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1. Update on Foaming Pits ... Safety First

The issue of foaming in deep-pit swine barns continues across Iowa and in other Midwestern states. The number of reports of foaming pits increases this time of year, likely due to the fact the storage structures are getting full and the foaming is more noticeable as it gets closer to the slats or starts coming through the slats. The foam can act as a barrier to the natural release of methane that is generated in the pits. When the foam is broken due to pig activity, power washing, pumping and agitation, or other reasons, this can cause a rapid release of the methane and can potentially cause an explosive situation. In addition to the concern with rapid release of methane, is the fact the foam can cause interference with normal ventilation procedures. At this point in time an exact cause for the foaming is not known, nor are there well-known practices or products to reduce or eliminate the foam for the long term. We continue to urge caution when pumping and agitating from all manure sources, but in particular when pumping and agitating in foaming pits.

Iowa State University released a safety video last September about practices that should be considered when pumping from foaming pits. This video has recently been updated and is located at: <http://www.vimeo.com/15463270>. Upon conclusion of watching this video please take a few minutes to complete the survey if you are experiencing foaming pits.

Angie Rieck-Hinz

Website for foaming pit issues

The following link has information about what is known about the foaming pit issues present in the Midwest again this summer/fall and what producers should do from a safety standpoint. Several Midwestern Universities are working together to try and understand this issue better and are pooling their findings at: http://www.manure.umn.edu/applied/health_safety.html

“You always pass failure on the way to success.”
- Mickey Rooney (1920 –)

2. PQA Plus Certification Meeting

Thursday, September 15, Fayette Co. Ext. Office, 201 East Clark, Fayette, IA
PQA Plus, held 3:00 to 5:00 p.m.

Pre-registration is required with minimum of 5 needed to hold session.

Cost: \$25/participant. Please e-mail mstorlie@iastate.edu or phone 563-425-3331.

Please note: I will gladly schedule PQA Plus or TQA meetings in any of my Northeast Iowa counties when I know there is sufficient interest or need. Feel free to call if you have questions or comments.

Pork producers are encouraged to check when their current certification will expire and plan ahead.

Some packers are requiring a “PQA Plus® Site Status”. A “PQA Plus® Site Status” is earned by having a PQA Plus® site assessment conducted by a PQA Plus® Advisor. A list of approved advisors is available at the National Pork Board Web site.

To learn more about PQA Plus™ please see the National Pork Board Web site at <http://www.pork.org/Producers/PQAP.aspx>

3. International Conference on Feed Efficiency in Swine, November 8-9

An international conference on feed efficiency in swine will bring experts from around the world to share their knowledge on this very timely and important topic in early November. Iowa State University (ISU) animal science professor John Patience is excited about this program that focuses nearly two full days specifically on feed efficiency. With the size and quality of the 2011 corn crop a growing concern, the timing of this conference could not be better.

Patience said the response to the conference from the swine feed and efficiency world has been positive beyond expectation, and encouraged people to book rooms at the Omaha Hilton as soon as possible to avoid disappointment.

“Our objective is to provide in a single forum the current state of the art on all aspects of feed efficiency in growing/finishing swine,” he said. “With more than a dozen diverse topics ranging from in-barn management to nutrition to genetic selection on the agenda, this is a unique opportunity.”

The conference, set for Nov. 8-9 at the Hilton Hotel/Qwest Center in Omaha, Neb., is the first major activity of a \$5 million grant from the U.S. Department of Agriculture’s National Institute of Food and Agriculture (NIFA) coordinated by ISU and directed by Patience. He’s joined on the conference planning committee by ISU Iowa Pork Industry Center director John Mabry, and Kansas State University (KSU) swine specialists Joel DeRouchey and Mike Tokach.

