



May 9, 2014

Dear Subscriber:


We will be adding material to this shell letter after the report is released on May 9, 2014 at 11:00 a.m CST. Be sure to click back on the link often for the latest information.

This morning (May 9) USDA released its May Crop Production and WASDE reports. Be sure to tune in the afternoon at 12:40 p.m. CST as we have special coverage of the numbers and what they mean with Mike Zuzolo of Global Commodity Analytics in Lafayette Indiana:

Here is a look at the key statistics:


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I L L I N O I S

USDA May 2014 Winter Wheat Production for 2013-14 in billions of bushels (released May 9, 2014, 11 a.m. CST)

Crop	USDA May Estimate	Average Guess	Range	USDA April Estimate
All Wheat	2.130	2.046	1.891 - 2.182	2.080
All Winter	1.403	1.468	1.312 - 1.591	1.509
Hard Red Winter	0.746	0.782	0.610 - 0.870	0.781
Soft Red Winter	0.447	0.467	0.409 - 0.569	0.509
White Winter	0.209	0.219	.188 - .268	0.219

From the report:

Winter wheat production is forecast at 1.40 billion bushels, down 9 percent from 2013. As of May 1, the United States yield is forecast at 43.1 bushels per acre, down 4.3 bushels from last year.

Hard Red Winter production, at 746 million bushels, is up slightly from a year ago. Soft Red Winter, at 447 million bushels, is down 21 percent from 2013. White Winter, at 209 million bushels, is down 7 percent from a year ago. Of the White Winter production, 10.9 million bushels are Hard White and 198 million bushels are Soft White.

To see the full USDA May 2014 Production Report go to:

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

**USDA May U-S Ending Stocks for 2013-14 in billions of bushels
(released May 9, 2014, 11 a.m. CST)**

Crop	USDA May Estimate	Average Guess	Range	USDA April Estimate
Corn	1.146	1.314	1.231 - 1.435	1.331
Soybeans	0.130	0.134	.125 - .174	0.135
Wheat	0.583	0.588	0.570 - 0.633	0.583

**USDA May U-S Ending Stocks for 2014-15 in billions of bushels
(released May 9, 2014, 11 a.m. CST)**

Crop	USDA May Estimate	Average Guess	Range
Corn	1.726	1.672	1.295 - 2.354
Soybeans	0.330	0.307	.200 - .464
Wheat	0.540	0.553	0.425 - 0.652

From the USDA May 2014 WASDE report:

CORN: U.S. feed grain supplies for 2014/15 are projected at a record 403.3 million tons, up 2 percent from 2013/14 mostly on larger corn beginning stocks. Corn production is projected at 13.9 billion bushels, up slightly from the 2013/14 record with higher expected yields more than offsetting the year-to-year reduction in planted area. The corn yield is projected at 165.3 bushels per acre, up 6.5 bushels from 2013/14, based on a weather adjusted yield trend model and assuming normal mid-May planting progress and summer weather. (See Westcott and Jewison, Weather Effects on Expected Corn and Soybean Yields, USDA-ERS, July 2013, www.ers.usda.gov/publications/fds-feed-outlook/fds-13g-01.aspx.) Corn supplies for 2014/15 are projected at a record 15.1 billion bushels, up 330 million from 2013/14.

U.S. corn use for 2014/15 is projected 2 percent lower than in 2013/14. Feed and residual use is projected 50 million bushels lower with animal numbers down from 2013/14. Exports are projected 200 million bushels lower than this month's higher projection for 2013/14 as larger expected foreign supplies and lower import demand limit U.S. shipments.

Corn used to produce ethanol in 2014/15 is expected to be unchanged on the year with gasoline consumption expected to remain flat in 2015. Corn ending stocks are projected at 1.7 billion bushels, up 580 million from the 2013/14 projection. With the larger carryout, the season-average farm price is projected at \$3.85 to \$4.55 per bushel, down from \$4.50 to \$4.80 per bushel for 2013/14.

