

Fairland Management Company

YOUR FARM REAL ESTATE PROFESSIONALS

CROP & WEATHER REPORT

November 19, 2019

GENERAL WEATHER FOR THIS AREA: Since our last report, the weather has cooperated and stayed relatively dry. Most places received less than 2 inches of rain during the last 30 days, but one snowstorm did drop a couple inches of snow. The dry conditions at the end of October allowed soybean harvest to be completed while seeing a decent percentage of corn to be taken out as well. However, the below average temperatures and snowfall on November 5th & 6th, and rainfall on November 18th, have slowed the remaining corn harvest, which will hopefully be finished before Thanksgiving. Fortunately, all of the corn and soybeans have been harvested for our clients that have an interest in the crop as of November 16th, and on almost all of the farms under our management services.

Temperatures were well below average for the past month. Daily highs have ranged from 67 to 13 degrees and lows from 39 down to -4 degrees. The cold temperatures along with the snow the first week of November put a stop to all fieldwork. Since then, tillage has resumed and harvest has continued at a slow pace. The outlook for the coming days looks positive, as temperatures should be in the 40s, but the rain and chance of snow in the forecast keeps the optimism in check. The majority of fertilizer application this fall has been completed, and there is still time for the manure that remains to be applied. Interestingly, farmers that have crop to harvest or need to apply manure would like to see it get a little cooler while those that have tillage to do want it to stay warmer.

The Southwestern Research and Outreach Center (SWROC) in Lamberton has recorded over 37 inches of moisture in 2019 through November 18th, which is 11.7 inches above the historical average. This year has drawn many comparisons to 1993 in terms of precipitation. When you look at the graph on the next page, it is interesting to note that the total rainfall for both years is almost identical, but this year saw a much wetter spring and in 1993, the middle of summer had significant rain showers. In both cases, Mother Nature, the one input we have no control over, significantly affected final yield.

FAIRLAND MANAGEMENT COMPANY
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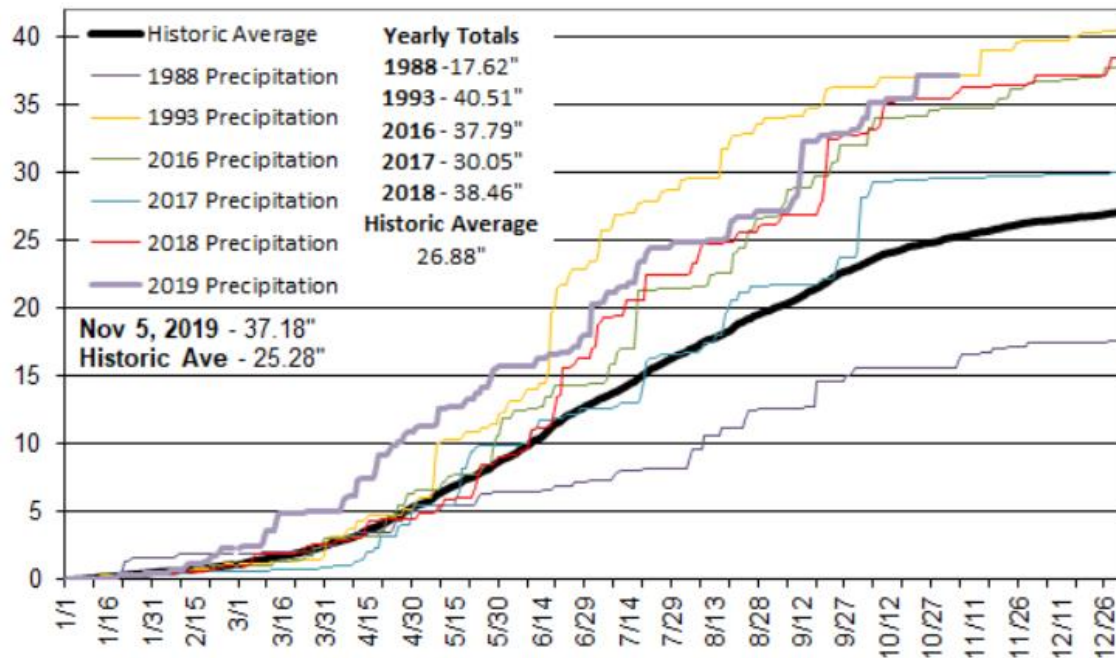


Figure 1 – 2019 Precipitation compared to historical averages (SWROC-Lamberton).

SOYBEANS: Dry weather conditions allowed most of the remaining soybeans to be harvested by November 5th. Average yields ranged from about 45-55 bushels per acre for the most part. In general, it appears that the late planting, slow plant/pod development with the lack of heat units, and the stretch of dry weather at the end of August/early September were the limiting factors for soybeans yields this year.

In the monthly USDA Supply and Demand Report released on November 8th, USDA estimated the average yield in Minnesota to be 45 bushels/acre, which is up a bushel from last month's forecast but down 4 bushels per acre from 2018. Minnesota is at 97% harvested as of November 18th. Overall, the U.S. is at 91% harvested for soybeans, which is lower than the 5-year average of 95%. Nationally, USDA is estimating soybean production at 3.55 billion bushels (46.9 bushels per acre), down significantly from last year's 4.43 billion bushels (50.6 bushels per acre).

FAIRLAND MANAGEMENT COMPANY
CROP & WEATHER REPORT
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Figure 2 – Soybean harvest in early October.

CORN: Due to the delayed corn development and late soybean harvest, this year's corn harvest was off to a late start. The corn that green-snapped on July 20th, has been a challenge due to harvest ability as well as gathering data and evidence for crop insurance. The fields that we knew had issues and were going to have below average yields were actually worse than we thought. It appears the fields we were estimating to be the higher yields have produced as expected. Overall, for the region, the yield results have been from about 65-210 bushels per acre with an average yield in the 150s.

