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# Cornbelt Update

*A weekly publication for farm owners and operators, Feb. 12, 2010, Vol. 11 No. 43*

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- **A near term low** in the corn and bean market may be the result of futures prices that have put the brakes on a month long decline in the market, thinks IL marketing specialist Darrel Good. But where they go from here will be determined by many dynamics:
  - 1) The economic recovery and high unemployment are not encouraging for demand.
  - 2) The rate of soybean exports and crush mean a strong demand for beans, meal & oil.
  - 3) Larger biofuels mandates and ethanol refining profitability are positive for corn.
  - 4) Expiring CRP and reduced wheat seedings mean increased corn and bean acres.
- **Then, there is the large crop in South America.** Darrel Good says the size has a large influence on the global demand for US soybeans in particular; since it was a small harvest last year that supported the large increase in US soybean exports. Read more of his newsletter: <http://www.farmdoc.illinois.edu/marketing/weekly/html/020810.html>
- **South American soybean yields are higher**, says Good, and that will slow US exports:
  - 1) The harvested soybean acreage in South America will increase 11.6 mil. from 2009.
  - 2) The average soybean yield has jumped from 34.1 bu. last year to 41 bu. this year.
  - 3) South America is expected to produce 4.7 bil. bu. of beans, up 1.2 bil. from 2009.
- **South American corn yields are higher**, says Good, but exports should be modest:
  - 1) The harvested acreage in Brazil and Argentina is 32.5 mil, down 2.9 mil. from 2009.
  - 2) Corn production is forecast at 2.6 bil. bu., up 94 mil. from last year.
  - 3) Corn exports should be modest, allowing the US to dominate the world market.
- **A wide range of crop progress reports** have been coming from South America, thanks to the Brazilian Cropspotters network [http://www.cropspotters.com/cs\\_intro\\_br.shtml](http://www.cropspotters.com/cs_intro_br.shtml)
  - 1) Rio Grande do Sul: Beans are in all stages of development from breaking the soil to flowering, but only 20% of the farm was planted and had to give up planting the rest.
  - 2) Minas Gerais: Several showers, but did not interfere with 2 sprayings for soybean rust.
  - 3) Toucantins: Beans have more pods than last year. Several showers but were able to finish applying potassium chloride, stinkbug insecticide and one last rust preventative.
  - 4) Mato Grosso: 23% of beans have been harvested, but rust is prevalent and yield losses will be faced. Rain intensity slowed to allow insecticide and fungicide applications.
  - 5) Rondonia: Soybeans are in the maturation stage, except longer cycle beans are in pod fill stage. Many farmers are busy planting a second crop and others applying fungicides.
  - 6) Brasilia: Temperatures were hot enough to cause problems for beans setting pods and pods were aborted. The old beans are filling pods, and second crop planting will begin.

