

Extension Connection

Agricultural Newsletter

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UW-Extension extends the resources of the University of Wisconsin System to the people of Barron County. We are located in the Barron County Government Center, 330 E. LaSalle Ave., Room 2206, Barron, Wisconsin 54812 Phone 715-537-6250.

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Farming Through Difficult Times

It is easy to become distracted by weather, low prices, and poor markets during tough economic times. Choose to be proactive. Follow these steps to focus on what you can control.

—Complete a production and financial management analysis of your business for 2009. Determine strengths, but most importantly, areas of improvement with potential for immediate response and improvement in cash flow.

—Complete a profitability and cash flow projection/partial budget of the expected impacts of any changes made to improve the business.

—Meet with your lender and share your financial management analysis and cash flow projections. Communicate with your lender often and provide periodic updates regarding your financial situation.

—Cash flow management is the key to surviving difficult economic times. Continually review and update cash projections and partial budgets.

—Meet with suppliers to develop payment arrangements.

—Effectively utilize farm produced feeds, especially forages.

—Feed balanced rations, especially to early lactation cows.

—Treat disease outbreaks, such as mastitis, before they become worse.

—Be an astute purchaser of inputs.

—Maintain a low inventory; cull unprofitable cows, buy feed as needed.

—Sell nonessential capital items, including machinery and equipment that is not needed to operate the business. Consider possible timber sales. Remember to consult your tax preparer concerning tax liabilities of a sale.

—Examine debt for possible benefits of restructuring, or alternative financing.

—Perform tasks in a timely fashion, yet get enough rest. Sleep deprivation can interfere with performing task and judgment.

—Consider off-farm work by all family members.

—Communicate current financial situation often with management team/family members. See and welcome their suggestions and involve them in key financial decisions.

—Adopt new technologies only after careful study.

—Seek management advice and analysis assistance early from cooperative extension, consultants, and others.

—Seek personal counseling and advice from close friends, clergy, and others.

Learn to —

Negotiate

**Deal with
stress**

**Communicate
with creditors**

**Explore legal
options & tax
strategies**



"Taking Charge in Challenging Times"

University of Wisconsin Cooperative Extension and the Farm Center - WDATCP invites **dairy producers, bankers, agri-business personnel and community leaders** to an **informational meeting** outlining financial, legal, negotiating, decision-making and communication strategies and resources.

The U.S. dairy industry has been hit hard by events in the global economy. Dairy farm families across Wisconsin are feeling the impacts of these events. The ripple effect of the low milk prices on agri-businesses is affecting communities across the state. Many dairy owners and families in rural communities may be facing a financial crisis.

Tuesday, November 17

Augustana Lutheran Church

1025 2nd Avenue (south end of main street)

Cumberland, WI

1:00 – 4:00 p.m.

Light refreshments available — No registration required

For more information contact:

Ryan Sterry (485-8600), Otto Wiegand (635-3506), or Tim Jergenson (537-6250)

—Program—

- **An overview of recent national and global influences on the dairy markets**
- **Strategies for negotiating through difficult situations**
- **How stress affects decision-making and communications and tools to help during stressful times**
- **Dairy finances 101: Communicating your position to your lender – the importance of financial reports**
- **Legal options and tax strategies to consider during difficult financial times**

Milk Price Update...some good news

The following information comes from Ed Jesse, Emeritus Professor of Ag & Applied Econ, at the University of Wisconsin-Madison (a Barron County native).

The September Class III price was up \$0.91 per hundredweight over August. At \$12.11, the Class III price is \$2.14 higher than July. The September Wisconsin all-milk price was \$13.40. To put things in historical perspective, the average September Class III price this decade was \$14.06 and the average Wisconsin all-milk price was \$15.47.

But there are more and more encouraging signs. Prices on the world dairy market are showing surprising strength as the world-wide economic recession eases. Skim and whole milk powders were leading the way, with SMP prices (Oceania spot sales) up \$0.23/lb (25 percent) in two months.

More recently, international market prices for butter, cheese, and dry whey have started to follow powder's lead. Over the last month, butter and cheese prices increased about 15 percent and dry whey more than 30 percent. World prices for butter, cheese, dry milk powders and whey are all above U.S. wholesale prices, which bodes well for larger U.S. exports during the remainder of 2009.

