

# REPORT

## FARM BUSINESS MANAGEMENT NEWSLETTER



### Annual Analysis Summary Meetings

It was good to see so many of you at our meetings. My students attended meetings in LeRoy, Preston and Austin. I am glad that you were able to attend where and when it was most convenient for you.

Occasionally a student will tell me that he or she thought that the meeting was full of bad and depressing news. However, keep in mind that we are trying to tell the general and comparative truth about the year 2002. That is not the whole story, is it?

Nobody is average, but we discuss the average farmer as if he and she really exist. If I put my left hand in hot water and my right hand in ice water, on average I should be comfortable. Right? Probably not. That is not how the world works, yet that is how numbers work.

The greatest value in our farm analysis is what it tells us about your individual farm business. We choose to be in this business of agriculture. We need to concentrate on how we can make it more comfortable for ourselves. Studying the external factors of how hot or cold it is for farmers in general is part of that study. Obviously, not every good thing

happens to every farmer, nor does every bad thing happen to every farmer.

I remind people that there is bad news and good news in our summary every year. The bad news is that we are doing business in a very tough agricultural business economy. The good news is that we are doing business in a very tough agricultural business economy. If it was easy, everybody would be doing it like a hundred years ago when anybody could farm, but few made money beyond what it took to survive. Or, if it was easy, just a few would be doing it as in the current poultry and hog industry, and there would be little profit in it for anyone else.

Agriculture is a tough business. Can you name an easy business? Some people can make their business look easy, but business is business.

#### New Hay Page

Dean Peter handed out a corrected Alfalfa Hay page for the 2002 summary book. Please staple it over the incorrect page bound in the book.

### May and June On-Farm Instruction

I will be making farm visits as field work allows. If you need to see me, let me know and I am sure we can work it in. I will be doing a fair amount of adult education for myself during the summer as follows:

**April 30** – Day long management educator's meeting in Rochester.

**May 5** – Day-long PCMars accounting software class in Owatonna

**May 15** – General session at Riverland Community College and Riverland Community College Graduation in the evening

**May 20** – Day-long Marketeer software training in Owatonna

**May 29** – I'm getting a haircut at 4:30.

**June 8 through June 12** – National Farm and Ranch Business Management Educator's Conference in Minot, ND.

**July 6 through July 10** – Minnesota Ag Educator's Conference in Bemidji.

So, you see, I am a believer in life-long learning, too. Just like you.

## Disaster Signup

It is unfortunate that signup for the latest round of disaster relief for crop and livestock producers has to come during planting time. Don't let this fall through the cracks. Fillmore County livestock producers don't have to worry about signing up for the Livestock Disaster because they are not eligible (for the most part). I don't know why Fillmore isn't.

Contact your FSA office to find out where you stand. For some reason, catfish are included in the livestock disaster relief. Hogs are not. Go figure.

## Congratulations to FFA Members!

Matthew Sloan, member of the Mabel-Canton FFA Chapter, received the top honor as Minnesota Star in Entrepreneurship at the FFA convention held in St. Paul and Minneapolis April 27 – 29.

Matthew was competing against other outstanding FFA members from throughout the state. These young people were judged on their leadership, scholarship and ability to develop their own businesses. Matthew's parents are Joel and Cheryse Sloan of Mabel. His FFA advisor is Brad Harguth.

Many other FFA members from southeast Minnesota did very well in their Career Development Events and otherwise behaved and performed well during the convention.

Over 3000 FFA members met for the three-day convention. This was the 74<sup>th</sup> annual Minnesota FFA convention.

## Your Plan to Deal with Nervous Markets

Soybean prices reacted to, of all things, the SARS virus. This is an indication of how touchy and unpredictable our markets can be. The SARS scare affected the price of soybeans because there was some discussion about problems importing soybeans into China.

I think we need to be sellers every day. Do you have a plan to deal with these nervous markets? If you don't, I would be glad to work with you to put together a simple marketing plan. If you haven't done a marketing plan in the past, this is a good time to start.

## Program Sign-Up

A reminder that June 2 is the deadline and a reminder to think ahead about how you will be recording yields this fall. We don't know if it will be important to know the yield that came from each farm, but it could be.

## Crop Chemical Rate & Cost Guide

My colleagues at Faribault put together a herbicide rate and cost guide for both corn and soybeans. You can use these to compare your costs. If there is a major difference, then maybe we should take a closer look at your purchasing strategies or accounting.

## Rain's in the Forecast—Cut or Wait?

By Mike Velde, Alfalfa Plant Breeder, Dairyland Seed Co. Inc., Clinton, WI. (from the RCC, Owatonna, FBM newsletter)

We've all had this predicament. Your hay is ready to cut, but the weather forecast calls for rain. What do you do? Go ahead and cut. Remember that every day past peak nutritional value you're losing a minimum of 5 RFV points per day. Waiting two days means at least a drop of 10 points. Factor in losses due to delayed pick-up or machinery loss, and your RFV could drop even more.



It's easier to manage a cut crop that received rain than trying to harvest a crop that's grown well past peak RFV. Delaying harvest impacts the next cut by using up valuable growing days. Common sense should be applied, however. If storm clouds are brewing, obviously you won't be cutting. But if you're waiting on a prediction that doesn't come true, you're losing RFV. Waiting to cut could mean a good harvest day, but poor quality hay. Cutting as soon as the crop is ready means a higher quality. And while you may lose some feeding value because of rain, it's often better than waiting.



# May 2003

Sun	Mon	Tue	Wed	Thu	Fri	Sat
				<i>I T &amp; M Nagel Newsletter</i>	2	3
4	5 <i>PCMars Training In Owatonna for FBM Instructors 9-4</i>	6	7	8	9	10
11  <i>Mother's Day</i>	12	13  <i>L-O Spring Concert</i>	14	15 <i>Faculty Conference Day and Riverland Graduation Festivities</i>	16	17
18	19	20 <i>Marketeer Training for FBM Instructors 9-4 Owatonna</i>	21	22	23	24
25	26  <i>Memorial Day observed</i>	27	28	29	30 <i>Non-contract day to prepare for Matthew Pike's H.S. Graduation</i>	31



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## Somatic Cell Count

Minnesota has the questionable distinction of having the highest average Somatic Cell Count (SCC) of the top ten dairy states in the nation. The state's herds had an average SCC of 420,000 during the year 2001.

High SCC cost dairy producers big money. That is why several groups in the state are working together to help dairy producers reduce their herd SCC. The goal is to lower that average from 420,000 to 325,000 by June 2005.

One of the first things that you can keep in mind is a local (probably Rochester) seminar that is coming up on July 1. Put that on your calendar and look for more information later.

In the meantime, we should be planning for the upcoming summer months, times when SCC can be much higher than the rest of the year. Heat stress, mud and the microbes that go with it are SCC culprits in the summer.

Can you plan ahead for hot weather? Can you plan ahead to avoid mud? We can't control the weather, but maybe there is something that you can do to alleviate the effects of heat and mud. Don't wait until the mud is deep to haul in fill. Don't wait until hot weather to arrange shade or control flies. Don't wait until it's raining to build or repair that fence around some clean pasture.