



FLANAGAN
State Bank

Speciality Growers AG NEWSLETTER

TIPS FOR GRANT APPLICATIONS

Farmers can apply for grants that provide support for research and exploration of new ideas and practices; adding value-added facilities and resources to add value to your raw agricultural products and increase farm profits; to enact conservation practices on your farms (e.g., CRP, hedgerows, cover crops, etc.); to do outreach or educational programs, and more. While these grants can be wonderful resources, keep in mind that they often operate on reimbursement (meaning you have to submit receipts, invoices, etc. each quarter to receive the money) and that they often have robust reporting requirements (i.e., you will have to write about the project and be able to provide deliverables). If you aren't comfortable with paperwork or writing, you may want to engage a grants technical advice person or a fiscal sponsor organization. But don't be intimidated by this—there are many farmer support organizations that can help you along the way including community banks like Flanagan State Bank.

When should you get in contact with grants technical support people to start grant planning, or if you are leading it yourself, when should you start planning for the grant? Answer: The sooner the better. Even if a proposal is not due till the end of the year, it is best to start planning at the beginning of the year. Grant programs will often have previous years' calls for applications, or Request for Applications (RFAs), posted online. Since these calls don't often have major changes from year to year, you can start planning early using previous years' RFAs. Often, official RFAs aren't released till 1-2 months before the due date, which aren't always enough time to write a really strong proposal. Also, it's good to have conversations with potential partners (e.g., fiscal sponsors, other farmer collaborators, technical support providers, or vendors) well ahead of when you are writing the proposal. Sometimes lining up partners is the most time-consuming part of the proposal process, so if you get that out of the way before you start writing, you will be good to go by the due date.

1) Form a clear idea!

Examples of ideas supported by agricultural grant programs include:

- Implementation of conservation practices (e.g., hedgerows, pollinator strips, "set-aside" land/CRP, etc.)
- Development of educational and outreach programs
- Research into innovative agricultural practices/systems
 - on-farm trials or testing
- Cooperative marketing approaches (including development projects for Farmers Markets)
- Development of new processing strategies
- Improving farming quality of life
- Cooperative rural business development

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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

TIPS FOR GRANT APPLICATIONS (CONT.)

2) *Talk with a Grants Advisor to identify a grant program that fits your idea and needs.* See the bottom of this page for some resources to help guide you. Also, resource librarians in many communities are glad to help you find foundations and other sources of funding outside of agency programs.

3) *Read the directions!* These are usually contained in a “Request for Applications” (RFA) or “Request for Proposals” (RFP) document, or directly from the program’s website. They will explain the purposes of the program, application details, deadlines, format, and how proposals will be evaluated and ranked.

4) *Create an outline of the written documents required,* to guide your writing process and to ensure you include all required sections. Make a checklist of all documents needed and develop “sub-deadlines” to ensure you can gather all materials on time.

5) *Give yourself enough time!* Many elements of proposals require time, such as soliciting effective letters of support/commitment from partners and getting federal identification numbers (DUNS and SAM numbers), not to mention writing! It pays to create a profile and log in to the submission portal EARLY to resolve any potential technology difficulties.

6) *Write the narrative!* BE AS SPECIFIC as possible when describing your project. Make sure you describe the background/context of the project and include a rationale about why the project is important and how it meets the goals of the grant program to which you are applying. Don't worry about the writing being perfect at the beginning. The best way to proceed is to get SOMETHING down on paper, and you can refine it later.

7) *Put together your budget,* including personnel, materials & supplies, travel, and contract (other) costs. If it is a multi-year project, break out costs by year. It is usually best to put together all these costs in an Excel spreadsheet. You will also need to write a Budget Justification, which explains each cost (include the number of hours and the hourly cost, the price per unit, the number of units for supplies, etc.). Being as specific as possible when describing costs will improve the likelihood of your proposal being funded.

8) *Ask MFAI's Grants Advisor to review your proposal* to get a different set of eyes on the materials. Someone else may see errors that you weren't able to detect. Provide enough time for reviewers to review and for you to act on their input.

9) *Begin uploading documents into the submission system early,* AT LEAST 3 DAYS before the submission deadline. This strategy will allow you to reconcile any technical difficulties well before the deadline and will save you significant stress. You don't want to write the entire proposal and not be able to submit it!

10) *Carefully review all materials once uploaded* but before hitting the “Submit” button. It may be a good idea to enlist another set of eyes in reviewing materials before submitting as well.

11) *Hit SUBMIT!* Then pat yourself on the back for a job well done. Email all collaborators on your project to verify proposal submission, thank them for their time, and include a final copy of the submission, if possible.

A frequently asked question we get is, "I want to access grant support to purchase land, install infrastructure, or buy equipment for my farm. What programs can help me access capital for infrastructure purchases?" It's good to keep in mind that federal grants rarely support equipment or capital costs greater than \$5,000, and they do not cover land purchase. However, there are several federal-backed loan programs to support capital costs, including for beginning and socially disadvantaged farmers. See the list below for several opportunities and follow the links to learn more.

