Acknowledgements

Purdue University’s Department of Agricultural Economics organizes the annual Indiana Farm Management Tour in cooperation with the Indiana Farm Management Association and Purdue Extension. The tour visits farms and agribusinesses that demonstrate highly successful farm business management practices or have unique perspectives on farm business management. The purpose of the tour is to encourage and develop a high level of management knowledge and skill among Hoosier farmers. This publication profiles the management of the businesses visited during the Indiana Farm Management Tour in 2009.

The tour organizers sincerely appreciate the willingness of the host business owners to share what they have learned about managing their businesses. The organizers also appreciate the sponsoring agencies and companies whose donations of money and goods make it possible to conduct the tour without charging tour participants a large registration fee. As you visit the sponsors listed on the inside back cover of this document, please thank them. The organizers also thank the many individuals who give of their time to help make the tour as enjoyable, safe, and informative as possible for tour participants, including the outstanding Extension Educators and Specialists who work the tour. For information on future tour dates, please visit <http://www.agecon.purdue.edu/extension/programs/farm_tour.asp>.

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Indiana Farm Management Tour
La Porte and Starke Counties
June 23 and June 24, 2009
(All times are Central Daylight Time [CDT].)

Tuesday June 23, 2009

1) Wappel Farms – Interview at 1:00 p.m. Mini-tours on Mint Production, Mint Harvest and Marketing, and Prescription Farming.

2) Schafer Farms – Interview at 3:00 p.m. Mini-tours on Cow/Calf Beef Herd and Grazing System, Drying Facilities, and Fertilizer and Chemical Storage Facilities.

3) Pinney-Purdue Ag Center –
5:30 p.m. Tour of Pinney-Purdue research areas that include corn/soybean, vegetable, forestry and wildlife areas, Jon Leuck, PPAC Superintendent.
6:30 p.m. Dinner, (Both meals catered by Birky Family Farms, Kouts)
7:30 p.m. A panel discussion on “Decision-making in the Wake of the 2008 Farm Bill” with Marietta Kendall and Carl Schweikhardt, Program Specialists in the Indiana Farm Service Agency’s state office, Roman Keeney, Agricultural Policy Specialist, Purdue University, and Chris Hurt, Purdue Marketing Specialist.

Wednesday June 24, 2009

4) Lawrence Brothers Farms – Interview at 8:00 a.m. Mini-tours on Seed Corn Production in the Biotech and Precision Farming Era; Using Nutrient Management to Enhance Yields, Reduce Input Costs, and Protect Water Quality; and Irrigation Scheduling – Economically Meeting Crop Water Needs.

5) Abbett Farms, LLC – Interview at 10:00 a.m. Mini-tours on Logistics, Data, and Information Management; Surface and Subsurface Water Management; and Specialty Crop Production and Management.

Lunch followed by Agricultural Outlook Update – 12:00 p.m. at Abbett Farms, LLC
Dr. Chris Hurt, Purdue University Marketing Specialist. The session will end around 2:00 p.m.
What Can You Learn from Our Tour Hosts?

Four family businesses with their own unique management practices welcome you to their place of business. Read the profiles in this publication, listen to the general interviews, and then see if you can answer the following questions. As you answer them, think about how you might use some of the host farmers’ ideas on management to improve the performance of your own business.

Wappel Farms

1. How does the Wappel Farms’ mint enterprise illustrate the farm operation’s management processes?
2. How is mint produced, processed, and marketed?
3. How is the global marketplace for mint changing, and how have Indiana’s mint producers responded to the challenges of global competition?
4. What is prescription farming, and how is it being used to increase the efficiency of Wappel Farms?
5. How does Wappel Farms effectively coordinate its geographically dispersed farming operations?
6. How does diversity in the interests of the Wappel Farms’ management team members contribute to the farm operation’s success?

Schafer Farms

1. Myron, Vern, and Matt Schafer took coursework in the College of Agriculture at Purdue University. Vern and Matt both earned degrees in Agricultural Economics. How have their educational experiences at Purdue influenced the Schafers’ approach to management of Schafer Farms?
2. Matt Schafer is the latest addition to the Schafer Farms management team. How has the operation changed to accommodate Matt’s addition to the management team?
3. What challenges and opportunities are associated with moving a farm operation in response to urban encroachment?
4. “Irrigation opens the door to lots of possibilities,” according to Vern Schafer. What are some of the possibilities Schafer Farms has considered, and how are these likely to affect the strategic direction of the farm operation in the future?
5. Finding an adequate supply of water for irrigation has been a challenge for Schafer Farms. What are horizontal wells, and how have they been used to expand irrigated acreage on the farm?
6. Schafer Farms uses a custom-designed computer system to control unloading, drying, and ventilation of harvested grain. What are the benefits of employing additional technology in the grain drying and storage complex?
7. Why has Schafer Farms chosen to continue producing beef cattle, and how does this enterprise fit into the future vision for the farm operation?
Lawrence Brothers Farms

1. What are the advantages of having the various business entities set up the way they are at Lawrence Brothers Farms?
2. How does Lawrence Brothers Farms go about cultivating and maintaining good working relationships with input suppliers and the companies that purchase its products?
3. How do the Lawrence brothers balance the needs of their business with their goal of maintaining a good reputation in their community?
4. How has Lawrence Brothers Farms benefited from integrating livestock with the cropping operation?
5. How does Lawrence Brothers Farms manage the relationship risks associated with a farm of its scale and diversity?
6. What new technology will the Lawrence brothers be adopting on their farm in the next few years?

