



August 12, 2013

WE WILL BE UPDATING AND ADDING MATERIAL THROUGHOUT THE DAY ON AUGUST 12 TO THIS LETTER BEGINNING AT 11:00 AM CST. PLEASE CHECK BACK OFTEN FOR THE LATEST INFORMATION!

This morning (Monday, August 12, 2013) USDA released its latest Crop Production and WASDE reports. Don't forget we will have on air coverage of the report at 12:40 p.m. Central Time with Curt Kimmel of Bates Commodities. We'll post that audio to this letter shortly after air.

This morning (August 12) USDA released its August Crop Production Report. Here are some of the key numbers:

WILL AG.ORG Smart Phone Website!

[**m.willag.org**](http://m.willag.org)

- Market Analysis
- The Opening Market Report
- The Mid-Morning Market Report
- The Closing Market

USDA August 2013 Crop Production Report for 2013-14 in billions of bushels (released August 12, 2013)

Crop	USDA August Estimate	Average Guess	Range	USDA July Estimate
Corn:	-	-	-	-
Production	13.763	14.005	13.485 - 14.348	13.950
Yield	154.4	157.7	155.1 - 161.2	156.5
Soybeans:	-	-	-	-
Production	3.255	3.336	3.226 - 3.420	3.420
Yield	42.6	43.6	42.5 - 44.5	44.5

**USDA August 2013 Wheat Production for 2013 in billions of bushels
(released August 12, 2013)**

Crop	USDA August 2013 Estimate	Average Guess	Range	USDA July 2013 Estimate
All Wheat	2.114	2.106	1.942 - 2.150	2.114
All Winter	1.54	1.543	1.510 - 1.554	1.543
Other Spring	0.511	0.506	0.435 - 0.538	0.513
Durum	0.060	0.061	0.055	0.058

From the August 2013 Crop Production Report:

CORN: Corn production is forecast at 13.8 billion bushels, up 28 percent from 2012. If realized, this will be a new record production for the United States. Based on conditions as of August 1, yields are expected to average 154.4 bushels per acre, up 31.0 bushels from 2012. If realized, this will be the highest average yield since 2009. Area harvested for grain is forecast at 89.1 million acres, unchanged from the June forecast but up 2 percent from 2012.

SOYBEANS: Survey respondents who reported soybean acreage as not yet planted in Arkansas, Illinois, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, North Carolina, North Dakota, South Dakota, Tennessee, and Wisconsin during the survey conducted in preparation for the Acreage report, released June 28, 2013 were re-contacted in July to determine how many of those acres were planted or still intended to be planted. Acreage estimates in this report reflect this updated information.


Soybean production is forecast at 3.26 billion bushels, up 8 percent from last year. If realized, production will be the third largest on record. Based on August 1 conditions, yields are expected to average 42.6 bushels per acre, up 3 bushels from last year. If realized, the average yield will be the fifth highest on record. Area for harvest is forecast at 76.4 million acres, down less than 1 percent from June but up slightly from 2012. Planted area for the Nation is estimated at 77.2 million acres, down less than 1 percent from June.

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I L L I N O I S

WHEAT: Winter wheat production is forecast at 1.54 billion bushels, down slightly from the July 1 forecast and down 6 percent from 2012. Based on August 1 conditions, the United States yield is forecast at 47.8 bushels per acre, unchanged from last month but up 0.6 bushel

from last year. If realized, this will equal the United States record high yield established in 1999. The area expected to be harvested for grain or seed totals 32.3 million acres, unchanged from last month but down 7 percent from last year.

Hard Red Winter production, at 791 million bushels, is down slightly from last month. Soft Red Winter, at 542 million bushels, is up 1 percent from July. White Winter, at 209 million bushels, is down 1 percent from last month. Of the White Winter production, 11.9 million bushels are Hard White and 197 million bushels are Soft White.

Durum wheat production is forecast at 60.2 million bushels, up 5 percent from July but down 27 percent from 2012. The United States yield is forecast at 40.1 bushels per acre, up 1.8 bushels from last month and up 1.1 bushels from last year. Expected area to be harvested for grain totals 1.50 million acres, unchanged from last month but down 29 percent from last year.

