

Weekly Commodity Markets Review

From: Joe Schmidt

Date: March 16, 2012

As we close out the week, we find that Ag markets have made a strong statement by moving to 6 month highs for the soybean market and up 4% for corn this week along. Funds have been buyers of both these markets on Chinese purchases of soybeans and corn.

Drought in South America has turned more than an expected share of business back to the U.S. Export sales have included China in the mix. In the meantime, the trade is worried that further losses in South America may be coming, given cash basis level strength. And that will not let the markets relax too much.

All eyes on U.S. weather now—which is incredible—and looks like we will have another 6- 10 days of extremely warm weather. At this pace we could have a very early planting; which would put pressure on market that is expecting a huge planting—especially in corn. We also cannot ignore weather in Canada. Last year lost many acres due to flooding, which does not look like the case this year, so North America could plant record acres this year—and we need to... In its spring weather outlook, NOAA said the U.S. faces little threat of spring flooding for the first time in four years due to low winter precipitation, but drought concerns remain in the south and the western part of the country. It called for above-normal temps in most of the country and for the drought to persist in the south and expand into the Southwest. It did warn that the Ohio River Basin and parts of the Gulf Coast could experience above-normal flood risks in spring due to high river levels and forecasts for above-normal precipitation.

Until market gets to read U.S.D.A.'s March 30th stocks in all positions and planting intentions reports, any periods of price weakness will be short whereas rallies will be well supported.

Flour Markets:

Wheat futures rallied across the board this week, although the unseasonably warm weather has farmers getting into the spring wheat fields early to prep for planting. The winter wheat crop is in much better shape than a year ago with recent warm temperatures and some rainfall. Kansas rated its crop at 53% good to excellent. A late season freeze could still hurt the crop, but, fortunately, there are none in the forecast. Tight supplies of U.S. old crop corn are supporting the wheat market; however, abundant world wheat stocks offer resistance to the corn. U.S. exports could increase as U.S. wheat is still the cheapest in the world.

Strength in the corn market is spilling over into the wheat pits. Wheat futures have been narrowing their trading range over the last several months and have been mainly trading sideways awaiting other fundamental factors that may alter the current course. Warmer than normal temps will spur rapid (and maybe too rapid) growth of the winter wheat crop and allow for early planting of the spring wheat. The Ukraine Agriculture Minister cut their wheat harvest forecast by 2 MMT to 14 MMT due to cold and dry weather. Japan is tendering for 136,000 MT of U.S. wheat after failing to buy enough last week due to insufficient offers. Some EU sources speculate that as much as 2 MMT of production might be lost due to winterkill and limited water supplies at present. The International Grains Council sees 2012/2013 world wheat falling by 15 MMT to 680 MMT down from U.S.D.A.'s March projection of 694 MMT.

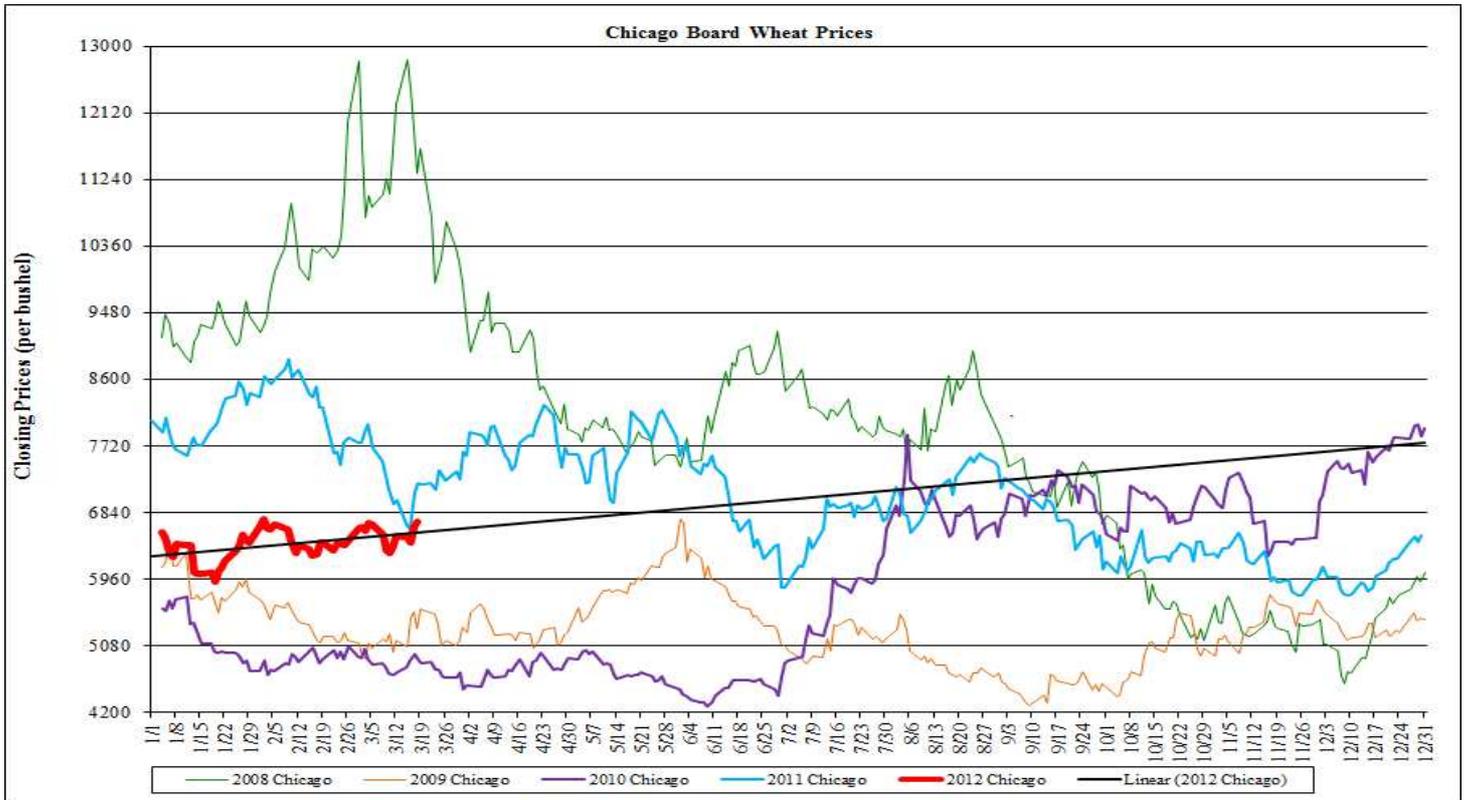
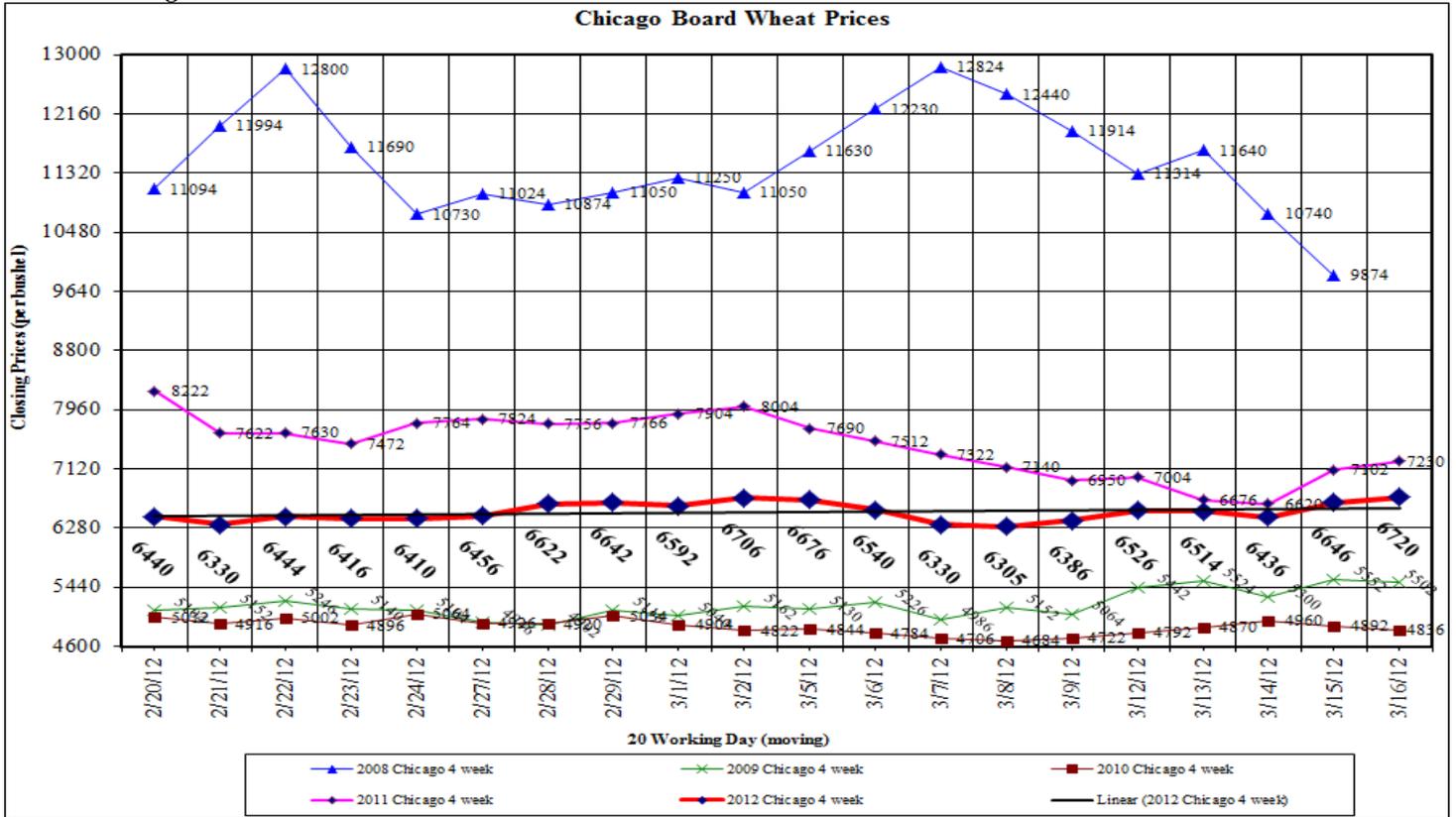
Showers and mild temperatures are forecast for the U.S. Plains, which is favorable for winter wheat prospects. Rainy weather in the U.S. corn belt is good for the soft red winter wheat crop. Warmer than normal temps will spur rapid (and maybe too rapid) growth of the winter wheat crop and allow for early planting of the spring wheat. Oats are being planted as a cover crop in some areas to prevent wind erosion after the dry winter.

In a weekly state crop report, Texas reported 43% of the winter wheat there is still in poor/very poor condition, with 33% rated good/excellent. The crop condition index is still better than last year. Oklahoma shows 66% rated good/excellent and only 8% poor/very poor. The big concern for OK is that 39% of the wheat has already jointed, 17% faster than last year's pace. Jointed wheat is more vulnerable to a freeze.

Weekly U.S.D.A. export inspections for last week were stronger than expected at 31.597 million bushels. Japan is tendering for 136,000 MT of U.S. wheat after failing to buy enough last week due to insufficient offers. The International Grains Council sees 2012/2013 world wheat falling 2.2% to 680 MMT in 2012/13.

May Chicago wheat is expected to remain in a tight \$6.50-\$6.80 range unless corn rallies above \$6.90. KC May should remain in a \$6.90-\$7.60 range. Look for Minneapolis to stay within a 140-181 cent trading range over Chicago, with bias for it to widen to 180 cents if the Northern Great Plains sees lack of precipitation over the next four weeks. Minneapolis should remain in a \$7.61-\$8.65 range.

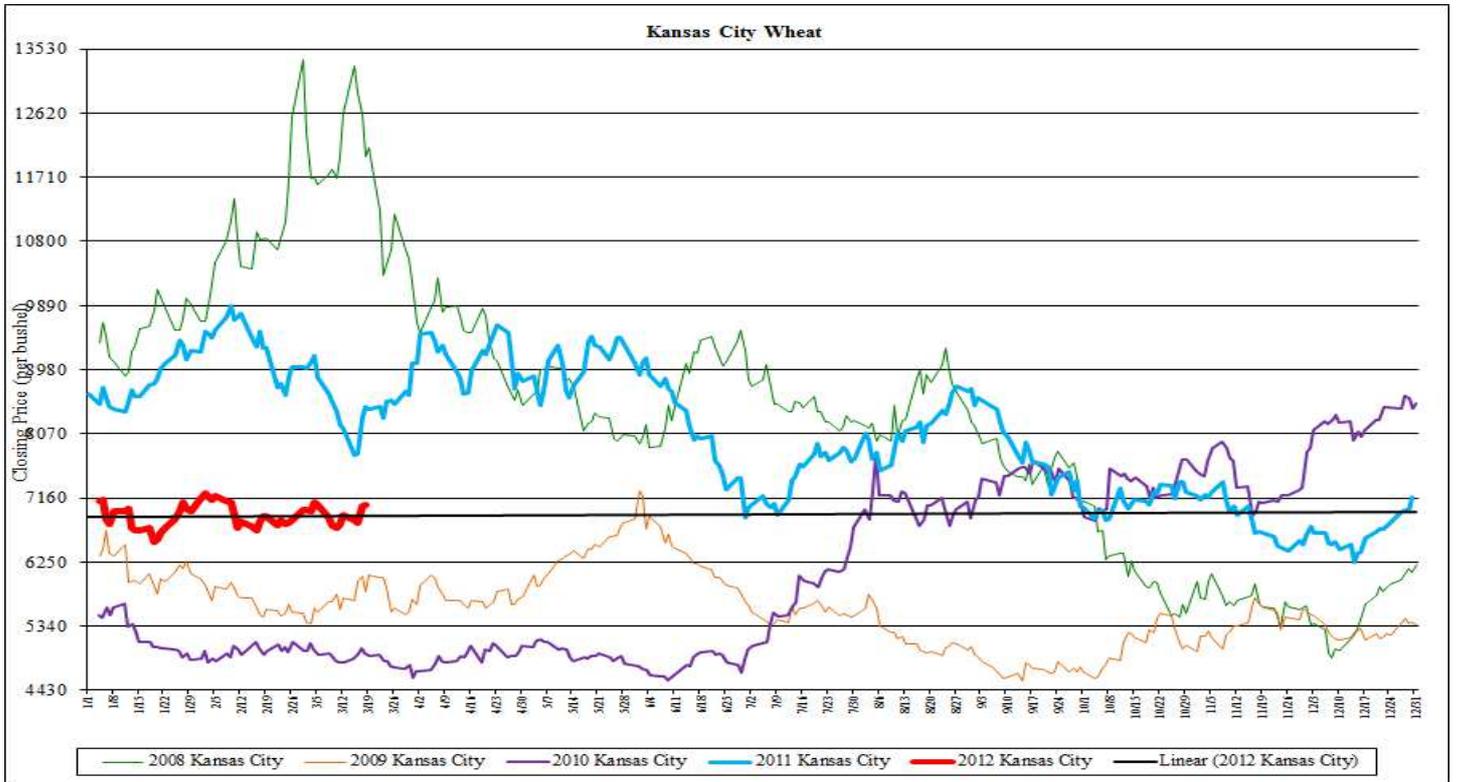
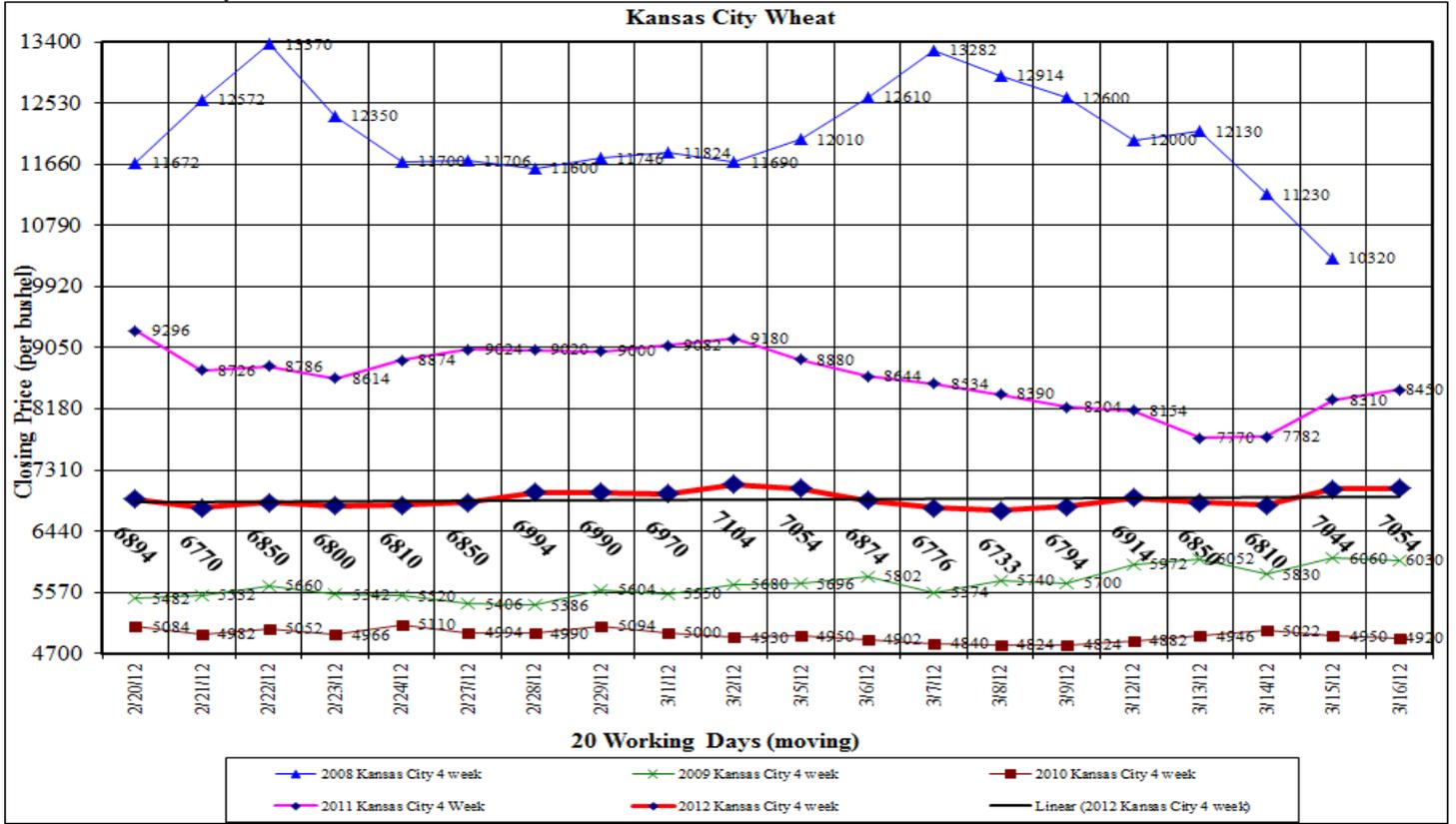
a. Chicago Board Wheat Prices



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 \$0.77/cwt. from last Friday's close.

