

CULTIVATIONS



Post-Harvest 2023 Edition

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A Note from the Mahomet Regional Office

Casey McClure, Regional Manager



As the harvest season winds down and the Thanksgiving meal is about to be served, we extend our appreciation to you for being part of the Farm Credit Illinois cooperative.

Inside this CULTIVATIONS newsletter, you'll find the latest Association news – including plans for a CEO transition, industry insights, the upcoming learning program schedule, and information about our agriculture scholarships and community improvement

grants. We hope you enjoy the enclosed 2024 Focus on Farming calendar featuring images and monthly agriculture facts that capture the beauty of country life. This year's Facebook contest brought 553 photo submissions from across the state.

Farm Credit is grateful and humbled to serve you through both the challenging and rewarding cycles of agriculture. Thank you for doing your part to keep food on tables and fuel in tanks.

Casey McClure

NEW EMPLOYEE

Welcome Ashley Immke

Ashley joined the Mahomet team in September as a loan process specialist. Prior to FCI, she worked as a consumer loan underwriter with Purdue Federal Credit Union. Ashley attended South Dakota State University and received her bachelor's degree in communication studies.



L-R: Todd Smith, Greg Peterson, Tanner Saltgaver, Carrie Henry, Ashley Immke, Chuck Foran, Heather McKinney, Lee Waters, Brooke Williams, Michael Plunk, Casey McClure, Cory Mitchell, Dustin Rittenhouse



Images from Aaron Johnson's nearly 40-year tenure with FCI



Chat with the Chief

Planning Ahead for a Season of Change

Aaron Johnson, President & CEO

After a fulfilling agricultural lending career spanning nearly 40 years, I recently shared plans to retire Dec. 31, 2024, with our Board of Directors and employee team. I am reassured knowing the cooperative is positioned for a bright future with a solid financial foundation, visionary Board of Directors, talented leadership team, and passionate employees.

CEO Selection Process

As a cooperative, Farm Credit Illinois empowers its Board of Directors to lead the search for a new CEO. The board intends to begin the selection process next spring. That plan currently includes interviewing prospective candidates in late summer and naming a new CEO by mid-September, who will assume the role by Nov. 1.

Internal and external applicants are expected to be considered to ensure the most qualified candidate is named as the next president and CEO. And because the cooperative prioritizes the development of its employees, I'm confident leaders throughout the Association will continue steering FCI towards its core purpose of **Helping Farm Families Succeed.**

Reflecting on a Career of Service

My Farm Credit System career began when I was fresh out of college as a trainee at the Federal Intermediate Credit Bank in St. Louis. From 1985-2002, I worked alongside farm families as a loan officer and regional manager helping guide them through both the challenging and prosperous times. In 2002, I joined the senior management team and became CEO in 2019.

I am especially appreciative of those CEOs who came before me, with special memories of my friend Tom Tracy who unexpectedly left us too early in life. In my ag lending career I've seen many strategies come and go, but none have been as significant to farmers as reliable service and expertise from our staff.

We are all stewards of this cooperative and I look forward to continuing conversations about what's next for FCI and its members in the coming year. Some highlights during my time as CEO include watching our FreshRoots lending assistance and learning incentives become the best young and beginning farmer program in the nation, delivering consistent cash patronage payments, and celebrating our staff team for setting records for member experience scores.

FCI launched a 10-year vision nearly nine years ago, which focuses on delivering significance to the farm families and rural communities in our marketplace. The staff team pushed themselves to grow the cooperative and deliver greater member experiences. Solid financial results allowed FCI to maintain a strong capital position, fund initiatives supporting members and the marketplace, and offer low upfront interest rates – while also further lowering members' effective interest rates through cash patronage.

Stability in Significance

This position of financial strength creates opportunities to dream big. In the next year, employees and directors will team-up to establish the components for the next 10-year vision with a focus on exceeding new and existing member expectations. I look forward to engaging in those discussions, seeing the ambitious targets set, and then continuing to cheer for the FCI team during my retirement.

As the new season of retirement approaches for me at the end of next year, I look forward to spending time with my family living in Illinois and Pennsylvania. With six grandchildren and counting, there will be plenty to keep my wife and me busy. I am forever grateful to all the wonderful members and employees who I've worked with throughout the years.

FARMLAND VALUE ANALYSIS

Average Values Inch Even Higher in 2023

Farmland values throughout central and southern Illinois increased 8.1% on average from last year, according to the 2023 study of 20 benchmark farms by the FCI appraisal team.

Fifteen of the 20 benchmark farms increased in value while one showed a slight decline. Results across all land classes showed considerable variation, reinforcing that agricultural real estate is a location-specific asset. When considering the individual benchmarks values, the year-over-year changes ranged from -5.3% to +31.3%. The table illustrates the average changes in the four general land classifications.

“Farmland in 2023 continues displaying its strength despite rising interest costs,” says Kent Reid, Farm Credit Illinois chief appraiser. “A new peak in the market was set once again, influenced by profitable commodity prices, constant demand coupled with limited supply of farmland, and stabilized balance sheets on many farms.”

