

North Central Farm Management Extension Committee
Radisson Kansas City Airport
October 2-3, 2008

Attendees: Ray Massey, William Edwards, Barry Ward, Damona Doye, Arlin Brannstrom, Dale Nordquist, Eric DeVuyst (OK visitor), Dwight Aakre, George Patrick, Doug Jose, Greg Hanson

Dwight Aakre chaired the meeting.

Minutes: Motion to approve by Arlin Brannstrom, seconded by Willam Edwards. Motion passed.

Farm Bill: State activities to date:

- ND: Andy Swenson spreadsheet
Lender workshops in November
- MN: Three educators will attend state FSA training
Kent Olson ACRE spreadsheet and analysis
- MO: Discussion of eligibility for SURE disaster payments in cases where producers did not insure minor crops, hay, pasture.
Discussion of livestock forage disaster program.
- NE NCRME has provided \$2000 per state for educ programs through Brad Lubbin
- IA William attended the National Farm Bill Ed meeting. See Ag Decision Maker for :
 - SURE and ACRE analysis
 - ACRE Spreadsheet
- OH Carl Zulauf webex with county staff.
Several comments that Carl's factsheets and powerpoints are the best reference for ACRE and other changes – See the Ohio State Department website
- OK State meeting next week
Spreadsheet analysis tool
Short overview on Choices
- IN Managing Margin Risk – NCRME grant project
Send Farm Bill materials to Dale Nordquist (dnord@umn.edu) to be placed on the Ag Risk Library

NCR Rental Arrangement Publications

- Barry Ward and Dwight Aakre discussed the current status of the NCR Rental Arrangement publications. They are currently revising the Fixed and Flexible Cash Rental Arrangement publication.
- There was strong consensus that these publications are in high demand and that, in that they are provided for educational purposes only, there is no legal concern with publishing them.

- Dwight shared a new FSA interpretation of flexible rental agreements that should alleviate problems with FSA considering such arrangements share leases in future years.
- Motion by William Edwards that Barry and Dwight have the authority to proceed to recommend changes and update all of the NCR lease bulletins and forms. Doug Jose seconded. Motion passed.

International Farm Management Congress – Ag Food and Fiber for the Future, Bloomington/Normal IL, July 19 – 24, 2009

- Registration is now open at <http://www.ifma17.org/>
- Paper for submitting papers and posters is Dec 15
- Two categories: Peer Reviewed or Case Studies

Triennial Conference 2010

- Next one is in 2010
- NAFBAS and NFRBMEA conference will be in Fargo in 2010, second week in June
- Motion by Damona that we pursue a joint meeting with NAFBAS and NFRBMEA for the 2010 triennial conference in Fargo. Seconded by Barry Ward. Motion passed.
Planning committee of Dwight Aakre, Andy Swenson, and Dale Nordquist

State Reports

- Reports were distributed and presented. See attached.

Ag Program Leader Advisor's Report – Don Breece

- New farm bill establishes NIFA, National Institute for Food and Agriculture replaces CSREES, with a politically appointed director
- NRI is replaced by AFRI, Ag and Food Research Initiative, under which 30% of funds must be for integrated research and Extension/teaching project.
- Beginning Farmer program funded at 18 billion for first year
- Organic research funded at \$78 million over course of the farm bill
- Specialty crop research funded at \$230 million over course of the farm bill
- North Central Ag Program Leaders are working on a logic model with focus on 1) Energy Management, 2) Ag Biomass Management, and 3) Animal Security.
- North Central Ag Program Leaders initiative – Energy efficiency in rural communities. USDA has a goal of 10% reduction of rural energy use.

National Program Leader report – Janie Hipp

- AFRI RFA will be out by the end of the year. Profitability issues are a priority, 30% integrated programs
- New administration of NIFA will not be implemented until the new presidential administration
- Beginning Farmer RFA will be out the first part of January, 25% matching

- National Strategic Planning process for farm management is progressing with Center for Farm Financial Management in a leadership role and with input from the Risk Management Centers
- IPA in Economics is still open.
- Janie encouraged members and others to participate in the panel review processes. Go to ERS.USDA.Gov for info.

Discussion of Farm Foundation

- Historically helped finance Triennial Conference speaker fees
- Suggestion to invite Neil Conklin to our meeting in Madison

Tax Update – George Patrick presented changes in tax laws related to:

- Self employment tax on CRP proceeds
- Optional self employment tax
- Conservation easements
- New limits on farm losses for those who participate in government programs
- Additional first year depreciation
- Expanded Section 179 expensing

Machinery Lease and Sharing Agreements

- William Edwards reviewed progress on the new bulletin
- Includes a number of actual case studies
- Has been presented at 6 workshops in Iowa and 2 in Missouri
- Reviewers are Ray Massey and Phil Kinkel
- Print through MWPS early in the year

North Central Risk Management Education Center report– Doug Jose

- RMEs will be required to make 70% of awards for grants in these areas:
 - Beginning farmers
 - Legal immigrants
 - Socially disadvantaged individuals
 - Preparation for retirement/transitioning
 - New or established farmers transitioning to new markets
- RFA will be out on November 1
- It will include challenge grants in each of these five areas
- Conducting focus group meetings in all 12 states
- Summer workshop in Milwaukee was very successful
- National RME conference will be in Reno, NV, March 31-April 1 with a half day preconference on ag marketing

Reports on:

- Extension Section of AAEEA – Doug Jose
- Revised Farm Financial Standards measures – Dale Nordquist
- Revised FINPACK – Dale Nordquist

Discussion on Potential for Farm Price/Cost Squeeze

- There was discussion of the potential for a cost/price squeeze. Most do not foresee a 1980's like problem.

