

Corn and Soybean Demand, Yes:

Allendale research data suggest world demand remains strong for corn, soybeans and wheat as duly noted via the chart. As you are able to view the world trend for all three remains very much upwards and supports a longer term outlook which is positive.

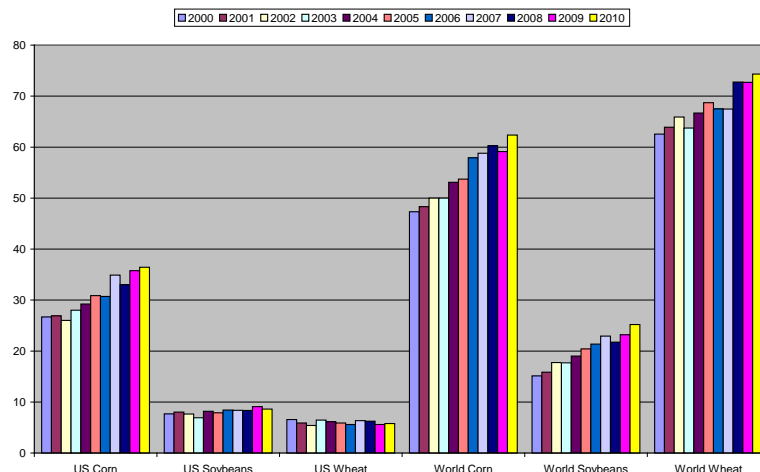
Switching from crude oil to not MTBE but ethanol is helping corn, and a growing world population helps the bushels used on a daily basis for corn, soybeans and wheat.

We have witnessed world demand grow by 31.8% for corn from the year 2000 to 2010, wheat consumption grow by 18.8% and soybeans by a whopping 66.6%.

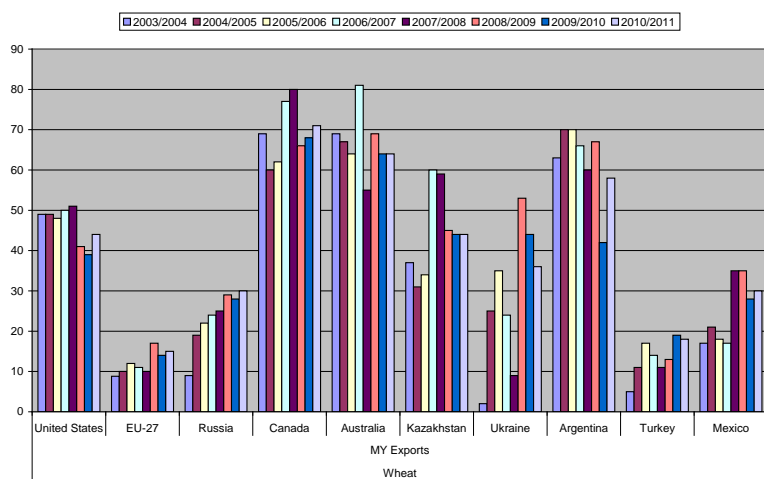
On the domestic front the graph suggest the bushels used for corn remains in a strong uptrend per the 36.5% increase from the year 2000 to 2010 with soybean use per day trending higher at 12.1% but wheat use down 12%.

Let us look at the percent of annual wheat production for export use by country. The majority to minority of the top ten countries for wheat exports are ranked left to right.

Corn, Soybeans and Wheat Daily Demand (Million Bushels)



Wheat Exports as Percent of Annual Production



You are able to view how the US trends lower along with Australia. It is also easy to see how dependent Canada, Australia and Argentina remain in the wheat for exports as a percent of annual production.

Long gone are the days of 49-50% of annual wheat production used for exports within the United States with only 39% in the present marketing year and a very optimistic 44% for the new marketing year.

The two countries with the strongest upward trend are Russia as well

as # 10 Mexico. Russian wheat exports as a percent of annual production has climbed from just 19% in 2004 to 30% for 2010.

The bottom-line is the US is losing wheat export ground as well as use per day while corn and soybeans continue gain ground.

How does the information fit into your marketing plans for this year, next year and beyond? Why is the US losing daily use and exports for wheat?

We welcome your questions.....Joe Victor

Allendale Inc welcomes any questions you may have by calling 800-551-4626 or e-mail research@allendale-inc.com

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