



Reed's Review

Feeling Lucky?

Did someone request another tariff headline? This past trade cycle it seems to show the lack of luck we have experienced in working with China. We sit nearing the one-year anniversary of the trade talks that caused domestic soybean prices to plummet and gave farmers much to grumble about. Currently, there are a few bright spots and could cause a market rally: delayed planting, acreage rotation, and **ACTUAL** shipments of soybeans off to China.



Reed Burres

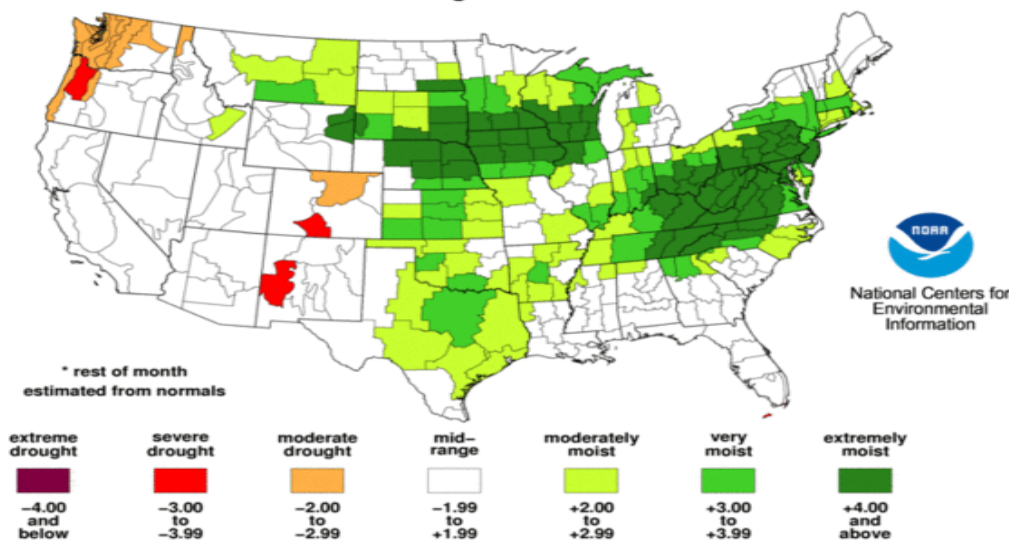
Quick Preview

- ✓ Are You *Feeling Lucky*?
- ✓ *Crop Acreage Shifts*
- ✓ *Your 2019 Safety Net*
- ✓ Crop Insurance Rates
- ✓ *Call-to-Action*
- ✓ The Takeaway

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Palmer Drought Index
 Long-Term (Meteorological) Conditions
 March 2019: through March 2 2019*



Above: The Midwest is saturated; how will this impact planted acreage in May?

These different factors could result in some nice gains in the grains that could give farmers the courage they need in order to forward contract some new crop or clean out what's left in the bins. What will the reality of the spring planting season shape up to be? With record February snowfall in various areas across the Midwest is it possible for us to still see corn be planted before May 1? Contrary to the beliefs of some, it is still possible that we could be in the fields before May 1st in the central Cornbelt, we will just need some help from up above.



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Insurance Calendar

March 15th:
Sales Closing Date for
MPCI and Private Products

April 11th:
Corn Replant
Coverage Begins

May 31st:
Late Plant Period
Begins for Corn

June 25th:
Late Plant Period
Ends for Corn

July 15th:
Acreage Reporting Deadline

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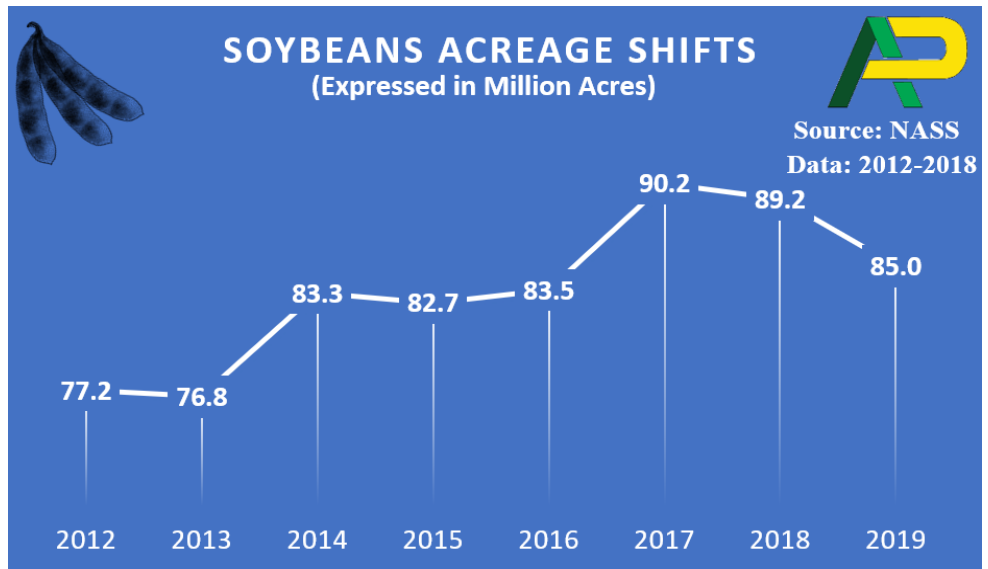
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The Good, The Bad & The Soy

