ISU Extension annually offers a conference in January at several Iowa sites that I consider to be the best meeting we put on (for crop production at least) every year. It is called the Crop Advantage series, and it is coming to a town near you! Northwest Iowa sites for 2011 include Sheldon on Jan. 4, Spirit Lake on January 13, Storm Lake on Jan. 18, LeMars on Jan. 24 (a new site for 2011!), and Carroll on January 25. Each site has a slightly different agenda than the others, but all are keynoted by one of ISU’s premier plant pathologists discussing the new soybean disease threat to NW Iowa – Sudden Death Syndrome (SDS). Additionally, participants can attend up to 5 other workshops of their choice during the day, learning from and discussing with the researchers who do the work on a variety of topics. A bonus! If you attend all day, including a session at the end of the day, this qualifies as Private Pesticide Recertification for the year. Two birds with one stone – a great educational meeting, and that pesticide certification requirement is met! See details for these events at www.cropadvantage.org.

Statewide, these meetings feature workshops presented by over 40 different experts. Select a location that features the topics that will benefit your operation for the upcoming growing season and beyond. Crop Advantage meetings provide usable information that you can apply to your operation. Corn and soybean management, soil fertility, conservation tillage, grain marketing decisions, grain storage hints, insects, diseases and weeds are just a few of the many topics presented at these meetings.

Every winter I get as opportunity to attend and speak at probably over 60 meetings and conferences. Honestly, the Crop Advantage meetings are the ones where I learn the most, personally enjoy the most, and the audience typically tells me they appreciate it the most. The average age seems younger than most meetings, and the atmosphere is always positive. Comments from NW Iowa meetings from last year include: “Always a great program. Have never been disappointed with these conferences!” Spirit Lake attendee; “Good conference with great information. Great tips on keeping costs low and production high...” Sheldon attendee; and “First-rate speakers and timely topics. Keep up the good work!” Storm Lake attendee.

These conferences typically start about 10 a.m., and most workshops conclude at about 3:30 pm. However, those wanting Private Pesticide Continuing Education must stay for about additional hour to complete the mandatory topics of the pesticide recertification program. Check the agenda for each site on the web page for details. The base registration price is $35 if registered early (about a week before the conference), and goes up $10 for late registrations or walk-ins. Additionally, $20 must be added if Private Pesticide Certification is done as a part of the day. Certified Crop Advisors can get up to 5 credits during the day, too – for a small additional fee. To register, go to the web site www.cropadvantage.org and register on-line. OR contact your local ISU Extension office, and they can likely help you through the process, too. Or, contact your regional ISU Extension Field Agronomist. We’d like you there, so we want to help you get registered!

Want to Insure Your Income Over Feed Costs? Try LGM for Dairy!

By Larry Tranel, ISU Extension Dairy Program Specialist, NE/SE Iowa
Submitted by: Chris Mondak, ISU Extension Dairy Program Specialist

How would you like to get an insurance payment if milk prices decrease and feed prices increase? The Livestock Gross Margin (LGM) program is an insurance program that does just that—it protects the gross margin between the milk price and the market value of feed.
Even more so, if the milk price versus feed cost margin increases, you still benefit from the higher margin. Thus, consider this profit margin insurance during unstable milk and feed markets. Both seem to be a constant nowadays.

This program, sponsored by USDA, uses prices from the Chicago Mercantile Exchange (CME) for milk and the Chicago Board of Trade (CBOT) for corn and soybean prices.

**Advantages over Futures and Options Trading?**

**Convenience:** Producers can sign up for LGM-Dairy Insurance 12 times per year and insure all their milk production they expect to market over a rolling 11-month insurance period.

**Customization:** The LGM-Dairy policy offers more flexibility and can be tailored to any size farm. Futures/options cover fixed amounts of commodities, and those amounts may be too large to be used in the risk management portfolio of some smaller farms.

