



August 23, 2013

Dear  
Subscriber:

After the Pro-Farmer Tour results it's become quite clear that September is going to have to hold very good weather or yield potential will be trimmed – especially in the Western Corn/Soybean Belt. With that in mind we start today with Drew Lerner's two week outlook taking us into September.

The Midwest will see a restricted rainfall pattern and warm temperatures through much

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I L L I N O I S

of the next two weeks. The weather pattern will be beneficial in many areas as crop development rates and growing degree days will accelerate, reducing the risk for damage from the first frost or freeze of the season. However, the abundant soil moisture from earlier this summer has already begun to decline and many areas will be left with little soil moisture by the end of the first week of September. A generalized increase in rain will be needed in early September to ensure crop stress does not significantly increase across a large part of the Midwest.

Stress to crops and yield reductions will be most significant from parts of the eastern Dakotas to portions of Iowa, Minnesota, northern and eastern Missouri, western, central, and northern Illinois, and parts of Wisconsin where soil moisture is already short. Many of these areas will see light rain today into Saturday that will temporarily ease stress to crops, but with

warmer temperatures occurring this weekend into next week that moisture will quickly be lost to evaporation. Rain will be needed in these dry areas in early September to prevent more serious crop stress and yield reductions. High temperatures through Saturday will be in the 80s


with some lower 90s and in the west and south each day and some upper and a few middle 70s in the north and east. A few northwestern areas will reach the middle 90s Saturday. Sunday through next Friday will be warmer and highs will be in the middle 80s to the lower 90s with some middle and upper 90s in the west and some lower 80s in the Great Lakes region. Parts

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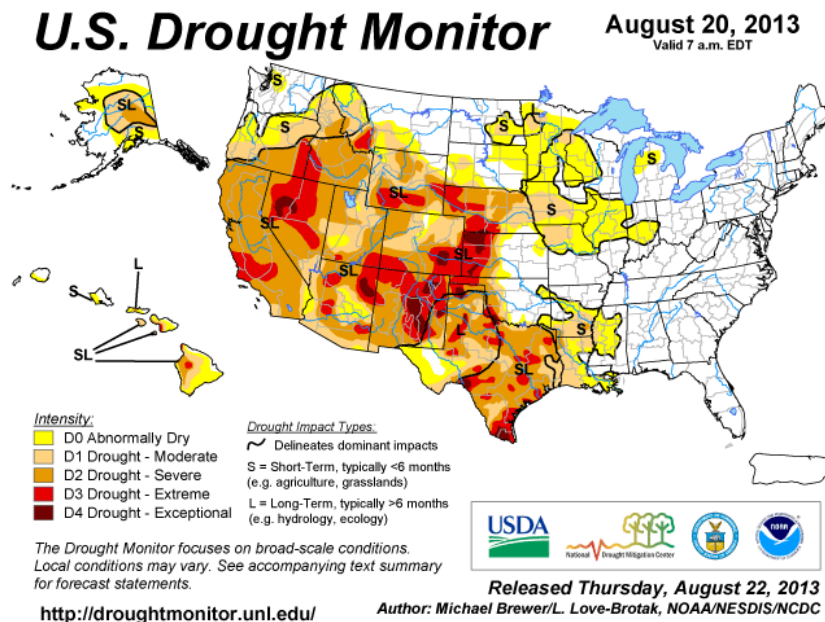
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of eastern Nebraska, western Iowa, southeastern South Dakota, and southwestern Minnesota may reach the lower 100s next week.

Low temperatures Saturday will be in the 60s with some 50s in the north and east and some lower 70s in the southwest. Lows beginning Sunday will be in the 60s and lower 70s with some upper 50s in the east Sunday. The second week of the two-week outlook will begin a little cooler.

