

December 2010

Dear Farmers & Ranchers,

Please mark the date of **Thursday, January 13th**, on your calendar. This is the date for the 17th Annual Extension Winter Series. Enclosed please find a schedule and information on the topics to be covered. The programming will begin at 10:00 a.m., with a lunch at noon, and conclude at about 3:15 p.m. We think we have some timely topics and good speakers lined up and hope everyone who is interested will be able to attend. If you will be able to attend, we do ask that you **RSVP by Monday, January 10th**, so we have some idea how many to plan on for lunch.

In this newsletter you will also find information on Off-Station Spring Wheat and Durum Nursery Trials, Income Tax Planning, Livestock Cloning, Pasture and Forage Management Workshop, and Bull Evaluations.

From the Wibaux County Extension Office, Patti and I do wish you and your family a very Joyous Holiday Season.

Sincerely,

David L. Bertelsen
County Extension Agent



Montana State University,
U.S. Department of
Agriculture and Montana
Counties Cooperating.
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Southeastern Montana Extension Winter Series
Thursday, January 13, 2011

The 17th Annual Extension Winter Series will be held in Wibaux on Thursday, January 13th, with a series of programming beginning at 10:00 a.m. in the Wibaux County Courtroom. The program will run from 10:00 a.m. to 3:15 p.m. Topics this year will include: Preparing for the Calving Season; Annual Forages, Pesticide Record Keeping, Handling Chemical Spills, Container Recycling, and Pesticide Disposal; and County Economic and Population Trends.

The schedule will include the following:

10:00-11:00 a.m. Rachel Endecott, MSU Extension Beef Cattle Specialist: “Preparing for the Calving Season.” Calving season will be here before we know it – is your operation ready? This workshop will focus on pre-calving nutrition and management, including colostrums, managing young or thin cows, vaccination, and a “checklist” of things to do before calving.

11:15 a.m.-12:15 p.m. Dennis Cash, MSU Extension Agronomy Specialist: “Annual Forages.” In Montana, about 5 million tons of hay is produced every year. The single largest consumer group for hay is winter-calving beef cows. From the middle of gestation in the autumn through early lactation in late winter, the daily nutrient requirements for the cow increases dramatically. For example, the daily protein requirement increases by 57% (1.4 to 2.2 pounds of crude protein) and energy increases 28% (10 to 13 pounds of TDN) for a 1,200 pound cow. Our typical winter roughages (standing or hay) vary from mature grass, which routinely requires protein supplementation, to alfalfa which can serve as protein source. A growing segment of Montana’s hay supply is from cereals like hay barley, spelt, and awnless varieties of winter wheat or triticale. On an individual ranch, these annual crops are very useful during renovation of old alfalfa fields – they have high yields, palatability and forage quality. Cereals can be grown to reduce weed and disease pressure in fields prior to rotating back to alfalfa. This Winter Series presentation will focus on recent MSU agronomic and feeding trials with annual forages.

12:15-1:00 p.m. Lunch at the Palace Café. Sponsored in part by Hubbard Feeds/Crystalyx.

1:00-2:00 p.m. Diana DeYoung, Montana Department of Agriculture Plant Science Specialist: “Record Keeping, Chemical Spills, and Pesticide Disposal.” Diana DeYoung is the plant science specialist field agent for the Montana Department of Agriculture’s Pesticide Bureau in northeastern Montana. Her office is located in Glasgow and she is responsible for pesticide training and enforcement in 13 counties. Her presentation for the Winter Ag Series will include information on restricted use pesticide laws and record keeping, as well as pesticide spill response procedures for private applicators. Information will also be presented on pesticide container recycling and pesticide disposal.

2:15-3:15 p.m. Paul Lachapelle, MSU Community Development Specialist: “County Economic and Population Trends.” This program will provide an overview of past and present trends related to economic, demographic and related data in Wibaux County and across Montana. Discussion will focus on past and current trends with projections for the future. Maps and tables related to the county will be presented and discussed.

Registration fee is \$5.00 (lunch included). Lunch sponsored in part by Hubbard Feeds/Crystalyx.

All interested persons are encouraged to attend. The registration fee is \$5.00 (lunch included). We are asking those planning to participate to **RSVP by Monday, January 10th** so we know how many to plan on for lunch. The phone number for the Wibaux County Extension Office is (406) 796-2486. The Extension Winter Series is being sponsored by the Wibaux County Extension Office.

Individuals with a private pesticide applicator’s license will receive one (1) recertification credit for attending.

The programs of MSU Extension are available to all people regardless of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. To request disability accommodation or inform us of special dietary or other needs, please contact the Wibaux County Extension Office at (406) 796-2486.