Abbett Farms, LLC

1. What risk management strategies do the Abbetts use?
2. What steps do the Abbetts take to attract and retain employees?
3. What are some of the Abbetts’ keys to successfully producing high value crops?
4. Why are the Abbetts using various business entities?
5. How do the Abbetts manage the water resources on their farm?
6. Why do the Abbetts think it is important to document the “green” processes they use in their farming operations?
Wappel Farms

Wappel Farms: Past to Today

Wappel Farms is a corn, soybean, and mint operation of more than 6,000 acres headquartered in San Pierre, Indiana. The farm business is managed by Larry and Debbie Wappel along with their two sons Larry Jr. and Eric. Wappel Farms’ origin dates to Ed Wappel’s purchase of eighty acres in 1944. Over the next forty-plus years, Wappel Farms expanded considerably, reaching a size of 2,500 acres when Ed retired in the 1980’s.

In 1988, with Larry Sr. at the helm, Wappel Farms began mint-oil production. The late 1980’s brought high mint-oil prices, which encouraged many northern Indiana farms to adopt mint production for high per acre returns and farm revenue diversification in a region well-suited to the crop. The original mint crop at Wappel Farms was planted prior to investing in on-farm distilling, with the first mint-oil production from Wappel Farms custom-distilled by other area mint farms.

Relying on custom distilling services introduced the risk that Wappel Farms’ mint-oil would not be produced in a timely fashion, leading Larry Sr. to evaluate alternative still designs and begin construction of his own on-farm processing unit. This ability to identify a potential management problem, evaluate possible solutions, and promptly implement the most efficient alternative is a hallmark of the decision-making process at Wappel Farms. With on-farm distilling capacity to match the needs of Wappel Farms and continued interest in developing the capital and skill required to efficiently produce mint alongside traditional grain and oilseed crops, the business was able to become (and remain) a leading mint producer in Indiana.

The mint enterprise offers valuable insight into the management process and its relationship to business success at Wappel Farms, but it is important to realize that mint is only a fraction of the business, with less than twenty percent of the farm devoted to mint. In 2009, Wappel Farms will raise more than 2,500 acres of both corn and soybeans alongside their 850 acres of mint, on an operation that spans four counties with a fifty-mile separation between the farthest fields.

While Wappel Farms is owned by Larry Sr. and Debbie, both Larry Jr. and Eric have chosen farming as a career. (Eric also works off-farm as a sales representative for LG Seeds.) Both sons prepared by completing coursework in the College of Agriculture at Purdue. Each manages his own farm (with both owned and rented acre-age) separately from Wappel Farms, while continuing to contribute significant management and labor to the home farm. The incorporation of the next generation into Wappel Farms’ management represents an important asset for the business today and looking ahead. Diversity in interests promotes specialized skill development within the management team, meaning that Wappel Farms will continue to be equipped to find efficient and profitable solutions to management problems ranging from production technology to the marketing of final products.

The Wappel Farms Mint Enterprise: A Lesson in Management

Mint production in Northern Indiana boomed in the late 1980’s as prices for mint-oil climbed as high as $55.00/lb. The
ensuing twenty years have seen as many as half of the area’s mint producers discontinue production. Several factors led to the decline in mint production in Indiana:

- Depressed prices that are currently less than one-third of their 1980’s peak due to competing production from foreign sources (China, India)
- Competition from row crop production, which features strong government support in price protection and risk management
- A marketing system based on production contracts (3-5 years), which did not take into account possible changes in prices and costs over the contract’s term, leaving producers vulnerable to rising input prices

Mint production is capital intensive, requiring specialized planting and harvesting equipment and on-farm distilling capacity. Management principles tell us that despite the fixed capital investment that may have been made in production assets, decisions about whether to continue to produce the crop should rely on a determination of profitability of the crop relative to the variable costs of production. The management team at Wappel Farms has worked extensively with local and state mint industry boards as well as with USDA’s Risk Management Agency (USDA-RMA) to address the listed factors and ensure that their decision to continue in mint production is one that makes economic sense.

Declining prices and foreign competition have become some of the facts of life for U.S. crop producers in the globalization era. As competition in mint-oil production has increased, quality management at Wappel Farms has become a critical aspect of the production and marketing process. Midwest mint-oil (so labeled if it is produced in Indiana, Wisconsin, or Michigan) is known for its high menthol content, which is preferred for flavoring products like chewing gum and toothpaste. Managing this quality advantage to maintain favor with processors requires that producers like the Wappels work hard to ensure timely and full delivery on contractual commitments, while adopting technology for planting, harvesting, and distilling mint-oil that minimizes contamination and maintains expected quality.

Northern Indiana, like much of the Eastern Corn Belt, is known agriculturally for corn and soybean production. The strong current prices for these crops are playing a significant role in allowing these crops to compete for tillable land. However, even in times of weak grain and oilseed prices, the increasing influence of government farm policy in providing safety net payments and subsidized crop insurance has greatly reduced income risk for producers who participate in those programs. No such protection was available for mint producers historically, until USDA-RMA began a pilot program to offer crop insurance for mint production. The Wappels participated extensively in the pilot program, working with USDA-RMA directly on their farm to ensure RMA officials understood mint production practices and the requirements of a viable insurance product to manage risk in mint production.

