

May 3, 2013

Dear
Subscriber:

Before we get into the specifics of the makret place for the week I wish to give everyone who made a contriubtion in support of our agricultural service a “huge tip of the hat” on behalf of Todd and I. We were humbled by your genrouisity. One hundred and fifty-nine people said this service is of benefit – that helped us to collect on a huge \$4,700 dollar ag challenge put together by our agricultural

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W I L L R A D I O
U R B A N A I L L I N O I S

partners: Bates Commodities, Agrigold, Global Commodity Analytics and Consulting, Total Grain Marketing, Risk Management Commodities, The Andersons, Strategic Farm Marketing, Ag Review, and Stewart Peterson Group. If you use any of these services be sure to thank them on our behalf as well.

I AM ALL A TWITTER

Dave has joined the twitter generation and he will be tweeting agricultural market things – his account is @DavidADickey – be sure to become a follower....

On to the markets. We now can truly call corn's short term direction weather driven. Sunday's ten day forecast will be HUGE for direction next week. Our analysts believe that Monday afternoon NASS will report no more than 10-11 percent of the corn crop is planted vs a five year rolling average of more than half. Numbers in the three I states – Illinois, Indiana, and Iowa – may be even lower. A snow storm on Wednesday dumped as much as 15 inches on parts of Minnesota – western Iowa also got snow – Sue Martin reported five inches outside her Webster City offices on Thursday.

Here is World Weather Incorporated's Drew Lerner's take on the weather from Friday morning.....

<http://audio01.will.illinois.edu/willweather130503.mp3>

And here is what Drew wrote on Friday morning:

U.S. MIDWEST: Record-breaking snowfall occurred in portions of the western Corn Belt Thursday while warm and mostly dry conditions may have allowed for some planting to occur from Kentucky into Indiana, Michigan, and Ohio. Many areas from eastern Kansas and western Missouri into southeastern Minnesota received 1 to 5 inches of snow Thursday with a few greater amounts. Moisture totals from eastern Kansas through most of eastern Iowa into west-central Wisconsin were 0.45 to 0.81 inch in most areas with 0.25 to 0.35 inch in parts of central and eastern Iowa. Most other areas from central and eastern Missouri into Wisconsin and Illinois and westernmost Indiana received 0.06 to 0.40 inch with a few totals of 0.61 to 0.96 inch and a total of 2.50 inches at Mattoon, Illinois.

Temperatures were unseasonably cool in much of the western Corn Belt where highs mostly were in the middle 30s through the 40s with some lower to middle 50s in the west. High temperatures reached the 70s with some

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I L L I N O I S

lower 80s Fahrenheit from southeastern Missouri through Michigan, Ohio, and Kentucky with a band of 50s and 60s occurring west of this region. Lows this morning in the western Corn Belt were in the 30s with some 20s and a few teens in the northwest. Lows in the eastern Corn Belt varied from the 40s to the lower 60s with some upper 30s in the west.

Cool and wet weather will occur during the next few

days from the much of the western Corn Belt into Illinois, southern Indiana, and a large part of Kentucky. Meanwhile, some planting should occur in areas from Ohio into eastern Michigan, parts of eastern Indiana, and eastern Kentucky where little significant rain is expected until Sunday with parts of eastern Michigan and northern Ohio missing out on significant rain through the next week.

Conditions for fieldwork will improve as mostly dry weather occurs in the west Monday into Wednesday and in the east Tuesday into Thursday. Northern parts of the eastern Corn Belt will begin drying down Sunday. However, areas from eastern Kansas into Iowa, Missouri, Illinois, western and southern Indiana, and Kentucky may not dry out enough for aggressive fieldwork before the next round of rain occurs Thursday into Sunday, May 12. This rain event will need to be closely monitored as it could cause more significant planting delays if rain is as heavy or heavier than that currently advertised. A few days of warmer and drier will follow and planting should resume in some areas.

Flood conditions on the Red River will gradually improve in most areas during the next week as little to no significant precipitation is expected during the period. The river has crested at Grand Forks, North Dakota and the crest will progress downstream through this weekend. Flooding on tributaries of the Red River and standing water will gradually decline. Flooding will temporarily increase from rain during the next few days in the Middle Mississippi and the Illinois Rivers and water levels should decline again next week.

