

January 9, 2014

**WE WILL BE UPDATING
AND ADDING MATERIAL
THROUGHOUT THE DAY
ON JANUARY 10 TO
THIS LETTER
BEGINNING AT 11:00
AM CST.**

**PLEASE CHECK BACK
OFTEN THROUGHOUT
THE DAY FOR THE
LATEST INFORMATION!**

On Friday morning USDA will release four huge reports that will set the tone for trading in the days ahead – the Crop Production Annual Summary report, a WASDE report, a Quarterly Grain Stocks report, and a Winter Wheat Seeds report.

On Thursday Dave spoke with Dan Zwicker of CGB Enterprises in Mandeville, Louisiana about what the reports might convey:



Look Back to last September's

HIGHER CBOT averages for

CORN - \$5.11

BEANS - \$12.13

Increase your revenue claims by as much as

\$85 per acre !

Low cost \$3-\$5/A

Take a **RP Policy**

Take an **APR1 HPO Plus**

Add the **Fall Look-Back**

CORN EXAMPLE - 85% MPC1 Coverage Level

180 bu. APH (TA) & 190 bu. Final Yield

MPC1 Prices: \$4.50 Spring - \$3.60 Harvest

RP CORN CLAIM without HPO = \$5/acre

RP CORN CLAIM with HPO = \$90/acre

Call 800-383-0046 or Attend a meeting ...

Jan 15-9:00 am Parkland Noel Center Champaign IL

Jan 21-9:00 am Baby Bull's Pontiac IL

Jan 22-9:00 am Jack's Café Leroy IL

Jan 23-9:00 am Beef House Covington IN

Pre-report projections with Dan Zwicker of CGB Enterprises. **THIS LINK IS NOW LIVE.**

Broadband MP3:

<http://audio01.will.illinois.edu/ag-zwicker140109.mp3>

Our coverage of the reports post-release begins BELOW:

This morning (Friday, January 10) USDA released four key reports. Don't forget we will have on air coverage of the report TODAY (Jan 10) at 12:39 p.m. Central Time with Mike Zuzolo of Global Commodity Analytics in Atchison, Kansas. We will post that audio to this letter shortly after air. Here are some of the key numbers – we begin with USDA's Crop Production Annual Summary report:

USDA January 2014 Annual Crop Production Summary in billions of bushels and millions of acres (released January 10, 2014)

Crop	USDA January Estimate	Average Guess	Range	USDA 2012 Final
Corn:	-	-	-	-
Production	13.935	14.066	13.897 - 12.255	10.750
Yield	158.8	161.2	159.8 - 163.3	123.4
Harvested Acres	87.7	87.174	86.927 - 87.612	87.375
Soybeans:	-	-	-	-
Production	3.289	3.279	3.240 - 3.330	3.034
Yield	43.3	43.3	42.7 - 44.0	39.8
Harvested Acres	75.9	75.749	75.500 - 76.376	76.164

From the report:

CORN: Corn for grain production is estimated at a record 13.9 billion bushels, down slightly from the November 1 forecast but 29 percent above 2012. The average yield in the United States is estimated at 158.8 bushels per acre. This is down 1.6 bushels from the November forecast but 35.4 bushels above the 2012 average yield of 123.4. Area harvested for grain is estimated at 87.7 million acres, up slightly from both the November forecast and 2012.

SOYBEANS: Soybean production in 2013 totaled 3.29 billion bushels, up 1 percent from the November 1 forecast and up 8 percent from 2012. United States production is the third largest on record. The average yield per acre is estimated at 43.3 bushels, 0.3 bushel above the November 1 forecast and 3.5 bushels above last year's yield. Harvested area is down slightly from 2012 to 75.9 million acres and is the fourth highest on record.

To view the full USDA Crop Production Annual Summary report go to:

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1047>

Here are the key numbers for USDA's January 2014 Quarterly Grain Stocks report:

<i>USDA January 2014 Quarterly Grain Stocks Report in billions of bushels (released January 10, 2014)</i>				
Crop	USDA January Estimate	Average Guess	Range	USDA December 2012 Estimate
Corn	10.426	10.790	10.025 - 11.250	8.033
Soybeans	2.147	2.161	2.027 - 2,266	1.966
Wheat	1.426	1.400	1.305 - 1.768	1.671

From the USDA January 2014 Quarterly Grain Stocks report:

CORN: Corn stored in all positions on December 1, 2013 totaled 10.4 billion bushels, up 30 percent from December 1, 2012. Of the total stocks, 6.38 billion bushels are stored on farms, up 39 percent from a year earlier.

