



February 28,
2014

Dear
Subscriber:

**25th Annual
All Day Ag
Outlook
Meeting A Sell
Out!**

We have sold out of tickets for our Tuesday event at the Beef House in Covington, Indiana.

If you do not have a ticket (or have purchased tickets ahead and are picking them up at the door), please do not expect to be seated the day of event. Todd, Dave and the Illinois Public Media crew thank you for your support


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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.

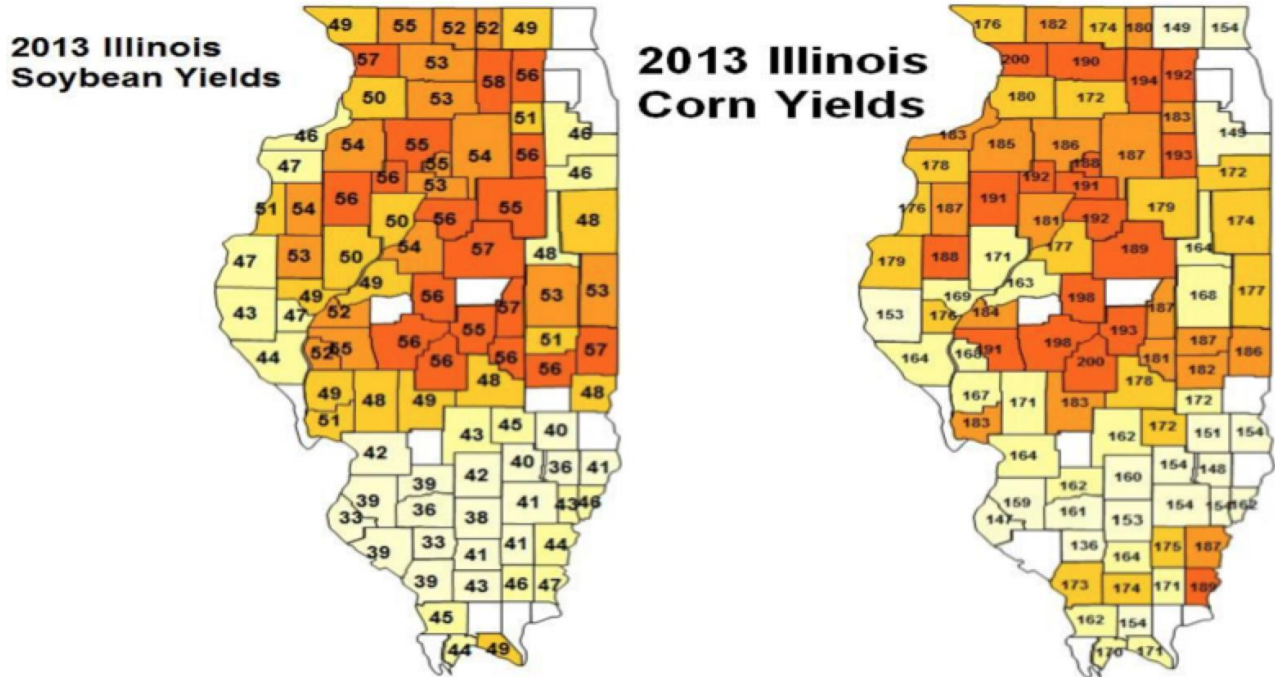
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I L L I N O I S

and we look forward to seeing you on Tuesday.

This past week Illinois NASS broke down 2013 corn and soybean yields by counties...we thought you would like to see the chart:



WEEKLY OUTLOOK

University of Illinois agricultural economist Darrel Good says U-S ethanol produced for EXPORT could lead to additional corn demand in 2014. Darrel writes:



Looking to protect your **BOTTOM-LINE** in 2014?

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on Corn and Beans**

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180 bu. APH (TA) & 190 bu. Final Yield
MPCl Prices: \$4.60 Spring - \$3.60 Harvest**

RP CLAIM	\$20/A	\$704-\$684
HPO CLAIM	\$7/A	\$711-\$704
LOOK-BACK CLAIM	\$77/A	<u>\$0.50*</u> X 180 X 85%
* Up to \$0.50/bushel		

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"A combination of larger ethanol exports, increased domestic motor fuel consumption, and a final EPA rule making for the RFS for 2014 that provided more "push" for higher ethanol blends in the domestic fuel supply could provide for meaningful expansion in domestic ethanol production and corn consumption. The magnitude of ethanol imports will also factor into that potential expansion. With so many unknowns, it is difficult to quantify potential growth. However, there is not unlimited capacity to produce corn-based ethanol in the U.S. It is conceivable that with limited imports, growing exports, and expanding domestic consumption of ethanol that production capacity could be challenged at some point. That capacity, then, will determine the limit of growth in corn consumption associated with ethanol production."

