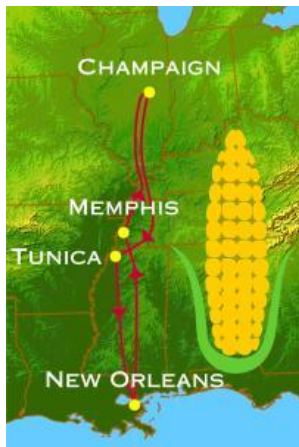




May 18, 2012

Dear Subscriber:

Follow the Corn Bus Tour



The Mississippi River System is the lifeblood of the agricultural export market in the Midwest. If you have ever wondered how the corn makes it's way through the river system, then this 5 Day WILLAg **Follow the Corn Bus Tour** will help answer your questions. Along the way we'll visit CGB's Mound City River Terminal, the newest Grain Export Terminal at the Gulf Port, and talk with two of WILLAg's most listened to analysts, Dan Zwicker and John Bondurant. There will be plenty of time on your own, too. We'll stop in Tunica at Harrah's, spend two nights in New Orleans's French Quarter, and visit famous Beale Street in Memphis. It is a truly a business vacation. Come join us for 5 days and 4 nights in August.

Let us know if you're interested... send an email to tgleason@illinois.edu. This is a tentative trip. You can learn more on the following pdf: http://216.8.64.242/TourGroupList/UploadedPdf/120820WILL_FollowTheCorn2_120800407.pdf

CME Group Introduces Revised CBOT Grain and Oilseed Trading Hours

Beginning this Sunday evening, May20, CME Group is going to expanded trading hours. Electronic trading hours for CBOT Corn, Mini-Sized Corn, Soybeans, Mini-Sized Soybeans, Wheat, Mini-Sized Wheat, Soybean Meal, Soybean Oil, Rough Rice, Oats, and Ethanol futures and options plus all related calendar spread options and inter-commodity spread options will be extended to:

- Sunday to Friday, 5:00 p.m. to 2:00 p.m. CT

Daily settlements will continue to be based on market activity at or around 1:15 p.m. CT each day. Additionally, open-outcry trading hours will continue to operate from 9:30 a.m. to 1:15 p.m. CT Monday to Friday.

The move to electronic trading will have no immediate effect on any of our on-air offerings at WILL AM 580 or postings to our website at WILLAG.ORG

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In our 9th year as a major corporate underwriter of quality on-air Agricultural Programming at AM-580, **AGRIGOLD** is pleased to provide additional funding for this E-newsletter for the benefit of **AGRIGOLD** customers and other farmers across the country.



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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

Our analysts say that it appears a continuing weather play may be building in corn futures with the potential of new longs entering the marketplace by Memorial Day. Some of that may have been priced into the market on Friday – but if weekend rains are



*AM 580 Agriculture's
Market Analyst Portal*

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Updated twice daily at 10:15 a.m. and 3:15

disappointing (and there is an excellent chance that much of the Eastern Corn belt will miss showers altogether), and the 10 day forecast coming back to the Sunday trade is generally dry, corn futures may be headed for an extension of the current rally next week. Fundamentals triggering the rally include this past week's rally in wheat

futures – there is growing belief that harvest yields in the northern hemisphere are declining – giving less credence to USDA ideas that there will be plenty of feed wheat to substitute for corn till the U-S crop comes on line beginning in August.

Kansas producers are expected to begin wheat harvest in the next ten days – and it remains terribly dry with heads in many fields yet to fill. Without a significant shower wheat producers are saying they could lose more than 10 bpa.

Here is what meteorologist Drew Lerner has to say about the 10 day outlook:

Warm temperatures and little rain this week have caused significant drying across the Midwest. Soil moisture is still high enough in most areas to favorably support planting, germination, and crop development for a little longer, but greater rain will be needed soon to ensure favorable conditions continue.

Important rain events will occur today (Friday) through Tuesday, Wednesday through May 26, and May 29-June 1. If these rain events occur as advertised most areas should receive enough rain to prevent serious crop

stress from evolving during the balance of May and the first days of June, but timely rains must continue in June to maintain favorable conditions.

Some minor stress will be possible at times in a few of the driest areas like those in southeastern Missouri, southernmost Illinois and southward into the northern Delta among a few other areas. Rain over the coming two weeks will be light.

Portions of eastern North Dakota and northwestern Minnesota are also too dry, but they will be one of the wettest areas in the Midwest during the next week.

High temperatures during the next week will be mostly in the 70s and 80s with some lower 90s in the west and south today through Sunday. Today will be warmest. Some northern locations will see highs in the 60s Saturday through Monday. Monday and Tuesday will be coolest in southern areas as highs in the Midwest will be mostly in the 70s. Lows will be in the 50s with some 40s and some 60s. The second week of the two-week outlook will begin warmer."

