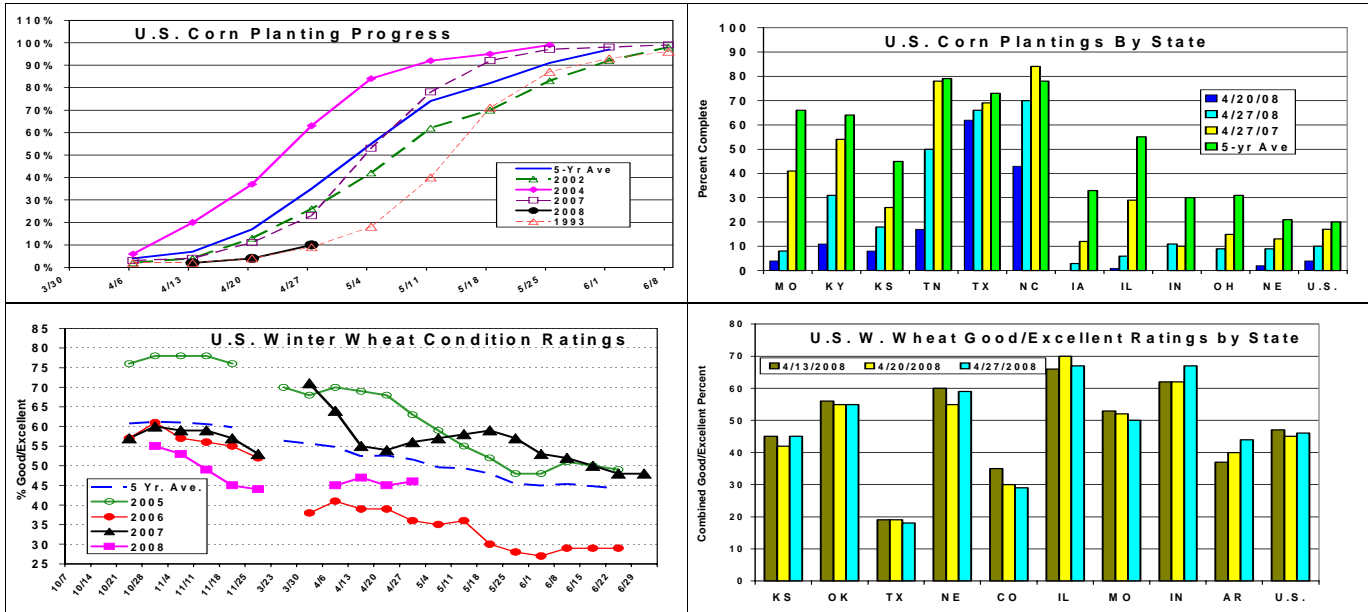




Corn Plantings Slowest Since 1993, But Spring Wheat Keeps Up

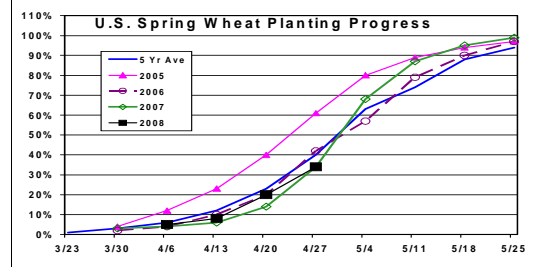


After some much-above-normal temperatures and strong winds last week in the Midwest, rainfall and cooler weather late week prevented many U.S. producers' planting equipment from leaving their sheds for another week as the 2008 planting season continues on its slowest pace since 1993. Overall, winter wheat's top two crop condition categories improved slightly last week, but it was mixed bag for various varieties with some areas improving while others slipped on Monday's condition update.

Given last week's warmth, the USDA's corn planting pace of only 10% surprised the trade, which was expecting a 15%-20% range. IN and OH had some decent advances, to 11% & 9%, respectively, but the major states of IL (6%) & IA (3%) were hampered by wet, cool soils last week. The Mid-South did get some seedings in between fronts (KY-31%, TN-50% & AR-66%) last week, but weekend rains now threaten the possibility that producers will turn away from completing their corn seedings & switch to beans or cotton in this region because of summer pollination issues from heat if corn isn't in the ground by early May.

Due to rains in the U.S. Plains last week, the good/excellent rating for hard red wheat stabilized (OK) or slightly improved (KS -3% and NE-4%), but the western and southwestern areas of the belt need moisture to advance the crop. Warming temperatures and moderating rainfall in IN (+5%) and Ohio (+10%) boosted these two soft red states g/e ratings, but excess moisture caused ratings to slip in IL (-3%) and MO (-2%). Overall, the U.S. good/excellent ratings advanced 1% to 46% this week, but the development of the crop as measured by heading, at 15%, remains behind last year (24%) and the five-year average (25%), because of this year's cool temperatures. Despite some showers in the N. Plains, spring wheat plantings advanced 14% to 34% last week, keeping this wheat's seeding similar to its five-year average of 40%.

The USDA also released its 1st soybean planting pace, which came in at 2% by April 27 vs. 5% for the 5-yr average. With U.S. corn seedings falling further behind (-25% vs. 5-yr av.), it is questionable whether producers will be able to plant their original corn intentions let alone adding 2-3 million acres. Corn's 2008/09 supply tightness will likely be the bullish feature on the USDA's first new-crop projections on May 9, while beans could be the bears' feature. Plains weather remains a factor for wheat, but a 45 mmt larger world output also limits this pit's upside too.



Disclaimer – The information contained in this report reflects the opinion of NARMSinc and should not be interpreted in any way to represent the thoughts of RJ O'Brien, any of its affiliates, nor any of its employees. Futures and commodities trading involve significant risk and may not be suitable for every investor. Information contained herein is strictly the opinion of its author and is intended for informational purposes and is not to be construed as an offer to sell or a solicitation to buy or trade in any commodity or security mentioned herein. Information is obtained from sources believed reliable, but is in no way guaranteed. Opinions, market data and recommendations are subject to change at any time. Past results are not necessarily indicative of future results. Charts are developed by NARMS from USDA, other public data and proprietary models unless otherwise noted and credited.