

THE FARMER'S EDGE



HURLEY & ASSOCIATES
Agri-Marketing Centers



Point Counter Point on World Grain Demand and Potential US Surplus Acreage Next Year and Beyond

By Bill Hudson, PRX

Here are some inputs I've received in the past week or so on this question.

World traveller for the US Grain Council, former international grain trader, 11-8-19.

"I do hope people are asking and thinking about the question of Pax Americana and the post WWII need for the U.S to feed the world.

Mother nature is never fully benevolent for too many consecutive years. But aside from a serious drought in South America or Europe, is the pendulum not swinging in the other direction? Our Grain exports are likely to decline. We can carry grain for a while but eventually have to settle up with the reality of global prices.

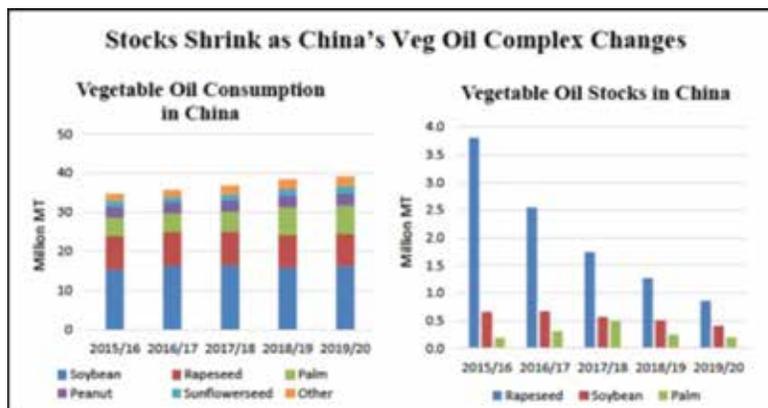
And if the world does not need the volumes of crops we have historically grown, what will we do with the cropland?

I am of the opinion that

farmland prices do need to come down. (Except here in Oregon where Hemp is providing up to \$18,000/acre. In southern Oregon there is a shortage of hay. Hemp acres now account for more land than wine grapes and fruit trees combined.)"

USDA Foreign Ag Service, 11-8-19.

Official USDA data show that China is about 80% dependent on imports for both the protein meal fed to all its meat animals and all the vegetable oils used in its 2 billion-plus woks for cooking that meat (as well as its rice and other foods). We see below that "veg oil" consumption in 19-20 is still trending up, but that stocks are dramatically down.



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Point Counter Point on World Grain Demand and Potential US Surplus Acreage Next Year and Beyond

By Bill Hudson, PRX

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Doesn't this suggest that the odds for a "phase one" trade deal with China should go up — in which China "guarantees" substantial annual soybean purchases from the US?

Senior USDA-ERS China Economist, retired, and but still watching China news and publications every day, 11-9-19.

"The government is frightened by their dependence on imports, especially from the United States, for their main vegetable oils — to such an extent that they're willing to change the make-up of what oils they're furnishing to the population, and the prices they must pay to bring in finished oils instead of mainly crushing whole soybeans for soyoil."

After his call to me, this man was about to leave on a trip to SE Asia. I forgot to ask him what might happen to China-US trade relations if the Hong Kong problem keeps getting worse. (I think, however, that we all know the answer — not good!)

He also mentioned the China government's strong commitment to a nation-wide program wherein every school child gets at least one glass of milk per day, for calcium. This too means imports, mainly of finished milk and dairy products.

USDA-ERS 2020 Baseline, 11-1-19.

The new Baseline projects that — with corn and soybean yields increasing steadily for 10 years (each and all with normal weather) — the combined area planted of corn and soybeans need not be more than an average of 174.5 million acres, compared to a record slightly above 180 million acres in the past. This would

mean average carryouts of 2684 mil bu of corn and 518 mil bu of soybeans — with average farm prices of \$3.54 for corn and \$8.77 for soybeans.

