WSI AgTrader™ Weekly Global Weather Report

Monday, May 31, 2010 4pm CT
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Headlines

United States Highlights

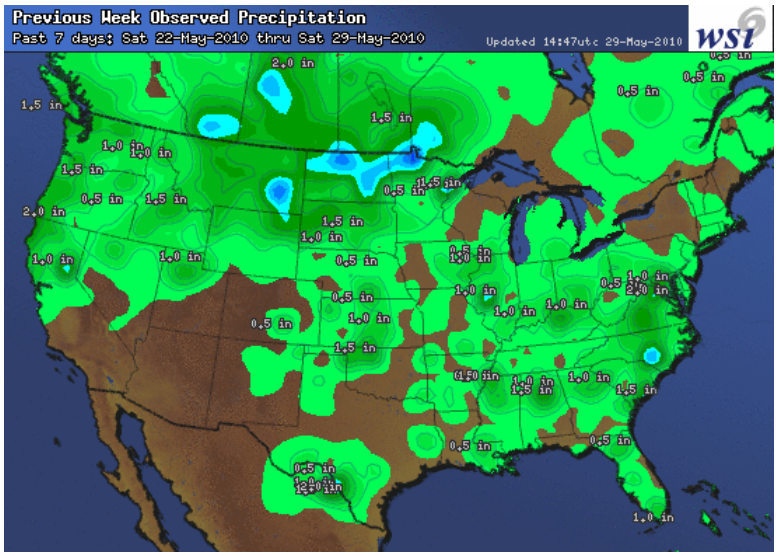
Warm, intermittently showery weather favors planting, promotes emergence, and accelerated growth and development. The next two weeks will see a continuation of an active pattern with a series of storms and fronts with widespread rainfall and roller coaster temperatures. Ideal conditions remain bearish.

Corn Belt Summerlike warmth into the weekend favors planting, promotes emergence, and accelerated growth and development with temps in the 80s to near 90F. Adequate soil moisture and warm temps promote emergence and growth. Widespread showers the next week. Prospects for corn are favorable at this time with 71% of the crop rated good to excellent. *Winter Wheat*

Northern Plains: Periodic showers and thunderstorms maintain adequate soil moisture for emergence and development of spring grains the next two weeks but hamper late planting

Southern Plains: Moisture levels remain favorable for heading wheat and emergence & growth of spring crops. Dry weather the next 2-3 days favors fieldwork. 66% of the winter wheat crop is rated good to excellent on May 23. Increased heat and general dry weather. Texas and western Oklahoma. Better chance of showers NE, KS, e OK *Cotton*, *Winter Wheat*

Southeast:. Scattered showers and thunderstorms returned to the Southeast this weekend. Soybean, cotton, and rice planting continue. Warm weather with periodic showers favors winter wheat development and emergence & growth of summer crops. *Citrus*



Links colored in blue provide access to additional data on the WSI AgTrader website.

International Highlights

Healthy showers earlier this week across southern Brazil slow summer crop harvesting but reinforce moisture levels for winter wheat establishment and development. Heavy monsoon rains vanquish drought and boost moisture reserves across sugarcane and rice areas of southern China. Rains in the western grain belt of Australia recharge soil moisture levels for winter wheat planting and emergence. Wet weather across Europe boosts soil moisture for reproductive winter wheat, rapeseed, and emerging summer crops. Favorable harvesting weather across the Maize Triangle of South Africa. An Arabian Sea cyclone is forming and will bring heavy drought busting rains to northwestern India this week.

- In *Argentina*, Dry weather this week favors corn, soybean, and cotton harvesting and winter wheat planting. Soil moisture is adequate for establishment of winter wheat. In *Brazil*. Wet weather in the south and central this week benefits safrina corn, sugarcane and emergence of winter wheat but slows corn and soybean harvesting and wheat planting. Rain will be beneficial for safrina corn over central Brazil. *Argentina Wheat, Brazil Corn,Coffee*

- In *Europe*, Wetter weather across the northern tier from England, France, and Germany into Poland boosts soil moisture for reproductive winter wheat and emerging summer crops but cool temperatures slow growth and development. Cool and wet across the east next week while most of the west runs dry and warm. *Poland Wheat, Germany Wheat.*

- In *Russia* Rains boost soil moisture for jointing winter wheat over the Ukraine and southern Russia this week. Prospects for wheat remain favorable at this time despite dryness concerns in some areas. Conditions are mostly favorable for spring grain and cotton planting elsewhere with only non-problematic scattered showers in Kazakhstan and Siberia. More rain is needed for planting and emergence in the New Lands. *Russia Wheat, Ukraine Wheat*

- In *China*, Favorable prospects for filling winter wheat over the NCP with dry & warmer weather promoting maturation of winter grains and planting and emergence of summer crops. Corn and soybean planting has been making good progress across Manchuria after a slow start due to wet, cool weather. Wetter across Manchuria into the weekend. Generous rains in the south ease drought for sugarcane and benefit rice development. *Winter Wheat, Corn*

- In *Australia* Recent widespread showers recharged soil moisture for planting and emergence of wheat over parched areas of the western grain belt and boost moisture for emergence and development in the eastern belt. Another system brings showers late this week. *Winter Wheat*

- In *India*, Severe heat wave continues in Rajashtan, Madhya Pradesh, and Gujarat. “Backing rains” in April and May spur coffee flowering and development in southern India. Laila brought heavy rains to eastern India this week boosting moisture for planting. Planting begins in the north & across the east. A cyclone is forming and will bring heavy drought busting rains to the northwest and north this week.

- In *Indonesia*, Scattered afternoon showers and thunderstorms create minimal harvest delays for coffee and cocoa in Sumatra, Borneo and Sulawesi as well as rice harvesting in Java. Generally favorable conditions for palm oil in Borneo, Sumatra, and Malaysia.

Softs Summary

CITRUS: The U.S. Department of Agriculture estimates the crop at 132 million boxes, down 19% from the previous year, due to adverse weather, smaller fruit and disease. The 2010-11 crop is expected to rebound amid near-perfect spring growing conditions, with the industry estimating output in a range of 150 million to 160 million 90-pound boxes. Forecasts of a "very active" upcoming hurricane season along with a decrease in Brazilian production sent prices rising.

SUGAR: Sugar prices have worked higher in the last two weeks after hitting a one-year low May 7. Sugar lost close to half of its value after peaking at 29-year highs on Feb. 1. The low production outlooks that sparked the rally reversed with higher supply forecasts from India, the world's No. 2 sugar producer and top consumer. Brazil, the top producer and exporter, began to harvest its new crop earlier than usual and those supplies are encountering firm demand. Cane production in Indonesia is also up 10% after farmers increased planting & raised productivity. Prospects continue to climb across sugarcane areas of China courtesy of drenching drought breaking rains. Favorable harvesting weather dominates across Sao Paulo into next week.

COFFEE: Above average rainfall January-April and hot weather has sped up the development of coffee beans and improved bean quality in Brazil. Dry weather this week favors harvesting. The 2010-11 Brazil coffee crop is likely to break records courtesy of heavy rains late last year through March promoting several favorable blooming junctures and good fruit setting & development of cherries. Good harvest weather continues although a few showers may cause disruptions early next week.. Favorable conditions for harvesting across Indonesia this week although heavy afternoon showers create regional short-term disruptions. The brunt of Sumatra's harvest has been delayed into May & June because prolonged rains this winter delayed the ripening of coffee cherries. Vietnam's 2010-2011 coffee output may decline due to inadequate rainfall during flowering. Scattered light showers continue in the Central Highlands this week before heavier monsoonal rains arrive late this month. Recent showers stimulate flowering in Guatemala and Honduras. Drier weather in Colombia promotes mid crop harvesting. Recent rains spur main crop flowering. Colombian coffee production has started to recover lost ground after heavy rains battered last year's crop. Heavy rains over Kenya lower yield prospects and bean quality & delays harvesting well into May. Coffee output from Uganda is down 26% due to drought late last year during the key flowering stage. Early "Blossom & Backing rains" in southern India initiate flowering early over Kerala and Karnataka. Rains in February lead to uneven development of fruit on some plants. Early blossoms are setting in well as a result of backing showers. This year's crop should surpass last year's. The robusta coffee harvest in Ivory Coast is down 21% from last.

COCOA: Showers in Ivory Coast and Ghana, Cameroon and Nigeria boosts moisture for mid crop cocoa after earlier dryness. More scattered showers the next 7 days. Mid crop production may be down as much as 9% because of poor rains during flowering. Political crisis and ageing trees have also been detrimental. Mid-crop harvesting has begun. Favorable conditions for mid crop harvesting in Bahia, Brazil and the main crop harvest in Sulawesi, Indonesia.

COTTON: Drier, warmer weather in Spain into next week favors development of cotton. Planting continues across the southern Former Soviet Union where warm temps and recent showers favor emergence. Dry, warm weather in Mato Grosso, Brazil is ideal for late harvesting. Dry, seasonably warm weather favors cotton development on the NCP. Dry, warmer weather favors planting in Texas & the Mississippi Delta and completion of planting in California & Arizona.

United States

Growing Areas: *Corn*, *Beans*, *Cotton*, *Winter Wheat*, *Spring Wheat*

Corn, bean and spring wheat planting is ahead of schedule in many areas and much ahead of last years seriously delayed planting. Nationally, corn producers had planted 93 percent of this year's crop by week's end, 13 percentage points ahead of last year and 4 points ahead of the 5-year average. Nationally, emergence had advanced to 21 percent complete by May 23, well ahead of both last year and the 5-year average. Despite cooler weather, double-digit emergence was evident across much of the major corn-producing region during the week. Overall, 71 percent of the corn crop was reported in good to excellent condition.

Corn: Percent Planted, Selected States [1]

State	Week Ending			2005-2009 Avg.
	May 23, 2010	May 16, 2010	May 23, 2009	
	Percent	*Percent*	*Percent*	*Percent*
CO	91	79	77	84
IL	97	96	56	87
IN	88	86	51	79
IA	98	96	96	95
KS	92	85	90	94
KY	96	94	71	88
MI	85	81	72	85
MN	99	95	95	93
MO	86	85	77	86
NE	96	89	97	96
NC	100	100	100	100
ND	83	58	56	80
OH	87	84	71	84
PA	81	70	69	77
SD	77	56	79	84
TN	94	93	87	96
TX	96	95	97	97
WI	89	78	79	83
18 Sts	93	87	80	89

[1] These 18 States planted 92% of last year's corn acreage.

