




August 22,  
2014

Dear  
Subscriber:

By now the market bear has tossed just about every negative fundamental imaginable at new crop corn – the most recent being this week’s results from the Pro Farmer Midwestern Crop Tour (see the results below). And yet December corn futures have not fallen into new low territory. A majority of our analysts believe that the current low for the move in December futures (358) may be the pre-harvest low.

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I L L I N O I S

They point to the big yields already factored into the market, and the potential for the September Crop Production report to be non eventful in the wake of the revelation from FSA that likely fewer corn acres were planted compared to the June Intention's report. The thought is that fewer corn acres and larger corn yield will essentially cancel one another out on the September USDA report – leaving the major market mover into October harvest numbers and demand prospects. Also contributing the idea of September's report being more fizzle than sizzle is that our analysts suggest current futures prices reflect a national corn number of 170 to 171 bpa. USDA would thus need a huge upward adjustment from their 167.4 August forecast to make a ripple in the current narrative. Stay tuned!

As we previous mentioned there was a lot of chatter in the market place over the Profarmer Crop Tour results....here are the state by state numbers:

182.11 1342.42 OH  
196.96 1299.17 IL  
178.75 1173.59 IA  
163.77 1103.26 NE  
170.76 1031.54 MN  
185.03 1220.79 IN  
152.71 1057.80 SD

By the way Brian Grete, editor of Pro Farmer and leader of the eastern leg of the tour is our guest on this week's edition of Commodity Week – you can listen to it on the web after 6:00 p.m. Friday night at:

<http://audio01.will.illinois.edu/cw140822.mp3>

To no one's surprise Illinois topped yield prospects among the crop scouts. But the tour also suggested that a MEGA national corn yield is NOT there – yes a record is in the cards – but not the 176 bpa or higher that some services had been touting in recent weeks. If anything the crop may be getting a little smaller – although this weeks rains were welcome among some of the most dryest areas of the corn belt.

Also in the background was news on Friday concerning China's corn crop:

The China National Grain and Oils Information Center says that a drought in China's northeast corn belt may cut output of the grain in two major provinces by about 3.5 million tonnes, about 1.5 percent of the nation's estimated annual output. Some of the areas in the provinces of Jilin and Liaoning may lose output by as much as 50 percent, said CNGOIC. Jilin is

the country's second-largest corn-producing province while Liaoning is the 7th largest.

And greater prevalence of feed wheat:

Asian feed grain importers expect an influx of cheap feed wheat from Ukraine and France as heavy rain in Europe damages the quality of crops, leaving them fit for only animal consumption. South Korea, Thailand and the Philippines are likely to import feed wheat cargoes to replace corn cargoes, pressuring corn prices already hovering near four-year lows on expectations of record production in the United States.

On soybeans the Pro Farmer tour indicates the pods are there for a monster bean crop – rains over the next two weeks (and perhaps a little heat) would help seal the deal.

You can read about what scouts are seeing at:

<http://www.doane.com/crop-tour2014/>

### ***WILLAG.ORG AND IPM Ag-Outlook Panels***

We've already started bookings for the 2014-15 fall/winter meetings. Here is what we have so far....

8/26 Sherman, Illinois

Farm Credit Illinois office  
6:00 p.m. meal followed by meeting  
Farm Credit Illinois office  
Jonathan Coppess, University of Illinois

8/27 Ashmore, Illinois

The Seed Shed  
5:00 p.m. meal followed by meeting  
Gary Schnitkey, University of Illinois  
Wayne Nelson, L & M Commodities - New Market, Indiana  
Jacquie Voeks, Stewart Peterson - Champaign, Illinois

9/ 4 Mahomet, Illinois

Farm Credit Illinois Office  
6:00 p.m. meal followed by meeting  
Jonathan Coppess, University of Illinois

Ellen Dearden, AgReview - Morton, Illinois  
Jason Clapp, Risk Management Commodities - Lafayette, Indiana

9/ 8 Lawrenceville, Illinois  
Trace Inn Rest - Red Hills State Park  
6:00 p.m. meal followed by meeting  
Jonathan Coppess, University of Illinois

9/10 Teutopolis, Illinois  
Knights of Columbus Hall  
6:00 p.m. meal followed by meeting  
Gary Schnitkey, University of Illinois  
Chip Nellinger, Blue Reef Agri-Marketing - Morton, Illinois  
Dale Durchholz, AgriVisor LLC - Bloomington, Illinois