Off-farm stocks, at 4.05 billion bushels, are up 17 percent from a year ago. The September - November 2013 indicated disappearance is 4.32 billion bushels, compared with 3.74 billion bushels during the same period last year.

SOYBEANS: Soybeans stored in all positions on December 1, 2013 totaled 2.15 billion bushels, up 9 percent from December 1, 2012. Soybean stocks stored on farms totaled 955 million bushels, up 5 percent from a year ago. Off-farm stocks, at 1.19 billion bushels, are up 13 percent from last December. Indicated disappearance for September - November 2013 totaled 1.28 billion bushels, up 4 percent from the same period a year earlier.

WHEAT: All wheat stored in all positions on December 1, 2013 totaled 1.46 billion bushels, down 12 percent from a year ago. On-farm stocks are estimated at 399 million bushels, down slightly from last December. Off-farm stocks, at 1.06 billion bushels, are down 16 percent from a year ago. The September - November 2013 indicated disappearance is 407 million bushels, down 6 percent from the same period a year earlier.

Durum wheat stored in all positions on December 1, 2013 totaled 54.2 million bushels, down 11 percent from a year ago. On-farm stocks, at 32.8 million bushels, are down 11 percent from December 1, 2012. Off-farm stocks totaled 21.4 million bushels, down 12 percent from a year ago. The September - November 2013 indicated disappearance of 12.2 million bushels is up 64 percent from the same period a year earlier.

To view the full USDA January 2014 Quarterly Grain Stocks report go to:

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1079>

Here are the key numbers for USDA's January 2014 WASDE report:

USDA January 2014 U-S Ending Stocks for 13-14 in billions of bushels (released January 10, 2014)				
Crop	USDA January Estimate	Average Guess	Range	USDA December Estimate
Corn	1.631	1.861	1.654 - 2.054	1.792
Soybeans	0.150	0.149	0.118 - 0.180	0.150
Wheat	0.608	0.557	0.460 - 0.586	0.575

From the January 2014 WASDE report:

CORN: U.S. feed grain supplies for 2013/14 are projected lower with reduced production estimated for corn and sorghum. Harvested area for corn is raised 436,000 acres, but the estimated yield is lowered 1.6 bushels per acre to 158.8, reducing production 64 million bushels to 13.9 billion. Sorghum harvested area is lowered 148,000 acres and the yield is lowered 2.6 bushels per acre, reducing production 27 million bushels.

Projected corn use for 2013/14 is raised with feed and residual use projected up 100 million bushels based on September-November disappearance as indicated by the December 1 stocks estimate. Corn used to produce ethanol is raised 50 million bushels reflecting continued strong weekly ethanol production, a reduction in expected sorghum use for ethanol, and higher forecast 2014 gasoline consumption in the latest projections from the Energy Information Administration. A 50-million-bushel reduction in other food, seed, and industrial use offsets the increase in use for ethanol. Corn ending stocks for 2013/14 are projected 161 million bushels lower at 1.6 billion. The projected 2013/14 season-average farm price for corn is unchanged at the midpoint with the range narrowed to \$4.10 to \$4.70 per bushel.

SOYBEANS: U.S. oilseed production for 2013/14 is estimated at 97.3 million tons, up 0.9 million tons from last month. Larger crops for soybeans, cottonseed, and peanuts are partly offset by reductions for sunflowerseed and canola. Soybean production is estimated at 3.289 billion bushels, up 31 million bushels based on increased yields and harvested area. The soybean yield is estimated at 43.3 bushels per acre, up 0.3 bushels from the previous estimate. Soybean crush is raised 10 million bushels to 1.700 billion

reflecting higher projected soybean meal exports, which partly offsets a reduction for Argentina. Soybean exports are increased 20 million bushels to 1.495 billion reflecting record shipments during the first quarter of the marketing year and strong sales through December. Soybean ending stocks for 2013/14 are projected at 150 million bushels, unchanged for last month. Soybean oil balance sheet changes include increased production on a higher crush and extraction rate, reduced imports, increased projected exports, and increased ending stocks.

The 2013/14 U.S. season-average farm price forecast for soybeans is narrowed 25 cents on both ends of the range to \$11.75 to \$13.25 per bushel based on prices reported to date. The soybean oil price is forecast at 35.5 to 39.5 cents per pound, down 2.5 cents on both ends. The soybean meal price is projected at \$415 to \$455 per short ton, up 15 dollars on both ends of the range.

