



# On the Farm....

Welcome to our second newsletter of 2020! Where do I begin in summarizing the first two-thirds of this year? I've given up on my attempt to settle on a single adjective worthy of the task. Suffice it to say that we are all being challenged in ways no reasonable person could have imagined just a few short months ago. But enough about the hand we've been dealt.....lets kick the newsletter off on a positive note! These later season rains have the crops throughout the majority of our market area looking spectacular and here's to a safe and bountiful harvest!!! -Mike Battefeld, Western Region President

## Inside this issue:

- Greetings **1**
- This is one sweet operation! **1**
- Paycheck Protection Program update **2**
- Lender focus- Joe Horabik, Jacksonville **2**
- A look back at Buda **3**

## Honey for sale

Kyle and Cassi McCarthy are busy people. As the parents of two young and energetic children and each with careers as health care professionals, their plate would seem full enough for most folks. These two, on the other hand, have chosen to develop what was once simply a hobby into a full fledged business. Around their



country home outside Lewistown the McCarthys are knee deep in the sweet stuff.....honey. By their own choosing and as a direct result of their hard work, Hilltop Honey has evolved into a legitimate business enterprise and one of the larger honey operations in central Illinois. What started out as a back yard hobby of 5 hives in 2015 has grown into what would seem to be a full time deal with 105 hives along with a processing and packaging operation and 15 retail product outlets.

But what about the technical side of producing honey? Not surprisingly, it isn't as easy as it might appear on the surface. There's a lot to know and Kyle McCarthy is definitely a student of the game. The challenge in interviewing Kyle was keeping up with his rapid fire information sharing! Here is but a sample of interesting facts.

- A single hive can reach a population of 70,000 during the summer months
- A queen lays on average 2,000 eggs per day
- A worker bee has a lifespan of about 45 days and produces 1/2 teaspoon of honey during that time
- A good producing hive produces about 90 lbs. of honey annually, harvested from June through October
- Bees are known to travel up to 7 miles from the hive to collect nectar
- Queens are generally replaced on a 3-5 year cycle and can cost nearly \$4 each. Not surprisingly, queens are bred with specific characteristics to enhance productivity and resistance to various perils. In addition, queens can be instrumentally inseminated under a microscope to yield more desirable offspring. Who knew?

Honey production isn't without its share of natural and man made pressure. Monoculture, or the growing of a less diverse assortment of crops in a specific area, reduces the bee's selection of nectar. This is a pretty big deal when you realize that it takes

2 million flowers to make a single pound of honey. And then there's the Varroa destructor mite, a nasty looking little parasite of Asian origins that sucks the life out of the bee.

Even the more casual observer has probably noticed that not all honey is created equal. Why? Its all about the nectar. Early season honey tends to be milder tasting and a lighter amber color due to the availability of honeysuckle earlier in the year. As you move to mid and later season production the color darkens as clover, goldenrod and asters become the more prevalent nectar sources.



If you get the chance give Hilltop Honey a try.....truly a product made On the Farm!



*Farming isn't a battle against nature, but a partnership with it. It is respecting the basics of nature in action and ensuring that they continue."* –  
**Jeff Koehler**

## Paycheck Protection Program Update

The much publicized Paycheck Protection Program (PPP) has infused an enormous amount of capital into the US Economy since the program roll out this spring. The table below provides an interesting level of detail regarding the distribution of the \$342 billion in funding over the 1.6 million borrowers. Note that over 74% of the loans made were for \$150,000 or less.

Here at Prairie State Bank & Trust we are grateful to have been able to assist over 450 of our customers by delivering and funding loans for them. As you likely know, the program ended on August 8. In addition, the time period to for using the funds has been extended to six months from loan origination.

The Small Business Administration just recently established and conveyed to lenders the process through which to apply for loan forgiveness. At present we are testing that process and anticipate being in a position to assist borrowers with their applications in the near future.

Loan Size	Approved Loans	Approved Dollars	% of Count	% of Amount
\$150K and Under	1,229,893	\$58,321,791,761	74.03%	17.04%
>\$150K–\$350K	224,061	\$50,926,354,675	13.49%	14.88%
>\$350K–\$1M	140,197	\$80,628,410,796	8.44%	23.56%
>\$1M–\$2M	41,238	\$57,187,983,464	2.48%	16.71%
>\$2M–\$5M	21,566	\$64,315,474,825	1.30%	18.79%
>\$5M	4,412	\$30,897,983,582	.27%	9.03%

## Lender Focus– Joe Horabik, Jacksonville

Our Lender Focus for this edition features Joe Horabik from our Jacksonville office.



You'll find this piece of the newsletter to be a bit longer than usual, but the story is one that I feel warrants the space to tell.

