

# Market Data, Inc. - Current Review

## Marketing Advice and Information

### as of January 9, 2014

#### Key Factors, Marketing Strategies, USDA news, Commodity Reviews:

The week ending 1-8-2014 saw K. C. Wheat futures rise \$.06 on MAR 14 futures but fall by (\$.02) on NC SEP 14 K.C. Wheat futures despite the extremely cold weather here in the U.S.. Corn was down (\$.04) on MAR 14 futures and NC DEC 2014 futures fell (\$.02) due to selling on 1-8 possibly tied to farmer pricing ahead of the January 10th crop reports. Soybeans saw a drop of (\$.01) on MAR 14 futures but were (\$.25) lower on NOV 14 futures due to good South American weather, fund long liquidation ahead of the January 10th reports and talk of more 2014 U.S. acres. See the comments below for some key areas to watch in the January 10th reports.

**The January 10th U.S. expectations are:** On **CORN**, most expect USDA to raise the size of the 2013 U.S. Corn crop with the pre-report average of guesses at around 14.05 to 14.10 billion bushel with the average of most pre-report estimates of an ending 13/14 carryout rising to the 1.850 to 1.900 billion bushel area (1.792 in the December report). Most are looking for the final 2013 U.S. Corn yield to rise to the 161 to 162 bushel area. For **SOYBEANS**, the pre-report expectations are of a yield rising to the 43.25 to 43.75 area for production of 3.240 to 3.300 billion bushel. The average pre-report estimate is that ending 13/14 Soybean stocks may end up in the 120 to 180 million bushel area with MDI feeling there is just a minimal chance that the 13/14 U.S. carryout will rise much above the December figure of a tight 150 million bushel. **WHEAT** has pre-report estimations of a rise or fall in ending carryout of 30 million from the current 575 million bushel area with MDI at the top end of the range.

**The January 10th World areas to watch are:** On **CORN**, they may drop Brazilian and Argentine corn production slightly but 2013/2014 World Corn ending stocks have pre-report expectations of a rise to 163 to 164 MMT (162.5 in the December report) which will depend on the final U.S. figures more than anything and also whether or not any changes are made to the Chinese estimates. **SOYBEANS** may see production raised in South America by 1-4 MMT and the pre-report estimate is for ending stocks in the 71.5 to 73.0 MMT area vs. 70.6 in the December report. **WHEAT** has a general feel that world production may come in just over the December crop report figure of 182.8 to perhaps fall to the 181.5 MMT area which would make the ending world stocks around an average days of supply level.

**The January 10th Grain Stocks areas to watch are:** On, **CORN**, the pre-report estimate is of stocks in the 10.1 to 11.2 billion bushel area with a 10.8 billion figure being close to an average pre-report estimate. On, **WHEAT**, the pre-report estimate is of stocks in the 1.300 to 1.750 billion bushel area with a 1.400 figure being close to an average pre-report estimate. On, **SOYBEANS**, the pre-report estimate is of stocks in the 2.050 to 2.250 billion bushel area with a 2.175 figure being close to an average pre-report estimate.

**The January 10th Winter Wheat Acres areas to watch are:** The pre-report expectations are for around 43.5 million acres (up 400,000 from last year) with a general range of 42.5 to 44.0 and MDI looking for a figure close to the top end of that range. SRW acres may be slightly lower but HRW acres could be up significantly - especially in KS based on what we have seen and heard.

#### MARKETING STEPS FOR IMMEDIATE CONSIDERATION: [PLEASE CONTACT US WITH QUESTIONS!](#)

OC Soybeans should have basis locked in and or pricing done soon as no carry is in the market or look to buy a MAR 14 \$12.40 Put for price protection at a cost of \$.25 ahead of the January 10th reports. NC Soybean pricing with a MIN/MAX plan of buying a \$11.00 NOV 14 Put and Selling a \$13.00 NOV 14 Call for a cost of (\$.40) can be considered on any NC pricing done. It will likely be a slow grind higher on the corn futures as demand kicks in with the higher supply and/or final yields are confirmed lower than the current estimates. Those wanting Corn price protection ahead of the January 10th reports could consider buying a \$4.10 MAR 14 Put for a cost of (\$.11). Those with elevator stored corn or milo may want to consider selling and replacing up to 75% of your total crop with \$4.20 MAR 14 Corn calls costing around \$.11 as many elevator basis levels are better than normal and this stops all storage.

#### CORN/SORGHUM AREAS TO WATCH THIS WEEK ARE:

**Traditional Funds (non-commercials) increased their net short Corn futures and options to (164,769) contracts on 12-31.** Open interest in the Corn futures (only) and in Corn futures and options remains low and both of these factors give the market the potential to have a short covering bounce if some positive news comes out the January 10th reports.

Export sales the week ending 1-2-14 totaled just 6.1 million bushel (9.5 million a week needed) and stood at 77.8% of the projected 1.450 billion total for the 13/14 year with a total of 1.128 billion sold year to date. Shipments to 1-2 were 472 million (up 19.3 from last week) vs. 263 a year ago so they were below the 28.2 million needed each week.

**CORN:** In the **JANUARY 10th** crop report for **2013/2014**, USDA could raise **2013** planted acres 100,000 to **95.4 million** and harvested acres to 87.3 million and with a **2013 U.S. yield of 156.8** (down due to lower than expected stocks as of 12-1) they would arrive at a

**2013 U.S. Corn crop of 13.685 billion bushel.** Their 12/13 feed and residual use may fall 100 to 5.100 billion bushel, ethanol use could be up 25 to **4.975 billion bushel**, food, seed and industrial use may fall 10 to 1.440 billion making total domestic use of 11.515 billion bushel. Exports may rise 50 to **1.500 billion** making total **2013/2014 demand of 13.015** billion bushel. Combining this with imports of 36 million and beginning stocks of 824 million bushel lowers the U.S. **carryout down 262 million to 1.530 billion bushel** which is a just below **average 42.9 day ending** supply - the average since 2000 has been around 45 days. **WASDE may show World 13/14 corn production** falling by 8.8 to **955.5 MMT** with the U.S. down 7.7 to 347.6 MMT. China may hold at 211 MMT but could fall based on some past outside reviews. The Brazilian estimate may fall .5 to 69.5 MMT, and Argentina may fall .5 to 24.5 MMT. World corn 2013/2014 **demand may fall 3.27 to 936 MMT** and with a beginning stocks figure of 135 MMT, they could show the 2013/2014 world carryout **down nearly 8 to 154.5 MMT which would be a below average 60.3 day** ending supply - the average since 2000 has been around 72 days. **This would be a SLIGHTLY BULLISH corn report due to the lower U.S. and World carryout's but these figures would remain well above a year ago levels with the size of the 2013 Chinese and U.S. crops being the keys.**

Bull factors that could show up in the future are continued strong ethanol use due to good profit margins, more export demand than expected due to current lower prices. Brazil recently announced that they planted 9.5% less full season corn acres but some expect this to just drop their crop by 1 MMT or 40 million bushel?

Bear factors include Informa's updated 2014 U.S. Corn estimate of 91.85 million acres with a 163 yield and production of 13.74 billion bushel and China corn and DDG cancellations. Farm Futures did a survey and came up with 92.2 million acres for 2014.

Chinese corn prices as of 1-8-2014 were \$9.92 a bushel - up \$.09 from a week ago. **Gulf basis bids on Corn for January shipment were at \$.71 over the MAR 14 Corn futures for a cash price of \$4.88 at the Gulf as of 1-8-14.**

**Producers with un-priced basis contracts vs. the MAR 14 corn futures have an average price gain potential to 2-28 of \$.30 to \$.60 based on % moves the last 5 to all years since 1970 and we are at a heavily short fund position. Target the \$4.50 to \$4.75 area for pricing vs. the MAR 14 Corn futures.**

#### **WHEAT AREAS TO WATCH THIS WEEK ARE:**

**Traditional Funds (non-commercials) on 12-31 added to their net short futures and options contracts in K.C. Wheat to bring these to (6241) and were net short an increased (103,814) contracts of Chicago Wheat futures and options.**

**WHEAT: In the JANUARY 10th report may see 2013/2014 U.S. planted acres left at 56.2 million, harvested acres may be shown at 45.2 million acres or 80.45%, and with a U.S. yield of 47.2 bushel per acre they arrive at a 2013 U.S. Wheat crop of 2.130 billion bushel.** Exports may hold at 1.100 billion bushel despite a strong start to the 13/14 year. Domestic seed use could rise 2 to 75 million, feed and residual may fall 25 to 285 million bushel, and with food use of 950 million bushel making total domestic demand 1.310 billion bushel with **total demand of 2.410 billion** bushel (down 23 from last report). This when combined with imports of 167 million (up 7 on more Canadian imports) and ending 12/13 wheat stocks of 718 million bushel would leave ending 2013/2014 U.S. carryout at **605 million** bushel which would be a **below average 91.7 day ending supply** (the average has been around 103 days since 2000). **World wheat production for 2013/2014 may come in .58 higher at 712 MMT** on a larger Australian crop to 27.0. The U.S. may stay at 58 MMT, with Canada at 37.5 MMT. China's crop may be unchanged but could fall from the current 121.0 MMT level. The **WASDE World wheat demand for 13/14 could fall .47 to 704.0 MMT** and they may show a beginning stocks figure of 176 MMT. This would cause ending world 2013/2014 stocks to rise by 1.22 to **184 MMT** or a **95.5 day ending supply right at the 95.9 day average since 2000.** **This would be a SLIGHTLY NEGATIVE wheat report due to the rise in ending U.S. and World stocks.**

Export sales of 4.1 the week ending 1-2-14 brought the total to 904 million bushel or 82.2% of the projected USDA total of 1.100 billion and were above the 7.5 per week of sales needed. Export inspections the week ending 1-4-14 were below pace at just 13.6 million bushel vs. 15.6 a week needed to reach the 1.100 billion level.

2013 Wheat acres as of December 1 and reported to FSA were shown at 53.775 million and if a 2.735 added figure (December 2012 to Final 2012) total acres could come in at 56.5 million or 300,000 above the December 10th USDA level.

Informa came up with 42.9 million Winter Wheat acres which would be just down slightly from last year. They show 13.1 million Spring Wheat acres or up 1.5 million from last year but just 9.8 million Soft Red Winter Wheat acres or down by 250,000 from a year ago. Total 2014 U.S. Wheat acres are forecast at 57.9 million or up 1.7 million from 2013.