WHEAT: U.S. wheat supplies for 2013/14 are unchanged this month, but lower expected use raises projected ending stocks 33 million bushels. Feed and residual use is lowered 60 million bushels reflecting disappearance for June-November as indicated by the December 1 stocks released in the Grain Stocks report. Feed and residual use is lowered for Hard Red Winter (HRW) and Hard Red Spring, and Soft Red Winter wheat. Seed use is raised 1 million bushels based on the winter wheat planted area reported today in the Winter Wheat Seedings report. Wheat exports are projected 25 million bushels higher, with an increase for HRW, on the strong pace of sales and shipments and lower expected competition from Argentina, particularly in Brazil's milling wheat market. The 2013/14 season-average farm price is projected 10 cents lower at the midpoint with the range narrowed to \$6.60 to \$7.00 per bushel.

<i>USDA January 2014 World Ending Stocks for 2013-14 in millions of metric tons (released January 10, 2014)</i>				
Crop	USDA January Estimate	Average Guess	Range	USDA December Estimate
Corn	160.23	163.20	160.00 - 165.15	162.46
Soybeans	72.33	71.53	70.96 - 72.50	70.62
Wheat	185.40	182.57	181.00 - 184.20	182.78

**USDA January 2014 WASDE Production in millions of metric tons
(released January 10, 2014)**

Crop	USDA January 2013-14 Estimate	USDA December 2013-14 Estimate	USDA January 2012-13 Estimate	USDA December 2012-13 Estimate
Argentina Wheat	10.50	11.00	9.50	9.50
Australia Wheat	26.50	26.50	22.46	22.46
China Wheat	122.00	121.00	121.02	121.00
India Wheat	92.46	92.46	94.88	94.88
FSU-12 Wheat	105.02	104.06	77.46	77.21
EU Wheat	142.90	143.12	133.88	133.88
Argentina Corn	25.00	26.00	26.50	26.50
Brazil Corn	70.00	70.00	81.00	81.00
China Corn	217.00	211.00	205.61	205.60
South Africa Corn	13.00	13.00	12.37	12.37
Argentina Soybeans	54.50	54.40	49.30	49.30
Brazil Soybeans	89.00	88.00	82.00	82.00

From the January 2014 WASDE report:

CORN: Global coarse grain supplies for 2013/14 are projected 1.2 million tons higher despite this month's reduction in U.S. production and a 1.9-million-ton decrease in global beginning stocks. Higher 2012/13 corn exports for Brazil reduce beginning stocks for 2013/14. Global barley production for 2013/14 is raised 1.6 million tons with increases for the European Union, Argentina, and Russia. Foreign corn production is raised

4.3 million tons with higher China production. China corn production is raised 6.0 million tons reflecting the latest upward revision by the China National Grain and Oil Information Center, indications from the National Bureau of Statistics for total 2013/14 grain production, and review of growing-season weather. Favorable weather suggests year-to-year yield increases in most of China's major corn producing areas. In the northeastern region, above normal rainfall and favorable temperatures were experienced in nearly all of the corn areas. Harvested area is also raised for China.

SOYBEANS: Global oilseed production for 2013/14 is projected at a record 505.9 million tons, up 3.6 million. Global soybean production is projected at 286.8 million tons, up 1.9 million on gains for the United States and Brazil. The Brazil soybean crop projection is raised 1.0 million tons to a record 89.0 million. The increase is due to higher projected area reflecting recent survey data from the Brazilian government. Global sunflowerseed production is raised 1.3 million tons to 43.7 million on record forecasts for Ukraine, Russia, and the European Union. The Ukraine crop is raised 1.0 million tons to 12.5 million on higher yields. Other changes include increased cottonseed production for China and Argentina, lower cottonseed production for Pakistan, and increased rapeseed production for Russia.

Global oilseed trade for 2013/14 is projected at 128.9 million tons, up slightly from last month. Increased soybean exports for the United States are partly offset by reduced rapeseed export prospects for Australia and Canada. Lower soybean meal exports for Argentina resulting from lower soybean crush are offset by gains for the United States, Brazil, and Russia. Increased global soybean oil trade mainly reflects a higher projection for the United States. Global oilseed ending stocks are projected at 85.1 million tons, up 2.3 million from last month on increased soybean stocks in Argentina and Brazil, increased canola stocks in Canada, and higher sunflowerseed stocks in Russia and Ukraine.

