

While there are many important business issues to address, please take a moment to contemplate today's observance of Veterans Day. We make a lot of Memorial Day each year and get many comments of appreciation for our now-traditional inclusion of General Orders No. 11 which established it for chapters of the Grand Army of the Republic. And while Memorial Day is set aside to honor our war dead and their ultimate sacrifice, Veterans Day honors all those who have served our country — most notably including our living armed services veterans. So, while Memorial Day provides the opportunity to contemplate what they sacrificed, today provides a fitting occasion to personally say "Thank you" to veterans we encounter in our everyday life. Take a few minutes today to call your dad, uncle, son or daughter to thank them. Walk down the hall to that man or woman who was gone for a year a while back serving in Iraq or Afghanistan and tell them how much you appreciate their service.

Freedom is not free. Some have paid freedom's price with their lives. Some have paid its price with years of injuries physical, mental and emotional. Others have simply paid its price with a part of their time here on earth. They all have sacrificed so that we — and millions and millions of others — may enjoy a degree of liberty which would not have been ours save for their honorable service.

From all of us at Paragon Economics, Steiner Consulting Group and CME Group:

THANK YOU, VETERANS, FOR FAITHFULLY SERVING OUR COUNTRY!

We are forever in your debt.

USDA's World Agricultural Supply and Demand Estimates (WASDE), released on Friday afternoon confirmed that the 2013 corn and soybean crops are large but ended up REDUCING the projected 2014 carryout stocks. While large, the corn crop estimate was smaller than the average pre-report analysts' estimate while the projected soybean crop was only slightly higher. Both markets rose slightly in Friday's afternoon trading session. Balance sheets for corn and soybeans appear on page 2. Some highlights of the report are:

- A national average corn yield of 160.4 was somewhat higher than the average estimate of 158.9 and sharply higher than USDA's September estimate of 155.3. This estimate is very close to the long-term trend yield and was buoyed by excellent yields in the eastern Cornbelt states. It is pretty remarkable that the national crop could handle late planting, extreme wet conditions in some areas and very dry conditions in other and still perform this well.
- USDA dropped harvested corn acres to 87.2 million from the 89.1 million it has listed in prior WASDE reports. That 89.1, of course, was driven by USDA's 97.4 million estimate for planted corn

2013/14 Production - USDA WASDE, November 8, 2013

Crop	Item	Analysts' Estimates		USDA Sept	USDA 2012	USDA Nov
		Average	Range			
Corn	Production (Mil. Bu.)	14,003	13,421-14,367	13,843	10,780	13,989
	Yield (bu/ac)	158.9	155.6-163.3	155.3	123.4	160.4
Soybeans	Production (Mil. Bu.)	3,221	3,137-3,298	3,149	3,015	3,258
	Yield (bu/ac)	42.4	41.5-43.3	41.2	39.6	43

2013/14 Ending Stocks - USDA WASDE, Nov. 8, 2013

Crop	Analysts' Estimates		USDA Sept	USDA 2012	USDA Nov
	Average	Range			
	(million bushels)				
Corn	2,029	1,799-2,292	1,855	824	1,887
Soybeans	172	145-240	150	141	170
Wheat	519	380-575	561	718	565

2013/14 World Ending Stocks - USDA WASDE, Nov. 8, 2013

Crop	Analysts' Estimates		USDA Sept	USDA 2012	USDA Nov
	Average	Range			
	(million metric tonnes)				
Corn	154.2	150.9-159.5	151	122.6	164.3
Soybeans	72.3	71.1-74.0	71.5	61.6	71.5
Wheat	175.9	171.9-180.0	176.3	173.9	178.5

acres — a number everyone knew was too high given the planting difficulties encountered in many areas. USDA dropped that figure to 95.3 million, a number that appears reasonable to us, and then reduced harvested acres to 87.2, a figure nearly 1 million lower than the acreage implied by analysts estimates of total crop and yield.

- USDA bumped feed/residual usage by 100 million bushels and exports by 175 million bushels. The feed/residual change must, in our opinion, have something to do with residuals of, perhaps, chicken, since the situations with livestock (and pigs, in particular) and turkey do not support higher feed usage.
- 2013-14 ending corn stocks of 1.887 billion bushels are nearly 130% larger than last year and represent 14.6% of projected usage. That stocks-use ratio is the same as it was in September.
- The estimated national average soybean yield was increased to 43 bushels/acre from September's 41.2 estimate. It is still well below the long-term trend estimate of 44.5 bushels/acre.
- USDA also reduced soybean acreages but not by nearly as much as they did for corn. Both planted and harvested acres were shaved by 700,000.
- The net result of the lower acres and higher yield was still an increase in USDA's forecast soybean crop size to 3.258 billion bushels, up over 100 million from the September and 37 million higher than that average pre-report estimates.
- The soybean changes still left projected year-end stocks at a tight 170 million bushels and the stocks-use ratio at 5.2%, the seventh lowest on record. Further, projected world year-end soybean stocks were reduced to 71.5 million metric tonnes.

