

Fairland Management Company

YOUR FARM REAL ESTATE PROFESSIONALS

CROP & WEATHER REPORT

September 15, 2021

GENERAL COMMENTS & WEATHER: When I was a child, I would hear people talk about how hot it was the summer of 1936. Well, congratulations to us, the summer of 2021 goes down as hotter by 0.01 degree in the U.S. according to NOAA (DTN-Summer 2021 is Hottest on Record in U.S.-9-11-21). Overall weather conditions have improved in Southwestern Minnesota (SWMN) during the past month, as we have continued to receive timely rains from about August 20th mid-September. Rainfall totals were between 3 and 7 inches since August 26th. There are still parts of the area that are rated as abnormally dry to moderate drought. From August 26th – September 13th, daytime high temperatures have ranged from 67 to 84 degrees with overnight low temperatures from 46 to 66 degrees. Total cumulative Growing Degree Days (GDD) are at 2,489 units, which is above the historical average of 2,351 GDD (Southwest Research and Outreach Center-SWROC).

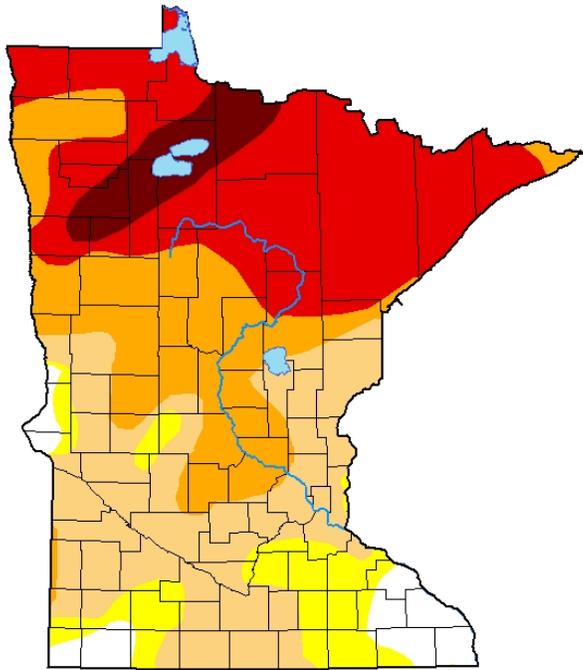
We did have a storm event that passed through the area on August 28th. Most received a nice rainfall, but the northern regions of the Fairland territory were impacted by very strong winds that flattened many acres of corn. All in all, crops look better than they probably should based upon the weather we have experienced this growing season. The dry conditions this summer have pushed this crop rapidly to maturity. We are expecting harvest to begin in the next several days, especially where it has been dryer this summer (i.e. eastern Jackson/western Martin Counties and northern Cottonwood and Murray Counties). Hopefully, conditions will stay conducive for a quick/efficient harvest.



Figure 1: This is a picture of a corn field that was flattened by a wind event on August 28th.

U.S. Drought Monitor
Minnesota

September 7, 2021
 (Released Thursday, Sep. 9, 2021)
 Valid 8 a.m. EDT



Drought Conditions (Percent Area)

	None	D0-D4	D1-D4	D2-D4	D3-D4	D4
Current	5.29	94.71	85.62	58.95	36.70	5.82
Last Week <i>08-31-2021</i>	3.38	96.62	88.58	65.13	37.73	6.78
3 Months Ago <i>06-08-2021</i>	0.00	100.00	46.20	1.81	0.00	0.00
Start of Calendar Year <i>12-29-2020</i>	1.60	98.40	23.40	0.28	0.00	0.00
Start of Water Year <i>09-29-2020</i>	54.95	45.05	8.39	0.00	0.00	0.00
One Year Ago <i>09-08-2020</i>	73.06	26.94	7.75	0.00	0.00	0.00

Intensity:

None	D2 Severe Drought
D0 Abnormally Dry	D3 Extreme Drought
D1 Moderate Drought	D4 Exceptional Drought

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. For more information on the Drought Monitor, go to <https://droughtmonitor.unl.edu/About.aspx>

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droughtmonitor.unl.edu

Figure 2: This is the most recent Drought Monitor for Minnesota from September 7th. Conditions have certainly improved since the August 24th report. Recent rainfall will probably help the 2022 crop more than the current year.

CORN: Corn yields in SWMN will have some large variability this year due to the scattered rainfall throughout the region during the growing season. Some areas received timely moisture during the early part of the season, while others did not. It is still surprising, given the conditions we had to work with, that the crop pollinated as well as it did.

In the monthly USDA Supply & Demand Report released on September 10th, the average corn yield in Minnesota was estimated to be 174.0 bushels per acre, which is 8.0 bushels per acre more than last August's report. Nationally, the USDA has increased the yield estimate to 176.3 bushels per acre. Total planted acres are pegged at 93.3 million acres, an increase of 600,000 acres from the report in August.

The national corn crop is rated at 58% good to excellent, which is down 2% from last month's report. The eastern Corn Belt looks to be the "sweet spot" this year. Minnesota's corn crop is rated 39% good to excellent which is up from 34% last month. Most (86%) of the Minnesota corn crop is dented with 34% rated mature.

