

farmdocDAILY LIVE | Coronavirus and Ag

Crop Supply Logistics This Spring

I

ILLINOIS

Agricultural &
Consumer Economics

COLLEGE OF AGRICULTURAL, CONSUMER
& ENVIRONMENTAL SCIENCES



Scott Irwin



Jeff Bunting

Audio

Poor Audio

- Normal function of your internet connection
- **Solution:** Call in by following instructions in email



No Audio on computer

- Ensure computer audio is selected and check output device
- Check that speakers are not muted or very low volume
- If all else fails call in by following instructions in email

Housekeeping

- Handout available via GoToWebinar control panel
- Webinar will be archived and available on farmdoc
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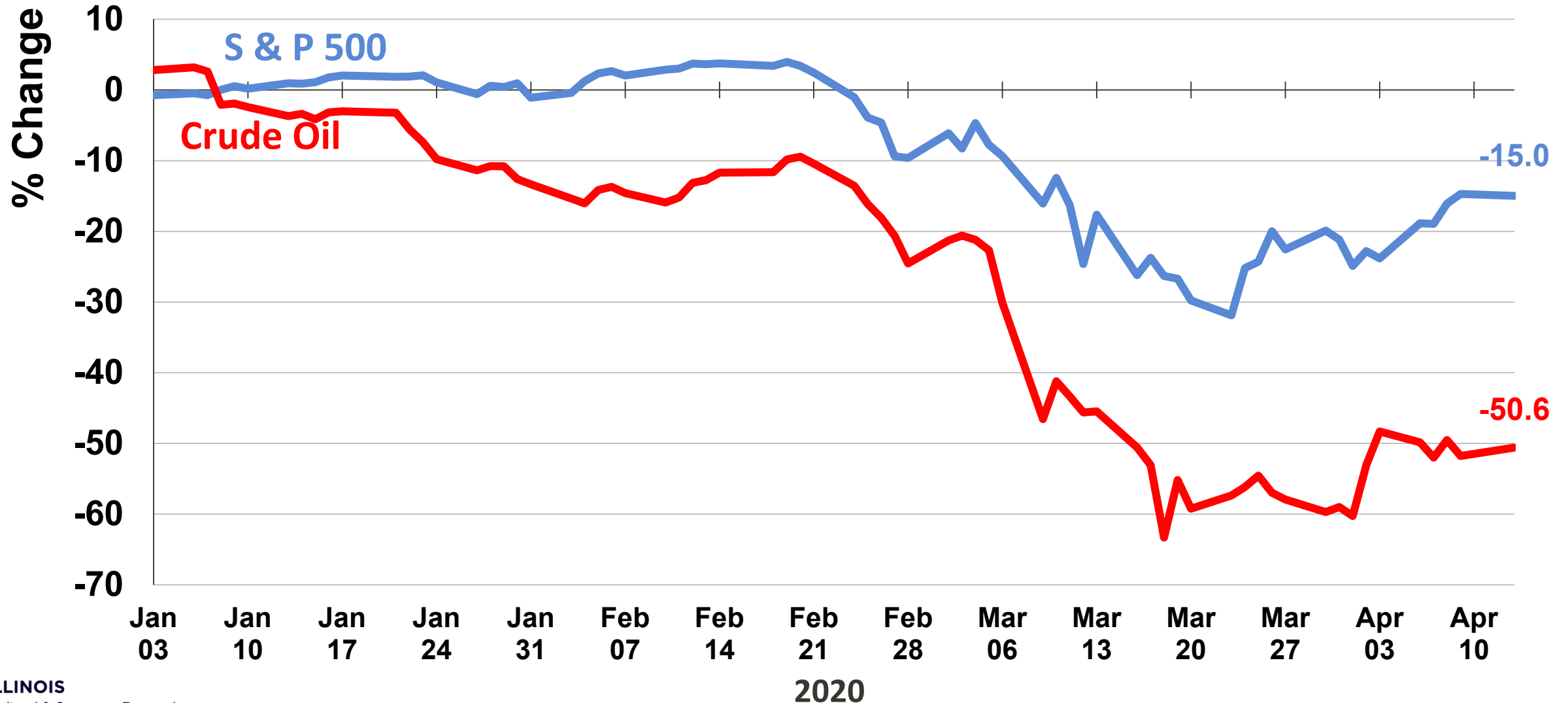


