



World Grains Commodity Assessment
28 May 2008

2008 outlook

Important fundamentals for major grains origins

South America: Argentina's dryness in recent months (Cordoba/Santa Fe) will start to cut into yield potentials for soybeans and wheat. Soybean flowering stage was delayed from a lack of moisture in April. In addition, the current worker strike will serve to curtail exports and will likely lead to some supply tightness which could extend through the end of the current crop year. Increased price pressure on soybeans and wheat. In Brazil, corn and soybean growing regions (mostly the Centre-South) have been experiencing good conditions, so supply from Parana, Rio Grande do Sul and Mato Grosso should be better than last year.

Australia: Some rain has helped Queensland sugarcane growing regions, but Western Australia and New South Wales have remained dry with soil moisture deficiencies. We see an improvement over last year's wheat crop disaster, but do not expect a significant recovery to start until the 2009/10 crop. 2008/09 wheat crop (currently in planting) could use more rainfall.

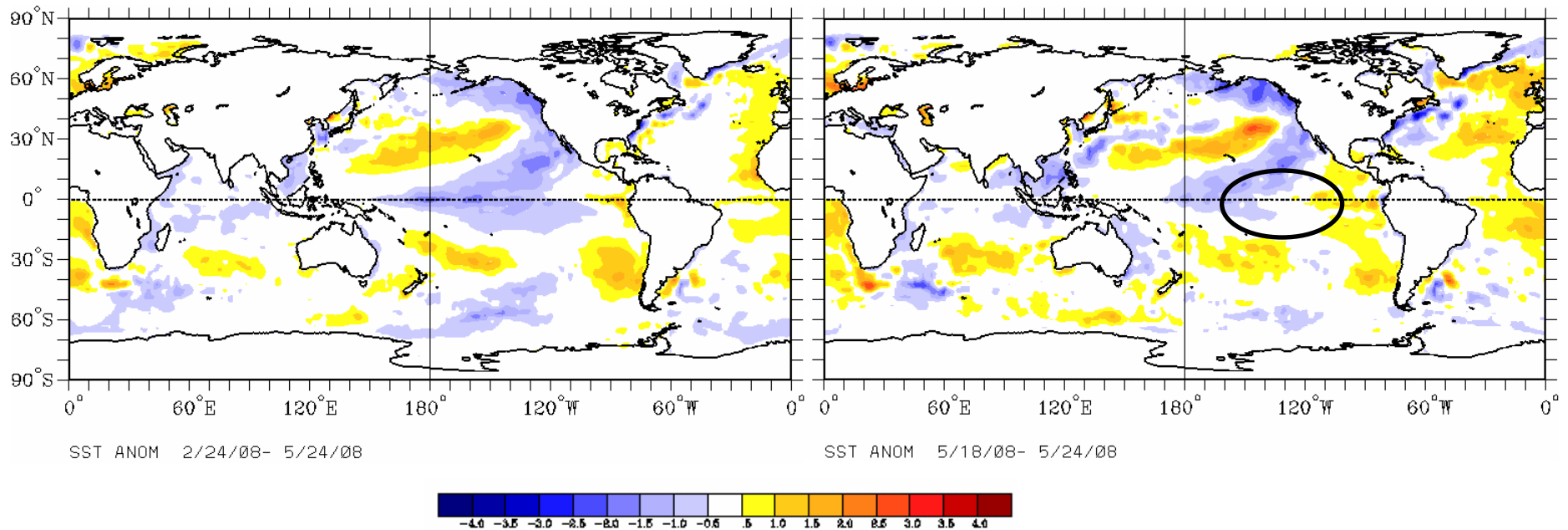
US: 2008 planting delays coupled with cooler temperatures will limit development of both corn and soybean crops in the 18 major growing states. For the week ending 18-May, 26% of the corn crop had emerged, as compared to 59% last year and the 56% 5-year average*. Growers who switched corn acres to soybeans will also see limiting factors on soybean yield potential (cooler August/September). Further, late season conditions are not positive for harvest extension, so the cascading effects of late plant scenario will be felt through the end of the year.

China: Following recent dryness, the pattern in China's primary grains regions is looking favorable for much of June. First week in southern Yangtze and much of Yellow River basins look drier, then a health rainfall pattern will resume for most of the rest of the month.

*USDA NASS Crop Progress report – 19 May 2008.



Global Weather Drivers – La Nina weakening

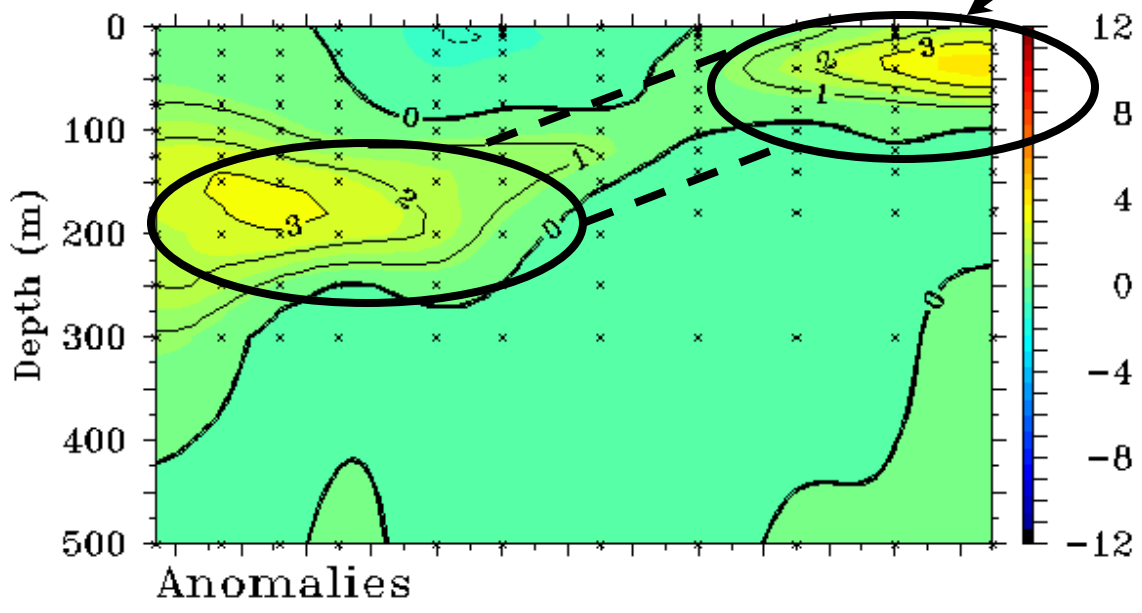
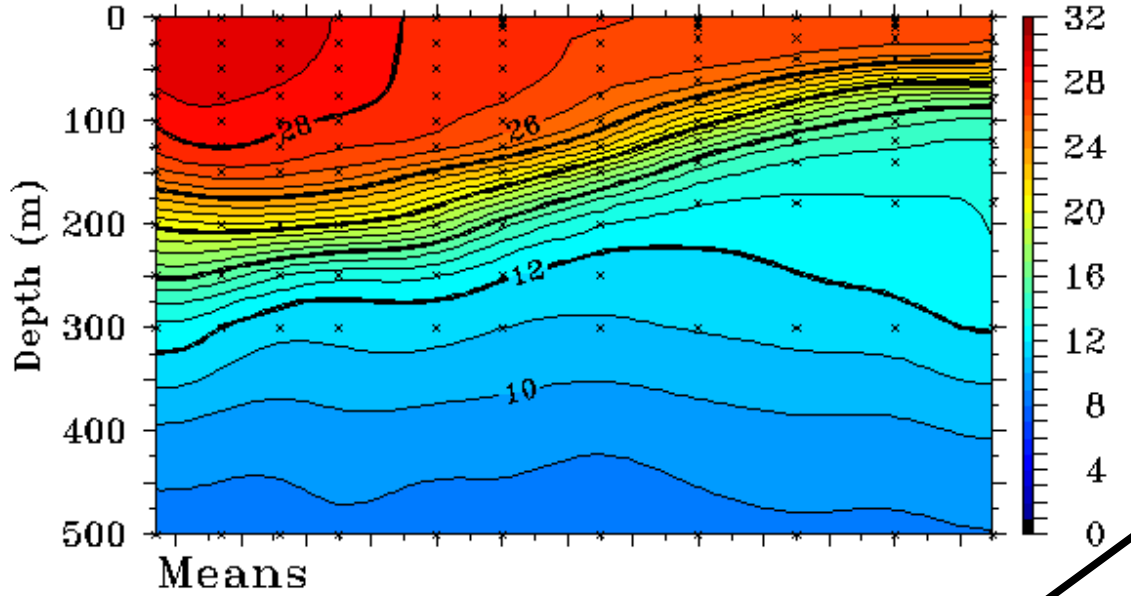


