INSIDE THIS ISSUE:

POET grain

"WHERE FARMERS FUEL AMERICA"

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Is Row Crop Farming On Its Way Out The Door?

We had the opportunity to speak all day at a high school for National FFA week, speaking to 7 different classes. The focus was on corn, so we were glad to be there. It was an eye opener for me. Of the 80+ students we spoke to, only about 10% of FFA members had a farm background. Of those, only a handful came from row cropping operations. Of those, only a couple had intentions to row crop after school. It was confirmation of what the data shows. Row crop farms are getting bigger and bigger as the capital, equipment, and land cost prevents new operators. But mostly, there are fewer kids interested in row cropping. Why is that?

In part, our own Ag organizations like FFA, in the interest of survival and sustaining their own organization, put farming in the backseat in 1988, changing the name from Future Farmers of America to The National FFA Organization. The website states, "FFA is not just for students who want to be production farmers; FFA also welcomes members who aspire to careers as teachers, doctors, scientists, business owners and more. For this reason, the name of the organization was updated in 1988 after a vote of national convention delegates to reflect the growing diversity and new opportunities in the industry of agriculture" We also remember what was happening to farming in the 1980s. Many were reassessing the future of farming at that time and farm kids were encouraged to do something else. Fast forward 30 years and go the FFA website and you find a little about row crop production, but as a percentage, not much.

The 4-H website said 4-H started because... In the late 1800's, researchers discovered adults in the farming community did not readily accept new agricultural developments on university campuses, but found that young people were open to new thinking and would experiment with new ideas and share their experiences with adults. In this way, rural youth programs introduced new agriculture technology to communities.
The idea of practical and "hands-on" learning came from the desire to connect public school education to country life. Building community clubs to help solve agricultural challenges was a first step toward youth learning more about the industries in their community.

About 12 years after 4-H started, the Cooperative Extension System was created… "The passage of the Smith-Lever Act in 1914 created the Cooperative Extension System at USDA and nationalized 4-H. By 1924, 4-H clubs were formed and the clover emblem was adopted. The Cooperative Extension System is a partnership of the National Institute of Food and Agriculture (NIFA) within the U.S. Department of Agriculture (USDA), more than 100 land-grant universities and more than 3,000 county offices across the nation. Cooperative Extension combines the expertise and resources of federal, state, and local governments and is designed to meet the need for research, knowledge and educational programs."

This has since intertwined the University of MO Extension service, 4-H, and FFA. It's hard to know where one starts and the other stops. I had always thought that the MU extension service was primarily production Ag based, but time has changed that as well…

"Initially, the extension program concentrated on working with farmers and their families, which comprised the majority of the nation's population, to improve their quality of life and standard of living. Extension workers demonstrated how to produce more and better varieties of agricultural commodities; how to benefit from better nutrition, clothing and housing; and how to work together to bring about major improvements, such as electric cooperatives.

As the population shifted to the cities, Missouri's extension program expanded to include programs for urban populations. Currently, those include after-school youth leadership programs in federal housing developments, food and nutrition education for limited-resource populations and labor education delivered through interactive television.

In 1927, 4-H became a part of cooperative extension. Today, one in five Missouri youths, ages 5 to 19, participate in a 4-H educational program. The University of Missouri 4-H Center for Youth Development provides education in leadership, citizenship and community service through nearly 1,100 4-H clubs, school enrichment programs, special -interest activities, conferences and camps. More than 17,000 adult and youth volunteers lead hands-on projects in science, conflict resolution, workforce preparedness, computer science and 60 other topics."

"Our distinct land-grant mission is to improve lives, communities and economies by producing relevant, reliable and responsive educational strategies that enhance access to the resources and research of the University of Missouri."

FFA, 4-H, and the Extension service were all established in a time when life and farming was simple, and so was the process and products derived from it. The mission was straight forward. Since, the Ag industry and its definition has expanded greatly, and so has public influence upon it. If you take a ride into IN or OH, you can't really say where the country starts and the city ends. It's all very entangled. These organizations have grown to look very similar, entwined and entangled in promotion of town and country, ag and science, and a good bit of self promotion...well a lot actually.

There is no doubt a lot of good comes from these organizations. But, who is going to farm the land in future? Who is going to pay cash rent for your retirement. Unless we get back to the roots of these organizations, few new to the workforce will be shown the benefits of working the dirt unless we do it ourselves. Has row crop farming been shown the door?
If not, it's certainly being handed its hat.

