




February 28,
2014

Dear
Subscriber:

This has been a week when the bears have gained control of the soybean market, unwinding bull spreads (selling May and buying back November 2014 soybeans). Our analysts suggest there this spread could narrow 30 to 40 cents further by the time USDA issues its end of the month Planting Intentions Report. Already there have been suggestions that producers will plant an all time record number of soybean acres.


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I L L I N O I S

This past week, Allendale released its annual farmer survey. Corn planting intentions were 92.349 million acres – that would be the fourth largest since 1944. Using a trend yield of 163 bpa it would produce a harvest of 13.781 billion bushels – the second largest in US history behind last year’s production of 13.925 billion bushels.

The Allendale survey put soybean planting intentions at 83.212 million acres. That would be a US record if achieved. Using a yield of 44.29 bpa that would suggest a soybean crop of 3.693 billion bushels – that would be an all time U-S record. A year ago U-S producers grew 3.289 billion bushels of soybeans.

TECHNICALS

May 2014 Soybean Futures (Composite Daily)



May 2014 Soybean Futures (Composite Weekly)



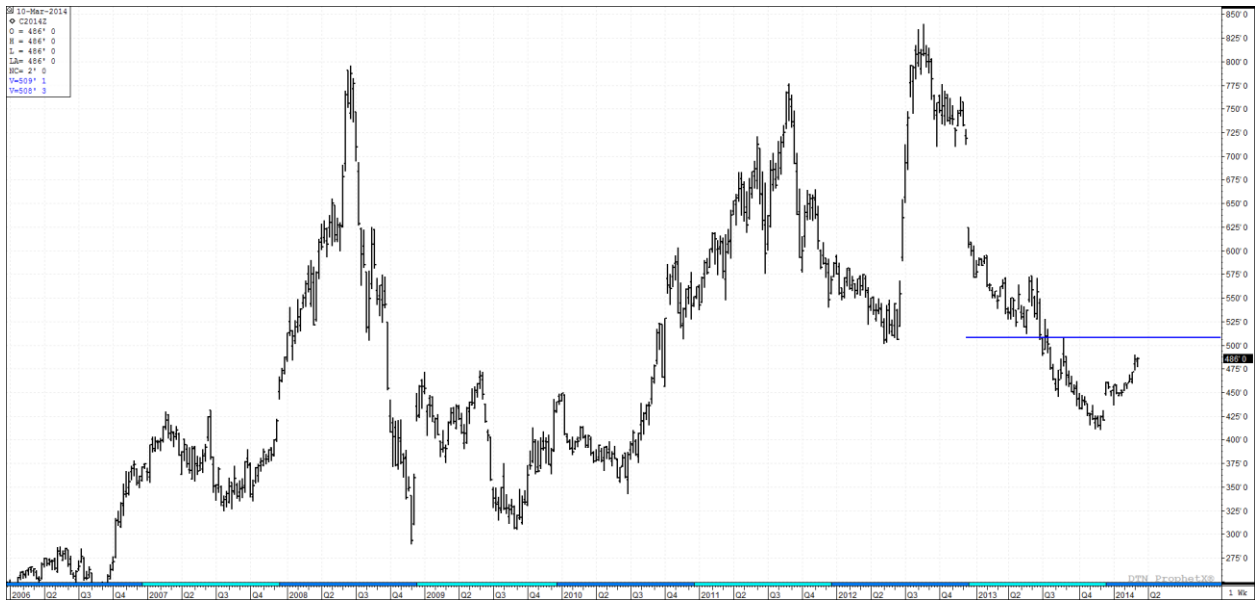
November 2014 Soybean Futures (Composite Daily)



December 2014 Corn (Composite Daily)



Corn Futures (Continuation December ONLY)



WEEKLY OUTLOOK

University of Illinois agricultural economist Darrel Good says puts the pencil to paper to project what USDA might report on USDA Corn Grain stocks at the end of the month. Darrel writes....

If the USDA's 5.3 billion bushel projection of feed and residual use of corn for the year is correct, and 70 percent was used during the first half of the year, use during the second quarter of the year would have totaled 1.284 billion bushels. Based on Census Bureau estimates for December 2013 and January 2014 and USDA export inspection estimates through February 2014, corn exports during the quarter were likely near 396 million bushels. Based on estimates of ethanol production during the quarter, corn used for ethanol production was likely near 1.265 billion bushels. Corn used in other domestic food and industrial processing should have been near 340 million bushels, resulting in total use of 3.285 billion bushels. With December 1 stocks of 10.426 billion bushels and imports during the quarter of about six million bushels, these calculations point to March 1 stocks of 7.147 billion bushels.