This new Baseline released on 11-1-19 does not include the international trade table, so we do not know what the Department's guess is for China corn and soybean imports, or the US share of such trade vs. South America.

The new Baseline consists of Excel tables only. The projected prices are higher than the variable costs for the two crops — but no estimates are provided for fixed costs, such as land costs. There are no comments about what the aggregate of American farmers will do with the "extra" 5.5 million acres of corn (180 – 174.5) and beans they own, other than that these acres will not be planted.

By comparison, the current PRX Blue Sky Model #47 projects that — *with corn and soybean yields displaying weather ups and downs similar to the past ten years* — that combined area of corn and soybeans will need to be 177.0 mil acres. Corn price will average \$3.85 and soybeans \$9.77. PRX #47 estimates that even with some decline in land values, the net income for the corn + soybean sector will be negative in half of the coming ten year period, and only slightly positive in the other years — even if the "max" combined area planted is held to 177.0 mil acres.

We have **not** assumed a quasi-permanent "Market Facilitation Program" by the USDA-CCC to substitute for land set-aside programs of the past.

EFeedLink Article on Feed Demand in Asia, 11-17-19.

Study examines the feed use decline (mainly due to African Swine Fever losses across all of East Asia) expected in calendar years 2019 and in 2020 for PRC and Philippines, but excludes a 2020 forecast for Vietnam, and concludes 5% drop is likely. This includes corn, wheat, soybean meal, and other ingredients. The authors looked at gains in poultry, beef, and

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Goodbye Hurley - I'll Miss You

By Janelle Swanson

Come January, I will be saying goodbye to a very important part of my life. This has been one of the most difficult decisions I have ever made, but I know it is the right one for me.

January will mark 20 years of working as a Marketing Consultant with some of my favorite people in the world, farmers and my Hurley family.

My farmers have taught me so much over the years! I have learned about optimum planting depth and population, no till and knifing the ground to combat compaction, how much land a cow/calf pair needs in various areas around North and South Dakota, and how much daily gain can be expected from those steers and heifers once they are weaned.

My farmers have also taught me resilience during hardship and how to keep on going. I know we at Hurley & Associates always talk about educating our farmers, and we do that for all aspects of marketing, but that learning certainly goes both ways for all of us.

Over my 20 years with Hurley, I have seen many changes within the company. We have grown enormously during that time, outgrowing countless meeting rooms. Some employees have come and gone, some processes have changed, and we have certainly seen lots of new rules and regulations in the brokerage side of what we do. But, through all of this, Hurley has remained steadfast in their ultimate mission. Here is the company's mission statement in its entirety:

To help our clients realize economic stability while maintaining the dignity and value of the farm family.

Through collective efforts of our employees, associates, and agri-businesses we continually strive to accomplish this mission by:

- Providing marketing risk management services.
- Helping the client reduce market risk.

- Developing a prudent marketing program tailored to the clients' specific needs, to reach practical financial goals, and to become better stewards of their finances.
- Staying informed by evaluating and keeping pace with the increasing flow of information and rapid changes in agri-business, in order to keep clients on the leading edge of agriculture.
- The application of sound Christian principles to achieve positive results for the clients' farm enterprise.
- Allowing our employees and associates to use their God given creative abilities, thereby sharing the benefits of a positive relationship with the client.

We firmly believe the future of agriculture belongs to those people with vision, for they will define and shape the future for succeeding generations. Our desire is to join in the process by offering the highest level of professional assistance and personal service to ensure the vitality and integrity of the individual and of agriculture. Each of our offices work together within a specific framework to facilitate the desired results of our mission.

I feel blessed to have been associated with this steadfast company for so many years. So, thank you Hurley and thank you farmers for allowing me to be part of your lives.

Janelle Swanson is one of the farm marketing consultants from the Britton, SD office. Janelle grew up on a farm southeast of Britton where she and her 4 sisters were their dad's "hired men". In June of 1998 she began work at her local elevator. The elevator became affiliated with Hurley and Associates in December of 1999, and the Britton Hurley office officially opened in January of 2000.



