

ECB Rains & Summer Heat/Dryness Hurt Corn - Bean Pods Weak

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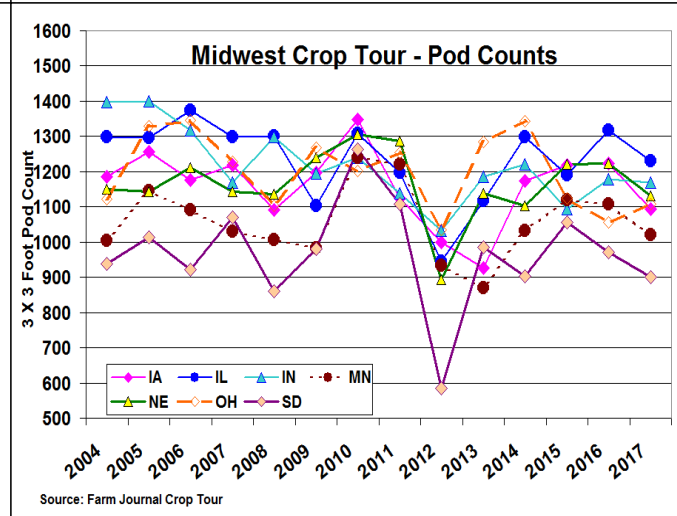
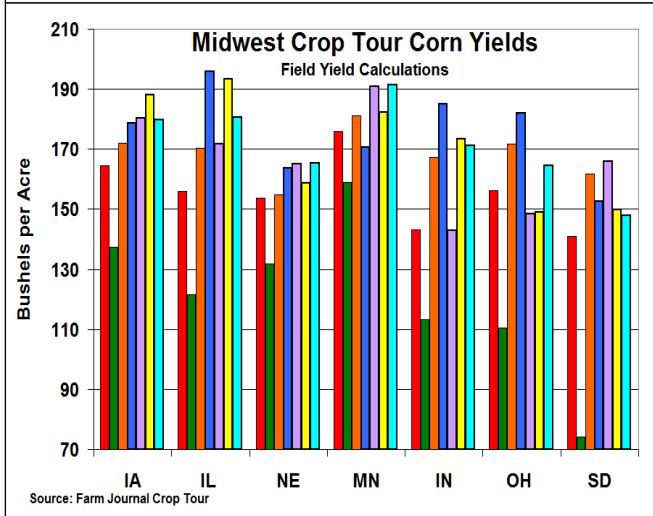
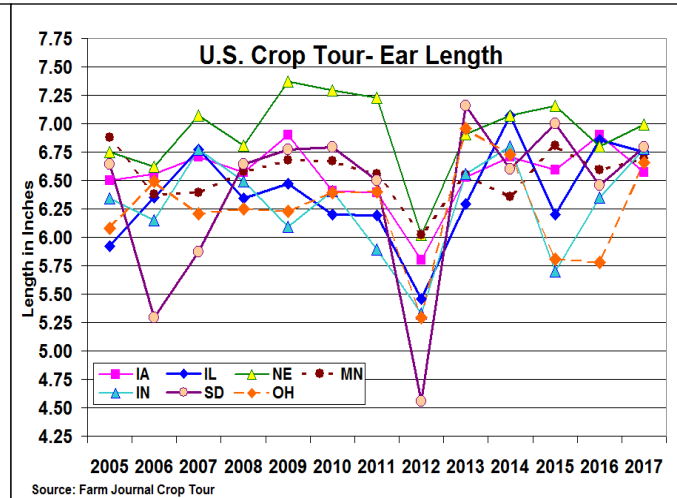
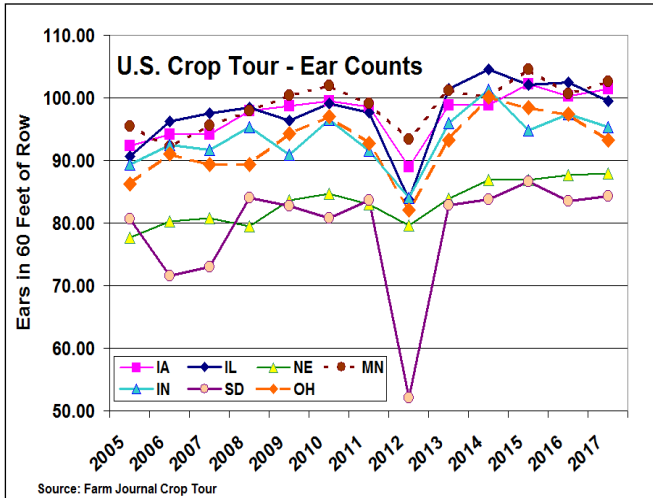
Market Analysis

Farm Journal's Midwest Crop Tour results suggest this year's US corn crop is highly variable because of 2017's WCB dryness during the growing season & heavy rains prompting delays and replants during the ECB's spring. Excessive heat during July's pollination also had an impact in various areas. This year's erratic weather also resulted in only Ohio having a higher tour pod count vs. 2016. This means the next 4-5 weeks of the growing season will be very important 2017's seed size & yield level.

Looking at the main components in making a field corn yield estimate, ear count remains the first factor. This year's ear numbers were mixed with IN, IL and OH having lower ear numbers because of excessive rains while MN, IA, NE and SD had higher numbers by 1 to 2 ears vs. 2016. Ear length is another corn yield factor with IL & IA length shrinking by 2% and 5% because of dryness increasing 2017's tip-back. The balance of the tour states had stronger length lead by OH and IN because of stronger soil moisture while NE, MN and SD had slightly larger ears than last year. 2016's kernel rows (not shown) were slightly better in most states except IA & IL where pre-pollination dryness may have been a factor.

Overall, 4 of 7 tour states had lower calculated yields vs. 2016 led by IL & IA's 6.6% and 4.5% declines while IN & SD were off 1.2% & 1.3% lower. In MN, NE, & OH yields rebounded 4%-10% because of better growing conditions. Because of IL & IA weaker yields, the tour organizer placed their US yield to 167.1 bu. vs. the USDA's 169.5 August level. The tour's 181 IL tour yield & US 167.1 estimate seem to follow our highly variable field results from our C. Illinois tour earlier this month.

2017's pod counts were the biggest tour surprise. IL, NE, SD & IA pod counts were off from 6.7% to 10.7% vs. 2016. The tour projected a 48.5 bu. yield vs. USDA 49.4 bu. rank because of dry soil levels & maturity concerns.



What's Ahead: Because of this year's Illinois and Iowa tour results & not all sections of the tour states were covered, Farm Journal's US corn outlook was lower to 13.953 billion from the USDA's August forecast of 14.153 billion bu. In soybeans, the tour put the crop at 4.331 billion vs. the USDA's August 4.381 billion estimate. No change in harvested corn acres were made, but soybean harvested area was raised by 500,000 acres. **Use 10-15 cent price recoveries to move necessary corn and bean supplies ahead of harvest.**

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