



Greetings Everyone,

August 27, 2018

One of my business goals for 2018 was to develop a periodic newsletter to share with our farming partners and landlords. Here's an initial attempt to share with you what is occurring on our farm and what is affecting agriculture in general.

Our Planting Season - The 2018 planting season was again a challenge due to wet weather delays. We were able to start planting on May 1st only to be delayed with rain again on May 3rd. We were able to return to the fields on May 24th and was fortunate to have a solid run. We completed 95% of the planting before the end of May which was quite an accomplishment for our team. It's years like this that I have to give credit to our hard working team of dedicated people who worked extensive hours during those critical days during planting season. We finished planting on June 6th, but unfortunately had to replant several fields that simply received too much rain and could not emerge. Each year, we try to improve the uniformity of our crop by investing in better planting technologies. We saw the benefits of our improvements this year.

Nutrient Management – One of our goals as stewards of the land, is to properly apply nutrients and maintain the productivity of the land. The nutrient that has received the most attention has been in the application and management of phosphorus. We apply our phosphorus by prescription to our corn crop in the furrow where the seed is planted. We are able to apply the liquid fertilizer by zone in the field and only apply it where needed. Soil testing allows us to identify the nutrient needs of the crop and apply accordingly. Through this precision application we maximize our efficiency by allowing the crop to utilize what we apply and not move off the field and into other water supplies. We are also using nutrient prescriptions for our nitrogen fertilizer as well. Unlike soybeans that produce their own nitrogen, corn needs additional nitrogen in order for it to produce a profitable crop. We take soil samples in the spring of the year to establish the nitrate levels in the soil and then apply a prescription for an application of nitrogen fertilizer in season while the crop is growing. All fertilizer is costly and we want to manage it properly. We also use a nitrogen stabilizer that prevents leaching or denitrification of the fertilizer which prevents nitrates in the water and greenhouse gas. We take the responsibility of nutrient management seriously.

Many of you already know this, but our nutrient and weed management program is managed by Jason Newcomer. After returning to the farm after college, Jason assumed many of the responsibilities that I once performed. With his focus, we are doing much more than we have in the past. Technological improvements continue to change the way we farm. Jason maintains a private applicators license and is responsible for maintaining the records for all fertilizer and chemical applications for the operation. He also develops some of the prescriptions for the applications as well. Jason pulls the soil samples from each field and sends them off to the lab for analysis and recommendations. Field scouting efforts have been enhanced through his use of a drone to scout fields for pests, disease, and other agronomic problems.

Politics - It goes without saying that no one could have foreseen the possibility of a tariff being placed on our grain export markets with China. It is extremely frustrating to see our largest market literally vanish as a result

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of a stroke of a pen. As a result, the optimism of a positive marketing year has been reduced and greatly diminished. Long term trade relationships that have taken decades to develop have been severely damaged as a result of this tariff and fractured trade agreements.

Farm Gate Prices - Farming runs in cycles, and we are doing our best to manage through the uncertainty in which we operate. Below are two charts that clearly show the collapse of the corn and soybean market in June after the announcement of a tariff on our goods sold to China. Although there is talk of some government assistance for farmers affected by the tariff, any payments will still fall short of making us whole and will not replenish the demand for our exports. Food should not be a political weapon.

Here are the futures charts for November soybeans and December corn. Local bid prices are actually lower because of grain terminal transportation costs. As of this writing, CGB in Defiance (Consolidated Grain and Barge) has a cash bid of \$7.92 per bushel for soybeans and \$3.36 corn delivered to Defiance at harvest time. And this is before moisture discounts and dockage. With inflated production costs and higher interest rates, these prices are well below the cost of production at normal yield levels. We hope that our summer rains will result in favorable or higher yields at harvest time.

November 2018 Soybeans



December 2018 Corn



Having said all of this, I do not want to end this newsletter with a negative tone. We have so much to be grateful for and we want to sincerely say 'THANK YOU' for allowing us the opportunity to be your farming partner. Yes, we currently do have our challenges in agriculture, however, we are so fortunate to work with farming partners who understand that farming is a long term endeavor. We hope we have demonstrated our commitment to stewardship of the land. We want you to know we will continue to do our best to provide a sustainable return to you while maintaining the productivity of your farm. We employ a dynamic group of talented people who are dedicated to the success of your farm and our farming operation.

Please mark your calendars and note that our **Appreciation Dinner** is scheduled for **Thursday, September 6 at 6:00 pm** at the Newcomer Homestead. Please be aware that there still may be construction at the intersection of US 6 and US 127, so plan accordingly. We hope to see you there!

Thanks again,

Glen Newcomer

