

JANUARY 2022

Shawano County Ag Newsletter

University of Madison Division of Extension



Extension

UNIVERSITY OF WISCONSIN-MADISON
SHAWANO COUNTY

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

Hours:

Monday- Friday
8:00 AM - 4:30 PM

Facebook and Twitter:

@AgShawano

Website:

shawano.extension.wisc.edu

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Hello All!

While the fields may be snow covered, it does not mean that it is not a busy time of year. I hope that you are able to take time to slow down during this holiday season and spend it focusing on family and friends...and maybe catch an Extension program or two.

In this newsletter, there is a variety of in-person and virtual meetings coming up in the New Year. The topics range from updates in agronomy, forage management, feeder cattle, dairy calves, and many more. I am also hosting two more Private Applicator Trainings in January and February.

One challenge that I know you will be facing this upcoming growing season is the high cost of cropping inputs. On January 14th I will be hosting a meeting focusing on this topic. A portion of the program will be a live webinar with two presentations. The first will be Kevin Shelley, UW Madison NPM Outreach Specialist discussing crop budgets. The second will be, Carrie Laboski, UW Madison Extension Soil Specialist, presenting on adjusting fertilizer rates when prices are high. The program will be rounded out with a third related in-person presentation. Details about this program are contained within this newsletter.

Wishing you a Happy and Healthy Holiday Season!

Kimberly Schmidt
Agriculture Educator
715-526-4871
email: kimberly.schmidt@wisc.edu



Upcoming Events



Save the Date Shawano County Forage Council Annual Meeting

March 3, 2022
Backroom at Angie's Main Cafe

annual CAFO update series

hosted by UW-Madison Division of Extension in collaboration with WI Department of Natural Resources



2.15.22 | 9:30-11:30 am
nutrient management



2.15.22 | 1:30-3:30 pm
engineering



2.16.22 | 9:30-11:30 am
regulatory updates



2.16.22 | 1:30-3:30 pm
groundwater



4 sessions offered virtually February 15-16 | 9:30 and 1:30 pm

Register today at <https://go.wisc.edu/x88dg2>

\$15 for one session or \$25 for series if registered on or before February 10. Additional \$20 late fee beginning February 11.

For more information: Kevin Erb | kevin.erb@wisc.edu | 920.391.4652. CCA CEUs pending & PDH Certificates available for Professional Engineers.

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High Input Costs in 2022

January 14th, 2022

10:00 am -12:00 pm

Shawano County Courthouse Meeting Rooms A & B

Live Virtual Presentation:

Crop Budgeting

Kevin Shelley, UW Madison NPM Outreach Specialist

Adjusting Fertilizer Rates when Prices are High

Carrie Laboski, UW Madison Extension Soil Specialist

Live Q&A to follow

Bonus in-person presentation on related topic as well

**This is a free event but please pre-register with
Shawano County Extension at 715-526-6136 or by
email at kimberly.schmidt@wisc.edu**



Upcoming Events

Hear from farmers about what's working locally in Fond du Lac, Green Lake, Waushara, Winnebago, Waupaca, and Calumet Counties.

2022 FARMER ROUNDTABLE:

**FEBRUARY
16, 2022**

REDEFINING THE SOIL HEALTH CONVERSATION

**REGISTER ONLINE:
WWW.SOILHEALTHINPROGRESS.ORG**

February 16th, 2022

10:00 am to 4:00 pm
at Fin N' Feather Showboats
(22 W Main St, Winneconne, WI)

Topics: Soil Health – getting started, farm economics, manure management, and equipment considerations



Keynote Speaker:

Keith Berns

*Co-Owner Green Cover Seed,
Bladen, NE*

Keith has over 20 years of no-till farming experience on 2,000 acres and teaches on cover crops and soil health. His presentation will focus on the seven things he has learned about cover crops.

Register online at:

www.soilhealthinprogress.org

Farmers and/or Landowners: \$5
County and Agency Staff: \$25

Advanced registration required. Registration closes 2/4/22.

Questions? Contact Korin at
(920) 851-0948 or korin@fwwa.org

Roundtable registration includes:

- Keynote presentation
- Hot lunch buffet
- Local farmer panel
- Breakout sessions
- Networking happy hour

Enjoy breakfast with Keith before the roundtable at 9:00 am for an \$8 add-on.



