

THE FARMER'S EDGE

Summer 2025 | VOL 30 NO. 2



HURLEY & ASSOCIATES
AGRI-MARKETING CENTERS

8 Behaviors Wise Producers Avoid

By John Melius

We often hear that "history repeats itself." But what truly repeats is human behavior, playing out through different historical events. The patterns are especially clear in agriculture, where wisdom passed down through generations still rings true today.

After nearly two decades serving agricultural producers, I've observed distinct patterns that separate the most successful from the rest. My goal in sharing these insights is timeless wisdom – I want my children to read this article in 30 years and find it just as relevant as it is today. Here are eight behaviors that wise producers consistently avoid:

Behavior 1: Misaligning Vocational Priorities

We're blessed with multiple vocations in life – spouse, parent, farmer, child, friend, community leader, coach, and more. When these vocations compete for our time and attention, it's crucial to maintain the right order of priority. Misalignment often impacts those closest to us first.

For example, our roles as spouses and parents should take precedence over our roles as farmers, community leaders, or coaches. One of farming's unique blessings is the opportunity to integrate these vocations – working alongside your spouse during harvest or teaching your children about stewarding God's creation. These moments allow us to honor multiple callings simultaneously.

Behavior 2: Externalizing Blame

Difficult times define you, diminish you, or develop you — you get to decide.

continued on page 2

IN THIS ISSUE

- 1-3 8 Behaviors Wise Producers Avoid
- 4 Consultant Spotlight: Jason Moritz
- 4-5 Moody's Cuts U.S. Credit Rating
- 6 HA Portal Highlight: New Market Plan View & Scenario Tool
- 6-7 Sustainable Corn Farming: Balancing Productivity with Conservation
- 8 Now Hiring
- 8-9 Agricultural Trade & Tariffs
- 9-10 The Hidden Risk Threatening Farm Profitability
- 11 Consultant Spotlight: Liz Waletich
- 11 Scholarship Winners

8 Behaviors Wise Producers Avoid

continued from page 1

Challenges rarely appear conveniently in your calendar. Instead, they often arrive in waves: the combine breaks down during harvest, your father lands in the hospital, you discover a flooded basement, and your toddlers decide to create a masterpiece on the living room wall with permanent markers — all before noon. In these moments, you make a crucial choice, often subconsciously: "I am a victim" or "This is my reality, and I will work through it." Wisdom lives in that second response.

When it comes to placing blame, wise producers look in the mirror far more often than they look out the window.

Behavior 3: Lacking Gratitude

Selfishness is a silent destroyer, and one of its clearest symptoms is a lack of gratitude. The antidote? Recognizing others and cultivating genuine appreciation. It's nearly impossible to remain self-centered when you consistently acknowledge those who contribute to your success.

Do you want to build stronger gratitude? Try keeping a gratitude journal. Each evening, write down three specific things you're grateful for. The key is being precise – don't just write "good weather," but rather "the gentle rain that came at exactly the right time for the emerging corn." Specificity makes gratitude real.

Behavior 4: Becoming Complacent – Regardless of Age

First, let's be clear: there's a crucial difference between complacency and contentment. Complacency means "showing smug or uncritical satisfaction with oneself or one's achievements." Wise producers actively avoid this mindset, viewing every situation as an opportunity to learn and improve.

The greatest transfer of wealth in the next 20 years won't be what's on our balance sheets – it will be what's between our ears. When a 65-year-old producer is transitioning their operation, the next generation watches their DECISIONS more closely than the dollars being transferred. You could hand someone \$10 million, but without teaching proper decision-making skills, it's only a matter of time before it's gone.

If we become complacent in our financial, leadership, or management decisions, the next generation may follow that pattern. We've all heard the saying: "Grandfather builds it, father maintains it, and son squanders it."

The wisest producers I serve show no signs of complacency, regardless of their age or achievements.

Behavior 5: Allowing Ego to Override Business Principles

Ego and Image are twin brothers that can wreak havoc on a farming operation. When combined, they create a dangerous cocktail that clouds judgment and leads to poor decisions. As the saying goes, "Comparison is the thief of joy," and the ego/image combination acts like a skilled burglar, systematically robbing us of satisfaction and clear thinking.

We see this play out in familiar ways: buying equipment you don't need because "the neighbor just got one," expanding acreage beyond what makes financial sense because "everyone else is growing," or holding onto unprofitable practices because "this is how we've always done it."

Wise producers recognize these ego traps and deliberately avoid them. They make decisions based on sound business principles rather than pride or appearances. Their operating system runs on business acumen and leadership principles, not ego and image. The goal is to build a sustainable, profitable business that can weather tough times and create opportunities for the next generation.



Behavior 6: Chasing Instant Gratification

"YOLO" (You Only Live Once) dominates social media and often drives impulsive decisions. While it's true that we only live once, wise producers recognize the importance of living with intention and beginning with the end in mind. Their decisions are shaped by long-term implications rather than short-term dopamine hits. When faced with choices, they ask themselves, "Is this creating a better future self?"

The best producers make emotional decisions during unemotional times. Like firefighters who train themselves

continued on page 3

8 Behaviors Wise Producers Avoid

continued from page 2

to remain calm in crisis, wise producers prepare challenging decisions before emotion clouds their judgment. They recognize which decisions tend to be driven by emotion and address them proactively, when clear thinking can prevail.

