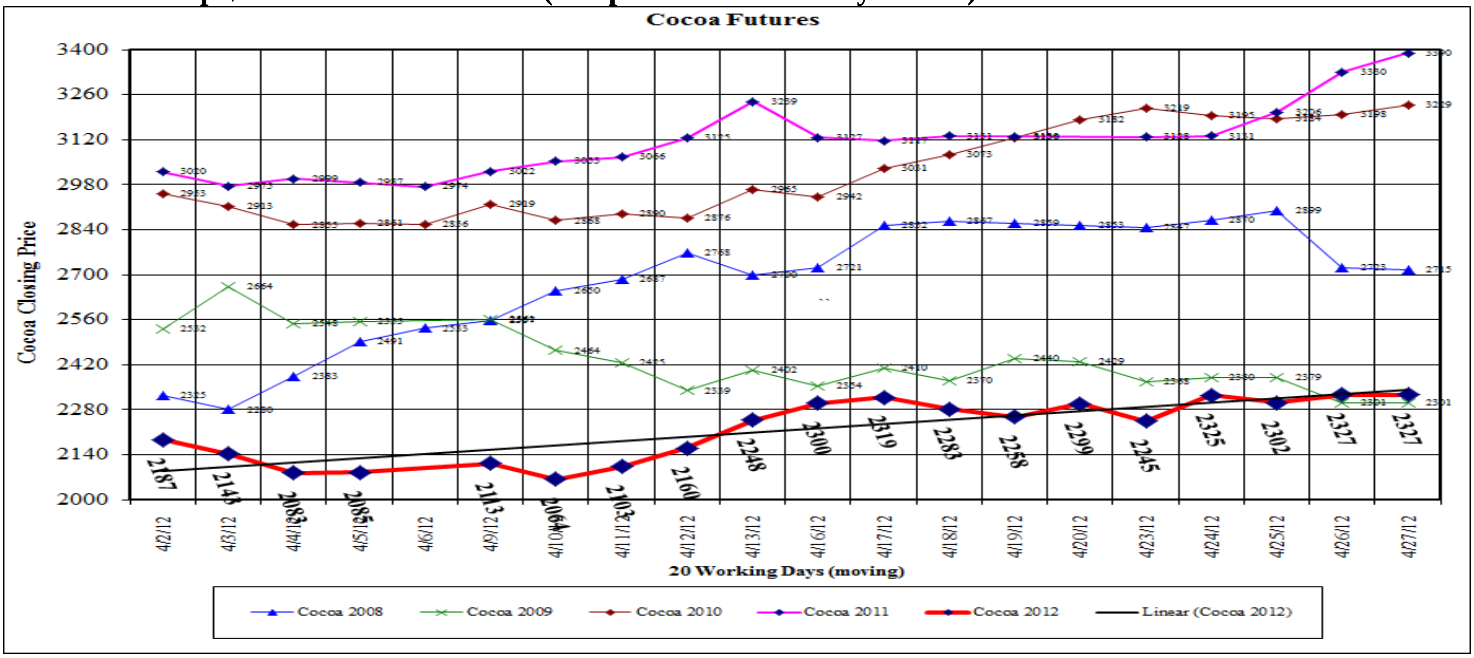
(2) ICO's hike in its 2010/2011 global grindings estimate to a record 3.83 MMT.

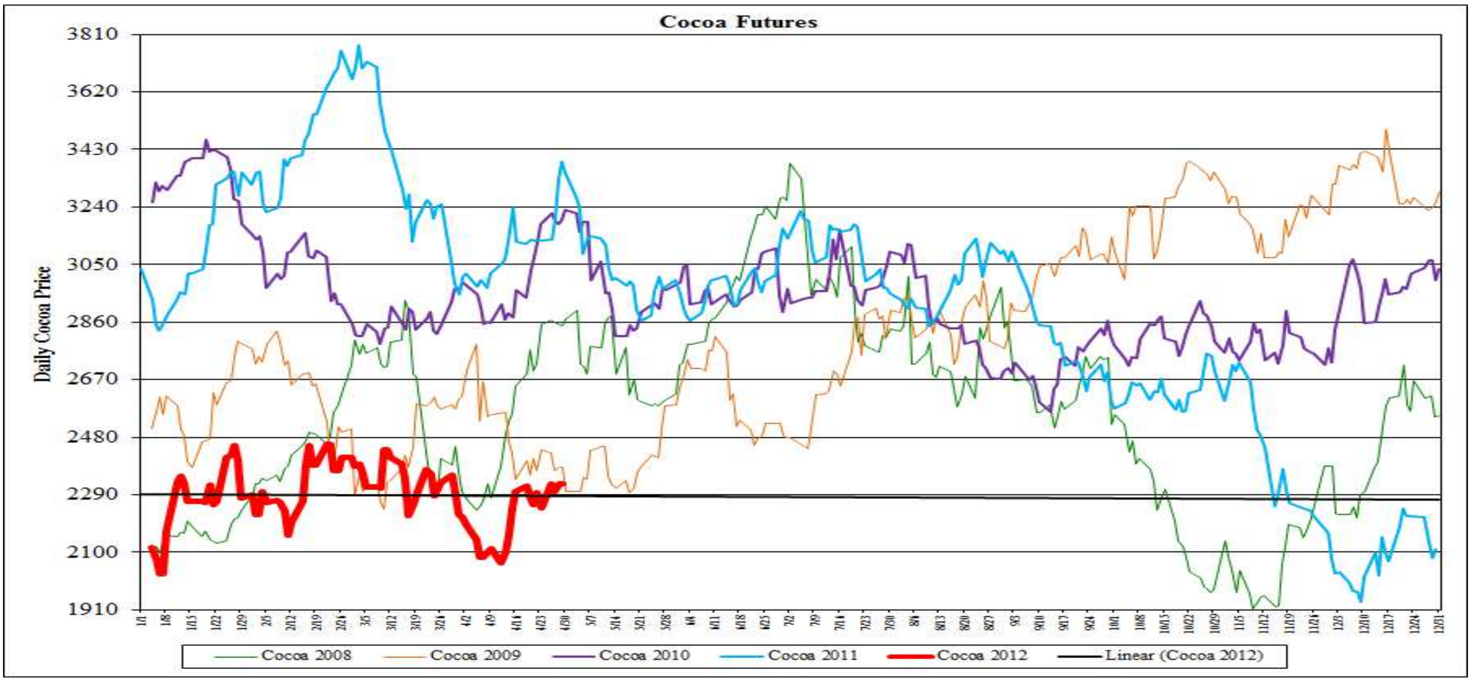
Bearish factors include:

(1) ample supplies with ICE-monitored U.S. cocoa stockpiles just below the 5.485 million bags posted on April 2, the highest since data began in 1999 and

(2) ICO's hike in its global cocoa 2010/2011 ending stocks estimate to a record high of 1.93 MMT, up +18.5% year over year.

Cocoa closed up $28.00/ton for the week (compared to last Friday's close).





Sugar Market

May sugar prices plummeted to a 10 ¾ month nearest-futures low after India, the world's second-biggest sugar producer, said it may authorize an additional 1.5 MMT of sugar exports on top of the 3 MMT already granted for this year. Other bearish factors include:

(1) the prediction from Brazil's sugar association, UNICA, that 2012/2013 Center South sugar output will climb to 33.1 MMT, up +5.8% y/y,
(2) ISO's hike in its 2011/2012 global output estimate to a record 173 MMT, and
(3) the forecast from Thailand, the world's second-largest exporter, for record 2012 exports of 7.9 MMT, +18% year over year.

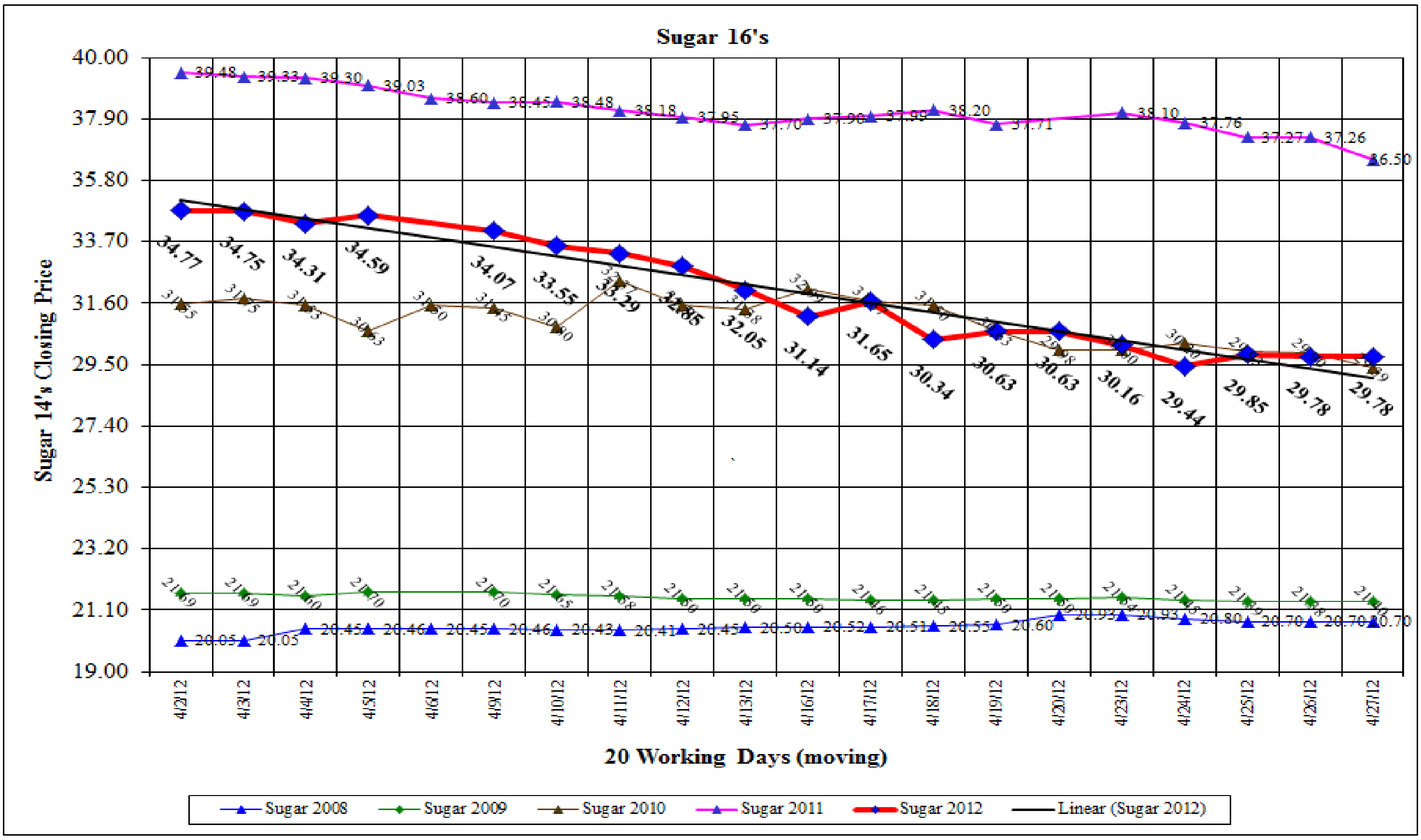
Bullish factors include
(1) speculation the EU may need another 1.6 MMT of sugar to meet local demand due to shortages,
(2) strong Chinese demand with October-February China sugar imports +284% year over year at 1.48 MMT, and
(3) the action by Australia, the third-biggest sugar exporter, to cut its sugar production estimate for the year ending 6/30/12 to 3.9 MMT from 4.2 MMT.

#11 sugar futures moved higher again this week on a weaker U.S. dollar. Many traders are characterizing the recent bounce as a technical correction in a bear market. World sugar traders remain bearish #11 futures and are projecting the next downside target is $0.21.

U.S. supplies of raw sugar are more than adequate, but refined sugar remains tight.

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.