As with many other agricultural products, contracting is commonplace in mint production. Most producers operate under production contracts with terms of 3-5 years. The benefits of contracts for processors are well-understood because they rely on these mechanisms to guarantee a stable supply of inputs. For farm businesses, which are small relative to processors, the benefits of contracting can be quite variable. Contract
terms are negotiated with limited information about farm input prices in future years. With output prices locked in, margins can easily disappear. To overcome this problem, Wappel Farms played a leading role in negotiating production contracts with mint-oil brokers and end users that were flexible enough to maintain profit margins for farm-level producers.

These three examples of Wappel Farms’ response to a management problem are indicative of what is consistently seen in most successful businesses. Like most farm families, the Wappels are willing and eager to work hard and for long hours, but they know that the greatest rewards for hard work come when hard work follows sound decision making. The Wappels have identified two areas for making sure their decision-making process is giving them the best chance of success: efficiency and communication.

Effective Management of a Large Diverse Operation at Wappel Farms

Wappel Farms is a diverse operation, with large corn and soybean acreages in addition to the mint crop. The more than 2,500 acres they annually plant to both the soybean and corn crops is larger than what is operated in total by most Indiana farms. To reach this size, the farm has had to expand opportunistically, adding farmland through purchase and rental arrangements in four Indiana counties. Farming at this scale with heavy demands on family labor and management, business arrangements with multiple landlords, and over a broad geographic area presents a continuous challenge. The Wappels meet this challenge with efficiency as a guiding principle and communication as a management tool, making sure that every acre of farmland and hour of family labor is put to its best use.

Larry Sr. and his sons maintain open communication lines as they proceed with day-to-day activities. No one makes a cross-county trip to another farm without first checking to see if other tasks could be accomplished en route. This kind of attention to detail and sharing of information is critical for businesses like Wappel Farms, where there are multiple operators but a shared objective that is best achieved when each decision-maker is up-to-date on the activity of his counterparts.

Managing a large farm with multiple operators allows for individuals to develop specialized proficiency in different management areas, which the Wappels exploit to meet their efficiency goal. With Larry Sr. working extensively on the marketing side, Larry Jr. has focused on chemical use and application technology and work with the Mint Industry Development Council. Eric has turned his attention to information technology in farming, using digital mapping of soil features to generate planting and nutrient application “prescriptions” that account for within field differences in yield potential for the different farm sites.

Prescription farming represents an important technology for Wappel Farms going forward. The diversity of management interests is an asset to the business. This allows one individual to develop the expertise to assess the impact of adopting new technology and communicate potential benefits and drawbacks to others involved in decision-making. This format has been the hallmark for many successful corporate ventures in the past, and the Wappels are effectively adapting it to their farm operation, which remains firmly oriented as a family business. Seeking efficiency and open communication as a model for decision making will continue to reap benefits for the
Wappels as they evaluate new technologies like microwave distilling of mint-oil and the annual advancements in seed, nutrient, and chemical options for Corn Belt row crops.

**Wappel Farms: Today and into the Future**

In the future, Wappel Farms will look much like the corn, soybean, and mint operation we see today, with a management team actively assessing their methods and alternatives to ensure efficiency goals are being met. Larry Jr. and Eric will progressively be integrated into the management and control of Wappel Farms, succeeding their parents. An important future goal is to develop a formal mechanism for transfer of the family business between the generations.

In the meantime, the Wappels intend to keep working hard, managing their farm in a way that ensures rewards for hard work. Mint production consumes a lot of family time and requires outside labor, but the family enjoys the fact that early spring planting and summer harvest allows them to engage in a profitable enterprise while many farmers are waiting to get in the fields for row crop production. The family maintains a strong presence in the mint industry through service on industry councils and offering education through farm tours. The Wappels have hosted visitors from more than thirty countries. Activities like these, and the family’s commitment to work and efficiency, mark Wappel Farms as an example of effective management from which we can draw valuable lessons.
Schafer Farms

Schafer Farms got their start near Crown Point in Lake County when Harold Schafer, a depression-era survivor, started the operation with a small herd of Hereford cattle in 1952. By the early 1970s, encroaching urban development and two sons eager to join the business led to a multi-state search for land as a suitable base of operations. “Don’t buy land near the river,” counseled a friend who was also in the market for a farm. However, in 1972, sons Myron and Vern joined with Harold in investing in about 1,000 acres with minimal buildings near La Crosse in La Porte County, about four miles away from the Kankakee River. “Moving an entire farm operation a mere 35 miles was quite an undertaking,” explained Vern. “It took several years of readjusting to a new environment before we became comfortable in our new surroundings.”

Prior to moving from Crown Point, Myron attended the Short Course in Agriculture at Purdue. Vern later received a degree in Ag Econ from Purdue in 1976. Matt, Vern’s son, got a degree in Agricultural Economics and returned to the farm in 2001. There has been expansion of the operation. Additional land was acquired in 1978 (rented 400 acres), 1988 (purchased 320 acres), 1991 (purchased 160 acres), 1994 (purchased 80 acres), 1997 (purchased 150 acres), 1999 (purchased 240 acres), 2001 (rented 700 acres), 2004 (purchased 240 acres), and in 2006 (purchased 240 acres). Also in 2004, Matt purchased 80 acres.

