

# Midwest Farmowner

News & Information from Soy Capital Ag Services

## Soy Capital Tests Twin Row Technology to Get to Next Yield Level

**A**s corn yields continue to increase, what technology will help farm owners and operators get to the next yield level? John Croft, farm manager and agronomic research manager for Soy Capital Ag Services, Bloomington, Ill., thinks “twin rows” may be one important tool. A twin row planter has two rows four inches left and right of a regular 30-inch row spacing, while harvesting is still done with a 30-inch row combine head.

“Twin rows are getting a careful look because as plant populations are increased to reach higher yields, stalks are under more stress for available soil nutrients, water and sunlight. The result can be less air movement, more disease and weaker stalks,” Croft explains. “For a planting population of 35,500, the seed spacing in 30-inch rows is 5.9 inches. In twin rows, the spacing is 11.8 inches. Since the twin rows can utilize more available light and allow greater use of the soil moisture and nutrients, the better plant spacing afforded by the twins may also help farmers to reduce disease.”

Soy Capital is testing twin rows to see if there is a yield advantage for a “determinant ear” corn variety versus a semi-flex variety in both 30-inch and twin rows at 34,000 and 38,000 planting populations. Another test compares different corn varieties in twin rows and 30-inch rows at a population of 35,500. Croft designed

the tests at Soy Capital’s observation plot on Towanda–Barnes Road near Bloomington. Great Plains Manufacturing, Inc., of Salina,

Kan., provided the twin row planter.

“Consider a planting population of 35,500 with a 95 percent harvest population. If ear weights average 0.4 lb., the yield is 238 bushels per acre. With 0.45 lb. ears, the yield is 267 bushels, and with 0.5 lb. ears the yield would be 297 bushels per acre,” says Croft. “We all get excited when combine yield monitors hit 300 bushels per acre, even momentarily. Perhaps twin rows technology will help accomplish that regularly.”

Soy Capital has research plots in 32 locations in north central and south central Illinois this season. The objective is to help farm owners and operators obtain unbiased, third-party research on new seed varieties and management practices. Ultimately, Soy Capital farm managers hope to increase profitability for farm owners and operators.

“American farmers and the agriculture industry have always applied ingenuity and hard work to produce the safest and most economical food supply in the world,” he says. “Our research plots help apply new technology to feed future generations.”

For more information about twin row technology use in corn, contact Croft in the Bloomington office at 309-665-0059, or email him at [jcroft@soybank.com](mailto:jcroft@soybank.com). **MF**



*This Soy Capital observation plot near Bloomington contains corn planted in twin rows with 11.8-inch row spacing versus the more traditional 30-inch row spacing. The plot will be showcased during Soy Capital’s Plot Day on Thursday, August 27, 2009, beginning at 9:30 a.m.*

**Inside: Owning Farmland May be the Best Hedge against Inflation**

# Farmland Good Hedge Against Inflation

**S**oy Capital Ag Services has had the privilege of helping many families manage wealth over the years, including not only farmland but also stocks, bonds and valuable personal property from estate settlements like jewelry, photographs, furniture, art and collectibles. While sentimental possessions are an important part of family legacy, they often do not effectively store financial value or provide a hedge against inflation. Farmland is a much better option.

“Anyone wanting to retain and grow wealth over decades and possibly pass it on to the next generation needs to preserve purchasing power, avoid or minimize transaction costs, and critically important, keep up with inflation,” says Don McCabe, president, Soy Capital Ag Services. “Many experts are bracing for another round of higher inflation. Some see historically large federal budget deficits far into the future and financial markets supported by huge injections of printed paper. They are convinced the dollar’s purchasing power will go down.”

A popular strategy to guard against money devaluation has been to buy inflation-protected bonds or TIPS (Treasury Inflation-Protected Securities). But McCabe says a knowledgeable investor is needed to effectively manage them. TIPS are structured to protect against U.S. dollar inflation, but don’t protect from a global rise in cost of living that could make the dollar value decline.

The solution McCabe has seen work for families over the years is to own productive farmland. The person that owns the “factory”

(the land) that produces hard assets (like grains and energy) gets a regular income return and has a built-in hedge against future inflation. The currency and buying power protection is part of both the products of farming and the value of the land itself.

“A time-tested answer to inflation is to own hard assets like gold, oil or grain,” he explains. “The value of these types of assets may fair better than others in times of inflation, but they are relatively expensive to buy, store, insure and sell. To own the assets through future delivery contracts adds carrying costs and perhaps stiff pricing premiums. Farmland is the best option.”

Academic studies indicate the land value component of farmland is more than 90 percent correlated with inflation, going back to the 1800s. Commodities have long been recognized as inflation hedges, and have come into popular acceptance by sophisticated investors.

“A recent study found that grain price movements are tied closely to the dollar’s value,” he says. “Analysis indicates the U.S. dollar explains 57 percent of the corn price, 65 percent of the soybean price and 70



*Productive farmland like this tract in southern Illinois can serve as a viable protection hedge against inflation.*

percent of the wheat price. In addition, most U.S. farm products hold their relative value internationally. Export demand for all U.S. agricultural products has been strong and has contributed to strong farm income and rents over this same time period.”

