



January 23, 2015

Dear Subscriber:

Before getting too deep in the weeds we wish to point out a typo for one of the outlook meetings that we are holding this winter.

The meeting in Casey is set for FEBRUARY 26 and not January 26th as previously announced.

And we hope you are considering purchasing tickets to the March 10 All Day Ag Outlook Meeting at the Beef House in Covington, Indiana. You can do so by calling at 217-333-7300. Tickets are 25 dollars and include a Beef House continental breakfast and lunch. You will find a working

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Supplemental Price Insurance Info

2015 Profit Analysis Using the *SFM Revenue Maximizer*

The LATEST Crop Insurance Policies for *Your Farm*

- Jan. 26 **Quincy, IL** – 9:00 AM **Riverside Smoke House**, 222 S. 3rd St.
- Jan. 27 **Lena, IL** – 9:00 AM **The Rafters Restaurant**, 9426 Wagner Road (Highway US 20)
- Jan. 28 **LaSalle, IL** – 6:30 PM **WILL/SFM Panel**, Senecas Oak Ridge Golf Course, 658 East US Highway 6
- Jan. 29 **Bloomington, IL** – 9:00 AM **Double Tree Hotel**, 10 Brickyard Dr
- Jan 30 **Highland, IL** – 9:00 AM **Diamond Mineral Springs Restaurant**, 1 West Pocahontas Rd

Call **Strategic Farm Marketing** at **800-383-0046**
 or visit www.sfarmmarketing.com to register

agenda (which we may add another person or two) at the end of this letter as well as the full schedule of winter meetings to date. If you would like to hold a meeting in your neck of the woods you can call David at dadickey@illinois.edu.

We begin our discussion of the futures market today not looking at the week's technical

trends in corn and soybeans, nor fundamentals which largely have been fully priced in the market place. Rather we begin with a look at the U-S dollar and the threat it poses on export disappearance if it continues to rally. This past week foreign buyers booked 86 million bushels of corn even as the dollar continued to rally due largely to economic woes in the European Union and China. Friday the U-S dollar index spiked SHARPLY higher, confirming for those left doubting that the index has broken out of a multi year sideways trading range.

U-S Dollar Index (Composite Monthly)



The dollar has been on a multi-week rally to post its strongest gains in the past eleven years. Could the dollar continue to rally – perhaps after a pause or future consolidation – and if so what would potentially be the upside target?

U-S Dollar Index (Composite Monthly)



U-S Dollar Index (Composite Monthly)



The two charts above show just how strong the U-S dollar has been and what analysts suggest are upside technical targets. The first chart shows the sideways trading range the dollar has been in since 2004. That range can be used as a technical measuring stick; twice that range puts the dollar at a technical target of 104.43. Note the red line at 94.49; this is one of the few remaining overhead resistance points. The second chart is a fibonacci retracement drawn of the 2002 highs. Note that this week the dollar has cleared the 50 percent retracement level which has historically been either a stout line of support or resistance depending on which side of the line the market is trading. Friday the market cleared the 61.8 resistance level. We will need to closely monitor whether there is follow through and closes above this level early next week.

We had a long discussion regarding the dollar on Thursday with Dan Zwicker of CGB Enterprises in Mandeville Louisiana:

<http://audio01.will.illinois.edu/ag-zwicker150122.mp3>

WEEKLY OUTLOOK

U of I Ag Economist Darrel Good takes another look at USDA's January reports. Darrel writes:

Based on the estimates of corn stocks, production, and imports, corn disappearance during the first quarter of the current marketing year totaled a record 4.25 billion bushels. Based on estimates of exports and domestic processing uses of corn during the quarter, feed and residual use totaled 2.198 billion bushels. That is 114 million bushels less than the revised estimate (based on a smaller 2013 corn production estimate) of use during the first quarter of last year. The smaller than expected first quarter disappearance this year, along with the smaller 2014 crop estimate, resulted in a 100 million bushel reduction in the USDA's forecast of feed and residual use for the current marketing year. The issue revealed in these estimates is the predictability of marketing year feed and residual use based on first quarter disappearance. This is not a new issue, but it has become more important because of the wider range in the ratio of first quarter use to total marketing year use experienced in recent years. For the four years from 2006-07 through 2009-10, that ratio ranged from 37.6 to 40.7 percent. In the most recent four years, the ratio ranged from 39.4 to 47.7 percent. First quarter use this year represents 41.7 percent of the USDA's forecast of use for the entire year. Considerable uncertainty about actual use will persist, with the March 1 stocks estimate to provide more additional insight.

To see Darrel's full report go to:

<http://farmdoc.illinois.edu/marketing/weekly/html/012015.html>



15 iFarm Crop Insurance Tools Now Available

The 2015 iFarm Crop Insurance Payment Simulator and Crop Insurance Decision Tools are now available in the crop insurance section of farmdoc.

iFarm Crop Insurance Payment Simulator

This web-based tool provides estimates of premiums for available 2015 insurance products for most counties in the major corn and soybean production regions, across each coverage election, and then calculates the expected frequency of payments, average payment per acre, net cost per acre, and risk reductions associated with alternative crop insurance products and election levels in an easily understood format.

[Go to iFarm Payment Simulator](#)

FAST Crop Insurance Decision Tool

This 2015 spreadsheet tool contains four components. The first computes farmer-paid premiums for different user entered parameters. A "What-if" tool calculates insurance payments for user supplied prices and yields. A history of insurance payments and premiums can be found in the "Historical Analysis" section. The tool also allows comparison of farm yields to county yields (requires Microsoft Excel).

[Download FAST Crop Insurance Decision Tool](#)



USDA reports this week's corn export sales at 86.0 million bushels (86.0 this year, 0.0 next year). On the year, total commitments for corn are 1194.7 million bushels vs. 1168.2 million bushels a year ago at this time.

Weekly Corn – as of January 15, 2015

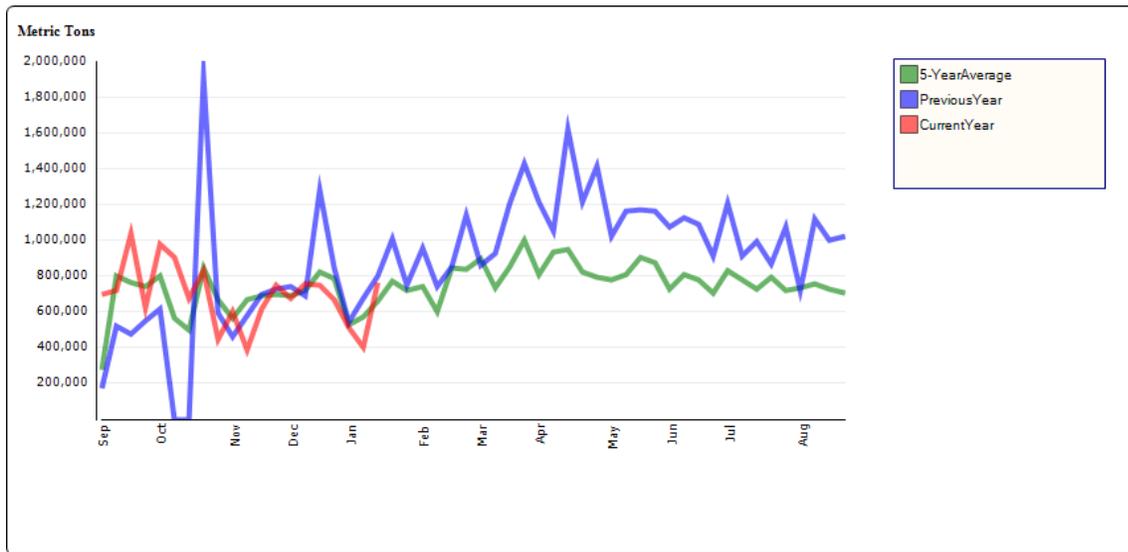


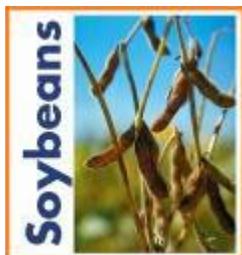
Chart Courtesy of USDA Foreign Ag Service

