



August 12, 2014

Dear Subscriber:

We will be adding material to this shell letter after the report is released on August 12, 2014 at 11:00 a.m CST. Be sure to click back on the link often for the latest information.

This morning (August 12, 2014) USDA released its August Crop Production and 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 Wayne Nelson of L and M Commodities in New Market, Indiana.

Here is a look at the key statistics:

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I L L I N O I S

**USDA August U-S Crop Production for 2014 in billions of bushels
(released August 12, 2014, 11 a.m. CST)**

Crop	USDA August Estimate	Average Guess	Range	USDA July Estimate
Corn:				
Production	14.032	14.250	13.936 - 14.612	13,860
Yield	167.4	170.2	168.0 - 173.9	165.3
Soybeans:				
Production	3.816	3.815	3.582 - 3.951	3.800
Yield	45.4	45.5	42.8 - 47.0	45.2
Wheat:				
All Wheat	2.030	2.015	1.988 - 2.068	1.992
All Winter	1.397	1.372	1.320 - 1.413	1.370
Spring Wheat	0.572	0.581	0.555 - 0.634	0.565
Durum Wheat	0.60	0.060	0.53 - 0.65	0.060

From the August 2014 USDA Crop Production Report:

CORN: Corn production is forecast at 14.0 billion bushels, up 1 percent from 2013. Based on conditions as of August 1, yields are expected to average 167.4 bushels per acre, up 8.6 bushels from 2013. If realized, this will be the highest yield and production on record for the United States. Area harvested for grain is forecast at 83.8 million acres, unchanged from the June forecast but down 4 percent from 2013.

SOYBEANS: Soybean production is forecast at a record 3.82 billion bushels, up 16 percent from last year. Based on August 1 conditions, yields are expected to average a record high 45.4 bushels per acre, up 2.1 bushels from last year. Area for harvest in the United States is forecast at a record

84.1 million acres, unchanged from June but up 11 percent from last year.

WHEAT: All wheat production, at 2.03 billion bushels, is up 2 percent from the July forecast but down 5 percent from 2013. Based on August 1 conditions, the United States yield is forecast at 43.9 bushels per acre, up 0.8 bushel from last month but down 3.3 bushels from last year.

Winter wheat production is forecast at 1.40 billion bushels, up 2 percent from the July 1 forecast but down 9 percent from 2013. Based on August 1 conditions, the United States yield is forecast at 43.1 bushels per acre, up 0.9 bushel from last month but down 4.3 bushels from last year. The area expected to be harvested for grain or seed totals 32.4 million acres, unchanged from last month but up slightly from last year.

Hard Red Winter production, at 729 million bushels, is up 4 percent from last month. Soft Red Winter, at 466 million bushels, is up 2 percent from the July forecast. White Winter, at 202 million bushels, is down 2 percent from last month. Of the White Winter production, 11.3 million bushels are Hard White and 190 million bushels are Soft White.

Durum wheat production is forecast at 60.5 million bushels, up 1 percent from July but down 2 percent from 2013. The United States yield is forecast at 42.7 bushels per acre, up 0.6 bushel from last month but down 0.9 bushel from last year. Expected area to be harvested for grain totals 1.42 million acres, unchanged from last month but down slightly from last year.

Other spring wheat production is forecast at 572 million bushels, up 1 percent from July and up 7 percent from 2013. The United States yield is forecast at 46.1 bushels per acre, up 0.6 bushel from last month but down 1.0 bushel from last year. Expected area to be harvested for grain totals 12.4 million acres, unchanged from last month but up 9 percent from last year. Of the total production, 529 million bushels are Hard Red Spring wheat, up 2 percent from July and up 8 percent from last year.

