

PowerShares DB Multi-Sector Commodity Trust
Form 10-Q
May 09, 2011
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-33238

POWERSHARES DB AGRICULTURE FUND

(A Series of PowerShares DB Multi-Sector Commodity Trust)

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(Exact name of Registrant as specified in its charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	87-0778078 (I.R.S. Employer Identification No.)
c/o DB Commodity Services LLC 60 Wall Street New York, New York (Address of Principal Executive Offices)	10005 (Zip Code)

Registrant's telephone number, including area code: (212) 250-5883

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, an Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer," "large accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer

Non-Accelerated Filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of outstanding Shares as of March 31, 2011: 115,400,000 Shares.

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POWERSHARES DB AGRICULTURE FUND

(A SERIES OF POWERSHARES DB MULTI-SECTOR COMMODITY TRUST)

QUARTER ENDED MARCH 31, 2011

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Table of Contents**PART I. FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS.***PowerShares DB Agriculture Fund**Statement of Financial Condition**March 31, 2011 (unaudited) and December 31, 2010*

	March 31, 2011	December 31, 2010
Assets		
Equity in broker trading accounts:		
United States Treasury Obligations, at fair value (cost \$3,627,473,966 and \$2,386,667,824 respectively)	\$ 3,627,730,558	\$ 2,386,743,778
Cash held by broker	38,279,458	
Net unrealized appreciation (depreciation) on futures contracts	285,468,609	370,363,896
Deposits with broker	3,951,478,625	2,757,107,674
Receivable for shares issued	61,590,420	
Total assets	\$ 4,013,069,045	\$ 2,757,107,674
Liabilities		
Payable to broker	\$	\$ 42,559,235
Payable for securities purchased	60,987,038	
Management fee payable	2,724,824	1,833,438
Brokerage fee payable	560,682	5,793
Total liabilities	64,272,544	44,398,466
Commitments and Contingencies (Note 9)		
Equity		
Shareholders' equity		
General shares:		
Paid in capital 40 shares issued and outstanding as of March 31, 2011 and December 31, 2010, respectively	1,000	1,000
Accumulated earnings (deficit)	369	295
Total General shares	1,369	1,295
Shares:		
Paid in capital 115,400,000 and 83,800,000 redeemable Shares issued and outstanding as of March 31, 2011 and December 31, 2010, respectively	3,673,263,842	2,601,330,830
Accumulated earnings (deficit)	275,531,290	111,377,083
Total Shares	3,948,795,132	2,712,707,913

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Total shareholders equity	3,948,796,501	2,712,709,208
Total liabilities and equity	\$ 4,013,069,045	\$ 2,757,107,674
Net asset value per share		
General shares	\$ 34.23	\$ 32.38
Shares	\$ 34.22	\$ 32.37

See accompanying notes to unaudited financial statements.

Table of Contents**PowerShares DB Agriculture Fund****Unaudited Schedule of Investments****March 31, 2011**

Description	Percentage of Net Assets	Fair Value	Face Value
United States Treasury Obligations			
U.S. Treasury Bills, 0.07% due April 7, 2011	18.67%	\$ 736,997,789	\$ 737,000,000
U.S. Treasury Bills, 0.23% due April 14, 2011	6.86	270,997,019	271,000,000
U.S. Treasury Bills, 0.075% due April 21, 2011	2.45	96,897,965	96,900,000
U.S. Treasury Bills, 0.045% due April 28, 2011	11.02	434,986,080	435,000,000
U.S. Treasury Bills, 0.15% due May 5, 2011	15.09	595,979,140	596,000,000
U.S. Treasury Bills, 0.15% due May 12, 2011	11.24	443,982,240	444,000,000
U.S. Treasury Bills, 0.055% due May 19, 2011	5.14	202,988,632	203,000,000
U.S. Treasury Bills, 0.11% due May 26, 2011	7.19	283,981,824	284,000,000
U.S. Treasury Bills, 0.145% due June 2, 2011	3.62	142,985,271	143,000,000
U.S. Treasury Bills, 0.11% due June 9, 2011	1.55	60,992,985	61,000,000
U.S. Treasury Bills, 0.09% due June 16, 2011	4.89	192,973,559	193,000,000
U.S. Treasury Bills, 0.095% due June 23, 2011	1.57	61,988,964	62,000,000
U.S. Treasury Bills, 0.10% due June 30, 2011	2.58	101,979,090	102,000,000
Total United States Treasury Obligations (cost \$3,627,473,966)	91.87%	\$ 3,627,730,558	

A portion of the above United States Treasury Obligations are held as initial margin against open futures contracts, as described in Note 4(e).

Description	Percentage of Net Assets	Fair Value
Unrealized Appreciation/(Depreciation) on Futures Contracts		
Cocoa (13,769 contracts, settlement date May 13, 2011)	(1.24)%	\$ (49,074,930)
Coffee (4,909 contracts, settlement date May 18, 2011)	0.43	16,911,656
Corn (5,004 contracts, settlement date March 14, 2012)	0.16	6,408,313
Corn (7,948 contracts, settlement date December 12, 2011)	0.71	28,131,238
Cotton (1,398 contracts, settlement date May 06, 2011)	0.44	17,250,540
Feeder Cattle (1,599 contracts, settlement date May 26, 2011)	0.18	7,167,913
Feeder Cattle (932 contracts, settlement date August 25, 2011)	0.07	2,769,613
Lean Hogs (4,095 contracts, settlement date July 15, 2011)	0.14	5,562,320
Lean Hogs (4,099 contracts, settlement date June 14, 2011)	0.30	11,779,920
Live Cattle (4,779 contracts, settlement date August 31, 2011)	0.24	9,416,200
Live Cattle (5,399 contracts, settlement date June 30, 2011)	0.48	18,911,160
Red Wheat (2,034 contracts, settlement date July 14, 2011)	0.10	3,873,750
Red Wheat (293 contracts, settlement date December 14, 2011)	0.01	405,313
Soybean Meal (2,441 contracts, settlement date December 14, 2011)	0.09	3,760,720
Soybean Oil (2,608 contracts, settlement date December 14, 2011)	0.06	2,426,982
Soybeans (3,826 contracts, settlement date November 14, 2011)	1.45	57,341,000
Soybeans (2,060 contracts, settlement date January 13, 2012)	0.44	17,449,088
Sugar (14,955 contracts, settlement date June 30, 2011)	1.32	52,200,154
Wheat (2,086 contracts, settlement date June 30, 2011)	0.46	18,110,025
Wheat (625 contracts, settlement date December 14, 2011)	0.03	1,033,813
Wheat KCB (4,999 contracts, settlement date July 14, 2011)	1.34	52,965,850
Wheat KCB (323 contracts, settlement date December 14, 2011)	0.02	667,971

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Net Unrealized Appreciation on Futures Contracts	7.23%	\$ 285,468,609
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Net unrealized appreciation is comprised of unrealized gains of \$356,630,635 and unrealized losses of \$71,162,026.

See accompanying notes to unaudited financial statements.

Table of Contents**PowerShares DB Agriculture Fund****Schedule of Investments****December 31, 2010**

Description	Percentage of Net Assets	Fair Value	Face Value
United States Treasury Obligations			
U.S. Treasury Bills, 0.08% due January 6, 2011	28.16%	\$ 763,998,472	\$ 764,000,000
U.S. Treasury Bills, 0.085% due January 13, 2011	4.17	112,998,983	113,000,000
U.S. Treasury Bills, 0.07% due January 20, 2011	3.09	83,898,322	83,900,000
U.S. Treasury Bills, 0.065% due January 27, 2011	13.01	352,986,939	353,000,000
U.S. Treasury Bills, 0.125% due February 3, 2011	14.12	382,971,275	383,000,000
U.S. Treasury Bills, 0.125% due February 10, 2011	9.47	256,975,071	257,000,000
U.S. Treasury Bills, 0.13% due February 17, 2011	2.87	77,989,236	78,000,000
U.S. Treasury Bills, 0.12% due February 24, 2011	3.91	105,982,828	106,000,000
U.S. Treasury Bills, 0.175% due March 3, 2011	1.70	45,990,800	46,000,000
U.S. Treasury Bills, 0.145% due March 10, 2011	2.25	60,986,580	61,000,000
U.S. Treasury Bills, 0.14% due March 17, 2011	3.61	97,978,146	98,000,000
U.S. Treasury Bills, 0.13% due March 24, 2011	0.33	8,997,696	9,000,000
U.S. Treasury Bills, 0.18% due March 31, 2011	1.29	34,989,430	35,000,000
Total United States Treasury Obligations (cost \$2,386,667,824)	87.98%	2,386,743,778	

A portion of the above United States Treasury Obligations are held as initial margin against open futures contracts, as described in Note 4(e).

Description	Percentage of Net Assets	Fair Value
Unrealized Appreciation on Futures Contracts		
Feeder Cattle (1,599 contracts, settlement date March 31, 2011)	0.16%	\$ 4,270,313
Feeder Cattle (291 contracts, settlement date April 21, 2011)	0.02	640,600
Cocoa (10,034 contracts, settlement date March 16, 2011)	0.77	21,015,810
Coffee (3,592 contracts, settlement date March 21, 2011)	1.66	45,019,444
Corn (3,964 contracts, settlement date March 14, 2011)	1.28	34,800,787
Corn (7,092 contracts, settlement date December 14, 2011)	0.17	4,594,000
Cotton (1,002 contracts, settlement date March 9, 2011)	0.14	3,855,495
Lean Hogs (4,099 contracts, settlement date February 14, 2011)	0.29	7,832,820
Lean Hogs (2,926 contracts, settlement date April 14, 2011)	0.19	5,155,170
Live Cattle (5,399 contracts, settlement date February 28, 2011)	0.55	14,884,290
Live Cattle (2,316 contracts, settlement date April 29, 2011)	0.18	4,759,920
Red Wheat (1,496 contracts, settlement date July 14, 2011)	0.25	6,855,650
Soybeans (3,415 contracts, settlement date November 14, 2011)	1.53	41,628,862
Soybeans (1,834 contracts, settlement date January 13, 2012)	0.33	8,943,862
Sugar (10,859 contracts, settlement date June 30, 2011)	3.47	94,006,797
Wheat (1,781 contracts, settlement date July 14, 2011)	0.81	21,894,975
Wheat (534 contracts, settlement date December 14, 2011)	0.03	899,063
Wheat KCB (3,871 contracts, settlement date July 14, 2011)	1.82	49,306,038
Net Unrealized Appreciation on Futures Contracts	13.65%	\$ 370,363,896

Net unrealized appreciation is comprised of unrealized gains of \$371,840,229 and unrealized losses of \$1,476,333.

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See accompanying notes to unaudited financial statements.

Table of Contents*PowerShares DB Agriculture Fund**Unaudited Statement of Income and Expenses**For the Three Months Ended March 31, 2011 and 2010*

	Three Months Ended	
	March 31, 2011	March 31, 2010
Income		
Interest Income	\$ 1,070,615	\$ 372,617
Expenses		
Management Fee	7,091,062	5,235,667
Brokerage Commissions and Fees	1,169,788	452,431
Total Expenses	8,260,850	5,688,098
Net investment income (loss)	(7,190,235)	(5,315,481)
Net Realized and Net Change in Unrealized Gain (Loss) on United States Treasury Obligations, Futures and Foreign Currency Translation		
Net Realized Gain (Loss) on		
United States Treasury Obligations	23,885	898
Futures	256,035,280	(41,441,493)
Foreign Currency Translation		(63,481)
Net realized gain (loss)	256,059,165	(41,504,076)
Net Change in Unrealized Gain (Loss) on		
United States Treasury Obligations	180,638	(99,696)
Futures	(84,895,287)	(173,067,134)
Foreign Currency Translation		217
Net change in unrealized gain (loss)	(84,714,649)	(173,166,613)
Net realized and net change in unrealized gain (loss) on United States Treasury Obligations, Futures and Foreign Currency Translation	171,344,516	(214,670,689)
Net Income (Loss)	\$ 164,154,281	\$ (219,986,170)
Less: net income (loss) attributed to the non-controlling interest in subsidiary - related party		88
Net Income (Loss) Attributable to PowerShares DB Agriculture Fund	\$ 164,154,281	\$ (219,986,082)

See accompanying notes to unaudited financial statements.

