

PolicyPennings by Dr. Daryll E. Ray

It has been a challenging year

This past year has been a challenge as farmers have had to continue to make production and marketing decisions in the turbulence of an economic crisis that burst into view in the last half of 2008 and damaged or destroyed a number of pillars of the US economy. By the first part of 2009, what had been a domestic economic crisis created repercussions in economies around the world

While farmland has maintained its value relative to other sections of the real estate market, farmers who have diversified their holdings to include stocks have seen their net worth fall. Likewise, farm households have not been immune to issues of unemployment among parents and their children.

Added to the dynamics of the economy as a whole, farm households have been subject to their unique set of stressors.

The crop prices that seemed like they were on an ever-rising elevator in mid-2008 have remained well below their peak during the last twelve months. Still, they are well above the prices of the last ten years. At the same time, marked increases in input prices, a rain delayed spring planting, slow crop development, and wet fields at harvest have tested the management skills and patience of most operators.

While higher prices have been a boon to crop

farmers, they have been devastating to a livestock sector faced with higher feed costs and lower demand resulting from factors that include reduced consumer spending, H1N1 flu (swine flu), and changes in export levels. The result is a flood of red ink that stretches from dairy operations in California, to feedlots in Colorado, to poultry operations in Arkansas, to hog operations in North Carolina.

Yes, it has been a challenging year.

But despite the challenges, we have a lot to be thankful for: family, neighbors, and friends. Though none of us wish for hard times, they have caused us to sit back and reevaluate our priorities and to treasure those who are so important in our lives.

In addition, as writers of this column, we are thankful for our readers and the notes you send us. We wish all of you the best in the coming year.

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Originally published in *MidAmerica Farmer Grower*, Vol. 29, No. 52, December 25, 2009
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