**Gulf basis bids on HRW were steady at \$1.15 over MAR 14 futures for January shipment and SRW bids were steady at \$1.00 over MAR 14 Chicago Wheat the week ending 1-8-14.**

**Basis contracts tied to MAR 14 K.C. Wheat futures could see MAR 14 K.C. Wheat futures in the \$7.00 to \$7.25 area for final OC pricing as the all years since 1970 price advance potential is \$.50-\$.70 a bushel. Gulf K.C. cash Wheat is priced at \$7.52 a bushel with Australian wheat bid a week ago at \$6.79.**

**SOYBEAN AREAS TO WATCH THIS WEEK ARE:**

**Traditional Funds (non-commercials) reduced their net long Soybean futures and options to 116,561 contracts on 12-31.** Open interest in Soybean futures and futures and options has been slipping a little the past couple of weeks.

Export sales through 1-2-14 came in at 5.7 million bushel and reached 1.499 billion bushel or over the projected 1.475 billion figure currently shown by USDA with weekly sales of -.7 million now needed. Export inspections the week ending 1-2-14 came in at a very good 56.6 million bushel and are now 103 million above a year ago and should continue strong for several weeks as South America may have a limited supply available and need to only average 16.0 million a week.

**SOYBEANS:** in the **JANUARY 10th** report for **2013/2014**, USDA may see **2013 planted acres** rise by 100,000 to **76.6 million** and place harvested acres at 75.8 million with a **2013 U.S. yield of 42.6 bushel** per acre they could arrive at **2013 U.S production of 3.230 billion bushel**. Export demand may rise 5 to 1.480 billion bushel, crush use hold at 1.690 billion bushel, seed at 87 and residual down 15 to 8 for a total of 95 million making total domestic use of 1.785 billion bushel. **Total demand would then be shown at 3.265 billion bushel**. Add in **34 million of imports** (up 9) and with **beginning stocks at 141 million bushel**, it leaves **ending U.S. stocks for 2013/2014 at 140 million bushel** which is a below average **15.7 day ending supply** - the average since 2000 has been around 27 days. **World production** for 2013/2014 as shown by WASDE may rise 1.56 MMT to **286 5 MMT** on larger South American crops and **world use may rise by .63 to 271.5 MMT**. Beginning stocks for 2013/2014 could come in at to **60 MMT** thus ending world stocks for 2013/2014 would come in at **75 MMT** which is an **above average 100.9 day ending supply** (the average since 2000 has been around 81 days of ending supply). The U.S. 2013 crop may fall .76 to 87.9 MMT, Brazil may rise 2 to 90 MMT, Argentina could rise .5 to 55 MMT, and the Chinese crop may be steady at 12.2 MMT. This would be a **SLIGHTLY NEGATIVE** soybean report **due to the increase in the World carryout level even if the U.S. carryout is lowered slightly**.

The low U.S. stocks will be offset by higher World production in South America as weather is allowing generally good conditions for the start of the season in much of Brazil and some rainfall alleviated some of the weather concerns in Argentina that had been supporting the markets. Soybean acres are expected to increase in the U.S. in 2014 due to low corn prices and higher costs of producing corn vs. soybeans. Ending World stocks should remain at a negative 95 to 100 day ending supply - above the 81 day average since 2000.

Informa now forecasts a bearish 81.9 million 2014 U.S. Soybean acres and with a 44.5 yield arrives at production of 3.6 million bushel which is 325 million over the current 2013/2014 estimated demand and would possibly triple the ending U.S. carryout if demand remains at the current 2013/2014 level of 3.275 billion bushel. Farm Futures came up with the potential for 82.3 million acres in their survey.

Soybean prices in China on 1-8-14 were \$20.52 a bushel - up \$.52 on the week. **Gulf basis bids on soybeans is at \$1.15 over the MAR 14 futures on January shipments - as of 1-8-14 and the price is \$14.01 at the Gulf.**

**Target \$13.40 to \$13.95 for 50-80% pricing on MAR 14 futures which is the price level a 5 year to all years since 1970 move might see occur. Do not lose sight of the large South American crop that may put pressure on prices around the first of the year. Note harvest in Brazil is seeing more progress.**

**OUTSIDE AREAS the period ending 1-8-2014 saw: Spot Crude Oil** futures remain below the \$100 level with a drop of (\$3.00) to a spot futures price of **\$92.50**. Support at \$90.00 has been established with major resistance in the \$105.00 area. The U.S. **Dollar** was up by \$.40 at a **\$81.05** spot price - with key support at \$75 and resistance at \$85.00. **Gold rose held at \$1225 an oz.** The **DOW** was up by 25 to **16465** and the **NASDAQ** rose by 20 vs. a week ago to **4165**.

The **EIA report** showed we have reasonable to low stocks as the figure shown on 1-3-14 is at 34.2 days of supply vs. a 36.7 figure a year ago on 1-4-13 and total stocks are at a low 16,138 vs. a 19,854 figure a year ago or down by over 18% from a year ago. Production the week ending 1-3-14 came in at 919 (up 6 on the week) vs. a figure of 826 the same time last year so it was 111.3% of last year. The first eighteen weeks of the marketing year saw production average 896.8 a day vs. 815.5 a year ago the first seventeen weeks or it was around 110% above last year and are on pace to exceed USDA's estimate by around 25 million bushel. Ethanol price changes the week ending 1-4-14 showed a drop of (\$.24) in KS to a (\$.04) fall in IL and currently prices are around (\$.20) below last year in KS to \$.07 above a year ago in IA - [click here for a link to a weekly report](#). Spot Rbob futures vs. ethanol futures price spread widened by \$.03 to +\$.75 to rbob the week ending 1-8-14.

**U.S. WEATHER:** Is less of a factor for market price movement but here are links to **NOAA WEATHER:** and the **NOAA six to ten day** and **NOAA eight to fourteen day** forecasts are shown by clicking on the links at the left. To watch for short term moisture coverage go to the **NOAA 5-day coverage map**. Precipitation that has occurred can be reviewed on - [click here for a NOAA map](#).

**Wheat: Cold weather concerns are now moving prices up**

**OLD CROP WHEAT (OC):** As of 12/18/2013 the MDI Target Futures Prices for **KC WHEAT OC** pricing on **MAR 2014** futures are **\$6.95** for **60%** pricing and **\$7.25** for moving to **90%** priced, and futures were **\$6.37** on 1/8/2014.

Pricing of OC wheat is based on **MAR 14 K.C.** Wheat futures which closed trading at **\$6.37 on 1-8-2014** - up \$.06 on the week. We feel

**pricing could be placed on hold or moved to no more than a 15-20% level.** The 2012 U.S. ending 13/14 stocks rose by 10 million in the December 10th report to 575 million bushel due to higher imports. Export sales may slow down with the Australian supply now entering the market and their price is below the U.S. Gulf price and the Canadian harvest reported at a record high yield (by over 20% vs. 2011) which will compete with the U.S.. **MAR 14 futures project the potential to have a price advance to the \$7.45 area (based on the 10 YEAR average % move - during the 12-18 to 2-28 time frame) from the starting price of \$6.54 with the average % move low being down to the \$6.13 area.**

**NEW CROP WHEAT (NC):** As of 12/18/2013 Target Futures Prices for **KC WHEAT NC** pricing on **SEP 2014** futures are **\$7.00** for **30%** pricing and **\$7.60** for moving to **50%** priced. **KC WHEAT SEP 2014** futures were **\$6.46** on 1/8/2014.

MDI feels that **NC 2014 pricing is tied to SEP 2014 K.C. Wheat futures and pricing could be placed on hold or moved to 10% priced with SEP 14 futures** closing on 1-8-14 at **\$6.46** - down (\$.02) from a week ago. The November crop conditions for the 2014 winter wheat crop heading into winter came in at 8% rated P to VP and 62% in the G to EX categories vs. 33% a year ago. Consider buying a JUL 14 K.C. Wheat \$7.00 put and selling a JUL 14 K.C. Wheat \$8.00 call for a net cost of (\$.25) on up to 40% pricing. Use just put options on any pricing over the 50% level. **SEP 2014 K.C. Wheat futures** (based on % movement in ALL YEARS since 1970 during the 10-30 to 8-31 timeframe) could see **an average move up to the \$8.13 area from the starting price of \$6.67 and an average % move down to \$5.84.**

As of 12/18/2013 Target Futures Price for **JUL 2015 KC WHEAT NC** pricing is **\$7.25** for **20%** of the crop. **KC WHEAT JUL 2015** futures were **\$6.66** on 1/8/2014.

As of 12/18/2013 Target Futures Price for **JUL 2016 KC WHEAT NC** pricing is **\$7.25** for **20%** of the crop. **KC WHEAT JUL 2016** futures were **\$6.64** on 1/8/2014.

For those who can handle margin call risk, look at using short futures hedges on no more than **5-10% pricing on the 2015 crop with JUL 2015 K.C. futures at \$6.67** a bushel on the week ending 1-8-2014 unchanged on the week. **JUL 2016 K.C. Wheat** futures are at **\$6.64** a bushel - unchanged - and **no more than 5% pricing** could be considered at this price. Basis levels on 2014 to 2016 bids may be very wide due to the risk of margin calls and the expense it might cause so producers **may want to consider a short hedge vs. a cash sale as cash basis levels may improve over time.**

## Corn and Sorghum: Concerns over ending 13/14 carryout weigh on the market

**OLD CROP CORN AND SORGHUM (OC):** As of 12/18/2013 the MDI Target Futures Prices for **CORN OC** pricing on **MAR 2014** futures are **\$4.50** for **40%** pricing and **\$4.75** for moving to **70%** priced, and futures were **\$4.17** on 1/8/2014.

OC corn and sorghum pricing **is tied to MAR 14 corn futures which closed on 1-8-2014 at \$4.17** - down (\$.04) on the week. Look to **leave pricing on hold or move to no more than a 15% priced level.** Prices may remain under pressure from the still large December 10th carryout for 13/14 of 1.792 billion bushel but ethanol demand is running at a very good pace. This combined with the high production may keep the funds short in the market. World stocks are projected in 13/14 to rise by 1.085 billion bushel due partly to a 2013 U.S. Crop of 13.989 billion bushel. The **10 YEAR average move UP on MAR 14** corn from the starting price on 12-18 of \$4.25 during the period of 12-18 to 2-28 would be to a high in the **\$4.78 area** with a **potential low of \$4.07** on **MAR 2014** corn futures during this same timeframe.

