

April/May 2009

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Updates

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Inside this issue:

Managing in Difficult Times—Budgets and Budgeting	1-2
Predicting When Soybeans will Emerge	2-3
Dairy Economics	3-4
How Does your Heifer Reproduction Stack Up?	4-5
Barn Quilts	5
Calendar of Events	6

Hello Sauk County Agriculture Producers and Professionals,

I want to start off by apologizing that my February/March newsletter did not get to many of you until April, after many of the events had already passed. It turns out that the Baraboo Post Office “accidentally” forgot about it under a table for THREE WEEKS! I have voiced my opinion to them, so hopefully it won’t ever happen again. I guess the only way that you can be guaranteed to receive it in a timely manner is to email me at denise.brusveen@ces.uwex.edu to sign up for my email list. From time to time, I also send out email updates on industry news and information. If you’d like to be included on any of those lists (i.e. dairy, crops, livestock, etc.), please indicate that as well.

On the up side, many of you have already begun field work, so I suppose that even if this newsletter arrives in the timely fashion that it’s supposed to, you still might not get to it until a rainy day.

We are still without Lynn in our office because of her broken leg. Until she returns, I will be keeping this newsletter bi-monthly because I am not as efficient as her at getting everything formatted!

Sincerely,



Denise Brusveen
Sauk County UW-Extension
Agriculture Agent

Managing in Difficult Times: Budgets and Budgeting – Crop and Livestock Enterprise Budgets

With farm income down and input prices high, even the most seasoned of farm managers are being stressed. This is also when producers are asking what they can do to minimize costs and maximize income to improve margins.

At least three types or levels of budgets are useful in the farm business. A farm manager will find a combination of all three – not necessarily at the same time – to be useful since each one has different characteristics. These three types of budgets are the total farm budget, the enterprise budget and the partial budget.

An enterprise budget is an estimate of the costs and returns associated with the production of a product or products referred to as an enterprise. An enterprise, or profit center, is a distinct part of the farm business that can be analyzed separately. An enterprise is usually based on some production input unit - an acre of land for most crop enterprise budgets, or an individual animal unit for livestock enterprise budgets. Enterprise budgets are an important tool for planning and for ongoing farm financial management. Crop and livestock budgets can be used to estimate profitability, pro-

ject cash flows, provide a basis for credit, and assist in farm planning.

Cost and return estimates are projections for some future time period, such as the coming calendar year or crop year. Without good, historical production and financial records, developing enterprise budgets can be time consuming and frustrating. Historical records are a useful starting point for estimating future costs. Whether you have good records or not, you may be surprised at some of the cost changes you discover and budget for in your enterprise budgets. You may also be surprised at the net returns above variable and total costs. If you do not have the financial and production records necessary to develop an enterprise budget, you can begin by using budgets from other sources, such as the University of Wisconsin-Extension, which can provide information for planning and decision making. The Enterprise Budgets section of the UW-Extension Farm Team web site (<http://www.uwex.edu/ces/farmteam/index.cfm>) has many examples of field crop, pasture, commercial vegetable, fresh market vegetable, dairy, and livestock budgets.

(Continued on page 2)

“Ideally, you want to earn a profit above total costs every year. This is not always possible.”

Managing in Difficult Times Continued

If you use this method, you will need to adjust the budget to reflect your specific situation.

Budgets generally include variable operating costs, fixed costs, and expected production returns. Variable costs are those that vary with output within a production period. Examples include seed, fertilizer, chemicals, purchased feed, supplements, veterinary costs and medicines, fuel, repairs, and labor. Other terms used to describe variable costs include cash costs (or expenses), direct costs, and out-of-pocket costs. Fixed costs typically include building costs, depreciation, taxes, interest on investment, land charges, and insurance. A management fee may be included as a fixed cost. These costs are considered to be fixed because they generally remain the same within a production period and do not vary with the level of output. Indirect and overhead costs are other terms used to describe fixed costs.

Total costs are calculated by adding variable, fixed costs, and opportunity costs if not already accounted for. Ideally, you want to earn a profit above total costs every year. This is not always possible, since income received

can be less than the total costs of production. Should you continue to produce under these circumstances? The answer may be yes if: (1) you are covering variable costs of production, and (2) it is a short-run condition. It is economical to continue production in the short run as long as income is higher than the variable costs of production. In other words, in the short run, you must receive a price that generates a return at least equal to variable costs. In the long run, however, market price and yield need to be high enough to cover total costs of production, including fixed costs. Otherwise, the enterprise will not be financially sound over a period of several years.

