



February 27, 2015

Dear Subscriber:

The All Day Ag Outlook Meeting is less than two weeks away. If you are planning to go and have not yet purchased your tickets, please help us out by calling before March 4 at 217-333-7300 during regular weekday business hours or by going on line at [willag.org](http://willag.org) and paging down to link describing the event or click [here](#). Tickets are 25 dollars and include a Beef House continental breakfast and lunch. The agenda is at the end of this letter. Todd and I thank you for your interest and we hope to visit with you in Covington, Indiana on March 10<sup>th</sup>. Now on to

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I L L I N O I S

the markets! Brazilian truckers this past week gave the soybean market an unexpected boost by staging a protest that was still going on as of Friday morning, blocking roads and preventing soybeans to be delivered to Santos and Paranaguá.

Michael Cordonier is often guest on Commodity Week and he is well connected with South American issues. Here is his take on the truck site, posted Thursday on his website:

[http://www.soybeansandcorn.com/news/Feb26\\_15-Trucker-Strike-in-Brazil-Becoming-Very-Serious...](http://www.soybeansandcorn.com/news/Feb26_15-Trucker-Strike-in-Brazil-Becoming-Very-Serious...)

While Brazil's government made a deal on Wednesday with truckers, the industry is so fractured that many drivers are holding out for even more concessions. Friday the Brazilian courts established heavy fines – up to \$3,480 PER HOUR – in an effort to get soybeans moving again. Meanwhile soybeans rallied on the news:

### March 2015 Soybean Futures (Composite Daily)



For corn futures our analysts have been watching to see where a suspected head and shoulders bottom formation is verified – it would take a close above \$4.23 to complete the formation which is admittedly getting a “little long in the tooth”:

## March 2015 Corn Futures (Composite Daily)



On Thursday morning we had an in depth conversation with Dan Zwicker of CGB Enterprises regarding the technicals of 2015 harvest month charts. You can listen to that discussion [here](#)

Also of note this week is that Friday we set the prices for corn, soybeans, and spring wheat for revenue based crop insurance policies. As we are writing this letter late Friday morning before the close the averages for the month are:

Soybeans: \$9.72

Corn: \$4.15

Spring Wheat: \$5.85

Friday morning we asked Mike Zuzolo of Global Commodity Analytics in Atchinson, Kansas about the relationship of these numbers as it may apply to the Planting Intentions report at the end of March. You can listen to his thoughts [here](#)

# WEEKLY OUTLOOK

U of I Ag Economist John Newton takes another look the ag forums projections for row crops: John writes:

In light of the average trade guess, USDA surprised the market by dismissing expectations for increased soybean plantings and projecting fewer soybean acres planted in 2015. For 2015, USDA projects planted acres of soybeans at 83.5 million acres. If realized, this total would represent a 200,000 acre decline from 2014, and is significantly less than the average trade guess of 86.0 million acres. With respect to harvested soybean acres, the USDA projection is for 82.6 million acres, down 500,000 acres from 2014, but 2.7 million acres less than the average trade guess of 85.3 million acres.

While USDA projects plantings to decline among the three commodities, recent reports actually suggest that many U.S. farmers may be preparing to switch more acres from corn into soybeans due to the lower costs of production. Such a scenario would lead to increases in soybean plantings for 2015. [Trade guesses](#) on soybean plantings for 2015 range from a low of 82.1 million acres to a high of 88.3 million acres, 4.8 million acres above the record plantings of 2014. On average, however, the trade guess suggests a 2.3 million acre increase to 86.0 million acres of planted soybeans for 2015.

In fact, when including cotton, other feed grains, rice, and CRP, total cropland is expected to decline by 4.7 million acres to 278.8 million acres in 2015. Whether or not the trade believes these projections will be tested in the coming months. Information to monitor includes the ongoing pace of 2014-15 marketing year consumption and USDA's 2015 [Prospective Plantings](#) report released on March 31, 2015. Following the Prospective Planting report USDA will update the 2015-16 Grain and Oilseeds Outlook in the [World Agricultural Supply and Demand Estimates](#) report released on May 12, 2015.