- **The latest USDA Supply-Demand Report** had numerous small changes, but KS St. marketing specialist Dan O'Brien says there was nothing in the report that pertained to the final size or quality of the 2009 corn crop. And he says important questions remain:
  - 1) The possible demand and usage impacts of low corn test weights.
  - 2) Deterioration of the quality of some corn supplies currently in storage.
  - 3) The potential for production losses on the unharvested 500-650 million bushels.
  - 4) Possible corn crop abandonment this spring due to wet soils further impeding harvest and the need for farmers to begin planting the 2010 corn and soybean crops.
- **Dan O'Brien says** given the weather conditions and high moisture levels, it is unlikely that much corn will be harvested in time for USDA to compute the grain stocks to be collected March 1 for the March 31 report. Subsequently, he says questions about feed grain production for the current marketing year will persist until the June 30 stocks report, and may contribute to higher market volatility this spring and summer. Read more: <http://www.agmanager.info/marketing/outlook/newletters/default.asp>
- **How is your stored corn doing?** Corn below 15% moisture should be checked twice per month, says NE ag engineer Tom Dorn. That means using a probe to take the temperature every 20 feet around the bin and 2-3 places in the center. He says any variation more than 10 degrees means run a fan to push through a temperature front.
- **How long does the fan need to run?** Dorn says if your drying fan can produce 1.0 cubic feet per minute per bushel in the bin, then it will take 15 hours. If your fan produces 0.2 cubic feet per minute per bushel in the bin, then it will take 75 hours. He says also run the stirring system and pull out a truckload to remove fines and molds in the center.
- **If your corn is more than 15% moisture**, it needs to be dried to a safe level if you plan to hold it in the bin. Warm it in stages to preserve it during the cold months when the outside air is 10 to 12 degrees more than the temperature of the grain. Read more at: <http://cropwatch.unl.edu/web/cropwatch/archive?articleID=3450012> .
- **Another threat to stored corn** is insects that will remain in the bin, but inactive until the temperature climbs above 50 degrees. MO entomologist Wayne Bailey suggests a visual inspection for insects now to look for webbing, insect larvae, moths, adult beetles, or anything that looks like insect damage in the grain. He says if you applied a protective cap of insecticide when the bin was filled, do not disturb the insecticide layer. Read more: <http://ppp.missouri.edu/newsletters/ipcm/archives/v20n2/a3.pdf> .
- **Remove a probe of grain**, put it in a glass jar and let it warm up to room temperature, which should spur activity by any insects present. Bailey says webbing atop the grain is indicative of Indian meal moth, which will infest the top foot of grain. Remove the web and any damaged grain, then apply an insecticide or hang pest strips in the bin. A more severe infestation may require a professional fumigator or removing grain from the bin.
- **Even USDA's Weekly Crop Update** mentioned stored grain quality, as reported by the IN state crop statisticians: "Scattered fields of corn remain to be harvested with declining grain quality. Mold continues to be a significant problem in the corn crop causing elevators and ethanol plants to reject or dock prices of many corn deliveries. Farmers are becoming increasingly concerned with the quality of stored corn. Vomitoxin in this years' corn continues to be a problem for some livestock producers."

- **Save your lungs** from infection if working in an environment of moldy grain. Purdue safety specialists warn against many dangers inside grain bins, but breathing dust full of mold will cause allergic reactions and flu-like symptoms. Mycotoxins in the moldy grain dust can cause toxic effects in lungs and may lead to eventual illness. They recommend wearing clothing with long sleeves and pants, gloves, and a dust mask or respirator.
- **Thanks to 2009**, you know what diplodia looks like and you don't ever want to see it again. For that reason, rotate your crops, says MO plant pathologist Laura Sweets. It was on your corn ears and it remains in the residue in your fields, where it will be ready to infect corn planted back into the same field, but also subject to influence by weather.
- **Diplodia spores will be released** this spring from the infected residue and will be most viable in wet weather. Splashing rain will allow the spores to reach silks and they will then infect the ear as they did last year. The fungus may also penetrate the husk at the base of the ear. Bird and insect damage to ear tips may also help spread infection.
- **To avoid the heartbreak of diplodia**, strongly consider crop rotation, says MO's Laura Sweets, and that will help prevent the spores from finding your corn. She says few seed companies publish data about diplodia susceptibility, but dealers may have information. Some fungicide labels indicate control of diplodia, but the application timing is crucial. Read more: <http://ppp.missouri.edu/newsletters/ipcm/archives/v20n2/a2.pdf>
- **Plan for yield reduction in 2010** due to soil compaction from the late, wet harvest, and the combination of combines, tractors, grain carts, and trucks moving across fields. Historic research at the University of Illinois indicated a 13 bu. per acre decrease with compaction of the entire test plot, and a 3 bu. per acre yield loss if alternating rows were compacted. Compaction prevents nutrient uptake and root growth, and hurts drainage.
- **When soil is compacted**, what really happens? Since the soil is 25% air space and 25% water space, along with 45-49% mineral and 1-5% organic matter, compaction eliminates the air spaces. IL agronomist Mike Roegge says when soil is compacted, the density increases, reducing air pores which are needed for roots to grow easily. Roegge also says if the soil was saturated and there were no air spaces, it may not have been compacted.
- **Looking at your snow-covered fields**, you may wonder what you'll have to do when spring eventually arrives. MN soil scientist Dan Kaiser gets you started thinking:
  - 1) Corn residue may hold the soil, but it impedes spring planting. A nitrogen application will not help with decomposition. Chop it and put row cleaners on your planter.
  - 2) Wet soil will not close to capture early-applied anhydrous ammonia. Surface-applied urea without shallow incorporation can lead to losses of nitrogen.
  - 3) Avoid direct application of urea ammonium nitrate to crop residue, to lessen the risk it is tied up by microbes which are in the process of decomposing the residue.
- **Application of manure to cropland** may result in the application of antibiotics given to the animals but excreted as waste. MO soil scientist Keith Goyne suggests that livestock producers who apply manure as fertilizer, create buffer strips around fields where the manure is applied. He says while the antibiotic residue is too small to pose any threat to human health, the buffer strips will prevent antibiotics from endangering other animals.