U.S. production of manufactured dairy products is starting to taper off as milk production moderates. August 2009 production of nonfat dry milk (including skim milk powder) was down 18 percent from August 2008 and butter production was down 13.6 percent. However, total cheese output was up 2.6 percent. Wisconsin cheese production was up 8.2 percent in August while California production was down 2.4 percent. Wisconsin produced nearly a third more cheese than California in August 2009.

Despite higher cheese

production and record high inventories of natural cheese (nearly 1 billion pounds), cheese prices are strengthening. Block cheddar cheese closed at \$1.44/lb on the CME on Monday, October 5 and barrels at \$1.42. These prices are 17 cents/lb higher than a month ago. Cheese buyers are likely expecting cheese production to decline as milk production falls later this year.

Retail dairy product prices continue to moderate, which is stimulating sales. Bureau of Labor Statistics (BLS) figures show August fluid milk prices down from 2008, processed American cheese down, and natural cheddar cheese down.

More good news: Last week saw the announcement of a new CWT herd retirement round by the National Milk Producers Federation and approval by a House/Senate conference committee of \$350 million in emergency dairy assistance within the FY 2010 agricultural appropriations bill.

The CWT buyout is the third in 2009 and the fifth in the last 18 months. Based on the last three rounds, the new round is expected to remove between 50,000 and 100,000 dairy animals from the national herd. Reducing cow numbers is critical to accelerating milk price recovery.

The conference committee specified that \$60 million of the \$350 million dairy assistance package be used to purchase cheese for feeding programs and that the remainder be used to provide direct payments to dairy farmers. Given the magnitude of cheese stocks, \$60 million will have only a small milk price impact.

The bill leaves the allocation of \$290 million in direct payments to USDA's discretion.

***September
Class III milk
up \$.91 over
last month***

***World price of
dairy products
strengthens***

***A new CWT
herd
retirement
round coming
soon***

***Congress
offers \$350
million
emergency
dairy
assistance
package***



**Rainfall from
April 1st to
September 30th
was 8.68 inches
BELOW normal**

**90-95 RM corn
varieties
require
2200—2300
Growing
Degree Units
to reach
maturity.**

Table 1. Precipitation Totals 2006—2009, National Weather Service—Rice Lake Airport

	2009	2008	2007	2006	30-year ave.
April	1.54	2.59	2.03	2.51	2.61
May	1.86	1.29	3.15	2.61	3.12
June	2.44	5.02	4.47	0.84	4.31
July	2.53	2.35	3.57	2.83	3.88
August	4.90	0.92	2.31	7.18	4.64
September	0.78	2.91	3.46	2.21	4.17
October		1.25	5.07	1.45	2.50

Table 2. Growing Degree Unit Accumulation—Official Weathers Stations Rice Lake and Cumberland

Month	Rice Lake 2009 Actual	Rice Lake 30- yr. Ave.	Cumberland 2009 Actual	Cumberland 30-yr. Ave.
May	264	247	not available	271
June	466	457	409	494
July	436	609	431	652
August	492	534	481	576
September	415	268	417	285
Total	2073	2115	not available	2278

Farm Succession Workshop in January

Mark your calendar now for the Farm Succession Workshop to be held in Rice Lake on January 14, 2010. This day long workshop will cover farm business arrangements, the importance of communications in farm successions, tax planning, dealing with the Five D's, budgets for beginning farmers, and tools for planning for retirement.

Michael Perry, will be the special guest speaker over the lunch hour. Michael Perry is a humorist and author of the bestselling memoirs *Population 485: Meeting Your Neighbors One Siren at a Time*, *Truck: A Love Story* and

Coop: A Year of Poultry, Pigs and Parenting, as well as the essay collection *Off Main Street*. He has performed and produced two live audience humor recordings (*I Got It From the Cows* and *Never Stand Behind a Sneezing Cow*) and he performs regularly with his band the *Long Beds*.

This Farm Succession Workshop is sponsored by UW-Extension Offices in Western Wisconsin, Wisconsin Indianhead Technical College, and the Center for Dairy Profitability at the University of

Did Your Corn Reach Maturity?