- The map on the left is the seasonal SST anomaly; map on right is most recent week.
- Large mass of cool equatorial surface water is starting to degrade, particularly east of 150°.
- Per our forecast, the La Nina conditions have declined sharply in the last 2 months, and we expect to be completely out of La Nina, or even in a developing El Nino by late in the year.
- Contiguous mass of subsurface warm water has increased in areal extent (see next slide).
- El Nino conditions may be the driver for the 2009 pattern.

TAO/TRITON 5-Day Temperature (°C)

End Date: May 27 2008 2°S to 2°N Average

140°E 160°E 180° 160°W 140°W 120°W 100°W



This subsurface warm water mass now stretches from 100W to 140E; as this slowly rises to the surface, it can effectively end La Nina conditions in a rapid fashion.

Weekly weather outlook June 2008 – January 2009

		June 2008					July 2008					August 2008					September 2008				October 2008				November 2008				December 2008			January 2009					
		06/07	06/14	06/21	06/28	07/05	07/12	07/19	07/26	08/02	08/09	08/16	08/23	08/30	09/06	09/13	09/20	09/27	10/04	10/11	10/18	10/25	11/01	11/08	11/15	11/22	11/29	12/06	12/13	12/20	12/27	01/03	01/10	01/17	01/24	01/31	
Nanjing, China	Tavg	25	23	25	26	26	27	28	30	29	29	28	27	25	25	25	23	22	21	19	18	16	15	14	12	10	8.4	7	6.1	5.3	4.9	4.4	4.1	2.2	2	1.8	
	Tavg vs LY	2.1	-2	-0	-3	-2	-1	-1	2	-3	-1	-1	-4	-4	0.8	-0	-0	-3	-4	-3	0.8	-1	-0	0.3	-1	-1	-2	-1	-1	-1	-1	-4	1	-3	0.9	1.2	2.9
	prcp	9.1	47	42	59	64	46	45	29	21	26	31	48	27	37	26	14	14	14	22	18	12	14	23	12	8.4	10	14	4.3	10	7.9	16	17	15	18	16	
Wuhu, China	Tavg	25	23	25	26	27	28	28	30	30	29	28	27	25	25	26	24	23	21	18	17	15	14	13	11	9.3	7.8	6.9	6	5.6	4.9	4.7	4.2	2.8	2.6		
	Tavg vs LY	1.7	-1	-0	-3	-2	-2	-1	0.9	-2	-1	-1	-4	-4	1.7	0.5	0.4	-3	-4	-1	0.4	-1	0.4	0.8	-0	-1	-1	-0	0	-1	-3	1	-3	2.4	2.1	3.6	
	prcp	11	45	66	49	49	48	36	33	14	47	24	39	33	24	12	51	12	12	25	17	8.9	11	21	15	11	9.1	13	7.9	8.1	11	7.4	19	14	27	18	
Wuhan, China	Tavg	27	26	26	28	27	29	29	31	30	30	28	27	25	26	26	25	22	22	20	19	18	16	14	13	12	11	8.7	7.6	6.4	6.3	5.8	5.6	5.6	3.8	3.4	
	Tavg vs LY	0.7	-1	-0	-0	-4	-2	-0	3.8	-2	-0	-1	-2	-5	1.1	-0	-0	-5	-2	-4	1.1	-2	0.7	-2	-3	1.2	-1	-1	0.2	-2	-2	0.6	-2	5.8	4.7	4.9	
	prcp	19	41	71	65	49	33	69	39	30	25	45	24	30	27	34	33	18	14	26	31	21	13	19	15	6.4	9.1	6.6	5.6	9.9	8.1	8.1	15	8.9	15	14	
Nanning, China	Tavg	24	26	28	28	29	29	29	29	29	29	29	28	27	28	27	26	25	24	24	23	21	22	19	19	17	16	16	15	14	14	15	14	14	12		
	Tavg vs LY	-6	-2	-0	-3	0.6	-1	-2	-1	0	-0	0	0	0	1.7	0.3	0.8	-2	-2	1	-0	-1	4.6	-2	-0	0.9	-0	-3	-3	-1	1.5	-0	1	7	7.1		
	prcp	88	65	36	83	38	34	42	96	48	48	67	26	52	51	43	29	20	21	11	31	23	14	11	17	6.1	11	9.7	7.1	4.8	12	13	21	10	10	22	
Qinzhou, China	Tavg	25	27	29	28	29	29	29	29	29	29	29	28	27	28	27	26	25	24	23	21	22	26	25	24	23	23	21	20	19	18	17	16	16	14	15	13
	Tavg vs LY	-5	-2	-0	-2	0.4	-1	-3	-1	-1	-2	-0	-1	-1	-0	0.6	-1	-0	-3	-3	-0	-1	-1	2.3	-3	-2	-1	-1	-4	-3	-1	0.6	-2	0.3	6.9	7.3	
	prcp	60	93	62	132	79	77	74	159	64	96	85	75	91	103	67	37	41	49	32	40	31	24	30	19	6.4	13	12	20	4.6	8.9	8.4	25	7.4	12	21	
Chongqing, China	Tavg	23	25	25	26	27	28	28	29	29	28	27	27	24	26	26	25	23	21	18	18	17	17	15	14	12	11	9.7	9	8.8	8	8.6	8.2	7.4	6.6		
	Tavg vs LY	-3	2.6	1.2	-1	-2	-0	0.3	3.6	2.1	-3	-3	-5	-7	0.6	4.6	0.4	-3	-6	-2	-2	-0	0.9	-1	-1	-0	-1	-1	-0	-2	-2	-0	-2	1.2	2.7	3.9	
	prcp	28	29	59	39	47	27	77	30	52	27	45	22	35	30	42	29	34	47	27	28	19	11	9.7	18	8.4	6.6	9.7	6.6	4.8	7.4	2.8	5.6	8.1	4.6	9.4	
