

# Reed's Review

## Report Woes & Who Knows

Current markets reflect just how much unknown there is presently as we await for the next major market mover in the ending second quarter report. Markets found good strength on the open of the week trade, sideways yesterday, and off a bit this early morning.

CBOT:ZCZ2021, 1W 534'4 ▼ -14'0 (-2.55%) O:519'0 H:559'0 L:517'4 C:534'4

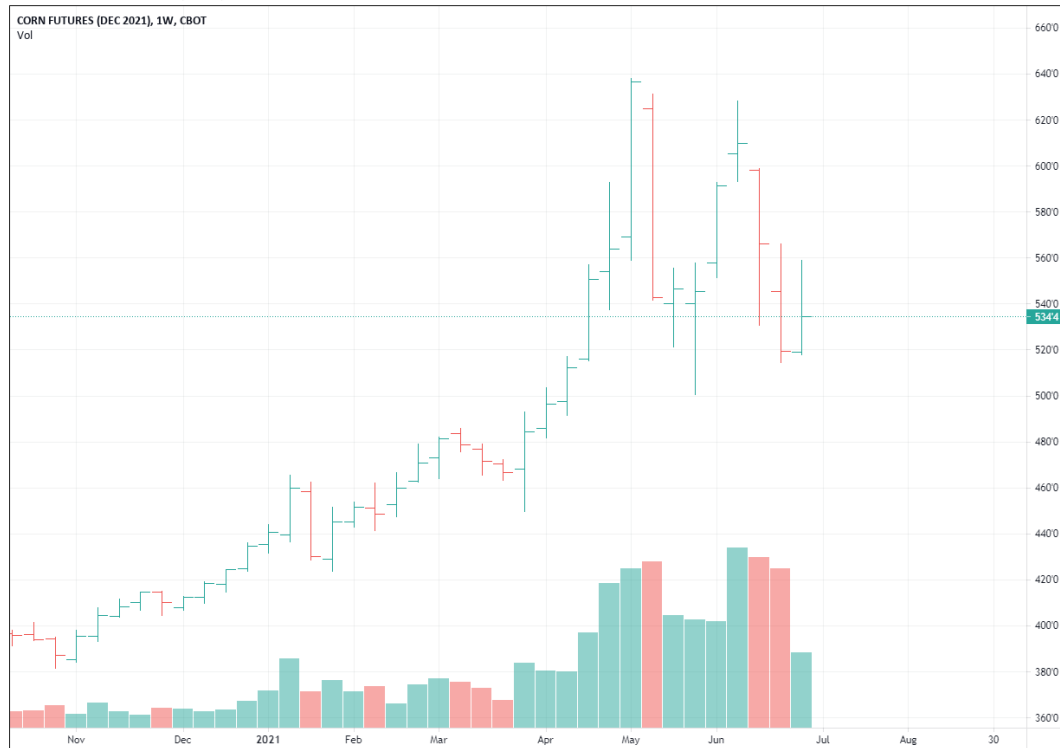


Image above comes from: [CME Group, December Corn Futures](#)

As we trade nearly a full dollar lower off of our previous December contract highs we must now await this new report. Looking at some of the obvious expectations we will that trade estimates have corn and soybean acres both increasing. This is no surprise for many, especially as the USDA will work to fix what some may call their glaring mistake. Increased acres would surely cause the market to go down, however, once we pair this acre increase alongside some other factors, we can't exactly be so sure. One point that is a major area of importance is that in ending stocks and use. With many of these numbers being in question it will be interesting to see how they are changed.



