

FEBRUARY 2022

Shawano County Ag Newsletter

University of Madison Division of Extension



Extension

UNIVERSITY OF WISCONSIN-MADISON
SHAWANO COUNTY

Hello All!

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

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

Facebook:
@AgShawano

Website:
shawano.extension.wisc.edu

February may be the shortest month of the year, but Extension has tried to keep it packed with educational programming. In this newsletter, you will find information on upcoming webinars such as Focus on Forage, Farm Management Fridays, Small Ruminant Webinar, and others. There are also local in person meetings coming including the Shawano County Forage Council Annual Meeting.

A few of the in person programs advertised in the last newsletter have been postponed or are transitioning to virtual. The Cow College in-person tours are postponed and the Feeder Cattle Clinic will be a virtual program this year. The details are not finalized but will be posted on the Shawano County Extension webpage (<https://shawano.extension.wisc.edu/>) and on Facebook ([@AgShawano](https://www.facebook.com/AgShawano)).

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Hope you are keeping warm this winter!

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



Upcoming Events

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.

An EEO/AAE employer, University of Wisconsin-Madison Division of Extension provides equal opportunities in employment and programming, including Title IX, Title VI, the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act requirements.



Be on the lookoutmore information to come



Cow College

Grouped Housing for Calves Tours-Postponed

In-person tours are to be rescheduled. Look for details on the Shawano County Extension webpage (<https://shawano.extension.wisc.edu/>) and Facebook ([@AgShawano](https://www.facebook.com/AgShawano)).

Feeder Cattle Clinic transitioning to virtual format

The UW Feeder Cattle Clinic in-person event that was scheduled to occur on March 3rd at Equity in Bonduel is transitioning to a virtual format. Look for details on the Shawano County Extension webpage (<https://shawano.extension.wisc.edu/>) and Facebook ([@AgShawano](https://www.facebook.com/AgShawano)).



Upcoming Events

Wisconsin Dairy & Beef Well-Being Conference



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.



website

National Dairy FARM 4.0

Fitness for transport

Heat stress

Disbudding and pain management

Maternity cow management

Genetic selection

Registration \$50

3.5 Veterinary CEUs \$25

1 BQA CEU – Free with registration

<https://bit.ly/AnimalWellbeing2022>



2.22.22

Farm Wisconsin
Discovery Center
Manitowoc, WI

Hay Market Report January 24, 2022

Data Compiled by: **Richard Halopka**, Clark County Extension Crops & Soils Agent

Published on: <https://cropsandsoils.extension.wisc.edu/hay-market-report/>

Hay Grade	Bale Type	Price (\$/ton)		
		Average	Minimum	Maximum
Prime (>151 RFV/RFQ)	Small Square	\$290.00	\$220.00	\$400.00
	Large Square	\$244.00	\$160.00	\$295.00
	Large Round	\$199.00	\$150.00	\$240.00
Grade 1 (125 to 150 RFV/RFQ)	Small Square	\$202.00	\$160.00	\$224.00
	Large Square	183.00	\$140.00	\$235.00
	Large Round	\$155.00	\$110.00	\$255.00
Grade 2 (103 to 124 RFV/RFQ)	Small Square	No reported sales		
	Large Square	\$147.00	\$100.00	\$230.00
	Large Round	\$135.00	\$100.00	\$230.00
Grade 3 (87 to 102 RFV/RFQ)	Small Square	\$100.00	\$100.00	\$100.00
	Large Square	\$98.00	\$85.00	\$110.00
	Large Round	\$120.00	\$70.00	\$145.00

Demand and Sales Comments

Prices are steady this week for dairy quality hay. Forecasted cold weather may drive sales. If you have questions on this report contact richard.halopka@wisc.edu. If you need forage or have forage to sell or straw, connect to the Farmer-to-Farmer webpage at <http://farmertofarmer.uwex.edu/>. You may contact your local county agriculture educator if you need help placing an ad. There is no charge for the service.

