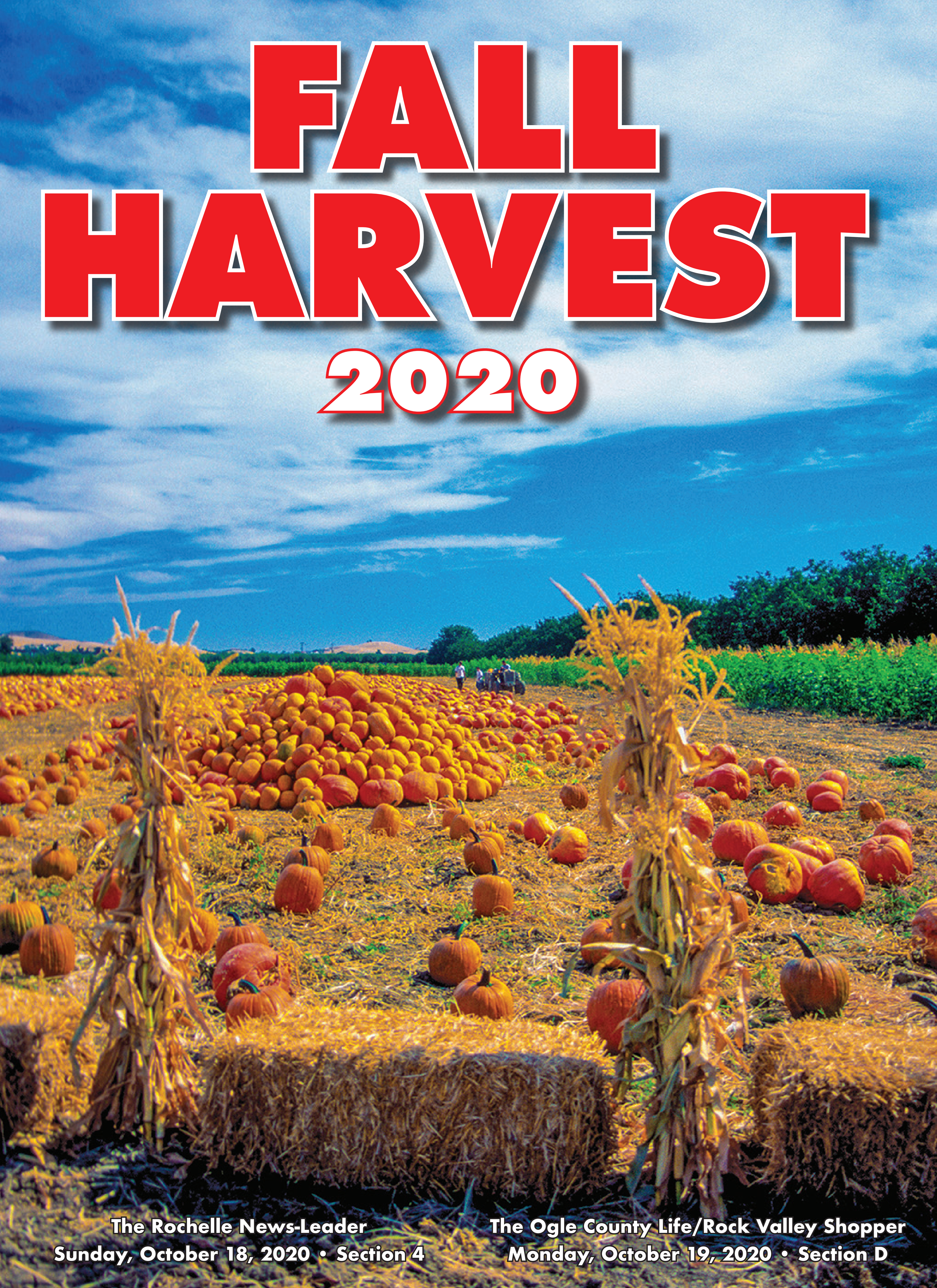
FALL HARVEST 2020



The Rochelle News-Leader
Sunday, October 18, 2020 • Section 4

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Monday, October 19, 2020 • Section D

Safety tips from the Ogle County Farm Bureau

THE Ogle County Farm Bureau® is concerned with the safety of public and the farmers in Ogle County. We have provided some tips for both the general public and farmers to keep in mind throughout the year as they encounter the farm.