The original farm near La Crosse was purchased on a land contract by Harold and sons with the thought that the Crown Point property could be sold; however, development in that area slowed and didn’t revive until 1997. At that time, the property in Crown Point was traded for some of the above parcels. Most of the land acquired is adjacent to, or relatively close to, the original farm. Most of the purchases were due to timing and opportunity, and the anticipated return of Matt to the operation.

Cropping and Drying

The new farm had considerable sandy soil, which was attractive for the cows and calving. Initially the farm focused on corn, soybeans, and cattle. “Our two-row equipment was badly undersized that first year, and we had to hire a neighbor to help with the plowing,” explains Myron. “We picked the highest point on the farm to establish our storage facilities, shop, and other buildings,” notes Vern. Although the sandy soil was attractive for calving, the pastures tended to burn up, and crops needed additional water. The Schafers’ first investment in irrigation was an Ag Rain hose-pull system in 1984, which irrigated 90 acres.

Although the crops responded to water, getting an adequate supply of irrigation water was a challenge. “There is an oil shale layer at about 19 feet, and even if you drill deeper there is very little additional water,” says Vern. “In 2002, we learned about horizontal wells that use an 8-inch field tile on top of the oil shale layer. We need about 400 feet of tile to pump 800 gallons per minute for 160 acres. Locating the tile in coarse sand is ideal as it recharges faster,” explains Myron. This technology has allowed the Schafers to expand their irrigated acreage considerably, and they have also acquired ground with installed irrigation systems. They currently irrigate about 1,800 acres with eight center-pivots, four of which are towable, and the old hose-pull system. “Irrigation opens the door to lots of possibilities,” Vern indicates. “With irrigation you can grow vegetables
like green beans and cucumbers, and producing seed corn is a possibility.” Matt explains, “Growing seed corn takes an extra effort in the spring because of the multiple plantings required and timing is very important. The trade-off is that there is no harvest required.” Currently there are about 3,200 acres of row crops, 300 acres of vegetables, and about 150 acres of pasture and hay.

**Technology vs. Labor**

Vern indicates, “We have tried to use technology and family labor instead of hiring additional labor.” The drying and storage complex is an example. The initial grain drying and storage system was designed with expansion in mind and now holds about 170,000 bushels, with several smaller bins that facilitate the segregation of commodities with special characteristics. The unloading, drying, and ventilation system are all computerized using a system developed specifically for the Schafers by Bob Rinkenberger, a local “techno-geek” and his magic laptop. A number of sonar sensors, rather than pressure switches, are used in the system, and they have attempted to get as much of the wiring and controls as possible out of the weather and into a specially designed building.

With the increase in the size of combines, Schafers have the capacity to harvest about 2,500 bushels of corn per hour. A new 7120 CNH combine has been purchased for 2009. However, their old dryer was a bottleneck and is being replaced by a new dryer with rated capacity of 1,400 bushels per hour. Once the grain is dumped, it is handled automatically by the computer system. Corn goes to the wet holding bins, then to the dryer when it is available, and finally the hot grain is moved into storage. If an auger begins to run more slowly than it should, the system automatically adjusts; first to clear the auger, and if that is not successful, then the system is shut down before something breaks.

Because the Schafers hold much of their corn for late summer delivery, the ventilation system is designed to maintain the grain in optimum condition at low cost. The Sentry Pac system monitors air temperature, relative humidity, and aeration needs of the grain. If suitable weather conditions do not occur within a certain time period, restrictions are relaxed. With this system and Bob’s special controls, not a single bin has gone out of condition. The load-out time for a semi is about 7 minutes, and the system can be set to load successive trucks. The additional dryer capacity being installed utilizes the existing dump pits, augers, and other equipment.

**Beef Production**

“A beef cow herd is not common in this area, but we keep detailed records on performance, and I know the 75 cows individually. We also have a number of paddocks and use a rotational grazing system,” explains Matt. Although the original herd was Herefords, the Schafers have moved to crossbreeding (Hereford X Simmental X Angus) and run purchased purebred bulls with the cow herd.

The paddocks and rotational grazing allow about one cow/calf unit per acre. Cows are given access to fresh pasture on a daily basis, and the paddock is mowed after having been grazed. After 28 days, the paddock should be ready to be grazed again. Excess pasture can be used for hay. “The system is somewhat labor intensive, but makes effective utilization of forage,” notes Matt. The cows forage on corn stubble for much of their winter ration.
Most of the calves are fed out for slaughter or are kept for replacement animals, although a few may go as 4-H calves. “About 20 head are sold locally for freezer beef each year. We typically butcher five head monthly from summer through early fall, and our customers can sign up for a quarter, half, or whole animal on a first-come, first-served basis,” explains Matt. “We tried to expand the number of customers and got up to about 30, but had a number of problems. Many people cannot afford to pay for a year’s beef in advance, and others don’t know what to do with many of the cuts they get. We send our existing customers letters in March to schedule their beef, get the money before they get the beef, and they pay Butcher Block for slaughtering and processing. The beef is priced at market price plus a couple of dollars premium. This alternative marketing method is time-consuming but provides a better market for our best animals.”

There is some question as to the profitability of the cows on land that is now possibly irrigated due to our discovery of horizontal wells. Alfalfa grows well on these naturally alkaline sands, and the addition of water is a plus. Hay is a viable crop on these soils, and it helps maintain the fertility of these sandy soils with low organic matter.