Spring Meeting

- Madison, WI May 12 – 14, Tues – Thursday
- Potential topics:
 - Using YouTube in education
 - Review sales of publications through MWPS and other possible distribution outlets

Meeting Adjourned

Submitted by Dale Nordquist

**NORTH CENTRAL FARM MANAGEMENT EXTENSION COMMITTEE
Fall 2008**

State: Iowa

1. Staffing Changes			
Type (a)	Name	Effective Date	Area of Responsibility
New	Chad Hart	Aug. 1	Grain marketing and outlook, biofuels Cooperatives, agri-business, farm management
Moved	Frayne Olson	Sept.1	

(a) Refers to new (N), retirement (R), change in assignment (C) or terminated (T).

2. Program Changes			
Subject Matter Area	Emphasis (b)	Brief Description	Contact Person
2008 Farm Bill	New	Fact sheets and decision aids posted on web site. Training for campus and field staff. Radio interviews and Farm Bureau Spokesman columns.	Edwards Hart
Crop production costs	Increased	Early estimates of input costs for 2009 crops	Duffy

(b) Refers to new (N), redirected (R), increased (I), deleted (D).

3. Successful Activities
Farm lease meetings (approximately 50 county meetings, 2,500 attendees)—Field staff
Risk management seminar for livestock producers (feed costs)—Lawrence, Ellis

4. Publications		
Identification	Title	Date
Ag Dec Maker file		
A1-45	<u>New</u> <u>Average Crop Revenue Election (ACRE) A1-45</u>	Sept.
A1-44	<u>Average Crop Revenue Election (ACRE) Payment Calculator -- Decision Tool (xls)</u> <u>Supplemental Revenue Assistance (SURE) A1-44</u> <u>SURE Payment Calculator (Supplemental Revenue Assistance) - Decision Tool (xls)</u>	
C5-225	<u>Farmer-owned Processing Business Success Factors</u>	Aug. June
A1-18	<u>Organic Crop Production Enterprise Budgets -- A1-18</u>	June
C1-41	<u>Using Financial and Production Records to Make Decisions -- C1-41</u>	June

4. Publications		
Identification	Title	Date
C1-55	<u>Pricing for Profit</u> -- C1-55	
	<u>Revised</u>	
	<u>Deductible Livestock Costs for Adjusting 2008 Income Tax Returns</u> -- B1-15	Sept.
B1-15	<u>Monthly Returns from Cattle Feeding</u> -- B1-35	Sept.
B1-35	<u>Iowa Farmland Rental Rates 1994-2008</u> -- C2-09	Sept.
C2-09	<u>Survey of Iowa Leasing Practices</u> -- C2-15	Sept.
C2-15	<u>Flexible Cash Rent Lease Examples</u> --C2-22	Sept.
C2-22	<u>Returns from Farrowing and Finishing Hogs</u> -- B1-30	Aug.
B1-30	<u>Returns from Finishing Feeder Pigs</u> -- B1-33	Aug.
B1-33	<u>Iowa Farm Building Rental Rate Survey</u> -- C2-17	Aug.
C2-17	<u>Flexible Farm Lease Agreements</u> -- C2-21	Aug.
C2-21	<u>Twelve Steps to Cash Flow Budgeting</u> -- C3-15	Aug.
C3-15	<u>Your Net Worth Statement</u> -- C3-20	Aug.
C3-20	<u>Your Farm Income Statement</u> -- C3-25	Aug.
C3-25	<u>Farm Financial Statements</u> -- C3-56	Aug.
C3-56	<u>Estimated Costs of Pasture and Hay Production</u> -- A1-15	July
A1-15	<u>Delayed and Prevented Planting Provisions</u> -- A1-57	July
A1-57	<u>Delayed Planting and Replanting Evaluator</u> -- Decision Tool	
	<u>Live Cattle Basis</u> -- B2-42	July
B2-42	<u>Cash Rental Rates for Iowa 2008 Survey</u> -- C2-10	July
C2-10	<u>Monthly Swine Farrow to Finish Returns</u> -- B1-31	June
B1-31	<u>Monthly Returns from Finishing Feeder Pigs</u> -- B1-34	June
B1-34	<u>Monthly Cattle Feeding Returns</u> -- B1-36	June
B1-36	<u>Historic Hog and Lamb Prices</u> -- B2-10	June
B2-10	<u>Historic Cattle Prices</u> -- B2-12	June
B2-12	<u>Lean Hog Basis</u> -- B2-41	June
B2-41	<u>Feeder Cattle Basis</u> -- B2-43	June
B2-43	<u>Farmland Cash Rental Rate Survey (Iowa State University)</u> -- C2-10	June
C2-10		

Weather, Growing Conditions & Miscellaneous Notes:

Harvest is 15-20 days behind normal, but warm, dry weather has helped.

MISCELLANEOUS NOTES:

NORTH CENTRAL FARM MANAGEMENT EXTENSION COMMITTEE
Fall 2008

State: *INDIANA*

1. Staffing Changes			
Type (a)	Name	Effective Date	Area of Responsibility
C	Jay Akridge	6/1/08	Interim Dean
C	Ken Foster	8/15/08	Interim Dept. Head
Resigned	Christine Wilson	7/31/08	Teaching - Farm Accounting

(a) Refers to new (N), retirement (R), change in assignment (C) or terminated (T).

2. Program Changes			
Subject Matter Area	Emphasis (b)	Brief Description	Contact Person
Flood Response	(I)	Significant areas of state were flooded and many questions on crop insurance, replant and cropping alternatives et.	Bruce Erickson berikso@purdue.edu

(b) Refers to new (N), redirected (R), increased (I), deleted (D).

