

Farm Futures

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Farm alliance

When three Illinois farmers decided to pool their resources and expertise, they just hoped they could keep it together. They had seen other farmers try – and fail. Jeff Brown (left) of Blue Mound and Aaron Gingerich (right) of Lovington, along with Vince Reincke of Hillsboro, reduce equipment costs through shared machinery, lower input costs through bulk buying and leverage each other's talents to intensify management. What began as a solution to rising costs has evolved into a thriving agricultural alliance. Now in their sixth crop season, they're wondering what it will look like when the next generation continues this unique partnership. Turn to Page 2 to learn more.

PHOTO BY PAM CARAWAY

3-farm alliance built on single vision

BY PAM CARAWAY

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First, they were neighbors who bought and sold from each other. Then they became friends. And at some point, they joined the same peer group. That's when three Illinois farmers discovered similar challenges — and started talking about a solution.

"We kind of were all asking some of the same questions," said Aaron Gingerich, Gingerich Farms & Trucking, Lovington.

Gingerich, along with Jeff Brown of Blue Mound and Vince Reincke of Ag Partners LLC in Hillsboro, met three times in 2019 to outline their plan, lay a foundation, and share concerns and goals.

Top goal: Keep it together. They'd seen others fail. To succeed, they discovered, takes a lot of effort.

"A lot of people couldn't or wouldn't put the effort in to work together the way it takes us to have to work together to make it work," Brown said.

All three agreed the management side is intense.

"It does look a little corporate. There would be some families that look at this and go, 'Oh, that's way too corporate for a farm.' Just the way we have to interact with each other is very corporate," Brown said. "We have to have meetings, and we have to have vendors meetings. We have weekly meetings, monthly meetings, all this stuff."

COUNTING ON COOPERATION

Each farmer manages his own ground. They share equipment. They share employees. They buy in bulk. They keep highly detailed records, particularly in regard to the hours machines and people run on which acres. Sometimes one has to write a check to another.

Their partnership is modeled after early cooperatives, which were designed to deliver higher returns to farmers.

"We're essentially a buying pool," Gingerich said.

"We get to retain the savings at the field level," Brown added. "Co-ops lost their focus."

With three large farms working together, they can more intentionally manage the priority areas of the businesses: agronomics, financials and



Detailed records help ensure level contributions among the three partners. Jeff Brown (right) leads the financial reporting, and Aaron Gingerich leads the agronomic management. PAM CARAWAY



Vince Reincke leads the marketing strategy for the three-farm alliance, organized to improve the margins for each operation. RICH SAAL PHOTOGRAPHY

marketing. Agronomics is Gingerich. Financials is Brown. Marketing is Reincke.

"We go to each other's strengths," Reincke said. "I don't have to be good at everything. I can focus on certain things."

Now in their sixth season, they say their partnership eliminates redundant expenses and creates efficiencies that none could achieve alone. What began as a practical solution to rising costs evolved into a thriving agricultural alliance. Their success demonstrates that in farming,

as in many industries, strength lies in numbers, and cooperation can lead to sustainability and profitability.

Some days, going it alone seems easier. But only briefly, Brown said. "Anytime we think that maybe we can do this on our own," he said, "it doesn't take long to figure out that, 'No, I can't do this.'"

What they can do, Brown said, is grow. "It takes a lot of work and a lot of structure to create it. But once you create that, then it's scalable," he said.

5 tips to form successful partnerships

Farmers who consider joining forces to enhance their input-buying power, improve management efficiency and strengthen their leadership team need to evaluate these five areas, according to Illinois farmers Jeff Brown, Aaron Gingerich and Vince Reincke:

1. Complementary skills.

Look for partners who excel in different operational areas.

2. Shared values.

Align on basic strategies and ethics.

3. Long-term relationships.

Trust and respect are essential.

4. Age diversity.

The age spread among partners provides different perspectives and supports succession planning, aiding continuity and pacing the leadership transition.

5. Speaking truth.

Be up front in discussions and keep detailed records.

When that happens, it will be a carefully thought-out move, just as when they started. "It's scalable to some extent, but it just goes a lot better if you have a job for everyone," Gingerich said. "So, if you had to pick up another person like Jeff or another person like me, what would that look like? Where are they going to fit? Because that might break our model a little bit."