Safety on the Road

Tips for the Farmers
Share the road safely with motorists:

- Do everything possible to alert motorists to the presence of your farm equipment and slow travel speed.
- Plan travel to avoid rush hours, bad weather, the busiest roads, and the time before daylight and after dark.
- Be obvious to motorists by proper use of reflective Slow Moving Vehicle emblems on any implement of husbandry operated on public roadways. It's the law!
- Use reflective marking tape and reflectors at the extremities of equipment.
- Turn on hazard lights mounted on farm equipment and turn off field work lights for all roadway travel.
- Install mirrors that are wide enough to see what is following you.
- Always use turn signals to indicate plans to turn in to fields and driveways.
- Be aware of traffic-oncoming, in front of you, and behind you.
- If road and shoulder conditions are safe, pull over temporarily to allow traffic to pass.
- Slow down on turns and curves. Check the traffic behind you.
- Minimize the width of equipment as much as possible. You may not interfere with traffic on an adjoining lane.
- When practical, truck larger equipment to the next location.

Tips for Motorists

Share the road safely with farm equipment.

- Above all, slow down and be patient.
- Reduce speed when encountering farm equipment on public roads. Flashing amber lights mean "caution."
- Slow down when you see the Slow Moving Vehicle Emblem-the orange and red reflective triangle warns you that the tractor or combine travels at a slow rate of speed.
- Keep a safe distance from the farm equipment so the farmer can see you. If you can't see this mirrors, he can't see you.
- Pass wide, large farm equipment only if you know conditions are safe and you are sure the farmer will not be taking a left-hand turn. Be cautious when pulling back in.
- It is illegal to pass in a no passing land within 100 feet of an intersection, railroad crossing or bridge.
- Be prepared to yield to wide equipment.

What to do when your lawn is rusty

URBANA – The first hint of lawn rust often comes from the bottom of your shoes, says Chris Enroth, University of Illinois Extension horticulture educator. Homeowners may notice some slight discoloration of the lawn, but nothing too alarming until they slip off their shoes and notice a reddish-orange color.

"That's when homeowners call the Extension office asking about the strange substance on their shoes after walking through their lawn," Enroth says. Many conversations follow this pattern:

"What is it?"

The orange-red tint is fungal spores from a group of related fungi that cause lawn disease rust. Kentucky bluegrass and perennial ryegrass are almost exclusively affected. Rust is more often found on lawns with a taller mowing height, yet, it is mostly cosmetic.

Rust favors dry soils and high humidity conditions, including long evening dew periods. "Lawn rust typically develops later in the summer and in early fall when cool-season lawns are growing very slowly," Enroth explains.

"Is it safe to walk on it?"

"Yes, it is safe to walk on a lawn with rust," Enroth says. Rust will not harm humans and is more of a nuisance than anything else. The fungal spores are easily detached and will cover just about anything that walks or moves over the lawn, including shoes, pets, and mowers.

"How do I get rid of it?"

There are a few ways to reduce or eliminate rust. "The easiest solution is to just wait until cooler weather," Enroth says. "Once growing conditions become more favorable to cool-season lawn growth, we'll simply mow off the rust and it will no longer be an issue."

Lawn rust will not harm humans and is more of a nuisance than anything else. The fungal spores are easily detached and will cover just about anything that walks or moves over the lawn, including shoes, pets, and mowers.

Homeowners may also encourage lawn growth using fertilizers. Apply 1 pound of nitrogen fertilizer per 1,000 square feet. Rust is common on slow-growing grasses. Nitrogen will stimulate your lawn to grow and surpass rust's slow disease cycle.

"Applying nitrogen in the late summer to early fall is a good practice and is a recommended part of your cool-season lawn routine," Enroth says.

