

# Iowa FFA Ag Broadcasting CDE

## State Script – 2018

### **HOUSE AG COMMITTEE PASSES FARM BILL**

The House Agriculture Committee has passed its version of the farm bill by a vote of 26 to 20. Most of the debate centered around food stamp reforms proposed by Republicans, with work requirements and training programs being tied to SNAP benefits. Republican Representative Bob Gibbs of Ohio defended those changes.

"Businesses are so in need of workers and there's such a thirst out there to do this," Gibbs said. "This really helps get people the help to help themselves."

But Representative Jim McGovern of Massachusetts said Democrats were not given the opportunity to provide input on those SNAP provisions.

"The chair said, 'we want to work with you'. Well, you really didn't," McGovern said. "I mean, we were notified about this at the last minute. Our input wasn't valued."

The committee adopted 17 amendments to the bill, including one proposed by Iowa Representative Steve King pertaining to California's stringent animal housing requirements. The amendment, which is similar to one adopted by the committee in 2013, would prevent states from regulating how foods are grown or processed in other states.

The farm bill now moves to the full House. The Senate Agriculture Committee has not yet introduced its version of a farm bill for consideration.

### **SLOW EXPORTS PRESSURE SOYBEANS, CORN**

Soybeans were lower on profit taking and technical selling. Weekly export numbers were neutral to bearish and Chinese demand remains a big question mark. Brazil is currently filling most of Beijing's soybean needs, but their prices have shot higher as Argentina's production projections have moved lower. Eventually, China will have to return to U.S. beans in earnest, but that may take some time. The trade's also watching early corn planting delays. The key word is "early", but if delays persist, it could mean bigger U.S. bean acreage this year. Soybean meal was lower, following beans, and oil was mixed, consolidating.

Corn was lower on commercial and technical selling. Forecasts have more planting delays in some key growing areas, but parts of the region should see an improvement in conditions by this weekend. It is still relatively early, but the delays will be a bigger issue if they last into May. Weekly export numbers on corn were neutral to bearish. Ethanol futures were mostly firm. Corn's also watching development conditions for Brazil's second crop. Brazil's FOB prices are currently below U.S. prices at the Gulf. New USDA supply and demand estimates, including the first 2018/19 projections, are out May 10th. According to wire reports, Chinese corn demand could hit 225 million tons this year.

The wheat complex was mixed, mostly modestly higher. Kansas City and Chicago were up on continued concerns about the condition of the U.S. winter crop, expecting another lower rating on Monday as recent precipitation wasn't even close to a drought breaker. Minneapolis was down on profit taking, despite continued planting delays in the northern U.S. Plains and Canada. With less than a month and a half to go, weekly export sales were a new marketing year low. Japan bought 68,786 tons of U.S. milling wheat, along with 33,116 tons from Canada. Iraq purchased 100,000 tons of milling wheat from Australia, while Jordan picked up 50,000 tons of optional origin milling wheat. The USDA's attaché in Canada says 2018/19 wheat production should be close to 2017/18, thanks to increased spring wheat acreage and better durum yields cancelling out generally lower spring wheat yields.

## **ANOTHER MONTHLY RECORD FOR PORK PRODUCTION**

The USDA says pork production during March was a new monthly record, a string of new all-time highs that dates back to last September. The big contributing factors are the record large U.S. herd and increased slaughter capacity. March's total for pork was 2.297 billion pounds, up 1% on the year, with a slight increase in the slaughter up to 10.725 million and a two-pound gain in the average live weight, at 286 pounds. Beef came out at 2.204 billion pounds, down 2%, with a 2% decrease in the kill to 2.702 million head and eight-pound gain for the average live weight at 1,358 pounds.

Total commercial red meat production was 4.521 billion pounds, a little bit less than last year, but the year to date total is 3% ahead of 2017's record pace, at 13.167 billion pounds.

## **DAIRY CALF AND HEIFER ASSOCIATION EXPERIENCING GROWTH**

An organization that focuses on calf health and development is seeing a lot of growth.

Dr. Bob James is a calf and heifer consultant and former Virginia Tech professor that co-founded what is now the Dairy Calf and Heifer Association and says the group has grown exponentially in the past five years. "Last year, we had (with) the people attending, we had over two million head of animals represented, 30 states, 10 foreign countries, so we're really attracting, I think, a lot of the important people in our industry."