Yichang, China	Tavg	28	26	26	27	26	28	28	29	29	29	27	27	25	26	26	24	21	21	19	18	17	16	14	13	12	11	9.5	8.4	7.5	7.1	7.2	6.3	5.3	3.9	4	
	Tavg vs LY	2	-0	-2	-1	-3	-1	-1	5	-1	0	-2	-3	-3	1.3	2.2	-1	-3	-1	-3	1.5	-2	0.9	-2	0	-2	0.2	0.8	-1	-1	0.8	-1	-1	4.8	4.1	4.6	
	prcp	9.1	13	29	49	67	44	68	63	50	46	32	45	38	28	31	31	17	18	29	25	19	20	23	22	9.7	4.8	8.4	6.9	5.3	6.1	5.3	4.8	9.4	7.4	5.3	
Yibin, China	Tavg	22	25	24	25	26	27	26	28	28	27	26	26	25	25	26	24	23	21	20	18	18	17	17	15	13	13	11	10	9.1	8.9	8.6	8.5	8.5	7.6	6.5	
	Tavg vs LY	-4	2	0	-4	-2	-1	-1	2.2	1	-3	-2	-4	-3	0.8	4	-0	-2	-3	-0	2.3	-0	1.1	0.6	-0	-2	-1	-1	-0	-1	-2	0.4	-2	1.5	3.6	4.5	
	prcp	52	28	43	36	77	43	56	60	51	73	61	37	46	44	36	21	27	16	16	26	17	13	8.4	8.1	5.6	5.1	4.1	3.8	6.9	8.1	3	2	5.3	6.6	9.7	
Anqing, China	Tavg	26	25	26	27	27	29	29	30	31	30	28	27	26	26	26	25	23	23	20	19	18	16	15	13	12	10	8.9	7.5	6.5	6.7	6.1	5.8	5.2	4	3.3	
	Tavg vs LY	0.8	-1	-0	-1	-2	-2	-0	0.6	-2	-1	-1	-3	-3	2	0.3	0.4	-2	-3	-2	1.1	-1	1.1	0.5	-2	0.4	-1	-1	0.1	-2	-3	1.2	-3	3.9	3.9	4.4	
	prcp	25	69	71	83	74	51	33	29	42	30	31	42	14	26	34	19	20	10	31	12	12	15	25	10	15	9.4	13	5.3	13	8.1	8.4	13	19	23	16	
Beijing, China	Tavg	26	26	24	25	26	27	27	27	27	26	25	24	23	22	19	17	16	14	13	12	8.7	6.8	4.7	2.9	1.8	-0	-1	-2	-2	-3	-3	-2	-4	-5	-4	-3
	Tavg vs LY	0.2	-1	-1	-2	0.1	-0	0.1	-0	0.1	-0	-2	-4	-2	-2	-3	-2	-5	-3	-1	-1	-1	-0	-2	-2	-1	-3	-2	-2	-3	-3	-2	-4	0.2	0.3	-1	
	prcp	0	8.6	24	29	44	28	46	73	64	61	47	34	34	25	7.9	18	9.4	17	6.9	4.8	6.9	8.1	2.5	3.8	2.8	0.8	1.3	1	3	0.5	0.8	1.8	0.5	1.3	0.3	
Jinan, China	Tavg	27	27	26	27	27	27	28	28	28	27	26	25	25	25	23	22	20	18	17	16	15	12	11	8.8	6.5	5.1	4	2	1.9	0.5	0.9	0.6	-1	-2	-1	
	Tavg vs LY	1	-1	1.3	0.9	0.8	-1	0.5	3	-1	-0	1	-1	-1	2.3	-1	-1	-3	2.1	1.4	0.3	-1	0.6	-2	-1	-1	-2	-0	-1	-2	-0	-1	-2	0.3	2.6	2.3	1.8
	prcp	6.6	5.7	27	29	63	57	57	43	34	55	62	30	33	26	15	18	12	28	6.9	13	6.1	9.9	4.6	9.1	4.6	1.3	4.1	3	2.8	1.5	1.8	3	1	1.5	1.8	
Cordoba, Argentina	Tavg	10	12	11	11	10	9.6	10	11	15	15	13	15	15	16	15	15	16	17	18	20	19	20	21	20	22	22	22	23	23	24	23	24	24	23	24	
	Tavg vs LY	-3	-1	2.2	2.2	1.4	4.4	-1	-0	7.5	7	2.2	6.7	3.7	-3	-5	1.3	3.2	-4	1.5	2.1	-3	-1	-1	3.4	-3	-1	-2	-1	-0	-0	-4	-2	0.2	1.1	2.1	
	prcp	4.8	3	2.3	0.8	6.4	1.3	2.5	2.8	4.3	6.1	1.5	5.3	8.1	7.4	16	3.6	12	13	7.9	7.9	25	29	17	26	16	19	46	27	19	30	25	50	27	26		
Rio Cuarto, Argentina	Tavg	10	11	9.9	9.6	9.2	8.4	8.9	10	13	13	12	13	13	14	14	14	16	17	18	18	18	19	20	19	22	22	22	21	23	23	23	24	24	24	23	24
	Tavg vs LY	-3	0.1	1.4	0.7	-1	5.9	-2	0.7	6.8	6.7	1.9	4.6	2.6	-3	-5	2.7	3.4	-4	2.4	1.9	-4	-0	-1	3.9	-2	-0	0	-2	-0	0.7	-3	-1	1	1.6	2.5	
	prcp	1	3.2	2.5	3.3	7.6	10	2.8	5.8	5.1	14	3.3	2.3	5.3	8.9	6.4	18	9.1	20	8.6	10	12	33	19	34	23	21	14	31	19	19	30	33	22	23	11	
Santa Fe, Argentina	Tavg	13	13	12	13	12	11	11	12	16	16	14	17	16	17	15	16	18	17	19	20	20	21	21	23	23	23	23	24	25	25	26	26	26	26	26	
	Tavg vs LY	0.1	-0	2.5	4.5	2.5	3.3	0.4	0.8	6.9	7.6	0.3	7.1	4.2	-1	-7	1.3	4.3	-4	0.3	1.8	-2	-1	0.3	4.2	-2	0.3	-2	-0	0.7	0.9	-3	-3	0.3	1.9	1	
	prcp	25	9	18	4.1	8.6	4.8	3.8	6.9	11	17	6.1	8.6	6.6	10	26	18	5.8	9.1	27	13	38	30	28	24	18	32	18	25	42	11	29	7.1	26	32	28	
Marcos Juarez, Argentina	Tavg	11	12	10	9.9	9.4	9.1	8.8	9.7	13	13	13	15	14	15	14	14	16	17	18	19	19	20	20	22	22	22	22	23	24	24	24	24	24	23	24	23
	Tavg vs LY	-1	0.6	2.6	3.4	1.3	4.9	0.7	-0	6.2	6.1	3	6.8	4.5	-1	-7	1.3	3.3	-3	1.7	2	-1	0.2	-0	4.8	-2	1.6	-1	0	0.6	-1	-4	-2	1.3	1.6	1.3	
	prcp	12	9.4	2	0.5	9.																															

