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Cornbelt Update

A weekly publication for farm owners and operators, Oct. 2, 2009, Vol. 11 No. 24

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- **Both the US corn and soybean markets** are impacted by South American crop production, and IL marketing specialist Darrel Good says their size will influence prices in the US. Currently, corn acres in both Brazil and Argentina are expected to decline and soybean acreage in both countries is expected to increase. Read his analysis at: http://www.farmdoc.uiuc.edu/announcements/agrnews/Sep_2009/agrnews_Sep_2009.html .
- **Despite fewer corn acres**, total production is expected to increase because of better yields following droughty conditions in the 2008-09 growing season. The total crop is expected to be 2.6 bil. bu., compared to 2.46 bil. bu. last season. However, with more bean acres, production should reach 4.15 bil. bu., up 880 mil. bu. from the 2008-09 crop. 2010 South American crops are expected to benefit from an El Nino.
- **Good says those crops will compete** with US corn and beans in the export market, but currently, USDA anticipates record US soybean exports of 1.28 bil. bu., and for US corn exports to reach 2.2 bil. in 2010. The latest USDA estimate of global grain exports says Brazil and Argentina will export 100 mil. bu. more corn and bean exports will be steady.
- **China is the soybean story** according to marketing specialist Chad Hart at IA. He says most soybean importers have faded away, but not China, "At this point last year, China had purchased nearly 190 mil. bu. of soybeans from the US. This year the Chinese have purchased over 420 mil. bu. and we are only a few weeks into the marketing year."
- **The latest USDA stocks report** indicated year to year shifts in stored grain, says Hart. He notes, "On-farm storage of corn is up 22% from last year, while on-farm storage of soybeans is down 25%. Given the growth in on-farm stocks and the large corn and soybean crops being harvested, storage could be a major issue this year." Read more: http://www.econ.iastate.edu/outreach/agriculture/periodicals/ifo/IFO_2009/ifo100109.pdf
- **Hart also says** the moisture and quality issues will impact storage and marketing decisions. "As like last year, these crops will likely come out of the fields with more moisture than usual. Also, with the hail storms in north central and northeast Iowa this summer, we could see mold be more of a problem this year." And Hart says farmers who cannot handle high moisture grain or quality issues will be selling, softening the basis.

- **Rethink grain price ranges** says Hart at IA State, because USDA's range of \$3.05 to \$3.65 for corn and \$8.10 to \$10.10 for soybeans takes into account grain that was forward contracted at higher prices, which raises the average. Hart says farmers need to look at the average futures prices, which currently forecast \$3.20 for corn and \$8.76 for beans.
- **Many marketing specialists** have suggested storing corn to capture the carry and basis improvement and selling beans because of the lack of carry. MN marketing specialist Ed Usset agrees, but for farmers wanting more control of soybeans, he says re-ownership with a July call option has paid out profits in 7 of the past 8 years, but "an at-the-money July 2010 call will cost more than 80¢ per bu., and that past performance is no guarantee of future results. Read his rationale at: <http://edsworld.wordpress.com/> .
- **Cold air** is pouring into the Cornbelt says IA meteorologist Elwynn Taylor, so expect development of patchy frost. He says the location depends on where there are clouds and wind, since clear skies will foster frost development. Taylor says recent fall rains have been welcome because the subsoil has been depleted of moisture and recharge is needed.
- **Heat units are needed for corn maturity**, and without those, the corn plant will not go through the normal maturing process and it will dry up and die before it matures, says IA corn specialist Roger Elmore. He says some fields have not matured, but have dried down before the black layer was formed in the kernel, indicating normal maturity.
- **Some corn has also be pressured** into an early maturity by diseases, such as northern corn leaf blight and GLS, as well as some droughty spots around the Cornbelt, says Elmore. He says those factors will reduce kernel weight and reduce quality. Many fungi will cause corn kernels to become "fluffy" and their test weight will be less. Elmore expects NASS statisticians could reduce the 187 bu. yield potential for IA this month.
- **If your corn is just not drying down**, Purdue corn specialist Bob Nielsen says the issue could be the result of temperature, humidity, sunshine or rain conditions, as well as whether the hybrid was set to mature in August or September. He says it is not unheard of for grain moisture to decline more than 1 point per day when days are warm, sunny, windy and dry. But he says there may be zero drydown on cool, cloudy, and rainy days.
- **Corn drydown is a also a function** of the hybrid's physiological characteristics, says Purdue's Nielsen: <http://www.agry.purdue.edu/ext/corn/news/timeless/GrainDrying.html>
 - 1) Faster drydown comes with kernels that have a thinner pericarp or outer wall.
 - 2) Faster drydown comes with ears that have fewer husk leaves.
 - 3) Faster drydown comes with ears that have thinner husk leaves.
 - 4) Faster drydown comes with ears have husk leaves that senesce or die sooner.
 - 5) Faster drydown comes with ears whose husk leaves do completely cover the ear tip.
 - 6) Faster drydown comes with ears whose husk leaves are looser.
 - 7) Faster drydown comes with ears which drop down more quickly.
- **Your crop insurance** may cover corn damaged from ear rots and other quality issues. IA ag economist William Edwards says you may be indemnified against low test weight, grade discounts, odors and other factors that reduce its quality from #2 yellow corn at 15% moisture. Alert your insurance agent and review Edwards' value calculations at: <http://www.extension.iastate.edu/CropNews/2009/0929edwards.htm> .

- **If you have corn damaged** by hail, mold, or other factors, call your crop insurance agent to determine the process of leaving field samples before harvest. IA ag engineer Charles Hurburgh and plant pathologist Alison Robertson suggest several steps for you to follow:
 - 1) Scout fields for corn damaged by molds and call agent about quality loss procedures.
 - 2) Take a composite sample from the field, test for toxins, and avoid long term storage.
 - 3) Take load samples, ask for official test weight, grade them daily for inventory purpose.
 - 4) Corn less than 50# is a storage risk and should be marketed first, but cool and dry it.
 - 5) Moldy corn should be stored at moisture levels of 1-2% points below sound corn.
 - 6) Clean any corn known to have toxins, remove center cores of bins to remove fines.
- **Do you have stalk rot problems?** Scouting will help with the determination, but the 2009 weather was conducive to fungi that attack stalk integrity say NE specialist Tamra Jackson. She says, “On average, stalk rot diseases reduce yield by about 5% each year, although losses can be as high as 10% to 20%, and on rare occasion 100%. She says if more than 10% of plants exhibit stalk rot symptoms harvest that field first. And she adds, “Under severe stalk rot conditions, harvest early and pay the drying cost.”
- **Late planted soybeans** should be scouted for soybean aphids. Midwestern crop specialists are finding significant numbers of aphids on soybeans that have not yet reached the R6 stage, which is full seed. Late planted and double cropped soybeans that still have substantial green vegetation would be attractive to soybean aphid colonies. Before spraying, assess the predator population and potential yield benefits.
- **The large number of soybean aphids** heading from fields to their wintering grounds on buckthorn is telling OH insect specialists to expect soybean aphid problems next year and the end to alternating cycle of years of the extent of problems. They say that soybean growers should keep alert for an aphid issue in 2010 because of the current phenomenon.
- **Weeds interfering with harvest** may be candidates for pre-harvest herbicide application to affect their seed production. IL weed specialist Aaron Hager says 2,4-D, Rage D-Tech, Glyphosate, and Gramoxone can be applied to nearly mature corn, with the proper interval prior to harvest, which is usually 7 days. Glyphosate, Gramoxone Inteon, Clarity, and Aim EW can be applied to soybeans with the labeled pre-harvest interval. Hager says pre-harvest herbicides may not do much to limit weed seed production.
- **Weed specialist Mark Loux** at OH St. says another solution is to wait for a hard freeze and for the weeds to desiccate or become more brittle. He also suggests:
 - 1) The greener the weed, the greater the likelihood of reducing seed viability.
 - 2) Herbicides will be most effective when applied under warm sunny conditions.
 - 3) Glyphosate can control perennials if they are in the appropriate growth stage.
 - 4) Herbicides or a freeze will not force a loss of fruit on black nightshade.
- **Wheat being planted after corn or beans** should have a good start in a weed free field says Purdue weed specialist Bill Johnson, who is concerned about weeds depleting moisture in a seed bed for wheat. He says there are only 2 broad spectrum herbicides labeled for planting wheat, glyphosate and gramoxone. He says if you have dandelions, or other perennials, use glyphosate, but both can be used for winter annuals. Johnson says 2,4-D is not labeled for fall use and can result in poor pollination and head fill. He also recommends suppression of henbit, purple deadnettle, chickweed, and dandelion.

- **USDA will update** its small grains estimates for some northern states because harvest was delayed over a significant area of the northern Plains states. The last survey found unharvested acreage for durum wheat in ID, MN, MT, and ND. NASS will contact farmers who had unharvested acreage, and if changes are justified, the Sept. 30 Small Grains Summary of yields and stocks will be updated in the Nov. 10 Crop Report.
- **IS \$60 per acre** a good price for selling corn stalks, or will you leave financial benefits in the field? NE specialists say 1 ton of crop residue is created from 40 bu. of corn, 30 bu. of soybeans, or 20 bu. of wheat. Typical crop residue has 17 lbs. of N, 4 lbs of P, and 50 lbs of K per ton. At current prices that is \$36 per ton. With stover removal, there is a loss of 4.3 in. of moisture, worth \$17 per acre. There is also a drop of 25 bu. in corn yield or a 10 bu. drop in wheat yield. That means the loss is more than the selling price.
- **Have you noticed** an increase in Northern Corn Leaf Blight? OH corn production specialists report a steady increase since 2001 in its occurrence. They attribute it to an increase in acres planted to hybrids that are susceptible, but say its late appearance this year was probably due to favorable weather conditions late in the growing season.
- **If more corn is grown to meet various demands**, Purdue specialists say any effort to move toward continuous corn will result in more nitrogen, fungicides, and phosphorous showing up in streams and lakes than with a typical corn and soybean rotation. Purdue ag engineers studied water sources near continuous corn and rotational fields.
- **Statistically**, we are in the last month in which diesel fuel prices will be less than they were 12 months earlier. Currently, they are about 16% less than a year ago, but prices in Nov. will be above the levels recorded when the oil market collapsed. Dec. should bring diesel prices 24% above Dec. of 2008, and spring tillage time will have diesel fuel 50% to 60% above spring 2009 levels, says economist Kevin Dhuyvetter at KS State. For budgeting 2010 fuel prices, visit: <http://www.agmanager.info/energy/PriceForecasts.pdf>
- **Pork profitability** may be reached next summer when the IA State “crush margin” for hogs reaches the \$50 mark. That would be based on hogs placed in feeding barns in February and marketed in July of 2010. Review the IA calculations at: <http://www.econ.iastate.edu/faculty/lawrence/Excel/pig%20crush%20web.htm> .
- **The IA State pork profitability model** expects prices to exceed variable costs in March of 2010 and total costs in May of 2010. Economists John Lawrence and Shane Ellis say the accumulated losses over the past 2 years have exceeded the 27 months of losses that ended in Jan. 2000. Since there are more hogs now than then, losses per farm are more.
- **The Quarterly Hogs and Pigs Report** did not include some substantial cutbacks in the breeding herd. MO economist Glenn Grimes says in the past 4 weeks sow slaughter is up 1.9% and gilt slaughter is up substantially. He says the Sept. 25 Hogs and Pigs Report was based on Sept. 1 numbers, and the cutback trend has increased since then.

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