

September 12, 2013

# ADVANCE INSIGHT

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## Transportation

	TW/NW/Sep	Oct	Nov	Dec	Jan
St. Paul Savage	500/500/525	590	600		
Dub South	500/500/500	585	560		
St. Louis 12'	500/525/550	575	475	450	375
Illinois	500/525/550	575	600	500	475
OH/Jeff/Cinn	500/575/600	625	650	500	450
Gulf/PNW	\$0.550 / bushel				
BN Shuttles	/150/450	1000	375	-25	-50
UP Shuttles	//-100	350	200	250	-50

## Cash Corn Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	68z/68z 5	70z/66z	63z/63z	65z	50h
PNW	128z/128z x	107z/103z	103z/103z	106z	97h

	Sep FH/LH		Sep FH/LH
Cols CSX 65	20z/20z -30	Chicago	60z/55z
Ft. Wayne N/S 75	13z/13z -12	Pekin ethanol	25z/25z -25
Evansvl 15s	20z/20z -15	Decatur, IL	40z/10z x
Toledo	15z/15z unc	Champaign CN 25	20z/20z unc
UP Grp 3	/ x	Clinton, IA	45z/45z unc
Dexter, MO	/ x	Columbus, NE ethanol	80z/15z x
Fayne, OH	10z/10z -15	Muscatine Truck	5z/5z unc
Ottawa	35z/0z x	Hereford COBO B/E	u/u x

## Cash Bean Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	105x/92x -10	87x/86x	90x/90x	90f	92f
Paranagua	105x/105x 10	105x/	/		

	Sep FH/LH		Sep FH/LH		Sep FH/LH
Columbus	35x/35x -79	CN25	120x/120x -5	Mankato	60x/-30x -20
Toledo	-30x/-30x -45	Chicago	-10x/-10x unc	Cncl Bluf	-25x/110x unc
Fostoria	/25x	Decatur	75x/x x	Lincoln	100x/-10x x
Windsor	215x/ x	Naples	25x/25x unc	KC	135x/-25x -15
PNW	140x/140x x	Ottawa	20x/5x x	Wichita	130x/35x unc

## Cash Milo Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF Nola	70z/70z	/	/		
Houston	85z/85z 20	50z/50z	50z/50z	50z	45h
Corpus Christi	115z/115z 5	50z/50	50z/50z	50z	40h

## Cash Wheat Markets

	Sep FH/LH	Oct FH/LH	Nov FH/LH	Dec	Jan
CIF SRW	45z/50z unc	65z/70z	75z/75z	80z	65h
TX Gulf HRW	127z/127z unc	127z/127z	/		

	Sep FH/LH	HRW	Sep FH/LH
St. Louis	-24z/-24z 6	KC Ords	86u/96u unc
Toledo (Mill)	-15z/-15z unc	KC 12s	110u/120u unc
	Sep FH/LH	KC 13s	110u/120u unc
PNW	120z/120z -3	KC 14s	120u/130u unc

## Export Sales

	Actual Old (mbu)	Actual New (mbu)	Expected (mbu)	Need
Corn	13.1	0.0	16-20(400-500)	14.2
Soybeans	17.6	0.0	24-29(650-800)	11.3
Wheat-All	20.0	0.3	17-24(450-650)	13.1
HRW	11.7	0.0		4.9
SRW	2.5	0.2		2.1
Sorghum	0.2	0.0		2.2
Bean Meal	17.0	111.7	70-230	-73.0
Bean Oil	1.7	4.5	10-20	11.8

## Corn

USDA report certainly bearish compared to pre-report estimates. Prior to the report, average guesses were 13.641 crop, 153.9 yield, and 1.739 carryout. USDA came out with 13.843 crop, 155.3 yield, and 1.855 carryout. So, not only did they give us a bigger crop than expected, they gave us a bigger crop than the one they gave us a month ago. Carryout only increased 18 mbu from last month, which is rather remarkable given that production increased by 80 mbu. Digging into the numbers, you find that USDA increased old crop domestic and export demand by 55 mbu, thereby forcing a more modest increase in carryout than would otherwise have occurred. The world production and stocks numbers really didn't change significantly, but the bearish overtone of the US numbers was enough to drive futures lower, although Dec corn did rally a dime of its lows by the close. September futures are striving not to be ignored prior to expiration and moved in a big way narrower on the day. Most other spreads were quiet on the day. Several yield reports came in during the session today – southeast Iowa reports 139 bpa on ground that averages 200; east central Illinois reports 188 bpa on ground that made 115 last year; north of Champaign Illinois reports 160-180 bpa on 28% moisture corn; sandy ground in northeast Missouri reports 70 bpa which is down 30 from early August estimates; Pekin Illinois reports 210 bpa; western Ohio reporting high 160s compared to earlier hopes for 200 but dry weather ensued during August; northeastern Illinois reporting 170 bpa; Quincy Illinois 200+, and southern Indiana 235-240 and naturally quite pleased. Basis still under pressure in several markets – note the late Sept bids into the southeast feed market fell another 15 cents on Thursday.

