

# AGRICULTURE RESOURCE NEWSLETTER

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## What a Difference from Year to Year !

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Hard to believe its already been one year since the disappointing fall of 2012 when many of the local - statewide grain and forage crops were significantly affected by drought. For sellers, record or near record prices helped soften the blow. For buyers, 2012 is the type of year you hope never happens again.

On Friday, Sept 27, 2013, USDA released its monthly Agricultural Prices report which stated, "the national average corn price, at \$5.28 per bushel, is down 93 cents from August and \$1.61 below last September. Current corn bid prices at local grain elevators in and around Waupaca County are running \$4.40 to \$4.50/bu. (note, the table below will help buyers and sellers set a fair price for high moisture shell corn).

The preliminary U.S. average price for baled alfalfa hay was listed at \$194/ton, with the current average WI alfalfa hay price of \$200/ton expected to go even lower when final values are reported next month.

The Wisconsin, All-milk price for September was \$20.10, or \$0.40 higher than last September. The futures market indicates WI mailbox milk prices will be lower through next summer, ranging from \$18 - \$19/cwt. [http://future.aae.wisc.edu/predicted\\_mailbox/](http://future.aae.wisc.edu/predicted_mailbox/)

The three graphs included on the next page help show both seasonality and volatility of these three key WI commodity markets over the past three years, and a good reminder to continue evaluating future risk management and marketing opportunities, in addition to profitable production practices.

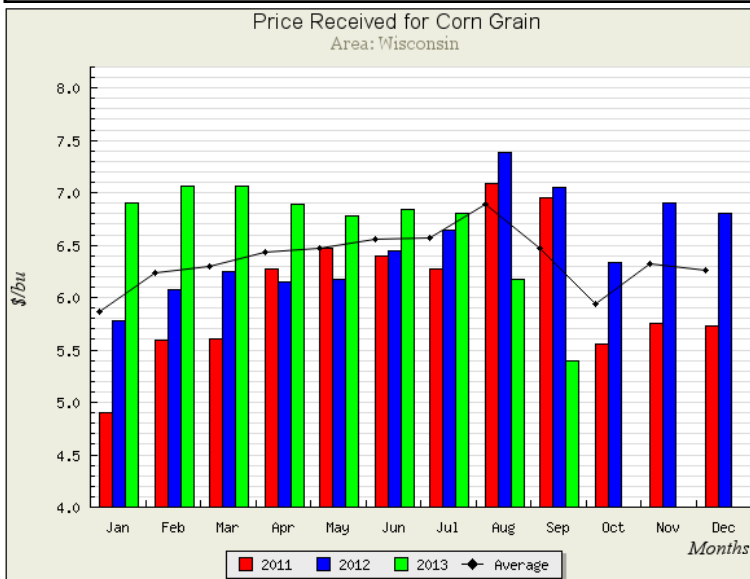
## Equivalent Price/Ton for High Moisture Shelled Corn

