COMMODITY FUTURES TRADING COMMISSION

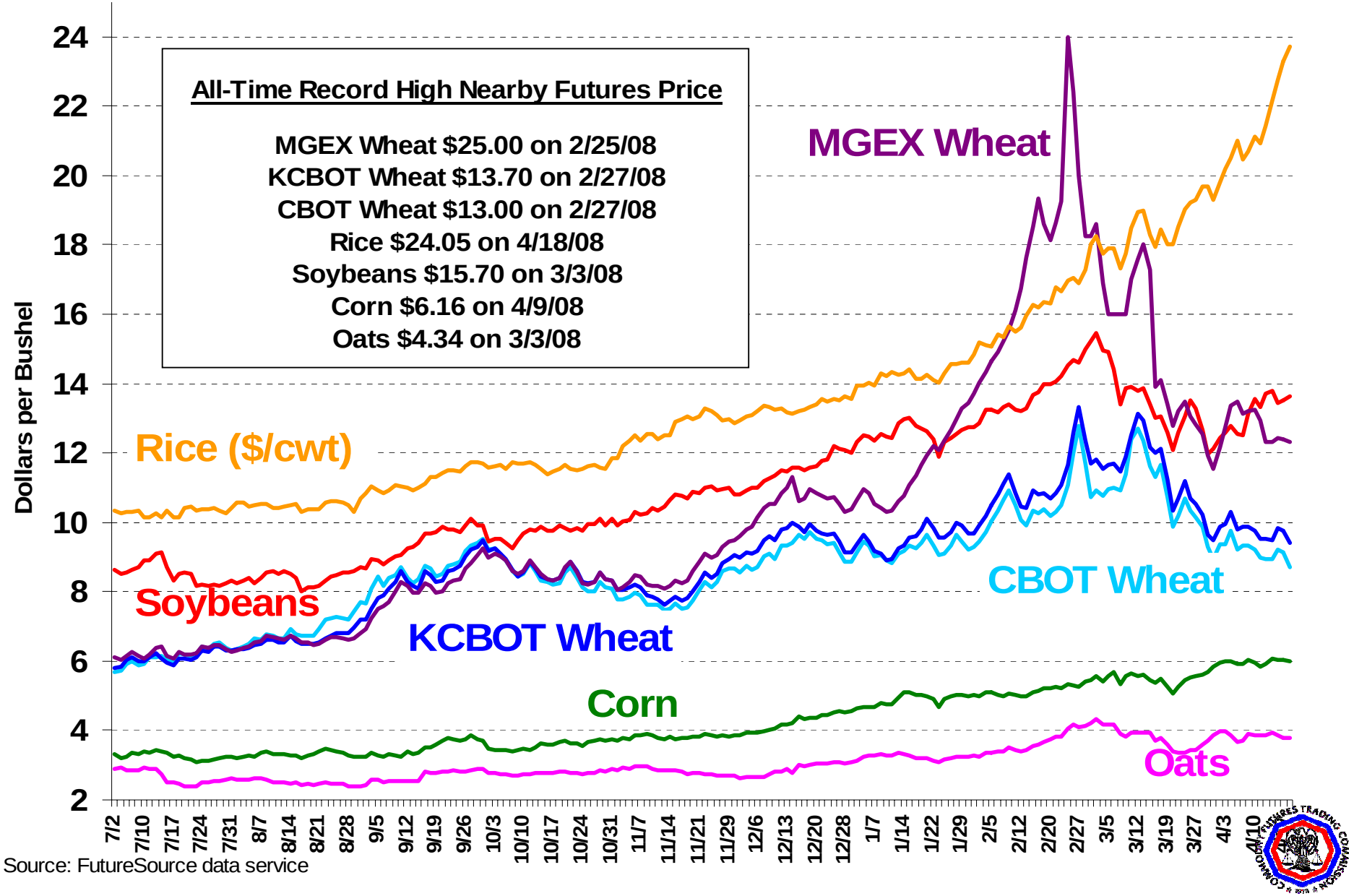
# Agricultural Markets Roundtable

April 22, 2008 Washington, DC

CFTC Website: www.cftc.gov

# Major U.S. Grain/Soy Futures Prices

## Nearby Future Settlement Price 7/2/07 - 4/18/08




Source: FutureSource data service

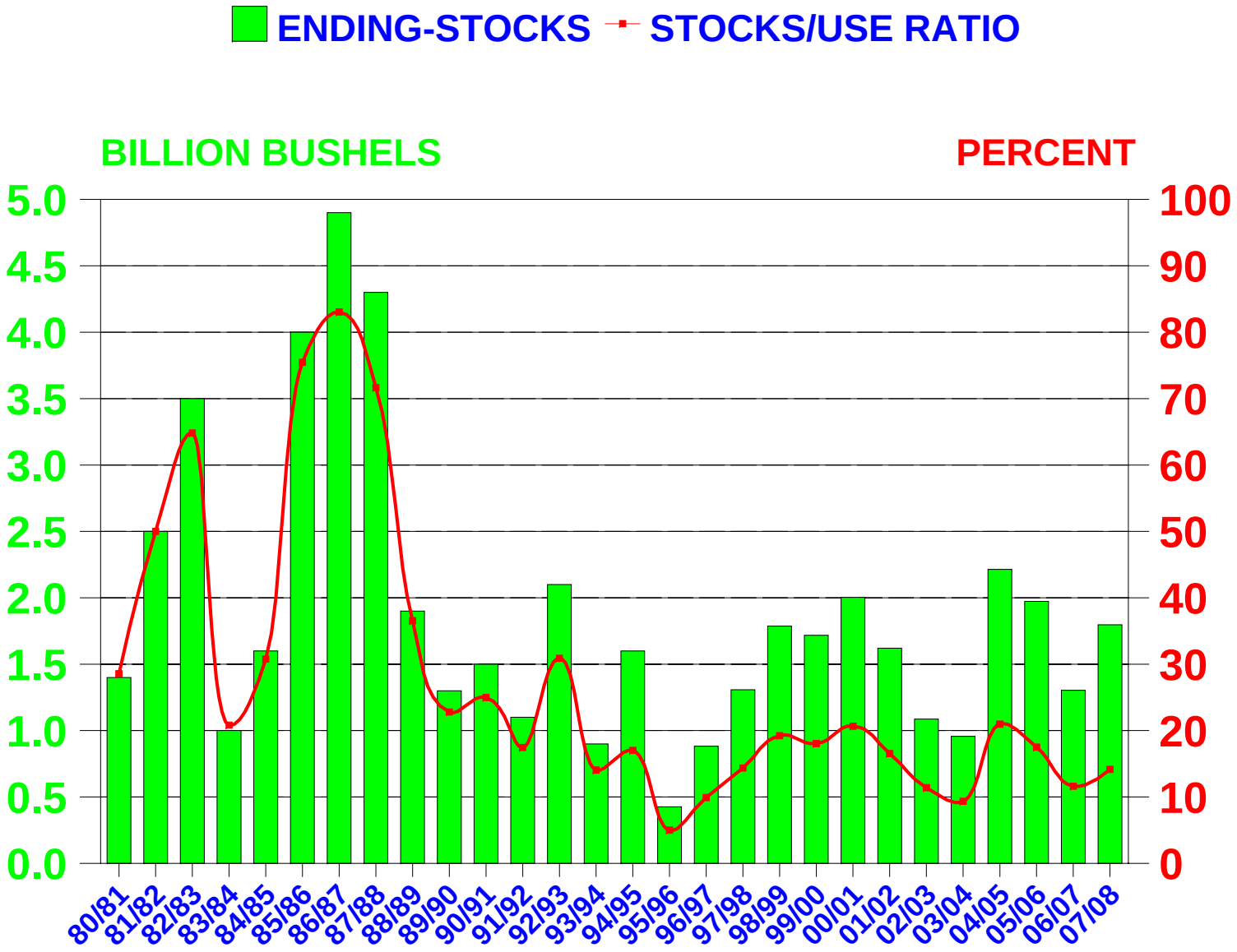
# % Annual Price Changes

## April 2007 – April 2008

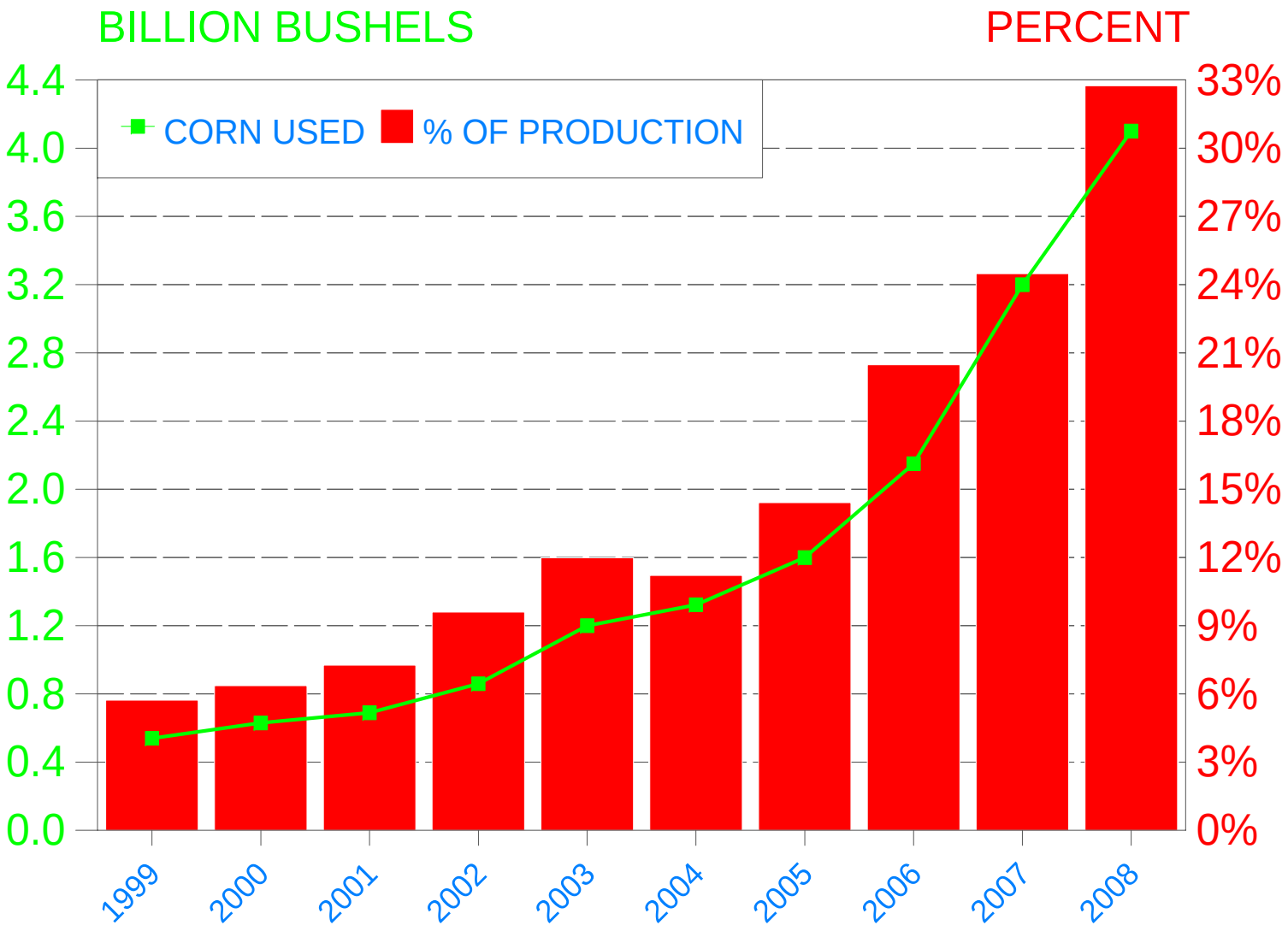
| COMMODITY | Price Change |
|---|---|
| **RICE** | **122%** |
| **WHEAT** (KCBT)* | **99%** |
| **WHEAT** (CBOT)* | **95%** |
| **SOYOIL*** | **88%** |
| **SOYBEANS*** | **83%** |
| **CRUDE OIL** (NYMEX) | **82%** |
| **SOYMEAL** | **73%** |
| **CORN*** | **66%** |
| **COTTON*** | **48%** |
| **OATS** | **47%** |
| **GASOLINE** | **41%** |
| **COCOA*** | **37%** |
| **GOLD** | **37%** |
| **SUGAR** (#11)* | **30%** |
| **COFFEE*** | **24%** |
| **PRODUCER PRICE INDEX** | **7%** |
| **MILK** | **5%** |
| **LEAN HOGS*** | **-5%** |
| **FEEDER CATTLE*** | **-7%** |
| **LIVE CATTLE*** | **-7%** |
| **LUMBER** | **-14%** |

*Included in COT Supplemental Report

# U.S. CORN ENDING-STOCKS AND STOCKS-TO-USE RATIO
## 1980/81 THROUGH 2007/08

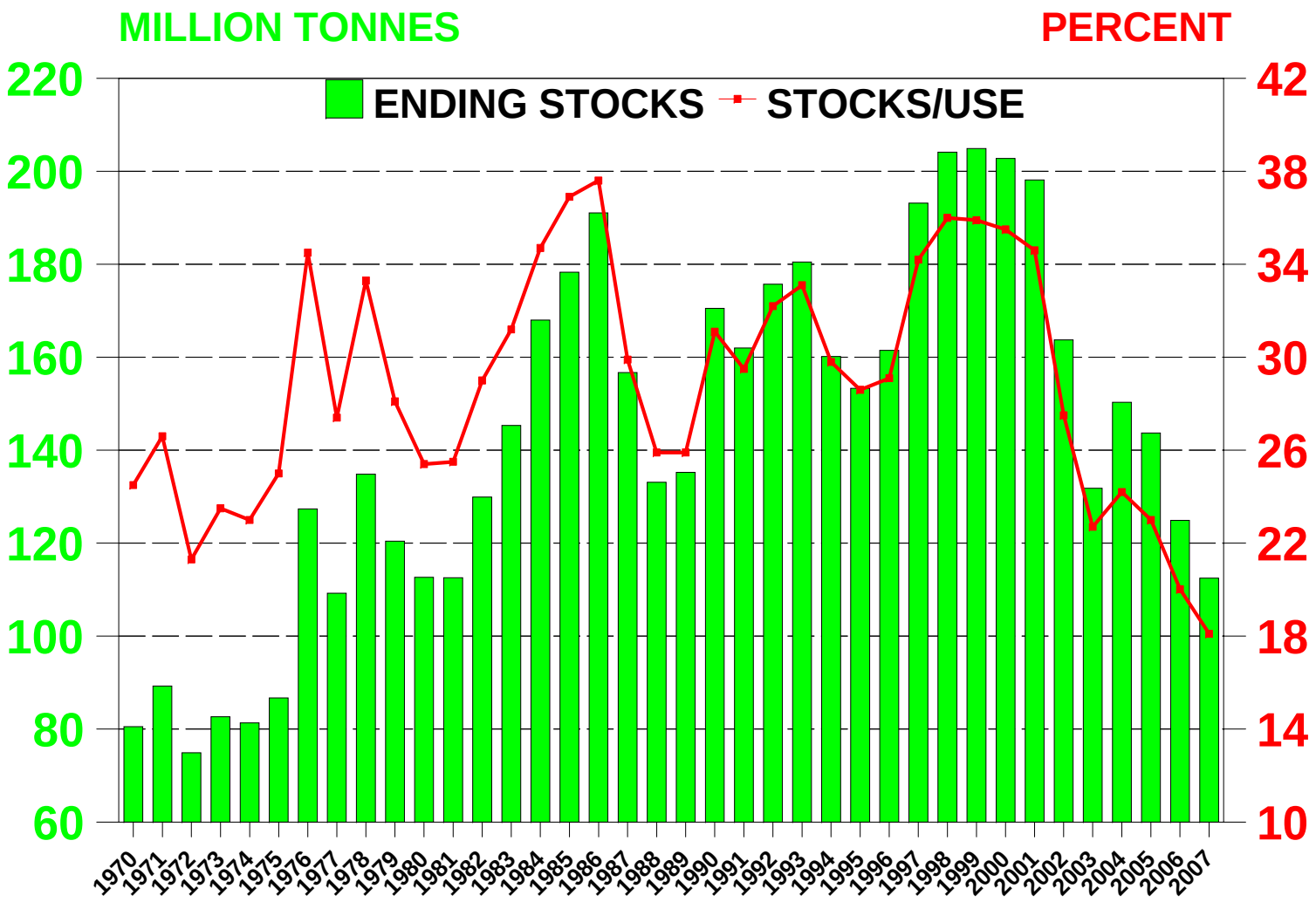


# U.S. CORN USED FOR ETHANOL




2008 CORN PRODUCTION AND ETHANOL NUMBERS ARE FROM THE FEBRUARY 2008 USDA BASELINE REPORT

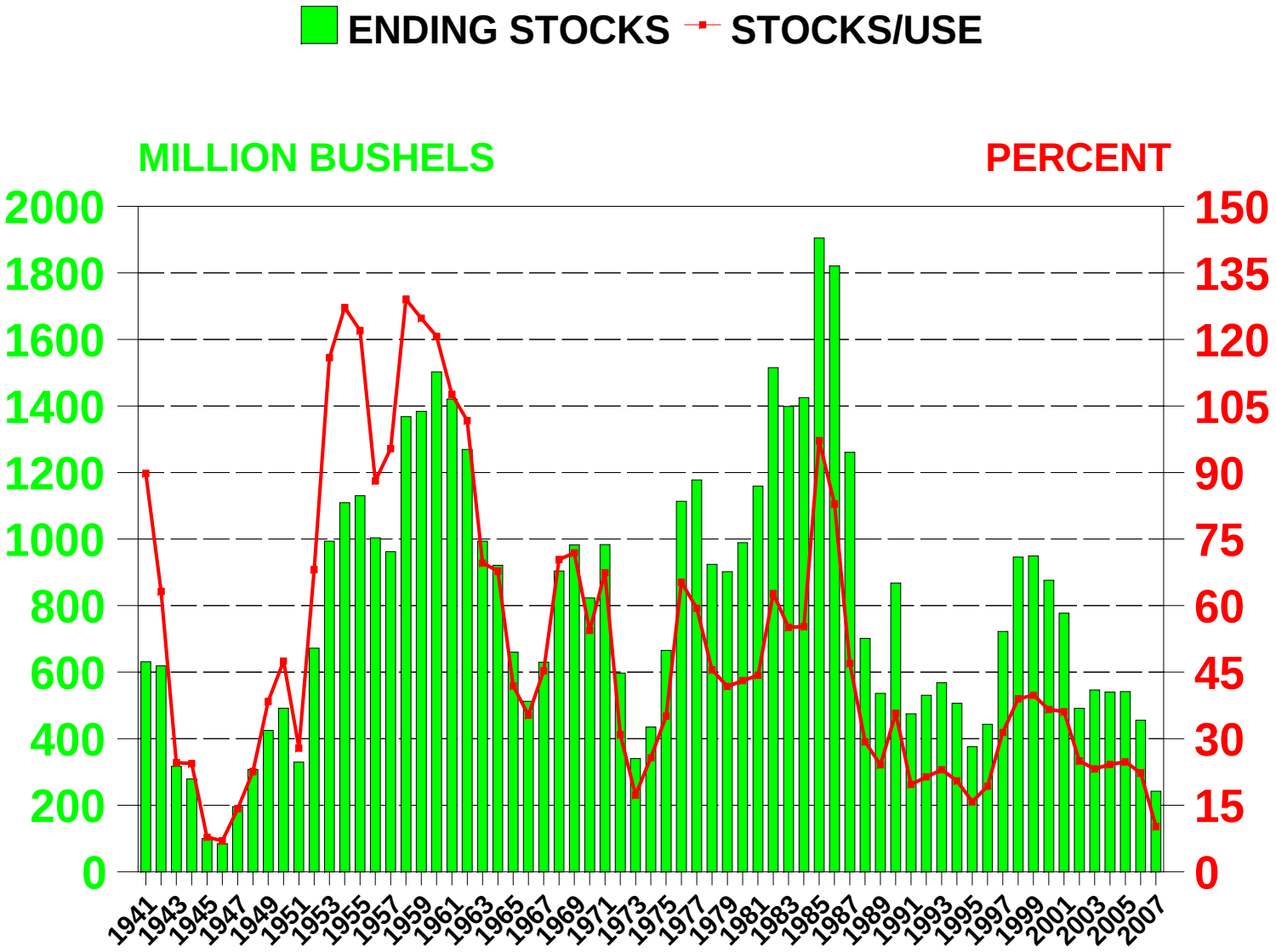
# WORLD ALL WHEAT ENDING STOCKS AND STOCKS-TO-USE RATIO 1970/71 THROUGH 2007/08




**2007 WORLD ENDING STOCKS ARE THE LOWEST SINCE 1977 AT 112.48 MMT (4.13 BILLION BUSHELS)**
**WORLD STOCKS TO USE IS THE LOWEST ON RECORD AT 18.1%**