Table of Contents*PowerShares DB Agriculture Fund**Unaudited Statement of Changes in Shareholders' Equity**For the Three Months Ended March 31, 2011*

	General Shares Accumulated			Shares Accumulated			Total Equity	Total Shareholders Equity	
	Shares	Paid in Capital	Earnings (Deficit)	Total Equity	Shares	Paid in Capital			Earnings (Deficit)
Balance at January 1, 2011	40	\$ 1,000	\$ 295	\$ 1,295	83,800,000	\$ 2,601,330,830	\$ 111,377,083	\$ 2,712,707,913	\$ 2,712,709,208
Sale of Shares					44,200,000	1,506,219,118		1,506,219,118	1,506,219,118
Redemption of Shares					(12,600,000)	(434,286,106)		(434,286,106)	(434,286,106)
Net Income (Loss)									
Net investment income (loss)			(3)	(3)			(7,190,232)	(7,190,232)	(7,190,235)
Net realized gain (loss) on United States Treasury Obligations and Futures			115	115			256,059,050	256,059,050	256,059,165
Net change in unrealized gain (loss) on United States Treasury Obligations and Futures			(38)	(38)			(84,714,611)	(84,714,611)	(84,714,649)
Net Income (Loss)			74	74			164,154,207	164,154,207	164,154,281
Balance at March 31, 2011	40	\$ 1,000	\$ 369	\$ 1,369	115,400,000	\$ 3,673,263,842	\$ 275,531,290	\$ 3,948,795,132	\$ 3,948,796,501

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Unaudited Statement of Changes in Shareholders' Equity

For the Three Months Ended March 31, 2010

	General Shares Paid	Accumulated in Earnings	Total Equity	Shares	Paid in Capital	Shares Accumulated in Earnings (Deficit)	Total Equity	Total Shareholder Equity	Non-controlling Interest	Total Equity	
Balance at January 1, 2010	40	\$ 1,000	\$ 57	\$ 1,057	95,200,000	\$ 2,798,734,352	\$ (283,034,627)	\$ 2,515,699,725	\$ 2,515,700,782	\$ 1,057	\$ 2,515,701,839
Sale of Shares				10,800,000	283,303,252		283,303,252	283,303,252		283,303,252	
Redemption of Shares				(9,800,000)	(247,834,942)		(247,834,942)	(247,834,942)		(247,834,942)	
Net Income (Loss)											
Net investment income (loss)			(2)	(2)		(5,315,477)	(5,315,477)	(5,315,479)	(2)	(5,315,481)	
Net realized gain (loss) on United States Treasury Obligations and Futures			(16)	(16)		(41,504,044)	(41,504,044)	(41,504,060)	(16)	(41,504,076)	
Net change in unrealized gain (loss) on United States Treasury Obligations and Futures			(70)	(70)		(173,166,473)	(173,166,473)	(173,166,543)	(70)	(173,166,613)	
Net Income (Loss)			(88)	(88)		(219,985,994)	(219,985,994)	(219,986,082)	(88)	(219,986,170)	
Balance at March 31, 2010	40	\$ 1,000	\$ (31)	\$ 969	96,200,000	\$ 2,834,202,662	\$ (503,020,621)	\$ 2,331,182,041	\$ 969	\$ 2,331,183,979	

See accompanying notes to unaudited financial statements.

Table of Contents*PowerShares DB Agriculture Fund**Unaudited Statement of Cash Flows**For the Three Months Ended March 31, 2011 and 2010*

	Three Months Ended	
	March 31, 2011	March 31, 2010
Cash flows from operating activities:		
Net Income (Loss)	\$ 164,154,281	\$ (219,986,170)
Adjustments to reconcile net income (loss) to net cash provided by (used for) operating activities:		
Cost of securities purchased	(3,943,590,184)	(2,312,384,988)
Proceeds from securities sold and matured	2,703,878,542	2,243,890,994
Net accretion of discount on United States Treasury Obligations	(1,070,615)	(373,372)
Net realized (gain) loss on United States Treasury Obligations	(23,885)	(898)
Net change in unrealized (gain) loss on United States Treasury Obligations and futures	84,714,649	173,166,830
Change in operating receivables and liabilities:		
Payable for securities purchased	60,987,038	30,989,029
Payable to broker	(42,559,235)	(128,609)
Management fee payable	891,386	152,101
Brokerage fee payable	554,889	(6,889)
Net cash provided by (used for) operating activities	(972,063,134)	(84,681,972)
Cash flows from financing activities:		
Proceeds from sale of Shares	1,506,219,118	283,303,252
Receivable for shares issued	(61,590,420)	
Redemption of Shares	(434,286,106)	(247,834,942)
Net cash provided by (used for) financing activities	1,010,342,592	35,468,310
Net change in cash held by broker	38,279,458	(49,213,662)
Cash held by broker at beginning of period		241,997,015
Cash held by broker at end of period	\$ 38,279,458	\$ 192,783,353

See accompanying notes to unaudited financial statements.

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PowerShares DB Agriculture Fund

Notes to Unaudited Financial Statements

March 31, 2011

(1) Organization

PowerShares DB Agriculture Fund (the Fund), a separate series of PowerShares DB Multi-Sector Commodity Trust (the Trust), a Delaware statutory trust organized in seven separate series, was formed on August 3, 2006. DB Commodity Services LLC, a Delaware limited liability company (DBCS or the Managing Owner), seeded the Fund with a capital contribution of \$1,000 in exchange for 40 General Shares of the Fund. The fiscal year end of the Fund is December 31st. The term of the Fund is perpetual (unless terminated earlier in certain circumstances) as provided for in the Second Amended and Restated Declaration of Trust and Trust Agreement of the Trust (the Trust Agreement).

The Fund was originally formed as a master-feeder structure. Prior to the close of business on December 31, 2010, the master-feeder structure was collapsed. As a result of the collapse of the master-feeder structure, on December 31, 2010, the Managing Owner's and Fund's interests in the DB Agriculture Master Fund (the Master Fund) were redeemed for all assets and liabilities held by the Master Fund. Hereafter, all references to the Fund either represent the structure in place as of December 31, 2010 or the structure in place prior to such date whereby the financial statements reflect the consolidation of the Master Fund. The collapse of the master-feeder structure had no impact on a Shareholder's net asset value or results of operations for the Fund.

The Fund offers common units of beneficial interest (the Shares) only to certain eligible financial institutions (the Authorized Participants) in one or more blocks of 200,000 Shares, called a Basket. The Fund commenced investment operations on January 3, 2007. The Fund commenced trading on the American Stock Exchange (now known as the NYSE Alternext US LLC (the NYSE Alternext)) on January 5, 2007 and, as of November 25, 2008, is listed on the NYSE Arca, Inc. (the NYSE Arca).

This report covers the three months ended March 31, 2011 and 2010 (hereinafter referred to as the Three Months Ended March 31, 2011 and the Three Months Ended March 31, 2010, respectively).

(2) Fund Investment Overview

During the period from January 3, 2007 (commencement of investment operations) to October 19, 2009, the Fund invested with a view to tracking the changes, whether positive or negative, in the level of the Deutsche Bank Liquid Commodity Index Optimum Yield Agriculture Excess Return (DBLCI-OY Agriculture ER) plus the excess, if any, of the Fund's interest income from its holdings of United States Treasury Obligations and other high credit quality short-term fixed income securities over the expenses of the Fund. The commodities comprising the DBLCI-OY Agriculture ER are Corn, Wheat, Soybeans and Sugar. From October 19, 2009 to December 31, 2010, the Fund invested with a view to tracking the changes, whether positive or negative, in the level of the Deutsche Bank Liquid Commodity Index Diversified Agriculture Excess Return (the Interim Index) plus the excess, if any, of the Fund's income from its holdings of United States Treasury Obligations and other high credit quality short-term fixed income securities over the expenses of the Fund. After December 31, 2010, the Fund commenced tracking the DBIQ Diversified Agriculture Index Excess ReturnTM (the Index). The Fund's Interim Index is identical to the Index except with respect to the name change. The Index is intended to reflect the change in market value of the agricultural sector. The commodities comprising the Index are Corn, Soybeans, Wheat, Kansas City Wheat, Sugar, Cocoa, Coffee, Cotton, Live Cattle, Feeder Cattle and Lean Hogs (the Index Commodities). The Fund also holds United States Treasury Obligations and other high credit quality short-term fixed income securities for deposit with the Fund's commodity broker as margin.

The Commodity Futures Trading Commission (the CFTC) and/or commodity exchanges, as applicable, impose position limits on market participants trading in all eleven commodities included in the Index. The Index is comprised of futures contracts on the Index Commodities that expire in a specific month and trade on a specific exchange (the Index Contracts). As disclosed in the Fund's Prospectus, if the Managing Owner determines in its commercially reasonable judgment that it has become impracticable or inefficient for any reason for the Fund to gain full or partial exposure to any Index Commodity by investing in a specific Index Contract, the Fund may invest in a futures contract referencing the particular Index Commodity other than the Index Contract or, in the alternative, invest in other futures contracts not based on the particular Index Commodity if, in the commercially reasonable judgment of the Managing Owner, such futures contracts tend to exhibit trading prices that correlate with such Index Commodity. Because the Fund is approaching or has reached position limits with respect to certain futures contracts comprising the Index, the Fund has commenced investing in other futures contracts based on commodities that comprise the Fund's Index and in futures contracts based on commodities other than commodities that comprise the Fund's Index.

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The Fund also holds United States Treasury Obligations and other high credit quality short-term fixed income securities for deposit with the Fund's commodity broker as margin. Please see <http://dbfunds.db.com/dba/weights.aspx> with respect to the most recently available weighted composition of the Fund and <http://dbfunds.db.com/dba/index.aspx> with respect to the composition of the Index on the Base Date.

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The Fund does not employ leverage. As of March 31, 2011 and December 31, 2010, the Fund had \$3,951,478,625 (or 98.47%) and \$2,757,107,674 (or 100%), respectively, of its holdings of cash, United States Treasury Obligations and unrealized appreciation/depreciation on futures contracts on deposit with its Commodity Broker. Of this, \$274,914,275 (or 6.96%) and \$197,281,943 (or 7.16%), respectively, of the Fund's holdings of cash and United States Treasury Obligations are required to be deposited as margin in support of the Fund's long futures positions as of March 31, 2011 and December 31, 2010. For additional information, please see the unaudited Schedule of Investments as of March 31, 2011 and the audited Schedule of Investments as of December 31, 2010 for details of the Fund's portfolio holdings.

DBLCI, DBIQ and Deutsche Bank Liquid Commodity Index are trademarks of Deutsche Bank AG London (the Index Sponsor). Trademark applications in the United States are pending with respect to both the Trust and aspects of the Index. The Trust, the Fund and the Managing Owner have been licensed by the Index Sponsor to use the above noted trademarks. Deutsche Bank AG London is an affiliate of the Trust, the Fund and the Managing Owner.

(3) Service Providers and Related Party Agreements

The Trustee

Under the Trust Agreement, Wilmington Trust Company, the trustee of the Fund (the Trustee) has delegated to the Managing Owner the exclusive management and control of all aspects of the business of the Trust and the Fund. The Trustee will have no duty or liability to supervise or monitor the performance of the Managing Owner, nor will the Trustee have any liability for the acts or omissions of the Managing Owner.

The Managing Owner

The Managing Owner serves the Fund as commodity pool operator, commodity trading advisor and managing owner, and is an indirect wholly-owned subsidiary of Deutsche Bank AG. During the Three Months Ended March 31, 2011 and 2010, the Fund incurred Management Fees of \$7,091,062 and \$5,235,667, respectively. As of March 31, 2011 and December 31, 2010, Management Fees payable to the Managing Owner were \$2,724,824 and \$1,833,438, respectively.

The Commodity Broker

Deutsche Bank Securities Inc., a Delaware corporation, serves as the Fund's clearing broker (the Commodity Broker). The Commodity Broker is also an indirect wholly-owned subsidiary of Deutsche Bank AG and is an affiliate of the Managing Owner. In its capacity as clearing broker, the Commodity Broker executes and clears each of the Fund's futures transactions and performs certain administrative and custodial services for the Fund. As custodian of the Fund's assets, the Commodity Broker is responsible, among other things, for providing periodic accountings of all dealings and actions taken by the Trust on behalf of the Fund during the reporting period, together with an accounting of all securities, cash or other indebtedness or obligations held by it or its nominees for or on behalf of the Fund. During the Three Months Ended March 31, 2011 and 2010, the Fund incurred brokerage fees of \$1,169,788 and \$452,431, respectively. As of March 31, 2011 and December 31, 2010, brokerage fees payable were \$560,682 and \$5,793, respectively.

