



# SELF RELIANCE IS ALIVE AND WELL

PHOTO: SUSAN WINSOR

## TIME FLIES

**R**ussell Consulting Group's 10th annual summer conference was held in July in West Des Moines.

It's hard to believe Russell Consulting has been in business 10 years, but time flies when you are having fun.

It was attended by 180 of the best producers in production agriculture. I would like to share with you some of what these producers had on their mind.

With record commodity prices, one would think euphoria would be the prevailing attitude, but not so. Cautious optimism would more appropriately describe attitudes. That's good, as most attendees recognize that the cure for high prices is high prices, and everything cycles.

As I wrote in October 2007, there have been three times in the last 100 years that we have had a similar period: 1914-1916, 1940-1945, 1973-1975. Significant capital flowed into production agriculture in each of these periods. During the last period, 1973-1975, capital was more fluid and moved into agriculture more quickly during the run-up in prices.

Inflation in all farm inputs was greater than the previous two periods. Interestingly, when times turn bad, the capital abandoned agriculture as quickly as it came. I think this run-up in prices will cause capital to move into agriculture much more rapidly and dwarf what we saw in the last three periods; it will likely leave at a multiple of that speed.

These are interesting times to be sure, but if we manage risk appropriately, we will see exciting and profitable times. ◀◀

Moe Russell is president of Russell Consulting Group, Panora, IA. Russell provides risk management advice to clients in 34 states and Canada. For more risk management tips, check his Web site ([www.russellconsulting-group.net](http://www.russellconsulting-group.net)) or call toll-free 877-333-6135.

**F**armers operate a business totally dependent on Mother Nature, but this winter and spring have been unusually unforgiving. The weather pattern of excess moisture began last December and has not let up.

While visiting our eastern Iowa hog-feeding facilities this winter, I observed snow piled up 25 ft. on both sides of the road between the two facilities. Then the "monsoons" started in spring.

It was funny how weather analysts last winter warned of drought. This experience points out that no one can predict the weather, and good risk management involves having tools in place – such as crop insurance – to mitigate some of the risk. Nonetheless, it's humbling to have no control over the weather and yet react to the tornadoes, floods and delayed spring fieldwork.

Observing the character and integrity of Midwestern people this year has been inspiring. Stress brings out the best or worst in char-

acter and integrity, and Midwestern values really showed through the stress and hardships this winter, spring and summer.

During the floods I saw people working together. I saw people trying to save their property. They showed me the strength and courage of the heartland of America – the backbone of America.

The late management guru and author Peter Drucker once said, "Character and integrity by themselves accomplish nothing, but their absence faults everything." It is not absent in the Midwest, and each and every one of you should take pride in the fact that it shows. It shows when no one is watching or when everyone is watching.

The Midwest farmers and citizens, its cities and towns will rebuild and ultimately be stronger, and your character has shown through it all. It makes me proud to be a part of that heritage and have the ability to work with those fine people. **CSD**