Other spring wheat production is forecast at 511 million bushels, down slightly from July and down 6 percent from last year. Area harvested for grain is expected to total 12.0 million acres, unchanged from last month but down 1 percent from last year. The United States yield is forecast at 42.8 bushels per acre, down 0.1 bushel from last month and down 2.2 bushels from 2012. Of the total production, 475 million bushels are Hard Red Spring wheat, down slightly from last month and down 6 percent from last year.

To see the full August 2013 USDA Crop Production report go to:

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

USDA also released its August 2013 WASDE report. Here are the key numbers and comments:

USDA August 2013 U-S Ending Stocks for 2012-13 in billions of bushels (released August 12, 2013)

Crop	USDA August Estimate for 2012-13	Average Guess	Range	USDA July Estimate
Corn	0.719	0.724	0.537 - 0.819	0.729
Soybeans	0.125	0.123	0.109 - 0.135	0.125

USDA August 2013 U-S Ending Stocks for 2013-14 in billions of bushels (released August 12, 2013)

Crop	USDA August 2013-14 Estimate	Average Guess	Range	USDA July 2013 Estimate
Corn	1.837	1.970	1.498 - 2.431	1.959
Soybeans	0.220	0.263	0.131 - 0.306	0.295
Wheat	0.551	0.572	0.477 - 0.653	0.576

CORN:

Projected 2013/14 U.S. feed grain supplies are reduced this month with lower forecast production for corn and sorghum. Corn production for 2013/14 is lowered 187 million bushels to 13.8 billion. The first survey-based corn yield forecast, at 154.4 bushels per acre, is down 2.1 bushels from last month's projection. Sorghum production is forecast 36 million bushels lower with the forecast yield 5.9 bushels per acre below last month's projection.

Corn beginning stocks for 2013/14 are projected 10 million bushels lower with a 15-million-bushel increase in 2012/13 exports only partly offset by a 5-million-bushel increase in imports. Feed and residual use for 2013/14 is lowered 50 million bushels this month with the smaller crop. Exports are projected 25 million bushels lower with reduced domestic supplies and increased foreign competition. Ending stocks for 2013/14 are projected 122 million bushels lower. The projected season-average farm price for corn is


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I L L I N O I S

raised 10 cents at both ends of the range to \$4.50 to \$5.30 per bushel. Prices received by farmers are expected to remain above cash bid levels through the fall as producers who forward-priced corn earlier in the year support the weighted average farm-gate price.

SOYBEANS: U.S. oilseed production for 2013/14 is projected at 96.2 million tons, down 4.7 million from last month mainly due to a lower soybean production forecast. Soybean production for 2013/14 is forecast at 3.255 billion bushels, down 165 million due to lower harvested area and yields. Harvested area is forecast at 76.4 million acres, down 0.5 million from the July projection. The first survey-based soybean yield forecast of 42.6 bushels per acre is 1.9 bushels below last month's projection but 3 bushels above last year's drought-reduced yield. Soybean supplies for 2013/14 are projected 5 percent below last month based on the lower production forecast. With reduced supplies and higher prices, U.S. soybean exports are reduced 65 million bushels to 1.385 billion. Lower U.S. exports will be mostly offset by increases for South America, especially Argentina. Soybean crush is also lowered as higher prices reduce prospective exports for soybean meal. Soybean ending stocks are projected at 220 million bushels, down 75 million from last month.

U.S. soybean balance sheet changes for 2012/13 include increased imports, reduced exports, and increased crush. Imports are raised 10 million bushels to 35 million based on strong shipments from South America. Exports are reduced 15 million to 1.315 billion bushels reflecting exceptionally low shipments in recent weeks and revised export data for September through December 2012 from the U.S. Department of Commerce. Crush is increased 25 million bushels to 1.685 billion to account for increased soybean meal exports. Soybean ending stocks are unchanged at 125 million bushels. The U.S. season-average soybean price for 2013/14 is forecast at \$10.35 to \$12.35 per bushel, up 60 cents on both ends. Soybean meal prices are forecast at \$305 to \$345, up 15 dollars at the midpoint. Soybean oil prices are forecast at 44 to 48 cents per pound, down 3 cents at the midpoint reflecting the sharp drop in futures contract prices in the past month.

