December 6, 2013

Dear Subscriber:

Ag Commodity Outlook meeting season is heating up again and we’ve got numerous opportunities for you to attend on our calendar. For the latest meetings you can bookmark this link:

[http://will.illinois.edu/agriculture/calendar](http://will.illinois.edu/agriculture/calendar)

Here is what we have on the calendar for your consideration:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Location</th>
<th>Analysts</th>
<th>Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>December 10, 2013</strong></td>
<td>5:30pm - Registration 6:00pm - Meal 6:45pm - WILLAg Marketing Panel</td>
<td>Farm Credit Illinois Building Mt. Vernon Regional Office 410 Potomac Blvd Mt. Vernon, Illinois 62864</td>
<td>Matt Bennett, Total Grain Marketing - Windsor, Illinois Sherman Newlin, Risk Management Commodities, Inc - Hutsonville, Illinois Gary Schnitkey, University of Illinois</td>
<td>Farm Credit Services of Illinois</td>
</tr>
<tr>
<td><strong>December 11, 2013</strong></td>
<td>1:00 p.m.</td>
<td>MU Regional Corn Meeting Miner Convention Center (adjacent Drury Inn) 2610 East Malone Avenue Sikeston, Missouri</td>
<td>John Bondurant, Bondurant Futures - Memphis, Tennessee Jacquie Voeks, Stewart Peterson - Champaign, Illinois Dan Zwicker, CGB Enterprises - Mandeville, Louisiana</td>
<td>University of Missouri Extension</td>
</tr>
<tr>
<td><strong>January 7, 2014</strong></td>
<td>6:30 p.m.</td>
<td>U of I Extension Office Kankakee, Illinois</td>
<td>Curt Kimmel, Bates Commodities, Normal, Illinois Jacquie Voeks, Stewart Peterson Group, Champaign, Illinois Jason Clapp, Risk</td>
<td>Kankakee County Farm Bureau</td>
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<tr>
<td>Date</td>
<td>Time/Activity</td>
<td>Location/Persons</td>
<td>Venue/Entity</td>
<td></td>
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<tr>
<td>January 20, 2014</td>
<td>11:30 a.m. Lunch with Outlook Panel to follow immediately</td>
<td>Remmington Library, Remmington, Indiana</td>
<td>Bill Gentry, Risk Management Commodities, Lafayette, Indiana</td>
<td></td>
</tr>
<tr>
<td>January 29, 2014</td>
<td>Dinner at 6:00 p.m. Outlook Panel at 6:45 p.m.</td>
<td>Elks Club Pontiac, Illinois</td>
<td>Curt Kimmel, Bates Commodities, Normal, Illinois, Jacque Voeks, Stewart Peterson Group, Champaign, Illinois, Jason Clapp, Risk Management Commodities, Lafayette, Indiana</td>
<td></td>
</tr>
<tr>
<td>February 6, 2014</td>
<td>10:30 a.m. Center for Agriculture DeKalb County Farm Bureau Bldg 1350 West Prairie Drive Sycamore, IL 60178</td>
<td>Wayne Nelson, Land M Commodities, Jacque Voeks, Stewart Peterson Group, Champaign, Illinois</td>
<td>Presenter: Dan Basse, Ag Resource Company - Chicago, Illinois</td>
<td></td>
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<tr>
<td>March 4, 2014</td>
<td>WILLAG.ORG All Day Ag Outlook</td>
<td>The Beef House, Covington, Indiana</td>
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</table>
In addition we got some great summits on the way!

**2013 Illinois Farm Economic Summit Meeting Dates**

The University of Illinois Extension and members of the farmdoc team from the Department of Agricultural and Consumer Economics at the University of Illinois once again will be holding a series of five Illinois Farm Economics Summit meetings to discuss and analyze the most pressing economic issues facing Illinois producers.

**December 2013**

16 - iHotel, Champaign  
17 - Center for Agriculture, Sycamore  
18 - Best Western, Galesburg  
19 - Holiday Inn, Mt. Vernon  
20 - DoubleTree – Bloomington

Read all the details of the FarmDOC IFES meeting of your choice! Early registration closes December 9, 2013.

**2014 Corn & Soybean Classic Meeting Dates**

The annual University of Illinois Extension Crop Sciences Corn and Soybean Classics are scheduled for the following dates and cities.

**January 2014**

06 - iHotel, Champaign  
07 - Holiday Inn, Mt. Vernon  
10 - Crowne Plaza, Springfield  
13 - Par-A-Dice Hotel, Peoria  
14 - iWireless Center - Moline  
15 - Kishwaukee College – Malta

Early registration for the Corn and Soybean Classics closes December 8th ($60), late registration December 30th ($75).

**Register for the Classic**
We begin our discussion today noting that next Tuesday is the latest round of WASDE reports – traders are anticipating some increases in demand for soybeans AND corn on these reports:


<table>
<thead>
<tr>
<th>Crop</th>
<th>USDA December Estimate</th>
<th>Average Guess</th>
<th>Range</th>
<th>USDA November Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>1.864</td>
<td>1.737 - 2.013</td>
<td>1.877</td>
<td></td>
</tr>
<tr>
<td>Soybeans</td>
<td>0.153</td>
<td>0.118 - 0.170</td>
<td>0.170</td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td>0.547</td>
<td>0.404 - 0.575</td>
<td>0.565</td>
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</tr>
</tbody>
</table>

**USDA December 2013 World Ending Stocks for 2013-14 in millions of metric tons (released December 10, 2013)**

<table>
<thead>
<tr>
<th>Crop</th>
<th>USDA December Estimate</th>
<th>Average Guess</th>
<th>Range</th>
<th>USDA November Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corn</td>
<td>164.17</td>
<td>162.80 - 166.00</td>
<td>164.33</td>
<td></td>
</tr>
<tr>
<td>Soybeans</td>
<td>71.42</td>
<td>70.00 - 75.23</td>
<td>70.23</td>
<td></td>
</tr>
<tr>
<td>Wheat</td>
<td>179.98</td>
<td>178.00 - 182.51</td>
<td>178.48</td>
<td></td>
</tr>
</tbody>
</table>

We will have full coverage of the report next Tuesday including special coverage at 12:39 p.m. of trading after the report is released and it’s implication for trade on the balance on the month.
Farmers have been operating for more than a year now without a farm bill. Since the 2008 bill expired, there’s been an ideological debate surrounding the funding of certain programs in the farm bill, including the Supplemental Nutrition Assistance Program.

There are currently two versions of the farm bill stalled in Congress, one passed by the Senate and one passed by the House, and if legislators can’t come to a compromise by January 1, farm policy written in the 1940’s will take effect. This hour on Focus, we’ll talk about why there’s been such a fight over this year’s farm bill and how that differs from farm bills past.

We had on Focus this past week Jonathan Coppess, a Clinical Professor of Law and Policy in the Department of Agriculture Economics at the University of Illinois at Urbana-Champaign and former chief of staff to Michigan Senator Debbie Stabenow, (D) who worked on the Senate version of the bill and Mary Kay Thatcher, Senior Director of Congressional Affairs for the American to sort out all the current issues.

Listen to the show at:

http://will.illinois.edu/agriculture/note/will-the-2013-farm-bill-be-approved-in-2013
We are often asked by producers about the feed and residual lines for corn on the WASDE reports – University of Illinois economist Darrel Good delves into the nuances of feed and residuals and the factors that make projecting what USDA will report so problematic. Darrel writes:

“The increased difficulty in anticipating the magnitude of quarterly feed and residual use of corn makes it difficult for the market to anticipate the USDA’s quarterly corn stocks estimates. That difficulty is compounded for the December 1 report since that estimate also includes any change in the production estimate not
anticipated by the market. As a result, the USDA’s quarterly stocks estimates have provided some surprises in recent years, resulting in sharp price reactions. Some of that price reaction may indicate that the market has not recognized the changing pattern and increased variation in quarterly feed and residual use and is over-reacting to perceived surprises. The next opportunity for a surprise will be with the estimate of December 1, 2013 corn stocks to be released in the second week of January.”

To read Darrel’s full report go to:

http://www.farmdoc.illinois.edu/marketing/weekly/html/120213.html

USDA reports this week’s corn export sales at 23.4 million bushels (23.4 this year, 0.0 next year). On the year, total commitments for corn are 1023.6 million bushels vs. 481.4 million bushels a year ago at this time.