Corn: Percent Emerged, Selected States [1]

State	Week Ending			2005-2009 Avg.
	May 23, 2010	May 16, 2010	May 23, 2009	
	Percent	*Percent*	*Percent*	*Percent*
CO	36	6	40	42
IL	87	78	20	69
IN	79	69	19	56
IA	84	66	75	70
KS	62	46	58	69
KY	89	83	48	75
MI	63	45	24	46
MN	78	52	67	57
MO	72	62	50	68
NE	59	36	73	68
NC	100	95	96	97
ND	40	17	9	35
OH	74	60	33	58
PA	42	30	41	46
SD	35	17	35	37
TN	89	84	77	88
TX	81	75	84	85
WI	51	31	38	40
18 Sts	71	55	50	62

[1] These 18 States planted 92% of last year's corn acreage.

By week's end, 53 percent of the 2010 soybean crop was planted, 9 percentage points ahead of last year but 4 points behind the 5-year average. The most significant delay was evident in Missouri, where an abundance of rainfall provided producers just 2 days suitable for fieldwork during the past 2 weeks. Missouri's overall planting delay reached 8 days. Nationwide, emergence advanced to 24 percent by week's end, 9 percentage points ahead of last year and 1 point ahead of the 5-year average.

By May 23, cotton producers had planted 60 percent of this year's crop, slightly ahead of last year but 3 percentage points behind the 5-year average. The most significant delays were evident in Kansas, North Carolina, Oklahoma, and Tennessee. Conditions which had been dry in North Carolina improved markedly the last two weeks.

Soybeans: Percent Planted, Selected States [1]

State	Week Ending			2005-2009 Avg.
	May 23, 2010	May 16, 2010	May 23, 2009	
	Percent	*Percent*	*Percent*	*Percent*
AR	55	51	35	56
IL	47	42	10	54
IN	50	46	22	51
IA	75	53	74	72
KS	29	25	39	42
KY	45	28	12	36
LA	72	58	78	78
MI	50	36	39	59
MN	81	47	72	64
MS	90	85	79	90
MO	22	18	25	43
NE	63	44	84	70
NC	35	20	38	34
ND	46	8	24	55
OH	48	45	40	62
SD	34	9	43	42
TN	26	19	20	45
WI	55	31	49	55
18 Sts	53	38	44	57

[1] These 18 States planted 95% of last year's soybean acreage.

Cotton: Percent Planted, Selected States [1]

State	Week Ending			2005-2009 Avg.
	May 23, 2010	May 16, 2010	May 23, 2009	
	Percent	*Percent*	*Percent*	*Percent*
AL	79	63	68	82
AZ	90	82	94	92
AR	92	71	65	87
CA	95	93	98	99
GA	65	46	51	61
KS	8	6	23	21
LA	85	75	94	94
MS	84	77	60	81
MO	96	89	72	89
NC	77	67	96	91
OK	29	21	13	42
SC	82	65	72	76
TN	54	28	56	76
TX	48	36	52	52
VA	87	70	82	88
15 Sts	60	47	58	63

[1] These 15 States planted 99% of last year's cotton acreage.

Spring Wheat: Percent Planted, Selected States [1]

State	Week Ending			2005-2009 Avg.
	May 23, 2010	May 16, 2010	May 23, 2009	
	Percent	*Percent*	*Percent*	*Percent*
ID	96	92	95	95
MN	100	99	66	89
MT	88	81	87	92
ND	87	68	64	88
SD	96	92	98	99
WA	99	96	99	100
6 Sts	91	79	75	91

[1] These 6 States planted 99% of last year's spring wheat acreage.

Spring Wheat: Percent Emerged, Selected States [1]

State	Week Ending			2005-2009 Avg.
	May 23, 2010	May 16, 2010	May 23, 2009	
	Percent	*Percent*	*Percent*	*Percent*
ID	73	63	76	79
MN	98	95	23	62
MT	59	46	56	64
ND	61	41	26	62
SD	84	70	83	92
WA	96	88	86	90
6 Sts	70	55	42	68

[1] These 6 States planted 99% of last year's spring wheat acreage.

Producers had seeded 91 percent of the spring wheat crop by week's end, 16 percentage points ahead of last year but on par with the 5-year average. Similar to the other small grains, progress was most active in North Dakota, where 19 percent of the crop was seeded during the week. Emergence was evident on 70 percent of this year's spring wheat crop, 28 percentage points ahead of last year and 2 percentage points ahead of the 5-year average. Overall, 85 percent of the spring wheat crop was reported in good to excellent condition.

Corn: Crop Condition by Percent, Selected States, Week Ending May 23, 2010

State	VP	P	F	G	EX
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
CO	1	4	28	65	2
IL	1	4	18	62	15
IN	1	5	26	52	16
IA	2	5	28	54	11
KS	1	3	25	65	6
KY	8	7	25	45	15
MI	1	10	33	48	8
MN	0	1	12	73	14
MO	7	13	36	39	5
NE	0	2	21	66	11
NC	1	5	26	56	12
ND	0	0	16	77	7
OH	0	3	30	55	12
PA	0	2	20	57	21
SD	0	8	27	59	6
TN	5	8	28	46	13
TX	0	5	29	56	10
WI	0	2	37	50	11
18 Sts	1	4	24	60	11
Prev Wk	1	5	27	57	10
Prev Yr	NA	NA	NA	NA	NA

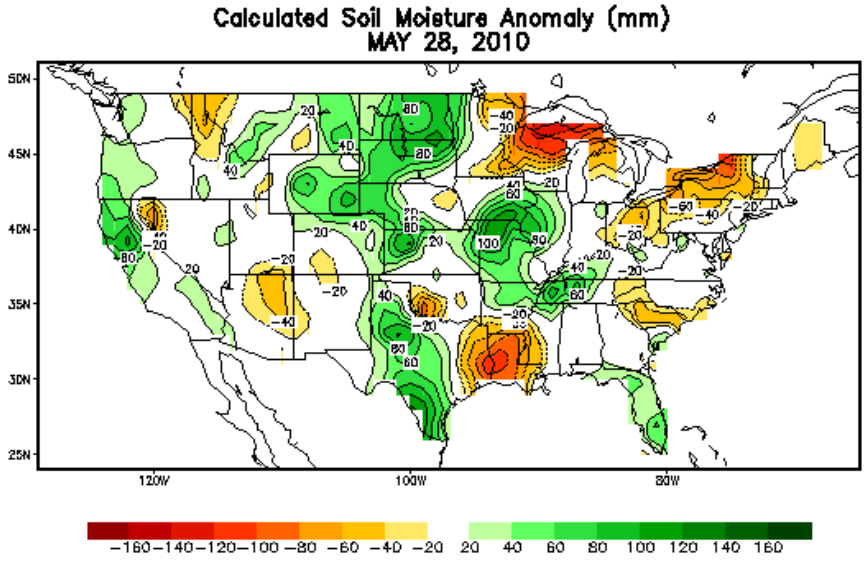
Winter Wheat: Crop Condition by Percent, Selected States Week Ending May 23, 2010

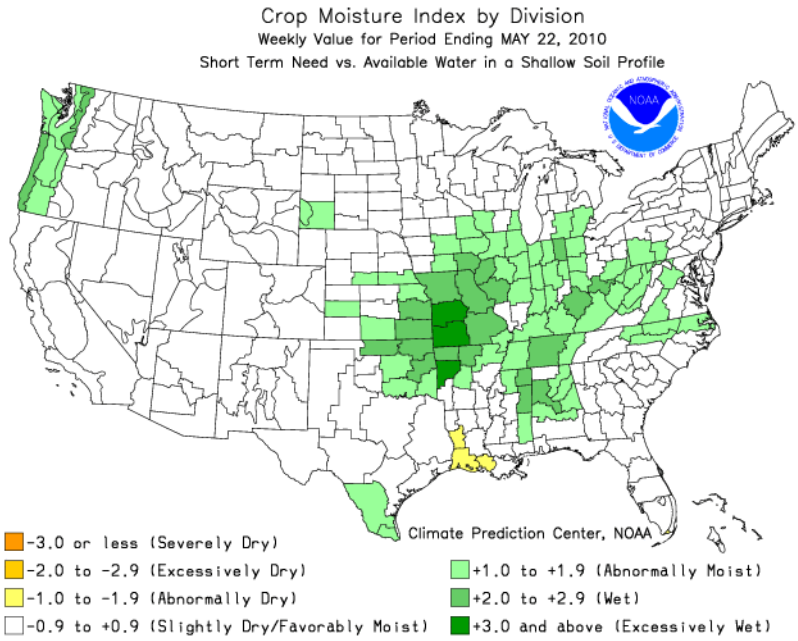
State	VP	P	F	G	EX
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
AR	2	4	40	47	7
CA	0	0	10	30	60
CO	0	2	18	62	18
ID	0	0	9	83	8
IL	6	23	35	34	2
IN	1	3	26	56	14
KS	2	7	27	52	12
MI	1	4	14	58	23
MO	10	23	34	28	5
MT	1	8	29	51	11
NE	0	2	23	66	9
NC	8	18	41	31	2
OH	0	1	20	53	26
OK	2	6	24	54	14
OR	1	6	28	56	9
SD	0	2	14	58	26
TX	1	7	29	49	14
WA	6	8	18	55	13
18 Sts	2	7	25	52	14
Prev Wk	2	6	26	52	14
Prev Yr	14	13	28	37	8

VP-Very Poor, P-Poor, F-Fair, G-Good, EX-Excellent.
National crop conditions for selected States are weighted based on 2009 planted acreage.

Overall, 66 percent of the nation's winter wheat crop was reported in good to excellent condition, unchanged from last week but 21 percentage points better than the same time last year. Some lingering flooding effects are still seen in the number in MO and IL.

More rains the next week all areas including deficit areas of the north and eastern growing areas.



