



Reed's Review



Reed Burres

Quick Preview:

- ✓ Steep Rallies
- ✓ 2021 Percent Planted
- ✓ Early Crop Scouting
- ✓ Reed's Recommendation
- ✓ The Takeaway

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#Plant2K21: Slow Start, Fast Catch Up

With planting season officially underway across much of the Cornbelt there are many more questions looming than in a usually spring. As somewhat unconventional planting practices have begun to take more form it may leave some of us wondering what all the hype is about? Whether it be planting deeper than usual to try and put the seed closer to subsoil moisture or perhaps planting soybeans before corn; 2021 has given itself a unique start that many would not have expected otherwise. Though we are nearly through one of the first major planting weeks, there is little doubt that farmers will stay pedal to the metal for the next few weeks. As acres continue to go into the ground, some who had initially suggested that stronger prices may cause corn or soybean acres to flip, may not be quite as inline as once thought. As prices have continued to soar, we must remember that ultimately, we will end up paying the price in some form or another come the future.

CBOT:ZCZ2021, D 561'4 ▲ +15'2 (+2.79%) O:545'0 H:563'0 L:542'0 C:561'4



Photo Above: CME, December Corn Futures, 2021

Reed's Review

Insurance Calendar

May 31st:
Late Planting Period – Corn

June 15th:
Late Planting Period –
Soybeans

June 25th:
Final Planting Day - Corn

July 10th:
Final Planting Day –
Soybeans

July 15th:
Acreage Reporting Deadline

Slow Start, Fast Catch Up: Continued

Though we are strongly higher on both corn and soybean futures from our initial insurance prices, we are still far from being out of the woods and knowing our actual production and ultimately revenue. Jokingly, I had a conversation with a farmer around Sioux County, IA. He was optimistic about the good prices and hopeful for rain. He mentioned that he had never seen things as dry as they then were. He thought \$8.00 was a reality, I agreed, saying that with if he gets a yield of 100 bushels per acre that he would need \$8.00 cash corn to get the same revenue as \$4.00 corn at 200 bushel per acre (normal yield). The unfortunate reality is that along with these strong price increases we will see all of the other expenses continue to rise. Seed, chemical, and fertilizer seem to have the most wiggle room when it comes to following the price of corn, however, it is not unthinkable that in the years following high commodity prices that expense prices will be slow to decline.

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Percent Planted:

Corn Planted - Selected States

[These 18 States planted 92% of the 2020 corn acreage]

State	Week ending			2016-2020 Average
	April 25, 2020	April 18, 2021	April 25, 2021	
	(percent)	(percent)	(percent)	(percent)
Colorado	15	6	11	9
Illinois	33	12	23	28
Indiana	16	7	14	12
Iowa	34	4	20	22
Kansas	22	15	20	27
Kentucky	41	26	41	32
Michigan	3	2	5	2
Minnesota	34	3	18	18
Missouri	23	14	20	44
Nebraska	17	2	6	15
North Carolina	60	40	62	60
North Dakota	-	3	3	2
Ohio	3	4	8	7
Pennsylvania	-	-	1	5
South Dakota	7	1	4	4
Tennessee	33	26	48	44
Texas	67	60	66	64
Wisconsin	10	1	6	5
18 States	24	8	17	20

Percent Planted: Continued

As we hit the day before May, we can expect to see over 50% of the nation's corn planted by the end of next week thanks to the ideal planting conditions. This should naturally have a negative affect on the market, however once the areas planted are overlaid with the current drought monitor map, we could expect to see rallies continue as the drought persists.

Early Season Crop Scouting:

Even with good prices we must always work to get on top of weed pressures that gradually emerge in the field. Below is a helpful list from [Iowa State University](http://www.weeds.iastate.edu) on Early Season Crop Scouting.

