



July 11, 2014

Dear Subscriber:


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

This morning (July 11, 2014 USDA released its July 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 July U-S Crop Production for 2014 in billions of bushels
(released July 11, 2014, 11 a.m. CST)**

Crop	USDA July Estimate	Average Guess	Range	USDA June Estimate
Corn:				
Production	13.860	13.931	13.842 - 14.314	13.935
Yield	165.3	165.9	165.0 - 170.0	165.3
Soybeans:				
Production	3.800	3.787	3.615 - 4.029	3.635
Yield	45.2	45.1	44.4 - 46.2	45.2

**USDA July 2014 U-S Winter Wheat Production for 2013-14 in billions of bushels
(released July 11, 2014, 11:00 a.m. CST)**

Crop	USDA July Estimate	Average Guess	Range	USDA June Estimate
All Wheat	1.992	1.964	1.898 - 2.031	1.942
All Winter	1.370	1.378	1.336 - 1.410	1.381
Hard Red Winter	0.703	0.720	0.686 - 0.750	0.720
Soft Red Winter	0.458	0.453	0.443 - 0.460	0.454
White Winter	0.206	0.206	0.196 - 0.220	0.206

From the July 2014 USDA Crop Production Report:

WHEAT: Winter wheat production is forecast at 1.37 billion bushels, down 1 percent from the June 1 forecast and down 11 percent from 2013. Based on July 1 conditions, the United States yield is forecast at 42.2 bushels per acre, down 0.2 bushel from last month and down 5.2 bushels from last year. The area expected to be harvested for grain or seed totals 32.4 million acres, unchanged from the *Acreage* report released on June 30, 2014 but up slightly from last year.

Hard Red Winter production, at 703 million bushels, is down 2 percent from last month. Soft Red Winter, at 458 million bushels, is up 1 percent from the June forecast. White Winter, at 206 million bushels, is up slightly from last month. Of the White Winter production, 10.6 million bushels are Hard White and 196 million bushels are Soft White.

Durum wheat production is forecast at 59.6 million bushels, down 4 percent from 2013. The United States yield is forecast at 42.1 bushels per acre, down 1.5 bushels from last year. Expected area to be harvested for grain totals 1.42 million acres, unchanged from the *Acreage* report released on June 30, 2014 but down slightly from last year.

Other spring wheat production is forecast at 565 million bushels, up 6 percent from last year. Area harvested for grain is expected to total 12.4 million acres, unchanged from the *Acreage* report released on June 30, 2014 but up 9 percent from last year. The United States yield is forecast at 45.5 bushels per acre, down 1.6 bushels from 2013. Of the total production, 520 million bushels are Hard Red Spring wheat, up 6 percent from last year.

To read the full USDA July 2014 Crop Production report go to:

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

USDA also released its July 2014 WASDE report. Here are the key numbers and commentary:

<i>USDA July 2014 U-S Ending Stocks for 2013-14 in billions of bushels (released July 11, 2014, 11 a.m. CST)</i>				
Crop	USDA July Estimate	Average Guess	Range	USDA June Estimate
Corn	1.246	1.233	1.146 - 1.391	1.146
Soybeans	0.140	0.128	0.111 - 0.156	0.125

<i>USDA July 2014 U-S Ending Stocks for 2014-15 in billions of bushels (released July 11, 2014, 11:00 a.m. CST)</i>				
Crop	USDA July Estimate	Average Guess	Range	USDA June Estimate
Corn	1.801	1.807	1.535 - 2.309	1.726
Soybeans	0.415	0.417	0.320 - 0.586	0.325
Wheat	0.660	0.590	0.522 - 0.723	0.574

From the USDA July 2014 WASDE report:

CORN: Projected 2014/15 U.S. feed grain supplies are raised with increases for corn and sorghum beginning stocks and higher expected sorghum production. Corn production is projected 75 million bushels lower based on harvested acres from the June 30 Acreage report. The national average corn yield remains projected at a record 165.3 bushels per acre. Favorable early July crop conditions and weather support an outlook for record yields across most of the Corn Belt, however, for much of the crop, the critical pollination period will be during middle and late July. At the projected 13,860 million bushels, this year's crop remains just 65 million bushels below last year's record.

Corn use changes for 2014/15 are limited to a 50-million-bushel reduction in expected feed and residual use based on the lower production projection and higher projected sorghum feed and residual use. Sorghum food, seed, and industrial use, exports, and ending stocks are also raised for 2014/15 with sorghum production projected up 50 million bushels on the higher area reported in the Acreage report. Corn ending stocks are projected up 75 million bushels with a higher carryin and lower feed and residual use more than offsetting the small acreage-driven decline in production. The projected range for the season-average corn price is lowered 20 cents on each end to \$3.65 to \$4.35 per bushel. Lower farm prices are also projected for sorghum, barley, and oats.

