



September 20, 2013

Dear Subscriber:

The next report up for trade consideration is the end of the month Quarterly Grain Stocks Report. Our analyst DO NOT think this report will move the needle much on corn futures once the numbers are revealed on September 30. That's because USDA took much of the potential volatility out of change in corn ending stocks by making a 57 million bushel

reduction in it's September Crop Production estimates. Our analysts believed prior to the September report that old crop inventories were between 40 and 80 million bushels too rich. Now it's very likely that unless old crop ending stocks go significantly lower the trade will view the report as "old news" for corn.

Meanwhile from a technical standpoint corn continues to grind lower toward a retest of the August lows and soybean bulls were sad to see the end of August gap downside gap on the November charts filled, emboldening some new shorts to also enter the fray. Providing fundamental downside pressure

A blue-themed graphic with the text 'AM - 5 8 0 A G R I C U L T U R E' at the top. Below it, the word 'sponsors' is written in a light blue font, followed by 'THANK YOU' in large, bold, blue letters. A white box contains the text 'THANKS TO THESE SPONSORS FOR SUPPORTING THE AG E-LETTER'. Below this is the ADM logo (a green leaf inside a blue diamond) and the text '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'. A blue link '<http://www.adm.com/>' is provided. At the bottom, a white box contains contact information: 'FOR INFORMATION ON SPONSORING THE WILL AG E-LETTER CONTACT LES SCHULTE OR CHARLIE SMITH LSCHULTE@ILLINOIS.EDU | SMITH22@ILLINOIS.EDU | (217) 333-7300'. The word 'ILLINOIS' is written in small blue letters at the very bottom.

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

on soybeans was showers this past week which may have helped, according to our analysts, perhaps 25 percent of the soybean crop with test weight. Weather going forward likely will be viewed more through a lens of "harvest delays" than "increased production."

Here is World Weather meteorologist Drew Lerner's take on U-S weather prospects as we accelerate harvest in Illinois and Indiana:

"The two-week outlook has not changed much since Thursday. Rain will spread across the remainder of the eastern Corn Belt today while mostly dry conditions return to the western Corn Belt. Rain from the past several days and that expected today into Saturday will ease stress to crops throughout the Midwest. Most of the rain either has or will come too late in the season to significantly improve yields, but enough rain should fall to benefit crop quality.

Several days of mostly dry weather and favorable conditions for harvesting will follow with the next round of rain occurring Thursday into Sep. 28 in the west and Sep. 27-29 in the east.

Temperatures should not become cold enough through the next week to seriously threaten crops. Some frost and a few light freezes will occur Saturday into the "far" northwestern Corn Belt.

Most temperatures will not be cold enough for a long enough time to induce a serious amount of damage to immature crops. However, some grain and oilseed quality issues may evolve in the areas that are most significantly impacted with frost. Most of the frost will impact North Dakota and northern Minnesota.

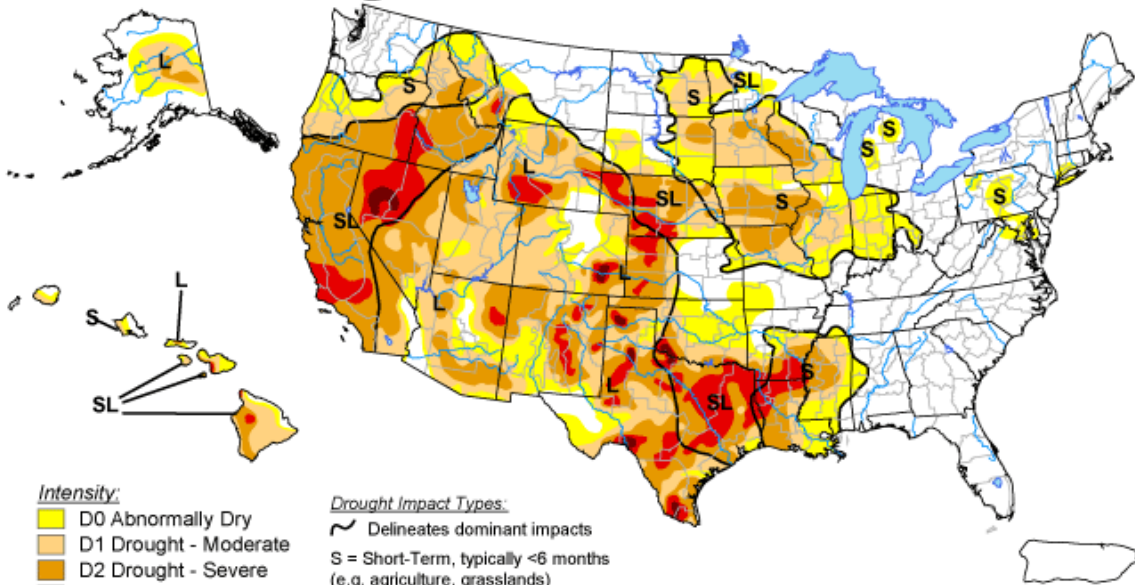
High temperatures through Tuesday will be in the 60s and 70s with some lower 80s in the south. Some northern areas will see highs in the middle and upper 50s today and Saturday while some southeastern areas warm to the middle 80s today. Wednesday through next Friday will be a little warmer and highs will be in the 70s and lower 80s with some middle 80s in the south and some 60s in the north. Many areas in the eastern Dakotas into Minnesota will see highs in the 60s next Friday.

