

March 20, 2015

Dear Subscriber:

We are quickly rolling toward key end of the month Quarterly Grain Stocks and Planting Prospective reports. But this week we were reminded on on how the dollar can increase volatility in corn and soybean markets. More on that in a moment.

But first – we are always striving to find ways to bring you quality marketing informatin and analysis. This past marketing season at some of our meetings we’ve decided to bring along a some extra gear to help in your pricing decisions.

A new feature of some of our WILLAG.ORG

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marketing panels is allowing our analysts and University experts some stand alone time to discuss pertinent and timely information.

The market outlook panels have long consisted of a simple Q & A session with a moderator and at least three analysts on hand. However, Wednesday Mike Zuzolo, Jacquie Voeks, and Todd Gleason partially broke with this tradition. Each made a 15 minute powerpoint presentation



and then together set to work in the traditional panel discussion format. Zuzolo covered world economics, Gleason did Farm Bill sign up, and Voeks took attendees on a very visual tour of Brazil's developing transportation infrastructure. The content was extraordinarily well received in Litchfield and Belleville, Illinois. The format will be added to WILLAg's outreach toolbox.

Now on to the the week's volatility. The Federal Reserve's decision to remove the word "patient" from it's advisory statement on Wednesday regarding how soon interest rates might be adjusted upward played havoc with the the dollar. In the minutes after the announcement traders briefly snapped up eros pushing the dollar downward:

U-S Dollar Index (Daily)



The dollar has come back somewhat from Wednesday's sharp decline as traders began to refocus on longer term fundamentals suggesting continued strength in the U-S economy vs that of the European Union. Still the downward move left as we are writing this on Friday morning a small spike high in the soybean market, while Friday's trade erased a spike high in corn:

December 2015 Corn Futures (Composite Daily)



Novmeber 2015 Soybean Futures (Composite Daily)



Friday December corn futures punched above the spike high left after the U-S dollar collapse on Wednesday. If December corn settles Friday above this 404 resistance level, traders may target the 200 day moving average at 414-415....and with the right combination of end of the month reports could test the 430 area.

For soybeans, our analysts say a close above the spike high will have technicians target 965.

Still the longer term implications for corn and soybeans remain somewhat bearish – the market will need to move away from its big supply – low demand narrative. Our analysts say that is more likely to happen in corn before soybeans. Still, our analysts say are current disappearance levels corn ending stocks in July could range from 1.4 to 1.5 billion bushels. Our analysts suggest the Quarterly Grains Stocks report will show U-S farmers still retaining ownership of more than 50 percent of old crop corn inventories -- that's a lot of corn still needing to go to market.

Next week we will see trade estimates for the end of month reports – expect these short term fundamentals to hold sway over market movement.