A number of 2013/14 feed grain supply and use changes are made this month reflecting June 1 stocks estimates from the June 30 Grain Stocks and based on final marketing-year barley and oats trade data from the U.S. Census Bureau. Projected corn feed and residual use is lowered 125 million bushels based on lower-than-expected March-May disappearance as indicated by the June 1 stocks. Corn used to produce ethanol is projected 25 million bushels higher based on the pace of ethanol production to date and lower projected sorghum food, seed, and industrial use, most of which is for ethanol. Sorghum exports are projected up 10 million bushels reflecting continued steady export sales and the large 2013/14 outstanding sales balance. Projected 2013/14 farm prices for corn and sorghum are lowered this month as favorable weather for developing 2014 crops reduce summer price prospects.

SOYBEANS: U.S. oilseed production for 2014/15 is projected at 113.1 million tons, up 5.0 million tons with higher soybean production accounting for most of the change. Soybean production is projected at a record 3,800 million bushels, up 165 million due to increased harvested area. Harvested area, forecast at 84.1 million acres in the June 30 Acreage report, is 3.6 million above the June forecast. The soybean yield is projected at 45.2 bushels per acre, unchanged from last month. Soybean supplies are 180 million bushels above last month's forecast due to higher beginning stocks and production. Soybean crush is projected at 1,755 million bushels, up 40 million reflecting increased domestic soybean meal disappearance in line with adjustments for 2013/14 and higher U.S. soybean meal exports that offset lower projected exports for India. Soybean exports for 2014/15 are raised 50 million bushels to 1,675 million reflecting record U.S. supplies and lower prices. U.S. soybean ending stocks are projected at 415 million bushels, up 90 million. If realized, projected stocks would be the highest since 2006/07.

Prices for soybeans and products for 2014/15 are all reduced. The U.S. season-average soybean price is projected at \$9.50 to \$11.50 per bushel, down 25 cents on both ends of the range. Soybean meal prices are projected at \$350 to \$390 per short ton, down 5 dollars on both ends. The soybean oil price range is projected at 36 to 40 cents per pound, down 1 cent on both ends.

U.S. soybean crush for 2013/14 is raised 25 million bushels to 1,725 million on both increased soybean meal exports and domestic soybean meal use. Soybean exports for 2013/14 are projected at 1,620 million bushels, up 20 million reflecting record shipments through early July. Seed use is raised and residual is reduced based on indications from the June 30 Acreage and Grain Stocks reports, respectively. Soybean ending stocks for 2013/14 are projected at 140 million bushels, up 15 million.

WHEAT: Projected U.S. wheat supplies for 2014/15 are raised this month with a sharp increase in forecast Hard Red Spring (HRS) wheat more than offsetting a decrease for Hard Red Winter (HRW). The HRW crop was damaged by drought and April freezes in the Southern and Central plains; however, the HRS crop in the Northern Plains has benefitted from abundant soil moisture and cooler than normal early summer temperatures. Yields for Durum and other spring wheat are forecast to be above average. Feed and residual use for all wheat in 2014/15 is lowered 15 million bushels to 145 million as tight supplies of HRW wheat and relatively more attractive prices for feed grains reduce expected feed and residual use. All wheat exports for 2014/15 are lowered 25 million bushels reflecting expectations of large world supplies and strong competition in export markets. Ending stocks are projected 86 million bushels higher. The projected season-average farm price range is lowered 40 cents at the midpoint to \$6.00 to \$7.20 per bushel.

<i>USDA July 2014 World WASDE Production in millions of metric tons (released July 11, 2014, 11 a.m. CST)</i>				
Crop	USDA July Estimate 2014-15	USDA June Estimate 2014-15	USDA July Estimate 2013-14	USDA June Estimate 2013-14
Argentina Wheat	12.50	12.50	10.50	10.50
Australia Wheat	26.00	25.50	27.01	27.00

China Wheat	124.00	124.00	121.93	121.72
India Wheat	95.85	95.84	93.51	93.51
FSU-12 Wheat	102.22	102.20	103.77	103.76
EU Wheat	147.88	146.25	143.32	143.32
Argentina Corn	26.00	26.00	24.00	24.00
Brazil Corn	74.00	74.00	78.00	76.00
China Corn	222.00	220.00	218.49	217.73
South Africa Corn	13.50	13.50	14.50	14.50
Argentina Soybeans	54.00	54.00	54.00	54.00
Brazil Soybeans	91.00	91.00	87.50	87.50

From the USDA July 2014 WASDE report:

CORN: Global coarse grain supplies for 2014/15 are projected 7.0 million tons higher with larger beginning stocks for the United States, Brazil, and China and larger production for China, the EU, Ukraine, Russia, and Serbia. Lower corn production for the United States and lower corn, barley, and oats production for Canada partly offset this month's increases in world coarse grain output. World barley production is higher with larger crops expected in Ukraine and Russia. Foreign corn production for 2014/15 is raised 1.7 million tons. China corn production is up 2.0 million tons on higher expected area. China 2013/14 corn production is also raised, up 0.8 million tons based on the latest government estimates that include higher area. EU 2014/15 corn production is raised 0.4 million with larger crops expected in Germany and France. Serbia corn production is also raised 0.3 million tons. Partly offsetting is a 0.9-million-ton reduction in Canada corn reflecting the lower planted area recently reported by Statistics Canada. Brazil corn production is unchanged for 2014/15, but raised 2.0 million tons for 2013/14 based on higher area indications for second crop corn.

