

Weekly Commodity Markets Review

From: Joe Schmidt

Date: February 3, 2012

This morning's much stronger than expected January jobs number will certainly support the idea U.S. economy on the mend. Upon release of the employment data, the DJ index jumped 100 points and crude moved up \$1 per barrel. Market continues to fret about South America weather related growing/development conditions which also providing underlying support. South America soybean crops continue on the mend. The trade is surrounded by more positive than negative numbers and factors. As the market feels "risk now off the table", it may entice funds to look for higher investment risk opportunities—which could be signal that money flow is coming back to commodity markets.

In general, outside markets are supportive of Ag markets this week. Greece is still trying to make progress with a deal to avoid default, but Portugal debt worries loom. People want to get excited about a potential bond debt swap deal out of Greece, yet how does one get excited with a EU already mired in unemployment of 10.4% and many of its members swimming in unsustainable debt? Greece is threatening to re-ignite euro-crisis fears by rejecting greater EU oversight on its domestic tax and spending policies in exchange for even greater write-down of sovereign debt than the 50% debt-holders have already absorbed. That's sending a shudder through commodity markets that perhaps last week's euro-crisis cool-down was a mirage.

Pressuring prices lower were weaker crude petroleum prices.

We have a supply and demand report next week on February 9th. While the January report was bearish in nature, traders wonder how much production loss in South America the U.D.S.A. is willing to recognize. The corn numbers for Argentina are all over the place, so the U.S.D.A.'s decision should be an interesting one. However, any bullish numbers are probably already built into price action given the recent rally. This could make a bull reaction more muted and perhaps set the stage for the classic mid-Feb break. But right now the markets are all about defining trading ranges. All the ranges are a touch higher now given the drought in South America from where they were in January. And wheat was extremely stubborn, only moving its trading range a touch higher on news of bad (cold) weather in Russia (along with export tax measures).

Flour Markets:

Wheat futures advanced this week as basis levels were mostly unchanged. Europe, Russia and Ukraine are concerned about crop losses due to bitter cold weather. Russia's talk about restricting exports could lead to world interest in U.S. wheat. Traders are waiting to see what Russian officials have to say after they met today to discuss the future of grain exports. There is still a lot of buzz in the market on potential loss of 15% of Russia's Black Sea and up to a third of Ukraine's wheat crops. Ukraine's state weather forecaster estimates winter grain production could be down 42-58% to only 10-14 million tons. Uncertainties for the crop in Europe and the Black Sea area, with some potential for winter kill on fall planted wheat with the threat of a cold snap is keeping prices firm. Roughly a third of this crop was listed in poor condition before the cold snap while other values in the Black Sea are firming.

India's wheat output was estimated at a record 88.31 million tons. Bitter cold temperature in Western Europe (France, Poland, and Germany) is of some concern but snow coverage should protect the crops.

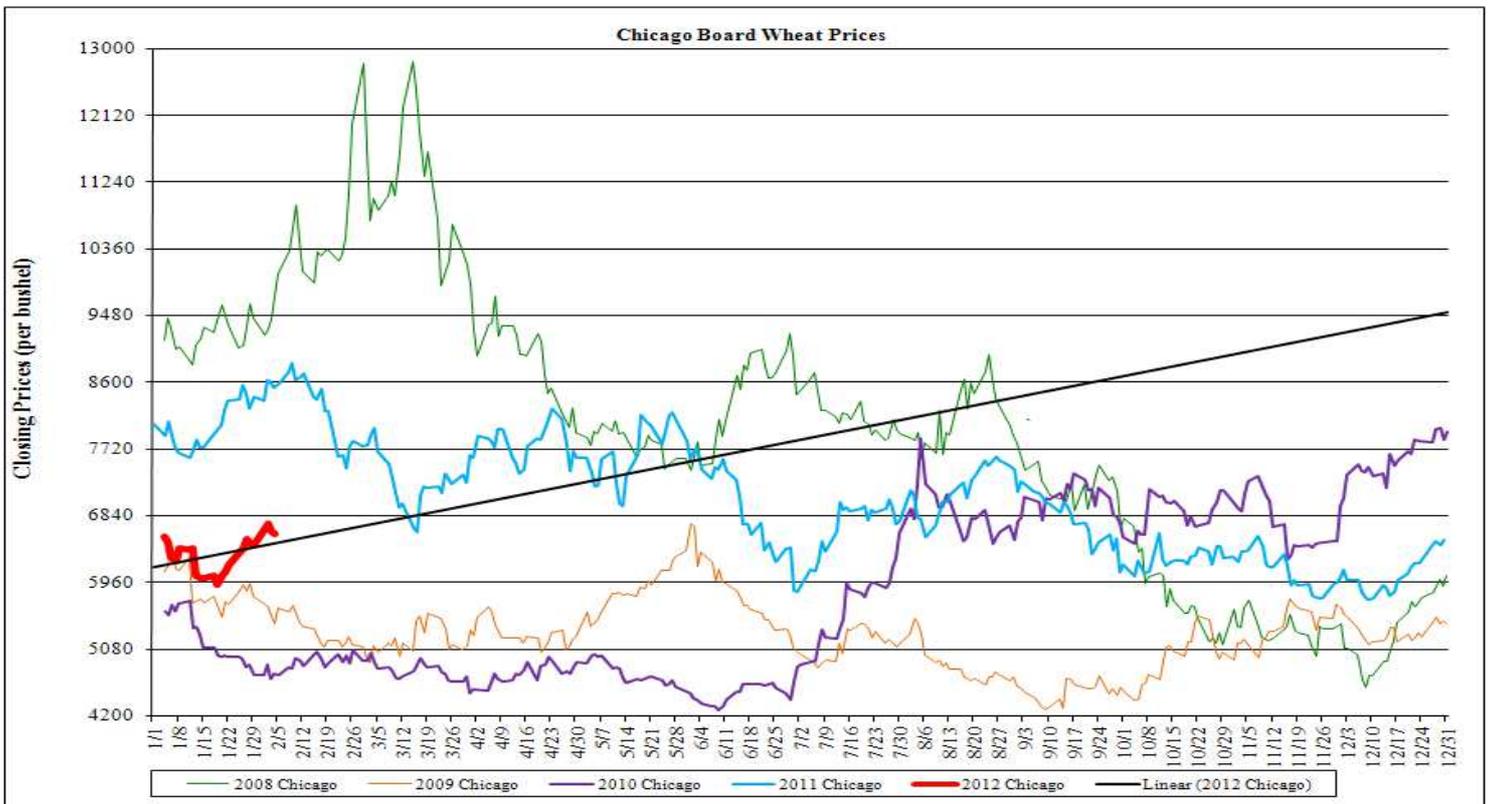
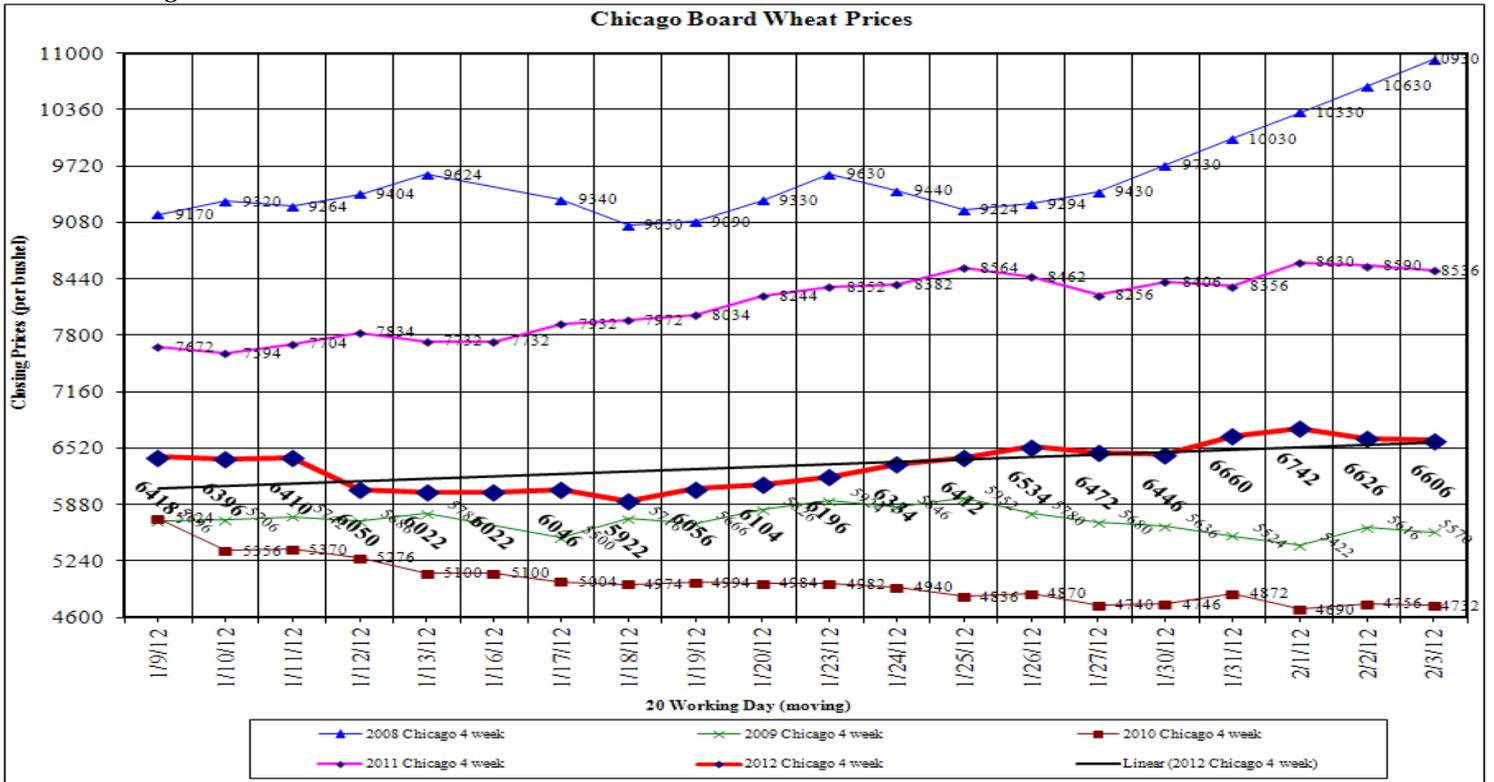
Private forecaster Informa Economics increased all wheat seedings to 57.9 million acres. Informa put winter wheat seedings at 41.947 million acres matching the U.S.D.A. January number in the Crop Production report. Informa forecasts spring wheat other than durum at 13.5 million acres down 824,000 from their December report. Durum wheat acres were also cut by 450,000 acres to 2.5 million. Wheat basis levels were higher at the Gulf for February delivery and dropped for April forward. River basis levels were steady.

Rain or snow forecast for much of the U.S. winter wheat growing areas is favorable for crop conditions there. U.S. HRW wheat country will see two significant precipitation systems Monday-Wednesday and Thursday-Friday. Chances are very good for soaking rains over the weekend for OK, KS and NE. Kansas winter wheat conditions are far better than last year with 49% rated good to excellent. As spring arrives the market will focus on weather and crop conditions. The U.S.D.A. supply and demand report is due out next week.

There was a significant draw down in wheat stocks at select export elevators and terminals from the previous week, declining 4.212 million bushels. Weekly export sales were a net 518,900 MT for 2011/2012 delivery and 35,200 MT for 2012/2013 delivery compared to trade guesses between 500 and 700 thousand MT.

Large speculators continue to hold on to a record net short position in Chicago. March Kansas City wheat futures continue to trade in a narrow range between \$6.60-\$7.20.

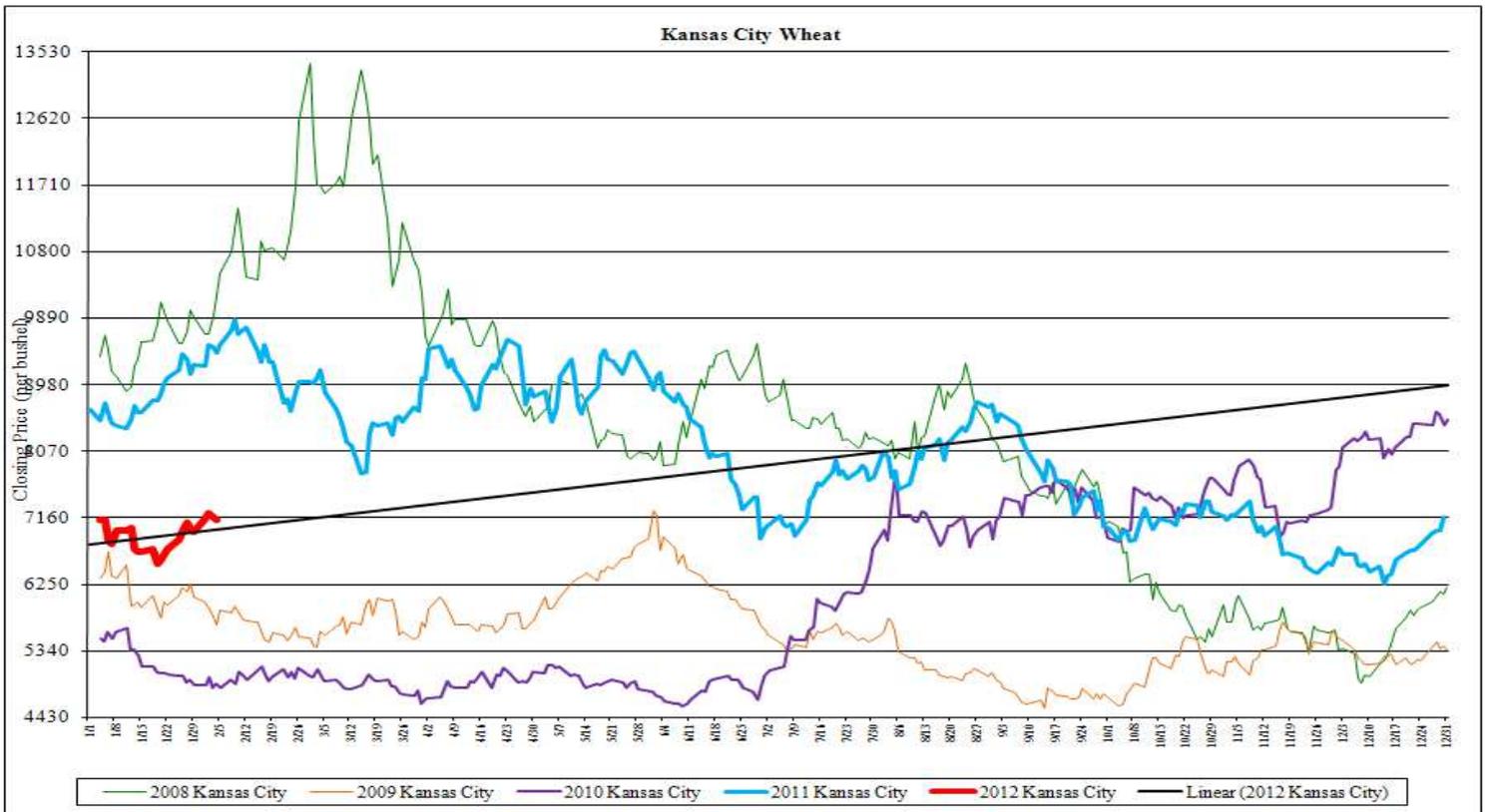
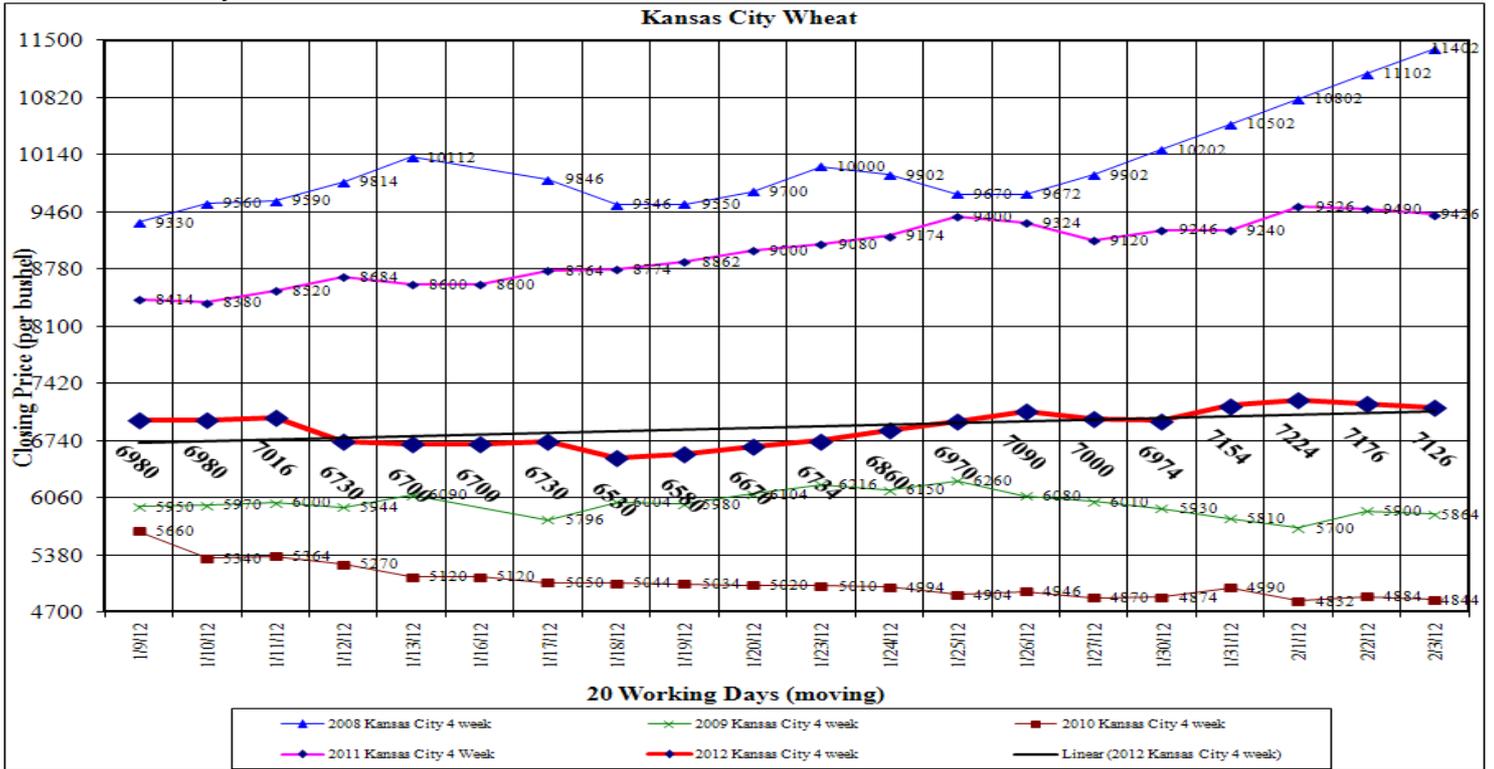
a. Chicago Board Wheat Prices



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 \$0.31/cwt from last Friday's close.

