

Although our crop estimate has declined from the 4/20/13 projection, *it would be the largest in history and exceed the previous record in 2009 by a significant 1.024 billion bushels.*

US Supply/Demand

The USDA will update their supply/demand forecasts for the current season on May 10. They will also release their first forecast of the 2013-14 season in that report. Although our acreage and production estimates are based on current planting progress, we expect the USDA to utilize acreage intentions and their trend yield in the initial May forecast. We expect the USDA to show the following . . .

USDA to Maintain 2014 Surplus!

US Corn Supply/Demand
Million Acres and Bushels

	11-12		12-13		13-14	
	Actual	USDA ^{1/}	CIS ^{3/}	USDA ^{2/}	CIS ^{3/}	
Pltd acres	91.9	97.2	97.2	96.5	97.3 ^{4/}	
% hvstd	91.4	89.9	89.9	92.0	92.0	
Hvstd acres	84.0	87.4	87.4	88.8	89.5	
Yield	147.2	123.4	123.4	163.6	163.6 ^{5/}	
Beg stocks	1128	989	989	632	802	
Production	12360	10780	10780	14530	14645	
Imports	29	125	125	25	25	
Total supply	13516	11894	11894	15187	15472	
Feed/res	4545	4400	4400	5400	5500	
Food/seed	1428	1387	1387	1435	1435	
Ethanol	5011	4550	4530 ^{6/}	4675	4750 ^{8/}	
Exports	1543	800	775 ^{7/}	1500	1600 ^{9/}	
Total usage	12527	11137	11092	13010	13285	
End stocks	989	757	802	2177	2187	

1/ 4/10/13 USDA estimate

2/ USDA Forum projection

3/ What we expect the USDA to show in the May 10 report

4/ March intentions

5/ USDA trend yield

6/ Below USDA due to reduced gasoline usage

7/ Below USDA based on pace of export sales

8/ Based on expectations of lower new crop corn prices

9/ Based on expectations of record large Chinese imports

It is important to keep in mind the CIS estimates are what we expect the USDA to show on May 10. We will return to our research estimates in the May 18 issue of Price Perceptions.

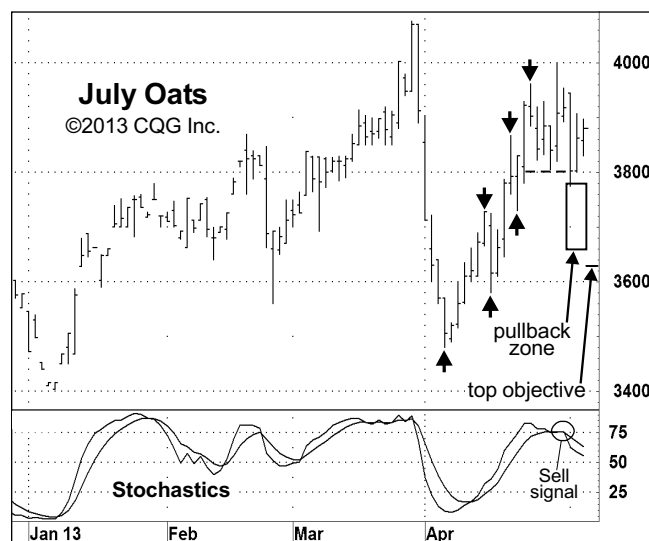
We expect the USDA to increase their old crop ending stocks estimate by 45 million bushels from last month. However, this is an insignificant increase and should have no impact on old crop futures. Because the USDA traditionally utilizes acreage intentions and trend yield in their first forecast of the season in May, we expect 2014 ending stocks to be very close to the Forum estimate. Based on the foregoing, we do not expect the USDA supply/demand report to have

a major impact on futures. Instead, old crop futures should continue to respond to tight cash supplies and ongoing negative global economic perspectives.

December futures are expected to remain in a range of \$5.20 to \$5.80 until planting progress is better known into late May. If planting progress regains momentum by late May, we expect December futures to return to the downtrend and test the \$4.70 level into June.

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Oats



A three leg advance (arrows) was completed in April. This week's breakout above the recent high failed to carry and the market pulled back into the zone shown previously from 3.66 to 3.78. At this juncture, the zone remains operative. A top was completed providing an objective of 3.63. Stochastics gave a sell signal on 4/26/13 and remain in a negative mode.