Price per Dry Bushel

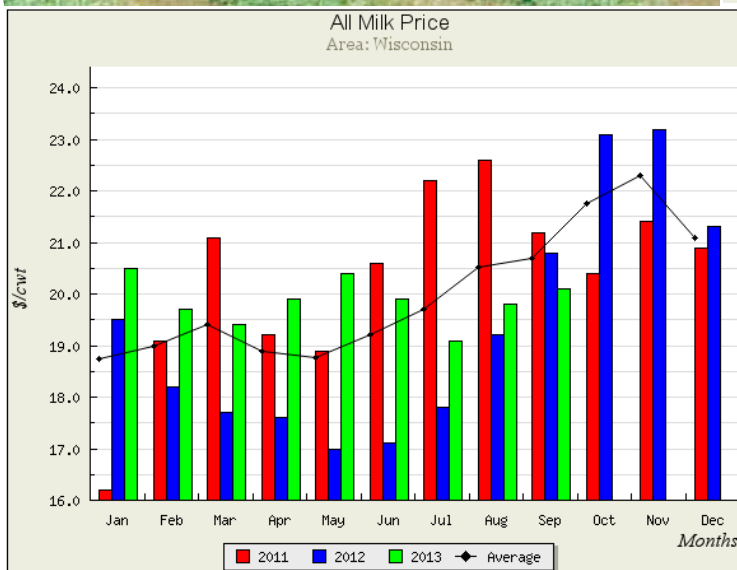
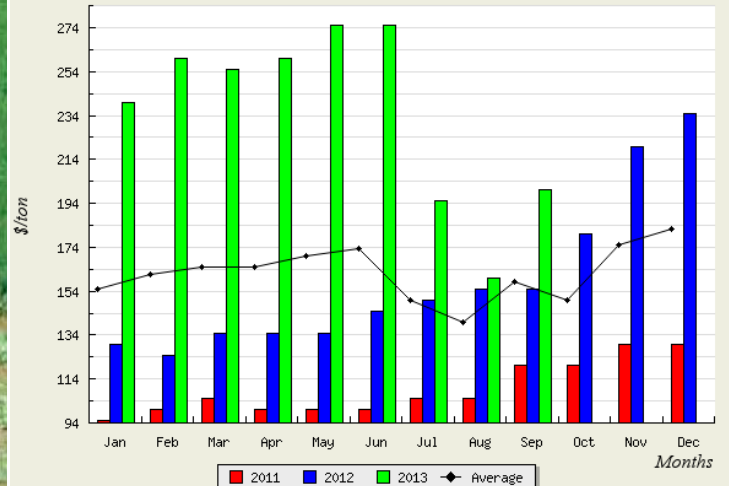
Moisture % Wet	Lbs Wet Kernels	% Shrink	Dry Bushels	\$4.20	\$4.30	\$4.40	\$4.50	\$4.60	\$4.70	\$4.80	\$4.90	\$5.00	\$5.10
15.0	2000	0.00	35.71	\$150.00	\$153.57	\$157.14	\$160.71	\$164.29	\$167.86	\$171.43	\$175.00	\$178.57	\$182.14
16.0	2000	1.09	35.32	\$148.36	\$151.89	\$155.43	\$158.96	\$162.49	\$166.02	\$169.56	\$173.09	\$176.62	\$180.15
17.0	2000	2.28	34.90	\$146.59	\$150.08	\$153.57	\$157.06	\$160.55	\$164.04	\$167.53	\$171.02	\$174.51	\$178.00
18.0	2000	3.46	34.48	\$144.81	\$148.26	\$151.71	\$155.16	\$158.60	\$162.05	\$165.50	\$168.95	\$172.40	\$175.84
19.0	2000	4.64	34.06	\$143.04	\$146.44	\$149.85	\$153.25	\$156.66	\$160.07	\$163.47	\$166.88	\$170.28	\$173.69
20.0	2000	5.83	33.63	\$141.26	\$144.63	\$147.99	\$151.35	\$154.72	\$158.08	\$161.44	\$164.81	\$168.17	\$171.53
21.0	2000	7.01	33.21	\$139.49	\$142.81	\$146.13	\$149.45	\$152.77	\$156.09	\$159.41	\$162.73	\$166.06	\$169.38
22.0	2000	8.19	32.79	\$137.71	\$140.99	\$144.27	\$147.55	\$150.83	\$154.11	\$157.38	\$160.66	\$163.94	\$167.22
23.0	2000	9.38	32.37	\$135.94	\$139.17	\$142.41	\$145.65	\$148.88	\$152.12	\$155.36	\$158.59	\$161.83	\$165.07
24.0	2000	10.56	31.94	\$134.16	\$137.36	\$140.55	\$143.74	\$146.94	\$150.13	\$153.33	\$156.52	\$159.72	\$162.91
25.0	2000	11.74	31.52	\$132.39	\$135.54	\$138.69	\$141.84	\$144.99	\$148.15	\$151.30	\$154.45	\$157.60	\$160.75
26.0	2000	12.93	31.10	\$130.61	\$133.72	\$136.83	\$139.94	\$143.05	\$146.16	\$149.27	\$152.38	\$155.49	\$158.60
27.0	2000	14.11	30.68	\$128.84	\$131.90	\$134.97	\$138.04	\$141.11	\$144.17	\$147.24	\$150.31	\$153.38	\$156.44
28.0	2000	15.29	30.25	\$127.06	\$130.09	\$133.11	\$136.14	\$139.16	\$142.19	\$145.21	\$148.24	\$151.26	\$154.29
29.0	2000	16.48	29.83	\$125.29	\$128.27	\$131.25	\$134.23	\$137.22	\$140.20	\$143.18	\$146.17	\$149.15	\$152.13
30.0	2000	17.66	29.41	\$123.51	\$126.45	\$129.39	\$132.33	\$135.27	\$138.21	\$141.15	\$144.10	\$147.04	\$149.98
31.0	2000	18.84	28.98	\$121.74	\$124.63	\$127.53	\$130.43	\$133.33	\$136.23	\$139.13	\$142.02	\$144.92	\$147.82
32.0	2000	20.03	28.56	\$119.96	\$122.82	\$125.67	\$128.53	\$131.38	\$134.24	\$137.10	\$139.95	\$142.81	\$145.67
33.0	2000	21.21	28.14	\$118.18	\$121.00	\$123.81	\$126.63	\$129.44	\$132.25	\$135.07	\$137.88	\$140.70	\$143.51
34.0	2000	22.39	27.72	\$116.41	\$119.18	\$122.95	\$124.72	\$127.50	\$130.27	\$133.04	\$135.81	\$138.58	\$141.35
35.0	2000	23.58	27.29	\$114.63	\$117.36	\$120.09	\$122.82	\$125.55	\$128.28	\$131.01	\$133.74	\$136.47	\$139.20
36.0	2000	24.76	26.87	\$112.86	\$115.55	\$118.23	\$120.92	\$123.61	\$126.30	\$128.98	\$131.67	\$134.36	\$137.04
37.0	2000	25.94	26.45	\$111.08	\$113.73	\$116.37	\$119.02	\$121.66	\$124.31	\$126.95	\$129.60	\$132.24	\$134.89
38.0	2000	27.13	26.03	\$109.31	\$111.91	\$114.51	\$117.12	\$119.72	\$122.32	\$124.92	\$127.53	\$130.13	\$132.73
39.0	2000	28.31	25.60	\$107.53	\$110.09	\$112.65	\$115.22	\$117.78	\$120.34	\$122.90	\$125.46	\$128.02	\$130.58
40.0	2000	29.49	25.18	\$105.76	\$108.28	\$110.80	\$113.31	\$115.83	\$118.35	\$120.87	\$123.39	\$125.90	\$128.42
41.0	2000	30.68	24.76	\$103.98	\$106.46	\$108.94	\$111.41	\$113.89	\$116.36	\$118.84	\$121.31	\$123.79	\$126.27