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aquaculture as well as losses in pork.

The PRX estimated range for the 2020/21 US corn marketing year was 3.4% to 8.5% loss and we examined feed use in three other countries: Thailand, Indonesia, and Malaysia. Because the largest impact on Vietnam's hog herd may be in all twelve months of 2020, whereas big losses in 2019 began in July, the guess is that feed demand in calendar 2020 may not be as strong as this study concludes. Time will tell.

Willard W. Cochrane, USDA Head Economist under Secretary Orville Freeman, early 1960s.

General Theory of the Agricultural Treadmill

"The high value that society places on technological advance guarantees a continuous outpouring of new technologies. The incentive to reduce costs on the many, many small farms across the country guarantees a rapid and widespread adoption of the new technologies. Rapid and widespread farm technological advance drives the aggregate supply relation ahead of the expanding aggregate demand relation in peacetime; and given the highly inelastic demand for food, farm prices fall to low levels and stay there for long periods." [*The Curse of American Agricultural Abundance—A Sustainable Solution*, p. 43.]

During his tenure, Cochrane developed proposals for supply management regulations, sustainable

environmental policies, and a national food stamp program.

PRX Conclusion.

As clients are well aware, our network does not advocate policies, but instead we seek via a staff and client networking the best and most competitive ways to "game" the next ten years of supply-demand, for the purpose of competitive commercial strategic planning.

Today, we have no good answer as to whether US corn-soybean farmers will stay on the "agricultural treadmill" and keep combined corn and soybean acreage in the 180 mil ac/yr range. But if they do, our Blue Sky method will project higher c/o's, lower prices, and declining farmland values.

Bill is a principal and the founding partner of The ProExporter Network® and is responsible for much of the firm's research and analysis, including the regular "Grain Market and Transportation Outlook." He was a pioneer in using mapping techniques to illustrate grain flows which is a unique PRX service. Prior to beginning The ProExporter Network in 1988, Hudson served as senior vice president of business research for The Andersons of Maumee, Ohio. He is an international speaker, author, and respected industry authority on agribusiness, cash grain markets, and transportation. He is a graduate of the University of Kansas.

Stop by to see Hurley representatives at these trade shows this winter:

South Dakota Pork Congress January 15-16, Sioux Falls, SD

Practical Farmers on Iowa January 17 – 18, Ames, IA

Iowa Power Show January 28 – 30, Des Moines, IA

Minneapolis Pork Congress January 28-29 Minneapolis, MN

Commodity Classic February 25-29, San Antonio, TX

Hawkeye Farm Show March 3-5, Cedar Falls, IA

The Meaning of Christmas

Far away in Bethlehem, a Baby Boy was born;
Born with neither riches nor with fame,
Yet Wise Men came from all around to bring to Him their gifts,
And peace was felt by all who heard His name.

Angels watched Him as He slept,
And gently rocked His bed;
Their voices singing softly in His ear;
His Mother and His Father both gave thanks to God above
For the greatest gift of all, their Son, so dear

They knew His life upon this earth would not be filled with wealth,
They also knew He would encounter strife;
But most of all, they knew that He would be a loving Child,
And teach the love of God throughout His life.

At Christmas, as we celebrate this Birth of Jesus Christ,
Let's keep in mind the truth of Christmas Day;
For it's not the Christmas wrappings, nor the gifts that lie within,
But our gift of love to others in every way...

A Bright Future

By Dave Dolan

My years at Hurley & Associates have led to a transition of role. Marketing for farmers was the primary thing I did when I started with the company in 2004. Over the years, I have transitioned into leadership of some of the Hurley offices in the Midwest. As we have continued to grow, hiring more staff to serve our local farmers has been one of my primary responsibilities. When we have made staff additions, the people have come from a wide variety of backgrounds and job experiences. Here are some:

- Grain Merchandising
- Agronomy
- Ag Insurance
- Ag Lending
- Ag Bookkeeping
- Livestock Sales and Marketing
- Livestock Nutrition
- Teaching
- Ag Publications

Though Hurley consultants come from different fields, they all shared the same message during the interview process, **"I want to help farmers!"** The passion for this mission has become the cornerstone for a successful Hurley & Associates Consultant. The clients these consultants serve, the Hurley company, and I are all very fortunate to have found some great, caring individuals. And, I am only speaking of the strong talent that works within the offices I oversee. Companywide, this strong talent pool is only magnified.

