

1980 corn, bean harvests affect marketing strategy

NEWARK, Del. — Current estimates put the U.S. 1980 corn crop at about 6.467 billion bushels, down 14 percent from last year — a big drop, but still near the third largest yield on record. The 1980 soybean crop is expected to yield about 1.757 billion bushels, 22 percent less than last year.

much of a drop in Delaware's soybean yield there'll be this year, though earlier estimates indicate a 12 percent decline in soybeans. Drought-blitzed cornfields may have produced about 29 percent less than they did in 1979

soybean stocks remain high, reports University of Delaware extension crops marketing specialist Carl German. The September first carry-over of old crop soybeans, for example, came to a record 359 million bushels — more than twice last year's carry-over and 123 percent more than in 1978.

How do all these figures affect the marketing strategy of local grain farmer?

Even though U.S. production doesn't relate directly to that on the Shore in every crop year, German says it's helpful to use these figures in deciding how to market the rest of your 1980 crop — either corn or soybeans not already hedged or sold. This information can also help you develop a plan for selling your 1981 crop.

tax plans for the current year, says the economist. Some farmers may find it wise to base their marketing decisions on their tax management needs from now to the end of the year.

If you don't need money now, you might consider flat price selling the rest of your 1980 crop for January delivery, or basis trade a part of the crop.

A flat price trade would allow you to deliver now and accept payment either now or in January. Use this alternative if you anticipate a price decline on the Shore before the January payment date. This marketing method allows you to establish a definite price for your corn while postponing payment.

With a basis trade option you can contract a certain number of bushels for January delivery and leave the grain unpriced. Use the local basis as your guide in deciding whether it will pay to do this. What you receive will be determined by what happens to the January futures price between now and the delivery date.

You will know at the time the contract is established what the grain dealer expects to deduct from that price.

If the balance in the basis is in your favor after that deduction, this type of sale could be profitable.

The advantage of a basis trade is that it allows you to accept payment after the first of the year and at the same time take advantage of

any price increase you expect to occur between now and then.

A third alternative is to store your grain and hedge part of it for future delivery. This lets you protect yourself against any price decline which might occur while your grain is in storage, even though you are storing in anticipation of a price increase.

This is the time to develop a marketing strategy for your 1981 crop, too, says German. As of October 10, the November 1981 soybean futures price as \$8.12 a bushel. The December 1981 futures price for corn was \$3.46 a bushel. Providing these prices are profitable, he feels that present stocks and production levels indicate it would be wise to hedge part of your 1981 crop.

Of course, the profit level that a particular price offers can't be determined unless you know your production costs.

Based on a recent U.S. Department of Agriculture study, it cost between \$2.00-\$2.50 to produce a bushel of corn this year, excluding land and irrigation costs. It cost around \$6.00-6.16 to produce a bushel of soybeans, not counting land and irrigation.

Better yet, check your own records to find out exactly what it cost you on your farm. For further information on planning your marketing strategy, contact extension marketing specialist Carl German at 302/738-2511.

Holly Hill Farms sells top Shorthorn

FREDERICK, Md. — The Maryland Shorthorn Association recently held their annual feeder calf sale here at the Fairgrounds.

The top steer of the sale was a purebred Shorthorn consigned by Holly Hill Farms, Ijamsville, Md. The calf sold to Donald Neff of Leesburg, Va. for \$800.

T. Courtney Jenkins, Owings Mills, Md. sold the second high steer, also a purebred Shorthorn. Lana Hobbs of Damascus, Md. purchased the calf for \$510.

The top two crossbred Shorthorn steers sold to Mark Hooper, Frederick, Md. for \$450. The steers were consigned by Edwin Hevner, Union Bridge, Md.

The top heifer calf was consigned by Otus Fisher,

Staunton, Va. She sold to Thurman Perry, Winchester, Va. for \$315.

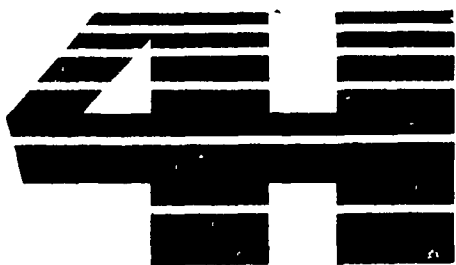
Twenty steers auctioned off by Robert Hooper of Frederick, Md. brought \$7530 for an average of \$376.50.

However, the purebred steers averaged more than the crossbred steers. Fifteen

purebred Shorthorn steers averaged \$390.66, while the five crossbred steers averaged \$334.

Seven purebred Shorthorn heifers sold for \$1935, averaging \$276.42.

The total sale netted \$9465 for the 27 head consigned. Sale manager was Henry Dodrer, Jr. of Littlestown.



Farmers update pesticide cards



Pesticide applicator licenses, which allow farmers to apply restricted-use chemicals to their fields, expired last month. Unless farmers renew their certification they will not be allowed to use restricted pesticides on their farms. This group of Lancaster County farmers renewed their licenses last Friday. Several extension, young farmer, and commercial groups are running sessions to help farmers get certified. Contact local extension offices for times and dates.

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