

Newsletter

AGRICULTURE & NATURAL RESOURCES



University of Kentucky
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Food and Environment
Cooperative Extension Service

Cooperative Extension Service

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BALLARD COUNTY CAIP PROGRAM

We are finally ready to begin taking applications for the next round of funding for the Ballard County CAIP (County Ag Improvement Program). Applications will be available on September 1st at the Ballard County Extension Office and online at www.npdi.us. Deadline for applications is September 22.

As most of you know, this money comes from the Master Settlement Agreement from 2000. This settlement collects money from the tobacco companies based on cigarette sales in the state of Kentucky. One half of the money is earmarked for agriculture in the state of Kentucky and is dispersed by the Governor's Office of Ag Policy and the State Ag Development Board. This pool of money is further broken down where 1/3 of the money goes into individual county accounts based on the acreage of Burley tobacco at the time of the settlement. Our neighboring counties either had little tobacco or were more concentrated in dark tobacco while in Ballard County, burley tobacco was a major player. Therefore, we get quite a bit more money than other counties in our area. This year our allocation was a little less than \$150,000. Fulton County got about \$300.

As cigarette sales go down in the state, our money has come down. When the program started we got roughly \$250,000 for the first few years and it has dropped off every year of the program. The Ballard County Ag Development Committee has pooled the money for the last 2 years and have invested \$310,000 for this round of CAIP Funding.

Just like in the past, this is a 50% cost share program with a limit of \$5,000. This means you have to spend \$10,000 to get \$5,000 back with paid receipts. You can spend \$2000 and get \$1,000 back or spend \$25,000 and you will get a maximum of \$5,000 back. There have been a few minor changes to eligible investments, mostly some clarifications on what is and is not eligible. You can see all the

investment areas and all the changes at www.npdi.us. On the home page, you will see Ballard County CAIP as the first option on the left. Click on that link and it will take you to the Ballard Application page. At the bottom of the page you will see the link for the program guidelines and investment areas.

There are 10 major areas of investment in the CAIP Program. They are Ag Diversification which includes horticulture, aquaculture and forestry. Large Animal includes beef, dairy and equine. Small Animal is sheep and goats. Farm infrastructure includes buildings and grain bins. Fencing and on farm water is just what it sounds like. Forage and Grain Improvement is not quite what it sounds like. Eligible areas are mainly for forage except for limestone which can be forage or grain. On Farm Energy is a broad area including grain dryers to energy efficient lighting. Poultry and other fowl is an area. Technology and Leadership Development has many options and finally Value Added Marketing is an investment area. The website does a good job of breaking these down and showing what is eligible.

After all the applications are returned by September 22, there will be a scoring team that will score the applications. How you answer each question will be worth different point values. The scoring committee does not see the point values until after applications end. Each application is scored and ranked and then we will fund as many as possible based on scores. The state will determine a minimum score that any application below that scoring line will not be funded. They will tell us that number when we get the point values for the questions. We should be able to fund at least 60 applications so the odds of getting funded are very good. After scoring you will get a letter explaining your status as either approved, go ahead with your project and turn in receipts or not approved and the reason why.

As the money goes down every year, I look for the time frame between these programs to have to increase. When we started, we were able to offer a program almost every year. Than we had to go to

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Disabilities
accommodated
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every other year. By the next funding cycle, we may need to pool our resources and offer funding every 3 years. Don't make plans based on this money being available in the future. So far Kentucky Farm Bureau has done a good job of keeping this money going to agriculture as a priority. As the funding levels drop and the state government has to make budget cuts, this money could be disappear in a hurry.

All applications, either online or picked up must be returned to the Extension Office in La Center by September 22. Call my office at 270-665-9118 for information of questions.

PREPARING FOR RETIREMENT

Michael C. Forsythe, Area Extension Specialist/Farm Business Management, Pennyroyal Group

Planning for retirement is imperative for all farmers and it should start at least 3-4 years before expected retirement. One major issue a farmer must prepare for when looking toward retirement is the dreaded tax liability that comes with it. In many cases, a farmer will sell all of his equipment and possibly even some of his land once he retires. Below are some options to consider that may help spread the tax liability over a longer time period.

One option a farmer has is to lease his equipment to a local farmer for a number of years. The equipment could then be sold to that farmer later at a lower value. The rent collected would be ordinary income and the farmer would be allowed to deduct any remaining tax depreciation on the equipment. Once the equipment is eventually sold, the gain would be considered ordinary income. The selling price of the equipment at that point should be significantly lower. The leasing option allows income to be spread over several years and is a great option if there is an interested lessee.

The retiring farmer must make sure that the lease agreement and the equipment sale are considered two completely separate events. If the two events are too closely tied together, the IRS may consider it a financed sale that would be taxable upfront.

Additionally, in most cases equipment rental income is subject to self-employment tax.

Another issue farmers may face when retiring is what to do with their owned land, especially if they do not have heirs. A farmer usually has two options in this case: he can rent the land to another farmer, or he can sell the farm. If a farmer chooses to sell a farm, he may incur a very large capital gain depending on the basis he has in the property. One way he may be able to divert some of that income for a longer period is by selling the property through an installment sale.