To see John's full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/022315.html>



## 15 iFarm Crop Insurance Tools 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\*\*](#)



The U of I released a new FEFO this past week looking at estimated 2014 ARC-CO and PLC payments. In part it reads:

Release of 2014 county production data allows more precise estimates of 2014 Agricultural Risk coverage – county option (ARC-CO). In this article,

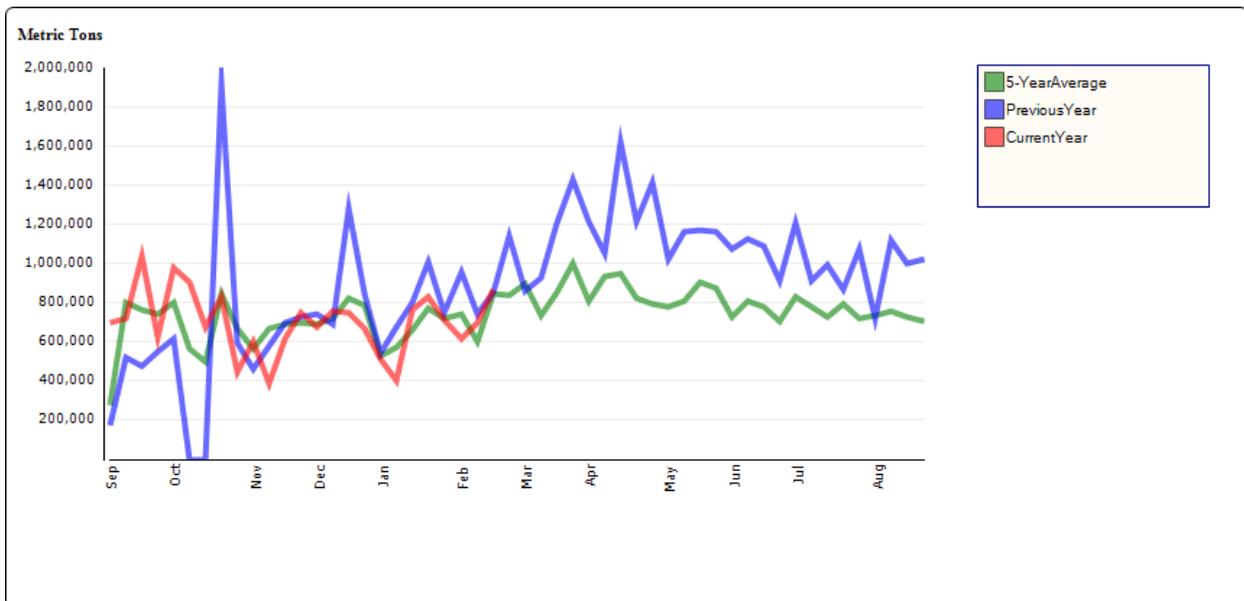
maps show expected county payments for corn, soybeans, and wheat. Corn is projected to make payments over \$40 per acre in many counties, except for a band of counties from eastern Kansas through southern Indiana. Soybeans are expected to pay in some counties. Wheat will make payments, particularly in Kansas and Oklahoma. These payments are compared to Price Loss Coverage (PLC) payments. In 2014, PLC may make modest per acre payments for corn but will not make payments for soybeans and wheat.

To view the entire report click [here](#)



USDA reports this week's corn export sales at 34.0 million bushels (28.2 this year, 5.8 next year). On the year, total commitments for corn are 1370.0 million bushels vs. 1417.7 million bushels a year ago at this time.

**Weekly Corn – as of February 19, 2015**



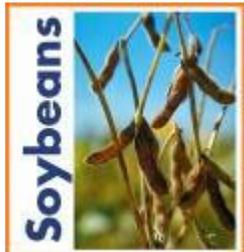
**Chart Courtesy of USDA Foreign Ag Service**

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

[http://www.ams.usda.gov/mnreports/GX\\_GR113.txt](http://www.ams.usda.gov/mnreports/GX_GR113.txt)