Scott H. Irwin

Laurence J. Norton Chair of Agricultural Marketing

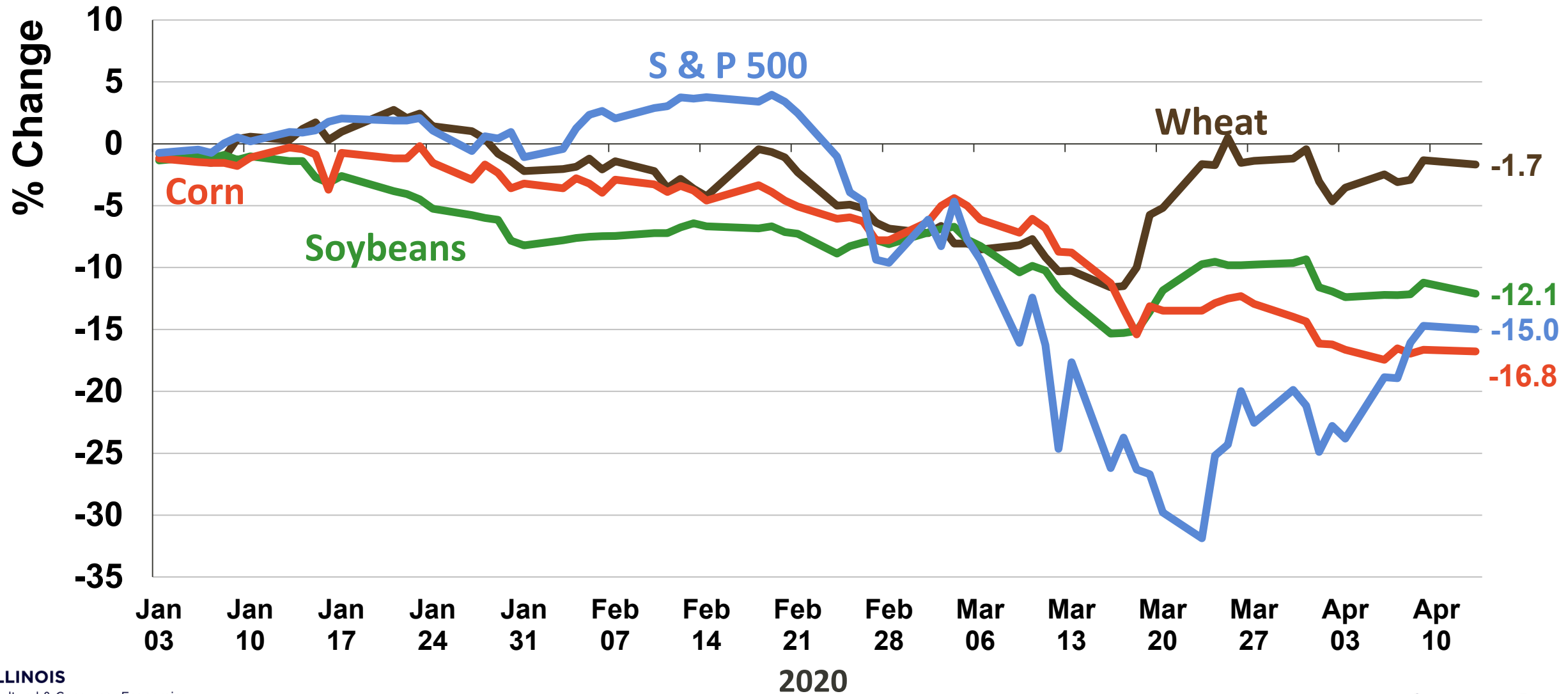
Change in Stock Market and Commodity Prices

Since the Beginning of 2020 (thru 04/13/2020)



