CHIPPEWA VALLEY AGRICULTURAL EXTENSION REPORT

Dunn County – 715-232-1636
Katie Wantoch – Agriculture Agent
Specializing in Economic Development
http://dunn.uwex.edu

Eau Claire County – 715-839-4712
Vacant – Agriculture Agent
Erin LaFaive – Horticulture Educator
http://eauclaire.uwex.edu

Chippewa County – 715-726-7950
Randy Knapp – Agriculture Agent
Jerry Clark – Crops & Soils Educator
http://chippewa.uwex.edu

Volume 3 Issue 2 **Spring 2013**

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WI Farm Fun Facts

- WI's inventory of cattle is up 50,000 head from 2012.
- WI maintained its ninth place ranking in the nation for inventory of cattle and calves
- United States beef cow inventory decreased 3 percent from Jan 1, 2012 to Jan 1, 2013.
- Wisconsin had 240,000 cattle on feed on Jan 1, 2013, unchanged from Jan 1, 2013.

Upcoming Meetings—contact local Ag Agent for more info:

March 1st—UWEX Winning the Game: Launch and Land Pre-Harvest Grain Marketing Plan, Barron. This half-day workshop gives you an opportunity to develop your own pre-harvest marketing plan. Workshop sponsored by AgStar Financial Services. Cost is $10 per person. Contact Tim Jergenson, Barron County, for more information.

March 2nd—Dunn County Master Gardener Association "Spring Begins" Seminar, Menomonie 3rd Annual "Spring Begins! Gardening Smarter NOT Harder." Sessions will include: Getting the Most from your Yard and Garden by Diana Alfuth, UW-Extension Horticulture Educator, Pierce County, and No Weed Gardening by Sydney Tanner, Survival and Food Storage Specialist. Registration is $8.00. For registration information, please contact Dunn County UW-Extension office at 715-232-1636 or email the Dunn County Master Gardeners at dunncountymastergardener@gmail.com.

March 28—Financial Recordkeeping using QuickBooks Question and Answer Session, Chippewa Valley Technical College, Menomonie. Make plans to attend this hands-on workshop where attendees will receive information for intermediate level users of QuickBooks and discuss questions you have using QuickBooks for your farm's financial recordkeeping. Come to the workshop & learn tips, tricks and updates from other participants as well as from Jenny Vanderlin, Center for Dairy Profitability and Stan Schraufnagel, University of Wisconsin-River Falls. This workshop will be held March 28th from 12:30 p.m. - 3 p.m. Registration is $10.00 per person or $15 per couple or same farm (will receive one set of materials). Lunch will not be provided. For registration information, please contact Dunn County UW-Extension office at 715-232-1636.

July 9-11—Wisconsin Farm Technology Days, Barron County, The largest annual WI outdoor farm show will be held at the Breezy Hill Dairy farm in Dallas, WI this summer. Make plans to attend & read page 5 of this newsletter for more information on farm owners Alex and Mary Olson.

UW-Extension provides equal opportunities in employment & programming, including Title IX requirements. Requests for reasonable accommodations for disabilities or limitations should be made prior to the date of the program or activity for which it is needed. Please do so as early as possible prior to the program or activity so that proper arrangements can be made. Requests are kept confidential.

Randy's Rumors . .

Randy Knapp
Chippewa County Agricultural Agent

Fine-Tuning Feed Costs

To achieve the most cost effective milk production, the amount of direct money you spend for feed should provide for the basic required nutrients to meet health, reproduction and milk production requirements. The following is a guideline on feed expenditures to meet these basic requirements.

Forages should comprise about 50 to 60% of the ration DM and will be the largest single cost item at 40 to 45% of the total cost because of the quantity needed to meet fiber and other nutrient requirements of energy and/or protein.

Starch is the next basic feed need. Cows need some starch for good milk production. Corn is the best source of starch and should be about 20% of the total feed cost. Corn feeding amount and expenditure will be quite variable as byproducts and corn silage can substitute for some corn. High corn silage rations (□60% of forage DM) will be lower in corn than haylage diets.

Byproduct feeds like distillers gains, cottonseed and corn gluten feed can substitute for grain, protein or forage in diets. Most byproducts are a source of fiber and/or protein. Their availability and use is quite variable and difficult to closely assess what a specific cost allocation should be. However, a 10 to 20% ration cost for byproduct feeds in substitution for other feeds in the ration is a good target cost.