Sugar 16's closed down $0.85/cwt. for the week (versus last Friday's close)


Sugar 16's
40.00
37.90
35.80
33.70
31.60
29.50
27.40
25.30
23.20
21.10
19.00
Sugar 14's Closing Price
39.48
39.33
39.30
39.03
38.60
38.45
38.48
38.18
37.95
37.70
38.20
37.71
38.10
37.76
37.27
37.26
36.50
34.77
34.75
34.31
34.59
34.07
33.55
33.29
32.85
32.05
31.14
31.65
30.34
30.63
30.63
30.16
29.44
29.85
29.78
29.78
20.05
20.05
20.45
20.46
20.45
20.46
20.43
20.41
20.45
20.50
20.52
20.51
20.55
20.60
20.93
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20.80
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20.70
4/2/12
4/3/12
4/4/12
4/5/12
4/6/12
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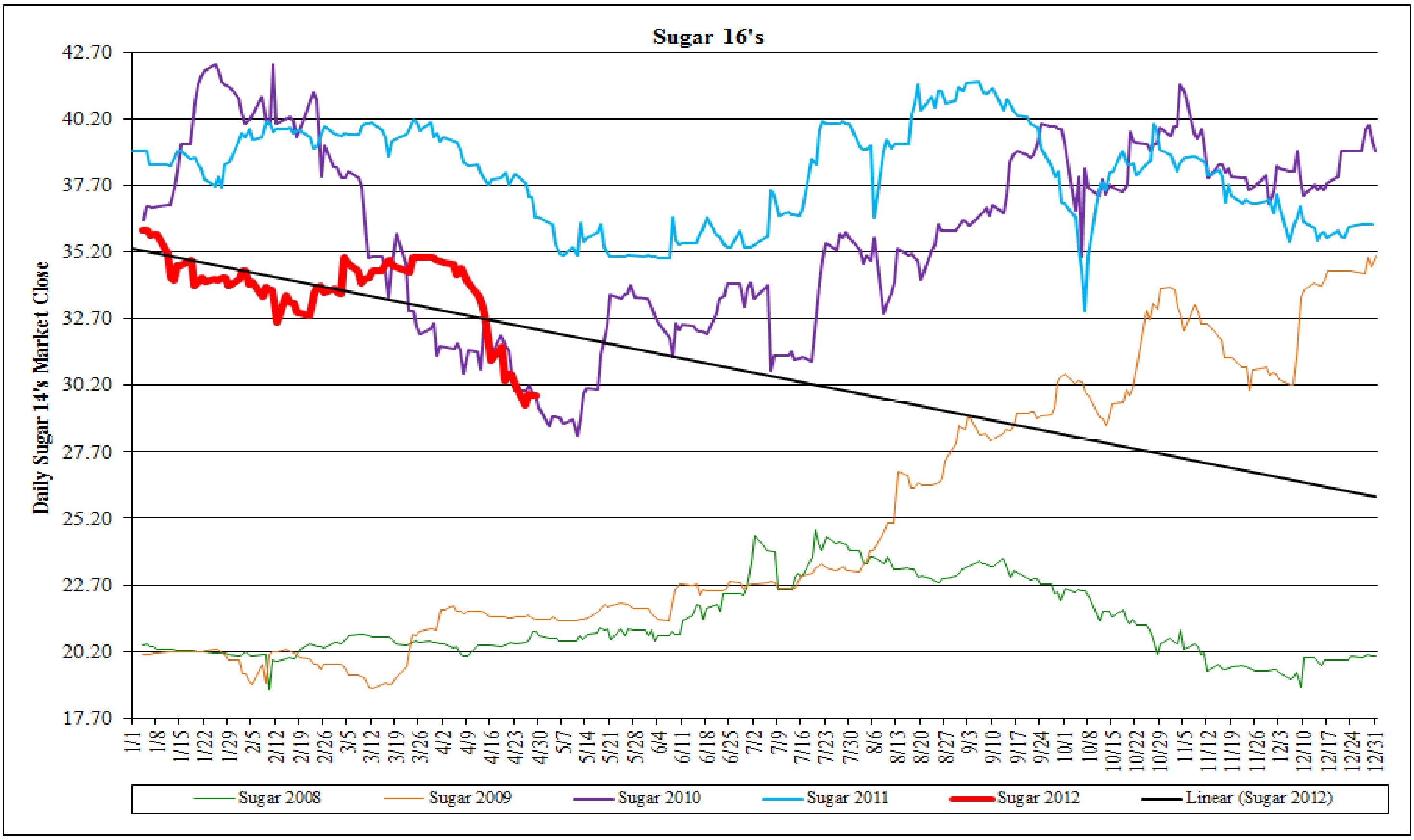
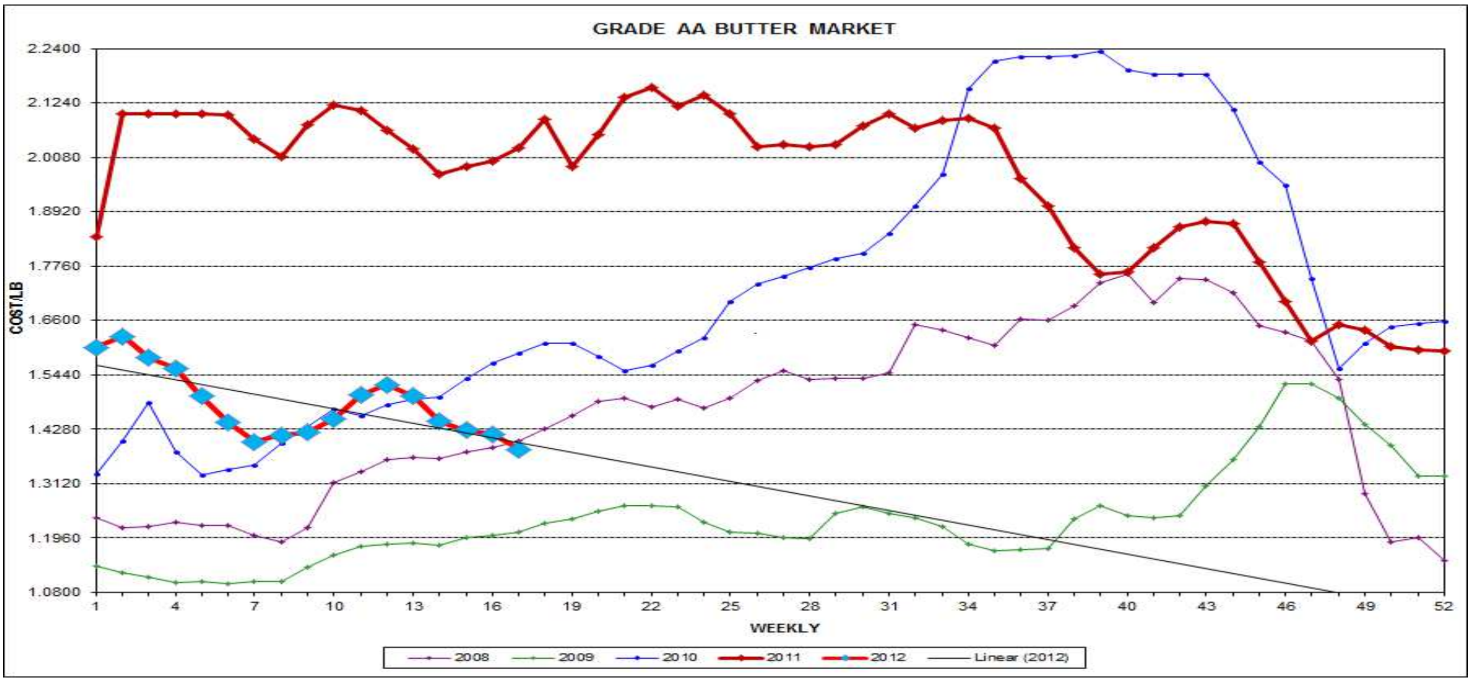
4/17/12
4/18/12
4/19/12
4/20/12
4/23/12
4/24/12
4/25/12
4/26/12
4/27/12
20 Working Days (moving)
Sugar 2008
Sugar 2009
Sugar 2010
Sugar 2011
Sugar 2012
Linear (Sugar 2012)


Sugar 16's
42.70
40.20
37.70
35.20
32.70
30.20
27.70
25.20
22.70
20.20
17.70
Daily Sugar 14's Market Close
1/1
1/8
1/15
1/22
1/29
2/5
2/12
2/19
2/26
3/5
3/12
3/19
3/26
4/2
4/9
4/16
4/23
4/30
5/7
5/14
5/21
5/28
6/4
6/11
6/18
6/25
7/2
7/9
7/16
7/23
7/30
8/6
8/13
8/20
8/27
9/3
9/10
9/17
9/24
10/1
10/8
10/15
10/22
10/29
11/5
11/12
11/19
11/26
12/3
12/10
12/17
12/24
12/31
Sugar 2008
Sugar 2009
Sugar 2010
Sugar 2011
Sugar 2012
Linear (Sugar 2012)

Butter Dairy Market



Score AA butter closed "no change" on Friday, ending the week at $1.36/lb. The weekly average is $1.3845/lb. down $0.033/lb. from last week's average.

A. Butter Market

The butter price dipped under the $1.40 level for the first time since February 2010 and closed the week at $1.3600. This weekly close compares to $1.4175

This weekly close compares to $1.4175 last Friday, $1.5225 a month ago, and $2.0150 a year ago. Churning schedules across the country remain seasonally strong as cream supplies are readily available. In most instances, current churning is surpassing demand, thus clearances to inventory are strong. Butter producers and handlers are indicating that buying interest is fair at best with most buyers cautious with their purchases and procuring for near

term needs. Retailers are stating that butter feature activity has slowed significantly since the recent holiday period and overall butter demand is typical for this time of the year. Food service buyers are reporting fairly steady needs as traffic flow through restaurants is holding steady at fairly good levels. Cooperatives Working Together (CWT) accepted butter export assistance requests totaling 750,000 pounds (341 MT). This week, the CWT program announced that beginning May 7, the program will begin accepting requests for export assistance for anhydrous milk fat. Thus far in 2012, CWT has assisted member cooperatives in making butter export sales totaling 39.2 million pounds.

B. Dairy Powders

Nonfat dry milk prices declined as the market tone moved weaker, undercut by strong production in all regions of the country. Domestic buying interest is light with spot transactions tied to price and near term need. Export interest is declining with new business slow to develop. Dry buttermilk prices are trending lower on a weak market. Dry buttermilk production is steady as churning activity is near capacity at many churns in order to clear heavy cream intakes. Buyers are purchasing dry buttermilk for immediate needs only, unwilling to expand inventories on a downward trending market. Dry whole milk prices moved marginally higher in a lightly tested market. Dry whey prices moved lower this week as inventories continue to build alongside active cheese production. The increased supplies of available whey are giving buyers a chance to shop around for the best price. Dry whey spot load availability increased both in quantity and number of sources as manufacturers work toward managing inventories. Whey protein concentrate 34% prices moved lower on a transitional market. Manufacturers are clearing spot loads by setting prices that compete with nonfat dry milk. Lactose prices on the mostly series are unchanged and the market tone is steady.

Dry product prices were mostly lower for the week ending April 27. The Central dry whey mostly range is $0.4825/lb. to $0.565/lb., down $0.0025 on the low end and $0.015 lower on the high end. The West dry whey mostly range is $0.46/lb. to $0.5325/lb., unchanged on the low side but down $0.0125 on the high side. The Central and West regions are reporting NDM price lows of $1.10/lb. and $1.05/lb., respectively. The Central/East NDM mostly range is $1.12/lb. to $1.30/lb., down $0.03/lb. on the low end and a penny lower on the high end. The West NDM mostly range is $1.12/ lb. to $1.24/lb., down $0.03/lb. on the low end and $0.02/lb. lower on the high end. CME spot Grade A and Extra Grade NDM markets also settled lower, each down a penny, at $1.1575/lb. and $1.1175/lb. on two offers. Dry whey futures were the sole dairy commodity to settle higher.

Eggs
Retail demand remains only fair. The situation here is generally unchanged since post-holiday markets, although many were hoping by now there would be an increase in buying interest. Prices on the shelves are still generally high, as many retail chains are selling on margin rather than quantity. Some are beginning to feature supplies of large, but the number of ads under the dollar mark has been disappointing to this point. More are scheduling promotions for the weeks to come, which may help otherwise lagging consumer interest, but results have been described as disappointing thus far. Foodservice business has been the lone bright spot, as seasonal needs start to develop.

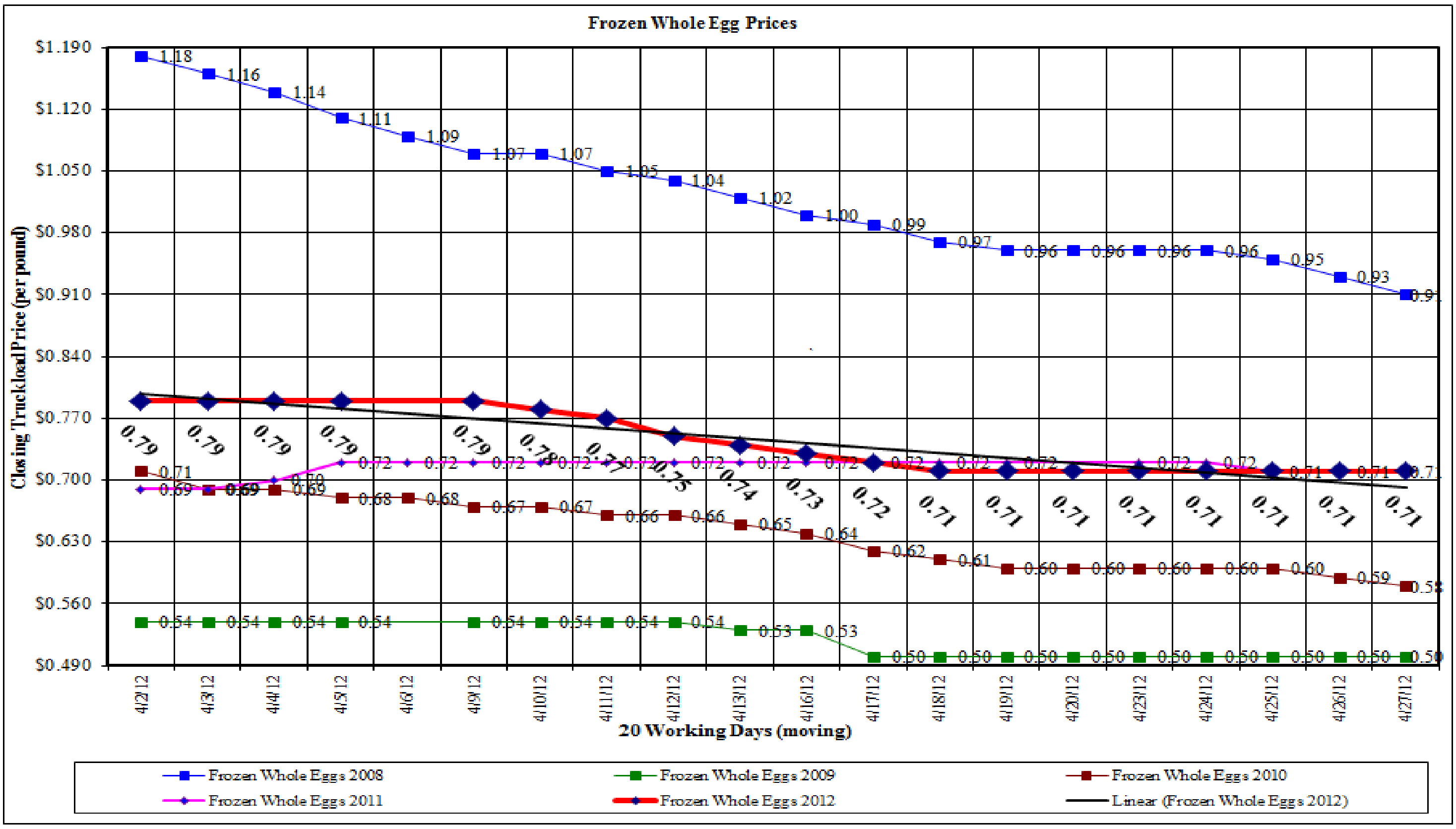
Supplies of jumbos are well balanced and improving. Extra-large are adequate to available. Large are available in all regions. Lighter weights and brown eggs are adequate for current need. Wholesale traders are again describing the ability to fully cover their orders with their own supplies in today's session. There are however a growing number of sellers that note availability and the need to relieve inventories, especially in the large category. Completed transactions here have represented various discounts to market quotations, pressuring them. Extra larger are also trending lower, but are generally less burdensome than large. Jumbos on the other hand have tightened, mainly a result of flock rotations, forcing higher quotations. Mediums are being discounted in the northeast regions where supplies are abundant, but seem to be in better balance elsewhere. Most feel retail sales will need to pick up in order to steady market values, especially since the majority has already completed seasonal flock rotations. Further processors have again been able to secure supplies of heavy breaking eggs at a discount. The market is soft.

