



CLIPPINGS a weekly column from Iowa State University Extension and Outreach

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For Immediate Release

Harvest Update and Important Marketing Reminders

Gary Wright, Farm Business Management Specialist

The 2019 crop year harvest is upon us in Northwest Iowa, especially measurable corn silage and soybean progress. After our brief first “white stuff” experience, near-term weather forecasts appear drier and warmer which should make for 2019 harvest progress.

USDA supply and demand forecasts were updated on October 10. The U.S. corn production forecast was slightly reduced (< 1 percent), leaving year-over-year production lower by 641M bushels (-4.4 percent). The U.S. soybean production forecast was reduced slightly (-1.8 percent), resulting in year-over-year production lower by 878M bushels (-20.0 percent). While market reactions were mixed (corn up; soya down), USDA market price forecasts were increased for corn (\$3.80) and soybeans (\$9.00), following the more bullish production and the generally modest domestic consumption and export use, when combined (a 3.2 percent corn decline; a 1.4 percent soybean increase). The livestock trade (beef, pork and poultry) also shows short-run, by-commodity, increases/decreases, though the total protein export forecast is up year-over-year slightly greater than 1.1M pounds (+6.0 percent).

Producers should expect more adjustments to both supply and demand next month and as final 2019 crop numbers are published in January. Marketing strategies start with a final, detailed evaluation of *by-enterprise* operating breakeven analysis, to include final harvest costs, e.g. drying and storage. Objective, research-based agricultural information is crucial and *Ag Decision Maker* (<https://www.extension.iastate.edu/agdm/homepage.html>) is a key and *free* online resource.

Research shows that long-range operating success improves when developing and following a marketing plan. Certainly, right now the keen marketer is especially mindful of both futures price carry and local market basis adjustments. Producers can consider a variety of contract types, as they make strategies and manage cash flows and physical grain movement, including broadly termed “credit sale contracts” (CSC). However, it is important for the producer to remember that title to the grain passes to the buyer when the contract is signed, thus establishing the seller as an unsecured creditor. Although the Grain Warehouse Bureau of the Iowa Department of Agriculture and Land Stewardship monitors the financial condition of grain buyers, the producer should be mindful of these consequences, and the nature and degree of risk associated with the grain buyer. Additional reading on this topic can be found in “The Non-Price Risks of Credit Sale Contracts: Know Your Grain Buyer” located on the *Ag Decision Maker* website: <https://www.extension.iastate.edu/agdm/crops/html/a2-81.html>.

It gives me great pleasure to announce that, again this year in Northwest Iowa, we will have two opportunities to hear from three ISU ag economics experts. Dr. Alejandro Plastina, Dr. Wendong Zhang, and Dr. Chad Hart will be the featured speakers at our annual Pro-Ag meetings to be held in Sioux City and Spirit Lake on Nov. 11. Each meeting will be approximately 2.5 hours and the meetings are identical; the only difference is location and time. More information is available online at <https://www.extension.iastate.edu/dickinson/pro-ag-2019>. Also, remember that by pre-registering to the ISU Extension and Outreach office in Woodbury or Dickinson County, you will save \$5 off the registration fee.

Finally, ISU Extension and Outreach, in partnership with the USDA, will host seven 2018 Farm Bill Education workshops across the region. Again, all meetings will feature the same program with the difference being date, time and location.

- Dec. 3 - Rock Rapids (Frontier Bank Basement); 9:00 a.m. to noon
- Dec. 4 – Estherville (ILCC Campus); 2:00 p.m. to 5:00 p.m.
- Dec. 10 – Everly (Hap Ketelsen Community Center); 9:00 a.m. to noon
- Dec. 11 – Emmetsburg (ILCC Campus); 1:00 p.m. to 4:00 p.m.
- Dec. 17 – Sheldon (NWICC Campus); 5:00 p.m. to 8:00 p.m.
- Dec. 18 – Storm Lake (Prairie Lakes AEA); 1:00 p.m. to 4:00 p.m.
- Dec. 19 – Le Mars (ISU Extension and Outreach Plymouth County Office); 5:00 p.m. to 8:00 p.m.

More details available at <https://www.extension.iastate.edu/dickinson/2018-farm-bill>.

As always, if you have any comments or questions about the content of this article or items herein discussed, please don't hesitate to call me (Gary Wright, 712-223-1574). Have a safe harvest!

- 30 -

Gary Wright, Farm Business Management Specialist
Iowa State University Extension and Outreach
712-223-1574 or gdwright@iastate.edu