**NEW CROP CORN AND SORGHUM (NC):** As of 12/18/2013 Target Futures Prices for **CORN NC** pricing on **DEC 2014** futures are **\$5.00** for **30%** pricing and **\$5.60** for moving to **50%** priced. **CORN DEC 2014** futures were **\$4.46** on 1/8/2014.

You could **move NC 2014 pricing to around a 5-10% level or leave it on hold to see if we can get a bounce from oversold conditions with DEC 14 futures at \$4.46** as of 1-8-2014 - down (\$.02) on the week. We **would like any pricing to be done with a MIN/MAX plan.** Initial pricing could be done by buying a DEC 14 Corn \$4.50 Put and selling a DEC 14 Corn call with a strike price \$1.00 above the put for a net cost of (\$.25) to the buy side should be considered for initial pricing - especially on bushels that will not be covered by crop insurance price protection. The **ALL YEARS since 1970 average move UP on DEC 14** corn from the starting price on 12-18 of \$4.54 during the period of 12-18 to 9-30 would be to a high in the **\$5.60 area** with a **potential low of \$3.84** on **DEC 2014** corn futures during this same timeframe.

As of 12/18/2013 Target Futures Price for **DEC 2015 CORN NC** pricing is **\$5.20** for **15%** of the crop. **CORN DEC 2015** futures were **\$4.59** on 1/8/2014.

As of 12/18/2013 Target Futures Price for **DEC 2016 CORN NC** pricing is **\$5.25** for **15%** of the crop. **CORN DEC 2016** futures were **\$4.58** on 1/8/2014.

Obtaining bids for 2015 and 2016 from grain elevators or end users may be difficult. It is our feeling that the current price of **DEC 2015** futures on 1-2-2014 of **\$4.59** - down (\$.03) and could allow for **no more than 5% pricing to be considered in NC DEC 2015** futures

with a MIN/MAX plan and pricing of no more than **5% on DEC 2016** with DEC 2016 futures closing at **\$4.58** a bushel - down (\$.04).

## Soybeans: Moisture in Brazil and Argentina pressures prices lower

**OLD CROP SOYBEANS (OC):** As of 12/18/2013 the MDI Target Futures Prices for **SOYBEANS** OC pricing on **MAR 2014** futures are **\$13.40** for 50% pricing and **\$14.00** for moving to 80% priced, and futures were **\$12.69** on 1/8/2014.

OC soybean pricing is now tied to **MAR 14 futures** and OC pricing could be moved to a **30% level** as these soybean futures closed at **\$12.69** on 1-8-2014 - down (\$.01) on the week. The USDA report left the 2013 U.S. Soybean production unchanged but dropped ending 13/14 stocks 20 to 150 million bushel in the December 10th report. **MAR 2014 soybean** futures have the potential to see a **5 YEAR advance** to the **\$14.28 area** (using a review of the % move up from 12-18 to 2-28 time frame) with the % move **low being a move down to the \$12.59 area** from the starting price of \$13.14.

**NEW CROP SOYBEANS (NC):** As of 12/18/2013 Target Futures Prices for **SOYBEANS** NC pricing on **NOV 2014** futures are **\$12.80** for 30% pricing and **\$13.80** for moving to 50% priced. **SOYBEANS NOV 2014** futures were **\$11.04** on 1/8/2014.

The NC futures are **NOV 2014** soybean futures and closed 1-8-2014 at **\$11.04 a bushel** -down (\$.25) on the week. MDI feels pricing can be brought to a **10-15%** level using with a **MIN/MAX plan** on up to **50%** and **just puts on the last 50%**. Look at a NOV 14 Soybean MIN/MAX plan of buying a \$11.00 to \$11.20 NOV 14 Put and sell a NOV 14 call with a price \$2.00 above the put strike price for a net cost of around (\$.40) to (\$.45) to the buy side for any pricing done. USDA shows a bearish figure of 2.595 billion of ending world 13/14 carryout or a 95.2 day ending supply - well above the 80.6 day average since 2000. **NOV 2014 soybean** futures have the potential to see a **ALL YEARS since 1970 advance** to the **\$14.39 area** (using a review of the % move up from 12-18 to 10-30 time frame) with the % move **low being a move down to the \$10.27 area** from the starting price of \$11.60.

As of 12/18/2013 Target Futures Price for **NOV 2015 SOYBEANS** NC pricing is **\$12.00** for 15% of the crop. **SOYBEANS NOV 2015** futures were **\$10.97** on 1/8/2014.

As of 12/18/2013 Target Futures Price for **NOV 2016 SOYBEANS** NC pricing is **\$12.00** for 15% of the crop. **SOYBEANS NOV 2016** futures were **\$10.59** on 1/8/2014.

MDI is targeting **2015 soybean pricing of 5-10%** with **NOV 2015** futures at **\$10.97** on 1-8-2014 - down (\$.25) - if you use a MIN/MAX plan. Cash bids may not be available from many locations for 2014 to 2016 so short hedges may be the best or only method of pricing. End users will also quote wider than normal basis levels the farther out you go on pricing due to the margin call risk and costs - if they will even give you a cash bid or basis level. **NOV 2016** futures at **\$10.59** - down (\$.25), and **no more than 5% pricing** can be considered at this price level.

**SUNFLOWERS: producers could price 30-50% of OC and 20% on NC 2014 at current price levels.** In the January 11, 2013 Report, **USDA showed total harvested acres in 2012 at 1.841 million acres (up from 1.458 last year) or at 126.2% of a year ago.** The **2012 production** shown in the January 11th crop report was shown at 2,785,695 vs. 2,038,275 in 2011 or **up by 36.6%** and was based on a 2012 U.S. yield of 1,513 vs. last year's 1,398 figure. **Sunflower acres were shown at just 1.567 million acres in 2013 vs. 1.919 million a year ago. Sunflower stocks in the U.S. as of 9-1-2013** were shown at **338,873 (1000 lbs)** vs. a figure on 9-1-2012 of 190,846 (1000 lbs) or at **177.6%** The 1-8-2014 spot price at the ADM plant in Goodland, Kansas on sunflowers was **\$18.15 for SPOT delivery** - down (\$.50) from last week and **2014 Act of God NC bids are at \$18.10** - also down (\$.50).

**FEED or END USERS: Look to move coverage on corn or sorghum to 75% for the winter months with MAR 14 Corn at or below \$4.30 and to 75% with MAY 2014 Corn futures in the \$4.30 or lower area and to 50% on summer needs with JUL 14 Corn at \$4.30 or lower.**

**LIFFE** front month **EU GRAIN PRICES** as of 1-8-2014 were: **CORN - \$5.96** a bushel - down (\$.06), **MILLING WHEAT - \$7.54** a bushel - down (\$.19), and **FEED WHEAT - \$5.90** bushel - down (\$.17). This compares to 1-8-2014 - **JAN shipment U.S. Gulf prices** for **Corn of \$4.88** - down (\$.08), **Sorghum for JAN shipment** were **\$5.16** a bushel - down (\$.04), **SRW Wheat bids were \$6.89** a bushel - down (\$.08) on the week, and **HRW** at the Gulf was bid at \$1.15 over the MAR 14 futures for a **\$7.52** bushel bid - up \$.06. **Soybeans** were at **\$14.01** a bushel fob the Gulf for **JAN shipment** - up \$.14 on the week.

**USDA's CROP REPORT for December 10th SHOWED:** Click at the far left link to go to the NASS website for the full reports or the right link for the MDI summary.

**WHEAT: 2013/2014 U.S.** planted acres were placed at 56.2 million acres, harvested acres of 45.2 million acres or 80.4%, and with a record U.S. yield of 47.2 bushel per acre (up 1) for a **2013 U.S. Wheat crop of 2.130 billion** bushel. Exports held at 1.100 billion bushel,

domestic seed use is shown at 73 million, feed and residual was steady at 310 million bushel, and food use of 950 million bushel making total domestic demand 1.333 billion bushel with total demand of 2.433 billion bushel. This when combined with imports of 160 million (up 10) and with ending 12/13 wheat stocks of 718 million bushel left the ending 2013/2014 U.S. carryout at **575 million bushel** (up 10 from last month) which is a **below average 86.3 day ending supply** (the average has been around 106 days since 2000). **World wheat production for 2013/2014 rose 5.05 to 711.4 MMT**. The U.S. is shown at 57.96 MMT, with Canada up 4.3 to 37.5 MMT and the EU-27 down .22 to 143.12 MMT. The North African crop is at 20.61 MMT and Australia was left at 25.5 MMT. The FSU nation's production fell 3.9 to 104.1 MMT with Russia down 2.5 to 51.5, Kazakhstan down 1.5 to 15.5 and the Ukraine steady at 22.0. The Argentine figure was unchanged at 11.0 MMT. China's crop still shows a record crop at 121.0 MMT, and India came in 92.46 MMT. The **WASDE World wheat demand for 13/14 was up 1 at a record 704.47 MMT** due mostly to less feed use with a beginning stocks figure to 175.8 MMT - .25. This caused ending world 2013/2014 stocks to rise by 4.3 from last month to **182.8 MMT** or a **94.75 day ending supply** or just below the 96 day average since 2000. **This was a SLIGHTLY NEGATIVE wheat report due to the higher ending U.S. and World stocks levels.**

**CORN:** In the **DECEMBER** crop report for **2013/2014**, USDA left **2013** planted at **95.3 million** and harvested acres at 87.2 million for a 91.5% harvested % and with a **2013 U.S. yield of 160.4** they arrived at a **2013 U.S. Corn crop of 13.989 billion bushel**. Their 13/14 feed and residual use was steady at 5.200 billion bushel, ethanol use was **up 50 to 4.950 billion bushel**, food, seed and industrial was shown at 1.450 billion making total domestic use of 11.600 billion bushel. Exports were shown up 50 million to **1.450 billion** making total **2013/2014 demand of 13.050** billion bushel. Combining this with imports of 30 million (up 5) and beginning stocks of 824 million bushel the U.S. **carryout fell by 95 million bushel from last month to a still large 1.792 billion bushel** which is an **above average 50.1 day ending supply** - the average since 2000 has been 44-45 days. **WASDE showed World 13/14 corn production** rising by 1.45 to a **RECORD 964.3 MMT** due largely to a 1 MMT increase in the Ukraine estimate. The U.S. crop was left at 355.33 MMT. They still show a new record large Chinese crop of 211 MMT which is up by 5.4 MMT from last year. The EU crop was down .35 to 64.94 MMT. The Brazilian estimate was left at 70.0 MMT and Argentina was steady at 26.0 MMT. Mexico was unchanged at 21.7 MMT, and South African production at 13.0 MMT. The FSU production came in at 46.06 MMT - up 1 with the Ukraine up 1 to 30.0 MMT. **World Corn 2013/2014 demand rose 3.4** to a new **RECORD 936.73 MMT**, and with a beginning stocks figure of 134.9 MMT, they show the 2013/2014 World carryout **falling 1.9 MMT from last month to 162.46 MMT** which is a **below average 63.3 day ending supply** - the average since 2000 has been 72 days. **This was a SLIGHTLY FRIENDLY corn report due to the lower than expected ending U.S. and World Stocks level.**