SOYBEANS: U.S. oilseed production for 2014/15 is projected at 107.9 million tons, up 11 percent from 2013/14. Higher soybean production accounts for most of the increase. Soybean production is projected at a record 3.635 billion bushels, up 346 million from the 2013 crop on record yields and harvested area. Yield is projected at a trend level of 45.2 bushels per acre, up 1.9 bushels from 2013. Supplies are projected at 3.78 billion bushels, up 7.4 percent from 2013/14 as a larger crop more than offsets lower beginning stocks and imports.

The U.S. soybean crush for 2014/15 is projected at 1.715 billion bushels, up 20 million from 2013/14 mainly reflecting increased domestic soybean meal consumption. Despite lower prices, soybean meal exports are projected up only slightly with Argentina soybean meal exports accounting for most of the gains in global soybean meal trade. U.S. soybean exports are projected at 1.625 billion bushels, up 25 million from 2013/14 on record supplies and competitive prices. Despite gains in use, ending stocks for 2014/15 are projected at 330 million bushels, up 200 million from 2013/14, increasing the stocks-to-use ratio to 9.6 percent. The U.S. season-average soybean price for 2014/15 is forecast to decline to \$9.75 to \$11.75 per bushel compared with \$13.10 per bushel in 2013/14. Soybean meal prices are forecast at \$355 to \$395 per short ton, compared with \$485 per ton for 2013/14. Soybean oil prices are forecast at 37 to 41 cents per pound compared with 40 cents for 2013/14.

WHEAT: U.S. wheat supplies for 2014/15 are projected down 10 percent from 2013/14 with beginning stocks, production, and imports all expected lower. Supplies for the new marketing year are projected to be the lowest since 2007/08. Production is projected at 1,963 million bushels, down 8 percent from last year. The all wheat yield is projected at 42.7 bushels per acre, down 4.5 bushels from the 2013/14 record. The survey-based forecast for 2014/15 all winter wheat production is down 9 percent on the year with the harvested-to-planted ratio just above last year's 11-year low and the yield forecast at its lowest level since 2007/08. Most of the decline year to year in winter wheat reflects lower area and yields for Soft Red Winter wheat. This year's lower Hard Red Winter (HRW) wheat yield forecast is offset by higher harvested area, leaving HRW production just above last year's very low level.

Continued drought and April freeze events have sharply reduced yield prospects for HRW wheat. White Winter wheat production is forecast lower on the year with reduced area and yields. Spring wheat production for 2014/15 is projected to decline 6 percent as higher area is more than offset by lower projected yields. Durum yields last year were well above trend and other spring yields were record high.

Total U.S. wheat use for 2014/15 is projected down 11 percent year to year as feed and residual disappearance and exports are expected to fall with tighter supplies and higher prices. Projected feed and residual disappearance is down 50 million bushels as abundant feed grain supplies and lower feed grain prices limit wheat feeding during the summer months. Partly offsetting are a 10-million-bushel increase in domestic food use and a 2-million-bushel increase in seed use. Exports for 2014/15 are projected at 950 million bushels, down 235 million from this month's higher 2013/14 projection, as large supplies in other major exporting countries and tight domestic supplies of HRW wheat limit U.S. shipments. U.S. ending stocks are projected to decline for a fifth consecutive year. At 540 million bushels, 2014/15 ending stocks would be down 43 million from 2013/14. The all wheat season-average farm price is projected at \$6.65 to \$7.95 per bushel.

