

# NORTHEAST OHIO AGRICULTURE NEWSLETTER

Your Weekly Agriculture Update for  
Ashtabula, Portage and Trumbull Counties

May 12, 2020



*Snowy tillage work in Trumbull County on May 9, 2020.*

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## ***Hello Northeast Ohio Counties!***

Finally we have some warm weather in the forecast with temps rising all week, reaching the mid-70s by this weekend. The cold snap and snow flurries didn't stop producers from preparing for planting. Keep an eye on soil temps and read about the impact cold weather has on crops in the first article of today's newsletter.

We are continuing to telework during the Stay Safe Ohio order but as always, we are here to assist you.

Have a great week!

Lee Beers  
Trumbull County  
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# **Cold Weather Impact on Corn and Soybean**

By Alexander Lindsay and Laura Lindsay

Source: <https://agcrops.osu.edu/newsletter/corn-newsletter/2020-13/cold-weather-impact-corn-and-soybean>

In Ohio, between May 9 and 10, temperatures were as low as 26°F with some areas even receiving snow. The effect on corn and soybean depends on both temperature, duration of low temperature, and growth stage of the plant. The soil can provide some temperature buffering capacity, especially if soil is wet. Water is approximately 4x more resistant to temperature changes than air or dry soil, and thus will buffer the soil from experiencing large temperature changes as air temperatures drop. Deeper planted seeds may also be more resistant to large temperature swings.



## **Imbibitional**

**chilling.** Imbibitional chilling may occur in corn and soybean seeds if the soil temperature is below

50°F when the seed imbibes (rapidly takes up water from the soil, usually 24 hours after planting).

Imbibitional chilling can cause reductions in stand and seedling vigor. If seeds were planted into soil at least 50°F (and have imbibed), the drop in temperature is not likely a problem if the plants have not yet emerged from the soil.

**Corn after germination.** The growing point of corn is below the soil surface until the V6 growth stage, and therefore is protected from low temperatures to some extent. However, if the soil temperature falls below 28°F, this can be lethal to corn. Temperatures between 28 to 32°F may result in frost damage, and both the temperature and duration will affect the severity of damage. Between May 9 and May 10, the minimum soil temperature at a 2-inch depth was 38°F at the Northwest Agricultural Research Station in Wood County, 44°F at the Ohio Agricultural Research and Development Center in Wayne County, and 58°F at the Western Agricultural Research Station in Clark County.

**Soybean after germination.** The growing point of soybean is above the ground when the cotyledons are above the soil surface. If damage occurs above the cotyledons, the plant will likely recover. If damage occurs below the cotyledons, the plant will die. Look for a discolored hypocotyl (the “crook” of the soybean that first emerges from the ground), which indicates that damage occurred below the cotyledons.



Assessing your fields. It is best to assess damage to plants or seeds 48 to 96 hours after the drop in temperatures, as symptoms may take a few days to appear. Additionally, cold temperatures slow GDD accumulation and may further delay crop emergence. For corn, recent work suggests 50% emergence can be expected following accumulation of 130-170 soil GDDs (using soil temperature to calculate GDD rather than air temperatures) from planting, which may take 5-7 days to accumulate under normal weather conditions.

## ***The Basics of Pricing Freezer Beef***

By: Garth Ruff, OSU extension Henry County

Source: <https://u.osu.edu/beef/2020/05/06/the-basics-of-pricing-freezer-beef/>

Over the last decade the demand for locally raised meats have steadily increased and that demand has skyrocketed as of late, due to the implications of the COVID-19 pandemic on animal agriculture and the meat packing sector. With the significant increase of demand in local product we have also seen an increase in the number of producers entering the world of direct marketing. Perhaps the toughest aspect of direct marketing is determining how to set a price. In this article I am going to address that very subject and answer the question: What should I charge for a freezer beef?



Despite higher prices, demand for high quality beef continues to grow

COVID-19 has proven to be a catalyst for consumer demand for local product

There are a couple of ways that we could go about calculating a price but at the end of the day we must know two things: 1) your breakeven price; 2) how much money (profit) you want to make.

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To determine a breakeven price, one must know their cost of production. Below are potential factors that should be considered as production expenses on a per head basis.

### **Whole, Half, and Quarter Beef**

Cost of Animal – If the animal was purchased, what did it cost? If home raised, what did it cost to keep a cow for a year?