To read the full USDA August 2014 Crop Production report go to:

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo?documentID=1046>

Corn for Grain Area Harvested, Yield, and Production – States and United States: 2013 and Forecasted August 1, 2014

State	Area harvested		Yield per acre		Production	
	2013 (1,000 acres)	2014 (1,000 acres)	2013 (bushels)	2014 (bushels)	2013 (1,000 bushels)	2014 (1,000 bushels)
Alabama	295	315	148.0	149.0	43,660	46,935
Arkansas	870	570	187.0	180.0	162,690	102,600
California	180	110	195.0	170.0	35,100	18,700
Colorado	990	960	131.0	144.0	129,690	138,240
Delaware	174	170	166.0	160.0	28,884	27,200
Georgia	465	335	175.0	162.0	81,375	54,270
Illinois	11,800	11,800	178.0	188.0	2,100,400	2,218,400
Indiana	5,850	5,850	177.0	179.0	1,035,450	1,047,150
Iowa	13,100	13,200	165.0	185.0	2,161,500	2,442,000
Kansas	4,000	3,750	127.0	145.0	508,000	543,750
Kentucky	1,430	1,450	170.0	138.0	243,100	200,100
Louisiana	670	410	173.0	180.0	115,910	73,800
Maryland	420	440	158.0	158.0	66,360	69,520
Michigan	2,250	2,240	155.0	161.0	348,750	360,640
Minnesota	8,150	8,000	160.0	168.0	1,304,000	1,344,000
Mississippi	830	520	176.0	178.0	146,080	92,560
Missouri	3,200	3,330	136.0	160.0	435,200	532,800
Nebraska	9,550	8,750	170.0	173.0	1,623,500	1,513,750
New Jersey	80	75	139.0	136.0	11,120	10,200
New York	690	660	138.0	150.0	95,220	99,000
North Carolina	870	800	142.0	132.0	123,540	105,600
North Dakota	3,600	2,850	110.0	127.0	396,000	361,950
Ohio	3,740	3,480	177.0	177.0	661,980	615,960
Oklahoma	310	270	145.0	145.0	44,950	39,150
Pennsylvania	1,090	1,000	147.0	149.0	160,230	149,000
South Carolina	335	280	130.0	117.0	43,550	32,760
South Dakota	5,860	5,500	138.0	139.0	808,680	764,500
Tennessee	820	820	156.0	150.0	127,920	123,000
Texas	2,000	1,800	138.0	144.0	276,000	259,200
Virginia	360	370	154.0	140.0	55,440	51,800
Washington	105	115	215.0	210.0	22,575	24,150
Wisconsin	3,050	3,150	146.0	156.0	445,300	491,400
Other States ¹	534	469	155.4	165.9	82,993	77,830
United States	87,668	83,839	158.8	167.4	13,925,147	14,031,915

¹ Other States include Arizona, Florida, Idaho, Montana, New Mexico, Oregon, Utah, West Virginia, and Wyoming. Individual State level estimates will be published in the *Crop Production 2014 Summary*.

Soybeans for Beans Area Harvested, Yield, and Production – States and United States: 2013 and Forecasted August 1, 2014

