# Can You Really be Profitable in Today's Market?

How much did your fertilizer bill jump in the last few years? While farmers tripled their fertilizer budget, in some cases, fertilizer manufacturers recorded triple-digit profit increases for most of 2022.

The numbers are shocking. "Mosaic's net earnings totaled $842 million in the first nine months of 2022, representing an increase in profits of 217% over the same amount of time last year," reported the December 2022 Investigate Midwest article "Farmers Endured a Rough Year, but Fertilizer Companies Cashed In." "CF Industries reported more than $2.49 billion over the first nine months of 2022 — a 1,075% bump compared to the same amount of time last year."

The outlook for 2023 isn't overly optimistic, either, from the farmer's perspective. USDA's Farm Sector Income Forecast, released Feb. 7, anticipates a decrease in net farm income for 2023. "U.S. net farm income, a broad measure of farm profitability, is currently forecast at $136.9 billion, down 15.9% from 2022's $162.7 billion," notes the article "2023 USDA Farm Income Forecast Erases 2022 Gains."

So what's a farmer to do? "Reducing your fertilizer bill starts with your soil," said Dennis Klockenga, a crops specialist with ProfitProAG. "We work with farmers every day to help them improve fertilizer efficiency by leveraging the power of beneficial soil microbes."

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Midwestern farmers spent nearly $4 out of every $10 of the cost of growing corn on fertilizer in 2021, according to the most recent data of the USDA's Commodity Costs and Return.

That's a sizeable investment, but more than 50% of fertilizer that's applied is lost, by some estimates. These losses, which are linked to erosion and other factors, reflect billions of dollars in wasted fertilizer each year.

It doesn't have to be that way. "Biologically healthy soils that are alive with a diversity of beneficial microbes can produce greater crop yields per unit of fertilizer," Klockenga said.

These beneficial microbes mine the soil (in a good way), extracting nutrients for plant uptake. Then the plants "farm" the microbes. Improving fertilizer efficiency while improving crop yield potential.

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"You need to adopt farming practices that encourage the right balance of beneficial microbes, including the mycorrhizal fungi, so they can work together to make the nutrients in your soil readily available to plants," Klockenga said. "This will help your crop utilize these valuable nutrients to grow and thrive."

**Recipe for Success offers simple, practical solution**

ProfitProAG makes this easy with a 3-Phase Recipe for Success. "Our Recipe for Success isn't a cookie-cutter plan," Klockenga said. "It's tailored to your acres, whether you raise soybeans, corn, small grains, forages or cover crops."

- **Phase I Residue Management.** This "second harvest" focused on efficient breakdown of crop residue to improve soil health and boost nutrient retention/availability, nitrogen fixation, water infiltration, and carbon release to feed the crop during the growing season, while reducing residual insect and disease pressure. The key benefit is improved nutrient cycling from the crop residue, which can help lower your fertilizer bill.
- **Phase II At-Plant.** Jump start your yield, and get your crop off to a strong start with early-

season plant health and vigor. Biological seed coatings and the right starter package supply key nutrients to seedlings and enhance plant health all season-long. “Putting an inoculant in-furrow when you plant is a good way to add more biology,” Klockenga said. Establishing healthy plants below and above ground is critical to maximizing the crop’s genetic yield potential. ProfitProAG’s seed coatings use biology, rather than chemicals, to help suppress crop disease and insect pests.

- **Phase III In-Season.** Help your crop stay green to the finish for maximum yield potential. This phase helps mitigate plant stress, which is critical when the reproductive phase of yield development begins. Foliar application of nutrients, energy and stress-reducing technology builds resilience and uniformity in a crop-production system. The end result is increased seed numbers, weight and nutrient density in grains. Forages show improved nutrient content, energy, taste, storability and reduced mycotoxins.

**Put your soil to the test**

Klockenga also encourages farmers to use to key tests, including the Haney test and the BeCrop® Test, to measure biological activity in the soil.

Like traditional soil tests, the Haney test assesses the key macro- and micronutrients needed for crop growth. The Haney test differs from traditional soil tests, however, since it also evaluates various soil health indicators.

The Haney test tracks various soil health indicators, such as soil respiration, to analyze soil biological activity. The Haney test also measures the nutrients that are not locked up in your soil and shows where you have a fertilizer “credit.” This can help you trim your fertilizer bill, since you may not need to apply as much fertilizer as a traditional soil test indicates.

The BeCrop® test is also important, since it sequences strains of DNA to determine what microbes are in your soil. Why does this matter? Beneficial microbes, especially mycorrhizal fungi, are essential in releasing valuable nutrients that are locked up in your soil to make them available to your crop. “Beneficial fungal species break down carbon residue and move it to the soil,” Klockenga explained. “This has to happen before the beneficial bacteria in the soil can release vital nutrients to the plants.”

The BeCrop test helps farmers assess what’s going on in their soil at the microbial level so they can start making improvements, without all the guesswork. “BeCrop provides a user-friendly report on soil nutrient cycling, soil health and microbe biodiversity on any field,” Klockenga said.

**Let’s talk**

Want to know more? ProfitProAG can help you design a Recipe for Success plan tailored to your acres. Contact us for more details.

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