Summer Research Projects

This summer, the Salem County Extension Team will be working on the following projects:

- Crop Insurance Education
- Milk Quality Assurance
  - Somatic Cell Count Bacteria (SPC/PIC)
- Hoof Health & Lameness Management
- Teat Dip Efficacy Studies
- Animal Waste Management
- Corn Fertility Trial
- Soil pH Amendment Trial
- Canola Variety Trial
- Soybean White Mold Variety Trial
- Irrigation Management
- Watershed Initiatives
- Financial Management Evaluation

If you have any questions about any of our projects, give us a call at (856) 769-0090.

LGM Sign-Up: May 24

Funding for the Dairy Livestock Gross Margin (LGM) Program is readily available for the May sign-up period. The program is authorized in the lower 48 states, and with this widespread availability, funding will likely be quickly utilized. Dairy producers should give the LGM for dairy program consideration based on the extreme volatility in feed pricing alone. A policy could help to set a guaranteed margin and provide relief in an unstable environment.

If you feel that dairy LGM may benefit you, contact your crop insurance agent as soon as possible to get details for your farm and to take care of pre-enrollment issues. Sign-ups will begin on Friday, May 24 and continue through May 25, if funds are not exhausted.

Visit us on the web:
- Facebook
- Twitter
- WordPress Blog

If you have any questions, give us a call at:
(856) 769-0090
**What is Prevented Planting?**

Prevented Planting (PP) coverage is available on barley, corn, grain sorghum, oats, potatoes, processing beans, soybeans, and wheat in New Jersey. If you are unable to plant your crop by the Final Planting Date or during the late planting period, your option (get dates from your agent as they vary by crop by county) due to an insured cause of loss, you could be eligible for a PP payment. One of the great benefits of the prevented planting option is that, if the condition is general for similar farms in the area, you are protected acre by-acre, not unit-by-unit as you are at harvest time. The PP payment is a percentage of your insurance guarantee. The default guarantee for the usual PP option is 60 percent of the harvest guarantee for most crops. Premium options are available to buy up on PP coverage by +5 or +10 percent. Prevented Planting has many rules, so contact your agent immediately for details if you have a prevented planting situation.

**Replanting Payments**

Many of the crop insurance policies provide replanting payments, if due to insurable cause, you are required to replant a crop. If you experience a replanting situation, contact your agent for details before you destroy the evidence of damage.

**Lameness: Did You Know?**

Lameness is the second leading animal welfare issue following mastitis.

To best minimize lameness in your herd:

- Keep cows’ feet clean and dry by regularly cleaning alleys and barnyards
  The organism responsible for hairy heel warts is a spirochete bacteria of the treponema species also responsible for udder rot
- Maintain a proper hoof trimming schedule
  At dry off and maintenance as needed
- Provide a properly managed foot bath
- Minimize standing time to reduce leg and hoof stress
- Keep stalls clean, dry and bedded adequately to minimize hock lesions
  To test this, kneel in the stall and if you get your knees wet, see above
**Slow Planting, Record Acres Equal Lower Prices?**

**By: Sara Schafer, AgWeb.com Business and Crops Online Editor; May 10, 2013**

USDA is still predicting a record corn crop for 2013. Jerry Gulke analyzes the May 10 World Agricultural Supply and Demand Estimates. While 2013 is already grabbing headlines for being one of the slowest planting years on record, that title doesn’t reflect another important fact: 2013 could also see the biggest corn crop ever.

Prior to the release of the May 10 World Agricultural Supply and Demand Estimates, many traders were expecting USDA to lower the national corn yield estimate, based on slow planting. As of May 5, USDA reports 12% of the crop was in the ground, which is drastically behind the 56% average of the previous five years.

USDA did lower yields to 158 bu. per acre, a significant 5.6-bushel reduction from the agency’s February estimate. Yet even with this yield drop, 2013 is projected to produce the largest crop ever, if USDA’s estimate of 96.5 million planted corn acres is realized.