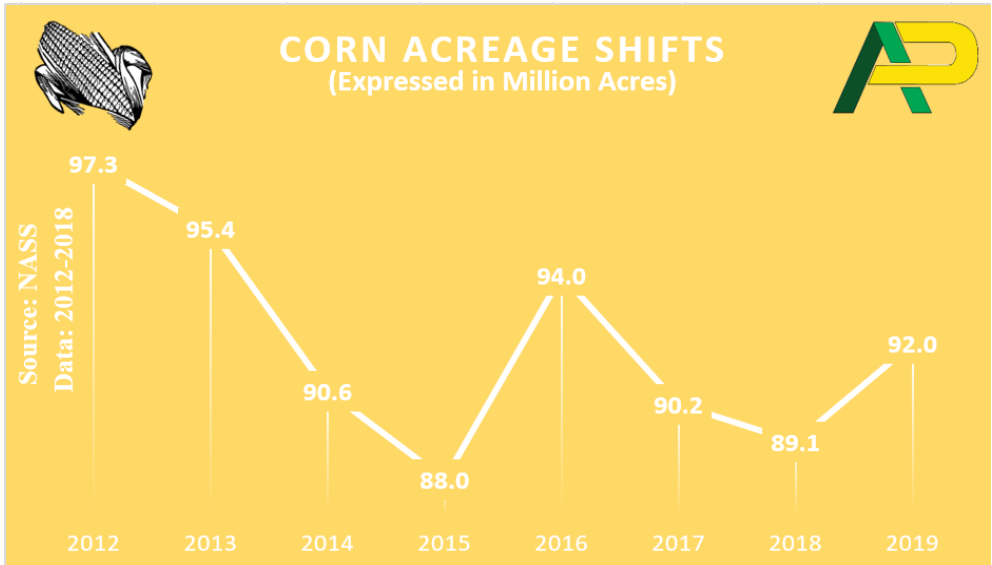
Looking at the flips in proposed planted acreage, it is interesting to hear that the number of acres looking to combat low soybean prices by planting corn or wheat is not nearly as high as it could be. Many across Central Iowa have decided to stick to their guns and plant soybeans, regardless of the spring price sitting \$0.72 lower than this point last year. Depending on who you choose to listen to, the planting acreage could range from 89.1 to 93.0 million acres of corn expected to be planted during this year. These amounts are within the likely range of reality if we experience a drier, but normal spring. The concern for many who have millions upon millions of gallons of water to run through the tile lines or via surface drainage is what will actual soybean acres shape up to be?



Currently, estimates for soybean acres range from 85.0 through 89.1 million acres. Estimates reflect a wide range, which expresses the hope of having a drier than average spring. This which would accommodate farmers who need to apply anhydrous and other fertilizers that are viewed as necessary by many for planting corn. We will know more as we inch closer and closer to the start of spring tillage season, whenever, that may begin. The only thing we know for certain is that we will be in for quite the ride this 2019 growing season.