1. **Scout your fields.** The front of the field may look great from the road but your perceptions can change as you enter the field and take a closer look. Yes, you will have a lot of fields to scout, but each one is important and needs to be evaluated correctly. You don't have to walk the whole field, but cover enough to scout accurately.
2. **Keep records for future reference, use the best sampling methods, and be aware that these methods are often insect/pathogen/weed/host specific.** Be prepared for field visits, including developing field histories.
3. **Know sources where you can find information for accurate diagnoses** -- no one knows everything!
4. **Count the plant stands.** Although you will have a tendency to look at weeds first, crops are more important. Start with crop stand counts in a row length equal to 1000th of an acre and count the plants to determine population. It is highly recommended to count more than one row.
5. **Evaluate if replanting is necessary.** Frost, hail storms, poor seed quality, soil crusting, depth of planting, and deer or bird "feeding" may all reduce stands. Research from Iowa State University show that a final stand of at least 73,000 plants per acre consistently yield more than 90 percent of optimum. For more information see Iowa State University Extension Publication PM 1851, [Soybean Replant Decisions](#).
6. **Survey how individual plants look and determine their growth stage visually.** Early in the season, cold soil temperatures can cause plant yellowing and reduction in plant growth rate. This will probably change as plant growth quickens and soil temperatures increase. Crop growth stage is important for determining the appropriate herbicide program and for assessing the need to replant or apply insecticides. Nutrient deficiencies may also show up and be "fixed".
7. **Identify weed species if possible, but always see if both broadleaf and grass species are present.** Determine the range of plant height for weed species, which will influence the herbicide program. For more information see <http://www.weeds.iastate.edu>
8. **Find out if there is evidence of an insect problem such as cut corn plants (cutworm) or damaged cotyledons (bean leaf beetle).** In soybean, we need to be aware of bean leaf beetles during the early vegetative stages. There have been problems in many soybean fields over the last years. However, bean leaf beetles can easily be managed.
9. **Find out if the field has a history of seedling diseases.** Soybean seedling diseases such as Pythium, Fusarium, Phytophthora, and Rhizoctonia are common in Iowa. If the field has a history of seedling diseases and is planted under wet conditions, several fungicide seed treatments can be used to protect the seed. In addition, Phytophthora root rot can be managed by variety selection.

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The Takeaway:

As USDA reports and tend to continually increase the importance of new information hitting the market, especially in our semi-transitioned hyper volatile market. Looking at to some of the next important USDA reports we can expect to see that there will be some market movement on May 12th, as the next WASDE report is released then. However, apart from that we can expect some routine movement on a weekly basis caused by our Crop Progress Report which is released every Monday at 11AM (CST). Below is a look at April's WASDE for soybeans. Look to see the areas of area planted and ending stocks movement the most.

SOYBEANS	2018/19	2019/20 Est.	2020/21 Proj.	2020/21 Proj.
			Mar	Apr
			<i>Million Acres</i>	
Area Planted	89.2	76.1	83.1	83.1
Area Harvested	87.6	74.9	82.3	82.3
			<i>Bushels</i>	
Yield per Harvested Acre	50.6	47.4	50.2	50.2
			<i>Million Bushels</i>	
Beginning Stocks	438	909	525	525
Production	4,428	3,552	4,135	4,135
Imports	14	15	35	35
Supply, Total	4,880	4,476	4,695	4,695
Crushings	2,092	2,165	2,200	2,190
Exports	1,752	1,682	2,250	2,280
Seed	88	96	104	102
Residual	39	9	21	4
Use, Total	3,971	3,952	4,575	4,575
Ending Stocks	909	525	120	120
Avg. Farm Price (\$/bu) 2/	8.48	8.57	11.15	11.25

Reed's 2021 Recommendation:

Multi-Peril Crop Insurance:

- 85% Revenue Protection, Optional Units, Corn
- 85% Revenue Protection, Optional Units, Soybeans

Hail Insurance:

\$200 per acre BASIC Coverage Soybeans
 \$200 per acre DXS10 Hail Coverage, DXS5 Wind
 with Extra Harvest Expense

If we continue to work lower than 120,000,000 million bushels, we could expect to see continued price strength. Until next time, be especially safe, be proactive and work to reduce your operation's risk. Thanks for reading!

All the best,