The second part of finding talent for our company has come from the hiring of college graduates. Most of this talent has been found via Career Days at some of our local universities. My exposure has been limited to Career Days at Iowa State University in Ames and North Dakota State University in Fargo. Other Career Days Hurley Leadership attends include Murray State – South Dakota State University – University of Nebraska, and more. The students at these Career Days are usually searching for one of two things. Internships – this is to "test the waters" of an industry they are interested in to see if it is a good fit for a future career path. Or, they have already narrowed their career path down to a specific interest and are now looking for an employer where they can begin their careers. They are all prepared very well to meet industry people. They come in professional attire. They ask very good questions. Most have

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10 Year End Tax Tips

By Julie C. Underwood, CPA

Should I sell grain? How much should I prepay? How much depreciation should I take? These are common questions producers are asking at year end. As the year comes to a close, it's the critical time for tax planning. Congress has left the tax laws alone for 2019. Here are 10 items to consider this year:

1. Defer income. It has been a tough year across the nation but, like normal, most producers had sales in 2019 of 2018 crop PLUS crop insurance proceeds.
2. Prepay expenses. If you did not plant all your acres, you may have inputs to carry over to the 2020 season, reducing your normal prepay.
3. Consider your hedging gain/loss when tax planning.
4. Assess your health costs. Review insurance, health savings accounts, cost share ministries, health care credits, and make sure you have the best coverage that meets your needs.
5. Pay taxes on your living expenses.
6. Take advantage of the 20% 199A deduction.
7. Donate commodities. You can deduct your input costs, sell the grain directly in the charity's name and not recognize income. You cannot double dip and treat the donation as a deduction on schedule A.
8. Hire your kids. If you are a sole proprietor and have kids under 18 working on the farm, then you can compensate them a fair wage and not have to pay social security and Medicare taxes on their wages. (Then make them pay for their clothes and school lunch!)
9. Pay commodity wages. If you have employees, you can pay a portion of wages in commodities and save social security and Medicare taxes. Documentation and timing are critical to ensuring this qualifies as commodity wages.
10. Save for retirement. Yes, you will want to retire some day and a diversified stream of income will help secure your retirement. Start with an IRA (traditional or Roth) and grow from there depending on how much you

can save

Consider some of these
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Consultant Spotlight: JESSI WAY



What do you most enjoy about your job?

The people that I get a chance to work with and alongside. Getting to know my clients and coworkers not just as producers and colleagues but as individuals makes the job extremely

rewarding.

How did you get started in your career?

Growing up on a family farm, I always knew that my career would be in agriculture. I was introduced to Hurley through one of my classes at SDSU. After spending a summer as an intern in Glenwood, I knew that Hurley was the type of company that I wanted to be a part of.

What are you most passionate about when it comes to serving your clients?

Using goals to drive decisions. One of the things I love about economics is that it takes something subjective – our behavior and attempts to quantify it. When we use goals to turn a feeling of success or accomplishment into a tangible number, we're able to take something unpredictable – the markets, and turn it into something black and white. We're no longer reacting to the market, but to our progress towards our goals.

What would be your ideal vacation?

Anywhere I haven't been before. Always fun to explore new places with my family!

Jessi was raised on a family farm near Sioux City, IA where they raised corn, soybeans, and cattle. She graduated from South Dakota State University majoring in Ag Business with Ag Marketing & Animal Science minors. In her time there, she was employed as a student research assistant focusing on agricultural statistics analysis. In the summer of 2015, she began her tenure with Hurley as a grain consultant intern giving her the opportunity to apply her coursework to the real world.

Jessi was hired as a Farm Marketing Consultant with Hurley & Associates in June of 2016 and is based out of the Glenwood, MN office. Her favorite part of the job is getting the opportunity to work alongside producers to strive for the success of their farms and families. Jessi lives near Cologne, MN with her husband Josh.

A Bright Future

By Dave Dolan

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done their research and know a lot about the companies they are approaching. Some are looking for employment close to home, usually to stay involved with the family farm.

As I approach the next step of doing formal interviews with some of this college talent, I see the wide variety of backgrounds they have come from. Here are some recent interviewee's I have sat down with.

Lucas – The first thing that impressed me regarding Lucas was noted during a screening interview I did with him. I asked if he had come directly from college classes to the interview. He stated, "No, my roommate and I just came from the farm where I work part-time. We shoveled out a 60,000 bushel bin this morning." After reviewing his resume and getting to know the different internships, jobs and organizations he is a part of it was easy to see that a strong work ethic would not be an issue with this young man.

Paul – interviewed with me yet was unsure of a career path. He had it narrowed down to two businesses he was considering. The thing that impressed me most regarding Paul was his involvement in several college organizations he was part of. Not only was he actively participating in these organizations but also he was President or part of leadership for them. I could see his desire and willingness to lead a Team someday.

Miranda – Quiet yet determined. She showed the ability to step out of her comfort zone. Taking a past internship at a radio station required her to do on air interviews. I could see that this was maybe difficult for her but she was determined to do it and do it well.

They come from different backgrounds, have different personalities and interests but there is one common

statement that comes from most of these interviews. They state, **"I want to help farmers."**

If you are a farmer, I want to share with you a personal observation coming from these Career Days and interviewing these young adults. I am proud of the youth that we at Hurley & Associates have hired already and those that want to work for you in the future. They have been raised well, with sound values and a passion to help you. A passion for the success of your farm regardless of what branch of Ag they choose to work in. They are polite yet driven individuals looking to succeed in life but also looking for success in the people they work for, the company they choose to work for and the clients it will be their good fortune to serve. Their future isn't written yet. Their path may take them to several different jobs, locations or areas of the country. No matter their path, I know they will make a difference. Overall, it makes me think that with the young talent out there that want to work in the field of Agriculture, we have "A Bright Future."

Dave Dolan is a Farm Marketing Consultant/Group Leader for Hurley & Associates, based in the Glenwood, MN office. He serves the North Dakota, Northern South Dakota and Minnesota areas. When joining Hurley, Dave was impressed with their individualized approach to risk management marketing. Dave has been apart of the Hurley team for nearly sixteen years.

10 Year End Tax Tips

By Julie C. Underwood, CPA

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ideas as you close out 2019. We still have section 179, bonus depreciation and no more like kind exchanges of tangible property. Be careful about feeling too secure because your line of credit or cash looks better than most recent years. You may not have as much income deferred or inventory in the bins than some recent years to carry you through the start of 2020. Take advantage of recognizing more income if you can and capture opportunities. Use up the tax bracket

you are in. It is not too late to plan and make the best out of a tough year.

Julie Underwood is an owner of TruCount CPA in Brookings, SD. She specializes in building relationships that enrich lives by providing accounting and tax services for ag producers and service businesses.

China Dominates News

By John A. Johnson

Every area of our news seems to be concerned with China this week.

The negotiations concerning trade issues with China have apparently hit another snag, since the implementation of the so-called "Phase One" agreement. There is apparently some misunderstanding, as the U.S. Administration announced that we have re-gained some access to Chinese markets for some U.S. goods, while the Chinese negotiators announced to their people that the sanctions on some Chinese goods would be lifted and all tariffs would be rolled back and/or removed. The U.S. immediately repudiated that statement, indicating that there were still issues that would have to be remediated or resolved before any tariffs would be addressed or lifted. So, we are basically at somewhat of an impasse in the Chinese trade dispute, or trade war, depending on your interpretation, again.