WHEAT: Projected U.S. wheat supplies for 2013/14 are raised slightly this month as small increases for Soft Red Winter wheat and Durum are mostly offset by decreases for White, Hard Red Spring and Hard Red Winter wheat. U.S. wheat exports for 2013/14 are raised 25 million bushels reflecting continued strong early season sales and an increased outlook for China imports. Despite larger expected crops in several major exporting countries, strong early season demand and higher projected world imports and consumption also boost prospects for U.S. shipments. Ending stocks

are projected 25 million bushels lower. The projected range for the 2013/14 season-average farm price is lowered 10 cents per bushel at the midpoint to \$6.40 to \$7.60 per bushel. Despite the tighter domestic balance sheet, larger world wheat supplies and lower-than-expected prices reported to date reduce prospects for the weighted average farm price.

Crop	USDA August 2013-14 Estimate	USDA July 2013-14 Estimate	USDA August 2012-13 Estimate	USDA July 2012-13 Estimate
Argentina Wheat	12.00	13.00	10.00	10.00
Australia Wheat	25.50	24.50	22.08	22.08
China Wheat	121.00	121.00	121.00	121.00
India Wheat	92.46	92.00	94.88	94.88
FSU-12 Wheat	106.96	102.26	77.21	77.21
EU-27 Wheat	141.37	138.60	133.05	133.12
Argentina Corn	27.00	27.00	26.50	26.50
Brazil Corn	72.00	72.00	80.00	77.00
China Corn	211.00	211.00	205.60	205.60
South Africa Corn	13.00	13.00	12.20	12.20
Argentina Soybeans	53.50	53.30	49.50	50.20
Brazil Soybeans	85.00	85.00	82.00	82.00

CORN: Global coarse grain supplies for 2013/14 are projected 2.9 million tons lower as the reduction in the United States more than offsets an increase in foreign supplies. Global 2013/14 corn production is

lowered 2.7 million tons. In addition to the United States, corn production is lowered for Mexico, the European Union, Russia, and Serbia. Partly offsetting are increases for Ukraine, India, and Turkey. Ukraine production is raised 3.0 million tons as higher reported area combines with favorable July temperatures to raise production prospects. Production is raised 1.0 million tons for India as favorable monsoon rainfall supports increased plantings and a higher yield outlook. Turkey corn production is raised 0.4 million tons with higher area and higher expected yields. Global barley production is raised 1.1 million tons with increases for the European Union, Argentina, and Turkey more than offsetting a reduction for Canada. Global rye and mixed grain production are also raised slightly this month with increases for the European Union.

Global 2013/14 corn trade is raised with increased imports projected for Mexico, South Korea, the European Union, and Egypt. Corn exports are projected higher for Ukraine, but partly offset by declines for Russia, the European Union, and the United States. Corn trade is also increased for 2012/13 with higher imports for Egypt, South Korea, Turkey, the European Union, and Indonesia. Exports for 2012/13 are raised for Brazil and Argentina. Supporting the increase in Brazil export prospects, particularly over the next few months, is a 3.0-million-ton increase in 2012/13 corn production. Global corn consumption for 2013/14 is projected 2.3 million tons lower. Reduced U.S. feed and residual use is only partly offset by increases for South Korea, Ukraine, and Egypt. Global corn ending stocks for 2013/14 are projected 0.8 million tons lower with the increases for Ukraine, India, and Brazil, mostly offsetting the reduction projected for the United States.

SOYBEANS: Global oilseed production for 2013/14 is projected at 493.1 million tons, up 0.2 million tons from last month. Reductions for soybeans and cottonseed are offset by increases for rapeseed, sunflowerseed, peanuts, and palm kernel production. Lower soybean production projected for the United States is partly offset by an increase for India where higher harvested area more than offsets reduced yields caused by excessive July rainfall. Rapeseed production is raised in several countries including Canada and the European Union, where abundant moisture and favorable temperatures in July helped to boost yield prospects. Rapeseed production forecasts are also raised for China and Ukraine. Sunflowerseed production is also raised for the European Union and Ukraine. Global peanut production is raised this month reflecting updated historical data and forecasts for several countries in Africa. Cottonseed changes include reduced production for China and the United States and an increase for Pakistan.

Reduced global soybean production is only partly offset by lower crush leaving 2013/14 global soybean ending stocks down 1.9 million tons at 72.3 million. Global soybean stocks remain record high despite this month's reduction.

WHEAT: Global wheat supplies for 2013/14 are raised 7.5 million tons with increases in production for several of the world's largest exporters pushing world production to a record 705.4 million tons. Production is raised 2.8 million tons for the European Union with the biggest increases for Spain, France, and Germany, and smaller increases for Romania, Bulgaria, and Hungary. Production is raised 2.5 million tons for Kazakhstan where abundant spring and summer rainfall is supporting prospects for strong yields, much as in the adjoining spring wheat areas of Russia. Ukraine production is raised 2.0 million tons based on the latest harvest results. Production is raised 0.5 million tons for Canada as favorable soil moisture and a lack of heat stress across the western Prairies support higher yield prospects. India production is raised 0.5 million tons based on the latest government assessment.

Turkey production is raised 0.4 million tons for wheat reflecting a favorable growing season throughout the region.

Partly offsetting this month's production increases are reductions in South America where crops will not be harvested until late 2013. Production is lowered 1.0 million tons for Argentina based on lower reported seedings. Brazil production is lowered 0.3 million tons reflecting the late July freeze event that appears to have damaged developing wheat in limited areas of southern Brazil. Global wheat consumption for 2013/14 is raised 6.9 million tons with increases in wheat feeding projected for a number of countries and higher food use expected for India and Iran. Feed use is raised again this month for China with higher projected imports. Feed use is also increased for the European Union, Syria, Moldova, Kazakhstan, and Morocco. Wheat feeding is lowered for Thailand and Vietnam with lower imports projected for both countries. Imports are raised for Iran, Pakistan, Syria, and Turkey. Global wheat exports for 2013/14 are raised 4.9 million tons with increases for Kazakhstan, the European Union, Ukraine, and Canada totaling 7.0 million tons. Exports are lowered for Argentina and Brazil with reduced production prospects. India exports are also lowered as relatively high internal prices limit export opportunities. Rising world supplies reduce prices and support global consumption growth, thereby limiting the increase in projected 2013/14 global wheat ending stocks to 0.6 million tons.

To see the full August 2013 WASDE report go to:

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

After the reports were released Dave spoke with Curt Kimmel of Bates Commodities in Normal, Illinois. **THIS LINK IS NOW LIVE.**

Broadband MP3:

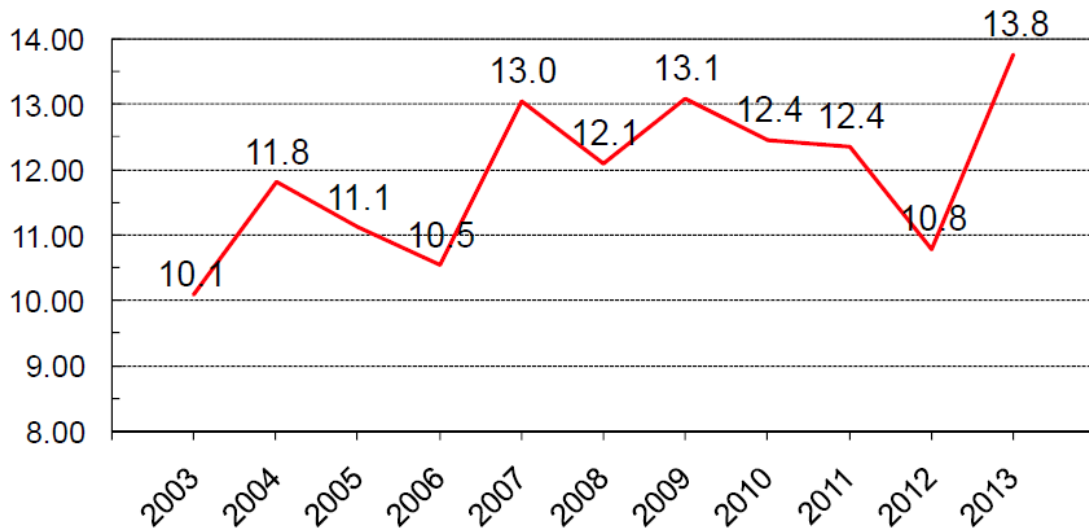
<http://audio01.will.illinois.edu/ag-kimmel130812.mp3>