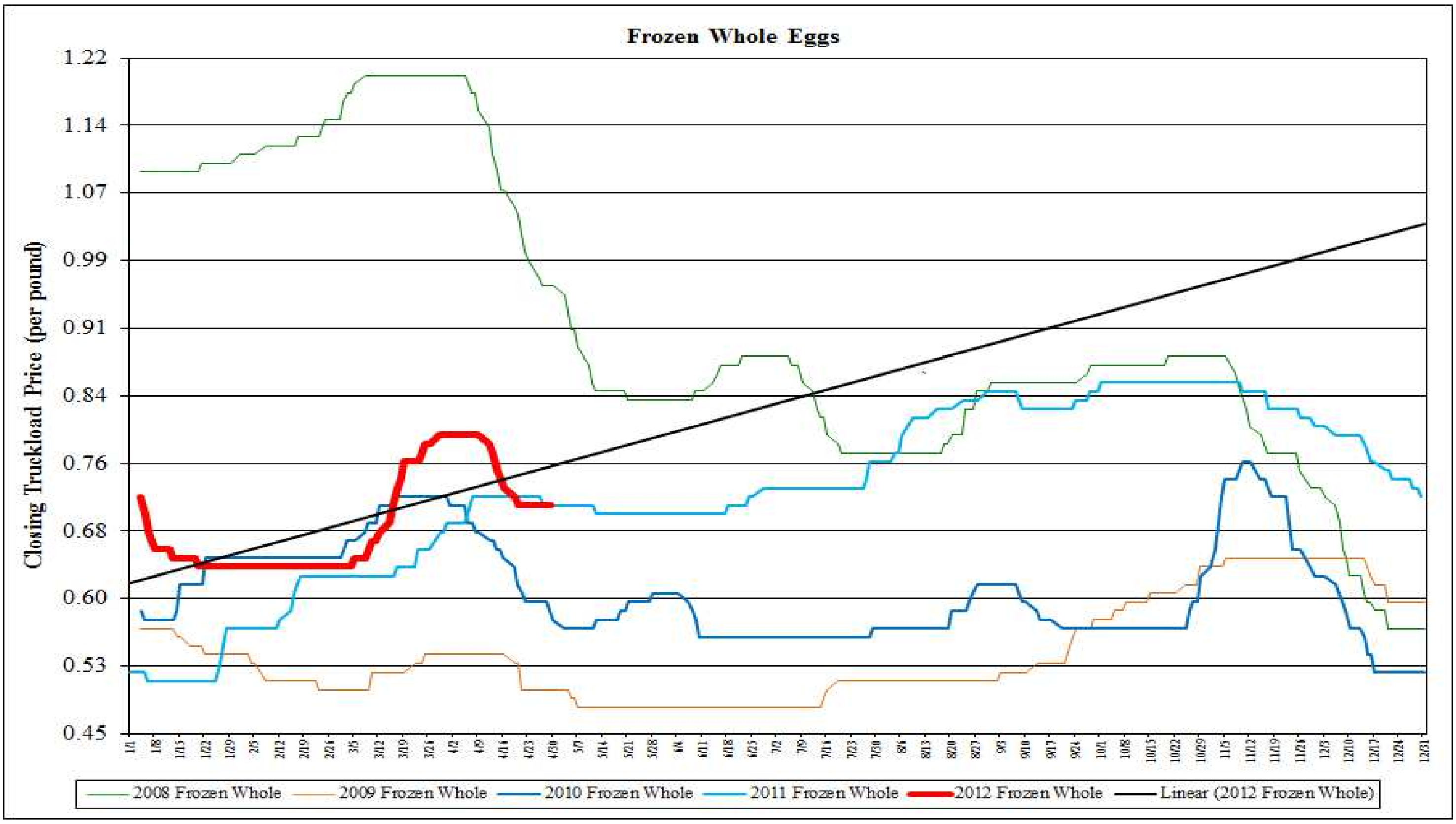
Sellers of liquid are somewhat active, with transactions reported in both the liquid whites and whole eggs categories. Quotations in the whole egg category have slipped lower, as some remain flexible to lower prices due to the volatile cost of breaking stock. Liquid whites are supported at current price levels, while the liquid yolk complex remains quiet. Limited movement has occurred in the finished arenas, as buyers await further price declines before signing contracts. Dried whole egg is trending lower, as sellers react to decreases in raw material costs and remain open to negotiation.

The egg products arena remains relatively quiet this week. Sellers in the liquid complex are attempting to hold their asking prices following recent adjustments. Raw material prices have settled for the time being, which should help. Buyers of finished product had been showing interest, but have begun to take more of a hand to mouth approach. Some feel that the market will remain somewhat unsettled in the short term, leaving several awaiting more attractive price points in the frozen and dried categories. It will be interesting how this situation plays out, especially if Europe does in fact need product moving forward.

a.

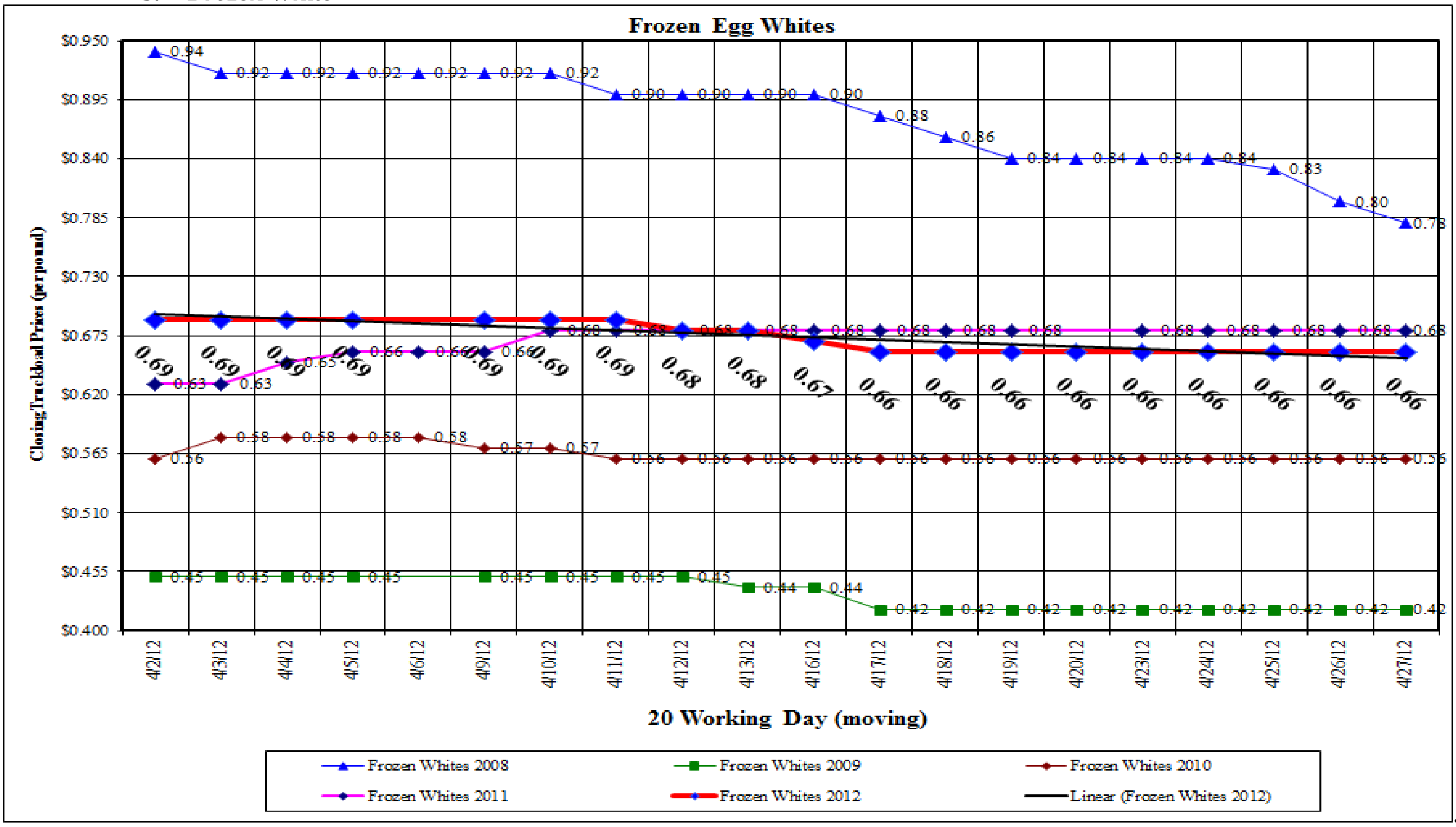
a. Frozen Wholes

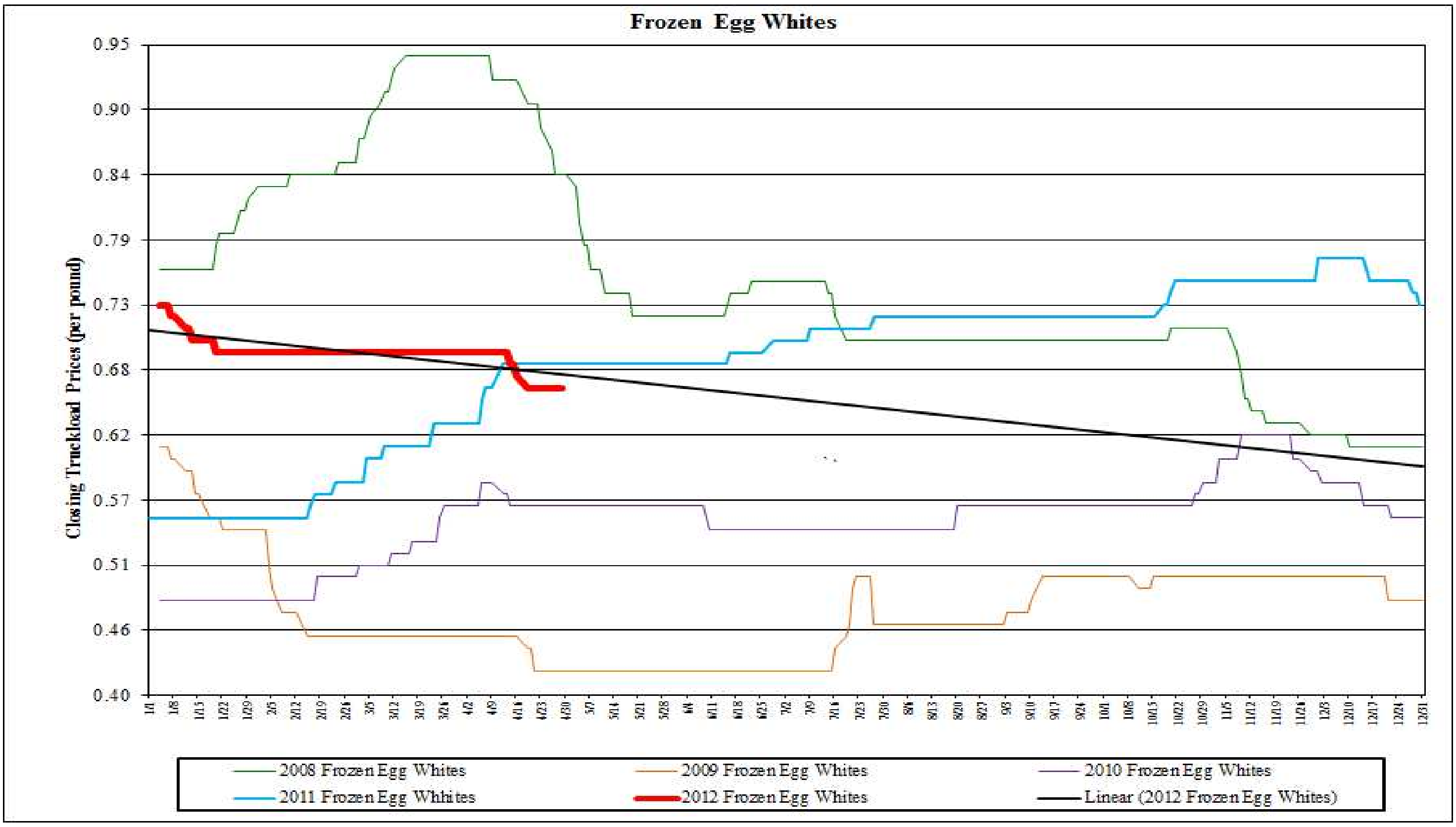




Frozen Whole Eggs closed "no change" for the week (compared to last Friday's close).

