

July 11, 2013

WE WILL BE UPDATING AND ADDING MATERIAL THROUGHOUT THE DAY ON JULY 11 TO THIS LETTER BEGINNING AT 11:00 AM CST. PLEASE CHECK BACK OFTEN FOR THE LATEST INFORMATION!

This morning (Thursday, July 11) USDA released its July 2013 WASDE report and its July Crop Production report for wheat.

Don't forget we will have on air coverage of the report at 12:40 p.m. Central Time with Dan Zwicker of CGB Enterprises in Mandaville, Louisiana. We'll post that audio to this letter shortly after air. Here are some of the key numbers of the May Crop Production report:

FOLLOW OUR AG TEAM ON TWITTER

Dave's TWEETS are at @DavidADickey

Todd's TWEETS are at @commodityweek

USDA July 2013 U-S Wheat Production in billions of bushels (released July 11, 2013)				
Crop	USDA July Estimate	Average Guess	Range	USDA June Estimate
All Wheat	2.114	2.057	1.942 - 2.110	2.080
All Winter Wheat	1.543	1.507	1.454 - 1.555	1.509
Hard Red Winter Wheat	0.793	0.772	0.730 - 0.808	0.781
Soft Red Winter Wheat	0.538	0.522	0.478 - 0.552	0.509

White Wheat	0.211	0.214	0.204 - 0.220	0.219
Spring Wheat	0.513	0.504	0.475 - 0.531	-
Durum	0.057	0.061	0.055 - 0.070	-

From the USDA July 2013 Crop Production Report:

Winter wheat production is forecast at 1.54 billion bushels, up 2 percent from the June 1 forecast but down 6 percent from 2012. Based on July 1 conditions, the United States yield is forecast at 47.8 bushels per acre, up 1.7 bushels from last month and up 0.6 bushel from last year. If realized, this will equal the United States record high yield established in 1999. The area expected to be harvested for grain or seed totals 32.3 million acres, unchanged from the Acreage report released on June 28, 2013 but down 7 percent from last year.

Hard Red Winter production, at 793 million bushels, is up 1 percent from last month. Soft Red Winter, at 539 million bushels, is up 6 percent from June. White Winter, at 211 million bushels, is down 3 percent from last month. Of the White Winter production, 11.9 million bushels are Hard White and 200 million bushels are Soft White.

Durum wheat production is forecast at 57.5 million bushels, down 30 percent from 2012. The United States yield is forecast at 38.3 bushels per acre, down 0.7 bushel from last year. Expected area to be harvested for grain totals 1.50 million acres, unchanged from the Acreage report released June 28, 2013 but down 29 percent from last year.

Other spring wheat production is forecast at 513 million bushels, down 5 percent from last year. Area harvested for grain is expected to total 12.0 million acres, unchanged from the Acreage report released June 28, 2013 but down 1 percent from last year. The United States yield is forecast at 42.9 bushels per acre, 2.1 bushels below 2012. Of the total production, 476 million bushels are Hard Red Spring wheat, down 6 percent from last year.

To see the full July 2013 USDA Crop Production Report go to:

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo?documentID=1046>

Here are some of the key numbers from the July 2013 WASDE Report:

<i>USDA July 2013 U-S Ending Stocks for 2012-13 in billions of bushels (released July 11, 2013)</i>				
Crop	USDA July Estimate	Average Guess	Range	USDA June Estimate
Corn	0.729	0.777	0.537 - 0.773	0.769
Soybeans	0.125	0.121	0.104 - 0.125	0.125
Wheat	0.718	0.745	0.743 - 0.747	0.746

<i>USDA July 2013 U-S Ending Stocks for 2013-14 in billions of bushels (released July 11, 2013)</i>				
Crop	USDA July Estimate	Average Guess	Range	USDA June Estimate
Corn	1.959	1.874	1.618 - 2.076	1.949
Soybeans	0.295	0.270	0.166 - 0.329	0.265
Wheat	0.576	0.624	0.447 - 0.685	0.659

From the July 2013 WASDE Report:

CORN: Projected 2013/14 U.S. feed grain supplies are lowered this month with reduced beginning stocks for corn and sorghum and lower forecast harvested areas for corn and sorghum from the Acreage report. Corn beginning stocks for 2013/14 are projected 40 million bushels lower. Corn production for 2013/14 is lowered 55 million bushels with the lower harvested area and the projected yield unchanged at 156.5 bushels per acre. Projected production remains just below 14 billion bushels and would be 858 million above the record in 2009/10. Corn supplies for 2013/14 are lowered 90 million bushels as a 5-million-bushel increase in imports only partly offsets the lower beginning stocks and production.

