



March 6, 2015

Dear Subscriber:

Before we get rolling a quick note regarding our website at WILLAG.ORG.


We hope to post Tuesday's All Day Ag Outlook panels at some point this week. Discussion is likely to include these fresh WASDE numbers – as well as our corn, soybean, and cash grain panels. We will strive to also post the presentations of Murrey Wise, Chris Hurt, and Sue Martin. Stay tuned.

By the way if you don't have tickets to the event Dave can make you the following deal. If you call Monday morning BEFORE noon at 217-333-7300 and order

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ILLINOIS

your tickets Dave will bring them to the Beefhouse on Tuesday and you can get them at desk just inside the main doors – no fuss.

Now on to the markets. This upcoming Tuesday morning USDA will release its March 2015 WASDE report. Here are the key numbers:

USDA March 2015 U-S Ending Stocks for 2014-15 in billions of bushels (released March 10, 2015)				
Crop	USDA March Estimate	Average Guess	Range	USDA February Estimate
Corn	-	1.826	1.777 - 1.899	1.827
Soybeans	-	0.376	0.350 - 0.385	0.385
Wheat	-	0.699	0.684 - 0.717	0.692

USDA March 2015 World Ending Stocks in millions of metric tons (released March 10, 2015)				
Crop	USDA March Estimate	Average Guess	Range	USDA February Estimate
Corn	-	189.69	187.00 - 192.00	189.64
Soybeans	-	89.47	88.50 - 92.10	89.26
Wheat	-	197.69	195.40 - 199.00	197.85

USDA March 2015 World WASDE Production in millions of metric tons (released March 10, 2015)		
Crop	USDA March Estimate	USDA February Estimate
Argentina Wheat	-	12.50
Australia Wheat	-	24.00
China Wheat	-	126.00

India Wheat	-	95.91
FSU Wheat	-	112.35
E-U Wheat	-	155.69
Argentina Corn	-	23.00
Brazil Corn	-	75.00
China Corn	-	215.50
South Africa Corn	-	13.50
Argentina Soybeans	-	56.00
Brazil Soybeans	-	94.50

The trade is not expecting a lot out of this report, but will there be enough support to keep soybeans from drifting lower on the futures market and prevent corn from beginning its own leg downward? Our analysts say look no farther than the U-S ending stocks figures and SA soybean production for those answers. Meanwhile the bigger two reports come at the end of the month – the Planting Intentions report and the Quarterly Grain Stocks report. Those – along with planting weather – will hold sway over the market place for the next 45 days or so.....

WEEKLY OUTLOOK

Purdue University Ag Economist Chris Hurt says buckle your seatbelt in preparation for hog futures trading in 2015. Chris writes:

Record high profits in 2014 are expected to come back to earth in 2015. Last year's estimated profits were \$53 per head, beating the previous annual record of \$39 in 2005. Given current anticipated hog prices and costs, modest losses are expected in the first and fourth quarters this year with about \$19 per head of profits in the second and third quarters. For the year, a modest profit of \$8 per head is anticipated.

Pork producers need to be cautious about further expansion until more information can be gathered. The first question is how important will PED losses be to hog numbers this year, and secondly has the industry already expanded more than USDA picked-up in the December Hogs and Pigs report? Weekly slaughter numbers will provide information on past PED

losses and the March *Hogs and Pigs* report on March 27 will give clues to the degree of expansion. Damage to pork exports due to west coast pork slowdowns should begin to resolve itself in coming weeks as port activity returns to more normal patterns.

To see Chris' full report go to:

