Livestock, Dairy Markets Strengthen

Livestock and poultry producers have struggled to cover their costs of production over the last several years as feed costs have increased rapidly. Many beef operators cut back their herds or sold out of business—leaving the national inventory of cattle under 90 million for over 60 years. Beef prices have risen as a result, but even so, cattle numbers declined another 2% this January over December 2013. Higher beef prices have helped struggling dairy farmers, too, over the last year or so, and have also helped keep dairy cow numbers from increasing rapidly as milk prices improved over the last six months or so. Good quality, well-conditioned dairy cows can bring as much as $1.00 or a little more per pound. Prices are expected to continue to rise at wholesale and retail levels through the summer.

With beef prices on the rise, pork producers would be in position to supply more of the meat on America’s plates at a lower cost. But that new pig virus from Asia—porcine epidemic diarrhea virus (PEDV)—has swept through herds in 26 states since it was first identified in the U.S. last May. Pork supplies are predicted to decline by 10% by the end of 2014—resulting in significant price increases for pork. Producers whose herds are not affected by the disease will gain from these high prices, but PEDV is a highly contagious foreign animal disease that can spread. This virus affects only pigs, and is not a food safety concern. Mortality rates in baby pigs have ranged from 50-100%.

At the dairy conferences held in Whitefield and Concord last week, dairy farmers marveled at the size of their most recent milk checks. Record milk prices are bringing some welcome relief for dairy producers. The Boston federal order price for February milk at 3.5% butterfat was just announced at $24.42 per hundredweight, or $2.10 per gallon. The big question is how these increases for milk will bring as much as $1.00 or a little more per pound. From the clothes we wear, the foods we eat, the fuel we burn and the agricultural byproducts we use daily, American agriculture adds to the quality of our lives. The use of animals in agriculture is a complex science that considers human and livestock health and safety, information and training, and ethical considerations. The American Animal Health Institute (AAHAI) is considering the length of the project with the time to pay off the loan.

When seeking financing for a farm business, it helps to look in prospectuses for farm borrowers. The NH Ag Financiers (NHF) is a working group that is fostering ongoing collaboration and learning among traditional and non-traditional lenders to greater assist the success of agricultural businesses in New Hampshire. NHF is represented by on-going participation from the New Hampshire Community Loan Fund, Farm Credit East, Yankee Farm Credit, U.S. Farm Service Agency, USDA Rural Development, TD Bank, Co-Bank, Land for Good, U.S. Small Business Administration, UNH Cooperative Extension, NH Department of Agriculture, Markets & Food.

Whether seeking loans or grants, preparation is key. A well-prepared lender or lender representative is characterized when considering a business loan application. A well-prepared borrower instills confidence and a lender is more likely to fund the business. A nonprofit, or an example of what the business has available for the project and what they need to use them. If the loan is for a specific project, have you considered the pros and cons of each of the various financing options for your specific business goals.

The loan process can seem quite daunting. Lenders can assist with preparing the paperwork needed to apply for a loan. But the NH Ag Financiers group has prepared a list of questions to ease the process by helping borrowers better prepare to meet with lenders. A nonprofit, or an example of what the business has available for the project and what they need to use them.

Business Model/Plan

Do you have a good plan of the management structure and each employee’s roles and responsibilities? Have you established a market for your products, or have you thoroughly researched markets for new ones? Have you identified potential risks to production or operations and do you have clear contingency plans that are well-thought-out? Are you familiar with the requirements, contact U.S. Department of Agriculture, Cooperative Extension office or visit the website at http://extension.unh.edu/Business/Ag-Natural-Resource-Businesses.法定货币浏览器.

Financials

Have you researched and do you understand the full range of capital options available and how to access the right type and source of capital for your business goals?

Do you maintain quality financial statements (monthly profit-and-loss, balance sheet and cash flow projections) and how do you use them?

If the loan is for a specific project, have you considered the length of the project with the time to pay off the loan?

If you have a plan for raising the additional revenue you will need to cover the interest on the loan? Are you familiar with what the business has available for equity, assets, investments and funding?

Do you have key advisors to help guide your business decisions?

