



Extension

UNIVERSITY OF WISCONSIN-MADISON
SHAWANO COUNTY

Shawano County UWEX
311 North Main Street
Shawano, WI 54166
(715) 526-6136

Website:

<https://shawano.extension.wisc.edu>

Like us on Facebook at:

uwex.shawano.ag

Hours:

Monday - Friday
8:00 am - 4:30 pm

Ag Agent:

Kimberly Kassube
kimbely.kassube@wisc.edu

IN THIS ISSUE:

Dairy Market Outlook
Hay Market Report
Brunch on the Farm
NWTC Tractor Safety
Late and Prevented Planting
Options and Crop Insurance.

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ment and programming, including Title VI, Title IX

Shawano Ag Newsletter

University of Wisconsin-Madison Division of Extension

June 2019

Hello All!

This spring has started out a wet one. Hopefully, what ever planting has to be finished will be in the next couple weeks. In this newsletter I have included a fact sheet from Dr. Paul Mitchell on Late and Prevented Planting Options and Crop Insurance.

Another issue this spring has been the amount of winterkill throughout the state. In this issue is the Hay Market Report with updated hay prices. If you are looking for hay there is a Farmer to Farmer web page through Extension that puts Wisconsin farmers in touch with one another for the purpose of buying and/or selling corn and forage. The farmer to farmer list is free of charge to both buyers and sellers. Users can list or search for hay, alfalfa haylage, corn silage, high moisture corn, corn grain, or other forages (i.e., oats, peas, or Sorghum). Extension assumes no responsibility in the transaction of buying or selling the items listed on this web site. All transactions and negotiations are handled directly between buyers and sellers.

<https://farmertofarmer.extension.wisc.edu>

If you are looking at buying standing hay Extension has an app for that. Created by Greg Blonde the app allows you to put in your own yield and harvesting cost information and offers a projected price based off current baled hay prices. The app is found on the Google Play Store and in the Apple App Store under Hay Pricing (see app icon below). If you prefer to call the office, I can also help give you a price estimate on standing hay.



Stay safe and try to stay dry!

Kimberly Kassube

We Have Moooooved!

If you come looking for the Extension office please take note that we have moved down the hall into Room 109.

Come visit our new office!

Dairy Situation and Outlook, May 20, 2019

By Bob Cropp, Professor Emeritus

University of Wisconsin Cooperative Extension

University of Wisconsin-Madison

Increases in milk production well below one percent from last quarter of 2018 and going into this year with February milk production just 0.1% higher than a year ago, March production actually 0.6% lower than a year ago and April's production up just 0.1% has reduced dairy product production and increased dairy product prices. The latest dairy product production for March compared to a year ago showed production down 3.9% for butter, 3.2% for cheddar cheese, 0.7% for total cheese, 8.0% for nonfat dry milk and 14.2% for dry whey. Lower production has tightened stock levels. March 31st stocks compared to a year ago showed butter 1.4% lower, and while cheese stocks were still higher they have tightened with American cheese stocks just 2.3% higher and total cheese stocks 4.3% higher. Nonfat dry milk stocks were 2.9% lower, but dry whey stocks were 5.5% higher.

With the exception of dry whey dairy product prices for May will average higher than April. Since the end of April CME butter now at \$2.34 per pound is up 2 cents, cheddar barrels now at \$1.6250 per pound is unchanged, but was as high as \$1.74 earlier in the month, and 40 pound cheddar blocks now at \$1.6250 is also unchanged, but was as high as \$1.7025 earlier in the month. Nonfat dry milk now at \$1.0450 per pound is 2 cents higher than the end of April, but dry whey now at \$0.35 per pound is just one cent higher.

The higher average dairy product prices is pushing milk prices higher. The Class III price which was below \$14 for both January and February was \$15.96 in April and will be near \$16.35 for May. The Class IV price which was \$15.48 in January was \$15.72 in April and will be near \$16.30 for May.