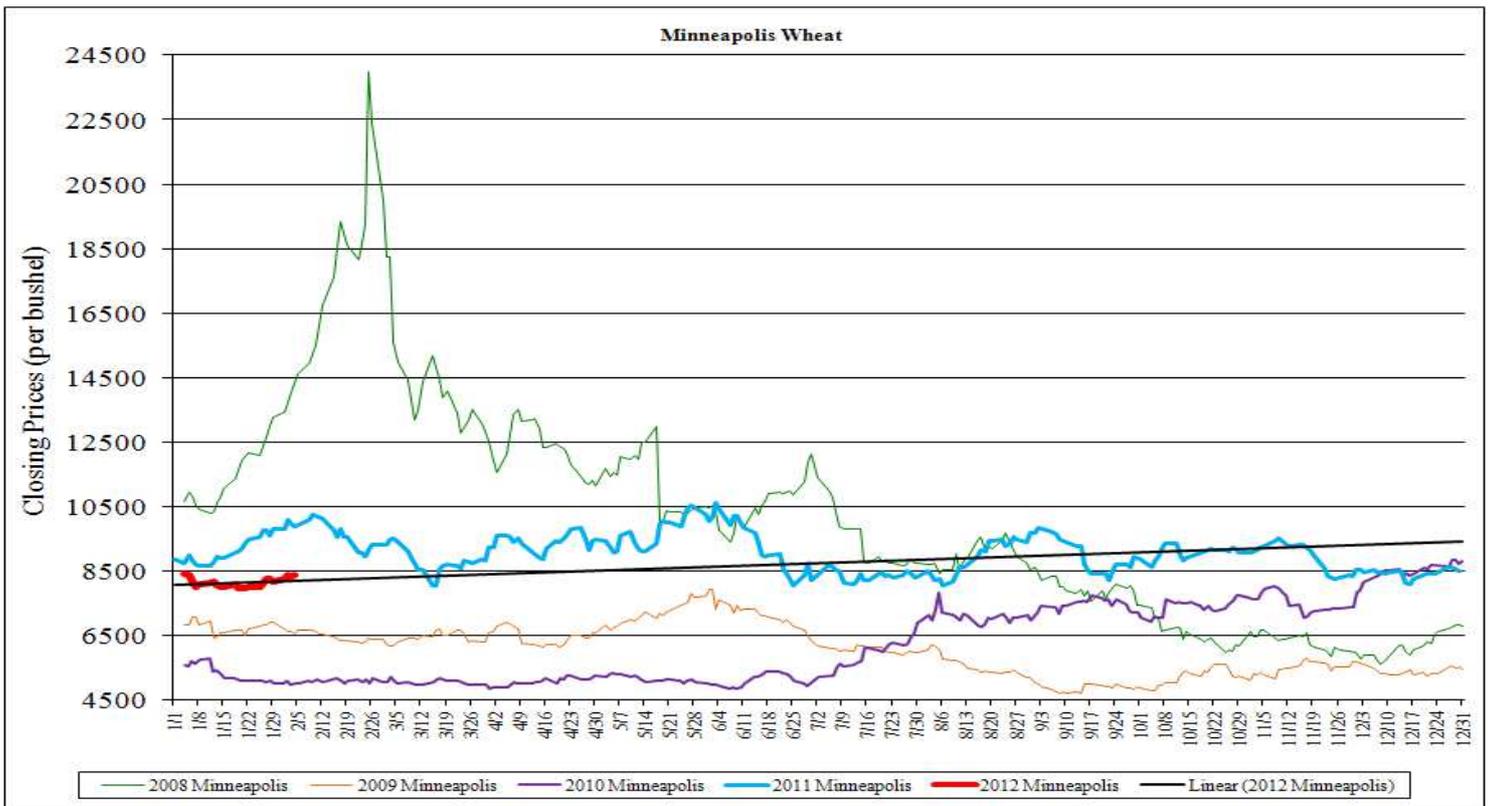
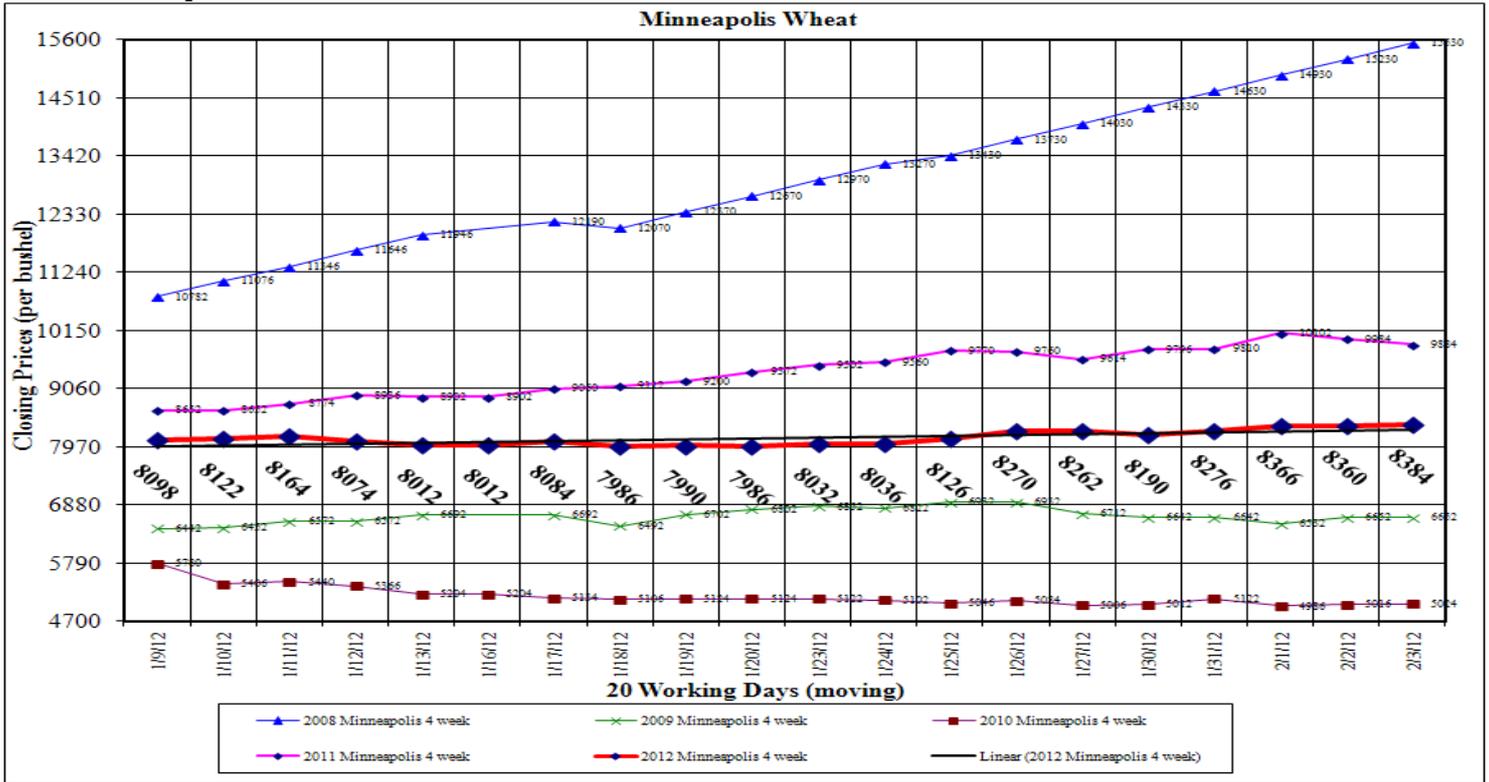
b. Kansas City Board Wheat Prices



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 **\$0.29/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 \$0.28/cwt. off last Friday's close.

Shortening Market:

Soybean stocks at select export elevators and terminals were down 1.857 million bushels from the previous week. U.S.D.A. weekly export inspections were good and only 261 million bushels behind record exports last year holding above the previous 5 year average. Weekly export sales were a net 308,400 MT for 2011/12 and 60,000 MT for 2012/2013 delivery with trade expectations between 450 to 750 thousand MT. Light farmer selling of soybeans has allowed meal dealers to keep offers steady on light demand from livestock and poultry producers.

U.S. biodiesel production surged to 160 million gallons in December, putting the annual total near 1.1 billion. **Oil World** cut their estimates of soybean crops in Brazil and Argentina for the 2012 crop because of the La Nina drought. **Oil World** predicts global needs will shift to the U.S. on crop shortfalls in South America.

Never the less, the weather picture in South America is beginning to morph into something quite a bit better than what was and improving soybean production potential. By all appearances one would say the South America soybean crop is on the mend and if rains continue production could grow as we go forward. Brazil's 6 to 10 day weather forecasts are calling for above normal temperatures and below normal rainfall for the major production areas when most of the crop is in the pod filling stage. Rains last month improved soil moisture so the soil has some water reserves. More important is that rainfall in Northern Brazil is going to slow allowing harvest to once again proceed. Crops remain under stress in southern Brazil, particularly in Rio Grande Do Sul, which is approximately 15% of total Brazilian soybean production. The 6 to 10 day weather forecasts for Argentina call for above normal temperatures and above normal rainfall for most of the country. Soybeans are in the flowering stage for most of Argentina production areas. Double crop bean planting should be in gear with Argentine winter wheat harvest coming to an end. There are now wildly-conflicting estimates of South American crop losses with some warning Argentina's corn crop may be as low as 17 million metric tons while others are still as high as 23 million, down just 3 mmt from U.S.D.A.'s January estimate of 26 mmt. Argentina received a round of decent rainfall, further shrinking areas that were stressed. It's been a rainy week in Argentina, which is favorable for the soybean crop.

South America weather remains on front burner, yet with recent rains and more in forecast, it would appear that the severity of crop losses have been priced into market. Expect hard breaks to find ready buyers and pricing support until size of South America soybean crop becomes more defined.

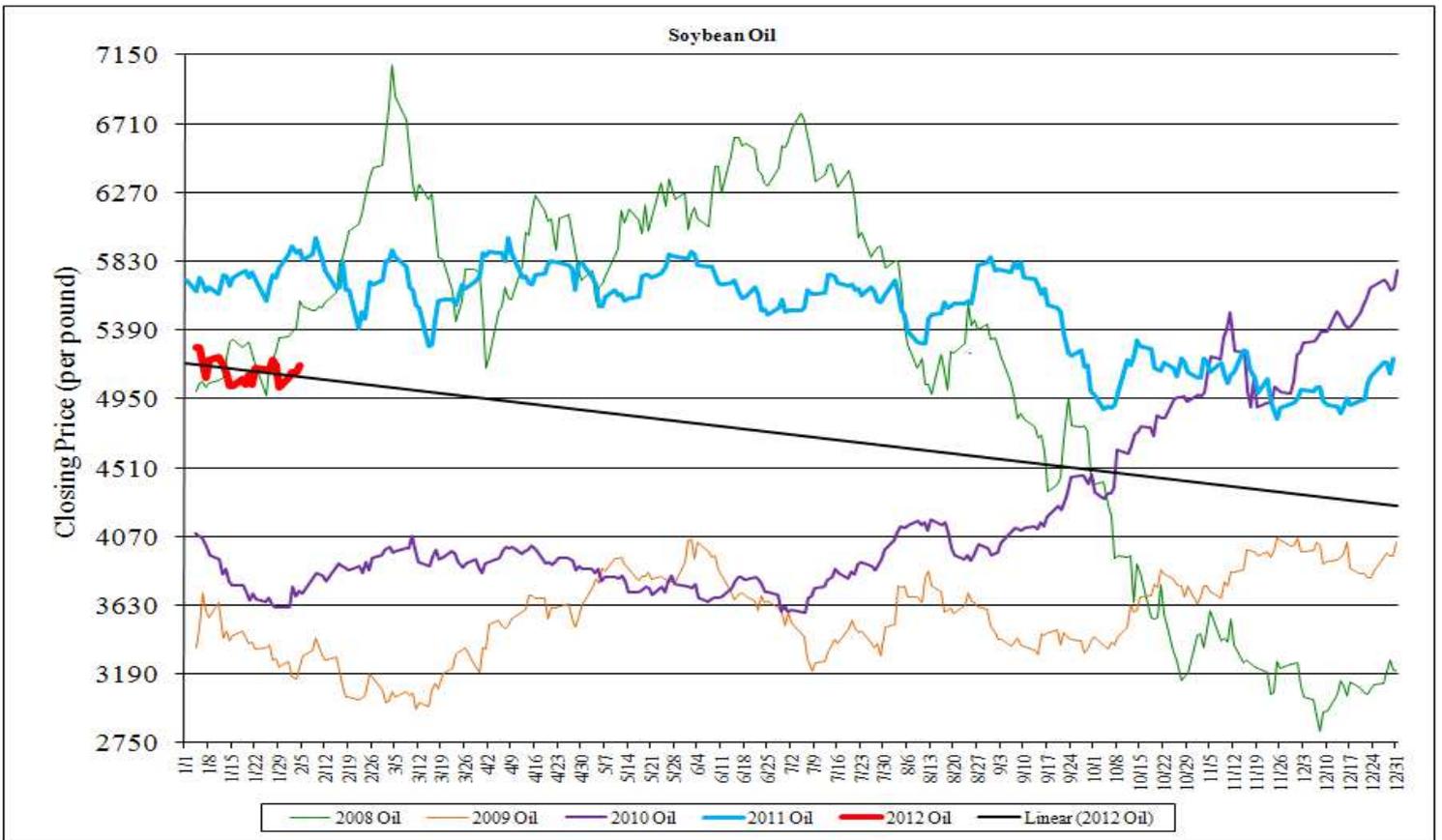
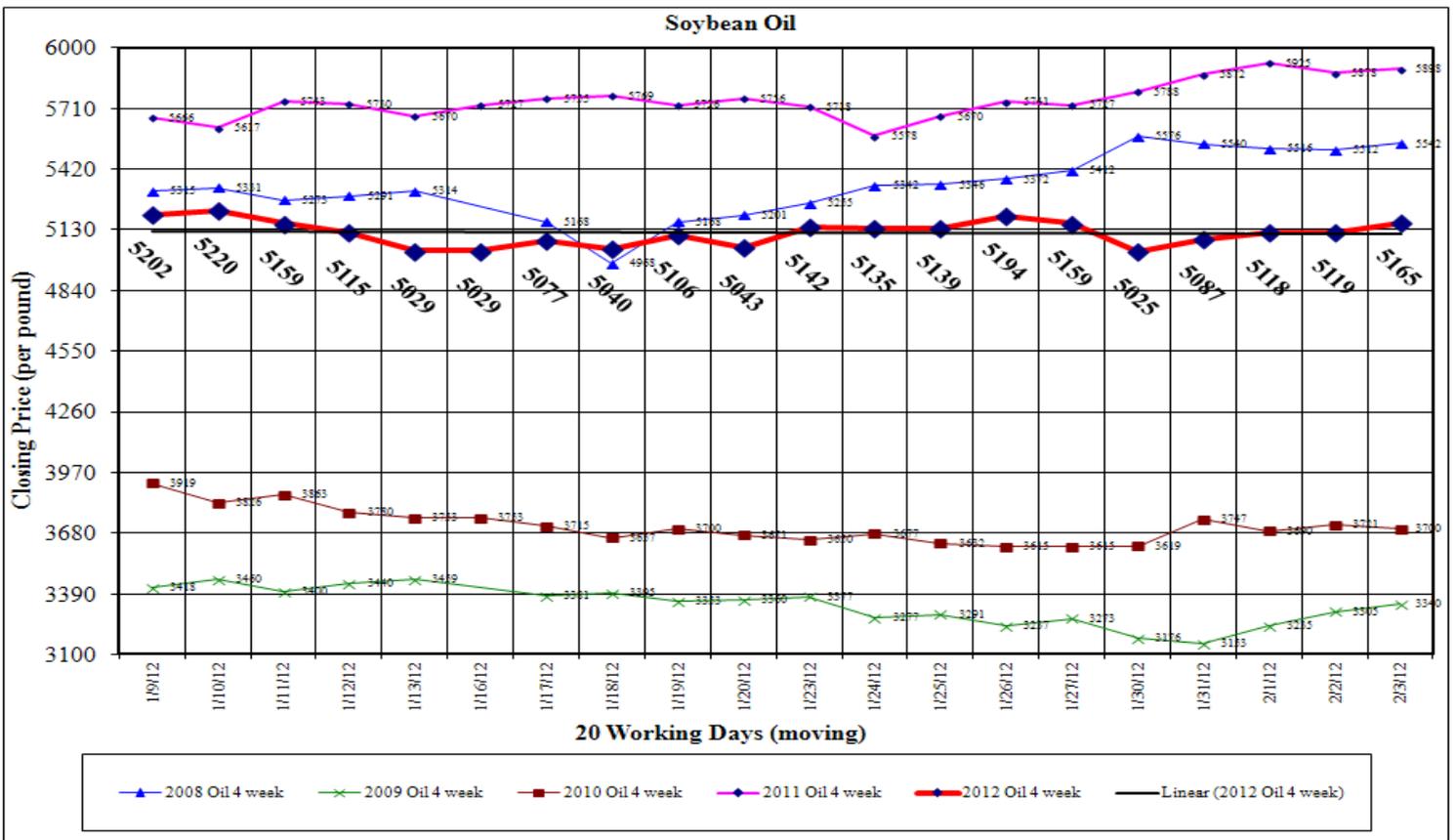
U.S. upper Midwest dryness concerns are starting to emerge as some northern Iowa and southern Minnesota growing areas are the driest they have been in three decades.

