

SEMO Livestock News

October 2019

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Upcoming Events:

- Oct. 10– Women Owing Woodland, Ste. Genevieve
- Oct. 15– Breeding Soundness Evaluation Meeting, Jackson Vet
- Nov. 1/2– Pearls of Production Conference
- Dec. 10– Animal Traceability, Disease Outbreak, Composting Meeting

Local Sales:

SEMO Bull Sale	Oct. 18 Farmington
Butch’s Angus	Nov. 30 Jackson
Fruitland SMS Heifer Sale	Dec. 7 Fruitland 11:00 a.m.
Farmington SMS Heifer Sale	Dec. 13 Farmington

What is LRP?

Livestock Risk Protection (LRP) is insurance providing coverage for livestock producers to manage risk associated with volatile livestock market prices. LRP premiums are subsidized by the federal government. Policies are available for feeder cattle, fed cattle, lamb and swine.

A policy covers unexpected lower sale prices. When prices fall, a policy softens loss. Buyers can obtain full or partial coverage. Percent of coverage can be adjusted. The premium subsidy, which had been 13%, now ranges from 20% to 35%, depending on the plan chosen. While USDA underwrites LRP, policies come only from local insurance agents. Usually, they also sell crop insurance.

LRP provides protection similar to a “put option” on the futures market. But it’s easier and more flexible. Policy coverage fits the number of weeks livestock are held. It also allows producers to choose the exact number of livestock they wish to cover. There are no broker fees. LRP insurance covers only market prices. It doesn’t compensate for other losses, such as death by disease or lightning.

Indemnities are paid at the end of the insurance period based on the difference between the actual ending value and the coverage price selected by the producer. If the actual ending value is higher than the coverage price, no indemnity will be paid. To collect the indemnity, a claim form must be submitted within 60 days of the policy’s end date. Payments will be made within 60 days of a properly filed claim.

LRP Example

A producer in Missouri plans to sell 100 feeder cattle (steers) at a target ending weight of 750 pounds and owns 100 percent of the cattle. The expected ending value is \$140 per hundredweight, and the producer wishes to

elect a coverage level of 97 percent. The price adjustment factor is 100 percent for steers, so the coverage price is \$135.80 per hundredweight (\$140 × 100 percent × 97 percent). The USDA reports an actuarial rate of 0.036109.

Premium calculation

1. 100 cattle × 7.5 cwt = 750 cwt
2. 750 cwt × \$135.80 coverage price = \$101,850
3. \$101,850 × 100% ownership share (1.0) = \$101,850 insured value
4. \$101,850 × 0.036109 actuarial rate = \$3,677.70 total premium
5. \$3,677.70 premium - (\$3,677.70 premium × 20% subsidy rate) = \$2,942.16 farmer paid premium, or \$3.92 per cwt

Indemnity calculation

Using the same information in the above example, let’s say that at the end of 21 weeks, the actual ending value for feeder cattle is \$120 per hundredweight.

1. \$135.80 coverage price – \$120 actual ending value = \$15.80 per cwt difference

The difference must then be multiplied by the total hundredweight to determine the indemnity payment owed to the producer.

2. \$15.80 per cwt difference × 100 cattle × 7.5 target cwt × 100% share = \$11,850 indemnity

Remember that the producer had to pay a premium, which means the indemnity received does not fully represent the gain or loss from purchasing the plan. The difference between the indemnity and premium needs to be calculated to find out the net gain or loss from the LRP plan.

3. \$11,850 indemnity – \$2,942.16 farmer premium = **\$8,907.84, or \$11.88 per cwt, net gain from LRP plan**

Testing Hay

Wet conditions delayed hay harvest. Mature hay gets more stemmy than when cut in the boot stage leading to higher fiber content. Higher fiber levels typically mean less energy and protein in the hay. High fiber also leads to slow passage through the digestive tract, because it takes longer to digest the stems vs. leaf matter. A slow passage rate means animals can have a full gut, but not be getting enough energy or protein.