3. Successful Activities
76 th Indiana Farm Management Association Tour – Alan Miller millerwa@purdue.edu Had 125-150 at each of 4 farms and also visited a garden center Top Farmer Crop Workshop – about 100 paid participants – Bruce Erickson berikso@purdue.edu Beginning Aquaculture Workshops – Kwamena Quagraine: kquagrai@purdue.edu Small Business (Specialty Foods/Entrepreneurship) – Maria Marshall mimarsha@purdue.edu Outlook 9/15 video www.agecon.purdue.edu/extension/prices/index.asp

4. Publications		
Identification	Title	Date
	Evaluating Corn Harvest Timing (with spreadsheet) http://www.agecon.purdue.edu/topfarmer/update.asp Farmland Leasing , Crop Share, Cash Rent Resources http://www.agecon.purdue.edu/extension/pubs/farmland_values_resources.asp . Indiana Farmland Values and Cash Rents http://www.agecon.purdue.edu/extension/pubs/paer/2008/august/dobbins.asp	

Weather, Growing Conditions & Miscellaneous Notes:

Sept 15 crop estimates of state yields of 162 bu. corn and 43 bu. soybeans
 Sept 29 crop conditions – v good - exc. 52% corn. 48% of soybeans;
 poor – v. poor 18% corn 19% soybeans 8% of corn and 15% soybeans harvested

George Patrick

NORTH CENTRAL FARM MANAGEMENT EXTENSION COMMITTEE
Fall 2008

State: Minnesota

1. Staffing Changes			
Type (a)	Name	Effective Date	Area of Responsibility
C	Brian Buhr	08/01/08	Department Head
C	Greg Coumo	05/30/08	Associate Dean for Extension
C	Margo Rudstrom	09/08	Faculty position at UofM Crookston
N	New Dept Position		Energy Economics
N	New Ext Position		Renewable Energy

(a) Refers to new (N), retirement (R), change in assignment (C) or terminated (T).

2. Program Changes			
Subject Matter Area	Emphasis (b)	Brief Description	Contact Person
Business Planning	R	AgPlan, Online version of the former FINPACK Business Plan, being developed with help from a team of ag professionals from across the country. Currently available in beta-test mode at http://www.agplan.umn.edu/	Kevin Klair
Financial Mgmt	I	FINPACK revised version in final Beta	Bob Craven
Commodity Marketing	I	Winning the Game - Tool Time for Pre-Harvest Marketers	Ed Usset
Commodity Marketing	I	Winning the Game - Tool Time for Post-Harvest Marketers	Ed Usset

(b) Refers to new (N), redirected (R), increased (I), deleted (D).

3. Successful Activities
Annie's Project: Annie's project was held in 5 locations across Minnesota January-March 2008. There were a total of 66 women who participated and completed Annie's Project. Sessions were held on MNSCU campuses around the state. MNSCU adult farm business management instructors facilitated the sessions.

4. Publications		
Identification	Title	Date
Koehler, Lazarus, and Spiehs	The 'Other Fertilizer': The Economic Value of Swine Finishing Manure, <u>M1234</u> , University of Minnesota Extension, St. Paul.	2008
Lazarus	Machinery Cost Estimates	July 2008

4. Publications		
Identification	Title	Date
Hachfeld, Lazarus, Nordquist, and Loppnow	Rental Rates for Minnesota Counties, http://www.cffm.umn.edu/Publications/pubs/FarmMgtTopics/RentalRates.pdf	June 2008
Hachfeld	“What Does it Take to Earn a Living on the Farm”, http://www.cffm.umn.edu/Publications/pubs/FarmMgtTopics/earnlvfarm.pdf	May 2008
Hachfeld and Others	Farm Transition and Estate Planning – Build Your Exit Strategy	Sept 2008
Nordquist, Dvergsten and Moynihan	2007 Organic Farm Performance in Minnesota, http://www.cffm.umn.edu/News/080807MNOrganicReport.aspx	July 2008

Weather, Growing Conditions & Miscellaneous Notes:

As of Sept 19, corn 18% mature compared to 54% five year average. Soybeans 8 % mature compared to 41% average. Approx 65% of corn and soybeans are rated good to excellent.

MISCELLANEOUS NOTES:

NORTH CENTRAL FARM MANAGEMENT EXTENSION COMMITTEE
Fall 2008

State: Missouri

1. Staffing Changes			
Type (a)	Name	Effective Date	Area of Responsibility
R	David Whitson	Aug 1, 2008	Ag Business Spec, SW Missouri Region
N	Fabbio Chaddad		Asst. Prof. Agribusiness
N	Maria Rodriguez Alcala		Asst. Dir. Of Undergraduate Studies

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3. Successful Activities
<p>Breimyer Seminar, "Unpacking the 2008 Farm Bill," Sept. 3, Columbia – record attendance, lots of FSA & govt agency people , as well as Extension & farmers. FAPRI organized. Speakers: Pat Westhoff et al., Chad Hart, Joe Outlaw, James Wiesemeyer, legislator panel, commodity rep. panel.</p> <p>"Beyond Cash Sales, Advanced Grain Marketing Strategies" a grain marketing program covering strategies using futures, options and combinations of sales strategies. It was presented in cooperation with FCS Financial and offered to 450 Missouri farmers at 14 locations across Missouri in February 2008.</p> <p>"Crop Report Commentary" following USDA WASDE reports and "Decisive Marketing" marketing strategy newsletters written monthly.</p>

4. Publications		
Identification	Title	Date
Ag Econ Nwsltr	"Missouri Farm Land Values Opinion Survey – 2008"	Aug 21, 2008
Ag Guide 427	"2008 Missouri Cash Rental Rates"	at press

Weather, Growing Conditions & Miscellaneous Notes: Wet! Crop conditions are behind normal by 2-3 weeks.