Given the large amount of uncertainty about the potential seasonal pattern of feed and residual use of corn, a stocks estimate that varied from the calculation presented here could still support the USDA projection of 5.3 billion bushels of use for the year. The market will have to decide if the magnitude of use during the first half of the year is a reasonable percentage of the USDA projection for the year or if the projection will need to be changed.

To see Darrel's full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/031014.html>



USDA reports this week's corn export sales at 31.00 million bushels (26.9 this year, 4.1 next year). The trade was anticipating export sales of 19.7 to 51.2 million bushels. On the year, total commitments for corn are 1504.6 million bushels vs. 581.8 million bushels a year ago at this time.

Weekly Corn – as of March 6, 2014

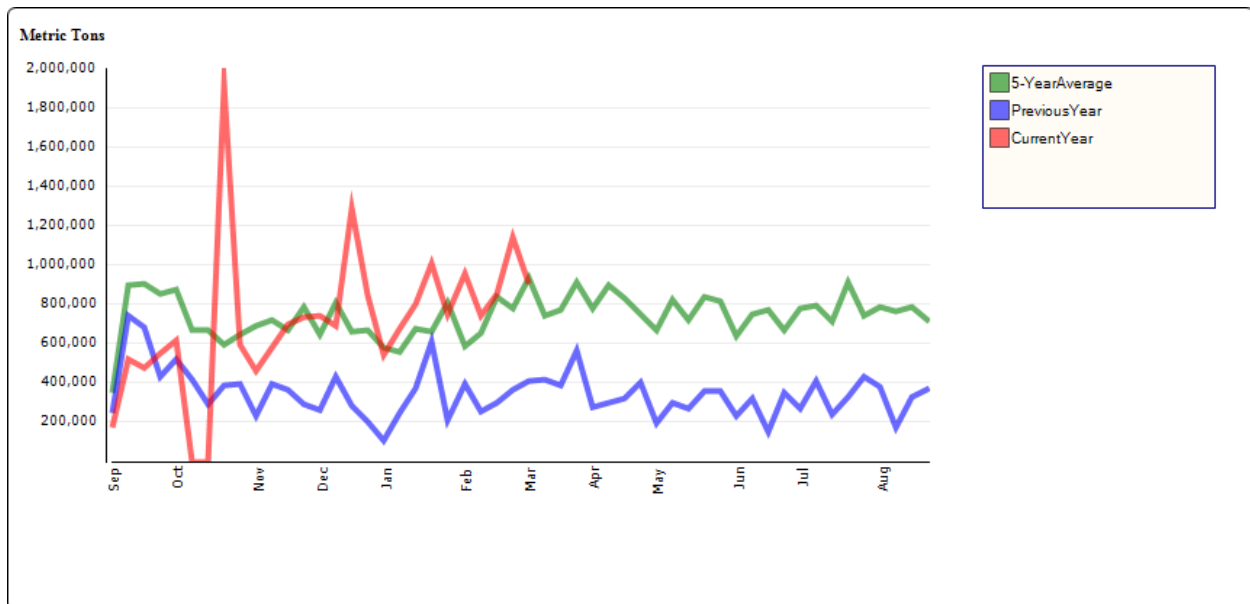


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitments of traders report for the week ending March 19 non-commercials increased its net long position. Non-commercials were long 396,379 contracts, an increase of 41,495 contracts, and were short 166,138 contracts, a decrease of 11,114 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders increased its net long position for the period ending March 19. Non-commercials were long 390,738 combined future and option contracts, an increase of 40,443 combined future and option contracts and short 175,586

contracts, a decrease of 21,397 combined future and option contracts from the previous reporting period.

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 32.7 million bushels (4.2 this year, 28.5 next year). The trade was anticipating export sales of 3.7 to 32.2 million bushels. On the year, total commitments for soybeans are 1627.0 million bushels vs. 1301.1 million bushels a year ago at this time.

