

Fairland Management Company

YOUR FARM REAL ESTATE PROFESSIONALS

CROP & WEATHER REPORT

July 15, 2022

GENERAL COMMENTS & WEATHER: Weather conditions in Southwestern Minnesota (SWMN) have been quite warm and relatively dry and windy during the past month. The area recently received adequate rainfall and topsoil and subsoil moisture levels are much improved over this time in 2021.

High temperatures have ranged from 75 to 100 degrees with lows having the spread of 52-75 degrees. Growing Degree Days (GDD) through July 11th are 1,204 units as compared to the historical 1,127 GDD according to the Southwestern Research and Outreach Center (SWROC) in Lamberton, MN. Over the past thirty days, the dry conditions have been the main story. Rainfall amounts have been scattered and amounts extremely variable across the area. Rain totals for the past month have ranged from about 2 inches (Windom) to 5+ inches (Magnolia), which mostly was received this past week. As of July 10th, topsoil moisture in Minnesota was rated at 85% adequate to surplus as compared to 24% last year. Subsoil moisture was estimated to be 88% adequate to surplus as compared to 74% in 2021.

Weather forecasts for the next two weeks are calling for very hot and dry conditions. This will likely have a negative impact on the lighter soils and could impact corn pollination.



Figure 1— Here is a sprayer applying herbicide to soybeans. It has been a challenging past few weeks spraying between the weed development, wind, and recent wet conditions.

FAIRLAND MANAGEMENT COMPANY
CROP & WEATHER REPORT
July 15, 2022

CORN: The corn crop in Minnesota is currently rated 66% good to excellent according to the National Ag Statistics Service (NASS). This compares to a rating of 42% in July 2021. Overall, the corn crop appears to be in very good condition in Southwestern Minnesota. A storm system in early July produced some high winds that lodged corn in the Rock County area, but there was no evidence of any green snap. The corn should come back from this, but will most likely be “goose necked” causing some minor difficulty when it is harvested. We should start to see tassels and silks soon as the corn crop enters pollination. Given the current price levels of corn, we will probably see a few producers decide to use fungicides yet this summer to try to promote and maintain plant health and yield potential.



Figure 2 – This is a photo of corn that has been lodged by high winds. While it looks like a twisted up mess, it should be able to “grow out” of it and be harvestable.

SOYBEANS: In Minnesota, 63% of the soybeans are rated good to excellent, as compared to 45% at this time last year. In Minnesota, 22% of the soybeans are blooming as compared to 6% last week. This is well behind the five-year average of 39%. The soybean crop has been late to develop this year with plants appearing much shorter than normal. Pre-emerge herbicide application in the soybeans was very effective this year. Producers have completed a post-emergent herbicide application on most of the bean acres, however there are a few fields left to spray. Due to the shortness of the beans and lack of canopy, I am predicting there may be need for a second post-emergent herbicide application. Time will tell. We are also fast approaching the time to start scouting for aphids. If aphid numbers warrant, producers will apply insecticide to control.

FAIRLAND MANAGEMENT COMPANY
CROP & WEATHER REPORT
July 15, 2022



Figure 3 – This is a semi-trailer used for herbicides. The yellow tanks are full of water, the white is one of the herbicides, and there are also pallets of dry surfactants. We continue to use more herbicides with different modes of action that each treat a specific weed.

REMARKS: Commodity prices for corn and soybeans remain volatile. The market is very sensitive to weather this time of the year and responds accordingly. There were two significant USDA Reports released during the past few weeks. The Acreage and Quarterly Stocks Report was released on June 30th. Although the data was consistent with the market expectations, corn and soybean prices decreased significantly, mostly due to the flow of money with respects to the Funds moving money out of the commodity markets.

The July Crop Production and World Agricultural Supply and Demand Estimates (WASDE) report was released on July 12th. The information from this market was considered bearish to the corn and soybean markets. The July USDA supply and demand report for corn was bearish with increased estimated production and lower estimated demand. Average farm gate pricing for this marketing year was dropped \$0.10 to \$6.65 per bushel. Ending stocks were lowered but demand was also reduced reflecting an average farm gate price for new crop bean of \$14.40 per bushel, which is a reduction of \$0.30 from the June report.