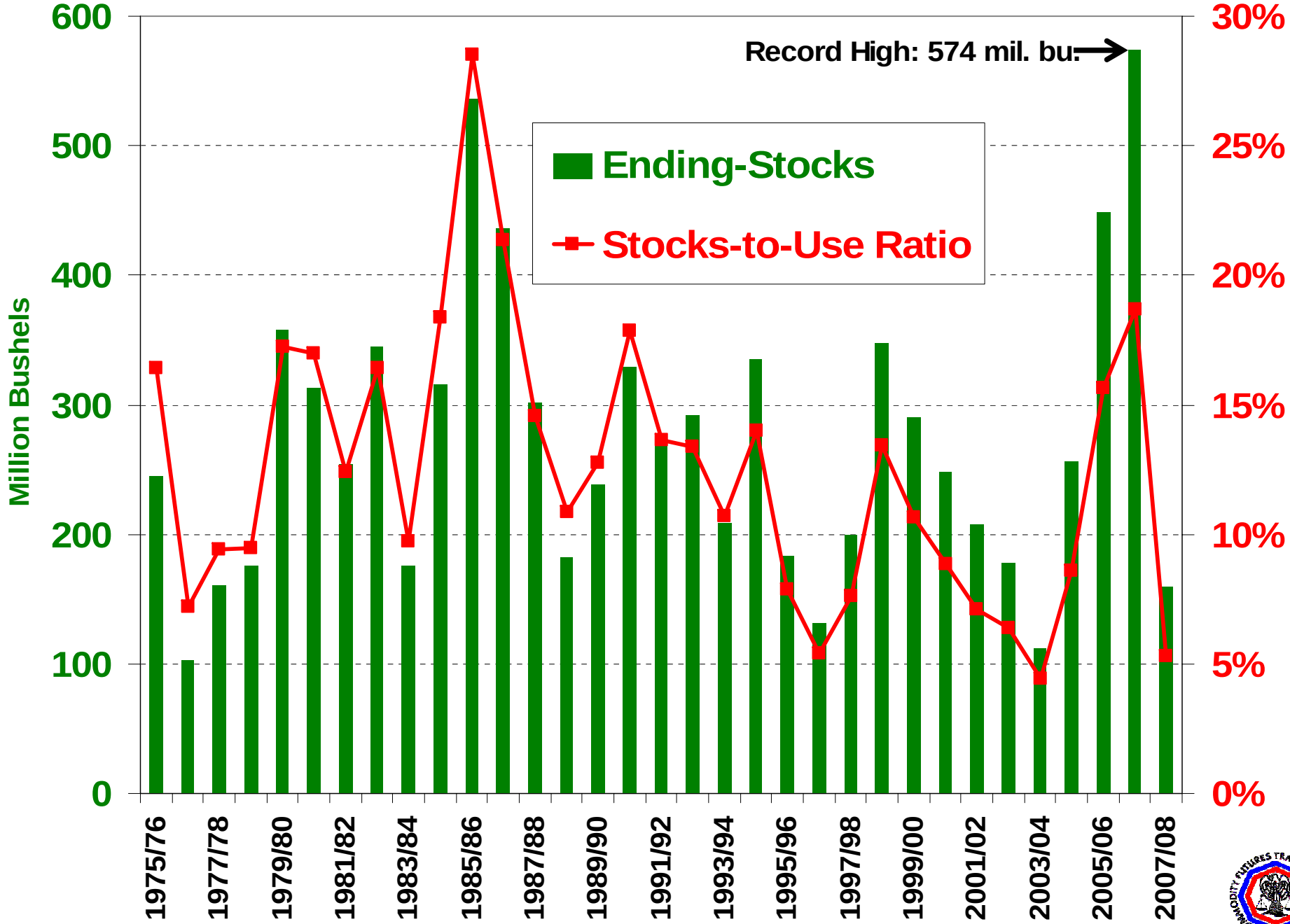
# ALL U.S. WHEAT ENDING STOCKS AND STOCKS-TO-USE RATIO

## 1941/02 THROUGH 2007/08



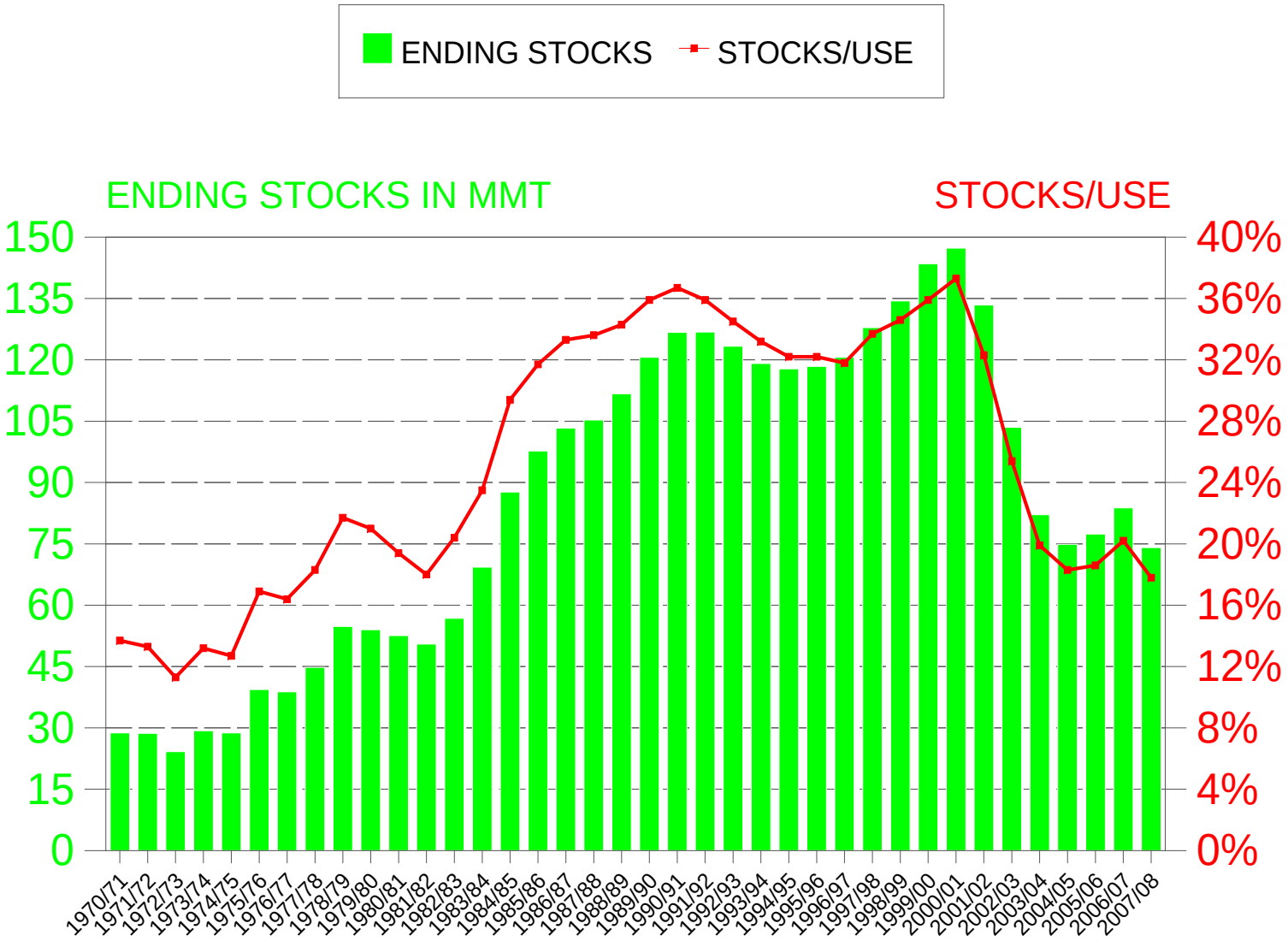

2007 ENDING STOCKS AT 242 MILLION BUSHELS THE LOWEST SINCE 1947
2007 STOCKS-TO-USE RATIO AT 10.2% IS THE LOWEST SINCE 1946

# U.S. Soybean Ending-Stocks and Stocks-to-Use Ratio



# WORLD RICE ENDING STOCKS & STOCKS-TO-USE RATIO

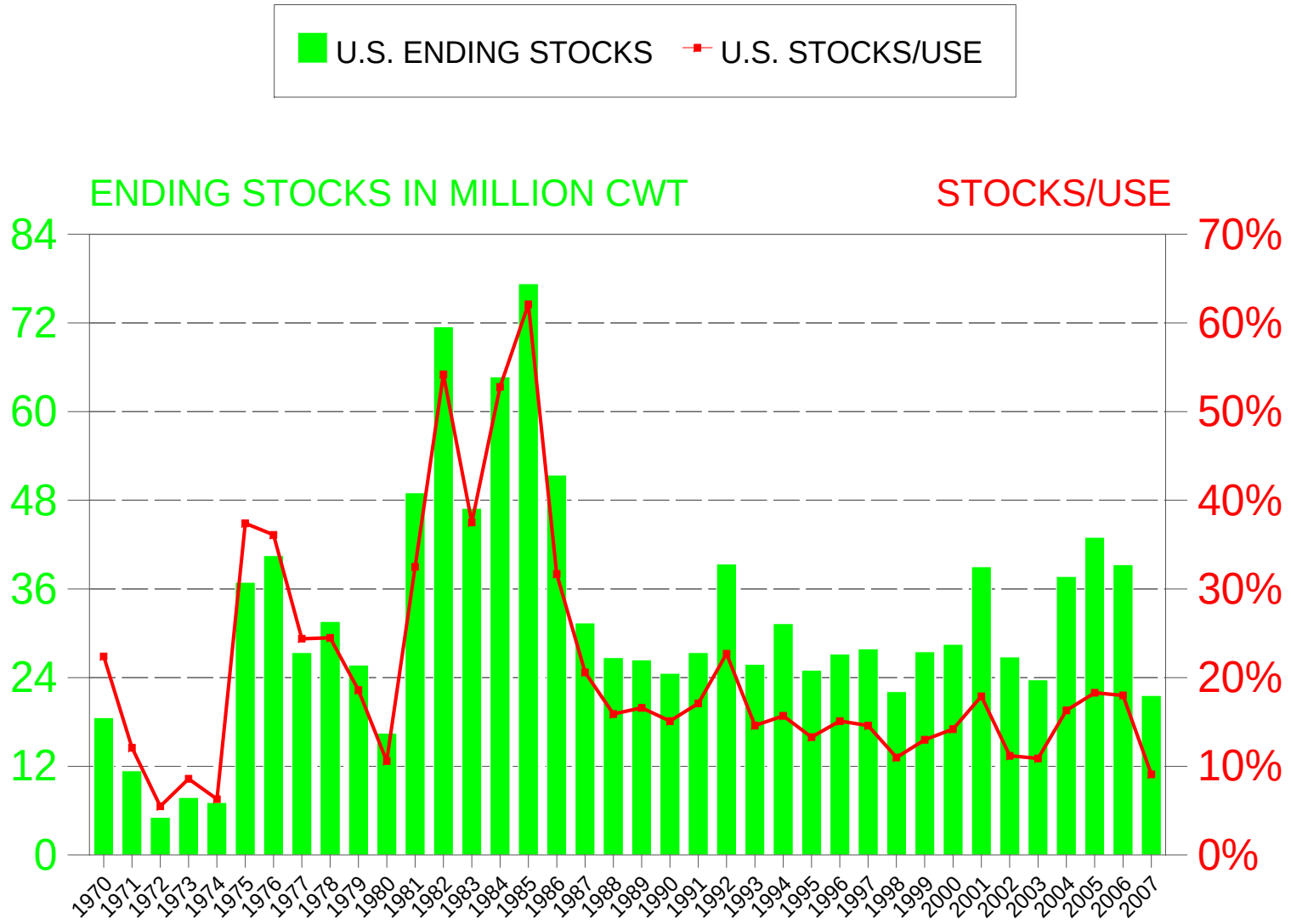
1970/71 THROUGH 2007/08




WORLD ENDING STOCKS AT 74 MMT IS THE LOWEST SINCE 1983.
STOCKS-TO-USE AT 17.8% IS THE LOWEST SINCE 1976.

# U.S. RICE ENDING STOCKS & STOCKS-TO-USE RATIO

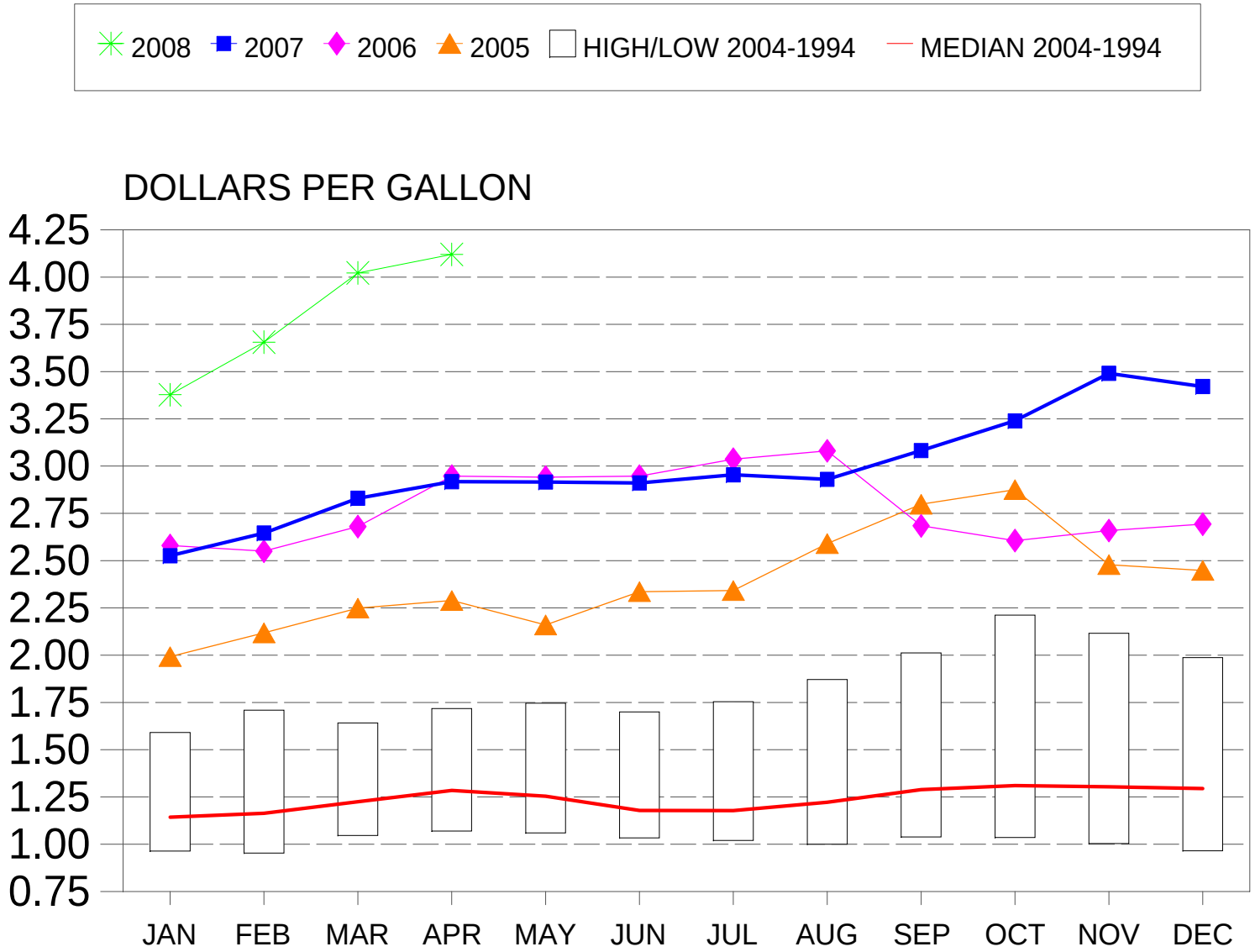
## 1970/71 THROUGH 2007/08




ENDING STOCKS AT 21.6% ARE DOWN 45% FROM LAST YEAR AND ARE THE LOWEST SINCE 1980.
STOCKS TO USE RATIO IS AT 9.1% DOWN 50% FROM LAST YEAR AND THE LOWEST SINCE 1974.

