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WHERE FARM DECISION-MAKERS START THEIR DAY



# Cornbelt Update

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- **2009 is a mirror image of 2008** says IA State marketing specialist Chad Hart with growing season parallels. <http://www.extension.iastate.edu/CropNews/2009/0915hart.htm>
  - 1) Delayed planting concerns gave way to mild growing season weather.
  - 2) Crop conditions are holding, production is up and prices are working downward.
  - 3) Demand for livestock feed is declining, but the decline should halt this year.
  - 4) Demand for ethanol stocks is slow, but the biofuels industry continues to grow.
  - 5) Export demand for 2008 beans set a record, and that will continue for 2009 beans.
  - 6) Lower corn and bean prices imply increased demand helping livestock & biofuels.
  - 7) Markets are concentrating on the supply, but seasonal pricing is returning.
  - 9) Current weather and crop patterns are supporting seasonal pricing trends.
  - 10) For those with storage, higher prices can be found a few months after harvest.
  - 11) Recovery of the economy will point to more demand and possible higher prices.
- **Mike Woolverton at KS State** agrees with Hart. He says, "Absent a faster than expected global economic recovery or an unexpected shock to the system, commodity prices are likely to follow the pattern for big crops. Low harvest-time prices will stimulate demand. Supplies will be reduced as the marketing year progresses, to put upward pressure on prices." He says soybean supplies will be tight until spring.
- **The big crop gets bigger adage is true** this year, says MO economist Melvin Brees, "However, demand is expected to be at record levels as well. The longer term downside price risks may lie in these use numbers. Continued improvement in the economy and especially improved conditions for livestock producers are likely needed to meet corn use expectations. The risk for soybean prices may be in increased 2010 South American production and stronger competition for exports next spring and summer."
- **Operators and landowners** are both beginning to think about leases for the 2010 crop year. While most discussions deal with calculation of a fair cash rent, ag law specialists at OH State say there are many other issues that need some serious consideration:
  - 1) What is the resolution process to settle any leasing term disagreements?
  - 2) Does a written or verbal agreement imply a partnership?
  - 3) Does the agreement increase the liability for the action of the other party?
  - 4) Who has access to production records and how does that impact FSA programs?

- **Wheat growers** in the Cornbelt and Great Plains will need to make crop insurance selections soon and those choices are aided by a Crop Insurance Decision Tool, provided by IL ag economists. It calculates premiums, evaluates insurance payments, and provides historical data useful when making crop insurance decisions for wheat harvested in 2010. Find it here: [http://www.farmdoc.uiuc.edu/pubs/FASTtool\\_special\\_cropins2.asp](http://www.farmdoc.uiuc.edu/pubs/FASTtool_special_cropins2.asp) .
- **ACRE decisions** were made in August, but Sept. 30 is the deadline for prioritizing a crop. For example, if corn is picked as the first priority and soybeans the second priority, ACRE payments will be received on the maximum number of planted corn acres and the remainder of eligible acres will be allocated to soybeans. That only matters if you have more than one crop and 83.3% of your total acres exceeds your base acres. Read more here: [http://www.farmdoc.uiuc.edu/manage/newsletters/fefo09\\_14/fefo09\\_14.html](http://www.farmdoc.uiuc.edu/manage/newsletters/fefo09_14/fefo09_14.html) .
- **If your farm is eligible** for an ACRE priority, what crop would you select? IL ag economists say their analysis “appears that choosing corn as the first priority, wheat as the second (if wheat is grown), and soybeans as the third will maximize ACRE payments from a farm.” But they also say factors could change that ranking. They recommend checking historical yields in relation to state yields since ACRE payments could change.
- **The sign-up deadline is Sept. 30** for the Conservation Security Program, and that date will determine payment eligibility. The CSP program is new in the 2008 Farm Bill and IA State economist Mike Duffy says it pays operators based on additional conservation measures they adopt for at least 5 years. Payments will be between \$12 and \$22 per acre and practices include: injecting or incorporating manure, dust control on unpaved roads, extending existing filter strips, recycling farm lubricants, and going to no-till, and many others. Read more at <http://www.extension.iastate.edu/agdm/crops/html/a1-40.html> .
- **Is your corn safe from frost?** Maturity is the point at which kernels have maximum dry weight and the plant is safe from yield loss, and that is indicated by the formation of the black layer which is visible on the inward tip of the kernel.
  - 1) Kernels at the butt end of the ear will develop the black layer first.
  - 2) At maturity, weight no longer increases, and a gradual loss of moisture begins.
  - 3) The black layer will form when the grain moisture is around 30 to 35%.
  - 4) Frost about 10 days to 2 weeks prior to black layer will reduce yield 4-5%.
  - 5) Frost about 3 weeks before black layer will reduce yield 10-20%.
  - 6) Frost one month prior to maturity will result in potentially unmarketable grain.
- **Crop maturity** may be a serious concern for you in the wake of frost threats in the offing and crops that are far from maturity. OSU agronomists assembled their observations:
  - 1) When silking occurred by late July, kernel black layer formation occurred Sept. 21.
  - 2) When silking occurred in early Aug., kernel black layer occurred by Oct. 11.
  - 3) When silking occurred in mid-Aug., kernel black layer was formed by Oct. 27.
  - 4) Corn planted as late as mid-June could mature even when GDD was below average.
- **Crop maturity** for soybeans is also a concern for many, even if soybeans planted three weeks late only suffer a one week delay in maturity, says Purdue’s Shaun Casteel. The majority of beans are between R5 and R6 and will reach full maturity in 33 and 18 days respectively. But cool temperatures could prolong that timetable. Casteel says harvest should be well underway in October, and that timetable will challenge wheat planting.