1. Farm Operating Loans

- <https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/farm-operating-loans/index>

2. Farm Ownership Loans

- <https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/farm-ownership-loans/index>

3. Microloan Program

- <https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/microloans/>

4. Farm Storage Facility Loans

- <https://www.fsa.usda.gov/programs-and-services/price-support/facility-loans/farm-storage/>

For a more comprehensive list of grant opportunities for conservation programs (NRCS), value-added production (VAPG program), and establishing local/regional food businesses (USDA Local Food Promotion Program), visit <https://www.michaelfields.org/grants-advising-resources>.

The Michael Fields Agricultural Institute (MFAI) provides free grant advice and support for farmers. MFAI's advisors can help you apply to grant, loan, and cost-share programs of state or federal sources that could help you with specific projects to develop your agricultural, forestry, or related business or answer a research question. These can be programs of any federal or state agency, not just the USDA, as well as private sources. We assist individual producers, associations of farmers, and agricultural, fishery and forestry-related businesses to both search for and apply to programs for which they are eligible.

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MICHAEL FIELDS
AGRICULTURAL INSTITUTE



The Farms-to-Table experience is a thriving movement that has really materialized in one of the most fertile lands in America. Did you know we have access to one of the best experiences of this right here in Central IL? We recently had the opportunity to speak with the Owner and Chefarmer of Epiphany Farms Hospitality Group (EFHG), Ken Myszka, for a brief interview about the history of EFHG and what we can expect in 2023.

How did Epiphany Farms come to be?

“Epiphany Farms was truly born from an Epiphany I had years ago. I knew with passion, hard work, and a vision to bring the farm-to-table movement to Central Illinois something truly spectacular could be born.” Ken went to culinary school at the Culinary Institute of America and from there on to Las Vegas to study Hospitality. There he met so many incredible stars in the hospitality and restaurant industry and assisted in opening some of the most notable restaurants. While in Las Vegas, Ken met his incredible partners in business: Stu Hummel, the Epiphany Farms Vice President and Executive Chef, and his wife and business partner, Nanam. They began farming land here in Illinois, fine tuned their business plan, and began hosting farm dinners to raise the funds to open their first restaurant.

The Epiphany Farms team started with the Farm Dinners. Where are you now?

“EFHG has grown vastly since the opening of our first brick and mortar building in 2009,” says Ken. “There are now 4 restaurants: Epiphany Farms Restaurant, Anju Above, Bakery & Pickle, and Harmony Korean BBQ. Epiphany Farms is also a thriving catering business and wedding location provider. Weddings are hosted and catered at the farm in Downs, IL. If you ask me how many restaurants I own, I would absolutely consider the Farm as another restaurant location. We cater weddings, company retreats, events, and farm dinners at this location very often.”

The Farm is clearly the heart of the business - How can your supporters and customers become a part of your mission and work?

“Epiphany Farms has an incredible following. The support is strong and we are so excited for all the ways Epiphany Farms will be opening its access to the farm this coming year. Permanent Farm tours, regular farm dinners, and even the opportunity to purchase your garden plant starters from the farm will all be coming this Spring! The addition of our farm store, office and packhouse / distribution facility will be a great welcome center and instant invitation to see all we have to offer.”

How much does the farm actually grow and produce and what do you have coming?

“Right now we are very intentional that every meal you order has elements of the farm in it. In the future we plan for our dishes to be a complete essence of the farm and everything we can offer.” The Farm team has their hands full with animals ranging from thousands of chickens, laying hens for egg supply, to pigs, rabbits and ducks. They host gorgeous peacocks who not only grace us with their beauty, but provide rodent protection for the other animals. They also have 11 beehives on location.

On the plants side of the farm there are 30 acres of pasture and hay fields, 20 acres of rotational and holistically managed garden beds. There are 2 acres of a Norton Grape Vineyard right in the front yard of the farmhouse sitting at the top of the hill. Hazelnut, hickory, black walnuts and many more varieties of nut trees line the property. Blackberry, elderberry, gogi berry, and other medicinal herbs and shrubs can be found on the farm as well.

If you feel like taking a longer walk, wild crops such as ramps and sweet cicily can be found. We also have so many varieties of mushrooms including morels, chanterelles, and hen and chicken of the woods. The list goes on and on and we continue to learn about our land and all the ways it can provide healing to us by the products it naturally grows for us. We believe that is the future of food.”

You and your team have 5 restaurants, an incredibly active and diverse farm, and unlimited growth coming to the EFHG. How have you accomplished this?

“Nothing would have been accomplished without the visions, dreams, hard work, and sacrifice of our team all of this way. We have been honored to work with individuals who have recognized the vision and given their talents to develop locations that were dreamt up years and years ago. We would be nowhere without them. It also has a lot to do with my business partner Stu Hummel and my wife Nanam Myszka. The diverse talents and expertise of them gives our hospitality group a very stable foundation and allows for the company vision to be more connected and holistically approached.

