

## **This Week in Agriculture:**

**A Mixed Bag of Information from the Week That Was: May 6, 2011**

- **An ugly week for the entire commodity spectrum. Overall old crop corn lost 70 cents, while new lost 29 cents. Old crop soybeans lost 68 cents, while new fell 66. Wheat dropped 42 cents overall.**
- **A broad sell off of commodities is acting as the driving force behind these steep drops. Other commodities are feeling the pinch as well. This week alone oil lost 15% of its value, sugar lost 13%, while natural gas fell 10%. At this point most analysts believe this is a needed short-term correction, and that commodities should remain strong long-term due to overall global demand growth.**
- **Weather is still causing major headaches throughout much of the Eastern Corn Belt and along the Mississippi River. Mid-week the Army Corps of Engineers made a controversial decision to blow the levee at Birds Point, MO flooding over 130,000 acres of some of the richest farmland in the country.**
- **More tough decisions may need to be made as we move ahead. Meteorologists are predicting we could see some of the worst flooding along the Mississippi River since the 1920's. This historical situation has also prompted the US Coast Guard to shut down portions of the river through at least the next eight days.**
- **Traders are eagerly waiting for Monday night's crop progress report. Some are anticipating corn planting will come in around 35% or so with dry weather finally working its way into the Western Belt. Planting windows are starting to pop up in the Eastern Belt as well.**

**The USDA will release its updated supply and demand numbers next Weds morning. At this point traders are anticipating numbers to come in relatively close to last month's estimates. This report will be special though because it will give us our first look into the USDA's outlook for the 2011/2012 crop year. We'll have the numbers out to you once they're released.**

**At this point traders the path of least resistance seems to be lower, especially with the outside pressure, fundamentally however things really haven't changed too dramatically. Target orders will remain crucial. The strong influence of outside money has become a double edged sword, pushing the markets higher than anyone really ever anticipated, but also dropping them faster than we thought possible. Give us a call with any questions, we're here to help!**

**All the Best!  
Angie Maguire  
Citizens LLC**

**\*\*\*Commodities trading is very risky, Citizens LLC holds no liability for the use of the information contained herein\*\*\***