The Malaysian palm oil market worrying over soft exports (losing market share to Indonesia due to low export tax and weak foreign consumptive off take) and the winding down of this year's monsoon will give a boost to production. The weekly export inspections showed U.S. soybeans at 41.5 million bushels, year-to-date it is 718.04 million bushels versus 979.4 million bushels last year.

A poll of 12 agriculture analysts conducted by Reuters showed that the average price of soybeans will finish 2012 at \$11.47, a 4% drop from the end of 2011. Soybean prices would need to improve to attract more U.S. acres for the 2012/2013 marketing year, as the revenue per acre comparisons still favor corn and so does the new crop soy/corn ratio. In the same Reuters Poll, 9 analysts pegged nearby soybean oil prices on December 31st, 2012 at \$0.4762/lb. One reason cited for the lower price was increased competition from sun and palm oils.

Soybean oil futures will likely trade in a range between \$0.50-\$0.52, while the boarder trading range is \$0.49-\$0.5350—all basis March futures.

Shortening closed up \$0.03/50# cube (\$0.02/35# pail of oil, \$0.0007/lb. for bulk oil) for the week.



Cocoa Market:

This week, cocoa prices dropped to a 3-week low. Bearish factors include

- (1) hedging pressures on Ivory Coast plans to sell 70% of its 2012/2013 cocoa crop as part of industry reforms,
- (2) easier Q4 European cocoa grindings of +1.8% y/y, the slowest pace in a year,
- (3) Ivory Coast's prediction that its 2011/2012 cocoa output may rise 10% to a record 1.65 MMT, and
- (4) ICO's hike in its global cocoa ending stocks estimate for 2010/2011 to a record high of 1.93 MMT, up +18.5% y/y.

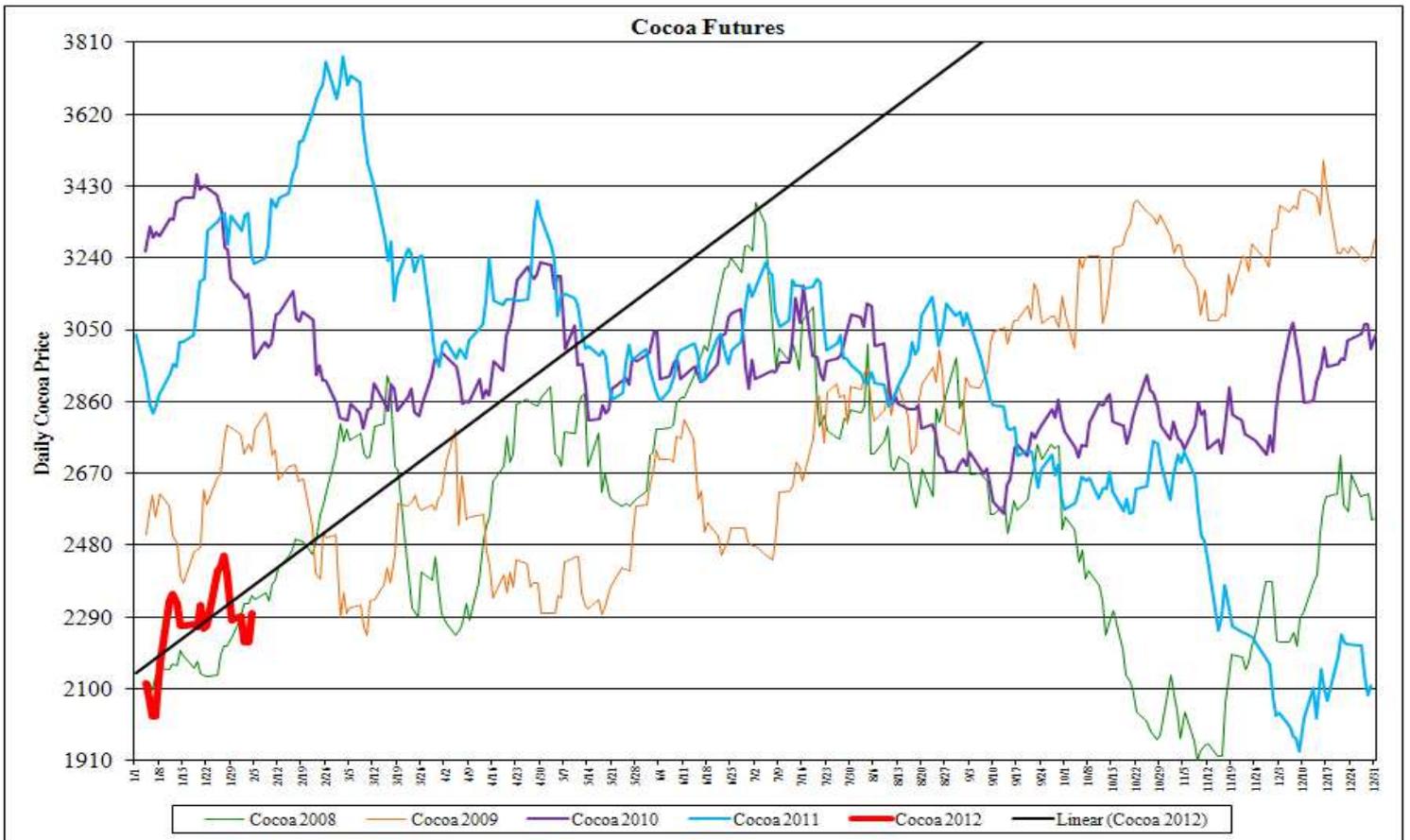
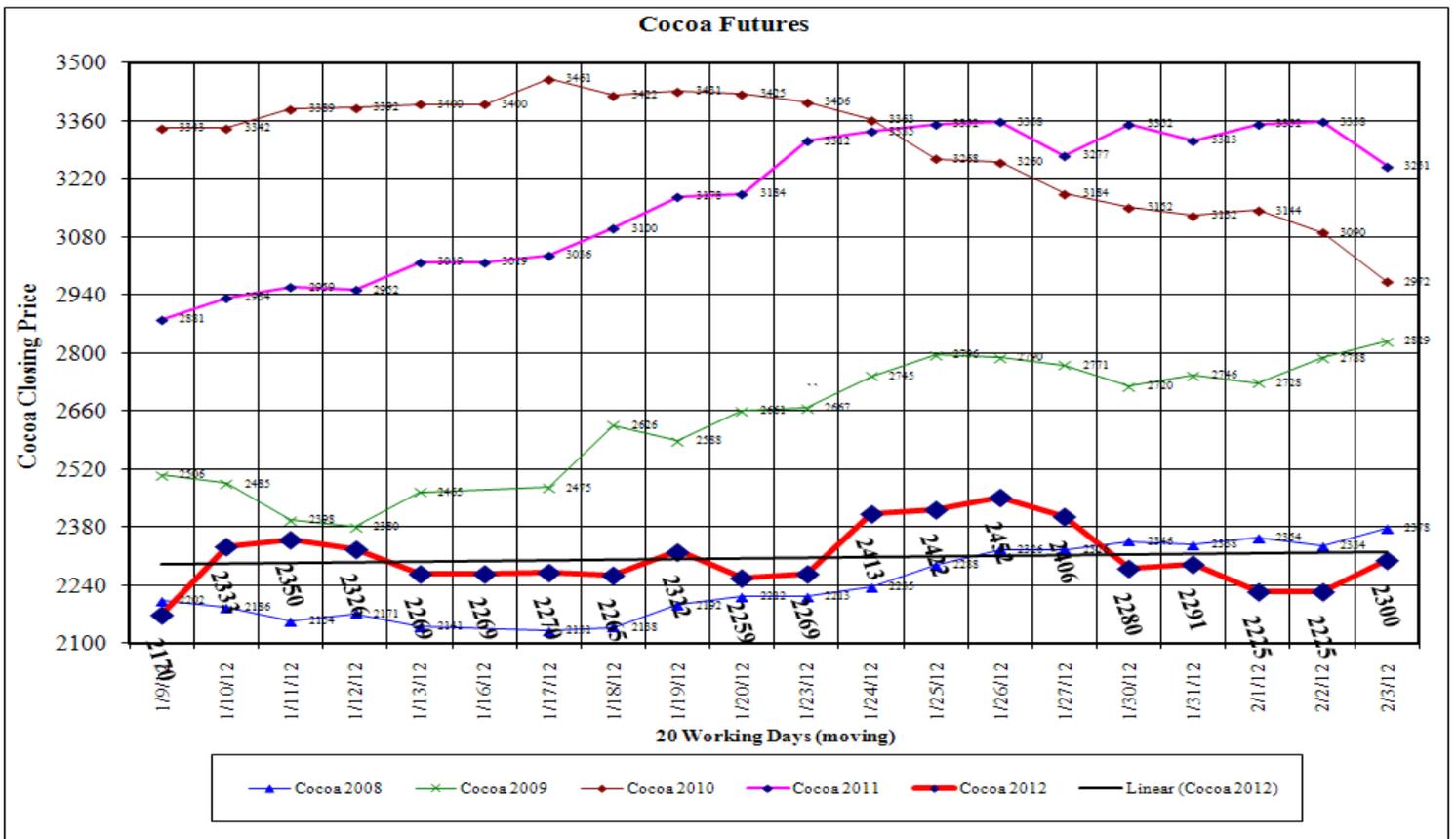
Bullish factors include

- (1) speculation a stronger-than-normal seasonal harmattan wind that curbs rains and brings dry air from the Sahara desert may reduce the Ivory Coast's cocoa crop,
- (2) ICO's prediction that 2011/12 global cocoa output will drop -10% y/y to 3.87 MMT, and
- (3) (3) ICO's hike in its global grindings estimate for 2010/2011 to a record 3.83 MMT.

Fundamental Outlook—Short-Term Neutral—Cocoa prices fell back from recent gains on Ivory Coast hedging pressures. Prices sank to a 3-yr low in December on record output from West Africa and the hike in the ICO's global production and surplus estimates. Long-term global demand is strong (+3.1% in 2010/11), but ICO forecasts higher output will lead to a +18.5% gain in ending stocks to a record 1.93 MMT. The stocks/consumption ratio is forecast at 47.8% versus year-earlier 44.2%.

Exports from West Africa have begun to drop significantly and the market found support on ideas that the main season harvest might be ending early and that the weather there is turning hot and dry. Traders are hearing reports of big winds in western Africa now that could hurt quality or cause cherries to drop off the trees. Charts show that the market is now in a correction after the recent big rally. Looking into next week, mostly dry conditions are expected in West Africa. Temperatures will average near to above normal. Malaysia and Indonesia should see episodes of scattered showers. Temperatures should average near normal.

Cocoa closed down \$106.00/ton for the week (compared to last Friday's close).



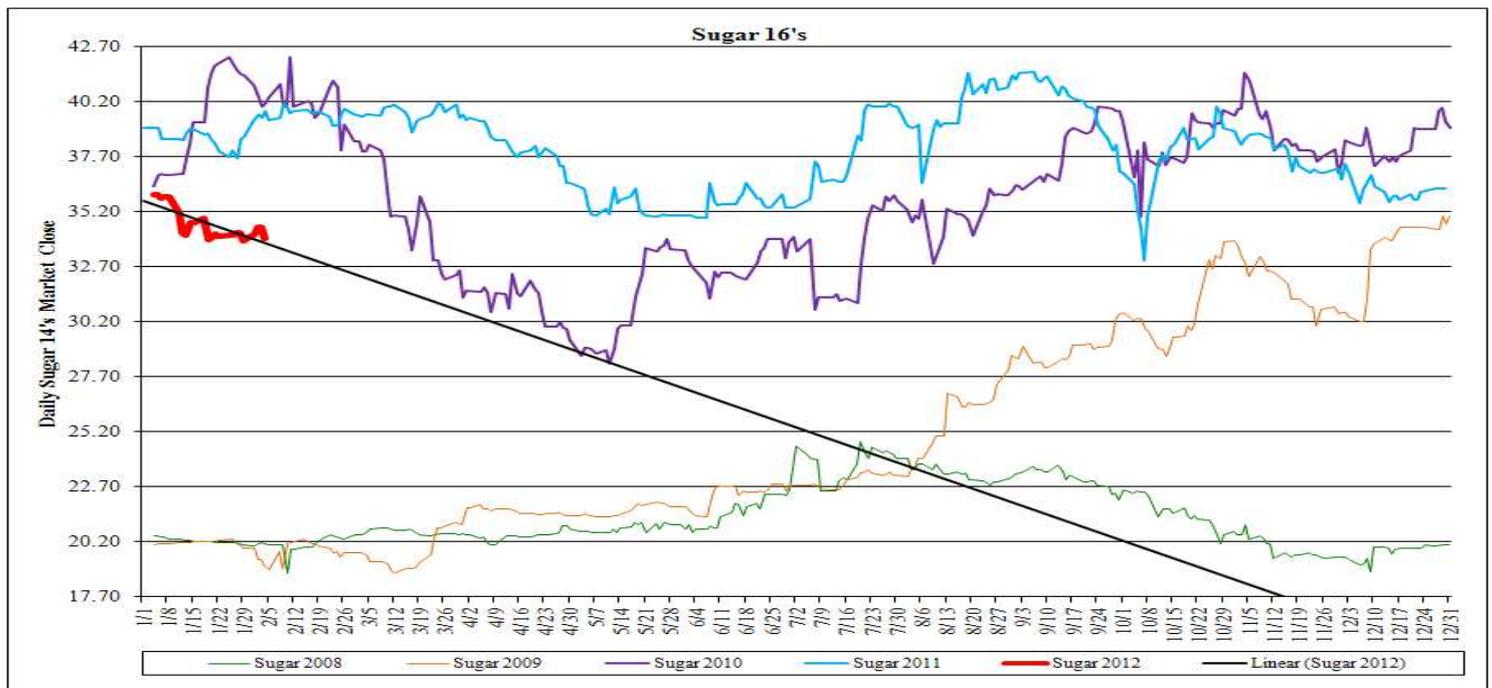
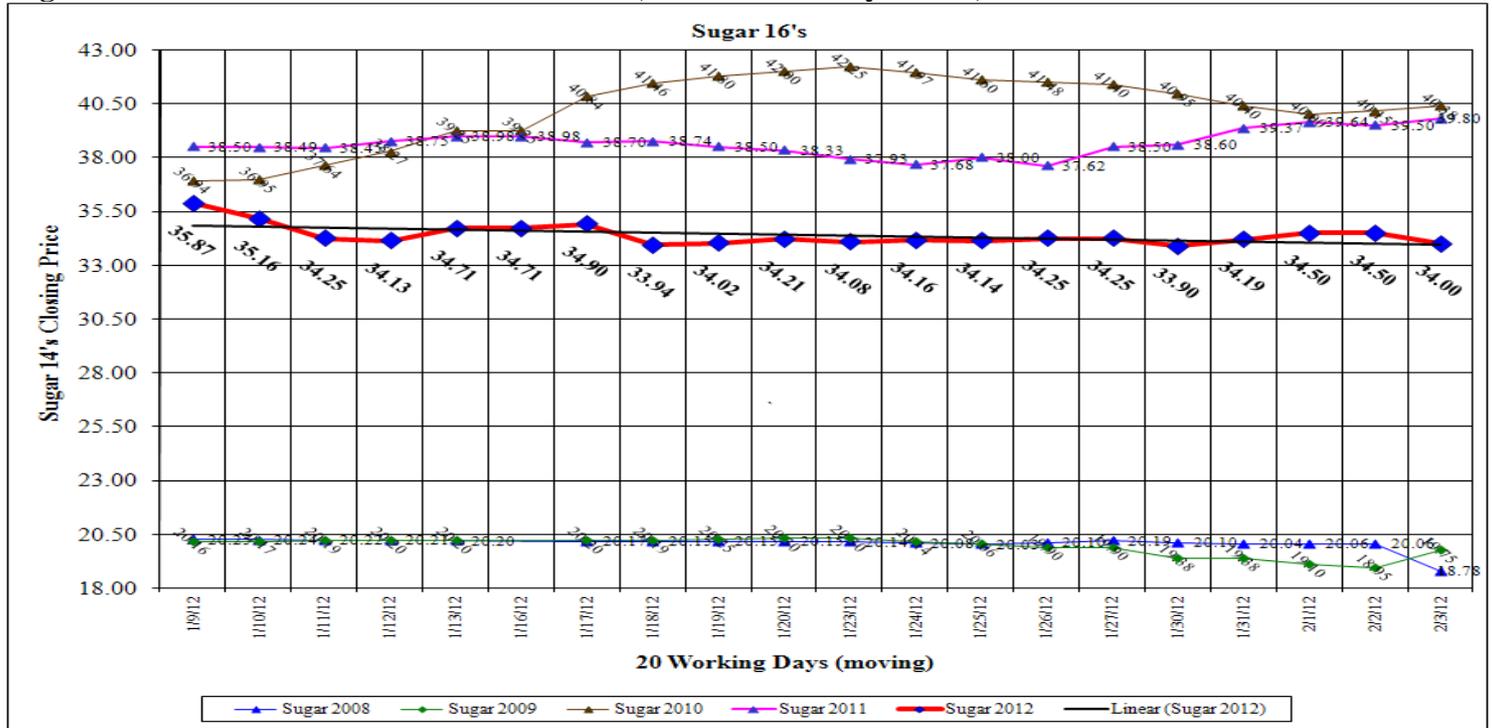
Sugar Market

The potential is there for a decline in Mexican sugar production in 2012 due to dryness. New York sugar futures will now have extending trading hours to accommodate Asian customers; so far all that has happened is that volume has been spread out over a longer period of time.

