

Midwest Farmowner

News & Information from First Mid Ag Services

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Consider the Pros and Cons of Carbon Sequestration

By First Mid Ag Services' Carbon and Alternative REvenue (CARE) Committee Opportunities

One constant in agriculture is change. From advancements in equipment, to the latest seed genetics, herbicides and different cultural practices, agriculture is an evolving industry.

While carbon sequestration is not new, the concept of paying landowners to sequester carbon is the latest and arguably the biggest change to the industry this century. Public pressure and the political shift in Washington D.C. have brought the topic front and center, and landowners may wonder what carbon sequestration is and how will it affect their farms.

Carbon sequestration is capturing atmospheric carbon dioxide during photosynthesis and storing it in the soil. Two different cultural practices best achieve it. The first is to have living plants on the land during as much of the year as possible to capture more carbon. This involves growing cover crops after cash crop harvest and prior to the next cash crop planting. The second is reduced or no-till practices. Tillage releases sequestered carbon back into the atmosphere.

These practices can be done successfully but they are not simple and may have financial consequences to the farm. They may involve purchasing new equipment, adding seed and herbicide cost or reducing cash crop yields. Landowners and farm operators should discuss the advantages and disadvantages of each of these practices prior to implementation.

One advantage may be the new financial incentive programs involving carbon credits. Carbon credits are dollars paid to a landowner for carbon stored in the soil. Various private companies have platforms to trade these credits with name brand and Fortune 500 companies. USDA may develop a program of its own, but details are limited at this time.

Current carbon credit programs generally require a farm operation to implement a new cultural practice, such as planting cover crops or reducing or eliminating tillage. Unfortunately, farms that already perform these practices are not eligible in many cases. Additionally, the programs require a landowner to enter into a multi-year contract ranging from two to 10 years. Further, current payment rates offered generally fall short of covering additional costs involved.

First Mid Ag Services' farm managers are actively collecting information and evaluating these programs before advising landowners to enter into any long-term commitments. The change in cultural

practices is not simple and ideally should be trialed on a small scale first.

Having clearly defined goals and objectives and a knowledgeable team to help landowners is crucial to making any change a success. First Mid farm managers can partner on this journey by helping landowners navigate the carbon credit market, switch to no-till and cover crops, plan farm improvements with these systems, and most importantly, coordinate with farm operators. First Mid currently manages more than 20,000 no-till acres and 6,000 acres planted annually with cover crops. Contact any First Mid Ag Services farm manager below for details:

Michael Bernhard, Kankakee	(815) 936-8978
Tom Hill, Springfield	(217) 547-2885
Ashley McEwen, Peoria	(309) 387-6007
Tyler Roth, Bloomington	(309) 665-0958
Eric Schumacher, Mattoon	(217) 258-0457
Craig Thompson, Bloomington	(309) 665-0048



Reduced or no-till practices help sequester carbon in the soil, offering landowners a chance to earn carbon credits and potentially be paid for implementing the sustainable practices.

Inside: Professional Farm Management is Peace of Mind for Landowners

First Mid Ag Services

Trusted, Effective Farm Management Provides Peace of Mind

Like many farm landowners today, Karen Eickenberg and her cousin, Mark Cowden, are a generation or two removed from operating a grain farm in Illinois. So, they appreciate having a knowledgeable farm manager who can fill in the blanks for them.

"I sell real estate in Springfield, Illinois, and Mark works for an engineering firm in Virginia," says Eickenberg. "Having the right farm manager removes the burden for us."

The 250-acre farm operating as Cowden Eickenberg Farm LLC is located near Collison, Illinois. While Eickenberg's mother and Cowden's father are the landowners, the cousins are in charge of the limited liability company now. They selected First Mid Ag Services to manage the farm about 18 months ago, after Keith Waterman in First Mid's Springfield office recommended Eickenberg talk with Austin Hornstein from First Mid's Mattoon office.

"When I sat down with Austin, I knew within 10 minutes he was the person for the job. He thinks fast paced like I do, and gets work done

quickly and comprehensively," she says. "I have no worries that Austin is not doing the right thing for our farm."

Shortly after Hornstein began managing the farm, he had the fields soil tested and then corrected for deficiencies to immediately improve productiveness. He also invited Eickenberg to come to the farm for a "lesson" in crop production. He showed her the corn and soybean crops, explaining how they grow and how he makes fertility and pest control decisions.

"I don't know how to farm, and Austin goes above and beyond to answer my questions," she says. "He clearly knows what he is doing and is very professional and responsive when I talk with him and with the tenant. In business, you have to be on the same page to be successful."