Weekly Soybeans – as of March 6, 2014

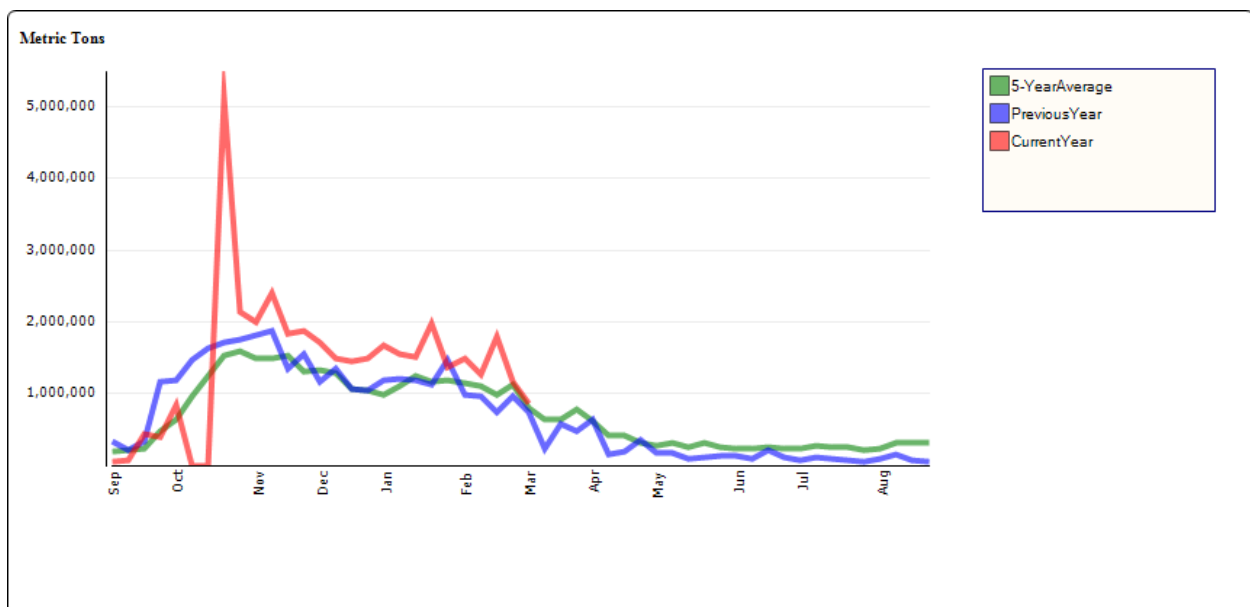
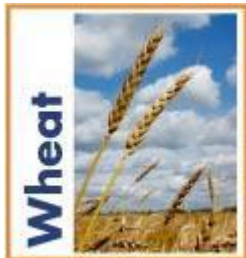


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitments of traders report for the week ending March 19, non-commercials decreased its net long position. Non-commercials were long 184,102 contracts, a decrease of 20,179 contracts and were short 73,860 contracts, an increase of 3,153 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders decreased its net long position for the period ending March 19. Non-commercials were long 179,530 combined future and option contracts, a decrease of 26,704 contracts and short 61,254 contracts, an increase of 12,643 combined future and option contracts from the previous reporting period.



USDA reports this week's wheat export sales at 20.8 million bushels (17.5 this year, 3.3 next year). The trade was anticipating wheat export sales of 16.5 to 29.4 million bushels. On the marketing year wheat sales have totaled 1,069.7 million bushels compared with 890.2 million bushels a year ago at this time.