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		June 2008					July 2008					August 2008					September 2008				October 2008				November 2008				December 2008			January 2009					
		06/07	06/14	06/21	06/28	07/05	07/12	07/19	07/26	08/02	08/09	08/16	08/23	08/30	09/06	09/13	09/20	09/27	10/04	10/11	10/18	10/25	11/01	11/08	11/15	11/22	11/29	12/06	12/13	12/20	12/27	01/03	01/10	01/17	01/24	01/31	
Rosario, Argentina	Tavg	12	12	11	11	10	9.6	9.7	11	14	14	16	15	16	14	15	16	17	18	19	19	20	21	21	22	22	23	22	23	24	24	25	25	25	25		
	Tavg vs LY	1.1	1.2	2.4	2.1	1.7	4.2	0.5	1.1	6.8	6.6	2	7.3	4.8	-1	-7	1.2	3.8	-4	1.2	1.4	-2	-0	0.7	4.6	-2	0.7	-1	-0	0.7	0.3	-4	-2	0.8	1.6	0.9	
	prcp	17	7.7	5.6	2.3	9.9	12	6.6	7.1	2.3	8.6	4.3	12	14	9.9	16	17	12	11	25	12	19	18	21	19	19	14	30	49	29	20	14	20	23	36	30	
Curitiba, Brazil	Tavg	17	17	15	15	16	14	14	14	15	14	14	17	18	18	16	17	18	18	19	19	20	18	19	21	20	21	22	22	22	23	22	22	23	23	23	
	Tavg vs LY	3	-2	-3	-1	1.1	-3	-1	1.1	3.9	-2	-2	1.2	2.4	-1	-3	-3	0.6	1.4	-2	-1	1.6	-5	-1	2.8	1	1.1	-2	0.4	1.8	0.4	-1	-0	0.3	3.7	3.8	
	prcp	23	7.7	20	17	9.4	11	13	38	16	11	11	11	4.8	6.1	22	27	18	20	30	23	25	7.6	12	32	13	7.6	58	11	13	11	21	18	29	19	19	
Londrina, Brazil	Tavg	20	20	19	19	19	18	17	17	20	19	20	22	23	21	22	24	23	24	23	24	22	24	24	24	24	25	25	25	26	25	25	25	25	25	25	
	Tavg vs LY	2.5	-2	-3	-1	-0	-3	-1	0.5	4	-2	-2	1.9	1	-2	-3	-4	0.4	-0	-3	-0	0.3	-5	-0	1.7	-1	-0	-2	0.6	1.4	0.7	-1	-1	0.3	2.3	3.3	
	prcp	11	17	20	13	3.3	5.8	29	18	4.6	4.6	8.1	9.4	6.6	11	15	12	14	21	14	19	21	11	23	40	18	11	29	16	26	13	32	22	42	18	30	
Foz Do Iguacu, Brazil	Tavg	20	20	17	18	19	16	16	16	19	18	18	23	22	22	19	20	22	22	23	23	24	23	24	25	24	25	25	25	26	27	27	26	27	26	26	
	Tavg vs LY	5	-2	-2	2.8	2.5	0.3	1.9	3.2	4.5	0.9	-4	6.1	5.7	-3	-8	-4	1.5	-3	-3	1.8	0.3	-5	1.6	3.9	0.2	-0	-3	-1	-0	0.3	0.8	-0	0.2	1.7	2.2	
	prcp	24	43	31	14	7.6	30	14	7.9	15	15	6.9	9.7	7.6	4.8	5.6	19	20	27	29	15	28	12	19	43	18	37	18	13	14	12	20	8.9	13	14	35	
Sao Paulo, Brazil	Tavg	19	19	20	19	19	18	17	17	19	18	19	21	21	21	20	19	21	21	22	22	23	21	22	22	22	23	24	23	24	25	24	24	26	25	26	25
	Tavg vs LY	2.8	-2	-1	-0	1.3	-2	-0	-1	4	-1	-1	3.6	1.7	-1	-1	-3	1.2	2	-1	0	3	-3	0.1	1.6	1.7	1.4	0	1.4	2.2	0.2	-2	1	0.3	5	4.6	
	prcp	23	3.2	5.3	4.3	7.9	5.1	12	17	2.3	4.8	8.9	14	5.8	3.3	8.9	7.1	27	11	20	10	19	20	8.6	17	19	12	9.1	19	38	18	42	23	60	16	45	
Cuiaba, Brazil	Tavg	27	27	25	26	26	25	25	26	27	28	30	29	29	29	30	30	30	30	30	29	29	29	29	29	29	29	29	29	29	29	29	29	29	28	28	28
	Tavg vs LY	3.1	0.6	-1	1.3	0	2.8	0.3	0.3	2.3	3	0.8	6.1	4	0.1	-2	-2	1.3	-1	-0	2.3	1.9	-0	1	1.8	0.6	1.8	1.2	0.8	0.7	0.7	0.7	0.6	1.5	1.6	2.3	
	prcp	1.5	0.6	2.3	2.5	1.8	2.8	1	3.3	0.3	3	1.5	2.3	6.1	1.8	3.8	16	22	8.6	6.9	24	42	20	36	31	17	32	13	21	20	25	16	31	33	15	26	
Belo Horizonte, Brazil	Tavg	17	18	20	19	19	19	19	19	19	19	20	21	22	22	22	23	23	24	24	24	23	23	23	23	23	24	23	24	24	24	24	24	25	26	26	26
	Tavg vs LY	-1	-2	0.8	0.9	0.2	0.8	-1	-2	2.6	0.2	0.9	1	-0	1.3	2.5	-0	0.5	1.7	1.2	-2	0.7	-3	-1	-1	0.3	0.3	-0	-1	1	1.1	-1	0.8	1.6	2.3	4.9	
	prcp	4.3	0.1	1.8	1.3	0	1.8	1.8	0.5	0.8	3.3	3.3	4.8	5.6	7.6	2.8	10	11	22	27	12	30	26	54	28	32	35	23	34	67	40	44	62	43	44	28	
Campo Grande, Brazil	Tavg	23	24	22	23	23	21	22	22	24	24	24	27	27	27	25	24	27	27	28	28	27	27	27	28	27	27	28	27	28	28	28	28	28	27	27	29
	Tavg vs LY	1.1	-3	-4	-2	-2	-3	-3	-1	2.1	-1	-2	1.9	3.6	-3	-7	-6	0.4	-1	-2	1.9	1	-1	1.5	3	0.4	1.6	0.8	2.1	1.3	1.1	1.2	1.5	1.9	3.7	4.9	
	prcp	8.6	5.1	6.6	5.3	3.8	5.3	5.6	5.8	2.3	5.3	5.1	4.1	16	9.1	9.4	14	11	17	11	14	33	27	17	28	9.7	29	40	35	32	20	16	24	25	28	20	
Belfast, UK	Tavg	12	12	14	14	14	15	15	15	15	16	15	15	14	14	13	12	12	11	10	9	9	8	7	7	6	6	5	6	4	3	4	5	6	5	6	5
	Tavg vs LY	-2	-4	0	2	0	1	0	1	1	2	2	1	0	0	-1	-2	1	1	0	-2	-3	-1	-1	-2	0	0	-2	-2	0	1	0	-4	1	0	-1	-2
	prcp	6	10	14	14	20	14	25	18	11	20	24	21	12	12	24	18	17	19	17	23	18	19	20	18	13	20	12	20	21	19	18	13	11	29	15	
Edinburgh, UK	Tavg	12	12	13	14	14	14	15	14	15	16	16	15	15	14	14	13	12	11	10	9	9	8	7	6	5	4	4	3	3	4	4	5	4	5	4	
	Tavg vs LY	-1	-1	-1	1	-1	0	1	1	2	2	2	1	0	0	-1	2	2	1	-1	-2	1	-2	-2	1	-1	0	-2	0	5	1	-2	1	2	-1	-3	
	prcp	5	18	7	15	23	12	19	17	11	16	20	22	15	12	17	18	19	15	22	13	12	11	21	12	10	10	10	20	11	21	11	12	9	11	25	
London, UK	Tavg	14	16	17	17	17	17	19	18	19	20	21	19	19	17	17	15	15	14	13	12	11	11	10	8	7	7	6	6	6	6	5	5	5	5	6	6
	Tavg vs LY	-2	-3	0	2	1	1	0	2	3	1	3	4	2	0	0	0	0	0	-2	2	-1	0	0	1	0	-4	0	3	1	-2	-2	-3	-5	-1	-1	
	prcp	14	8	11	16	18	7	15	21	11	17	14	6	7	11	11	12	14	17	19	18	20	14	15	17	11	9	7	13	18	21	12	10	7	10	17	
Bordeaux, France	Tavg	17	19	21	21	20	20	20	21	22	23	24	24	23	20	19	18	17	16	16	15	14	13	12	9	7	7	7	8	8	9	7	5	7	6	9	9
	Tavg vs LY	-1	-3	0	4	2	1	-2	3	2	2	3	6	0	2	1	0	1	-2	-1	-1	4	3	4	0	1	0	-5	-1	6	4	2	-6	-2	-4	3	
	prcp	29	12	8	14	25	8	20	12	24	15	9	7	22	20	23	17	30	32	25	33	27	19	23	39	16	16	25	32	28	29	28	22	31	19	17	
Orleans, France	Tavg	17	17	18	18	18	18	18	20	20	22	22	21	20	17	17	15	14	13	13	12	10	10	10	7	5	4	4	6	5	4	2	4	3	5	5	
	Tavg vs LY	-1	-2	0	2	1	2	-3	2	2	4	5	5	2	2	1	1	1	-2	0	0	4	2	1	2	0	1	-5	-1	7	3	0	-5	-4	-6	3	
	prcp	46	9	21	14	22	10	18	19	7	14	5	6	14	21	18	11	17	17	12	18	13	13	22	15	9	13	9	9	18	20	9	15	14	23	15	
Toulouse, France	Tavg	17	20	21	22	21	21	21	22	23	24	24	24	23	21	20	18	16	15	13	13	12	9	6	7	8	6	8	6	5	4	6	6	8	6	8	
	Tavg vs LY	-1	-3	0	3	1	1	-3	2	0	3	2	6	-1	2	0	-1	1	-2	-1	-1	4	3	3	0	-1	1	-4	0	4	3	2	-4	-2	-3	2	
	prcp	58	16	15	14	17	19	10	5	6	10	14	15	13	11	12	9	21	14	18	12	12	15	13	17	9	17	13	22	13	16	13	11	21	19	19	
Strasbourg, France	Tavg	21	18	18	19	18	19	18	19	20	22	22	21	20	18	16	15	13	13	13	11	9	9	9	5	3	3	2	2	2	2	1	0	-1	3	4	
	Tavg vs LY	1	-3	-3	2	2	2	-5	0	1	3	2	3	1	3	2	0	-1	-3	0	-1	3	1	0	0	1	-1	-6	-5	4	7	1	-6	-5	-9	0	
	prcp	36	13	27	24	19	25	22	12	17	12	14	9	9	12	14	10	11	12	15	20	11	16	12	12	11	7	14	17	13	7	9	6	8	11	11	
Rouen, France	Tavg	16	16	16																																	

