



March 8, 2012

WE WILL BE UPDATING AND ADDING MATERIAL THROUGHOUT THE DAY ON MARCH 8 TO THIS LETTER BEGINNING AT 11:00 AM CST. PLEASE CHECK BACK OFTEN FOR THE LATEST INFORMATION!

This morning (Friday, March 8) USDA released its latest WASDE report. Don't forget we will have on air coverage of the report at 12:20 p.m. Central Time with Mike Zuzolo of Global Commodity Analytics. We'll post that audio to this letter shortly after air.

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- Market Analysis
- The Pre-Opening Market Report
- The Opening Market Report
- The Closing Market

This morning (March 8) USDA it's March 2013 WASDE. Here are some of the key numbers:

USDA March 2013 U-S Ending Stocks for 2012-13 in billions of bushels - released March 8, 2013				
Crop	USDA March 2012-13 Estimate	Average Guess	Range	USDA February 2012-13 Estimate
Corn	0.632	0.649	0.627 - 0.750	0.632
Soybeans	0.125	0.122	0.107 - 0.131	0.125
Wheat	0.716	0.713	0.671 - 0.754	0.691

From the March 2013 WASDE report:

Projected 2012/13 U.S. corn ending stocks are unchanged this month as an increase in imports and lower exports support higher expected feed and residual disappearance. Corn imports are raised 25 million bushels reflecting the strong pace of shipments reported through January. Corn exports are lowered 75 million bushels based on the slow pace of sales and shipments to date and stronger expected competition from South American corn and from competitively priced feed quality wheat. Feed and

residual disappearance for corn is raised an offsetting 100 million bushels with continued expansion in poultry production and a 10-million-bushel reduction in projected sorghum feed and residual use. Sorghum exports are projected 10 million bushels higher based on the strong pace of sales and shipments. Smaller trade changes are projected for barley and oats based on shipments to date. The



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projected season-average farm prices for corn and sorghum are each lowered 20 cents on the high end of the range to \$6.75 to \$7.45 per bushel and \$6.70 to \$7.40 per bushel, respectively. The projected farm price ranges for barley and oats are narrowed 10 cents on each end to \$6.25 to \$6.55 per bushel and \$3.70 to \$3.90 per bushel, respectively.

SOYBEANS: U.S. soybean supply and use projections for 2012/13 are unchanged this month, leaving ending stocks at 125 million bushels. Although soybean export commitments through February exceeded last year's pace, U.S. exports are expected to decline in the months ahead as increased competition from a record South American soybean crop limits additional U.S. sales during the second half of the marketing year.

Soybean crush is also ahead of last year's pace, but is projected to slow in the second half of the marketing year on declining soybean meal exports as competition from South America, especially Argentina, increases with the new-crop harvest. The projected season-average price range for soybeans is narrowed 25 cents on both ends of the range to \$13.80 to \$14.80 per bushel. Soybean oil prices are forecast at 48.5 to 51.5 cents per pound, down 1 cent at the midpoint. Soybean meal prices are projected at \$425 to \$445 per short ton, down 10 dollars at the midpoint.

WHEAT: U.S. wheat exports for 2012/13 are projected 25 million bushels lower this month boosting projected ending stocks by the same amount. Continued strong competition, particularly from EU-27 and FSU-12, further reduce prospects for U.S. wheat shipments.

Projected exports for Hard Red Winter wheat are lowered 25 million bushels. Exports are also lowered 10 million bushels and 5 million bushels, respectively, for White and Hard Red Spring wheat, but raised 15 million bushels for Soft Red Winter wheat. All-wheat imports are unchanged, but small adjustments are made among the classes. Trade changes largely reflect the pace of sales and shipments to date. The projected range for the season-average farm price for wheat is lowered 10 cents at the midpoint and narrowed to \$7.65 to \$7.95 per bushel.

