Financial Solutions Available to Help Farmers Increase Profit Margins

ISU Extension and Outreach offers tools to help producers maximize profit despite low crop prices

Article | 02/11/2016 | By Chad Hart, Extension Economist, 515-294-9911, chart@iastate.edu & Alejandro Plastina, Extension Economist, 515-294-6160, plastina@iastate.edu

AMES, Iowa – Farmers have been bombarded with bad news. Corn and bean prices are down and current projections show the cost of growing those crops during the 2016 season to be more than their sale price. With margins tight, having a full understanding of the financial side of farming is crucial for any producer.

Fortunately for farmers who want to get a stronger grasp on their finances and budget, ISU Extension and Outreach offers a variety of resources designed to help producers plan and keep their heads above water until prices increase.

“Crop prices today are half of what they were three years ago, yet costs are nearly the same,” said Chad Hart, ISU Extension crop markets specialist. With margins low and not expected to rise for a couple years, managing those margins becomes a critically important component on any farm. Hart, along with Alejandro Plastina, an assistant professor in economics and extension economist at Iowa State, have a series of strategies intended to help producers manage their operation until prices rise again.

“Know your break-even price,” Hart said. “Those that are making money today, they know their cost.”

A long look must also be taken at production costs, with farmers thinking about making changes that generate savings to offset reductions in revenue. Volume discounts for seeds or chemicals can help lower production costs if they are available.

The Farm Financial Planning program provides one-on-one financial advice to farmers and their families. Financial counselors in the program utilize FINPACK software which runs a computerized analysis of the individual’s farm business. The consultation helps farmers answer three basic questions of sound business management: Where am I today? Where do I want to be in the future? How do I get there? The service is free of charge, and an appointment can be scheduled by contacting an ISU Extension Farm Financial Associate.

Additional financial resources are available through ISU Extension and Outreach programs like Farm Financial Planning and Ag Decision Maker.

A series of short videos titled ‘Crop Marketing 101’ have been posted to the ISU Extension and Outreach store at https://vimeo.com/channels/926435/videos. The instructional videos focus on understanding the crop markets.
Cover Crop Spring Management Workshop Feb. 23 in Ventura

VENTURA, Iowa — Iowa Learning Farms, in partnership with Practical Farmers of Iowa and the Iowa Cover Crop Working Group, will host a cover crop workshop on Tuesday, February 23, from 12:30-2:30 p.m. at the Ventura Community Center. The event is free, open to the public, and includes a complimentary meal.

Cover crops continue to grow in popularity in Iowa due to the many benefits they provide. Such benefits include reduced nitrogen and phosphorus loads entering water bodies, increased soil organic matter, and reduced soil erosion. Fall 2015 was a good season for cover crop establishment and growth, with adequate moisture and growing temperatures. Great fall growth helped protect the soil during the heavy rain events, but could present challenges this spring if farmers are not prepared with a termination plan and equipment adjustments.

To help producers prepare for spring management, Carl Pederson, Iowa State University Agricultural and Biosystems Engineering Agricultural Specialist, will share his experiences managing cover crops on both large and small scale trial plots around the state. Meghan Filbert, Practical Farmers of Iowa Livestock Coordinator, will discuss cover crop variety trial results and species selection. ISU Extension and Outreach Field Agronomist, Angie Rieck-Hinz, will cover herbicide recommendations for termination and establishment and lead a discussion among attendees to answer questions from new and experienced cover crop users.

The workshop will take place at the Ventura Community Center, 4 North Weimer Street, Ventura, IA 50482. A complimentary meal prepared by Congregate Meals will be served at 12:30 p.m., and the program will begin at 1:00 p.m. The workshop is free and open to the public, but reservations are suggested to ensure adequate space and food. Contact Liz Juchems at 515-294-5429 or email ilf@iastate.edu.

Established in 2004, Iowa Learning Farms is building a Culture of Conservation, encouraging adoption of conservation practices. Farmers, researchers and ILF team members are working together to identify and implement the best management practices that improve water quality and soil health while remaining profitable. Partners of Iowa Learning Farms are the Iowa Department of Agriculture and Land Stewardship, Iowa State University Extension and Outreach, Leopold Center for Sustainable Agriculture, Iowa Natural Resources Conservation Service and Iowa Department of Natural Resources (USEPA section 319), Conservation Districts of Iowa, Iowa Farm Bureau, Iowa Water Center and Practical Farmers of Iowa.