What won't break the model is bringing in the next generation, which is already underway. For each partner, the next gen begins as an employee — with a career track to owner. The track plays to that family member's strengths, which may not be the same as Dad's.

"They're each going to have their own thing they're good at," Gingerich said. "Instead of teaching them everything, we will focus on their interests, their strengths. It gets us better managers faster."

But also, slower. Brown, Gingerich and Reincke also have a wide age range.

Brown figures he'll be the first to step back from leadership. He said he'll "get out" with confidence that the farm is in good hands with his partners and the next generation.

"I've got some really sharp guys who won't let my kids get stupid," Brown said, "I win. The family wins. Our legacy wins."

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Buy land? Store grain? Run the numbers first

BY PAM CARAWAY
pam.caraway@farmprogress.com

INTEREST RATES INCREASE the intensity of farm financial management this year, particularly affecting farmland purchase decisions and grain storage profitability.

"The challenge for lean times in agriculture is it requires more management," said David Widmar, managing partner at Agricultural Economic Insights. "We have to make sure that we're double-checking, we're rechecking, and that our plans are still going to work."

Widmar recently ran the numbers on the price of farmland, equating it to years of cash rent. The bottom line is that producers have never had to save more for a down payment than they do now, Widmar said on an episode of Ag Marketing IQ In Depth, available at FarmFutures.com. His figures show farmers need "12 years of cash rent for that

Ag Marketing IQ

ANALYSIS

down payment today compared to much lower levels in the past."

To put a finer point on the purchase, he said: "It takes about 3 acres of farmland to make the payment on 1. So, you have the acre you bought plus 2 others. And it wasn't that long ago that it took about 2 acres."

DISTORTED ASSET VALUES

One critical relationship often overlooked is the impact low interest rates have on asset values.

"Low interest rate distorts asset values to the upside," Widmar explained. "If you think about where we are in the farmland market, it's at a 2.2% cap rate. But we're borrowing somewhere considerably higher, somewhere around 5%

or 6%. And so that's what's creating a big wedge for producers."

With these prices and rates in mind, Widmar challenged the conventional wisdom of expanding to increase profit.

"If we're just pursuing bigger strategies for the sake of bigger strategies, and we're not tracking how it affects our cost of production, it can put us into a really difficult spot," he said.

Interest rates dramatically increased grain storage expenses. During the recent period of low interest rates, Widmar calculated that the cost of storing 100,000 bushels of grain for five months was around \$5,000. In 2026, however, "we're in a scenario where it's going to cost about \$15,000 to store that 100,000 bushels of grain," he said.

Farmers should check their numbers before making decisions based on the strategies that worked in recent years. Widmar said the starting place is crop

production and storage budgets.

"When we have things change like our production costs, or especially our variable production costs, or we have higher interest rates, sometimes we get into a new environment, a new era, and we have to make sure our rules of thumb are still applicable," he said.

DON'T WAIT FOR THE FED TO ACT

Fed-driven interest rate decisions are neither the problem nor a solution, Widmar said. "There's a big gap between what the Federal Reserve does on the Open Market Committee for the FOMC Fed funds rate and what we see as producers," he explained.

Instead, Widmar watches 10-year treasuries. "Ten-year treasuries have been trending up since the end of February," he noted. "So that's going to be a headwind for the argument that we're going to have lower farm interest rates."



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Eyes on the economy

Dr. Kohl's Commentary

OPINION

BY DAVE KOHL



THE U.S. ECONOMY is increasingly split into tiers, with much discussion at the macroeconomic level regarding the K-shaped (two-tier) or E-shaped

(three-tier) divide. In either case, a small segment at the upper end of the wealth and earnings spectrum appears to be driving most spending and investment.

Evidence includes major airlines adding more first-class seating and strong demand for luxury goods and services. For many in the middle- and

lower-income segments, however, inflation, job insecurity and simply making ends meet remain daily realities.

For those checking our country's economic health, here's what to watch:

Who's landing jobs? Watch job numbers and unemployment closely — particularly which segments are losing jobs. Corporate "C-suite" directives to reduce the labor force through AI automation and robotics are real and accelerating. The emphasis on profits over people continues to drive earnings and stock values.