To see Darrel's full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/022414.html>



Table 1. Expected Corn Yields, Operator and Land Returns, and Cash Rent in Illinois.

Unit	Illinois Region			
	North	Central-High	Central-Low	South
Expected 2014 corn yield ¹				
Bu./acre	190	196	184	159
Operator and land return by year ¹				
2010-2012 \$ per acre	486	522	423	311
2013P \$ per acre	284	277	244	218
2014P \$ per acre	245	261	227	154
Average 2013 cash rent ²				
\$ per acre	286	302	270	202

¹ See Revenue and Costs for Corn, Soybeans, Wheat, and Double-Crop Soybeans available in the management section of farmdoc.

² See the September 10, 2013 farmdocDaily entitled 2013 County Cash rents: Levels, Variability, and 2014 Cash Rent Decisions.

The folk at ACES this week released a new FEFO – part five of their series on controlling grain production costs....this one looks at cash rent.

Many cash rents are set during the fall prior to the year of production. A critical time period will be this fall when 2015 cash rent levels are set. If commodity prices are near those projected above during harvest

time, 2015 commodity prices likely will be projected at levels near \$4 per bushel for corn and \$11 per bushel for soybeans.

In this case, there will be a need to adjust cash rents down for the 2015 production year.

There has been considerable debate on the speed with which cash rents will decrease in a lower return environment. The general expectation is for a long adjustment process. While rate adjustments are lagged in the farmland rental markets, there are several reasons to expect downward movements in 2015 cash rents. First, there will be two years of marginal returns to grain production: 2013 and 2014.

These marginal returns will have reduced liquidity positions on many farms, leading to the need for cash rent reductions. Second, guarantees on crop

insurance products will be lower, leading to a higher risk position on farms. Third, non-land costs likely will continue to be high, placing farms in a continuing high risk position.

For these three reasons, the downward adjustments could occur more quickly than expected.

To read the full FEFO go to:

http://www.farmdoc.illinois.edu/manage/newsletters/fefo14_05/fefo_14_05.html

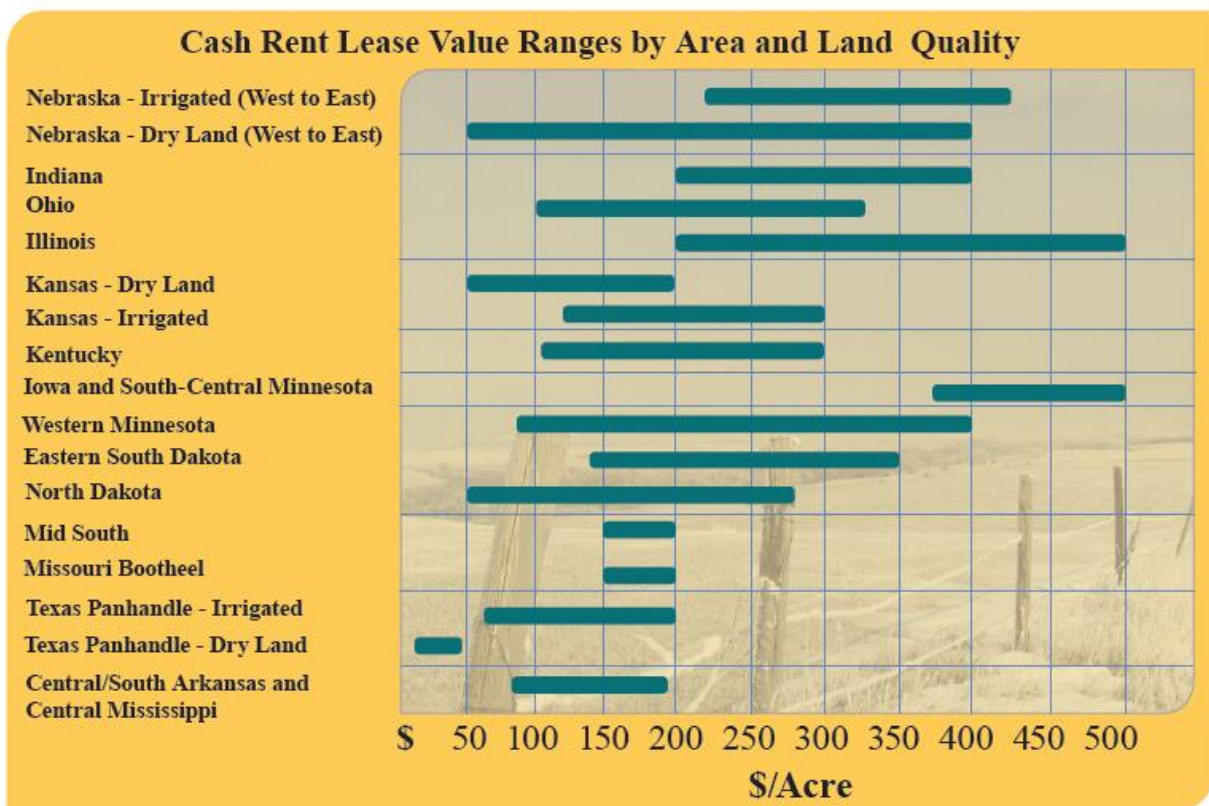


Chart courtesy of Farmers National Company



USDA reports this week's corn export sales at 33.2 million bushels (33.1 this year, 0.1 next year). The trade was anticipating export sales of 15.7 to 33.5 million bushels. On the year, total commitments for corn are 1422.6 million bushels vs. 572.7 million bushels a year ago at this time.

Weekly Corn – as of February 20, 2014

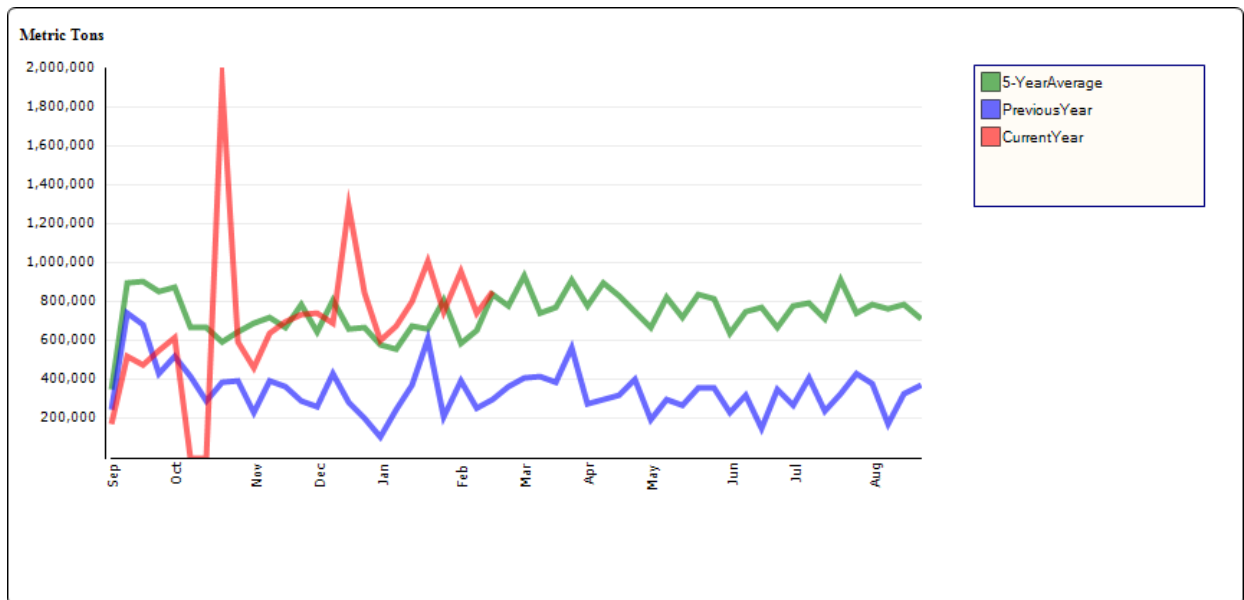


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitments of traders report for the week ending February 25 non-commercials increased its net long position. Non-commercials were long 379,378 contracts, an increase of 27,190 contracts, and were short 253,208 contracts, a decrease of 45,476 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 25. Non-commercials were long 378,628 combined future and option contracts, an increase of 23,280 combined future and option contracts and short 211,575 contracts, a decrease of 35,723 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for February 25 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	431,953	37,239	18,485	-14,310

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)



USDA reports this week's soybean export sales at 23.6 million bushels (12.0 this year, 11.6 next year). The trade was anticipating export sales of 7.3 to 31.2 million bushels. On the year, total commitments for soybeans are 1597.1million bushels vs. 1268.5 million bushels a year ago at this time.