Weekly weather outlook June 2008 – January 2009

		June 2008				July 2008				August 2008				September 2008				October 2008				November 2008				December 2008				January 2009						
		06/07	06/14	06/21	06/28	07/05	07/12	07/19	07/26	08/02	08/09	08/16	08/23	08/30	09/06	09/13	09/20	09/27	10/04	10/11	10/18	10/25	11/01	11/08	11/15	11/22	11/29	12/06	12/13	12/20	12/27	01/03	01/10	01/17	01/24	01/31
Hannover, Germany	Tavg	19	17	16	17	17	17	18	18	19	20	21	20	19	17	16	14	13	12	11	10	9	9	8	5	4	4	1	1	1	1	0	0	0	0	2
	Tavg vs LY	2	-5	-2	2	1	2	-4	0	4	1	2	3	3	2	1	1	-2	-1	1	-2	3	0	0	2	-1	0	-7	-5	2	1	-2	-3	-7	-8	-4
	prcp	19	12	17	12	13	13	6	13	10	5	11	8	7	8	10	11	6	15	6	4	3	10	12	15	3	2	2	3	2	9	6	2	1	2	4
Nurnberg, Germany	Tavg	19	16	16	16	17	17	16	17	18	20	21	19	18	15	15	12	12	11	11	9	8	7	7	4	3	2	1	0	0	-1	-1	-2	-1	-3	0
	Tavg vs LY	1	-5	-4	1	1	1	-6	-2	2	3	2	3	1	2	1	-1	-1	-2	1	-1	3	1	1	1	2	1	-5	-5	2	2	0	-4	-5	-10	-4
	prcp	58	19	24	7	15	10	29	29	21	7	8	17	8	17	15	12	15	12	15	10	11	18	12	20	9	8	4	11	18	15	7	11	8	8	14
Bamberg, Germany	Tavg	19	16	16	17	17	17	17	18	18	21	21	19	18	15	15	13	12	11	11	9	8	7	7	4	3	2	1	0	0	0	-1	-2	-1	-3	0
	Tavg vs LY	-1	-5	-4	0	1	1	-6	-2	2	3	2	3	1	2	1	-1	-1	-3	-1	-1	3	1	0	1	1	1	-5	-5	1	3	-1	-4	-5	-10	-4
	prcp	53	20	19	18	18	19	35	26	19	11	11	18	7	14	20	14	14	12	12	9	10	19	14	22	10	12	5	11	18	16	8	8	8	10	16
Schwerin, Germany	Tavg	17	15	15	16	16	17	18	17	18	19	20	19	18	17	15	14	13	12	11	9	8	8	7	5	4	3	0	1	1	0	-1	-1	-1	-1	1
	Tavg vs LY	0	-6	-3	0	1	1	-4	-1	3	-1	1	1	3	3	1	1	-2	-1	0	-1	0	-2	1	0	0	-6	-5	-1	1	-3	-3	-7	-6	-4	
	prcp	20	15	12	23	13	8	21	27	25	9	11	12	16	13	18	10	12	14	8	7	10	11	14	9	10	6	16	19	15	17	9	12	7	9	14
Catania, Italy	Tavg	22	22	23	23	25	25	26	26	26	27	26	26	26	26	24	22	22	22	21	21	19	19	18	16	15	14	13	12	11	11	11	11	10	9	10
	Tavg vs LY	2	0	-3	-6	1	1	0	-4	0	1	1	-1	-3	-1	2	-3	-2	-2	-1	1	1	-2	2	1	3	-3	0	0	2	-1	0	-3	-1	-2	-2
	prcp	0	2	6	0	1	3	2	3	4	15	12	17	15	23	5	21	17	11	17	11	24	29	28	18	37	19	35	19	15	10	19	23	37	15	21
Bari, Italy	Tavg	20	20	23	23	25	25	26	25	25	26	25	24	22	21	20	20	19	18	18	16	16	15	12	12	11	10	9	9	9	9	8	7	8		
	Tavg vs LY	0	-2	-4	-6	0	1	0	-5	-1	1	1	-3	-3	0	2	-1	2	0	-1	3	4	-1	4	3	-2	1	-1	5	2	2	-2	-3	-2	0	
	prcp	0	2	10	19	4	5	5	12	9	2	5	7	13	21	12	8	9	15	21	13	20	27	24	20	23	25	24	14	7	22	13	17	21	12	11
Grosseto, Italy	Tavg	21	21	23	23	23	23	24	25	26	26	25	25	23	21	20	19	19	18	17	16	15	15	13	11	10	9	9	8	8	7	7	6	7		
	Tavg vs LY	2	-1	0	1	1	2	0	-2	-1	2	4	3	-1	1	2	-2	1	-1	-1	0	4	-1	3	3	2	-3	0	-1	2	-1	1	-5	-4	-3	-2
	prcp	22	13	15	7	6	4	5	4	3	13	10	16	20	27	13	10	23	29	53	19	14	17	35	22	26	26	15	19	11	14	19	15	20	13	17
Opole, Poland	Tavg	23	19	16	17	18	18	18	19	20	20	19	19	17	14	13	12	11	11	10	8	8	7	5	3	2	-1	-2	-2	-3	-2	-3	-3	-4	-1	
	Tavg vs LY	5	-2	-5	-2	-1	2	-6	-3	1	0	-1	-1	1	4	2	0	-2	-2	2	1	3	-1	1	3	3	-1	-5	-6	0	2	1	-3	-8	-10	-5
	prcp	14	26	22	11	8	24	18	18	19	18	12	16	5	18	13	16	11	9	6	10	10	6	5	12	9	6	6	9	9	6	8	5	5	4	
Katowice, Poland	Tavg	22	18	16	15	17	17	18	17	18	19	19	17	18	16	13	12	11	10	11	9	7	7	6	5	1	1	-2	-4	-3	-3	-4	-5	-5	-2	
	Tavg vs LY	4	-1	-4	-2	0	2	-5	-5	1	0	-1	-3	1	3	1	-1	-2	-3	1	1	2	0	1	3	3	0	-6	-7	-1	2	0	-3	-9	-11	-5
	prcp	15	31	14	31	11	21	35	24	21	23	11	13	9	10	17	19	22	14	13	18	11	8	7	9	16	12	9	8	12	11	8	10	4	7	6
Jelenia Gora, Poland	Tavg	22	16	14	14	15	16	16	16	18	18	17	16	14	13	11	10	10	9	8	6	5	3	1	0	-1	-3	-3	-3	-3	-4	-5	-6	-3		
	Tavg vs LY	6	-3	-5	-2	-1	1	-5	-3	2	0	-1	0	2	3	2	0	-2	-2	1	1	3	-2	-1	2	2	0	-5	-6	0	2	-2	-4	-8	-11	-6
	prcp	25	30	11	11	10	36	28	21	20	9	9	16	11	25	17	14	11	6	6	10	11	5	7	5	13	7	6	8	11	5	5	5	3	8	6
Timisoara, Romania	Tavg	23	22	20	19	21	21	22	20	21	23	23	21	21	18	17	16	15	14	14	12	9	9	8	5	4	3	0	-1	-1	0	-1	-2	-4	-1	
	Tavg vs LY	3	0	-4	-3	0	1	-3	-7	0	1	1	-4	-3	2	4	0	1	-3	0	4	3	-1	3	4	2	0	0	-5	2	3	5	0	-6	-7	-2
	prcp	20	24	22	18	9	8	11	12	12	4	4	12	10	5	13	8	6	12	13	8	14	2	10	19	15	8	12	10	6	13	9	10	8	4	8
Bucharest, Romania	Tavg	19	21	21	20	23	23	23	22	22	23	23	21	20	19	17	16	15	13	12	12	9	8	8	6	4	4	2	-1	-2	-2	-2	-2	-4	-2	
	Tavg vs LY	-2	-1	-4	-6	-1	0	-2	-6	-1	0	-1	-5	-4	-1	1	0	-1	-5	-3	0	-1	-1	3	2	2	1	-2	-5	1	3	2	4	2	-5	-2
	prcp	0	10	21	24	14	20	13	13	11	7	8	12	6	8	9	20	4	6	8	5	14	6	4	11	17	12	22	7	9	11	6	13	5	6	7
Leon, Spain	Tavg	13	16	19	18	18	18	18	20	21	21	21	18	17	16	15	14	13	12	11	10	9	6	5	5	5	4	5	4	3	3	3	3	5		
	Tavg vs LY	-2	-1	6	3	1	0	1	3	-1	2	3	6	-1	0	-2	0	1	0	-1	-1	-1	1	-2	-2	1	0	1	-1	3	0	2	-4	-1	-2	-1
	prcp	19	19	4	11	10	7	4	5	6	6	3	4	7	4	9	9	9	23	8	11	10	6	11	21	9	6	9	12	18	21	18	15	9	9	24
Burgos, Spain	Tavg	13	17	18	19	18	18	19	20	21	22	22	21	19	18	16	15	14	14	12	11	10	8	6	4	5	5	5	6	5	4	3	4	4	6	
	Tavg vs LY	-2	-1	3	3	0	0	-1	2	-1	4	3	6	-1	1	-1	-1	-1	0	1	0	1	2	0	0	1	1	1	1	4	1	2	-5	-1	-2	2
	prcp	48	27	4	7	12	7	8	3	10	7	7	4	11	5	6	7	10	8	10	8	10	13	9	19	9	10	9	8	18	18	12	14	13	7	14
Granada, Spain	Tavg	15	20	24	25	25	24	25	25	25	25	25	24	23	22	21	20	19	17	16	15	14	13	11	9	9	8	9	9	8	9	8	8	7	8	
	Tavg vs LY	-5	-1	3	2	0	-2	0	2	-2	0	2	1	-1	0	0	0	1	-1	1	2	1	-1	-1	-1	0	2	2	0	3	0	1	-3	1		
	prcp	17	8	7	3	3	0	1	0	1	0	1	0	1	2	3	2	9	8	9	14	12	2	11	12	10	14	9	11	20	15	15	10	11	7	
Valencia, Spain	Tavg	19	22	24	24	25	25	26	26	26	26	26	26	25	24	23	22	21	20	20	18	17	16	14	12	12	12	12	11	12	11	11	11	10	11	
	Tavg vs LY	-2	-1	-2	0	1	1	0	-1	0	0	1	2	0	2	1	0	1	0	0	2	1	2	2	1	2	2	-2	1	3	0	2	-1	0	-2	1
	prcp	39	10	4	4	8	1	8	5	8	2	3	10	9	19	8	22	7	10	16	15	13	20	13	18	7	7	21	12	15	12	13	11	10	17	5