+ Feed – Value or cost of feedstuffs and mineral that were either produced and purchased.

+ Veterinary – Any vaccinations, dewormer, other medications, veterinary bills.

+ Bedding and Supplies

+ Transport – Fuel, wear and tear on truck and trailer.

+ Advertising – Cost of acquiring a customer.

+ Value of Your Time – Value of time invested on average per head.

= Breakeven cost per head

Once you have calculated a breakeven cost add you desired profit per head and divide that total by the hanging carcass weight to determine a price per pound.

$(\text{Breakeven} + \text{Profit}) / \text{Carcass weight} = \text{price per pound.}$

Profit margin can be flat rate per head or a percentage of the cost of production. Determine a margin that suits your enterprise and your customer.

Often, the customer will want an idea of what the final price per pound is going to be before the animal is harvested in order to make purchasing and storage decisions. Carcass weight can be estimated prior to harvest by estimating dressing percentage. Dressing percentage =  $(\text{Carcass Weight} / \text{Live Weight}) * 100$ .

For grain fed, non-dairy type, steers and heifers the average dressing percentage is around 62% and closer to 59% for a dairy steer. Dressing percentage can vary depending on gut fill, muscling, fatness and cleanliness of the hide.

### **Individual Beef Cuts**

To determine prices for individual, retail beef cuts the formula to calculate cost of production is similar, however the cost of harvesting, processing, packaging, and labeling the end product must be accounted for. Time spent marketing and advertising can be considerably high when marketing individual cuts.

Furthermore, Ohio producers must factor in the cost of a Warehouse License if storing product and either a Mobile or Temporary Food License depending on the outlet of sale. More information regarding those documents can be found

at <https://farmoffice.osu.edu/sites/aglaw/files/site-library/Food%20Sales%20at%20Farm%20law%20bulletin%20final.pdf>.

When calculating the average price per pound of individual cuts, one must consider cutting yield. Cutting yield = (Pounds of retail product/carcass weight) \*100. Cutting yield will be influenced by boneless vs. bone in product, muscling, amount of fat needed to be trimmed, and amount of fat in ground beef.

The University of Tennessee Extension service has a great factsheet that estimates the carcass cutting yield and how much product the customer can expect at <https://extension.tennessee.edu/publications/documents/pb1822.pdf>

Once the carcass cutting yield is known, the average price per pound required to reach a target profit can be calculated. Not all cuts have the same value in the marketplace. That value is determined by demand and the proportion of the carcass that yields each specific cut.

### **Comparison Pricing**

When selling wholes, halves, or quarters the first place to compare prices with is the local livestock auction. It is recommended that at minimum that freezer beef carcass prices be set above what the live animal is worth at the current time.

Anyone selling retail cuts directly to the consumer should consider comparison pricing as well. Comparing retail prices to the local grocery retailer is a good place to start. Rarely should direct marketed retail beef be cheaper than that in the retail meat case.

## ***Being and Maintaining an Economically Resilient Farm***

By: Chris Zoller, Extension Educator, ANR, Tuscarawas County

Source: <https://u.osu.edu/ohioagmanager/2020/05/11/being-and-maintaining-an-economically-resilient-farm/>

The word “resilience” is used often in the agricultural press. What does this mean? Merriam-Webster defines resilience as:

1. The capability of a strained body to recover its size and shape after deformation caused especially by compressive stress.
2. An ability to recover from or adjust to misfortune or change.

We often see resilience used in agriculture when discussing climate and weather. There is documented evidence of weather changes that have impacted agriculture, and farmers have done their best to adapt to these changes. Examples

include building soil health, managed grazing, the use of cover crops, water management strategies, technology adoption, and more.

Resilience can also be used when discussing the economics of agriculture and the resulting effects. It is no surprise to anyone in agriculture that people are strained, are experiencing stress, and are trying to adjust to new and different ways of operating.

### Strategies to Be Economically Resilient

#### **Mission statement**

A mission statement is a short description of the fundamental reasons your business exists – its critical purpose. The statement aligns what the business says it does, what it actually does, and what others believe it is about. The statement reflects the underlying values, goals, and purposes of the business.