The Administrator

The Bank of New York Mellon (the Administrator) has been appointed by the Managing Owner as the administrator, custodian and transfer agent of the Fund, and has entered into separate administrative, custodian, transfer agency and service agreements (collectively referred to as the Administration Agreement).

Pursuant to the Administration Agreement, the Administrator performs or supervises the performance of services necessary for the operation and administration of the Fund (other than making investment decisions), including receiving and processing orders from Authorized Participants to create and redeem Baskets, net asset value calculations, accounting and other fund administrative services. The Administrator retains certain financial books and records, including: Basket creation and redemption books and records, fund accounting records, ledgers with respect to assets, liabilities, capital, income and expenses, the registrar, transfer journals and related details, and trading and related documents received from futures commission merchants.

The Distributor

ALPS Distributors, Inc. (the Distributor) provides certain distribution services to the Fund. Pursuant to the Distribution Services Agreement among the Managing Owner in its capacity as managing owner of the Fund, the Fund and the Distributor, the Distributor assists the Managing Owner and the Administrator with certain functions and duties relating to distribution and marketing services to the Fund including reviewing

and approving marketing materials.

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Invesco PowerShares Capital Management LLC

Under the License Agreement among Invesco PowerShares Capital Management LLC (the Licensor) and the Managing Owner in its own capacity and in its capacity as managing owner of the Fund (the Fund and the Managing Owner, collectively, the Licensees), the Licensor granted to each Licensee a non-exclusive license to use the PowerShare® trademark (the Trademark) anywhere in the world, solely in connection with the marketing and promotion of the Fund and to use or refer to the Trademark in connection with the issuance and trading of the Fund as necessary.

Invesco Aim Distributors, Inc.

Through a marketing agreement between the Managing Owner and Invesco Aim Distributors, Inc. (Invesco Aim Distributors), an affiliate of Invesco PowerShares Capital Management LLC (Invesco PowerShares), the Managing Owner, on behalf of the Fund, has appointed Invesco Aim Distributors as a marketing agent. Invesco Aim Distributors assists the Managing Owner and the Administrator with certain functions and duties such as providing various educational and marketing activities regarding the Fund, primarily in the secondary trading market, which activities include, but are not limited to, communicating the Fund's name, characteristics, uses, benefits, and risks, consistent with the prospectus. Invesco Aim Distributors will not open or maintain customer accounts or handle orders for the Fund. Invesco Aim Distributors engages in public seminars, road shows, conferences, media interviews, and distributes sales literature and other communications (including electronic media) regarding the Fund.

(4) Summary of Significant Accounting Policies

(a) Basis of Presentation

The financial statements of the Fund have been prepared using U.S. generally accepted accounting principles and include the financial statements of the Fund and the Master Fund when applicable. As described in footnote 1, the Fund was originally formed as a master-feeder structure and such structure was collapsed on December 31, 2010. The financial statements reflect consolidation of the Master Fund for all periods presented prior to December 31, 2010. Upon the initial offering of the Shares on January 3, 2007, the capital raised by the Fund was used to purchase 100% of the common units of beneficial interest of the Master Fund (the Master Fund Limited Units) (excluding common units of beneficial interest of the Master Fund held by the Managing Owner (the Master Fund General Units)). The Master Fund Limited Units owned by the Fund provided the Fund and its investors certain controlling rights and abilities over the Master Fund. Consequently, the financial statement balances of the Master Fund have been consolidated with the Fund's financial statement balances for the periods described previously, and all significant inter-company balances and transactions have been eliminated.

(b) Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and related disclosure of contingent assets and liabilities during the reporting period of the financial statements and accompanying notes. Actual results could differ from those estimates.

(c) Financial Instruments and Fair Value

United States Treasury Obligations and commodity futures contracts are recorded in the statements of financial condition on a trade date basis at fair value with changes in fair value recognized in earnings in each period. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price).

Financial Accounting Standards Board (FASB) fair value measurement and disclosure guidance requires a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Basis of Fair Value Measurement

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

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Level 2: Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly;

Level 3: Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

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A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

In determining fair value of United States Treasury Obligations and commodity futures contracts, the Fund uses unadjusted quoted market prices in active markets. United States Treasury Obligations and commodity futures contracts are classified within Level 1 of the fair value hierarchy. The Fund does not adjust the quoted prices for United States Treasury Obligations and commodity futures contracts.

(d) Deposits with Broker

The Fund deposits cash and United States Treasury Obligations with its Commodity Broker subject to CFTC regulations and various exchange and broker requirements. The combination of the Fund's deposits with its Commodity Broker of cash and United States Treasury Obligations and the unrealized profit or loss on open futures contracts (variation margin) represents the Fund's overall equity in its broker trading account. To meet the Fund's initial margin requirements, the Fund holds United States Treasury Obligations. The Fund uses its cash held by the Commodity Broker to satisfy variation margin requirements. The Fund earns interest on its cash deposited with the Commodity Broker.

(e) United States Treasury Obligations

The Fund records purchases and sales of United States Treasury Obligations on a trade date basis. These holdings are marked to market based on quoted market closing prices. The Fund holds United States Treasury Obligations for deposit with the Fund's Commodity Broker to meet margin requirements and for trading purposes. Interest income is recognized on an accrual basis when earned. Premiums and discounts are amortized or accreted over the life of the United States Treasury Obligations. Included in the United States Treasury Obligations as of March 31, 2011 and December 31, 2010 were holdings of \$274,914,275 and \$197,281,943, respectively, which were restricted and held against initial margin of the open futures contracts. The Fund purchased \$61,000,000 notional amount of United States Treasury Obligations which was unpaid as of March 31, 2011. As a result a payable for securities purchased is reported for \$60,987,038. There was no payable for securities purchased balance as of December 31, 2010.

(f) Cash Held by Broker

The Fund's arrangement with the Commodity Broker requires the Fund to meet its variation margin requirement related to the price movements, both positive and negative, on futures contracts held by the Fund by keeping cash on deposit with the Commodity Broker. The Fund defines cash and cash equivalents to be highly liquid investments, with original maturities of three months or less when purchased. As of March 31, 2011, the Fund held cash by the Commodity Broker of \$38,279,458. As of December 31, 2010 the Fund held no cash. There were no cash equivalents held by the Fund as of March 31, 2011 and December 31, 2010.

(g) Payable to Broker

Balances in the Fund's variation margin account that are in excess of minimums required by the CFTC regulations and various exchanges and the Commodity Broker requirements, are available to the Fund. As of March 31, 2011, the Fund did not have an amount payable to Broker. As of December 31, 2010, the futures contracts held by the Fund were in an unrealized appreciation position of \$370,363,896, of which the Fund utilized \$42,559,235 to purchase United States Treasury Obligations.

(h) Income Taxes

The Fund is classified as a partnership for U.S. federal income tax purposes. Accordingly, the Fund will not incur U.S. federal income taxes. No provision for federal, state, and local income taxes has been made in the accompanying financial statements, as investors are individually liable for income taxes, if any, on their allocable share of the Fund's income, gain, loss, deductions and other items.

The major tax jurisdiction for the Fund and the earliest tax year subject to examination: United States 2007.

(i) Futures Contracts

All commodity futures contracts are held and used for trading purposes. The commodity futures are recorded on a trade date basis and open contracts are recorded in the statement of financial condition at fair value on the last business day of the period, which represents market value for those commodity futures for which market quotes are readily available. However, when market closing prices are not available, the Managing Owner may value an asset of the Fund pursuant to policies the Managing Owner has adopted, which are consistent with normal

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industry standards. Realized gains (losses) and changes in unrealized appreciation (depreciation) on open positions are determined on a specific identification basis and recognized in the statement of income and expenses in the period in which the contract is closed or the changes occur, respectively. As of March 31, 2011 and December 31, 2010, the futures contracts held by the Fund were in a net unrealized appreciation position of \$285,468,609 and \$370,363,896, respectively.

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(j) Management Fee

The Fund pays the Managing Owner a management fee (the Management Fee), monthly in arrears, in an amount equal to 0.85% per annum of the daily net asset value of the Fund. The Management Fee is paid in consideration of the Managing Owner's commodity futures trading advisory services.

(k) Brokerage Commissions and Fees

The Fund incurs all brokerage commissions, including applicable exchange fees, NFA fees, give-up fees, pit brokerage fees and other transaction related fees and expenses charged in connection with trading activities by the Commodity Broker. These costs are recorded as brokerage commissions and fees in the statement of income and expenses as incurred. The Commodity Broker's brokerage commissions and trading fees are determined on a contract-by-contract basis. On average, total charges paid to the Commodity Broker were less than \$10.00 per round-turn trade for the Three Months Ended March 31, 2011 and 2010.

(l) Routine Operational, Administrative and Other Ordinary Expenses

The Managing Owner assumes all routine operational, administrative and other ordinary expenses of the Fund, including, but not limited to, computer services, the fees and expenses of the Trustee, legal and accounting fees and expenses, tax preparation expenses, filing fees and printing, mailing and duplication costs. Accordingly, all such expenses are not reflected in the statement of income and expenses of the Fund.

(m) Organizational and Offering Costs

All organizational and offering expenses of the Fund are incurred and assumed by the Managing Owner. The Fund is not responsible to the Managing Owner for the reimbursement of organizational and offering costs. Expenses incurred in connection with the continuous offering of Shares also will be paid by the Managing Owner.

(n) Non-Recurring and Unusual Fees and Expenses

The Fund pays all fees and expenses which are non-recurring and unusual in nature. Such expenses include legal claims and liabilities, litigation costs or indemnification or other unanticipated expenses. Such fees and expenses, by their nature, are unpredictable in terms of timing and amount. For the Three Months Ended March 31, 2011 and 2010, the Fund did not incur such expenses.

(5) Fair Value Measurements

The Fund's assets and liabilities recorded at fair value have been categorized based upon the fair value hierarchy discussed in Note 4(c).

Assets and Liabilities Measured at Fair Value were as follows:

	March 31, 2011	December 31, 2010
United States Treasury Obligations (Level 1)	\$ 3,627,730,558	\$ 2,386,743,778
Commodity Futures Contracts (Level 1)	\$ 285,468,609	\$ 370,363,896

There were no Level 2 or Level 3 holdings as of March 31, 2011 and December 31, 2010.

(6) Financial Instrument Risk

In the normal course of its business, the Fund is party to financial instruments with off-balance sheet risk. The term off-balance sheet risk refers to an unrecorded potential liability that, even though it does not appear on the balance sheet, may result in a future obligation or loss. The financial instruments used by the Fund are commodity futures, whose values are based upon an underlying asset and generally represent future commitments that have a reasonable possibility of being settled in cash or through physical delivery. The financial instruments are traded on an exchange and are standardized contracts.

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Market risk is the potential for changes in the value of the financial instruments traded by the Fund due to market changes, including fluctuations in commodity prices. In entering into these futures contracts, there exists a market risk that such futures contracts may be significantly influenced by adverse market conditions, resulting in such futures contracts being less valuable. If the markets should move against all of the futures contracts at the same time, the Fund could experience substantial losses.

Credit risk is the possibility that a loss may occur due to the failure of an exchange clearinghouse to perform according to the terms of a futures contract. Credit risk with respect to exchange-traded instruments is reduced to the extent that an exchange or clearing organization acts as a counterparty to the transactions. The Fund's risk of loss in the event of counterparty default is typically

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limited to the amounts recognized in the statement of financial condition and not represented by the futures contract or notional amounts of the instruments.

The Fund has not utilized, nor does it expect to utilize in the future, special purpose entities to facilitate off-balance sheet financing arrangements and has no loan guarantee arrangements or off-balance sheet arrangements of any kind, other than agreements entered into in the normal course of business noted above.

(7) Share Purchases and Redemptions

(a) Purchases

Shares may be purchased from the Fund only by Authorized Participants in one or more blocks of 200,000 Shares, called a Basket. The Fund issues Shares in Baskets only to Authorized Participants continuously as of noon, New York time, on the business day immediately following the date on which a valid order to create a Basket is accepted by the Fund, at the net asset value of 200,000 Shares as of the closing time of the NYSE Arca or the last to close of the exchanges on which the Fund's assets are traded, whichever is later, on the date that a valid order to create a Basket is accepted by the Fund.

(b) Redemptions

On any business day, an Authorized Participant may place an order with the Managing Owner to redeem one or more Baskets. Redemption orders must be placed by 10:00 a.m., New York time. The day on which the Managing Owner receives a valid redemption order is the redemption order date. Redemption orders are irrevocable. The redemption procedures allow Authorized Participants to redeem Baskets. Individual shareholders may not redeem directly from the Fund.

