



January 12, 2015

Dear Subscriber:

We will be adding material to this shell letter after todays reports are released at 11:00 a.m.

Be sure to click back on the link often for the latest information.

Before we get rolling a quick note to let you know we are in the process of finalizing the 2015 All Day Ag Outlook Meeting at the Beefhouse. Our lineup is at the end of this letter – tickets this year are just 25 dollars and include a continental breakfast, Beef House Lunch and a keynote from Sue Martin of Ag and Investment Services. You can

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Now on to the markets. This morning USDA released its Annual Crop Production Summary report, the January WASDE, the January Quarterly Grain Stocks Report, and the Winter Wheat Seedings Report. Here is a look at all the key statistics:

USDA January 2015 U-S Annual Crop Production for 2014 in billions of bushels (released January 15, 2015, 11 a.m. CST)					
Crop	USDA January Estimate	Average Guess	Range	USDA 2014	USDA 2013
Corn	-	-	-	-	-
Production	14.216	14.342	14.171 - 14.543	14.407	13.925
Yield	171.0	173.4	171.3 - 176.5	173.4	158.8
Soybeans	-	-	-	-	-
Production	3.969	3.962	3.844 - 4.020	3.958	3.358
Yield	47.8	47.7	46.8 - 48.2	47.5	44.0

From the USDA Crop Production Annual Summary Report:

CORN: Corn for grain production is estimated at a record 14.2 billion bushels, down 1 percent from the November forecast but 3 percent above the revised 2013 estimate. The average yield in the United States is estimated at a record high of 171.0 bushels per acre. This is down 2.4 bushels from the November forecast but 12.9 bushels above the revised 2013 average yield of 158.1 bushels per acre. Area harvested for grain is estimated at 83.1 million acres, up slightly from the November forecast but down 5 percent from the revised 2013 acreage.

Sorghum grain production in 2014 is estimated at 433 million bushels, up 6 percent from the November forecast and up 11 percent from the revised 2013 grain production total. Planted area is estimated at 7.14 million acres, down 11 percent from last year's revised planted acres. Area harvested for grain, at 6.40 million acres, is down 2 percent from the 2013 revised harvested

acres. Average grain yield, at 67.6 bushels per acre, is up 1.5 bushels from the previous forecast and up 8.0 bushels from last year.

SOYBEANS: Soybean production in 2014 totaled a record 3.97 billion bushels, up slightly from the November forecast and up 18 percent from 2013. The average yield per acre is estimated at a record high 47.8 bushels, 0.3 bushel above the November forecast and 3.8 bushels above the 2013 yield. Harvested area is up 9 percent from 2013 to 83.1 million acres and is the highest on record.

To see the full Crop Production Annual Summary report go to:

<http://www.usda.gov/nass/PUBS/TODAYRPT/crop0115.txt>

USDA January 2015 Quarterly Grain Stocks Report in billions of bushels (released January 12, 2015, 11 a.m. CST)				
Crop	USDA January Estimate	Average Guess	Range	USDA Sept 1, 2014
Corn	11.203	11.138	10.820 - 11.351	1.236
Soybeans	2.524	2.599	2.400 - 2.910	0.092
Wheat	1.524	1.503	1.400 - 1.585	1.914

From the USDA January 2015 Quarterly Grain Stocks Report:

CORN: Corn stored in all positions on December 1, 2014 totaled 11.2 billion bushels, up 7 percent from December 1, 2013. Of the total stocks, 7.09 billion bushels are stored on farms, up 11 percent from a year earlier. Off-farm stocks, at 4.12 billion bushels, are up 1 percent from a year ago. The September - November 2014 indicated disappearance is 4.25 billion bushels, compared with 4.29 billion bushels during the same period last year.

SOYBEANS: Soybeans stored in all positions on December 1, 2014 totaled 2.52 billion bushels, up 17 percent from December 1, 2013. Soybean stocks stored on farms totaled 1.22 billion bushels, up 28 percent from a year ago. Off-farm stocks, at 1.31 billion bushels, are up 9 percent from last

December. Indicated disappearance for September - November 2014 totaled 1.54 billion bushels, up 14 percent from the same period a year earlier.

WHEAT: All wheat stored in all positions on December 1, 2014 totaled 1.52 billion bushels, up 3 percent from a year ago. On-farm stocks are estimated at 473 million bushels, up 19 percent from last December. Off-farm stocks, at 1.05 billion bushels, are down 2 percent from a year ago. The September - November 2014 indicated disappearance is 383 million bushels, down 3 percent from the same period a year earlier.

Durum wheat stored in all positions on December 1, 2014 totaled 42.0 million bushels, down 22 percent from a year ago. On-farm stocks, at 22.0 million bushels, are down 33 percent from December 1, 2013. Off-farm stocks totaled 20.0 million bushels, down 6 percent from a year ago. The September - November 2014 indicated disappearance of 15.8 million bushels is up 28 percent from the same period a year earlier.

To see the full January 2015 Quarterly Grain Stocks Report go to:

<http://www.usda.gov/nass/PUBS/TODAYRPT/grst0115.txt>

USDA January 2015 Winter Wheat Seedings for 2015-16 in mil/ac (released January 12, 2015, 11 a.m. CST)				
Crop	USDA January Estimate	Average Guess	Range	USDA 2014-15
All Winter	40.5	42.632	41.000 - 44.000	42.399
Hard Red	29.5	30.975	29.700 - 32.115	30.471
Soft Red	7.5	8.168	7.432 - 10.000	8.498
White	3.48	3.468	3.200 - 3.723	3.430

From the January 2015 Winter Wheat Seedings Report:

Winter wheat: Planted area for harvest in 2015 is estimated at 40.5 million acres, down 5 percent from 2014 and 6 percent below 2013. Seeding began in August and by the end of September was well ahead the 5-year average pace. By the middle of November, seeding was mostly complete.

