Farmers advised to check yields before calling grain elevators

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The first number of USDA's September corn estimate will be a seven, as in 7 billion. The first number of USDA's soybean estimate will be a one, as in 1 billion.

But those two key figures, both a notch below the August Crop Report's estimates, are not what market players will focus on when the production update is released Sept. 12.

No, the breath-holding news will be the numbers that follow corn's seven and soybean's one. Will the corn estimate be 7.8 billion bushels or will it be 7.4? Will soybeans come in at 1.9 billion or 1.7 billion?

Commodity traders, brokers and hedgers contacted around the country have their eyes on lower corn and soybean numbers — if not in September, then in November. And each source anticipates a cut in USDA's August wheat number, too. Here is a sampling of their comments.

From central Illinois: The heat and humidity have taken a toll on corn. S o has disease. Early August yield checks showed 150 to 160-bu. potential during pollination. The same fields now show 130-bu. yields.

And the crop is largely shutting down. In the last 10 days, shucks are turning brown — regardless of planting date.

Nationwide, soybeans need daylight to reach USDA's 36 bushel average yield. They won't get it. An average of 34 is more likely.

From central Iowa: We're not that wound up about disease. It's around and it will reduce test weights and kernel size. Half of Iowa corn looks very good and is far from drying down. The other half is beginning to mature.

The September numbers will be well below the August estimate. But even if USDA doesn't catch up (and substantially drop corn and soybean production), they still can get it right in the October and November reports. Don't second guess USDA — particularly before the combines roll.

From southern Minnesota: No question, we have some good crops. But farmers are toning down their yields. Soybeans seem to have the biggest hill to climb. We've been wet and cloudy for weeks. The beans need sun — badly — and then a late frost to pull this crop off.

Rain is nipping the spring wheat harvest, too. It's a mess in many places in the Dakotas; bugs and disease, also. That's true in Canada, too.

These opinions are not narrow. Every commodity, elevator and farm source contacted — from Florida to the Great Lakes, from Ohio to North Dakota — echoed the same line: Whether the September Crop Report confirms it or not, the U.S. corn, soybean and wheat crops are well under August's respective 8.1, 2.2 and 2.2 billion bu. mark.

And, at the risk of being tabbed raving bulls, all had other market insights as well. These include:

■ Commodity funds, those elephants in the china shop, presently have their smallest net long positions in the corn futures markets since last March. If they — or their computers — turn bullish, hang on.

■ Soybean export demand at $6 a bushel is not just good, it is very good. Last week's news that Brazil may face a 15 percent cut in soybean acres only strengthens U.S. bean export potential.

■ Record livestock numbers project heavy feed usage, much heavier than USDA's lowball August estimates. At $4.50 a bu., wheat is not a substitute for corn.

■ Pre-harvest sales, especially for corn, are two to three times heavier this year than last. Farmers, they note, almost always pull the trigger far too early in short crop years. This time, most sales were made 30 to 40 cents ago.

The experts urge you to do yourself a big favor. Before you call the elevator, check every field's current yield. The winter grain markets are shaping up like the completely unanticipated hot summer cash hog market — a realizing, demand-led seller's market.

It may be slow in coming because of heavy forward sales, all contend, but it will happen.

Alan Guebert is a farmer and dairyman who has worked for Successful Farming and Farm Journal magazines.