On another sticky front the U.S. Senate has passed a resolution defending the Taiwanese protesters' rights in Hong Kong and denouncing any violent response to the protests by the Chinese government that would be designed to end the protester's demonstrations. The U.S. House of Representatives has passed their own version of a similar resolution, but the Senate and House versions are enough different that they will require a conference committee to reconcile the versions and present a unified proposal for President Trump's signature. The process is expected to require a week to ten days for a final decision. The President is under tremendous pressure from Congress to sign the Resolution but is loath to jeopardize the Administration's bargaining position concerning the pending Chinese trade agreement.

The latest gambit by the protesters is to occupy Hong Kong's Polytechnic Institute, that occupation is being slowly dissolved as we write.

One last China note, the Government there has announced the creation of an opportunity to farm some 1.6 million acres of prime farm land in the next two years. At the same time, they are reducing some of the "obstacles" to the production of pigs, and local governments are instructed to promote the production of other kinds of meat, supposedly poultry and/

or fish.

Outside the U.S., the world's economy is slowing as political friction among shifting demographics seems to be engulfing Europe as country after country undergoes major shifts in the direction of their respective governing bodies. The European Union is struggling with Prime Minister Boris Johnson over England's exit plan from the Union, as Germany faces a serious economic slowdown while Italy and Spain, (being members of the PIIGS) continue to face economic headwinds that have plagued their counties for the past 10 years.

The U.S. economy, meanwhile, has continued to plug along, albeit at a slower rate this year than last. The GDP growth has slowed to somewhere in the low 2.0% range, partly to what traders are referring to as the holiday slowdown, and partly due to the U.S. Government's fixation on either impeaching this President or defending the present administration. It only depends upon which side one happens to be, but positions are being defended with more and more conviction every day. These proceedings are one of the most divisive issues to hit our country in our many years of political observation.

A few final thoughts on the current U.S. farm situation. With all the improvements in agricultural technology over the past three decades including the many much-improved crop varieties, ag machinery and cultural practices which have afforded astounding improvements in efficiency and timeliness, Mother Nature has made this one of the most problematic crops in memory. We had a dry or wet, cold or hot, flood or drought, late or early season – depending on what area of the country one was in, some had a taste of more than one of these problems, and some had a little of all! Only lately we learned that many areas, mainly the Northcentral U.S., were suffering from a shortage of Propane needed to dry the above average crop as it comes in from soggy fields. At this writing the USDA projects that up to 3 Billion bushels of corn is still in the field!

The above-mentioned production problems are being exacerbated by abundant carryover supplies of grains which are driving prices down to below the cost of production for many producers. Farm news is rife with statistics that

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Taking Care of the Family Farm Starts with Taking Care of the Farm Family

By Jason Frey

Calendar year 2019 will be one that many of us will remember for years to come, and for many, it will be forever marked as a year fraught with challenges and frustration. With all of the difficulty that this year has brought, I truly hope that each of you have had the opportunity to look past some of the obstacles we have faced and have been able to share in, or create, some fond memories with family and friends to brighten this trying year in agriculture. As we come through this season of thankfulness and take time to reflect on all of the blessings that each of us have been granted, I urge you all to take a few moments and reflect with your family and friends on what our most valuable commodity in this life is: our time with each other.

When asked to write a column for this newsletter, there were two topics that immediately came to mind for me, both of which were influenced by recent events shared by my family and friends in the farming and ranching communities of the Dakotas and Minnesota, the first was rural mental health and the second, young adult and child farm safety. Unfortunately, tragic events have prompted those topics to be front of mind for me, and although often difficult to talk about, I struggle to think of anything more important to the way of life that we hold so dear, than taking care of ourselves so that we can take care of the ones we love.