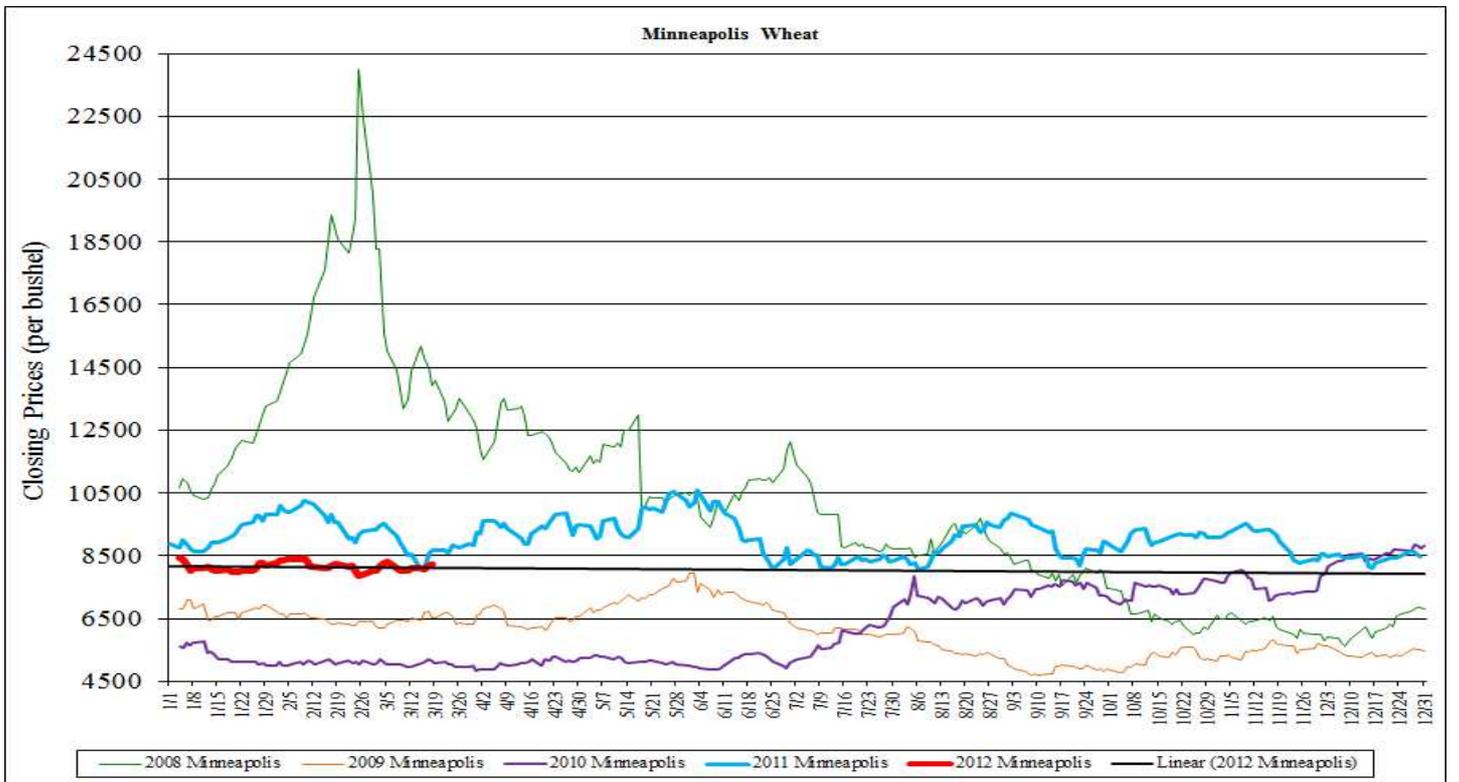
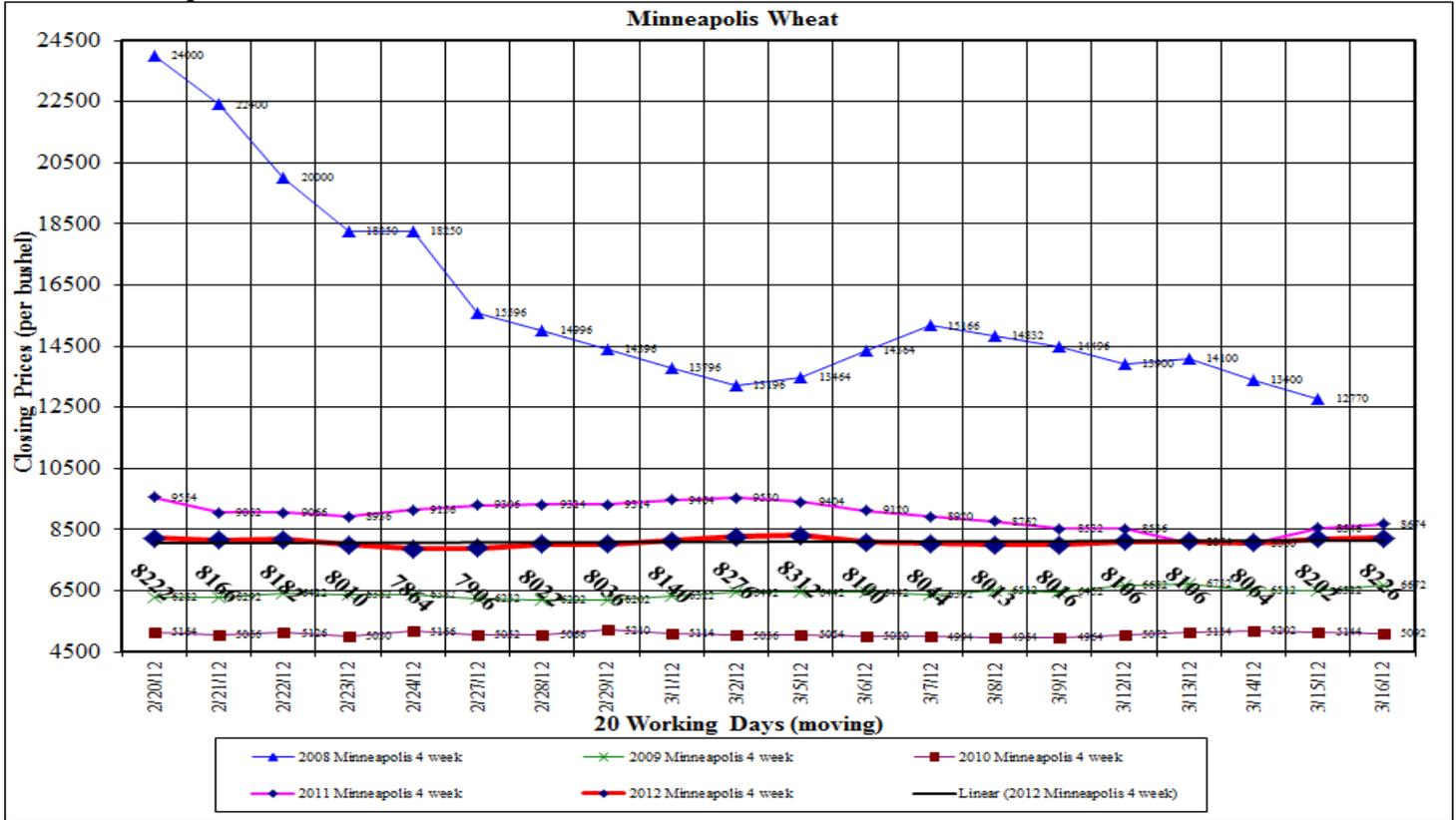
b. Kansas City Board Wheat Prices



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 \$0.60/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 \$0.48/cwt. off last Friday's close.

Shortening Market:

Weekly export sales were 609,700 MT for 2011/2012 delivery and 784,000 MT for 2012/2013 delivery compared to trade estimates of 650 to 900 thousand MT. China took 669,000 of the new crop sales. Soybean stocks at select export elevators and terminals were up 3.56 million bushels or 96,889 MT from the previous week.

Cash basis levels were steady to lower in the Midwest.

A theme running through all global grain and oilseed markets is concern that the U.S. will not plant sufficient soybean acres in 2012 to meet world demand. New crop was weaker than old crop this week, apparently indicating that extra acres may have been “bought” or that global demand will shrink enough to adjust. The trade is hoping that beans will buy back some acres heading into the March 30 planting intentions report. The trade feels we’ll need to see soy acreage above 76.0 mil acres in order to relieve some of the pressure tied to the drought reduced South American crop. However, a lot depends upon how smoothly plantings get underway since a quick/early planting season usually means more acres for corn. The 8 to 14 day outlook is calling for above normal temps for most of the U.S. growing area through March 27 with above normal precipitation in a band from Texas north to the Canadian border.

Weekly export inspections were down to 26.247 million bushels. Cumulative shipments are down 280.4 million bushels from year ago at this time. U.S. shipments typically slow to about 10 million bushels per week by May as the world market switches to new crop South American supplies without accrued interest and storage costs. Soybeans ended sharply higher on speculation major importers will continue to switch South American sales to the U.S. Farmer selling in South America has been increasing as the harvest advances. The Argentine port strike has been suspended on pending talks over the next 10 days between the Merchant Marine Union and exporters. Argentine exporters are still expecting a series of strikes to delay grain shipments as harvest ramps up.

With the reduced South American crop, unchanged U.S. planted soybean acres and an expected pick-up in U.S. exports, the 2012/2013 U.S. soybean balance sheet is expected to tighten up significantly. Weekly U.S. soybean export inspections were 26.2 million bushels, year-to-date U.S. soybean export inspections are 934.3 million bushels versus 1.22 billion bushels last year. The trade will continue to monitor China import demand, lagging well behind what is needed for crop-year imports to reach 55-56 million tons. China remains not only a big buyer of U.S. soybeans, but is also buying U.S. corn.

NOPA released their February data this week:

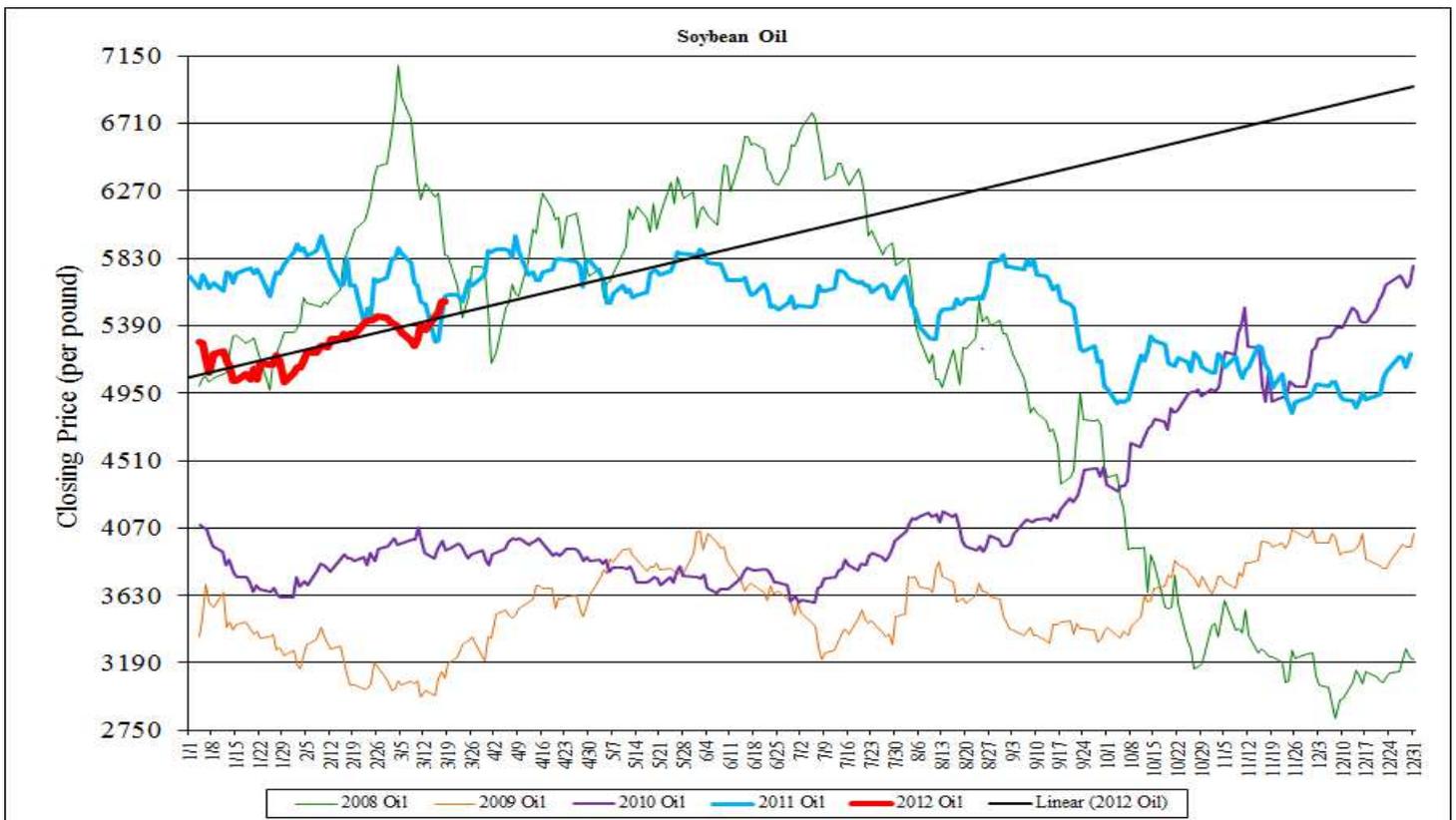
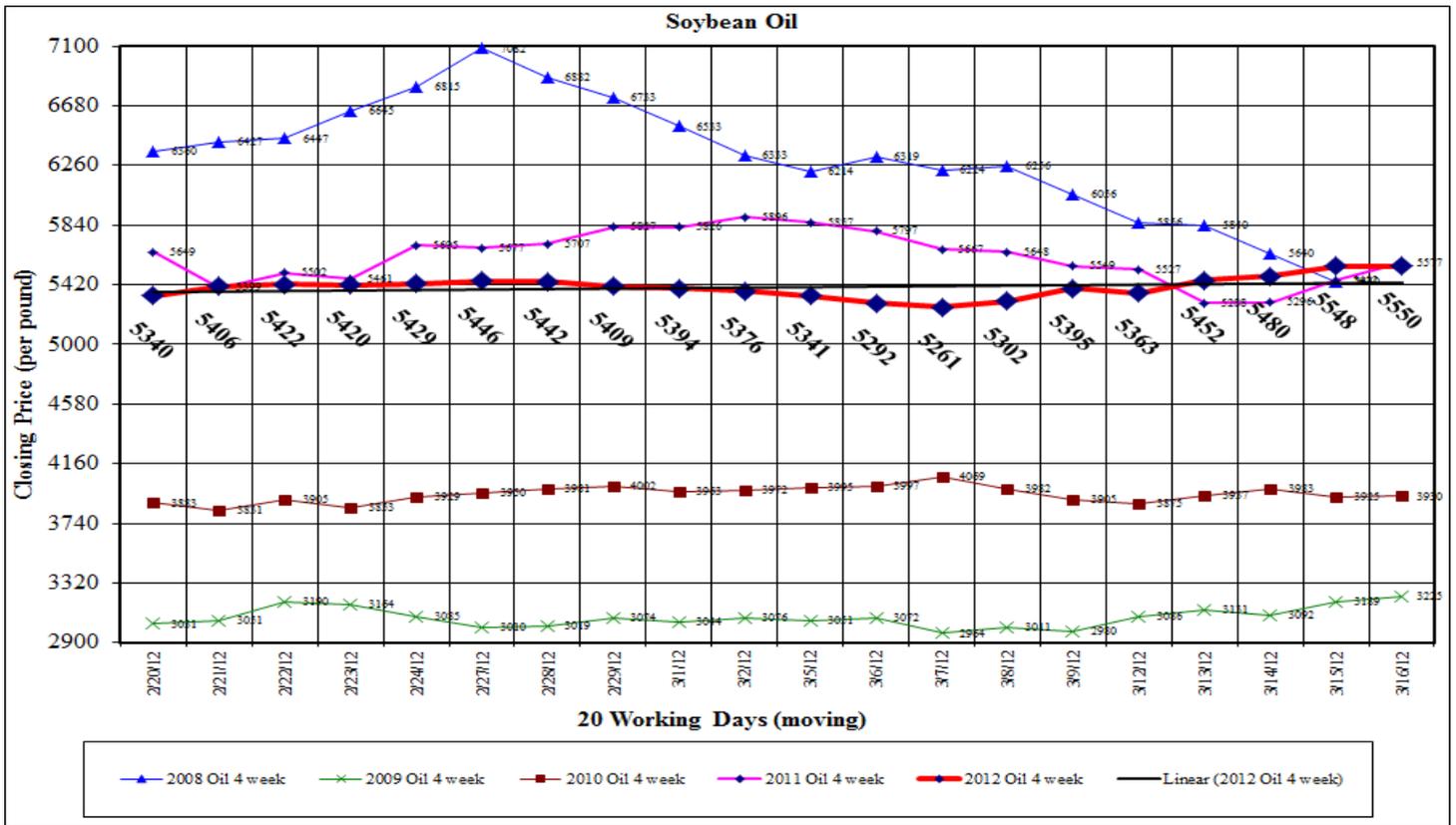
- NOPA’s February crush was 136.4 million bushels. This compares to 142.8 million in January and a trade estimate of 134.5 million bushels.
- The surprise was the increase in soybean oil stocks to 2.24 billion lbs., up from January’s 2.1 billion lbs.
- Palm oil futures in Malaysia continue to move higher and are now trading at a 9-month high on expectations of strong exports for March 1-15 period.
- Export supplies of soybeans out of the South America continue to tighten, which is turning more business toward the U.S.
- Bean oil stocks were 2.242 billion pounds compared to 3.101 billion a year ago.