Weekly Soybeans – as of February 20, 2014

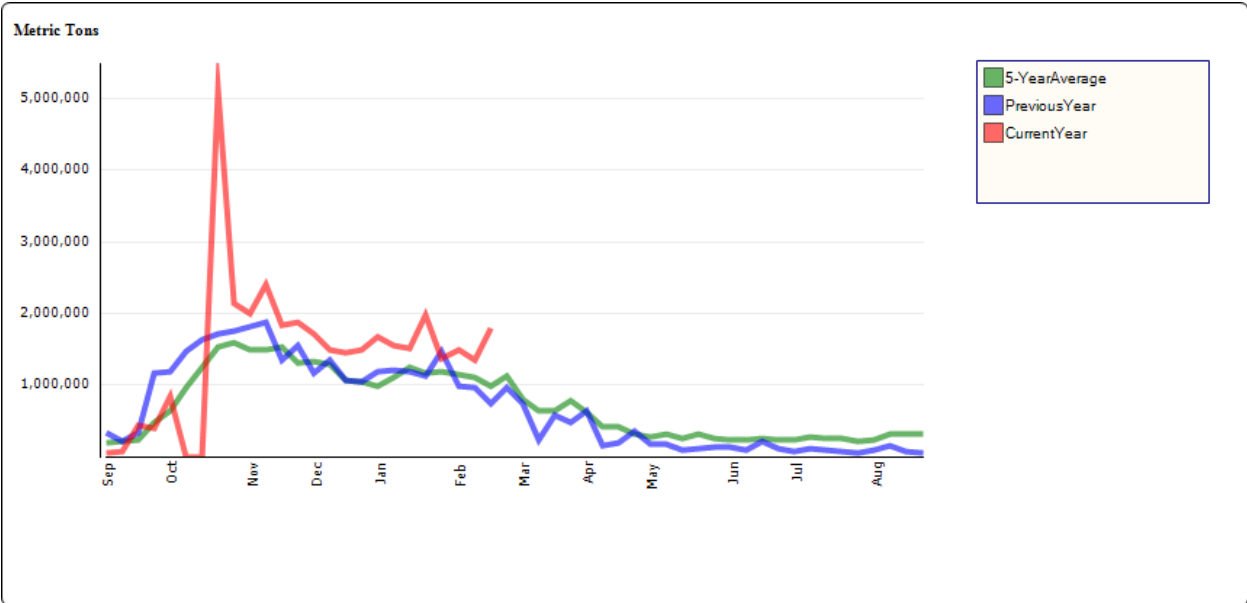


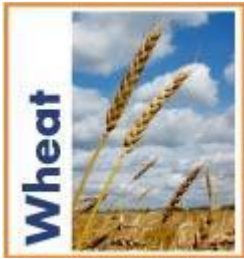
Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon’s commitments of traders report for the week ending February 25, non-commercials increased its net long position. Non-commercials were long 282,790 contracts, an increase of 5,063 contracts and were short 70,974 contracts, a decrease of 7,422 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 25. Non-commercials were long 284,738 combined future and option contracts, an increase of 4,306 contracts and short 56,395 contracts, a decrease of 7,296 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for February 25 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	154,716	18,023	-900	-3,725



USDA reports this week's wheat export sales at 20.7 million bushels (13.4 this year, 7.3 next year). The trade was anticipating wheat export sales of 15.7 to 33.5 million bushels. On the marketing year wheat sales have totaled 1031.8 million bushels compared with 834.8 million bushels a year ago at this time.