New Shop

“We built a good-sized shop in the mid-1970s, but it is not big enough for today’s equipment. I had fun designing a shop on the computer with a program offered by Farm Builders of Remington. You can put pieces of equipment in the shop to see how they fit and what room is left,” explains Myron. “We don’t fabricate much equipment, but we do a lot of our maintenance, and I want a comfortable working environment,” explains Vern. The shop, which is currently under construction, is 81 feet by 108 feet and has additional space for offices, a meeting room, an employee break room, and additional storage. “We want to get the farm office out of the house.” says Vern.

Chemical Storage

Because of the volume of liquid fertilizer they have, the Schafers are required to have diked storage. “Storage tanks are not attractive, and some tank materials deteriorate if exposed to sunlight, so we put them in a building,” explains Vern. The materials stor-age building is located away from their other buildings, with easy access from the high-way. The building takes advantage of the sloping location to have fill pad and fertilizer storage in extra tall tanks with a four foot dike and the tanks and pumps to properly handle any spills. Any spilled materials are recovered, diluted, and applied with fall herbicides. There is also room for storage of seed, dry fertilizer, herbicides, insecticides, and other materials as necessary.

A Look Ahead

“Our decisions typically involve some lively discussion and compromise,” note the Schafers. Myron and Vern farm because it is “in our blood.” They say it is in the only occupation they have ever considered. “We have relied on family labor in the past,” says Vern, “but that is likely to change in the future.” At this time, Matt is the only family heir who is interested in physically farming as a pro-fession. “We need to learn how to manage non-family labor effectively,” explains Matt.

The Schafers do have some part-time help, but the individuals have farm backgrounds and experience, and need very little training and supervision. “Our neighbors have
learned to manage people, and it will be a challenge to us if we want to stay competitive.

Keeping up with technology, maintaining good production records, and knowing the costs specific to each farm enterprise will be critical to future success. They have recently installed an antenna on their grain leg for running Real-Time Kinematic (RTK by Trimble), which allows them to auto-steer their tractors in the field. In fact, Vern is able to talk on his cell phone while out in the fields planting rows of “female” seed corn because he doesn’t have to have his hands on the steering wheel! They are the first in their area to adapt this technology, so he is not sure what the cost will be for this service/technology. A local equipment dealer is hoping to establish a network for area farmers, so they may receive a discount for their service since they are piloting the project and providing an antenna site.

**Families and Community Activities**

**Myron** *Wife: Joan. Children: Season and Spencer. Activities: 4-H, FFA, La Porte County Extension Board, La Porte County Row Crop Food Producers (President), St. Martin Church Council.*

**Vern** *Wife: Sherrie. Children: Matt and Staci (husband-Bill Bohling). Activities: 4-H, FFA, La Porte County Extension Board, 4-H Club leader (11 years), La Porte County 4-H Beef Superintendent (1st year), La Porte County Row Crop Food Producers, St. Martin Church choir, La Porte County Extension on PCARET for 14 years, 4-year term on the State PCARET committee as an at-large representative.*

**Matt** *Wife: Kristen. Dog: Sadie. Activities: 10-year 4-H member, Purdue University Top Scholar in Ag Economics, Co-Alliance Board of Directors, 4-H Beef Show Ring man, St. Martin Church choir.*
Brad and Todd Lawrence manage a second-generation farm started by their parents, Clarence and Peggy Lawrence, near Knox in Starke County in 1959. Major enterprises on their 6,000 or so acres include seed corn, mint, commercial corn and soybeans, and contract-fed hogs. Between various family members the Lawrences own about half of the land that they farm.

“Our operation is good sized, but then again we are sustaining several families, too,” said Brad. “We try to support our community and blend in as much as possible—we like our community and our neighbors, and hope we give them some reasons to like us, too.”

Peggy Lawrence, who taught in the local elementary schools for many years and participates in the operation as a landowner, lives in the family home adjacent to the main farm shop. Clarence, who passed away in 1999, managed the Brems and Hamlet branches of the Starke County Farm Bureau Co-op for many years.

Natural Resources

The Lawrences grow crops in the Kankakee valley of northern Starke and southern LaPorte Counties in Indiana. Settlement in this area was later than in some other parts of Indiana, because the pioneers felt much of this originally swampy area was unsuitable for cultivation. Drainage ditches bisect many fields, and these lead to an interconnected series of levees and channels, some of which are owned and maintained by drainage districts (cooperative efforts of farmers). These glacially derived soils are mostly sandy in texture, so they mostly have good internal drainage but a low water holding capacity.

“In this area we don’t depend on subsurface drainage tile like in many other areas, said Todd. “So for us to be able to farm these soils, the focus is on getting the excess water out of the field by moving it to these ditches. From there we have to pump it into local streams and rivers, because our fields are often lower in elevation than those streams.”

The water table is relatively high, but with the low water-holding capacity the surface can turn droughty in a hurry if conditions are right in the summer. “That’s why irrigation is so common here - water is relatively easy to reach, and it can make a huge difference in having a crop, or not, in many years.”

Two-thirds of Lawrence land is irrigated, all with center pivots.

“We had some of the first pivots in this area, our first going up in 1978,” added Brad. “Irrigation has kept us in business after some of those droughty years and kept us in specialty crops such as seed corn, where it is a must-have. I see it as one of the major components of our risk management plan.”

Water erosion on these mostly level soils is not a major worry, but preventing wind erosion, protecting water quality and the preserving wildlife habitat are focus points for the Lawrences operation. The Kankakee valley is an important area for migrating birds. Waterways are protected by maintaining conservation buffer strips, and frequently wheat or oat cover crops are utilized to keep wind erosion in check between crops and to enhance nutrient utilization. They recently put 500 acres into the Wetlands Reserve, a program of the Natural Resources Conservation Service.