Behavior 7: Micromanaging Every Decision

Decision fatigue is real, and it can significantly impact the quality of our choices throughout the day. Wise producers understand which decisions truly require their attention, and which ones can – and should – be delegated to others. They recognize that trying to control every decision not only exhausts them but also diminishes the growth and confidence of those around them.

Just as we discussed the importance of transferring what's "between our ears" rather than just what's on our balance sheets, empowering others to make decisions is crucial for long-term success. The most effective producers focus their energy on truly consequential decisions while creating an environment where others can learn, grow, and sometimes even fail in smaller decisions.

Behavior 8: Neglecting Stewardship of Those that Matter

Most "We make a living by what we get, but we make a life by what we give," Winston Churchill wisely observed. The First Commandment reminds us, "You shall have no

other gods," yet we often find ourselves putting our own interests first, asking "What's in it for me?" We chase material goods, images, or notoriety instead of focusing on those we have the opportunity to bless.

To whom much is given, much is expected. The wisest producers I've observed demonstrate genuine stewardship of relationships and a keen interest in helping others. They treat all their vocations as God designed – not as platforms for personal gain, but as opportunities to serve and glorify Him.

God calls us to be wise stewards, not just successful farmers. These eight behaviors show us that true wisdom lies in recognizing our role as caretakers – of the land, of our relationships, and of the legacy we'll leave behind. When we align our decisions with this wisdom, we fulfill our highest calling: to manage well all that He has entrusted to us, for His glory and the good of others.

John grew up on a family farm near Chelsea, SD raising corn, soybeans, wheat and cattle. He graduated from SDSU with degrees in Ag Economics and Ag Business, along with a minor in Ag Marketing. John has continued to further his education and insight into agriculture through participation in TEPAP (The Executive Program for Ag Producers) and SDARL (South Dakota Ag and Rural Leadership).

John has been with Hurley since 2006. Through his farming and educational background, he has become deeply knowledgeable in farm production paralleled with ag marketing and finance. John enjoys partnering with operations to challenge producers to make solid business decisions in securing revenue for the operation – all with the goal of financial, emotional and relational health of those he has the opportunity to serve. John lives in Brookings, SD with his wife Jodi and 4 children – Avery, Reid, Landry and Jack. John believes that life is more about what you give than what you get, and he strives to do this in his vocations as husband, father, coworker, and consultant.



In May, we gathered for our annual meeting to deepen our industry knowledge & commemorate our team achievements.



CONSULTANT SPOTLIGHT JASON MORITZ

What is your favorite part about working at Hurley?

I love helping farmers manage their financial risk and succeed in their operations. Being part of a team that truly supports agriculture is incredibly rewarding.

What is a recent accomplishment you are proud of?

I recently had the privilege of presenting to three groups of aspiring agricultural leaders at Iowa State University. I take great pride in having the opportunity to influence not only our current generation of agricultural leaders but also the future generation of great American farmers.

What are your hobbies or interests outside of work?

I spend most of my free time with my wife, Heather, and our beloved Schnauzer, Truman, who brings us joy and laughter every single day. Whenever I have the opportunity, I indulge my passion for auto racing by traveling across the country to attend as many IndyCar and sports car races as I can.

What is a fun fact about you that most people don't know?

Most people would not expect me to be an adrenaline junkie. I have raced cars numerous times, rode at 180 MPH in an IndyCar, flown a fighter plane while engaging in mock dogfights, and experienced the thrill of skydiving.

Jason grew up in Coal Valley, Illinois, close to the Iowa border, and is a proud graduate of Rock Island High School. From a young age, he dedicated himself to a career centered on serving others. His enduring passion for service and the fulfillment it brings continues to inspire him even after more than three decades. He believes that his experiences and values align perfectly with the mission of Hurley & Associates: to help producers achieve economic stability while preserving the dignity and value of farm families.

In addition to his service-oriented career, Jason has also pursued a passion for motorsports, having spent time as a road course race driver, instructor, and high-performance driving coach. He has worked with drivers of all skill levels, and over the years, he has gleaned valuable lessons from the racetrack that are applicable to the business world, particularly in minimizing risks while achieving desired outcomes. These lessons emphasize the importance of preparation, attention to critical details, maintaining focus, keeping one's eyes up, and executing a well-thought-out plan.

Jason resides in Cedar Falls, Iowa, with his wife, Heather, and their Schnauzer, Truman. He cherishes spending quality time with his family, meeting new people, and his passion for all things automotive.

Moody's Cuts U.S. Credit Rating

By John A. Johnson

Moody's credit rating service has finally joined its peers, Fitch and Standard & Poor's, in downgrading the U.S. credit rating in May of this year. Moody's had lagged other major rating services by keeping U.S. sovereign debt at the highest credit rating possible. This drop was from the top rating of AAA to Aa1, which is one notch lower in a 21-notch rating system. The move had been on Moody's agenda since November 2023, when they cited the explosion of our debt relative to GDP, a trillion-dollar interest expense, and the fact that most of our outstanding bonds are short-term—which would appear logical.

Both Standard & Poor's and Fitch began their downgrades years ago, with S&P starting in August of 2011 and Fitch following suit in 2023. Both services downgraded from AAA to AA+.

