



January 31, 2014

Dear Subscriber:

**Sales Underway for
the 25th Annual All
Day Ag Outlook
Meeting**

First week sales of tickets for the March 4th event at the Beef House in Covington have been brisk. Don't wait till the last minute – we have sold out in each of the last four years well before the event. Tickets are 30 dollars and include a continental breakfast, Beef House lunch, and 25th anniversary hat. Sue Martin will be presenting – and we'll dig into the Commodity Title of the new farm bill and get an update on where farmland values are headed in 2014. And our traditional marketing pannels on corn, soybeans and cash grain will feature our on air analysts. Call during the work week at 217-333-7300 to guarantee your seat.



Look Back to last September's

HIGHER CBOT averages for

CORN - \$5.11

BEANS - \$12.13

Increase your revenue claims by as much as

\$85 per acre !

Cost as low as \$3-\$5/A

Take a **RP Policy**

Take an **APR1 HPO Plus**

Add the **Fall Look-Back**

CORN EXAMPLE - 85% MPC1 Coverage Level

180 bu. APH (TA) & 190 bu. Final Yield

MPC1 Prices: \$4.50 Spring - \$3.60 Harvest

RP CORN CLAIM without HPO = \$5/acre

RP CORN CLAIM with HPO = \$90/acre

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

Feb 4 - 9:00 am Red Door Gilman IL

Feb 5 - 9:00 am Noel Ag Center Champaign IL

Feb 5 - 6:30 PM GSI Learning Ctr. Assumption IL

Feb 6 - 9:00 am Flora Family Rest. Flora IN

Feb 6 - 9:00 am Holiday Inn Exp. Mattoon IL

Feb 6 - 9:00 am Little Nashville Rest. Nashville IL

Feb 7 - 9:00 am Chicken's Rest. St. Libory IL

Here is the full schedule:

<http://will.illinois.edu/agriculture/note/all-day-ag-outlook-tickets-go-on-sale-january-27-2014>

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
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 Merrill Crowley, Crowley Communications, Watseka, Illinois	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 6:45 p.m. WILLAG Marketing Panel	Farm Credit Services Bldg Mahomet, Illinois	Gary Schnitkey, University of Illinois Curt Kimmel, Bates Commodities - Normal, Illinois Sherman Newlin, Risk Management Commodities - Hudsonville, Illinois Jacquie Voeks,	Farm Credit Services of Illinois

			Stewart Peterson - Champaign, Illinois Lafayette, 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, Clinton, Illinois	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	

Chicago Farmers Edition
Commodity Week February 1, 2014

Panelists

Matt Bennett, TGM - Windsor, Illinois

Gary Schnitkey, University of Illinois - Urbana, Illinois

Chuck Shelby, Risk Management Commodities - Lafayette, Indiana

This program was to have been done live from the Chicago Farmers Farmland Fair held Saturday February 1, 2014 at Joliet Junior College.

Unfortunately weather kept the panel from making the trip to Joliet, Illinois. The college set up a conference call and the program was conducted from the safety of the panelists' homes.

We thank the [Chicago Farmers](#) and [Joliet Junior College](#) for the deep understanding of the risk involved in travel for the day.

Because of the technology involved we recorded the show and you can listen to it by clicking on the following link:


Listen:

<http://will.illinois.edu/agriculture/player-ag-notes/chicago-farmers-willag-panel>

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I L L I N O I S

WEEKLY OUTLOOK

University of Illinois agricultural economist Darrel Good says market forces need to slow down soybean consumption. Darrel writes:

“The magnitude of unshipped sales is also much larger than that of last year. As of January 16, the USDA reported that those outstanding sales stood at 514 million bushels, compared to 307 million bushels at the same time last year. Nearly 53 percent of those sales were to China and 23 percent were to unknown destinations. Total export commitments (shipments plus outstanding sales) stood at 1.549 billion bushels, 54 million bushels more than the USDA’s projection of exports for the entire year. Sixty-four percent of the commitments were to China.

If exports for the current marketing year reach 1.549 billion bushels, year ending stocks would total only 96 million bushels, or 2.8 percent of projected consumption. Stocks cannot realistically be reduced to such a low level, with 125 million bushels being a likely minimum level of ending stocks. Exporters appear to be selling soybeans that will not be available. So how does the apparent discrepancy between the pace of consumption and available supplies eventually get resolved?

There are a number of ways or combination of ways that the difference between the USDA’s projections and the current pace of consumption will be resolved. These include a slowdown in the pace of the domestic crush, cancellation of some export sales, rolling some export sales into the 2014-15 marketing year, larger imports of South American soybeans this summer, and smaller year-ending stocks than now projected.

Prices for the 2013 soybean crop will be determined by how the soybean supply and consumption balance is maintained. Cancellation of export sales would be the most negative development for prices.”

To see Darrel’s full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/012714.html>

Farm Bill Passes in U-S House

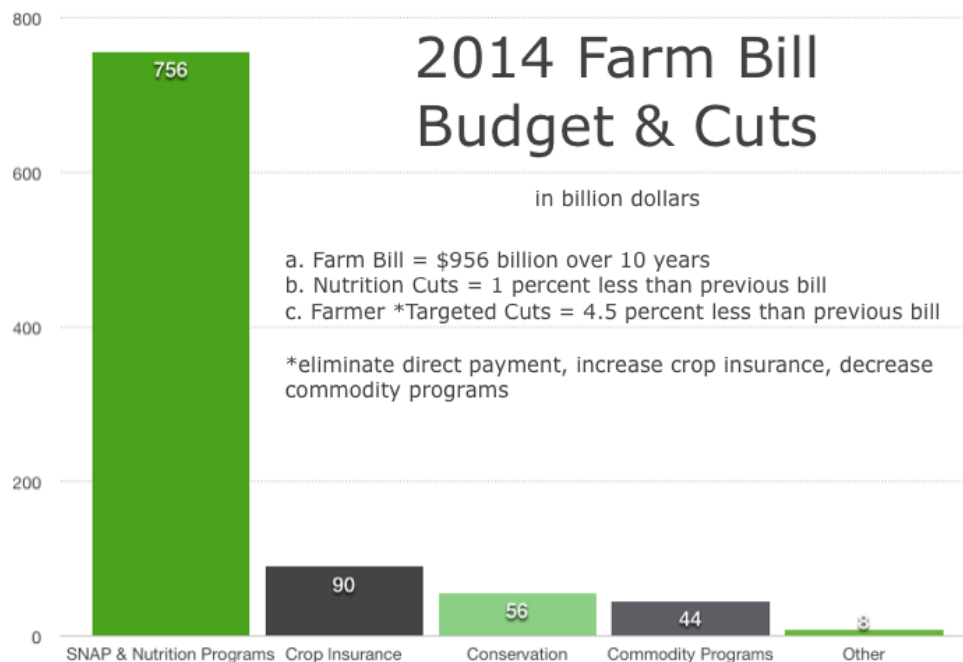
This past week the U-S House overwhelmingly passed the Agricultural Act of 2014. Farm Doc Daily from the University of Illinois college of ACES posed a summary report of all the key points and changes the commodity title. You can read that report at:

<http://farmdocdaily.illinois.edu/2014/01/2013-farm-bill-farm-safety-net.html>

Also, after the bill's passage Todd sat down with Jonathan Coppess, Clinical Professor of Law and Policy, College of Agricultural, Consumer, and Environmental Sciences, University of Illinois at Urbana Champaign. We got that video interview at:

<http://www.youtube.com/embed/UYVBDVAtEzc>

And here is a graphic of the bill's appropriations:



Agricultural Weather

Here is the latest from Drew Lerner of World Weather Inc. on South American growing prospects:

Brazil

“Rain has been reduced for Rio Grande do Sul Tuesday into Thursday with no other significant changes made to the two-week outlook. A restricted rainfall pattern will affect Brazil through the period and most areas are still expected to see favorable conditions for crop development and harvesting. Daily rounds of isolated to scattered showers are expected through the next two weeks and some interruptions to harvesting will occur, but overall, good harvest progress should be made. While rain will fall most frequently in Mato Grosso, there should be enough breaks between periods of light rain to allow fieldwork to advance. Rain will briefly increase in Rio Grande do Sul Tuesday into next Thursday.