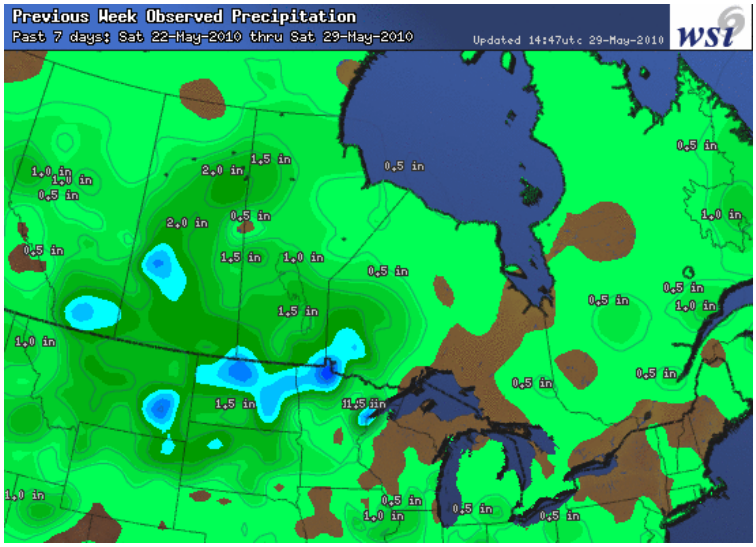


CANADA
Growing Areas: Spring Wheat

Concerns about the impact snow may have on newly emerged canola crops in southern Alberta helped to generate some of the price advances as did the rain related seeding delays in Saskatchewan..

A strong upper ridge promotes sunny, dry, and anomalously warm weather across southeastern Canada into this weekend. Temps yesterday relaxed somewhat but were still 3-6C above normal. A deep trough over western Canada leads to cooler and at times wetter weather across the Prairies where good rains occurred over the weekend replenishing soil moisture for spring grains and oilseeds but slowing planting, especially in Saskatchewan where some areas are well behind average planting pace for late May. Cooler temps slow development and emergence of spring crops on the prairies. Hotter temperatures over southeast Canada promoted planting, emergence, and rapid growth of corn and soybeans.

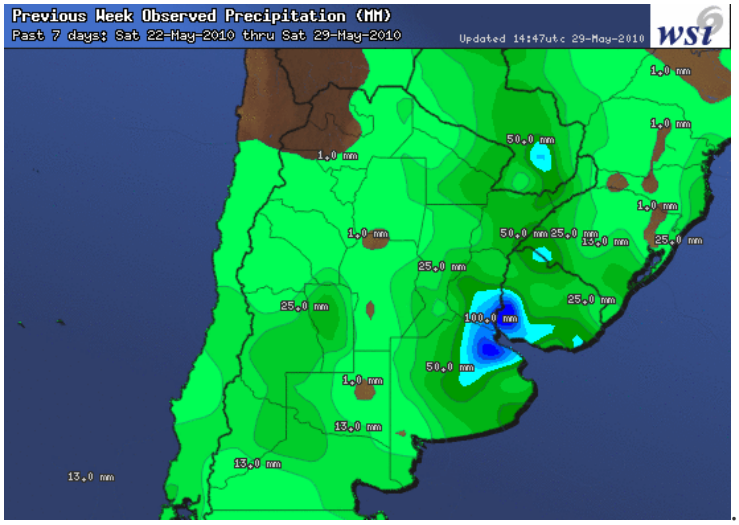
It will be generally showery and cool across the prairies this week and showery with alternating warmth and cool-downs in the southeast.



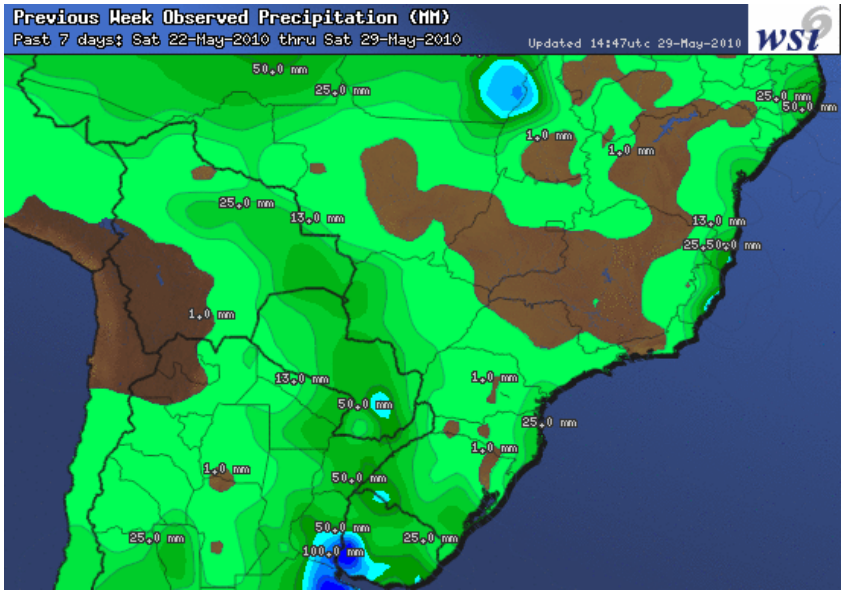
ARGENTINA and BRAZIL
Growing Areas: Argentina Corn, Beans, Winter Wheat , Brazil Corn, Beans, Sugar, Winter Wheat

The soybean harvest in Argentina of the 2009/10 season was 90% complete up to May 20, according to data from the Ministry of Agriculture (Minagri). Thus far, 16,491 million hectares were reaped, from a total revised area of 18.479 million hectares. In the same period last year, the harvest was 96% complete.

In Argentina, favorable harvest weather for soybeans, corn, and cotton last week in the wake of generous weekend showers (25-75 mm in some areas). Drier weather and ample soil moisture maintains favorable conditions for winter wheat planting and establishment across central and northern Argentina at this time although showers this weekend likely slowed planting, as well as late season summer crop harvesting. Showers mainly light and mainly northeast this week.



In Brazil, dry weather will be the rule across most key growing areas into late week. Generous rains soaked southern Brazil last week and again early last week. These rains delayed completion of summer crop harvesting but provided beneficial moisture for safrina corn, sugarcane, and winter wheat establishment. Drier conditions this week favor completion of summer crop harvesting. Warmer temperatures this week hasten wheat emergence and safrina corn development. Showers this weekend in the south maintain adequate moisture for establishment of winter wheat. Dry weather further north heading this weekend benefited harvesting of cotton, coffee, sugarcane and citrus in Mato Grosso, Sao Paulo, and Minas Gerais. Turns wetter this week Sao Paulo to Minas Gerais. Mostly favorable conditions continue for flowering cocoa and mid crop cocoa harvesting in Bahia.

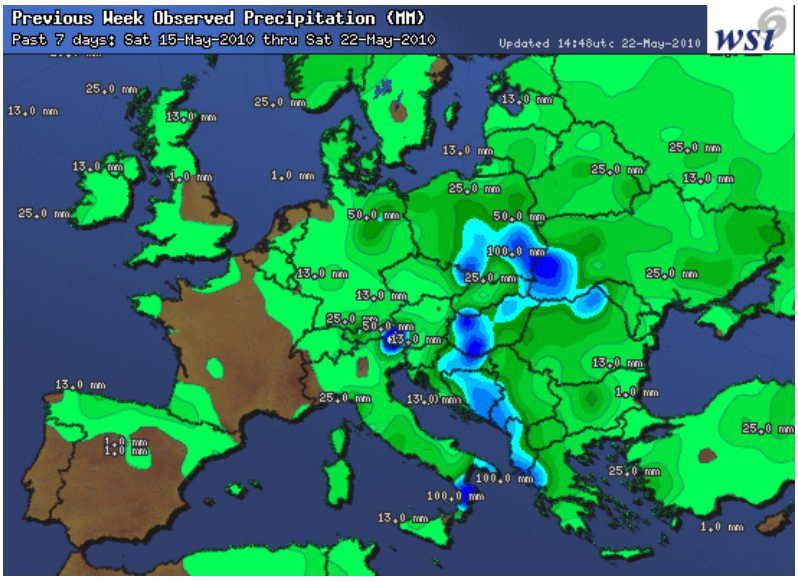


This week will be wet across the south from Parana south aid safrina corn and provide soil moisture for the establishment of winter wheat..

EUROPE AND NORTH AFRICA
Growing Areas: Germany Wheat , Poland Wheat ,France Wheat, UK Wheat

An upper level low pressure center over Scandinavia ushered a parade of systems across the northern tier of Europe last week which led to cooler and unsettled weather across the upper half of the continent. The heaviest and most consistent rainfall occurred from France into Germany and Poland, likely down into Slovakia and Hungary as well. Showers also occur further north over the UK and Scandinavia while it will remain drier to the south down across the Mediterranean.

This week the pattern will amplify with troughing digging down through the eastern half of the continent and ridging in the west resulting in a cooler, wetter trend from Germany and Poland down to the Balkans and a drier and warmer trend for France and Spain up into England. Rains returning across the north last week replenished soil moisture for summer crop development and reproductive winter wheat but cause planting delays for corn and small spring grains. Cooler temperatures in the north also slowed crop emergence and development. Drier and warmer weather over the southern tier favors development of winter grains and emergence of summer crops. Wetter weather returning to Eastern Europe this week will renew flooding concerns and is unfavorable for replanted summer crops.



Dry and warmer weather developed over most key grain areas of Morocco. Showers fell in Algeria and Tunisia. Soil moisture remains reasonably good after recent showers and prospects remain favorable at this time, although portions of central and southern Morocco could use more rain. This next week will be dry in most areas.

MIDDLE EAST
Growing Areas: Winter Wheat

Showers were confined to Turkey this past week. Showers in the north the last few weeks maintained favorable prospects for winter grains, while sunny skies and hot temperatures promoted winter wheat maturation, dry down and harvesting over southern growing areas.

After several drought-affected growing seasons, Syria appears poised to produce a record winter grain harvest in 2010/11. Above normal rainfall over the bulk of the winter growing season, as well as warmer than normal temperatures, provided generally ideal grain growing conditions. Crop development was robust, with satellite imagery in April revealing that the majority of the grain belt was covered by unusually lush wheat and barley crops.

A resurgence in winter grain cultivation in northern Iraq, after two consecutive years of drought decimated the region, is enabling the country's grain production to rebound to near-normal levels in 2010/11. The rebound is especially pronounced in the governorate of Ninawa, historically the breadbasket of Iraq, which reportedly increased winter grain (wheat and barley) acreage by 370 percent this year following unusually favorable autumn rainfall which blanketed parched farmland with ample moisture.

Highly beneficial rainfall and warmer than normal temperatures through much of the winter growing season provided generally ideal grain growing conditions throughout northern Iraq this year, ensuring a successful winter grain harvest.

