

THE FARM POST

The Official Publication of the Pike and Scott County Farm Bureaus

Vol. 6 No. 1

October 2011

New Legislation Aims to Prevent EPA Regs on Farm Dust

New legislation introduced by Sen. Mike Johanns (R-Neb.) that would prevent the Environmental Protection Agency from regulating naturally occurring farm dust is welcome news for the nation's farmers and ranchers, according to the American Farm Bureau Federation.

"Regulation of farm dust by EPA could severely hamper the ability of farmers and ranchers to meet the world's food needs," said AFBF President Bob Stallman.

EPA is reviewing existing regulations for particulate matter, which includes soot and dust. Soot is generated by car emissions and factories; dust occurs naturally.

According to Stallman, planting and harvesting crops, livestock moving from place to place and people driving down dirt roads are just a few of the ways dust occurs naturally on farms and in rural areas.

"The current rules pertaining to dust are adequate," said Stallman. "Increased regulation of farm dust could result in decreased productivity and higher food prices, coupled with lost jobs in the rural economy. Moreover, the scientific basis for establishing such regulation has been called into question and it has not been demonstrated that the benefits of EPA regulation would outweigh the costs."

The new legislation introduced by Johanns prevents EPA from making dust regulations even more stringent, while taking health concerns into consideration.

"State and local governments would have the authority to regulate dust in localized areas if necessary," Stallman explained. "But a national standard would not be imposed."

EPA REQUIRED FUEL SPILL PREVENTION PLAN DEADLINE IS NOVEMBER 10

If you qualify for a Tier I facility (see requirements below), you have until November 10, 2011 to develop your plan. EPA has developed a template you can use to put your plan together.

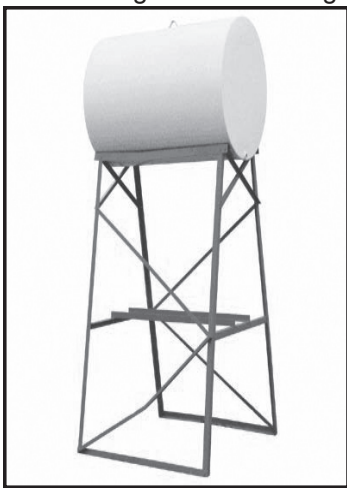
This template is intended to help the owner or operator of a Tier I qualified facility develop a self-certified Spill Prevention, Control, and Countermeasure (SPCC) Plan.

To use this template, your facility must meet all of the applicability criteria of a Tier I qualified facility listed under §112.3(g) (1) and (2) of the SPCC rule. This template provides every SPCC rule requirement necessary for a Tier I qualified facility, which you must address and implement. You may complete this template either electronically or by hand on a printed copy.

To meet the Tier I applicability criteria, the facility must have:
--a total aboveground oil storage capacity of 10,000 U.S. gallons or less;

--no aboveground oil storage containers with a capacity greater than 5,000 U.S. gallons; and
--in the 3 years prior to the date the SPCC Plan is certified, had no single discharge of oil to navigable waters or adjoining shorelines exceeding 1,000 U.S. gallons, or no two discharges of oil to navigable waters or adjoining shorelines each exceeding 42 U.S. gallons within any 12-month period.

On line forms can be found at <http://www.epa.gov/emergencies/docs/oil/spcc/spccfarms.pdf>.



OUR MISSION is to lead our members in their pursuit of prosperity. We will advance programs and public policies that promote a strong agricultural economy and benefit our members and their communities.

Affordable Food Depends On Agricultural Research

As total factor productivity or TFP (a measure of input-to-output efficiency) grows thanks to agricultural research and development, so does farm output. A new USDA-Economic Research Service report finds that without an increase in public investment for agricultural research, the phenomenal growth in agricultural productivity in the past could come to a halt as food demand continues to rise.

Growth in agricultural efficiency and productivity must continue in order to meet global food demand, and U.S. agricultural research and development spending must increase to achieve the productivity growth that will be needed to feed a growing world, according to a new report.

USDA's Economic Research Service issued the report on agricultural research's impact on agricultural productivity in the past and future.

"We're quite convinced that public agricultural research investment is a major factor in what will happen to future growth of agricultural productivity," said Paul Heisey, ERS agricultural economist.