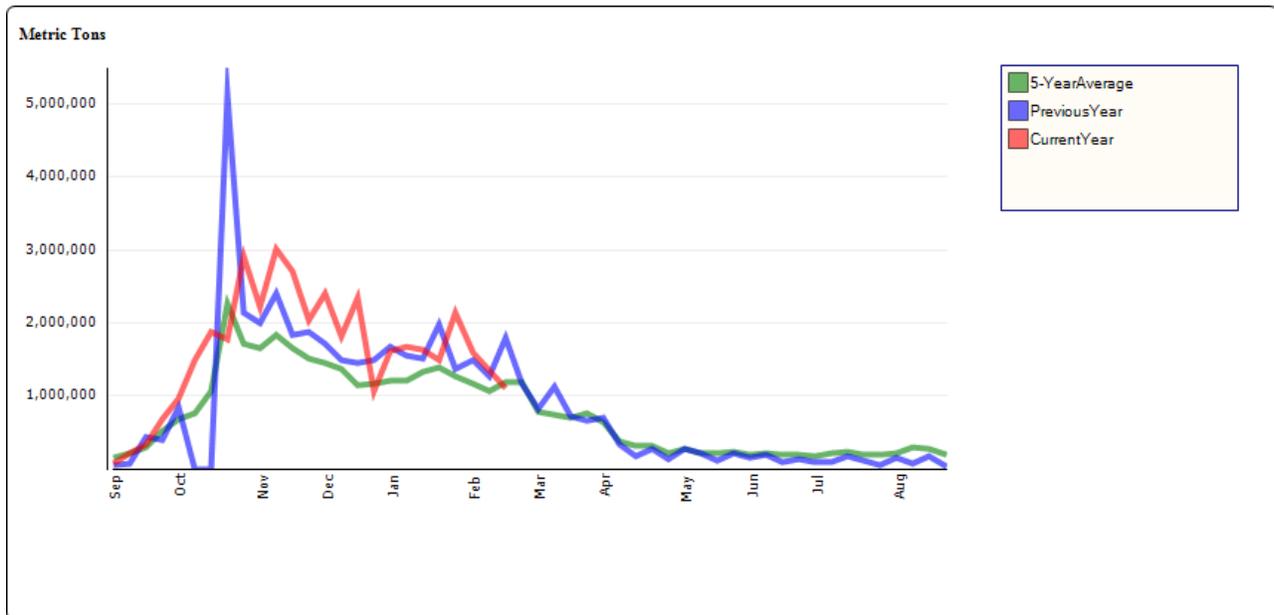
**The Iowa basis report is at:**

[http://www.ams.usda.gov/mnreports/NW\\_GR110.txt](http://www.ams.usda.gov/mnreports/NW_GR110.txt)

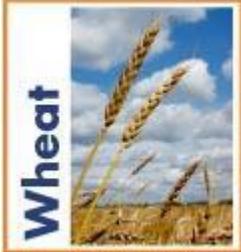


USDA reports this week's soybean export sales at 18.2 million bushels (16.9 this year, 1.3 next year). On the year, total commitments for soybeans are 1731.4 million bushels vs. 1594.4 million bushels a year ago at this time.