Weekly Wheat – as of February 20, 2014

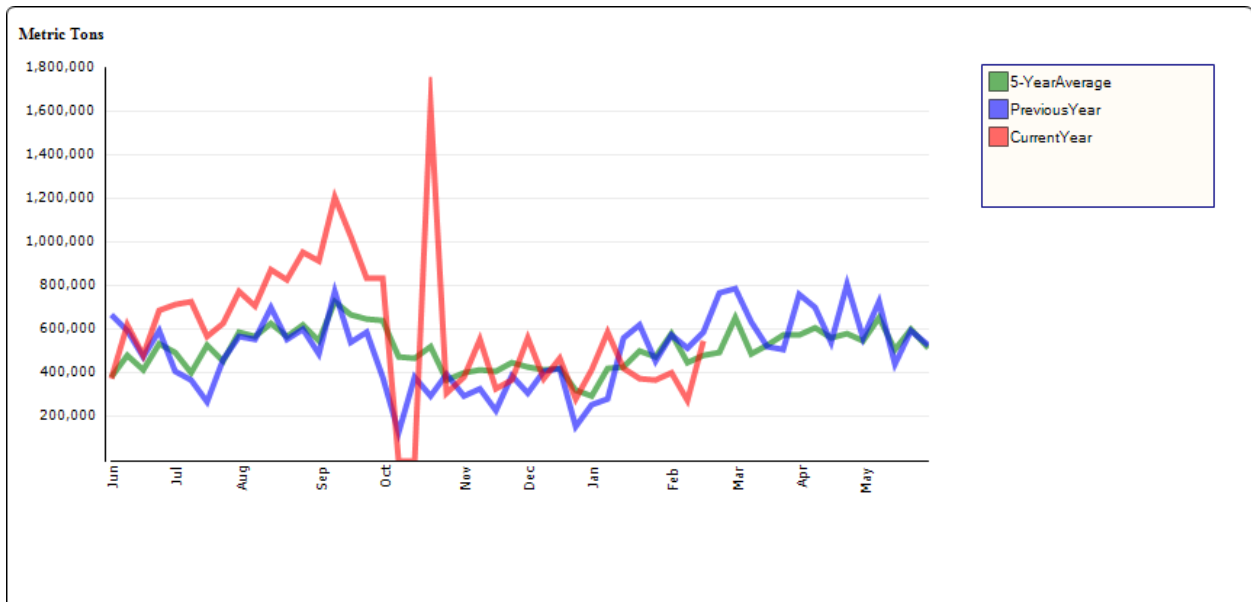


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitment of traders report for the week ending February 25 non-commercial traders decreased its net short position. Non-commercials were long 113,220 combined future and option contracts, a decrease of 7,395 contacts and short 131,269 contracts, a decrease of 22,723 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for February 25 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	157,190	34,994	-10,375	-5,853

Ag Weather

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

BRAZIL

The two-week outlook has not changed much since Thursday. Rain will increase in the driest areas in Minas Gerais, Bahia, and Espirito Santo today into Sunday and temporarily improvements in conditions for crops should occur. However, the soil is dry enough that if follow up rain does not occur soon the soil will quickly dry out again and stress to crops will soon return. Some light shower activity will occur next week, but most areas will not likely see enough rain to sustain improvements in conditions for crops that occur from rain through Sunday.

Most other areas in Brazil, outside of the drought-stricken northeastern part of the country, will see regular rounds of showers and thunderstorms that will promote favorable conditions for crop development while causing some interruptions to harvesting. There should be enough breaks between rounds of rain to allow for good harvest progress, however.

Portions of Paraguay and far southern Brazil will dry down at times, but some rain is expected there and soil moisture should remain high enough to favorably support crop development.

High temperatures through the next week will vary from the middle 70s to the lower 90s with some middle 90s in the west and northeast. Some southern areas will see highs in the upper 60s and lower 70s occasionally. Lows will be in the 60s to the middle 70s with some middle and upper 50s from Rio Grande do Sul to Minas Gerais and central and eastern Bahia. Some far southern areas will cool to the upper 40s and lower 50s Saturday, Wednesday, and next Friday.