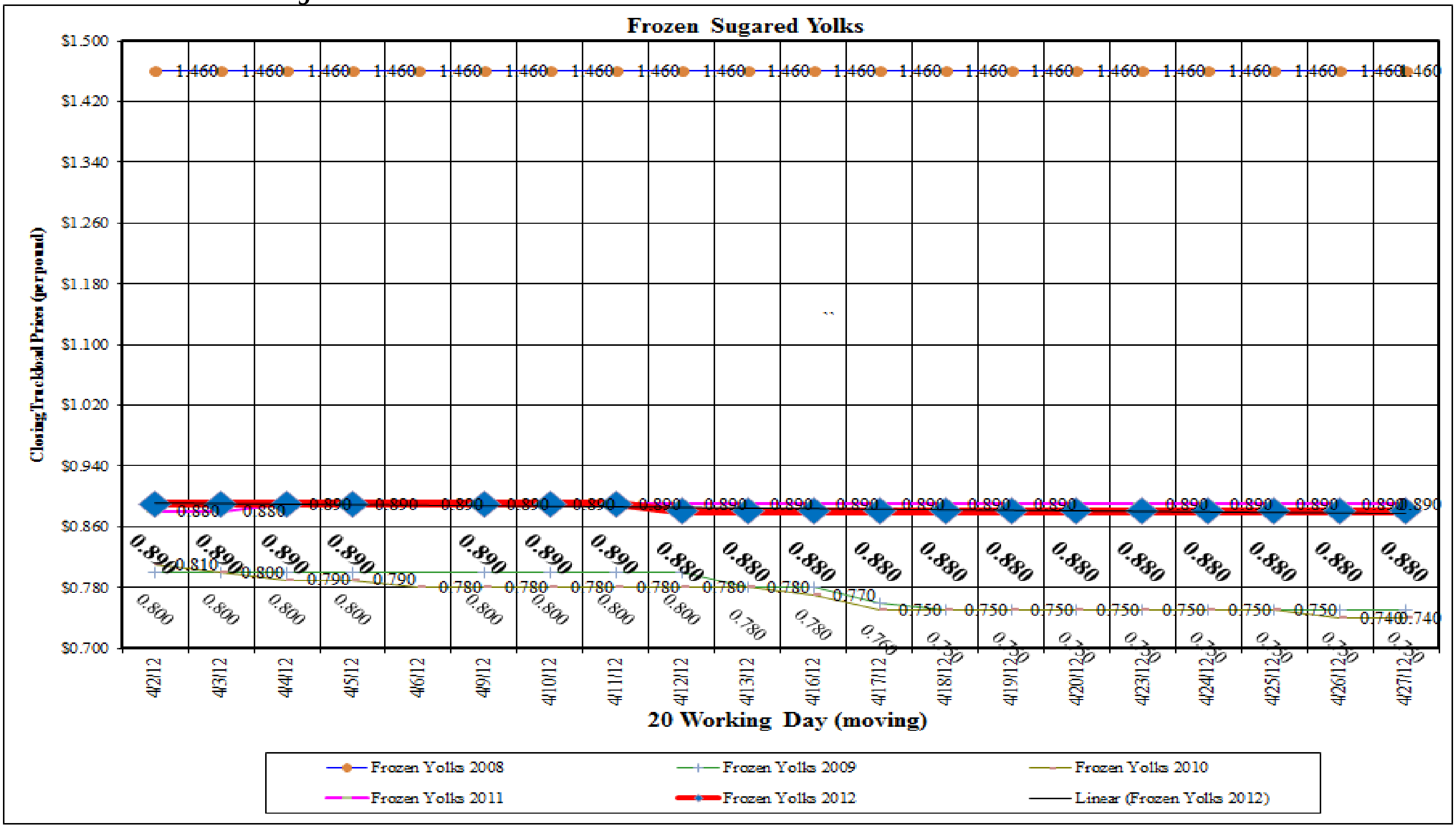
b. Frozen White

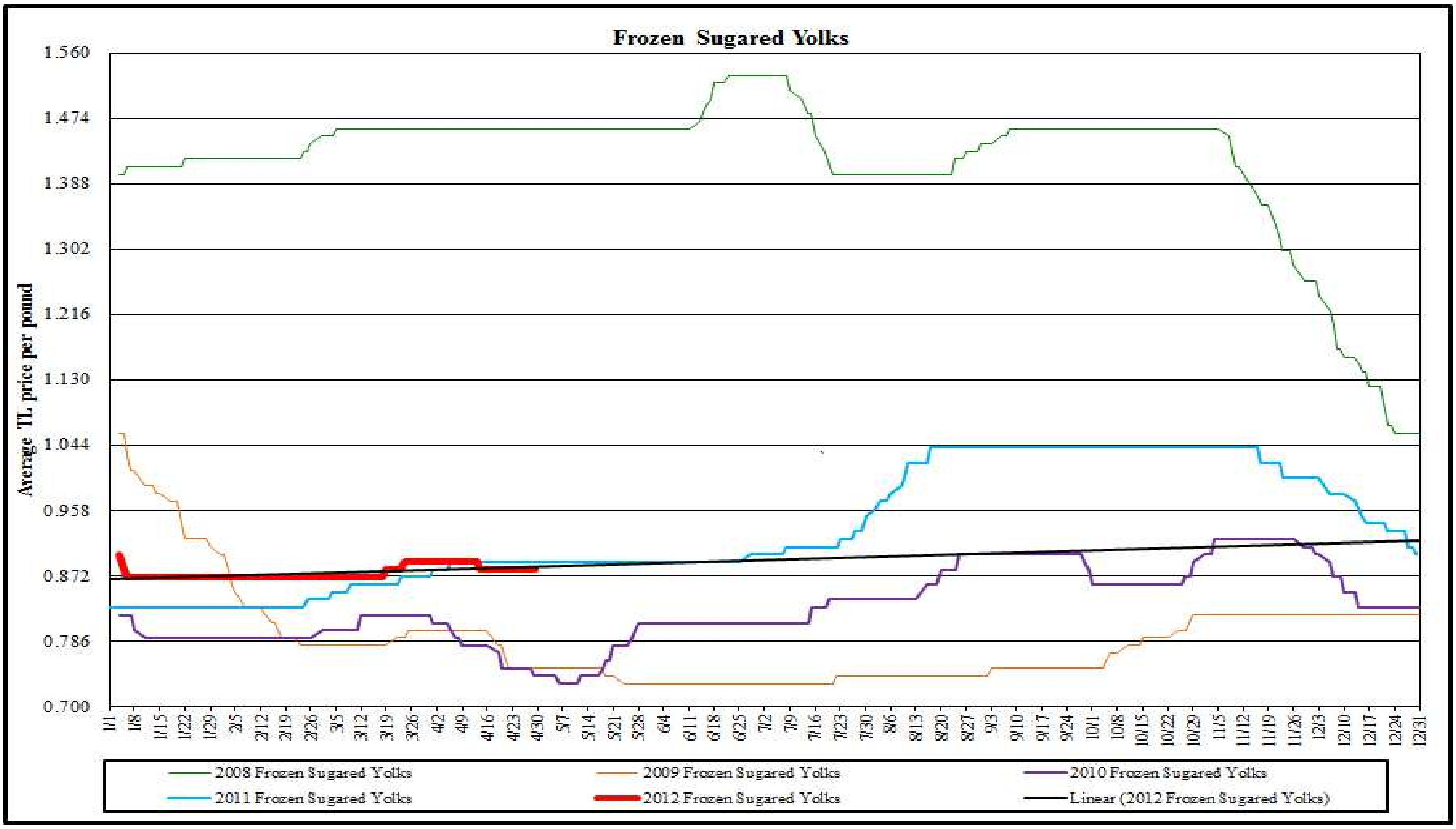




Frozen Egg Whites closed "no change" for the week (compared to last Friday's close).

