



UP Ag Connections

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NEWS & VIEWS

By Frank Wardynski, MSU Extension Educator

I would like to start by offer special thanks to Dr. Mike Brunner for his many years of service to U.P. agriculture. Mike has served as MDARD State Vet in the U.P. over the last 14 plus years. During that time period, Mike was a big advocate for the U.P. we have dealt with the challenges of Bovine Tuberculosis. He was a strong advocate of the U.P. farmers lobbying with state officials so they understood our marketing challenges and the simple fact that we have never found TB here in the U.P. as we moved towards TB free status. Mike's efforts working with others in various related organizations and companies were instrumental in implementing the BVD persistently infected eradication program. That program aided beef and dairy producers to identify and remove infected animals from all participating herds and eventual eradication of the disease from many herds.

Particularly Mike's demeanor suited him well for this position. Mike could diffuse the most upset farmers. Most interestingly, regarding most high tension issues at least half the farmers may be mad at Mike, sometimes all of us. I thank you Mike for your efforts to work with producers as we have faced too many disease challenges. You'll find information regarding Mike's Retirement party on page 2. You'll also find information on page 2 welcoming and introducing Mike's replacement, Dr. Robert Robinson. The weather has seemed to finally turned to summer. Much like last year the spring has been colder and wetter than I would have preferred. Planting and perennial forage growth has been significantly delayed again. There will be a critical rush to put in spring plantings, harvest forages in a timely manner for quality and so many other jobs that were pushed back due to cold weather and wet soil conditions. Too many farmers are going to be working long hours and try to ignore the fatigue. Let's take the measures to ensure that everyone is safe. **Stay alert, stay careful and don't be careless.**

The spring was cold and relatively wet. It has not been ideal, but it's way better than so many other places across the country. Particularly California and the southern plains are already in severe, extreme or exceptional drought. I pray their weather gets better and they receive much needed rains, but I also am paying attention to the impact of their drought will have on my markets. I'm predicting the California drought is going to present marketing opportunities on dairy, fruit and vegetable prices. The southern plains drought has already impacted beef stocker grazing and has potential to significantly impact the beef cow herd. I would anticipate they will feed fewer beef and dairy cattle through both regions and will reduce forage use; however, they'll harvest fewer forages and it will be interesting as to how that impacts our hay prices. And finally much of corn country is wet with late plantings such as us. Future rainfall, temperatures, and the number of corn acres switching to soybeans will be interesting to watch and where that puts us on corn prices.

Dr. Brunner, you enjoy retirement and I hope the fishing is good. Everybody stay safe.

~Frank

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MARKET REPORT (5/20/14)

By Frank Wardynski, MSU Extension Educator

Market Ready Prices

Choice Steers	\$130-\$156	per 100 lbs.
Holstein Steers	\$130-\$135	per 100 lbs.
Hogs	\$75-\$84	per 100 lbs.
Lambs	\$160-\$190	per 100 lbs.
Cull cows	\$80-\$109	per 100 lbs.
Calves	\$100-\$390	per 100 lbs.
Goats	\$157-\$174	per 100 lbs.

Breeding and Feeder Animals

Grade Holstein cows	\$2400 - 2800	per head
Grade Holstein bred heifers	\$2100 - 2500	per head

Feed Prices across the U.P.

	Avg. \$/cwt	Avg. \$/ton	Price Range
Corn	\$13.63	\$272.50	\$230-315
Soymeal	\$33.98	\$679.50	\$595-764
Oats	\$18.30	\$366.00	\$300-432
Barley	\$14.10	\$282.00	\$215-349

Average price/100 wt. for 1 ton lots

Wanted & For Sale Listings

Personal ads will be removed monthly. We reserve the right to edit your ad. Free ads must be no more than 110 spaces. Please respect the space requirements. You can always purchase an ad if more space is required. Please call or email your ad no later than the 15th of each month. Call the Ontonagon County MSU Extension office at 906-884-4386 or email msue66@msu.edu.

