

# CAMDEN CROP NEWS

June 13<sup>th</sup>, 2019

## Scout Before Spraying Stink Bugs in Corn

**By: Dominic Reisig, NCSU Extension Entomologist**

Corn is susceptible to damage at three stages (roughly): V1 to V6, V14 to VT, and R1 to R4. Note that corn cannot be damaged by stink bugs from V7 until the primary and secondary ears are beginning to push out (just prior to tassel). You will find stink bugs in corn throughout the growing season, but the critical period to prevent ear damage is just prior to tasseling (a one-to-two-week window).

Scout corn by beginning on field edges from source areas (weeds, other crops, and overwintering sites like woods). If there isn't an obvious source around (like cut wheat or rapeseed), the stink bugs will begin to congregate around the primary and secondary ear nodes at V14. Check these areas of the plant for stink bugs at field edges. Choose at least 20 plants in a row. If there are no stink bugs along any of the field edges, there is a good chance they aren't in the field middle. However, if there are stink bugs on the edge, walk a good ways into the field to see if they are limited to the edge or are also present in the field interior. Our thresholds can be found in Table 1 below, and bifenthrin is the insecticide of choice. Focus on coverage. Remember where those stink bugs were located when scouting and be sure the insecticide is delivered to those areas.

Table 1: Stink bug thresholds for corn based on a 100 plant sample.

Growth Stage	Area To Sample	Do Not Treat	Take More Samples	Treat
V1 to V6	Stalk below lowest green leaf	≤6	>7 to 12	≥13
Two weeks before VT to VT	Stalk at one leaf above & below primary ear	≤9	>10 to 17	≥18
R1 to R4	Stalk at one leaf above & two leaves below primary ear	≤35	>36 to 51	≥52

Please note that much of our corn crop is at or nearing the danger zone of two weeks before tasseling(VT). More information on stink bug management in corn can be accessed at: <https://corn.ces.ncsu.edu/wp-content/uploads/2019/01/Stink-Bug-Management-in-Corn.pdf?fwd=no>

## **Current U.S. Corn Supply and Demand**

**By: Dr. Nick Piggott, NCSU Extension Specialist & Professor, Grain Marketing and Risk Management**

The Prospective Plantings report (March 2019) projected a 4 percent increase in 2019 over 2018 corn acreage with expected plantings of 92.792 million acres. Combining projected harvested acreage with an expected yield of 176 bushels per acre amounts to expected production of 15.030 million bushels for 2019.

Projections produced in March and May assumed that Mother Nature would cooperate and allow farmers to plant their corn crop in a timely manner. However, due to unforeseen adverse planting conditions, these projections must be revised. The Midwest has experienced excessive rainfall and flooding that has hindered planting. The USDA Crop Progress report on June 3 reported that U.S. corn planting was 67% complete in the week ending June 2. The five-year average is 96% complete, for the same period, so planting progress is lagging 33%. Stated differently, 30.7 million acres ( $[1.0 - 0.67] * 93$  million acres) of the projected plantings remain unplanted as of June 2.

A clearer picture will be evident about how many of the 30.7 million acres get planted in the highly anticipated June 28 USDA Planted Acreage report. The 2019/2020 U.S. corn production will be below earlier projections leading to higher prices given current demands. New crop (December 2019) corn futures have recently rallied 80 cents per bushel from \$3.70 to \$4.50 and are anticipated to go higher as production prospects continue to dwindle, and demand must be rationed. The greater the reduction in total supply, the higher corn prices will need to rally to ration demand.

### **Marketing Strategies for NC Corn Farmers**

Given the current corn markets supply uncertainty, what is a good marketing strategy for a NC corn farmer in 2019/2020? In volatile markets where the overriding trend on futures price is upward as is the case currently, a sound marketing strategy is to employ a dollar cost averaging approach.

Dollar cost averaging involves breaking a portion of your total expected production that you are confident in producing (say 75% of expected production) into smaller sub-portions (for example three portions of 25% of expected production) for marketing. If and when new crop futures prices rally on market uncertainty resulting in a new crop forward contract price that enables the grower to lock in a profit, they should pull the trigger on the forward contract for that portion of



expected production. By using a forward price contract on this portion, all price risk is eliminated.

An additional potential component to this strategy, to enable upside price potential, is to purchase a call option for the number of bushels in the sub-portion that has been forward contracted.

Adding this component essentially converts the forward price contract to a minimum price contract. With a call option in place, if the corn market rallies above the futures price that was locked in with the forward contract, the farmer will still capture additional futures gains to net price because the call option will be more valuable.

The call option is not free, however, the closer to the money, the more expensive the premium. The cost of the option does reduce the net return of the strategy, but with the benefit that if corn futures rally then the sub-portion forward contracted and covered by the option will capture these gains and hopefully surpass the cost of the call option. This strategy can alleviate farmers concerns that they might have pulled the trigger too soon.

Of course, there are many other marketing possibilities that can be implemented in an uncertain, volatile, and rising market. The dollar cost averaging strategy using forward contracts is simple and enables profits to be locked in, and with the addition of the purchase of a call option can be transformed into a minimum price contract.

### **Upcoming Events**

- \* July 25 Northeast Ag Expo Summer Field Day- Shawboro
- \* July 31 Private Pesticide Applicator "V" Training- Camden
- \* July 31 National Corn Yield Contest Entry Deadline
- \* August 7-8 Pesticide School- Elizabeth City

If you have any questions regarding any of the above information or anything farming related, give me a call at the Camden County Cooperative Extension Center: 331-7630. Your questions and comments are important to me.

Sincerely,



Austin Brown  
Agriculture Extension Agent,  
Camden County