Data Table Legend (Versus Last Year):

US Corn/Soybean outlook: May2008

•WTI models (decision tree) are using a late plant scenario for own model results. Primary variables that the models is using in calculations include:

➤Late plant scenario for both crops. Per 27 May USDA report,

- Corn*: 88% planted vs. 96% last year and 94% 5 yr ave
52% emerged vs. 80% last year and 76% 5 yr ave
- Soybeans*: 52% planted vs. 74% LY and 67% 5 yr ave
12% emerged vs. 40% LY and 34% 5 yr ave

➤Beyond late plant and acreage shift, cooler temperatures are unfavorable conditions for a strong emergence (negative temperature departure – early crop inhibitor)

➤The WTI view right now is for colder temperatures and a somewhat wetter pattern to settle in to both eastern and western belts by early autumn (more pronounced in the east), limiting the ability to extend harvest.

➤This will limit yield potential in most longer maturing varieties.

•The factors described above are estimating yields at 3-6% below trend for corn and 2-5% below trend for beans at this stage in the crop. Worse weather later in season will increase the likelihood of these negative departures, possibly drawing down even further.



week ending	Jun-08			Jul-08			Aug-08				Sep-08			Oct-08			Nov-08									
	06/21	06/28	07/05	07/12	07/19	07/26	08/02	08/09	08/16	08/23	08/30	09/06	09/13	09/20	09/27	10/04	10/11	10/18	10/25	11/01	11/08	11/15	11/22	11/29	12/06	
Bowling Green, KY	Tavg	75	76	82	79	77	83	78	74	78	77	76	76	73	71	67	63	63	59	60	57	54	44	48	39	45
	Tavg vs LY	-1	-2	5	1	-2	9	-3	-13	-7	-9	-8	-4	-3	2	-11	-7	-7	-8	-1	5	8	-8	-2	-2	6
	Prcp	1.23	1.44	0.84	1.34	0.91	0.76	0.83	0.99	0.63	0.89	0.61	1.15	0.74	1.28	0.80	1.04	0.90	0.73	0.52	0.60	0.62	0.66	0.87	1.12	1.49
Columbia, MO	Tavg	73	75	81	78	79	84	76	73	75	74	76	75	72	69	66	58	60	58	57	53	50	46	39	34	42
	Tavg vs LY	-4	-3	8	1	1	11	-4	-12	-12	-9	-2	0	-1	-9	-12	-8	-3	-1	3	4	-5	-9	-2	5	
	Prcp	1.14	1.48	1.11	1.09	0.94	1.05	1.05	1.09	0.73	0.67	1.09	1.05	0.91	0.96	0.88	1.19	0.53	1.06	0.56	0.62	0.73	0.70	1.00	0.77	0.39
Columbus, OH	Tavg	72	74	80	77	77	80	74	73	74	74	72	73	70	68	65	59	59	55	55	51	48	40	38	36	39
	Tavg vs LY	-3	-0	10	1	4	11	-3	-9	-2	-2	-6	-1	-2	2	-9	-8	-11	-5	-6	0	4	-9	-10	-1	7
	Prcp	0.82	0.90	0.93	0.86	0.86	0.86	1.00	1.14	1.05	1.46	0.62	0.58	0.53	0.86	0.47	0.42	0.39	0.44	1.19	0.45	1.10	0.83	0.65	0.85	0.65
Dubuque, IA	Tavg	68	71	71	73	76	76	71	70	71	70	69	69	67	61	60	53	55	53	51	45	38	40	31	27	34
	Tavg vs LY	-5	1	2	0	7	7	-2	-4	-4	-1	-1	-2	7	1	-5	-11	-9	-1	1	-1	-1	-2	-6	-1	14
	Prcp	1.20	0.75	1.34	0.62	2.03	0.71	1.16	1.02	0.92	1.67	1.31	0.91	0.67	1.03	0.85	0.97	0.71	1.01	0.40	0.42	0.47	0.37	0.88	0.48	0.58
Evansville, IN	Tavg	74	77	82	79	78	83	76	74	76	76	77	75	73	68	67	61	62	58	59	56	53	43	41	37	43
	Tavg vs LY	-3	-2	7	1	-1	11	-4	-12	-8	-7	-5	-2	-2	-1	-9	-9	-9	-7	1	4	6	-8	-8	0	7
	Prcp	1.15	0.91	1.14	0.70	0.84	0.62	0.96	0.54	0.56	0.70	0.55	0.88	1.05	0.53	0.52	0.78	0.70	0.44	1.02	1.02	0.62	0.71	0.83	1.82	0.52
Fort Wayne, IN	Tavg	71	74	78	76	76	78	72	73	71	71	69	70	68	66	63	57	56	54	52	50	46	38	37	31	36
	Tavg vs LY	-3	1	8	1	6	10	-4	-7	-3	-0	-4	-0	0	3	-7	-9	-11	-6	-5	2	4	-8	-7	-1	10
	Prcp	1.21	1.14	0.66	0.64	0.87	0.77	0.59	1.18	1.05	2.18	0.94	0.91	0.52	0.47	0.79	0.49	0.70	0.77	0.57	0.49	0.69	0.88	1.09	1.13	0.39