Are you open and willing to accept input from people outside your business?

Are you willing to build a working relationship with your lender?

Owner’s Attributes

How deep is your business experience and your understanding of the industry?

Are you willing to be transparent about your personal and business financial condition?

What opportunities exist for your business and how do you plan to capture them?

Can you articulate your own strengths and weaknesses as a business owner?

Legal Issues

What is your business’s legal structure? Have you considered whether it affects the type of financing you are seeking?

Are you leasing land for your business? If yes, are there written agreements and terms in effect over the length of the loan?

Can you provide evidence of sufficient insurance (property, casualty, liability, workers compensation)?

Is the business in compliance with state and federal laws regarding labor, pesticides, runoff, food safety, etc.?

Is the business in compliance with current market rules and regulations?

For education and training opportunities in farm business development, visit the New Hampshire Cooperative Extension office or visit the website at: http://extension.unh.edu/Business/Ag-Natural-Resource-Businesses.

Lorraine Merrill, Commissioner
**FARM EQUIPMENT**

Kuhn FC300 10” disk mочно-flail, fresh cutterbar, $600; Ford 250 manure spreader, $650; JD 1470 disk mower, 11 1/2 rolls, $500; NH 408 disk mower, 8 rolls, $500; JD 3940 chop, 5 head, field ready, $1700; John w/roof, $100; NI 212 manure spreader, new apron, $1350; Jober 400, 10-13” rotary rake, hyd lift, $2800; 4’ & 5’ 6” bush hogs, $800; — CHARLESTOWN, 477-2011.

Ford 3000, 47hp tractor, 2520hrs, low hrs on clutch, 4000hrs, $800; 500, 220v input, $500; — FARMINGTON, 768-3263.

Jane double 8 milking parlor w/16/65lb weigh jars, $150/ea; 16 mini orbit machines, $75/ea; 2500gal bulk tank, $3500; — CONTOOCOOK, 648-7819.

Tubeless 4ply garden tractor tires, 23x8.50-12, man, USA, tires & wheels, $150/pr. — DANBURY, 786-3270.

3 Farmall Cub tractor headamps, $100/ea; Cub sickle mower parts, $15/each; carburetor, governor & instrument panel for a Ford 8N, $50/ea. — ENFIELD, 448-1545.

JD 3pt arms of an ar 440, 200$; 23, 13x4 on 20” JD rims, Firestone tires, 30”, 825/15 tires, have been w/300 M&W 9 bolt hubs for IH 858, may fit others; 10” JD dump carts $100; Craftsman snowthrower attachment, large auger, 46” cut; no mounting brackets, gd for parts, $300/bo. — FARMINGTON, 768-3263.

 Gehl 72 chatter, $150; NH tandem axle rear fender, cart box, $25; 2 hay wagons w/running gears, 250gal loads, $150/ea; no w/flat tire, $50. — HENNIKER, 588-1918. 01 Hyundai excavator, hyd thumb & push blade, low hrs, $65,000; 20 ton air brake trailer, v. g., $5000. — HENNIKER, 428-7623.


Ford Dexta dump, low hrs, new, $1000; Int 435 raker, $150; 18’ transport spike harrrows, $750; JD 49A4 corn planter, $750; McCormick horse-trown manure spreader, $500; Heston 4500 baler wrapper, $2500. — N STRAFFORD, 636-2634.

Cow stanchions, $10/ea; water cups, $15/ea; 2 gates, 4’X12’, $100; 1 gate 4’X6’, $25; water tank 2X2X2 1/2, $100. — STRAFFORD, 332-7169.

**MISCELLANEOUS**

2 man crosscut saws, 5’ & 5’6” (1), $25/ea; 1 man cordwood handsaws, 30”, $20/ea; one gal jugs, $20/ea; 2 binfoots, 9” & 10”; half round, $250; $300; doubled bitted axe, $15. — OSBASCWEN, 753-9547.

Blue Ox log trailer w/360 degree boom, $25,000. — CHARLESTOWN, 477-2011.