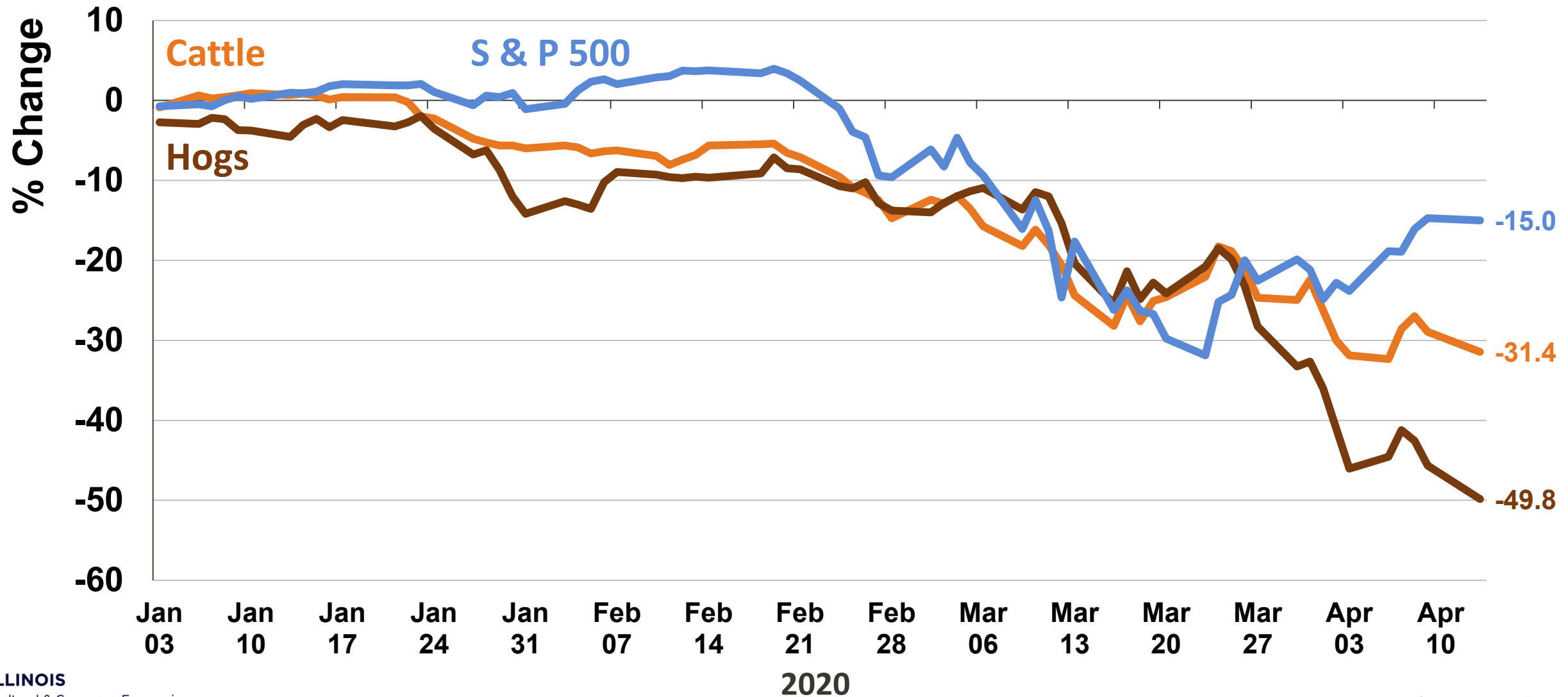
Change in Stock Market and Grain Prices

Since the Beginning of 2020 (thru 04/13/2020)