W I L L A G R I C U L T U R E
sponsors
THANK YOU

THANKS TO THESE SPONSORS FOR SUPPORTING THE AG E-LETTER



The Andersons, Inc. is a diversified company with interests in the grain, ethanol and plant nutrient sectors of U.S. agriculture, also railcar leasing and repair, industrial products

formulation, turf products production, and general merchandise retailing. Founded in 1947, The Anderson's is celebrating 66 years of service.

<http://www.andersonsinc.com/wps/portal/corp>
<http://www.agrigold.com/>

In our 9th year as a major corporate underwriter of quality on-air Agricultural Programming at AM-580, **AGRIGOLD** is pleased to provide additional funding for this E-newsletter for the benefit of **AGRIGOLD** customers and other farmers across the country.

AgriGold – The Corn Specialist



The Corn Specialist

www.agrigold.com

FOR INFORMATION ON SPONSORING THE WILL AG E-LETTER
CONTACT LES SCHULTE OR CHARLIE SMITH
LSCHULTE@ILLINOIS.EDU | SMITH22@ILLINOIS.EDU | (217) 333-7300

I L L I N O I S

SOYBEANS:

U.S. oilseed production for 2013/14 is projected at 100.9 million tons, up 0.2 million from last month, with increased soybean production mostly offset by reductions for other oilseeds. Soybean production is projected at 3.42 billion bushels, up 30 million due to increased harvested area. Harvested area, estimated at 76.9 million acres in the June 28 Acreage report, is 0.7 million above the June projection. The soybean yield is projected at 44.5 bushels per acre, unchanged from

last month. Soybean supplies are 30 million bushels above last month's forecast reflecting the production change. With projections for exports and crush unchanged, 2013/14 soybean ending stocks are raised 30 million bushels to 295 million. U.S. soybean supply and use projections for 2012/13 are unchanged.

The 2013/14 U.S. season-average soybean price is forecast at \$9.75 to \$11.75 per bushel, unchanged from last month. Product prices are also unchanged, with soybean meal prices forecast at \$290 to \$330 per short ton and soybean oil prices forecast at 47 to 51 cents per pound.

WHEAT: Projected U.S. wheat supplies for 2013/14 are raised slightly this month with lower beginning stocks more than offset by higher production, both based on the latest survey-based estimates and forecasts. Beginning stocks are reduced 27 million bushels as indicated by the June 1 stocks estimate reported in the June 28 Grain Stocks. Production is forecast up 34 million bushels with lower forecast harvested area from the June 28 Acreage report more than offset by higher yields.

Production is raised 11 million bushels for Hard Red Winter and 30 million bushels for Soft Red Winter (SRW) wheat. White Winter wheat is forecast down 7 million bushels. For durum, a reduction in area is only partly offset by a higher yield with production forecast down 5 million bushels. For other spring wheat, a reduction in area is more than offset by a higher yield forecast in today's Crop Production report, adding 4 million bushels to this month's production forecast. July survey-based yield forecasts for durum and other spring wheat are up 1.6 bushels per acre from last month's trend based projections.

Total U.S. wheat use for 2013/14 is raised 89 million bushels as lower expected domestic use is more than offset by higher projected exports. Projected feed and residual disappearance is lowered 10 million bushels with stronger export demand, especially for SRW wheat. Exports are projected 100 million bushels higher reflecting strong sales, particularly to China. Ending stocks are projected down 83 million bushels. At 576 million tons, stocks are expected to remain well above the 60-year low of 306 million in 2007/08. The projected range for the 2013/14 season-average farm price is raised 20 cents on both ends to \$6.45 to \$7.75 per bushel. At the \$7.20-per-bushel midpoint, this would be down from the record \$7.77 per bushel reported for 2012/13.