Here are some of the key slides from the USDA Secretary lock-up briefing this morning (August 12) in Washington, D.C.:



Billion Bushels

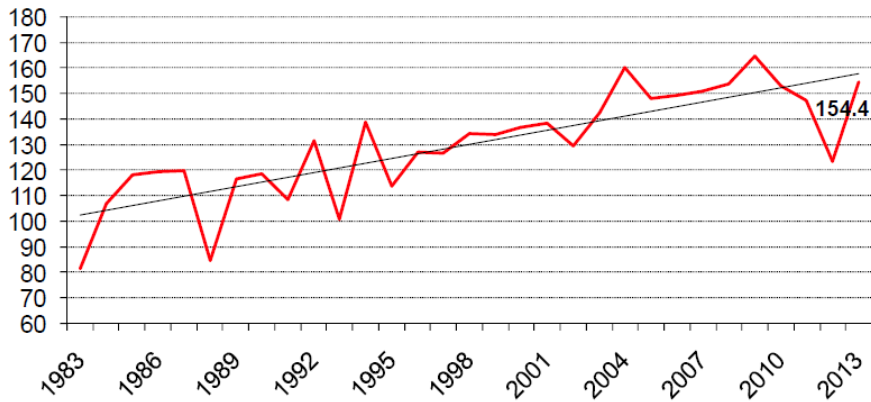
U.S. Corn Production



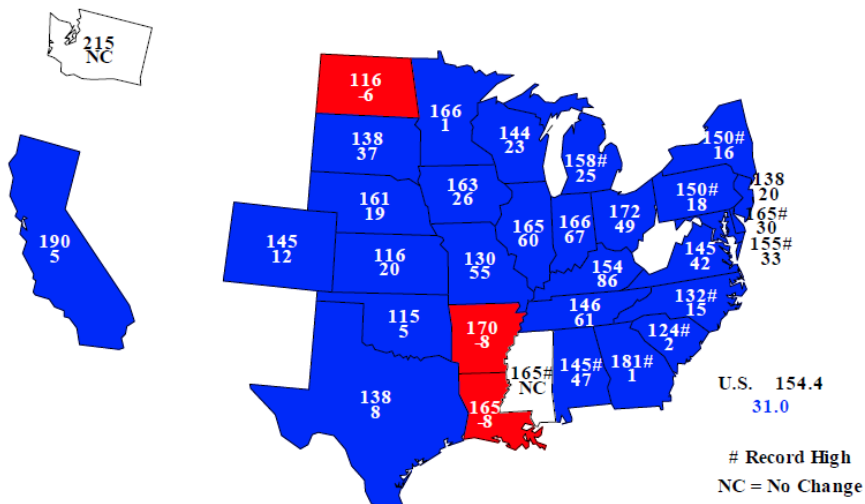


U.S. Corn Yield

Bushels/Acre



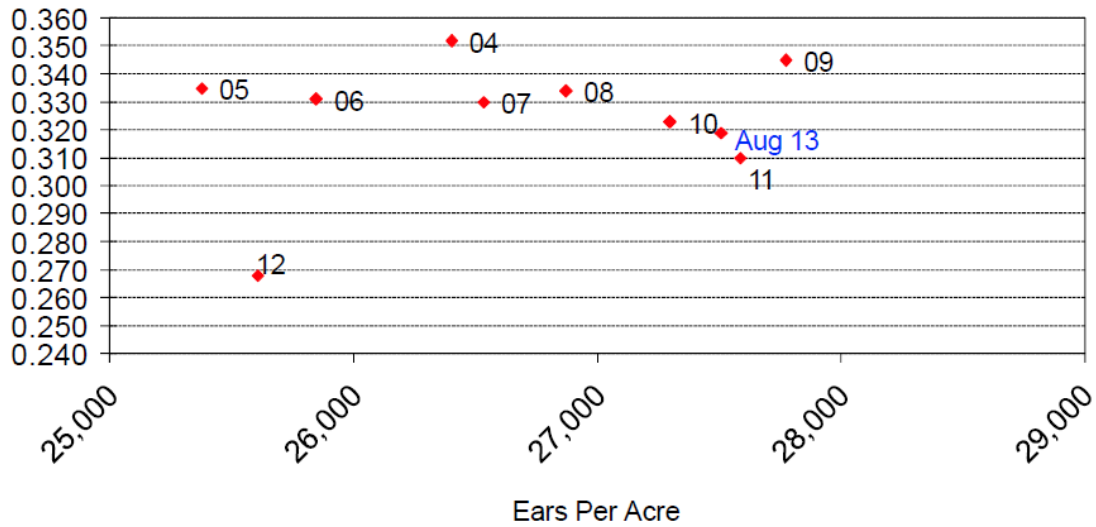
Corn for Grain Yields, 2013 Bushels and Change From Previous Year



