

Mindful eye on corn markets

A discussion with Texas A&M AgriLife Extension Grain Marketing Economist J. Mark Welch

With recent headlines in the news daunting “record low farm incomes,” “troubling commodity prices,” and “top corn crops,” the state of the commodity markets is a hot topic at the local coffee spot hangouts for farmers across the state.

Texas Corn Producers recently sat down with J. Mark Welch, Ph.D., who is the grain marketing economist for Texas A&M AgriLife Extension to discuss what farmers can prepare for and expect.

He echoed the common industry thought that U.S. corn acres as a whole will be down this year, as well as a pull back in the average yield.

“That’s going to lead to a moderate reduction in corn production,” he forecasted. “Assuming we have... a slight pull back in yield, we draw back acres, demand is solid: Then we end the marketing year of the 2017 crop with a lower level of ending stocks. That provides some upward movement on prices.”

Welch projected that farmers may choose to shift some acres to soybeans nationwide, and on a state level we may see a shift to cotton, citing confirmation of this thinking at the U.S. Department of Agriculture’s outlook conference in late February.

He shared a concern shared with others that a corn supply increase from export competitors such as Argentina, Brazil and Ukraine, alongside a significant reduction in U.S. exports in 2017, could eliminate the advantage of lowering U.S. corn acres and yield.

“If we cut use - and specifically exports - by about the same degree we cut production, there really isn’t that change in the final ending stock situation that we’re kind of betting on for higher prices this fall,” he said.

Welch cautioned that the projected acre reduction does not automatically mean a significant upward price movement.

“Cutting acres is not enough,” the economist emphasized. “Particularly if we’re a little vulnerable on the export side. Losing export competition either because of large crops in those other countries, or a breakdown for whatever reason in our relationships with any of our trading partners.”

Welch reiterated that trade relations and anything that could impede free trade - such as tariffs - has the potential to negatively impact commodities in general - and corn specifically. He noted that given the

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From the Texas Corn Producers Board
and the Corn Producers Association of Texas
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the kernel



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CORNER Comments



David Gibson
TCPB Executive Director
CPAT Exec. Vice President

This time of year I am asked repeatedly by reporters and others, what are the corn acres going to be for Texas and the nation?

Planting season began in January in the Lower Rio Grande Valley this year with some extremely warm weather. I spoke to one grower in mid-February who said his corn was already at the four-leaf stage. Other crops are breaking dormancy unusually early. Hopefully, we will not see any hard freezes going forward.

This year, like every year, will present the same challenges growers face in managing their business. It is never easy to operate in a down cycle of commodity prices. Input and land costs do not decline at the same rate. A number of surveys I have seen regarding where farmers are going to cut expenses has shown new equipment pur-

We see many reports stating that based on prices, acres will be down in Texas this year for corn. I expect we will be down some from the high number of last year. However, as I have traveled around the state I continue to hear that many producers are still including corn in their 2017 plans, and not totally abandoning their normal rotations on their farms.

I am reminded of a statement made to me by longtime Hale County Extension agent Ollie Liner when I moved to Texas to work with him in 1974: farmers do what they do best on their land. Meaning that when they normally have crop rotations, they continue those and do not abandon the rotations. Farmers continue to raise the crops they have the best knowledge of growing, and keep the rotations that have worked historically on their land.

chases to be the number one area of where they are going to cut back. This will impact local equipment dealers as well as manufacturers.

An additional challenge growers are facing this year is the uncertainty of trade relations with other countries impacting the price they receive for their production. Reminds me of a saying, may the pain be short term and the reward is long term gain in trade agreements.

As always, TCPB's mission is to increase the profitability of Texas corn farmers. Please contact us with comments, concerns, and, yes, even compliments. I hope you have a safe and successful planting season. 🌽

Liner stated that his experience with producers had taught him that actual plantings normally move very little unless a severe weather event occurred. I have now watched this for many years, and I think his insight still holds true. Producers utilize rotations that make the most of the investment they have in equipment and knowledge. Producers use rotations to ensure the best benefit to their land for the future.

With all of this being said, I encourage producers to spend some time studying the markets, long range weather forecast, crop insurance, and farm policy options as they make final planting decisions. As to the number of acres of corn in Texas for this year, I expect near a 10-year average planting of approximately 2.1-2.2 million acres. 🌽



Scott Averhoff
TCPB Chairman
Waxahachie, Texas

Bin busting yields recorded in 2016 contest

TCP congratulates Texas corn farmer participants

Texas corn farmers sustained strong participation in the 2016 National Corn Yield Contest (NCYC) held by the National Corn Growers Association (NCGA). Despite facing another year of evaluating minimized losses as a win, Texas corn farmers were able to push beyond the market challenges and achieved competitive yields in 2016.