U.S. agricultural output grew by about 1.5 percent per year over the last 50 years. Total agricultural output in 2008

was more than double that of 1948.

The next 40 years could be more challenging. The study projects that if funding for public agricultural research remains constant through 2050, the annual rate of productivity growth would be reduced by half and actual agricultural output would increase only 40 percent, not enough to meet food demand.

"To get that additional output, we would either have to use more inputs or more land," said Heisey. "This could cause environmental problems. If we don't do that and we accept a lower rate of growth, we could see considerably higher agricultural prices and we would also see declines in U.S. agricultural exports."

The Food and Agriculture Organization of the United Nations projects that global agricultural demand will grow 70-100 percent by 2050 due to population growth. Meeting that demand will require more land, water, energy and chemicals, or new developments that enable farmers to produce more with less.

The ERS report comes as Congress is preparing to make deep cuts in federal spending and write a new farm bill in 2012. The report findings show

that if consumers want affordable food, then they should support robust public investment in agricultural research. Slower productivity growth would cause agricultural prices to rise.

If agricultural commodity prices rise due to scarcity, the environment would suffer as well. Pressure to expand cropland in the U.S. and abroad and increase input use would intensify. "Such agricultural resource expansion and intensification could come with significant environmental costs..." according to the report.

The ERS report is fairly consistent with another study that also finds that public spending on agricultural research and development will need to rise to maintain historical rates of productivity growth in U.S. agriculture.

Adjusted for inflation, funding for public agricultural research has been stagnant since the 1980s. The ERS report says that already may be causing farm productivity to slow down. More analysis of productivity growth trends is needed to determine conclusively if a research-productivity downshift is already under way.

The full report is at <http://ers.usda.gov/Publications/EB17/>.

GOT DEER?

HELP US STOCK FOOD PANTRY FREEZERS WITH VENISON



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The Butcher Block, Quincy 217-222-6248 pickup at Barry Travel Plaza
Valley View Custom Meats, Pleasant Hill 217-248-1327

For more information Contact: 217-285-2464 or (217-491-2401 after business hours.

GOT MONEY?

Your tax deductible contribution to the Two Rivers Farm Bureau Foundation will help defray processing costs. The more money collected, the more venison is delivered. Each ounce of ground venison is an ounce of protein many of the hungry live without. **Please make checks payable to Two Rivers Farm Bureau Foundation** and mail them to PO Box 6, Pittsfield IL, 62363. Make a note that this is for the deer to food project.



The time to give is now.

HOWDY!

by Blake E. Roderick

FREEDOM FROM WANT

In January of 1941, President Roosevelt presented his State of the Union address before Congress. Because context is always important when repeating historical quotes, in January of 1941 the world was at war even though the United States wasn't formally a belligerent.

Even though we weren't fighting, before the end of the year, the United States would be fully engaged in the Second World War of this past century. Deep into his address to Congress, FDR outlined the four essential human freedoms. These were aimed squarely at Hitler, Tojo, Mussolini, Franco, Stalin, and the other despots waging war against others and their own people.

These were words aimed to bolster the spirits of those subjugated and oppressed. These were words aimed to lift those fighting to preserve their own freedom.

These were also words to the American people expressing that it we had a moral duty to fight to protect those freedoms worldwide. President Roosevelt was taking another step to put the United States on the path to eventual war.

In his speech, Roosevelt rephrased the American tenet of Life, Liberty, and the Pursuit of Happiness found in the Declaration of Independence. Following is a portion of that speech.

In the future days, which we seek to make secure, we look forward to a world founded upon four essential human freedoms.

The first is freedom of speech and expression -- everywhere in the world.

The second is freedom of every person to worship God in his own way -- everywhere in the world.

The third is freedom from want -- which, translated into world terms, means economic understandings which will secure to every nation a healthy peacetime life for its inhabitants -- everywhere in the world.

The fourth is freedom from fear -- which, translated into world terms, means a world-wide reduction of armaments to such a point and in such a thorough fashion that no nation will be in a position to commit an act of physical aggression against any neighbor-- anywhere in the world.

The Four Freedoms by Norman Rockwell were featured in editions of the *Saturday Evening Post* in 1943. They subsequently were used on War Bonds posters.