\* If you must harvest this corn, subtract the harvesting costs; and if you can only use dry corn, subtract drying costs. Of course the price you pay will be determined by supply and demand conditions in your area and negotiations between you and the seller, but unless there are special circumstances it should not be above the prices shown here.

## 2011 - 2013 WI Corn, Alfalfa and Milk Prices Received



Price Received for Alfalfa Hay  
Area: Wisconsin



## Soybean Outlook 2014

Kiplinger Ag Newsletter (Oct 4, 2013)

Despite a spotty late-season drought limiting crop yields in parts of the Upper Midwest, a huge soybean harvest is under way. It'll help to refill storehouses in the U.S. and abroad, after a drop-off in stocks following last year's drought. Though less than a fourth of the corn crop's volume, at 3.2 billion bu., the 2013 harvest will be close to record breaking, thanks to acreage at least as big as last year's... and a rebound in yield with an average 42 bu./acre nationwide.

Demand for this fall's crop abounds, so much that stocks, which shrank to less than 5% of the '12 harvest by Sept. 1 of 2013, and it will plunge again to 5% of the fall harvest by Sept. of 2014. Why?

Foreign sales claim an ever larger share. Soybeans, by value, will be 20% of all '13 ag exports. Just a month into the new marketing year...30% of the year's supply has been sold abroad, 80%-90% of it to Asia.

Soybeans are finding uses in more and more products. High in protein, they're used in making many foods and livestock feeds. Also, in the manufacturing of industrial items, including plastics, inks, lubricants, adhesives and cleaners. Moreover, soy oil makes up more than half of the feedstock for biodiesel.

Mounting demand will continue to drive soybean profits. After \$14/bu. and soaring receipts from '12's sparse crop, continued brisk demand will keep prices around \$13/bu. for most of the year ahead. At that price, a moderate yield of 42 bu. means \$550/acre in sales...a reason soybeans account for 15%-20% of all U.S. crop receipts.

