



March 10, 2014

Dear Subscriber:


We will be adding material to this shell letter after the report is released on March 10 at 11:00 a.m. CST. Be sure to click back on the link often for the latest information.


This morning (March 10) USDA released its March WASDE reports. Be sure to tune in the afternoon at 12:40 p.m. CST as we have special coverage of the numbers and what they mean with Curt Kimmel of Bates Commodities in Normal, Illinois.

Here is a look at the key statistics:

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I L L I N O I S

**USDA March 2014 U-S Ending Stocks for 2013-14 in billions of bushels
(released March 10, 2014)**

Crop	USDA March Estimate	Average Guess	Range	USDA February Estimate
Corn	1.456	1.487	1.431 - 1.656	1.481
Soybeans	0.145	0.141	0.125 - 0.150	0.150
Wheat	0.558	0.567	0.545 - 0.615	0.558

From the USDA March 2014 WASDE Report:

CORN: Projected U.S. feed grain ending stocks for 2013/14 are reduced with higher corn exports and lower oats imports. Corn exports are projected 25 million bushels higher on stronger world imports and the rising pace of shipments in recent weeks. Continued strong export sales also support the higher figure. Projected corn ending stocks are lowered 25 million bushels. Oats imports are projected 10 million bushels lower as Canadian logistical problems reduce the availability of importable supplies. Small reductions in U.S. oats domestic use and ending stocks are projected. The season-average farm price for corn is narrowed 5 cents on both ends of the projected range to \$4.25 to \$4.75 per bushel. Price ranges are similarly narrowed for sorghum and oats. The barley farm price is raised 10 cents on the low end of the range to \$5.95 to \$6.25 per bushel based on recently higher reported prices for feed barley.

SOYBEANS: U.S. soybean supply and use projections for 2013/14 include higher imports and exports, reduced crush, and reduced ending stocks compared with last month's report. Soybean exports are raised 20 million bushels to a record 1.53 billion reflecting continued strong sales and shipments through February. Soybean crush is reduced 10 million bushels to 1.69 billion reflecting weaker-than-expected domestic soybean meal use through the first quarter of the marketing year. Soybean stocks are projected at 145 million bushels, down 5 million from last month. Soybean oil stocks are reduced on lower production and increased exports. Other soybean oil changes include reduced use for biodiesel and an offsetting increase for food, feed, and other industrial use.

Soybean and soybean product prices are all projected higher this month. The season-average price range forecast for soybeans is raised 25 cents on both ends of the range to \$12.20 to \$13.70 per bushel. Soybean oil prices are forecast at 36 to 39 cents per pound, up 1.5 cents at the midpoint. Soybean meal prices are projected at \$450 to \$490 per short ton, up 25 dollars at the midpoint.

WHEAT: There are no changes to the 2013/14 U.S. all wheat supply and use projections this month. A 15-million-bushel increase in projected Hard Red Spring wheat exports is offset by a decrease for Soft Red Winter wheat, with both changes reflecting the pace of sales and shipments. Projected ending stocks for both classes are adjusted accordingly. The projected season-average farm price for all wheat is raised 10 cents on the bottom end of the range to \$6.75 to \$6.95 per bushel based on recent strength in prices.

USDA March WASDE Production for South American Crops for 2013-14 in millions of metric tons (released March 10, 2014)				
Crop	USDA March Estimate	Average Guess	Range	USDA February Estimate
Argentina:	-	-	-	-
Corn	24.00	23.35	20.80 - 24.00	24.00
Soybeans	54.00	53.50	52.70 - 54.00	54.00
Brazil	-	-	-	-
Corn	70.00	69.03	65.45 - 70.50	70.00
Soybeans	88.50	88.14	86.50 - 90.00	90.00

USDA March 2014 WASDE Production in millions of metric tons (released March 10, 2014)

