



FIELD&FEEDLOT a monthly agriculture publication for Northwest Iowa

October 2022

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Online References

Ag Decision Maker

www.extension.iastate.edu/agdm/

Iowa Beef Center

www.iowabeefcenter.org

Manure Management Action Group

www.agronext.iastate.edu

Iowa Pork Industry Center

www.ipic.iastate.edu/

ISU Extension Dairy Team

www.extension.iastate.edu/dairyteam

Locate a County Office

<https://www.extension.iastate.edu/countyservices/>

Numbers to Know

AnswerLine 800-262-3804

Beginning Farmer Center 877-BFC-1999

Iowa 2-1-1 211

Iowa Concern 800-447-1985

Iowa Healthy Families 800-369-2229

Teen Line 800-443-8336

Leah Ten Napel Named New Northwest Iowa Agronomist

Leah Ten Napel, Field Agronomist
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As a new face to this newsletter, I wanted to take the opportunity to introduce myself.

My name is Leah Ten Napel and I am the newest Field Agronomist with Iowa State University Extension and Outreach. I will be serving 9 counties in Northwest Iowa: Plymouth, Sioux, Lyon, O'Brien, Osceola, Monona, Woodbury, Ida and Cherokee.

Taking this position just felt right as it combined three of my favorite things: Agronomy, Northwest Iowa, and Iowa State University. I grew up in Le Mars and was already involved with Extension at a young age through 4-H. Following high school, I attended Iowa State University where I graduated with a degree in Agronomy and Seed Science. After graduation I knew I wanted to get back to my roots in Northwest Iowa and returned home to start working at a local co-op. I spent the last four years working with local farmers to test soil fertility, utilize precision technology, plan pesticide applications and much more. In my new role I will continue work in these areas. I also look forward to helping farmers make research-based decisions that will increase their operation's profits and yields.

Across Northwest Iowa there is so much diversity and I look forward to exploring it all. I appreciate publications, like Field & Feedlot, that combine information specifically for the farmers in our area. I know many growers that I will work with have both land and livestock. On our acreage my husband and I raise sheep, and similarly to row crops, we use research to make decisions on the best practices to use.

Driving down the road in Northwest Iowa, I see most fields turning. Many farmers have their silage chopping finished, and a few have begun harvesting. With the lack of consistent rainfall and high temperatures over the growing season, we are sure to see variability in yields. As harvest gets underway, I look forward to keeping you all up to date with what we are seeing.

Lastly, I'd like to wish you all a safe and successful harvest season!



Iowa Dairy Herd is Growing

Fred Hall, Dairy Specialist
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According to the latest USDA, National Agricultural Statistics Service – Milk Production report, milk production in Iowa during August totaled 494 million pounds, up 7 percent from the previous August. The average number of milk cows during August, at 238,000 head, was 2,000 more than last month and up 13,000 from August 2021. Monthly production per cow averaged 2,075 pounds, up 20 pounds from last August.

Across the country, U.S. milk production is up a modest 1.6 percent over August 2021 to 19.02 billion pounds.

Even so, cow numbers declined 11,000 head from a year ago. The drop in cow numbers was the eleventh month of year-over-year decreases. However, cow numbers increased by 8,000 head from July 2022, the second month in a row of month-to-month increases. South Dakota continues its positive cow growth movement, up 22,000 head.

While the U.S. herd appears to be stabilizing, many producers are facing tight margins. Corn, soybean, and energy prices are historically high, combined with labor costs that have jumped significantly in the past two years. The forecast is for these tight margins to continue well into 2023.

This is in spite of strong milk component prices. Butter has jumped to new records. Early last week, CME spot butter jumped 7 cents to \$3.24 per pound. Remember that butter was \$1.79 a year ago! Grocers are scrambling to secure enough product for the holiday baking season, but these high prices may cure themselves as holiday bakers consider other options.

U.S. milk powder prices remain near the high end of the recent trading range; however, foreign buyers are still signing contracts, especially Mexico.

Both spot cheddar blocks and barrels have moved up and like whey, cheese output remains strong. Both domestic and export demand has perked up reducing inventories of fresh cheese available for sale at the spot market in Chicago. While dairy consumption is strong, fluid milk sales continue to trend lower. As the saying goes, we are eating our dairy and not drinking it! Fluid milk sales have decreased by 19.7 percent since 2009. However, whole milk and flavored whole milk have recently reversed this downward trend, with per capita sales of both increasing during six of the past seven years.

Milk Economist John Guess suggests that the U.S. is moving into a time where we are not producing enough milk to meet demand for butter. However, he notes there is no shortage of milk for cheese.

