

NORTHEAST OHIO AGRI-CULTURE NEWSLETTER

Your Weekly Agriculture Update for
Ashtabula and Trumbull Counties

February 6, 2024



Is that the sun!?

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Hello Northeast Ohio Counties!

It's been a long time since we've seen any significant amount of sun, but we've been blessed with some dry sunny weather this week. It's unseasonably warm so there is a risk that plants will exit dormancy earlier this year. While it may not harm the *Crocus* plants, early flowering plants can be harmed if the cold temperatures return.

Registration is still open for the Small Farm Financial College on March 9 and March 16. You can find more information on the flyer at the end of today's newsletter. You can also call our office at 330-638-6783.

Have a great week!

Lee Beers
Trumbull County
Extension Educator

Ohio State breaks ground on Multispecies Animal Learning Center

BY Sherrie R. Whaley

Source: <https://cfaes.osu.edu/news/articles/ohio-state-breaks-ground-multispecies-animal-learning-center>

At a ceremony on Jan. 30, 2024, The Ohio State University broke ground on the \$52 million Multispecies Animal Learning Center (MALC), which will advance student learning and workforce development in animal agriculture. The College of Food, Agricultural, and Environmental Sciences (CFAES) will build the state-of-the-art facility at Waterman Agricultural and Natural Resources Laboratory on the Columbus campus.

Ohio State President Walter “Ted” Carter Jr., who spoke at the groundbreaking on his 30th day on the job, said, “Agriculture is critically important, not only for states like Ohio, but for our nation and our world.”

“This Multispecies Animal Learning Center is going to benefit our students by providing hands-on training that leads to careers in animal agriculture,” Carter said. “It’s going to benefit the industry by being a hub for research and workforce development. It’s going to benefit our state broadly, as agriculture is Ohio’s number one industry. This university exists to serve, and this new facility is going to help us better serve the state of Ohio.”



(l-r) Graham Cochran, associate dean for operations; Matt Canterna, Wellogy principal architect; Lori Gillett, CK Construction CEO; Devin Fuhrman, Nationwide; Dennis Summers, ODA state veterinarian; Don Jones, state representative; Cathann Kress, CFAES dean; Ted Carter, Ohio State president; Elizabeth Harsh, Ohio State trustee; Pasha Lyvers Pepper, Dept. of Animal Sciences chair; Elizabeth Lott, animal sciences student; and Alvaro Garcia Guerra, animal sciences faculty. (Ken Chamberlain photo)

The MALC will facilitate education in essential STEM fields and will foster workforce development for diverse careers such as animal sciences, engineering, food science, human nutrition, and health. Inside the facility, students will have opportunities to gain hands-on experience with swine, equine, poultry, cattle, sheep, and goats. The public will have a chance to learn about modern livestock production with tours; a viewing area into the animal barns; and interactive, educational displays.

“This is a game-changer for us. It is integral to our vision for Waterman and will be a world-class facility that brings people and animals together for hands-on learning, engagement, and programming,” said Cathann A. Kress, Ohio State vice president for agricultural administration and dean of CFAES. “It’s going to bring schoolchildren, in grades K through 12, here to learn about career pathways. It’s going to engage people from all across our industry. And it’s going to be a place where all of us can learn more about the work of the university and our industry.”

As an expansion of the original MALC project, a new, modern dairy will also be constructed at Waterman to replace the aging dairy facility. It will feature robotic milking technology and the latest in precision dairy technologies, feed systems, and waste management. The new dairy will meet educational and research needs, with a projected completion date of winter 2025.

CFAES is actively fundraising while moving forward with MALC construction, with opening expected in fall 2025. At present, \$16.4 million in philanthropic funding has been secured, which includes \$11.5 million from Nationwide Foundation. In addition, a \$10 million investment from Ohio Gov. Mike DeWine and the General Assembly was allocated in the state budget towards the project.

“We’re just so proud of what’s happening right now with this new project,” said Devin Fuhrman, Nationwide’s chief agriculture and sponsor relations officer. “Nationwide is a company founded by farmers. Being able to invest in the future of agriculture is so important to us. We hope we can provide pathways to create opportunities for students of all ages to find their way to a career in agriculture.”

The new multispecies center will bolster Ohio State’s ability to offer interdisciplinary teaching and research opportunities. Additionally, it will provide space for Ohio State University Extension — CFAES’ statewide outreach arm — and youth development programs, such as 4-H and FFA, and their events.

“The construction of this facility presents an opportunity for even greater engagement with the broader university — our students, our faculty, and our staff. It will be an opportunity to showcase all the tremendous work that takes place here at Waterman and how food really reaches from farm to plate and everything that

goes into that,” said Elizabeth Harsh, executive director of the Ohio Cattlemen’s Association and Ohio Beef Council and an Ohio State Board Trustee.