To access more information and/or tools to help analyze your situation, link to the Extension Responds web page at: www.uwex.edu/ces/ag/farmingindifficulttimes.html

For assistance in making these tough decisions, contact your UW-Extension county agent, your Farm Business and Production Management Instructor in the Technical College or the DATCP Farm Center at 1-800-942-2474.

Predicting When Soybeans Will Emerge

By Shawn P. Conley, State Soybean and Wheat Extension Specialist and John Gaska, Outreach Specialist, University of Wisconsin, Madison

Ten years ago, very few people outside of academia were concerned about the number of growing degree units (GDU) required for soybean emergence. Today however, things are dramatically different. The main drivers for this change are earlier planting dates, decreased seeding rates, and increased seed costs. In a recent grower survey (2008) conducted with cooperation and support from the Wisconsin Soybean Marketing Board (WSMB), we found that 40% of Wisconsin growers are planting one week earlier and 27% are a full two weeks earlier today than they were ten years ago.

environment in which soybean seed is placed.

As growers drop fewer soybean seeds earlier every year, replant questions may become even more common. Before making any decisions to replant a field due to poor emergence, we must first understand the minimum GDU's required to make such a call. To try to understand the relationship of GDU's and soybean emergence, we initiated an experiment to characterize the effect of seed size on soybean emergence and yield, while also measuring GDU's needed for emergence.

Planting date shift	Percent of growers
One week earlier	40%
Two weeks earlier	27%
Three weeks earlier	4%
Later by one week	1%
No change	28%

In terms of calendar date, 38% of all growers started planting soybean by May 7th and 81% by May 15th (Table on page 3). These fundamental changes have considerably altered the

In this experiment, we selected 7 high yielding, glyphosate tolerant soybean varieties and separated the seed from those varieties into three distinct seed sizes by passing conditioned seed



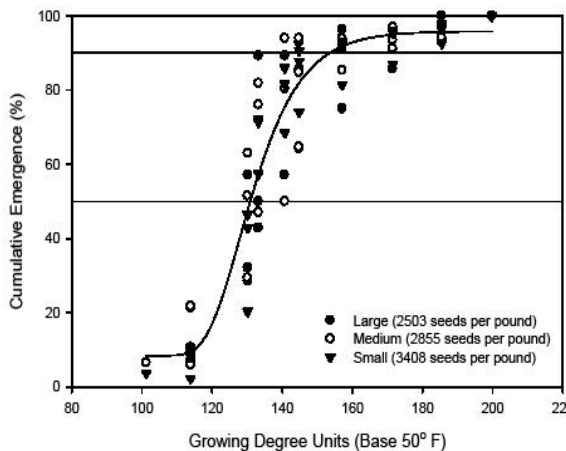
Predicting When Soybeans Will Emerge Continued

Acreage	Planting Date (% Start)				
	Before May 1 st	May 1 – May 7	May 8 – May 15	May 16 – May 22	After May 22
< 100	6	27	39	24	5
≥ 100	8	36	47	9	0
Average	7	31	43	17	3

over three sieve sizes. Each variety was then grouped by an arbitrary small, medium, and large seed size label (see figure).

All seed was treated with ApronMaxx® fungicide prior to planting to minimize the risk of disease incidence. The experiment was planted at two locations in 2008: the Arlington Agricultural Research Station on 15 inch rows on May 8th, and in Fond du Lac County on May 9th (data not shown). At planting, Tidbit temperature probes were placed at the seeding depth of 1 inch to monitor soil temperature through emergence. Plots at Arlington were monitored daily for emergence. Regression analysis of one of the varieties, DSR-2600/RR, indicated that 50% emergence occurred at 130 GDU's (range 130 to 140) and 90% emergence occurred at 155 GDU's (range 134 to 178) (See figure). Similar results were noted with the other varieties. This experiment will be conducted again in 2009 to further develop and define soybean emergence patterns in Wisconsin.

and agronomists a ballpark from which decisions can be made in 2009. In addition to replant decisions growers and agronomists can use this information to predict when to apply (or not apply) pre-emergent and post-emergent herbicides to avoid crop injury. Lastly, given the calendar date as related to replanting soybeans, growers can make more informed decisions about what RM varieties to plant.



“If you are milking cows, you probably don’t need anyone to tell you that the dairy margin has developed into a problem of epic proportions in just a few months.”

