

Midwest Farmowner

News & Information from Soy Capital Ag Services

USDA Releases 2014 Outlook for U.S. Agriculture

In the U.S. Department of Agriculture's (USDA) annual outlook held in late February, USDA Chief Economist Joseph W. Glauber noted record global grain and oilseed crops have contributed to significant price declines during the last year. Glauber expects the trends to continue, although tight global grain and oilseed supplies will keep markets on edge.

"While lower prices will pressure profits for row crop producers, particularly those in areas where cash rents have seen significant increases, overall financial health of the sector has benefited considerably from the high prices enjoyed by producers over the past seven years. That will ease the adjustment to lower price levels in 2014," he says.

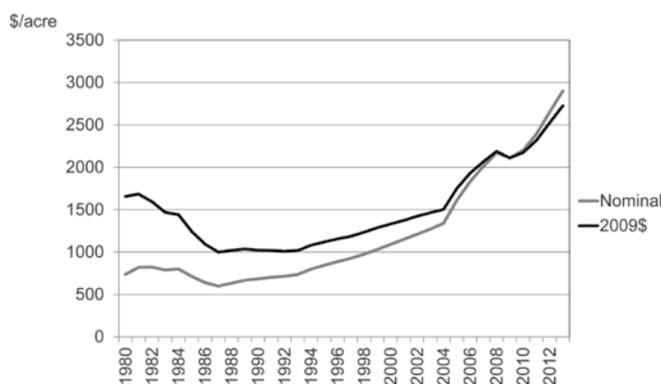
USDA's Economic Research Service (ERS) released its first farm income forecast for 2014 last month as well. Glauber says net cash income is forecast at \$101.9 billion, down almost 22 percent from 2013 but still more than \$5 billion above the previous 10-year average. The decline is largely led by a decrease in crop receipts, which are projected to decrease 14 percent, with an almost \$11 billion decline in corn receipts and a \$6 billion decline in soybean receipts.

Meanwhile, farm equity is projected to reach another nominal record, despite the substantial slowdown in asset growth and expectations of higher debt levels. Since 2006, Glauber says more than \$1 trillion has been added to farm equity, largely through increased land values. The Federal Reserve Banks of Chicago and Kansas City suggest increases in farmland values continued at a more modest rate during the fourth quarter of 2013.

"With lower farm income forecast for 2014 and increases in long-term interest rates, growth in farmland values is expected to slow and perhaps decline in some regions over the next year," he says. "Overall, financial health of the agricultural sector is strong as it enters a period of lower crop prices. Aggregate farm debt, measured as a percent of total farm assets, is forecast at 10.5 percent, the lowest since ERS began calculating the measure in 1960 and considerably below levels experienced during the 1980s farm financial crisis when debt-to-asset ratios were above 20 percent. To put 1980s debt in context, farmland values would have to fall by more than 55 percent to raise the debt-to-asset ratio to 20 percent, assuming no change in farm debt."

To learn more from the outlook conference, visit www.usda.gov/oce/forum/. MF

Farmland Values Reach Records



Source: USDA-NASS

Corn, Wheat and Soybean Prices Expected to Fall from Recent High Levels

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15F
Wheat	6.78	4.87	5.70	7.24	7.77	6.80	5.30
Corn	4.06	3.55	5.18	6.22	6.89	4.50	3.90
Soybeans	9.97	9.59	11.30	12.50	14.40	12.70	9.65

Source: USDA-NASS, Feb 2014 WASDE, and USDA-World Ag Outlook Board. Prices in dollars per bushel

Inside: Brian Thompson Named Soy Capital Ag Services President

McCabe Named to Professional Hall of Fame

Don McCabe, immediate past president of Soy Capital Ag Services, was named to the Illinois Society of Professional Farm Managers and Rural Appraisers 2013 Hall of Fame in February. The Hall of Fame Award is the highest recognition that can be presented to a member who has made significant contributions to both the Society and agriculture.

In making the presentation, Penny Lauritzen, last year's award recipient, noted McCabe's long-term efforts in working with agricultural clients for more than 40 years and his involvement with other industry organizations. In his years as an ISPFMRA member, he served on and chaired committees for membership development, marketing and advertising, continuing education and commercial sponsorship. He also worked his way through leadership, serving as ISPFMRA president in 2004. He worked on the Illinois Farmland Values Conference for many years and chaired the project from 2008 through 2012.

McCabe was raised on a grain and livestock farm in Livingston County and earned a bachelor's degree in agricultural economics and communication (1969) and an MBA from the University of Illinois. He received his designation as an Accredited Farm Manager from the American Society of Farm Managers and Rural Appraisers in 1975.

