

Midwest Farmowner

News & Information from First Mid Ag Services

Summer 2023 – Vol. 31, No. 2

Planning Ahead for Fall Cover Crop Seedings

By Michael Bernhard, Assistant Vice President/Farm Manager

Soil health is often talked about in agricultural publications. Most of the discussion revolves around ways to improve soil health while maintaining farm profitability. Using cover crops is one way to enrich the soil. This is not a new practice, but cover crops are getting a fresh look as a potential farm improvement solution.

A cover crop is planted in between cash crops but is not harvested. The main purposes of this practice are to reduce erosion, suppress weeds and sequester nutrients. With the increase in heavy precipitation events, having a cover on the soil year-round protects the soil surface. Excess nutrients will be absorbed and returned to the soil as the main crop needs them. Water quality also improves.


When selecting a cover crop for a field, many types of plants can be used. Each plant has different benefits based upon your goals. First, determine what cash crop you intend to plant in the spring. Not all plants interact well with each other. For beginners, planting oats and radishes before a corn crop and cereal rye before soybeans are great combinations. Oats and radishes alleviate compaction well. This combination will die in the winter with no management needed before corn planting. Cereal rye before soybeans is an excellent way to cover the soil and sequester nutrients. Cereal rye must be terminated in the spring, requiring a little extra management and cost. Unless you have lots of experience, it is strongly recommended that you do not plant cereal rye before corn, as the carbon penalty is steep.

Several effective options exist to seed cover crops. Oats and radishes can be direct-seeded by a grain drill or flown on by airplane. Drilling after harvest is ideal, but seeding should be done by mid-September to get the plants established before a frost. Broadcasting seed with an airplane or helicopter spreads the seed into a standing crop before harvest. Rain is needed soon after planting to encourage germination. Cereal rye can be seeded well into November. Direct seeding with a grain drill is most effective. The rye will germinate in the fall, go dormant in the winter and green up in the spring. Broadcasting the seed with fall fertilizer is also an effective, efficient way to seed rye. Soybeans can be planted right into the stand while still green or after termination.

Each species of cover crop has different termination requirements. Some will winter kill, while others need to be terminated in the spring. The most common termination method for over-wintering cover crops is applying herbicide either before or after planting the cash crop. For example, farmers have had success planting soybeans into living cereal rye and then terminating after planting. This is called “planting green.” Mechanical methods for terminating exist, but they require experimentation and experience to determine effectiveness. When terminating spring cover crops for the first time, using herbicides is recommended.



In Illinois, cereal rye works well as a cover crop following corn harvest in fields intended to be planted to soybeans next spring.

If you or your tenants are considering planting cover crops for the first time in the fall of 2023, agronomists recommend starting on a small scale to see if you like the practice. First Mid Ag Services farm managers have the experience needed to implement cover crops successfully. For general questions, contact Michael Bernhard at (815) 936-8978 or MBernhard@firstmid.com. 

Inside: Manage Risk with Crop Insurance

Crop Insurance: A Risk Management Tool

By Kevin Meiss, AFM Farm Manager and Crop Insurance Agent

Producing a corn or soybean crop is expensive and very dependent on the right amount of rain and sunshine, without receiving damaging winds or hail, to maximize production. Multi-Peril Crop Insurance is an excellent management tool to help a producer, whether landowner or farm operator, to reduce financial risk due to adverse weather.

The most popular crop insurance coverage used by corn and soybean producers is the Revenue Protection (RP) policy. This policy protects a producer from both yield and/or price loss. The revenue insurance guarantee per acre is equal to a producer's approved production history (APH) multiplied by the higher of the Risk Management Agency (RMA) projected or harvest price times the selected coverage level. If the final crop yield times the harvest price, which equals the actual revenue, falls below the revenue guarantee, the RP policy will pay the difference as an indemnity.

With dry weather impacting many producers throughout the Midwest, lower yields and higher prices could be likely for the 2023 crop. In this scenario, the RMA price used to calculate both the insurance guarantee and the actual revenue will be the harvest price. Therefore, a yield loss will be the only way to generate an insurance claim.

As a hypothetical example, consider a producer with a corn APH of 235 bushels/acre and an 85% coverage level on an RP crop insurance policy. The RMA projected price is \$5.91/bushel, and the RMA harvest price is \$6.50 per bushel. With the higher harvest price, this producer's insurance revenue guarantee is \$1,298 per acre ($235 \times \$6.50 \times 85\%$). A final actual yield of 175 bushels per acre would result in an actual revenue of \$1,138 ($175 \times \6.50). Therefore, this producer has a \$160 per acre crop insurance claim.

Strong production over the past 10 years has allowed most producers to establish an excellent APH for calculating the crop insurance guarantee. A strong APH along with high grain prices will generate high RP crop insurance revenue guarantees for the 2023 crop. These high guarantees will greatly reduce the financial impact of lower yields and/or prices. This is the exact purpose of RP crop insurance.