Furthermore, moderate soybean production costs help profit margins. Assuming the price and yield noted above, operating costs of \$250/acre next year (before labor and land costs) will leave an operating margin of over \$300/acre. So, come spring, look for even more soybeans to go into the ground.



## Future Farm Bill ???



Assuming our federal government eventually opens back up for business, Congress won't likely deliver a new farm bill until sometime next year (2014), or maybe even a year later (2015) according to the Oct 4th issue of Kiplinger Ag Newsletter. Currently, here's what they see regarding the provisions within a new farm bill...

Ceilings on crop supports per farmer will remain high, since the House and Senate are calling for similar limits on payment size and eligibility. Crop subsidies of \$125,000 per person (\$250,000 / couple) will be allowed. Plus there'll be little if any limit on USDA subsidies for crop insurance, where payouts can run into the millions to a big farm hit with insured losses.

However, other payments will likely be reined in. The new bill will likely lower maximum eligibility for most USDA benefits, except conservation payments, to farmers that average under \$950,000 in farm and nonfarm income combined. The Senate may opt for an even deeper cut. Current combined max income is \$1.25 million.

New legislation will likely cut off payments to some who are farmers in name only by revising the meaning of "actively engaged in farming." Folks will need more proof that they perform work on a farm or are fully involved in running one, for example. And only one such person per farm, besides the main operator, will qualify.

Dairy is less predictable, with extension of current (recent past) provisions a possibility, at least initially. But then again, forecasting weather has become more reliable than predicting the actions of congress, so be sure to stay tuned for future farm bill developments.

## Alfalfa Fungicide Update

By Greg Blonde, Waupaca County Extension Agent

For the past three years, UW-Extension faculty and staff, along with researchers from USDA-ARS and University of Minnesota have been conducting field research trials evaluating alfalfa yield and forage quality response to foliar applications of Headline® fungicide. The field trials were conducted on two commercial farms in WI, (including a dairy farm south of Waupaca, WI), and three research facility sites in MN.

At each site, a randomized complete block experimental design was used with four (2011-12) or six (2013) replications. Treatments included Headline® fungicide at 9 fluid oz/acre, with/and without Warrior® insecticide at 1.2 fluid oz/acre. Total volume of each application ranged from 23-25 gallons/acre when alfalfa was 6-9 inches tall. Trials were conducted on first, second and the last cutting before September 1. WI sites were harvested to maximize dairy forage quality, while MN sites were managed to maximize good quality heifer/beef cattle forage. Yields were collected using small plot mechanical harvesters with whole plant samples for quality analysis collected prior to each cutting.

In 2011-12, although defoliation was significantly reduced when fungicide was applied, positive yield results in 2011 and 2012 were only measured nine (32%) out of twenty-eight times. Additional evaluation also found even less effect on forage quality (usually associated with delayed cutting schedules). Furthermore, neither disease control or yield response were consistent between cuttings, locations and years. Most importantly, return on the added investment was often negative, even when assigning full cost of application to the use of insecticide.

Although laboratory tests results on forage quality and disease severity are still being analyzed for the three 2013 harvest sites (Waupaca, Cashton, and Rochester), preliminary results show a statistically significant yield response (high probability of same outcome under similar conditions) less than half the time (42%) ranging from 0.07 to 0.28 tons of dry matter per acre). A more comprehensive analysis including forage quality and economic response will be available later this winter.

## Farm Equipment & Public Roads

By Greg Blonde, Waupaca County Extension Agent

The following joint recommendations from the WI DOT and WI Dept of Ag included broad input from farmers, local highway superintendents, custom operators, elected officials and other interested citizens earlier this summer...

- Create a clearer definition of Implements of Husbandry (IoH) to reflect today's agricultural equipment, which would also include a definition for commercial motor vehicles used exclusively for agricultural operations.
- Require all IoH that cross over the centerline of a roadway during operation to meet the lighting and marking standards of the American Society of Agricultural Engineers (ASAE S279).
- Create a 60-foot limit for a single IoH and a 100-foot limit for combinations of two IoH. For combinations of three IoH the limit is 70 feet, but a three IoH combination may operate at lengths exceeding 70 feet, to a limit of 100 feet, at a speed no greater than 20 mph.
- Create a new IoH weight limit up to 15% more than currently established by federal bridge formulas. This equates to a max single axle weight of 23,000 lbs and a max gross vehicle weight of 92,000 lbs. except where posted and during periods of spring thaw.
- Require written authorization to exceed weight limits. Each year, IoH operators may submit a travel or route plan and request written authorization to exceed the weight limit from the authority who maintains the roadway. A nominal fee may be charged and additional conditions may be set by each road authority. IoH vehicles operating in excess of the 15 percent allowance will be fined for the amount in excess of standard gross motor vehicle weight or individual axle weight.
- Support exploration of best practices to assist in reducing the wear of roadways and structures. This includes the development of emerging innovations and best practices in manure management.
- Develop further training requirements for the operation of large IoH equipment. Age requirements are to remain as presently allowed in statute, but the group recommends developing advanced training for operating larger and heavier IoH.