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CROP INSURANCE - NOT JUST FOR CORN AND SOYBEAN FARMERS

Crop insurance is the most widely talked about risk management tool in the agricultural industry. However, it often focuses on corn and soybean farmers. Where does that leave the fruit, vegetable, and specialty growers? Are there any true risk management options for them or is diversification enough to withstand any potential weather hardships?

While diversification is a great thing, oftentimes it still leaves a lot of risk. What happens if a mid-season hailstorm comes through and destroys everything? Do you want to start pinching pennies or would you rather have a plan in place to withstand those damages? Whole Farm Revenue Protection (WFRP) is a product within the crop insurance toolbox designed for those specialty and diversified growers. This policy affords you protection on crops that otherwise aren't readily available in the area.

WFRP insures your entire operation from a loss in revenue which is completely different from the more traditional crops where you often have to have a drop in yield, not just revenue, to trigger a claim. A baseline guarantee is established by looking at your previous revenue history based on your Schedule F tax forms. They will compare the average allowable revenue (revenue specifically pertaining to the crop, disaster payments are not included) for the previous five years to the expected revenue for the coming year. The lower of these two numbers will be your approved revenue.

For all crop insurance policies, you are not able to insure the full approved revenue. WFRP coverage levels are available from 50%-75% in 5% intervals unless you have three or more commodities in which you are eligible to insure up to 85%. So, to calculate your guaranteed revenue for a WFRP policy, you would take the approved revenue, which is the lower of your historical average or the expected revenue for the coming year then multiply it by the selected coverage level. Then at the end of the year when you go to file your taxes, if your revenue for the year falls below that guaranteed amount, you will trigger a claim. Sounds simple, right?

Most people, agents, and farmers, stay away from WFRP because it is much more complex than it seems. Another big hang-up is the delay in indemnity payments. Since everything is based on Schedule F records, you will not be able to get paid on a claim until your taxes are filed for that crop year, meaning it could be 9 months+ after the storm event before you collect. However, just that shouldn't make you shy away from the policy. WFRP is still a pilot program. So, the Risk Management Agency (RMA) is continuing to listen to feedback and update the policy as time goes on to make sure it reaches its full potential and is a good fit for farmers.

There are three main ways to insure your crops under this policy:

1. *Line-by-Line Commodities* – Under this structure, each commodity is reported separately. To do this, you need to know and prove your revenue and yield on a crop-by-crop basis.

2. *Combined Direct Marketing* – This is a great option for farmers that sell directly to the consumer, such as through a farmer's market or CSA. Combined Direct Marketing allows farmers to combine commodities together rather than keeping track of all the yields, income, or expected values individually per crop. To qualify for this, you need to have at least two commodities that are sold directly to the end consumer. Under WFRP, you get extra subsidy (premium assistance) with each additional crop you report. However, combined direct marketing will always only equal two commodities. Depending on the operation, you do have the ability to insure some commodities under combined direct marketing and some as line-by-line items.

3. *Micro Farm* – This is the new big thing under whole farm insurance, and it is a large benefit to the smaller farmers. This allows you to combine all your agricultural commodities together, whether they are direct marketed or not. The commodity count under this structure always equals three commodities which automatically makes you eligible for the 80-85% coverage levels. This has become extremely popular because you do not have to report individual expected yields and values for each crop. However, in order to insure as a Micro Farm, you need to provide consolidated sales records for the last three years, so you still need some history to be eligible. Under both line-by-line commodities and combined direct marketing, you are not able to insure any revenue from post-production operations or value-added commodities. For example, if you have an apple orchard and use your apples to make applesauce, jam, or apple butter, the revenue from those sales will be uninsurable as you are not selling the crop in its original form. However, micro-farm eliminates that and allows you to insure those post-production efforts. Seems like the way to go and everyone should insure this way, right? Unfortunately, that's not the case. For the 2023 crop year, the micro-farm is only available to farms with less than \$350,000 in approved revenue. This is a huge step up from the \$100,000 limit in 2022 when the policy was first established. Remember how this is a pilot program and subject to change? I was fortunate enough to participate in a few feedback meetings where they implemented the change we were asking for. Big win for farmers!

We hear two major complaints about WFRP; too much paperwork and too expensive. While it is much more paperwork than a traditional crop insurance policy, these records are necessary to establish guaranteed revenue. There is no county yield or baseline to go off of for a lot of the crops insured under WFRP making this information essential. Now for the expense part, below is a scenario where a farmer grows apples, broccoli, and cut flowers. His average revenue over the last five years was \$150,000. His expected revenue for 2023 is as follows: Apples - \$80,000, broccoli - \$40,000, cut flowers - \$30,000 totaling \$150,000. At the 75% coverage level, this farmer will be guaranteed revenue of \$112,500 and have a total premium of \$4,950. Of course, the higher your coverage the less subsidy you receive so 80% coverage offers a guarantee of \$120,000 for a farmer premium of \$8,213. To me, this doesn't sound too terribly expensive to make sure you have coverage in place in case a bad storm or early frost comes through.

