



January 24, 2014

Dear Subscriber:

***25<sup>th</sup> Annual All Day Ag Outlook Tickets go on Sale  
Monday, February 27***

The 25th annual All Day Ag Outlook Meeting is set for March 4 at the Beef House in Covington, Indiana. Most all of our analysts will be there -- including Sue Martin of Ag and Investment Services. Along the way we'll get the lowdown on farmland values for 2014 and the commodity title of the new farm bill. And of course our great marketing panels on soybeans, corn, and cash grain. The cost is 30 dollars a ticket and includes continental breakfast, Beef House lunch, and 25th anniversary hat. Register during regular business hours -- 9 a.m. - 4:30 p.m. central time with your major credit card and guarantee your spots. The phone number to call is (217) 333-7300. We'll mail your tickets immediately!

Here is the day's lineup:

2014 All Day Agricultural Outlook Meeting  
Tuesday, March 4, 2014  
Beef House, Covington, Indiana  
Maximizing Returns in 2014

**Registration**

8:45 am Eastern (7:45 am Central)

**Opening Remarks (5 min)**

9:25 am Eastern (8:25 am Central)

Soybean Commodity Panel (45 min)

9:30 am Eastern (8:30 am Central)

\*Dan Zwicker, CGB Enterprises, Mandeville, Louisiana

\*Curt Kimmel, Bates Commodities, Normal, Illinois

\*Wayne Nelson, L and M Commodities, New Market, Indiana

**Key Note 1 (30 min)**

Land Values in 2014

10:15 am Eastern (9:15 am Central)

Murray Wise, CEO, Murray Wise Associates LLC, Champaign, Illinois

Break (15 minutes)

10:45 am Eastern (9:45 am Central)

**Cash Grain Panel (45 min)**

11:00 am Eastern (10:00 Central)

\*Greg Johnson, The Andersons, Champaign, Illinois

Aaron Curtis, MIDCO, Bloomington, Illinois

\*Matt Bennett, Total Grain Marketing, Winsor, Illinois

\*Chuck Shelby, Risk Management Commodities, Lafayette, Indiana

BREAK (5 minutes)

11:45 am Eastern (10:45 am Central)

**Key Note 2 (40 Minutes)**

Title 1 – Farm Bill 2014

11:50 am (10:50 am Central)

\*Jonathan Coppess, Clinical Professor of Law and Policy, College of Agricultural, Consumer, and Environmental Sciences, University of Illinois at Urbana Champaign

Lunch and Trade Show

12:30 pm Eastern (11:30 am Central)

**Key Note 3 (40 Minutes)**

1:30 pm Eastern (12:30 pm Central)

\*Sue Martin, Ag and Investment Services, Webster City, Iowa

**Corn Panel (45 min)**

2:15 pm Eastern (1:15 pm Central)

\*Pete Manhart, Bates Commodities, Normal, Illinois

\*Jacquie Voeks, Stewart Peterson Group, Champaign, Illinois

\*Mike Zuzolo, Global Commodity Analytics, Lafayette, Indiana

\*Bill Mayer, Strategic Farm Marketing, Champaign, Illinois

Ag Commodity Outlook meeting season is heating up again and we've got numerous opportunities for you to attend on our calendar. For the latest meetings you can bookmark this link:

<http://will.illinois.edu/agriculture/calendar>

Here is what we have on the calendar for your consideration:

Date	Time	Location	Analysts	Sponsor
January 29, 2014	Dinner at 6:00 p.m. Outlook Panel at 6:45 p.m.	Elks Club Pontiac, Illinois	Curt Kimmel, Bates Commodities, Normal, Illinois Jacquie Voeks, Stewart Peterson Group, Champaign, Illinois Jason Clapp, Risk Management Commodities, Lafayette, Indiana	First Farm Credit - Pontiac, Illinois
February 1, 2014	TBA	Chicago Farmers Farmland Fair Weitendorf Agricultural Education Center Joliet Junior College 1215 Houbolt Road Joliet, Illinois 60431	Matt Bennett, Total Grain Marketing - Windsor, Illinois Gary Schnitkey, University of Illinois - Urbana, Illinois Chuck Shelby, Risk Management Commodities - Lafayette, Indiana	Chicago Farmers
February 4, 2014	6:00 p.m. pizza 6:30 p.m. WILL Outlook Panel	U of I Extension Office, Kankakee, Illinois	Curt Kimmel, Bates Commodities, Normal, Illinois Jason Clapp, Risk Management Commodities, Lafayette, Indiana	U of I Extension
February 5, 2014	10:30 a.m.	Peoria Civic Center - Pork Expo	Steve Meyer, Paragon Economics - Adel, Iowa Tomm Pfitzenmaier, Summit Commodity Brokerage - Des Moines, Iowa Jacquie Voeks, Stewart Peterson - Champaign, Illinois	Illinois Pork Producers Association
February 6, 2014	1:00 p.m.	Center for Agriculture DeKalb County Farm Bureau Bldg 1350 West Prairie Drive Sycamore, IL 60178	Wayne Nelson, L and M Commodities Jacquie Voeks, Stewart Peterson - Champaign, Illinois Presenter: Dan Basse, Ag Resource Company - Chicago, Illinois	Castle Bank
February 10, 2014	5:30 p.m. Registration 6:00 p.m. Dinner	Farm Credit Services Bldg Mahomet, Illinois	Gary Schnitkey, University of Illinois Curt Kimmel, Bates	Farm Credit Services of Illinois

	6:45 p.m. WILLAG Marketing Panel		Commodities - Normal, Illinois Sherman Newlin, Risk Management Commodities - Hudsonville, Illinois Jacquie Voeks, Stewart Peterson - Champaign, IllinoisLafayette, Indiana	
February 18, 2014	5:30pm - Registration 6:00pm - Meal 6:45pm - WILLAg Marketing Panel	Farm Credit Services Bldg Sherman, Illinois	Gary Schnitkey, University of Illinois Mike Zuzolo, Global Commodity Analytics & Consulting - Atchison, Kansas Pete Manhart, Bates Commodities - Normal, Illinois Chuck Shelby, Risk Management Commodities - Lafayette, Indiana	Farm Credit Services of Illinois
February 19, 2014	5:30 Dinner 6:30 p.m. Meeting	Quality Inns and Suites, Bradley, Illinois	Jason Clapp, Risk Management Commodities, Lafayette, Indiana Bill Mayer, Strategic Farm Marketing, Champaign, Illinois Jerry Gidel, Rice Dairy, Chicago Illinois	First Farm Credit Services
February 19, 2014	6:30 p.m.	St. Clair County Farm Bureau 1478 E State Route 15 Belleville, Illinois 62222	Greg Ginder, INTL FC Stone - Chesterfield, Missouri TBA Mike Zuzolo, Global Commodity Analytics and Consulting - Atchison, Kansas	Wyffels Hybrids Inc
February 20, 2014	10:30 a.m.	Richards Farm Restaurant Casey, Illinois	Pete Manhart, Bates Commodities, Normal, Illinois Jacquie Voeks, Stewart Peterson Group, Champaign, Illinois Chuck Shelby, Risk Management Commodities, Lafayette, Indiana	U of I Extension
February 26, 2014	7:00 p.m.	Richland Community College	Gary Schnitkey, Univeristy of Illinois	WHOW Radio AM1520
March 4, 2014	WILLAG.ORG All Day Ag Outlook Meeting	The Beef House, Covington, Indiana	FULL DETAILS IN THIS LETTER	

# WEEKLY OUTLOOK

University of Illinois agricultural economist Darrel Good took a hard look at USDA NASS and FSA planted acres numbers. Darrel writes:

"The relationship between FSA and NASS planted acreage estimates can be useful in forming early expectations of the NASS final acreage estimates. FSA releases reports of planted acreage monthly from August through January, reflecting the producer reports received and processed to date. Beginning In October, NASS formally uses the FSA estimates as input into their estimates. In most years, however, the September FSA estimates are close to the final FSA estimates, or can be used to anticipate final FSA estimates, and therefore final NASS estimates. The FSA estimates in September 2013, for example, provided an early indication that NASS September corn



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*Call 800-383-0046 to register for a meeting listed below...*

**Jan 28 - 8:00 am Maverick's Litchfield IL**

**Jan 28 - 9:00 am Sherman House Batesville IN**

**Jan 29 - 9:00 am Double Tree Hotel Bloomington IL**

**Jan 30 - 9:00 am Derruchi's Spring Valley IL**

**Jan 30 - 9:00 am Elk's Club Tipton IL**

**Jan 31 - 9:00 am Railside Golf Gibson City IL**

**Jan 31 - 9:00 am Diamond Springs Highland IL**

and soybean acreage estimates were too high, having not yet fully reflected the magnitude of prevented plantings.”

To see Darrel’s full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/012114.html>

### ***Evaluation of Selected USDA WAOB and NASS Forecasts and Estimates in Corn and Soybeans***

University of Illinois ag economists were asked to be part of a team by the Office of the Chief Economist of USDA to evaluate potential statistical errors in USDA and WASDE reporting of corn and soybeans. The report is must reading in our opinion...but here is a snippet:

Given the evidence of a sharp decline in market analysts' ability to anticipate actual quarterly corn usage since the start of the 2006 marketing year, we considered a number of potential explanations for the decline offered by various market participants.

Based on the statistical evidence regarding implied usage surprises we developed four criteria that an explanation needs to satisfy in order to be credible: i) Why corn and not soybeans?, ii) Why 2006-2012 and not earlier?, iii) Why only in particular marketing years?, and iv) Why a pattern of reversals during marketing years? Using these criteria, we showed that all but one of the potential explanations offered to date clearly fails to satisfy at least one of the criteria.

The explanation with the most merit is that unresolved errors in production estimates for corn led to the large surprises. NASS stocks estimates undoubtedly encompass sampling errors for both production and stocks estimates and it is likely that unresolved sampling errors for corn production estimates are large enough to explain the surprises.

It is more difficult to pin down exactly why unresolved sampling errors for corn production were concentrated in 2009, 2010, and 2012 and caused the quarter-to-quarter reversal pattern in surprises, but reasonable arguments can be put forward. Nonetheless, it is important to emphasize there is no "smoking gun" in terms of the available evidence on the impact of unresolved production sampling errors, with some of the evidence best described as circumstantial....

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I L L I N O I S

Our review also highlighted the ongoing problem of widespread misunderstanding and confusion about the forecasting procedures used by NASS to generate corn and soybean yield forecasts. While this problem likely can never be fully solved, and we are well aware of and applaud the ongoing efforts that NASS makes to communicate with market participants, we believe more can and should be done to address the misunderstanding and confusion.

We recommend that NASS "open up the black box" for each monthly corn and soybean yield forecast as much as possible. This should include: i)

presentation of state and national yield forecasts derived from the agricultural yield survey (AYS) and the objective yield survey (OYS), as well as the usual composite forecast derived from the two surveys, ii) presentation of assumptions regarding fruit weights used in deriving OYS

yield forecasts during forecast months when these measurements are not available, and iii) some form of recognition of the degree to which weather and crop condition data influence composite forecasts.

To read the summary report go to:

<http://farmdocdaily.illinois.edu/2014/01/evaluation-usda-waob-nass-forecasts-estimates-corn-soybeans.html>

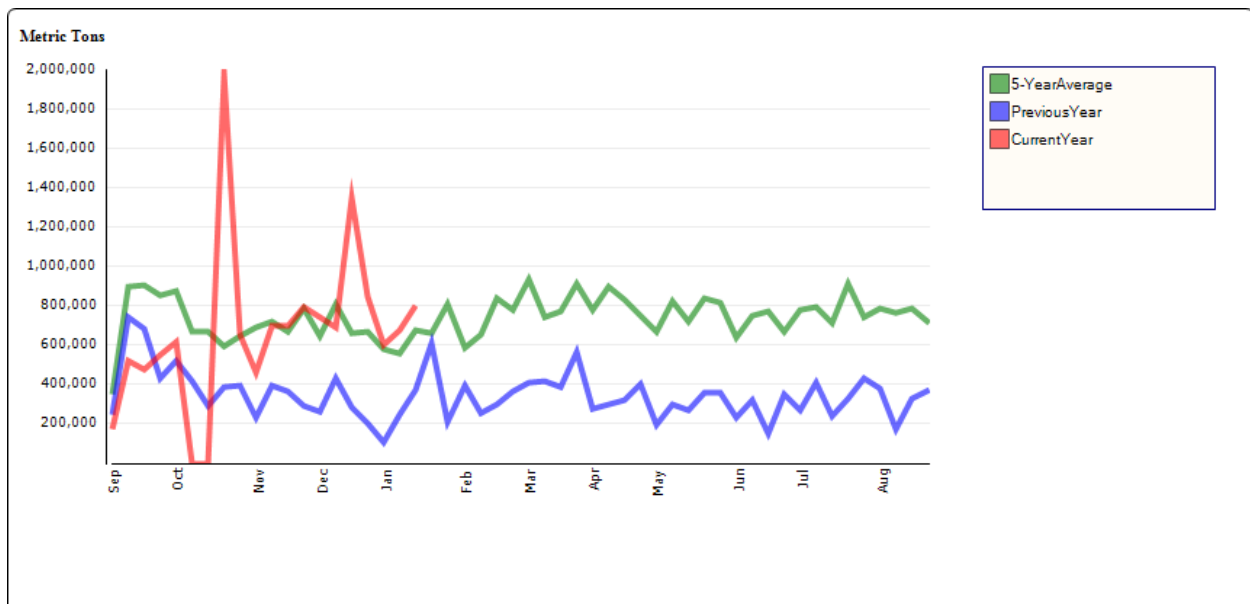
To read the full report go to:

[http://www.farmdoc.illinois.edu/marketing/morr/morr\\_14-01/MORR\\_14-01.pdf](http://www.farmdoc.illinois.edu/marketing/morr/morr_14-01/MORR_14-01.pdf)



**U**SDA reports this week's corn export sales at 27.3 million bushels (27.3 this year, 0.0 next year). On the year, total commitments for corn are 1184.8 million bushels vs. 523.6 million bushels a year ago at this time.

### **Weekly Corn – as of January 16, 2014**



**Chart Courtesy of USDA Foreign Ag Service**



In Friday afternoon's commitments of traders report for the week ending January 21 non-commercials decreased its net long position. Non-commercials were long 327,982 contracts, a decrease of 4,390 contracts, and were short 393,173 contracts, a decrease of 5,413 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders decreased its net short position for the period ending January 21. Non-commercials were long 323,944 combined future and option contracts, a decrease of 3,635 combined future and option contracts and short 336,704 contracts, a decrease of 8,272 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for January 21 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	447,645	31,929	-826	1,066

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)

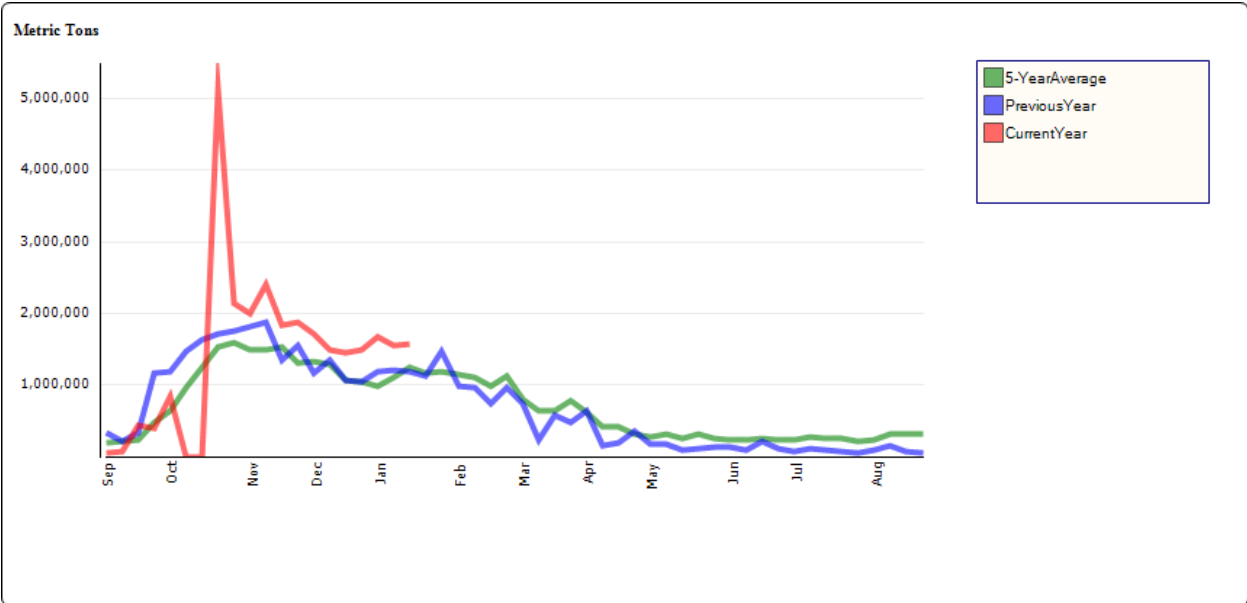
The Iowa basis report is at:

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



**U**SDA reports this week's soybean export sales at 61.4 million bushels (25.8 this year, 35.6 next year). On the year, total commitments for soybeans are 1548.7 million bushels vs. 1210.3 million bushels a year ago at this time.

**Weekly Soybeans – as of January 16, 2014**



**Chart Courtesy of USDA Foreign Ag Service**

In Friday afternoon’s commitments of traders report for the week ending January 21, non-commercials increased its net long position. Non-commercials were long 235,517 contracts, an increase of 8,658 contracts and were short 77,507 contracts, an increase of 4,348 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders increased its net long position for the period ending January 21. Non-commercials were long 234,948 combined future and option contracts, an increase of 8,025 contracts and short 80,876 contracts, an increase of 5,937 combined future and option contracts from the previous reporting period.

