Welcome to this week’s WeatherManager, your weekly journal for ideas and developments in the weather risk market, brought to you by eWeatherRisk.

The articles talk about the volatile weather with too much rain and cool conditions damaging crops in the Midwest and South and drought and heat in the Southeast and Northwest as well as drought widespread in Canada. The developing El Nino suggests wetter and cooler conditions in the Southern Plains and South and dry and warm conditions out West along with drought in the Northern Plains into Canada for this Fall and Winter. If this El Nino turns out to be strong, the likelihood of a quicker transition to a La Nina and difficult growing conditions increases for the 2016 growing season.

**Recommendation.** With late and even prevented planted crops, focus is on continued wetness and lack of growing degree days where crops were planted late and heat in the Northern Plains, in Canada and out West. Consider the caveat about the flip to a La Nina and buy heat and/or drought hedges for 2016 this Fall and not wait until the forecasts tilt that way and prices increase for next summer in the Belt to protect against 2012 conditions.

Weather hedging is a necessary part of any risk management strategy as weather poses the biggest danger to crop yields and revenue, and a hedge can provide great protection to complement your crop insurance and marketing decisions as well as protect many commercial risks.
Rain washing out hay production in Armstrong County – An unusually rainy summer has kept Armstrong County farmers from cutting and baling hay, decreasing the quality and driving up the cost of what is produced.

Storms, flooding taking toll on Ohio crops – As storms rolled through Central Ohio in waves during the weekend, washing out outdoor plans, farmers could only wonder when they will be able to get out into the fields to cut hay.

Experts: State's crops not likely to recover – The prospects for Indiana’s flood-ravaged grain crops recovering are becoming increasingly slim with more rain forecast over the next two weeks, according to Purdue Extension experts.

Wet weather takes bite out of corn, soybean crops – Clayton Light, a wildlife biologist for the Missouri Department of Conservation, said the corn crop at the state wetlands south of Columbia is suffering from stunted roots brought on by recent rains, groundwater seepage and flooding.

Northeastern part of state hit with stormy weather, too much rain – Persistent rainfall has become a problem for producers in the northeastern part of North Dakota and that problem was compounded during the weekend of July 11-12 by thunderstorms that brought damaging hail and winds to some areas.

Southeast Alberta wheat, canola shriveled by heat, dryness – Parts of Canada, the world's biggest canola exporter and a major wheat shipper, have suffered the driest conditions in decades, shivering crops.

South Carolina drought leaves crops withering in heat – As sparse rainfall and extreme high temperatures persist, worsening drought conditions in South Carolina have left corn, soybeans, pastures and other crops withering in the dry ground.

Stu Ellis: 2015 already memorable for wrong reasons – Just as 2014 will long be remembered as an almost perfect growing season, 2015 will long be remembered as the growing season that has caused more heartburn than anything.
Commentary: The upper map is the US Drought Monitor released July 16th. Recent rainfall improved conditions in Colorado and Texas while Idaho and the PNW worsened with little rain and high temp’s across northern portions of the Pacific Northwest, Northern Plains, and the Southeast and unseasonably cool temperatures were observed across the remainder of the West, Central and Southern Plains, and Midwest. Precipitation accumulations this week were greatest (in excess of five inches) in southern portions of the Midwest.

The lower map is the Drought Outlook now to the end of October. Development, persistence and intensification in the West and improvement in the desert with an active monsoon season as well as spotty improvement as well as worsening in the Southeast.

Recommendation: Drought and heat hedges should be evaluated for all of the West. Heat and drought hedges in the Upper Plains and Canada this summer and cool and wet hedges in the South for cotton and milo are recommended. A hot summer and fall for the West can be hedged for impacts on livestock and dairy as well as energy consumption for building owners, municipalities and schools where the drought is the worst and the fire and heat season started early and will likely continue.
Commentary: The map is the 3-7 Day weather hazards map for the US. More heavy rain in the upper Midwest and continued flooding along the Mississippi. Excess heat in the Delta and rain in Florida. Drought still widespread in the West.

Recommendation: Drought hedges in the West for next winter and lack of chilling units for the West should be considered. Excess heat hedges for the Southeast should be considered for August through September where it has been very hot and now just moving to the hottest part of summer. Excess rain hedges and lack of Growing Degrees should be considered for areas that have had too much rain or late planting as well as early Fall freeze hedges where freeze dates for the Northern US can be as early as mid-August and widespread areas of the Belt are throughout September.
Commentary: The 5 and 7 day outlooks forecasts a wet pattern for a good portion of the US with rain even in Idaho and Montana and then widespread east of the Rockies. The West, Southern Plains and Mid-Atlantic see little to no rain and Florida with some Tropical development is forecast for widespread half foot rains.