<i>USDA May 2014 World Ending Stocks for 2013-14 in millions of metric tons (released May 9, 2014, 11 a.m. CST)</i>				
Crop	USDA May Estimate	Average Guess	Range	USDA April Estimate
Corn	168.42	157.31	149.45 - 161.20	158.00
Soybeans	66.98	69.77	67.30 - 73.00	69.42
Wheat	186.53	185.95	181.91 - 189.00	186.68

<i>USDA May 2014 World Ending Stocks for 2014-15 in millions of metric tons (released May 9, 2014, 11 a.m. CST)</i>			
Crop	USDA May Estimate	Average Guess	Range
Corn	181.83	159.41	149.90 - 175.00
Soybeans	82.23	80.43	67.00- 95.00

Wheat	187.42	184.53	178.00 - 200.00
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USDA May 2014 South American Production for 2013-14 in millions of metric tons (released May 9, 2014, 11 a.m. CST)

Crop	USDA May Estimate	Average Guess	Range	USDA April Estimate
Argentina:	-	-	-	-
Corn	24.00	23.86	22.30 - 25.00	24.00
Soybeans	54.00	54.40	53.50 - 57.00	54.00
Brazil:	-	-	-	-
Corn	75.00	72.10	70.50 - 74.00	72.00
Soybeans	87.50	87.23	86.50 - 87.50	87.50

USDA May 2014 World WASDE Production in millions of metric tons (released May 9, 2014, 11 a.m. CST)

Crop	USDA May Estimate 2013-14	USDA April Estimate 2013-14	USDA May Estimate 2014-15
Argentina Wheat	10.50	10.50	12.50
Australia Wheat	27.00	27.00	25.50
China Wheat	121.02	121.72	123.00
India Wheat	93.51	93.50	94.00
FSU-12 Wheat	103.76	103.83	101.20
EU Wheat	143.32	142.90	144.88
Argentina Corn	24.00	24.00	26.00
Brazil Corn	75.00	72.00	74.00

China Corn	205.61	217.70	220.00
South Africa Corn	14.00	14.00	13.50
Argentina Soybeans	54.00	54.00	54.00
Brazil Soybeans	87.50	87.50	91.00

From the USDA May 2014 WASDE report:

CORN: Global coarse grain supplies for 2014/15 are projected at a record 1,461.0 million tons, up 2 percent from 2013/14 as the year-to-year increase in world beginning stocks more than offsets a reduction in world output. Projected global corn production for 2014/15, at a record 979.1 million tons, is virtually unchanged from 2013/14. Expected decreases for Ukraine, Brazil, India, and South Africa are mostly offset by increases for China, Argentina, Russia, and Mexico. Ukraine production is lowered 4.9 million tons from last year's record level as the reduced value of the local currency keeps input prices high and reduces expected use of fertilizer and other inputs. Global sorghum and millet production are projected higher for 2014/15, but reductions are expected for barley, oats, rye, and mixed grains.

Global corn trade for 2014/15 is projected lower with imports projected down year to year for China and Mexico. Corn exports for 2014/15 are projected lower for Ukraine and the United States. Exports, however, are projected higher for Argentina and Paraguay. World corn consumption is projected at a record 965.8 million tons, up 17.0 million from 2013/14 on higher use in China, Brazil, the European Union, Mexico, and Japan. Global corn ending stocks for 2014/15 are projected at 181.7 million tons, up 13.3 million tons on the year and at a 15-year high.

SOYBEANS: Global oilseed production for 2014/15 is projected at a record 515.2 million tons, up 2.4 percent from 2013/14 with increased soybean and peanut production partly offset by lower rapeseed, sunflowerseed, and cottonseed production. Mostly due to a larger U.S. crop, global soybean production is projected at 299.8 million tons, up 5.6 percent. The Brazil soybean crop is projected at a record 91 million tons, up 3.5 million on small gains in area and yield. The Argentina soybean crop is projected at 54.0 million tons, unchanged from 2013/14 with lower area offset by higher yields. China soybean production is projected at 12 million tons, down 0.2 million as producers continue to shift area to more profitable crops.

Global production of high oil-content seeds (rapeseed and sunflowerseed) is projected down 4.0 percent from 2013/14 on reduced rapeseed production in Canada and Ukraine, and reduced sunflowerseed production in Russia, Ukraine, and the European Union. With crush projected to increase 2.4 percent, global oilseed ending stocks are projected at 94.8 million tons, up 14.6 million.