Dairy exports impact dairy product prices. March exports compared to a year ago showed nonfat dry milk/skim milk powder exports 10% lower with exports down 21% to Mexico and 86% to China. Butter exports were 33% lower, and total whey product exports 22% lower due to whey exports down 52% to China, the result of China's retaliatory tariffs, but also the African Swine fever which has taken a toll on China's swine herd. But, cheese exports have been increasing. February cheese exports were 16% higher than a year ago, the second highest volume ever, and March exports were 10% higher for a record volume. While cheese exports to Mexico were down 17% as retaliatory tariffs on U.S. cheese remain in place cheese exports to South Korea were 39% higher, with record exports to Southeast Asia up 33%, and up 28% to Japan, 22% to MENA and 33% to Central America. South Korea surpassed Mexico as the largest cheese market surpassing Mexico for the first time in four years.

Key factors indicate that milk prices will continue to strengthen as we progress through the year. Milk production is forecasted to increase no more than 0.5% for the year. April's milk production up just 0.1% from a year ago was the net result of 1.0% fewer milk cows than a year ago and 1.1% more milk per cow. For the top five milk production states April milk production was up 6.7% for Texas, 2.6% for California, 2.2% for Idaho, 1.9% for New York but just 0.4% for Wisconsin. Relatively large declines in April milk production occurred in Virginia 11%, Pennsylvania 7.1%, Florida 5.5%, Arizona 4.7% and New Mexico 3.9%. Michigan's production improved some with April production 1.6% higher than a year ago. April's production was 0.1% lower in Minnesota, 1.4% in Iowa and 1.8% higher in South Dakota. It appears the spring flush in milk production will be weaker than normal.

The late wet and rather cool spring has delayed the planting for corn and soybeans. Portions of some wet fields in the Corn Belt may not get planted. There are reports of winter kill of alfalfa in Wisconsin. And the weather forecast is for above normal wet weather going into June could make harvesting of first crop alfalfa difficult and lowering its quality. All of which can make higher feed prices and lower quality forage going into fall and winter and lowering increases in milk per cow.

Fluid (beverage) milk sales continues on the downward trend making more milk available for manufactured products like cheese. Compared to a year ago first quarter conventional fluid milk sales were 2.2% lower, fluid organic milk sales 4.5% lower resulting in total fluid milk sales 2.4% lower. But, with continued growth in the economy, low unemployment and high wages modest growth in butter and cheese sales is anticipated to increase total domestic sales of milk.

Where dairy exports are headed will have a major bearing how much milk prices improve. President Trump just announced that tariffs on Canada and Mexico aluminum and steel have been lifted. In response Canada and Mexico will lift retaliatory tariffs on U.S. dairy products. The lifting of Mexico's retaliatory tariffs on U.S. cheese could resume

Dairy Situation and Outlook, Cont.

higher cheese exports to Mexico by last quarter of this year. Increased tariffs imposed by the U.S. on China's goods and China retaliating with higher tariffs on U.S. dairy products could further reduce dairy exports to China. Unless the U.S./China trade dispute is ended exports to China will not improve in 2019. We can expect continued relatively strong exports to South Korea, Southeast Asia and maybe to Japan and Central America. So while trade volume may end up lower than last year exports should still be at a level to add support to milk prices.

It now looks like there is a good possibility that milk prices could strengthen considerably last quarter of the year. A Class III price near \$17 by June and in the high \$17's by September or October seems possible. Current Class III futures are not quite that optimistic reaching low \$17's August through November before falling back below \$17 in December. Class IV prices could be in the \$17's from July through the end of the year. Current Class IV futures reflect this price pattern. But, it wouldn't take big changes in the level of milk production and/or dairy exports to drive milk prices either higher or lower than this.