**SORGHUM:** The **DECEMBER** report showed **2013/2014 U.S. Sorghum crop of 416 million** bushel in 2013 which is based on harvested acres of 6.7 million of the 8.1 planted acres and an average **2013 U.S. yield of 62.2 bushel per acre**. Combine this Imports of 0 million and with 100 million bushel of feed demand, 120 of food and industrial use, and 180 million of exports - for **400 million of total use**, with 15 of beginning stocks it left the ending U.S. Sorghum **carryout for 2013/2014 at 31 million or at a 28.3 day ending supply** or below the average level since 2000 of around 39 days. Beginning world stocks were shown at 3.8 MMT, Production at 62.2 MMT (down .4), and Use of 61.8 MMT (down .4) leaving ending stocks at 4.3 MMT (down .1) or a **25.4 day ending supply**. This was a **MOSTLY NEUTRAL** sorghum report due to largely unchanged ending carryout levels in both the U.S. and World.

**SOYBEANS:** in **DECEMBER**, USDA placed **2013 planted acres** at **76.5 million** and harvested acres at 98.96% harvested or 75.7 million with a **2013 U.S. yield of 43.0 bushel** per acre they arrived at **2013 U.S production of 3.258 billion** bushel. Export demand was raised 25 million to 1.475 billion bushel, crush use is up 5 to 1.690 billion bushel, seed at 87 and residual of 22 for a total of 109 million making total domestic use of 1.799 billion bushel. Total **demand is shown at 3.274 billion bushel**. Add in **25 million of imports** (up 10) and with **beginning stocks of 141 million bushel**, it lowered **ending U.S. stocks for 2013/2014 to 150 million bushel** (down 20 from last month) which is a **16.7 day ending supply** or below the average since 2000 of a 29 day. **World production for 2013/2014** as shown by WASDE rose 1.4 from last month and remains at a **RECORD 284.94 MMT** while **World use is also shown at a RECORD 270.87 MMT** (up .87 on the month) and up by 12.5 MMT from 12/13. Beginning stocks for 2013/2014 are shown at **60.18 MMT** (down .07) thus ending world stocks for **2013/2014** rose by .4 from last month to **70.6 MMT** which is still a well **above average 95.2 day ending supply** (the average since 2000 has been around 80-81 days of ending supply). The U.S. 2013 crop was shown at 88.66 MMT, Brazil was steady at 88.0 MMT, Argentina rose 1 to 54.5 MMT, and the Chinese crop was unchanged at 12.2 MMT. This was a **MOSTLY NEUTRAL** soybean report due to the lower ending U.S. carryout level offset by a small rise in the world figure.

**Key changes USDA/WASDE made in the DECEMBER report to their 2012/2013 U.S. estimates were:** World production rose 2.8 MMT but was offset by some added demand.

**For the MDI outlook on the next monthly crop report go to the MONTHLY REVIEW section of our service or go to [USDA Info. at MDI's Prospective Production.](#)**

**MDI calls PRICING** making cash sales, use of just put options both of which have no margin call risk, or a MIN/MAX plan where you buy a put to place a floor and then sell a call to reduce the cost of the put but this also places a ceiling on the futures price that you can achieve on pricing while raising the floor by the amount of the premium received from selling the call. Another method of pricing is to sell or short the futures market in order to establish a futures floor while waiting to see if a better basis opportunity presents itself and then this can be converted to a cash contract and the futures lifted. This could involve margin calls. **On NC pricing we do NOT recommend any combination of a MIN/MAX, short futures hedges and/or cash sales that combined brings your total pricing above 90% of your projected bushels covered by crop insurance unless harvest is almost upon us and your yield is fairly well known. Use**

put options to cover any pricing above this level.

MDI has a lot of historical market information available **under the USDA Info. section of the website.** We have [Grain Estimates](#) reviews that show historical U.S. production levels back to 1970 on wheat, corn, soybeans, sorghum and sunflowers. Click on the links by each of these headings to go to these items. A link to a review of individual [State Data](#) is also available. We have a Hi/Low review in the Grain Estimates that shows the three highest and lowest figures on each area for grain crops since 1970. We also show [World Info.](#) on all the world producing, importing and exporting nations for wheat, corn, sorghum, and soybeans with historical information available back to the early 1960's.

**NOTE:** Users can **ADD LINKS** to other internet sites **under our Markets, Weather and USDA Links (found under USDA Info.)** by a simple process of filling in the name you want to refer to the link as, the new web address, and select the category you want it listed under. These can be deleted with the click of a mouse. Use this to add your own personalized links that are readily accessible from the MDI site. **Call us with any questions.** Look under the Monthly Review for government and other news and automatic updates of price movement for the last 30 days, added funds comments and their last four week changes in positions. We have a **futures price review found under the SPECIAL REVIEWS** section of the website called [Futures Price Check](#). Users can select a futures contract to review the historical price movement of (by setting your own start and end dates) and then it takes the current futures price for the futures being reviewed and shows what the Average Move up would be based on the (1 to 38 year historical figures - you choose) under Move Up %, looks at the Move Down % to show where the current price may fall to - IF - history repeats itself, and then shows what the historical ending price vs. today's price has been. This can be useful in setting target prices (move up) for sellers and end users can use the move down to target pricing of feed or ethanol needs. **CAUTION**, historical figures do not assure that the current situation will perform the same % moves as the markets have been moving up and down in much wider swings **than normal** the past few years.

## Wheat Information and Analysis:

**WHEAT EXPORTS:** Sales for the current marketing year, the week ending **1/2/2014** were **poor** at **4.1** million bushel and export sales now stand at **903.5** million bushel vs. 709.3 million a year ago at this time. Sales of around **7.5** million a week are needed assuming donations of **10.0** and with donations to date of 3.068. Sales to date have averaged 20.9 per week. Export inspections on shipments the week ending **1/2/2014** were **poor** at **13.6** million and brought the total inspected to **743.0** vs. 529.1 inspected a year ago. Shipments need to average **15.6** a week assuming 30 million shipped as flour or not inspected. Inspections to date have averaged 24.0 per week. USDA currently projects exports at 1,100.0 million bushel.

**USDA U.S. REPORT:** On **12/10/2013** USDA placed their 2013/2014 wheat yield at **47.2** bushel on **45.2** million acres (**80.43%**) of the **56.2** million planted acres for a 2013 crop of **2.130** billion bushel. Beginning stocks of **718** million bushel when combined with 2013/2014 domestic food use of **950 million (up 5)**, seed use of **73 million**, feed use of **310 million (down 78)**, imports of **160 million (up 37)**, and **1,100 million (up 93)** of exports for a total use of **2,433 million (up 19)** leaving ending U.S. wheat stocks for 2007/2008 at **575** million bushel (**down 143**) which is a **86.3** day ending supply. This is **13.9%** below the 668 million fifteen year average. The changes up and down are comparing this year's figures to a year ago.

**WORLD INFORMATION:** On **12/10/2013** USDA showed 2013/2014 world wheat production **increasing 55.25 MMT** to a total world production figure of **711.4 MMT** or **26.140** billion bushel. USDA's world 2013/2014 demand figure rose 25.2 MMT to **704.5 MMT** or 25.884 billion bushel and ending stocks **rose 6.9 MMT** to **182.8 MMT** or **6.716** billion bushel for a **94.8** day ending supply - this ranks as the **25 lowest** figure in the last **38** years. The lowest ending days of supply in the last 38 years has been 68.2 which was in 2007/2008.

**IGC WORLD WHEAT INFORMATION:** On **11/28/2013** IGC showed 2013/2014 world production **increasing 43 MMT** to a total world production figure of **698 MMT** or **25.647** billion bushel. IGC's world 2013/2014 demand figure rose 19 MMT to **692 MMT** or 25.426 billion bushel and ending stocks **rose 6 MMT** to **181 MMT** or **6.650** billion bushel for a **95.5** day ending supply - this ranks as the **2 lowest** figure in the last 4 years. The lowest ending days of supply in the last 4 years has been 95.0 which was in 2012/2013.

**CASH BASIS:** levels on HRW WHEAT as of **1/8/2014** at the gulf was \$1.15 over (unchanged) and the interior KC\_HRW basis was (\$0.02) under (unchanged) from **1/2/2014**. SRW wheat had a gulf basis of \$1.00 over (unchanged) and an interior bid at Chicago of \$0.09 over (unchanged). KC Wheat bids on 11.0 protein were \$1.20 over (unchanged) and 13.0 protein was bid at \$1.55 over (up \$0.20). The bids are based on **MAR futures**.

**CROP PROGRESS:** As of 11/24/2013 WHEAT Emergence was at 93% (up 4%) vs. 88% last year and a 89% average.

**CROP PROGRESS:** NO CURRENT DATA AVAILABLE

**CROP CONDITIONS** on **WINTER WHEAT** as of **11/24/2013** showed 62% G and EX (down 1%), 8% P and VP (up 1%) compared to a year ago when G and EX totaled 33% and P and VP totaled 26%.

**WINTER WHEAT STATE CROP CONDITIONS** Click on the link to the left for information on WINTER WHEAT state crop conditions.

[CROP CONDITIONS](#) NO CURRENT DATA AVAILABLE. CLICK ON THE HEADING AT THE LEFT FOR HISTORICAL DATA.

[SPRING WHEAT STATE CROP CONDITIONS](#) Click on the link to the left for information on SPRING WHEAT state crop conditions.

