



June 11, 2014

Dear Subscriber:

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

This morning (June 11) USDA released its June Crop Production and WASDE reports.


Be sure to tune in the afternoon at 12:39 p.m. CST as we have special coverage of the numbers and what they mean with Jacquie Voeks of Stewart Peterson Group in Champaign, Illinois.

Here is a look at the key statistics:

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I L L I N O I S

USDA June 2014 U-S Crop Production for 2014 in billions of bushels (released June 11, 2014 11 a.m. CST)

| Crop | USDA June Estimate | Average Guess | Range | USDA May Estimate |
|------------|--------------------|---------------|-----------------|-------------------|
| Corn: | - | - | - | - |
| Production | 13.935 | 13.935 | 13.384 - 14.145 | 13.935 |
| Yield | 165.3 | 166.0 | 164.0 - 167.0 | 165.3 |
| Soybeans: | - | - | - | - |
| Production | 3.635 | 3.627 | 3.542 - 3.658 | 3.635 |
| Yield | 45.2 | 45.0 | 44.2 - 45.5 | 45.2 |

From the USDA June 2014 Crop Production Report:

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

| Crop | USDA June Estimate | Average Guess | Range | USDA May Estimate |
|-----------------|--------------------|---------------|---------------|-------------------|
| All Wheat | 1.942 | 1.964 | 1.903 - 2.041 | 2.130 |
| All Winter | 1.381 | 1.394 | 1.330 - 1.445 | 1.402 |
| Hard Red Winter | 0.720 | 0.733 | 0.661 - 0.776 | 0.746 |
| Soft Red Winter | 0.454 | 0.455 | 0.443 - 0.473 | 0.447 |
| White Winter | 0.206 | 0.207 | 0.197 - 0.217 | 0.209 |

From the USDA June 2014 Crop Production Report:

Winter wheat production is forecast at 1.38 billion bushels, down 2 percent from the May 1 forecast and down 10 percent from 2013. Based on June 1 conditions, the United States yield is forecast at 42.4 bushels per acre, down 0.7 bushel from last month and down 5.0 bushels from last year.

Hard Red Winter production, at 720 million bushels, is down 3 percent from last month. Soft Red Winter, at 454 million bushels, is up 2 percent from the May forecast. White Winter, at 206 million bushels, is down 1 percent from last month. Of the White Winter production, 10.9 million bushels are Hard White and 196 million bushels are Soft White.

Winter Wheat Area Harvested, Yield, and Production – States and United States: 2013 and Forecasted June 1, 2014

| State | Area harvested | | Yield per acre | | | Production | |
|---------------------------------|----------------|---------------|----------------|-----------|-----------|-----------------|-----------------|
| | 2013 | 2014 | 2013 | 2014 | | 2013 | 2014 |
| | | | | May 1 | June 1 | | |
| | (1,000 acres) | (1,000 acres) | (bushels) | (bushels) | (bushels) | (1,000 bushels) | (1,000 bushels) |
| Arkansas | 615 | 370 | 62.0 | 62.0 | 62.0 | 38,130 | 22,940 |
| California | 340 | 200 | 80.0 | 80.0 | 80.0 | 27,200 | 16,000 |
| Colorado | 1,640 | 2,550 | 27.0 | 33.0 | 35.0 | 44,280 | 89,250 |
| Georgia | 350 | 230 | 60.0 | 56.0 | 58.0 | 21,000 | 13,340 |
| Idaho | 720 | 660 | 86.0 | 85.0 | 85.0 | 61,920 | 56,100 |
| Illinois | 830 | 675 | 67.0 | 64.0 | 66.0 | 55,610 | 44,550 |
| Indiana | 440 | 390 | 73.0 | 66.0 | 68.0 | 32,120 | 26,520 |
| Kansas | 8,400 | 8,400 | 38.0 | 31.0 | 29.0 | 319,200 | 243,600 |
| Kentucky | 610 | 500 | 75.0 | 73.0 | 73.0 | 45,750 | 36,500 |
| Maryland | 260 | 255 | 67.0 | 63.0 | 65.0 | 17,420 | 16,575 |
| Michigan | 600 | 510 | 75.0 | 69.0 | 69.0 | 45,000 | 35,190 |
| Mississippi | 385 | 200 | 58.0 | 60.0 | 63.0 | 22,330 | 12,600 |
| Missouri | 1,000 | 800 | 56.0 | 54.0 | 55.0 | 56,000 | 44,000 |
| Montana | 1,900 | 2,350 | 43.0 | 44.0 | 42.0 | 81,700 | 98,700 |
| Nebraska | 1,130 | 1,420 | 35.0 | 39.0 | 40.0 | 39,550 | 56,800 |
| New York | 115 | 95 | 68.0 | 63.0 | 66.0 | 7,820 | 6,270 |
| North Carolina | 920 | 760 | 57.0 | 57.0 | 60.0 | 52,440 | 45,600 |
| North Dakota | 205 | 720 | 43.0 | 46.0 | 46.0 | 8,815 | 33,120 |
| Ohio | 665 | 580 | 70.0 | 66.0 | 67.0 | 46,550 | 38,860 |
| Oklahoma | 3,400 | 3,300 | 31.0 | 19.0 | 18.0 | 105,400 | 59,400 |
| Oregon | 780 | 725 | 62.0 | 58.0 | 58.0 | 48,360 | 42,050 |
| Pennsylvania | 160 | 160 | 68.0 | 60.0 | 60.0 | 10,880 | 9,600 |
| South Carolina | 255 | 210 | 54.0 | 53.0 | 53.0 | 13,770 | 11,130 |
| South Dakota | 670 | 1,090 | 39.0 | 45.0 | 45.0 | 26,130 | 49,050 |
| Tennessee | 540 | 500 | 71.0 | 70.0 | 70.0 | 38,340 | 35,000 |
| Texas | 2,250 | 1,900 | 29.0 | 29.0 | 25.0 | 65,250 | 47,500 |
| Virginia | 275 | 265 | 62.0 | 60.0 | 62.0 | 17,050 | 16,430 |
| Washington | 1,660 | 1,610 | 69.0 | 70.0 | 68.0 | 114,540 | 109,480 |
| Wisconsin | 265 | 260 | 58.0 | 71.0 | 69.0 | 15,370 | 17,940 |
| Other States ¹ | 1,022 | 887 | 55.1 | 52.9 | 52.9 | 56,328 | 46,965 |
| United States | 32,402 | 32,572 | 47.4 | 43.1 | 42.4 | 1,534,253 | 1,381,060 |

