

FIELD & FEEDLOT



ISU EXTENSION—NORTHWEST REGIONS

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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/>

Beef & Sheep News

By Beth Ellen Doran, ISU Extension Beef Program Specialist

Seedstock Conference – Circle December 10 for this conference in Ames, IA. Featured speaker will be Dr. Jonathan Beever, from the University of Illinois, addressing “Clean Genes – Are You Supplying Them?” Dr. Beever is the nationally recognized expert on genetic defects and has been instrumental in developing DNA tests to identify genetic defects. The conference includes other important topics:

- New Technologies in Gene Testing
- Using Gene Markers Effectively in the Seedstock Operation
- Handling BVD, Johne’s Disease and Trichomoniasis in Seedstock Production and Sales
- Enhancing Marketing with the Internet and Electronic Media
- Using Carcass Data in Seedstock Production
- Do Old Beef Production Rules Apply with Higher Prices and Costs?

For more information, contact Beth Doran (712-737-4230 or doranb@iastate.edu) or Dennis DeWitt (712-336-3488 or dewitt@iastate.edu).

Update on Beef Genetic Defects: Are genetic defects new? According to Dr. Bob Weaver, University of Missouri Beef Genetics Specialist, all breeds carry some genetic defects. This is not a major problem if their frequency is low. However, in the past five years, there has been a resurgence of genetic defects in the seedstock industry. The utilization of artificial insemination, embryo transfer and linebreeding has allowed breeders to concen-

trate selection to a relatively small number of animals. It is not unusual for very prominent sires to appear several generations back in the pedigrees for both the sire and dam of a particular animal. This increases the chance for the appearance of a progeny affected by a recessive genetic defect.

Currently, there are about ten common genetic defects in various stages of “active” management by different beef breeds. Most of the defects are the result of a simple recessive mode of inheritance where the affected offspring possesses two copies of the defective gene. That means that both parents of the affected progeny are carriers of the defective gene or affected themselves, assuming that the abnormality is nonlethal. With this type of inheritance (and without DNA or progeny testing), animals that are free of the defective gene (normal) generally cannot be distinguished from those that are carriers of abnormalities.

Stages of management include initial investigation, DNA-test development, implementation of gene testing and associated policy, and eradication through continued testing and selection. In investigation, producers should be on the lookout for abnormal calves before and during the calving season. Some of the genetic defects may affect embryos during gestation and cause early embryonic abortion. Hence, producers should look at “reproductive failure” to determine possible cause. Suspect animals or progeny of carrier animals should be tested when DNA tests are available and economically practical. While carrier progeny may be able to be “managed” in a breeding program, the quickest way to eliminate defective genetics is to market all carrier progeny as market animals. However, it may not be economically feasible to cull females that are carriers. These females should be mated to bulls that have tested “clean” or to a bull from a breed that has not had recent problems with this genetic defect.

Upcoming Meetings – Here are other meetings for sheep and beef producers:

Lamb Feedlot Meeting – December 14, 7 p.m., Sioux County Extension Office, Orange City. Featuring Dr. Larry Holler and Dr. Jeff Held from South Dakota State University. Topics are managing common feedlot diseases, with a special emphasis on lung lesions, and using various co-product feeds and management practices to improve feed efficiency and market price. For info, contact Beth Doran.

Beef Industry Meeting – December 16, 9:30 a.m., Clay County Regional Events Center, Spencer. Careful, quiet handling of cattle will help improve productivity. Research studies have shown that stresses imposed by handling and transport can have a detrimental effect on weight gain, rumen function, reproductive function, immune system and profitability. Quiet handling improves animal welfare also. For info, contact Dennis DeWitt.

Hog Financial Crisis Update

By Dave Stender, ISU Extension Swine Program Specialist

Losses continue to mount, making this downturn worse than the 1998, 1999 years according to Chris Hurt, Ag Economist from Purdue. As the corn market rallied in October, the breakeven for local pork producers also jumped higher. Not welcome news for those that produce pork. While still facing a glut of pork, prices are depressed in the wake of the global recession and the misnaming of the novel H1N1 flu virus. These depressed prices are due to reduced pork demand and has cost the industry over a billion dollars.

