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Cornbelt Update

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- **USDA's Outlook Forum estimates for corn** could change if some of the nearly 600 mil. bu. left in the field is not harvested, which would improve both old and new crop prices, says KS St. economist Dan O'Brien, who says the numbers were already in the market:
 - 1) The new crop is subject to late planting if soils fail to dry out in a timely manner.
 - 2) New crop price would rise if EPA raises ethanol blending to 12% or to 15%.
 - 3) Prices would also rise if more corn is used due to light test weights and low quality.
- **USDA's Outlook Forum estimates for beans** could change, says O'Brien, if the US loses its current top position in the world for exports, with a current 47% market share:
 - 1) The size of the new crop could increase or decrease and change that share.
 - 2) Strong foreign demand for beans and bean product may change over time.
 - 3) A large US crop following the large South American crop could pressure prices.
- **USDA's Outlook Forum estimates for wheat** were based on trend line yields and information already in the market, says KS St. specialist Dan O'Brien. Read more at: <http://www.agmanager.info/marketing/outlook/newletters/default.asp> He says:
 - 1) They do not account for a lower corn crop due to problems with unharvested corn.
 - 2) They don't anticipate problems with current global wheat and feed grains.
 - 3) They don't expect any changes in currency or energy markets, which could occur.
- **USDA's wheat forecast** is for a 45% stocks to use ratio and a \$4.90 seasonal price for the new crop. O'Brien says field conditions could still reduce the size of the new crop and problems could occur with spring wheat seeding in Canada. He also says old crop wheat exports could decline below expectations with large global competition.
- **Soft Red Wheat.** Prices are dropping, stocks are dropping, and production is dropping. What's the deal? IL Extension's Darrel Good says the SRW market is competing with foreign wheat production that jumped 10% to 22.7 billion bushels last year and the US share of the world wheat export market is 18%, down from nearly 30% two years ago. Read more at: <http://www.farmdoc.illinois.edu/marketing/weekly/html/022210.html>
- **Less than 6 mil. acres** were seeded to SRW last fall, and acreage is at a record low in IL, IN, OH, & MO, with the largest year over year decline in acreage and percentage in IL with a 500,000 drop from 2009. That was the result of a wet fall that delayed corn and soybean harvest and certainly delayed wheat seeding beyond optimal planting dates.

- **A 29% drop in production** would be 117 mil. bu. less than the 287 mil. harvested in 2009. But the carryover is 196 mil. and imports will be 25 mil. so supplies will be more than 500 mil. bu. and the projected consumption will be less than 400 mil. bu. But Darrel Good says the average cash bid for harvest delivery is 55¢ under July and tightening.
- **Is your soybean marketing plan** on paper or in your head? MO marketing specialist Melvin Brees urges you to calculate your break even cost, then set price goals on the upside and price traps on the downside to protect a minimum profit. He says current projections are \$8.60 to \$9.00, meaning “profitable prices can be locked in.”
- **Brees admits** pulling the trigger when goals are reached becomes difficult. Historical price trends show seasonal highs in the months before harvest. Pre-harvest highs often come before and during planting. Prices rise again in June and July, especially with drought scares. Prices usually decline through harvest. Brees thinks that without weather problems the high soybean prices seen earlier this year are not likely to return.
- **Grain storage #1.** Your stored corn will be in chunks if it freezes, then thaws, then refreezes, says MN ag engineer Bill Wilcke, and he adds that this is a critical time for high moisture grain currently in storage. He says keep the grain above the freezing point by running aeration fans when the outdoor air is just above freezing to reduce problems.
- **Grain storage #2.** If you are warming the grain with warmer outside air, condensation will occur just above the warming front in the grain. Shutting off the fan prematurely will allow the grain in the condensation layer to freeze. For information on airflow, use the MN software at: www.extension.umn.edu/lateharvest/index.html#storage .
- **Grain storage #3.** Once grain has cooled to 30 degrees, not much drying nor mold growth will occur, but check it regularly for odors of mold and signs of stored grain insects. Wilcke says corn cooler than 30 degrees must be warmed with warmer air or it will condense moisture and spoil. He says warm it up and dry it out in warm weather.
- **Grain storage #4.** If working in grain to unload bins, stay out of flowing grain, watch out for bridged grain above voids in the bin, and take precaution working with dangerous chemicals if they are being used as part of a fumigation program against grain insects. Read more at: www.bbe.umn.edu/Post-Harvest_Handling_of_Crops .
- **Standing corn** being watched by WI agronomists was 42% moisture on Oct. 22, but was 19.5% on Feb. 17. They report the drydown pattern is similar to 1993 when the grain got to 15%, and the yield has not been affected, with good standability despite heavy snow. They report if it had been harvested in October drying costs would have been \$144/A.
- **The recent Cattle on Feed Report** continued to show declining production and a positive supply situation says livestock economist John Riley of MS St. The higher number placed on feed were offset by a higher than expected number marketed. He says that pace will alleviate the market fears of large supplies in the next 30 to 60 days. Read his analysis at: <http://www.lmic.info/memberspublic/InTheCattleMarket.html> .
- **The recent cattle report** also included a report on Canadian beef, which MI St. economist Jim Hilker says is imported because of the close linkage. He says there will be less beef available, and if exports grow as expected, per capita US availability will drop even quicker. However, he says it will be demand, not supply, that will drive prices.