Many credit analysts have been wary of long-term U.S. Treasuries due to our steadily deteriorating fiscal situation of rising debt and stable-to-rising interest rates over the past couple of decades.

President Trump's tax cuts and tariff negotiations have prompted a two-sided argument among economists. Optimists say the tax cuts will stimulate economic growth and produce increased revenue to overcome the spending deficit. Pessimists, on the other hand, predict that tax cuts coupled with increased tariffs will lead to more inflation and reduce revenue. A disagreement in Washington D.C.—imagine that!

Around the world, the Ukraine/Russia conflict continues the slaughter and destruction of both countries' armies, infrastructure, and citizens. Negotiations have been very hit-or-miss to this point, with one side or the other refusing to appear each time talks are arranged. A well-respected retired general, commenting on the effects of the conflict, has opined that Ukraine's infrastructure, population, and army are being devastated, while the wear and tear on the Russian army may require as much as 10 years to rebuild to the strength and readiness that existed before the Ukrainian war began. Meanwhile, experts postulate that Russia is expending as much as 10% of its annual revenue on equipping and deploying its fighters.

The other big hotspot in world peace and tranquility is

continued on page 5

Moody's Cuts U.S. Credit Rating

continued from page 4

the Israeli fight against terrorist groups in the Middle East. President Trump has recently returned from the region, where he met with several Arab leaders. Those meetings were reported to be very cordial, and hopefully the groundwork is laid to further isolate Iran to entice them into a workable peace accord and an acceptance of Israel's right and ability to exist. That seems, at this point, to be a bridge too far—but we can hope and pray.

In other economic news, the U.S. is in very serious negotiations with the European Union over unfair tariffs and NATO contributions. It is very early in the process at this writing, and the "T" word has been flying thick and fast. Our President has threatened a large tariff on incoming goods from the European Union unless we can gain better access to their markets, a more equitable tariff schedule, and a set of more workable trade regulations.

The huge global trade system is resulting in over a hundred countries—including China—coming to the U.S. to talk about tariffs and trading rules. President Trump is determined to negotiate a more equitable tariff and regulatory agreement than any we've had to date. All this falls under the banner he ran under: "America First!"

In closing, I would like to take a minute to mention the economic condition of so many of our agricultural producers. As a whole, livestock producers are faring well, even though costs for that segment have skyrocketed—just like every other part of our industry.

Ranchers who are primarily cow/calf producers and

have been fortunate enough to get enough rain to regrow pastures, refill ponds, and maintain most of their mother cow herd are finding a ready market for their calves at breathtakingly high prices. While that keeps the rancher happy and well-fed, it is a struggle for the grazer or feeder to finish those calves at a profit. Cattle numbers have shrunk to the point that there are empty feed-yard pens all over the western feeding area. On-again, off-again imports from our southern neighbor (Mexico) have exacerbated the shortage of available feeder cattle, and reaching 100% capacity for our entire feeding enterprises is going to be a fantasy—at least for a while. If or when our domestic cow herd rebuilding begins in earnest, we haven't seen anything yet in terms of cattle shortages!

That's the good news. When we address our row crop producers, we hate to see what is going on financially in so many farming operations. We saw statistics on the plight of our farmers nationwide—and it wasn't a pretty picture. In the year 2024, the U.S. had 216 farming operations filing for bankruptcy. That is up 55% from 2023. The states with the heaviest filings were California (17), Arkansas (16), and Nebraska (15). Almost every other state had some bankruptcies among its ag producers; some had 6-10, many more had 1 or 2.

When looking at raw commodity prices, they look good, but when we factor in land, equipment, labor, seed, and chemicals, the margins look low. This is a sinking feeling, and the agricultural part of the Congressional budget package takes on a very important role in keeping our farmers on the land.

John A. Johnson has worked for Hurley & Associates since 2000. John is semi-retired now living the life of chasing grand-kids. John is based in Sikeston, MO.



Sustainable Corn Farming: Balancing Productivity with Conservation

By Harley Janssen, National Corn Growers Association

Corn is one of the most important crops in global agriculture, providing food, livestock feed, and biofuels. However, the intensive nature of corn farming has raised concerns about soil health, water usage, and environmental impacts. To ensure long-term viability, farmers are increasingly adopting conservation-based practices. These approaches enhance productivity while protecting natural resources and reducing input costs.

The Need for Sustainable Corn Farming

Corn farming is a resource-intensive process that requires water, fertilizers, and pesticides. As an industry we are concerned with soil degradation, water pollution, and loss of biodiversity. Additionally, extreme weather events have increased the need for resilient agricultural systems.

Sustainable farming practices help address these challenges by improving soil health, reducing resource use, and enhancing crop resilience.

Conservation Practices in Corn Farming

To achieve sustainability, farmers are implementing various conservation practices, including:

1. Conservation Tillage

Conventional tillage can disrupt soil structure, leading to erosion and reduced soil organic matter. Conservation tillage methods, such as no-till or reduced tillage, minimize soil disturbance, preserving soil integrity and moisture retention. These practices also help increase carbon sequestration, reducing greenhouse gas emissions.

2. Cover Crops

Cover crops, such as clover, rye, and radishes, are planted between corn growing seasons to protect and enrich the soil. They help prevent erosion, suppress weeds, and improve soil fertility by fixing nitrogen and adding organic matter. Additionally, cover crops enhance water infiltration, reducing runoff and nutrient leaching into waterways.