Overall corn acres were increased by 400,000 acres to 89.9 million acres. The USDA is leaving yield at 177 billion bushels unchanged from June. Total production numbers were pegged at 14.505 billion bushels, an increase of 45 million bushels.

FAIRLAND MANAGEMENT COMPANY
CROP & WEATHER REPORT
July 15, 2022

Ending stocks from the 2021 crop were also increased by 25 million, which equated to projected ending stocks for 2022-2023 to be 1.470 billion bushels, an increase of 70 million bushels.

Planted soybean acres are estimated at 88.3 million acres. Yields were unchanged from June's report of 51.5 bushels per acre giving a total production number of 4.505 billion bushels. This translates to a reduction in ending stocks of 50 million bushels to 230 million. This would be considered bullish but demand was also lowered. Crush estimates are down 10 million bushels and exports reduced by 65 million bushel. The end result is a bearish reaction to a bullish report.

Unfortunately, corn and soybean prices have dropped nearly \$1 to \$2 per bushel, respectively, in the past 30 days. Fortunately, we sold the balance of the 2021 corn prior to the latest price decrease and only have 10% of the 2021 soybeans remaining to sell.

Our tenants are busy wrapping up spraying, cutting and baling hay, and other odd jobs around the farm. The hay supply situation is very much improved in 2022. If you remember, last year the Farm Service Agency (FSA) authorized the cutting of CRP hay to assist livestock producers, which likely will not happen in 2022. We have completed acreage certification with the FSA. The FSA offices are now open after the Covid-19 pandemic which has been making it easier to certify than in 2021. Crop insurance applications are also being completed by the deadline on Friday (7/15). It has been a slower year in 2022 for maintenance of CRP contracts. Wet conditions limited our ability to complete everything and had to file extensions so we stay in compliance. We continue to monitor Redetermination of Benefits and improvements for county ditch systems. We are also busy processing invoices for crop inputs and settling out prepaids.



Figure 4 – This is a photo of a current County Ditch project. Improvements on this ditch system include this new holding pond to assist with water flow management into South Heron Lake outlet. We are also pursuing a conservation easement on this property.

FAIRLAND MANAGEMENT COMPANY
CROP & WEATHER REPORT
July 15, 2022

GROWING-DEGREE DAYS

<u>LOCATION</u>	<u>MAY 1, 2022 TO DATE INDICATED</u>	<u>TOTAL GROWING DEGREE DAYS</u>	<u>DEPARTURE FROM NORMAL</u>
Lamberton	July 11, 2022	1,204	+77

GRAIN MARKETS (July 13, 2022):

	<u>NEW VISION WINDOM</u>	<u>MAGNOLIA</u>	<u>POET ETHANOL BINGHAM LAKE</u>	<u>MINNESOTA SOYBEAN PROCESSORS BREWSTER</u>
Cash				
Corn	\$7.10	\$7.00	\$7.10	N/A
Soybeans	\$14.81	\$14.84	N/A	\$14.94
October				
Corn	\$5.67	\$5.60	\$5.65	N/A
Soybeans	\$13.11	\$13.19	N/A	\$13.34

RAINFALL (INCHES):

<u>COUNTY</u>	<u>CITY</u>	<u>JUNE 16- JULY 13, 2022</u>	<u>MARCH 15 TO DATE- 2022</u>	<u>MARCH 15 TO DATE- 2021</u>
Cottonwood	Jeffers	4.4	14.3	5.9
Cottonwood	Windom	1.8	12.9	7.1
Jackson	Heron Lake	5.5	18.9	10.6
Jackson	Jackson	5.5	13.6	7.8
Martin	Trimont	3.6	13.3	8.0
Murray	Fulda	3.4	14.5	12.1
Murray	Slayton	3.0	12.0	8.6
Nobles	Round Lake	4.1	15.1	11.5
Nobles	Rushmore	2.6	15.7	12.5
Redwood	Redwood Falls	2.5	10.5	7.4
Rock	Magnolia	5.0	15.9	14.1

Charles P. Dewanz
Farm Management Advisor
Real Estate Salesperson