



February 10, 2015

Dear Subscriber:

**We will be adding material to this shell letter after todays reports are released at 11:00 a.m.**

**Be sure to click back on the link often for the latest information.**

Before we get rolling a quick note to let you know tick sales have been brisk for the 2015 All Day Ag Outlook Meeting at the Beefhouse in Covington, Indiana. Our lineup is at the end of this letter. Tickets are \$25.00 and include a continental breakfast and Beef House Lunch. You can purchase your tickets in one of two ways:

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Now on to the markets. This morning USDA released its February 2015 WASDE report. Here are the key numbers:

<b>USDA February 2015 U-S Ending Stocks for 2014-15 in billions of bushels (released February 10, 2015)</b>				
Crop	<b>USDA February Estimate</b>	Average Guess	Range	USDA January Estimate
Corn	<b>1.827</b>	1.879	1.817 - 2.002	1.877
Soybeans	<b>0.385</b>	0.398	0,356 - 0.440	0.410
Wheat	<b>0.692</b>	0.689	0.595 - 0.730	0.687

From the USDA February 2015 WASDE Report:

**CORN:** U.S. feed grain ending stocks for 2014/15 are projected lower with reductions for corn, sorghum, and barley. Corn accounts for most of the reduction with projected use in ethanol production raised 75 million bushels on higher forecast 2015 gasoline consumption by the Energy Information Administration. Corn feed and residual use is projected 25 million bushels lower with the accompanying increase expected in supplies of distillers' grains. Corn ending stocks for 2014/15 are reduced 50 million bushels. The projected range for the corn season-average farm price is narrowed 5 cents on both ends to \$3.40 to \$3.90 per bushel.

**SOYBEANS:** U.S. soybean supplies are increased 10 million bushels to 4,086 million on higher projected imports. Soybean exports for 2014/15 are projected at 1,790 million bushels, up 20 million reflecting the record pace of shipments through January. Soybean crush is raised 15 million bushels to 1,795 million on increased domestic soybean meal disappearance, which is raised in line with projected gains in meat production. Soybean oil production gains from additional crush are mostly offset with a lower extraction rate. With increased production and reduced exports, soybean oil ending stocks are projected at 1.505 billion pounds, up 75 million. Soybean

ending stocks are projected at 385 million bushels, down 25 million from last month.

The 2014/15 season-average soybean price range projection is unchanged at \$9.45 to \$10.95 per bushel. The soybean meal price is projected at \$350 to \$390 per short ton, up 10 dollars on both ends of the range. The soybean oil price range is projected at 30 to 34 cents per pound, down 1 cent on both ends.

**WHEAT:** U.S. wheat ending stocks for 2014/15 are projected 5 million bushels higher as reduced exports more than offset an import reduction. Projected imports are lowered 20 million bushels to 160 million on pace to date. Projected exports are lowered 25 million bushels to 900 million on increased competition from EU and the recent strengthening of the dollar, which makes U.S. exports less competitive. Ending stocks are increased to 692 million bushels. The season-average farm price is lowered 5 cents on the low end and 15 cents on the high end to \$5.85 to \$6.15 per bushel. The reduction reflects prices received to date as well as a loss of competitiveness for U.S. wheat.

<b>USDA February 2014 World Ending Stocks in millions of metric tons (released February 10, 2015)</b>				
Crop	<b>USDA February Estimate for 14-15 Ending Stocks</b>	Average Guess	Range	USDA January Estimate
Corn	<b>189.6</b>	189.28	187.60 - 190.93	189.15
Soybeans	<b>89.3</b>	90.44	88.75 - 91.53	90.78
Wheat	<b>197.85</b>	195.83	191.40 - 197.00	196.00