Employment numbers are typically lagging indicators of the economy, but they could become predictors of the depth and duration of the next downturn or recession. Pay particular attention to job availability for recent university graduates, beyond those entering the skilled trades.

Consumer sentiment: Record low.

A key metric to watch is the Index of Consumer Sentiment, published monthly

by the University of Michigan. Current readings are in the red-light range, meaning below 75. A record low of 47.6 was posted in April, which is a dangerous level for the general economy. This signals that a large share of the consuming public is under financial stress and pulling back. That is significant because consumers drive roughly 70% of the U.S. economy.

Sentiment is closely tied to stock market performance and housing values, a concept known as the "wealth effect." Research suggests that for every \$1 increase in stock equity, spending rises by about 5 cents. In housing, a \$1 gain in value corresponds to roughly 7 cents in additional spending.

The reverse is also true. When asset values fall, spending tends to decline by roughly double the rate of the gain. Economists call this the "negative wealth effect." The most vulnerable group is individuals over 60, whose wealth can be significantly impacted by corrections in stocks or housing. Spending declines of up to 20% are possible. As individuals age, the fear of outliving their savings

intensifies, often leading to a "bunker mentality" around spending.

Investment lockup. The chaotic economic environment is also now impacting investments. The housing market, which represents 1 in 7 jobs in America, is showing distress.

First, the rate of home sales in March was negative 3.6% year over year. Potential home buyers canceled over 16% of purchase contracts in recent months as the result of economic uncertainty. In the farm and ranch sector, new machinery sales are dramatically softer nationwide. These elements must be closely monitored over the next few months.

THE BOTTOM LINE

This summer will serve as a real-world test of resilience for consumers, equity markets and housing markets alike. The data points discussed here are worth reviewing regularly.

Kohl is professor emeritus in ag and applied economics at Virginia Tech. He is president of AgriVisions LLC, a consulting business to global ag organizations.

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Top ag minds tackle critical farm issues at FPS

BY PAM CARAWAY

pam.caraway@farmprogress.com

BRAZIL. COMMODITY MARKETS. Farm succession planning. Cruz and Kruse. Blythe and Potter. Brown and Downey.

The people and the topics that draw farmers to the print and digital pages of Farm Futures will be at the front of the room and top of mind on the main stage at the 2026 Farm Progress Show in Boone, Iowa, on Sept. 1-3.

The Farm Futures panels will be on stage from 9 to 10 a.m. Check these out:

SEPT. 1: THE BRAZIL FACTOR

How does Brazil's production influence the global grain market? A panel of farmers and brokers will discuss the impact on U.S. farmers.

Panelists so far are:

- Cesar Cruz Jr., director of research at Advance Trading Inc.

- Iowa farmer Matthew Kruse, president of Commstock Investments, who also farms in Brazil

- Ben Potter, Farm Futures editor

SEPT. 2: MARKETING FOR STRONGER MARGINS

The question isn't whether farmers can grow a crop, it's whether they can manage high-priced inputs while still driving enough yield to make a profit. Leading grain marketers and farmers offer thoughts on market strategies that help farmers make pricing decisions.

Panelists include:

- University of Minnesota marketing specialist Ed Usset
- a broker from AgMarket.Net
- Bruce Blythe, Farm Futures senior editor of commodity markets

Usset will offer his book "Grain Marketing Is Simple (It's Just Not Easy)" for sale and signing following the session.

SEPT. 3: HOLDING ON TO THE FARM AND THE FAMILY

Families across the country are focused on navigating the treacherous path to farm transition. The only way farm transition is successful is when it also holds the family together.

Confirmed panelists include:

- Mike Downey, succession planning manager at UnCommon Farms
- Jolene Brown, author, farmer and family business consultant

Brown will also offer books for sale following the session.

SAVE THE DATE

The Farm Progress Show is open daily from 8 a.m. to 4 p.m. at the Central Iowa Expo, 1827 217th St., at the intersection of U.S. Highway 30 and state Highway 17.

Visit FarmProgressShow.com to learn more about what the show will have to offer.