Joe grew up in Janesville, WI and acquired a degree in Communications and Marketing from University of Wisconsin- Whitewater. He and his wife Jo are the parents of Olivia (11), Hadley (8) and Paxton (6). An 18 year banking veteran, Joe

will complete his first year with Prairie State Bank & Trust in October.

Mr. Horabik gives generously to the Jacksonville community, currently serving as Co-Chair of the Routh/Our Saviors Dreams Committee and Noon Rotary Club Service Chair.

Baseball has been a large part of Joe's life, having played semi-professionally, coaching at the youth level for 16 years and acquiring state championships along the way.

Joe's roots in farming are, well, remarkable. His grandfather was a WWII POW at the infamous Krakow concentration camp. During the Battle of the Bulge and while digging trenches for the German army, he escaped and was taken in by a German farmer in the area. The farmer provided him food and shelter in exchange

for his labor around the farm. Eventually he was successful in uniting with the Allied Forces and thus his path to freedom was in place.

Settling in Chicago, Joe's grandfather met his future wife in 1947 and the next 12 years were spent starting their family. Still, that passion for farming that was instilled under such dire circumstances continued to burn.

In 1959 the family purchased a dairy farm near Lake Geneva, WI and began producing feeder cattle, small animals, produce and a lot of hay. Both of Joe's grandparents lived on that same farm their entire lives with his grandmother passing in January of this year just shy of 100 years of age.

Though generally a humble guy, Joe is quite proud of his farming heritage. And he should be.

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## Emerging ag technologies

The world has slowly (or not) been turning into a global village, fueled by a technology revolution in nearly every sector. Agriculture is no exception.

It seems not that long ago that Maxwell Smart was talking into a shoe.....how far fetched was that? Today it would be no big deal.

There is a ton of conjecture as to what the number one emerging agricultural technology is right now, but often near the top of the list are water and soil sensors. Generally durable, relatively inexpensive and unobtrusive, this technology is gaining traction in a broader range of operations. With advancement in rural cellular and broadband networks, such sensors are proving more effective.

Efficiency being the key, the data these systems can make available to growers allows more “real time” decision making as opposed to a predetermined schedule. In turn irrigation, fertility and a host of other critical production aspects are more effective and less expensive.

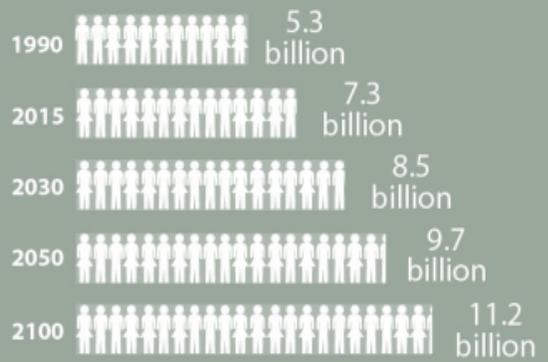


Pervasive Automation is a buzz term in the ag tech sector presently. Though the term itself seems somewhat mysterious, the definition is really quite simple and not necessarily new. In layman’s terms, Pervasive Automation is nothing more than automation that reduces operator workload.

There are more humans on our planet today than every before.....7.3 billion in fact. Predictions are that by 2050 that number will climb to nearly 10 billion. The UN Food and Agriculture Organization predicts that we need to boost worldwide food production by 70 percent over the next several decades in order to feed the anticipated population of 2050.

## World Population

Projected world population until 2100



Source: United Nations Department of Economic and Social Affairs, Population Division, World Population Prospects: The 2015 Revision  
Produced by: United Nations Department of Public Information



In writing this edition of On The Farm I stumbled across an engineering website with a load of very interesting content. One term consistently used in many of the ag related pieces was IoT.....Internet of Things. Another pretty simple concept and perhaps a “catch all” term. Bottom line definition: Having computers, machines, equipment and devices of all types connected with each other. In 2015 it was estimated that about 30 million IoT devices were installed in the ag sector. That number was projected to soar to 75 million by this year.....not that we didn’t already know this is happening or aren’t already on board with it, but the numbers give us an interesting frame of reference as to how fast this agricultural revolution is unfolding. One thing is for sure. History will in fact repeat itself as the growers of today and tomorrow adapt to and implement new technologies and efficiencies just your forefathers did.

The world is slowly turning into a global village, continually advancing from a technological standpoint. Think about it....does anyone remember a certain TV detective talking into his shoe?



**Agriculture is the greatest and fundamentally the most important of our industries. The cities are but the branches of the tree of national life, the roots of which go deeply into the land. We all flourish or decline with the farmer.”**  
– Bernard Baruch

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