The driest area in Brazil continues to be northeastern Minas Gerais into central Bahia and some unirrigated crops may see increasing levels of crop stress until rain increases. Topsoil moisture is already short and this region will be disfavored for significant rain through much of the next two weeks. Subsoil moisture is high enough to prevent serious crop stress for a while longer in some areas, but parts of that region already have low subsoil moisture and will see increasing stress without an increase in rain. The area of dryness mentioned above may expand in Minas Gerais, Bahia, and into parts of eastern Goiás and northern and eastern São Paulo where significant drying is expected during the next two weeks. These areas have higher soil moisture that should favorably support crops through the next two weeks, but greater rain will be needed later in February.”

Argentina

“Multiple rounds of moderate to heavy rain will affect Entre Ríos and nearby locations in Santa Fe through the next week to ten days and some flooding may occur. Outside of potential flooding in Entre Ríos and parts of Santa Fe, much of Argentina is still expected to see an improving trend for crop development and some improvements in yield potentials. Regular rounds of showers and thunderstorms will bring rain to nearly all locations at one time or another with most areas seeing more than one round of significant rainfall. However, not all areas will see significant improvements in yield potentials due to crop damage from excessively hot and dry weather earlier this season.

Recent rainfall has shrunk the pockets of dryness that have persisted in Argentina, but some crops will likely continue to be stressed until rain increases in the remaining dry areas. Soil moisture is still short in minor corn and soybean producing areas in portions of southern Chaco and northern Corrientes and also from southeastern La Pampa into southwestern

Buenos Aires. Light showers today will improve conditions for crops in northeastern Argentina with little additional rain of significance expected in these dry areas for the next week. Portions of northeastern La Pampa and an area just west of central Buenos Aires are also a little too dry will benefit from an increase in shower activity expected through early next week.”



USDA reports this week’s corn export sales at 76.6 million bushels (72.4 this year, 4.2 next year). On the year, total commitments for corn are 1254.8 million bushels vs. 531.0 million bushels a year ago at this time.