Soybean outlook: May \$12.90-13.90 range. The November new-crop contract is expected to decline back to the \$11.20-11.50 area if the U.S. planted acreage reaches 76 million acres.

Soybean meal outlook: May meal is expected to trade in a \$345-380 range.

Soybean oil outlook: May soybean oil \$0.535-\$0.56. Cash basis levels were steady to lower in the Midwest.

Shortening closed up \$0.84/50# cube (\$0.59/35# pail of oil, \$0.0168/lb. for bulk oil) for the week.



Cocoa Market:

Cocoa prices fell to a 1-month low, moderately below February's 4-month high. Bullish factors include:

- (1) January Ivory Coast cocoa exports are down 17% year over year to 101,156 MT,
- (2) Ivory Coast's prediction that its 2011/2012 cocoa crop will fall -11% year over year to 1.39 MMT,
- (3) 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
- (4) ICO's hike in its 2010/2011 global grindings estimate to a record 3.83 MMT.

Bearish factors include:

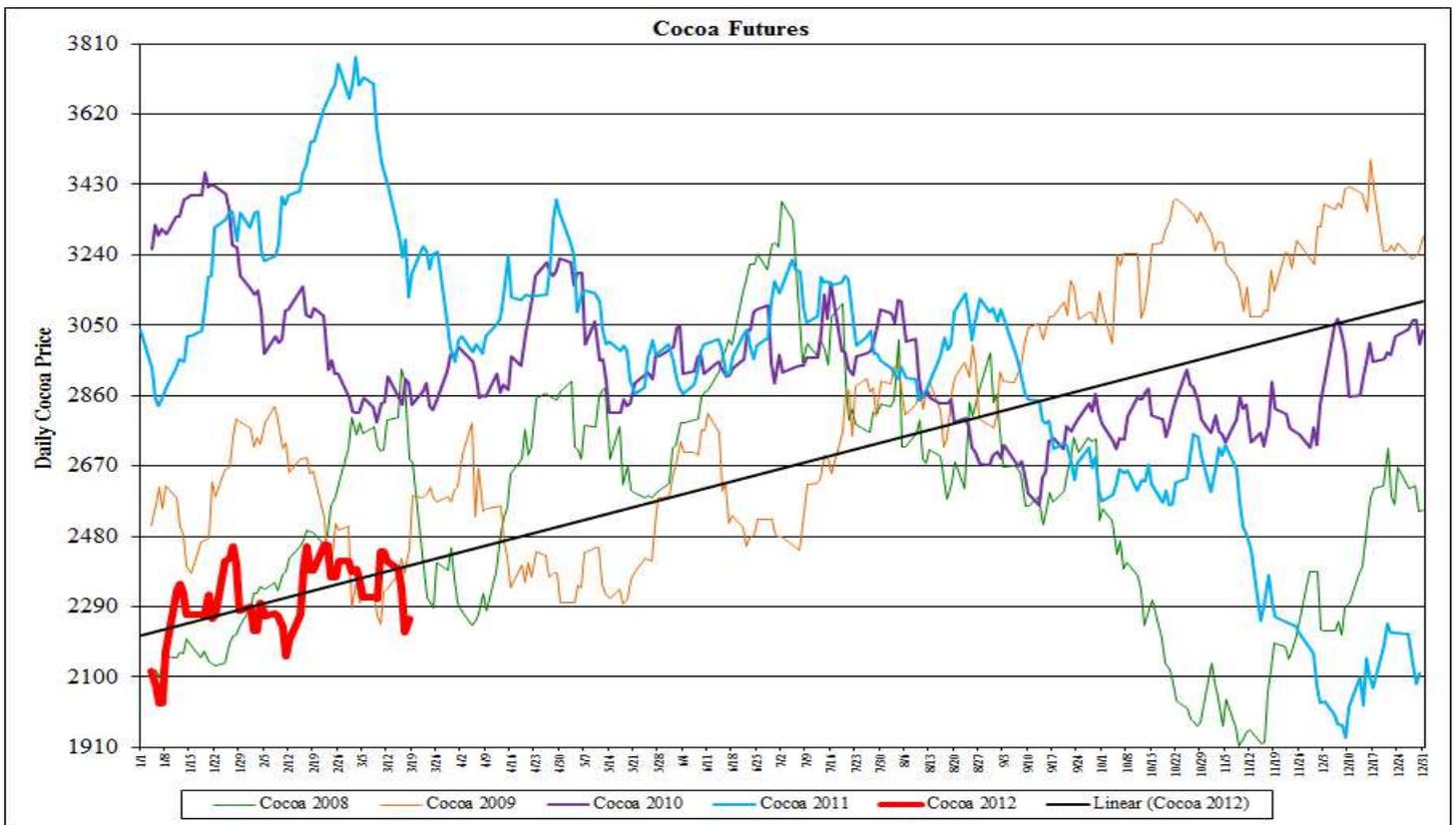
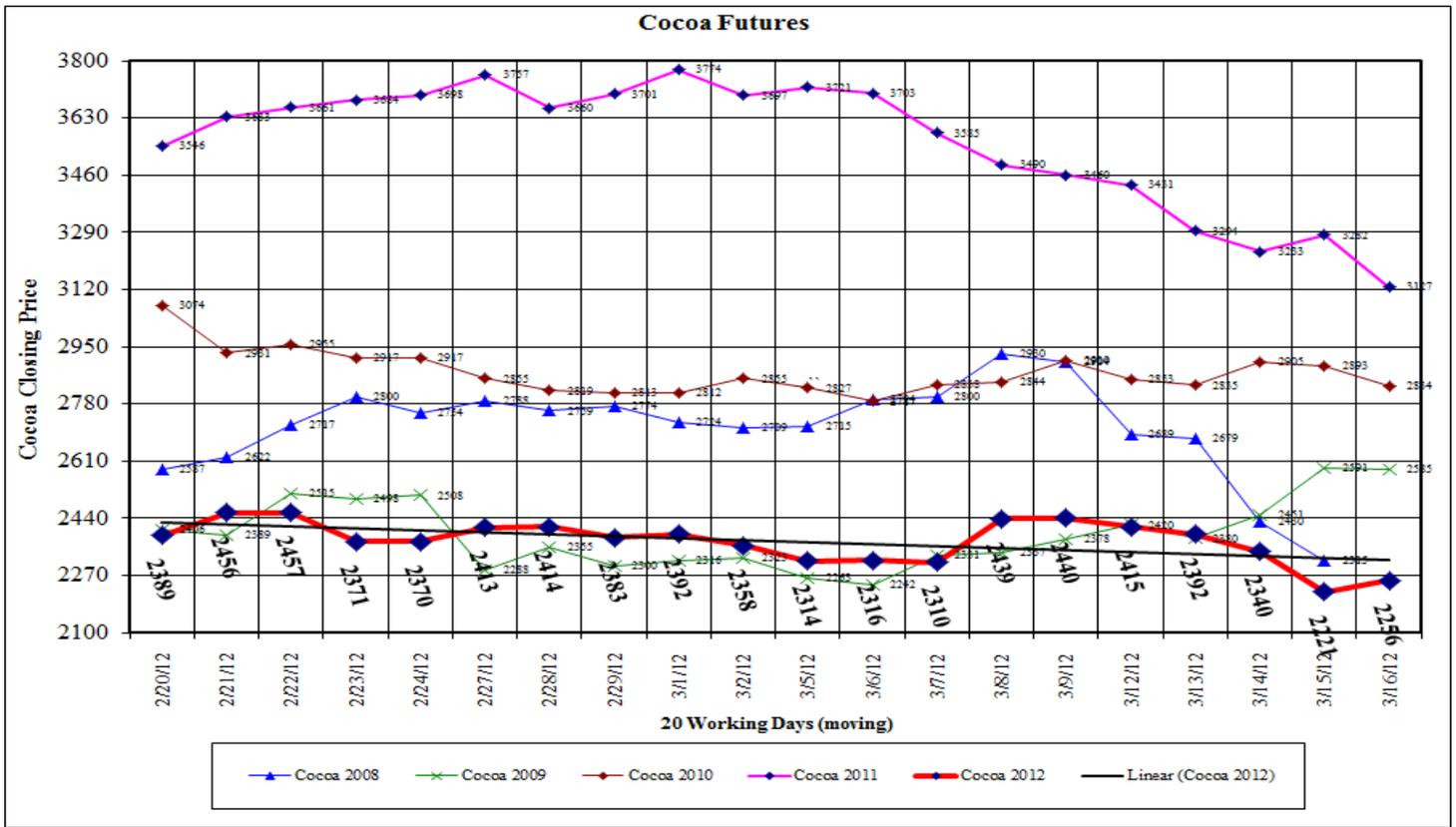
- (1) ample supplies with ICE-monitored U.S. cocoa stockpiles at 4.897 million bags as of Mar 13, a 4-1/2 year high,
- (2) Q4 European cocoa grindings of +1.8% year over year, the slowest pace in a year, and
- (3) ICO's hike in its global cocoa ending stocks estimate for 2010/2011 to a record high of 1.93 MMT, up +18.5% year over year.

Arrivals are said to be very strong at Ivory Coast ports again, and exports are starting to increase again, too. Meanwhile, much of the demand for the holidays coming up should have passed, at least from the producer side. The auction in Ivory Coast seems to be the only spot to buy cocoa right now as most other origins seem to be running low on supplies, but sources in Nigeria and Cameroon told wire services that they expect a good mid-crop production to be harvested soon.

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. ICE certified stocks are sharply higher.

Fundamental Outlook—Bear Market Correction—Cocoa prices are in correction mode on Ivory Coast supply issues. Prices posted a 3-year 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 2010/2011), 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%.

Cocoa closed down \$184.00/ton for the week (compared to last Friday's close).



Sugar Market

Sugar prices on Thursday rallied sharply on news the European Commission will consider higher sugar imports to meet local demand. Other bullish factors include:

- (1) strong Chinese demand with October-January China sugar imports +232% year over year at 1.4 MMT,
- (2) speculation global supplies will be limited because of harvest delays in Brazil, 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 September's 4.2 MMT forecast

Bearish factors include:

- (1) the possible action by India, the world's second-largest sugar producer, to allow an additional 1 MMT of sugar exports this year,
- (2) ISO's hike in its 2011/2012 global output estimate to a record 173 MMT,
- (3) the forecast from Thailand, the world's second-largest exporter, for record 2012 exports of 7.9 MMT, +18% year over year
- (4) Increased supplies after 2011 Russian sugar output rose to a record 5 MMT.

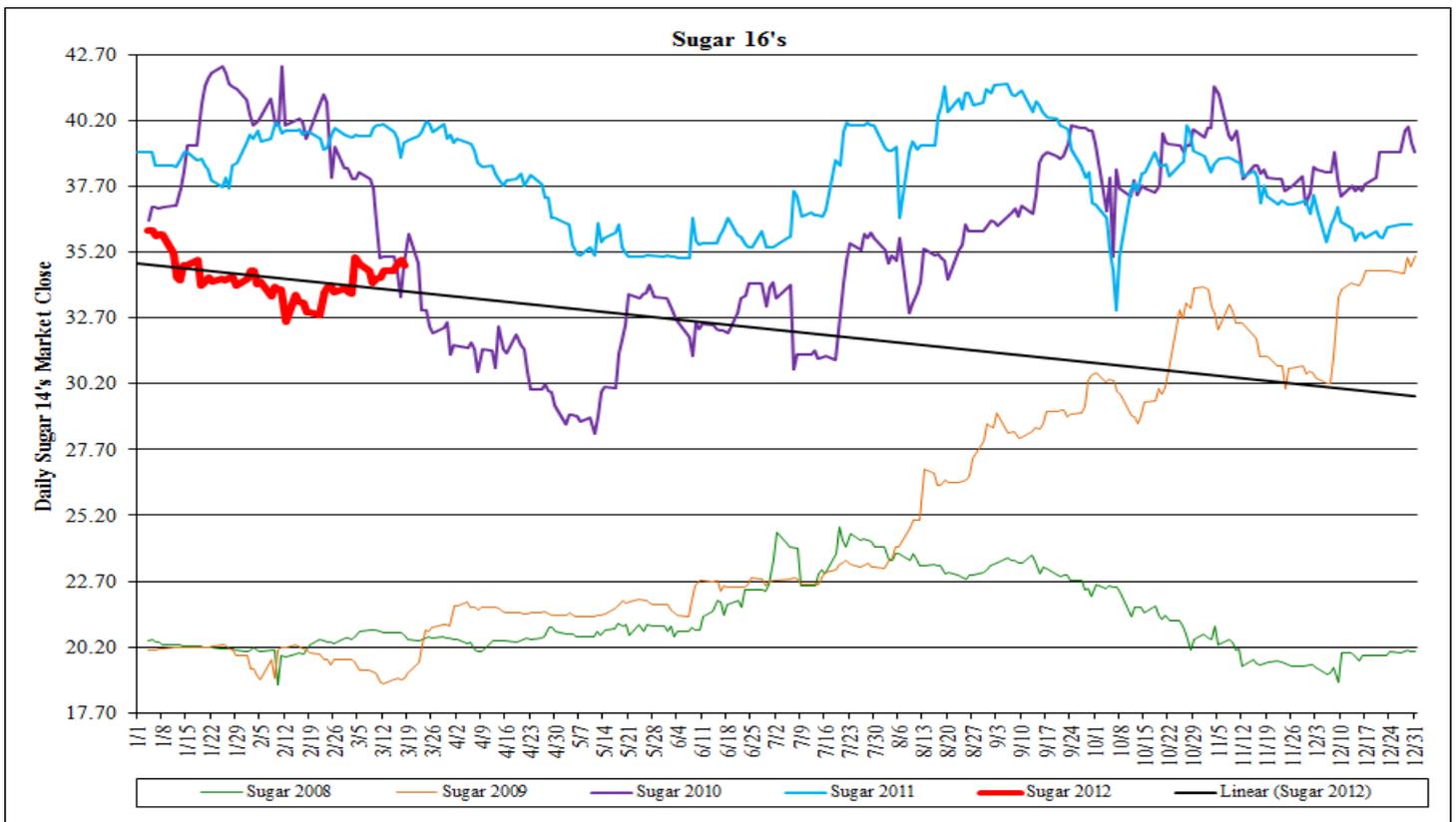
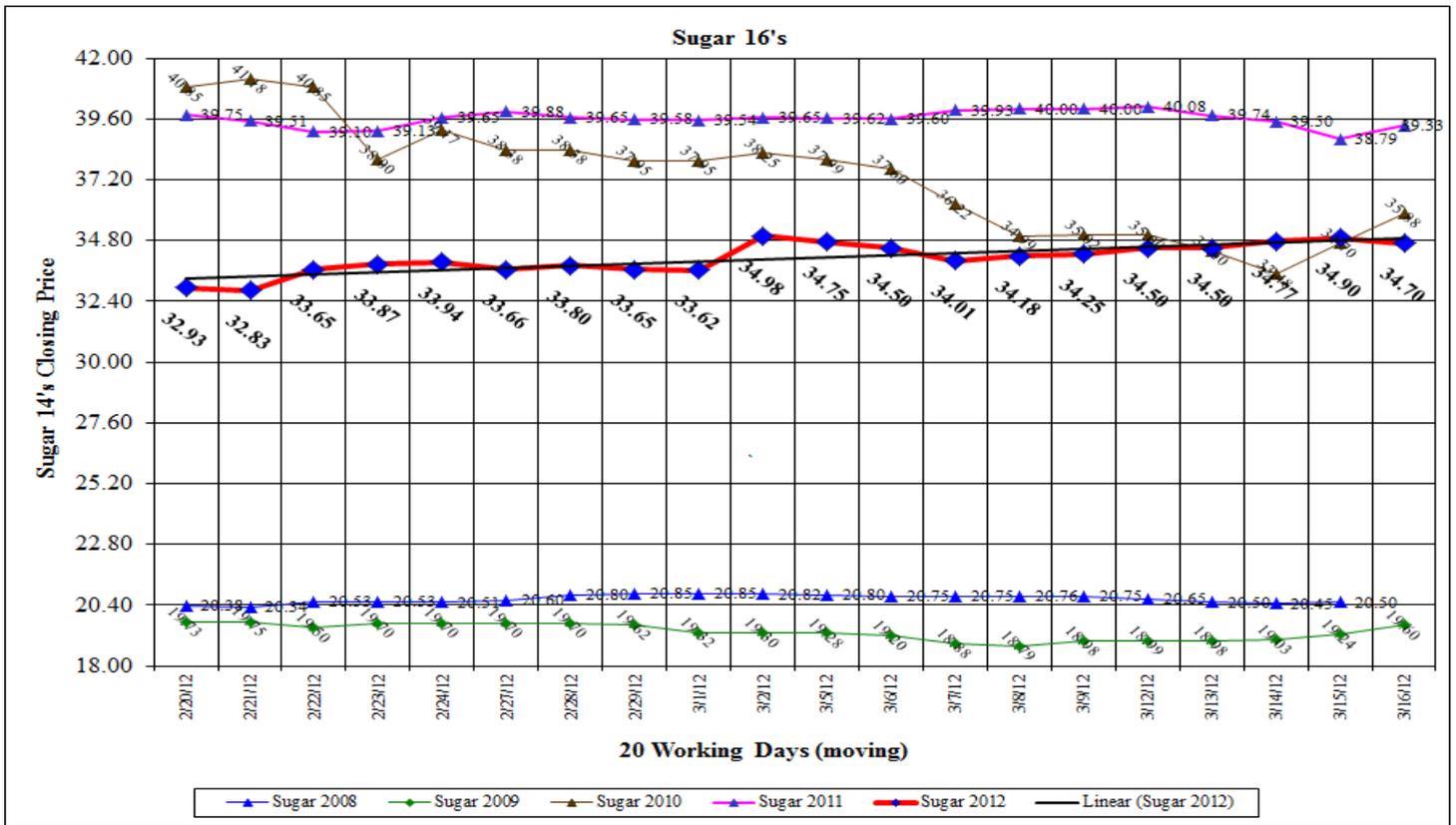
Overall, the market seems to be caught in a trading range, with ideas of ample supplies from northern producers such as India and Europe keeping a lid on prices, but worries about the next Brazil production being short again providing some support. The Brazil harvest should start by the end of next month. Ideas of short term shortages of supplies continue, but overall the market should have plenty of sugar. Plenty of supplies remain available to the market longer term as northern hemisphere logistics should improve. India and Thailand are still selling, and Europe and Russia should return soon. There is talk of less production in Brazil again later next year due to the poor weather in the south and lower prices, but the weather has improved over the last couple of weeks and it is possible that production prospects could recover at least some. Weather is getting better there now, but reports indicate that the crops were stressed by the dry winter there.