In the World Cup of commodities, it's Brazil vs. USA in a global market battle. At the 2025 Farm Progress Show, Cesar Cruz Jr. (left) with Advance Trading Inc., Matthew Kruse with Commstock Investments and Ben Potter with Farm Futures discussed South America's ag industry — where it is and where it's going. All three will be back on the main stage Sept. 1 at this year's show in Boone, Iowa. BRUCE BLYTHE



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Farmers delay equipment purchases as production drops and costs keep climbing

Ag Equipment Outlook

ANALYSIS

BY ANDY CASTILLO

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BETWEEN TARIFFS, RISING oil prices, labor shortages and globalizing crop production, agricultural machinery manufacturing is facing persistent headwinds.

What's the downstream impact for farmers? Declining inventory and presumably higher prices for some equipment.

As raw material costs go up, almost 90% of dealers predict prices could increase by 1% to 6% through the end of this year, according to a report by industry magazine Farm Equipment.

Notably, though, that doesn't apply to everything. The latest Sandhills Global industry report noted general sideways or downward pressure on auction values for used equipment. The report attributes rising input costs to buyer hesitancy.

After all, higher equipment costs are just one more blow to U.S. farmers fighting to find a profit in the slim margin between production costs and commodity prices.

"I would like to see a 'white swan' every now and then, because it seems like everything is a 'black swan' these days," said Iowa farmer April Hemmes. "My nitrogen and fertilizer price was up 30% last year. Now, they're talking another 30%. That's becoming hard to take with the high fuel prices, too."

For the second half of 2026, experts predict the ag machinery industry will stabilize as farmers who have delayed purchases replace their aging fleets.

MANUFACTURING SHIFTS

Second-quarter earnings reports from machinery manufacturing companies reflect these challenges, with lower year-over-year agricultural equipment sales. The North American large-ag-equipment market is expected to decline by 15% to 20%. Machinery brands, which operate in a global business environment, are slowing output to cut operational costs.

"We're underproducing versus retail in 2026 by about 4%," said Jim Nickolas,

chief financial officer of CNH Industrial, in a first-quarter earnings call.

Dealer inventory has flattened as a result, amid "historically low industry demand in North America," according to CNH CEO Gerrit Marx.

Tariffs are having a significant impact, with an expected "full-year cost of \$120 million on the ag business," according to Nickolas, while transportation expenses are up due to the ongoing Iran conflict.

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major equipment brands, including John Deere and Case IH, shifted some manufacturing to Mexico, while Claas moved production of its Lexion 8000 combine harvester from Omaha, Neb., to Germany.

LATEST EARNINGS

Amid these challenges, CNH Industrial reported consolidated net income of about \$10 million in the first quarter of 2026, down significantly year over year, with manufacturing fully booked through the second quarter.

Agco Corp., likewise, “delivered healthy first-quarter sales and margin results,” according to CEO Eric Hansotia, profiting \$55 million in the first quarter.

John Deere posted a \$656 million profit, even though net income fell by 25% year over year. Construction and smaller-scale equipment sales drove revenue.

For the second half of 2026, experts predict the ag machinery industry will stabilize as farmers who have delayed purchases replace their aging fleets. That’s starting to happen, according to the Association of Equipment



Major equipment manufacturers shift production as tariffs and rising costs reshape the agricultural machinery industry. SCOTT OLSON/GETTY IMAGES

Manufacturers’ latest ag machinery industry report. Combine sales ticked up 3.4% year over year in April, while tractor sales fell by about 1%.

“The April sales results of farm tractor

and combine sales show the lingering softness in the equipment market,” said Curt Blades, senior vice president at AEM. “These reflect the lingering challenges and uncertainty in the ag

economy. The progress on a U.S. farm bill is encouraging and creates hope for more long-term growth.”

AWAITING OPTIMISM’S RETURN

Buyer sentiment will undoubtedly turn upward if those black swan events fly away for good — although if the recent past is any indicator, that might not happen anytime soon.

“If fuel prices fall, we’re sure to see a significant rise in [used truck] sales,” said Scott Lubischer, manager at marketplace publication Truck Paper. “Some organizations have been able to delay upgrading their fleets, [but] trucks and trailers will only last so long, and aging inventory will have to be replaced.”