First Look at PLC and ARC-CO for 2024

by: Nick Paulson, Gary Schnitkey, Ryan, Dr. Carl Zulauf,

Because the 2018 Farm Bill was extended, farmers will have the same commodity title choices in 2024 as they have since 2019. These include the Price Loss Coverage (PLC), Agricultural Risk Coverage at the county level (ARC-CO), and ARC at the individual level (ARC-IC) programs. For the first time, the effective reference prices in 2024 for corn (\$4.01) and soybeans (\$9.26) will be above statutory reference prices (\$3.70 for corn, \$8.40 soybeans). Wheat’s effective reference price will remain at the statutory level of \$5.50. Those effective reference prices are well below 2024 ARC benchmark prices: \$4.85 for corn, \$11.12 for soybeans, \$6.21 for wheat. As illustrated in the recently updated for 2024 [Farm Bill What-If Tool](#) — a Microsoft Excel spreadsheet — ARC-CO will trigger larger payments when county revenues are driven by low yields, while PLC payments may be larger with moderately low prices and higher yields, as well as in scenarios with extremely low prices.

Payments from either PLC and ARC-CO remain relatively unlikely for corn, soybeans, and wheat, even with lower prices expected for 2024. There is a higher likelihood of ARC-CO triggering payments on corn and soybean base acres given the higher benchmark prices compared with PLC’s effective reference prices. However, PLC may be attractive if an individual is concerned about corn and soybean prices falling below \$3.75 and \$9.00 per bushel, respectively. In addition, producers interested in using the Supplemental Coverage Option (SCO) insurance program will want to enroll in PLC.

2024 ARC/PLC Decisions

The recent 1-year extension of the 2018 Farm Bill means that farmers will once again face the March 15th deadline to make a decision between the PLC and county and individual versions of ARC programs offered through the Commodity Title.

Price Loss Coverage (PLC) is a crop-specific fixed price support program that triggers payments if the marketing year average (MYA) price falls below the commodity’s effective reference price. Payments are made on 85% of historical base acres (see *farmdoc daily*, [September 24, 2019](#))

Agricultural Risk Coverage at the county level (ARC-CO) is a crop-specific county revenue program. ARC-CO triggers payments if actual revenue (MYA price times county yield) falls below 86% of the benchmark revenue (product of benchmark price and trend-adjusted historical yield for the county). Payments are made on 85% of historical base acres (see *farmdoc daily*, [September 17, 2019](#))

Agricultural Risk Coverage at the individual level (ARC-IC) is a farm-level revenue support program. Like ARC-CO, payments are triggered if actual revenue falls below 86% of the benchmark. If an FSA farm unit is enrolled in ARC-IC, information for all commodities planted in the current year is combined together in a weighted average to determine benchmark and actual revenues. If a farmer enrolls multiple FSA farms in the same state, all farm units are combined in determining the averages for actual and benchmark revenues. Payments are made on 65% of historical base acres (see *farmdoc daily*, [October 29, 2019](#)).

Decisions are made for each Farm Service Agency (FSA) farm unit. PLC and ARC-CO are commodity-specific and can be mixed and matched on the same FSA farm or across different FSA farms (i.e., PLC for one commodity, ARC-CO for another on the same FSA farm or using different programs for the same crop on different FSA farms). High commodity prices in recent years have implied low likelihoods of payments (see *farmdoc daily*, [January 24, 2023](#)). The likelihood of payments being triggered remain low for 2024. However, lower projected prices for corn, soybeans, and wheat in 2024 combined with higher prices now impacting effective reference and benchmark price calculations increase the likelihood of payments and introduce additional uncertainty into the program decision for 2024.

Effective Reference Prices for 2024

The effective reference price levels for 2024 are set at the higher of: 1) a crop's statutory reference price, or 2) 85% of the Olympic average of prices over the 5 marketing years from 2018 to 2022. The Olympic average is computed as the simple average of the 3 remaining prices after eliminating the low and high price over the 5 years considered. If applicable, the effective reference price is capped at 115% of a crop's statutory reference price. Effective reference price calculations for corn, soybeans, and wheat in 2024 are summarized in Table 1.

The 2024 effective reference prices for both corn and soybeans are above the minimum statutory levels due to multiple years of prices sufficiently larger than the statutory reference prices for both crops from 2018 through 2022.

Year	National MYA Prices		
	Corn \$/bu	Soybeans \$/bu	Wheat \$/bu
2018	\$3.61	\$8.48	\$5.16
2019	\$3.56	\$8.57	\$4.58
2020	\$4.53	\$10.80	\$5.05
2021	\$6.00	\$13.30	\$7.63
2022	\$6.54	\$14.20	\$8.83
85% of Olympic Average	\$4.01	\$9.26	\$5.05
Statutory Reference Price	\$3.70	\$8.40	\$5.50
115% Cap	\$4.26	\$9.66	\$6.33
Effective Reference Price	\$4.01	\$9.26	\$5.50

For corn, 85% of the average of the MYA prices for 2018, 2020, and 2021 are used in computing the \$4.01

effective reference price. For soybeans, 85% of the average for the MYA prices for 2019, 2020, and 2021 are used to set the \$9.26 effective reference price. National MYA prices for wheat have also been higher in recent marketing years, but not enough to result in an increase in the effective reference price for 2024. For wheat, 85% of the average of MYA prices in 2018, 2020, and 2021 is \$5.05 resulting in the effective reference price being set at the statutory level of \$5.50 for wheat in 2024.