American Crystal Sugar continues to operate with replacement workers. U.S. supplies of sugar are adequate for now, but we expect supplies to tighten as we approach the third quarter (JAS).

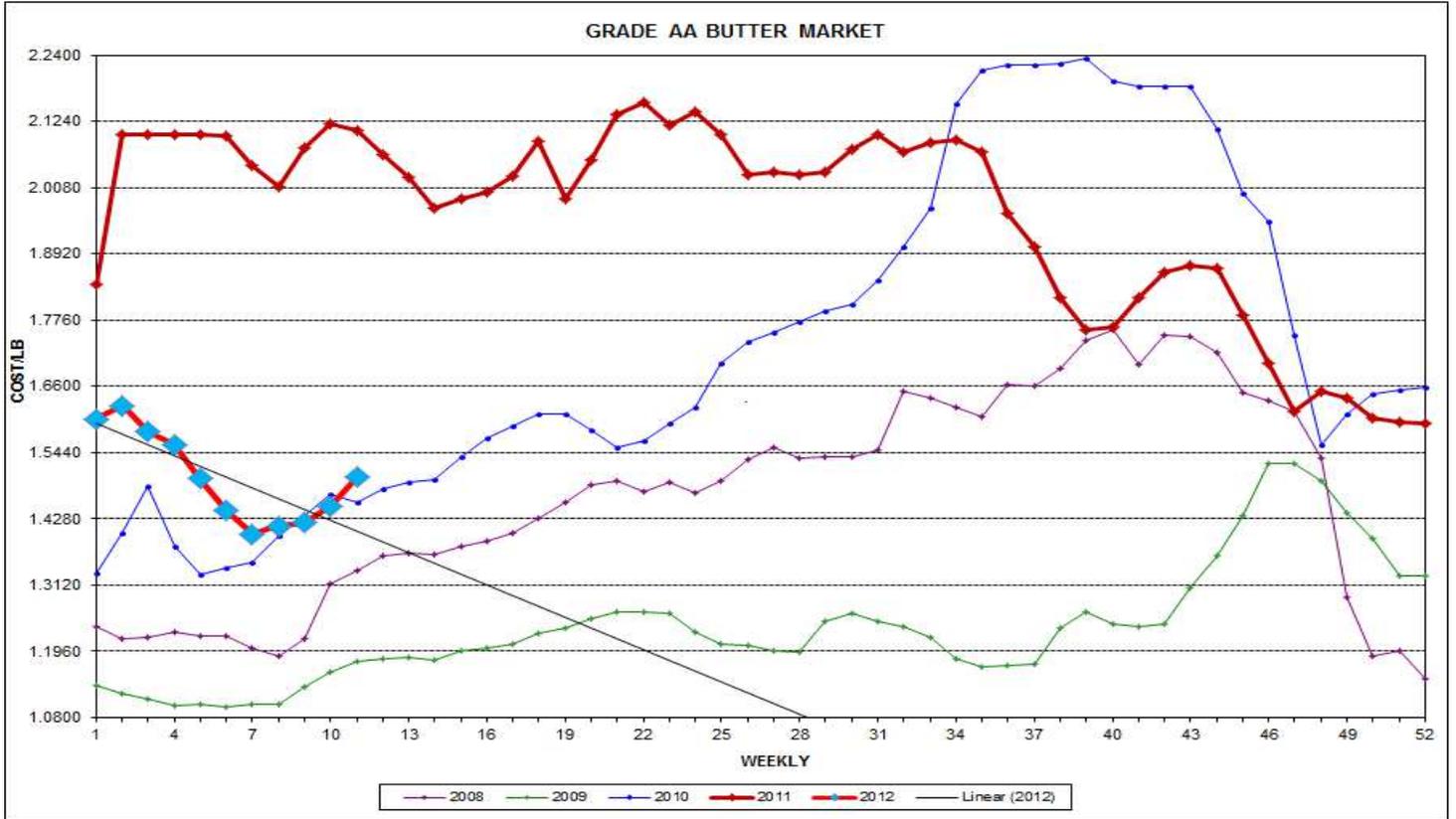
Fundamental Outlook—Near-term Bullish—Sugar prices rallied on the European import news and concern about harvest delays in Brazil. ISO is forecasting small global sugar surpluses for 2010-2011 (1 MMT) and 2011/2012 (5.2 MMT) after 2-years of deficits. However, ISO is forecasting a 1.7% rise in global sugar demand this year, cutting the inventory-to-consumption ratio to a 20-year low of 32%.

Near-term U.S. sugar prices are on the defensive, but the U.S. balance sheet remains historically tight despite balance sheet easing by U.S.D.A. Domestic sugar buyers are beginning to focus on April 1 as it is the time when U.S.D.A. can issue then issue a larger TRQ.

Sugar 16's closed up \$0.45/cwt. for the week (versus last Friday's close).



Butter Dairy Market



Score AA butter closed “no change” on Friday, ending the week at \$1.515/lb. **The weekly average is \$1.5005/lb. up \$0.0505/lb. from last week’s average.**

A. Butter Market
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B. Dairy Powders
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Eggs

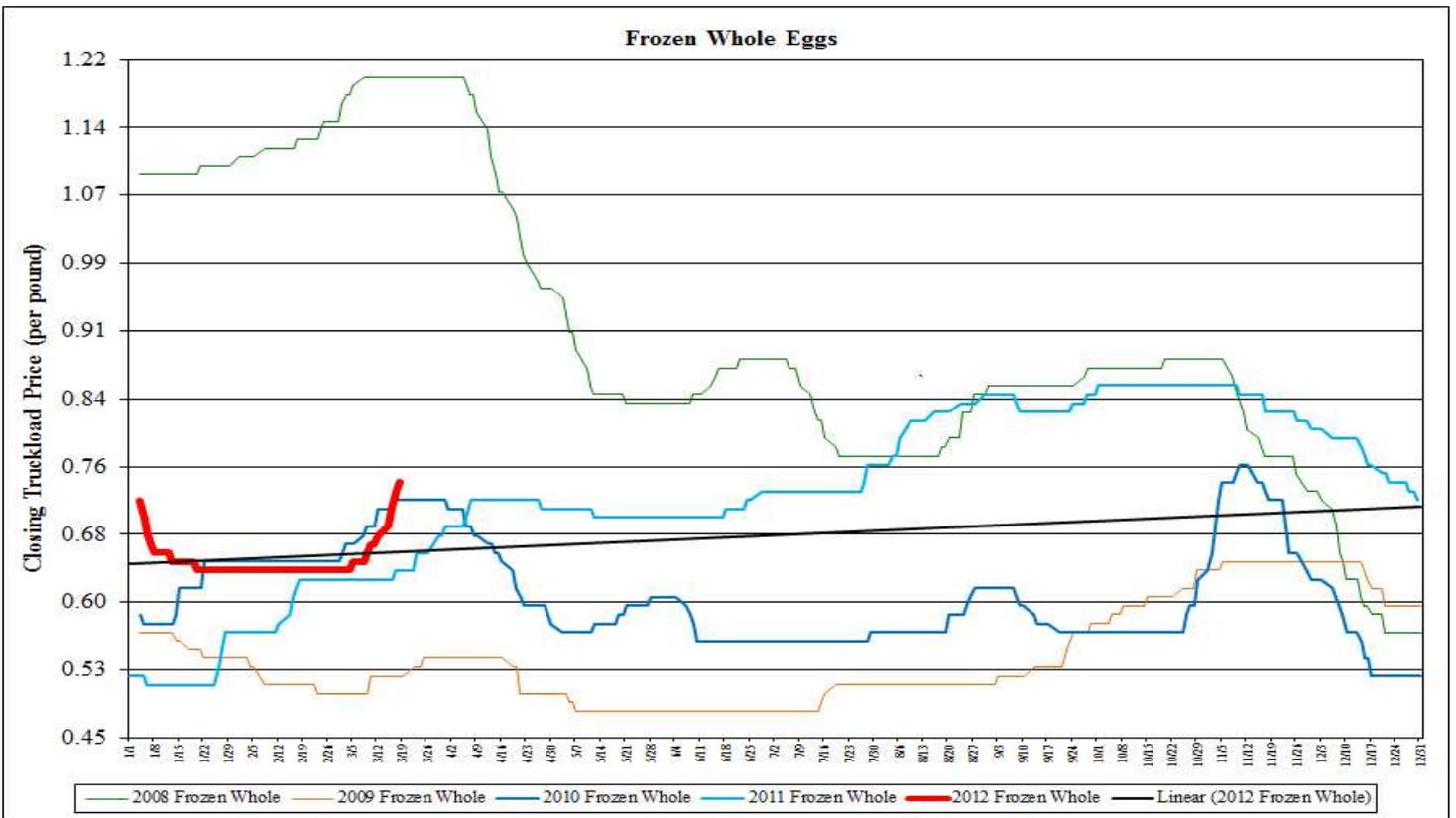
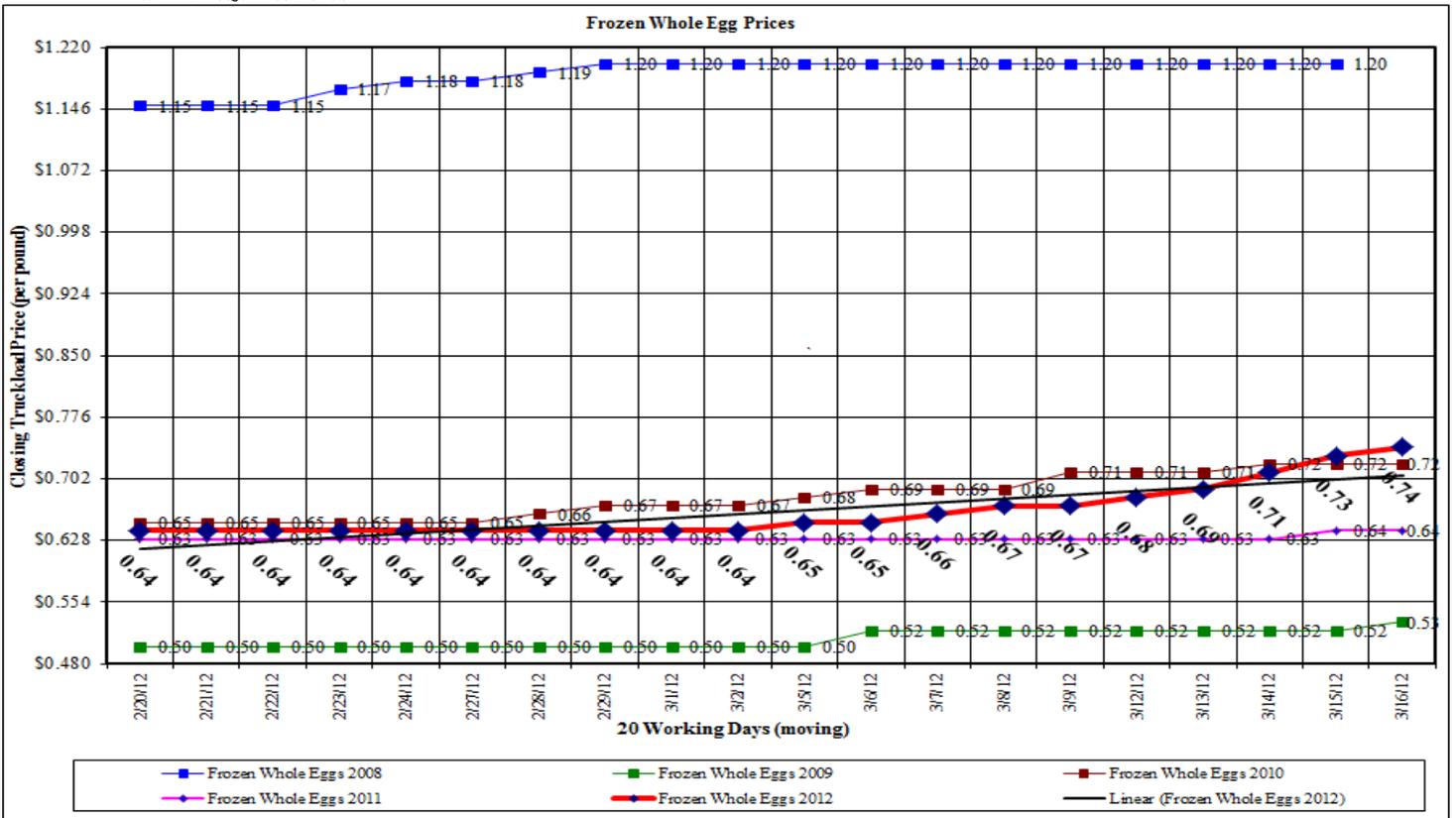
Retail demand continues to improve and is now being categorized as good. Buyers in this channel are increasing their orders expecting consumer interest to pick up as we get closer to the holiday. Some are holding inventory in an attempt to beat further market advances, while others need immediate supply to prepare for features. Ads remain mixed in terms of both volume and price, but those with attractively priced promotions are describing far better call. Foodservice business has begun to improve in areas to the north especially, slightly earlier than most had originally planned. Supplies of extra-large and large are tight. Jumbos and mediums are close but improving. Smalls and brown eggs are well balanced. Wholesale buyers are actively pursuing supplies of both cartoned and loose product in today's session. Completed activity remains limited by the overall availability of shell eggs and improving seller confidence. Those with any availability are holding their offerings firmly for premium value, especially in the extra-large and large categories. With only three full weeks before Easter, several are scrambling to cover their needs and bids for next week suggest this upward momentum will likely continue.

Further processors are aggressively attempting to source breaking eggs, but have again had to increase the premium structure of their bids in order to complete transactions. The market is firm. Breaking stock prices are steady. Trade sentiment is fully steady. Demand is fairly good to good with offerings light. Supplies are usually light. Prices are 5 cents higher on Extra Large, Large and Medium sizes in New York. Remaining regional prices are steady with a firm undertone. Next week's regional asking prices are trending sharply higher for both the heavier and the lighter weight eggs. Demand into retail and food service channels is mostly moderate to good. Current Offerings are light to instances moderate. Market activity is moderate to active.

Broiler egg sets were at 95% while chick placements were at 95% of year ago levels as well. The Eastern region shell egg breaking stock inventory is 3% higher than the previous week and the national shell egg breaking stock inventory is 2.4% higher.

