



Indiana Crop & Weather Report

INDIANA AGRICULTURAL STATISTICS
U.S. DEPARTMENT OF AGRICULTURE

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CROP REPORT FOR WEEK ENDING NOVEMBER 1

Harvest slowed down, but remains ahead of average, according to the Indiana Agricultural Statistics Service. Cool, damp weather late in the week hampered harvest activities, especially over the weekend. Corn harvest advanced 14 percent, remaining about 10 days ahead of normal. Soybean harvest only progressed 5 percent, as harvest nears completion. Fall tillage operations reportedly are also running ahead of normal, as many farmers are wrapping up harvest early.

CORN

Eighty-two percent of the **corn** acreage has been **harvested**, well ahead of 58 percent last year and the 61 percent average. By region, 80 percent has been harvested in the north, 84 percent in the central, and 82 percent in the south. **Moisture** content of harvested corn is averaging around 17 percent.

SOYBEANS

Ninety-four percent of the **soybean** acreage has been **harvested**, behind 96 percent last year but ahead of the 91 percent average. By region, 96 percent has been harvested in the north, 95 percent in the central, and 87 percent in the south. **Moisture** content of harvested soybeans is currently averaging around 12 percent.

WINTER WHEAT

Ninety-two percent of the **winter wheat** acreage has been **seeded**, slightly ahead of the average for this date. Seventy-one percent of the crop is **emerged**, behind 76 percent last year and the 72 percent average. **Condition** of the crop is rated 64 percent good to excellent, compared to 57 percent at this time last year.

OTHER CROPS

Pasture condition is rated 4 percent excellent, 33 percent good, 40 percent fair, 18 percent poor and 5 percent very poor.

DAYS SUITABLE and SOIL MOISTURE

For the week ending Friday, 5.6 days were rated **suitable for fieldwork**. **Topsoil moisture** was rated 3 percent very short, 24 percent short, 70 percent adequate, and 3 percent surplus. **Subsoil moisture** was rated 10 percent very short, 30 percent short, 55 percent adequate, and 5 percent surplus.

CROP PROGRESS

Crop	This Week	Last Week	Last Year	5-Year Avg
Corn Harvested	82	68	58	61
Soybeans Harvested	94	89	96	91
Wheat Planted	92	82	95	91
Wheat Emerged	71	54	76	72

CROP CONDITION

Crop	Very Poor	Poor	Fair	Good	Excellent
Winter Wheat	1	2	33	53	11
Pasture	5	18	40	33	4

SOIL MOISTURE

	This Week	Last Week	Last Year
Topsoil			
Very Short	3	5	11
Short	24	22	40
Adequate	70	71	45
Surplus	3	2	4
Subsoil			
Very Short	10	8	19
Short	30	31	33
Adequate	55	59	44
Surplus	5	2	4