**USDA February 2015 World WASDE production in millions of metric tons (released February 10, 2015)**

Crop	USDA February 2014-15 Estimate	USDA January Estimate
Argentina Wheat	12.50	12.00
Australia Wheat	24.00	24.00
China Wheat	126.00	126.00
India Wheat	95.91	95.91
FSU Wheat	112.35	111.60
EU Wheat	155.69	155.51
Argentina Corn	23.00	22.00
Brazil Corn	75.00	75.00
China Corn	215.50	215.50
South Africa Corn	13.50	13.50
Argentina Soybeans	56.00	55.00
Brazil Soybeans	94.50	95.50

From the USDA February 2015 WASDE Report:

**CORN:** Global coarse grain supplies for 2014/15 are projected 5.0 million tons higher mostly on higher corn production for Ukraine and Argentina and higher corn beginning stocks for South Africa, Argentina, and Brazil. Higher 2014/15 beginning stocks for South Africa reflect reduced 2013/14 exports and an upward revision to 2013/14 production. Argentina and Brazil corn production are both revised higher for 2013/14. The largest production change for 2014/15 is a 1.5-million-ton increase for Ukraine corn based on the latest government statistics. Argentina corn production for 2014/15 is raised 1.0 million tons reflecting mostly favorable growing conditions. Corn production is raised 0.5 million tons for India and 0.2 million tons each for EU, Kazakhstan, Mexico, and Turkey. Russia corn production is reduced 0.5 million tons. Other coarse grain production changes are mostly offsetting with sorghum raised for Argentina, but lowered for Mexico, and Russia barley and oats production raised and rye production lowered.

Global coarse grain consumption for 2014/15 is raised 4.8 million tons with foreign consumption up 4.3 million tons. Leading the increases are a 1.0-million-ton increase in EU corn feed use and a 0.8-million-ton increase in China sorghum feed use. Corn use is also increased for Canada, Mexico,

Argentina, and Turkey. Sorghum feed use is lowered for Mexico. Global coarse grain trade for 2014/15 is raised with corn imports higher for EU, Canada, and China, and sorghum imports higher for China. Corn exports are raised for Argentina, Ukraine, and South Africa, but lowered for Russia. In addition to the United States, sorghum exports are also raised for Argentina. Global coarse grain and corn ending stocks for 2014/15 are raised slightly.



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- Feb. 17 **Arthur, IL** – 9:00 AM Yoders Kitchen, 1195 E Columbia (Sponsored by First Mid-Illinois Bank & Trust)
- Feb. 17 **Gilman, IL** – 9:00 AM Red Door, 1342 S Crescent St.
- Feb. 17 **Oshkosh, WI** – 9:00 AM LaSure's Banquet Hall, 3125 S Washburn Street (Lunch)
- Feb. 18 **Shiocton, WI** – 9:00 AM River Rail, 99 River Street (Lunch)
- Feb. 18 **Geneseo, IL** – 11:30 AM Sweet Peas Grill, 1325 S Oakwood Ave
- Feb. 19 **Tipton, IN** – 9:00 AM (EST) Tipton Co. Foundation, 1020 W Jefferson

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**SOYBEANS:** Global oilseed production for 2014/15 is projected at a record 532.1 million tons, down slightly from last month. Global soybean production is raised 0.7 million tons to a record 315.1 million. Prospects for the Argentina soybean crop have improved with ample moisture and mild temperatures. As a result, the crop is projected at a record 56.0 million tons, up 1.0 million. Soybean production is also raised for China, Russia, and Ukraine. Soybean production for Brazil is projected at

94.5 million tons, down 1.0 million on lower yields reflecting the impact of limited rainfall in eastern growing areas. Sunflowerseed changes this month include reduced production for Russia and India with a partly offsetting increase for Ukraine. India rapeseed production is projected at 6.9 million tons, down 650 thousand tons on lower area. Other changes include reduced peanut production for India, increased peanut production for Argentina, and increased cottonseed production for Pakistan. Palm oil production is reduced for Malaysia as a result of recent flooding.

