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# **CLIPPINGS**

*A Weekly Column from Iowa State University Extension and Outreach*

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**For Immediate Release**

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## **Stress on the Dairy Farm is Manageable**

*Fred M. Hall, Northwest Iowa Extension Dairy Specialist*

The current, protracted combination of low milk prices and the glut of milk products in the market place has stressed producers. Even with recent improvements in the futures market, most producers "farm-gate milk price" flirts dangerously close to their break-even price. Most bankers see dairies in terms of cash flow, and recognize that the margins have not changed much as the costs of inputs, including feed and fuel are also rising.

Dairymen have all heard the traditional do's and don'ts. Do evaluate risk management tools such as crop insurance, livestock gross margin and the margin protection program. Do talk to suppliers with whom you have past-due balances to work out payment schedules. Do look for price quotes from multiple suppliers for your most purchased inputs. The Don'ts include: making short-term decisions that make the problem worse down the road; reducing purchased feed just to save money; and neglecting the details including cleaning, maintenance and communicating with workers and family.

The stress often builds to the point that families are at a loss to know what to say to each other, to their bankers and suppliers. At that point, it's hard to know where to turn.

Farmers are taught to "cowboy up, tough it out" and are scripted to be reluctant to reach out for help. According to the Centers for Disease Control and Prevention, farmers, as a group, have a higher suicide rate than any other occupation, even twice as high as veterans.

Communication skills not only help defuse the situation when farm family members live and work side-by-side, but are essential when seeking help from professionals outside the family.

The Iowa Extension Dairy Team recognizes the need to communicate with producers on several topics that can help them find the right answers during this "perfect storm" of financial pressure, a sense of powerlessness in the milk market, and social isolation. We recognize that producers' self-reliant spirit often makes them uncomfortable in seeking help; therefore, these initial conversations will start with a series of webinars where producers can collect basic information on economic and social questions and how to use the information to make better decisions without being face-to-face in a meeting.

The webinars will be from 12 noon to 1 p.m. beginning on July 10. Larry Tranel, ISU, and Megan Roberts, MN Extension, will discuss how to communicate with family, lenders and suppliers plus review the signs that financial stress is affecting the farm well-being.

Over the noon hour on July 17, Fred M. Hall will review changes in the milk market and Larry Tranel will discuss costs of production and managing risk.

On July 24, Jim Salfer, MN Dairy Extension, Jennifer Bentley and Fred M. Hall, both from ISU Dairy Extension will outline enterprise benchmarks from FINBIN; Top 10 management tips to maximize profitability and some do's and don'ts for dairy farmers when facing financial difficulty.

There will be time after the presentations to ask questions.

For more information, contact your regional ISU Extension and Outreach Dairy Field Specialist. In Northwest Iowa, that person is Fred M. Hall at 712-737-4230 or fredhall@iastate.edu.

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Fred M. Hall, Northwest Iowa Extension Dairy Specialist  
Iowa State University Extension and Outreach  
712-737-4230 or fredhall@iastate.edu