

Reed's Review



Reed Burren

Quick Preview

- ✓ *Weather* and its expected impacts on the fall harvest.
- ✓ *El Niño* may appear yet this year.
- ✓ *Crop Conditions* compared to past trends.
- ✓ *Exports* outlook and impacts on Chinese swine.
- ✓ *Financial Aid* is available for some producers.
- ✓ *Revenue Guarantees* prior to the fall discovery period.
- ✓ Stay tuned for more updates from AgriPeril!

The 2018 Harvest & Recent Weather

As things are starting to mature up in the fields as well as the feedlots for some producers I cannot stress the importance of finishing strong for the rest of 2018 and starting off on the right foot in 2019. Soon many of us will be busy in the fields eager to learn more about what is actually in the fields as a result of one of the most unique growing seasons in recent memory. We have truly endured almost every peril imaginable during what many consider to be our “regular” growing season. Many Iowans as well as folks across the Midwest have sustained snow storms through mid-April, walked shredded soybean fields in mid-June, gazed at flattened cornfields in mid-July, watched the severity of a crippling drought presence increase in early August and then watch fields flood by the end of the month. With all this uncertainty in the weather it leads to the ultimate question, what will September lead to? Will we see an unseasonably early frost? Will we see our fields float away because of excessive moisture in the weeks to come?

With all this weather talk, I think I will kick things off with a quick look at the good old ENSO (El Nino Southern Oscillation). Early speculations of an ENSO presence starting to form early in the summer in Australia indicated that there may be a slight potential of El Nino making an impact on things sometime soon. Much of the United States has missed the effects of El Nino, however, there is a strong likelihood that ENSO will be making an appearance, perhaps not this harvesting season, but rather during mid-November on through much of the winter months. It is still uncertain as to what degree of El Nino we will see; however, you can expect a mostly cool and wet mid/late fall. A great article that I have been able to glean helpful information and combine with the teachings of the great Elwyn Taylor can be found: [Here](https://www.surflines.com/surf-news/el-nino-2018-forecast-fall-return-swell-surf-uncertain/28254)

