Good morning and “thank you” to the planning committee for inviting me to be a part of this conference. I welcome the opportunity to share the story of today’s agriculture and how some of the foods you consume are produced right here in Sussex County. One of the questions we were asked to explore in our presentation was “why do you do what you do?” My first response would be, well, “I fell in love and married a farmers’ son”, But in retrospect, I realized, it’s also because I’ve always loved a really good rollercoaster ride and that is the best way to describe farming. I would like you to join me on this ride as I recap this past year on our farm and discuss some of the challenges we face.

The winter months are definitely our slowest, but planning for the new crop is in full swing. Soil test are being reviewed to determine lime & fertilizer needs. Inventories are taken of maintenance supplies such as oil and filters and orders placed. Equipment is repaired.

I spend much of January on bookkeeping, making sure W-2’s and 1099’s are mailed and gathering information needed by our accountants in the preparation of our tax returns. January is also a time of continuing education. Farmers are required to have a Pesticide License and a Nutrient Handler’s License. My husband, Roland and our two sons earned continuing -ed credits for their licenses by attending of Ag Week. This program, conducted by Delaware Department of Agriculture and the Cooperative Extension Programs of the University of Delaware and Del. State University, provides a week full of various Ag related educational meetings, many of which qualify for credits.

One of the important resources for Sussex County farmers is the University of Delaware’s Cooperative Extension. Research is conducted in weed management, grain and vegetable crop trials, nutrient management and poultry at the experimental facilities and in the fields of cooperating farmers. This information is then relayed to the farmers via the internet, crop tours, workshops, and newsletters.

A daily occurrence on our farm is checking the grain prices, especially over the winter. Even though we have delivered our grain to the mill, we haven’t priced all of it. We are also looking for opportunities to price corn and soybeans for the next harvest season. Historically, grain prices drop during the harvest season as corn & soybeans flood the market and then rise again over the winter and spring. Here on Delmarva, farmers benefit from the poultry industry. It creates a large demand for our corn and results in a positive basis in our selling price. The basis is the difference between the Chicago futures quote and the local cash price and is influenced by local supply and demand and transportation costs. Our local basis is about +10 cents above the Chicago Board quote. The competition between the 4 poultry integrators on the peninsula helps to keep this a positive basis. Soybeans are a different story. There is only 1 processor in the area and not all of the beans grown on Delmarva are used here. This results in a negative
basis, which is currently $.55 under the Chicago price. Marketing our grain is part of the rollercoaster ride and hindsight always lets us know if we made the right decision.

Early spring arrives and there is water everywhere! So we wait. Lime, fertilizer, and seed deliveries had arrived and our crop plan is in place. We had started a flock of chickens in January and now they were ready for market. The spring winds finally dried the most of the land and we began moving manure from the chicken houses into the fields. While the guys are busy spreading lime and manure and working the ground for peas, I have been working on the production reports from the previous fall. We carry crop insurance and yields from each field are used to determine our guarantees within the policy. We prepped the 5 chicken houses and placed a new flock. We are contract growers for Allen’s located in Seaford, a family owned business. The grow-out process with the chickens is repeated approximately every 10 weeks. The poultry farm operates as a separate entity which means I’m doing bookkeeping for 2 separate businesses.

One of the challenges animal agriculture is facing today comes from animal rights groups, such as PETA and HSUS. These groups have a strong financial base and spend millions each year lobbying for restrictive measures in animal production. Their ultimate goal is for everyone to become vegetarians. There is nothing wrong with someone choosing not to eat meat, but I don’t think it should be forced on us through scare tactics and false propaganda. One reason these groups are so successful is because most Americans are several generations removed from the farm and really don’t understand how their food is produced. Recently, an editorial in the Delmarva Farmer referenced an ad placed in an Illinois paper last year. The ad read: “To all you hunters who kill animals for food, shame on you: you ought to go to the store and buy the meat that was made there, where no animals were harmed”. This is a classic example of Ag illiteracy.