Dairy Situation and Outlook, November 18, 2021

Written by:

Bob Cropp, Professor Emeritus University of Wisconsin Cooperative Extension University of Wisconsin-Madison

What was earlier predicted for Class III milk prices in the high \$18's for both November and December will not materialize. Milk cow numbers were on a decline since May and total milk production was up just 0.6% for August and 0.2% for September. As a result, cheese prices had shown real strength during October. From the beginning to the end of October 40-pound cheddar cheese blocks increased 27 cents per pound and cheddar barrels 24 cents. But cheese prices have weakened since then. The 40-pound block price had fallen to \$1.675 per pound the start of November, rallied to \$1.81 but fell sharply thereafter to \$1.66, but did increase today to \$1.73. Barrels started the month at \$1.7525 per pound but have fallen to \$1.4550. Part of the weakness in cheese prices was due to the September stock report which showed cheese stocks increasing rather than normally decreasing August to September with September stocks 7.7% higher than a year ago. Dry whey was \$0.645 per pound the start of the month and is now \$1.700 giving strength to the Class III price. We can now expect the November Class III price to be about \$17.95, and if cheese prices do not rebound some December about \$17.30.

Unlike the Class III price the Class IV price has strengthened due higher butter and nonfat dry milk prices. Butter started November at \$1.98 per pound, did fall to \$1.935 but is now \$2.0375. Nonfat dry milk has been in the \$1.55 to \$1.57 per pound range. The Class IV price will be higher than the Class III price. For October, the Class IV price was \$17.04 but should be about \$18.65 for November and possibly reaching \$19 by December.

Forecasting milk prices far into next year with a high level of certainty is difficult. Milk prices are very sensitive to small or anticipated changes in milk production, domestic sales, or dairy exports. Milk production looks to be bullish for milk prices. October milk production fell 0.5% below a year ago. Milk cow numbers fell 14,000 head below a year ago. Since May milk cow numbers have fallen by 107,000 head. For the third straight month milk per cow was below a year ago with October 0.3% below. Compared to year ago October milk production for the top five states was: California -1.3%, Wisconsin +2.7%, Idaho +0.9%, New York +1.0% and Texas +3.9%. South Dakota continues to lead all states in production increase being up 15.3%. Indiana has been experiencing relatively strong milk production this year with more milk cows. But, for October Indiana had 5,000 fewer cows than a year ago and milk production was 2.9% lower. Other states with relatively big declines in milk production were New Mexico 12.2%, Florida 4.7%, and Arizona 3.8%. Michigan which this year has had relatively strong increase in milk production experienced a 0.4% decline all due to lower milk per cow.

Domestic sales of cheese and butter have been positive for milk prices. But high inflation driving up the price of most everything including food, the price of gas and the cost to heat homes this winter is reducing consumer spending power. Consumers may cut back on eating in restaurants and buying cheese in stores. This could dampen dairy sales particularly cheese sales.

Dairy exports have been a bright spot for milk prices. September saw the eight straight month of growth in dairy exports. September export volume was 14% higher than a year ago. Compared to a year ago exports of nonfat dry milk/skim milk powder were up 16.2%, dry whey products 5.1%, cheese 20.5%, and butterfat 223.4%. Dairy exports are forecasted to increase next year. World dairy product prices have been increasing. U.S. prices of nonfat dry milk/skim milk powder, cheese and butter remain competitive on the world market. Milk production in major exporters is not increasing to produce more dairy products for export. Western Europe dairy producers face higher feed costs and milk production has been up just slightly from a year ago. Milk production in New Zealand has been below year go levels. Exports to Mexico are running well above a year ago. Exports to China have also been higher. Exports of whey products to China, the largest U.S. export market for whey have added strength to the Class III price. A year ago, dry whey was in the \$0.40's per pound. Now dry whey has been in the high \$0.60's. This has added about \$1.50 to the Class III price. Whey exports to China may slow some next year as China hog producers are experiencing lower prices. Since over half of dry whey is exported dry whey prices are very sensitive to export volume. For example, if dry whey prices were to drop back to \$0.50 per pound the Class III price would be lower by about \$0.90.

