

Field and Feedlot



Northwest Area Extension

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When Should I Start Planting Soybeans?

by Joel DeJong, ISUE Crops Specialist

In recent years the ISU Soybean Specialist has again been researching the right planting date for soybeans – to see if our technology has changed the older beliefs.

Many farmers still consider May 15 as the early date for planting soybeans. However, newer research shows that soybeans respond favorably to early planting dates if soil conditions are ideal for planting. Second, the potential risk of stand-reducing, late spring frost is offset by the opportunity to capture maximum yield potential when early-season growing conditions are favorable.

Palle Pedersen, the ISU Extension Soybean production Specialist, is now recommending the first week of May as the ideal time for soybean planting in the northern 1/3 of Iowa, if soil conditions are favorable. Work he completed over the last three growing seasons showed from .25 bushels per day to .80 bushels per day lost when planted after the ideal time frame – with larger losses under the highest yield potential situations. When planting conditions were not ideal, or when soybean disease pressure was higher, early planting dates were not nearly as responsive.

Yes, we do get some frosts in early May, and that increases our risk for replanting. If forecasts look abnormally cold, that is a consideration. Cold soils slow root development and make the stand more susceptible to root rotting pathogens. If there is a history of diseases like *Phytophthora*, *Pythium*,

Rhizoctonia or *Fusarium*, fungicide seed treatments are recommended, particularly for early planting dates. Early planting can also coincide with higher bean leaf beetle populations, or other insects. In fields with history of problems with these pests they should be managed to negate the early planting benefit.

This data looks as if it could help increase some of our yields. But, the key is starting with optimal soil conditions, and reducing the risk from those pathogens or insects that make early planting more risky. Consider carefully the fields you select for early planting, and all the historical risks that go with each field. We have to balance risk with return, but properly managed, some of these rewards could outweigh the risks when averaged over time.

To do more reading on this topic and other soybean production topics, consider spending time on the ISU Extension Soybean and Research web site at: <http://extension.agron.iastate.edu/soybean/>

Risk Management for Cattle Feeders

by Ron Hook, ISUE Farm Management Specialist

Cattle futures have been in a downtrend since the beginning of 2006. June, August, and October futures have all dropped at least \$10 per cwt. The March 1 Cattle on Feed report showed an 8% increase over a year ago in the number of cattle on feed in 1,000+ head feedlots. This increased supply coupled with export markets that remain closed have been among the main reasons for this decline.

The down trend in live cattle prices emphasizes the need for risk management strategies to be implemented. Many will use futures and options to lock in prices that are at or above break even prices. In this article I want to talk about Livestock Revenue Insurance as risk management alternatives. In the March issue of *Field and Feedlot* I talked about a new risk management tool for cattle feeders called Livestock Gross Margin (LGM). This tool allows a

producer to guarantee an expected gross margin depending on whether calves or yearlings are being finished and on when the cattle will be marketed.

LGM is actually providing protection for three variables that are part of determining gross margin. Coverage exists for increases in the cost of corn and the cost of the feeder animal as well as a decrease in the market price of live cattle. The insurance also provides a guaranteed gross margin which does not limit the actual gross margin that may exist at the time the cattle are sold. So while it limits the downside risk, it does not limit the upside potential gross margin.

The expected gross margins for calf feeders and yearling feeders are small for the next several months. However, it may be worth looking to the 4th quarter and beyond where expected gross margins are over \$200 for calf feeders and \$125 for yearling finishers. For example, the expected gross margin for calves going to market in October-December '06 is \$202.80 per head with a premium estimated to be \$38.53 per head. To get an estimate of the premium I assumed that an equal number of cattle would be marketed in each of the three months and chose \$0 deductible. In this case if the actual gross margin turned out to be less than \$202.80 per head the insured would receive the difference as an indemnity.

For yearling feeders the expected gross margin for yearlings going to market in October-December '06 is \$129.56 per head with a premium estimated to be \$33.96 per head. Again I assumed that an equal number of cattle would be marketed in each of the three months and chose \$0 deductible. In this case if the actual gross margin turned out to be less than \$129.56 per head the insured would receive the difference as an indemnity.

Some producers would rather establish a minimum price for their production rather than deal with the gross margin concept. There is a risk management tool that accomplishes this known as Livestock Risk Protection (LRP). LRP insurance allows a producer to purchase coverage which will guarantee an expected price. If the actual price is less than the guaranteed price there will be an indemnity paid.

The average price available on April 11 for cattle to be marketed in October-December '06 was \$76 and the premium for this coverage was \$2.75 per cwt. Again I assumed that an equal number of cattle would be marketed in each month and the highest level of

coverage available was purchased. If the actual price of fed cattle is less than \$76 during that period the difference would be paid to the insured cattle feeder.