To further enhance the quality and relevance of the conference, speakers have been selected from around the world, from ISU and KSU, and from the industry. The two-day agenda features 15 sessions presented by experts from five countries, including four U.S. states, with affiliations to a variety of private industry and educational institutions. With specific topics ranging from the influence of feed processing on feed efficiency to the role of dietary amino acids (or energy) on feed efficiency to the role of genetic selection on feed efficiency, the primary audience is those involved in the more technical aspects of pork production including pork producers, nutritionists, veterinarians and geneticists.

The registration fee includes lunches on Tuesday and Wednesday and a reception on Tuesday. It also includes a binder of presentations to be handed out at the meeting, plus a bound book on feed efficiency in swine to be mailed to attendees in mid-2012. Early registration is \$175 per person and \$50 per student, with a deadline of 5 p.m. CDT on Oct. 5. After that time and date, the fee increases to \$275 per person and \$100 per student. Full details on the conference, including the full program and registration forms are available on the conference website: <http://www.ans.iastate.edu/ICFES/>

A block of rooms at the Hilton Hotel has been reserved at a special rate for this conference. These reservations must be made via the link on this conference web page <http://www.ans.iastate.edu/ICFES/?pg=location> in order to receive the special rate of \$119 per night and discounted Internet access fees. This rate is available until Oct. 17 or until the group block is sold out, whichever happens first.

“The objective of the NIFA project is to improve the efficiency with which the pig converts feed into edible consumer products. Feed is increasingly expensive and food on this planet is becoming increasingly scarce, so it’s very important that all aspects of agriculture continue to improve efficiency,” Patience said. “This conference will help us determine the status of current knowledge and guide future research to improve feed efficiency in swine.”

“Blessed are those who can give without remembering, and take without forgetting.”
- Pearl Bailey (1918-1990)

4. Extended Listings for Lean Hog Options

Information: August 18, 2011 from © 2011 CME Group Inc.

Effective on Monday, September 12, 2011 the listing cycles for options on live cattle futures and options on lean hog futures will be extended so that every listed futures contract has a corresponding listed option. Currently, the Exchange lists fewer options months than futures months for both live cattle and lean hogs. With this change, the same number of futures months and options months will be listed. As a result, the following additional options contract months will be added:

Options on live cattle futures-October 2012, December 2012, February 2013

Options on lean hog futures-December 2012, February 2013

Questions regarding this Special Executive Report may be directed to Jack Cook, Associate Director, Commodity Research & Product Development, at 312.930.3295, Jack.Cook@cmegroup.com or Tom Clark, Associate Director, Commodity Products and Services, at 312.930.4595, Thomas.Clark@cmegroup.com.

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“Don’t hit at all if it is honorably possible to avoid hitting; but never hit soft!”
- Theodore Roosevelt (1858-1919)

5. An Eye on Margin

An eye on your margin is a reoccurring segment that will offer different resources to assist with market knowledge and margin awareness to sharpen marketing skills. *Disclaimer: This section is to highlight tools and is not a recommendation of marketing action.*

Examples swine marketing risk management 9/1/2011

for pigs to be marketed the second half part of Jan (1/26/2012) or 21 weeks

- Dec Futures closed at \$86.40
- LRP example- you set number of hogs – 21 weeks & 97.14% level
\$83.96 coverage price - (\$ 5.013 premium cost * 87% USDA Sub) = \$79.60/cwt floor price
- LRP example- you set number of hogs – 21 weeks & 85.57% level
\$73.96 coverage price - (\$ 1.519 premium cost * 87% USDA Sub) = \$72.64/cwt floor price
- **Feb** Put example (168 days to expire) - 40,000 lb carcass /contract (approx. 220 hogs) -
\$84 put + (-2.38 basis) - \$4.15 premium - \$0.15 commission = \$77.32/cwt floor price
- **Feb** Put example (168 days to expire) - 40,000 lb carcass /contract (approx. 220 hogs) -
\$78 put + (-2.38 basis) - \$2.15 premium - \$0.15 commission = \$73.32/cwt floor price