U.S. Drought Monitor

May 15, 2012

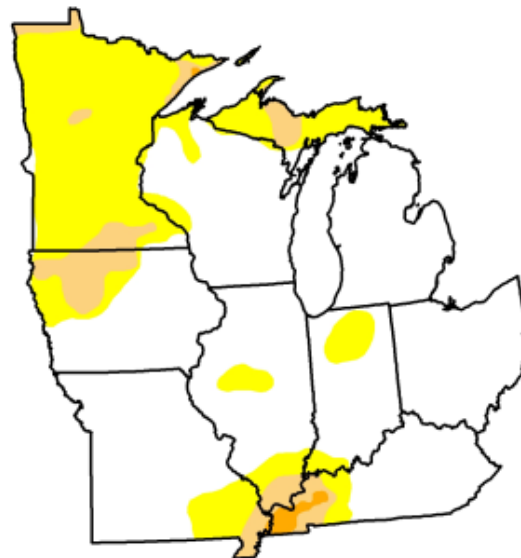
Valid 7 a.m. EST

Midwest

	Drought Conditions (Percent Area)					
	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	67.65	32.35	6.91	0.65	0.00	0.00
Last Week (05/08/2012 map)	68.76	31.24	5.80	0.18	0.00	0.00
3 Months Ago (02/14/2012 map)	71.82	28.18	20.04	6.80	0.00	0.00
Start of Calendar Year (12/27/2011 map)	71.84	28.16	13.42	6.80	0.00	0.00
Start of Water Year (09/27/2011 map)	58.85	41.15	14.01	5.03	0.00	0.00
One Year Ago (05/10/2011 map)	94.80	5.20	0.00	0.00	0.00	0.00

Intensity:

 D0 Abnormally Dry	 D3 Drought - Extreme
 D1 Drought - Moderate	 D4 Drought - Exceptional
 D2 Drought - Severe	



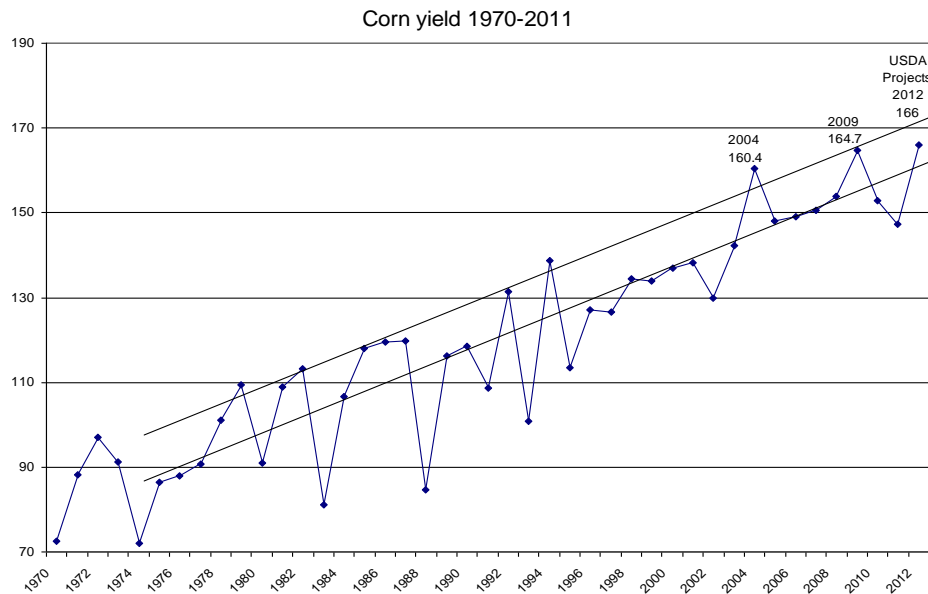
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://droughtmonitor.unl.edu>



Released Thursday, May 17, 2012
Brad Rippey, U.S. Department of Agriculture

Again all of this is against the backdrop of USDA's expectation of huge new corn yield potential – putting yield at 166 bpa in its May WASDE – a number which has drawn much talk in the trade about being too high.



WEEKLY OUTLOOK

University of Illinois Agricultural Economist Darrel Good there are a number of fundamental unknowns in the corn market which could keep futures on edge. Darrel writes:

“Among the factors to be revealed over the next few months, two of the most important are the rate of domestic feed and residual use and the prospective size of the 2012 U.S. crop. Feed and residual use of corn during the current marketing year is projected at 4.55 billion bushels. Use during the first half of the year, as implied by the quarterly stocks estimates, totaled 3.39 billion bushels. To reach the projection for the year, use during the last half of the year will need to total 1.16 billion bushels, about the same as consumed during the same period last year. Use in that period totaled 1.718 billion bushels in 2010 and 1.631 billion in 2009.

