

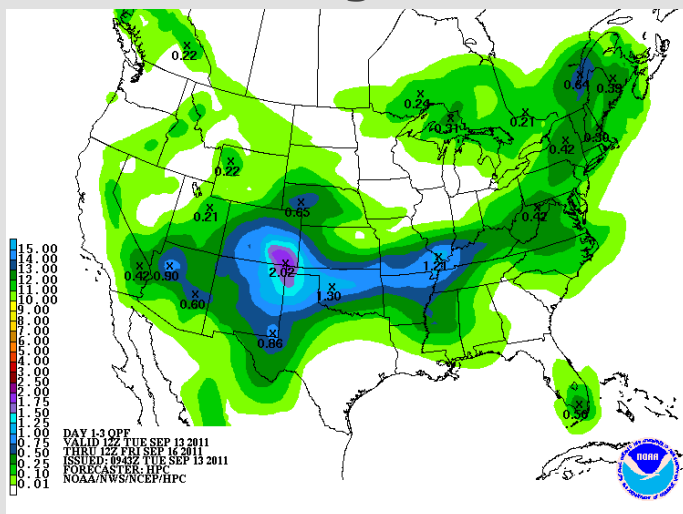
MAYHEW'S BLOG

Tuesday, 13 September 2011

USDA SBN CONDITION on 11th SEPT 11						
	Very Poor	Poor	Fair	Good	Excl	Drop leaves
ARKANSAS	4	17	35	35	9	20
ILLINOIS	5	14	37	38	6	13
INDIANA	8	17	34	35	6	21
IOWA	4	8	24	48	16	8
KANSAS	24	27	23	21	5	13
MINN	2	9	28	49	12	9
MISSOURI	14	20	29	28	9	10
NEBR	1	3	14	59	23	3
OHIO	2	8	24	50	16	9
S DAKOTA	2	6	24	53	15	33
WISC	1	4	16	52	27	6
18-STATE AVG	5	12	27	44	12	15
YR AGO	4	9	24	46	17	35

USDA CORN CONDITION on 11th SEPT 11							
	Very Poor	Poor	Fair	Good	Excl	Dent	Mat
ILLINOIS	7	16	37	34	6	93	46
INDIANA	10	20	36	29	5	72	22
IOWA	5	10	28	45	12	93	33
KANSAS	26	21	26	22	5	95	57
MINN	2	10	25	51	12	83	10
MISSOURI	20	22	26	26	6	97	71
NEBR	2	5	17	57	19	90	9
OHIO	4	10	29	45	12	56	6
S DAKOTA	2	7	24	51	16	79	10
WISC	1	6	17	49	27	66	10
18-STATE AVG	7	13	27	42	11	84	29
YR AGO	4	8	20	47	21	92	50

Bears knocking on the door



With rain forecast for the drought areas of the southern Plains over the next three days and overnight crop progress reports showing a surprising improvement in corn conditions, prices are likely to at least echo and possibly magnify the already negative overnight levels. There is still a forecast for frost and freezing temps tomorrow through Thursday morning in the Upper Midwest and this cold front will also be responsible for providing needed moisture for winter wheat planting. The market though seems to be less concerned now about the cold temperatures, but that could change when the midday maps arrive to define the extent of cold temperatures tomorrow and Thursday. The perhaps worrying aspect for the bulls could be a change in sentiment that an improvement in the winter wheat planting situation could bring to the wheat market. The market has been reminded of the global nature of wheat production and

thus the abundant supplies of wheat available from Russia, the Ukraine and others suggests that U.S. wheat balance sheet issues are less price sensitive than their neighbouring corn market. Wheat prices could well be set to head below \$7 bushel and the spread vs corn to an even more incredible -\$2 a bushel discount of wheat under corn. Wow!



