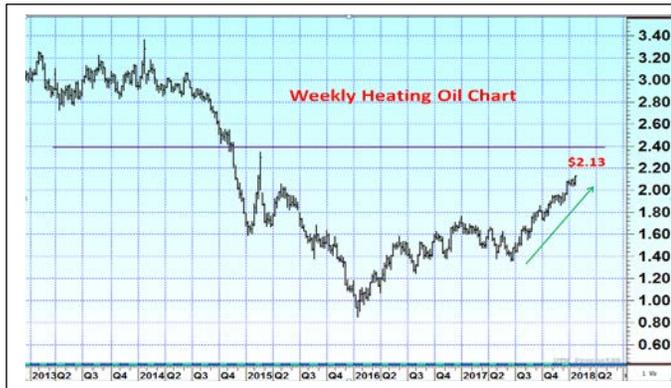


# Logan Ag News

February 2018

## Diesel Fuel Market On Upward Trend

Spring tillage and planting work is around the corner. Producers question filling diesel fuel storage tanks now or wait for possibly lower prices closer to use season. Based on the weekly wholesale chart below it may be wise to fill up now.



The most recent climb in heating oil (diesel fuel) prices began in late June 2017, and there have been few opportunities to lock in lower buying opportunities. This climb in price is attributed to the decline in the value of the U.S. dollar, as well as some OPEC production quotas. The good news is that current fuel prices are nearly \$1.25/gallon lower than highs incurred during 2013-2014. Logan Ag continues to monitor the fuel market and will make recommendations as warranted.

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## Grain Market Update

Jody Lawrence, Strategic Trading Advisors  
The long dull range-bound fall and winter trade has seemingly come to an end thanks to the combination of improving demand for U.S. bushels, falling Argentine yield projections, and the funds overly large short positions. After the outwardly bearish January 12 USDA report that highlighted a surprising record large 2017 U.S. corn crop and record or near record large ending stocks, the markets put in the best 3-week rally since last summer. It was believed that the domestic and world stocks were so large that one or even two of the above factors could bullishly change and not affect price. But when the trifecta of all three started to become friendly to price, momentum changed and rallies began



The recent rallies could not have been more perfectly timed as spring planting and lending decisions are being made, and the extra income per acre is vital. With new crop beans rallying 45 cents to trade over \$10 and new crop corn testing \$4, there is some reason for optimism that was largely absent at the end of 2017.

Because the ample ending stocks will keep a runaway bull market from developing, the **sales targets** (futures price only) that should be used are **\$10.10 or above for November beans**, **\$4.05 for December corn**, and **\$4.85 for July Chicago wheat**. Important reports and events in the coming weeks include how the South American growing season finishes, the February insurance price averages, and U.S. Planted Acreage Intentions Report on March 30. Also remember that La Nina is present which means the chances are better for a dry U.S. weather pattern during the summer months. However, after last year's impressive yields in uneven growing conditions, it may take more than just a dry spell for prices to move significantly higher.

Jody Lawrence – Strategic Trading Advisors – may be reached at **615-948-2378** or **615-591-4621** or email **[jbLawrence@comcast.net](mailto:jbLawrence@comcast.net)**. Mr. Lawrence offers a wide range of professional services including daily updates and grain marketing advice. Mr. Lawrence will visit Logan Ag in Griggsville and Paris on Wednesday March 7 and offer his expert opinions/advice on grain marketing for old and new crop corn, soybeans, and wheat. Mark your calendar and plan to join us.

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## LOCATIONS

- \* Griggsville, IL 217-833-2375; 1-800-LOGAN AG
- \* Pittsburg, OH 937-692-5181 (JACK BAKER)
- \* Paris, MO 660-327-1111 (DEAN OSBORN, MEGAN MORGAN, J.T. HEINECKE)

[www.LOGANAG.com](http://www.LOGANAG.com)



# Get Ready – Get Set

It's very likely many farmers will be in the field in less than 60 days. Tractors, tillage equipment, and planters must be ready to go when that window opens. Spending some quality time on routine and preventive maintenance now can help the spring season go more smoothly.