James says more producers are getting involved because they're learning how important the early life of a calf is to its future health and productivity. "We're finding out that how we take care of this calf has a real strong influence on their health. It has a real strong influence on their immune development, and actually how well they're going to produce as a milking animal."

James says research is changing how producers look at raising calves, including a movement toward more group housing and feeding calves smaller meals more often.

## **DAMAGE EXPECTED TO AG EXPORTS FROM TPP PULLOUT**

The head of the U.S. Meat Export Federation says the U.S. leaving the Trans-Pacific Partnership will have a lasting impact on ag exports no matter the final outcome.

"You look two or three years down the road on beef and pork and we're going to be at a severe disadvantage going forward."

CEO Dan Halstrom says while the U.S. would be welcomed to rejoin the trade deal, it won't be at the same level. The 11-country trade agreement is expected to be signed Thursday.

Tom Sleight with the U.S. Grains Council says the greatest benefit in trade deals with NAFTA and TPP to agriculture are standardized rules for biotechnology issues. "Language that was negotiated in TPP was picked up and put into the NAFTA agreement, that chapter of NAFTA is just about closed. We face these battles all over the world and that's one area where we could see some clear advantages."

Halstrom and Sleight were part of a Telephone Townhall hosted by the Corn Marketing Program of Michigan Wednesday to educate farmers on pressing trade topics.

## **OIL INDUSTRY, OIL-STATE LAWMAKERS WANT RFS GONE**

Petroleum refiners made it clear they would like to see the Renewable Fuel Standard go away. American Fuel and Petrochemical Manufacturers Association CEO Chet Thompson testified Friday before the House Energy and Commerce Subcommittee on a proposal to change America's octane standards. "Sunsetting the RFS and transitioning to a 95 RON performance standard would end mandates, reduce overall compliance burdens, and provide achievable regulatory targets."

Growth Energy's Emily Skor testified in favor of higher octane but insisted the RFS needs to be a part of that. "Ninety-five RON is a 91 premium fuel that's currently sold on the marketplace, often with a 10% ethanol blend, so if we move to a national standard of 91, there would be little to no incentive to further use biofuels in our national transportation mix."

The RFS is not popular with oil-state Congressmen, including Joe Barton of Texas, who said he would repeal it if he could. "Nobody can say ethanol is a struggling start-up industry anymore, so you really don't need all of the protection, the mandates, the quotas that we have today."

The five people testifying Friday agreed Ethanol is currently the lowest-cost octane booster available, but Skor emphasized that without market access through the RFS, there is no guarantee ethanol will be used. The panel testifying included Thompson, Skor, Timothy Columbus representing gas marketers and convenience stores, Dan Nicholson from General Motors, and Paul Jeske with the Illinois Corn Growers.

## **AMS WILL BE USED TO MONITOR SPECIALTY CROP IMPACTS OF CHINESE TARIFFS**

USDA says they're prepared to measure how potential Chinese tariffs would impact specialty crops. Chief Economist Rob Johansson says while there aren't futures markets for specialty crops, the department can rely on the Ag Marketing Service to analyze an impact on prices. "We know what the trade value is going to China because they're certainly tracked through our trade data and we know what it will mean if we face a 25 percent tariff on some of those commodities. We'll use the tools that we would normally use in any kind of trade dispute."

Wisconsin Senator Tammy Baldwin pressed USDA during Wednesday's Senate Appropriations Subcommittee hearing on agriculture to seek how the administration is monitoring the impact of tariffs on specialty crops.

A local source with AMS Specialty Crop News tells Brownfield while they haven't seen any major swings to market prices since the tariff announcement, West Coast shippers might be the first to be impacted since they're closer in proximity.

More than 120 products would be subject to Chinese tariffs including apples, cherries, cranberries and ginseng.

## **JAPAN ALLOWS INCREASED ETHANOL IMPORTS**

Japan has updated biofuel policy which could make it the fourth largest ethanol export market for the U.S. The decision comes after an assessment of U.S. corn-based ethanol determined its greenhouse gas emission value aligns with Japan's requirement to reduce emissions by 50 percent.

