

Habits of Financially Resilient Farms - continued

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ISA Profitability Study



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Follow-up survey with producers

- **Face to face survey containing 56 questions with 9 producers in central and east central Illinois**
- **Most questions relate to the 2016 growing season**
- **Survey includes questions to get at type of production and managerial practices**
- **Goal of identifying common practices among the more profitable producers**

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General areas addressed

- **Size (acres) and labor force**
- **Tillage practices**
- **Planting practices**
- **Growing season practices**
- **Harvesting practices**
- **Managerial practices**
- **Attitudinal**

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Size and Labor

- 5 farms – 1,000 – 2,499 acres
- 3 farms – 2,500 – 5,000 acres
- 1 farm over 5,000 acres

- 2 farms basically one full time equivalent for labor
- 3 farms 1 to 2 FTEs
- 3 farms 2 to 4 FTEs
- 1 farm 4 or more FTEs

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Fall Tillage Practices

- Type of fall tillage for land going into soybeans
 - 4 – conventional (less than 30% residue cover)
 - 1 – reduced tillage (at least 30% residue cover)
 - 2 – no tillage
 - 2 – combination (conventional/reduced) and (reduced and no till)
- Type of fall tillage for land going into corn
 - 4 – no tillage
 - 1 – conventional tillage
 - 1 – strip tillage
 - 3 – combination of mainly conventional and reduced tillage

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Spring Tillage Practices

- **Type of spring tillage for land going into soybeans**
 - 4 – conventional (less than 30% residue cover)
 - 2 – no tillage
 - 1 – strip tillage
 - 2 – combination (conventional/reduced) and (reduced and no till)
- **Type of spring tillage for land going into corn**
 - 6 – conventional tillage
 - 1 – strip tillage
 - 1 – no tillage
 - 1 – combination of no tillage and reduced tillage

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Planting Practices

- **All farms were in a soybeans following corn in a corn/soybean rotation**
- **Main reasons given for this were for disease and pest control, risk reduction and most profitable option**
- **Goal for wanting to start soybean planting – 4 before corn planting is finished and 5 after corn planting**
- **Most would want to start planting soybeans by mid to late April**
- **Row spacing: 3 in 30", 1 in 20", 5 in 15" to 18"**
- **3 have separate planter for soybeans**

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Planting Practices - continued

- **Only one utilized variable rate seeding technology**
- **Typical seeding rate from 120K to 150K per acre, most were 130K to 140K per acre**
- **8 have decreased rate in last 5 years**
- **8 used seed treatments on all acres, one on a majority of acres. All have been doing so for at least 5 years**
- **Main reasons for use of seed treatments include better emergence and planting earlier**

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Planting Practices - continued

- **Ranking of reasons for selection of soybean varieties, 1 to 7 with one being most important**
 - **1.6 – yield potential**
 - **2.8 – herbicide resistant traits**
 - **3.1 – disease resistance**
 - **3.6 – seed dealer's recommendation**
 - **4.0 – nematode resistance**
 - **5.5 – price of seed**
 - **One producer ranked company with elite genetics as his most important reason**

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Planting Practices - continued

- **All planted at least a majority of Group 3 maturity, 4 planted some Group 2 and 4 planted some Group 4**
- **4 producers planted some or all seed beans, 2 planted some or all Non-GMO beans**
- **For 2017, 8 planted some or all Roundup Ready 2 Xtend**
- **All did a pre-emergence and post-emergence weed control with 4 doing burn down in spring before soybean planting and 2 doing fall residual before soybeans on some acres**
- **4 applied a separate fertilizer application prior to soybean planting**

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Growing Season Practices

- **6 producers routinely scouted fields themselves**
- **6 completely or partially applied fungicide and 5 included an insecticide with the application**
- **Reasons given for fungicide application include yield gain, disease and insect control, normal practice and improve quality of seed beans to increase premiums**
- **All did grid soil sampling, 8 did used VRT for fertilizer or lime application**

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Harvesting Practices

- **Harvesting soybeans was dependent on weather and crop conditions, 2 harvested all soybeans after corn was finished**
- **3 stopped harvesting when moisture level was too low – 9% to 10%**
- **8 used a draper head**
- **61% of soybeans commercially stored and 81% of corn commercially stored**

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Managerial Practices

- **2 producers had planted soybeans after soybeans**
- **For those that didn't, the reasons they might include changing rotations, reconfiguring a field, late spring or economics**
- **Forward pricing and the cash market were the most common forms of marketing, about 1/3 utilized hedging and options at some time**
- **Those with seed bean contracts were able to sell percentages of their crop**

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Managerial Practices - continued

- **Number of producers that listed the following as their primary source of agronomic information.**
 - **9 – Seed and chemical representatives**
 - **8 – University specialists and Extension**
 - **5 – Other farmers, neighbors and friends**
 - **4 – Local businesses and retailers**
 - **4 – Industry information**
 - **2 – Independent crop consultants**
 - **1 – Farm organizations**

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Managerial Practices - continued

- **Comparison shopping for fertilizer and pesticides**
 - 4 yes, 2 no and 3 sometimes
- **In last 5 years, how many different sources have you purchased fertilizer and pesticides from**
 - 3 used 1 supplier, 5 used 2 and 1 used 3
- **Comparison shopping for seed**
 - 4 yes, 3 no and 2 sometimes
- **In last 5 years, how many different sources have you purchased seed from**
 - 3 used 2 suppliers, 2 used 3, 1 used 4 and 3 used 5

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Attitudinal

- **8 strove for the most profitable yields levels as compared to the highest yield levels**
- **In terms of risk management strategies, all took out crop insurance coverage at 75% or greater, 5 took out hail insurance, 4 subscribed to a marketing service.**
- **8 of the 9 felt their machinery compliment was sized correctly**
- **6 of the 9 divided their management functions among various family members, 2 were the only operator and handled all the management functions**

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Attitudinal - continued

- **Rank the following factors as how you feel they are important to the profitability of your business, 1 being the most important:**
 - **3.2 – Attention to detail**
 - **3.6 – Operating cost management**
 - **3.9 – Maximize yields**
 - **4.3 – Disciplined spending**
 - **4.4 – Marketing**
 - **4.6 – Machinery cost management**
 - **4.6 – Land control and rent strategies**
 - **5.2 – Financial planning**
 - **5.9 – Overhead cost management**
 - **6.8 – Implementing new technologies**

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Take Aways

- **Generally typical production practices regarding tillage and rotation but 6 of the 9 were less than 30 inch row spacing, 6 had a split row planter**
- **Create additional value, 6 of the 9 raised seed beans or Non-GMO beans which created additional revenue**
- **Movement toward earlier planting of soybeans, 4 started planting soybeans before corn planting was finished**
- **Seeding rates reduced, all using some type of seed treatments**

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Take Aways - continued

- **Seed selection mainly based on yield potential, herbicide use and disease resistance as compared to cost of seed**
- **Used typical marketing and risk management strategies**
- **Used newer technologies and production practices (seed treatments, draper heads, narrower rows, fungicides) but not on bleeding edge**
- **Attention to detail and cost control very important to financial success**

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Thanks



