

DEARWESTER GRAIN  
SERVICES, INC.

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Quarterly Newsletter



# ***DGS Digest***

# Grain Marketing: Planning for Success

by **Tracy Henkel**, White Commercial Corporation

What a year 2019 was for folks in agriculture. Historically wet planting conditions made for many of late planted and even prevent planted acres. This led to plenty of teeth gnashing wondering if crops could mature and produce near normal yields. Add in the uncertainty of trade with China and how government payments would be figured and farmers had plenty of challenges out of their control in the last year.

Despite the overwhelming notion that 2019 was an outlier year in so many ways, I would argue that grain markets, particularly corn, actually behaved as normal. While many were distracted by the lack of a China trade deal, an early season weather related crop concern did the work it usually does and caused a significant rally. Indeed, December corn futures rallied just over \$1.00 between May 10<sup>th</sup> and June 17<sup>th</sup>. Eventually, much of the corn crop did get planted and reasonable growing conditions ensued leading corn prices to a new low in September before a short-lived early harvest rally.



November soybean futures also rallied over \$1.00 during the same time period in May/June, but conversely to corn, this followed a significant drop in price. Uncertainty about the crop along with on again off again China trade deal news made for a bumpy ride for soybean prices. It is of interest to note, that the roller coaster that was Nov soybean futures spent 3 extended periods above \$9.20.



While soybean prices at these levels may not sound exciting, with an expected 900 million bu carryover from 2018 crop (over twice as much as any year since 2006/2007), it was going to be an uphill battle for bean prices to break out much higher.

While it may be interesting to look back at what occurred last year, there is limited value in it. Everything I have discussed so far are events that have already occurred and were out of your control. There is much more value for your operation in focusing on what to do moving forward. We never know for sure when the next rally will occur or how high it will carry prices so it is important to be ready to act on those rallies should they occur. Trusting yourself to “watch the market” and sell when it “feels right” is a recipe for missed opportunity. As the market rallies, emotion takes over and tends to cloud judgement. A rallying market feels like it will rally forever while a declining market will surely return to previous levels.

The best way I know to avoid letting emotions stand in the way of making sales is to have firm pricing targets in place. Determine what price works for your operation and call Dearwester today to let them watch the market for you and take action when your pricing goals are met. This is a free service and works great for both old crop grain and your 2020 crop.

If you still have 2019 grain to price, be aware that continuing to delay pricing comes with cost and or risk. Keep this in mind as you determine how aggressive you can afford to be with your pricing goals.

It is important to always be looking ahead to the next crop. Year over year, the market will give opportunities to profitably price new crop grain before harvest. The challenge is not letting emotion keep you from taking advantage of these opportunities. Crunch the numbers on your cost of production and yield and determine realistic pricing targets. Armed with this info, call Dearwester to get targets in place.

As of this writing in late December, new crop corn and soybean prices are both higher than one year ago. Where will they go from here? Are you ready to take advantage of a rally? Let Dearwester Grain Service help.

*There is a risk of loss in futures and options trading. Past performance is not necessarily indicative of future results*

# Nighttime Feeding = Daytime Calving

by **Steve Sachtleben**, Ph.D., PAS., Beef Nutritionist

Submitted by **Tyler Schleich**, KENT Territory Sales Manager

Cattle producers can get more sleep during the calving season if they feed their cows at night. By following this procedure, more cows and heifers will calve during the day. Daytime calving allows for better cow and calf supervision, and we hope, decreased calf morbidity and mortality.

The Kent Nutrition Group research staff conducted a 12-year study evaluating the effect of nighttime feeding of heifers on time of parturition.

Time Calved	No. Heifers	% of Group
6 AM – 8 AM	53	13.9
8 AM – 5 PM	217	57.0
5 PM – 10 PM	68	17.8
10 PM – 6 AM	43	11.3
<b>Total</b>	<b>381</b>	<b>100.0</b>

Clearly, in this KNG study, heifers fed at night calved before 10 PM (88.7%) or 5 PM (70.9%).

"On most ranching operations, supervision of first-calf heifers and more mature cows will be best accomplished in daylight hours, while the poorest observation typically will take place in the middle of the night," according to Glenn Selk, Oklahoma State University Cooperative Extension emeritus cattle specialist.

