

Logan Ag News

February 2016

Crude Oil Market Volatile

Crude oil rallied from multi-year lows during the third week of January, fueling speculation that prices have bottomed. However, recent days have seen dramatic declines. Several advisors told clients to contract a portion of their diesel fuel requirements for spring and fall, and some are looking as far out as 2017.

Oil production and inventory are at record or near-record levels. Iran is re-entering the export market. Demand is expected to increase only marginally in 2016, due in part to the economic slowdown in China. Unrest in the Middle East, specifically between Saudi Arabia and Iran, is one of factors that may spark significant upward trends in crude oil price. Additionally, the threat of terrorist attack on oil distribution points is a concern.

Is it time to contract diesel fuel? Our opinion is that the market is more likely to make gains than losses over the next several months. Logan Ag offers spring (March-June) and fall (September-December) contracts. Take advantage of current low prices and take the worry out of petroleum market volatility.

Market Advisory

Jody Lawrence, Strategic Trading Advisors

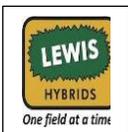
As we started 2016, the grain and soy markets looked as bearish as they had in many years, and the attitude of the agriculture industry was equally as bad. The combination of record world yields over the last two

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LOCATIONS

- * Griggsville, IL 217-833-2375; 1-800-LOGAN AG
- * Pittsburg, OH 937-692-5181 (JACK BAKER)
- * Paris, MO 573-406-8579 (DEAN) 217-491-1787 (HEIDI)

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Time To Think About Pasture Management

Getting pastures ready for spring requires a plan, even if snow still covers the ground or muddy conditions exist. Here are some items to consider that may boost cattle gains in the coming months.

Overseeding: Overseeding legumes is a good way to reduce dependence on early summer nitrogen application and increase productivity. Consider red clover at 4-6 LB per acre, or white clover at 1-2 LB per acre. These legumes can be seeded with a broadcast seeder on an ATV. If seeding alfalfa (recommended rate 8-10 LB per acre), use a no-till drill as alfalfa seedlings are more subject to late winter frost if emerged. Mixed legume-grass pastures typically require no added nitrogen after legumes are established.

Fertilizer: When was the last time you pulled soil samples on pasture? If no recent samples are available, it is highly recommended to get samples after frost is out of the ground or before the ground freezes next fall. Pastures seeded to grass and legumes require fertilizer for top production. Cattle waste is typically not sufficient for intense summer grazing. Apply P (**100 LB DAP or MAP**) and K (**100 LB potash**) plus micronutrients (sulfur is always recommended on grass). Application is recommended in early spring to maximize growth of cool season grasses such as smooth brome grass, orchardgrass, and tall fescue. The greatest growth rate of cool season grasses is during the months of April, May and June. Growth picks up again in September and October. These cool season grasses require added nitrogen. If fertilizing for the entire season in early spring, **at least 80 LB total nitrogen is recommended.** If splitting N applications, apply 40-50 LB nitrogen early, followed by 60 LB nitrogen in mid-August. Urea nitrogen application requires use of a urease inhibitor such as Factor[®]. Research at the University of Nebraska-Lincoln indicates producers can gain 1 pound of additional calf or yearling gain for every pound of nitrogen fertilizer applied. No nitrogen is required for legume-grass mixtures if the legume comprises at least 1/3 of the stand. Ag lime should be applied if soil pH is below 6.0 for grass pastures, or below 6.5 for legume-grass mixtures.

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years and slowing world economic growth had produced record world stocks. When combined with record strength in the US dollar and crude oil testing 14-year lows, the entire investment landscape was almost as bleak. But after a mildly bullish final USDA report for the 2015 growing season and managed money finding themselves invested too heavily on the short side of our markets, prices have been able to push higher as we head into late January.



Jody Lawrence
Strategic Trading Advisors

While this mini-rally has been met with enthusiastic world farmer hedging, prices remain supported as the market looks forward to projecting 2016 US planted acreage, finding a bottom in crude oil, and a fading El Niño. These factors should continue to keep any pullbacks from pushing markets back toward the contract lows. However, until a better demand pattern or a Northern Hemisphere growing season weather problem develops, any rallies will be more driven by fund short covering than a larger scale shift in the fundamentals.

