



February 14,
2014

Dear
Subscriber:

***Tickets Going
Fast for 25th
Annual All Day
Ag Outlook
Meeting***

Our annual meeting is now less than three weeks away – and ticket sales have been brisk. If you have been thinking about going, but have put off the decision for awhile, we did not want you to miss getting your seats reserved. There are great reasons to be there (and the weather appears to be moderating – and that’s good news) – Sue

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I L L I N O I S

Martin has a great presentation called 2014: Will The Pieces Fit?, Murry Wise will take us through his thoughts for land values in 2014 and the past few weeks have been eye openers in the auction marketplace, and Jonathan Coppess who once was administrator of the FSA and is now a professor of law and policy at the University of Illinois will teach us what we need to make decisions on safety nets under the commodity title of the just signed new farm bill.

If that's not enough we also have panels on soybean, corn, and cash grain marketing.

To mark this special occasion we will present each attendee with a 25th anniversary hat – and your ticket includes a continental breakfast and beef house lunch.

Tickets are 30 dollars, and you can get yours by calling 217-333-7300 during regular business hours this upcoming week – February 17-21.

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 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 Jacquie Voeks, Stewart Peterson - Champaign, Illinois	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 Chip Nellinger, Blue Reef Agri-Marketing - Morton, Illinois 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 Scott Harms, ADM Investor Services, Chicago, Illinois Chuck Shelby, Risk Management Commodities, Lafayette, Indiana	U of I Extension
February 26, 2014	7:00 p.m.	Gary Schnitkey, Ag Economist - University of Illinois Matt Bennett, Total Grain Marketing - Windsor, Illinois Pete Manhart, Bates Commodities - Normal, Illinois Jacquie Voeks, Stewart Peterson - Champaign, Illinois	Gary Schnitkey, University 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	
March 18, 2014	7:00 p.m.	Effingham County Farm Bureau, Effingham, Illinois	Kim Holsapple, Total Grain Marketing, Effingham, Illinois Sherman Newlin, Risk Management Commodities, Lafayette, Indiana Jacquie Voeks, Stewart Peterson Group, Champaign, Illinois	Effingham County Farm Bureau

Soybeans and soybean meal continued their upward movement on futures charts with March soybean meal making new contract highs and new highs for it's move and technically suggesting further upward momentum next week. The trade shrugged off this past week a neutral to bearish WASDE report for beans, a Chinese cancellation of soybeans, and a relatively lackluster weekly soybean export sales report. Perhaps traders were mindful of Thursday's Economic Research Service release (although the baseline numbers were baked last November and assumed continuation of the 2008 Farm Bill another year) that showed relatively low planting intentions for soybean acres in 2014 at 78 million. That number – when penciled through



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

Feb 18 - 9:00 am Lions Club Moweaqua IL

Feb 19 - 9:00 am The Best Western Monticello IL

Feb 20 - 9:00 am Yoder's Kitchen Arthur IL

**Feb 27 - 9:00 am Noel Ag Center Parkland College
Champaign IL**

WASDE demand numbers – put potential 2014 soybean ending stocks under 150 million bushels.

But Friday USDA chief Economist Joe Glauber signaled that those baseline figures will get tweaked on February 21st at the annual Ag Forum in Virginia. Glauber told *Congressional Quarterly* that corn plantings would likely decline and soybean plantings rise compared to the baseline numbers. Stay tuned!

Although these were released yesterday -- they were put together last November from USDA's Economic Research Service -- still the market did take a look at them in trading. The next updates will be from the Ag Forum in Virginia put on by Joseph Glauber and the Office of the Ag Economist....

Here is the link to Thursday's ERS baseline data:

<http://www.ers.usda.gov/publications/oce-usda-agricultural-projections/oce141.aspx#.Uvz4QOLeV1M>

And here is the link to the upcoming Ag Forum in Virginia -- it will eventually contain audio of many of the presentations as well as reports....

<http://www.usda.gov/oce/forum/index.htm>

WEEKLY OUTLOOK

University of Illinois agricultural economist Darrel Good crunched the numbers on this past week's February WASDE report. Darrel writes:

For corn, the projection of marketing-year U.S. exports was increased by 150 million bushels, to a total of 1.6 billion bushels, with the projection of year-ending stocks reduced by a similar amount. To reach the projected level, exports will need to average 33.9 million bushels per week during the last 29 weeks of the year. The average to date has been only 26.5 million per week. The projection of the Argentine crop was reduced by 39.5 million bushels, but the projection of year-ending stocks was increased by 20 million bushels due to a larger estimate of beginning stocks and a smaller export projection. The marketing-year average U.S. farm price of corn is projected in a range of \$4.20 to \$4.80, \$0.10 higher than the January projection. The un-weighted average price received during the first four months of the marketing year was \$4.69.

To see Darrel's full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/021014.html>



USDA reports this week's corn export sales at 52.8 million bushels (50.0 this year, 2.8 next year). The trade was anticipating export sales of 31.5 to 47.2 million bushels. On the year, total commitments for

corn are 1362.3 million bushels vs. 546.5 million bushels a year ago at this time.