To view the complete March 2013 WASDE report go to:

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

Here are the key world numbers from the March 2013 WASDE report:

<i>USDA March 2013 World Ending Stocks in millions of metric tons - released March 8, 2013</i>				
Crop	USDA 2012-13 March Estimate	Average Guess	Range	USDA February 2012-13 Estimate
Corn	117.48	117.87	116.00 - 120.00	118.04
Soybeans	60.21	59.58	58.00 - 60.60	60.12
Wheat	178.23	176.69	174.50 - 179.00	176.73

<i>USDA March 2013 WASDE in millions of metric tons - released March 8, 2013</i>				
Crop	USDA 2012-13 Estimate	USDA February 2012-13 Estimate	USDA March 2011-12 Estimate	USDA February 2011-12 Estimate
Argentina Wheat	11.00	11.00	15.50	15.50
Australia Wheat	22.00	22.00	29.92	29.92
China Wheat	120.60	120.60	117.40	117.40
India Wheat	94.88	93.90	86.87	86.87
FSU 12 Wheat	77.21	77.19	115.03	115.01
EU 27 Wheat	132.25	131.73	137.23	137.23
Argentina Corn	26.50	27.00	21.00	21.00
Brazil Corn	72.50	72.50	73.00	73.00
South Africa Corn	13.00	13.50	12.42	12.42

**USDA March 2013 WASDE in millions of metric tons - released
March 8, 2013**

Crop	USDA 2012-13 Estimate	USDA February 2012-13 Estimate	USDA March 2011-12 Estimate	USDA February 2011-12 Estimate
China Corn	208.00	208.00	192.78	192.78
Argentina Soybeans	51.50	53.00	40.10	40.10
Brazil Soybeans	83.50	83.50	66.50	66.50

From the March 2013 WASDE report:

CORN: Global coarse grain supplies for 2012/13 are projected 1.0 million tons lower with a 0.8-million-ton decrease in production. Corn production is lowered 0.5 million tons for Argentina reflecting extended dryness in February that reduced yield prospects, particularly for late-planted corn. South Africa corn production is reduced 0.5 million tons as dryness and heat reduce yield prospects in the western areas of the maize belt. Sorghum production is lowered 0.5 million tons for Australia as excessively high temperatures have reduced harvested area as indicated by the latest government estimates and yield prospects as confirmed by satellite imagery. India corn production is raised 0.4 million tons as planting progress reports for the winter crop indicate a year-to-year increase in area.

Global coarse grain exports for 2012/13 are lowered this month mostly reflecting the projected reduction in U.S. corn exports. World corn feed and residual use is raised with higher expected use in the United States. Corn feed use is also raised for India and Malaysia. Corn imports and feeding are lowered for South Korea with higher expected imports of feed quality wheat and increased wheat feeding. Sorghum imports and feeding are raised for Mexico with the increase in U.S. sorghum exports. Global coarse grain ending stocks decline 0.6 million tons with small reductions in corn stocks for Brazil, Malaysia, Argentina, and India.

SOYBEANS: Global oilseed production for 2012/13 is projected at 466.8 million tons, down slightly from last month as reduced soybean and sunflowerseed production is mostly offset by increased rapeseed and cottonseed production. Foreign production, projected at 374.1 million tons, accounts for all of the change. Argentina soybean production is projected at 51.5 million tons, down 1.5 million. Despite widespread rains in recent weeks, the extended dry period during planting and early crop development limited plantings and reduced yield prospects. China

rapeseed production is projected at 13.5 million tons, up 0.9 million based on increased area and yield indicated in recently released official government statistics. Other changes include higher rapeseed production for Australia and India, reduced sunflowerseed production for Argentina, and increased palm oil production for Malaysia. Cottonseed production is increased for China and reduced for Pakistan and Brazil.

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WHEAT: Global wheat supplies for 2012/13 are raised 1.8 million tons with higher production. India production is increased 1.0 million tons based on the latest revisions by the government of India for the crop harvested nearly a year ago. EU-27 production is raised 0.5 million tons based on the latest production estimate released by the government of Lithuania. Production is estimated 0.3 million tons higher for Nepal in line with historical revisions to the country's production series this month.