Global soybean and product supply and use changes this month include increased crush and product exports for Argentina, Bolivia, and Russia;

increased soybean imports for Russia and the United States; and reduced soybean meal exports for India. Global oilseed stocks are projected lower, mostly reflecting reduced soybean stocks for Brazil and the United States and reduced rapeseed stocks for Canada and India.

**WHEAT:** Global wheat supplies for 2014/15 are raised 3.3 million tons with both increased production and beginning stocks. World wheat production remains record high and is raised 1.7 million tons led by 0.5-million-ton increases for both Argentina and Kazakhstan. The Argentina change reflects harvest reports to date; Kazakhstan's increase is from updated government statistics. Turkey is raised 0.3 million tons based on a multi-year review of production. Ukraine is raised 0.3 million tons on updated government statistics. Beginning stocks are raised 1.7 million tons mostly on back-year revisions to the Turkey production.

Global wheat trade for 2014/15 is raised with exports up 0.9 million tons on larger supplies and stronger demand. Exports are raised 1.0 million tons for EU and 0.5 million tons each for Argentina and Brazil. The EU increase stems from a fast sales pace and competitive prices. Argentina is raised on the larger crop, and Brazil is up on pace of shipments to date. A 0.5-million-ton reduction for Australia is partly offsetting. Egypt imports are raised 0.5 million tons; Philippines, Saudi Arabia, and Sri Lanka are each raised 0.2 million tons. Partly offsetting are 0.3-million-ton reductions each for Bangladesh, Brazil, and Turkey. All the import changes reflect the pace of trade to date.

Global wheat consumption for 2014/15 is up 1.5 million tons on both higher food and feed use. The largest increases for food use are for Egypt and Russia, up 0.5 million tons each. Turkey feed use is up 0.4 million tons. Partly offsetting are 0.5-million-ton and 0.3-million-ton reductions, respectively for Canada and Brazil feed use. Ending stocks are up 1.9 million tons, mostly with a 1.3-million-ton increase for Turkey on back-year revisions to production.

To see the full USDA February 2015 WASDE report go to:

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

After the report Dave spoke with Matt Bennett of Channel Seeds in Windsor, Illinois about the numbers: **(This link is now live).**

<http://audio01.will.illinois.edu/ag-bennett150210.mp3>

From the USDA Secretary lock up briefing:

## U.S. Wheat Supply and Demand

	2013/14 estimate	2014/15 forecast	Change from January 12	Change from 2013/14
			<i>Percent</i>	<i>Percent</i>
Planted area (million acres)	56.2	56.8	0.0	1.0
Harvested area (million acres)	45.3	46.4	0.0	2.3
Yield (bushels per acre)	47.1	43.7	0.0	-7.2
	<i>Million bushels</i>			
Beginning stocks	718	590	0.0	-17.8
Production	2,135	2,026	0.0	-5.1
Imports	169	160	-11.1	-5.1
Total supply	3,021	2,776	-0.7	-8.1
Food use	952	960	0.0	0.8
Seed	77	74	0.0	-4.0
Feed and residual	226	150	0.0	-33.5
Domestic use	1,255	1,184	0.0	-5.7
Exports	1,176	900	-2.7	-23.5
Total use	2,431	2,084	-1.2	-14.3
Ending stocks	590	692	0.7	17.2
	<i>Percent</i>			
Stocks to use ratio	24.3	33.2		
	<i>Dollars per bushel</i>			
Average market price	6.87	5.85/6.15	-1.6	-12.7

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## World Wheat Production

Country or Region	2013/14 estimate	2014/15 forecast	Change from January 12	Change from 2013/14
	<i>Million Tons</i>		<i>Percent</i>	<i>Percent</i>
World	716.1	725.0	0.2	1.2
United States	58.1	55.1	0.0	-5.1
Foreign	658.0	669.9	0.2	1.8
Argentina	10.5	12.5	4.2	19.0
Canada	37.5	29.3	0.0	-21.9
Australia	27.0	24.0	0.0	-11.1
European Union	143.5	155.7	0.1	8.5
Russia	52.1	59.0	0.0	13.3
Ukraine	22.3	24.8	1.0	11.1
Kazakhstan	13.9	13.0	4.0	-6.8
China	121.9	126.0	0.0	3.3
India	93.5	95.9	0.0	2.6