- **Two new seed treatments for soybeans** have the attention of OSU entomologists. Acceleron IX-409 has the same active ingredient as Gaucho, and NipsIt INSIDE has the same active ingredient as Poncho. The latter is labeled for bean leaf beetle, soybean aphids, and other seed and seedling pests. The specialists say if you are planting into heavy green organic matter or heavy weeds, where there is an enhanced chance of seedcorn maggots, both Cruiser and NipsIt INSIDE would be better choices.
- **Don't apply potassium** on soybeans that appear to be deficient. Instead of being short on K they may be long on trochanter mealybugs. They are the latest soybean pest to cause yield reductions. Ants move them around in return for a payment of honeydew, but they will show up on roots and have a whitish appearance with a fluffy waxy coating.
- **Western bean cutworms** are invading many Cornbelt counties, but their path looks more like political gerrymandering. IA St. entomologists have created a trapping network to determine the extent of the population, which ranges from IA to OH with hotspots in WI and IN. <http://www.extension.iastate.edu/CropNews/2010/0209hodgsonjesse.htm>
- **What is driving western bean cutworms?** Specialists surmise that reduced tillage has allowed overwintering larvae to live in the soil, climate change, and the use of transgenic corn with the Cry1Ab event. While that controls corn borer and ear worm, it will not control western bean cutworm, and instead reduces competition and enhances survival.
- **Increased demand, not decreased supply**, will be required for the beef industry to rebound, says economist Scott Brown of the Food and Agriculture Policy Research Institute. And he adds, "Short-term economics may affect the long-term health of the beef industry. As feedlots face losses, more will go out of business. That in turn could possibly put more packers out of business. We may be losing infrastructure that we need long term." He says predicting meat prices has become a complicated business.
- **MO livestock economist Glenn Grimes** agrees and adds currency values help determine foreign demand. "The dollar has been strengthening lately, especially against the Euro. The trade-weighted value of the dollar has increased 8% since mid November. A stronger dollar should help hold down energy prices, but it is not likely to help pork exports. Roughly 18% of U.S. pork production was exported in 2009. A strong dollar makes U.S. pork look expensive to foreigners." Read more: <http://agebb.missouri.edu/mkt/bull1c.htm>
- **Your wheat protein** was only 10% last year and discounts were applied. So you are thinking about the amount of nitrogen you apply to wheat in an effort to raise the protein level. But MN agronomists say that is a challenging question. More N will increase the volume, which dilutes the protein, since protein per acre has been constant over time. Lower yields will have greater protein percentages, but you are only paid on bushels.
- **Cap and trade**, the proposal designed to address climate change issues, could increase corn and bean prices by 20% says IA St. economist Dermot Hayes. He says the EPA plan to remove 100 mil. acres from production, and 59% of that in the Cornbelt, would have a price impact on grain. But he says with the larger plan to remove 300 mil. acres from production globally, the impact on world food prices will be much greater than 20%. Read more: [http://www.card.iastate.edu/about/news/show\\_release.aspx?id=64](http://www.card.iastate.edu/about/news/show_release.aspx?id=64)

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