We should see cow numbers move above year-prior numbers with the next USDA report because we will be comparing to last year when we lost 33,000 cows from August to September. That said, a significant expansion of the U.S. herd is not expected because of high costs, limited processing capacity, and increased regulations.

If you are interested in more information concerning the milk or grain markets, I encourage you to attend the Siouxland Ag Lenders Seminar on October 20. Matt Tranel with Ever.ag will present his insights on the milk market and Chad Hart from Iowa State University will share information on the grain markets. To register for the Siouxland Ag Lenders Seminar, preregister online at <https://go.iastate.edu/R7UBGH>.

ISU Extension and Outreach Wants to Hear from You!

As technology continues to evolve, Iowa State University Extension and Outreach has launched a statewide survey that will help us deliver the research-based education and resources you want, in ways that fit you best. And, as a friend of extension, your voice is an important one.

Take the Survey: <https://extension.iastate.edu/survey>

Your responses will tell us about the technology you prefer, the topics you want to learn more about, and the issues that are important to you. What we learn will help us improve on the way lowans access, receive, and engage with extension education. Please take a few minutes and complete the survey and share with others - those we know and those we may not have reached yet. Thank you!

**WE WANT TO
HEAR FROM
YOU!**



Tell us about the topics you want to learn more about, and how we can best deliver them to you.

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Manure: The New Black Gold

*Kris Kohl, Ag Engineering Specialist
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Harvest is well underway, and we will soon get started with the fall manure applications. These early applications will convert the ammonia to nitrate that will move with the soil water. While there is a risk of leaching out if we get above normal rainfall, the present dry conditions will require about 10 inches of precipitation before we will start to lose the nitrogen. While waiting until November continues to be the better time to apply manure, this year will be more forgiving.

Fertilizer prices are likely to remain high because natural gas prices never went low this summer, and many places are converting coal fired electrical generation to natural gas electrical generation. The summer low price for natural gas this year was \$5.36 per therm. Natural gas is also used to refine P and K so they are also likely to remain high. To make matters on the world stage a little worse, the two leading countries that export nitrogen fertilizer are Russia and Belarus. Most of their exports go to the EU, but with the political problems they may be looking to others like the US and Canada.

More farmers may be more interested in buying manure and those who have it will want to spread it over all your acres to get the most bang for your manure resource. Lowering our application rates to the economical maximum return to nitrogen would help to spread it on about 20 percent more acres and if the dry conditions persist our fields will not be limited by fertilizer, but by rain. Yes, manure has now become farmers' new black gold!

Survey Shows Historic Increases in Farmland Values and Cash Rents

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The annual land value survey and cash rent surveys from USDA's National Agricultural Statistics Service confirm what many in Iowa's agriculture industry already expected: land values and cash rents are up significantly.

According to an article in the September edition of the Ag Decision Maker newsletter, a publication of Iowa State University Extension and Outreach, Iowa cropland values rose 19.7 percent on average over the past year, from \$7,810 per acre to \$9,350 per acre. Pastureland is up 9.3 percent, now averaging \$3,300 per acre.

As for cash rents, the survey shows an increase of 9.9 percent for non-irrigated cropland, for an average of \$256 per acre in 2022. Cash rent for an acre of Iowa pastureland is up to \$59.50 per acre on average, an increase of 2.6 percent and a new record high level.

The article is authored by Lee Schulz, associate professor in economics and livestock economist at Iowa State University. He said it's important to keep in mind these numbers are statewide averages from USDA, and that county and individual parcel results could be higher or lower, depending on many factors.

Schulz said he would not be surprised to see further increases to pastureland, because historically, pasture values tend to follow cattle and corn prices.

As a state average, cropland values are the highest ever, and cash rents are second only to 2014, when they reached \$260 per acre.

The current increases come at a very different time in the economy, however.

"The 2022 general economy is more anemic," according to Schulz. "Inflation is around 8.5 percent, which could buoy land values. Potential for a steeper economic slowdown could dampen interest in buying land, and rising interest rates and any slippage in net farm income could erode farmers' ability to service land debt."

While the future is difficult to predict, Schulz said if inflation remains high and interest rates continue to climb, the impact will eventually be felt.

"Agriculture does not operate in a vacuum," he said. "The Federal Reserve is actively raising interest rates and eventually that has a negative correlation with land values and farmers' ability to borrow."

For farmers and landowners having negotiations over land sales and rent, Schulz said the USDA surveys are useful, but that decisions should include other surveys and factors, as well, such as the annual Iowa State University Land Value Survey, released at the end of each year, and the Iowa State University Cash Rent Survey, released each May.

"The USDA survey findings help provide one data point for conversations, but the agricultural community should continue to weigh other sources of information and factors when making decisions about cash rents and sales," said Schulz.