"How can I prevent lawn rust?"

Avoid irrigating during the evening. Evening watering prolongs the dew period, favoring rust development. Hollow core aerate when lawns are actively growing in the spring or fall. Rust can be more common in compacted soils, so aerating will relieve soil compaction.

There are species of turfgrass that are resistant to rust. Killing off a lawn and reseeding it in rust-resistant turf-type tall fescue is one way to prevent future rust. Tall fescue is a popular pasture grass and, recently, the turf industry has started breeding this species to match common lawn grasses. To keep Kentucky bluegrass lawns rust free, overseed it with new varieties of Kentucky bluegrass that are more resistant to rust.

Because lawn rust is mainly cosmetic, fungicides are only necessary if a homeowner demands a high-quality lawn. "There's no reason to spray another pesticide in the environment if we really don't have to," Enroth says.

University of Illinois Extension is the flagship outreach effort of the University of Illinois at Urbana-Champaign, offering educational programs to residents of all of Illinois' 102 counties and far beyond. Illinois Extension provides practical education you can trust to help people, businesses, and communities solve problems, develop skills, and build a better future. Through our Agriculture and Natural Resources programs, Illinois Extension supports the economic viability and environmental sustainability of natural and managed landscapes and productive lands in Illinois. Horticulture program educators provide research-based information and training about gardening, fruits and vegetables, flowers, insects and diseases, composting, landscaping, and more.

USDA offers annual installment deferral option for farm storage facility loan borrowers

WASHINGTON, D.C. – To assist Farm Storage Facility Loan (FSFL) borrowers experiencing financial hardship from the pandemic and other challenges in production agriculture, USDA's Farm Service Agency (FSA) is offering a one-time annual installment payment deferral option. No fees or prepayment penalties apply for borrowers who choose this FSFL loan flexibility option.

"Farmers are facing challenging times because of the pandemic, and FSA is constantly looking for ways to offer flexibilities to our customers to help alleviate financial stressors," said FSA Administrator Richard Fordyce. "This storage facility loan servicing option affords eligible borrowers more time to make a payment and may stop loan acceleration, foreclosure or liquidation."

Eligible borrowers can request a one-time only annual installment payment deferral for loans having terms of three, five, seven or ten years. The installment deferral option is not available for 12-year term loans.

The FSFL installment payments will remain the same, except for the last year. The original loan interest rate and annual payment due date will remain the same. However, because the installment payment deferral is a one-year loan term extension, the final payment will be higher due to additional accrued interest.

Borrowers interested in exercising the one-time annual installment deferral option should contact FSA to make the request and to obtain, complete and sign required forms.

FSFLs provide low-interest financing for producers to store, handle and transport eligible commodities.

More Information

In addition to offering flexibilities for FSFLs, FSA has also made other flexibilities to help producers impacted by the pandemic, including relaxing the loan-making process for farm operating and ownership loans and implementing the Disaster Set-Aside provision that enables an upcoming installment on a direct loan to be set aside for the year. More information on these flexibilities can be found at farmers.gov/coronavirus.

All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors may also be required to wear a face covering during their appointment. Field work will continue with appropriate social distancing. Our program delivery staff will be in the office, and they will be working with our producers in office, by phone and using online tools. More information can be found at farmers.gov/coronavirus.

For more information, contact your local USDA Service Center. To locate your local FSA office, visit farmers.gov/service-center-locator.

Many market-ready hogs with industry contraction to follow

URBANA – The USDA's September Hogs and Pigs Report places the Sept. 1 inventory of all hogs and pigs at 79.1 million head, a record for this quarter, up just 0.7 percent from last year and slightly above the average pre-report estimate of 0.3 percent higher but still within the expected range. While down 0.7 percent from last quarter, the record for this quarter on its own could be viewed as a continuation of industry expansion, according to Jason Franken, agricultural economist at Western Illinois University.