3. Crop Rotation and Diversification

Continuous corn production can deplete soil nutrients

continued on page 7

HA Portal Highlight

New Market Plan View & Scenario Tool

Henry Hurley DEMO - Executive Summary

Hurley & Associates | Summary | Multi-Year | Goals | Cash Flow | **Market Plan** | Product Details | Reports | Settings

Market Plan Summary

Go to Detailed Market Plan

Corn

Status	Type	Location	B/S	Contract	Units	Action Area	Premium	Production	Floored	Upside	
2025	OpenOrder	Futures	StoneX	Sell	DEC 2025	10,000	\$4.8000	\$0.0000	9%	69%	87%
	OpenOrder	-	-	-	-	-	-	-	-	-	-
	OpenOrder	-	-	-	-	-	-	-	-	-	-
	OpenOrder	-	-	-	-	-	-	-	-	-	-
2026	OpenOrder	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-

Soybeans

Status	Type	Location	B/S	Contract	Units	Action Area	Premium	Production	Floored	Upside	
2025	OpenOrder	Mini Futures	StoneX	Sell	NOV 2025	2,000	\$11.0000	\$0.0000	10%	67%	105%
	OpenOrder	-	-	-	-	-	-	-	-	-	-
	OpenOrder	-	-	-	-	-	-	-	-	-	-

Contact US: (319) 777-7952 or Email

© 2025 Hurley & Associates Agri-Marketing Centers

There is an updated view of Market Plans! A clean, simple look to see the details of what is the next action(s) a consultant will take on behalf of your operation. For each product year, you can quickly view what's coming.

Additionally, this time of year it is advantageous to use the Scenario Tool button, which can be found on the Executive Summary or on the Cash Flow page. It can be used to see the potential impact of financial or production changes on your revenue and risk assessment.

Changes can be made to:

- **Yield:** Per acre/head
- **Futures Price:** This is the price that is used to value the portion which is not hedged
- **Expense per acre:** This includes all variable & fixed expenses

This is a great tool to perform what if analysis for the operation.

Sustainable Corn Farming: Balancing Productivity with Conservation

continued from page 6

and increase pest pressure. Rotating corn with other crops like soybeans, wheat, or legumes helps break pest and disease cycles, improves soil fertility, and reduces the need for chemical inputs. Diversification also enhances ecosystem resilience and economic stability for farmers.

4. Precision Agriculture

Advancements in technology have enabled farmers to optimize resource use through precision agriculture. GPS-guided equipment, soil sensors, and data analytics allow for precise application of water, fertilizers, and pesticides. This targeted approach minimizes waste, reduces input costs, and lowers the environmental footprint of corn farming.

5. Efficient Water Management

Water conservation is crucial in corn farming, especially in drought-prone regions. Drip irrigation, soil moisture sensors, and efficient drainage systems help optimize water use. Conservation methods such as contour farming and terracing reduce runoff and increase water infiltration, ensuring sustainable water management.

6. Soil Health Improvement

Healthy soil is the foundation of sustainable farming. Organic matter additions, such as compost and manure, enhance soil structure, microbial activity, and nutrient cycling. Minimizing soil compaction and maintaining balanced pH levels further improve soil health, leading to higher yields and resilience against environmental stresses.

Economic and Environmental Benefits

Adopting sustainable practices in corn farming offers numerous advantages, both economically and environmentally:

- **Cost Savings:** Reduced input costs for fertilizers, pesticides, and irrigation lower overall expenses, improving farm profitability.
- **Increased Yields:** Healthy soils and efficient resource use contribute to stable and improved crop production.

- **Reduced Carbon Footprint:** Conservation tillage, cover crops, and precision farming lower greenhouse gas emissions and enhance carbon sequestration.
- **Water Quality Improvement:** Sustainable water management prevents runoff pollution, protecting local water bodies from contamination.
- **Biodiversity Enhancement:** Rotational cropping, reduced pesticide use, and habitat conservation support beneficial insects and wildlife.

Challenges and Future Outlook

Despite the benefits, transitioning practices always come with challenges. Initial costs, lack of technical knowledge, and resistance to change can hinder adoption. However, government incentives, educational programs, and technological advancements are making conservation practices more accessible.

Looking ahead, continued research and innovation will play a vital role in improving sustainability in corn farming. Advancements in soil microbiology, gene editing for drought-resistant crops, and AI-driven farm management systems will further enhance conservation efforts. Collaboration between farmers, scientists, policymakers, and consumers is crucial to building a resilient and environmentally responsible agricultural sector.

Conclusion

Sustainable corn farming is essential for ensuring food security, protecting natural resources, and combating climate change. By embracing conservation practices, farmers can maintain high productivity and profitability while safeguarding the environment. The future of corn farming lies in a balanced approach that integrates traditional wisdom with modern innovations, creating a more sustainable and resilient agricultural system for generations to come.

Harley Janssen is an experienced leader in both equipment and technology solutions for the global ag-food industry. With over 20 years of experience in agriculture, construction, and off-road technology.

He is passionate about adding value to crops and transforming the industry for the ag-food value chain. As a native of Iowa and an active participant in a diversified multi-generational family farm, he has a wealth of boots-on-the-ground knowledge and a global perspective on agriculture's physical infrastructure and digital acre.