9/11 Mt. Vernon, Illinois  
Farm Credit Illinois Office  
6:15 p.m. meal followed by meeting  
Gary Schnitkey, University of Illinois  
Matt Bennett, Market Specialist - Monsanto  
Pete Manhart, Bates Commodities - Normal, Illinois

9/17 Harrisburg, Illinois  
location TBD  
Jonathan Coppess or Gary Schnitkey, University of Illinois  
Mike Zuzolo, Global Commodity Analytics & Consulting - Atchison,  
Kansas  
Merrill Crowley, Crowley Commodities - Watseka, Illinois  
Jonathan Coppess

## WEEKLY OUTLOOK

**U**niversity of Illinois agricultural economist Darrel Good talks about FSA certified acres. Darrel writes:

From 1996 through 2013, the difference between planted acreage of corn and acreage harvested for grain averaged 7.464 million acres, in a range of

6.585 million (1996) to 9.78 million (2012). That difference has increased by a very modest amount over time as total corn acreage has increased, and tends to vary by the nature of the growing season. The large difference in 2012, for example, reflected widespread dry conditions with more acreage harvested for silage or abandoned. Based on the USDA's June surveys, the difference between planted and harvested acreage this year is forecast at 7.802 million acres, about equal to the trend value. The actual difference should be within a few thousand acres of the forecast.

For soybeans, the difference between planted and harvested acreage averaged 1.095 million acres, in a range of 595,000 acres (2007) to 1.858 million acres (2000). The difference has trended lower over time. Based on the USDA's June surveys, the difference between planted and harvested acreage this is forecast at 781,000 acres. That is nearly 200, 000 acres less than the trend value for this year. Based on reports of more than the normal amount of acreage lost to flooding, the actual difference may be closer to trend value.

While average yield will be the driver of the size of the 2014 U.S. corn and soybean crops, harvested acreage may be marginally less for both crops than currently forecast.

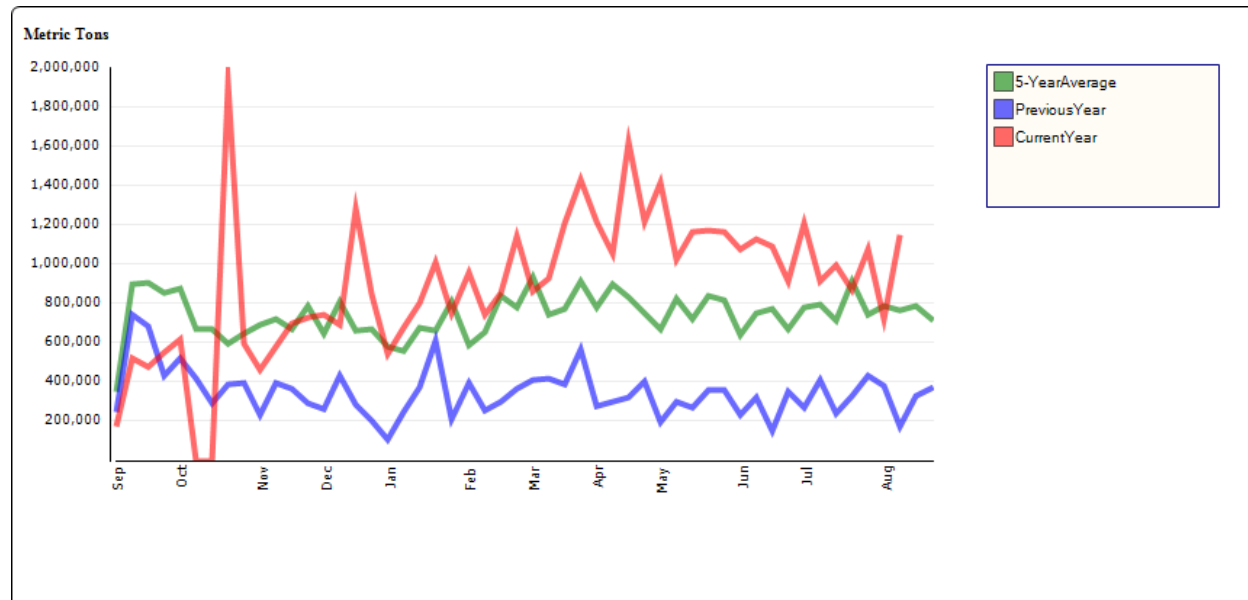
To see Darrel's full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/081814.html>



**U**SDA reports this week's corn export sales at 32.2 million bushels (3.9 this year, 38.3 next year). On the year, total commitments for corn are 1,917.9 million bushels vs. 752.2 million bushels a year ago at this time.