We began planting peas in mid-April. All our vegetables are contracted with J.G.Townsend, Jr. & Co., also a family owned business located in Georgetown, which processes the vegetables for the frozen food market. Townsend’s also does all the harvesting since they have the specialized machines needed for vegetables.

Corn planting began April 20th and was followed by lima beans and soybeans with everything in the ground by July 8th. Our son, Jerad handles most of the planting for the farm. He uses a no-till planter and enters the variety and desired seed population and fertilizer rates into a computer module in the tractor. This technology is called Precision Ag. Roland handles all the pesticide and nitrogen applications with a self-propelled sprayer. The sprayer’s computer is used to record chemical names, EPA ID #s, rates and date of applications, as well as, wind and
soil conditions. These are all required as part of the Nutrient Handlers License and this information must be maintained on the farm for at least 2 years.

During this time period, Roland, III has been spreading fertilizer, tilling ground for lima beans and assisting in the planting of soybeans. Remember all the rain and the flooded ground around Sussex County earlier in the year. Now we are praying for rain!

Our pea harvest in mid-June produced a very good yield but wheat was a different story.

The loss of several acres due to flooding over the winter, snow geese damage, and the lack of rain during the development of the grain resulted in a poor crop. I documented the yields and called our crop insurance agent to file a claim. Once all the crops had been planted I filed planting reports with the Farm Service Agency and our crop insurance agent. But the work was far from done. The lima beans needed nitrogen and had to be cultivated, soybeans were sprayed for weeds, constant scouting of fields was needed to check for insect or disease problems, and irrigation had to be managed.

We grow 540 acres under irrigation in 6 different locations and it was used extensively over the summer. Three of the systems are electric and we participate in an off-peak program with Delaware Electric Coop. We agree not to run the systems during the peak hours of the day and in return receive a cheaper rate.

All farmers in Delaware are required to have a Nutrient Management Plan for their farming operations and ours is due for renewal in March of 2011. Roland met with our nutrient planner in August to begin this process. The next step is to pull soil samples from each field as it is harvested. These samples are sent to the U of D for analysis.

Our corn harvest began Sept. 2 and as expected we saw our yields reduced by 20-60% on the dry land. Most of this was caused by drought but we also suffered substantial deer damage. Farmers lose thousands of dollars each year in Sussex County due to the over-population of the white-tailed deer.

Remember I said in a typical year grain prices usually fall during the harvest season. This year has not been typical. Recent reports put out by USDA have shown increased demand and smaller yields for corn in the mid-west. Soybean exports remain strong and the result has been a sharp increase in this fall’s prices for both commodities.

Cover crop and wheat plantings have been taking place throughout the harvest season. The use of cover crops is especially important this year because reduced corn yields result in a higher than usual amount of residual nutrients left in the soil. The cover crop recycles the nutrients
that would have been lost through leaching during the winter months. Our goal for mid-November is to have finished the soybean harvest and have 500 acres of wheat planted.

I’ve mentioned some of the Best Management Practices, known as BMP’s, we use on our farm. Nutrient Management Plans, soil testing, cover crops, no-tilling practices, and Precision Ag help to sustain Agriculture and protect the environment. As “Stewards of the Soil”, we recognize that past farming practices have been detrimental to water quality but many changes have taken place on farms throughout Sussex County, through the use of BMPs that are based on sound science.

As we near the year’s end, many farmers and other small business owners are watching Congress to see what action is going to be taken with Estate Taxes. On Dec., 31, this tax will revert back to a million dollar exemption and everything above that will be taxed at a 55% rate. Farmers typically have a high percentage of their estate value tied up in land, machinery, and buildings – these are necessary in the operation of every farm. If a farmer in Sussex County owns 200 acres and at his or her death it is appraised at $10,000 dollars / acre, that estate has at least a $2,000,000 value without any other assets included. Subtract the $1,000,000 exemption and the estate tax will be at least $550,000. If cash isn’t available in the estate, assets that are a part of a viable business, and often supporting more than one household, will have to be sold to pay the tax. Does this make any sense? The current law needs to be changed soon, or there will be many small family businesses like ours forced out of business.

I would like to thank you for your attention. I hope I have given you some insight into what is involved in the production of your food.