Corn Silage Club Winners Announced

UNIVERSITY PARK (Centre Co.) — Following are the results of the 1993 Pennsylvania 5-Acre Corn Club contest Corn Silage Club.

1993 Pennsylvania Corn Silage Club

Club Member	T/A	% H2O	Dry Matter Tons/Acre	% TDN	%Crude Protein	TDN lbs Per Acre	Crude Prot. lbs./Acre	Plant Pop./A	Row Width	Applied nutrients/A* N	P2O5	K2O	Hybrid
Bradford													
William Rowe Sr.	33.1	62.0	9.9	69.0	7.9	13684	1568	26314	30	183	45	45	De Kalb 524
Roy & Tim Beardslee	27.9	67.7	8.4	70.0	8.0	11718	1339	• 26714	30	101	132	160	Pioneer 3527
David Martin	23.7	70.5	7.1	70.0	8.0	9968	1136	25606	32	82	191	380	Eastland 340
Average	28.8	66.1	7.7	70.0	8.0	10637	1238	26261	31	92	157	270	
Franklin													
Ro-Mar-Co Holsteins	20.8	62.0	6.3	69.0	8.9	8630	1113	22610	38	142	100	110	Funk's 4584
Average	20.8	62.0	6.3	69.0	8.9	8630	1113	22610	38	142	100	110	
Lycoming													
Greider's Holsteins	20.3	67.7	6.1	72.0	8.0	8749	972	23812	30	275	207	302	Greenland 295
Average	20.3	67.7	6.1	72.0	8.0	8749	972	23812	30	275	207	302	
Mercer													
Lengel Bros. Farm	36.6	67.1	11.0	71.5	7.5	15708	1647	23400	30	160	120	200	Pioneer 3394
Hunting Valley Farms	24.8	62.9	7.4	63.0	7.5	9367	1115	26751	30	130	160	320	Doebler's 75X Mod II
Average	30.7	65.0	9.2	67.3	7.5	12536	1381	25080	30	145	140	260	
Wayne													
John Pawloski	20.1	58.4	8.0	72.0	8.6	8684	1036	27103	32	158	81	141	De Kalb 524
Average	20.1	58.4	8.0	72.0	8.6	8684	1036	27103	32	158	81	141	
Wyoming													
Frank Insignia	34.4	66.7	10.3	71.0	8.0	14653	1651	29815	30	177	140	275	Pioneer 3295
Average	34.4	66.7	10.3	71.0	8.0	14653	1651	29815	30	177	140	275	
Average of all farms	26.9	65.0	8.1	69.7	8.0	11241	1287	25815	31	158	130	215	
Top 3 farms for TDN/A													
Lengel Bros. Farm	36.6	67.1	11.0	71.5	7.5	15708	1647	23400	30	160	120	200	Pioneer 3394
Frank Insignia	34.4	66.7	10.3	71.0	8.0	14653	1651	29815	30	177	140	275	Pioneer 3295
William Rowe Sr.	33.1	62.0	9.9	69.0	7.9	13684	1568	26314	30	183	45	45	De Kalb 524

*Nutrients include fertilizer, manure and crop residue credits

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Hedging Grains

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doesn't seem likely that the same set of adverse conditions, which plagued farmers last year, will occur with the same severity again this year, but they might. One can't be certain about the size of this year's crop, but in all likelihood it will be larger than 1993's.

The demand side of the equation is much more mystical. Now, we are forced to factor in the effects of NAFTA, the pending GATT Agreement, and this Administration's plans for continuing or discontinuing use of the Export Enhancement Program as well as the more usual analysis of growing conditions and crop production in other parts of the world.

A relatively small change in the level of exports, resulting from any of them, can have major impacts on next year's carryover and on prices for this year's crop.

All of those factors will contribute to the volatility of corn, soybean, and wheat prices during the next 18 months. The grower or buyer who can afford to take the risk associated with an adverse price change isn't under as much pressure to hedge as one who can't.

If a grower can afford an adverse price change and is willing to take the good prices of some years along with the poor prices of others, money can be saved because it does cost to place and remove a hedge. However, grower-sellers who can't afford to take the risk of receiving prices much lower than the current market's, or who don't wish to accept the risk for whatever the reason, can "lock in" a price at a fairly high level now.

Those who are optimistic and think prices may go up from current levels but aren't willing to take all the risk of a price fall should consider hedging using the options market. For example, a seller of July 1994 corn can be protected from the adverse effects of a price falling below $2.90/bushel by purchasing a "put option" for about 3¾ cents per bushel (prices and premiums on January 13, 1994). That $2.90 price is some 20 cents per bushel lower than the same day's futures market but it would offer protection from a fairly large price slide and it wouldn't cost very much. Other commodities provide similar possibilities.

For this group of commodities, we probably are now entering a period of greater price volatility than we have experienced in the last 20 years. Hedging is one possibility growers or buyers should consider using to transfer the risk associated with price volatility to those who are more able or more willing to accept it.

If you would like to explore the possibilities or gain a better understanding of how futures and options markets work, please contact me or your county extension director.