¹ Other States include Alabama, Arizona, Delaware, Florida, Iowa, Louisiana, Minnesota, Nevada, New Jersey, New Mexico, Utah, West Virginia, and Wyoming. Individual State level estimates will be published in the *Small Grains 2014 Summary*.

To see the full June 2014 USDA Crop Production report go to:

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

USDA also released its June 2014 WASDE report. Here is a look at some of the key numbers:

| USDA June Ending Stocks for 2013-14 in billions of bushels (released June 11, 2014, 11 a.m. CST) | | | | |
|---|---------------------------|---------------|------------------|-------------------|
| Crop | USDA June Estimate | Average Guess | Range | USDA May Estimate |
| Corn | 1.146 | 1.170 | 1.121 - 1.279 | 1.146 |
| Soybeans | 0.125 | 0.127 | 0.119 - 0.139 | 0.130 |
| Wheat | 0.593 | 0.590 | 0.565 - 0.625 | 0.583 |

| USDA June U-S Ending Stocks for 2014-15 in billions of bushels (released June 11, 2014, 11 a.m. CST) | | | | |
|---|---------------------------|---------------|------------------|-------------------|
| Crop | USDA June Estimate | Average Guess | Range | USDA May Estimate |
| Corn | 1.726 | 1.716 | 1.405 - 2.282 | 1.726 |
| Soybeans | 0.325 | 0.319 | 0.245 - 0.364 | 0.330 |
| Wheat | 0.574 | 0.590 | 0.565 - 0.625 | 0.540 |

From the June 2014 WASDE report:

CORN: The outlook for 2014/15 U.S. feed grain supplies is virtually unchanged this month with only small changes made to barley and oats imports and exports for 2013/14. Other feed grain balance sheet items are unchanged for both marketing years. Projected corn production for 2014/15 is unchanged at a record 13,935 million bushels. The projected U.S. corn yield remains at 165.3 bushels per acre as a slightly slower-than-normal mid-May planting progress is expected to be offset by very favorable early

season crop and weather conditions. U.S. crop conditions in the most recent Crop Progress report are the best in 4 years for the aggregated 18 reported states and better than any time since 2007 for the Corn Belt. The projected range for the 2014/15 season-average farm price is unchanged at \$3.85 to \$4.55 per bushel and below this month's lower projected 2013/14 range of \$4.45 to \$4.65 per bushel. The 2013/14 price range is lowered 10 cents per bushel at the midpoint based on prices reported to date and the recent decline in nearby cash and futures prices.

SOYBEANS: This month's U.S. soybean supply and use projections for 2014/15 include a small reduction in beginning and ending stocks. Lower beginning stocks reflect a higher crush projection for 2013/14. Soybean crush for 2013/14 is raised 5 million bushels to 1,700 million reflecting an increase in projected soybean meal exports. Soybean meal exports are projected at 11.5 million short tons, up 0.4 million from last month reflecting stronger-than-expected shipments this spring. Soybean ending stocks for 2013/14 are projected at 125 million bushels, down 5 million from last month. Ending stocks for 2014/15 are also reduced 5 million bushels to 325 million.

The 2014/15 season-average price for soybeans is projected at \$9.75 to \$11.75 per bushel, unchanged from last month. Soybean meal and soybean oil prices are projected at \$355 to \$395 per short ton, and 37 to 41 cents per pound, respectively. Product price projections are also unchanged from last month.

WHEAT: Projected U.S. wheat supplies for 2014/15 are lowered this month as an increase in beginning stocks is more than offset by a reduction in forecast winter wheat production. Beginning stocks are raised with a 10-million-bushel reduction in 2013/14 food use and offsetting 5-million-bushel reductions in 2013/14 imports and exports. Projected production for 2014/15 is down 21 million bushels as reduced prospects for Hard Red Winter (HRW) wheat in the Southern and Central Plains and White Winter wheat in the Pacific Northwest more than outweigh higher forecast Soft Red Winter wheat production across the South and Midwest. Projected food use is lowered 10 million bushels for 2014/15 and for 2013/14. This month's reduced outlook for food use assumes a higher flour extraction rate for both marketing years. Exports for 2014/15 are projected 25 million bushels lower with tighter supplies of HRW wheat and stronger competition from major exporters. Projected ending stocks are raised 34 million bushels. The projected range for the 2014/15 season-average farm price is lowered 30 cents on both ends to \$6.35 to \$7.65 per bushel based on the larger expected carryout, higher global production, and recent sharp declines in futures prices.