- ✓ **Change oil and filters**
- ✓ **Check/top off hydraulic and coolant fluids**
- ✓ **Check/fill DEF tanks where applicable**
- ✓ **Grease all equipment as recommended**
- ✓ **Change fuel filter on tractor, transfer tank, and farm storage tank**
- ✓ **Add biocide**

Logan Ag has the motor oil, lubrication, and fuel products you need to keep your equipment operating efficiently this spring!



## MOTOR OIL

Use a high quality 15w40 motor oil that meets API Service CK-4. Logan Ag recommends Peak 15w40 to withstand high operating temperatures, provide excellent wear protection, and maintain engine cleanliness. Peak 15w40 motor oil is available in bulk.

## HYDRAULIC/TRANSMISSION FLUID

A universal fluid should provide the following benefits:

- Lubricate the transmission, differential and final drive gears
- Serve as a power steering, power brake, PTO, and implement final drive fluid
- Provide proper operation of tractor wet brakes and PTO unit

Peak Universal Tractor Fluid satisfies the above requirements and is recommended in nearly all tractors and implements. Logan Ag has this product available in bulk.

## DEF (Diesel Exhaust Fluid)

DEF lowers the concentration of nitrogen oxide in emissions by converting nitrogen oxide to nitrogen and water vapor. DEF is made of 32.5% urea and 67.5% deionized water. Logan Ag offers DEF in bulk and 2.5-gallon cubes.

## GREASE

High performance, multi-purpose, extreme pressure grease is required to satisfy lubrication of chassis parts, wheel bearings, universal joints, and more in agricultural use. Megaplex XD3 grease is formulated with lithium soap thickener and contains 3% molybdenum (moly) that is often found only in higher-priced grease. Dropping point on Megaplex XD3 is >500°F.

## FUEL FILTERS

Logan Ag is your source for high quality diesel fuel filters for storage and transfer tanks. Changing fuel filters annually is recommended.

## BIOCIDE

Use of biodiesel blends such as B11 contribute to problems with the formation of algae (that's what it's commonly called although correct terminology is mold, fungus, and bacteria) in storage tanks, transfer tanks, and equipment supply tanks. Ultra low sulfur diesel fuel (ULSD) and water (condensation) in the fuel tank provide a breeding ground for algae. Quality fuel biocides "kill" the algae. Remember when using biocides that all parts of the fuel system must be treated including equipment supply tank, transfer tanks, and fuel storage tanks. Additionally, each of these tanks must be filled to kill algae growing on sides of the tanks. See Logan Ag for our proven fuel biocides.

Logan Ag is in its **56<sup>th</sup> year** of serving area farms with petroleum products. We have tanks/stands available for bulk oil systems to provide savings, convenience, and worry-free maintenance. Call us today!



**1-800-LOGAN AG**

## Soybean Seed Treatment Is 1<sup>st</sup> Step To Yield Success

Farmers are examining crop budgets for 2018 and seeking ways to cut costs if possible. Some are contemplating planting "naked" seed with no fungicide/insecticide treatment applied. Is this the right place to cut costs?

As recently as 10 years ago when corn was "king", nearly 70% of soybeans were planted without the benefit of seed treatment. Typical soybean planting date was May 10 or later in warmer and drier soils, planting populations were much higher (often 20,000 to 30,000 seeds per acre higher), and replant costs were less. Today, many growers plant soybeans during April in cooler and slightly wetter soils, populations are reduced (partly due to seed cost and partly due to reduced population yield research), and replants are considered very costly due to reduced yields, high fuel and equipment costs, etc. Let's review benefits of soybean seed treatment.

**FUNGICIDES:** Today's high yielding genetics reward those who plant early. Many growers use no-till or reduced tillage practices that create cooler and/or wetter soils at planting.

Many diseases including Pythium, Fusarium, Phytophthora, and Rhizoctonia are favored under these conditions. Fungicide treatment provides protection



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against disease and improves plant stand, vigor, and yield.

**INSECTICIDES:** Seed applied insecticides aid in the control of early season insects such as Bean Leaf Beetle. Bean Leaf Beetle can cause damage to soybeans when defoliation of young plants exceeds 25%. Insect feeding damage slows growth, and grain quality may be reduced.