Prices can't continue this low long term, and at current margin levels the signals for a production slowdown are in place. The problem is that operations that run short of cash have been typically purchased by a new owner that leaves the output production in place. Lately, there are now a few smaller operations sitting idle.

The other half of the story is that producers have had higher costs for the last couple years. Corn prices historically have averaged about \$2/bushel; however, since 2007 the price has averaged close to \$4/bushel. For several reasons, the swine industry has yet to respond to this feed cost increase. It is not a good thing to shut down a swine operation; therefore not many producers have shut down. Cutting back of the sow herd is a management practice that has not been implemented, because throughput has been critical to reducing high fixed cost facilities.

However, now in the age of double feed prices, margin and cash flow have become more important than throughput in most cases. "Producing more pigs during a negative margin time just increases the losses" says Dave Stender, Iowa State University Extension Swine Field Specialist. "It is time to focus on reducing cost of production and trying to increase margin."

A cost reduction strategy can be complex, especially considering that fixed cost will increase as throughput numbers decrease. Therefore, variable cost must be reduced enough to pay for the fixed cost increase. Only during low to moderate margin periods is this possible.

A spreadsheet software program developed by Dr. Derald Holtkamp at ISU can look at the sow reduction scenarios in detail. With \$3.50/bu corn and a live market price in the 30's the best financial decision is a sow reduction. In fact if a producer is able to reduce variable costs with the extra space available, then a

sow reduction makes financial sense. "Prices have to get dramatically better for throughput volume to pay again" says Stender. "One example case studied showed that throughput volume will not be financially better than a sow reduction until the carcass price reaches \$80/cwt. with current feed cost. The producer in this case study was using the extra space to wean an older pig and to reduce the cost of gain in the finisher," continues Stender.

Closing the herd as a proven strategy to manage PRRS (a serious respiratory disease) is worth considering. It is a frustrating disease because it can come back so quickly in hog dense production areas, however, if a sow reduction is the right strategy for a producers operation, then eliminating herd diseases in the process may be a viable option. Dave Stender would be available to run the software for a swine operation looking for alternatives. Give him a call at 712-261-0225 if you are interested.

ACRE Update

By Ron Hook, ISU Extension Farm Management Specialist

During the ACRE signup period there were many assumptions or predictions that had to be made to figure out what the 2009 ACRE payment could be. We had to estimate what the revenue guarantees would be by using estimates of the 2008 national average market price (NAMP). As time passes we learn what the actual prices and yields are that will determine the amount of the 2009 payment and the guarantee for 2010. The 2009 revenue guarantees provided under the ACRE program can now be determined.

The 2008 national average market price for corn turned out to be \$4.06 per bushel. The 2007 NAMP was \$4.20 so the average of the two prices is \$4.13. The Iowa 5 year Olympic average yield is 171 bushels per acre, therefore the revenue guarantee is $\$4.13 * 171 * .90$ or \$635.61. USDA's latest estimate of the 2009 NAMP is \$3.35 and the forecast for 2009 Iowa corn yield is 188 bpa. Given these estimates the projected ACRE corn payment for 2009 to be received in October 2010 would be \$5.81 per acre.

Since the 2009 guarantee is \$635.61 and the guarantee cannot increase or decrease by more than 10%, the 2010 guarantee must be between \$572.05 and \$699.17. If the 2009 NAMP turns out to be \$3.35, the two year average price would be \$3.71. If the 2009 state yield is 188, the Olympic average yield would be 171 bpa. The revenue guarantee according to the formula would be \$570.97 which would be lower than the 10% drop allowed under ACRE. The result would be a guarantee 10% below 2009 or \$572.05 for 2010.

The 2008 national average market price for soybeans turned out to be \$9.97 per bushel. The 2007 NAMP was \$10.10 so the average of the two prices is \$10.04. The Iowa 5 year Olympic average yield is 50.5 bushels per acre, therefore the revenue

guarantee is $\$10.04 * 50.5 * .90$ or \$456.32. USDA's latest estimate of the 2009 NAMP is \$9.00 and the forecast for 2009 Iowa soybean yield is 52 bpa. Given these estimates there would be no ACRE payment projected for 2009 crop soybeans.