State	Area harvested		Yield per acre		Production	
	2013 (1,000 acres)	2014 (1,000 acres)	2013 (bushels)	2014 (bushels)	2013 (1,000 bushels)	2014 (1,000 bushels)
Alabama	425	500	43.0	41.0	18,275	20,500
Arkansas	3,230	3,350	43.5	46.0	140,505	154,100
Delaware	163	183	40.0	42.0	6,520	7,686
Georgia	225	270	40.0	37.0	9,000	9,990
Illinois	9,420	10,050	49.0	54.0	461,580	542,700
Indiana	5,190	5,490	51.0	51.0	264,690	279,990
Iowa	9,240	10,040	44.5	50.0	411,180	502,000
Kansas	3,540	4,190	36.0	36.0	127,440	150,840
Kentucky	1,640	1,690	49.5	40.0	81,180	67,600
Louisiana	1,110	1,440	48.0	50.0	53,280	72,000
Maryland	475	495	39.0	44.0	18,525	21,780
Michigan	1,890	2,290	44.0	44.0	83,160	100,760
Minnesota	6,620	7,420	41.0	42.0	271,420	311,640
Mississippi	1,990	2,220	45.0	48.0	89,550	106,560
Missouri	5,550	5,650	35.5	44.0	197,025	248,600
Nebraska	4,760	5,350	53.0	52.0	252,280	278,200
New Jersey	87	93	39.0	40.0	3,393	3,720
New York	278	397	48.0	49.0	13,344	19,453
North Carolina	1,420	1,670	33.0	37.0	46,860	61,790
North Dakota	4,620	5,950	30.0	32.0	138,600	190,400
Ohio	4,430	4,940	49.0	49.0	217,070	242,060
Oklahoma	335	295	30.0	31.0	10,050	9,145
Pennsylvania	535	600	49.0	49.0	26,215	29,400
South Carolina	310	440	28.0	29.0	8,680	12,760
South Dakota	4,580	4,910	40.0	40.0	183,200	196,400
Tennessee	1,520	1,580	46.0	44.0	69,920	69,520
Texas	95	125	25.0	27.0	2,375	3,375
Virginia	590	590	38.0	40.0	22,420	23,600
Wisconsin	1,550	1,780	38.0	43.0	58,900	76,540
Other States ¹	51	60	43.1	42.8	2,196	2,570
United States	75,869	84,058	43.3	45.4	3,288,833	3,815,679

¹ Other States include Florida and West Virginia. Individual State level estimates will be published in the *Crop Production 2014 Summary*.

USDA also released its August 2014 WASDE report. Here are the key numbers and commentary:

USDA August 2014 U-S Ending Stocks for 2013-14 in billions of bushels (released August 11, 2014, 11 a.m. CST)				
Crop	USDA August Estimate	Average Guess	Range	USDA July Estimate
Corn	1.181	1.243	1.196 - 1.300	1.246
Soybeans	0.140	0.137	0.125 - 0.145	0.140

USDA August 2014 U-S Ending Stocks for 2014-15 in billions of bushels (released August 12, 2014, 11 a.m. CST)

Crop	USDA August Estimate	Average Guess	Range	USDA July Estimate
Corn	1.808	2.034	1.777 - 2.492	1.801
Soybeans	0.430	0.406	0.200 - 0.522	0.415
Wheat	0.663	0.666	0.621 - 0.744	0.660

From the USDA August 2014 WASDE report:

CORN: Projected 2014/15 U.S. feed grain supplies are raised this month with higher production forecasts for corn, sorghum, barley, and oats. Corn production for 2014/15 is forecast 172 million bushels higher at a record 14,032 million bushels. The first survey-based corn yield forecast, at a record 167.4 bushels per acre, is up 2.1 bushels from last month's trend-based projection. Sorghum production is forecast 19 million bushels higher with the forecast yield 3.0 bushels per acre higher than last month's projection. Small yield increases also boost barley and oats production slightly.

Corn supplies for 2014/15 are projected at a record 15,243 million bushels with the increase in production partly offset by a 65-million-bushel reduction in beginning stocks. Corn use for ethanol and exports are raised 45 million bushels and 20 million bushels, respectively, for 2013/14, based on reported data to date. Projected corn use for 2014/15 is higher with use for ethanol and exports each raised 25 million bushels, and feed and residual disappearance 50 million bushels higher with the larger crop. Projected ending stocks for 2014/15 are raised slightly to 1,808 million bushels. The projected season-average farm price for corn is lowered 10 cents at both ends of the range to \$3.55 to \$4.25 per bushel.