Hard Red Winter (HRW) wheat seeded area is expected to be 29.5 million acres, down 3 percent from 2014. Acreage changes from last year are mixed across the growing region. Growers in Colorado, Kansas, Montana, North Dakota, Oklahoma, and Texas planted significantly less acreage this year while large acreage increases are estimated in Nebraska and South Dakota. Record low acreage was seeded in Utah. By November 23, Hard Red Winter wheat conditions were varied across States from last year with most acreage rated in fair to good condition.

Soft Red Winter (SRW) wheat seeded area is about 7.50 million acres, down 12 percent from last year. Acreage decreases from last year are expected in most SRW growing States with significant acreage decreases estimated in Illinois and Missouri.

White Winter wheat seeded area totals nearly 3.48 million acres, up 2 percent from 2014. Planted acreage in the Pacific Northwest (Oregon, and Washington) are up 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 9, seeding was virtually complete in the region.

Durum wheat: Seedings in Arizona and California for 2015 harvest are estimated at 155,000 acres, up 44 percent from 2014 and 7 percent above 2013. Water allocation for the crop in the Imperial Valley was greatly reduced over the past year. Nonetheless, no major problems in the development of the crop have been reported. Planting has progressed well for both the San Joaquin Valley and Imperial Valley.

To see the full January 2015 Winter Wheat Seedings Report go to:

<http://www.usda.gov/nass/PUBS/TODAYRPT/wtry0115.txt>

We also got world supply and demand statistics today:

USDA January 2015 U-S Ending Stocks for 2014-15 in billions of bushels (released January 12, 2015, 11 a.m. CST)				
Crop	USDA January Estimate	Average Guess	Range	USDA December Estimate
Corn	1.877	1.944	1.710 - 2.194	1.998
Soybeans	0.410	0.401	0.355 - 0.475	0.410
Wheat	0.687	0.667	0.639 - 0.727	0.654

From the January 2015 WASDE report:

CORN: U.S. feed grain supplies for 2014/15 are projected lower with a reduction in corn production more than offsetting an increase in sorghum. Harvested area for corn is increased slightly, but the national average yield is estimated 2.4 bushel per acre lower at 171.0 bushels per acre. Corn production is estimated 191 million bushels lower. Yield and production, however, both remain records. Sorghum production is raised 25 million bushels with increases estimated for both harvested area and yield.

Total projected corn use for 2014/15 is reduced 75 million bushels with lower feed and residual use only partly offset by an increase in corn used for ethanol production. Feed and residual use is lowered 100 million bushels with the smaller crop and reflecting September-November disappearance as indicated by the December 1 stocks. Corn used to produce ethanol is raised 25 million bushels mostly offsetting a reduction in expected sorghum use for ethanol. Corn ending stocks are projected 121 million bushels lower. The projected range for the season-average corn farm price is raised 15 cents on each end to \$3.35 to \$3.95 per bushel.

Other 2014/15 U.S. feed grain changes reflect the continued strong pace of sorghum export sales and shipments to China and changes in feed and residual disappearance as indicated by the December 1 stocks. Sorghum exports are raised 40 million bushels. Domestic sorghum use is lowered 10 million bushels with a reduction in food, seed, and industrial use partly offset by higher feed and residual use. Barley feed and residual use is lowered 10 million bushels based on June-November disappearance as indicated by the

December 1 stocks. The sorghum farm price range is raised 30 cents on each end to \$3.50 to \$4.10 per bushel and higher than the projected corn price because of the large share of use coming from exports this year. The barley farm price range is raised 10 cents at the midpoint to \$5.00 to \$5.50 per bushel based on higher-than-expected prices for feed barley reported to date. The oats farm price range is narrowed 5 cents on each end to \$3.10 to \$3.40 per bushel.

SOYBEANS: The 2014/15 U.S. season-average farm price for soybeans is projected at \$9.45 to \$10.95 per bushel, up 20 cents at the midpoint based on prices reported to date. The soybean oil price is forecast at 31 to 35 cents per pound, down 1 cent at the midpoint. The soybean meal price projection is unchanged at \$340 to \$380 per short ton.

WHEAT: Feed and residual use for 2014/15 is lowered 30 million bushels reflecting disappearance for June-November as indicated by the December 1 stocks released in the Grain Stocks report. Seed use is lowered on the winter wheat planted area reported today in the Winter Wheat Seedings report. U.S. wheat supplies for 2014/15 are up slightly on increased beginning stocks. Projected ending stocks are raised 33 million bushels. The 2014/15 season-average farm price is projected 10 cents higher on both ends to \$5.90 to \$6.30.

<i>USDA January 2015 World WASDE production in millions of metric tons (released January 12, 2015, 11 a.m. CST)</i>		
Crop	USDA January 2014-15 Estimate	USDA December Estimate
Argentina Wheat	12.00	12.00
Australia Wheat	24.00	24.00
China Wheat	126.00	126.00
India Wheat	95.91	95.91
FSU Wheat	111.60	111.60
EU Wheat	155.51	155.40
Argentina Corn	22.00	22.00
Brazil Corn	75.00	75.00
China Corn	215.50	215.50

South Africa Corn	13.50	13.50
Argentina Soybeans	55.00	55.00
Brazil Soybeans	95.50	94.00

From the January 2015 WASDE report:

CORN: Global coarse grain supplies for 2014/15 are projected 3.7 million tons lower as a result of this month's reduction in the U.S. corn crop. Foreign coarse grain supplies are raised slightly with higher corn production for India and EU and higher barley production for Ethiopia. India corn production is raised 1.0 million tons with higher-than-expected plantings reported for its winter crop. EU corn production is raised 0.4 million tons with higher production reported for Spain, Croatia, Hungary, and Bulgaria. Offsetting these increases is a 0.4-million-ton reduction for Brazil sorghum with lower expected area.