Crops Enterprises

The Lawrences have always looked beyond commodity crops to add value to the acres that they farm. In years past, popcorn for Orville Redenbacher was one of their
primary crops. Today the largest crop enterprise for the Lawrences is seed corn, all for the Pioneer Hi-Bred production plant in nearby Plymouth, and all irrigated. The Lawrences began raising seed for Pioneer in 1989. 1988 was a major drought year across the Midwest and a turning point for many seed companies who saw irrigated acres as much more reliable for seed production. Pioneer offers the Lawrence’s agronomic advice on how to manage their seed acres, but many of the final decisions such as weed control tactics or fertilization decisions are the Lawrences’.

“We are compensated by Pioneer partially by how well our seed acres do compared to other growers,” said Brad. If we beat the averages for this area, those extra bushels are doubly compensated. So, there’s a lot of pressure on us to do well.” Along with their own, the Lawrences do some custom seed harvesting for other Pioneer growers in the area.

Mint is another higher-value crop that does especially well in the darker, muckier soils in their area. The Lawrence operation grows primarily peppermint, a perennial crop, all on contract. Mint leaves contain oils that provide flavoring for foods, confections, and dental care products.

“Weather at harvest is one of our greatest challenges,” said Todd, who spearheads the mint operations. “The mint has to be cut ahead of harvest, and just like good alfalfa hay, it’s important to retain the leaves—because they contain the oil.” When asked about the future of mint markets, Todd added, “mint requires some special equipment and different management, so this is something that not every farmer is going to want to get into.” He says, though, that India is a growing competitor. So far, scientists have been unable to produce a synthetic replacement for mint flavoring in the lab as has been done for other flavors, so real mint production appears safe for the near future.

The Lawrences consult periodically with Purdue Horticulture in regards to mint production and follow the work done at the Pinney-Purdue Agricultural Center at nearby Wanatah. They also utilize the expertise of Purdue Agronomy, especially in regards to nutrient management and utilization of Purdue’s Manure Management Planner.

**Labor and Management**

The operation is organized into several entities for organization, ease of management, and for liability protection. The general farming entity is a partnership called “Lawrence Brothers” involving Brad and son Matt and Todd and son Josh. A regular C corporation, L & L Corp, pays salaries and owns buildings; a sub-S corporation, BTL Corp, owns the farm equipment. The livestock enterprise, N & L Pork, is currently owned solely by Brad; the “N” in the name is reflective of a previous joint owner.

Brothers Brad and Todd are the primary decision-makers of the operation, but a number of other key players are involved as well. Brad’s wife Donna is the office manager, being the hub of farm communications, accounting, receiving, and payroll. The Lawrence brothers employ a handful of full-time employees, including Tim Reeves, who joined in 1994, Jay Temple and John Jernes, 1999, and Ryan Markum, 2008. These individuals were recruited specifically for their unique skill sets using a professional agricultural hiring firm. As part of their strategy to keep good employees, they offer profit sharing bonuses.

“Our main guys are not just laborers—they are clearly a part of the operations team. They often decide on their own when fields need to be worked, the water turned off or
turned on,” said Brad. “If something breaks, they have the authority to spend the money to buy the parts and get it going again.”

**Hogs/Manure Management**

The livestock enterprise is comprised of two sets of newer quad hog buildings for finishing hogs on contract with Co-Alliance. “Co-Alliance is an approved integrator with Farm Credit, and this relationship allowed us to move quickly into the livestock business,” said Brad. “One of the key reasons for the hogs is in trying to reduce some of the money spent on commercial fertilizers, and we also feel that an organic nutrient source can help us boost crop yields.” Lawrences are exploring the use of manure additives to try to best capture the nutrient value, especially to minimize any possible nitrogen losses. They are also looking into the utilization of the hog manure as an energy source, such as using a biodigester to make methane that could then generate electricity.

Their crop nutrient management program is managed by Melissa Lehman of Agronomic Solutions, LLC. Each quad barn can supply roughly enough nutrients to supply 250 acres of crops. “Melissa’s recommendations guide the applications we make with our variable rate manure spreader,” said Brad. The Lawrences were early adopters of grid sampling and variable rate technology, but they have a different take on site-specific management than some others. “Instead of managing the variability, we try to reduce it as much as possible - our goal is to have fields as uniform as possible.”

**Managing the Paperwork**

Donna Lawrence keeps the books for all of the farm entities. Donna’s expertise in this area is no accident, coming into this role in 1977 after working as an accountant for the Starke County Co-op. Accounting for the Lawrence operation is nearly a full-time job. “We have used Horizon software for many years with very few problems,” said Donna. “We keep doing more and more electronically, but I still keep a record of everything on paper.” Things that Donna must keep straight are separate books for each of the farm organizational entities; splitting up amounts when there are share arrangements with landowners; keeping track of grain tickets; dealing with seasonal workers, W-2’s, 1099’s, and social security; preparing for filing income tax returns; and making sure they are square with Farm Credit.

Donna’s office is also the communications hub of the farm. In the recent past they used radio communication, but nowadays it’s primarily all cell phones. With high-speed Internet access they do on-line banking, and they communicate with suppliers using email. Brad does most of the farm agronomy record-keeping using software from Pioneer Hi-Bred, including field records of the types hybrids and varieties, fertilizers, pesticides, amounts of each input used, grain yields, and rainfall and soil conditions for irrigation scheduling.