Weekly Corn – as of January 23, 2014

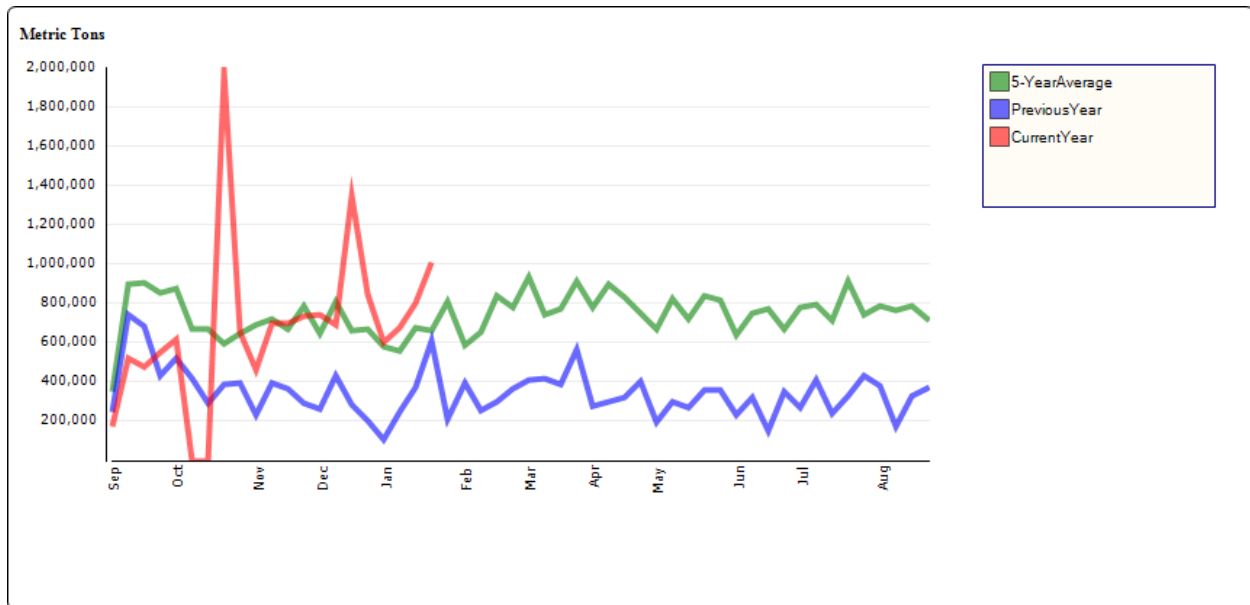


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon’s commitments of traders report for the week ending January 28 non-commercials decreased its net short position. Non-commercials were long 324,400 contracts, a decrease of 3,582 contracts, and were short 379,982 contracts, a decrease of 13,191 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 28. Non-commercials were long 322,233 combined future and option contracts, a decrease of 1,712 combined future and option contracts and short 321,949 contracts, a decrease of 14,755 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for January 28 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	447,889	33,253	244	1,324

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

http://www.ams.usda.gov/mnreports/GX_GR113.txt

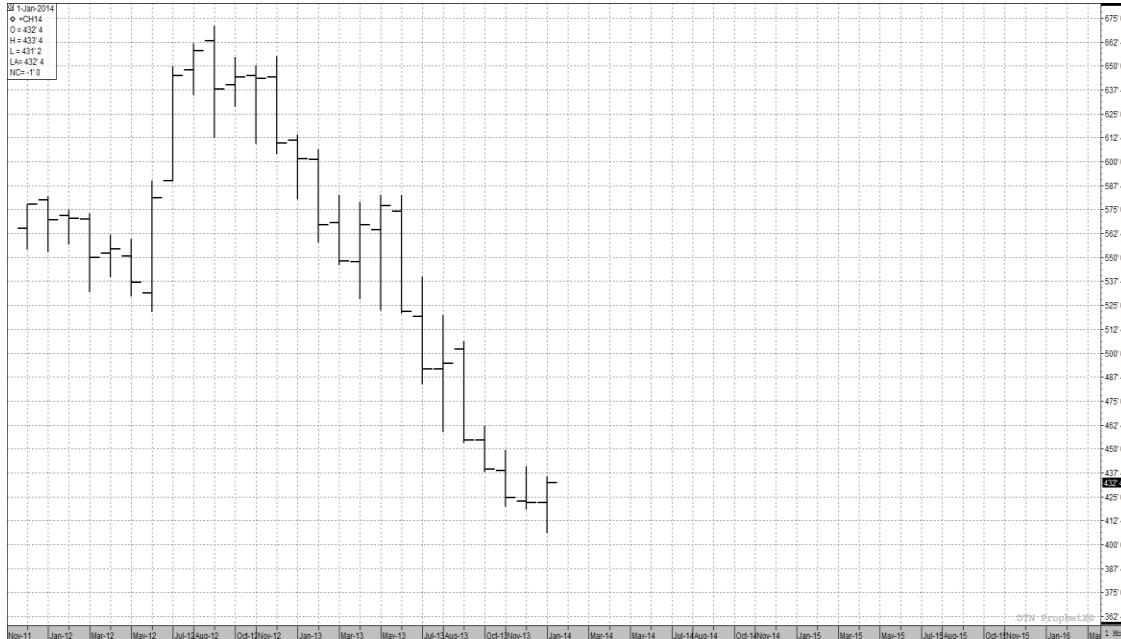
The Iowa basis report is at:

http://www.ams.usda.gov/mnreports/NW_GR110.txt

CORN TECHNICALS

Our analysts suggest that recent stabilization in the March corn futures market could suggest the potential for a small rally over the next two weeks. Of note is monthly charts showing January corn strength...

March 2014 Corn Futures (Composite Monthly)



Many of our analysts this week suggested that there is a “window” of opportunity in the next week to ten days for nearby corn futures to rally somewhere between ten and fifteen cents.

Of course if that were to happen corn futures must breakthrough the 435 stiff resistance point:

March 2014 Corn Futures (Composite Daily)



While not yet on most trader's radar, a growing talking point has become the possibility for a late cooler than normal spring based on the current winter weather pattern.