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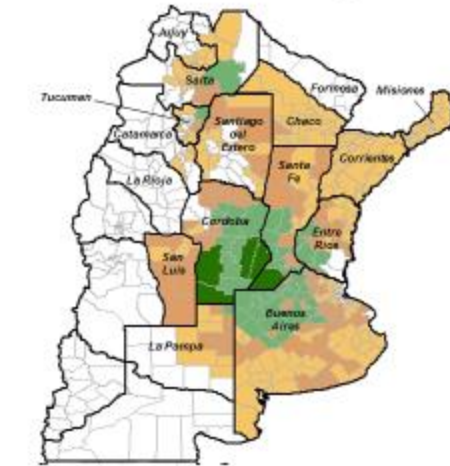
## World Corn Production

Country or Region	2013/14 estimate	2014/15 forecast	Change from January 12	Change from 2013/14
	<i>Million Tons</i>		<i>Percent</i>	<i>Percent</i>
World	989.0	991.3	0.3	0.2
United States	351.3	361.1	0.0	2.8
Foreign	637.8	630.2	0.5	-1.2
Argentina	26.0	23.0	4.5	-11.5
Brazil	79.5	75.0	0.0	-5.7
Mexico	22.9	23.2	0.9	1.4
Canada	14.2	11.5	0.0	-19.0
European Union	64.3	74.2	0.3	15.4
FSU-12	46.9	43.8	2.6	-6.7
Ukraine	30.9	28.5	5.4	-7.9
Russia	11.6	11.5	-4.2	-1.2
South Africa	15.0	13.5	0.0	-9.9
China	218.5	215.5	0.0	-1.4
India	24.2	22.5	2.3	-7.0

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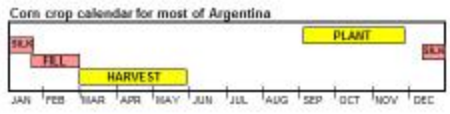
## Argentina Corn



**\* State-Level Production (as % of total)**

Cordoba	38
Buenos Aires	31
Santa Fe	14
Entre Rios	5
La Pampa	3
Santiago del Estero	2
Chaco	2
San Luis	1
Salta	1
Tucuman	1
Other States	~1

\* 2005/06 to 2009/10 Average  
Source: SAGPyA



**Corn Production \*Average (2005/06-09/10)**

Minor Production Intensity Major

\*Source: SAGPyA

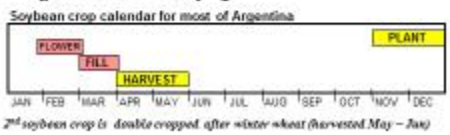
## Argentina Soybeans



**\* State-Level Production (as % of total)**

Cordoba	29
Buenos Aires	27
Santa Fe	24
Entre Rios	7
Santiago del Estero	4
Salta	3
Chaco	3
Tucuman	2
La Pampa	1
Other States	~1