Normally during September, growing degree units in our area accumulate at the rate of 8 to 10 units per day for a total accumulation of 260 to 300 units (**Table 2**). However, this year growing degree units accumulated at nearly 14 units per day. Still, this late summer heat surge was not quite enough for some corn hybrids to reach physiological maturity (black layer).

Temperatures in much of Barron County dipped below freezing in the early hours of September 30th. This is later than is typical for your area. The likelihood of a 32 ° F freeze by September 20 is 3 years out of 5 in northern Wisconsin according to long term weather records maintained by the National Weather Service.

Corn is killed when temperatures are near 32 F for a few hours, and when temperatures are near 28 F for a few minutes. A damaging frost can occur when temperatures are slightly above 32 F and conditions are optimum for rapid heat loss from the leaves to the atmosphere, i.e. clear skies, low humidity, no wind. At temperatures between 32 to 40 F, damage may be quite variable and strongly influenced by small variations in slope or terrain that affect air drainage and thermal radiation, creating small frost pockets. Field edges, low lying areas, and the top leaves on the plant are at greatest

risk. *Greener corn has more frost resistance than yellowing corn.*

When corn freezes before it has reached black layer, the stem on a corn plant is a temporary storage organ for material that eventually moves into the kernels. Grain yield will continue to increase about 7 to 20% after a light frost that only kills the leaves as long as the stem is not killed (**Table 3**).

Late season frost damage can affect grain quality and is proportional to the stage of maturity and the amount of leaf tissue killed. Severe impacts on grain quality can occur at mid-dough, while moderate impacts are seen at the dent stage. By the time the kernel has reached half milk line only minor impacts will occur to grain quality. Differences among hybrids, overall plant vigor at the time of frost and subsequent temperatures will all affect final grain quality.

Monitor corn for stalk rot when immature corn been frosted. Sugars and other products of photosynthesis will be mobilized towards the ear rather than the stalk. This could weaken the stalk and encourage stalk rot development. These fields may need to be harvested early to avoid standability problems.

Monitor corn for stalk rot and other molds this fall.



“There are three kinds of men. The one that learns by reading. The few who learn by observation. The rest of them have to pee on the electric fence to see for themselves.”

– attributed to Will Rodgers

Table 3. Grain yield loss after plants killed or defoliated.

Corn Development Stage	Plants Killed	Plants Defoliated
percent yield loss		
R4 (Soft dough)	55	35
R5 (Dent)	40	25
R5.5 (50% kernel milk)	12	5
R6 (Black layer)	0	0

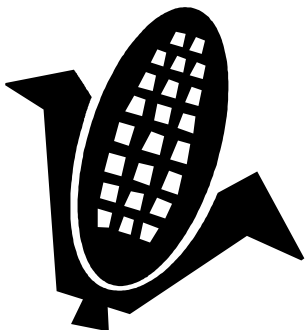
derived from Afuakwa and Crookston, 1984

Store high moisture at the right moisture for your storage unit

Do not over process wet corn

Use inoculants or propionic acid wisely and safely

Watch for mold at harvest time



High Moisture Corn Considerations

Weather and time constraints can thwart even the best plans to ensile high moisture corn at the proper moisture level. These situations prompt the question, "What can I get away with?" Here are some factors and suggestions to consider when harvesting and storing of high moisture corn.

Consider the type of silo first. Conventional (CON) and oxygen-limiting (OL) silos must be approached differently when specifying minimum, maximum and desirable moisture levels. **Table 4** illustrates these relationships. High moisture shelled corn above 32% kernel moisture may result in difficulty in unloading from typical OL silos equipped to handle high moisture shelled corn. For corn stored above 40% moisture, an undesirable fermentation will take place and yeast will predominate along with high ethanol levels. Animal acceptance will be poor with this type of fermentation.

Guidelines for successfully harvesting, storing & processing wet corn:

1. Check corn kernel moisture from different fields and harvest the field closest to the optimum level first. Corn with higher than desirable moisture tests may be less of a problem when fed out during the coldest months, so it is best to put it on the top of the silo.
2. Take care not to over process corn that is above the desired moisture level. It is easy to get excessively fine high-moisture corn that may result in fat test depression, off-feed problems and an increased rumen acidosis. As the corn approaches optimum moisture content, increase the degree of processing.