With all these variables to consider, please use \$4 for old crop corn, \$4.25 for new crop corn, \$9 for old and new crop beans, and \$5 for July wheat as sales targets moving into late winter. All these prices are CBOT futures prices and do not include your local basis.

Jody Lawrence provides daily market commentary and professional advice for clients. Contact him by phone (615-591-4621 or 615-948-2378) or email (jblawrence@comcast.net).

Syngenta Corn Lawsuit Update

U.S. farmers and grain handlers claim \$6 billion losses as a result of Syngenta's introduction of Agrisure Viptera[®] corn into the U.S. market before Chinese approval of the trait was granted. Syngenta, the world's third-largest seed company, denies the claims. However, suits filed in federal and state courts, claim China's rejection of 1.4 million metric tons (55.1 million bushels) of corn in 2013 pushed down prices and has caused continued price repercussion through reduced U.S. exports to China.

A federal judge rejected Syngenta's motion to dismiss the lawsuits in September 2015. The first court case is scheduled to be heard in June 2017. Suits filed in federal court seek class-action settlements; state court suits, many filed in Minnesota, seek individual settlements. More than 350,000 U.S. farmers, as well as grain giants ADM and Cargill have claims against Syngenta.

The threat of sizable payments to settle lawsuits likely

reduced Syngenta's value to ChemChina. Syngenta announced acceptance by the Board of Directors of ChemChina's acquisition offer which was less than the offer made by Monsanto. Look for out of court settlements before the acquisition plan is completed.

Foliar Micros Boost Yield And Profit

Foliar micronutrient mixes provide an effective and reliable means to boost yield and profit in corn and soybeans. Most of these products contain small quantities of nitrogen (N), zinc (Zn), manganese (Mn), and sulfur (S). Some, including the Versa Max[®] lineup recommended by Logan Ag, also contain iron (Fe).

Why are these foliar micronutrient products effective? Foliar applied fertilizer can be 8-10 times more effective when considering rapid absorption and translocation, as well as improved nutrient uptake. When applied with a post-emerge herbicide trip, the supplemental nutrition provided improves plant health, grain quality and yield, and helps mitigate stress on the growing plant.

Let's review the function of the micronutrient package in these products. **Sulfur** aids in protein and enzyme synthesis, is essential for nitrogen fixation by root nodulating bacteria in soybeans, and is essential for chlorophyll formation. **Iron** plays a major role in chlorophyll formation, and is a catalyst in cellular division and plant growth. **Manganese** aids in herbicide metabolism (reduces yellow flash from glyphosate), photosynthesis, and plant respiration. **Zinc** is essential for early season plant growth, and aids in root and shoot growth.

VERSA MAX CORN	
NITROGEN	8.0%
SULFUR	3.0%
IRON	1.0%
MANGANESE	2.0%
ZINC	3.0%

VERSA MAX BEAN	
NITROGEN	8.0%
SULFUR	3.0%
IRON	1.0%
MANGANESE	3.0%
ZINC	2.0%

But what is the bottom line, especially considering current grain prices? The addition of 1 qt. Versa Max adds less than \$5 per acre to production cost. The return can be great. In 60 corn trials, Versa Max Corn yielded an average **8.8 bushels** per acre above the check with positive response in 90% of the trials. In 59 soybean trials, Versa Max Bean yielded an average **3.4 bushels** per acre above the check with positive response in 85% of the trials.

Use Versa Max with confidence!

Available in 2.5 gallon jugs or 250 gallon totes, it's easy to add to your post-emerge herbicide application trip. Improve yield, correct nutrient deficiency symptoms, reduce plant stress, and improve profits with Versa Max! Ask your crop specialist. Versa Max is a trademark of MidTech R&D.

VERSA MAX CORN PROVIDES AS MUCH AS 6.5:1 RETURN ON INVESTMENT

VERSA MAX BEAN PROVIDES AS MUCH AS 6:1 RETURN ON INVESTMENT

Paris Warehouse To Relocate

Logan Ag's Paris, MO warehouse is moving in February! We're still on Business Highway 24, but just down the road west. Look for us in the east side of the main building of the former Paris Equipment complex located at **24312 Business Highway 24 – Paris, MO**. Dean Osborn and Heidi Martin will have offices in the new location, and the warehouse will soon be stocked with all the seed and crop protection chemicals you need for spring planting and pesticide application.

