FIELD & FEEDLOT



NORTHWEST AREA EXTENSION AUGUST 2009 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/

Open Beef Feedlot Tour

By Beth Ellen Doran, ISU Extension Beef Field Specialist

Area beef producers and agri-business staff are encouraged to participate in an Open Beef Feedlot Tour in Lyon County on August 27 from 1:00-4:30 p.m. The bus will depart from the Larchwood City Park at 1:00 p.m. and travel to four small feedlots that are handling manure and controlling run-off using cost effective and site specific methods.

Sometimes, the open feedlot producer faces special challenges – such as limited room to construct solids settling, a steep grade to the location, or how to manage water external to his farm. This tour demonstrates how four Lyon County producers have solved these challenges.

During the bus tour, participants will view four solids settling systems and filter strip designs. One of the filter strip areas is laid out in a serpentine design so that it utilizes a limited amount of land area; whereas, another is a long, narrow strip. A third feedlot has created a separate vegetative treatment system for each lot. The fourth feedlot uses a vegetative infiltration basin in conjunction with vegetative filter strips.

Specialists from ISU Extension, Lyon County NRCS and the Iowa Department of Agriculture and Land Stewardship will be on hand to discuss stockpiling, new laws, funding for improved control of feedlot run-off, comprehensive nutrient management plans and how to manage solids settling systems.

The tour is sponsored by the Lyon Soil and Water Conservation District, Iowa Beef Center, Iowa State University Extension, Lyon County Cattlemen's Association and the Lyon County Farm Bureau. Reservations ($5/person) should be made by 2 p.m. on August 19 at the Lyon County NRCS Office (712-472-4021 x3). Transportation is provided, but seating is limited.

ACRE Signup Continues

By Ron Hook, ISU Extension Farm Management Field Specialist

The Farm Service Agency (FSA) recently announced that a set of default values for crop yields is available for farmers who want to enroll in the new Average Crop Revenue Election (ACRE) program. A lack of production information has been cited by many producers as a reason not to enroll in ACRE. This provision addresses that problem.

The default yields made available by FSA are based on the county yield averages estimated each year by the National Agricultural Statistics Service (NASS). However, instead of reflecting yields per harvested acre, like the published NASS data, the ACRE default yields will be calculated as yields per planted or intended to be planted acre. The default yield for each crop, county and year is equal to 95 percent of the yield per planted acre.

Any producer who elects the ACRE program must provide production information for each year from 2004 through 2008, for each program crop covered. Farm level yields will be calculated by dividing total bushels produced by total planted acres, just as for the county yields. However, for any given year the FSA default yield will be used if the actual production is less than the default yields, or if the crop was not planted that year. If production information is not available for a certain year, the county default yield will be assigned to that year and all years before that (back to 2004), even if production information is available for the prior years. This could benefit producers who do not have production information for some years.

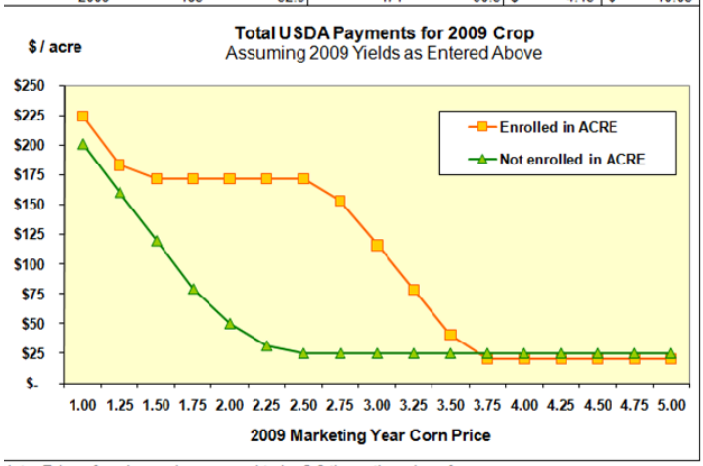
The default yields for each county in Iowa can be found on the Iowa State University Extension Ag Decision Maker Web site, at www.extension.iastate.edu/agdm/. Click on the Farm Bill Information button, then the ACRE calculator icon.

The most obvious impact of this ruling is that farmers with yields below the county average in some years can simply elect to use the default yields instead. The farm "trigger" revenue for

2009 will be based on the average of the middle three out of these five yields, multiplied by the average marketing year price for the 2007 and 2008 crops. This means that their "actual" farm revenue in future years will be more likely to fall below the trigger level than if they had used their actual farm yields. It should be remembered, though, that falling below the farm level trigger is only one of the conditions required to receive an ACRE payment. The state level revenue must also be below the state trigger, and the size of the payments is based on the state level revenue shortfalls.