MISCELLANEOUS NOTES:

Currently have 2 openings for Regional Extension AgBusiness Specialists – East Central & South Central Regions. Expect a third position to be opened soon in Southeast Region (Perryville).

Currently searching for Extension Associate, Commercial Agriculture Crops & Swine -- Columbia campus.

**NORTH CENTRAL FARM MANAGEMENT EXTENSION COMMITTEE
Fall 2008**

State: North Dakota

1. Staffing Changes			
Type (a)	Name	Effective Date	Area of Responsibility
R	Becky Leitch	Summer 2008	Economic principles
C - resigned	Eric DeVuyst	Summer 2008	Farm management
C - resigned	Cheryl DeVuyst	Summer 2008	Finance
C - resigned	Justin Garosi	Summer 2008	Resource
C - Iraq	Cheryl Wachenheim	Summer 2008	Agribusiness
N	Frayne Olson	Sept 2008	Extension crop economist
N	Kevin Barber	Aug 2008	Lecturer
N	Faysal Fahs	Aug 2008	Lecturer
N	Jason Fewell	Aug 2008	Lecturer

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2. Program Changes			
Subject Matter Area	Emphasis (b)	Brief Description	Contact Person
Farm Bill	I	Farm Bill education for producers	Dwight Aakre Andy Swenson
Production Costs	I	Farm input costs, operating margin	"
Biofuels, Wind Energy	I	Increased emphasis of renewable energy	Cole Gustafson Dwight Aakre Ron Haugen
Implementation of COOL	N	Education on producer requirements	Tim Petry

(b) Refers to new (N), redirected (R), increased (I), deleted (D).

3. Successful Activities
Biofuels presentation at research station field days Farm Bill booth at Big Iron Marketing Club Facilitators' In-service

4. Publications		
Identification	Title	Date
EC-1343	What is the Value of a Standing Corn Crop for Silage? Dwight Aakre	Sept 2008
AE-1370	Strip Till for Field Crop Production: Equipment, Production, and Economics. John Nowatzki, Greg Endres, Jodi DeJong-Hughes, and Dwight Aakre.	July 2008

4. Publications		
Identification	Title	Date
A-1364	Bringing Land in the Conservation Reserve Program Back Into Crop Production or Grazing. Joel Ransom, Dwight Aakre, Dave Franzen, Hans Knodel, Gregory Lardy, John Nowatzki	June 2008
AAE No 633	Financial Characteristics of North Dakota Farms 2006-2007. Andrew Swenson	July 2008
AAE No 634	2008 North Dakota Agricultural Outlook: Representative Farms, 2008-2017. Richard D. Taylor, Won W. Koo, Andrew L. Swenson.	August 2008

Weather, Growing Conditions & Miscellaneous Notes:

We have been behind on growing degree days all summer with a late start to planting in the eastern part of the state. We have avoided a killing frost in most of the state through September so most of the corn, soybeans and sunflowers should mature. The western half of the state experienced drought conditions with poor crop yields. Twenty-seven counties qualified for payment under the livestock forage program of the new permanent disaster program. The eastern half of the state has an above average crop of wheat, corn, soybeans and sugarbeets.

Submitted by: Dwight Aakre

**NORTH CENTRAL FARM MANAGEMENT EXTENSION COMMITTEE
Fall 2008**

State: **Nebraska**

1. Staffing Changes			
Type (a)	Name	Effective Date	Area of Responsibility
C	Roger Wilson	October 1, 2008	Move from Research Analyst, West Central R & E Center, North Platte to Enterprise Budget Analyst, Ag Econ Dept, Lincoln.

(a) Refers to new (N), retirement (R), change in assignment (C) or terminated (T).

2. Program Changes			
Subject Matter Area	Emphasis (b)	Brief Description	Contact Person

(b) Refers to new (N), redirected (R), increased (I), deleted (D).

3. Successful Activities
2008 Farm Bill Education Conference, Kansas City.
Farm Mediation Training, conducted by Dave Goeller. Calamus, Nebraska, July 7-10, 2008.
International Farm Transition Conference, Richmond, VA., July 27 -31, 2008.

4. Publications		
Identification	Title	Date
In process	<p>A series of about 20 fact sheets on “Surviving High Input Costs in Crop Production”</p> <p>Series of 35 fact sheets on “Addressing High Input Costs for Cow/Calf Producers and Feedlot Operators”. See attached list</p> <p>Farm Bill Education Conference, Kansas City, July, 2008. Presentation materials and videos available at: agrisk.umn.edu. Select the Farm Bill hot button. These and other farm bill resources also available at: farmbill.unl.edu.</p> <p>Stockton, M., R. Wilson, B. Williams and N. Gustal. “The Hedge Calculator”. A spreadsheet for hedging cattle. Available at: www.agmanagertools.com.</p> <p>“Farm Lease Calculator “ has been updated. Available at: agecon.unl.edu</p>	<p>September, 2008.</p> <p>August, 2008</p>

Weather, Growing Conditions & Miscellaneous Notes:

As of mid-September, most weather reporting stations in Nebraska were about 10% below average on growing degree days. The last half of September has been warmer than average. Still grain drying could be a problem this year. The relatively cool weather in August produced an outbreak of soybean aphids in the southern part of the state where this is usually not a problem. Many soybean fields were sprayed for aphids and grasshoppers.

There appears to be growing interest in wind energy.