Another factor that will unfold over the next few months is the prospective size of the corn and feed grain crops in the rest of the Northern Hemisphere. The USDA projects larger corn crops than those of last year in China, Canada, Mexico, and the Ukraine.



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(CST)

Production of all feed grains is expected to be larger in the EU, Canada, China, and Mexico. The largest increases in production, however, are expected in the Southern Hemisphere as production rebounds in Argentina and South Africa. Those prospects will unfold in late 2012 and early 2013. The first USDA forecast for the 2012-13 marketing year is for record foreign feed grain production. The size of those crops will influence export demand for U.S. corn, with Chinese demand to be of special interest."

To read Darrel's full report go to:

<http://www.farmdoc.illinois.edu/marketing/weekly/html/051412.html>



USDA reports this week's corn export sales at 34.1 million bushels (13.4 this year, 20.7 next year). Trade guesses were for 31.5 to 55.1 million bushels. On the year, total commitments for corn are 1490.7 million bushels vs. 1664.6 million bushels a year ago at this time.

Weekly Corn – as of May 10, 2012

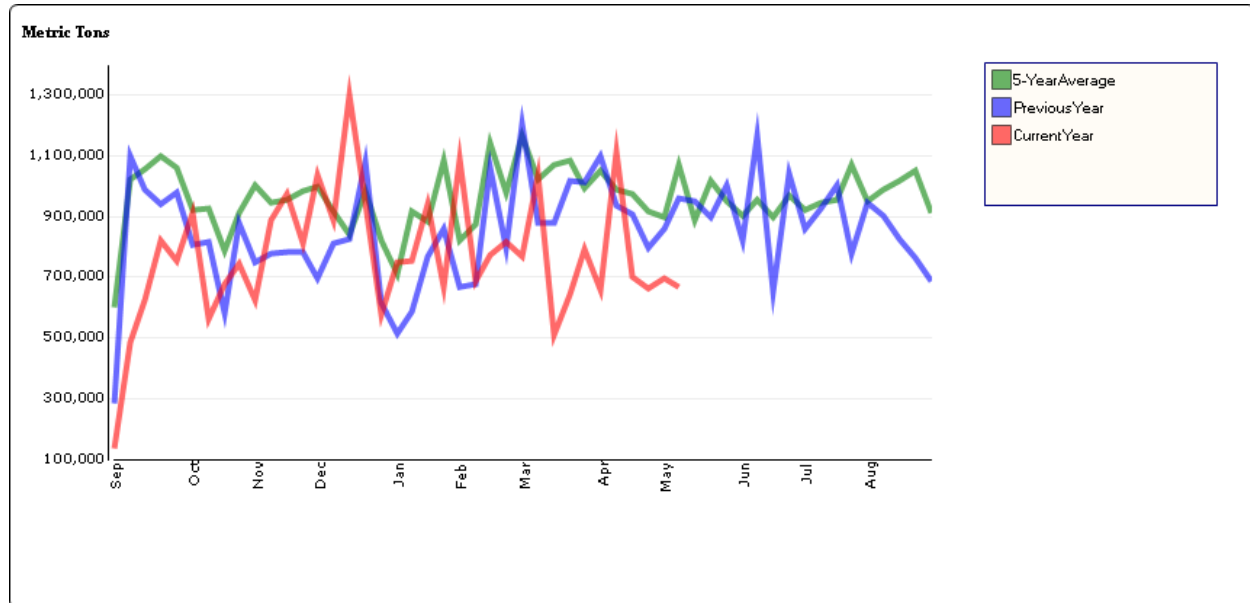


Chart Courtesy of USDA Foreign Ag Service

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:

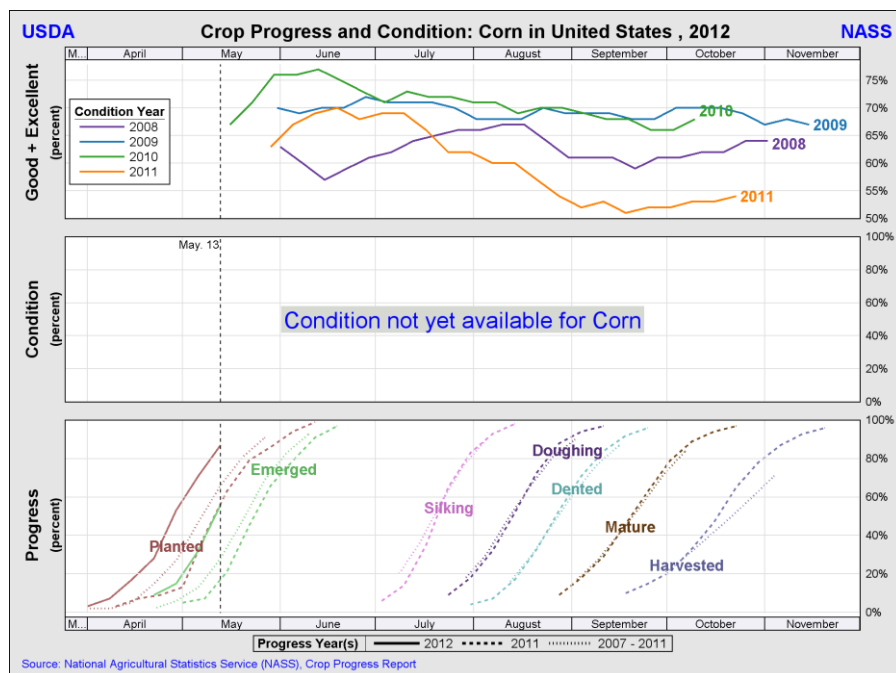
http://www.ams.usda.gov/mnreports/NW_GR110.txt

In Friday afternoon's commitments of traders report for the week ending May 15 non-commercials decreased its net long position. Non-commercials were long 303,486 contracts, a decrease of 4,473 contracts, and were short 178,172 contracts, an increase of 28,785 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders decreased its net long position for the period ending May 15. Non-commercials were long 300,660 combined future and option contracts, a decrease of 16,950 combined future and option contracts and short 174,506 contracts, an increase of 21,644 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for May 15 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	485,086	77,223	-9,027	-820



USDA reports this week's soybean export sales at 24.7 million bushels (22.6 this year, 2.1 next year). The trade was anticipating sales of 40.4 to 58.8 million bushels. On the year, total commitments for soybeans are 1289.7 million bushels vs. 1517.9 million bushels a year ago at this time.

