

March 2019

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On the Farm....



Welcome to Issue #6 of On the Farm! Despite lingering frigid temperatures and some early March snowfall, I am encouraged by the fact that spring is (technically) just a couple of weeks away! Your friends here at Prairie State Bank & Trust wish you safety and much success as you begin the busy planting season. Enjoy the newsletter!

Mike Battefeld

Regional President- Lewistown

Covering Some Ground in 2018

Agronomist Mike Toohill always seems to have some interesting stuff when he presents at our annual Spring Update meetings and this year was no exception. I found his segment on 2018 planting progress especially good and Mike has been gracious enough to allow me to pass it along. Here goes.

So its fairly obvious that planters and machinery in general continue to get bigger, faster and better. Increased tile drainage in the central and northern corn belts is getting growers in the field earlier. Add to all this the benefits of GPS and the fact that many farmers have multiple planters and often are putting corn and soybeans in the ground simultaneously, and you have

planting at warp speed.

So what state led the nation in planting progress in 2018?

Yep, Illinois.

In 2018, you planted 28% of the state's corn (3.1 million acres) between April 22 and April 29 and a record setting 42% (4.6 million acres) between April 30 and May 6. That's 70% in just 14 days!

The best bean week was 37% (4 million acres) from May 6 to May 13.

The best corn (42%) and bean (22%) week was April 30 to May 6. That's 1 million planted acres every day and 7 million for the week. Wow!

The best national planting week in 2018 was May 6 to May 13. That week 23% (20.5 million acres) of the corn crop went in the ground along with 20% (17.8 million acres) of soybeans. Do the math.....that's 5.5 million acres per day nationally!

Let's take it one step further and put some dollar signs beside this.

The University of Illinois projects a per acre seed cost of about \$114 for corn. For that record setting week a year ago this means that \$524 million in seed was planted. At the U of I's estimated \$73 per acre soybean seed cost, the highest weekly outlay comes in at \$292 million. Again, wow!

Thanks again to Mike Toohill for sharing this information.



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"Life on a farm is a school of patience; you can't hurry the crops or make an ox in two days."

-Henri Alain



Land Grant Colleges....an Illinois idea

Perhaps you've heard the term "Land Grant College" before but unless you're a true historian, there may be much you didn't know.

Illinois College (Jacksonville) professor Jonathan Baldwin Turner is credited with leading the movement for the creation of the Land Grant System in the 1830's. In 1853 the Illinois Legislature adopted a resolution, crafted by Turner, calling for the Congressional Delegation to enact a bill establishing funding for a system of industrial colleges. In 1855 the Michigan legislature followed suit. Michigan established the first Land Grant College called The Agricultural College of the State of Michigan, which today is known as Michigan State University.

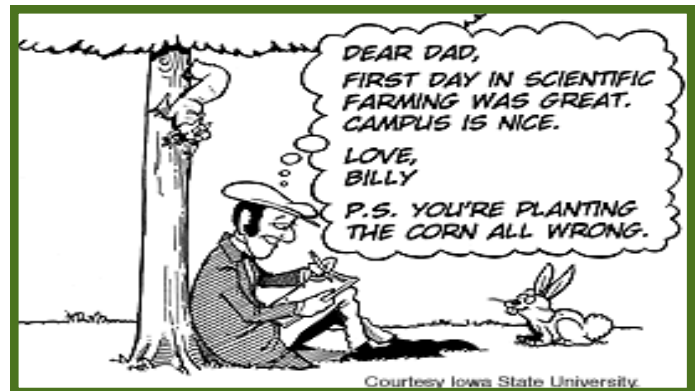
Vermont Representative Justin Smith Morrill introduced a bill in 1857 establishing a national Land Grant College system and

even though Congress passed the bill, it was ultimately vetoed by then President Buchanan. It wasn't until the bill was revised to include the teaching of military tactics that it was finally made law by President Abraham Lincoln in 1862.

Iowa was the first state to accept the terms of the Morrill Act to provide a funding boost to the fledgling college that is today known as Iowa State University. The first new school established under the act was Kansas State University in 1863.

Overall, more than 17 million acres were allocated to the establishment of colleges by the Morrill Act, ultimately providing the foundation for a vast cross section of universities nationwide. With just a few exceptions, most all Land Grant Colleges and Universities remain public institutions today.

Several major schools retain the "A&M" suffix in their name today, indicating their heritage as "Agricultural and Mechanical" institutions.



Lender Focus– Sam Leak, Virden Regional President

Our Lender Focus for this edition features Virden Regional President Sam Leak.



Raised in a farming environment, Sam graduated from Franklin High School and then attended the University of Illinois where he earned a Bachelor's degree in Finance in 1997.

A 15 year community banking veteran, Sam joined the Prairie State Bank & Trust family in 2014, assuming the helm in the Virden office in 2018 upon the retirement of Greg Toppmeyer. In addition to attending to business in Virden, Sam serves on a variety of Prairie State Bank & Trust Committees.

Sam is indeed a busy man these days as he and his wife Molly

welcomed little Hazel Jane a little less than a year ago.

On top of the responsibilities of being a full time banker and father, Sam is an avid Illini and St. Louis Cardinal baseball fan, enjoys gardening and pistol shooting and is heavily involved in the Virden Community.

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*"Agriculture engenders
good sense, and good
sense of an excellent
kind."*

-Joseph Joubert



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Potash...the Canadian resource

While the statistics vary, it is widely accepted that Canada, and specifically the Province of Saskatchewan, is the world's largest producer of potash.

Depending on which estimate you believe, somewhere in the neighborhood of 50% of the total global deposits are in Canada. Other top 5 countries in terms of production are Russia, Belarus, China and Germany.

In 2017 Canadian potash mines yielded over 20 million tons of product, of which roughly 45% was exported to the United States. 95% of all mined potash is used as ag fertilizer. The remaining 5% is used in detergents, ceramics, water conditioners pharmaceuticals, and as an alternative to de-icing salt.

The Esterhazy mine complex, located about mid-way between Saskatoon and Winnipeg, is the largest potash mine on the planet. The first potash rose to the surface there in 1962.

Potash mining in Saskatchewan isn't without its challenges. One of the largest is a natural

phenomenon known as the Blairmore Formation, which is located roughly 1,150 feet beneath the surface and is about



400 feet thick. It is a sandy structure that is saturated with brackish water and, according to some observers, resembles quicksand.

The Esterhazy K1 shaft was the first to be sunk successfully, but this occurred only after the company that was developing the mine imported a German freezing technology that allowed it to create a wall of ice around the excavation.

The shaft-freezing technology has been used throughout the Saskatchewan potash industry ever since.

mining facilities declines over time as the mine face moves further below the surface and a greater distance from the shaft opening. According to the Canada Mining Journal, it is common for workers to travel as much as 6 miles to reach the mine face. In turn, the potash must be transported back to the surface.

Given agriculture's heavy reliance on potash, price is consistently a concern for producers.

Potash demand in the U.S. continues to increase steadily, up 24% on corn and 18% on soybeans from 2012 to 2017.



Global demand is expected to follow this upward trend as growers strive to meet higher food demands on fewer acres.

The supply side of the equation is much more complicated. New and more efficient mining facilities are slowly coming on line, but at the same time producers appear to be acting to control the supply by voluntarily idling some mining facilities.





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