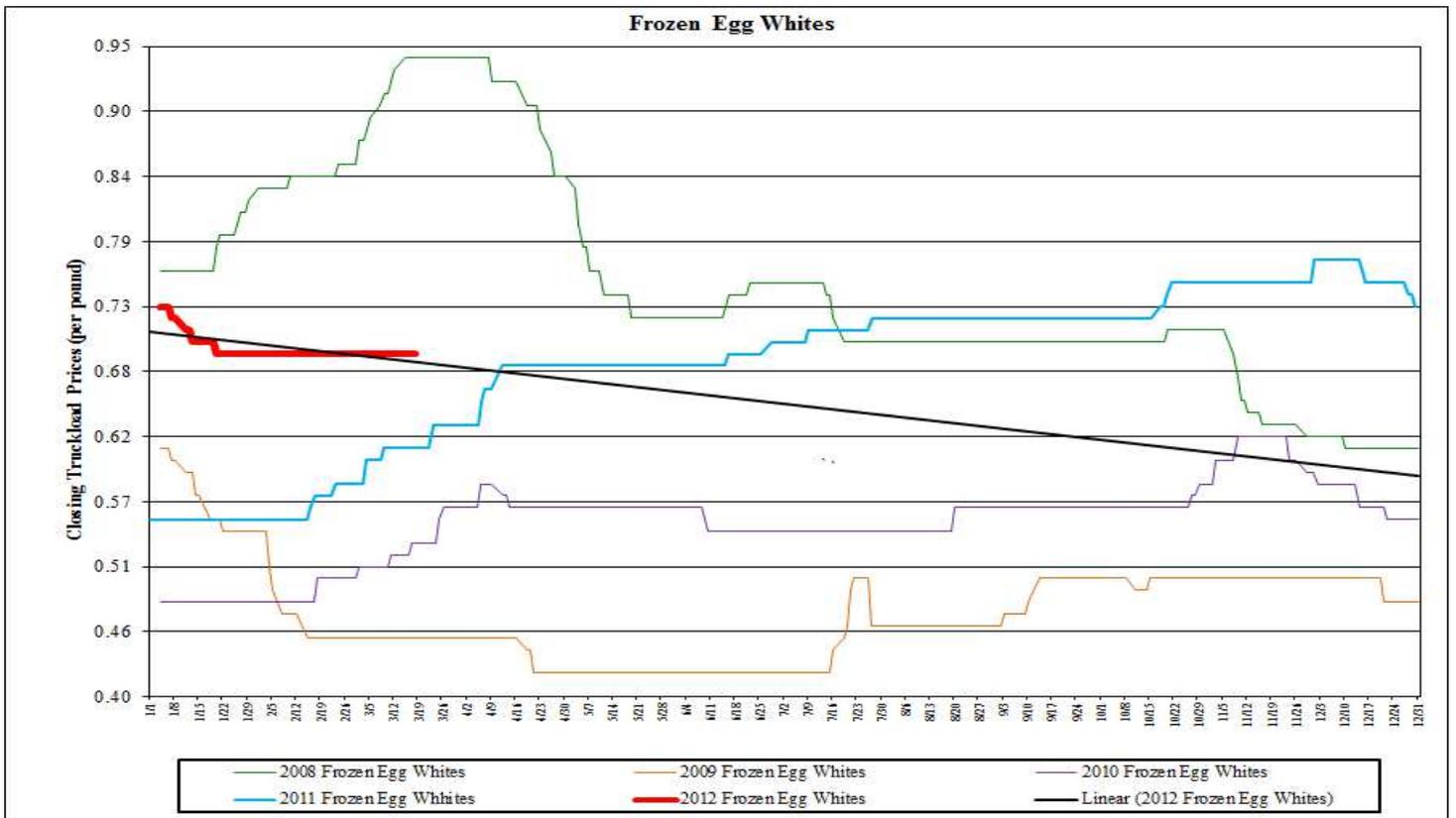
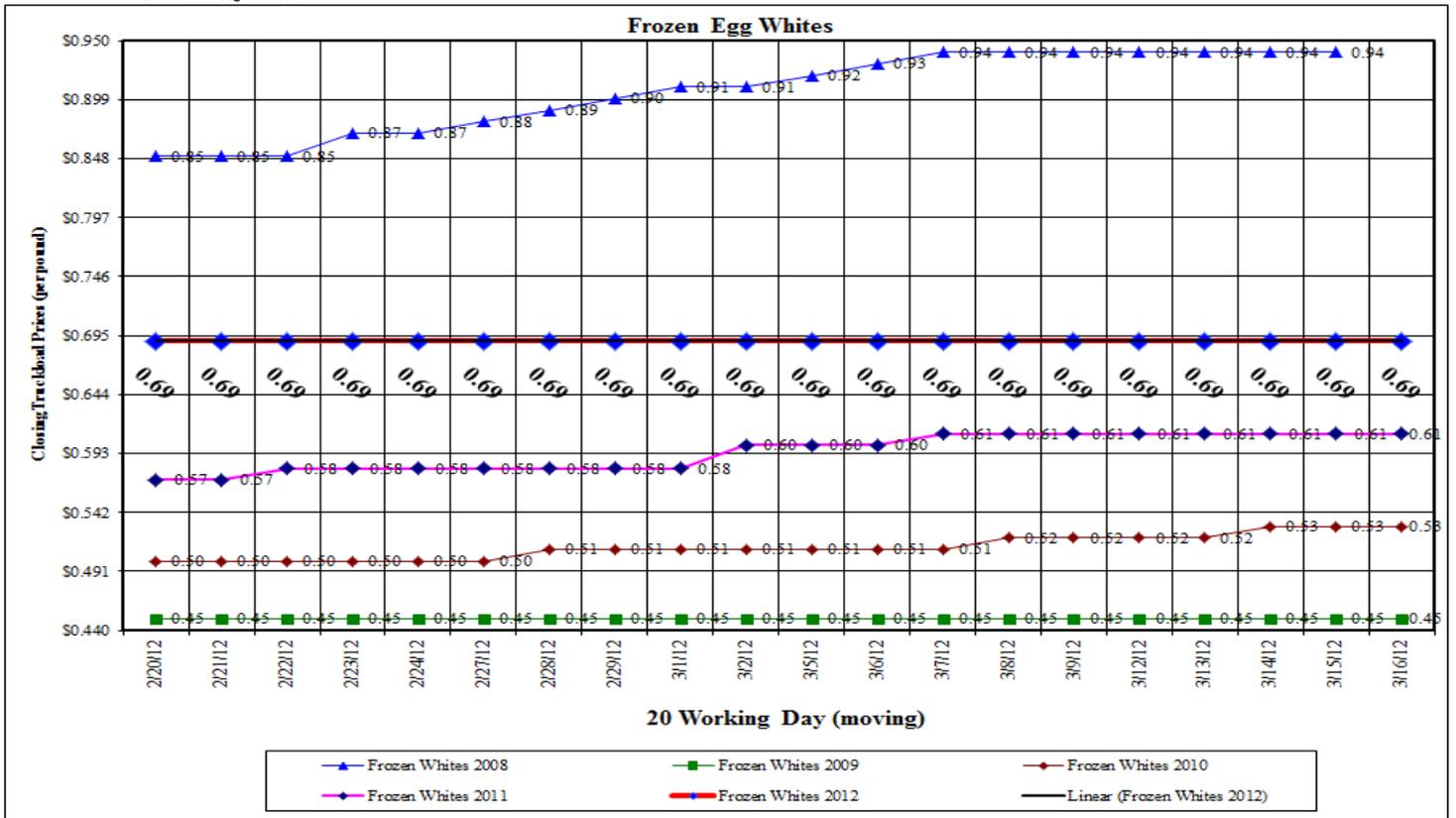
Egg product pricing is significantly higher this week. Activity in the products market again focuses on liquid. Whole egg in particular is trending higher as buyers attempt to supplant their breaking stock needs. Standard yolk has also advanced due to strong domestic interest and buyers are openly expressing willingness to pay premiums above quoted markets for spot supplies. Liquid whites are moving at the high side of market ranges and remain unchanged. Sellers in the finished complexes are holding their asking prices higher with the cost of raw materials steadily on the rise. Buyers have been somewhat hesitant to sign deals at these new values in the yolk and whites categories, but prices of frozen and dried whole egg have advanced. Demand is moderate to mostly good. Current supplies are light to moderate with normal breaking schedules.

a. Frozen Wholes



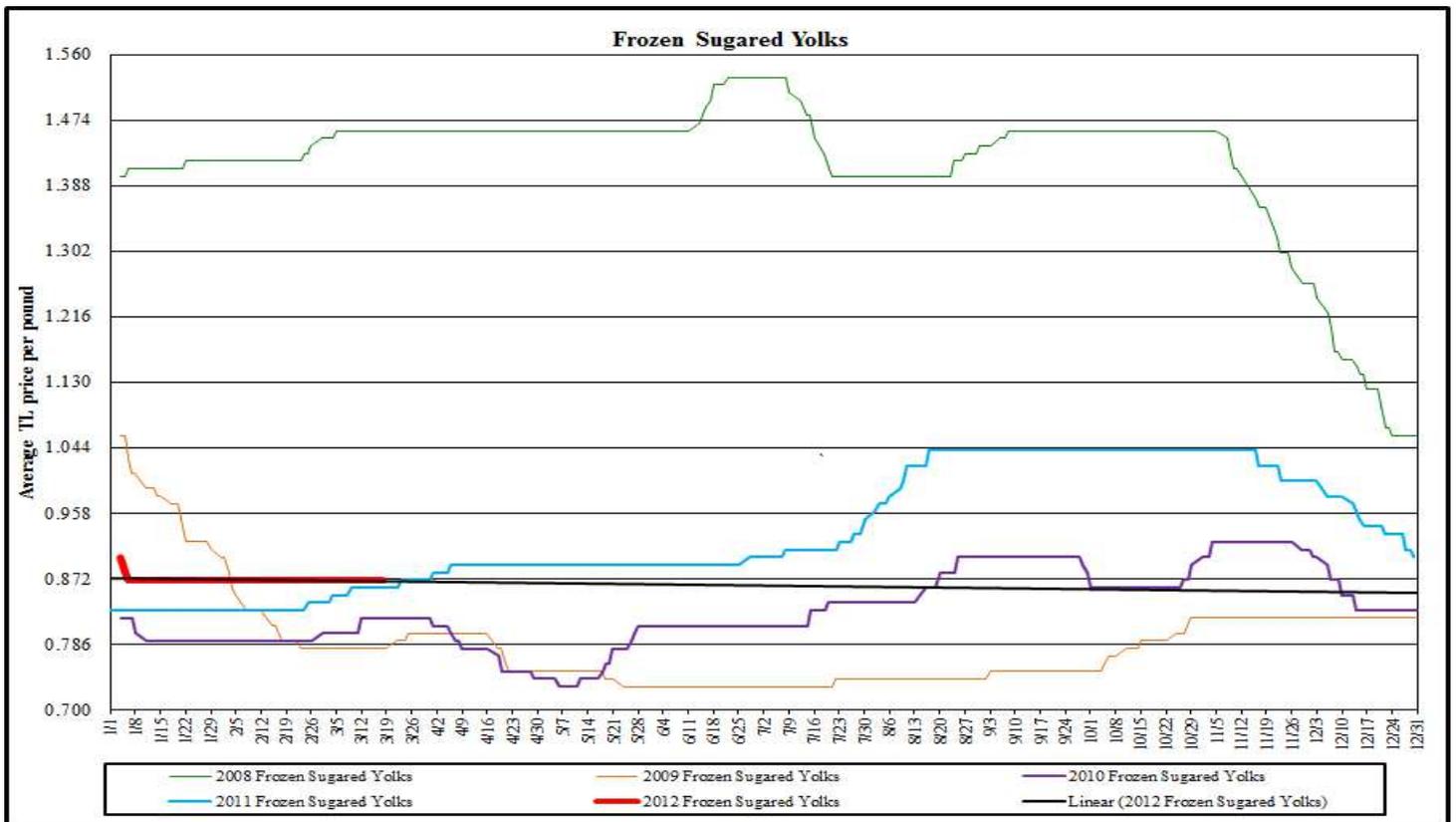
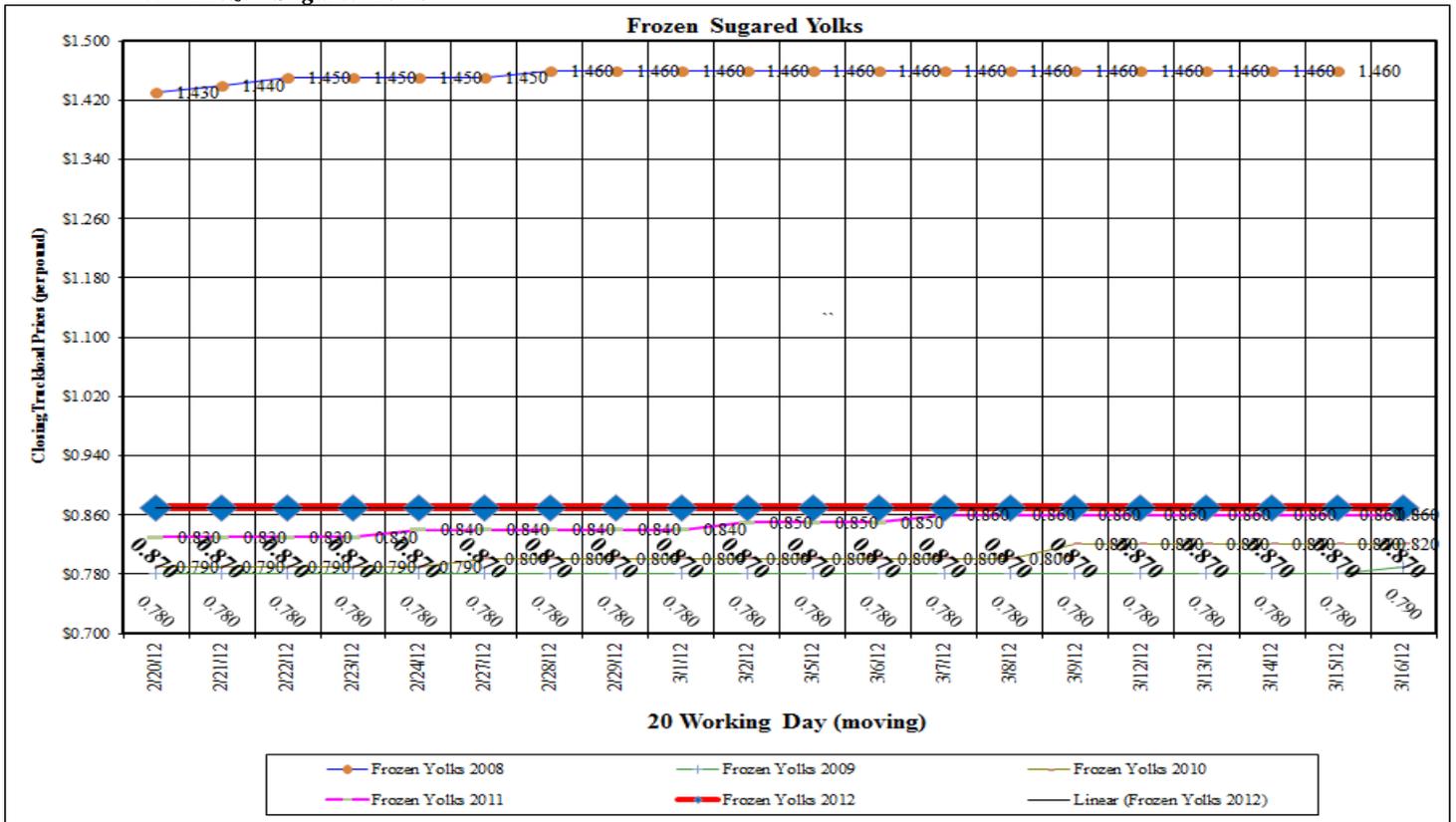
Frozen Whole Eggs closed up \$0.07/lb. for the week (compared to last Friday's close).