Determining Value and Worth

Much of the stress in the ag industry revolves around factors out of the control of the American farm family: production risks such as drought or excess moisture, financial risks such as market fluctuations, rising interest rates and input costs, along with global politics, labor

shortages and a continued belief promoted by environmental and climate change groups that those of us in agriculture are ruining the environment and trying to poison the people of the world with our glyphosate soaked GMO's and antibiotic riddled livestock.

Depending upon the study you read and how you interpret the statistics; those in agriculture have suicide rates from 2 – 3.5 times the rate of the general public. Furthermore, if you were to separate farm and ranch owners along with agriculture managers in their own major classification group, they would have ranked first and third respectively in suicides in 2012 and 2015.

Admittedly by agencies that track these events, exact statistics are hard to nail down, how precise the numbers are is beside the point. What we can take away from these Centers for Disease Control and Prevention studies is, there has been a significant uptrend in the number of rural suicides over the past two decades.

I am not a psychologist, but observationally from a lifetime spent in the ag industry, my opinion on why the impact of the emotional complexity involved in agriculture is so debilitating comes from sub-consciously equating the value assigned to a bushel of grain or pound of beef with the producer's own self-worth. At best, an unhealthy correlation. At worst, a pathway to tragedy.

I know many of us have seen it firsthand in family, friends

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China Dominates News

By John A. Johnson

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show financial stress is beginning to be problematic for so many of our producers, as incomes stagnate or deteriorate, and expenses and debt continue to rise. Our thoughts and prayers go out to those affected families during this Holiday Season, and we hope and pray for brighter days ahead.

John A Johnson has worked for Hurley & Associates since 2007. John is semi-retired now living the life of chasing his grandkids. John is based in Sikeston, MO.

Taking Care of the Family Farm Starts with Taking Care of the Farm Family

By Jason Frey

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and neighbors, maybe even experienced it or felt it ourselves in some form or another; the reluctance to separate from bushels of grain or a calf crop for fear of selling too early, missing out on an opportunity to get more for the production we have so desperately worked for throughout the growing season. All the long hours, stressful meetings, dry growing seasons, wet harvests and other setbacks that we've persevered over to bring in this crop or calves to market, and if we have done nothing to plan for this moment, the value of our efforts is determined by yet another mechanism that is completely out of our control. If the timing is such that we are selling into a depressed market, it can be extremely frustrating, and quite frankly, can be crippling from an emotional and financial standpoint.

Having a plan in place to manage our risk, adapt with changing conditions and capitalizing on opportunities with a balanced approach, can help us separate the emotion from the decision, and the outcome.

Having a Plan: Changing Outcomes, Changing Perspectives

Many of us have heard the phrase "Failing to Plan is Planning to Fail", and although I would venture to guess none of us undertake our daily work or tasks planning to fail, an unintended or unforeseen outcome without a plan can seem more detrimental than what it actually is. Having a plan helps us change our mindset from reactive to proactive. Having a plan allows us the opportunity to generate "if/then" statements as part that plan. If outcome A happens, then I plan to do X. If outcome B happens, then I plan to do Y. By having a plan, we are separating the emotion from the outcome allowing us to refer to our "if/then" statements and determine best how to move forward. Without a plan in place, no matter what outcome

befalls us, we are reacting, and in the case of a less than positive scenario, emotion can and often does intensify that reaction.

The contrast in mindsets can be illustrated as such:

I have 100,000 bushels of spring wheat (corn, soybeans, etc.) produced and my limited storage means that no matter what, I have to move 75,000 of those bushels to town off the combine.

Reactive mindset - I really have no idea about my actual production costs or what my cash flow requirements are. I do know it is been a really difficult year and that I, as well as all of my neighbors are struggling with production issues, and to make matters worse, the market is trending lower going into harvest. I forward contracted some bushels earlier, but even those weren't at a good price. At harvest, I sell sub-\$4.00 cash wheat for the first time in years and the stress of not knowing if I'll farm next year keeps me up at night and is negatively impacting my day to day relationships with those around me. I hope the market rallies because I need "more" on the stored bushels. I do not know how much more, but I am afraid if I do not hit the high in the market, I won't make it another year. All the time, money and energy I have spent over the years will be for nothing. How will I face my family if that happens?