All-in-all, whole farm revenue protection can get complicated. If you feel like this would benefit your operation, I highly suggest asking around and finding an agent that is familiar with the policy. Very few agents either have or are willing to write this type of insurance. Make sure you set yourself and your operation up for success at the beginning rather than signing up for the policy and being surprised at claim time due to a misunderstanding. Sign-up for most operations is by March 15th. With all the extra paperwork involved in WFRP, be sure to call early to get the process started.

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MONITORING KEY INSECT PESTS IN TREE FRUITS USING PHEROMONE TRAPS

A successful integrated pest management program starts with monitoring. If you are an apple or peach grower, there are useful, highly specific traps you can deploy to monitor focal pests. It is important to order your pheromone traps early in the year and get them out in peaches at pink and apples at green tip. It does not hurt to have the traps out early. You can be assured that you will catch the beginning of the flight of pests. Traps are useful for monitoring many insects of fruit crops, and the most important pests for Illinois growers are listed in Table 1.

What kind of traps work best?

Large plastic delta (LPD) traps work best. Several companies manufacture these traps, Trecé, Scentry, Suterra, and Alpha Scents. As a note, Trecé markets it as the Pherocon VI trap. This trap is quick to set up and easy to maintain; the sticky trapping surface is a card that slides in and out quickly and easily. If you bring the trap “shell” indoors at the end of the season, you can expect to get at least 2 to 3 years use from each trap (while replacing lures and liners as needed).

How do traps work?

Most of the insects listed in the table below are moths in their adult stage. For these moths, the trap must be baited with a pheromone lure – usually a small piece of rubber or plastic containing a synthetic blend of chemicals that is very similar to compounds used by female moths to attract males. When traps capture male moths, that indicates that females are also present, and mating and egg-laying are occurring. When ordering pheromone traps, you must order lures for the specific insect(s) you wish to monitor. Remember that although you may use the same type of trap to monitor different pests, you must use only a single lure per trap, it does not work to put lures for codling moth and dogwood borer in the same trap. Depending on the pest species, lures usually last 2 to 8 weeks (suppliers list the effective life of the lures they sell), so be sure to order enough lures for the whole season.

If you are growing apples in the northern half of Illinois, monitoring the flight of apple maggot flies is useful. Traps for apple maggot flies rely on appearance (especially the color and shape of a bright red apple) and the use of a food odor (“apple volatiles”) instead of a pheromone, and they are designed to capture female apple maggot flies ready to lay eggs on fruit. All the major suppliers of insect traps carry these kinds of traps. Growers should order the red spheres, tanglefoot, and the food lures recommended by the supplier. Apple maggot traps may be used without any food lures; spray thresholds vary based on use of food lures.

How many traps are needed for each pest species?

Guidelines often recommend at least 3 traps per pest species for any orchard up to 10 acres in size and 1 more trap for every 3 to 5 acres above 10. To monitor 50 acres of trees in 3 or 4 separate blocks, use 3 traps per block and at least 9-12 traps total ... for each pest species. Always use at least 3 apple maggot traps (red spheres) per block of trees. See the table below regarding placement of traps. Check these traps and record counts in each at least twice per week.

If you have only one relatively small block of trees, you may want to order 3-trap kits available for each of the major pests. These kits generally include 3 lures per trap and since lures need to be replaced every 4 weeks, most Illinois growers will need another 2 lures per pest species per trap to get through the entire season.

If you operate an orchard larger than 10 to 15 acres, you'll need more traps, so contact a supplier and make plans to order in bulk. Long-life lures (last 8 weeks) are available for the codling moth and other species and are the best choice for almost all Illinois growers.

Table 1. Pheromone lures and traps available for purchase in Illinois

Crop	Pest	Area of Illinois	When to place traps?	Where do you hang the traps?
Apples	Codling moth	Statewide	Bloom	Upper third of canopy, spaced throughout the block, including one somewhere near the upwind edge and one near the downwind edge.
	Dogwood borer	Statewide	Petal fall	4 feet above the ground and within the tree canopy. (This height is very important, 1 foot higher or lower reduces attractiveness.)
	Apple maggot	North of Springfield	June 15	In the outer portion of the canopy of trees on the edge of the block ... VERY visible to adults flying into the block (remove foliage around the sticky red spheres). Hang in border rows or end trees nearest any woods or brush outside the block
	Oriental fruit moth	Southern Illinois	Bloom	Upper third of canopy, but do not exceed 6-8 feet above ground.
Peaches	Lesser peachtree borer	Statewide	Bloom	Upper third of canopy, but do not exceed 5-6 feet above ground.
	Peachtree borer	Statewide	May 15	Upper third of canopy, but do not exceed 3-4 feet above ground.
	Oriental fruit moth	Statewide	Green tip to pink	Upper third of canopy, but do not exceed 6-8 feet above ground.



Left: A Pherocon VI trap (an example of a large plastic delta trap), with the sticky liner partially removed, showing a pheromone lure. Right: An apple maggot trap.

Table 2. Midwestern suppliers of pheromone traps include:

Supplier	Address
Great Lakes IPM	https://www.greatlakesipm.com/ 7563 N Crystal Rd Vestaburg, MI 48891-9746 email: glipm@greatlakesipm.com Phone: 989-268-5693
Gemplers	https://gemplers.com/collections/pest-insect-control-pheromone-lures P.O. Box 5175 Janesville, WI 53547-5175 email: customerservice@gemplers.com Phone: 800-382-8473

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THINKING ABOUT STARTING A CHRISTMAS TREE FARM?

