

Wheat Harvest Produces Outstanding Yields

LEXINGTON, KY.

The recent 2008 wheat harvest has been a textbook example for producing outstanding to near record breaking yields for Kentucky producers, according to University of Kentucky College of Agriculture specialists.

The 2008 crop was raised in near perfect weather conditions – a mild December, relatively cool spring and a dry harvest. This allowed the stands to develop, reduced the number of wheat diseases and kept test weights at good levels. It is substantially better than the 2007 crop, which was almost completely wiped out by that year's late spring freeze.

"We've had hardly any freeze damage this year," said Jim Herbek, UK grain crops specialist. Everything has gone really well."

Clint Hardy, Daviess County agriculture and natural resources agent, said this wheat crop is as good as producers have ever had.

"In Daviess County, we're looking at probably three times the average yield per acre from a year ago, including the destroyed acreage," he said.

Like most grain crops, wheat prices are high now, but the prices offered at grain elevators across the state are not as high as those listed on the futures market. High fuel and trans-

portation costs are the likely reasons for the price disparity.

"The cash price is lower than we would like to see," Hardy said. "The price gap between the board and the local elevators is \$2 to \$2.50, depending on your proximity to the river."

Even though prices are high now, they are nowhere near what they were in March when 2008 futures contracts were fetching around \$10 a bushel, said Kenny Burdine, UK agricultural economist.

"The basis is also weaker right now," he said.

The weaker basis usually happens every year around harvest time. It is the elevators' way of avoiding overstock by encouraging farmers to store their wheat and wait for higher prices.

Even though the 2007 wheat harvest is long over with, many producers are still dealing with its effects. Due to the tremendous amount of crop loss, grain elevators gave producers the option to roll over their 2007 contracts to 2008. Many producers decided to do this and therefore, are not able to take full advantage of this year's high prices. However, due to the enormous yields, producers likely will have wheat left over after completing their contracts to sell to the elevators at this year's prices. Δ