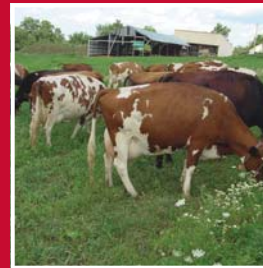


FIELD & FEEDLOT



NORTHWEST AREA EXTENSION

DECEMBER 2008 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/>

Finding Profit

By Beth Doran, ISU Extension Beef Field Specialist

There are only four ways to improve profitability in your cattle operation – cut your costs, improve the price received for your cattle, do both or find other revenue streams.

Improve Cow-Calf Profit – National estimates indicate that the cost to run a cow has more than doubled. Is this true for cow-calf producers in Iowa? Iowa is home to the ethanol industry and co-product feeds. How can cow-calf producers use this advantage to reduce feed costs? What changes in management could help improve feed efficiency and reduce feed waste?

Iowa is also home to the longest running pre-conditioned feeder calf program in the U.S. This program originated in NW Iowa, and many Iowa barns continue to offer special pre-conditioned feeder cattle sales featuring green- and gold-tagged calves. But, are there other changes in the management of your feeder calves, such as process-verified programs, that would allow you to extract additional value for these calves? And, cull cows represent 15% of the income to a cow-calf operation. Are there ways to add more value to them?

These are the topics that will be featured in three cow-calf meetings. Producers can choose which of the following three meetings they'd like to attend:

Dec. 11 – 9-11:30 a.m. – Prairie Heritage Center, Peterson

Dec. 11 – 1:15-3:45 p.m. – Ruthven Social Center, Ruthven

Dec. 16 – 12:30-3:00 p.m. – Kingsley Comm. Center, Kingsley

Pre-registration (\$15/person) is encouraged two days prior to the meeting you plan to attend. For more information, contact Dennis DeWitt, dewitt@iastate.edu, at 712-336-3488 or Beth Doran, doranb@iastate.edu, at 712-737-4230.

Can Manure Add to the Bottomline? Manure used to be viewed as a “waste.” However, increased costs of commercial fertilizer have changed how we view the value of manure. John Lawrence, Iowa Beef Center and ISU Ag Economist, calculates that the potential value of the manure produced per head on feed can range from \$35 to \$45 per head! This has led to increased interest in buying and selling manure.

The Iowa Manure Management Action Group (IMMAG) at Iowa State University has a new fact sheet, *Selling and Buying Manure in Iowa*. This fact sheet is the 10th fact sheet in a series and is written to assist producers in Iowa who want to buy or sell animal manure. The series of fact sheets, including the newly released *Selling and Buying Manure in Iowa*, is available at <http://www.agronext.iastate.edu/immag/pubsimms.html>.

Feedlot Meeting – Circle January 13 and plan to attend the annual Feedlot Meeting at the Corporate Center in Sioux Center. This year's program will feature current issues in cattle feeding – age, source and processed verification programs; animal welfare; environmental rules; ag credit; changing co-products; market outlook by Cattle Fax; plus tools and products to help in the day-to-day operation of your feedlot.

Crop Advantage Series

By Paul Kassel, ISU Extension Field Agronomist

The Crop Advantage Series is a set of meetings that are conducted by Iowa State University Extension. These meetings will have the latest information on crop production from ISU. These 13 meetings feature a combined 44 different workshops presented by 27 different ISU Extension specialists. Each location will also offer private pesticide applicator recertification.

The cost to attend the Crop Advantage Series is \$35.00 – if you register at least one week before the meeting. The registration fee includes lunch, refreshments and a copy of the series proceedings book.

Visit www.cropadvantage.org for more information and to register on-line. Or, contact your local county Extension office for more information.

NW Iowa Crop Advantage Series meetings:

- January 5, Sheldon – Northwest Iowa Community College
- January 14, Spirit Lake – Dickinson Co. Community Bldg.
- January 20, Cherokee – Western Iowa Tech Comm. College
- January 27, Carroll – Carrollton Inn

Stored Grain Management

Be sure to check your grain bins this fall and winter. 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.