Low temperatures through Wednesday will be in the middle 40s through the 50s with some lower 60s in the south each day, some middle 60s in the southeast Saturday, and some middle 30s through the lower 40s in the north Saturday and Sunday.

A few far northwestern locations will cool to the lower 30s Saturday. Thursday and next Friday's lows will be in the 50s and lower 60s with some middle 60s in the south and some middle and upper 40s in the northwest. Temperatures will cool early in the second week of the two-week outlook."

Here is the latest drought maps – nationally, for Illinois, for Iowa, and rain graphs:

U.S. Drought Monitor September 17, 2013 Valid 7 a.m. EDT



Intensity:

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

Drought Impact Types:

- Delineates dominant impacts
- S = Short-Term, typically <6 months (e.g. agriculture, grasslands)
- L = Long-Term, typically >6 months (e.g. hydrology, ecology)

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://droughtmonitor.unl.edu/>



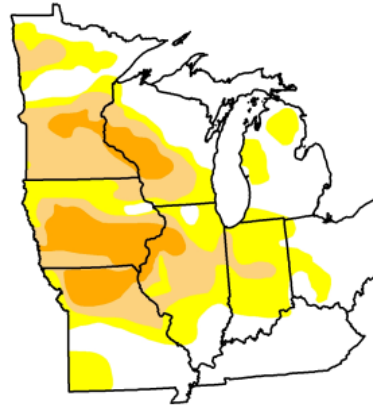
Released Thursday, September 19, 2013
Author: David Miskus, NOAA/NWS/NCEP/CPC

U.S. Drought Monitor

September 17, 2013
Valid 7 a.m. EST

Midwest

	Drought Conditions (Percent Area)					
	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	43.22	56.78	31.96	11.48	0.00	0.00
Last Week (09/10/2013 map)	48.43	51.57	31.64	10.78	0.00	0.00
3 Months Ago (06/18/2013 map)	93.01	6.99	1.90	0.00	0.00	0.00
Start of Calendar Year (01/01/2013 map)	28.14	71.86	54.93	30.11	7.88	0.14
Start of Water Year (09/25/2012 map)	8.75	91.25	67.48	41.58	14.88	0.28
One Year Ago (09/11/2012 map)	6.42	93.58	63.29	40.80	13.30	0.38



Intensity:

- D0 Abnormally Dry
- D1 Drought - Moderate
- D2 Drought - Severe
- D3 Drought - Extreme
- D4 Drought - Exceptional

