Market Year Average Prices and the Farm Bill

By: Mark Jenner, Ag Business Specialist

Both the Price Loss Coverage Option (PLC) and the Agricultural Risk Coverage Option (ARC) rely on a USDA average price known as the Season Average, or Market Year Average (MYA), Price. This price has a lot of influence in the determination of a payment. USDA has created and reported this price for many years, so it is well established. It is important for farm bill commodity program participants to understand that their farm bill payments will not be based upon their actual prices received, or on the prices reported in the futures markets.

This MYA price is an annual administrative price that relies on many data points from key states and historical prices. The MYA price is intended to represent the average price received by farmers at the point of first sale. The MYA price will play a role in determining whether or not a payment is made in both the PLC and ARC-county programs.

In the case of the PLC payment determination, when the annual average (MYA) price falls below the statutory reference prices, a payment will be made. The reference prices set in law for PLC are as follows: Corn $3.70; Soybeans $8.40; Grain sorghum $3.95; and Wheat $5.50. Payments are based on the difference between the reference price and the MYA price (if MYA is below the reference price and triggers a payment). That per acre revenue difference is then multiplied by either the existing counter-cyclical yield, or the updated historical yield, on 85% of the crop’s base acres to determine the payment. The PLC relies on the farm’s yield history that FSA has on record. The ARC County payments do not rely on the farm’s historic FSA yield.

“In the case of the ARC county option, the MYA price will be multiplied by the USDA-FSA county level yields across the last five years to begin that payment determination. This yield is not the existing or historical yield for the farm. In this program, the high and low county-level prices and yields within the five year period will be dropped out. The remaining 3 years of yields and MYA prices are averaged to create 5-year, Olympic averages. Revenue is calculated from the price and yield Olympic averages. Once this new revenue is reduced to 86 percent, the ARC County revenue guarantee is established. An ARC County payment will be made when the current program year revenue falls below the benchmark revenue. The program payments are limited to a maximum of 10 percent of this benchmark revenue. This is then applied to 85% of the base acres.”

Because this price concept is very important, USDA, FSA has posted recent MYA prices for all program crops on their website at http://www.fsa.usda.gov/Internet/FSA_File/2014_mya.pdf.

In addition, Iowa State University Economist, Chad Hart has written a very easy to understand article on how these administrative prices are calculated. The article, from July 2014, is entitled USDA’s Season-Average Commodity Prices and can be found on the internet at http://www.extension.iastate.edu/agdm/crops/html/a2-15.html.

If you have any questions, feel free to contact me, Mark Jenner, at (660) 679-4167 or jennermw@missouri.edu, or your local MU Extension ag business specialist.
Farm Bill Meetings Scheduled in Barton County for Dec. 18 and Jan. 7
Contact: Jill Scheidt, agronomy specialist
Headquartered at Barton County Extension Center
Tel: (417) 682-3579
E-mail: scheidijk@missouri.edu

LAMAR, Mo. -- The Barton County Farm Service Agency and University of Missouri Extension are hosting two Farm Bill meetings in the coming weeks.

Meeting attendees will be given information about Farm Service Agency Programs included in the 2014 Farm Bill. Topics that will be covered include: base reallocations, yield updates, Price Loss Coverage (PLC), and Agricultural Risk Coverage (ARC) – including Individual or County Level ARC Coverage.

The meetings are set for 12:30 p.m. to 4:30 p.m. on Thursday, Dec. 18, 2014 and Wednesday, Jan. 7, 2015. Both meetings will be held at Lamar First Baptist Church, 1301 E 6th Street, Lamar.

These meetings are free and open to the public; however, seating is limited so pre-registration is recommended and can be done by calling the Barton County Extension office at 417-682-3579.

Persons with disabilities who require accommodations to attend or participate in this meeting should contact Kelly Beason at 417-682-3571 extension 2 Federal Relay Service at 1-800-877-8339 by December 14, 2014.

