

**USDA will kick off the new year of “highly anticipated” crop production data Thursday with its monthly Crop Production and World Agricultural Supply and Demand Estimates (WASDE), quarterly Grain Stocks and annual Winter Wheat Seedings reports.** The results of Reuters’ pre-report survey of market analysts regarding their estimates of the USDA numbers appear below. These survey results are offered to provide a sense of the information that is “in the market” prior to the report. The average’s shown here provide some idea of what “the market” is expecting to see. Actual report numbers that differ substantially from these averages usually result in futures contract price changes.

As expected, analysts’ expectations for USDA estimates of 2011 corn and soybean yield and production are basically “fine tuning” of previous estimates. They expect, on average, the corn yield to be lowered again, this time to 146.2, down 0.5 bushels from December and 4.4% lower than the 2010 yield. The yield decline is expected to shave 45 mil. bu. off USDA’s 2011 corn crop estimate. At 12.265 bil. bu., the 2011 crop would be 1.5% lower than one year earlier but would still rank as the fourth largest U.S. corn crop on record.

USDA’s 2011 soybean yield estimates is expected to be raised slightly to 41.4 bushels per acre, up 0.1 bushels from last year. That yield would be 4.9% smaller than last year. The 2011 bean crop is, quite logically, also expected to be slightly from last month’s estimate to 3.048 billion bushels. At that level, the 2011 crop would rank as the sixth largest in history.

Analysts expect December 1, 2011 US corn and wheat stocks to be sharply lower than one year ago. That number certainly makes sense for wheat due to significantly lower hard red winter wheat output last year and higher feeding levels for soft red wheat last summer. Total wheat stocks are expected to be 1.695 billion bushels

on December 1, 2011, 12.3% lower than last year.

Corn stocks at an expected 9.391 billion bushels would be 6.7% below last year levels. The 2011-12 crop year started off with 580 million fewer bushels in inventory, added 137 million fewer bushels of production (according to USDA’s December estimates) than was added by the 2010 crop and there are now 666 million bushels less in inventory as of December 1. Do the math and those figures say that total corn usage in the Sep 1—Dec 1 quarter was 4.047 billion bushels compared to 4.121 billion bushels one year ago. Slower exports were more than offset by higher ethanol usage (due to an apparent race to capture blenders tax credits before they expired on December 31). We do not believe that feed usage was much lower in the quarter relative to last year due to higher numbers of hogs and cattle on feed offsetting lower chicken numbers.

Winter wheat seedings show total acres slightly higher (by 0.7%) than one year ago but some shifts among the types of wheat. Hard red seedings, which account for over 70% of the total) are expected to be nearly 1 million acres higher than last year while soft red seeding are expected to fall by nearly 800,000 acres. Moisture conditions in the wheat belt have improved considerably but continued improvement in conditions in Oklahoma, Texas and Kansas will be key for the hard red wheat crop next summer.

**With all that said, the numbers that will get the most attention will be USDA’s estimates of South American corn and soybean crops.** Informa Economics on Friday cut its estimate of Argentina’s corn crop by 3 mil. MT (11%) to 24 mil. MT. It also lowered its estimate for Brazilian corn to 61 mil. MT, down 2 mil. MT. or 3.2% from prior estimates. Informa lowered its estimates of both countries’ soybean harvests by 2 mil. MT — to 51 mil. MT for Argentina and 72 mil. MT for Brazil.

## ANALYST’S ESTIMATES CORN & SOYBEAN YIELD & PRODUCTION, 2011

January 12, 2012 Crop Production/WASDE Reports

		Units	USDA '10	USDA '11 Dec	Analysts' Estimates, '11		
					Low	High	Average
Corn	Yield	Bu/Acre	152.8	146.7	145.0	147.5	146.2
	Crop	Bil. Bu.	12.447	12.310	12.165	12.375	12.265
Soybeans	Yield	Bu/Acre	43.5	41.3	41.0	42.7	41.4
	Crop	Bil. Bu.	3.329	3.046	3.010	3.200	3.048

## ANALYST’S ESTIMATES GRAIN STOCKS, DECEMBER 1, 2011

January 12, 2012 Grain Stocks Report

	Units	USDA '10	USDA, Sept 1, '11	Analysts' Estimates, Dec. 1, '11		
				Low	High	Average
Wheat	Bil. Bu.	1.933	2.150	1.590	1.904	1.695
Corn	Bil. Bu.	10.057	1.128	9.200	9.700	9.391
Soybeans	Bil. Bu.	2.278	0.215	2.227	2.577	2.324

## ANALYST’S ESTIMATES WINTER WHEAT SEEDINGS, 2012 CROP

January 12, 2012 Report

	Units	USDA '11	Analysts' Estimates, '12		
			Low	High	Average
Hard Red	Mil. Acres	28.480	28.200	31.600	29.438
Soft Red	Mil. Acres	8.560	6.440	8.600	7.773
White	Mil. Acres	3.610	6.569	3.900	3.661
Total	Mil. Acres	40.646	39.600	42.850	40.933

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**PRODUCTION AND PRICE SUMMARY**
**Week Ending 1/7/2012**