USDA July 2013 WASDE Production in millions of metric tons (released July 11, 2013)

Crop	USDA July 2013-14 Estimate	USDA June 2013-14 Estimate	USDA July 2012-13 Estimate	USDA June 2012-13 Estimate
Argentina Wheat	13.00	13.00	10.00	11.00
Australia Wheat	24.50	24.50	22.08	22.08
China Wheat	121.00	121.00	121.00	120.60
India Wheat	92.00	92.00	94.88	94.88
FSU-12 Wheat	102.26	102.59	77.21	77.21
EU-27 Wheat	138.60	137.44	133.12	132.08
Argentina Corn	27.00	27.00	26.50	26.50
Brazil Corn	72.00	72.00	77.00	77.00
China Corn	211.00	212.00	205.60	205.60
South Africa Corn	13.00	13.00	12.20	12.20
Argentina Soybeans	53.30	54.40	50.20	51.00
Brazil Soybeans	85.00	85.00	82.00	82.00

From the July 2013 WASDE Report:

CORN: This month's changes to corn use for 2012/13 and 2013/14 largely reflect the lateness of the 2013 crop and expectations for extremely tight supplies later this summer and into early fall. Feed and residual disappearance for 2012/13 is raised 50 million bushels as early harvest of new-crop corn is expected to be sharply reduced from last year. A 10-million-bushel increase in projected imports for 2012/13 also reflects the tight supply situation expected for old-crop corn during the summer quarter. Imports for 2013/14 are raised because the tight supply situation is

expected to continue into September. Feed and residual use for 2013/14 is lowered 50 million bushels with tighter beginning stocks and lower production, and also on the lack of early new-crop usage which tends to boost indicated disappearance during the September-December quarter of the new marketing year. Projected exports for 2013/14 are lowered 50 million bushels as tight supplies of corn in early September are expected to limit early season


shipments. With lower projected use in 2013/14, ending stocks are raised 10 million bushels and remain just under 2 billion bushels. The projected 2013/14 season-average farm price for corn is unchanged at \$4.40 to \$5.20 per bushel. The 2013/14 other feed grain farm price projections are also unchanged.

A M - 5 8 0 A G R I C U L T U R E

sponsors

THANK YOU


THANKS TO THESE SPONSORS FOR SUPPORTING THE AG E-LETTER



Support for the WILL ag e-newsletter is provided by ADM. ADM thanks America's farmers, because everything they do, starts with you. Learn more at www.adm.com

<http://www.adm.com/>
<http://www.shelbymotors.net/>

Shelby Motors in Champaign is your local Chrysler, Dodge, Jeep and Ram truck dealer. They are family owned and have been serving the truck needs of central Illinois farmers since 1942.



SHELBY
CHRYSLER Jeep DODGE RAM
SINCE 1942

A listing of new and pre-owned vehicles is available now on Shelby's website.

FOR INFORMATION ON SPONSORING THE WILL AG E-LETTER
CONTACT LES SCHULTE OR CHARLIE SMITH
LSCHULTE@ILLINOIS.EDU | SMITH22@ILLINOIS.EDU | (217) 333-7300.

I L L I N O I S

Global coarse grain supplies for 2013/14 are projected 3.6 million tons lower with 2.9 million tons of the decline resulting from the tighter supply situation for corn and sorghum in the United States. Foreign coarse grain supply and use changes this month are relatively small in the aggregate. Corn beginning stocks for 2013/14 are lowered for Brazil with higher 2012/13 exports and for Indonesia with lower 2012/13 production. China corn production for 2013/14 is lowered 1.0 million tons on lower indicated area. European Union corn production is increased 1.8 million tons when adjusted for this month's inclusion of Croatia, however, last month's 27-member union is lowered 0.4 million tons. Barley production is raised 0.5 million tons for Canada and 0.2 million tons for Kazakhstan, both on higher reported area. European Union barley production is raised 0.5 million tons with the addition of Croatia accounting for less than half the increase.