"However, the somewhat higher-than-anticipated inventory basically reflects a market hog inventory that, at 0.8 percent higher than a year ago, is also just above pre-report expectations of 0.6 percent higher, while the breeding herd is down 1.5 percent , compared to expectations of 1.1 percent to 3.3 percent lower," Franken says. "That is, for two consecutive quarters, the cutting of the breeding herd in response to low prices may be signaling oncoming industry contraction; even if it is not as strong of a response as anticipated."

> "With annual averages of 10.68 and 10.98 pigs per litter in 2018 and 2019, respectively, this year will almost certainly continue the upward trend observed over the last decade. The smaller pig crop should imply a similarly smaller slaughter this winter."
>
> **Jason Franken**

The decline in lighter-weight-class hogs partly reflects that the June-August pig crop—though not as small as the anticipated 4.9 percent drop—was almost 3.5 percent smaller than last year, with nearly 2.9 percent fewer sows farrowed and 11.04 pigs saved per litter—or about 0.6 percent lower than the 11.11 pigs per litter for the same period last year.

"With annual averages of 10.68 and 10.98 pigs per litter in 2018 and 2019, respectively, this year will almost certainly continue the upward trend observed over the last decade. The smaller pig crop should imply a similarly smaller slaughter this winter," Franken says.

"Farrowing intentions for the fall and winter, respectively, are down about 5 percent and 1 percent from the prior year. The projected drop for the fall, in particular, may be a bit large with only a 1.5 percent reduction in the breeding herd, and hence, may underestimate actual realized farrowings," he adds.

"Last June's Hogs and Pigs Report estimated summer farrowing intentions to be 5 percent lower than the previous year with a 1.3 percent smaller breeding herd but, as noted above, only 2.9 percent fewer sows were farrowed. Still, the numbers suggest that producers have responded to lower prices and the possibility that COVID-19 could again constrain slaughter rates and demand."

Franken explains that if slaughter facilities that were previously shut down due to COVID-19 concerns are able to continue operating at current slaughter rates or higher, there is plenty of room in cold storage, as it has not yet been replenished since being pulled down earlier during the pandemic. According to last week's USDA cold storage report, cold stocks of pork on Aug. 31 are up 2 percent from the previous month but down 23 percent from a year ago. Poultry stocks are up 1 percent from last month but down 2 percent a year ago, while beef is up 5 percent from last month and down 2 percent from last year.

The USDA has revised its forecast of U.S. per capita pork consumption in 2020 back up to 51 pounds per person from its earlier estimate of 50.4, with the number dropping back to 50.6 pounds per person in 2021. Prior to COVID-19, U.S. per capita pork consumption reached 52.4 pounds in 2019 or the highest it has been since it was 54.2 pounds in 1981. With fairly stable domestic demand expected, exports remain the big wildcard, Franken notes.

"The big news is that China, Korea, and Japan have temporarily banned pork imports from Germany due to detection of African Swine Fever in wild boars, which could help U.S. exports. While the dollar has been competitive, re-emerging COVID-19 concerns in parts of Europe are causing its value to rise relative to currencies of other countries that may be better suited to supply the pork products previously sourced from Germany," he says.

"Prior to this news, the U.S. exported 555 million pounds of pork in July, or about 2.5 percent more than in July of 2019, again largely due to shipments to China and Hong Kong. These shipments and strong exports to Canada and Mexico partly reflect trade deals with these countries, which should continue to be important export markets for U.S. pork. Although the potential for COVID-19 to negatively impact demand remains, U.S. pork exports are still expected to exceed year ago levels."

See HOGS page 6

HOGS: Forcast for national weighted average net price on carcass

From page 5

The USDA estimates U.S. pork exports to be 1.75 and 2 billion pounds in the 3rd and 4th quarters of 2020, or about 16 percent and 10 percent greater, respectively, than last year. The first quarter of 2021 is forecast to just exceed the record 2.02 billion pounds for the first quarter of 2020, and the second quarter of 2021 is similarly forecast to be about on pace with second quarter of 2020. Hence, export demand is expected to remain high.

