



April 25, 2014

Dear  
Subscriber:

This has been a week where the previous corn lows for the move were verified as a bear trap as futures carved out a higher weekly close and kept alive upside potential in the market for additional gains.

On weekly charts December corn posted a key reversal higher – a higher open, a lower low, a higher high, and a higher close – which if confirmed with follow through early next week could lead to a sooner than

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In our 9th year as a major corporate underwriter of quality on-air Agricultural Programming at AM-580, **AGRIGOLD** is pleased to provide additional funding for this E-newsletter for the benefit of **AGRIGOLD** customers and other farmers across the country.

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I L L I N O I S

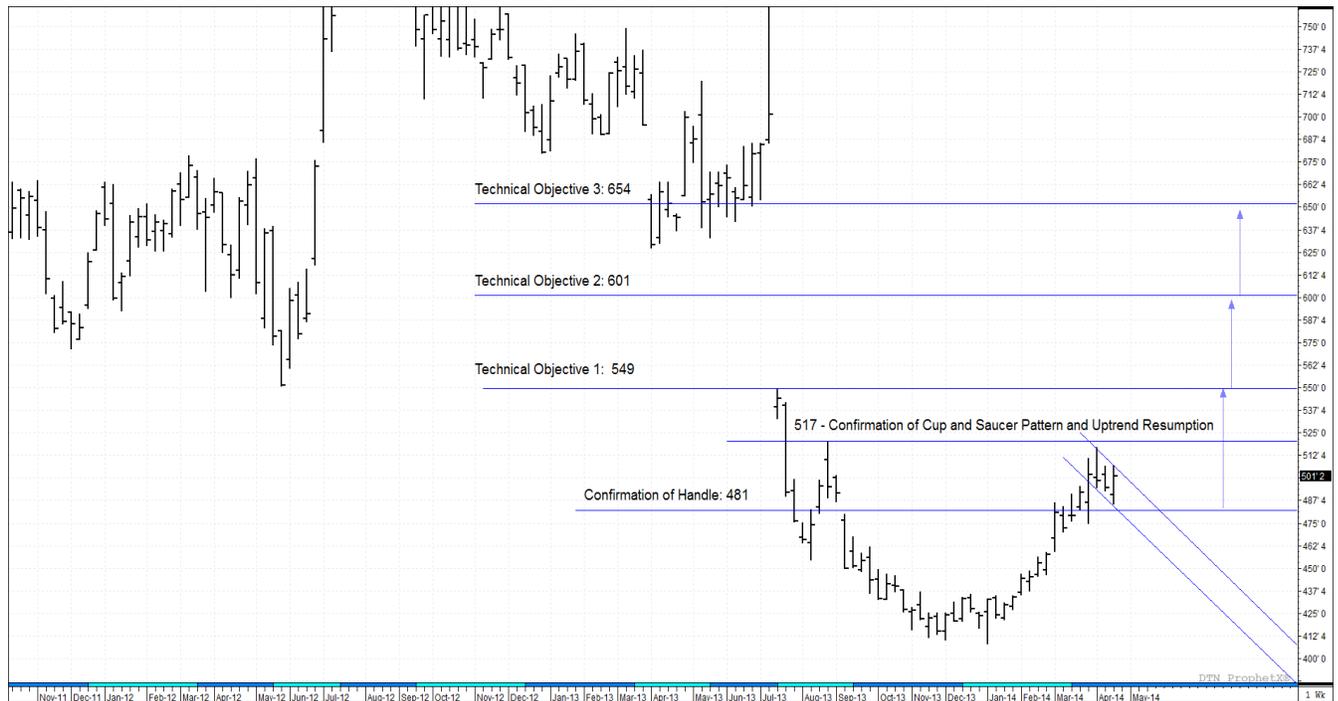
later retest of the 517 to 525 area the December basis.

Here are a few charts for your consideration – one looking at near term and a second continuation chart which has what looks like a cup and saucer formation that could shadow significantly higher December corn futures longer term.