Global coarse grain consumption for 2014/15 is reduced slightly as lower domestic use in the United States is mostly offset by higher corn use for Ethiopia, EU, India, and Canada. Sorghum consumption is raised for China, but lowered for Brazil and Japan. Barley consumption is raised slightly with increases for Ethiopia and Iran. Global coarse grain exports are up 1.3 million tons with most of the increase for sorghum. Sorghum exports are raised for the United States and imports are raised for China but lowered for Japan. Barley exports are raised for Australia and Kazakhstan with imports raised for Iran and Tunisia. Global coarse grain ending stocks for 2014/15 are lowered 3.3 million tons mostly on lower projected corn stocks in the United States. Corn ending stocks are also lowered for Argentina with an increase this month in 2013/14 exports.

SOYBEANS: Global oilseed production for 2014/15 is projected at a record 532.4 million tons, up 1.6 million on increases for soybeans, sunflowerseed, rapeseed, and peanuts. Global soybean production is projected at 314.4 million tons, up 1.6 million on gains for Brazil and the United States. The Brazil soybean crop projection is raised 1.5 million tons to a record 95.5 million. The increase is based on higher projected yields for major producing states including Mato Grosso and Parana. Soybean production is reduced for India on lower yields reflecting late planting and a short monsoon season. Several years of historical revisions are also made for India soybean production. Other changes include increased soybean

production for Bolivia, increased soybean and sunflowerseed production for EU, and reduced cottonseed production for India.

Global oilseed production for 2014/15 is projected at a record 532.4 million tons, up 1.6 million on increases for soybeans, sunflowerseed, rapeseed, and peanuts. Global soybean production is projected at 314.4 million tons, up 1.6 million on gains for Brazil and the United States. The Brazil soybean crop projection is raised 1.5 million tons to a record 95.5 million. The increase is based on higher projected yields for major producing states including Mato Grosso and Parana. Soybean production is reduced for India on lower yields reflecting late planting and a short monsoon season. Several years of historical revisions are also made for India soybean production. Other changes include increased soybean production for Bolivia, increased soybean and sunflowerseed production for EU, and reduced cottonseed production for India.

WHEAT: Global wheat supplies for 2014/15 are raised 1.7 million tons with both increased production and beginning stocks. World wheat production remains record high and is raised 1.2 million tons led by a 1.1-million-ton increase for Ethiopia on improved weather conditions. EU is raised 0.1 million tons on updated government statistics. Global beginning stocks are up 0.5-million-tons almost exclusively on 2013/14 production revisions for EU.

Global wheat trade for 2014/15 is raised with exports up 1.2 million tons on larger supplies and stronger demand in several importing countries. Exports are raised 1.0 million tons for EU and 0.7 million tons for Ukraine. The EU increase stems from a fast shipment pace to date and expanded opportunities once Russia's export duties take effect. The Ukraine increase also stems from expanded opportunities resulting from Russian export duties. Exports are raised 0.5 million tons each for Canada and Iran, and 0.2 million tons each for India and Kazakhstan; these changes are all on a fast shipment pace to date. Partly offsetting is a 2-million-ton export decrease for Russia on announced export duties that will take effect February 1. EU and Iran imports are each raised 0.5 million tons. Uzbekistan and United Arab Emirates are raised 0.2 and 0.1 million tons, respectively. Partly offsetting are a 0.5-million-ton reduction for Ethiopia imports and a 0.2-million-reduction for China. The Ethiopia reduction reflects a larger crop; all other import changes are on pace to date.

Global wheat consumption for 2014/15 is up slightly mostly on increased feed use for Iran, Ethiopia, and Uzbekistan. A 0.2-million-ton increase for Ethiopia food use is offset by a 0.2-million-ton reduction for EU. Increased

supplies are mostly offset by increased use with global ending stocks raised 1.1 million tons.

To see the full USDA January 2015 WASDE report go to:

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

CORN

	<i>Million Acres</i>			
Area Planted	97.3	95.4	90.9	90.6
Area Harvested	87.4	87.5	83.1	83.1
	<i>Bushels</i>			
Yield per Harvested Acre	123.1	158.1	173.4	171
	<i>Million Bushels</i>			
Beginning Stocks	989	821	1236	1232
Production	10755	13829	14407	14216
Imports	160	36	25	25
Supply, Total	11904	14686	15668	15472
Feed and Residual	4315	5036	5375	5275
Food, Seed & Industrial				
2/	6038	6501	6545	6570
Ethanol & by-products				
3/	4641	5134	5150	5175
Domestic, Total	10353	11537	11920	11845
Exports	730	1917	1750	1750
Use, Total	11083	13454	13670	13595
Ending Stocks	821	1232	1998	1877
CCC Inventory	0	0	0	0
Free Stocks	821	1232	1998	1877
Outstanding Loans	32	76	230	230
Avg. Farm Price (\$/bu)				
4/	6.89	4.46	3.20 - 3.80	3.35 - 3.95