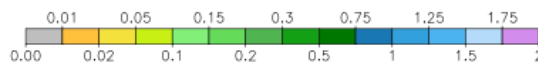
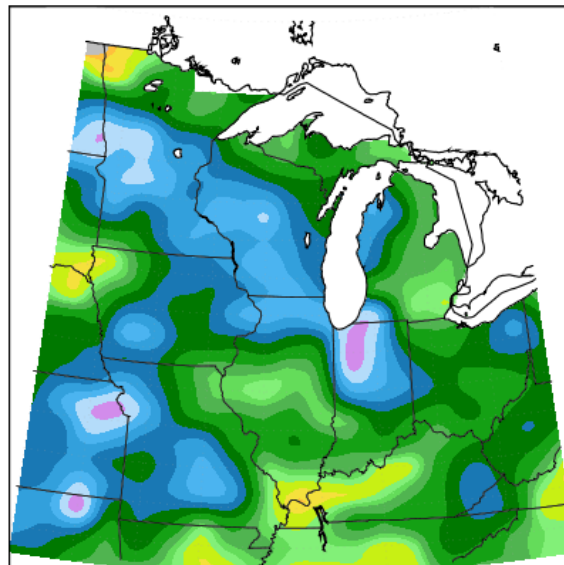
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://droughtmonitor.unl.edu>



Released Thursday, September 19, 2013
National Drought Mitigation Center,

Accumulated Precipitation (in)
September 13, 2013 to September 19, 2013



Midwestern Regional Climate Center
Illinois State Water Survey, Prairie Research Institute
University of Illinois at Urbana-Champaign

WEEKLY OUTLOOK

University of Illinois ag economist Darrel Good says the October crop production report could confirm the prospects for larger ending stocks in 2011-14: Darrel writes:

“Prices will likely continue to be unsettled as harvest reports become more numerous and the market forms expectations about the October production forecasts. In each of the previous three years, when the U.S. average corn yield was below trend value, the October production forecast was below the September forecast. The difference ranged from 21 million bushels last year to 496 million bushels in 2010. Over the past 30 years, however, the October forecast was above the September forecast in 18 years and below the September forecast in 12 years. This year, there continues to be a range of expectations about both the October forecast and final estimate of the U.S. average corn yield. Yield uncertainty is increased by the generally dry end to the growing season in many areas and by the late maturity of the crop where planting was delayed. Over the past 40 years, the largest declines in the U.S average yield forecast from September to October occurred in 1974 (4.3 bushels), 1995 (4.5 bushels), and 2010 (6.7 bushels). In percentage terms the largest decline was in 1974 (5.5 percent) when widespread early frost damaged a late maturing crop. Barring widespread early frost damage this year, the yield forecast in October is not expected to differ enough from the September forecast to alter the prospects for rebuilding stocks during the year ahead.”

To see Darrel’s full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/091613.html>

Late in the day on Friday Informa updated it’s production expectatons for corn and soybeans, incorprating the latest FSA data from this past Tuesday.

Informa anticipates USDA to trim 1.5 million acres from its June corn planting estimate and 391,000 acres from its soybean estimate, putting total planted acreage at 95.8 million corn acres and 76.8 million acres soybean acres.

Informa expects USDA to forecast corn production at 13.89 billion bushels, 46 mb above USDA's September forecast and 149 mb above Informa's previous estimate. Informa dropped its forecast for corn abandonment from USDA's 8.2 million acres to 7.7 million acres. Informa expects an average yield estimate of 157.6 bpa.

On soybeans, Informa expects production to total 3.22 bb, 75 mb above USDA's September estimate due to a higher yield forecast of 42.4 bpa.



USDA reports this week's corn export sales at 17.2 million bushels (17.2 this year, 0.0 next year). On the year, total commitments for corn are 520.4 million bushels vs. 397.7 million bushels a year ago at this time.