Weekly Soybeans – as of May 10, 2012

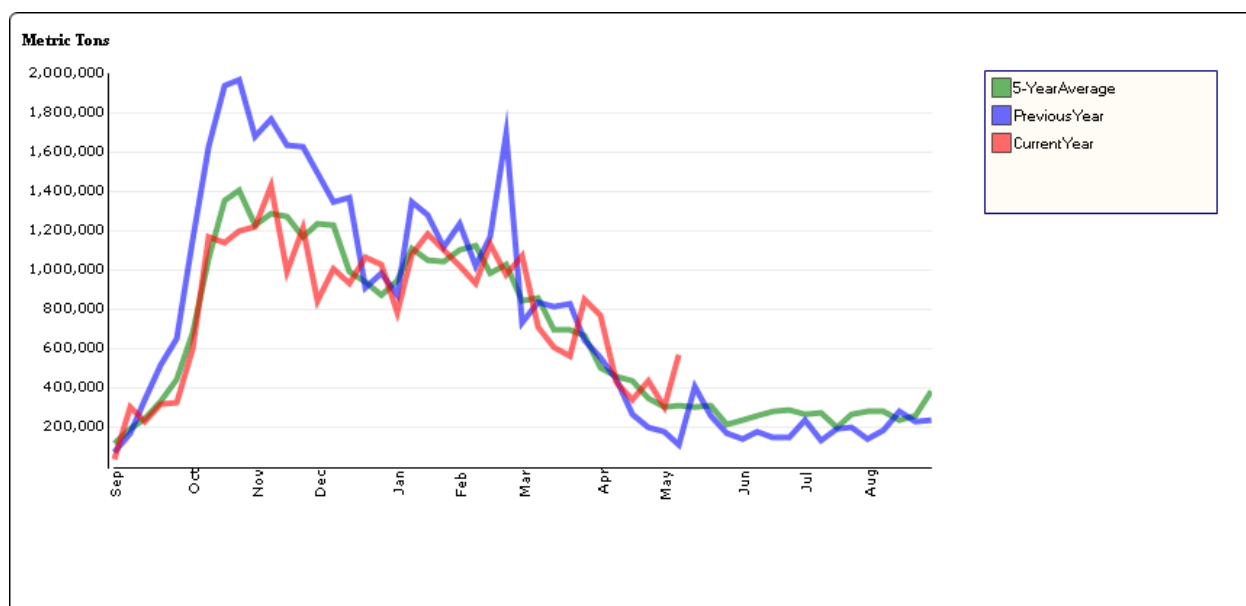


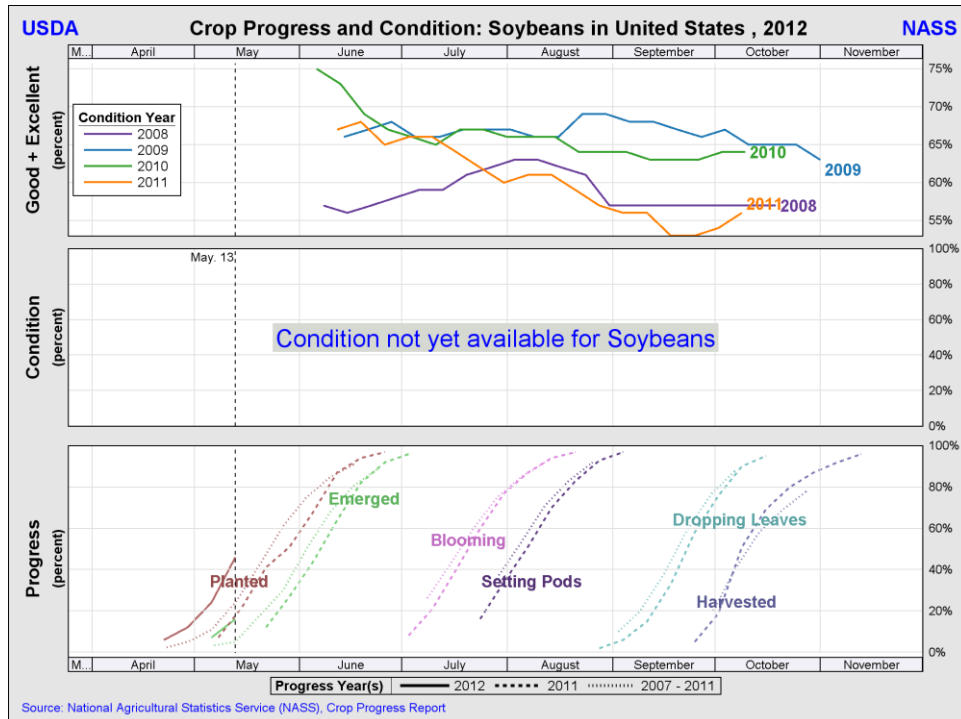
Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitments of traders report for the week ending May 15, non-commercials decreased its net long position. Non-commercials were long 290,270 contracts, a decrease of 11,744 contracts and were short 47,448 contracts, a decrease of 4,643 contracts from the previous reporting period.

Meanwhile in futures and options combined non-commercial traders decreased its net long position for the period ending May 15. Non-commercials were long 263,312 combined future and option contracts, a decrease of 20,071 contracts and short 43,528 contracts, a decrease of 3,135 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for May 15 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	214,991	61,567	762	788



USDA reports this week's wheat export sales at 26.1 million bushels (11.8 this year, 14.3 next year). The trade was anticipating wheat sales between 14.7 million bushels and 31.2 million bushels. On the marketing year wheat sales have totaled 1022.4 million bushels compared with 1300.9 million bushels a year ago at this time.