Jerry Gulke, president of the Gulke Group, says he expected a yield drop based on previous reports. "USDA uses a formula. They like to see 40% of the crop planted by May 5. If it’s not, they say it is very difficult to get a trend-line yield."

Gulke says because demand was reduced so much from last year’s short crop, prices will have to go lower to buy back those customers. "We’re going to do our best to get demand back," he says. You aren't going to buy demand back with $6 or $7 corn. It is going to be $4 or maybe $3.50 corn."

Gulke, who farms himself, understands the uncertainty and uneasiness farmers are feeling about this record-slow planting season. But, he sees a few upsides. First of all, even if corn acres are reduced and yields decrease further, demand can still be met. "You could lower the actual planted acres down to 94 million acres and have a 150-bushel average and still have enough."

And, if prices do drop, it’s a sign yields were strong. "Even if corn drops to $4.50 a bushel, it means I’m going to get a pretty good yield." He says lower prices at higher yields still equal a high gross per acre.

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**Report Crop Damage Promptly**

If your crop is damaged, you are responsible to file notice with your agent within 72 hours. The policy requires that such notices should be in writing. Therefore, if you file a notice of damage by phone, ask your crop insurance agent for a copy of the notice that they file with the insurance company because it is critical that a paper trail exists. Also, remember the evidence of damage must be viewed by an adjuster or you may lose policy benefits.
Livestock Gross Margin (LGM) for Dairy

Livestock Gross Margin (LGM) for dairy is an insurance program that provides protection against unexpected declines in the gross margin of a dairy operation. The market value of milk (gross revenue) minus feed costs (variable cost) equals gross margin. This expected value is calculated based on the futures prices of milk (Chicago Class III) and feed (corn and soybean meal) on the futures market of the Chicago Mercantile Exchange. Unlike crop insurance where the majority of revenue risk lies with production, the risk with LGM dairy lies predominately with price of milk and feed. This program does not set a support price on milk nor does it consider variable costs beyond feed. Instead, LGM for dairy strictly covers the difference between the expected gross margin and the actual gross margin. Other causes of revenue loss such as production loss, damage to livestock, livestock death, etc. are not covered. LGM for dairy is a risk management tool for dairymen to help them remain sustainable.

To participate in the LGM for dairy program, expected prices would be determined for both feed and milk in the futures market. The next step would be to determine how many cwt of milk are to be insured. Once this is determined, the gross margin guarantee is established and at month’s end, the actual prices of milk and feed are determined. Actual gross margin may then be calculated to determine if an indemnity payment is owed.

Any amount of milk may be insured assuming that specified amount can in fact be produced. The limit of milk that can be covered in a year is 240,000 cwt.

Premiums are determined using a premium calculator program based on the amount of milk insured, expected gross margins for each period, and deductibles. Producers may select deductible levels between $0 and $2.00 per hundredweight of milk in $0.10 increments.

An application must be completed and filed while funds remain available but not later than the sales closing date of the initial insurance period for which coverage is requested. Coverage for the milk described in the application will not be provided unless the insurance company receives and accepts a completed application and a target marketing report, premium is paid in full, and the insurance company sends the producer a written summary of insurance. Coverage begins one full month following the sales closing date of the policy. In the eleven months in an insurance policy, ten months are insured because the month following sign up is not covered. To participate in the LGM for dairy program, consult your crop insurance agent.

Questions about crop insurance? Call a crop insurance agent or our toll free information line 800-308-2449
Or visit us online at http://salem.rutgers.edu/cropinsurance

Dave Lee
Jasen Berkowitz
Penny Rammel
Chad Stanczyk
Kelly Steimle

This newsletter is brought to you by the Garden State Crop Insurance Education Initiative, a partnership between the USDA Risk Management Agency, New Jersey Department of Agriculture and Rutgers Cooperative Extension of Salem County. For additional information about crop insurance, contact your crop insurance agent, locate a crop insurance agent at www.rma.usda.gov/tools/agent.html, visit our website http://salem.rutgers.edu/cropinsurance or call our toll free hotline 1-800-308-2449.