Land Class	Productive Index Rating	Average Value Range Per Acre	Average % Change 2023 vs 2022
1A	133 - 147	\$17,500 - \$19,400	+4.2%
2B	117 - 132	\$11,900 - \$17,700	+14.1%
3C Central	100 - 116	\$7,800 - \$11,800	+12.3%
3C South	100 - 116	\$5,400 - \$14,000	+7.5%

The 2023 benchmark update for the Farm Credit Illinois territory shows continued strength in the farmland market. The economic health of farmers and farm owners is mostly stable, but there are still pressures on farmers' financial positions. Increasing interest rates, rising cash rents, and fluctuations in commodity prices will be a challenge for the upcoming year. Overall, an increase of 8.1% indicates a solid market throughout FCI's 60-county territory. Farmland values hit record highs in 2023

and all signs indicate they will remain at this level in the near-term.

Keep up with local markets throughout the year with the Farmland Trends Tracker – a free email report delivered twice a year from FCI's state certified appraisal team.

Read more analysis from FCI's chief appraiser in the full benchmark study and subscribe to the Farmland Trends Tracker at www.farmcreditIL.com/trends.



Invest In New Ideas, Skills, & Connections During Learning Season

Insure with Confidence

Explore the fundamentals of the federal crop insurance program and get equipped to confidently select the coverage that will enhance your operation's risk management plan.

Tuesday, November 28

9:00 AM – 1:00 PM

Mt. Vernon Regional Office

410 Potomac Blvd, Mt. Vernon

Wednesday, November 29

9:00 AM – 1:00 PM

Sherman Regional Office

1200 Old Tipton School Rd, Sherman

Farm Financials 1: Statements & Analysis

Break down the balance sheet and work through example scenarios with FCI staff. Learn how to leverage your numbers and crop insurance coverage to manage the financial health of your farm.

Thursday, December 7

9:00 AM – 1:00 PM

Keller Convention Center

1202 N Keller Dr, Effingham

Friday, December 8

9:00 AM – 1:00 PM

Marion Regional Office

2601 Henry St, Marion

Farm Financials 2: Benchmarking & Roadmapping

Dive deeper into understanding financial ratios and best practices of successful operations. Leave equipped with tools to better monitor and forecast your farm's financial trendlines and develop plans to achieve long term business goals.

Friday, December 15

9:00 AM – 1:00 PM

The Regency

400 Regency Park, O'Fallon

Wednesday, December 20

9:00 AM – 1:00 PM

Keller Convention Center

1202 N Keller Dr, Effingham





Matt Bennett
AgMarket.net

JAN 11, 17, 24, & 25



Eric Snodgrass
Nutrien Ag Solutions

JAN 11 & 25



Tyne Morgan
U.S. Farm Report

JAN 17



Jim Wiesemeyer
Pro Farmer

JAN 18



Kolten Postin
AgMarket.net

JAN 18



Jason Webster
Precision Planting

JAN 24

FIELDING FORWARD CROP INSURANCE

Fielding Forward Crop Insurance Meetings

Hear the latest perspectives on grain markets and timely updates on topics including managing weather risk, ag policy, and maximizing acreage potential. Plus, stay in-the-know on federal crop insurance updates from FCI agents as you consider coverage options.

Thursday, January 11

9:00 AM – 1:00 PM

Wednesday, January 17

9:00 AM – 1:00 PM

Thursday, January 18

9:00 AM – 1:00 PM

Wednesday, January 24

9:00 AM – 1:00 PM

Thursday, January 25

9:00 AM – 1:00 PM

Rend Lake Event Center

468 N Ken Gray Parkway, Ina

I Hotel & Conference Center

1900 S First St, Champaign

Keller Convention Center

1202 N Keller Dr, Effingham

The Olde Wicks Factory

1100 Fifth St, Highland

Northfield Inn & Conference Center

3280 Northfield Dr, Springfield

FCI Spring Training Conference: Creating Your 2024 Gameplan

As you prepare to get back in the field, warm-up your management skills with industry pros. Virginia Tech hall of famer, Dr. David Kohl scouts global issues and trends in agriculture to put you in scoring position for the next opportunity. Ace farm management specialist Dr. Steve Johnson calls the plays to keep your farm profitable all season long.



Dr. David Kohl



Dr. Steve Johnson

Thursday, February 15

9:30 AM – 3:00 PM

Friday, February 16

9:30 AM – 3:00 PM

I Hotel & Conference Center

1900 S First St, Champaign

The Regency

400 Regency Park, O'Fallon



Learn more and register for FCI learning programs
www.farmcreditIL.com/learning

All programs offer **FreshRoots** learning incentives to eligible borrowers. Visit each event's registration page for details. Lunch included with each program.



