



Speciality Growers AG NEWSLETTER

Speciality Growers Welcome Letter



Welcome to Flanagan State Bank's first Specialty Grower Newsletter. We are extremely excited to offer a newsletter that is focused on providing specialty growers with current information that can help them in their operations. We have seen and see firsthand the importance of small local farmers to our communities. FSB is dedicated to helping specialty growers thrive in our local communities. We know that providing a newsletter to specialty growers will be very different than our newsletters that we do for row crop farmers. Specialty farms come in all shapes and sizes with a wide variety of crops. To reach the broadest audience our newsletter will focus on organic practices. We hope that all specialty growers find good information though as we will have articles on running a small farm business in addition to operation articles.

A big part of the organic community is the sharing of ideas with each other. It is our goal to continue to be a part of the ag community and flow of information. If you have a suggestion for an article, an author, or you want to discuss something we printed in a newsletter, we would love to hear from you. At Flanagan State Bank, we feel the best way to ensure we're successfully serving the specialty grower community is to hear from you.

THANK YOU FOR BEING A PART OF OUR FIRST SPECIALTY GROWER NEWSLETTER! WE HOPE YOU ENJOY IT!

Sarah Hoerner
Flanagan State Bank



MAY 2022

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FSB Locations

- 301 W. Falcon, Flanagan
- 403 State, Benson
- 2401 E. Washington, Bloomington
- 111 N. Fayette, El Paso
- 500 S. Persimmon, Le Roy
- 208 E. Gridley, Gridley

Farm Storage Facility Loan (FSFL) Program

The Farm Service Agency offers the FSFL Microloan Program. The maximum amount of the loan shall not exceed an aggregate outstanding FSFL balance of \$50,000. A nonrefundable \$100 application fee per borrower is required per FSFL microloan request. A financial analysis is required for all FSFL microloan requests except when the loan will be secured with an Irrevocable Letter of Credit. The borrower is required to provide a down payment of 5 percent of the eligible net costs. They have the availability to self-certify to the storage need. The FSFL microloan shall have a maximum term of 3, 5, or 7 years for new and 3 or 5 years for used storage structures, equipment, and storage and handling trucks. All FSFL financed equipment, structures, and storage and handling trucks (new or used) must have useful life for at least the FSFL term. Loans can be made to purchase augers, circulation fans, conveyors, dryers, dump carts, food safety-related equipment (such as sanitizing or prewashing filter tanks), forklifts, fruit and/or vegetable hoppers, generators, grain bins, gravity flow wagons, storage and handling trucks, and walk-in coolers. The equipment listed is a partial listing of eligible items that qualify for FSFL funding.

Existing structures for all FSFL eligible commodities are eligible for FSFL renovations as long as all requirements are met. Authorized loan terms for FSFL renovations are 3 and 5 years only. FSFL's may be approved for components of used or preowned structures that are purchased and/or moved to a new location. Allowable net cost items are purchase of the used or preowned structure, site preparation, foundation material and off-farm labor, off-farm labor to erect the used or preowned structure, doors, roof panels, and rings needing replacement, dryer systems and installation. It is important to note - the producer is responsible for the costs to disassemble and move the structure.

Please contact your local FSA County Office with questions regarding applying for the FSFL program.

Vicki L Donaldson
Price Support Chief Specialist
IL State Office
USDA-Farm Service Agency



Early Crop Decision Making

Most growers realize that early crops can command higher prices. Growers also realize that producing early carries risks along with the rewards. To reap the benefits of early production, there are several factors that determine which crops to choose and how best to grow them.

The first consideration for successful early production is identifying the market you are selling to. According to supply and demand, when supply is low and demand is high, consumers are willing to pay a premium. Ask yourself which markets you sell in have early potentials for production? These could be retail, wholesale, or even CSA markets. Growers in the Lakes Region in Central NH where I once worked as an Extension Vegetable Specialist had a high-end, retail vacation market they sold to. However, they knew their market was only for the vacation travel window in the summer months. Growers there told me that if they tried to sell earlier or later than the vacation travelers, the market wasn't there, so they had their seasonal window clearly defined. I would also stress that even though demand is plentiful in early markets, you still need to deliver the quality customer expect. Even with limited market competition, consumers will still be able discern poor quality from good quality.

