CARTER COUNTY AGRICULTURE & NATURAL RESOURCES NEWSLETTER

University of Kentucky
College of Agriculture, Food and Environment
Cooperative Extension Service
Carter County
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August 2022 Upcoming Events

August 2 @ 6:00 PM	**Little Sandy Beekeepers Association**– Extension Office
August 7-13	**Carter County Fair**—Fairgrounds
August 7 — 2:30-5:00	**Exhibit Hall Entries Accepted**—Fairgrounds
August 8 @ 8:00 AM	**4-H/FFA Youth Livestock Shows**—Fairgrounds
August 9 @ 10:00 AM	**Extension Council & District Board Mtgs**—Extension Office
August 11 — 10:00-12:00	**Pesticide Jug Rinse & Return**—Kee's Farm Service
August 19 @ 9:00 AM	**Hike & Learn**—Greenbo Lake State Resort Park
September 6 @ 6:00 PM	**Little Sandy Beekeepers Association**—Extension Office
September 8 @ 6:00 PM	**Farm & Family Field Day—**Matt & Tracy Prichard's Farm
September 16 @ 1:00 PM	**Hike & Learn**—Grayson Lake Spillway

Enjoy your newsletter,

Rebecca Konopka

Rebecca Konopka,
Carter County Extension Agent for Agriculture & Natural Resources Education

Carter County Soil Conservation District

University of Kentucky College of Agriculture, Food and Environment
Cooperative Extension Service

Thursday, September 8, 2022

BRING YOUR OWN CHAIR

Farm & Family Field Day

Matt & Tracy Prichard's

6584 S St. HWY 1
Grayson, KY 41143

Heading south on route 1 out of Grayson toward Willard, you will go past Heritage Elementary. Shortly after you pass Mullins Pallet Mill, you will cross a concrete bridge and Matt & Tracy's driveway will be on your right.

Registration begins at 4:30pm

Walking tour starts at 6:00pm

Supper at 7:00pm

Provided by FFA

Guest Speakers:

Dr. Jeff Lehmkuhler, UK Extension Beef Specialist;
Topic: Fence-Line Weaning

Dr. Steve Higgins, UK Biosystems & Agricultural Engineering Director of Animal and Environmental Compliance;
Topic: Farm Efficiency

Equipment Displays

Pop-Up Farmer's Market (Cash, Senior & WIC Vouchers accepted)

Display Booths from local businesses & organizations

Pesticide Jug Rinse & Return Program through KDA

Youth Activities

Door Prizes

*Counts for CAIP Educational Credit & 4-H Youth Livestock Hours

Please bring your favorite dessert to accompany the meal & as an entry for the Dessert Contest. Categories are: Cake, Pies, Cookies, KY Proud & Youth

FOR MORE INFORMATION CONTACT:

CARTER CO. EXTENSION OFFICE
606-474-6686

Testing provides nutritional value of hay and haylage/baleage, rations, and can result in: reduced feed costs, increased animal performance, and information to improve forage stands.

Schedule your hay testing today.

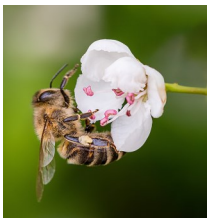
Hay testing will be done on August 16, 17, 18, 22, 23, 30, 31 and September 1, 6, 14, 19, 20, 21, 26 & 27.

Contact 474-6686 or Rebecca.k@uky.edu to schedule your date.

Due to the recent flooding, the Twilight Tour at RCARS scheduled for August 11th has been cancelled.

Thanks to Justin Scarbro & Steve Glass for allowing representatives from the University of Kentucky College of Agriculture, Food & Environment to gather plant and/or soil samples from their farms for research projects.

Little Sandy Beekeepers Association



Tuesday, August 2 @ 6:00 PM

Speakers: Chris McKenzie & Storey Slone, Grow Appalachia

Tuesday, September 6 @ 6:00 PM

From the Woods Today

Wednesdays @ 11:00 AM

August 3: American Chestnut, Tree of the Week, Tree Snap

August 10: Birding ID By Ear, Wildlife Sounds, What's Bugging My Tree?

August 17: Cook Wild: Squirrel, Asian Long Beetle, Lingering Ash

August 24: Plant Selection for Hosts, What Does an Extension Agent Do?

August 31: How Do Insects Find Food?, Upcoming Programs

FROM THE WOODS TODAY

www.FromTheWoodsToday.com

August 7-13

Exhibit Hall entries accepted on Sunday, August 7th from 2:30-5:00. The Exhibit Hall will be open from 5:30-8:00 Monday-Friday. Volunteers are needed to watch the exhibit hall. If you would like to help out please let us know. Exhibits must be picked up on Saturday between 10:00-12:00. Visit www.cartercountyfair.org for the exhibit hall categories and the fair schedule of events.