Growing Christmas trees can be an enjoyable, profitable business. Understanding some unique aspects of Christmas tree production prior to starting is critical for success. Answering the following questions below to see if this is the right type of farm for you.

How will you be marketing your trees?

Knowing how you will be selling your trees will have many impacts on how you organize your farm. Many growers sell trees directly to customers as a choose and cut farm. Important aspects of this type of business include distance to population centers or major roadways, which will increase customer access to your site. Other aspects to consider include farm infrastructure, how people and trees will access farm (wagon or car in field) and overall flow of trees and people. Some farms expand into related products and sell an overall Christmas experience, while other focus solely on trees. Selling directly to the public and having very busy days and weekends from Thanksgiving to Christmas is not for everyone. Other options include selling trees in wholesale markets. However, the price you receive for your trees will reflect the fact that others are assisting with the work of selling trees.

Do you know how long it takes to grow Christmas trees?

A Christmas tree farm is a long-term investment. Realistically, it will take around 8 to 10 years from planting your seedling to harvest your trees. Choices you make now (species selection, planting location, dimensions etc.) will be with you for the length of the tree rotation. Make sure you are ready for input costs without tree revenue until the first tree harvest. To space out the supply of saleable trees, some growers split up their acreage into planting blocks. For example, a farm may split a 10-acre field into 1-acre blocks and each year the farm would plant a different 1-acre block. As the initial planting block is harvested (and possibly replanted) growers would have a continuous supply of trees to harvest for the following 10 years in one-acre increments.

What trees should I grow for a Christmas tree?

In the Midwest many different tree species can be grown for Christmas trees. However, fir trees (Fraser, concolor, Canaan, balsam) are currently in highest demand in the market. Other trees grown for Christmas trees can include pines (white and Scotch pine) and spruces (Colorado blue spruce, Norway spruce). Pines and spruces are more forgiving of soil conditions however, they experience higher disease and pest pressure and do not have some of the same attributes (excellent needle retention, soft needles, strong branches) that firs do. Often growers plant a mix of a few different species to find which is best suited to their site.

What soil types and characteristics are needed for growing Christmas trees?

Christmas trees do NOT do well in wet, heavy soils. This is especially true for Fraser firs, which are very susceptible to root rot diseases. Sandier lighter ground is preferred over clay soils. A well-drained loamy soil is ideal for Christmas tree production. Most Christmas trees species prefer a slightly acidic soil pH, near 6.0. Prior to planting, investigate the physical and chemical characteristics of a prospective field. If any modifications are needed, they are much easier to make prior to planting than after trees are already in the ground.

What type of inputs are needed for growing trees? When do I need to be doing each activity?

There are many activities for growers to accomplish to successfully grow Christmas trees. Prior to planting, eliminate any perennial weeds or plants that would be in the Christmas tree rows. Vegetation between rows (row middles) can be left and helps reduce compaction and erosion, but will need to be mowed to prevent encroachment upon tree rows. Common planting dimensions are 6 feet by 6 feet, but many variations exist depending on grower preferences and equipment size. Planting trees can be done in the fall or spring.

Planting trees correctly is a very important step. Make sure tree holes are dug deep enough to prevent "J" rooting; "J" rooted trees often do not survive or are severely stunted. Some growers prune the length of tree roots prior to planting to make the process more manageable. Trees that are planted too shallow or too deep also rarely produce viable trees. Trees should be planted so the union between the root and stem is level with the soil. After planting trees, the next several years main objective is weed management. Organic weed management control options can include mowing, mechanical tillage, and use of organic mulches around trees. There are some organic post-emergent herbicide options as well.

As tree reach their third or fourth growing season pruning and shearing should start. The goal is to produce a tree with a single central leader with a maximum yearly growth of 12-14", that is symmetrical, and has a consistent taper. Pruning and shearing of pines and spruces should take place from the end of June to the end of July. Fir pruning and shearing can take place from August through the following winter/spring prior to budbreak. There are many different strategies for pruning and shearing and can be part art and part science.

Finally, it is important to scout trees for insect and disease pressure especially as they get closer to harvest. If a problem is found, it can be easier to control at a relatively early stage.

Want to learn more? Check out MSU Christmas trees to get more in-depth information and new articles on all Christmas tree topics.

Bill Lindberg
MSU Extension Christmas tree educator
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WORKING WITH FAMILY - WHO'S FOLLOWING BEHIND?

In 2030, when my granddaughter turns 13, our farm will be in our family for 200 years. Caroline is the 9th generation to live on this farm. That seems to me, to be quite an accomplishment. This farm has gone through so many evolutions over the years. When my fourth great grandfather, Valentine Darnall came to Illinois in 1830, he had to figure out his way to make a sustainable living for his family, as have each subsequent generation. Throughout the history of this farm, I am sure that has not been an easy task. Surviving the depression of the 1930's, to the changes in equipment, and in the passing on to the next generation have all been challenges. There is one thing that I have noticed, though. All the grandmothers have come from somewhere else. By that I mean, they have all married into this family and brought with them their own identities and passions. When the husbands passed away, many times it was the grandmothers who then had to keep it together and make hard decisions to do what was best for the farm and for the family. It has been no different in my generation or in my son, Will's.