Global 2014/15 corn trade is nearly unchanged with a reduction for Canada exports partly offset by an increase for Serbia. For 2013/14, world corn trade is raised with higher imports for the EU and South Korea more than offsetting a reduction for China. Corn exports for 2013/14 are raised for Canada, the EU, and Russia. Global corn consumption is lowered slightly for both 2013/14 and 2014/15 mostly reflecting the lower U.S. feed and residual use projections. Global 2014/15 corn ending stocks are projected 5.4 million tons higher with increases for China, Brazil, and the United States more than offsetting the Canada reduction.

SOYBEANS: Global oilseed production for 2014/15 is projected at a record 521.9 million tons, up 5.8 million from last month with soybeans and rapeseed accounting for most of the change. Global soybean production is projected at 304.8 million tons, up 4.8 million mostly due to higher production in the United States. Higher soybean production is also projected for Russia and Ukraine, both reflecting higher harvested area. Lower soybean production for India resulting from reduced harvested area partly offsets these gains. Harvested area is reduced based on planting delays resulting from the slow development of the monsoon in the main soybean producing states. Rapeseed production is raised for Canada based on higher planted area reported by Statistics Canada. Rapeseed production is also raised for Australia on higher area and yield. Global oilseed ending stocks for 2014/15 are projected at 99.7 million tons, up 3.6 million mostly reflecting a sharp increase in U.S. soybean stocks.

WHEAT: Global wheat supplies for 2014/15 are raised 1.8 million tons with increased production more than offsetting lower beginning stocks. World production is raised 3.6 million tons to 705.2 million. This is down 9.0 million tons from last year but still the second largest production on record. The biggest foreign increases are 1.6 million tons for the EU and 1.0 million tons for Ukraine both due to continued favorable weather. Production is raised 0.5 million tons for Australia based on the latest government indications for area. Production is also raised 0.3 million tons each for Brazil and Serbia. Partly offsetting this month's production increases is a reduction of 1.0 million tons for Kazakhstan due to June dryness and a decline of 0.5 million tons for Canada based on the latest area indications from Statistics Canada.

Global wheat consumption is raised 0.9 million tons with increased wheat feeding for the EU and higher food use for several countries. EU wheat feeding is raised 1.0 million tons as wheat quality is expected to suffer in the lower Danube region because of excessive rainfall in recent weeks. Feeding reductions for Kazakhstan, Egypt, and Thailand are partly offsetting. Food use is raised for Indonesia, Sudan, Morocco, and Bangladesh but lowered for

Egypt. Global wheat trade for 2014/15 is lowered with exports reduced 1.0 million tons for Kazakhstan and 0.7 million for the United States. Partly offsetting increases in exports are made for Australia, Ukraine, and Serbia with improved crop prospects. EU imports are lowered 0.5 million tons due in part to larger expected supplies of feed quality wheat in Bulgaria and Romania. Imports are also lowered for Egypt and Mexico, but raised for Sudan, Indonesia, and Nigeria. With supplies rising faster than use, global ending stocks are raised 0.9 million tons and remain at a 3-year high.

To see the full USDA July 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 Atchensan Kansas. **(This link IS NOW LIVE!!!)**

<http://audio01.will.illinois.edu/ag-zuzolo140711.mp3>

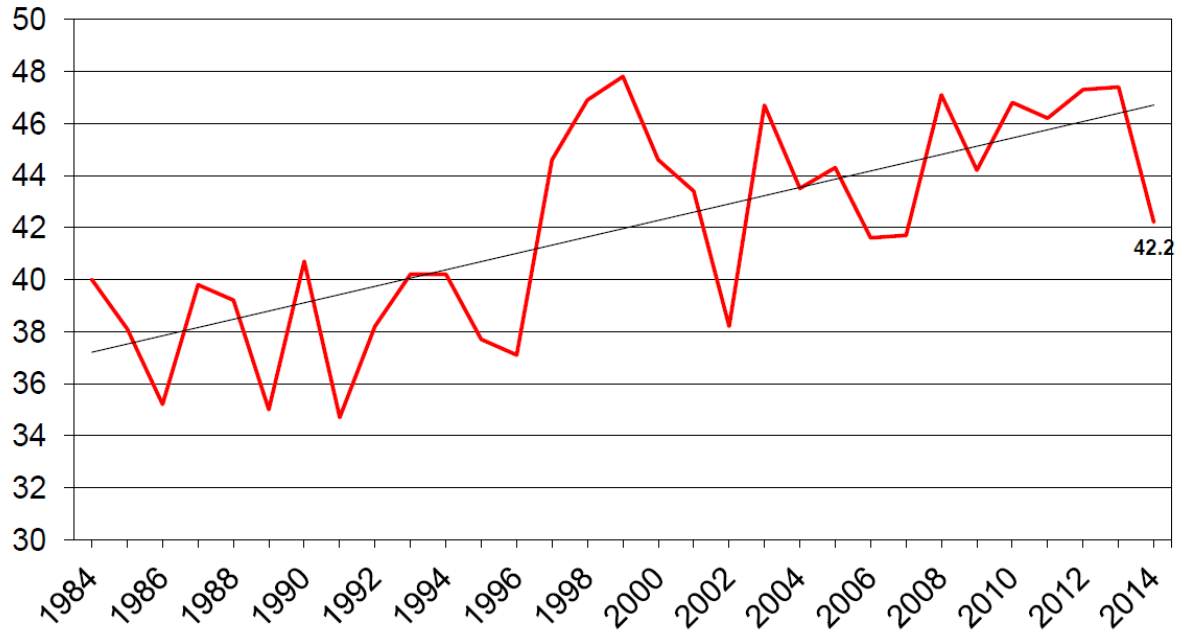
Key graphics from the lock up briefing of the USDA Secretary:



U.S. Winter Wheat Yield



Bushels/acre

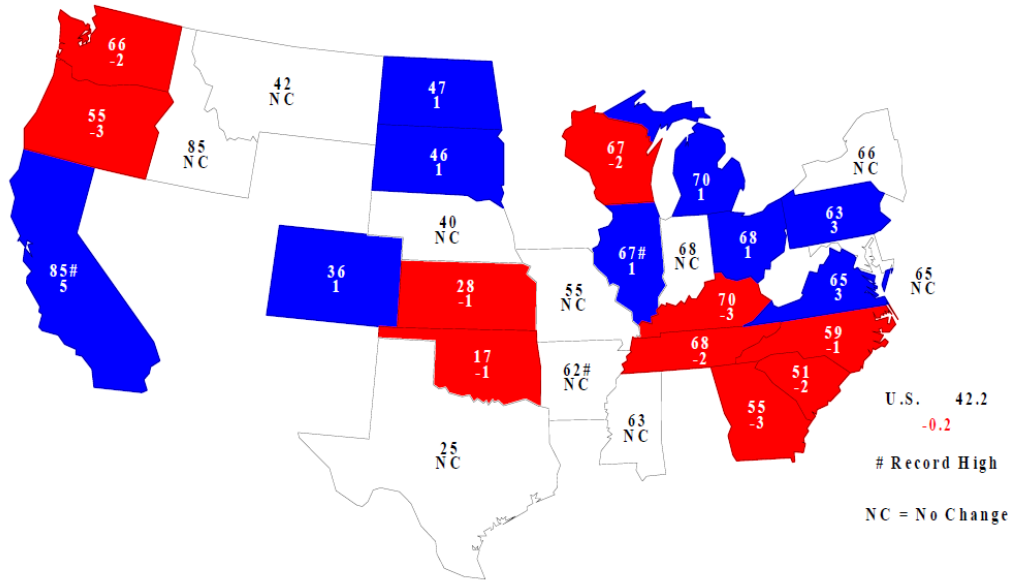


USDA-NASS
7-11-14