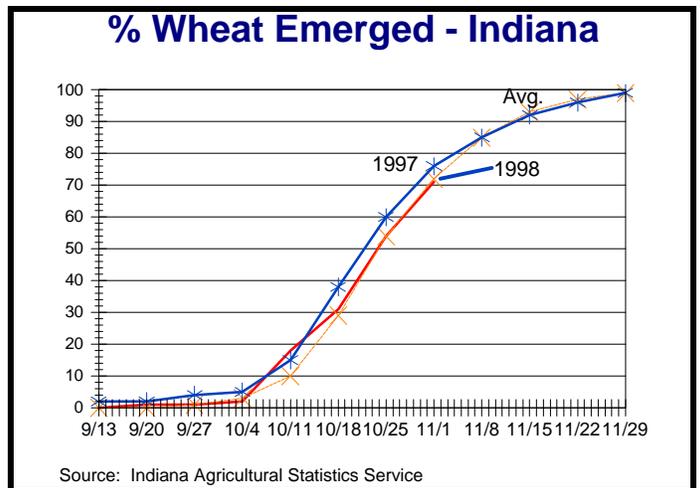
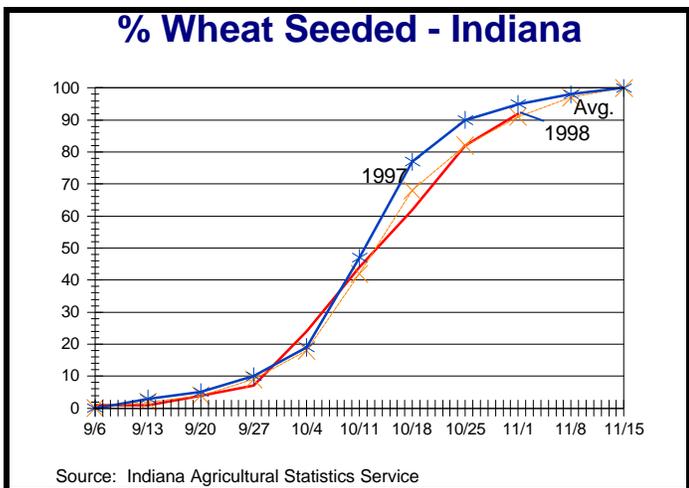
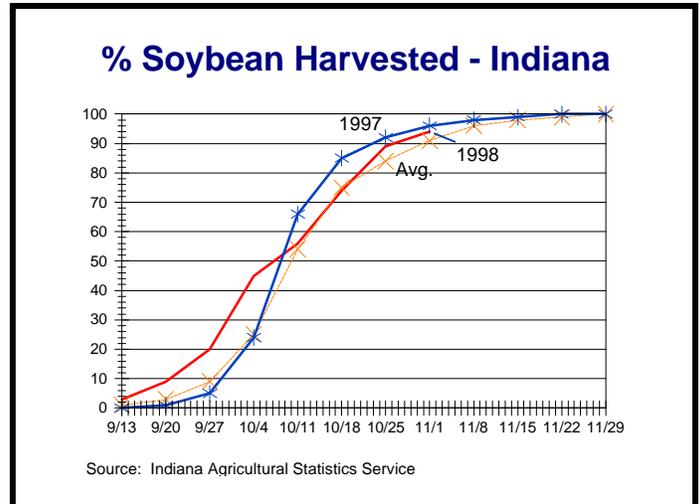
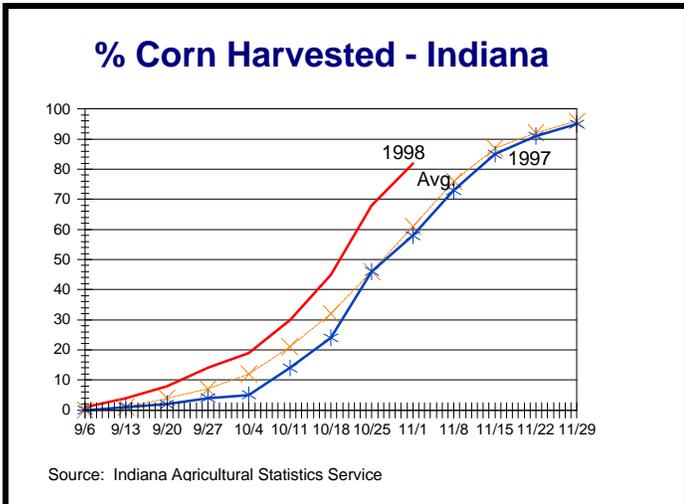
--Ralph W. Gann, State Statistician

--Lance Honig, Agricultural Statistician

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Crop Progress



Make Your Lender Your Ally During Tough Times

Farm income in the United States is expected to be down by 15 percent in 1998, compared to 1997. According to Purdue agricultural economists Ken Foster and Mike Boehlje, this income crunch will be even worse in Indiana and the rest of the Midwest where farmers earn most of their income from corn, soybeans, and hogs.