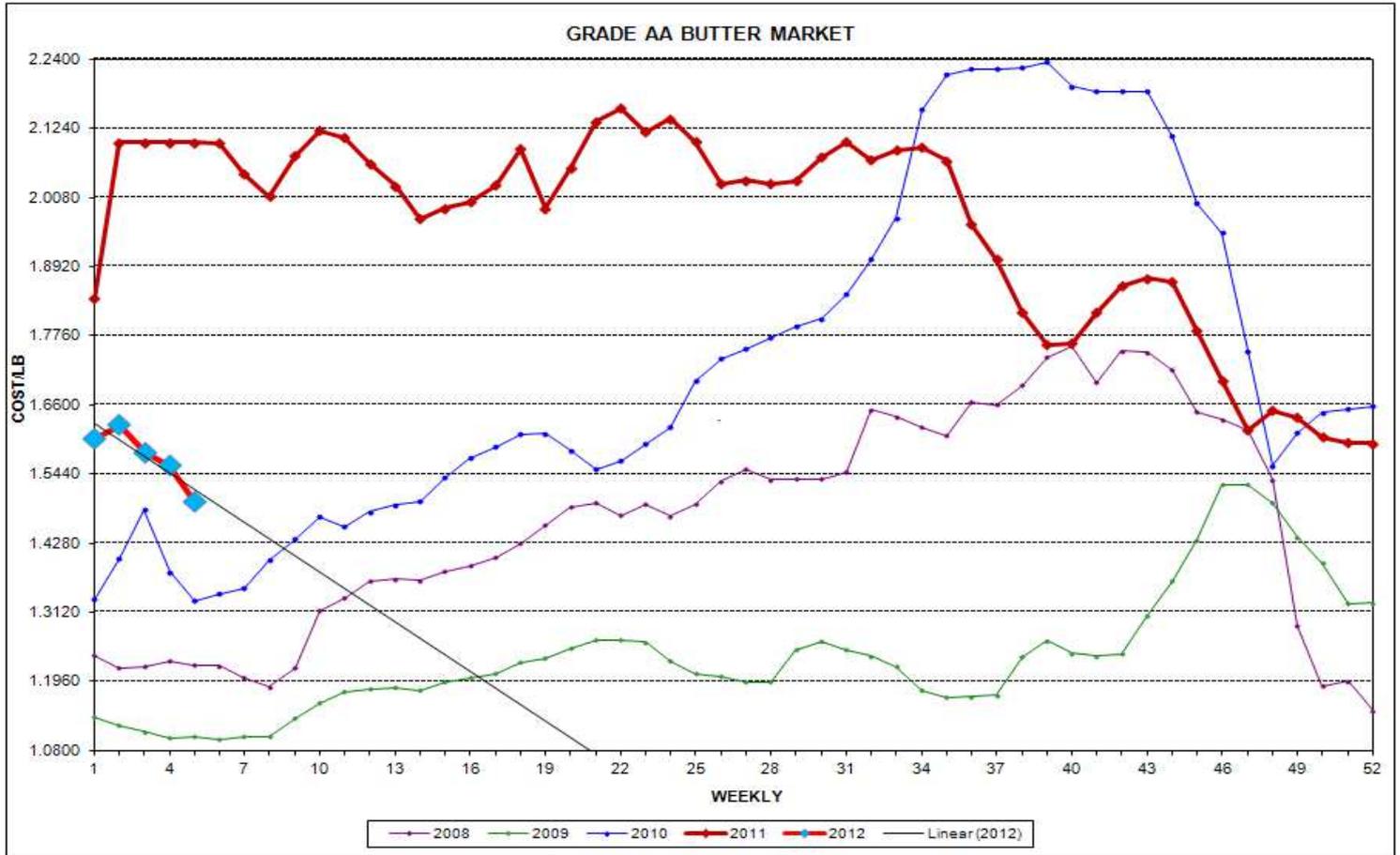
American Crystal Sugar continues to operate with replacement workers. Imperial sugar is offering lower priced sugar in the marketplace, but at the same time they are continuing to have production issues at their Savannah, GA refinery. U.S. supplies of the sugar are going to get extremely tight by Q3; there is already market chatter about tight supplies here and in Mexico.

The U.S. sugar balance sheet is supportive to prices; expect domestic prices to firm.

Sugar 16's closed down \$0.25/cwt for the week (versus last Friday's close).



Butter Dairy Market



Score AA butter closed “no change” on Friday, ending the week at \$1.4925/lb. The weekly average is \$1.498/lb. down \$0.06/lb from last week’s average.

A. Butter Market

The butter price continues to decline and settled at \$1.4925 at week's end, the lowest cash price since late March 2010. Churning activity across the country remains strong as cream supplies are reported to be plentiful to the churn. Although cream supplies are plentiful, some cream handlers report that dispersal of the cream this week was not as hectic as last week. In many instances, churns were running at or very near capacity levels. With churning as active as it is, butter volumes are generally surpassing demand, thus clearances to inventory continue. Commercial butter demand is fair at best. Many buyers are fully aware of the weak trend in the butter price and are hesitant to place large orders in a declining market. International sales have also been limited, but early this week, Cooperatives Working Together (CWT) announced the acceptance of export assistance requests for nearly 11 million pounds of 82% unsalted butter for shipment now through June 2012. The announcement also included cheese assistance with the destinations for the various dairy products being: Asia, Europe, the Middle East, and Northern Africa. This is the first butter export assistance since October 2010.

B. Dairy Powders

Market tones for many manufactured dairy products are weak with prices generally lower. Nonfat dry milk markets are weak with prices unchanged to generally lower from coast to coast. Trade contacts expect the price adjustments in NDM markets to continue as producers use lower prices to move any uncommitted stocks. Drying schedules are increasing to process the added milk supplies in many areas of the country. Some powder producers are generating high heat powder at this time due to capacity availability, before heavier spring flush milk volumes limit high heat production capabilities. Buttermilk powder markets and prices are weak. Buttermilk volumes across the country are increasing as churning schedules are strong. Condensed buttermilk sales are limited, thus drying schedules are increasing. Stocks of buttermilk powder are moderate to heavy and building. They powder markets are weak with prices unchanged to lower across the board. Milk production increases are leading to increased cheese and dry whey production. They sellers are looking at their inventory holdings and feel that this may be a good time to reduce inventories. Some are looking to international markets for this reduction possibility. Lactose and whey protein markets are more stable and prices are holding.

Eggs

Wholesale breaking egg demand is considered average by most for this time of year. There aren't necessarily a lot of individual buyers, but those seeking additional supplies are purchasing multiple loads, sometimes on a daily basis. Most if not all of these trades are completed at normal supportive relationships to the market. Few if any sellers are unable to move product and the same can be said about buyers whom are able to purchase whatever their needs dictate.

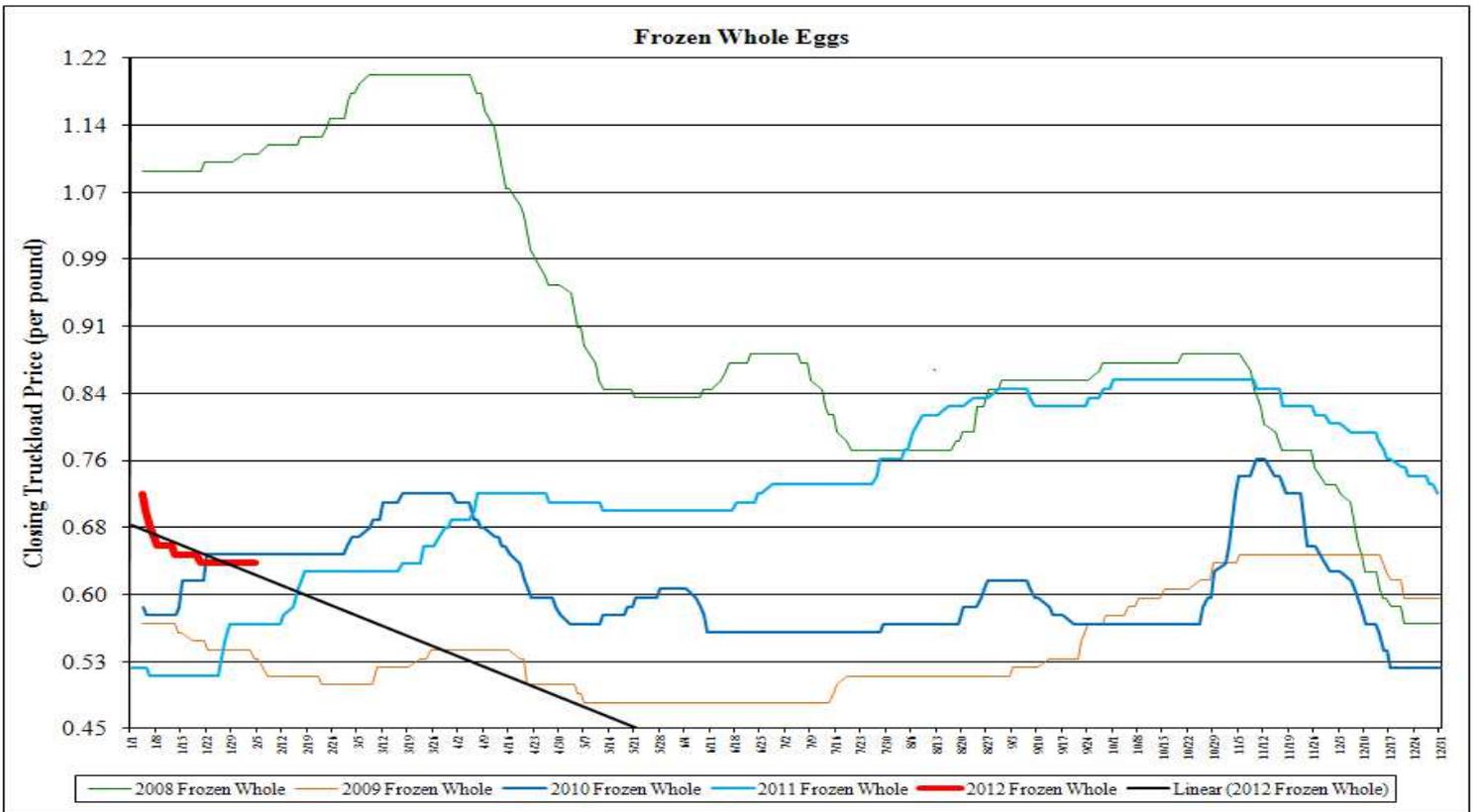
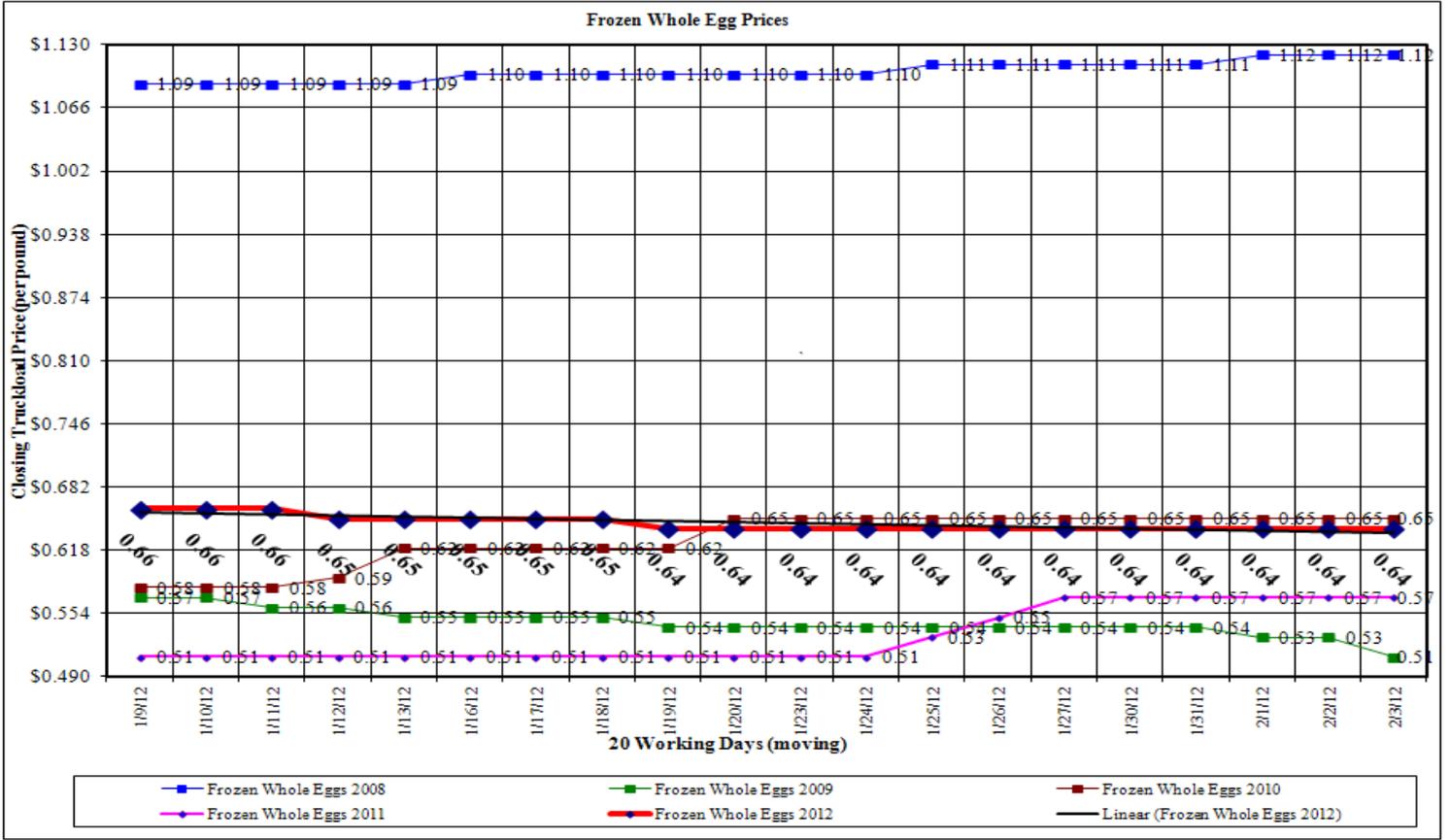
There are some new flocks reportedly ready to enter the lay cycle shortly. This shouldn't come as a surprise to anyone, one month removed from the holiday season. Further processors are not actively pursuing additional supplies; however whatever transactions are reported here generally fall within current market ranges.

Retail demand is reported in a range from fair to at times fairly good. In some instances promotional activity is creating this variance. Most features on generic eggs are attractively priced, but they are not quite as abundant as originally expected. Weather however has yet to be a factor in the marketplace, as it has been the previous few winters. Institutional/foodservice business is average across the country, best where winter retreats are located.

Export opportunities are present for shell eggs as well as egg products. The national shell egg inventory was reported by the U.S.D.A. to be 1,007.9 thousand cases, representing a decrease of 0.8% from last week's figure, but up 8.4% from the same week last year. Breaking inventory has advanced by 1.8% this week, totaling 284.6 thousand cases. The total shell egg inventory is 1,292.5 thousand cases, down 0.3% from the past week's total. Inventories have decline dramatically over the last few weeks, but remain above seasonal norms. The margin year over year has been reduced by 11% since last week's report due to flock adjustments and retail interest. Most are anticipating increased retail need through the beginning of February, reporting feature activity scheduled in several instances. Inventories have accumulated for some this week however, as the month of January quietly comes to a close.