WHEAT: Global 2013/14 wheat supplies are raised 1.5 million tons to 888.8 million with production increases for China and the FSU-12 more than offsetting reductions for Argentina and the European Union. Production is raised 1.0 million tons for China reflecting the latest estimate by the China National Grain and Oil Information Center and indications from the National Bureau of Statistics for total 2013/14 grain production. Production is raised 0.6 million tons for Russia and 0.3 million tons for Tajikistan, both based on the latest official indications. Production is reduced 0.5 million tons for Argentina with harvested area expected lower. Production for the European Union is lowered 0.2 million tons with small downward revisions for the United Kingdom, Finland, and Denmark.

Global wheat trade for 2013/14 is raised with higher imports projected for Egypt, Japan, and Syria more than offsetting reductions for the Philippines and Tajikistan. Exports are raised for the European Union and Russia. Stronger North Africa and Middle East demand drives increases for the European Union and Russia, whereas reductions in Argentina supplies and exports indicate a shift to U.S. supplies for Brazil. Foreign wheat feeding is lower mostly reflecting a 1.0-million-ton reduction for the European Union where increased exports reduce supplies available to the domestic market. Larger barley supplies in the European Union this month support a shift to barley feeding. Global wheat ending stocks are projected 2.6 million tons higher mostly on increases for China and the United States.

To see the full January 2014 WASDE report go to:

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

Here are the key numbers from USDA's Winter Wheat Seedings report:

USDA January 2014 U-S Winter Seedings in millions of acres (released January 10, 2014, 11:00 a.m. CST)				
Crop	USDA January Estimate	Average Guess	Range	USDA 2013 Seedings
Total Winter	41.89	43.501	42.500 - 44.593	43.090
Hard Red Winter	30.10	30.426	29.400 - 31.900	29.571
Soft Red Winter	8.44	9.539	8.250 - 10.400	10.019
White Winter	3.39	3.533	3.370 - 3.746	3.500

From the USDA 2014 U-S Winter Wheat Seedings report:

Winter wheat: Planted area for harvest in 2014 is estimated at 41.9 million acres, down 3 percent from 2013 but 2 percent above 2012. Seeding began in August but by the end of September was slightly behind the 5-year average pace. However, by the end of October, seeding had progressed slightly ahead of the 5-year average pace.

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I L L I N O I S

Hard Red Winter (HRW) wheat seeded area is expected to be 30.1 million acres, up 2 percent from 2013. Acreage changes from last year are mixed across the growing region.

Growers in Colorado, Montana, and North Dakota planted significantly more acres this year while large acreage decreases occurred in Kansas, Oklahoma, and South Dakota.

Record low acreage was seeded in Utah. In contrast, North Dakota growers seeded record high area. By November 24,

Hard Red Winter wheat conditions were improved from last year with most acreage rated in good to excellent condition.

Soft Red Winter (SRW) wheat seeded area is about 8.44 million acres, down 16 percent from last year. Acreage decreases from last year are expected in

most SRW growing States with significant acreage decreases estimated in Arkansas and Mississippi.

White Winter wheat seeded area totals nearly 3.39 million acres, down 3 percent from 2013. Planted acreage in the Pacific Northwest (Idaho, Oregon, and Washington) is down from last year. Planting got off to a normal start but by the middle of October progress was behind the 5-year average pace in Idaho and Washington. By November 10, seeding was virtually complete in the region.

Durum wheat: Seedings in Arizona and California for 2014 harvest are estimated at 145,000 acres, down 6 percent from 2013 and 41 percent below 2012. Planting has progressed well in both the San Joaquin Valley and Imperial Valley. No major problems with the crop have been reported.

To view the full USDA 2014 U-S Winter Wheat Seedings report go to:

<http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1188>

After the reports were released Dave spoke with Mike Zuzolo of Global Commodity Analytics in Atchison, Kansas. **THIS LINK IS NOW LIVE.**

Broadband MP3:

<http://audio01.will.illinois.edu/ag-zuzolo140110.mp3>

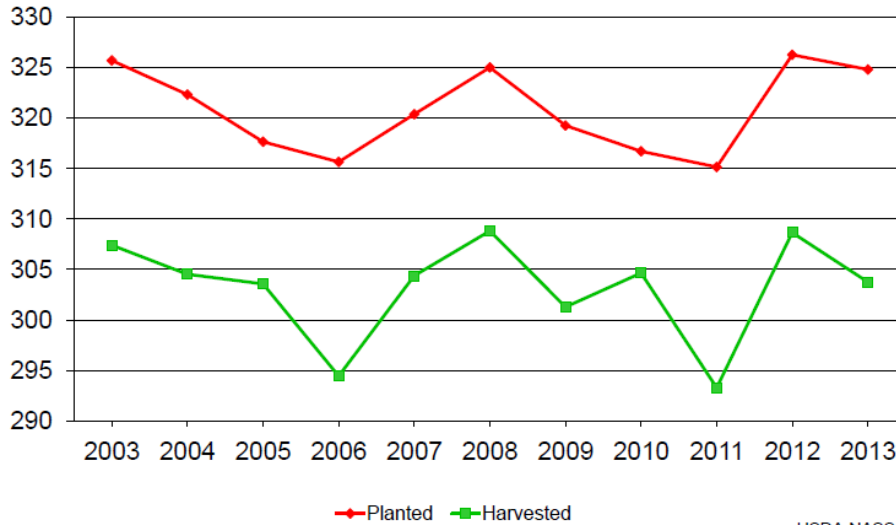
Here are some of the key slides from the USDA Secretary lock-up briefing this morning (January 10) in Washington, D.C.:



U.S. Principal Crop Acres



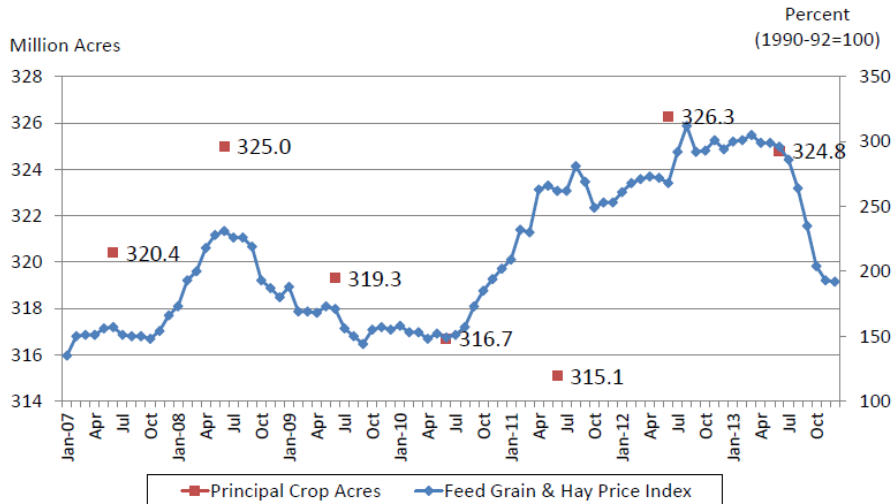
Million acres



USDA-NASS
01-10-14



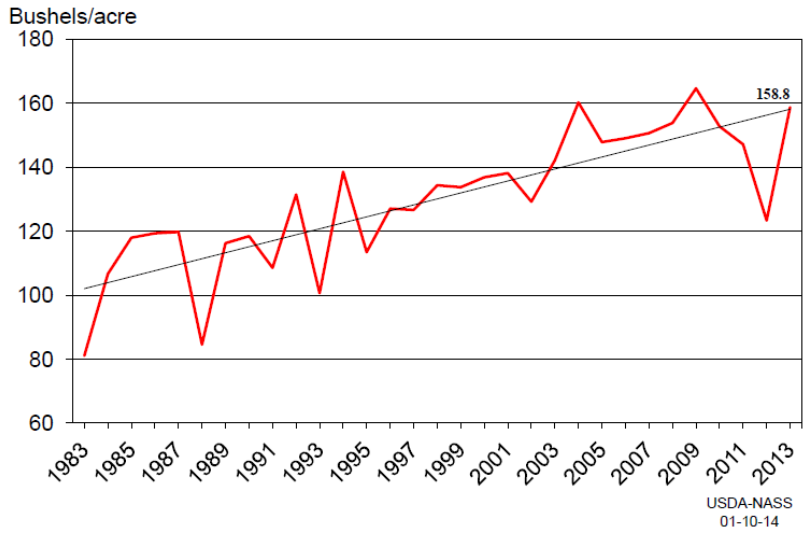
Feed Grain & Hay Price Index and Principal Crop Acres (2007-2013)



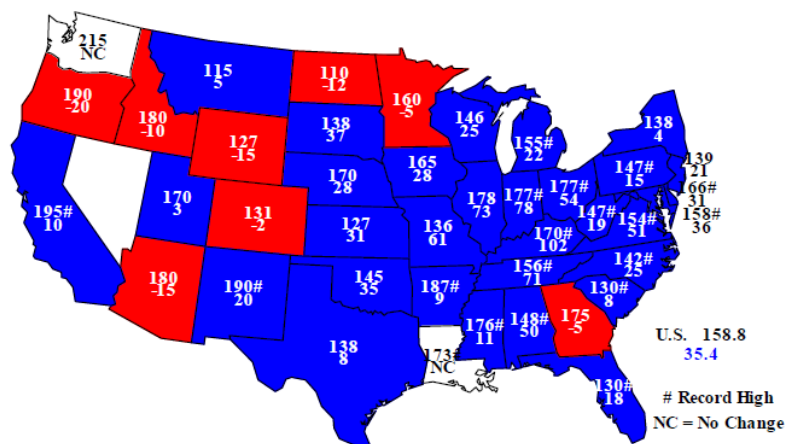
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U.S. Corn Yield