**FUNDS:** held a net long **KCBT WHEAT futures** position on **12/31/2013** of 1.24 to 1.00 with 9,526 contracts net long compared to a net long position of 1.29 to 1.00 with 10,915 contracts net long on 12/24/2013. KCBT WHEAT [futures/options](#) on 12/31/2013 were net long by a 1.18 to 1.00 margin. Traditional funds held long futures and options of 34,116 and short positions of 40,357 and Index funds held long futures and options positions of 50,348 long vs. 4,376 short positions. This makes total fund positions of a **net long 198.7 million bushel** which is **down** by **12.9** from **211.6** million bushel on **12/24/2013**.

**FUNDS:** held a net short **CBT WHEAT futures** position on **12/31/2013** of 1.45 to 1.00 with 61,992 contracts net short compared to a net short position of 0.00 to 1.00 with 58,377 contracts net short on 12/24/2013. CBT WHEAT [futures/options](#) on 12/31/2013 were net short by a 2.27 to 1.00 margin. Traditional funds held long futures and options of 82,062 and short positions of 185,876 and Index funds held long futures and options positions of 149,416 long vs. 27,364 short positions. This makes total fund positions of a **net long 91.2 million bushel** which is **down** by **10.9** from **102.1** million bushel on **12/24/2013**.

**FUNDS:** held a net long **MGE WHEAT futures** position on **12/31/2013** of 1.41 to 1.00 with 4,606 contracts net long compared to a net long position of 1.46 to 1.00 with 4,980 contracts net long on 12/24/2013. MGE WHEAT [futures/options](#) on 12/31/2013 were net long by a 1.38 to 1.00 margin. Traditional funds held long futures and options of 15,498 and short positions of 11,253 and Index funds held long futures and options positions of 0 long vs. 0 short positions. This makes total fund positions of a **net long 21.2 million bushel** which is **down** by **1.8** from **23.0** million bushel on **12/24/2013**.

**TECHNICALS:** RSI's as of Wednesday, January 08, 2014 on MAR KC WHEAT were 18 on the 9 day and 28 on the 30 day. **These are Lower range figures. ALERT FEED or END USERS.**

**TECHNICALS:** RSI's as of Wednesday, January 08, 2014 on MAR Chicago Wheat were 13 on the 9 day and 27 on the 30 day. **These are Lower range figures. ALERT FEED or END USERS.**

**WHEAT BITS OF INFORMATION TO KEEP IN MIND:** Some reports out of China were that late season wet weather and freeze damage could drop the Chinese crop for USDA's 121 MMT to a figure closer to 105 -110 MMT which means the recent imports by them may just be starting - BUT - USDA made no change in the December 10th report. The North China Plains wheat quality may have been low thus we may see some significant imports by them in the 13/14 marketing year. An Ag attaché report indicated that China may have overstated their 2012 wheat crop by 10% as well. The world will have a good demand for food or milling quality business in the U.S. but Canadian record production is causing major competition. HRW ending stocks in the U.S. are expected to fall from 343 million at the end of the 2012/2013 marketing year to 194 at the end of the 13/14 year. Hard Spring stocks are shown rising from 165 to 192 million and Durum stocks are shown rising 8 to 31 million bushel on 6-1-2014. Soft Red Wheat stocks fall from 12/13's 124 million bushel to 89 million at the end of the 13/14 marketing year. White Wheat stocks fall 5 million from 63 to 58 million a year from now.

**The December 10th report on WHEAT showed 2012/2013** U.S. planted acres were left at 55.7 million acres, harvested acres of 49.0 million acres or 88%, and with a U.S. yield of 46.3 bushel per acre they arrived at a **2012 U.S. Wheat crop of 2.266 billion** bushel - up 267 million from last year. Exports held at 1.007 billion bushel, domestic seed use is at 73 million, feed and residual was 388 million bushel - down 2, and food use held at 945 million bushel making total domestic demand 1.407 billion bushel with total demand of 2.414 billion bushel - up 183 from last year. This when combined with imports of 123 million and with ending 11/12 wheat stocks of 743 million bushel left the ending 2012/2013 U.S. carryout at 718 million bushel which is **an above average 108.6 day ending supply** (the average has been around 102 days since 1990 and 106 since 2000).

**On December 10th, World Wheat production for 2012/2013 came in at 656.2 MMT - up .7.** The North African crop is shown at 17.23 MMT and Australia was raised .38 to 22.46 MMT. The FSU nation's production held at 77.2 MMT. The EU production was at 133.9 MMT - up .3, and the Argentine figure was steady at 9.5 MMT. The U.S. is shown steady at 61.67 MMT, with Canada unchanged at 27.2 MMT. China's crop was the same at 121.0 MMT, and India came in steady at 94.9 MMT. The **WASDE World wheat demand for 12/13 was steady at 679.3 MMT** with a steady beginning stocks figure of 198.94 MMT - down .43. This caused ending world 2012/2013 stocks to rise by .23 to **175.8 MMT** or a **94.5 day ending supply or below the 96 day average since 2000. This was a NEUTRAL wheat report due to the steady ending U.S. and World stocks level.** You can get a review of all the world producers as shown by USDA by going to our [WORLD INFO](#) part of the website (click on the link at the left).

The total projected **World Production for 2013/2014** is: **711.4 MMT** which equals 26,140 Million Bushel (mb) and **European Union** is at 143.1 MMT which is 20.12% of the total World Figure or 5,259 (mb). **China** is at 121.0 MMT which is 17.01% of the total World Figure or 4,446 (mb). **India** is at 92.5 MMT which is 13.00% of the total World Figure or 3,397 (mb). The **United States** is at 58.0 MMT which is 8.15% of the total World Figure or 2,130 (mb). **Russia** is at 51.5 MMT which is 7.24% of the total World Figure or 1,892 (mb).

The total projected **World Use for 2013** is: **25,885** Million Bushel (mb) or **704.5 MMT**.



The total projected **World Domestic Consumption** for 2013/2014 is: **699.3 MMT** which equals 25,695 Million Bushel (mb) and **China** is at 125.5 MMT which is 17.95% of the total World Figure or 4,611 (mb). **European Union** is at 120.8 MMT which is 17.27% of the total World Figure or 4,437 (mb). **India** is at 90.0 MMT which is 12.87% of the total World Figure or 3,306 (mb). **The United States** is at 36.3 MMT which is 5.19% of the total World Figure or 1,333 (mb). **Russia** is at 35.0 MMT which is 5.01% of the total World Figure or 1,286 (mb).

The total projected **World Feed Dom. Consumption** for 2013/2014 is: **138.8 MMT** which equals 5,099 Million Bushel (mb) and **European Union** is at 51.5 MMT which is 37.11% of the total World Figure or 1,892 (mb). **China** is at 25.0 MMT which is 18.02% of the total World Figure or 919 (mb). **Russia** is at 13.5 MMT which is 9.73% of the total World Figure or 496 (mb). **The United States** is at 8.4 MMT which is 6.08% of the total World Figure or 310 (mb). **Canada** is at 5.0 MMT which is 3.60% of the total World Figure or 184 (mb).

The total projected **World Exports** for 2013/2014 is: **156.9 MMT** which equals 5,766 Million Bushel (mb) and **The United States** is at 29.9 MMT which is 19.08% of the total World Figure or 1,100 (mb). **European Union** is at 25.0 MMT which is 15.93% of the total World Figure or 919 (mb). **Canada** is at 23.0 MMT which is 14.66% of the total World Figure or 845 (mb). **Australia** is at 19.5 MMT which is 12.43% of the total World Figure or 717 (mb). **Russia** is at 16.0 MMT which is 10.20% of the total World Figure or 588 (mb).

The total projected **World Imports** for 2013/2014 is: **151.7 MMT** which equals 5,576 Million Bushel (mb) and **Egypt** is at 10.0 MMT which is 6.59% of the total World Figure or 367 (mb). **China** is at 8.5 MMT which is 5.60% of the total World Figure or 312 (mb). **Brazil** is at 7.7 MMT which is 5.07% of the total World Figure or 283 (mb). **Indonesia** is at 7.2 MMT which is 4.74% of the total World Figure or 265 (mb). **Algeria** is at 6.5 MMT which is 4.28% of the total World Figure or 239 (mb).

The total projected **World Ending Stocks** for 2013/2014 is: **182.8 MMT** which equals 6,716 Million Bushel (mb) and **China** is at 56.9 MMT which is 31.15% of the total World Figure or 2,092 (mb). **India** is at 20.2 MMT which is 11.05% of the total World Figure or 742 (mb). **The United States** is at 15.6 MMT which is 8.56% of the total World Figure or 575 (mb). **European Union** is at 11.9 MMT which is 6.54% of the total World Figure or 439 (mb). **Canada** is at 9.8 MMT which is 5.39% of the total World Figure or 362 (mb).

The **November 28th IGC report** was **SLIGHTLY POSITIVE** for wheat as they showed 2013/2014 wheat ending world stocks falling 1 to 181 MMT (6.650 billion bushel - down 40 million) and at an ending days of supply of 94.7 days and up 6 MMT from the ending 2012/2013 stocks of 175 MMT. Their production figure for 2013/2014 rose 2 to 698 MMT (25.645 billion bushel - up 70 million from a month ago). The IGC's world wheat demand for 2013/2014 rose 2 to 692 MMT (25.425 billion bushel - up 75 million from last month). Beginning stocks were steady at 175 MMT (6.445 billion bushel) on hand at the end of the 2012/2013 marketing year. **The show slightly smaller Chinese, EU, Australia and Russian production levels vs. USDA.**

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## Corn and Sorghum Information and Analysis:

**CORN EXPORTS:** Sales for the current marketing year, the week ending 1/2/2014 were **poor** at 6.1 million bushel and export sales now stand at 1,127.5 million bushel vs. 502.7 million a year ago at this time. Sales of around 9.5 million a week are needed assuming donations of 0.0 and with no donations to date. Sales to date have averaged 36.9 per week. Export inspections on shipments the week ending 1/2/2014 were **poor** at 19.3 million and brought the total inspected to 472.0 vs. 263.1 inspected a year ago. Shipments need to average 28.2 a week assuming 20 million shipped and not inspected. Inspections to date have averaged 26.2 per week. USDA currently projects exports at 1,450.0 million bushel.

**SORGHUM EXPORTS:** Sales for the current marketing year, the week ending 1/2/2014 were **poor** at 0.0 million bushel and export sales now stand at 108.1 million bushel vs. 36.0 million a year ago at this time. Sales of around 1.8 million a week are needed assuming donations of 10.0 and with donations to date of 3.535. Sales to date have averaged 4.0 per week. Export inspections on shipments the week ending 1/2/2014 were **poor** at 0.7 million and brought the total inspected to 40.7 vs. 32.6 inspected a year ago. Shipments need to average 3.8. Inspections to date have averaged 2.3 per week. USDA currently projects exports at 180.0 million bushel.