b. Frozen White



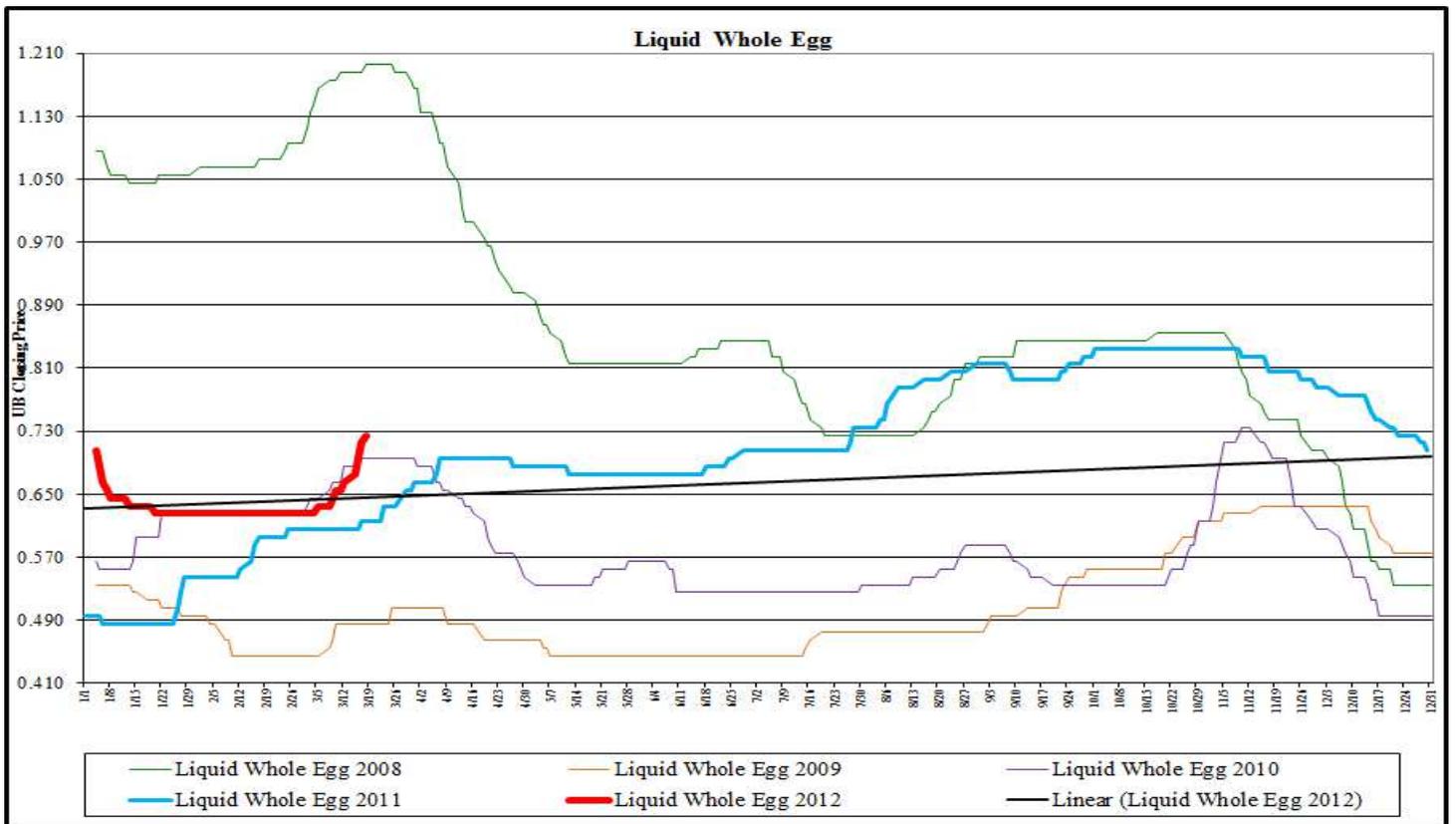
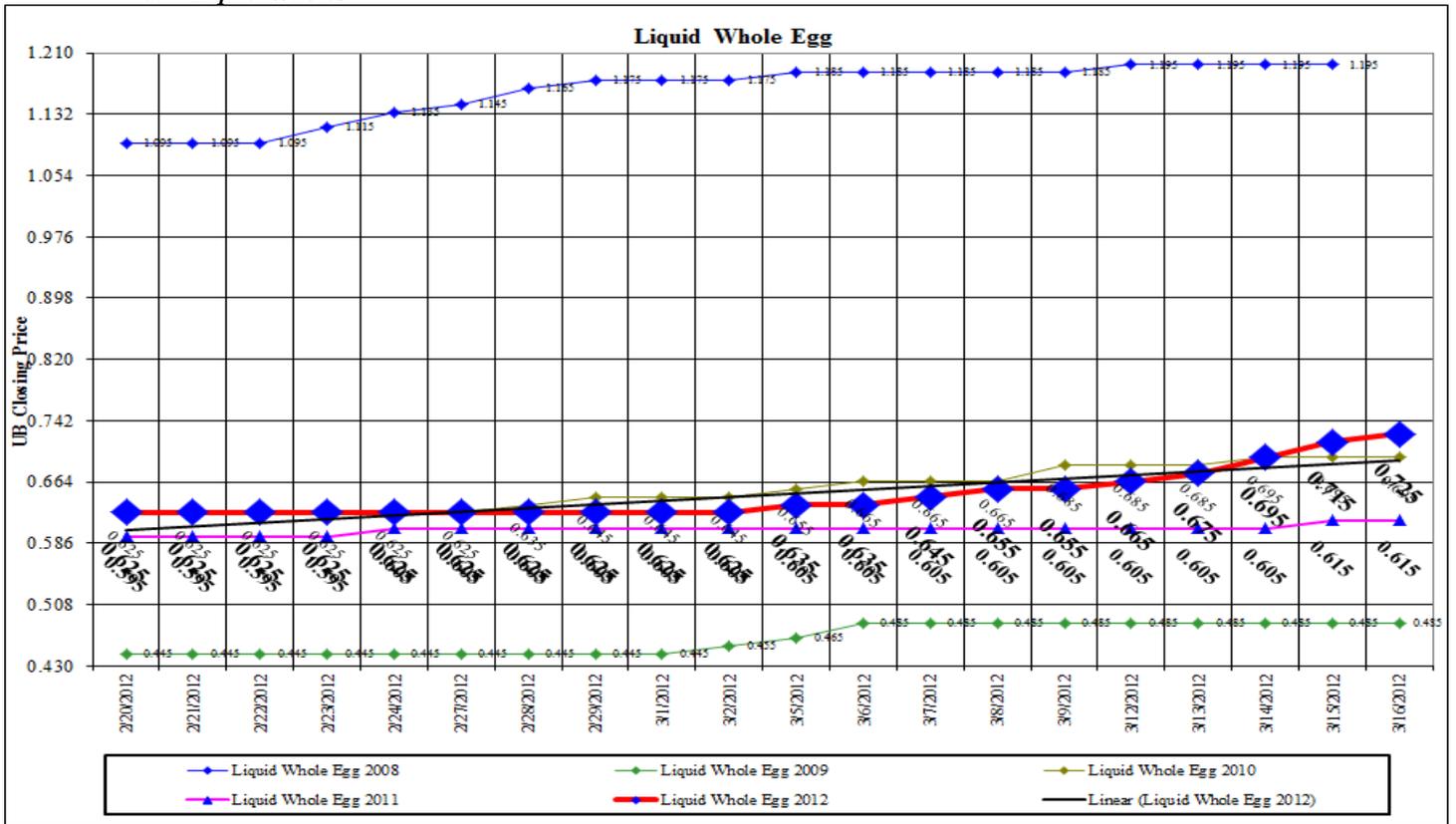
Frozen Egg Whites closed “no change” for the week (compared to last Friday’s close).

c. Frozen Sugared Yolks



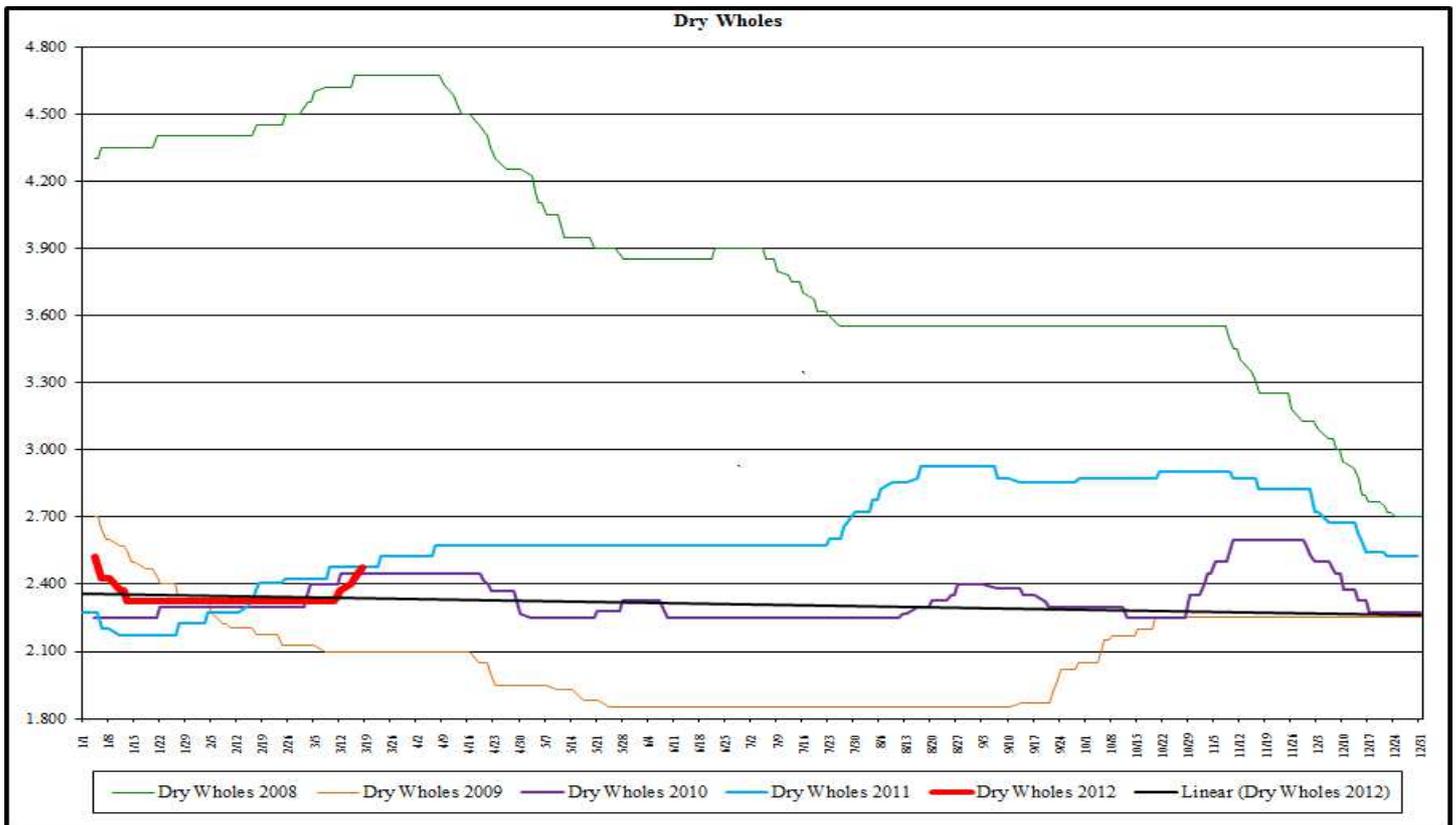
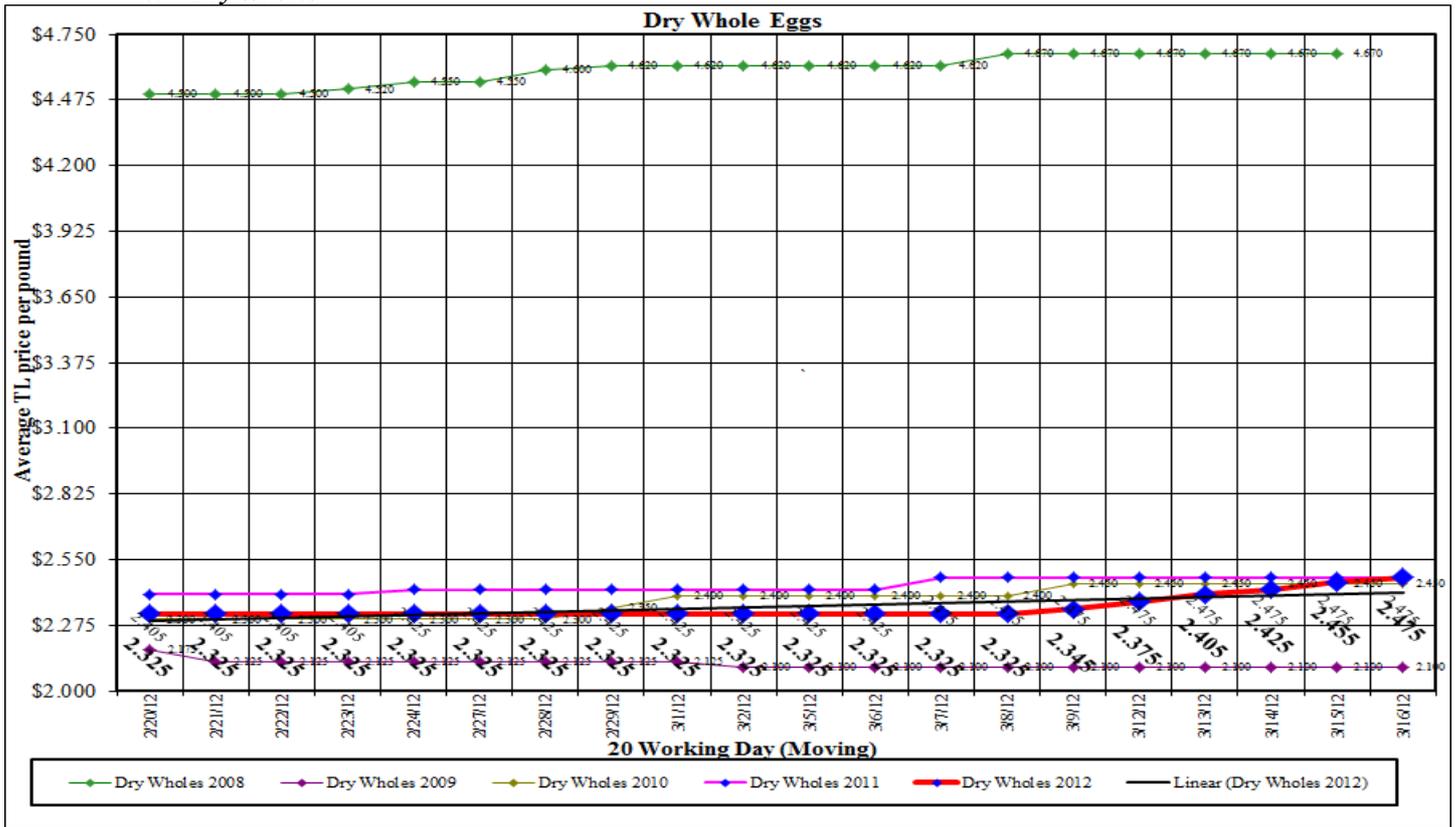
Frozen Sugared Yolks closed “no change” for the week (compared to last Friday’s close).

d. Liquid Wholes



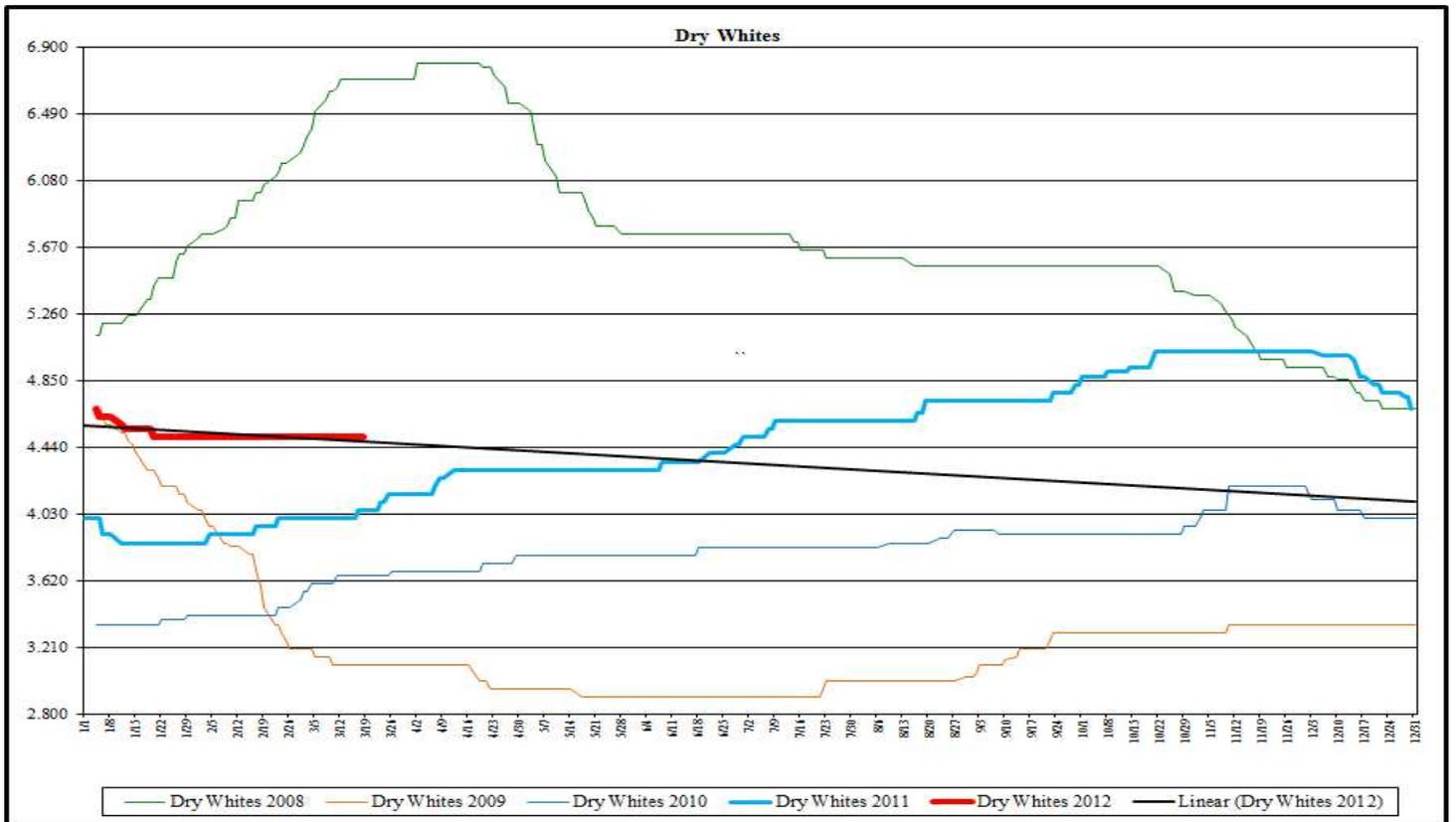
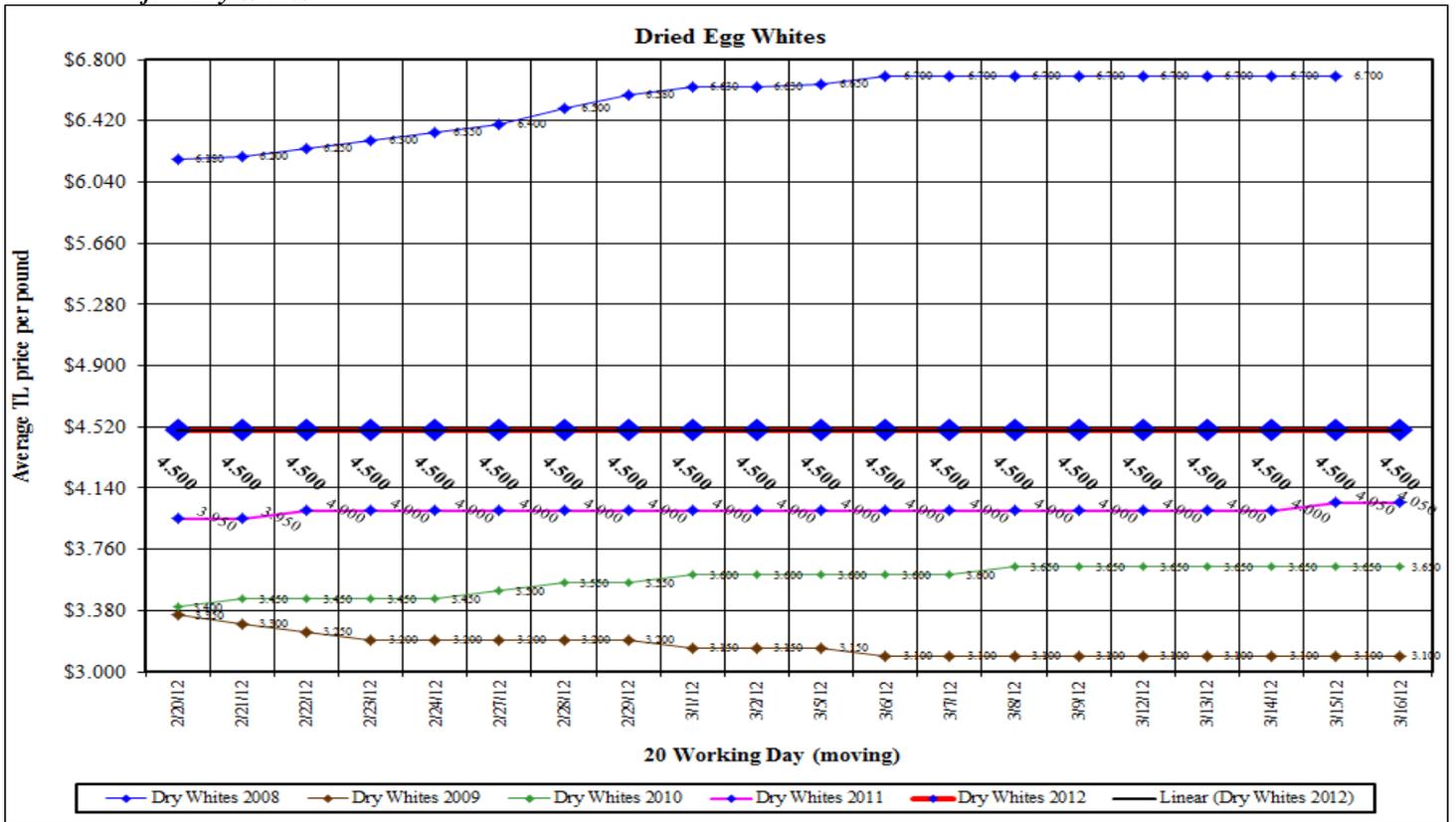
Liquid whole eggs closed up \$0.07/lb. for the week (compared to last Friday's close).

e. Dry Wholes



Dried Whole Eggs closed up \$0.13/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

Weekly export sales were 836,400 MT for 2011/2012 delivery versus trade estimates of 600 and 850 thousand MT. Shipments were 1,035,600 MT up 36% of the four week average. Corn stocks at select export elevators and terminals were up 206,000 bushels from the previous week. Cash basis levels were steady to higher at elevators and ethanol plants and lower at river terminals around the Midwest. Tight supplies have caused an inverted market with demand moved forward. Warmer than normal temperatures are signaling an early beginning to spring but late season frosts and freezes are a threat in a year of weather extremes. There have been years in the past 20 where early planting was followed by lower than trend line final yield. Bulls are noting that the July/December spread is beginning to act more like 1995/1996, the year with the most similar projected stocks/use ratio to this year.