The following are some scenarios that might exist for on-farm stored grain.

- **Grain dried to 14% to 15% moisture** - There are no special precautions with this scenario. Aerate corn to about 35 degrees F and check the bins regularly through the winter.
- **Grain dried to 16 – 18% moisture** - Aerate the bin to about 35 degrees F. Corn that is 18% will keep successfully for several months if it is truly cooled to 35F. Be sure to run aeration fans an adequate time to assure the grain has reached 35F.
- **Grain that is greater than 18% moisture** - Corn greater than 18% moisture should be moved or dried by spring. Grain that is 18 to 20% moisture will store successfully at 35F so aerate properly. Check bins weekly and operate aeration fans every couple of weeks to maintain cool grain temperatures.

Other grain management guidelines:

- Most grain storage facilities have aeration fans that will provide about 0.1 cubic feet per minute of airflow. Therefore, it will take about one week for most aeration systems to cool the grain to the outside average air temperature.
- Grain temperature will follow the average of outside air temperature for the time period the aeration fans were operating.
- Grain can be frozen by operating aeration fans during sub-freezing weather. Frozen grain will give some extra assurance that grain will remain in condition during the winter months. However, if aeration fans are operated in the spring, be sure to operate the fans until the grain is uniformly warmed to 35F. Otherwise, some moisture condensation can occur as the warming front moves through the grain and spoilage may occur at that warming front.

- Grain harvested this fall will likely have more fines and broken kernels. Broken kernels and fines will restrict air flow and may increase aeration time requirements. Operate aeration fans an extra day or two to insure uniform grain temperature.

The U.S. Dairy Industry's Sustainability Initiative

By Chris Mondak, ISU Extension Dairy Field Specialist

In recent months, many dairy publications have featured articles using terminology not typically used in dairy conversations. Words and phrases like “carbon footprint,” carbon credit trading system,” “greenhouse gas emissions,” “alternative energy sources,” “consumer buying decisions,” “global market.” What is going on? Are these terms part of a fad, or do they indicate a fundamental shift in perspective? This article provides background on some important developments going on within the US dairy industry, and summarizes practical implications for US dairy producers.

This summer, 250 dairy industry leaders from around the country gathered in Rogers, Arkansas for the industry’s first- ever “Sustainability Summit: Creating Value Through Dairy Innovation.” The briefing paper for this meeting explains dairy leaders’ focus on sustainability: **“Global climate change...has captured the unprecedented attention of government, industry, and the public at large- illuminating a host of new challenges. The dairy industry has not been exempt from the need to change.... Confronting and anticipating these challenges presents both opportunities to improve environmental performance and drive business value- ensuring a sustainable future for people and the planet.”**¹

The ‘take home messages’ from the Sustainability Summit are already guiding dairy leaders’ decisions and action planning. In the words of Thomas Gallagher, CEO of Dairy Management Inc, the organization that manages the national dairy check-off program: **“Sustainability is a challenge that requires industry-wide solutions, and our efforts establish a new standard for industry collaboration.....Decision makers from across the dairy value chain are working together to commit to concrete, innovative solutions. This will ensure an economically, environmentally and socially sustainable industry.”**²

What does this mean to dairy producers and the professionals who serve them? Does this point to a radical make-over of dairy herd and farm management? Not necessarily. In the words of dairy leader Jerry Kozak, CEO of National Milk Producers Federation, **“Sustainability practices have long been part of common practices on dairy farms, from recycling water and manure to crop technologies that improve soil and prevent erosion. In an era of record high energy prices and a changing global climate, we must do more. It makes economic sense to find ways to conserve energy and reduce production costs,**

while recognizing that a growing number of consumers care deeply about the health and environmental impact of the products they buy.”³