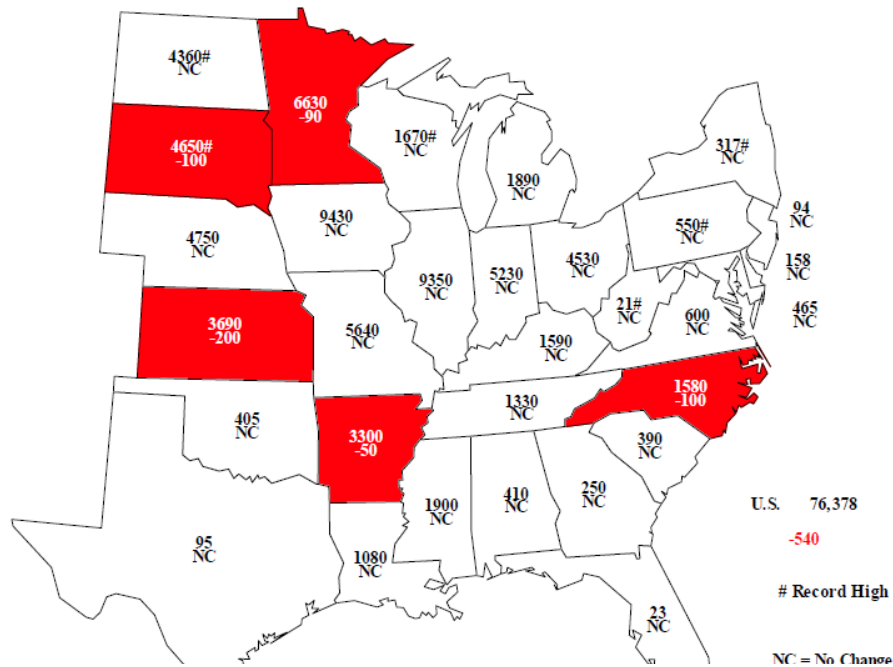


Corn Objective Yield Region Derived Grain Weight vs Ears per Acre

Lbs/Ear



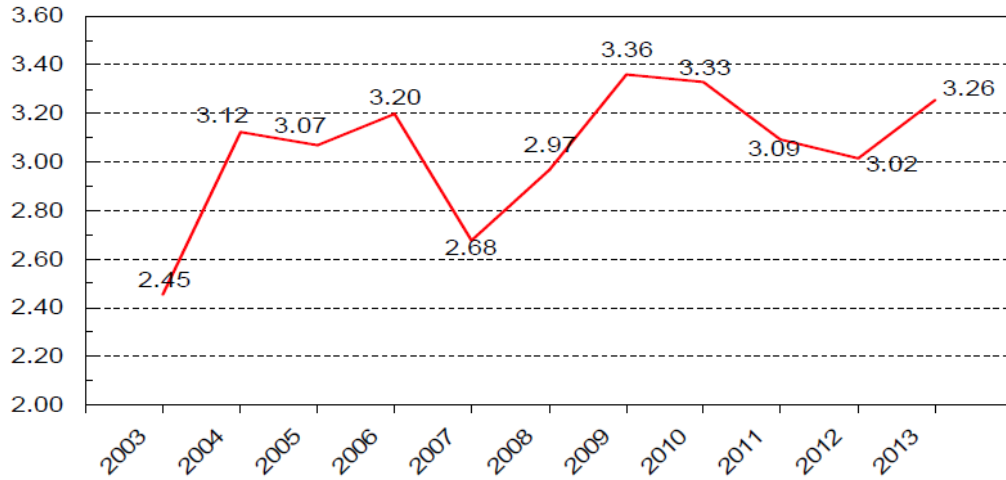
2013 Soybeans Harvested Acres (000) and Change From Previous Estimate





