

# Opportunity knocks this year

## Never too early to stop weeds

How much damage can weeds do early in the season? Really? The short answer is a lot. They weaken your corn's stand and ultimately lower your yield. If you think that's old information, well, you better pay attention to this new research.



Recent studies prove that weeds start to rob yield before corn is even 2" tall. And by 4", yield loss can easily top 10%. So even if you spray for weeds that early you're too late. The damage is done.

The best way to stop weeds from hurting your crop is with a preemergence program featuring LUMAX®. Why LUMAX? Because studies show that it has the highest performance you can get. Instead of repackaging the same old ingredients, its advanced chemistry outperforms any other preemergence herbicide. And postemergence applications of glyphosate just don't compare.

One pass of LUMAX can stop weeds before they ever see the light of day. Before they can steal the moisture and nutrients your corn needs to produce top yields.

It's simple. If you don't give weeds a chance you won't leave yield to chance. NOTHING does both as well as LUMAX.



## For Starters

By CHERRY BRIESER STOUT

**H**OW can I make the most of the bull grain market? How much corn should I plant in 2007? Is it too late to invest in the ethanol and biodiesel gold rush? Those are some of the questions you're probably asking yourself as you put together your farm and business plans for the new year.

Coming up with the right answers to those questions could easily add up to the opportunity of your farming lifetime.

Jim Wiesemeyer has never seen a more important and sustainable agricultural market than the one for farm fuels. The vast new demand for energy from crops "is not a fad," the Pro Farmer Washington consultant told those in attendance at the latest Illinois Commodity Conference. It's driven by markets, politics and the huge demand for alternative fuels.

The topic also makes for great discussion at this winter's ag meetings. One of the most forceful and brilliant speakers that I've had an opportunity to hear recently is David Kohl, a recently retired professor of agricultural finance at Virginia Tech.

Kohl tells farmers to get ready to ride an economic and emotional roller coaster into the future. We're entering an era where megaforges are rapidly changing the landscape of agriculture, he says, noting that the way we do business is being reshaped by oil and energy, biotechnology, population shifts, globalization, and the emergence of China as a world power.

Here are some emerging trends,

along with ways you can act on the opportunities.

■ **The ethanol market literally exploded in 2006, with an abundance of venture capital for new plants.** The Illinois EPA has a record number of ethanol plant permits; it received 13 permit applications during the month of September alone. How many of these ethanol plants being built will survive?

Those investing in plants need to keep in mind that OPEC will react, says Kohl. Ethanol plants must be well-managed and have a good source of working capital.

We could someday see a washout in ethanol, with a possible crash in 2009 or 2010, says Kohl. "When plants flounder, they'll be bought for 60 cents on the dollar and made to be perceived green."

■ **The ag arena is getting smaller and smaller.** Today, the U.S. has about 400,000 commercial producers, and another 1.6 million that operate as lifestyle farmers, says Kohl.

One way to improve your farm's chances of future financial success is to think carefully about who is in your "winner's circle network," says Kohl. Successful farms will link up old wealth with new ideas and leadership. They'll be more likely to choose a successor outside the family. A survey of 400 Minnesota farms shows that 21% don't have a next generation to take over.

"Sometimes the best draft pick comes from outside," says Kohl.

■ **The financial performance of farms has a distinct barbell effect.** At one end of the spectrum, 20% to 25% of the producers are doing extremely well. The 20% to 25% of the producers at the other end are in trouble. What separates the two? Good management practices, says Kohl.

An important thing differentiating

the top producers is that they're good people managers. That's an increasingly important skill, continues Kohl. You need the right people to succeed.

How about the 60% of producers in the middle? "Many are millionaires on paper that never earned a dollar," says Kohl. "The farm has been the ATM." That will change as land values level off and decline, he predicts. The middle group needs to sharpen their financial skills and learn to manage cash flow.

■ **Farmers will stay active in business 10 to 15 years longer than they did a generation ago.** Advances in farm machinery offer conveniences and operator comforts, keeping older farmers in the driver's seat longer.

■ **One of the hottest ag trends right now is that people want to buy local.** The fastest growing market is local, and that creates lots of opportunities for specialty growers with a consumer-based approach, says Kohl. These farmers are selling the experience as much as a product. In this issue you can read about Illinois families who have responded to this new trend by opening a cheese plant and a vineyard and winery.

■ **Prepare for farming peaks to be higher and the valleys lower.** Prepare for your farm to go from the best to the worst years you've ever had. Farms that used to have \$50,000 net losses or gains are now seeing six-figure net losses and gains.

Build risk management into your plan, urges Kohl. "Capture profits on the uptick and mitigate losses on the downturn."

Take control of your future by managing for the extremes. And stash some working capital, advises Kohl. If you've got working capital, you can buy someone else's assets at 60 cents on the dollar.

## Get connected with the best

By CHERRY BRIESER STOUT

**A**RE you looking for new farming perspectives and a great opportunity to grow over the next two years? That's what awaits young farmers and *Prairie Farmer* Master Farmers in our 2007-09

### They said it

"I highly recommend the Cultivating Master Farmer program. The program is a great opportunity for younger guys to get in touch with the people we look up to and aspire to be."

**Josh Young, Carlville, 2005-07 CMF class**



"I love the roundtables. It's an open laid-back discussion. Everyone gets involved. I enjoy the different thought processes of both generations."

**Brad Daugherty, West Union, Master Farmer, 2005-07 CMF class**

Cultivating Master Farmer program.

This unique program brings together the wisdom of the old and the enthusiasm of the young. A class of about 10 young farmers/couples and 10 Master Farmers/couples will meet for six scheduled events over the next two years. The program is free.

For young farmers, it's a chance to learn the secrets of success on Illinois' premiere farm operations and find out how the "masters" grow their farms, develop into ag leaders, and balance their business and family life.

For Master Farmers, it's a chance to inspire and be inspired by fresh, outside-the-box thinking from younger farmers.

The program will kick off with a roundtable discussion in July. The group will also meet for roundtables during the Farm Progress Show in August 2007, and in conjunction with the Illinois Commodity Conference and Illinois Farm Bureau meetings. A farm tour is also on the agenda.

Sponsors include Farm Credit Services of Illinois and 1st FCS, Illinois Farm Bureau, Monsanto, Growmark Inc., and *Prairie Farmer*.

## Join the Master class

**A**PPPLICATIONS are now being accepted for our second Cultivating Master Farmer class. We encourage young and Master Farmers to consider this successful and rewarding program.

Application forms for the 2007-09 Cultivating Master Farmers program are available by clicking on "Cultivating Master Farmers" at [www.prairiefarmer.com](http://www.prairiefarmer.com).

You must be an Illinois farmer between the ages of 21 and 36 years (as of Dec. 31, 2006), or a *Prairie Farmer* Master Farmer to apply.

Young farmers should mail applications to Young People's Activities Department, Illinois Farm Bureau, 1701 Towanda Ave., Bloomington, IL 61701.

Master Farmers can also request a CMF application by calling *Prairie Farmer* at (217) 877-9070 or e-mailing [cjohnson@farmprogress.com](mailto:cjohnson@farmprogress.com). Master Farmers should mail CMF applications to: CMF Program, *Prairie Farmer*, 1301 E. Mound Rd. Decatur, IL 62526.

Applications must be postmarked on or before March 31.