The 2023 Illinois corn and soybean crop insurance application deadline was March 15, 2023. Crop insurance acreage reports were due July 17, 2023. If you have a potential crop insurance loss, submit a loss claim to your agent today. If you have any specific crop insurance-related questions, contact First Mid Ag Services farm manager and crop insurance agent Kevin Meiss, AFM, at kmeiss@firstmid.com or (309) 665-0056. MF



Stephanie Porter, Illinois Soybean Association

Drought stressed corn

Michael Lauher Joins First Mid Team in Mattoon

Michael J. Lauher has rejoined First Mid Ag Services as Assistant Vice President and Managing Real Estate Broker in our Mattoon branch. With deep roots in the agricultural industry, Michael brings extensive experience in farm management, farm appraisal and facilitating farmland sale and acquisition transactions.

Beginning his career in agriculture in 1993, Michael has maintained a consistent focus on sustainable farming, stemming from his early involvement in 4-H conservation projects. As a passionate advocate for conservation, he played a significant role in developing the conservation standard for row crops for the Leading Harvest organization.

An Illinois State University alumnus, graduating Magna cum Laude in Agribusiness, and a decorated Air Force veteran, Michael holds distinguished accreditations, including being an Accredited Farm Manager of the American Society of Farm Managers and Rural Appraisers and an Accredited Land Consultant with the Realtors Land Institute. Notably, he is also a columnist for the *Prairie Farmer*

Magazine, sharing insights on contemporary farming.

"We are thrilled to have Michael join our Mattoon team," says David Klein, Vice President & Designated Managing Broker at First Mid. "I am confident he will have an immediate impact on our farm management, appraisal and farmland real estate brokerage services. I've known Mike for nearly 20 years, and he has always been an early adaptor and encourager of new technologies. His fit within our culture is perfect."

Michael, who grew up in east-central Illinois, now resides in Savoy with his wife, father-in-law and their puppy, Scooby. He enjoys spending quality time with his family, including five kids and four grandchildren. MF



Michael Lauher

First Mid Ag Services

First Mid Team Guides Farm Management and Sale

The Koenig family inherited two tracts of Illinois farmland in Coles County near Oakland that had been in the family for generations.

“My great-grandfather passed the land to his children, including my grandmother, and then to my mom,” explains Eric Koenig. “When Mom passed away, ownership went to my father, brother, sister and I.”

His father continued leasing the land directly until 2016, when he turned to First Mid Ag Services for farm management support. Eric considers it a wise decision, made before his dad had memory issues. When Eric took over this responsibility a few years later, he knew very little about farmland. Justin Wheeler in the First Mid Decatur office answered his questions and continued handling farm details.

Though his mother grew up in Charleston, Illinois, Eric was raised in Florida and now lives in the Indianapolis area, while his brother and sister live in Tucson, Arizona.

“We reached the point where we had no more attachment to the farm,” Eric explains. “It meant a lot to my mom, but I only saw it once.”

The family discussed selling the ground when the time was right. Based

on Justin’s recommendations, they capitalized on the dramatic rise in land prices in late March 2023. Brock Norris, farm manager and real estate broker in the First Mid Mattoon office, served as the local lead, based on the farm location.

The tracts offered two unique opportunities, and the First Mid team recommended two different auction types to maximize their value. One tract was highly tillable, with good soil quality for the area. It sold via live virtual auction, only streamed online. The second tract was more recreational, with more than half of it in timber. It was sold through a timed online-only auction that provided a two-week bidding window with a soft close.

“Justin provided links to both the auction websites so we could follow them,” Eric says. “It was exciting — and a little stressful — to watch the values go up.”

The total sales exceeded initial expectations. “The First Mid team was great to work with, and I highly recommend them,” Eric adds. “Justin was very easy to work with, patiently answering our questions and explaining their recommendations. They did all the work, and we just had to sign paperwork. They made it effortless to liquidate the land.” MF

Kauffman Earns Appraisal License

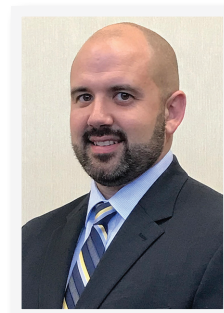
First Mid Ag Services is pleased to announce that our Mattoon office’s Cory Kauffman recently obtained his Illinois Certified General Real Estate Appraisal license.

The highest level of certification for real estate appraisers in Illinois, it ensures that the appraiser has demonstrated a deep understanding of the process and the ability to provide accurate, unbiased valuations. With this license, Cory can provide appraisal services to individuals, businesses and government entities. He can help determine the value of farmland for sale, estate planning, tax assessments and more.

To obtain the Certified General Appraisal license, Cory met stringent requirements set by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation. He completed 300 hours of coursework on appraisal theory, market analysis and more. Then he passed a comprehensive exam testing his knowledge of appraisal theory and ability to apply it to real-world situations.