Dairy Situation and Outlook, January 24, 2022

Written by:

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



The year 2021 ended with increasing cheese, dry whey, butter, and nonfat dry milk prices pushing up milk prices. Class III was \$17.83 in October, \$18.03 in November and \$18.36 in December averaging \$17.08 for the year compared to \$18.25 in 2020. Class IV was \$17.04 in October, \$18.79 in November and \$19.88 in December averaging \$16.08 for the year compared to \$13.49 in 2020.

Relatively strong butter and cheese sales last quarter, lower milk production and strong exports pushed dairy product prices and milk prices higher. Milk cow numbers have been declining since May. By December milk cows had declined by 132,000 and were 0.7% lower than a year ago. Milk per cow also has been below trend. December milk per cow was just 0.6% higher than a year ago. Last quarter milk production was 0.1% below a year ago.

Dairy exports continued on a strong path in November. On a milk solids equivalent basis, the November export volume was 19% higher than a year ago. Through the first eleven months of 2021, U.S. dairy export volume was up 12% and on the path of setting a new yearly record. Relatively good world demand for dairy products, milk production in Western Europe and New Zealand, two leading exporters has been below a year ago limiting their ability to increase exports, and U.S. dairy product prices being competitive on the world market all contributed to increased exports.

There is optimism for higher milk prices in 2022. While milk prices will be higher much higher feed costs and the cost of labor and other inputs will cut into margins. Milk cow numbers are likely to continue to decline at least for the first half of the year resulting in smaller number of milk cows for the year. Higher feed costs may also lower the increase in milk per cow. Milk production is forecasted to increase by less than one percent. USDA is forecasting an increase of just 0.7%. Normally domestic milk and dairy product sales can support favorable milk prices with an increase in milk production of no more than one percent. Production higher than this needs to be exported to support good milk prices. The increase in milk production less than one percent and expected increased dairy exports will tighten the milk supply increasing milk prices. Inflation and coronavirus could dampen domestic sales. Higher prices of food, gasoline, the cost to heat the home and most all other consumer goods will reduce consumer spending power. The extent coronavirus impacts consumers going to restaurants, in-person classroom teaching, sports and public events is unknown.

USDA is forecasting continued growth in dairy exports in 2022. Milk production from the five major dairy exporters is expected to increase by just 0.7%. World demand is expected to continue to grow. As a result, world dairy product prices are expected to increase keeping U.S. dairy product prices competitive. However, the year is starting off with much higher U.S. dairy product prices. Currently, only the price of cheese is lower than world prices with the price of butter, nonfat dry milk, and dry whey higher.

Butter stocks are tight pushing up butter prices. December 31st stocks were 5% lower than November and 27.3% below year ago levels. However, cheese stocks are higher. December 31st American cheese stocks increased 1% from November and were 5.6% higher than a year ago. December 31st total cheese stocks increased 2% from November and were 3.5% higher than a year ago.

Less than a one percent increase in milk production, increase in domestic dairy product sales and higher dairy exports will support much higher milk prices for 2022. Current dairy product prices support much higher milk prices for the start of the year. The question is will dairy product prices hold at these relatively high levels. The 40-pound cheddar block price was as high as \$2.0525 per pound in January but has fallen to \$1.795. The cheddar barrel price was as high as \$1.8725 per pound and has fallen to \$1.775. Dry whey prices at \$0.80 per pound, a record high adds support to the Class III price. With these prices the January Class III price will be in the low \$20's. Butter has increased from \$2.49 per pound the beginning of January to a high of \$2.9350 but has fallen to \$2.8475. Nonfat dry milk increased from \$1.645 per pound early January to now \$1.8125. The January Class IV price will be near \$22.80. What is the actual level of milk production, domestic sales and dairy exports will determine milk prices for the year. Recent history clearly shows milk prices can change quickly with relatively small changes in milk production, domestic sales, or dairy exports. Current Class III futures reach \$21 in the first quarter and then in the \$20's. Class IV futures are as high as \$24 in February, slowly declining and ending the year at \$20.35. USDA's latest forecast has Class III averaging \$19.65 for the year compared to \$17.08 in 2021 and Class IV averaging \$20.90 compared to \$16.08 in 2021. Unless the unexpected occurs milk prices should turn out to be this high or even higher.