The WI state legislature will now decide which if any of these proposals will become law. Stay tuned.



August 2013

Field Crops 28.5 - 104

## Pricing Corn Silage

Joe Lauer and Ryan Sterry, *Corn Agronomist and St. Croix County Agent*

Pricing corn silage is a difficult decision because it often comes at a time when emotions between sellers and buyers are high. The seller has the opportunity to sell a corn field for either silage or grain and incorporate the fertilizer value of the stover back into the field. The buyer has the opportunity to buy a corn field for silage or buy grain from the market and purchase low quality straw (wheat or corn stover aftermath) to formulate rations.

Arriving at a fair price and being able to take into account the markets (grain, straw, milk and silage), fertilizer, harvesting and quality costs is a difficult decision. Somewhere in the middle of the seller and buyer perspectives negotiations should be able to arrive at a fair price. The Sterry et al. spreadsheet (see <http://corn.agronomy.wisc.edu/Season/DSS.aspx>) accounts for both the seller and buyer perspectives to arrive at a fair price for corn silage. This article performs a sensitivity analysis of this spreadsheet.

The assumptions and initial values typical for the market conditions heading into the 2013 harvest are shown on page 2. To produce the sensitivity analysis in Table 1, one input value at a time was changed on the spreadsheet for grain price, milk price, grain yield, starch content, straw price and NDFD. This can lead to somewhat ambiguous conclusions. For example, often the seller receives a lower price than what the buyer must pay for grain, however, in this example the seller and buyer grain prices are held the same. Also, when one quality measure moves in a certain direction (i.e. starch content) other measures (i.e. grain yield or NDFD) are affected as well. In 2013 many corn fields were late late-planted and affected by drought which affects yield, starch content and NDFD.

Grain prices between \$4 and \$7 per bushel affect corn silage price from \$28 to \$51 per Ton wet. Milk price affects the buyer decision much more than the seller. Low grain yields reduce the price of standing corn silage as does lower starch content. Straw price does not affect the seller perspective, but does affect the buyer perspective of a standing corn silage field

**Table 1. Sensitivity analysis of seller and buyer perspectives using the Sterry et al. spreadsheet for calculating the value of standing corn silage (\$/T) with quality adjustments.**

	Wet Basis (65%)		Dry Matter Basis	
	Seller	Buyer	Seller	Buyer
<b>Grain price (\$/bu)</b>				
\$7.00	50	51	143	145
\$6.00	43	45	122	128
* \$5.00	35	39	101	111
\$4.00	28	33	80	94
<b>Milk price (\$/cwt)</b>				
\$24	36	39	103	113
* \$18	35	39	101	111
\$12	35	38	99	108
<b>Grain yield (bu/A)</b>				
175	35	39	99	110
* 150	35	39	101	111
125	35	38	99	108
100	33	36	93	103
75	29	32	83	93
50	23	27	65	76
25	12	17	35	48
<b>Straw price (\$/T)</b>				
\$100	35	42	101	120
* \$75	35	39	101	111
\$50	35	35	101	101
<b>Starch content (%)</b>				
34%	40	43	113	123
* 29%	35	39	101	111
24%	31	34	88	98
<b>NDFD (%)</b>				
68%	36	39	102	112
* 58%	35	39	101	111
48%	35	38	100	109

\* The normal 2013 assumptions used in the spreadsheet example shown on page 2.

because he has the option to buy wheat straw. NDFD had little effect on corn silage price in this spreadsheet. Users of this spreadsheet need to input their own data for the values used in the calculations.

