

March 2014 Management Report

Financial Report - Chanticleer net profit for 2013 was \$40,466, of which about \$29,000 was from farming and \$12,000 from rental of houses. Comparable figures for 2012 were a net profit of \$28,526 with \$14,788 from farming and \$13,738 from rental. Our current cash balance is \$193,530 and we have accumulated retained earnings of \$136,204.

Crops

	2010		2011		2012		2013	
	Acres	Yield/A	Acres	Yield/A	Acres	Yield/A	Acres	Yield/A
Corn	158.37	174	130.01	132	158.37	129	130.01	?
Soybeans	130.01	56	195.22	46	166.86	37	158.37	60
Wheat	36.85	48					36.85	58
Total A.	325.23		325.23		325.23		325.23	

After suffering dry conditions in 2012, we enjoyed much better yields in 2013. We don't know the corn yield for 2013 because we still have about half the crop in the bin, but we expect yields around 175 bushels per acre. We sold 2012 corn for an average price of \$6.56 per bushel. This year corn price has been around \$4.00 and we are currently selling for about \$4.70. We delivered most of the corn sold this year to the Cardinal Ethanol plant in Union City, IN for a premium of 8 to 12 cents per bushel. Prices are not predicted to rise during the next year. We will plant 158 acres of corn this year.

Soybeans yielded very well last year and brought an average price of \$12.91 per bushel. Average price in 2012 was \$14.12 per bushel. 2014 soybean acreage will be 166 acres.

This year the two wheat fields on Woods Road will be planted in soybeans.

Randy Rust continues to be a good partner for the crop operation.

Crop Insurance - The latest federal farm bill eliminated all direct payment subsidies (2013 payment - \$3,784) while increasing the subsidy for crop insurance. We have not participated in the crop insurance program in the past. Wayne County farmers who had insurance received no insurance payments in 2013, but they did get sizable ones in 2012. Because the prices are predicted to be lower this year, I am reviewing quotes for insuring this year's crops.

Buildings - Last fall I contracted to have insulation, siding and replacement basement windows installed in the Boston house. Cold weather prevented any work until January and now, with warmer weather they are making good progress. In December we were approached by a young couple who rented the house and moved in during January. We put the rental in the hands of the property manager who negotiated a rent of \$675 of which we get 90%. I installed a reconditioned water softener, because the old one could not be repaired. There are still some details to complete, but the house will be more energy efficient and look nicer when the work is done. Total cost of repairs will be about \$20,000.

Oma's house is still rented by the Harris family for a net return of \$810 per month. The house is sound, but we need to do some trim painting and glazing of windows.

Don's house is in good shape and he seems quite content and in good health.

We want to repaint some of the walls and ceilings in the RBH this spring.

On the home farm, I plan to paint the steel siding and roofing on the trench silo barn and the pole barn that replaced the corncrib this summer.

Equipment - At the end of last summer I began to experience more repair costs on the mower. At one point, a rear drive wheel cracked and fell off. The dealer told me that we have been lucky not to have had a costly repair of the hydraulic drive pumps and motors. I took the opportunity to trade in the old mower for a demo for a net price of \$7,918. The new mower has a roll bar and seat belt and has much better traction on our steep hillsides.

This year I will replace our 39 year old grader blade. It has been just barely adequate for snow removal this winter.

Property - Some areas of the woods are virtually inaccessible due to bush honeysuckle. Nick and Carol have expressed a desire to have more paths maintained throughout the property. We will work together this spring and summer to clear brush and develop more trails.

In addition, many of the external boundary fences have fallen down and are overgrown with trees. Nick, Carol and I have started working on the fence on the southwest boundary, clearing it of brush and downed trees, pulling out old fence and replacing it with new steel posts. When that is done, we will stretch a couple of wires with reflectors to help mark the boundary.

Performance Stage - A new permanent stage for the pond area is in the early planning phase and we would like to have it built for use this summer. This week I am expecting an electrician's quote for installing at least a 100 amp service. We are still considering various locations and designs, including post and beam structure using our own trees. We want to use ash trees that are endangered by the emerald ash borer. Once we prepare a foundation and materials, Aaron and the band's bassist, Rick, would like to come in early summer to help put up the structure. Rick has recently been working on a crew that assembles post and beam buildings. This structure can also be rented in the future for other occasions, such as weddings or parties.