Weekly Corn – as of September 12, 2013

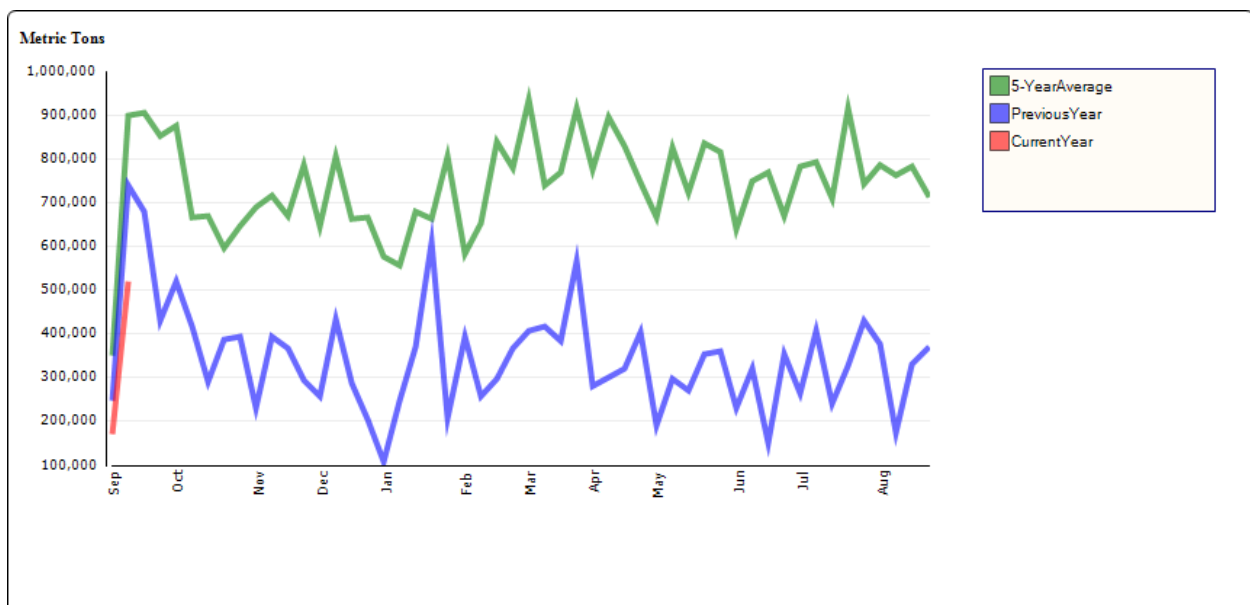
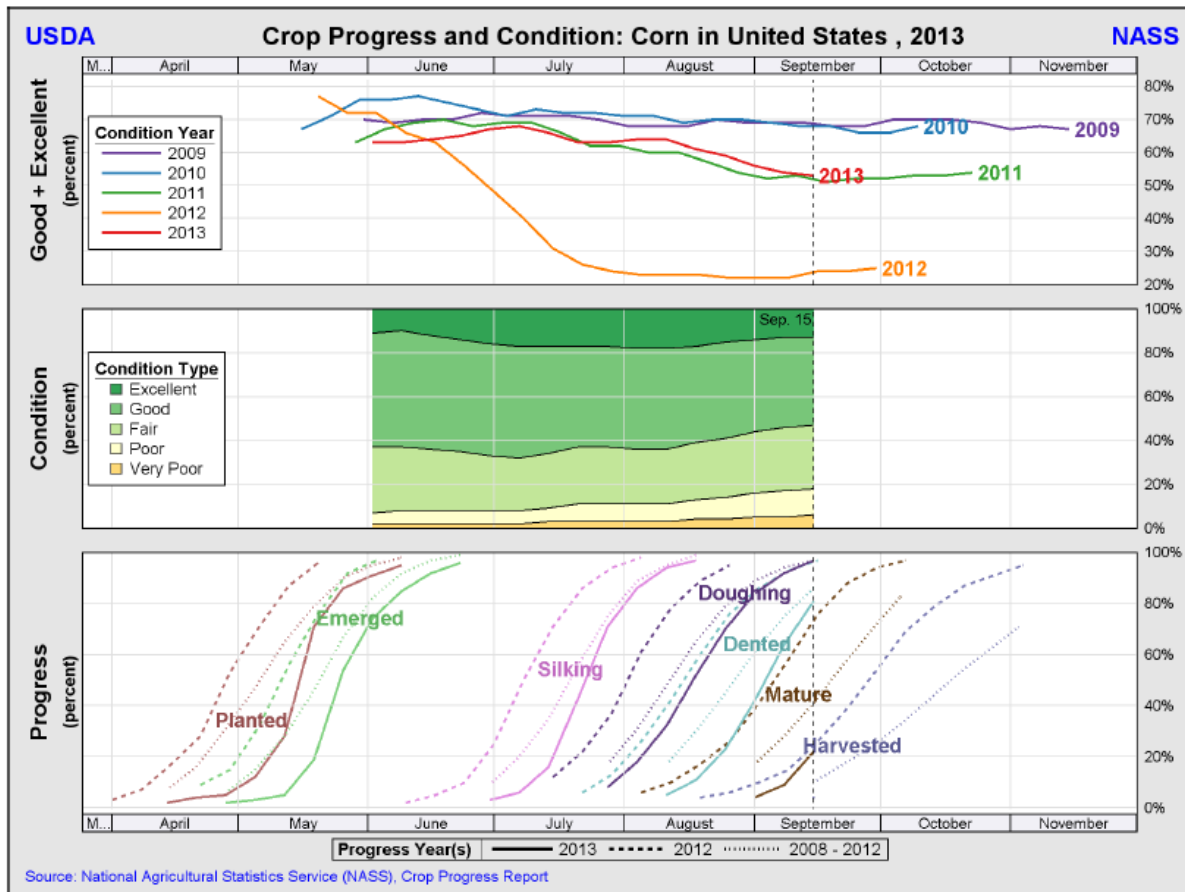