In the Midwest, no conversation about early production is complete without discussing season extension. Season extension is defined as production practices and devices characterized by low cost, simple technology designed to capture solar energy and keep it around your growing crops. High tunnels, low tunnels, row covers, plastic mulch, and even milk jugs filled with water can be used to capture and retain heat around growing crops. Seeding crops in a greenhouse first, then establishing transplants outdoors using seasons extension devices is another way to grow early crops. I have actually worked with growers who transplant sweet corn for an early market. The price they got from early retail sales justified the effort and expense.

High tunnel structures are cost effective; costing a few thousand dollars vs. tens of thousands of dollars for a greenhouse structure, and they are a great option for new or small growers. High tunnels technically have heat or electricity and are warmed by the sun and cooled by rolling up the side walls. Up north, growers can plant tomato transplants two weeks earlier into a high tunnel structure than in the field. The solar heat captured and retaining by the high tunnel structure can speed up the growth of tomato plants by approximately two weeks. Growers can be picking fresh, ripe tomatoes in their high tunnels about a month earlier than their local field production. Once that month was over, they lose the production advantage of their high tunnel to their field-grown tomatoes and price usually decreased as the tomato supply increased. (cont. pg 8)



Farm Service Agency

Farm Storage Facility Loans

Fact Sheet
January 2021

OVERVIEW

Farm Storage Facility Loans (FSFLs) provide low-interest financing for producers to store, handle and/or transport eligible commodities they produce. This includes the following:

- Acquire, construct or upgrade new or used, portable or permanently affixed, on-farm storage and handling facilities;
- Acquire new or used storage and handling trucks; and
- Acquire portable or permanently affixed storage and handling equipment.

The program is administered by the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA).

A producer may borrow up to \$500,000 per loan, with a minimum down payment of 15 percent. Loan terms are up to 12 years, depending on the amount of the loan. Producers must demonstrate storage needs based on three years of production history. FSA also provides a microloan option that, while available to all eligible farmers and ranchers, also should be of particular interest to new or small producers where there is a need for financing options for loans up to \$50,000 at a lower down payment with reduced documentation.

Applicants for all loans will be charged a nonrefundable \$100 application fee.

MICROLOAN OPTION

Producers who select the microloan option can borrow up to \$50,000, with the minimum down payment reduced to 5 percent and shorter loan terms. Producers can self-certify the storage needs of the eligible commodity and are not required to demonstrate storage needs based on production history.

How It Works

ELIGIBLE COMMODITIES

The following commodities are eligible:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain;

- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain;
- Other grains (triticale, speltz and buckwheat);
- Pulse crops (lentils, chickpeas and dry peas);
- Hay;
- Honey;
- Renewable biomass;
- Fruits (includes nuts) and vegetables - cold storage facilities;
- Floriculture;
- Hops;
- Malted small grains;
- Maple sap;
- Maple syrup;
- Milk;
- Cheese;
- Butter;
- Yogurt;
- Eggs;
- Meat/poultry (unprocessed);
- Rye; and
- Aquaculture;
- Hemp;
- Seed Cotton;
- Wool.

ENVIRONMENTAL EVALUATION REQUIREMENTS

These loans **must** be approved by the local FSA state or county committee before any site preparation and/or construction can be started.

All loan requests are subject to an environmental evaluation. Accepting delivery of equipment, starting any site preparation or construction before loan approval may impede the successful completion of an environmental evaluation and may adversely affect loan eligibility.