MISCELLANEOUS NOTES:

“Addressing High Input costs for Cow/Calf Producers and Feedlot Operators”

Source: <http://beef.unl.edu/profitTips.shtml>

1. [Feeding and Marketing Cull Cows](#) - Rick Funston, Beef Specialist, University of Nebraska, West Central Research and Extension Center, North Platte, NE
2. [Low Cost Heifer Development Strategies](#) - Rick Funston, Beef Specialist, University of Nebraska, West Central Research and Extension Center, North Platte, NE
3. [Condition Cows Early](#) - Rick Rasby Beef Specialist, University of Nebraska, Lincoln, NE
4. [Keep Heifer Development Costs In Check](#) - Rick Rasby Beef Specialist, University of Nebraska, Lincoln, NE
5. [Manage Body Condition By Timing Weaning](#) - Rick Rasby Beef Specialist, University of Nebraska, Lincoln, NE
6. [Feeding Your Culls May Be An Effective Marketing and Management Strategy](#) - Rick Rasby Beef Specialist, University of Nebraska, Lincoln, NE
7. [Mineral Considerations for Beef Cows](#) - Rick Rasby Beef Specialist, University of Nebraska, Lincoln, NE
8. [Forage Feeding Losses Can Add Up](#) - Rick Rasby Beef Specialist, University of Nebraska, Lincoln, NE
9. [Cow/Calf Management Systems to Attack Feed Costs](#) - Rick Rasby Beef Specialist, University of Nebraska, Lincoln, NE
10. [Balancing Timing of Hay Harvest on Availability of Forage for Grazing](#) - Rick Rasby Beef Specialist, University of Nebraska, Lincoln, NE
11. [Testing Forages for Quality Can Save Dollars and Makes Cents When Designing Feeding Programs for the Herd](#) - Rick Rasby Beef Specialist, University of Nebraska, Lincoln, NE
12. [Understanding A Forage Analysis](#) - Rick Rasby Beef Specialist, University of Nebraska, Lincoln, NE
13. [Matching Milk Production and Cow Size to Resources](#) - Mat Spangler, Beef Specialist, University of Nebraska, Lincoln, NE
14. [Maximizing Winter Grazing Opportunities](#) - Aaron Stalker, Beef Specialist, University of Nebraska, West Central Research and Extension Center, North Platte, NE
15. [Purchase Protein Supplements After Comparing Options On a Cost Per Pound of Protein Basis](#) - Aaron Stalker, Beef Specialist, University of Nebraska, West Central Research and Extension Center, North Platte, NE
16. [Storing Grain Byproducts](#) - Aaron Stalker, Beef Specialist, University of Nebraska, West Central Research and Extension Center, North Platte, NE
17. [Save On Delivery Costs By Decreasing the Frequency of Protein Supplementation](#) - Aaron Stalker, Beef Specialist, University of Nebraska, West Central Research and Extension Center, North Platte, NE

Feedlot

1. [Calculating Breakeven and Its Use in Decision Making](#) - Galen E. Erickson, Beef Specialist, Darrell R. Mark, Extension Livestock Marketing Specialist University of Nebraska, Lincoln, NE
2. [Feedlot Manure Value](#) - Galen Erickson, Beef Specialist, Darrell Mark, Extension Livestock Marketing Specialist, Judson Vasconcelos, Beef Specialist, Charles Wortmann, Extension Soil Scientist, University of Nebraska, Lincoln, NE
3. [Cattle Health Management Mistakes To Avoid](#) - Dee Griffin & Dave Smith, Extension Veterinarians, University of Nebraska, Lincoln, NE
4. [Managing Winter Cattle Facilities to Enhance Comfort](#) - Terry Mader, Beef Specialists, University of Nebraska, Haskell Agricultural Laboratory, Concord, NE
5. [Managing Cattle Facilities To Minimize Mud](#) - Terry Mader, Beef Specialists, University of Nebraska, Haskell Agricultural Laboratory, Concord, NE
6. [Feed Delivery and Feed Bunk Management](#) - Judson Vasconcelos, Beef Specialist, University of Nebraska, Panhandle Research and Extension Center, Scottsbluff, NE
7. [Feed Quality, Feed Storage, and Feed Loss Management](#) - Judson Vasconcelos, Beef Specialist, University of Nebraska, Panhandle Research and Extension Center, Scottsbluff, NE
8. [Feed Additives](#) - Judson Vasconcelos, Beef Specialist, University of Nebraska, Panhandle Research and Extension Center, Scottsbluff, NE
9. [Grain Processing](#) - Judson Vasconcelos, Beef Specialist, University of Nebraska, Panhandle Research and Extension Center, Scottsbluff, NE
10. [The Importance of Good Records in Feedlot Management](#) - Judson Vasconcelos, Beef Specialist, University of Nebraska, Panhandle Research and Extension Center, Scottsbluff, NE
11. [Implants](#) - Judson Vasconcelos, Beef Specialist, University of Nebraska, Panhandle Research and Extension Center, Scottsbluff, NE