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

http://www.ams.usda.gov/mnreports/GX_GR113.txt

The Iowa basis report is at:

http://www.ams.usda.gov/mnreports/NW_GR110.txt



USDA reports this week's soybean export sales at 4.2 million bushels (0.5 this year, 3.7 next year). On the year, total commitments for soybeans are 1629.1 million bushels vs. 1546.2 million bushels a year ago at this time.

Weekly Soybeans – as of January 15, 2015

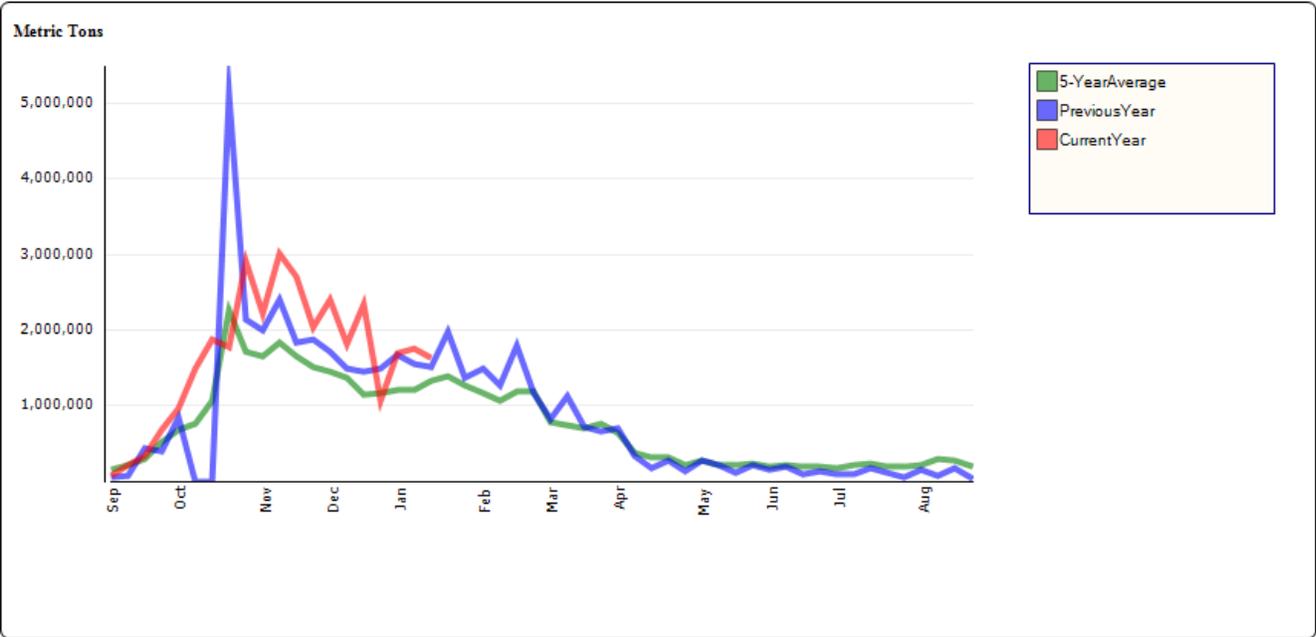
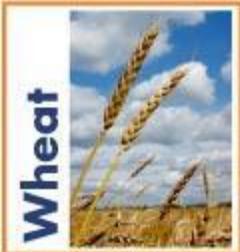


Chart Courtesy of USDA Foreign Ag Service



USDA reports this week’s wheat export sales at 20.7 million bushels (16.8 this year, 3.9 next year). On the marketing year wheat sales have totaled 712.6 million bushels compared with 929.9 million bushels a year ago at this time.