Will and his family now live on the farm in the "big house". With that comes lots of responsibility and commitment including taking care of buildings and upkeep of the yard and land, as it is important to be the caretaker for this generation. When Will was 10 years old, we asked him one evening what he wanted to do with his life. Seemed like a good thing to ask a 10-year-old! He said he wanted to work in the wood shop with me, make maple syrup and take care of this farm. Well, we didn't get to spend a lot of time working at furniture building, at least not as much as I had hoped. But, he has nailed the other two!

Working with family can be one of the most rewarding aspects of the family farm experience. But for some, one of the most frustrating. I have had numerous individuals say that they wish their parents would just allow them a tiny fraction of land in order to work on their dream. And a few of those folks are in their mid-40's! What is the wait about?

From the beginning here at our farm, Kris, Will and I envisioned together what we wanted the farm to evolve to in our time. Kris has been the real driver with the passion, foresight and legal mechanics. We each played an important role in working to achieve the desired outcomes. Will is mechanically-minded, loves the history and loves working with the animals, especially the cows. I tend to be the one always looking for the next latest and greatest crop or opportunity. I try to stay ahead of the pack that way, working to make connections and marketing the farm in specific ways. Kris continues to be the accounts manager and keeps us solvent. We all work well together as a team, benefitting each other and also the larger farmer's group, Down at the Farms, LLC of which we do marketing and delivery.

It takes a team to do this. It takes support and a belief that you CAN do it, together. Having family involved is something that I think is hugely rewarding. There is a sense that working together is far less about accomplishments, although those are important, than about the quality of time spent and the uplifting of each person. Each of us have our visions or ideas of how to go about something. But sometimes, it takes all our eyes and ears on a project to understand that there could be multiple paths to an end. Listening to each other's ideas is vital. I think creating an environment that allows each partner to be heard and respected is key to making everyone happy. Sometimes that can be difficult, I realize, but in the end, aren't we about working together?

As time has gone on, we three have found our own unique positions within the farm. With Will and I, mostly Will, being "on the farm", we have divided up our roles. We still make lots of joint decisions, but I continue to encourage him to make more of his own choices. He is more than capable, and I believe in him. If he is going to be the person living there taking on more responsibility for animal chores, and if he doesn't want to move around the pastured hogs, then so be it. If he is more akin to doing cow chores, great! There is no sense of having to stay with the same thing forever. I certainly don't want to burn him out or make him and his family feel like they "have" to do such and such. It is their turn to accept the responsibility and to do so with the passion that they feel. That doesn't mean that I take the back seat on every ride, but I don't have to be the driver. That allows the next generation the opportunity to express their views and to potentially fail better too!



From the time Will was in high school, Kris and I made him a third partner in the farm. We took all the farm's income and split it four ways. One fourth to Kris, Marty and Will and one fourth stayed for the farm. That helped to cover any of the farm's expenses. We each shared in the abundance or lack thereof! We also didn't make it such that Will was just getting an allowance. He was a partner. He had a voice. As we have increased in our scope as a farm and as a marketing and delivery service, he has continued to expand his knowledge and participation in all aspects. He can make calls, order equipment or talk with prospective farmers. We have a respect and a trust with each other that allows that to happen daily. We continue to pass the torch, but are not dumping it all on him either.

I think working with younger children offers similar opportunities by allowing them to pick and choose things that interest them; by giving them a say in what to grow or what to sell OR what to EAT! Engaging them at every turn is important if you expect them to follow in your footsteps. It is a delicate balance! Also, everything is not about the work. Have some fun. It is a farm, so take time to go exploring, or enjoy early morning or evening walks. The daylight will burn away anyway. Yes, you need to get what you need to get done but remember to live too!

Besides thinking about who's following behind, think about who has led the way for you. Don't shut out the grandparents or other seasoned family members, or even brothers, sisters and cousins. There is so much knowledge and experience that resides in each of them. Utilize, encourage and actively nurture those relationships. You may need them and actually, they might also need to be connected to your farm. Allowing their pride to shine is an integral part of the story. Their sphere of influence is different than yours and their connections and what they know may prove helpful at some point. Additionally, sometimes several extra hands go a long way!

There seem to be some interesting statistics coming out that indicate there could be a major shift in family farm land coming up. As the current farmers continue to age and retire, their children or heirs appear to have a different point of view as to what the family farm should be going forward. I have read numerous articles about sons and daughters in their forties taking ownership of the family farm and not wishing it to be a place for growing conventional crops, at least not on the large scale. Small scale farming, especially by women, seems to be the fastest growing sector of agriculture currently. There is HOPE! That is also one important reason I wanted to share all these experiences. So many of us are coming from non-farming backgrounds. How in the world can we take this on? I read too that folks in their fifties are often very successful in their encore careers and more inclined to do more in the way of community building and work that resonates with their sense of purpose. Farming offers that too! To that end, I hope that all these words ring true with you. Utilize all the tools you have at your disposal. Most of all, share your vision with your family.