Robert Cropp
racropp@wisc.edu

May 28, 2019 Hay Market Report

<https://fyi.extension.wisc.edu/forage/h-m-r/>

Upper Midwest Hay Price Summary by Quality Grade

Hay Grade	Bale type	----- Price (\$/ton) -----		
		Average	Minimum	Maximum
Prime (> 151 RFV/RFQ)	Small Square	\$291.00	\$224.00	\$395.00
	Large Square	\$260.00	\$170.00	\$335.00
	Large Round	\$193.00	\$148.00	\$225.00
Grade 1 (125 to 150 RFV/RFQ)	Small Square	\$186.00	\$160.00	\$224.00
	Large Square	\$221.00	\$120.00	\$360.00
	Large Round	\$188.00	\$130.00	\$325.00
Grade 2 (103 to 124 RFV/RFQ)	Small Square	No Reported Sales		
	Large Square	\$160.00	\$100.00	\$195.00
	Large Round	\$182.00	\$130.00	\$290.00
Grade 3 (87 to 102 RFV/RFQ)	Small Square	No Reported Sales		
	Large Square	\$195.00	\$195.00	\$195.00
	Large Round	\$134.00	\$60.00	\$190.00

Demand and Sales Comments

Hay prices were strong this past week. Cool and wet weather conditions has delayed much of the hay crops growth. Many farmers are running out of forage and must buy forage or move cows to pasture that is not ready. Quality hay is in short supply and buyers are paying higher prices for lower quality hay. Many farmers in Wisconsin are scratching for forages, because of extensive winter injury or lost alfalfa stands.

Shawano County Farm Bureau Brunch on the Farm

Sunday June 23, 2019

Hosted by: Goers Family Dairy Farm

WI0248 Winkle Rd Shawano, WI

Brunch: 8:30 AM – 12:30 PM

Church Service: 8:00 AM

Dairy Dash & Stroll 5k Run/Walk : 7:30 AM

Activities: Wagon rides, farm tours, kid's games, interactive exhibits petting zoo, scavenger hunt, live music, farm equipment, pedal tractor pull and more!



Ages 4 and under

Free Ages 5 to 12 \$4.00

Ages 13 to Adult \$7.00

The advertisement for "SUMMER 2019 FARM MACHINERY/TRACTOR SAFETY CLASSES" features a large green tractor in a field. The title is in a large, bold, white font on a dark blue background. To the right of the tractor, there is a list of "SPECIFIC COURSE INSTRUCTION AND OUTCOMES:" with four bullet points.

SUMMER 2019 FARM MACHINERY/TRACTOR SAFETY CLASSES

SPECIFIC COURSE INSTRUCTION AND OUTCOMES:

- Safe operation and maintenance of farm machinery including skid steers and tractors over 20 horsepower
- Follow rules of the road for machinery and tractor safety
- Apply emergency first aid training
- Handle agriculture fires and extinguishers

This course will provide youth primarily under the age of 16, but not younger than 12, with the necessary training and preparation to take the evaluation test. Students who successfully pass the test and proficiency skills evaluation will be granted a state certificate of completion.

The state certificate will allow students who are at least 12 years old to work for their parents or guardians operating equipment and tractors on public roads.

The federal certificate allows students 14 years of age to work for someone other than their parents in operating equipment and tractors on public roads. Students should have prior tractor operating experience.

Students under the age of 12 may take the course for informational purposes only.

LUXEMBURG

Class #: 52017 **Class Fee:** \$86.40
Date: June 24-27, 2019
Mon, Tues, Wed, Thurs
Time: 9 a.m. – 3 p.m.
Location: Luxemburg Regional Learning Center

GREEN BAY

Class #: 52035 **Class Fee:** \$86.40
Date: June 17-20, 2019
Mon, Tues, Wed, Thurs
Time: 9 a.m. – 3 p.m.
Location: Green Bay Campus Transportation Center Room TC102

SHAWANO

Class #: 52036 **Class Fee:** \$86.40
Date: June 10-14, 2019
Mon, Tues, Thurs, Fri
Time: 9 a.m. – 3 p.m.
Location: Shawano Regional Learning Center

TO REGISTER

ONLINE REGISTRATION

- Go to nwtc.edu
- Click on Students in the upper right hand corner
- Click onto my.NWTC
- Log In
- Click **Find a Class**

PHONE-IN REGISTRATION

To register with one of our friendly Enrollment Services staff, please call: 920-498-5444 or 888-385-NWTC.