So...if the 10 day shows the potential for just a few days of planting where could December corn futures rally to? Here is the composite December 2013 Daily corn chart:

December 2013 Corn Futures (Composite Daily)



Overhead resistance in the last several sessions has been at 560 3/4 after Tuesday's rally failed to close above that benchmark. Also watch the short term down trend line through the February and March highs. Our analysts say if futures can settle above these resistance points corn futures could rally to the 50 percent fibonacci retracement level of 581 3/4 off the April low. Further advances would likely require ongoing weather planting concerns – recall that the 50 percent fibonacci level historically has been a difficult resistance level to penetrate.

Meanwhile July 2013 soybeans were up sharply on Friday and are not challenging the upper half of it's trading range dating back to last October:

November 2013 Soybean futures (Composite Daily)



Supportive to the potential rally next week is the outside markets – Friday's job's report has pushed Wall Street past 15,000 for the first time in its history. We spoke with Mike Zuzolo of Global Commodity Analytics on Friday to break down the factors which could contribute to corn rallying next week:

<http://audio01.will.illinois.edu/ag-zuzolo130503.mp3>

It also must be pointed out that the May 2013 WASDE report comes out next Friday – and it could have some sway over corn trade.

WEEKLY OUTLOOK

University of Illinois ag economist Darrel Good provides some analysis on how large the 2013 corn crop needs to be. Darrel writes:

Production prospects are now being called into question due to the late start to the planting season in most of the major corn production states.

Increasingly, the late start to the season and prospects for further delays in many areas due to upcoming weather suggest that a larger than average percentage of the 2013 crop will be planted "late". All other factors equal, late planting poses some yield threat relative to trend value....

Assessing consumption potential for the upcoming marketing year is not straight- forward since consumption depends on the strength of demand in each of the major consumption categories as well as the price of corn. The price of corn, in turn, will be influenced by the size of the U.S. crop...

Based on current conditions, an expectation of a market for 12.2 to 12.3 billion bushels of U.S. corn in 2013-14 seems reasonable. A crop of 12.5 billion bushels, then, would be large enough to supply the market and add a small amount to year ending stocks. A crop of that size would be 2.1 billion bushels, or 14 percent, smaller than production prospects based on planting intentions and trend yield. Prospects have not yet been reduced by that amount.

The USDA will provide an assessment of potential supply, consumption, and price prospects for the 2013-14 corn marketing year in the May 10 WASDE report.

To read Darrel's full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/042913.html>



USDA reports this week's corn export sales at 38.8 million bushels (13.0 this year, 25.8 next year). Trade guesses were for 31.4 to 39.3 million bushels. On the year, total commitments for corn are 659.4 million bushels vs. 1468.5 million bushels a year ago at this time.