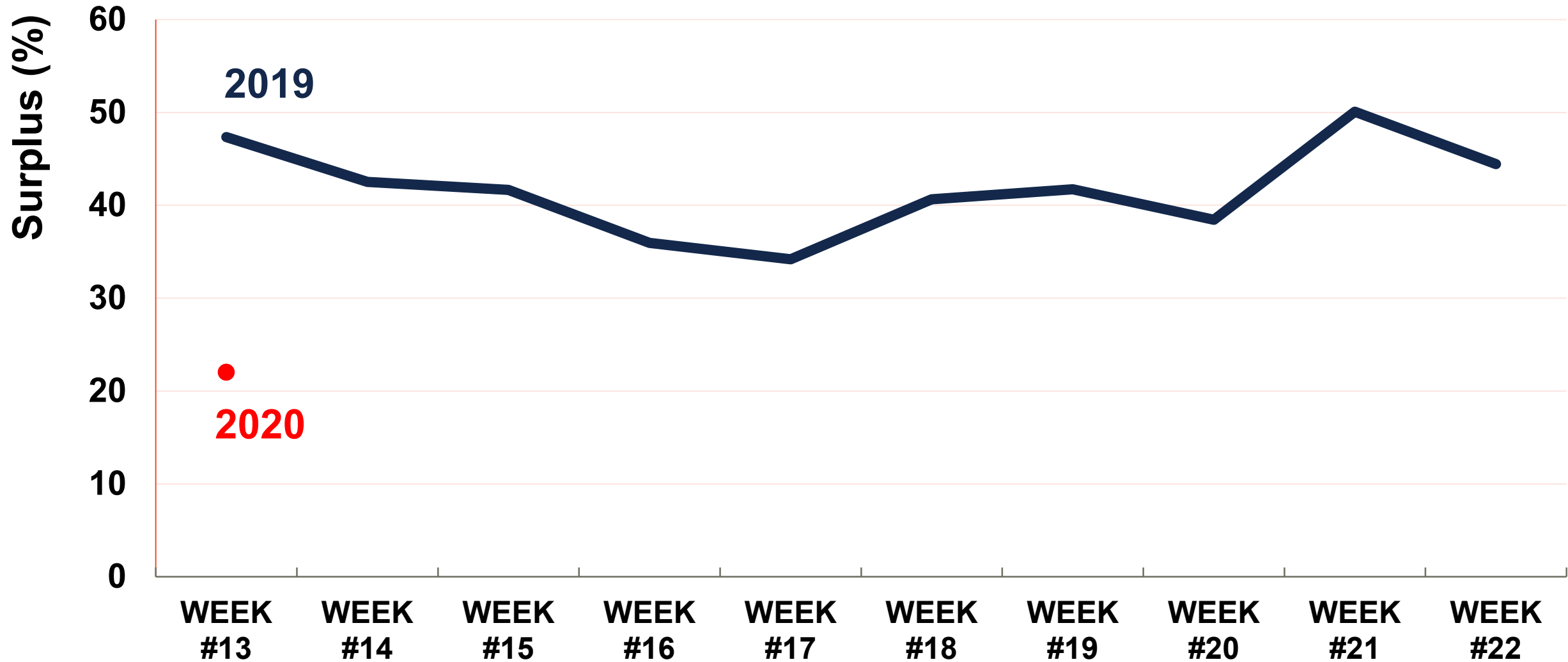


Change in Stock Market and Livestock Prices

Since the Beginning of 2020 (thru 04/13/2020)



Weekly Crop Acreage with Surplus Topsoil Moisture in the U.S. Corn Belt, 2019 and 2020





Dr. Jeff Bunting
Crop Protection Division Manager



#plant20

- Managing through a Pandemic after a Challenging Year
- Supply Chain Challenges
 - Manufacturer to Retailer to Grower
 - Steps to Manage through Covid-19
- COVID-19
 - Short-term Impacts
 - Long-Term Impacts
- 2020 Outlook



Background

- FS System is made up of 550 retail locations
 - #3 ranking CropLife 100
- Millions of gallons of storage – CP and CN
- Multiple Warehouses – owned and 3rd party
- Fleet of trucks/tractors/sprayers
- Dedicated crop specialists that provides farmers the products and services they need



GROWMARK Overview

Main Business Units within GROWMARK

- Energy
- Grain
- Retail
- Agronomy

Agronomy – will be the focus in today’s session

- Crop Nutrients
- Seed
- Crop Protection





GROWMARK
SEED

InVISION

RIE

#HISOY

SEED

CORN

SPARTAN 6300

FS SEED

GROW

SOYBEAN SEED

Diversify and Conquer.

GROWMARK
AGRONOMY

Crop Protection Division



History of Product Use

- Crop protection has changed in the last 10-15 years
 - Plethora of M&A's
- Weed resistance/shifts due to production practices and/or herbicide use
- Soybean Herbicide Trait adoption
 - Roundup Ready - '96
 - Liberty Link – '09
 - RRXtend – '17
 - LLGT27 and Enlist E3 – '19
- Global Impact – sourcing and regulatory



Global Impact – 2020 and beyond

- Volatility has stabled
 - Strong inventory positions going into 2020
- Pesticide Active and Inert Ingredients
 - Domestic legal issues and Global restrictions
 - Trade/tariff discussion
- China/India influence on Market, i.e. Inerts/Regulatory
 - Massive explosion a year ago
- Focus on Product Positioning and GROWMARK System Needs
 - History of Product Use and Demand



Supply Chain Update

- Statistics
 - Optimized Distribution Centers
 - Anhydrous Ammonia Terminals
- Direct ship of seed from production facilities
- Direct ship of select grain system products
- Added carrier capacity to DC's



