

The Business of Cover Crops: Trends and Opportunities



COVER CROP TRAINING MODULE

Developed by
Dr. Rob Myers, University of Missouri

Reviewed by
Dr. Alan Weber (producer/economist) and Joe LaRose
(U of MO extension specialist)

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These training modules are being made available by free use of other educators through University of Missouri and the Midwest Cover Crops Council, which participated in the WFF project supporting development of these modules and provided many of the technical reviewers.

All photos are by Rob Myers, University of Missouri, unless otherwise noted.

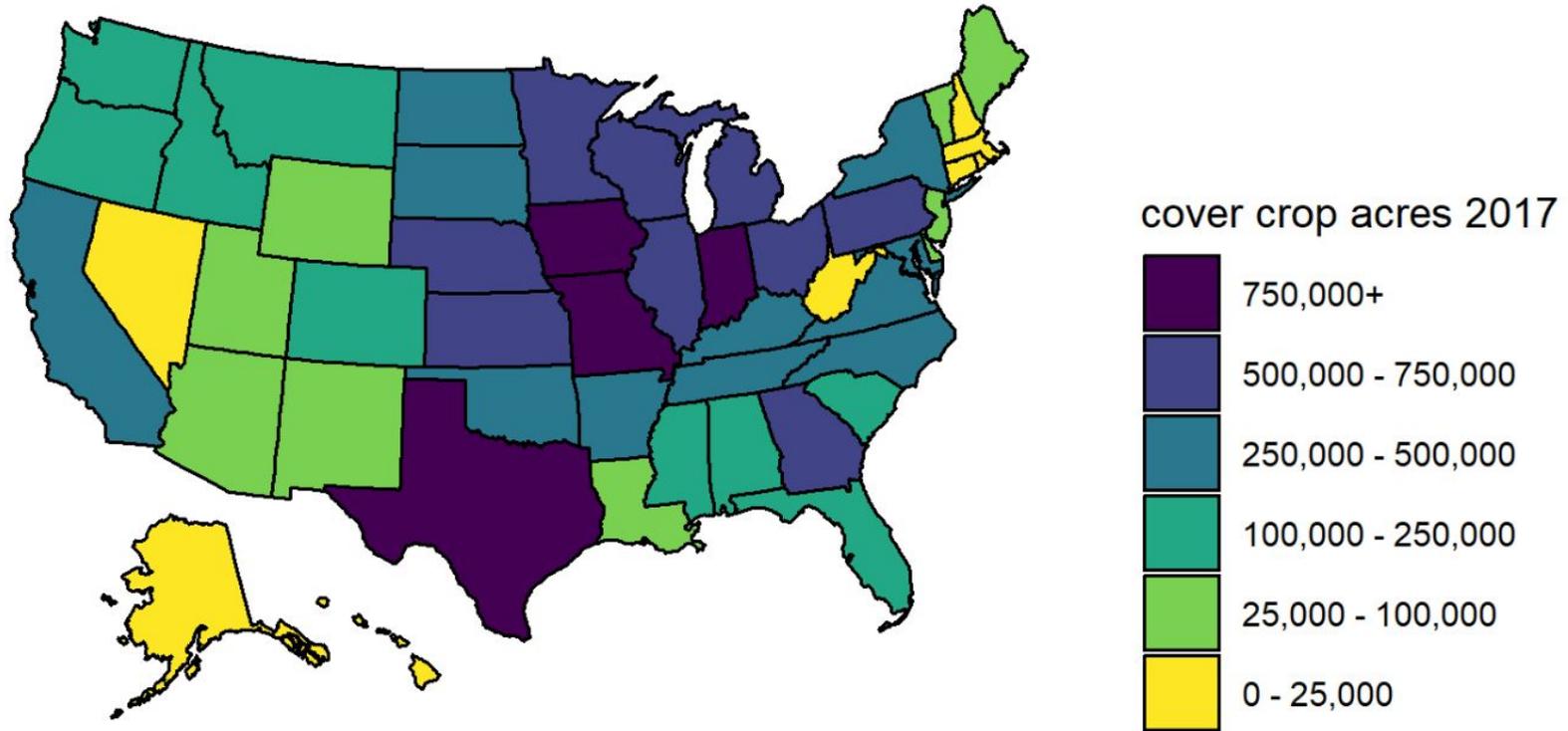


Presentation Outline

1. Trends on cover crop acreage and use
2. New approaches with equipment and establishment of cover crops
3. How can ag retailers and other ag companies develop new business income from cover crops?