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

| Crop | USDA June Estimate 2014-15 | USDA May Estimate 2014-15 | USDA June Estimate 2013-14 | USDA May Estimate 2013-14 |
|--------------------|----------------------------|---------------------------|----------------------------|---------------------------|
| Argentina Wheat | 12.50 | 12.50 | 10.50 | 10.50 |
| Australia Wheat | 25.50 | 27.00 | 27.00 | 27.00 |
| China Wheat | 124.00 | 123.00 | 121.72 | 121.02 |
| India Wheat | 95.84 | 94.00 | 93.51 | 93.51 |
| FSU-12 Wheat | 102.20 | 101.20 | 103.76 | 103.76 |
| EU Wheat | 146.25 | 144.88 | 143.32 | 143.32 |
| Argentina Corn | 26.00 | 26.00 | 24.00 | 24.00 |
| Brazil Corn | 74.00 | 74.00 | 76.00 | 75.00 |
| China Corn | 220.00 | 220.00 | 217.73 | 205.61 |
| South Africa Corn | 13.50 | 13.50 | 14.50 | 14.00 |
| Argentina Soybeans | 54.00 | 54.00 | 54.00 | 54.00 |
| Brazil Soybeans | 91.00 | 91.00 | 87.50 | 87.50 |

From the June 2014 WASDE report:

CORN: Global coarse grain supplies for 2014/15 are projected 2.3 million tons higher mostly with larger corn beginning stocks and production. Higher 2013/14 corn production for Brazil and India raise 2014/15 beginning stocks for both countries. Lower 2013/14 corn exports for Argentina also add to 2014/15 beginning stocks. Higher 2013/14 corn imports boost 2014/15 beginning stocks for Colombia, Egypt, and Turkey. Ukraine and China 2014/15 corn beginning stocks are lowered with higher 2013/14 exports for

Ukraine and lower 2013/14 imports for China. Despite an increase in 2013/14 South Africa corn production, 2014/15 beginning stocks decline with higher 2013/14 consumption and exports.

Global corn production for 2014/15 is raised 2.0 million tons with increases for Ukraine, the European Union, and Russia. Ukraine and Russia production are raised 1.0 million tons and 0.5 million tons, respectively, on higher expected yields as the latest trade data for both countries confirm further expansion in the use of imported hybrid seed corn. European Union production is raised 0.6 million tons with increases for Germany and central Europe reflecting improved early season growing conditions in the region. Serbia corn output is reduced slightly with less expected area.

SOYBEANS: Global oilseed production for 2014/15 is projected at 516.0 million tons, up 0.8 million from last month. Rapeseed production for the European Union is raised 0.5 million tons to 22.0 million on improved yield prospects, mainly for the United Kingdom, Germany, Poland, and Romania. Other changes include increased soybean production for the European Union and increased cottonseed production for the United States. Cottonseed production is also raised for India for 2013/14.

WHEAT: Global wheat supplies for 2014/15 are raised 4.1 million tons as a 5.2-million-ton increase in foreign production is only partly offset by a 0.8-million-ton reduction in foreign beginning stocks and this month's lower U.S. production outlook. Beginning stocks are lowered for Australia, Russia, and Turkey with increases in 2013/14 exports this month. World production for 2014/15 is projected at 701.6 million tons, up 4.6 million from last month with increases for India, the European Union, China, and Russia more than offsetting the decline in U.S. output. India production is raised 1.9 million tons based on the latest official government estimate. European Union production is raised 1.4 million tons as spring and early summer rainfall support higher yield outlooks for France, Germany, Poland, Romania, and Bulgaria. Production for China and Russia is raised 1.0 million tons each as favorable growing conditions also support higher expected yields.

Global wheat trade and consumption for 2014/15 are raised with larger foreign supplies. Trade and consumption are also raised for 2013/14. Increases in world imports and exports for 2014/15 are relatively small, but world consumption is raised 2.9 million tons with increased feeding expected in China and the European Union and increased food use projected for India, all supported by larger crops. Exports for 2014/15 are raised 0.5 million tons each for the European Union and Russia, more than offsetting this month's reduction in U.S. export prospects. World ending stocks for 2014/15 are projected 1.2 million tons higher with much of the increase in

the United States. At 188.6 million tons, global stocks are up 2.6 million year-to-year.

To view the full June 2014 USDA report go to:

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

After the report was released Dave spoke about the numbers with Jacquie Vokes of Stewart Peterson Group in Champaign, Illinois **(This link is now live)**

<http://audio01.will.illinois.edu/ag-voeks140611.mp3>

And Todd Gleason spoke with University of Illinois ag economist Darrell Good:

<https://soundcloud.com/todd-gleason/ag-economist-darrel-good-on-june-2014-wasde>