Japan will now allow U.S. corn-ethanol to meet more than 40 percent of estimated demand to make ethyl tert-butyl ether (ETBE) which is used as a fuel oxygenate. Japan previously only allowed imports of sugarcane-based ethanol to produce the cleaner burning gasoline additive.

Japan imports nearly all the ETBE from ethanol that it uses.

Jim Zook with the Corn Marketing Program of Michigan tells Brownfield the announcement from Japan opens the door for increased demand from other countries. "Ethanol in the domestic market here is capped because of the Renewable Fuel Standard, so the ability to be able to expand our ethanol sales into foreign countries is extremely crucial."

Tom Sleight with the U.S. Grains Council says continued improvements to reduce greenhouse gases are critical to gain and maintain market access for U.S. ethanol.

Growth Energy Chief Executive Officer Emily Skor says the new policy represents a new trade opportunity for the U.S. to continue to work with Japan.

Renewable Fuel Association President Bob Dinneen says Japan's first step toward the use of U.S. ethanol is welcome news.

## **IS TIME FINALLY RIGHT FOR A CATTLE TRACEABILITY PROGRAM?**

The U.S. cattle industry has long struggled to come up with an acceptable and workable cattle traceability program. But a leader of the national Cattle Traceability Working Group (CTWG) thinks the time is right for development of such a program.

"We have different and new technology now than we had the last time we were discussing this in 2003 to 2007," says Glenn Fischer, president of Allflex USA. "We also have more people finding value-added opportunities and we have more animals that are already identified."

Fischer says statistics show more than 10 million animals received electronic identification in 2017.

A proposal for a voluntary, nationwide cattle I.D. and traceability system was unveiled by the CTWG in Denver last week. Fischer says they're trying to create a model that will work for all producers, "before one is imposed on them because of a disease outbreak situation that none of us want to see".

Fischer says the group's proposal creates a basic structure for a traceability program. He says they are also working to address producer concerns, including confidentiality, liability and cost.

Here is a link to a schematic developed by the CTWG called "A Structure Proposal for Livestock Traceability":

## **REPORT: U.S. TARGETING NAFTA DEAL IN THREE WEEKS**

CNBC reports the U.S. is aiming to reach a deal in principle with Canada and Mexico on the North American Free Trade Agreement in the next three weeks.

The report cites congressional aides and industry executives who have been briefed by the Trump administration.

Top trade officials from the three countries, including U.S. Trade Representative Robert Lighthizer, are set to meet in Washington tomorrow and Friday, but CNBC's sources said they did not expect any announcements this week.

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## **MIDDAY CASH LIVESTOCK MARKETS**

Direct cash cattle business is underway in the South. Sales are reported at \$121 live in Texas, up \$4 from last week's weighted average, and \$122 in Kansas, also \$4 higher. Asking prices are now \$122 to \$124 live and \$195+ dressed, with bids at \$190 dressed. Light trade was reported yesterday in Nebraska at \$185.50 to \$186.50 dressed and this week's Fed Cattle Exchange trade was relatively light compared to the offering, but prices were up sharply on the week. Margins have gotten tighter, limiting packer interest. USDA Cattle on Feed report is out Friday at 3 Eastern/2 Central.

Boxed beef at midday was mixed on moderate to heavy movement. Choice was down \$.04 at \$211.60 and Select was up \$.61 at \$199.18.

At the St Joseph Stockyards feeder sale in Missouri Wednesday, compared to the previous week, steers and heifers were steady to sharply higher, with the best gains on steers weighing 700 to 750 pounds. The USDA says trade was active and demand was good, especially for long weaned calves. Medium and Large 1 feeder steers weighing 500 to 600 pounds were reported at \$170 to \$188 and 600 to 700-pound steers brought \$155 to \$177.75, while 700 to 800 pounders were pegged at \$145 to \$170. Medium and Large 1 feeder heifers weighing 500 to 600 pounds sold at \$145 to \$159.50 and 600 to 700-pound heifers ranged from \$134.25 to \$151.