Chart Courtesy of USDA Foreign Ag Service



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 September 17 non-commercials increased its net short position. Non-commercials were long 344,736 contracts, an increase of 20,112 contracts, and were short 419,542 contracts, an increase of 51,198 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders increased its net short position for the period ending September 17. Non-

commercials were long 298,185 combined future and option contracts, a decrease of 1,118 combined future and option contracts and short 360,539 contracts, an increase of 33,536 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for September 17 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	415,519	33,167	1,021	1,312



USDA reports this week's soybean export sales at 33.9 million bushels (33.9 this year, 0.0 next year). On the year, total commitments for soybeans are 840.7 million bushels vs. 785.3 million bushels a year ago at this time.

Weekly Soybeans – as of September 12, 2013

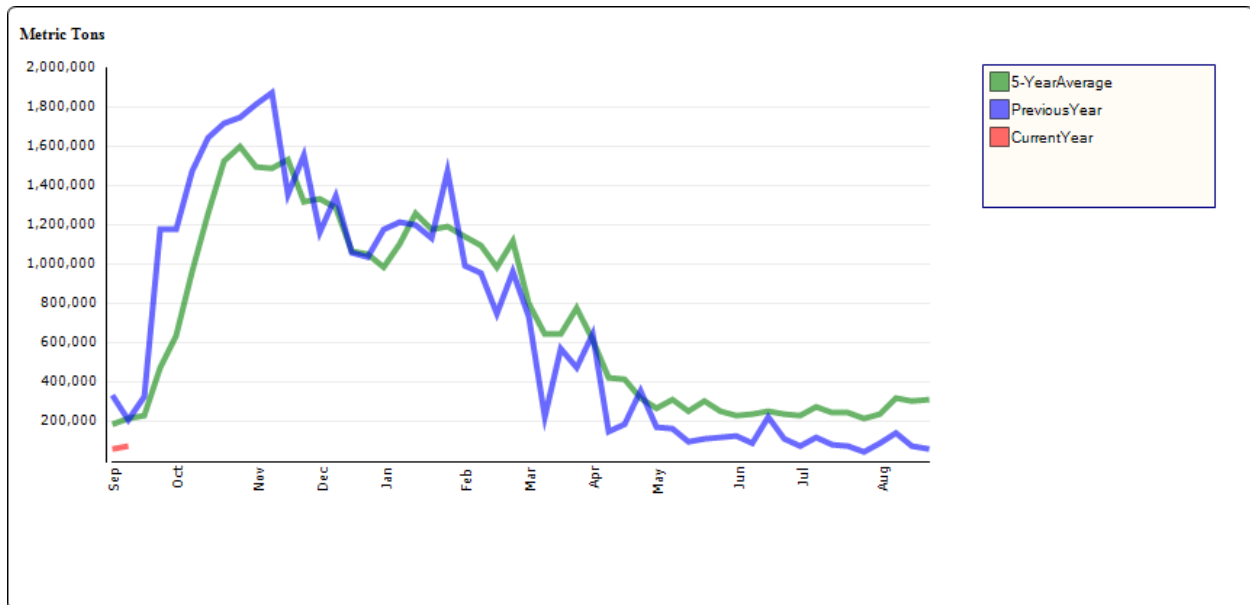