Protein is needed for good digestion and utilization of forage and grain. Rumen degradable protein like soybean meal is our first choice but there are others. Degradable protein sources should be 5 to 10% of the feed cost. For good milk production, some rumen undegradable protein (RUP) should be included in the diet also. These are generally higher cost feeds accounting for 10 to 20% of the total cost.

Minerals and vitamins should be 4 to 8% of the ration cost. This would include limestone, salt and a vitamin/ trace mineral base.

Fat is a high energy source that can substitute for other energy feeds and supplement low energy feedstuffs in the ration. Fat supplement costs should be 4 to 7% of the total ration cost.

Feed additives are a very broad category of feed supplements that often enhance feed utilization for milk production and/or animal health. Typical ingredients would include a yeast product, a chelated trace mineral source and a buffer. Inclusion amount for additives is low and individual cost effectiveness is usually better than a 2 to 1 return. The key to effective feed additive usage is matching the feed additive with herd needs and not using feed additives as a substitute for high quality feeds and a good nutrient balanced diet. Costs are in the range of 5% of the total cost.

Ration costs are not the same on all dairy farms. Current feed cost per cwt of milk for dairy producers ranges between $11 and $13. Every dairy farm is different and many variables affect the final cost of the ration fed including: type of forages fed and whether home raised or purchased; the kind of grain and protein feeds being fed; the type and amount of byproduct feeds included in the ration; milk production level of herd; plus the body weight of cows. The four rations in the table illustrate the variation in feed costs in diets ranging from high haylage to high corn silage. The fourth ration is a high silage ration with fat substituting as an energy source. All rations were formulated to support 85 lb of milk or more per day and for the same nutrient specifications of 17% CP (maximum), 28% NDF (minimum), 28% starch (maximum) and .79 Mcal/lb of NEL at 52 lb/day of DM. Feed amounts shown are as fed lb/cow.

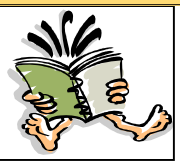
—Adapted from: Fine-Tuning Feed Costs Jim Linn, Professor Emeritus, University of Minnesota

	High Haylage	50:50 DM basis haylage: corn silage	High Corn Silage	High Corn Silage With Fat
Corn silage, lb	25	44	75	80
Haylage, lb	51	35	17	18
Corn, lb	15.5	12.7	6.5	5
Protein supp, lb	6.2	8.6	11.5	10.2
Min/Vit, lb	1.4	1.6	1.8	1.9
Fat, lb				0.5
$/day ration cost	8.20	8.10	7.64	7.95
	Ration milk potential, lb/day			
Metabolizable Energy	96	95	92	95
Metabolizable Protein	85	94	93	93

This is a good discussion to have with your nutritionist. Break you diet costs down into categories and compare with these. Every diet will be different and your nutritionist can explain why. Your nutritionist can only be as good as your forages allow.

Katie's Korner . . .

Katie Wantoch,
Dunn County Agricultural Agent



Establishing a Rental Rate & Agreement That Work: Part 3

Renting land is an alternative to owning. Renting allows a farmer to increase the size of his or her operation without having to commit (or even have) the money needed to buy the land. For starting farmers, renting is a very good way to enjoy the benefits of a larger operation without taking on large amounts of debt. Renting also provides a farmer with more flexibility to move his or her operation to geographical areas. For example, a young farmer could initially expand by renting land over a relatively large area and then, as land becomes available closer to the home farm, stop renting land at the farthest points in favor of land closer.

Over half of the cropland in the United States is rented. The landowner may be the tenant's parents or siblings, retired farmers, surviving spouses or off-farm investors. Mostly landowners manage the rental arrangements themselves. It is important that a rental agreement be in writing and agreed upon by both landowner and operator.

Some of the advantages of a written agreement are:

1. It encourages a detailed discussion of the agreement that leads to a better understanding by both parties.
2. It serves as a reminder of the items originally agreed upon.
3. It provides a valuable guide for the heirs if either the operator or landowner dies. By statute of frauds, interest in real estate generally must be in writing.

The agreement should be carefully reviewed each year to ensure the terms of the agreement are still applicable and desirable.

These minimal provisions alone, however, do not meet all the requirements of a good lease. Additional provisions should provide guidance on how the land is to be used and outline possible problems areas and solutions. A good lease should clearly identify the property being rented. If the landowner wishes to reserve the use of certain improvements (I.e. buildings) on the land, these should be clearly stated in the lease.