# U.S. DIESEL AVERAGE PRICE

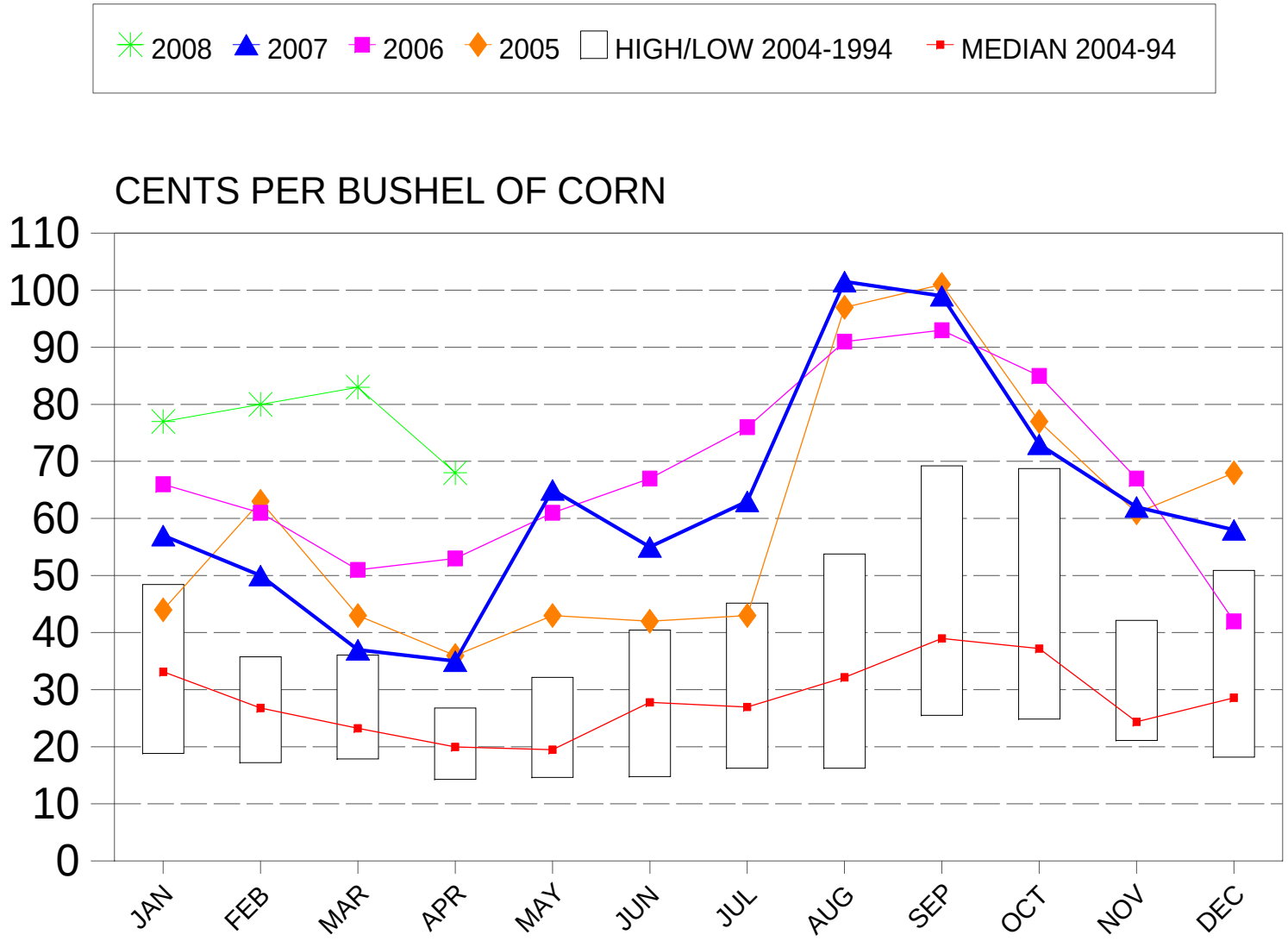
## 2008, 2007, 2006, 2005, AND A 2004-1994 RANGE




SOURCE: DEPARTMENT OF ENERGY MONTH-END DATA, APRIL 2008 AS OF 4/14/08

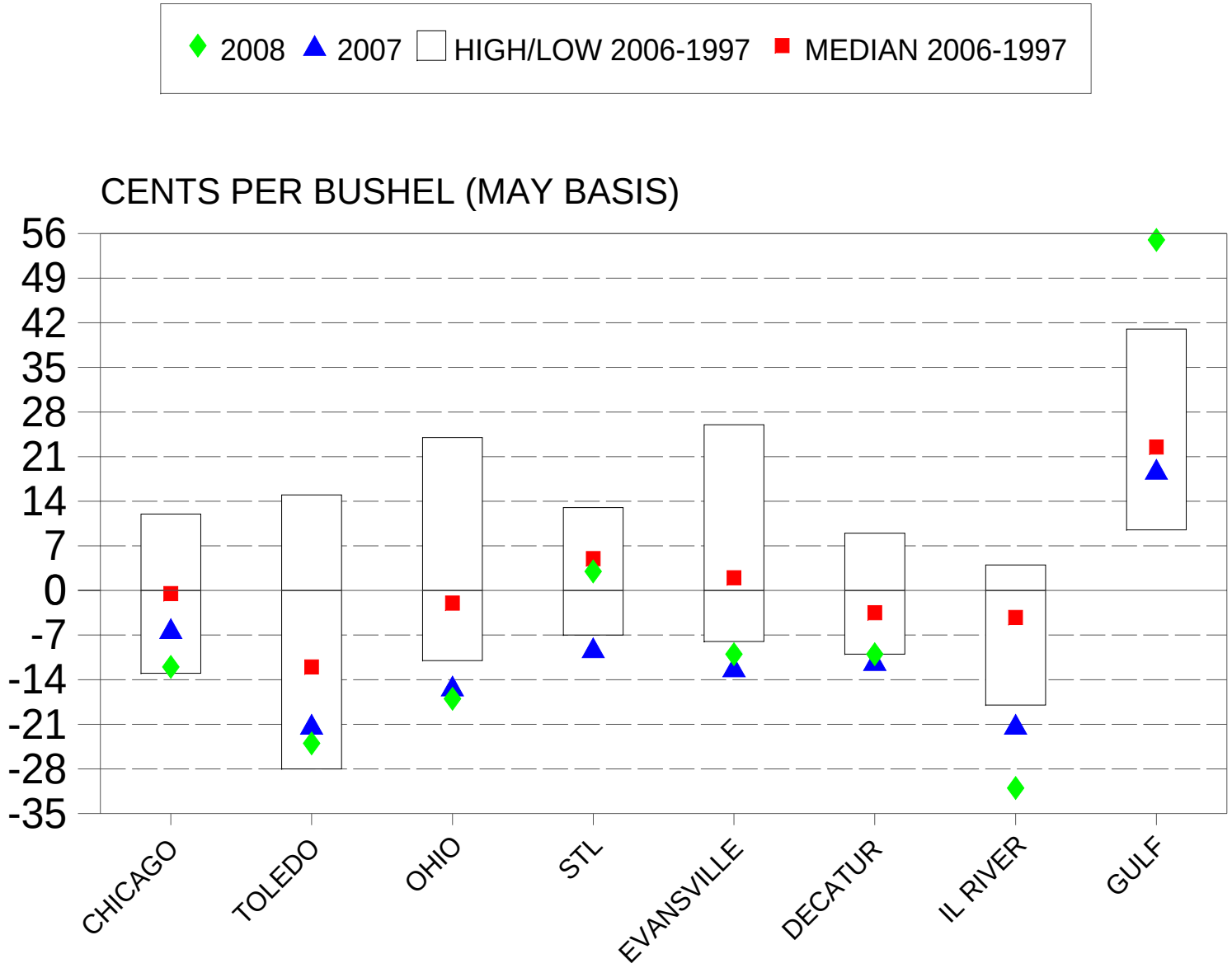
# ILLINOIS RIVER BARGE FREIGHT RATE

## 2008, 2007, 2006, 2005 AND A 2004-1994 RANGE

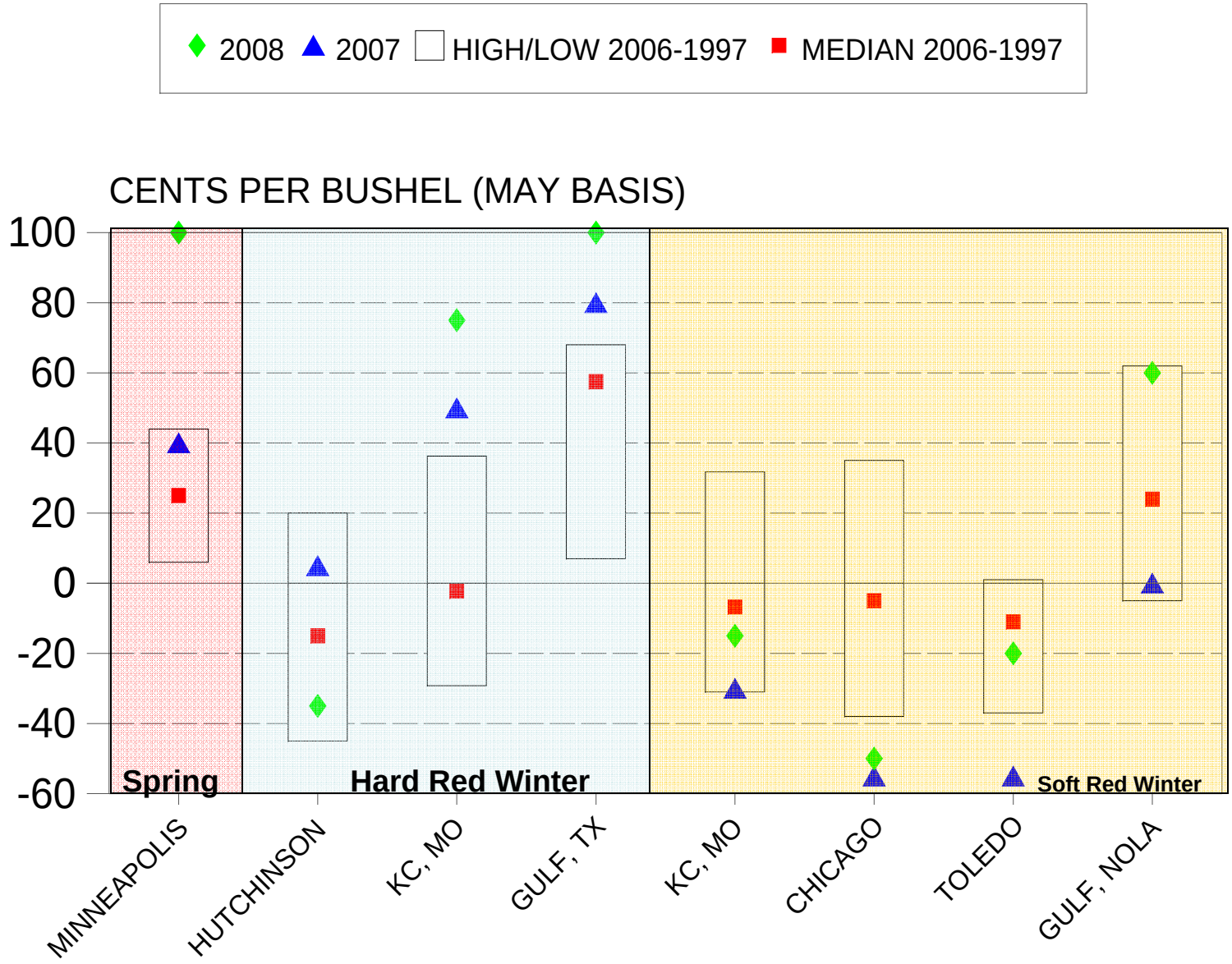



FREIGHT RATE = COST TO BARGE CORN FROM CHICAGO TO NEW ORLEANS. MONTH-END DATA, APRIL 2008 AS OF 4/8.
HURRICANE KATRINA IMPACTED THE AUGUST AND SEPTEMBER 2005 FREIGHT COSTS DRAMATICALLY.

# CORN BASIS COMPARISONS FOR THE 4th WEEK OF MARCH 2008, 2007 AND A 2006-1997 RANGE

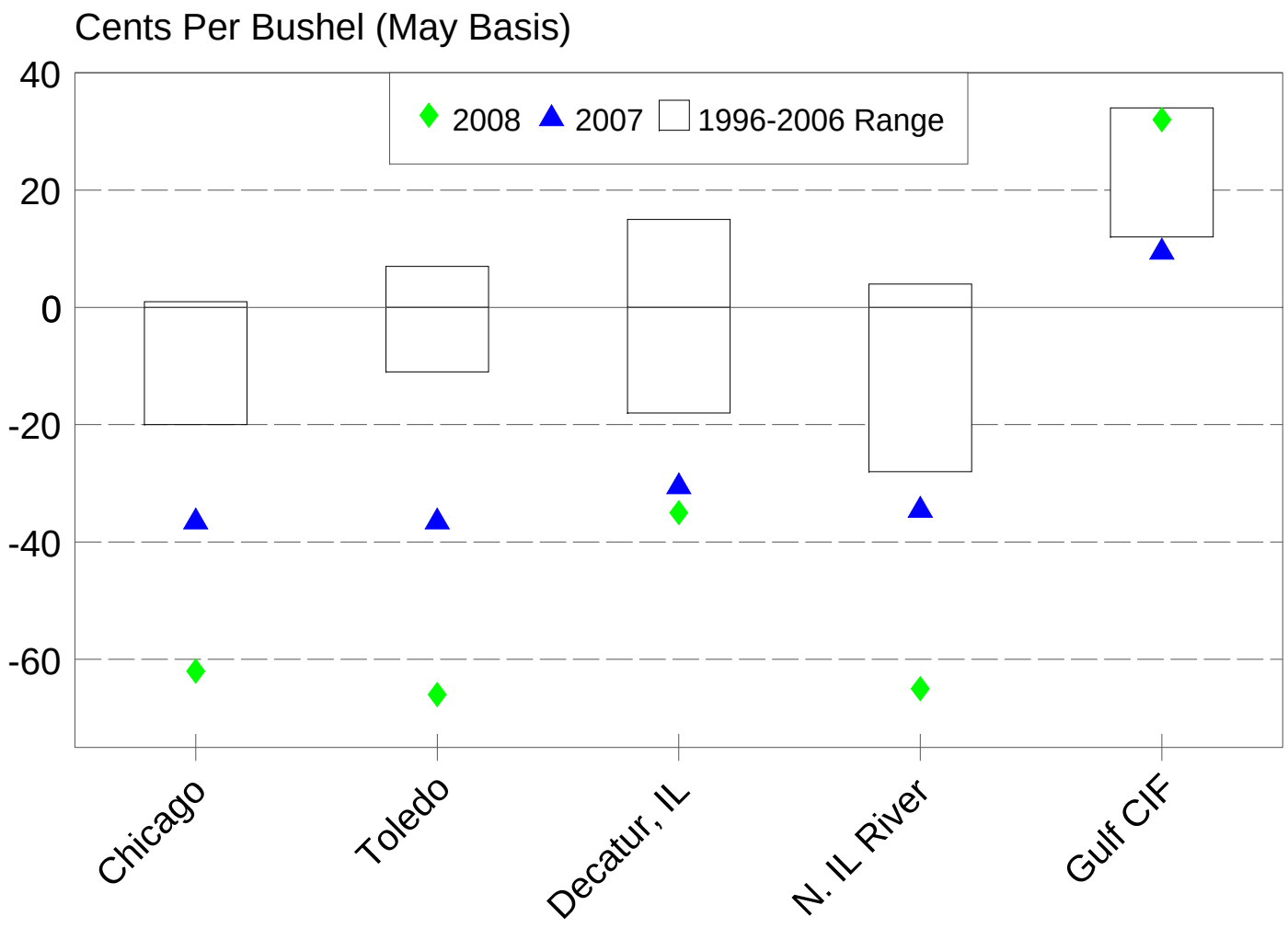


# WHEAT BASIS COMPARISONS FOR THE 4TH WEEK OF MARCH 2008, 2007 AND A 2006-1997 RANGE

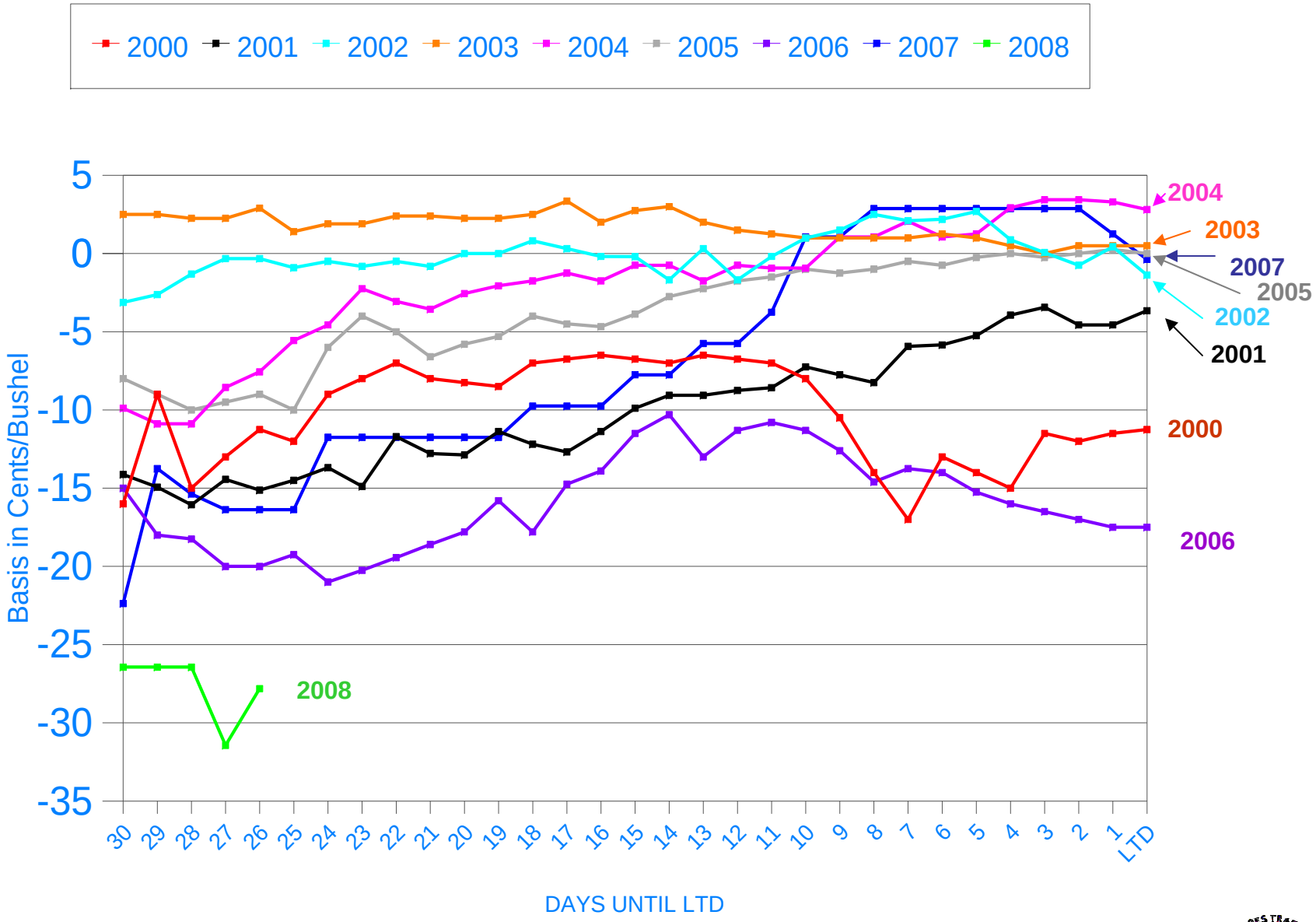


# Soybean Basis Comparison for the 4th Week of March

2008, 2007 and the 1996-2006 High/Low Range



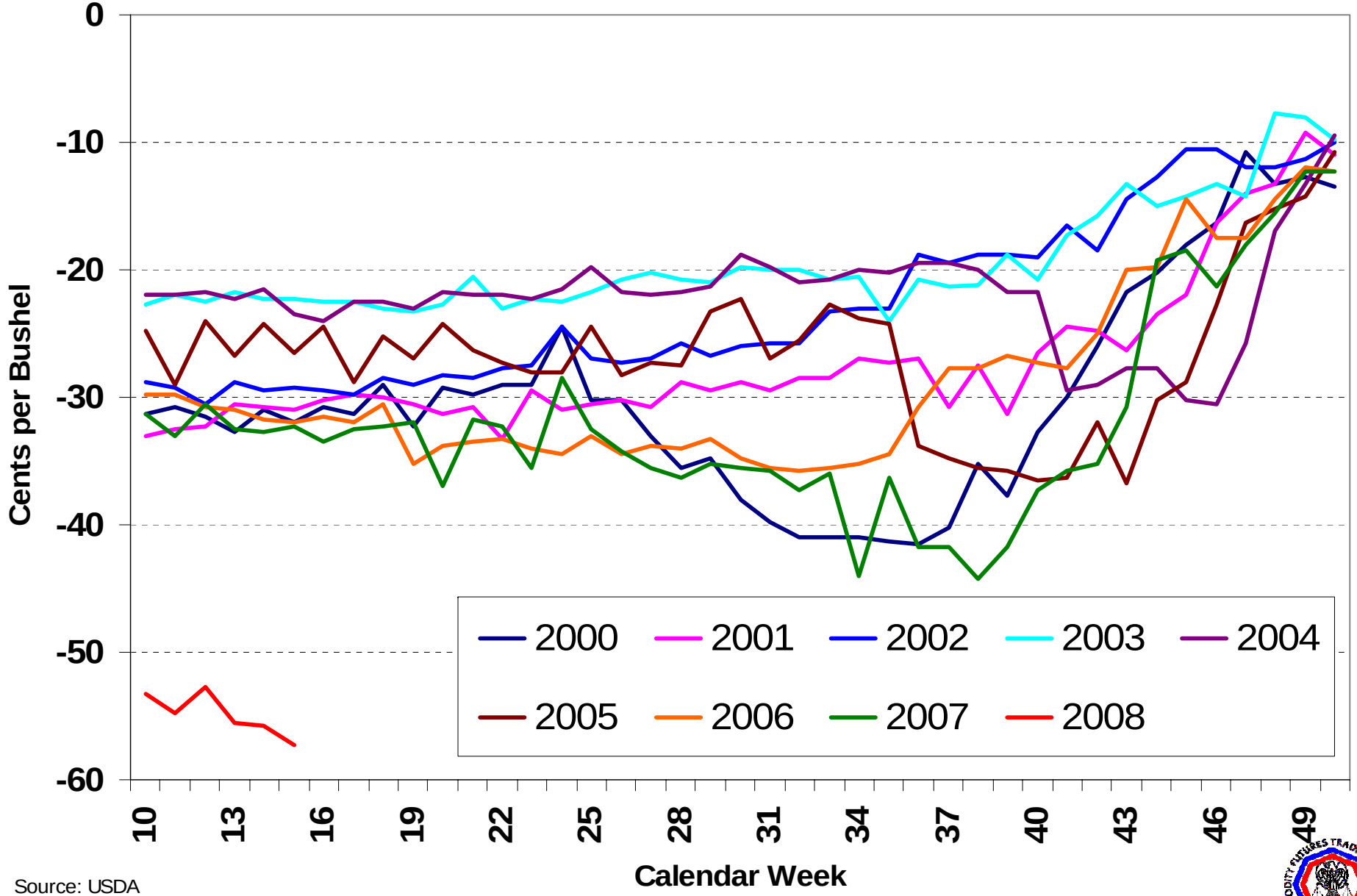
# CBOT May Corn Basis History




The zero line represents corn loaded in a barge in Zone 1 on the Illinois Waterway Delivery System