**USDA U.S. REPORT:** On 12/10/2013 USDA placed their 2013/2014 corn yield at 160.4 bushel on 87.2 million acres (91.50%) of the 95.3 million planted acres for a 2013 crop of 13.989 billion bushel. Beginning stocks of 824 million bushel when combined with 2013/2014 domestic food use of 1,410 million, seed use of 40 million, feed use of 5,200 million (up 867), ethanol use of 4,950 million (up 302), imports of 30 million (down 132), and 1,450 million (up 719) of exports for a total use of 13,050 million (up 1,942) leaving ending U.S. corn stocks for 2007/2008 at 1,792 million bushel (up 968) which is a 50.1 day ending supply. This is 19.0% above the 1,506 million fifteen year average. The changes up and down are comparing this year's figures to a year ago.

**USDA U.S. REPORT:** On 12/10/2013 USDA placed their 2013/2014 sorghum yield at 62.2 bushel on 6.7 million acres (82.72%) of the 8.1 million planted acres for a 2013 crop of 0.416 billion bushel. Beginning stocks of 15 million bushel when combined with 2013/2014 imports of 0 million (down 10), and 180 million (up 104) of exports for a total use of 400 million (up 136) leaving ending U.S. sorghum stocks for 2007/2008 at 31 million bushel (up 16) which is a 28.3 day ending supply.

**WORLD INFORMATION:** On 12/10/2013 USDA showed 2013/2014 world corn production increasing 101.40 MMT to a total world

production figure of **964.3 MMT** or **37.962** billion bushel. USDA's world 2013/2014 demand figure rose 76.3 MMT to **936.7 MMT** or 36.878 billion bushel and ending stocks **rose 27.6 MMT to 162.5 MMT** or **6.396** billion bushel for a **63.3** day ending supply - this ranks as the **29 lowest** figure in the last **38** years. The lowest ending days of supply in the last 38 years has been 42.9 which was in 1973/1974.

**WORLD INFORMATION:** On **12/10/2013** USDA showed 2013/2014 world sorghum production **increasing 4.90 MMT** to a total world production figure of **62.2 MMT** or **2.287** billion bushel. USDA's world 2013/2014 demand figure rose 4.9 MMT to **61.8 MMT** or 2.269 billion bushel and ending stocks **rose 0.5 MMT to 4.3 MMT** or **0.159** billion bushel for a **25.5** day ending supply - this ranks as the **36 lowest** figure in the last **38** years. The lowest ending days of supply in the last 38 years has been 20.2 which was in 1972/1973.

**IGC WORLD MAIZE INFORMATION:** On **11/28/2013** IGC showed 2013/2014 world production **increasing 87 MMT** to a total world production figure of **950 MMT** or **37.400** billion bushel. IGC's world 2013/2014 demand figure rose 58 MMT to **922 MMT** or 36.298 billion bushel and ending stocks **rose 28 MMT to 157 MMT** or **6.181** billion bushel for a **62.2** day ending supply - this ranks as the **HIGHEST** figure in the last **4** years. The lowest ending days of supply in the last 4 years has been 54.5 which was in 2012/2013.

**CASH BASIS:** levels on CORN as of 1/8/2014 at the gulf was \$0.71 (down \$0.04) and the interior CORN basis was (\$0.17) under (up \$0.03) from **1/2/2014**. The bids are based on **MAR futures**.

**CROP PROGRESS:** As of 11/24/2013 CORN harvest is 95% complete (up 4) vs. 100% last year and a 91% average.

**CROP PROGRESS:** As of 11/24/2013 SORGHUM harvest is 97% complete (up 6) vs. 97% last year and a 91% average.

**CROP CONDITIONS** NO CURRENT DATA AVAILABLE. CLICK ON THE HEADING AT THE LEFT FOR HISTORICAL DATA.

**CORN STATE CROP CONDITIONS** Click on the link to the left for information on CORN state crop conditions.

**CROP CONDITIONS** NO CURRENT DATA AVAILABLE. CLICK ON THE HEADING AT THE LEFT FOR HISTORICAL DATA.

**SORGHUM STATE CROP CONDITIONS** Click on the link to the left for information on SORGHUM state crop conditions.

**FUNDS:** held a net short **CBT CORN futures** position on **12/31/2013** of 1.25 to 1.00 with 92,875 contracts net short compared to a net short position of 0.00 to 1.00 with 77,583 contracts net short on 12/24/2013. CBT CORN **futures/options** on 12/31/2013 were net short by a 1.88 to 1.00 margin. Traditional funds held long futures and options of 185,701 and short positions of 349,480 and Index funds held long futures and options positions of 383,148 long vs. 26,275 short positions. This makes total fund positions of a **net long 965.5 million bushel** which is **down by 59.4** from **1,024.8** million bushel on **12/24/2013**.

**TECHNICALS:** RSI's as of Wednesday, January 08, 2014 on MAR Corn were 22 on the 9 day and 37 on the 30 day. **These are Lower range figures. ALERT FEED or END USERS.**

**CORN and SORGHUM BITS OF INFORMATION TO KEEP IN MIND:** U.S. planting efforts proved to come up short of the 97.4 million acre level and are likely to end between 95.3-95.5 million acres. The FSA reported acres released on 12-17 showed 92.359 million corn acres reported as planted on December 1st with 3.614 million prevented planting acres. If you add in the variance from the December 2012 FSA acres and the Final 2012 Acres of 3.135 million (these are late reported acres plus those acres estimated that are not reported to FSA), that moves the 2013 acres up to just 95.5 million. The **USDA 2013** figures on 12-10-2013 showed 2013 U.S. Corn yield of 160.4 for **13.989 billion of production** and ethanol use of 4.950 billion bushel with an average price on corn of \$4.40 a bushel. This report implies that ending 2013/2014 stocks will grow to the 1.792 billion bushel area. MDI is looking at a yield of around 157 bushel per acre as a possible scenario for 2013 with production around 13.700 billion bushel as the most likely final crop numbers come January 2014. The temperature during August in IN-IL-IA was a record high (since 1895) and with the late planting in parts of IA and MN and to a lesser degree in IL, it is unlikely that we will reach the high production levels some are showing in these states. **The move to fast maturity in so many acres should equate to lower than normal test weights for corn. If the national average test weight falls 3# from say 59 to 56# on 40% of the U.S. production, this could drop production by over 300 million bushel which if combined with the lower acres may drop the production total down to the MDI corn 13.700 billion figure.**

**CORN:** In the **December 10th** crop report for **2012/2013**, USDA left **2012** planted acres at **97.2 million** and placed harvested acres at 87.4 million for a 89.9% harvested % and with a **2012 U.S. yield of 123.4** they arrive at a **2012 U.S. Corn crop of 10.780 billion bushel**. Their 12/13 feed and residual use was left at 4.333 billion bushel, ethanol use was **steady at 4.648 billion bushel**, food, seed and industrial was unchanged at 1.396 billion making total domestic use of 10.377 billion bushel. Exports were left alone at **731 million** making total **2012/2013 demand** of **11.108** billion bushel. Combining this with imports of 162 million and beginning stocks of 989 million bushel leaves the U.S. **Corn carryout at 824 million bushel** which is still a **well below average 27.1 day ending** supply - the average since 2000 has been just over 44 days. MDI has entered the 2013 planted and harvested acres and yields used by USDA - [click here](#)

[to go to corn state by state figures.](#)

**On December 10th WASDE showed World 12/13 corn production** rising by 2.82 to **862.88 MMT**. The Chinese crop was left at a record 205.6 MMT. The EU crop was at 58.86 MMT. The Brazilian estimate was steady at 81.0 MMT, and Argentina was steady at 26.5 MMT. The U.S. was steady at 273.8 MMT, Mexico was unchanged at 21.6 MMT, and South African production rose .2 to 12.4 MMT. The FSU production came in at 32.40 MMT with the Ukraine at 20.9 MMT. World Corn 2012/2013 **demand came in at 860.44 MMT**, and with a beginning stocks figure of 132.46 MMT, they now show the 2012/2013 world carryout **holding at 134.9 MMT which is a below average 57.3 day** ending supply - the average since 2000 has been 72 days. **This was a NEUTRAL corn report due to the steady U.S. and World carryout levels.** See the figures below for who the **key nations** or by [clicking here - WORLD numbers](#) .

The total projected **World Production** for **2013/2014** is: **964.3 MMT** which equals 37,962 Million Bushel (mb) and The **United States** is at 355.3 MMT which is 36.85% of the total World Figure or 13,989 (mb). **China** is at 211.0 MMT which is 21.88% of the total World Figure or 8,307 (mb). **Brazil** is at 70.0 MMT which is 7.26% of the total World Figure or 2,756 (mb). **European Union** is at 64.9 MMT which is 6.73% of the total World Figure or 2,556 (mb). **Ukraine** is at 30.0 MMT which is 3.11% of the total World Figure or 1,181 (mb).

The total projected **World Use** for **2013** is: **36,877** Million Bushel (mb) or **936.7 MMT**.

The total projected **World Domestic Consumption** for **2013/2014** is: **932.4 MMT** which equals 36,708 Million Bushel (mb) and The **United States** is at 294.7 MMT which is 31.60% of the total World Figure or 11,600 (mb). **China** is at 216.0 MMT which is 23.17% of the total World Figure or 8,503 (mb). **European Union** is at 70.5 MMT which is 7.56% of the total World Figure or 2,775 (mb). **Brazil** is at 55.0 MMT which is 5.90% of the total World Figure or 2,165 (mb). **Mexico** is at 30.5 MMT which is 3.27% of the total World Figure or 1,201 (mb).

The total projected **World Feed Dom. Consumption** for **2013/2014** is: **566.8 MMT** which equals 22,315 Million Bushel (mb) and **China** is at 156.0 MMT which is 27.52% of the total World Figure or 6,141 (mb). The **United States** is at 132.1 MMT which is 23.30% of the total World Figure or 5,200 (mb). **European Union** is at 53.5 MMT which is 9.44% of the total World Figure or 2,106 (mb). **Brazil** is at 46.0 MMT which is 8.12% of the total World Figure or 1,811 (mb). **Mexico** is at 14.0 MMT which is 2.47% of the total World Figure or 551 (mb).