The third in the series ...Freedom from Want...is shown here. While we think of this freedom as one of food on the table at Thanksgiving, it is much more than that.

I'm the kind of

guy who likes to look for the least common denominator. It makes it so much easier to decipher life's complexities if you bring issues and people down to the LCD...the base instincts.

Freedom from Want falls nicely into Pursuit of Happiness. Both are economic freedoms.

Thomas Jefferson's Pursuit of Happiness was an extension of philosopher John Locke and Jefferson's Virginia political roots where Pursuit of Happiness translated into a free pursuit of economic freedom.

Roosevelt's Freedom from Want expresses an economic freedom modified by 150-years of the American experiment.

Again, in context, in January 1941 the opposing economic forces in the world were Fascism (Germany and Italy) and Communism (Soviet Union). Keep in mind the Soviet Union wouldn't be an ally until June when Hitler again turned his eyes east.

In this nation, we enjoy economic freedom even though it seems to be sorely tested these days. The victory over tyranny of Fascism (1945) and Communism (1991-nominally) were great economic victories. A new front of that economic battle is going on in Europe over rampant Socialism...maybe some of the lessons learned there will translate into better policies here.

As harvest progresses here, we need to reflect on the prosperity agriculture has brought to all of us. It feeds the world. It clothes the world. It feeds our economy. It allows for good schools and public services. It is an economic engine that continues to fuel prosperity. It is and has been a great part of that American experience in Pursuit of Happiness and Freedom from want that has spread across the world.

We must keep in mind that not everyone shares in that prosperity. To that end, we have a moral responsibility to undergird the economic fabric our nation. In agriculture, we have a special connection with food which is one of those LCDs in life. We can help those who by their situation in life are not able to fully share in life's bounty. We have the freedom to give a portion of that bounty to help those in need, those who are hungry.

In closing, I think it is important to print the end of FDR's Freedoms speech.

This nation has placed its destiny in the hands and heads and hearts of its millions of free men and women; and its faith in freedom under the guidance of God. Freedom means the supremacy of human rights everywhere. Our support goes to those who struggle to gain those rights or keep them. Our strength is our unity of purpose.

To that high concept there can be no end save victory.

We won WWII. We won over Fascism. We won over Communism. We can win the war against hunger and want.



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www.ilfb.org/member



the AG AGENDA

Bob Stallman
President, American Farm Bureau

COUNTRYSIDE GRASSROOTS AT WORK

Farm Bureau has an outstanding reputation as an effective grassroots organization. For the past 92 years, Farm Bureau members have played instrumental roles in legislative efforts that have helped shape U.S. agriculture.

American Farm Bureau policy comes from the bottom up. Our policy positions start at the county, parish and state levels. They are proposed, debated and approved by farmers and ranchers who grow every different type of crop and livestock species possible across our great land. When you think about the level of policy unity that comes from such stark diversity, it really is astonishing. We don't always agree on everything. That's what makes our process credible and real.

Country Roads

As Farm Bureau members, it is ingrained in us to be actively involved and to fight for what we believe in and what we think will better our profession and our country. We are not ones to rest on our laurels while others do the work. We are also not the types to make a lot of noise about an issue and stop there. Farm Bureau members roll up their sleeves and get their hands dirty when it comes to matters that are close to our hearts.

That's why I especially enjoy this time of year. If you're a Farm Bureau member, you probably know exactly why. For many folks, autumn represents back-to-school, fall festivals and cooler weather. For us Farm Bureau policy nerds (speaking for myself, of course), autumn means it's nearing time for most of our state annual meetings. I can almost hear the momentum building out in the countryside.

As I travel to these annual meetings, I listen to Farm Bureau members talk a lot about agriculture issues. Most of the time what they have to say is good, some of the time it's not. That's the beauty of Farm Bureau, there's always room for healthy debate. But in all of my travels, I have never met a farmer without something to say, or more importantly, not willing to roll up his or her sleeves to help further our grassroots process.

Country Strong

As Farm Bureau state delegates prepare for their annual meetings, they are well aware of the importance of their deliberation and votes on potential policy. Those very policy recommendations have been formed and mulled over at the county level by their farmer peers, and, if successful, will get forwarded to the American Farm Bureau Federation's annual meeting for consideration.

