

The Farmer's "Market"



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Message from the President

ALAN HOSKINS

The 2014 Farm Bill was signed into law by President Obama on February 7, 2014. During the signing ceremony, U.S. Senator and Chairwoman of the Senate Committee on Agriculture, Nutrition and Forestry Ms. Debbie Stabenow (D-MI), remarked "This farm bill is about our future, growing our agriculture economy, protecting food assistance for families in need of support, preserving our land and water, and reducing the deficit." Governmental projections estimate this legislation will reduce farm bill spending by approximately 23 billion dollars. Without entering the fray in deciding this law's winners and losers, it is my hope we have a five year reprieve from the political rhetoric surrounding this issue. Additionally, producers now have some definitive data on which to base their decisions as it relates to crop insurance, conservation programs, etc.

Of the projected expenditures from the law, 79% are expected to be related to food stamps and other nutrition programs. The remaining 21% relates to "non-nutrition" outlays. The breakdown of the latter percentage is projected to be as follows: crop insurance (45%), conservations programs (28%), commodity programs (23%) and miscellaneous (4%). One segment of the new program allows for the updating of base acres and yields for the first time in more than thirty (30) years. This will allow for base acres and yields to be more reflective of current practices. Once made, this election will remain with the farm for the remainder of the farm bill's five (5) year term. The current landowner will be required to sign the applicable Farm Service Agency (FSA) document, certifying to their choice unless the farm's current producer has an active power of attorney form on file in the appropriate FSA office. These changes must be completed on or prior to February 27, 2015.

Another opportunity is the selection of a risk-management program option from within the new bill. It allows producers to choose between either the Price Loss Coverage (PLC) or Agriculture Risk Coverage (ARC). The ARC option may be elected at either the County or Individual level. This selection will trigger payments to the producer upon certain levels of income reduction due to weather disaster or market price deterioration. This election will also be valid for the duration of this farm bill and must be made on or prior to March 31, 2015. The applicable election forms for this portion of the program require the signatures of all those receiving a share of the farm's revenue, excluding CRP payments.

The elections for base acres and risk management options will have revenue effects throughout the life of the new bill. More information is available on the following websites: farmdoc.illinois.edu and usda.afpc.tamu.edu, for producers and landowners to determine the options needed for their farming operation. The agricultural segments I have referenced represent only a small portion of the producers to benefit from the passage of the 2014 Farm Bill. An exhaustive discussion of those who may mitigate their risks under the new program would require a much greater space than either this column or newsletter allow. However, while not perfect, this legislation should allow educated producers to elect some level of safety net as it relates to their applicable revenue stream throughout the term of this program.



2015 Photo Contest Winners

American Farm Mortgage & Financial Services received several entries from around the country for our 1st Annual Photo Contest. With many pictures to review, judges found it challenging to select the cover photo and each monthly photo for the 2015 Calendar portraying "Agricultural Through Your Lens".

GRAND PRIZE Cover Photo-Katelyn Walters



JANUARY

Decker Family Farms-Winthrop, NY



FEBRUARY

Lacy Blake-Vale, OR



MARCH

Luke Maloney- Ridgway, IL



APRIL

Nelson Ranch- Oroville, WA



MAY

Cathy Vogl- Henderson, MI



JUNE

Decker Family Farms-Winthrop, NY



JULY

Kevin Maloney- Ridgway, IL



AUGUST

Brain & Carrie Preston-Quincy, MI



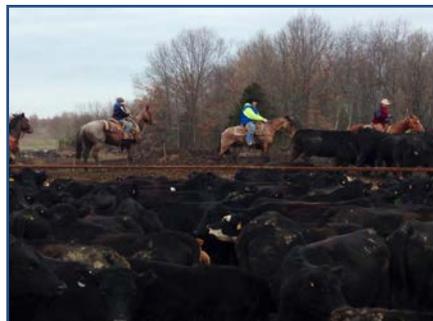
SEPTEMBER

Mike Sirach- Harrisburg, IL



OCTOBER

Lacy Blake-Vale, OR



NOVEMBER

Devin Bartok & Destiny Partain- Harrisburg, IL



DECEMBER

Nelson Ranch- Oroville, WA

Sowing a New Crop of Farmers

DAVID KESMODEL & TONY C. DREIBUS
The Wall Street Journal

Andy Bose wanted to expand his nascent Nebraska farm operation a few years ago but couldn't find land he could afford. The problem: more-established farmers could offer bigger rent checks to landowners.

Mr. Bose, 35 years old, found a solution in a U.S. Department of Agriculture program that provides financial incentives to older landowners to rent to neophytes more cheaply. In 2012, he began leasing 220 long-dormant acres from Avis Pearson, who owned the land for decades but had no children interested in agriculture. "It was nice to see crops growing again," said the 95-year-old Ms. Pearson.