FARM ECONOMICS: *Facts & Opinions*

FARM BUSINESS MANAGEMENT

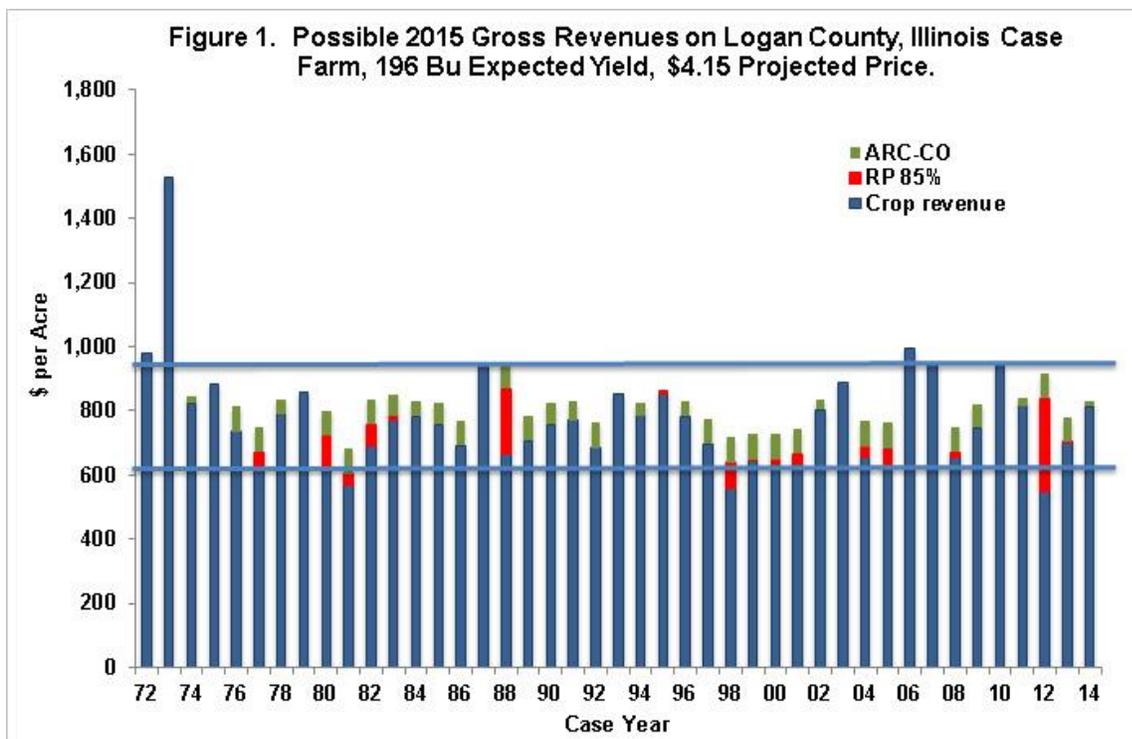


Department of Agricultural and Consumer Economics
University of Illinois at Urbana-Champaign



The folk at ACES farm economics have crunched some numbers looking at possible per acre gross revenues for corn in central Illinois: The study in part reads:

Possible gross revenues for corn grown in 2015 are estimated for a Logan County, Illinois farm having a 196 bushels per acre expected yield. Revenues are estimated for differing cases based on changes in prices and yields from 1972 through 2014. The mid-point of 2015 gross revenue range is \$828 per acre, \$52 below the estimate of total costs for cash rent farmland of \$880 per acre. Gross revenue is estimated to exceed \$880 per acre 23% of the time.



To see the full study go to:

http://www.farmdoc.illinois.edu/manage/newsletters/fefo15_05/fefo_15_05.html



USDA reports this week's corn export sales at 22.4 million bushels (19.8 this year, 2.6 next year). On the year, total commitments for corn are 1438.8 million bushels vs. 1531.8 million bushels a year ago at this time.

