



Layman's Language

*We plant the seeds,
but God gives the Harvest*

We give thanks everyday that we get to do what we do.
Farming isn't just a business to us, it's a way of life.

Communication is key to any successful situation, and we want to be sure to keep you updated on our happenings. It has been my goal for sometime to have a periodical newsletter which allows us to do just that. Through this newsletter, we will share operation updates, photos, current industry topics, and other information with you. Look forward to input from myself, Cindy, our daughters Genny and Holly, as well as other influential participants in our business model. In addition to this mailed newsletter, we also will strive to update our website with informational posts and new photos; a facebook page is also in the works. We enjoy sharing our little world with you, and thank you for your continued support.

Jan



In this issue:

- Harvest 2017 Update
- In The Know
- Cindy's Corner

Layman Farms, LLP

General Partners

Jan Layman

Cindy Layman

Editor

Genny Haun

Contributor

Holly Layman Cannode

Harvest 2017

WATER. This little 5-letter word has lent its share of concerns this growing season. While we were able to get in the field the last week or so of April, cold and wet weather impeded progress throughout May. We were only in the field a total of five days the whole month, which pushed more acres to be planted in June than is preferred. From April 15 through July 15, we recorded more than 20 inches of rain!

Dodging rain clouds for most of the season, we were able to get corn side-dressed, and pesticides applied. Once the calendar flipped to August, however, it's almost as though a valve got shut off, and we didn't get another measurable rain for 6 weeks. I've heard it said corn is grown in July and soybeans in August, accounting for rain and growing heat degree days, neither of which we had this season, and our yields, unfortunately, reflect it.

Harvest was another chapter of the same story. We started cutting soybeans on September 25, and ran hard through October 4, but got rained out for 10 days before finishing soybeans on October 14. Corn shelling began October 16 and we finished up November 14, right ahead of another rainstorm, which dumped 2.4 inches here at the farm, with reports of as much as 4 inches elsewhere in the county. Combines are still running now at the end of November and we count ourselves lucky to be finished, largely in part to a fantastic team of dedicated employees and well-maintained equipment.



In The Know

BACON: The Connection Between China and Hardin County, Ohio

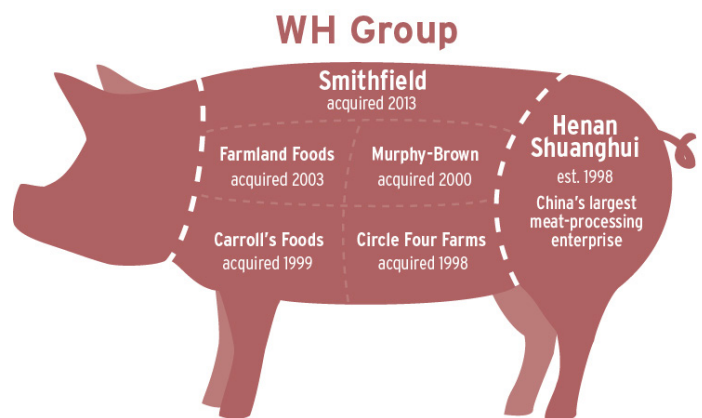
You might ask, how does bacon connect the country of China to our farm in Hardin County?

Two notable events are taking place here. #1 - The desire of folks in other countries to consume a diet with higher protein (animal products such as pork) is increasing at an unprecedented rate. #2 - There are additional plans among the industry to continue to increase the pork processing capacity, thus increasing the market for hogs to supply processing facilities. That in turn increases the need for corn to feed those hogs. Ohio is currently in a corn deficit, meaning we aren't currently producing enough corn to meet the demands locally. Our national consumption of pork isn't necessarily growing at exponential rates, but the possibilities of exports are. All of these factors drive the markets.



China is the largest producer and consumer of pork products in the world. It is estimated that the folks in China consume more than 6000 metric tons of pork per hour, equating to more than 4.8 **BILLION** pounds of pork products a year! That's a lot of bacon! Even though many Chinese producers are modernizing operations, they aren't able to keep up with the demand as many hogs are still raised in backyard pens. It is estimated China imports more than 2 million tons of pork products annually; specific numbers vary as herd sizes fluctuate with the markets. Only 25 to 30% of U.S. hogs are suitable for import to China, as restrictions are in place. U.S. genetics also focus on meat growth versus PSY (piglets per sow per year), thus are not as attractive to China, limiting the number of live swine exports to China.

WH Group (formerly Shuanghui International) has a history dating back to 1958, in Luohe, Henan Province, China. They acquired Smithfield Foods as a wholly-owned subsidiary in 2013; at the time, Smithfield was the world's largest pork producer and processor. The Smithfield brand is also one of the most well-known in the United States, and continues operations stateside, offering their products under the familiar name.



How does this tie us together? In 2015, Clemens Food Group (CFG) announced it would construct a fresh pork processing facility in Coldwater, Michigan. In conjunction with new plants in Sioux City, Iowa (operated by Seaboard Triumph Foods) and Wright County, Iowa (under construction by Prestage Farms), the combined processing capacity will be nearly 50,000 hogs daily, once all three plants are online. This adds nearly 5% to the nation's total pork processing capacity annually, however, the pork consumption industry is only growing approximately 1% every year. This increases the opportunity for exports to countries, such as China.

The majority of corn we produce is sold to Kalmbach Feeds to be ground into hog feed, which is then distributed to the barns owned by contracted growers. Kalmbach contract growers are one of the nine family-owned farm operation groups partnering with CFG to supply the Coldwater plant, which began operations in September of this year. The corn we grow, on your land, could be fed to hogs, processed in MI, and exported to China!

Cindy's Corner



Did you know? In addition to our cash grain operations, we also offer excavation services and farm drainage solutions. Below, we use a pan to create the correct slope for a grass waterway formation. At left, the waterway has been seeded with a specific grass seed mix. Grass waterways are a recognized conservation practice acting as a natural filter for surface water. We work closely with the local Soil Conservation District office to ensure the waterway is built to specifications.



We reflect on the many blessings we've experienced this year - our health, our family, our business, our partners and friends. We are sincerely thankful for each relationship we are a part of. We wish you and your loved ones a Blessed Merry Christmas, and best wishes for the New Year!

Cindy

Contact Us:

Layman Farms, LLP

Jan & Cindy Layman
15238 Township Road 119
Kenton, Ohio 43326

Office: 419.673.4165

Jan: 419.835.5185

Cindy: 419.835.5183

jan@laymanfarms.com