Weekly Wheat – as of May 10, 2012

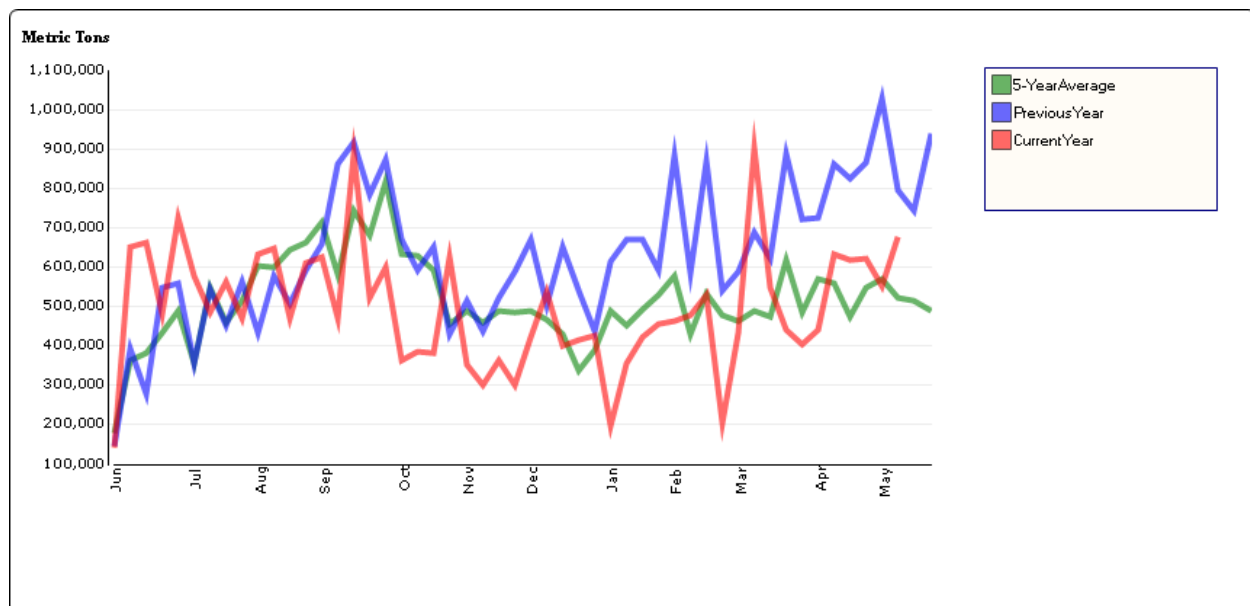
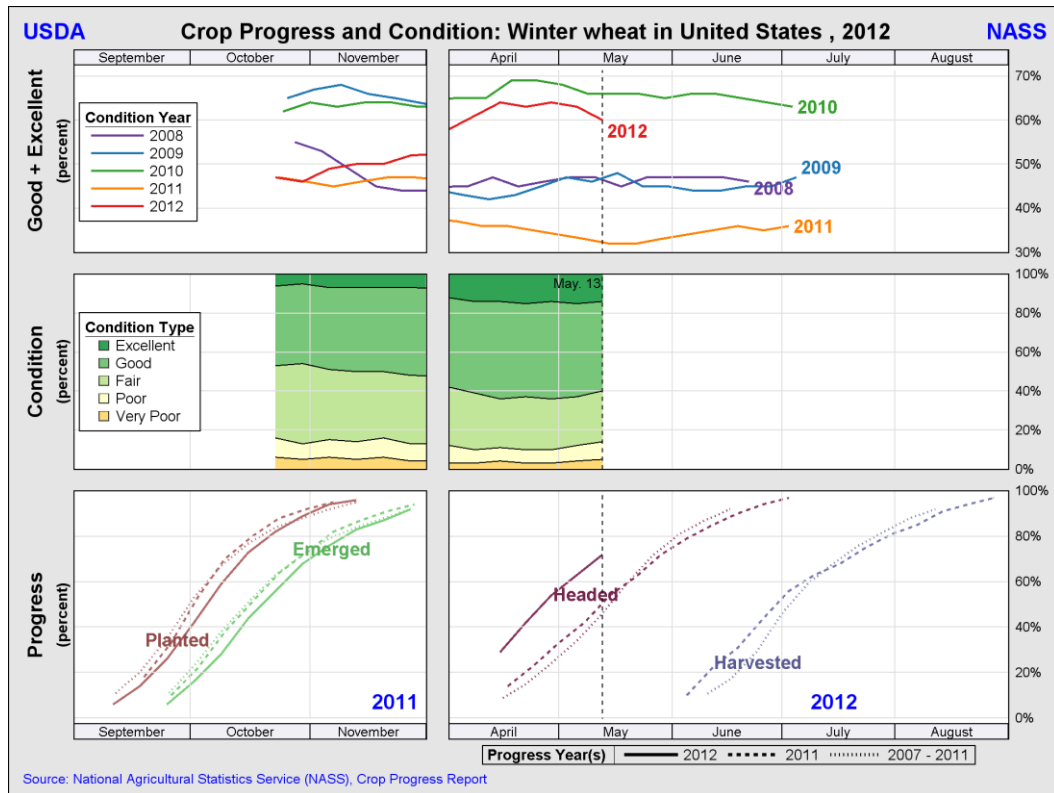


Chart Courtesy of USDA Foreign Ag Service

In Friday afternoon's commitment of traders report for the week ending May 15 non-commercials increased its net short position. Non-commercials were long 109,974 combined future and option contracts, a decrease of 658 combined future and option contracts and short 159,032 contracts, an increase of 3,395 combined future and option contracts from the previous reporting period.

