

September 2018

# On the Farm....



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Welcome to the fourth edition of On the Farm! With harvest in full swing, this issue includes a timely article on grain handling safety, important information on the recently announced Market Facilitation Program, Lender Focus and a piece on emerging technology. I hope you find them interesting and thanks for reading!

*Mike Battefeld*

*Regional President- Lewistown*

## The Perils of Grain Storage

Despite an increasing effort to raise awareness of the dangers associated with grain storage, accidents and fatalities are on the rise.

According to data compiled by Purdue University, in 2010 there were 59 entrapments and 26 deaths, making it the most dangerous year on record. A fair portion of the grain harvested and put into storage in 2009 was relatively immature and wet, likely contributing to the higher entrapment/death rate. Surely the increasing number of "on farm" storage facilities impacts these numbers as well. A common theme through many of these tragedies is the sense of urgency and pressures of harvest overcoming the

underlying awareness of danger.

Inundation by grain is but one of the dangers associated with this segment of the farming industry. Grain dust explosions and fires are also



common. In 2017 alone there were 7 such explosions in the U.S., resulting in 5 deaths and 12 injuries. The ten year average for dust explosions is 9.3 per year.

There are five conditions that must be present to facilitate an explosion: 1) The grain dust must be dry. It is important to note, however, that explosions can and do occur in high humidity conditions; 2) The dust must be above a minimum concentration level; 3) The dust must be dispersed in the air; 4) The dust must be in a confined space; 5) There must be heat or an ignition source present - typically a hot bearing or spark from an electrical device.

The obvious take away here is to never put the importance of the crop or harvest above that of your personal safety.



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*Progressive Banking... Traditional Service*



*"If you tickle the  
earth with a hoe she  
laughs with a  
harvest."*

*-Douglas Jerrold*

## Market Facilitation Program

On July 28, 2018 United States Secretary of Agriculture Sonny Perdue announced a short term strategy to protect American farmers from the economic impact of tariffs and other import restrictions recently enacted against U.S. farm products. The overall package includes funding to develop alternative markets for U.S. farm products as well as to purchase excess commodities that may now exist given the unfavorable export climate. Further, and perhaps most significantly for producers within the Prairie State Bank & Trust business footprint, is the Market Facilitation Program or MFP.

Under the MFP, which is to be administered by Commodity Credit Corporation (CCC),

incremental direct payments will be made to producers of corn, soybeans, sorghum, wheat, cotton, dairy and pigs. The initial program payment rates (applicable to the first 50% of 2018 production) are \$.01/bu. on corn and \$1.63/bu. on soybeans. Other key points on the MFP are:

1. On or about December 3 the CCC will announce a second payment rate, if applicable, on the remaining 50% of 2018 production.
2. Producers may apply for MFP through January 15, 2019.
3. Payments under MFP will be made after the producer harvests 100% of

the crop and certifies the amount of production.

4. Producers requesting an MFP payment must have a crop acreage report on file with FSA.
5. A producer must be in compliance with HEL and wetland conservation provisions.
6. A producer's average adjusted gross income may not exceed \$900,000.

Consult your local FSA office for more details on the Market Facilitation Program.

## Lender Focus

In this issue of On the Farm we turn the Lender Focus spotlight to the east where we find Charleston Regional President Chad Faller.

Chad grew up on a grain and livestock farm just outside of Butler, IL in Montgomery County and attended Hillsboro Schools. The Nabor House at the University of Illinois was the next stop for Chad, where he earned a degree in Agriculture and Consumer Economics.

Indeed a product of the Prairie State Bank & Trust "farm system," Chad spent some time learning the trade at our



Viriden location as a college student, returning to work full time at the bank in 1996.

2010 was a year of change for the Faller family as they moved to Charleston where Chad assumed the duties of Regional President. Chad serves in a variety of capacities for the

bank, including the Board of Directors. American Prairie Insurance Services, a wholly owned bank subsidiary offering crop insurance products, was formed earlier this year and Chad plays an active part in it's management.

Chad and his wife Nicole are the parents of a seven year old son Nolan.

Chad's interests away from the bank include boating and lending his father Don a helping hand on the family farm and operating the sporting clays range there.

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*"The first farmer was  
the first man. All  
historic nobility rests on  
the possession and use  
of land."*

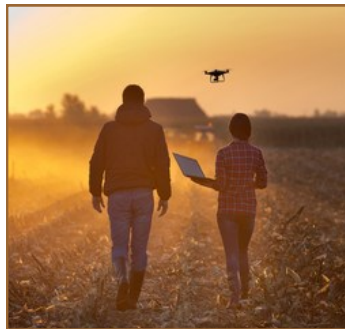
*-Ralph Waldo Emerson*



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## Are autonomous tractors in our future?

Needless to say, technology is playing an increasingly significant role in agriculture. Things that are pretty much taken for granted today hadn't even been dreamed about just a few short years ago. An auto steer tractor, for example, was demonstrated by John Deere initially in 1997. Today auto steer is a virtual household term in the farming sector and a technology that has advanced production in so many ways. From variable rate fertilizer applications to drones to cell phone apps that control irrigation units, there seems to be no end to the



advancements that are occurring.

A couple of years ago my wife and I took a day to revisit the John Deere Pavilion in Moline, IL. Initially I was drawn to the cut-away display of a 4010 tractor; a machine I spent many an hour on as a youth.

After fully absorbing the aged iron, I turned to the most

bizarre looking tractor I had ever seen. At first glance it looked like a child's toy that gets pulled by a string or something from a Jetson's episode long ago. It was, however, Deere's concept autonomous tractor. Void of a driver platform, cab or operator controls, it was interesting to say the least.



CaseIH is sticking their toe in the autonomous tractor water as well. According to their website, their efforts don't constitute a product launch but rather a lead-in to something more down the road. While unable to put my hands on any specs, the John Deere concept tractor is small; maybe 30-40hp. The red concept version is a serious one and looks to be big enough to handle some major tillage work.

How far away is this

technology? Who knows, but there are some significant challenges to be addressed before it can become a reality.

Auto steer relies on Real-time Kinematic (RTK) GPS technology to achieve positional accuracy. An autonomous tractor, however, must have multiple and often overlapping sensors and systems to navigate properly should RTK GPS be unavailable. These alternate navigation systems are available at the component level, however they are expensive and much more field testing will be required.

Liability is another concern with autonomous tractors. Given their potential size, a system malfunction could have a catastrophic impact. Efforts are ongoing to address safety, liability and insurance issues.

And then there is trust. Some tasks are critical to a farmer's success; giving up control of them will require that these machines become 100% reliable.





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