# New-Crop December Corn Basis History

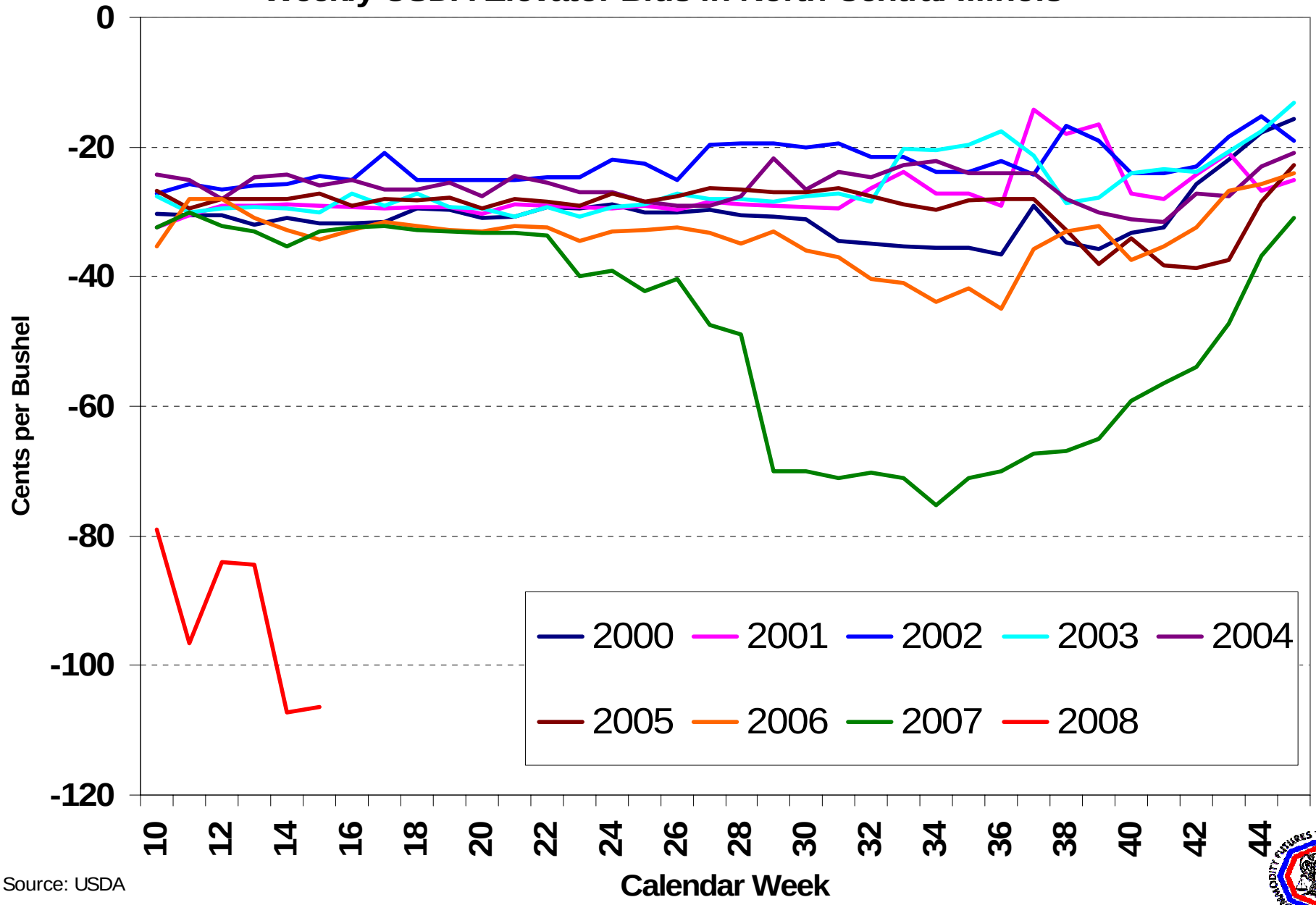
## Weekly USDA Elevator Bids in North Cental Illinois




Source: USDA

# New-Crop November Soybean Basis History

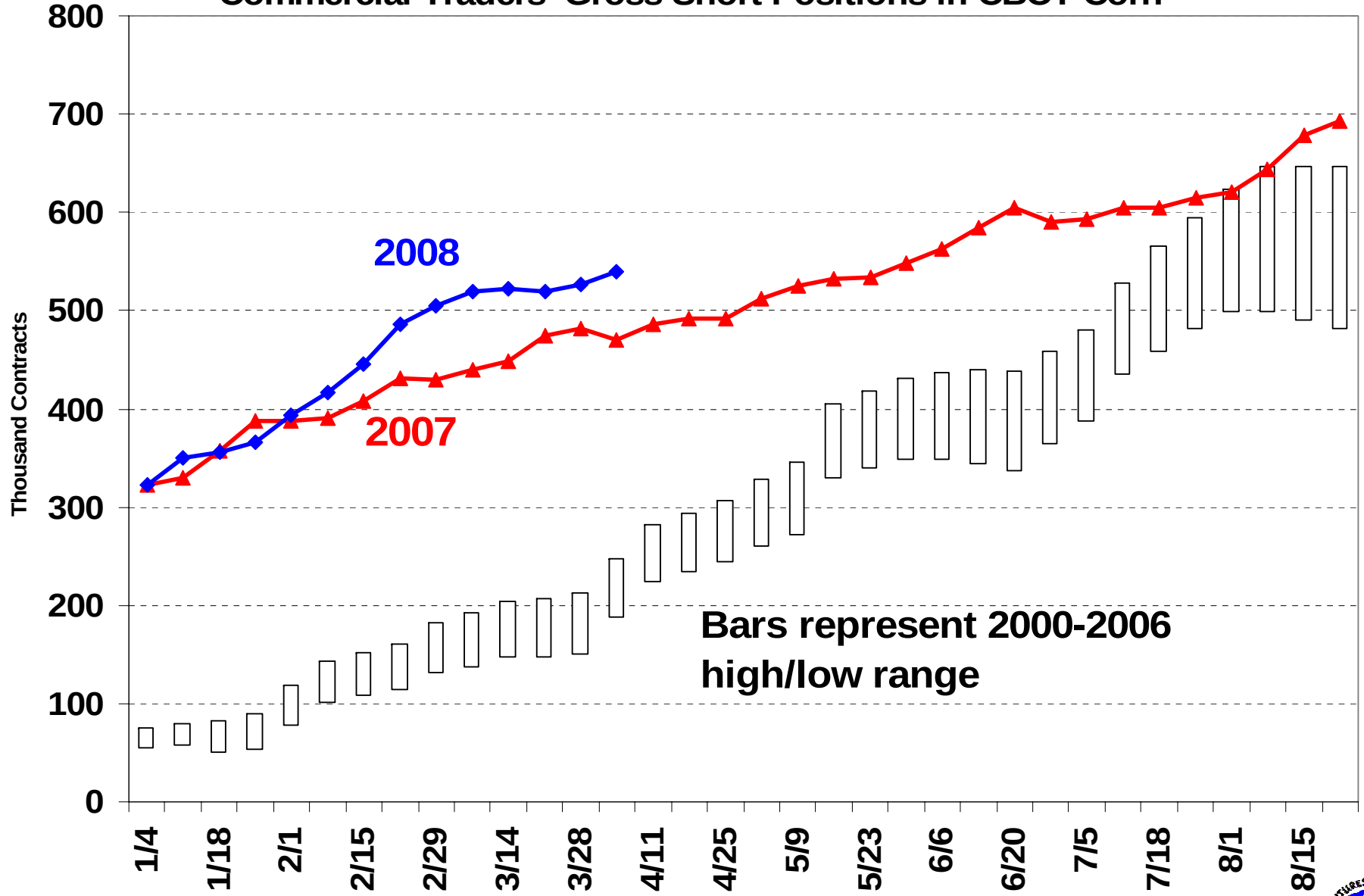
## Weekly USDA Elevator Bids in North Central Illinois




Source: USDA

# New-Crop* Corn Hedging

## Commercial Traders' Gross Short Positions in CBOT Corn

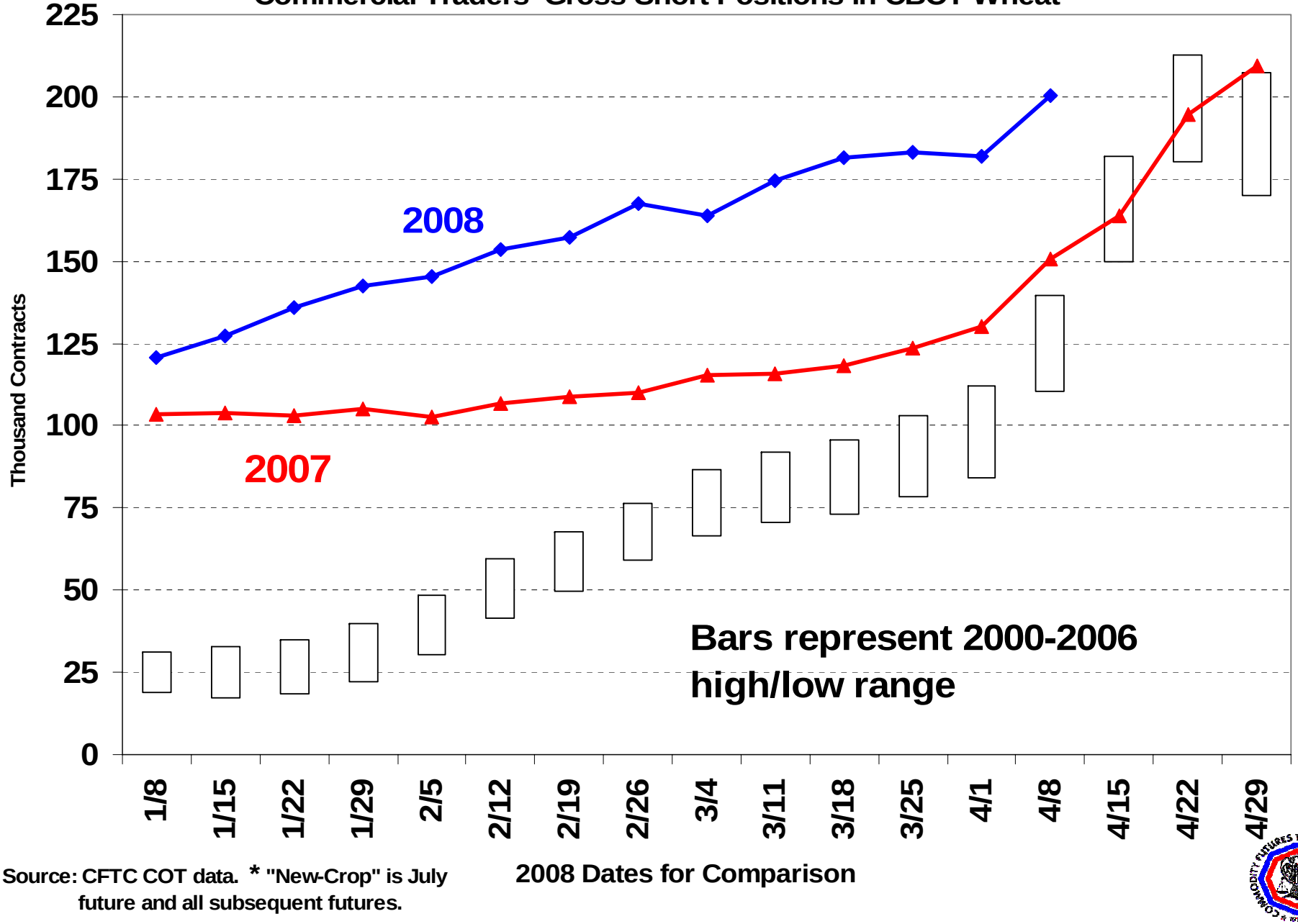



Source: CFTC COT data. * "New-Crop" is Dec future and all subsequent futures.

2008 Dates for Comparison

# New-Crop* Wheat Hedging

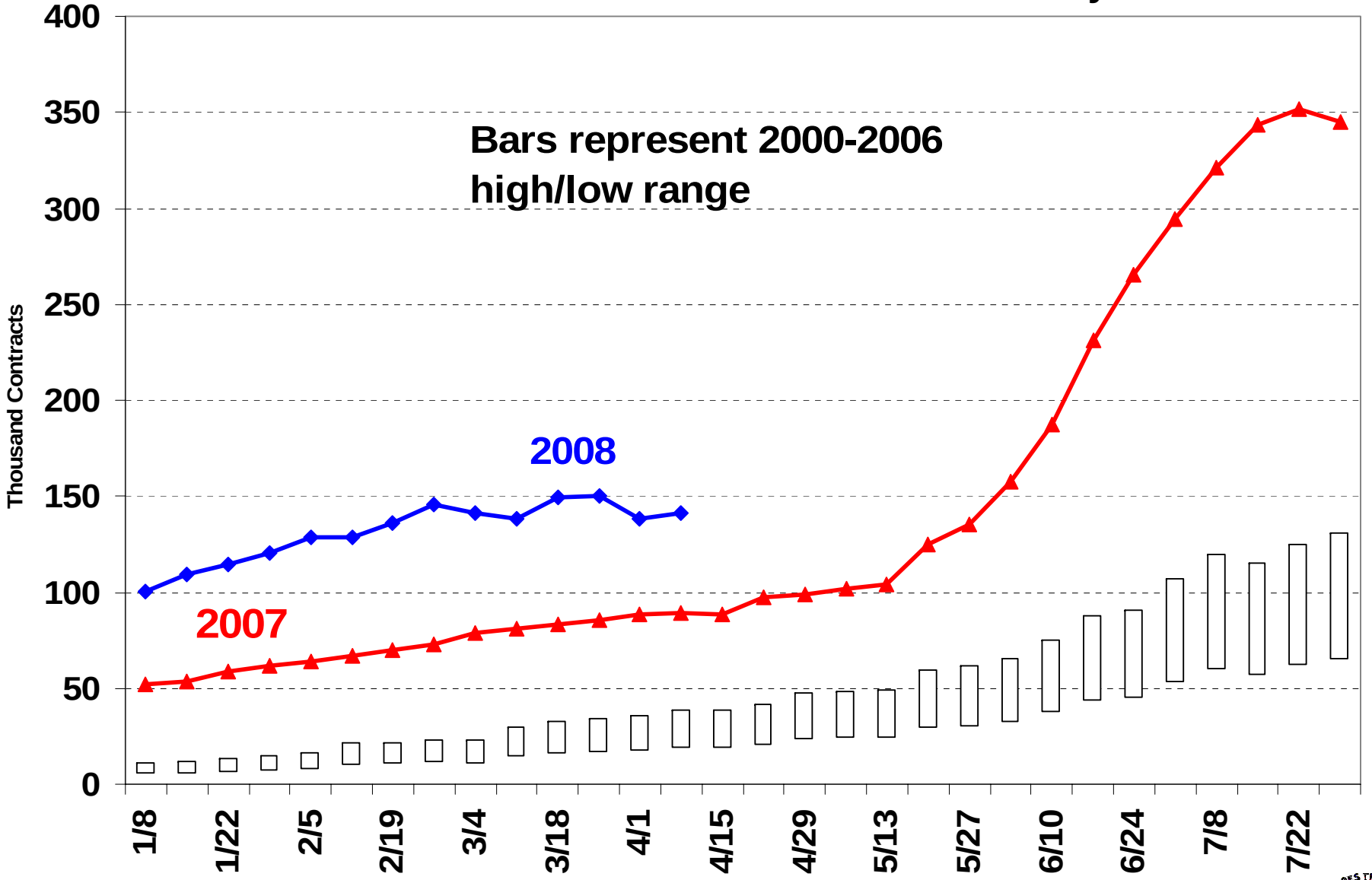
## Commercial Traders' Gross Short Positions in CBOT Wheat




Source: CFTC COT data. * "New-Crop" is July future and all subsequent futures.