Economics and Marketing

1. [Price Risk Management Increasingly Important](#) - Darrell R. Mark, University of Nebraska, Extension Livestock Marketing Specialist, Lincoln, NE
2. [Backgrounding and Yearling Finishing Systems: Wheres the Profit?](#) - Darrell R. Mark, Extension Livestock Marketing Specialist, Rebecca M. Small, Graduate Research Assistant, Galen E. Erickson, Beef Specialist, University of Nebraska, Lincoln, NE
3. [Backgrounding Alternatives: Grazing or Feedlot?](#) - Darrell R. Mark, University of Nebraska, Extension Livestock Marketing Specialist, Lincoln, NE
4. [Calf Finishing Versus Background and Yearling Finishing Systems](#) - Darrell R. Mark, Extension Livestock Marketing Specialist, Rebecca M. Small, Graduate Research Assistant, Galen E. Erickson, Beef Specialist, University of Nebraska, Lincoln, NE
5. [Economics of Feeding Ethanol Co-Products](#) - Darrell R. Mark, Extension Livestock Marketing Specialist, Galen E. Erickson, Beef Specialist, University of Nebraska, Lincoln, NE
6. [Economics of Storing Distillers Grains](#) - Darrell R. Mark, Extension Livestock Marketing Specialist, Galen E. Erickson, Beef Management Specialist, Josie A. Waterbury, Graduate Research Assistant, University of Nebraska, Lincoln, NE
7. [International Beef Marketing](#) - Darrell R. Mark, Extension Livestock Marketing Specialist, Galen E. Erickson, Beef Specialist, Rick Rasby, Beef Specialist, University of Nebraska, Lincoln, NE

NORTH CENTRAL FARM MANAGEMENT EXTENSION COMMITTEE
Fall 2008

State: Ohio

1. Staffing Changes			
Type (a)	Name	Effective Date	Area of Responsibility
R	Fred Hitzhusen		Teaching, Research

(a) Refers to new (N), retirement (R), change in assignment (C) or terminated (T).

2. Program Changes			
Subject Matter Area	Emphasis (b)	Brief Description	Contact Person

(b) Refers to new (N), redirected (R), increased (I), deleted (D).

3. Successful Activities
<p>Farm Science Review Activities – September 16-18 Farm Business Office /“Cash Rents, Enterprise Budgets, Ag Law” Display Knowing your input costs and how to manage them are a big part of farm profitability. Examining enterprise budgets and their impact on the cash rents was the focus of this exhibit. The Farm Business Office allows Review goers to interact one-on-one with Farm Management Specialists to seek advice on various farm business and management topics including farm transition planning, estate planning, retirement planning, farm record keeping and analysis, tax management, human resources management, budgeting, farmland rental and purchase issues, risk management issues and more. 2450 Review Attendees interacted with farm Business Office personnel, viewed the display and/or obtained OSU Extension/AEDE educational materials.</p> <p>Food Prices Seminar – A panel of Department Faculty discussed the issues and the economics that are driving food prices. Forty people attended this session.</p> <p>“Question the Authorities” Live interviews of Ohio State’s authorities on current economic, business and policy issues. OSU’s Department of Agricultural, Environmental, and Development Economics sponsors this series of short interviews. Two thousand two hundred fifty five people attended 52 sessions presented at the Farm Science Review.</p> <p>Ohio Agricultural Law Symposium – (first annual) – A new partnership between OSUE and Ohio State Bar Association to provide legal education to attorneys working with agricultural operations and businesses. 62 attendees from around Ohio.</p> <p>American Society of Farm Managers and Rural Appraisers – Ohio Chapter Spring Conference This conference focused on the Bio-energy and it’s emerging impact on agricultural profitability and land values. Forty five members attended this spring conference planned and resourced by Department Faculty. A tour of the first Ohio Corn Ethanol Plant in Leipsic Ohio was part of the conference.</p>

3. Successful Activities		
4. Publications		
Identification	Title	Date
	<p>Ohio Farm Custom Rates 2008 http://ohioline.osu.edu/ae-fact/pdf/Custom_Rates_08.pdf</p> <p>Ohio Cropland Values and Cash Rents 2007-08 http://ohioline.osu.edu/ae-fact/pdf/Cropland_Values_Rents_07_08.pdf</p> <p>Some Basic Lessons in Risk Management http://ohioline.osu.edu/ae-fact/pdf/Risk_management.pdf</p> <p>Price Variability: Corn, Soybeans, Wheat, 1989-2007 http://aede.osu.edu/resources/docs/pdf/KRGVLV38-116R-TVFS-HG37XEUBNSXZN71K.pdf</p> <p>Selected Provisions of Food Conservation and Energy Act of 2008: Farm Income Support and Risk Management Programs http://aede.osu.edu/resources/docs/pdf/B2ADK0ED-ADY3-VN3S-3SE4D9YDH2D8UNQW.pdf</p> <p>Understanding ACRE: Breakeven Price With Traditional Programs, Corn, Soybeans, Wheat http://aede.osu.edu/resources/docs/pdf/WEGFSZ4Y-AG7A-VXX7-J003PSOREUML1A3F.pdf</p> <p>Understanding ACRE: Its Revenue Guarantee http://aede.osu.edu/resources/docs/pdf/5RRJ4KAX-12OH-NKFA-5YGY8JAJ56VOM7NG.pdf</p> <p>Selected Provisions of Food Conservation and Energy Act of 2008: Except Farm Income Support and Risk Management Programs http://aede.osu.edu/resources/docs/pdf/F2FGX89R-HP3U-UTET-7F59BUSADZBG346W.pdf</p> <p>Supplemental Agricultural Disaster Assistance in <i>Food, Conservation, & Energy Act of 2008</i> http://aede.osu.edu/resources/docs/pdf/J2QIF808-OR3A-20GS-RT1CIID0JXDFJGJN.pdf</p>	

Weather, Growing Conditions & Miscellaneous Notes:

A wet spring and dry late summer have caused crops to be highly variable across the state. A dry August and early September caused a sharp decline in soybean yield potential and caused some damage to corn yield potential. A large area in Northwest Ohio suffered from extremes of both late planting and a dry July and August. Severe winds from the remnants of Hurricane Ike caused severe damage to crops across much of Ohio on September 14th. Sustained winds of 50-60+ mph blew for 4-6 hours with gusts of 75+ mph. Corn fields experienced minor to severe damage across Ohio. Yield losses of 2-10% are expected.