ARC Benchmark Price Calculations

ARC program benchmark prices for each commodity are based on the Olympic average of the 5 prices used in the benchmark calculation. Prices used are the larger of the crop's effective reference price for the current year (2024 in this case) and the actual MYA prices over the 5 preceding marketing years with a single year lag (i.e. 2018 to 2022 for the 2024 program year). Higher prices in recent marketing years, along with the use of the effective reference prices as minimums for each year used in the calculation for corn, soybeans, and wheat results in an increase in the ARC benchmark prices for 2024 compared with 2023 and earlier years. Table 2 summarizes the ARC benchmark price calculation for corn, soybeans, and wheat.

For corn, the actual marketing year average prices in 2018 and 2019 are replaced by the 2024 effective reference price of \$4.01, while the actual MYA prices for 2020, 2021, and 2022 are

used. Taking the Olympic average of the 5 prices used for corn results in an ARC benchmark price of \$4.85 per bushel. The ARC benchmark calculation for soybeans also replaces the actual MYA prices in 2018 and 2019 with the \$9.26 effective reference price to arrive at an ARC benchmark price of \$11.12 per bushel for soybeans in 2024. Wheat's benchmark calculation involves replacing the actual MYA prices with the \$5.50 reference price in 3 of the 5 years (2018, 2019, and 2020) and results in an ARC benchmark price of \$6.21 per bushel for wheat in 2024.

Notably, the ARC benchmark prices are all above the effective reference prices for each of the three crops. ARC-CO guarantees 86% of a county's benchmark revenue, which implies that payments would be triggered when prices fall below 86% of the benchmark price assuming normal yields at the trend benchmark level for the county. These trigger price levels are \$4.17 for corn ($0.86 \times \4.85), \$9.56 for soybeans ($0.86 \times \11.12), and \$5.34 for wheat ($0.86 \times \6.21). These trigger prices for corn and soybeans also exceed their respective effective reference prices, suggesting ARC-CO is more likely to trigger

Year	Prices Used in ARC Benchmark Calculation ¹		
	Corn \$/bu	Soybeans \$/bu	Wheat \$/bu
2018	\$4.01	\$9.26	\$5.50
2019	\$4.01	\$9.26	\$5.50
2020	\$4.53	\$10.80	\$5.50
2021	\$6.00	\$13.30	\$7.63
2022	\$6.54	\$14.20	\$8.83
ARC Benchmark Price²	\$4.85	\$11.12	\$6.21

¹Larger of the actual MYA price and the 2024 effective reference price
²Olympic average of the 5 prices used in the benchmark calculation

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payments than PLC. For wheat the trigger price is below the \$5.50 reference price, meaning a larger price decline will be needed to trigger ARC-CO payments than for PLC payments on wheat assuming yields at benchmark levels in 2024.

ARC-CO Benchmark Yield Calculations

The ARC-CO program uses a county specific benchmark yield based on the higher of actual county yields and 80% of the county T-yields used for crop insurance over the 5 preceding crop years with a year lag (2018 to 2022 is used for the 2024 program year). A county-specific trend adjustment is then added to each year's ARC-CO yield, resulting in a 5-year history of trend-adjusted ARC-CO yields.

The 2024 benchmark yield calculation for corn in Champaign County, Illinois is provided in Table 3. Actual yields for Champaign County are used for all 5 years. The trend adjustment factor for Champaign County is 1.97 bushels per acre per year. Each of the historic yields is adjusted up to a 2024 trend-adjusted yield. For example, the 2018 actual yield of 235.6 bu/acre is adjusted up by 11.8 bu/acre (6 years x 1.97 bu/acre/year) to a 2024 trend-adjusted yield of 247.5 bu/acre. The Olympic average of the trend-adjusted yields gives the 2024 ARC-CO benchmark yield of 224.8 bu/acre for Champaign County, Illinois.

PLC and ARC-CO Payments in 2024

We briefly summarize payment calculations for the PLC and ARC-CO programs here. More detailed explanations are provided in the *farmdoc daily* articles

from [September 17, 2019](#) and [September 24, 2019](#).

