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FORAGE NEWS

For more forage information, visit our UK Forage Extension Website at: <http://www.uky.edu/Ag/Forage>

May 2012

Garry D. Lacefield and S. Ray Smith, Extension Forage Specialists • Christi Forsythe, Secretary

4TH ANNUAL EQUINE FARM & FACILITIES EXPO

The 4th Equine Expo will be held May 31, 2012 from 4-8 pm with a meal provided. The Expo will be held at Margaux Farms, LLC, 596 Moores Mill Road, Midway, KY. Margaux Farms, LLC, is a leading Thoroughbred breeding operation focused on producing sound and durable top-quality racehorses. Margaux Farm stands several stallions, including five-time Grade 1 Winner Devil His Due and is managed by 2001 Kentucky Thoroughbred Farm Managers' Club President Steve Johnson.

Directions from Lexington: Take Leestown Rd. North, 6.6 miles past Masterson Station Park, turn right on Moores Mill Road, then follow the signs to the farm.

Wagon tours include farm stops:

- 1) Selecting the Right feed – Dr. Laurie Lawrence
- 2) Tall Fescue: Friend or Foe – Dr. Ray Smith
- 3) Muck Management and Herbicides – Drs. Bill Witt & J.D. Green
- 4) Field Renovation Options: Roundup Ready Alfalfa®, Teff and Others – Dr. Garry Lacefield

An RSVP would be appreciated to: Woodford County Extension Office (859) 873-4601, dL_CES_woodford@email.uky.edu or UK Ag Equine Programs (859) 257-2226, equine@uky.edu.

GRAZING SCHOOL

Forty-three students, staff and guests participated in the Grazing School at the University of Kentucky Research & Education Center in Princeton April 10-11. Participants were treated to beautiful weather for field activities. Keynote speakers included two of our Grazing School Alumni. Jim Landis, Barren County and Greg Reynolds, Calloway County shared their experience and success when implementing a "grazing system" on their farms from principles taught in the Grazing School.

Our next school will be held September 11-12 at the Woodford County Extension Office and C. Oran Little Research Center.

IN SEARCH OF 300-DAY GRAZING

Never in history have the costs of feed, fertilizer and fuel increased so dramatically over such a short period," says Tom Troxel, University of Arkansas (UA) Extension beef cattle specialist.

And, never have more producers faced the dilemma of how to trim cost without sacrificing production.

"Some have chosen not to purchase expensive fertilizer, while others reduce the amount of fertilizer based on what they can afford," Troxel explains. "Some are adjusting the number of cattle they manage or are cutting costs in other areas.

"Regardless of how producers elect to [manage their costs](#), production may be negatively impacted and it may lead to economic losses in coming years."

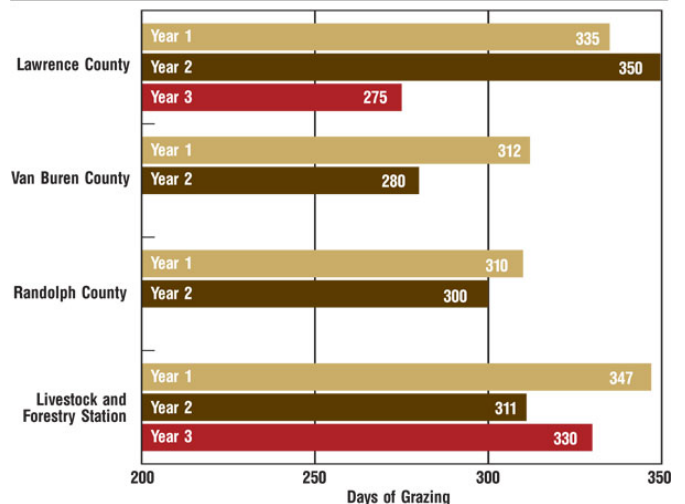
That's why Troxel and his UA peers developed the [300 Day Grazing Program four years ago](#). It demonstrates ways producers can get more out of the forage they have and reduce winter hay needs through proven strategies such as stockpiling; controlled and rotational grazing; planting complementary forages and reducing hay waste.

Stunning progress - The progress made during the first three complete years of the project has been stunning (see Figure 1).

Stockpiling bermudagrass for winter feed, compared to feeding hay, saved an average of \$12, \$42 and \$52/animal unit (AU), in 2008,

2009 and 2010, respectively. Stockpiling cool-season forages saved an average of \$42, \$54 and \$48/AU. An AU is 1,000 lbs. of cow.