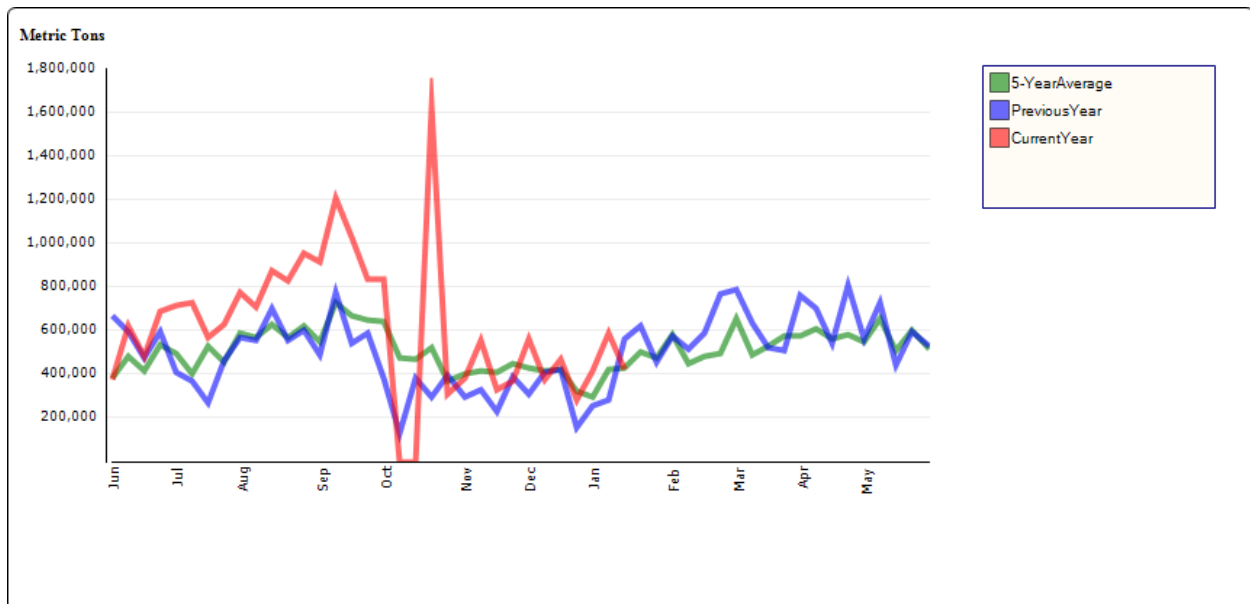
The CFTC Supplemental Report for January 21 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	150,509	12,073	1,262	1,574



**U**SDA reports this week's wheat export sales at 15.2 million bushels (15.5 this year, -0.3 next year). On the marketing year wheat sales have totaled 930.0 million bushels compared with 750.0 million bushels a year ago at this time.

***Weekly Wheat – as of January 16, 2014***



**Chart Courtesy of USDA Foreign Ag Service**

In Friday afternoon's commitment of traders report for the week ending January 21 non-commercial traders decreased its net short position. Non-commercials were long 123,449 combined future and option contracts, an increase of 412 contracts and short 175,780 contracts, a decrease of 183 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for January 21 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	157,825	36,598	2,222	4,214



# Commodity Week

## **P**anelists:

- Aaron Curtis, MIDCO - Normal, Illinois
- Elaine Kub, Mastering the Grain Markets - Elkhorn, Nebraska
- Bill Mayer, Strategic Farm Marketing - Champaign, Illinois

## **G**uest:

- Steve Freed, V.P. Research ADM Investor Services - Chicago, Illinois

You can listen to Commodity Week LIVE each Friday afternoon at 2:36 p.m. Central Time IMMEDIATELY following The Closing Market Report 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/cw140124.mp3>

### **Dial Up MP3:**

<http://audio01.will.illinois.edu/cw140124dial.mp3>

## Weekly Continuation Chart



January 24, 2014

Commodity	Week High	Week Low	Week Settle	Change from Previous Week
Mar Wheat	578	560 3/4	565 3/4	up 1 3/4
Jul Wheat			577	unchanged
Mar Corn	431 1/2	421	429 1/2	up 5 1/2
Dec 14 Corn			449 1/2	up 1/2
Mar Soybeans	1314	11263 1/2	1284 3/4	down 31 3/4
Nov 14 Soybeans			1109 1/4	down 15 3/4
Feb Live Cattle	14455	14060	14340	up 305
Apr Lean Hogs	8665	8510	8637 1/2	up 20
May Oats			396 1/4	down 5 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

#### Friday

- 2:36 p.m. – 3:00 p.m. – \$\*Commodity Week

#### Saturday

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

\* Available on the website for on demand listening

\$ Available via podcast