Farmland Drainage Workshop – Osage, IA

By Darla Olson, Program Coordinator, Mitchell County Extension, 641-732-5574, daolson@iastate.edu

ISU Extension and Outreach, Iowa Farm Bureau of Mitchell County, various industry partners, and the U.S. Department of Agriculture’s Natural Resources Conservation Service are collaborating to offer a day-long Farmland Drainage Workshop on Fri., March 11, 2016. The workshop will be held at the V.F.W., 3693 Hwy 218 N., Osage, at 8:15 a.m.

Topics to be covered include sub-surface drainage design concepts, wetland determinations, Iowa Nutrient Reduction Strategy, long-term benefits of tiling, economics, nutrient cycling in soils, controlled drainage, bioreactors, saturated buffers, and legal issues related to tiling and Iowa drainage laws.

Cost of registration is $50. To pre-register or for further details, contact daolson@iastate.edu or call 641-732-5574.

Inaugural Soil Health Conference Kicks Off Extension Initiatives in IA

Soil health initiative to promote soil health through educational materials and partnerships

Article |02/16/2016| By Mahdi Al-Kaisi, Extension Agronomist and Professor in Agronomy, 515-294-8304, malkaisi@iastate.edu

AMES, Iowa – The inaugural Soil Health Conference, held at Iowa State University on Feb. 2-3, had an encouraging turnout, with 235 attendees at the first-time conference. Even with unfavorable winter weather conditions, researchers, faculty members, producers, students and policymakers from across the nation came together to discuss the pressing issues surrounding soil health.

Recently, the NRCS and Iowa State University entered into an agreement, and will be working together to develop outreach materials that promote soil health through extension services. A link to conference presentations is available on the Soil Health Conference website at http://register.extension.iastate.edu/soilhealth/.
**ISU Northeast Research Farm Annual Meeting**

**Farm Cash Flow Crisis in 2016 and a Water Quality Research Update to be highlighted at the ISU Northeast Research Farm on Wednesday, March 9**

Brian Lang, ISU Extension Agronomist, bjlang@iastate.edu, 563-382-2949  
Terry Basol, ISU Extension Agronomist, tbasol@iastate.edu, 641-426-6801  
Ken Pecinovsky, Farm Superintendent, kennethp@iastate.edu, 641-435-4864

NASHUA – Kelvin Leibold, Farm Management Specialist and Matt Helmers, Agriculture Engineer will speak at the annual meeting of the Northeast Iowa Agricultural Experimental Association (NEIAEA) at the ISU Northeast Research Farm near Nashua.

The program starts at 9:30 a.m. with a Call to Order for the board meeting. From 10:00 a.m. to noon will be key presentations from Kelvin Leibold and Matt Helmers. Leibold will address “Cash Flow Crisis – causes, cures and opportunities for Iowa’s producers. Helmers will discuss research and its implications from one of the premiere water quality research facilities in the nation. After lunch, Ken Pecinovsky, Research Farm Superintendent, will review 2015 trial results conducted at the ISU Northeast Research Farm.

Provided free at the meeting is the 2015 Research Farm Report. Lunch will be offered by the Riverton Lucky Clovers 4-H Club. Following lunch and Pecinovsky’s presentation, the NEIAEA board of directors will meet.

The meeting is free and open to the public. The program will be held at the Borlaug Learning Center on the ISU Northeast Research Farm. Directions: From Nashua at the Jct. of Hwy 218 (Exit 220) and Co. Rd. B60, go west on B60 1.1 miles to Windfall Ave., then south 1 mile to 290th St., then east 0.2 miles to the farm. For more information about the event, call Terry Basol at 641-426-6801.

**Beef Research Then and Now**

*Iowa Beef Center Director column By Dan Loy, IBC director*

In celebration of the 20th anniversary of the Iowa Beef Center, we continue our look back at the beef industry of 1996. Last month I noted some of the similarities and differences in issues facing the beef industry in 1996 and 2016. In this month’s article I compare research topics that were and continue to be important to the Iowa’s beef industry.