- **Feb Futures** -40,000 lb carcass/ contract (approx. 220 hogs) ... margin calls will apply
 $\$86.40 \text{ futures} + (-\$2.68 \text{ basis}) - \$0.15 \text{ commission} = \$83.87/\text{cwt price}$
- LGM premiums will vary with number of months and specific months with sales and coverage level

Additional consideration: The LRP provides some basis protection because it is settled against cash market; whereas a put is prone to greater (wider) basis slippage if slaughter capacity causes market fall. The LRP and LGM can be sized as needed – the put is hedging 205 pigs (195 lb carcass). LRP and LGM are non-refundable – the put may be sold or has some liquidity until expiration.

**** Resource: Swine Crush Margin**

Access the “Current Crush Margins” at ISU Ext. Iowa Farm Outlooks and News web site:
<http://www.econ.iastate.edu/margins/>

Based on closing futures prices for						Aug 31, 2011
Placement month	Selling month	Pig price	Lean Hogs	Corn	SBM	Crush Margin
Apr	Sep	41.79	86.87	7.23	336	34.48
May	Oct	35.08	84.19	6.92	331	39.26
Jun	Nov	33.26	78.64	7.25	338	26.15
Jul	Dec	30.72	79.99	6.25	323	42.57
Aug	Jan	29.74	81.33	7.20	345	35.04
Sep	Feb	43.43	85.61	7.22	407	25.06
Oct	Mar	43.43	87.15	7.23	385	29.63
Nov	Apr	44.86	87.46	7.30	389	27.80
Dec	May	44.86	92.66	7.40	388	37.29
Jan	Jun	47.25	93.81	7.41	381	37.70
Feb	Jul	48.20	93.08	7.46	388	34.25
Mar	Aug	47.63	92.24	7.46	387	33.26
Apr	Sep	47.15	85.77	7.49	387	20.48

Based upon ISU Estimated Returns for a Wean-Finish operation the **Crush Margin needs to be \$40.48 to be at break-even** (cover all other cost beyond pig, corn & sbm).

What is the Crush Margin for your operation?

At this site under “Swine” are links to:

- Wean-to-Finish Crush Margin (updated weekly)
- Additional background information

In the case of wean-to-finish pigs the “crush” margin is the value of the market hog less the cost of the pig and the corn and SBM to raise it. Thus the “crush” margin is the remaining revenue used to pay all other costs and, hopefully, return a profit. The crush margin provides an indicator of return that takes into account the variables with the greatest price risk. It is also tied to the futures market that can be used to manage the price risk for several months before the hogs are

sold. The Iowa Pork Industry Center at Iowa State University provides a crush margin analysis tool on its website with the following objectives:

- Calculate and report the crush margin based on Wednesday futures closing prices for WF hogs that will be marketed for more than a year into the future.
- Track how the margin for each contract has changed over time
- Report the margin average and variability by month over the last 10 years.

Resource: LRP & LGM Insurance

http://www3.rma.usda.gov/apps/livestock_reports/

Resource: Western Cornbelt Lean Hog Basis

<http://www.econ.iastate.edu/basis/>

Resource: Iowa Farm Outlook – August 2011 issue, ISU Economic Dept.

<https://www.econ.iastate.edu/ifo/>

6. Manure Issues

The Iowa Department of Natural Resources has moved to a better web system with a new look and improved content organization. The website upgraded online resources for users including a better search function, an agency-wide events calendar, RSS news feeds, enhanced mapping options and more.

Users can still find the site at www.iowadnr.gov. However, interior page URLs will be changing so users will need to update their bookmarks. The Iowa DNR will provide redirects for about a year, pointing users to the new pages, if they use an address that is no longer valid. Within the new site, users will find information on the Animal Feeding Operations Program by hovering on the “environment” tab, then choosing land stewardship and then animal feeding operations.

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

The DNR maintained database is now available on line:

<https://programs.iowadnr.gov/animalfeedingoperations/>

- Click on “Search” ... then enter 5-digit facility ID or name to find your sites.