While we do not have enough information yet to develop clear GDU based replant decisions, the preliminary data will hopefully provide growers

Dairy Economics

By Matt Lippert, Wood County Agriculture Agent

If you are milking cows, you probably don’t need anyone to tell you that the dairy margin has developed into a problem of epic proportions in just a few months. Prices are near that historic basement, but this time input costs are higher. You need to go back to the 1930’s to find another era when the price of milk doesn’t even cover the basic variable costs such as feed, labor, bedding, electric bill, and veterinary care. Lenders are reported to

be there with available credit, but at the rate equity and cash flow is being depleted, this situation needs to improve quickly or liquidation of our dairy herd, farms, and farmers will be astonishing. You may not have time to read this or other articles, because you have already let go employed help as part of the belt tightening, but if you still find time to read, then this article will just be part of a long list of

other suggestions about how to cope.

I’ve heard of good dairymen with low cell counts deciding to use one cloth towel for every two cows instead of one, and of additives that are known to have positive returns such as bio-tin and yeast being pulled from rations. It hurts when you have to make choices that don’t make good financial sense. Still others have argued

(Continued on page 4)

“Tough choices that result in poorly fed animals, dirty animals, or poorly performing animals are probably not good choices.”

Dairy Economics Continued

It is tough times that force producers to make decisions they should have made sooner.

What makes my list of suggestions? Cull non-profitable cows: low producers, open cows, Johnne's positive cows, high SCC cows, old cows, lame cows, temperamental cows, and cows with poor type. The country needs a reduction in cow inventory, those low-end cows are not paying their way today--do you expect they will in the future? Especially if you have an over crowded free-stall, you may find little or no loss of production when you cull.

Feed, cow comfort, and cow care are still priorities. As far as feeding goes, high quality forage can really help. Correctly allocating expensive feed ingredients may offer critical savings today. Can I sort out a group of over conditioned cows and reduce grain? Is there room to drop a half point of protein in the ration? Have I tested my feeds recently enough to know? Can I wean calves sooner? Do dry cows and heifers receive more protein or energy than they need? Could my protein be reformulated more cheaply with equal performance? Do I have more replacements on hand than I really need? Although I am suggesting looking for places to cut, I am not suggesting cutting back needed energy and protein, nor to short animals on energy and protein.

If there are cow comfort issues, this is probably not the year for expensive building projects. It is now April; can I get animals out on grass? Can I rotate lots to keep animals out of mud? Open lots take management to maintain, but they can optimize comfort and reduce the need for bedding, manure hauling and labor.

Grazing is a whole system choice, or is it? Do I have some animals on the farm that could benefit from fresh air, exercise, or fresh palatable feeds? Would I benefit from reduced labor and fuel use?

If you are having difficulty paying current bills, sexed semen with a return of almost three years before those heifers enter the milking herd seems rather frivolous.

Tough choices that result in poorly fed animals, dirty animals, or poorly performing animals are probably not good choices. Outside of the barn, negotiating strategic relationships with suppliers, lenders, and business partners is very critical at this time. Most likely they have read the paper and may be understanding. Longer term, the need to have a more personal buffer built up from good times is becoming more obvious. We have seen there can be good times. Best of luck and wishing you a successful trip to the other side of this economic chasm!

How does your Heifer Reproduction Stack Up?

By: Denise Brusveen

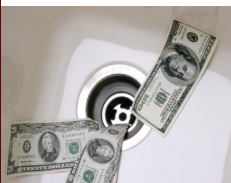
Do you ever get frustrated that just when you think you're using the latest technology, protocol, or product, someone like me tells you you're outdated already? One recommendation that has continued to remain consistent over the past several years is that the optimal age at first calving is 23-24 months.

Sometimes, I think people like to jump the gun because they're worried that they won't get their heifers (and cows) pregnant in time, so they start breeding before they probably should. Reducing the age at first calving does reduce the non-lactating period, which in turn reduces rearing costs. However, it also results in impaired mammary development, which leads to a reduction in subsequent milk production. Not only that, but research has shown

that heifers that calve between 19-21 months of age may experience increased incidences of dystocia and metabolic disorders.

On the flip side, getting heifers pregnant too late increases the costs to you during the nonlactating period. Each day that calving is delayed beyond 24 months of age costs you \$1.50 to \$3.00 per heifer per day. With an age of 1st calving at 32 months, the additional rearing costs incurred would be \$360 to \$720 per heifer!