YOUTH INVESTMENTS

\$2,500

SCHOLARSHIPS FOR
HIGH SCHOOL SENIORS
studying agriculture in college



2023 Scholarship Recipients

Planning for a career on the farm or in the ag industry?
If you're passionate about agriculture, apply to be one of 30 FCI ag scholars.

APPLY BY FEB. 29

www.farmcreditIL.com/scholarship

\$500

COMMUNITY IMPROVEMENT
GRANTS



4-H Clubs & FFA Chapters
making a positive community impact

Project ideas include
Landscaping, tree plantings, community gardens,
fairgrounds updates, park improvements

APPLY BY FEB. 29

www.farmcreditIL.com/community

A New Crop of FreshRoots

Commentary, wisdom, and perspectives from globally renowned agricultural economist Dr. David M. Kohl

As a longtime student and adult educator, I particularly enjoy and find fulfillment leading many young and beginning farmer learning programs nationwide. One of my favorites is FCI's FreshRoots program. The Board of Directors and management team have made a special point as a cooperative to invest in beginning farmers and the future of agriculture.

This summer FCI hosted a two-day program in St. Louis. Attendees heard information and insights on economics, finance, business, and agriculture trends with practical actions for improving business, family, and personal life. They also enjoyed a Cardinals baseball game and networking with peers.

The changing dynamics occurring amongst young and beginning producers were apparent. There were many attendees from multi-generation farms where cousins are managing with cousins, which requires a higher level of business formality. There were also attendees with startup enterprises, which may require multitasking with other sources of income and networking opportunities.

After completing the business IQ proficiency assessment, it was discovered the top management proficiency in the group was knowing their cost of production and



2023 FreshRoots Retreat

completing cash flow projections. In today's uncertain and volatile economic climate, financial sensitivity analysis of cash flow budgets is vital. Running scenarios for production, price, costs, and interest rate changes were seen as a high priority.

Whether it was inventory, documentation, compliance, or business and family living budgets, improvements in record-keeping, storage of records, and having them in an accessible format was a notable takeaway for participants.

Another proficiency observed in this year's attendees was a commitment to continuous learning. I recommend attending five programs, listening to five to 10 podcasts and webinars, and reading at least five books annually for personal growth. Goal setting and maintaining a positive attitude round out the list for this year's attendees.

Many side conversations resulted in nuggets of wisdom from this new crop of FreshRoots participants.

- ◆ Don't worry about what your neighbor is doing. Focus on your own business. You may be in chapter 1 of your business journey, and they may be in chapter 10.
- ◆ Don't be consumed by the here and now. Be coachable and willing to learn.
- ◆ Network outside your normal contacts. Sometimes being nice to a neighbor creates opportunities, fosters new ideas, or results in a mentoring relationship.
- ◆ It's not always about farming more acres and having more livestock, but doing better with what you have.
- ◆ Revisit your business and financial plan throughout the year. Be flexible, adaptive, creative, and open to change.

I encourage young and beginning farmer readers of this column to sign up for an upcoming FCI learning program. I guarantee the experience will sharpen both business and life skills that will expand your network of positive, proactive people.



CALENDAR SPOTLIGHT

NOVEMBER 23, 2023

Thanksgiving Day
offices closed

NOVEMBER 24, 2023

Day after Thanksgiving
offices closed

DECEMBER 1, 2023

Crop Insurance PRF Sales Closing and
Acreage Reporting Deadline

DECEMBER 10, 2023

End of Insurance Coverage
(corn/soybeans)

DECEMBER 15, 2023

Crop Insurance Wheat Acreage
Reporting Deadline

DECEMBER 25–26, 2023

Christmas Holiday
offices closed

DECEMBER 29, 2023

New Year's Eve observed
offices closed at noon

JANUARY 1, 2024

New Year's Day
offices closed

JANUARY 15, 2024

Martin Luther King, Jr. Day
offices closed

FEBRUARY 15, 2024

Crop Insurance Area Plan Production
Reporting (corn/soybeans)

MARCH 15, 2024

Crop Insurance Sales Closing
(corn/soybeans)

RMA-published policies and procedures supersede any information provided herein. Farm Credit Illinois is an equal opportunity provider.

MAHOMET OFFICE

217.590.2222 | mahomet@farmcreditIL.com

Directors Cup — Farm Couples Creating Bright Futures



Pictured above from L to R: **Chad & Katy Conder** of Stewardson (Shelby County); **Jake & Sarah Hotze** of Teutopolis (Effingham County); **Dan & Emilee Niemeier** of Alhambra (Madison County)

Three young farming couples were recognized as the 2023 Directors Cup recipients. This program is in its fifth year of celebrating beginning farmers with a \$5,000 award. Recipients are celebrated for their dedication to personal growth, professional development, and bright futures for their family and farm operation.

Are you a young or beginning farmer that prides yourself on the work you put into your farm family, business, and community?

Get to know the 2023 Directors Cup honorees: www.farmcreditIL.com/freshroots

Applications for the 2024 Directors Cup are open **January 1 – March 1**.
www.farmcreditIL.com/directorscup