FOR HIRE

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Here are 3 FFA students we spoke with who would like a part time job in the row crop industry around the Macon area.

Dakota Yount: 660-415-5114

Kaden Truitt: 660-349-9965

Gavin Balance 660-651-3952

Crop Insurance

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Last week completed the Spring crop insurance price guarantee. This year's final price is $3.88 CZ, down from $4.00/bushel last year, and the lowest crop insurance price since 2016. Beans finished with an average price of $9.17, also setting the lowest price since 2016.

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spring	$4.06	$5.40	$4.04	$3.99	$6.01	$5.68	$5.65	$4.62	$4.15	$3.86	$3.96	$3.96	$4.00	$3.88
Harvest	$3.82	$4.13	$3.90	$5.52	$6.32	$7.50	$4.39	$3.49	$3.83	$3.49	$3.43	$3.68	$3.90	

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Spring	$8.09	$13.36	$8.80	$9.23	$13.49	$12.55	$12.87	$11.36	$9.73	$8.85	$10.19	$10.16	$9.54	$9.17
Harvest	$9.75	$10.36	$9.66	$11.63	$12.14	$15.39	$12.87	$9.65	$8.91	$9.75	$9.88	$8.60	$9.25	
% of corn	199%	247%	218%	231%	224%	221%	228%	246%	234%	229%	257%	257%	239%	236%

Almanac Weather

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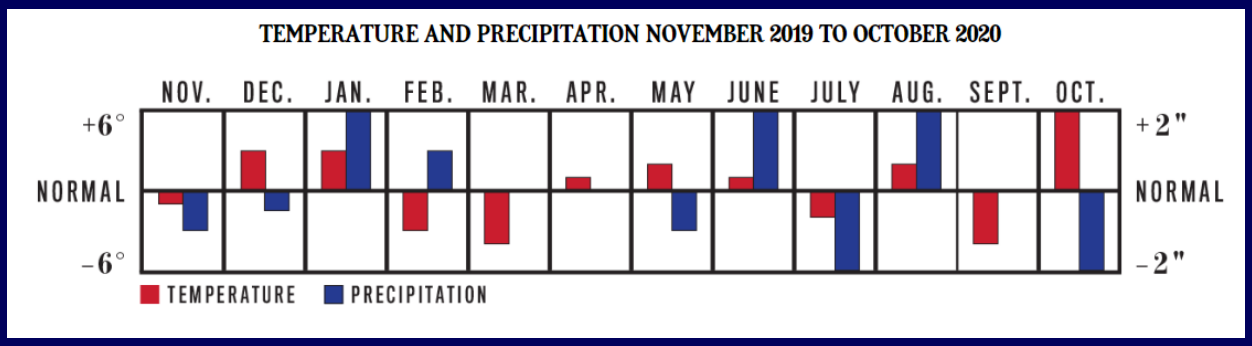
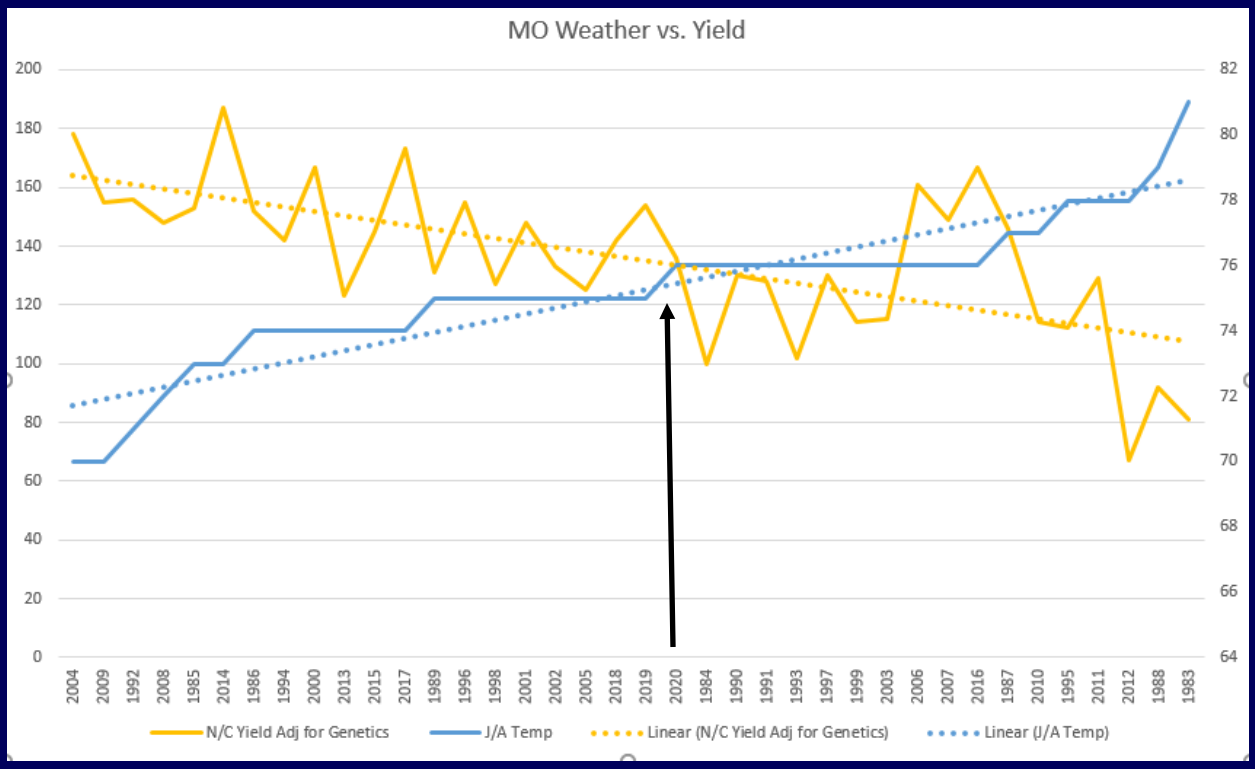
Do you put any faith in the Almanac weather forecast? If so, we could be in for an average type crop based on our tracking of June/July temps and corresponding yields.