"Even with strong domestic and export demand, the large number of nearly market-ready hogs and the lower-than-anticipated decrease in breeding inventory are likely to constrain prices for the remainder of 2020, with greater profit potential in 2021," Franken states.

"The forecast presented here is for the national weighted average net price on a carcass basis for all transactions for producer-sold barrows and gilts, including negotiated and contract prices," he says. "This net price should be more reflective of what producers receive, on average, and normally runs at a premium of more than $2/cwt over the base price on average. This net price averaged $56.23/cwt for June, July, and August compared to $34.49/cwt for the corresponding net prices for negotiated or spot transactions."

Hog prices typically drop seasonally from the 3rd to 4th quarters, with much of that ground regained over the next two quarters. Assuming that the U.S. picks up some export demand due to bans on imports of German pork, this forecast diverges from that pattern with somewhat higher 4th quarter prices at about $64.15/cwt, reflecting that strong export demand tempered by slaughter capacity constraints, Franken explains.

"Of course, prices could rise even further if concerns for slaughtering bottlenecks, with the projected large inventories of nearly market ready hogs, prove unwarranted. For the first three quarters of 2021, prices are forecast to rise seasonally to $70.79/cwt, $73.24/cwt, and $79.19/cwt. However, if during that time, China's hog production recovers sufficiently from its own bout with African Swine Fever, then export demand may be insufficient to reach these price projections," he concludes.

USDA stands up new team to better serve beginning farmers and ranchers in Illinois

SPRINGFIELD – The U.S. Department of Agriculture (USDA) is standing up a new team that will lead a department-wide effort focused on serving beginning farmers and ranchers.

To institutionalize support for beginning farmers and ranchers and to build upon prior agency work, the 2018 Farm Bill directed USDA to create a national coordinator position in the agency and state-level coordinators for four of its agencies – Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS), Risk Management Agency (RMA), and Rural Development (RD).

Crystal Zwilling was selected as the USDA Beginning Farmer Rancher state coordinator in Illinois. For the past 10 years Crystal has worked at FSA, assisting Illinois farmers and ranchers as a Program Technician, a Farm Loan Officer and now as a Farm Loan Specialist in the Illinois FSA state office. Crystal looks forward to this great opportunity of assisting farmers and ranchers in her new position as the USDA Beginning Farmer and Rancher state coordinator.

Each state coordinator will receive training and develop tailored beginning farmer outreach plans for their state. Coordinators will help field employees better reach and serve beginning farmers and ranchers and will also be available to assist beginning farmers who need help navigating the variety of resources USDA has to offer.

Twenty-seven percent of farmers were categorized as new and beginning producers, with 10 years or less of experience in agriculture, according to the 2017 Census of Agriculture. USDA offers a variety of farm loan, risk management, disaster assistance, and conservation programs to support farmers, including beginning farmers and ranchers. Additionally, a number of these programs have provisions specifically for beginning farmers, including targeted funding for loans and conservation programs as well as waivers and exemptions.

Farm income projected to dive this year

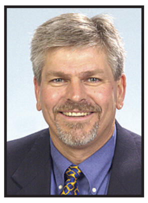
IT'S no secret the pandemic has raised havoc with everything we do. I can't imagine the length of time it will take to recover economically from this disease. Of course, in Illinois we will just tax ourselves out of this hole.

Farm income is projected to dive this year through pandemic, trade issues and poor exports. I'll share with you the numbers from AFBF. Hold on, it's not pretty.

Following a sharp downturn in many commodity prices following COVID-19, e.g., Coronavirus Sends Crop and Livestock Prices into a Tailspin, USDA's most recent Farm Income Forecast, released Sept. 2, projects cash receipts from the sales of crops and livestock will decline by $12 billion, or 3 percent, from 2019 to $358 billion. If realized, U.S. farm cash receipts will be at the lowest level in more than a decade, and $18 billion below the 10-year average of $376 billion.