Weekly Wheat – as of January 15, 2015

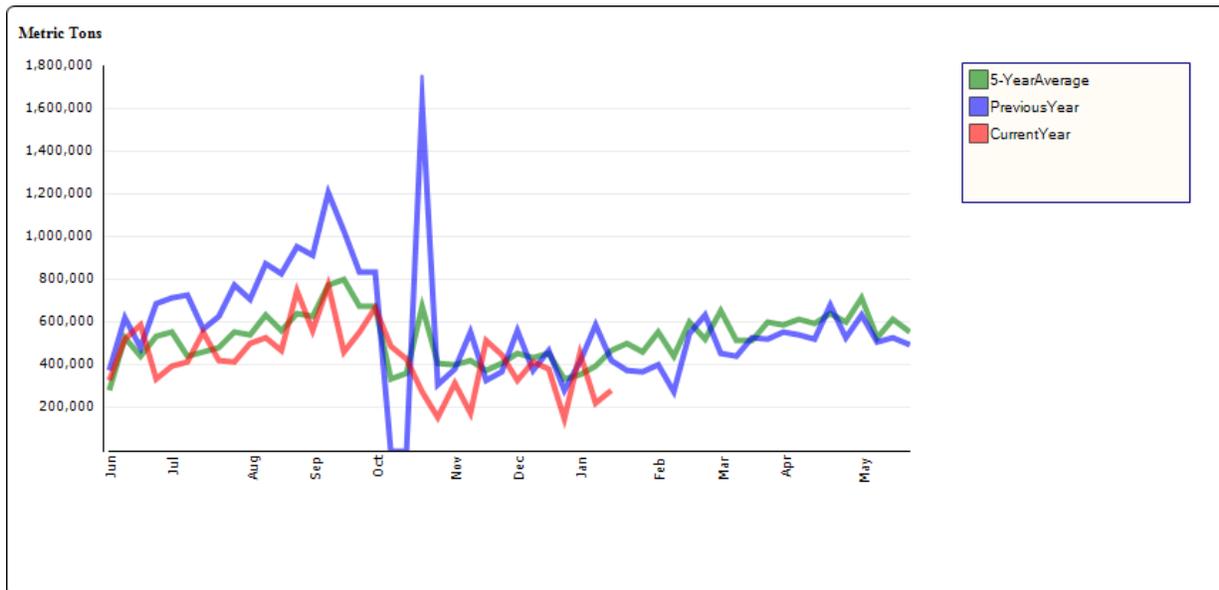
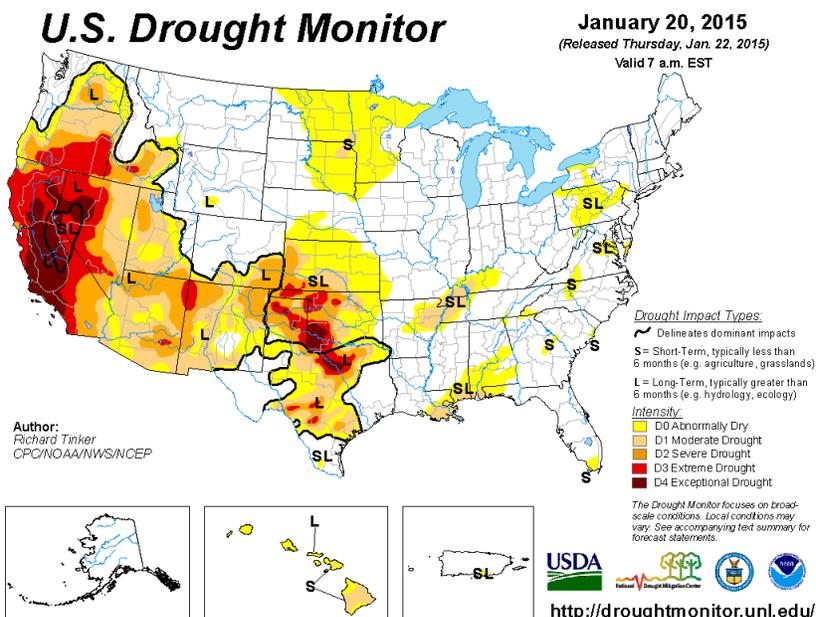


