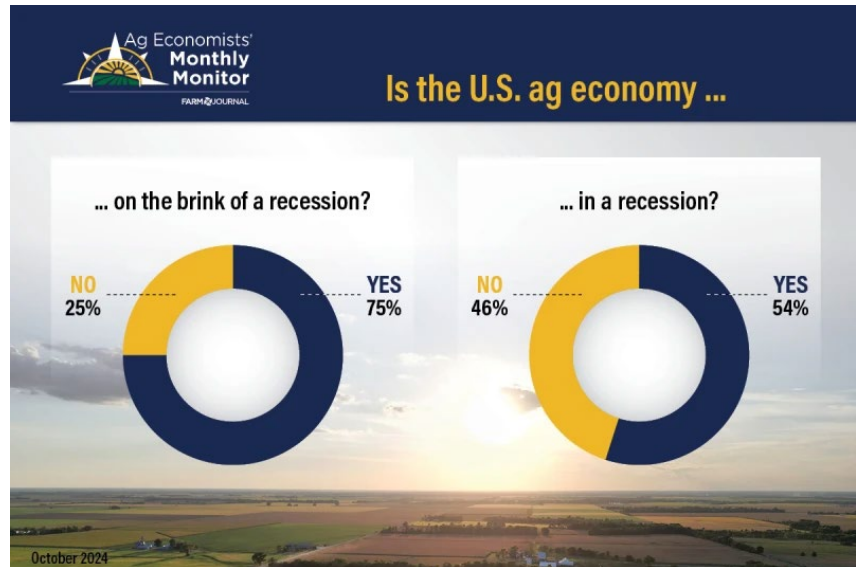


Area Crop Report 10/21 – 10/25

Purchase with Purpose

Producers have been dealing with record high input costs for the last few years. Let's couple that with grain commodity prices similar to a half-century ago, albeit low. Now, let's add in that net farm income is expected to hit its lowest level in nearly a decade, forecasted 15-20% decline from 2024. While livestock markets have seen record highs and are predicted to ride that wave through 2026, all of these intangibles' equal razor thin margins that could be the worst in nearly 20 years.

How do we combat? Making purchases with the purpose of achieving a positive return on investment, because at the end of day, farming must be profitable enough to continue. Profitability will look different for each operation. Some options being, but not limited to, cutting down on fertilizer costs through soil sampling and fertility analysis, looking at more equitable herbicide programs, efficient machinery hours and upkeep, a shift in crop rotations to a larger volume of higher retained cash crops, seed care costs, the list goes on. While many producers in our area have livestock operations that have helped bridge costs, the phrase "Work Smarter, Not Harder" could not be truer in today's agriculture sector.



"I define a recession as this is one of the worst years we've seen in the last 20. So, my short answer [if we are in a recession] is yes. Just looking at where the price is currently at, this is about the worst year since 2007, which was the start of the ethanol boom." – Micheal Langemeier, Purdue University Agriculture Economist

"The margins that farmers are facing on average are really a tough place to be in for 2022 to 2024. According to USDA, the cost to produce corn dropped 5%, but the price was down 37%. And when we look at those average numbers from USDA, looking at cost of production for corn prices and yield, that comes out to average losses of \$125 per acre." – Krista Swanson, lead economist for the National Corn Growers Association

The 4 R's: Right Source, Right Rate, Right Time, Right Place

"If you remember nothing else from this class, remember this" Kevin Donnelly, former agronomy professor at K-State, told our Crop Science class freshman year. While I may not always remember the right order (because according to Dr. Donnelly, there most certainly is one) the importance of nutrient stewardship can't be overlooked. When looking at ways to cut down on fertilizer costs this upcoming growing season, using the "4 R's" can be your framework for success. The right formula for your operation will be different than that of your neighbors, but optimizing the soil you farm will help achieve cropping system goals, improved sustainability, increased production and profitability, and enhanced environmental protection. Implementation of Best Management Practices (BMP's) are the best way to optimize your operation and fertilizer efficiency use, matching nutrient supply with crop requirements.



Will K-State football make it 16 straight wins this Saturday in Manhattan, or will the Jayhawks finally break the streak?

"Aut Viam Inveniam Aut Faciam"

Hannibal