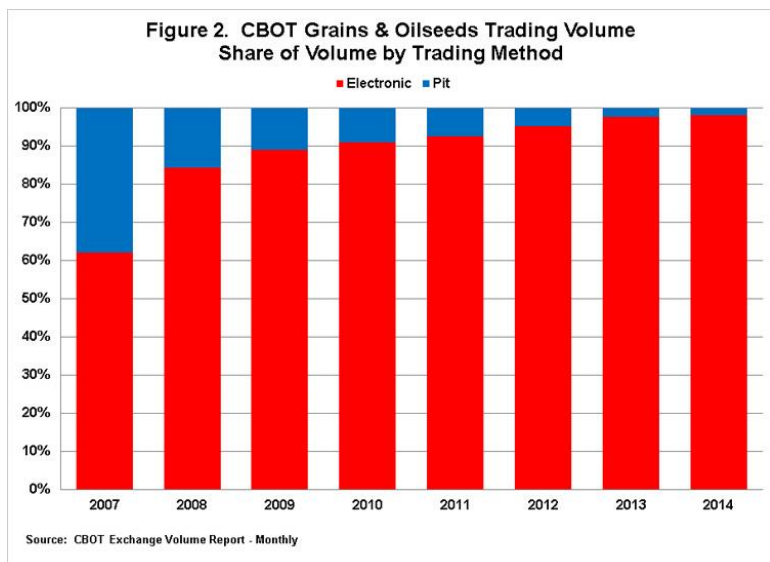
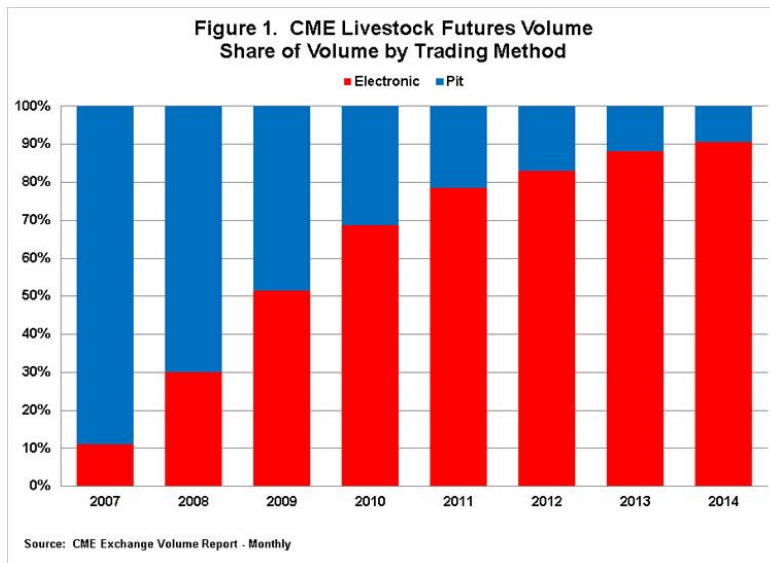
<http://www.farmdoc.illinois.edu/marketing/weekly/html/030215.html>



We have two web reports of note for you. The first penned by Paul Peterson deals with the July closures of pit trade at the Chicago Board of Trade and it's potential impacts on the market.

In the agricultural markets, the transition from pit to electronic has been less rapid in livestock (Figure 1) than in grains (Figure 2), but in both cases pit-traded volume has been decreasing steadily for several years. Over the next four months, pit volume will decline to zero, although it is anyone's guess which of several possible "glide paths" these declines will take.

Some floor traders will leave now; others will stick around until the very end, and possibly compete for the honor of making last trade in each market. In any event, liquidity - the ability to buy or sell without moving the price - in the pits will erode as volumes decline. Liquidity in the electronic markets may experience some modest improvement as the remaining pit-traded activity migrates to the Globex electronic trading platform.



You can read Paul's full report at:

<http://farmdocdaily.illinois.edu/2015/03/how-will-closing-trading-pits-affect-market.html>

The second report gets a little deep in the weeds but is an excellent take on crop insurance decisions for 2015. Producers have till the end of the month to elect which insurance best fits their needs – Bruce Sherrick does an excellent job of laying it out..

Crop insurance is increasingly viewed as providing the cornerstone for active risk management programs, and its importance is elevated in environments with higher input costs and greater margin risk. The differences in underlying rates and starting price and volatility conditions can substantially impact the relative performance of the alternatives from year to year, and across different operations within a given year. Hopefully the *iFARM* Crop Insurance Tools will provide producers with insights needed to make informed crop insurance decisions most suitable for their own operations.

Read Bruce’s full report at:

<http://farmdocdaily.illinois.edu/2015/03/crop-insurance-decisions-for-2015.html>



USDA reports this week’s corn export sales at 38.8 million bushels (32.6 this year, 6.2 next year). On the year, total commitments for corn are 1402.6 million bushels vs. 1477.5 million bushels a year ago at this time.