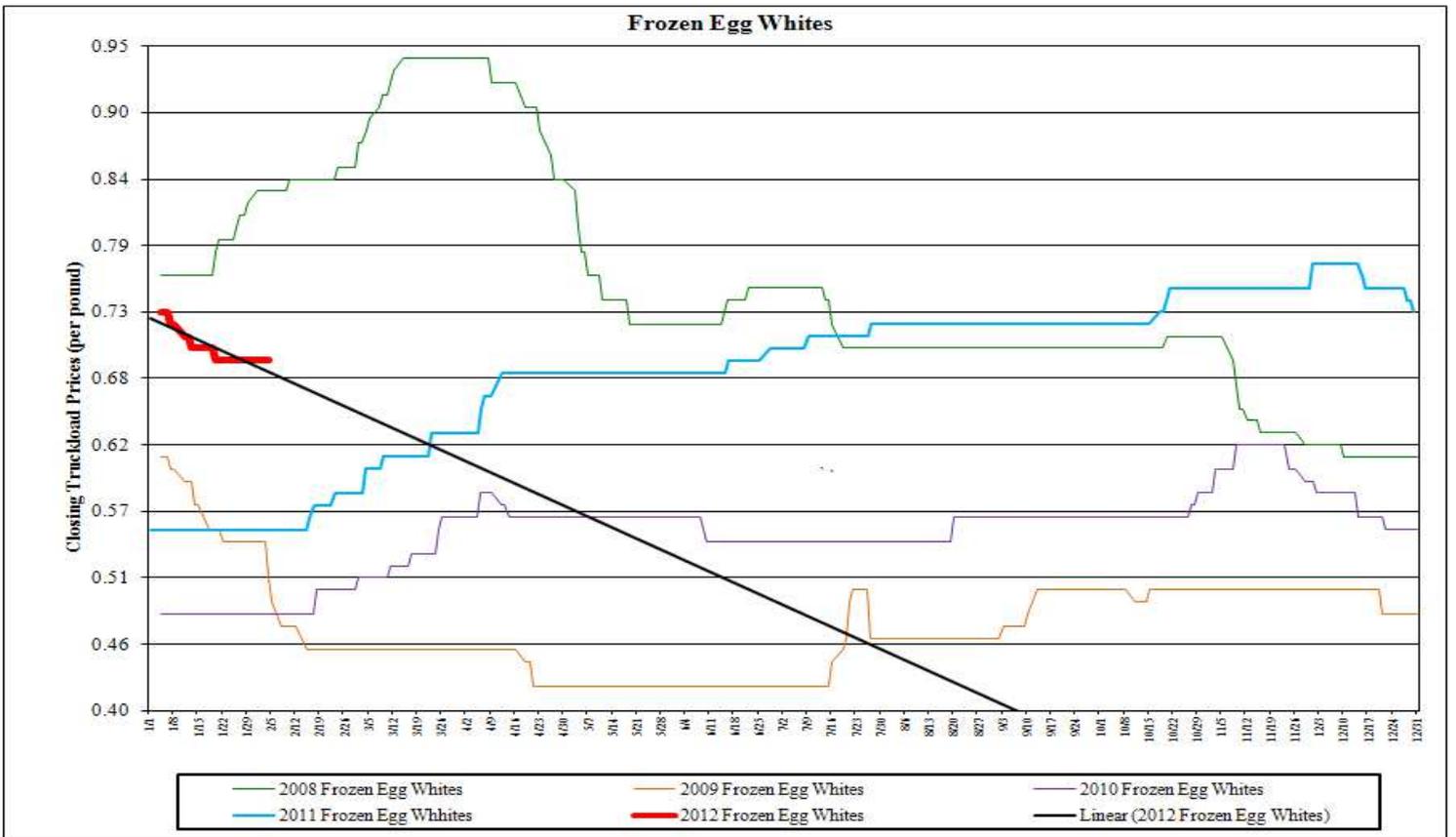
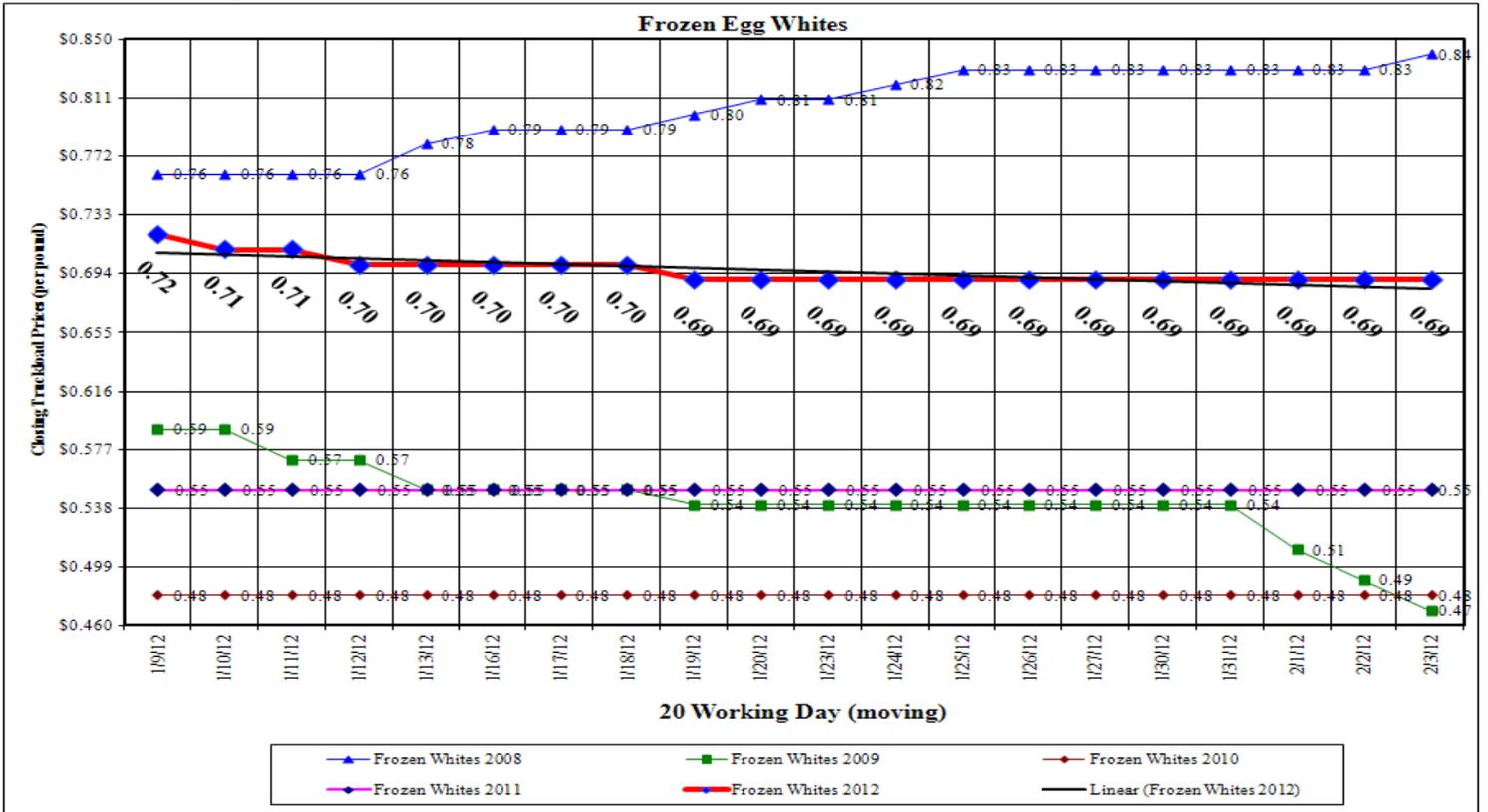
The products market is flat this week. Activity in the liquid whole egg category seems to have settled since a slight rally in demand earlier in the week. Standard and certified liquid whites are trading at the low side, while certified liquid yolk is trending higher. Sellers in the frozen and dried complex are attempting to hold their asking prices, but with buying interest minimal, some are willing to negotiate in order to encourage customers to sign contracts. Demand in the dried and frozen markets are relatively strong and trading freely within current market ranges. Substantial contracts have written on dried and frozen product for delivery thorough the end of the second quarter. Demand of liquid whole egg and yolk is relatively flat at current market values. Liquid whites are lightly tested.

a. Frozen Wholes



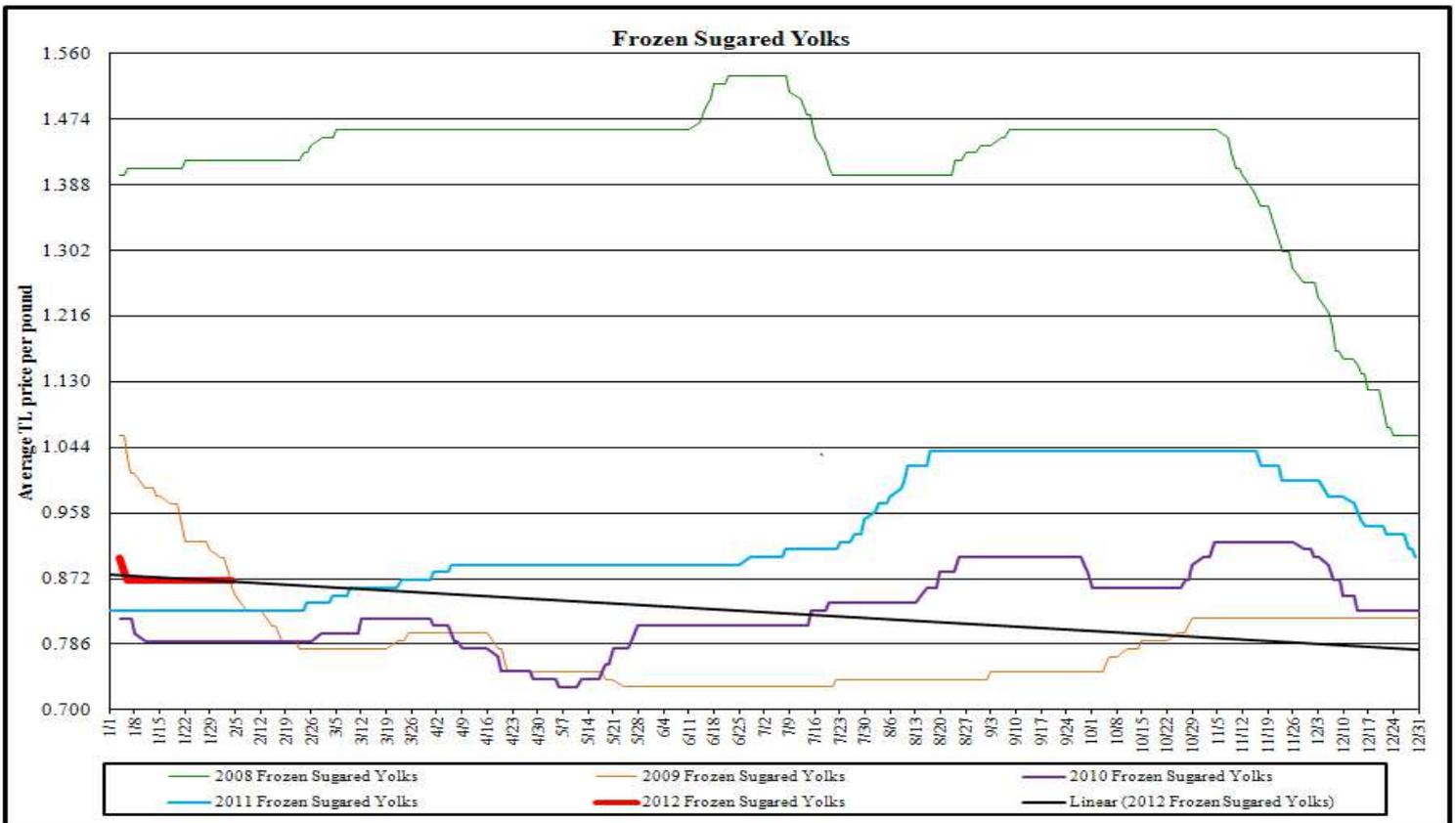
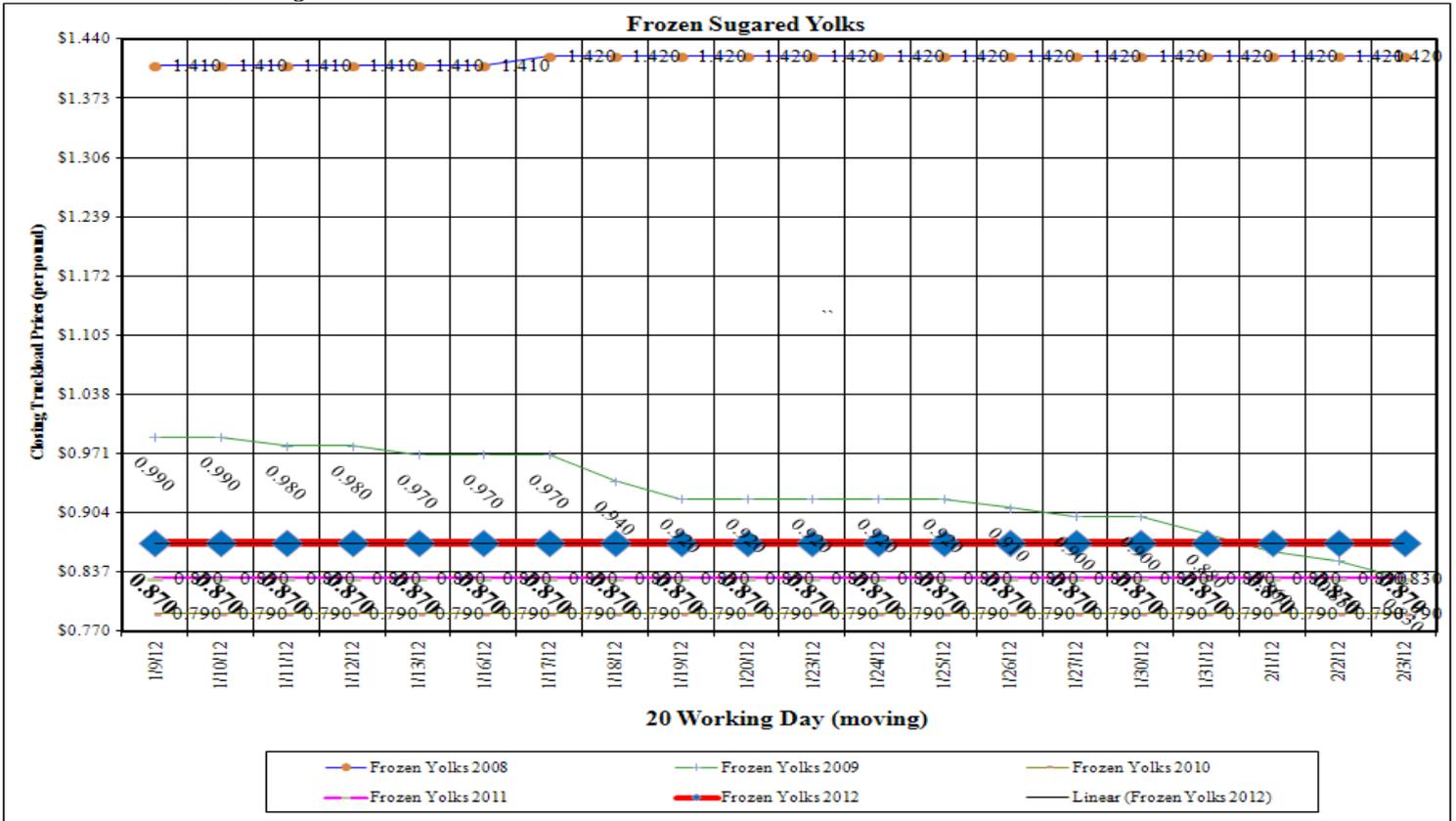
Frozen Whole Eggs closed “no change” for the week (compared to last Friday’s close).