\* 2005/06 to 2009/10 Average  
Source: SAGPyA

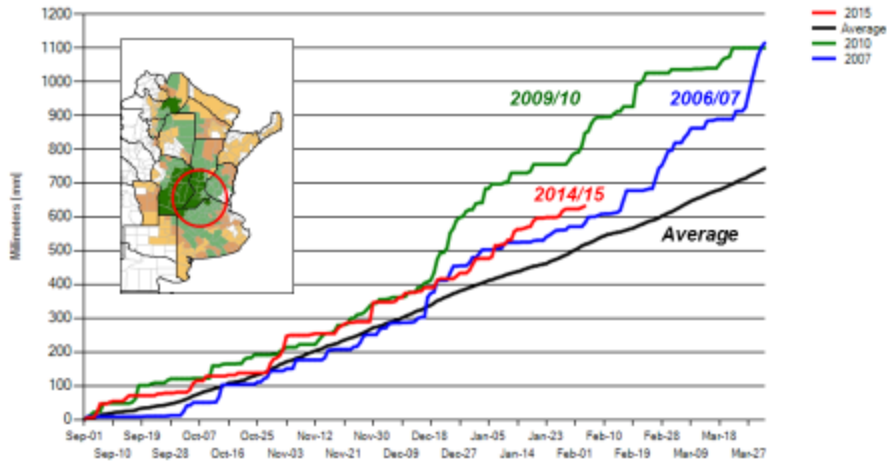


**Soybean Production \*Average (2005/06-09/10)**

Minor Production Intensity Major

\*Source: SAGPyA

**6 - MAIN CROP AREA**  
Cumulative Precipitation

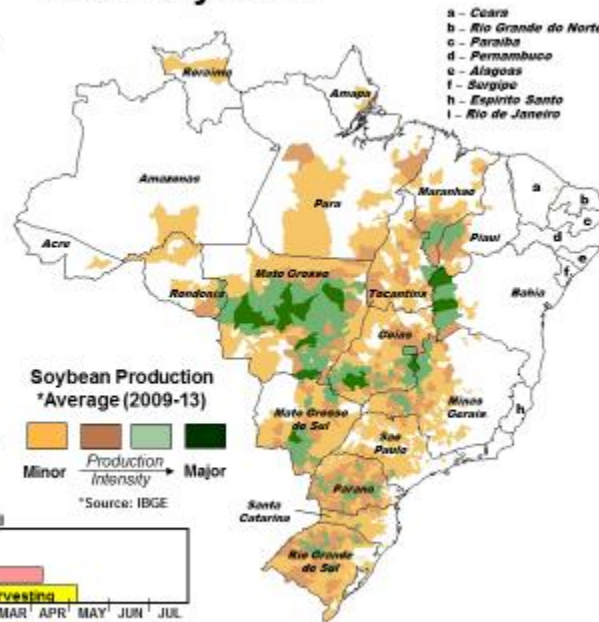


**Brazil Soybeans**

**\* State-Level Production (as % of total)**

Mato Grosso	30
Parana	19
Rio Grande do Sul	14
Goias	11
Mato Grosso do Sul	7
Minas Gerais	4
Bahia	4
Sao Paulo	2
Maranhao	2
Santa Catarina	2
Tocantins	2
Other	~3

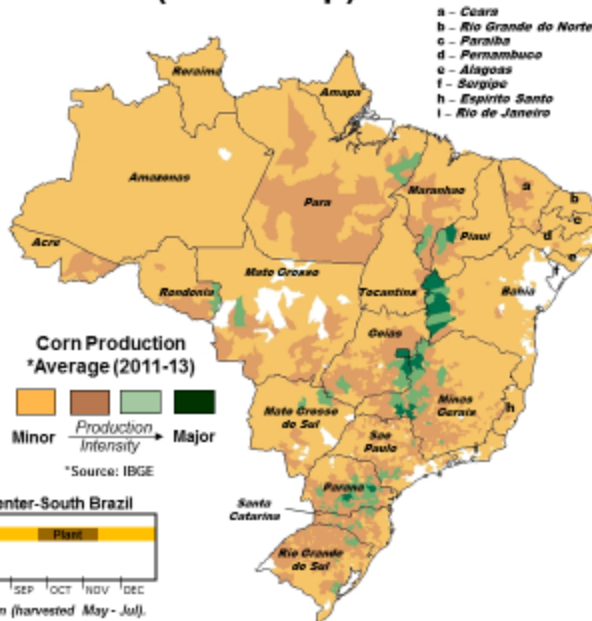
\* 2009 to 2013 Average  
Source: IBGE Brazil