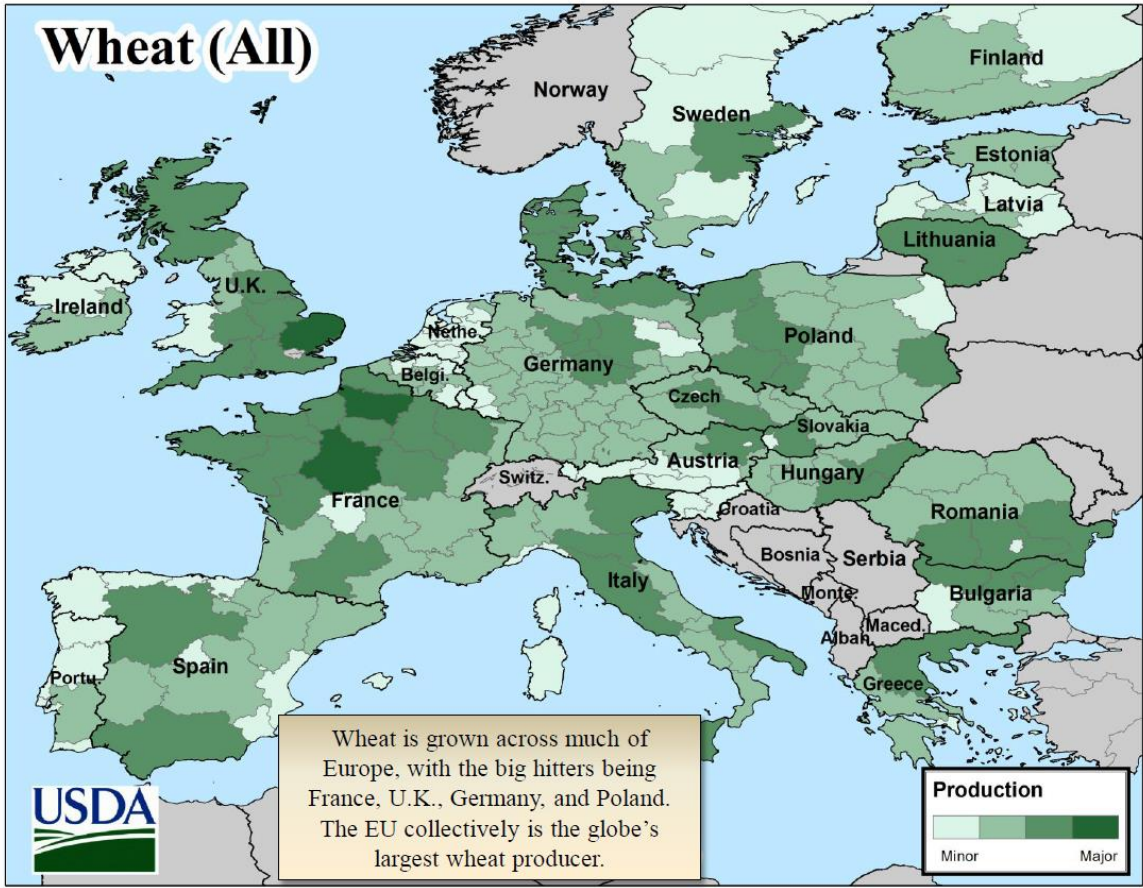


Winter Wheat Yield - July 1, 2014

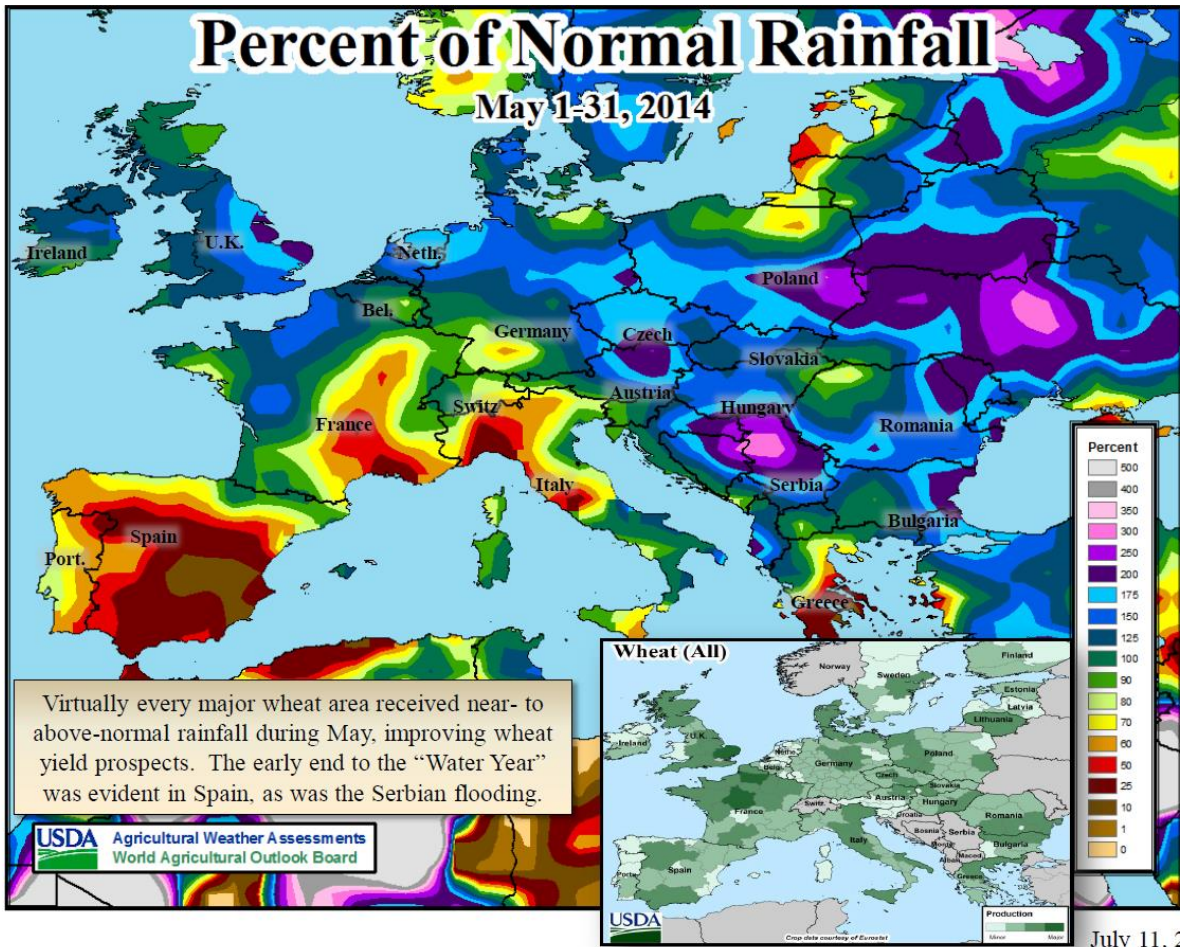
Bushels and Change From Previous Month