Global protein meal consumption is projected to increase 3.2 percent in 2014/15. Protein meal consumption is projected to increase 3.5 percent in China which accounts for 30 percent of global protein consumption gains. Global soybean exports are projected at 112.3 million tons, up 1.5 percent from 2013/14. China soybean imports are projected at 72 million tons, up 3 million from the 2013/14 projection. Global vegetable oil consumption is projected to increase 4.1 percent in 2014/15 led by increases for China, India, and Indonesia.

WHEAT: Global 2014/15 wheat supplies are projected down less than 1 percent from 2013/14 as reduced beginning stocks and production in the United States offset higher foreign beginning stocks. World wheat production is projected at 697.0 million tons, down 2 percent from the 2013/14 record. Foreign production is projected 12.4 million tons lower in 2014/15 with increases for Argentina, the European Union, China, Brazil, Kazakhstan, Mexico, and India more than offset by reductions for Canada, Turkey, Morocco, Ukraine, Australia, Iran, and Syria. Lower area and a return to trend yields also reduce production in Canada from last year's record high. In the Middle East, persistent dryness and early April freezes have severely damaged winter wheat crops from Turkey to northeastern Iran. For Ukraine, lower reported area and a return to trend yields reduce expected output.

Global wheat consumption for 2014/15 is projected 1 percent lower than in 2013/14 with a reduction in world wheat feeding only partly offset by higher expected food use. Global import demand for 2014/15 is lower with reductions for China, Iran, Brazil, Mexico, and Algeria more than offsetting increases for the European Union and Turkey. Exports are lower for the European Union, India, Canada, Ukraine, Turkey, and Australia, but higher for Argentina and Russia. Global ending stocks for 2014/15 are projected at 187.4 million tons, up 0.9 million from 2013/14.

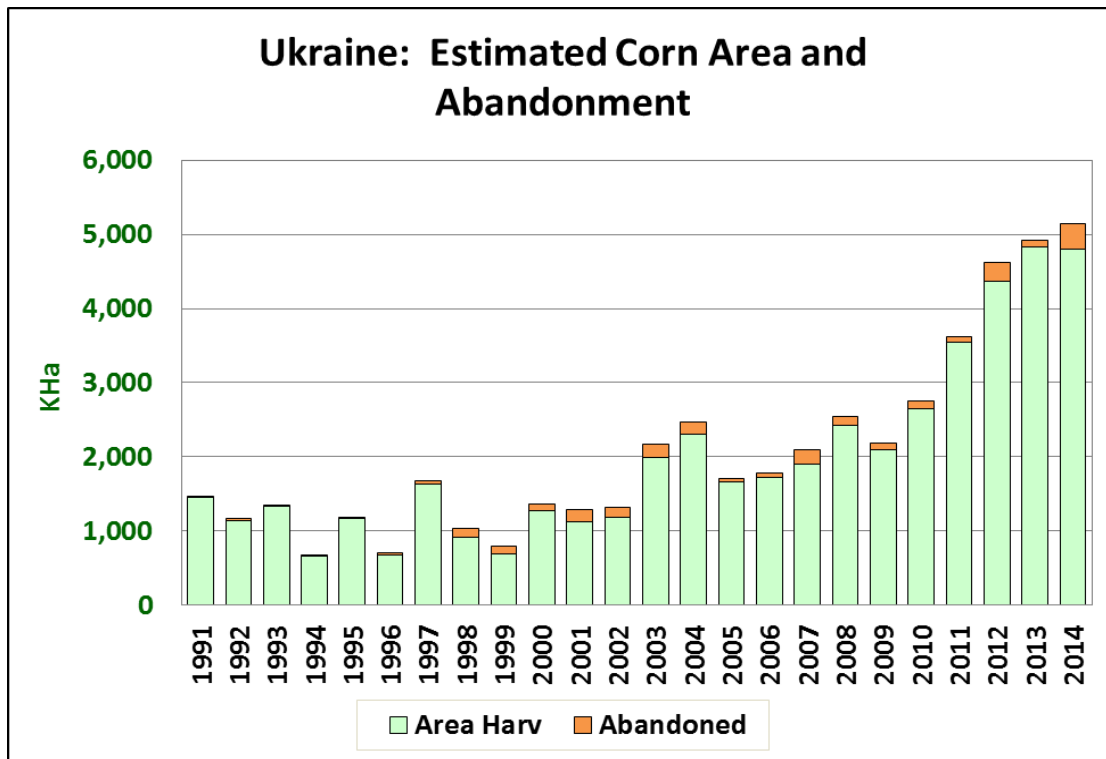
To see the full USDA May 2014 WASDE report go to:

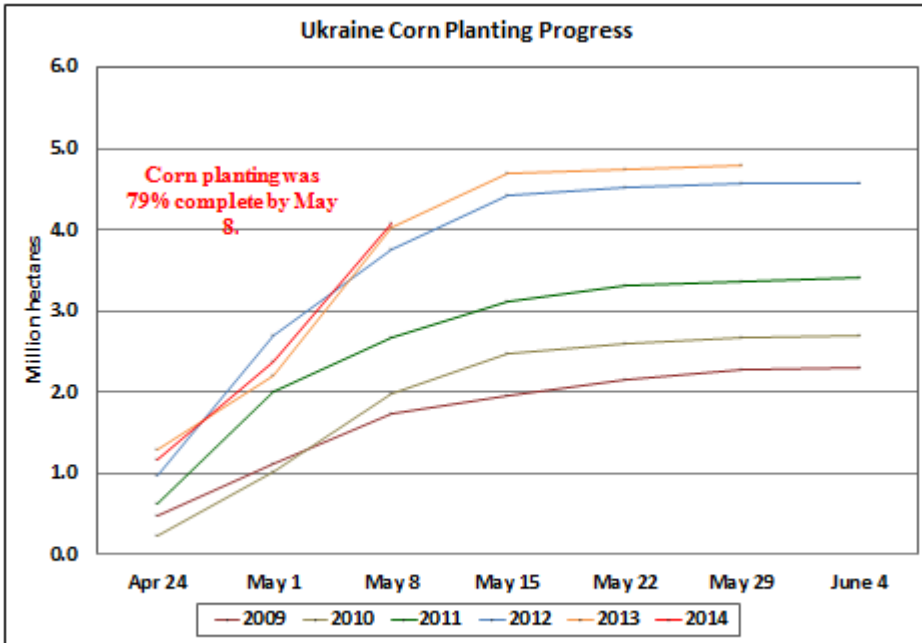
<http://www.usda.gov/oce/commodity/wasde/>

After the report was released Dave spoke about the numbers with Mike Zuzolo of Global Commodity Analytics in Atchensen Kansas. **(This link is now live)**