b. Frozen White



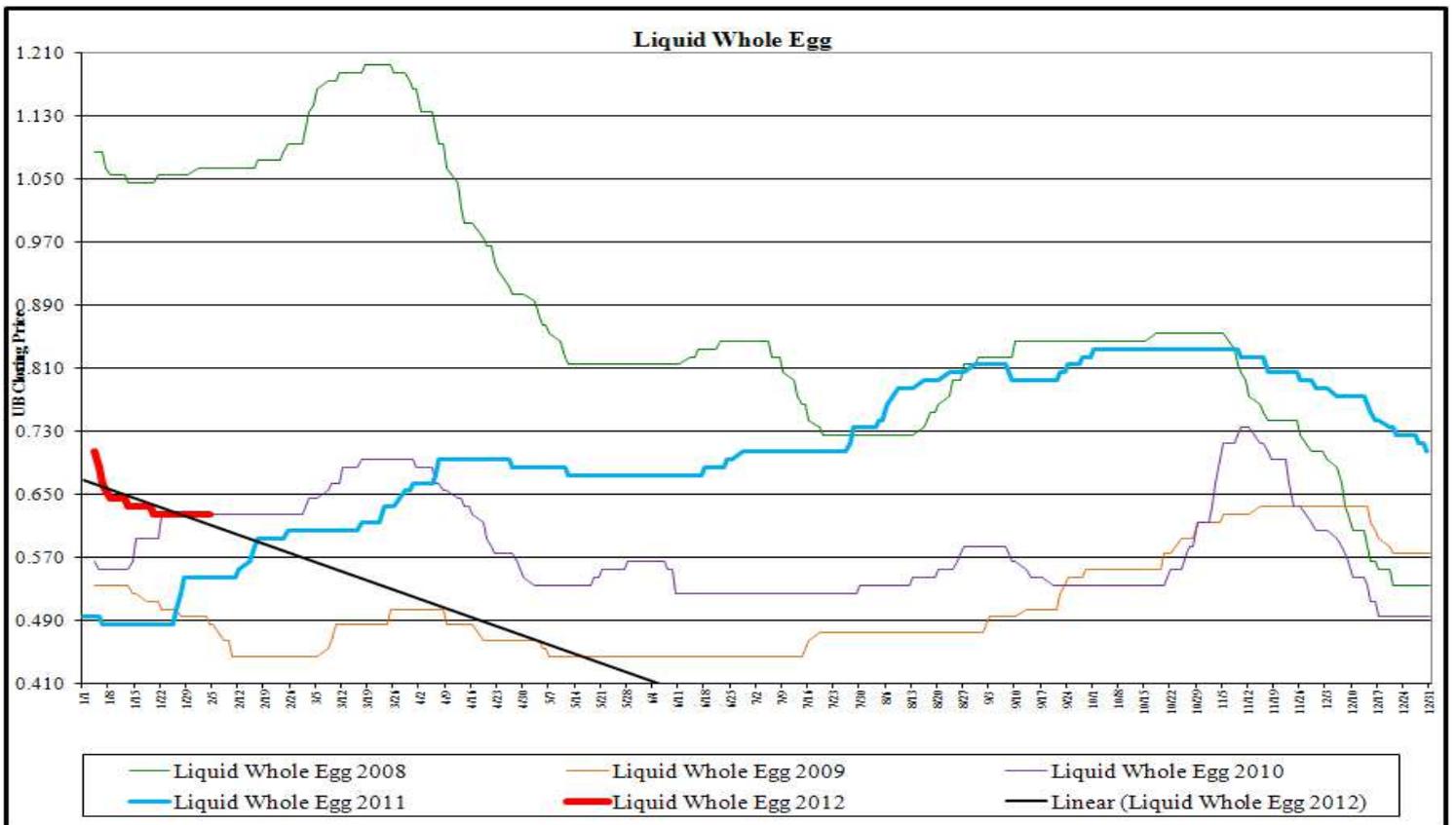
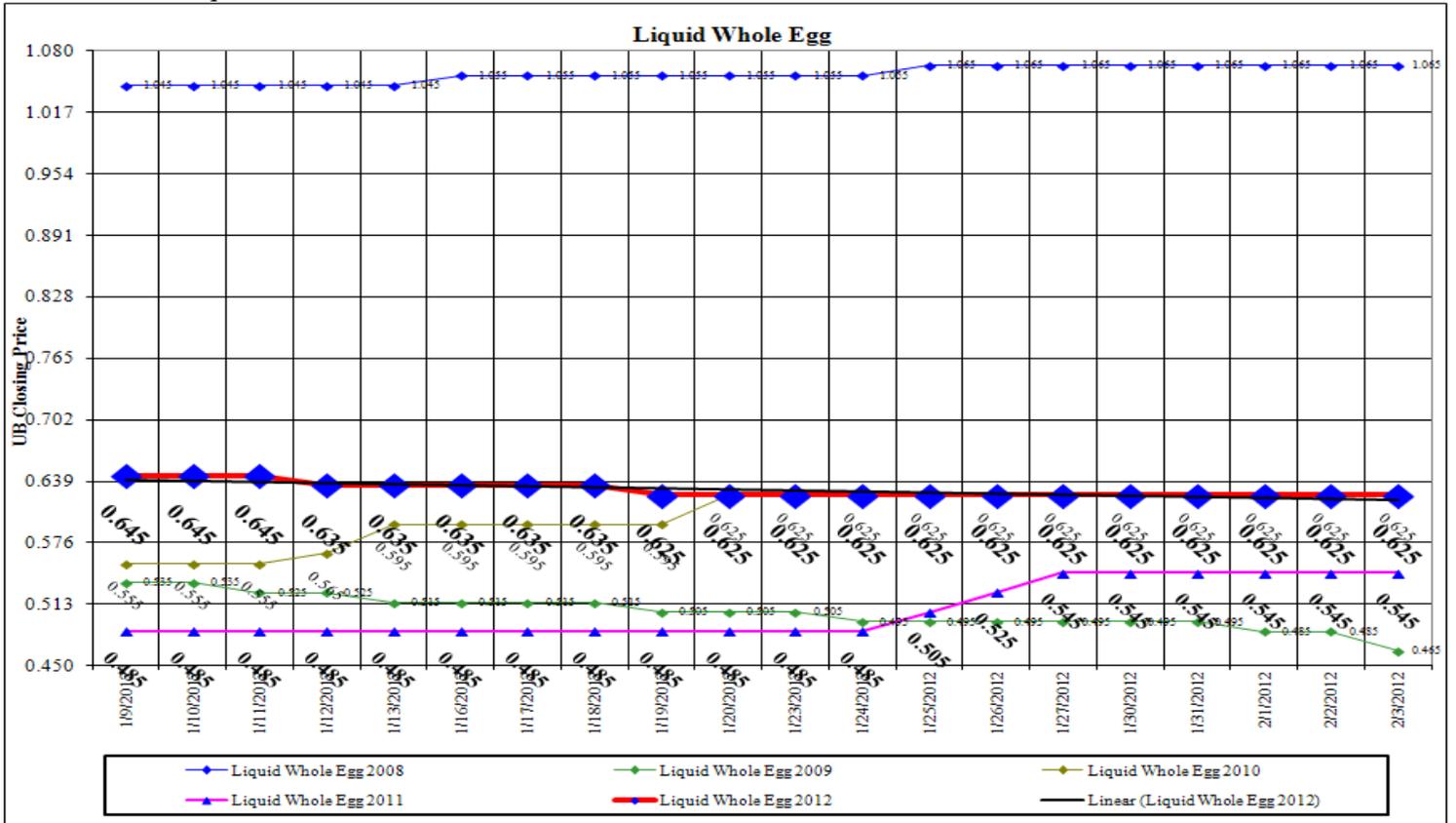
Frozen Egg Whites closed “no change” for the week (compared to last Friday’s close).

c. Frozen Sugared Yolks



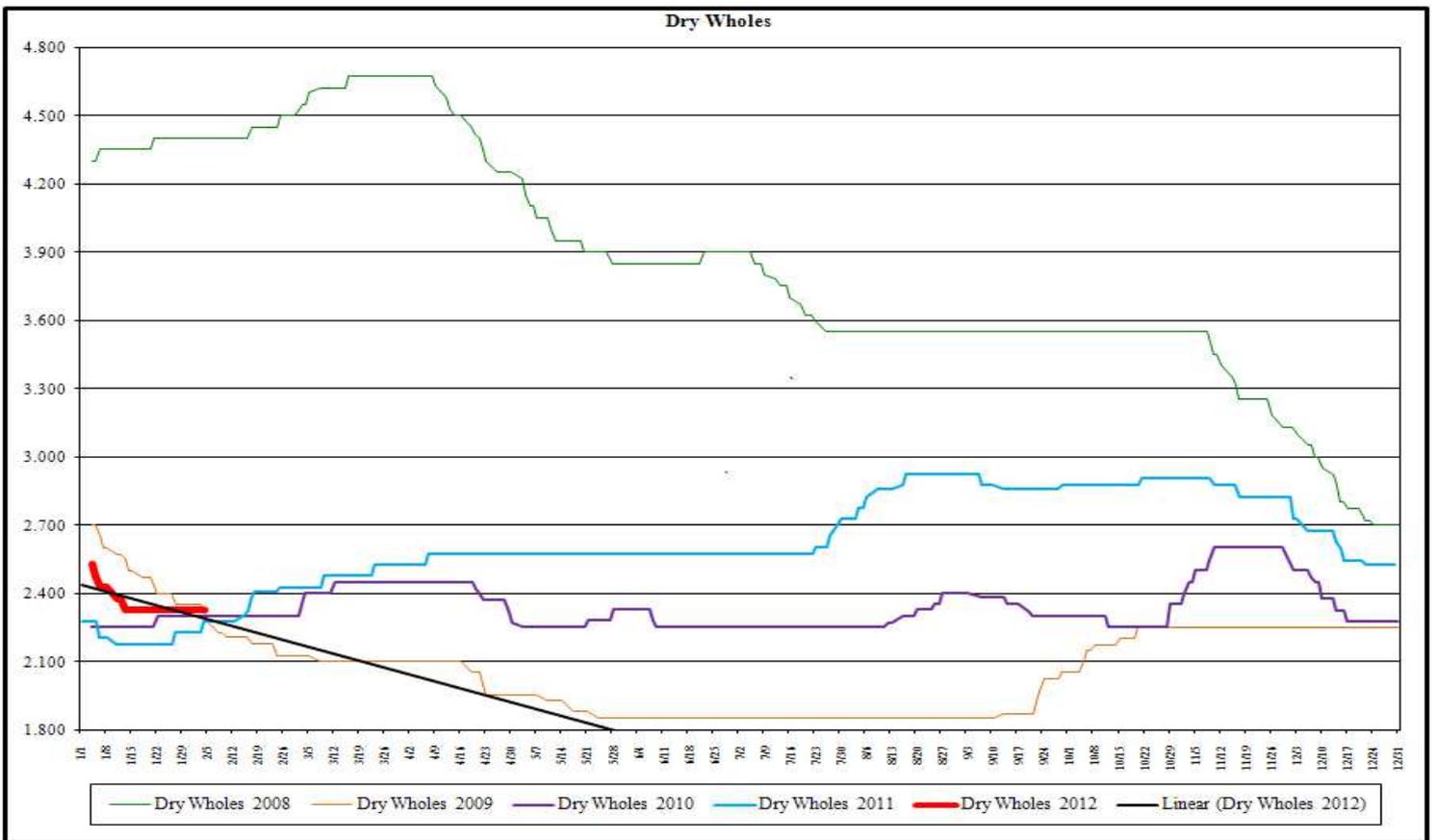
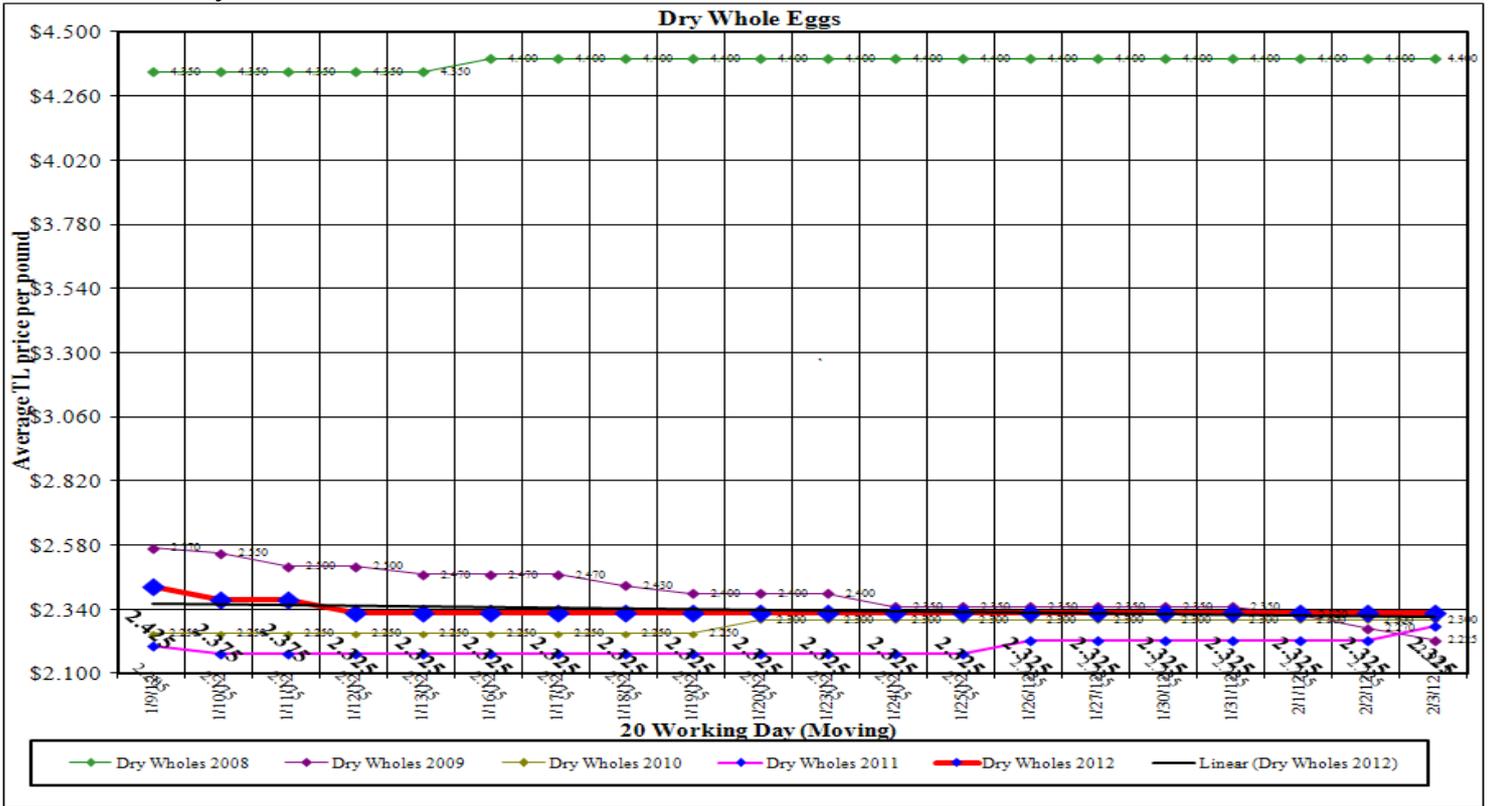
Frozen Sugared Yolks closed “no change” for the week (compared to last Friday’s close).

d. Liquid Wholes



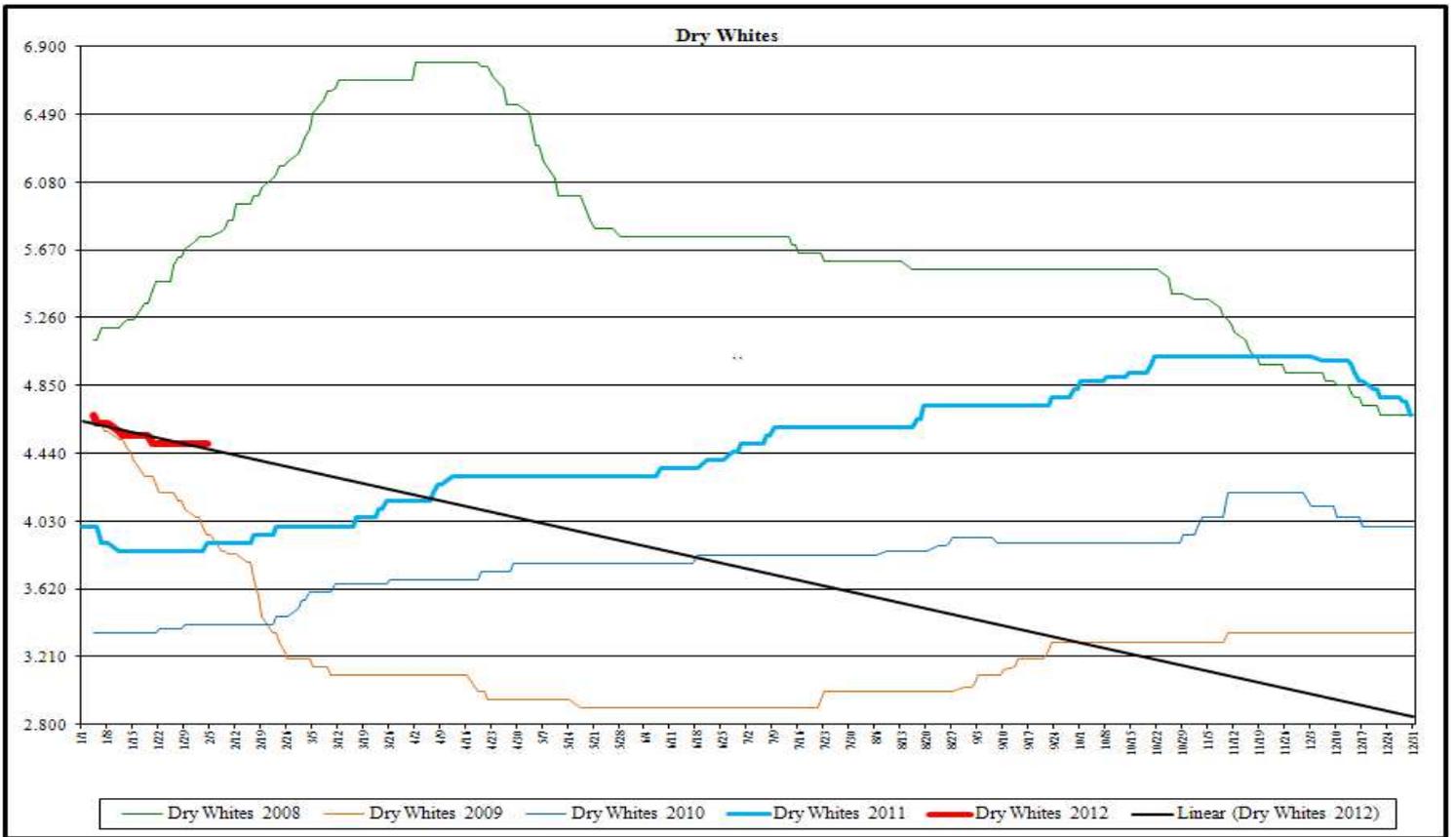
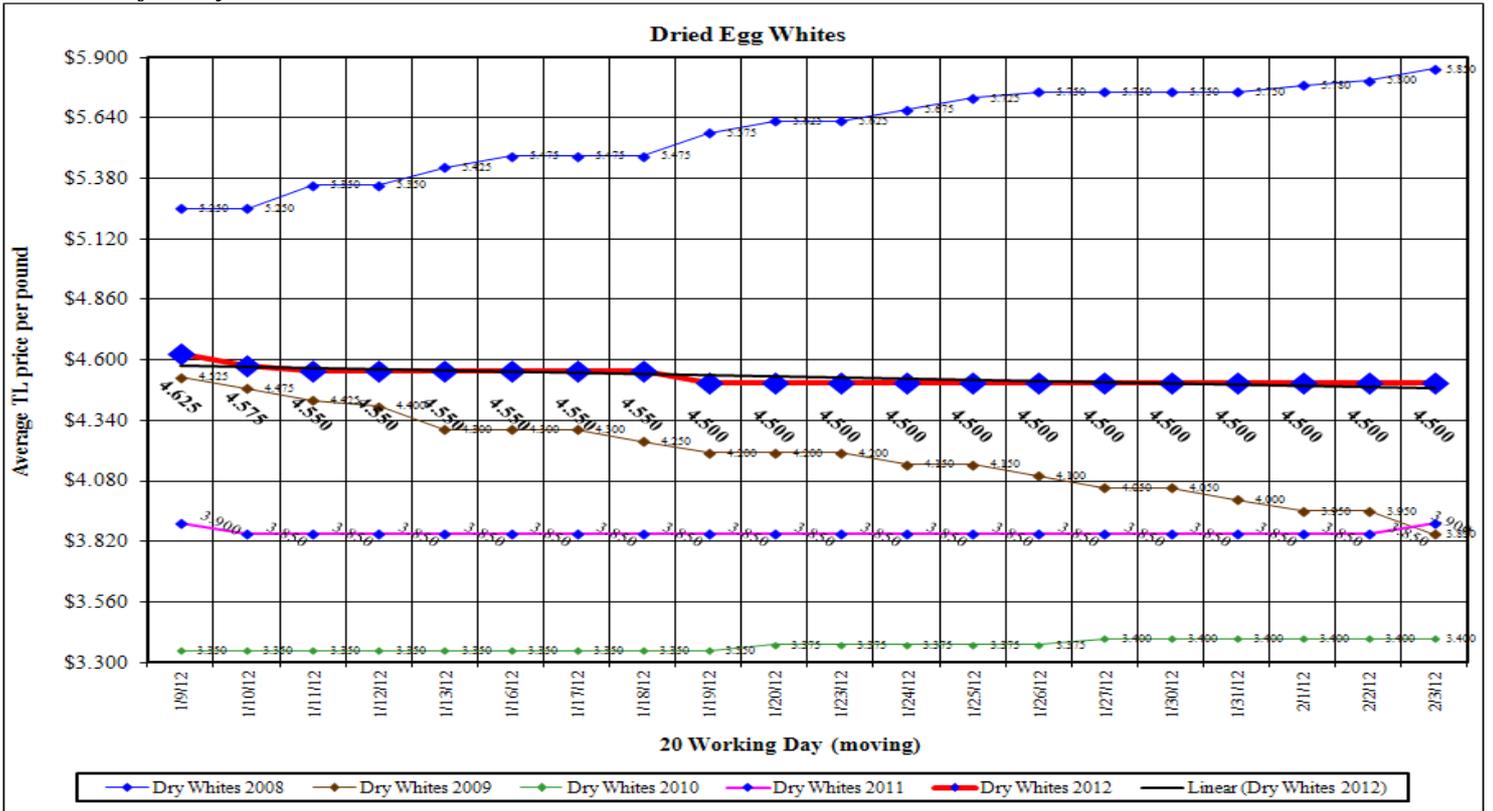
Liquid whole eggs closed “no change” for the week (compared to last Friday’s close).