June 2014

WASDE - 530 - 15

U.S. Soybeans and Products Supply and Use (Domestic Measure) 1/

| SOYBEANS | 2012/13 | 2013/14 Est. | 2014/15 Proj. | 2014/15 Proj. |
|----------------------------|---------|--------------|------------------------|---------------|
| | | | May | Jun |
| | | | <i>Million Acres</i> | |
| Area Planted | 77.2 | 76.5 | 81.5 * | 81.5 * |
| Area Harvested | 76.2 | 75.9 | 80.5 * | 80.5 * |
| | | | <i>Bushels</i> | |
| Yield per Harvested Acre | 39.8 | 43.3 | 45.2 * | 45.2 * |
| | | | <i>Million Bushels</i> | |
| Beginning Stocks | 169 | 141 | 130 | 125 |
| Production | 3034 | 3289 | 3635 | 3635 |
| Imports | 36 | 90 | 15 | 15 |
| Supply, Total | 3239 | 3519 | 3780 | 3775 |
| Crushings | 1689 | 1700 | 1715 | 1715 |
| Exports | 1320 | 1600 | 1625 | 1625 |
| Seed | 89 | 95 | 92 | 92 |
| Residual | 1 | 0 | 18 | 18 |
| Use, Total | 3099 | 3395 | 3450 | 3450 |
| Ending Stocks | 141 | 125 | 330 | 325 |
| Avg. Farm Price (\$/bu) 2/ | 14.4 | 13.1 | 9.75 - 11.75 | 9.75 - 11.75 |

Corn

| | | | | |
|--------------------------|-------|--------|------------------------|-------------|
| | | | <i>Million Acres</i> | |
| Area Planted | 97.2 | 95.4 | 91.7 * | 91.7 * |
| Area Harvested | 87.4 | 87.7 | 84.3 * | 84.3 * |
| | | | <i>Bushels</i> | |
| Yield per Harvested Acre | 123.4 | 158.8 | 165.3 * | 165.3 * |
| | | | <i>Million Bushels</i> | |
| Beginning Stocks | 989 | 821 | 1146 | 1146 |
| Production | 10780 | 13925 | 13935 | 13935 |
| Imports | 162 | 35 | 30 | 30 |
| Supply, Total | 11932 | 14781 | 15111 | 15111 |
| Feed and Residual | 4329 | 5300 | 5250 | 5250 |
| Food, Seed & Industrial | | | | |
| 2/ | 6051 | 6435 | 6435 | 6435 |
| Ethanol & by-products | | | | |
| 3/ | 4648 | 5050 | 5050 | 5050 |
| Domestic, Total | 10379 | 11735 | 11685 | 11685 |
| Exports | 731 | 1900 | 1700 | 1700 |
| Use, Total | 11111 | 13635 | 13385 | 13385 |
| Ending Stocks | 821 | 1146 | 1726 | 1726 |
| CCC Inventory | 0 | 0 | | |
| Free Stocks | 821 | 1146 | | |
| Outstanding Loans | 32 | 50 | | |
| Avg. Farm Price (\$/bu) | | 4.45 - | | |
| 4/ | 6.89 | 4.65 | 3.85 - 4.55 | 3.85 - 4.55 |

WASDE - 530 - 11

U.S. Wheat Supply and Use 1/

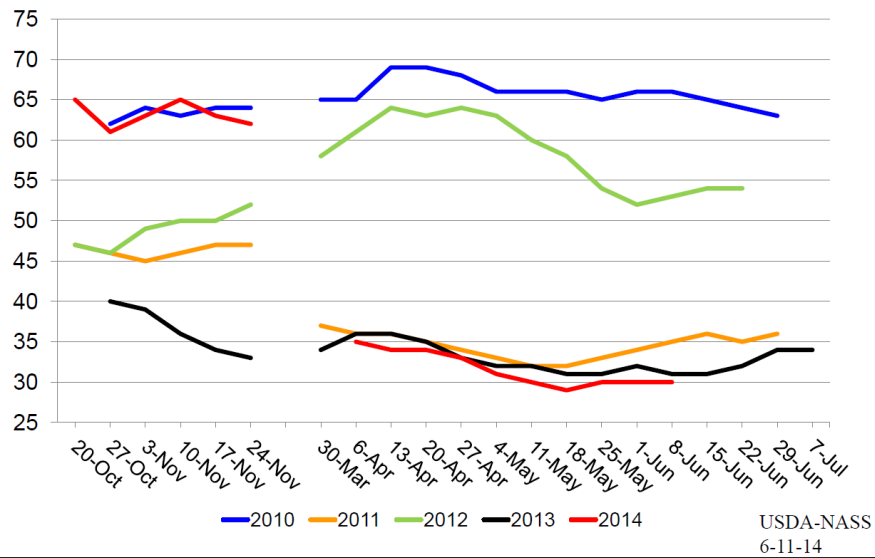
| | 2012/13 | 2013/14 Est. | 2014/15 Proj. May | 2014/15 Proj. Jun |
|----------------------------|---------|--------------|------------------------|----------------------|
| | | | <i>Million Acres</i> | |
| Area Planted | 55.7 | 56.2 | 55.8 * | 55.8 * |
| Area Harvested | 48.9 | 45.2 | 45.9 * | 45.9 * |
| | | | <i>Bushels</i> | |
| Yield per Harvested Acre | 46.3 | 47.2 | 42.7 * | 42.3 * |
| | | | <i>Million Bushels</i> | |
| Beginning Stocks | 743 | 718 | 583 | 593 |
| Production | 2266 | 2130 | 1963 | 1942 |
| Imports | 123 | 170 | 160 | 160 |
| Supply, Total | 3131 | 3018 | 2706 | 2695 |
| Food | 945 | 950 | 970 | 960 |
| Seed | 73 | 74 | 76 | 76 |
| Feed and Residual | 388 | 220 | 170 | 160 |
| Domestic, Total | 1406 | 1244 | 1216 | 1196 |
| Exports | 1007 | 1180 | 950 | 925 |
| Use, Total | 2414 | 2424 | 2166 | 2121 |
| Ending Stocks | 718 | 593 | 540 | 574 |
| CCC Inventory | 0 | 0 | | |
| Free Stocks | 718 | 593 | | |
| Outstanding Loans | 8 | 5 | | |
| Avg. Farm Price (\$/bu) 2/ | 7.77 | 6.87 | 6.65 - 7.95 | 6.35 - 7.65 |