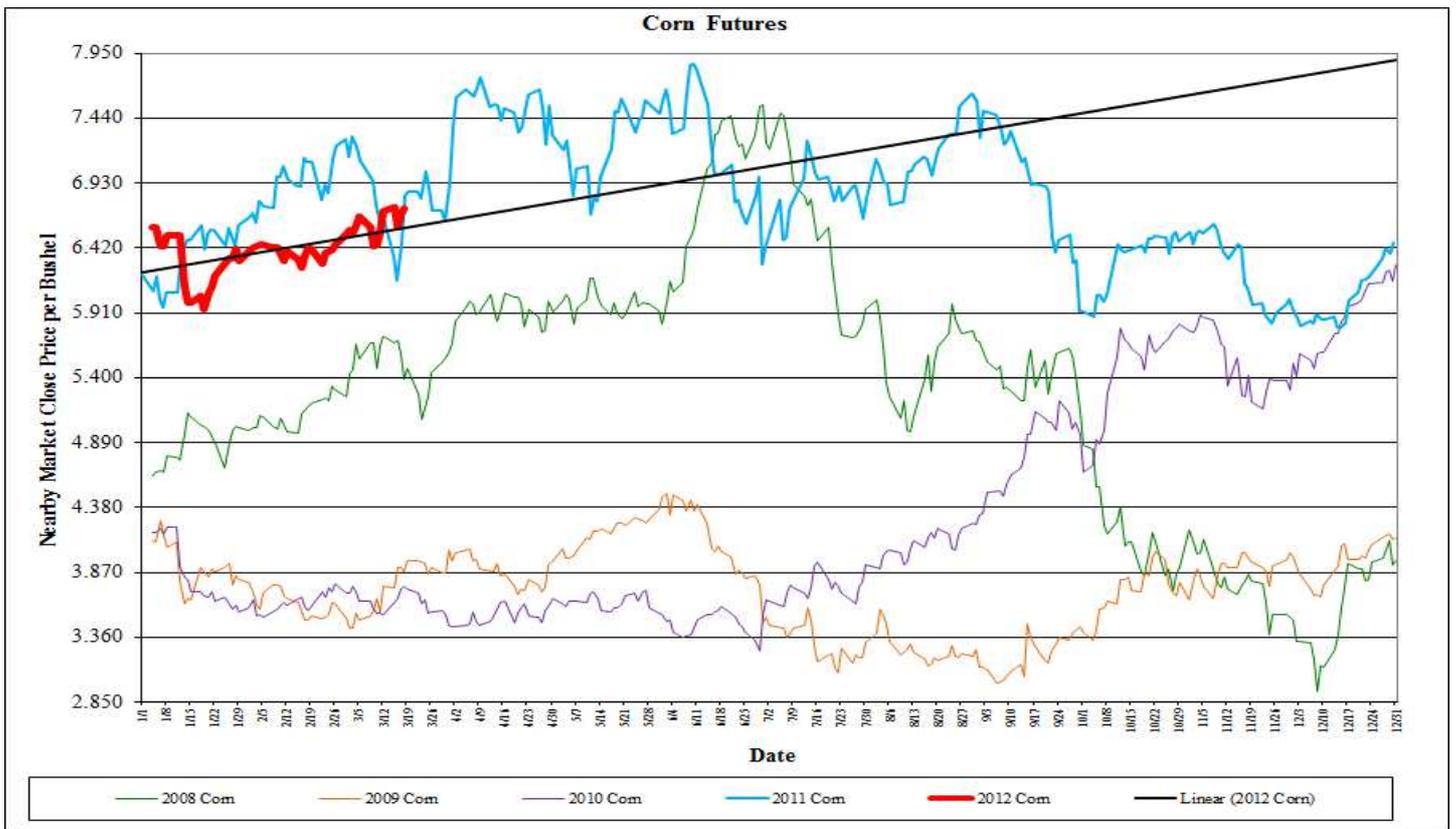
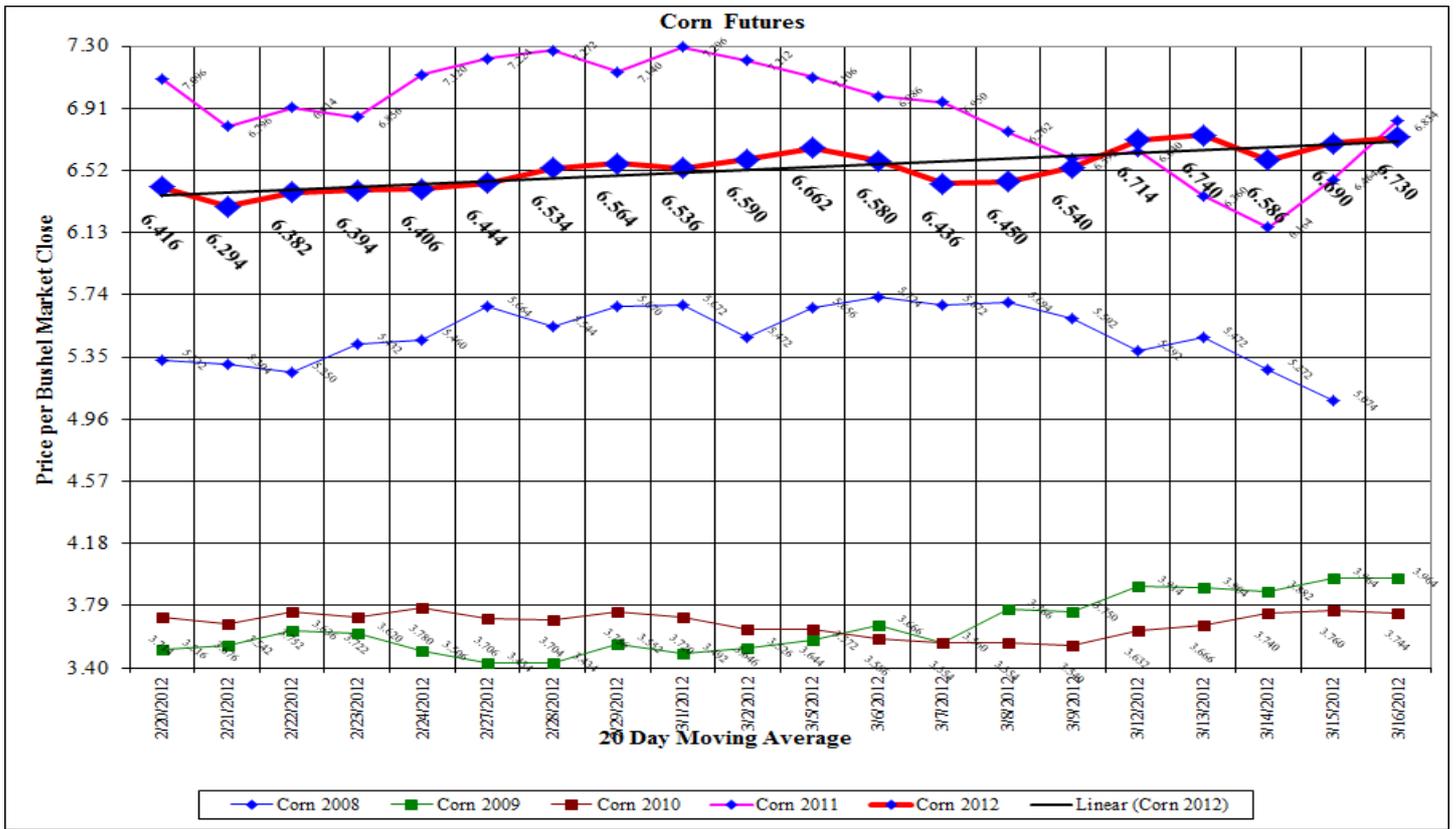
U.S. farmers could plant the 2012 corn crop in record time. The last four (4) seasons with early planting saw corn acres up an average of 1.3 million acres and beans down an average of 1.4 million acres from the March planting intentions report. The International Grain Council projects world maize production will climb in 2012/2013 but not exceed consumption.

Weekly U.S. ethanol production dropped sharply, and ethanol stocks finally declined from week to week.

Buenos Aires Exchange says corn harvest 12% complete; beans just starting, but slowed by rains.

May corn trading range is \$6.26-\$6.80, with upside above \$7.10 (if China buys a large amount of U.S. corn). Don't discount December dipping below \$4.75-\$5.00 if the U.S. 2012 corn area climbs to 94 million acres followed by good summer weather.

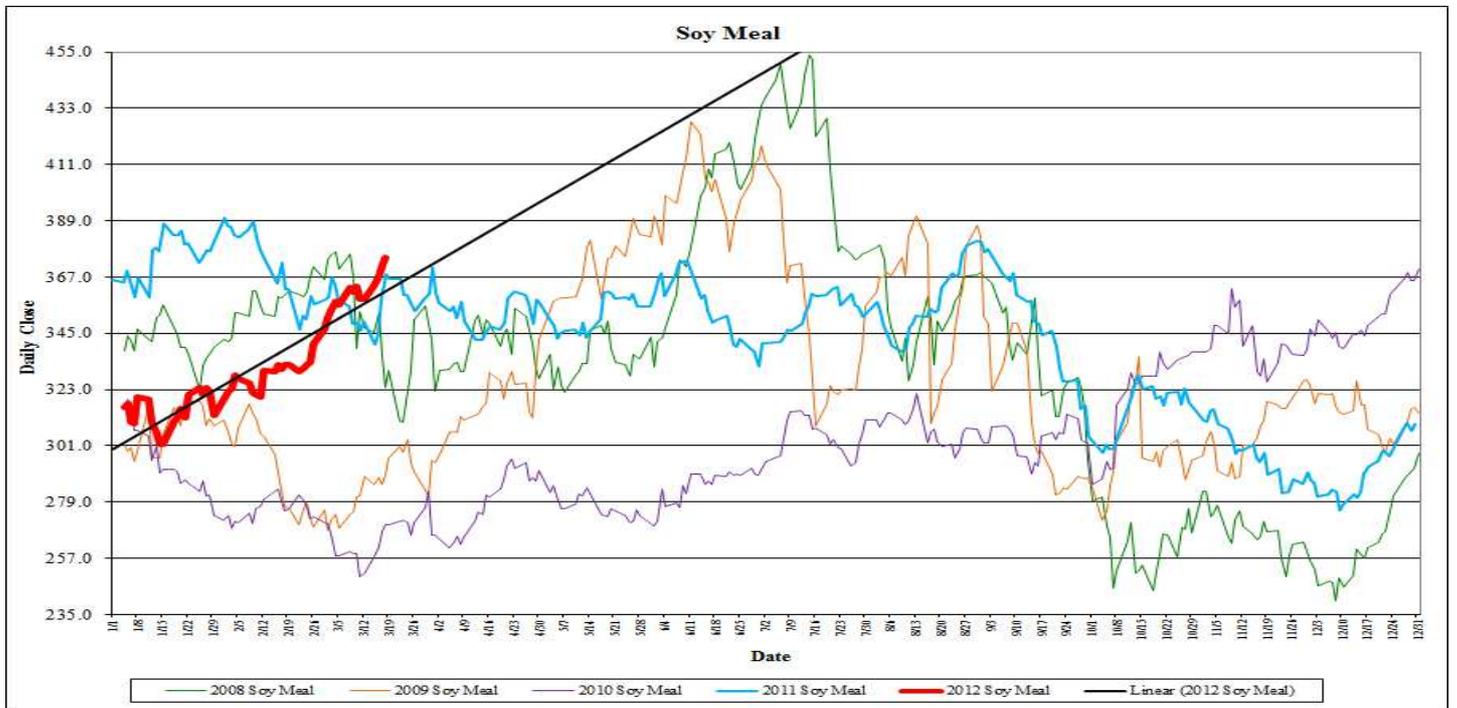
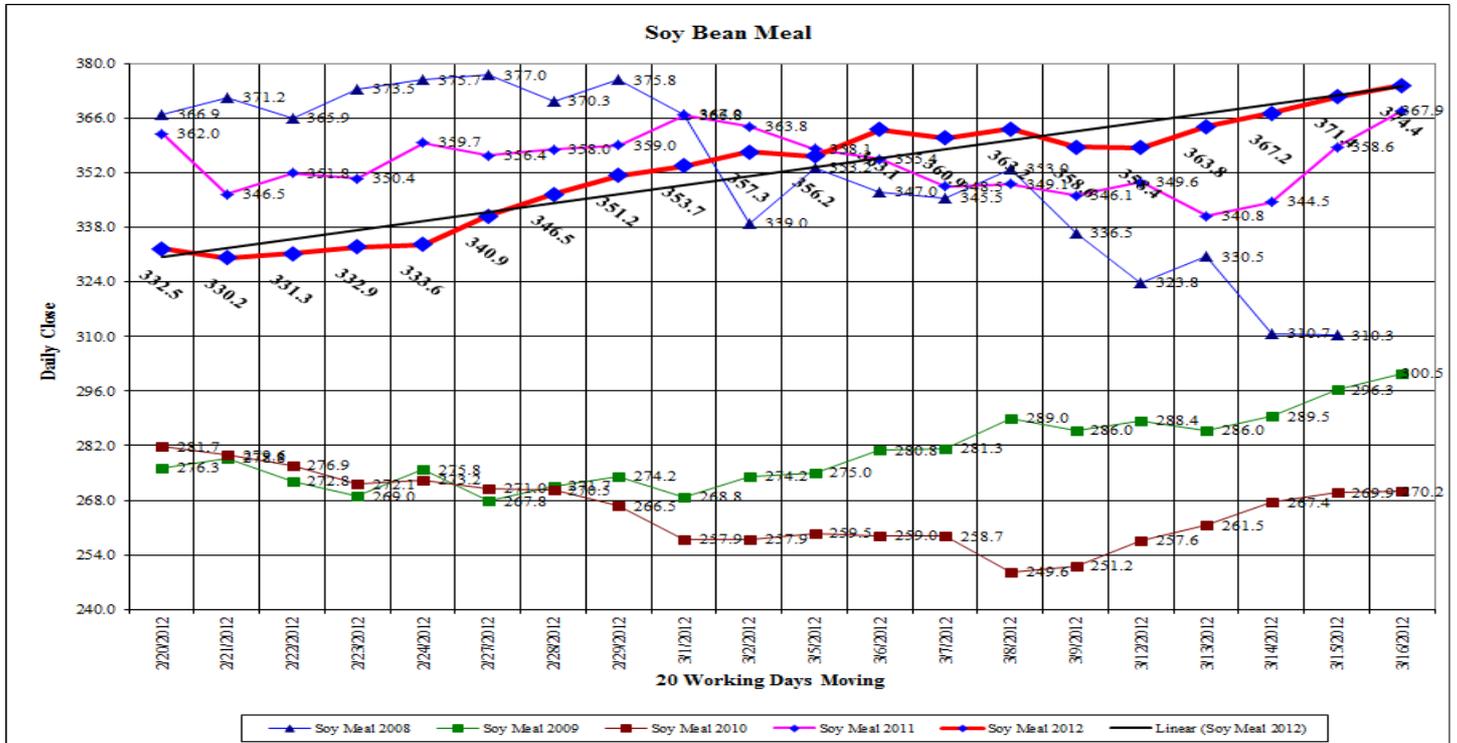
Corn futures closed up \$0.19/bushel for the week (versus last Friday's close).