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change
	<b>Total Meat &amp; Poultry Prod.</b>	<b>Million lbs.</b>	<b>1482.0</b>	<b>1488.1</b>	<b>-0.41%</b>	<b>1601.5</b>	<b>-7.46%</b>	<b>#N/A</b>	<b>#N/A</b>
C	FI Slaughter	Thou. Head	560	539	3.90%	640	-12.43%	560	-12.50%
A	FI Cow Slaughter	Thou. Head	130.5	142.6	-8.48%	109.2	19.49%	6,594	4.45%
T	Avg. Live Weight	Lbs.	1294	1294	0.00%	1311	-1.30%	1,294	-1.30%
T	Avg. Dressed Weight	Lbs.	776	777	-0.13%	784	-1.02%	776	-1.02%
L	Beef Production	Million Lbs.	433.2	417.6	3.74%	499.1	-13.20%	433	-13.20%
E	Live Fed Steer	\$/cwt live wt.	121.00	121.70	-0.60%	105.46	14.70%		
	Dressed Steer	\$/cwt carcass	NQ	200.16	NA	168.12	NA		
&	OKC Feeder Steer	600-700 Lbs.	#N/A		#N/A	128.04	#N/A		
	Beef Cutout	600-750 Choice	192.34	193.78	-0.70%	165.81	16.00%		
B	Hide/Offal	\$/cwt live wt.	12.32	12.35	-5.40%	12.42	-0.80%		
E	Rib	Choice	268.44	283.89	-5.40%	235.48	14.00%		
E	Round	Choice	181.27	179.76	0.80%	155.40	16.60%		
F	Chuck	Choice	166.25	164.73	0.90%	144.09	15.40%		
	Trimming, 50%	Fresh	101.07	98.97	2.10%	83.77	20.70%		
	Trimming, 90%	Fresh	201.23	197.50	1.90%	173.59	15.90%		
H	FI Slaughter	Thou. Head	2063	1967	4.88%	2175	-5.13%	2,063	-5.15%
O	FI Sow Slaughter	Thou. Head	53.3	64.7	-17.56%	48.7	9.49%	2,980	2.02%
G	Avg. Dressed Weight	Lbs.	207	208	-0.48%	210	-1.43%	207	-1.43%
S	Pork Production	Million Lbs.	427.9	409.8	4.42%	455.2	-6.00%	428	-6.00%
	Iowa-S. Minn. Direct	Avg.	81.21	78.59	3.30%	70.73	14.80%		
&	Natl. Base Carcass Price	Weighted Avg.	80.62	80.21	0.50%	70.97	13.60%		
	Natl. Net Carcass Price	Weighted Avg.	82.82	82.43	0.50%	72.99	13.50%		
P	Pork Cutout	185 Lbs.	84.68	85.88	-1.40%	77.99	8.60%		
O	Hams	Primal Cutout	69.13	70.21	-1.50%	65.61	5.40%		
R	Loins	Primal Cutout	92.94	94.28	-1.40%	88.25	5.30%		
K	Bellies	Primal Cutout	108.39	108.30	0.10%	98.75	9.80%		
C	Young Chicken Slaughter*	Million Head	126.17	136.57	-7.61%	131.40	-3.98%	8,086	-2.99%
H	Avg. Weight	Lbs., RTC	4.26	4.19	1.78%	4.28	-0.35%	4.3	2.09%
I	Broiler Production	Million Lbs., RTC	537.7	571.8	-5.97%	561.9	-4.31%	34,586	-0.80%
C	Eggs Set	Million	194.1	195.2	-0.55%	203.2	-4.49%	10,330	-3.44%
K	Chicks Placed	Million Head	163.0	163.2	-0.14%	168.8	-3.45%	8,584	-2.56%
E	12-City Broiler	Composite	77.26	80.85	-4.40%	77.26	0.00%		
N	Georgia Dock Broiler	2.5-3 Lbs.	89.5	89.12	0.40%	84.48	5.90%		
	Northeast Breast	Skinlss/Bonelss	126.98	126.46	0.40%	108.18	17.40%		
	Northeast Legs		69.5	70.16	-0.90%	49.4	40.70%		
T	Young Turkey Slaughter*	Million Head	3.29	3.55	-7.34%	3.45	-4.61%	230.9	-0.50%
U	Avg. Weight	Lbs.	25.29	25.02	1.09%	24.70	2.40%	23.8	1.53%
R	Turkey Production	Million Lbs.	83.3	88.9	-6.34%	85.2	-2.32%	5,476	0.92%
K	Eastern Region Hen	8-16 Lbs.	101.15	100.25	0.90%	85.5	18.30%		
F	Corn, Omaha	\$ per Bushel	6.34	6.30	0.71%	5.76	10.07%		
E	DDGS, Minnesota	\$ per ton	177.50	170.00	4.41%	168.50	5.34%		
E	Wheat, Kansas City	\$ per Bushel	6.55	6.92	-5.35%	7.71	NQ		
D	Soybeans, S. Iowa	\$ per Bushel	12.02	11.85	1.43%	13.64	-11.90%		
	SB Meal, 48% Central Illinois	\$ per Ton	306.20	299.10	2.37%	365.10	-16.10%		

\* Chicken & turkey slaughter, production and prices are 1 week earlier than the date at the top of this table. Cow & sow slaughter are for 2 weeks earlier

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