When testing hay, especially mature-cut forages, make sure the hay test provides a value for NDF. This is the non-digestible fiber level, or an indicator of gut fill and how much the animals can actually consume. If hay does come back with a

high NDF value it doesn't mean you can't feed it, it just means we need to pay attention to which animals it gets fed to and what might be needed to supplement: a better quality hay or grain supplement.

Cows can consume about 1% of their body weight in NDF. If we have a 1400 lb cow, she could eat around 14 lbs of NDF. Assuming she is a fall-calver, and looking ahead to winter feeding, she needs to consume about 35 pounds of dry matter to meet her nutritional needs. The max NDF the hay could have without restricting her intake (14 pounds NDF/35 total pounds dry matter needed) is 40%.

If the hay is higher in NDF, it will fill the gut and restrict her of proper intake and nutrients.

Land Values Survey

A web based survey was conducted in August 2019 to determine what people think has been happening to farmland values in Missouri. The survey was sent to persons we expected to have insight on land values. Ag lenders, rural appraisers and farmers received the survey.

In Missouri, land sales prices need not be reported to any governmental or public agency. We hope the opinions expressed by our survey respondents will be helpful to others needing to estimate current farmland values and trends.

Of the 124 usable surveys in 2019, 75% came from lenders, 13% from farmers, 9% from rural appraisers, and 4% from other occupations. They provided their opinions to questions concerning current farmland values and trends. They were

asked to exclude from their answers tracts smaller than 40 acres or land being converted to development or commercial uses.

Good pastureland was estimated to have a statewide average value of \$3,174 per acre, up \$259 or 9% above 2018 estimates. The change in pastureland was also quite variable, ranging from -6% to +22%.

The USDA data for other states can give a relative perspective of the value of land between states.

There has been a consistent 6% appreciation of value since 1950.

