

Fairland Management Company

YOUR FARM REAL ESTATE PROFESSIONALS

CROP & WEATHER REPORT May 15, 2018

GENERAL WEATHER FOR THIS AREA: I am happy to report the weather in Southwestern Minnesota (SWMN) over the last 30 days has improved in some respects, but the challenges to the start of this crop season continues. The weather included a return to normal temperatures (spring arrived!) and a few days with high temperatures somewhat above average. Moisture, this time in the form of rainfall, accompanied the warming temperatures. We also experienced a start to corn planting. As of May 13, 40% of the Minnesota corn crop had been planted. The 5-year averages is 65%. As for the soybeans, 11% in Minnesota were reported planted. The five-year average is 37% (Minnesota Ag Statistics Service-MASS).

Air temperatures have been variable during the past month. Daytime high temperatures since April 15th, have ranged from 33 to 83 degrees and nighttime lows have varied from 13 to 52 degrees, according to the Southwest Research and Outreach Center (SWROC) in Lamberton, MN. With the variability in air temperatures, it has been no surprise that the soil temperatures have fluctuated just as much. Soil temperatures at the 2-inch level over the last 30 days have ranged from around 32 to 61 degrees. Fortunately, the trend has been primarily on the increase since April 26. The optimal temperature for corn seed germination is 50 degrees.

We are happy to report that precipitation in the form of snow has been replaced by rain! Unfortunately, it has arrived at a time we are diligently working to plant the crops. The majority of the rain arrived on May 7 – 11. Most of our area received between 2.00 and 4.50+ inches during this time. Topsoil moisture levels are rated at 93% adequate to surplus. Available subsurface soil water, which is defined as water that is held to soil particles and is available for use by the crop, is at 8.10 inches as of May 1. The historic average for this date is 6.44 inches.

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Figure 1 – Semi and straight trucks are used to deliver dry fertilizer to fields where the fertilizer is transferred through a conveyor/auger to the applicator vehicle (floater).

SOYBEANS: No soybeans in our area have been planted at this time, as the focus has been on planting the corn crop. USDA has indicated that 35% of the soybeans in the U.S. were planted as of May 13, compared to the 5-year average of 26%. We anticipate that soybean planting will begin immediately after the conclusion of corn planting. This could be possibly around Memorial Day. In some cases, there could be a few producers planting soybeans before corn, if fields have dried prior to those intended for corn.

Immediately following soybean planting, pre-emergent herbicide applications will be conducted. These herbicides eliminate early season weeds from emerging from the soil surface. The ideal soil temperature for soybean emergence is 77 degrees. Lower temperature levels would result in a delay in emergence, but would not significantly impact yield potential.

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Figure 2 – When conditions are fit the applicator is able to travel at very high ground speeds as the fertilizer is delivered with high air pressure through tubes on the boom of the floater.

CORN: Corn planting for our clients was approximately 10-15% planted as of Mother's Day (May 13). All of the planting has taken place during a narrow window (May 4-7). A very small amount of corn was also planted on May 10. It appears that the weather may allow us to continue with corn planting later this week. USDA has indicated that 62% of the U.S. corn was planted as of May 13. This compares to a 5-year average of 63%.

Soil conditions at planting have been adequate, but not superb, thus far. Due to a shortening growing season and the delay in planting, some later maturity hybrids will be switched to earlier season corn varieties to ensure the crop reaches full maturity by the first killing frost this fall and also has an opportunity to dry in the field prior to harvest. Farms with adequate drainage tile are showing a big advantage for timely field operations once again. Those with no or only partially tiled fields will be most likely be planted late or over a patchwork of multiple planting dates. For those with crop insurance, the prevented planting date for corn is May 31. We do not anticipate any corn left to plant at that time, but we have noted it nonetheless.

The vast majority of the cornfields will be sprayed with pre-emergent herbicides after planting. Approximately one half inch of rainfall is required to activate the herbicide. After planting we will scout fields in the following weeks to verify even emergence and adequate weed control. Initially, the seedlings grow slow in the early days of the season, but in a short time will appear to grow exponentially as we approach the summer.