Meanwhile, farmers like Hemmes are continuing to cut costs where they can, waiting out the down cycle if a need is not urgent.

“I’m not going to replace any equipment unless something major happens,” Hemmes said, highlighting plans to “clamp down and only buy what I need, not what I want.”

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OPINION

BY DON TYLER



A FAMILY MEMBER fails to perform their job at the expected level, has a poor attitude, and behaves in a manner inconsistent with the family's and the

business's core values. They've been told their behavior is inappropriate, but what can be done to a family member?

At a different business, an employee does their job well, but is hard to work

with, speaks inappropriately to co-workers and disrespects their leaders.

Whenever someone confronts leadership about the issue, the answer is always the same: "I know they are hard to work with, but they will be hard to replace. We can't afford to lose them."

Both of these situations have gone on for years. The individuals have been "spoken to" about their behavior, but no change has occurred.

While some people might casually say that the situations are "mismanaged," in a business sense, these are examples of a failure of leadership.

MANAGEMENT VS. LEADERSHIP

In a business environment, management can be defined as "the process of accomplishing business goals through people

and other resources." A manager's focus is on business goals and making the most of the available resources. Without this skill, the business will eventually succumb to inefficiencies, lack of production and dwindling profits.

By contrast, leadership in business is "the process of accomplishing goals through vision and personal influence." See the difference? Business goals are still the main priority, but a leader's focus is on the company's long-term vision and their personal interactions with people. They not only seek what is best for the company but also want employees to reach their full potential.

When efforts to modify employee behavior fail, leaders must take deliberate action and not allow problems to persist. Leaders must lead. Family members

and employees in the business watch to see how the leader responds to situations that affect them directly.

When a behavior is first noticed and reported to a manager, if the behavior doesn't change, the employees lose faith in the manager. If the situation continues unabated, eventually, employees lose faith in the leadership.

INFLUENCE, INTEGRITY AND HUMILITY

Leaders must be consistent in behavior, attitude, decisions and strategies, and ensure that they align with the company's core values. Any deviation from this consistency reduces the trust and confidence that the managers and employees have in their leaders. Leaders should exhibit influence, integrity and humility:

Influence. When asking people about the traits of those who influence them, some of the most common responses are: wise, knowledgeable, experienced, see me as an individual, respected by others, humble, consistent, easy to trust and willing to confront me about things they see that I need to change, rather