ACRE is a useful risk management tool in years with low prices or yield problems that affect most of the state. Although there is no guarantee that either of these will happen in the next four years, the potential payoff is large. The chart below illustrates the possible size of payments for the 2009 crop for a farm enrolled in ACRE with average yields of 175 bushels per acre for corn and 50 bushels per acre for soybeans, in a 50-50 rotation. Results are shown for different price levels, assuming both the farm and the state have average yields in 2009. Prices are national marketing year cash prices. The payments also include direct payments from USDA. When prices are at $4 for corn and $10 for soybeans or higher, only direct payments are received. Under ACRE, direct payments are reduced by 20 percent compared to the current CCP option.

2009 estimated	185	54.0	170	50.0	$ 3.60	$ 9.00
Olympic Average Farm Yields			Olympic Ave. Iowa Yields		2-year Average Prices	
2009	183	52.5	171	50.5	$ 4.13	$ 10.05



Note: Price of soybeans is assumed to be 2.6 times the price of corn.

Under lower price scenarios, ACRE payments make up for lost revenue. Current projections show that with average yields, marketing year prices would have to average under $3.67 for corn and $8.92 for soybeans to trigger ACRE payments. Under the current counter-cyclical program, however, payments do not begin until prices are below $2.35 for corn and $5.36 for soybeans. Producers have until August 14 to enroll in the DCP program for 2009. If they do not elect ACRE this year, they still have the option to elect it in a future year, through 2012.

If you have questions about the ACRE program, contact Extension Farm Management Specialists Tom Olsen, 712-662-7131, tolsen@iastate.edu or Ron Hook, 712-754-3648, rhook@iastate.edu.

Financial Stress in Swine Production

By Dave Stender, ISU Extension Swine Field Specialist

Long-standing networks of pork producers, owners, contractors and managers are under financial stress, and many are being forced to consider new arrangements. Never before has the hog-corn ratio been so low for so long resulting in unprecedented financial losses. Some producers have responded with sow cutbacks and inventory reduction, while others buy existing operations at a reduced price to keep them going. Long-standing networks of producers, owners, contractors, and managers are under stress. Many are being forced to consider new arrangements.

There is simply too many pigs and not enough pork demand in an industry that has not been able to reduce sow numbers in response to market conditions. As financial pressures increase, some producers are talking about voluntarily reducing sow numbers. Unfortunately, most of the industry has considerable fixed assets which generally need to be utilized fully to keep cost down. In this period of negative margin the throughput mindset should be reconsidered. Some producers are realizing that producing more pigs doesn't help the bottom line as much as when the profit margins are higher. At low margins, a simple 1.5% change in cost is worth 10% more volume. Because of this thumb rule, producers are looking for ways to reduce their herd size and reduce cost. One example of a strategy producers are using is later weaning. As the sow herd is reduced, the farrowing house has more room, allowing the weaning age of pigs to increase. Research has shown that older weaned pigs grow faster, die less often and make it to market in a more uniform time period, resulting in less sub-market weight pigs. These advantages gained in the grow-finish period help pay for the reduced volume. Other examples of strategies producers are using include closing the herd to cleanup disease and sorting off smaller poorer performing pigs to sell to a roaster pig market, for example.

On Aug. 5th swine producers can learn about these types of topics in some detail. The seminar is at Northwest Community College in Sheldon, Building C. Cost is $15 per person or $20 per couple and includes materials and meals. The registration fee is partially subsidized by sponsors Iowa Pork Industry Center (IPIC,) Iowa Pork Producers Association and ISU Extension. People are asked to register early to ensure an accurate meal count. For more information or to preregister, call Dave Stender at (712) 225-6196 or (712) 261-0225. A brochure describing the program in more detail is available at www.ipic.iastate.edu.

The seminar has two tracks: one for ownership options for sows and buildings, and one for producers who want to continue in their existing system on a long term basis. Registration is at 9:30 a.m., with the keynote presentation by ISU agricultural economist John Lawrence at 10 a.m. The tracks run concurrently from 10:30 a.m. to about 3: 45 p.m.

Track one will examine the management expertise needed to own pigs, and offer some guidance on how a group of producers might work together.