Harley Janssen is Director of Outputs and Measurements for the National Corn Growers Association and currently leads the Production and Sustainability Action Team



Agricultural Trade and Tariffs

By Freddie Norman

In my research for information to write about the effects of tariffs on U.S. agricultural trade, I came across an article by AGAMERICA discussing the subject and decided to share a big part of it with some editing to make it more current to tariffs.

The U.S. agricultural trade landscape is facing a year of heightened volatility in 2025. The USDA's first agricultural trade outlook this year predicts a record trade deficit, with agricultural exports expected to reach \$170.5 billion as imports climb to \$219.5 billion. Shifting global demand, lower export values for key commodities, and new tariffs under the Trump administration are all contributing factors. The convergence of rising imports and stagnant exports

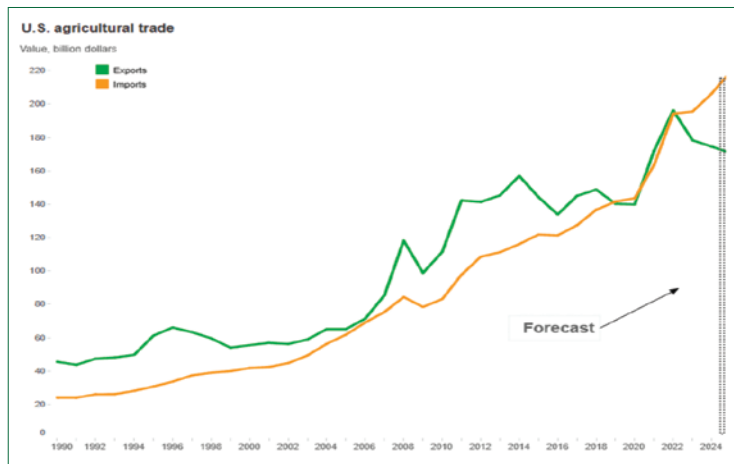


Figure 1: USDA, Economic Research Service and USDA, Foreign Agricultural Service analysis and forecast using data from U.S. Department of Commerce Bureau of the Census.

portends a formidable challenge for the newly confirmed U.S. trade representative, Jamieson Greer. For those involved in agriculture, whether as farmers or agribusiness proprietors, the following provides a concise overview of the 2025 agricultural trade outlook and its attendant dynamics, which may influence operational considerations.

The USDA's latest trade outlook underscores several key shifts ahead in agricultural trade. Exports in livestock, poultry, and dairy products are projected to increase to \$39.7 billion, bolstered by higher U.S. beef and dairy product shipments. Meanwhile, grain and feed exports are expected to reach \$37.7 billion, driven by an upswing in corn exports. In contrast, oilseed exports—particularly soybeans—are anticipated to decline to \$32.4 billion, primarily due to reduced demand from China coupled with robust competition from Brazil and Argentina. Similarly, U.S. cotton exports are forecast to fall to \$4.1 billion as a result of lower volume shipments.

Agricultural imports are anticipated to reach \$219.5 billion, representing an increase of \$13 billion over last year's record and \$4 billion beyond the November 2025 agricultural trade outlook. This rise is largely due to heightened demand for horticultural products, coffee, and processed foods. Moreover, growing consumer preferences for fresh produce, a variety of nuts, and specialty food items continue to drive import expansion, especially from Latin America and Europe.

Exports to Mexico are growing, while shipments to China and Canada are falling. Canadian declines stem from underwhelming sales of baked goods, corn, feed, and distiller grains, whereas China's drop is driven by South American competition and a domestic self-sufficiency push. Meanwhile, opportunities in Southeast Asia and the Middle East—where demand for U.S. wheat, dairy, beef, and poultry are rising—could benefit U.S. farmers, and the EU outlook is slightly improved due to strong sales of distilled spirits and tree nuts.

The Effects of Tariffs on Agricultural Trade

Since February tariff policy has been volatile with tariffs being imposed then raised and lowered, as the administra-

continued on page 9

NOW HIRING



Join Our Growing Team! Hurley & Associates is seeking talented individuals to join us in our mission to support farm families and promote economic stability in the agricultural industry. Look at our current full-time job openings below and discover how you can contribute to our value-driven organization. We offer competitive benefits and opportunities for professional growth. If you or anyone you know is interested in any of these positions, please visit our website at <https://www.hurleyandassociates.com/careers/> for more details and to apply.

Agri-Business Support Specialist

Locations: Wayne, NE

- The Support Specialists deliver exceptional customer service and assists with various marketing tasks. Responsibilities include basic marketing activities, assessing client financial data entry, along with regular client interaction.

Team Support Specialist for the Hedge Desk

Locations: Charleston, MO

- The Team Support Specialist for the Hedge Desk supports the daily operations of the hedge desk by executing a variety of tasks including placing futures and options orders, data entry and market monitoring.

Agricultural Trade & Tariffs

continued from page 8

tion negotiates with nations in an attempt to reduce tariffs imposed on U.S. goods. The new tariff policies have sparked concerns over retaliatory measures. Canada, Mexico, and China are all critical markets for U.S. agriculture, accounting for nearly 37 percent of total U.S. agricultural exports. Higher tariffs could lead to decreased demand and loss of global market share for American farm products.