## Reed Burres

### Quick Preview:

- ✓ Report Anticipation
- ✓ Drought Update
- ✓ Crop Conditions
- ✓ Reed's Recommendation
- ✓ The Takeaway

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## USDA Report & Insurance Calendar

**June 30<sup>th</sup>:**

USDA Acreage & Grain Stocks Report  
11:00 AM CST

**July 10<sup>th</sup>:**

Final Planting Day – Soybeans

**July 12<sup>th</sup>:**

July WASDE

**July 15<sup>th</sup>:**

Acreage Reporting Deadline

**August 12<sup>th</sup>:**

August WASDE

**August 15<sup>th</sup>:**

MPCI Premiums Due  
Early Hail Discount Premium Due  
(Encouraged)

**\*Disclaimer\***

The market content published through Reed's Review is based on factual information. Market projections are opinions and is not a recommendation that any particular commodity, portfolio of securities, transaction or investment strategy is suitable for any specific person.

## *Report Woes & Who Knows Continued:*

Our guess, we see an increase of 2.0 to 3.5 million additional corn acres and an increase of 0.5 to 1.5 million additional soybean acres. These are very achievable increases and by themselves would likely move the market lower. We won't know the full impact until we see USDA's estimate on the grain stocks report. As we may never truly have the best handle on what the internal factors may be, we can guess that the trade guess shouldn't be too far off. Keep looking ahead for the bigger picture pieces after this report. Weather will continue to be a major point of emphasis as the widespread drought conditions remain very present.

### Corn Acres

89.9 Million Acres



92.6 Million Acres

### Soybean Acres

87.6 Million Acres



89.5 Million Acres

## *Drought Update:*

With the reports out of the way we can focus more on the matter of weather. Weather in 2021 has not disappointed with its more than fair share of extreme volatility. From the Dakotas burning up, to Central Missouri being washed away, there is plenty to pick through when being concerned with the current weather trends and patterns.

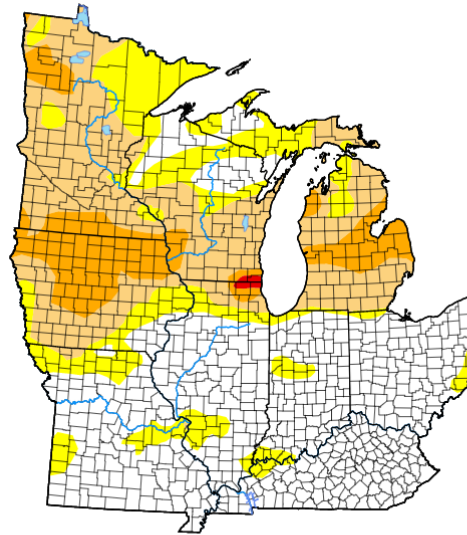


Right: A field of corn completely destroyed following several inches of hail that fell near Kingsley, Iowa. This storm caused widespread damage and could have reduced the topside out of Iowa's expected yields by as much as 10%. Picture provided by: Lonnie Ploeger

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## Drought Continued:

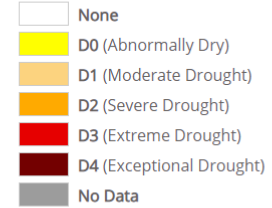
Apart from those who have had rain, and hail as well, there have been many areas that remain to be stricken with drought. Many of the areas across the Midwest region in the Drought Monitor have recovered to an extent by receiving much needed rainfall. Areas begin to see the most crop yield reduction once they reach D2 or severe drought.



Map released: Thurs. June 24, 2021

Data valid: June 22, 2021 at 8 a.m. EDT

### Intensity



### Authors

United States and Puerto Rico Author(s):  
Curtis Riganti, National Drought Mitigation Center

Pacific Islands and Virgin Islands Author(s):  
Ahira Sanchez-Lugo, NOAA/NCEI

*The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.*

## Crop Conditions & The Takeaway:

The crop conditions report and good-excellent ratings suggest that crops that in overall worse condition since last year. As we look ahead continue to keep the crop conditions in mind across the grainbelt, rather than just the localized area. Until next time, be especially safe, be proactive and work to reduce your operation's risk. Thanks for reading!

All the best,



### 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