Cash Farm Rental Agreement Lease Checklist

Parties to Lease & Description

- Date the lease is entered into
- Names and addresses of landowner & operator
- Legal description of leased property
- Signatures of landowner & operator

General Terms

- Time period of lease, beginning & ending dates
- Rental amount for cash lease
- When & how rent paid, penalties for late payment
- Who's carrying insurance on property & crop
- Statement that landowner & operator don't intend to create a partnership by entering into agreement. Neither party will obligate the other for debts/ liabilities or damages
- Conditions under which operator may or may not sub-lease the property

Termination

- When & how lease may be terminated, requirements for notice of termination
- Acts of operator that constitute default of lease
- Operator's rights if property is transferred during lease period

Operation & Maintenance

- Desired or prohibited farming practices
- Process of measuring & maintaining soil fertility & pH levels
- Party responsible for controlling noxious weeds
- Party responsible for maintaining fences
- If operator has right to make improvements, compensation for improvements
- If operator has right to utilize improvements made by landowner
- Provisions for soil-conservation practices
- Use of other areas (ie bins, trees, buildings)

Landowner Rights & Government Payments

- Landowner's right to enter property
- Landowner's right to interest in crops or other provisions for ensuring payment
- Statement of which party will participate in federal farm programs
- Nature of landowner participation in management

Arbitration of Differences

- Provision that any amendments must be in writing and signed by both parties
- Procedure for resolving disputes, including WI state statues

Visit http://dunn.uwex.edu/agriculture/farm-management/farm-lease-information/ for copies of written lease agreements.

Adapted from "Fixed and Flexible Cash Rental Arrangements for Your Farm," North Central Farm Management Extension Committee

Jerry's Jargon

Jerry Clark
Chippewa County Crops & Soils Educator

Factors in Calculating Cost of Production

With the planting and growing season a few months away, it is a good time to begin to estimate cost of production for crops you plan to grow in 2013. Several methods can be used to estimate cost of production. Everything from very detailed input prices entered into a computer or tablet to ballpark figures on the back of a napkin are used to estimate the cost of inputs for the growing season.

Before one can figure the cost of production and analyze expense trends, the grower should be aware of what kinds of costs they will have. One cost is variable cash costs which involve actual cash transactions. Fuel, seed, fertilizer and herbicide purchases are cash costs that vary with the number of acres farmed. Non-cash variable costs include expense items such as depreciation, which are not associated with an actual cash transaction. Variable costs increase (or decrease) as use increases (or decreases). Crop budgets are relatively simple for individual farmers to develop. They consist of listing various field activities and the inputs associated with them, along with prices, to arrive at an estimate of the cost of production.

Other types of cost are Fixed cash costs which remain constant as use increases. Property tax, insurance, and self-employed labor are examples of fixed cash costs. Fixed non-cash costs would be some tractor depreciation, implement depreciation, interest, and land charge to owned property. Property tax is a cash cost that is fixed because it is incurred whether or not the land is farmed.

Because tillage equipment depreciation and interest are functions of age rather than use, they are fixed, non-cash costs. Equipment depreciation occurs whether or not the implement is used. Tractor depreciation is a partially fixed and partially variable non-cash cost. Fixed depreciation occurs on tractors as they age, regardless of use. Variable depreciation occurs on tractors as they are used more intensively.

Land charge is a non-cash cost of land ownership. Principal and interest payments are cash expenditures associated with land ownership. Land charge or interest, when used to estimate the cost of production, is the value of the land farmed times the rate of return that could be gained if the land were sold and the money invested elsewhere. Land charge is a fixed cost incurred whether or not a lien exists on the land and whether the land is farmed or left idle.

Budgets on a **per acre cost** basis are a powerful tool for assisting farm management. A listing of inputs and prices helps estimate how much operating capital is needed for production. An estimate of the **per bushel cost** of production is useful in making effective marketing decisions. Crop share and leases can be evaluated using the contributions attributed to both landowner and tenant in a crop budget. The economics of different systems, such as conservation tillage and no-tillage production, can be compared with a more detailed budget.

Several resources are available to help with cost of production estimates. UW-Extension's Farm Team has a website http://www.uwex.edu/ces/farmteam/budgets/fieldcrop.cfm full of crop production enterprise budgets to help calculate cost of production.

Make Plans to Attend the Wisconsin Farm Technology Days in Barron County! July 9-11, 2013

Alex Olson began dairy farming in 1981 with his parents following his graduation from Barron High School. From that time until today, the farm has grown progressively as opportunities became available and the dairy industry in Barron County changed. Alex, and his wife Mary, gradually took over management and ownership of the farm from his parents and then began to steadily grow the dairy herd and expand their land base.