This development may result in increased input costs for farmers who depend on imported commodities, including fertilizers, machinery, and chemicals. Tariffs on imports from Canada and Mexico could drive up the prices of essential farm inputs such as potash-based fertilizers, while elevated levies on Chinese goods may contribute to higher costs for agricultural equipment, pesticides, and key animal feed ingredients.

Moreover, since farmers function as both producers and consumers, they may ultimately bear the burden of higher grocery store prices if these increased costs are transferred to consumers, as many Americans anticipate. Minimizing the Impact of Agricultural Trade Risk Amid evolving trade dynamics, farmers and agribusiness owners can adopt several strategies to mitigate agricultural trade risks.

Market Diversification: Focus on expanding exports to alternative markets beyond China, Canada, and Mexico. Regions such as Southeast Asia, Europe, and the Middle East are showing increased demand for U.S. agricultural products. Additionally, returning attention to domestic markets may benefit operators previously challenged by lower-priced imports.

Cost Management: Evaluate the effects of tariff-driven input cost increases and adjust your financial strategy accordingly. Consider actions like bulk purchasing, forming strategic partnerships with suppliers, and implementing measures to reduce expenses.

Supply Chain Resilience: Enhance ties with domestic suppliers and explore alternative sourcing options to lessen reliance on imports. Building localized supply chains can help protect your operations from trade-related disruptions.

Advocacy and Engagement: Keep abreast of changes in trade policies and new federal support initiatives. Although temporary relief measures via the Commodity Credit Corporation for tariff-impacted farmers are under review, no official announcement has been made. Active engagement with industry organizations will help ensure the agricultural sector's concerns are represented in policy discussions.

The 2025 agricultural trade outlook exhibits a mix of challenges and prospects. Enterprises that depend largely on exports will likely feel the direct impact, while the ripple effects of escalating input costs may extend to other producers as well. A promising aspect lies in the domestic market, where tariffs have the potential to equalize competition and bolster the competitive advantage of local producers. In any scenario, farmers who diligently manage costs and venture into new markets will be optimally positioned for success.

Freddie Norman has been an advisor to Hurley & Associates since 1988 and is based in Memphis, TN.

The Hidden Risk Threatening Farm Profitability

By Jacob Bryce, Machinery Scope

Farmers are no strangers to risk. Each season, you manage countless variables outside your control—commodity prices, weather patterns, input costs—all while keeping a sharp eye on margins. Yet there's a major financial risk that often gets overlooked: the cost of equipment failure.

In many cases, a major mechanical failure is the second-largest annual risk exposure on a farm, behind only yields and pricing. Unlike commodity markets or weather where we have tools like futures contracts and crop insurance, most farms don't have a proactive strategy to manage equipment risk—at least not without buying new or near-new equipment. In today's market, that's a difficult strategy to execute.

Without the ability to consistently buy equipment with a full base warranty, many have leaned heavily on something that's quietly disappearing, which is goodwill from manufacturers and dealerships. In the past, when something failed just outside of base warranty, there was often help available. But that reality is changing fast. Manufacturers today are tightening their belts, and equipment dealers across the country are reporting the same thing: goodwill support from OEMs is dwindling or disappearing altogether. When a major failure happens outside of warranty, farmers and dealers are increasingly left holding the full cost.

Meanwhile, the cost of repairs including engines, transmissions, and hydraulic systems continues to climb. A single failure on high-horsepower equipment can easily exceed fifty thousand dollars. For any operation, it's not good. For a young farmer trying to get ahead, an unexpected expense of that size can be a major setback. For farmers nearing retirement, it can jeopardize the nest egg they've worked decades to build.

What can be done?

It starts with recognizing equipment risk as a critical part of your broader risk management strategy:

- **Evaluate and Streamline:** In today's environment of tighter margins, farmers are taking a closer look at cash flow and operating expenses. Strategic risk management should be viewed as an essential part of that process, helping ensure that dollars are being used efficiently while protecting against costly disruptions.
- **Mitigate Unnecessary Risks:** Just like crop insurance mitigates production risk and a sound grain marketing plan mitigates price risk, extended service protection plans can help mitigate equipment risk. When tailored correctly, these plans offer an efficient, cost-effective way to transfer major repair risk off the farm and onto a third party.

For years, a clear gap has existed in risk management for equipment owners. Even farmers who run their operations carefully can still be caught off guard by major mechanical failures—expenses that are hard to predict and even

continued on page 10

The Hidden Risk Threatening Farm Profitability

continued from page 9

harder to absorb. As a result, many producers hesitate to capitalize on a good deal for used equipment, wary of the unknowns and the potential cost of a breakdown. But that hesitation can come at a price. When paired with the right protection plan, used equipment often delivers a stronger return on investment, especially when your primary need is reliable horsepower.