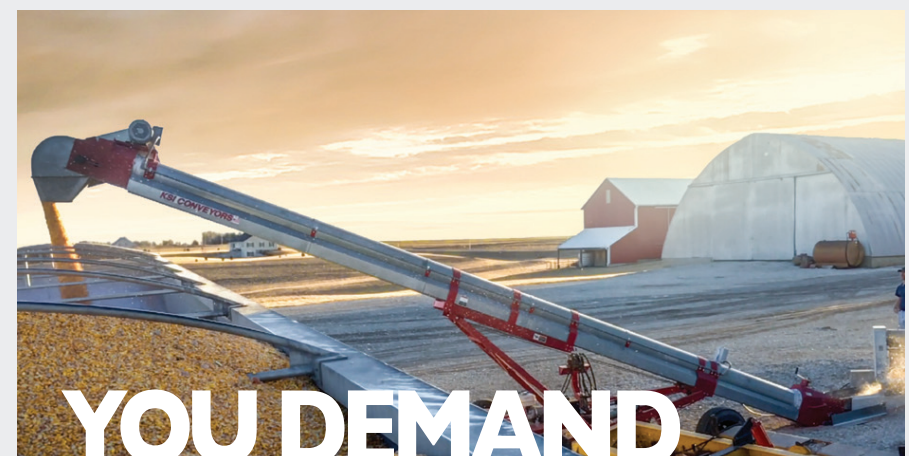


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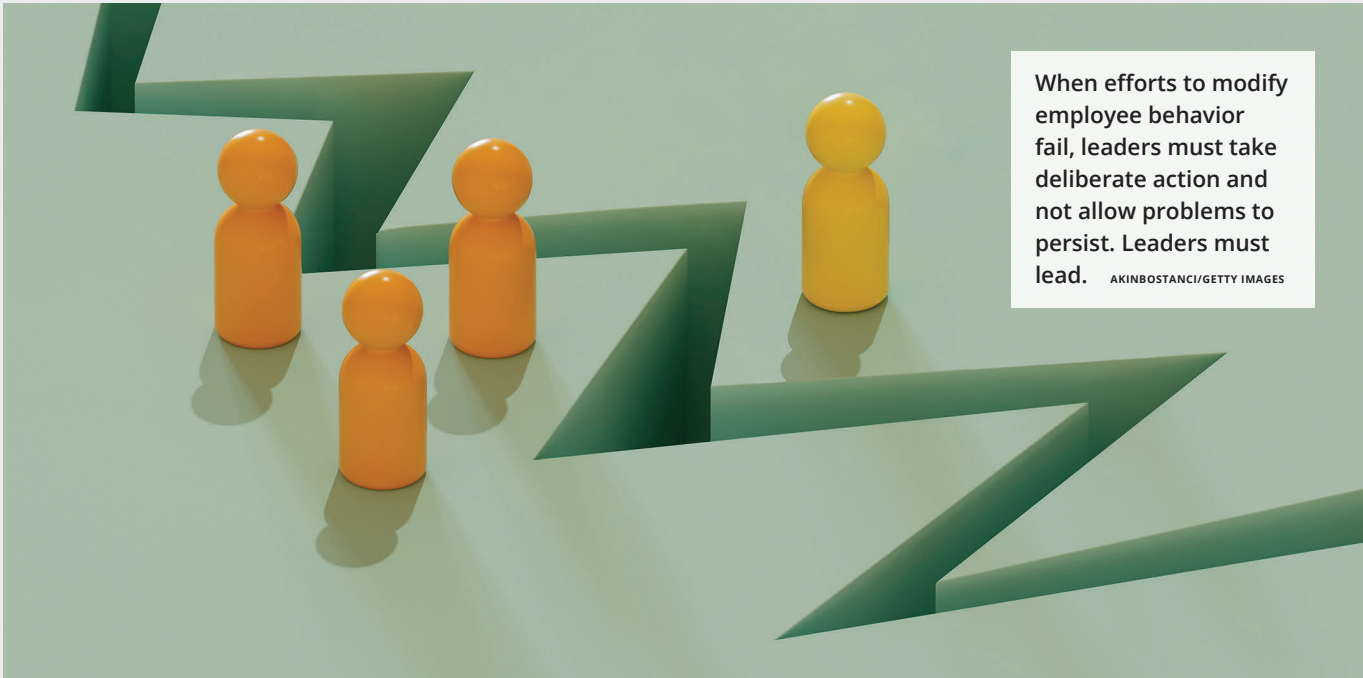
than just say the things I want to hear. Developing these traits is essential for developing influence.

Integrity. Integrity is built by following through on the things one says they will do. Leaders with integrity don't just stay aligned with the core values — their entire life is an example of all their values. They do the right thing regardless of the personal cost to themselves, or the financial cost to the business.

Humility. Humility is best defined as “a mindset that is focused on the needs of others rather than status, position or power.” Humble people define success as a collective pursuit rather than individual accomplishments.

Employees are tired of prideful, self-centered, egotistical leaders who don't acknowledge the contributions of their people. A lack of humility in leaders makes it very difficult for most employees to be good followers, or to even desire to be a part of that team.

Leaders have to make difficult decisions for the benefit of the company, family, customers and employees. And



When efforts to modify employee behavior fail, leaders must take deliberate action and not allow problems to persist. Leaders must lead.

AKINBOSTANCI/GETTY IMAGES

they have to consistently do so with integrity and humility. Leaders who lack humility, integrity or the ability to affect change will lose the trust of employees, managers and family members.

A leader who can successfully navigate difficult situations, including discipline, with the right attitude will gain respect and loyalty from their people and be able to influence their business

in the right direction.

Tyler of Indiana has been a management coach and adviser since 1995 for a variety of businesses, mostly in agriculture. Email him at don@dontyler.com.

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Tax returns blur your farm’s financial picture

More Than Dirt

OPINION

BY MIKE DOWNEY



HOW CAN A farm go from losing \$1 million to turning a \$250,000 profit in a financial report on the same year?