Jackson, TN	Tavg	76	77	83	83	82	85	78	76	78	77	77	77	74	72	68	64	63	61	61	59	56	47	51	41	47
	Tavg vs LY	-2	-2	4	5	3	9	-5	-9	-7	-10	-7	-4	0	2	-8	-7	-7	-5	3	5	7	-8	-3	-1	5
	Prcp	0.93	1.49	1.19	1.48	1.38	1.24	0.84	0.86	0.46	0.74	0.50	1.00	1.44	0.68	0.88	1.00	0.89	0.53	1.58	0.66	0.87	0.88	1.18	2.22	1.80
Lafayette, IN	Tavg	72	73	79	76	78	80	74	73	74	74	73	73	70	67	65	59	60	56	55	52	48	40	38	33	39
	Tavg vs LY	-3	2	9	1	5	11	-2	-9	-4	-4	-2	-0	1	1	-9	-9	-9	-6	-3	3	5	-7	-7	-1	10
	Prcp	1.24	1.15	0.77	0.67	0.94	0.84	0.70	1.14	0.73	0.80	0.91	0.94	0.50	0.79	0.70	0.58	0.70	0.42	0.63	0.54	0.88	0.59	0.48	1.14	0.81
Lincoln, NE	Tavg	71	75	77	81	78	78	78	73	74	75	76	74	72	65	63	57	57	56	54	48	44	42	34	35	35
	Tavg vs LY	-3	-0	2	3	-2	-3	-1	-9	-9	-6	2	-0	8	2	-3	-9	-7	-2	1	0	1	-4	-7	5	4
	Prcp	0.99	0.96	0.96	0.65	1.05	0.60	0.67	0.58	0.77	1.08	0.66	0.95	0.60	0.86	0.47	0.68	0.77	0.75	0.32	0.49	0.37	0.30	0.45	0.45	0.38
Paducah, KY	Tavg	74	77	82	82	79	85	78	76	77	76	78	76	72	70	68	63	64	60	60	57	54	45	48	39	44
	Tavg vs LY	-2	-2	7	6	-0	12	-3	-10	-7	-9	-4	-2	-1	0	-8	-9	-6	-5	3	5	7	-8	-3	1	5
	Prcp	0.93	1.31	1.81	0.86	1.04	0.74	0.64	0.90	0.48	0.47	0.51	0.96	0.75	0.64	0.63	1.00	0.94	0.58	1.34	0.71	0.66	0.76	0.64	1.22	1.02
Peoria, IL	Tavg	71	74	80	77	79	81	74	74	75	73	74	73	70	67	64	57	59	56	54	51	46	39	37	32	41
	Tavg vs LY	-6	1	8	1	6	10	-3	-7	-6	-5	-1	-1	1	-2	-9	-11	-9	-4	-2	1	2	-7	-9	-1	13
	Prcp	1.17	1.10	1.14	1.20	1.20	0.68	1.03	0.58	0.88	0.98	0.53	0.70	0.64	0.94	0.88	0.80	0.47	0.46	0.79	0.79	0.84	0.77	0.69	0.71	0.86
Rochester, MN	Tavg	66	69	70	72	72	71	68	68	67	67	67	67	66	61	59	53	52	50	47	43	34	37	27	27	31
	Tavg vs LY	-8	0	-1	1	2	-0	-5	-3	-6	1	-2	-5	7	-1	-6	-9	-10	-4	-2	-5	-4	-3	-7	1	17
	Prcp	1.27	1.23	1.24	1.31	0.91	1.31	0.79	1.31	1.48	2.57	0.68	1.05	1.28	0.59	1.16	0.98	0.62	0.79	0.60	0.61	0.36	0.41	0.64	0.39	0.35
Sioux City, IA	Tavg	70	73	74	77	75	75	73	71	70	72	73	72	70	63	61	56	54	53	51	45	37	38	31	28	31
	Tavg vs LY	-5	-1	-0	2	-2	-2	-3	-4	-8	-3	3	-1	11	2	-1	-7	-7	-1	0	-2	-3	-5	-7	-2	7
	Prcp	0.64	1.05	0.98	0.96	1.12	0.89	0.53	1.10	0.55	0.47	0.58	0.59	0.42	0.56	0.75	0.65	0.71	0.93	0.53	0.53	0.24	0.33	0.45	0.48	0.35
Springfield, IL	Tavg	71	74	79	77	79	81	77	73	74	73	73	69	66	65	58	59	57	55	53	48	41	38	33	42	
	Tavg vs LY	-5	-1	9	1	6	12	1	-9	-7	-6	-3	-1	-1	-3	-8	-9	-9	-3	-2	4	4	-8	-9	-1	11
	Prcp	0.96	1.67	1.05	0.67	0.77	0.96	0.96	0.77	0.83	0.96	0.62	0.89	0.59	0.79	0.89	0.86	0.42	0.42	0.75	0.79	0.80	0.76	0.86	1.06	0.95
Topeka, KS	Tavg	74	76	78	82	80	82	80	75	77	77	79	77	73	68	66	60	60	57	57	53	49	47	39	39	40
	Tavg vs LY	-3	-0	3	4	0	2	-0	-11	-11	-7	-1	1	4	-1	-6	-9	-9	-4	3	3	3	-5	-8	5	2
	Prcp	1.43	1.15	1.21	0.80	0.63	0.66	0.90	0.91	1.06	0.67	0.75	1.14	0.82	1.06	1.05	0.69	0.81	1.45	0.47	0.47	0.47	0.54	0.72	0.36	0.35
Tupelo, MS	Tavg	76	78	84	82	84	84	79	77	77	77	79	80	76	75	71	67	66	62	63	60	59	55	54	45	50
	Tavg vs LY	-3	-3	1	1	4	5	-4	-10	-12	-10	-6	-3	-3	3	-8	-6	-9	-8	1	4	6	-2	-3	-1	3
	Prcp	1.22	1.29	0.77	1.80	0.69	0.68	0.58	0.76	0.70	0.73	0.70	0.90	0.58	0.95	0.62	0.95	0.88	0.54	1.89	0.66	0.80	1.03	0.73	1.94	1.73
Wichita, KS	Tavg	76	78	79	85	86	84	82	78	79	80	80	79	76	70	69	62	60	60	58	55	50	48	40	41	41
	Tavg vs LY	1	3	4	7	5	4	1	-7	-7	-3	0	2	5	-3	-6	-10	-11	-2	3	3	3	-6	-9	6	1
	Prcp	1.22	1.01	1.63	0.89	0.91	0.88	0.52	0.99	0.47	0.73	0.53	0.86	0.88	0.61	0.86	0.79	0.54	1.24	0.65	0.37	0.49	0.38	0.89	0.20	0.44