The CFTC Supplemental Report for May 15 indicated the following combined future/options positions (INDEX ONLY):

	Long	Short	Long Change from Previous Report	Short Change from Previous Report
Index Traders	251,870	38,634	-236	1,869



TECHNICALS

This past week wheat went almost straight UP on the Chicago board of trade on weather concerns and is approaching strong resistance:

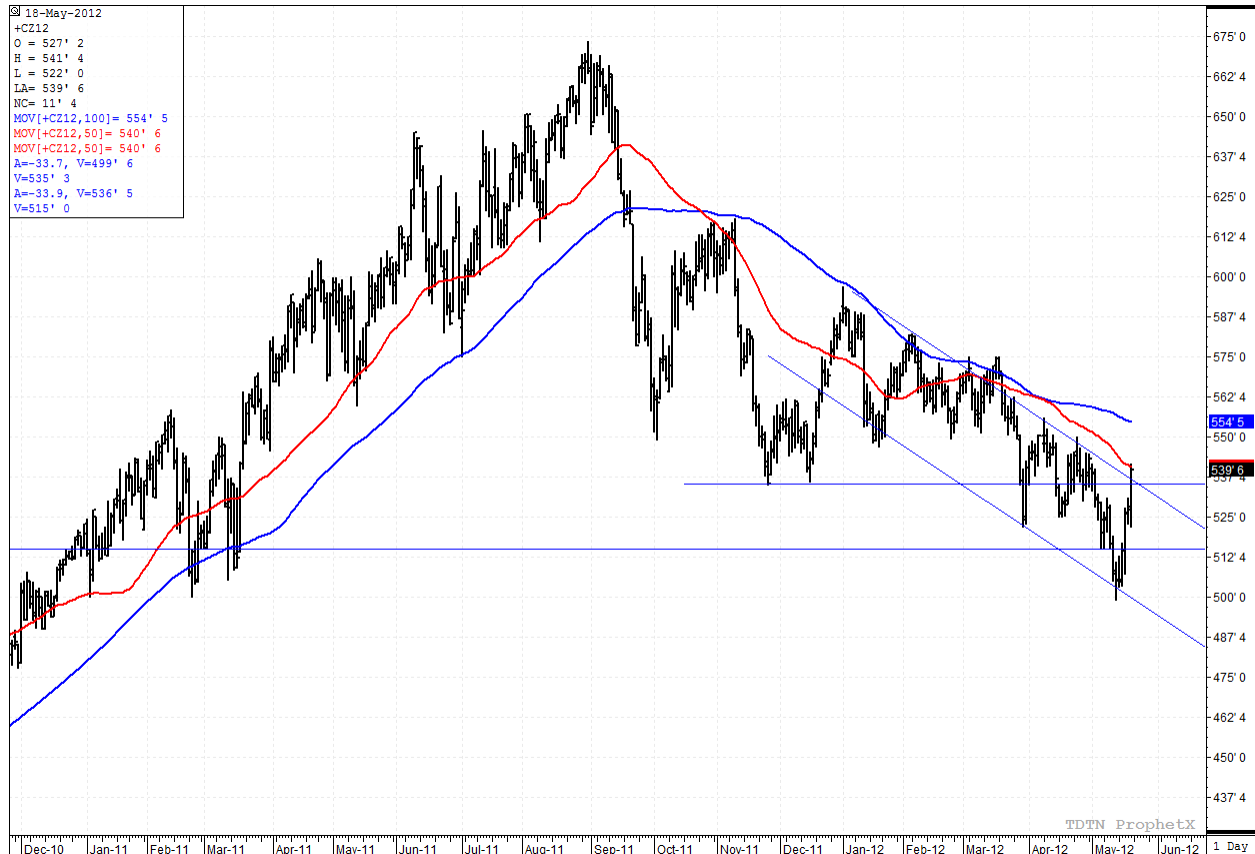
July 2012 Wheat Futures (Composite Daily)



Note that July Friday cleared its short term down trend line and are approaching the double top of 7032-704 established in January and February. This was also an area of significant consolidate in September and October of 2011. Our analysts suggest clearance of this level on a closing basis on continued weather concerns for the pending U-S harvest and yield loss in Europe could push futures to the 138 Fibonacci retracement level of 748.

