

## **Corn and Grain Sorghum Weekly Update – July 15, 2016**

2016 Update No 16

### **Corn and Grain Sorghum Update – Dr. Jason Kelley (Wheat and Feed Grains Specialist)**

Corn continues to progress at a fast pace. According to the Arkansas Agriculture Statistics Service report for the week ending July 10<sup>th</sup>, 58% of the corn had reached the dough stage, compared to 48% last year and 51% for the 5-year average. Much of the March planted corn, especially in southern Arkansas will be getting the last irrigation in the next few days. Southern rust continues to be found in most fields but at relatively low levels. March planted corn looks like it will be mature enough that southern rust will not impact it, but later planted corn still needs to be scouted. Grain sorghum is 57% headed, compared to 64% last year and 59% for the 5-year average according the July 10<sup>th</sup> Arkansas Agriculture Statistics report. Sugarcane aphids are becoming more numerous, but levels are still variable with high levels in some fields and low levels in an adjacent field. Some spraying to control aphids is occurring.

### **Corn and Grain Sorghum Research Verification – Kevin Lawson (Corn & GS Verification Coordinator)**

All the corn field except Pope County have reached the R5 or dent stage. We will now scout the fields for the progress of the starch layer. The starch layer starts at the top of the kernel and progresses down. We can monitor irrigation termination from this starch layer progress. Lincoln County is the furthest down at 50% (R5.5). That field will receive one more irrigation next week then we will terminate irrigation. St Francis, Prairie and the River Valley field will receive one more irrigation next week then we will scout the starch layer to determine how many more irrigations they will require. Clay County is just now at R2 so we still have several weeks to go. The Pope County field will be harvested for silage. Silage is typically harvested around 50% moisture which is about R5. That field should be at that stage next week so we will be harvesting that field soon. Southern rust is in all the fields except Clay, but a fungicide should not be required on any of the fields.

The grain sorghum fields in White and Jefferson County are heading erratically. Scouting has started for sorghum midge on the heads that are out. Just a few have been found but nothing close to treatment level. The first sugarcane aphids were found in both fields this week.

County	Hybrid	Growth Stage	Heat Units	Comments
Clay	Pioneer 1637YHR	R2	1874	Field received irrigation on July 13. (Scouted July 14)
Lincoln	DKC 66-87 VT2P	R5.5	2511	Field received irrigation on July 13. Recommended irrigation on July 20 then terminate irrigation. (Scouted July 14)
Pope	Pioneer 1319HR	R4	1947	Recommended irrigation on July 12. (Scouted July 12)
Prairie	Armor 1555PRO2	R5.3	2345	Received irrigation on July 14. Recommended irrigation on July 21. (Scouted July 13)
River Valley	Terral REV 23BHR55	R5.2	2148	Received irrigation on July 11. Recommended irrigation on July 18. (Scouted July 12)
St Francis	Pioneer 2089YHR	R5.4	2386	Keep running pivot. Check next week for irrigation termination. (Scouted July 13)

County	Hybrid	Growth Stage	Comments
Jefferson	Armor Maverick	Boot to Heading	Few aphids starting to show up but no midge. (Scouted July 15)
White	Pioneer 83P99	Boot to Heading	Scouted for midge but not at treatment level yet, first aphids found. (Scouted July 13)

#### **Southeast Arkansas Update – Kevin Norton (Ashley County)**

Early corn is at 50% starch or higher. This will be the last irrigation this week on the early corn. Later corn is 1 to 2 irrigations away from being done. Some later fields are being sprayed for southern rust.

#### **Central Arkansas Update – Brett Gordon (White County)**

White county received good rain showers this morning (7-14-16), saving some producers an irrigation to their corn. We are continuing to scout for midge in grain sorghum. The first sugarcane aphids this year in White County have been found in sorghum.

#### **Northeast Arkansas Update – Stewart Runsick (Clay County)**

Corn growth stages range from R3 to R5. Southern rust has been reported in fields at low levels. We have been receiving scattered light rainfall over the past few days which will likely make it worse. Corn borer moth catches remain low. Grain sorghum is heading and head worms have been found in fields. Have not been able to find any white sugarcane aphids yet. Yellow aphids are present.

#### **River Valley Update – Kevin VanPelt (Conway County)**

With the hot humid conditions we've seen increased southern rust development in most fields. However with the crop well into R5, producers should be able to avoid treating for it at this point. The earliest planted fields are at least another week from terminating irrigation.

## **Market Update – Scott Stiles (Instructor, Economics)**

### **July USDA Supply/Demand:**

Corn market reaction was positive following the July supply/demand report with the September contract now working on its' third consecutive day higher (as of July 14). This month's report did not include any particular surprises. It did however include the updated planted acreage of 94.1 million from the June 30 NASS *Acreage* report. The U.S. average yield projection of 168 bushels per acre was left unchanged in July. The first survey-based 2016 yield forecasts will start next month.