The easiest and most practical method of encouraging daytime calving at present is by feeding the expectant mothers at night; the physiological mechanism is unknown, but some hormonal effect may be involved.

Selk said rumen motility studies indicate the frequency of rumen contractions falls a few hours before parturition. Intraruminal pressure begins to fall in the last two weeks of gestation, with a more rapid decline during calving.

"It has been suggested that nighttime feeding causes intraruminal pressures to rise at night and decline in the daytime," he said.

In a Canadian study of 104 Hereford cows, 38.4 percent were fed at 8 a.m. and again at 3 p.m. and delivered calves during the day.

A British study utilizing 162 cattle on four farms compared the percentages of calves born from 5 a.m. and 10 p.m. to cows fed at different times. When the cows were fed at 9 a.m., 57 percent of the calves were born during the day, compared to 79 percent for cows fed at 10 p.m.

"There are field trials by cattle producers utilizing nighttime feeding when 35 cows and heifers were fed once daily between 5 p.m. and 7 p.m.; 74.5 percent of the calves were born between 5 a.m. and 5 p.m.," Selk said. In perhaps the most convincing study to date, more than 1,330 cows on 15 farms in Iowa were fed once daily at dusk, with 85 percent of the calves being born between 6 a.m. and 6 p.m.

"Whether cows were started on nighttime feeding the week before calving started in the herd, or started two weeks to three weeks earlier made no apparent difference in calving time," Selk said.

Various means have been employed to effectively reduce animal loss at calving time, and skilled personnel should be available to render obstetric assistance and neonatal care.

"Currently, evening feeding of cattle seems to be the most effective method of scheduling parturition so assistance can be available during daylight hours," Selk said.

Though it is always a sound management practice to observe all the females in a herd, typically the percentage of mature adult cows needing assistance at calving is extremely low compared to the percentage of first-calf heifers.

"That's good news on a number of fronts, particularly because -- on ranches with larger herds -- it is pretty much physically impossible to feed all of the expectant mothers after 5 p.m.," Selk said. "In those instances, the ranch manager should plan to feed the mature cows earlier in the day, and then feed the first-calf heifers at dusk."

What about the situation where large round bales of hay are being fed to the cows and heifers? If the cows have unrestricted access to the hay around the clock, then the best method of influencing the time of calving is via the time of day that the supplement is being fed.

According to an Oklahoma State University animal science study, the switch from supplement feeding in daytime to late afternoon or early evening feeding encouraged 72 percent of the cows to calve between 6a.m. and 6 p.m. The cows had 24-hour, seven-days-a-week access to large round bales of grass hay. Before the change was made, when supplement was fed during the morning hours, the ratio of nighttime versus daytime calving was nearly even, with half of the calves born at night and half during the day.

Selk said some ranchers with small herds have reported success controlling access to the large round bales.

"The hay is fed within a small enclosed pasture or lot near a larger pasture where the cows graze during the day," he said. "In the evening, the gate to the area where the hay is placed is opened and the cows are allowed to enter and consume hay during the night. The next morning, they are moved back to the daytime pasture to graze until the following evening. In this manner, the nighttime feeding is accomplished with hay or silage only."

Selk recommends cow-calf producers do whatever best fits their specific operation.

"During winter months, baby calves born in the warmer part of the day have radiant heat from the sun to help reduce cold stress," he said. "These calves have a better chance for early colostrum consumption and therefore survival. Let's not overlook that advantage."

# DGS Safety Moment-Bin Safety

by **Nicolas Dearwester**, Director of Safety, Dearwester Grain Services, Inc.-Golden, IL

## **3 Common Risks for Grain Entrapment**

With an abnormally large amount of high moisture grain harvested, a producers lack of monitoring and action will lead to out of condition grain this season. Grain that is in poor condition does not flow well, if at all, thus creating a safety issue. Keep in mind the three common risks for grain entrapment.

