



**the farm gate**

WHERE FARM DECISION-MAKERS START THEIR DAY



# Cornbelt Update

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"Your Virtual Research Assistant."*

- **6.2 mil. of unplanted wheat acres** and 2.4 mil. acres of expiring CRP contracts will be opened up to other crops this spring and IL marketing specialist Darrel Good says it is difficult to anticipate the magnitude of total planted acreage since it has varied by 13.1 mil. over the past 10 years, but expands in years of high prices and good returns.
- **Your acreage decision** depends on whether fall tillage was completed, extent of rut damage from the wet fall harvest, flexibility resulting from any fall fertilizer application, prospective net returns from competing crops, and if the spring comes early. Read his newsletter: <http://www.farmdoc.illinois.edu/marketing/weekly/html/012510.html>
- **Darrel Good says** it is easier to calculate corn acres required than anticipate farmer thinking. Subsequently, he uses a formula for use to determine US corn needs:
  - 1) A comfortable carryout is 1.5 bil. bu. and Sept. 1 we'll have 1.764 bil. bu.
  - 2) Consumption may be 13.25 bil., so with the carryout, we'll need 13 bil. bu.
  - 3) Use a trend yield of 158 bu. that is weather adjusted over the period of 1960-2009.
  - 4) Such a yield would required 82.3 mil acres for harvest, and planted acres of 89.5 mil.
- **Your unharvested corn** is part of the 5% of the national crop still in the field. KS St. economist Dan O'Brien multiplied unharvested acres with state yields and computed the total in: NE, 112.3 mil. bu.; IL, 104.7 mil. bu.; MN, 86.7 mil. bu.; SD, 84 mil. bu.; ND 68.7 mil. bu.; WI, 51.5 mil. bu.; IA 49.6 mil. bu. O'Brien further calculates the total US crop still in the field as close to 665.3 mil. bu.; 630 mil. bu. in the 18 major corn states.
- **Heavy snow** remains in most of the unharvested cornfields, says IA St. marketing specialist Bob Wisner, looking at the western and northern parts of the Cornbelt. The amount of field losses for December corn has not been observable, as well as the amount of grain being lost where the corn remains standing. USDA will be surveying farmers in the next few weeks to prepare an updated report scheduled for release on March 10.
- **Dan O'Brien at KS St. says** snow atop the saturated fields will mean soil moisture problems. He says, "The likelihood of an extended period of extremely wet field conditions during the late Feb. through April is growing more likely. With those prospects comes the associated possibility that farmers will have a difficult time harvesting corn remaining in the field prior to March-April 2010." Read more: <http://www.agmanager.info/marketing/outlook/newletters/default.asp>

- **If all or part of the corn** remaining in the field did not make it into the marketplace, how would the grain market respond? O'Brien suggests that a smaller supply would tighten the carryover and reduce the stocks to use ratio. His view is that the average price would rise to \$3.85 with a 200 mil. bu. decline, and a \$4 average price with a 400 mil. bu. drop.
- **ACRE payments** may be made and may not, and if you are trying to keep track, use the new ACRE payment calculator <http://www.farmdoc.illinois.edu/fasttools/index.asp> developed by IL farm management specialist Gary Schnitkey. The calculator will help you project your state yield and the market price for various crops. But to be able to collect an ACRE payment, your own farm revenue must be below the farm guarantee.
- **Crop budgets** will need to include a premium for crop insurance, and how do you know how much to budget? Thanks to Schnitkey's Crop Insurance Premium Calculator, Cornbelt farmers will be able to determine their premium, based on their state, crop, county, type of crop insurance selected, level of protection desired, and whether you use irrigation. Your premium and guaranteed revenue, and BYE endorsement are detailed: [http://www.farmdoc.illinois.edu/cropins/toolbox/Common\\_Files/cropinstoolsmain.asp?num=2](http://www.farmdoc.illinois.edu/cropins/toolbox/Common_Files/cropinstoolsmain.asp?num=2)
- **Diesel fuel budgets** will have to be adjusted to reflect higher prices than in 2009. KS St. economist Kevin Dhuyvetter says Feb. prices are about 55% higher than Feb. 2009. April will be about 50% higher than last spring, but the difference begins to decline, since the 2009 prices were climbing. Harvest season prices, based on futures, are 15% more.
- **SURE**, the permanent disaster plan, may provide a payment for crop problems in 2008 or 2009, if your farm was in a declared disaster area and you had crop insurance coverage. KS St. risk management specialist Art Barnaby will conduct a webinar to explain the process of applying. There will be a fee charged for the Feb. 19 webinar. Details: [http://www.agmanager.info/crops/insurance/risk\\_mgt/rm\\_pdf10/AB\\_SURE-Webinar.pdf](http://www.agmanager.info/crops/insurance/risk_mgt/rm_pdf10/AB_SURE-Webinar.pdf)
- **If you are planting a new biomass crop** don't mothball your sprayer. Biomass crops have their own corps of bugs that will have to be addressed with pest control measures:
  - 1) Switchgrass is attacked by a stem-boring caterpillar that destroys tillers.
  - 2) Miscanthus attracts corn leaf aphids and sugarcane aphids that transmit viruses.
- **It may change your thinking** about no-till or continuous corn, but Purdue agronomist Tony Vyn says young corn plants are shorter in no-till fields and in corn after corn fields because of the competition for nutrients and the fight for water and sunlight. Vyn says a 14% yield loss can be attributed to the competition. What is happening is that, "Leftover corn residue creates patches of soil with lower temperatures and different water and nutrient content. Seeds planted there are at a disadvantage." Some plants will dominate and grow to their full potential and the dominated plants reduce the overall yield.
- **Unintended consequences** can result with the use of certain herbicides incorporated into newly limed soil. High soil pH can boost the activity of atrazine, metribuzin, and chlorimuron, which is good for controlling weeds, but bad if your crop is injured. OSU weed specialists warn against application of chlorimurons after a fall lime application. Read about several other herbicide label advisories at: <http://corn.osu.edu/#B>
- **Nitrogen loss will be high** if urea or 28% UAN is applied to recently limed soils, since the high pH creates ammonia, which evaporates and is lost to the crop. OSU specialists say the problem is worst in warm, no-till fields. Read more at: <http://corn.osu.edu/#C>