Soy Meal

May meal futures are in an uptrend and went back to the top of the trading range this week, posting highs at 374.4 on Friday. The market could begin to setback but overall, continues to be strong. A small reversal could serve as an excuse for profit-taking, but the market would have to break and settle under 360.00 in order to be considered in a “firm correction”.

Soy meal futures closed up \$15.80/ton for the week (versus last Friday’s close).

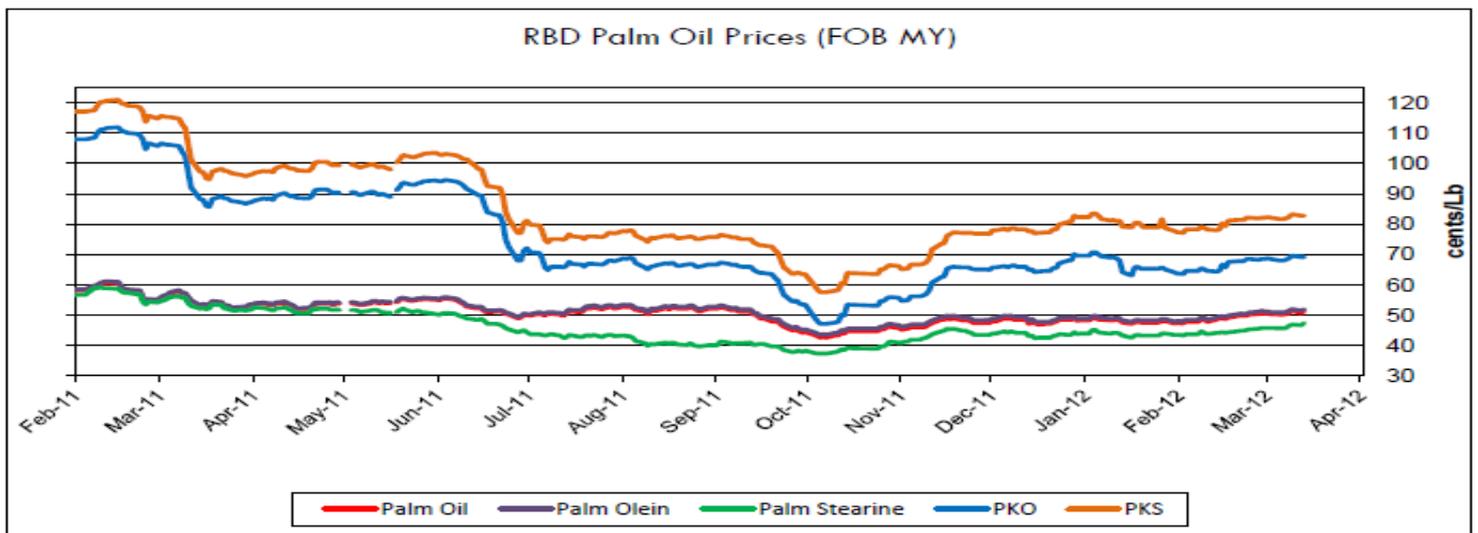


Palm Oil

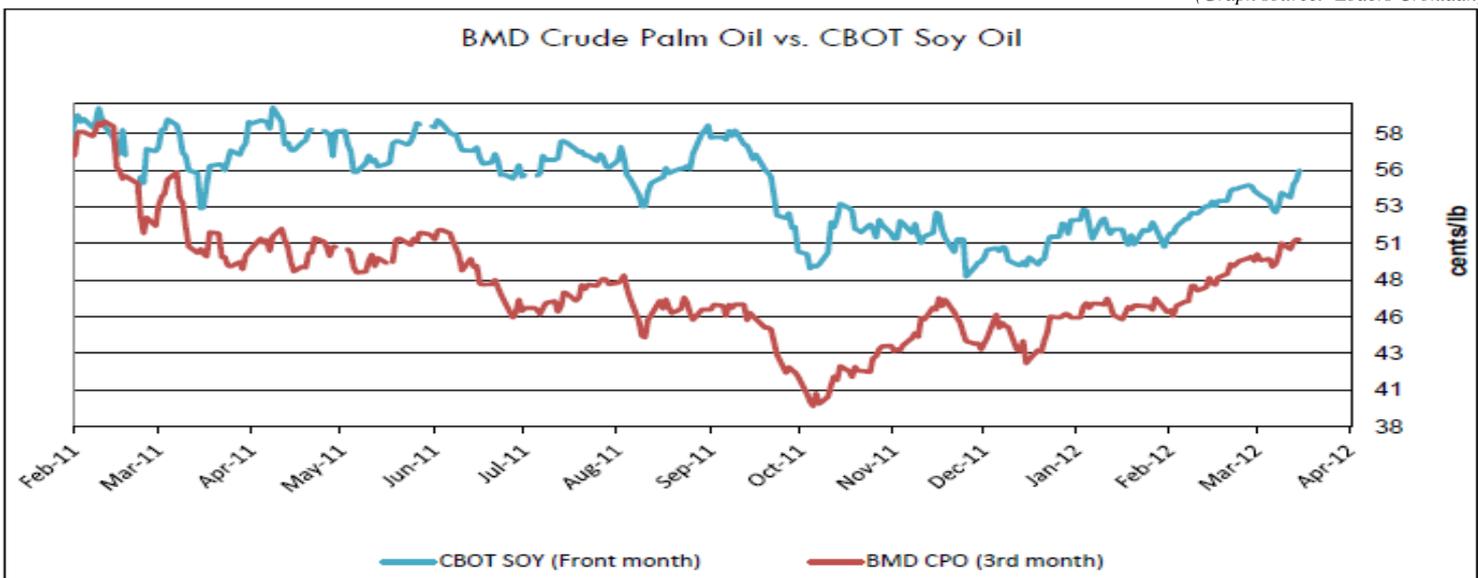
Malaysian crude palm oil futures rose to a nine-month high as recovering exports raised demand prospects for the edible oil and upbeat U.S. economic data lifted investor confidence. Malaysian crude palm oil futures moved up as traders bet energy markets would hold firm and eyed the outlook for U.S. corn plantings, which could take more acreage from soybeans and limit global edible oil supply this year. Palm oil tends to gain from a weaker U.S. dollar as the dollar-denominated edible oil becomes cheaper for buyers holding other currencies, but can be hit by a stronger dollar. Upbeat exports and new highs in CBT soybean futures continued to provide support. Talk is that March palm oil output could decline by 6-12%. That combined with a big jump in March exports could translate to month-end stocks declining below the key 2-million-tonne level.

Since the start of the year, palm oil prices have risen 6.8%, helped by the South American drought, the rally in CBT soybean and crude oil futures and positive price forecasts for the first half of 2012. Traders hope the recent uptick in Malaysian exports will be maintained and eat into high stocks topping 2 million tons.

An unexpected rise in Malaysian palm oil stocks reined in the market, although a recovery in exports for the first ten days of March kept investors upbeat. The rise in stocks in February was due to a fall in exports, but data for early March showed a 32% surge in exports as top buyer India snapped up cargoes and local planters won tax free crude palm oil export quotas to feed their refineries overseas. Traders were also waiting on U.S.D.A. planting forecasts, due on March 30, to get a reading on likely output for the coming year, with corn plantings expected to rise on demand from China. Traders suggest that the market is looking at the U.S. acreage battle that comes up in a couple of weeks and that palm oil price moves will be determined by external events, be it the Fed, crude oil, and U.S. soy. Analysts said weaker Malaysian production for this year will support prices at a time when demand for the tropical oil is strong and there is a shortfall in soy oil supply following a severe drought in South America that withered crops.



(Graph source: Loders Croklaan)



(Graph source: Loders Croklaan)

Energy Markets

Gasoline prices rose again Friday and drivers can expect to see the numbers on gas pumps creep higher over the weekend. The average price for a gallon of regular is now above \$4 in six states — Alaska, California, Connecticut, Hawaii, Illinois and New York. Retail gasoline prices were up a penny on Friday to a national average of \$3.831 per gallon, according to AAA, Wright Express and Oil Price Information Service.

Meanwhile, oil prices rose closer to \$106 per barrel and natural gas futures headed back above \$2.30 per 1,000 cubic feet. Oil markets were calmer a day after the government denied reports that the U.S. and the U.K. plan to release some of their strategic crude reserves. Oil briefly dropped near \$104 per barrel Thursday on those reports before recouping most of the losses when the White House said there was no plan to provide more crude to markets. By late morning in New York, benchmark oil for April delivery was up 49 cents to \$105.60. In London, Brent crude for May delivery rose \$1.74 to \$124.34 per barrel on the ICE Futures exchange in London.

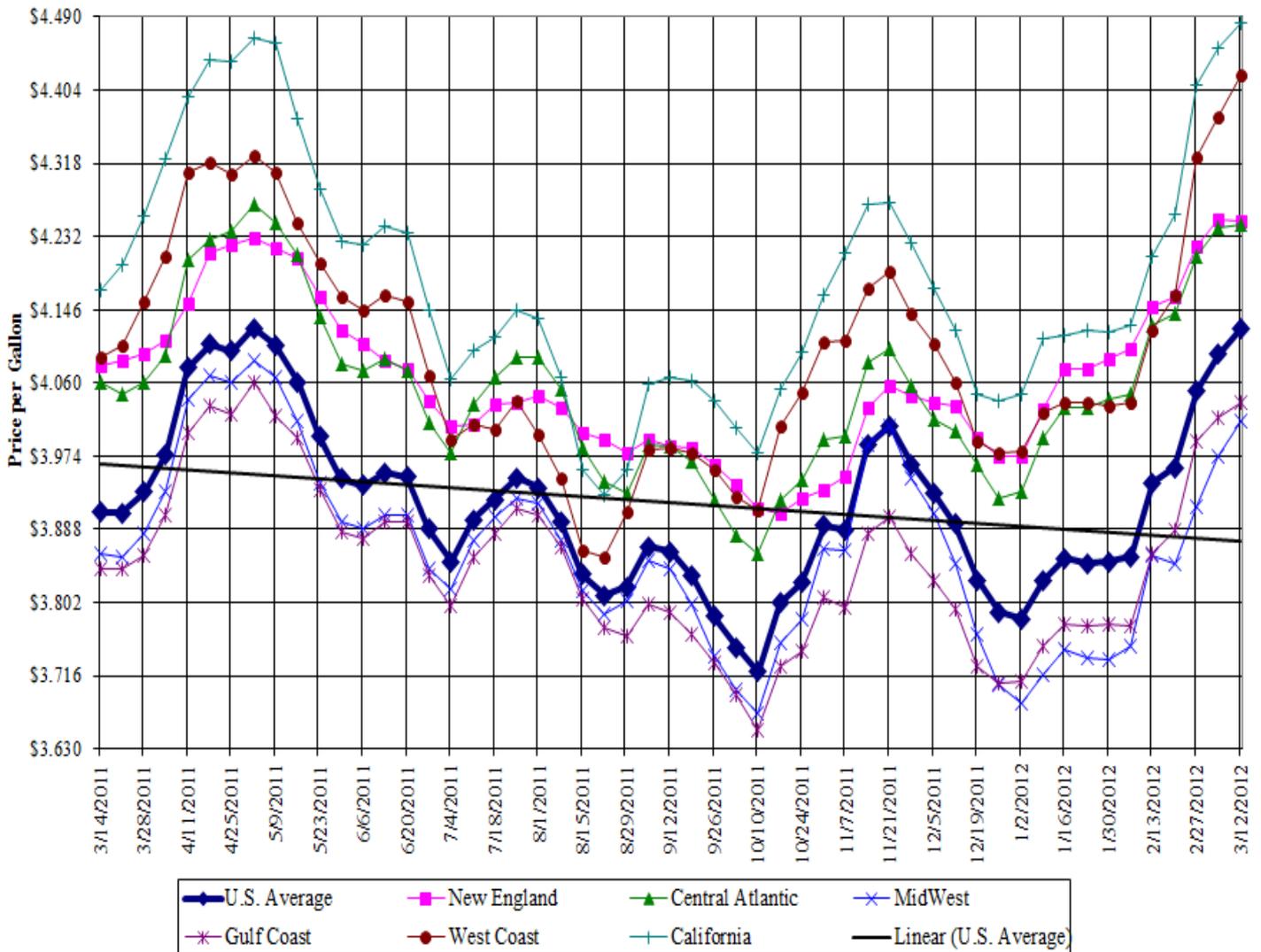
In other energy trading, heating oil rose 3 cents at \$3.26 per gallon and gasoline futures gained 4 cents at \$3.33 per gallon. Natural gas rose 4 cents to \$2.32 per 1,000 cubic feet.

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
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
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

Diesel Fuel Prices in Dollars per Gallon
52 Week Moving



Fruits/Nut Markets

U.S. Fruit crops—U.S. (MI): Farmers nervous as buds break

Southwest Michigan's fruit farmers are very nervous - their crops are advanced this year and the danger of a cold spell is not yet passed. At Tree-Mendus Fruit Farm in Eau Claire Tuesday, growth on the buds of sweet cherry and apricot trees are beginning to sprout and they are expecting their apricots trees to blossom this week - this would usually not happen until the middle of next month. 82-year-old Herb Teichman looks through a magnifying glass at the green buds growing on an apricot bush. "You know we get one pay day each year in this business and if a freeze came it would wipe you out," he said. The situation was similar back in 2009 when there was also early growth - a freeze did wipe out the buds that yeaf for Tree-Mendus. All the growers can do is hope for the best, that temperatures will remain above the freezing level - if that happens then everything should be fine.

Strawberries— US (CA): California strawberries now in season

The California Strawberry Commission say that the strawberry season has officially arrived. The peak of the season is between March and August. The state's crop represents around 88% of the total offering nationwide, and are grown by over 500 farmers.

Strawberries—US (CA): Plentiful supplies of strawberries this season

As volumes of strawberries have started to pick up, California growers are on pace to produce more fruit than in previous years. Though rain is predicted for some of the state's heavy-producing areas, it's anticipated the moisture will most likely have no effect on the fruit. While the supply of fruit has been increasing significantly in the last few weeks, peak volumes have yet to be reached, says Carolyn O'Donnell, Communications Director for the California Strawberry Commission. "Strawberry supplies should climb over the next two to three weeks," she says, "and they'll reach a peak which should hold steady through July." She notes that there have been steady increases in weekly production which spiked last week at 2 million boxes. Peak weekly production is estimated to be between four and five million boxes per week. Though this is the time of year when strawberry production increases, the rate of production is still high when compared to similar points during previous years. O'Donnell points out that, as of last week, total state production for the year was 11.8 million boxes. Mid-March totals for 2011 and 2010 were 7.3 million and 8.1 million, respectively. Most of the production is currently centred in the Oxnard region, and though rain is expected there this weekend, O'Donnell doesn't think it will hurt any of the crop. "The only way there would be damage is if there's a very hard rain, and that doesn't seem likely," she says.

Cherries—US: Cherries on way to "superfruit status"

Innova Market Insights suggests that increased knowledge in the health bestowing benefits of cherries has led to a consumer popularity rise, which, in turn, has led to more use of the fruit in juices. It has been said that the cherry is on its way to 'superfruit' status. Orange and apple still enjoy the domination of the top spots, but cherry does now feature in 7% of all juice and juice beverage drinks launched last year, a rise from 4% just five years ago. Many of these drinks are blends, within which cherry is just an ingredient. However, there are an increasing number of pure cherry products on the market. These are increasingly even specifying what variety of cherry is being used in the production. "Cherry juices are clearly increasing in popularity and increasingly carrying a 'superfruits' branding in wake of a growing body of research linking sour cherries to a whole range of health benefits," said Lu Ann Williams, research manager for Innova Market Insights. "This, combined with their unique sweet-sour taste properties, looks set to boost demand and carry cherries still further up the rankings in terms of soft drinks flavor use."

Walnuts—US: Diamond Foods to increase prices

Diamond Foods has said it will increase prices as the company expects to pay significantly more for walnuts to redress the situation with farmers who are complaining of years of underpayment. Some growers are saying that they will be ceasing their supply to Diamond over the payment controversy, which has claimed the jobs of Diamond's CEO and CFO. The company said its major brands gained market share and outperformed rivals in grocery stores and some other retailers for the twelve-week period ending February 18th. Diamond also said it was making "substantial progress strengthening its financial reporting and control capabilities" and in restating financial statements for fiscal years 2010 and 2011. The company is looking for way to strengthen its balance sheet, which is currently saddled with over \$500 million of debt. Analysts have predicted that Diamond is likely to breach its debt covenants because of the impending restatements.

Macadamia nuts—Australia: Macadamia harvest begins and it's looking good

The macadamia harvest started in the North Coast last week, with estimates for a 37,070 ton crop, which equates to 11,000 tons of kernel. This compares to last year's 28,500 tons of nut in shell, the result of ongoing atrociously wet conditions, which itself followed three years of below-average, weather induced yields. Processors are now trying to secure contracts between \$2.90 and \$3.20 a kilogram for standard quality nut in shell, which equates to \$3.05 and \$3.70 U.S. (33% saleable kernel and 3% reject at 10% moisture). Given a lack of stocks worldwide, growers are expecting the prices to represent the lower end of the market, if the crop forecast proves to be accurate and the main competitor, South Africa, reaches its own estimate, which is 32,000 tons nut in shell. The strength of currency is likely to take some of the shine out of potential success this year, but it is likely that this year will still see much more promising results than last. Australian Macadamia Society (AMS) chair Andrew Starkey said it was fair to expect solid prices this season based on previous short crops and continuing demand, particularly in Asia. The AMS has been busily marketing the Australian nuts, with efforts to portray the quality of the nuts in order to justify the high prices. "While the widespread growing demands for tree nuts overall is a big positive for us, the premium for macadamias is not as large as what is has been," he said. "Our aim is to cement the premium position of macadamias and we believe that can happen by increasing consumer awareness of their story as a native Australian plant with a unique flavor, texture and heritage." A high percentage - somewhere in the region of 70% - of Australia's macadamias are exported and the nut has come to represent an important part of the Australia's agricultural export, with a value over \$100 million per annum.

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