



Wheat Outlook February 2007

2007/08 World Wheat Production

	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	FIMAT 07-08
MAJOR EXPORTERS:										
U.S.	69.3	62.5	60.6	53.3	43.7	63.8	58.7	57.3	49.3	58.1
Argentina	13.3	16.4	16.2	15.5	12.3	14.5	16.0	14.5	14.2	14.0
Australia	21.5	24.8	22.1	24.3	10.1	26.1	22.6	24.5	10.5	23.0
Canada	24.1	26.9	26.5	20.6	16.2	23.6	25.9	26.8	27.3	27.0
EU-25		114.7	124.2	113.6	124.8	106.9	136.8	122.7	117.3	125.0
SUB-TOTAL	128.2	245.3	249.7	227.2	207.2	234.9	260.0	245.8	218.6	247.1
MAJOR IMPORTERS:										
Brazil	2.2	2.4	1.7	3.3	2.9	5.9	5.8	4.9	2.3	4.0
China	109.7	113.9	99.6	93.9	90.3	86.5	92.0	97.5	103.5	100.0
Other Europe	14.5	11.9	12.1	14.7	12.6	7.6	15.5	13.2	12.2	12.0
North Africa	14.2	11.5	9.9	12.7	11.7	16.3	17.2	15.2	18.3	16.5
FSU-12	56.0	64.8	63.0	91.3	96.9	60.9	86.6	91.9	86.1	90.0
SUB-TOTAL	126.1	204.5	186.4	215.8	214.5	177.1	217.1	222.6	222.4	222.5
OTHER FOREIGN:										
India	66.4	70.8	76.4	69.7	71.8	65.1	72.2	68.6	68.0	73.0
Mexico	3.2	3.1	3.4	3.3	3.2	2.7	2.4	3.0	3.1	3.0
Pakistan	18.7	17.9	21.1	19.0	18.2	19.2	19.5	21.5	21.7	21.5
Turkey	18.0	16.5	18.0	15.5	16.8	16.8	18.5	18.0	18.0	18.0
Others	229.4	27.8	26.6	30.7	35.9	38.8	39.0	40.6	40.3	40.0
SUB-TOTAL	335.7	136.0	145.4	138.2	146.0	142.6	151.5	151.8	151.1	155.5
GRAND TOTAL	590.0	585.8	581.5	581.1	567.6	554.6	628.6	620.1	592.0	625.1

2007/08 World Wheat S/D

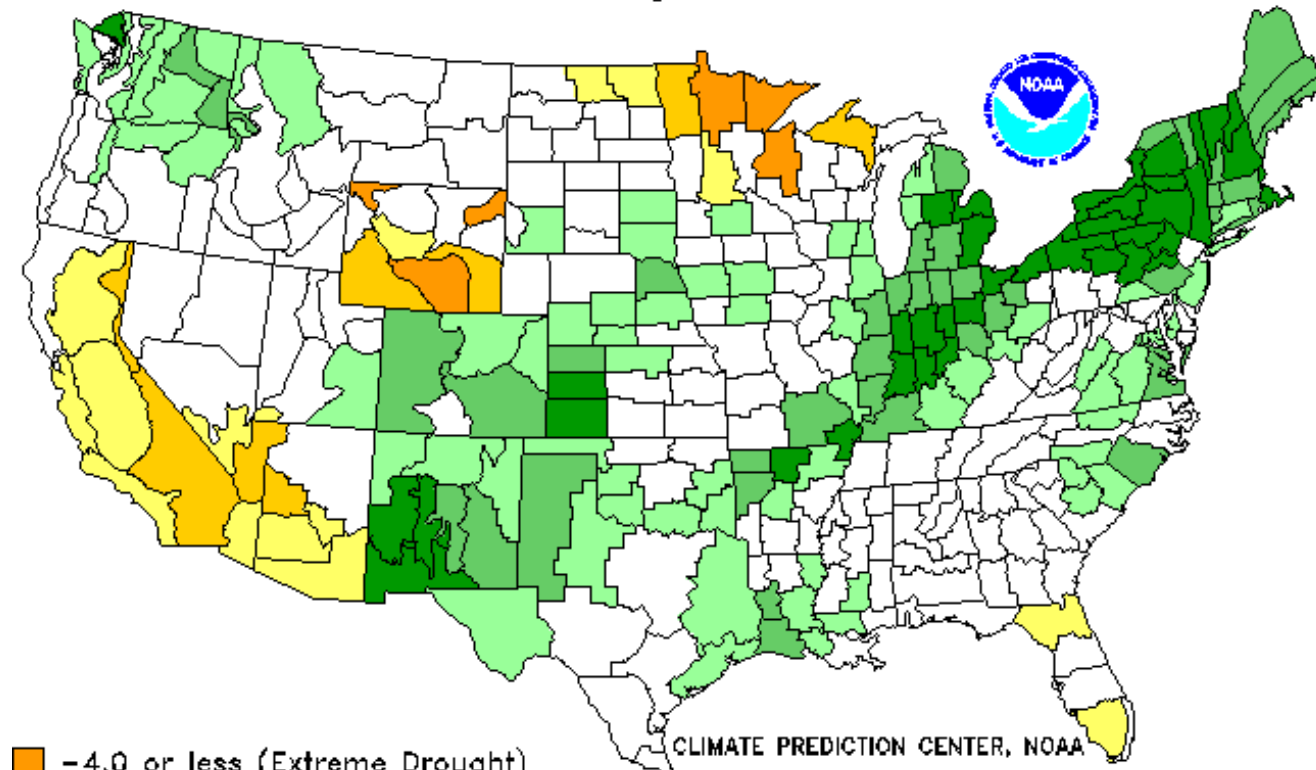
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	FIMAT 2007-08
Beginning Stocks	197.1	208.1	208.9	206.5	202.7	166.6	132.7	151.2	146.9	121.1
Production	590.0	585.8	581.5	581.1	567.6	554.6	628.6	620.1	592.0	625.1
Total Supply	787.1	793.9	790.4	787.7	770.3	721.2	761.3	771.3	739.0	746.1
World Trade	102.0	112.7	104.1	110.8	110.1	104.5	113.1	113.7	111.7	113.5
Domestic Consumption	477.0	472.3	479.7	474.1	493.6	484.0	496.9	510.8	506.4	510.7
Total Disappearance	579.0	585.0	583.8	585.0	603.8	588.5	610.0	624.4	618.2	624.2
END STOCKS	208.1	208.9	206.5	202.7	166.6	132.7	151.2	146.9	120.8	121.9
Stocks as % of Utilization	35.9	35.7	35.4	34.7	27.6	22.5	24.8	23.5	19.5	19.5

