

CALENDAR SPOTLIGHT

NOVEMBER 24, 2022

Thanksgiving Day
offices closed

NOVEMBER 25, 2022

Day after Thanksgiving
offices closed

DECEMBER 1, 2022

Crop Insurance PRF Sales Closing and
Acreage Reporting Deadline

DECEMBER 10, 2022

End of Insurance Coverage
(corn/soybeans)

DECEMBER 15, 2022

Crop Insurance Wheat Acreage
Reporting Deadline

DECEMBER 23, 2022

Christmas Eve observed
offices closed

DECEMBER 26, 2022

Christmas Day observed
offices closed

DECEMBER 30, 2022

New Year's Eve observed
offices closed at noon

JANUARY 2, 2023

New Year's Day observed
offices closed

JANUARY 16, 2023

Martin Luther King, Jr. Day
offices closed

FEBRUARY 15, 2023

Crop Insurance Area Plan Production
Reporting (corn/soybeans)

MARCH 15, 2023

Crop Insurance Sales Closing
(corn/soybeans)

DECATUR OFFICE

217-877-3141 | decatur@farmcreditIL.com

FARM LOANS THAT PAY



“We’ve built a trusting relationship with our local Farm Credit staff over three generations. When we saw cash patronage lower the effective interest rates on our loans annually, we started factoring it into our decisions.”
— *Dean Werries, Illinois farmer*



See how your farm loan can pay you
www.farmcreditIL.com/loanspay

CULTIVATIONS

Post-Harvest 2022 Edition

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A Note from the Decatur Regional Office

Dan Pollock, Regional Manager



After an eventful year, our office is especially grateful for the opportunity to work with you and so many other farm families. Thank you for being part of the Farm Credit Illinois cooperative.

facts that capture the beauty of country life. And for the FCI team – the photographs illustrate why we are so passionate about supporting agriculture and rural communities. We hope you enjoy the image collection from 887 entries from people across the state and consider submitting your own memories in next year's calendar contest.

We look forward to celebrating a safe and successful harvest with you over the winter months as you prepare for the upcoming crop season.

Dan Pollock

Inside you will find the Cultivations newsletter, which includes cooperative news and highlights, industry insights, and the upcoming learning program schedule. The enclosed 2023 Focus on Farming calendar features images and monthly agriculture



Patronage check distribution



FCI CEO, Aaron Johnson, and Joe Snow, vice president of lending, with scholarship recipient, Cole Rappe, at the 2022 scholarship luncheon



Member appreciation golf outing at Ironhorse Golf Club





Chat with the Chief

The Power of Feedback

Aaron Johnson, President & CEO



Much like farmers make more informed decisions after crop scouting or observing their animals, the Farm Credit management team makes more strategic decisions after connecting with members and hearing feedback and suggestions. I spent three days in July with farmer-members, directors, and colleagues at member advisory council meetings. We listened as participants discussed their FCI experiences, introduced the challenges they face on their diverse operations, and shared their hopes for the future.

In addition to these focus group-style conversations, FCI conducts biannual experience surveys with members who recently closed loans. By asking questions and understanding the perspectives of our borrowers, we ultimately become more effective cooperative leaders.

Priorities Made Clear

Delivering low upfront interest rates remains members' top priority, followed by maintaining a highly competent, customer-focused staff team and delivering consistent patronage distributions. Members also identified FCI's need to use technology to improve the speed of credit decisions and ease of doing business.

FCI's Board follows a long-term capital management plan that supports consistent patronage payouts and low upfront rates. Projections are strengthened by the diverse revenue streams from collaborations with other Farm Credit institutions and FCI's crop insurance business.

These other business participations offset Association expenses, allowing FCI to return more income as cash patronage to local farmer-members. Collaborations and continued volume growth in the local marketplace allow FCI to improve overall cost and business efficiencies, while delivering beneficial products to farmers and residents in our 60-county service area. The loan and crop insurance needs of local farm families remain at the core of FCI's business.

Thanks to recent years of strong financial performance, FCI is well positioned to invest in the resources needed to serve farmers where, when, and how they choose. We hope you see an improvement already this winter in loan closing times thanks to a significant ongoing project to overhaul credit processes and optimize staffing. We anticipate collaboration opportunities emerging in coming years to assist with digital financing and loan servicing options.

Growing Locally

Part of FCI's strategic plan includes initiatives to better serve livestock farmers and the other credit needs of full and part-time farmers in 2023. This expansion allows the cooperative to fulfill its mission, more fully delivering credit to Illinois farmers. Growing locally builds a strong cooperative foundation for future generations of Farm Credit members.