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Figure 3 – There have been a few narrow windows of opportunity to prepare the seedbed to planting. Ideally, the field should sit for 8-24 hrs. after field cultivating prior to planting to allow it to “air out” to enhance seed to soil contact.

REMARKS: The USDA Monthly Supply & Demand Report was released on Wednesday, May 10. **2017 Corn:** Ending stocks were left unchanged at 2.182 billion bushels. Neither the supply or demand side was changed from the previous report. **2018 Corn:** The initial ending stock projection is 1.682 billion bushels. This is 500 million bushels less than 2017. Total production is projected at 14.040 billion bushels based on 88 million planted acres. If realized, this would result in 564 million less bushels than the 2017 crop. The 2018 projected national average yield is 174 bushels per acre. The national average price for 2018 cash corn is estimated to be between \$3.30 to \$4.30 per bushel.

2017 Soybeans: The estimated ending stocks were reported to be 530 million bushels. This is down 20 million from the report in April. **2018 Soybeans:** The initial ending stocks declined 115 million bushels to 415 million bushels. Total production is estimated at 4.280 billion bushels based on 89.0 million planted acres. This is down 112 million bushels from 2017. The 2018 projected national average yield is 48.5 bushels per acre. The 2018 national average cash soybean price is estimated between \$8.75 to \$11.25 per bushel.

Logically, markets were anticipated to respond favorably to the reports. Instead, prices ended the week down, but then came back early this week. In addition to the report, the markets are moving based on news tied to trade talk and tariffs, harvest in Brazil and Argentina, discussion about the renewable fuels standard (RFS), and other market factors.

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For the majority of our clients, we have 80% of the 2017 soybean crop sold and are 30% sold for the 2018 crop. For the corn crop, we are 80% sold for 2017 crop and 10% sold for the 2018 crop. We anticipate we will be making more corn and soybean sales in the coming weeks if we reach our price targets.

In addition to monitoring planting, we have also been busy attending to drainage tile projects and repairs, measuring and staking areas that will be seeded with permanent vegetation for compliance under the Buffer Law, researching future upkeep and improvement projects, working on financial projections and assisting landowners with wind and solar project proposals, just to name a few.



Figure 4 – When conditions are fit and fields are “square” planting can go very fast. The seed is placed approximately 2 inches below the soil surface. Some producers place liquid fertilizer below and next to the seed.

GROWING-DEGREE DAYS

<u>LOCATION</u>	<u>MAY 1, 2018 TO DATE INDICATED</u>	<u>TOTAL GROWING DEGREE DAYS</u>	<u>DEPARTURE FROM NORMAL</u>
Lamberton	83	83	+23

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GRAIN MARKETS (May 14, 2018):

	<u>NEW VISION WINDOM</u>	<u>MAGNOLIA</u>	<u>POET ETHANOL BINGHAM LAKE</u>	<u>MINNESOTA SOYBEAN PROCESSORS BREWSTER</u>
Cash				
Corn	\$3.55	\$3.48	\$3.46	N/A
Soybeans	\$9.43	\$9.27	N/A	\$9.63
October				
Corn	\$3.64	\$3.61	N/A	N/A
Soybeans	\$9.43	\$9.38	N/A	\$9.53

RAINFALL (INCHES):

<u>COUNTY</u>	<u>CITY</u>	<u>APRIL15- MAY 14th, 2018</u>	<u>MARCH 15 TO DATE- 2018</u>	<u>MARCH 15 TO DATE- 2017</u>
Cottonwood	Jeffers	2.02	4.12	4.99
Cottonwood	Windom	4.22	7.01	4.62
Jackson	Heron Lake	3.15	6.51	5.71
Jackson	Jackson	4.50	6.91	4.26
Martin	Trimont	4.64	6.43	4.13
Murray	Fulda	2.92	6.43	7.95
Murray	Slayton	1.70	4.98	8.44
Nobles	Round Lake	4.23	7.78	5.54
Nobles	Rushmore	3.72	7.15	5.29
Redwood	Redwood Falls	1.15	3.03	7.23
Rock	Magnolia	3.99	7.18	4.01

Steven J. Hiniker
 Farm Management Advisor
 Real Estate Salesperson