### ***Active grain flow***



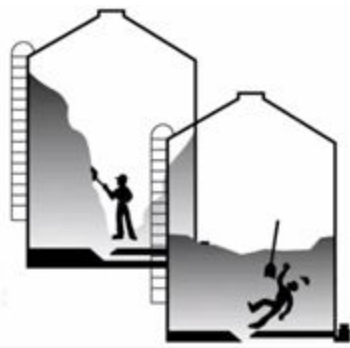
Nearly 80% of grain entrapments happen when grain is in motion. As an auger or conveyor pulls grain from the bin, it forms a funnel towards the center that can pull you with the flow of grain. Consider a common on-farm grain bin that has a 25,000 bushel capacity, and an adult that weighs that of three to four bushels. You stand no chance fighting your way out of this problem.

### ***Grain Bridging***



When grain goes bad, it can form a hard crusted layer of spoiled grain across the surface. The seemingly sturdy surface may actually be hiding an open cavity of air below. You can fall in while standing on the unstable bridge, burying you in a matter of seconds.

### ***Vertical Grain Avalanche***



Besides forming a dangerous bridge, grain that is out of condition can also stick to the sidewall of a bin. When you try to break it up, particularly from below, you risk burying yourself with the mass of grain. Heavy chunks falling from above can cause significant injury, and the release of loose grain can avalanche and smother you instantly.

## ***Preventing Entrapments***

Grain entrapments are typical results of someone entering a bin to loosen crusted or spoiled grain while unloading equipment is running. It is natural to want to go in a bin and unclog whatever is blocking the flow of grain to the unload auger or conveyor.

The best prevention is to never enter a bin in the first place. Keeping grain in good condition throughout the year is extremely important. Do this by keeping a close eye on grain temperatures using your bins' grain temperature monitoring cables. When grain begins to go bad, it emits heat. Check and record temperatures regularly.

If you must go inside a bin, always utilize at a minimum a two person team. An entrant who wears a safety harness and lifeline if needed, another who monitors the entrant from the outside, and a third person if available to get help, if necessary. Lockout all applicable equipment before entry.

## Scholarship Opportunity

# Win a \$3,500 Scholarship

for those interested in a career in the  
grain and feed industries

Open to college Freshman,  
Sophomores and Juniors with  
a permanent Illinois residence.

Deadline: March 2, 2020

[www.gfai.org](http://www.gfai.org) for details



**GRAIN & FEED  
ASSOCIATION**  
*of Illinois*

This scholarship is available to college Freshmen, Sophomores and Juniors who are pursuing a career in the grain and feed industries. This program is perfect for students who want to learn more about careers as a merchandiser/originator, operations, safety, management, etc. Applications should be **emailed or postmarked by March 2.** We will notify all students of their status in April.