By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to be redeemed through The Depository Trust Company's (the "DTC") book-entry system to the Fund not later than noon, New York time, on the business day immediately following the redemption order date. By placing a redemption order, and prior to receipt of the redemption proceeds, an Authorized Participant's DTC account is charged the non-refundable transaction fee due for the redemption order.

The redemption proceeds from the Fund consist of the cash redemption amount. The cash redemption amount is equal to the net asset value of the number of Basket(s) requested in the Authorized Participant's redemption order as of the closing time of the NYSE Arca or the last to close of the exchanges on which the Fund's assets are traded, whichever is later, on the redemption order date. The Fund will distribute the cash redemption amount at noon, New York time, on the business day immediately following the redemption order date through DTC to the account of the Authorized Participant as recorded on DTC's book-entry system.

The redemption proceeds due from the Fund are delivered to the Authorized Participant at noon, New York time, on the business day immediately following the redemption order date if, by such time on such business day immediately following the redemption order date, the Fund's DTC account has been credited with the Baskets to be redeemed. If the Fund's DTC account has not been credited with all of the Baskets to be redeemed by such time, the redemption proceeds are delivered to the extent of whole Baskets received. Any remainder of the redemption proceeds are delivered on the next business day to the extent of remaining whole Baskets received if the Managing Owner receives the fee applicable to the extension of the redemption distribution date which the Managing Owner may, from time-to-time, determine and the remaining Baskets to be redeemed are credited to the Fund's DTC account by noon, New York time, on such next business day. Any further outstanding amount of the redemption order will be canceled. The Managing Owner is also authorized to deliver the redemption proceeds notwithstanding that the Baskets to be redeemed are not credited to the Fund's DTC account by noon, New York time, on the business day immediately following the redemption order date if the Authorized Participant has collateralized its obligation to deliver the Baskets through DTC's book-entry system on such terms as the Managing Owner may from time-to-time agree upon.

Table of Contents**(c) Share Transactions**Summary of Share Transactions for the Three Months Ended March 31, 2011 and 2010

	Shares		Paid in Capital	
	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010	Three Months Ended March 31, 2011	Three Months Ended March 31, 2010
Shares Sold	44,200,000	10,800,000	\$ 1,506,219,118	\$ 283,303,252
Shares Redeemed	(12,600,000)	(9,800,000)	(434,286,106)	(247,834,942)
Net Increase/(Decrease)	31,600,000	1,000,000	\$ 1,071,933,012	\$ 35,468,310

(8) Profit and Loss Allocations and Distributions

Pursuant to the Trust Agreement, income and expenses are allocated *pro rata* to the Managing Owner as holder of the General Shares and to the Shareholders monthly based on their respective percentage interests as of the close of the last trading day of the preceding month. Any losses allocated to the Managing Owner (as the owner of the General Shares) which are in excess of the Managing Owner's capital balance are allocated to the Shareholders in accordance with their respective interest in the Fund as a percentage of total shareholders' equity. Distributions (other than redemption of units) may be made at the sole discretion of the Managing Owner on a *pro rata* basis in accordance with the respective capital balances of the shareholders.

(9) Commitments and Contingencies

The Managing Owner, either in its own capacity or in its capacity as the Managing Owner and on behalf of the Fund, has entered into various service agreements that contain a variety of representations, or provide indemnification provisions related to certain risks service providers undertake in performing services which are in the best interests of the Fund. As of March 31, 2011, no claims had been received by the Fund and it was therefore not possible to estimate the Fund's potential future exposure under such indemnification provisions.

(10) Net Asset Value and Financial Highlights

The Fund is presenting the following net asset value and financial highlights related to investment performance for a Share outstanding for the Three Months Ended March 31, 2011 and 2010. The net investment income and total expense ratios are calculated using average net asset value. The net asset value presentation is calculated using daily Shares outstanding. The net investment income and total expense ratios have been annualized. The total return is based on the change in net asset value of the Shares during the period. An individual investor's return and ratios may vary based on the timing of capital transactions.

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Net asset value per Share is the net asset value of the Fund divided by the number of outstanding Shares.

	Three Months Ended	
	March 31, 2011	March 31, 2010
Net Asset Value		
Net asset value per Share, beginning of period	\$ 32.37	\$ 26.43
Net realized and change in unrealized gain (loss) on United States Treasury Obligations, Futures and Foreign Currency Translation	1.92	(2.15)
Net investment income (loss)	(0.07)	(0.05)
Net income (loss)	1.85	(2.20)
Net asset value per Share, end of period	\$ 34.22	\$ 24.23
Market value per Share, beginning of period	\$ 32.35	\$ 26.44
Market value per Share, end of period	\$ 34.23	\$ 24.22
Ratio to average Net Assets*		
Net investment income (loss)	(0.86)%	(0.86)%
Total expenses	0.98%	0.92%
Total Return, at net asset value**	5.72%	(8.32)%
Total Return, at market value**	5.81%	(8.40)%

* Percentages are annualized.

** Percentages are not annualized.

(11) Subsequent Events

The Fund evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. This evaluation did not result in any subsequent events that necessitated disclosures and/or adjustments.

Table of Contents**ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

This information should be read in conjunction with the financial statements and notes included in Item 1 of Part I of this Quarterly Report (the Report). The discussion and analysis which follows may contain trend analysis and other forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934 which reflect our current views with respect to future events and financial results. Words such as anticipate, expect, intend, plan, believe, seek, outlook and estimate, as well as similar words and phrases, signify forward-looking statements. PowerShares DB Agriculture Fund's forward-looking statements are not guarantees of future results and conditions and important factors, risks and uncertainties may cause our actual results to differ materially from those expressed in our forward-looking statements.

You should not place undue reliance on any forward-looking statements. Except as expressly required by the Federal securities laws, DB Commodity Services LLC (the Managing Owner), undertakes no obligation to publicly update or revise any forward-looking statements or the risks, uncertainties or other factors described in this Report, as a result of new information, future events or changed circumstances or for any other reason after the date of this Report.

Overview/Introduction

Prior to the close of business on December 31, 2010, the Fund invested substantially all of its assets in the DB Agriculture Master Fund (the Master Fund), a series of the DB Multi-Sector Commodity Trust (the Master Trust). After the determination of the net asset value of the Master Fund on December 31, 2010, the Master Fund transferred and distributed all of its assets and liabilities and terminated. Effective January 1, 2011, the reorganized Fund has performed all of the necessary functions in order to continue normal Fund operations. The collapse of the master-feeder structure had no effect on the operations or processes of the Fund. All reference to historical results of the Fund include results of the Master Fund where the context requires. During the period from January 3, 2007 (commencement of investment operations) to October 19, 2009, the Fund invested with a view to tracking the changes, whether positive or negative, in the level of the Deutsche Bank Liquid Commodity Index Optimum Yield Agriculture Excess Return (DBLCI-OY Agriculture ER) plus the excess, if any, of the Fund's interest income from its holdings of United States Treasury Obligations and other high credit quality short-term fixed income securities over the expenses of the Fund. The commodities comprising the DBLCI-OY Agriculture ER are Corn, Wheat, Soybeans and Sugar. From October 19, 2009 to December 31, 2010, the Fund invested with a view to tracking the changes, whether positive or negative, in the level of the Deutsche Bank Liquid Commodity Index Diversified Agriculture Excess Return (the Interim Index) plus the excess, if any, of the Fund's income from its holdings of United States Treasury Obligations and other high credit quality short-term fixed income securities over the expenses of the Fund. After December 31, 2010, the Fund commenced tracking the DBIQ Diversified Agriculture Index Excess Return™ (the Index). The Fund's Interim Index is identical to the Index except with respect to the name change. The Index is intended to reflect the change in market value of the agricultural sector. The commodities comprising the Index are Corn, Soybeans, Wheat, Kansas City Wheat, Sugar, Cocoa, Coffee, Cotton, Live Cattle, Feeder Cattle and Lean Hogs (the Index Commodities). The Fund pursues its investment objective by investing in a portfolio of exchange traded futures contracts that expire in a specific month and trade on a specific exchange in the commodities comprising the Index. The Fund also holds United States Treasury Obligations and other high credit quality short-term fixed income securities for deposit with the Fund's commodity broker as margin.

DBLCI, DBIQ and Deutsche Bank Liquid Commodity Index are trademarks of Deutsche Bank AG London (the Index Sponsor). Trademark applications in the United States are pending with respect to both the Trust and aspects of the Index. The Trust, the Fund and the Managing Owner have been licensed by the Index Sponsor to use the above noted trademarks. Deutsche Bank AG London is an affiliate of the Trust, the Fund and the Managing Owner.

The notional amount of each Index Commodity included in the Index is intended to reflect the changes in market value of each such Index Commodity within the Index. The closing level of the Index is calculated on each business day by the Index Sponsor based on the closing price of the futures contracts for each of the underlying Index Commodities and the notional amounts of such Index Commodities.

The Index is rebalanced annually in November to ensure that each of the Index Commodities is weighted in the same proportion that such Index Commodities were weighted on January 18, 1989 (the Base Date). The following table reflects the index base weights (the Index Base Weights) of each Index Commodity on the Base Date:

Index Commodity	Index Base Weight (%)
Corn	12.50
Soybeans	12.50
Wheat	6.25

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Kansas City Wheat	6.25
Sugar	12.50
Cocoa	11.11

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Index Commodity	Index Base Weight (%)
Coffee	11.11
Cotton	2.78
Live Cattle	12.50
Feeder Cattle	4.17
Lean Hogs	8.33
Closing Level on Base Date:	100.00

The composition of the Index may be adjusted in the event that the Index Sponsor is not able to calculate the closing prices of the Index Commodities.

The following table reflects the Fund weights of each Index Commodity as of March 31, 2011:

Index Commodity	Fund Weight (%)
Corn	10.36
Soybeans	10.45
Wheat	5.57
Kansas City Wheat	6.23
Sugar	10.67
Cocoa	10.34
Coffee	12.37
Cotton	3.56
Live Cattle	12.59
Feeder Cattle	4.52
Lean Hogs	8.67
Soybean Meal	2.29
Soybean Oil	2.38
Closing Level as of March 31, 2011:	100.00

The Index includes provisions for the replacement of futures contracts as they approach maturity. This replacement takes place over a period of time in order to lessen the impact on the market for the futures contracts being replaced. With respect to each Index Commodity, the Fund employs a rule-based approach when it rolls from one futures contract to another. The Index replaces the underlying futures contracts on either an optimum yield basis or on a non optimum yield basis. The Index Commodities that are rolled on an optimum yield basis are Corn, Soybeans, Wheat, Kansas City Wheat and Sugar (each, an OY Index Commodity, collectively, the OY Index Commodities). The Index Commodities that are rolled on a non-optimum yield basis are Cocoa, Coffee, Cotton, Live Cattle, Feeder Cattle and Lean Hogs (each, a Non-OY Index Commodity, collectively, the Non-OY Index Commodities).

Rather than select a new futures contract based on a predetermined schedule (e.g., monthly), each OY Index Commodity rolls to the futures contract which generates the best possible implied roll yield. The futures contract with a delivery month within the next thirteen months which generates the best possible implied roll yield will be included in the Index. As a result, each OY Index Commodity is able to potentially maximize the roll benefits in backwardated markets and minimize the losses from rolling in contangoed markets.

Each of the futures contracts with respect to the Non-OY Index Commodities rolls only to the next to expire futures contract as provided below under Contract Selection (Non-OY Index Commodities only).

In general, as a futures contract approaches its expiration date, its price will move towards the spot price in a contangoed market. Assuming the spot price does not change, this would result in the futures contract price decreasing and a negative implied roll yield. The opposite is true in a backwardated market. Rolling in a contangoed market will tend to cause a drag on an Index Commodity's contribution to the Fund's return while rolling in a backwardated market will tend to cause a push on an Index Commodity's contribution to the Fund's return.

If the Managing Owner determines in its commercially reasonable judgment that it has become impracticable or inefficient for any reason for the Fund to gain full or partial exposure to any Index Commodity by investing in a specific futures contract that is a part of the Index, the Fund may

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invest in a futures contract referencing the particular Index Commodity other than the specific contract that is a part of the Index or, in the alternative, invest in other futures contracts not based on the particular Index Commodity if, in the commercially reasonable judgment of the Managing Owner, such futures contracts tend to exhibit trading prices that correlate with a

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futures contract that is a part of the Index. Please see <http://dbfunds.db.com/dba/weights.aspx> with respect to the most recently available weighted composition of the Fund and <http://dbfunds.db.com/dba/index.aspx> with respect to the composition of the Fund's index on the Base Date.