Chart Courtesy of USDA Foreign Ag Service

Before we leave wheat fundamentals we need to point out that the U-S crop may not be as good as the trade believes. Thursday's drought monitor is an eye-opener and something not likely fully priced into futures as of this writing:



Ag Weather

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

BRAZIL

Rain has been reduced in today's forecast for Rio Grande do Sul and significant drying is expected there with some crop stress possible in the first week of February. Most of the other major corn and soybean producing areas in Brazil will see regular rounds of showers and thunderstorms during the next two weeks and mostly favorable conditions for crops should occur. Soil moisture is still abundant in Rio Grande do Sul and subsoil moisture should remain high enough to prevent serious stress to crops during the next two weeks, but greater rain will be needed soon to prevent stress from becoming more significant.

Crop stress is also expected to increase in minor crop areas of central and northern Paraguay and in portions of northeastern Brazil where hot temperatures and a lack of soil moisture should continue. Crop stress in northeastern Brazil will be greatest from eastern Bahia to eastern Minas Gerais and Espirito Santo while areas to the west and south see an increase in shower activity and improving conditions crops

Crop stress in Paraguay will be greatest in central and northern areas while southern Paraguay has greater soil moisture that should prevent crops from becoming seriously stressed. The areas in northeastern Brazil and central and northern Paraguay that will see the greatest crop stress during the next two weeks are not major corn and soybean producing areas and the declines in production that occur should not have a significant impact on Brazil's total corn or soybean output.

ARGENTINA

The two-week outlook remains favorable for most crops in Argentina. A good mix of rain and sunshine is expected and the soil in some eastern parts of the country that is still saturated will have an opportunity to dry down and crop development rates should improve. Two rounds of organized rain will occur during the next two weeks with rain occurring in most areas Tuesday into Wednesday and Jan. 30-Feb. 1.

Some of the driest areas in southern Argentina will benefit from isolated to scattered showers through early next week with more significant rain occurring Jan. 30-Feb. 1.



Commodity Week

Panelists:

- Dan Basse, Ag Resource Company - Chicago, Illinois
- Curt Kimmel, Bates Commodities - Normal, Illinois
- Chip Nellinger, Blue Reef Agri-Marketing - Morton, Illinois
- Sherman Newlin, Risk Management Commodities - Hutsonville, Illinois

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 NOW – the week’s show has been posted!!!!

<http://audio01.will.illinois.edu/cw150123.mp3>



Registration 8:45am eastern (7:45am central)

Soybean Commodity Panel

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

Greg Johnson, The Andersons, Champaign, Illinois

Aaron Curtis, MIDCO, Bloomington, Illinois
Matt Bennett, Channel Seeds, Windsor, Illinois
Chuck Shelby, Risk Management Commodities, Lafayette, Indiana

Livestock Analysis and Futures
Chris Hurt, Professor of Agricultural Economics, West Lafayette, Indiana

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

Land Values 2013
Murray Wise, CEO, Murray Wise Associates LLC, Champaign, Illinois

Corn Panel
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

Scheduled winter meetings. Todd and Dave hope to see you at one soon!