Global wheat trade is projected higher for 2012/13. Imports are raised 1.0 million tons for Iran, 0.5 million tons for South Korea, 0.3 million tons for Algeria, and 0.2 million tons each for China and Japan. Partly offsetting are reductions of 1.0 million tons for Egypt and 0.2

million tons for Kenya. Exports are raised 1.0 million tons for EU-27, 0.5 million tons for Brazil, and 0.3 million tons for Ukraine, more than offsetting this month's reduction for the United States. World wheat feed use is increased 1.3 million tons with 0.5-million-ton increases for Australia, Canada, and South Korea, and a 0.1-million-ton increase for Japan outweighing a 0.3-million-ton decrease for Egypt. Lower expected food use in India, Egypt, and Kenya limit the increase in global wheat consumption. World wheat ending stocks for 2012/13 are projected 1.5 million tons higher with the largest increases for India, Iran, and the United States. The biggest reductions in ending stocks are for Australia, Egypt, EU-27, Brazil, Canada, and Ukraine.

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I L L I N O I S

To view the complete March 2013 WASDE report go to:

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

After the reports were released Dave with Mike Zuzolo of Global Commodity Analytics, Lafayette, Indiana. **THIS LINK IS NOW LIVE.**

Broadband MP3:

<http://audio01.will.illinois.edu/zuzolo130308.mp3>

Here are some of the key slides from the USDA Secretary lock-up briefing this morning (January 11) in Washington, D.C.:

World Corn Production

Country or Region	2011/12 estimate	2012/13 forecast	Change from previous month	Change from 2011/12
	<i>Million Tons</i>		<i>Percent</i>	
World	882.7	854.1	0.0	-3.2
United States	313.9	273.8	0.0	-12.8
Foreign	568.8	580.2	-0.1	2.0
Argentina	21.0	26.5	-1.9	26.2
Brazil	73.0	72.5	0.0	-0.7
Mexico	18.7	21.5	0.0	14.8
Canada	11.4	13.1	0.0	15.0
European Union	66.2	54.7	0.0	-17.4
FSU-12	34.1	32.2	0.0	-5.7
Ukraine	22.8	20.9	0.0	-8.4
South Africa	12.4	13.0	-3.7	4.7
China	192.8	208.0	0.0	7.9

U.S. Corn Supply and Demand

	2011/12 estimate	2012/13 forecast	Change from last month	Change from 2011/12
			<i>Percent</i>	<i>Percent</i>
Planted area (million acres)	91.9	97.2	0.0	5.7
Harvested area (million acres)	84.0	87.4	0.0	4.0
Yield (bushels per acre)	147.2	123.4	0.0	-16.2
	<i>Million bushels</i>			
Beginning stocks	1,128	989	0.0	-12.3
Production	12,360	10,780	0.0	-12.8
Total supply	13,516	11,894	0.2	-12.0
Feed and residual	4,548	4,550	2.2	0.1
Food, seed, and industrial	6,437	5,887	0.0	-8.5
Ethanol	5,011	4,500	0.0	-10.2
Domestic use	10,985	10,437	1.0	-5.0
Exports	1,543	825	-8.3	-46.5
Total use	12,527	11,262	0.2	-10.1
Ending stocks	989	632	0.0	-36.1
	<i>Percent</i>			
Stocks to use ratio	7.9	5.6		
	<i>Dollars per bushel</i>			
Average market price	6.22	6.75/7.45	-1.4	14.1

World Soybean Production

Country or Region	2011/12 estimate	2012/13 forecast	Change from previous month	Change from 2011/12
	<i>Million Tons</i>		<i>Percent</i>	<i>Percent</i>
World	238.7	268.0	-0.6	12.3
United States	84.2	82.1	0.0	-2.5
Foreign	154.5	185.9	-0.8	20.3
Argentina	40.1	51.5	-2.8	28.4
Brazil	66.5	83.5	0.0	25.6
Paraguay	4.4	7.8	0.0	77.9
Ukraine	2.3	2.4	0.0	6.2
India	11.0	11.5	0.0	4.5
China	14.5	12.6	0.0	-13.0

