

Fairland Management Company

YOUR FARM REAL ESTATE PROFESSIONALS

CROP & WEATHER REPORT

September 21, 2022

GENERAL COMMENTS & WEATHER: Well, here we are again, on the cusp of harvest time. Combining has just started on a few of the earliest soybean varieties in Southwestern Minnesota, with the balance of the fields a week or two away. Overall, weather conditions can be summed up as warm and dry for the past month, which has really accelerated crop development/maturity. There have been brief periods of cool temperatures that remind us of what is coming. For instance, the high temperature was around 95 degrees on September 20th, but the forecast is for a high of around 56 degrees at end of the week. From August 16th – September 20th, daytime high temperatures have ranged from 62 to 95 degrees with overnight low temperatures from 41 to 66 degrees. Total cumulative Growing Degree Days (GDD) are at 2,569 units, which is above the historical average of 2,428 GDD (Southwest Research and Outreach Center-SWROC). We received timely moisture this growing season, but have received very little moisture during the past month and currently the area is rated as abnormally dry.

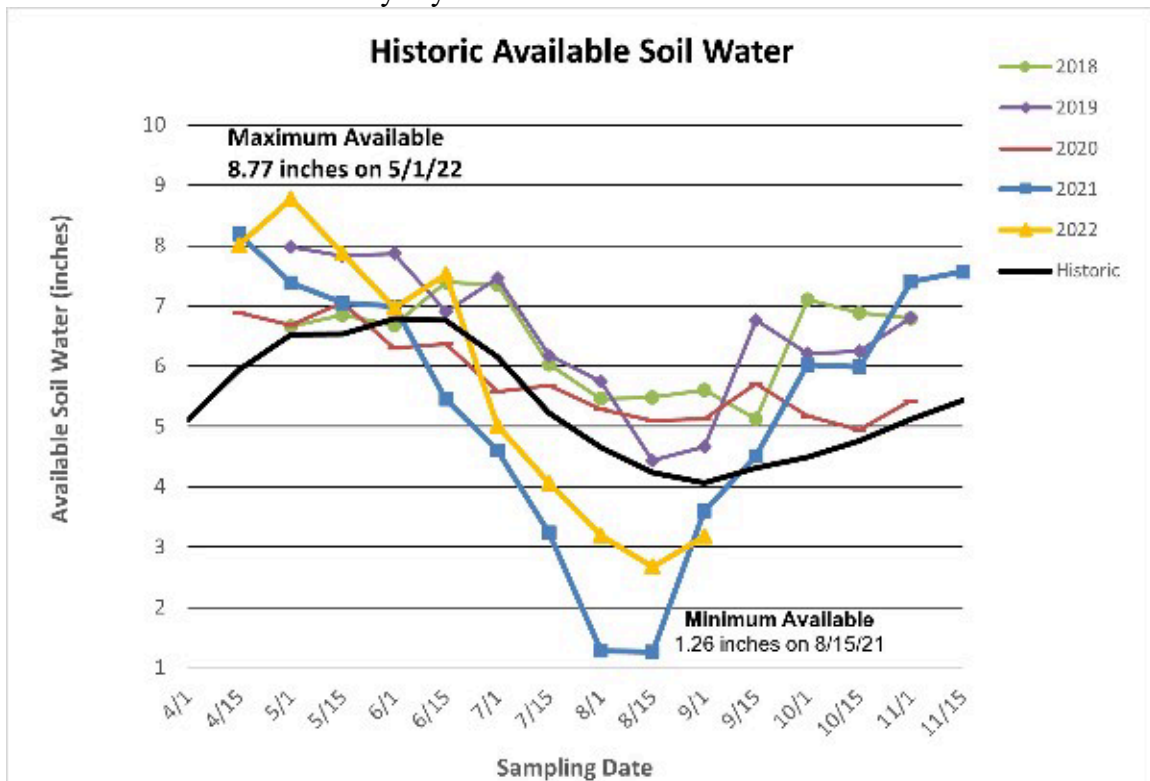


Figure 1: This graph shows historical available soil moisture at the SWROC. As you can see, 2022 data mimics what we experienced in 2021. Although moisture levels did not go as low as last year, the trend is similar to this point. In August and September 2021, we received significant rain fall to improve soil moisture availability. We are now currently trending below last year's levels.