The DBIQ Diversified Agriculture Index is calculated in USD on both an excess return (unfunded) and total return (funded) basis.

The futures contract price for each Index Commodity will be the exchange closing price for such Index Commodity on each weekday when banks in New York, New York, are open (the Index Business Days). If a weekday is not an Exchange Business Day (as defined in the following sentence) but is an Index Business Day, the exchange closing price from the previous Index Business Day will be used for each Index Commodity. Exchange Business Day means, in respect of an Index Commodity, a day that is a trading day for such Index Commodity on the relevant exchange (unless either an Index disruption event or force majeure event has occurred).

Contract Selection (OY Index Commodity only)

On the first New York business day (the Verification Date) of each month, each OY Index Commodity futures contract will be tested in order to determine whether to continue including it in the Index. If the OY Index Commodity futures contract requires delivery of the underlying commodity in the next month, known as the Delivery Month, a new OY Index Commodity futures contract will be selected for inclusion in the Index. For example, if the first New York business day is October 1, 2011, and the Delivery Month of the OY Index Commodity futures contract currently in such Index is November 2011, a new OY Index Commodity futures contract with a later Delivery Month will be selected.

For each underlying OY Index Commodity of the Index, the new OY Index Commodity futures contract selected will be the OY Index Commodity futures contract with the best possible implied roll yield based on the closing price for each eligible OY Index Commodity futures contract. Eligible OY Index Commodity futures contracts are any OY Index Commodity futures contracts having a Delivery Month (i) no sooner than the month after the Delivery Month of the OY Index Commodity futures contract currently in such Index, and (ii) no later than the 13th month after the Verification Date. For example, if the first New York business day is October 1, 2011 and the Delivery Month of an OY Index Commodity futures contract currently in the Index is November 2011, the Delivery Month of an eligible new OY Index Commodity futures contract must be between December 2011 and October 2012. The implied roll yield is then calculated and the futures contract on the OY Index Commodity with the best possible implied roll yield is then selected. If two futures contracts have the same implied roll yield, the futures contract with the minimum number of months prior to the Delivery Month is selected.

After selection of the replacement futures contract, each OY Index Commodity futures contract will be rolled as provided in the sub-paragraph Monthly Index Roll Period with respect to both OY Index Commodities and Non-OY Index Commodities.

Contract Selection (the Non-OY Commodities only)

On the first Index Business Day of each month, a new Non-OY Commodity futures contract will be selected to replace the old Non-OY Commodity futures contract. The new Non-OY Commodity futures contract selected is as provided in the following schedule:

Exchange		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Contract	(Symbol)												
Cocoa	ICE-US (CC)	H	K	K	N	N	U	U	Z	Z	Z	H	H
Coffee	ICE-US (KC)	H	K	K	N	N	U	U	Z	Z	Z	H	H
Cotton	ICE-US (CT)	H	K	K	N	N	Z	Z	Z	Z	Z	H	H
Live Cattle	CME (LC)	J	J	M	M	Q	Q	V	V	Z	Z	G	G
Feeder Cattle	CME (FC)	H	J	K	Q	Q	Q	U	V	X	F	F	H
Lean Hogs	CME (LH)	J	J	M	M	N	Q	V	V	Z	Z	G	G

Month Letter Codes	
Month	Letter Code
January	F
February	G

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March	H
April	J
May	K
June	M
July	N
August	Q
September	U
October	V

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Month	Month Letter Codes	Letter Code
November		X
December		Z

After selection of the replacement futures contract, each Non-OY Index Commodity futures contract will be rolled as provided in the sub-paragraph Monthly Index Roll Period with respect to both OY Index Commodities and Non-OY Index Commodities.

Monthly Index Roll Period with respect to both the OY Index Commodities and the Non-OY Index Commodities

After the futures contract selection with respect to both the OY Index Commodities and the Non-OY Index Commodities, the monthly roll for each Index Commodity subject to a roll in that particular month unwinds the old futures contract and enters a position in the new futures contract. This takes place between the 2nd and 6th Index Business Day of the month.

On each day during the roll period, new notional holdings are calculated. The calculations for the futures contracts on the old Index Commodities that are leaving the Index and the futures contracts on the new Index Commodities are then calculated.

On all days that are not monthly index roll days, the notional holdings of each Index Commodity future remains constant.

The Index is re-weighted on an annual basis on the 6th Index Business Day of each November.

The calculation of the Index is expressed as the weighted average return of the Index Commodities.

The Commodity Futures Trading Commission (the CFTC) and commodity exchanges impose position limits on market participants trading in all eleven commodities included in the Index.

Under the Second Amended and Restated Declaration of Trust and Trust Agreement of the Trust (the Trust Agreement), Wilmington Trust Company, the Trustee of the Trust, has delegated to the Managing Owner the exclusive management and control of all aspects of the business of the Trust and the Fund. The Trustee will have no duty or liability to supervise or monitor the performance of the Managing Owner, nor will the Trustee have any liability for the acts or omissions of the Managing Owner.

The Index Sponsor obtains information for inclusion in, or for use in the calculation of, the Index from sources the Index Sponsor considers reliable. None of the Index Sponsor, the Managing Owner, the Trust and the Fund, or any of their respective affiliates accepts responsibility for or guarantees the accuracy and/or completeness of the Index or any data included in the Index.

The Shares are intended to provide investment results that generally correspond to the changes, positive or negative, in the levels of the Index over time. The value of the Shares is expected to fluctuate in relation to changes in the value of the Fund's portfolio. The market price of the Shares may not be identical to the net asset value per Share, but these two valuations are expected to be very close.

Margin Calls

Like other futures and derivatives traders, the Fund will be subject to margin calls from time-to-time. The term margin has a different meaning in the context of futures contracts and other derivatives than it does in the context of securities. In particular, margin on a futures position does not constitute a borrowing of money or the collateralization of a loan. The Fund does not borrow money.

To establish a position in an exchange-traded futures contract, the Fund makes a deposit of initial margin. The amount of initial margin required to be deposited in order to establish a position in an exchange-traded futures contract varies from instrument to instrument depending, generally, on the historical volatility of the futures contract in question. Determination of the amount of the required initial margin deposit in respect of a particular contract is made by the exchange on which the contract is listed. To establish a long position in an over-the-counter instrument, the counterparty may require an analogous deposit of collateral, depending upon the anticipated volatility of the instrument and the creditworthiness of the person seeking to establish the position. The deposit of initial margin provides assurance to futures commission merchants and clearing brokers involved in the settlement process that sufficient resources are likely to be on deposit to enable a client's position to be closed by recourse to the initial margin deposit should the client fail to meet a demand for variation margin, even if changes in the value of the contract in question, which are marked to market from day to day, continue to reflect the contract's historical volatility. Collateral deposited in support of an over-the-counter instrument serves a similar purpose.

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Once a position has been established on a futures exchange, variation margin generally is credited or assessed at least daily to reflect changes in the value of the position. In contrast to initial margin, variation margin represents a system of marking to market the futures contract's value. Thus, traders in exchange-traded futures contracts are assessed daily in an amount equal to that

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days accumulated losses in respect of any open position (or are credited daily with accumulated gains in respect of such position). Collateral may move between the parties to an over-the-counter instrument in a similar manner as gains or losses accumulate in the instrument. As with initial margin, variation margin serves to secure the obligations of the investor under the contract and to protect those involved in the settlement process against the possibility that a client will have insufficient resources to meet its contractual obligations. Collateral deposited in support of an over-the-counter instrument serves a similar purpose. Like initial margin (or an equivalent deposit of collateral), variation margin (or an equivalent deposit of collateral) does not constitute a borrowing of money, is not considered to be part of the contract purchase price and is returned upon the contract's termination unless it is used to cover a loss in the contract position. United States Treasury Obligations are used routinely to collateralize OTC derivative positions, and are deposited routinely as margin to collateralize futures positions. The Fund may liquidate United States Treasury Obligations to meet an initial or variation margin requirement.

Performance Summary

This Report covers the three months ended March 31, 2011 and 2010 (hereinafter referred to as the "Three Months Ended March 31, 2011" and the "Three Months Ended March 31, 2010", respectively). The Fund commenced trading on the American Stock Exchange (now known as the NYSE Alternext US LLC (the "NYSE Alternext")) on January 5, 2007, and, as of November 25, 2008, is listed on the NYSE Arca, Inc. (the "NYSE Arca").

Performance of the Fund and the exchange traded Shares are detailed below in "Results of Operations". Past performance of the Fund is not necessarily indicative of future performance.

The Index is intended to reflect the change in market value of the Index Commodities. In turn, the Index is intended to reflect the agriculture sector. The DBIQ Diversified Agriculture Index Total Return (the "DBIQ Diversified Agriculture TR") consists of the Index plus 3-month United States Treasury Obligations returns. Past Index results are not necessarily indicative of future changes, positive or negative, in the Index closing levels.

The section "Summary of DBIQ Diversified Agriculture TR and Underlying Index Commodity Returns for the Three Months Ended March 31, 2011 and the Three Months Ended March 31, 2010" below provides an overview of the changes in the closing levels of DBIQ Diversified Agriculture TR by disclosing the change in market value of each underlying component Index Commodity through a surrogate (and analogous) index plus 3-month United States Treasury Obligations returns. Please note also that the Fund's objective is to track the Index and the Fund does not attempt to outperform or underperform the Index. The Index employs the optimum yield roll method (only with respect to the OY Index Commodities) with the objective of mitigating the negative effects of contango, the condition in which distant delivery prices for futures exceed spot prices, and maximizing the positive effects of backwardation, a condition opposite of contango.

Summary of DBIQ Diversified Agriculture TR and Underlying Index Commodity**Returns for the Three Months Ended March 31, 2011 and the Three Months Ended March 31, 2010**

Underlying Index	AGGREGATE RETURNS FOR INDICES IN THE DBIQ DIVERSIFIED AGRICULTURE TR	
	Three Months	Three Months
	Ended	Ended
	March 31, 2011	March 31, 2010
DB Corn Indices	11.29%	(14.61)%
DB Soybean Indices	6.64%	(9.47)%
DB Wheat Indices	(3.91)%	(18.00)%
DB Kansas City Wheat Indices	6.19%	(15.43)%
DB Sugar Indices	(4.40)%	(28.26)%
DB Cocoa Indices	(3.06)%	(10.74)%
DB Coffee Indices	9.02%	(1.24)%
DB Cotton Indices	40.16%	4.24%
DB Live Cattle Indices	6.34%	5.75%
DB Feeder Cattle Indices	9.73%	14.57%
DB Lean Hogs Indices	8.11%	6.41%

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AGGREGATE RETURNS

5.56%

(8.37)%

If the Fund's interest income from its holdings of fixed income securities were to exceed the Fund's fees and expenses, the aggregate return on an investment in the Fund is expected to outperform the Index and underperform the DBIQ Diversified Agriculture TR . The only difference between the (i) Index (the Excess Return Index) and (ii) the DBIQ Diversified Agriculture

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TR (the Total Return Index) is that the Excess Return Index does not include interest income from a hypothetical basket of fixed income securities while the Total Return Index does include such a component. The difference between the Excess Return Index and the Total Return Index is attributable entirely to the hypothetical interest income from this hypothetical basket of fixed income securities. If the Fund's interest income from its holdings of fixed-income securities exceeds the Fund's fees and expenses, then the amount of such excess is expected to be distributed periodically. The market price of the Shares is expected to closely track the Index. The aggregate return on an investment in the Fund over any period is the sum of the capital appreciation or depreciation of the Shares over the period plus the amount of any distributions during the period. Consequently, the Fund's aggregate return is expected to outperform the Excess Return Index by the amount of the excess, if any, of its interest income over its fees and expenses but, as a result of the Fund's fees and expenses, the aggregate return on the Fund is expected to underperform the Total Return Index. If the Fund's fees and expenses were to exceed the Fund's interest income from its holdings of fixed income securities, the aggregate return on an investment in the Fund is expected to underperform the Excess Return Index.