U.S. Palmer Drought Index

Drought Severity Index by Division

Weekly Value for Period Ending 17 FEB 2007

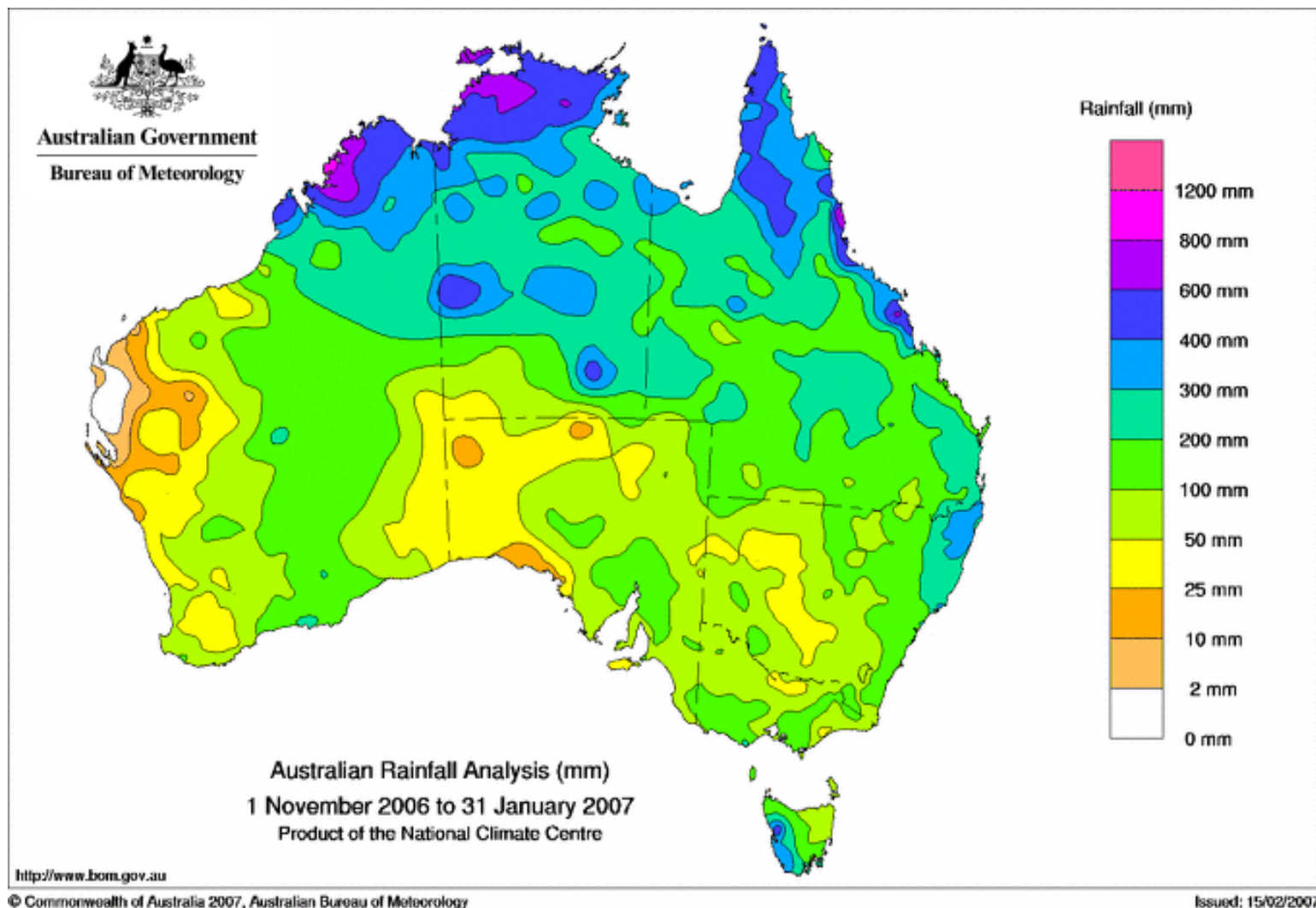
Long Term Palmer



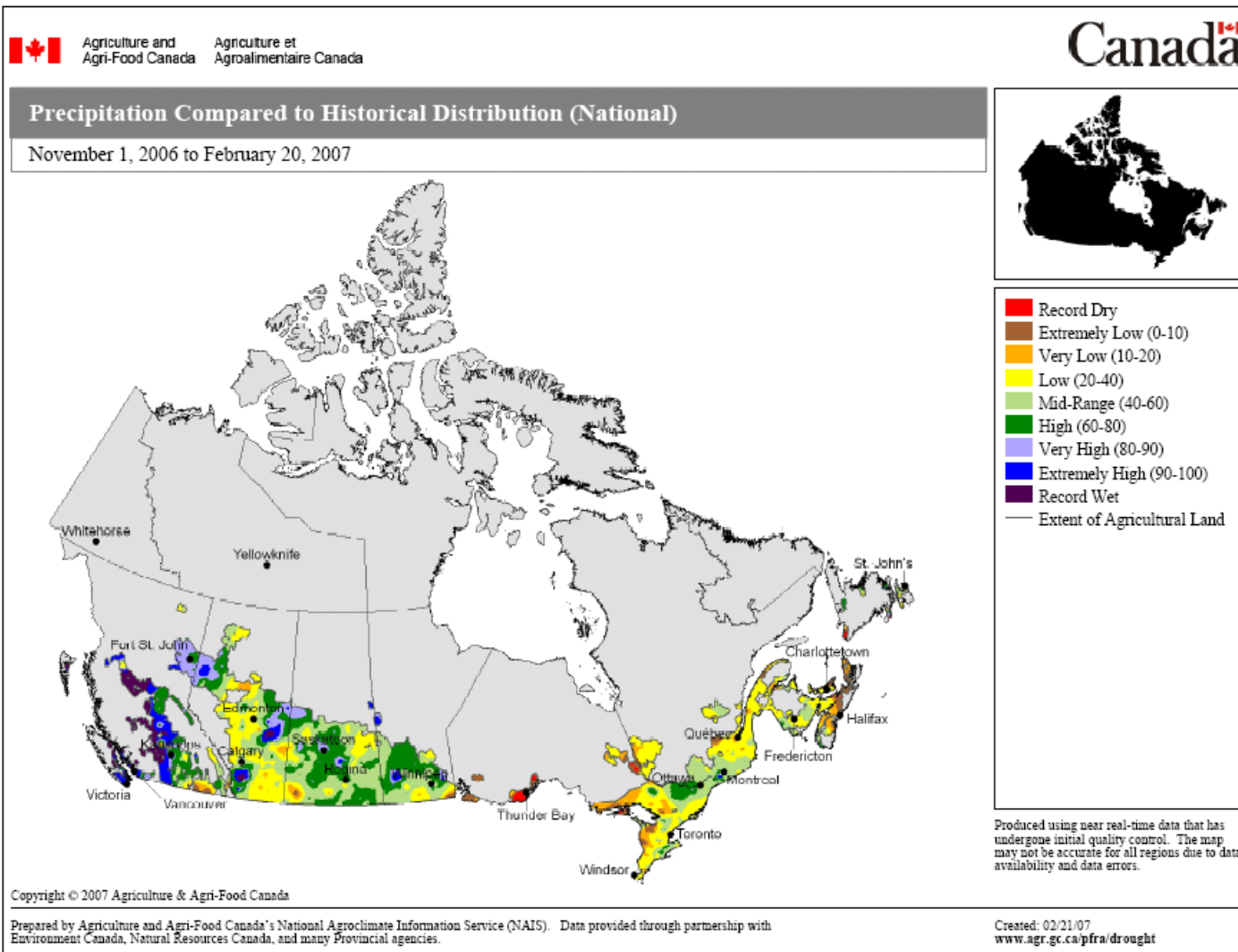
- -4.0 or less (Extreme Drought)
- -3.0 to -3.9 (Severe Drought)
- -2.0 to -2.9 (Moderate Drought)
- 1.9 to +1.9 (Near Normal)

- +2.0 to +2.9 (Unusual Moist Spell)
- +3.0 to +3.9 (Very Moist Spell)
- +4.0 and above (Extremely Moist)