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

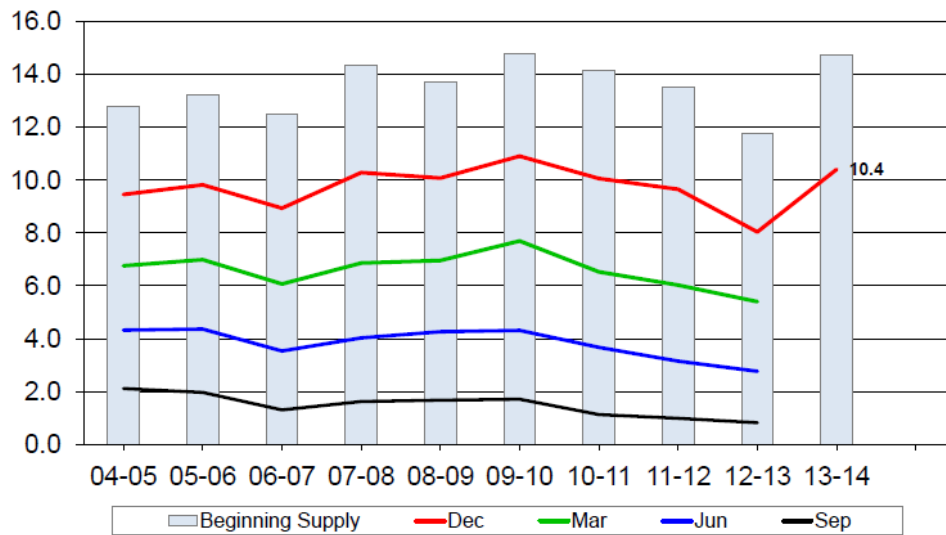




U.S. Corn Stocks



Billion bushels



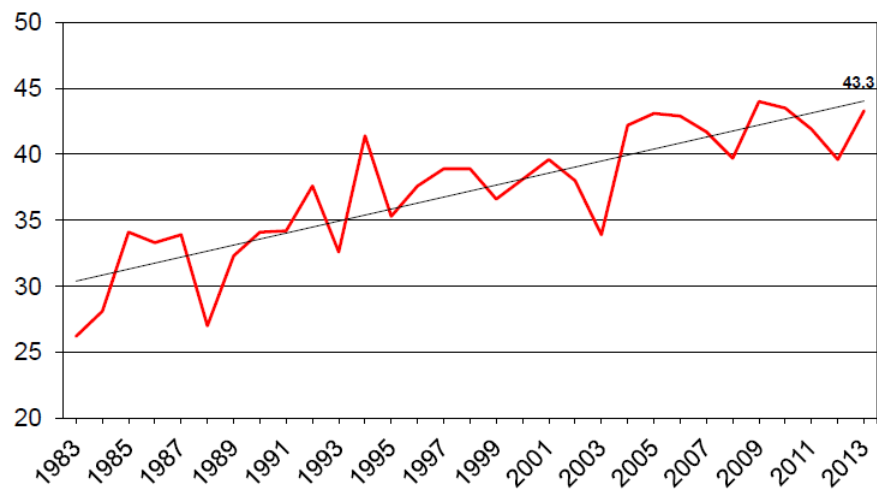
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U.S. Soybean Yield



