Feedstuffs
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Potential crop, yield losses mount

- Corn crop 63% planted.
- Late planting could trim national yields 1.2b bu.
- Tight pork blood meal supplies support prices.

By JACQUI FATKA

ENTERING the last week of May, farmers typically wrap up their final planting for the spring, and in many states, they're doing just that.

However, this spring's late start to planting may have significant consequences in a year when grain stocks were already tight heading into the growing season.

Farmers made up significant ground during the week ending May 15, sowing 63% of the corn crop -- up 23% from the previous week and now just 12% behind the five-year average. Iowa made solid progress with 92% of its crop planted, now up 8% from the five-year average. Illinois saw a surge in plantings to 69%, up from only 34% in the previous week.

Other eastern Corn Belt states have not fared as well. Only 7% of Ohio's corn crop had been planted, which is 76% behind last year and 63% behind the five-year average. Indiana managed to get 29% of the corn crop planted but is still 56% behind last year and 37% behind the five-year average. Approximately 10.4% of the 2011 overall corn acreage was to come from Indiana and Ohio.

In the U.S. Department of Agriculture's March planting intentions report, North Dakota and South Dakota intended to plant more than 1 million additional acres. This spring's weather is making that more and more unlikely. Only 14% of North Dakota's corn acreage has been planted, compared to normal levels of 55%. South Dakota planting advanced from 17% to 44% for the week.

Total soybean planting is also behind the 31% five-year average; just 22% of the crop is in the ground, although that's up from a mere 7% in the previous week.

Late planting impact

A new report from WeatherBill estimates that planting delays caused by heavy rains across the eastern Corn Belt could create yield losses ranging from 900 million to 1.2 billion bu. of corn, which could equate to $6 billion to $9 billion in lost crop revenue for farmers (Table). These losses were calculated using USDA's March estimates, which many in the industry expect will not come to fruition.

Potential impact of delayed corn planting in top 12 states

	- Potential losses-	
State	**Million bu. (range)**	**Million $**
Ohio	133-240	928-1,680
N.D.	58-79	409-555
S.D.	170-209	1,190-1,460
Ind.	137-203	962-1,420
Wis.	70-118	490-825
Mich.	39-47	271-329
Ill.	171-194	1,200-1,360
Minn.	66-87	465-607
Mo.	15-22	104-157
Kan.	24-26	168-185
Neb.	13-15	92-102
Iowa	12-16	82-112
Total	908-1,260	6,360-8,800
Source: **U.S. Department of Agriculture report, May 15.**		

WeatherBill -- which offers weather crop insurance on top of traditional crop insurance for weather events like late plantings, excessive rains, droughts, heat or early freezes -- has determined, using historical data, university research and USDA reporting of current corn crop progress, both the best- and worst-case scenarios for crop and revenue losses as a direct result of the excessive wet weather in the eastern Corn Belt in early 2011 to illustrate the range of potential losses.

According to data collected by state climatology offices, the top five states affected so far this season are Illinois, Indiana, Iowa, Ohio and Wisconsin.

Illinois experienced the rainiest April since 1895, and the Ohio River Valley had its wettest April on record. Wisconsin is having its third-wettest spring in the last 30 years. These historic rains could lead to a potential record yield loss, putting growers' profits and the nation's corn production under significant pressure.

Jeff Hamlin, WeatherBill director of agronomic research, noted that these yield losses were estimated based on having a normal growing season from this point forward.

"Late planting doesn't guarantee yield losses, but we'd need to see abnormally good weather from here on out to see those yield losses scaled back," he explained.

The WeatherBill analysis notes that a large portion of crop yield potential is determined during the pollination and grain fill periods. While timely planting typically results in crop pollination in the first half of July, a late-planted crop may not pollinate until the second half of July or early August, when the weather tends to be hotter and drier.

WeatherBill data show that precipitation totals in most parts of the Corn Belt are historically at least 15-25% lower in the second half of July and early August than in the first half of the month. This increased probability of drought and heat during the critical pollination and grain fill periods increases the chances that a late-planted crop will experience additional yield degradation as the season continues.

Additionally, late-planted crops reach full maturity later in the year, and as a result, corn crops planted in the northern regions of the U.S. are at increased risk of a hard freeze that could kill the crop before it can reach its full yield potential.