SOYBEANS: U.S. oilseed production for 2014/15 is projected at 113.7 million tons, up 0.6 million from last month mainly due to a higher soybean production forecast. Soybean production for 2014/15 is forecast at 3,816 million bushels, up 16 million due to a higher yield. Harvested area is forecast at 84.1 million acres, unchanged from July. The first survey-based soybean yield forecast is a record 45.4 bushels per acre, 0.2 bushels above

last month and 2.1 bushels above last year. Soybean supplies for 2014/15 are projected slightly above last month based on the higher production forecast. With minimal supply gains, soybean exports and crush are unchanged, leaving ending stocks projected at 430 million bushels. The U.S. season-average soybean price for 2014/15 is forecast at \$9.35 to \$11.35 per bushel, down 15 cents on both ends. Soybean meal and oil prices are forecast at \$340 to \$380, down 10 dollars at the midpoint. Soybean oil prices are forecast at 35 to 39 cents per pound, down 1 cent at the midpoint.

U.S. soybean balance sheet changes for 2013/14 include reduced imports and increased exports. Imports are lowered 5 million bushels to 80 million based in part on revised import data for September – December 2013 from the U.S. Department of Commerce. Exports are raised 20 million bushels to 1,640 million reflecting both revised export data for September through December 2013 from the Department of Commerce and inspections data for July 2014. These changes are offset with lower residual use, leaving ending stocks unchanged at 140 million bushels. With these changes, the 2013/14 soybean stocks-to-use ratio is projected at 4.2 percent, which if realized would be the lowest in more than 40 years

WHEAT: Projected U.S. wheat supplies for 2014/15 are raised this month mostly with an increase in forecast Hard Red Winter (HRW) wheat production as well as smaller increases for Soft Red Winter (SRW), Hard Red Spring (HRS), and Durum. Northern parts of the HRW belt have substantially higher yields than the drought damaged southern and central plains. The largest HRW increases are in Colorado and Nebraska. After a delay in planting, HRS wheat has had very good growing conditions and yields are forecast well above average. Feed and residual use for all wheat in 2014/15 is raised 10 million bushels to 155 million due to the larger supplies.

All wheat exports for 2014/15 are increased 25 million bushels because of the larger HRW crop. The projected season-average farm price range is lowered 30 cents at the midpoint to \$5.80 to \$6.80 per bushel.

<i>USDA August 2014 World WASDE Production in millions of metric tons (released August 12, 2014, 11:00 a.m. CST)</i>				
Crop	USDA August Estimate 2014-15	USDA July Estimate 2014-15	USDA August Estimate 2013-14	USDA July Estimate 2013-14

Argentina Wheat	12.50	12.50	10.50	10.50
Australia Wheat	26.00	26.00	27.01	27.01
China Wheat	126.00	124.00	121.93	121.93
India Wheat	95.85	95.85	93.51	93.51
FSU-12 Wheat	110.17	102.22	103.87	103.77
EU Wheat	147.87	147.88	143.13	143.32
Argentina Corn	26.00	26.00	24.00	24.00
Brazil Corn	74.00	74.00	78.00	78.00
China Corn	222.00	222.00	218.49	218.49
South Africa Corn	13.50	13.50	14.75	14.50
Argentina Soybeans	54.00	54.00	54.00	54.00
Brazil Soybeans	91.00	91.00	87.50	87.50

From the USDA August 2014 WASDE report:

CORN: Global coarse grain supplies for 2014/15 are projected 4.9 million tons higher, mostly reflecting larger expected corn crops in the United States and EU and increased barley production for FSU-12. The smaller projected carryin for the United States partly offsets this month's 6.6-million-ton increase in global coarse grain output. EU corn production is raised 1.4 million tons after abundant rainfall and favorable temperatures during July. FSU-12 barley production is raised 3.1 million tons with a 2.0-million-ton increase for Russia and smaller increases for Belarus and Ukraine. Barley