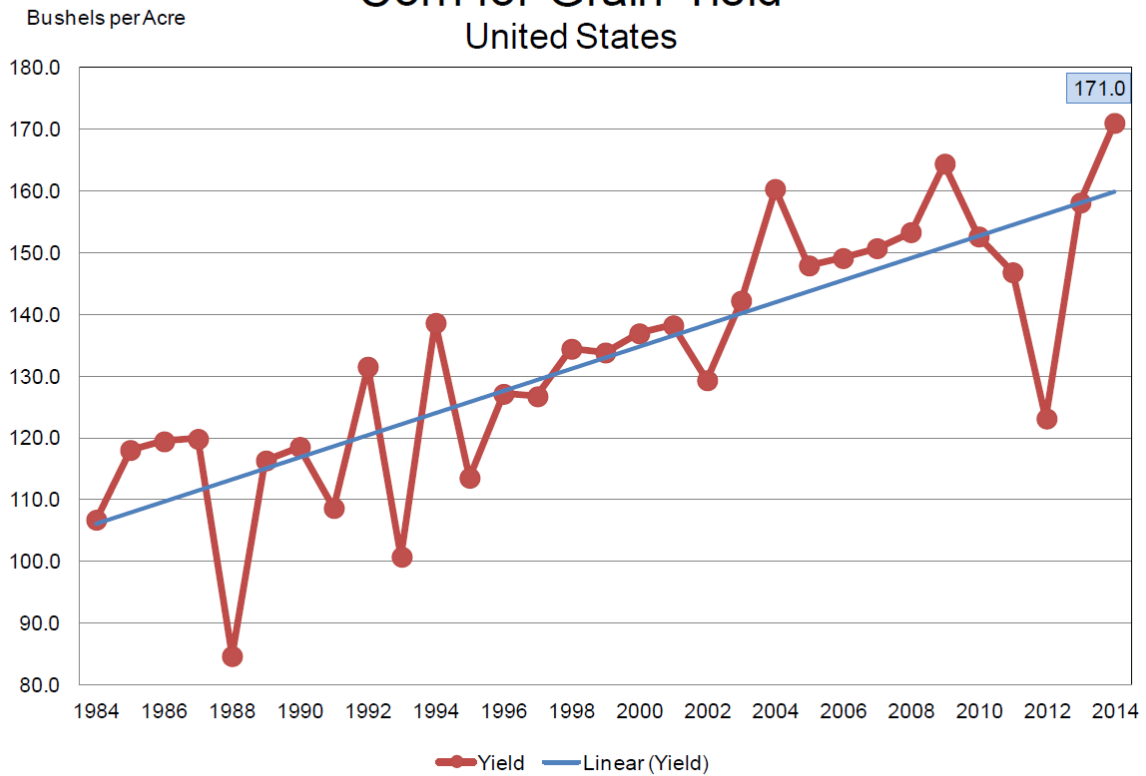
Note: Totals may not add due to rounding. 1/ Marketing year beginning September 1 for corn and sorghum; June 1 for barley and oats. 2/ For a breakout of FSI corn uses, see Feed Outlook table 5 or access the data on the Web through the Feed Grains Database at www.ers.usda.gov/data-products/feed-grains-database.aspx. 3/ Corn processed in ethanol plants to produce ethanol and by-products including distillers' grains, corn gluten feed, corn gluten meal, and corn oil. 4/ Marketing-year weighted average price received by farmers.

SOYBEANS	2012/13	2013/14 Est.	2014/15 Proj. Dec	2014/15 Proj. Jan
Filler	Filler	Filler	Filler <i>Million Acres</i>	Filler
Area Planted	77.2	76.8	84.2	83.7
Area Harvested	76.1	76.3	83.4	83.1
Filler			<i>Bushels</i>	
Yield per Harvested Acre	40	44	47.5 <i>Million Bushels</i>	47.8
Beginning Stocks	169	141	92	92
Production	3042	3358	3958	3969
Imports	41	72	15	15
Supply, Total	3252	3570	4065	4076
Crushings	1689	1734	1780	1780
Exports	1317	1647	1760	1770
Seed	89	97	92	92
Residual	16	0	23	24
Use, Total	3111	3478	3655	3666
Ending Stocks	141	92	410	410
Avg. Farm Price (\$/bu) 2/	14.4	13	9.00 - 11.00	9.45 - 10.95
Total				

From the USDA Secretary lock up briefing:



Corn for Grain Yield United States

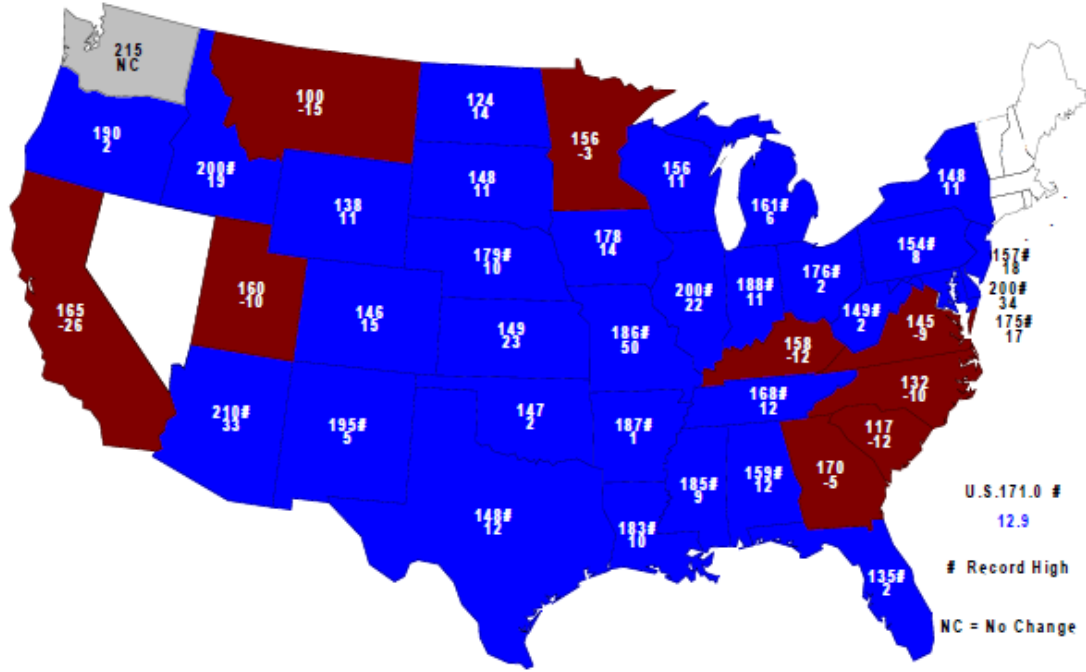


USDA-NASS
1-12-15



2014 Corn Yield

Bushels and Change From Previous Year



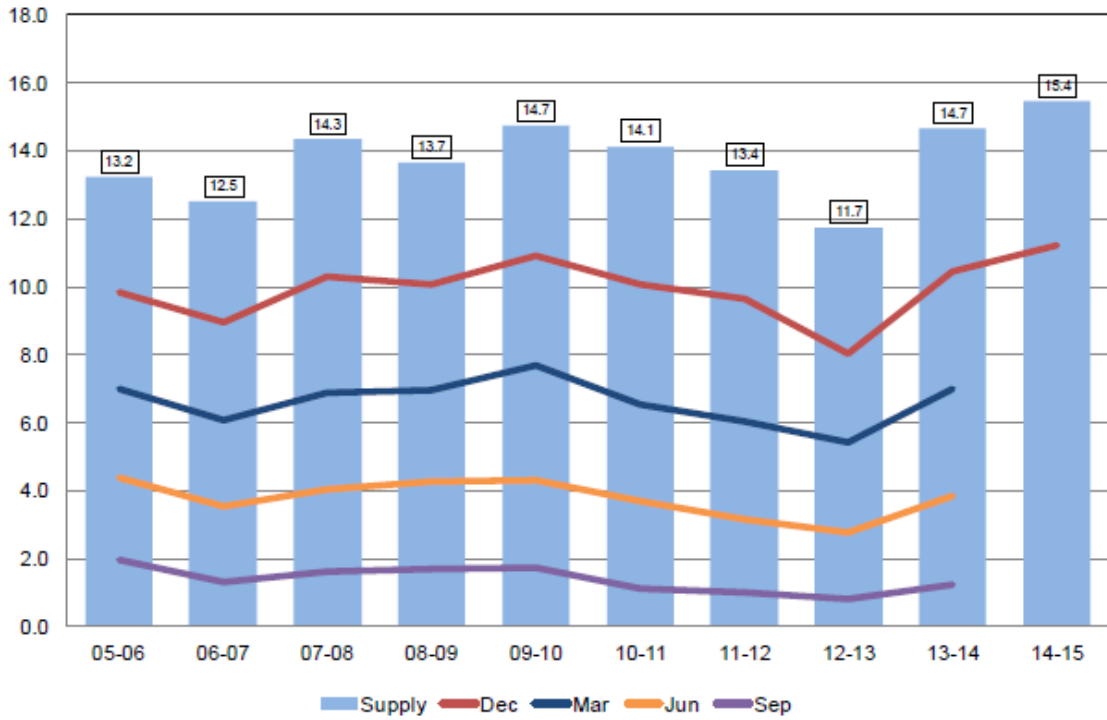
U.S. 171.0 #
12.9
Record High
NC = No Change