## Weekly Corn – as of August 14, 2014



### Chart Courtesy of USDA Foreign Ag Service

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)

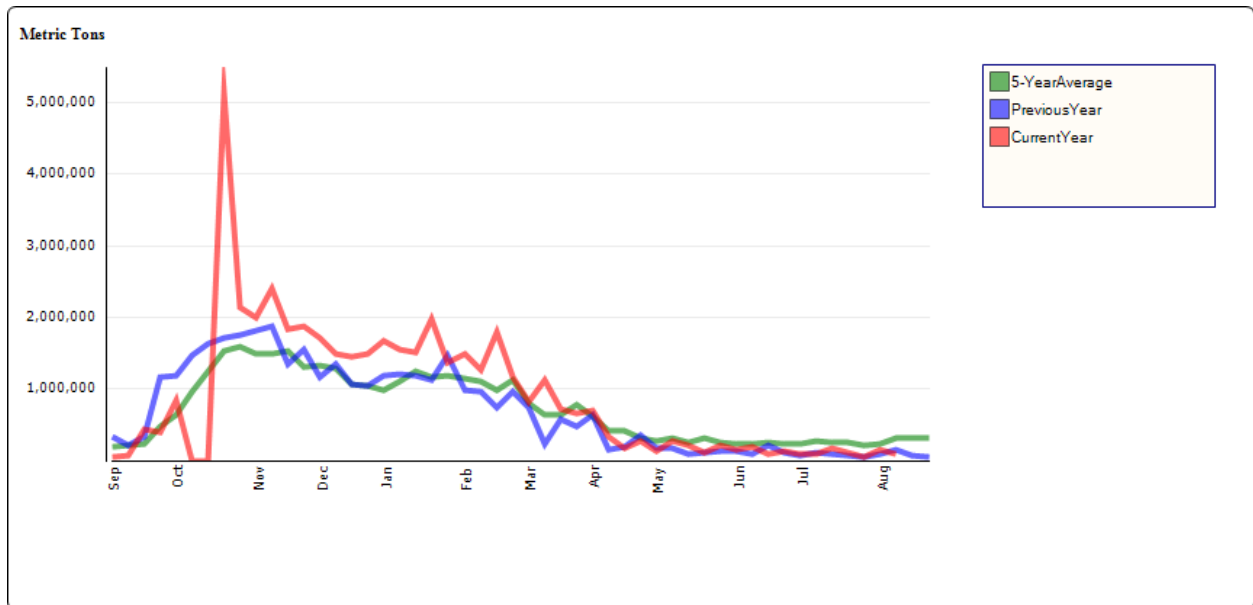
The Iowa basis report is at:

[http://www.ams.usda.gov/mnreports/NW\\_GR110.txt](http://www.ams.usda.gov/mnreports/NW_GR110.txt)



**U**SDA reports this week's soybean export sales at 48.9 million bushels (-3.3 this year, 52.2 next year). On the year, total commitments for soybeans are 1,693.5million bushels vs. 1,366.1million bushels a year ago at this time.

## Weekly Soybeans – as of August 14, 2014



## Chart Courtesy of USDA Foreign Ag Service



**U**SDA reports this week's wheat export sales at 7.7 million bushels (7.7 this year, 0.0 next year). On the marketing year wheat sales have totaled 399.4 million bushels compared with 536.6 million bushels a year ago at this time.