Recommendations. Drought and heat hedges for the PNW and Canada for this summer and next fall/winter and heat hedges for this summer and fall in the West and PNW are still suggested. We have hurricane and excess rain hedges for those along the coasts that are also of interest to energy companies in the Gulf. Municipalities and building owners should consider purchasing excess snow hedges for next winter now instead of waiting for the rush and crowded pricing and remember we now offer weather protection for your concerts, fairs, tournaments and other outdoor events which is generating strong interest. If you have an upcoming event in your area, call the organizer, get some details such as the date and amount at risk and call us at 800 603 3605 for a quote.
Commentary: Wednesday’s 6 – 10 day temperature outlook for July 28th – August 1st shows widespread above to much above normal temperatures for the West Coast and Eastern half of the US with the most below normal still in the Rockies and Great Basin.

The lower map is the 6-10 precipitation outlook with above normal rainfall forecast throughout the Midwest and South and isolated pockets in the desert. Below normal in the PNW, Great Lakes/New England and then in Texas.

Recommendations. Heat and drought hedges in the Western Belt and the PNW into Canada should be considered for row crops as well as for feedlots and dairy with our new heat index hedges which would have really kicked last week with widespread 110+ heat indices. With the strengthening El Nino increasing the risk of a cooler and wetter summer in the South, the risk of more frequent snow and ice events in the South/Southeast increases as does the risk of a warmer and drier Northern US for this Fall and Winter which could also mean less snow and more ice. Call for a quote for your risk.
Commentary: The 8 – 14 day temperature outlook for July 30th to August 5th forecasts above to much above normal temperatures for much of the US with the most aboves horseshoed around normal in the Midwest with the most aboves in the South and along the Coasts.

Recommendation. Heat and/or drought hedges in the Northern Plains, Canada and the PNW are still recommended where contracts can start 20 days forward and after this forecast period to protect against a return to recent conditions. Heat hedges in the West where a very active fire season can be expected and worsening every day with these strong above normal conditions and possibly an early Santa Ana event. Call or e-mail us to discuss how these work for your risks. We are also seeing interest from Utilities and municipalities for snow and cold winter hedges in the Midwest and East Coast for next winter.
Commentary: The 8 – 14 day precipitation outlook for July 30th to August 5th shows significant drying and below normal conditions along the Canadian border into New England and then in South Texas and South Florida. Above normal in the desert with the active monsoons and then along the Gulf into the Central Plains and up to the Mid-Atlantic.

Recommendation: Cool summer and excess precipitation are recommended particularly for shorter season areas like MI/WI as well as for any late planted areas where folks were still trying to plant soybeans even into July and early freeze dates not far away. Freeze hedges for those areas should also be explored as well as continued wetness for quality problems and excess drying costs. Rain on hay as well as into harvest on barley and spring wheat should also be considered where we have some special protections available.
Commentary: The 3 month August, September and October (ASO) temperature outlooks were released July 16th and above to much above normal temperatures for the PNW and Western part of the US as well as along the East Coast. Widespread below normal spread from the Southern Plains into the Great Lakes which will make getting enough GDD’s on everything from cotton in Texas to corn and beans in the Northern Belt difficult as well as expose particularly northern corn and beans to an early freeze.

Recommendation. Heat and/or drought hedges in the PNW and West for later summer and fall are recommended where contracts can start 20 days forward and after this forecast period to protect against a return to recent conditions. Early to even average freeze dates can be hedged in most of the US and particularly where there are late planted crops for growers as well as processors.
Commentary: The ASO precipitation outlook also came out July 16th and shows the most above normal in the 4 Corners but spreading through the Central part of the US into KY and TN. Below normal in the PNW, the Northern Great Lakes and into New England with equal chances elsewhere. Remember dry conditions will lower dewpoints and create a greater risk of an early freeze.

Recommendation: Cool summer and excess precipitation are recommended particularly for shorter season areas like MI/WI as well as for any late planted areas where folks were still trying to plant soybeans in early July and early freeze dates not far away. Freeze hedges for those areas should also be explored as well as continued wetness for quality problems and excess drying costs. Rain on hay as well as spring wheat and barley can be quite cost effective and is an excellent quality hedge.
Points to Consider

- There are now over 6,000 weather stations that are available, single or in combination to cover weather risk in 14 different peril groups.

- Weather risks are fully customized to each customer’s need as a single peril that can be applied throughout the season as well as for commercial accounts – cooperatives, ethanol plants, feedlots, utilities (both water and energy) and construction risks.

- Patented weather data, hedging and index creation processes, patent number 8,607,154, issued 12/10/2013.

- eWeatherRisk solutions are backed by a Standard and Poor's AA-rated multi-national reinsurer.

- Contact us or your agent for specific needs (800) 603-3605.

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