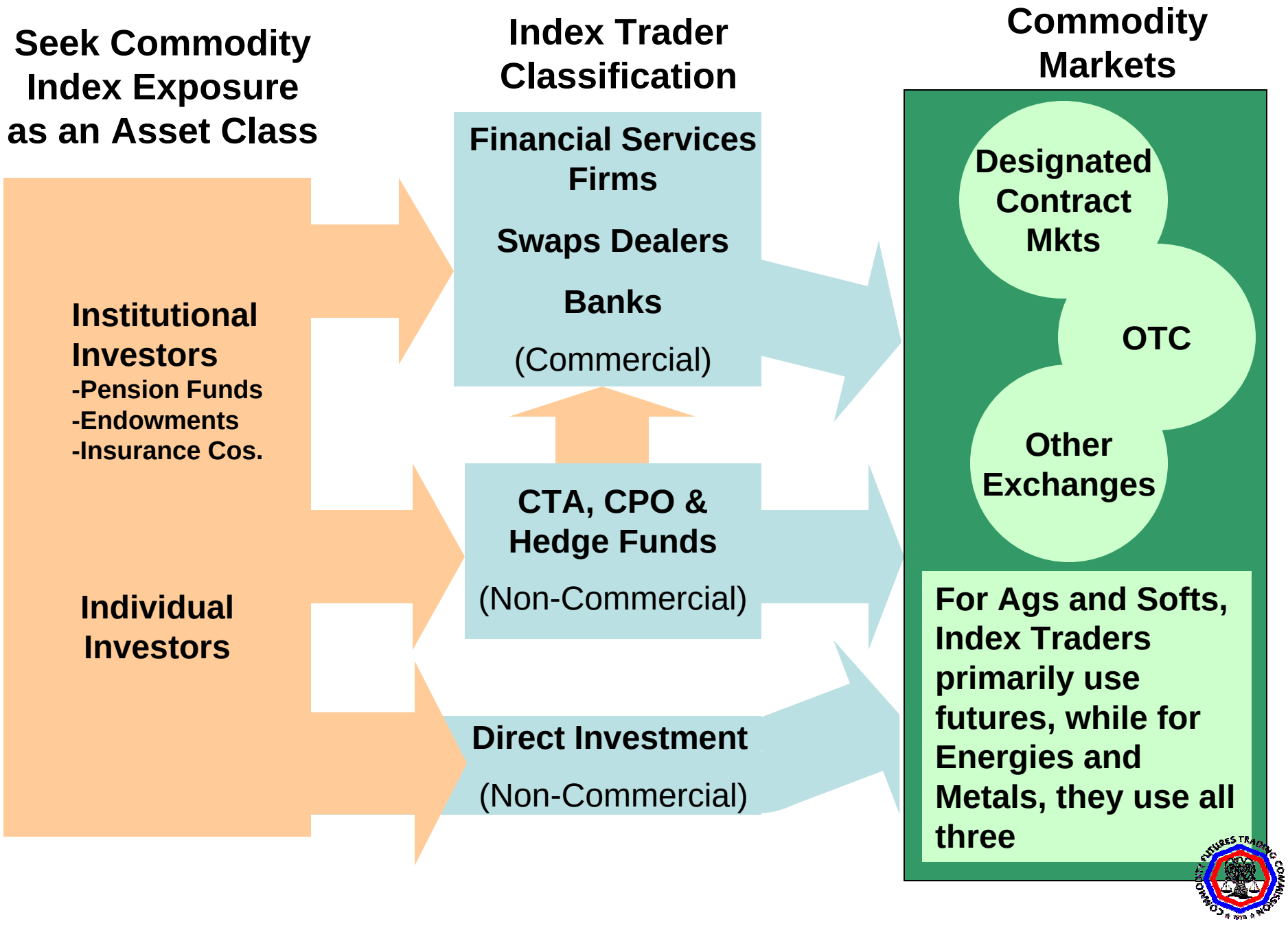
# New-Crop* Soybean Hedging

## Commercial Traders' Gross Short Positions in CBOT Soybeans




Source: CFTC COT data. * "New-Crop" is Nov future and all subsequent futures.

# Commodity Index Futures Trading Overview



# COMMITMENTS OF TRADERS

## Traditional

### WHEAT — CHICAGO BOARD OF TRADE

OPTION AND FUTURES COMBINED POSITIONS AS OF Apr.8, 2008

| NONCOMMERCIAL | | | COMMERCIAL | | TOTAL | | NONREPORTABLE | |
|---|---|---|---|---|---|---|---|---|
| LONG | SHORT | SPREADS | LONG | SHORT | LONG | SHORT | LONG | SHORT |
| ( CONTRACTS OF 5,000 BUSHELS) | | | | OPEN INTEREST: 534,053 | | | | |
| COMMITMENTS | | | | | | | | |
| 86,352 | 56,558 | 170,150 | 240,720 | 249,279 | 497,222 | 475,987 | 36,831 | 58,066 |
| | | | | | | | | |
| CHANGES FROM Apr. 1, 2008 | | CHANGE IN OPEN INTEREST: -596 | | | | | | |
| -1,355 | 1,905 | -6,064 | 5,871 | 1,746 | -1,548 | -2,413 | 952 | 1,817 |
| | | | | | | | | |
| PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS | | | | | | | | |
| 16.2 | 10.6 | 31.9 | 45.1 | 46.7 | 93.1 | 89.1 | 6.9 | 10.9 |
| | | | | | | | | |
| NUMBER OF TRADERS IN EACH CATEGORY ( TOTAL TRADERS: 372 ) | | | | | | | | |
| 91 | 134 | 157 | 91 | 127 | 292 | 322 | | |

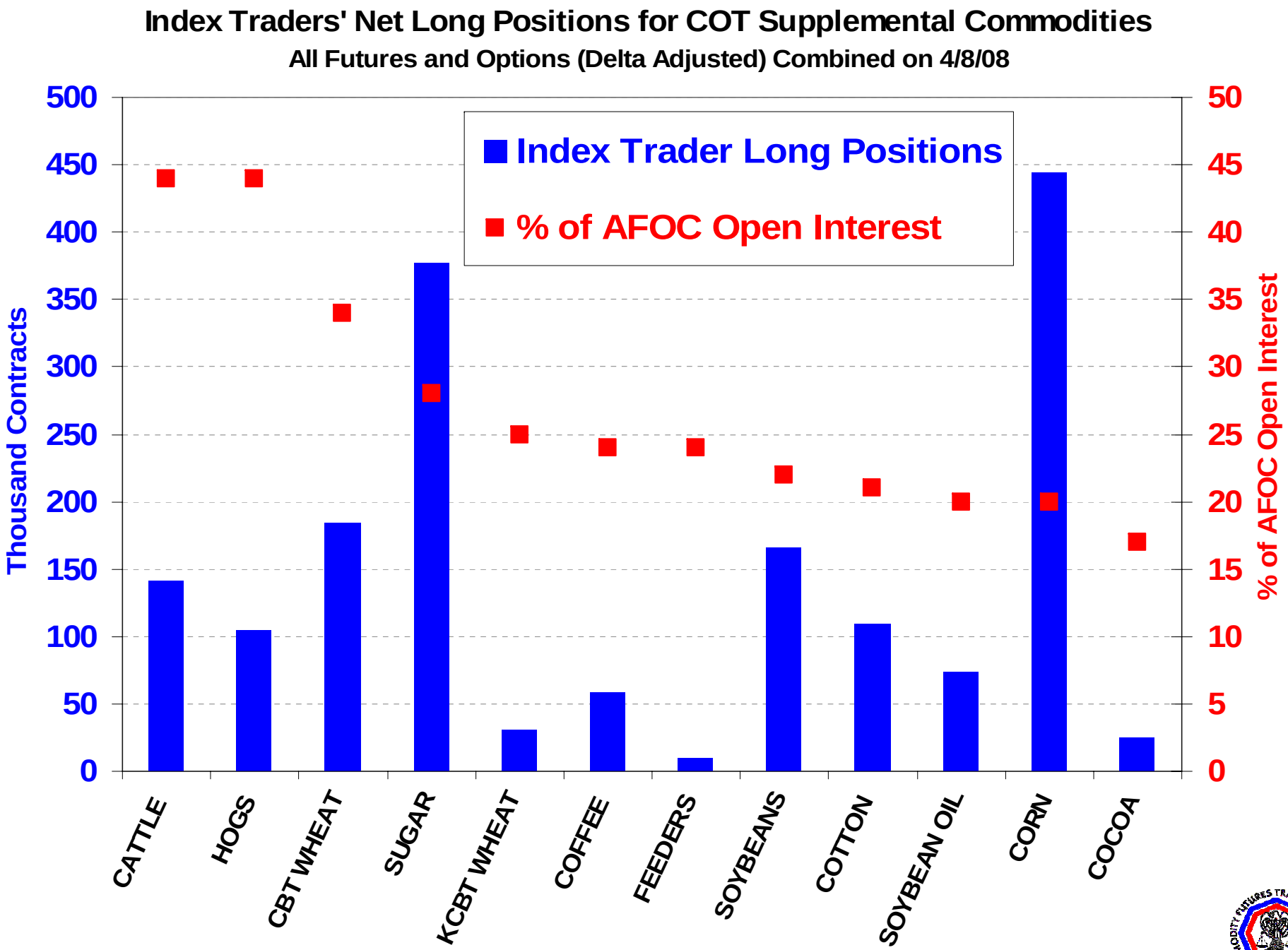
# COMMITMENTS OF TRADERS

## Supplemental with Commodity Index Traders

WHEAT — CHICAGO BOARD OF TRADE

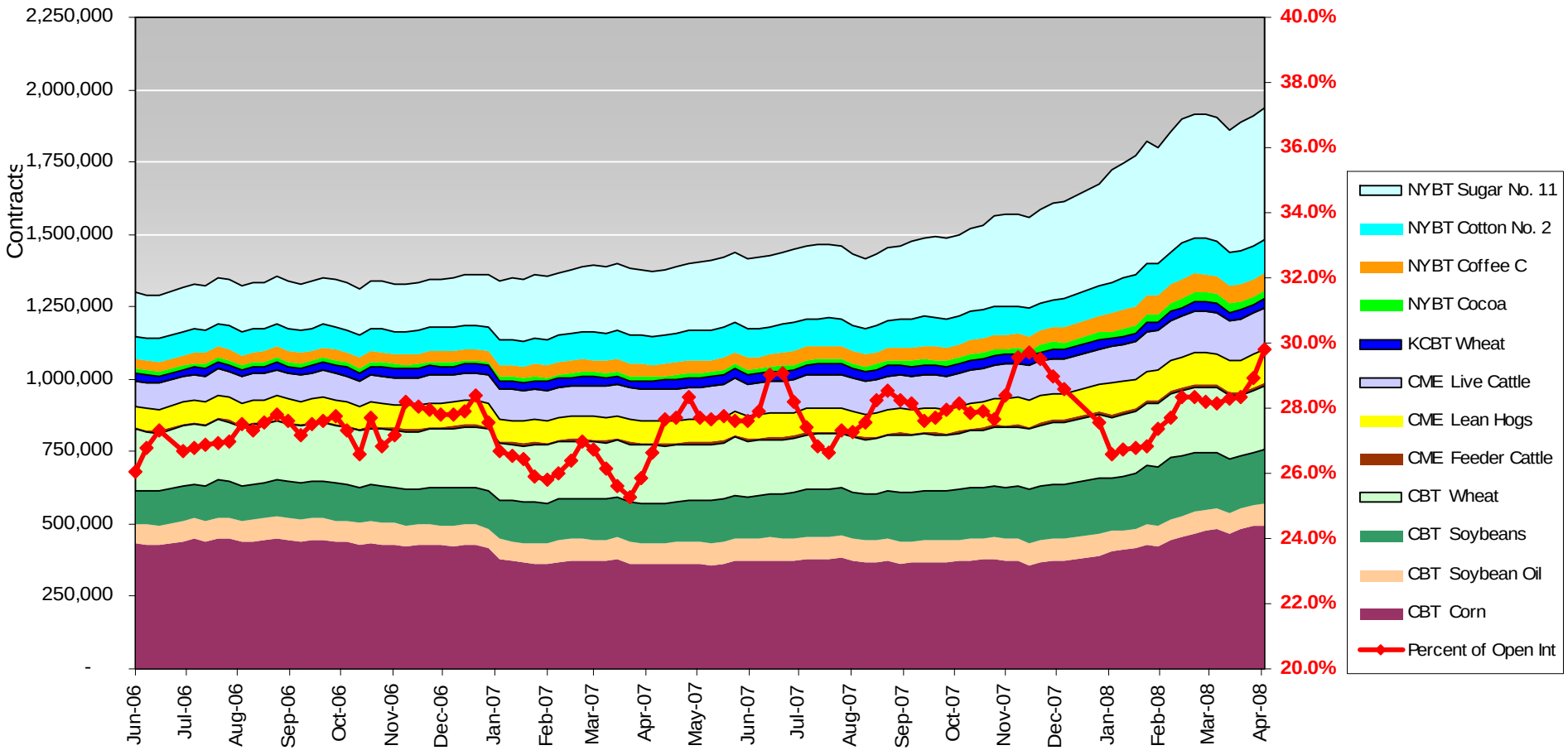
OPTIONS AND FUTURES COMBINED POSITIONS AS OF Apr. 8, 2008

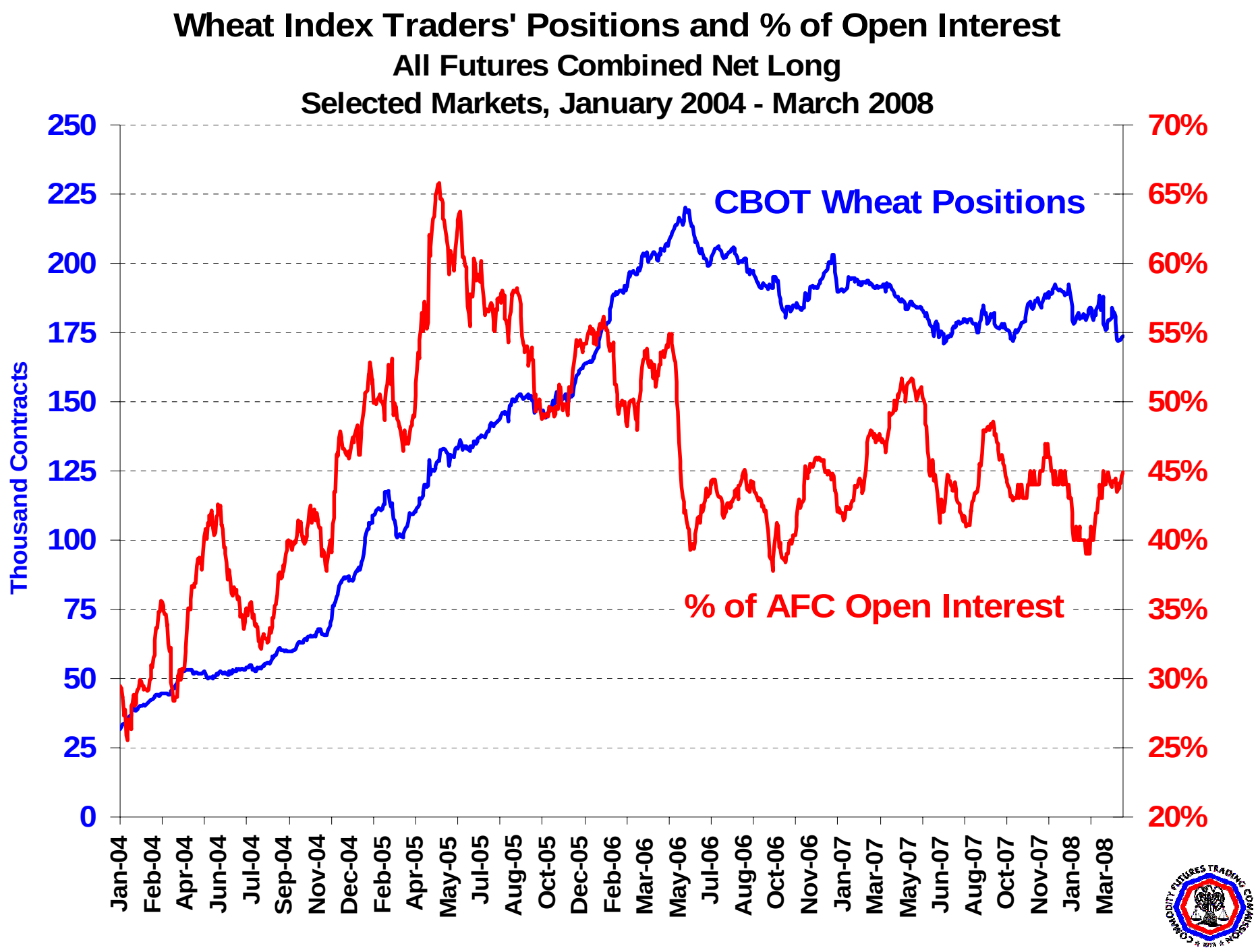
| NONCOMMERCIAL | | | COMMERCIAL | | INDEX TRADERS | | TOTAL | | NONREPORTABLE | |
|---|---|---|---|---|---|---|---|---|---|---|
| LONG | SHORT | SPREADS | LONG | SHORT | LONG | SHORT | LONG | SHORT | LONG | SHORT |
| (CONTRACTS OF 40,000 LBS) | | | | OPEN INTEREST: 534,053 | | | | | | |
| COMMITMENTS | | | | | | | | | | |
| 56,123 | 55,646 | 168,914 | 56,491 | 219,817 | 215,695 | 31,611 | 497,222 | 475,987 | 36,831 | 58,066 |
| | -30,229 | | | -184,229 | | | | | | |
| CHANGES FROM APR. 1, 2008 | | | | CHANGE IN OPEN INTEREST: -596 | | | | | | |
| -1,451 | 1,905 | -5,617 | -808 | 864 | 6,328 | 435 | -1,548 | -2,413 | 952 | 1,817 |
| | | | | | | | | | | |
| PERCENT OF OPEN INTEREST FOR EACH CATEGORY OF TRADERS | | | | | | | | | | |
| 10.5 | 10.4 | 31.6 | 10.6 | 41.2 | 40.4 | 5.9 | 93.1 | 89.1 | 6.9 | 10.9 |
| | | | | | | | | | | |
| NUMBER OF TRADERS IN EACH CATEGORY (TOTAL TRADERS: 372) | | | | | | | | | | |
| 80 | 133 | 152 | 77 | 114 | 25 | 19 | 292 | 322 | | |


Index Traders' Net Long Positions for COT Supplemental Commodities
All Futures and Options (Delta Adjusted) Combined on 4/8/08
Index Trader Long Positions
% of AFOC Open Interest
Thousand Contracts
% of AFOC Open Interest
500
450
400
350
300
250
200
150
100
50
0
50
45
40
35
30
25
20
15
10
5
0
CATTLE
HOGS
CBT WHEAT
SUGAR
KCBT WHEAT
COFFEE
FEEDERS
SOYBEANS
COTTON
SOYBEAN OIL
CORN
COCOA

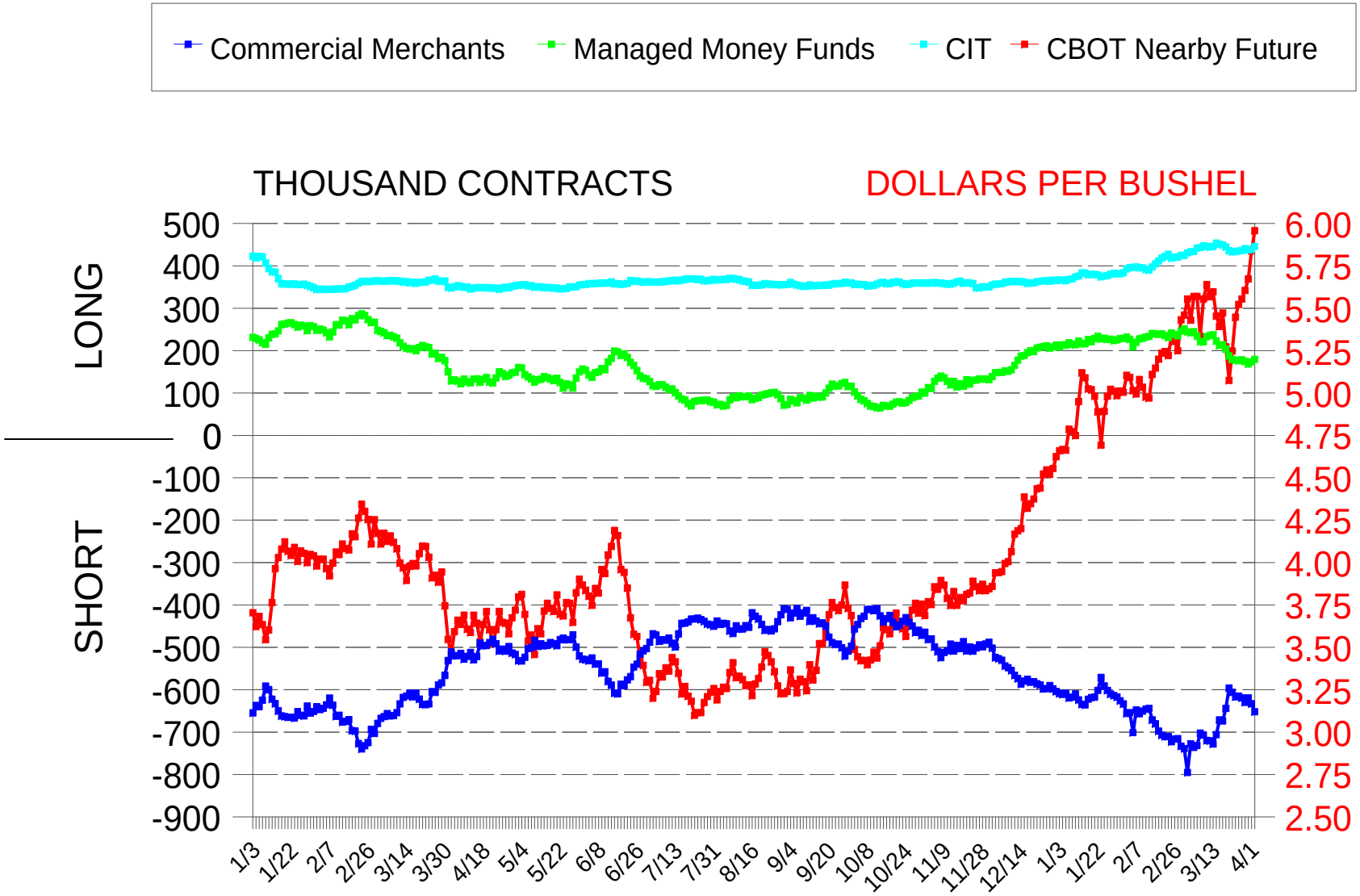
# Commodity Index Trading In Agricultural Markets