# 3<sup>rd</sup> Reproducing Profitability Workshop

## Speakers and Topics:



**Dr. Paul Fricke and Dr. Richard Pursley**

"Update on reproduction research at UW Madison and MSU"



**Dr. Pat Hoffman**

"Controlling Domino Effect: Building Better Breeding Criteria for Dairy Replacement Heifers"



**Dr. Amy Stanton**

"Using Cattle Behavior to Maximize Health, Production and Reproduction"



**Dr. Connie Cordoba**

"Tried and True: The Repro Money Program can increase your net income by enhancing your herd's reproductive efficiency"

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FOR MORE INFORMATION :

Contact Connie Cordoba at: [mccordoba@wisc.edu](mailto:mccordoba@wisc.edu)

Or call 608-219-5297

## DATES & LOCATIONS

All workshops will take place 9:30 am - 3:30 pm

**November 12<sup>th</sup>**

**Fond du Lac & Kewaunee Co.**

**Millhome:** Millhome Supper Club - 16524 Lax Chapel Rd.

**Denmark:** Beverly Gardens - 5911 Pine Grove Rd.

**November 13<sup>th</sup>**

**Shawano & Clark Co.**

**Shawano:** Angie's Main Café - 132 South Main St.

**Abbotsford:** Allison's Steakhouse - 503 E Spruce St.

**November 14<sup>th</sup>**

**Eau Claire & Trempealeau Co.**

**Eau Claire:** Eau Claire County Expo Center - 5530 Fairview Drive.

**Whitehall:** Whitehall Public Golf Course - 35635 West Street.

**November 15<sup>th</sup>**

**Sauk & Lafayette Co.**

**Spring Green :** The Shed - 123 N Lexington St

**Belmont:** Convention Center-103 Mound View Rd.



*Extending the Knowledge and  
Resources of the University  
System to the People of  
Waupaca County and Wisconsin*



October, 2013

Periodically, UW-Extension takes steps to ensure that our partners know and understand our policy of nondiscrimination. This letter is to remind you that the University of Wisconsin does not discriminate in the treatment of individuals in the admission or access to its programs and activities, in the provision of services, or in employment. Please share this information with others involved in your group, organization, or governmental unit.

Further, UW-Extension will not participate with organizations or in activities which discriminate on the basis of any of the legally prohibited categories of discrimination including race, color, gender/sex, creed, disability, religion, national origin, ancestry, age, sexual orientation, pregnancy, marital or parental status, arrest or conviction record, or membership in the national guard, state defense force or any other reserve component of the military service.

Consistent with the Americans with Disabilities Act, persons who need materials in alternate format or other accommodation must write or call the UW-Extension contact person for the specific program or call the Waupaca County UW-Extension Office, 811 Harding Street, Waupaca, WI 54981 at least ten (10) working days prior to the event.

The University of Wisconsin-Extension staff in Waupaca County thanks you for collaborating with our many educational endeavors. We appreciate your support and working relationship. Again, please share this letter with group, organization, or governmental officials in which you are a member or officer. If you have any questions or concerns regarding this policy, please call us at 715 258-6230.

Sincerely,

Greg Blonde  
Waupaca County UW-Extension  
Agricultural Educator

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Waupaca County UW-Extension  
Courthouse  
811 Harding Street  
Waupaca, WI 54981

*Non-Profit Organization*  
*U.S. Postal Paid*  
*Waupaca, WI 54981*  
*Permit No. 3*



Upcoming Events:

**Oct 28**

*Beef Pasture Field Day*  
*Art Richardson Farm*  
*Lind Center, Waupaca*

**Nov 8**

*Waupaca Co Forage Council*  
*Board Mtg, Triple O*

**Nov 13**

*UWEX Repro Money*  
*Angie's Café, Shawano*

**Nov 18**

*UWEX Pest Mgmt Update*  
*UW-Fon du Lac*

## New Cover Crop Resource Tool



A new resource tool is available to help WI farmers and other ag professionals decide which cover crops might work best for specific fields and crop rotations.

Interest in cover crops has grown dramatically in recent years as growers have seen first hand the benefit of cover crops to build soil productivity and reduce soil erosion.

This new tool allows farmers or agronomists to select their state/county, then enter specific crop information, including: expected planting and harvest dates; soil type/drainage, and the desired cover crop benefits needed most. To view this online tool and a wealth of additional cover crop information, visit the following website address:

**[www.mccc.msu.edu](http://www.mccc.msu.edu)**