

The Farmer's "Market"

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Message from the President

ALAN HOSKINS

I am writing this article on Sunday, May 17, 2020. I have never felt the date of an article being written was relevant until now. If we've learned anything over the past sixty (60) days, a day or two can truly change most everything. I am happy to share what I believe are a few lessons learned, and more importantly, what can be put into action from those lessons.

While we may be in different boats relative to the respect that all operations have their own unique characteristics, we are all encountering the same storm. During times such as these, it is important to remember you are not alone in dealing with the changing circumstances of the marketplace. For the first time in my banking career, all segments of agriculture are dealing with the ramifications of economic uncertainty. Please avoid any tendency to look back and say I should have sold more or think you have all opportunity this year may provide. Work with your advisor to hone your marketing plan but understand, just as we did not know this future three (3) months ago, we don't know what may happen in the coming three (3) months.

This is a great time to remember the person or people serving you in the finance arena are in a service, and I want to stress the word SERVICE, industry. Those whom you choose to honor by allowing them the opportunity to assist you have a responsibility to offer you thoughts and ideas on your strengths and opportunities for improvement. If you have a long-term relationship with your financial service provider, they should be uniquely qualified to provide thoughts and ideas specific to your operation as to ways to capitalize on your strengths. More importantly however, they should be a great listening resource to you as a person, not just a producer or customer. Their knowledge gained during your history of working with both the person and the institution should make a difference to you during this period.

Another item to bear in mind during this period of uncertainty is the financial resources possibly available to you through the Farm Service Agency (FSA) and the Small Business Administration (SBA). Taking action now on either, or both, of these options may be to your advantage. Please reach out to your lender relative to the FSA options as they should have knowledge beneficial to you in this area. The SBA is still offering the Economic Injury Disaster Loan (EIDL) program that has the option for long-term fixed rate funds. Information regarding this program may be found on the SBA website.

While it is a cliched statement to say "Challenges Create Opportunities", it is certainly accurate. There are many examples of farm families today having significant levels of net worth due to the difficulties they faced in the 1980s. I certainly do not want to appear callous as that period of time was extremely hard on most all farm families and some were not able to retain their operations and livelihoods. However, the point I wish to make is the attitude we choose to utilize in framing our thoughts during these periods of adversity shapes how we navigate these waters. I will repeat yet again, YOU ARE NOT ALONE. Please do not attempt to shoulder the burden without including others. While you are certainly important as a producer, you are even more important as a father, mother, son, daughter, cousin, friend or other relationship. Please stay safe during this time and don't forget to reach out to others to check on them as well.



Listen to Alan's recent interview on Agri-Talk by visiting the website, bit.ly/agritalkinterview.

A good father is one of the most
UNSUNG, UNPRAISED, UNNOTICED, and yet one
 of the **MOST VALUABLE** assets in our society.
 -Billy Graham



#FarmOn: Despite Pandemic, Agriculture Persists

By Sara Schafer
 Ag Web

With businesses around the world shutting their doors to prevent further spread of COVID-19, one industry that persists despite risk is agriculture. It's essential—and for obvious reasons—without agriculture the world as we know it couldn't exist.

We'd have no meat. No veggies. No dairy products. No cotton (which is now being used to make masks). No sugars. Without ag you don't eat and you're naked. Farmers and ranchers will continue putting in 8+ hour days, like they always have, despite coronavirus.

"A lot of folks have been calling us,

asking if we're going to even have a strawberry season this year," says Jake Carter, operator at Southern Belle Farm in McDonough, Ga. "Our plants are to have a strawberry season this year. We're still waking up every morning and we're putting on our boots and we're going to work. We're still farming."

Unlike corn and soybeans, strawberries are extremely perishable, so they can't store in a field or bin. Each day they're scouting fields, managing harvest and making sure American citizens have the fresh produce they need.

"We are following the guidelines set forth by the CDC, the Georgia Department of Agriculture, among others because the safety of our guests and our staff is of utmost importance," he adds. "Please know, we're here. We're not going anywhere. Like I said, we're going to continue farming every day."

While much of the world has been silenced by quarantine, American agriculture farms on. This season, the crops will still get planted, the livestock will be fed, and food will continue to be grown, just like it's been for generations.

David Kohl: The Black Swan Has Landed

By Sara Schafer
Ag Web

How will the COVID-19 pandemic transform agriculture? David Kohl, professor emeritus of agricultural finance at Virginia Tech University, has a few ideas.

The global economy could start to decouple. "The past four or five decades, we were moving toward globalization," Kohl says. "Now we're going to be moving toward decoupling or selective globalization. We had a dry run with the tariffs and sanctions with China in the past year or so."