**Community Service/Family**

With a long history through their dad Clarence of interacting with farmers throughout the region with his co-op affiliation, and their Mom Peggy’s long list of former students, the Lawrences are woven tightly into the community and know the value of community involvement. Brad is a Supervisor for the Starke County Soil and Water Conservation District and President of the Starke County Community Foundation, a multi-million dollar benevolent organization managing 64 funds, which supports local arts, recreational programs, economic development, and service organizations, and provides scholarships to local students. Todd is active on the
Bailey-Cox-Newton Conservancy District, to assist in flood control and drainage in their local area and formerly served on the Knox Community School Board and the Starke County Co-op Board.

When they’re not tending to crops or livestock, you will most likely find members of the Lawrence family fairly close to home. “We love to take vacations together and we’ve traveled a bit, but by and large we are pretty much home bodies,” said Brad. “We very much enjoy following our local high school sports teams. For better or worse, the farm is our life.” Brad teases that he has thought about retiring in Florida, but admits he would have to go it alone. “Donna’s not going to be that far away from our two grandchildren.”
Abbett Farms, LLC

Entrepreneurship has always been a characteristic of Indiana’s farmers. Abbett Farms is an outstanding example of this tradition, having developed a business with several distinctive features. Rather than focusing on the production of commodity crops, Abbett Farms has focused on the production of higher value crops. At the current time, farm enterprises include 525 acres of processing tomatoes, 1350 acres of seed corn, 220 acres of green beans (two crops are produced each year), and 1,800 to 2,000 acres of commercial corn and soybeans. In addition to farming, members of the Abbett family are also involved in a machinery dealership and a Texas Arabian horse farm.

Business History

The farming enterprise was started by Lou Abbett. Lou became interested in farming as a youngster by helping on a farm near where he lived. He became so interested that he began farming a few acres on his own while at home. While attending college, Lou continued to farm. After completing college in 1968, Lou obtained a job teaching in La Crosse and continued to farm. In 1971, Lou was given the opportunity to rent an additional 460 acres. He took advantage of this opportunity, and being a farmer became a more serious pursuit. He soon resigned his teaching position and farmed full time. Since that time, the farm has exhibited steady growth.

As son Glenn was growing up, it became apparent that he had an interest in joining the family business. But just in case this plan did not work out, Glenn needed to develop a contingency plan. He decided to attend Purdue University and study mechanical engineering. Glenn indicates that he felt comfortable that he could learn the agricultural aspects of the farm from his father. Glenn always liked math and was good at it, so he decided to pursue engineering. While at Purdue, Glenn learned the value of working hard in school and the importance of a strong work ethic. In 1994, Glenn graduated and joined the farm business. In the late 1990’s, Glenn became the primary manager of the business.

Business Entities

The business is organized into several different entities. The primary operating entity is Abbett Farms, LLC. This business operates the farm and owns the equipment. Other entities are Lou Abbett Farms, LLC and G & L Abbett Properties, LLC, both land holding entities. These two LLCs rent land to Abbett Farms. Another entity is Abbett Transportation, LLC. It is this entity that is responsible for transporting Abbett Farms tomatoes from their fields to the processing plant. CARRS Enterprises is an entity that engages in land clearing, ditching, and tiling. It is jointly owned by the Abbetts and four other farmers in the area. The final entity is a sole proprietorship, Louis R. Abbett, a business entity that Lou uses for his farming interests.

Glenn indicates that many of these entities are recent additions and have been developed for liability reasons. These entities are also useful income tax management tools, but Glenn indicates that when working with various entities it is important to not lose sight of the “whole.” “When looking at net earnings of an individual entity, profitability may not
look so good,” he says. “You must remember that there is more to the overall picture.” Glenn works very closely with his accountant to keep all entities in check.

**Technology Use**

Being early adopters of technology has always been important to the Abbetts. GPS systems are used for just about everything. They have not gone to RTK systems yet because these systems do not have the flexibility that they need. The Abbetts have also designed and built some of their own machinery. For the tomato enterprise, they have designed and built a 35’ tomato transplanter and a sprayer.

The Abbetts have also used center pivot irrigation systems since 1977. The use of this technology has been critical in providing them opportunities to raise high-value crops. Today they operate 35 irrigation systems. They have explored improving the communications technology associated with these systems; however, given the price of the upgrade, they have decided to wait.

Abbett Farms has been using computers and other information technology for several years. Glenn indicates that this is one major area that was “upgraded” with his knowledge from Purdue. The Abbetts like to purchase their inputs locally, but they do check input prices using the Internet. Glenn is always using spreadsheets and databases to support his decision making. Cell phones have become indispensable tools. Glenn especially likes the ability to send text messages. “Coverage can be a bit of a problem in some locations. By sending a text message, it will be there when the person gets back to an area where there is coverage. It is often easier to forward text messages on to the appropriate person for action than it is to call,” he says.

The Abbetts use an airplane to gather information about their crops. “Being able to fly over the field just provides a different and very useful perspective,” Glenn says. The airplane also gives them a way to easily take trips to visit producers in other states or to attend conferences.