These grassroots members are the backbone of our organization who will play a significant role at their state meetings as they consider important policy positions on environmental, trade, immigration, farm policy and other issues. They will roll up their sleeves, get their hands dirty and carry on the Farm Bureau tradition of grassroots excellence.

It's this commitment of our grassroots members who play an active role in U.S. agriculture policymaking that makes Farm Bureau one of the most successful advocacy organizations in this nation.

MEMBERS ONLY

SAVE THE DATE
NOVEMBER 15

ESTATE AND
RETIREMENT
PLANNING
DINNER

MORE INFO IN
THE NOVEMBER
THE FARM POST

"THE FARM POST (USPS 432-460) is published monthly by the Pike and Scott County Farm Bureaus, PO Box 6, Pittsfield, IL 62363."

"Periodicals Postage Paid at Pittsfield and at additional mailing offices. Postmaster: Send address changes to THE FARM POST, PO Box 6, Pittsfield, IL 62363."

Blake E. Roderick, Editor/Publisher

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Beware Of The Increasing Level Of Deferred Income Tax

by Dwight Raab

**FBFM and Department of Agricultural and Consumer Economics
University of Illinois**

Average (accrual) Net Farm Income for the five year period 2006 to 2010 was \$162,609. Net Farm Income for the five years prior (2001 to 2005) was \$58,339. This makes for an increase of \$104,270 in average net farm income between the two five-year periods. This should surprise no one and is evidence of higher yields in most of Illinois and increased commodity prices.

Average Income and Social Security Tax paid for the five year period 2006 to 2010 was \$15,389. Net Farm Income for the five years prior (2001 to 2005) was \$9,400. This makes for an increase of \$5,989 in taxes paid between the two five-year periods.

It would seem that to add over \$100,000 in net farm income while adding just under \$6,000 in income and social security taxes doesn't quite add up! We know that tax rates...even at their lowest...are not at the 6% level. What gives?

First of all, I will acknowledge that net farm incomes are accrual based and the taxes paid are based on Schedule F cash income. But, over time those differences should begin to wash out; it could be that ten years isn't quite long enough.

Or, there could be a number of other reasons for these facts that seem at odds with each other.

1. Effective tax policy. The Internal Revenue Service (IRS) Code Section 179 Expense Election has been available for 20+ years. There was a point in time that is only amounted to \$10,000 per year. The rapid increase in the limit for the Code Section 179 Expense Election (currently \$500,000) at the same time that incomes have been increasing make me wonder if there has been a rapid 'write off' of capital purchases especially if they were equipment and the IRS Expense Election and/or the Bonus Depreciation was used to create expenses that pushed the cash expenses up and the cash incomes down. Bonus Depreciation became available in the mid-2000's. The calculation of accrual net farm income uses a slower 'economic' depreciation rate.

2. The increased value of grain inventory. That value has increased in the recent past due to added bushels in some of those years and increased per bushel prices in some of those years.

3. The increasing value of end-of-year prepaid expenses. Many of our farm inputs have increased in price over the time period in question – seed, fertilizer, chemicals, fuel. Year-end tax planning could have put into place a strategy to keep cash income lower (and pay less in tax) could have meant that one had to pre-pay increasing amounts of these inputs at the end of the year to keep those cash incomes down.

4. More frequent and/or larger contributions to tax deferred retirement plans (IRA, SEP, 401K, Keogh plans). This defers the income tax until funds in these accounts are withdrawn.

This makes me think that there might be a 'mountain' of deferred income tax that has been built up. It would do one well to realize that this is something to be aware of. Maximizing after tax income year-after-year is the goal of many. Good financial management includes good

tax management. In the current political lingo...this could be referred to 'kicking the can (or the tax liability) down the road'. But, in many cases it is employing good financial and tax management to with the goal of maximizing after tax income.