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

Corn stocks at select export elevators and terminals were up 258,000 bushels from the previous week. Demand from Mexico, one of our trading partners has been strong due to the La Nina drought experienced last year that also affected the Southern Plains in North America. Sao Paulo, a Brazilian state, announced they would be imposing a 25% tax on imported ethanol putting U.S. ethanol at an extreme price disadvantage. Brazil had temporarily suspended a 20% import ethanol tariff last year. Weekly ethanol stocks were up 1.1 million barrels from last month and up 2 million barrels from last year pressuring corn and limiting ethanol price gains. The U.S. exported over 1/3 of our total ethanol exports to Brazil in 2011, so the issue is of interest. Prospects for 2012 are not as good. Shipments to Brazil were already expected to slow down sharply after March or April when Brazilian sugarcane availability ramps up seasonally. November ethanol production in the U.S. was 1.190 billion gallons, representing roughly 425 million bushels of corn consumption before DDG netback.

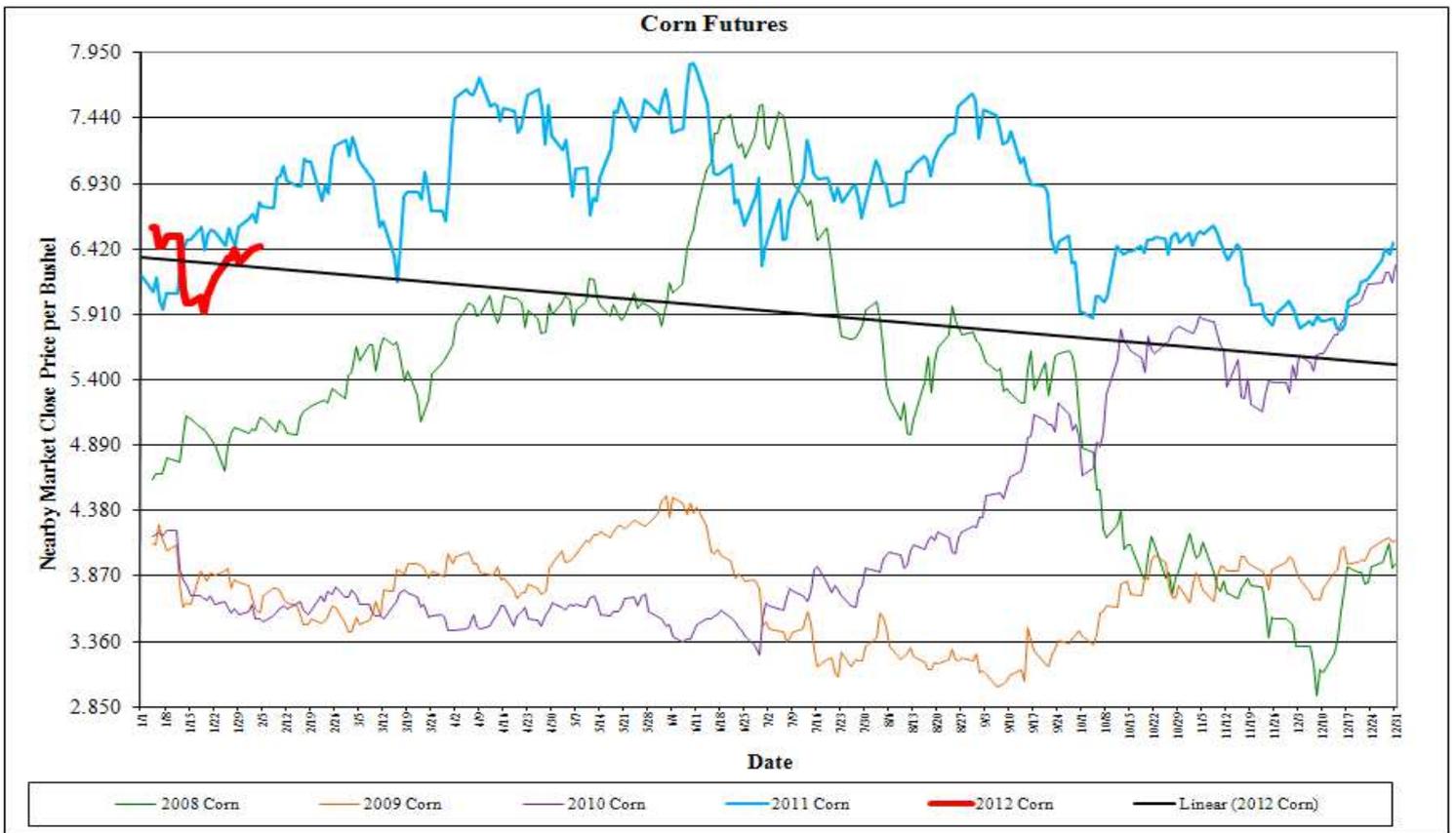
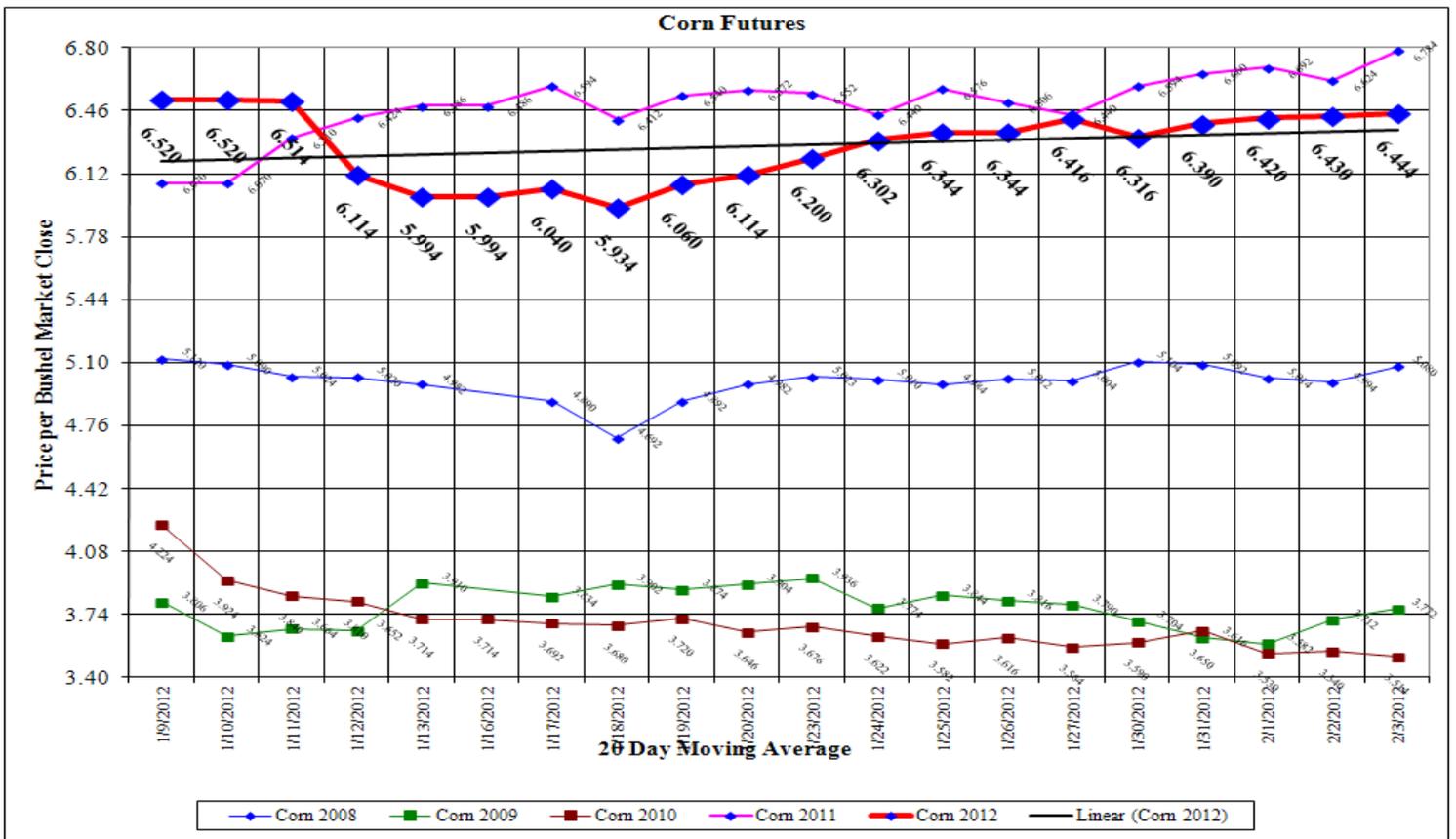
The downward pressure on the dollar is helping to support corn prices. Cash basis levels were steady at the Gulf and steady to higher in the Midwest.

As we head into the planting season the market seems to be saying corn has to keep its head above water in order to invite the acreage and make up for lost production in South America. A higher export sale number for corn last week will feed into support. Some of the sales were to Mexico where a terrible drought has plagued the region. Mexico corn sales are at the largest number noted in recent history for this early in the season.

Global export demand has picked up and lack of producer selling should keep U.S. basis at very high levels. Weekly export sales hit 912,000 MT for 2011/2012 and 63,000 MT for 2012/2013 in line with trade expectations. Trade estimates for sales ranged from 700 to 1100 thousand MT for the week ending January 26th. Export shipments were 669,600 MT, bringing year to date shipments to 16.883 MMT.

Corn has all but recovered the losses associated with the last "shock" number released by the U.S.D.A. Farmer selling is less than anticipated, stimulating cash corn values. The American farmer has no reason to sell grain as he is flush cash. Would anticipate \$7.00 cash corn would get the farmer interested. Until then look for the farmer to be on the sidelines.

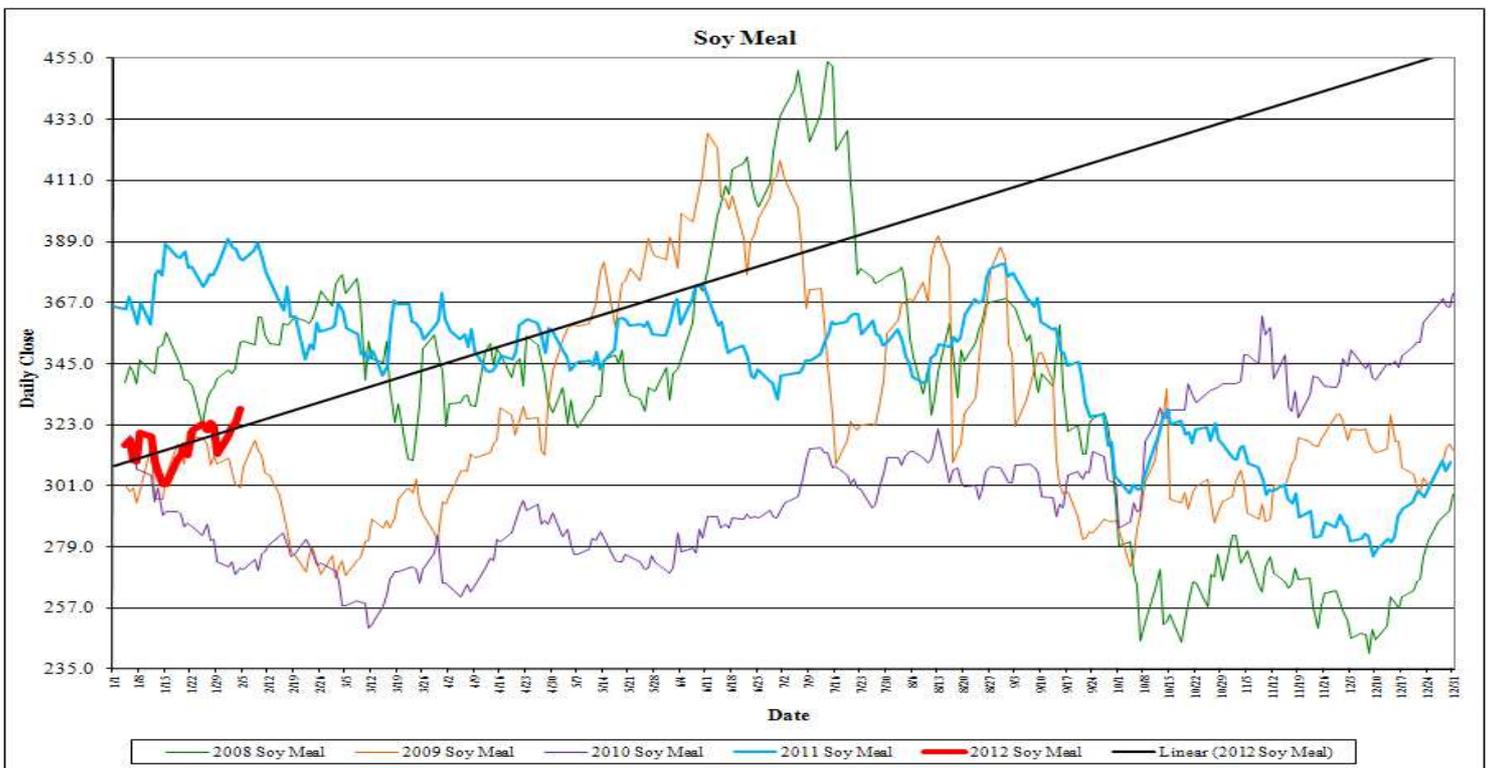
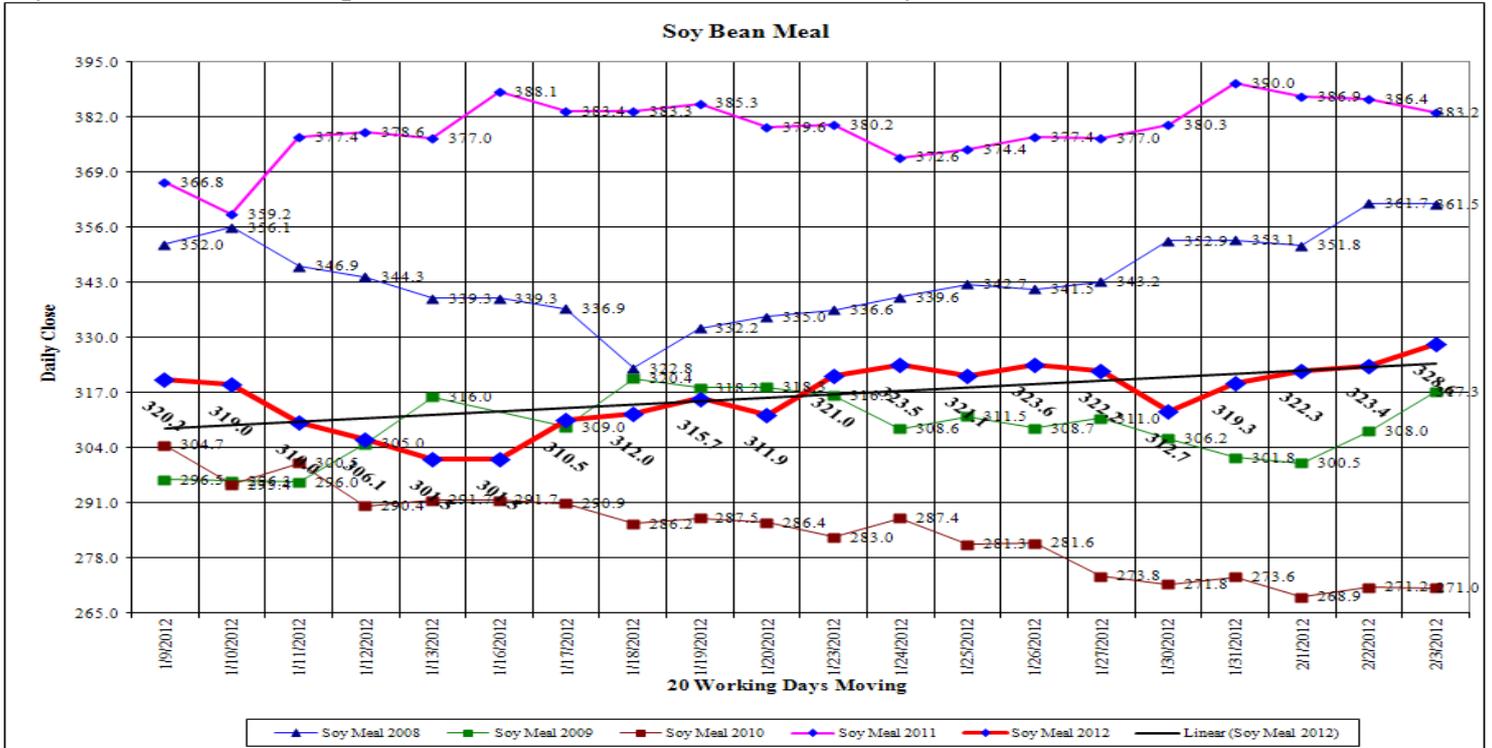
Corn futures closed up \$0.028/bushel for the week (versus last Friday's close).