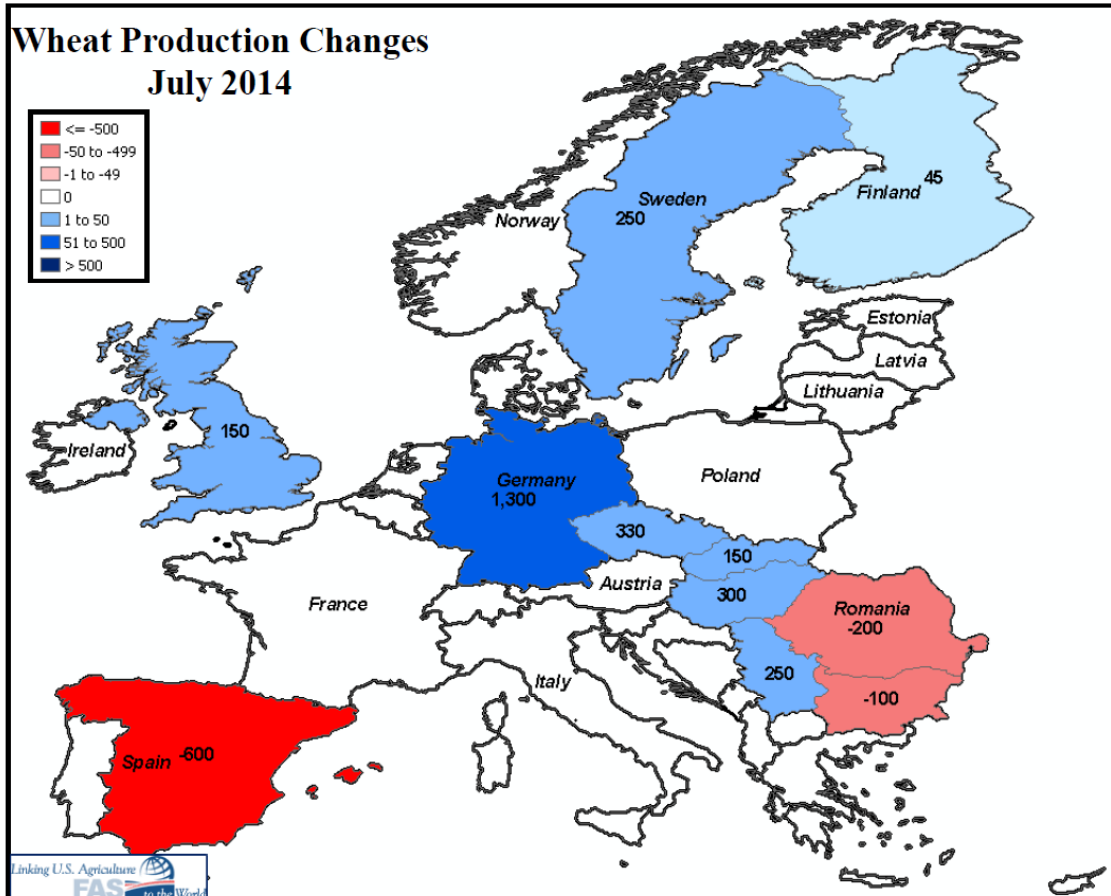
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7-11-14