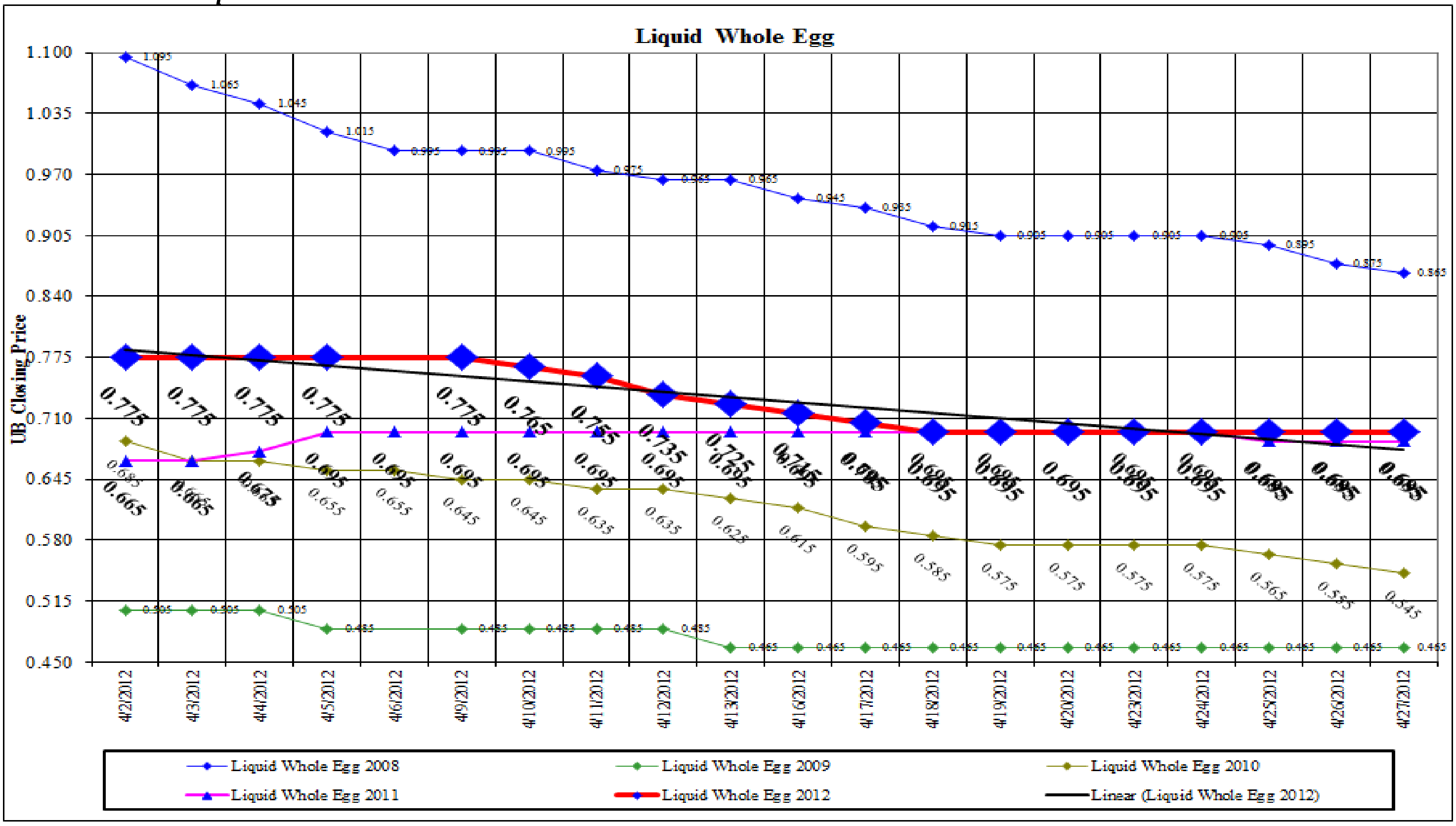
c. Frozen Sugared Yolks

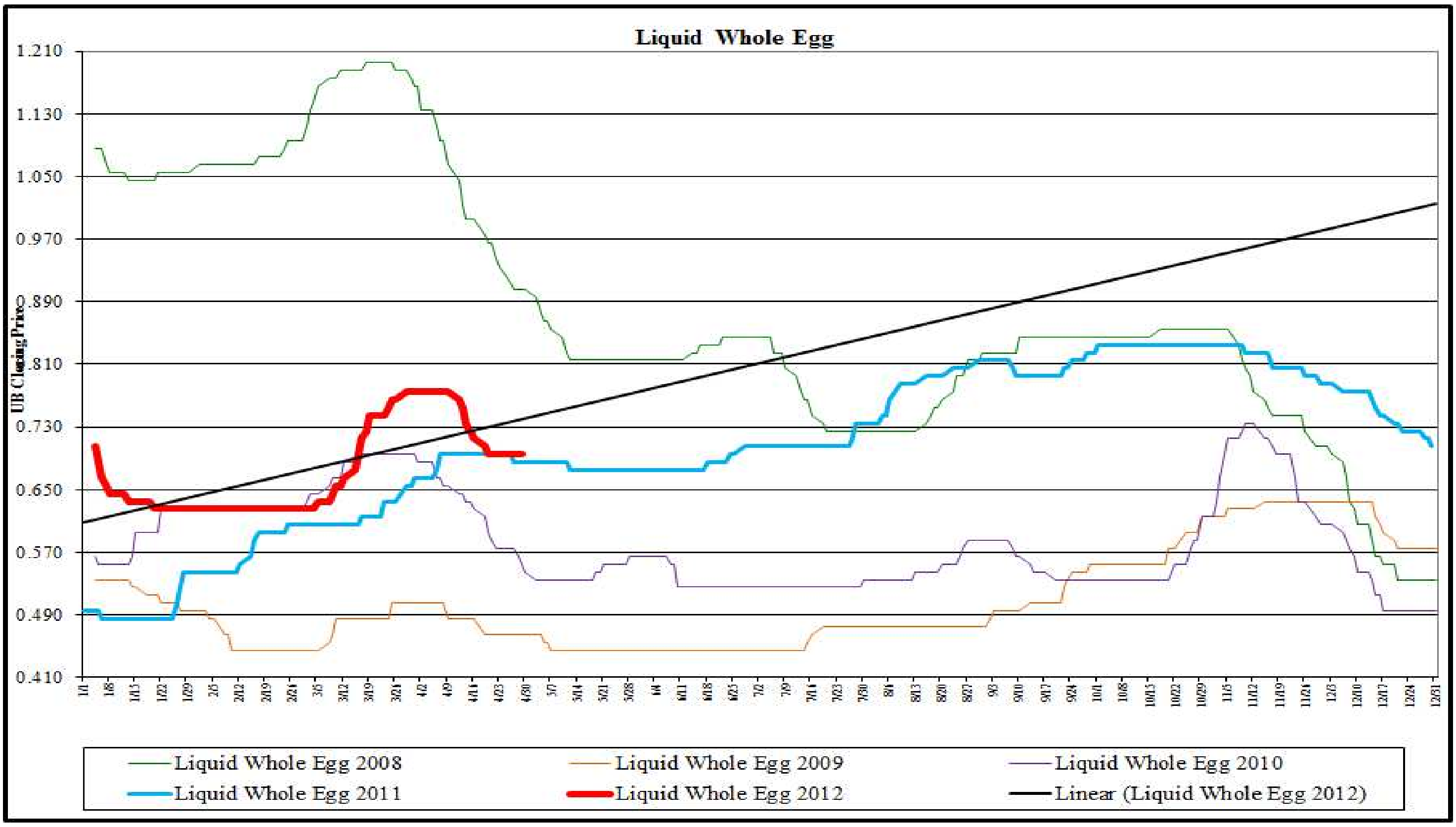




Frozen Sugared Yolks closed "no change" for the week (compared to last Friday's close).

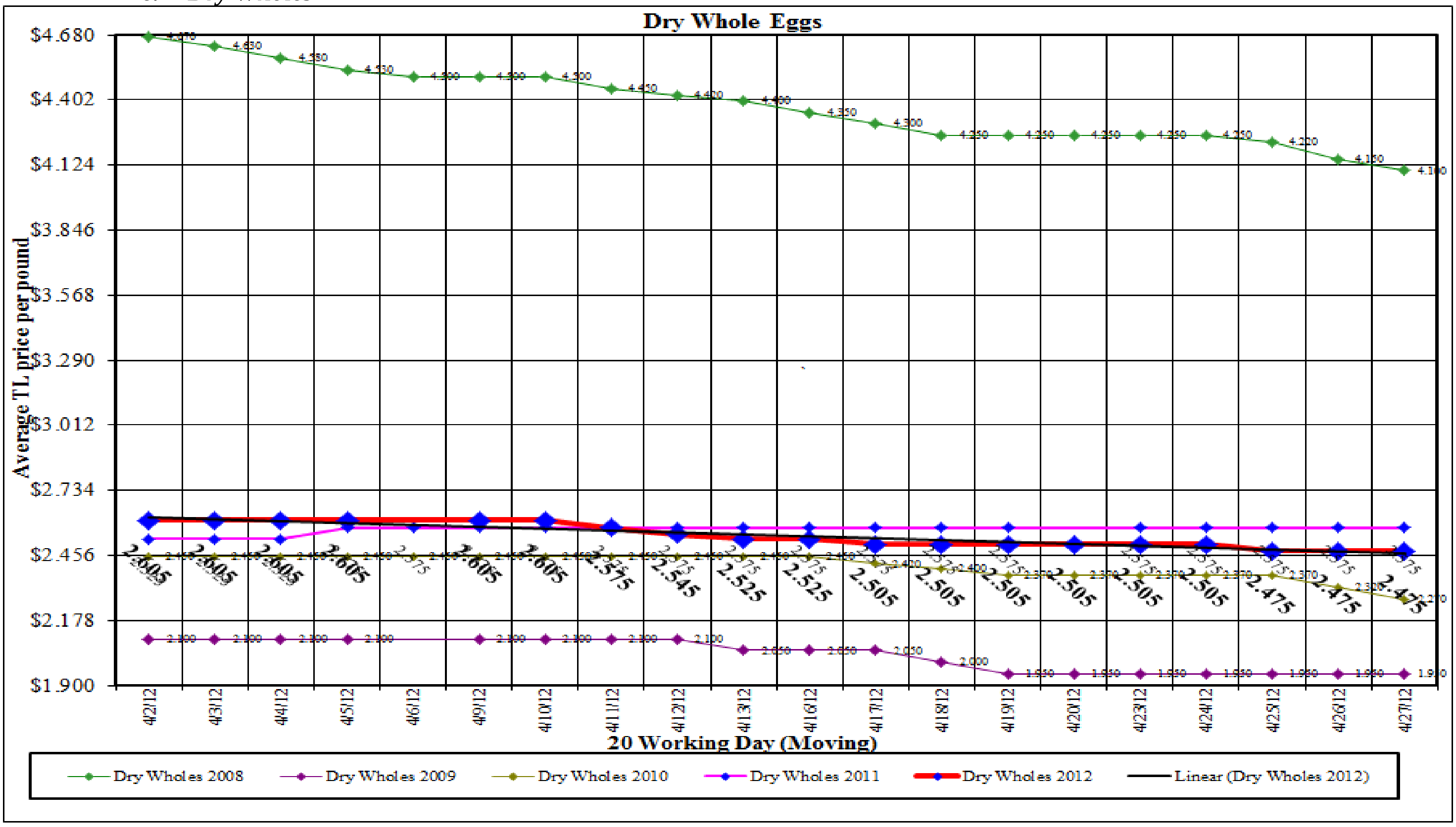
d. Liquid Wholes

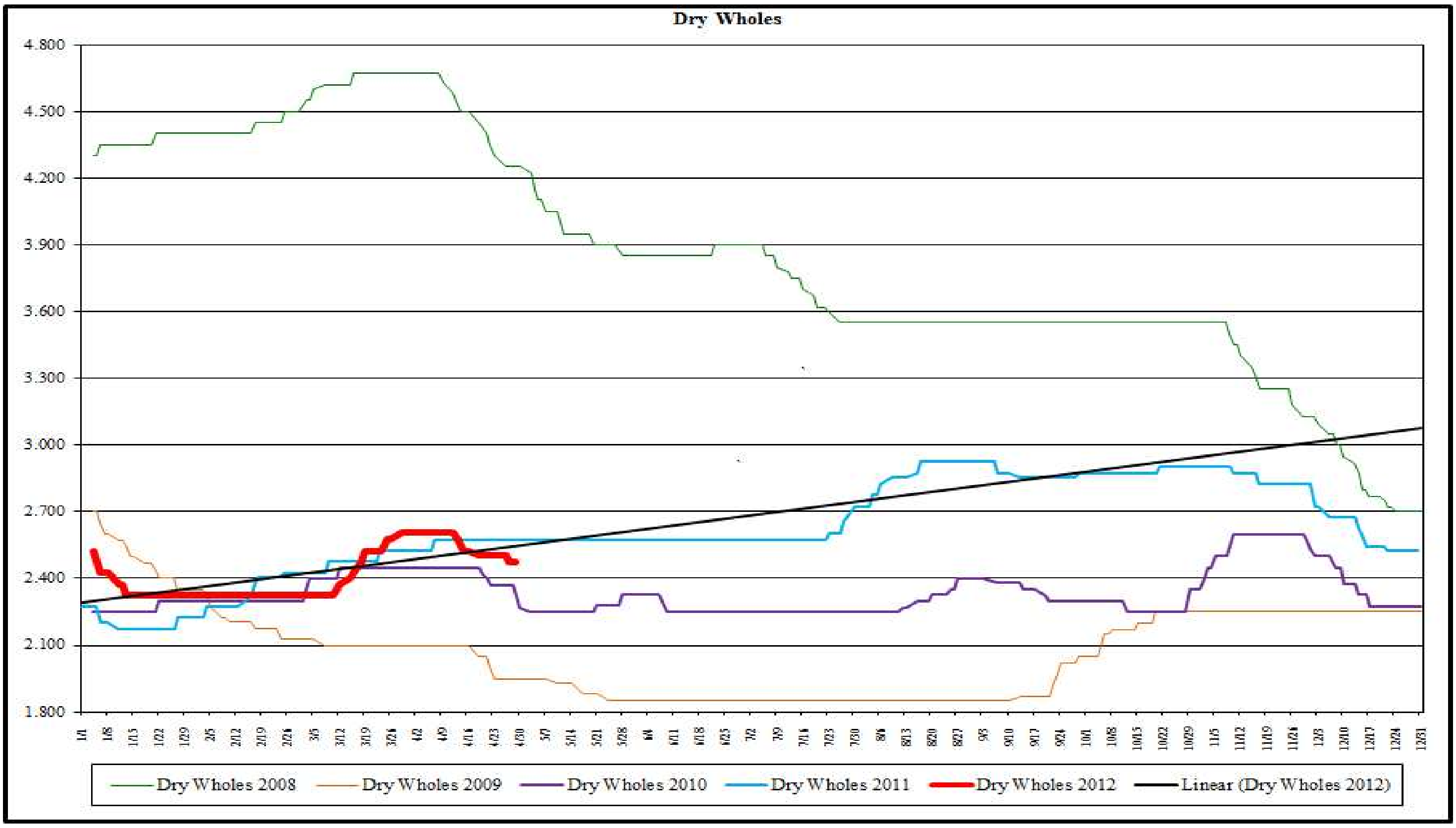




Liquid whole eggs closed "no change" for the week (compared to last Friday's close).