MISCELLANEOUS NOTES:

Ohio Budget Cuts 2008 (Round Two) – September 10th - 4.75% cut to all State Agency Budgets – Higher Education Exempt. This exemption doesn't cover OSU Extension or Ohio Agricultural Research and Development Center (OARDC). This follows a \$733 million dollar cut in February 2008. (Higher Ed, Extension and OARDC didn't suffer cuts in this first round.)

NORTH CENTRAL FARM MANAGEMENT EXTENSION COMMITTEE

Oklahoma State Report Fall Year 2008

<i>1. Staffing Changes</i>			
Type (a)	Name	Effective Date	Area of Responsibility
N	Eric A. DeVuyst	July 2008	Production systems
N	Dave Shidler	August 2008	Rural development
N	Jody Campechi	January 2009	Agricultural policy
N	Rodney Jones	December 2008	NW Area Specialist
C	JC. Hobbs	August 2008	½ time tax, ½ time farm management state level
N	Cheryl DeVuyst	July 2008	Assistant Dean, Resident Instruction

(a) Refers to new (N), retirement (R), change in assignment (C) or terminated (T).

<i>2. Program Changes</i>			
Subject Matter Area	Emphasis (b)	Brief Description	Contact Person
Master Cattleman	N	Newsletter	Damona
Farm Bill	N	In-service training, analysis spreadsheet	L. Sanders, Mike Dicks
Poultry litter application	N	Spreadsheet	DeVuyst

(b) Refers to new (N), redirected (R), increased (I), deleted (D).

<i>3. Successful Activities</i>
<ul style="list-style-type: none"> • Two Managing Your Finances with Quicken sessions at 4-H Roundup on July 30-31. • Damona survived 6 weeks in Mexico with 10 undergrads. Did not become proficient en espanol, but can understand native speakers better and can speak a bit more. Loosely monitored students, saw that they were participating in scheduled activities and encouraged them to practice what they were learning, plus visited and/or accompanied to hospital. Did not learn to like papaya despite eating a lot of it. Enjoyed visits to museums, pyramids and the ag study tour. • Hosted a visiting professor from U of Florida, Edward (Gilly) Evans, for a week. • Successful statewide conference for women in agriculture Sept. 18-19 in OKC with approximately 180 participants. • NACAA national award for Meat Goat Boot Camp for JJ Jones, Area Specialist

4. Publications		
IDENTIFICATION	TITLE	DATE
<i>Agricultural Economics</i>	Cow-Calf Profitability and Leptin Genotyping	forthcoming
<i>JASFMRA</i>	The Impact of Beef Prices and Hunting Pressure on Pasture Values in North Dakota	forthcoming
<i>Animal Genetics</i> 39:284-286.	The Impact of Leptin Gene SNP 305 on Beef Calf Weaning Weights	2008
<i>Review of Agricultural Economics</i>	Expansion Opportunity at Triple F Farms	forthcoming
OSU AGECE-613	Cull Cow Grazing and Marketing Opportunities http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-5148/AGECE-613web.pdf	May 2008
OSU Ag Econ mimeo-	Quick Tips newsletters http://agecon.okstate.edu/quicken/index.asp?type=newsletters	June 2008 September 2008
OSU AGECE-249	Stocker Cattle Production and Management Practices in Oklahoma http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-5323/AGECE-249web.pdf	
OSU AGECE-212	Should I Buy (or Retain) Stockers to Graze Wheat Pasture? http://pods.dasnr.okstate.edu/docushare/dsweb/Get/Document-3271/AGECE-212web2008.pdf	August 2008
<i>Journal of Agricultural and Applied Economics</i>	Factors Affecting Adoption of Cow-Calf Production Practices in Oklahoma.	December 2008
OSU Master Cattleman Website, Vol. 1	Master Cattleman Quarterly newsletter http://agecon.okstate.edu/cattleman/newsletter.asp	August 2008
	Sunflower budget http://agecon.okstate.edu/budgets/index.asp	September 2008
OSU Quicken	Financial Records for Youth Entrepreneurs http://agecon.okstate.edu/faculty/publications/3107.pdf	July 2008
Langston Goat Field Day	Goat Farm Budgeting http://agecon.okstate.edu/faculty/publications/3120.doc	June 2008

Miscellaneous Notes: Oklahoma Crop Forecast from NASS:

- Production of corn for grain is now forecast at 42.9 million bushels, up 3 percent from last month and 10 percent above 2007. An average yield of 134.0 bushels is expected from 320,000 harvested acres.
- Production of all cotton is now forecast at 290,000 bales, the same as last month but 3 percent above 2007. An average yield of 898 pounds is expected from 155,000 harvested acres.
- Production of grain sorghum is now forecast at 12.0 million bushels, the same as last month but 6 percent below 2007. An average yield of 46 bushels is expected from 260,000 harvested acres.
- Peanut production is now forecast at 68.4 million pounds, up 29 percent from last month and 18 percent above 2007. An average yield of 3,800 pounds is expected from 18,000 harvested acres.
- Soybean production is now forecast at 7.7 million bushels, up 8 percent from last month and 83 percent above last year. An average yield of 27 bushels is expected from 285,000 harvested acres.

Submitted by: Damona Doye

NORTH CENTRAL FARM MANAGEMENT EXTENSION COMMITTEE
Fall 2008

State: South Dakota – Burton Pflueger

1. Staffing Changes			
Type (a)	Name	Effective Date	Area of Responsibility
We are currently recruiting for a number of positions including Department Head. Other positions include Assistant Professor - Economics & Finance and a county Extension Educator Marketing/Farm Business Management which are currently advertised at https://yourfuture.sdbor.edu/applicants/jsp/shared/frameset/Frameset.jsp?time=1222721329734 We will be recruiting for a resource economist assistant professor, a combined teaching/extension instructor level position, and a general economics assistant professor position.			