Supply Chain Update

- Currently all Crop Nutrient and Distribution Centers are operating at full capacity
- Implementation of policies related to health and safety of employees
- Alternate supply point arrangements with key suppliers
 - Set up pick up points with majors/generic suppliers
 - Selected alternate member delivery sites from major/generics suppliers
 - Ample FS Seed supplies at production facilities



Supply Chain Implications from COVID-19

Crop Nutrient - Little to no disruption currently

- Strong demand of ammonia so far
- Upstream looks to be just normal concerns
- Multiple source points from our terminal networks



Supply Chain Implications from COVID-19

Seed - Little to no disruption currently

- **99% of Corn Seed Shipped** and Positioned for Spring season.
- **97% of Soybean Shipped** and Positioned for Spring season
- In season needs available at local FS Companies



Supply Chain Implications from COVID-19

Crop Protection – Little to no disruption currently

- Most actives were stateside prior to outbreak
- Large carry over from 2019
channels are full
- China seems to be coming back online
– long supply chain lead time



Crop Protection Market



China produces
1.465 M Tons
of pesticides or
49% of global use

Short Term Impacts

- Going to take planning and communication
- Logistics
 - Get what you want and when you want it
- Focus on the growing season in monthly segments
 - 30 day increments
- There is enough product for the 2020 season
 - Might have to go to a Plan B or C Option
- Be careful and Be safe.



Long Term Impacts

- World Economy Stopped
 - Research & Technological Advancements
- Will there be a tail from this pandemic into 2021?
 - Delay in Innovation
 - Product Sourcing/Manufacturer
- What does life look like after? Same.....Different...
- How will we get back to the “New Normal”?
 - Opportunities, Engagement, Reform



Thank You

Dr. Jeff Bunting
GROWMARK Crop Protection Division Manager



We would like to thank all of our farmdoc sponsors



Upcoming Webinars

Rural Economy Stimulus: CARES and PPP Funding

1:30 to 2:00pm CT, Thursday April 16th

The CARES Act includes a number of programs targeted at supporting small businesses. Rural businesses in Illinois have choices about participating in the Paycheck Protection Program (PPP). Join Bob Rhea and Dale Lattz from FBFM, and Nick Paulson from the farmdoc team, as they identify the key components of this new legislation and the impact on business owners.

Getting the 2020 Crop Planted

11:00 to 11:30am CT, Friday April 17th

Even with good corn and soybean yields following record-late planting in 2019, there is increased urgency in getting the 2020 crops planted on time. Emerson Nafziger will talk about the start of the 2020 planting season, current conditions, and planting date, depth, and seeding rate decisions in the coming weeks.

Thank You for joining us!

Please submit your questions



The screenshot shows the farmdoc website interface. At the top, there's a navigation bar with 'ILLINOIS', 'EXTENSION', 'farmdocDAILY', and 'Farm Policy News'. Below that is the 'farmdoc DECISION OUTREACH CENTRAL' logo and a menu with 'Market Prices', 'Sections', 'Tools', 'Publications', 'Events', 'Sponsors/Donate', and 'About Us'. The main content area is titled 'Coronavirus and Ag' and features a 'Submit Questions' button. Below this, there's a section for 'farmdoc daily live: Coronavirus and Ag' with filters for 'View All', 'See Upcoming', and 'Register For Series'. The page displays a grid of webinar recordings with titles, dates, and 'Watch Video' or 'Download Slides' buttons. The recordings include: 'Setting the Stage' (March 17th, 2020), 'Lessons from Infectious Disease and Livestock' (March 24th, 2020), 'Financial Perspectives on Agriculture and Coronavirus' (March 27th, 2020), 'Global Transportation and Cash Flow Considerations' (March 31st, 2020), 'Outlook and Farm Policy Moving Forward' (April 3rd, 2020), 'Acreage Decisions 2020' (April 7th, 2020), 'Impacts of Covid-19 on Agricultural Assets and Lending Markets' (April 10th, 2020), 'Scott Irwin and Jeff Bunting on Crop Supply Logistics this Spring' (April 14th, 2020), 'Rural Economy Stimulus: CARES and PPP Funding' (Thursday, April 16th, 2020 at 1:30 CST), 'Getting the 2020 Crop Planted' (April 17th, 2020), 'The Impact of the Coronavirus Pandemic on Food Prices and Retail Food Sector' (April 21st, 2020), and 'Gardner Policy Group' (April 24th, 2020).

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