Table 3. ARC-CO Benchmark Yield for Corn in Champaign County, Illinois in 2024					
Year	County Yield bu/acre	80% of T-yield bu/acre	Higher of: Actual or 80% T-yield bu/acre	Trend Adjustment ¹ bu/acre	Trend Adjusted ARC-CO Yield ² bu/acre
2018	235.6	145.6	235.6	11.8	247.5
2019	191.9	145.6	191.9	9.9	201.7
2020	204.4	155.2	204.4	7.9	212.3
2021	228.3	155.2	228.3	5.9	234.2
2022	224.1	155.2	224.1	3.9	228.1
ARC-CO Benchmark Yield ³					224.8

¹Annual trend adjustment for the county multiplied by number of years

²Higher of actual and 80% of T-yield plus the trend adjustment

³Olympic average of the Trend-adjusted ARC-CO yields

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PLC payments will be triggered if the 2024 MYA price is below the effective reference price. Payments for corn would be triggered at prices below \$4.01 per bushel. Payments for soybeans would occur at prices below \$9.26 per bushel. Payments for wheat would occur at prices below \$5.50 per bushel. PLC payments cover the price gap between the higher of the crop's actual MYA price and its loan rate and the commodity's effective reference price multiplied by the PLC payment yield for the farm and paid on 85% of the farm's base acres.

For example, if the 2024 MYA price for corn is \$3.81 the PLC program would trigger payments at a rate of \$0.20 per bushel ($\$4.01 - \$3.81 = \0.20). A farm with a PLC payment yield of 180 bushels per acre would receive a payment of \$30.60 per base acre ($0.85 \times \$0.20 \times 180 = \30.60).

ARC-CO payments are triggered if actual county revenue falls below the ARC-CO guarantee. Payments equal the revenue shortfall, capped at 10% of benchmark revenue, paid on 85% of the farm's base acres. Actual revenue is the county's actual yield times the national MYA price. The ARC-CO guarantee is 86% of the product of the ARC-CO price and yield benchmarks. Using corn in Champaign County, Illinois as an example, actual revenue for 2024 would need to fall below \$937.81 per acre ($0.86 \times 224.8 \times \4.85).

A 2024 MYA price of \$3.81 and a Champaign County corn yield of 225 bu/acre would trigger an ARC-CO payment of \$69 per base acre ($\$937.81 - \$856.64 = \$81.17 \times 0.85 = \68.99). A \$4.50 MYA price and a Champaign County yield of 205 bu/acre in 2024 would trigger a \$13 ARC-CO payment ($\$937.81 - \$922.50 = \$15.31 \times 0.85 = \13.01).

An updated 2024 version of the Excel-based Farm Bill What-If Tool is now available, and can be directly downloaded [here](#). The calculator can be used to compare payment scenarios for the PLC and ARC-CO programs for individual farm scenarios. The tool provides a tabular comparison of PLC and ARC-CO payments across a range of MYA price and county yield levels. An example for corn in Champaign County, Illinois is provided below in Figure 1.

The prices across the columns are centered at \$4.50 per bushel, the current price projected for the 2024 marketing year used in the January revision to the farmdoc Crop Budgets and consistent with USDA's current forecast. Yields in the rows are centered at 225 bu/acre, the 2024 ARC-CO benchmark yield for Champaign County.

Figure 1. Comparison of 2024 PLC and ARC-CO Payments per Base Acre, Champaign County, Illinois

Program Selection	PLC minus ARC-CO	State = Illinois, County = Champaign, Crop = Corn, Year = 2024
Price Change	\$ 0.25	ARC-CO Benchmark Yield = 224.84, Benchmark Price = \$4.85, Guarantee \$937.81
Yield Change	5	PLC Yield = 180, Effective Reference Price = \$4.01

-2024 County Yield	2024 Market Year Average Price										
	\$3.25	\$3.50	\$3.75	\$4.00	\$4.25	\$4.50	\$4.75	\$5.00	\$5.25	\$5.50	\$5.75
250	24	25	40	2	0	0	0	0	0	0	0
245	24	10	24	2	0	0	0	0	0	0	0
240	24	-5	8	2	0	0	0	0	0	0	0
235	24	-15	-8	2	0	0	0	0	0	0	0
230	24	-15	-24	-14	0	0	0	0	0	0	0
225	24	-15	-40	-31	0	0	0	0	0	0	0
220	24	-15	-53	-48	-2	0	0	0	0	0	0
215	24	-15	-53	-65	-20	0	0	0	0	0	0
210	24	-15	-53	-82	-39	0	0	0	0	0	0
205	24	-15	-53	-91	-57	-13	0	0	0	0	0
200	24	-15	-53	-91	-75	-32	0	0	0	0	0

* A positive value indicates that PLC will pay more, a negative value indicates that ARC-CO will pay more.

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PLC payments would begin to be triggered at a MYA price for corn of \$4.01. ARC-CO payments would be triggered at any combination of an MYA price and county yield for corn that resulted in revenue below Champaign County's ARC-CO guarantee of \$937.81.

