

SHELBY COUNTY CROP TALK

June 26, 2020



Crop Scout: What a week. We have had lots of rain at the beginning of the week and mild temps have changed the crop appearance by a large margin. Much of the corn has lost a lot of the **yellow** over the past week and fields have a nice dark **green** color. I have seen some “tomahawked” roots (picture at left) due to sidewall compaction during planting. This can lead to corn being more susceptible laying over in high winds and less drought tolerant. Timely rains should help to alleviate this issue. We are in a moderate risk zone, according to Bayer Crop Science, for Northern corn leaf blight, so scout your fields and watch for disease pressure.

Soil Health: Soil health, as defined by the USDA, is “The continued capacity of a soil to function as a vital living ecosystem that sustains plants, animals, and humans.” It has become the center point of the sustainable agriculture movement. Sustainable agriculture is an integrated system of using agricultural practices to restore and sustain soil organic matter and life. Sustainable ag practitioners base their operations on using the five factors of soil health. The five factors are a soil armor, minimize soil disturbance, plant diversity, continual live plant/root, and livestock integration. These factors are all attempting to mimic a natural ecosystem. After all a natural ecosystem is what formed the deep rich soils of the world originally. What do each of these factors mean?

Soil armor is a layer of residue that covers the bare soil and protects it from the elements. A good example of armor would be a terminated rye cover crop. **Minimizing soil disturbance** is to limit the amount of times and extent we use mechanical tillage to disrupt the soil. Tillage is the quickest way to burn organic matter in our soils. That is not to say it should always be avoided. Tillage can be useful at times in production agriculture. **Plant diversity** is the addition of polycultures to our fields. Seldom in nature do we find only one type of plant growing in a large area. Rebuilding a soil is best done when multiple species interact, such as legumes capturing nitrogen and sharing it with grass plants. The fourth point is to have **living plants and roots continuously** growing. This practice accelerates the building of soil structure, enables continuous sunlight and carbon harvest, and acts as a weed suppressant. Finally, is the **integration of livestock** to our fields. The



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reintegration of livestock brings back in one of the soil's forming factors that originally helped create some of the richest soils in the world.

If you would like to talk with someone about soil health or about implementing any conservation practice into your operation, I would be happy to discuss ideas with you. The NRCS is an excellent resource for learning about soil health and working to improve soils. Many of these practices can seem rather daunting, but could prove beneficial to operations, especially looking to future generations. Improving soil health is one way to help potentially reduce inputs, and worth consideration in today's ag economy.

PPP Loan Information: Recently the Small Business Administration clarified some rules regarding the PPP program and how it applies to self-employed individuals. There is some good news that applies to self-employed farmers.

If you operate by yourself with no payroll expenses, then you are eligible for money based on the following calculation:

- $2019 \text{ Net Farm Income} / 12 \text{ (translate to monthly income)} \times 2.5 = \text{PPP Claim Amount}$
- Example $\$60,000 \text{ (Net Farm Income)} / 12 \times 2.5 = \$12,500 \text{ PPP Claim Amount}$
- The additional benefit for farmers is essentially 100% of the PPP Loan will be forgiven.
- The forgiveness calculation states the money must be used for Owner Compensation Replacement, Mortgage, Rent, or Utilities.
- The Owner Compensation Replacement piece allows you to claim up to 24 weeks of income towards the forgiveness. Continuing the example from above the forgiveness calculation would work as followed:
- $\$60,000 \text{ (Net Farm Income)} / 52 \text{ (weekly income)} = \$1,153.85$
- $\$1,153.85 \times 24 \text{ weeks} = \$27,692$
- The $\$27,692$ far exceeds the original $\$12,500$ loan amount. This means all of the $\$12,500$ would qualify for full forgiveness.

Important info to know:

- PPP Applications must be filled out through your local bank
- It is not clear yet whether this money will be taxed or not
- $\$100,000$ is the maximum net income amount that can be used to calculate the payment

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Resources:

- Payment Protection Program
 - <https://bench.co/blog/operations/ppp-forgiveness-contractors-sole-props/>
 - <https://bench.co/blog/operations/owner-compensation-replacement/>
- Soil Health
 - NRCS Case Studies
 - <https://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/soils/health/?cid=ncseprd1470394>
 - Soil Health Description
 - <https://www.nrcs.usda.gov/wps/portal/nrcs/main/soils/health/>