Net Asset Value

Net asset value means the total assets of the Fund, including, but not limited to, all futures, cash and investments less total liabilities of the Fund, each determined on the basis of U.S. generally accepted accounting principles, consistently applied under the accrual method of accounting. In particular, net asset value includes any unrealized appreciation or depreciation on open commodity futures contracts, and any other credit or debit accruing to the Fund but unpaid or not received by the Fund. All open commodity futures contracts will be calculated at their then current market value, which will be based upon the settlement price for that particular commodity futures contract traded on the applicable exchange on the date with respect to which net asset value is being determined; provided, that if a commodity futures contract could not be liquidated on such day, due to the operation of daily limits or other rules of the exchange upon which that position is traded or otherwise, the Managing Owner may value such futures contract pursuant to policies the Managing Owner has adopted, which are consistent with normal industry standards. The Managing Owner may in its discretion (and only under circumstances, including, but not limited to, periods during which a settlement price of a futures contract is not available due to exchange limit orders or force majeure type events such as systems failure, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labor disruption or any similar intervening circumstance) value any asset of the Fund pursuant to such other principles as the Managing Owner deems fair and equitable so long as such principles are consistent with normal industry standards. Interest earned on the Fund's brokerage account is accrued monthly. The amount of any distribution is a liability of the Fund from the day when the distribution is declared until it is paid.

Critical Accounting Policies

The Fund's critical accounting policies are as follows:

Preparation of the financial statements and related disclosures in conformity with U.S. generally accepted accounting principles requires the application of appropriate accounting rules and guidance, as well as the use of estimates, and requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expense and related disclosure of contingent assets and liabilities during the reporting period of the financial statements and accompanying notes. The financial statements of the Fund include the consolidated financial statements of the Fund and Master Fund when applicable. As described above, the Fund was originally formed as a master-feeder structure and such structure was collapsed on December 31, 2010. The financial statements reflect consolidation of the Master Fund for all periods prior to December 31, 2010. The Fund's application of these policies involve judgments and actual results may differ from the estimates used.

The Fund holds a significant portion of its assets in futures contracts and United States Treasury Obligations, both of which are recorded on a trade date basis and at fair value in the financial statements, with changes in fair value reported in the statement of income and expenses.

The use of fair value to measure financial instruments, with related unrealized gains or losses recognized in earnings in each period is fundamental to the Fund's financial statements. The fair value of a financial instrument is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price).

In determining fair value of United States Treasury Obligations and commodity futures contracts, the Fund uses unadjusted quoted market prices in active markets. FASB fair value measurement and disclosure guidance requires a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The objective of a fair value measurement is to determine the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The hierarchy gives the highest priority to unadjusted quoted prices for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. See Note 4(c) within the financial statements in Item 1 for further information.

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When market closing prices are not available, the Managing Owner may value an asset of the Fund pursuant to policies the Managing Owner has adopted, which are consistent with normal industry standards.

Realized gains (losses) and changes in unrealized gain (loss) on open positions are determined on a specific identification basis and recognized in the statement of income and expenses in the period in which the contract is closed or the changes occur, respectively.

Interest income on United States Treasury Obligations is recognized on an accrual basis when earned. Premiums and discounts are amortized or accreted over the life of the United States Treasury Obligations.

Market Risk

Trading in futures contracts involves the Fund entering into contractual commitments to purchase a particular commodity at a specified date and price. The market risk associated with the Fund's commitments to purchase commodities is limited to the gross or face amount of the contracts held.

The Fund's exposure to market risk is also influenced by a number of factors including the volatility of interest rates and foreign currency exchange rates, the liquidity of the markets in which the contracts are traded and the relationships among the contracts held. The inherent uncertainty of the Fund's trading as well as the development of drastic market occurrences could ultimately lead to a loss of all or substantially all of the investors' capital.

Credit Risk

When the Fund enters into futures contracts, the Fund is exposed to credit risk that the counterparty to the contract will not meet its obligations. The counterparty for futures contracts traded on United States and on most foreign futures exchanges is the clearing house associated with the particular exchange. In general, clearing houses are backed by their corporate members who may be required to share in the financial burden resulting from the nonperformance by one of their members and, as such, should significantly reduce this credit risk. In cases where the clearing house is not backed by the clearing members (*i.e.*, some foreign exchanges), it may be backed by a consortium of banks or other financial institutions. There can be no assurance that any counterparty, clearing member or clearinghouse will meet its obligations to the Fund.

The Commodity Broker, when acting as the Fund's futures commission merchant in accepting orders for the purchase or sale of domestic futures contracts, is required by CFTC regulations to separately account for and segregate as belonging to the Fund all assets of the Fund relating to domestic futures trading and the Commodity Broker is not allowed to commingle such assets with other assets of the Commodity Broker. In addition, CFTC regulations also require the Commodity Broker to hold in a secure account assets of the Fund related to foreign futures trading.

Liquidity

All of the Fund's source of capital is derived from the Fund's offering of Shares to Authorized Participants. Authorized Participants may then subsequently redeem such Shares. The Fund in turn allocates its net assets to commodities trading. A significant portion of the net asset value is held in United States Treasury Obligations and cash, which is used as margin for the Fund's trading in commodities. The percentage that United States Treasury Obligations bear to the total net assets will vary from period to period as the market values of the Fund's commodity interests change. The balance of the net assets is held in the Fund's commodity trading account. Interest earned on the Fund's interest-bearing funds is paid to the Fund.

The Fund's commodity contracts may be subject to periods of illiquidity because of market conditions, regulatory considerations or for other reasons. For example, commodity exchanges generally have the ability to limit fluctuations in certain commodity futures contract prices during a single day by regulations referred to as daily limits. During a single day, no trades may be executed at prices beyond the daily limit. Once the price of a particular futures contract for a particular commodity has increased or decreased by an amount equal to the daily limit, positions in the commodity can neither be taken nor liquidated unless the traders are willing to effect trades at or within the limit. Commodity futures prices have occasionally moved the daily limit for several consecutive days with little or no trading. Such market conditions could prevent the Fund from promptly liquidating its commodity futures positions.

Because the Fund trades futures contracts, its capital is at risk due to changes in the value of futures contracts (market risk) or the inability of counterparties (including exchange clearinghouses) to perform under the terms of the contracts (credit risk).

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On any business day, an Authorized Participant may place an order with the Managing Owner to redeem one or more Baskets. Redemption orders must be placed by 10:00 a.m., New York time. The day on which the Managing Owner receives a valid redemption order is the redemption order date. Redemption orders are irrevocable. The redemption procedures allow Authorized Participants to redeem Baskets. Individual Shareholders may not redeem directly from the Fund. By placing a redemption order, an Authorized Participant agrees to deliver the Baskets to be redeemed through DTC's book-entry system to the Fund no later than noon,

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New York time, on the business day immediately following the redemption order date. By placing a redemption order, and prior to receipt of the redemption proceeds, an Authorized Participant's DTC account is charged the non-refundable transaction fee due for the redemption order.

Cash Flows

The primary cash flow activity of the Fund is to raise capital from Authorized Participants through the issuance of Shares. This cash is used to invest in United States Treasury Obligations and to meet margin requirements as a result of the positions taken in futures contracts to match the fluctuations of the Index the Fund is tracking.

Operating Activities

Net cash flow used for operating activities was \$972.0 million and \$84.7 million for the Three Months Ended March 31, 2011 and 2010, respectively. This amount primarily includes net purchases and sales of United States Treasury Obligations which are held at fair value on the statement of financial condition.

During the Three Months Ended March 31, 2011, \$3,943.6 million was paid to purchase United States Treasury Obligations and \$2,703.9 million was received from sales and maturing contracts. During the Three Months Ended March 31, 2010, \$2,312.4 million was paid to purchase United States Treasury Obligations and \$2,243.9 million was received from sales and maturing contracts. Unrealized appreciation on United States Treasury Obligations and futures decreased by \$84.7 million and by \$173.2 million during the Three Months Ended March 31, 2011 and 2010, respectively.

Financing Activities

The Fund's net cash flow provided by financing activities was \$1,010.3 million and \$35.5 million during the Three Months Ended March 31, 2011 and 2010, respectively. This included \$1,506.2 million and \$283.3 million from the sale of Shares to Authorized Participants during the Three Months Ended March 31, 2011 and 2010, respectively.

Results of Operations

FOR THE THREE MONTHS ENDED MARCH 31, 2011 AND 2010

The Fund was launched on January 3, 2007 at \$25.00 per Share. The Shares traded on the NYSE Alternext from January 5, 2007 to November 25, 2008 and have been trading on the NYSE Arca since November 25, 2008.

The Fund seeks to track changes in the closing levels of the DBIQ Diversified Agriculture Index Excess Return (DBIQ Diversified Agriculture ER, or the Index) over time, plus the excess, if any, of the Fund's interest income from its holdings of United States Treasury Obligations and other high credit quality short-term fixed income securities over the expenses of the Fund. The following graphs illustrate changes in (i) the price of the Shares (as reflected by the graph DBA), (ii) the Fund's NAV (as reflected by the graph DBANV), and (iii) the closing levels of the Index (as reflected by the graph DBAGIX). Whenever the interest income earned by the Fund exceeds Fund expenses, the price of the Shares generally has exceeded the levels of the Index primarily because the Share price reflects interest income from the Fund's collateral holdings whereas the Index does not consider such interest income. There can be no assurances that the price of the Shares will exceed the Index levels.

The Index is a set of rules applied to a body of data and does not represent the results of actual investment or trading. The Index is frictionless, in that it does not take into account fees or expenses associated with investing in the Fund. Also, because it does not represent actual futures positions, the Index is not subject to, and does not take into account the impact of, speculative position limits or certain other similar limitations on the ability of the Fund to trade the Index Commodities. The TR version of the Index includes an assumed amount of interest income based on prevailing rates that is adjusted from time to time. The Fund, by contrast, invests actual money and trades actual futures contracts. As a result, the performance of the Fund involves friction, in that fees and expenses impose a drag on performance. The Fund may be subject to speculative position limits and certain other limitations on its ability to trade the Index Commodities, which may compel the Fund to trade futures or other instruments that are not Index Commodities as proxies for the Index Commodities. The interest rate actually earned by the Fund over any period may differ from the assumed amount of interest income factored into the TR version of the Index over the same period. All of these factors can contribute to discrepancies between changes in net asset value per Share and changes in the level of the Index over any period of time. Fees and expenses always will tend to cause changes in the net asset value per Share to underperform changes in the value of the Index over any given period, all other things being equal. Actual interest income could be higher or lower than the assumed interest income factored into the TR version of the Index, and therefore could cause changes in the net asset value per Share to outperform or underperform changes in the value of the Index over any given period, all other things being equal. Similarly, trading futures or other instruments that are not the Index Commodities

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as proxies for Index Commodities could cause changes in the net asset value per Share to outperform or underperform changes in the value of the Index over any given period, all other things being equal.

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COMPARISON OF DBA, DBANV AND DBAGIX FOR THE THREE MONTHS ENDED

MARCH 31, 2011 AND 2010

NEITHER THE PAST PERFORMANCE OF THE FUND NOR THE PRIOR INDEX LEVELS AND CHANGES, POSITIVE OR NEGATIVE, SHOULD BE TAKEN AS AN INDICATION OF THE FUND'S FUTURE PERFORMANCE.

NEITHER THE PAST PERFORMANCE OF THE FUND NOR THE PRIOR INDEX LEVELS AND CHANGES, POSITIVE OR NEGATIVE, SHOULD BE TAKEN AS AN INDICATION OF THE FUND'S FUTURE PERFORMANCE.

See Additional Legends below.

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Additional Legends

DBIQ Diversified Agriculture Index Excess Return is an index and does not reflect (i) actual trading and (ii) any fees or expenses.

WHILE THE FUND'S OBJECTIVE IS NOT TO GENERATE PROFIT THROUGH ACTIVE PORTFOLIO MANAGEMENT, BUT IS TO TRACK THE INDEX, BECAUSE THE INDEX WAS ESTABLISHED IN JULY 2006, CERTAIN INFORMATION RELATING TO THE INDEX CLOSING LEVELS MAY BE CONSIDERED TO BE HYPOTHETICAL. HYPOTHETICAL INFORMATION MAY HAVE CERTAIN INHERENT LIMITATIONS, SOME OF WHICH ARE DESCRIBED BELOW.

WITH RESPECT TO INDEX DATA, NO REPRESENTATION IS BEING MADE THAT THE INDEX WILL OR IS LIKELY TO ACHIEVE ANNUAL OR CUMULATIVE CLOSING LEVELS CONSISTENT WITH OR SIMILAR TO THOSE SET FORTH HEREIN. SIMILARLY, NO REPRESENTATION IS BEING MADE THAT THE FUND WILL GENERATE PROFITS OR LOSSES SIMILAR TO THE FUND'S PAST PERFORMANCE OR THE HISTORICAL ANNUAL OR CUMULATIVE CHANGES IN THE INDEX CLOSING LEVELS. IN FACT, THERE ARE FREQUENTLY SHARP DIFFERENCES BETWEEN HYPOTHETICAL RESULTS AND THE ACTUAL RESULTS SUBSEQUENTLY ACHIEVED BY INVESTMENT METHODOLOGIES, WHETHER ACTIVE OR PASSIVE.

