CROPS

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have to wait until they grow above the crop and can be better hit with a herbicide spray. The more backward crops may not be shielding the wild oats at any growth stage, which will give more opportunity for treatment.

If cleaver control has been delayed until now, for example with the fluroxypyr products, then the weeds should be actively growing for best activity, particularly if Starane 2 (straight fluroxypyr) is used.

Oilseed rape crops may reach flowering by the end of the month and so decisions will be needed about sclerotinia control. The disease incidence was much lower in 2009 than in previous years but it would be foolish to predict what it will be like in 2010! The likelihood is that we are still in a phase of routine treatment so be prepared to treat at early-mid flower. The lower inoculum levels produced last vear may mean that infection won't be intense or prolonged enough to require two sprays, but this relies on accurate timing with a single spray.

As mentioned above, oat crops may need a fungicide if they reach GS32 this month. This T1 spray for the crop is less responsive than the T2 which targets crown rust, hence the T1 should be kept cheap and even omitted if there is no disease present. Mildew is likely to be the main or only disease in the crop. Chlormequat can be applied at the same time, if contracts allow its use.

Linseed and spring rape should be drilled in the early part of this month if not already done. All their nitrogen should be applied in the seedbed, to ensure reasonably rapid growth to outstrip weeds and pests.

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Farmers are hanging on to crops rather than locking in to the best prices.

The story of May 2010

I read with interest a recent article by David Richardson in Farmers Weekly magazine. He was regaling the proceedings of a meeting between himself, his chums and a trader - "one of the biggest grain buyers working for one of the biggest firms". They were chewing the cud over what influenced grain prices, presumably meaning combinable crops in general.

A list of possibilities were produced, discussed and assembled in an order of influence on the markets. Large institutional investors and hedge funds followed by chartists, exchange rates, through crude oil prices and grain traders before citing says Jeremy supply/demand and finally the farmer producer. The conclusion was "Don't try to beat the chartists or

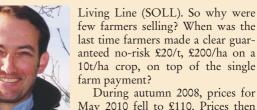
traders - you'll fail" and "watch prices as they move and try to catch a good one"

This made me think, what is a good 'grain' price? It is a meaningless concept by itself. Relative to what are we judging? Prices last year? Or maybe the year before? What benchmarks should we compare? Historic prices, historic costs, present costs, future prices and estimated costs? Interestingly, all are available.

Let's study the May 2010 UK wheat price over its life so far. In January 2008, the May 2010 LIFFE wheat futures became available at £147/t, which equated to approx £141 ex-farm. But this was below current prices prevailing at the time and nine months before the crop in question was due to be drilled. No sellers.

Perceived as a bad price, few farmers sold their crop forward, probably as there were worries over yield and cost of production. Time passed and the market rose, due to US corn and soya drilling problems, and a hike in the fuel prices, due to those nasty bullyboy hedge fund managers. Fertiliser prices doubled. Wheat rose to £160 for May 2010 futures, £154 ex farm. Still no sellers. All eyes were on the fuel and fertilis-

At the time of drilling, prices had fallen a little to approx £140 ex farm. Input prices were high but now known, and the oft-quoted price required to make a clear margin from the crop was £120/t. This is what I call the Standard of



May 2010 fell to £110. Prices then rose and peaked again at £130 in the spring of 2009, showing a clear margin over the SOLL. Still no sellers. In fact approx 50% of the harvest 2009 crop remained unsold in October 2009, when the price was £100 May for 2010 - some £10/t or £100/ha under the SOLL and £55/t or £550/ha below the top

As I write, it is mid-March. May 2010 prices are £90/t ex-farm and some farmers have still not

sold. There's talk of carrying forward to next year, where November is trading at £96. What is the thinking behind that thought process?

A one-off marketing year?

The same has happened for harvest 2010 prices. November 2010 LIFFE futures opened in December 2008 at £116 and traded as high as £125 last summer. They are now at £95 ex farm, when the SOLL of £100/t has been known since

Farmers are fortunate to be able to see and capture a known margin before the crop is drilled. Many industries, including other sectors of UK agriculture, can only wish for such a joyous situation.

But this ability to capture this margin and "love" the profitable crop from drilling to harvest is often squandered and blamed on investors, hedge fund managers and other bullyboys. Yes, they make the market volatile, but it is the farmer that has to take a good price when

A good price is one that makes a positive margin, especially on a falling market. Hedging can capture a later market rise, for a premium, but at least the business will be in the black.

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