90 Day Australian rainfall



Canadian Wheat Moisture Map

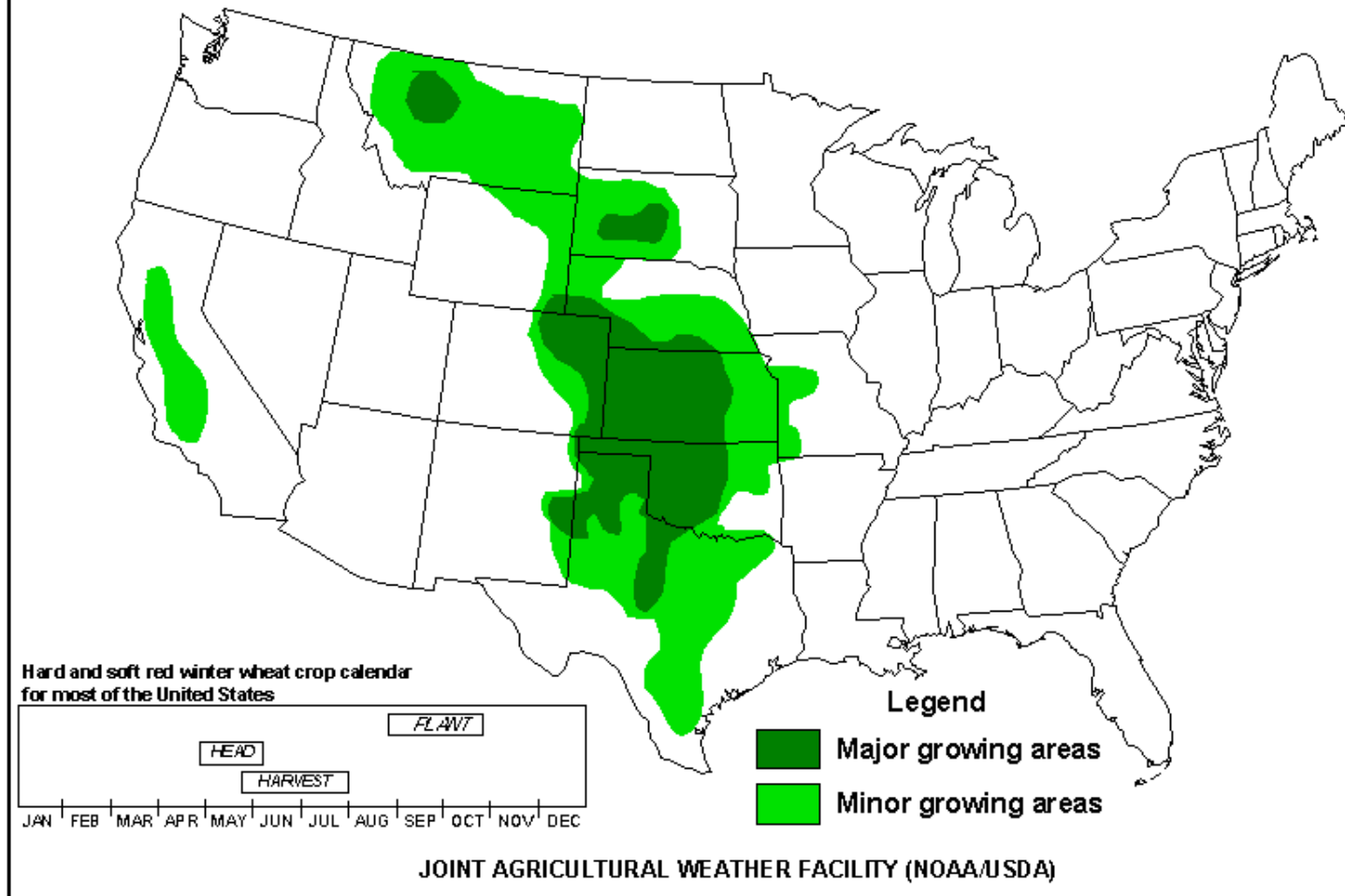


U.S. Wheat Supply and Demand

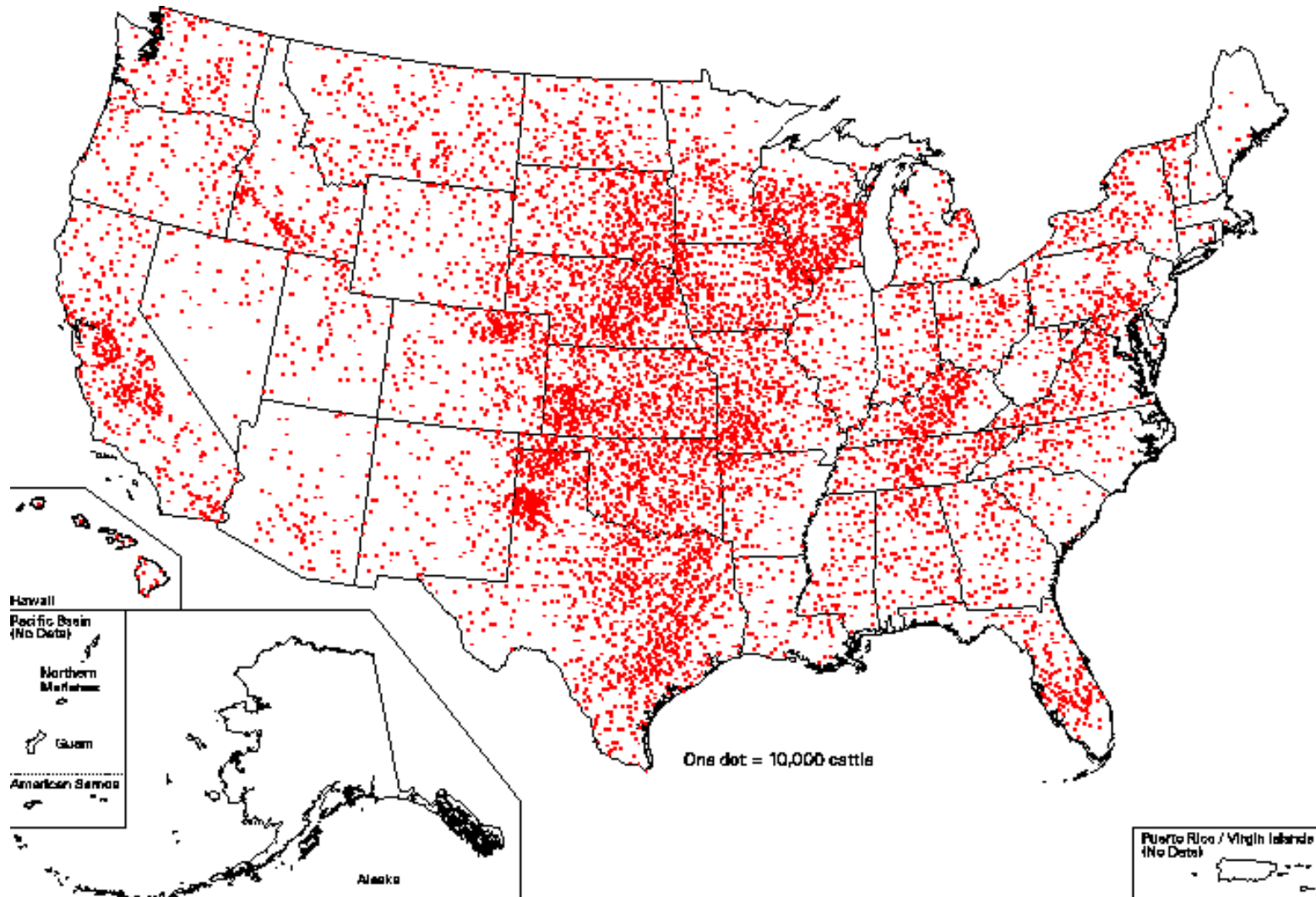
	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	USDA 06-07	USDA/CBO 07-08	FIMAT 07-08
Planted Acres	65.9	62.7	62.6	59.6	60.3	62.1	59.7	57.2	57.3	60.0	60.9
Harvested Acres	59.2	53.8	53.1	48.6	45.8	53.1	50.0	50.1	46.8	51.0	51.9
% Abandoned	10.1	14.2	15.2	18.4	24.0	14.6	16.2	12.4	18.4	15.0	14.8
Yield	43.0	42.6	41.9	40.3	35.0	44.2	43.2	42.0	38.7	42.5	41.1
June 1 Stocks	722	946	950	876	777	491	546	540	571	472	441
Production	2547	2296	2228	1958	1606	2345	2158	2105	1812	2170	2133
Imports	103	95	90	108	77	63	71	82	115	90	100
TOTAL SUPPLY	3373	3336	3268	2941	2460	2899	2775	2727	2498	2732	2674
Food	910	929	950	926	919	912	910	915	925	930	930
Seed	81	92	79	83	84	80	78	78	81	79	82
Feed	390	275	301	181	116	202	185	153	145	190	290
Exports	1046	1090	1062	964	850	1159	1063	1009	875	975	920
TOTAL USAGE	2427	2386	2392	2164	1969	2353	2235	2156	2026	2174	2222
CARRY - OUT	946	950	876	777	491	546	540	571	472	558	452
<i>Govt Stocks</i>											
Farmer Owned	0	0	0	0	0	0	0	0	0	0	0
TTL CCC Inv.	128	104	97	99	66	61	54	43	35	40	35
Outstanding Loans	140	62	42	82	51	37	58	42	15	30	15
Total Govt Stocks	268	166	139	181	117	98	112	85	50	70	50
Free Carry-Out	678	784	737	596	374	448	428	486	422	488	402