**Bundled Option:** While futures/options trading reduces the price risks in milk and feed costs respectively, LGM-Dairy is similar to a bundled option of futures or option contracts, insuring against the losses in the Gross Margins taking into consideration both the price risks in milk and feed costs simultaneously.

**No Brokerage Account:** Producers do not take any positions on futures and options. Therefore they do not require a brokerage account.

**No complex information:** Futures and options trading require a thorough understanding and complex information of the trading markets. As an insurance product, LGM-Dairy may be useful to producers who may not be comfortable trading in the futures or options markets.

**Guaranteed Pricing:** Once LGM-Dairy is priced for a given day, the prices are guaranteed and will not change for that day. While the futures and options prices are negotiated in the market, LGM prices are determined according to the pricing and basis regulations established by the Risk Management Agency (RMA).

**Availability after trading hours:** LGM-Dairy is available after normal market trading hours, allowing producers to purchase price coverage at times previously unavailable.

**When and How Can You Purchase?**

LGM Dairy is available for purchase starting on the last business Friday of the month until 8 pm CDT on Saturday. Starting with December, 2010 contracts, premium will be due after last month of coverage which is a huge benefit as well. At sign-up, producers declare milk production and feed equivalents to insure. Milk production will be certified at contract end. Producers define expected feed use in terms of Corn (energy) and Soybean Meal (protein) equivalents. There is no auditing of feed use.

**Allowable declared feed equivalents: (Dec. 2010)**
- Corn: 0.13 - 1.36 bu/cwt of milk
- Soybean Meal: 1.61 – 26.00 lb/cwt of milk

**Program default feed coefficients can be used:**
- Corn: 0.5 bu/cwt of milk
- Soybean Meal: 4.0 lbs/cwt of milk

The producer chooses the amount of gross margin not covered by insurance (i.e. insurance deductible). The program allows $0 - $2.00 as of Dec. 2010. Of course, the higher the deductible, the lower the premium and the producer assumes more risk.

The actual milk and feed prices used are average futures contract settle prices from 1st, 2nd and 3rd days prior to futures contract last trading day. If the Actual Gross Margin is less than the Gross Margin Guarantee (GMG) then an indemnity is paid.

**Bottom line is that this LGM program for dairy is much simpler, less complicated, cheaper and protects the income over feed cost margin well.** Producers are highly encouraged to consider its use.

For more information on LGM, please follow the links:
- [http://future.aae.wisc.edu/lgm_dairy.html](http://future.aae.wisc.edu/lgm_dairy.html)
- [http://www.rma.usda.gov/livestock](http://www.rma.usda.gov/livestock)
- [http://www.uwex.edu/ces/dairymgt/dairy.cfm](http://www.uwex.edu/ces/dairymgt/dairy.cfm)

This article adapted from Dr. Brian Gould, UW-Extension, Ag Lender’s Presentation, Dec. 9, 2010.

**Beef Meetings Focus on “Real World”**

By Beth Doran, ISU Extension Beef Program Specialist

**Margin and Risk Management for Cattle Feeders:** The cattle feeder has a tough job managing “crush margin,” which is the value of fed cattle minus the costs of the feeder animal and corn. Crush margin is the revenue left to pay all other costs and provide profit to the cattle producer. A crush margin of ~$150/head is needed to break even when feeding yearling steers. The ag economics department at ISU has a website, [http://www.econ.iastate.edu/margins/](http://www.econ.iastate.edu/margins/), where past, current and projected crush margins are posted.
There will be two hands-on workshops - Dec. 9 at the Wall Lake Community Center and Dec. 15 at Iowa Lakes Community College in Estherville – that will feature crush margin and risk management tools, such as forward contracting, futures, options, Livestock Gross Margin and Livestock Revenue Protection Insurance. Both workshops are 9:30 a.m. – 2:30 p.m. The Dec. 9 and 15 workshops are co-sponsored by 360 Feeds at Ralston and Land O’ Lakes Purina Feed at Estherville, respectively.