I Have This Farm, Now What?

Author: Michael Forsythe

What do I do with the farm I just bought? Although this sounds like a question that should be asked before you buy the farm, there may be circumstances that cause you to acquire a farm before deciding what to do with it. You may decide you want to move your family out of the city to a rural area so you buy a house and a small farm. You might inherit a farm from a family member and you do not know anything about farming. No matter the circumstance, deciding what to do with the farm requires careful consideration. In this article, we will look at several decisions that need to be made when purchasing or inheriting a farm.

What are my goals with this farm? Do I want to rent the farm out to another local farmer? Do I want to farm it myself? If you choose to rent the farm out, you need to decide whom you want to rent your farm to and whether you want to cash rent it or share crop rent it. Once these decisions are made, you and the farmer will need to sit down and come up with a rental agreement (preferably written down) that both of you can agree upon. Deciding to farm the land yourself will lead to other important decisions.

One of these decisions would be what type of farming you want to do. Regardless of your answer to this question, you will need to make sure you have the right infrastructure for the type of farming you choose. If you choose to raise livestock, you will need to make sure there are suitable fences, barns, and handling facilities for the type of livestock you plan to raise. If you want to be a crop farmer, you will need to make sure there are good storage facilities or reasonable access to storage facilities for crops.

You will also need to study what type of markets are available for your product and the distance from the farm to those markets. If there are multiple markets, you will need to determine which one fits your needs the best. In some cases, there may be no local markets for your production. In this case, you may have to go into a different type of farming. If you are willing to take a risk, you may also choose to either start-up or help organize a local market for your product. In livestock farming and specialty crop farming, there are more and more farmers trying to sell their product directly to the consumer on the farm or through a local marketing system.

Another important decision to make would be what type of equipment you will need for your farm. If you do not already have access to any equipment, this can quickly become a very expensive investment. You may need to look at buying the bare minimum equipment at first, while hiring someone else to complete other tasks for you, such as planting and spraying grain crops. Another option that may be beneficial would be leasing equipment instead of buying all of it.

There are many other critical decisions that need to be made before you decide to farm your newly purchased land. Finding the right lender and tax accountant for your operation is extremely important. There are all types of lending institutions, but you need to find one that is very familiar with agriculture because they may not understand your needs if they are not familiar with it. This is the same story with accountants. There are some very specific tax rules that farmers have to deal with that other businesses do not. Finding a tax accountant that is familiar with those rules can sometimes save some costly tax errors. Nobody likes paying taxes, but you could cause yourself to pay a lot higher tax bill if you choose an accountant who is not familiar with farming.

One final, often overlooked, decision you need to make is one involving record keeping. This is an area that many farmers fail in because they do not like "doing bookwork". Without proper records, you will not be able to determine what type of profit, if any, the farm is making. This may also cause

problems when trying to get financing or tax preparation because it will take the lender and accountant a lot more time on your operation if you do not provide them with proper records. There are many different accounting software products available for personal use. You just need to decide which one best fits your needs and then actually use it the way it is intended to be used.

Regardless of your situation, it is extremely important to examine these decisions among many others before you decide whether you want to farm. It is also very important to seek advice from others that have more knowledge on a topic than you may have. You may also consider developing a written business plan. There are business advisory centers, like the Kentucky Center for Ag and Rural Development (KCARD) that can help you create a business plan. Your local extension agent is also a wealth of knowledge, can help you narrow down potential enterprise options and point you toward numerous resources through the UK Cooperative Extension Service.

Hay Production Cost Increases in 2022 and Management Implications

Author: Greg Halich

Costs for hay production have skyrocketed in 2022. Fertilizer is driving the bulk of the overall increase, followed by fuel, and then general cost increases for other categories (what could be considered "general inflation"). While we can debate the exact causes of all these increases (i.e. "Policy Blunder" or "Putin's War"), we have a serious situation that needs to be understood and dealt with.

See Table 1 for changes in fertilizer prices between 2021 and 2022. Assuming we are using 60 units of N, 30 units of P, and 100 units K per acre, our total fertilizer cost bill would have gone from $67 to $150/acre, or an increase of $73/acre. This is about a $24/ton increase at 3 tons/acre hay production.

Table 1: Fertilizer Price Increases 2022

	Spring 2021		Spring 2022	
Fertilizer	$/ton	$/unit	$/ton	$/unit
Urea (N)	$370	$0.40	$920	$1.00
DAP (P_2O_5)	$515	$0.40	$860	$0.54
Potash (K_2O)	$370	$0.31	$815	$0.68

I will be the first to acknowledge that not all of this fertilizer cost increase will be fully realized as most farmers are cutting way back on fertilizer applications this year. That of course will mean lower yields on average, but the "true" cost will be somewhat less than the $24/ton shown in Table 1. Using very rough calculations, I would put that figure somewhere between $15-20/ton effective increase for fertilizer cost.