The zero values in the table in Figure 1 are for MYA prices which exceed \$4.01, and price and yield combinations which exceed a revenue of \$937.81 resulting in no payments from PLC or ARC-CO. Positive values in green in the table in Figure 1

indicate that the size of PLC payments at that price level would exceed the ARC-CO payment, if applicable, for that price and yield combination.

For example, with a MYA price level of \$3.75 and Champaign County corn yield of 250 bu/acre, the PLC payment would be \$40 per base acre and no ARC-CO payment would be triggered, resulting in a \$40 per base acre payment advantage for PLC. At a MYA price of \$4.00 and county yield of 215 bu/acre, PLC would trigger a payment of less than \$2 per base acre while ARC-CO would trigger a \$66 payment resulting in an ARC-CO advantage of nearly \$65 per base acre.

PLC will tend to result in larger payments when prices are sufficiently low to trigger PLC payments and county yields are sufficiently high to trigger low or zero ARC-CO payments. PLC also results in larger payments when prices are extremely low, regardless of yield outcomes, as ARC-CO payments begin to be capped at 10% of benchmark revenue. Examples of these scenarios can be seen in the first column of the table in Figure 1 where the MYA price is \$3.25. Even at the 250 bu/acre county yield level shown in the first row, ARC-CO payments would hit the cap of \$93 per base acre for Champaign County ($0.85 \times 0.10 \times 224.8 \times \$4.85 = \$93$). At a \$3.25 MYA price and 180 bu/acre PLC payment yield the PLC payment would be \$116 per base acre, resulting in the \$24 per base acre payment advantage for PLC shown in the first column for all reported yields.

ARC-CO payments exceed those for PLC when county yields are sufficiently low and when prices are moderately low relative to the benchmark and effective reference prices. These scenarios can be seen by the negative values shaded in red in the table in Figure 1. For example, at an MYA price of \$4.25 PLC payments would not be triggered, but ARC-CO would begin to trigger payments at a county yield level of around 220 bushels per acre. At prices of \$4.00 or lower, there are price and yield combinations where both programs would trigger payments but ARC-CO payments would be larger than those from PLC. For example, at an MYA price of \$3.75 and a county yield level of 225 bu/acre the PLC payment would be \$40 per base acre while the ARC-CO payment would be \$80 per acre, a \$40 per base acre payment advantage for ARC-CO.

Conclusions

Higher prices in recent years have resulted in higher PLC effective reference prices for corn and soybeans in 2024 as well as higher ARC program benchmark prices. While wheat's reference price will remain at the statutory level of \$5.50 for 2024, higher MYA prices are now also factoring into the ARC benchmark price calculation for wheat. With lower prices projected for 2024, the likelihood of triggering ARC and PLC payments is higher than in the past few years but remains relatively low.

The updated [Farm Bill What-If Tool](#) can be used to compare payment scenarios for the PLC and ARC-CO programs for 2024, aiding in the commodity program decisions producers must make by March 15th.

ARC-CO will trigger larger payments when sufficiently large yield losses occur and/or prices are not sufficiently below the effective reference price. Given the ARC benchmark prices for 2024, ARC-CO payments have a higher likelihood of being triggered than PLC for corn and soybean base acres.

PLC will trigger larger payments when prices fall below a commodity's effective reference price. PLC payments would exceed ARC-CO payments in scenarios where yields are not sufficiently low to trigger large ARC-CO payments. PLC also has an advantage in very low price scenarios where ARC-CO payments hit the 10% of benchmark revenue cap.

Beyond direct payment comparisons, other considerations may enter a producer's commodity title decision. One example is the interaction between commodity program choice and eligibility to use the Supplemental Coverage Option (SCO) insurance program. Producers wanting to use SCO will need to make sure those acres are enrolled in PLC. ARC-IC should also be considered as an option. The *farmdoc daily* article from [October 29, 2019](#) lays out situations where producers may consider ARC-IC.

Current 2024 US Dairy Outlook

By Jason Hartschuh

Source: <https://dairy.osu.edu/newsletter/buckeye-dairy-news/volume-26-issue-1/current-2024-us-dairy-outlook>

With the first month of 2024 coming to a completion, hopefully you have had time to review your 2023 profit and losses to prepare your farm for 2024. The U.S. all-milk price for 2023 will be about \$20.60/cwt, only the fourth time in 20 years that the all-milk price was over \$20/cwt. Unfortunately, the inflation-adjusted milk price was also the fourth lowest in the past 20 years, leading to record low milk-to-feed margins and record high dairy margin coverage (DMC) payments. The milk to feed margin in the DMC program was below the \$4/cwt coverage level for 2 months in 2023. The cull cow market though was a bright spot for 2023, with the last part of the year having cull cow prices above \$100/cwt. While each farm is different, on average dairy farms will have positive profits per cow for 2023.