USDA-NASS
1-12-15



Corn Stocks United States

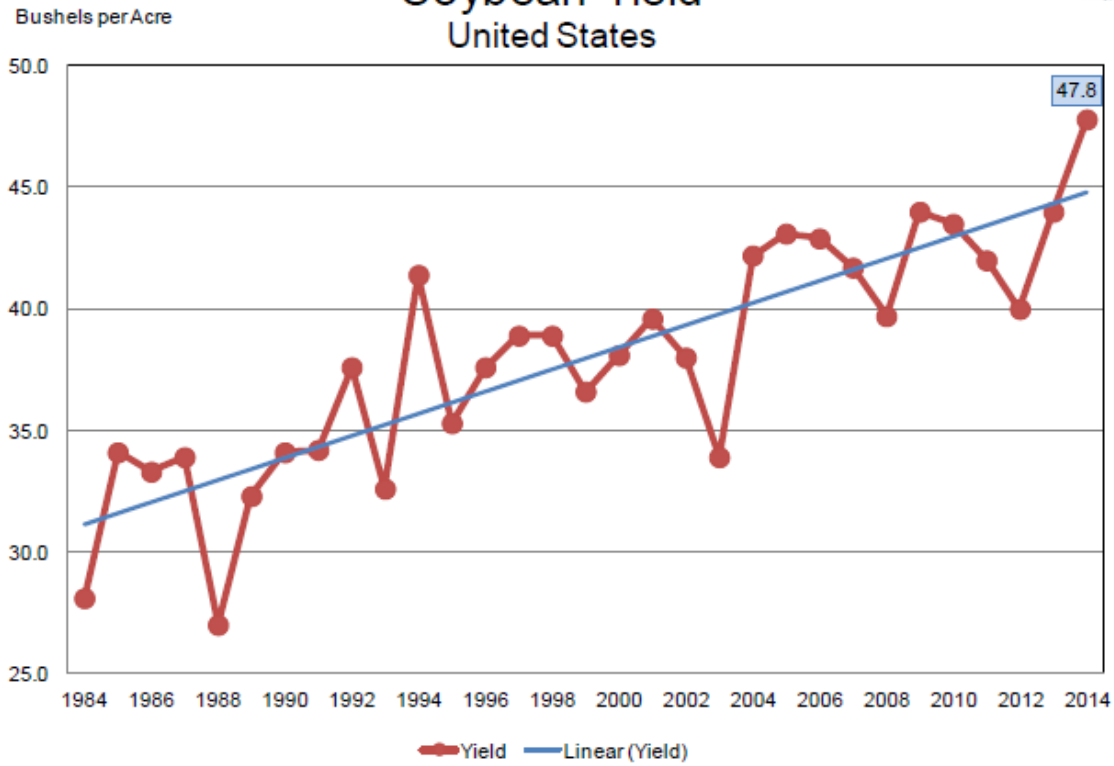
Billion Bushels



USDA-NASS
1-12-15



Soybean Yield United States

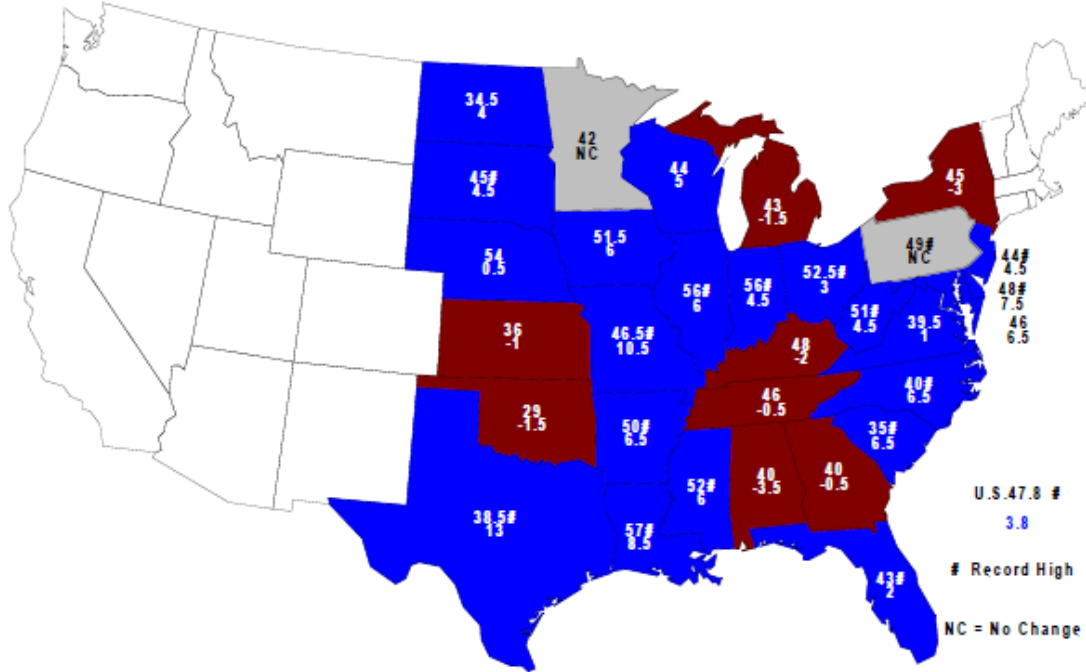


USDA-NASS
1-12-15



2014 Soybean Yield

Bushels and Change From Previous Year



U.S. 47.8 #
3.8

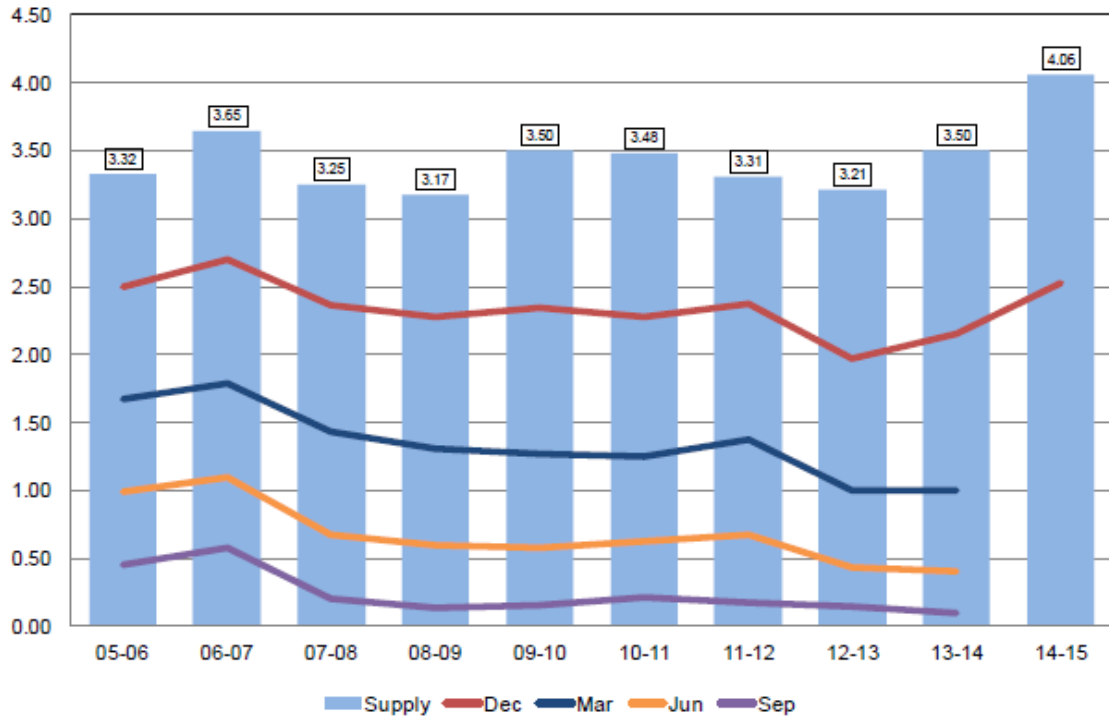
Record High
NC = No Change

USDA-NASS
1-12-15



Soybean Stocks United States

Billion Bushels

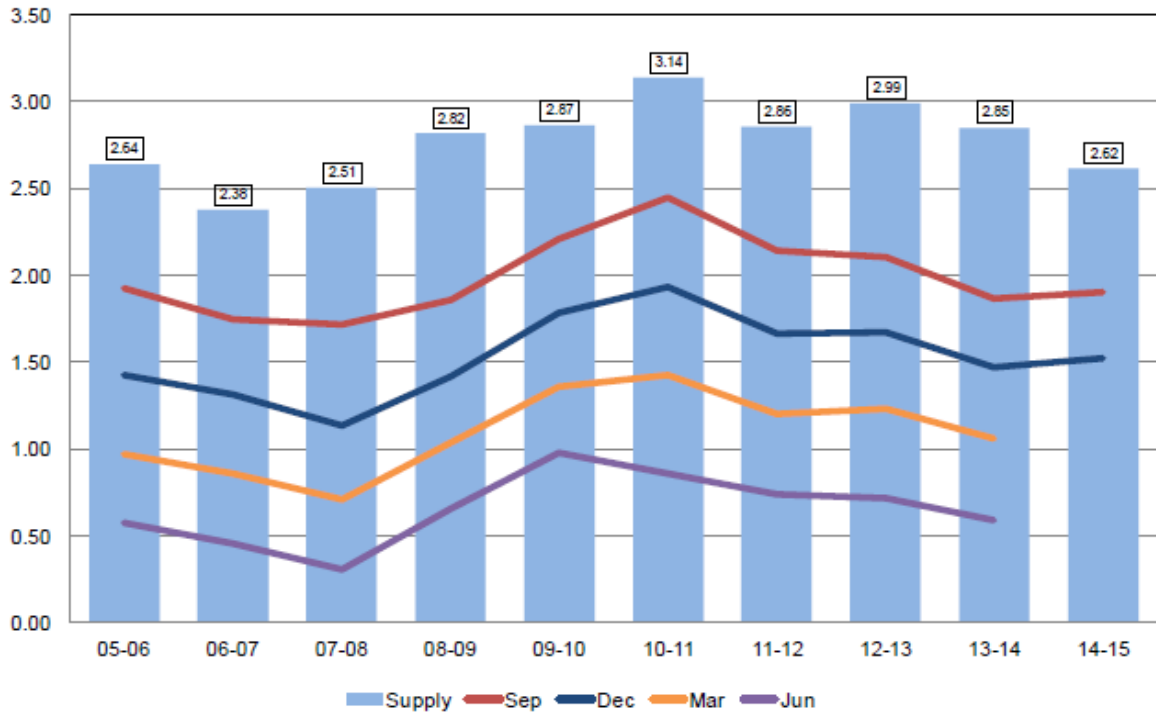


USDA-NASS
1-12-15



All Wheat Stocks United States

Billion Bushels

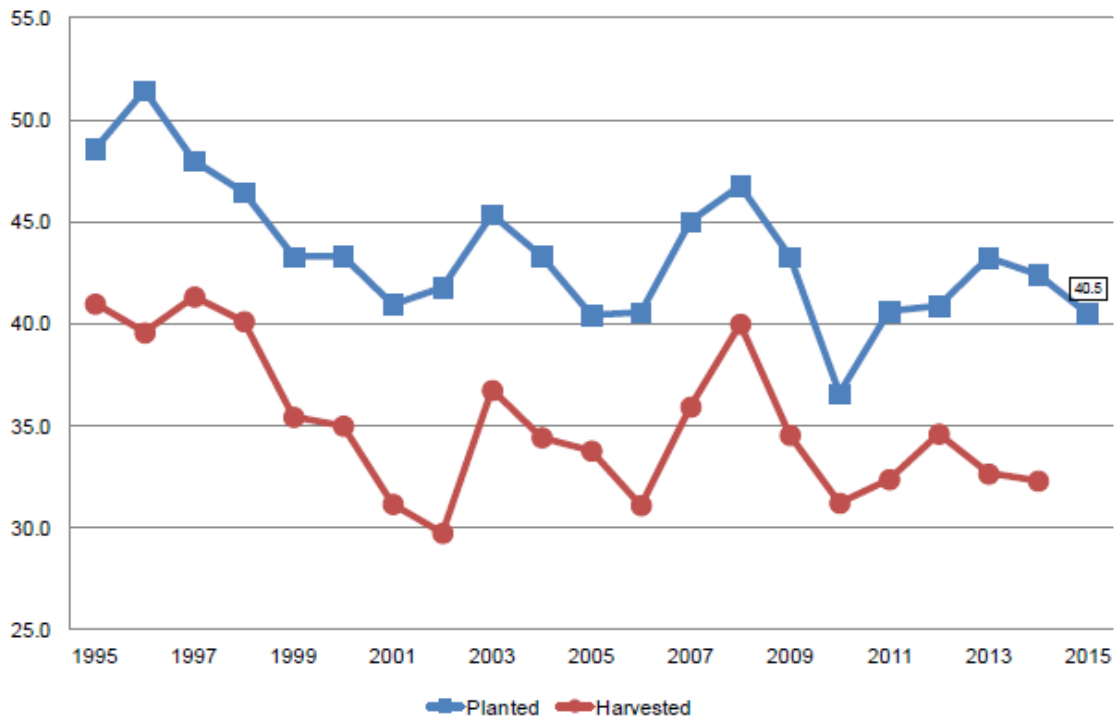


USDA-NASS
1-12-15



Winter Wheat Acres United States

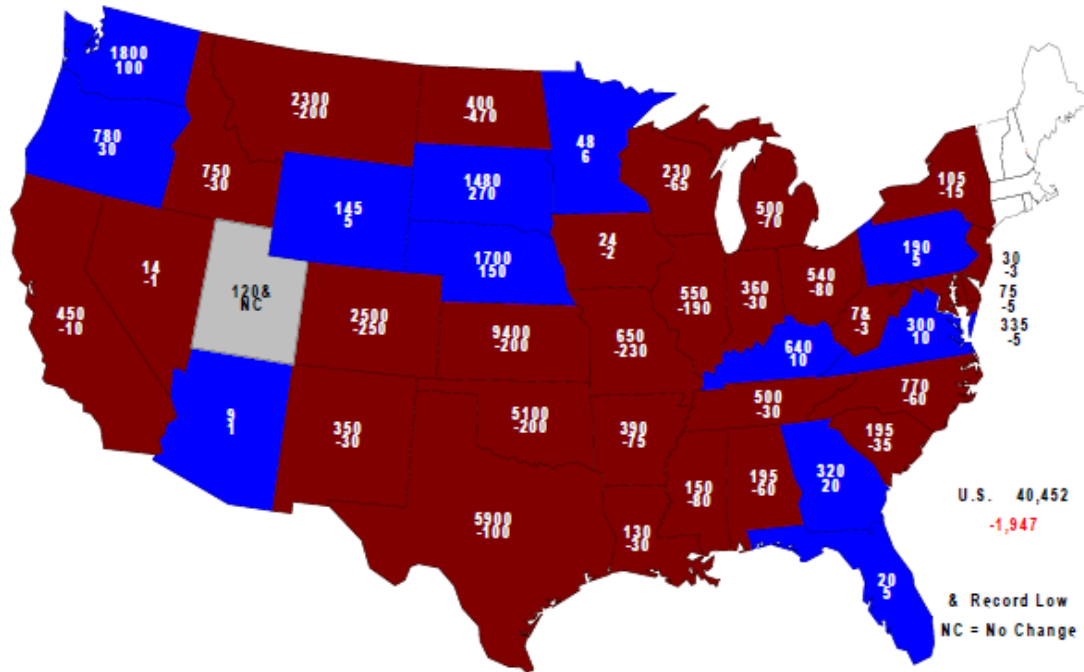
Million Acres



USDA-NASS
1-12-15



2015 Winter Wheat Planted Area (000) Acres and Change From Previous Year



U.S. 40,452
-1,947

& Record Low
NC = No Change

USDA-NASS
1-12-15

Brazil: Corn Production by Season