Crop	USDA March Estimate 2013-14	USDA February Estimate 2013-14	USDA March Estimate 2012-13	USDA February Estimate 2012-13
Argentina Wheat	10.50	10.50	9.30	9.50
Australian Wheat	27.00	26.50	22.46	22.46
China Wheat	121.72	122.00	121.02	121.02
India Wheat	93.51	92.46	94.88	94.88
FSU-12 Wheat	103.83	103.83	77.50	77.42
EU Wheat	142.89	142.87	133.88	133.88
Argentina Corn	24.00	24.00	26.50	26.50
Brazil Corn	70.00	70.00	81.00	81.00
China Corn	217.73	217.00	205.61	205.61
South Africa Corn	13.00	13.00	12.37	12.73
Argentina Soybeans	54.00	54.00	49.30	49.30
Brazil Soybeans	88.50	90.00	82.00	82.00

From the USDA March 2014 WASDE Report:

CORN: Global coarse grain supplies for 2013/14 are projected 1.4 million tons higher with larger corn beginning stocks for Indonesia, higher corn production for China, and higher barley production for Australia. Partly offsetting is a reduction in expected sorghum output for Australia as a continuation of hot, dry conditions have sharply eroded prospects for this year's sorghum crop.

Global coarse grain imports for 2013/14 are raised 1.3 million tons with higher corn imports for Indonesia and the European Union and higher barley

imports for China. Higher expected corn and barley feeding in these countries drive the import increases. Barley feeding is also raised for Australia as drought reduces sorghum supplies and boosts demand for other feed grains. Sorghum exports are lowered for Australia. Sorghum imports are reduced for Mexico as strong demand from China has driven U.S. Gulf sorghum prices above those for corn in recent months limiting import opportunities for sorghum feeders in Mexico. Barley exports are raised for Australia with the larger crop. European Union corn exports are lowered, but more than offset by this month's increase for the United States.

Global coarse grain ending stocks for 2013/14 are raised slightly with higher corn stocks in China and Indonesia more than offsetting lower barley stocks in the European Union and the reductions in corn and oats stocks in the United States.

SOYBEANS: Global oilseed production for 2013/14 is projected at 504.3 million tons, down 1.7 million from last month as reduced soybean and copra production are only partly offset by increases for rapeseed, sunflowerseed, and peanuts. Foreign production, projected at 407.0 million tons, accounts for all of the change. Brazil soybean production is projected at 88.5 million tons, down 1.5 million mainly reflecting hot, dry weather in the south when much of the crop was in the flowering and filling stages. Soybean production is also reduced for Paraguay due to the extended period of hot, dry weather. China rapeseed production is estimated at 14.4 million tons, up 0.2 million based on increased area and yield indicated in recently released government statistics. Other changes include higher rapeseed production for Australia and increased peanut production for China, Uganda, and Tanzania.

Global oilseed supplies, exports, and ending stocks for 2013/14 are projected lower this month while crush is projected higher. Soybean crush is projected higher for the European Union, Paraguay, and Zambia; rapeseed and peanut crush are each raised for China. Lower soybean stocks in the United States, Brazil, and Paraguay are only partly offset by higher rapeseed stocks in China. Global oilseed stocks are projected at 84.0 million tons, down 1.9 million.

WHEAT: Global 2013/14 wheat supplies are raised slightly with a 0.8-million-ton increase in world production. Production is raised 1.1 million tons for India and 0.5 million tons for Australia based on the latest government reports. China is lowered 0.3 million tons, also based on the latest official indications. Production is lowered for Uruguay and Paraguay, down 0.3 million tons and 0.2 million tons, respectively, reflecting dry

growing season conditions in both countries and early season freeze damage in Paraguay that also reduced yields.

Strong demand in the Middle East and North Africa boosts 2013/14 world wheat imports 3.0 million tons. Imports are raised for Iran, Saudi Arabia, Morocco, Syria, Algeria, Iraq, and Turkey. Exports are raised for the European Union, Russia, Serbia, and Turkey. European Union exports are raised 1.5 million tons reflecting the strong pace of licenses with higher corn imports and feeding freeing up more wheat for export. For Russia, higher wheat imports and reduced wheat feeding support a 1.0-million-ton increase in wheat exports. Export business has remained strong for both countries well into the second half of the 2013/14 marketing year as prices remain attractive for buyers in the Middle East and North Africa.