The Olson's first expanded the dairy herd from 70 cows to 110 cows and then to 300 cows by 2003. A fire destroyed their milking parlor in 2007. The Olson's overcame this setback and built a new milking parlor and added more dairy cows again. Breezy Hill Dairy now has 485 black and white and red and white Holsteins and some Jerseys.

According to Alex Olson, cows are the number one priority at Breezy Hill Dairy. Cow comfort, herd health and good employee management are what the Olson's focus on every day. "We strive to provide a healthy environment for our cows and a safe place for our employees to work," says Alex.

The Olson's "never imagined in a million years," they would someday host Wisconsin Farm Technology Days. Mary Olson says that "Living in such a beautiful part of the country, where there are many well-managed farming operations, we are humbled to be selected as hosts for the 2013 Farm Technology Days in Barron County."

Mary Olson is active in the management and operation of Breezy Hill Dairy. Her primary responsibilities include purchasing, medications, recordkeeping and "just about anything else that needs to be done." Mary developed the employee handbook and procedures manual and drives tractor if needed. She also loves flowers. According to Mary, "There are going to be lots of flowers on this farm during Farm Technology Days in 2013."

When asked why he wanted to host Farm Technology Days, Alex Olson said, "This part of Barron County is beautiful and we have really good farms in this area. We want everyone in Wisconsin to know that." Olson went on to say, "So many people stepped forward to help us after our parlor fire, we want to give something back to the community. Hosting Farm Technology Days is one way that we can do that."

Farm Description

- Breezy Hill Dairy, 147 16th St., Dallas, Wisconsin 54733
- Dairy enterprise: 485 Holstein dairy cows, both black & white and red & white, plus some Jersey dairy cows. 30% of the herd is registered. 400 dairy replacements of various ages are all raised on the farm
- Cropping enterprise: 680 acres, 625 acres tillable, 200 acres irrigated – 320 acres of forages and 305 acres of corn

More information at barronfarmtech.com

CALENDAR OF EVENTS

FEBRUARY 2013

25 UWEX Winning the Game: Launch and Land Pre-Harvest Grain Marketing Plan, Menomonie
28 Pesticide Applicator Training, Dunn County Judicial Center, Menomonie

MARCH 2013

1 UWEX Winning the Game: Launch and Land Pre-Harvest Grain Marketing Plan, Barron
1 West Central WI Spring Grazing Conference, Metropolis Resort, Eau Claire
2 Dunn County Master Gardener Association "Spring Begins" Seminar, Menomonie
5-6 Eau Claire Area Farm Show, Eau Claire
7 Pesticide Applicator Training, Unity Bank, Augusta
12-14 Midwest Poultry Federation Convention, St Paul, MN
13 Chippewa Valley RC&D Evening Pasture Walk, Jason Benson farm, Colfax
14 The Red Cedar Watershed Conference, UW-Stout Memorial Student Center, Menomonie
15-16 Wisconsin Ag Women's Summit, Marriott West, Madison
16 UW-River Falls & St Croix Valley Bull Test, UWRF Mann Valley Farm, River Falls
21 Pesticide Applicator Training, Chippewa County Courthouse, Chippewa Falls
23 Chippewa Valley RC&D Outwintering Dairy Heifers Pasture Walk, Paul Adams farm, Eleva
28 Financial Recordkeeping using QuickBooks (Intermediate Session), CVTC, Menomonie

MAY 2013

29 Wisconsin Farm Technology Days Media Day, Ridgeland/Dallas area

JUNE 2013

8 Annual Dunn County Dairy Breakfast, Dennis & Karl Kragness farm, Colfax
14 Breakfast in the Valley, Eau Claire County Expo, Eau Claire
17-19 Dunn County 4-H Tractor Safety Training, Menomonie
19 Chippewa County June Dairy Day's Farmer Appreciation Dinner, Northern WI State Fair grounds

JULY 2013

9-11 Wisconsin Farm Technology Days, Barron County—Breezy Hill Dairy, Alex & Mary Olson, Dallas, WI
10-14 Northern Wisconsin State Fair, Chippewa Falls
24-28 Dunn County Fair, Dunn County Recreation Park Menomonie
24-28 Eau Claire County Fair, Eau Claire Expo Center, Eau Claire

For statewide UW-Extension agriculture events, please visit http://bit.ly/ANRECalendar