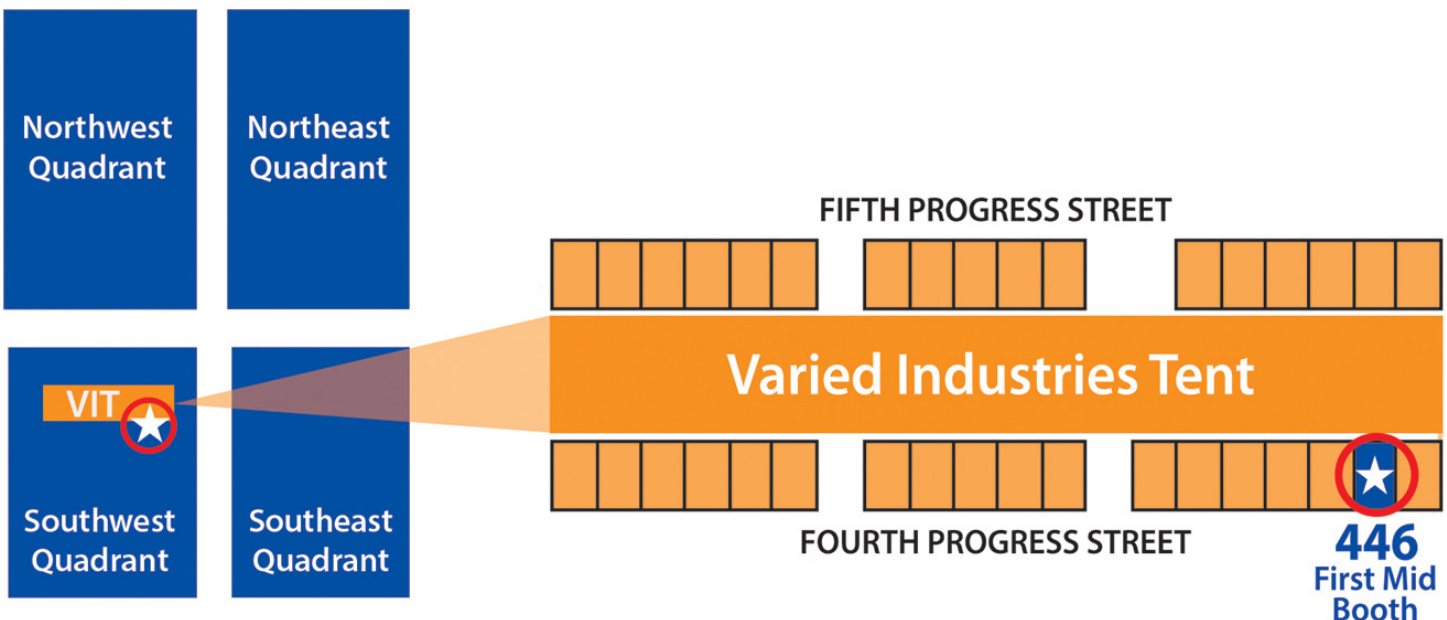
To contact Austin Hornstein, call 217-345-8312 or email ahornstein@firstmid.com. MF

First Mid Reps Ready for Farm Progress Show

Visitors to the 2021 Farm Progress Show will want to stop by the First Mid Bank and Trust Company and First Mid Ag Services booth, August 31, September 1 and 2. The three-day event will be held at the show's permanent site near Decatur, Illinois. For those who attended the show two years ago, First Mid will be in the same place, Booth 446, along Fourth Progress Street, outside the Varied Industries Tent.

Farm managers who will be on-site look forward to talking with current customers and prospective customers about farm management, farm real estate brokerage, ag lending and more.

If you have questions prior to the show, contact First Mid Ag Services President Brian Thompson at bthompson@firstmid.com or 309-665-0959. MF



First Mid Ag Services representatives look forward to talking with visitors during the Farm Progress Show. Look for booth number 446 on Fourth Progress Street.

First Mid Ag Services

First Mid Ag Services Hires Two New Farm Managers in Central Illinois

First Mid Ag Services has added two new hires to its offices in Bloomington and Decatur, Illinois. Both young men joined the organization in the spring.



Michael K. Rhoda

Michael K. Rhoda, assistant vice president/farm manager, is located in the Bloomington office. He graduated from Iowa State University in 2018 with a bachelor's degree in agricultural business and a secondary major in agronomy. During college, he gained a diverse amount of experience including with the crops team and seed production at Remington Seeds; herbicide research at Syngenta; plant pathology research at Iowa State, and soil sampling at BCS LLC.

Prior to joining First Mid Ag Services, Rhoda worked for Grainland Cooperative as a grain originator in Eureka, Illinois. Rhoda grew up helping on his family's grain production farm near Chenoa, Illinois, and is still an active part of the operation. He is a licensed Illinois Real Estate Broker. In his free time, he enjoys farming, fishing and playing basketball.

The new farm manager in the Decatur office is Bailey Reynolds, who was born and raised in Macon County, where he gained his interest and passion for agriculture. Reynolds received his bachelor's degree from Illinois State University in 2018, where he double majored in agribusiness and agronomy management. Prior to joining First Mid, he worked as a crop specialist for an ag retailer in Macon County, making direct crop input recommendations and sales to customers, as well as managing profitability for the company and its shareholders.

Reynolds is in the process of earning his Certified Crop Adviser (CCA) designation and is enrolled in coursework to become a licensed Illinois Real Estate Broker. He resides in Mt. Zion, Illinois with his wife, Shelbi, and enjoys fishing, golfing and the outdoors. **MF**



Bailey Reynolds

First Mid Insurance Group Offers Assistance to Farmowners

Did you know First Mid Insurance Group (FMIG) has farm/agribusiness specialists located across central Illinois to help manage agriculture risk?

With more than 50 years of combined experience, FMIG account executives work with all types of farms, ag suppliers, grain elevators, feed operations, as well as all types of trucking, food and meat processors, farm stores, nurseries and greenhouses, and nearly every other agribusiness, from dirt to table. The team is well-versed in helping farmers and business managers eliminate risk that may possibly save your family farm or business legacy.

Call or email to schedule a free review of your current coverage, so we can help you minimize your losses if something unexpected does happen.

To reach the First Mid Insurance Group's Farm/Ag Specialist Team, contact Alan Martell at 309-378-4200 or email amartell@firstmid.com. **MF**



FMIG specialists include (left to right): Evan Hall, account executive, Forsyth; Jason Badman, account executive, Mattoon; Natalie Parkerson, account executive, Mattoon; Alan Martell, account executive, Normal; and Matthew Bennett, account executive, Forsyth.



Photo by USDA

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