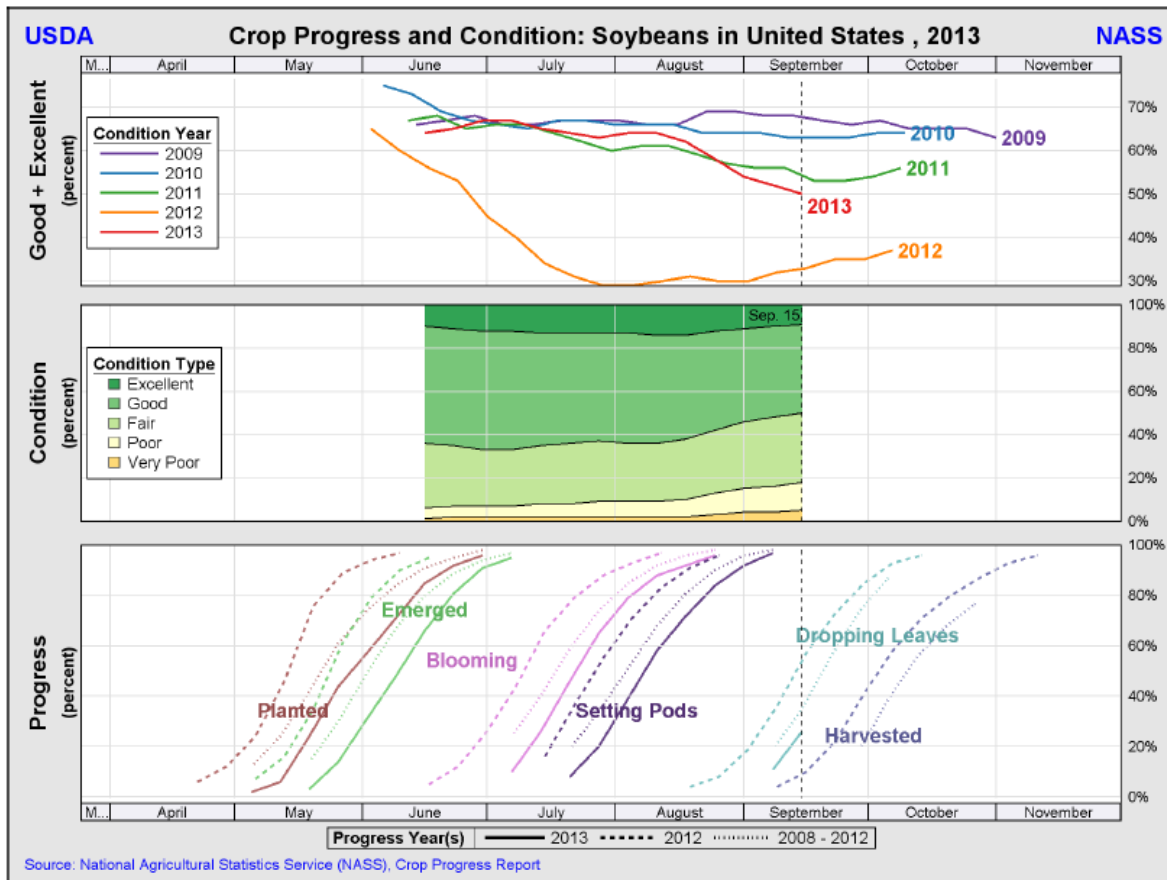


Chart Courtesy of USDA Foreign Ag Service

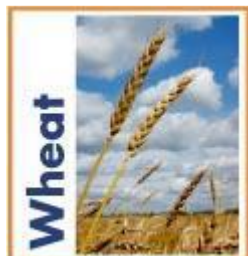


In Friday afternoon's commitments of traders report for the week ending September 17, non-commercials increased its net long position. Non-commercials were long 233,664 contracts, an increase of 635 contracts and were short 73,754 contracts, a decrease of 6,460 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders increased its net long position for the period ending September 17. Non-commercials were long 215,130 combined future and option contracts, an increase of 6,008 contracts and short 57,919 contracts, an increase of 1,130 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for September 17 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	158,488	15,961	5	577



USDA reports this week's wheat export sales at 25.8 million bushels (25.9 this year, -0.1 next year). On the marketing year wheat sales have totaled 627.2 million bushels compared with 453.7 million bushels a year ago at this time.