January 27, 2014 - Lincolnland Agri-Energy LLC - Palestine, Illinois

6pm Annual Meeting

Keynote Address

**Todd Gleason, Farm Broadcaster
University of Illinois**

January 28, 2015 - WILLAg Panel - LaSalle, Illinois

Senica's Oak Ridge Golf Club

**652-670 E US Highway 6
La Salle, IL 61301**

6:30pm - Crop Insurance Meeting with Panel to Follow

WILLAg Panel

**Bill Mayer, Strategic Farm Marketing - Champaign, Illinois
Jacquie Voeks, Stewart Peterson - Champaign, Illinois
Wayne Nelson, L&M Commodities - New Market Indiana**

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Strategic Farm Marketing

January 29, 2015 - WILLAg Panel - Sycamore, Illinois

**DeKalb County Farm Bureau Bldg
1350 West Prairie Drive
Sycamore, IL 60178**

1:30pm - Farm Bill Decision

Gary Schnitkey, Ag Economist - University of Illinois

2:00pm - WILLAg Marketing Panel

Wayne Nelson, L&M Commodities - New Market, Indiana

Joe Vaclavik, Standard Grain - Chicago, Illinois

Jacque Voeks, Stewart Peterson - Champaign, Illinois

sponsor

Castle Bank

February 4, 2015 - Illinois Pork Expo - WILLAg Panel - Peoria, Illinois

Illinois Pork Expo @ Peoria Civic Center

1:30pm on the Convention Floor

Panelists

Brett Stuart, Global Agri-Trends - Denver, Colorado

TBD - CIH Representative

Jacque Voeks, Stewart Peterson - Champaign, Illinois

Sponsor

Illinois Pork Producers Association

February 5, 2015 - WILLAg Panel - Springfield, Illinois

Northfield Inn Suites

3280 Northfield Drive

Springfield, IL 62702

6:30pm - Crop Insurance Meeting with Panel to Follow

WILLAg Panel

Matt Bennett, Channel Seeds - Windsor, Illinois

Curt Kimmel, Bates Commodities - Normal, Illinois

Bill Mayer, Strategic Farm Marketing - Champaign, Illinois

Sponsor

Strategic Farm Marketing

February 7, 2015 - Chicago Farmers Farmland Forum - WILLAg Panel - Joliet, Illinois

Wietendorf Agricultural Educational Center

Joliet Junior College

17840 Laraway Road

Joliet, Illinois

9am Panel

Matt Bennett, Channel Seeds - Windsor, Illinois

**Chuck Shelby, Risk Management Commodities -
Lafayette, Indiana
Gary Schnitkey, Ag Economist - University of Illinois
sponsor - Chicago Farmers**

[February 11, 2015 - WILLAg Panel - Galesburg, Illinois](#)

Knox Agri-Center

**180 South Soangetaha Road
Galesburg, IL 61401**

**6:30pm - Crop Insurance Meeting with Panel to Follow
WILLAg Panel**

**Curt Kimmel, Bates Commodities - Normal, Illinois
Bill Mayer, Strategic Farm Marketing - Champaign, Illinois
Chip Nellinger, Blue Reef Agri-Marketing - Morton, Illinois**

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**Strategic Farm Marketing
First Midwest Bank**

[February 25, 2015 - WILLAg Panel - Litchfield, Illinois](#)

HSHS St. Francis Hospital

**1215 Franciscan Drive
Litchfield, Illinois 62056**

10:00am - 2:00pm

WILLAg Panel

TBA

**Jacquie Voeks, Stewart Peterson - Champaign, Illinois
Mike Zuzolo, Global Commodity Analytics & Consulting -
Atchison, Kansas**

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Friends of St. Francis

[February 25, 2015 - WILLAg Panel - Belleville, Illinois](#)

[Edit This](#)

St. Clair County Farm Bureau

**1478 Illinois 15, Belleville, IL 6222
Belleville, IL 62221**

4:00pm

WILLAg Panel

TBA

Jacquie Voeks, Stewart Peterson - Champaign, Illinois

**Mike Zuzolo, Global Commodity Analytics & Consulting -
Atchison, Kansas**

Sponsor

Wyffels Hybrids

[February 26, 2015 - WILLAg Panel - Casey, Illinois](#)

7pm Venue & Panel TBA

sponsor - University of Illinois Extension

[March 6, 2015 - Illinois Soybean Summit - Peoria](#)

Todd Gleason Emcee

details at the [Illinois Soybean Summit Webpaq](#)

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