- **Stressed corn** during the growing season may result in stalk rots about harvest time according to MO plant pathologist Laura Sweets, who says scout and be prepared:
  - 1) Fusarium and Gibberella cause a pink discoloration of diseased stalk tissue.
  - 2) Anthracnose will appear as shiny black lesions at the corn stalk nodes.
  - 3) Diplodia causes spongy stalks with mats of white fungal growth.
  - 4) Charcoal rot begins in the roots and plants will break at the crown.
- **Stalk rots may cause yield losses** of 10% to 20% on susceptible hybrids. If more than 10-15% of stalks are rotted, Sweets says the field should be harvested as soon as possible. In preparation for the 2010 crop, management of stalk rots include: 1) select hybrids with good stalk strength and lodging characteristics, 2) plant at recommended populations for that hybrid, 3) follow proper fertility practices, 4) harvest in a timely manner.
- **Scouting for stalk rots** should include the push test, where plants are pushed 45 degrees from vertical at ear level. MN agronomists say plants that break following the push test are at risk for stalk lodging. Stalk strength can also be evaluated by pinching the lower stalk at the first internode above the brace roots. Hollow stalks will collapse from that.
- **How much field loss** will your combine emit? Your goal should be one bushel per acre or less, which is 2 corn kernels or 4 soybeans on the ground per square foot. Without adjusting your combine since last year's harvest, you may have the same amount of volunteer corn that you saw in your fields this past spring. Here are IA State resources:
  - 1) Combine settings for corn <http://www.extension.iastate.edu/Publications/AE3112.pdf>
  - 2) Combine settings for beans <http://www.extension.iastate.edu/Publications/AE3112.pdf>
  - 3) Profitable corn harvesting <http://www.extension.iastate.edu/Publications/PM574.pdf>
  - 4) Profitable bean harvesting <http://www.extension.iastate.edu/Publications/PM573.pdf>
  - 5) Harvest safety <http://www.extension.iastate.edu/Publications/PM1265H.pdf>
- **“Luck, art, and skill”** are the keys to harvesting soybeans says NE ag engineer Tom Dorn, but if you can harvest them at 13% moisture instead of 10%, the additional profit is more than \$11 per acre. The benefit is from heavier beans and reduced harvest losses. Read more: <http://cropwatch.unl.edu/web/cropwatch/archive?articleId=991242> .
- **Manage your soybean harvest** to cut drying costs and prevent shatter loss, says Dorn:
  - 1) When harvesting tough stems, make combine adjustments and use slower speeds.
  - 2) Begin harvesting at 14% moisture, and even when some leaves remain on the stem.
  - 3) Spread out maturity and harvest by adjusting planting dates and variety selection.
  - 4) Overnight dew and afternoon winds can both change bean moistures.
  - 5) Avoid harvest when beans are driest to maintain moisture and cut shatter losses.
  - 6) If storing beans in a drying bin, begin harvest at 16% moisture and dry to 13%.
- **Trochanter mealybug.** That is a new soybean pest in the Midwest that you will have to learn about, but experts are learning right along with you. Ohio entomologists say they may reduce soybean yields, but there is no data that indicates economic impact. The trochanter mealybug is a root feeder, much like the soybean cyst nematode, and exhibits sap-sucking traits, like the soybean aphid. Symptoms of its presence appear to be a potassium deficiency in soybeans, but OSU specialists say they do not know if there is a relationship with those symptoms and the mealybugs, “Things right now are a bit up in the air in terms of their distribution and if it’s something we need to be concerned about.”