Weekly Wheat – as of March 6, 2014

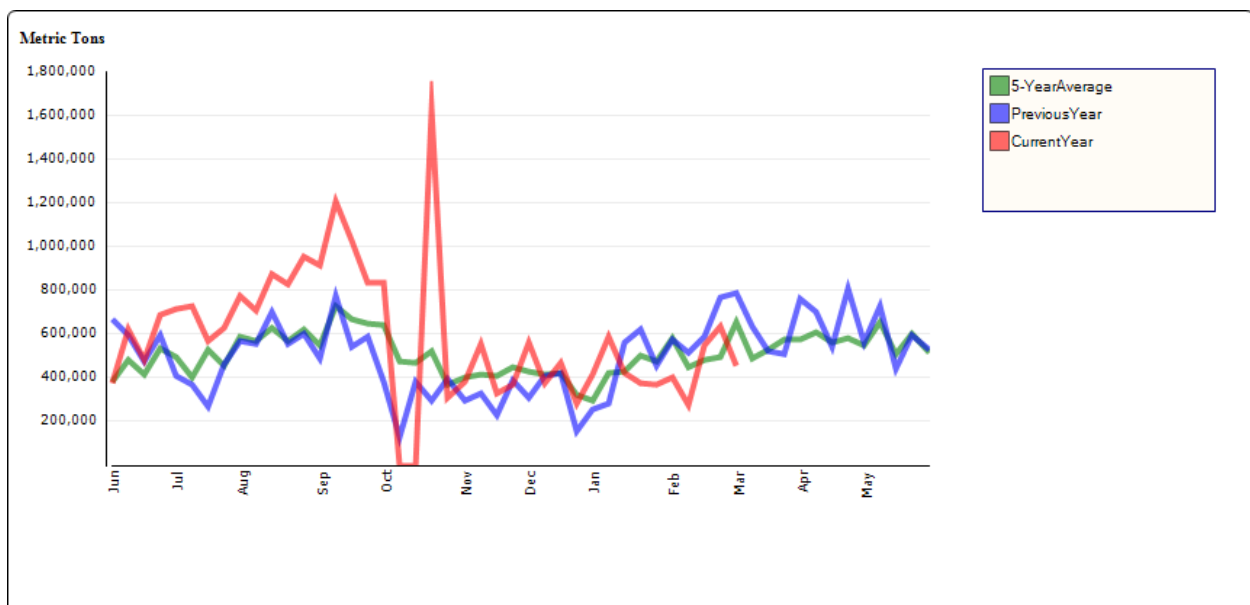


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitment of traders report for the week ending March 19 non-commercial traders decreased its net short position. Non-commercials were long 120,564 combined future and option contracts, an increase of 2,917 contracts and short 140,404 contracts, a decrease of 5,649 combined future and option contracts from the previous reporting period.

Ag Weather

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

BRAZIL

The two-week outlook has not changed greatly for most areas since Thursday with the exception of southern Minas Gerais where a beneficial increase in rain is now advertised for March 22-24. Rain will temporarily increase in that region and crops will benefit from the moisture. Scattered shower activity should follow and additional improvements in conditions for crops should occur. Areas further to the north and east will miss out on most of the significant rain and will continue to see increasing levels of crop stress.

Frequent showers and thunderstorms will occur through the middle of next week in Paraguay and portions of southern Brazil and fieldwork will be slowed. Heavy rain is likely in portions of southern Paraguay, Rio Grande do Sul, and Santa Catarina and some flooding may result, especially in southern Paraguay and western Rio Grande do Sul where multiple rounds of heavy rain are possible. Meanwhile, central and northern Brazil will see a more restricted rainfall pattern through the middle of next week and conditions for fieldwork will continue to improve and become favorable.

ARGENTINA

The two-week outlook has not changed much since Thursday and nearly widespread rain will fall on Argentina today with heavy rain in some central and eastern areas. An improving trend for fieldwork will begin in much of the country Saturday and will continue through March 28 with the exception of northeastern areas where another round of heavy rain will fall Sunday into

Monday. Harvesting of sunseed and early cotton harvesting will be interrupted by the rain and some cotton may suffer from quality declines. Some flooding may occur in areas that see heavy rain today and again Sunday into Monday.

Soil moisture and crop development conditions will improve next week and into the following week. Too much rain has occurred in recent weeks and crops would benefit greatly from a reduction in soil moisture. The exception is in some of the minor crop producing areas in southern La Pampa and southern Buenos Aires where there is need for greater rain. Moisture in far southern Argentina from rain Thursday will soon be lost to evaporation as little additional rain falls through the next two weeks. Crop stress should increase again as these more southern locations, although their impact on the nation will be quite minimal.



Commodity Week

Panelists:

- Dale Durchholz, AgriVisor LLC - Bloomington, Illinois
- Greg Johnson, The Andersons - Champaign, Illinois
- Mike Zuzolo, Global Commodity Analytics and Consulting - Atchison, Kansas

Guest:

- Michael Cordonnier, Soybean and Corn Advisor - Hinsdale, 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/cw140314.mp3>

Dial Up MP3:

<http://audio01.will.illinois.edu/cw140314dial.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