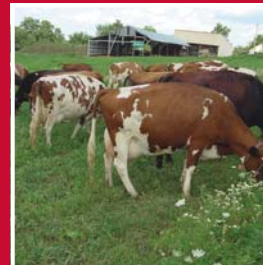


# FIELD & FEEDLOT



ISU EXTENSION—NORTHWEST REGIONS

FEBRUARY 2011 ISSUE

## Extension Web Sites

### Ag Decision Maker

<http://www.extension.iastate.edu/agdm/>

### Beef Center

<http://www.iowabeefcenter.org/>

### Manure Management

<http://www.agronext.iastate.edu/immag/>

### Pork Center

<http://www.ipic.iastate.edu/>

### ISU Extension Dairy Team

<http://www.extension.iastate.edu/DairyTeam/>

## Northwest Iowa Land Values

By Melissa O'Rourke, ISU Extension Farm & Agribusiness Management Specialist

You've read the news – Iowa land values are up. But you knew that before you read it in the papers. You heard it at the coop, the coffee shop, the elevator and anywhere else in town where folks are discussing the latest word on the street. But it's nice to know that the official data-collectors agree.

Our own ISU Extension annual land value survey showed an overall 15.9 percent increase. Farm Credit Services of America reports that Iowa land values gained 20 percent in 2010. And data gathered by the Federal Reserve Bank of Kansas City says that Iowa land values grew by 13 percent over a year ago. However, when comparisons are made to the 1980s farm crisis, it's good to note that the 2010 increase in land values is perhaps half of the yearly increases seen in the 1973 to 1975 period, when prices increased over 30 percent each year.

Let's take a closer look at what we're seeing right here in northwest Iowa. You may have already read that Iowa's Northwest Crop Reporting District (comprised of 12 far northwest Iowa counties) has the highest average land values of the nine districts – coming in at an average of \$6,356 – an 18.5 percent increase.

However, this Northwest Region edition of *Field & Feedlot* is received in twenty (20) northwest Iowa counties.\* If we compare the 2010 and 2009 land values for all 20 of those counties, we learn that the average land value increased from \$5154 per acre to \$6079 per acre. This works out to a land value increase of 17.95 percent – nearly 18 percent, still exceeding the statewide percentage increase.

It's also interesting to note that the two lowest land values in this 20 county region are Woodbury and Monona at \$4754 and \$4676 respectively. However, these counties had a strong rate of increase, both coming in at an 18.8 percent increase in land value.

What's driving these land values? There's probably a story to tell about each and every land sale during the past year. Each parcel has different characteristics, as do the potential buyers. In no particular order, here are a few factors:

- Strong commodity prices:** Monthly prices for corn averaged 37 percent higher from July to November 2010 when compared to average monthly prices from January through June 2010. Similarly, soybean prices are 21 percent higher over the same period. Farm Credit Services analyzed its data by noting that during the period of July 1, 2010 to January 1, 2011, Iowa farmland values increased by 16.4 percent; and during the same period, corn appreciated by 59 percent and soybeans grew in value by 48 percent.

- Available cash for land purchases:** USDA reports net farm income up by 31 percent in 2010, and 26 percent higher than the 10-year average net farm income. We've also seen record farm machinery sales in the past few years. Producers may have updated their equipment to the point that they now have more cash available for land investment.

- Low interest rates combined with low inventory:** The Chicago Federal Reserve Board reports that interest rates on real estate are the lowest since the first quarter of 2004 and the second lowest since 1974. At the same time, people who own land hesitate to sell because there don't seem to be good investment alternatives for the dollars. So why not retain the land? Farmers looking at retirement may view increasing land values as an increase in their retirement portfolio.

- Interest by non-farm investors:** The majority of farm land purchases are made by farmers. However, with low interest rates and stock market volatility, along with increasing farm incomes, land has again become a more attractive long-term investment for non-farm investors. When these investors are bidding on a reduced inventory of available parcels, the result is higher prices.

- Risk reduction strategies:** The 2007 Census of Agriculture showed that 31 percent of farmers operate 61 percent of

the land. And these 31 percent of farms rent over half of the land that they operate. Renting land increases risk – so one way to reduce risk is to own more of the land being farmed.

•**Concentration of animal feeding operations:** Especially in northwest Iowa, we have high levels of livestock production. Farmers need more control of land to have places to apply manure.

We've also heard anecdotal evidence that some recent land sales may have been driven by sentiment. Some parcels may have been lost by families in the 1980s, and now they are having the chance to bring those parcels back into the family farm operation.