These are computer-simulated workshops where participants will sell live cattle and buy feeder cattle and corn over a two-year period of time, using the crush margin and based on real market fluctuations. It is a great way to learn about marketing and try those marketing strategies you have always wanted to, but were afraid to!

**Current Issues with Cow-Calf:** A lot of the hay that will be fed this winter will not be great quality. Most of the first cutting was too mature, and there was rain damage on subsequent cuttings. Cow-calf producers are advised to have their hay analyzed for nutritional value and begin planning their rations now. To increase the body condition score of a cow one unit, she will need to gain about 90 pounds, which will take several months.

A forage testing project is being conducted by the Iowa Beef Center to help beef producers learn about the quality of their forages and minimize nutrition-related calving problems next spring. Producers can still participate and receive 50% cost share for the analysis of three forage samples.

As a follow-up to the forage testing project, three cow-calf meetings are scheduled for any producer:
- Jan. 19, 9:30-11:30 a.m., Extension Office, Spirit Lake
- Jan. 19, 1:30-3:30 p.m., ISU Demonstration & Research Farm, Sutherland
- Jan. 20, 9:30-11:30 a.m., ISU Demonstration and Research Farm, Castana

The meetings will focus on current issues with cow-calf:
- How to avoid weak calf syndrome
- Results of the forage testing project
- Formulating cow rations to provide good nutrition and control feed costs
- How to euthanize cattle on-farm
- Update on anaplasmosis and other health problems

Speakers will be Dr. Grant Dewell, ISU Veterinarian and Beth Doran, Beef Program Specialist. We encourage you to come with your questions!

**Feedlot Forum 2011:** This year’s meeting for cattle feeders will be January 25, 9:30 a.m.-2:45 p.m. at the Corporate Center in Sioux Center.

Two presentations deal with the environment. The first is an update on the tri-state air quality project with mono-slope beef barns. The second presentation focuses on understanding medium-sized CAFO’s – who is affected, needs a permit, and performance standards.

Gregg Doud, chief economist for the National Cattlemen’s Beef Association, will discuss legislative issues on a national level that impact cattlemen, such as GIPSA, free trade and animal rights. Kevin Good, marketing specialist with Cattle Fax, will present cattle market situation and outlook.

There will be a trade show featuring the latest cattle products and services and a business meeting for the District 1 Iowa Cattlemen’s Association.

**For Detailed Information:** For more detail or to register for any of these programs, contact Beth Doran at 712-737-4230 (w), 712-395-0280 (c) or doranb@iastate.edu

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**Winter Manure Management Issues**

By Kris Kohl, ISU Extension Ag Engineer Program Specialist

When managing manure this winter there are several issues farmers need to consider.

1. Legal
2. Maximizing value
3. Environmental

I will try to address the main issues of each of those.

**Legal** - Liquid manure applications are prohibited when more than 2 inches of snow are present between December 21st and April 1st and on frozen ground between February 1st and April 1st except in the event of an emergency.

If an emergency exists, then a phone call to the DNR is required for amending the manure management plan and blocking the surface intakes. Be sure that you write down the name of the DNR official when you discuss your emergency for applying liquid manure for your records.

Solid manure can be applied during the winter months, but be sure to observe separations distances to water of at least 200 feet.

**Maximizing value** - With the high cost of equivalent fertilizer we need to maximize the value from our manure. This often means knowing exactly where it was applied without doubling up or missing a spot. A good way to do this is with an old tire placed at the edge of the end rows and the field rows. When applying the first load of the day, drive along and when the tractor hits the tire, you will know it. At the end of the day, leave the tire at the end rows to mark where you’ve applied and didn’t apply. Leave the tire at the end rows to guide spring manure application.

**Environmental** - Our research on winter applications show little additional risk when applied to frozen soil. There is a large risk when applying to snow especially late in the season when melting is about to occur. Research has shown ammonia nitrogen concentration from late season application run-off to be as high as 1000 parts per million. 2 ppm will kill fish so watch out.

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By Kris Kohl, ISU Extension Ag Engineer Program Specialist

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