Largely through the Coronavirus Food Assistance Program and the Paycheck Protection Program, Congress and the administration have provided a projected $23.4 billion to help farmers and ranchers impacted by COVID-19. Importantly, nearly $3 out of every $4 in federal support to farmers and ranchers comes from CFAP, PPP and other ad hoc assistance programs, like the tariff-mitigating Market Facilitation Program. When this support is combined with traditional farm bill conservation and risk management programs and other farm income, total gross income is forecast at $447 billion for 2020, up 3 percent from 2019, but more than $36 billion below 2013 and 2014 gross income levels.

After taking into consideration a decline in total production expenses of $4.6 billion, or 3 percent, to $344 billion, net farm income, a broad measure of U.S. farm profitability, is projected at $103 billion for 2020, up 23 percent from the prior year and the highest level since 2013's $123 billion. Removing all federal payments, net farm income in 2020 would be approximately $66 billion, slightly higher than prior-year levels, but $10 billion below the 10-year average. In short, the actual farm economy and what growers receive from the market largely remains depressed.



Ron Kern

Cash receipts by commodity

USDA's latest farm income report reflects the significant impact of COVID-19 on commodity prices and cash receipts. Cash receipts for poultry (broiler) producers are projected to decline by 23 percent from 2019 to $22 billion, falling to the lowest level in more than a decade. Similarly, cash receipts for hogs are projected 16 percent lower to $18.5 billion. Cattle and calf cash receipts are forecast to decline 8 percent to $61 billion, while cash receipts for dairy farmers are projected to be 2 percent lower at $40 billion. Overall, livestock-related cash receipts are projected to decline by $14 billion, or 8 percent, from 2019.

For crops, corn, soybeans, wheat and cotton are all projected to post lower cash receipts in 2020. With a decline in cash receipts of $3 billion, or 6 percent, from 2019, corn producers are expected to have the largest dollar decline. Driven by higher expected prices, specialty crop cash receipts are forecast to increase by 17 percent in 2020 — one of the few agricultural sectors with higher expected cash receipts.

Other financial indicators

During 2020, U.S. farm sector debt is projected to increase $15 billion, or nearly 4 percent, to a record $434 billion. Nearly 65 percent of farm debt is in the form of real estate debt. Real estate debt is projected to increase $14.7 billion to a record-high $282 billion. Non-real estate debt is projected to increase only slightly to $152 billion. Farm assets, including farmland, animals, machinery and vehicles and crops in inventory, are projected at $3.1 trillion, $33 billion higher than 2019. Most of this increase, $29 billion, is related to higher farmland values.

Based on 2020 debt and asset levels, the debt-to-asset ratio is projected at nearly 14 percent for 2020, which would be the highest since 2002. Every year since 2012, debt-to-asset levels have climbed higher.

Working capital, which takes into consideration current assets and liabilities, is the amount of cash and cash-convertible assets minus amounts due to creditors within 12 months. In 2020 it is projected to fall by $10 billion, or nearly 13 percent, to $68 billion. Current working capital levels have declined sharply in recent years and now stand 43 percent below 2012's level of $121 billion and are 55 percent lower than 2010's $153 billion. The low level of working capital suggests that many U.S. farmers have just enough capital to service their short-term debt.

Another metric that highlights the downturn in the farm economy and low profitability is the rate of return on assets. For 2020, the rate of return on assets is projected at less than 3 percent. The rate of return in agriculture has been less than 3% for three consecutive years and is in stark contrast to the 10 percent-to-16 percent returns experienced from 2010 to 2012

Summary

While the headlines would suggest the farm economy is improving, the opposite is true. The actual farm economy remains depressed, and without the ad hoc support from Congress and the administration, farmers, ranchers, rural communities and the businesses they support would be in an even worse financial position.

Farm income from the sales of crops and livestock have fallen by $12 billion since last year. Nearly every major sector of the farm economy will have lower cash receipts this year compared to last year, and total cash receipts will be the lowest since 2010. Moreover, farm debt and debt-to-asset levels continue to climb, while working capital levels deteriorate further and the rate of return on farm assets remains thin.