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Insurance Calendar

September 30th – MPC
Premium Due

October – Fall Price
Determined

October – Revenue Plans

October - Fall Visits

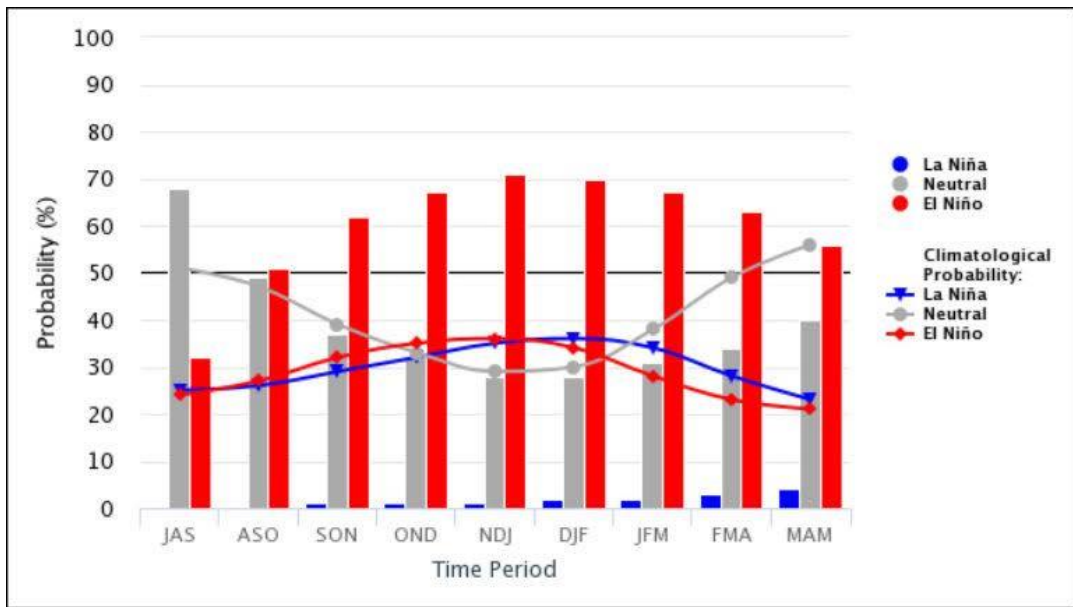
November 5th – Harvest
Price Announced

November – Claims

November – Production
Reporting

December – Claims

December – Production
Reporting



Crop Conditions & Maturity

Shifting from climate to a look in the fields, we are seeing soybeans look to be turning color and dropping leaves slightly earlier than normal (depending on when soybeans were planted in your area). Corn has been much of a maturity leader this year as many acres were driven early in the growing season as we continued to accumulate growing degree units at an uncharacteristic rate across the Corn Belt. Currently, according to USDA's most recent Crop Progress Report, nationally we are seeing that 42% of corn has reached maturity, this is ahead of the 5-year average by 21%.

International Grain & Swine

Again, shifting gears if we look at how grain flows have been recently, we will see that we have been turning up corn exports to Mexico. While this is a very welcome sign especially with strong uncertainty as to what will happen with NAFTA, this may be a sign that we will see a consistent flow of grain to countries that rely heavily on US corn. With harvest coming fast and the latest reports of African swine flu being found in hog herds in certain parts of China warms the idea of the US being closer to an open conversation lead by the Chinese as they will see decreased overall numbers across their 700 million hogs....



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Market Facilitation Program

Commodity	Initial Payment Rate	Est. Initial Payment (in \$1,000s)
Cotton	\$0.06 / lb.	\$276,900
Corn	\$0.01 / bu.	\$96,000
Dairy (milk)	\$0.12 / cwt.	\$127,400
Pork (hogs)	\$8.00 / head	\$290,300
Soybeans	\$1.65 / bu.	\$3,629,700
Sorghum	\$0.86 / bu.	\$156,800
Wheat	\$0.14 / bu.	\$119,200
Total		\$4,696,300

Financial Aid for Producers

Speaking of hogs, with the release of the per bushel prices that will be added on for the 2018 market year, we have seen that soybean and pork producers will be allocated the most of out the seven commodities that will receive financial aid through the Market Facilitation Program (MFP). Of the total \$12 billion that was allocated, only \$4.6 billion was put towards, which left some wanting more. September 4, 2018 was the first day to go in to your county FSA and register for MFP, so quick things that are good to know:

- An average adjusted gross income (AGI) for tax years 2014, 2015, and 2016 of less than \$900,000
- \$125,000 cap per person or legal entity based on 50% of 2018 actual production

If you have further questions, feel free to reach out to your local FSA office!

Revenue Guarantees

All in all, as we move closer to harvest the importance of locking in every penny of profit is more and more important. With the price movements on soybeans more than likely resulting in a loss for many producers, be aware of your revenue guarantee per acre, as we are closing in on our fall price discovery period. Below are some helpful graphics that we use for benchmarking revenue, \$650 per acre on corn and \$450 per acre on soybeans, the graphics help illustrate how we can get above that breakeven line.

Closing Remarks

As more information comes available on new developments in the market turn to our Facebook and Twitter pages to stay in the know! Have a safe harvest season and we will look forward to covering more on the livestock markets next month. Until next time, stay safe, be proactive and work to reduce your operation's risk. Thanks for reading!