U.S. Soybean Supply and Demand

	2011/12 estimate	2012/13 forecast	Change from last month	Change from 2011/12
			<i>Percent</i>	<i>Percent</i>
Planted area (million acres)	75.0	77.2	0.0	2.9
Harvested area (million acres)	73.8	76.1	0.0	3.2
Yield (bushels per acre)	41.9	39.6	0.0	-5.5
	<i>Million bushels</i>			
Beginning stocks	215	169	0.0	-21.2
Production	3,094	3,015	0.0	-2.5
Imports	16	20	0.0	23.9
Total supply	3,325	3,204	0.0	-3.6
Crush	1,703	1,615	0.0	-5.2
Seed and residual	90	120	0.0	32.2
Domestic use	1,793	1,735	0.0	-3.3
Exports	1,362	1,345	0.0	-1.2
Total use	3,155	3,080	0.0	-2.4
Ending stocks	169	125	0.0	-26.3
	<i>Percent</i>			
Stocks to use ratio	5.4	4.1		
	<i>Dollars per bushel</i>			
Average market price	12.50	13.80/14.80	0.0	14.4

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World Wheat Production

Country or Region	2011/12 estimate	2012/13 forecast	Change from previous month	Change from 2011/12
	<i>Million Tons</i>		<i>Percent</i>	<i>Percent</i>
World	697.0	655.5	0.3	-6.0
United States	54.4	61.8	0.0	13.5
Foreign	642.6	593.7	0.3	-7.6
Argentina	15.5	11.0	0.0	-29.0
Canada	25.3	27.2	0.0	7.6
Australia	29.9	22.0	0.0	-26.5
European Union	137.2	132.3	0.4	-3.6
Russian Federation	56.2	37.7	0.0	-32.9
Ukraine	22.3	15.8	0.0	-29.4
Kazakhstan	22.7	9.8	0.0	-56.7
China	117.4	120.6	0.0	2.7
India	86.9	94.9	1.0	9.2

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U.S. Wheat Supply and Demand

	2011/12 estimate	2012/13 forecast	Change from last month	Change from 2011/12
			<i>Percent</i>	<i>Percent</i>
Planted area (million acres)	54.4	55.7	0.0	2.4
Harvested area (million acres)	45.7	49.0	0.0	7.2
Yield (bushels per acre)	43.7	46.3	0.0	5.9
	<i>Million bushels</i>			
Beginning stocks	862	743	0.0	-13.9
Production	1,999	2,269	0.0	13.5
Imports	112	130	0.0	16.0
Total supply	2,974	3,142	0.0	5.7
Food use	941	950	0.0	0.9
Seed	76	75	0.0	-1.3
Feed and residual	164	375	0.0	128.8
Domestic use	1,182	1,400	0.0	18.5
Exports	1,050	1,025	-2.4	-2.3
Total use	2,231	2,425	-1.0	8.7
Ending stocks	743	716	3.6	-3.5
	<i>Percent</i>			
Stocks to use ratio	33.3	29.5		
	<i>Dollars per bushel</i>			
Average market price	7.24	7.65/7.95	-1.3	7.7

March 8, 2013



USDA reports this week's corn export sales at 6.1 million bushels (-2.0 this year, 8.1 next year). Trade guesses were for 19.7 to 27.6 million bushels. On the year, total commitments for corn are 570.7 million bushels vs. 1232.2 million bushels a year ago at this time.