Relationships like theirs are sprouting across the heartland thanks to renewed interest in agriculture among younger Americans. Land-matching programs run by

governments, universities and community groups have been around for a while but now are enjoying surging demand because they help beginning farmers and ranchers tackle the high cost of farm real estate. The average value of U.S. cropland has soared 52% to \$4,100 an acre from 2010 to 2014, according to the USDA.

In 2012, about 40,500 people 34 years old or younger identified themselves as principal farm operators with less than a decade of experience, according to the USDA's latest agricultural census, up 11% from 2007, when the previous census was tallied.

The 2014 U.S. Farm Bill boosted funding for a farm-matching initiative linked to the Conservation Reserve Program, which pays farmers to set aside acreage to help preserve wildlife habitats. The initiative lets retired

farmers continue receiving those payments for two years after their CRP contract expires if they sell or lease the land to a beginning or socially disadvantaged farmer. The landowner then can charge less in rent to the farmer. The program requires beginning farmers to use sustainable growing practices.

Funding for the matching program rose to \$33 million in the latest Farm Bill from \$25 million. The program, begun in 2010, hasn't faced criticism like some much larger federal farm-support programs that opponents say are wasteful, which can run to tens of billions of dollars over five years.

The CRP matching initiative has drawn sign-ups by more than 2,100 landowners covering roughly 350,000 acres, benefiting newer farmers like Mr. Bose in Nebraska.

Women's Work Is Never Done On The Farm, And Sometimes Never Counted

LUKE RUNYON
National Public Radio

The average American farmer is a white man in his late 50s. Or at least, that's who is in charge of the farm, according to new data from the U.S. Department of Agriculture.

But the number of female-run farms has tripled since the 1970s, to nearly 14 percent in 2012. And if you dig a little deeper, you'll find women are showing up in new roles. But because of the way farm businesses are structured, women's work often isn't included in those USDA counts.

Sondra Pierce and her husband, Matt, have been growing beets, hay and sunflowers in rural Boulder County, Colo., since they graduated from high school. The young couple didn't wait long to start a family.

"Soon as I had my son, I would put his car seat in the tractor and he would ride with me," says Sondra.

Outfitting the tractor with a car seat was out of necessity. The farm wasn't paying all the bills. So Sondra's husband took on a full-time job off the farm to make ends meet.

"He would go to work, 9 to 5, and I would do the farm work that needed to get done. And then he would get home and do a lot of the other stuff," she says.

That left Sondra to pick up some of the domestic duties, too. And she's emblematic of a whole segment of female farmers, part of a husband-and-wife team attempting to keep a multigenerational farm afloat.

In the U.S., married couples run about a third of farms. But because of the way farm operations like the Pierces' are structured, men show up in data more often.

"Technically, I don't own the farm," says Sondra. "I mean, I just work on it. Most of the things we sell are always in his name."

In 2002, the USDA began collecting information — like gender and age — from more people on a family farm, not just from the person in charge. That's led to a broader picture of who does the farming in the U.S. Still, there are limits, and sociologists say expectations about what constitutes women's work on the farm can be slow to change.

"Women have always worked in agriculture, historically. I think a key issue is whether or not it's counted," says Julie Zimmerman, a rural sociologist at the University of Kentucky who studies how women's roles on the farm have changed over time.

"If you see working on your farm as being part of your role as the spouse or the wife, as helping out, then you might not even recognize it as being 'working on the farm,' even if you're doing it all the time," Zimmerman says.

The federal census of agriculture, conducted every five years, shows the percentage of women who farm climbing, slowly. But Zimmerman says that may not be

entirely accurate. The picture would be more complete if the census asked more specific questions about who does what kind of work.

Mary Kraft walks through the milking parlor of Badger Creek Dairy outside Fort Morgan, Colorado. She and two of her employees whistle at the black and white cows, coaxing them into the stalls.

Every day Kraft's dairy milks more than 5,000 cows, each sporting a Bluetooth collar that collects data each time the animal is milked. She says as farms have become more high-tech, the skills needed to be a successful farmer have changed. Now, you need to know how to program a milking machine and drive a combine.

"In the past you had to be this big, burly guy with forearms the size of a post in order to turn a tractor, because they didn't have power steering," she says.

Kraft oversees her high-tech dairy from an office on-site. Her MBA hangs on the wall by her desk. She calls herself a farmer, but she's also a CFO and a manager of 75 employees.

"It used to be you didn't inherit if you were a girl from a farm family," she says. "And I think [now] people are going, 'I want somebody who's going to carry on the farm. So if it's the young lady ... awesome.'"

And when that young woman starts working on the farm, in any capacity, the question will be whether it's counted.

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- View account history, including payment received date, principal and interest splits on payments, etc.

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