For Sale: Polled Hereford Bulls 12-15 months old, semen tested, 7 to pick from. Top genetics, several AI sons of Genex sires Mr. Hereford and 719T. Prices starting at \$2500 delivered. Contact Hanson's Double G Herefords 906-753-4684 or 906-630-5169

**Wanting to buy 2000 lb oats.
Call Frank 906-281-0918.**



Welcome Dr. Robinson

Dr. Robert (Bob) Robinson, of the Michigan Department of Agriculture and Rural Development (MDARD), Animal Industry Division (AID) is filling the Upper Peninsula (U.P.) veterinarian position vacated by Dr. Mike Brunner upon his retirement on April 30, 2014. Dr. Robinson has covered Luce, Mackinac, and Chippewa counties for the last 12 years and enjoys the U.P. experience. He is looking forward to meeting producers and industry representatives across the U.P. and feels honored to have the opportunity to represent MDARD at meetings, conferences and expositions.

Bob's father was born in Forest Lake, south of Munising and east of the MSU experimental station. His mother is from New South Wales, Australia. He grew up making frequent trips to the U.P. to visit family, and as a result, feels like he will be coming home to work.

Bob's experience with production agriculture includes working on his Uncle's farm in Australia as a boy. He was a herdsman for a dairy in Delton, Michigan while completing his undergraduate studies. Dr. Robinson graduated from Michigan State University (MSU), College of Veterinary Medicine in 1976.

After an extended externship at Sterner Veterinary Clinic in Ionia, MI and mixed practice internship in Vermont, Dr. Robinson returned to Michigan and breathed life into the Escanaba Veterinary Clinic. With the practice up and running, he turned it over to a classmate, Dr. Mackie, to expand her small animal interests, and accepted an offer of partnership in a large dairy practice in Wisconsin. Covering nearly two decades, Dr. Robinson continued both private practice development in Wisconsin, with an emphasis on dairy, and academic work through a fellowship in pathology and toxicology at MSU. He was involved in basic cancer research and was involved in a project to determine the source of tumors in the fish population of Torch Lake on the Keweenaw waterway. He returned to northern Michigan and joined the Michigan Department of Agriculture in 2000.

His main focus for these past years has been to assist AID with the Bovine TB Program in northern lower Michigan. Bob worked on the swine disease outbreak investigation at the Chippewa County Fair that identified drug residues and resulted in hog losses. He has in-depth experience in other animal health and welfare investigations and brings that experience to the U.P. producers.

Dr. Robinson has three grown children and two adopted children from Ukraine who are now teenagers. He is a grandfather of six and family is at the top of his personal priority list.

Bob is looking forward to developing new friendships and rekindling some old ones, and he sees the challenges of being MDARD's Upper Peninsula veterinarian as a grand opportunity. Dr. Robinson may be reached by email at robinsonb9@michigan.gov or by telephone at: (231) 342-2790.

Retirement Dinner for Dr. Mike Brunner

In celebration of Dr. Mike Brunner's 14 ½ years of service to Michigan Department of Agriculture and the Agricultural Community in Michigan's Upper Peninsula, you are invited to a dinner to be held:

Tuesday, June 17, 2014

6:00 p.m.

Terrace Bay Inn

7146 P Road

Gladstone, Michigan

The event will consist of a social, buffet dinner and recognition program.

\$20/person

(Cash bar available)



For information or to RSVP please contact Michelle Coleman at 906-439-5114 X1 or colema98@anr.msu.edu

June 2014 - FSA News

Livestock Disaster Assistance Sign-Up Underway

Livestock disaster program enrollment opened on April 15, 2014. These disaster programs are authorized by the 2014 Farm Bill as permanent programs and provide retroactive authority to cover losses that occurred on or after Oct. 1, 2011.

To expedite applications, all producers who experienced losses are encouraged to bring records documenting those losses to their local FSA Office. Producers should record all pertinent information of natural disaster consequences, including:

Documentation of the number and kind of livestock that have died, supplemented if possible by photographs or video records of ownership and losses

Dates of death supported by birth recordings or purchase receipts

Costs of transporting livestock to safer grounds or to move animals to new pastures

Feed purchases if supplies or grazing pastures are destroyed

Crop records, including seed and fertilizer purchases, planting and production records

Eligible producers can sign-up for the following livestock disaster assistance programs:

Livestock Indemnity Program (LIP): provides compensation to eligible livestock producers that have suffered livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. Producers who suffered livestock death losses should submit a notice of loss and an application for payment to their local FSA office by January 30, 2015.