Hard Red Wheat Production Area

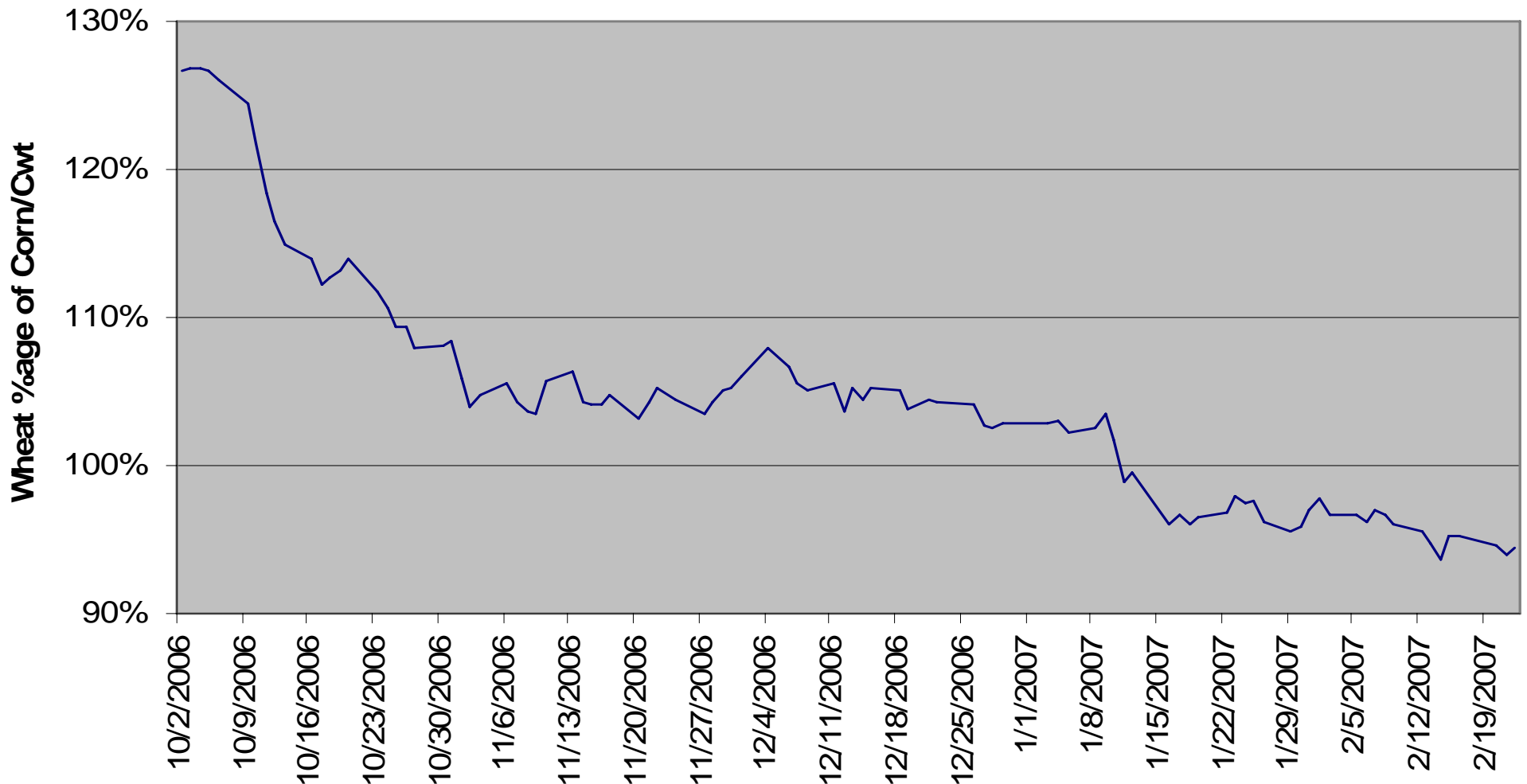
United States: Hard red winter wheat



U.S. Cattle Production Map

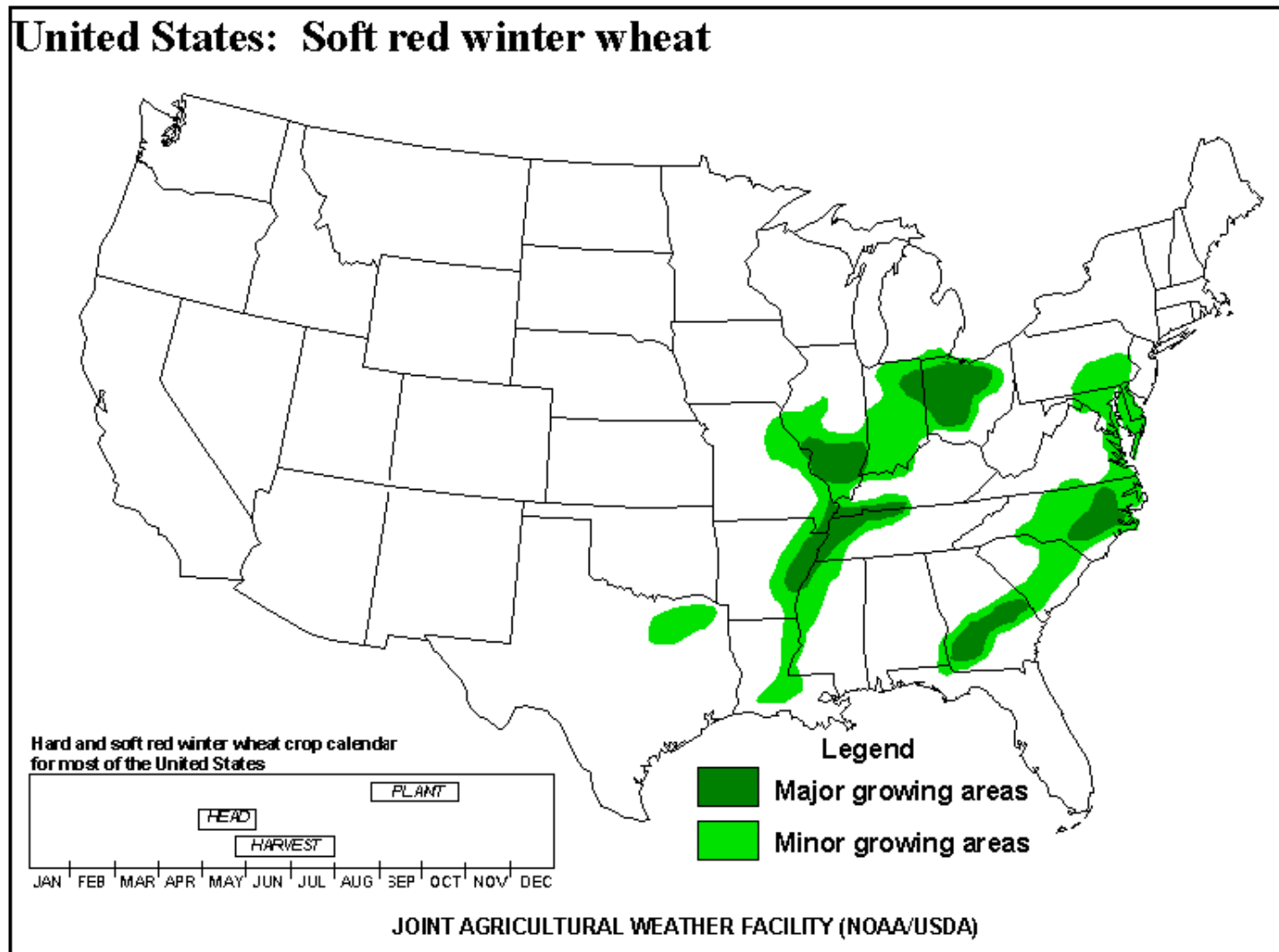


Southwestern US Wheat/Corn

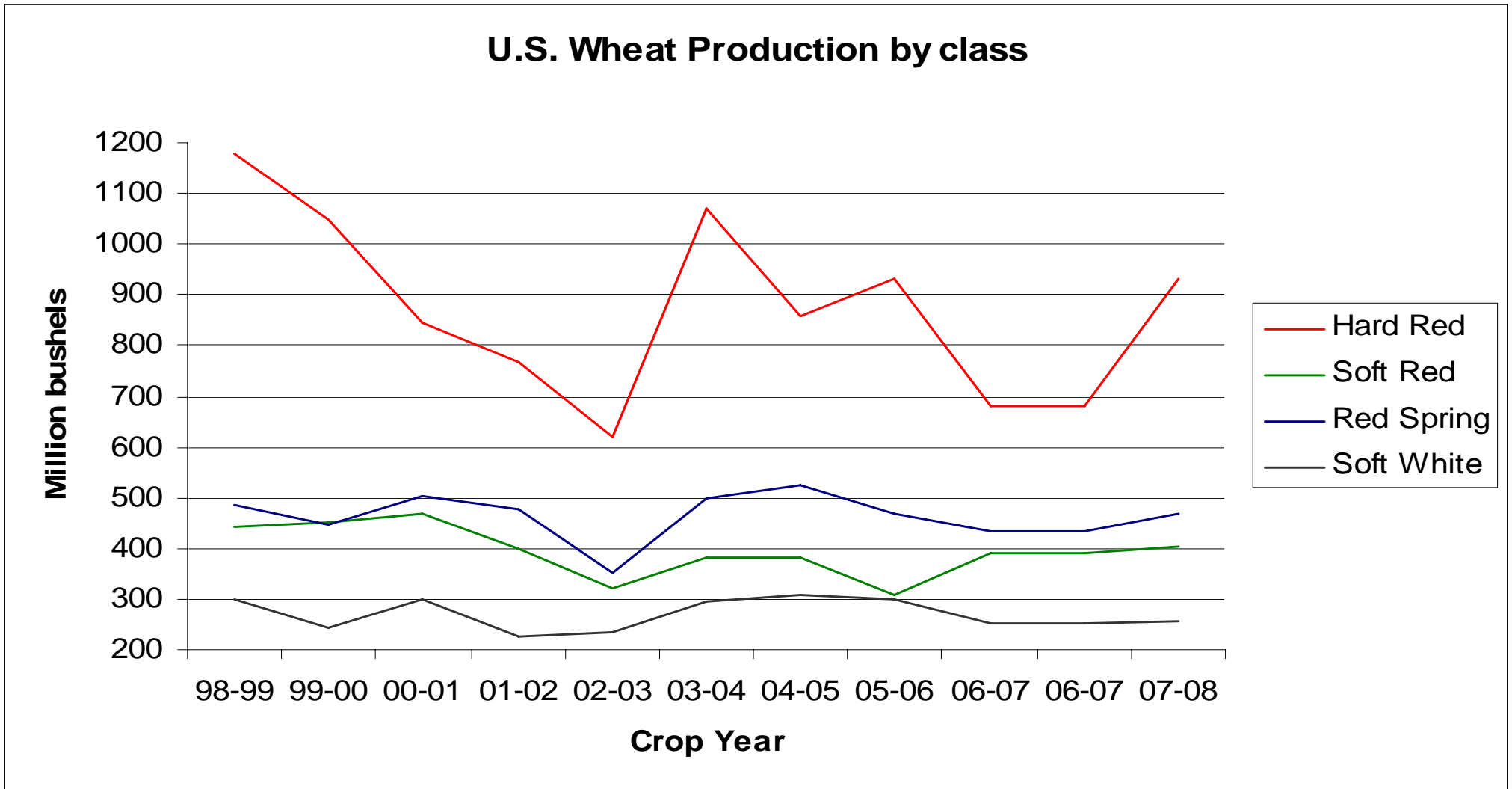


U.S. Soft Red Production Map

United States: Soft red winter wheat

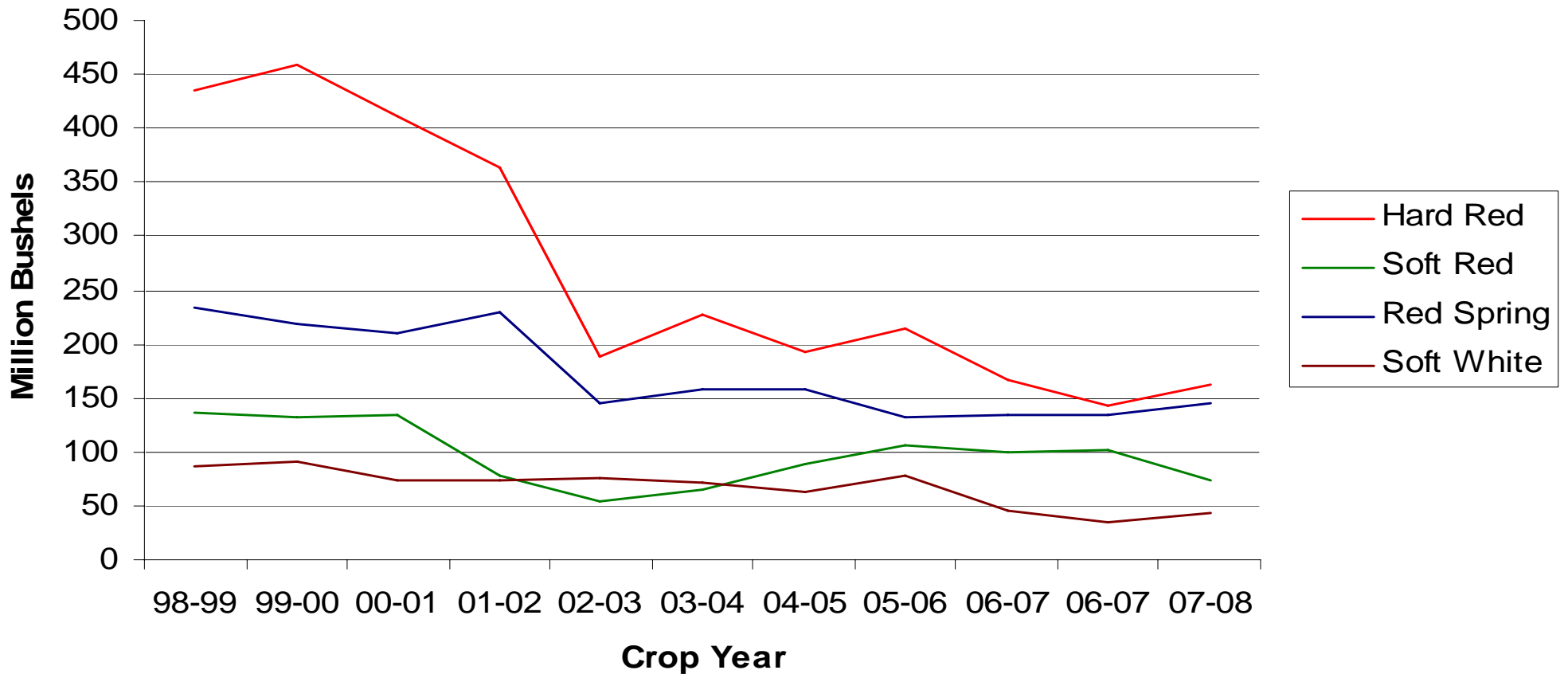