3. High moisture corn ferments more slowly and less extensively than corn silage. Thus, consider applying a lactic acid bacterial inoculant to high moisture corn, especially if it is beyond the optimum moisture level. Apply a minimum of 100,000 colony-forming units per gram of fresh corn to help insure a good fermentation. Use an inoculant developed specifically for high moisture corn.

4. Consider applying propionic acid at 12-15 pounds per ton of actual propionic acid. There are a number of products with less than 100% propionic acid. Be sure to base rates on pounds of actual propionic acid. The propionic acid must be placed onto the grain. Applying the acid by spraying onto the corn as it arrives at the blower throat has often resulted in less than satisfactory results because of excessive volatilization loss. Placing the acid on the corn as it is augured to the blower is the preferred method of mixing the acid so that all corn is treated uniformly.

5. Corn with significant mold on the kernels and cob is best harvested and stored as shelled corn (rather than ear corn). Some producers have taken moldy corn and dried it down to storable moisture while screening off the fines. Where drying is not an option, propionic acid is recommended. The propionic acid will not lessen any problems from the mold, but will likely prevent mold problems from getting worse.

6. Plan for ample removal rate from the silo. A removal rate of 3 to 4 inches per day may be required to prevent heating during feeding in warmer weather. Treating the bottom third to half the silo of high moisture corn with propionic acid (12-15 lb/ton) may be desirable to insure quality during warm weather feeding.

Table 4. High Moisture Corn Storage in Conventional and Oxygen Limiting Silos**Conventional Top Unloading Silos and Silo Bags**

	Corn Kernel Moisture, %		
	<u>Minimum</u>	<u>Desired</u>	<u>Maximum</u>
Ear Corn	26	32-36	40
Shelled Corn	24	28-30	35

Bottom Unloading Oxygen Limiting Silos

	Corn Kernel Moisture, %		
	<u>Minimum</u>	<u>Desired</u>	<u>Maximum</u>
Ear corn-rolled*	26	28-32	36
Shelled Corn	24	26-28	32

*OL Silo with Forage Unloader



Form a Management Team for your farm

Dairy farms of all sizes use management teams to help them more effectively run their businesses. A new pilot program offering technical and financial advice to Wisconsin dairy farmers is intended to help producers bridge the current economy and look to the future by encouraging the formation of management teams on farm not currently using them.

The Dairy Farm Management Team program, a new joint effort between the Wisconsin Department of Agriculture, Department of Commerce, UW-Extension, Center for Dairy Profitability and Wisconsin Technical Colleges, is aimed at bringing farmers together with teams including lenders, agronomists, nutritionists and other specialists.

The cost-share program will provide up to \$2,000 to cover such costs as consultant fees and agronomic, milk quality, or veterinary testing. Capital expenses are not eligible. Farmers will contribute 10

percent of the cost.

Participating dairy farmers will work with a facilitator, who will bring together a team of professionals tailored to the farm's individual situation. Over the course of three meetings, the team will identify issues and opportunities, develop strategies, and provide input for decision-making and long-term planning. The group will consider issues including technology, growth, financial success and sustainability.

If you would like to form a management team for your farm, contact Tim Jergenson at the Barron County UW-Extension Office or your Technical College farm management instructor.

This program is made possible by grants to the Dairy Business Initiative from the U.S. Department of Agriculture, obtained with assistance from U.S. Sen. Herb Kohl and U.S. Rep. Dave Obey.

**\$2000
available to
help form a
dairy farm
management
team on your
farm**

Annual Meetings

Save these dates to visit with your farm neighbors, learn more about what is happening with state and national farm policy and become involved by attending one of these meetings.

Barron County Farm Bureau, Tuesday, October 13th

8:00 pm—Dinner, meeting to follow

Barron Electric Cooperative, Hwy. 25, north of Barron

WFBF lobbyist, Jeff Lyon, is the speaker. RSVP to Barron County Farm Bureau at 735-2498. Dinner is \$5.00 per person.

Barron County Farmers Union, Saturday, November 14th

12:00 noon —potluck dinner, meeting to follow

Barron Electric Cooperative, Hwy. 25, north of Barron

Speaker to be announced. More details available from Ken Ahlberg, Turtle Lake, WI

UW-EXTENSION

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