PS FORM 3526

STATEMENT OF OWNERSHIP, MANAGEMENT, AND CIRCULATION

1. THE FARM POST

2. 0432-460

3. 9/30/2010

4. MONTHLY

5. 12

6. \$3.00

7. PO BOX 6 PITTSFIELD IL 62363

8. PO BOX 6 PITTSFIELD IL 62363

9. PUBLISHER-BLAKE E RODERICK, PO BOX 6 PITTSFIELD IL 62363

EDITOR-BLAKE E RODERICK, PO BOX 6 PITTSFIELD IL 62363

MANAGING EDITOR-BLAKE E RODERICK, PO BOX 6 PITTSFIELD IL 62363

10. OWNER-PIKE COUNTY FARM BUREAU PO BOX 6 PITTSFIELD IL 62363

OWNER-SCOTT COUNTY FARM BUREAU PO BOX 50 WINCHESTER IL 62694

11. NONE

12. TAX STATUS HAS NOT

13. THE FARM POST

14. 9/30/2011

15.a.	2400	2400
15.b1.	526	509
15.b2.	1699	1650
15.c.	2225	2159
15.d1.	70	70
15.d2.	21	21
15.e.	91	91
15.f.	2316	2250
15.g.	84	150
15.h.	2400	2400
15.i.	96%	96%

16. PRINTED IN OCTOBER ISSUE OF PUBLICATION.

17. BLAKE E RODERICK, EDITOR 9/30/2011

Global Demand Drives Food Prices Higher in Third Quarter

Strong global demand, especially for pork and other protein-rich foods, was a primary driver behind higher retail prices at the supermarket during the third quarter of 2011, according to the latest American Farm Bureau Federation Marketbasket Survey.

The informal survey shows the total cost of 16 food items that can be used to prepare one or more meals was \$53.12, up \$1.95 or about 4 percent compared to the second quarter of 2011. Of the 16 items surveyed, 13 increased, two decreased and one remained the same in average price compared to the prior quarter.

"Global demand for meat and dairy products remains strong and continues to influence retail prices here in the U.S.," said AFBF Economist John Anderson. "Many nations around the world rely on America to provide the food they need to improve their standard of living, particularly through the addition of protein to the diet. Strengthened demand for meats began in 2009, continued through 2010 and remains important as we look ahead to the close of 2011."

Other factors also came into play.

"On-farm production costs for energy, fertilizer and fuel continue on an upward trend but those costs are largely borne by farmers and ranchers. But, in addition, after food leaves the farm or ranch, higher costs for transportation, marketing, processing and storage are added," Anderson explained. "As long as these costs remain elevated, consumers will continue to feel it in the form of higher food prices at the supermarket."

Meat and dairy products accounted for about 40 percent of the quarter-to-quarter retail price increase. Boneless chicken breasts increased 24 cents to \$3.33 per pound, bacon rose 23 cents to \$4.41 per pound, sliced deli ham was up 17 cents to \$5.43 per pound, shredded cheddar increased 14 cents to \$4.70 per pound and whole milk was up 4 cents to \$3.66 per gallon.

Other items that increased in price compared to the second quarter were Russet potatoes, up 36 cents to \$3.43 for

a 5-pound bag; Red Delicious apples, up 27 cents to \$1.83 per pound; flour, up 21 cents to \$2.73 for a 5-pound bag; vegetable oil, up 20 cents to \$3.21 for a 32-ounce bottle; eggs, up 13 cents to \$1.78 for one dozen; orange juice, up 10 cents to \$3.28 for a half-gallon; bagged salad, up 6 cents to \$2.73 for 1-pound bag; and bread, up 2 cents to \$1.88 for a 20-ounce loaf.

"At the beginning of 2011, a number of factors including growing demand pointed to continued increases in retail food prices, especially for meats. But there's always a lag time as farmers and ranchers increase the size of their herds to meet higher demand," Anderson explained. "Extreme weather conditions around the nation have further compounded the issue, diminishing production and further increasing costs."

Most items showing an increase in retail price from quarter-to-quarter also showed year-to-year increases. Compared to one year ago, Russet potatoes increased 30 percent; flour was

up 27 percent; eggs and vegetable oil were each 26 percent higher. Year-to-year increases were also tallied for bacon, up 21 percent; sliced deli ham and milk, each up 16 percent; and shredded cheddar cheese, up 15 percent. The total average price for the 16 items was up about 15 percent compared to one year ago.