One thing to be aware of, we are seeing prices for fertilizer inputs significantly increasing as we move into 2022. A rough estimate of fall fertilizer costs for the 2022 crop will be in the \$200 per acre range, an increase of \$50 - \$75 per acre over the 2021 crop.

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Figure 3: This is a picture of wind damaged corn that is being harvested this week prior to spoilage/ear loss. Fortunately, the combine is able to harvest most of the crop with low ear loss, however, it is slow going. This corn will be fed to livestock as high moisture corn.

SOYBEANS: Soybeans continue to mature as most varieties in lighter ground are dropping leaves while those in heavier soils/low-lying spots in the fields are still green. We estimate that we will see harvest activity occurring around September 20th. Bean yields in the area are somewhat hard to predict due to the nature of the plants/pods and dry conditions, especially in the first half of August. Some of the later maturing varieties may have benefited somewhat with the rains in August. The rain that we have received in late summer has lodged the soybean plants making the fields very difficult to walk through, but do not think this will lead to harvesting difficulties.

In the September USDA Supply & Demand Report, the average soybean yield in Minnesota was estimated to be 47.0 bushels per acre, which is 4.0 bushels per acre more than the August report but off 2.0 bushels per acre than last year. Nationally, the USDA has projected soybean yields at 50.6 bushels per acre, up 0.6 bushels per acre from last month. The USDA is projecting 300,000 less acres will be harvested than estimated in the last report.

Nationally, the soybean crop is rated as 57% good to excellent. This is basically unchanged from last month's report. In Minnesota, soybeans are rated as 37% good to excellent. This is an increase of 6% from the August report and most likely can be attributed to rain in late August. 86% of the Minnesota beans are changing color with 49% dropping leaves, which is way ahead of the five-year average of 64% and 24% respectively.

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The dry conditions this year all but eliminated the need to spray insecticide for aphids. Two spotted spider mites did make an appearance this summer but did not have the populations to warrant insecticide applications. We are seeing some waterhemp popping up in the soybeans, but overall it was a very good year for weed control.



Figure 4: This is a field of soybeans that is a few days away from harvest. Most leaves have dropped from the plants leaving just the stems and the pods.

REMARKS: In the most recent report, the USDA is predicting a domestic corn crop of 14.996 million bushels, up 246 million bushels from the August report. Ending stocks are forecast to be 1,408 million bushels, up from August's estimate of prediction of 1.242 million bushels. World ending corn stocks have been increased to 286.5 million metric tons from 280.8 million metric tons in August.

The 2021 U.S. soybean production was increased to 4.374 million bushels compared to the August estimate of 4.339 million bushels. Ending domestic stocks are estimated to be 185 million bushels, an increase of 30 million bushels in August. Worldwide ending stocks of soybeans was also increased in the September report to 95.1 million metric tons, an increase of 2.3 million metric tons.

The USDA report from September can be described as bearish. Consequently, the market has responded with commodity prices strengthening and hopefully creating a pre-harvest low. New crop corn prices are now around \$5.00 a bushel with soybeans at about \$12.50 per bushel. Once we have real harvest data, the markets will digest the information and respond according.

As an office, we are busy communicating harvest and fall fertilizer plans to our tenants. We are prepaying some fertilizer, wrapping up crop input billing, processing CRP data for cost-sharing, discussion proposed wind projects, working on financial projections and completed estimated tax payments, and preparing for what appears to be an early harvest.

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GROWING-DEGREE DAYS

<u>LOCATION</u>	<u>MAY 1, 2021 TO DATE INDICATED</u>	<u>TOTAL GROWING DEGREE DAYS</u>	<u>DEPARTURE FROM NORMAL</u>
Lamberton	September 13, 2021	2489	+138

GRAIN MARKETS (September 14, 2021):

	<u>NEW VISION WINDOM</u>	<u>MAGNOLIA</u>	<u>POET ETHANOL BINGHAM LAKE</u>	<u>MINNESOTA SOYBEAN PROCESSORS BREWSTER</u>
Cash				
Corn	\$5.60	\$5.25	\$5.87	N/A
Soybeans	\$12.44	\$12.48	N/A	\$12.57
October				
Corn	\$5.05	\$5.00	\$5.20	N/A
Soybeans	\$12.44	\$12.48	N/A	\$12.57

RAINFALL (INCHES):

<u>COUNTY</u>	<u>CITY</u>	<u>AUGUST 26- SEPTEMBER 15, 2021</u>	<u>MARCH 15 TO DATE- 2021</u>	<u>MARCH 15 TO DATE- 2020</u>
Cottonwood	Jeffers	4.60	14.70	18.10
Cottonwood	Windom	3.20	16.20	15.80
Jackson	Heron Lake	4.40	21.80	18.70
Jackson	Jackson	4.50	15.80	18.10
Martin	Trimont	4.70	16.50	19.20
Murray	Fulda	4.00	22.70	19.30
Murray	Slayton	6.70	19.00	20.70
Nobles	Round Lake	5.30	22.60	16.20
Nobles	Rushmore	7.10	25.40	17.20
Redwood	Redwood Falls	3.90	15.70	20.70
Rock	Magnolia	5.70	24.80	16.60

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