- **Where are land prices going?** In MN, they are all over the place says MN economist David Bau, who said a survey of 14 agricultural counties found they ranged from 27% higher to 37% lower, with an average of 0.8% higher. He says the driver will continue to be farm profitability, which is determined by grain yields and livestock prices. He expects land prices to increase if cash rental rates rise and interest rates decline.
- **Your manure pit is full** and the ground is frozen. What do you do? There is no law against winter spreading of manure, but a good plan is needed. IL manure specialists say: <http://www.livestocktrail.uiuc.edu/manure/paperDisplay.cfm?ContentID=10181>
  - 1) Do neighbors have empty manure tanks where yours can be transferred?
  - 2) Only apply to frozen or snow covered ground with a slope of 5% or less.
  - 3) Apply to fields with the best absorption possibilities and least saturation.
  - 4) Apply to fields with some residue or a cover crop.
  - 5) Do your neighbors have such fields and will they accept your contribution?
  - 6) How little can you remove from your manure pits to avert a crisis?
- **Despite dependence on US economic recovery**, the beef industry is in a good position as far as supply goes, says UT livestock economist Dillon Feuz. He says beef and dairy cow herds are smaller, fewer cows will have fewer calves, and fewer feeder calves will enter feed lots next fall, which will help calf prices. He says global economies are also improving and that will support higher prices from the export market consumer. Feuz is also looking for a more profitable 2010. <http://cattlemarketanalysis.org/index.html>
- **Stronger meat demand** depends on lower unemployment and economic growth, says MO livestock economists Glenn Grimes and Ron Plain who say that is evident with the 5.7% GDP growth recently reported. They forecast a 4-5% decline in hog slaughter compared to 2008, when hog carcass prices averaged \$63/cwt. Supply is dropping, but they say demand has to rise. Read more at: <http://agebb.missouri.edu/mkt/bull1c.htm>.
- **Don't fill in the manure pits yet**, from those abandoned hog buildings; you may need them for the next generation of biofuels production. MO ag engineers outline your plan:
  - 1) Algae are grown in water-filled tanks, reproducing and feeding on sludge.
  - 2) Brine shrimp eat the algae and convert it into a high quality protein and oil.
  - 3) Tilapia fish consume the algae to prevent overproduction and clean the water.
  - 4) Shrimp are harvested and processed, with waste going to an anaerobic digester.
  - 5) Algae-fed shrimp can produce up to 500 gal. of biodiesel per acre per year.
  - 6) Do the research first on the idea. Your lender needs time to get up to speed.
- **You will laugh so hard**, your eyes will water when you read the recount of IL Emeritus agronomist Marlowe Thorne about the 1969 attempt by Univ. of IL protestors to destroy the corn in the Morrow Plots, the historical research field in the middle of the IL campus. Proactively, he welcomed the Viet Nam War student protestors, upset with military use of defoliants, to the "First Student Field Day at the Morrow Plots." And it gets better! Find it at the "Emeritus Corner" in the January 2010 U of I Agronomy newsletter [http://www.cropsci.illinois.edu/newsletters/2010/CPSC\\_Newsletter-012910.pdf](http://www.cropsci.illinois.edu/newsletters/2010/CPSC_Newsletter-012910.pdf)

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