NCYC is more than a competition for the highest yield, according to Brent Hostetler, chair of NCGA's Stewardship Action Team.

"Our contest emphasizes innovation both from growers and technology providers, thus enabling us to meet the growing demand for food, feed, fuel and fiber," he said.

Texas Corn Producers (TCP) Executive Director David Gibson noted that advances in technology, as well as practices to achieve high yields, spills over into the rest of the state. This drive toward advancements enables and encourag-

es farmers all over Texas to continue pushing forward in efficiency.

While there is not an overall winner for the contest, several Texas farmers boasted strong yields this year.

Tommy and Valerie Cartrite of Sunray, Texas, recorded the highest yield in the state; producing 315.8136 bushels per acre on their irrigated corn crop.

Kent Gordon of Dalhart, Texas, recorded the highest no-till/strip till irrigated crop with 310.4837 bushels per acre.

Recording a yield of 228.7831 bushels per acre with his corn crop, Todd Kimbrell, Jr., of Itasca, Texas, brought in the highest yield in the non-irrigated class.

TCP congratulates this year's corn farmers in their competitive participation as seen in the chart below.

Winners receive national recognition in publications such as the

NCYC Corn Yield Guide, as well as cash trips or other awards from participating sponsoring seed, chemical and crop protection companies. In San Antonio, during the 2017 Commodity Classic, winners were honored during the NCGA Awards Banquet and the NCYC State Winners Breakfast.

For more than 50 years, NCGA's NCYC has provided corn growers the opportunity to compete with their colleagues to grow the most corn per acre, helping feed and fuel the world. This has given participants not only the recognition they deserved, but the opportunity to learn from their peers.

See the complete results from this year's contest online at www.TexasCorn.org. Interested in entering the 2017 National Corn Yield Contest? All the details are online at www.TexasCorn.org.

Rank	Entrant Name	City	Hybrid Brand	Number	Yield
Division A: Non-Irrigated					
1	Todd Kimbrell Jr	Itasca	DEKALB	DKC62-08	228.7831
2	Glen Marecek	Waco	Pioneer	P2089AM	205.1307
*	Todd Kimbrell Jr	Itasca	DEKALB	DKC67-72	202.4417
3	Sindey Otahal	Corpus Christi	DEKALB	DKC65-19	185.6944
Division E: No-Till/Strip-Till Irrigated					
1	Kent Gordon	Dalhart	Pioneer	P1311AMXT	310.4837
*	Kent Gordon	Dalhart	Pioneer	P1751AMT	308.9778
2	Bill Graff	Dalhart	DEKALB	DKC66-59RIB	295.9106
Division I: Irrigated					
1	Tommy & Valerie Cartrite	Sunray	Dyna-Gro	D55VP77RIB	316.8136
2	Jody Bezner	Texline	Pioneer	P1311AMXT	310.3194
3	Brooks Brown	Dumas	Pioneer	P1197AMT	298.1959

THE VOICE: Association News

A note from the President...

The primary concern for many farmers across the state right now is the current commodity price trend. While the price of corn at any given moment isn't something we can directly control, the Corn Producers Association of Texas is working diligently to ensure the nation's leaders understand the hardship turbulent, and low prices place on America's farmers.

It's at times like these that agriculturalists are humbly reminded the importance of sound farm policy that can be the key factor in keeping any farm afloat. From farm programs such as ARC or PLC to conservation programs to access to affordable crop insurance, each piece of these farm policies work together to keep America's farmers and ranchers in business despite turbulent economic times.

The Corn Producers Association of Texas (CPAT) works throughout the year with legislators and key decision makers to ensure they understand the important role policies and regulations play on the family farm and the rural economy as a

whole. Recent CPAT corn farmer town hall meetings held across the state enabled the association to hear directly from farmers more about the current farm bill's implementation and opportunities to work with decision makers to mold the policy to better protect the men and women producing the nation's food, feed, fuel and fiber.

Beyond a comprehensive farm bill, CPAT and others are working with decision makers to ensure they understand the importance of strong trade relations – working to maintain and grow the U.S. corn export market. Legislators are also hearing from the agricultural and renewable energy industries on the importance of maintaining the Renewable Fuel Standard and securing the future of the ethanol market for U.S. corn. Each of these markets are vital to the continued market opportunities for corn – and ultimately impact the price offered to farmers.