July 11, 2014

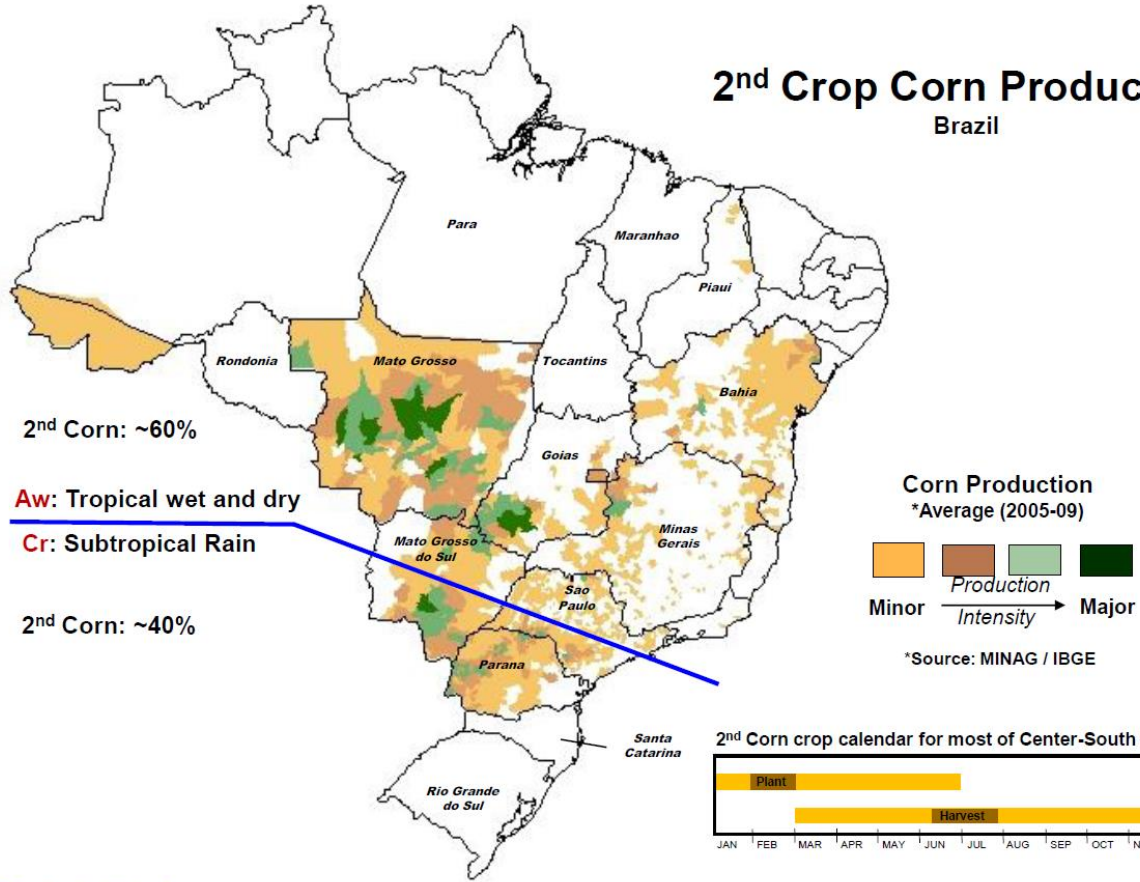


July 11, 2014



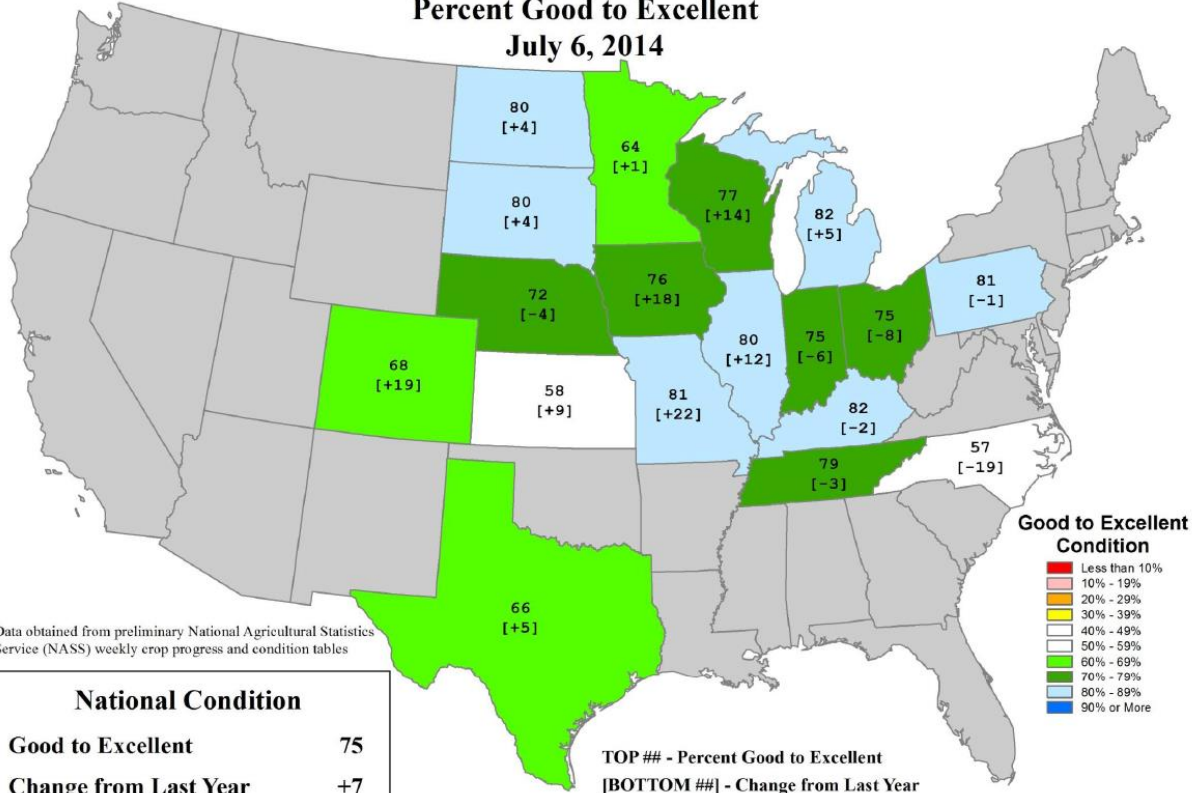
July 11, 2014

2nd Crop Corn Production Brazil



U.S. Corn Conditions

Percent Good to Excellent
July 6, 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	+7