The answer isn't magic. It's math. More specifically, it's the difference between tax-based reporting and accrual-adjusted accounting.

The issue isn't performance. It's interpretation.

The farm in this case was using accrual accounting, which matches income and expenses to the period

they're earned or incurred. This provides a more accurate picture of true profitability.

The lender, however, was relying primarily on tax return data since that is the typical documentation their institution uses for compliance and loan renewals. When the farm couple asked why, the response was simple: "We don't typically get accrual numbers from our customers. We use tax returns."

The concern is that tax returns rarely tell the whole story. Tax returns often include:

- prepaid expenses
- deferred income
- accelerated depreciation
- one-time transactions

Each of these can significantly distort performance in any given year. In this case, those distortions were large enough to make a profitable operation appear deeply unprofitable.

So, the farm leaders walked the lender and their processors through the numbers line by line. They corrected how transactions were categorized. They clarified what should — and shouldn't — impact net income. They separated tax strategy from business performance.

When the dust settled, the result looked very different. Same farm. Same year. Two completely different conclusions.

WHY USE ACCRUAL ACCOUNTING

This isn't just about getting approved for a loan. Accrual-adjusted accounting is one of the most powerful tools a farm has for making better decisions. Without it, you're often making high-stakes decisions based on incomplete or misleading information.

With it, you can:

Make better management decisions. Accrual accounting gives you a true picture of profitability, not just cash flow timing. That clarity improves decisions around expansion, cost control, capital investment and transition planning.

Understand trends over time. Year-to-year comparisons only matter if they're consistent. Accrual adjustments smooth out timing differences so you can actually see whether the business is improving — or not.

Evaluate enterprise performance.

Accrual-adjusted accounting is one of the most powerful tools a farm has for making better decisions.

Many farms operate multiple enterprises, such as corn, soybeans, livestock, custom work. Accrual-based analysis helps identify which are truly profitable and which may be quietly draining resources.

Strengthen lender conversations.

When you can clearly explain your numbers and reconcile them to your tax return, you build credibility. That can impact credit availability, terms and overall confidence in your operation.

Separate tax strategy from business strategy. Tax management is important. But when tax decisions drive business decisions, it can lead to poor outcomes. Accrual accounting helps you keep those two objectives aligned but not confused.

Simply put: It's difficult to make good decisions when relying on poor information.

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Tax-based reporting and accrual-based accounting paint different pictures.

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\$250K profit

\$1M loss

THIS MATTERS NOW MORE THAN EVER

As farms grow in size and complexity, the gap between tax-based reporting and management-based decision-making continues to widen. That gap can affect:

- lending decisions
- credit availability
- interest rates
- risk ratings
- growth opportunities
- transition planning

And in today's environment, with higher interest rates and tighter margins, that gap matters more than ever.

TAKE OWNERSHIP OF YOUR NUMBERS

Farms that are proactive in lender conversations tend to do a few things differently:

- They understand both tax and accrual performance.
- They reconcile differences ahead of time.
- They bring their own analysis to the table.
- They communicate clearly and confidently.

In other words, they don't assume the lender sees what they see. They make sure of it.

FINAL THOUGHT

At the end of the day, this isn't just about accounting methods. It's about control. Farms that understand their numbers — and clearly communicate those numbers — put themselves in a stronger position with lenders, partners and stakeholders.

Before your next financial conversation, ask yourself:

- Are you equipped to walk your lender through your accrual-adjusted performance?
- Is your lender using the same numbers you are to evaluate your credit?

Because when the numbers don't align, the outcome might not either.