Two items decreased in price: sirloin tip roast dropped 20 cents to \$4.28 per pound and ground chuck dropped 2 cents to \$3.27 per pound. Toasted oat cereal remained the same in price, at \$3.17 for a 9-ounce box.

Using the "food at home and away from home" percentage across-the-board, the farmer's share of this quarter's \$53.12 marketbasket would be \$8.50.

According to USDA, Americans spend just under 10 percent of their disposable annual income on food, the lowest average of any country in the world. A total of 85 shoppers in 32 states participated in the latest survey, conducted in August.

AFBF MARKETBASKET SURVEY 3rd Quarter 2011

16 ITEMS:

- BAGGED SALAD
- ORANGE JUICE
- APPLES
- POTATOES
- CHICKEN BREASTS
- SLICED DELI HAM
- BACON
- GROUND CHUCK
- SIRLOIN TIP ROAST
- EGGS
- MILK
- SHREDDED CHEESE
- BREAD
- FLOUR
- TOASTED OAT CEREAL
- VEGETABLE OIL

TOTAL \$53.12

Up \$1.95 or 4% from 2nd quarter 2011.

Source/Graphic: American Farm Bureau Federation® newsroom.fb.org

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WORLD FOOD DAY OCTOBER 16 2011

"Food prices – from crisis to stability"

Between 2005 and 2008, the world's staple food prices soared to their highest levels in 30 years. During the last 18 months of that period, corn prices increased by 74 percent while that of rice almost tripled, climbing 166 percent.

Food riots broke out in more than 20 countries. Editorialists decreed the end of cheap food. Economists believed that the kind of price roller-coaster experienced since 2006 are likely to recur in the coming years. In other words food price volatility – the technical term for the phenomenon – has probably come to stay.

"Food prices – from crisis to stability" has been chosen as this year's World Food Day theme to shed some light on this trend and what can be done to mitigate its impact on the most vulnerable.

Price swings, upswings in particular, represent a major threat to food security in developing countries. Hardest-hit are the poor. According to the World Bank, in 2010-2011 rising food costs pushed nearly 70 million people into extreme poverty.

At the level of net food importing countries, price spikes can hurt poor countries by making it much more expensive for them to import food for their people. At the level of individuals, people living on less than US \$1.25 a day may need to skip a meal when food prices rise. Farmers are hurt too because they badly need to know the price their crops are going to fetch at harvest time, months away. If high prices are likely they plant more. If low prices are forecast they plant less and cut costs.

Rapid price swings make that calculation much more difficult. Farmers can easily end up producing too much or too little. In stable markets they can make a living. Volatile ones can ruin them while also generally discouraging much-needed investment in agriculture.

Recognizing the major threat that food price swings pose to the world's poorest countries and people, the inter-

national community, led by the G20, moved in 2011 to find ways of managing volatility on international food commodity markets.

In order to decide how, and how far, we can manage volatile food prices we need to be clear about why, in the space of a few years, a world food market offering stability and low prices became a turbulent marketplace battered by sudden price spikes and troughs.

The seeds of today's volatility were sown last century when decision-makers failed to grasp that the production boom then enjoyed by many countries might not last forever and that continuing investment was needed in research, technology, equipment and infrastructure.

In the 30 years from 1980 to date the share of official development assistance which OECD countries earmarked for agriculture dropped 43 percent. Continued under-funding of agriculture by rich and poor countries alike is probably the main single cause of the problems we face today.

Contributing to today's tight markets is rapid economic growth in emerging economies, which means more people are eating more meat and dairy produce with the need for feed grains increasing rapidly as a result. Population growth, with almost 80 million new mouths to feed every year, is another important element. Population pressure is compounded by the erratic and often extreme meteorological phenomena.

A further contributing factor may be the recent entry of institutional investors with very large sums of money into food commodity futures markets. Lastly, distortive agricultural and protectionist trade policies bear a significant part of the blame.

Responding to food price volatility therefore involves two different kinds of measures. The first group addresses volatility itself, aiming to reduce price swings through specific interventions while the other seeks to mitigate the negative effects of price swings on countries and individuals.

Greater policy coordination in international food trade can reduce volatility by helping maintain an assured flow of goods. FAO supports the mul-

tilateral negotiations under the World Trade Organization and the elimination of trade-distorting agricultural subsidies in rich countries.

