



Reed's Review

Anticipating the Ups and Downs

Though 2021 has given many more reasons to be optimistic, especially more so than 2020, it has given us a few hidden red flags that we are now beginning to see. Market volatility has never been anything out of the ordinary, however, in this current cycle we are in, our old weekly trading ranges seem to be greatly out of line with normal. Within the last week of trading the corn market has dropped to prices not seen since mid-April, but is working to quickly recover.



Reed Burres

Quick Preview:

- ✓ Report Anticipation
- ✓ Out of a Drought?
- ✓ Identifying Early Deficiencies
- ✓ Reed's Recommendation
- ✓ The Takeaway

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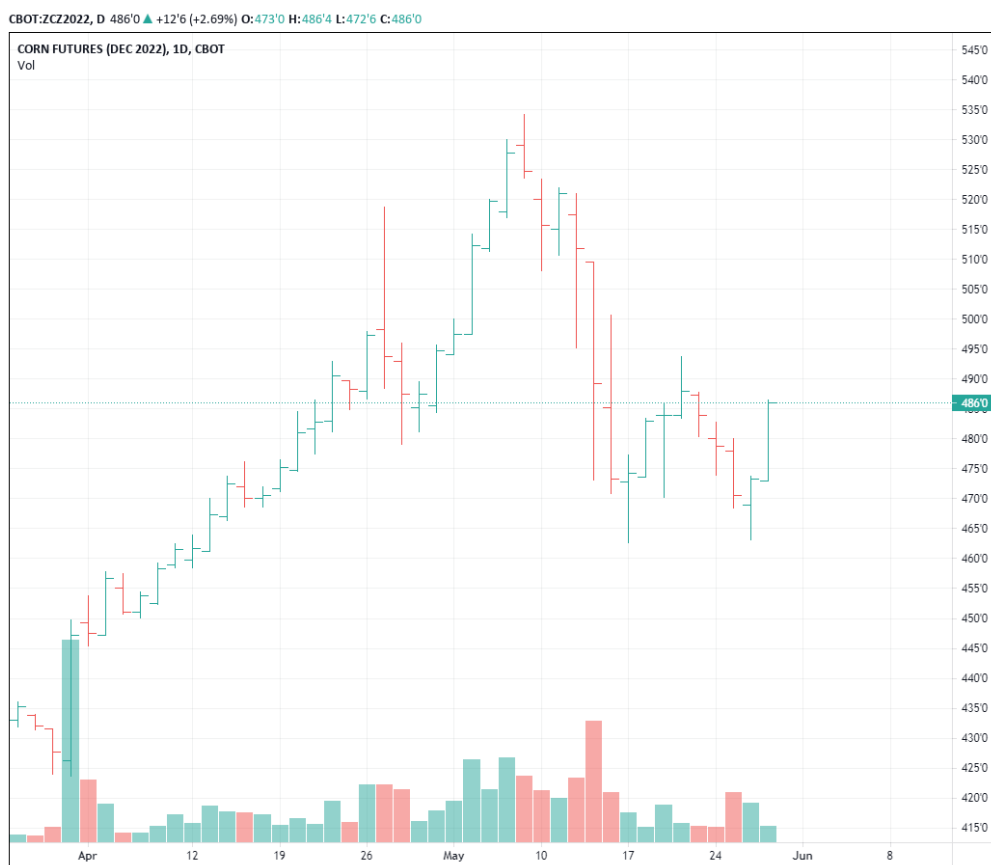


Image above comes from: [CME Group, December Corn Futures](#)

With these trading ranges being extreme, many have been reluctant to make grain sales. It seems even though that most new crop cash futures have a 4 in front of them, that some feel the new \$3.40 cash corn is \$4.40....we need to break that cycle early if you ask me!

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USDA Report & Insurance Calendar

May 31st:
Late Planting Period – Corn

June 10th:
June WASDE

June 15th:
Late Planting Period – Soybeans

June 30th:
USDA Acreage & Grain Stocks Report

June 25th:
Final Planting Day - Corn

July 10th:
Final Planting Day – Soybeans

July 15th:
Acreage Reporting Deadline

Disclaimer

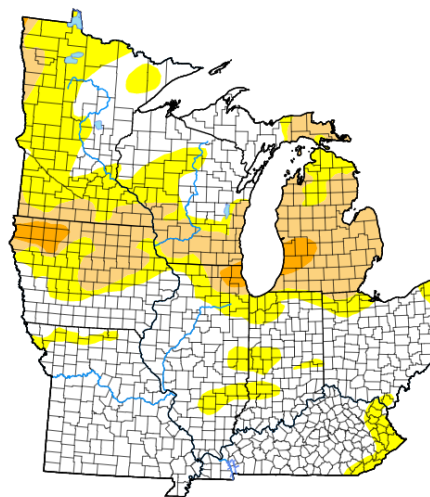
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Drought Monitoring in the Cornbelt:

If you compare the weekly drought monitor maps on a weekly basis, you might be surprised. There have been several rainfall events over the last few weeks in much of the Cornbelt, perhaps a hint to how strong crop condition ratings will be in the near future. As we move further into the early summer month, it will be interesting to see how the weather conditions hold up. Currently, it is too early to suggest that we might see a substantial increase in corn and soybean acres in the June WASDE or June Acreage/Grain Stocks report. More of a greater focus is on the June 30th report, however, I think it may be wise to consider marketing grain prior to the June 10th WASDE, as we never know which numbers may be revised.