While McCabe says Soy Capital has seen clients benefit significantly from long-term investments in farmland, he recommends investment diversification. “It’s always desirable to have a variety of different types of assets. However, as a protection against inflation, and to preserve buying power over long periods of time, we continue to project the farmland investment value trend will hold into the future,” he says. “The farm for many is part of the family legacy, holding sentimental attachments, just as much or more than grandma’s rocking chair.” **MF**

## Soy Capital Participates in Key Conferences

The International Farm Management Conference was held last month in Bloomington Ill. The “Food, Fiber and Energy for the Future” meeting brought global industry leaders together to share the latest in technology, policy and activities. Soy Capital Ag Services farm managers participated in the event, which is not often held in the U.S., and Soy Capital client farms were featured on the tours.

Soy Capital farm managers will be available to visit with clients at the Farm Progress Show to be held in Decatur, Ill., September 1-3, 2009. The show is considered the nation’s leading outdoor farm show, featuring the most extensive state-of-the-art information and technology available for today’s agricultural producers. **MF**

# Operator's Tractor Passion Enhances Farming Expertise

**M**ike and Randy Grafton are cousins and third-generation farm tenants for Soy Capital Ag Services and its predecessors. Their longevity, according to Mike, is rooted in their passion for farming – a passion Mike cultivates with his interest in tractors.

“I think it makes me a better farm operator,” says the Hume, Ill., farmer. “I have a strong interest in tractors that I have turned into a summer hobby.”

Mike is a member of the Illinois Tractor Pullers Association (ITPA), and will compete in 23 fairs statewide this year. He works with a local John Deere dealership to obtain parts for both his tractor pull equipment and his farm equipment.

“Since we use John Deere equipment on the farm, I know it well and how to get the most out of it,” he says. “Because so many of my tractor pull competitors are also farmers, the activity keeps me close to agriculture. Traveling around the state provides an opportunity to network with other farmers and find out what works for them in terms of agricultural inputs and practices. It's a learning opportunity.”

Mike put the same passion into a 10-year quest to locate one of the original Hume tractors manufactured between 1913-1917, nearly across the street from his home.

“My dad was unable to locate a Hume tractor for the town's 1973 centennial.

I looked more recently until I found one in Canada owned by a farmer whose last name is Hume. He spent more than seven years rebuilding it,” he says. “Only 31 tractors were built. They did not survive with the war because they were worth more as scrap metal.”

Mike says he'll continue to pursue his tractor passions both on and off the farm. He and Randy work with Bill Brown, farm manager in Soy Capital's Decatur office. For more information about how Soy Capital can help you effectively manage your farmland while pursuing your passions, contact Bill at 217-421-9616. **MF**

## Personnel Changes in Soy Capital's Peoria Office

**A**fter more than 30 years of leading Soy Capital Ag Service's Peoria office, Norm Bjorling has stepped out of full-time farm and staff management, but will continue as managing real estate broker for the Peoria region. Peoria office farm manager, Steve Burrow, assumed Bjorling's regional manager role on July 1, 2009.

“Norm's been a tremendous asset to this department. He has been a great mentor and leader over the years,” says Burrow. “Going forward, we plan to continue the Peoria tradition of offering outstanding professional farm management, which began in 1924.”

The farm management portfolio will be now handled by Burrow and Douglas Fehr, assistant vice president, with administrative assistance from Chrissy Spenser and Gwynn Guiliano. As Peoria branch managing real estate broker, Bjorling will remain responsible for the farmland real estate sales activity in the Peoria district.

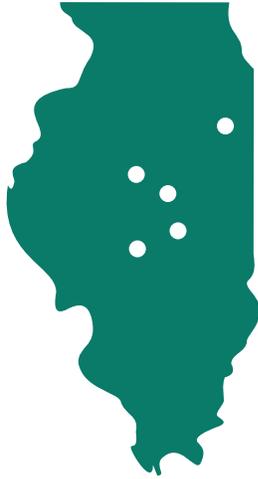


Serving the Peoria region from left to right are Doug Fehr, Steve Burrow and Norm Bjorling.

“Our experienced, licensed real estate staff has a 20-year history of providing professional farmland real estate services through private listings and auctions,” says Bjorling. “Many of our sales involve people seeking our services for the first time. We serve a wide range of clients, ranging from small farms to clients with many farms or 1,000-plus acre farms. Steve, Doug and Marvin Knobloch, real estate associate, will assist with real estate sales just as they have done in the past.”

Burrow holds a B.S. degree in agriculture from the University of Illinois. He has managed farms in Central Illinois for Soy Capital Bank and its predecessors since 1978. He holds the Accredited Farm Manager (AFM) designation from the American Society of Farm Managers and Rural Appraisers, and became a licensed Real Estate Salesman in 1990. He owns farmland in Effingham County, and currently serves as treasurer of the Peoria County 4-H and Extension Foundation. **MF**

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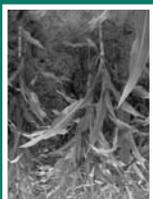
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**Midwest  
Farmer**