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March - April 2008

A newsletter of:
UW
Extension

THE
CHAMBER
WAUSAU REGION
Partnership for Progressive Agriculture

CALENDAR OF EVENTS

MARCH

March 11-12 – PDPW Annual Business Conference held at the Alliant Energy Center, Madison. PDPW's hallmark, business-management conference aligning high-reaching dairy producers and industry representatives to share ideas, solutions, resources and experiences. For more information call (800) 947-7379.

March 14 – Farm City Dinner, hosted by the Partnership for Progressive Agriculture (PPA) Committee of The Wausau Region Chamber. This year's event will again be held at Stoney Creek Conference Center, Rothschild. Program begins at 6:30 pm and features recognition of Outstanding Young Farmer and Century Farm awards. Contact Melissa Klein at (715) 848-5948 for registration information.

March 15 – 590 Nutrient Management plans for the Environmental Quality Incentives Program (EQIP) funding are due at the Marathon County NRCS office (USDA Service Center, 326 River Drive, Wausau).

March 18 – Private Pesticide Applicator Training in Wausau

March 26 – Farm Transfer & Succession Workshop (see article)

APRIL

April 1-3 – 48th Annual Wisconsin Public Service Farm Show held at the EAA Grounds, Oshkosh. Check out the latest farming equipment, machinery, tools and services. Admission is free! For more information call (866) 920-3276

Outstanding Young Farmers place at state competition

Keith and Fay Niemann, Edgar, were third runners-up in Wisconsin State Outstanding Young Farmer Competition. They received the 2007 Marathon County Outstanding Young Farmer Award. The family operates a feed lot and beef cow-calf operation. They farm 1,345 acres. **Congratulations to the Niemann family!**

Young Dairy Producers Group

Sam Zimmermann, the Northern WI Dairy Educator, UW-Extension, is interested in starting a social/educational group in the Marathon County area for younger dairy producers who are interested in networking with other younger producers and tweaking some of their dairy management skills. He would like to focus this group on a good balance of strengthening dairy management skills with guest speakers while utilizing the social aspect. Other counties have held monthly meetings throughout the winter months and have held them from 8-10 pm at a local establishment of choice. He would like to get a group together to help decide what topics to cover, such as milking skills, calf care skills, financial decision-making, hoof care, dairy nutrition, etc. If you would be interested in becoming involved in such a group, please contact Sam at (715) 261-1250.

Farm Transfer and Succession Workshop

Marathon and Clark County UW-Extension will hold a Farm Transfer and Succession Workshop on March 26 at the Country Aire Banquet Hall, Stratford, beginning at 9:45 am. Participants will be introduced to transition and estate planning concepts, strategies, and current laws.

According to Marathon County UW-Extension Dairy Agent, Mike Wildeck, "Many farmers struggle with how to transfer the farm and begin formulating a workable succession plan. They also find it difficult to begin a dialog with family members, so avoiding the topic all together is sometimes the result." Wildeck notes, "This workshop will help farm families 'break-the-ice' in order to begin this very important process." Developing a working plan will make the actual transition smoother and will make communicating the transfer details with on-farm and off-farm family members easier.

The workshop will feature the following topics and speakers:

- Effective Communication of Personal and Business Goals, Jackie Carattini, Marathon County Family Living Agent -- a good farm succession plan takes into consideration the goals of the individuals, the family, and the farm business. They serve as the primary guiding principles for the farm transition and estate plan.
- Financial Planning for Farm Transfer, Maria Bendixen, Clark County Dairy & Livestock Agent -- will cover farm financial planning from assessing profitability to determin-

ing ways to make the business more viable in the future. It will help you answer questions such as, "Can my farm support two families?" What changes can we make to improve the chances of success?

- Farm Business Arrangements and Tax Considerations in the Farm Transfer Process, Phil Harris, UW-Madison Professor and Extension Farm Law Specialist -- will review farm business arrangements that work for farm transfer in different situations. Tax management is a big issue when considering any type of real estate or business transfer.
- Can You Afford to Own All Your Farmland?, Mike Wildeck, Marathon County Dairy Agent -- due to the steady increase in agriculture land prices in recent years, the question needs to be asked. Earning potential, financing costs, and real estate taxes all need to be considered.