Ag Producers Should Do Income Tax Planning While Congress Debates Tax Policy

As Congress debates tax policy, agricultural producers still must do tax planning before the end of the year based on the information known at this time.

"It is best to start with year-to-date income and expenses and estimate them for the remainder of the year," says Ron Haugen, North Dakota State University Extension Service farm economist. "Do not forget any income that was deferred to 2010 from a previous year. Depreciation also needs to be estimated. It is best to try to spread out income and expenses so producers don't have abnormally high or low income or expenses in any one year. However, caution should be used in deferring too much income because it may push you into a higher tax bracket in a future year."

The Small Business Jobs Act of 2010 passed by Congress increased the 179 expense election and extended the bonus depreciation.

These are items to note for planning 2010 tax returns:

- * For 2010, a deduction for health insurance can be made against self-employment income. Previously, you could take a deduction for family health insurance against adjusted gross income but not self-employment income.
- * The five-year recovery period for new agricultural equipment (except grain bins and land improvements) reverts back to seven years.
- * The 179 expense election has increased to \$500,000 for 2010 and 2011. It generally allows producers to deduct up to \$500,000 of new or used machinery or equipment purchased in the tax year. There is a dollar-for-dollar phase-out for purchases above \$2 million.
- * The additional first-year bonus depreciation is available for 2010. It is available for new property with a recovery period of 20 years or less. It is equal to 50 percent of the adjusted basis after 179 expensing.
- * Income averaging can be used by producers to spread the tax liability to lower income tax brackets in the three previous years. This is done on schedule J.
North Dakota farmers who elect to use income averaging for federal purposes also may use Form ND 1FA (income averaging) for North Dakota income tax calculations.
- * Crop insurance proceeds can be deferred to the next tax year if a producer is a cash-basis taxpayer and can show that normally more than 50 percent of the crop is sold the year after it is produced. Producers with Revenue Assurance or Crop Revenue Coverage may receive an indemnity as a result of price declines and yield loss. Indemnities from price declines are not deferrable. If it is not itemized by line from the insurance company, contact the company to find out what part of the indemnity is from a price decline and what part is from a yield loss.
- * A livestock deferral can be done for those who had a forced sale of livestock because of a weather-related disaster. Two methods can be used. In the first method, income can be deferred to the next year for all types of livestock sold prematurely. In the second method, income from livestock held for draft, breeding or dairy purposes is not taxed if like-kind animals are repurchased within four years (or more depending on weather conditions, disaster declarations or extensions) from the end of the tax year in which the animals were sold. Only the gain on the sale of those animals above and beyond what was normally sold would qualify for postponement.

Income Tax Planning Continued...

- * For 2010, long-term capital gains and qualified dividends have a zero tax rate for those in the 10 percent or 15 percent tax bracket and a 15 percent rate for those in higher tax brackets.

Here is what producers can do before the end of the year to limit their tax liability:

- * Prepay farm expenses. Feed, fertilizer, seed and similar expenses can be prepaid. Typically, discounts are received by paying for these expenses in the fall. Producers can deduct prepaid expenses that do not exceed 50 percent of their other deductible farm expenses.
- * Pay real estate taxes or interest. Paying taxes or interest can be done before the end of the year to increase 2010 expenses.
- * Defer income to 2011. Crop and livestock sales can be deferred until the next year by using a deferred payment contract. Most grain elevators or sales barns will defer sales until the next tax year. Producers should be aware that they are at risk if the business becomes insolvent before the check is received and cashed.
- * Purchase machinery or equipment. Machinery or equipment purchases can be made before the end of the year to get a depreciation or 179 expense deduction in 2010.

Information on agricultural topics can be found in the Farmers Tax Guide, Publication 225. It can be obtained at any IRS office or can be ordered by calling (800) 829-3676. Any questions about these topics should be addressed to your tax professional or the IRS at (800) 829-1040 or <http://www.irs.gov>.



BeefTalk: Why Is My Grandfather a Steer?

November seems to come quickly, and soon to follow will be Christmas. The common saying, "how time flies" is certainly true. Likewise, college campuses are in their prime with classes churning vigorously and trying to instill knowledge.

The process is not as simple as vaccinating calves, but one hopes a good response is achieved. Healthier calves and wiser students are good goals to achieve and, when met, good for everyone. The response will dictate the future and lay the course for years to come.

The genetics class that I teach is no different. Watching minds churn is exciting, if not a bit scary. If one thinks one can rest on his or her laurels and simply accept what is present, one is greatly mistaken. The world of genetics will cause some deep pondering, even if one has a tendency to resist much thoughtful exercising of the mind.