In Friday afternoon's commitments of traders report for the week ending February 11 non-commercials increased its net long position. Non-commercials were long 347,214 contracts, an increase of 6,3443 contracts, and were short 311,803 contracts, a decrease of 30,361 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders increased its net long position for the period ending February 11. Non-commercials were long 348,185 combined future and option contracts, an increase of 6,636 combined future and option contracts and short 256,202 contracts, a decrease of 29,022 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for February 11 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	444,666	48,515	-2,068	11,899

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)

Corn Technicals

We got this interesting note in our e-mail box this week from Glen Ring who is one of the technicians we follow:

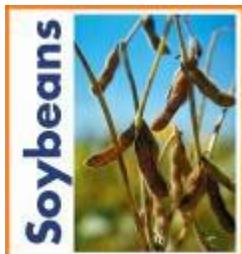
"The 45-week turn in corn "worked!" The highs of THIS WEEK "restrained" price. These highs are now keys. IF THEY ARE CLEARED, they will enable THE MARKET to say (and for me to *report*) it is bullish."

So....what does that mean on the charts? Here is the March 2014 Corn Futures chart (composite weekly):

March 2014 Corn Futures (Composite Weekly)



Friday's trade cleared the 25 day moving average and set the table for a more bullish rally IF futures can clear on a closing basis 449. Many of our analysts have mentioned this week 462 to 470 as potential upside technical targets – driving the rally could be export sales this upcoming Thursday which are expected by many in the trade to be huge...



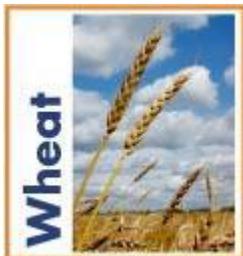
USDA reports this week's soybean export sales at 10.9 million bushels (6.4 this year, 4.5 next year). The trade was anticipating export sales of 22.0 to 34.9 million bushels. On the year, total commitments for soybeans are 1587.1 million bushels vs. 1250.4 million bushels a year ago at this time.

In Friday afternoon's commitments of traders report for the week ending February 11, non-commercials increased its net long position. Non-commercials were long 263,240 contracts, an increase of 27,299 contracts and were short 73,477 contracts, an increase of 2,895 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders increased its net long position for the period ending February 11. Non-commercials were long 264,506 combined future and option contracts, an increase of 27,104 combined future and option contracts and short 61,870 contracts, a decrease of 5,357 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for February 11 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	152,907	20,455	2,257	5,294



USDA reports this week's wheat export sales at 23.0 million bushels (21.9 this year, 1.1 next year). The trade was anticipating wheat export sales of 16.5 to 27.6 million bushels. On the marketing year wheat sales have totaled 1002.8 million bushels compared with 795.4 million bushels a year ago at this time.

In Friday afternoon's commitment of traders report for the week ending February 11 non-commercial traders decreased its net short position. Non-commercials were long 124,053 combined future and option contracts, a decrease of 1,940 contacts and short 169,224 contracts, a decrease of 9,528 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for February 11 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	162,138	37,705	1,767	882

Ag Weather

Here is the latest from World Weather Inc. meteorologist Drew Lerner:

BRAZIL

“Regular rounds of moderate to locally heavy rain will impact Mato Grosso, northern Mato Grosso do Sul, and portions of Goias through the next two weeks and harvest delays will increase. Some flooding may occur as well. There will be some breaks in the rain and some fieldwork should advance, but overall, harvesting should occur at a slower pace than what has occurred recently.

Far southern Brazil and central and southern Paraguay will see little significant rain through Tuesday before shower activity increases Wednesday into Friday next week. Rain from the past couple days should have adequately raised soil moisture to support crop needs and improve planting conditions for second season corn during the drier period through Tuesday. The increase in shower activity occurring Wednesday into Friday and another increase in rain Feb. 25-28 should prevent the region from becoming excessively dry.”

ARGENTINA

“The two-week outlook has not changed significantly since Thursday. Most areas will dry down through Monday with isolated to scattered showers occurring in some western areas before rain increases Tuesday into Thursday. Rain Tuesday into Thursday is not likely to be heavy in very many locations, but recent rain should have increased soil moisture enough to maintain favorable conditions for crop development. The Feb. 21-28 period will feature daily rounds of showers that will favor western and northern areas, but nearly all locations should receive at least some rain. Net drying may occur in a large part of the country Feb. 21-28, but the shower activity expected should slow drying rates enough that soil moisture remains favorable in most areas.

The driest area in Argentina extends from southeastern La Pampa into southwestern Buenos Aires. This region should see a beneficial increase in shower activity next week. Most of the rain expected will be light, but enough rain should fall to improve conditions for crops.”



Commodity Week

Panelists:

- Scott Harms, Archer Financial Services - Oakland, Illinois
- Curt Kimmel, Bates Commodities - Normal, Illinois
- Wayne Nelson, L and M Commodities - New Market, Indiana

Guest:

- John Otte - Farm Futures Livestock Editor

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/cw140214.mp3>

Dial Up MP3:

<http://audio01.will.illinois.edu/cw140214dial.mp3>

Weekly Continuation Chart



February 14, 2014

Commodity	Week High	Week Low	Week Settle	Change from Previous Week
Mar Wheat	603	570 1/2	598 1/2	up 21
Jul Wheat			600 1/2	up 16 3/4
Mar Corn	449	437 1/4	445 1/4	up 1
Dec Corn			459 3/4	down 1/4
Mar Soybeans	1356	1312 1/2	1337 1/2	up 6
Nov Soybeans			1130 1/2	up 8 3/4
Feb Live Cattle	14335	14045	14260	up 140
Feb Lean Hogs	8667 1/2	8605	8652 1/2	down 5
Mar Oats			421 3/4	down 14 3/4

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