

Soybean Acreage Could Outpace Corn in 2016

Experts predict that changes in the Midwest's 2016 crop selection will lead to a new record for total U.S. soybean acreage. Many farmers are shifting towards soybeans and away from other crops—primarily corn—as the result of the perceived reliability of soybean profitability.

Why Farmers Are Choosing Soybeans

Farmers view soybeans as a safe investment for a number of reasons, including the low price of seeds, their high foreign demand and their resilience in cold climates.

Over the past decade, the price of soybean seeds has remained relatively stable, especially when compared to corn seeds. Estimates in Indiana have shown that the price of corn seeds in 2016 will be about 262 percent greater than it was in 2005, compared to a 106 percent increase in soybean seed prices. Also, China and other foreign markets have increased their demand for soybeans. These factors have caused some farmers to prioritize the crop over corn for the 2016 growing season, especially in northern states where corn is vulnerable to low temperatures.

For more information on trends in the 2016 growing season, call us today at 209-667-0995.

Congress Repeals the COOL Act

Congress recently repealed the Country of Origin Labeling (COOL) Act, which mandated that meat labels specify a product's place of origin. Canada and Mexico challenged the act under the belief that it unfairly targeted foreign products sold in the United States. As a result, the World Trade Organization (WTO) authorized over \$1 billion in retaliatory tariffs on U.S. products.

The COOL Act was originally passed with the belief that it would offer U.S. ranchers a competitive advantage, as consumers would prefer domestic meat products. Now that it has been repealed, the WTO tariffs are expected to be withdrawn.

Crop Insurance Restored

The Fixing America's Surface Transportation (FAST) Act was passed in December, and it included a measure that restored \$3 billion in funding to federally subsidized crop insurance. These funds were originally included in the Agricultural Act of 2014, but were cut in late 2015 as a part of a bipartisan budget agreement.

Crop insurance protects farmers and ranchers from loss due to natural disasters and declines in the prices of commodities. For more information on crop insurance, contact Winton-Ireland, Strom & Green Insurance Agency today.

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