The Paris warehouse also provides starter fertilizer, trailer loads dry and liquid fertilizer, and trailer loads anhydrous ammonia.

Final Comments

Edward L. Logan, Logan Ag President

Several members of the Logan Ag team attended the annual Illinois Fertilizer and Chemical Association Convention and Trade Show in Peoria recently. Josh Schaver, Edward Logan, Court White, Dave Bryant, Drew Kennedy and Jordon Schaver met with crop protection chemical and fertilizer representatives, and attended breakout sessions where topics such as cover crops, the 4R Nutrient Management strategy, and the Iowa drainage district lawsuit were discussed.

We are excited to have Heidi Martin representing Logan Ag in east central Missouri. Heidi will work with Paris warehouse manager Dean Osborn. Together, they offer seed (corn, soybeans, milo, cover crops), crop protection chemicals, bulk fertilizer, and bulk petroleum products. Dean and Heidi also have starter fertilizer, foliar micronutrients, and a complete lineup of adjuvants. Call Dean (573-406-8579) or Heidi (217-491-1787).

We've encountered very low prices on seed in the region. Keep in mind that you usually get what you pay for! Some of the low cost corn hybrids are a "duke's mixture" of carryover seed (different hybrids and maturities, poor quality, etc.) that the seed company is trying to sell just to get it out of the warehouse. Some of this corn seed may be two years old! Low soybean prices are most often the Roundup Ready 1 varieties which contain older genetics and less yield potential than Roundup Ready 2 varieties. We have low cost corn and soybeans available also, but cannot in good conscience recommend them to our valued customers as high quality seed.

Snowstorms hit Iowa in early February following the departure of all the hot air (politicians)!

Be certain to enroll in Logan Ag's mobile messaging program to receive updates on your cell phone. Text **Logan** to **91217**. Our mobile updates are sent 4 times each month. It's another part of our service and commitment to our customers.

Crop protection chemical prices change on February 10. See one of our crop specialists soon for the best deals of the 2106 season. Financing plans are available.

Weed Control: Eliminating weeds allows grass and legume stands to thicken faster, improve feed quality, and allow more availability of soil moisture and nutrients to the desirable plants. Spring spraying is the most effective time to control broadleaf weeds. Several herbicides are available for weed and brush control including Chaparral™ (excellent broadcast herbicide for broadleaf weeds and multiflora rose), Remedy® Ultra (all-purpose brush control), PastureGard® HL (similar to Remedy Ultra but more broad spectrum), and GrazonNext® HL (excellent for broadcast application on many annual, biennial, and perennial weeds). Speak with your Logan Ag crop specialist for information on effective weed and brush control in pastures.

Factor is a trademark of MidTech R&D. Chaparral, Remedy Ultra, PastureGard HL and GrazonNext HL are trademarks of Dow.

Martin Joins Logan Ag

Logan Ag welcomes **Heidi Martin** to its Missouri sales team. Heidi is a graduate of the University of Missouri where she received an MS in Weed Science. She presented her research paper on waterhemp and palmer amaranth to the North Central Weed Science Society.

Before joining Logan Ag, Heidi was a Senior Research Technician at Mizzou focusing on greenhouse and field studies of dicamba herbicide.



Heidi will work from Logan Ag's Paris, MO warehouse where she will be involved in sales and serve as agronomist. Hailing from Holliday, MO, she and her husband, Lane, reside in Thompson, MO.

Please welcome Heidi as she visits you to discuss seed, crop protection chemicals, and fertilizer. She may be reached at **217-491-1787** or email **hmartin@loganag.com**.

Drones Must Be Registered

If a drone was under your Christmas tree or is in your plans for future purchase, keep in mind all small unmanned aircraft weighing more than 0.55 pounds and less than 55 pounds must be registered with the Federal Aviation Administration.

The FAA says registration gives them an opportunity to work with users of small unmanned aircraft to operate these units safely and responsibly. Existing drone owners must register no later than February 19, 2016. Anyone purchasing a drone after December 21, 2015 must register the aircraft before its first flight. With the \$5 registration fee, operators receive an identification number that must be marked on the drone. The registration is valid for three years. Failure to register may result in hefty fines and penalties including imprisonment.

Visit www.faa.gov/uas/registration for more information on the registration process.