Proactive mindset - Because of my limited storage, I know I will need to plan to manage 75,000 bushels based on my current production estimates going to town off the combine. I work with my consultant to calculate my cash flow requirement to cover production costs, debt retirement, family living expenses and my working capital growth goal so I can plan around those figures. I also have taken advantage of opportunities in the market by selling futures in my hedge account and buying put options to help off-set a portion of the risk presented to my operation. I can now strategize with my consultant on how to manage bushels sold off the combine and put a plan in place. If my hedges combined with sales at the elevator are profitable, then I will buy calls to re-own upside on 25,000 bu for the "what if" of a market rally post-harvest. If my hedges combined with sales at the elevator are below my cashflow

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Taking Care of the Family Farm Starts with Taking Care of the Farm Family

By Jason Frey

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requirement, then I will buy calls to re-own upside on 40,000 bu for the “what if” of a market rally post-harvest. For these call options, I am prepared to spend \$.20 - .25 per bushel for the best strike possible at the time I convert my hedges to cash sales. I am comfortable with the percentage of upside in either scenario because I know if we do see a significant rally in the market, we will then be taking advantage of opportunities for my stored bushels and potentially next year’s crop. On my stored bushels, my consultant will be looking to sell the carry in the market for me and we will wait to set basis once it improves post-harvest for the delivery timeframe that fits my logistics, maximizing my gross dollars/acre return to storage.

Identifying Emotional Distress: Common Warning Signs

Unfortunately, not everyone who works in production agriculture has the proactive mindset demonstrated in the scenario above. Many have the reactive mindset, along with all the stress, worry and guilt that comes with it. The US Department of Health and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA) says that its common to feel symptoms of stress before or after a crisis. The planting delays of this spring, unfavorable growing conditions, volatile markets, harvesting delays and the stresses associated with each of these may not be a crisis situation in and of themselves, but the compounding stress of each situation certainly has taken its toll on many in the industry. Being able to identify the warning signs and risk factors of emotional distress in others, and ourselves, is key to helping address what is causing us stress and getting the appropriate help in dealing with it.

Common warning signs of emotional stress include:

- Eating or sleeping too much or too little
- Pulling away from people or things, avoiding family or friends, feeling a burden to others
- Having low or no energy
- Having unexplained aches and pains, such as constant stomachaches or headaches
- Feeling helpless or hopeless
- Excessive smoking, drinking, or drug use, including prescription medication
- Worrying a lot; feelings of guilt
- Thoughts of self-harm, suicide or inflicting harm on others and family violence

- Having difficulty at work or at home
- Extreme mood swings, being anxious, aggressive or reckless

Getting Help: Who to Contact

Asking for help can be difficult for many of us, as a former EMT and volunteer firefighter I can tell you, if you find yourself in immediate danger, either from yourself or someone else, call 911. Police officers, firefighters and ambulance personnel in your community, by and large, do their jobs because they care about the people around them and their well-being, whether physical, emotional or otherwise. They are truly there to help, without judgement or asking anything in return. Speaking from experience, they would much rather be involved before a tragedy than after one.

Talking to your loved ones, healthcare provider or trusted friends can be beneficial in identifying areas of stress and start you down the path of identifying a healthy way to manage the issues causing it. If you or someone you know has had, or has mentioned, thoughts of suicide – the SAMHSA urges you to call the **National Suicide Prevention Lifeline at 1-800-273-8255**. This lifeline provides 24/7, free and confidential support for people in distress, along with prevention and crisis resources for you or your loved ones.

The future of agriculture depends on all of us, asking a friend if they need help may feel awkward but letting those around us know we care and are here to help can make all the difference.

#BeThe1To: help a friend, spread the message, save a life.

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Wessington, SD
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