WITH RESPECT TO INDEX DATA, ONE OF THE LIMITATIONS OF HYPOTHETICAL INFORMATION IS THAT IT IS GENERALLY PREPARED WITH THE BENEFIT OF HINDSIGHT. TO THE EXTENT THAT INFORMATION PRESENTED HEREIN RELATES TO THE PERIOD JANUARY 1989 THROUGH JUNE 2006, THE INDEX CLOSING LEVELS REFLECT THE APPLICATION OF THE INDEX'S METHODOLOGY, AND SELECTION OF INDEX COMMODITIES, IN HINDSIGHT.

NO HYPOTHETICAL RECORD CAN COMPLETELY ACCOUNT FOR THE IMPACT OF FINANCIAL RISK IN ACTUAL TRADING. FOR EXAMPLE, THERE ARE NUMEROUS FACTORS, INCLUDING THOSE DESCRIBED UNDER ITEM 1A. RISK FACTORS SET FORTH IN THE FUND'S ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2010, RELATED TO THE COMMODITIES MARKETS IN GENERAL OR TO THE IMPLEMENTATION OF THE FUND'S EFFORTS TO TRACK THE INDEX OVER TIME WHICH CANNOT BE, AND HAVE NOT BEEN, ACCOUNTED FOR IN THE PREPARATION OF THE INDEX INFORMATION SET FORTH ON THE FOLLOWING PAGES, ALL OF WHICH CAN ADVERSELY AFFECT ACTUAL PERFORMANCE RESULTS FOR THE FUND. FURTHERMORE, THE INDEX INFORMATION DOES NOT INVOLVE FINANCIAL RISK OR ACCOUNT FOR THE IMPACT OF FEES AND COSTS ASSOCIATED WITH THE FUND.

THE MANAGING OWNER, AN INDIRECT WHOLLY OWNED SUBSIDIARY OF DEUTSCHE BANK AG, COMMENCED OPERATIONS IN JANUARY 2006. AS MANAGING OWNER, THE MANAGING OWNER AND ITS TRADING PRINCIPALS HAVE BEEN MANAGING THE DAY-TO-DAY OPERATIONS FOR THE FUND AND MANAGING FUTURES ACCOUNTS AND RELATED PRODUCTS. BECAUSE THERE ARE LIMITED ACTUAL TRADING RESULTS TO COMPARE TO THE INDEX CLOSING LEVELS SET FORTH HEREIN, PROSPECTIVE INVESTORS SHOULD BE PARTICULARLY WARY OF PLACING UNDUE RELIANCE ON THE ANNUAL OR CUMULATIVE INDEX RESULTS.

FOR THE THREE MONTHS ENDED MARCH 31, 2011 COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2010

Fund Share Price Performance

For the Three Months Ended March 31, 2011, the NYSE Arca market value of each Share increased 5.81% from \$32.35 per Share to \$34.23 per Share. The Share price low and high for the Three Months Ended March 31, 2011 and related change from the Share price on December 31, 2010 was as follows: Shares traded from a low of \$31.57 per Share (-2.41%) on January 6, 2011 to a high of \$35.44 per Share (+9.55%) on March 3, 2011.

For the Three Months Ended March 31, 2010, the NYSE Arca market value of each Share decreased 8.40% from \$26.44 per Share to \$24.22 per Share. The Share price high and low for the Three Months Ended March 31, 2010 and related change from the Share price on December 31, 2009 was as follows: Shares traded from a high of \$27.01 per Share (+2.16%) on January 6, 2010, to a low of \$24.04 per Share (-9.08%) on March 26, 2010.

Fund Share Net Asset Performance

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For the Three Months Ended March 31, 2011, the net asset value of each Share increased 5.72% from \$32.37 per Share to \$34.22 per Share. An increase in futures contract prices for corn, soybeans, cotton, coffee, live cattle, Kansas wheat, feeder cattle and

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lean hogs was partially offset by decreases in the futures contract prices of wheat, sugar and cocoa during the Three Months Ended March 31, 2011, contributing to an overall 5.56% increase in the level of the DBIQ Diversified Agriculture TR .

Net income for the Three Months Ended March 31, 2011 was \$164.2 million, resulting from \$1.1 million of interest income, net realized gain of \$256.1 million, net unrealized loss of \$84.7 million and operating expenses of \$8.3 million.

For the Three Months Ended March 31, 2010, the net asset value of each Share decreased 8.32% from \$26.43 per Share to \$24.23 per Share. A decrease in futures contract prices for sugar, wheat, Kansas wheat, corn, soybean, cocoa and coffee was partially offset by increases in the futures contract prices of feeder cattle, lean hogs, live cattle and cotton during the Three Months Ended March 31, 2010, resulting in an overall 8.37% decrease in the level of the DBLCI Diversified Agriculture TR .

Net loss for the Three Months Ended March 31, 2010 was \$220.0 million, resulting from \$0.4 million of interest income, net realized loss of \$41.5 million, net unrealized loss of \$173.2 million and operating expenses of \$5.7 million.

Off-Balance Sheet Arrangements and Contractual Obligations

In the normal course of its business, the Fund is party to financial instruments with off-balance sheet risk. The term off-balance sheet risk refers to an unrecorded potential liability that, even though it does not appear on the balance sheet, may result in a future obligation or loss. The financial instruments used by the Fund are commodity futures, whose values are based upon an underlying asset and generally represent future commitments which have a reasonable possibility to be settled in cash or through physical delivery. The financial instruments are traded on an exchange and are standardized contracts.

The Fund has not utilized, nor does it expect to utilize in the future, special purpose entities to facilitate off-balance sheet financing arrangements and has no loan guarantee arrangements or off-balance sheet arrangements of any kind, other than agreements entered into in the normal course of business noted above, which may include indemnification provisions related to certain risks service providers undertake in performing services which are in the best interests of the Fund. While the Fund's exposure under such indemnification provisions cannot be estimated, these general business indemnifications are not expected to have a material impact on the Fund's financial position.

The Fund's contractual obligations are with the Managing Owner and the Commodity Broker. Management Fee payments made to the Managing Owner are calculated as a fixed percentage of the Fund's net asset value. Commission payments to the Commodity Broker are on a contract-by-contract, or round-turn, basis. As such, the Managing Owner cannot anticipate the amount of payments that will be required under these arrangements for future periods as net asset values are not known until a future date. These agreements are effective for one-year terms, renewable automatically for additional one-year terms unless terminated. Additionally, these agreements may be terminated by either party for various reasons.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK. INTRODUCTION

The Fund is designed to replicate positions in a commodity index. The market sensitive instruments held by it are subject to the risk of trading loss. Unlike an operating company, the risk of market sensitive instruments is integral, not incidental, to the Fund's main line of business.

Market movements can produce frequent changes in the fair market value of the Fund's open positions and, consequently, in its earnings and cash flow. The Fund's market risk is primarily influenced by changes in the price of commodities.

Standard of Materiality

Materiality as used in this section, Quantitative and Qualitative Disclosures About Market Risk, is based on an assessment of reasonably possible market movements and the potential losses caused by such movements, taking into account the effects of margin, and any other multiplier features, as applicable, of the Fund's market sensitive instruments.

QUANTIFYING THE FUND'S TRADING VALUE AT RISK

Quantitative Forward-Looking Statements

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The following quantitative disclosures regarding the Fund's market risk exposures contain forward-looking statements within the meaning of the safe harbor from civil liability provided for such statements by the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934). All quantitative disclosures in this section are deemed to be forward-looking statements for purposes of the safe harbor, except for statements of historical fact (such as the dollar amount of maintenance margin required for market risk sensitive instruments held at the end of the reporting period).

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Value at risk (VaR), is a statistical measure of the value of losses that would not be expected to be exceeded over a given time horizon and at a given probability level arising from movement of underlying risk factors. Loss is measured as a decline in the fair value of the portfolio as a result of changes in any of the material variables by which fair values are determined. VaR is measured over a specified holding period (1 day) and to a specified level of statistical confidence (99th percentile). However, the inherent uncertainty in the markets in which the Fund trades and the recurrence in the markets traded by the Fund of market movements far exceeding expectations could result in actual trading or non-trading losses far beyond the indicated VaR or the Fund's experience to date (i.e., risk of ruin). In light of this, as well as the risks and uncertainties intrinsic to all future projections, the inclusion of the quantification included in this section should not be considered to constitute any assurance or representation that the Fund's losses in any market sector will be limited to VaR or by the Fund's attempts to manage its market risk.

THE FUND'S TRADING VALUE AT RISK

The Fund calculates VaR using the actual historical market movements of the Fund's total assets.

The following table indicates the trading VaR associated with the Fund's total assets as of March 31, 2011.

Description	Total Assets	Daily Volatility	VaR* (99 Percentile)	Number of times VaR Exceeded
PowerShares DB Agriculture Fund	\$ 4,013,069,045	1.10%	\$ 100,975,907	4

The following table indicates the trading VaR associated with the Fund's total assets as of December 31, 2010.

Description	Total Assets	Daily Volatility	VaR* (99 Percentile)	Number of times VaR Exceeded
PowerShares DB Agriculture Fund	\$ 2,757,107,674	1.03%	\$ 64,797,071	2

* The VaR represents the one day downside risk, under normal market conditions, with a 99% confidence level. It is calculated using historical market moves of the Fund's total assets and uses a one year look-back.

NON-TRADING RISK

The Fund has non-trading market risk as a result of investing in short-term United States Treasury Obligations. The market risk represented by these investments is expected to be immaterial.

QUALITATIVE DISCLOSURES REGARDING PRIMARY TRADING RISK EXPOSURES

The following qualitative disclosures regarding the Fund's market risk exposures except for those disclosures that are statements of historical fact constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act. The Fund's primary market risk exposures are subject to numerous uncertainties, contingencies and risks. Government interventions, defaults and expropriations, illiquid markets, the emergence of dominant fundamental factors, political upheavals, changes in historical price relationships, an influx of new market participants, increased regulation and many other factors could result in material losses as well as in material changes to the risk exposures of the Fund. There can be no assurance that the Fund's current market exposure will not change materially. Investors may lose all or substantially all of their investment in the Fund.

The following were the primary trading risk exposures of the Fund as of March 31, 2011 by Index Commodity:

Corn

The price of corn is volatile. The price movement of corn may be influenced by three primary supply factors: farmer planting decisions, climate, and government agricultural policies and three major market demand factors: livestock feeding, shortages or surpluses of world grain supplies, and domestic and foreign government policies and trade agreements. Additionally, the price movement of corn may be influenced by a variety of

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other factors, including weather conditions, disease, transportation costs, political uncertainties and economic concerns.

Wheat and Kansas City Wheat

The price of wheat is volatile. The price movement of wheat may be influenced by three primary supply factors: farmer planting decisions, climate, and government agricultural policies and three major market demand factors: food, shortages or surpluses of world grain supplies, and domestic and foreign government policies and trade agreements. Additionally, the price movement of wheat may be influenced by a variety of other factors, including weather conditions, disease, transportation costs, political uncertainties and economic concerns.

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Soybeans

The price of soybeans is volatile. The price movement of soybeans may be influenced by a variety of factors, including demand, weather conditions, disease, crop production, transportation costs, political uncertainties and economic concerns.

Sugar

The price of sugar is volatile. The price movement of sugar may be influenced by a variety of factors, including demand, weather conditions, disease, crop production, transportation costs, political uncertainties and economic concerns.

Cocoa

The price of cocoa is volatile. The price movement of cocoa may be influenced by a variety of factors, including demand, weather conditions, disease, crop production, transportation costs, political uncertainties and economic concerns.

Coffee

The price of coffee is volatile. The price movement of coffee may be influenced by a variety of factors, including demand, weather conditions, disease, crop production, transportation costs, political uncertainties and economic concerns.

Cotton

The price of cotton is volatile. The price movement of cotton may be influenced by a variety of factors, including demand, weather conditions, disease, crop production, transportation costs, political uncertainties and economic concerns.

Live Cattle

The price of live cattle is volatile. The price movement of live cattle may be influenced by a variety of factors, including demand, weather conditions, disease, agricultural feed prices (i.e. corn, milo, wheat, soybeans, hay and alfalfa), live cattle production, transportation costs, political uncertainties and economic concerns.