**Weekly Soybeans – as of February 19, 2015**

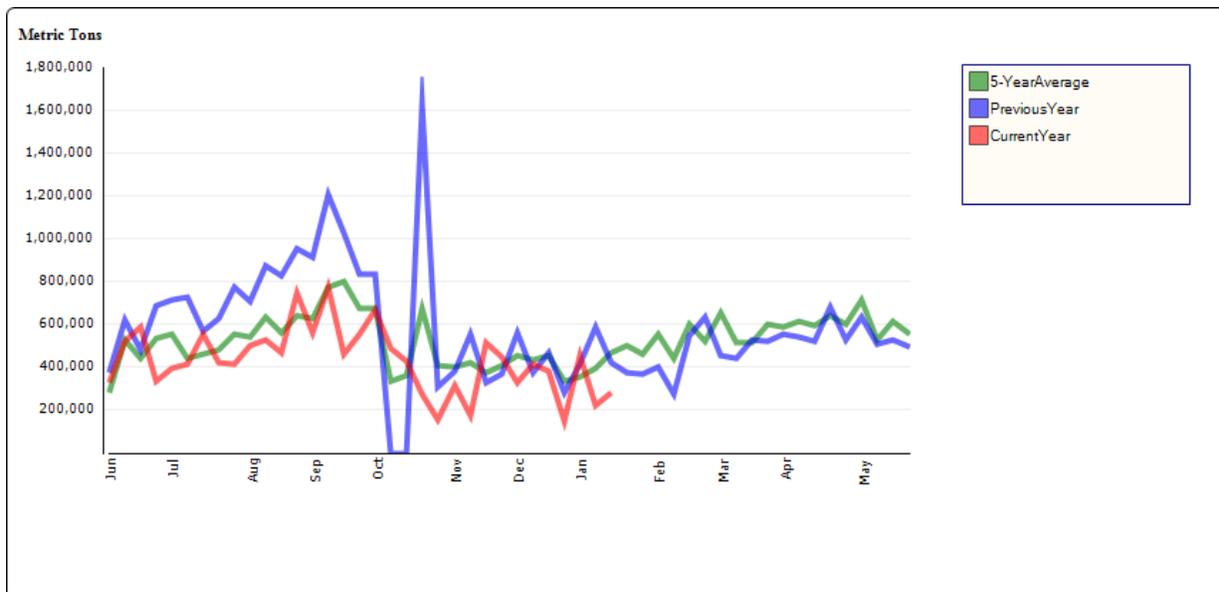


**Chart Courtesy of USDA Foreign Ag Service**



USDA reports this week's wheat export sales at 16.9 million bushels (12.1 this year, 4.8 next year). On the marketing year wheat sales have totaled 784.1 million bushels compared with 1031.8 million bushels a year ago at this time.

**Weekly Wheat – as of February 19, 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**

No significant changes have been made to the two-week outlook since Thursday and conditions for fieldwork will improve overall during the next

week from Paraguay to Sao Paulo, Parana, and Santa Catarina. Some rain is expected there, but most of the rain will be light and net drying should occur. Meanwhile, most areas to the north will see frequent rounds of showers and thunderstorms and fieldwork will be sluggish. Some of the rain will be beneficial in western Bahia and northern and eastern Minas Gerais and Espirito Santo where soil moisture is still low. Central into eastern Bahia will see some beneficial rain through the next week and some improvements in conditions for crops should occur, but rain should not be heavy enough to induce a lasting increase in soil moisture. Rio Grande do Sul will see significant rain today into Friday with less rain and improving conditions for fieldwork this weekend into the middle of next week.

Rain and delays to fieldwork will expand across Brazil March 6-8 with parts of central and eastern Bahia benefitting from the increase in rain. Showers and thunderstorms will occur regularly in central and northern Brazil March 9-13, but the showers should be erratically distributed and fieldwork should advance around the rain. Far southern Brazil will be driest and should see good harvest progress.

High temperatures through the next week will be in the upper 70s to the lower 90s with some middle 90s to the lower 100s in the west and northeast and some lower to middle 70s in the south. Some areas as far north as southern and western Minas Gerais will see highs in the middle 70s beginning Sunday.

Low temperatures will be in the 60s and lower 70s with some middle and a few upper 70s in the west. Parts of the region from Rio Grande do Sul to Minas Gerais will see lows in the middle and upper 50s occasionally.

## **ARGENTINA**

Northern Argentina will see frequent rounds of rain through the next week and fieldwork will be slowed. Rain will fall regularly elsewhere, but most of the rain will be light and net drying will be common and fieldwork should advance in many locations. Southeastern Argentina will continue to be driest and crop stress should increase in minor corn and soybean producing areas of central and eastern Buenos Aires. Rain will become restricted March 7-10 and northern areas will benefit from the decline in rain while fieldwork accelerates across the country. Greater rain will be needed soon to support late developing crops in central and southern Argentina. Rain may increase March 11-13, but confidence for this event is low.



# Commodity Week

## Panelists:

- Aaron Curtis, MIDCO - Bloomington, Illinois
- Dale Durchholz, AgriVisor LLC - Bloomington, Illinois
- Bill Gentry - Risk Management Commodities - Lafayette, Indiana

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/cw15227.mp3>



[GET YOUR TICKETS ON LINE HERE](#)

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!

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

**Todd Gleason Emcee**

**details at the [Illinois Soybean Summit Webpage](#)**

### **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