The USDA increased projected 2016/17 corn ending stocks by 73 million bushels to 2.08 billion on higher acreage and production. This more than offset a net increase of 30 million bushels in demand. Exports were increased 100 million bushels to a very large 2.05 billion. However, much of the increase in exports was offset by smaller feed and ethanol usage. The outlook for strong export demand follows the smaller production this year in Brazil. The most notable change on the world balance sheet was the USDA's 7.5 mmt reduction in Brazil's 2015/16 corn crop to 70 mmt; Brazil's lowest corn production in 5 years.

### **Price Outlook:**

The mid-point of the 2016 season-average farm price for corn was reduced 10 cents to \$3.40 per bushel; sorghum was reduced 10 cents to \$3.15 per bushel. The 2015 season-average farm price for corn was reduced by 5 cents to \$3.65 per bushel; sorghum was unchanged at \$3.30 per bushel.

### **2015 ARC/PLC Projections:**

As of July, the projected 2015 PLC payment rate for corn is 5 cents per bushel; sorghum is currently projected at 65 cents per bushel.

Projected 2015 ARC-county payments for corn vary widely from approximately \$25 to \$95 per acre in Arkansas, with \$79 per acre being the average payment.

### **U.S. Corn Supply/Demand.**

<b>billion bushels</b>	<b>2015/16</b>	<b>2016/17 Projected</b>
<b>Beginning Stocks</b>	1.731	1.701
<b>Production</b>	13.601	14.540
<b>Planted Acres (mln ac)</b>	88.0	94.1
<b>Harvested Acres (mln ac)</b>	80.7	86.6
<b>Yield (bu/ac)</b>	168.4	168
<b>Imports</b>	.060	.040
<b>Total Supply</b>	<b>15.392</b>	<b>16.281</b>
<b>Feed and Residual</b>	5.200	5.500
<b>Food, Seed, Industrial</b>	6.592	6.650
<b>Ethanol</b>	5.225	5.275
<b>Exports</b>	1.900	2.050
<b>Total Demand</b>	<b>13.692</b>	<b>14.200</b>
<b>Ending Stocks</b>	<b>1.701</b>	<b>2.081</b>
<b>Stocks-to-Use %</b>	<b>12.4%</b>	<b>14.7%</b>
<b>Average Producer Price (\$/bu.)</b>	<b>\$3.60 - \$3.70</b>	<b>\$3.10 - \$3.70</b>

Source: USDA.

### The Week Ahead:

As of Thursday morning (7/14) September corn futures are trading near \$3.67. Prices have retraced more than 25% of the steep \$1.05 drop that occurred from June 15 to July 6. The focal point for the grain markets right now is the high pressure that is expected to sit over the western Cornbelt next week and bring with it extreme heat. Daytime highs for the period July 20 thru 28<sup>th</sup> are expected to reach 100 degrees over a large area covering Kansas, Nebraska, Iowa and South Dakota. The key to corn futures retesting the recent highs above \$4 will depend upon how long this period of heat and dryness persists and how quickly rains follow it. At present, weather models are in agreement that temperatures will spike in the 6 to 10 day outlook. This weather outlook appears set to provide second-chance marketing opportunities for both corn and soybeans.

### Heat Units

Corn continues to accumulate high heat units with the higher night time temperatures.

	Southeast, AR (Dumas)		Central, AR (Des Arc)		Northeast, AR (Jonesboro)		River Valley (Morrliton)	
	2016	30 Year	2016	30 Year	2016	30 Year	2016	30 Year
July 9	31.0	28.5	30.5	29.5	29.0	28.0	29.5	28.0
July 10	29.0	29.0	29.0	29.5	27.5	28.0	28.5	28.0
July 11	28.5	29.0	28.5	29.5	29.5	28.0	27.5	28.0
July 12	29.5	29.0	30.5	29.5	31.0	28.0	30.5	28.0
July 13	31.5	29.0	32.0	29.5	31.0	28.0	32.0	28.0
July 14	30.5	29.0	29.0	29.5	29.5	28.0	29.5	28.0
July 15	29.0	28.5	28.0	29.5	28.0	28.0	28.0	28.0
<b>Total for Week</b>	<b>209</b>	<b>202</b>	<b>208</b>	<b>207</b>	<b>206</b>	<b>196</b>	<b>206</b>	<b>196</b>
<b>Total Since March 28</b>	<b>2,513</b>	<b>2,388</b>	<b>2,404</b>	<b>2,331</b>	<b>2,335</b>	<b>2,129</b>	<b>2,339</b>	<b>2,129</b>

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### University of Arkansas Systems Division of Agriculture Cooperative Extension Service Web Pages

Extension Corn Webpage – [www.uaex.edu/corn](http://www.uaex.edu/corn)

Extension Grain Sorghum Webpage – [www.uaex.edu/grain-sorghum](http://www.uaex.edu/grain-sorghum)

Row Crop Verification Webpage – [www.uaex.edu/verification](http://www.uaex.edu/verification)

Corn & Grain Sorghum Verification Webpage – [www.uaex.edu/cgsrvp](http://www.uaex.edu/cgsrvp)