Abbett Farms has also used bio-tech seeds in their fields. They have been using Roundup Ready® soybeans since 1996. They are also using stacked trait seed corn. “As seed corn producers, we get to see what is coming a bit sooner than others and can assess how it might fit into our business,” says Lou. They use grid sampling and variable rate applications of fertilizers to get plant nutrients in the places that they are most needed.

**Management Practices**

Setting goals is always a part of management. For the Abbetts, operating a business that is profitable and rewarding for themselves and the employees is part of being successful. Glenn also wants the business to provide an opportunity for any of their children who might like to join the family business. The mission statement of Abbett Farms is “Our goals are constant improvement in a fair and positive workplace and to operate a family oriented business with integrity and teamwork.”

The Abbetts’ keys to being successful include the following.

1. Surround yourself with good people, and then loosen your grip. The size and intensity of the tomato enterprise takes much of Glenn’s time. As a result, most of the decisions associated with commercial corn and soybean
production are made by other employees. Glenn says that “things do not need to be done exactly the way that you would have done them yourself to work out just fine.”

2. It is important to know what you are good at and to stay focused on that. There are other people who have skills in areas that can complement those that you have. In addition to the legal and accounting areas, the Abbetts use a market advisor, crop consultant, and fertility consultant to help them improve the efficiency of their business. One of Glenn’s most important jobs is being coordinator and overseer to ensure that something important is not missed. Glenn points out that finding the best people for your business can take some time, but if their help will let you stay focused on what you do best, it is well worth it.

3. Always keep learning. Reading, attending conferences, and participating in workshops are all important sources of learning. Watching others is another important source of learning. For Glenn there were two important mentors, his father and his grandfather. From his father he was able to learn how to build a growing agricultural business. His grandfather, who ran a global company, taught him to be a careful observer and to interact with people in a professional and respectful manner.

Managing the risk associated with production agriculture is always a challenge. For operating risks, the Abbetts use several strategies. One risk management strategy used by the Abbetts is to invest in state-of-the-art equipment that is needed to get the job done. They also keep the machinery in good operating order by making needed repairs during the winter. Lou indicates that one of the best investments that they have made is in laser equipment that can be used to improve surface drainage. The objective is to get excess water off fields as quickly as possible. Irrigation is also part of their risk management strategy. Through supplemental irrigation, they are able to provide water when it is needed. This tool has led to opportunities that would not have developed without irrigation. Crop insurance is also used. Glenn indicates that he has been using GRIP insurance. Combined with their other risk management strategies, he indicates that he often looks at insurance as another revenue source.

The Abbetts have also addressed several strategic risks. One risk that many small businesses face is having one primary manager. If something happens to prevent that person from performing his or her duties, business operations are often severely affected. To avoid this problem, the Abbetts have chosen to spread management across several individuals. The Abbetts also have a buy-sell agreement in place. This agreement sets the value of the business. To keep the value current, it is updated each year. Life insurance is used as a part of the buy-sell agreement.

Personnel

Several people are critical to keeping the business functioning smoothly. Louis and wife Joan provide general guidance and oversight. Glenn and wife Leslie are the primary operating managers. Glenn devotes a significant amount of his time to the tomato enterprise. Corey Smoker has been with business since the age of 13. He
is the principal manager of the commercial side of the business. His Agricultural Economics degree from Purdue helps him make the necessary decisions for the farm. Kevin Ketchmark started full time at Abbett Farms in 1993. He and Adam Koontz, who began employment on the farm in 2007, are key individuals working with the tomato and specialty crop enterprises. Ted Koselke, who does much of the electrical work, and Don Severson keep the 35 irrigation systems functioning properly. John Shultz is responsible for the service department in the shop, and Dick Dewey helps on a part-time basis with tomato planting and harvest. Amy Bolen is the farm’s corporate counsel and works in the office on financial and legal matters. Tyler Abbett, age 12, and Austin Abbett, age 11, both come out on weekends and after practices to help with field work or other odd jobs. Casey Abbett, age 10 and Gracie Abbett, age 7, enjoy the smaller jobs such as walking behind the tomato planter or simply riding with dad in the tractor.

Once good people have been recruited, the challenge is to retain them. The Abbetts do this in a number of ways. Certainly one way is providing competitive compensation. Another way is making the business a fun, challenging, and rewarding place to work. Yet another is to focus on the needs of the employee. Finally, people are given a fairly free rein to make decisions and do things in a way that they think is best. Glenn indicates that “we want our employees to be directly involved in this business.”

Future Directions

In thinking about the future, the Abbetts have one long-term goal - to provide their children a chance to join the business if they wish to do so. To achieve this, they are following a strategy that Glenn refers to as “controlled growth.” The Abbetts continue to seek ways that they can increase the efficiency and profitability of the business. One of the steps that they are considering is increasing the acres of seed corn. Glenn indicates that they are also looking for ways to better tell their story, especially as it relates to environmental issues. Glenn thinks that future landlords are going to be more concerned about issues of sustainability, so the Abbetts are looking for ways to document the “green” processes that they use. Soil and water conservation are very important issues that are being addressed as well.

One concern that the Abbetts have as they look to the future is an increased number of government regulations. This is probably not surprising given recent concerns about food safety and the production of tomatoes and green beans. Glenn devoted time and energy to help make sure that the current Farm Bill contained provisions that would let Midwestern farmers have the opportunity to grow specialty crops. While the group working for this did not achieve everything they were hoping for, the outcome did provide many improvements. In the future, Glenn expects that working within the political system to help shape policy will be more important at all levels of government.
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