### Weekly Wheat – as August 14, 2014

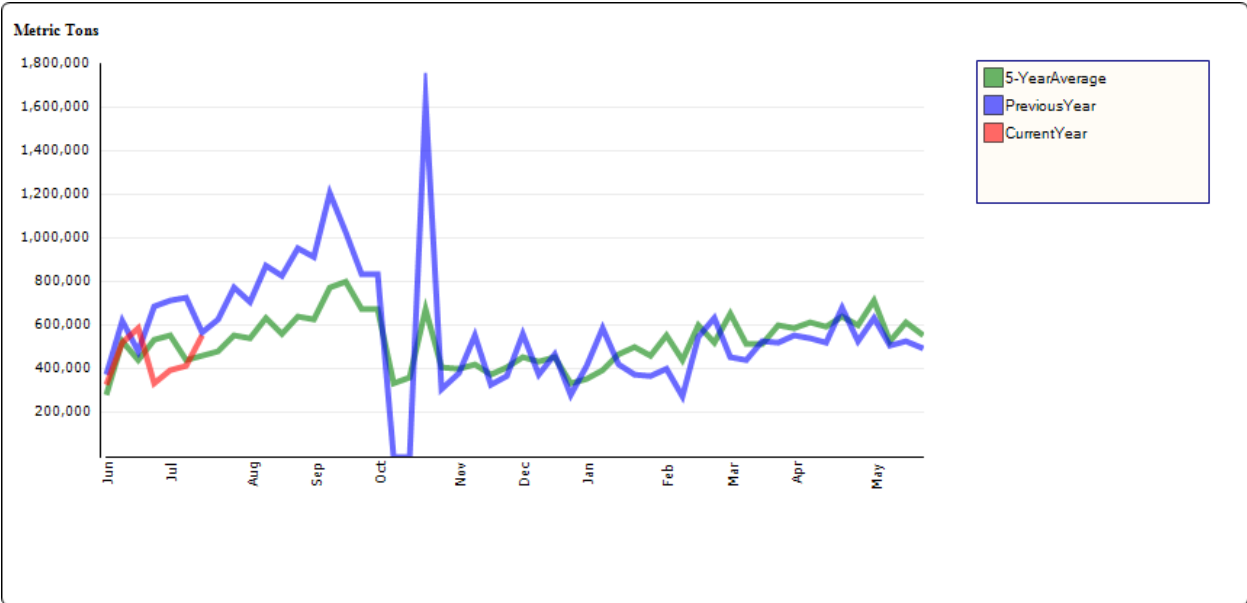


Chart Courtesy of USDA Foreign Ag Service

### Ag Weather

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

The two-week outlook remains favorable for crops across much of the Midwest. The region will see frequent rounds of showers and thunderstorms through Thursday with another round of rain expected Aug. 30-Sep. 2. The expected rain will maintain favorable soil moisture levels for much of the Midwest and will induce additional relief from dryness in the driest parts of eastern Iowa, southwestern Wisconsin, southeastern Minnesota, and northwestern Illinois. Rain will not be heavy throughout the region, but multiple rounds of rain are expected and enough rain should fall to induce notable improvements in soil moisture and conditions for crops.

Southern parts of the western Corn Belt into southern Illinois and western Kentucky will see the least rain during the next week and significant drying is expected there as temperatures will be hot during the next several days. Some crop stress may occur, but subsoil moisture should remain high enough to prevent stress from becoming serious. As long as rain falls as advertised Monday into Thursday, conditions for crops should become favorable again.



High temperatures through Monday will be in the 80s and lower 90s with some upper and a few middle 70s in the north and some middle 90s in the south. Some far northwestern locations will see highs in the middle 60s to the lower 70s Friday through Monday with a few far southwestern locations seeing highs in the upper 90s and lower 100s through Saturday. Cooling will begin Tuesday and by Thursday and next Friday highs will be in the 70s and lower 80s with some middle 80s in the south and a few upper 60s in northern parts of the western Corn Belt.

Low temperatures through Tuesday will be in the 60s and lower 70s with some 50s in the northwest and some middle 70s in the south. A few far northwestern locations will cool to the upper 40s Monday and Tuesday. Wednesday's lows will be a little cooler and lows Thursday and next Friday will be in the middle 50s through the middle 60s with some upper 60s in the southeast Thursday and some upper 40s and lower 50s in the northern parts of the western Corn Belt each day. Central and eastern areas will briefly warm Aug. 30 with cooler air arriving in the northwest the same day.



## Commodity Week

### **P**anelists:

- Aaron Curtis, MIDCO - Bloomington, Illinois
- Curt Kimmel, Bates Commodities - Normal, Illinois
- Elaine Kub, Mastering the Grain Markets - Elkhorn, Nebraska

### **G**uest:

- Brian Grete, Editor Pro Farmer - Cedar Falls, Iowa

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:

<http://audio01.will.illinois.edu/cw140822.mp3>

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