Weekly Corn – as of February 26, 2015

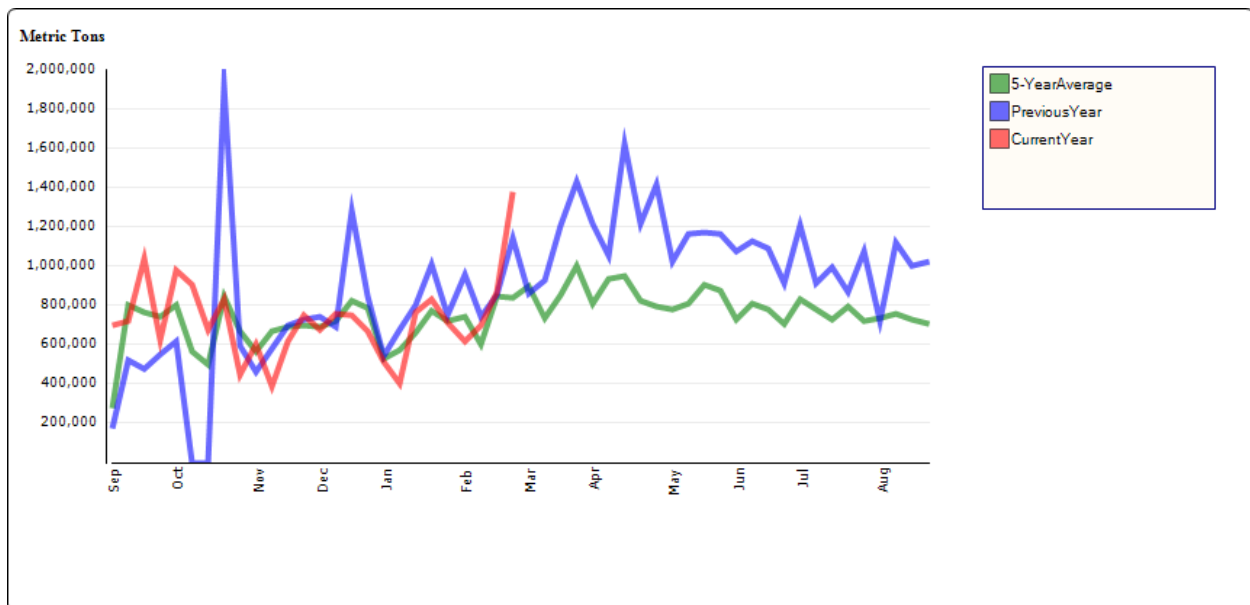


Chart Courtesy of USDA Foreign Ag Service

For information on basis in Illinois this past week go to:

http://www.ams.usda.gov/mnreports/GX_GR113.txt

The Iowa basis report is at:

http://www.ams.usda.gov/mnreports/NW_GR110.txt



USDA reports this week's soybean export sales at 18.5 million bushels (18.4 this year, 0.1 next year). On the year, total commitments for soybeans are 1749.7 million bushels vs. 1622.8 million bushels a year ago at this time.

Weekly Soybeans – as of February 26, 2015

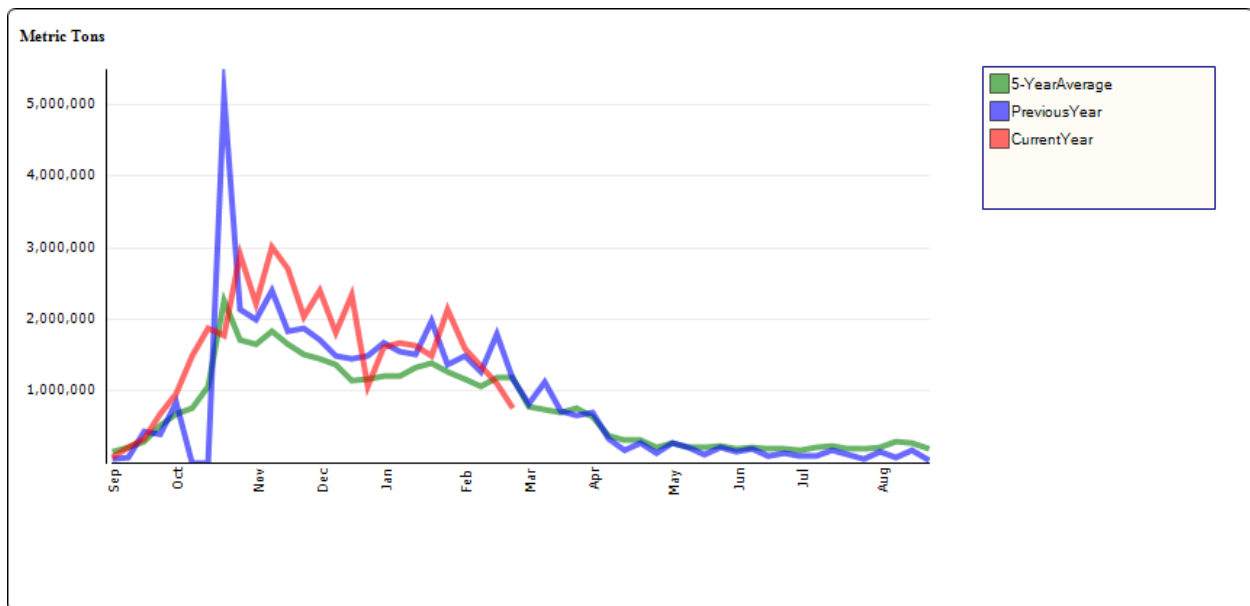


Chart Courtesy of USDA Foreign Ag Service



USDA reports this week's wheat export sales at 18.7 million bushels (17.3 this year, 1.4 next year). On the marketing year wheat sales have totaled 801.3 million bushels compared with 1052.2 million bushels a year ago at this time.