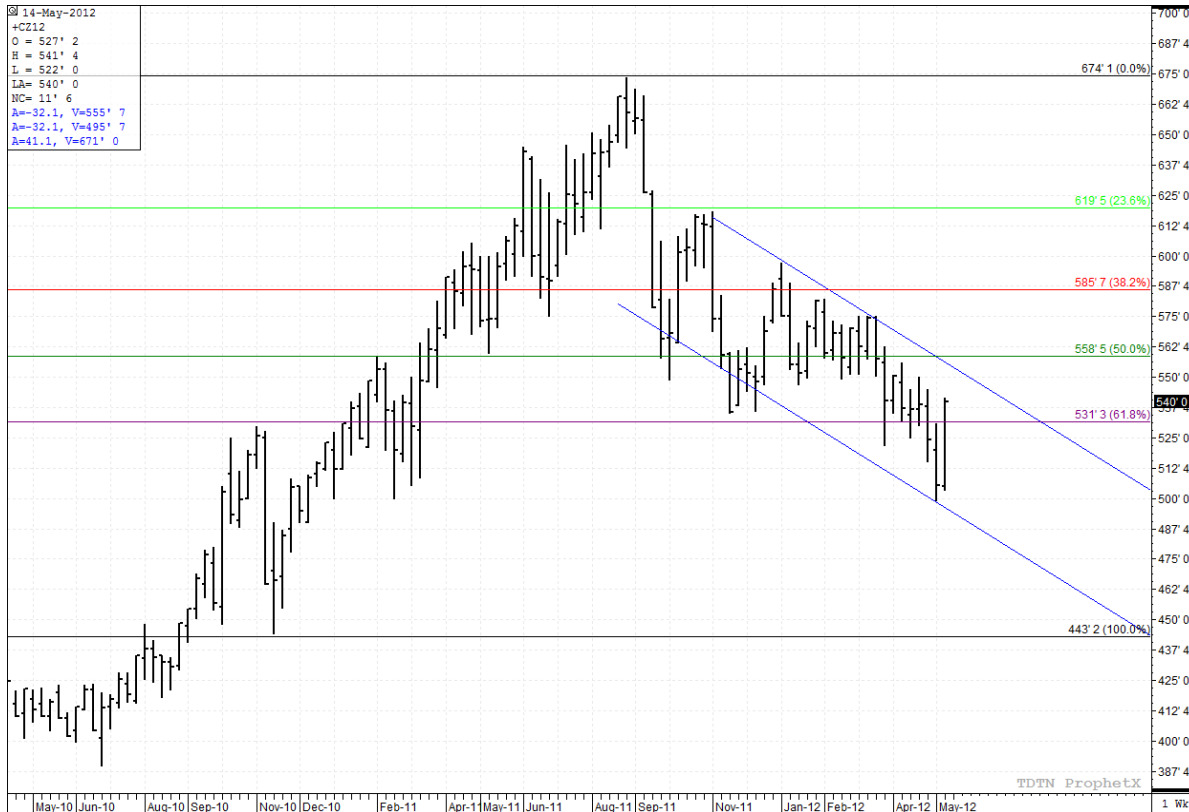
Meanwhile December corn futures Friday banged up against its 50 day moving average as well as the top of the down channel the contract has been trading in since December 2011:

December 2012 Corn Futures (Composite Daily)



Stiff upside resistance in the December corn contract can be seen on the weekly chart:

December 2012 Corn Futures (Composite Weekly)



Résistance is at the top of the downward trading channel and the 50 percent Fibonacci retracement from the November 10 low to the August 11 high at 558 1/2. Often the 50 percent retracement level in corn futures is one of the most difficult areas to penetrate. Upside potential may be close the 200 day moving average of 580 should weather continue dry.

Todd and Dave would love to hear from you. We are always looking for ways to improve WILL's agricultural service. If you have an idea, or just want to talk, you can e-mail us at willagstaff@illinois.edu. You can also reach s via snail mail at Campbell Hall for Public Telecommunications, 300 North Goodwin Avenue, Urbana, Illinois 61801, or phone at (217) 333-7400.

LIVESTOCK

Friday USDA released its May 2012 Cattle on Feed Report:

May 2012 Cattle on Feed Report (released May 18, 2012, 2:00 p.m. CST)

-	USDA May Estimate	Average Guess	Range
On Feed May 1	100.0	100.3	99.4 - 101.1
Placed in April	85.0	88.4	82.9 - 98.6
Marketed in April	99.0	98.6	98.4 - 99.2

Our analysts suggest the COF numbers suggest that the summer grilling season is off and running.



Panelists:

- Aaron Curtis, MIDCO, Bloomington, Illinois
- Curt Kimmel, Bates Commodities, Normal, Illinois
- Wayne Nelson, L and M Commodities, New Market, Indiana

Guest:

- Jerry Gulke, Gulke Group, 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. CT Friday evening and catch the show on our website:

Broadband MP3:

<http://www.will.uiuc.edu/media/cw120518.mp3>

Dial Up MP3:

<http://www.will.uiuc.edu/media/cw120518dial.mp3>

May 18, 2011



Weekly Continuation Chart

Commodity	Week High	Week Low	Week Settle	Change from Previous Week
Jul Wheat	697 1/2	592	695 1/4	up 98 1/4
Jul Wheat			740 1/4	up 64 3/4
Jul Corn	638 1/2	576 1/4	635 1/2	up 54 1/2
Dec Corn			537	up 31 3/4
Jul Soybeans	1450	1376	1405	down 1
Nov Soybeans			1324 1/4	down 33 1/4
Jun Live Cattle	11960	11510	11952 1/2	up 437 1/2
Jun Lean Hogs	8780	8495	8742 1/2	up 212 1/2
Jul Oats			340	up 8



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.