## June 2006 to April 2008



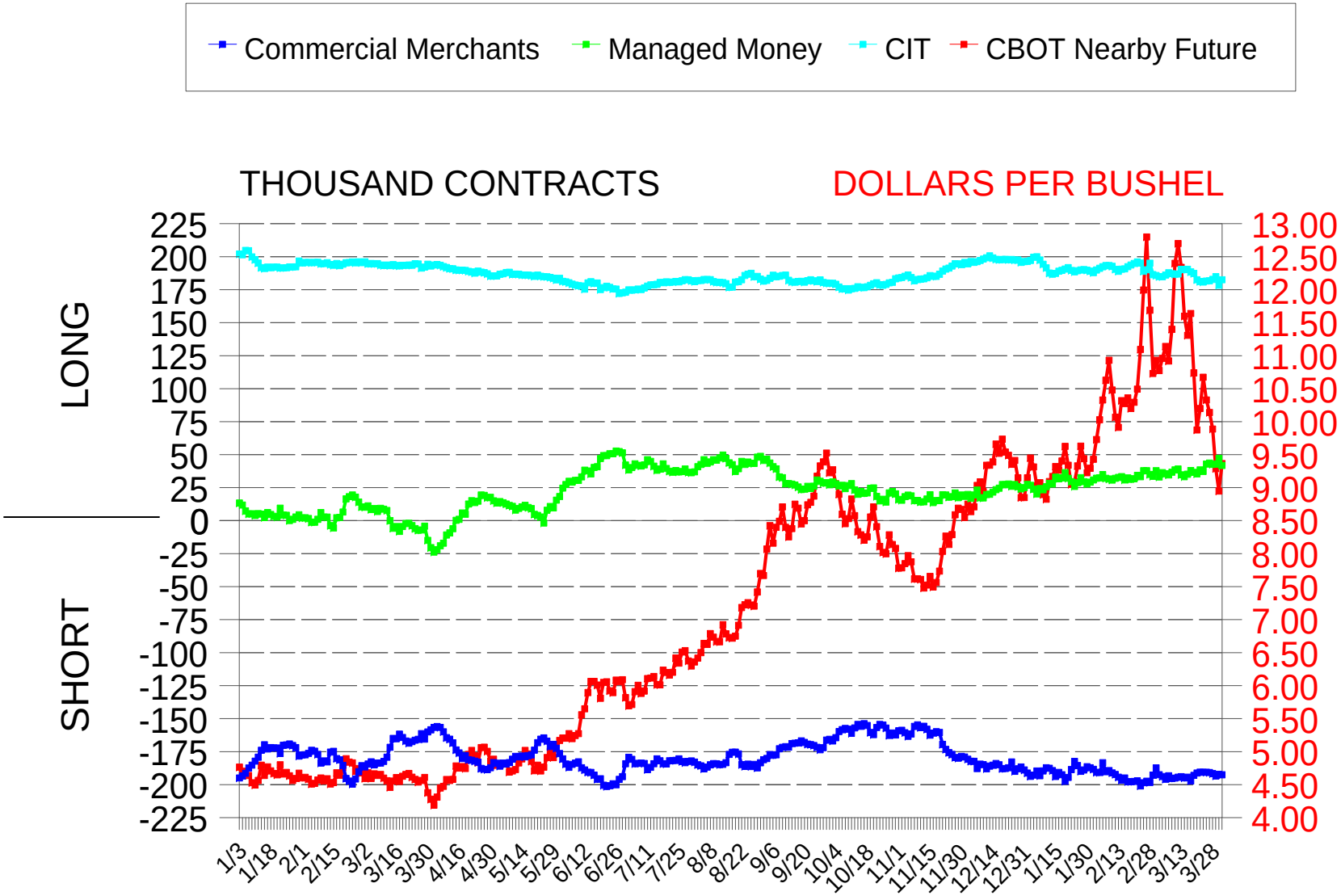

Wheat Index Traders' Positions and % of Open Interest
All Futures Combined Net Long
Selected Markets, January 2004 - March 2008
Thousand Contracts
250
225
200
175
150
125
100
75
50
25
0
70%
65%
60%
55%
50%
45%
40%
35%
30%
25%
20%
CBOT Wheat Positions
% of AFC Open Interest
Jan-04
Feb-04
Apr-04
Jun-04
Jul-04
Sep-04
Nov-04
Dec-04
Feb-05
Apr-05
May-05
Jul-05
Aug-05
Oct-05
Dec-05
Feb-06
Mar-06
May-06
Jul-06
Aug-06
Oct-06
Nov-06
Jan-07
Mar-07
May-07
Jun-07
Aug-07
Oct-07
Nov-07
Jan-08
Mar-08

# CBOT Corn Market Composition January 2007 Through April 2, 2008
## Reportable AFOC Net Daily Positions



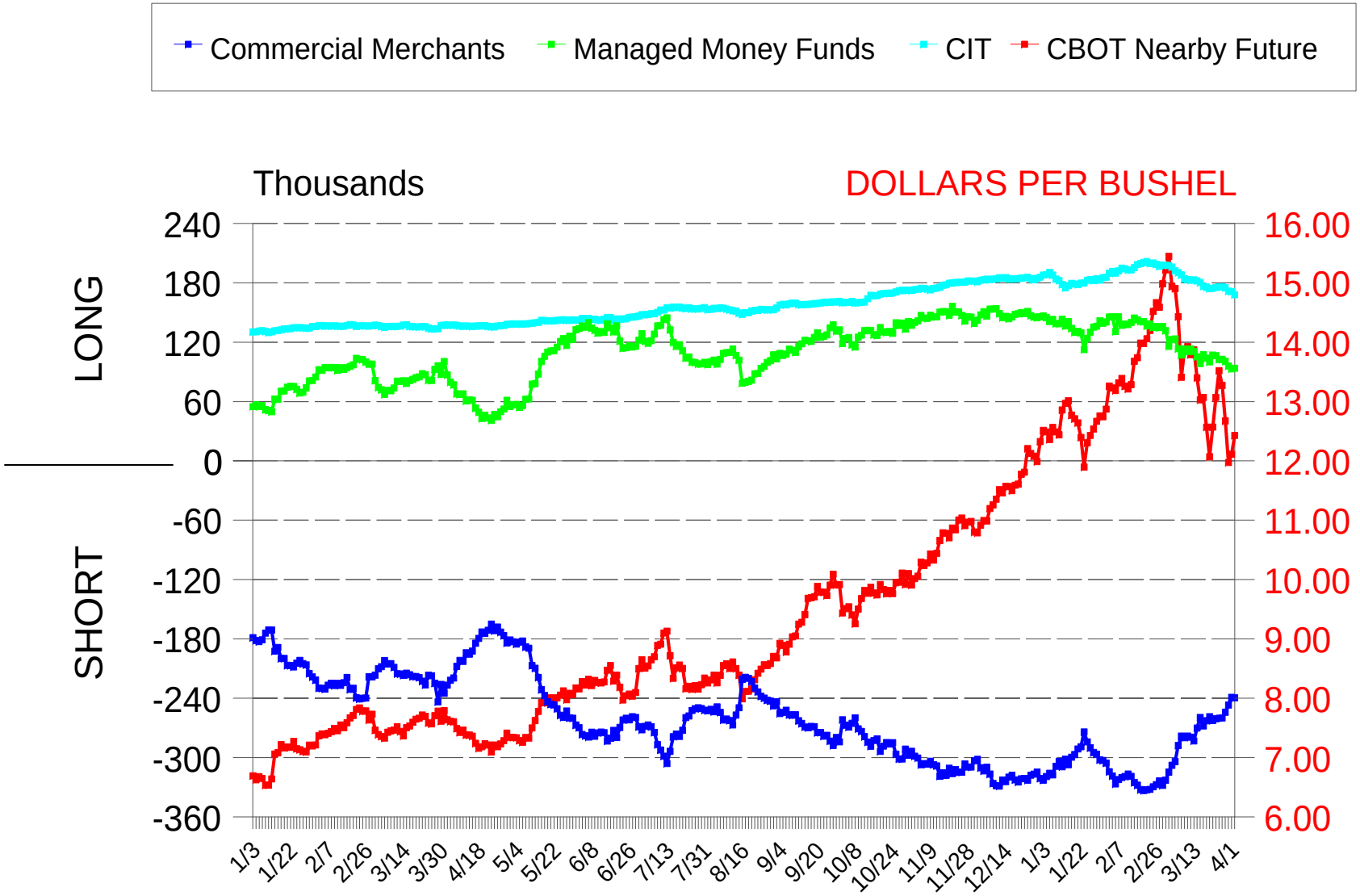

COMMERCIAL MERCHANTS = PHYSICAL HANDLER OF GRAIN
MANAGED MONEY FUNDS = REGISTRATION CODE OF CTA, CPO, OR MANAGED MONEY
CIT = COMMODITY INDEX TRADER. AFOC = ALL FUTURES AND OPTIONS COMBINED. OPTIONS AS FUTURES EQUIVALANT

# CBOT Wheat Market Composition January 2007 Through April 2, 2008
## Reportable AFOC Net Daily Positions




COMMERCIAL MERCHANT = PHYSICAL HANDLER OF GRAIN
MANAGED MONEY = USE CODE OF CPO/CTA/MM
CIT = COMMODITY INDEX TRADER. AFOC = ALL FUTURES AND OPTIONS COMBINED. OPTIONS AS FUTURES EQUIVALENT

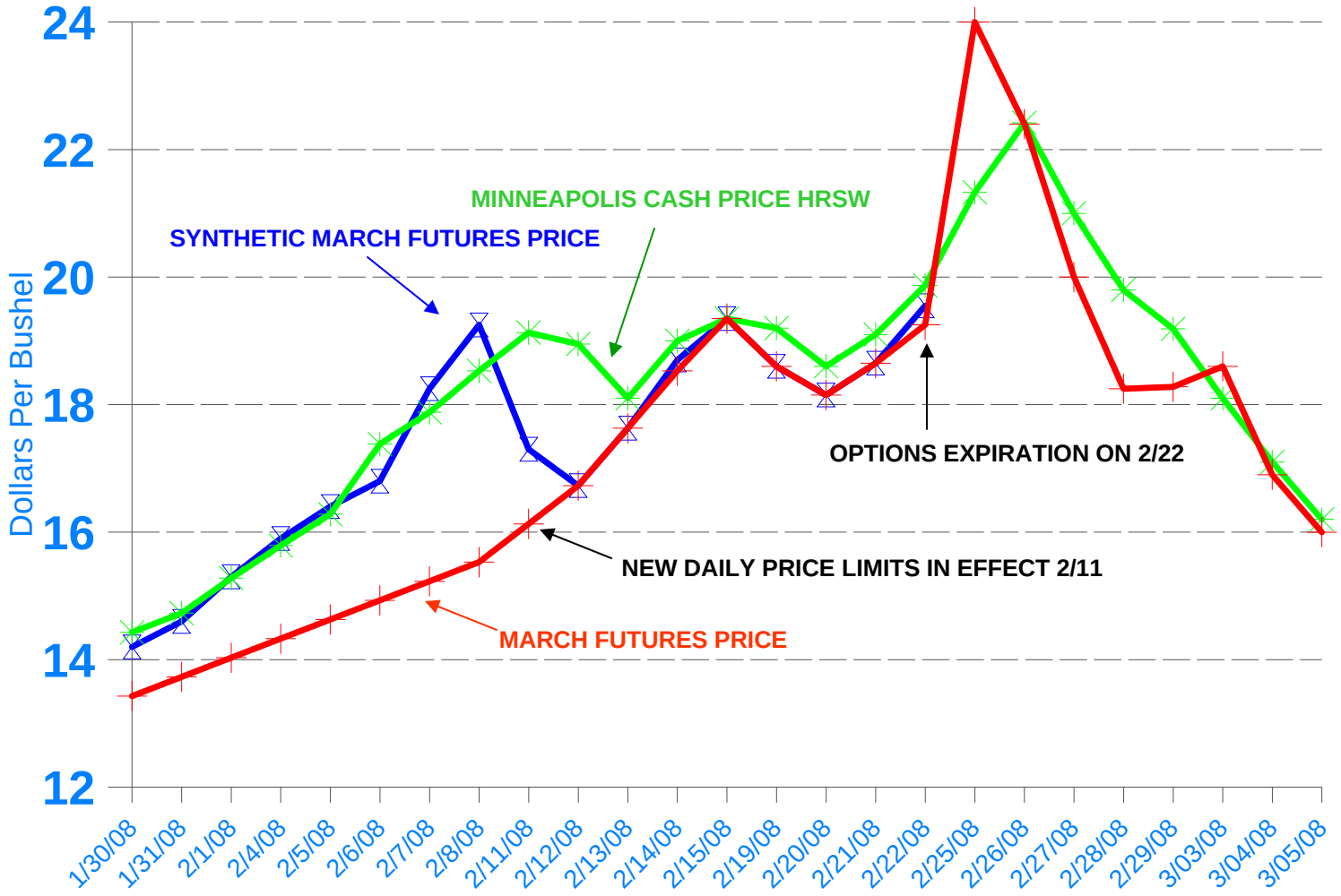
# CBOT Soybean Market Composition January 2007 Through April 2, 2008
## Reportable AFOC Net Daily Positions




COMMERCIAL MERCHANTS = PHYSICAL HANDLER OF GRAIN
MANAGED MONEY FUNDS = REGISTRATION CODE OF CTA, CPO, OR MANAGED MONEY
CIT = COMMODITY INDEX TRADER. AFOC = ALL FUTURES AND OPTIONS COMBINED. OPTIONS AS FUTURES EQUIVALENT