Example mission statement: “The mission of Brown Family Farms is to produce high-quality crops in sufficient quantity and quality to provide a good standard of living for our family and employees. We believe a farm is the perfect environment to raise a family and strive to have the farm remain a viable business for future generations.”

#### **Set Goals**

An acronym commonly used to describe goals is SMART. Goals must be Specific, Measurable, Action-oriented, Realistic, and Timed to be useful management tools. As you develop goals, it may be helpful to divide them into personal, production, and operational categories.

Goals should be:

Specific – and focus on a specific problem or need

Measurable – to have some means of tracking achievement

Action-oriented – action is the pathway to achieving goals

Realistic – aim high, but keep goals within the realm of possibility

Timed – to include a realistic completion date

#### **Know Your Cost of Production**

Do you know the true costs to produce every acre of a crop, every pound of milk, every ton of hay, and each pound of meat? Are there some crops or livestock that make more money than others? Are there some acres that could be converted to a use that provides a higher net return? How does your farm compare with the established farm financial ratios? An in-depth financial analysis can help answer these and other questions.

Visit the Ohio State University Extension Farm Profitability Program (<https://farmprofitability.osu.edu/>) for additional information or to enroll in the Benchmarking Program.

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### **Postpone Major Capital Investments**

Most everyone is already doing this, but it is a good idea to assess what investments are necessary, how urgent these needs are for your farm, and the cost of these investments. Do you really need to buy a new piece of equipment? Could you accomplish what is needed by hiring someone or renting the equipment? If you need to make a major capital investment, consider not only the initial cost, but the associated “DIRTI 5” – Depreciation, Interest, Repairs, Taxes, and Insurance that must be accounted for after the purchase.

### **Restructure Debt**

Discuss with your lender opportunities to refinance or restructure debt. Do you have short-term liabilities that could be moved to intermediate notes to improve cash flow?

### **Evaluate Expenditures**

Analyze your expenses to see where you might be able to trim costs without sacrificing production. For example, can you reduce your seeding rates to reduce costs? Ohio State University Extension has been conducting on-farm research to evaluate corn and soybean seeding rates. Contact your Extension educator or review the trials reports here <https://digitalag.osu.edu/efields/efields-reports>. Dairy farms will find helpful information and cost-control considerations here <https://dairy.osu.edu/>.

Talk with your nutritionist, agronomist, Extension educator, and other experts to evaluate inputs and expenditures. Do you need every ingredient in your ration? Do you need a seed variety with every available trait?

### **Reduce Family Living Expenses**

The Bureau of Labor Statistics data from 2018 indicate average family living expenses equaled \$61,224 annually. A February 2019 article published by the Center for Farm Financial Management at the University of Minnesota show a family of three averages almost \$64,000 annually in family living expenses before paying income taxes or making other non-farm capital purchases and investments. Are there “extras” that are costing too much? Evaluate what you want versus what you need as a family.

### **Consider Non-Farm Income**

The current pandemic may make finding off-farm employment more difficult, but there are opportunities. Look in the local newspaper, conduct online searches, let family and friends know you or a family member could use help finding employment. Calculate how much you need to earn at an off-farm job.

### **Seek Opportunities to Be Entrepreneurial**

Challenging times might not seem like the opportunity to get creative and extend the current workload further, but there likely are tangential opportunities to your existing business that meet the needs of the community. Maybe that is offering storage facilities,

tree trimming, bookkeeping, or other enterprises. This can reenergize someone in a time when it is easy to feel down and creates a productive diversion. Some of the best creative work in this country came from a less than opportune economic environment.

### **Don't Be Afraid to Ask for Help**

To say that operating a farm business in today's environment is a challenge is an understatement! There are plenty of people who want and are available to help you sort through the complexities, answer questions, and provide guidance to help you succeed.

### References

Bureau of Labor Statistics, Consumer Expenditures – 2018, <https://www.bls.gov/news.release/cesan.nr0.htm>  
Characteristics of Financially Resilient Farms, University of Nebraska, <https://cropwatch.unl.edu/2018/characteristics-financially-resilient-farms>  
Developing Goals for the Agricultural Business, Ohio State University Extension, <https://ohioline.osu.edu/factsheet/anr-45>  
Family Living Expenses Add Up, Center for Farm Financial Management, University of Minnesota, <https://finpack.umn.edu/family-living-expenses-add-up/>  
Whole Farm Planning Model, Ohio State University Extension, <https://ohioline.osu.edu/factsheet/anr-52>

## ***Farm Office Live Session Slated for Thursday, May 14 from 9:00 to 10:30 a.m.***

OSU Extension is pleased to be offering the a “Farm Office Live” session on Thursday morning , May 14 from 9:00 to 10:30 a.m. Farmers, educators, and ag industry professionals are invited to log-on for the latest updates on the issues impact our farm economy.

The session will begin with the Farm Office Team answering questions asked over the ten days. Topics to be highlighted include:

**The OSU Extension  
FARM OFFICE  
IS OPEN**

**OSU Extension's  
Farm Office Team**  
Ben Brown  
Peggy Hall  
David Marrison  
Dianne Shoemaker  
Julie Strawser  
Barry Ward

Thursday's session will include updates on the CARES Act, CFAP, EIDL, PPP, corn and soybean budgets, supply and demand balance sheets and other emerging legal and economic issues.

Join us and share your questions, concerns, and topics of interest. Each office hour will include a short update and lead into a question and answer time on additional topics of interest.

**May 14, 2020**  
9:00 to 10:30 a.m.  
Pre-register or join at:  
[go.osu.edu/farmofficelive](https://go.osu.edu/farmofficelive)

Your farm's ag law and farm management resource center: <https://farmoffice.osu.edu>

**CFAES**

- Updates on the CARES Act, Payroll Protection Program, Economic Injury Disaster Loan (EIDL), and Coronavirus Food Assistance Program (CFAP) Update
- Corn and soybean budgets
- Supply and demand balance sheets
- Other legal and economic issues

Plenty of time has been allotted for questions and answers from attendees. Each office session is limited to 500 people and if you miss the on-line office hours, the session recording can be accessed at [farmoffice.osu.edu](https://farmoffice.osu.edu) the following day. **Participants can pre-register or join in on Thursday morning at <https://go.osu.edu/farmofficelive>**

## ***Farmers and 1099 filers might qualify for new COVID-19 unemployment benefits program***

By: Peggy Kirk Hall, Associate Professor, Agricultural & Resource Law

Source: <https://farmoffice.osu.edu/blog/fri-05082020-544pm/farmers-and-1099-filers-might-qualify-new-covid-19-unemployment-benefits>

Farmers aren't traditionally eligible for unemployment benefits, but that won't be the case when Ohio's newest unemployment program opens. We've been keeping an eye out for the opening of the Pandemic Unemployment Assistance (PUA) program, which will provide unemployment benefits to persons affected by COVID-19. The program is targeted to persons who are not eligible for regular unemployment benefits, such as self-employed and 1099 filers. PUA is yet another economic assistance program generated by the Coronavirus Aid, Relief and Economic Security (CARES) Act recently passed by Congress.

PUA will provide regular unemployment benefit amounts to qualifying individuals, plus an additional \$600 per week for the period of March 29 to July 25, 2020. Qualification doesn't include a minimum income requirement, but a person must not be eligible for Ohio's regular unemployment benefits and must not be currently receiving vacation, sick or other paid leave. The applicant must also be unable to work due to one of the following situations:

- The applicant has been diagnosed with COVID-19 or has symptoms and is seeking medical diagnosis;
- A member of the applicant's household has been diagnosed with COVID-19;
- The applicant is providing care for a family or household member who has been diagnosed with COVID-19;
- The applicant cannot work due to caring for a child whose school or other facility has closed due to COVID-19;

- The applicant has become the primary support for a household because the head of the household has died due to COVID-19;
- The applicant has quit his or her job, was laid off, or could not begin a new job as a direct result of COVID-19;
- The applicant's place of employment is closed because of COVID-19.
- 

Applications should open by mid-May on the Ohio Department of Job and Family Services website. Self-employed individuals will have to submit proof of employment, such as earnings statements that reflect profit and loss, payroll deposits, or a 2019 tax return. The unemployment benefits will be retroactive to the date of eligibility and will last for no more than 39 weeks, up to December 26, 2020. PUA may also provide an additional 13 weeks of benefits for those who've exhausted regular unemployment benefits. To learn more or apply for PUA, visit <https://unemploymenthelp.ohio.gov/expandedeligibility/>.



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