Upon receiving the award, McCabe said he has enjoyed working with the people, "Our clients and customers, farm operators and those I work with in my company and in this association. I'd particularly like to thank the men and women who I work with at Soy Capital Ag Services, and have over the years," he says. "When an agricultural career like mine spans many years, there have been a lot of 'ups' -- think the 1970s and past few years -- when it seemed everything always went right, and also some 'downs' -- think the 1980s." **MF**



Don McCabe (left) receives the ISPFMRA Hall of Fame Award from Penny Lauritzen (right) during the organization's annual meeting held in February. The award is designed to honor members for their outstanding service to the profession. McCabe was cited for his leadership contributions to ISPFMRA as well as to other national groups.

David Klein Receives Land Professional Recognition

David Klein, managing real estate broker for Soy Capital Ag Services in Bloomington, Ill., recently was recognized for completing the requirements to become an Accredited Land Consultant (ALC) Advanced. The recognition was awarded by the Realtors Land Institute for the first time to Klein and 18 others nationwide for commitment to lifelong professional learning and to understanding the importance of stewardship for the success of an organization.

"You exemplify a key land professional who stays current in your field and an Institute member who recognizes the importance of personal contributions to the common good of the organization to keep it strong, authentic and relevant," noted Michele Cohen, executive vice president, Realtors Land Institute, in her letter to Klein.



David Klein



The ALC designation is an indication of the most accomplished, experienced and highest performing land experts. The Realtors Land Institute says ALC Advanced individuals are part of a, "unique community committed to displaying high moral and professional standards to protect and promote the best interests of their clients. They pledge to conduct business with integrity, honesty and respect to all clients, colleagues and fellow real estate professionals."

To earn the ALC designation, Klein had to complete an intense education program administered by the Institute, and have a proven track record of success with appropriate experience and high volume requirements. ALC Advanced designees must stay current on industry trends and be active within the land community. They continue their professional development through 30-plus hours of continuing education within a three-year period. The honor is only awarded once per year and is recognized for a three-year period.

Klein was honored at the 2014 National Land Conference in March in Charleston, S.C. To speak with Klein, contact him at dklein@soybank.com or 309-665-0961. **MF**

Brian Thompson Named Soy Capital Ag Services President and Manager

Brian Thompson, regional manager of Soy Capital Ag Service's Bloomington, Ill., office, was named president and manager for the organization earlier this year. Thompson replaces Don McCabe in the leadership position, who will remain part of the team, working from Kankakee. McCabe will assist with transitions, consultation, farm management and real estate brokerage.

"I will step out of the role as president, but continue full-time work with Soy Capital Ag Services, primarily to help with the new growth we are experiencing in farm management acreage," says McCabe. "Brian will manage the overall operations."

Thompson has been with Soy Capital since 1982, and has served as regional manager in Bloomington for the last 18 years. He is an Accredited Farm Manager, Illinois Certified General Appraiser, Accredited Rural Appraiser and Illinois licensed real estate broker.

Dan Patten, farm manager also based in Bloomington, will succeed Thompson as regional manager. Patten has been a member of the Soy Capital Ag Services team since 1996, and is a Certified Crop Adviser and Accredited Farm Manager. He is a licensed real estate broker. In addition to selling farmland, Patten works to purchase farmland for new and existing clients. His clients have purchases nearly 5,000 acres in the past six years. Patten will continue to manage a portfolio of farms for Soy Capital's largest regional office. **MF**



Brian Thompson



Dan Patten

Bill Brown Retires from Soy Capital Decatur Office



Bill Brown

Bill Brown, long-time farm manager in Soy Capital's Decatur, Ill., office, will retire this spring following more than 40 years in farm management. Brown has been with the Soy Capital team since 1999, when Soy Capital Bank and Trust added Soy Capital Ag Services.

"This has been a great relationship. Soy Capital Bank gave us as farm managers the tools we needed to get the job done for our clients and farm operators," says Brown, who also is a licensed real estate broker. Brown has managed many farms in Indiana and has performed valuations and broker price opinions for years, including large ag trust properties.

"I have seen many changes during the last four decades: computers, methods of soil testing on grids for fertilizer application, machinery improvements, cell phones, e-mail, electronic soil mapping and more," he says. "As a farm manager our main goal and the most important part of our job has always been to recognize owners' goals and to work with farm operators to meet those goals. I have worked with many great people, and appreciate they put their trust in me and in Soy Capital Ag Services. I know that will continue." **MF**

Justin Wheeler Joins Soy Capital Decatur Team

Justin Wheeler has been hired to replace Bill Brown as a farm manager in the Decatur, Ill., office. Wheeler is from Mt. Zion, Ill., and grew on a small family farm.

"The farm is where I discovered my passion for agriculture. I continue to be active with the farm, and look forward to working with other farmers in the region," he says. Wheeler attended Illinois State University, graduating with a triple major in crop and soil science, agronomy industry management and ag business. He will complete at ISU this spring his master's degree, where he has been investigating the effects of nitrogen rate, timing and cover crops on corn yields. Wheeler can be reached at jwheeler@soybank.com or 217-421-9615. **MF**



Justin Wheeler



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•Accredited designations of the American Society of Farm Managers and Rural Appraisers, American Society of Agronomy, and the Realtors Land Institute.