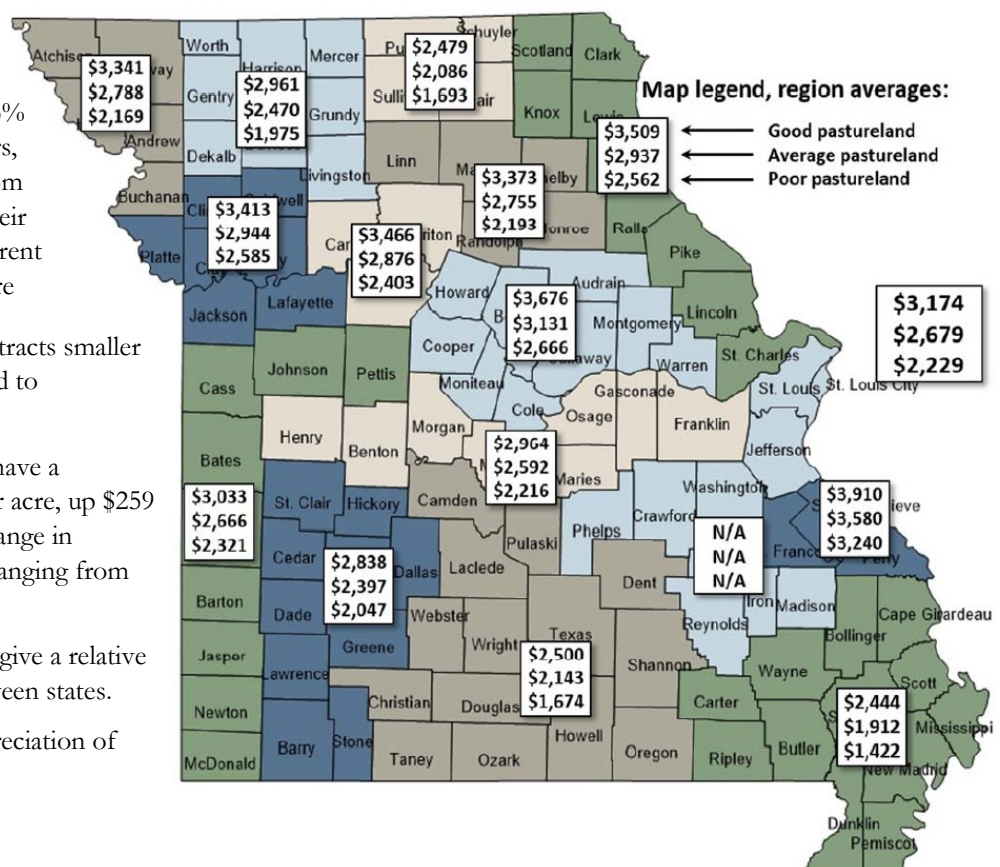
Ray Massey, Ag Economics

Table 1. Agricultural Land Values per Acre, June 2019

	Cropland	Pasture	All land & buildings
Missouri	\$3,490	\$1,980	\$3,400
Arkansas	\$2,850	\$2,610	\$3,320
Illinois	\$7,300	\$3,170	\$7,280
Iowa	\$7,260	\$2,720	\$7,190
Kansas	\$2,160	\$1,390	\$1,960
Cornbelt (IN, IL, IA, MO, OH)	\$6,360	\$6,100	\$2,330
U.S. (Average 48 states)	\$4,100	\$3,160	\$1,400

Source: USDA/NASS

Map 2. Estimated pastureland values per acre for July 2019



Don't Shoot the Messenger

On September 24, I was notified of the new guidance for industry released by the FDA covering those antibiotics that are currently still available over-the-counter. The guidance calls for the companies who manufacture these products to voluntarily move them to require veterinary oversight instead of being over-the-counter.

This is the same process that occurred several years back on our feed and water grade antibiotics leading to the VFD.

Currently, the FDA has released a draft proposal and is accepting comments until 12/24/2019.

In summary, GFI #263 describes what animal health companies need to do to move remaining medically important antimicrobials from over-the-counter availability to requiring a veterinary prescription. This will impact injectable penicillin, LA-200, LA-300, antibiotic boluses or mastitis tubes still available OTC, etc.

This notification comes from Dr. Craig Payne, Director of Veterinary Extension at MU. Many of you may know him from meetings about the VFD or from Beef Quality Assurance Training. FDA expects this to occur within 2 years from the date of publication of the final version. It is Craig's opinion that it will go into effect January 1, 2021. But only time will tell.

<https://www.fda.gov/regulatory-information/search-fda-guidance-documents/cvm-gfi-263-recommendations-sponsors-medically-important-antimicrobial-drugs-approved-use-animals>

“To Do” List

- ◆ Wean spring calves and give any needed booster vaccinations
- ◆ Consider selling open cows and heifers and those weaning poor calves
- ◆ Put thin cows on high-quality feed or pasture
- ◆ Keep back the best heifer calves born during the first 1/2 of the calving season as replacements
- ◆ Treat for internal and external parasites
- ◆ Remove fly-control ear tags
- ◆ Schedule AI technicians
- ◆ Apply phosphate, potash and lime according to soil test recommendations
- ◆ Graze crop residues, but beware of nitrates in corn stalks from dry weather
- ◆ Beware of prussic acid poisoning from grazing summer annual grasses following frost
- ◆ Inventory hay supplies and test hay quality

Winter Feeding Barns

Dakota Oehl with SWCD presented on the winter feeding facilities at the Cattlemen's summer picnic. We toured Kenny Spooler's new construction. Several of these barns have been built over the last few years in Perry Co. These facilities provide you a dry place to feed your cows in the winter while collecting manure for you to apply to fields in the spring.

The Soil Water Conservation District offers cost share on the construction of the buildings. The cost share is based on 65% of the state average cost of construction. To be eligible for cost share, you must have a comprehensive nutrient management plan written for your farm by a technical service provider. District cost-share reimburses \$2000 for nutrient management plan.

