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Crop Conditions Mixed Across the Region

When it comes to crop production, most long-term farm operators are often heard saying that "no two years are the same."

That statement is certainly true in many portions of southern Minnesota and northern Iowa, as it relates to the 2016 growing season in comparison to the previous year. The 2015 crop year featured almost ideal growing conditions across the region and resulted in record corn and soybean yields in both Minnesota and Iowa. The first half of the 2016 growing season has been much different, with some areas dealing with very late planting, while other portions of the region have experienced a late frost, excessive rainfall, and hail damage.

In southwest Minnesota, northwest Iowa, and eastern South Dakota, a considerable amount of 2016 corn was not planted until late May or early June, leaving crop development below normal. From an agronomic standpoint, a significant amount of corn in this region is two-to-three weeks or more behind normal development. This increases the likelihood that a large amount of corn could have maturity issues this Fall and that the 2016 corn crop is much more susceptible to the first frost. It also increases the odds of wetter corn at harvest, which will likely lead to higher corn drying costs this Autumn.

Some of the above locations, as well as a large area in the western portions of south-central Minnesota, were severely impacted by heavy rainfall events during mid-June, which caused considerable drown-out damage in some areas. It was too late to replant corn at that point, but many farmers planted some early varieties of soybeans. However, some of those replanted soybeans have drowned-out again, due to heavy rainfall events in early July. In addition, there have been numerous severe storms across southern and western Minnesota, which damaged crops. Some of the more extensive hail damage resulted in soybean replanting. Similar to the late-planted corn, farm operators that replanted soybeans will need to hope for a long growing season and some favorable weather conditions in August and September.

For areas of the Upper Midwest that have not dealt with the above weather challenges, crop conditions look good to excellent in most

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locations. Above normal growing-degree units (GDUs), along with adequate soil moisture, has resulted in very favorable growing conditions in many areas. The accumulation of GDUs at the U of M Southern Research and Outreach Center totaled 1,121 GDUs from May 1 through July 8, 2016, which is about 8 percent above normal. By comparison, there were: 982 GDUs accumulated by July 8, 2015; 1,005 GDUs in 2014; and 985 GDUs in 2013. Much of the corn that was planted in April (and was not impacted by the severe weather in June), was beginning to tassel and pollinate by July 8, under very favorable conditions.

June rainfall amounts were quite variable across the region, with some areas of the Upper Midwest receiving excessive amounts of rainfall during June, while other areas ended the month a bit dry. Total rainfall at the U of M's Southern Research and Outreach Center in Waseca during the month of June was 4.75 inches, which nearly the same as the long-term-average rainfall for June. The total precipitation for 2016 through June 30 at Waseca is now at 13.68 inches, which is about 3 inches below normal.

Certain areas in Minnesota received more than double the normal precipitation rate during June--accumulating 4-6 inches during single-rainfall events. There are also some areas of western Minnesota and the eastern Dakotas that ended June quite dry. Fortunately, some widespread rainfall across the region in early July alleviated most drought concerns for the time being.

In addition to drown-out damage, excessive rainfall amounts during the month of June resulted in shallow corn root development, as well as nitrogen leaching in the soil profile. This has resulted in very uneven corn stands and some corn showing nitrogen deficiency in portions of fields. There are also areas with yellow, chlorotic-looking soybeans, due to the excessively wet soil conditions. Close to maximum levels of stored soil moisture exist in most areas of southern Minnesota, so any major rainfall events can quickly result in a large amount of standing water in fields.

Based on the weekly USDA Crop Progress Report for July 3, 75 percent of corn and 70 percent of soybeans in the United States were rated "good" to "excellent," and only 5 percent of the corn and 7 percent of the soybeans were rated "poor." In both Minnesota and Iowa, 79 percent of corn was rated "good" to "excellent," with soybeans at 74 percent in Minnesota and 77 percent in Iowa rated in the higher categories. Only 3 percent of the corn and 4 percent of the soybeans in Minnesota were rated in the "poor" category as of July 3, which could be a bit understated, given the weather challenges in many areas of south-central and southwest Minnesota during June.

Farm Operators Face Important FSA Deadlines

Farm operators throughout Minnesota and the United States are facing two very important deadlines in the coming weeks at local

USDA Farm Service Agency (FSA) offices.

- Friday, July 15 is the final date for farm operators to report or certify their 2016 crop acres at local FSA offices. Also contact local FSA offices for questions on certifying late-planted or replanted crop acres.
- August 1, 2016 is the final date to enroll in the 2016 farm program at local FSA offices. Farm operators must enroll in the farm program each year to be eligible for farm program payments for that crop year. August 1 is also the deadline for farm operators to combine or separate farm units or to make changes in their FSA administrative county for the 2016 crop year.

Failure to certify crop acres by July 15, or to enroll in the 2016 farm program by August 1, could lead to ineligibility for potential 2016 farm program payments, which will be paid in October 2017. This could be a very costly mistake, one that most farm operators cannot afford in 2016-2017.

In Minnesota, and most other Midwestern States, over 90 percent of corn and soybean crop-base acres are enrolled in the ARC-CO program, which is based on county-crop yields and national average commodity prices. If 2016 corn and soybean yields are close to county benchmark yields, or slightly above, farm operators are likely to earn a fairly substantial ARC-CO payment on their 2016 corn and soybean base acres, based on current market-year average (MYA) price projections for 2016-2017. The 2016 ARC-CO payment levels will not be finalized until after September 1, 2017, so a lot can change on the payment projections.

At current 2016-2017 MYA crop-price projections, farm operators that are in the price-loss coverage program option, which is based on price only, could also earn a 2016 farm program payment for some crops, including corn. The 2016 PLC payments will also be paid in October 2017.

For more details on 2016 acreage certification or 2016 farm program enrollment or farm program payments, farm operators should contact their local FSA office, or go to the FSA [website](#).

For more information, contact Kent Thiesse, Farm Management Analyst and Vice President, MinnStar Bank, Lake Crystal at: 507-381-7960 or kent.thiesse@minnstarbank.com.

2016 Ag Conference

Join ICBM for this year's Ag Conference in Austin, MN.

Bankers will learn from ag industry experts and participate in discussions on critical ag issues and how they affect the financial industry.

The event will be held July 19-20. Registration and program information is available [here](#).

Questions? Contact Patti Coles, ICBM Meeting and Event Planner at pcoles@icbm.org or 651-789-3987.

Minnesota Pork Board Hosting Annual Lenders Meeting

[Register](#) now for the Minnesota Pork Board's Annual Lenders Meeting in Mankato.

The event takes place July 26 at the Country Inn & Suites. Act fast, because registration for the meeting closes July 18.

The agenda for the event can be found [here](#).

For more information, contact Jill Resler at 507-345-8814 or jill@mn-pork.com.

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