GAS VS. ETHANOL

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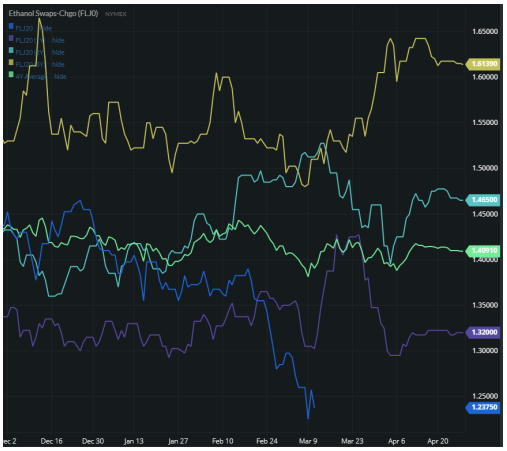
Ethanol $1.23



Gas $.90

We have not seen ethanol prices higher than gasoline prices for more than a decade and then, for a short time. Back then, the ethanol supply was less than the mandate/ demand for it. We could not produce more ethanol at that time if we wanted to and anyone selling ethanol was making money at those prices.

It is very different today. With the oil war overseas pushing crude lower, gas prices are already below the cost of production and so is ethanol. Typically, lower fuel prices increase demand for it and prices move higher not long after. However, the health scare has projected fuel demand lower and prices may not recover any time soon. Low prices will not cure low prices as less travel is encouraged and in some places enforced. Corn needs to be some 30 cents lower today to keep ethanol grinding corn at current rates. This could well extend past this year's crop marketing year and put you in a price structure that guarantees a loss later.

Corn basis at MAC is currently +2. The last time corn basis was locally +2 in March was 2012. Last time I looked, we are not in a drought. MO had an average size crop. Futures are actually trading about where it's been trading over the last 5 years at this time. Average March basis is –15. I have no reasonable explanation for our corn basis being so high at this time and no reasonable argument for it remaining there given the state of things.

LOOK OUT!