Midwest

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Map released: Thurs. May 27, 2021

Data valid: May 25, 2021 at 8 a.m. EDT

Intensity

- None
- D0 (Abnormally Dry)
- D1 (Moderate Drought)
- D2 (Severe Drought)
- D3 (Extreme Drought)
- D4 (Exceptional Drought)
- No Data

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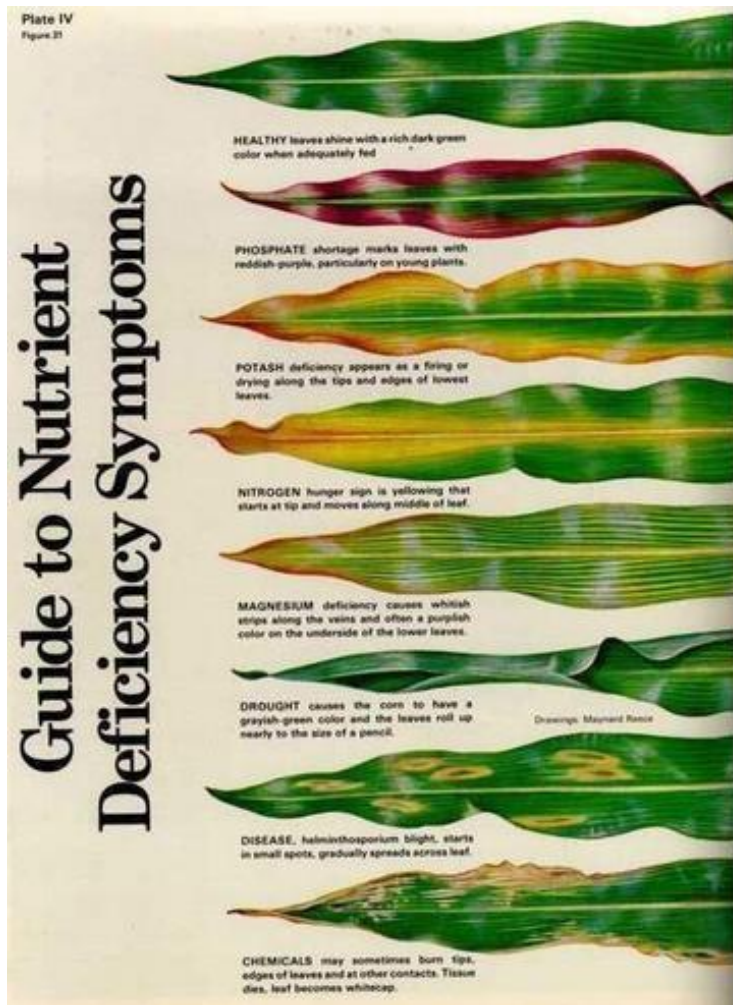
The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying [text summary](#) for forecast statements.

Image above comes from: [US Drought Monitor – Midwest Region](#)

Currently, it is still suggested that we are following an abnormally dry trend, however if we can stay on this trajectory, we may not “break out”, but we will be able to perhaps have adequate sub-soil moisture to produce the above trendline yields that USDA is predicting.

Early Vegetative Crop Scouting:

Early vegetative stage crop scouting can be perhaps the best time to address any macro or micro nutrient needs of the crop, this year especially, nutrient uptake will be very important as this spring progresses in order to reach maximum yield potential. When you find yourself out and about this spring, the below image from [“Guide to Nutrient Deficiency Symptoms”](#) may come in handy.



Healthy: Leaves shine with a rich dark green color when adequately fed.

Phosphate: Shortage marks leaves with reddish-purple, particularly on young plants.

Potash: deficiency appears as a fringing or drying along the tips and edges of lowest leaves.

Nitrogen: hunger sign is yellowing that starts at the tip and moves along middle of leaf.

Magnesium: deficiency causes whitish strips along the veins and often a purplish color on the undersides of the lower leaves.

Drought: causes the corn to have a grayish-green color and the leaves roll up nearly to the size of a pencil.

Disease: helminthosporium blight, starts in small spots, gradually spreads across leaf.

Chemicals: may sometimes burn tips, edges of leaves and at other contacts. Tissue dies, becomes whitecap.

There are usually plenty of opportunities to learn about how we can better fine tune our micro/macro nutrient plans, we just usually need to take the necessary time and get out in our fields and do a little looking. It also won't be long until we will need to start crop scouting for early weed pressure and even pest pressure.

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The Takeaway:

Looking ahead we have a fair amount of uncertainty when it comes to making a good cash sale. We don't know much about price, but we should be able to make a safe enough guess on yield. With this in mind I always like to go ahead and do some incremental sales through the year, but especially this time of year to give myself a starting point. Historically, this time period is when the high for the year is put in, though it may not be the case this year, late May to around Father's Day is the general timeframe to be keeping an eye on the markets and breaking out your thinking cap. Depending on your level of comfort you might be 25% sold, 50% sold, or 75%, heck you might not have any sold at all and I could make a case for each point being an ideal position to be in currently. I do know for certain that these wide sweeping ranges of \$0.75 movements within one week is not healthy for the market and there is too much to trade anymore. It shouldn't be a loaded question when trying to figure out if Dogecoin (whatever that is) is more volatile than the corn or soybean futures! Who knows, maybe we can ride this thing to the moon! Until next time, keep working to manage your operation's risk and stay safe!

All the best,



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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



PS: Please be careful in trading Crypto Currencies, like [Dogecoin](#) they are especially volatile!