2024 promises to be its own interesting year for dairy farmers. Current projections are for cow numbers to be about 9.35 million head, slightly lower than 2023 but about 300 lb/cow more milk. The January USDA dairy forecast has the all-milk price average for the year slightly below 2023 at \$20/cwt. The cull cow and bull calf

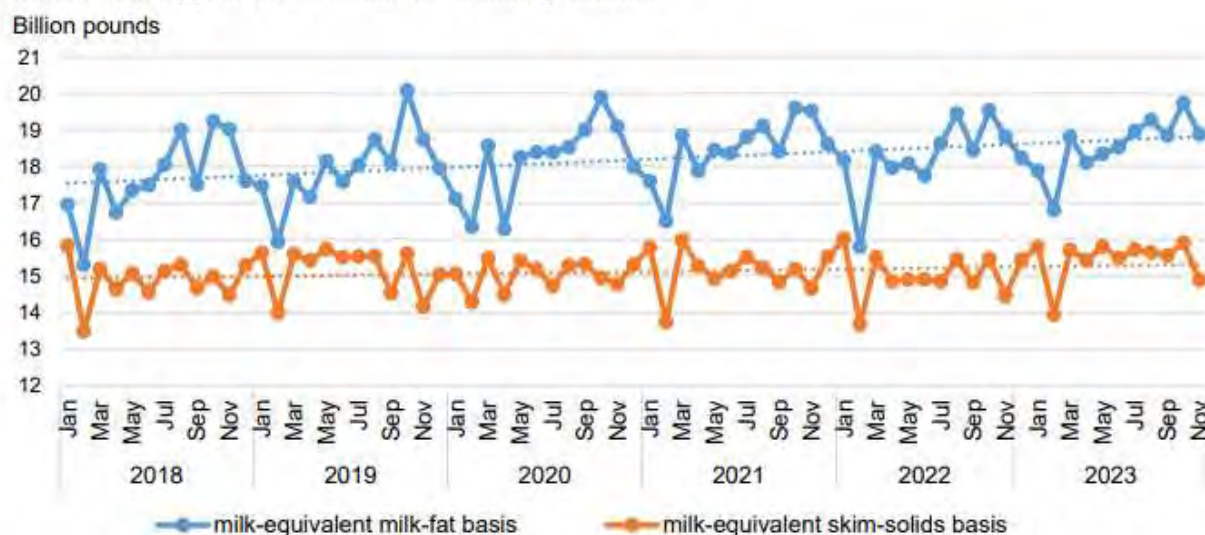
Northeast Ohio Agriculture

OHIO STATE UNIVERSITY EXTENSION
Ashtabula and Trumbull Counties

market should stay strong in 2024, with the average fed cattle market prices projected to be 2% higher in 2024 than it was in 2023. Feed costs are also projected to be lower in 2024. The lower average feed cost though will also lower DMC payments for 2024. The current projection is for the milk-to-feed margin for 2024 to be \$10.70/cwt, with at least 2 months below the \$9.50 margin. When DMC coverage sign-up opens for 2024, even with the higher projected margins covering the maximum amount of milk, a \$9.50 margin in tier one will still be a good risk management strategy. There are a lot of unknowns in both the milk and feed markets; your grain farming neighbors are hoping for corn and soybean prices to go up, which will in turn raise dairy feed costs. While the DMC margin forecast shows a more profitable year for dairy farms than 2023, many farms grow the majority of their feeds, and the projected corn production cost is only about \$31/acre lower than it was in 2023. With crop input costs not seeing the same reductions as market prices, some producers are going to find 2024 to be a very slim margin year.

Domestic consumption of dairy products continues to be a bright spot, especially for butter consumption. Domestic demand is shown in Figure 1. While early 2023 fat equivalent milk was below the trend line, the end of 2023 consumption was back to a trend line increase. The strong demand for butter and milk fat continues to be reflected in the projected Class IV milk price being above Class III. The projected Class IV 2024 forecast is \$19.35/cwt, while Class III is only \$16.10/cwt. The all-milk price is based on Class III and Class IV milk's manufactured commodities; in Federal Order 33, approximately 23% of the milk price is based on Class IV milk. This will lead to statistically uniform prices during much of 2024 for Federal Order 33 slightly below Class IV prices. When you work on your 2024 budgets, be sure to consider your actual milk fat and protein production; statistically uniform milk has a fat content of 3.5%, while the average fat content in Federal Order 33 is 4.1%. These additional pounds of milk fat provide a great value, adding about \$1.50/cwt to the statistically uniform price for farmers that are producing the average amount of fat in Federal Order 33.

Domestic disappearance of milk in all dairy products



Sources: USDA, Economic Research Service calculations using data from USDA, National Agricultural Statistics Service; USDA, Foreign Agricultural Service; U.S. Department of Commerce, Bureau of the Census.

Figure 1.