<http://audio01.will.illinois.edu/ag-zuzolo140509.mp3>

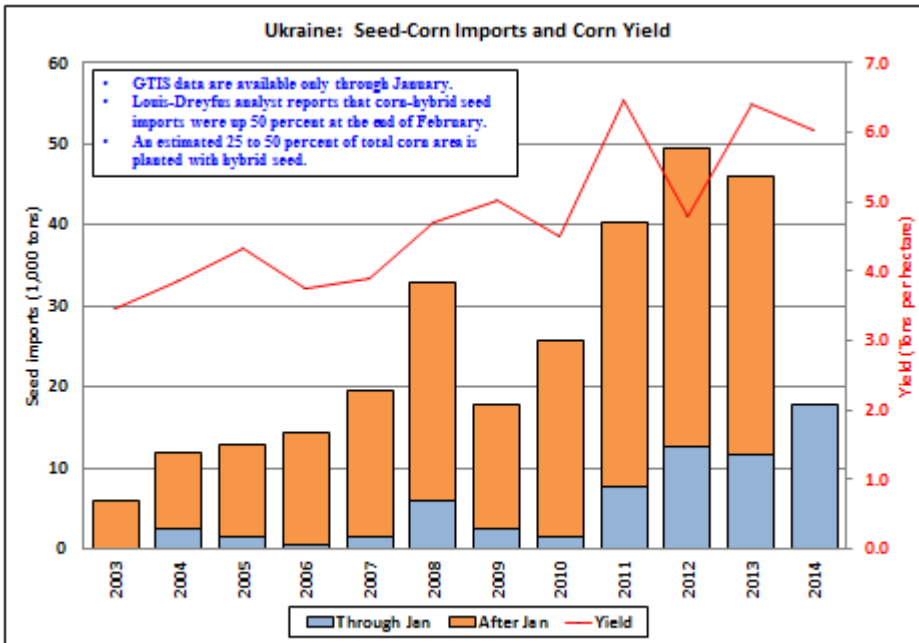
Key graphics from the lock up briefing of the USDA Secretary:





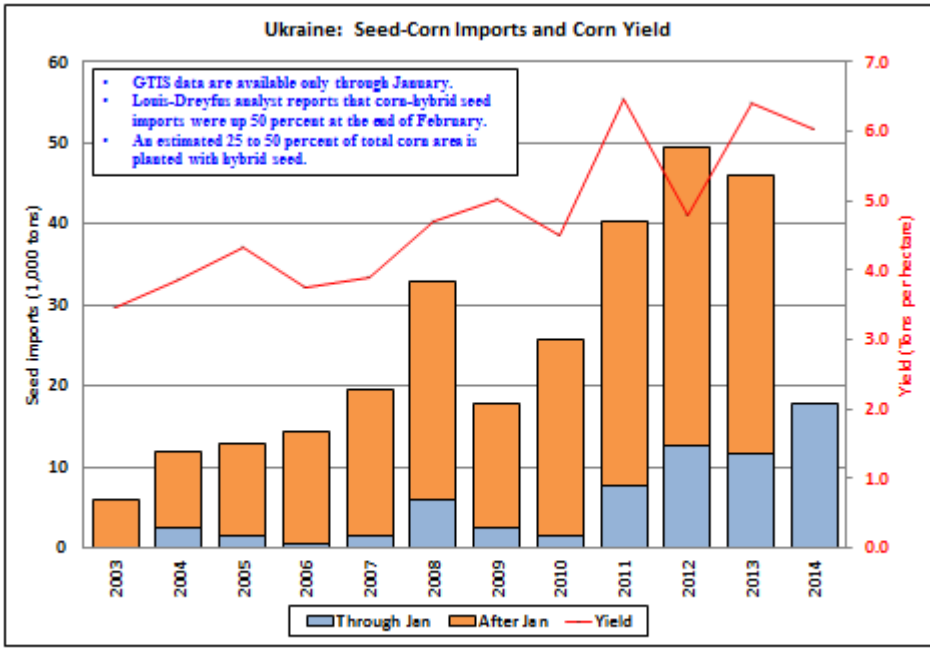
Source: MinAg

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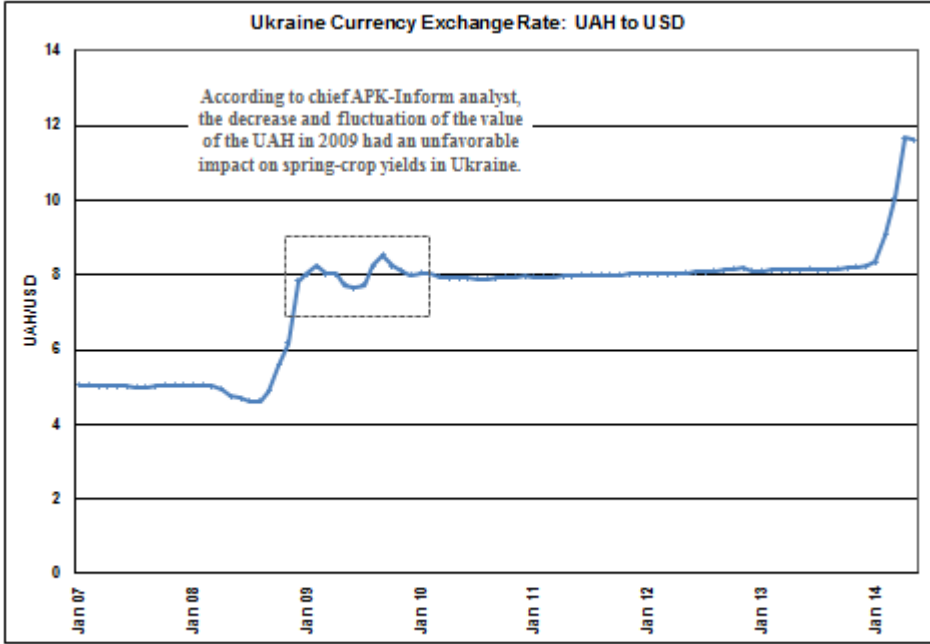
Sources: GTIS (seed imports); USDA (yield)

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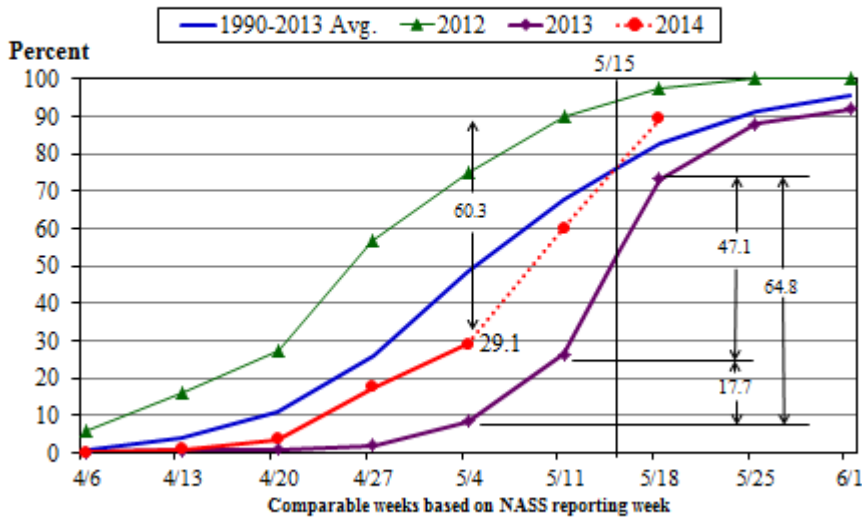
Sources: GTIS (seed imports); USDA (yield)