The total projected **World Exports** for **2013/2014** is: **112.2 MMT** which equals 4,415 Million Bushel (mb) and The **United States** is at 36.8 MMT which is 32.84% of the total World Figure or 1,450 (mb). **Brazil** is at 20.0 MMT which is 17.83% of the total World Figure or 787 (mb). **Argentina** is at 18.0 MMT which is 16.05% of the total World Figure or 709 (mb). **Ukraine** is at 18.0 MMT which is 16.05% of the total World Figure or 709 (mb). **India** is at 3.5 MMT which is 3.12% of the total World Figure or 138 (mb).

The total projected **World Imports** for **2013/2014** is: **107.9 MMT** which equals 4,247 Million Bushel (mb) and **Japan** is at 15.5 MMT which is 14.37% of the total World Figure or 610 (mb). **Mexico** is at 10.5 MMT which is 9.73% of the total World Figure or 413 (mb). **European Union** is at 9.0 MMT which is 8.34% of the total World Figure or 354 (mb). **Korea, South** is at 9.0 MMT which is 8.34% of the total World Figure or 354 (mb). **China** is at 7.0 MMT which is 6.49% of the total World Figure or 276 (mb).

The total projected **World Ending Stocks** for **2013/2014** is: **162.5 MMT** which equals 6,396 Million Bushel (mb) and **China** is at 67.5 MMT which is 41.52% of the total World Figure or 2,656 (mb). The **United States** is at 45.5 MMT which is 28.02% of the total World Figure or 1,792 (mb). **Brazil** is at 11.8 MMT which is 7.27% of the total World Figure or 465 (mb). **European Union** is at 5.8 MMT which is 3.58% of the total World Figure or 229 (mb). **South Africa** is at 3.2 MMT which is 1.96% of the total World Figure or 126 (mb).

**The next USDA crop report will be released on Friday, January 10th.**

The **November 28th IGC report was NEGATIVE** for **2013/2014** as it raised world ending 2013/2014 maize stocks by 5 to **157 MMT (6.180 billion bushel - up 195 million bushel from a month ago)** or to a 62.2 day ending supply. Their maize **production rose 2 to 950 MMT** (37.400 billion bushel - up 80 million from last month but up 87 MMT or by 3.425 billion bushel from 12/13). Their 2013/2014 world maize demand is up 58 MMT (2.285 billion bushel) from 12/13 as it is shown unchanged at **922 MMT** (36.300 billion bushel). Their beginning stocks are were up 3 at 129 MT or 5.080 billion bushel. **They show Brazil down 12.3 MMT from last year and Argentina is shown down 4 MMT as well. The Ukraine production estimate is shown at 28 MMT or 7.1 up from 12/13 but 1 MMT lower than the last USDA figure.**

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## Soybeans Information and Analysis:

**SOYBEANS EXPORTS:** Sales for the current marketing year, the week ending **1/2/2014** were **excellent** at **5.7** million bushel and export sales now stand at **1,498.4** million bushel vs. 1,142.3 million a year ago at this time. Sales of around **-0.7** million a week are needed assuming donations of **0.0** and with no donations to date. Sales to date have averaged 39.9 per week. Export inspections on shipments the week ending **1/2/2014** were **excellent** at **56.4** million and brought the total inspected to **922.6** vs. 820.0 inspected a year ago.

Shipments need to average **16.0** a week assuming 10 million shipped and not inspected. Inspections to date have averaged 51.3 per week. USDA currently projects exports at 1,475.0 million bushel.

**USDA U.S. REPORT:** On **12/10/2013** USDA placed their 2013/2014 soybeans yield at **43.0** bushel on **75.7** million acres (**98.95%**) of the **76.5** million planted acres for a 2013 crop of **3.258** billion bushel. Beginning stocks of **141** million bushel when combined with 2013/2014 domestic crush of **1,690 million (up 1)**, and residual use of **22 million (up 21)**, seed use of **87 million (down 2)**, imports of **25 million (down 11)**, and **1,475 million (up 155)** of exports for a total use of **3,274 million (up 176)** leaving ending U.S. soybeans stocks for 2007/2008 at **150** million bushel (**up 9**) which is a **16.7** day ending supply. This is **34.2%** below the 228 million fifteen year average. The changes up and down are comparing this year's figures to a year ago.

**WORLD INFORMATION:** On **12/10/2013** USDA showed 2013/2014 world soybeans production **increasing 16.92 MMT** to a total world production figure of **284.9 MMT** or **10.470** billion bushel. USDA's world 2013/2014 demand figure rose 12.6 MMT to **270.9 MMT** or 9.953 billion bushel and ending stocks **rose 10.4 MMT** to **70.6 MMT** or **2.595** billion bushel for a **95.2** day ending supply - this ranks as the **HIGHEST** figure in the last **38** years. The lowest ending days of supply in the last 38 years has been 20.2 which was in 1972/1973.

**CASH BASIS:** levels on SOYBEANS as of 1/8/2014 at the gulf was \$1.00 (unchanged) and the interior SOYBEANS basis was \$0.00 under (down \$0.05) from **1/2/2014**. The bids are based on **MAR futures**.

**CROP PROGRESS:** As of 11/17/2013 SOYBEANS harvest is 95% complete (up 4) vs. 98% last year and a 96% average.

**CROP PROGRESS:** As of 11/24/2013 SUNFLOWERS harvest is 80% complete (up 15) vs. 99% last year and a 93% average.

**FUNDS:** held a net long **CBT SOYBEANS futures** position on **12/31/2013** of 3.59 to 1.00 with 165,789 contracts net long compared to a net long position of 3.53 to 1.00 with 175,774 contracts net long on 12/24/2013. CBT SOYBEANS **futures/options** on 12/31/2013 were net long by a 2.76 to 1.00 margin. Traditional funds held long futures and options of 182,728 and short positions of 66,167 and Index funds held long futures and options positions of 147,531 long vs. 8,380 short positions. This makes total fund positions of a **net long 1,278.6 million bushel** which is **down by 109.3** from **1,387.9** million bushel on **12/24/2013**.

**TECHNICALS:** RSI's as of Wednesday, January 08, 2014 on MAR Soybeans were 25 on the 9 day and 48 on the 30 day. **These are Lower range figures.**

**SOYBEAN BITS OF INFORMATION TO KEEP IN MIND:** China continues to buy U.S. Soybeans provides some market support for OC prices. Brazilian and Argentine acres are placed 5-10% higher with some offsetting drop in corn acres and one report now shows Brazil at 91 MMT of soybean production this next year vs. the 12-10 USDA figure of 88 MMT. The world carryout is projected back to an above average level with large South American crops and exports. **The five year average use on soybeans has been around 3.100 billion bushel - [click here for details](#) - with USDA now showing 3.274 billion of demand in the 2013/2014 marketing year.**

**SOYBEANS:** on **December 10th**, USDA left **2012 planted acres** at **77.2** million and harvested acres at 76.2 million with a **2012 U.S. yield of 39.8 bushel** per acre they arrived at **2012 U.S. production of 3.034 billion** bushel. Export demand in the December report was steady at 1.320 billion bushel, crush use was unchanged at 1.689 billion bushel, seed at 89 and residual of 1 for a total of 90 million making total domestic use of 1.778 billion bushel. Total **demand is shown at 3.098 billion bushel**. Add in **36 million of imports** and with **beginning stocks of 169** million bushel to arrive at **ending U.S. stocks for 2012/2013 of a tight 141 million** bushel which is a **16.6 day ending supply** - the average since 2000 has been around 29 days. Their yield estimates for 2012 and 2013 are shown in our state by state review - [Click here](#) - to see the breakdowns which are under the USDA Infor. - Grain Estimates section of the MDI website.

**On December 10th, World production** for **2012/2013** as shown by WASDE rose .14 MMT to **268.02 MMT** and **world use was down by (.14) to 258.3 MMT**. Beginning stocks for 2012/2013 were unchanged at **55.15 MMT** thus ending world stocks for 2012/2013 came in higher by .07 at **60.18 MMT** which is an **above average 85.1 day ending supply** (the average since 2000 has been around 80-81 days of ending supply). The U.S. 2012 crop is shown at 82.56 MMT, Brazil was steady at 82.0 MMT (up 15.5 from 2011), Argentina held at 49.3 MMT (up 9.4 from the previous year), and the Chinese crop was placed at 12.8 MMT. This was a **MOSTLY NEUTRAL** soybean report **due to the unchanged U.S. stocks offset by a slightly higher World carryout level**. For a review of world production figures [click here](#). Brazil and Argentina are currently projected to end up holding around 70% of the **ending 2011/2012 stocks** but **China will have the third highest ending stocks at around 19%** and the U.S. holds under 6% of ending world stocks.

The **November 28th IGC report on Soybeans was NEUTRAL** for **2013/2014** as they left world ending 2013/2014 soybean stocks at **29 MMT (1.065 billion bushel)** or to a 37.6 day ending supply. Their soybean **production rose 3 to 285 MMT** (10.470 billion bushel). Their 2013/2014 world soybean demand is now 14 MMT (515 million bushel above 12/13) as it is shown rising 3 from last month to **282 MMT** (10.360 billion bushel - up 110 million). Their beginning stocks were shown at 26 MT or 955 million bushel. **The soybean ending stocks in exporting nations are projected at a 3 year high.**

The total projected **World Production** for 2013/2014 is: **284.9** MMT which equals 10,470 Million Bushel (mb) and The **United States** is at 88.7 MMT which is 31.12% of the total World Figure or 3,258 (mb). **Brazil** is at 88.0 MMT which is 30.88% of the total World Figure or 3,233 (mb). **Argentina** is at 54.5 MMT which is 19.13% of the total World Figure or 2,003 (mb). **China** is at 12.2 MMT which is 4.28% of the total World Figure or 448 (mb). **India** is at 11.8 MMT which is 4.14% of the total World Figure or 434 (mb).

The total projected **World Use** for 2013 is: **10,086** Million Bushel (mb) or **274.5** MMT.

The total projected **World Domestic Consumption** for 2013/2014 is: **270.9** MMT which equals 9,953 Million Bushel (mb) and **China** is at 79.5 MMT which is 29.35% of the total World Figure or 2,921 (mb). The **United States** is at 49.0 MMT which is 18.07% of the total World Figure or 1,799 (mb). **Argentina** is at 40.7 MMT which is 15.03% of the total World Figure or 1,496 (mb). **Brazil** is at 40.1 MMT which is 14.80% of the total World Figure or 1,473 (mb). **European Union** is at 13.2 MMT which is 4.85% of the total World Figure or 483 (mb).