World wheat consumption is raised slightly for 2013/14 with increased use for India, Iran, Australia, Iraq, and Morocco more than offsetting lower feed use for the European Union and Russia, and for South Korea, where wheat imports are lowered. Wheat feeding is raised for Australia as drought reduces sorghum supplies and boosts the use of grain in livestock rations. Global wheat ending stocks are nearly unchanged.

To view the full March 2014 USDA report go to:

<http://www.usda.gov/oce/commodity/wasde/latest.pdf>

After the report was released Dave spoke about the numbers with Curt Kimmel of Bates Commodities in Normal, Illinois **(This link is now live!)**

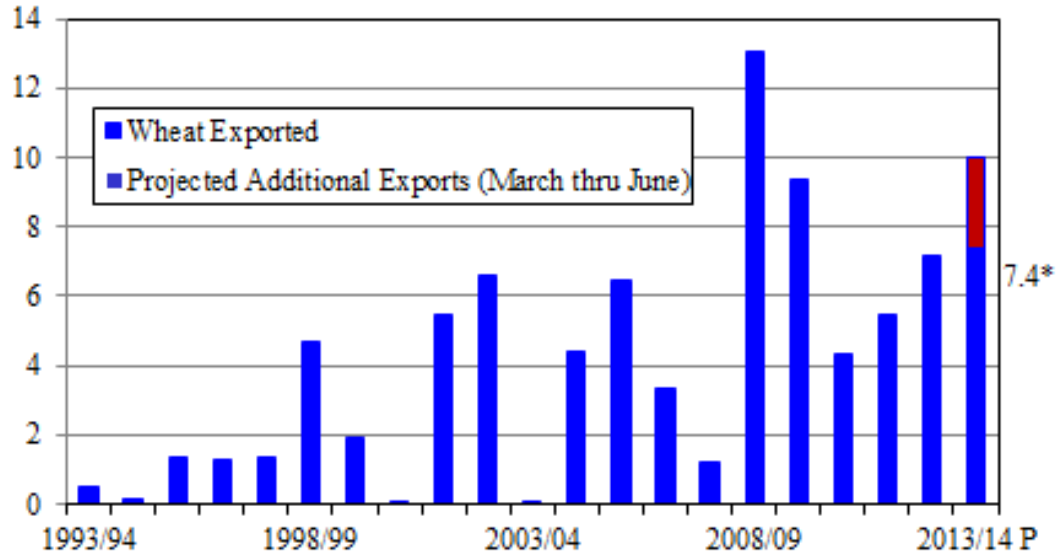
<http://audio01.will.illinois.edu/ag-kimmel40310.mp3>

Key graphics from the lock up briefing of the USDA Secretary:

Ukraine Wheat Exports

July-June Year

Million tons



* Estimated shipments for July 2013 through February 2014.

Source: USDA-FAS, Office of Global Analysis, *Grains: World Markets and Trade*, March 10, 2014, <http://www.fas.usda.gov/don/yam/world-markets-and-trade/>