Worldwide, meat and grain supplies are large this year," Foster says. That alone would create lower prices, he says, but the Asian crisis also has drastically reduced demand for U.S. commodities.

Foster and Boehlje say they expect prices to remain low into 1999. "The Asian financial crisis is still with us and will probably take some time to be completely ironed out," Foster says. "However, the Japanese government is now taking action to repair their banking industry. This will be a boost for Asia and ultimately for pork demand.

"The current situation is difficult for all producers. Dealing with this financial stress will require interaction with lenders." These are Foster and Boehlje's recommendations:

- Communicate. Farmers should communicate soon and often with lenders on anything that might affect their ability to repay debts. When things aren't going well, there is a tendency to avoid confronting the problem. This understandable reaction can lead to lenders learning of problems too late. Providing lenders early warning will give them a chance to explore various strategies with you, and it also can establish a sound foundation for future credit requests when the situation improves.
- Share your plans. Show lenders how you will deal with your situation and offer evidence of how your plan can succeed. A convincing strategy will enhance lender willingness to extend more operating credit, delay principal payments or refinance debt. (Continued on Page 4.)

Weather Data

Average Daily Values for week ending Monday morning November 2, 1998

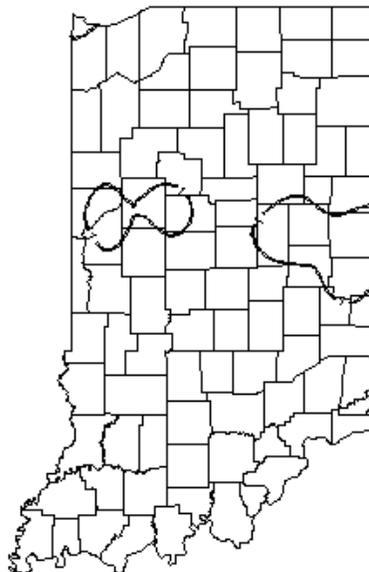
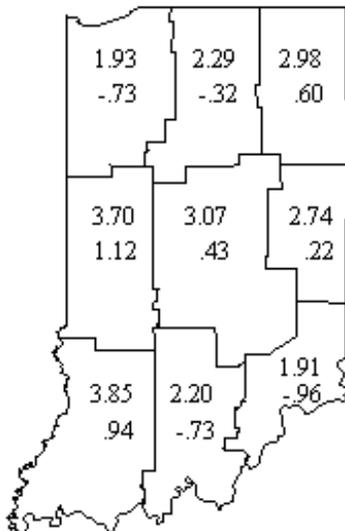
Area	Station	Air Temperature			Precipitation			Growing Degree Days		
		Max	Min	DN	Past Week	Since April 1	DN Since April 1	Past Week	Since April 1	DN Since April 1
NW	Wanatah	63	43	+6	.71	23.01	-3.15	51	3343	+443
	Kentland	66	48	+10	.61	27.40	+1.73	65	3718	+479
	Winamac	63	47	+8	.65	26.67	+1.46	54	3585	+536
NC	South Bend	62	50	+9	.47	22.70	-2.76	55	3525	+549
	Waterford Mills	64	47	+8	.48	26.78	+2.86	56	3546	+529
NE	Prairie Heights	64	48	+11	.47	23.37	-1.07	57	3572	+880
	Columbia City	63	46	+9	.48	24.82	+ .26	53	3450	+539
	Fort Wayne	63	49	+8	.33	28.31	+5.81	55	3579	+446
	Bluffton	64	47	+7	.45	28.03	+4.10	56	3644	+428
WC	West Lafayette	66	49	+10	.74	28.67	+3.75	66	3735	+599
	Perrysville	67	50	+8	.81	34.09	+6.54	70	3859	+247
	Crawfordsville	68	48	+10	.47	31.75	+7.53	72	3679	+514
	Terre Haute 8s	72	51	+12	1.06	32.58	+5.86	86	4222	+692
C	Tipton	65	47	+9	.99	35.57	+9.83	61	3496	+429
	Indianapolis	67	54	+11	.33	34.58	+9.58	76	4003	+521
	Indian Creek	70	49	+11	.59	31.09	+5.27	76	4004	+687
EC	Farmland	67	48	+11	.72	28.39	+4.02	67	3606	+619
	Liberty	68	47	+10	.57	27.40	+ .90	70	3740	+416
SW	Vincennes	73	50	+11	.01	33.54	+7.17	90	4175	+562
	Dubois	73	48	+10	.22	31.65	+2.68	87	4065	+510
	Evansville	74	52	+11	.00	27.69	+2.17	101	4464	+500
SC	Bedford	71	48	+11	.12	37.42	+9.89	79	3943	+519
	Louisville	75	55	+13	.06	30.71	+4.22	112	4646	+710
SE	Butlerville	69	46	+6	.32	36.38	+10.12	73	3884	+220

