

# Ag-Info

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University of Missouri,  
Lincoln University,  
U.S. Department of Agriculture  
& Local Extension  
Councils Cooperating

equal opportunity/ADA institutions

June - July 2009  
**Northeast Missouri Agriculture Newsletter  
serving Clark, Knox, Lewis, Marion, Monroe,  
Pike, Ralls, and Shelby Counties**

## ***Upcoming Events***

*Lewis County Fair, Lewistown*  
July 8 - 12  
(573) 767-5273

*Ralls County Cattlemen's, Center*  
July 10  
(573) 985-3911

*Ralls County Junior Fair, Center*  
July 13 - 18  
(573) 985-3911

*Monroe County Junior Fair, Paris*  
July 25 - 29  
(660) 327-4158

*Pike County Junior Fair, Bowling Green*  
July 26 – August 1  
(573) 324-5464

*Marion County Junior Fair, Palmyra*  
July 26 – August 1  
(573) 769-2177

*Greenley Center Research and Field Day, Novelty*  
August 13  
(660) 739-4410

*Missouri State Fair, Sedalia*  
August 13 - 23  
(800) 422-3247

*Lewis/Marion Cattlemen's Bus Tour*  
August 26  
(573) 985-3911

*Northeast Show-Me-Select Bred Heifer Sale, Palmyra*  
December 12  
(573) 985-3911

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# LIVESTOCK NOTES

Al Kennett

## Beef Bus Tour

The annual beef cattle bus tour that is sponsored by Lewis/Marion Cattlemen's and University Extension is set for Wednesday, Aug. 26. We are looking at several different potential stops in Illinois for the tour this year. Mark your calendar and look for more details later.

## Lunch & Learn

For the past couple years a number of Missouri's ag related groups have been sponsoring what they called MO Agriculture's Lunch & Learn Series. They set up lunch meetings on farms throughout the state and invite community leaders, businessmen, legislators, and ag related leaders to come for lunch and learn about agriculture. The lunches were held right on the farm in machinery sheds, cattle feeding barns, hay sheds, and tents close to hog buildings. The lunch was free and sponsored by the 14 commodity and ag related groups who sponsored the series.

At the lunch, facts about agriculture in Missouri and how it affects Missouri's economy were presented as well as facts about the operation hosting the lunch and how it affects the economy of the local community.

I recently attended one of these lunches which was held at Willow Bend Pork, owned by the Roger Sutter Family, Taylor, Missouri. I was very impressed with the way the lunch and meeting was conducted. As we ate lunch under a tent next to the Sutter's house, we could see their hog confinement building about 1100 feet to our west and West Quincy about 2 miles to our east.

A number of facts about agriculture in Missouri were presented and I want to share some of these. You just might have a chance to share with someone also.

## MO Beef Facts

- MO is the 3<sup>rd</sup> leading state in the nation in beef cow numbers with 2.08 million
- Each year MO's beef industry adds \$2 billion to the state's economy
- MO has 68,000 farms with beef or dairy
- The beef industry provides an additional \$710 million to the economy

## MO Pork Facts

- Pork is the most consumed meat in the world
- In 2007 the sale of hogs in MO brought in \$800 million in receipts
- MO pork production has a total economic impact of over \$1.1 billion and provides 32,000 direct and support jobs
- MO hogs consume 16% of all corn and 9% of all soybeans produced in MO
- MO ranks 7<sup>th</sup> in the nation in pork production

## MO Poultry Facts

- Poultry generates over \$700 million in cash receipts in MO
- Creates over 13,000 direct jobs and 20,000 related jobs
- Pays \$92 million in state & local taxes
- Since 1970 broiler production in MO has increased 888% and turkeys 189%

## MO Corn Facts

- MO farmers harvested 382 million bushels of corn last year and contributed over \$1.5 billion to the economy
- MO ranks 10<sup>th</sup> in corn production
- MO's ethanol industry produces 275 million gallons and creates over 825,000 tons of distillers grain per year

## MO Soybean Facts

- Soybeans are MO's #1 cash crop
- The 2006 soybean production value was \$1.2 billion
- 95% of all soybean meal is fed to livestock
- In 2008 MO produced 150 million gallons of biodiesel

Put it all together and MO has 104,500 farms covering 30 million acres and producing over \$8 billion of income for the state.

*Finally:* The irony of life is that by the time you are old enough to find your way around, you're not going anywhere!!

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# LIVESTOCK NOTES

Zac Erwin

## How would your cattle compare to these?

The results are in from the Missouri Steer Feedout program sponsored by the University of Missouri Extension in cooperation with the Tri-County Steer Carcass Futurity group in Lewis, IA. The Missouri Steer Feedout is an educational program for cattle producers with five main objectives. The objectives are aimed to give cattlemen the opportunity to:

1. Evaluate the genetics and management of their calves as they influence feedlot performance and carcass characteristics.
2. See if cattle hit the 70-70-0 industry target. 70% low Choice or better; 70% Yield Grade 1 & 2; and 0% "Outs". "Outs" are Yield Grade 4's and 5's, Standard Quality Grades, carcasses that are over 950 or less than 550 lbs. or are dark cutters.
3. Gain experience feeding cattle and retaining ownership without the investment and risk of feeding an entire pen of cattle.
4. Improve the quality and reputation of Missouri feeder cattle.
5. Explore alternatives for marketing cattle.

165 cattle from producers in Southwest, Northwest, and Northeast Missouri participated in the feedout program. The cattle were fed at Bentley Feedlots in Southwest Iowa. The group came very close to meeting the 70-70-0 industry goal. The average for the group was 80% Low Choice and better, 71% Yield Grade 1 and 2, and 1.3% "outs". Other notable averages for the group: average daily gain was 3.25 lbs., 12.5 square inches of rib eye area, and a net profit per head of \$3.46.

The average profit per head may be a little perplexing, but remember this is the average for the whole group. The average profit per head is potentially good news considering just a few months ago industry average losses for cattle leaving feed yards was \$150 per head and \$300 per head a year ago according to published CattleFax data.

One piece of data that I found interesting was the breed makeup of the three consigners with the highest profit per head average was not what many cattlemen might guess. Angus would probably be the most obvious choice; however Gelbvieh, Charolais, and Limousin were the cattle that made the most money during this feedout. Why? Currently the fed cattle market is not paying much of a premium for a Choice graded versus a Select graded carcass, which ended up benefiting these consigners. These exotic cattle didn't grade a high percentage Choice, but they had good average daily gains and ran a high percentage of Yield Grade 1 and 2. Low price differences between Choice and Select are definitely highlighting the benefits of a disciplined crossbreeding program aimed at increasing muscling and decreasing subcutaneous fat deposition.

At the conclusion of the feedout, a consigner commented that the value in the program was not profit or loss, but in the quality of data received and how much he learned about his cattle breeding program. Anyone interested in learning more about the Missouri Steer Feedout or information presented in this article can contact me or Al Kennett.

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# AG BUSINESS NOTES

Karisha Devlin

## Getting Your Farm Business in Shape

Recently, I attended a Farm Financial Management Conference. The speakers at the conference stressed that the next few years had the potential to be pretty turbulent for producers. The information that they shared was definitely eye opening and concerning. I have always felt that it is better to be prepared, than

be caught unprepared. So for the next few newsletters, I would like to talk about different ways to get your farming operation ready for whatever may be coming down the line.

Phase 1: Evaluating your present farm situation and set tentative goals

It is impossible to plan for the future without evaluating the present situation of your farming operation. The first thing to do is to assess your past year's business performance. Look at your financial statements. Use farm financial analysis software, such as FINPACK, to do a detailed analysis of your farming operation. This will help in assessing the strengths and weaknesses of your operation and show the general direction it is headed. Next, assess the future business environment. What are your expectations about farm prices? What about production levels and farm costs? What effect will changes in government programs and regulations have on you? The third step is to determine the availability of resources. What is the quantity and quality of land, labor, and other capital and management resources? Lastly, set goals for your farming operation. Be sure to involve your family members or business partners in this process. Remember the farming operation affects them too!

#### Phase 2: Developing a long-range business plan

Now that you have evaluated your present farm situation, you can begin developing a long-range business plan. After evaluating your present farm situation, did you like your results? If you did, then you probably should continue with your present plan (just put it in writing). If not, then you need to ask yourself what do you need to do to make it better? Is there a short-term or long-term problem? If it is a more serious long-term problem, the next step is to identify opportunities for improving profitability. Some opportunities for improving profitability of your present farming operation include:

- Increasing returns over direct costs
- Making adjustments in the enterprise mix
- Improved management of overhead costs
- Expand or downsize your operation

The financial soundness of any business hinges on its ability to meet its financial obligations. If there are problems meeting cash flow or liquidity demands, examine opportunities to increase the net cash income from farm and nonfarm sources. Another option is to reduce income taxes through better farm management, reduce family living expenses, and other nonfarm draws. For solvency problems (high debt/asset ratios and/or declining net worth), look for ways to increase farm profits. Good tax management and watching family living expenditures will also improve the solvency position. You can also improve

financial soundness through risk management. Production and yield risks can be managed through crop insurance, diversification, and lower risk production practices. Develop a marketing plan to manage price and market risk. Maintain adequate cash and credit reserves to manage business and financial risks.

#### Phase 3: Developing a Transition Plan

Once you have decided on a long-range plan, your next step involves deciding "how to get there from here." Usually no one can jump right in and make all necessary changes at once. Therefore, you need to ask yourself what can be done now, and what is the most important. Transition planning involves making production and financial projections for use in deciding the best way to achieve your long-range plan. These projections help the owner/manager to think through production and financial details of a new undertaking.