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



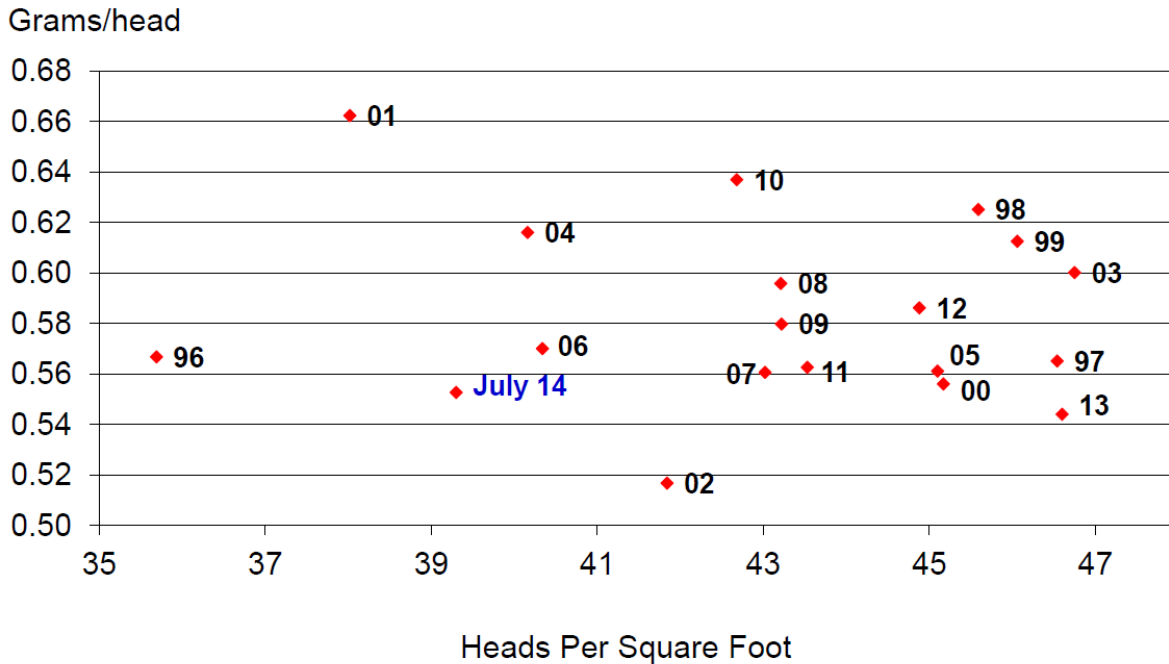
USDA Agricultural Weather Assessments
World Agricultural Outlook Board

July 11, 2014



10-State Winter Wheat Region

Derived Head Weight vs Heads Per Square Foot



USDA-NASS
7-11-14

AGRICULTURAL WEATHER

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

The two-week outlook has not changed significantly since Thursday and crops in the Midwest will continue to develop in a favorable environment through the period and yield potentials should remain high. Rain will increase today through Saturday in the west and Saturday through Monday in the east with scattered showers continuing into Monday in the west. Nearly all locations will receive rain by Monday and the moisture will be well timed for pollinating corn.

Temperatures will become much cooler than normal next week and the cool temperatures will help to conserve soil moisture while mostly dry conditions occur Tuesday through Saturday, July 19 in the west and Tuesday through July 20 in the east. A timely increase in rain will occur July 20-23 and while significant increases in soil moisture levels may not occur in very many areas, the rain will aid corn pollination and will slow drying rates.

High temperatures through Sunday will be in the upper 70s and 80s with some lower 90s and a few middle 90s in the south and some middle 70s near the Great Lakes. Some far northwestern locations will cool to the upper 60s and lower 70s Sunday. Monday will be cooler and highs will be in the 70s and 80s with some 60s and a few upper 50s in the northwest and a few lower 90s in the south. Tuesday's highs will be in the upper 60s and 70s with some middle 60s in the north and a few lower 80s in the southeast. Highs Wednesday will be in the 70s with a few lower 80s in the south and a few upper 60s in the Great Lakes region. Thursday will be warmer and highs next Friday will be in the lower to middle 80s with some upper and a few middle 70s in the north and east.

Low temperatures through Monday will be in the upper 50s and 60s with some lower 70s in the south and 50s in the north. Some far northwestern locations will cool to the upper 40s Sunday and Monday. Lows will be cooler Tuesday and will be in the upper 40s and 50s with some middle 40s in the northwest and lower to middle 60s in southern and eastern parts of the eastern Corn Belt. Wednesday and Thursday's lows will be in the 50s with some upper 40s in the north. Lows next Friday will be in the upper 50s and lower 60s with some middle 50s in the north. Warming will occur early in the second week of the two-week outlook.

WEEKLY OUTLOOK

Purdue University Ag Economist Chris Hurt says that prospects for profitability in hogs have brightened. Christ writes:

Continued record hog prices and now lower feed prices mean that record will fall this summer as third quarter profits are expected to be over \$100 per head. These extremely high profits are clear signals for producers to increase pork production. The USDA report did reveal that producers have received this signal and they intend to increase farrowings by four percent this fall. If they start the expansion, and if PEDv is better controlled, then pork supplies can begin to grow by the spring of 2015, and could total 4 to 6 percent higher in the last three quarters of 2015.

No relief for consumers is expected this summer as retail pork prices keep moving up to new records. Retail pork prices are expected to level off in the fall and then move somewhat lower into the winter. More relief from record

high retail pork prices can be expected in the second-half of 2015 as pork supplies build.

To read Chris' full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/070714.html>



Panelists:

- Aaron Curtis, MIDCO - Bloomington, Illinois
- Bill Gentry, Risk Management Commodities - Lafayette, Indiana
- Mike Zuzolo, Global Commodity Analytics & Consulting - Atchison, Kansas

Guest:

- Brian Basting, Advanced Trading - Bloomington, Illinois

You can listen to Commodity Week on the website after 5:00 p.m. CST today (Friday, July 11, 2014). The link is:

<http://will.illinois.edu/commodityweek>

The show is also available at:

Broadband MP3:

<http://audio01.will.illinois.edu/cw130711.mp3>

Dial Up MP3:

<http://audio01.will.illinois.edu/cw130711dial.mp3>

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