### December 2014 Corn Futures (Composite Daily)



## Corn Continuation Chart (All Months Composite Weekly)



The corn continuation chart shows a classic cup and saucer pattern potentially forming. If corn futures close above 517 it could confirm the formation and allow for a number of technical upside objectives (which will ultimately likely be fundamentally driven – for example 600 plus corn would be predicated upon a supply side issue ... for instance weather robbing yield potential in the U-S). Closes below 481 with follow through could negate the pattern.

The most likely juicy technical objective for the non-commercial would be to try to push futures higher to the bottom of the gap at 549. Aiding that upside potential could come from commercials for paper longs to hedge/lock in new profits – heavy trading volume from commercials could signal the end of rally potential as non-commercials then move to lock in profits and dump long positions in heavy volume.

# WEEKLY OUTLOOK

**U**niversity of Illinois agricultural economist Darrel Good crunches some soybean numbers to make projections of how many U-S acres need be planted to cover demand in the the 2014-15 growing season. Darrel writes....

The USDA's survey of U.S. crop producers last month revealed intentions to plant 81.493 million acres of soybeans this year. That is 3.765 million more than reported as planted or intended to be planted in June of last year, 4.96 million more than actually planted in 2013, and 4.042 million more than the previous record acreage in 2009. Planting intentions exceed last year's acreage in every major soybean state except Missouri, with the largest increases reported for Minnesota, Nebraska, and North Dakota. A slightly smaller percentage of plantings will likely be double-cropped acreage since soft red-winter wheat acreage was reported to be down by 16 percent from acreage of a year ago.

The large increase in soybean planting intentions reflects strong world demand for soybeans and the resulting high prices of soybeans relative to other crops, particularly corn. As the planting season gets underway, the job of the markets is to direct final planting decisions of major spring-planted crops. That is a complicated process surrounded by a lot of uncertainty about the nature of the growing season and resulting yields, as well as uncertainty about the strength of demand for U.S. crops during the year ahead. That demand strength, in turn, depends on the magnitude of production in the rest of the world and a number of economic and political developments. There are differing and changing assessments of all of these factors. The market, however, must direct planting decisions without knowing the outcome of these important factors. Ideally, production would be at levels that provide "reasonable" prices for both producers and consumers of the crops and some level of reserves at the end of the year.

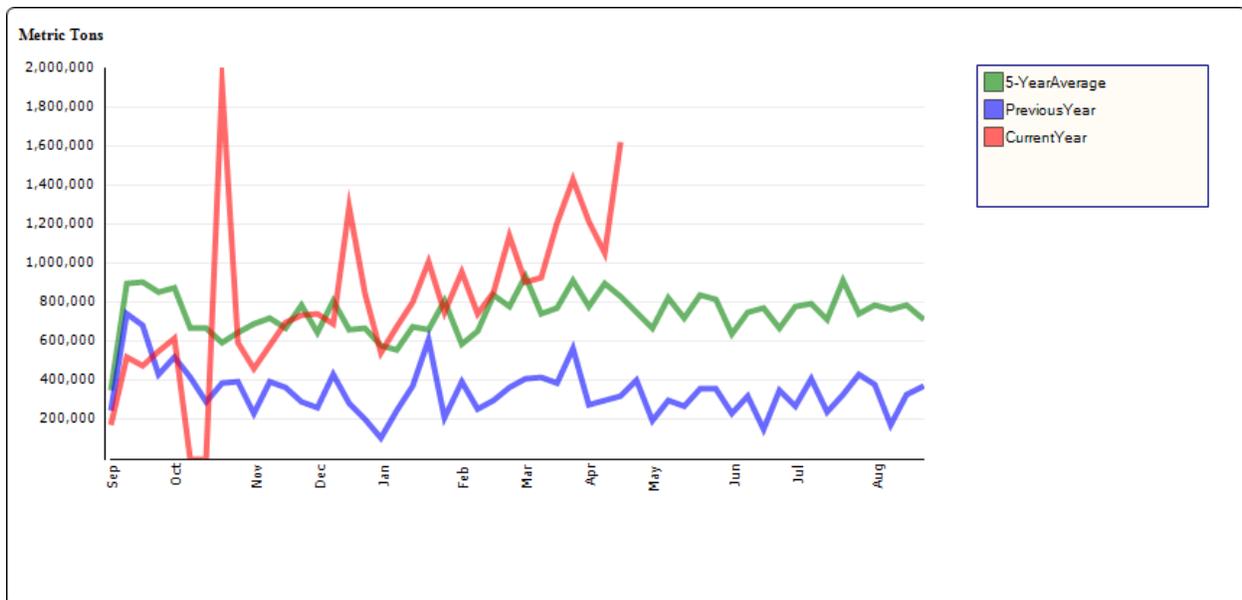
To see Darrel's full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/042114.html>