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish that have losses due to disease, adverse weather, or other conditions, such as blizzards and wildfires. ELAP assistance is provided for losses not covered by LFP and LIP. Producers who suffered eligible livestock, honeybee or farm-raised fish losses during 2012 and 2013 program years must submit a notice of loss and application for payment to their local FSA office by August 1, 2014. For 2014 program year losses, the notice of loss and an application for payment must be submitted by November 1, 2014. For more information, producers can review the LFP, LIP and ELAP Fact Sheets on the [Farm Bill webpage](#). Producers are encouraged to make an appointment with their local FSA office to apply for these programs.

2014 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their County FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are applicable:

July 15, 2014: Peas, Oats/Barley for Forage, Sorghum, Beans, Potatoes, Triticale, Vegetable Crops, Corn Grain in Chippewa & Barley/Spring Wheat Grain in Luce

****Note:** Certification dates may vary for Federal Crop Insurance. Be sure to check with your agent.

Microloan Program

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals who are interested in applying for a microloan or would like to discuss other farm loan programs available should contact their local FSA office to set up an appointment with a loan official.

Great Interest Rates: Farm Storage Facility Loans (FSFL)

Remember: these loans are now available for Hay/Forage Storage as well as traditional grain storage!

May Interest Rates:

2.250 percent for 7 years with a loan of \$100,000 or less

2.750 percent for 10 years with a loan of \$100,000 - \$250,000

2.875 percent for 12 years with a loan of \$250,000 - \$500,000

Contact your local FSA county office for June's interest rates.

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***Do you want to eat an ice cream cone?***

### ***Celebrate National Dairy Month***

June is National Dairy Month and what better way to celebrate than by enjoying delicious dairy products and visiting a local dairy farm through the Michigan State University Extension Breakfast on the Farm program.

The breakfasts are free and open to everyone, but be sure to reserve your tickets ahead of time to make sure there are enough pancakes! Tickets are available four weeks prior to the programs and ticket location sites will be listed on the website at [www.breakfastonthefarm.com](http://www.breakfastonthefarm.com).

**Posted on May 28, 2014 by Nancy Thelen, Michigan State University Extension**

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## **Agriculturally speaking... Fact v. Fiction and what really changed with the GAAMPs?**

by *Jamie Clover Adams, Director, MI Department of Agriculture & Rural Development*

Recent changes to the voluntary set of guidelines used to support the state's Right to Farm Act have created a maelstrom of misunderstanding and misinformation about what the law does and does not do, including what protections it may or may not afford Michigan's farming community. That misunderstanding continues to be amplified by social media reports which vastly misrepresent the facts and the potential impacts, especially as it relates to small and urban farmers. Since the beginning, the Right to Farm Act has been specific to commercial agriculture, both small and large. Raising chickens or other food for your own family's consumption has never been within the scope of the Right to Farm Act and that has not changed.

The Right to Farm Act is still in place and remains unchanged – it was not repealed as some have alleged in their reporting.

So, what has changed?

The Right to Farm Act is a state law created in 1981 to address urban encroachment into rural areas because the folks moving into the country didn't like the smells, sounds, dirt, etc. that come with agriculture and farming practices. The Act provides an affirmative defense to nuisance lawsuits if farmers are in conformance with the relevant Generally Accepted Agricultural Management Practice (GAAMP) standards. It's important to remember that the Right to Farm Act has never provided blanket permission to locate farm animals in every corner of Michigan. The Livestock Site Selection GAAMP places conditions on the location of farm animals to reduce the risk of nuisance complaints. The difference over the past few years is that individuals are bringing farm animals into existing, primarily residential areas increasing the potential for conflict and nuisance complaints. The Michigan Commission of Agriculture and Rural Development made revisions to the Livestock Site Selection GAAMP adding Category 4 sites, which are locations that are primarily residential, don't allow agricultural uses by right and are, therefore, not suitable for farm animals for purposes of the Right to Farm Act. Under the Livestock Site Selection GAAMP, primarily residential areas are sites with more than 13 non-farm homes within an eighth of a mile of the livestock facility or one non-farm home within 250 feet of the livestock facility. However, local communities can decide to allow farm animals under these circumstances. This decision was not made in haste. The Commission took hours of public testimony, held a number of meetings and has been looking into this issue for several years. In recent years, there has been increased interest in having a small number of livestock in non-rural areas. While more than 40 communities in Michigan have ordinances allowing for the keeping of livestock in non-rural residential areas, many do not, resulting in increased conflict between municipalities and livestock owners in these areas.

MDARD continues to support the expansion of urban agriculture and livestock production across the state, but has consistently said the expansion of agriculture into urban and suburban settings must be done in a way that makes sense for community residents, as well as the overall care of farm animals and livestock. They avoid going to court.

I encourage folks to contact their municipalities to encourage agriculture in their communities. MDARD is currently working with the City of Detroit as they draft a livestock ordinance that could be used as a model for other municipalities. Our staff are out every day helping livestock producers site their facilities in conformance to GAAMPs to reduce nuisance risks. Staff work hard to help resolve conflicts between neighbors over nuisance issues to help them avoid going to court.

Again, the GAAMPs are voluntary – not regulatory. MDARD has no enforcement authority. Nuisance protection under the Right to Farm Act is, continues to be, and always has been something that's determined by a judge – not the Commission of Agriculture and Rural Development or MDARD.

For more information on this topic, visit [www.michigan.gov/righttofarm](http://www.michigan.gov/righttofarm)

### **On-farm forage field days for summer 2014 From Jim Isleib**

Forage is the most important single crop in the U.P. region...and forage production issues vary across the U.P. To take a look at how local farmers are managing their forage systems, and hear from MSU specialists and extension educators, a series of on-farm forage-focused field days across the U.P. is planned for this summer.

This is an MSU Extension project funded with support from Project GREEN. 5 U.P. farmers have agreed to host these programs on their farms. Each field day will include a different set of topics based on local interests and a variety of presenters. All are welcome and there is no cost for the meetings. Mark your calendars! Details on time and locations will be in the next Ag Connections newsletter. Contact Jim Isleib for more information at 906-387-2530 or [isleibj@anr.msu.edu](mailto:isleibj@anr.msu.edu).

**Saturday, July 26, afternoon:** Station Walk at MSU U.P. Research and Extension Center, Chatham (*Forage program is part of the larger UP Research and Extension Center event*)

This informal event will include tours of field crop and forage trials, the new integrated livestock/cropping system project, so health research, interaction with MSU State Forage Specialist Dr. Kim Cassida, MSU Extension and MSU AgBioResearch staff.

**Monday, July 28, afternoon:** Forage Day at Brule River Farm, Jon and Donna Ahlberg, Iron River

"Pasture walk"-style event with focus on grazing practices.

Host farmer, Dr. Kim Cassida and MSU Extension educators will present.

**Tuesday, July 29, mid-day:** Forage Day at Brock Farms, Steve Brock, Daggett

Event will focus on increasing fiber in dairy diets using fescues, annual ryegrass and sorghum, and lowering corn production costs. Host farmer, Dr. Kim Cassida and MSU Extension educators will present

**Saturday, August 2, time to be announced:** Love Farms, Bob and Tina Love, Rudyard. Forage/cover crop presentations as part of the larger "Education on the Farm" event sponsored by Chippewa and Mackinac-Luce-Schoolcraft Farm Bureaus, Chippewa-Luce-Mackinac Conservation District, MAEAP, NRCS and MSU Extension.

Current farming practices including Mastergraze BMR corn, oat/barley/vetch mixture, forage sorghum/sudangrass, and cover crop demonstration strips. Host farmer, MSU Extension educators will Present

**Friday, September 12, time to be announced:** Barron Farms, Bob Barron, Gladstone

Grazing and forage practices on seasonal dairy farm, including using brassicas to extend the grazing season.

Host farmer, MSU Extension educators will present

**Saturday, September 13, afternoon:** Frank Wardynski farm, Ontonagon

Winter wheat/Austrian pea mix for grazing  
Peas & oats for summer grazing, followed by multi-species mix for winter grazing.

Host farmer and other MSU Extension educators will present

## Sizzling meat prices a shock for some consumers

### Challenges in the beef and pork industry have led to higher retail prices.

Posted on **May 26, 2014** by **Jeannine Schwehofer**, Michigan State University Extension

As the weather starts to show more signs of sunshine and family gatherings increase with summertime, the increased cost for red meats are causing some consumers to complain about the prices. Depending on the cut and type of meat, meat prices have risen at the retail level (Table 1). Beef prices are about 8 percent higher than a year ago and pork prices are up 10 percent or more.

**Table 1. Average retail price per pound for April 2014 and the percent change compared to April 2013.**

| Meat product                                                  | Retail price April 2014, \$ per pound | % Change from 2013 |
|---------------------------------------------------------------|---------------------------------------|--------------------|
| Ground beef                                                   | 3.81                                  | 8.7                |
| Sirloin steak                                                 | 7.36                                  | 6.8                |
| Retail USDA Choice beef, all cuts                             | 5.87                                  | 11.1               |
| Bacon                                                         | 5.69                                  | 14.1               |
| Center cut pork chops                                         | 4.20                                  | 12.9               |
| Hams                                                          | 4.13                                  | 8.0                |
| Retail pork, all cuts                                         | 3.95                                  | 11.1               |
| Chicken, fresh whole                                          | 1.53                                  | 3.9                |
| Chicken, boneless breast                                      | 3.39                                  | 3.5                |
| Turkey, frozen whole                                          | 1.61                                  | -2.5               |
| <u>Monthly average price values reported by the USDA ERS.</u> |                                       |                    |

Supply is driven by number of animals and weight of those animals at the time of harvest. While increased carcass weights have offset some expected decrease in production, beef production is down almost 6 percent compared to a year ago. Most of the increases in beef prices are tied to the lowest supply of cattle since 1952. The tight supply has been anticipated for several years as drought hit areas of the country that typically raise lots of cattle and farmers and ranchers were forced to sell animals.

One of the major challenges for the pork industry is Porcine Epidemic Diarrhea virus (PEDv) that has caused an increase in the cost of pork products. It is important to note that PEDv is a disease only related to swine and does not affect the quality or safety of pork. Michigan State University Extension has been working with Michigan producers as PEDv has affected several swine operations in the state. Pork production has been offset by higher carcass weights but is still down almost a percent since last year. Losses of pigs from PEDv have caused pork prices to be higher than they would have been without the disease.

Sizzling meat prices, continued....According to the USDA, cold storage for red meat and poultry is down. Inventories of beef decreased 21 percent compared to a year ago and were 10.6 percent less than the 5-year average. Pork inventories were 16.7 percent less than a year ago but only 2.9 percent less than the 5-year average. Poultry inventories showed significant changes in whole broilers decreased 48 percent from a year ago and 55 percent less than the 5-year average. The decline in cold storage stocks of meat and poultry were expected given the decreased inventories of live animals and overall meat production expected for the year. Market indicators and USDA Economic Research Service suggest that meat prices will remain higher at retail. Meat is one of the many foods that is increasing in price. This article was published by **Michigan State University Extension**. For more information, visit <http://www.msue.msu.edu>. To contact an expert in your area, visit <http://expert.msue.msu.edu>, or call 888-678-3464.

### Questions for those considering "direct marketing" of farm Products *U-pick and farm stand sales can be great for some people, but make sure this marketing approach will fit your personality.*

Jim Isleib, Extension Educator

Selling directly to customers can be a great way to improve net profits for produce, fruits, meat animals and other farm products. But a good deal of careful consideration should be given to the details before plunging ahead. One of the most important is dealing with people, your customers. Are you well-suited to dealing one-on-one with customers? Do people generally get under your skin? Are you a real people-person? The following list of questions was developed with the help of a seasoned U-pick strawberry grower and retired extension professional. The success and longevity of his strawberry business gives a lot of weight to these observations. Here are 9 questions to ask yourself before you get started... **Are you a people person?** 98% of customers are good people to deal with. 2% of customers will give you headaches.

**Where are you at right now with your ag business?** Are you already producing but not selling what you intend to direct market? Are you already producing and selling it? Neither? Producing and marketing need to be addressed separately. Start where you find yourself right now. Be realistic.

**What kind of market are you aiming for?** Niche? Local? Larger?

**Who are you going to sell to?** Individuals? (least headaches and most profits) Groups? Businesses? Retail, wholesale, or both?