Global coarse grain supplies for 2013/14 are projected 3.6 million tons lower with 2.9 million tons of the decline resulting from the tighter supply situation for corn and sorghum in the United States. Foreign coarse grain supply and use changes this month are relatively small in the aggregate. Corn beginning stocks for 2013/14 are lowered for Brazil with higher 2012/13 exports and for Indonesia with lower 2012/13 production. China corn production for 2013/14 is lowered 1.0 million tons on lower indicated area. European Union corn production is increased 1.8 million tons when adjusted for this month's inclusion of Croatia, however, last month's 27-member union is lowered 0.4 million tons. Barley production is raised 0.5 million tons for Canada and 0.2 million tons for Kazakhstan, both on higher reported area. European Union barley production is raised 0.5 million tons with the addition of Croatia accounting for less than half the increase.

SOYBEANS: Global oilseed production for 2013/14 is projected at 492.9 million tons, up 2.1 million from last month. Higher forecasts for soybeans, rapeseed, cottonseed, and peanuts are only partly offset by reductions for sunflowerseed. Global soybean production is projected at 285.9 million tons, up 0.6 million with gains for the United States, China, and Canada only partly offset by reductions for Argentina and Russia. Argentina soybean production is reduced due to a lower harvested area estimate for both 2012/13 and 2013/14. Rapeseed production for Canada is projected at 15 million tons, up 0.5 million based on increased area consistent with the latest survey results reported by Statistics Canada. Other changes include increased rapeseed production for China and Russia, reduced sunflowerseed production for Ukraine, and increased cottonseed production for India.

WHEAT: Global wheat supplies for 2013/14 are lowered 3.5 million tons reflecting lower projected beginning stocks as world production rises 1.9

million tons. Higher 2012/13 feed use in China accounts for most of the reduction in beginning stocks with smaller increases in domestic consumption for Pakistan, Russia, and Iran adding to the decline in 2012/13 global carryout. World production for 2013/14 is raised with increases for Australia, the European Union, and the United States offsetting a reduction for Kazakhstan. Australia production is raised 1.0 million acres reflecting the latest government estimates for area and a slightly higher yield outlook as early season conditions have been especially favorable in the country's southern and eastern growing areas. Production for the European Union is raised 1.2 million tons, however, the addition of Croatia accounts for most of the increase. Higher production prospects for Romania, Hungary, United Kingdom, and several smaller countries outweigh reductions for France, Ireland, and Spain. Production is lowered 0.5 million tons for Kazakhstan with lower planted area reported by the Ministry of Agriculture.

Global wheat consumption for 2013/14 is raised 5.4 million tons mostly reflecting higher expected feeding in China. Wheat consumption is also raised for India, Pakistan, Iran, and Japan, offsetting reductions for the European Union and the United States. Global wheat trade is raised with a 5.0-million-ton increase in China imports. A 0.5-million-ton increase in imports for Iran is offset by the same size reduction for the European Union. World exports are raised 5.0 million tons with increases for Australia, the European Union, and the United States. Exports are lowered for India and Kazakhstan. World ending stocks for 2013/14 are projected 8.9 million tons lower. At 172.4 million tons, stocks would be the lowest since 2008/09, but well above the 128.8 million in 2007/08.

To see the full May 2013 WASDE report go to:

<http://www.usda.gov/oce/commodity/wasde/>

This afternoon Dave spoke with Mike Zuzolo of Global Commodity Analytics about the reports. **THIS LINK IS NOW LIVE.**

Broadband MP3:

<http://audio01.will.illinois.edu/ag-zuzolo130711.mp3>

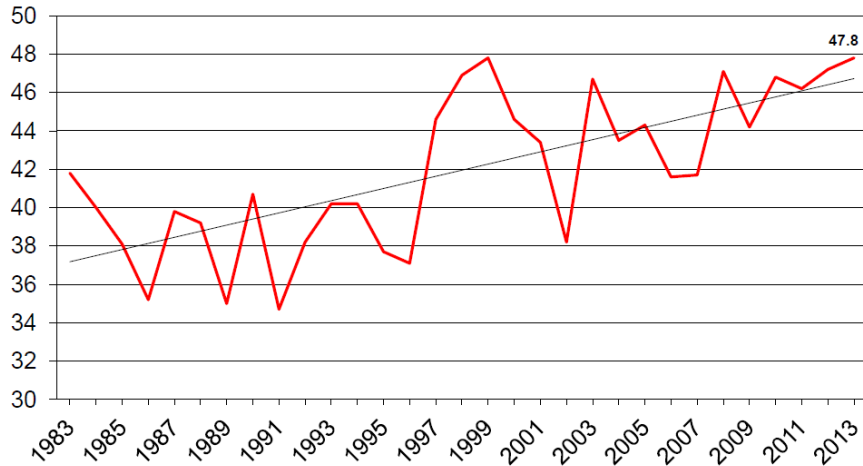
Here are some of the key slides from the USDA Secretary lock-up briefing this morning (May 10) in Washington, D.C.:



U.S. Winter Wheat Yield



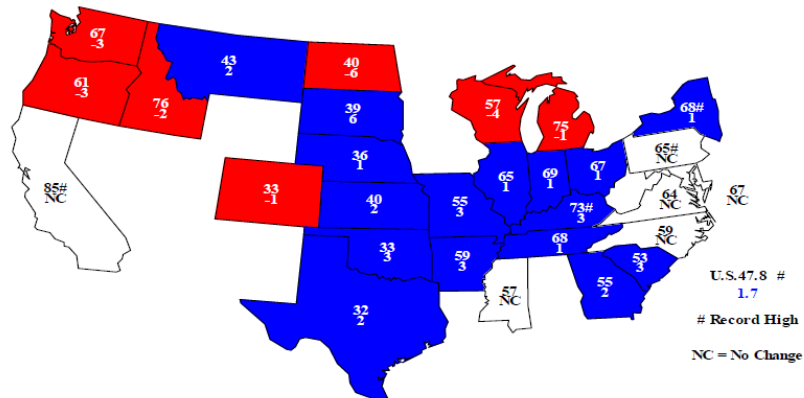
Bushels/acre



USDA-NASS
7-11-13



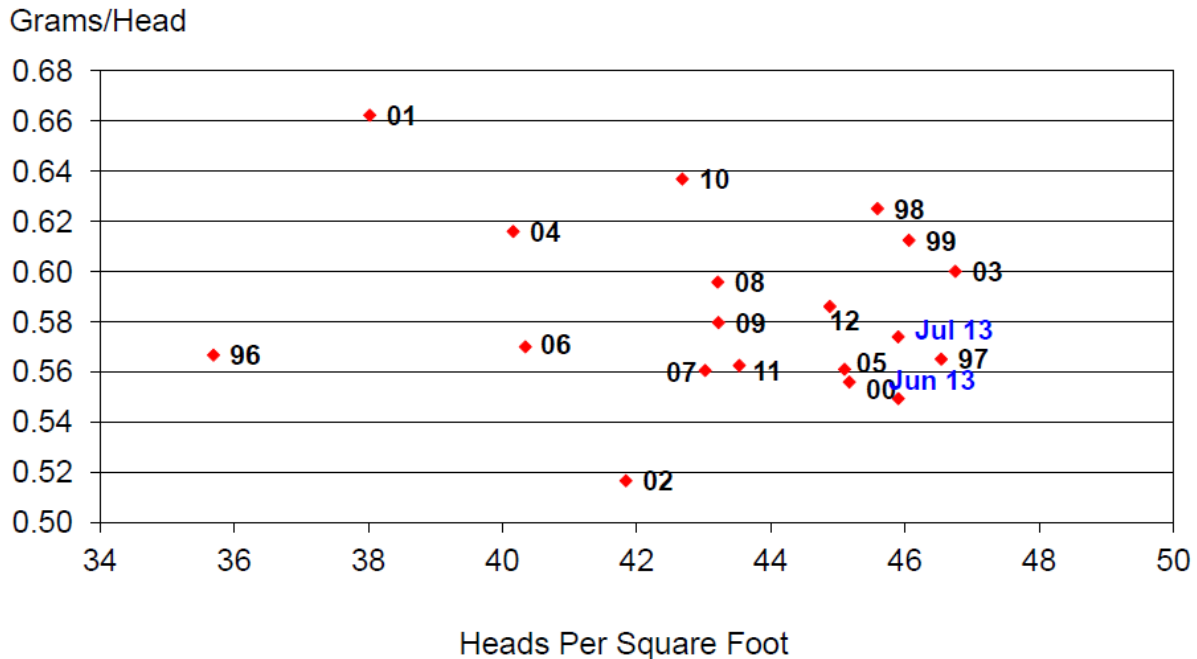
Winter Wheat Yield - July 1, 2013 Bushels and Change From Previous Month