Like its neighbors to the west in Iraq and Syria, Iran has experienced two consecutive years of drought and reduced winter grain harvests. As a result, the country has had to resort to record-level grain imports to satisfy domestic demand for food and feed grains and to rebuild stocks. The current 2010/11 winter grain growing season is turning out to be much more successful, with expectations for a substantial increase in both wheat and barley production. As illustrated in the map above, Iran's winter grain growing regions are widely dispersed. It is uncommon to have favorable conditions in virtually all primary grain growing areas, but this is the case this year.

Afghanistan is currently having its second consecutive successful wheat growing season, as plentiful autumn planting rains ensured the majority of the crop got off to a strong start. Overall grain growing conditions have been less favorable though than last year, when record crop area and yields resulted in a bumper harvest. Overall winter snowfall was substantially lower than last year, implying that total irrigation supply and irrigated crop yields will be reduced. In addition, well-above normal temperatures blanketed the major lowland wheat growing regions, causing heat stress and increased crop water demand.

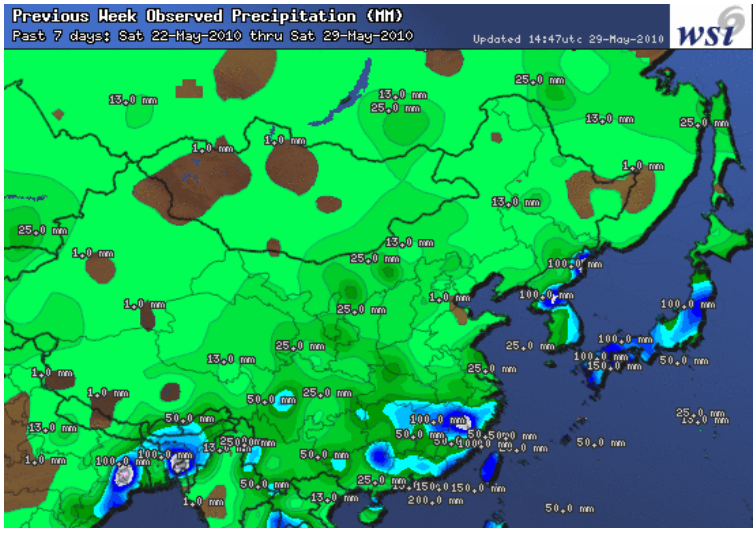
RUSSIA and UKRAINE
Growing Areas: Russia Wheat , Ukraine Wheat

An evolving stormy pattern over eastern Europe brings more rainfall and cooler temps to the Ukraine, Belarus, and the Baltic Republics late this weekend and early this week spreading to much of western Russia and the Ukraine with some showers to the Southern District this next week.

Scattered light to locally moderate showers continued further east in Kazakhstan and Siberia into late week before the drier and warmer trend becomes established over the New Lands heading this week. Showers are needed across the east-central Ukraine where dryness has been a concern for wheat in recent weeks. Showers are also needed across most of the New Lands as well for planting and emergence of spring grains and cotton. Beneficial showers advancing into the New Lands late this week benefit early spring grains and jointing winter wheat but disrupt spring grain planting. Drier and warmer across the New Lands late this weekend into next week promoting emergence and growth as expansive upper level ridging becomes established over the central FSU. The combination of above normal warmth and scattered episodes of showers the last 1-2 weeks over the Ukraine and southern Russia boost soil moisture levels and benefit jointing to reproductive winter wheat as well as emergence and development of spring and summer crops.

CHINA
Growing Areas: *Winter Wheat Rice*

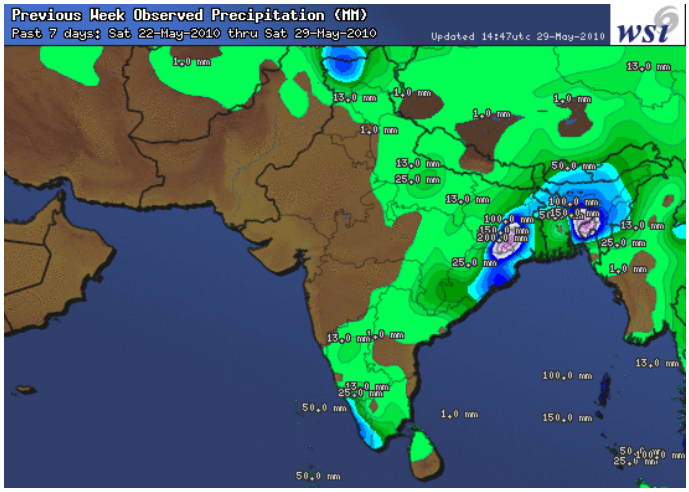
The North China Plain has been favorably dry with sunny skies and warming temperatures promoting emergence and advancement of summer crops and growth of winter wheat. Good progress has been made for planting corn and soybeans across Manchuria the last 1-2 weeks after considerable delays in late April and early May from cool, wet weather. Late week showers across Manchuria maintain adequate soil moisture for emergence and development. Abundant rainfall in the deep southwest benefits sugarcane and coffee development and maintains surplus moisture for rice development where localized flooding has been occurring in some areas. Flooding in the Yangtze Valley delays winter rapeseed harvesting.



More of the same this week – heaviest rains south. Some showers NCP, nrn Manchuria.

INDIA AND PAKISTAN
Growing Areas: India Wheat , Corn Pakistan Wheat

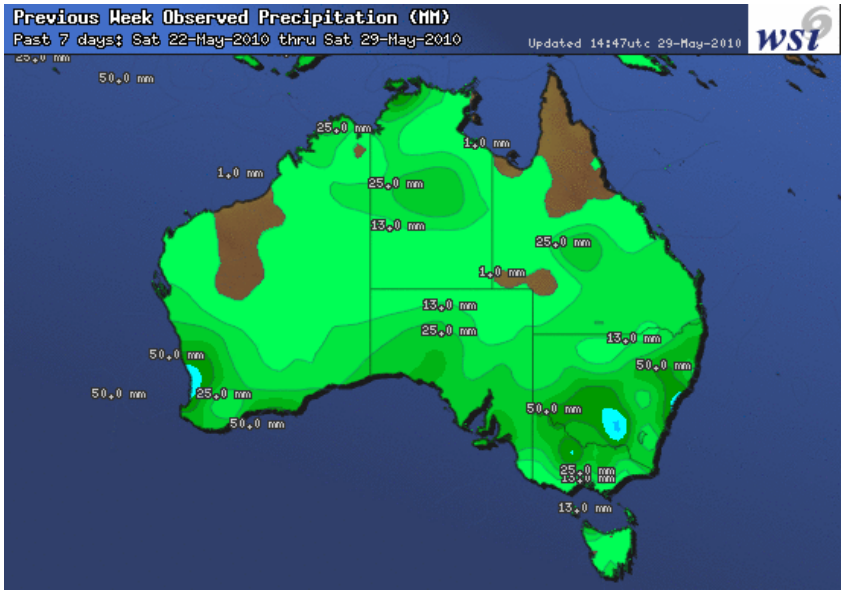
Dry and hot across most of central, western and northern India with pre-monsoonal heat continuing. Winter wheat harvesting is just about complete. Most of central and northern India will continue to see high temperatures in the 40-48 C range. More than 100 people are reported to have died in the state of Gujarat where the mercury topped at 48.5C last week. At least 90 died in Maharashtra, 35 in Rajasthan and 34 in Bihar. The hot summer is the result of two years of El Nino induced droughty conditions which have reduced soil moisture. "Backing showers" continue across Kerala, Karnataka, and Tamil Nadu in advance of the arrival of the monsoon spurring flowering and development of coffee and boosting soil moisture for pre-planting fieldwork activities. Heavy rains fell last weekend in the northeast with Tropical Cyclone Laila from Andhra Pradesh through Orissa and West Bengal facilitating planting. We anticipate the monsoon to arrive in Kerala and Tamil Nadu by the first few days of June. Pre-planting fieldwork continues for summer crops across most of western India at this time ahead of the monsoon.



A cyclone is forming and will bring heavy drought-busting/flooding rains to the northwest/north this week.

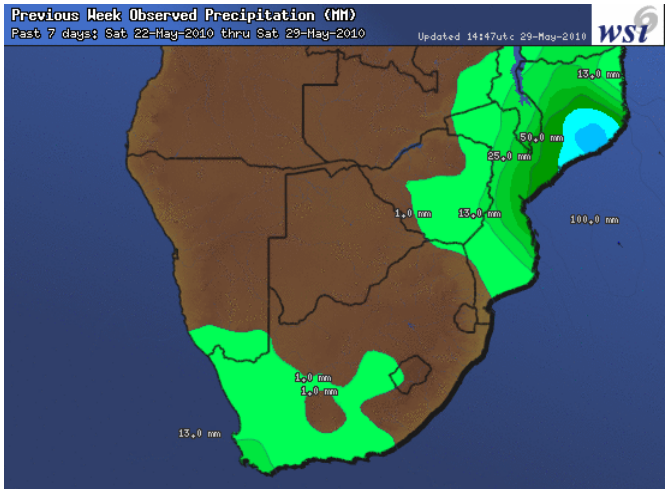
AUSTRALIA
Growing Areas: Winter Wheat

A storm system traversed Australia brought good showers to all of the grain belt and to eastern grain and summer crop areas last week. Showers over West Australia delivered much needed soil moisture for winter wheat planting and establishment. Favorable winter wheat planting and summer crop harvesting weather expected this week from southern Queensland down through New South Wales and Victoria into South Australia. Showers end the next few days in the southeast as storm moves out to sea but continue in the west where dryness had been most severe.



SOUTH AFRICA
Growing Areas: CORN

In South Africa, dry weather last week maintained excellent conditions for ongoing maize harvesting. Maize prospects remain favorable. This is the third consecutive year with excellent yields which is rare for South Africa where seasonal rainfall is highly variable. Mainly light showers this week will facilitate the harvest.



Links colored in blue provide access to additional data on the WSI AgTrader website.

CITRUS
Growing Areas: Brazil CITRUS , United States CITRUS

Traders fear destructive hurricanes could strike Florida and potentially cut into next year's orange crop, one that looks to rebound as much as 25% from current levels, according to industry estimates.

The Florida crop is seen recovering from a record-cold winter, aided by nearly ideal growing conditions so far, though it still faces significant disease pressure.

Industry estimates peg the 2010-11 orange crop in a range from 160 million to 165 million 90-pound boxes, up from a projected 132 million in the current 2009-10 season.