Marty Travis, Spence Farms
Fairbury, IL / <https://spence-farm.com>

"Sustainability is ultimately an ethical issue. There is no economic reason to do anything for someone of some future generation other than it is the right thing to do. We owe a debt to those of the past who created the opportunities that we have today, and we can only repay that debt to people of the future."

- Quote from Dr. John Ikerd from the documentary Sustainable.

“WILD” MUSHROOM SOUP RECIPE

INGREDIENTS

2 Tbsp butter
2 shallots, finely diced
½ lb oyster mushrooms, sliced (try different types like blue, pink or king oyster mushrooms!)
½ lb shiitake mushrooms, sliced (can substitute with other locally grown mushrooms)
2 large garlic cloves, finely diced
1 tablespoon fresh thyme, finely chopped
2 tablespoon plain flour
2 cups mushroom stock (can substitute chicken or vegetable stock)
2 cups whole milk
Freshly ground black pepper

INSTRUCTIONS

Melt the butter in a large pot or Dutch oven and fry the shallots for 2-3 minutes over medium heat until they soften a bit. Add the mushrooms and cook for 7-8 minutes until the mushrooms have reduced in size and released their liquids. Add the garlic and thyme and continue to cook for another minute until fragrant. Next, stir in the flour and then add half of the stock. Stir well to combine, add the rest of the stock, and bring to a boil.

Lower the heat and simmer for 4-5 minutes until slightly thickened, then add the milk. Stir to combine and heat through. Season to taste and serve with croutons or some crusty bread.



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COMMON TAX DOCUMENTS NEEDED TO FILE YOUR TAXES

Tax season can be daunting for most people. Add in a farm operation and it can be even more intimidating. Farmers will not only have their farm income and expenses to get ready but could also have non-farm items such as a W-2 from an off-farm job, a 1099 for interest earned, 1098 for mortgage interest paid, and others. We recommend that you do not wait until the last moment to do your tax planning as it may cost you money in the long run. As a business owner, a farmer cannot wait until next year to do tax planning. You need to start managing your tax liability before end of year. Please check with your tax accountant to help setup your farm business for tax planning.

Don't forget that if you had hired help or paid others for rents, custom hire, or other services you may be required to issue forms W-2 or 1099 to IRS and the recipients before January 31st.

List of Common Documents Needed for Tax Prep

This is not a complete list of tax documents you may need, but a list of common ones.

Please check with you tax preparer for full analysis of your tax situation.

Common Documents Needed for Taxes Checklist	
Non-Farm (documents must be mailed to you by January 31st)	
W-2	Given by Employer to employees that shows reported wages paid to employee and tax withheld from them. If you have an off-farm job, chances are you will get a W-2
1099-Misc	miscellaneous, rents, crop insurance, and other income
1099-NEC	Nonemployee Compensation
1099-INT	Interest Income
1099-R	Distributions from Pensions, Annuities, IRAs, or Retirement.
1098-E	Student Loan Interest: this form reports the amount of interest you paid on student loans in a calendar year. Loan Servicers send a 1098-E to anyone who pays at least \$600 in student loan interest. (studentaid.gov)
1098	Mortgage Interest Statement: lender will send this to you if you have paid \$600 or more of interest in a year
Farm Documents for Schedule F	
Full Details see "IRS Publication 225 Farmer's Tax Guide"	
Income	All gross income generated by farming activities during a tax year
1099-PATR	cooperative patronage and other payments. These may include both cash payments received and stock allocations issued to the farmer.
1099-G	Government Program Payments (more common with row crops)
Expenses	any expense that is used for farming activities including but limited to:
Miscellaneous Expenses	could include membership dues for professional organizations, registration fees for conferences, farmers markets fees, mileage
Depreciation	Per IRS Publication 946, depreciation is an annual income tax deduction that allows you to recover the cost or other basis of certain property over the time you use it. We highly recommend you utilize a tax profession to utilize this correctly and in a way that is most beneficial for your farming operation
Non-Mortgage Loan Interest	Mortgage interest is reported by lenders to IRS and borrowers on form 1098 but non-mortgage loan interest does not have to be reported. This includes interest paid on operating lines of credit, equipment loans, farm vehicle loans and any other loans for business purpose. Total loan payments need to be allocated between non-deductible principal payments and deductible interest payments.

TAX PLANNING - A MUST

Tax management is just as important in times of low income as in times of prosperity, maybe more important. But tax planning can't be done without good records and thoughtful projections. The objective of tax management is not to eliminate taxes in the short run but rather to minimize or optimize taxes in the long run while generating income sufficient to service debt, investment, and living needs of the taxpayer. Poor tax management can increase taxes in the long run.