ARGENTINA

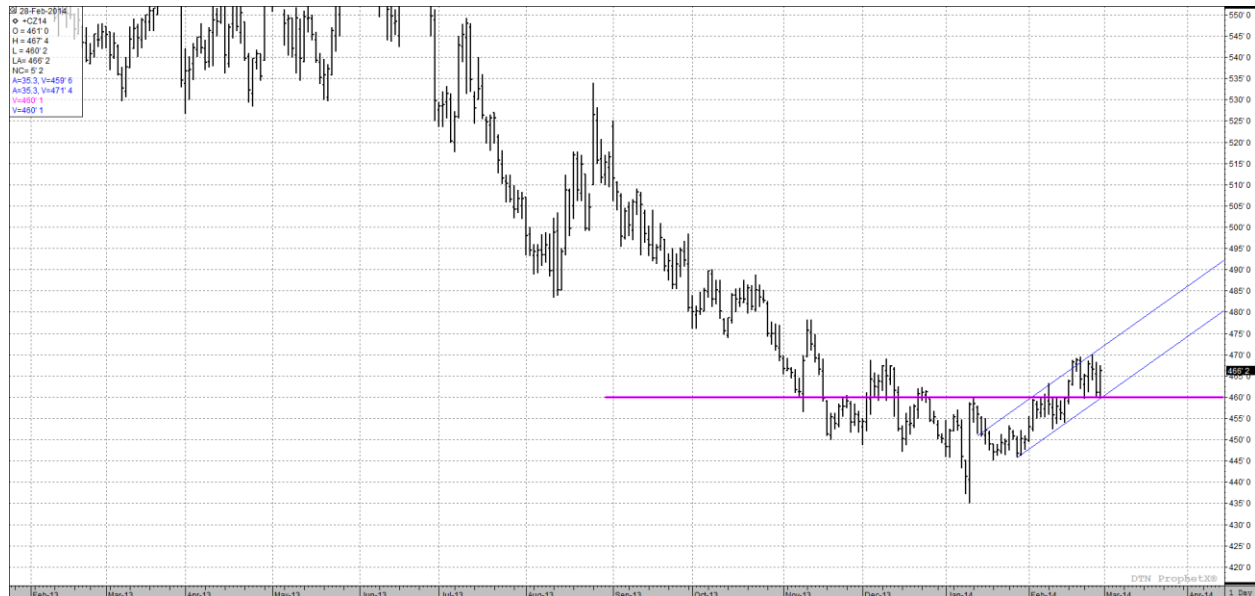
The two-week outlook remains favorable for most crops in Argentina with a little more rain now advertised for March 8-13. Net drying will occur through the next week to ten days, but with favorable soil moisture levels in place in much of the country crops should continue to develop in a favorable environment. Sunseed will benefit from the drying expected and conditions for maturation and harvesting should improve. Rain is advertised to increase in much of the country March 8-13 and as long as rain falls as advertised most areas will continue to see favorable conditions for crops. Areas that miss out on rain Mar. 8-13 will need rain during the middle to late part of the month to ensure favorable conditions for crops continue. High temperatures through Monday will be in the lower to middle 80s with some upper 70s and some upper 80s.

Some southeastern areas will see highs in the lower to middle 70s Sunday. Tuesday through next Friday will be a little warmer and highs will be in the middle 80s through the lower 90s with some upper 70s and lower in the south and some middle 90s in the north. Lows Saturday will be in the 50s and lower 60s with some middle and upper 40s in the south. Lows Sunday through next Friday will be in the middle 50s to the middle 60s with some upper 40s and lower 50s in the south and some upper 60s and lower 70s in the north.

November 2014 Soybean Futures (Composite Daily)



December 2014 Corn Futures (Composite Daily)



Commodity Week

Panelists:

- Ellen Dearden, AgReview - Morton, Illinois
- Pete Manhart, Bates Commodities - Normal, Illinois
- Jacquie Voeks, Stewart Peterson - Champaign, Illinois

Guest:

- Tom Sleight, President & CEO - U.S. Grains Council

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/cw140228.mp3>

Dial Up MP3:

<http://audio01.will.illinois.edu/cw140228dial.mp3>

Weekly Continuation Chart



February 28, 2014

Commodity	Week High	Week Low	Week Settle	Change from Previous Week
May Wheat	620	588 1/4	602 1/4	down 3 1/4
Jul Wheat			608 1/4	down 1
May Corn	465	452	463 1/2	up 4 1/2
Dec 14 Corn			471 1/2	up 7 1/4
May Soybeans	1445 1/2	1358 1/4	1414	up 53 3/4
Nov 14 Soybeans			1169 1/4	up 15 1/2
May Oats			462 1/2	up 30 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