The total projected **World Exports** for 2013/2014 is: **108.8** MMT which equals 3,997 Million Bushel (mb) and **Brazil** is at 44.0 MMT which is 40.45% of the total World Figure or 1,617 (mb). The **United States** is at 40.1 MMT which is 36.91% of the total World Figure or 1,475 (mb). **Argentina** is at 9.7 MMT which is 8.92% of the total World Figure or 356 (mb). **Paraguay** is at 5.5 MMT which is 5.06% of the total World Figure or 202 (mb). **Canada** is at 3.5 MMT which is 3.25% of the total World Figure or 130 (mb).

The total projected **World Imports** for 2013/2014 is: **105.1** MMT which equals 3,863 Million Bushel (mb) and **China** is at 69.0 MMT which is 65.64% of the total World Figure or 2,535 (mb). **European Union** is at 12.3 MMT which is 11.70% of the total World Figure or 452 (mb). **Mexico** is at 3.7 MMT which is 3.47% of the total World Figure or 134 (mb). **Japan** is at 2.9 MMT which is 2.72% of the total World Figure or 105 (mb). **Taiwan** is at 2.5 MMT which is 2.38% of the total World Figure or 92 (mb).

The total projected **World Ending Stocks** for 2013/2014 is: **70.6** MMT which equals 2,595 Million Bushel (mb) and **Argentina** is at 28.5 MMT which is 40.36% of the total World Figure or 1,047 (mb). **Brazil** is at 19.8 MMT which is 27.98% of the total World Figure or 726 (mb). **China** is at 13.7 MMT which is 19.35% of the total World Figure or 502 (mb). The **United States** is at 4.1 MMT which is 5.77% of the total World Figure or 150 (mb). **India** is at 0.9 MMT which is 1.23% of the total World Figure or 32 (mb).

**The next USDA crop report will be released on Friday, January 10th.**

**IGC TOTAL WORLD GRAINS:** On 11/28/2013 IGC showed 2013/2014 world production **increasing 156 MMT** to a total world production figure of **1,946 MMT** IGC's world 2013/2014 demand figure rose 89 MMT to **1,904 MMT** and ending stocks **rose 41 MMT** to **379 MMT** for a **72.7** day ending supply - this ranks as the **HIGHEST** figure in the last 4 years. The lowest ending days of supply in the last 4 years has been 68.0 which was in 2012/2013.

**BOTTOM LINE as of the end of the day 1-8-2014:** The **December 10th reports** came in **SLIGHTLY POSITIVE** for **CORN**, **SLIGHTLY BULLISH** for **SOYBEANS**, and **SLIGHTLY NEGATIVE** for **WHEAT** from a U.S. perspective, with the World figures **NEUTRAL** for **CORN**, **SLIGHTLY NEGATIVE** for **SOYBEANS**, and **BEARISH** for **WHEAT**. The **Commitment of Traders Report** showed funds were **sellers** in all of the grain futures and options the week ending 12-31 - see below.

**The CFTC** report for the period from 12-24-2013 to 12-31-2013 showed **Traditional funds buying futures and options** in **CORN** with a gain of 7,847 in net short contracts (up 5%) as they moved to a **NET SHORT position of (164,769)** and Total Fund positions were down by 59 million to 966 billion bushel when Index Funds are included - or by 5.8%. The Traditional Funds decreased their long Soybean positions as they moved their futures and options from a net long **SOYBEAN position** of **135,944** to a **NET LONG position of 116,561** - a **18,933 drop in net long contracts** or by **13.9%** with Combined Funds holding a **net long of a reduced 1.279 billion bushel** of Soybean futures and options - down 109 million the past week or by 7.9%. The **Traditional Funds** moved from a **net short position of in K.C. Wheat of (4909)** to a **NET SHORT position of (6241)** contracts for a gain of 1332 in short positions or by 27% - click here for historical numbers on **K.C. Wheat**. The Traditional Funds increased their net short **Chicago Wheat** positions by 1,385 contracts or by 1.35% as they moved to a **net short position of (103,814)** contracts and **total net long fund positions** in the Chicago and K.C. markets were a combined 290 million bushel net long on futures and options when Index funds are included - down 24 or by 7.6% from a week ago.

**The USDA Grain Stocks report of September 30, 2013 report was SLIGHTLY NEGATIVE for CORN** as it showed a **higher than expected 824 million bushel of stocks on hand vs. expectations of 690** - **BUT** - this was **17% lower than a year ago**. The off farm stocks figure was 549 million (675 last year or down 18.67%) which is 2/3 of the total shown on hand September 1, 2013. These are verified by reports most commercial elevators and others must provide to USDA. The on farm stocks came in at 275 million bushel (1/3 of the total) which is down by just 39 million bushel or by 12.5% from last year - ????. The use in the fourth quarter of the corn marketing year (6-1 to 9-1) came in at just 1.94 billion bushel vs. a figure of 2.16 last year. **The September 1 stocks are the lowest in sixteen years.**

**To see the Corn state by state historical yields - [click here](#)** - these were used to arrive at the 2013 U.S. production figure of **13.989 billion bushel with a 160.4 national average yield.**

**The USDA Prospective Acres June 28th Crop Report showed 2013 Grain Sorghum** acres at **7.195 million** acres or up a large 951 million acres from 2012 but down 425,000 from their March 28th figure. This includes a 300,000 acre increase in KS and 400,000 added

acres in TX. CO acres were shown up 95,000 and NE came in 75,000 higher while OK is shown at a 40,000 acre increase vs. 2012. **Grain Sorghum Stocks on September 1, 2013** were shown at **15.034 million** bushel vs. a figure of 22.952 million in 2012 for a 34.5% drop. Of these, 14.432 million or 96% of these stocks were in off-farm storage. **This year's 2013 U.S. Sorghum crop is now projected at a 62.2 national average yield - [click here](#) - on 6.7 million or 82.7% harvested acres of 8.1 million shown as planted in the December 10th report.**

**WHEAT stocks as of September 1, 2013 were shown by USDA at 1.855 billion bushel or 250 million below a year ago - down 11.9%.** The off farm stocks were shown at 1.308 billion (70.5% of the total) vs. a figure of 1.532 billion a year ago and these should be fairly accurate due to required reporting by commercial firms. On Farm stocks this year are 547 million vs. 573 million a year ago. This made first quarter wheat use 991 million bushel or up 10% from a year ago. It likely means that feed use may be raised in the October 11th crop report thus lowering ending 13/14 U.S. carryout. The **2013 U.S. Wheat acres** as shown in the **September 30th Acres Report came in at 56.156 million** acres for 2013 (up 490,000 acres from 2012 but down 374,000 from their June report) - [click here for a link](#) to the acres review. Winter Wheat acres are shown at 43.090 million with a record 47.4 yield for production in this area of 1.534 billion bushel. Spring Wheat acres are shown at 11.596 million (down 700,000 from June and down up 693,000 from a year ago) with a 46.8 yield and production in 2013 of 532 million bushel. Durum acres are shown down 683,000 acres from a year ago and at just 1.470 million and this is 63,000 lower than they showed earlier which with their updated yield of 43.3 causes 61.5 million of 2013 production. **The USDA 2013 U.S. Wheat crop estimate shows a 47.2 national average yield on 80.4% harvested acres of 45.177 million for production of 2.130 billion bushel.** Some key harvested acres and yields were: **KS** with 8.4 million harvested acres up 200,000 acres but with a 2 bushel lower yield of 38.0 (up 2) for production of **319 million** bushel. **OK** was shown with 3.4 million harvested acres (down 100,000) and a yield of 31.0 (down 2) for production of **105.4 million** bushel. **TX** was shown with a harvested level of 36.3% or 2.250 million acres and with a yield of 29.0 (down 3) for production of **65.250 million** bushel. **NE** came in with production of 39.6 million bushel on harvested acres of 1.130 million (down 30,000) based on a yield of 35.0 - down 1. **CO** was shown at 1.640 million harvested acres (up 140,000) and with a yield of 27.0 (down 6) for production of 44.3 million bushel. **MT** was shown with total production of **203.81 million** bushel and a 38.9 overall yield. **ND** at a 44.9 yield and 270.8 million bushel of total production. **WA** is shown at **144.24 million** of production on a 66.9 yield and **OR** came in with a 62.1 yield and production of **53.9 million** bushel with total U.S. 2013 production at 2.128 billion bushel.

The **SOYBEAN** market saw a **September 30th Grain Stocks Report figure of just 141 million bushel (down 28 million from a year ago or by 16.6%)**. This was perceived by the market as negative as it was 15 million higher than the average pre-report estimate. It implies use during the fourth quarter of the soybean marketing year was just **294 million bushel or down a large 41% from last year**. Off farm stocks were shown at 101 million bushel or 71.6% of the total and this is down 30 million from a year ago. On farm stocks of 39.6 million were up just slightly from last year - ??? **The December 10th Crop Report on SOYBEANS was SLIGHTLY POSITIVE due to higher demand lowering the carryout level and the average yield held at 43.0 bushel per acre for production of 3.258 billion bushel. [MDI's 2013 state by state review is found by moving up and selecting MDI](#) vs. the NASS figures.**

The **USDA January 10th Reports** are almost upon us. These are usually a major market mover for either the **BULLS** or the **BEARS** or perhaps both. These reports along with the **USDA Annual Outlook Forum** in late January will set the tone for the markets through the first planting intentions report in March. The U.S. stock market is keeping some funds out of the grains with the **DOW** still well above the 16000 level causing some money to remain on the sidelines vs. being invested in the commodity markets. In fact one report estimated that **\$36 Billion** dollars had been pulled out of commodities in the last part of the year. This appears to have come out of the **Wheat** market where combined funds are now only long **290 million bushel vs. 688 million** the last of June and **Corn** has seen the largest exodus of money with combined funds now net long **966 million bushel vs. 1.908 billion** in late June. Soybeans have seen an increase from **1.127 billion** combined net long fund positions in futures and options to **1.279 billion** today. New, first of the year fund money may be available, but will likely not enter the market until after the January 10th reports. When prices are profitable - **ACT - REMEMBER YOU WORK WITH WHAT YOU CAN CONTROL!**

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