

8.13.2015

▶ Volume 16, Issue 2



2015 CBOT Prices...
 Corn - \$4.15/ BU.
 Beans – \$9.63BU.

Important Dates

Sales Closing Date Wheat/Mint (WO)	Will be 9/30/2015
Planting Date Wheat-	Oct. 20th (5 day LP)
RP YP ARPI Base Price for Wheat-	(Aug 15- Sept 14)
RP YP ARPI Base Price for Corn	Oct. ave. Dec. CBOT
RP YP ARPI Base Price for Beans-	Oct. ave. Nov. CBOT
End of Insurance (Last day file claim)	12/10/2015
Sales closing 2016 Corn / Beans	3/15/2016

Shock and Awe from USDA

USDA caught nearly every-one off guard with its corn & soybean production estimates this month. The trade expected corn & soybean yields to be cut when in fact USDA increased both!

The **CORN yield was 168.8 bpa**, which would be the 2nd largest ever to last year's 171.0 bpa. And this took **production up 156 million bushels** when the trade expected it to drop over 200 million bushels! USDA **raised ending stocks 114 million to 1.713 billion bushels**, just marginally lower than last year. Ten

states had new record corn yields, with overall average ear weight higher than last year, but ear counts below a year ago. *At the world level*, USDA raised both beginning & ending corn stocks, with those stocks being "found" in China, Mexico, & Brazil among others. The 2015/16 average farm price was cut 10 cents to \$3.65.

USDA also shocked the market with its **SOYBEAN** numbers. Their **yield estimate of 46.9 bpa** was up 0.9 bpa when the trade was expecting a cut of 2.5

bpa. USDA did lower harvested acres 900,000, but even so production was up 31 million, and **stocks were increased 45 million to 470 million bushels**. *At the world level*, USDA cut stocks nearly 5 mmt – but still a record. They made many changes to old crop stocks, with decreases in Brazil & Argentina and a large increase in China. The average farm price for soybeans for 2015/16 was also lowered 10 cents to \$9.15.

USDA didn't change much in its US **WHEAT** figures, lowering yield/production & exports slightly. Hard red spring, over

I think I may have a claim—What now?

- ⇒ Report any potential claim early—when in doubt, we can always easily withdraw a claim—turning in late is never good.
- ⇒ Yield monitors can be used only to prorate acres that can also be measured in a bin or have weight tickets. (Unless Precision Farming used 2015)
- ⇒ Grain carts with printouts can suffice, if bin measurements are within a 3% tolerance.
- ⇒ **Comingle**—Any new grain put in a bin with old grain needs to be measured by FSA or us (free) prior to co-mingling. Call us!
- ⇒ **Appraisals**—If you plan to chop, make hay, destroy or put to any use other than normal harvest call us prior to that action!
- ⇒ Beware of possibility of a 3 year Mandatory audit on any claim which exceeds \$200,000 per crop, county and entity
- ⇒ Communicate, communicate, communicate—most of the problems we ever see regarding claims have been due to some lack of communication of your intentions to an adjuster.

Contacting us...

- Our office is S. off Logansport Rd.- **4301 Grand Prix Drive in Logansport, Indiana**
- Mail to: **P. O. Box 8 Logansport, IN 46947**
- Office phone **574.737.7467** (Steve's cell **574.721.6499**)
- **Toll Free** Number: **1.888.566.7467 (566.SIMS)**
- Website: **www.dicksimsinc.com**
- Email: **agency@dicksimsinc.com**

(Shock ...From Page 1)

white, & Durum stocks were increased while soft red stocks were decreased.

The big changes in wheat came at the world level. USDA cut old crop world stocks 2.4 mmt, but increased new crop stocks about 1.6 mmt. The big increases came in a **5+ mmt production bump in the former Soviet Union**, more than offsetting a 1 mmt production cut in Canada. USDA cut its average farm price estimates for 2015/16 another 15 cents this month to \$5.10.

(Excerpt from Rich Morrison with Diversified Insurance Services 8.12.15)

2015 US Production (million bushels, bales, or cwt)						
	August USDA	Avg Trade Estimate	July USDA	Change vs July	2014 Production	Change vs 2014
Corn	13,686	13,318	13,530	+156	14,216	-530
Soybeans	3,916	3,719	3,885	+31	3,969	-53
Wheat	2,136		2,148	-12	2,026	+110

2015-16 US Ending Stocks (million bushels, bales, or cwt)					
	August USDA	July USDA	Change vs Prev Month	2014-15 Estimate	Change vs 2014-15
Corn	1,713	1,599	+114	1,772	-59
Soybeans	470	425	+45	240	+185
Wheat	850	842	+8	753	+97
Cotton	3.10	4.20	-1.10	3.70	-0.60
Rice	42.4	38.4	+4.0	47.9	-5.5

Dick Sims Agency, Inc.
4301 Grand Prix Drive
P. O. Box 8
Logansport, IN 46947-0008

A Smart Farmer

Summer Marketing Update

Featuring Mike Silver of Kokomo Grain
Please come and bring a friend!

When:

Thursday Aug.20th @ 6.30PM

Where:

LEDF Meeting Room
310 South Pearl Street
Downtown Logansport