- **The 2010 calendar brought** higher milk prices says MO dairy specialist Joe Horner, who expects a \$16.50 average price for the year, but not the \$20 price of 2008. He says many dairymen are in a financial hole and it will take careful management to dig out, "If producers see those higher prices ahead and stop culling cows, they will be in trouble again." If producers don't stop culling and don't rev up production, he added, better financial times are in store for 2010, 2011 and beyond. Dairy demand is increasing.
- **Many livestock producers** fought against the National Animal ID system, and USDA decided to abandon the policy, in favor of another plan to provide disease trace-back ability, should there be an outbreak, says IL beef specialist Teresa Steckler. It will:
 - 1) Apply only to animals moved in interstate commerce.
 - 2) Be administered by the states and tribal nations to provide more flexibility.
 - 3) Encourage the use of lower-cost technology.
 - 4) Be implemented transparently through federal regulations and the rulemaking process.
- **The alternative to NAIS**, says Steckler will still protect against the spread of disease:
 - 1) Accelerate actions to lessen the risk from diseases posed by imported animals.
 - 2) Initiate and update analyses on how animal diseases travel into the country.
 - 3) Improve response capabilities.
 - 4) Greater collaboration with states and industry on overall potential disease risk.
- **Is too much or too little manganese** a problem for your Roundup Ready beans. Not really says IA St. weed specialist Bob Hartzler. He says research is conflicting on whether there is a glyphosate problem with beans growing in manganese deficient soils. He says the majority of research does not support varying response of glyphosate to manganese, and he recommends manage Roundup Ready beans like conventional beans.
- **If you are harassed by pythium**, you can always fight back. IL agronomist Matt Montgomery says the abundant moisture means pythium could be a problem this spring.
 - 1) Corn planted about April 1 or beans planted May 1 will be helped by seed treatments.
 - 2) Seed treatments will likely pay off if the field has a history of disease problems.
 - 3) A seed treatment will likely pay off in no-till or conservation tilled systems.
 - 4) Gumbo or other soils retaining moisture may see a pay off from seed treatments.
- **Will bean leaf beetles** be a problem this spring? That depends on where you are, and if your winter has been cold, with temperatures at -10C, then adults will die. Those that survive begin feeding in late April, and that is prior to soybean emergence. Any attempt to measure population usually drives them into soil cracks and a good count is difficult. Any survivors may give an indication of 2nd and 3rd generation populations.
- **Did you catch** the Supreme Court decision to not review the case that leaves crop chemical sprays as point source polluters, making farmers susceptible to violation of the Clean Water Act should spray get into any stream or field tile flowing into a waterway? Even though your chemical label is a valid federal document, the legal rulings may require farmers to get EPA permits to apply chemicals. The ruling does not take effect until April 2011. Read more: <http://www.calt.iastate.edu/cleanwater.html> .

Cornbelt Update (formerly *Extension Update*) is e-mailed on Friday to selected subscribers and is also on the Internet at www.farmgate.uiuc.edu . E-mail comments to: Stu Ellis at shellis@illinois.edu .