With much higher feed cost, labor cost and the cost of most all other inputs milk production next year may increase by no more than 1%. Milk cow numbers are likely to continue to decline at least for the first half of the year. USDA has forecasted milk cow numbers to average 60,000 head fewer next year, a decline of 0.6%. USDA also forecasts milk per cow to increase by 1.4% resulting in total milk production up just 0.8% from this year. That level of milk production would support favorable milk prices next year. It would take lower than expected domestic milk sales, lower than expected dairy exports or a combination of the two to result in relatively unfavorable milk prices. USDA forecasts Class III to average \$17.75 next year compared to \$16.95 this year. Due to stronger butter and nonfat dry milk prices USDA forecasts Class IV to average higher than Class III with an average of \$18.70 next year compared to \$16.00 this year. Current Class III futures are more optimistic being in the \$18's February through December. Class IV futures are in the high \$18's and reaching the \$19's for some months of next year. If milk production does turn out as low as what is being forecasted, there is a strong probability that Class III could average better than what USDA is forecasting.



FARM READY RESEARCH

view topics and register for the winter webinar series

Farm Ready Research is Extension's agriculture winter webinar meeting series for farmers and ag professionals. Learn the most up-to-date information on topics from dairy and livestock production to forage and farm management. Sessions begin December 2021.

Badger Dairy Insights on the following Tuesdays from 1:00-2:30 pm :

- Jan. 11: Animal Care Starts with the Calf
- Jan 25: Diving Into Dairy Data Projects
- Feb 8: Silage Quality--From Pricing to Feeding Behavior

Farm Management Fridays on the following dates from 11:00 am - 12:00 pm :

- Jan. 7: Farm-gate Economic Outlook
- Jan. 21: Farm Pulse Program, Make Sense of Financial Management
- Jan. 28: Don't Gamble the Farm Away, Take Charge of Your Future Today!
- Feb 4: Build Effective Training Programs that Engage Your Team
- Feb 18: Employee Trust & Engagement through a Culture of Safety

Small Ruminant Webinar on the following dates from 7:30-9:00 pm:

- Jan 11: SRW A new year, a new ewe perspective
- Feb 8: SRW - Strategic and cost-effective mineral nutrition in sheep

Register for all webinars here:

<https://extension.wisc.edu/agriculture/farm-ready-research/>

Focus on Forage is also part of Farm Ready Research. A flyer with more information is included in this newsletter.

Focus on Forage

Optimizing forage production in Wisconsin

Upcoming Webinars in 2022

All webinars
run from
12:30 pm
to 1:30pm

January 26th (1 CM CEU Available)

Silage Additives for Conventional and Alternative Forages: Cost and Benefits

Dr. Luiz Ferreratto, UW Madison Extension Ruminant Nutrition Specialist

Disease and Mycotoxin Considerations when Making Corn Silage

Dr. Damon Smith, UW Madison Extension Field Crop Pathology Specialist

February 2nd (0.5 CM and 0.5 NM CEU Available)

Are Forage "Cocktail Mixes" a Reasonable Alternative? Research Updates on 2021 Yields & Quality

Dr. Matt Akins, UW Madison Extension Dairy Specialist

Mike Ballweg, UW Madison Extension Crops and Soils Educator, Sheboygan County

Dairy Farmer Perspectives on "Cocktail Mixes" and Annual Forages

Brody Stapel, Double Dutch Dairy- Cedar Grove, WI

Profitability of N Management for Alternative Forages - Preliminary Results

Kevin Jarek, UW Madison Extension Crops and Soils Educator, Outagamie County

Dr. Carrie Laboski, UW Madison Extension Soil Fertility Specialist

February 9th (1 CM CEU Available)

Benefits of Incorporating High NDFD Grasses into Dairy Rations

Dr. Debbie Cherney, Cornell University Professor of Animal Science

Feeding Winter Cereals and Other Alternative Forages Update

Kimberly Schmidt, UW Madison Extension Crops and Soils Educator, Shawano County



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Registration Information found at:

<https://extension.wisc.edu/agriculture/farm-ready-research/>





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2022 Agronomy Update VIRTUAL MEETINGS

The 2022 Agronomy Update Meetings will be virtual this year due to COVID-19. The meetings will present the latest information on hybrid/variety performance, an analysis and discussion of last year's growing season, and updated recommendations for field crop production. CEUs will be offered in Crop Management for Certified Crop Advisers. There is no charge for this event, but registration is required. There are two sessions to choose from, both sessions will present the same information. Please choose the one that best fits your schedule.