An installment sale requires at least one payment after the tax year of the sale. Each payment is broken into

three parts: interest income, return on basis, and gain on sale. Each year the interest income and gain on sale must be reported as income on the proper tax forms, but the return to basis is not included.

Installment sales require very specific guidelines to be followed, so it is very important to work closely with your accountant when considering this option.

Retirement is definitely something that needs advance planning and consideration. It is a major step for any farmer, but steps can be taken to lessen the tax burden with proper planning. As with any decision regarding retirement or any other major decisions, it is very important to involve your accountant and other advisors in the planning process.

CROP YEAR SO FAR

It's hard to believe but corn harvest is starting across the area. The overall corn crop is going to be probably a little above average, but there are going to be some wide yield swings. I would bet we see over a 100 bushel swing in the county with corn over 200 bushels per acre and yields less than 100 bushels. It all comes back to water and rainfall. Very localized droughts have occurred with some areas of the county receiving more than 5 inches more rain than other areas since late June. This will have a big effect on corn yield. If we get some more rain in the next few weeks, it will not have as drastic effect on the soybean yields. I look for average corn yields to be in the 170 bushel range. Beans are too early to tell. Most field still look good.

There have been a few Dicamba issues across the county but nowhere near what I have heard of from other areas. Many of the bean fields that had some leaf puckering have grown out of the damage and should be fine. Several fields, especially in the dryer areas have not outgrown the damage and we may see a yield difference.

Weed control from the dicamba products has been very good and from driving around the county, we need to protect and keep this technology. If you or your neighbor has a pigweed problem, our regular treatments are just not going to work well enough and you need to look at a liberty or dicamba system.

My big fear of spraying dicamba in June or July was not to soybeans. We already knew that soybeans are extremely sensitive and a very small exposure can cause leaf puckering. My fear was to trees and flowers and tobacco but so far I have received no complaints of any of these problems. I think the farmers in Ballard County tried to do a good job and follow the label and there was very little problem with drift. There was a problem with volatilization in a few

instances and I don't think we know all the answers to those cases yet. There was also a problem of not getting it cleaned out of the tank as good as needed so there a few cases of self-inflicted damage to non dicamba beans in a few fields.

TIMELY TIPS

Dr. Roy Burris, UK Beef Extension Professor

Spring-Calving Cow Herd

- Bulls should have been removed from the cow herd by now! They should be pastured away from the cow herd with a good fence and allowed to regain lost weight and condition. It is a good time to evaluate physical condition, especially feet and legs. Bulls can be given medical attention and still have plenty of time to recover, e.g., corns, abscesses, split hooves, etc. Don't keep trying to get open spring cows bred – move them to fall calving or sell them when they wean this year's calf.
- Repair and improve corrals for fall working and weaning. Consider having an area to wean calves and retain ownership for postweaning feeding rather than selling "green", lightweight calves. Plan to participate in CPH-45 feeder calf sales in your area.
- Fescue pastures don't generally produce much this month, however rain in July has given us some forage going into the usually dry months. Keep rotating pastures to permit calves to continue gaining weight. Keep minerals available at all times.



Fall-Calving Cow Herd

- Dry cows should be moved to better pastures as calving time approaches. Cows should start calving next month. Yearling heifers may begin "headstart" calving later this month. Plan to move cows to stockpiled fescue for the breeding season, so it will soon be time to apply nitrogen fertilizer.
- Prepare for the fall-calving season (usually September). Get ready, be sure you have the

following:

- record book
- eartags for identification
- iodine solution for newborn calf's navel
- calf puller
- castration equipment

General

- Keep a good mineral mix available at all times. The UK Beef IRM Basic Cow-Calf mineral is a good choice.
- Do not give up on fly control in late summer, especially if fly numbers are greater than about 50 flies per animal. You can use a different "type" of spray or pour-on to kill any resistant flies at the end of fly season.
- Avoid working cattle when temperatures are extremely high – especially those grazing high-endophyte fescue. If cattle must be handled, do so in the early morning.
- Provide shade and water! Cattle will need shade during the hot part of the day. Check water supply frequently – as much as 20 gallons may be required by high producing cows in very hot weather.
- Cattle may also be more prone to eat poisonous plants during periods of extreme temperature stress. They will stay in "wooded" areas and browse on plants that they would not normally consume. Consider putting a roll of hay in these areas and/or spraying plants like purple (perilla) mint which can be toxic.
- Select pastures for stockpiling. Remove cattle and apply nitrogen when moisture conditions are favorable. Stockpiled fescues can be especially beneficial for fall-calving cows after calving.
- Take soil samples to determine pasture fertility needs. Fertilize as needed, this fall.