Weekly Corn – as of March 12, 2015

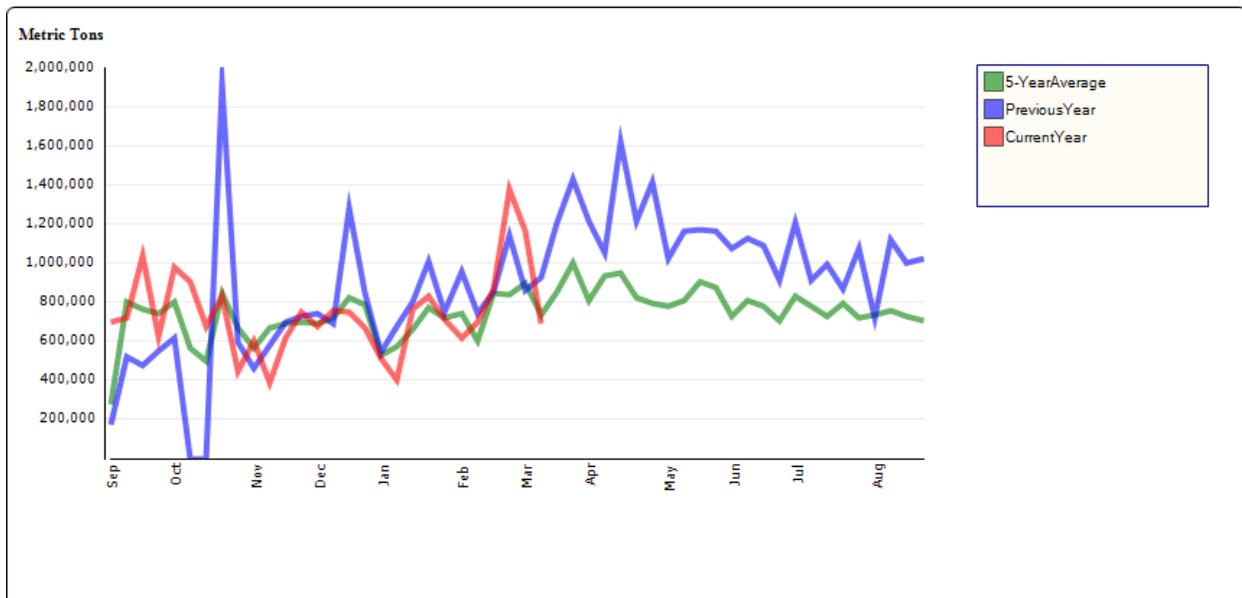


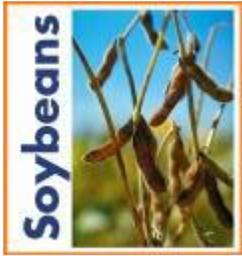
Chart Courtesy of USDA Foreign Ag Service

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](http://www.ams.usda.gov/mnreports/NW_GR110.txt)



USDA reports this week's soybean export sales at 12.8 million bushels (12.6 this year, 0.2 next year). On the year, total commitments for soybeans are 1766.5 million bushels vs. 1632.6 million bushels a year ago at this time.

Weekly Soybeans – as of March 12, 2015

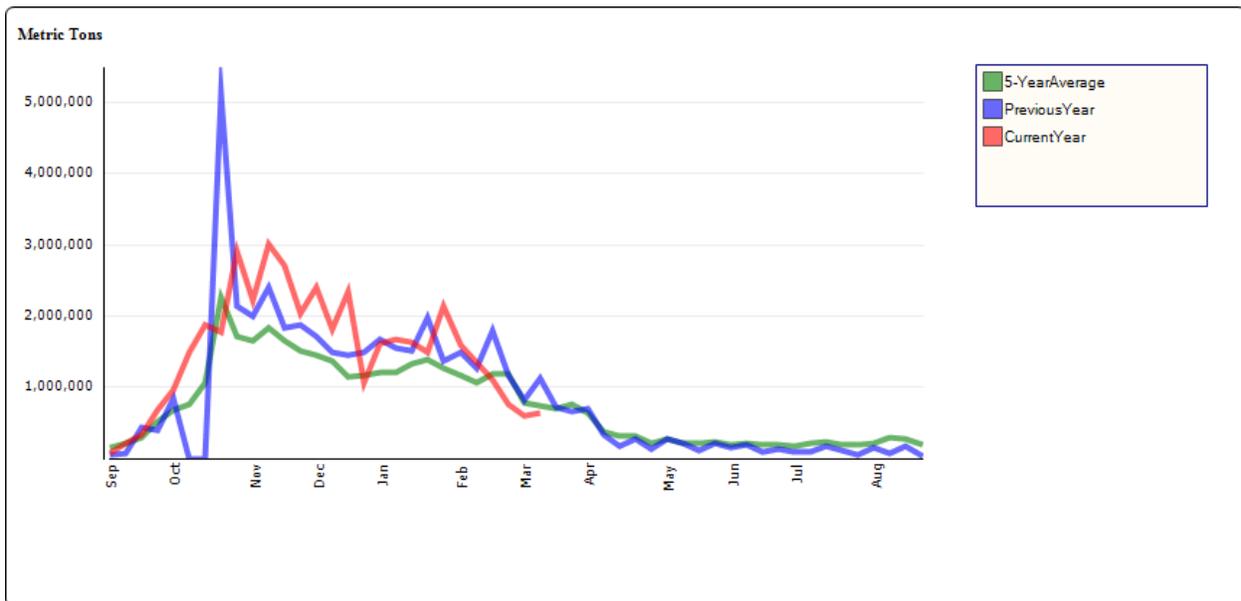
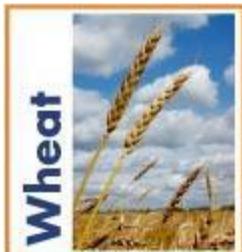


Chart Courtesy of USDA Foreign Ag Service



USDA reports this week's wheat export sales at 19.7 million bushels (14.4 this year, 5.3 next year). On the marketing year wheat sales have totaled 832.1 million bushels compared with 1084.4 million bushels a year ago at this time.