*Phil Reginelli*

## Beans

The soybean complex saw a two-sided session on Thursday. We were lower early heading into the month USDA report

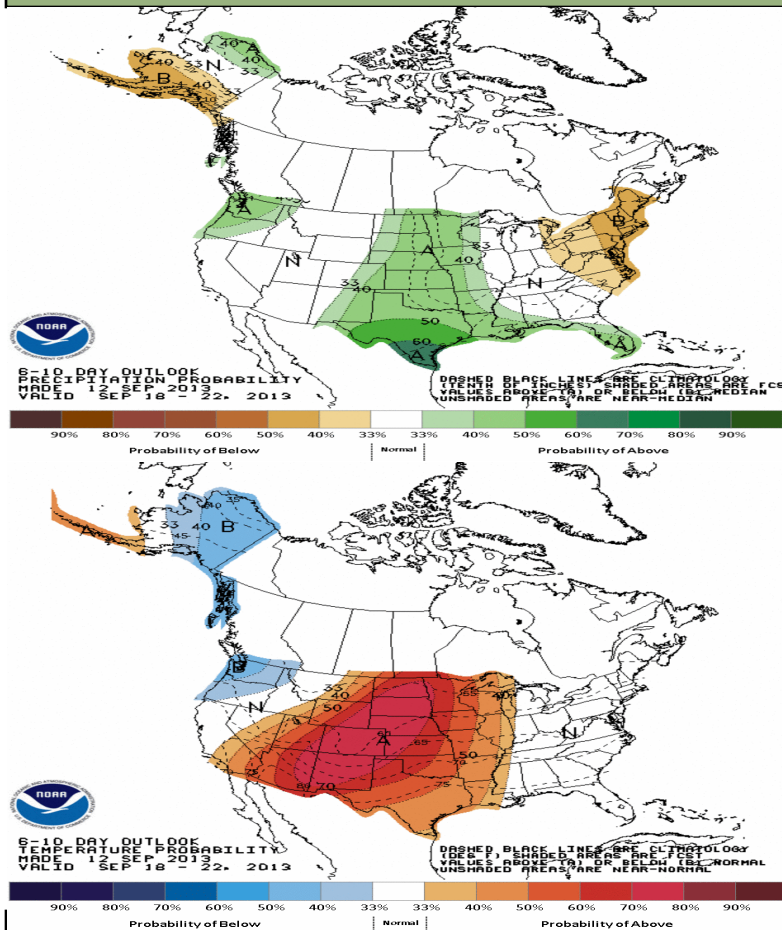
Daily Spreads					
Corn					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	12.75	5.50	-17.71	-72.0%	None
Dec3-Mar4	(12.25)	unc	-17.64	69.5%	3.2
Sep3-Dec4	(26.25)	2.25	-88.54	29.6%	0.8
Dec3-Jul4	(27.50)	-0.50	-40.89	67.3%	3.0
Beans					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Nov3	46.00	-1.00	-15.24	-301.8%	None
Nov3-Jan4	2.50	2.25	-15.58	-16.1%	None
May4-Jul4	9.25	3.25	-15.08	-61.3%	None
Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	(11.25)	1.75	-18.75	60.0%	2.5
Dec3-Mar4	(11.25)	-0.25	-18.75	60.0%	2.5
Mar4-May4	(6.50)	0.50	-12.16	53.5%	2.1
KCBOT Wheat					
	Close	Change	Full Carry	% of Full Carry	ROS/mo
Sep3-Dec3	5.00	-8.50	-30.88	-16.2%	None
Dec3-Mar4	(6.25)	-0.25	-21.90	28.5%	0.8
Mar4-May4	(3.75)	-0.75	-14.20	26.4%	0.6

and chopped around once the USDA released their numbers. Ultimately the market pushed higher and closed near the highs. The report was friendly in the US data but a bit neutral in the world data. They put the US crop size at 3.134 (3.255 bu in Aug), which was 15 mbu smaller than the average trade estimate. The US carryout dropped to 150 mbu, down from 220 mbu last month and 15 mbu below the average trade guess. They didn't do anything with harvested acres and took the average yield down 1.4 bpa to 41.2 bpa. On the world side they bumped the Brazil production to 88 MMT, up 3 MMT. This would be up 6 MMT from last year. It looks like the USDA believes the Brazilian producer will take advantage of the higher prices and aggressively plant soybeans. The net of all this the world soybean production unchanged at 281.7 MMT and the carryout was at 71.5 MMT, down from 72.3 MMT last month. With the board higher the spreads inverted a bit more Thursday. The X/F was back out to a small inverse – settling around 2 ½ cents. The X/H was 30-31 cent inverse – which is a 13 more inverted than yesterday. We are slowly seeing some harvest around the Midwest – but seems we are still a week or two away from general harvest.

Mark Talaski

### North American Weather Outlook

<http://www.cpc.ncep.noaa.gov/products/predictions/610day/>



### Wheat

Very quiet report for wheat on Thursday. All wheat production was unchanged at 2.114 bu, imports increased by 10 mbu, no changes anywhere else, so US carryout increased by 10 mbu. World wheat stocks were a little bearish at 176 versus 173 last month. Minor and inconsequential changes noted in EU, FSU, and Canada stocks. No change whatsoever noted in Argentina and Australia stocks. Overall, wheat performed fairly well on the day. Dec wheat tested the 635-640 range on Thursday, something it has done several times since mid-August, and then it rallied hard off the lows, again something it has managed to do several times since mid-August. Spreads were fairly quiet other than for the about to expire Sept gaining ground on the Dec. Export sales for wheat came in at 20 mil which was about the middle of the anticipated range. Hard winter at 11.7, Hard Spring at 3.6, Soft winter 2.5 and White 2.2. Basis for SRW in Toledo is posted at -15Z for September, +10 for LH October, and +20 for Nov/Dec/Jan/Feb/Mar/April/May/June/July/August. Lastly, there was good article on agweek.com regarding a meeting yesterday between a delegation from Taiwan and the governor of North Dakota. The Taiwan delegation signed a letter of intent to purchase 62 mbu of ND wheat in 2014 and 2015 and the article speaks highly of technological developments in ND helping to keep the state competitive on a global scale.

Phil Reginelli

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Hours (CST): Sunday 5:00pm-9:00pm, Monday-Thursday 6:00am-9:00pm, and Friday 6:00am-5:00pm

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