If you are not a member of CPAT, I urge you to join. Our association is at the front of making calls and



Joe Reed
CPAT President
Kress, Texas

visits to Congressional offices as work on a new farm bill begins. If you are a member of CPAT, thank you – and please continue to support CPAT's efforts: Our voice makes a difference. 🌽

TCP thanks longtime staff for service

Texas Corn Producers recently bidded farewell to two staffpersons that have dedicated years of service to the state's corn industry.

Kaci Bearden, the former TCP business coordinator, had been with the organization for more than nine years. During her employment she handled many items for the board and association, including general administration and compliance.

Bearden stepped down from her position in March.

Hallie Bertrand, a former industry relations staffperson, accepted a position with Fastline in February. She was with TCP for just over three years, working to engage farmers and industry members in the southern and central parts of the state, as well as coordinating with the researchers funded by the board.

TCP appreciates the work these

women did to ensure the continued success of both the state checkoff board and association. It's because of the dedication of agricultural professionals such as them that TCP can make an influential impact on behalf of farmers. TCP wishes both Bearden and Bertrand the best on their future endeavors! 🌽

Weighing corn markets, despite unknowns

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high corn stocks the U.S. currently has, the industry doesn't want to see export markets impeded.

"Generally speaking, the demand side is firm," Welch continued. "Ethanol production is still solid... Live-stock numbers continue to increase, and we continue to feed those [animals] to heavier weights so feed use is firm. It's that export piece that seems particularly vulnerable in the next marketing year."

When looking at the price of production, he says currently approximately \$4 per bushel is breakeven for many farmers in the U.S.

"If you could see a cash price in that \$3.80 to \$4.00 range, that would cover the cost of production for many corn producers in Texas and nationwide - whether it's dryland or irrigated," he said.

At the time of TCP's visit with Welch, corn prices were hovering in

that range. However, he cautioned that should there be even a slightly larger corn crop planted this year, the price for farmers could quickly be impacted.

When asked his key advice for the average Texas corn farmer this year, he offered a three-pronged approach:

1. Cost of Production

Estimate your expenses and inputs, and know what it takes for you to breakeven. A farmer's first marketing opportunity is when the market trades in an area that covers this breakeven point. Welch encourages farmers to watch the markets, as well as stay in communication with potential buyers.

2. Seasonal

Welch advises making a marketing move by the end of June or first of July,

saying "70 percent of the time - since 1980 - the price for corn is higher in the first half of the year than it is in the second half of the year."

3. Monitor Opportunities

Watch for when the market offers you opportunities to make a profit throughout the year, while keeping the cost of production and seasonal trends in mind.

"Controlling your costs, being as efficient as you can with production, and then trying to do something marginally better with your marketing... Can you just do a little better on all of those?"

Welch encourages doing this is key for long-term competitiveness and sustainability.

Visit www.TexasCorn.org to access an easy tool to monitor current commodity prices. 🍌

Corn Town Halls bolster farmers' voices

Texas Corn Producers (TCP) thanks the hundreds of Texas farmers who took the time out of their busy early growing season to attend the Corn Farmer Town Hall Meetings held across the state.

TCP directors and staff facilitated discussions with farmers at 10 separate town hall meetings from January through March.

Oftentimes joined by legislative staff and decision makers, TCP sought corn farmers' input on farm legislation, as well as other areas impacting farmers and their business regionally.

The meetings offered corn farmers the opportunity to align the advocacy efforts and priorities of the

Texas corn checkoff and association so it best supports them.

"Our organizations work diligently on behalf of the farmers in Texas," TCP Executive Director David Gibson said. "This was a crucial opportunity for us to receive the input and feedback we need to continue best supporting corn farmers across the state now and in the future."

A wide array of topics were covered at the Corn Farmer Town Halls, including:

- Review and discussion of current farm bill
- Outlook and discussion of needs for next farm bill
- State checkoff and association activities and objectives

- Regional concerns and issues
- Involvement opportunities

"Having this firsthand feedback is a crucial part of ensuring that TCP is representing and advocating for corn farmers in the best ways possible," Gibson said. "These meetings gave farmers the platform to discuss their thoughts on everything from farm programs to crop insurance to conservation to taxes."

Though these town halls have ended, TCP is always eager to hear from farmers across the state. Call the office at 806.763.2676 or email info@texascorn.org to let us know any thoughts or issues you are facing as a Texas corn farmer. 🍌

Texas farmers kicked off the new year with the Grow Conference

Texas Corn Producers' (TCP) first event of the year, the Grow Conference, engaged farmers through sessions on strategic farm business management in Austin, Jan. 3 through 5. Farmers received advanced agricultural economic training from globally renowned experts.

Farmers from across the state actively participated in critical thinking activities practicing strategic business decisions.