What are the practical implications for US dairy farmers? Lynn Boadwine, dairy owner/manager and dairy nutrition consultant in South Dakota, has a positive, pragmatic viewpoint: **Many of the best management practices currently used in modern dairy herd management to achieve a profitable dairy farm operation are already in line with sustainability principles. Included in the list are management practices that improve feed efficiency, animal health and cow comfort/welfare, manure nutrient management, water conservation and recycling, energy conservation, pasture systems and soil conservation.** Further development and implementation is needed. The immediate challenge to dairy producers and professionals is to stay updated about the technologies and practices that are economically, environmentally, and socially sustainable. Not every farm will do the same things. Choosing the options that are a ‘good fit’ for each farm will be a way to work towards ensuring the future of a viable, sustainable dairy industry.

¹The Sustainability Summit: Creating Value through Dairy Innovation – Briefing Paper, June 17-16, 2009, Rogers, Arkansas

²National Milk Producers Federation – Press Release, June 25, 2009

³National Milk Producers Federation – Press Release, June 25, 2009

From Midwest Dairy Association’s FACT SHEET on Sustainability and Dairy Farming:

Striving to protect resources needed for current and future food production is not a new endeavor, although the present-day pressures on all of the Earth’s resources is driving increased interest by a wider group of people. The core aspects of sustainability are an integral part of most dairy farmers’ personal values and daily on-farm practices.

Understanding Sustainability

What is sustainability? While there was some degree of discussion of sustainability in the 1970s, it wasn’t until the 1980s that a specific characterization for sustainability in agriculture was developed.¹ The U.S. Government, in the 1990 Farm Bill, defined it as follows - a definition that was adopted by the U.S. Department of Agriculture² (USDA) and many others: Sustainable Agriculture is an integrated system of plant and animal production practices having a site-specific application that over the long term will:

- Satisfy human food and fiber needs;
- Enhance environmental quality and the natural resource base upon which the agricultural economy depends;
- Make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls;
- Sustain the economic viability of farm operations; and
- Enhance the quality of life for farmers and society as a whole.

To see the full FACT SHEET, go to www.midwestdairy.com

Extra Patience Needed in These Days of High Volatility

By Tom Olson, ISUE Farm Management Field Specialist

From high to low (so far), the price for December ’09 corn future’s has varied from \$6.20 to \$3.40; for a 150 bushel yield, that is a variation (loss) in gross income of \$450 per acre, **since August!** The price of anhydrous ammonia has varied from \$500/T to \$1300 and back to \$700 (if you can get a quote) . These are price variations approaching 50%. To attempt to predict even a reasonable range of return per acre for corn and soybeans is impossible. It appears that the weather has become one of the smaller risk factors. In turn, to negotiate a fixed cash rent that, in the end, will turn out to be “fair” to both parties, is a proverbial shot-in-the-dark.

Highly skilled, pro-active managers of farms, elevators, and suppliers are faced with making market and input cost decisions based on the best information at the time. Forward contracting anything; crop prices, input costs, and **land rents**, is not resulting in the financial risk control expected. Many commitments to date now appear to be a wrong decision. “Fair” land rent projections for next year jumped up right along with crop prices during the summer months. A measuring today from a crop budget would project that **land rent should be less than last year.** So what to do?

- Communicate - Now, landlords and tenants need to communicate more often. More transparency on prices, costs, and yields may be required.
- Recalculate - Projected crop budgets are changing so drastically, regular updates should be made. The Ag Decision Maker crop budget is easy to use: <http://www.extension.iastate.edu/agdm/crops/html/a1-20.html> or just “google” Ag Decision Maker.
- Re-negotiate - Yes, this coming year, landlords and tenants should be willing to re-price rent. At minimum, consider to wait till closer to planting time or at a point when prices and costs are “lockable.” Flex-leases and crop-share are appropriate. The base rent should be set at a point to share more of the down-side risk. For example, using the cash rent from two years ago as a starting point.
- Be Patient - Now is a time when relationships can be strengthened. There is an inherent partnership between producer and owner.