In the 1996 Iowa State University (ISU) Beef Research Report, the first study evaluating the performance and carcass characteristics of wet distillers grains from a commercial-scale, modern ethanol plant was reported. Interestingly, the feed was trucked in from Minnesota because there was no operating commercial dry mill ethanol plant in Iowa at that time.

Today approximately 40 ethanol plants producing nearly 1/3 of the U.S. ethanol and distillers grains are located in Iowa. Distillers grains have been a major focus of beef nutrition research at ISU since that time, and that work has evolved into looking at the changing nature of distillers grains and newer, novel feedstuffs from bioprocessing such as algae meal.

Also in 1996, there was a major research thrust in evaluating ultrasound as a tool for live animal carcass evaluation of beef cattle. Of course, this technology has since gone mainstream. It’s been incorporated into the development of carcass EPDs in many breeds and has contributed to the genetic progress in beef quality.

Today’s research in beef genetics at ISU relates to incorporating genomics and DNA technology into the selection of cattle for a number of traits. Read all of this column on the IBC website [http://www.iowabeefcenter.org/director.html](http://www.iowabeefcenter.org/director.html).

**Yard and Garden: Caring for Fruit Trees**

*By Richard Jauron, Extension Horticulturist, 515-294-1871, rjauron@iastate.edu*

With spring just around the corner, fruit tree owners should start to think about the care of their trees and this year’s fruit crop. The key to a good fruit set is to provide conditions favorable for flower bud formation, survival and pollination.

Horticulturists with Iowa State University Extension and Outreach share tips and practices that improve a tree’s ability to begin and continue to bear fruit at [http://www.ipm.iastate.edu/ipm/hortnews/](http://www.ipm.iastate.edu/ipm/hortnews/). To have additional questions answered, contact the ISU Hortline at 515-294-3108 or at hortline@iastate.edu.

**Private Pesticide Applicator Training**

Private Pesticide Applicator Training is being offered on March 29th, 7 pm, at the Mitchell County Extension Office in Osage and features speakers from ISU with the latest farm updates and pesticide training for farmers. The fee for private pesticide applicator training is $20. Call 641-732-5574 to register, walk-ins welcome.
Workshops to Address Corn Stover Agronomic and Logistic Decisions

ISU Extension and Outreach will host four workshops to help farmers understand opportunities

Article | 02/16/2016 | By Kapil Arora, Extension Agricultural Engineering Specialist, 515-382-6551, pbtiger@iastate.edu

AMES, Iowa – Corn stover – the cobs, leaves and stalks of corn plants left in the field after harvest – are being used in the production of ethanol, including the Iowa cellulosic ethanol facilities in Nevada and Emmetsburg.

As these ethanol production plants start their operations, they present an opportunity for producers to participate in this newly developing corn stover supply chain. Stover removal, in either round or square bales, can impact agronomic decisions such as nutrient balance and soil quality, and can influence harvest logistics in terms of removal amounts and reduced tillage.

To help producers understand the opportunities available and where they fit in the supply chain, ISU Extension and Outreach will host a series of four workshops to address the constraints and benefits of corn stover harvesting.

March 18 – Jefferson, 1:30-4 p.m. Call ISU Extension Greene County, 515-386-2138
March 22 – Algona, 9:30 a.m. Call ISU Extension Kossuth County, 515-295-2469
March 23 – Spencer, 1:30-4 p.m. Call ISU Extension Clay County, 712-262-2264
March 29 – Marshalltown, 1:30 p.m. Call ISU Extension Marshall County, 641-752-1551

ISU Extension and Outreach field agronomists Mark Johnson and Paul Kassel, as well as agricultural engineering specialist Kapil Arora will host the workshops. Crop producers, land owners, crop consultants, agronomists, service providers and others with an interest in stover harvest and its removal from farm fields are encouraged to attend.

The events are free, but pre-registration is required. Participants must register at least one day in advance.

To view this newsletter online or find more information about these events, go to www.extension.iastate.edu/mitchell or call 641-732-5574.