ELIGIBLE FACILITIES, EQUIPMENT AND UPGRADES

The following types of new/used facilities and upgrades are eligible and must have a useful life for at least the term of the loan:

- Conventional cribs or bins;
- Oxygen-limiting structures and remanufactured oxygen-limiting structures;
- Flat-type storage structures;
- Electrical equipment and handling equipment, excluding the installation of electrical service to the electrical meter;
- Safety equipment, such as interior and exterior ladders and lighting;
- Equipment to improve, maintain or monitor the quality of stored grain;
- Concrete foundations, aprons, pits and pads, including site preparation, off-farm labor and material, essential to the proper operation of the grain storage and handling equipment;
- Renovation of existing farm storage facilities, under certain circumstances, if the renovation is for maintaining or replacing items;
- Concrete foundations, aprons, pits and pads, including site preparation, off-farm labor and material, essential to the proper operation of the grain storage and handling equipment;
- Renovation of existing farm storage facilities, under certain circumstances, if the renovation is for maintaining or replacing items;
- Grain handling and grain drying equipment determined by the Commodity Credit Corporation to be needed and essential to the proper operation of a grain storage system (with or without a loan for the storage facility);

- Structures that are bunker-type, horizontal or open silo structures, with at least two concrete walls and a concrete floor;
- Structures suitable for storing hay built according to acceptable design guidelines;
- Structures suitable for storing renewable biomass;
- Bulk tanks for storing milk or maple sap;
- Cold storage buildings, including prefabricated buildings that are suitable for eligible commodities. Also may include cooling, circulating and monitoring equipment and electrical equipment, including labor and materials for installation of lights, motors and wiring integral to the proper operation of a cold storage facility; and
- Storage and handling trucks, including refrigerated trucks.

WHO IS ELIGIBLE?

An eligible borrower is any person who is a landowner, landlord, leaseholder, tenant or sharecropper. Eligible borrowers must be able to show repayment ability and meet other requirements to qualify for a loan. Contact an FSA office for more details.

WHERE TO FILE THE APPLICATION

Loan applications should be filed in the administrative FSA county office that maintains the farm’s records.

FOR MORE INFORMATION

For more information, visit farmers.gov/recover. Find your local USDA Service Center at farmers.gov/service-center-locator. This fact sheet is for informational purposes only; other eligibility requirements or restrictions may apply.

Other examples of equipment include but are not limited to the following:		
<ul style="list-style-type: none"> • baggers • boxers • brush polishers • bulk bin tippers • case palletizers • cement flooring • circulation fans • cold dip tanks • conveyors • drying tunnels • dumpers 	<ul style="list-style-type: none"> • electrical equipment • food safety-related equipment • hoppers • hydrocoolers • hydrolifts • ice machines • quality graders • refrigeration units or systems • roller creepfeeders • roller spray units 	<ul style="list-style-type: none"> • safety equipment meeting Occupational Safety and Health Administration requirements • sealants • sizers • sorting bins and/or tables • storage and handling trucks • washers • waxers • weight graders

Notes:

- Eligible storage structures and handling equipment, having a useful life for the entire term of the loan, may be permanently affixed or portable.
- Facilities built for commercial purposes and not for the sole use of the borrower(s) are not eligible for financing.

Heartland Community College Offers Regenerative Ag Certificate

Increasing local agriculture knowledge and meeting workforce needs has been the driver behind the course creation and degree offerings at Heartland Community College. In fall 2021, four new certificates and an Associates of Applied Science Degree in Agriculture were launched within the Agriculture program, one being in regenerative agriculture. Heartland was the first college in the state of Illinois to launch such a program focusing on seven core principles: minimizing soil disturbance, keeping the soil covered, understanding your operation, maximizing crop diversity, maintaining living roots year-round, integrating livestock, and keeping wealth in the local community.

The idea of creating the certificate surfaced during one of the Agriculture Advisory Board meetings held when HCC Agriculture was still in its infant stage – offering just a handful of transfer oriented classes. Dave Bishop, founder of PrairiEarth Farms explained the benefits of such a program in our region and began advising agriculture program coordinator, Miranda Buss on how a certificate could be pieced together. When COVID-19 struck, the development of programming got delayed slightly, but it was apparent from the supply chain breakdowns, that a push for more local food was extremely necessary.