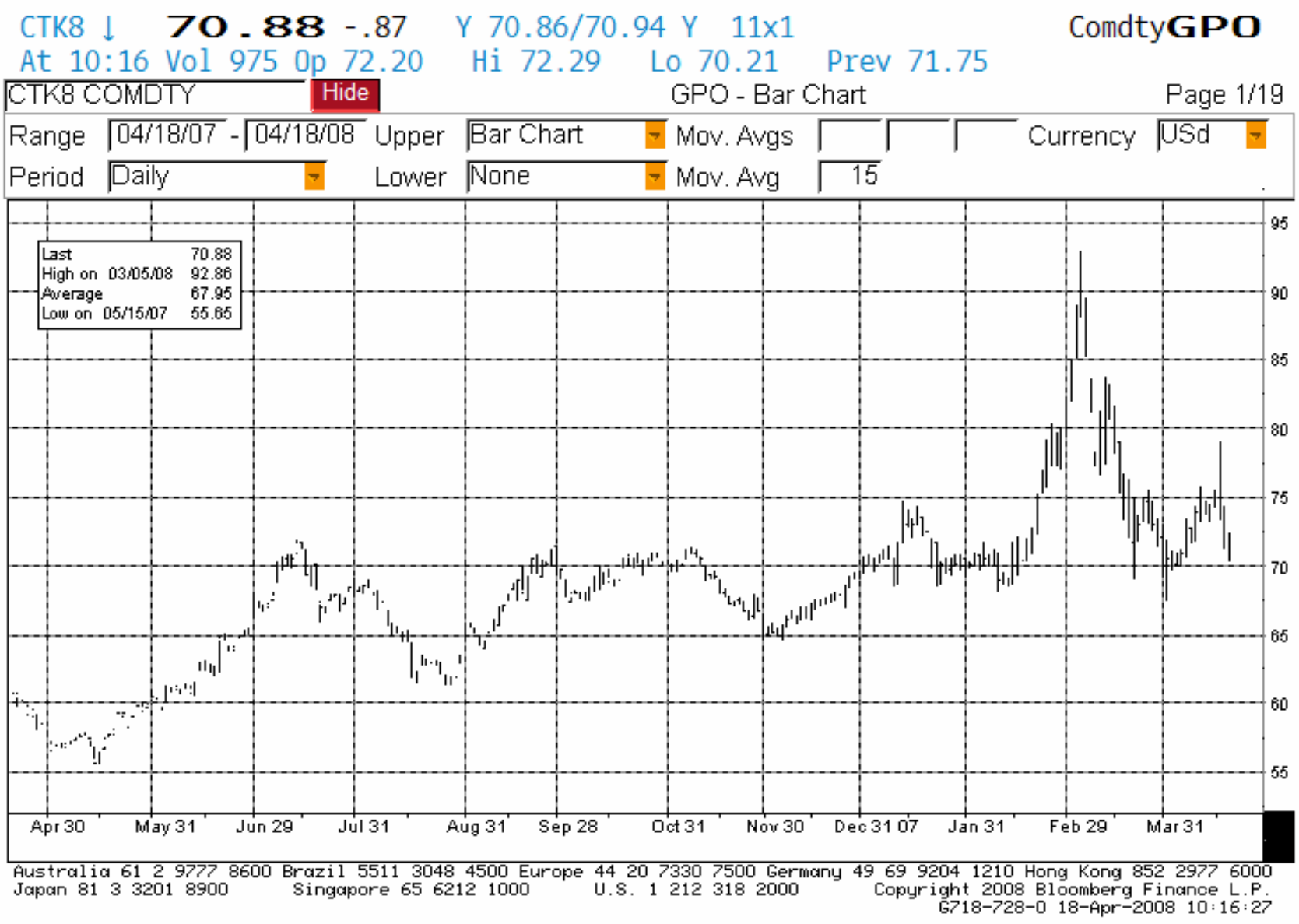
# MGEX MARCH WHEAT FUTURES LIQUIDATION

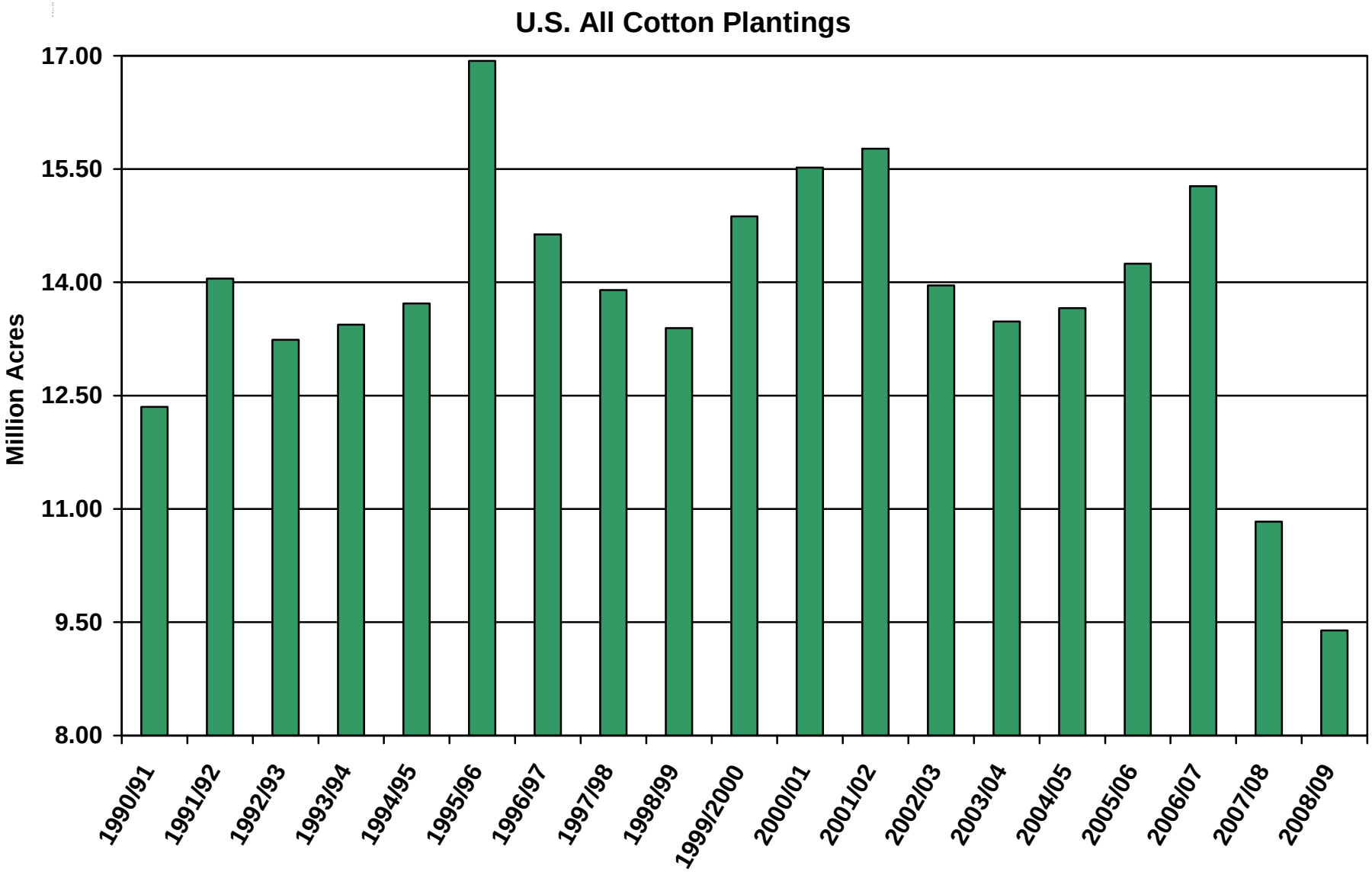
## 1/30/08 THROUGH 3/5/08



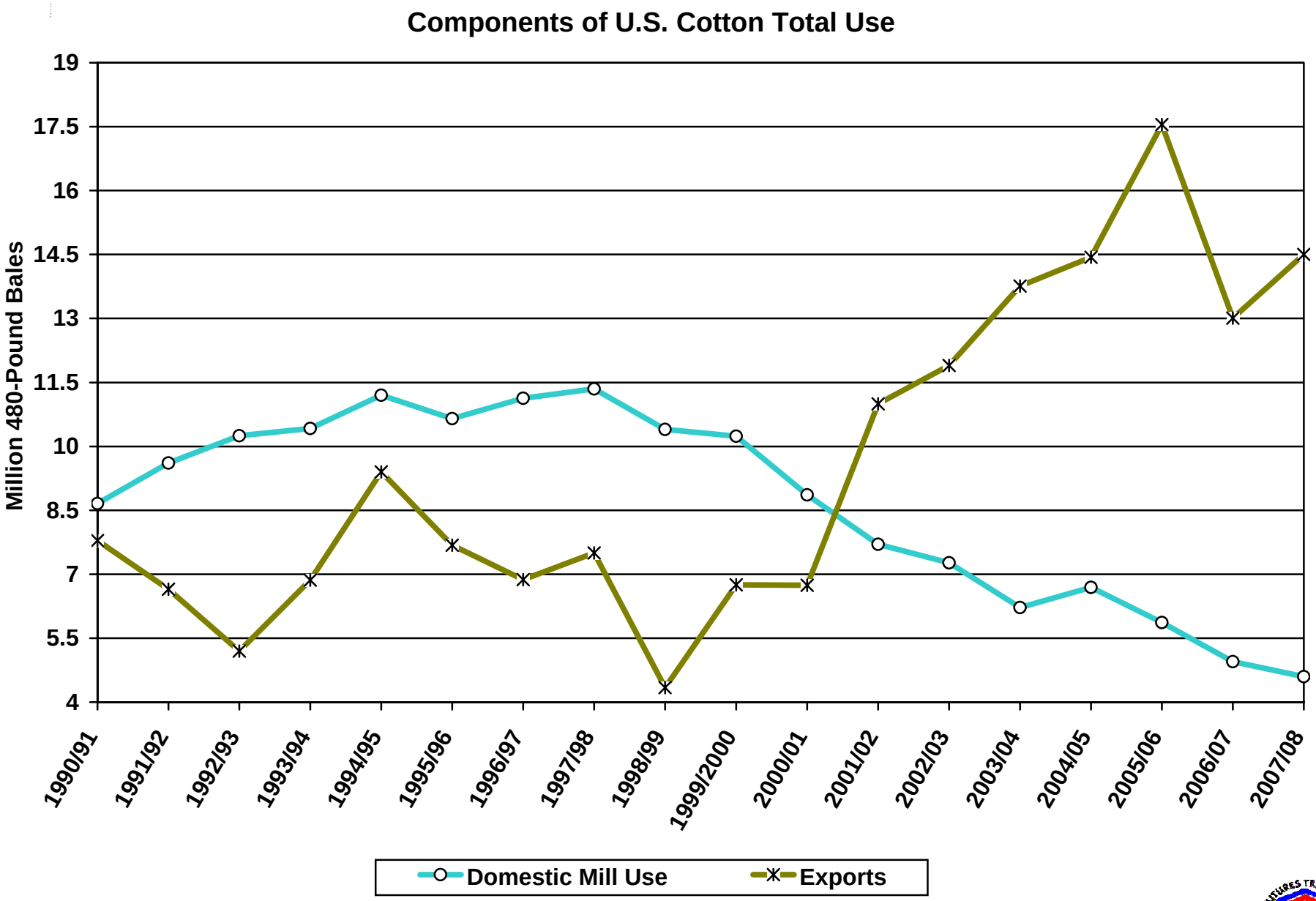

SYNTHETIC FUTURE IS CALCULATED BASED ON OPTION TRADING

# May 2008 – ICE Futures U.S. Cotton

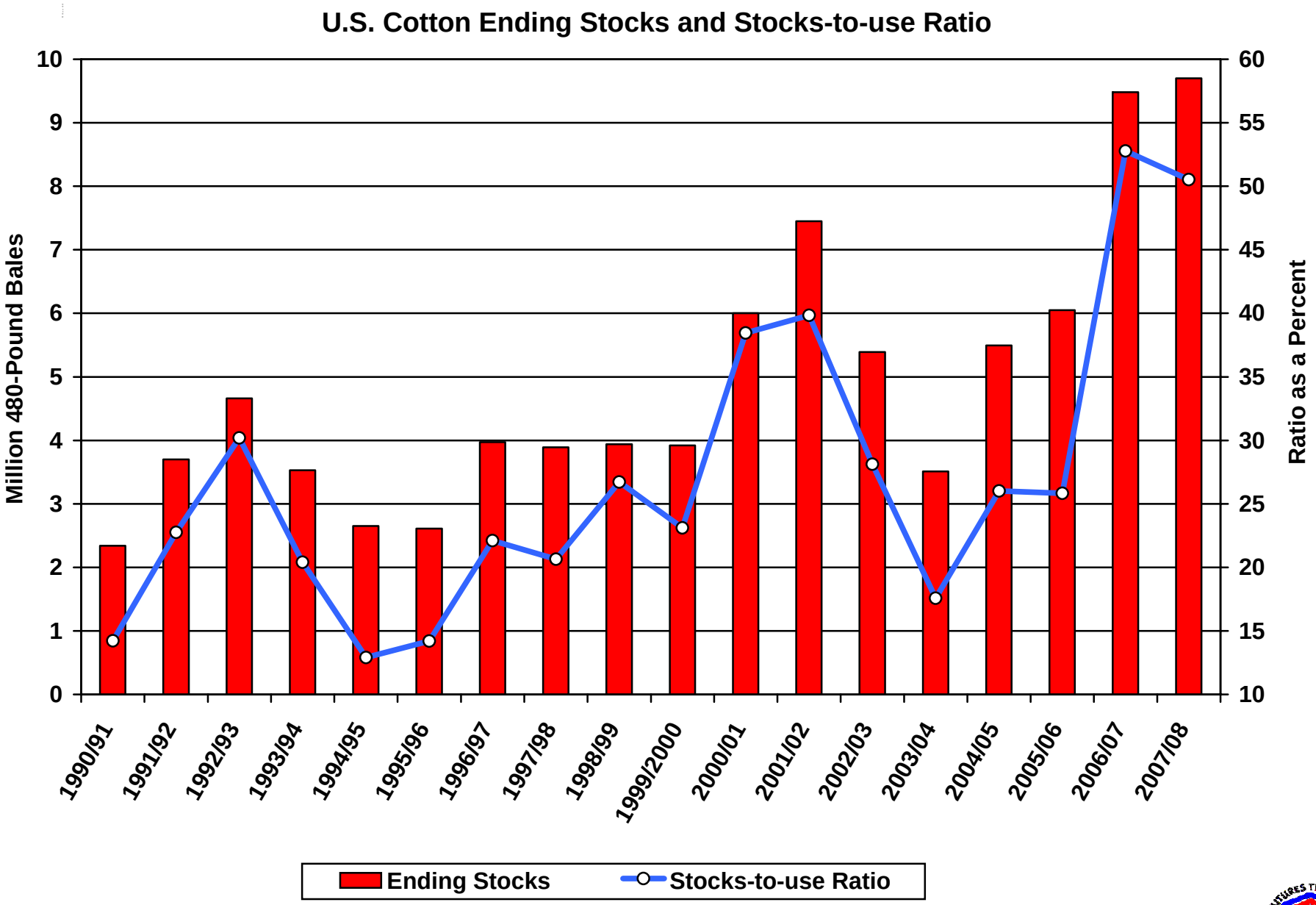





Source: USDA Economic Research Service.
Note: 2006/07 data is a USDA estimate. 2007/08 data is a USDA projection. 2008/09 data represents prospective plantings from National Agricultural Statistics Service (NASS), USDA dated March 31, 2008. The marketing year begins on August 1.

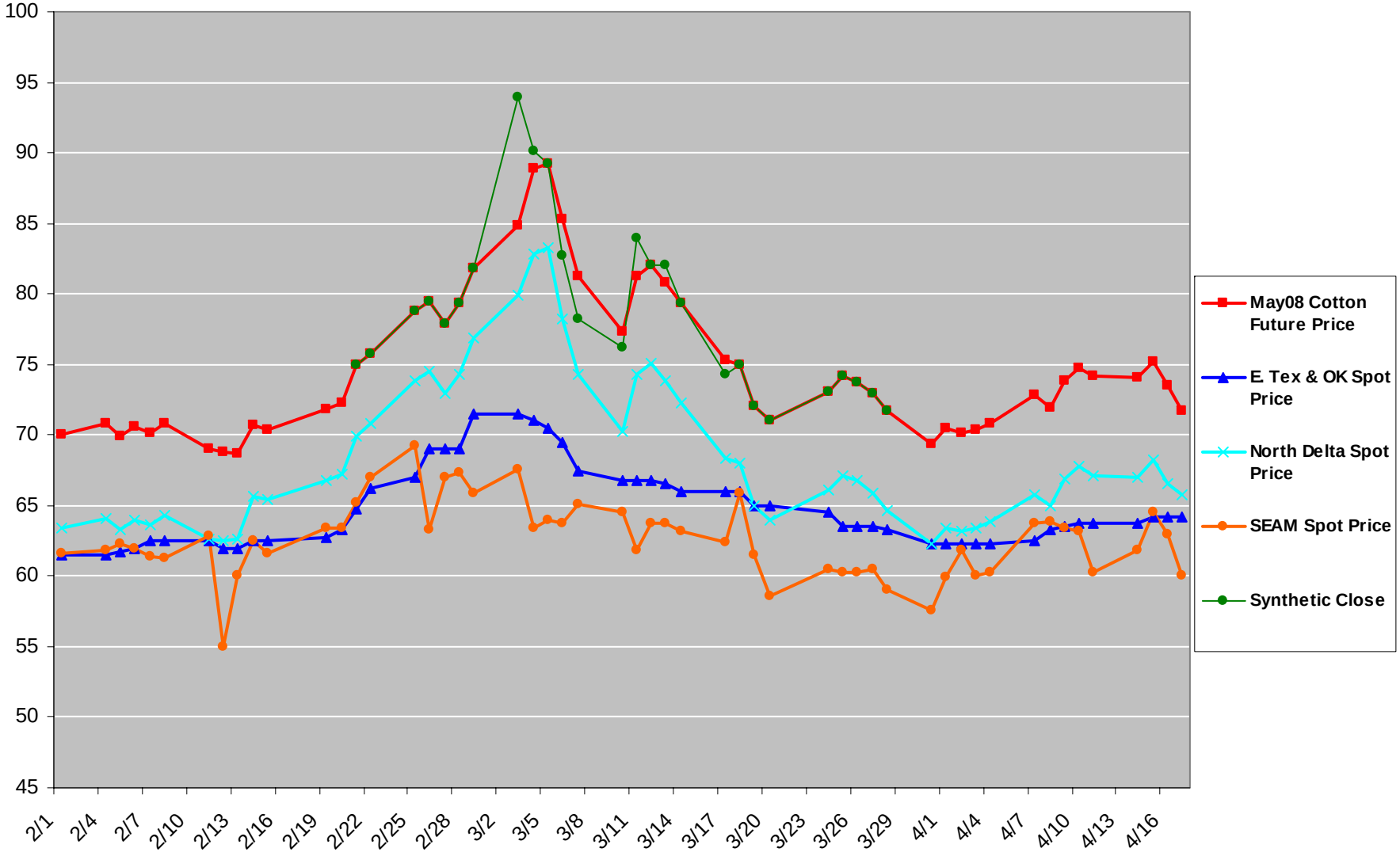



Source: USDA Economic Research Service.
Note: 2006/07 data is a USDA estimate. 2007/08 data is a USDA projection. The marketing year begins on August 1.

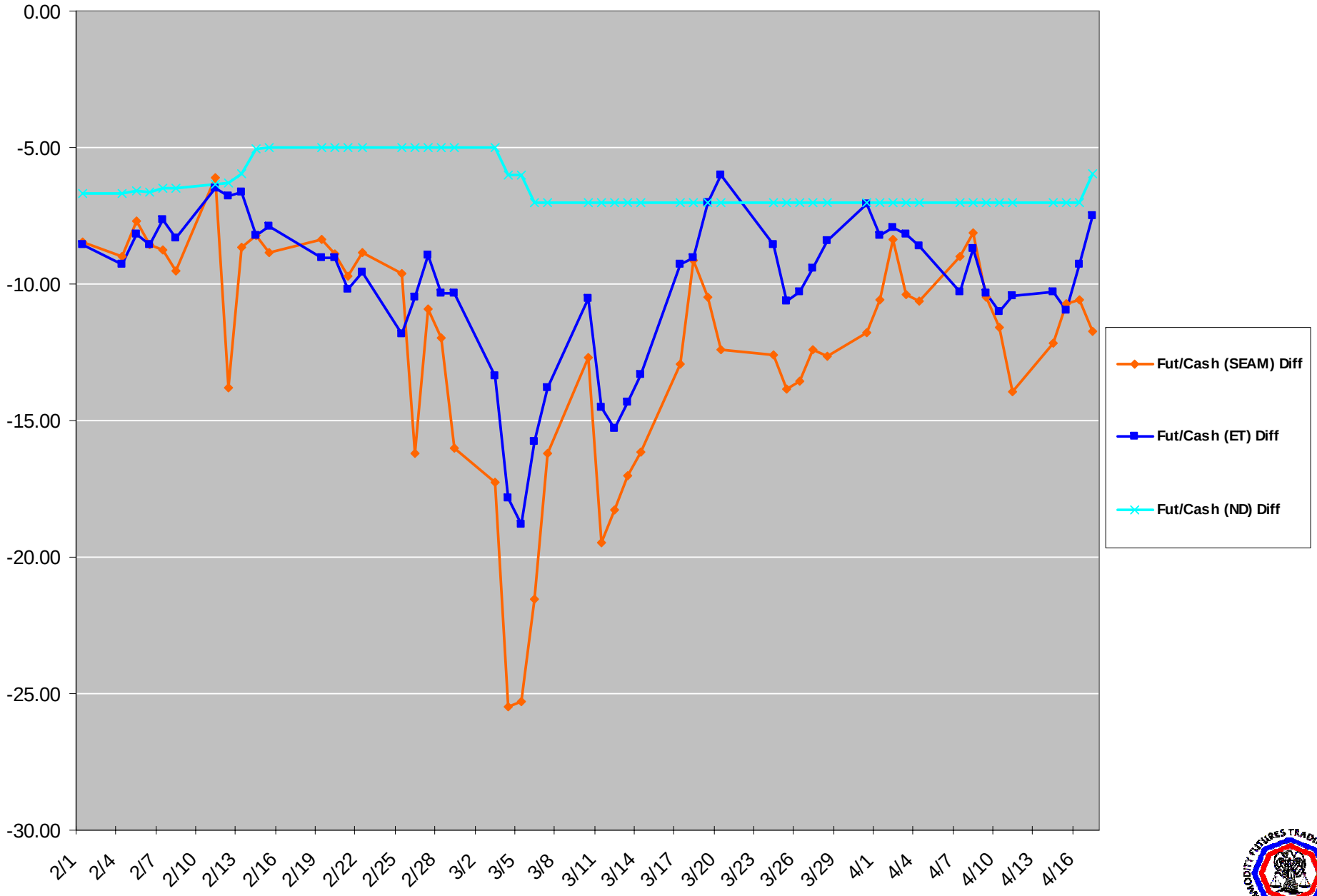


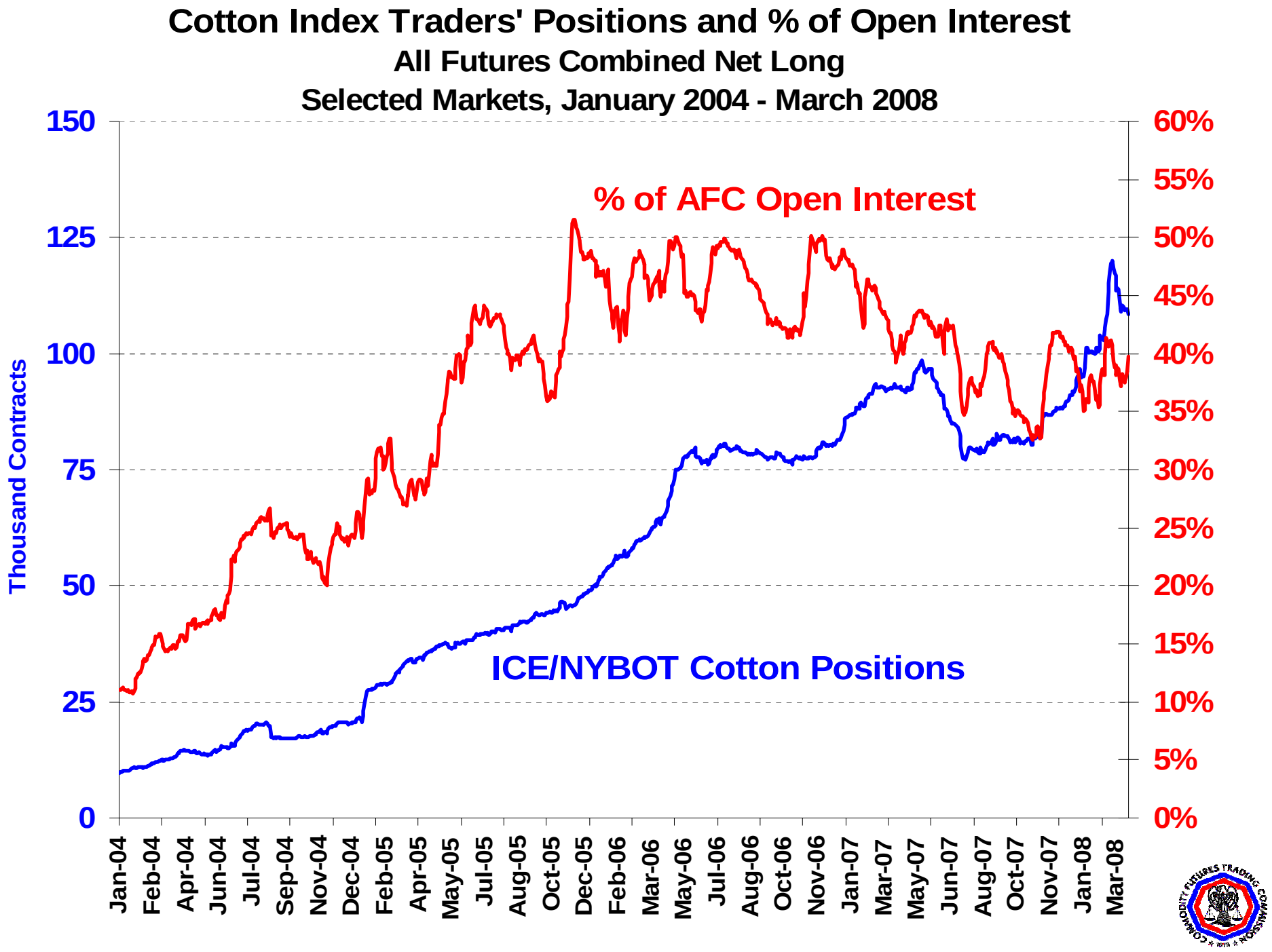

Source: USDA Economic Research Service.
Note: 2006/07 data is a USDA estimate. 2007/08 data is a USDA projection. The marketing year begins on August 1.