Participants will leave the workshop with an idea of their living expenses before and after retirement, and the beginning pieces of a working succession plan.

Pre-registration (and prepayment) of \$15 per person is encouraged for the meal and educational materials. All registrations paid at the door will be \$20. Registrations can be sent to Marathon County UW-Extension, 212 River Drive, STE 3, Wausau, WI 54403. Check the Marathon County web page at marathon.uwex.edu or call (715) 261-1230 for more information.

New Agriculture Coordinator



Melissa Klein (left) began working in January as the new Agriculture Coordinator. The joint position was created between Northcentral Technical College (NTC) and The Wausau Region Chamber of Commerce to better serve the agriculture community. She will work closely with the Partnership for Progressive Agriculture (PPA)

Committee and the agribusiness community. Klein comes to the Wausau region with impressive credentials. She received an Associates Degree in Agriculture Sales and Service from

Northeast Iowa Community College, home to the program that the Dairyland State Academy model is based upon. She also graduated with a Bachelors degree in Marketing/ Communications with an Agricultural Emphasis from UW – River Falls. Being involved in her family's dairy farm (260 cows) in southeast Minnesota developed her passion for agriculture. Klein interned with the Midwest Dairy Association, UW Extension – Pierce County, U of MN Extension – Wabasha County, along with private and cooperative elevators in Minnesota and Iowa. One of her major accomplishments thus far was being chosen as a runner-up for Princess Kay of the Milky Way, Minnesota's state dairy princess. "Melissa's skills, education, and background will help us meet the needs of the agriculture community," said Scott Mickelsen, Dean of Agriculture and Community Services at NTC.



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2005-2007 Livestock Compensation Program (LCP)

The 2005-2007 Livestock Compensation Program provides monetary assistance to eligible livestock operators for grazing and/or feed losses that occurred in 2005, 2006 or 2007 because of the drought in Marathon County. This assistance is a grant and not required to be used for any specific purpose.

Call the Marathon County Farm Service Agency office at (715) 848-2330 for an appointment. Here is a basic outline and some things to think about before making an appointment. Keep in mind that payments issued are the lower of the pasture loss/excess feed costs or the animal numbers.

1. Although pastures and grazed livestock are eligible for this program, confined livestock are now eligible due to a clarification of rules.
2. Animal numbers will be those on the farm as of March 1, 2005, April 1, 2006 or March 1, 2007
3. It does not matter that producers gained benefits for loss of production under CDP (Crop Disaster Program) and now claim excess feed costs under LCP.
4. For excess feed costs, the FSA county office will obtain all eligible feed receipts with proper information. Receipts must be the original copy and will be for the disaster year claimed and the year immediately preceding. Feed must be purchased by May 15th of the year following the disaster to be eligible.
5. County Committee must determine the following:
 - a. Whether increased feed costs, other than corn, are a result of eligible loss
 - b. Whether feed costs, other than corn, were for claimed livestock
 - c. Whether receipts meet all requirements
6. County office subtracts cost of a "normal" year from the cost in a disaster year to enter in item 21 of the application. If receipts are in order, applicant signs FSA-901. If the applicant needs to provide any additional documentation, he does not sign FSA-901 until everything is made available to the office. The payment calculation is based upon the lesser of excess feed costs plus pasture loss or animal numbers.
7. Receipts must be the original copies and include the following:
 - a. Date of feed purchase
 - b. Name, address and telephone number of feed vendor
 - c. Type and quantity of feed purchased
 - d. Cost of feed purchased
 - e. Signature of feed vendor if the vendor does not have a license (for example, a neighboring farmer)

Dairy Disaster Assistance Payment (DDAP III) Program

Following the public comment period, the Dairy Disaster Assistance Program went back for substantial policy and procedure changes. For now, the sign up is suspended until the changes are ready to be enacted.

The change affecting the greatest number of dairy producers is the method used to determine the "base" production. Previously, a Marathon County average was the "base" for all dairy producers in Marathon County. Currently, each dairy producer will be able to establish their own "base" using an average of their own production in 2003 and 2004. If a dairy producer believes that because of the 2005, 2006, and 2007 drought, milk production, for the entire year, was down as compared to the established "base" production, s/he should consider filing an application. The funding for this program is limited to \$16 million, nationwide. Because of the limit, payments will not be issued until all of the applications and all of the needs are reviewed in Washington.

A new sign up date and further details are still coming. Watch for the announcement in local publications and then call the Marathon County Farm Service Agency for an appointment - (715) 848-2330.

PPA Wants You!

The Partnership for Progressive Agriculture (PPA) Education and Promotion Committee is looking for your input. This committee helps with the Farm City Dinner, June Dairy Breakfast and Ag Adventure tent at the Wisconsin Valley Fair. They also work with the Ag Ambassador intern to promote agriculture in Marathon County. The committee meets once a month to discuss upcoming events. Come and share your passion for agriculture by serving on this committee. For more information please contact Melissa Klein, Agriculture Coordinator at (715) 848-5948.

Dairyland State Academy

The Dairyland State Academy (DSA) is ambitiously moving forward in an effort to stimulate and support the economic vitality of dairy and related industries in north central Wisconsin through an integrated program of education, business development, and practitioner engagement.

This signature facility will provide hands-on, practical learning experiences for students led by well qualified educators. Graduates will receive an associate degree in dairy science, or certificates (e.g., Agronomy, Dairy Grazing, Introduction to Agriculture, Dairy Science, Veterinary Science, Milk and Cheese Processing) recognized by area lenders and agriculture businesses. The facility and program will also serve as a center for dairy producers and entrepreneurs in our region to enhance their skills and network with colleagues as well as a dairy promotion facility for school children and adults. Currently, staff and faculty from the NTC, UW-Marathon County, UW-Extension, and UW-River Falls are collaborating to develop a unique partnership that will offer seamless education for the learners and the sharing of educational resources.

Furthermore, technical college programs in Wisconsin for dairy technicians rely primarily on quality classroom instruc-

tion supplemented with trips to farms and internships had 4 to 14 graduates last year. Meanwhile a two-year college in Iowa attracted almost 800 agriculture students with their well-developed hands-on facilities and quality educational programs. The DSA will be a flagship in Wisconsin and will provide tremendous educational opportunities for young people and existing producers alike.

The greatest strength is the enthusiasm and leadership of the producers and the agricultural, educational, and political leaders involved in this process. The vision of the DSA Board provides an opportunity to significantly impact the future of our state through cutting-edge educational programs. Fulfillment of this vision will meet the educational needs of Wisconsin's committed farmers and enable beginning entrepreneur the opportunity to compete in the world economy.

Lastly, we are looking for opportunities to deliver information regarding DSA with various groups in the region. If you have a meeting coming up and would like to hear more, please contact Scott R. Mickelsen at (888) NTC-7144 Ext. 1387 or (715) 803-1387 or by e-mail mickelse@ntc.edu.

What is Farmland Renting For?

One of the most common farm management related questions heard at the Extension office is "What is farmland renting for?" The usual answer is "It depends." Farmland rent is a very local situation and is determined by supply and demand. While people would love a simple answer, the best that can be offered is a range of numbers based on hearsay. Since there is neither a "marketplace" to help set the price nor mandatory reporting to collect what is being paid. The more important question is "What do I need to charge to cover my cost and make a buck?" To help answer that question Extension Ag Development Agent Tom Cadwallader developed an Excel spreadsheet that, with a few bits of information about the farmland in question, can calculate what a landowner should consider charging in order to cover both their direct and potential opportunity costs.

As an example, Cadwallader used a landowner owning 40 acres worth \$2250 per acre in the Town of Marathon. If the farmer bought the land in 1992 for \$450 per acre and now owns it free and clear, the only annual out-of-pocket cost would be \$175 (possibly) for liability insurance and \$129 for taxes. The reason the taxes are so low is the land is taxed on its agricultural land use value, which in the Town of Marathon, in 2007, was only \$203 per acre for Grade 1 Ag land. The effective tax rate for the township was 0.01592 in 2007. So the out-of-pocket cost per acre for this particular sit-

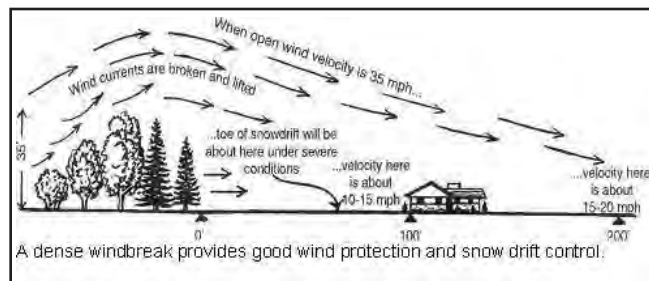
uation was only \$7.61 per acre. If you assume a land market appreciation of 11% (which was the average annual rate since 1992 for that land) the landowner actually gained \$270 per acre in the last year. If the landowner decided to sell the land and put the money into a secure investment earning 3% per year the annual opportunity cost per acre would be \$65.25 per year. Clearly it's a good idea to hold onto the ground and rent it out. Now let's look at the other side.

What if someone needs the land and they buy it at the current market price of \$2250 per acre? With a 20 year note at 6% interest the principle and interest payment on the 40 acres would come to \$7,847 per year. The other out-of-pocket costs (insurance and taxes) are the same as the original landowner. This would mean that the annual per acre cost to the farmer would be around \$204. If you include the annual land appreciation at 11% the new landowner would have a net worth improvement of about \$73 per acre. The question then becomes for the farmer who is negotiating to rent the land, "Can I afford to buy it and cover my out-of-pocket costs with the commodity I'm planning on growing?" That is another topic altogether. If you would like a copy of the "Building and Land Rent" spreadsheet and/or information on setting up a farmland lease contact Lincoln and Marathon County Extension Ag Development Agent at (715) 536-0304 or (715) -261-1240.

Living Snow Fences and Shelterbelts Available Through Continuous CRP

Have you noticed how cold and windy our winter weather has been this year? Have your cattle been huddling around the bale feeder or buildings and not out in the pastures, due to the wind this winter? Are you tired of plowing snow drifts in your driveway or around your buildings? Have you noticed your energy bills going up during the windy winter weather?

The Continuous Conservation Reserve Program (CRP) has funding available to plant Windbreaks, Shelterbelts and Living Snow Fences for qualified participants.



The Continuous CRP offers annual rental payments and cost sharing, similar to the general CRP, but focuses on the smaller sensitive sites that are subject to erosion. These practices may be small in size, but large on beneficial impact for the environment.

As an incentive to participate in Continuous CRP, landowners receive annual rental payments for land taken out of production and for maintenance of the conservation practices. Landowners receive up to 50 percent cost share for installation and an additional 40 percent of installation costs as an incentive payment. By installing Windbreaks, Shelterbelts or Living Snow Fences, participants agree to protect these areas for up to 10 to 15 years.

Landowners interested in planting a Shelterbelt or Living Snow Fence to protect livestock from winter winds, reduce home energy costs, or help reduce drifting snow over your driveway, should contact the Marathon County NRCS office at (715) 848-2330 ext. 3, by March 10, 2008.

Central WI Farm Fresh Atlas

Consumers want a stronger connection to where their food comes from and are making purchasing and dining decisions based on that philosophy. Here is your opportunity to market your product or business. The Farm Fresh Atlas lists farmers' market vendors, CSA farms, direct marketing farms, u-pick operations, farm stands, cheese makers, restaurants and other farm related businesses. Listings cost \$50 for farms and restaurants that use/serve locally produced products. Ads for businesses are \$100. Farmers markets are free! Participants must pledge that they are family or cooperatively owned and operated in a way that protects natural resources. The Atlas will be released in September, 2008. UW-Extension, UW-Stevens Point, Wisconsin Farmers Union, Golden Sands Resource Conservation and Development Council, Land Conservation Departments, and the North Central Regional Planning Commission are working together to publish the Atlas. Over 50,000 free copies will be distributed throughout the region.

If you are interested in participating in the publication contact Bill Ebert at ebertb@co.portage.wi.us or call (715) 343-6214. Applications are due on April 30, 2008. To see what an existing Atlas looks like visit the website for the Farm Fresh Atlas of Southern Wisconsin at <http://www.reapfoodgroup.org/atlas/index.htm>.