Weekly Corn – as of February 28, 2013

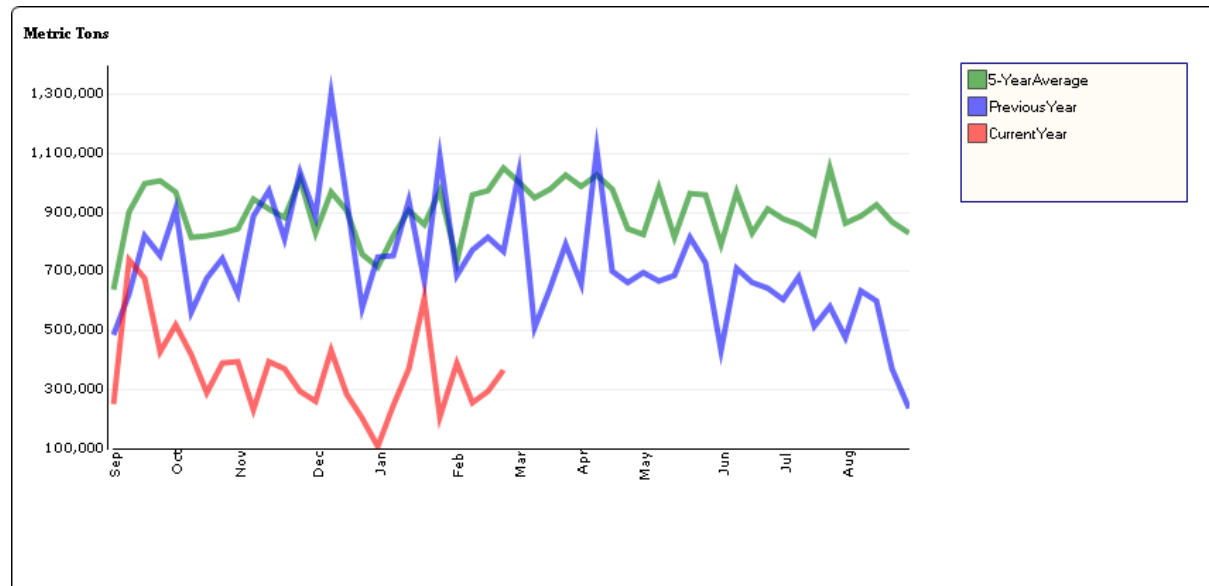


Chart Courtesy of USDA Foreign Ag Service

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 50.8 million bushels (14.4 this year, 36.4 next year). The trade was anticipating sales of 25.7 to 40.4 million bushels. On the year, total commitments for soybeans are 1285.7 million bushels vs. 1097.7 million bushels a year ago at this time.

Weekly Soybeans – as of February 28, 2013

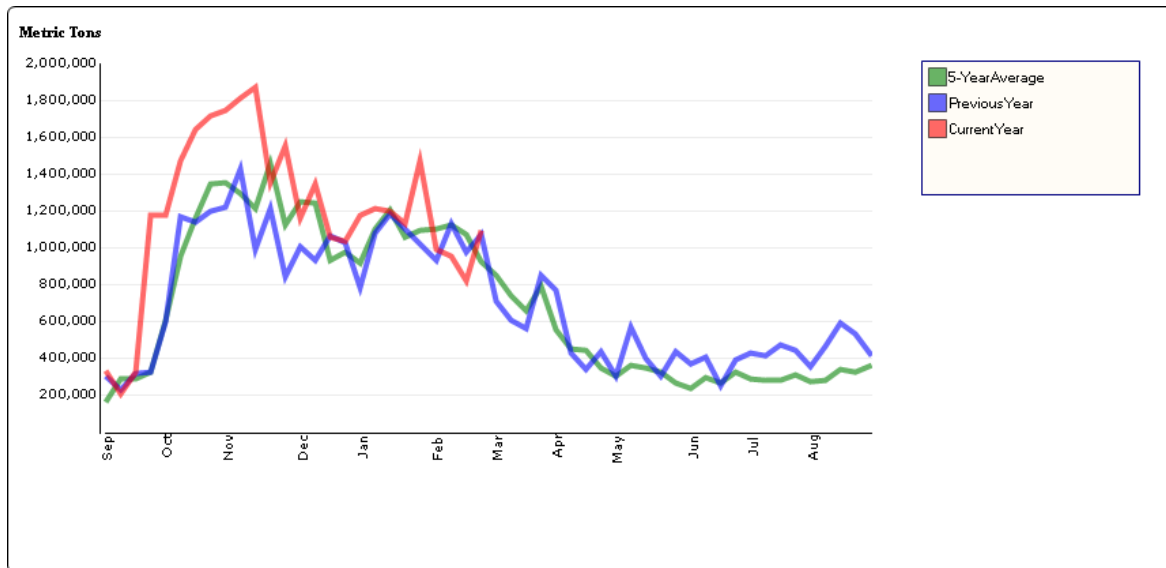
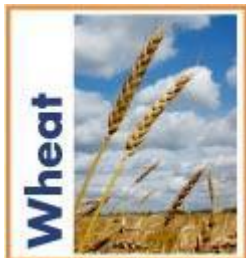


Chart Courtesy of USDA Foreign Ag Service



USDA reports this week's wheat export sales at 30.4 million bushels (22.7 this year, 7.7 next year). The trade was anticipating wheat sales between 11.0 million bushels and 22.0 million bushels. On the marketing year wheat sales have totaled 857.5 million bushels compared with 894.9 million bushels a year ago at this time.