Tax planning should include historical consideration of income as well as future projected income. What has been the taxpayer's typical income range, what does the taxpayer project the current year's income to be and how will future income change? With all of those things considered, how should the current year's income be adjusted to have appropriate taxable income? These projections can vary significantly with the stage of career each taxpayer is in. Taxpayers early in their careers versus those approaching retirement or career change have entirely different tax management objectives to consider.

Typical taxpayers have more than one tax to consider in tax planning. Federal income tax is paid on taxable income after non-business deductions. These deductions have historically included family member exemptions that reduce taxable income by a certain amount for each family member. This deduction varies significantly or can be suspended with tax legislation in effect at the time.

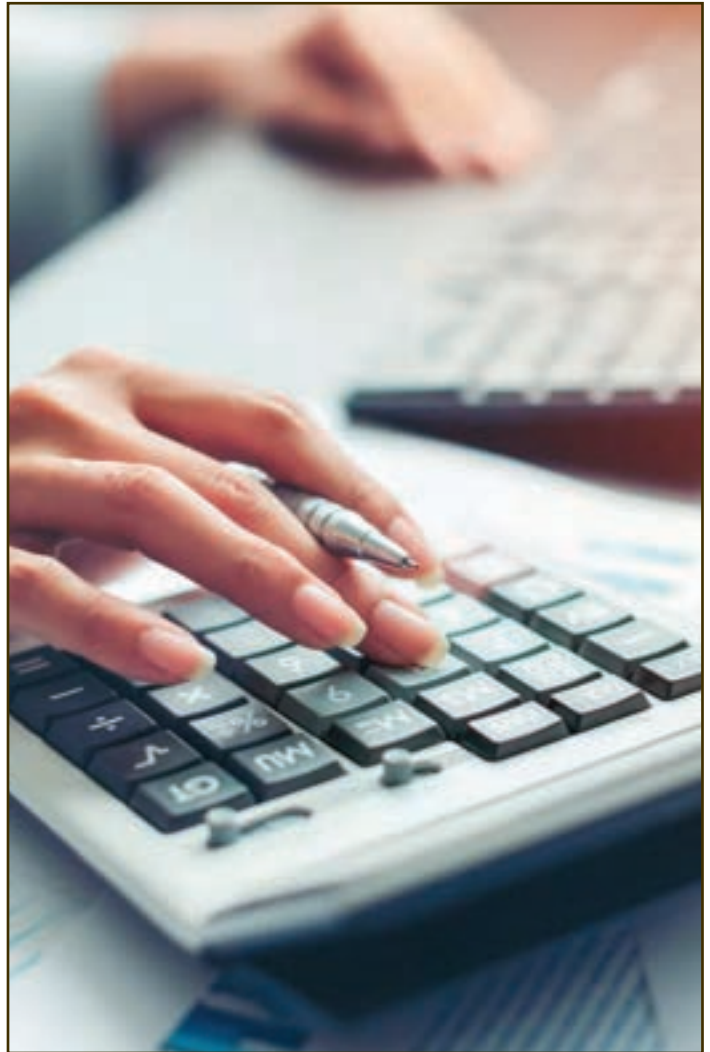
Non-business deductions have historically also included the higher of a standard deduction or accumulated itemized deductions for personal expenses for residential real estate and other taxes, home mortgage interest, charitable contributions, medical expenses above a threshold, and other qualified expenditures. This deduction also varies significantly with tax legislation in effect.

Other adjustments to income also vary significantly with tax legislation. These can include retirement plan contributions, educator expenses, student loan interest, deductions for a portion of qualified business income, and many others.

After taxable income is calculated Federal income tax is determined using marginal tax bracket tables that assess higher tax rates for higher-income taxpayers. No income tax is assessed until total income is reduced by the non-business deductions previously discussed. Once income exceeds those non-business deductions tax begins to be assessed at gradually increasing marginal rates.

Self-employed taxpayers also pay self-employment tax (SE Tax) on business income. This includes Social Security and Medicare contributions. Poor tax planning that creates losses in one year and profits in other years can actually increase the amount of SE Tax paid in the long run. While net operating losses can be carried to past or future tax years to offset income taxes in those years the losses do not reduce SE Taxes payable in those years.

Tax planning can reveal opportunities that might otherwise be missed. Income lower than preferred creates opportunity to accelerate new income in the current year to pay down debt sooner and reduce crop storage costs. Taking more income now reduces carryover grain inventories and income for farmers considering retirement or career changes in coming years.



New or proposed changes in tax law must be taken into consideration when tax planning. Potential increases in tax rates, loss of deductions, or change in tax credits in future years may encourage acceleration of income in current years or deferral of expenses to following tax years. Deferral of income or acceleration of expenses may be appropriate when new legislation proposes lower tax rates or increased deductions in future years.

The considerations discussed above along with many others make tax planning a necessity for business taxpayers. It is imperative that taxpayers understand tax regulations or consult tax advisors to see how tax laws impact them personally. Optimal tax management is a part of cash flow management that can impact wealth accumulation or financial survival.

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*This article was written for Flanagan State Bank's Book "Farmer's Toolkit".
For information on the book please reach out to a member of our Ag Team.*