

This Week In Agriculture:

News That Could Make a Difference: March 25, 2011

- **The corn market was the leader for the week, hitting the highest level seen in 3 weeks early today before falling back into the close. Overall nearby corn gained 6 cents, with new adding 11. Old crop soys finished the week relatively unchanged, while new soys were up 16. Wheat finished the week 10 cents higher overall.**
- **Traders spent much of the week debating whether or not China actually purchased U.S. corn. As outlined in last week's newsletter rumors China was finally coming to the table and buying corn helped to put a short term bottom in the market. However, early on in the week the Chinese state agency disputed the rumors saying that they were filling state reserves with domestic grain.**
- **Today though, private exporters reported the sixth largest one-time export sale ever at 1.25 million metric tons of grain sold. Out of the 1.25 mmt 1 million of which is old crop. Many feel this is a sale to China with confirmation coming sometime next week. In true "buy the rumor sell the fact" fashion the markets opened at 3 week highs before settling nearly 27 cents off those highs in to the close. The saga of "did they or didn't they" when it comes to Chinese purchases is going to keep the market on its toes as we move ahead.**
- **Traders are still watching wet weather in South America closely. Reports of another 2 inches of rain falling mid-week in Brazil's largest soy producing state has helped to support the soy complex, even in the face of today's downward move in corn and soys.**
- **One large global analyst indicates Brazilian soy production could fall by 3 million metric ton (110 mbu) or more if conditions don't dry out soon. Some farmers report being forced to harvest beans out of the field at 30% moisture, just to get them out.**
- **The Michigan Wheat Millers Conference came out with their expectations for this coming year's wheat crop. They feel we will harvest 170,000 acres more this year than last. Total production-wise they believe we will see a 10.5 million bushel increase over last year, with a 60% Soft Red Wheat, 40% Soft White Wheat split.**
- **Next Thursday is the much anticipated USDA Planting Intentions and Quarterly Stocks report. Ahead of the report traders are anticipating 91.2 to 93 million acres of corn plantings, with soy expectations anywhere from 75 million acres up to 78 million.**
- **Most analysts agree we need to see at least 92 mln acres of corn and 78 mln acres of soys in order to keep supplies adequate. Quarterly stocks will be incredibly important as well, as they will give us a better idea of actual physical use and disappearance that has occurred over the last quarter.**

We will have Thursday's numbers for you once they are released. Ahead of the report it may not hurt to get target orders in place and perhaps take advantage of selling opportunities as they present themselves. With so much uncertainty when it comes to global demand and supply things are only going to get wilder as we head into the production season. Weather-wise the National Weather Service is calling for much below normal temperatures with below normal precipitation for the Corn Belt and Plains through April 8th. Give us a call with any questions as we move ahead, we're here to help!

All the Best!

Angie Maguire

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