Weekly Corn – as of November 28, 2013

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

In Friday afternoon’s commitments of traders report for the week ending December 3 non-commercials decreased its net short position. Non-commercials were long 314,950 contracts, an increase of 4,438 contracts, and were short 414,372 contracts, a decrease of 6,207 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders decreased its net short position for the period ending December 3. Non-commercials were long 312,148 combined future and option contracts, an increase of 3,720 combined future and option contracts and short 380,353 contracts, a decrease of 12,431 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for December 3 indicated the following combined future/options positions (INDEX ONLY):

<table>
<thead>
<tr>
<th></th>
<th>Long</th>
<th>Short</th>
<th>Long Change from Previous Report</th>
<th>Short Change from Previous Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index Traders</td>
<td>397,697</td>
<td>24,820</td>
<td>-7,151</td>
<td>-2,140</td>
</tr>
</tbody>
</table>

USDA reports this week’s soybean export sales at 42.7 million bushels (29.6 this year, 13.1 next year). On the year, total commitments for soybeans are 1381.3 million bushels vs. 1043.7 million bushels a year ago at this time.
Weekly Soybeans – as of November 28, 2013

Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon’s commitments of traders report for the week ending December 3, non-commercials increased its net long position. Non-commercials were long 228,604 contracts, an increase of 11,877 contracts and were short 69,058 contracts, an increase of 7,125 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders increased its net long position for the period ending December 3. Non-commercials were long 227,258 combined future and option contracts, an increase of 11,667 contracts and short 64,225 contracts, an increase of 6,247 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for December 3 indicated the following combined future/options positions (INDEX ONLY):
<table>
<thead>
<tr>
<th></th>
<th>Long</th>
<th>Short</th>
<th>Long Change from Previous Report</th>
<th>Short Change from Previous Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>Index Traders</td>
<td>148,467</td>
<td>11,468</td>
<td>-3,717</td>
<td>215</td>
</tr>
</tbody>
</table>

There’s been a lot of discussion lately on our air about the potential for a huge record soybean crop in Brazil IF timely rains materialize. If Brazil does realize a crop of 88 million metric tons or more it is STILL ill prepared to ship. A year ago produced delays of up to 80 days at ports as ships waited to be filled with Brazilian soy -- it’s now a year later and virtually NOTHING has been done to alleviate that issue. For example, the project to build a new grains terminal in Belem, Para, is ready but not going forward. The same goes for plans to expand grain capacity at Santos and Paranagua ports, Brazil's two main exit points. Together, these projects would add 25 mmt to 30 mmt of badly needed grain export capacity. The point is that once Brazil gets into the glut of harvest quick SHIPMENT of soy is anything but a foregone conclusion meaning China and other soy importers may continue to look at U-S supplies for quick ship throughout the first quarter of next year.

USDA reports this week’s wheat export sales at 8.4 million bushels (8.4 this year, 0.0 next year). On the marketing year wheat sales have totaled 830.6 million bushels compared with 606.2 million bushels a year ago at this time.
Weekly Wheat – as of November 28, 2013

Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon’s commitment of traders report for the week ending December 3 non-commercial traders decreased its net short position. Non-commercials were long 119,478 combined future and option contracts, a decrease of 552 contacts and short 181,567 contracts, a decrease of 5,513 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for December 3 indicated the following combined future/options positions (INDEX ONLY):

<table>
<thead>
<tr>
<th>Index Traders</th>
<th>Long</th>
<th>Short</th>
<th>Long Change from Previous Report</th>
<th>Short Change from Previous Report</th>
</tr>
</thead>
<tbody>
<tr>
<td>154,954</td>
<td>15,419</td>
<td>-2,500</td>
<td>498</td>
<td></td>
</tr>
</tbody>
</table>
Panelists:

- The Andersons - Champaign, Illinois
- Curt Kimmel, Bates Commodities - Normal, Illinois
- Dan Zwicker, CGB Enterprises - Mandeville, Louisiana

Guest:

- Joe Vaclavik, Standard Grain - Chicago, Illinois

You can listen to Commodity Week each Saturday morning at 11:30 a.m. central time on AM-580 or click on the following link after 6:00 p.m. Friday evenings and catch the show on our website:

**Broadband MP3:**

[www.audio01.will.illinois.edu/cw131206.mp3](http://www.audio01.will.illinois.edu/cw131206.mp3)

**Dial Up MP3:**

[www.audio01.will.illinois.edu/cw131206dial.mp3](http://www.audio01.will.illinois.edu/cw131206dial.mp3)
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