# May 08 Cotton Futures and Spot Prices

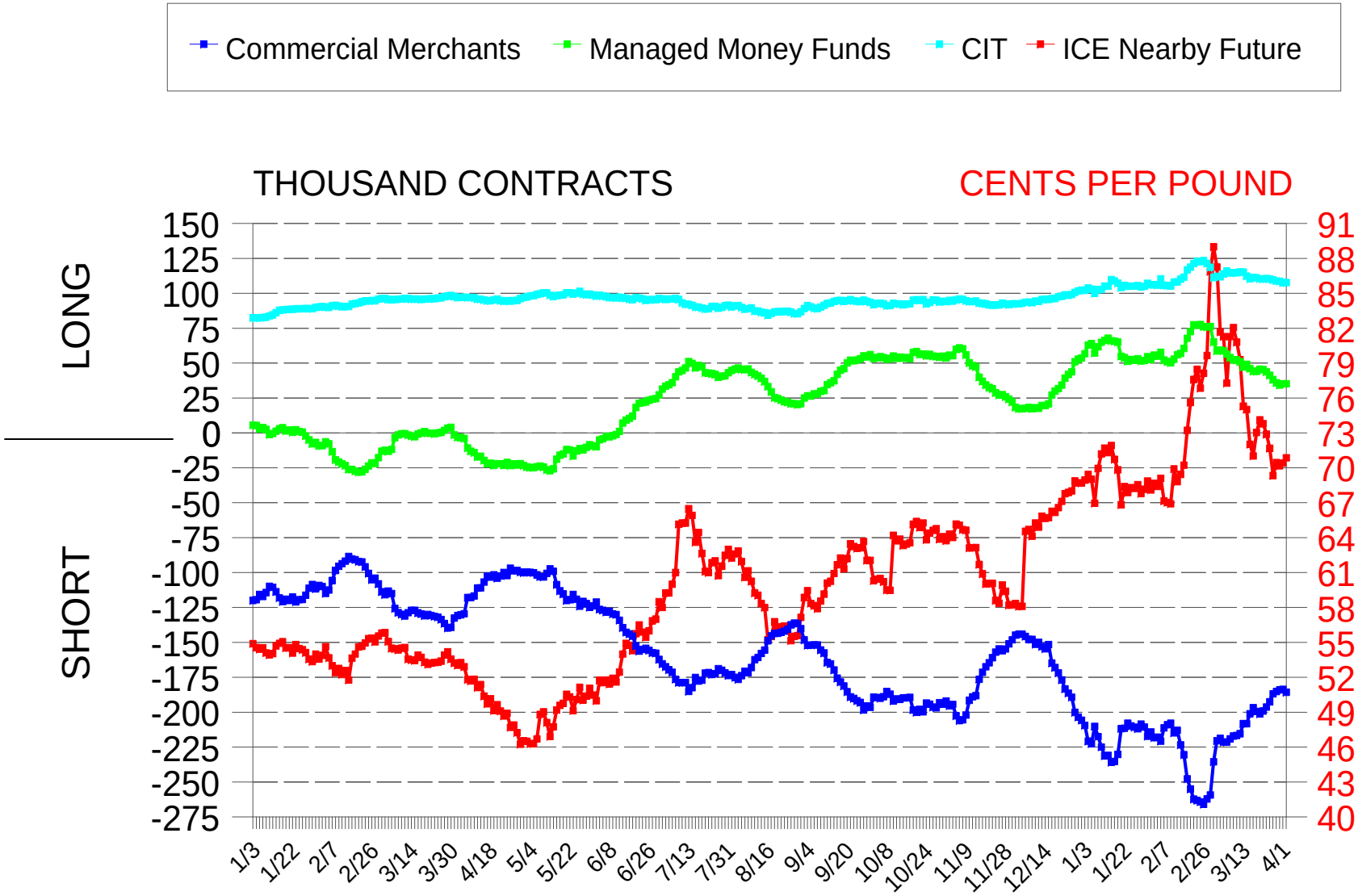


# Cotton Basis (Cash - Futures)



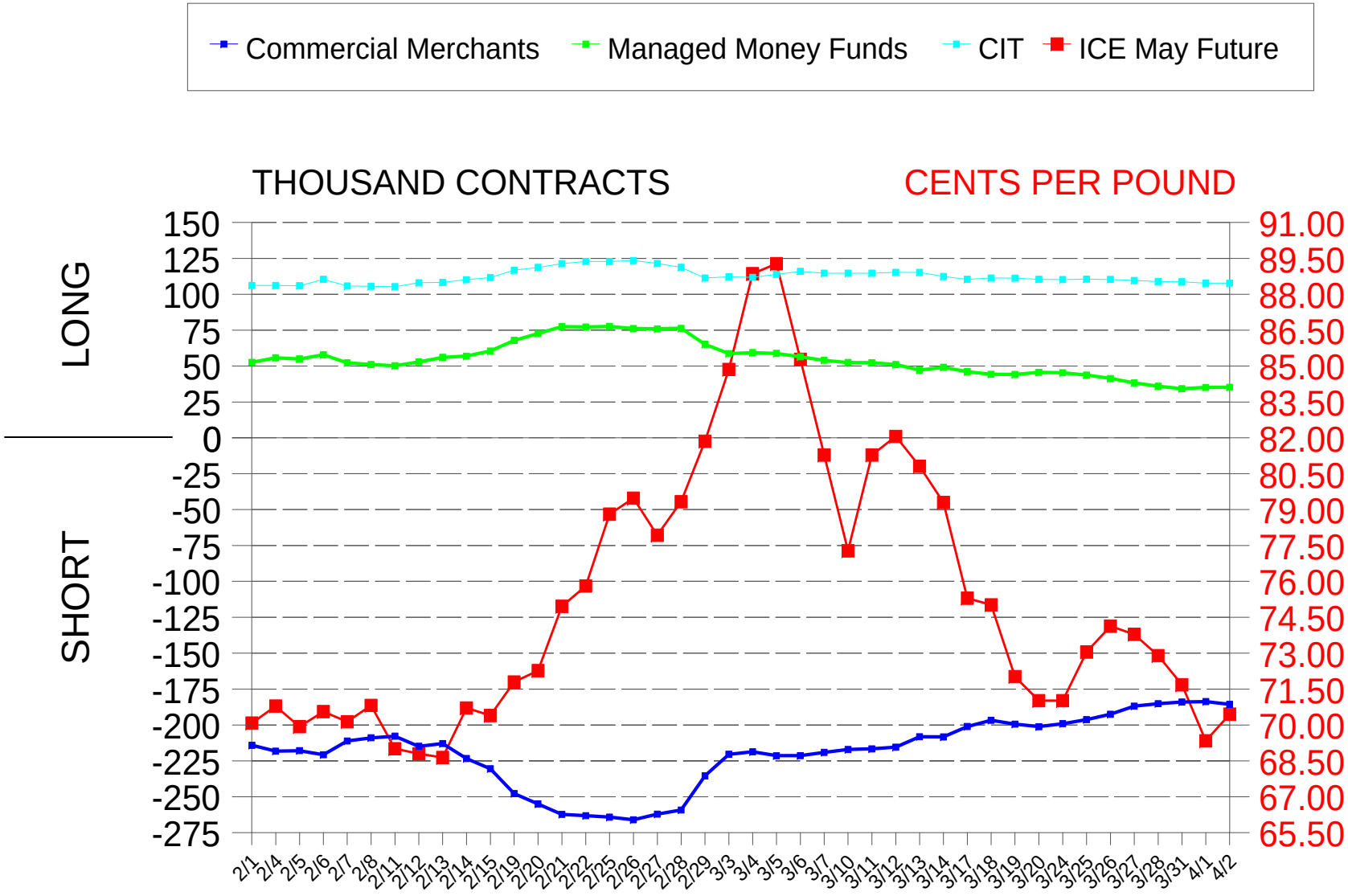

Cotton Index Traders' Positions and % of Open Interest
All Futures Combined Net Long
Selected Markets, January 2004 - March 2008
% of AFC Open Interest
ICE/NYBOT Cotton Positions
Thousand Contracts
150
125
100
75
50
25
0
60%
55%
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
Jan-04
Feb-04
Apr-04
Jun-04
Jul-04
Sep-04
Nov-04
Dec-04
Feb-05
Apr-05
May-05
Jul-05
Aug-05
Oct-05
Dec-05
Feb-06
Mar-06
May-06
Jul-06
Aug-06
Oct-06
Nov-06
Jan-07
Mar-07
May-07
Jun-07
Aug-07
Oct-07
Nov-07
Jan-08
Mar-08

# ICE Cotton Market Composition January 2007 Through April 2, 2008
## Reportable AFOC Net Daily Positions




COMMERCIAL MERCHANTS = PHYSICAL HANDLER OF COTTON
MANAGED MONEY FUNDS = REGISTRATION CODE OF CTA, CPO, OR MANAGED MONEY
CIT = COMMODITY INDEX TRADER. AFOC = ALL FUTURES AND OPTIONS COMBINED. OPTIONS AS FUTURES EQUIVALENT

# ICE Cotton Market Composition February 2008 Through April 2, 2008
## Reportable AFOC Net Daily Positions

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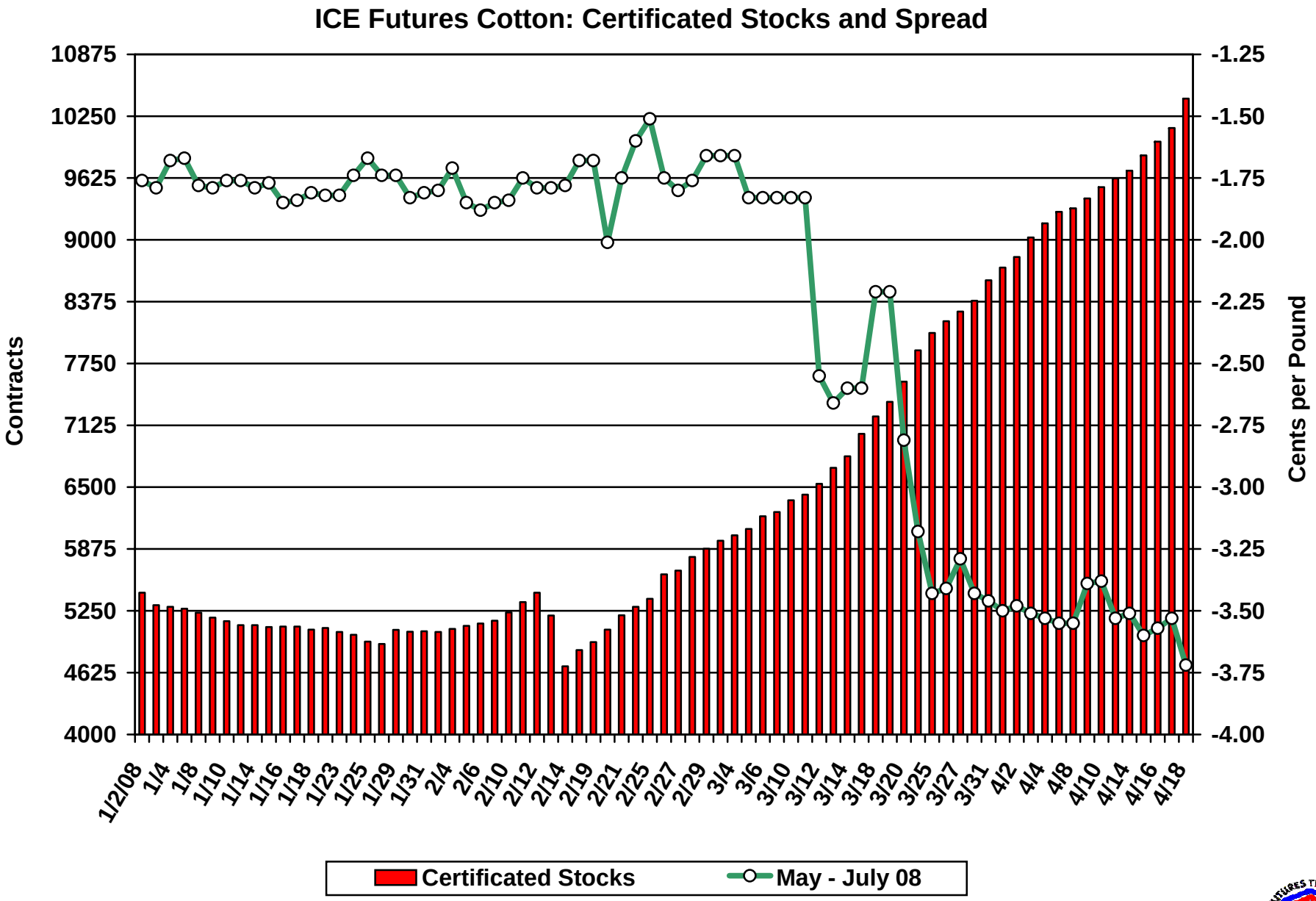
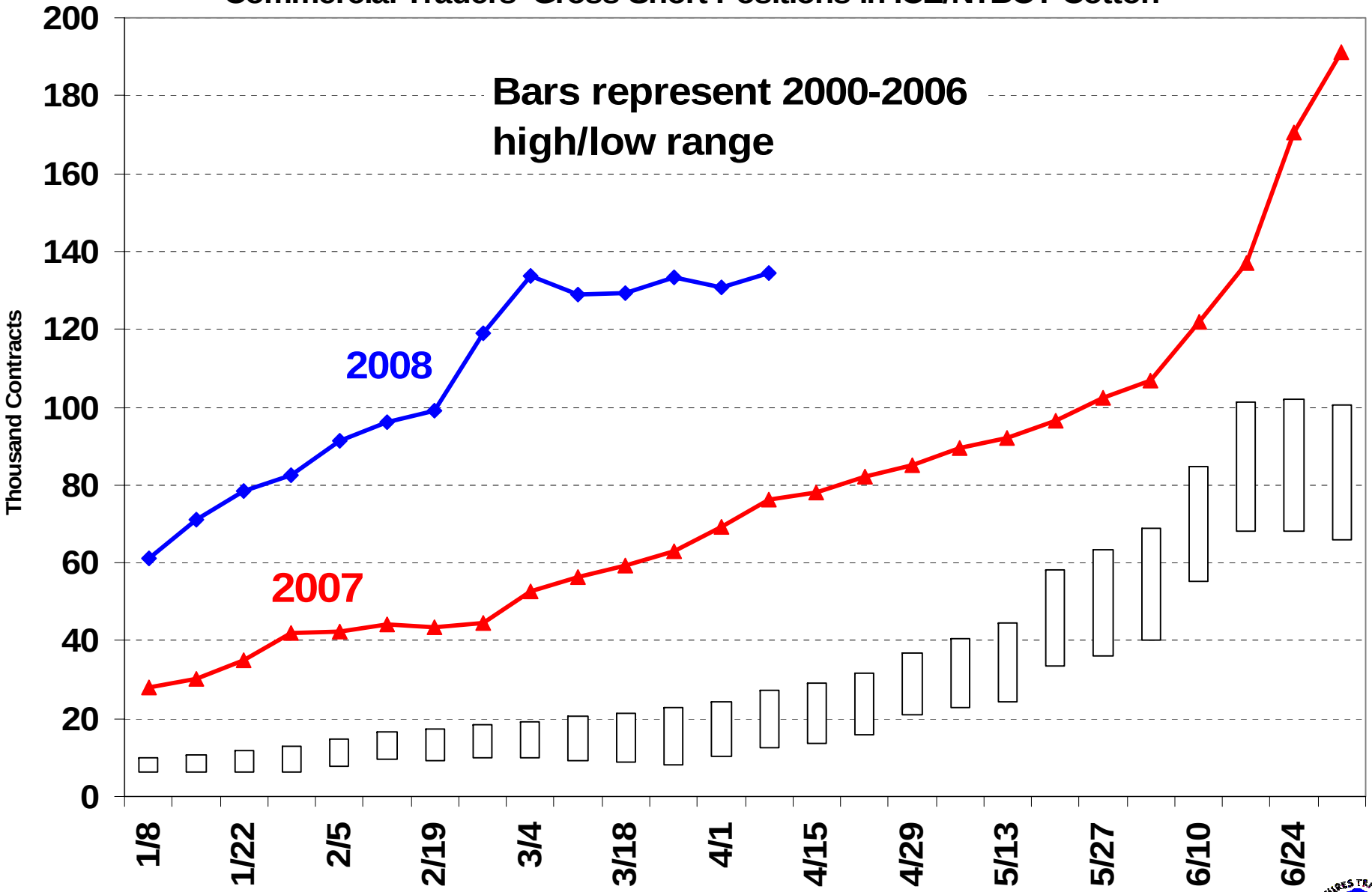



Source: ICE Futures US.

# New-Crop* Cotton Hedging

## Commercial Traders' Gross Short Positions in ICE/NYBOT Cotton




Source: CFTC COT data. * "New-Crop" is Oct future and all subsequent futures.

COMMODITY FUTURES TRADING COMMISSION

1975