DN = departure from normal.

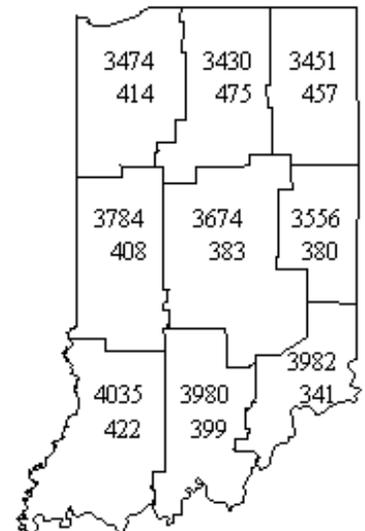
Growing Degree Days = daily mean - 50 (below 50 adjusted to 50, above 86 adjusted to 86.)

Rainfall of 1 Inch or More
for Past 7 Days
as of Monday morning

Rainfall for Past 4 Weeks
and Departure from Normal



Growing Degree Days
and Departure since April 1



Ally (continued)

- Prepare and share detailed financial statements. At a minimum, the lender should be shown a current balance sheet, a recent income statement, projected income statement for next year, and cash-flow projections. In this situation, the more information you provide the better, because the lender becomes a de facto partner in your operation. If there is evidence that you are withholding any relevant information may cause the lender to be inflexible and could jeopardize your relationship.
- Discuss how you will control risk. A variety of risk-reducing marketing strategies exist that use futures, options, and forward contracts. While some of these limit the upside potential of price increases, they also can secure a steadier stream of income.

Other strategies include contracts and joint ventures in which multiple parties share risk. It's important to note that in most cases, no single party can bear all of the risk. Therefore, contracts should be written to allow renegotiation of terms and variation in payments as market conditions fluctuate, or they should share risk equitably among participants. Diversification also works as a risk-reducing strategy, although it may not be as effective under current circumstances. Diversification works when enterprises have income streams that are negatively correlated.

- Be flexible but in control. For example, it is not uncommon for lenders to suggest liquidation of capital assets such as timber, a cow herd, or real estate to reduce debt. Depending on the asset's future earning capacity, this may or may not be wise. This is where a good plan comes in handy, because it may be necessary to show the lender how and when the long-term gain of holding onto these assets will occur.
- Get to know your lender on a personal level. It's easier to work with people you know and trust. This is true for you and your lender.
- Choose an agricultural lending expert. His or her understanding of production agriculture may be essential to securing credit.
- Shop for credit. Consider the institution, the agent, interest rates, limits, management freedom, and useful advice. Check with the Farm Services Agency or co-signers about credit guarantees. In some cases, even a producer with sound financial footing can't get credit, due to lack of collateral. Credit guarantees can provide short-term operating capital to keep an operation afloat until management changes can be made or markets improve. Don't wait until the last minute to line up such guarantees. If there is a chance that you will need them, start your search for guarantees now.
- Pay off debts promptly whenever possible. Prompt repayment of obligations, when possible, will establish a good credit record for the future.