**U**SDA reports this week's corn export sales at 39.50 million bushels (24.4 this year, 15.1 next year). The trade was anticipating export sales of 15.7 to 41.3 million bushels. On the year, total commitments for corn are 1697.7 million bushels vs. 646.4 million bushels a year ago at this time.

***Weekly Corn – as of April 25, 2014***



**Chart Courtesy of USDA Foreign Ag Service**

In Friday afternoon's commitments of traders report for the week ending April 22 non-commercials decreased its net long position. Non-commercials were long 427,994 contracts, a decrease of 1,997 contracts, and were short 137,847 contracts, an increase of 3,144 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders decreased its net long position for the period ending April 22. Non-commercials were long 414,005 combined future and option contracts, a decrease of 9,697 combined future and option contracts and short 107,960 contracts, an increase of 6,714 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for April 22 indicated the following combined future/options positions (INDEX ONLY):

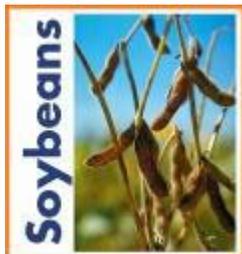
	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	469,465	69,283	-285	-3,243

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

[http://www.ams.usda.gov/mnreports/GX\\_GR113.txt](http://www.ams.usda.gov/mnreports/GX_GR113.txt)

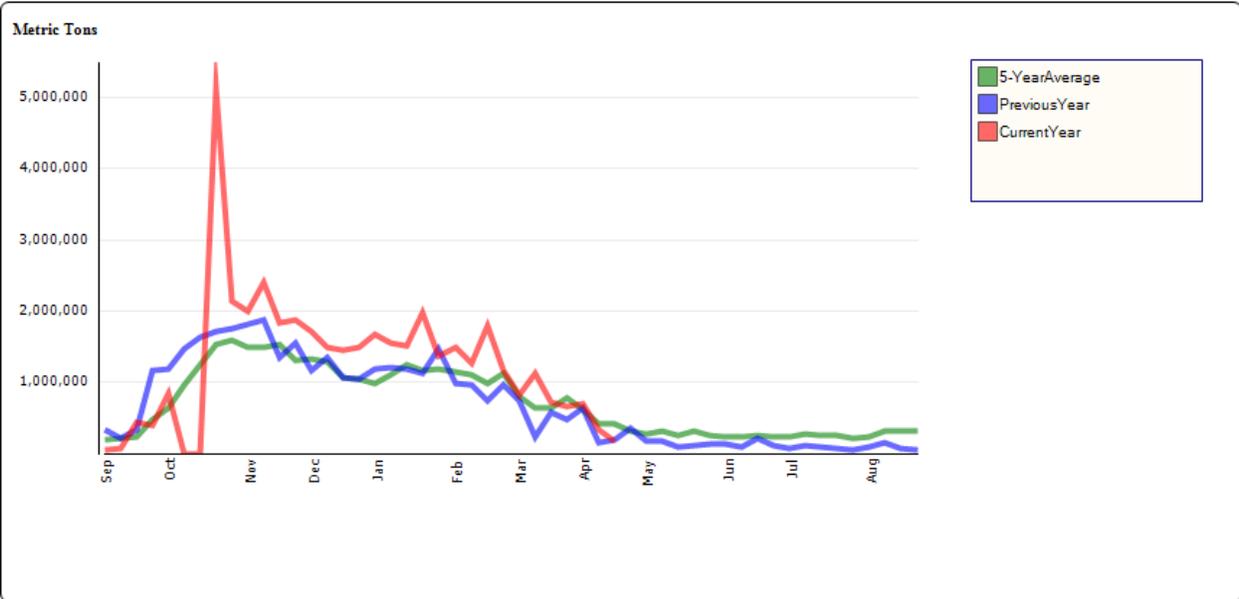
The Iowa basis report is at:

[http://www.ams.usda.gov/mnreports/NW\\_GR110.txt](http://www.ams.usda.gov/mnreports/NW_GR110.txt)



**U**SDA reports this week's soybean export sales at 4.3 million bushels (0.0 this year, 4.3 next year). The trade was anticipating export sales of 1.8 to 27.5 million bushels. On the year, total commitments for soybeans are 1639.1 million bushels vs. 1337.4 million bushels a year ago at this time.

**Weekly Soybeans – as of April 25, 2014**



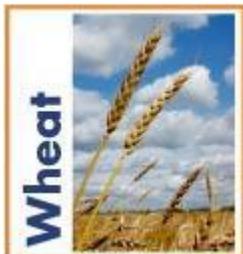
**Chart Courtesy of USDA Foreign Ag Service**

In Friday afternoon’s commitments of traders report for the week ending April 22, non-commercials decreased its net long position. Non-commercials were long 245,708 contracts, a decrease of 21,799 contracts and were short 105,945 contracts, an increase of 4,935 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders decreased its net long position for the period ending April 22. Non-commercials were long 241,912 combined future and option contracts, a decrease of 20,653 contracts and short 74,991 contracts, an increase of 6,989 combined future and option contracts from the previous reporting period.

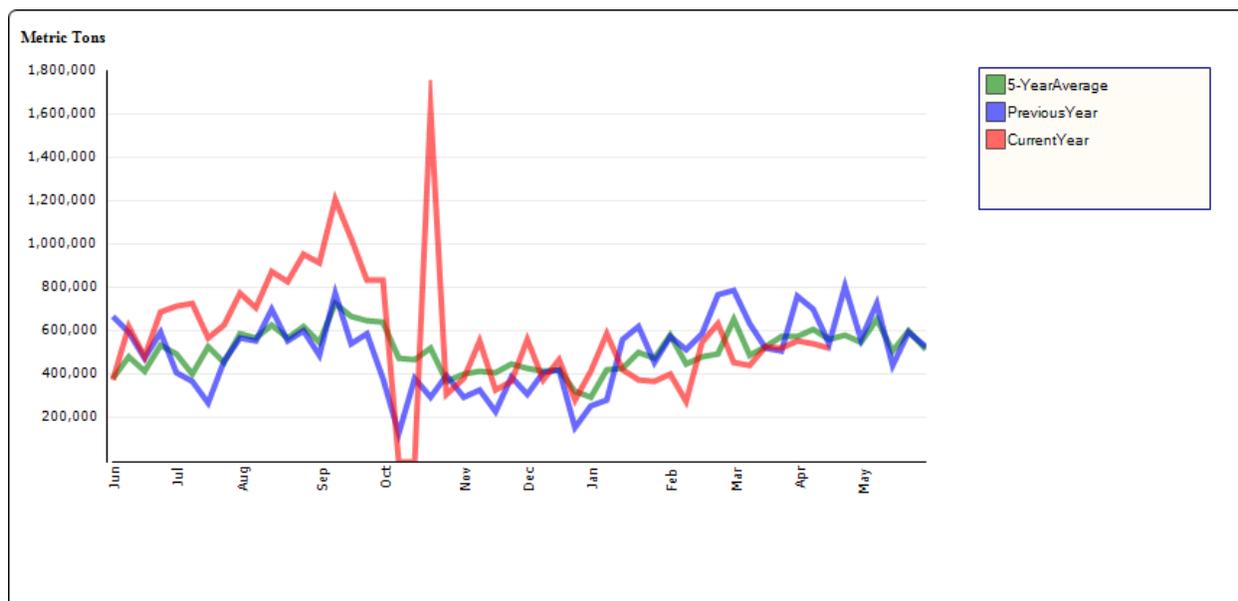
The CFTC Supplemental Report for April 22 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	177,661	34,151	941	207