"On one hand sow unit shares are available," Stender said. "While another group of producers facing empty barns and reduced payments is looking for a new pig source."

Track two will look at traditional ways to reduce cost in a sow unit. Also, this track will present a non-traditional approach of reducing a producer's sow herd while minimizing the negative impact of reduced throughput. Discussion in this session will include financially modeling increased weaning weight and subsequent finishing performance, disease clean-up, light birth weight pigs, designing rations for feed cost efficiency and other possible scenarios, Stender said.

A third optional session is designed specifically for contract growers who are facing changes in their current contracts. This session will run from 4 to 8 p.m. Discussion topics include content of a good contract, legal issues, insurance, liability, responsibility and the value of manure. Speakers are Lawrence, Olsen, Stender and ISU Center for Agricultural Law and Taxation legal consultant Erin Herbold.

Scouting Corn & Soybean Fields in June

By Mark Licht , ISU Extension Field Agronomist

June is a good time of year to walk fields to assess stands and get a feeling for what the crops look like. It is easier to identify and solve planting and other early season problems in late May and June rather than at harvest. If problems go unnoticed until harvest it is awfully hard to pinpoint what the cause was. Here are some things to check for as you walk your fields.

Planter Performance. Check planter performance by doing stand counts for each row unit at several places in the same field that were planted the same day under the same conditions. While making these stand counts look at things like plant spacing, doubles, skips, and variation in growth development. These observations indicate planter performance and will help you identify areas of the planter to adjust such as down pressure, depth settings, air pressure, brush settings, etc.

Corn Populations. Check corn populations for each hybrid and each field. Take stand counts from the same planter unit to get a good sense of the stand while eliminating the variances from different planting units. Plant populations at this time of year are good to do because you can remember which hybrids were used, the planting conditions, the seed characteristics (seed size, seed treatments, etc.), and planter performance. Count the number of plants for the following distances and multiply by 1,000 to get plants per acre.

Row Spacing	Distance to Measure
36 in	14 ft, 6 in
30 in	17 ft, 5 in
20 in	26 ft, 1 in

Dig Some Corn Plants. Look at how the nodal roots are forming; evaluate seed treatment performance on wireworms or white grubs; look for sidewall compaction; identify seed depth placement. Dig where plants are missing to check for either a missing seed or seed/seedling rot. This can help identify planter performance, insecticide effectiveness, and seed quality.

Late Spring Nitrate Testing. If nitrogen availability is in question, a late spring nitrate test can be beneficial to determine if more nitrogen should be applied. Some questionable fields may include where manure was applied, areas with excessive rainfall, or fields where nitrogen applicator performance might be in question.

Soybean Populations. A final plant population of 100,000 plants per acre is enough of a stand to attain maximum soybean yields. If populations are not quite at 100,000 don't get too antsy to replant; research has shown that replanting is not economical until populations fall below 75,000 plants per acre. Doubles and skips are not as critical for soybean as for corn because soybeans adjust to voids by increasing branching. Count the number of plants in 3 feet of row and multiply by the following factors.

Row Spacing Equals	One Plant Per Three Foot of Row
36	5,000
30	6,000
20	8,500
15	11,500
10	17,500
7	25,000

Look at Soybean Plants. Like corn, digging soybeans and looking in the furrow or at the roots can be of value. Look for seed treatment performance. Was there seed rot or seedling diseases causing problems and hurting stands? Also, keep an eye out for bean leaf beetles. Damage from the overwintering generation should be visible. Did the seed treatment insecticide work?

Soybean Cyst Nematodes. You may be able to dig some plants to visually see soybean cyst nematodes on the roots. If you don't have a good eye, keep an eye on problem areas to go back to in mid-summer or the fall for taking soil samples to determine soybean cyst nematode egg counts.

PQA Plus Site Status Rebate Program

By Jerry Weiss , ISU Extension Swine Field Specialist

Iowa Pork Producers Association is offering $100 rebates to Iowa pork producers completing PQA Plus Site Assessments prior to December 31, 2009, on a first-come, first-served basis as funding is available. The program begins July 10, 2009.

The Dairy Financial Situation

By Chris Mondak , ISU Extension Dairy Field Specialist

Iowa State University Extension invites dairy producers, bankers, agri-business personnel, and community leaders to informational meetings 1- 4 pm. at the following locations:
July 28, Forster Center, Rock Rapids
July 29, ISU Extension Sioux Co., Orange City;
July 30, Lohff Community Center, Holstein.