Most forecasters are expecting continued pressure on cattle prices during 2006. It appears the time is right for cattle feeders to put a risk management strategy in place now. If you are interested in knowing more about the Livestock Revenue Insurance tools that are available, contact your local livestock insurance salesperson or ISU Extension Farm Management Specialists, Ron Hook, 712-754-3648 or Tom Olsen, 712-732-5056.

It's Official: National Animal ID System Plan by Dennis DeWitt, ISUE Livestock Field Specialist

On April 6, 2006 Agriculture Secretary Mike Johanns announced the release of an implementation plan that outlines timelines and benchmarks for the establishment of the National Animal Identification System (NAIS), along with a plan for the initial integration of private and state animal tracking databases with NAIS.

The implementation plan continues to set an aggressive timeline for ensuring full implementation of the NAIS by 2009. It establishes benchmarks for incrementally accomplishing the remaining implementation goals to enable the NAIS to be operational by 2007, and to achieve full producer participation by 2009. Several important components have already been accomplished. These include the development of premises registration systems in each State and the issuance of guidelines for the manufacture and distribution of animal identification numbers. More than 235,000 premises are currently registered in the United States. Just over 2800 Iowa premises have been registered. Currently the Premise ID program is voluntary. The link for Iowa's premises ID program is on the Iowa Department of Agriculture and Land Stewardship Web site found at: www.agriculture.state.ia.us/premiseID.htm

By early 2007, USDA expects to have the technology in place, called the Animal Trace Processing System that will allow state and federal animal health officials to query the NAIS and private databases during a disease investigation. The animal tracking databases will record and store animal movement tracking information for livestock that state and federal animal

health officials will query for animals of interest in a disease investigation.

Throughout the establishment and implementation of the NAIS, USDA has engaged in extensive dialogue with producers and industry organizations across the country to gauge their views on animal identification. In total, these efforts have ensured that momentum continues to build around this important effort. USDA believes that it is critically important to develop the appropriate framework for the system to ensure successful implementation and wide-scale support.

The NAIS implementation plan, along with more information about the program, is available at: www.usda.gov/nais

Employee Management – Tips on Working Well with your Hispanic Crew Members “Lessons Learned” at the PDHGA Conference, March 2006

by Chris Mondak, ISUE Dairy Field Specialist

The Professional Dairy Heifer Grower Association (PDHGA) held its Annual Conference this year in Visalia, California. I took advantage of this conference as a continuing education experience, and as an opportunity to learn from dairy producers and heifer growers from across the nation. On the topic of employee management, the conference featured two speakers who consult with dairies worldwide: Tom Fuhrman from Dairy Works, and Jorge Estrada, from Leadership Coaching International.

Tom Fuhrman emphasized the importance of employee motivation, and advised that the effective manager must:

- Establish goals
- Devise systems about how things will get done at the workplace
- Train the workers about the work systems
- Compare results with goals, and give feedback to the employees on the results & goals

Jorge Estrada focused on the importance of understanding the cultural background of work crew members, and gave information about major features of Mexican culture:

- Respect is very important

- Behavior between individuals is dictated by socioeconomic status, age, and gender. Rules must be followed to avoid offending others.
- Machismo may appear in the workplace as pride, failure to admit mistakes or a lack of knowledge.
- Courtesy is of prime importance, while frankness and excessive curiosity are considered bad taste. Accuracy in communication may be sacrificed to avoid confrontation, embarrassment, or hurt feelings.
- Interpersonal relationships are absolutely critical. Personal relationships must be nurtured to gain commitment.

If you would like to read more about the employee management principles we learned at the conference, you may obtain a copy of the Proceedings from PDHGA headquarters: 877-434-3377, www.pdhga.org. All in all, the PDHGA Annual Conference was time and money well-spent. I encourage all dairy producers to consider becoming members of this organization, and to participate in regional or annual meetings; it is a good way to keep current about methods to help you keep your future herd healthy and ready for productive life.

Iowa 4-H Food Safety and Quality Assurance Program

by Jerry Weiss, ISUE Swine Field Specialist

4-H'ers throughout the state of Iowa currently are attending a 2 hr. training session to certify them in the Food Safety and Quality Assurance program. Participation in this program is required of any 4-H'er who will be showing a meat animal at their county or State Fair.

Based on conservative estimates, Iowa's 15,000 4-H'ers enrolled in livestock projects produce over 17 million pounds of meat each year. While this is small in comparison to the total meat produced in Iowa, it is still a significant quantity of food. The goal of this Iowa 4-H Food Safety and Quality Assurance program is to help the 4-H producers and their parents better understand their role in producing food and help them make wise, ethical decisions related to that food production. Food animal projects include beef, dairy, goat, poultry, rabbit, sheep, and swine.