

MARKET SNAPSHOT
CROP INPUTS



June 30, 2020

Executive Summary

Drivers for the crop input industry include unused inventory and financial stress in the agriculture industry.

- Retailers enjoyed an active agronomy season, providing products and services to growers farming considerably more acres on average than in 2019.
- Crop progress has been above average amid favorable weather; COVID-19 had little if any impact on field activities.
- A surprise ruling against dicamba, an alternative herbicide to glyphosate that overcomes weed resistance, could have long-term implications for crop protection sales and advice.

Farm supply retailers have executed well during an active spring agronomy season and are well-positioned for the remaining growing season. In contrast to 2019, this spring saw orderly planting, above average crop progress and limited prevent plant/replant activity. Favorable weather played a key role, allowing farmers to overcome the winter hangover of soggy fields in portions of the Corn Belt and unharvested grain in parts of North Dakota. USDA rates the crop good to excellent for more than 70% of corn, soybeans and spring wheat. USDA's latest plantings report estimated corn, soybean and wheat acres of 92 million, 83.8 million and 44.3 million, respectively, representing annual growth of 3%, 10% and -2%.

In surprise developments for the herbicide dicamba, the 9th Circuit Court of Appeals recently vacated registrations of three products made by Bayer, BASF and Corteva, effectively banning its in-season use. The court ruled the Environmental Protection

Agency unlawfully approved those products by failing to properly consider dicamba's environmental impact. Several subsequent legal actions, however, will allow farmers to use dicamba until July 31, reducing disruptions during the 2020 season.

The court decision complicates the battle against herbicide-resistant weeds, as dicamba is widely used on U.S. soybean and cotton fields. Interestingly, several states' existing rules limit dicamba's use to the early weeks of the growing season. Applied nationally, such restrictions could help balance all stakeholder interests without criminalizing this highly effective weed-killer.

Additional Information

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