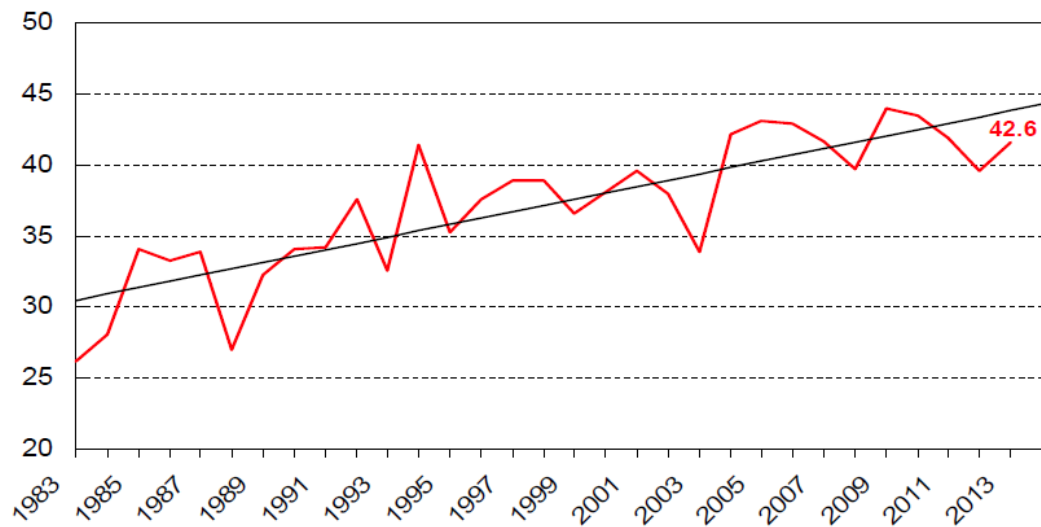
U.S. Soybean Production

Billion Bushels



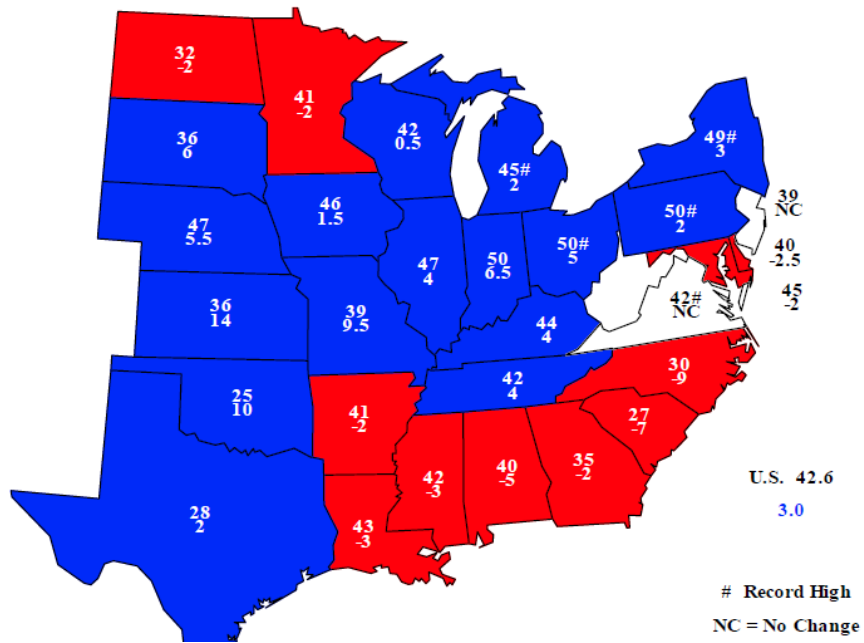
U.S. Soybean Yield

Bushels/Acre





Soybean Yields, August 1, 2013 Bushels and Change From Previous Year



AM-580 Daily Agricultural Programming Schedule

<http://www.will.uiuc.edu/am/agriculture/schedule.htm>

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

Saturday

- 6:30 a.m. - \$* Commodity Week
- 11:30 a.m. – \$*Commodity Week

* Available on the website for on demand listening

\$ Available via podcast