Weekly Corn – as of April 25, 2013

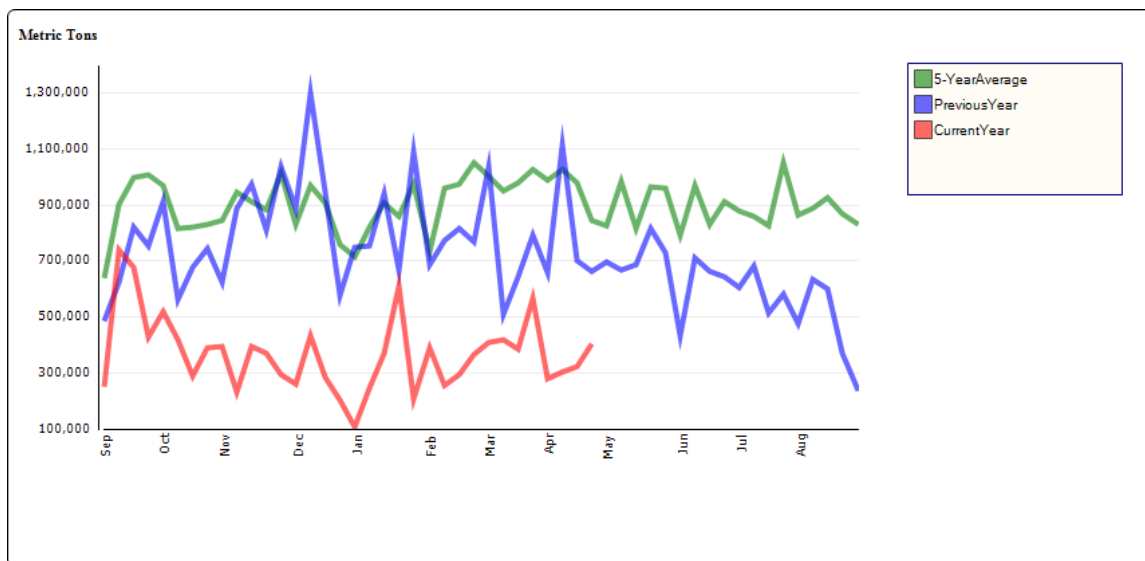


Chart Courtesy of USDA Foreign Ag Service

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

[http://www.ams.usda.gov/mnreports/GX GR113.txt](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)

In Friday afternoon's commitments of traders report for the week ending April 30 non-commercials increased its net long position. Non-commercials were long 335,488 contracts, an increase of 2,389 contracts, and were short 209,177 contracts, a decrease of 5,962 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders increased its net long position for the period ending April 30. Non-commercials were long 327,103 combined future and option contracts, an increase of 4,287 combined future and option contracts and short 217,860 contracts, a decrease of 31,061 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for April 30 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	452,446	58,013	-3,564	-7,775



USDA reports this week’s soybean export sales at 45.3 million bushels (-4.0 this year, 49.3 next year). The trade was anticipating sales of 22.0 to 33.0 million bushels. On the year, total commitments for soybeans are 1333.4 million bushels vs. 1249.9 million bushels a year ago at this time.

Weekly Soybeans – as of April 25, 2013

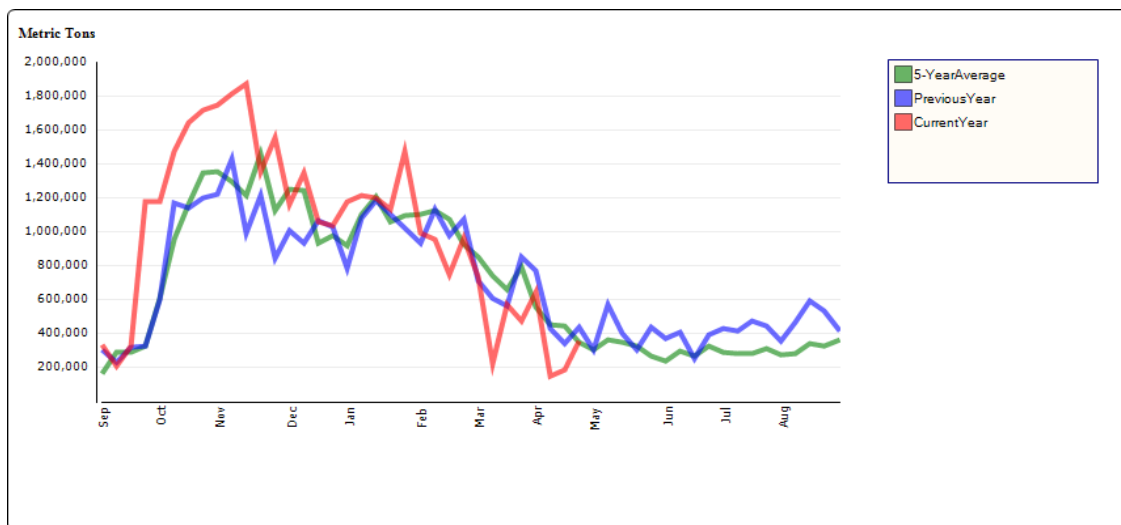


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitments of traders report for the week ending April 30, non-commercials increased its net long position. Non-commercials were long 174,979 contracts, an increase of 4,014 contracts and were short 95,907 contracts, an increase of 2,509 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders increased its net long position for the period ending April 30. Non-commercials were long 172,129 combined future and option contracts, an increase of 11,777 contracts and short 76,045 contracts, a decrease of 2,803 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for April 30 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	151,650	18,925	-2,408	-16,319



USDA reports this week's wheat export sales at 26.4 million bushels (8.1 this year, 18.3 next year). The trade was anticipating wheat sales between 11.0 million bushels and 18.4 million bushels. On the marketing year wheat sales have totaled 974.7 million bushels compared with 1002.5 million bushels a year ago at this time.

