

Farmers' Eyes On 2011 Harvest, But Look Ahead To 2012 And Beyond

LITTLE ROCK, ARK.

Even though their eyes are on this year's harvest, farmers are looking at 2012 and beyond, Brent Griffin, Prairie County extension staff chair for the University of Arkansas Division of Agriculture, said Tuesday.

"When the combine starts to run, a lot of decisions are being made for future growing seasons," he said. "We have folks farming today making plans as far out as three to four years, not even knowing if they will survive the current year."

Among the challenges staring farmers in the face: higher fuel prices, higher fertilizer prices and a very volatile commodity market. There are also pressures for farmers to make their decisions earlier – prompted by discounts from seed companies and the need to lock in fuel and fertilizer prices before they swing even higher.

"Discounts are offered if farmers will lock in a particular seed variety by an early order date, usually Nov. 1," Griffin said.

These discounts will vary from 5 to 20 percent, depending on the dealer.

"Then you have to throw in the early pay – or cash discounts – or special financing terms being offered to further entice growers," he said. "All this being said, the producer is locked into next year even if commodity prices fluctuate."

The ag sector will be watching the market

closely on Wednesday when the USDA Supply/Demand and Crop Production reports are issued.

"Commodity prices really collapsed in September," said Scott Stiles, extension economist for the U of A Division of Agriculture. "For now, prices appear to be in a holding pattern, waiting for Wednesday."

For producers, it's a market gamble and farmers have to have a good line of credit to make it all work.

"Farmers today are more mindful of break-even commodity prices and forward contracting" which is booking or selling their crop in advance of harvest, Griffin said. "A few hit a home run and a few strike out."

Crop producers can obtain help from the agricultural economists of the University of Arkansas Division of Agriculture. There are on-line crop budgets to help growers plan.

"Crop enterprise budgets for 2011 are the culmination of a two-year effort to provide enhanced services to producers," said Archie Flanders, assistant professor-agricultural economics for the University of Arkansas Division of Agriculture. "The new program combines skills of state and county faculty to provide economic analysis to farm operations which was previously not available at the individual producer level."

The 2012 crop enterprise budgets will be posted online in early December 2011. Δ



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