



ECONOMIC DOWNTURN OPENS DOORS



PHOTO: DEAN GUNDERSON

This year has started off much like the end of 2008: wet. It's continued to rain here in western Bahia. The corn is in full tassel to milk stage, the beans are approaching anywhere from V6 to R1 and cotton continues to play catch up since it was put in behind our ideal planting dates.

The great thing about farming in Bahia is with all the moisture and heat, crops are able to recover and gain quickly. We're now less than a month away from starting popcorn and corn harvest. Our plan is to pick it wet and dry it with our wood dryers, and then get in behind it and double-crop with grain sorghum or edible beans.

Our infield operations continue every day. We are spraying foliar fertilizer, fungicides/insecticides and growth regulators in corn, soybeans and cotton. Farming in a tropical climate is always more of a challenge than the Midwest because we never have a freeze-out period. So, our insects never really die like they would in Iowa. That's why we need to manage them more aggressively and keep them under control

during the growing season.

As it continues to rain in Bahia, southern Brazil and Argentina are having some serious issues with drought and many are calling it the worst in the last 100 years.

Argentina has lost an estimated 40% of its corn crop and 25% of its beans. Plus, during the last 18 months it's been plagued by ridiculously high government taxes imposed on farmers and all ag products. And now they're hit with a major weather disaster, not to mention the shortage of credit from banks and suppliers.

THERE'S SPECULATION THAT 25% of the farmers will not plant a crop there next season. The impact this will have on the global commodities market may be significant enough to push prices back to pre-July 2008 levels.

On the other side of the Atlantic in Ukraine, we've decided to expand our business by picking up another 18,500 acres this season. There seem to be more opportunities there than ever before.

Sources claim that nearly 40%

of all farmers will be out of business by April 2009. The world economic slowdown is really a problem for countries that have major problems half the time on their own – even when the rest of the world is OK. At the end of the day this creates opportunities for growth and gives strength to those who don't have to rely on in-country financing.

When looking at situations in Argentina where 25% of the farmers may be out of business in the next six months, and as many as 40% in Ukraine, you'd think that similar conditions are happening in other countries around the world.

It truly is a different world than just a few months ago, and nobody would have thought that commodities and economies around the world would falter like they have. While that's a bad situation for many, it's a real opportunity for others.

It's important to remember that the market will always cycle, weather will always mess up the best-laid plans and farmers around the globe – no matter what problems they face – will more than likely find a way to survive and thrive. **CSO**