U.S. Drought Monitor
Minnesota

September 13, 2022
(Released Thursday, Sep. 15, 2022)
Valid 8 a.m. EDT

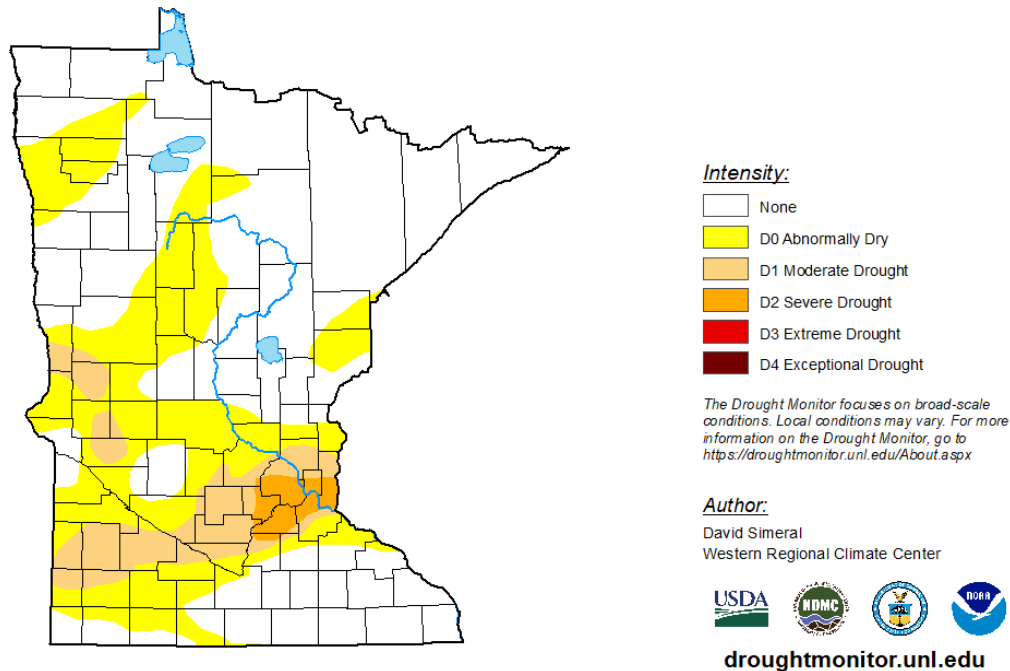


Figure 2: This is the Drought Monitor for Minnesota from September 13th. Most of SWMN is currently abnormally dry with moderate drought conditions thrown in. It would be beneficial to receive additional moisture before freeze up to benefit soil conditions going into 2023.

CORN: The expectation for the corn crop is for trend line to slightly above average yields. Some areas will do very well while others will not reach their full potential. As of September 19, we are at 2,569 Growing Degree Units. Most, if not all, corn hybrids have achieved physiological maturity and are starting the process of shedding moisture.

In the monthly USDA Supply & Demand Report released on September 12th, the average national corn yield was estimated to be 172.5 bushels per acre, which is 2.9 bushels per acre less than last August's report. In Minnesota, the USDA decreased the yield estimate 3.0 bushels to 190.0 bushels per acre from August. Total planted acres are pegged at 7.55 million acres in Minnesota a decrease of 150,000 acres from the report in August.

The national corn crop is rated at 52% good to excellent, which is down 1% from last month's report. Minnesota's corn crop is rated 63% good to excellent which is up from 39% last year. Most (86%) of the Minnesota corn crop is dented which is close to the historical five year average of 87%. Overall, the corn crop in SWMN has improved in the past month, while it has gotten worse in much of the balance of the Corn Belt.

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As in 2021, fertilizer prices continue to climb. Last year, the required basic fertilizer inputs would be about \$200-\$225 per acre for the 2022 crop. For the 2023 crop, we are seeing prices per acre increase by \$75 to \$100+ per acre to around \$300 per acre. Supply appears to be more stable than last year, but supply chain issues are still a concern. A major disruption was apparently averted with the tentative settlement with the railroad unions. If the unions do not vote to support the new contract, the ensuing strike would be devastating to an already shaky supply chain for crop inputs and grain movement in the U.S.



Figure 3: This is a picture of what we are seeing in the corn. Most ears have filled to the tip. This ear is currently in the dent phase. It is mature and will be harvested as soon as moisture content drops to an acceptable level.

