

## RPowerD™ - Producers are welcoming conversation on 2019

May 15, 2018

### Corn update:

Crop Report last Thursday was initially deemed as supportive to corn prices. USDA predicted the national average cash price producers will receive on the corn crop they are planting now will be \$3.30-\$4.30. The national average price for the 2017 crop harvested last fall is predicted to be \$3.40. Carryout for the 2018 crop year is predicted to be the tightest in four years at 1.682 bln bu on 88.0 mln planted acres and a 174 national average yield. After a few minutes of rally, current events of trade, RINs, and weather took over and those who made bullish bets on the report were punished with a \$0.15 per bushel drop in prices as of Monday's close.

2019 prices in effect for RPowerD corn that were at \$4.21 on May 5 have dropped off to \$4.15 ½. Full Month May RPowerD average price is running at \$4.19.

### 2019 Minimum RPowerD example:

\$4.19 RPowerD Price x 174 bu/ac x 85% = \$620 / acre minimum RPowerD Revenue

What price will achieve your producer's Minimum Desired Revenue for 2019 Corn? Agents who were at first reluctant to "bother" their busy producers with a conversation on 2019 financial goals are reporting their producers are very receptive to talking about it now. Producers realize, now that the 2018 crop is getting planted rapidly, much of the risk premium could quickly evaporate if weather is good or trade negotiations go sour. They also believe corn markets could launch higher with poor weather, reduced acres, and/or surprise demand, and are very open to adding alternative price discovery periods to their 2019 RPowerD Market Price.

### Soybean update:

Crop Report last Thursday was initially deemed as supportive to soybean prices. USDA predicted the national average cash price producers will receive on the soybeans crop they are planting now will be \$8.75-\$11.25. The national average price for the 2017 crop harvested last fall is predicted to be \$9.35. Carryout for the 2018 crop year is predicted to be the large but 115 mln bu less than 2017 at 415 mln bu on 89.0 mln planted acres and a 48.5 national average yield. After initially spiking up \$0.15/bu beans ran into pressure Friday and closed the week \$0.25 off report day highs as trade concerns and expanded acreage ideas took over.

2019 prices in effect for RPowerD soybeans were at \$10.05 May 2 have dropped off to \$9.85. Full Month May RPowerD average price is running at \$9.92.

### 2019 Minimum RPowerD example:

\$9.92 RPowerD Price x 48.5 bu/ac x 85% = \$409/ acre minimum RPowerD Revenue

Next important crop report is June 29, as the USDA will update planted acres.

Please contact your Marketing Rep to schedule a late spring or summer local producer meeting to review all the features of RPowerD that we know producers appreciate and will utilize once they know you have this great resource available to help them take less risk and create more revenue.



**NAU Country Insurance Company Corporate**

Phone: 763.427.3770

Toll Free: 800.942.6557



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