Data Table Legend (Versus Last Year):				
Much Colder <=-5°	Colder -1° to -5°	Similar -1° to +1°	Warmer +1° to +5°	Much Warmer >=5°
Much Wetter >200%	Wetter 125% - 200%	Similar 75% - 125%	Drier 50% - 75%	Much Drier <50%

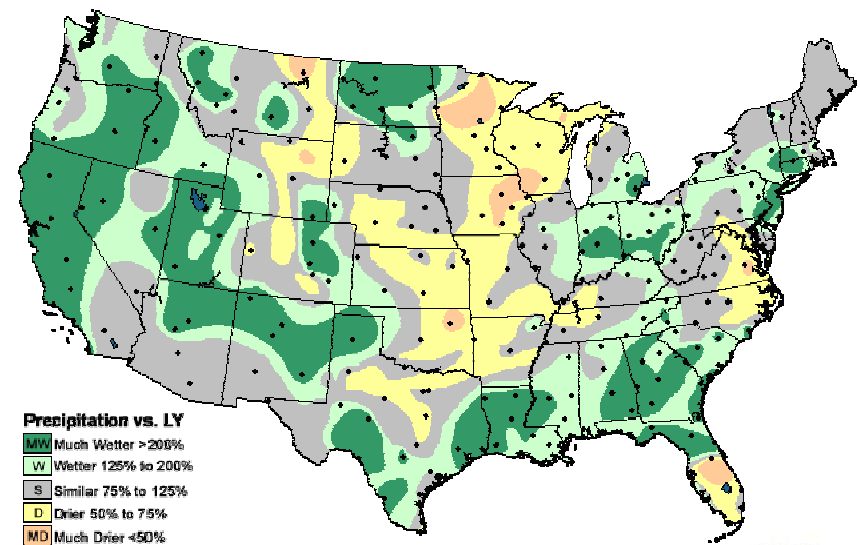
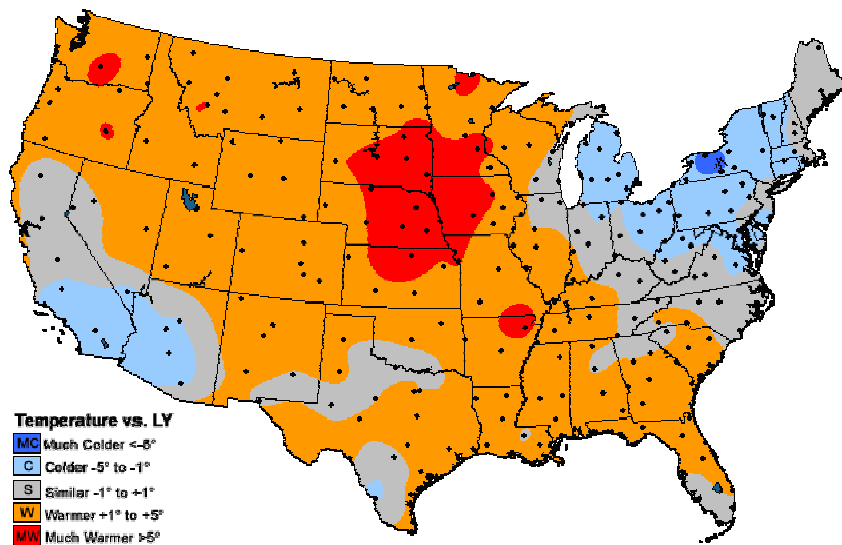
Outlook for select growing regions in the US corn/soy belt through 2008 harvest

- Overall, while 2007 was a good year the 2008 crop outlook is for less favorable conditions this season (chart depicts '08 vs. '07).
- The cooler pattern for August into September will limit relative yield potential for most varieties of corn and soybeans.
- Delayed plantings at the start of the season limited yield potential of current crop.
- It will be difficult to extend harvest into late Oct/early Nov this year due to a cooler and somewhat wetter pattern.
- As activity in the US often drives grain futures, these factors will limit downside price risk in 2008.



US planting conditions – long range outlook April 2009

- The poor start to the 2008 crop will not be repeated in 2009. The WTI forecast is for a favorable April, and 'early plant' scenarios are anticipated. This is positive for total yields.
- In addition, the weather is favorable for emergence of the winter wheat crop. Much of the crop comes out of dormancy in April, and these conditions favor healthy crop activity.
- While we expect a good start to the crop, raw material prices will still be heavily influenced by carry over stocks, energy prices, and global demand.



Extended outlook – Important fundamentals to monitor

In nearly every source of commodity news, the talk of food crises and/or inflation is pervasive. As such, in addition to the 'normal' weather fundamentals, there are numerous factors that require constant analyst attention. Some of these factors include (but are not limited to):

Energy: Crude prices have nearly doubled since August 2007, and the speculative ranges for future oil prices span \$100 to \$200 per barrel within the next 6-24 months. As long as oil prices are high, biofuels remain attractive (corn/sugar ethanol & biodiesel from soybeans) for producers, and higher raw material prices will therefore be supported.

Related commodity news: The global raw material supply chain is now so inter-related that news in one area nearly always has a ripple effect across the commodity spectrum.

Global S&D: Increasing global demand for grains from both the food and fuel sectors looks to remain constant over the next 6-12 months. Longer term support in the biofuel sector is more speculative, so a reduction in demand from the energy side may ease price pressure for food raw materials.

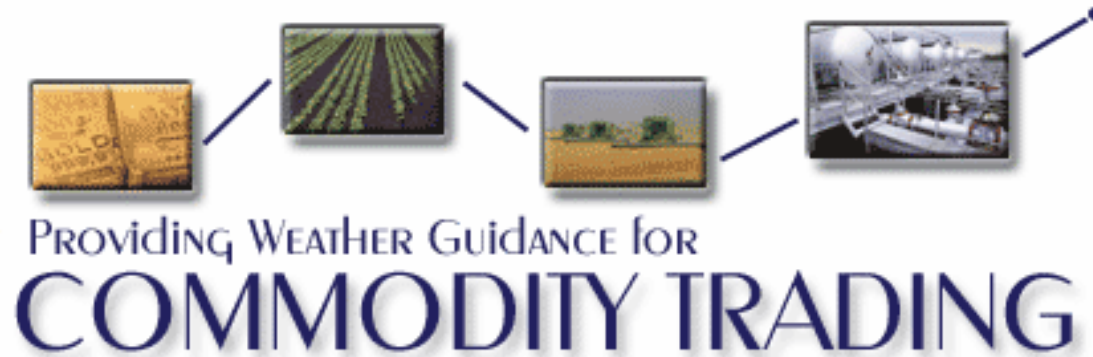
Open interest: New investment instruments in commodities have contributed to an increase in relative long positions in grains. While this does not translate directly to price support, it does lend itself to increase volatility in both futures and physical prices.

Severe weather: Beyond the weather outlook which shapes our view on supply, any acute weather impact affecting crop operations and distribution will add to volatility.

China: While it is often used too freely by analysts and traders, China's role can not be underestimated. Buying power (especially with a weak USD) can take significant tonnage off of the world market, leading to tighter global stocks and additional upside price risk.

Technical indicators: Even if the long range market direction is driven by the fundamentals, analysts should bear in mind the key technical signals for over/underbought markets.





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