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 :

- Feb 8: Silage Quality--From Pricing to Feeding Behavior
- March 1: Ins and Outs of Cocktail Forage Mixes for Dairy Rations
- March 15: Managing Heifer Maturity Pre-&Post-Breeding Matters
- March 29: The Randomness of Repro

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

- Feb 4: Build Effective Training Programs that Engage Your Team
- Feb 18: Employee Trust & Engagement through a Culture of Safety
- March 4: Cultivating Your Farm's Future 2.0- A workbook for Farm Succession in WI
- March 18: Who's the Boss? The Transfer of Management on the Farm

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

- Feb 8: Strategic and cost-effective mineral nutrition in sheep
- March 8: Parasite management for small ruminants in grazing systems

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/>



What Do Crop Enterprise Budgets Tell Us About Potential Returns in 2022?

Written by:

Kevin Jarek, Extension Outagamie County Crops and Soils Educator

Originally published:

<https://outagamie.extension.wisc.edu/what-do-crop-enterprise-budgets-tell-us-about-potential-returns-in-2022/>

January 21, 2022

Crop Enterprise Budget Planning is not exactly a task that gets people excited. My experience suggests it ranks somewhere between a trip to the dentist and filing income taxes each year. However, 2022 is going to present challenges beyond pricing. Availability (or lack thereof) is the real wild card to watch in the coming months. As a result, it would be prudent to take some time to figure out not only what your intended plantings will be but to have a backup or alternative plan if the need arises to make a switch based on the factors beyond our control.

The Corn and Soybean Crop Enterprise Budgets are examples of what many farmers should be considered as we make our final seed purchases and plan for the 2022 growing season. Yes, I already know the input costs and values I have used do not match your farm. Congratulations if you know your cost of production well enough to make this assertion. However, I do know there are a number of individuals out there who have not put pen to paper and figured out what the change in input costs (primary fertilizer) may do to their budgets this coming spring. So, I have used average rates (where available) utilizing National Agricultural Statistics Service (NASS) data and Custom Rate Guides for Wisconsin (2020) and Iowa (2021). Custom Rate charges are sourced from the Wisconsin Custom Rate Guide 2020 at https://www.nass.usda.gov/Statistics_by_State/Wisconsin/Publications/WI-CRate20.pdf and the 2021 Iowa Farm Custom Rate Survey at <https://www.extension.iastate.edu/agdm/crops/pdf/a3-10.pdf> while grain yields are available at https://www.nass.usda.gov/Statistics_by_State/Wisconsin/Publications/County_Estimates/ and alfalfa yields at <https://fyi.extension.wisc.edu/forage/files/2021/03/2020-WAYP-Summary.pdf>.



Shawano County Averages

The average **corn grain yield** in Shawano County (NASS) in 2020 was **153.0 bu./acre**.

The average **soybean grain yield** in Shawano County (NASS) in 2020 was **43.8 bu./acre**.

The average **alfalfa yield** using the WI Alfalfa Yield & Persistence Project was **4.4 Tons DM/acre**.

The median charge for **chisel plowing** in Shawano County (Region 1) is **\$20.00/acre**.

The median charge for a pass with a **field cultivator** is **\$16.00/acre**.

Planting expenses across most crops ranged **\$19.50 to \$22.50/acre**, depending on the crop.

Average **Cropland Rental Rate** in Shawano County in 2021 (NASS) was **\$107.00/acre**.