Cash hogs are steady to sharply higher, with a good opening negotiated run for the major direct markets. Buyers raised bids again, with tighter market ready numbers and some signs wholesale business is about to turn the seasonal corner. Estimates for Saturday's kill are around 120,000 head and the weekly total could top 2.4 million head, but that would likely be the last time it hits that mark for at least the next few months. The USDA's red meat production numbers for March are out today at 3 Eastern/2 Central. Pork at midday was up \$.40 at \$68.86. Loins and hams were firm, while bellies gained \$3.13. Butts, picnics, and ribs were lower.

Iowa/Southern Minnesota direct barrows and gilts opened \$2.87 higher at \$48 to \$59 for a weighted average of \$57.64, the Western Cornbelt is up \$2.87 at \$48 to \$59 with an average of \$57.60, and national direct business is \$2.05 higher at \$48 to \$59 for an average of \$56.22. Butcher hogs at the Midwest cash markets are steady at \$33 to \$34. Missouri direct is steady at \$43 to \$48 on light to moderate supply and demand. Sows are steady at \$25 to \$40. Illinois direct sows are mixed at \$30 to \$44 on moderate demand for moderate to heavy offerings. Barrows and gilts are \$2 higher at \$32 to \$40 with good demand for moderate offerings. Boars range from \$8 to \$17.

## **PROTECTING BEEF EXPORTS IS BIG PART OF TRACEABILITY DISCUSSION**

One of the main arguments for establishment of a nationwide cattle traceability program is to help maintain, grow and protect export markets for U.S. beef.

Thad Lively with the U.S. Meat Export Federation says the fact that the U.S. does not have a nationwide cattle traceability system is not keeping U.S. beef out of any foreign markets today. But he says, without such a system, the U.S. is vulnerable to “unforeseen developments”, such as an outbreak of foot-and-mouth disease.

“Clearly, if we have an FMD outbreak in the U.S., we’re going to be in a lot of trouble—and I think we all know that,” Lively says. “From an export perspective, our thoughts immediately turn, under that scenario, to how quickly we’d be able to get back into the export markets.”

Without traceability, Lively says, the U.S. would be at a severe competitive disadvantage.

“That process would take us much longer than it would if we had traceability in place,” he says.

Lively says the U.S. is the only major beef exporting country in the world that does not have a nationwide traceability program.

Lively spoke with Brownfield at the recent National Institute for Animal Agriculture conference in Denver.

## **FARMING CHANGES HELP FACILITATE IN-SEASON ADJUSTMENTS**

Jim Hedges is the vice president of seed marketing for WinField United. He also helps operate a 3,000 acre corn and soybean farm near the town of Moweaqua in central Illinois. On today’s program, Hedges discusses changes they’ve made in their farming operation over the past few years in order to do more in-season management of crops.

## **NEBRASKA FARMER INVESTIGATES DRONE APPLICATIONS**

Fresno, California dairy farmer Brian Waymire spoke with Brownfield during the Dairy Strong Conference in Madison, Wisconsin about his experiences with cow activity monitors, and says the data changed how they manage the cows, and the devices more than paid for themselves.

## **PENCE: AGRICULTURE IS THE ESSENCE OF AMERICA**

President Donald Trump has declared today National Agriculture Day to honor American farmers and ranchers.

Vice President Mike Pence presented the proclamation at USDA this morning saying agriculture is the essence of America. “I’m not just here to say thanks on this National Ag Day, I’m here today on President Trump’s behalf to assure all of you that we’re going to continue fighting every single day for the prosperity and opportunity and future of American agriculture.” The former Indiana governor sported his FFA tie for the event.

Pence highlighted the work of the administration to including tax reform, infrastructure, and repealing regulations like the Waters of the U.S. rule. He said the administration is working on new and better deals to open markets for ag exports. “We made a deal for the first time in over a decade to sell American beef to China, and we reopened Vietnam to distillers and dried grains, and we’re just getting started. We’re going to open up the world to American agricultural goods.”

Pence did not say anything about renewable fuels.

## **MONSANTO AND CLIMATE CORPORATION ANNOUNCE INNOVATION PIPELINE**

The Climate Corporation says facial recognition technology will soon allow farmers to identify plant diseases from the field.