Thank you for choosing FCI membership and ownership. It is our genuine pleasure to serve your credit and crop insurance needs. Please don't wait for a meeting or survey to share candid feedback and constructive suggestions with your relationship manager or any of us at Farm Credit. We are at our best today and tomorrow when we listen to and act on feedback.

FARMLAND VALUE ANALYSIS

Study Finds Farmland Values Reach New Peak

For the fourth consecutive year, land values in the central and southern 60 counties of Illinois increased, according to FCI's annual benchmark study.

Overall, farmland values increased an average of 27.88% with 19 of the 20 benchmark farms increasing and one remaining unchanged. Results across all land classes showed considerable variation, reinforcing that agricultural real estate is a location-specific asset. When considering the individual benchmark values, the year-over-year percentage changes ranged from no change to a 55.74% increase. The table illustrates the average changes in the four general land classifications.

"2022 saw an active farmland market influenced by the limited supply of and strong demand for Illinois farmland, profitable commodity prices, and increased working capital on many farms," says Kent Reid, FCI chief appraiser. "The substantial overall increase set a new peak in the market."

Land Class	Productive Index Rating	Average Value Range Per Acre	Average % Increase 2022 vs 2021
1A	133 - 147	\$16,000 - \$19,000	38.28%
2B	117 - 132	\$10,000 - \$16,700	20.13%
3C Central	100 - 116	\$7,000 - \$10,750	25.39%
3C South	100 - 116	\$5,100 - \$11,600	26.06%

The economic health of farmers and farm owners is mostly stable, but there are still pressures on farmers' financial positions. Higher input prices including anhydrous, rising cash rents, and increasing machinery costs will be a challenge for the upcoming year. Rising interest rates have not yet affected farmland values. If rates follow projected increases, however, they could bring down 2023 values.

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.



WINTER LEARNING PROGRAMS

Invest in Your Farm's Greatest Asset — You

Check out the Farm Credit College Lineup

Farm Financials 1: Statements & Analysis

This interactive workshop led by FCI experts breaks down the balance sheet in detail and works through completion of an example balance sheet. Learn how to leverage your numbers and crop insurance coverage to manage the financial health of your farm.

WEDNESDAY NOVEMBER 30	FCI Office, Sherman 9:00 am - 1:00 pm
TUESDAY DECEMBER 6	The Pavilion, Marion 9:00 am - 1:00 pm
WEDNESDAY DECEMBER 7	SMART Center, Greenville 9:00 am - 1:00 pm

Lunch included

Farm Financials 2: Benchmarking and Roadmapping

FCI has collaborated with Farm Business Management (FBFM) to build on the foundation set in Farm Financials 1. 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 trends and develop plans to achieve long term business goals.

FRIDAY DECEMBER 2	Keller Convention Center, Effingham 9:00 am - 1:00 pm
FRIDAY DECEMBER 9	I Hotel & Conference Center, Champaign 9:00 am - 1:00 pm

Lunch included



FARM CREDIT COLLEGE
Helping Farm Families Succeed

Each program offers \$500 **FreshRoots** learning incentives to eligible borrowers.

Visit each event's registration page for details.





Lunch included during each workshop





Facilitator
Jeff Nalley







Fielding Forward Crop Insurance Meetings

Gear up for the 2023 growing season! Receive the latest perspectives on grain markets and timely updates on topics including managing weather risk, ag policy and farm bill discussions, and soil health. Plus get the latest updates on federal crop insurance from FCI agents as you consider coverage options.

THURSDAY JANUARY 12	I Hotel & Conference Center, Champaign 9:00 am - 1:00 pm
TUESDAY JANUARY 17	Keller Convention Center, Effingham 9:00 am - 1:00 pm

	Matt Bennett, AgMarket.net
	Jack Hainline, Advance Trading Inc.

	Jason Mauck, Constant Canopy
	Tyne Morgan, U.S. Farm Report

TUESDAY JANUARY 24	The Pavilion, Marion 9:00 am - 1:00 pm		Matt Bennett, AgMarket.net		Eric Snodgrass, Nutrien Ag Solutions
TUESDAY JANUARY 31	Olde Wicks Factory, Highland 9:00 am - 1:00 pm		Matt Bennett, AgMarket.net		Eric Snodgrass, Nutrien Ag Solutions
WEDNESDAY FEBRUARY 1	Northfield Inn & Conference Center, Springfield 9:00 am - 1:00 pm		Matt Bennett, AgMarket.net		Jim Wiesemeyer, Pro Farmer

FCI Spring Training: The Season Ahead & The Legacy Gameplan



Dr. David Kohl
Brooke Didier Starks

As you prepare to get back in the field, warm-up your management skills with industry pros. Virginia Tech hall of fame, Dr. David Kohl scouts global issues and trends in agriculture to put you in scoring position for the next opportunity. Ace estate planning attorney Brooke Starks provides the plays to keep your farm in the long game, creating a legacy for future generations.