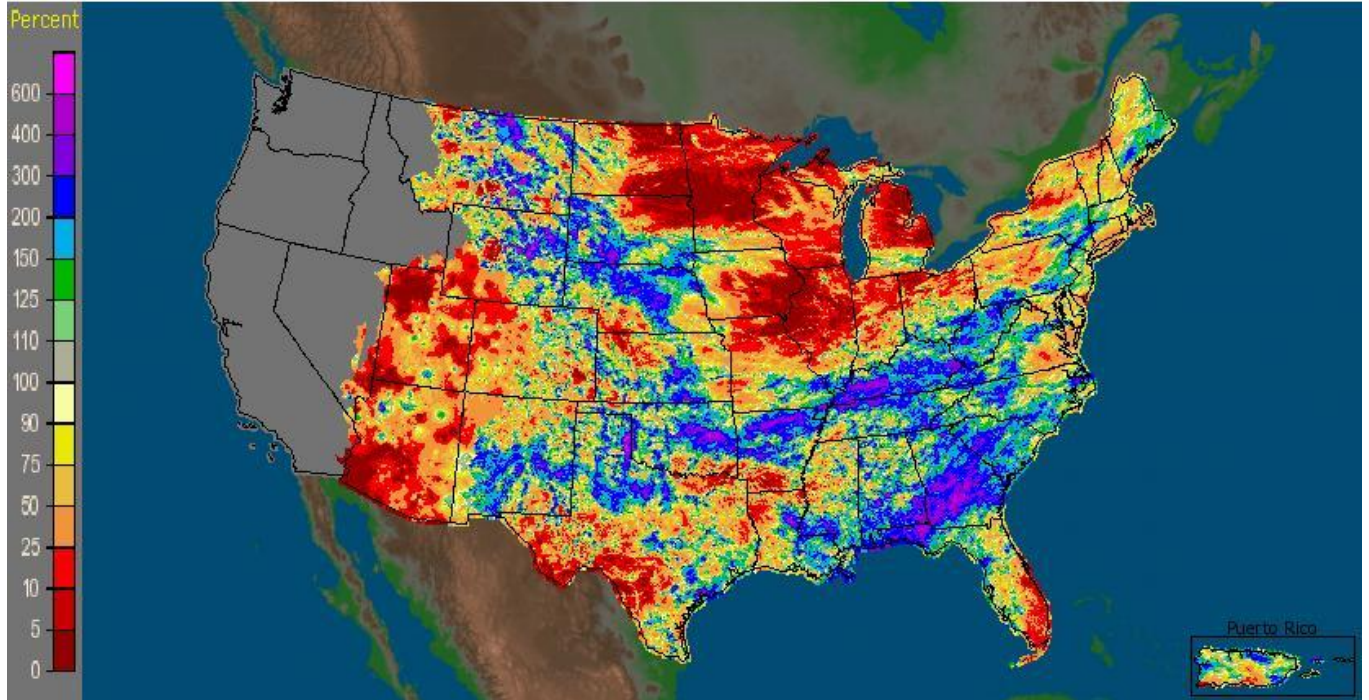
Overall, weather in the U.S. Midwest will be good for speeding along crop development rates, but the dry pockets that remain across the region are going to remain drier biased over the next several days and some increased crop stress may evolve as temperatures trend a little warmer during the weekend and next week. Highs in the Midwest will get into the middle and upper 80s and 90s Fahrenheit over the coming full week to ten days with some greater warmth in the far west over time. Most of the Delta will stay in favorable condition, although central and southern parts of the region still need rain for late season crops. The southeastern states are expected to be too wet for a little while longer, but should slowly dry down during the weekend and next week. The southern Plains, however, will experience net drying throughout the forecast period.

Here is the latest NOAA drought monitor:



Here is an August 22, 2013 map showing the departure from normal rainfall percentage over the last 14 days:

CONUS + Puerto Rico: Current 14-Day Percent of Normal Precipitation  
Valid at 8/22/2013 1200 UTC- Created 8/22/13 13:39 UTC



## **PROGRAMING NOTES**



### **WILL AM 580 and WILLAG.ORG AT FPS!!!**

The Farm Progress Show is set for Tuesday, Wednesday, and Thursday August 27-29 in Decatur, Illinois. WILLag's Closing Market Report will be live from the University of Illinois tent during the 2:00 p.m. hour. Come watch host Todd

Gleason along with a bevy of our ON AIR analysts and University of Illinois scientists, professors, and administrators. The Closing Market Report live from the Farm Progress Show each day at 2:00 p.m. Drop by the University of Illinois tent at the corner of West Avenue and 3rd Street, about 3 blocks south of the Main Gate. Special guest and legendary WGN Farm Broadcaster Orion Samuelson will be on hand at the



U of I tent, too. Orion takes the stage each day from 10:30 a.m. to 11:30 a.m. You can find details of the Farm Progress Show on its website at [www.farmprogressshow.com](http://www.farmprogressshow.com).