Veggie or flower wagon, looks like Gypsy wagon, 16’X6’ on all metal frame w/steel wheels, metal roof & windows, $2000 or will barter or trade; veggie or flower cart looks like chuckwagon on wooden wheels, hooped canvas top, $1100 or will barter or trade. — CONCORD, 228-6332.

20” Big Tex equipment trailer, 12,000lbs, elec brakes,deck tires & brakes, v.g., $4000; small wood-stove screen in front, $50. — CROYDON, 863-0725. 100 ton hyd jack, willow & high sp, $400. — CROYDON, 920-3420.

Bou Matic pipeline washer control box, Model PW 100, 220 input, $5000. — HAVERHILL, 443-3353.

John Deere utility & muck spreader, 21’4” trailer, $100. — 184 Honda Big Red 3wheel for farm use, $600. — HENNIKER, 588-1918.

Electrolube 2’ gal butter churn, $95; 2 Blonde clippers, $50/pair; gear driven Keystone dehorners w/extra blades, v.g., $50; countertop crowdfoot scale, $75. — MILTON, 544-2010.

48’ Wayne Roy wrist-bucket, $500; DMT generator set with freeze plug, $700. — PLEASURY HORSES

150’ bk Percheron gelding, 17.2h, pulls sleigh & cart, $250 includes harness; 3yo 36” mini donkey, $100; Would like to keep them together. — BARRINGTON, 342-4817.

**PLEASURE HORSES**

150’ bk Percheron gelding, 17.2h, pulls sleigh & cart, $250 includes harness; 3yo 36” mini donkey, $100; Would like to keep them together. — BARRINGTON, 342-4817.

**TRUCKS & TRUCK PARTS**

’86 Bump dump, 5sp manual/2sp rear-end, $10,000. — HALEN, 607-7900.

Radiator, fits ’93 Int 4900 truck, v.g., $350. — NEW BOSTON, 487-3339.

Engine still in RV, 454 Dodge & transmission, both run, must be removed from RV, $450. — NEW BOSTON, 497-4457.

Is It Time to Secure Your Milk Margin?

During the past several years, almost every dairy manager in NH has heard about the Livestock Gross Margin (LGM-Dairy) designed for dairy operations. It is an insurance program that is based on milk income over feed costs, which the program calls a “gross margin.” It covers the difference between the expected gross margin (insurance guarantee) and the actual gross margin (on the basis of the producer’s selected months, based on a targeted amount of milk. Futures prices or calculated at the Chicago futures (CME) are used to determine the values of Class III milk, corn and soybean meal resulting in uniform commod- ity prices for all producers. The program is a maximum producer enrollment limit of 240,000 cwt of milk per year. Twelve monthly enrollment periods are available beginning the last business day of each month, ending at 9:00 pm the next day. Deductibles are available from $0 to $2 per cwt, in $10 intervals. Indemnities are paid within 60 days after the producer is insured. The premium is billed at the end of the enrollment (insurance) period in which the producer is enrolled. The Federal premium subsidy is available for the monthly enrollment period if milk is enrolled in at least 2 of the months. The premium subsidy ranges from 18 percent for $0 deductible up to 50 percent for $2 deductible.

Every dairy manager recognized that during the past few years the market has always in favor of dairy providing a profitable opportunity using LGM-Dairy. However, it would appear that this has changed for 2014 as the current and futures market milk prices are very strong right now.

The world demand for powdered milk and other dairy products has been consistently robust and the US dairy exports. This world powder demand is also driving the domestic Class IV futures price above $21.00/cwt for the first time of 2014 for the producer’s selected months, second half of 2014. Class III futures price are above $20.00/cwt for the first half of 2014 and over $18.00/cwt for the second half of 2014. These prices are far from the depth of 2009. International cheese and butter prices continue to lead domestic cheese and butter prices as they have since early last spring, while U.S. inventories remain steady at historically high levels.

Futures market corn prices are well below the past few years – below $4.60/bushel for the first half of 2014 and still below $4.80/bushel for the second half of 2014. The high prices for Class III and IV futures market milk contracts coupled with low futures market corn prices are creating expected margins for 2014 much higher or wider than the three and five year averages. This market situation would seem to be an opportunity for dairy managers to protect profits.

The futures market is projecting these strong prices for next year today, however, they may not be available this summer. For more details on the effect of the Federal subsidy on the price of the insurance – theory and practice, visit the University of Wisconsin Dairy Marketing and Risk Management Program at http://www.uwex.edu/dairy to encourage, or contact a crop insurance agent for farm level details at www.rma.usda.gov/docs/agent.html.
Local Foods Offer Tangible Economic Benefits in Some Regions

Despite their typically small size and sparse distribution, farms that sell their products locally may boost economic growth in their communities in some regions of the U.S., according to a team of economists.

There has been a lot of hope, but little evidence, that local food systems can be an engine of economic growth in communities," said Goetz. He and his colleagues measured the impact of community-focused agriculture on local economic growth by examining its effect on agricultural sales overall. "Rather than look at the direct effect of community-focused agriculture on economic growth, we looked at the effect of these operations on local agricultural sales, and then at how total agricultural sales affected economic growth," said Goetz.

Using county-level data from the 2002 and 2007 U.S. Census of Agriculture, the team analyzed the link between direct farm sales — sales made directly from farmer to consumer — and total farm sales. When they examined the data on a national basis, they found a positive but not statistically significant relationship between the two.

Goetz said that a different picture emerged when they looked at the data by region, as defined by the U.S. Bureau of Economic Analysis. In some regions, direct sales seemed to complement total farm sales. For example, in New England, a $1 increase from the 2002 level of direct farm sales was associated with a $4 increase in total farm sales. This $9 in increase in total sales was the Mid-Atlantic states of Delaware, Maryland, New Jersey, New York and Pennsylvania. Yet, in other regions, local food sales appear to compete with total farm sales. In Southeastern U.S. counties, for example, direct sales were associated with a reduction in the impact of local agriculture. "Next, to see the impact on economic growth, the researchers used a statistical model to analyze how changes in farm sales per capita influenced changes in real personal income per capita — an indicator of economic growth," said Goetz.

"We found that for every $1 increase in agricultural sales, personal income rose by 0.2 cents over the course of five years," said Goetz. "Considering the relatively small size of just the farming sector within the national economy, with less than 2 percent of the workforce engaged in farming, it's impressive that these sales actually move income growth in this way."

Goetz said that by establishing that direct sales have a positive effect on total agricultural sales, which in turn have an effect on income growth, this study demonstrates that direct sales do indeed expand local economies at least in the Northeast U.S. He added that these results came as a bit of a surprise. "When we set out to measure the economic impact of local food sales, we frankly didn't expect to find one," said Goetz.

He explained that economists are generally skeptical that local sales can have impacts because such sales tend to recirculate money within a community rather than inject new money. "Injection of new money — money from outside of the community — is what many economic development practitioners think of as the fuel for economic growth," he said. "But these findings provide quite robust evidence that even direct sales do have an effect on growth, in the Northeast U.S." Other members of the research team include Stephen Vascular, professor of agricultural and regional economics in Penn State's College of Agricultural Sciences and director of the Northeast Regional Center for Rural Development. "Our findings show that, at least in certain regions of the country, community-focused agriculture has had a measurable effect on economic growth," said Goetz.

The team's findings, which appear in the February 2014 issue of Economic Development Quarterly, shed new light on the role that local food sales play in economies, and may help inform policymakers about supporting community-focused agriculture as a local economic development strategy. The team recommends that policymakers direct efforts to support community-focused agriculture in areas that have the greatest potential to expand local economies. "This is a win-win proposition for everyone, because it helps consumers access fresh food and it helps the local economy," said Goetz.

The team also pointed out that the impact of community-focused agriculture on economic growth was not uniform across the country. "The results were not the same across the country," said Goetz. "Some regions have had a strong positive impact, while others have had a more mixed impact."

The team attributes the variations in results to differences in the local food systems in different regions. "In some regions, community-focused agriculture has had a stronger impact than in others," said Goetz. "This suggests that policymakers should consider the specific characteristics of their local food systems when developing strategies to support community-focused agriculture."

Goetz emphasized that the study was not intended to suggest that community-focused agriculture should be the sole focus of local economic development efforts. "Our findings suggest that local food systems may have an important role to play in economic development, but they should be considered as part of a broader strategy to support local economies," said Goetz.

He added that the study's findings are particularly relevant for policymakers in regions that are struggling to attract new businesses or retain existing ones. "Our findings suggest that local food systems may have an important role to play in economic development, but they should be considered as part of a broader strategy to support local economies," said Goetz. "This is a win-win proposition for everyone, because it helps consumers access fresh food and it helps the local economy," added Goetz.

The Center for Local Food Systems has conducted studies in other states like Vermont and New Hampshire that have found similar trends. The findings of these studies suggest that local food systems have the potential to contribute to economic growth in a variety of ways, including by creating new jobs, increasing local income, and boosting the overall economic performance of the region.

The team's findings have important implications for policymakers and businesses that are considering investing in local food systems. "Our findings suggest that local food systems may have an important role to play in economic development, but they should be considered as part of a broader strategy to support local economies," said Goetz.

Goetz noted that community-focused agriculture has been gaining attention in recent years as a way to support local economies and promote healthy eating. "Our findings suggest that local food systems may have an important role to play in economic development, but they should be considered as part of a broader strategy to support local economies," said Goetz.

He added that the study's findings are particularly relevant for policymakers in regions that are struggling to attract new businesses or retain existing ones. "We hope that our findings will help inform the decisions of policymakers and businesses that are considering investing in local food systems," said Goetz.

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WHOLESALE EGGS
Boston Market averages for 3/12-3/18
[...]
Retail: Large, 1.62; Medium, 1.35; Small, 1.05.

RETAIL GRAIN PRICES
PER 50 LBS
Cash & Carry
[...]
Manufacturer's Suggested Retail Prices
[...]

BULK GRAIN PRICES
PER TON
[...]

NORTHAMPTON COOPERATIVE AUCTION
Whately, MA, March 18, 2014
[...]

WHOLESALE EGGS
White Brown Shelled Eggs: Jumbo, 2.48; Calf Starter, 14.44
Chick Starter Mash, 15.23-17.99 14.61
Poultry Cornmeal, 9.31-10.02 9.67
Hog Grower Mash, 10.89-13.49 12.27
Hog Grower Mash, 10.89-13.49 12.27
Whole Corn, 8.97-10.99 9.91

Question of the Week
Q. I planted bulbs in late October and placed them on the steps under the bulkhead in my basement. They’ve started to sprout. What do I do now?
A. A good rule of thumb: when you see the shoots 2 to 3 inches above the soil and fine, white roots emerging from the drainage holes, it’s time to bring the plants out of direct sunlight to promote the shoots 2 to 3 inches above the soil. Enjoy!

Ag Calendar
Mar 25: Pollinator Conservation Short Course, 9-4 p.m., Cutler Bldg., 33 Main St., JAFFREY. For more info call 855-232-6639, ext 102.
Mar 29: Hands-on Blueberry Pruning Workshop, 9-noon, 98 Canterbury Rd, CHICHESTER. For more info call 796-2151.
Mar 29: Pruning apples, pears, peaches & small fruit, 10:00-noon, 45 Gilman Dr., GILFORD. For more info call 527-5475.
Apr 7: Marketing for Horticulture Operations, 9-30 a.m., Granite State College, 25 Hall St., CONCORD. For more info call 863-9200.

Pesticide Applicator Recertification Seminars
Meetings approved by the Division of Pesticide Control for recertification credits:
March 29: Home Gardeners Tree Fruit Pruning Demonstration Meeting
Grapevine Pruning Demonstration Meeting
Home Gardeners Blueberry Pruning Demonstration Meeting
Lastowkas Maple Gate Farm -- Merrimack, NH
Contact: George Hamilton, 603-641-6060 1 - 2 PC, EA

Periodicals
Newspaper
Market Quotations

Periodicals
Weekly Market Bulletin
NH Department of Agriculture, Markets & Food
PO Box 2042, Concord, NH 03302-2042

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