**NEMATICIDES, BIOLOGICALS, INOCULATION:**

Inoculation is recommended for all soybeans, but is a “must” in fields where soybeans have not been planted for 2 years or more. Various nematodes are present in nearly every field. Seed applied nematicides control nematodes and allow soybean roots to develop normally with the ability to access sufficient moisture and nutrients to achieve maximum yield. Biologicals are an emerging trend in seed treatment and aid fertility uptake, early season plant growth, drought tolerance (more expansive root system), and more.

Logan Ag has a state-of-the-art soybean treatment system to accurately and evenly apply fungicides, insecticides, nematicides, inoculation, and biologicals. Discuss Logan Ag’s seed treatment program in depth with your local crop specialist.

## Final Comments

Edward Logan, Logan Ag President

Logan Ag hosts a **dicamba applicator training** session at our Griggsville facility on **Tuesday February 13**. Anyone who will apply dicamba to Xtend soybeans is required by law to attend a training session, and the certificate must be presented to the retailer where dicamba products are purchased. We will serve lunch at noon followed by the approximately 2-hour training session. Please **RSVP** your attendance to our office at 217-833-2375 or 1-800-LOGAN AG. Due to expected large attendance, the training session will be held in our shop on the south side of the office.

Logan Ag sponsors a monthly program on KHQA-TV Channel 7 called **“Farmers First”**. The short segment which airs around **6:10 AM** on the second Wednesday of each month features timely topics of interest to area farmers. The next broadcast is scheduled February 14.

Logan Ag hosts respected grain analyst/marketer Jody Lawrence of Strategic Trading Advisors at meetings on March 7. Two meetings will be held – Paris customer meeting at noon; Griggsville customer meeting at 6 PM. Stay tuned for additional information.

Spring fertilizer prices have firmed. NH3 moved up significantly from fall levels; urea moved up \$10-\$20/ton over the past 10 days; UAN will increase before application season. The DAP/MAP market is strong and has increased \$10-\$15 over the past 30 days. The potash market has flattened after several attempts at price increases over the past 30 days with the net effect of a small bump in price.

Discuss Logan Ag’s high yield corn and soybean programs with your crop specialist. These programs have been designed using foliar products with strong ROI and will provide a profitable yield increase to your operation.

# Iowa State 2018 Production Cost Estimates

In its annual report of estimated crop production costs, Iowa State University Extension and Outreach reports minor declines in total cost per acre for 2018 corn and soybeans vs. last year. This is the 5<sup>th</sup> consecutive year of total cost per acre declines in corn and the 4<sup>th</sup> consecutive year of cost declines in soybeans. These estimates cover several expense categories including machinery, seed and chemicals, labor, and land.

**Corn following corn** – Total estimated cost of production for 165-bushel corn yield is \$670.80 per acre (\$4.07 per bushel). A slight drop in seed/chemicals (\$7.38 per acre) and land cost (\$11.00 per acre) were the major factors in the overall production cost decline of \$2.61 per acre. The alarming figure is the total cost per bushel of \$4.07 which is well above current price levels.

**Corn following soybeans** - Total estimated cost of production for 180-bushel corn yield is \$627.03 per acre (\$3.48 per bushel). The overall production cost decline vs. 2017 is \$4.15 per acre.

**Soybeans following corn** – Based on 50-bushel soybean yield, the total estimated cost of production is \$472.89 per acre (\$9.46 per bushel). Again, a slight drop in seed/chemicals and land contributed to the overall decline of \$10.22 per acre. These costs are based on use of herbicide tolerant soybean varieties.

These estimates confirm the serious situations growers face in 2018 crop production caused by low grain markets. Growers must find means to increase production to lower their net cost per bushel. Your Logan Ag crop specialist is available to assist you in your quest for higher yields and profits.

## 3 Month Weather Outlook

The national forecast maps for February – April predict somewhat

cooler than normal temperatures for much of the Cornbelt. Central and Southern MO temperature should be about normal.

The forecast for moisture totals is above normal in the eastern Cornbelt and slightly above normal in western IL and eastern MO.

