



Central Kentucky
Agricultural Credit Association

NEWS

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Farm Production Changes Impacting Farmers and Consumers; Ag Economic Symposium Reviewed by Ag Credit Professional Harry Young

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Lexington, KY – Harry Young, a Vice President–Credit at Central Kentucky Ag Credit in Lebanon, says new engineering techniques being implemented in today’s farming industry promise to improve health genetics and per-acre volume in crops produced in America. He says improved research, combined with improved cropping practices, have impacted farmers and consumers in recent years, including those in the Central Kentucky Bluegrass Region.

Young says food industry experts predict that new research is expected to bring even more improvements in food and fiber being produced by farmers.

Young’s knowledge was gleaned from attendance at the 2010 Agricultural Economic Symposium that was held during February in Destin, Florida under the sponsorship of Brock Associates and several leading agricultural companies. The event drew top financial experts, crop researchers, government leaders and manufacturers from throughout the United States.

Reports from the symposium indicate that considerable research has been done to better understand and improve corn production. That focus is targeted to both food production and to fuel production, which have become areas of considerable interest in recent years. However, Harry Young says “research being done in corn production is easily applied to many aspects of soybean production”.

Soybeans is a crop that is often described as “the bean that has a heart of gold,” due to the vast number of food spinoffs that have developed from soybeans in the past three decades.

Experts at the Symposium said that estimated price levels for the 2010 American crop year (futures) have already been hit, with both pricing and production forecast at about the same level as in 2009. Last year’s national average for domestic corn production was 166 bushels per acre, and Ag Credit’s Harry Young said production of up to 300 bushels per acre is possible in good farm ground. That volume of production was essentially “unheard of” prior to the 1980’s.

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Improved production methods, better farm management practices, manufacturer demand and adequate financial resources have traditionally played critical roles in helping American farmers to essentially feed America and the world.

Harry Young - a lending professional whose lending activities are focused in the 17-county Central Kentucky region – said crop experts have confirmed that genetic improvements in corn can increase per-acre corn yields by another 5-7 bushels per acre. Statistics produced at the Symposium show that corn production nationwide has almost doubled per acre since 1979.

Young was quick to observe that his lending experience with full- and part-time farmers in Central Kentucky has shown little-to-no increase in the acres of corn and beans grown on area farms. While the capacity to produce more corn per acre is already available, lower corn and soybean prices being received by farmers has led them away from increasing acreage. In the Central Kentucky area, a large percentage of grains produced on farms are fed to livestock in an effort to achieve greater profit, even though the livestock market has not been kind to farmers lately.

Harry Young pointed out that, “the economy is consumer driven – until consumers can spend more, the economy will be limited and farm production will follow the economic climate.”

Young also said the age distribution of American farmers has been “a trend of concern” that was also discussed during the Ag Economic Symposium.

At present 30% of American farmers are over the age of 65 years. Farmers classified as “young” (under 30 years-of-age) currently stands at 5% of total production farmers in America.

Essentially, the average age of farmers has steadily increased during the past 50 years, while the entrance of young farmers to the occupation has steadily decreased.

Ag authorities almost universally attribute the unhealthy age balance in the farming industry to the difficulty that exists to make a living as a full-time farmer.

High production costs in farming, compared with low prices paid to farmers, are key factors that influence the nation’s out-migration of farmers, say experts.

Central Kentucky Ag Credit is a mega-million dollar lender to farmers and rural residents in the 17-county Bluegrass Region. Harry Young is a 30-year veteran of service in rural lending to full- and part-time farmers, rural residents, rural farm-related business and rural lifestyles.

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