



This newsletter is a joint effort from the following organizations:



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## HELP US CUT COSTS!

To receive this newsletter by email please send a request to:  
[ruesi001@umn.edu](mailto:ruesi001@umn.edu)

## Cattle Feeder Days 2017

### Topics:

*"Precision backgrounding to achieve targeted outcomes"*

Dr. Robbi Pritchard, SDSU

*"Growth-promoting implant strategies to maximize profitability"*

Dr. Grant Crawford, Merck Animal Health

*"Observations on backgrounding cattle"*

Dr. Alfredo DiCostanzo, University of Minnesota

### Dates/Locations:

12/12/17 6:00 pm  
Willow Creek Golf Course  
1700 48th Street SW  
Rochester MN

12/14/17 6:00 pm  
Grand Prairie Events  
105 S Estey Street  
Luverne MN



**Registration:** \$20/person, includes dinner and educational materials.

**Information.:** [extension.umn.edu/beef](http://extension.umn.edu/beef) or contact Allison Vanderwall, [vand0956@umn.edu](mailto:vand0956@umn.edu), 507-822-5921

**Hosted by:** The University of Minnesota Extension Beef Team

## Financial Counseling Offered to Minnesota Farmers

One-to-one financial counseling for Minnesota farmers experiencing serious financial distress is available from the University of Minnesota Extension. Farm financial analysts are available throughout the state. They are trained professionals who will help farmers explore options. All services are free and confidential. To set up an appointment or learn more, contact the **Farm Information Line: 1-800-232-9077**

## Three Budgeting Factors for Ranchers to Consider in the Coming Year

*By: Eric Mousel, U of M Extension Beef Team*

With 2017 quickly coming to a close, many in agriculture are already looking towards positioning themselves for the next budgeting year. I think it is generally useful at this time of the year to start looking at what the financial situation for the next year is going to look like and what factors could influence profitability in the cow sector. When it is all said and done, it is looking like 2017 is going to be quite a bit better than 2016 was; at least for cow outfits. As far as 2018, let's look at what could factor into how we go about business:

The average cost of running a cow in Minnesota in 2016 was roughly \$750. This is down about \$60 from its peak in 2014 (\$810 per cow). Much of the relief has come in the form of cheaper fuel, feed, and a couple of relatively mild winters. As far as I can tell right now, I see no reason why feed costs would increase much over 2017. Barring natural disasters and the like, the economic drivers of feed cost (fuel, fertilizer, and inventory) are all in favor of not much changing in the next year.

The economic drivers of fuel and fertilizer are driven largely by the value of the U.S. dollar and its purchasing power in overseas markets. Overall, the U.S. dollar has gained and looks to continue to gain value in comparison to other world currencies. The significance of that to the average cow outfit is that resources purchased from foreign sources as both fuel and fertilizer are, will get cheaper to buy with a stronger dollar. I don't really anticipate either commodity getting much cheaper than it already is, but I don't really see any reason right now why they would be more expensive either. The dollar value is strong and looks to remain strong at least into the 2<sup>nd</sup> quarter of 2018. Refining capacity is always tight and a concern as far as fuel prices, but it is not something that can be predicted.

Feeder calf market prices will probably trend steady to down in the next year. The only thing I am basing this statement on is the strong U.S. dollar, which makes U.S. beef more expensive to foreign customers and the fact that there is a lot of beef in cold storage inventory right now. How much will this affect the markets a year from now is anyone's guess, but based on those two facts I would expect the calf market to lose some of its steam over time.

A real wild card right now is that if the President and the Congress can come to some sort of agreement, there could be a very large restructuring of the nominal tax code that could affect tax structure in 2018. I'm not going to waste paper talking about any specific points because as of this writing it is very early in the legislative process. However, I expect both parties in Congress are very motivated to get something done with the tax code so I would expect some changes; good or bad, in the next year. Thus, it would make good sense to keep abreast of whatever they do get put together so the tax man doesn't catch you by surprise.

The last major factor I see changing in the next year is that butcher cow prices could very well go even lower than they have been recently. Although they have rebounded some in the last month, butcher cows were only bringing \$0.35 - \$0.40 over a good portion of the summer. I wonder if a lot of that was driven by dry weather in the Dakotas and Montana as a lot of liquidated cows made their way onto the butcher market. But the bigger concern I see is that if milk prices don't move in a positive direction soon, there could be another flush of dairy cattle hit the butcher market, driving prices even lower. My research has shown that 20-25% of the profit in cow calf operations is driven by marketing of cull livestock, so lower butcher cow prices could be tough on a lot of cow outfits.

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## Why does the UMN Extension do a land rent survey?

By Michael Cruse, Extension Educator for Fillmore and Houston Counties

The land rent survey asks respondents to provide financial information that many see as being too personal. While I do not disagree that this information is very personal, I do want to stress how important this information is to helping our office educate our local populations. The annual Fillmore and Houston County agricultural land rent surveys are currently out for response. If you did not receive a copy in the mail and wish to respond to the survey you may find it online at: <https://z.umn.edu/30mx>.

There are many variables that must be considered when negotiating land rent prices. People often struggle on where to even begin these challenging conversations. The values produced from the land rent survey results – both the average and the range – can be that starting point. Negotiating parties often prefer to use these values because they come from an unbiased third party, the University of Minnesota Extension.

Extension will again be holding land rent meetings across southeast Minnesota. These meetings are open to the public and cover a range of land rent related topics. This year's meeting schedule is as follows.

**St. Charles:** November 15 at 9:30 AM, St. Charles City Hall, 830 Whitewater Avenue

**Rochester:** November 15 at 1:30 PM, UCR-Heintz Center Room HB117, 1926 College View Road SE

**Preston:** November 16 at 9:30 AM, Fillmore County Office Building, 902 Houston Street NW

**Caledonia:** November 16 at 1:30 PM, Criminal Justice Center, 306 South Marshall Street

## Taking charge of your finances: How to survive and thrive



**Program overview:** This short course will use an interactive and fun approach to teach participants how to organize and use financial records; develop and analyze financial statements; and make informed decisions regarding their finances. Producer teams will act as loan review committees and learn about these concepts as they review a case study farm. The concepts covered promote better internal decisions for farm management and stronger relationships with external partners, such as farm lenders. Coming to a city near you! The event is free to attend. This 6 hour program will cover balance sheet, income statement, cash flow and record keeping. Please visit: <http://www.extension.umn.edu/agriculture/business/events/survive-thrive/> for program dates, locations, and to pre-register. Contact: Nathan Hulinsky, 218-236-2009, [huli0013@umn.edu](mailto:huli0013@umn.edu).

## Leadership for Successful Employee Management

This labor management workshop, will be taught at the St. Charles City Hall, MN. Nathan Hulinsky, UM Extension Educator; Bob Milligan, Professor Emeritus; and other UM Extension educators will be teaching.

Nathan Hulinsky, Extension Educator explains, *“Labor management is a top concern for many farmers. It is hard to find and keep good employees. This class will help farmers develop leadership skills and risk management tools to set themselves up for successful labor management.”*

The workshop will feature a wide variety of employee management topics aimed at helping farms attract and retain employees. Through hands-on activities, tool development, and class discussions, participants will create an employee handbook and build leadership skills. Classes meet on November 20, December 11 and December 21, 2017. Each class meets from 9AM-3PM. Two one-hour webinars will be held in between classes to discuss implementation of course tools and foster further learning.

Merchants Bank and MN Dairy Initiative are sponsors, North Central Extension Risk Management Education has provided grant funds. Cost is \$45/person and \$70/farm. Space is limited. To register, visit <https://z.umn.edu/30g5>. For more information, contact Nathan Hulinsky, 218-236-2009, [huli0013@umn.edu](mailto:huli0013@umn.edu).

**New!!**  
**2017 Fillmore County**  
**Plat Book**

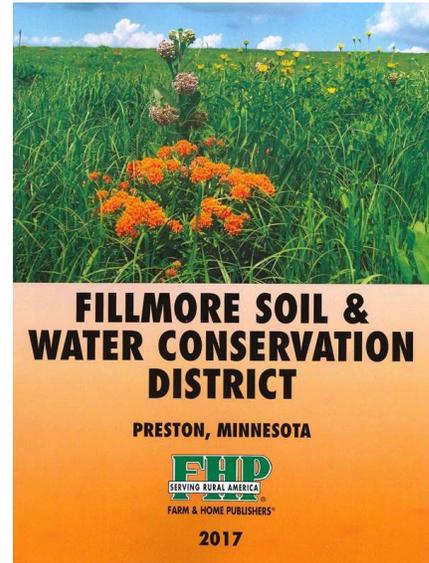
- ◆ Great reference tool
- ◆ Great features
- ◆ Available at the Fillmore SWCD office

The Fillmore SWCD also offers....

State Cost Share Dollars for Conservation Practices—Grazing Management Plans—Soil Health Technical Assistance—Nutrient Management Plans—Manure Spreader Calibration—Bacteria Testing—Survey Flag Sales—Tree Sales—Tree Planter & Gopher Machine



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