The College of Agricultural, Consumer and Environmental Sciences (ACES) invites you to attend the

annual **Salute to Agriculture Day** event at the University of Illinois next Saturday September 7.

Join the College of ACES from 9 to 11 a.m. for a public tailgate at the ACES tent located just west of the State Farm Center (Assembly Hall) main entrance/circle drive. Then, watch the Fighting Illini football team take on the Cincinnati Bearcats at 11 a.m.

Register for tickets now at:

<https://ecommerce.aces.illinois.edu/salutetoagriculture/>

A breakfast of bacon, egg and cheese sandwiches and L.A. Gourmet signature cinnamon rolls will be featured in the tent. Adult breakfast tickets are \$15, and student breakfast tickets are \$10. A cash bar will be available. Individual game tickets also may be purchased for \$20.

Several WILLAg folks (Gleason, Nelson, Coolley, Voeks, Kimmel) will be on hand for the event next Saturday along with Orion Samuelson, Dean of the College of ACES Bob Hauser, and President of the University of Illinois Bob Easter. Come join them for Salute to Agriculture at the Illini Football game.

# WEEKLY OUTLOOK

University of Illinois agricultural economist Darrel Good talks about the uncertainty in U-S production prospects as well as changing indications of corn consumption. Darrel writes:

“The NASS August forecast of the U.S. average corn yield of 154.4 bushels per acre was three to four bushels less than expected. The initial reaction was that the forecast would be larger in subsequent reports. However, weather conditions have become less favorable as large areas of the Dakotas, Minnesota, Wisconsin, Iowa, Missouri, and Illinois received less than average precipitation over the last 60 days and particularly over the past 30 days. While more seasonal temperatures in coming weeks will help advance maturity, the combination of warm and dry weather will likely result in declining crop condition ratings and yield expectations more in line with the USDA forecast....recent developments suggest that new crop corn prices may have established a low before harvest. At least the extreme lows that have been reflected in some private forecasts now seem unlikely. The September 12, USDA *Crop Production* report looms as very important for price direction.”

To see Darrel’s full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/081913.html>



This past week the Federal Reserve released the minutes of its July 30-31<sup>st</sup> meeting. It reads in part:

The staff continued to forecast that the rate of real GDP growth would strengthen in 2014 and 2015, supported by a further easing in the effects of fiscal policy restraint on economic growth, increases in consumer and business confidence, additional improvements in credit availability, and accommodative monetary policy. The expansion in economic activity was anticipated to lead to a slow reduction in the slack in labor and product markets over the projection period, and the unemployment rate was expected to decline gradually.

Our analysts say the September forward meetings will be closely monitored to see if there is growing consensus to reduce the fed's stimulus programs.

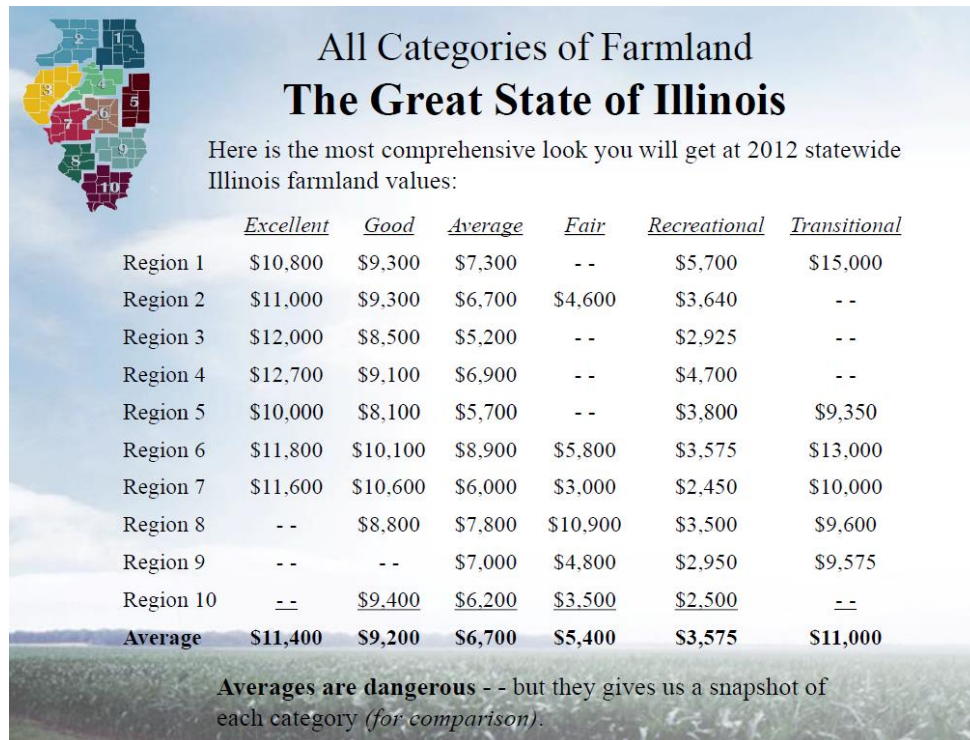
To read the full fed minutes go to:

<http://www.federalreserve.gov/monetarypolicy/fomcminutes20130731.htm>

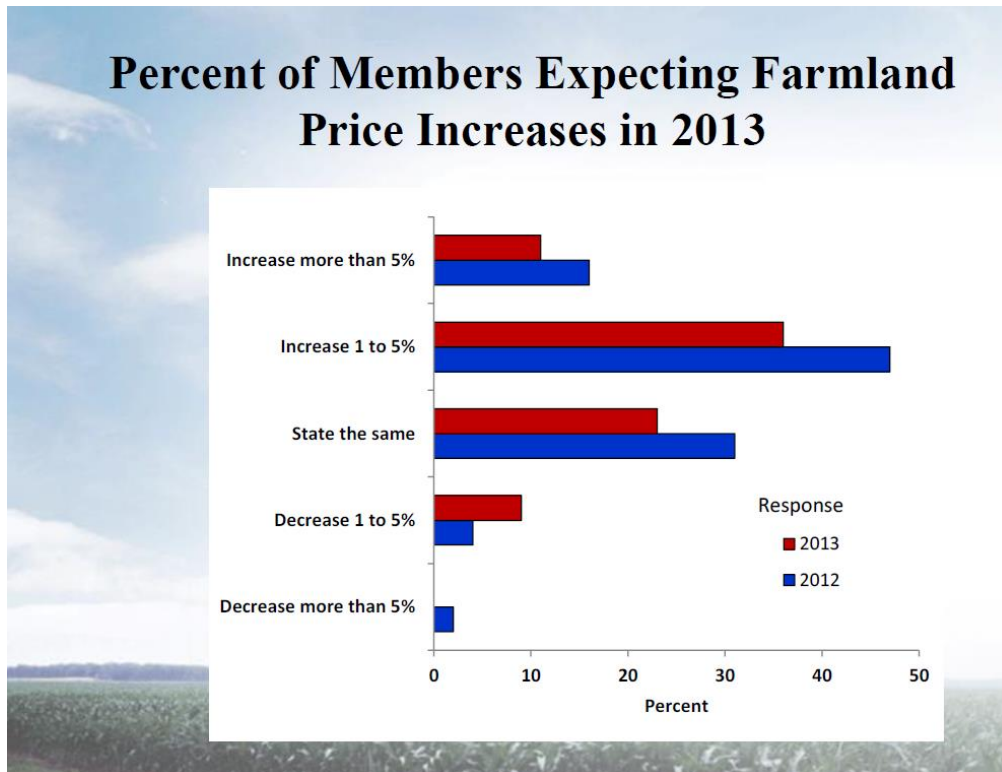


### **2013 Farmland Values and Lease Trends**

The Illinois Society of Professional Farm Managers and Rural Appraisers has released its latest update on farm vales and least trends.



## Percent of Members Expecting Farmland Price Increases in 2013



You can review the full report as a power point presentation at:

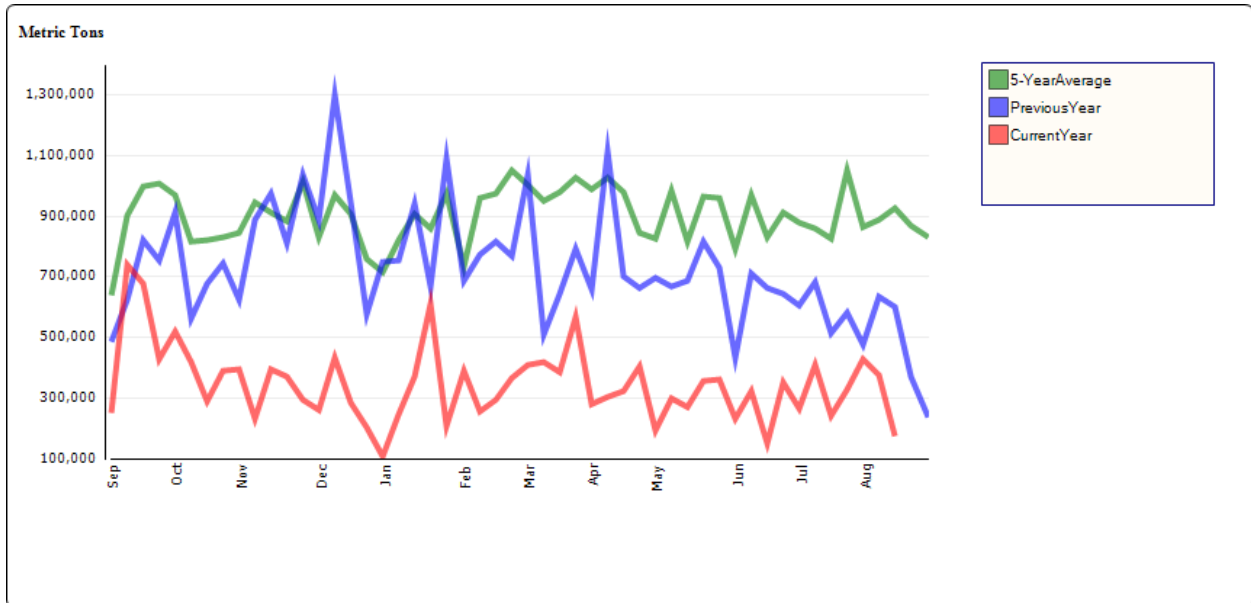
<http://www.ispfmra.org/wp-content/uploads/2013/03/2013-Illinois-Farmland-Values-Lease-Trends-Full-Presentation.pdf>



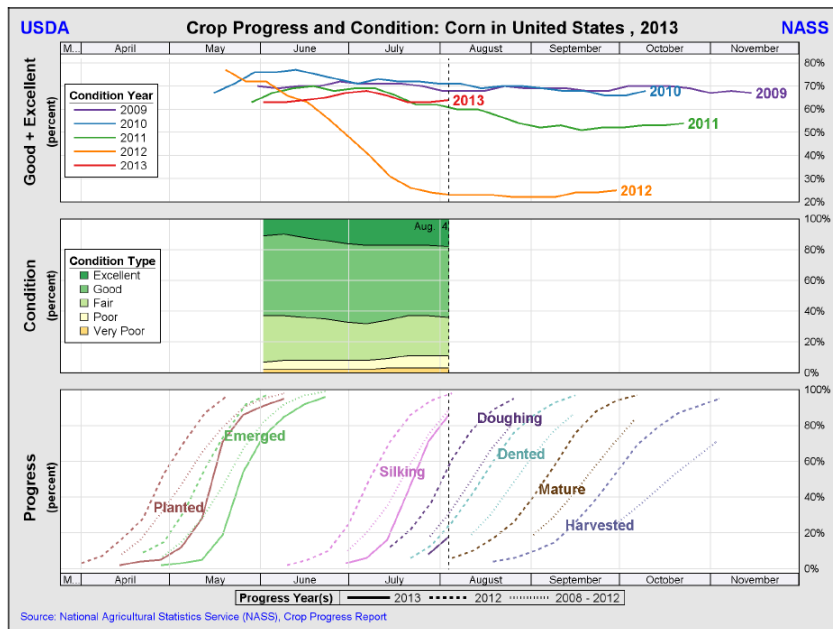
**U**SDA reports this week's corn export sales at 19.4 million bushels (2.3 this year, 17.1 next year). On the year, total commitments for corn are 752.2 million bushels vs. 1563.7 million bushels a year ago at this time.