## Brazil Corn (First Crop)

* State-Level Production (as % of total)	
Minas Gerais	20
Parana	20
Rio Grande do Sul	14
Santa Catarina	10
Golas	9
Sao Paulo	9
Bahia	5
Maranhao	2
Piaui	2
Para	2
Mato Grosso	1
Mato Grosso do Sul	1
Ceara	1
Other States	~4

\* 2011 to 2013 Average  
Source: IBGE Brazil



1<sup>st</sup> Corn crop calendar for most of Center-South Brazil

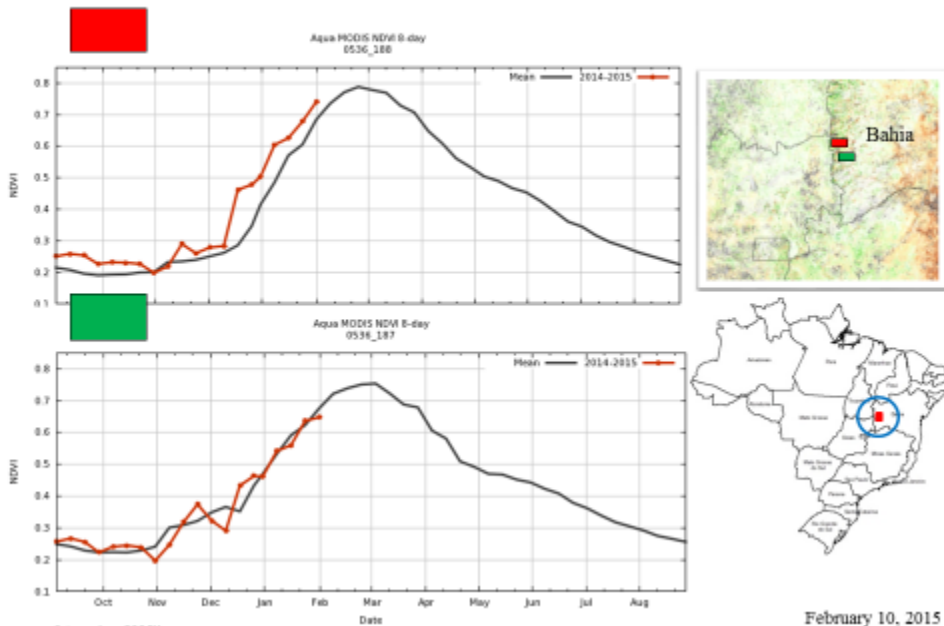


In Northeast Brazil, 1<sup>st</sup> crop planted Dec - Jan (harvested May - Jul).

USDA Agricultural Weather Assessments  
World Agricultural Outlook Board

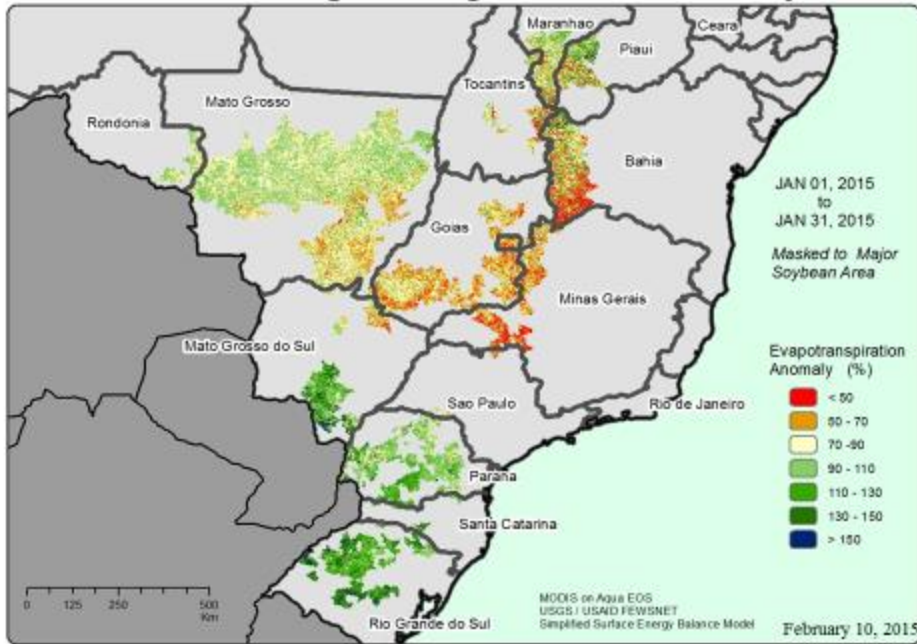
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## Vegetation Index -- Bahia