Presentations:

Joe Lauer, UW Corn Agronomist

- The 2021 growing season
- ✓ How did we get so much yield with so little water?
- ✓ How did the late May frost affect corn yield?
- 25+ years of Transgenic (GMO) corn: Are we making progress?
- Maximum corn yields: How do we set the bar?

Shawn Conley, UW Soybean & Small Grain Agronomist

- Soybean and Wheat Performance Trial Results
- Planting Soybean Green Pros and Cons
- Soybean Yield Response to Sulfur in WI
- Something Else that is Totally #Coolbeans...Trust Me!

John Grabber, USDA-ARS DFRC Research Agronomist

- Forage Focus: Alfalfa establishment techniques in corn silage

Please make your online registration by January 3, 2022

Tuesday
January 4th
9:00 am-11:50 am

OR

Thursday
January 6th
1:00 pm-3:50 pm

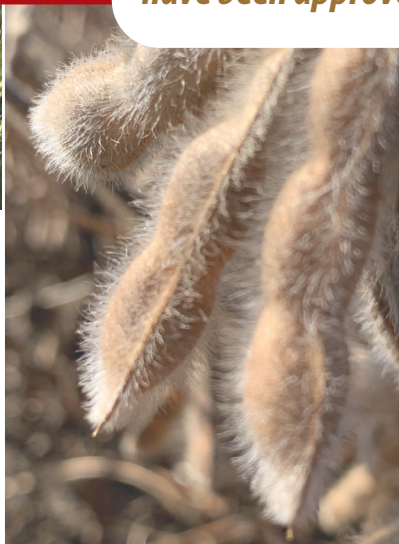
Registration link:

<https://go.wisc.edu/aqnh77>

FREE EVENT!

**3 CEU Credits in Crop Management
have been approved for each session!**

This program is sponsored by the University of Wisconsin-Madison Division of Extension and University of Wisconsin-Madison College of Agricultural and Life Sciences. An EEO/AA employer, University of Wisconsin-Madison Division of Extension provides equal opportunities in employment and programming, including Title VI, Title IX, the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act requirements.





Cow College 2022

2022 will be the 60th Cow College!

ALL sessions are free

Jan 6 & Jan 13 Online, Jan 20 Farm Tours In-person

View at home or at the FVTC Clintonville Regional Center

– Registration Required –

January 6, 2022

Webinar - 12:30 pm - 1:00 pm with Q/A at 1 pm

Why all the fuss about pair housing of calves?

◆ Dr. Jennifer Van Os, Assistant Professor and Extension Specialist in Animal Welfare, Department of Animal and Dairy Sciences, University of Wisconsin-Madison

Jennifer will cover the research benefits of pair/group housing, grouping strategies (e.g., all-in/all-out moves, age at grouping), and feeding strategies to reduce cross sucking.

January 13, 2022

Webinar - 12:30 pm - 1:00 pm with Q/A at 1 pm

Heifer Blueprint-Setting a foundation for calf success.

◆ Tina Kohlman, Regional Dairy & Livestock Agent UW-Madison Extension Fond du Lac, Sheboygan, Ozaukee & Washington Counties

Tina will cover housing options, calf health benchmarks, and other pertinent management info (e.g., bedding).

January 20, 2022

In-person Farm Tours – Group Housing of Calves – 10:00 am - noon

- ◆ 10:00 am Greg Riesenbergs Farm - N4344 Capital Dr., Shawano, WI 54166
- ◆ 11:00 am Dave Viergurtz (Triple D Dairy) - N12098 County Rd D, Clintonville, WI 54929

Register for one or all **FREE** virtual meetings at:

<https://go.wisc.edu/n707tn>

Or by calling Extension Shawano County at 715-526-6136

Registrations must be received by 5 pm the night before the meeting



Questions?