## Weekly Corn – as of August 15, 2013



## Chart Courtesy of USDA Foreign Ag Service



For information on basis in Illinois this past week go to:

[http://www.ams.usda.gov/mnreports/GX GR113.txt](http://www.ams.usda.gov/mnreports/GX_GR113.txt)

The Iowa basis report is at:

[http://www.ams.usda.gov/mnreports/NW GR110.txt](http://www.ams.usda.gov/mnreports/NW_GR110.txt)

In Friday afternoon's commitments of traders report for the week ending August 20 non-commercials decreased its net short position. Non-commercials were long 346,548 contracts, a decrease of 7,355 contracts, and were short 388,474 contracts, a decrease of 24,311 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders decreased its net short position for the period ending August 20. Non-commercials were long 307,613 combined future and option contracts, a decrease of 24,063 combined future and option contracts and short 353,439 contracts, a decrease of 53,603 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for August 20 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	445,853	60,302	10,630	-5,517



**U**SDA reports this week's soybean export sales at 34.8 million bushels (0.8 this year, 34.0 next year). On the year, total commitments for soybeans are 1366.1 million bushels vs. 1426.3 million bushels a year ago at this time.

## Weekly Soybeans – as of August 15, 2013

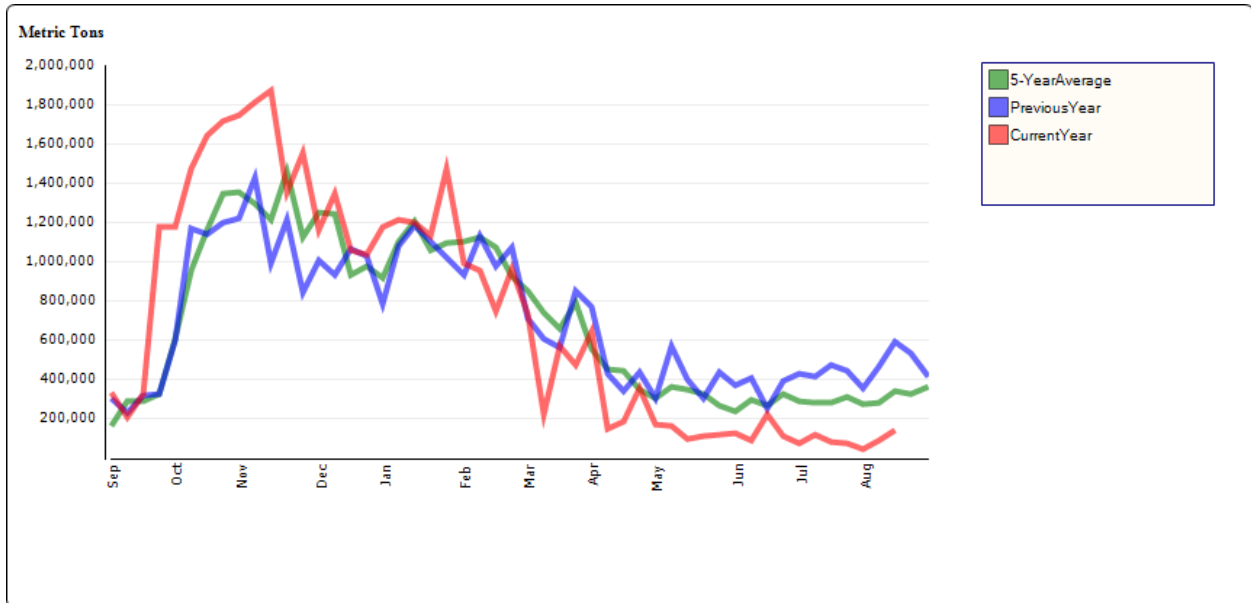
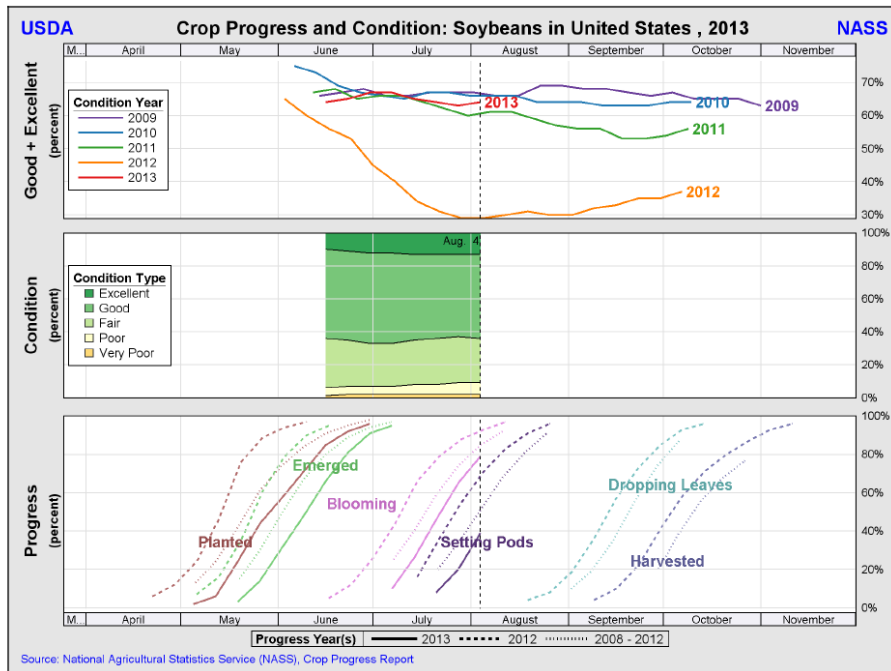


