



Welcome to the Spring 2022 edition of our newsletter!

It's early May as I write this and again challenging weather conditions are the focus of most producers throughout our market footprint. Cool (cold, really) temperatures and consistent rains continue to push planting further down the runway. According to the University of Illinois just 4% of the US corn crop was planted on April 17 and virtually none in Illinois. Hope springs eternal as they say, and we all remain optimistic for a prosperous 2022. I hope you enjoy the latest version of On the Farm.



Mike Battefeld,
Western Region President

What's the buzz all about?

News releases late last year indicated that a French firm called InnovaFeed is partnering with ADM in Decatur to construct the world's largest "fly farm." InnovaFeed, headquartered in Paris, isn't necessarily new to the game; however, having been founded in 2016 by a group of four engineers, it can still be referred to as a start-up company. Progress on the Decatur facility remains largely undocumented at this point but its concept is an interesting one nonetheless.

Innova's mission, simply put, is the development of commercial insect production as a means of providing animal feedstocks. Since 2017 the company has operated a pilot production unit near Gouzeaucourt, France in



an effort to validate the industrial scale processes and to commercialize its products. By mid-2018 and through various business relationships, the first insect-fed trout was taste tested in France and, according to renowned chef Remy Giraud, it was great and "has an excellent texture in the mouth." For my purposes I'd like to see a comparison to my son in law's fresh Crappie after running it through the back yard fryer! At any rate, this insect protein thing appears to have at least some traction in Europe.

The backbone of the InnovaFeed process is the Black Soldier fly (BSF) or *Hermetia illucens* for those who were wondering. The BSF bears an appearance similar to a wasp but poses no harm to humans. The female BSF lays between 200-600 eggs at a time. Research shows that the BSF is widely used for conversion of biomass, but without a doubt the volume projected





through the ADM partnership is the largest undertaking ever.

In Decatur the plan is that the flies will feed on a near valueless waste product from corn processing and in turn yield a protein powder with an appearance much like cocoa powder and an oil with a characteristic profile similar to coconut oil. Both will be commercialized as swine and poultry feed. The Decatur facility is projected to employ 280 workers.



Trust me, it's worth another read

None of us want to think about that day when we can no longer do what we do but the harsh reality is that unfortunately that day will come at some point.

This isn't a new topic to our newsletter, but do a simple Google search on preserving the family farm then sit back and watch your

computer blow up. Commentary and advice on what you should do is everywhere and covers the entire spectrum of critical issues.

Evolution of the ag industry continues to further emphasize the need for a quality plan for what happens when you are gone or unable to manage your farm. Land values are skyrocketing and thinner margins are nearly forcing operations to grow to remain viable. Today's farming dynamic makes a succession plan more important than ever. Notice the choice of words here.....succession plan. Not just an estate plan. There's more to it than just simple mechanisms to reduce taxation or avoid probate.

You've likely spent your entire life building your financial statement by investing in land and equipment, making smart decisions, keeping up with current technology and working at it every day. There is no time like the present to invest the time necessary to develop a comprehensive plan that ensures the operation continues on even after you can no longer be at the wheel.

While this article is not necessarily meant to be a sales pitch, oftentimes a comprehensive succession plan includes a trust department relationship. There can be a significant advantage in establishing such a relationship given that a trust department's sole focus will

be the implementation of the plan you lay out, without influence from the dynamics of your heirs.

Prairie State Bank & Trust's trust department, staffed by Trust Officer Maureen Faller, Assistant Trust Officer Kyle Robinson and the Trust Steering Committee comprised of experienced ag lenders, are only a phone call away at 800-297-2977, or reach us by email to trust@psbank.net.



Ukrainian turmoil's ag impact

It seems like we've nearly become used to the news being headlined by the current conflict between Russia and the Ukraine.

Appropriately, the humanitarian side of the conflict gets the most coverage as Russia continues to bludgeon population centers, killing multitudes of civilians along the way. However, what's going on is also going to have a significant and long term impact on the global ag sector.

Framing this up statistically is an interesting process. For example:

1. Farmland covers 70% of the Ukrainian landscape and ag products are the largest export, making up nearly 10% of the GDP. Compare that to the US where 40% of all land is farmed, generating less than 1% of the total GDP. This is certainly not to diminish the role and importance of farming in the US but rather to emphasize the importance of farming to the overall Ukrainian economy.
2. In 2021 it is estimated that Ukrainian corn exports came in at 27.2 metric tons and wheat at 21.2 metric tons. The two stand for 12.8% and 10.5% of the world supply, respectively. These numbers rank the country as the #2 supplier of grains to the European Union.

While a fair portion of Ukrainian farms themselves have been devastated by the fighting, logistics may have suffered an even bigger hit. Much of the Ukrainian grain stocks in storage have been abandoned as operators have fled to safety from the Russian shelling attacks. Trucks and their drivers are forbidden from crossing borders and the Black Sea port of Mariupol and the Sea of Azov have been largely shut down by Russian naval forces. Of particular interest to US growers is the impact all of this has had, both in terms of price and availability, on fertilizers necessary for row crop production.

Unfortunately, there appears to be no real end in sight for this mess. While the political rhetoric continues so do the negatives not only for Ukraine but for the rest of the world, farming included.



Bruce Hatfield, Savoy Branch

For this edition of On the Farm we turn our attention to our Savoy office and Regional President Bruce Hatfield.

Bruce hales from the Village of Tolono in Champaign County and attended Unity High School before moving on to Eastern Illinois University, earning his Bachelor of Science degree. Today he and wife Paula live in Mahomet and are the parents of grown daughters Kristina, Haley, Hillary and Kaci. It's not hard to detect the pride in Bruce's voice when he speaks of his 7 grandchildren and 2 more to arrive this summer!

Bruce is truly a veteran banker with 46 years in the industry, the last 6 with Prairie State Bank & Trust.

Hobbies include golfing along with keeping pretty close tabs on anything Illini athletics related.

If you get the chance drop by the shop at 410 Curtis Road in Savoy. Bruce will be glad you did!

 Prairie State Bank & Trust