ADM INVESTOR SERVICES, INC.

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Corn April, 2012

With US corn producers looking at their fastest planting start on record and the USDA already looking for new the crop to be available in August (easing the tight ending stocks situation), corn bulls could be fighting an uphill battle over the next month. The March Quarterly Grain Stocks report confirmed the extremely tight cash market situation, but that was not backed up with stronger demand numbers in the April USDA supply/demand update. On top of that, the freak weather in March has left traders talking about a favorable-looking crop into mid-May. "Knee-high by mid-May" could be the new saying if the weather continues to impress. The recent Crop Progress report showed that 7% of the corn crop had been planted as of April 8th, compared to 3% as the 10-year average. Traders are looking for plantings to be 30% complete by the middle of April and 75-80% complete by May 1.

In the April 10th supply/demand report, the USDA seemed to have the opportunity to raise feed usage, raise China import demand, and lower ending stocks, but this did not occur. As a result, a long liquidation trend emerged as the dominant force. In the report the USDA pegged ending stocks for the 2011/12 season at 801 million bushels, unchanged from the March estimate and 70-80 million bushels above trade expectations. The USDA did mention better wheat feeding into the summer, and it also mentioned that feed usage for old crop corn will be lower because new crop corn will be available in August. The report pegged world ending stocks at 122.7 million tonnes, down from 124.5 last month and 125.02 million tonnes last year. This would result in a world stocks/usage ratio of 14.1%, which is the lowest since 11.7% for the 1973/74 crop season. Beginning stocks were revised lower due to a 4 million-tonne adjustment lower in China. This 8% adjustment in China's beginning stocks did not seem to get much press coverage. In the end, any weather issue for the corn crops in China or the US could lead to either massive imports of US corn into China and/or a significant tightening in the new crop outlook. Short-term, however, do not rule out eroding December corn values to near 511 1/2 into the May supply/demand report.

Year	Percent Planted as of 5/1	Dec Corn First Close in April	Dec Corn First Close in July	Change
2010	66	377	384 1/2	7 1/2
2004	59	326 1/2	267 1/4	-59 1/4
2006	55	268 1/4	268 1/2	1/4
2000	53	259 1/2	202 3/4	-56 3/4
2005	52	237	235 3/4	-1 1/4
2003	44	242	225 1/2	-16 1/2
1994	42	256 3/4	239 1/2	-17 1/4
2001	37	234 3/4	210 3/4	-24
1997	36	291 3/4	232 3/4	-59
2002	33	224 1/2	251 1/4	26 3/4
1998	32	271	252 1/2	-18 1/2
2007	32	369 1/2	350	-19 1/2
1996	30	323 1/2	371	47 1/2
2009	30	427 1/4	369 1/4	-58
1992	23	258 1/4	262 3/4	4 1/2
2008	20	593	752	159
1999	19	241 1/4	218 1/4	-23
2011	13	637 1/2	596 3/4	-40 3/4
1995	11	264 3/4	285	20 1/4
1993	8	245	246 1/2	1 1/2