**Are you assuming you have a market for your product, or have you proved that your market exists?** Talk to lots of people; visit with organizations (local planning organizations, Chamber of Commerce, etc.) Who else is currently selling the same or similar product? Can I produce a better product than the competition?

**Do you have a quality product?** Compare your product with the best in the industry, not just your neighbor.

**Do you have a business plan?** This is essential if you need to borrow money. Be conservative when making the plan.

Don't assume you will have high yields high prices and sell everything you have. Make middle of the road assumptions.

**Do you know your cost of production?** How will you calculate your price?

**Are you comfortable with the concept of "the customer is always right"?** Remember, the customer drives the direct marketing business.

**Other comments:** Get involved with an association specific to your enterprise. The North American Farm Direct Marketing Association is a good contact. The farm needs to pay for itself. Don't use your other income to subsidize farm expenses.

## How close can northern Michigan farmers come to raising \$2 per bushel corn? Part I

*Combining low land cost, careful rotation planning, maximizing manure nutrient inputs and yield can result in lower costs for corn production*

Jim Isleib, Extension Educator

Each year, Michigan State University Extension farm management educators and specialists provide estimated budgets for crop production and many other valuable farm management tools. These items are available on line at [Saginaw Valley District Farm Management Educator, Dennis Stein's website](#). A good budget for corn production following a legume is included there, with selected cash costs as follow (adjusted to 2014 figures):

|                                             | Qty    | Unit       | Price per unit (\$) | Total per acre (\$) |
|---------------------------------------------|--------|------------|---------------------|---------------------|
| <b>REVENUE SOURCES</b>                      |        |            |                     |                     |
| Grain                                       | 145    | Bu.        | 4.50                | 652.50              |
| <b>TOTAL REVENUE</b>                        |        |            |                     | <b>652.50</b>       |
| <b>CASH EXPENSES</b>                        |        |            |                     |                     |
| Seed                                        | 30,000 | Kernels    | 293.30              | 110.00              |
| Fertilizer                                  |        |            |                     |                     |
| Nitrogen                                    | 95.5   | Lbs        | 0.40                | 38.20               |
| P <sub>2</sub> O <sub>5</sub>               | 55     | Lbs        | 0.45                | 24.75               |
| K <sub>2</sub> O                            | 70     | Lbs        | 0.36                | 25.20               |
| Lime                                        |        |            |                     | 0                   |
| Herbicides                                  | 1      |            | 36.00               | 36.00               |
| Insecticides                                |        |            |                     | 0                   |
| Fungicides                                  |        |            |                     | 0                   |
| Fuel, oil, lube                             | 5      | Gal        | 3.80                | 19.00               |
| Repairs                                     | 1      |            | 29.00               | 29.00               |
| Utilities                                   | 1      |            | 13.50               | 13.50               |
| Trucking                                    | 145    | bu         | 0.25                | 36.25               |
| Marketing                                   | 145    | bu         | 0.05                | 7.25                |
| Drying                                      | 20     | % moisture | 0.045               | 39.38               |
| <b>TOTAL CASH EXPENSES</b>                  |        |            |                     | <b>378.53</b>       |
| <b>REVENUE ABOVE SELECTED CASH EXPENSES</b> |        |            |                     | <b>273.97</b>       |
| Family and regular hired labor hours        |        |            |                     | 3.5                 |

To get a more accurate picture of the true costs of corn production, additional expenses must be considered. There is \$273.97 available revenue from the budget above to cover any additional expenses. Additional estimated expenses, including:

- Insurance: \$5
- Labor: 3.5 hours X \$13.50/hour = \$47.25
- Interest: \$14.97
- Land rent: \$175.00
- Land taxes: 0 (assuming rented land)
- Principal payment: 0 (assuming rented land)
- Depreciation: \$50.00

**TOTAL ADDITIONAL ESTIMATED EXPENSES: \$292.22**

With these figures, corn production following a legume will result in a net loss of \$18.25 per acre. What could be adjusted to improve the bottom line for a example corn corn budget for Menominee County?

**Reduce land rent**—The rent of \$175 per acre included in the example budget is much higher than typical land rent in Menominee County. We will substitute \$50 per acre.