**U**SDA reports this week's wheat export sales at 22.5 million bushels (12.5 this year, 10.0 next year). The trade was anticipating wheat export sales of 11.9 to 33.0 million bushels. On the marketing year wheat sales have totaled 1141.1 million bushels compared with 966.7 million bushels a year ago at this time.

***Weekly Wheat – as of April 25, 2014***



**Chart Courtesy of USDA Foreign Ag Service**

In Friday afternoon's commitment of traders report for the week ending April 22 non-commercial traders decreased its net long position. Non-commercials were long 110,520 combined future and option contracts, a decrease of 6,320 contacts and short 85,811 contracts, an increase of 1,899 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for April 22 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	167,389	28,859	2,932	1,504

## Ag Weather

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

Rain in the **U.S. Midwest** will occur in waves during the late weekend and through the early to middle part of Next week. Rainfall is expected to be greatest late Saturday into Tuesday with instability showers expected during the middle to latter part of next week while temperatures are cooling

The best drying times across the U.S Midwest, Delta and Southeastern states are as follows;

1. Western Corn Belt driest today with the southwest possibly dry enough during the Wednesday through Friday period next week to support some fieldwork
2. Illinois, Indiana and western Kentucky will be dry enough for fieldwork in some areas today and Saturday while areas to the east may be dry enough for fieldwork Saturday and much of Sunday
3. Eastern Corn Belt will be dry again May 3-6 while the Western Corn Belt will be dry May 2-6
4. Delta driest today and Saturday and again Wednesday through May 8
5. Southeast U.S. driest in some areas today into Sunday, but the Carolinas, Georgia and Alabama will be driest Saturday into Monday. The southeast will be dry again Thursday into May 9

Rain will also impact the **northern U.S. Plains and upper Midwest** Saturday through Tuesday with lingering showers in the eastern Dakotas, Minnesota and Wisconsin Wednesday and possibly early Thursday

1. Rainfall totals for the week will range from 0.50 to 1.50 inches and local amounts over 2.25 inches; Western Dakotas and Minnesota may be wettest
2. Farming activity will advance most favorably today in areas that did not get much rain earlier this week – Montana, southwestern North Dakota and much of South Dakota – in particular
3. Dry weather will return to the northwestern Plains during mid-week and late in the week in eastern areas



# Commodity Week

## **P**anelists:

- Ellen Dearden, AgReview - Morton, Illinois
- Dale Durchholz, AgriVisor LLC - Normal, Illinois
- Mike Zuzolo, Global Commodity Analytics and Consulting - Atchison, Kansas

## **G**uest:

- Bill Lapp, Advanced Economic Solution - Omaha, Nebraska

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 after 6:00 p.m. Friday evenings and catch the show on our website:

### **Broadband MP3:**

<http://audio01.will.illinois.edu/cw140425.mp3>

### **Dial Up MP3:**

<http://audio01.will.illinois.edu/cw140425dial.mp3>

## Weekly Continuation Chart



April 25, 2014

Commodity	Week High	Week Low	Week Settle	Change from Previous Week
Jul Wheat	779 1/2	742	779 1/2	up 14 1/2
Jul 15 Wheat			775 3/4	up 21 3/4
Jul Corn	516 3/4	490 3/4	512 3/4	up 12 1/4
Dec 14 Corn			506 1/4	up 9 1/2
Jul Soybeans	152 1/4	1460 1/2	1494 1/4	down 8
Nov 14 Soybeans			1239 3/4	up 1/2
Jul Oats			358	up 2 1/4

### 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

#### 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