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World Corn Production

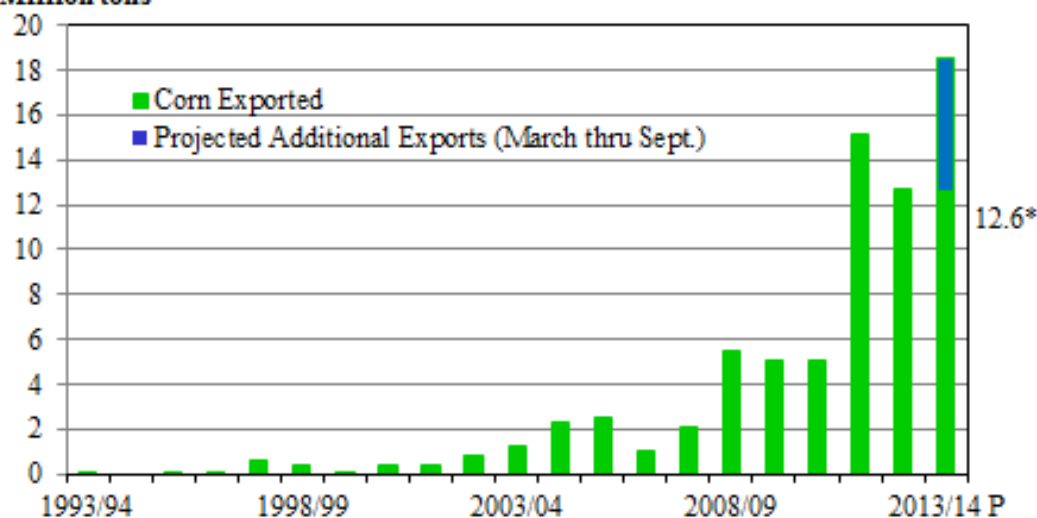
Country or Region	2012/13 estimate	2013/14 forecast	Change from February	Change from 2012/13
	<i>Million Tons</i>		<i>Percent</i>	
World	863.4	967.5	0.1	12.1
United States	273.8	353.7	0.0	29.2
Foreign	589.6	613.8	0.1	4.1
Argentina	26.5	24.0	0.0	-9.4
Brazil	81.0	70.0	0.0	-13.6
Mexico	21.6	21.7	0.0	0.5
Canada	13.1	14.2	0.0	8.7
European Union	58.9	64.9	0.3	10.2
FSU-12	32.3	46.2	0.0	42.9
Ukraine	20.9	30.9	0.0	47.7
Russia	8.2	10.7	0.0	30.1
South Africa	12.4	13.0	0.0	5.1
China	205.6	217.7	0.3	5.9
India	22.3	23.0	0.0	3.3

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Ukraine Corn Exports

October-September Year

Million tons



* Estimated shipments for October 2013 through February 2014.

Source: USDA-FAS, Office of Global Analysis, *Grains: World Markets and Trade*, March 10, 2014, <http://www.fas.usda.gov/data/grains-world-markets-and-trade>

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U.S. Corn Supply and Demand

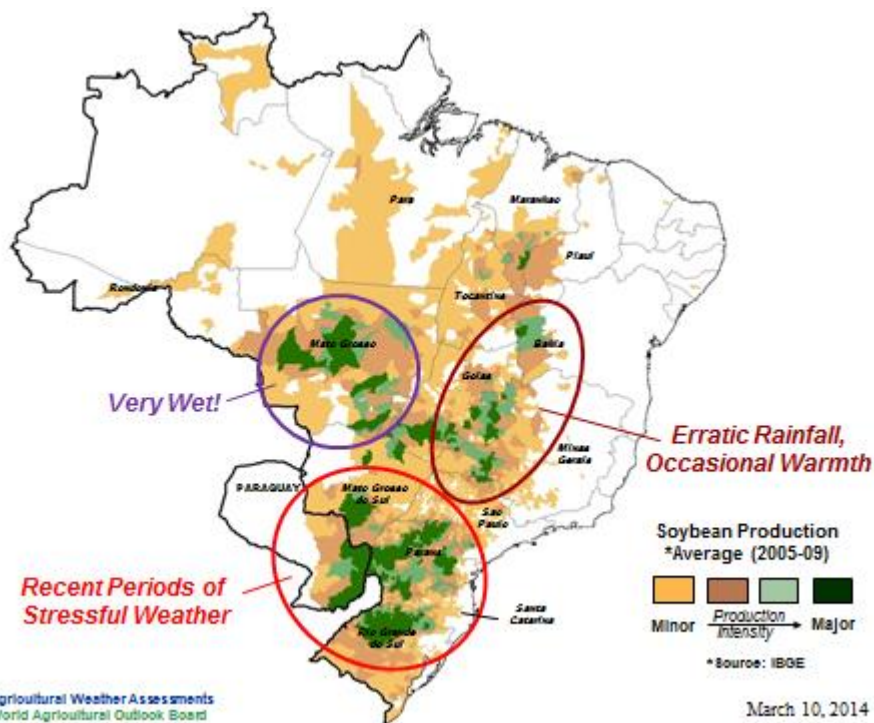
	2012/13 estimate	2013/14 forecast	Change from February	Change from 2012/13
			<i>Percent</i>	<i>Percent</i>
Planted area (million acres)	97.2	95.4	0.0	-1.8
Harvested area (million acres)	87.4	87.7	0.0	0.3
Yield (bushels per acre)	123.4	158.8	0.0	28.7
	<i>Million bushels</i>			
Beginning stocks	989	821	0.0	-17.0
Production	10,780	13,925	0.0	29.2
Imports	162	35	0.0	-78.4
Total supply	11,932	14,781	0.0	23.9
Feed and residual	4,335	5,300	0.0	22.3
Food, seed, and industrial	6,044	6,400	0.0	5.9
Ethanol	4,648	5,000	0.0	7.6
Domestic use	10,379	11,700	0.0	12.7
Exports	731	1,625	1.6	122.2
Total use	11,111	13,325	0.2	19.9
Ending stocks	821	1,456	-1.7	77.3
	<i>Percent</i>			
Stocks to use ratio	7.4	10.9		
	<i>Dollars per bushel</i>			
Average market price	6.89	4.25/4.75	0.0	-34.7