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Corn Planting Progress

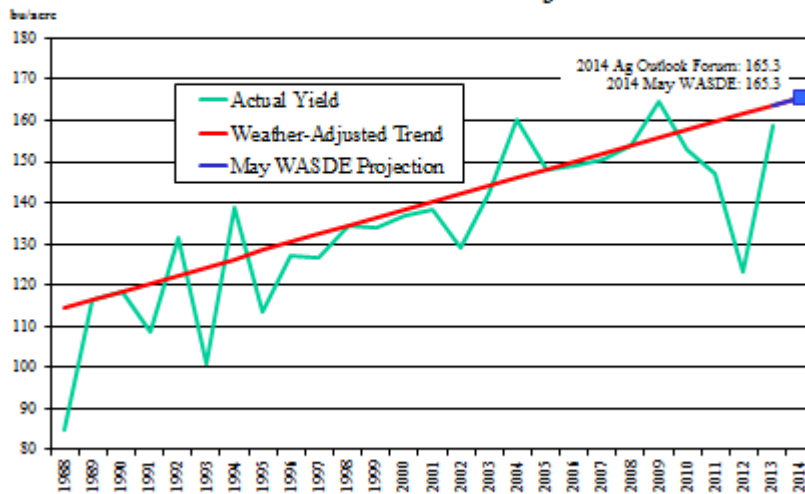


Source: NASS, Quick Stats 2.0

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Corn Weather-Adjusted Trend

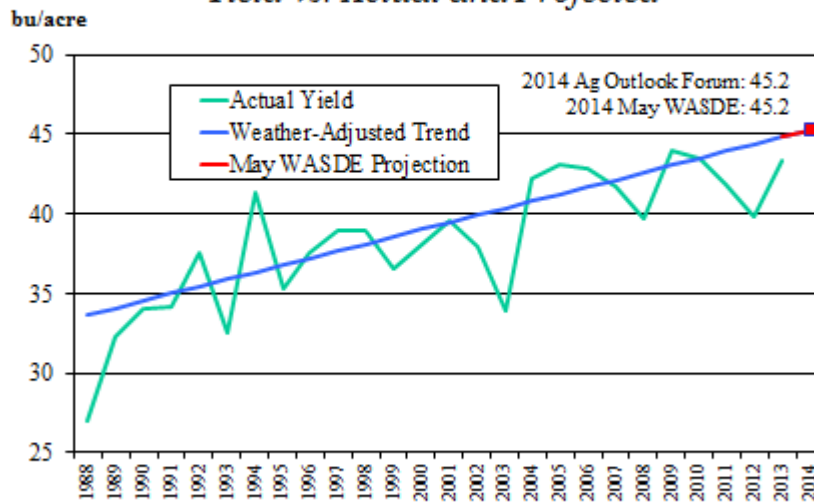
Yield vs. Actual and Projected



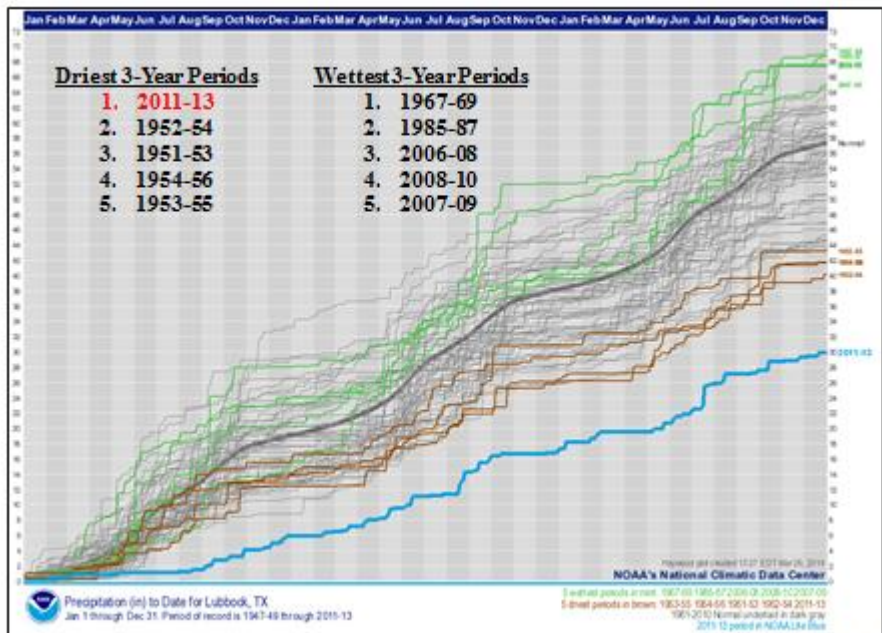
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Soybean Weather-Adjusted Trend

Yield vs. Actual and Projected



Three-Year Running Annual Precipitation Totals, Lubbock, TX



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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