Fayette County Agriculture & Natural Resources Newsletter



Cooperative Extension Service

Fayette County Extension 1140 Harry Sykes Way Lexington, KY 40504-1383 Phone (859) 257-5582 Email: DL_CES_Fayette@email.uky. edu http://fayette.ca.uky.edu/

January 2022

Greetings,

I hope the holiday season treated you and your family well. Those times of rest and reflection allow us to think more clearly and help with refocusing our priorities. With that being said, feel free to reach out if you'd like a farm visit or consultation to get a game plan together for 2022 on your farm.

It has been surprising how pleasant the weather has been leading up to January. The moderate temperatures have kept pastures growing and most folks haven't gotten very deep into their hay supplies yet. Market prices for commodities and cattle have been very encouraging, however, input costs for producers have consistently went up as well. If you would like some help with farm budget analysis, there is no better time than now to see where you stand and I'd be glad to help with that. Weed control measures and spring planting plans need to be planned now so you're ready to take action when the weather breaks.

Since things are starting to open back up, we will have some programs in the coming months both in Fayette County and surrounding County Extension offices. If you see anything of interest, just let us know! As always, feel free to contact me if you need any assistance.

Beau Neal Fayette County Extension Agent for Agriculture & Natural Resources beau.neal@uky.edu, (859) 257-5582

January 13-14, 2022 ~ Kentucky Cattlemen's Association Convention & Ag Industry Trade Show; Central Bank Center, Lexington, KY; For more information and to register, please go to https://kycattle.org/convention.html

January 24, 2022 ~ Fayette County Cattlemen's Association Annual Meeting; Fayette County Extension Office, 1140 Harry Sykes Way; For more information, please see the flyer in this newsletter; RSVP to beau.neal@uky.edu or (859) 257-5582.

January 27, 2022 ~ Central KY Tobacco Producers Meeting; Woodford County Extension Office, 184 Beasley Drive, Versailles, KY; 6:00 pm; Meal provided; For more information and to RSVP, please contact Beau Neal at beau.neal@uky.edu or (859) 257-5582.

February 5, 2022 ~ *Kentucky Maple Day*; For more information and to find participating locations: https://ky-maplesyrup.ca.uky.edu/kymaple-day

February 21, 2022 ~ Pastures Please!!;
Fayette County Extension Office, Lexington, KY;
5:30-8:00 pm; Please RSVP online at https://
pasturesplease2022.eventbrite.com or by
contacting Beau Neal at beau.neal@uky.edu or
(859) 257-5582.

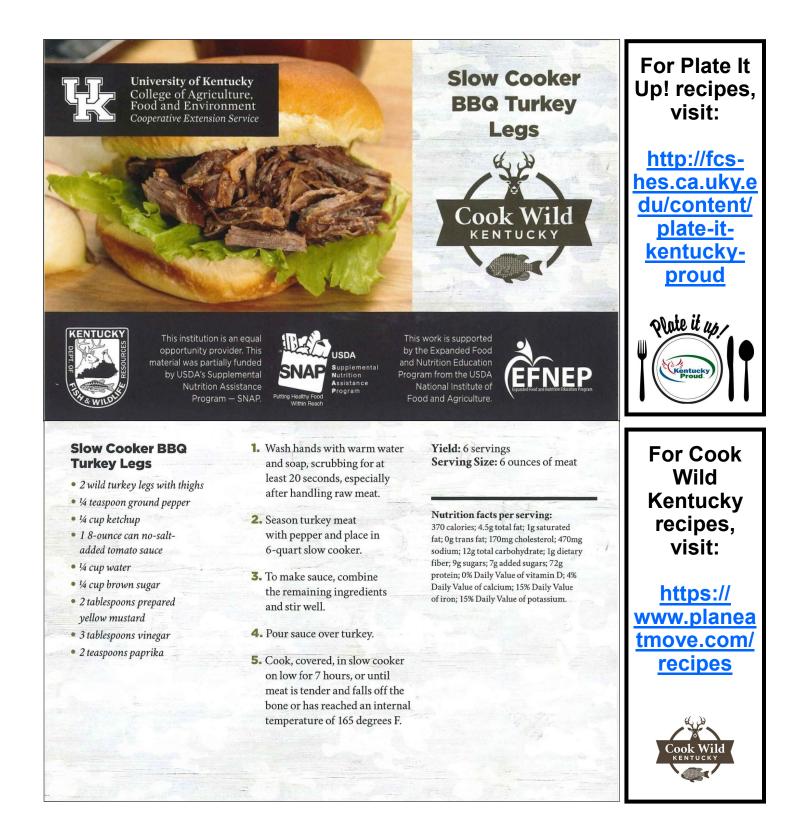
February 24, 2022 ~ 41st annual Kentucky Alfalfa and Stored Forage Conference, Warren County Extension Office, Bowling Green, KY; 7:30 am-3:00pm (CST); For more information/to register, please go to https://forages.ca.uky.edu/event/ kentucky-alfalfa-and-stored-forage-conference

March 19, 2022 ~ Fayette County Farm Bureau's 39th Annual Farm Equipment Consignment Auction; For more information, please see the flyer in this newsletter.