U.S. Wheat Production By Class



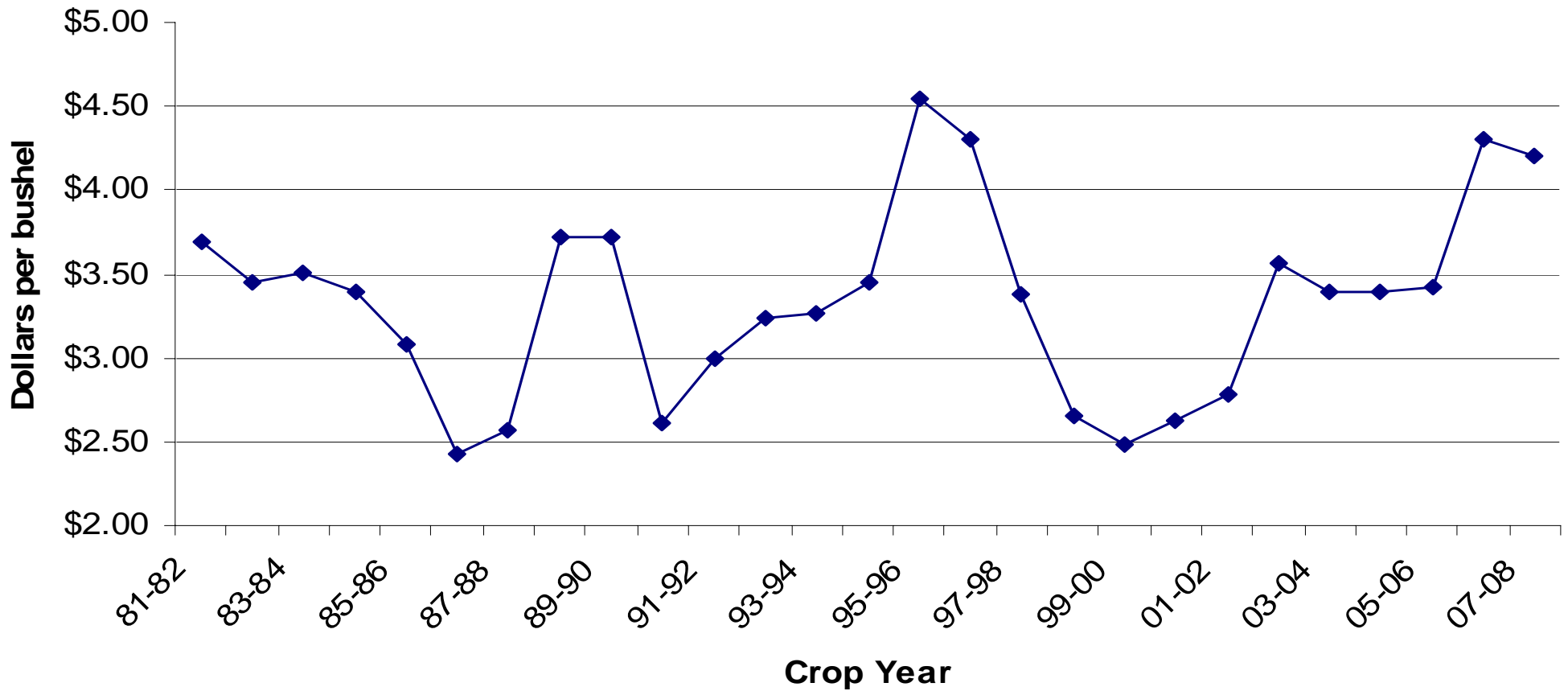
U.S. Wheat Ending Stocks by Class

U.S. Wheat Ending Stock by Class



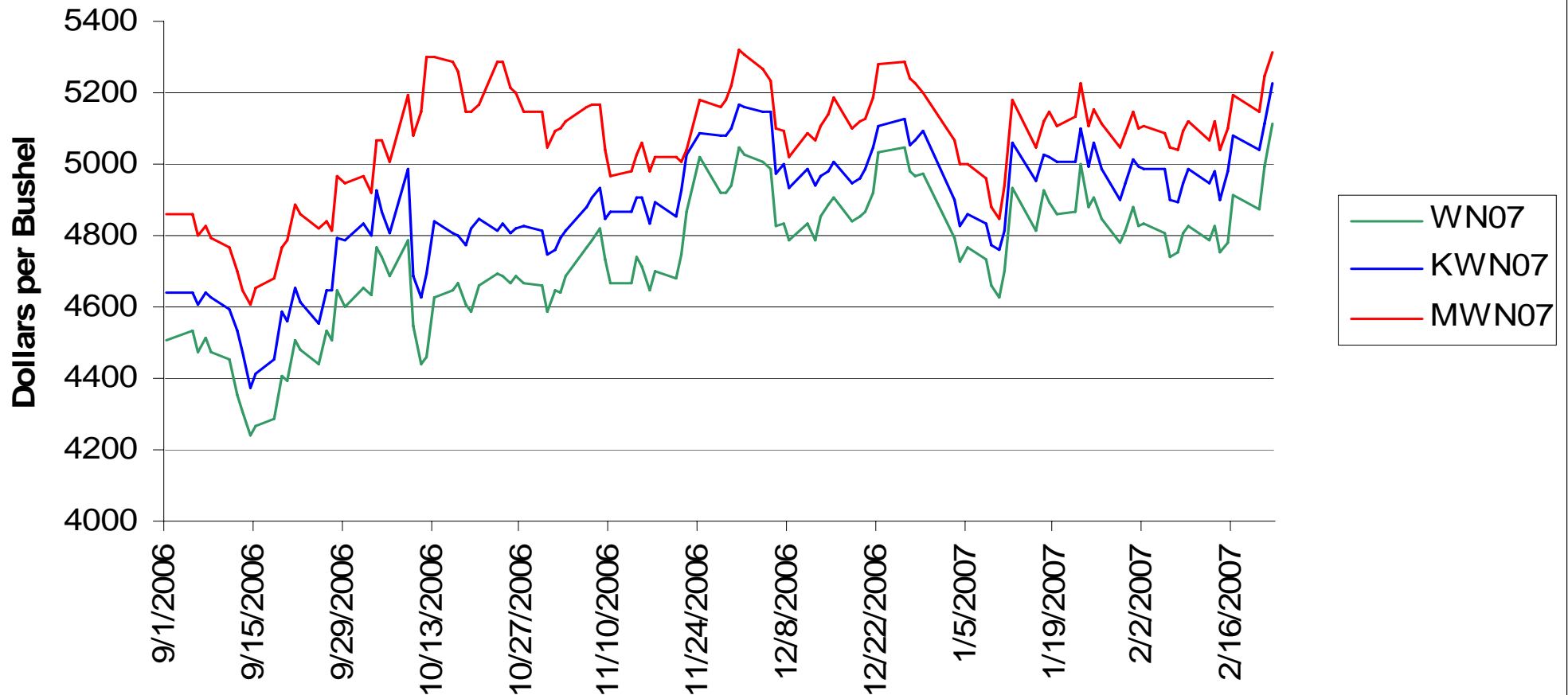
Average U.S. On-Farm Wheat Price

Average U.S. Wheat on-farm price



July 2007 Daily Contract Closes

July 2007 Daily Wheat Closes



Weekly KC/Chicago Wheat Spread



Weekly Minn/KC Wheat Spread



Breakdown of Positions by Trader

As of February 13, 2007						
	Large Spec	Commercial	Index	Non-Reporting		Open Interest
Chicago	(10771)	(157950)	194596	(25876)		442793
KC	21480	(39402)	27583	(9391)		118191
Mpls	12956	(17701)		(1531)		44838

Wheat Situations to Monitor

- Moisture conditions across the Plains hard wheat states (La Nina ??)
- Competitive values of competing crops in Northern Plains spring wheat areas limiting spring wheat plantings
- Relative cash price relationships between wheat and corn at feedyards
- Continued development of Indian, European and Australian wheat crops
- Forward pace of U.S. wheat export sales
- Chinese production prospects
- Positioning of speculative money in wheat markets