(Storlie Note: As of Sept. 1 this link is still active ... I have not yet found the path to this info at the new DNR site)

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>.

Resource for information on manure, manure plans, etc. :

- IMMAG Web site at <http://www.agronext.iastate.edu/immag/>

- DNR Web site at

<http://www.iowadnr.gov/Environment/LandStewardship/AnimalFeedingOperations.aspx>

Managing Tough Times is an ISU resource to address economic challenges for Families/Households, Businesses/Communities, and Farms.

Visit the Site address: <http://www.extension.iastate.edu/toughtimes/>

7. SARE Grant Opportunity for Farmers and Ranchers

Detailed information about the opportunity can be found at

<http://www.northcentralsare.org/Grants/Types-of-Grants/Farmer-Rancher-Grant-Program>

8. Calendar

Swine Calendar:

On-going:

2011 SowBridge. Distance education program started March, 2011.

Monthly session (11:30 am to 12:15 pm) with variety of speakers and topics. Cost \$250.

For more information- www.ipic.iastate.edu/SowBridge/2011BrochureIPIC.pdf

or contact: Dr. Ken Stalder at 800-808-7675

2011 PorkBridge. Distance education program started June, 2011.

Monthly session (12:00 to 1:30 pm) with variety of speakers and topics. Cost \$75/125.

For more information- www.ipic.iastate.edu/PorkBridge/IPIC2011PB.pdf

or contact: Dr. Ken Stalder at 800-808-7675

September 15 -- PQA Plus certification, Fayette Co. Extension Office, 3:00 p.m., \$25.00

Pre-registration is required

September 19-20 -- Al Lemman Swine Conference, RiverCentre, St. Paul, MN

Pre-conference sessions are offered Sept. 17-18.

For more information: <http://www.cvm.umn.edu/vetmedce/events/adl/>

November 8-9 -- International Conference on Feed Efficiency in Swine, Omaha, NE,

\$175/\$275

Full details on the conference, including program and registration:
<http://www.ans.iastate.edu/ICFES/>

Other Ag Calendar:

September 8 -- Corn Disease Clinic, Ames

This is an intensive educational program on corn diseases and management at the Field Extension Education Lab west of Ames. For more information, the agenda and registration is available at: <http://www.aep.iastate.edu/feel/disease.html>

September 14 -- Soil Management Clinic, Ames

This is an intensive educational program on soil management at the Field Extension Education Lab west of Ames. For more information, the agenda and registration is available at: <http://www.aep.iastate.edu/feel/soils.html>



9a. Resources – IPPA

The IPPA has materials on the following topics. They are very helpful and to the point (8 to 12 page 8.25"x5.5" pamphlets). Request materials by calling IPPA 800-372-7675 or e-mail Tyler Bettin, Producer Education, tbettin@iowapork.org

1. Recommended checklist – suggestions for non-permitted sites, 8 page, \$0
2. Facility Leasing Checklist, 12 page, \$0
3. Legal Requirements for Marketing Pork Products... adding value to live hogs, 8 pages, \$0

9b. Resources – ISU

Ag Decision Maker – Web site: <http://www.extension.iastate.edu/agdm/>

CALT – Center Agricultural Law and Taxation – Web site: <http://www.calt.iastate.edu/>

PIG – Web site: <http://isu.porkgateway.org/>

Mortality Composting – Web site: <http://www.abe.iastate.edu/pigsgone/>

Midwest Planning Service – Web site: <http://www.mwpsHQ.org>

Rural Concern Hotline: 800-447-1985. A confidential, 24 hour, free resource to access range of expertise to aid people in making quality of life decisions.

9c. Resources – State of Iowa

Iowa Attorney General, Environmental and Ag Law Division

<http://www.state.ia.us/government/ag/farm.htm>

- information on production contracts and commodity production contract lien

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