Weekly Wheat – as of February 26, 2015

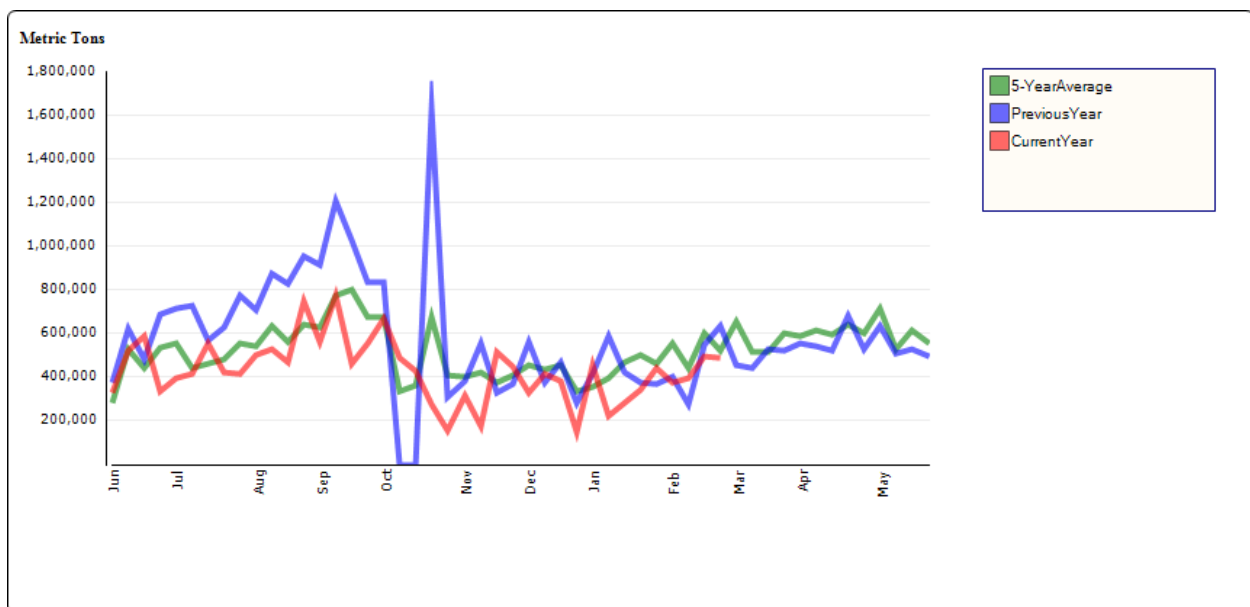


Chart Courtesy of USDA Foreign Ag Service

Ag Weather

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

BRAZIL

The two-week outlook has not changed significantly since Thursday. Rain will increase today and Brazil will see regular rounds of showers and thunderstorms through the next week to ten days that may lead to excessively wet conditions and "some potential" crop quality declines. However, serious threats to crop quality do not appear likely as the focus of rain should not persist for more than a several day period in most areas. Rain, delays to fieldwork, and the potential for crop quality declines will be

greatest from Mato Grosso to western and southern Minas Gerais, Sao Paulo, and northern Parana. Drier weather will evolve March 15-20 and conditions for crop maturation and fieldwork should improve.

Some of the remaining dry areas in northeastern Brazil will see increasing levels of crop stress until rain returns. A boost rain in rain will occur in some of these areas Tuesday into Thursday and some improvements in conditions for crops should occur with improvements in soil moisture likely to be temporary without follow up rain of significance. Eastern Bahia will miss most of the significant rain. Isolated to scattered will occur in northeastern Brazil March 15-20.

ARGENTINA

The two-week outlook has not changed greatly since Thursday although rain has been increased for southern Argentina March 15-19. Overall, drying is still expected in much of the country through the next two weeks. Temperatures will be warm for at least the next week with the only significant rain expected during the next ten days confined to southern areas Thursday into Saturday, March 14. Showers will continue in southern Argentina March 15-19 with central and northern areas seeing limited rain during that period. Conditions for crop maturation and fieldwork will improve and will eventually become favorable allowing harvesting to accelerate.

Soil moisture should remain high enough to favorably support crop development in much of the country during the next two weeks with exceptions continuing in a few minor corn and soybean producing areas in southern Argentina where soil moisture remains short. Beneficial rain is expected in many of these remaining dry areas March Thursday into March 14 with additional showers occurring March 15-19. Soil moisture is not likely to be fully restored, but immature crops will benefit from the rain.



Panelists:

- Matt Bennett, Channel Seeds - Windsor, Illinois
- Merrill Crowley, Crowley Commodities - Watseka, Illinois

- Greg Ginder, INTL FC Stone - Chesterfield, Missouri
- Dan Zwicker, CGB Enterprises - Mandeville, Louisiana

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 NOW – the week’s show has been posted!!!!

<http://will.illinois.edu/player/audio/commodity-week-march-6-2015>

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