The Brazilian orange crop may be the smallest in seven years, pegged by Sucocitrico Cutrale officials at 286 million 40.8 kilogram boxes, down from 305 million last year. Adverse weather hurt the bloom phase of crop development, while heavy rains contributed to the spread of crop disease. Weather conditions have been right for a "good bloom," with sufficient rains though disease issues persist. Showers in Italy and Spain create intermittent harvest delays.

COFFEE
Brazil Growing Areas: Coffee

Cash arabica supplies are tight following two poor back-to-back harvests in Central America, Mexico, Colombia and Peru.

A bumper harvest is expected from Brazil during a biennially larger production season. A U.S. Department of Agriculture attache last week estimated the 2010-11 Brazilian crop at 55.3 million bags, up 23% from 2009-10, due mainly to the biennial production cycle of arabica trees. Previous crop projections have run from a low of 47 million bags up to 60 million bags. Brazilian beans, however, are not deliverable against ICE futures.

This is in line with and estimate of at least 55.1 million bags made by Comexim (Comissária Exportadora e Importadora) the prior week with Comexim expecting a record crop in Brazil.

Above average rainfall January-April and hot weather has sped up the development of coffee beans and improved bean quality in Brazil. Dry weather this week favors harvesting. The 2010-11 Brazil coffee crop is likely to break records courtesy of heavy rains late last year through March promoting several favorable blooming junctures and good fruit setting & development of cherries. Good harvest weather continues although a few showers may cause disruptions early next week.

Coffee production in Vietnam in 2010/11 (October/September) is expected to reach 18.733 million bags, an increase of 7.0% in comparison with 2009/10, when the crop was indicated at 17.5 million bags. The estimate was made by the United States Department of Agriculture (USDA) attaché. Vietnamese robusta crop is expected to hit 18.253 million bags in 2010/11, an increase of 7.05% over 2009/10 (17.050 million bags). The production of arabica is indicated at 480 million bags for 2010/11, an increase of 6.7% over the previous crop (450,000 bags).

Drought in Yunnan, China lowers the provinces 2009-2010 coffee production estimates. Favorable late harvesting weather continues in Mexico and Latin America. Recent showers stimulate flowering in Guatemala and Honduras. Usually cold weather at the height of Mexico’s coffee harvest in January damaged a little more than 100,000 bags of coffee.

Favorable conditions for harvesting across Indonesia this week although heavy afternoon showers create regional short-term disruptions. The brunt of Sumatra's harvest has been delayed into May & June because prolonged rains this winter delayed the ripening of coffee cherries. Vietnam's 2010-2011 coffee output may decline due to inadequate rainfall during flowering. Scattered light showers continue in the Central Highlands this week before heavier monsoonal rains arrive late this month. Recent showers stimulate flowering in Guatemala and Honduras. Drier weather in Colombia promotes mid crop harvesting. Recent rains spur main crop flowering. Colombian coffee production has started to recover lost ground after heavy rains battered last year's crop.

Heavy rains over Kenya lower yield prospects and bean quality & delays harvesting well into May. Coffee output from Uganda is down 26% due to drought late last year during the key flowering stage. Early "Blossom & Backing rains" in southern India initiate flowering early over Kerala and Karnataka. Rains in February lead to uneven development of fruit on some plants. Early blossoms are setting in well as a result of backing showers. This year's crop should surpass last year's. The robusta coffee harvest in Ivory Coast is down 21% from last.

COCOA

The International Cocoa Organization said Friday that global cocoa supply would fall 69,000 tons short of demand in the current 2009-10 year, up from an earlier outlook for a 18,000-ton deficit. Rising demand is outpacing the ICCO's estimate for a modest supply growth to 3.596 million tons in the same timeframe. Global cocoa grindings--a measure of consumption--are seen 4% higher on the year at 3.629 million tons, according to the ICCO.

Showers in Ivory Coast and Ghana, Cameroon and Nigeria boosts moisture for mid crop cocoa after earlier dryness. More scattered showers the next 7 days. Mid crop production may be down as much as 9% because of poor rains during flowering. Political crisis and ageing trees have also been detrimental. Mid-crop harvesting has begun. Favorable conditions for mid crop harvesting in Bahia, Brazil and the main crop harvest in Sulawesi, Indonesia.

COTTON

There is still a tight supply of cotton for the old crop and is the lowest in 15 years. U.S. Department of Agriculture pegged global consumption 14% higher than output in the year ending July 31, U.S. Department of Agriculture data show. The cotton market has largely ignored outside volatility in recent weeks.

High prices for cotton in China, the world's top importer and textile producer, are spilling over to the U.S. as available supplies dwindle ahead of the coming season's harvest. World cotton demand has rebounded with recovering economic growth. World cotton consumption is expected to fall short of production by 13% in the current season, a shortfall that will extend into the season that begins Aug. 1.

Cooler and wetter weather in Spain this week slows crop development but maintains well above average irrigation reserves. Planting continues across the southern Former Soviet Union where warm temps and recent showers favor emergence. Dry, warm weather in Mato Grosso, Brazil is ideal for harvesting. Dry, milder weather favors emerging cotton on the NCP. Scattered showers disrupt planting in Texas and the Delta. Dry weather favors planting in the SW.

SUGAR

Larger sugar crops out of Brazil and India are expected to correct the supply deficits currently in the market and have been an ongoing factor in pressuring prices, a broker said.

Weather conditions remain mostly dry in top grower Brazil, aiding the cane harvest there. In India, the annual monsoon is forecast to begin on time this year and is expected to bolster production. India, the largest consumer of sugar and the world's second-largest producer, has been hurt by back-to-back years of erratic monsoon weather, turning the nation into a net importer from a net exporter.

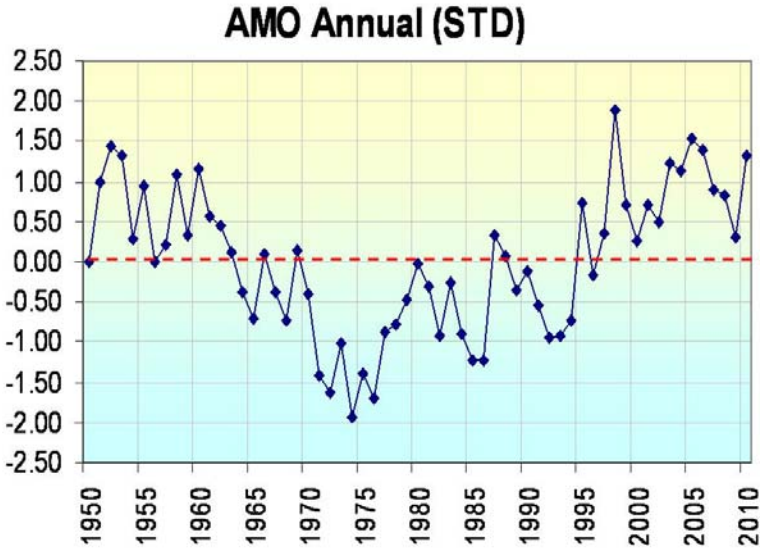
Cane production in Indonesia is also up 10% after farmers increased planting and raised productivity. Showers return to sugarcane areas of southern China this week, including drought areas of Guangxi and Yunnan Province. Wetter weather is forecast in Brazil where a strong (possibly record) crop is anticipated.

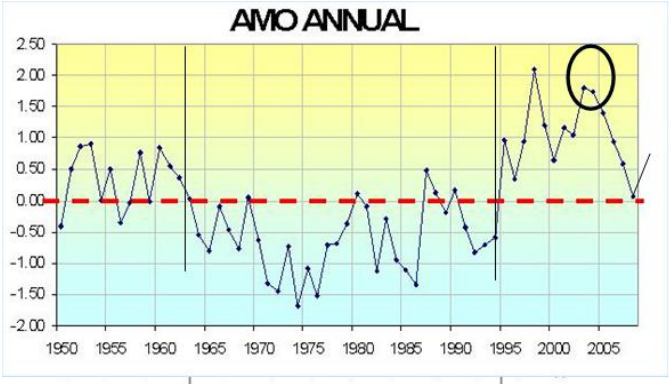
THE 2010 HURRICANE SEASON

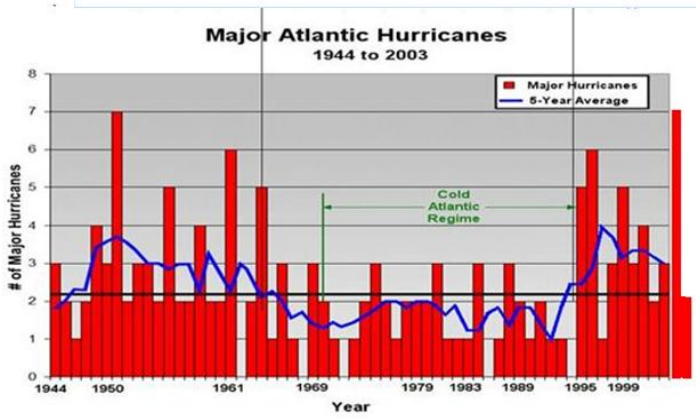
Both Drs Gray and Klotzbach and NOAA and many in private industry are predicting a very active Atlantic tropical season.

Since 1995, the Atlantic has become twice as active on average as the prior 25 years, similar to the period from 1930s to 1960s. This is due to a shift to the ‘warm” mode of the multi-decadal scale oscillation in the Atlantic Ocean.

Most of the storms making landfall since 1995 have impacted the Mid-Atlantic region, Florida and the Gulf of Mexico However, though not yet realized, history tells us that the risk has also increased for more populated areas to the north (Long Island and New England).