The students are sent out to find new thoughts and return to class with them. Perhaps the common concept of "fetch and retrieve" would be indicative of some of the out-of-class assignments. The fetch command is an easy instruction, but the retrieve is what is exciting. Did you know steers can reproduce? Did you know that geldings can sire future generations?

If one progeny tests a group of steers and finds an exceptional steer based on the desired traits, the technology of today can create a clone of the steer calf. That clone would be a male calf. This calf is one lifetime removed and could go on and sire progeny that would be sons or daughters of the steer that excelled in the progeny test.

Likewise, an exceptionally performing gelding could be cloned. The resulting male foal could be utilized in breeding programs to propagate the genes of the gelding, which also is one lifetime removed. Breeding companies could utilize cloned sons of exceptional steers or geldings to fill semen tanks for producer expansion programs for years to come.

However, one cannot be sure how Mendel would have responded, but one could assume that he would have been a little taken aback. Progress is a thin line, and crossing the line is very subtle. To produce gametes one lifetime removed may seem like an academic exercise limited by extensive laboratory expense and ridiculous costs. One also could conjure up a Frankenstein image and many ghoulish kinds of thoughts. However, as the students retrieve, the process continues.

The genetic world continues to knock on doors never opened. Perhaps, as Mendel would say, those doors never were intended to be opened. However, technology does not stand still. Fetch and retrieve brings more and more literature that continues to propagate the world around us.

Once a germ line is changed and the DNA modified, the world changes piece by piece. The change is permanent, provided the reproductive processes associated with the newly defined organism are maintained. One could say "don't worry" because there only is a one in a trillion chance that would happen. However, given the enormous capacity for gametes to be produced, the one in a trillion chance may not be that far off.

Once changed, always changed, and the sun sets on a new world. Right or wrong, the pendulum swings far and wide. Breed registries used to be closed to make sure that the genetic material of the individual corresponds to the breed or type of livestock the organization represented. As time went on, more and more registries opened up to accept whatever seemed logical at the time.

The challenges of those so-called open-ended concepts never seem to end, and the consequences are seldom fully known. What was once a simple question of whether the Angus bull jumped the fence and bred a Hereford cow now has become a question of what cell was placed where and where did the cell really come from.

Fetch and retrieve. Generally, students are very open minded and seldom are restricted by the things that were not known yesterday. What was learned today becomes tomorrow's reality. In the big picture, if we are not careful, we really have not seen anything yet.

However, simply being able to do something does not mean it should be done. Going to school is more than learning the facts. Understanding the consequences always will be the trump card. What one thinks is better may not always be better.

Dickinson REC to Hold Pasture and Harvested Forage Management Workshop

A 12-month pasture and harvested forage management planning workshop designed for livestock producers, land managers and natural resource students will be conducted at the red office building at the North Dakota State University Dickinson Research Extension Center. The building is on the corner of State Avenue and Empire Road in Dickinson.

The workshop will be offered on Tuesday, Wednesday and Thursday, Jan. 4-6, 2011. The workshop will run from 1 to 9 p.m. on Tuesday, 8 a.m. to 9 p.m. on Wednesday and 8 a.m. to 5 p.m. on Thursday. Dickinson is in the Mountain Time Zone.

The workshop instructors are Lee Manske, NDSU DREC range scientist, and Toby Stroh, Dickinson State University assistant professor of agriculture and ArcGIS instructor.

The workshop will scientifically address the persistent problems in livestock agriculture of high production costs and low profit margins resulting from the asymmetrical mismatch between the quantity of forage nutrients required by modern, high-performance cattle and the quantity of forage nutrients provided from traditional forage management practices. This mismatch causes cattle performance and land resource productivity to be at less than potential levels.

During the workshop, each participant will learn how to develop and properly operate a biologically effective management strategy with twice-over rotation grazing on summer pastures in conjunction with a complete 12-month complementary pasture and harvested forage sequence specific for his or her ranch.

"These science-based management strategies meet the nutrient requirements of livestock during each production period and meet the biological requirements of grass plants and rhizosphere microorganisms," Manske says. "The strategies also increase the quantity of forage nutrients produced, improve the efficiency of forage nutrient capture and improve the efficiency of conversion of forage nutrients into saleable animal weight commodities. These biologically effective 12-month management strategies generate greater new wealth from the land's natural resources without depleting future production."

Information related to the workshop material is available at <http://www.GrazingHandbook.com>.

To design pasture and harvested forage management strategies specific to individual ranches, maps with each pasture and field for the entire land holdings, including owned and leased land, need to be made, and acreages of each soil type in each parcel of land need to be calculated prior to the start of the workshop.