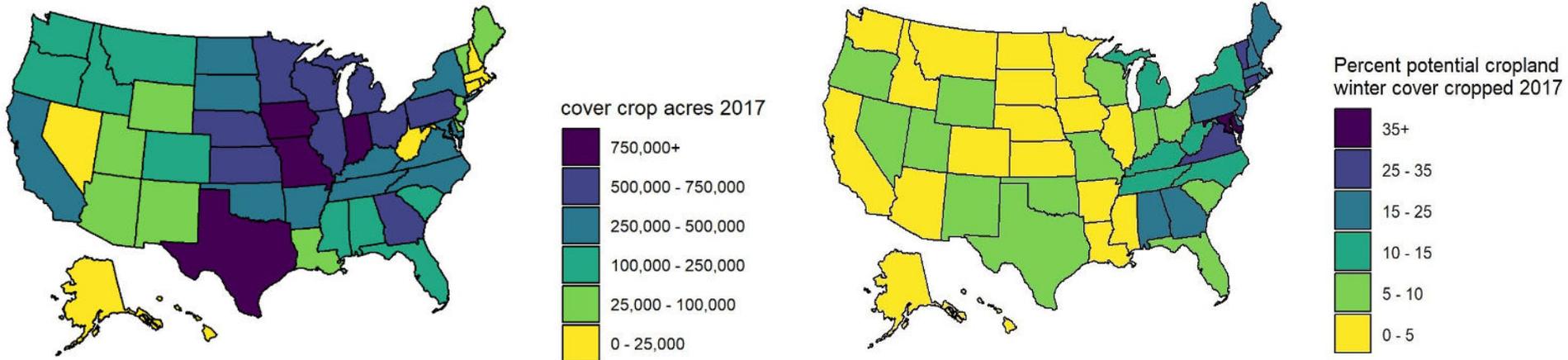


Cover Crop Acreage Planted by State in 2017



Data source: 2017 Census of Agriculture

Two Ways of Looking at Cover Crop Acres



Data source: 2017 Census of Agriculture

Cover Crop Acreage Midwest States

COVER CROP ACREAGE FROM THE 2017 CENSUS OF AGRICULTURE			
State	2017 acreage	2012 acreage	Percent increase
Iowa	973,112	379,614	156.3%
Indiana	936,118	596,062	57.1%
Missouri	842,178	390,114	115.9%
Nebraska	747,903	357,264	109.3%
Ohio	717,759	357,292	100.9%
Illinois	708,105	318,636	122.2%
Michigan	673,205	437,200	54.0%
Wisconsin	611,231	553,005	10.5%
Minnesota	579,147	408,190	41.9%
Kansas	556,439	322,454	72.6%
North Dakota	404,267	213,810	89.1%
South Dakota	281,649	149,383	88.5%
TOTALS ->	8,031,113	4,483,024	79.1%

Cover Crop Numbers from 2017 Census of Ag

- Total cover crop acres in the U.S. increased from 10.3 million acres in 2012 to **15.4 million acres** in 2017, a 50% increase
- Total number of farm operations with cover crops increased by 15.2% to **153,402 farm operations**
- Eight states more than doubled their cover crop acreage in that five-year stretch – IA, AZ, IL, MO, MS, NE, VT and OH
- Ten states had at least 20% cover crops and Maryland had 41% of available cropland planted to cover crops

Projected Growth in U.S. Cover Crop Acres

Cover crop acreage grew by an average 8.4% compounded annually from 2012 to 2017. Assuming that same growth rate for the next decade, U.S. cover crop acreage would look like the following:

2017	15.4
2018	16.7
2019	18.1
2020	19.6
2021	21.2
2022	23.0
2023	25.0
2024	27.1
2025	29.3
2026	31.8
2027	34.5
2028	37.4
2029	40.5

Next Census in 2022 would have 23 million acres,
by a decade from now there would be 40 million acres

What's up with equipment for cover crops?







Vertical Tillage Tools with Seeders



Other Tillage Tools with Seeders



Planter modifications planting into cover crops?





A field of red clover cover crops. The plants are in various stages of growth, with some showing bright red flower heads and others being green and leafy. The background is a soft-focus field of similar plants. A semi-transparent green rectangular box is centered over the image, containing white text.

What are the business opportunities with cover crops?

Business Opportunities for Ag Retailers

- 1) Sell cover crop seed to farm customers
- 2) Provide management advice on cover crops, including adjustments in fertility management
- 3) Seed cover crops with high clearance rigs or other broadcasting equipment
- 4) Provide cover crop termination service
- 5) Help farmers monitor changes in soil health

Size of the Cover Crop Industry in the U.S.

Cover crop acreage in the fall of 2020 estimated at 20 million acres.

By 2029, current growth rate projects to 40 million acres.

40 million acres x \$25 seed/acre = BILLION DOLLAR INDUSTRY

To sell seed for 40 million acres will require over one million acres of cover crop seed production.

Over 150,000 farm operations are using cover crops today, with thousands more each year.

What is driving this growth? Soil health measurement, consumer demand for sustainably produced foods, company interest in soil carbon sequestration, and farmer desire for better yields and profit, along with leaving the farm in better shape for the next generation.



**PEOPLE WANT TO KNOW MORE
ABOUT COVER CROPS!**