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## Brazil: Evapotranspiration Anomaly



## U.S. Meat Production and Prices

	2014 estimate	2015 forecast	Change from January 12	Change from 2014
<b>Production</b>	<i>Billion pounds</i>		<i>Percent</i>	<i>Percent</i>
Beef	24.25	24.22	1.6	-0.1
Pork	22.84	24.09	0.8	5.5
Broilers	38.55	39.95	0.8	3.6
Turkey	5.76	6.08	2.5	5.6
<b>Total meat</b>	<b>92.17</b>	<b>95.13</b>	<b>1.1</b>	<b>3.2</b>
<b>Prices</b>	<i>Dollars/cwt</i>			
Steers	154.56	162.00	-1.8	4.8
Hogs	76.03	56.00	-10.4	-26.3
	<i>Cents/lb</i>			
Broilers	104.9	100.3	-2.9	-4.4
Turkey	107.6	105.0	-1.9	-2.4

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All-Day Ag Outlook Meeting Schedule  
March 10, 2014  
Beef House, Covington, Indiana

**Registration**

8:45 am Eastern (7:45 am Central)

**Opening Remarks (5 min)**

9:25 am Eastern (8:25 am Central)

**Cash Grain Panel (45 min)**

9:30 am Eastern (8:30 am Central)

Greg Johnson, The Andersons, Champaign, Illinois  
Aaron Curtis, MIDCO, Bloomington, Illinois  
Matt Bennett, Channel Seeds, Winsor, Illinois  
Chuck Shelby, Risk Management Commodities, Lafayette, Indiana

**Land Values 2015 (30 min)**

10:15 am Eastern (9:30 am Central)

Murray Wise, CEO, Murray Wise Associates LLC, Champaign, Illinois

**Break (20 min)**

10:45 am Eastern (9:45 am Central)

**Livestock 2015 (25 minutes)**

11:05 am Eastern (10:00 am Central)

Chris Hurt, Professor, Department of Agricultural Economics, Purdue University, West Lafayette, Indiana

**Keynote (45 min)**

11:35 am Eastern (10:15 am Central)

Sue Martin, Ag and Investment Services, Webster City, Iowa

**Lunch and Trade Show**

12:20 pm Eastern (11:20 am Central)

**Soybean Commodity Panel (45 min)**

1:30 pm Eastern (12:30 pm Central)

Curt Kimmel, Bates Commodities, Normal, Illinois  
Wayne Nelson, L and M Commodities, New Market, Indiana  
Mike Zuzolo, Global Commodity Analytics, Lafayette, Indiana  
Bill Mayer, Strategic Farm Marketing, Champaign, Illinois

**Corn Panel (45 min)**

2:15 pm Eastern (2:15 pm Central)

Dan Zwicker, CGB Enterprises, Mandeville, Louisiana  
Pete Manhart, Bates Commodities, Normal, Illinois  
Jacquie Voeks, Stewart Peterson Group, Champaign, Illinois  
Bill Gentry, Risk Management Commodities, Lafayette, Indiana

**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