Market Situation

**Crop Progress** The condition index of U.S. corn increased one point this week with a 1% decrease in the good category and a 1% increase in excellent. The crop condition index score is 388 compared to the average index score in late September of 357.

**2014 U.S. Corn Crop Condition Ratings**

The corn crop lags a normal rate of maturity with 42% rated mature as of September 21 compared to a normal 54%. States that are more than 20% behind normal are Colorado (-23%), Iowa (-23%), Minnesota (-22%), North Dakota (-30%), and South Dakota (-22%).

**% Corn Mature September 21, 2014**

Source: Crop Progress, USDA
Delayed maturity is not a market concern at this time with a continued forecast for mild temperatures across the Corn Belt. Lows in the 30s are not expected over the next 7 days.

**World Corn.** The International Grains Council most recent Grain Market Report raises world corn production in 2014/15 from the August estimate of 973 mmt to 974 mmt. Consumption was raised from 955 mmt in August to 959 mmt. World corn ending stocks are estimated at 191 mmt, up from 190 mmt last month and 176 mmt last year. IGC notes that corn faces increased competition in feed markets from weather damaged wheat.
Estimates of corn and soybean acres for 2014/15 in Argentina and Brazil show a record 172 million combined. Soybean acres are expected to increase by 4 million over last year (+3%) while corn acres are expected to decrease by 2 million (-4%).
Grain Use. The Quarterly Hogs and Pigs report today shows U.S. inventory of all hogs and pigs as of September 1 down 2% from last year and down 2% from the 5-year average. In terms of corn use, lower hog numbers have been offset by heavier dressed weights, most recently up 4% from last year and up 6% compared to average.

![U.S. All Hogs and Pigs Inventory](chart)

This week’s ethanol production numbers from the Energy Information Administration showed a drop in production for the week of September 19, but still 107% above last year and 106% above average for the week.
**U.S. Ethanol Production**

- 2014/2015 daily average = 38.458 mil gal per day
- Implies use of 5,013 mil bu of corn (2.8 gal/bu)
- Sep USDA estimate = 5,125 mil bu

**Outside Markets.** Revisions to second quarter U.S. GDP were announced by the Bureau of Economic Analysis this morning. Every category showed a change positive to total GDP with increases in consumer spending, business investment, and government expenditures and a decrease in net exports. Compared to a year ago, the economy grew at a rate of 4.6%, up from the previous estimate of 4.2%.
GDP, % change annual basis

\[ \text{GDP} = C + I + G + (X-M) \]

Source: U.S. Bureau of Economic Analysis and Federal Reserve Bank of St. Louis, updated September 27, 2014

Consumer spending accounts for 68% of the U.S. economy, government spending 18%, investment 17%, and exports minus imports -3%
### III Qtr 2014

<table>
<thead>
<tr>
<th>Index</th>
<th>Tuesday July 1</th>
<th>Friday September 26</th>
<th>Net Change</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dow Jones Ind. Avg.</td>
<td>16,956.07</td>
<td>17,121.05</td>
<td>164.98</td>
<td>0.97%</td>
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<tr>
<td>CRB Commodity Index</td>
<td>307.43</td>
<td>280.28</td>
<td>-27.15</td>
<td>-8.83%</td>
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<tr>
<td>Dec ’14 Crude Oil</td>
<td>102.25</td>
<td>92.52</td>
<td>-9.73</td>
<td>-9.52%</td>
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<tr>
<td>Dec ’14 Copper</td>
<td>3.2015</td>
<td>3.0375</td>
<td>-0.1640</td>
<td>-5.12%</td>
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<tr>
<td>Dec ’14 Dollar Index</td>
<td>79.948</td>
<td>85.790</td>
<td>5.842</td>
<td>7.31%</td>
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<tr>
<td>Dec ’14 Corn</td>
<td>4.2275</td>
<td>3.2300</td>
<td>-0.9975</td>
<td>-23.60%</td>
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<tr>
<td>Mar ’14 Corn</td>
<td>4.3425</td>
<td>3.3575</td>
<td>-0.9850</td>
<td>-22.68%</td>
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<tr>
<td>Dec ’15 Corn</td>
<td>4.4925</td>
<td>3.6850</td>
<td>-0.8075</td>
<td>-17.97%</td>
</tr>
</tbody>
</table>
Marketing Strategies

**2014 Corn Marketing Plan.** I have completed all my pre-harvest sales for 2014 feed grain production. As of today’s close, having a marketing plan relative to just buying revenue protection crop insurance or no risk management strategy at all increases my crop revenue by about 29%.
Upcoming Reports/Events.

September 30 Grain Stocks
   Small Grains Summary
October 10  WASDE
   Crop Production
January 4-10  TEPAP (The Executive Program for Agricultural Producers), Austin, TX
January 21-
   March 3  Master Marketer, Amarillo