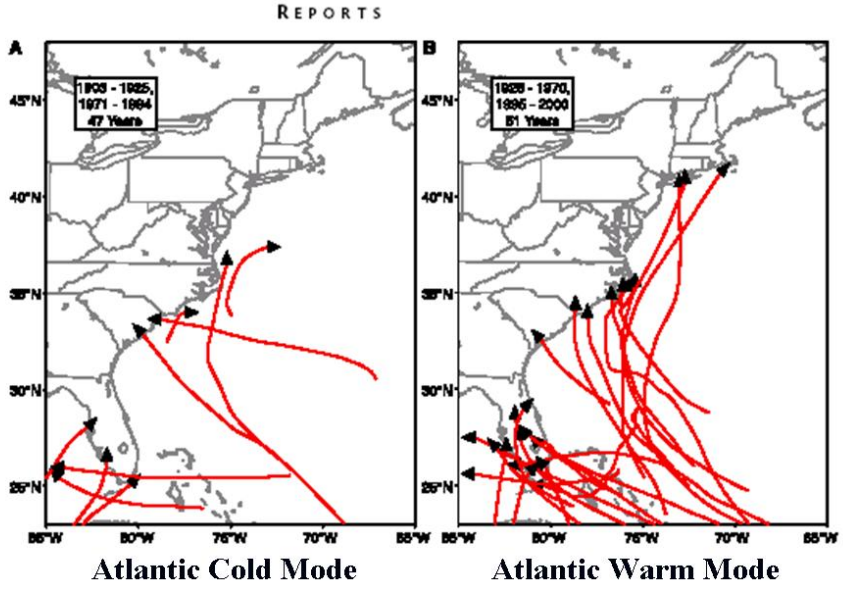






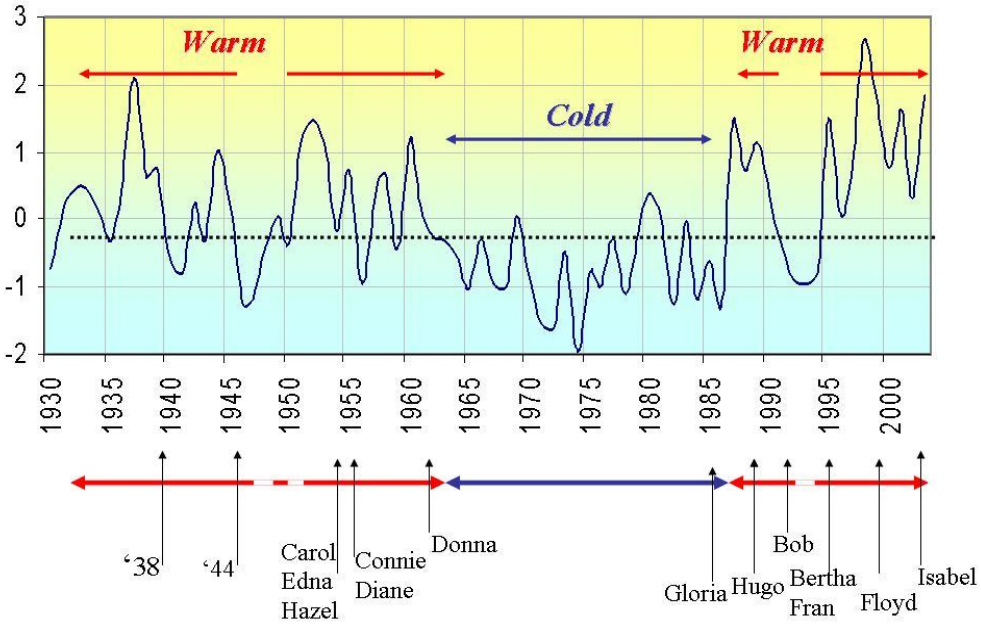
Note the increase in the number of stronger storms after the flip back to the warm mode in 1995.

East Coast Landfalls

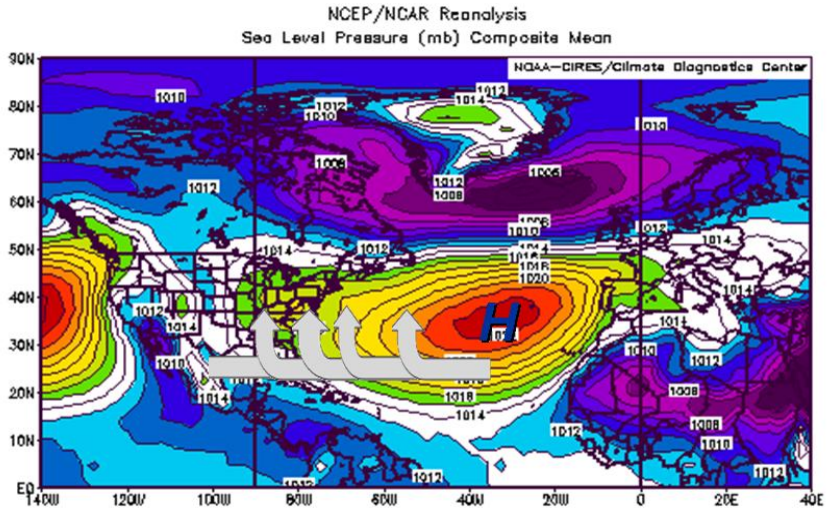


Bill Gray has shown the number of land falling storms along the southeast coast increases in the warm mode (above). The same can be said for the Atlantic coast in general as shown below.

East Coast Hurricanes and Atlantic Temperatures

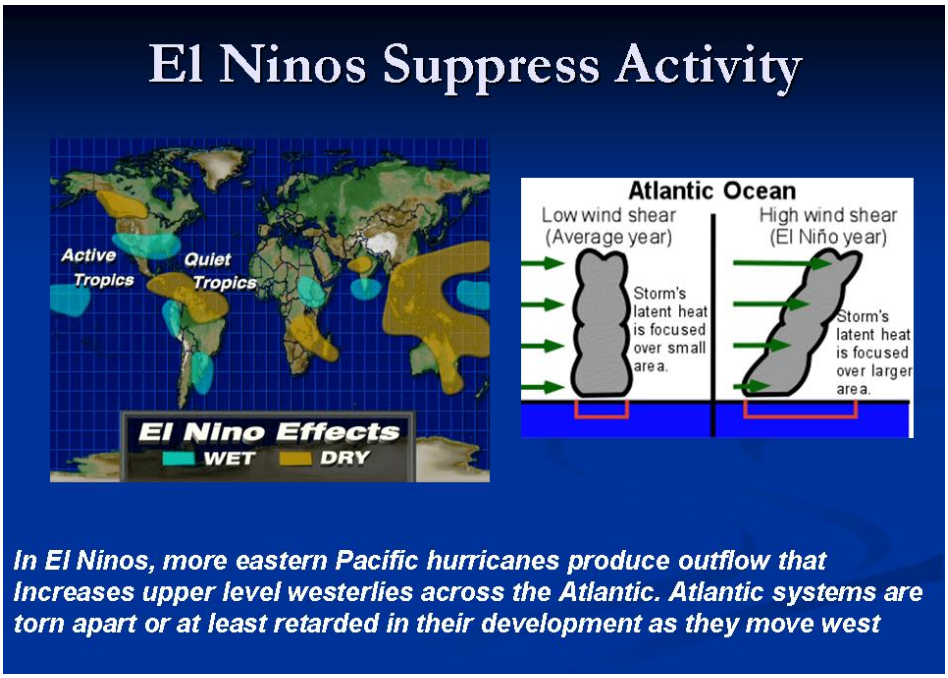


The landfall depends on the strength and position of the Bermuda High in the Atlantic. A tropical system will tend to turn north at first opportunity including a weakness in the Bermuda high. The stronger and farther west the high extends, the further west the storm moves before turning or landfall.

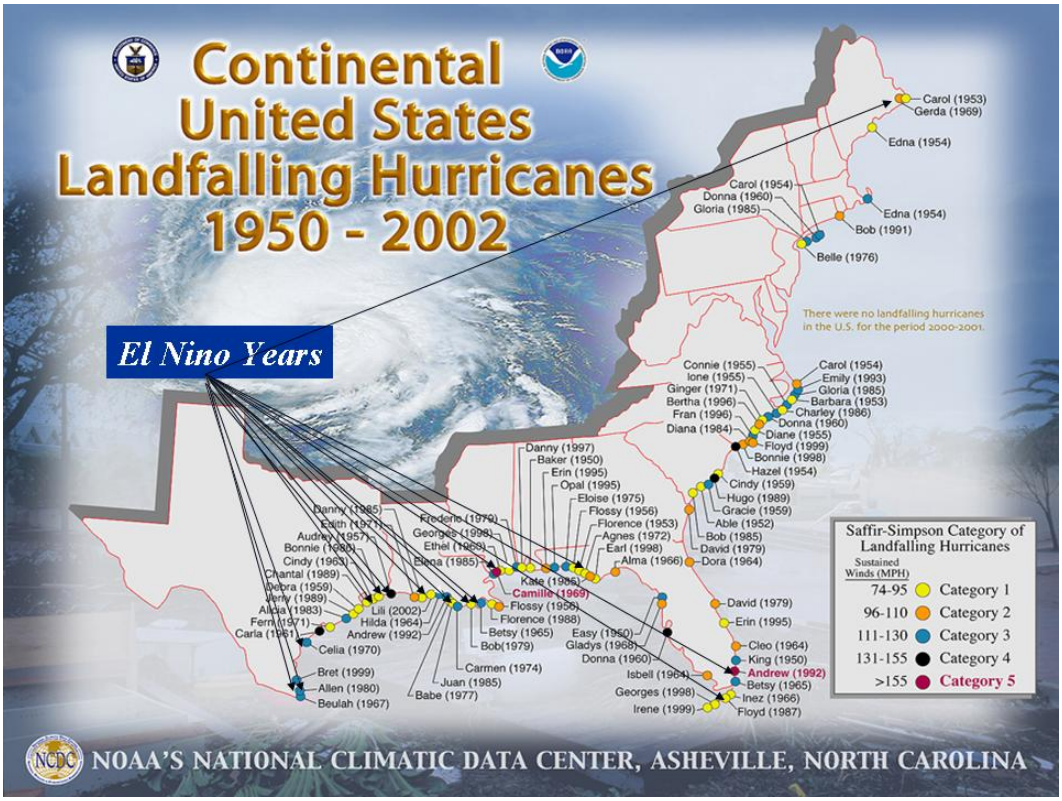


Storms move west under the Bermuda high and eventually recurve north, into the open Atlantic, The Caribbean/GOM, Florida or up the east coast. The challenge for forecasters is where they "recurve"

El Ninos tend to produce fewer storms by increasing the shear in the Atlantic, fed by increased Pacific tropical activity.