In Minnesota, USDA is estimating a corn yield of 170 bushels per acre, which is down 3 bushels per acre from last month and down 12 bushels per acres from 2018. Minnesota is at 77% harvested as of November 18th. Nationally, U.S. corn is 76% harvested which is 16% below the five year average for this date. The USDA estimated the national corn yield at 167 bushels per acre. The USDA estimates 13.66 billion bushels will be produced nationally this year.

One unforeseen factor that has slowed corn harvest nationally has been a propane shortage, although it has not really been an issue here in Southwestern Minnesota (SWMN). Due to the cold temperatures across the Midwest, the demand has been much higher than normal for this time of year. Pair that with a wet, cold harvest, more propane is required to dry the corn down to around 15%. Corn being harvested right now is around 18-25%. This has frustrated farmers who have been waiting for the right conditions to harvest and now have to leave the corn stand in the field until the propane supply returns to normal. The outlook is for supplies to remain tight through the end of November.

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CROP & WEATHER REPORT
November 19, 2019



Figure 3 – As corn harvest stretched into November some combining had to happen with snow on the ground. It made grain handling and drying much more difficult.

REMARKS: The USDA Monthly Supply and Demand Report came out on November 8th. Corn production estimates are 13.661 billion bushels, down 118 million bushels from the estimates in October. The USDA lowered estimated global ending stocks for corn from 302.5 million metric tons in October to 296 (mmt). Soybean production was held constant from the previous report at 3.55 billion bushels. Worldwide soybean ending stocks are projected at 95.4 million metric tons, up slightly from 95.2 million metric tons in October.

It was recently announced that the second Market Facilitation Program (MFP) payment will be made, and it is expected to be distributed before Thanksgiving. MFP is the program/funding ordered by President Trump for relief to producers in response to the tariffs and trade wars. With no new trade agreements in place with China, it was decided to send out the second payment. Unlike a year ago, this program is based on a per acre rate for qualifying crops. That rate is determined by each counties Farm Service Agency (FSA) office, but will range from \$70 to \$75 per acre here in SWMN. If you took the prevented planting measure through your crop insurance those acres qualify at the \$15 per acre rate.

At Fairland, we are working on wrapping up harvest information. As we process yield data, we are reporting production evidence to our crop insurance agents to determine if our clients have a claim(s).

FAIRLAND MANAGEMENT COMPANY
CROP & WEATHER REPORT
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Based on where some corn yields are coming in at, we have several crop insurance claims and a couple for the soybean crop as well. We will be processing crop insurance claims and MFP payments in the coming weeks. Then we will be sending out harvest data and preparing for year-end closing for each of our clients.

Cash rents have been collected for 2019 and leases are in the process of being renewed for 2020. Cash rental rates are even to down for 2020. We are still working on several tile projects yet this fall. Hopefully they will be completed before the ground freezes up, but there are no guarantees with the weather we are experiencing this fall. We are very glad to have installed as much tile as we did this summer and earlier this fall.

2019 has been both frustrating and challenging. The wet spring pushed planting back more than a month in comparison to other years. The 75-100 mph winds on July 20th, caused a great deal of green-snap and caused more damage in the corn than we estimated. When the plants needed the heat in the middle of summer, we only observed daily high temperatures in the 60s, which affected the total yield potential. As previously noted, there was a good start to soybean harvest, but corn harvest has been one of the latest in recent memory. With the forecast for the next two weeks looking okay, despite a little snow, hopefully all producers will be able to finish harvest and tillage, close out 2019, and start preparing for 2020. We appreciate everyone's interest and involvement in our crop production here in Southwestern Minnesota.



Figure 4 – Anhydrous ammonia being applied to provide the nitrogen for the upcoming 2020 corn crop.

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 CROP & WEATHER REPORT
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GROWING-DEGREE DAYS

<u>LOCATION</u>	<u>MAY 1, 2019 TO DATE INDICATED</u>	<u>TOTAL GROWING DEGREE DAYS</u>	<u>DEPARTURE FROM NORMAL</u>
Lamberton	September 30, 2019	2,450	-90

GRAIN MARKETS (November 18, 2019):

	<u>NEW VISION WINDOM</u>	<u>MAGNOLIA</u>	<u>POET ETHANOL BINGHAM LAKE</u>	<u>MINNESOTA SOYBEAN PROCESSORS BREWSTER</u>
Cash				
Corn	3.66	3.69	3.70	N/A
Soybeans	8.55	8.50	N/A	8.80
July 2020				
Corn	3.74	3.69	3.78	N/A
Soybeans	8.61	8.70	N/A	8.86

RAINFALL (INCHES):

<u>COUNTY</u>	<u>CITY</u>	<u>OCTOBER 16 NOVEMBER 15, 2019</u>	<u>MARCH 15 TO DATE- 2019</u>	<u>MARCH 15 TO DATE- 2018</u>
Cottonwood	Jeffers	1.41	31.89	33.71
Cottonwood	Windom	1.24	30.80	33.38
Jackson	Heron Lake	1.56	29.57	31.95
Jackson	Jackson	1.12	28.64	37.05
Martin	Trimont	1.23	29.67	34.93
Murray	Fulda	3.07	32.75	36.89
Murray	Slayton	1.56	31.28	35.79
Nobles	Round Lake	2.51	31.38	39.65
Nobles	Rushmore	2.93	34.00	37.32
Redwood	Redwood Falls	1.67	31.64	35.88
Rock	Magnolia	1.95	31.60	37.93

Cody Adrian
 Farm Management Advisor
 Real Estate Salesperson

Klay D. Walinga
 Vice President
 Manager, Farm Services Department
 Real Estate Broker
 Accredited Farm Manager