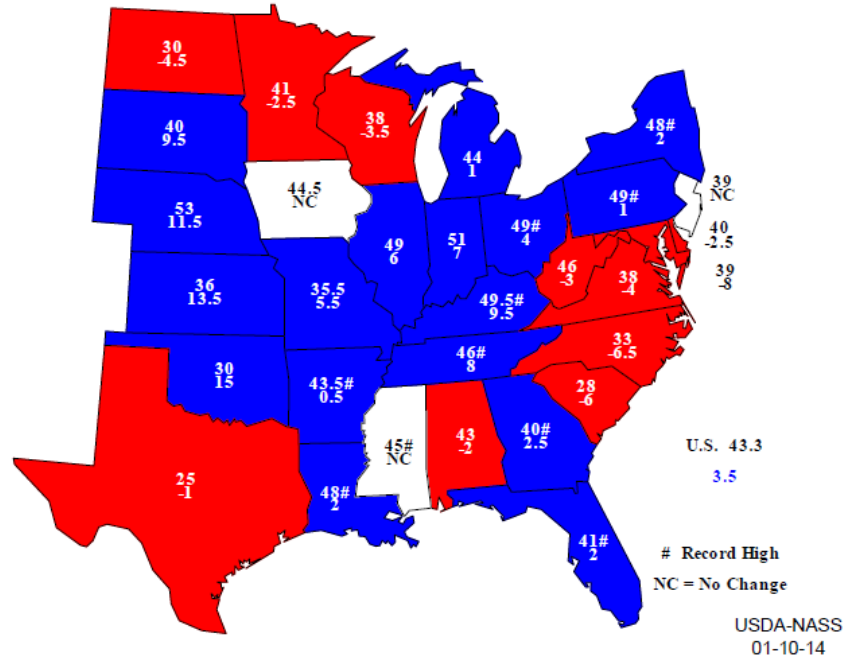
Bushels/acre



USDA-NASS
01-10-14

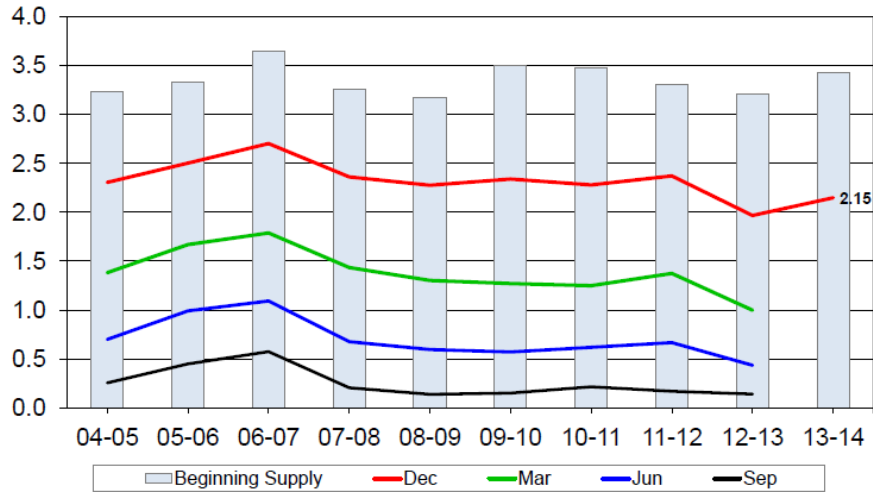


Soybean Yields 2013 Bushels and Change From Previous Year



U.S. Soybean Stocks

Billion bushels

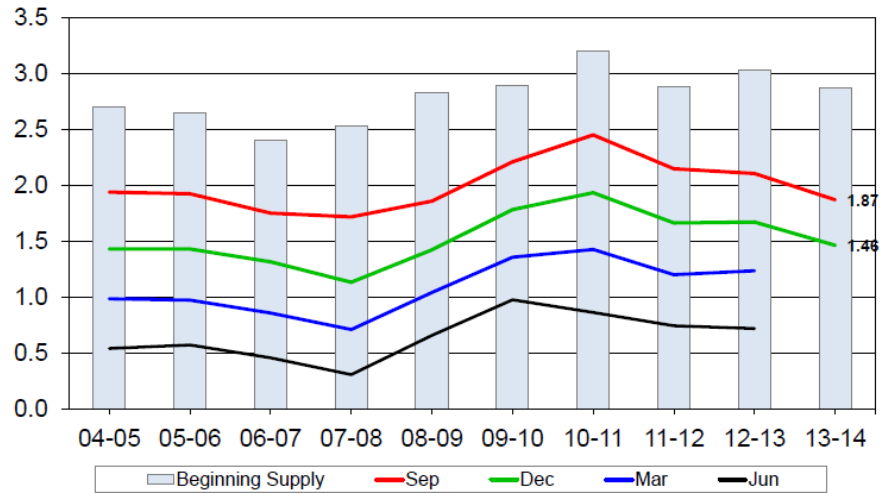




U.S. All Wheat Stocks



Billion bushels



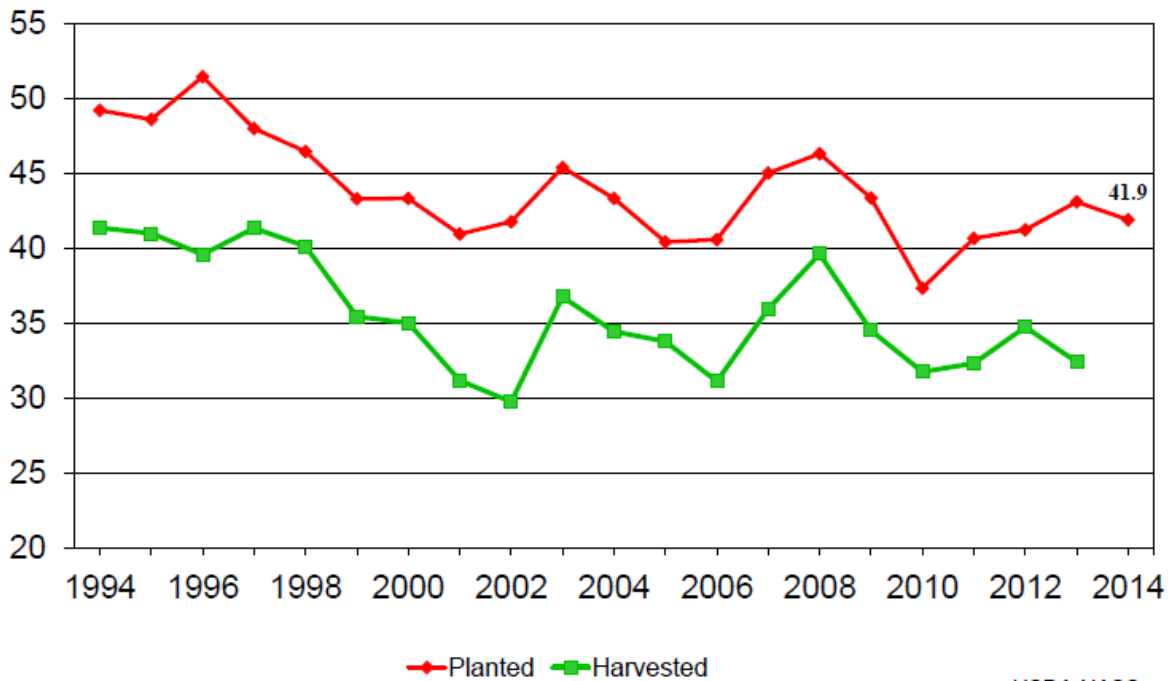
