

La. Soybean Harvest Winding Down With Prices Strong

BATON ROUGE, LA.

Louisiana soybean farmers are moving into the final stages of harvest with mixed results in their yields, according to experts with the LSU AgCenter.

"Harvest has been fairly good," said LSU AgCenter soybean specialist Ron Levy. "We've had a good crop considering the conditions. Yields were slightly lower, but not bad."

Taking into account the extreme drought and subsequent storms during the growing season, Levy said the crop generally could be characterized as fair to good.

Harvest is moving rapidly, Levy said. He estimates 70 percent to 75 percent of the state's soybean acres have been harvested. Most of the rest, mainly in south Louisiana, will likely be finished within the next week to 10 days barring extensive rainfall.

Soybean yields ranged from as high as 90-plus bushels per acre in some parts of northeast Louisiana where fields were irrigated or where fields were in high water tables next to rivers, he said. Yields were much lower in other parts of the state that went weeks without rain.

Some yields are off by 20 to 25 percent compared with most years because of drought conditions, especially on early-planted fields in sugarcane areas. "Sugarcane farmers plant early and harvest early so they can plant cane in the same field," Levy said. "Those fields suffered most from a lack of rain."

Some areas also suffered from severe disease pressure with cercospora, which has been particularly bad in later-maturity varieties and significantly reduces yield in south Louisiana, he said.

"We also had an outbreak of soybean loopers and treated a large number of acres," Levy said. "They didn't do much damage, but farmers who had to treat for them had the added cost of insecticides."

Primarily because of weather conditions, the Sept. 19 U.S. Department of Agriculture reports peg this year's Louisiana soybean crop at 47 percent good-to-excellent compared with 64 percent good-to-excellent last year.

"Soybean yields are going to be down this year because of weather," said LSU AgCenter agricultural economist Kurt Guidry. "USDA estimates about 35 bushels per acre this year compared with about 41 bushels per acre at this same time last year."

Countering the reduced yields, soybean prices have been relatively high, he said.

Weather concerns and strong supply and demand fundamentals have led to historically high prices, he said. While the supply and demand situation remains positive, the outlook for yields across the country has improved slightly.

"Improved weather in August has seemed to improve yield prospects for soybeans in many areas of the country," Guidry said.

U.S. soybean yields didn't drop off as much as corn yields, he said, and August weather across the country helped soybeans more than corn.

"The higher supply outlook, a downturn in technical indicators and spillover effects from volatile stock and energy markets have pressured soybean prices of late," he added. "However, with ending stocks still remaining tight and the potential for a 'bidding war' for acres between corn and soybeans later this fall, indications are for soybean prices to remain historically strong throughout the remainder of the 2011 marketing year."

While people often think of reduced yields when thinking of drought, a bigger issue for producers who irrigate is likely increased costs associated with irrigation.

Louisiana farmers with irrigation will have better yields, Guidry said. But more irrigation because of dry weather will increase their cost. Nevertheless, Guidry said, increased yields should cover those increased costs of production.

"Those producers undoubtedly had to irrigate considerably more than they would under normal years," he said. "Thankfully, however, soybean prices are high enough that returns should be positive in most cases despite the increased irrigation needs created by the drought." △



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