On speculation, FAO's research suggests that while this might not trigger price movements, it could exaggerate their size and duration. More and better information is needed to allow greater transparency in trade on futures markets. This would help ensure that governments and traders make informed decisions and avoid panic or irrational reactions.

As to mitigating the effects of volatility, national or regional safety nets, possibly featuring emergency food reserves, can help assure food supplies to needy and vulnerable population groups during crises. Poor consumers can also be assisted with cash or food vouchers and producers helped with inputs such as fertilizer and seeds.

Market-based mechanisms can help low-income developing countries to meet higher food import bills. At country level, governments can protect themselves from food price increases through a variety of financial arrangements such as call options, which would give them the right to buy food at a set price even months ahead, regardless of how the market has moved in the meantime. At international level, compensatory facilities can help low-income developing countries meet escalating food import bills. Concessional financing facilities such as those provided by the IMF helped countries contend with the balance of payments problems that soaring food prices provoked in 2007-2008.

Ultimately though, stability in the food market depends on increased investment in agriculture, particularly in developing countries, where 98 percent of the hungry live and where food production needs to double by 2050 to feed growing populations.

Investment in infrastructure, marketing systems, extension and communication services, education, as well as in research and development, can increase food supply and improve the functioning of local agricultural markets, resulting in less volatile prices. In this way, markets can work for the poor people who bear the burden of food price volatility. The level of net investments required is around US\$83 billion a year which would help millions of people around the world escape poverty and help restore long-term stability to agricultural markets.

On World Food Day 2011, let us look seriously at what causes swings in food prices, and do what needs to be done to reduce their impact on the weakest members of global society.



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JOBS, JOBS, JOBS – FARMS, FARMS, FARMS

By Lynne Finnerty

This year, Labor Day must have seemed a bittersweet celebration to many, with more than 15 million Americans on the unemployment rolls. Farmers and ranchers typically don't belong to labor unions. They can't go on strike, because that would mean hungry livestock and potential crop losses. But, here's one good reason to think of farmers around Labor Day: because agriculture is creating jobs at a time when our nation needs them – badly.

According to a joint USDA-Purdue University report, agriculture will generate an estimated 54,400 job openings each year for the next five years for college graduates with degrees in food, renewable energy and environmental specialties.

USDA on Aug. 31 predicted that our agricultural exports would set a new record this year at \$137 billion. That translates into more than 1 million American jobs, thanks to farmers' and ranchers' productivity and high demand for their products around the world. Next year's ag exports are expected to be equally strong.

If Congress approved the free trade agreements with Colombia, Panama and South Korea, we could add nearly \$2.5 billion more to the annual export tally, along with 22,500 more jobs. Every \$1 billion in agricultural exports supports 9,000 U.S. jobs, according to USDA, including transportation workers, food processors, packers and others.

Another report, released in August by the Battelle Institute, an independent research group, looked at agriculture's impact on the economy of the productive North-Central U.S. The report values the 12-state region's agriculture, forestry and value-added products system at \$125 billion, supporting 2.4 million jobs. The industry is poised to expand with new markets such as health, specialty crops, biofuels and other biobased products. That opportunity, however, depends on whether the U.S. makes adequate investments going forward in research and development.

Clearly, one way to create jobs is to have a strong agriculture. To make that happen, government should not hamstring farmers and ranchers with unnecessary regulations.

One of our strengths, obviously, is trade. To take advantage of this, we must continue to open foreign markets by negotiating and ratifying trade agreements that eliminate tariffs and other trade barriers.

And, believe it or not, allowing some non-citizens to work on U.S. farms plays a role in creating jobs for Americans. It's simply a fact that most Americans don't choose to make a career out of picking produce for two to three months out of every year. If farmers can't get the workers they need to harvest crops when they're ready, we will lose up to \$9 billion worth of agricultural production per year. That's thousands of American jobs at stake. Comprehensive immigration reform should be part of our nation's job-creation plan.

The president, Congress and even political candidates will float lots of job-creation ideas over the next few months. They should take a look at what's working in America's heartland. Maybe the "jobs, jobs, jobs" mantra should become "farms, farms, farms."

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