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U.S. CORN SUPPLY AND UTILIZATION -- NOVEMBER

	Units	2011/12	2012/13	2013/14		
				USDA Sept	USDA November	% Chng vs '12-13
Acres Planted	Mil A	91.9	97.2	97.4	95.3	-2.0%
Acres Harvested	Mil A	84.0	87.4	89.1	87.2	-0.2%
Yield	Bu/A	147.2	123.4	155.3	160.4	30.0%
Beginning Stocks	Mil Bu.	1128	989	661	824	-16.7%
Production	Mil Bu.	12360	10780	13843	13989	29.8%
Imports	Mil Bu.	29	162	25	25	-84.6%
Total Supply	Mil Bu.	13517	11932	14530	14837	24.3%
Feed & Residual	Mil Bu.	4557	4333	5100	5200	20.0%
Ethanol for fuel	Mil Bu.	5000	4648	4900	4900	5.4%
Non-Ethanol FSI	Mil Bu.	1428	1396	1450	1450	3.9%
Exports	Mil Bu.	1543	731	1225	1400	91.5%
Total Usage	Mil Bu.	12528	11108	12675	12950	16.6%
Carryover	Mil Bu.	989	824	1855	1887	129.0%
Stocks/Use	Pct.	7.9%	7.4%	14.6%	14.6%	96.4%
Nat. Wtd. Avg. Farm Price	\$/Bu.	6.22	6.89	4.40 - 5.20	4.10 - 4.90	-34.8%

Source: USDA World Supply and Demand Estimates

U.S. SOYBEAN SUPPLY & UTILIZATION - NOVEMBER

	Units	2011/12	2012/13	2013/14		
				USDA September	USDA November	% Chng vs '12-13
Acres Planted	Mil A	75.0	77.2	77.2	76.5	-0.9%
Acres Harvested	Mil A	73.8	76.2	76.4	75.7	-0.7%
Yield	Bu/A	41.9	39.8	41.2	43.0	8.0%
Beginning Stocks	Mil Bu.	215	169.0	125	141	-16.6%
Production	Mil Bu.	3094	3034.0	3149	3258	7.4%
Imports	Mil Bu.	16	36.0	15	15	-58.3%
Total Supply	Mil Bu.	3325	3239.0	3289	3413	5.4%
Crushings	Mil Bu.	1703	1689.0	1655	1685	-0.2%
Exports	Mil Bu.	1365	1320.0	1370	1450	9.8%
Seed	Mil Bu.	90	89.0	87	87	-2.2%
Residual	Mil Bu.	-2	1.0	28	22	2100.0%
Total Usage	Mil Bu.	3155	3098.0	3140	3243	4.7%
Carryover	Mil Bu.	169	141.0	150	170	20.6%
Stocks/Use	Pct.	5.4%	4.6%	4.8%	5.2%	15%
Nat. Wtd. Avg. Farm Price	\$/Bu.	12.50	14.40	11.50 - 13.50	11.15 - 13.15	-15.6%
Soybean Oil Price	Cents/lb.	51.90	47.13	43.00 - 47.00	40.00 - 44.00	-10.9%
Soybean Meal Price	\$/ton	393.53	468.11	290 - 330	375 - 415	-15.6%

Source: USDA World Supply and Demand Estimates

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PRODUCTION AND PRICE SUMMARY