SOYBEANS: Soybeans continue to dry down as harvest approaches. We are probably a week or two away from combining the majority of soybean varieties. There have been a couple of very early maturity beans that have been harvested. Initial yields were good, but it is way too small of a sample size to make any prediction of yields across the board. There is inconsistent yellowing of soybean plants in some fields. We do see fields that are ninety percent yellow plants with the balance of them “as green as grass.” This usually occurs in the low spots.

In the September USDA Supply & Demand Report, the average soybean yield in Minnesota was estimated to be 50.0 bushels per acre, which remains the same as the August report. Nationally, the USDA has projected soybean yields at 50.5 bushels per acre, down 1.4 bushels per acre from last month.

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The USDA is projecting a harvest of 4.38 billion bushels down 153 million bushels from the August report. Ending stocks are estimated to be 200 million bushels, which was reduced from last month.

Nationally, the soybean crop is rated as 55% good to excellent. This is down 1% from last month's report. In Minnesota, soybeans are rated as 63% good to excellent. This is a significant increase of 26% from last year's September report.

It was a variable year for aphid control in 2022. Insecticides were applied on more acres than in 2021. The bugs seemed to travel from east to west across the area this summer and populations were slow to hit economic threshold levels. Some fields did not get sprayed as they were at that R6-R6.5 stage of development when insect pressure is no longer a factor. Weed control for the season overall was good. At this time, some fields have some waterhemp popping through, but for the most part, it is minimal.



Figure 4: This field of soybeans shows the inconsistency of yellowing of the plant. The golden beans in the background are a few days away from harvest and the beans in the bottom of the picture have a ways to go. This producer will likely combine what they can and have to come back for the other beans after they are ripe.

REMARKS: In the most recent report, the USDA is predicting a domestic corn crop of 13.9 billion bushels, down 415 million bushels from the August report. Ending stocks are forecast to be 1.2 billion bushels, down 169 million bushels from August's estimate. World ending corn stocks have been decreased to 304.5 million metric tons from 306.7 million metric tons in August. The 2022 U.S. soybean production was decreased to 4.378 billion bushels compared to the August estimate of 4.531 billion bushels. Ending domestic stocks are estimated to be 200 million bushels, a decrease of 45 million bushels in August. Worldwide ending stocks of soybeans in the September report is 98.9 million metric tons, a decrease of 2.5 million metric tons. This will provide support to the markets into harvest.

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New crop, fall delivery corn prices are now around \$6.50 per bushel with soybeans at about \$14.15 per bushel. As the market sees more real harvest data throughout the U.S., the markets will digest the information and respond according. The bids for harvest delivery for the 2023 crop are around \$5.70 per bushel of corn and \$13 per bushel of soybeans. We are watching those bids closely for an opportunity to start selling some 2023 crop.

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

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	September 19, 2022	2,569	+141

GRAIN MARKETS (September 21, 2022):

	<u>NEW VISION WINDOM</u>	<u>MAGNOLIA</u>	<u>POET ETHANOL BINGHAM LAKE</u>	<u>MINNESOTA SOYBEAN PROCESSORS BREWSTER</u>
Cash				
Corn	\$7.71	\$7.30	\$7.65	N/A
Soybeans	\$14.17	\$14.33	N/A	\$14.76
October				
Corn	\$6.56	\$6.60	\$6.62	N/A
Soybeans	\$14.17	\$14.33	N/A	\$14.46

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RAINFALL (INCHES):

<u>COUNTY</u>	<u>CITY</u>	<u>AUGUST 25- SEPTEMBER 20, 2022</u>	<u>MARCH 15 TO DATE- 2022</u>	<u>MARCH 15 TO DATE- 2021</u>
Cottonwood	Jeffers	0.9	20.9	15.9
Cottonwood	Windom	0.6	17.0	17.3
Jackson	Heron Lake	0.7	24.2	23.3
Jackson	Jackson	0.7	18.4	16.3
Martin	Trimont	0.7	20.3	16.7
Murray	Fulda	0.8	20.7	24.3
Murray	Slayton	0.7	16.6	21.5
Nobles	Round Lake	0.7	21.4	24.2
Nobles	Rushmore	0.9	21.3	26.6
Redwood	Redwood Falls	0.8	14.6	17.5
Rock	Magnolia	1.4	22.0	27.6

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