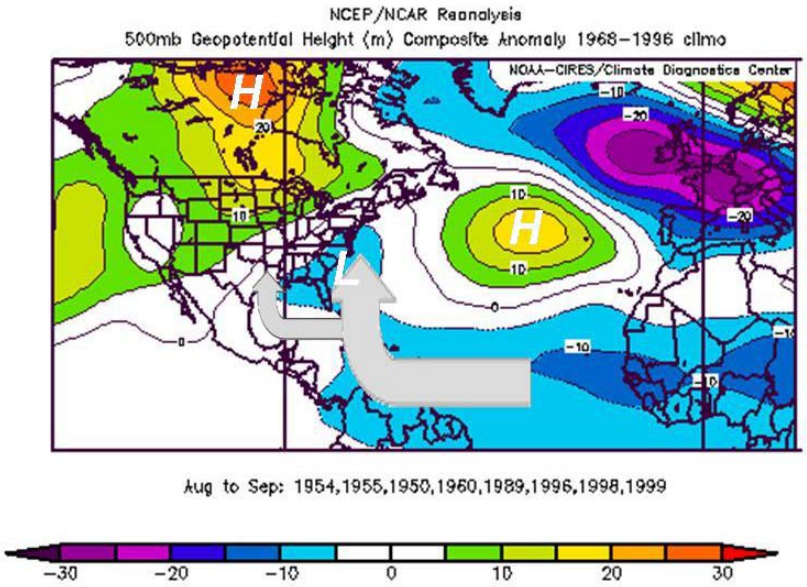


Those that survive often recurve out to sea or escape the shear by taking a more southern route through the Caribbean to the Gulf, where most make landfall.

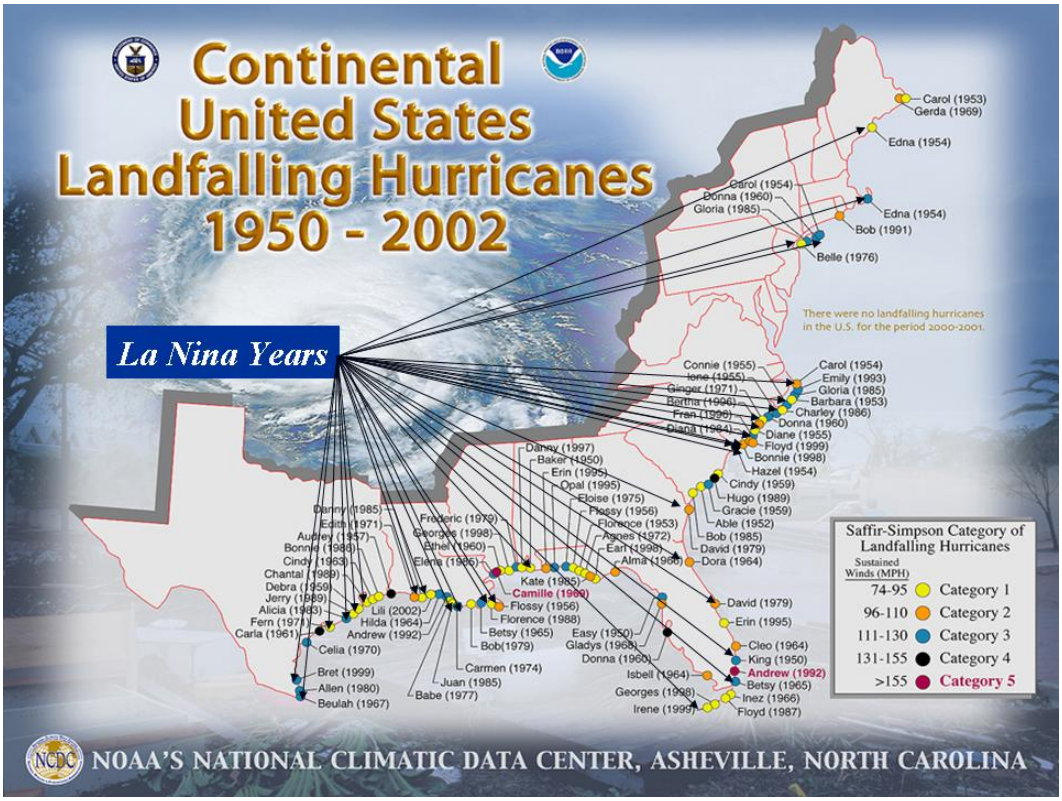


La Ninas on the other hand show less shear, more storms and more landfalls. Weakness of pressure along the east coast favors more landfalls.

La Nina Upper Steering Level

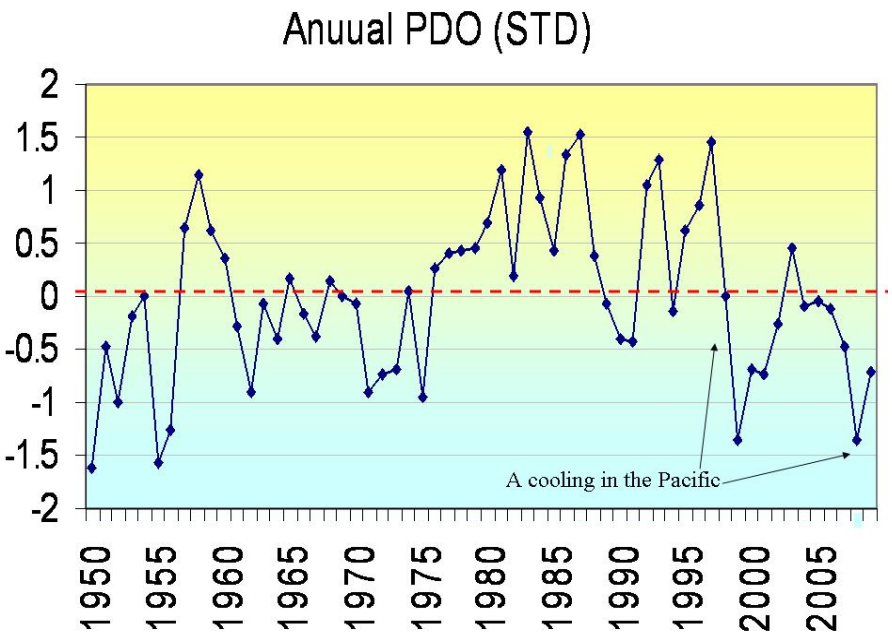


The La Nina landfalls are in the Gulf, Southeast Coast and the Northeast/New England.



THE EFFECT OF THE PACIFIC DECADAL OSCILLATION

The PDO affects the relative frequency of the El Nino and La Nina. We turned to the colder mode of the PDO in the late 1990s, which tends to mean more La Ninas like the last cold mode 1947 to 1977.



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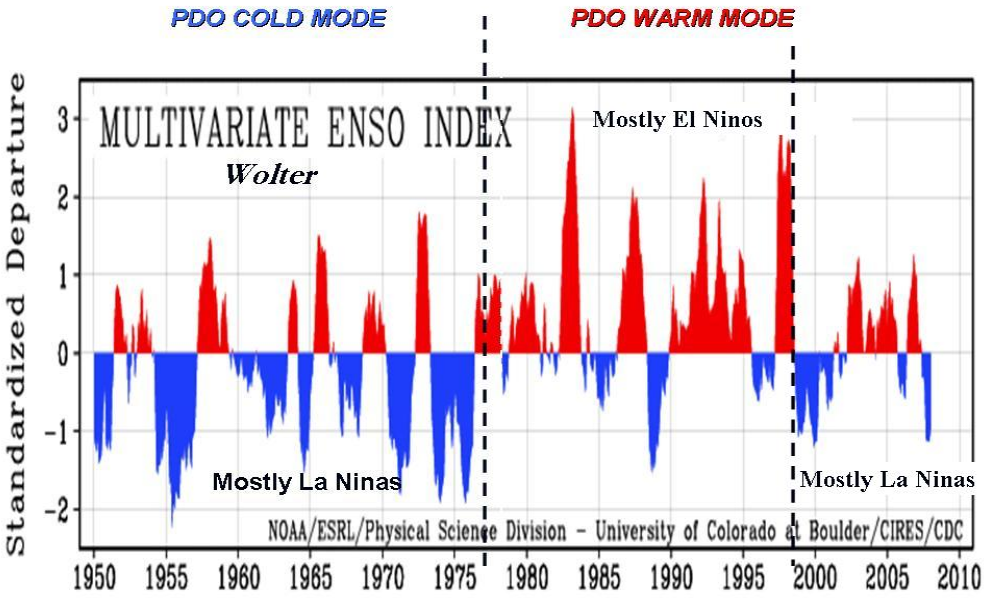
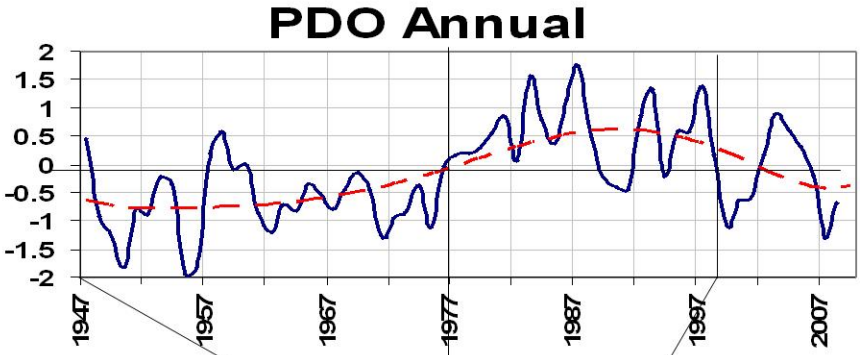
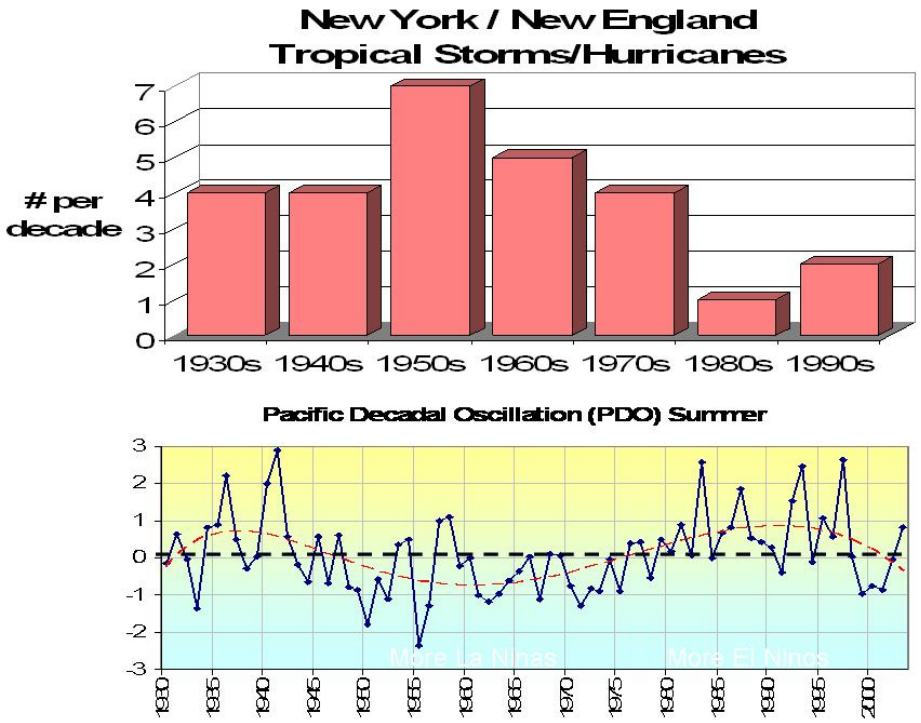




PDO	Cold	Warm	Cold
	1947-1977	1978-1998	1999-2009
El Nino	7	10	3
La Nina	14	3	5

The area of the east coast north of Cape Hatteras risk is greatest during La Nina years when the PDO is negative and the Atlantic is warm (this summer!).