Week Ending **11/9/2013**

	Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Pct. Change
	Total Meat & Poultry Prod.	Million lbs.	1767.6	1769.7	-0.12%	1763.0	0.26%	76,058	0.41%
C	FI Slaughter	Thou. Head	607	621	-2.25%	632	-4.02%	27,664	-1.55%
A	FI Cow Slaughter	Thou. Head	121.5	118.6	2.42%	138.3	-12.14%	5,160	-1.06%
T	Avg. Live Weight	Lbs.	1343	1339	0.30%	1319	1.82%	1,313	0.88%
T	Avg. Dressed Weight	Lbs.	802	802	0.00%	792	1.26%	795	0.75%
L	Beef Production	Million Lbs.	486	497	-2.21%	499.6	-2.72%	21,892	-1.06%
E	Live Fed Steer	\$/cwt live wt.	130.95	131.99	-0.80%	124.75	4.97%		
	Dressed Steer	\$/cwt carcass	206.04	207.95	-0.92%	195.01	5.66%		
&	OKC Feeder Steer	700-800 Lbs.	168.14	144.57	16.30%	145.19	15.81%		
	Beef Cutout	600-750 Choice	204.47	204.56	-0.04%	193.14	5.87%		
B	Hide/Offal	\$/cwt live wt.	14.45	14.14	2.19%	12.88	12.19%		
E	Rib	Choice	328.84	324.69	1.28%	312.84	5.11%		
E	Round	Choice	178.04	178.80	-0.43%	170.13	4.65%		
F	Chuck	Choice	175.81	176.09	-0.16%	156.08	12.64%		
	Trimming, 50%	Fresh	116.38	114.46	N/A	75.33	54.49%		
	Trimming, 90%	Fresh	191.97	192.09	N/A	204.41	-6.09%		
H	FI Slaughter	Thou. Head	2290	2272	0.79%	2356	-2.79%	94,834	-1.50%
O	FI Sow Slaughter	Thou. Head	60	59.2	1.03%	60.5	-1.12%	2,412	-2.79%
G	Avg. Dressed Weight	Lbs.	208	208	0.00%	206	0.97%	206	0.19%
S	Pork Production	Million Lbs.	477.2	471.3	1.25%	484.3	-1.47%	19,541	-1.26%
	Iowa-S. Minn. Direct	Avg.	80.89	84.06	-3.77%	78.85	2.59%		
&	Natl. Base Carcass Price	Weighted Avg.	84.24	86.23	-2.31%	80.65	4.45%		
	Natl. Net Carcass Price	Weighted Avg.	86.30	88.39	-2.36%	82.99	3.99%		
P	Pork Cutout	200 Lbs	94.25	93.92	0.35%	NA	N/A		
O	Hams	Primal Cutout	90.28	87.13	3.62%	NA	N/A		
R	Loins	Primal Cutout	94.98	96.06	-1.12%	NA	N/A		
K	Trimming, 72% Lean	Fresh	79.61	81.33	N/A	67.91	17.23%		
	Bellies	Primal Cutout	127.62	126.88	0.58%	NA	N/A		
C	Young Chicken Slaughter*	Million Head	158.03	158.82	-0.50%	148.35	6.53%	6,798	1.23%
H	Avg. Weight	Lbs., RTC	4.35	4.34	0.34%	4.37	-0.51%	4.3	1.07%
I	Broiler Production	Million Lbs., RTC	687.5	688.6	-0.16%	648.7	5.98%	29,986	3.19%
C	Eggs Set	Million	191.2	193.2	-1.00%	180.6	5.89%	8,731	2.35%
K	Chicks Placed	Million Head	156.3	152.4	2.60%	152.1	2.77%	7,223	1.05%
E	National Composite Broiler	Composite	90.56	88.98	1.80%	91.29	-0.80%		
N	Georgia Dock Broiler	2.5-3 Lbs.	104.57	103.5	1.00%	95.79	9.20%		
	Northeast Breast	Skinlss/Bonelss	127.53	132.16	-3.50%	130.29	-2.10%		
	Northeast Leg Quarters		44.13	43.72	0.50%	51.73	-16.20%		
T	Young Turkey Slaughter*	Million Head	4.91	4.76	3.11%	5.70	-13.83%	189.8	-3.54%
U	Avg. Weight	Lbs.	23.79	23.69	0.44%	22.87	4.02%	24.5	0.76%
R	Turkey Production	Million Lbs.	116.8	112.8	3.56%	130.3	-10.36%	4,640	-2.75%
K	Eastern Region Hen	8-16 Lbs.	104.72	102.62	2.00%	110.04	-4.80%		
F	Corn, Omaha	\$ per Bushel	4.15	4.21	-1.43%	7.62	-45.60%		
E	DDGS, Minnesota	\$ per ton	193.50	191.00	1.31%	252.50	-23.37%		
E	Wheat, Kansas City	\$ per Bushel	7.94	7.33	8.32%	8.88	-10.59%		
D	Soybeans, S. Iowa	\$ per Bushel	12.85	12.91	-0.46%	15.11	-15.00%		
	SB Meal, 48% Central Illinois	\$ per Ton	436.30	434.60	0.39%	482.40	-9.60%		

* 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

Source: USDA Agricultural Marketing Service, various reports

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