USDA-NASS
7-11-13



10-State Winter Wheat Region Derived Head Weight vs Heads Per Square Foot



USDA-NASS
7-11-13

U.S. Soybean Supply and Demand

	2012/13 estimate	2013/14 forecast	Change from last month <i>Percent</i>	Change from 2012/13 <i>Percent</i>
Planted area (million acres)	77.2	77.7	0.8	0.7
Harvested area (million acres)	76.1	76.9	0.9	1.1
Yield (bushels per acre)	39.6	44.5	0.0	12.3
<i>Million bushels</i>				
Beginning stocks	169	125	-0.1	-26.5
Production	3,015	3,420	0.9	13.4
Imports	25	15	0.0	-40.0
Total supply	3,209	3,560	0.8	10.9
Crush	1,660	1,695	0.0	2.1
Seed and residual	95	119	-0.1	25.8
Domestic use	1,755	1,814	0.0	3.4
Exports	1,330	1,450	0.0	9.0
Total use	3,085	3,264	0.0	5.8
Ending stocks	125	295	11.3	137.0
<i>Percent</i>				
Stocks to use ratio	4.0	9.0		
<i>Dollars per bushel</i>				
Average market price	14.40	9.75/11.75	0.0	-25.3

July 11, 2013

U.S. Corn Supply and Demand

	2012/13 estimate	2013/14 forecast	Change from last month <i>Percent</i>	Change from 2012/13 <i>Percent</i>
Planted area (million acres)	97.2	97.4	0.1	0.2
Harvested area (million acres)	87.4	89.1	-0.4	2.0
Yield (bushels per acre)	123.4	156.5	0.0	26.8
<i>Million bushels</i>				
Beginning stocks	989	729	-5.2	-26.3
Production	10,780	13,950	-0.4	29.4
Imports	160	30	20.0	-81.3
Total supply	11,929	14,709	-0.6	23.3
Feed and residual	4,450	5,150	-1.0	15.7
Food, seed, and industrial	6,050	6,350	0.0	5.0
Ethanol	4,650	4,900	0.0	5.4
Domestic use	10,500	11,500	-0.4	9.5
Exports	700	1,250	-3.8	78.6
Total use	11,200	12,750	-0.8	13.8
Ending stocks	729	1,959	0.5	168.6
<i>Percent</i>				
Stocks to use ratio	6.5	15.4		
<i>Dollars per bushel</i>				
Average market price	6.75/7.15	4.40/5.20	0.0	-30.9

July 11, 2013

AM-580 Daily Agricultural Programming Schedule

Monday – Friday (all times central)

- 8:49 a.m. – \$*Opening Commodity Market Report
- 8:52 a.m. - \$Drew Lerner Agricultural Weather
- 9:49 a.m. – \$*Mid-Morning Commodity Market Report
- 10:59 a.m. – Commodity Market Price Update
- 11:59 a.m. – Commodity Market Price Update
- 12:58:30 p.m. – *Midday Market Analysis with Sue Martin
- 2:06-2:36 p.m. – \$*Closing Market Report
 - 2:11 – Futures Analysis
 - 2:20 - Agricultural News
 - 2:25 - Cash Grain Analysis or Energy Analysis
 - 2:32 – Agricultural Weather Analysis

Saturday

- 6:30 a.m. - \$* Commodity Week
- 11:30 a.m. – \$*Commodity Week

* Available on the website for on demand listening

\$ Available via podcast