Weekly Wheat – as of September 12, 2013

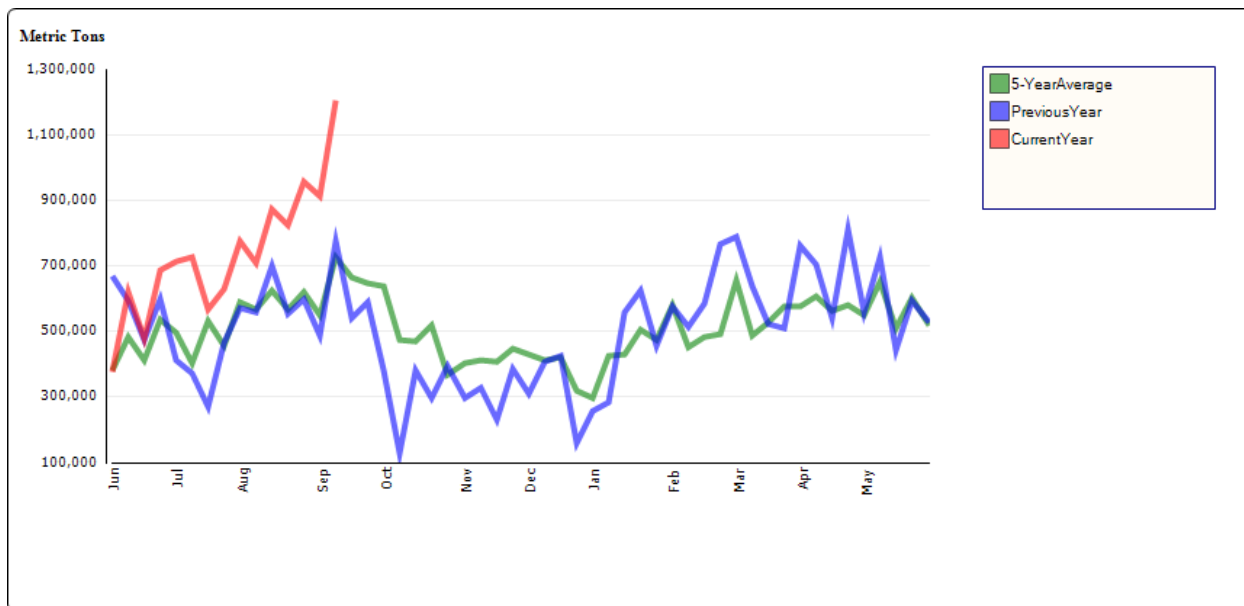


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitment of traders report for the week ending September 17 non-commercial traders increased its net short position. Non-commercials were long 116,376 combined future and option contracts, a decrease of 2,022 contracts and short 169,173 contracts, an increase of 1,622 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for September 17 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	171,567	16,520	2,896	904



Commodity Week

Panelists:

- Matt Bennett, Total Grain Marketing - Windsor, Illinois
- Ellen Dearden, AgReview - Morton, Illinois
- Pete Manhart, Bates Commodities - Normal, Illinois

Guest:

- Greg Wagner, GWX Ag Advisors - Chicago, Illinois

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/cw130920.mp3>

Dial Up MP3:

<http://audio01.will.illinois.edu/cw130920dial.mp3>

Weekly Continuation Chart



September 17, 2013

Commodity	Week High	Week Low	Week Settle	Change from Previous Week
Dec Wheat	662 1/2	638 1/2	646 1/4	up 4 3/4
Jul Wheat			657 1/2	up 1
Dec Corn	468 1/2	450 1/2	451	down 8
Dec 14 Corn			490 3/4	down 7 3/4
Nov Soybeans	1375 1/4	1311 3/4	1315 1/4	down 66 1/4
Nov 14 Soybeans			1171 1/2	up 1/2
Oct Live Cattle	12615	12430	12595	up 70
Oct Lean Hogs	9220	8970	9005	down 65
Dec Oats			308 3/4	down 3 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