production is also raised 0.3 million tons for EU. Reduced prospects for corn, sorghum, and millet, with the delayed monsoon, lower India total coarse grain production 2.7 million tons, partly offsetting increases elsewhere. Turkey corn production is also lowered 0.3 million tons. Global coarse grain consumption for 2014/15 is raised this month with a 2.3-million-ton increase in world corn use. Higher corn use in the United States accounts for most of the increase. Corn consumption is lowered 2.0 million tons for EU as heavy summer rains have reduced wheat quality across the region, raising prospects for wheat feeding. Corn food use is reduced 0.5 million tons for India with the smaller crop outlook. Higher projected corn use for Egypt, Saudi Arabia, South Africa, Algeria, and Taiwan partly offset these reductions. Corn imports are lowered for EU, but raised for Turkey, Saudi Arabia, Taiwan, Lebanon, and Algeria. Global barley trade is raised with higher imports for Turkey and higher exports for Russia and Ukraine. Global 2014/15 coarse grain ending stocks are projected 2.7 million tons higher reflecting larger barley ending stocks. Global corn ending stocks are lowered slightly.

SOYBEANS: Global oilseed production for 2014/15 is projected at 521.8 million tons, slightly below last month. Gains for rapeseed and cottonseed are more than offset by reductions for soybeans, sunflowerseed, and peanuts. Higher soybean production for the United States is offset by a reduction for India where the delayed monsoon results in lower planted area. Rapeseed production is raised for China, EU, and Ukraine. These gains are partly offset by a smaller crop projected for Canada with lower area resulting from flooding in parts of Saskatchewan and Manitoba. Other changes include lower sunflowerseed production for Russia, reduced peanut production for China, and increased cottonseed production for India.

WHEAT: World wheat production for 2014/15 is raised 10.9 million tons to a record 716.1 million. The largest foreign increases are 6.0 million tons for Russia, 2.0 million tons for China, and 1.0 million tons for Ukraine. The Russia and Ukraine increases are based on harvest reports that indicate very high winter wheat yields, especially for Russia. The China increase reflects the latest government estimates for summer harvested grains. Production is also raised 0.6 million tons for Belarus and 0.4 million tons for Moldova.

Global wheat consumption is raised 6.9 million tons due mainly to increased prospects for wheat feeding. The biggest feeding increase is for EU, which is raised 2.5 million tons. Excessive harvest-time precipitation in several European production regions has increased the quantity of feed-quality wheat. Russia wheat feeding is raised 1.0 million tons, and Ukraine and Belarus are each raised 0.5 million tons due to increased production in those

countries. Smaller feeding increases are made for Philippines, Moldova, and Israel. Global wheat trade for 2014/15 is nearly unchanged with increases in Russia and the United States offset by reductions in EU and several other countries. The changes reflect larger crops in Russia and the United States as well as quality problems in EU. India exports are lowered 0.5 million tons because of competition, especially from lower quality wheat in Ukraine and southeastern EU. China and Russia imports are lowered 1.0 million tons and 0.5 million tons, respectively, because of increased production. Egypt imports are lowered 0.5 million tons due to changes in its bread subsidy program that are expected to reduce waste. Iran imports are raised 0.5 million tons reflecting government announced purchases. With supplies rising faster than use, global ending stocks are raised 3.4 million tons and remain at a 3-year high.

To see the full USDA August 2014 WASDE report go to:

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

After the report was released Dave spoke about the numbers with Wayne Nelson of L and M Commodities in New Market Indiana. **(This link IS NOW LIVE!!!)**