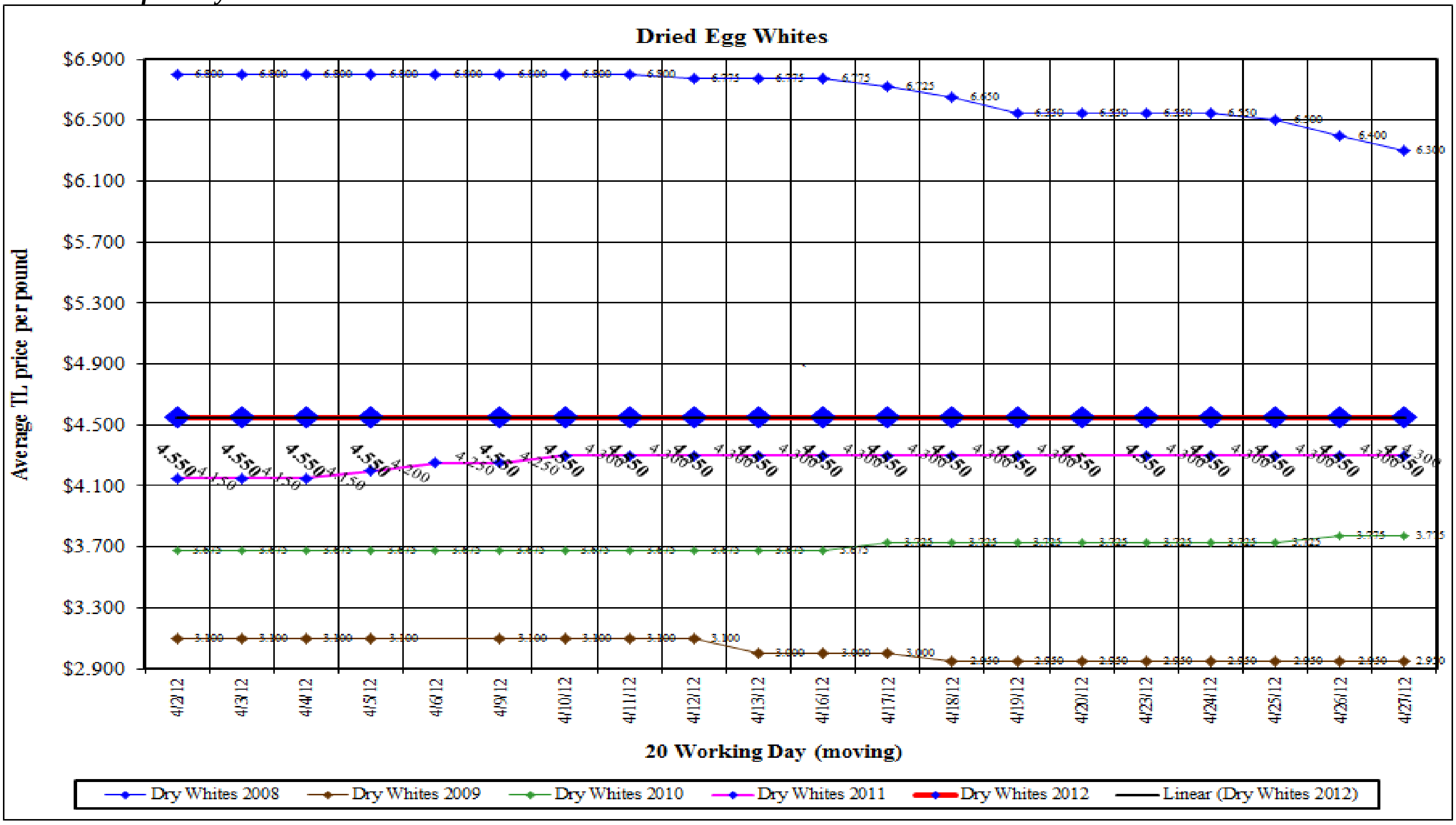
e. Dry Wholes

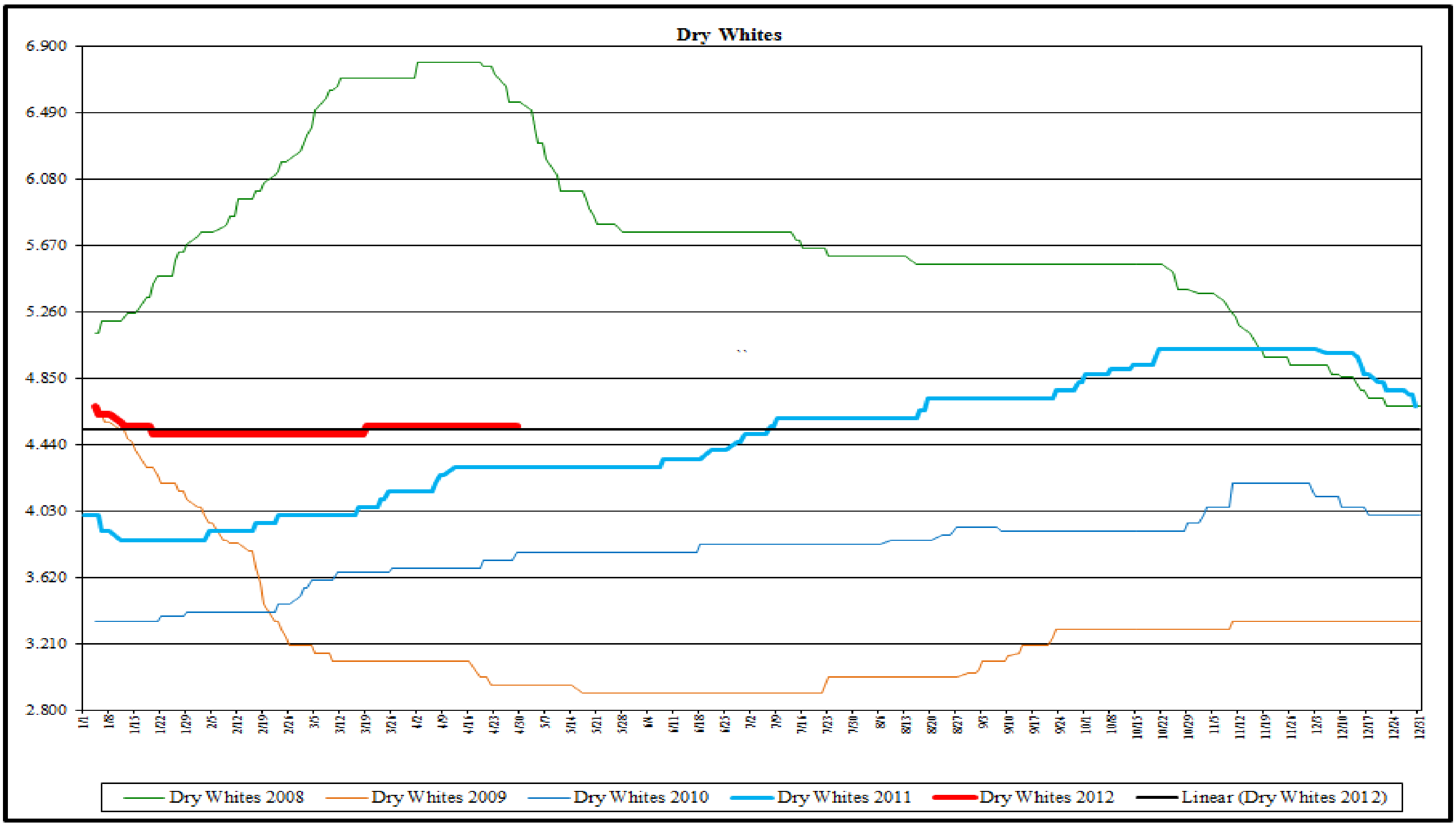




Dried Whole Eggs closed down $0.03/lb. for the week (compared to last Friday's close).

f. Dry Whites





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

Corn

By week's end, old crop corn futures were sharply higher on the announcement of more corn export sales. New crop pricing is approaching $5.50/bushel. Private exporters announced the sale of 1.44 MMT of corn to an unknown for 2012/2013 delivery bringing reported sales this week to 2.1525 MMT of corn including China (592,500 MT) for 2012/2013. A sale of 120,000MT for corn to China for 2011/12 delivery brings China's portion of the 690,000 MT for 2011/2012 delivery to 210,000 MT, the rest is to "unknown". The old crop/new crop spread is definitely widening today creating an inverted market. Basis does not favor futures deliveries. The International Grains Council said China corn imports could reach about 6 MMT in the next IGC marketing year that begins July first.

Weekly U.S. export inspections were reported at 29.386 million bushels, versus 37,513 for the same week last year. Cumulative exports are 69.7 million smaller than last year at this time. This export demand really tightens up old balance sheets by boosting the export sales number by 1.2825 million metric tons in the last two days. Corn stocks at select export elevators and terminals were down 3.755 million bushels from the previous week with reductions mainly in the Pacific NW which could likely be for an Asian destination.

Ethanol production was at an eight week low of 865,000 barrels a day with futures closing down 1.3 cents.

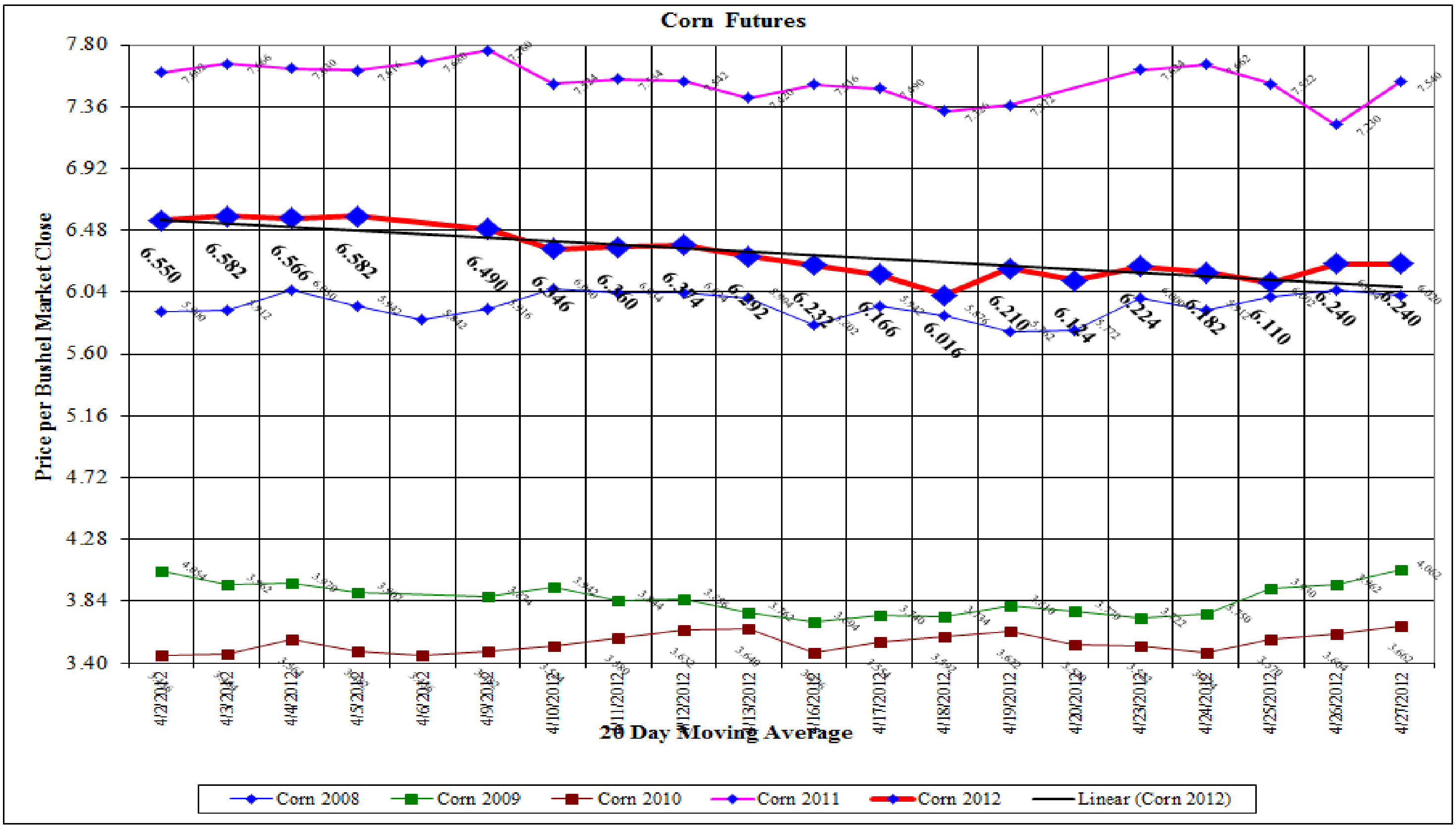
Cold weather this weekend could be an issue for some U.S. corn that has emerged, but most of the cold is expected to remain in areas where planting was delayed because of that very risk and not be an issue. Forecasts for cold weather for the corn belt that are significantly delaying corn maturity were bullish for September and December corn, with another cold spell forecast for this weekend in the eastern corn belt.

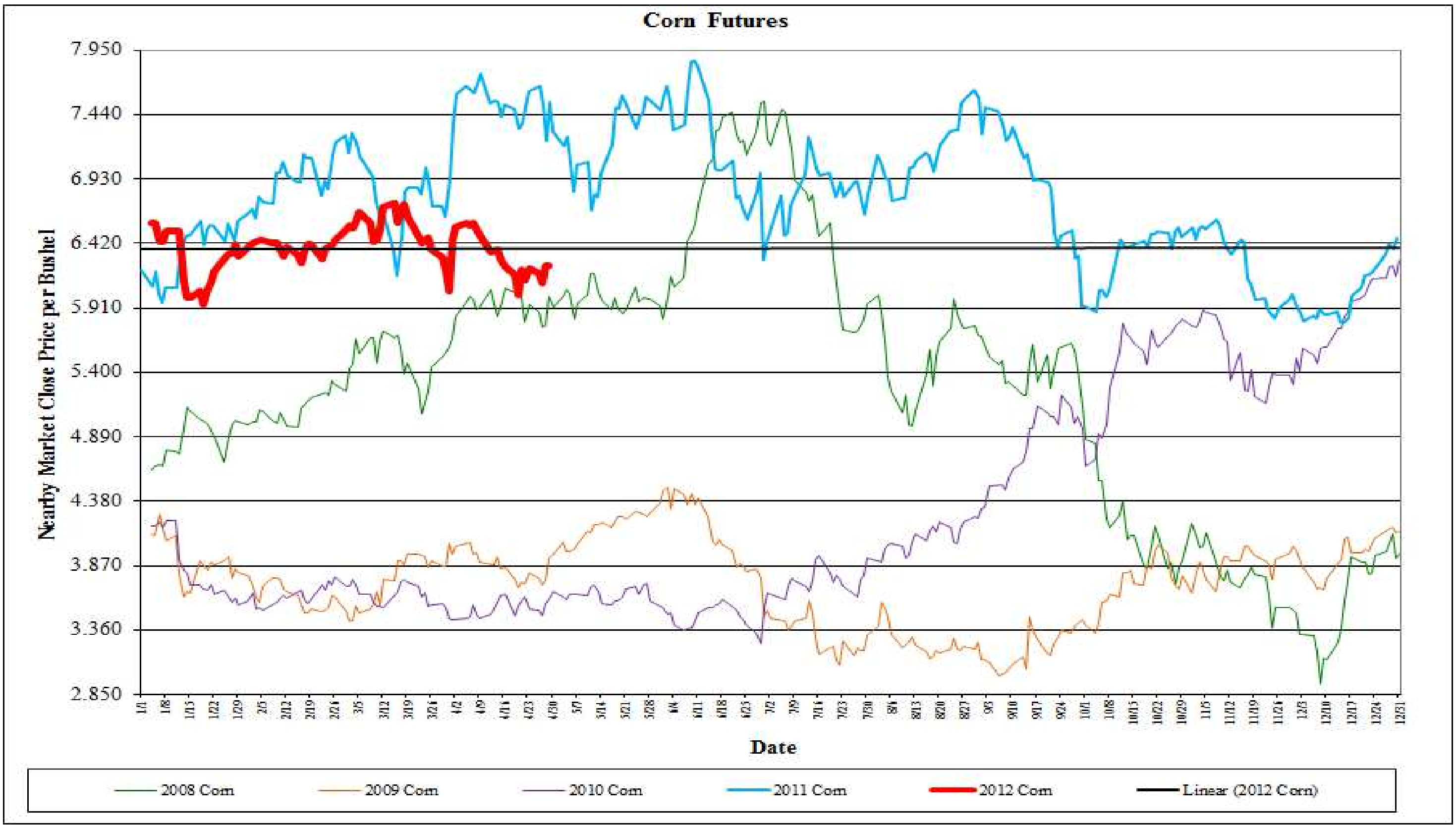
The weather pattern over the next several weeks is wetter for the western corn belt, recharging soil moisture. Planting delays for corn will now equate to more soybean fields. Temperatures are going to be cold with traders watching Sunday/Monday night degrees closely. Funds continue to reduce their net length in corn and buy beans.