- Brazil's corn production has undergone a dramatic shift since the 2004/05 season.
- The second-corn production was known as the small crop, or "safrinha," now it accounts for more than 60% of national production.
- Second-corn production is primarily exported and competes with the U.S. for export markets around the world.



Source: 1980/81 to 2012/13 CONAB-Series Historica; 2013/14 & 2014/15F USD.

January 12, 2015

Tentative All-Day Ag Outlook Meeting Schedule
March 10, 2014
Beef House, Covington, Indiana

Registration

8:45 am Eastern (7:45 am Central)

Opening Remarks (5 min)

9:25 am Eastern (8:25 am Central)

Soybean Commodity Panel (45 min)

9:30 am Eastern (7:45 am Central)

Curt Kimmel, Bates Commodities, Normal, Illinois
Wayne Nelson, L and M Commodities, New Market, Indiana
Mike Zuzolo, Global Commodity Analytics, Lafayette, Indiana
Bill Mayer, Strategic Farm Marketing, Champaign, Illinois

Cash Grain Panel (45 min)

10:15 am Eastern (9:15 Central)

Greg Johnson, The Andersons, Champaign, Illinois
Aaron Curtis, MIDCO, Bloomington, Illinois
Matt Bennett, Total Grain Marketing, Winsor, Illinois
Chuck Shelby, Risk Management Commodities, Lafayette, Indiana

Break (15 min)

11:00 am Eastern (10:00 am Central)

Keynote 1

11:15 am Eastern (10:15 am Central)

Sue Martin, Ag and Investment Services, Webster City, Iowa

Lunch and Trade Show

12:15 pm Eastern (11:15 am Central)

Key Note 2 (30 Minutes)

Land Values 2013

1:30 pm Eastern (12:30 pm Central)

Murray Wise, CEO, Murray Wise Associates LLC, Champaign, Illinois

Corn Panel (45 min)

2:00 pm Eastern (1:00 pm Central)

Dan Zwicker, CGB Enterprises, Mandeville, Louisiana
Pete Manhart, Bates Commodities, Normal, Illinois
Jacquie Voeks, Stewart Peterson Group, Champaign, Illinois
Bill Gentry, Risk Management Commodities, Lafayette, Indiana

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