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U.S. Winter Wheat Acres



Million acres

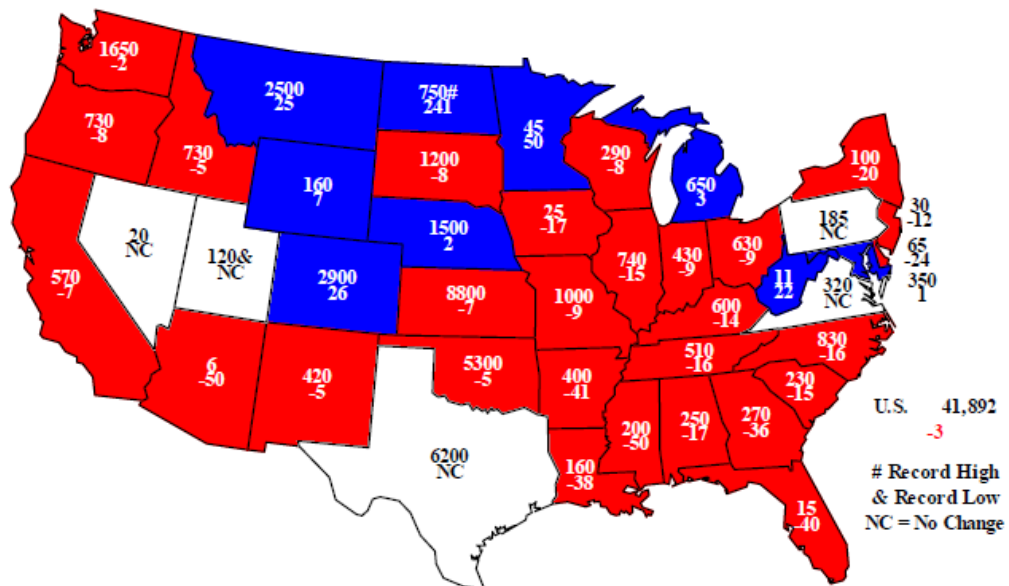


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01-10-14



Winter Wheat Planted, 2014

Acres(000) and Percent Change From Previous Year



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