Chief Science Officer Sam Eathington says researchers are working to train computers to recognize crop diseases from photos. “We’ll have algorithms that have got 20-30 million different parameters that are in them that are used to determine what pathogen is present.” He says prototypes with nine different corn diagnoses are more than 90 percent accurate and will provide farmers with real-time feedback to manage their crops. The technology has moved into the company’s third phase of development and is part of 17 advancements moving through Climate’s R & D pipeline to help farmers sustainably increase productivity. Other data science technologies will provide seed scripting and selection as well as fertility scripting tools for farmers. The Climate Corporation and Monsanto Company announced their 2017 R & D pipeline to media during a conference call this week.

## **WEATHER IMPACTS HOW FARMERS MANAGE NITROGEN**

With climate change, more volatile weather systems, and challenges in weather forecasting, keeping that expensive nitrogen in the soil can be challenging. Dr. Alan Blaylock with Agrium talks to Brownfield about one option called ESN.

## **PORK INDUSTRY CAUGHT IN THE CROSS-HAIRS**

Agriculture has been caught in the middle of recent trade rifts and an ag economist says the 25 percent tariff China announced on US pork is a huge blow to the industry.

Purdue University's Chris Hurt says margins are already tight. "It's not by any means a fatal blow," he says. "When we were looking at about a break-even situation earlier this year for hogs, this – along with some higher feed prices clearly pushes the industry to be looking at losses this year, in 2018."

He says producers are looking at losses starting around \$3 per head. "In terms of hog prices here in the United States – that \$3 a head is about 350-million-dollars to the pork industry."

Hurt tells Brownfield the additional losses could, *and should*, stymie future expansion. "What we're looking at is enough loss by the time we get to late this year (4<sup>th</sup> quarter of this year and 1<sup>st</sup> quarter of 2019) I think those losses could get to be \$20 to \$25 per head," he says. "That's enough to actually start some liquidation of the breeding herd."

On Thursday, President Trump proposed an additional 100-billion-dollars in tariffs on Chinese goods, raising the stakes in the current trade dispute with China.

## **CORN, SOYBEAN EXPORT INSPECTION PACE STAYS SLOW**

The USDA reports corn and soybean export inspections as of the week ending March 22nd remain slower than what's needed to meet USDA projections for the 2017/18 marketing year. The current marketing year runs through May for wheat and August for beans, corn, and sorghum.

Wheat came out at 278,815 tons, down 197,652 from the week ending March 15th and 267,394 lower than the week ending March 23rd, 2017. With less than a quarter left in the 2017/18 marketing year, wheat inspections are 19,447,037 tons, compared to 21,261,082 in 2016/17.

Corn was reported at 1,153,963 tons, 285,192 less than the previous week and 415,816 under this time last year. More than halfway through the marketing year, corn inspections are 22,916,794 tons, compared to 31,852,593 a year ago.

Soybeans were pegged at 584,612 tons, up 84,625 from the week before and 28,212 higher than a year ago. For the marketing year to date, soybean inspections are 40,814,437 tons, compared to 46,356,222 last year.

Sorghum totaled 254,684 tons. That's an increase of 2,356 tons on the week and 88,385 on the year. 2017/18 sorghum inspections are 3,688,118 tons, compared to 3,604,722 in 2016/17.

## **UNIVERSITIES CALLING FOR MORE AG RESEARCH SUPPORT IN FARM BILL**

Agricultural universities are banding together to urge Congress for increased research funding in the next farm bill.

FedByScience is a new initiative of 16 public and private universities to increase awareness of food and ag research and secure more funding in the next farm bill.

FedByScience co-chair Ronnie Green of the University of Nebraska says stronger investment in agricultural research can provide the science and innovation that farmers need to be successful.

The coalition says in the last ten years, China has surpassed the U.S. as the world leader in total public ag research funding and in 2013 funding became almost double that of the U.S.

Iowa State University, Michigan State University, Purdue University, University of Illinois at Urbana-Champaign, University of Nebraska-Lincoln, University of Wisconsin-Madison, and Washington University, St. Louis are among those participating.

The Trump Administration's 2019 proposed budget cuts USDA funding by 25 percent, including cutting the Economic Research Service's budget by nearly 50 percent, the Sustainable Agriculture Research and Education program by 23 percent, and the Agricultural Research Service by more than 14 percent.