Despite record planting progress for corn, the break in prices seemed to bottom out last week, shifting the short-term trend from down to sideways. But the weekly chart trend is still down and the long-term monthly chart trend is still sideways. Corn remains in a bit of "gridlock" with very tight old crop stocks, but prospects for new crop ending stocks to more than double.

On Monday afternoon, U.S.D.A. indicated that U.S. corn plantings advanced 11 points to 28%, well above last year's 8% but below guesses. Such compared with the 5-year average of 15%. Western Corn Belt producers are not running ahead of schedule at all! The advanced progress in the western belt slipped last week and/or even now trails normal, but the eastern belt maintained its above-normal pace. IL corn plantings at 59% compared with the 5-year average of 17%, IN 46% versus 10%, IA 9% versus 16%, KS 32% versus 19%, KY 75% versus 29%, MI 11% versus 6%, MN 11% versus 12%, MO 50% versus 27%, NE 14% versus 9%, NC 79% versus 62%, ND 8% versus 4%, OH 34% versus 8%, SD 8% versus 3%, TN 88% versus 44% and WI 6% versus 4%. U.S. corn emergence at 9% compared with last year's and the normal of 2%.

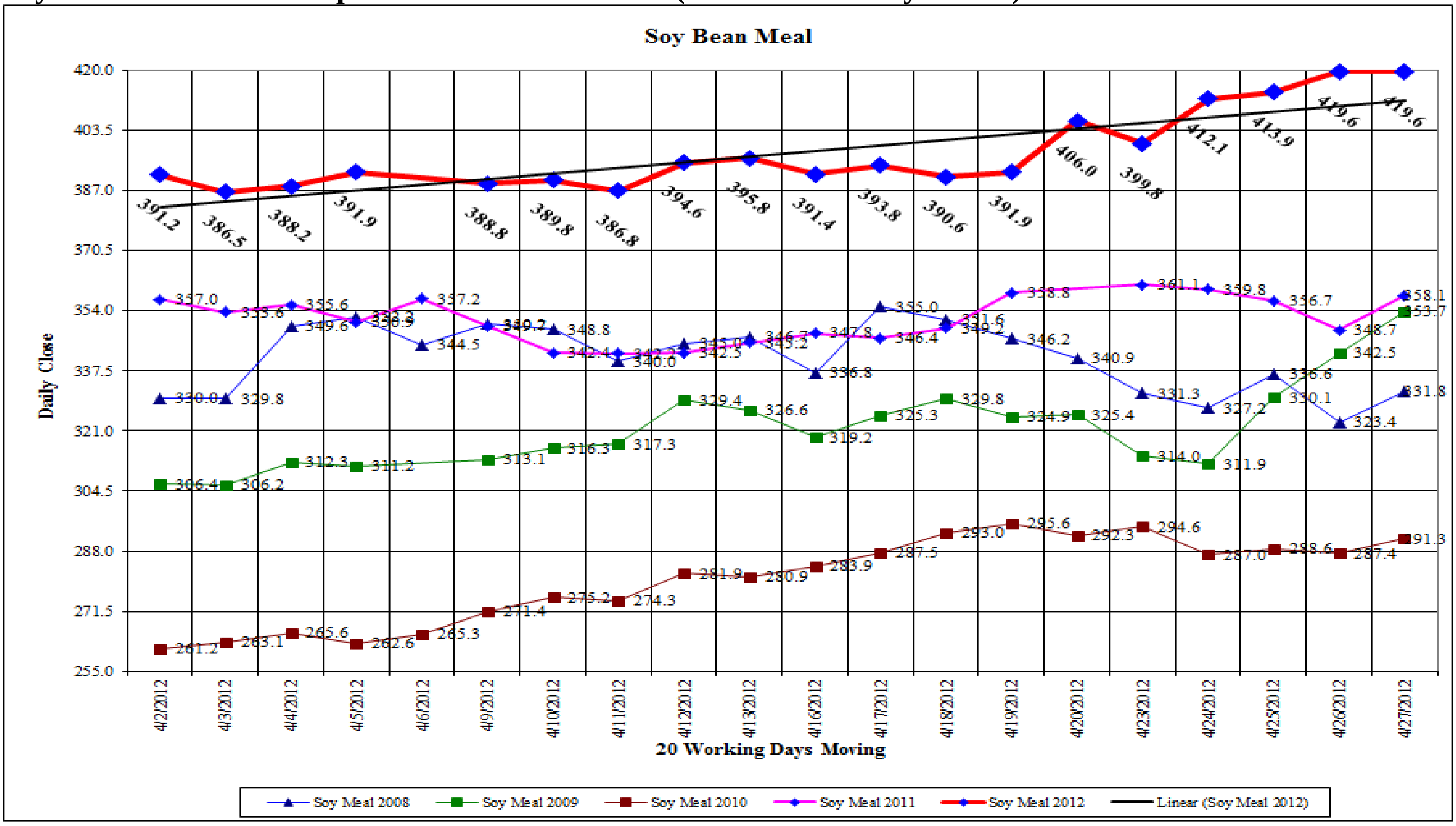
Corn futures closed up $0.116/bushel for the week (versus last Friday's close).

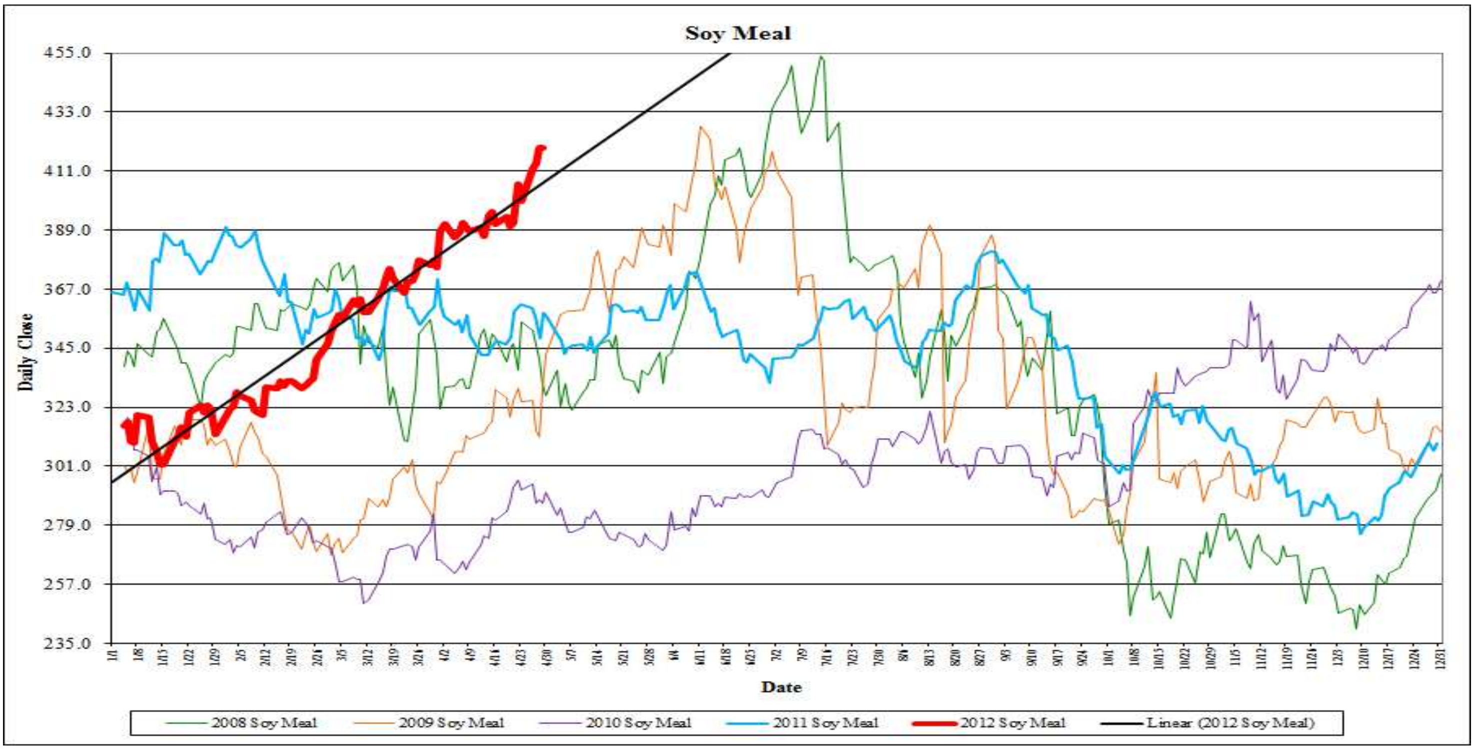

Corn Futures
Price per Bushel Market Close
20 Day Moving Average
Corn 2008
Corn 2009
Corn 2010
Corn 2011
Corn 2012
Linear (Corn 2012)


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

Soy Meal
July meal: market broke through the top of trendline and closed near the highs. The strong soybean meal market has taken some upward pressure off soybean oil basis values. Soymeal sales totaled 221,100 tons of old crop and 11,700 new; old crop total 6,287,400 versus 6,701,200 last year. One thing to keep an eye on next week is new crop export meal sales. They were down week on week this past report, so it will be interesting to see how they fair next week.

Soy meal futures closed up $13.60/ton for the week (versus last Friday's close).