Hamlin noted that in order to turn around this bad start, the corn crop needs an abnormally warm and dry period before pollination. The wet spring also may create shallow root systems, meaning the crop will need timely rains in July and August to prevent additional yield losses.
The Ohio State University noted in a press release that farmers usually can expect yield losses of at least 1 bu. per acre for every day planting was delayed after the first week of May. The expected loss grows to nearly 2 bu. per day by the end of May.
Peter Thomison, Ohio State University Extension corn specialist and scientist with the Ohio Agricultural Research & Development Center, and research associate Allen Geyer examined trends related to planting dates and yields stretching back three decades and found that there is still a sliver of hope that late planting won't put a big dent in yields at harvest time
Since 1980, farmers experienced significant planting delays in eight years (1981, 1983, 1989, 1995, 1996, 2002, 2008 and 2009). In six of those years, the corn crop performed below the long-term yield trend -- ranging from a loss of 5 bu. to 56 bu. per acre. One year saw no variation from the long-term yield trend, while another year saw a 15 bu.-per-acre jump (just 42% of the corn crop was planted by May 20 of that year, but the end result was a record state yield of 174 bu. per acre).
"Weather conditions -- both rainfall and temperatures -- in July and August are probably the most important factors in determining yields," Thomison said. "In 2009, we had very favorable conditions after the late start, and we came through just fine."
However, if late planting is followed by severely dry weather during pollination and grain fill, then corn yields will be severely affected, he said.
Market recap
The continued wetness and uncertainty over corn planting as well as flooding in the Delta region have helped renew support in the corn market.
Cool, rainy weather is delaying planting in the northern Plains and eastern Midwest, while floods have submerged some cropland along the Mississippi River, which likely means that at least 1.0 million to 1.5 million fewer acres will get planted to corn than projected in March.
On May 13, July corn futures ended 1.5 cents higher at $6.82/bu., and December corn dropped 3.5 cents to $6.27/bu. Last Monday, July corn rose 15.5 cents to $6.975/bu., and prices soared on Tuesday, with the July contract ending 22.75 cents higher at $7.2025/bu. and with December corn closing 17.75 cents higher at $6.5325/bu.
Last Wednesday, July corn rallied to its highest level since May 2, and the December contract came to within 7.5 cents of the contract high. July corn finished 29.5 cents higher at $7.4975/bu., and December corn closed 19.5 cents higher at $6.7275/bu.
Last Thursday, prices were mostly unchanged. However, at its peak, July corn was up more than $1/bu. from the low set on May 12. July corn finished 1.5 cents lower at $7.4825/bu., and December corn closed 10.75 cents lower at $6.62/bu.
Soybean prices were pressured by the threat of adverse planting conditions for the corn, rice and cotton crops across parts of the Central U.S. and Delta that, in turn, could lead to additional soybean acres. On May 13, July soybeans settled 13.25 cents lower at $13.2925/bu.
Prices turned higher last Tuesday on support from corn and outside markets as July soybeans finished 14.5 cents higher at $13.41/bu., and November soybeans closed 14.25 cents higher at $13.205/bu.
Last Wednesday, July soybeans continued their climb and finished 38.5 cents higher at $13.795/bu., and November soybeans closed 32.75 cents higher at $13.5325/bu.
Last Thursday, July soybeans finished unchanged at $13.795/bu., and November soybeans

closed 3.75 cents lower at $13.495/bu.

"Rallies in the grain market of a dollar or more are frequently followed by a period of consolidation as traders pocket some profits, even when the fundamentals may remain bullish," *Farm Futures* market analyst Arlan Suderman said. "Yet, we'll remain in a buy-the-break market as long as weather updates remain threatening."

Ingredient watch

In the ingredient markets, corn byproducts declined on light to moderate demand and the lower corn market of the previous week. However, the corn market recovered, and grain prices remained high, so feed prices held firm.

Blood meal prices remained tight, sources told *Feedstuffs*. As a result, pork blood meal was $100 higher in Minneapolis, Minn., and up $50-100 in other regions as well.

Feather meal prices were down for the week as some reformulations were taking place.

Overseas demand for pet food-grade poultry meal weakened as world fish meal prices dropped into the $1,300 range.

In the Pacific Northwest, USDA reported that offers for soybean meal and sun-cured alfalfa pellets moved higher, offers for wheat millrun and meat and bone meal trended steady and offers for corn, barley, canola meal and whole cottonseed were mixed.

There was some concern that the spring weather could prevent the needed sowing of cotton and, therefore, could reduce upcoming supplies of cottonseed, one trader said.

Use of molasses blocks increased as cattle feeders in Texas deal with dry conditions.