

2013 Growing Season Outlook

Drought consequences continue to be felt

From food prices to crop yields, the drought of 2012 has already had wide-ranging consequences. As we approach the 2013 growing season, there are still many unanswered questions and uncertainties about how last year's drought will affect this year's yields.

What happened in 2012?

According to *Farm Journal*, "The 2012 drought officially joins the droughts of the mid 1950s and late 1980s as one of the worst on record." In August of this year, Minnesota Public Radio ranked the top 5 U.S. droughts, measuring by the percentage of the lower 48 states covered by moderate or worse drought.² The year 2012 came in second:

1. 1934, 80%
2. **2012, 62%**
3. 1939, 60%
4. 1954, 60%
5. 1956, 58%

So, what does this mean for 2013? In one word, uncertainty. Operators may have to rely on different methods, such as crop rotation and careful nutrient management, to produce good yields. They will also have to work harder to combat factors that threaten their goals, such as excessive weeds and high farmland prices. For certain, crop insurance and grain markets are two things farmers are keeping a close eye on for 2013.

Crop rotation

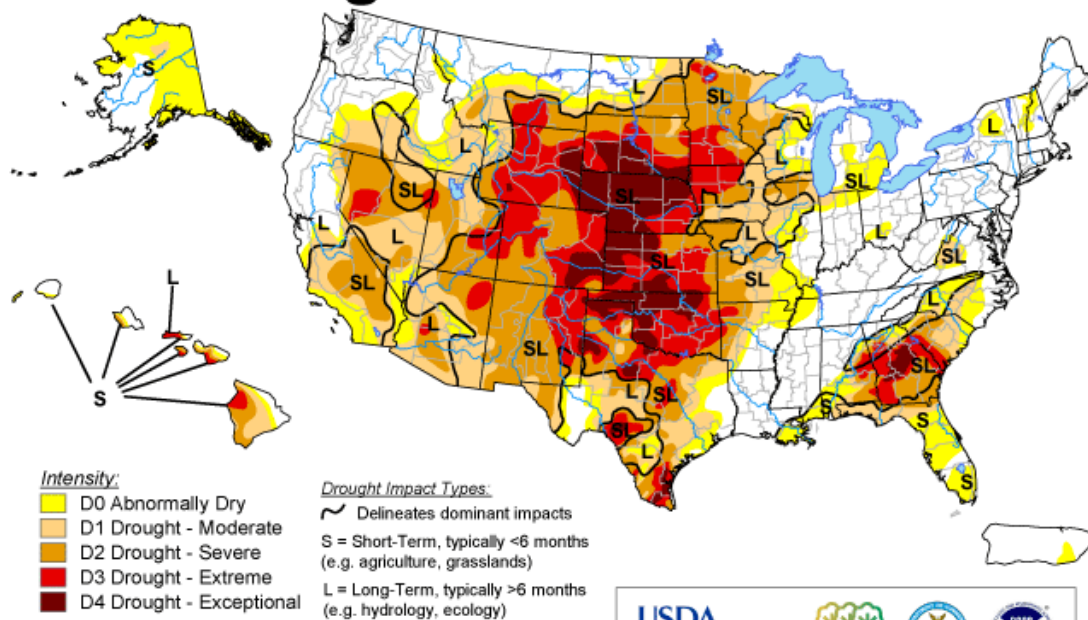
Many farmers in the United States are considering crop

rotation this year to ease the uncertainty of their harvest after last year's drought. Because corn has a greater need for moisture, especially during crucial growth stages, many fields that have previously been dedicated exclusively to corn will shift to other crops such as soybeans. In addition, soybeans can add nutrients such as nitrogen back into the soil—nutrients that are depleted in corn-on-corn crop rotations.

"Iowa and Illinois could each see up to one million acres that have been devoted to corn production for the past several years switched to other crops in 2013," accord-

U.S. Drought Monitor

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The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

<http://droughtmonitor.unl.edu/>



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Even with recent winter moisture accumulations, many areas of the U.S. are still facing drought conditions. Photo courtesy of the National Weather Service.

ing to agribusiness lending giant Robobank.³ Farmers are also looking into methods that reduce tillage, such as no-till or planting in a stale seedbed.

Nutrient carryover



Soil tests are the only way to know for sure if fields have nutrient carryover from 2012. Side-dressing nitrogen may prove rewarding this season, due to the many uncertainties we face.