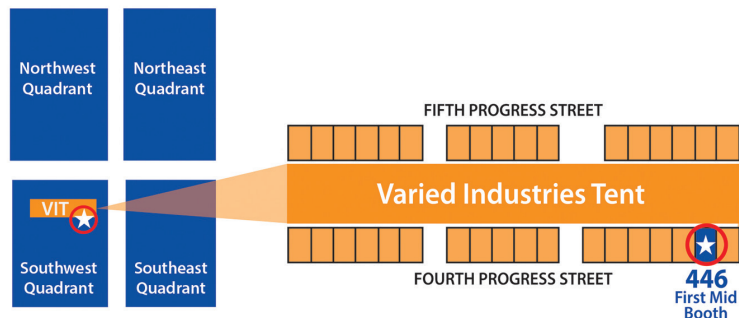
Cory also met professional requirements, including obtaining a bachelor’s degree, completing more than 3,000 hours of supervised appraisal experience and adhering to a strict code of ethics and professional standards.

With many years of experience in real estate appraisals, Cory has worked diligently to expand his knowledge and expertise in the agricultural sector. At First Mid Ag Services, we strive to provide our clients with the highest quality real estate appraisal services. For more information on our appraisal services, please visit our website at www.firstmidag.com or email Cory directly at ckauffman@firstmid.com. MF



Cory Kauffman

Visit First Mid at the Farm Progress Show



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 Bank and Trust Company and First Mid Ag Services will talk with current and prospective customers at the 2023 Farm Progress Show, August 29 to 31 at the permanent Decatur, Illinois, site. Once again, First Mid will be at Booth 446, along Fourth Progress Street, outside the Varied Industries Tent.

First Mid staff look forward to discussing farm management, farm real estate brokerage, ag lending, farm insurance 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



Midwest Farmowner

Inside This Issue...

- Planning Ahead to Seed Cover Crops
- First Mid Guides Farm Management and Sale
- Visit First Mid at the Farm Progress Show

First Mid

AG SERVICES

A Division of First Mid Wealth Management
P.O. Box 1607
6 Heartland Drive, Suite A
Bloomington, IL 61702-1607

PRSR STD
U.S. POSTAGE
PAID
PERMIT #19
HEYWORTH, IL

RETURN SERVICE REQUESTED

www.firstmidag.com



Printed on recycled paper



Ag Real Estate?
Farm Management?
Rural Appraisal?



Talk To Us First
First Mid Ag Services

www.firstmidag.com

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

** Retired Member

Bloomington, IL

(309) 665-0955

David E. Klein, AFM, ALC*
dklein@firstmid.com

Kevin R. Meiss, AFM*
kmeiss@firstmid.com

Daniel S. Patten, AFM, CCA*
dpatten@firstmid.com

Michael Rhoda
mrhoda@firstmid.com

Phillip M. Rich
prich@firstmid.com

Tyler S. Roth, CCA*
troth@firstmid.com

Mark R. Smith, AFM*
mrsmith@firstmid.com

Brian R. Thompson, AFM, ARA*
bthompson@firstmid.com

Craig R. Thompson, CPA, AFM, ALC*
crthompson@firstmid.com

Decatur, IL

(217) 421-9616

Hayley Daniels, CCA*
hdaniels@firstmid.com

Kevin Hilligoss
khilligoss@firstmid.com

Bailey Reynolds
breynolds@firstmid.com

Justin Wheeler, AFM*
jwheeler@firstmid.com

Kankakee CO., IL

(815) 936-8971

Michael Bernhard
mbernhard@firstmid.com

Ashten Masching
amasching@firstmid.com

Joseph Richie, AFM*
jrichie@firstmid.com

Mattoon, IL

(217) 258-0498

Cory Kauffman, AFM*
ckauffman@firstmid.com

Michael Lauher, AFM, ALC*
Michael.Lauher@firstmid.com

Brock Norris
bnorris@firstmid.com

Eric Schumacher, AFM*
eschumacher@firstmid.com

Peoria, IL

(309) 687-6008

Ashley McEwen, CCA*
amcewen@firstmid.com

Casey Watson, AFM*
cwatson@firstmid.com

Springfield, IL

(217) 547-2880

Tom Hill, CCA, AFM*
thill@firstmid.com

Keith L. Waterman, AFM, ALC*
kwaterman@firstmid.com

Real Estate Associates

R.E. Office in Bloomington, IL

(309) 665-0961

Aaron Benoit

Chad A. Hoke, AFM*
choke@firstmid.com

Don Jacobs, AFM*
donjacobs@bfms1942.com

Chris Kolodziej

Ross Perkins
perkins.mr6@gmail.com

Garrett Schoenholz
Garrettshow@gmail.com

R.E. Office in Mattoon, IL

(217) 258-2022

Justin Wood
Jlwood25@gmail.com

R.E. Office in Kankakee, IL

(815) 936-8971

Don McCabe, AFM*
dmccabe@firstmid.com

Steven P. Jacob
sjacob@firstmid.com

John M. Tammen, AFM**
jtammen@firstmid.com