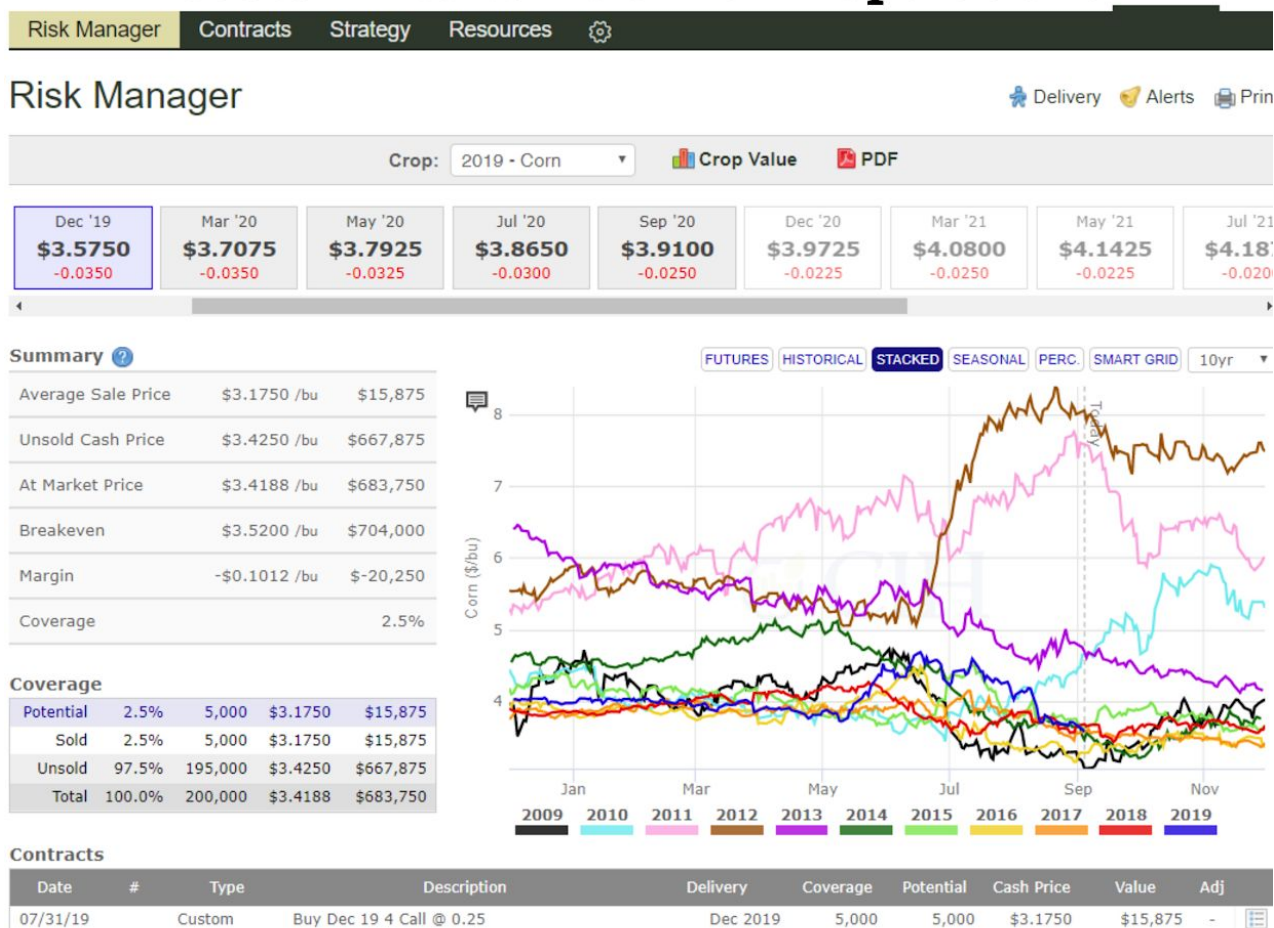
<https://www.gfai.org/scholarship-program.html>



# What's New at Dearwester Grain Services?

## NEW GRAIN MARKETING TOOL

Customized to YOUR farm operation!



+Contracts

+Profit Per Acre

+View Historical  
Futures



GET SIGNED UP TODAY!

+Alerts

+Cash Bids

+Strategy  
Illustrator

# Average Price Contract

**Booking  
Bushels  
NOW!**

## How Does it Work?

The Average Price Contract is a futures grain contract that allows Dearwester Grain Services to price a specific number of bushels over an extended period of time. The bushels and time frame are set at the time of the contract confirmation agreement. Bushels are priced over a pre-determined 20-week period and are priced in equal amounts on a weekly basis over the set time frame,

**Pricing will take place each Wednesday at 1:15 P.M. at the close of each CBOT market for that day.**

**There is a \$.05 fee that will be taken off once the futures are set**

## Here is an example...

**1**

A producer contracts 10,000 bu of corn for fall delivery into the elevator. Every Wednesday starting in March 500 bushels will be priced. At the end of the pricing period, the average futures price will be determined and an HTA contract with that average price will be sent to you.

**2**

At any time, the producer can set their basis which determines their delivery period and delivery point (elevator or terminal). The basis must be set before delivery to determine your cash price.



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**YC Contracts-DEC 20 Futures**

**Pricing Period: TBD**

**Delivery- Sept/Oct/Nov/Dec**

**AVERAGE 34 CENTS BETTER THAN  
HARVEST SPOT PRICE**

**YSB Contracts-NOV 20 Futures**

**Pricing Period: TBD**

**Delivery- Sept/Oct/Nov**

**AVERAGE 29 CENTS BETTER THAN  
HARVEST SPOT PRICE OVER THE  
PAST 4 YEARS**