How Does the Affordable Care Act Affect Farm Families?
Submitted By: Dr. Mark Jenner, Ag Business Specialist

The Affordable Care Act (ACA), sometimes called “Obamacare,” passed in 2010 and created health insurance reforms and regulations that directly or indirectly affect everyone. The law mandates that individuals, except those with a hardship exemption, enroll in health insurance or pay a penalty at tax time. Individuals or families whose income falls between 100% and 400% of the Federal Poverty Level can get premium tax credits to help pay for certain types of plans.

The rules that apply to individuals and families in general also apply to farmers and their families. Farmers who wish to purchase insurance coverage for themselves or their families can, like all other individuals, buy private insurance directly in the Health Insurance Marketplace. Each state has a Marketplace website, sometimes referred to as an Exchange, to help consumers compare insurance plans and buy a plan to fit a family’s budget and healthcare needs. Only plans offered in the Marketplace can qualify for a premium tax credit. Farmers can visit www.healthcare.gov to access their state Marketplace and find trained assistants (called Navigators or Certified Application Counselors) to help them enroll in a plan, or they can work with a broker who is certified to assist in the Marketplace.

If you have questions, if you need help choosing a health plan or completing your application, several types of help are available. You can:

- **Call the toll-free call center.** open 24 hours a day, 7 days a week, at 800-318-2596 (TTY 855-889-4325).
- **Talk to someone online.** You can have a live online chat at www.healthcare.gov. Spanish-speaking individuals can use www.cuidadodesalud.gov.
- **Talk to someone in person.** Navigators and Certified Application Counselors are people who are trained to answer questions and help you fill out your application in person. They’re required to provide fair and accurate information. Visit www.healthcare.gov to find local help.
- **Talk to an agent or broker.** They can help you find, choose and buy coverage and if they are certified to do so, help you buy a Marketplace or SHOP plan. They may offer you a plan outside the Marketplace, but those plans are not eligible for a premium tax credit. Note that agents and brokers can receive money from a health insurance company for enrolling people into their plans but they should never charge you to enroll. If the same plan is offered both outside and inside the Marketplace, the premium is the same.

Farmers who want to offer insurance to their employees can go to the Small Business Health Options Program – or SHOP – website at www.healthcare.gov/small-businesses.

Farmers with fewer than 50 full-time equivalent workers are not required to offer insurance to employees but if they have fewer than 25, they may choose to do so because they can get a tax credit for offering affordable health insurance. The SHOP has eligible plans that employers can offer to avoid a shared responsibility payment or to take advantage of tax credits. It is a good idea to go to an agent or broker to enroll after consulting a tax adviser.

Looking For a Fertility Bargain?
By: John Hobbs, Ag and Rural Development Specialist/CPD

Forage producers may be overlooking a real fertility bargain in limestone. We know liming acid soils increases yields by improving availability of soil nutrients such as nitrogen, phosphorus, and potassium, but limestone applied according to soil test, serves as an inexpensive source of calcium and magnesium.

Grasses used for hay such as fescue, orchard grass, or sorghum-sudan hybrids require 8-10 pounds of calcium and 3-5 pounds of magnesium for every ton of hay produced.

Legumes such as alfalfa and red clover need 25-30 pounds of calcium and 5-6 pounds of magnesium per ton of hay harvested.

Fun Farm Facts

* There are 47 different breeds of sheep in the United States.
* Sheep have very good memories. They can remember at least 50 individual sheep and humans for years.
* One pound of wool can make 10 miles of yarn.

Continued on page 3...
Continued from page 2...

Limestone is available as either calcium carbonate or magnesium carbonate (dolomite limestone). In bulk it can be spread for approximately $24.00 per ton. Prices will vary according to quality of liming material and hauling distance from the quarry.

If you do not know the calcium and magnesium levels in your soil, you need to take a soil test. Soil testing is a service offered at your local University of Missouri Extension Center. “Liming Missouri Soils” G 9102 is an excellent guide sheet for more information about limestone.

Plants that Deer Don't Like!
By: John Hobbs, Ag and Rural Development Specialist/CPD

With rising deer populations, damage to landscapes has increased because of browsing. However, deer have preferences and will avoid some plant species if more desirable food is available. Following is a short list of plants deer normally do not bother. Even so, remember that feeding habits can shift because of changes in food supply. Also, some deer may have different preferences than most of the group.