Consider the following scenarios for a 2,000-acre operation to split evenly between corn and soybeans. With average yields of 190 bushels per acre on corn and 48 on soybeans, this hypothetical farm might evaluate several options to fill their need for a reliable row crop tractor that is expected to put on 350 hours per year:

Scenario 1*: New 8R 340 IV T / ILS Front & Rear duals*		Scenario 2**: 1-Year-Old 8R 340 with 350 hours	
Estimated Selling Price	\$535,681	Estimated Selling Price	\$428,176
Average Retail 1 year old 350 hours	\$428,176	Avg Retail of Trade @ 3 years old 1050 hours	\$376,889
Trade value	\$385,358	Trade value: Actual allowance on trade	\$339,200
Depreciation Cost	\$150,322	Depreciation Cost	\$88,976
Warranty Expense	\$0	Warranty Expense (1 year base + add 1 year)	\$4,000
Major Repair Expense	\$0	Major Repair Expense	\$0
Routine Maintenance & Repairs	\$0	Routine Maintenance & Repairs	\$3,500
Interest	\$32,141	Interest	\$46,243
Total Cost (*1 Year)	\$182,463	Total Cost (**2 Years)	\$142,719
Cost Per Hour	\$521	Cost Per Hour	\$204
Cost Per Acre	\$91	Cost Per Acre	\$71
Cost Per Bushel (combined)	\$0.77	Cost Per Bushel (combined)	\$0.30

Scenario 3**: 10-Year-Old 8345R with 3500 hours; Purchased with Coverage		Scenario 4**: 10-Year-Old 8345R with 3500 hours; No Coverage & No Failure	
Estimated Selling Price	\$217,000	Estimated Selling Price	\$217,000
Avg Retail of Trade @ 12 years old 4200 hours	\$191,250	Avg Retail of Trade @ 12 years old 4200 hours	\$191,250
Trade value: Actual allowance on trade	\$172,125	Trade value: Actual allowance on trade	\$172,125
Depreciation Cost	\$44,875	Depreciation Cost	\$44,875
Warranty Expense (2 Years of coverage)	\$6,865	Warranty Expense	\$0
Major Repair Expense	\$0	Major Repair Expense	\$0
Routine Maintenance & Repairs	\$5,500	Routine Maintenance & Repairs	\$5,500
Interest	\$23,436	Interest	\$23,436
Total Cost (**2 Years)	\$80,676	Total Cost (**2 Years)	\$73,811
Cost Per Hour	\$115	Cost Per Hour	\$105
Cost Per Acre	\$40	Cost Per Acre	\$37
Cost Per Bushel (combined)	\$0.17	Cost Per Bushel (combined)	\$0.16

Scenario 5**: 10-Year-Old 8345R with 3500 hours; No Coverage; Experience a Major Failure	
Estimated Selling Price	\$217,000
Avg Retail of Trade @ 12 years old 4200 hours	\$191,250
Trade value: Actual allowance on trade	\$172,125
Depreciation Cost	\$44,875
Warranty Expense	\$0
Major Repair Expense	\$50,000
Routine Maintenance & Repairs	\$5,500
Interest	\$23,436
Total Cost (**2 Years)	\$123,811
Cost Per Hour	\$177
Cost Per Acre	\$62
Cost Per Bushel (combined)	\$0.26

Note: These scenarios are intended for illustrative purposes and are based on current market conditions and common industry practices. Every farm operation is unique and should use its own figures to accurately evaluate costs and outcomes. Additional factors—such as technology, fuel efficiency, varying interest rates, and local

dealer support—should also be considered. The data reflects a John Deere 8R tractor equipped with IVT and ILS. The pricing used here represents typical retail conditions. Some operations may qualify for additional volume discounts on new equipment. The two-year trade cycle is more commonly applied to used equipment, and selling prices are based on objective, real-world data in today's retail market. Depreciation outcomes will vary if the trade cycle is extended; however, doing so may increase maintenance and repair costs as well as aging technology.



The Bottom Line: Managing risk in agriculture isn't about avoiding every challenge because that's simply not possible. It's about making informed, strategic decisions that protect your financial foundation when unexpected things happen.

In today's environment, relying on manufacturer goodwill or defaulting on new equipment purchases is not a reliable risk management strategy. Even if you choose not to add protection, it's critical to understand what your equipment truly costs you whether measured per hour, per acre, or per bushel in your break-even analysis.

Mechanical failures are a real-world risk—one of the largest annual exposures on most farms—and they deserve to be evaluated alongside the other risk management tools you already rely on, like crop insurance and grain marketing strategies. When you consider the cost and efficiency of transferring that risk, you might rethink the value that adding some coverage represents.

Farmers who take a proactive approach to equipment risk are positioned to invest confidently in the right machinery for their operation—and sleep better at night—no matter what the markets or the seasons bring. After all, preserving the family farm has always depended on preparation, perseverance, and forward-thinking decisions.

Jacob Bryce is the Founder and President of Machinery Scope, a company dedicated to helping equipment owners manage risk and avoid the financial disruption of major mechanical failures. With roots in family farm operation near Glenwood, MN and years of experience leading used equipment sales for top dealerships, Jacob understands the real-world challenges farmers face. That perspective led to the development of fair and flexible protection plans, including coverage options for equipment up to 15 years old. Jacob and the team at Machinery Scope have a passion for developing simple solutions to help equipment owners maximize their return on investment. Learn more at www.machineryscope.com.



CONSULTANT SPOTLIGHT

LIZ WALETICH

What is your favorite part of working at the company?

My favorite part about working here at Hurley & Associates is the meaningful work we do and the lasting impact it has. I also truly appreciate how we as team members are treated—there’s a strong sense of respect, support, and camaraderie. Most of all, I’m proud to work for the Hurley family, whose values and leadership make this a place I’m honored to be a part of.