USDA reports this week's soybean export sales at 31.6 million bushels (18.2 this year, 13.6 next year). On the year, total commitments for soybeans are 1564.4 million bushels vs. 1224.5 million bushels a year ago at this time.

Weekly Soybeans – as of January 23, 2014

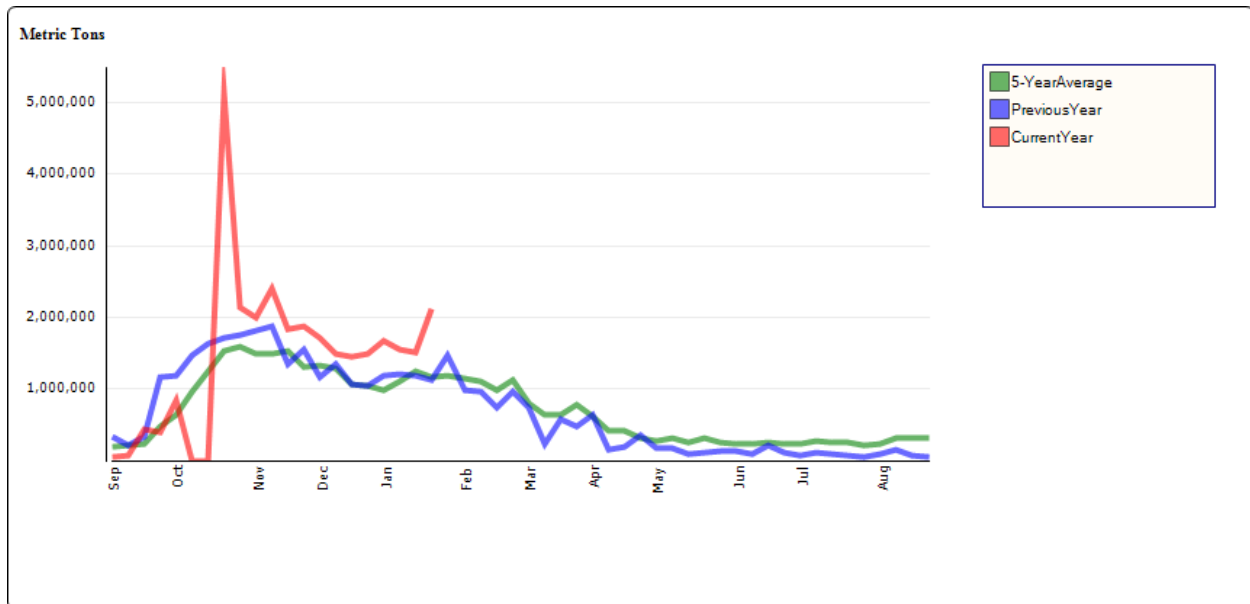


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitments of traders report for the week ending January 28, non-commercials decreased its net long position. Non-commercials were long 226,057 contracts, a decrease of 9,460 contracts and were short 73,107 contracts, a decrease of 4,400 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders decreased its net long position for the period ending January 28. Non-commercials were long 224,390 combined future and option contracts, a decrease of 10,618 contracts and short 75,958 contracts, a decrease of 4,918 combined future and option contracts from the previous reporting period.

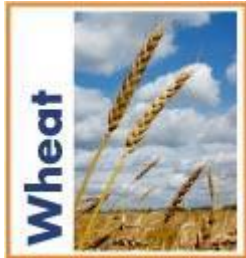
The CFTC Supplemental Report for January 28 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	150,031	12,493	-478	420

The Buenos Aires Grains Exchange this past week kept its forecast at 53 million tons for the 2013/14 soybean harvest -- that's unchanged despite welcome rains in the past week, which followed a hot and dry December that limited planting and stunted development of young soy plants. In the previous season, Argentina produced 48.5 million tons of soybean. Soy crops in the southern parts of Buenos Aires province - where half of Argentina's grains are grown - are entering a critical growing phase in still-dry soils.