Soy Meal

Domestic soybean meal premiums firmed as talk circulated of EU buying U.S. soybean meal rather than from South America. Maybe U.S. can gain back some of its lost export market in short run. Soy meal exports were reported as 74,700 metric tons for 2011/2012 (versus an expected 100-200, down 40% from the previous week and from the prior 4-week average).

Soy meal futures closed up \$6.40/ton for the week (versus last Friday's close).



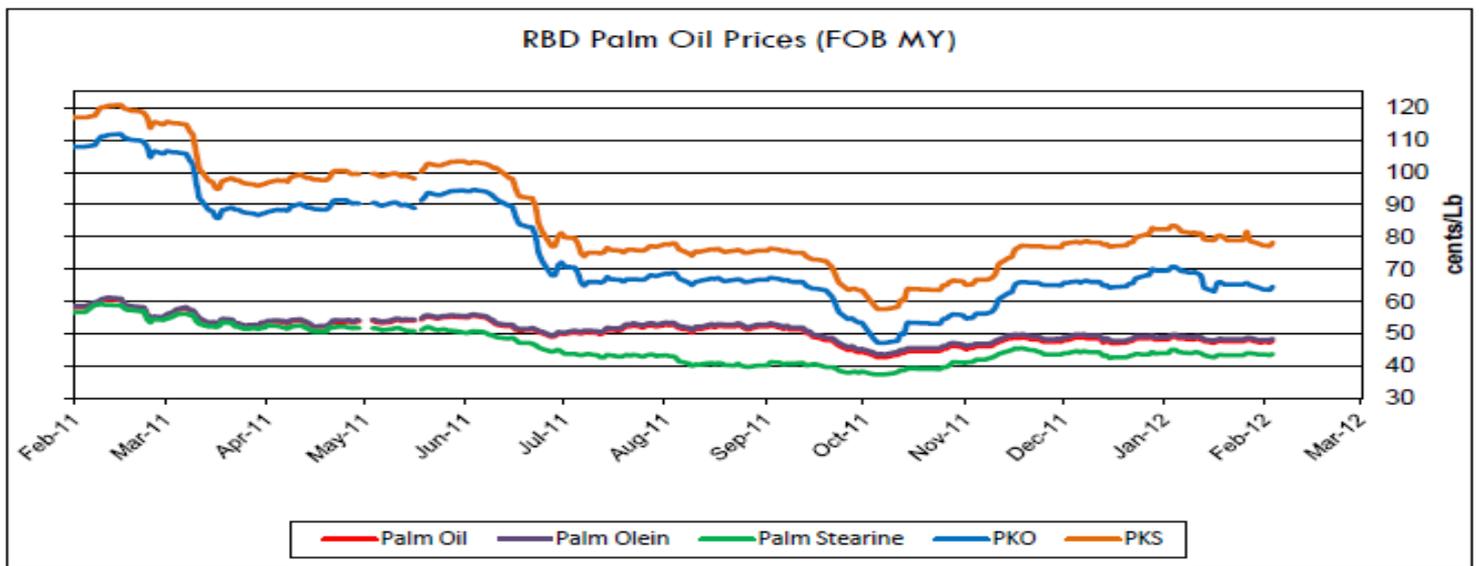
Palm Oil

Malaysian crude palm oil touched a new six-week low as the ringgit currency strengthened against the U.S. dollar, making it expensive for refiners to buy feedstock to process at a time when demand has slowed. April Malaysian palm oil settled lower for the week, but up from its 6-week low of 3,036. Weaker crude oil prices, still slack export demand on higher competition from Indonesia and the firmer Malaysian currency pressured prices. But traders also say that output in January may have declined 12%, suggesting month-end stocks will be unchanged or see a smaller increase than earlier thought. This week **Oil World** said it expected palm oil prices to start strengthening due to insufficient global supplies of soy oil and rapeseed oil. Malaysian markets will be closed again on Monday and Tuesday.

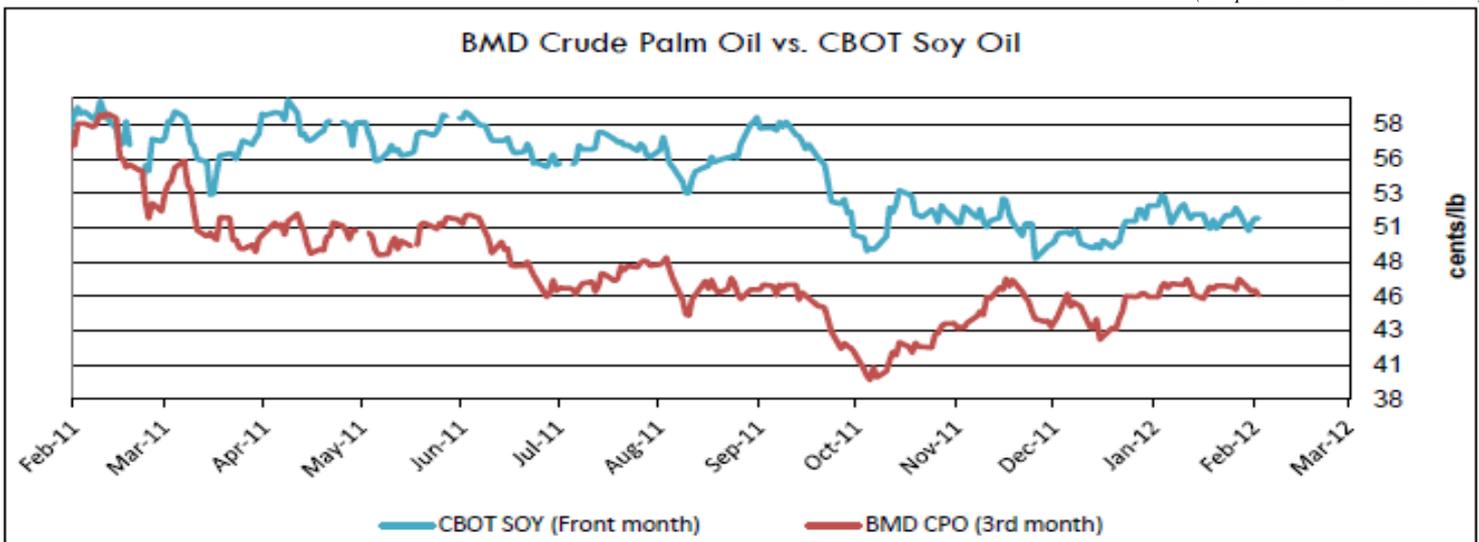
Investors fretted about the prospects of weakening demand for the edible oil and uncertainty surrounding the euro zone debt crisis. Greek Prime Minister Lucas Papademos raised investors hopes on Tuesday, saying negotiators had made "significant progress" in talks to strike a debt restructuring deal, with the aim of having a definitive agreement by the end of this week.

But just as Greece's problems moved toward a resolution, concerns are growing that Portugal might need a second rescue as Lisbon's borrowing costs soar.

Cargo surveyor data also pointed to a 12% and 13% decline in Malaysia's palm oil exports for January, weighing on sentiment and limiting trade interest in the futures market that has lost slightly more than 3% this month. Some traders attributed the decline in Malaysian palm oil exports to the shift in orders to top producer Indonesia, which slashed export taxes for processed oils.



(Graph source: Loders Croklaan)



(Graph source: Loders Croklaan)

Energy Markets

Crude petroleum closed down this week on growing U.S. stocks of crude and refine products. With mild winter thus far in U.S. consumption has fallen below projections. In overnight events Brent crude firmed following remarks from U.S. Defense Secretary Panetta stating he “believes Israel will attack Iran as early as April to stop Tehran from building a nuclear bomb”. This immediately brought terse warnings from Iran. Following release of jobs numbers crude firmed \$0.50/barrel as numbers take to show stronger than expected recovery underway in U.S. economy.

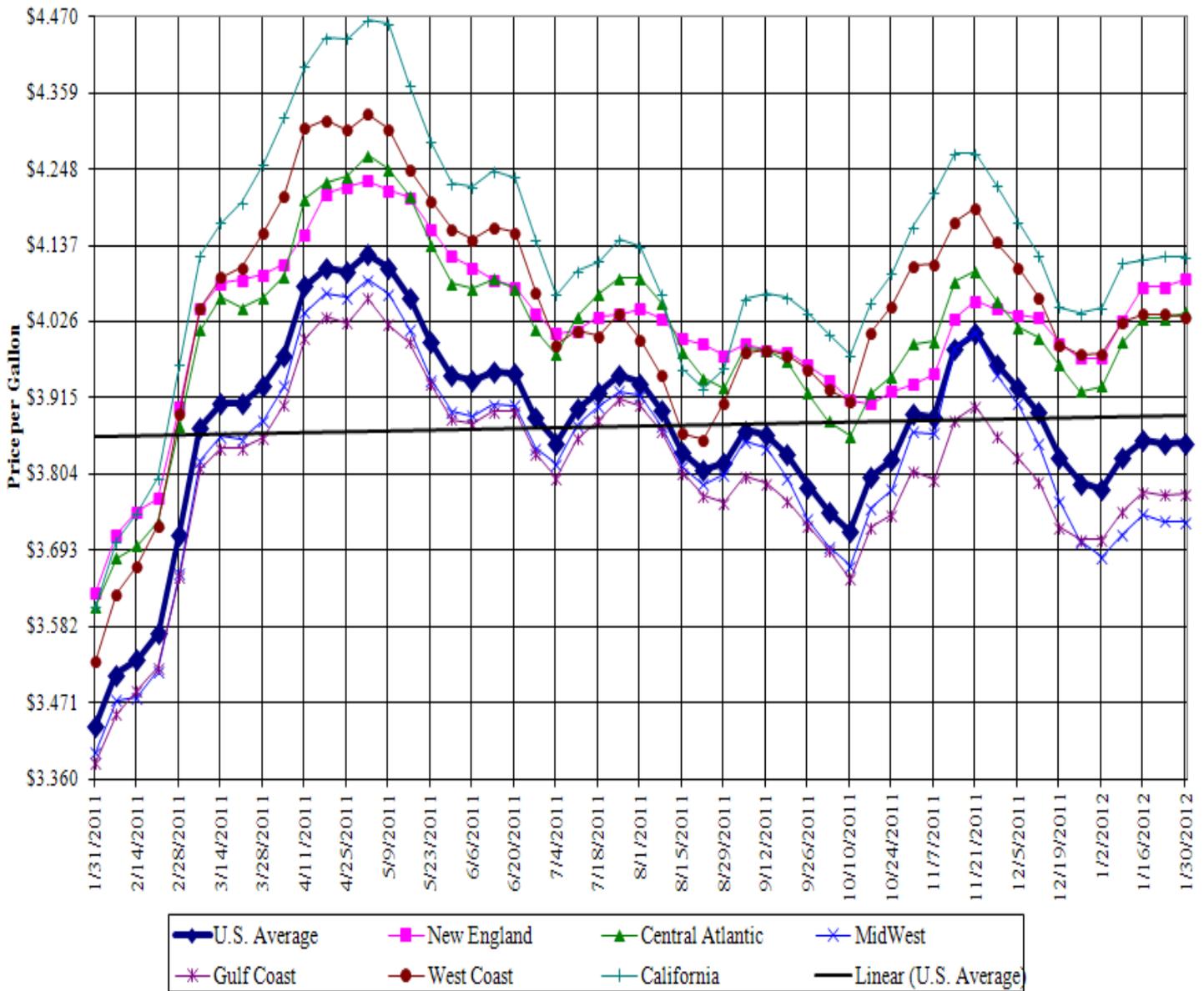
Mideast tensions had abated slightly when Iran agreed to accept a U.N. nuclear weapons/power investigator into the country and signaled it’s willing to reopen talks with western powers over economic sanctions. Skeptics, of course, argue Iran is only doing this to buy time to continue weapons development.

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
1/31/2011	\$3.4380	\$3.4940	\$3.6330	\$3.6110	\$3.4320	\$3.3990	\$3.3840	\$3.3960	\$3.5330	\$3.6120
2/7/2011	\$3.5130	\$3.5650	\$3.7170	\$3.6820	\$3.5010	\$3.4750	\$3.4550	\$3.4590	\$3.6300	\$3.7070
2/14/2011	\$3.5340	\$3.5870	\$3.7490	\$3.7000	\$3.5240	\$3.4790	\$3.4890	\$3.5110	\$3.6710	\$3.7470
2/21/2011	\$3.5730	\$3.6200	\$3.7690	\$3.7340	\$3.5570	\$3.5170	\$3.5220	\$3.5680	\$3.7290	\$3.7990
2/28/2011	\$3.7160	\$3.7640	\$3.9030	\$3.8750	\$3.7030	\$3.6610	\$3.6560	\$3.6980	\$3.8920	\$3.9640
3/7/2011	\$3.8710	\$3.9080	\$4.0460	\$4.0140	\$3.8500	\$3.8230	\$3.8120	\$3.8450	\$4.0460	\$4.1220
3/14/2011	\$3.9080	\$3.9460	\$4.0810	\$4.0610	\$3.8850	\$3.8590	\$3.8420	\$3.8880	\$4.0910	\$4.1700
3/21/2011	\$3.9070	\$3.9380	\$4.0870	\$4.0460	\$3.8780	\$3.8550	\$3.8410	\$3.9250	\$4.1040	\$4.1990
3/28/2011	\$3.9320	\$3.9520	\$4.0950	\$4.0610	\$3.8920	\$3.8830	\$3.8570	\$3.9590	\$4.1550	\$4.2560
4/4/2011	\$3.9760	\$3.9820	\$4.1090	\$4.0920	\$3.9230	\$3.9320	\$3.9050	\$4.0170	\$4.2090	\$4.3230
4/11/2011	\$4.0780	\$4.0820	\$4.1540	\$4.2040	\$4.0240	\$4.0400	\$4.0010	\$4.0970	\$4.3080	\$4.3970
4/18/2011	\$4.1050	\$4.1110	\$4.2120	\$4.2290	\$4.0510	\$4.0680	\$4.0330	\$4.1260	\$4.3190	\$4.4400
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

Diesel Fuel Prices in Dollars per Gallon
52 Week Moving



Fruits/Nut Markets

Citrus—US (CA): Citrus harvest in full swing

The South Californian citrus harvesting is under way. Many consumers tend to think of citrus fruits as being summer produce, but in California the majority of produce is harvested in winter or early spring and, next to Florida, the state has the highest citrus yield in the U.S. What is “on offer” is diverse to say the least. Blood oranges have been singled out as likely to do very well this season as have grapefruit. The grapefruit rush starts with the Chinese New Year, but continues well enough after as people continue to use them to make juices. Tangerines are also being gathered in high quantity this year, as are tangerines, the tangerine, grapefruit hybrid. Two main lemon varieties are being offered by Californian growers - Lisbon and the sweeter, orange crossed, Meyer.

Citrus—Florida and California citrus predictions drop slightly

Florida and California reported very little damage to citrus from freezing temperatures in early January. Despite this however, the U.S. Department of Agriculture released a crop estimate that shows a slight decrease from earlier projections. About 8.98 million tons of oranges are expected to be produced in 2011-2012—2% lower than the previous forecast but still 1% higher than last season, according to the U.S.D.A.'s National Agricultural Statistics Service. Total potential damage caused by freezing temperatures is still not confirmed and will not be for several more weeks yet.

There will be "some damage" to mandarins "in the northern part of the citrus belt," Shirley Batchman, director of government affairs for California Citrus Mutual in Exeter, California, said on January 17th. "We just don't know the level of that damage."

Florida is expected to produce about 147 million boxes of oranges, up from 140 million boxes last season. California should produce about 58 million boxes, down from 62 million.

Strawberries—US (WI): Strawberry volumes down in 2011

FreshPlaza reported that Wisconsin had held onto second place nationally for produce production for processed foods in 2011. Today it has been revealed that the state had saw a decline in fresh strawberry production last year. Production totaled 40,000 cwt in 2011. That's down from 41,000 cwt in 2010. According to the state's agriculture department, producers harvested 700 acres of strawberries in 2011, down from 710 acres the previous year. Average yield per acre, at 57 cwt, was down from 58 cwt in 2010. The overall average price per pound rose to \$1.61 from \$1.57 last year. Nationally, 57,470 acres of strawberries were harvested for a total production of 28.9 million cwt., with an average yield per acre of 504 cwt. The average U.S. price per pound was \$0.83.

Fruit and Nut growing conditions—California US (CA): No snow means water table low

Snowmelt from California's Sierra Nevada is much lower than usual at a meager 15 inches in places. This is bad news for growers in the state who are dependent upon the melt water for the irrigation of over a million acres of farmland. The arid Central Valley provides most of the nation's table grapes and 80% of the world's almonds, in addition to 400 other crops. The valley is dependent upon the melt water and is particularly at risk, due to much of its production being from permanent, tree and vine crops, and not from annual ones. The struggle is going to be in keeping the plants alive.

Nutmeats—Georgia US (GA): Increased demand, value and costs for nut growers

Rising demand for peanuts and pecans is good news for Georgian growers, especially as prices are rising also. However, there are some downsides. The cost of production has also risen, with increases in prices of fuel and fertilizer. Kent Wolf, an agricultural economist with the University of Georgia, credits overseas demand for pecans for part of the increased grower returns. In 2005, for example, China bought 5 million pounds of pecans. By 2010, this had risen, not inconsiderably, to 100 million pounds.

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