When it was approved at the state level, the newly formed Regenerative Agriculture certificate at Heartland incorporated an introductory course in regenerative agriculture, soil science, animal science, agriculture safety, an internship, and an option for the students to focus on horticulture or row crops. Students start off learning the basic principles of regenerative agriculture through a 16 week course (AGRI 180) with Bishop, developing a “MyFarm” plan all along the way. When finished, students defend their final project explaining all the parameters they could use to make this a living, working, reality for them. When you ask Dave, he states that “my goal for this class is the students to walk away with something tangible from their time in class, something they can sit on the table and look at and strive for.” This project based learning continues in many of the other courses in the certificate. In horticulture and animal science, the students dig deeper coming up with a detailed plan for their specified crops and animals they considered incorporating into their MyFarm plans in their previous semester.

This project based approach has the students excited to attend class and help each other out – building a community within the classroom – another key aspect of regenerative agriculture. First year Heartland student, Ariana McCann said that this certificate “came at the precise time I needed it. I had been developing a love for soil and growing things – previously limited to what I thought would remain a meager home garden. But through what I learned in my regenerative ag class with Dave’s hard won life experience in the field, and through the MyFarm project, my eyes and prospects have been opened.” Her project, The Soil Fed Homestead will continue in its mission to provide ample nutrition to McCann’s family, while providing education to her community and spread the voice of local food systems farther every day.

Many of the students, like McCann, in the certificate program do not come from traditional farm backgrounds. In fact, most of them had never stepped foot on a large operational farm prior to enrolling in the course. That is the beauty of the program’s design – anyone can start from scratch in this program and create some kind of plan they can implement. Not all the student plans were something they could start today – others were longer term plans, including Cody Lyon’s plan which he hopes to use on mission trips. Cody said that AGRI 180 “opened up my eyes to a whole different side of the world. I couldn’t have asked for a better experience learning from Dave. I have learned more these past few months than I ever have in my life. My teacher(s) wanted me to excel and that’s what I did.”

Bishop brings in numerous speakers to aid the students in developing their projects – including how to source capital for their projects. Lyons states that speaker’s insight on farm costs and expenses has helped him learn better ways to save now and apply for grants to save on overall costs – something key when scaling up various versions of his MyFarm project when doing missions worldwide. It is fascinating to think that in a few years’ time, the impacts that one simple certificate program could potentially have on the world. How many people’s lives might improve because of the students that sat in those seats learning about how to better improve a farm for themselves, as well as others.

Of course, the agriculture program at Heartland spans beyond these handful of classes in the Regenerative Agriculture certificate. Heartland also has classes to prepare students to transfer to four-year institutions, as well as certificate options in Agronomy, Precision Agriculture, and Agriculture Business. Students have the flexibility to take a certificate and go into the workforce, or stack a couple of certificates into an AAS in Agriculture. McCann is planning to do just that – she started at Heartland in the Regenerative Agriculture certificate, but has enjoyed her time and plans to continue on, gaining her Agriculture Business certificate and graduating in May 2023 with her AAS in Agriculture. Lyons on the other hand already had a degree, but wanted to add on a certification in an area different than his previous degree. The learning paths are endless for these and other students interested in agriculture. The stackable credential model traditionally was not something really seen in the community college agriculture space, but Heartland has pioneered the path for students.

Even more exciting for the regenerative agriculture, and other agriculture programming at Heartland is the upcoming groundbreaking on their \$23.4 million net zero energy Agriculture Complex. This new 29,500 square foot facility will be the new home for Agriculture on the Normal, Illinois campus. It is designed for students to have seamless transitions between outside fields and nature, and the inside. With outdoor classroom space – students can work in the test plots for part of class and lecture just feet from their crops. A large greenhouse is attached off the plant and soils lab so students can work on projects in class, and then go see how these are done in the greenhouse behind them. Precision agriculture students can be lecturing on equipment and then pull equipment up in the shop to the roll up door that interfaces between a classroom and shop – truly unique spaces that provide more hands-on learning for students.