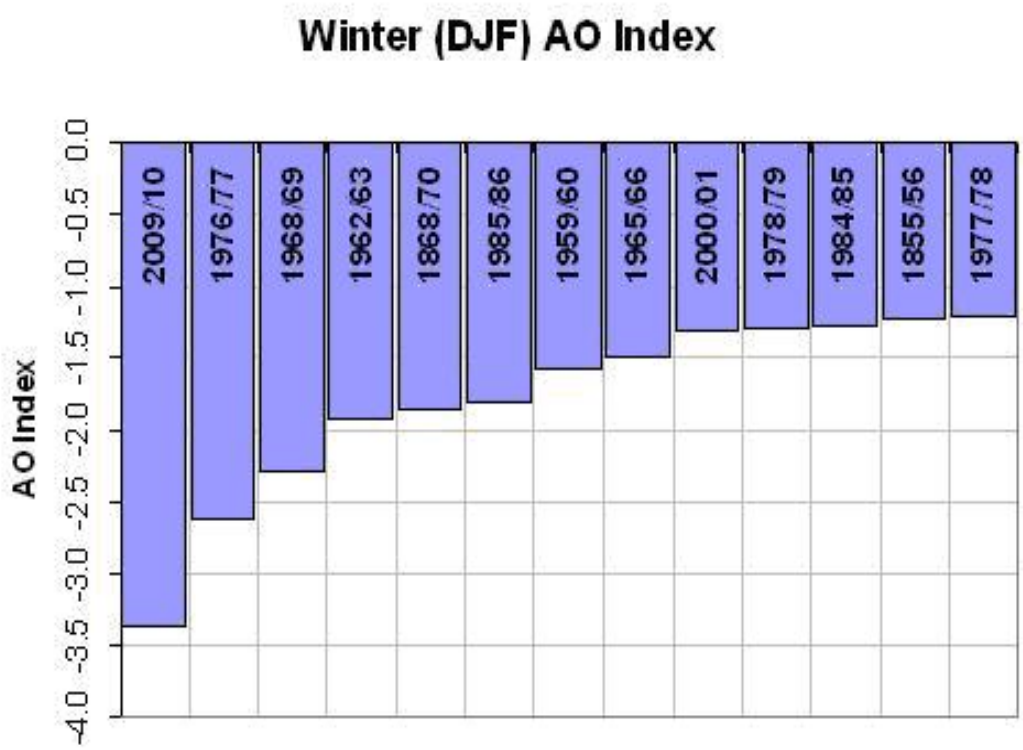
La Nina Years Occurring with Warm Atlantic Summers

- 1938 Hurricane of '38 (CAT 5) New York and New England
- 1950 Hurricane Easy (CAT 3) Florida, Hurricane King (CAT 3) Florida
- 1954 Hurricane Carol (CAT 3) New York and New England, Hurricane Edna (CAT 3) New England, Hurricane Hazel (CAT 4) Mid-Atlantic and northeast
- 1955 Hurricane Connie (CAT 3) NC, VA, NY, New England Flooding, Hurricane Diane (Cat 1) NC, New England Flooding
- 1960 Hurricane Donna (CAT 4) FL, (CAT 3) NY, New England
- 1989 Hurricane Hugo (CAT 4) SC
- 1996 Hurricane Bertha (CAT 2) NC, Hurricane Fran (CAT 3) NC
- 1998 Hurricane Bonnie (CAT 2) NC
- 1999 Hurricane Floyd (CAT 2/3) NC

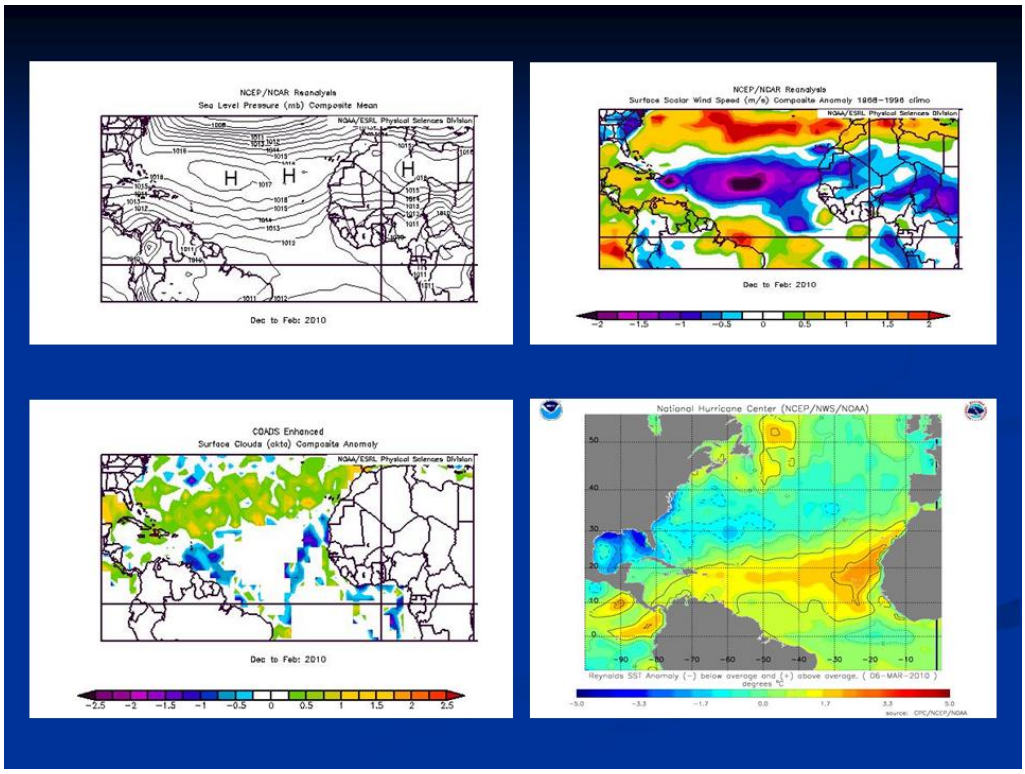
15 landfalling storms in the 9 years!!!!! 11 major hurricanes. 9 affected northeast

HOW THE TROPICAL ATLANTIC WARMED

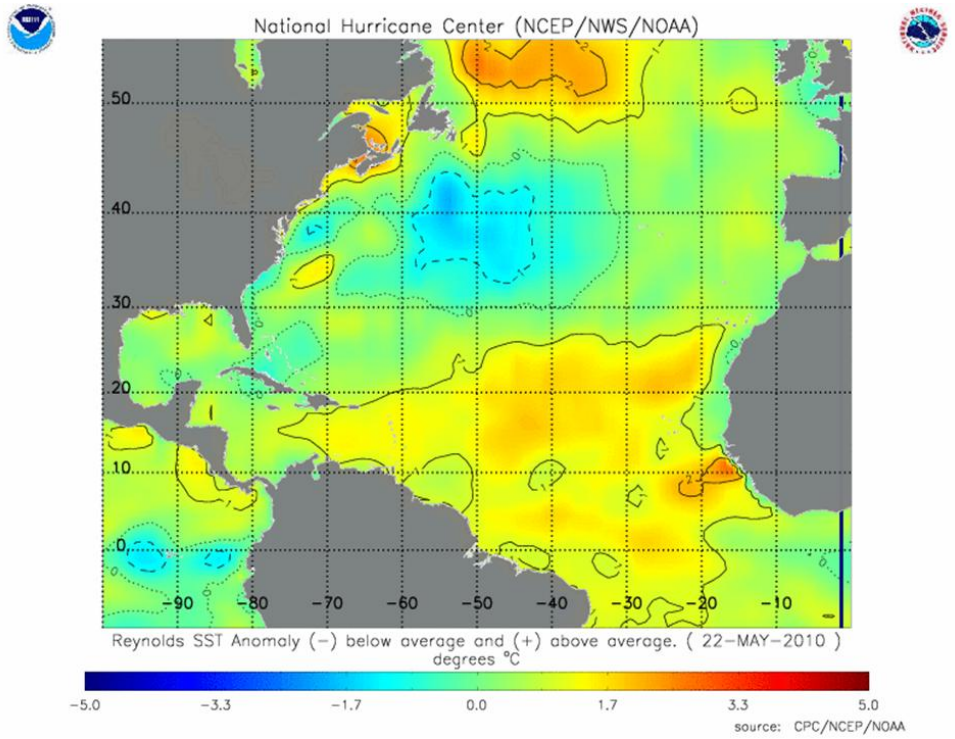
Ironically this was the result of the record negative AO and very cold Northern Hemisphere winter in the southern US, Europe, Russia, China. A record negative AO suppressed jet streams and subtropical highs in both oceans.



Lower wind speeds and reduced cloudiness due to subsidence in the deep subtropics led to warm water near the surface (bottom right).



The very latest Atlantic sea surface temperature analysis from the Hurricane Center showing the warm water that will help feed the activity.



All this raises great concern about landfalling hurricane and the threat of one or more systems affecting the east coast and the northeast that since 1995 has seen only remnants of storms that made landfall south.

Of course any landfall in the Gulf poses another threat to a region suffering from other environmental issues.

For questions and additional consulting and information on affordable, tiered future daily blogging services contact Joe D'Aleo at jsdaleo@yahoo.com 603 595-4439.