Nationwide, \$1 out of every \$5 of net farm income comes from export markets, Kohl says. Going forward, the U.S. will start evaluating supply chains for risk and looking for opportunities to be more regional.

Prepare for an elongated-type recession. Many economists are predicting a V-shaped recession, which is when the economy suffers a sharp economic decline, but quickly and strongly recovers. But Kohl doesn't think that scenario is likely.

"I don't think it will be a V-shaped recession like in 2009," he says. "I think it will be more of an elongated-type recession. This pandemic is hitting all of us with a sudden impact and shock disruption. We don't have a pattern or corrective action yet. It's taking monetary and fiscal policy combining to solve this issue."

Land values could find extra strength.

"Since 2013, we've been in what I call an economic reset in agriculture, while the general economy has done well," Kohl says. "Our last line of defense for economic strength has been agricultural real estate values because it provides an equity bridge, which provides an economic bridge."

Kohl says he's watching to see if Baby Boomer farmers and ranchers continue to buy farmland as an alternative to the stock market. Also, will outside

investors diversity their portfolio into farmland?

In addition to those moving toward farmland as a safe haven for investments, Kohl is on the lookout for any policy changes.

"We cannot have drastic policy changes on refinances for farmers and ranchers like we did back in the 1980s," he says. "You could collapse 83% of the farm and ranch balance sheet, which is in farmland. Drastic changes can really hinder the strong part of our balance sheet."

This is a golden opportunity to increase your financial literacy.

One of the benefits of this pandemic—like the 1980s crisis—is farmers will improve their financial literacy, Kohl says.

"Producers will have to have plans in writing, they'll have to closely monitor financials and they'll have to have open communication with lenders and others," he says.

His advice to farmers:

Develop a written farm budget and compare the actual to the budget.

Evaluate budgets as economic conditions change in the U.S. and around the globe.

Develop a personal family living budget and compare actual to budget. This is an area where agricultural producers can work with their lenders to elevate transparency.

Reestablish your goals and objectives. What is important to you personally and for your business?

Communicate with your advisory team: lender, crop/livestock consultant, accountant, etc.

Develop a risk management plan. "Now is a time to step back and reinvent yourself," he says. "This is a golden opportunity to do a good-old SWOT analysis. Let's continue to look for the silver lining in these storm clouds created by COVID-19."

WHITE BEAN CORN CHOWDER

THE DAIRY CHEF, REBECCA EGSIEKER

Prep Time: 20 min. Cook Time: 45 min.

INGREDIENTS:

4 tablespoons butter
1 cup chopped onion
1 cup small diced celery
1 cup small diced carrot
1 tablespoon minced garlic
3 tablespoons flour
2 cups warmed milk
2 cups warmed vegetable broth
2 (15-ounce) cans cannellini beans, drained and divided

INSTRUCTIONS:

1) Melt butter in a large heavy-bottom pot over medium heat. Stir in onion, carrot and celery. Cover and cook 5 minutes or until vegetables begin to release liquid. Remove lid and stir in garlic; cook, uncovered, for another 5 minutes. Mix in flour, stirring until vegetables are well coated. Gradually pour in warmed milk. Bring to a low simmer for about 5 minutes or until soup begins to thicken. Pour in warmed vegetable broth, stirring until well combined.

2) In a small bowl, mash one can of white beans with the back of a spoon or potato masher. Add mashed beans, remaining can of beans, corn and green chilies to pot. Add seasonings and stir until ingredients are well mixed. Reduce heat to low and simmer for approximately 30 minutes. Stir in 1 cup of cheese and stir just until melted.

3) Serve in individual bowls and top with remaining cheese and, if desired, fresh chopped cilantro.



1 (15-ounce) can corn, drained
1 (7-ounce) can diced green chilies
1 tablespoon ground cumin
2 teaspoons salt
2 teaspoons chili powder or cayenne pepper
2 cups shredded Cheddar cheese, divided
Chopped fresh cilantro (optional)

Understanding Your Business... From The Ground Up

USDA CORONAVIRUS FOOD ASSISTANCE PROGRAM

Are you a farmer or rancher whose operation has been directly impacted by the coronavirus pandemic? The Coronavirus Food Assistance Program will provide direct relief to producers who faced price declines and additional marketing costs due to COVID-19.

USDA's Farm Service Agency is accepting applications now through August 28, 2020 from agricultural producers who have suffered losses.

For information, visit www.farmers.gov/cfap or call your local FSA office.