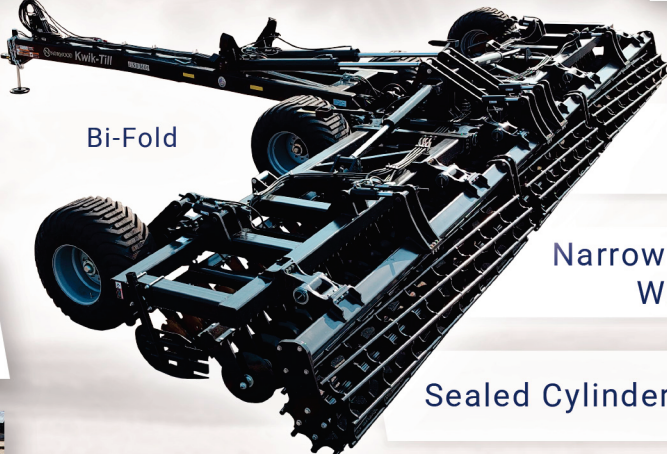
Downey has been consulting with farmers, landowners and their advisers for nearly 25 years. He is a farm business coach and manager of succession planning at UnCommon Farms. Reach him at mdowney@uncommonfarms.com.



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Profitable farming demands a corporate mindset

This Business of Farming

OPINION

BY PAM CARAWAY

pam.caraway@farmprogress.com



FARMING IS THE business that funds a way of life.

You couldn't say that 30 years ago, but times have changed. Farming isn't just a way of life. It's a business.

Say it loud and proud, because that's how you get folks to think about the financial side of this rural life we love.

Doing it may be harder than saying it. Farmers often are more confident in their ability to grow things, from cattle and corn to watermelon and wheat. They're pretty good at growing families, too — the kind that harvest responsible adults.

Ag editors also aren't necessarily great at looking at our roles from a business angle. We live on the other side of a firewall from the sales side of this business we're in because we must focus on what's best for our audience. Those who forget that lose their credibility, and eventually, their audience. But we are in the business of disseminating content for profit.

Farmers don't have the luxury of living only on the production side of the business. Farmers simply are in the business of growing things for profit.

About now you're wondering where I'm going with this, because you're well aware that this magazine focuses on the business side of farming. And we're the journalists who have to be comfortable with numbers. So, here's the point:

It's OK for farmers to have a business mindset, even a corporate one.

Yes, I said that out loud. On purpose. I might create audio and run it on repeat. Do we need T-shirts?

We need to own it. Here's why: Because "corporate farming" is a rally cry for those who don't know what farmers do — but are convinced they're doing it wrong — and want to change it. As a result, farmers too often are ashamed to admit they're business people.

We can change that narrative by owning it.

Around 95% of U.S. farms are owned by families and operated as a business. A corporate mindset helps pave a path to profit — and clear the road for the next generation.

SAKORN SUKKASEMSAKORN/GETTY IMAGES



According to Brené Brown, overcoming shameful feelings requires four things. Here's how I adapt them:

1. Name it. In this instance, the feeling of shame comes from being called a corporate farmer. But here's what you know: Your family has a corporation because it makes good business sense.

2. Examine it. Reality-check the messages causing the shame. I'm guessing it's the people who say "corporate farmers" as though it's a dirty word, and then lump everybody with a barn and a big tractor under that.

3. Reach out. Shame thrives in secrecy, silence and judgment. Break the cycle. (Say it loud: I am a corporate family farmer!)

4. Call it out. First, I ask non-ag folks for their definition of corporate farming. (Many answers are as informed as when people are asked for the definition of GMO.) Then I offer up some facts.

WHAT IS CORPORATE FARMING?

For people outside commercial farming, "corporate" simply means big with lots of negative implications. And folks are surprised that the vast majority of farms

in the U.S. are still family operations that are incorporated for all the right business reasons.

That's when I toss around a few numbers — like that 96% of the farms in Illinois are family operations. I also note that the Hunt Brothers are the founders of the Florida's Natural brand, and that's still a family citrus operation.

USDA says 95% to 97% of U.S. farms are family farms. They are sole proprietorships, partnerships and, yes, family-owned corporations, among other business entities.

So, by adding one word to the phrase — family — as in corporate family farm, we can inform and redirect the clueless critics.

BOTTOM LINE

As always, the bottom line is, well, the bottom line. If farmers aren't making money, they can't keep being farmers, and their children or grandchildren can't take the farm into the future.

Farmers are businesspeople. And every business owner wants that business to make a profit. Not all, but most folks understand that.

A corporate farming mindset isn't a way of life. It's a way to run a business that supports the life you want to provide for your family.

You are a corporate family farmer. Take pride in that.



Farm Futures

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