Chart Courtesy of USDA Foreign Ag Service



In Friday afternoon's commitments of traders report for the week ending August 20, non-commercials increased its net long position. Non-commercials were long 207,696 contracts, an increase of 25,931 contracts and were short 102,302 contracts, a decrease of 18,572 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders increased its net long position for the period ending August 20. Non-commercials were long 190,190 combined future and option contracts, an increase of 26,022 contracts and short 81,324 contracts, a decrease of 22,864 combined future and option contracts from the previous reporting period.

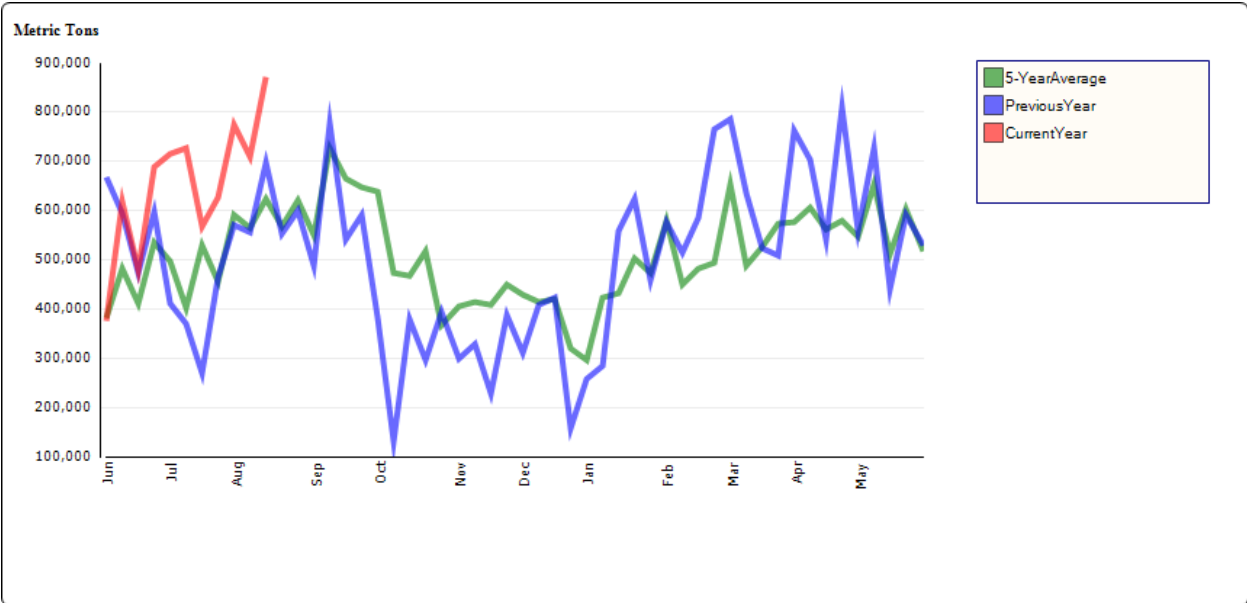
The CFTC Supplemental Report for August 20 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	149,978	14,476	4,189	-1,645



**U**SDA reports this week's wheat export sales at 18.2 million bushels (18.2 this year, 0.0 next year). On the marketing year wheat sales have totaled 518.4 million bushels compared with 365.6 million bushels a year ago at this time.