WALK-IN REGISTRATION

Register in person at any NWTC campus or regional learning center. Additional Information Call Bonnie, Trades Office, at 920-498-5457.

PLEASE NOTE: SPACE IS LIMITED— REGISTER EARLY.

Classes may be canceled due to low enrollment.

NWTC does not discriminate on the basis of age, race, color, disability, sex, national origin, or other protected class. 91037TET jk 5_19



Late and Prevented Planting Options and Crop Insurance for Wisconsin Farmers

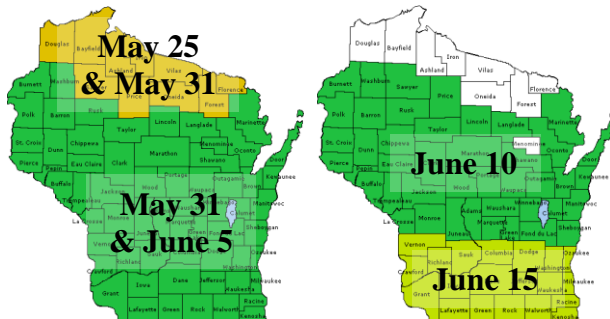
May 15, 2019

Paul D. Mitchell, Agricultural and Applied Economics, UW-Madison

Office: (608) 265-6514 Email: pdmitchell@wisc.edu Web: <http://www.aae.wisc.edu/mitchell/extension.htm>

This bulletin quickly reviews crop insurance rules to help Wisconsin farmers understand late and prevented planting dates and options as this cold wet spring continues.

Corn final planting dates Soybean final planting dates



Key Dates

For crop insurance, the final planting dates in Wisconsin differ by crop and county. The dates are May 25 for corn for grain and May 31 for corn silage in the north and May 31 for corn for grain and June 5 for corn silage in the south. For soybean, the dates are June 10 in the north and June 15 in the south (see maps for your county). Acres planted after these

dates are still insured, but farmers must notify their crop insurance agents, even if they do not have late and prevented planting coverage. Small areas do not trigger late and prevented planting; the area must exceed 20 acres or 20% of the unit's acreage to qualify.

Explaining the options for a hypothetical case will help insured farmers understand their options. However, farmers should consult with their crop insurance agent so they clearly understand their specific options and the associated restrictions and implications.

Assumptions: You bought crop insurance with a yield history of 160 bu/ac for your corn and 40 bu/ac for your soybeans. With 75% Revenue Protection, your yield guarantees are 120 bu/ac for the corn and 30 bu/ac for the soybeans. Revenue guarantees are $120 \text{ bu/ac} \times \$4.00/\text{bu} = \$480.00/\text{ac}$ and $30 \text{ bu/ac} \times \$9.54/\text{bu} = \$286.20/\text{ac}$. The final planting dates in your county are May 31 for corn, June 5 corn silage, and June 10 for soybeans. By May 31, you planted 250 acres of corn and by June 10, you planted 150 acres of soybeans, leaving 100 acres unplanted. You trigger Prevented Plant since at least 20 acres or 20% of the insured acres are affected.

What are Your Options?

1) Plant corn, corn silage, or soybeans late with a reduced guarantee

- Corn: guarantee reduced 1% per day per acre for each day after May 31.
- Corn silage: guarantee reduced 1% per day per acre for each day after June 5.
- Soybeans: guarantee reduced 1% per day per acre for each day after June 10

Example: Suppose you planted all 100 remaining acres to soybeans on June 17 (7 days late). Your guarantee on these 100 soybean acres would be $(100\% - 7\%) = 93\% \times \$286.20/\text{ac} = \$266.17/\text{ac} \times 100 \text{ acres} = \$26,617$. The guarantee on the 150 soybean acres you planted on time is unchanged.

2) Take the full Prevented Plant (PP) indemnity equal to 55% of your guarantee.