A year of drought often results in more nutrients left in the soil for the next year; however, that is not always the case. Therefore, it is always a good idea to have your soil tested before you decide the amount of fertilizer required. In 2013, managing nitrogen levels in the soil may be a big focus. *Farm Journal* Field Agronomist Kenn Ferrie says, "You might be able to under-apply phosphorus or potassium and still grow a good crop," but that is not the case with nitrogen.⁴ "High crop prices encourage farmers to bump up nutrient application rates as greater yields bring about higher revenues. On the other hand, carryover nutrients will bring those application rates back down so the net effect is difficult to predict," said Harry Vroomen, vice president of economic services for The Fertilizer Institute.⁵ Rainfall is yet another factor that can't be predicted for the upcoming season—if it is another dry year, residue levels could remain low.

Weed conditions

Besides residual nutrients in the soil, weed scientist Aaron Hager says that there is also the potential for herbicide carry over. In a December 2012 interview with *Farm Industry News* Hager said, "The dry conditions of 2012 were not always conducive for good performance of these products (herbicides), but the need for these herbicides will be greater next season."⁶ Weeds continued to grow during the drought, yet herbicides were not as effective due to dry conditions. As a result, there is the potential for even more weeds in the upcoming season.

Yield uncertainty

Analysts constantly measure trends to help predict yields from year to year, but according to Doabne Advisory Services, yields in 2013 are uncertain. "Based on the data from 2000 through 2012, the national average U.S. corn yield is increasing at a rate of about 2.2 bushels per acre per year, and the trend would put the yield for 2013 at about 165 bushels per acre. Adding in the data for 2011 would cause the trend yield for 2013 to be lower."⁷

Rising farmland prices

According to Farmers National, farmland sales activity has been up. Derrick Volchoff, vice president of real estate operations at Farmers National Company, says as long as corn and soybean prices continue to increase, farmland prices will do so as well. He goes on to say that "very few investors are looking to sell their land at this point," further adding to the shortage.⁸

2012 drought makes an impact



Rainfalls in 2013 will be crucial to avoid repeat of the 2012 drought.

Brazilian farmers have already seen high sales as a result of the drought conditions in 2012. An August 2012 *Rio Times* article said that Brazilian corn farmers were enjoying "record sales as they seek to fill the void left by devastated harvest in the United States."⁹ Bloomberg reported that Argentine and Brazilian farmers crushed records with their harvest during the U.S. drought: "Ar-

gentine farmers... will smash a previous corn harvest record of 22 million metric tons by reaping as much as 31 million tons in the 2012-2013 growing season, growers group Crea said July 23. Brazil may harvest its biggest-ever soybean crop in 2012-2013 to surpass the U.S. as the world's biggest grower, according to Sao Paulo-based researcher Agroconsult."¹⁰

In the end, keeping an eye on trends and planning ahead to combat conditions caused by last year's drought will be the best way to give your farming operation an edge.

Endnotes

- 1 B. Potter, "Back to the Forecast," *Farm Journal*, December 2012, pp.14-20.
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- 3 "Facing drought, U.S. Farmers Return to Crop Rotation" *No-Till Farmer*, January 18, 2013, <<http://www.no-tillfarmer.com/pages/News---Facing-Drought,-US-Farmers-Return-To-Crop-Rotation.php>>, accessed on February 5, 2013.
- 4 D. Smith, "The Challenge of Nitrogen," *Farm Journal*, December 2012, pp. 38-42.
- 5 R. Brooks, "Fertilizer Stash in the Soil," *Farm Journal*, December 8, 2012, <http://www.agweb.com/article/fertilizer_stash_in_the_soil/>.
- 6 M. Moore, "Drought Effects Linger," *Farm Industry News*, January 2013, pp. 36-37.
- 7 Brooks.
- 8 R. Swoboda, "Less Farmland Will Likely Be Offered For Sale In 2013," *Prairie Farmer*, January 15, 2013, <<http://farmprogress.com/story-less-farmland-likely-offered-sale-2013-14-93408>>, accessed on February 5, 2013.
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- 10 M. Craze, W. McFerron, and M. Sergio Lima, "South America Readies Record Crops Amid U.S. Drought," *Bloomberg*, August 1, 2012, <<http://www.bloomberg.com/news/2012-07-31/south-america-readies-record-crops-amid-u-s-drought.html>>, February 5, 2013.

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