Weekly Wheat – as of April 25, 2013

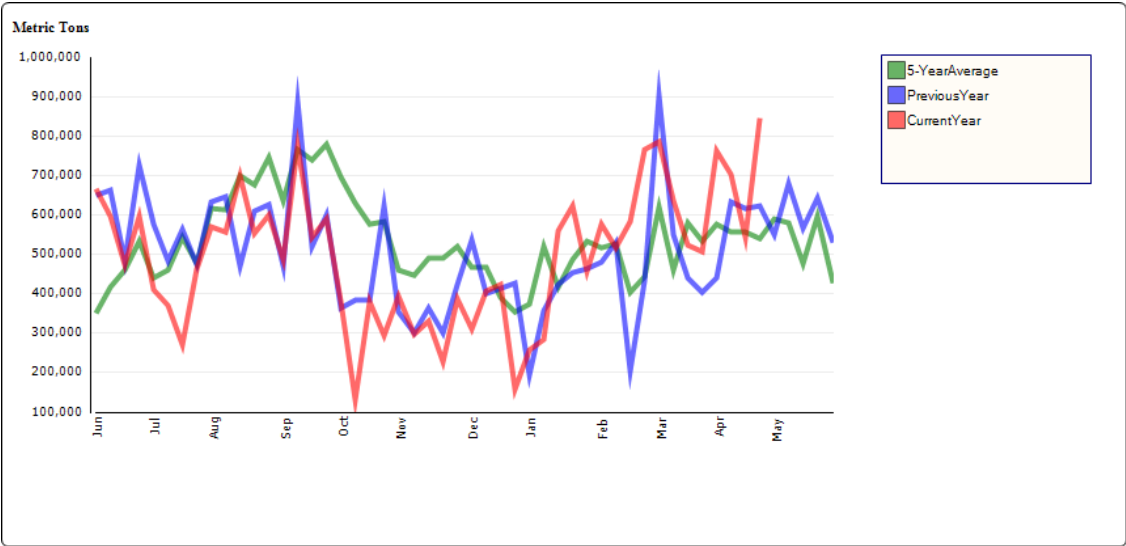


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon’s commitment of traders report for the week ending April 30 non-commercials decreased its net short position. Non-commercials were long 117,642 combined future and option contracts, an increase of 7,269 contracts and short 118,192 combined future and option contracts, a decrease of 5,522 contracts from the previous reporting period.

The CFTC Supplemental Report for April 30 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	185,266	33,055	-4,088	-8,278



Commodity Week

Panelists:

- Dale Durchholz, AgriVisor LLC - Bloomington, Illinois
- Elaine Kub, Mastering the Grain Markets - Elkhorn, Nebraska
- Bill Gentry, Risk Management Commodities - Lafayette, Indiana

Guest:

- Tommy Grisafi, Indiana Grain Company - DeMotte, Indiana

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/cw130503.mp3>

Dial Up MP3:

<http://audio01.will.illinois.edu/cw130503dial.mp3>

Weekly Continuation Chart



May 3, 2013

Commodity	Week High	Week Low	Week Settle	Change from Previous Week
May Wheat	727 1/2	688 3/4	712 1/4	up 22 1/2
Jul Wheat			721	up 28 1/2
May Corn	705	649	699 1/2	up 55 1/2
Dec 13 Corn			553 1/2	up 29 1/2
May Soybeans	1488 3/4	1425	1455	up 24 1/4
Nov 13 Soybeans			1221 1/4	up 11
Jun Live Cattle	12400	12180	12182 1/2	down 77 1/2
May Lean Hogs	9140	8912 1/2	9140	up 30 3/4
May Oats			421 1/2	down 5 1/2

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.