What is a recent accomplishment you are proud of?

A recent accomplishment I’m proud of is spending time volunteering in our community. It’s something that means a lot to me, and I’m especially grateful to Hurley for making community involvement a priority and supporting employees in giving back.

What are your hobbies or interests outside of work?

Outside of work, I’m focused on making meaningful memories with my daughter, Wren. We love spending time together fishing, cooking, and planning our next adventure—whether it’s a weekend getaway or simply exploring something new close to home. I find

joy in the simplicity of each day, from sharing a laugh over dinner to quiet moments that remind me of what truly matters.

What is a fun fact about you that most people don’t know?

A fun fact that many people don’t know about me is that I know sign language. My sister was born profoundly deaf, so sign language was a natural part of our everyday communication growing up.

Liz grew up with livestock in southern Minnesota and central North Dakota. She is grateful for the livestock lifestyle she experienced. Liz enjoys honesty, hard work, and serving others. Her respect for producers, as some of the hardest workers out there, contributed to her realization that there is value in focusing on business stability in addition to the production side of the operation.

Liz attended North Dakota State University, graduating in 2015 with a Bachelor of Science in Education. Prior to Hurley & Associates, she spent five years teaching Family and Consumer Science to Junior High and High School learners. She feels that experience prepared her for a career in providing education centered around securing revenue.

Liz is proud to combine her passion for education with the humble honor of serving farm families. Working for Hurley & Associates allows Liz to be passionate about what she does as well as serving a company centered around faith and family values.

Liz, her husband Gavin, and their daughter live on the family farm southeast of Britton. She feels fortunate to be raising her daughter around the same lifestyle that shaped her. In her free time, she enjoys being in the kitchen, working on home projects, and spending time with loved ones.

THE SCHOLARSHIP WINNERS

We wanted to take a moment to recognize our employees’ children who have been awarded scholarships through Hurley & Associates. These scholarships not only recognize their exceptional talents but also reflect the supportive environment cultivated by our company and its community.



SOUTH DAKOTA STATE UNIVERSITY Kylie Moe

Kylie is the daughter of Nathan and Colleen Moe. Colleen is a valued member of our Brookings, SD office.



SOUTH DAKOTA STATE UNIVERSITY Zach Moe

Zach is the son of Nathan and Colleen Moe. Colleen is a valued member of our Brookings, SD office.



MURRAY STATE UNIVERSITY Katie Brewer

Katie is the daughter of Danny and Emilee Brewer. Emilee makes significant contributions from our Charleston, MO office.

As a company, we are committed to supporting the educational aspirations of our employees and their families. We are grateful for the opportunity to celebrate the successes of these talented individuals and look forward to witnessing their continued growth and achievements.



PRESORTED
STANDARD
US POSTAGE PAID
PERMIT NO. 177
GLENWOOD, MN 56334

RETURN SERVICE
REQUESTED

415 E. Marshall
PO Box 471
Charleston, MO 63834

Phone: 573-683-3371
Toll Free: 1-800-524-0342
Fax: 573-683-4407
email: info@hurleyandassociates.com
www.hurleyandassociates.com

Except as otherwise noted, the contents of this newsletter are copyrighted materials of Hurley & Associates Agri-Marketing Centers of Charleston, Inc. and contain trademarks, service marks and trade names of Hurley & Associates Agri-Marketing Centers of Charleston, Inc. and/or affiliates. ALL RIGHTS ARE RESERVED.

While the information contained in this newsletter is derived from sources which are believed to be accurate and timely, there may be inadvertent factual inaccuracies or typographical and other errors, and the information is not warranted or guaranteed for accuracy or completeness. Any opinions expressed herein are subject to change or correction without notice and Hurley & Associates Agri-Marketing Centers of Charleston, Inc. and its affiliates disclaim all liability for errors or omissions in these materials, and disclaims all liability for the use or interpretation by others of information contained in this newsletter. This material should be construed as the solicitation of trading strategies and/or services provided by Hurley & Associates, Inc. noted in this newsletter. We believe positions are unique to each person's risk-bearing ability, marketing strategy, and crop conditions, and therefore, Hurley & Associates Agri-Marketing Centers of Charleston Inc. does not give blanket recommendations. Any examples given are strictly hypothetical and no representation is being made that any person will or is likely to achieve profits or losses similar to those examples.

Decisions based on information contained in this newsletter are the sole responsibility of the reader, and in exchange for receiving this information, the reader agrees to hold Hurley & Associates Agri-Marketing Centers of Charleston, Inc. and/or its affiliates harmless against any claims for damages arising from any decisions that the reader makes based on such information. The risk of loss in trading commodities can be substantial, therefore, carefully consider whether such trading is suitable for you in light of your financial condition. Past performance is not indicative of future results, and there is no guarantee that your trading experience will be similar to past performance.

Trent Hurley, Chief Executive Officer
David Hurley, President of Hurley & Associates, Inc.

CORPORATE HEADQUARTERS

Charleston, MO
573-683-3371

LOCATIONS

Grundy Center, IA
319-777-7952

Britton, SD
605-277-1750

Wayne, NE
402-817-3060

Brookings, SD
605-705-4040

Glenwood, MN
320-634-4001

Canyon, TX
979-272-2182

Caruthersville, MO
573-333-1138

Snook, TX
979-272-0539