RarelyDamaged:
Trees: Blue Spruce and Russian Olive

Shrubs: Barberry, Boxwood, Red-osier Dogwood, Yew, Russian Olive, Rose of Sharon, European Privet

Annuals, Perennials and Bulbs: Yarrow, Ageratum, Columbine, Snapdragon, Lily of the Valley, Purple Cornflower, Lavender, Sweet Alyssum, Daffodil, Russian Sage, Marigold, Lamb's Ears, Thyme, and Yucca.

FROST SEEDING YOUR PASTURES
By: John Hobbs, Ag and Rural Development Specialist/CPD

Frost seeding sometimes referred to as over seeding establishes legumes in existing grass pastures. Legumes are broadcast on grass pastures in late winter or very early spring when the ground is still frozen. Freezing and thawing, plus early spring rains, works the seed into the soil. All commonly grown legumes can be established by over seeding. Because of their greater seeding vigor, red clover, alsike clover, and ladino clover are more easily established than other legumes like alfalfa. Frost seeding’s are most successful in bare and disturbed pasture areas where cattle have grazed closely. This allows sunlight down to the ground when the newly germinated plant begins its growth among the established grass. It seems that bunch-type grasses such as our fescues and orchard grasses offer less competition to legume seedlings than vigorous stands of sod-forming brome grass, bluegrass, and Bermuda grass. Frost seeded legumes and grasses often have poor establishment in years with abnormally dry springs and early summer hot weather. Red and alsike clover stands last about two years. Ladino and other white clover stands may last three or more years.

Annual or Korean lespedeza can be considered for frost seeding in Southwest Missouri in early March. Lespedeza is tolerant of poor fertility and irregular drainage sites. Lespedeza seedlings are slow to establish, but contribute to production by mid- to late-summer. Seeding rates for over seeding should be equal or preferably higher than when seeded on prepared seedbeds. Extra seed helps compensate for the reduced chance of good seed coverage and the expense is offset by lower costs for labor, tillage operations, and seeding equipment. The following seeding rates in pounds per acre are suggested. when seeded alone: Red Clover 8 to 10 lbs. per acre, Alsike Clover 3 to 5 lbs. per acre, Ladino Clover 3 to 5 lbs. per acre, and Lespedeza 8 to 10 lbs. per acre.

The following steps are suggested for successful over seeding:

1. Select a suitable site. Chances of success are greater on thin grass stands than on thick, vigorous stands because there is less competition for legume seedlings.

2. Control weeds. If possible, plan a year ahead and spray weeds with 2, 4-D. Weeds reduce stand establishment and can be controlled only by clipping once legumes are established.

3. Soil test and apply needed lime and fertilizer. Adequate plant nutrients aid establishment and increase yields. If possible, apply needed lime one year ahead of seeding. Nitrogen should not be used the season before or the year of frost seeding because it stimulates grasses and weeds, making them too competitive. Phosphorus and potassium, however, are needed by legumes.

4. Graze closely the fall before seeding. This reduces grass competition and aids establishment. Although it is not considered necessary, disturbing the soil lightly with a disk in the fall before seeding may help legume establishment.

5. Broadcast seed in February or early March. Seeding should be done when the ground is still frozen. Probability of success decreases with the onset of spring due to higher surface soil temperatures and lower moisture.

6. Manage grazing after seeding. Control of grass and weed competition during the first two or three months of the growing season is critical for the establishment of adequate legume stands. Use moderate periodic grazing after the grass starts growing, but avoid close grazing. Some mowing may be necessary to help control grass and weeds.

7. Inoculate legume seed with rhizobium bacteria. This insures adequate amounts of nitrogen are being produced by the legumes for all plants to use.
Number of Missouri Christmas Tree Farms in Decline
By: David Burton, civic communication specialist
County Program Director - Greene County

SPRINGFIELD, Mo. -- Santa may have fewer Missouri-grown trees to stow his presents under this year, with the latest Census of Agriculture showing the number of Christmas tree farms in Missouri declining from 196 in 2002 to 131 in 2007 and then 105 in 2012.