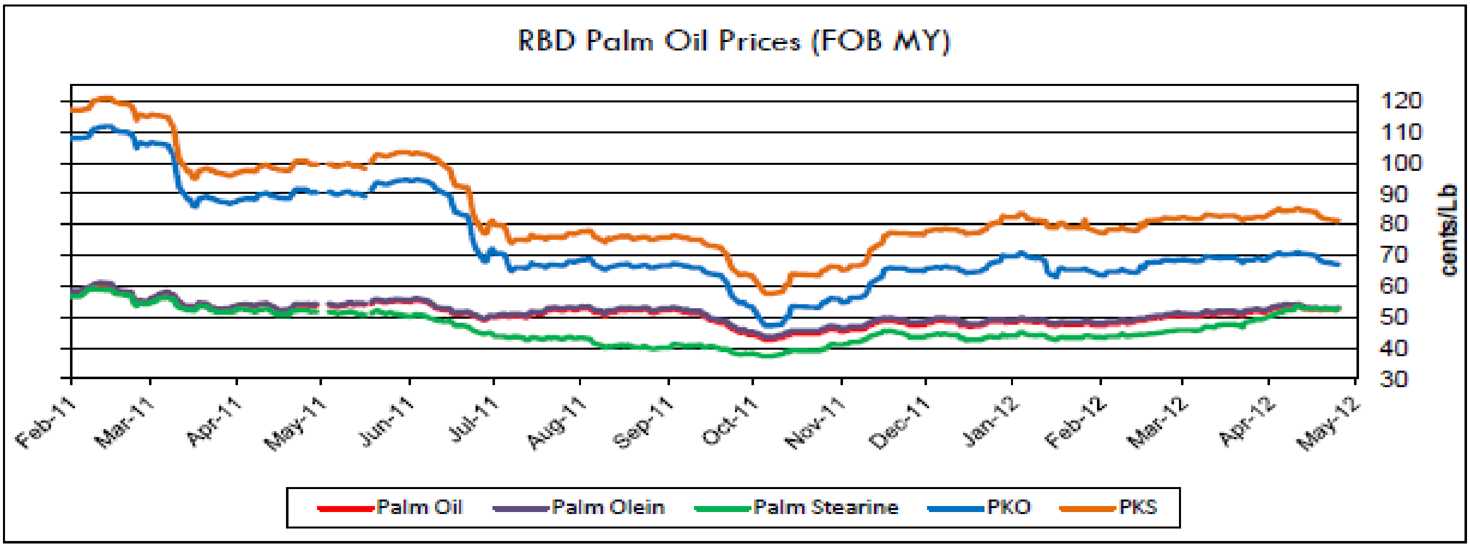




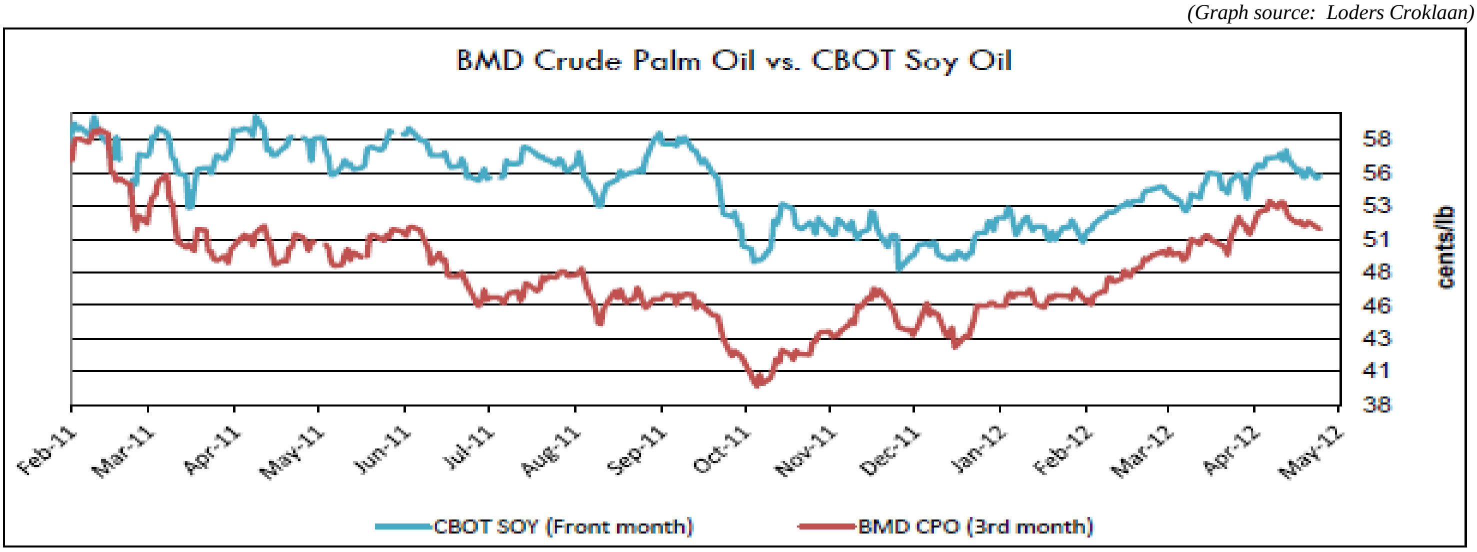
Palm Oil

Malaysian palm oil futures slipped as global economic uncertainty and expectations of improving production weighed on the market, although recovering exports and a smaller soybean crop in Argentina limited losses. Despite the Federal Reserve's assurance that it's very easy monetary policy will be kept in place for as long as needed, investors remained skeptical, worrying that the lingering euro zone debt crisis could slow growth and dampen demand. Benchmark July palm oil futures fell 11 ringgit to close at 3,500 ringgit ($1,146) per ton. Malaysian palm oil exports for the first 25 days of the month dropped a slight 2-3%, according to cargo surveyors SGS & ITS. Despite the fall, market players see the numbers as an improvement compared to the 5% decline seen in the first 20 days of the month. Traders said that demand from major food buyers China and India has been picking up, contributing to stronger buying interest. Shipments to Europe were also higher compared to a month ago as demand from the biodiesel industry returned after winter.

Malaysian palm oil futures extended losses as investors feared that the euro zone debt woes could hurt global growth, although losses were limited by a healthy demand outlook on the back of lower soybean supply. Political uncertainty and disappointing data in Europe raised fears that the euro zone could struggle to push through austerity measures, dampening investor sentiment and cutting palm oil gains this year to 9% from a year-high 14%. Argentina cut its official estimate for this year's soy crop last Thursday, boosting palm oil's demand potential as a smaller soy crop for crushing into soy oil will shift demand to palm oil.



(Graph source: Loders Croklaan)



(Graph source: Loders Croklaan)

Energy Markets

The EPA released RIN data for biodiesel production during the month of March showing 108 million gallon production up from 77 million in February and above the 80-90 million monthly amount needed to reach the U.S.D.A.'s 1.0 billion gallon mandate.

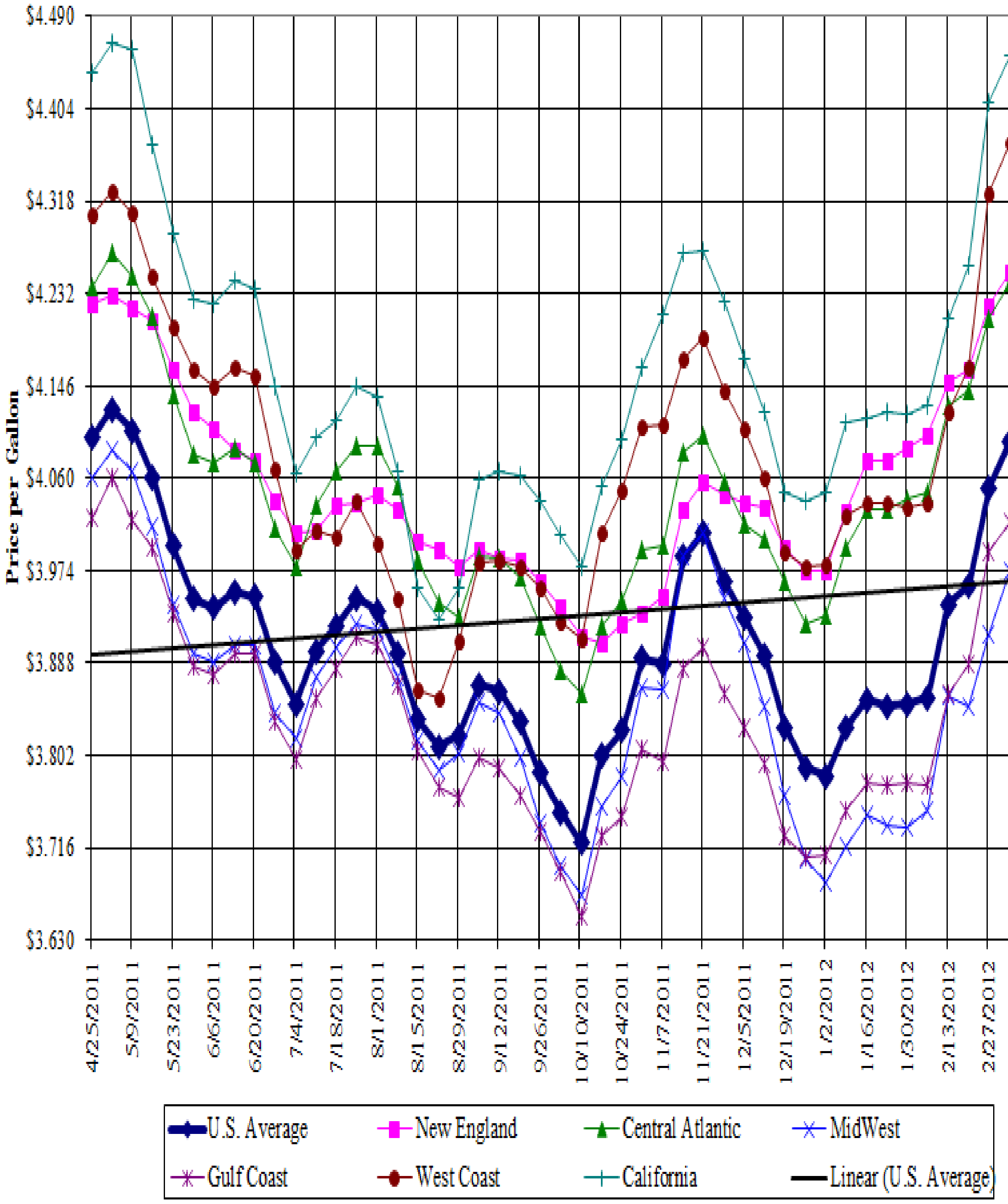
Prices in Dollars Per Gallon

Date	U.S. Average	East Coast	New England	Central Atlantic	Lower Atlantic	Midwest	Gulf Coast	Rocky Mtn	West Coast	California
4/25/2011	$4.0980	$4.1050	$4.2220	$4.2380	$4.0380	$4.0610	$4.0240	$4.1340	$4.3050	$4.4380
5/2/2011	$4.1240	$4.1280	$4.2310	$4.2690	$4.0590	$4.0860	$4.0600	$4.1560	$4.3280	$4.4650
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

Diesel Fuel Pirces in Dollars per Gallon

52 Week Moving



Fruits/Nut Markets

***Strawberries*—US (CA): Strawberry harvest commences**
Harvesters can be seen in the strawberry fields along Highway 1 in Monterey County. Strawberries are now the most widely grown crop in the area after knocking lettuce off the top spot in 2010. The California Strawberry Commission notes that total acreage for strawberries is up 5% in the Salinas and Pajaro valleys. A total of 15,382 acres of strawberries was grown locally in 2011. Across the state, strawberry acreage was up 2.8% to 38,373 acres over the previous year. California, which grows strawberries year-round, is the nation's leading producer of the crop. Most of the state's strawberries are grown in Monterey County. Harvesting takes place from April to November.

***Cherries—s* US (MI): Cherry growers report serious damage**
Northern Michigan growers are now starting to report serious damage to cherry crops, resulting from the recent freezing temperatures. The problem was not the cold itself, more the fact that it came on the tail of record warm weather that brought all the trees out in advance. When we warm up and we go into the bloom at the end of March, you you're setting yourself up for a lot of challenges. Some growers were harder hit than others, so there will still be some crops this year. There's probably 80%-90% bud kill on [tart] cherries. There's also more kills on—there's probably 40% to 60% bud kill on apples. The blossoms are not the only things that are being affected by the weather—there are hardly any bees around either. Without the bees there is less chance of pollination. It's important to monitor those trends. That once-in-a-lifetime thing has happened two times since 2002.

***Peaches*—US (GA): Good peach crop anticipated**
Despite a mild winter which threatened to provide too few chill hours, Georgia peach growers are expecting good early volumes. Harvest is expected to begin in a little over a week, and good volumes are anticipated through July. A mild winter seems not to have affected trees despite worries about not having enough chill hours. Because peaches need a certain number of hours below a certain temperature, growers were concerned,but the bloom looks great and the fruit set is amazing. Too few chill hours can affect fruit set, yield per tree and the overall quality of peaches, so many in the industry are feeling fortunate the mild winter didn't affect this year's crop. Good production is expected from May through July, with volumes tapering off for late varieties in August. Early signs also point to good quality, said Cindy Dickey of Dickey Farms, and with the start of harvest so close, there's less of a possibility anything can derail what looks to be a good season. "We're no more than ten days away from the start of picking," she said, "and so far, quality looks good and everything's going well."

Blueberries ***John Shelford's Blueberry Report*—(Thank you John!)**
Blueberry harvest has transitioned from the South America to North America - Chile completed the fresh shipping season in early April at 97% of last year, significantly short of the preharvest forecasted 20% increase. Frozen pack is anticipated short of last year although reliable data is not available at this time. Frozen shipments to N.A. are expected to be significantly reduced from 2011's harvest with increases to Asia.

Florida's harvest began mid-March following considerable freeze damage in February. This week's Florida Blueberry Growers Association's report forecasts the total harvest at 70% of last year, essentially 100% fresh. Georgia southern highbush variety harvest for fresh market began mid-April; also experienced freeze damage and anticipated less than 2011.

Today blueberry bud development in all eastern growing districts, **highbush and lowbush**, are two or more weeks ahead of normal and at very high risk of cold temperature (freeze) damage. Temperatures this week have threatened and history would give caution for three to four weeks, until mid-May.

Western growing districts are contrary to the east, with bud development much later than normal with some reporting a week later than 2011, a year considered two weeks later than normal.

2012 Frozen pack forecast – it is far too early to forecast although a 10-15% increase over last year is a reasonable expectation on the basis of new acreage, and Michigan's extremely short 2011 crop.

USDA Cold Storage Report – March 31, 2012

March Movement is the first in this crop cycle with an increase over the prior year, and a March record of 17.3mm pounds surpassing March 2008's 16.5mm pounds. A very positive outcome for the blueberry market. Why? Lower imports from Argentina and Chile compared to prior year and first quarter frozen market activity has been strong indicating product utilization improvement. My forecasted low carry out has been reduced to 62mm pounds from last month's 74mm, due to reduced Florida and early Georgia forecast, late California harvest season and the strong fresh prices. Last year June reported a 6mm "in" movement, a first. This is not expected in 2012.

Recent highbush blueberry price reports are widely scattered from $1.30 to $1.69 with many factors including product specification and location (freight an increasingly important element in fob pricing). There are a few reports of early commitments for the 2012 harvest. Interest in frozen blueberries remains high, and anticipation of softening prices from 2011 is rekindling interest dampened by 2011 prices. Lowbush wild blueberries supplies are tight, few sales, prices in around $2; and all growing areas are at high risk of cold temperature damage.

USDA Cold Storage Report March 31 (mm pounds) Holdings Reported				
2011	**2012**	**Variance**	**% Chg**	
80	97	17	21%	
Movement				
	March			
-13	-17	4	31%	
From High report - Fall '11				
-83.0	-78.0	-5	-6%	
April,May,June				
-29.0	-35.0	6	21%	
Cycle High to Low				
-112.0	-113.0	1	1%	
Low Storage LY vs Forecast				
51.0	62.0	-11	22%	Forecast

Historical Low Cold Storage	
2004	34
2005	28
2006	27
2007	38
2008	52
2009	81
2010	57
2011	51
2012	62

USDA Cold Storage Report Region Comparison March 31 (mm lbs)				
	2011	**2012**	**Variance**	**% Chg**
New England	11	9	-2	-18%
Mid Atlantic	5	5	0	0%
EN Central	35	31	-4	-11%
S Atlantic	3	6	3	100%
Pacific	25	44	19	76%
All Other	1	2	1	100%
Total	80	97	17	21%

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Almonds—US (CA): 2011 almond acreage up

Acreage for almond orchards in California increased between 2010 and 2011. More than 90% of the state's orchards were bearing acres, and the amount of bearing acreage is expected to rise in 2012. According to a U.S.D.A. report released on April 26, total almond acreage was 835,000 acres in 2011, a 1% rise from 2010's acreage of 825,000 acres. Bearing acreage was 760,000 acres while 75,000 acres were non-bearing. Estimated bearing acreage is predicted to rise to 780,000 acres in 2012. Four counties made up the majority of the state's bearing acreage with 64% of those acres in Kern, Fresno, Merced and Stanislaus counties.