THOUGHTS ON MINERAL SUPPLEMENTATION

Dr. Roy Burris, UK Beef Extension Professor

Mineral nutrition of beef cattle is poorly understood. Or, at least, there are a lot of differing opinions. And, there are major minerals and trace minerals, different form and availability of minerals, antagonists, interrelationships and ratios, additives, expensive and cheap minerals, different mineral needs for various classes of cattle and stages of production which all can be considered. We also have FDA regulations that govern what we can legally do. Don't despair. We can still take what we know about mineral nutrition and meet the animals' needs as economically as possible.

First, individual mineral consumption can be quite variable. The biggest thing that effects consumption is the supply. Minerals should be available at all times. It isn't the end of the world if cattle go a few days without

minerals but a pattern of empty feeders will not allow the cows to “level off” their mineral intake. Feeders should be located near shade and/or water so that cattle will come in contact with minerals frequently. Most mineral supplements are formulated for 2 to 4 ounces of intake and are, of course, best if consumed at that level. Salt is the primary driver of intake so DON'T add salt to the feeders.

Speaking of feeders – they need to be covered. I heard a presentation recently about looking for the most “weather-fast” mineral supplements. Supplements were being tested for their stability in open feeders. I have a thought on that, too. Loose minerals are too expensive to feed in open tubs. They should be protected from the weather. “Bull proof” feeders, with a flap on top like the one in the picture, work well for this purpose.

Calcium (Ca) and phosphorus (P) are the individual minerals that we think of first. We prefer about a 2 to 1 ratio of Ca to P. Forages are usually high in Ca and need some extra P added. Phosphorus is expensive and Calcium (think limestone rock) is cheap. So this can add to the cost. However, when feeding grain or grain by-products the opposite is true. Phosphorus is high and we need to add ground limestone to raise the calcium level for prevention of “water belly”. This is getting more common in this area, with the feeding of grain by-products and some finishing of cattle and sheep.

Trace minerals are important, too – especially Copper (Ca), Selenium (Se), Zinc (Zn) and Manganese (Mn). They should be included at the required levels and in the required form to be most available and beneficial. Interestingly, we got really interested in mineral supplementation in Kentucky many years ago when we found that copper oxide was the primary form used for copper and that it was not available to the cattle, so we started a more active research and education program in beef minerals.

Food and Drug Administration (FDA) regulates how we use mineral supplements and the claims that can be made. For example, there is a huge difference between free-choice and feed mixing mineral supplements. If directions are given for mixing into a feed, it isn't cleared for free-choice feeding – meaning the work hasn't been done to prove efficacy or intake. We shouldn't go off label. We are also governed by the veterinary feed directive (VFD) for antibiotics which are also used for humans.

Here's something to watch for – the FDA regulates (approves or disapproves) label claims that are proposed for products. However, a company can avoid this by naming their mineral supplement as they please. That is a big deal here in the “fescue belt”. Since I could name my mineral supplement “Best Fescue Mineral” which implies that I have a label claim for improved performance when I might not. Look for approved label claims and pay less attention to testimonials and names of products. Naming products suggestive names and/or calling them “feed mixing” minerals circumvents the process of getting products approved and labeled properly.

Proper mineral supplementation is important for optimum growth, reproduction and immunity of beef cattle. I have added a feed tag of the mineral supplement that we use at UK-Princeton. You can use it as a guide for free-choice mineral.

Released by:



County Extension Agent
for Agriculture and
Natural Resources

UK BEEF IRM COW-CALF MINERAL 50% SELPLEX 50% SELENITE

FREE CHOICE MINERAL FOR BEEF CATTLE

GUARANTEED ANALYSIS

Calcium	Minimum	11.00%
Calcium	Maximum	12.00%
Phosphorus	Minimum	5.00%
Salt	Minimum	22.00%
Salt	Maximum	25.00%
Magnesium	Minimum	2.00%
Potassium	Minimum	0.50%
Sulfur	Maximum	1.00%
Zinc	Minimum	3,200 ppm
Manganese	Minimum	5,000 ppm
Copper	Minimum	1,600 ppm
Iodine	Minimum	65 ppm
Cobalt	Minimum	15 ppm
Selenium	Minimum	35 ppm
Vitamin A	Minimum INT Units/lb	250,000
Vitamin E	Minimum INT Units/lb	250

INGREDIENTS

Dicalcium phosphate, calcium carbonate, salt, distillers dried grain with solubles, magnesium oxide, copper sulfate, copper proteinate, zinc sulfate, manganese sulfate, ethylenediamine dihydriodide, cobalt carbonate, cane molasses, mineral oil, vitamin A supplement, vitamin E supplement, sodium selenite, selenium yeast, brewer's dried yeast.

FEEDING DIRECTIONS

For free choice feeding to beef cattle on pasture. Place in covered mineral feeders to protect from weather. Place feeders near the animals' water supply and/or loafing area. Maximum trough height should be 20 inches. Consumption should be 3 ounces per head per day which will provide the maximum daily intake of 3 mg of selenium per head per day. Feed only according to label directions. This mineral is designed for a specific use in beef cattle on pasture.

This mineral meets the University of Kentucky Beef IRM recommendations for a Basic Cow-Calf Mineral.

CAUTION: Contains added copper, do not feed to sheep.