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World Soybean Production

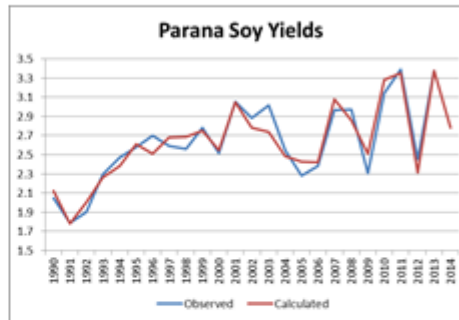
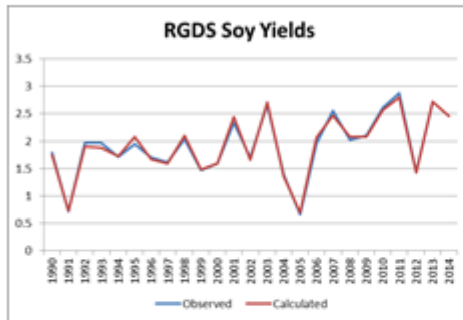
Country or Region	2012/13 estimate	2013/14 forecast	Change from February	Change from 2012/13
	<i>Million Tons</i>		<i>Percent</i>	<i>Percent</i>
World	267.5	285.4	-0.8	6.7
United States	82.6	89.5	0.0	8.4
Foreign	184.9	195.9	-1.1	6.0
Argentina	49.3	54.0	0.0	9.5
Brazil	82.0	88.5	-1.7	7.9
Paraguay	8.3	8.1	-12.9	-2.4
Ukraine	2.4	2.8	0.0	14.9
India	11.5	11.8	0.0	2.6
China	13.1	12.2	0.0	-6.5

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USDA Agricultural Weather Assessments
World Agricultural Outlook Board

March 10, 2014



Elements: Average Temperature, Days $\geq 35^{\circ}\text{C}$, Precipitation, Days Between Rain fall

Rio Grande do Sul:
Jan, Feb, *Mar ($r^2 = .99$)

Parana:
Dec, Jan, Feb ($r^2 = .92$)

Estimated yield: 2.45 mT/ha

Estimated yield: 2.78 mT/ha

* Average values used for March

USDA Agricultural Weather Assessments
World Agricultural Outlook Board

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Brazil: FAS Crop Travel in Rio Grande do Sul

Tall healthy soybeans prior to the hot/dry

Soybeans received multiple applications of pesticides to prevent Oldworm Bollworm.



Photo: Chevy Spin in soybean field. Jan. 29, 2014 near Soledade, RS

Photo: Pesticide applicator tracks in soybean field. Jan. 29, 2014 near Soledade, RS

USDA Foreign Agricultural Service
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U.S. Meat Trade

Million Pounds

	2013 estimate	2014 forecast	Change from February	Change from 2013
<i>Exports</i>				
			<i>Percent</i>	<i>Percent</i>
Beef	2,583	2,435	4.3	-5.7
Pork	4,992	5,085	-1.1	1.9
Broilers	7,364	7,550	0.7	2.5
Turkey	758	760	-2.6	0.3
Mature Chickens	108	110	0.0	2.1
Total meat	15,812	15,949	0.5	0.9
<i>Imports</i>				
Beef	2,250	2,285	0.0	1.6

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AM-580 Daily Agricultural Programming Schedule

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