Since the 2009 guarantee is \$456.32 and the guarantee cannot increase or decrease by more than 10%, the 2010 guarantee must be between \$410.69 and \$501.95. If the 2009 NAMP turns out to be \$9.00, the two year average price would be \$9.49. If the 2009 state yield is 52, the Olympic average yield would be 51.5 bpa. The revenue guarantee according to the formula would be \$439.86 which would be the 2010 guarantee since it falls within the \$410.69 - \$501.95 range mentioned earlier.

We will continue to provide updates on the potential ACRE payments throughout the coming year as new information becomes available. If you have any questions, contact Tom Olsen, tol-sen@iastate.edu, 712-210-3171, or Ron Hook, rhook@iastate.edu, 712-395-0443.

Stored Grain Management

By Paul Kassel, ISU Extension Field Agronomist

Crop maturity and stored grain management will be a greater challenge than in 2008. Stored grain management in 2008 posed a greater challenge than in 2007.

Expected field dry down of corn is about 1.0 point of moisture per week in early November. That figure drops to about 0.5 point of moisture per week for late November.

Therefore there will likely be a lot of corn that may only field dry to the low 20's for grain moisture. Good weather conditions in November may offset these dry down figures somewhat. However, the point needs to be made that the potential for field dry down of corn grain this fall is reduced because of the cool October.

Many on-farm drying systems may not be able to dry corn to 14 – 15% moisture this fall. The late fall, high grain moisture and the large crop will complicate grain handling for many operations.

Consider the following:

- Corn that is 20% moisture can be stored through the winter months. Corn that is 20% moisture can be expected to stay in condition for about six months – if it is truly aerated to 30 degrees.
- Natural air drying systems (little or no additional heat added to the airstream) rely on average fall temperatures to dry grain to 15% moisture. The first three weeks of October were much below normal in terms of air temperature. Therefore grain handling systems that rely on natural air drying will have to complete grain drying in the spring. Weather conditions in the spring often provide a good combination of warm temperatures and low humidity that will allow natural air drying of corn.

Stored Grain management. Corn that is successfully dried this fall will still need to be managed carefully. Stored grain management may be more difficult this season for the following reasons.

- Higher grain moisture content at harvest.
- Lower test weights at harvest.
- Grain kernels that are softer than in previous seasons.

Therefore, grain in storage may be more susceptible to storage mold. However, as long as some guidelines are followed, grain can be stored successfully through the winter and spring months.

Management of soybeans in storage. Soybeans were stored at grain moisture greater than 13% in many situations this fall. Consider the following for safe soybean storage this winter.

- Soybeans are more susceptible to storage problems – because of their higher oil content.
- Soybeans need to be about two percentage points dryer than corn for safe winter storage – considering everything else to be equal.
- Soybeans that are 16% moisture would be expected to store safely for six months– if grain temperatures are truly 40 degrees or less.
- Immature soybeans in the sample will reduce the safe storage time for soybeans.
- Soybeans are difficult to recover once spoilage has started. The oil becomes rancid and oxidizes and further contributes to storage problems.
- Aeration fans that supply 0.1 cubic foot of air per minute (cfm) will take about one week to change the temperature of a bin full of grain.
- Aerate soybeans to 35 degrees or less for safe winter storage.

Manure Issues

By Dave Stender, ISU Extension Swine Program Specialist

- **IA DNR no longer sending out reminders for Annual Manure Plan Submission**

MMP submission due dates for sites by county are available on the web: www.iowadnr.gov/afo/mmp_dates.html

- **Factsheet on Selling and Buying Manure in Iowa is available**

The latest Iowa Manure Manager Series fact sheet, *Selling and Buying Manure In Iowa*, has been finalized and posted to the web at: <http://www.agronext.iastate.edu/immag/pubs/imms/vol10.pdf>.

Think Safety During Harvest

By Jerry Weiss, ISU Extension Swine Program Specialist

Please be mindful of slow moving tractors and combines on our country roads. Be extra cautious when approaching large machinery on the road at dusk or after dark.