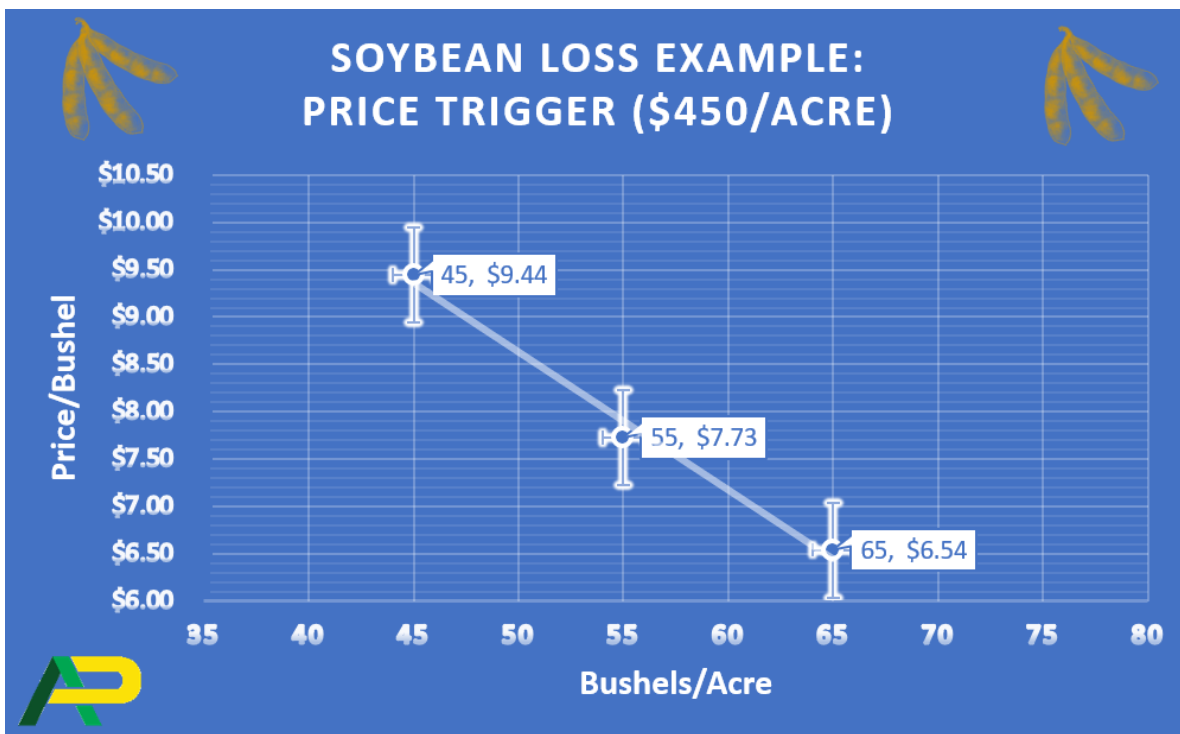
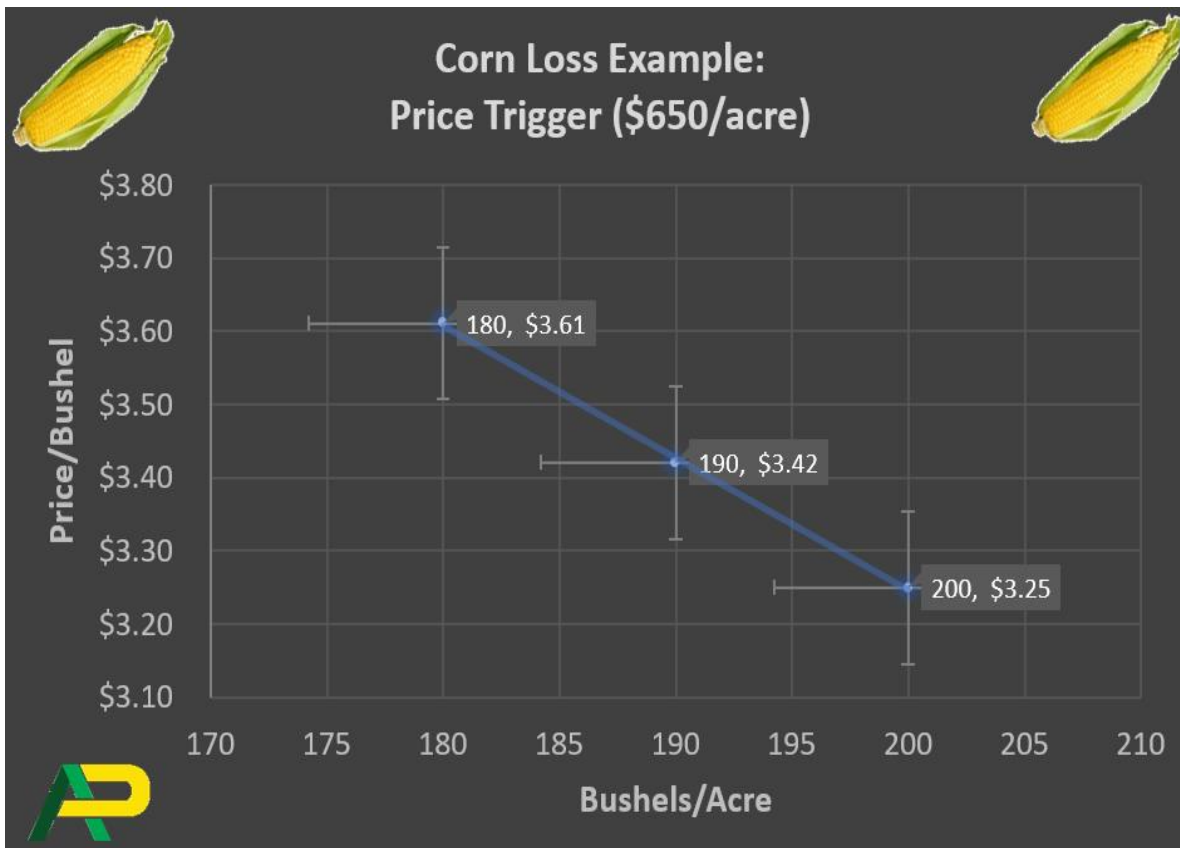
All the best,

