



Farm Management

Chad McCollester, owner of AgriValley Farm Management, spoke at the Treynor Optimist Club on August 3. He sells crop insurance and provides farm management services for farm owners. He started his agency 13 years ago.

Chad explained why corn prices have been falling. He questions the Government crop estimated because there were a lot of acres not planted this year because of the wetness. These are called prevent planting losses. Crop insurance will pay 60% of the value of the

crop if farmers cannot plant by the end of May.

The current crop estimates are 157 bushels per acre for corn and 43 for beans. The Government estimates 1.96 billion bushels of carryout corn this year, compared to 729 million last year. Carryout (also referred to as "ending stocks") is the amount of grain left over after all demand has been satisfied. In essence, carryout equals supply minus demand. A low carryout will generally lead to high prices, while a high carryout will lead to low prices. Last years carryout was very low.