Extension Shawano County 715-526-6136

Extension Outagamie County 920-832-4763



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SHAWANO COUNTY



Private Applicator Training (PAT)

Upcoming in-person trainings hosted in
Shawano County to renew private
pesticide applicator certifications:

Begins @9:30 am

Shawano County Courthouse
December 16, 2021

Shawano County Courthouse
January 10th, 2022

Matsche Center
Birnamwood, WI
February 22, 2022

Virtual Training on Zoom:

January 25

February 15

March 15

April 5

More information and
registration:

[https://patstore.wisc.edu/se-
cure/browse_cat.asp?
category_id=30](https://patstore.wisc.edu/se-cure/browse_cat.asp?category_id=30)

Cost is \$40.00 and includes the *Training Manual
for the Private Pesticide Applicator, 7th Edition*
Please contact the Shawano County Extension
office if you have questions. 715-526-6136



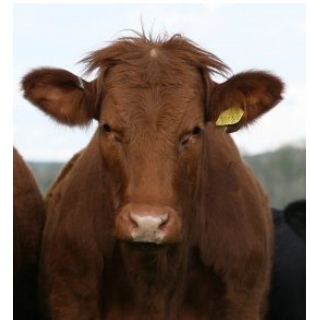
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UNIVERSITY OF WISCONSIN-MADISON

2022 Cattle Feeder Clinic

A Seminar Series For:

- Beef Cattle Feeders
- Dairy Steer Feeders
- Ag Professionals
- Educators



**Tuesday, March 1, 2022
Equity Livestock Sale Barn,
Bonduel, WI**

**FREE - No Cost
(advance registration required)**

**9:30 a.m. Check-in 10:00 a.m. Program
Lunch to follow sponsored by Equity**

Register by calling:

Shawano County Extension Office (715-526-6136)

Wisconsin BQA
certified attendees
can receive 1
Wisconsin BQA
continuing ed credit



Using Enogen corn hybrids in Feedlot Rations -

Dr. Galen Erickson, University of Nebraska Extension Feedlot Specialist

Market Outlook -

Dr. Brenda Boetel, Livestock Marketing Specialist, UW-Extension

Management Considerations for Cattle Feeders When Feed Prices are High -

Dr. Galen Erickson, University of Nebraska Extension Feedlot Specialist



Many Wisconsin dairy farmers borrow from nontraditional lenders

Historically, Wisconsin dairy farmers have sought and received credit from traditional lenders with local branches such as Farm Credit Associations, Agricultural Credit Associations, commercial banks, or credit unions. Increasingly, however, farmers are turning to alternative sources for their borrowing needs. So-called “nontraditional lenders” operate outside the typical local branch and loan officer model. Table 1 summarizes the three major types of nontraditional lenders.

Table 1: Nontraditional lender types

| Type of nontraditional lender | Examples |
|---------------------------------|---|
| High-volume, branchless lenders | Metlife Rabo Agrifinance |
| Vendor financing | Nutrien Financial John Deere Financial |
| Collateral-based lenders | AgriFinancial AgAmerica Conterra |

To better understand the role of nontraditional lending in the Wisconsin dairy industry, the University of Wisconsin-Madison conducted an online survey of dairy farmers in the spring of 2021. This fact sheet summarizes the main findings of that survey.¹

Prevalence of nontraditional borrowing

Sixteen Wisconsin dairy farmers completed the survey, with herd sizes ranging from less than a dozen to several thousand cows. Among the respondents, nearly 80

percent reported they had borrowed from at least one nontraditional lender in the preceding three-year period (Figure 1). However, credit from nontraditional lenders accounted for less than 20 percent of total borrowing for over half (65%) of survey respondents (Figure 2).²

Figure 1: Proportion of surveyed WI dairy farmers borrowing from a nontraditional lender

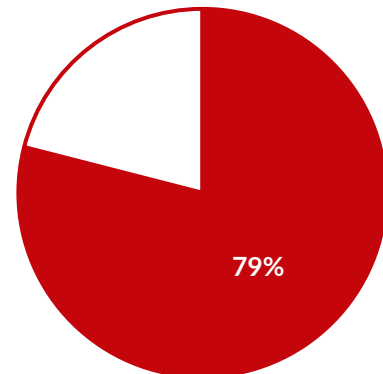
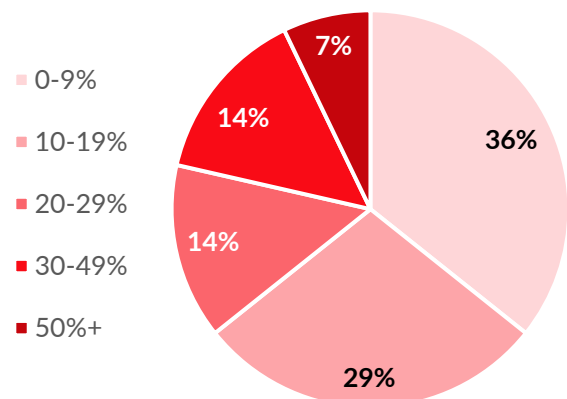