Buildings are sized for your cattle herd and are approximately 1/3 manure storage and 2/3 feeding area. Manure area is designed for 90 days of storage.

Most producers are incorporating something else with the construction of the buildings whether it be hay storage, working facility, feeding bunks, etc. These add-ons are not covered by cost-share dollars.

Contact Dakota with questions: 573-243-1467 ext. 3 or Dakota.Oehl@usda.gov

The SEMO Cattlemen's Assoc. in cooperation with Jackson Veterinary Clinic is hosting:

Bull Breeding Soundness Evaluation

Dr. Austin Bock, DVM, will demonstrate a bull breeding soundness exam and explain the benefits and procedures.

TIME & LOCATION:

- ◆ Tuesday, October 15, 2019 @ 6:30 PM
- ◆ Jackson Veterinary Clinic, 3839 State Hwy 72, Jackson
- ◆ Please carpool as parking is limited



Pearls of  **PRODUCTION**
November 1 – 2, 2019

November 1, 2019
Columbia, MO

1:00 – 2:00 p.m.	Welcome & Opening Sessions at Drury Plaza Hotel East, Columbia, MO Vicky Hartzler, U.S. Representative, 4th District
2:00 – 6:00 pm	Tour Horticulture & Agroforestry Research Center, New Franklin, MO
6:00 – 8:00 p.m.	Dinner & Evening Speaker Carey Portell, “Stronger than Yesterday”

November 2, 2019
University of Missouri Farms
Columbia, MO

Hands-On Breakout Sessions - 8:00am–3:30pm (lunch included) Rotate thru all 3 sessions.

Equine	<ul style="list-style-type: none"> Essential care & management, trailer loading, safety
Small Ruminants	<ul style="list-style-type: none"> Bud box, rope halters, banded castration and injection techniques
Beef	<ul style="list-style-type: none"> DNA sampling, blood pregnancy testing, livestock handling/safety

Conference Fees (includes meals and refreshments)

- \$130 Early Registration (Includes T-shirt. Must be postmarked by October 14, 2019)
- \$160 Regular Registration (Beginning October 15, 2019)
- \$50 Discount for additional registration (must enroll together)
- \$80 Student (current high school or full-time undergraduate)

For Program and registration information visit:



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Other Events

Women Owning Woodland Program

University of Missouri Extension will bring the national Women Owning Woodland (WOW) program to Missouri 6-8 p.m. Thursday, Oct. 10, in Meeting Room A of the Ste. Genevieve Community Center.

To learn more, contact Havens at havenss@missouri.edu or 573-458-6252. Register online at extension2.missouri.edu/events/women-owning-woodland-introduction-to-wow or contact MU Extension in Ste. Genevieve County at 573-883-3548.

SEMO Cattlemen’s Educational Meetings

December 10– Topics: animal traceability, managing disease outbreak, animal composting
 January 28– Topics: cattle genetics/genomic testing

Beef Cattle AI School

January 17-18, Farmington MO
 Classes fill up quickly. If you are interested RSVP to Kendra Graham in St. Francois County, 573-756-4539, and send your \$100 deposit ASAP.
 Classroom education: reproductive physiology, synchronization, herd health, bull selection, basic nutritional concepts, DNA testing.
 Hands-on experience: semen handling, DNA collection, CIDR application, and cattle breeding.



85th SEMO Bull Sale

FRIDAY, October 18, 2019
7:00 PM
Farmington Regional Stockyards
17 Angus - 2 Charolais
3 Simmental/SimAngus

Catalogs are available at the Extension Office or a PDF can be downloaded from our website. Bull photos are also available on the website or Facebook page. Just search SEMO Beef.

www.semobeef.com

Sale Manager, Darrell Aufdenberg 573-270-6755
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Kendra Graham, 573-756-4539