Crop Budget Analyzer can be found at: <https://farms.extension.wisc.edu/article-topic/pricing-and-contracts/>

The 2022 Dairy Margin Coverage Decision

Written by:

Mark Stephenson, UW Madison Director of Dairy Policy Analysis

Originally published:

<https://farms.extension.wisc.edu/the-2022-dairy-margin-coverage-decision/>

January 21, 2022

This year the Farm Service Agency (FSA) opened the enrollment period for the 2022 Dairy Margin Coverage (DMC) program on December 13, 2021 and it will remain open until February 18, 2022. Some year's we are not conflicted about what our enrollment decision should be. If we are forecasting a poor year, then DMC is a very affordable basic margin insurance product for smaller farms and most everyone should probably sign up for a high margin coverage.

The chart shows us in the dashed line that futures markets are forecasting a very strong margin for 2022. This might also make decisions fairly easy for producers as there is a small likelihood that we would expect indemnity payments in the year given our current understanding of milk supply and demand for dairy products in the year ahead. But, I would caution us to remember that we were in essentially the same circumstance during the 4th quarter of 2019 when it was enrollment time for the 2020 year... and then COVID showed up.

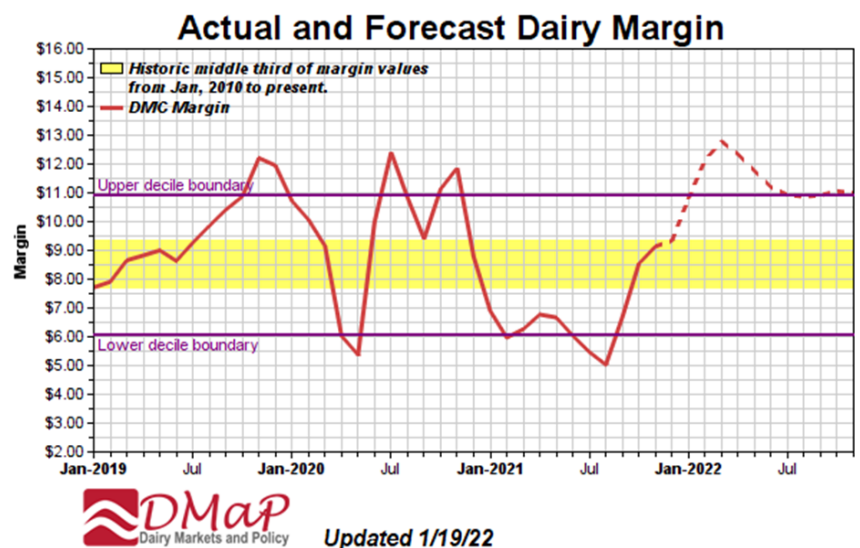
Markets can't see perfectly around the corner which is why we have risk management programs. DMC is a fairly simple tool to provide a substantial amount of protection for smaller farms against low milk prices, high feed costs, or some combination of both. Congress has tweaked several of the program parameters, which began as the Margin Protection Program, over the years to make the current program more farmer friendly.

This last year, FSA changed the hay values used in the margin calculation to be 100 percent dairy quality, or supreme alfalfa, rather than the lower quality alfalfa values used in MPP or the 50-50 values used in the early DMC program. This has the effect of raising the ration value calculation and triggering indemnity payments more often than in the past. Moreover, the ration change will be backdated to January 2020 and producers will be compensated for any additional payments that would have been made given their enrollment decisions over the last two years.

One other important change that was made has given smaller producers the opportunity to increase their annual production history up to 5 million pounds of milk. This is called Supplemental DMC Enrollment. Any producer whose annual historic production (AHP) is less than 5 million pounds can make a one-time update using their 2019 actual marketings. FSA will add 75 percent of the difference between 2019 production and their historic annual production to their production base up to 5 million pounds. So, if my APH was 4 million pounds and my 2019 marketings are documented at 6 million pounds, my potential increase is: $(6 - 4) \times 0.75 = 1.5$ million pounds. But, since that increase would now make my APH: $4 + 1.5 = 5.5$ million pounds, I am capped at a 5 million pound APH. However, this will certainly help access additional Tier 1 coverage. FSA will also backdate my new APH to my enrollment decisions from 2021.