Key graphics from the lock up briefing of the USDA Secretary beginning on next page:



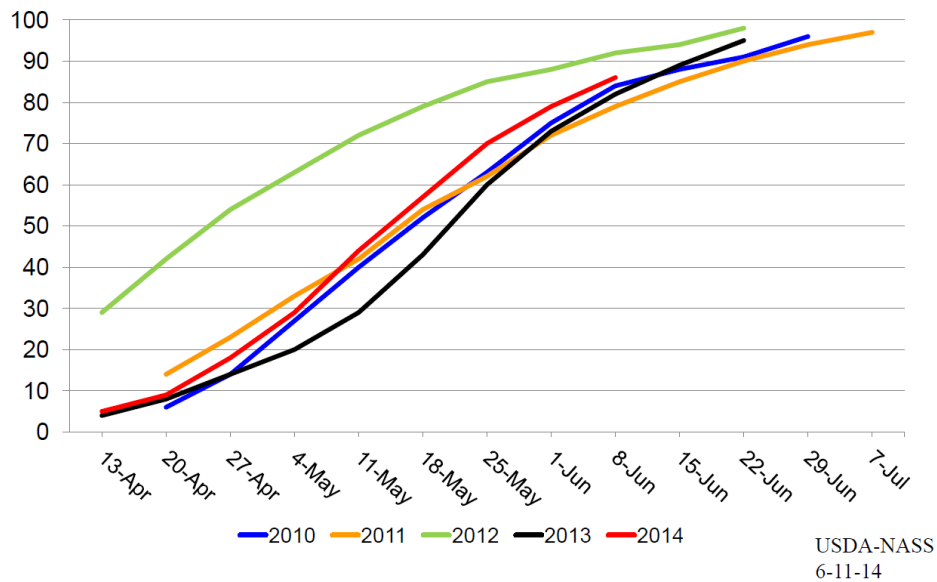
Winter Wheat Condition

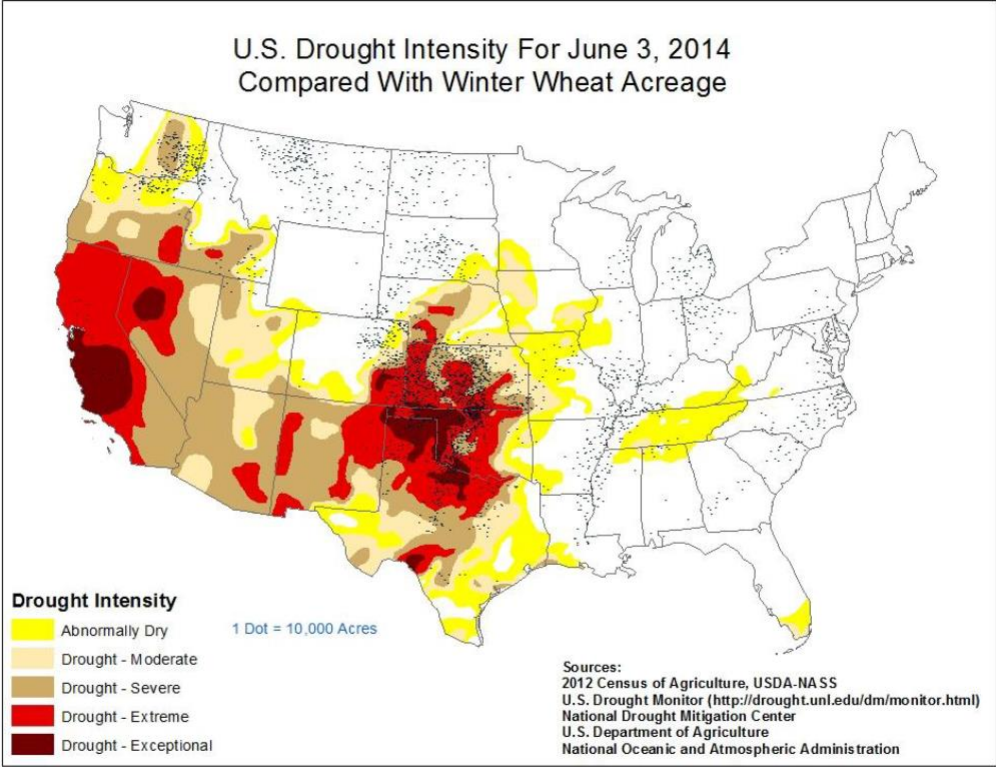
Percent Rated Good to Excellent



Winter Wheat Progress

Percent Headed





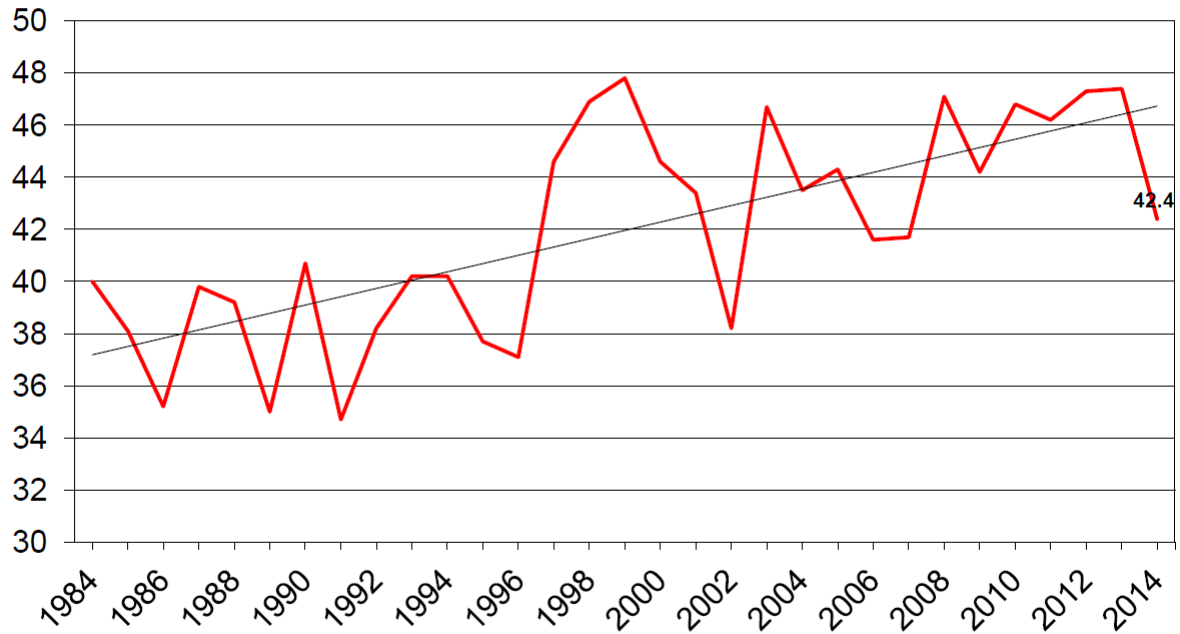
USDA-NASS
6-11-14



U.S. Winter Wheat Yield



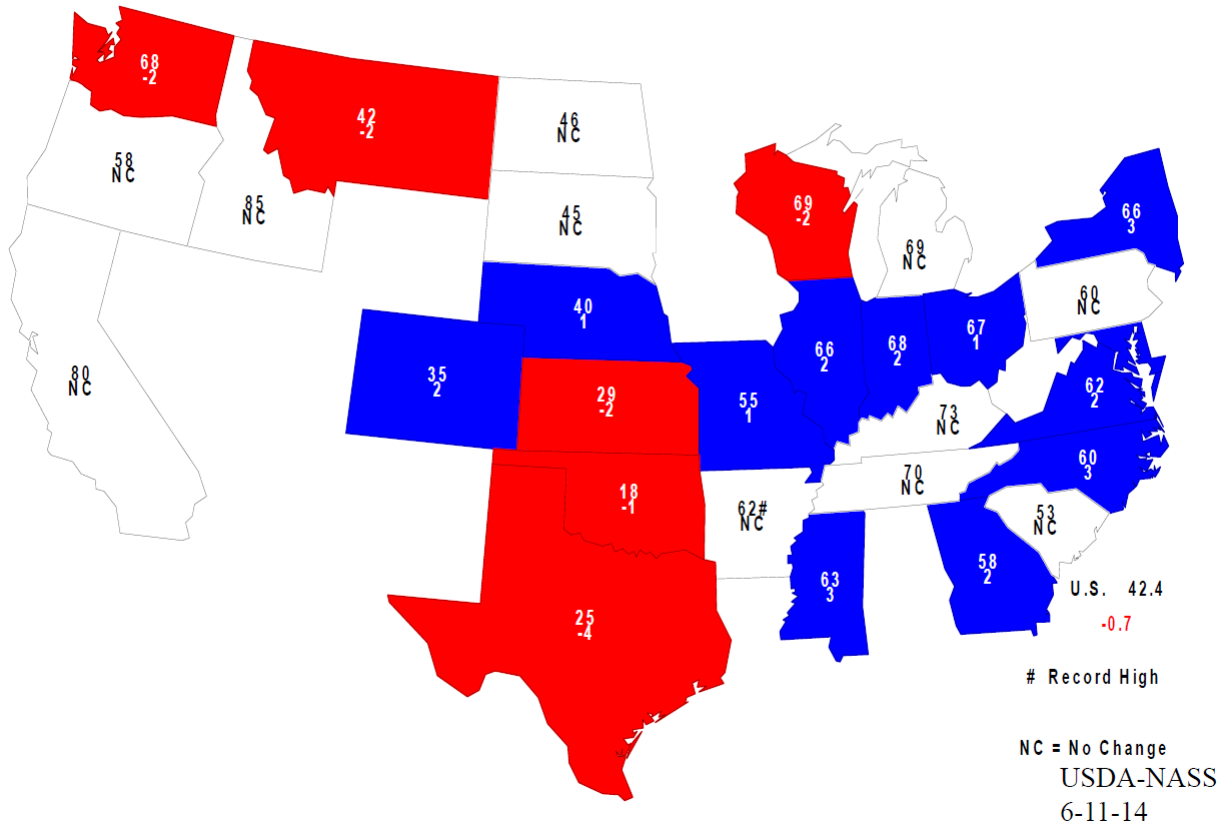
Bushels/acre



USDA-NASS
6-11-14



June 1, 2014 Winter Wheat Yield Bushels and Change From Previous Month



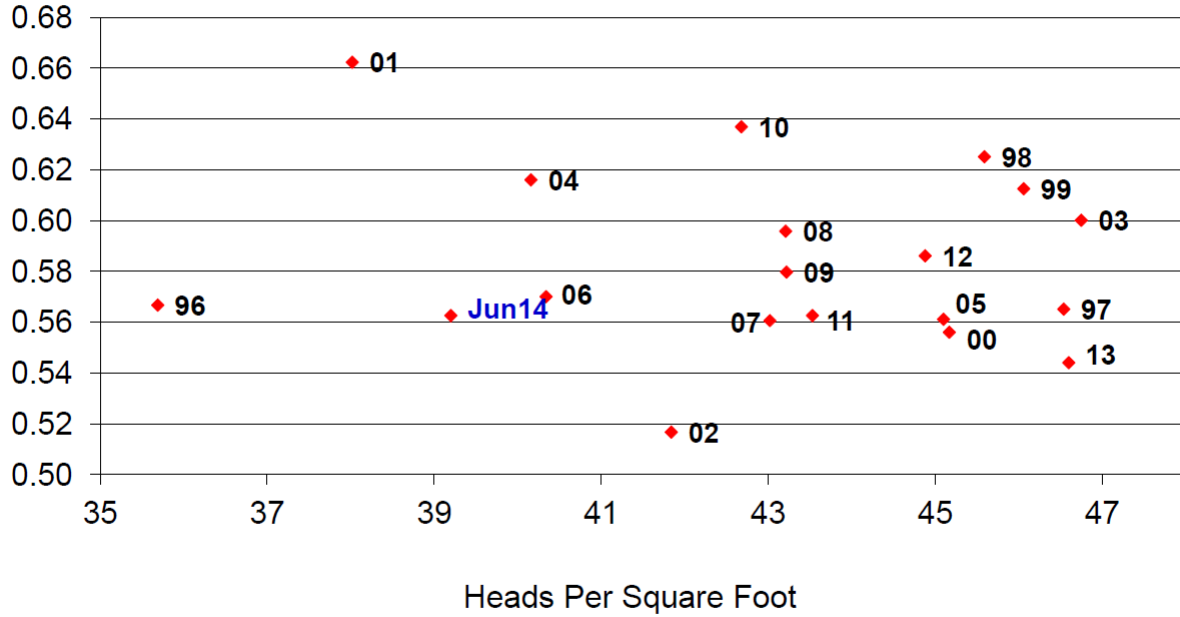


10-State Winter Wheat Region

Derived Head Weight vs Heads Per Square Foot



Grams/head

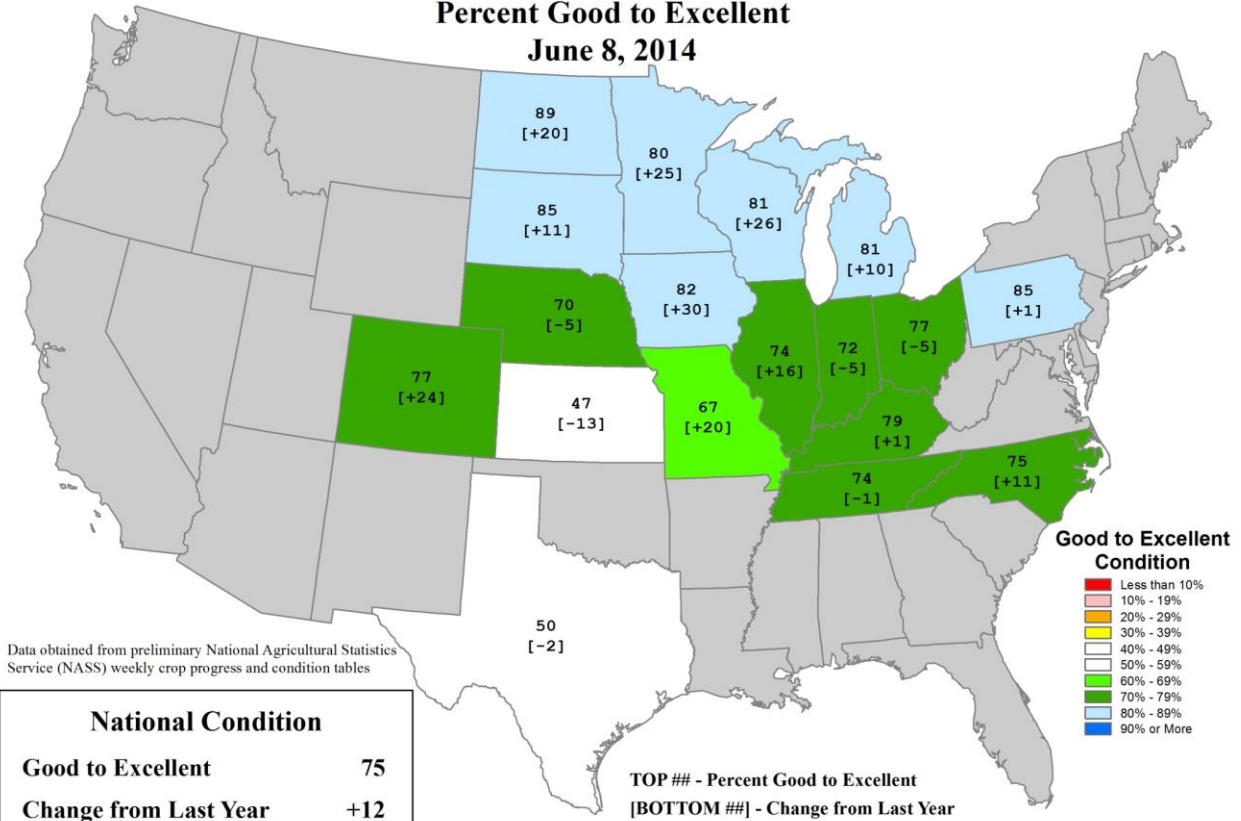


USDA-NASS
6-11-14

U.S. Corn Conditions

Percent Good to Excellent

June 8, 2014



Data obtained from preliminary National Agricultural Statistics Service (NASS) weekly crop progress and condition tables

| National Condition | |
|-----------------------|-----|
| Good to Excellent | 75 |
| Change from Last Year | +12 |

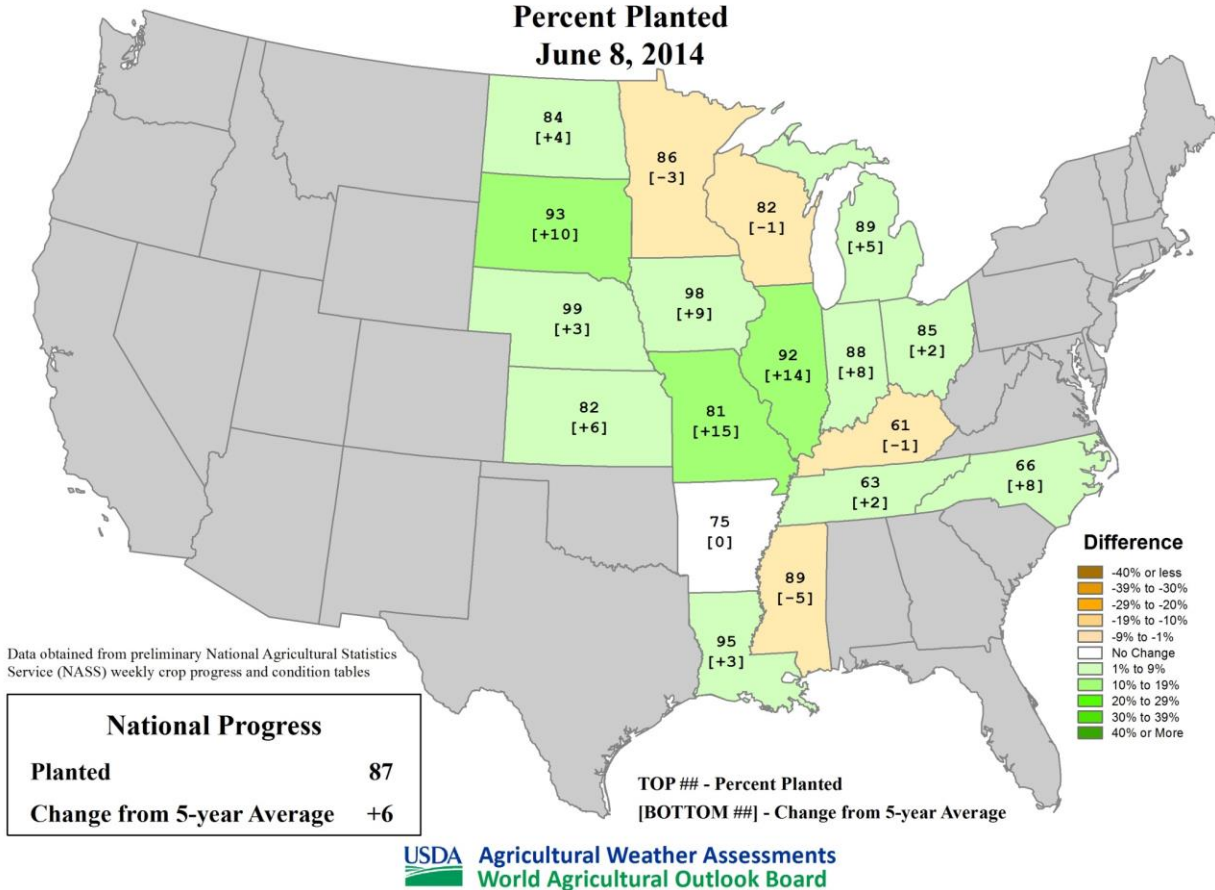
TOP ## - Percent Good to Excellent
[BOTTOM ##] - Change from Last Year



USDA Agricultural Weather Assessments
World Agricultural Outlook Board

U.S. Soybeans Progress

Percent Planted
June 8, 2014



High temperatures through Saturday in the north will be in the middle 60s through the 70s with some lower 80s today and Saturday and some lower 60s and a few upper 50s Thursday. Highs in the south will be in the 70s and lower 80s with a few upper 60s today and some middle 80s each day. Sunday will be a little warmer and highs Monday through next Wednesday in the north will be in the 70s and lower 80s with some upper 60s in the west Monday and some middle 80s each day. Highs in the south will be in the 80s with some lower 90s.

Low temperatures through Saturday will be in the 50s and lower 60s with some middle and upper 40s common in northern and some central areas and some middle 60s in the south. Sunday through next Wednesday's lows will be warmer and lows in the north will be in the 50s and lower 60s with some upper in the northwest and some middle 60s. Lows in the south will be in the 60s with some lower 70s each day and some upper 50s in the east Sunday. Cooling will occur during the middle to late part of next week."

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