Program coordinator Miranda Buss states that “one of the main goals of Heartland Agriculture is for students to get the hands-on training they need to succeed in their future careers. Learning in the classroom is great – but seeing and feeling things first hand is the best way for students to grasp new concepts and practice for their upcoming careers.” The new complex offers more flexibility for the program and will allow the 40 person agriculture program to expand to 200 agriculture degree declared students.

It is not hard to see that experiential learning is at the forefront of Heartland’s Agriculture program. Students are able to walk away from their program having tangible items they can utilize going forward to have successful careers in all aspects of agriculture.

For more information on the regenerative agriculture certificate, as well as other certificates, degrees, and courses, reach out to Miranda Buss at Miranda.Buss@Heartland.edu, or visit www.heartland.edu/agriculture.

Perk of Using QuickBooks Online Mobile

For most farmers, working on their financial records is often not a top priority. A farm is a business though and without those records farmers cannot make informed business decisions.

What should your records do for you?

1. Marketing: Help you compute accurate breakeven costs on crops and livestock. Goal: Price products at a profit

2. Management Decisions: Helps make accurate and timely decisions easier

3. Financial Analysis: Farm Records should tell you what makes you money, and what you spend your money on.

4. Review Records: Find a consultant to review and help improve efficiency, production, and profitability.

5. Cash Flow & Cash Flow Management: Good farm records allow you to compare monthly actuals to projected income and expenses. Your focus should be on profitability and growth. Goal: Strive to at least break even to being profitable and to build working cash.

6. Tax Planning: Farmers can use their farm records to help tax plan throughout the year. Goal: Minimize taxes and plan tax obligations to your schedule

7. Enhance your management skills: The more you know about your operation the better decisions you can make as a manager

Source: Flanagan State Bank

An important component of your farm records is to make sure they are timely and accurate. More and more user-friendly bookkeeping software is becoming available. All this software has something in common to have your records work for you: 1.) You must have the software setup correctly and 2.) You have to actively use them.

Working on your records the day before meeting with the tax accountant and finding out that you haven't setup a software such as QuickBooks correctly does not leave you much time to fix it. Leaving your records to the last minute is not utilizing one of the most important decisions tools a farmer has available to them. With technology advancing you can update your records from anywhere. One such software is QuickBooks Mobile. You can run your entire business from your phone with the QuickBooks Mobile.

Included with your QuickBooks Online subscription is access to the QuickBooks Online Mobile. QuickBooks Online Mobile is available for iPhone, iPad, Android Phone and Android tablet.

You can use your mobile device to enter transactions, record expenses, invoice customers, and send reports anywhere. QuickBooks automatically backs up your data to the cloud and syncs across all your devices.

3 Perks for using the QuickBooks Online Mobile --

1. Snap Receipts: Take pictures of your receipts and/or bills using QuickBooks Online Mobile.

Whether you are running to Ace to get parts to repair your drip irrigation, heading to Farm & Fleet for livestock feed or received your local cooperative bill in the mail. Once you get back to your vehicle, take a picture of your receipt using the QuickBooks app and the receipt is automatically stored in your online account.

If you have a receipt or bill, you can also email your receipt or bill to QuickBooks Online. We'll extract info from it and create a transaction for you to review.

The receipts / bills are stored in your account. You will need to review, edit, add, or match those to existing transactions so they are in your books correctly.

2. If you spend more time in your mobile office, you can invoice customers / take payments wherever you are:

Imagine being able to create a sale receipt and accept payment for your produce at the Farmers Market. Or while you are waiting in line at the local elevator, email an invoice for custom farming services your business offers.

3. Track Mileage for a Business Trip:

Start tracking your trip from point A to point B and the app will automatically calculate your distance.

Turn on this feature when you begin your trip, and it will keep tracking your trip until you tell it to stop. When you review your journey, the app will show you the date, exact number of miles and a map of exactly where you traveled. You can also include a description of your trip.