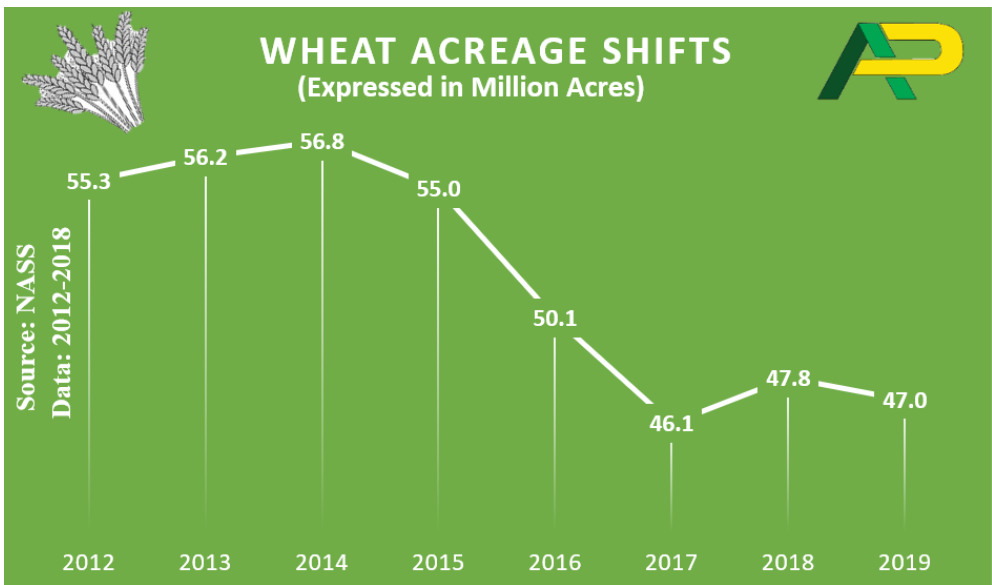


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Safety Net in 2019, Crop Insurance

Perhaps the only real safety net that we will have this 2019 crop year will be our crop insurance guarantees, which, may get put to good use this year if we see market prices roll with the punches like we did in 2018. Given that there demand for US grain varies from seasonally from country to country it is difficult for many to expect to see a large price increase given the volume of our 2018 ending stocks and carry out.



Corn:
2018 to 2019

↑ \$0.04 to \$4.00

Soybeans:
2018 to 2019

↓ \$0.72 to \$9.54

On March 4th, the Risk Management Agency (RMA) released the spring prices for corn and soybeans at \$4.00 and \$9.54; corn enjoyed a \$0.04 increase from the 2018 spring price (\$4.00) and soybeans have rebounded from the lows of harvest to be only \$0.72 below our price of \$10.16 in 2018.



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Multi-Peril Crop Insurance Rates

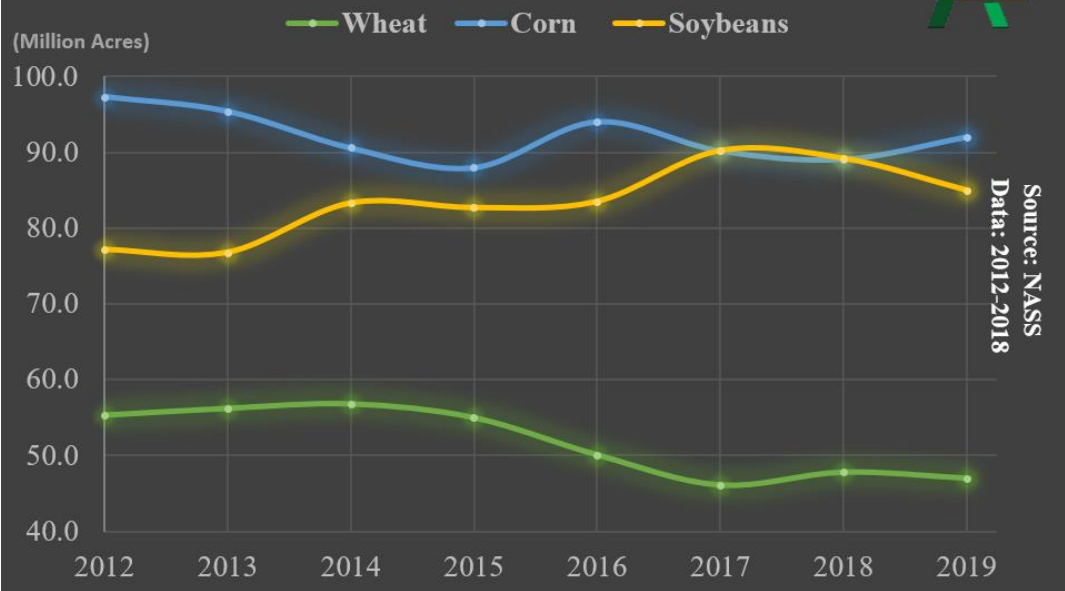
Rates on premium per acre vary largely influenced by coverage per acre, which is based off of yield and price guarantees (for revenue protection). For the most part, due to the reduction in acre guarantee, largely due to the \$0.72 decrease from the 2018 price of soybeans, premium per acre are on average less than they were last year. Premium rates on corn were mixed and moderately steady depending on how your approved yield either increased or decreased.