Weekly Wheat – as of March 12, 2015

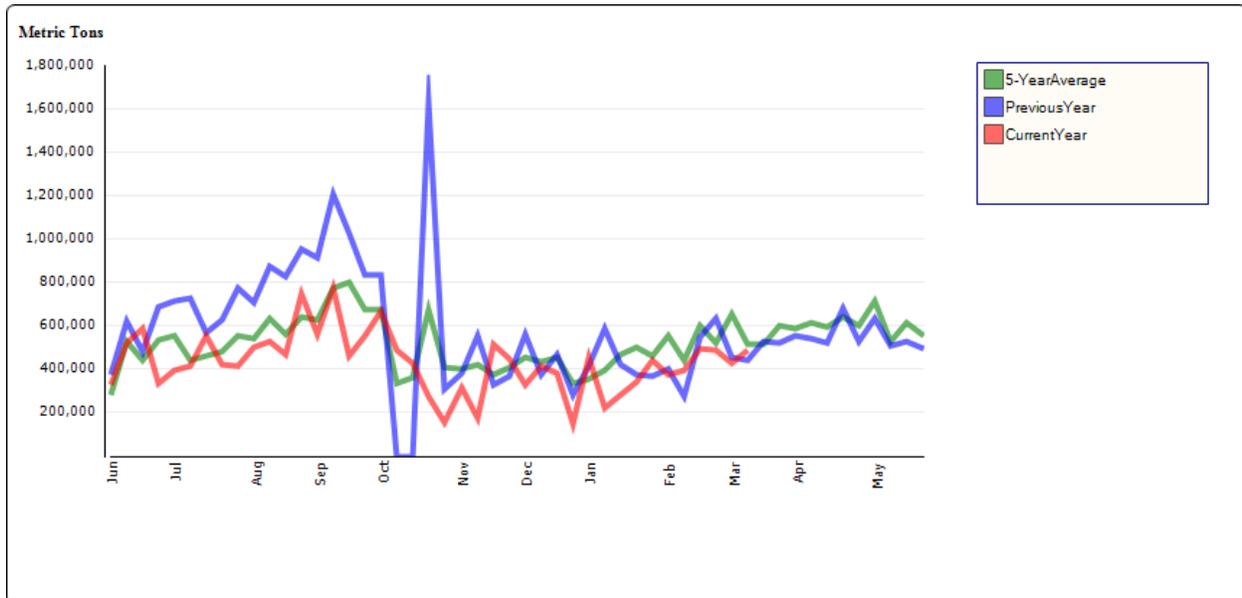


Chart Courtesy of USDA Foreign Ag Service

Ag Weather

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

“The Midwest will see one nearly widespread precipitation event during the ten days to two weeks with a couple other smaller and mostly light precipitation events expected as well. Flood water will continue to recede from various locations in the region as most of the precipitation should not be great enough to cause significant runoff. If today’s forecast verifies and soaking rain does not fall in early April many southern areas of the Midwest will be left with favorable soil conditions for early season fieldwork to begin in the first week of April as long as soil temperatures rise above 50 degrees Fahrenheit – which is the minimum for corn germination.

Many areas in the western Corn Belt have dried down recently and would benefit from greater rain before the growing season begins. Light rain will fall on some of these dry areas today and again Sunday with much of the region seeing rain Monday into Wednesday. The rain will be welcome and will induce some improvements in soil moisture, but greater rain will still be needed before the planting season to ensure the best possible conditions for summer crop development.”

Adding to Drew's assessment is that the Delta remains much too wet for corn planting – if it does not dry out in the next ten days (and that is unlikely given the ten day outlook), producers be on the edge of missing the window to plant corn.



Panelists:

- Curt Kimmel, Bates Commodities - Normal, Illinois
- Elaine Kub, Mastering the Grain Markets - Elkhorn, Nebraska
- Wayne Nelson, L and M Commodities - New Market, Indiana
- Jacquie Voeks, Stewart Peterson - Champaign, 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 NOW – the week's show has been posted!!!!

<http://will.illinois.edu/player/audio/commodity-week-march-19-2015>

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