Meanwhile, a report issued by the U.S. Department of Agriculture's attache in Brazil estimated the country's 2013/14 soybean production at 89.5 million tons, above the USDA's official forecast of 89 million. The attache's report, dated Jan. 23 and released on this past Tuesday, cited increased plantings and higher-than-expected yields from early-maturing varieties. A drier trend in parts of the country's crop belt in recent weeks has had little negative impact, it said.

Something of note we picked up this past week relative to the U-S poultry industry - it seems as if the extremely cold temperatures is having an impact on chick sets - that's because in some parts of the U-S there are regional shortages of propane gas making chick sets infeasible in the short run. USDA projected a two percent growth in poultry in 2014 - but that number may have to be revisited in future reports given the current fundamentals.



USDA reports this week's wheat export sales at 29.3 million bushels (29.2 this year, 0.1 next year). On the marketing year wheat sales have totaled 959.2 million bushels compared with 760.8 million bushels a year ago at this time.

Weekly Wheat – as of January 23, 2014

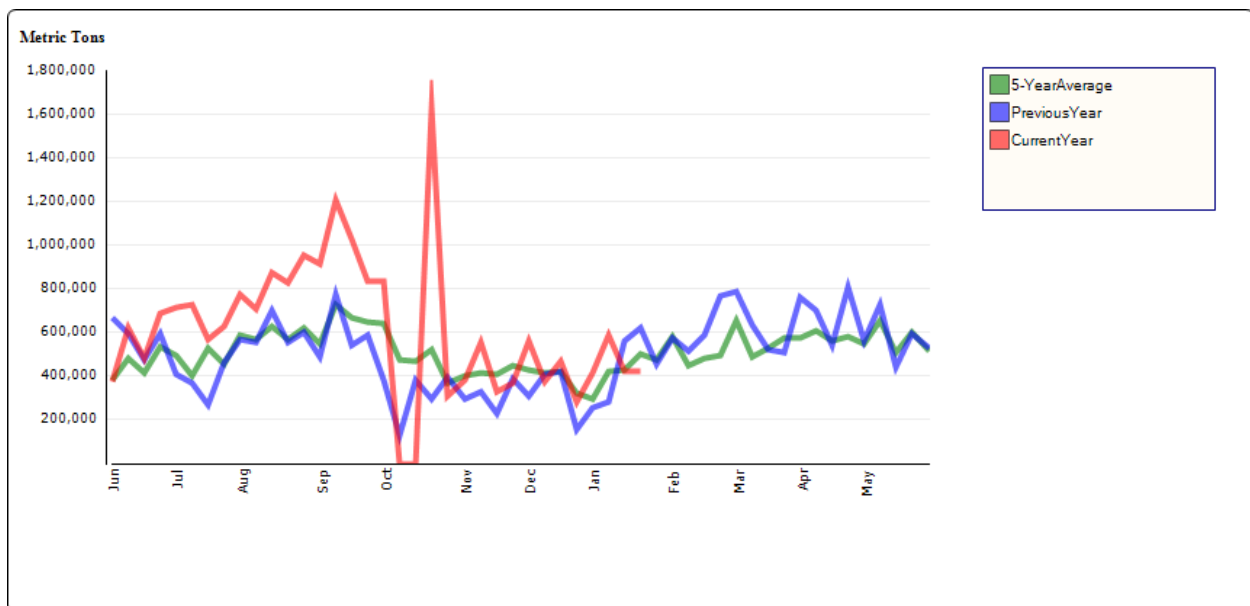


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitment of traders report for the week ending January 28 non-commercial traders increased its net short position. Non-commercials were long 122,659 combined future and option contracts, a decrease of 790 contacts and short 181,060 contracts, an increase of 5,280 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for January 28 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	155,495	35,396	-2,330	-1,202



Commodity Week

Panelists:

- Merrill Crowley, Crowley Commodities - Watseka, Illinois
- Pete Manhart, Bates Commodities - Normal, Illinois
- Brian Stark, The Andersons - Champaign, Illinois

Guest:

- Roy Huckabay, Linn Group - 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/cw140131.mp3>

Dial Up MP3:

<http://audio01.will.illinois.edu/cw140131dial.mp3>

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