Weekly Wheat – as of February 28, 2013

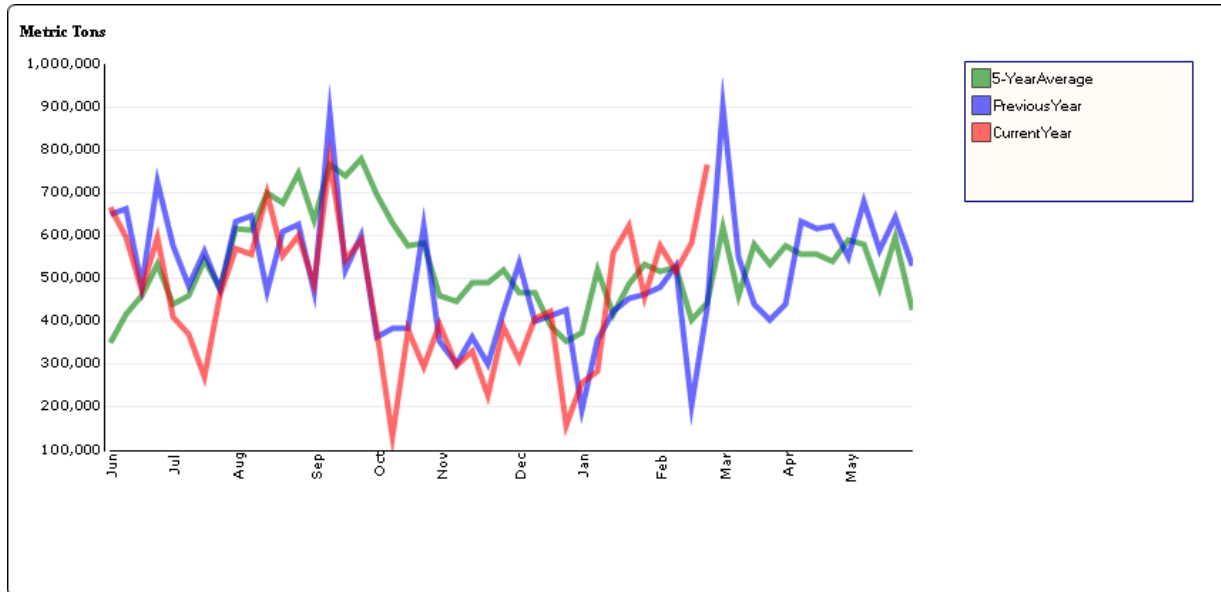


Chart Courtesy of USDA Foreign Ag Service



Panelists:

- Pete Manhart, Bates Commodities - Normal, Illinois
- Chip Nellinger, Blue Reef Agri-Marketing - Morton, Illinois
- Sherman Newlin, Risk Management Commodities - Hutsonville, Illinois

Guest:

- Jerry Gulke, Gulke Group, Inc - Chicago, Illinois

You can listen to Commodity Week each Saturday morning at 11:30 a.m. central time on AM-580 or click on the following link after 6:00 p.m. Friday evenings and catch the show on our website:

Broadband MP3:

<http://audio01.will.illinois.edu/cw130308.mp3>

Dial Up MP3:

<http://audio01.will.illinois.edu/cw130308dial.mp3>



AM-580 Daily Agricultural Programming Schedule

<http://www.will.uiuc.edu/am/agriculture/schedule.htm>

Monday – Friday (all times central)

- 8:49 a.m. – \$*Pre-Opening Commodity Market Report
- 9:49 a.m. – \$*Opening Commodity Market Report
- 10:59 a.m. – Commodity Market Price Update
- 11:59 a.m. – Commodity Market Price Update
- 12:55 p.m. – *Midday Market Analysis with Sue Martin
- 1:50 p.m. – CBOT & CME Settlement Prices
- 2:06-2:36 p.m. – \$*Closing Market Report
 - 2:08 – *Futures Analysis

- 2:20 - *Agricultural News
- 2:25 - *Cash Grain Analysis or Energy Analysis
- 2:32 - *Agricultural Weather Analysis

Saturday

- 6:30 a.m. - \$* Commodity Week
- 11:30 a.m. - \$*Commodity Week

*Available on the website for on demand listening! \$Available via podcast.