Figure 1. Days of grazing accomplished at four Arkansas locations



According to Troxel, the opportunity to stockpile forage is enhanced by rotational or controlled grazing, which can increase forage availability by up to 50% compared to continuous grazing.

"The greatest savings documented was \$83.50/AU on a farm that strip-grazed fescue and white clover and didn't need to apply nitrogen fertilizer," Troxel says. He explains that producers participating in the project who established legumes in their pastures saved an average of \$917, \$4,600 and \$8,276 over the cost of nitrogen fertilizer in 2009, 2010 and 2011, respectively.

Sod-seeding complementary forages in dormant summer and winter pastures is another strategy offering extraordinary returns. In the UA project, planting winter annuals saved \$62 and \$55/AU in 2009 and 2010, respectively, compared to feeding hay.

Though the strategies haven't yielded the goal of 300 days of grazing in every case, Troxel notes that, even in drought years and areas, "Producers employing these practices have had much better forage production compared to producers not employing them."

Increased production - All of that is before considering the impact on production. Consider a UA herd of 38 mostly Balancer cows managed under the 300 days system. From year 1 to year 3:

- Mature cow calf crop increased 13% to 97%.
- Direct expenses fell by 49%/AU.
- Herd breakeven (total specified cost divided by pounds of beef sold) fell 29%.
- Average adjusted calf 205-day weight increased 70 lbs., to 507 lbs.
- Average weaning weight increased 132 lbs., to 603 lbs. (more forage and grazing flexibility meant they could wait longer to wean and market the calves).
- Overall [cow efficiency](#) (calf-adjusted 205-day weight divided by the cow weight at weaning) increased 7%, to 50%.

This herd is part of the UA Livestock and Forestry Station demonstration in Batesville, where grazing was achieved for 347 days, 311 days and 330 days in each of the first three years by utilizing the strategies mentioned.

"Grazing 300 days/year doesn't require a long list of forages. You can do it with a forage list as simple as fescue and bermudagrass by rotational grazing, managing fertilizer timing and stockpiling. But adding other forages over time can give you a winning hand more often," says John Jennings, UA Extension forage specialist.

Learn more about the UA 300 Days of Grazing Program at http://www.agriculture.org/forage_pasture/grazing_program/default.htm. (SOURCE: *Wes Ishmael IN BEEF* magazine, February 28, 2012)

FARMLAND PRICES EXPECTED TO KEEP RISING

A survey indicating that farmland values are expected to continue increasing is more good news for landowners but could also signal caution for buyers, says Craig Dobbins, an agricultural economist. The survey was conducted Feb. 15 at the winter meeting of the Indiana Chapter of Farm Managers and Rural Appraisers. The results come on the heels of a February 2012 issue of *AgLetter* in which the Federal Reserve Bank of Chicago indicated farmland values in Iowa, and parts of Indiana, Michigan, Wisconsin and Illinois have increased by 22% since early 2011. That is the largest annual increase since 1976.

"These numbers tell us that the farmland market is very competitive. There are far more buyers than sellers," says Dobbins, Purdue Extension agricultural economist. "People in the market to buy farmland have a very optimistic outlook about the future and they are willing to pay unthinkable prices."

According to the survey of 32 farm managers and rural appraisers from 25 Indiana counties, the average estimated price of farmland was \$7,533/acre, and all of the respondents indicated their estimated price was higher than the value in February 2011.

While the increases are good news for landowners, Dobbins says there are dangers associated with paying exceptionally high prices to own farmland.

"One of the dangers is that buyers' expectations about the future of the market could be wrong," he says. "If land values or commodity prices decrease, that can really change profit margins. And it doesn't have to be a drastic decrease."

More severe problems can occur if buyers borrow a substantial amount of money to finance land purchases.

"Buyers need to be careful because farm debt levels will affect how hard the fall could be if commodity or farmland values decrease," Dobbins says.

With the strong market, rental prices for farmland also have been on the rise. Survey respondents indicated the average 2012 cash rent was \$253/acre. A majority reported that rate was higher than it was in 2011, and only two reported their rental rates to have stayed the same. None had decreased.

According to Dobbins, the increasing cash rents have led some landlords and tenants to get creative in lease agreements. While 42% of respondents said lease agreements were traditional fixed cash, others were using [flexible lease agreements](#) and crop share leases.

In a flexible lease agreement, or variable cash, the landlord and tenant agree on a minimum amount of rent and share a portion of the profits. In a crop-sharing agreement, the tenant and landlord both invest in the production costs and share the crop yields after harvest. Both types of agreements help tenants and landlords share the risk associated with crop farming.