**Reduce nitrogen requirement**—**Shorten the length of alfalfa rotation** This will result in more frequent availability of the residual nitrogen from alfalfa. By shortening the alfalfa rotation to 3 years, instead of 5 years, average annual nitrogen fertilizer costs can be reduced. We can't subtract anything from the example budget as a result of shortening the alfalfa rotation, because the budget is based on corn following legume. However, the shortened rotation will allow for a more dependable reduction of corn nitrogen input costs from year to year. It will also increase the average annual establishment cost for the alfalfa stand.

**Maximize plant nutrient value of manure inputs** Most Menominee County corn growers have manure available. Improvements could involve testing manure for plant nutrient content, calibrating manure spreaders, improving manure incorporation practices and improving manure application recordkeeping. If you score an A+ on these items already, then not much can be gained, but some attention to detail could help reduce fertilizer costs. We will reduce the fertilizer costs in the example budget (which does not include manure application) of \$88.15 by \$65.00 per acre to account for nutrients in manure application and elimination of fertilizer application costs. However we will have to add an estimated \$45 per acre to account for manure pumping, hauling and spreading. This results in a \$20 cash expense reduction in the example budget.

**Increase corn yield** -Based on the 5-year average of yields attained in MSU corn hybrid trials located in Menominee County, 153 bushels per acre is a realistic yield goal. In the example budget, we will substitute 153 bushels per acre.

The adjustments to the example budget are as follows:

- Total revenue increases from \$652.50 (145 bu. @ \$4.50/ac.) to \$688.50 (153 bu. @ \$4.50/ac.)
- Cash expense for fertilizer is reduced by \$20 from savings associated with manure nutrients
- 'Revenue above selected cash expenses' is recalculated at \$688.50 - \$358.53 = \$329.97
- Land rent decreases from \$175/ac. to \$50/ac., reducing 'additional cash expenses' from \$292.22 to \$167.22.

When the revised 'additional estimated expenses' are subtracted from the revised 'revenue above cash expenses': \$329.97 - \$167.22 = \$162.75 profit. This figure already accounts for 3.5 hours of labor per acre.

To estimate the cost of production per bushel, the cash and additional expense are added, then divided by yield in bushels per acre. For our revised example Menominee County corn budget: \$358.53 + \$167.22 = \$525.75 / 153 bu. = \$3.44 per bushel (including all variable and fixed costs)

If only the selected cash expenses are included: 358.53 / 153 = \$2.34/bu. Not quite \$2/bushel, but close. Your farm's cost and incomes will vary from the budget presented. It is valuable for each farm to develop their own enterprise budget.

Part II will explore additional ways to lower corn production costs for our example northern Michigan farm.

Please say "THANK YOU" to our sponsors.



Equity Cooperative Livestock Sales Association

Waukon, Iowa  
Feeder Sales Schedule

\* May-August: 2nd & 4th Thursdays  
\* Sept-April: 2nd & 4th Wednesdays

www.equitycoop.com



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**\*\*\*If you do not wish to receive this publication, please contact the Ontonagon County MSUE office at 906-884-4386.**

## Meetings & Events Calendar

### June

June 9 1-4 p.m. ET Affordable Care Act Workshop, Peter White Library, Community Rm 217 N. Front Street, Marquette, MI 49855  
June 18-20 4H Expo Days MSU Campus, Lansing, MI  
June 28-29 4H Livestock Clinic, Escanaba, MI

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### July

July 22-24 7:30 am to 3:30 pm, 2014 Michigan Ag Expo, 3498 Mount Hope Rd., East Lansing, MI 48823

July 25-27 Ontonagon County Fair, Greenland, MI

July 28 Forage Day on UP Farms, Brule River Farm Jon and Donna Ahlberg, Iron River, MI

July 26 Station Walk through at the Upper Peninsula Research and Extension Center in Chatham, MI

July 29 Forage Day on UP Farms, Brock Farms, Steve Brock, Daggett, MI

### August

Aug. 2 Forage Day on UP Farms, Love Farms, Bob and Tina Love, Rudyard, MI.

### September

Sept. 12 Forage Day on UP Farms, Barron Farms, Gladstone, MI  
Sept. 13 Forage Day on UP Farms, Frank Wardynski Farm, Ontonagon, MI

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