The export market is expected to grow in 2024 with higher levels of cheese, butterfat products, and whey products. Figure 2 shows the total volume of U.S. dairy exports for 2022 and 2023; total exports are expected to grow by 0.7% in 2024 compared to 2023. Of the 5 major dairy-exporting countries, only the United States and Australia are projected to see growth in their exports. Total milk production is expected to decline in Argentina, New Zealand, and the European Union. U.S. milk protein, whey, and non-fat dry milk are very competitive currently on the world market, with butter prices falling between EU and New Zealand prices.

Monthly All Exports by Volume

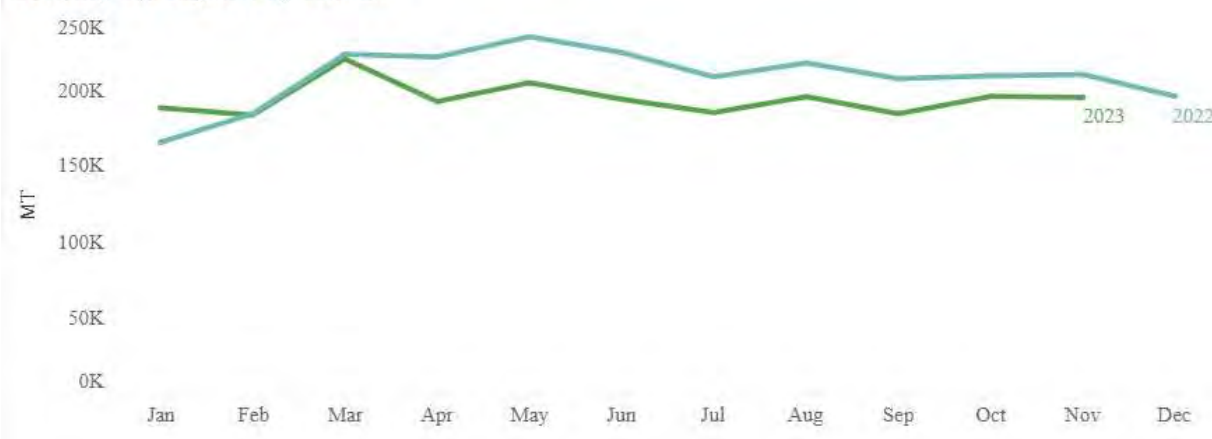


Figure 2. U.S. Dairy exports for 2022 and 2023, from the U.S. Dairy Export Council.

Even though milk prices are projected to be slightly lower in 2024, there are still opportunities for dairy farm profitability. Using marketing tools to keep the lower feed prices a reality for your purchased feeds, even if grain prices increase, could benefit your operation. Also using tools when profitable Class III or Class IV milk futures are available can help protect your milk check. Figure 3 shows the current milk futures for the year. Both classes are projected to increase during 2024, but Class IV is a much smaller increase. Class III milk futures increase by over \$3.00/cwt by the fourth quarter of 2024.