While all of the survey participants agreed that farmland values were on the rise, they did not agree about the change in land values over the next five years. Forty-eight percent of the respondents indicated farmland values would be higher, 31% thought there would be no change and 21% expected them to decrease.

"These results indicate that, in the short term, Indiana's farmland market is expected to remain strong," Dobbins says. "No one expects farmland values to decline for the year. But relative to the past few years, respondents expect the rate of increase to be much less."

"Longer term, there is less certainty in how farmland values will change. Most respondents expect farmland values to be steady or higher, but sound risk management suggests that buyers need to explore the effect of a 15-20% decline in farmland values on the business." (SOURCE: *Crop News Weekly*, March 14, 2012)

RECORD PRICES, LOW NUMBERS: WHERE ARE WE?

Seemingly everyone is relishing today's higher prices – record prices in most cases. But, there remains a lot of uncertainty about the marketplace. Devastating drought; record hay, corn and fuel prices; plus the news this week that Italy is heading down Greece's economic path, all help to create a lot of economic uncertainty.

Record input prices require record market prices. And, in fact, prices had looked like they would keep up with input prices until the

drought reared its ugly head. Price increases in hay, for example, would have been manageable when merely spurred by acreage shifts from forage production to grain production. But, when that loss of acreage from forage production to grain production was coupled with drought, things really got tough. Who will contemplate expansion when they're struggling to find hay, or can't justify the cost of hay when they can find it?

The situation is similar on the demand side. Exports have been the bright spot. Meanwhile, domestic demand has held together better than most folks assumed, given that the overall economy is struggling mightily. But, with the economic situation in Europe disintegrating, there is less hope for global growth. In fact, the demise of European socialism is probably more concerning than the fall of the Soviet Union's economic system a few years ago because Europe is more intrinsic to the world economy. Plus, it provides a gloomy prospect of what the U.S. might soon face, given that we seem determined to follow Europe's socialist missteps.

Then, there's corn. While still predicted to be historically huge, the 2011 corn crop is now projected to be the smallest in four years. Plus, worldwide stocks are plummeting (a 16-year low). The good news is that feed usage is expected to be at a 22-year low. Of course, the bad news is that the higher prices continue to shrink our industry to unprecedented levels.

Yes, we have some very interesting dynamics at work today – a virtual guarantee of record prices for 4-5 years, but more risk, more uncertainty and the underlying fact that most of the things driving current prices are the result of bad fundamentals. That is, that these high cattle prices are almost solely driven by fewer cattle numbers due to a lack of profitability.

Thus, to the dismay of the feeding, packing and retail industries, the factory shows no signs of significant expansion, despite these higher price levels. The bottom line is that the cattle industry, while in much better shape than the overall economy, is suffering from the same dilemma. That's a lack of confidence to begin earnest expansion, and that concern is largely justified. (SOURCE: *Troy Marshall, BEEF Contributing Editor*, Nov 11, 2011)

HARVESTING SUMMER ANNUAL GRASSES FOR HAY

It is difficult to put up good quality hay – hay that is dry and will not heat or mold – from summer annual grasses like sorghum-sudan hybrids, pearl millet, and forage sorghums. Obviously, this type of hay, which is also called cane hay by some folks, is challenging to bale or stack for most growers. So let's look at what it takes to make good cane hay.

Nearly all problems making good summer grass or cane hay are caused by the stems. Stems are low in protein and energy, they are unbearably slow to dry, and the lower stems contain most of the potentially toxic nitrates.

To solve some problems, cut early, when plants are only waist high. When cut early, stems are smaller, they're eaten readily, and the hay contains more protein and energy. Also, there is less plant volume. So with smaller stems and fewer of them the hay will dry quicker.

Regardless of when you harvest though, cut it high, leaving 8 to 10 inches of stubble. Tall stubble pays off three ways – it helps plants begin regrowth quicker, it holds hay off the ground so air can help dry underneath, and it keeps many nitrates out in the field stubble rather than harvesting them all in your hay.

And finally, always crimp cane hay. Even when stems are small, the waxy coating on the stem causes slow drying. But if you break open these stems by crimping, water will be able to escape and evaporate more quickly.

So cut it early, cut it high. Crimp the stems and they will dry. (SOURCE: *Bruce Anderson, University of Nebraska*)

UPCOMING EVENTS

SEP 6 KFGC Field Day, Hart County
OCT 30 Kentucky Grazing Conference, U.K. Research & Education Center, Princeton

2013

FEB 21 33rd Kentucky Alfalfa Conference, Fayette County Extension Office, Lexington



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May 2012