- **Blank ear tips** may cause concern, and certainly cut yield. OSU agronomist Peter Thomison says those kernels are the last to be pollinated and the plant may have run out of pollen, or silks could have suffered from drought stress. Pollen feeding and silk clipping by insects may also contribute to the problem with poorly filled ear tips. He also says those kernels cannot compete as well for nutrients and may have been aborted.
- **Cellulosic ethanol production** may depend, in part, on the availability of corn stover. But IA State researchers are concerned that stover removal has unintended consequences:
  - 1) Soil productivity requires organic matter, and corn stover replaces lost carbon.
  - 2) Crops depend on recycled nutrients, and stover removal impacts decomposition.
  - 3) Stover removal changes greenhouse gas interactions at ground level.
- **FSA has made grain bin loans**, and now it will also help finance construction of barns for storing hay or other types of biomass. The terms of the loan include 85% of the cost of new facilities for up to two years worth of production, and it can be financed at the fixed FSA interest rate for either 7, 10, or 12 years depending on the loan amount. Read more at: [http://www.fsa.usda.gov/Internet/FSA\\_File/fsf109.pdf](http://www.fsa.usda.gov/Internet/FSA_File/fsf109.pdf).
- **Drip irrigation**, coming from a network of pipes underground, reduced crop needs for water by 25% and still produced a 200 bu. per acre corn yield in western KS. KS researchers say the reduction in irrigation water compares to sprinkler irrigation at 85% efficiency, and furrow irrigation, which is only 65% efficient.
- **The swine breeding herd is shrinking** says MO economists Glenn Grimes and Ron Plain, due to increased sow slaughter, which was a little below 2008, but “When adjusted for the shrinkage in the sow herd it was 2.5% above a year earlier. This is the third consecutive week with sow slaughter above a year earlier. Gilt and sow slaughter for the last few weeks suggest producers may have sped up the reduction in herd size.”
- **Despite 5 weight classes and two genders**, the price of cattle in NE is driven by the price of 4-500 lb. steers say NE economists. That contrasts to a similar TX study which found the TX beef market to be driven by 6-700 lb. heifers. The industries are quite different it seems. The TX climate is milder, breeding and feedlot operations are year-round and the heifer can go either to a feedlot or be bred. In NE the primary buyer looks for lightweight steers for feedlots, and his longer time there determines profitability. Read more at: <http://www.agecon.unl.edu/Cornhuskereconomics/2009cornhusker/9-16-09.pdf>
- **Cattle feeders using DDGS** are frequently frustrated with different nutritional values, which change from one ethanol plant to another and from one process to another. A Purdue researcher has developed a process to predict the nutritional value based on the process, and says if a large cattle feeder wants a particular nutrient profile, it is possible.
- **Happy birthday**, today to FAPRI, the Food and Agricultural Policy Research Institute at the University of Missouri, which celebrates its 25<sup>th</sup> anniversary. Its economists have provided commodity price projections and policy analysis to Congress, farm groups, and international trade negotiators. Founder Abner Womack said the strength of FAPRI is to give unbiased facts based on numbers to policy makers, and to not recommend policy.

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