How do I get the QuickBooks mobile app?

Download the iOS or Android mobile app, install on your phone or tablet, and sign in using your QuickBooks account details.

Good record-keeping produces valuable insights, so you can take advantage of the opportunities in front of you. QuickBooks Online lets you to take your business accounting systems with you, wherever you go instead of raining for the next rain day.

Bio: Mary T. Faber is a Virtual Bookkeeper who works exclusively with QuickBooks Online. She helps her clients save time and make better business decisions. Mary serves small businesses all over the US - from her farm in Central Illinois. To learn more, visit her website at: www.marytfaber.com

What to Look for in a Lender? What does a Lender Need to See?

Looking for a lender can be very intimidating. Once you find one it can be even more nerve-wracking to know what to bring and do to be ready to meet with them. We recommend looking for the following when searching for a new lender:

- **Trust:** Find a lender who you trust to be a good partner in your operation.
- **Communication:** Find a lender who communicates with you, and you communicate with them.
- **Knowledgeable:** Find a lender that understands your business and is a good partner for your operation.
- **Dedication:** Someone who will be there through the tough times, not just the good times.
- **Cash Flow Lender:** Find a lender who cares more about if you cash flow (i.e., make money) than how much your farmland or machinery is worth. If you have a positive cash flow, then your farm is profitable. If a bank only cares about how much farmland or machinery you have then they are focused on you failing. This isn't to say they won't need some sort of collateral, but their focus should be on you succeeding, not on you failing. (cont. pg. 7)

The Advantages of community supported agriculture

What is Community Supported Agriculture?

Community Supported Agriculture (CSA) is a farming model grounded in relationship with the consumer. Rather than waiting until after harvest to find a market and consumers for farm products, CSA farmers sell “shares” of their harvest in advance. When a consumer buys a share of a farm’s products before the season begins, they are “buying in” to the farm and become a farm member. In return, the farmer commits to providing a regular share of the harvest throughout the growing season.

Traditionally, a CSA share was a weekly or bi-weekly box of produce. But many farmers now also offer additional options like market shares (consumers purchase credit in advance and choose their produce from a farm’s market table), customizable shares (consumers can use an online system to swap out produce or build their own box) and including add-ons like eggs, meat, fruit, honey, or specialty products from other local producers.

What are the advantages of CSA?

- A guaranteed market for your products. Selling shares in the winter and early spring means CSA farmers go into the growing season knowing exactly where their products will end up.
- Income when you need it most. Farm operation costs aren’t beholden to the harvest. CSA farmers begin their season with their initial annual costs of operation covered by farm members purchasing shares.
- Financial security. Markets fluctuate. Weather conditions change. CSA members commit to a farm early and help offset some of the unknown risks of farm production.
- Fair pricing. Each CSA farmer sets the price of the shares they offer, so the true cost of food production can be factored in.
- Flexibility. With so many varieties of CSA opportunities, farmers can customize their CSA shares to what works best for their farm.
- Community. CSA farmers often market and communicate directly with their customers, building relationships with the people they work so hard to feed.
- And much more!

If you are interested in learning more about the steps needed to transition your farm to offer CSA, the education video series “CSA Starts Here” is a great resource for aspiring and beginning CSA farmers. Created by five CSA farmers in the Midwest, the twelve videos will help you evaluate whether or not CSA is the right model for you while explaining the skills you’ll need to be successful at CSA farming. View the videos at csainnovationnetwork.org/csa-starts-here.

Want to connect with other organic producers who are involved with CSA? FairShare CSA Coalition is a non-profit organization serving CSA farmers across the Midwest. As part of a network of farmer-to-farmer support, FairShare provides education workshops and resources for farmers on topics ranging from crop-specific growing techniques to social media marketing, labor management to climate change mitigation, and more. To get involved with the Coalition, you can apply to become an Endorsed farm (for those who are certified organic or in transition, sell through CSA, and produce the majority of products on farm) or sign up to become an Affiliated farm (for those who use organic production practices and sell crops into local markets). Learn more at csacoalition.org/fairshare-farms.