Corn prices still look to be the best bet of any market for higher prices. Temperatures will be watched across the upper Midwest, with doubtless the expectations that crop conditions could deteriorate next Monday if the forecast materializes as expected. Soybeans also warrant attention through this cold spell over the next couple of sessions. However, bulls will be concerned to see prices back under \$14 and will be hoping the cold weather can propel them back above that previous support

level today or tomorrow. The dollar is another ingredient, with any correction from this sharp rally likely to support the ags. But if I am brutally honest the recent action in soybeans and wheat in particular doesn't read particularly positively for the bulls. Indeed with the U.S. row crop harvest approaching and the USDA already confirming larger global supplies of all three grains and oilseeds, there has to be concern that prices could be heading lower for the balance of this month, especially if the dollar fails to correct lower and the cold weather turns out to be a bust!

A possible return of La Nina, spooks Southern Plains Crop Progress Commentators

As spring wheat harvest winds down at 83% complete vs 81% last year and 87% average, winter wheat planting gets underway at 6% complete vs 8% last year and 10% average. The drought affected states of Texas & Oklahoma at 2% & 1% respectively are clearly the reason for the slow planting pace. It is also worth paying attention to the comments on the Oklahoma weekly progress reports viz the return of La Nina.

Dry weather continues to take a toll on the states row crops, as conditions worsen. Subsoil moisture in the southwest district was reported to be 100% short to very short. [Kansas Weekly Crop Update](#)

In areas of the Plains, producers diverted irrigation to wheat fields to begin to planting; however planting on non-irrigated wheat fields was delayed due to very dry soil conditions. Texas accumulated precip for High Plains year to date from Jan 1 to Sept 11th is 1.43 inches vs the annual normal between 1971-2000 of 19.64 inches (this was 10% of normal for June through August). For the same period the Low Rolling Plains has seen 0.92 inches vs annual normal of 24.51 inches, or 5% of normal June-Aug rainfall. For North Central Texas the readings are 4.53 inches to date vs 35.23 inches normal, or just 8% of normal rainfall for the June-August period. [Texas Weekly Crop Update](#)

All indications from NOAA show a gradual strengthening of La Nina throughout the fall and into the winter. This may mean above normal temps and below normal precip from late fall into the early spring fro drought stricken Oklahoma and the southern

Plains region. September kicked off with welcomed relief with high temps for all districts ranging from 87 to 82 degrees. Even with the break in temps severe drought conditions still limited wheat and other fall planting. Subsoil moisture conditions dropped slightly to 88% very short. Small grain planting was limited as little precip was received across the state. [Oklahoma Weekly Crop Update](#)

Cooler temps and scattered rains may have been "too little, too late" for most field crops. Showers may have helped late planted and double crop soybeans, but most of the corn and soybean crop is too far along to benefit significantly. Previous extreme conditions hastened maturity but grain moisture remains high. Yield reports from operators who have begun shelling corn have varied widely. [Indiana Weekly Crop Update](#)

Dry conditions persisted across the state. Corn was maturing at a fast pace given the dry weather. [Illinois Weekly Crop Update](#)

Most of Iowa remained dry for the week as farmers made progress harvesting corn for silage. Seed corn harvest is well underway. Corn moisture levels remain too high for widespread corn for grain harvest, although many farmers are making preparations. Nearly all the corn crop advanced to at least the dough stage. [Iowa Weekly Crop Update](#)

Crops were turning fall colours during the mostly dry week with below-normal temps. Corn silage, high moisture corn and seed corn harvests picked up momentum. Almost a quarter of winter wheat crop was seeded. [Nebraska Weekly Crop Update](#)

Rains this week helped revive crops, but prevented some field work. Those able to get into fields tilled wheat stubble, planted cover crops, hauled manure, and began corn harvest for silage. [Ohio Weekly Crop Update](#)

Row crops are beginning to reach maturity, though some are still behind last year's development and the 5-year averages. Soybeans dropping leaves are at 33% vs 45% last year. 10% of the corn is mature, vs 19% last year. [South Dakota Weekly Crop Update](#)

Above normal temps and virtually no precip recorded this past week depleted topsoil moisture supplies for the eighth consecutive week. [Minnesota Weekly Crop Update](#)

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