



70 acres for sale, LaSalle County, near Earlville
PI=137.1; Priced at: \$9,800/ac



"Your Farmland Specialists"

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Purdue/CME Ag Economy Barometer

Purdue Ag Econ and the CME Group have partnered to create a monthly Ag Economy Barometer. They survey 400 U.S. agriculture producers, stratified by size of operation, geography and type of ag production. They also survey 100 agribusiness leaders.

The five main questions monthly: Are you financially better/worse off than 1 year ago? Do you expect to be financially better/worse 1 year from now? What is your outlook on ag economy over next 12 months? Looking five years ahead--do you expect ag economy to be better/worse? Looking at large capital investments--is this a good time or bad time to invest in capital expenditures?

The October barometer had a 22-point increase from September. Both current and future outlook increased, moving the barometer to a reading that is nearly the same as one year ago. With 100 being neutral, the October rating was 136. The highest rating since 2015 was 170 in November '16. Lowest ratings of 80-85 occurred during the winter of 2015-16.

Seventy-two percent of respondents said this is a "bad" time to invest in capital expansion. Also, land value expectations interpreted as neutral-with relatively low percent expecting either increase or decrease.

Vertical Farming:

Are we watching a new and broad shift in ag production with the new wave of vertical farming? Will it bring more opportunities to the Midwest?

Several firms such as "GreenSense Farms" in Portage, Indiana and "MightyVine" in Rochelle, IL are creating new production techniques for growing fresh produce year-round. These are occurring in either greenhouse climates or totally inside warehouse environments with artificial/LED lights. These are just two examples with many others developing new strategies and techniques as well.

"Green Sense Farms is transforming farming by growing leafy greens in stacking vertical towers, 365 days a year. We grow high quality crops consistently, using automated computer controls, which provide the precise amount of light, nutrients, water, temperature, and humidity, so we can harvest year-round." Their first farm was in a 30,000 SF warehouse. They have partnered with others in the U.S. and China.

"MightyVine uses glasshouse technology pioneered in Holland. The model creates its own little ecosystem, from using rainwater and snow melt capture to avoid water waste, resulting in using only ten percent of the water of field grown tomatoes, to natural bumblebee pollination and sustainable, all-natural pest management techniques."

Currently producing fresh tomatoes in a 15-acre greenhouse. MightyVine ships over 700,000 pounds in a given month.

Sources: Respective company websites.

CME Trading Volume Soaring:

Bloomberg News recently reported that average trading volume on the CME increased 13% during 2018 through September. This compares to only 1% increase in the previous year. Average daily volume is now at the highest level since at least 2008.

In addition, open interest in the ag complex reached a record level of 10.1 million contracts on June 19. However, the ag complex was not the only beneficiary. Both aluminum and copper trading volumes were at or near record levels; with increases of 24% and 35%, respectively.

What does this mean for ag producers? It reflects high volatility in the markets. First, there were production problems in Russia, then Europe, Australia and Argentina. Second, there were trade talks and tariffs attached by the U.S. All of this created new volatility as questions were raised on overall supply and demand.

Increased volatility means high probability of larger price swings. This brings both opportunity and higher risk.

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A Few Interesting Items

New non-addictive drug to replace opioids:

Purdue University researchers have developed a new compound that could lead to treatment of chronic pain without the need to rely on opioids. "The compound shows unparalleled selectivity in inhibiting the adenylyl cyclase (AC1), making it a potential target for treating pain and reducing the dependency on opioids for pain management." According to Val Watts, professor of medicinal chemistry and molecular pharmacology and associate dean for research, "This compound shows promise in inhibiting one class of AC1, which could decrease physical symptoms of opioid addiction withdrawal, and that could help reduce psychological dependence." In 2016, 116 people died each day from opioid-related drug overdoses.

Fresh vegetables from under your kitchen counter?

Heliponix LLC, founded by two Purdue University graduates, has begun taking orders on its GroPod, a dishwasher-sized device that fits under a kitchen counter and grows produce year-round. "The GroPod uses aeroponics, an efficient form of hydroponics that mists the plant roots rather than submerging the roots in a nutrient reservoir. It also uses targeted light-emitting diodes that give off the optimal light spectrum for photosynthesis."



A \$5M Energy Crop Study

A University of Illinois crop scientist will lead a team in a 5-year study of new crops that could contribute to the production of affordable, sustainable sources for market-ready fuels and other valuable products. The team will assess field-scale yield of advanced switchgrass varieties for pre-commercialization. Team members also will examine other warm-season perennial grasses such as switchgrass blends, big bluestem, prairie cordgrass and Miscanthus. The study is supported by the Dep't of Energy Bioenergy Research Center. This center is studying energy crop trait improvement, automated conversion of biomass into useful and valuable chemicals, and the economic and environmental sustainability of bioenergy crops and processes. Their goal is to "speed adoption of practices that increase the growth of this new energy supply while reducing cost."

"LIFE ON THE FARM" By Eric Manges

Making Tough Decisions

All of us face tough decisions in our life. We face obstacles in our jobs, in our family life and in our spiritual life. When we face those obstacles, we must decide how to respond. Do we respond positively or negatively?

If we lose a job due to a layoff or reorganization--do we dwell on the "unfairness" of the move? Or, do we use it to motivate us and move on to the next opportunity? If we face a divorce--do we dwell on the negative issues that caused the divorce? Keep blaming the other party and seek revenge? Or do we 'move on with our life' and see new possibilities?

Some decisions may seem trivial at the time. But those small/trivial decisions may have major consequences later. Other decisions are major by anyone's standards. In the long run, we are a result of all those decisions we have made during our lifetime. Did we say NO and try to 'stay in the same place'? Or did we say YES, I will go?

In farming, often those tough decisions involve generational changes. Losing the generation that started and/or grew the farming operation. Now what happens to the farm? Are we able to keep it for the next generation? If we must sell, how can we be fair to all siblings of this generation?

God calls us in many ways and in many different situations. He reminds us that His plans may be different than the plans we had for ourselves. Jeremiah 29:11 reminds us: "For I know the plans I have for you," declares the LORD, "plans to prosper you and not to harm you, plans to give you hope and a future."

But, Jeremiah 29:12 requires a response: "Then you will call upon me and come and pray to me, and I will listen to you. You will seek me and find me when you seek me with all your heart." May we all seek God for answers to our tough decisions.