Tess Romanski, FairShare CSA Coalition
608-226-0300
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What to Look for in a Lender? What does a Lender Need to See? (CONT.)

Once you find a lender that meets the above criteria it’s time to get your documentation ready. A lot of this documentation can also be used for potential landlords. As specialty growers, you are doing something outside of the norm (corn/soybeans). You will need to be ready to explain to any potential lender or landlord what you are doing. That’s why the mission statement is #1 on this list. Lenders/Landlords will not go seeking out something different. You need to be ready to explain to them why you are different and how it works.

Things to have ready:

1. Mission Statement

- Tell your lender/landlord who you are and what you are doing. Tell them the “Who? What? What? Where? When? Why?”.

2. Financial Statement (balance sheet)

- Must be signed
- Must be current and accurate
- Must show past two years for comparisons

3. Income Tax Returns (last 3 years)

- Must provide the front two pages of the 1040
- Must provide the schedule F for the farm income
- Must provide any other income schedules

3. Records (if available and organized)

- Summaries of your accounting records for the past 3 years
- Accrual farm income statements for each of the past three years

4. Acres/Crops

- Actual Full Share Acres of each crop (or amount of each crop being grown)
- Past growing history/industry standards
- Crops Grown/Sold
- Marketing Plan

5. Off-Farm Income/Expenses

- Any other income you want us to consider
- Employment/work outside of the farm
- Expenses that are not related to the farm operation

6. Input Expenses

- Verify your actual farm input expenses with your Ag suppliers
- Verify your loan payments with your Ag Lender

7. Helpful Reference Materials

- Farm leases
- Experience/Education
- Purchase contracts (CSAs, contracts with local grocery stores or restaurants, etc.)
- Machinery/Farm Blanket Insurance
- Risk Management (crop insurance, life insurance, health insurance)

As lenders, we use the mission statement to understand what the farm operation wants to do and accomplish. Next, we look at the tax returns/accrual income statements to understand the past financial performance of a farmer. Then we look at the balance sheet to see where they are today. Finally, we look at a cash flow projection with them to see where they are going. Not every lender will require a cash flow projection, but at FSB the cash flow projection is what we rely on the most. We require every farmer, no matter the crops they grow or the number of acres they farm, to have a workable cash flow projection/budget.

As lenders, we don’t expect to have all the above or to have it be perfect, but if it is organized and accurate then it helps us as well as potential landlords understand you and your operation a lot better. Especially because you are doing something unique and different, be ready to show them who you are and what you are doing.

Sarah Hoerner & Richard Ritter
Flanagan State Bank Ag Department

Early Crop Decision Making (Cont.)

Plastic mulches and row covers can also use great season-extending options. Standard polyethylene black mulch is the most popular choice for warming the soil and preventing weed growth around crops. Infrared-transmitting mulch (IRT) allowed infrared wavelengths of light to penetrate through to the soil for better warming yet limiting weed growth, but it is usually much more expensive than black mulch. Unfortunately, with the spike in oil prices, the price of mulch has increased too because it is a petroleum-based product. Row covers are spunbonded fabric materials that come in a variety of lengths and widths. They help to insulate young crops but will need to be removed as crops grow. If you are careful, row covers can last several seasons. Some growers cover young sweet corn plantings with row covers for earliness, but remove the covers when the corn is about 10" to 12" tall to prevent plant damage.

What crops to grow for an early market? As mentioned above, a lot depends on the market and season extension devices used by growers. That being said, cool-season crops such as spinach and kale can command local premiums, especially when marketed on their freshness and health properties. Being the first local grower with warm-season tomatoes, peppers, or even vine crops like melons, made possible by using season extension, can also fetch higher prices in the right markets. Season extension devices can also be used in later, out-of-season markets too, but the risk

of early frost and freezes is generally higher than in the Spring.

One closing piece of advice will be to make sure your quality is high along with your earliness (or lateness). Do that and you cannot help but be successful!

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