



## Farm Management Newsletter

Decatur, Giles, Hickman, Lawrence, Lewis, Marshall, Maury, Perry and Wayne Counties  
John Campbell, Area Farm Management Specialist

Spring 2007

### WHEN PLANS GO AWRY

How many times have you heard someone say, "Don't count your chickens before they are hatched?" Many producers may be thinking this after the Easter freeze. Many producers suffered crop losses, especially fruit and wheat growers. Some early corn must be replanted. Many areas are still deficit in rainfall resulting in poorer prospects for hay and pasture. Also, grain prices have dropped since the March 30 planting intentions report at a time when some producers and analysts felt prices would continue to go higher. So, how do you deal with the unexpected? More producers today are using crop insurance as a means to minimize risk. Some producers had priced some of these expected grain sales before the market dropped.

It is impossible to remove all risk from agriculture production. But utilizing good production and financial management practices can help farm families manage those risks. One recommended financial management practice is to do intensive farm planning using the FINPACK Computer Farm Analysis. This planning is available to all Tennessee farm families as a part of the University of Tennessee Extension's farm management and marketing educational programs. There is no charge for the analysis and all information is confidential. Intensive planning can assist farm managers in making needed adjustments that may be brought on by adverse growing conditions. Contact your county University of Tennessee Extension office for more information.

### FARM MANAGEMENT WEB SITE

For more information on Extension farm management educational programs and educational information on a variety of topics, go to my website at [www.utextension.utk.edu/managecamp](http://www.utextension.utk.edu/managecamp).

### MANAGEMENT INFORMATION LINE

Call the Tennessee MANAGEMENT Information Line, 1-800-345-0561 (toll-free), for confidential information about farm management, stress management and family financial management.

### AGRICULTURAL ENHANCEMENT PROGRAM

Dates have been announced for a new round of cost share opportunities under the Tennessee Agricultural Enhancement Program. The application period for the *Hay Storage Facility Cost Share Program* begins July 1, 2007. The application deadline is October 1. Producers accepted in this program must file for reimbursement by May 1, 2008. The application period for the *Genetics and Handling Equipment Cost Share Program* begins August 1, 2007 and ends November 1. Reimbursement deadlines are December 31, 2007 for handling equipment and May 1, 2008 for genetics. The *Producer Diversification Cost Share Program* application period begins July 1, 2007. The deadline for these applications is August 31, 2007. Approvals will be announced October 1 with requests for reimbursement due on or before June 30, 2008.

In addition to the programs for individual producers, grant funds are also available for producer groups. These programs are the *Commodity-Ag. Producer Association Grant Program, Farmers Market-Marketing Grant Program, Farmers Market Capital Development Grant Program, and Agritourism Regional Groups Grant Program*. For more information on the individual and group programs, go to this web page: [www.tennessee.gov/agriculture/enhancement/index.html](http://www.tennessee.gov/agriculture/enhancement/index.html).

### FOREIGN INFLUENCES ON U. S. MARKETS

While producers and economists focus on market conditions and commodity prices in the U. S., we must realize that other countries often react to high prices here. The run up in corn prices has also drawn the attention of foreign producers. Corn production in Brazil could increase near 15% (230 million bushels). New technologies could add 10 to 20 percent to Brazilian yields over the next few years. Brazil has a land base to bring another 220 million acres into production. Venezuela, Guiana, and the Caribbean have another 200 million acres that could be converted to crop production. Mexico's corn acreage could increase by over 4 million acres. U. S. farmers have indicated a U. S. corn crop of 90.5 million acres this year, up 15% from last year. Increased corn production worldwide will likely have an influence on our markets.

## INCREASE FUEL EFFICIENCY

Farm fuel prices continue near record highs. Bill Casady, a University of Missouri agricultural engineer offers these suggestions to conserve fuel.

- Change filters regularly - Tests have shown fuel efficiency improvements from 3.5 to 20 percent depending on the condition of the old filters.
- Correctly inflate tires - Increase pressure when on rough terrain and when handling larger loads. More precise pressure increases fuel efficiency and also minimizes soil compaction.
- Match power to job - When larger tractors than necessary must be used, "gear-up and throttle-back." Partially throttling a tractor with a light load, instead of running at full throttle, can increase fuel efficiency from 10 to 30 percent.

## CURB IDENTITY THEFT

The problems associated with identity theft are increasing. Individuals are more susceptible to identify theft than businesses and many farms operate under an individual name rather than a business name. Here are some steps from AARP to reduce the threat of identity theft.

- Check your credit report at least once a year and correct any errors.
- Do not give out Social Security numbers or have them printed on checks.
- Get a new driver's license that does not show your Social Security number.
- Carefully get rid of papers with personal information.
- Cut back the number of cards you carry. Do not routinely take your Social Security number, birth certificate, or passport with you.
- Be wary of any business that asks for your credit card or bank account information over the phone, through the mail, or over the Internet unless you confirm that you are dealing with an actual company representative.

## BURGER KING CHOOSING "CRATE-FREE" PORK

Burger King, the world's second-largest hamburger chain, has joined the list of food providers that are embracing "crate-free" pork. The company will begin by purchasing 2 percent of its eggs from "cage free" suppliers, and 10 percent of its pork from producers that "allow sows to move around inside pens, rather than being confined to crates." The announcement was not clear as to whether it applied to gestation crates or also to farrowing crates. The company intends to purchase more as more farmers shift to the appropriate methods and product prices become more competitively priced. Burger King purchases more than 40 million pounds of eggs and 35 million pounds of pork annually in North America and Canada. Officials plan to push cage-free egg purchases to 5 percent by year's end, and its crate-free pork purchases to 20 percent.

## RETAIL FOOD PRICES

Retail prices for food declined slightly in fourth quarter 2006, according to the American Farm Bureau Federation's Marketbasket Survey. The informal survey shows the total cost of 16 basic grocery items in the fourth quarter was \$39.69, down about 3 percent or \$1.40 from third quarter 2006. Of the 16 items, 13 fell and three rose in average price compared to the 2006 third-quarter survey. Compared to 2005, the cost for the marketbasket items increased 2 percent.

## NAIS UPDATE

Currently, 27.5 percent of the livestock premises in the U.S. are registered under the National Animal Identification System. A majority of those farms are in Wisconsin, Michigan and Idaho. Wisconsin and Michigan have mandatory premise-ID programs and Idaho has considered one.

## NOTABLE

- Sales in drinkable yogurt increased 18.4 percent between mid-2005 and mid-2006 to \$7.76 billion in sales.
- 46% of all retail beef volume is sold as ground beef.
- Flavored milk sales increased 10 percent between mid-2005 and mid-2006.
- The Farmers' Health Cooperative of Wisconsin has been organized to collectively bargain for lower health insurance rates for farmers than they could obtain in private plans.

### COUNTY EXTENSION AGENTS

Decatur	Steve Glass	731-852-2831
Giles	Kevin Rose	931-363-3523
	Erin Williams	931-363-3523
Hickman	Troy Dugger	931-729-2404
Lawrence	Calvin Bryant	931-762-5506
Lewis	Frank Yancey	931-796-3091
Marshall	Rick Skillington	931-359-1929
Maury	Richard Groce	931-375-5301
	Dill Hughes	931-375-5301
Perry	Rick Ritter	931-589-2331

## CLOSING NOTE

The things that come to those who wait will be the things left by those who get there first.

### *For more information contact:*

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**Web Site [www.uttextension.utk.edu/managercamp](http://www.uttextension.utk.edu/managercamp)  
MANAGEMENT Information Line 1-800-345-0561**