Figure 2: Proportion of operation's credit coming from nontraditional lenders



¹ Additional detail can be found in: Stevens, A. W. (2021). Nontraditional Credit in the Wisconsin Dairy Industry. *Agricultural Finance Review*.

² Results in Figures 1 and 2 are based on data from fourteen survey respondents who answered the relevant question about nontraditional credit use.

Among the twelve farmers who reported borrowing from a nontraditional lender, ten of them received credit from the financial arm of a vendor (e.g., John Deere Financial). This was by far the most common source of nontraditional credit, surpassing branchless lenders (two survey respondents), collateral-based lenders (one survey respondent) and other nontraditional sources of credit (one survey respondent).

The prevalence of vendor financing matches how farmers reported using their nontraditional credit. Among farmers who borrowed from a nontraditional lender, six financed equipment loans, two financed operating loans, and three received “effective credit” through outstanding accounts receivable with vendors. These results suggest vendors are increasingly providing “in-house” financing for equipment and machinery purchases rather than relying on outside traditional lenders for loans.

Farmer perceptions of nontraditional lenders

Not a single surveyed farmer reported that they prefer nontraditional lenders over traditional lenders. Furthermore, over 60 percent of respondents said it is important for them to work with a specific person when borrowing money. However, most dairy farmers thought that nontraditional lenders provide different services than traditional lenders, and many believed nontraditional lenders to be more flexible.

When asked to explain their motivations for borrowing from nontraditional lenders, many farmers reported the competitive interest rates offered by nontraditional lenders (Table 2).

Table 2: Motivations for borrowing from nontraditional lenders (selected responses)

| |
|--|
| “I use non traditional lending on some machinery purchases - those rates are normally lower than what my bank offers and also the dealership has it all done when I pick up the piece of equipment - it is like a one stop shop” |
| “Low or zero percent interest rate deals” |
| “Usually seed because of promotions from seed companies, like lower or no interest for certain time periods.” |
| “It was zero interest but it was due in a year” |

Implications for Wisconsin dairy farmers

Nontraditional credit is used by Wisconsin dairy farmers as a potential strategy to capitalize on opportunities and address challenges resulting from market volatility and a changing industry. Notwithstanding a small sample size, survey responses reflect the reasons farmers utilize alternative sources (e.g., high-volume lenders, input suppliers, and/or collateral-based lenders) for their borrowing needs rather than traditional agricultural lenders. Survey responses also highlight the potential educational needs of farmers for informed use of such financial resources.

Increased competition between lenders and the opportunity to restructure financing can create value for farmers and their operations. However, these forces can also complicate risk management decisions. Producers and policymakers alike stand to benefit from a solid understanding of the increasingly important role of nontraditional lending in modern agriculture. Increased oversight or regulation may be appropriate to ensure lending practices protect and support entrepreneurs, food security, and equal opportunity for all.

Implications for agricultural lenders

The recent rise of nontraditional lenders increases competition for traditional lenders. Nontraditional lenders have the comparative advantage of lower interest rates and less strict credit standards. After all, the primary motivation for many nontraditional lenders is machinery sales. It can be hard for a producer to pass up a lower interest rate. For example, a 3% lower rate on a \$200,000 machinery purchase is worth \$6,000 to the borrower.

Traditional lenders must compete on the value they add as a full-service financial “partner/consultant.” This may include financial analysis, evaluating and restructuring optimal debt structure and repayment terms, planning the financing of long-term goals, addressing current liquidity problems, and saying “no,” which in some cases may be the best value that can be given.

Further, traditional lenders may also need to add value by helping the farm incorporate a borrowing mix that includes some nontraditional credit rather than pushing an all-or-nothing approach. The rise of nontraditional lenders can make the traditional lending business more difficult, but competition tends to do that.