## **BEEF EXPORT SALES UP SHARPLY ON WEEK**

The USDA reports combined old and new crop corn, soybean, soybean product, and wheat export sales for the week ending March 22nd were within most pre-report estimates. Physical shipments of sorghum were more than what's needed to meet USDA projections for the 2017/18 marketing year, but beans, corn, and wheat continue to fall short of their respective marks. The current marketing year runs through May for wheat, August for beans, corn, and sorghum, and September for soybean products.

Wheat came out at 353,800 tons (13.0 million bushels), up 33% from the week ending March 15th and 40% higher than the four-week average. Japan purchased 105,800 tons and Nigeria bought 76,200 tons. With less than a quarter left in the 2017/18 marketing year, wheat sales are 838.1 million bushels, compared to 964.5 million late in 2016/17. Sales of 121,800 tons (4.5 million bushels) for 2018/19 delivery were mainly to South Korea (77,700 tons).

Corn was reported at 1,353,100 tons (53.3 million bushels), down 8% from the previous week and 28% lower than the four-week average. South Korea picked up 623,100 tons and Mexico purchased 208,000 tons, but unknown destinations canceled on 283,200 tons. Just over the halfway point in the marketing year, corn sales are 1.829 billion bushels, compared to 1.867 billion midway last year. Sales of 287,000 tons (11.3 million bushels) for 2018/19 delivery were primarily to Japan (207,000 tons).

Sorghum sales were 19,300 tons (800,000 bushels), with sales to China (70,300 tons) and Japan (36,000 tons) partially offset by a cancellation from unknown destinations (87,000 tons). For the marketing year to date, sorghum sales are 204.9 million bushels, compared to 151.0 million a year ago.

Soybeans were pegged at 317,500 tons (11.7 million bushels), a decline of 58% from the week before and 77% less than the four-week average. The Netherlands bought 113,600 tons and Indonesia picked up 106,500 tons, but unknown destinations canceled on 244,000 tons. At this point in the marketing year, soybean sales are 1.850 billion bushels, compared to 2.009 billion this time last year. Sales of 69,700 tons (2.6 million bushels) for 2018/19 delivery were mostly to China (66,000 tons).

Soybean meal came out at 184,100 tons, down 5% from the prior week, but up 4% from the four-week average. Vietnam purchased 50,000 tons and Morocco bought 43,500 tons. Cumulative soybean meal sales are 8,694,600 tons, compared to 8,344,600 a year ago.

Soybean oil was reported at 34,500 tons, 5% lower than the week before, but 17% higher than the four-week average. Malaysia picked up 15,000 tons and unknown destinations purchased 9,000 tons. 2017/18 soybean oil sales are 649,400 tons, compared to 749,700 in 2016/17.

Net beef sales totaled 23,600 tons, a significant increase from the prior week and 40% larger than the four-week average. The listed buyers were Japan (11,400 tons), South Korea (6,000 tons), Hong Kong (3,200 tons), Mexico (900 tons), and Canada (700 tons), with a cancellation by South Africa (100 tons).

Net pork sales totaled 19,600 tons, 1% more than the previous week, but 16% less than the four-week average. The reported purchasers were Mexico (7,500 tons), South Korea (5,100 tons), Japan (2,200 tons), Australia (900 tons), and Canada (800 tons).

## **ANALYST WATCHING STOCKS FIGURES MORE THAN PLANTING ESTIMATES**

An analyst says the grain market could respond more to USDA's stocks figures than planting expectations tomorrow.

Mark Schultz with North Star Commodity in Minneapolis tells Brownfield pre-report estimates on corn stocks are coming in low.

"8.7 billion bushels of corn. If (USDA figures) come underneath that it would imply we're using corn at a faster rate, (but) the acreage can still shift. In other words, corn (plantings) would probably have to start going up on ideas to make sure they start getting some extra corn acres down the road."

He says trade guesses on soybean ending stocks are just above 2 billion bushels.

"With what we have on some (trade) issues with China (causing concern), I'd still say if bean stocks come in under 1.95 billion, I'd view that as being a little bit on the friendly side of the market."

The USDA Prospective Planting and Quarterly Stocks reports come out at 11 am central Thursday.

## **IOWA GOVERNOR REYNOLDS SAYS FEDERAL HELP FOR FARMERS IS FORTHCOMING**

Governor Kim Reynolds today said she's been assured by the U.S. Secretary of Agriculture that the Trump Administration soon will announce a plan to "mitigate" farm losses connected to the trade dispute with China.

"I would think it's forthcoming. I don't know whether it's tomorrow or the next day," Reynolds told reporters during a midday news conference in her statehouse office. "I can just tell you they're working on it and that the secretary's assurance to me is that it can be done through USDA."

Reynolds talked by phone with Ag Secretary Sonny Perdue and the president's budget director earlier this morning.

"They both assured me that the USDA has the authority to mitigate some of the market disruptions for our farmers," Reynolds said, "and they wanted me to pass on that they appreciate that the farmers understand that something needs to be done to hold China accountable."

As for what form that assistance might take, Reynolds told reporters administration officials are "working through the details" and weren't "at liberty" to discuss whether it might be rival of a price support system or some other means of financial support for farmers.

"They're working on an option for Iowa farmers," Reynolds said. "They don't want them to be a casualty in this trade dispute."

Reynolds had an array of leaders from Iowa commodity groups join her for her weekly news conference. Iowa Soybean Association president Bill Shipley of Nodaway said farmers recognize there are "some legitimate issues" about Chinese theft of intellectual property and they hope the dispute can be resolved without targeting food.

"China's proposal to add tariffs to soybeans adds to uncertainty U.S. farmers face right now as we head into this planting season," Shipley said. "...If allowed to take hold, it could jeopardize the ability of U.S. farmers to do business in China for generations. Trade wars involving food are lose-lose."

Iowa Pork Producers Association president Greg Hora of Fort Dodge told reporters "it's too early to speculate" about the long-term impact of trade negotiations between China and the U.S.

"Iowa pig farmers look forward to helping tackle the challenges or changes that we can impact in these difficult times and decisions," Hora said, "with outcomes that we, hopefully, will all be proud of."

## **TIGHT HAY SUPPLIES REPORTED IN SOME AREAS**

Hay supplies are getting tight in some parts of the country.

Joe Sellers, an Iowa State Extension beef specialist based in south-central Iowa, says the combination of drought last summer, a longer-than-normal feeding season, and slow development of pastures this spring has caused hay supplies to dwindle.

"South-central Iowa, and I'd say pretty much across most of southern Iowa, was pretty short of hay—it was hard to find it," Sellers says, "I think people scrambled there at the end—and then it was a lot more expensive, too, toward the end of the season."

Sellers says he has not heard of anybody having to reduce herds because of the tight feed supplies.

"But I do think it might have affected some—people who would be fairly close to it," he says. "I wouldn't doubt if we don't get some hay produced this year, there may be a chance they won't have as many cows."

"I would say there would be a few people who maybe didn't keep quite as many heifers back just because they worried about being short of feed."

Parts of Missouri are in the same situation. The weekly crop and livestock update from the Missouri ag statistics service notes hay and roughage supplies are getting "critically short" in some areas. It rates hay supplies 55 percent adequate and 45 percent short to very short.

A Nebraska source tells Brownfield that large quantities of hay have been shipped to the drought-plagued areas of Kansas, Colorado and Oklahoma. The source says many Nebraska hay producers are getting "sold out" on hay for the first time since the winter of 2012-2013.

## SIGNUP FOR MODIFIED DAIRY MARGIN PROTECTION PROGRAM STARTS MONDAY

Signups for the recently-modified Dairy Margin Protection Program start Monday, April 9<sup>th</sup>.

The Margin Protection Program was widely criticized for high premiums and inadequate coverage but was changed as part of the recent federal omnibus spending package. Now, the MPP margin calculations are monthly, Tier 1 premiums are lower, and protection for Tier 1 premiums was increased to five million pounds of milk. Coverage elections made now will also be retroactive to January first.

Dairy operations must make a new coverage election for 2018, even if they enrolled during the previous 2018 signup period. All dairy operations desiring coverage must sign up between April 9<sup>th</sup> and June 1st and submit form CCC-782. Dairy operations may still “opt-out” by not submitting a form.

In a statement Tuesday, Ag Secretary Sonny Perdue said, “We recognize the financial hardships many of our nation’s dairy producers are experiencing right now. Folks are losing their contracts and they are getting anxious about getting their bills paid while they watch their milk check come in lower and lower each month. The Bipartisan Budget Act provided some much-needed incentives for dairy producers to make cost-effective decisions to strengthen their farms, mitigate risk, and conserve their natural resources. This includes our support of America’s dairy farms. We encourage dairy producers to review the provisions of the updated program, which Congress shaped with their feedback. Those changes are now in effect, and I’d ask any producers who are interested to contact their local USDA service centers.”

Product	Code	Contract		Last	Change	Chart	Open	High	Low	Globex Vol
Corn Futures	ZCK8	MAY 2018	OPT	378'0	-4'0		380'0	381'6	378'0	53,781
Soybean Futures	ZSN8	JUL 2018	OPT	1044'4	-4'4		1042'4	1050'0	1039'4	66,509
Soybean Oil Futures	ZLN8	JUL 2018	OPT	31.64	-0.04		31.65	31.75	31.50	54,143
Soybean Meal Futures	ZMN8	JUL 2018	OPT	380.0	+2.2		376.1	381.0	375.0	39,598
Chicago SRW Wheat Futures	ZWN8	JUL 2018	OPT	480'6	-10'0		484'0	491'0	480'0	37,058
KC HRW Wheat Futures	KEN8	JUL 2018	OPT	504'4	-10'0		507'4	514'4	503'6	13,656
Live Cattle Futures	LEM8	JUN 2018	OPT	101.775	-1.225		103.500	103.550	101.625	11,322
Lean Hog Futures	HEM8	JUN 2018	OPT	77.500	-0.575		78.000	78.500	77.325	7,816
Feeder Cattle Futures	GFK8	MAY 2018	OPT	137.350	-1.075		138.825	139.025	137.150	4,176
Class III Milk Futures	DCK8	MAY 2018	OPT	15.04	+0.04		14.97	15.04	14.95	86

Current conditions at

## Ames, Ames Municipal Airport (KAMW)

Lat: 41.99°N Lon: 93.62°W Elev: 945ft.



Fair  
**45°F**  
7°C

Humidity 58%  
Wind Speed SE 9 mph  
Barometer 30.49 in (1033.0 mb)  
Dewpoint 31°F (-1°C)  
Visibility 10.00 mi  
Wind Chill 40°F (4°C)  
Last update 20 Apr 9:53 am CDT

### Extended Forecast for Ames IA

Today	Tonight	Saturday	Saturday Night	Sunday	Sunday Night	Monday	Monday Night	Tuesday
								
Mostly Sunny	Mostly Cloudy	Mostly Cloudy	Mostly Cloudy	Partly Sunny	Partly Cloudy	Mostly Sunny	Partly Cloudy	Partly Sunny then Chance Rain
High: 57 °F	Low: 38 °F	High: 57 °F	Low: 37 °F	High: 62 °F	Low: 37 °F	High: 62 °F	Low: 43 °F	High: 62 °F

## Detailed Forecast

**Today** Mostly sunny, with a high near 57. East southeast wind around 7 mph.

**Tonight** Mostly cloudy, with a low around 38. East northeast wind around 6 mph.

**Saturday** Mostly cloudy, with a high near 57. East southeast wind 7 to 9 mph.

**Saturday Night** Mostly cloudy, with a low around 37. East wind 6 to 8 mph.

**Sunday** Partly sunny, with a high near 62. East wind 6 to 9 mph.

**Sunday Night** Partly cloudy, with a low around 37.

**Monday** Mostly sunny, with a high near 62.

**Monday Night** Partly cloudy, with a low around 43.

**Tuesday** A 30 percent chance of rain after 1pm. Mostly cloudy, with a high near 62.

**Tuesday Night** A 30 percent chance of rain. Mostly cloudy, with a low around 40.

**Wednesday** Mostly sunny, with a high near 57.

**Wednesday Night** Mostly clear, with a low around 38.

**Thursday** Mostly sunny, with a high near 64.