On the Right:

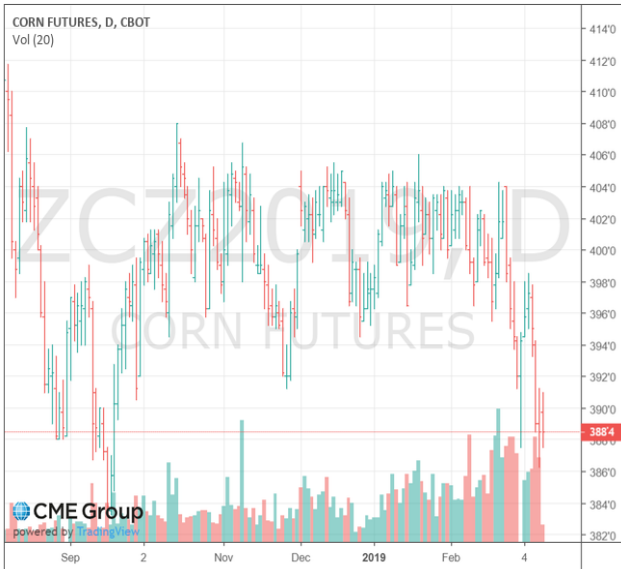
Shifts in acres planted from corn to soybeans and wheat have been shifting significantly over the past few years. What does your rotation look like? Where will we fall on this chart in 2019?



Planting Shifts: Corn, Soybeans, & Wheat



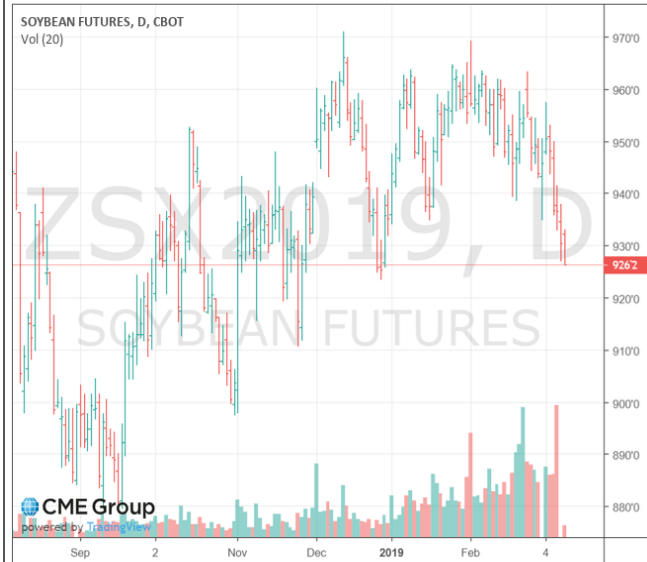
CBOT:ZCZ2019, D 388'4 0'0 (0%) O:389'6 H:391'0 L:387'4 C:388'4



Left: December Corn futures are currently trading 384' or 16' below our spring price. This is a decrease of 4.00% in two weeks.

Right: November soybean futures trading around 926' or 28' below the spring price. This is a decrease of 2.9% during the same period.

CBOT:ZSX2019, D 926'2 ▼-4'2 (-0.46%) O:932'2 H:933'0 L:926'2 C:926'2





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Call to Action

This is a friendly reminder that the Multi-Peril Crop Insurance sales closing date is March 15th (this Friday), meaning that if you wish to change coverage level, option type, or other policy related changes, these need to be done prior to this date.

Help your crop insurance agent out, if you haven't gotten in touch with them yet, do so, they should be able to give you a good look at what your expected premium per acre will be. This is a common service provided through the *AgriPeril Advantage*, if you're curious about your county rates and the costs of different coverage levels reach out to us for a quote!

The Take Away:

Ultimately, it will be the weather will be the most influential factor this growing season regardless if China speaks to the plate or not. If planting is delayed, it is not unthinkable that we could see soybean prices lower than the lows of 2018. Corn seems to be a bit safer than soybeans; assuming that we hover below the 92 million acre and national yield average of 176 bushels per acre, if we see an amount higher than these levels, it is possible that we could see much lower prices comes harvest as well. If 2019 is similar to 2018, we will need to take advantage of peaks in the market, as there may only be a "few" opportunities to market your old and new crop grains for a "fair" price. If you similar to many other farmers are taking into consideration what many recognize to be less than ideal market conditions for 2019, ask yourself, does it make sense to have more coverage on your risk if your margins are tight and my risk is higher than normal?

We certainly think so and because of this, I recommend to all producers out there, that you explore new types of coverage such as the Supplemental Coverage Option, Revenue Price Option, and other tools that will cover the topside of your risk.

As we approach #Plant2019, be sure to keep AgriPeril Risk Management in mind, we work with some of the best insurance companies around that offer competitive rates, experienced claims personnel, and are based here in the Midwest. Ultimately, we believe in working with companies who are as committed to serving their farmer clients as we are. Until next time, stay safe, be proactive and work to reduce your operation's risk. Thanks for reading!



All the best,