#### Phase 4: Finalizing your Plan

Before finalizing your plan, be sure to check with your lender and other resource providers. Major changes usually require additional capital, so it is important that your lender agrees with your plan. Changes in a farming operation may also include tax and legal implications. Check with your tax advisor or attorney, in addition to your lender. Once again, be sure to include your family and business partners in the planning process.

#### Phase 5: Implement your Plan

The last thing to do before implementing your plan is to go through a checklist. If you are making substantial changes, work with your lender on securing funding. Be sure to define the roles that family members and/or business partners will be playing. Look at existing contracts such as leasing land, machinery, and buildings. Do your existing contracts need to be revised or should you enter new ones? Determine if your present business organization fits into the new long-range plan, or whether you should consider a different form of business organization such as a partnership, corporation, or LLC. Evaluate your current accounting and record-keeping system. Review current insurance coverage to determine if there is adequate protection for your business and family. Lastly, develop or update your estate plan.

### Reminder

The sign-up deadline for both the Direct and Counter-cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) Program is August 14, 2009. To give producers a tool to determine if ACRE is beneficial to their bottom line, the University of Missouri Food and Agricultural Policy Research Institute (FAPRI), has released an Excel spreadsheet designed to help producers analyze the ACRE program and make this important decision. The decision tool is available for

download on the FAPRI website at [www.fapri.missouri.edu](http://www.fapri.missouri.edu). When the producer's individual information is entered, the spreadsheet will show what potential payments could be if they elect to participate in ACRE or stay with the DCP program. I encourage you to use this summer to do your homework on ACRE to see if it would be beneficial to your bottom line.

If you have questions or need assistance with the tool, feel free to call me at (660) 397-2179.

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## AGRONOMY NOTES

### Nitrogen Loss

Much like this growing season, last year's wet spring resulted in a lot of corn being planted late. Peter Scharf, MU Extension Professor specializing in nutrient management, estimated that N (nitrogen) losses cost Missouri corn producers \$305 million in 2008. Similar weather conditions so far this year may lead to similar N losses.

Nitrogen deficiency can be diagnosed with a preplant N test. This test, while not recommended under typical weather conditions for cornfields receiving all N as spring-applied fertilizer, can be appropriate in a season such as this, where fall and early-spring N applications may have been lost due to excessive rainfall. The test measures the fertilizer value of inorganic N (nitrate-N and ammonium-N) in the soil. As with any soil sampling, fields should be divided into subfields for sampling when soil conditions or previous management make it likely that levels of soil inorganic N may differ within the field. The test necessitates sampling to a depth of two feet; special handling and submission practices are outlined at <http://extension.missouri.edu/explorepdf/agguides/soils/G09177.pdf>. Analysis takes approximately one week from submission.

If there is not sufficient time to obtain preplant N test samples and await results prior to potentially making a rescue N application, another tool is available. The *Nitrogen Loss Scoresheet* can be found at <http://plantsci.missouri.edu/nutrientmanagement/nitrogen/loss.htm>. This tool takes into account a fertilizer management factor, a soil factor, and a wetness factor. From these data, supplemental (rescue) N recommendations can be made.

### Alix Carpenter

Rescue applications of N can result in additional yield in corn when the N is applied through at least silking. Some research suggests that this time frame may be extended up to two weeks post-silking. When rescue N applications are necessary, any method (other than broadcasting UAN (urea - ammonium nitrate) solution onto a crop taller than one foot) will be a good method. Dr. Scharf summarized:

- Broadcast urea causes almost no yield loss due to leaf burn. We applied 150 lb N/acre as urea on corn up to four feet tall, and the yield difference between broadcast and in-row placement of urea was generally less than four bushels/acre. However, we made an attempt to use non-dusty urea at times when no dew was on leaves. Dusty urea on wet leaves might cause more yield loss. Urea is clearly a better N source than ammonium nitrate for aerial application.
- Agrotain coating of urea improved yield response of corn when the corn was one or two feet tall, but not when the corn was three or four feet tall. Taller corn has less air movement at the soil surface, which probably reduces volatilization loss from the urea. Also, corn leaves can absorb ammonia from air, so ammonia that volatilizes from urea applied to tall corn may be captured by the leaves before escaping into the air above the canopy.
- Ammonium nitrate causes substantial yield loss (about 20 bushels/acre) due to leaf burn when broadcast over three or four foot tall corn, moderate yield loss (eight bushels/acre) when broadcast over two foot tall corn, and no yield loss when broadcast over one foot tall corn.
- UAN solution dribbled between rows was an effective rescue N treatment. Broadcast UAN solution caused severe yield loss due to leaf burn.