**Weekly Wheat – as of August 15, 2013**



**Chart Courtesy of USDA Foreign Ag Service**

In Friday afternoon’s commitment of traders report for the week ending August 20 non-commercial traders increased its net short position. Non-commercials were long 119,262 combined future and option contracts, 1,199 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for August 20 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	168,165	25,159	-6,002	-3,201

## ***Pro Farmer Crop Tour Results***

This past week the Pro Farmer crossed the corn/soybean belt, assessing crop potential at harvest. Here are the key numbers from the tour:

<b><i>Pro Farmer Crop Tour Data – Corn Crop</i></b>						
State	Ear Count in 60 Foot of Row	Grain Length in Inches	Kernel Rows Around	Row Spacing in Inches	Yield	Samples
Minnesota	101.60	6.55	15.98	29.46	181.09	167
Iowa	98.88	6.53	15.76	27.70	171.94	390
Illinois	101.49	6.29	15.73	29.65	170.48	201
Indiana	90.02	6.56	15.81	29.76	167.36	181
Nebraska	83.91	6.91	16.06	30.40	154.93	235
Ohio	93.20	6.96	15.78	29.87	171.64	109
South Dakota	82.85	7.16	16.13	29.40	161.75	60

<b><i>Pro Farmer Tour Data – Soybean Crop</i></b>						
State	Pod Count in 3 Feet	Soil Moisture	Growth State	Row Spacing in inches	Pod Count in 3 foot by 3 foot square	Samples
Minnesota	618.78	3.95	4.50	25.98	869.42	166
Iowa	554.42	2.69	4.42	22.43	927.30	372
Illinois	636.44	2.04	4.49	20.85	1,115.97	201
Indiana	504.82	2.30	4.61	15.92	1,185.14	175
Nebraska	770.48	3.49	4.81	24.81	1,138.94	229
Ohio	397.63	2.93	4.70	13.11	1,162.64	99
South Dakota	714.91	3.60	4.40	25.67	1,016.68	60

After the closing bell Friday Pro Farmer Magazine published its projections for national production and yield. Pro Farmer, based in Cedar Falls, Iowa, projected a U.S. corn crop of 13.46 billion bushels, with a yield of 154.1 bushels per acre. That would be down from the U.S. Department of

Agriculture's August estimates of 13.8 billion bushels and 154.4 bushels per acre.

Pro Farmer estimated the soybean crop at 3.158 billion bushels, with a yield of 41.8 bushels per acre, down from the USDA's most recent estimates of 3.255 billion and 42.6 bushels per acre.

The projections assume "normal" weather through the end of September. Pro F lower crop estimates are due in part to what it sees as lower-than-expected harvested acreage.



### **P**anelists:

- Scott Harms, Archer Financial Services - Oakland, Illinois
- Greg Johnson, The Andersons - Champaign, Illinois
- Bill Mayer, Strategic Farm Marketing - Champaign, Illinois

### **G**uest:

- Pro Farmer senior editor Chip Flory, Cedar Falls, Iowa

You can listen to Commodity Week each Saturday morning at 11:30 a.m. central time on AM-580 or click on the following link after 6:00 p.m. Friday evenings and catch the show on our website:

### **Broadband MP3:**

<http://audio01.will.illinois.edu/cw130823.mp3>

### **Dial Up MP3:**

<http://audio01.will.illinois.edu/cw130823dial.mp3>

## Weekly Continuation Chart



August 23, 2013

Commodity	Week High	Week Low	Week Settle	Change from Previous Week
Sept Wheat	646 3/4	628 1/2	634 1/2	up 3 1/2
Jul Wheat			660 1/2	unchanged
Sept Corn	500	478 1/4	495 1/2	up 21 3/4
Dec 13 Corn			470	up 6 1/2
Sept Soybeans	1369	1295	1365 1/4	up 82
Nov 13 Soybeans			1328	up 68 3/4
Aug Live Cattle	12420	12310	12310	down 80
Aug Lean Hogs	8710	8380	8510	down 162 1/2
May Oats			363	down 14 1/2

### AM-580 Daily Agricultural Programming Schedule

<http://www.will.uiuc.edu/am/agriculture/schedule.htm>

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