THURSDAY FEBRUARY 23	Carriage House, Altamont 9:30 am - 3:00 pm
FRIDAY FEBRUARY 24	Crowne Plaza, Springfield 9:30 am - 3:00 pm

Lunch included



Pictured above from L to R: Aaron Johnson, FCI President & CEO; Matt Turner of Bellflower (McLean County); Amber & Scott Poettker of Aviston (Madison County); Aaron Niebrugge of Sigel (Shelby County); David Haase, FCI Board Chair & Iroquois County Farmer

Young Farmers Honored for Exceptional Efforts

Two young farmers and one farmer couple were recognized as the 2022 Directors Cup recipients at a luncheon with the cooperative's Board of Directors. This is the fourth year celebrating beginning farmers with a \$5,000 award who prioritize personal growth and professional development, investing in a brighter future for their family and operation.

Get to know the 2022 Directors Cup honorees a www.farmcreditIL.com/freshroots.

Know an exceptional young and beginning farmer? Applications for the 2023 Directors Cup open in February at www.farmcreditIL.com/directorscup.

YOUTH INVESTMENTS

\$2,500 SCHOLARSHIPS FOR HIGH SCHOOL SENIORS

planning to study agriculture in college



2022 Scholarship Recipients

30 scholarships are awarded to students with a passion for agriculture, natural resources, and food systems. Apply by **Tuesday, Feb. 28** at www.farmcreditIL.com/scholarship



Lincoln Cloverdale 2022 Grant Recipients

\$500 COMMUNITY IMPROVEMENT GRANTS

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

Project ideas include tree plantings and landscaping | community gardens fairgrounds updates | park improvements

Apply by **Tuesday, Feb. 28** at www.farmcreditIL.com/community

KOHL-LABORATIONS

Summit Views on Livestock Farming

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



A trend toward diversification into livestock production—sold as a commodity or value-added product—is increasing in the Midwest and throughout the United States.

Whether it's a startup or a farm business in transition, entrepreneurial talents and expertise in livestock production aligned with understanding changing consumer demands are important skills. Many producers raise livestock to make the most of land less suitable for crops, while others desire the manure value, particularly in this economic environment. Some raise livestock to fulfill a passion or a vision.

A group of motivated, high-energy farmers participated in Farm Credit Illinois' Livestock Farming Summit at Fair Oaks Farms, Ind. The event provided an intense 24 hours of information, action strategies, and all-important networking with fellow lifelong learners.

The following are some of the key summit viewpoints and perspectives.

- ▶ Manure is becoming more valuable on today's farms. Manure application can

improve soil health, organic matter, and reduce dependence on commercial fertilizer, which is controlled by authoritarian economies.

- ▶ Plant-based products and substitutes for traditional meat and milk were presented. While the group did not think these products were fierce competition, they did agree the industry needs to do a better job of marketing the benefits of meat through messaging and product innovation – particularly for consumers under 40 years of age.
- ▶ Export markets and trade agreements are necessary for a strong market. Whether it is pork, milk, or beef, understanding consumer trends outside the borders of the U.S. is critical for success.
- ▶ The participants found the 96-4-50 rule thought-provoking. 96% of customers and employees are no problem. Four percent will cause problems, and you will spend 50% of your time dealing with the four. Sometimes you must fire customers and employees—even family members—to channel your energy to where it counts.

▶ The next five years will be characterized by random shortages and bumpy roads. We have been here in the past and opportunity awaits those who are plugged-in. "Just-in-time" input management will have to shift to "just enough."

▶ Be careful of institutional panic such as the Federal Reserve's actions regarding interest rates and inflation, the Food and Drug Administration's policies, environmental regulators, and state and local regulations and lawmakers. Often, the outcome of these regulations drives the industry toward consolidation. However, entrepreneurs and small businesses built America and created our economic advantage.

▶ Maintaining focus on your finances and conducting financial sensitivity analyses is critical.

These were some very interesting viewpoints shared during the Livestock Farming Summit and may provoke some new actions on your farm.