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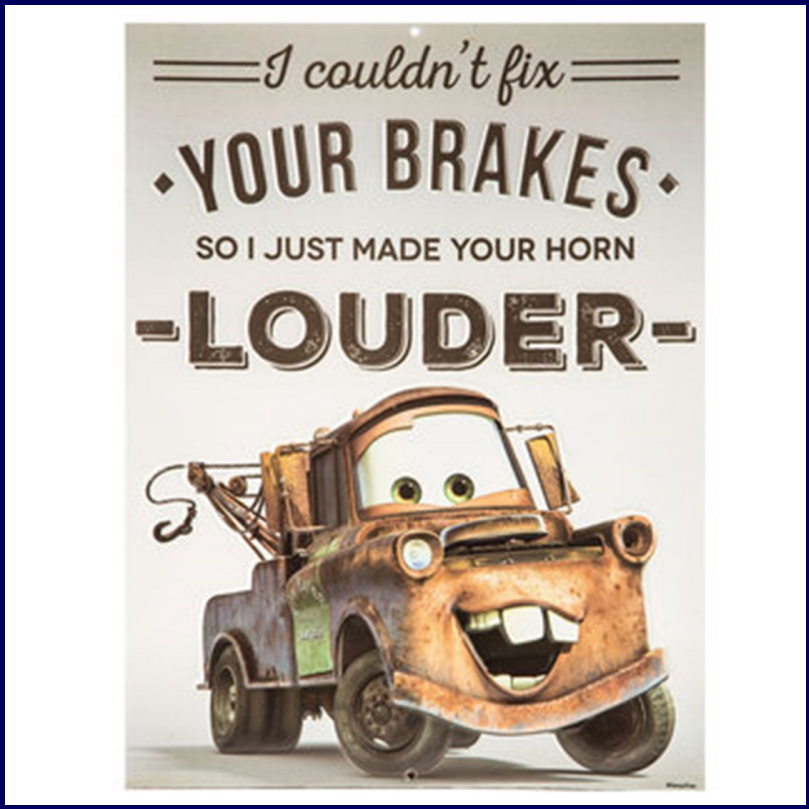

- MFP payments did not fix demand. Your brakes are still broke.
- China Phase I didn't fix global competitiveness. The U.S. remains the high cost producer. Your brakes are still broke.
- Local corn shortages were met with end users slowing down from day one. Your brakes are still broke.
- The Renewable Fuel Standard is still not fully implemented as intended. Your brakes are still broke.
- You overproduced in a drought in some places and in a flood in others. Your brakes are still broke.
- The ethanol industry is as bad as it's ever been, corn some 30 cents too high to keep everyone in business. Your brakes are still broke.
- Look Out!

Market Manager

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Prog #7: 88% @ $4.19 CN vs $3.725

Prog #8: 91% @ $4.42 CN vs $3.725

Prog #9: 25% @ $4.06 CZ vs $3.77

Prog #10 22% @ $4.20 CN21 vs $3.9575

December '20 Futures declined 13 3/4 cents during February finishing the month at $3.77 which is at the lowest close for the contract. In the first 2 days of March prices have rebounded 7 ¾ cents so we'll see if the February low can hold longer term.

Price action in February was heavily driven by the broader equity and commodity markets that we're pressured sharply lower due to the Corona Virus threat. Prices dropped sharply late in the month as the virus began to spread outside of China. The equity markets saw over a 15% decline in February as the markets took a risk off mentality. Crude oil declined even more falling 34% from over $63/barrel to just $45/barrel. Compared to the equity and energy markets corn performed reasonably well "only" declining by 8% during the month.

Also in February the USDA issued its long term S&D's at the Outlook Forum. These estimates are more of an economic forecast and do not include any survey data but they are an early indication of what to expect in May when the official 20/21 forecasts are released. The Outlook conference showed corn acres increasing along with a new crop carryout of 2.6 bln bushels. Bulls will hope that China demand will outpace the estimates used in the Outlook Conference, but so far we have not seen China coming to the U.S. for corn. March 2nd was the first day that Chinese importers could apply for tariff exemptions but so far the market has not heard of anything being submitted. We still believe that China will eventually step up purchases of U.S. corn but there is a lot of concern when that might occur especially considering China's Swine Fever disaster last year and this year's Corona Virus.

Those with July Market Manager contracts might want to consider rolling up delivery in March/April given there is little difference between March and July futures today. We will advance on delivered bushels until pricing is completed.

Farmer Spotlight Connections

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Bruce Buck Insurance—660-376-4000, Marceline, MO

Richard Gunnels—Agri-Genesis LLC, Macon, MO