

# TIME FOR PROACTIVE PLANNING

STARTING LINE | BY BEN POTTER

IN A TYPICAL year, a savvy farmer might conclude harvest and then sit down with pencil and paper to plan out some logistical strategies that will benefit the operation over the long haul.

But 2021 has been anything but typical. Massive supply chain hiccups affecting everything from raw supplies (steel, lumber, etc.) to labor and transportation has led to shortages, delays and ramped-up demand across the agricultural industry.

“It’s frustrating beyond imagination right now,” says Gary Woodruff, district manager with GSI. “We’re used to throwing bodies at past problems, but I can’t think of any other time when there’s absolutely nothing anybody can do.”

Grain bin construction has been running at a brisk clip all year, Woodruff says, adding that anyone who wants to break ground on a new project in 2022 had better get the process started as soon as possible.

“If you want to have that bin done, it may be too late by November or December,” he says.

While 2021 brings a unique set of challenges to the table, proactive producers who develop three- to five-year plans have always held the up-



per hand, Woodruff adds.

“They’re going to be far better off than the person who has reacted to current circumstances,” he says. “They’ll probably get the work done they want and be where they need to be.”

## EQUIPMENT UPGRADES

Upgrading farm equipment will also be a sticky situation for at least

another year, according to BigIron Auctions co-founder Mark Stock. The current supply pinch, coupled with an influx of retirements from older farmers, has fueled red-hot demand for all new and used equipment, but especially for machinery that is in good condition and less than 10 years old. That’s due in part to the fact that those retirees are renting their ground to younger farmers who now need to manage more acres.

“If you have a low-hour tractor that’s 5 or 6 years old, you’ll get really close to what you paid for it new,” he says.

Stock recalls seeing a used grain trailer earlier this year fetch more than

the seller paid for it a decade ago, citing one recent example.

Farmland prices are also on the rise, Stock notes. Outside investors are somewhat responsible for this trend — they are often the last or second-to-last bidder versus end-user farmers, he says. Some may be gambling that corn prices will stay between \$4.50 and \$6 per bushel for the foreseeable future, making farmland investments a lucrative venture.

“They see real estate going up significantly over the next 10 years,” Stock says. **FF**

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*If you are in the market to purchase a new grain bin or make other operational upgrades on your farm, the consensus is the earlier you start planning, the better.*

## ARE YOU 'FUTURE FIT'?

As your operation adopts more and more precision ag and ag tech tools, it will become increasingly important to enhance the skill sets needed to master new tasks for you and your employees. A good way to get started is to conduct a skill assessment, according to a recent Farmdoc Daily article written by Purdue University researchers Michael Langemeier and Michael Boehlje.

"A skill assessment measures what employees can do, and does not distinguish whether those skills were obtained through education or experience," they note.

One of the most important things this process will uncover is any skill gaps that exist on your farm. Once problem areas are identified, they can begin to be addressed so you can become truly "future fit."

"Each farm needs to evaluate whether it has the workforce in place to take full advantage of precision agriculture and automation technologies, or develop a plan to access these capabilities and skills from an outside party," the authors conclude.

## CAPTURING YOUTH

An age-old problem in the agriculture industry (pun intended) is attracting a new generation of farmers, retailers, researchers



## ON THE MAP BRAZIL

Brazilian corn and soybean production often nabs the country's agricultural headlines, but don't forget about its powerhouse poultry production. Brazil is the world's No. 1 exporter of chicken meat.

USDA forecasts that production will increase an additional 3% in 2022 to reach a record-breaking 14.72 million tons. Domestic consumption and exports are also expected to climb to record levels next year, reaching 10.54 million tons and 4.17 million tons, respectively. China is the top overseas buyer of Brazilian chicken meat.

Positive growth aside, the industry is not without its challenges. Of particular note is soaring input costs, which have jumped 40% higher over the past 12 months. Profitability is highly dependent on feed costs, and corn constitutes about 70% of the total feed mix.

Domestic supplies are also relatively scarce after Brazil's embattled safrinha crop this season only produced 2.19 billion bushels during the 2020-21 season, according to a September report from AgRural. That's a year-over-year reduction of 26%, due to widespread drought in recent months.



*Brazil consumes more than two-thirds of the chicken meat it produces and still has enough left over to be the world's No. 1 exporter of that commodity.*

PHOTO BY YASUYOSHI CHIBA/AFP/GETTY IMAGES

and other young talent to ensure a thriving future. But communicating opportunities can be a stumbling block instead of a stepping stone, argues Sam Jackson, vice president of business development at Genera.

"A lot of people don't understand the level of diversity in agriculture," he says. "But there's an opportunity to translate to a younger audience that

there are a lot of exciting, innovative things going on."

Members of Generation Z (anyone born after 1996) could be enticed by any number of ag tech innovations, Jackson says, such as drones, sensors, data collection and automated vehicles. They are also motivated by causes like sustainability and regenerative farming.

College recruitment for

STEM (science, technology, engineering, math) careers trickles down to the high school level. Do these students fully understand that agriculture is ripe with STEM opportunities?

"What's the best way to engage these students?" Jackson asks. "My personal view is to educate their teachers. They're always looking for good curriculum and content."