- Corn: full PP indemnity = $55\% \times \$480.00/\text{ac} = \$264.00/\text{ac} \times 100 \text{ acres} = \$26,400$.
- Soybean: full PP indemnity = $60\% \times \$286.20/\text{ac} = \$171.72/\text{ac} \times 100 \text{ acres} = \$17,172$.
On these acres, you can plant a forage/cover crop (including establish alfalfa), but you cannot harvest or graze the forage/cover crop until after November 1.

- 3) Take a partial Prevented Plant (PP) indemnity equal to 35% of your full PP indemnity
 - a. Corn: partial PP indemnity = $35\% \times \$264.00/\text{ac} = \$92.40/\text{ac} \times 100 \text{ acres} = \$9,240$.
 - b. Soybean: partial PP indemnity = $35\% \times \$171.72/\text{ac} = \$60.10/\text{ac} \times 100 \text{ acres} = \$6,010$.

On these acres, you can plant any forage/cover crop you want and harvest as you want. You can plant soybeans and insure them, but if you plant the soybeans on time (June 10 or June 15), then you cannot receive a partial prevented plant indemnity for corn.
- 4) Leave the acres uninsured – you pay no premiums for these 100 acres, will receive no indemnities, but have no restrictions on planting & harvesting/grazing a forage or cover crop.

Comments

- A. Acreage Limits: Your planted acres plus Prevented Plant acres for a crop cannot exceed the maximum acres planted of that crop in any of the last 4 years. In this example, the farmer has already planted 250 corn acres. If the farmer had planted at least 350 corn acres in any of the last 4 years, he could only claim up to 100 acres for corn Prevented Plant indemnities.
- B. Loss of Enterprise Units: To be eligible for enterprise units (which have lower premiums), a farmer must plant 20 acres or 20% of planted acres in at least two sections. Prevented plant acres do not count in this calculation and so a farmer may lose eligibility for enterprise units and so have to pay larger premiums for their insured acres.
- C. Yield History Impacts: Late planted crops (option 1) use actual yields for future yield history calculations. Acres claimed for reduced Prevented Plant (option 3) use 60% of the yield history from planted acres for future yield history calculations. Acres claimed for full Prevented Plant (option 2) and uninsured acres (option 4) generate no yield history.
- D. Commodity Program Impacts: Prevented plant payments do not affect Agricultural Risk Coverage (ARC) or Price Loss Coverage (PLC) payments and prevented plant acres are considered planted for calculation of base acres. If Market Facilitation Program (MFP) payments are made using the same rules as in 2018, they would only be paid for harvested yield, not prevented plant, but a new MFP program for 2019 may have different rules.
- E. Alfalfa Establishment: Growers can establish alfalfa with or without a nurse crop on prevented plant acres (options 2 or 3) and have it ready for production in 2020.
- F. Agonomic Considerations: Agonomic considerations such as switching corn maturity dates or from grain to silage should be part of the decision. See the UW Extension corn and soybean agronomy web page: <http://corn.agronomy.wisc.edu/> and <http://www.coolbean.info/>.

Replant Provisions

If the crop stand is poor so that projected yield is less than 90% of the yield guarantee, a farmer can receive an indemnity for part of the actual cost of replanting. An insurance adjuster must inspect the stand and the area must exceed 20 acres or 20% of the unit's acreage. The maximum indemnity is the price election multiplied by the 20% of the yield guarantee, up to 8 bu for corn, 3 bu for soybeans and 1 ton for corn silage. The replanted crop has the same production guarantee as for the original plant date (i.e., no reduction for late planting is imposed).

Replant Example

Suppose a 200 acre unit of corn for grain has a yield guarantee of 150 bu/A \times 200 A = 30,000 bu with a \$4.00/bu price election. All acres are planted before May 31, but cool wet weather reduces the stand to less than 20,000 plants/A on 80 acres of the unit. The farmer can replant these 80 acres to corn and keep the 150 bu/A yield guarantee, even if the corn is replanted after May 31, and receive an indemnity of up to \$2,560.00 (8 bu/A \times \$4.00/bu price election \times 80 acres) towards the actual cost of replanting these acres.