The American Bankers Association cites evidence that income generated by high commodity prices is allowing more farmers to pay cash for land rather than take on additional debt. This is good news, particularly as folks compare these land values to the 1980s, when there was more debt. Additionally, much of the 1980s land debt was on contracts rather than mortgages. When people saw that they owed more money on that land than it was worth, it was easier to just walk away from a contract.

Nevertheless, everyone should watch their debt levels. At the same time, monitor government policy especially as related to energy. With over one-third of our corn crop going to ethanol production, changes in policy could heavily impact land values. Other areas to monitor are input costs, the US and world economy in general, and any weather-related problems that could influence land values.

As for Iowa's economy, strong land values strengthen our main streets. When farm income and values are up, farmers are out buying equipment, trucks, fertilizer and other inputs – and perhaps remodeling or building that new home. That's good for all of us, good for our rural communities and schools, good for Iowa.

\*Buena Vista, Calhoun, Carroll, Cherokee, Clay, Crawford, Dickinson, Emmet, Ida, Kossuth, Lyon, Monona, O'Brien, Osceola, Palo Alto, Plymouth, Pocahontas, Sac, Sioux, and Woodbury.

## Beef Feedlot News

By Beth Doran, ISU Extension Beef Program Specialist

**Distillers in Feedlot Diets** – A recent webcast sponsored by ISU and the University of Nebraska looked at how much distillers could be included in feedlot diets. With high priced corn, co-products are being substituted for corn. However, sulfur content limits the amount of ethanol co-product that can be included in the feedlot diet. Increased intake of sulfur by cattle has been shown to decrease feed intake, reduce gain and can lead to the neurological disorder called polioencephalomalacia (PEM).

The presenters did indicate that increased levels of co-products might be fed if there are changes in feed management. The take home message was as follows:

1. Including increased levels of roughage and using management strategies that reduce variability in feed intake and stabilize ruminal pH will help to reduce the risk of sulfur toxicity.
2. With good bunk management and inclusion of 15 to 20% roughage in the finishing diet, feedlot producers could be able to feed diets with up to 0.50% sulfur after the first 30 days on the finishing diet.

3. Cattle appear to be the most susceptible to toxicity during the first 30 days of consuming a high concentrate ration. Therefore, waiting to include high levels of co-products until after cattle are adapted to a high concentrate ration will reduce risk.
4. Producers wanting to include high levels of co-products should use a consistent co-product source (ethanol plant) to minimize variation in sulfur content and should consider tracking the load to load variation to better refine the potential range of sulfur content in the ration.
5. Increasing the level of sulfur in the diet in the diet from 0.40% to 0.50% of the diet dry matter equates to a 10-15% increase in the inclusion (dry matter basis) of distillers grains in the diet.

This information was taken from “How much distillers can I include in my feedlot diet?” A reprint of this article and the archived presentation will be available on the Iowa Beef Center homepage at <http://www.iowabeefcenter.org>.

**Upcoming Programs** – There are two upcoming programs that may be of interest to feedlot operators.

*Employee Management Workshop for Ag Operations* – This is a three-session program that will be held Feb. 15, 22 and March 1 at NWICC near Sheldon. All sessions are scheduled from 10:15 a.m. to 3:00 p.m. Attendees will learn about the employers' roles and responsibilities; communication, performance and legal issues; and compensation topics. For more information, contact Kris Yeske, Lyon/Sioux County Program Coordinator, at 712-737-4230. Cost for the workshops is \$30 total, which includes the noon meals.

*Meetings for Medium-Size Feedlots* – Confused about NPDES permits? Do you need to apply for a permit for your feedlot? Wondering what's involved if you do get a permit? If you answered yes to any of these, then plan to attend one of the following meetings that will be offered in NW Iowa for medium-sized feedlots:

- March 29 – Spencer, IA
- March 30 – Sioux Center, IA
- March 31 – Arcadia, IA

Stay tuned for further information regarding these meetings.

## Crop Management Options

By Paul Kassel, ISU Extension Field Agronomist

The following is information on some crop problems from 2010. This summary offers you management options that can be researched further this winter.

### Tile Drainage

The benefits of tile drainage are well known by farmers. The cost of tile installation on rented land can be a problem. There are some alternative ideas for assigning the costs of tile installation in this article - <http://www.extension.iastate.edu/agdm/wholefarm/html/c2-90.html>

One option is to have the tenant pay for the tile installation. The tenant asks for a long term lease from the landlord and the tenant is also able to claim a tax deduction for the cost of the tile.