Now that I've told you what is "ideal," I want to share with you how farmers in Wisconsin are doing. Information from more than 4,000 farms was compiled in April, 2008 through AgSource. The average age at first calving for those farms



“Each day that calving is delayed beyond 24 months of age costs you \$1.50 to \$3.00 per heifer per day.”

was 26.4 months. Only an average of 6.8% of farms had an age at first calving of less than 23 months, while nearly half (46.5%) had an age at first calving of greater than 25 months. Numbers like these definitely leave room for improvement.

Let's back up from the ideal age at first calving to determine when you should start breeding your heifers. There are three different methods you can use to determine the point at which a heifer is old enough or big enough to breed. Heifers should be at least 13 months old before their first service. Alternatively, you could use the weight of at least 875 pounds or a wither height of 50 inches as indicators that your animals are ready to be bred for the first time.

Once you determine that your animals are at the correct height, weight, or age to be bred, you need to focus on actually getting them pregnant! A very good heifer reproduction program will include a service rate of 80% and a conception rate of 70%. However, based on a

study completed in 2006, the average conception rate for heifers across the United States was 57%. This means there is a lot of room for improvement on many farms.

Remember, service rate and conception rate go hand in hand when trying to maximize reproductive performance. If you do not catch many heifers in heat (low service rate) but have a really good conception rate on the heifers you do catch in heat, you still may not be getting as many heifers pregnant as you need in order to achieve an acceptable average age at first calving. On the flip side, if you service every heifer that looks at you funny, you will be wasting a lot of semen because you probably won't have very good conception rates.

Next time, I will share some ideas with you about how you can achieve good conception *and* service rates, and the economics that go along with various programs.

Barn Quilts in Sauk County

Barn quilts are a new concept in the agricultural tourism area. Kathy Hartmann-Breunig is leading the effort to establish quilts on barns in the Sauk County area, which will draw people to our communities to view the quilts hanging in the countryside.

Any Sauk County resident who has a barn can apply to have a quilt put onto their barn. It does not need to be an active farming operation. However, you will be committed to at least 10 years of having the quilt on the barn if you are accepted to receive one. You would also likely have an increase in slow traffic past your farm as well as traffic turning around in your yard as people stop to view and photograph the quilts.

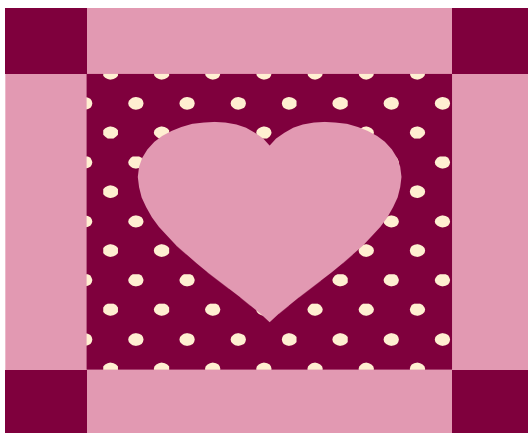
This project is no small task. It will consist of groups volunteering to do a quilt in their Sauk County area. The groups will need to fund the project, pick the quilt pattern they want and ap-

ply for it. They will then build the quilt from plywood and arrange installation onto the accepted barn. In other areas of the state, groups have met on their local county fairgrounds to paint and assemble the quilt. Then they engage the volunteer help of boom trucks from

their local electrical service company and/or township road maintenance department to install the quilt onto the barn.

Although the task is large, the process will be easy to follow. A packet is distributed to the groups looking into constructing a barn quilt so they can investigate whether or not their group(s) are capable of completing the project.

For more information, and the application documents, please contact Kathy Hartmann-Breunig, Sauk Prairie FFA Alumni, at farmingfun@tds.net or call her evenings and weekends at her home (608) 544-3356.



Call or email me with other dairy topics you'd like me to include in my newsletter. Or, better yet, come to the Sauk County Dairy Breakfast on June 13th, and tell me in person!

Sauk County UW Extension Office
505 Broadway
Baraboo, WI 53913

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Calendar of Events

MAY

- 9** Youth dairy judging practice at the Dwight & Tom Accola Farm, S8710 Swiss Valley Rd., Prairie du Sac from 1-3PM
- 23** Youth dairy judging practice at the Meyer Family Farm, S4355 Hwy. S, Reedsburg from 10-noon

JUNE

- 13** Sauk County Dairy Breakfast at the Ryan and Katie Richert Farm, E7179 Gavin Rd., Lyndon Station

JULY

- 7-12** Sauk County Fair, Baraboo
- 21-23** Farm Technology Days, Crave Brothers Farm, Waterloo, WI