Feeder Cattle

The price of feeder cattle is volatile. The price movement of feeder cattle may be influenced by a variety of factors, including demand, weather conditions, disease, agricultural feed prices (i.e. corn, milo, wheat, soybeans, hay and alfalfa), feeder cattle production, transportation costs, political uncertainties and economic concerns.

Lean Hogs

The price of lean hogs is volatile. The price movement of lean hogs may be influenced by a variety of factors, including demand, weather conditions, disease, agricultural feed prices (i.e. corn), hog production, crop production, transportation costs, political uncertainties and economic concerns.

QUALITATIVE DISCLOSURES REGARDING NON-TRADING RISK EXPOSURE

General

The Fund is unaware of any (i) anticipated known demands, commitments or capital expenditures; (ii) material trends, favorable or unfavorable, in its capital resources; or (iii) trends or uncertainties that will have a material effect on operations.

QUALITATIVE DISCLOSURES REGARDING MEANS OF MANAGING RISK EXPOSURE

Under ordinary circumstances, the Managing Owner's discretionary power is limited to determining whether the Fund will make a distribution. Under emergency or extraordinary circumstances, the Managing Owner's discretionary powers increase, but remain circumscribed. These special

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circumstances, for example, include the unavailability of the Index or certain natural or man-made disasters. The Managing Owner does not apply risk management techniques. The Fund initiates positions only on the long side of the market and does not employ stop-loss techniques.

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of the management of the Managing Owner, including Hans Ephraimson, its Chief Executive Officer, and Michael Gilligan, its Principal Financial Officer, the Fund carried out an evaluation of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) of the Securities

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Exchange Act of 1934, as amended (the Exchange Act) as of the end of the period covered by this quarterly report, and, based upon that evaluation, Hans Ephraimson, the Chief Executive Officer, and Michael Gilligan, the Principal Financial Officer, of the Managing Owner, concluded that the Fund's disclosure controls and procedures were effective to ensure that information the Fund is required to disclose in the reports that it files or submits with the Securities and Exchange Commission (the SEC) under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and to ensure that information required to be disclosed by the Fund in the reports that it files or submits under the Exchange Act is accumulated and communicated to management of the Managing Owner, including its Chief Executive Officer and Principal Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There has been no change in internal control over financial reporting (as defined in the Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that occurred during the Fund's last fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Fund's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Not Applicable.

Item 1A. Risk Factors.

There are no material changes from risk factors as previously disclosed in the Annual Report on Form 10-K for the year ended December 31, 2010, filed February 28, 2011 except for the following:

(3) Regulatory and Exchange Position Limits and Other Rules May Restrict the Creation of Baskets and the Operation of the Fund.

CFTC and commodity exchange rules impose speculative position limits on market participants, including the Fund, trading in certain agricultural commodities. These position limits prohibit any person from holding a position of more than a specific number of such futures contracts.

The purposes of speculative position limits are to diminish, eliminate or prevent sudden or unreasonable fluctuations or unwarranted changes in the prices of futures contracts. As of the date of this Report, the CFTC and commodity exchange rules impose speculative position limits on market participants trading in all eleven commodities included in the Index (Corn, Soybeans, Wheat, Kansas City Wheat, Sugar, Cocoa, Coffee, Cotton, Live Cattle, Feeder Cattle and Lean Hogs, or the Affected Index Commodities). Currently, speculative position limits (i) for corn, oats, wheat, soybean, soybean oil and cotton are determined by the CFTC and (ii) for all other commodities are determined by the futures exchanges. Pursuant to the statutory mandate of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act, which was signed into law on July 21, 2010, the CFTC proposed regulations in January 2011, or the Proposed Regulations, would, in pertinent part, impose new federal position limits on futures and options on a subset of energy, metal, and agricultural commodities, or the Referenced Contracts, and economically equivalent swaps. All of the Index Commodities are Referenced Contracts subject to the 2011 Proposed Rules.

Generally, speculative position limits in the physical delivery markets are set at a stricter level during the spot month, the month when the futures contract matures and becomes deliverable, versus the limits set for all other months. If the Managing Owner determines that the Fund's trading may be approaching any of these speculative position limits, the Fund may reduce its trading in that commodity or trade in other commodities or instruments that the Index Sponsor determines comply with the rules and goals of the Index. Below is a chart that sets forth certain relevant information, including current speculative position limits for each Affected Index Commodity that any person may hold, separately or in combination, net long or net short, for the purchase or sale of any commodity futures contract or, on a futures-equivalent basis, options thereon. Speculative position limit levels remain subject to change by the CFTC or the relevant exchanges.

Under current regulations, subject to any relevant exemptions, traders, such as the Fund, may not exceed speculative position limits, either individually, or in the aggregate with other persons with whom they are under common control or ownership. Under the Proposed Regulations, the CFTC would require certain persons to aggregate exchange listed futures and economically equivalent swap positions owned or controlled

by such persons.

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Affected Index Commodity	Exchange (Symbol)¹	Exchange Position Limits²
Corn	CBOT (C)	600 Spot Month
		13,500 Single Month
Cotton #2	ICE-US (CT)	22,000 All Months Combined
		300 Spot Month
Sugar #11	ICE-US (SB)	3,500 Single Month
		5,000 All Months Combined
Soybeans	CBOT (S)	5,000 Spot Month
		600 Spot Month
Wheat	CBOT (W)	6,500 Single Month
		10,000 All Months Combined
Kansas City Wheat	KCB (KW)	600 Spot Month
		5,000 Single Month
Cocoa	ICE-US (CC)	6,500 - All Months Combined
		1,000 Notice Period
Coffee	ICE-US (KC)	500 Notice Period
		450 Spot Month (as of the close of business on the first business day following the first Friday of the contract month)
Live Cattle	CME (LC)	300 Spot Month (as of the close of business on the first business day following the first Friday of the contract month)
		300 Spot Month (as of the close of business on the business day immediately preceding the last five business days of the contract month)
Feeder Cattle	CME (FC)	6,300 Single Month
		300 Spot Month (during the last ten days of trading)
Lean Hogs	CME (LH)	1,950- Single Month
		950 Spot Month (as of the close of business on the fifth business day of the contract month)
		4,150 Single Month

¹ **Legend:**

CBOT means the Board of Trade of the City of Chicago Inc., or its successor.

ICE-US means ICE Futures U.S., Inc., or its successor.

KCB means the Board of Trade of Kansas City, Missouri, Inc., or its successor.

CME means the Chicago Mercantile Exchange, Inc., or its successor.

² Subject to the Position Limit, Position Accountability and Reportable Level table in the Interpretations & Special Notices section at the end of Chapter 5 of each exchange's rulebook, except with respect to the futures contracts traded on ICE-US and KCB.

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Because the Fund may be subject to position limits, the Fund's ability to issue new Baskets, or the Fund's ability to reinvest income in additional futures contracts corresponding to the Affected Index Commodities may be limited to the extent these activities would cause the Fund to exceed its applicable position limits. Limiting the size of the Fund may affect the correlation between the price of the Shares, as traded on the NYSE Arca, and the net asset value of the Fund. That is, the inability to create additional Baskets could result in Shares trading at a premium or discount to net asset value of the Fund.

Under the Dodd-Frank Act, the CFTC is required, among other things, to establish speculative position limits on exchange listed futures and options on physical commodities (including certain energy, metals and agricultural products) and economically equivalent over-the-counter derivatives. The Dodd-Frank Act will also require the CFTC to establish aggregate position limits for contracts based on the same underlying commodity, including certain contracts traded on non-U.S. exchanges. Depending on the outcome of the Proposed Regulations and any future CFTC or futures exchange rulemaking, as applicable, the rules concerning position limits may be amended in a manner that is detrimental to the Fund. For example, if the amended rules are detrimental to the Fund, its ability to issue new Baskets, or reinvest income in additional futures contracts corresponding to the Affected Index Commodities, may be limited to the extent these activities would cause the Fund to exceed the applicable position limits. Limiting the size of the Fund may affect the correlation between the price of the Shares, as traded on the NYSE Arca, and the net asset value of the Fund. That is, the inability to create additional Baskets could result in Shares in the Fund trading at a premium or discount to net asset value of the Fund.

(27) The Effect Of Market Disruptions and Government Intervention Are Unpredictable And May Have An Adverse Effect On The Value Of Your Shares.

The global financial markets have in the past few years gone through pervasive and fundamental disruptions that have led to extensive and unprecedented governmental intervention. Such intervention has in certain cases been implemented on an emergency basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action, these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies.

The Fund may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted. The risk of loss from pricing distortions is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to market participants from their banks, dealers and other counterparties is typically reduced in disrupted markets. Such a reduction may result in substantial losses to the affected market participants. Market disruptions may from time to time cause dramatic losses, and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk.

(28) Regulatory Changes or Actions, Including the Implementation of the Dodd-Frank Act, May Alter the Operations and Profitability of the Fund.

The regulation of commodity interest transactions in the United States is a rapidly changing area of law and is subject to ongoing modification by governmental and judicial action. Considerable regulatory attention has been focused on non-traditional investment pools that are publicly distributed in the United States. The Dodd-Frank Act seeks to regulate markets, market participants and financial instruments that previously have been unregulated and substantially alters the regulation of many other markets, market participants and financial instruments. Because many provisions of the Dodd-Frank Act require rulemaking by the applicable regulators before becoming fully effective and the Dodd-Frank Act mandates multiple agency reports and studies (which could result in additional legislative or regulatory action), it is difficult to predict the impact of the Dodd-Frank Act on the Fund, the Managing Owner, and the markets in which the Fund may invest, the Net Asset Value of the Fund or the market price of the Shares. The Dodd-Frank Act could result in the Fund's investment strategy becoming non-viable or non-economic to implement. Therefore, the Dodd-Frank Act and regulations adopted pursuant to the Dodd-Frank Act could have a material adverse impact on the profit potential of the Fund and in turn the value of your Shares.

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Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

(a) There have been no unregistered sales of the Fund's securities. No Fund securities are authorized for issuance by the Fund under equity compensation plans.

(b) Not applicable.

(c) The following table summarizes the redemptions by Authorized Participants during the Three Months Ended March 31, 2011 and 2010:

Period of Redemption	Total Number of Shares Redeemed	Average Price Paid per Share
Three Months Ended March 31, 2011	12,600,000	\$ 34.47
Three Months Ended March 31, 2010	9,800,000	\$ 25.29

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Reserved.

Item 5. Other Information.

None.

Item 6. Exhibits.

- 31.1 Certification required under Exchange Act Rules 13a-14 and 15d-14 (filed herewith)
- 31.2 Certification required under Exchange Act Rules 13a-14 and 15d-14 (filed herewith)
- 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
- 32.2 Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)
- 101 Interactive data file pursuant to Rule 405 of Regulation S-T: (i) the Statements of Financial Condition of PowerShares DB Agriculture Fund - March 31, 2011 (unaudited) and December 31, 2010, (ii) the Unaudited Schedule of Investments of PowerShares DB Agriculture Fund - March 31, 2011, (iii) the Schedule of Investments of PowerShares DB Agriculture Fund - December 31, 2010, (iv) the Unaudited Statements of Income and Expenses of PowerShares DB Agriculture Fund - Three Months Ended March 31, 2011 and 2010, (v) the Unaudited Statements of Changes in Shareholders' Equity of PowerShares DB Agriculture Fund - Three Months Ended March 31, 2011, (vi) the Unaudited Statements of Changes in Shareholders' Equity of PowerShares DB Agriculture Fund - Three Months Ended March 31, 2010, (vii) the Unaudited Statement of Cash Flows of PowerShares DB Agriculture Fund - Three Months Ended March 31, 2011 and 2010, (viii) Notes to Unaudited Financial Statements of PowerShares DB Agriculture Fund, tagged as blocks of text.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**PowerShares DB Multi-Sector Commodity Trust
with respect to PowerShares DB Agriculture Fund**

By: DB Commodity Services LLC,

its Managing Owner

By: /s/ HANS EPHRAIMSON
Name: **Hans Ephraimson**
Title: **Chief Executive Officer**

By: /s/ MICHAEL GILLIGAN
Name: **Michael Gilligan**
Title: **Principal Financial Officer**

Dated: May 9, 2011

Table of Contents**EXHIBIT INDEX**

Exhibit		Page
Number	Description of Document	Number
31.1	Certification required under Exchange Act Rules 13a-14 and 15d-14 (filed herewith)	E-2
31.2	Certification required under Exchange Act Rules 13a-14 and 15d-14 (filed herewith)	E-3
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)	E-4
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith)	E-5
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