"The phenomenal speakers at the Grow Conference challenged farmers to evaluate their current farm business decisions and execute more strategic moves to keep their farms economically successful for years to come." David Gibson, TCP executive director, said.

Farmers from across the state gained farm business insight and tools to help them grow their farms and profits in the coming year and beyond. These speakers addressed the following pivotal aspects of farm business management:

- **Best Management Practices**
Danny Klinefelter
Texas A&M University and AgriLife Extension
- **Strategic Planning and Megatrends**
David Kohl
Agricultural Finance and Small Business Management at Virginia Tech University
- **Strategic Management**
Allan Gray
Agricultural Economics at Purdue University
- **Strategic Positioning**
Mike Boehlje
Agricultural Economics at Purdue University

"The speakers presenting compelling material and data to help farmers decide how they will maneuver their farm businesses in 2017 with projections on the farm bill safety net as well as the market forecasts," Gibson said.

The event was tremendously impactful for the Texas farmers in attendance. They gained invaluable skills and knowledge, which will help them make strategic and business decisions for their farm from planning to positioning.

To see highlights and take-aways from the Grow Conference, search #TXGrow17. 🌽



Farmers from across the state actively participated in critical thinking activities practicing strategic business decisions.



Mike Boehlje engages farmers at the Grow Conference through interactive presentations.

ODDS *AND* ENDS



Youth association scholarship winners announced

The Corn Producers Association of Texas (CPAT) was pleased to receive a variety of strong scholarship applications in the high school and college division from youth members. Two students were awarded \$1,000 CPAT scholarships to go toward their higher education.

Justin Brown, Tulia High School student, is the scholarship winner in the high school division. Justin plans on attending West Texas A&M University (WTAMU) to major in agricultural engineering. His essay focused on water conserva-

tion through the implementation of more efficient irrigation practices.

Joshua Patton is the winner of the college division. He is a student at WTAMU, originally from Silverton, Texas. Joshua is a plant, soil and environmental sciences major, and he wrote about the consolidation of agricultural chemical, biotechnology, and seed companies.

“This year’s collection of applications for the CPAT scholarship was competitive with highly qualified students,” Angie Martin, CPAT industry relations, said. “We are

proud to support high-achieving students in their pursuits of higher education - particularly when they’re looking to join the ag industry upon graduation.”

TCP is grateful to all of the students who took the time to apply for this scholarship, as well as to the individuals who helped promote the scholarship.

Follow the Texas Corn Producers on social media for updates on services and events just like our youth outreach efforts!

Texas Corn Producers announce winners of Field-To-Fork Photo Contest

Advocating for agriculture through visual storytelling doesn’t always pay off monetarily, but it is for the winners of the Texas Corn Producers’ (TCP) Field-To-Fork Photo Contest! TCP accepted entries for the contest from March through November of 2016.

Congratulations to the following winners:

On the Farm

- First place:
Le’Ann Pigg, Quitaque
- Second place:
Jayde Farbo, Lubbock

Corn Fields and Farm Landscapes

- First place:
Jayde Farbo, Lubbock
- Second place:
Kimberly Cantrell, Canyon

Corn Planting and Harvest

- First place:
Abbie Burnett, Lubbock

The grand prize winning picture (shown) was taken by Jayde Farbo.

The participation received reflected the moments of beauty that most often go overlooked in the day-to-day operation of a corn farm. Amidst the distinctive contrast between the different pictures, the most consistent theme captured in each one was the sometimes small, still moments of peace farmers and their families are blessed to experience on a farm.

Visit the TCP Flickr page to see all of the winning pictures, and start capturing those moments where agriculture’s peace and beauty shines through because they might pay off!



Grand Prize photograph by Jayde Farbo

Upcoming Events

Texas Corn Producers board meetings will be held
March 28-29 in Austin, Texas.

With the growing season kicking into full speed, there are a
number of events across the state.

Visit www.TexasCorn.org for the most up-to-date list of events.

Directors

Scott Averhoff, *Ellis Co.*

Daniel Berglund, *Wharton Co.*

Robert Gordon, *Dallam Co.*

Braden Gruhlkey, *Randall Co.*

Mark Howard, *Dallam Co.*

Aaron Martinka, *Milam Co.*

Larry Mason, *Dallam Co.*

Joe Reed, *Swisher Co.*

Charles Ring, *San Patricio Co.*

Wesley Spurlock, *Sherman Co.*

Max Swinburn, *Castro Co.*

Bart Thoreson, *Hansford Co.*

Wesley Valerius, *Cameron Co.*

Dee Vaughan, *Moore Co.*

Jimmy Wedel, *Bailey Co.*

Bruce Wetzel, *Grayson Co.*

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