Note that it is actually possible that some farmers' fertilizer costs went down in 2022. This could have occurred if they are typically reliant on commercial fertilizer but applied very low levels in 2022. However, if fertilizer is actually a benefit to them in most years then either their yields will have gone down in 2022 or they are mining their P and K nutrient bank, which will have to be replenished in future years.

Fuel costs have also increased dramatically. During the spring of 2021 on-farm diesel was in the $2.10-2.25/gallon range. In 2022 it increased dramatically to $4.70/gallon in May and peaked over $5/gallon in late June and early July. Currently, in late July it has fallen back down below $5/gallon. Assuming 5 gallons of diesel fuel per acre over two cuttings and moving the hay to storage, with an average price increase of $2.75/gallon would result in an overall fuel cost increase of $13.75 per acre, or roughly $4.50/ton.

If we assume all other costs (supplies, repairs, equipment depreciation/interest, rent, labor, etc.) increased at roughly the general inflation rate of 9%, that would give us an additional cost increase of $3.50/ton.

Thus our total cost increase for making hay between 2021 and 2022 would be in the range of $23-28/ton. For a 5'x5' bale this would be roughly $12-15 per bale. For a 4'x5' bale this would be roughly $9-11 per bale. So far this year, I have not seen anything close to this level of increase in hay prices in Kentucky. However, unless 1) these costs come down substantially over the next 1-2 years, or 2) hay producers learn how to get good yields without commercial fertilizer, hay prices will have to increase.

Management Implications

Fertilizer cost increases are over twice all the other increases combined. While the record diesel fuel prices in 2022 are getting a lot of the headline news, the overall cost increase levels are nowhere near those of fertilizer prices on a per acre basis as was previously discussed. Moreover, there is only so much you can do to reduce your fuel costs if you are going to continue to make hay unless you are willing to trade in your 80 HP air-conditioned cab tractor for original horsepower that runs on solar energy (i.e. pasture, hay, and grain). Aside note: one of the most efficient hay operations I have ever seen was primarily horse-powered, with both a square and round baler powered by a satellite engine. It was amazing how much hay they put up each year and I suspect embarrassed quite a few conventional hay producers in the area.

On the other hand, there are a number of practical options for hay producers and cattle farmers to reduce their dependence on commercial fertilizer. Nitrogen, in particular, can be replaced by learning how to manage legumes in mixed grass stands or even as pure specialty stands. A half-century ago, annual lespedeza was the forage of choice for dairy production in many parts of Kentucky. Dorris Bruce who now has beef cattle west of Lawrenceburg said they planted pure stands for their dairy in Muhlenberg County where he grew up, and that cut in the proper stage would produce more milk than any other forage they could grow. It is also my personal favorite forage for finishing beef cattle on. There are other biological and hay feeding techniques that can be used to reduce or eliminate the need for commercial fertilizer, P and K included. Check out a previous article, "Reducing Your Dependency on Commercial Fertilizers Strategies for Cattle Farm in 2022 and Beyond."

Another option to reduce dependency on commercial fertilizer is to position your farm so it is less reliant on hay. Cow-calf farms that have on average been feeding 130-150 days of hay per year will need to either radically change management or cull their herd so that they can get down to the 60-90 days hay feeding range if they want to have a chance to be profitable. This level of hay feeding is the most profitable level given a realistic range of foreseeable hay price and calf price scenarios. For details of this analysis see the article in Hay and Forage Grower, "Find the Hay-Feeding Days Sweet Spot."

Unless fertilizer prices decrease quickly and dramatically over the next 1-2 years, we will be in a new era for hay production costs. Those farmers that don't quickly adapt to this change in cost structure are going to have a hard time surviving. Those farmers that have already learned, or are willing to learn, to use legumes and other biological techniques for the bulk of their fertility needs will gain a substantial competitive advantage. Collectively cattle farmers have been way too dependent on commercial fertilizer in the last few decades. Many have voluntarily moved away from commercial fertilizer and embraced these biological techniques in the last few years. However, a majority are still trading away profits for purchased fertility and are addicted to the quick fix it gives its user. Sometimes a kick in the butt (i.e. the high $ figure on the fertilizer bill) is needed to provide the incentive to make a change. The only uncertainties are 1) how hard will the kick need to be? And 2) how many times will they need to receive it? I'm betting most Kentucky farmers are fast learners when properly motivated.

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RETURN SERVICE REQUESTED

AUGUST 2022

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WHAT'S INSIDE: