Nagel's Notes

Timely Crop Production, Insurance, and Marketing tips
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(410) 822-6300   **April 2019 edition**

Grain Marketing

Today the 2019 Grain Stocks & Planting Intentions report was released. I mentioned on the Delmarva Grain Market Update Call this morning that this report was usually a market mover – over the last 12 years, on average, the trading range for corn on this report day has been 20c. That average won't move much after today's 19c range.

Keep in mind that these USDA numbers are as of March 1 - before the rain and flooding in the Mid-west; but they are what we have to go on right now and the market is taking them at face value. A few things worth noting:

1. The report shows a larger shift of acres from beans to corn than analysts were estimating. Corn acres increased by 3.6M (vs. 2.2M estimate) to 92.8M. Soybean acres fell 4.6M (vs. -3M estimate) to 84.6M.
2. Soybean stocks were 29% higher than last year's record. Corn stocks came in 270M bu more than expected, 3rd highest on record.
3. Principal crops are seen falling 4.2M acres. This would take us back to 2011 acres. Maybe farmers are getting a head start on the 40M acres that would need to be reforested in the Green New Deal??? (joking…)
4. Funds have set a new record short position in corn today, nearing 300,000 contracts. We need a reason to scare the funds out of this position. Until that happens, we expect a sideways trading pattern. A trade deal could be the catalyst to a short squeeze rally.

December Corn closed the day at $3.84. Wheat acres were down in the report, but no significant changes there; the July contract was pulled down 7c today, in sympathy for the corn market. The July contract closed at $4.63 ½. The soybean market held up well relative to the other markets, only closed down 4c at $9.19.

Crop Insurance

With crop insurance strategy, budgeting, equipment tune-ups finished, and a planting scheme in place, now we move forward with implementing plans. Let's all hope we can stick with plan "A" this year and not work our way through the alphabet with plans.

Wheat
Consistent, good looking wheat fields are few and far between. There are many with disappointing overall yield potential. You need to consider the cost per bushel to grow a 35 or 40-bushel wheat crop, now, that the majority of expenses have been committed to the wheat. At planting time, you may have had a handsome contract to grow it for. And yes, you could grow it profitably for that amount with an expected 80-bushel yield. But what will it cost you to grow this crop with yield potential cut in half? You need to be aware of this economic situation as you either move forward and salvage as much as you can out of the crop or decide to destroy it and plant something else. If the wheat is insured, contact your agent and be sure to get an adjuster to evaluate the stand so that an APH determination can be made, and you receive authorization to destroy the crop. The wheat price is about $1.00 less than the projected price, and that will factor into a possible claim.

Though the weather was not conducive to vigorous wheat growth this winter, the typical winter annuals are doing their normal thing. Now is the time to get your wheat herbicide treatments out. The weather is warming and the weeds are actively growing. The usual suspects are henbit, chickweed and dead nettle, with occasional areas of annual bluegrass. Some of the chickweed is tolerant to Harmony, and we see it growing uncontrolled in more fields each year. Our old standby no longer controls this previously easy to kill winter annual weed. I have had good success with Starane herbicide. However, it is weak on henbit and dead nettle, so it becomes more of a tank-mix partner with the Harmony than a stand-alone replacement. Quelex herbicide, a relatively new player in the marketplace for weed control in small grains, is popular and effective. **According to the label, there is up to a 15-month rotation restriction for certain vegetables!** Keep this in mind and always read the product labels.