According to the National Christmas Tree Association, those 105 Missouri Christmas tree farms in 2012 had sales of $1,146,000 for 32,810 trees which ranks Missouri 16th in the nation for total sales.

However, the United States Census of Agriculture shows the number of acres devoted to growing Christmas trees in Missouri has also been in decline: 3,775 acres in 2002, to 1,596 acres in 2007 and then 1,324 acres in 2012.

Oregon is the top Christmas tree state, according to the 2012 Census of Agriculture, with 1,517 farms on 53,605 acres. North Carolina was second with 1,370 farms on 40,352 acres and Pennsylvania third with1,360 farms on 31,577 acres.

OZARKS FARMS

The Missouri Christmas Tree Association lists two member farms in southwest Missouri: Charity Keith who owns Ozark Valley Christmas Tree Farm in Southwest City and Gary Maggard, owner of Maggard Tree Farm in Cabool, Mo.

Demand for trees has sagged in recent years. Meanwhile, prices for farm grown trees have not gone up but the cost of growing them has, which means it is harder to make money. As a result, many growers have turned their tree farms into agritourism opportunities that include holiday photo ops, hot chocolate, petting zoos and other family friendly activities.

“We are a small choose and cut farm and we have seen a slow decline in demand since about 2006. This year has, however, started off well. Costs have risen and we haven't increased prices for a few years. However, we recently made the decision to keep planting for the future thanks to our loyal customers,” said Maggard.

According to a National Christmas Tree Association poll, consumers bought more than 33.02 million real trees in 2013, up from 24.5 million in 2012. The purchase of artificial trees also rose between 2012 and 2013 from 10.9 million to 14.7 million.

Other tips on keeping your live Christmas tree:
• To keep it fresh in your home, don’t place it near heat sources, and make sure to keep the stand full of water.
• Use only the lights designated for indoor use on your tree, and turn the lights off when you can’t keep an eye on them.
• Once you have taken all the necessary precautions, sit back and bask in the glow of your Christmas tree.

For more information, contact the University of Missouri’s Center for Agroforestry online at http://www.centerforagroforestry.org/

Let’s Watch for Added Sugar in Our Food Products this Holiday Season!
Dr. Lydia Kaume, nutrition and health education specialist
Headquartered in Barton County.
Source: http://www.choosemyplate.gov/weight-management-calories/calories/added-sugars.html

What is added sugar?
"Added sugar" refers to sugars and syrups added to foods during processing. They are not naturally found in that food. Several foods contain added sugar. If a product has added sugar, you will know by reading the ingredients list of a product just below the Nutrition fact label. The following names refer to “added sugars”: anhydrous dextrose, brown sugar, confectioner’s powdered sugar, corn syrup, corn syrup solids, dextrose, fructose, high-fructose corn syrup (HFCS), honey, invert sugar, lactose, malt syrup, maltose, maple syrup, molasses, nectars (e.g., peach nectar, pear nectar), pancake syrup, raw sugar, sucrose, sugar, and white granulated sugar.
In terms of drinks, sodas, and energy drinks, and sports drinks are the top sources of added sugar for most Americans.

Why is added sugar a problem?
Foods with a lot of added sugar contribute extra calories to your diet but provide little nutritional value. Except for naturally occurring sugar found in fruits, vegetables and dairy foods we should avoid drinks with added sugar. Eating too many foods with added sugar sets the stage for potential health problems, such as: poor nutrition, increased triglycerides, weight gain and tooth decay.

Do we know how much is too much?
According to The American Heart Association, which has more-specific guidelines for added sugar; no more than 100 calories a day from added sugar for most women and no more than 150 calories a day for most men. That's about 6 teaspoons of added sugar for women and 9 for men. Unfortunately, most Americans get more than 22 teaspoons — or 355 calories — of added sugar a day, which far exceeds these recommendations.

Happy Holidays to you all!