This information can be developed by using two methods. The first method is the old-fashioned hard way by having each participant prepare from aerial photographs a complete set of land holdings maps with calculated acreage for each pasture and parcel of land and acreages of forage type and soil type within each parcel. Instructions for this method are available using the Grazing Handbook at <http://www.GrazingHandbook.com>. Go to the third red button and then to Pages two through six.

The second method for development of ranch land holdings maps is to have this information compiled electronically by a crew of ArcGIS mapping specialists. Location descriptions of land holdings will need to be provided to the specialists one month prior to the workshop to give them sufficient time to develop the maps.

There is a nonoptional lab fee of \$25 per person to cover the costs of supplies, refreshments and a working supper on the second day. A three-volume set of textbooks is available at the printers' cost of \$75. The optional, but highly recommended, ArcGIS map set is \$75 per ranch. An option for professional development with 1 or 2 graduate credits for this continuing education course is available from NDSU at a cost of \$50 per credit. Participants will supply their own calculators, notebooks, lodging, transportation and most meals.

Registration is limited to 20 ranches and is open between now and the start of the workshop. Participants requesting ArcGIS maps to be developed for their ranch must register before Dec. 7. For workshop information or to register, call Manske at (701) 483-2348, ext. 118, or e-mail him at llewellyn.manske@ndsu.edu.

BeefTalk: Simple Bull Rankings Fill the Bull Pen

The Dickinson Research Extension Center utilizes many bulls and always evaluates bulls at the time of purchase and periodically throughout their life span. Perhaps the most challenging evaluation is to ask if the bulls meet the current objectives of the breeding program or expected market for the calves.

Many good beef programs remain as words only if the right genetics is not in the bull pen to get the desired calf crop.

For the center, the heifer development program is being scaled back, which means the current inventory of calving-ease heifer bulls was reduced. In terms of future programs, the center has two different needs.

The first is for bulls that will sire heavy-muscled calves with a reduced frame and a slightly slower growth rate. These calves obviously will end up on a grass program and are projected to go to an older yearling market.

The second group of bulls will need to sire calves for the traditional fast-gaining, high-lean calf-fed market. These calves will be age and sourced for the less than 20 month of age calf market.

However, before either of these criteria can be discussed, the older bulls need to be evaluated based on soundness. Unsound bulls are not kept because putting more resources into a bull that more than likely will have limited breeding capacity is impractical.

Producers should evaluate their bulls periodically, especially when the bulls are penned where they can be observed closely. That slow-moving, standoffish bull may be covering up latent pasture injuries or fresh injuries due to the rough crowd in the bull pen.

The harsh reality is that small problems tend to become big problems. Even minor structural problems often will develop into movement problems during future breeding seasons.

The pecking order also can get severe enough that some bulls simply won't breed. The old saying that "an ounce of prevention is worth a pound of cure" applies now because the time to be thinking about next spring's breeding soundness exams is now.

With the cold weather setting in, the best prevention for bull infertility is a well-bedded bull pen with limited exposure to the wind. Bulls need to be bedded and protected from severe cold to prevent scrotal frostbite.

After the review, only 10 bulls made the cut for next season. Two are Lowline bulls, while the others are Red Angus. All of the Red Angus bulls are registered with the American Red Angus Association and the registrations and data are current. Everyone is busy, so keeping up on the bull pen is not easy, but all the bulls are in good physical condition.

The bottom line is that the remaining bulls have a purpose, which is to fill the weaning pens in the fall of 2011 with the calves that the center desires. Seems like a long way off, but the calves will get here soon enough.

All the bulls were rated for some of the expected progeny differences (EPD) available from the Red Angus Association. The challenge with data is information overload. The information available on sale day was impressive enough to buy on sale day or the bulls were simply affordable. The question is, "Are they still good enough to stay or are there better bulls?" To make the process simple, the bulls are ranked and scored based on the desired EPDs.

If the bull scores in the upper 25 percentile within the breed for a specific EPD trait, the bull received an A. If the EPD value is in the upper 50 percentile, but less than the 25 percentile, the bull received a B grade. If the bull's EPD value was in the lower 50 percentile, the bull received a C grade.

Having gone through the exercise, eight bulls passed the center's needs, while the rest did not. In summation, the bull pen has eight good, meaty Red Angus bulls that vary in frame size. With the bull-buying season starting early next year, the center can better evaluate how many bulls are needed and, like any producer, can develop a budget to work with.

The process may seem cumbersome, but the take-home point is to gather some data and rank the bulls. Does the data support keeping them, or are there better bulls on the market that will meet your production goals? These are your cattle, so you need to become comfortable working the numbers and incorporating data into your decisions to ultimately meet your goal.