Cooperative Extension Service Agriculture and Natural Resources Family and Consumer Sciences 4-H Youth Development Community and Economic Development Educational programs of Kentucky Cooperative Extension serve all people regardless of economic or social status and will not discriminate on the basis of race, color, ethnic origin, national origin, creed, religion, political belief, sex, sexual orientation, gender identity, gender expression, pregnancy, marital status, genetic information, age, veteran status, or physical or mental disability. University of Kentucky, Kentucky State University, U.S. Department of Agriculture, and Kentucky Counties, Cooperating.



Disabilities accommodated with prior notification.





The Fayette County Extension Office will be closed on Monday, January 17, 2022 in observance of Martin Luther King, Jr. Day.



Master Finisher Program

The Master Finisher Program has been designed for producers interested in finishing beef cattle on their operation, as well as those who have already been doing so. The program will consist of monthly webinars held October-April on the 3rd Tuesday of the month (skipping December), AND two in-person sessions.

There is no cost to participate in this program. Sessions will be recorded for viewing later so you don't have to participate in each one to enroll. Contact the Madison County Extension Office at (859) 623-4072 or email Brandon Sears (brandon.sears@uky.edu) to sign up. (All sessions are CAIP Education eligible.)

Online Sessions - All start at 8:00 pm ET

• January 18, 2022 ~ Working with processors, what to expect - Dr. Gregg Rentfrow

- February 15, 2022 ~ Food safety considerations for selling beef Dr. Paul Priyesh Vijaya-Kumar
- March 15, 2022 ~ Confinement facilities Dr. Morgan Hayes
- April 19, 2022 ~ Environmental compliance/waste management Dr. Steve Higgins

UK Beef Management Webinar Series

Source: Darrh Bullock, Extension Professor, University of Kentucky

Please join us for our Beef Management Webinar Series that meets via Zoom in the evening of the second Tuesday of each month. Registration is necessary, however, if you previously signed up for the ROWLI webinar series we conducted over the past 18 months or have already signed up for this webinar series then you do not need to re-register, you will automatically receive the invitation the morning of each presentation. If you need to register please send an email to dbullock@uky.edu with Beef Webinar in the subject line and your name and county in the message. You will receive the direct link with a password the morning of each meeting. This invitation will directly link you to the site and you will be asked for the password which can be found just below the link. Each session will be recorded and posted for later viewing. All meeting times are 8:00pm ET/7:00pm CT. The following is the planned agenda to date:

- January 11, 2022 ~ Milk: Benefit or Burden Dr. Darrh Bullock and Dr. Jeff Lehmkuhler
- February 8, 2022 ~ AFS Beef Research Update, Titles and speakers to be announced.
- March 8, 2022 ~ Shooting the Bull: Answering all your beef related questions! Roundtable discussion with UK Beef Specialists

Forage Timely Tips: January

Source: UK Forage News, https://kyforagenews.com/

- Begin utilizing stockpiled pastures. Graze pastures with orchardgrass and clovers first. Save tall fescue pastures for late winter gazing.
- Using polywire, strip graze stockpiled pastures to improve utilization. Start at the water source and locate enough forage for 2-3 days. Back fencing is not necessary.
- Make plans to frost seed red and white clover

onto closely grazed tall fescue pastures by mid -February.

- Some hay can be fed as stockpiled grass is grazed to stretch out the grazing season.
- Begin hay feeding as stockpiled forage is used up.
- Supplement hay as needed.
- Minimize waste by utilizing ring feeders.

Ag Economic Situation & Outlook U.S. and Kentucky

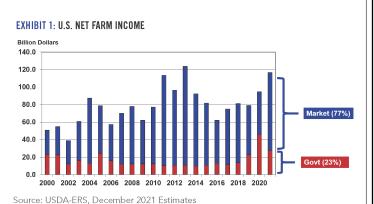
Source: Dr. Will Snell, Extension Professor, Agricultural Economics Department of Agricultural Economics, agecon.ca.uky.edu

2021 SITUATION

Agriculture, like many industries, has been challenged by a multitude of factors over the past 18 months including a relentless and ongoing global health pandemic, an initial meltdown of the global economy, major supply chain disruptions, continued trade tension, soaring inflation amidst higher energy, labor, and food costs, labor supply challenges, and major adverse weather events. Despite these impactful events, the U.S. farm economy has not only survived, but experienced remarkable growth, initially on the heels of significant government financial support, followed by strong export gains, impressive crop yields, and a growing global demand for meat products. In 2020, USDA claims that net farm income increased nearly 20%, with government payments comprising close to one-half of net farm income. For 2021, USDA is projecting an additional 23% gain in net farm income, which, if realized, would be the second-highest net farm income on record and the sixth-highest over the past fifty years when adjusted for inflation.

Direct government payments to U.S. farmers totaled a record \$45.7 billion in 2020. Most of the payments were from the Coronavirus Food Assistance Program (CFAP) to assist farmers from COVID-19- induced price declines and the Market Facilitation Program (MFP) to compensate farmers from losses evolving from the trade wars. Government farm payments are projected to decline 40% in 2021, but are still projected by USDA to comprise around onequarter of net farm income.

Accounting for both higher commodity prices and larger trade volumes, U.S. farm exports will likely end 2021 at record high levels of approximately \$175 billion, following surprising growth in 2020. While most of the gains in U.S. ag exports in 2020 could be attributed to one market –China, and a few commodities – primarily corn, soybeans, and pork, export gains



Despite many challenges, the farm economy prospered in 2021

Kentucky farmers are expected to achieve record high cash receipts in 2021 in response to strong commodity prices, record grain yields, strong grain/ meat exports and recovery in poultry and equine markets

in 2021 were strong among most all of our major trading partners and across most ag commodities. Through October 2021, the value of U.S. corn exports has more than doubled, while U.S. beef exports are up 38%, forest products +28%, poultry +24%, dairy 18%, wheat +17%, soybeans +10%, and pork +8%. China remains the leading export market for U.S. agriculture, but the ag sector experienced strong demand in 2021 for U.S. ag commodities and food products from import markets like Mexico, Canada, Japan, and several other nations in Southeast Asia.

As a result of an improving farm economy, the U.S. farm balance reversed some concerning issues that surfaced from the economic downturn experienced in 2015-2019. Higher net farm income and continued low interest rates boosted land and other asset values in 2021, leading to improvements in many financial ratios, along with strengthening working capital, liquidity, and cash flow levels.

Continued on next page

Continued: Ag Economic Situation & Outlook, U.S. and Kentucky

As for Kentucky, impressive grain crop yields, higher crop/livestock prices, and a strong equine market this past year are projected to boost Kentucky ag cash receipts to an estimated \$6.75 billion in 2021, surpassing the record high \$6.5 billion set in 2014 and considerably higher than the \$5.5 billion average over the past five years (2016-2020). Potential record-high state yields for corn and soybeans, coupled with strong market prices will enable these grain crops to rival poultry as Kentucky's leading ag commodity for 2021.

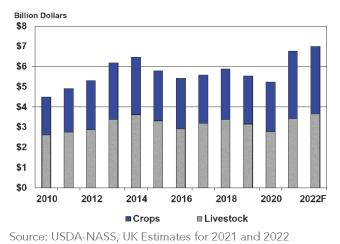
Similar to the national trend, the government payments to Kentucky farmers will be significantly lower in 2021 versus 2020 when they approached nearly \$700 million compared to an average of \$183 million from 2015-2019. Despite much lower government payments and increased production costs, higher cash receipts will likely enable Kentucky net farm income to

2022 OUTLOOK

U.S./Kentucky farmers will enter 2022 with commodity prices much higher than those recorded prior to the Covid-19 pandemic. Despite favorable commodity prices, the main concern confronting farmers as they begin planning for 2022 will be escalating farm input prices. After multiple years of relatively modest changes in farm input costs, farmers are bracing for the potential of double digit percentage hikes in their overall cost of production, with much higher fuel, feed and fertilizer prices anticipated. Labor costs and supplies remain troublesome for not only farmers, but throughout the entire ag/food supply chain as well as the rest of the economy. Interest rates are still expected to remain relatively low for farmers in 2022, however, spiraling inflation may induce the Federal Reserve to take action to restrict money supplies and consequently boost interest rates to cool down inflation.

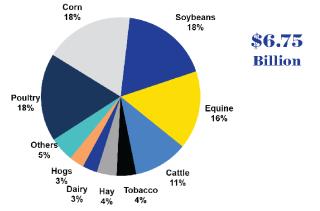
U.S. ag trade is expected to remain fairly robust in 2022, but this depends a lot on crop development in South America, how China responds following the ending of the two-year Phase I trade agreement signed in January 2020, and the outcome of the global economy amidst on-going COVID concerns and supply approach \$2.5 billion in 2021, compared to averaging \$1.7 billion for the proceeding five-year period.





chain issues. In aggregate, the U.S./Kentucky farm economy still has a positive outlook for 2022, but profit margins are expected to narrow compared to 2021. Consequently, farmers will be advised to monitor input and commodity markets closely in developing purchasing and marketing strategies amidst this turbulent, volatile, and uncertain farm economy.





Source: UK Agricultural Economics, December 2021 Estimates

Farmers enter 2022 with favorable commodity prices, but profits may dwindle due to soaring input prices, lower government payments, and uncertain export markets

Weekly Kentucky Cattle and	Grain Summary		USDA Livestoc	k, Poultry and Grain Market News
Frankfort, KY	Mond	lay, January 3, 20	022	
For Week Ending:	Sature	day, January 1, 2	022	
Receipts: No Report	Last Week: 3,065		Last Year: No R	leport
Markets closed for the holidays				WEEKLY 400-600 LB FEEDER STEER M&L 1-2 WEIGHTED AVERAGE PRICE (\$/CWT) 190.00
			View Full Summary	150.00 130.00 110.00
STATE AVERAGES				90.00
Steers (M&L 1-2)	<u>This Week</u>	<u>Prior Week</u>	Last Year	J F M A M J J A S O N D
350-400 lbs		185.29	<u>Last i cur</u>	
400-450 lbs		180.23		
450-500 lbs		168.98		
500-550 lbs		164.12		WEEKLY 400-600 LB FEEDER HEIFER M&L 1-2
550-600 lbs		152.30		WEIGHTED AVERAGE PRICE (\$/CWT)
600-650 lbs		147.78		165.00
650-700 lbs		146.41		
700-750 lbs		138.70		145.00
750-800 lbs		125.71		125.00
800-850 lbs		137.34		- •
850-900 lbs		136.76		105.00
Heifers (M&L 1-2)		120.70		85.00
300-350 lbs		140.90		J F M A M J J A S O N D
350-400 lbs		138.85		
400-450 lbs		137.06		
450-500 lbs		135.71		
500-550 lbs		141.83		WEEKLY KENTUCKY CATTLE AUCTION RECEIPTS
550-600 lbs		138.94		
600-650 lbs		128.07		30
650-700 lbs		127.51		
700-750 lbs		114.44		
750-800 lbs		116.50		spurgation 10
WEF	LKY COW SUM	MARY		0
Slaughter Cows	Average	High	Low	J F M A M J J A S O N D
Breakers Boners				
Lean			-	WEEKLY KENTUCKY CORN BID AVERAGE PRICE
Slaughter Bulls Yield Grade 1&2	<u>Average</u>	<u>High</u>	<u>Low</u>	(\$/CWT)
	December 0 2021	Davi	vling Green, KY	7.00
ст А	<u>December 9, 2021</u> UGHTER GOAT		anng Green, KY	6.00
Kids-Selection 1: 53 lbs 440.0			ids-Selection 1-2	
75 lbs 337.50. Selection 2 54-		00; 68 lbs 340.00		4.00
Wooled-Choice and Prime 1-2: 58 lbs 340.00; 66 lbs 347.50; 73-75 lbs 325.00-340.00; 91-98 lbs 250.00-260.00; 117 lbs 225.00.				J F M A M J J A S O N D
Hair Breeds-Choice and Prim	e 1-2 59 lbs 365.00); 71 lbs 345.00;		2021 2020 5 Year Average
108-125 lbs 235.00-252.00.			View Full Report	
View Full Grain Report		T 1 1 1		USDA-KY Livestock, Poultry & Grain Market News
GRAINS	This Week	Prior Week	Last Year	Frankfort, KY
Corn	5.66-6.25	5.61-6.21		Levi Geyer, OIC 502-782-4139
Soybeans Ded Winter Wheet	12.78-13.88	12.36-13.61		Email: Levi.Geyer@usda.gov
Red Winter Wheat	7.80-8.09	7.78-8.20		<u>USDA Livestock, Poultry, and Grain Market News</u>



Fayette County Cooperative Extension 1140 Harry Sykes Way Lexington, KY 40504-1383

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Fayette County Cooperative Extension Agriculture & Natural Resources Newsletter

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Office Hours: 8:00am - 4:30pm - Monday-Friday

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