## **Soybean Sudden Death Syndrome Management Variety Selection**

Sudden death syndrome (SDS) problems of soybean have been well documented in 2010. Management options of this soybean disease can be confusing. However, one thing that can be managed is soybean variety selection.

### **Select Varieties with SDS Tolerance**

Tolerance or resistant to SDS by soybean varieties is not a complete resistance. Several plant genes are involved. The resistance usually revolves around reduced toxin production by the SDS fungus in the roots. Also, SDS resistance by soybean varieties may delay or reduce the SDS toxin movement from the roots to the upper part of the plant. Toxin production by the SDS causal agent is what causes the soybean plants to lose their leaves and is what may kill the plants.

Iowa State University recently compiled a list of varieties that are resistant to SDS. The varieties in this list were submitted by seed companies. This list is not an evaluation of SDS resistant varieties but it is a good place to start. This publication is available as a downloadable PDF from the <http://www.extension.iastate.edu/Publications/PM3009.pdf>, the [ICM News homepage](#) or the [Iowa Soybean Association's Production Research Library](#).

### **Select Varieties with SCN Resistance**

Soybean cyst nematode (SCN) resistance is also an important part of SDS management. Cyst nematode is often associated with SDS problems. The exact reason is not clear but the presence of SCN may provide an entry point for the SDS, or it may simply supply an additional stress that makes the SDS more damaging.

Resistance to SCN is often incomplete also. Varieties with the PI88788 source of SCN resistance are quite common. However, the PI88788 source of resistance may not offer complete resistance to SCN. The Peking source of resistance and the Hartwig source of resistance offer very good resistance to SCN. However, there are relatively few varieties with the Peking and Hartwig source of SCN resistance.

Read more about SCN and SCN resistant varieties at <http://www.extension.iastate.edu/Publications/PM1649.pdf>

### **Leaf Disease Management of Corn**

Goss's wilt of corn was more prevalent in 2010 corn fields than in any previous year. Some corn hybrids are more sensitive than other hybrids. Hybrid selection is one important aspect of the management of Goss's wilt.

The occurrence of Goss's wilt in 2011 cannot be predicted. Weather conditions in the summer will influence the re-occurrence of this disease. Corn on corn fields that have a fair amount of the previous year's residue will be at greater risk than corn fields rotated with soybean.

Hybrid selection is one management tool that can be used to manage this disease. Check with seed company information to help make this selection. Seed companies routinely evaluate their hybrids to different diseases. Goss's wilt is widespread in the western corn belt. Yield reductions from Goss's wilt can be severe. Therefore, most seed companies will evaluate their hybrids on Goss's wilt resistance fairly thoroughly. This fact helps to keep the credibility of Goss's wilt ratings by seed companies fairly high.

### **Corn Insects Controlled by New Transgenic Traits**

Seed companies continue to develop and promote new transgenic traits for their corn hybrids. These transgenic traits often offer additional control of corn insects.

The University of Wisconsin Integrated Pest and Crop Management newsletter website has information on the transgenic traits and the insects that are managed by those traits.

The following are some descriptions of those insects and their potential damage.

#### **Black Cutworm**

This insect is an occasional pest of corn in northwest Iowa. Black cutworm can reduce plant populations quickly in the spring. Transgenic traits that control black cutworm can provide some assurance of control if timely insecticide applications are not possible because of wet weather or workload needs.

#### **Corn Earworm**

This insect is more of a problem in the southern United States. One or two generations in Iowa may cause some ear tip feeding. Corn earworm is not considered a major insect pest in Iowa.

#### **Corn Rootworm**

This insect is a major insect pest in Iowa.

#### **European Corn Borer**

This insect has been a major insect problem in Iowa in the past. Currently corn borer is not considered a major insect threat to Iowa corn because of the widespread use of transgenic traits that control this insect. Corn borer can occasionally cause damage to refuge acres.

#### **Fall Armyworm**

This insect may be present in Iowa, but is not considered a major pest. Fall Armyworm is more of a pest consideration in the southern United States.

#### **Stalk Borer**

This insect overwinters in grassy areas that are adjacent to corn fields. Damage may occur to the outside rows of a cornfield. This may be a consideration in fields with large amounts of terraces and/or grassed waterways.

#### **Western Bean Cutworm**

This insect can be very damaging to corn. However, it has decreased in prevalence the past few years. It is difficult to scout, predict and prevent the damage from Western Bean cutworm. Therefore traits that protect for western bean cutworm provide good assurance against this pest.