(a) Refers to new (N), retirement (R), change in assignment (C) or terminated (T).

2. Program Changes			
Subject Matter Area	Emphasis (b)	Brief Description	Contact Person
No significant changes to program efforts. Winning the Game, Farm Transfer/Estate Planning will be significant continuing programs. Farm Bill Education will be new program effort.			

(b) Refers to new (N), redirected (R), increased (I), deleted (D).

3. Successful Activities
Burton Pflueger and Larry Janssen working closely with SD Dept of Revenue on tax assessment of agricultural land based on productivity index. Alan May taking the lead on Farm Bill awareness/education information.

4. Publications		
Identification	Title	Date
ExEx5042	Custom Beef Cow Wintering/Dry Lot Cost	7-21-2008
C273	South Dakota Agricultural Land Market Trends, 1991-2008	5-28-2008
Publications available at: http://agbiopubs.sdstate.edu/process.cfm?Dept=econ and department paper series at: http://econ.sdstate.edu/Research/NSL.htm		

Weather, Growing Conditions & Miscellaneous Notes:

Good weather has contributed to start of harvest activities, primarily soybeans, corn silage. Good growing conditions in western South Dakota has contributed to adequate forage crop.

MISCELLANEOUS NOTES:

SDSU will soon be recruiting for Dean of College of Agricultural and Biological Sciences. Dean Lemme has announced he is stepping back from administration.

Farm Tax Developments

George Patrick

NCFMEC Meeting

October 3, 2008

Kansas City, MO

Some Tax Changes

- Conservation Reserve Program (CRP) and Self-Employment (SE) Tax
- Optional Method for SE Tax
- Conservation Easements
- Limit on Deductibility of Farm Losses
- Additional First-Year Depreciation
- Expanded Sec. 179 Expensing

CRP and SE Tax

- Landowners receive CRP payments for not farming some land and engaging in certain conservation practices
- Payments are described as “rental payments” in USDA contract
- Traditionally were earnings for SE tax for operating farmers and materially participating landowners

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CRP and SE Tax

- Wuebker argued payments were rent, excluded from earnings by rental real estate exception of IRC§1402(a)(1)
- Tax Court agreed, 6th Circuit reversed
- IRS took position **ALL** CRP payments are included in SE earnings, regardless whether owner actively farmed or not

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Farm Bill

- Amends IRC §1402(a)(1) to add CRP payments made to individuals receiving social security retirement, survivor or disability benefits to the exclusion of rent from real estate
 - Disabled,
 - Active farmers drawing benefits
- CRP does not count against earnings limit

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Farm Bill Problems

- Solves SE tax problem for recipients of social security benefits
- Implications for those not getting social security benefits
 - IRS can argue their SE tax position was correct or Farm Bill exclusion not needed
 - By specifically excluding some payments, implies others are subject to SE tax

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Taxpayers' Arguments

1. CRP land is not used in agriculture and therefore excluded under §1402(a)(1)
2. Landowner has no agreement to materially participate in production
3. Even if (1) and (2) don't work, many landowners do not materially participate in farm operation

Optional SE Tax

- Variable income can make it difficult for farmers to get sufficient quarters of coverage to qualify for social security
 1. If gross farm income is $< \$2,400$, pay 15.3% SE tax on $\frac{2}{3}$ of gross, or
 2. If gross is $> \$2,400$ and profit $< \$1,733$, pay 15.3% SE tax on $\$1,600$
- \$ amounts unchanged since 1956

Farm Bill

- Changed \$ amounts, with the limits adjusted annually for inflation
- Lower limit = amount needed for 4 quarters of coverage (\$4,200)
- Upper limit = 150% of lower limit (\$6,300)

New Optional Method

1. If gross farm income is $< \$6,300$, pay 15.3% SE tax on $\frac{2}{3}$ of gross, or
2. If gross is $> \$6,300$ and profit $< \$4,200$, pay 15.3% SE tax on \$4,200

Amounts will change annually

Earned Income Credit (EIC) will pay SE tax for many farmers

Conservation Easements

Charitable deduction of appreciated property is usually limited to 30% of AGI

- Allows deduction for a partial interest
- Allows deduction of up to 100% of AGI of qualified farmers and ranchers
- Extends provision until end of 2009

Limit on Farming Losses

- Previously no limit on farming losses that could reduce nonfarm income
- Beginning in '10 limited to **greater** of:
 1. \$300,000 (married, filing jointly) or
 2. Total net farm income in prior 5 years
- Applies only to farmers getting government program payments

Additional First-Year Depreciation

- 50% bonus depreciation in the 1st year
 1. Original use must start with taxpayer–new
 2. Acquired and placed in service after 12/31/07 and before 1/1/09
 3. Trades - both boot and adj. basis qualify
 4. Can elect out by MACRS asset class (all or nothing decision)
 5. MACRS recovery period - 20 years or less includes machinery sheds

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Expanded §179 Expensing

- Limit increased to \$250,000 for '08 only
 1. New or used property qualifies
 2. Only boot portion qualifies on trades
 3. Sec. 1245/integral production assets
 4. Phased out if qualifying investment exceeds \$800,000 (\$ for \$ reduction)
 5. Taxable income limit applies

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Tax Management Possibilities

Factors which may affect decision

- New or used?
- Trade-in involved?
- Type of MACRS property?
- Overall purchases (MACRS and total)?
- Size of desired deduction?