The decision for this year boils down to what am I trying to accomplish with DMC. If I am looking for risk management and am concerned about my ability to survive another pandemic impact event, then I would enroll for as much \$9.50 Tier 1 coverage as my APH allows. Afterall, this maximum coverage in the program only costs 15¢ which is a relatively small cost for this level of protection.

If my APH is near or below 5 million pounds, then this may be adequate risk management protection for my farm. If my APH is well above 5 million pounds and I'm looking for risk management protection, then I would still enroll for as much Tier 1 protection at the



....continued on the next page

The 2022 Dairy Margin Coverage Decision, cont,

Written by:

Mark Stephenson, UW Madison Director of Dairy Policy Analysis

Originally published:

<https://farms.extension.wisc.edu/the-2022-dairy-margin-coverage-decision/>

January 21, 2022

\$9.50 level as I can...it is inexpensive coverage for that milk. Any milk above 5 million pounds will need to be protected differently. Maybe buying up DMC coverage on Tier 2 to a \$5.00 level is a very basic strategy. This improves catastrophic coverage by a dollar and it only costs a half-penny. Any additional risk management will need to be done with other programs like working with your broker to sell a futures contract or purchase a put option. Or, other risk management programs like Dairy Revenue Protection or Livestock Gross Margin might be attractive. Or, check with your handler to see what cash forward contracts may be available to provide protection on a portion of your expected marketing.

If your farm can sustain about of low milk prices or higher feed costs, then maybe you would choose to self-insure this year. Since the likelihood of indemnity payments is forecast to be fairly low, you might choose to forego even the 15¢ cost of \$9.50 coverage in Tier 1. I would remind you that this was the decision made by many producers in the 4th quarter of 2019 who later regretted the lack of coverage in 2020.

If you want to look at current margin forecasts which are updated daily, you can go to <https://DMC.DairyMarkets.org> Here you can also go back in history to see what coverage would have looked like in previous years. Please consider your DMC enrollment decision carefully and make an informed decision about coverage for 2022.

Private Applicator Training (PAT)

Final in-person training hosted in Shawano County to renew private pesticide applicator certifications:

Begins @9:30 am

Matsche Center
Birnamwood, WI
February 22, 2022

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

Virtual Training on Zoom:

February 15

March 15

April 5

More information and
registration:

https://patstore.wisc.edu/secure/browse_cat.asp?category_id=30

Shawano County Forage Council will pay the first year of local membership for all NEW members regardless of county residence, who attend the meeting!

Forage Production Clinic

March 3, 2022

10:00 am to 3:00 pm

Backroom Angie's Main Cafe

132 S Main St, Shawano, WI

Presentations (CCA credits applied for)

Managment Tips for Waterhemp in Alfalfa

Mark Renz, UW-Madison Extension Weeds Scientist

Research Update: Effects of Potassium, Sulfur, & Boron on Alfalfa Production

Scott Reuss, UW Madison Extension Marinette & Oconto Crops and Soils Educator

Dairy Revenue Protection and Livestock Gross Margin tools in Risk Management

Robert Netrefa, GreenStone Farm Credit Services Senior Crop Insurance Specialist

Auction and Annual Meeting to follow lunch



Advance Registration Required by February 24th

Make checks payable to: Shawano County Forage Council

Return to: Shawano County UW Extension 311 North Main Street, Shawano, WI 54166

Registration & Membership Options (lunch included in all options):

___ Midwest Forage Assoc & Shawano Co Forage Council Membership + Registration @ \$90

___ Shawano County Forage Council Membership + Registration @ \$40

___ Meeting Registration \$20

___ ***Meeting Resgistration and NEW Shawano County Forage Council Membership @ \$20***

Name(s) _____

Address _____

Phone _____ Email _____