<http://audio01.will.illinois.edu/ag-nelson140812.mp3>

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

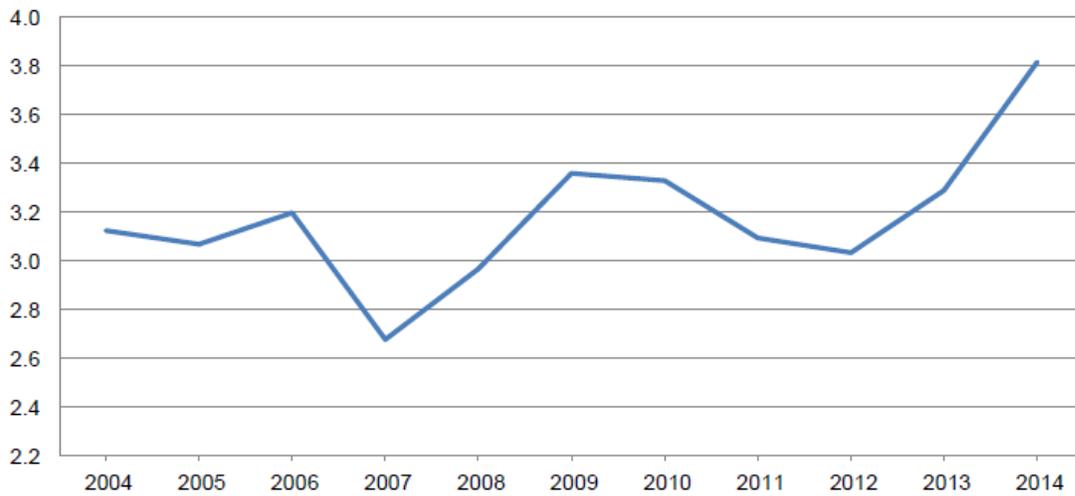
Corn Production – United States

Billion bushels



Soybean Production – United States

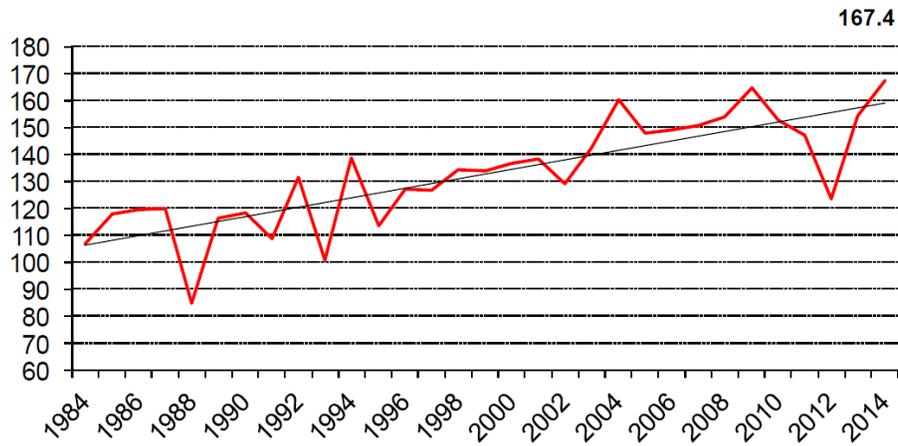
Billion bushels





U.S. Corn Yield

Bushels/Acre

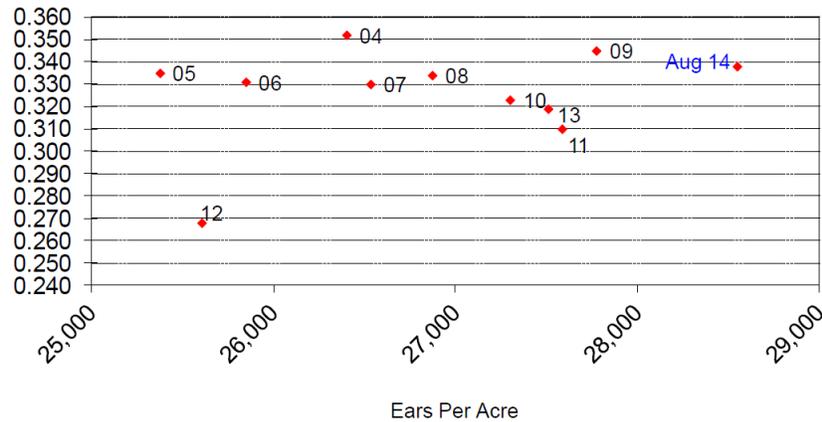


USDA-NASS
8-12-14



Corn Objective Yield Region Derived Grain Weight vs Ears per Acre

Lbs/Ear



USDA-NASS
8-12-14

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