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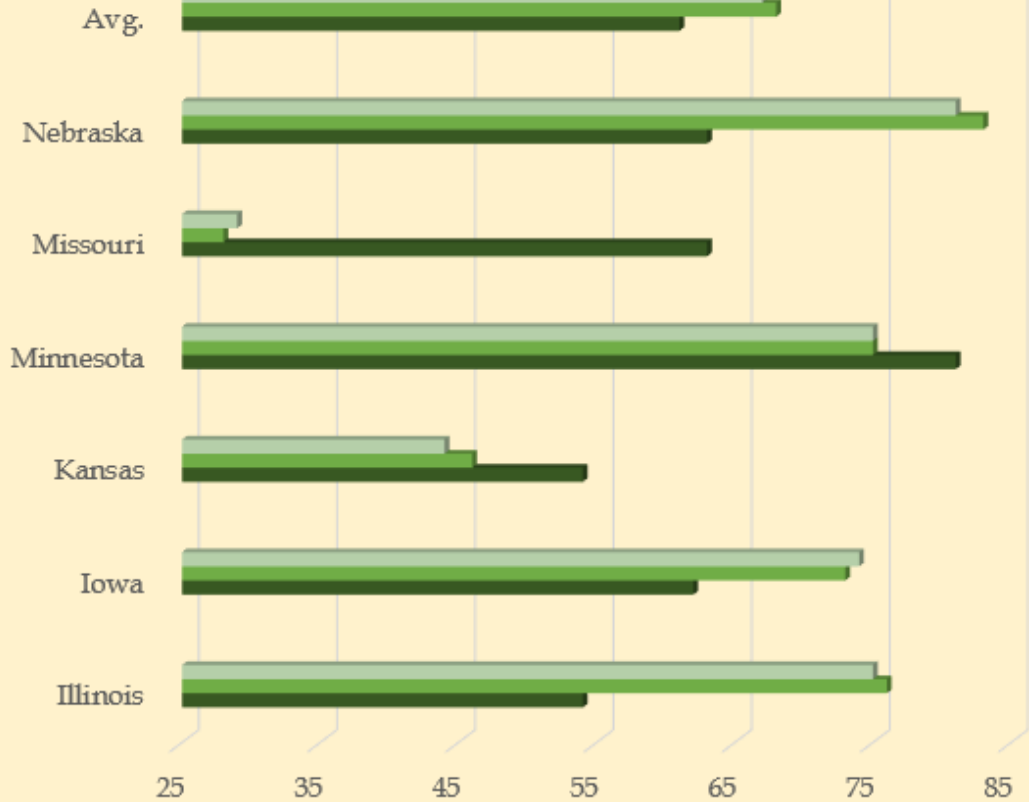
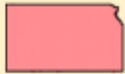
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Created by: AgriPeril (9/4/2018)

Data Source: USDA

Corn Conditions (G-E)

G-E 9/4/2018 G-E 8/27/2018 G-E 9/5/2017



Increase since 8/27/2018

Decrease since 8/27/2018

% Good to Excellent



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Soybeans Conditions (G-E)

■ G-E 9/4/2018 ■ G-E 8/27/2018 ■ G-E 9/5/2017

