



Southwest Family Farms

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2021 Recap

What a year! Yes, every year has its challenges and obstacles, but that's what makes life on the farm interesting and fun. It's no secret that Covid 19 has affected everybody's life in some way over the past year and a half, and will continue to for years to come. Fortunately, and most importantly, our family and staff have all remained healthy and continue to work together managing the challenges we face daily. When you take all of these challenges together and couple them with dealing with the elements that Mother Nature throws at us, it truly takes a team working together to succeed.

For the most part, our growing season went well. The last part of summer was dry, but we still had one of the best irrigated corn crops our farm has ever produced. Our irrigated soybeans and cotton crop both yielded below average, due to a very hot, dry August. The late heat, however, provided the cotton crop with favorable conditions to finish the cotton to obtain good quality grades after it was ginned.

Clint and Brett sprayed the Morton County dryland wheat for weeds and then turned around a week later and sprayed for aphids. As they crossed the fields with the sprayer the yield potential was looking very grim. The wheat was stressing very hard, but the investment in the insecticide would eliminate the stress the insects were causing and allow the wheat to remain alive a while longer. The investment in the application proved to be extremely worth while, and two weeks after the application we finally received some rain. The spring was cool, which made favorable grain filling conditions and we ended up harvesting a very nice wheat crop.

Last year, we wrote that the wheat crop had a good start thanks to a 1" rain last September. The Seward county farm caught two big snows before the year ended which helped boost yields this summer. The Richfield farm received about 3-4" of snow and it remained dry until late April. We received a few rains that saved the crop, but it has remained very dry out there since the last of July. We are in desperate need for moisture. We will talk more about that on the next page.

We hope you and your family have a very Merry Christmas and a wonderful New Year!

Drought Looming...Again

It's like a broken record over and over again. The fall of 2019 was so dry we weren't able to plant a single acre of wheat in Morton County. Then, in 2020 we had a wheat crop that was close to failing, but a few timely rains fell, and we harvested an average to above average crop. The repeat of a dry fall again this year has left us with only two fields with marginal stands of wheat and hundreds of acres that weren't drilled.

During very dry falls, some wheat farmers will elect to "dust it in." This practice is simply planting wheat into the dry soil and hoping a rain comes soon to germinate the seed and establish a sufficient stand of wheat. If (and that's a big IF) a field that has been dusted in does catch a rain, the wheat will hopefully grow and establish a root system to sustain the young plants throughout the winter. The down side to doing this is when the drill crosses the land it disturbs the soil and creates even more dry powder. If a rain doesn't fall, the soil will sift and blow all winter. We are faced with this scenario again this year. Our Morton county farm hasn't received any rain since early August. When it was time to drill wheat, there was not enough soil moisture to get the wheat up. We attempted to drill two fields that had just a little more moisture, but the results were disappointing.

According to the US Drought Monitor, Morton County sits in a "D3 Extreme Drought" so the plan for these acres is to hope and pray. Hope the ground doesn't blow this winter, and pray it starts to rain or snow soon. Our goal is to plant these acres to corn or milo this spring. Doing this will increase our milo and corn acres tremendously. Our acres are typically spread out between 1/3 wheat, milo or corn, and fallow. In 2022 we will have 2/3 of our Morton County acres planted to milo or corn. This creates risk but also reward if the drought subsides. The increase in corn and milo acres will also put more pressure on our harvesting capacities this fall. We have applied for additional H2A seasonal farm labor to help get things done timely next harvest.

The Twin Towers of Morton County

Over the course of the last year, we installed two cone bottom bins at the Richfield farm. These two bins will allow us to purchase and store bulk dry fertilizer for our wheat crop. In the fall, our crews and trucks are all busy with harvesting corn, soybeans, and milo. Getting fertilizer delivered in a timely manner has always been a challenge during this time. Most years, we are harvesting and drilling wheat at the same time, which is a logistical challenge. Now, we are able to purchase bulk loads of fertilizer and have it stored on site. This will reduce our trucking and labor needs and allow us to more seamlessly drill wheat and harvest crops at the same time maintaining great efficiency. The bins will allow us to purchase dry fertilizer ahead of time to capture better pricing in the off season. In a land of flat nothingness, these bins stick out like a sore thumb. They stand about 41' tall and 16' in diameter and can hold about 5 semi loads of fertilizer or seed in each bin. This investment at the Richfield farm will be put to great use for years to come.



Inputs Limited and Expensive

Impacts of the Covid 19 pandemic are still reaching far and wide all across the world. When businesses were forced to shut down it put a huge strain on the supply chain. Many sectors of the economy weren't able to shut down due to their "essential" status. Hospitals, farms, truckers, and grocery workers were all still operating during the pandemic, with some of these industries working even beyond capacity to keep up with the shrinking workforce. The implications of the shut down have been huge and detrimental to many businesses. It's affecting our everyday lives and we feel like we may only be seeing the beginning of a potential crisis in the agricultural sector.

Luckily for us, we had no major set backs in our operation due to the pandemic. Most parts and goods were obtainable, but at a substantially higher price. There were a few instances where we had to rob parts off another machine at the equipment dealer, or we robbed parts off of an idle tractor to fix a machine that was needed in the field. Some chemicals were in very short supply, but fortunately our partners were able to secure the majority of our crop protection needs in order to take care of our 2021 crop. We found that the relationships that we have with our suppliers greatly enhanced our ability to work through logistics to get chemicals and supplies in place ahead of when we needed them.

We have been very aggressive and proactive in securing and applying all of our 2022 irrigated fertilizer needs for next year. We have also taken possession of about 75% of our total chemical needs for next year. Input prices have absolutely skyrocketed for next year, and there are fears of products not being available at all. Several factors have contributed to this: 1. Global workforce shortage due to the pandemic. There's simply not enough workers to keep up with the demands for goods and services. 2. Shipping constraints and bottlenecks. The ports are flooded with cargo ships waiting to be unloaded. As foreign workers go back to work to make goods, ports have been bombarded with containers to unload. Our ports aren't capable of unloading the number of ships that have come all at once. 3. Commodity prices are historically high, and to be honest manufacturers and suppliers want a piece of the pie. There are also a number of other factors that are attributing to the jump in prices: inflation, micro chips shortages, and tire shortages. The lack of supply simply leads to higher prices across the board. Tensions could be high next year as product availability tightens, but we feel positive about the position we are in at the moment.

2021 prices versus 2022

- ⇒ Round Up Herbicide up 212%
- ⇒ Liberty Herbicide up 193%
- ⇒ Nh₃ (Nitrogen fertilizer) up 342%
- ⇒ Corn price up 40%
- ⇒ Natural Gas up 150%
- ⇒ Phosphorus fertilizer up 183%
- ⇒ Irrigation Pivots up 20%
- ⇒ Equipment up 16%