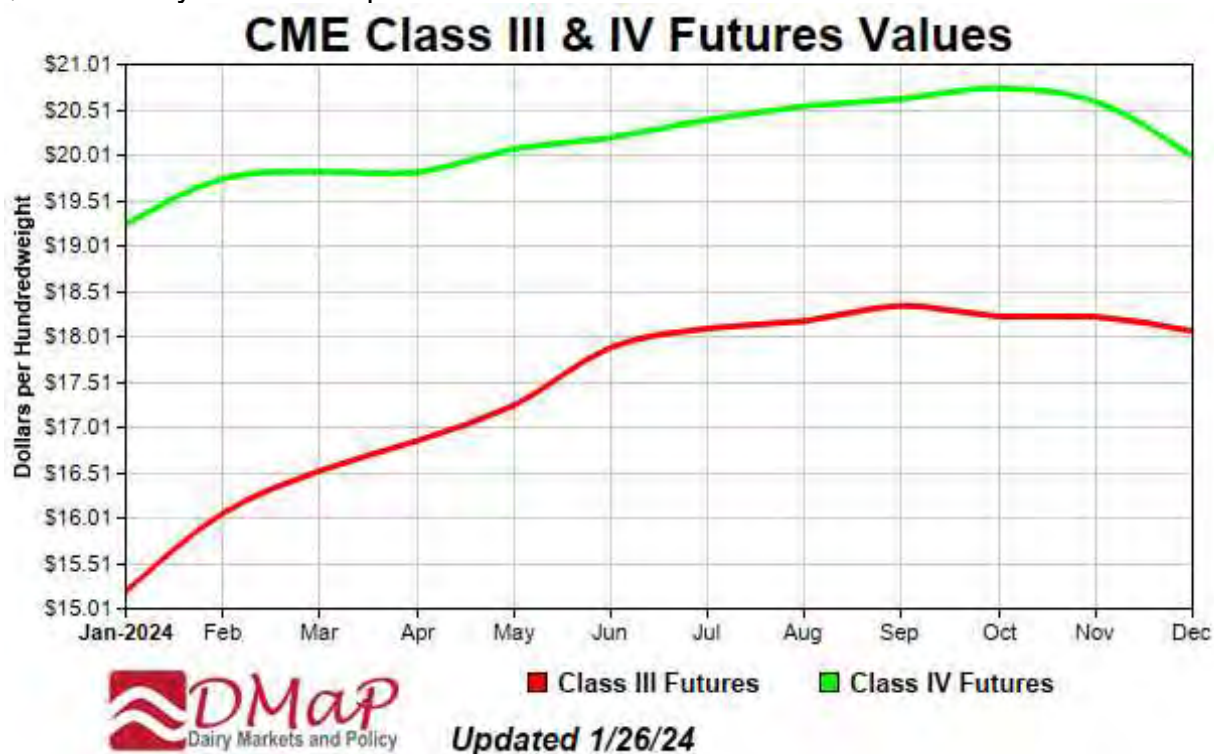


Figure 3.

Stockpile; Take it now, or take it later?

By Victor Shelton, Retired NRCS Agronomist/Grazing Specialist

Source: <https://u.osu.edu/beef/2024/01/31/stockpile-take-it-now-or-take-it-later/>

I'd quickly take one of the hottest weeks in the summer over some of the frigid weather we have seen this winter. My wife just hopes that the long, icy-cold period was long enough to set back the stink bugs still hanging around.

Cold weather can have some advantages, especially after some of the rains we received lately. If you are having to concentrate livestock or are wanting to graze wet or saturated ground, frozen ground or free concrete has some advantages.

If you are still grazing stockpiled forage, frozen ground helps to protect the soil surface and reduce compaction from hooves. In reality, if you have a good stand of stockpile, it has to get almost bitter cold to freeze that ground. The blanket of forage serves as pretty good insulation. Like I've said before, if I have to dig a hole in the winter time, I'm for sure going to dig where I have heavy sod, it is most likely not frozen.



Should I still be grazing stockpiled forage?

On the contrary, ground that has little cover left will freeze quicker and deeper. It will also be more susceptible to pugging and compaction when grazed or walked on when thawed out and wet.

I've had a few people asking if they should go ahead and graze some stockpile that they were not able to graze earlier. This evokes the questions, "How much forage is there and how will it be managed?" If the soil is saturated with water and you don't have an enormous amount of grazable vegetation present, you will probably do more harm than good.

If the soil is frozen, then perhaps even a meager amount of 3,000 pounds of forage per acre might be worth pursuing, but it would also make a great field to possibly graze early in the rotation in the spring because it will certainly rebound quickly and have ample amounts of soil protection and dry matter after the initial green-up. You won't get that from fields that were grazed tighter – they will be slower to rebound.

Fields with quite a bit more than 3,000 pounds of stockpile per acre are pretty rare this time around. But, if you did have some, the more vegetative cover that you have, the

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more resilient the field will be. Heavy stockpile will have more and deeper root systems, helping to create more resilient structure and more soil surface protection unless under very saturated conditions.

You might ask how to estimate available forage. If you took a grazing stick or yardstick and measured the forage height in the potential field and measured it from the ground to a compressed height and multiplied that by 250 for normal dense stand, you would get a quick estimate of the total pounds of dry matter present.

It's best to use a "compressed" height to be more accurate. I usually have a light clipboard with me and lay it on top of the forage and measure below that. You will quickly note that it takes quite a bit of standing forage to be even 3,000 pounds. Not all of that will be desirable or grazable, nor should it be.

If you want a more accurate estimate of the vegetation present, you can make yourself a clipping frame that is approximately 12 x 23 inches or 1.92 square feet. Lay that frame on the ground and clip the forage that is within the frame and place it in a pre-weighed paper bag. If time allows, set the bag of forage in a warm dry spot until the forage is air dry – this normally takes several days depending on conditions. You can also carefully dry the forage in a microwave, but this too is time consuming, a bit precarious, and also usually annoys my wife if done in the kitchen.

Once the forage is dry, weigh the sample in grams. If you don't have a gram scale, weigh it in ounces and multiply it by 28.35 to get grams. Multiply the grams of dry weight by 50 and you have an estimate of total pounds per acre of dry matter. I've only seen one field since December that was over 3,000 pounds.

Pastures that are grazed or treaded on by livestock during the winter, especially when the ground is not frozen and saturated, will usually have quite a bit of sod disturbance that will not only increase compaction, reduce desirable plant density, and increase opportunities for annual weeds, but also increase the likelihood of erosion. Be careful grazing this winter, especially after such a dry, lower production fall.

We should still have some good opportunities to get a little fresh snow which is ideal to frost-seed legumes into. I especially like it because I can see my tracks and know where I've been and get a better pattern with the seeder. With most fields having slightly less forage than usual left behind, frost seeding some clover into these fields and getting a good stand should be pretty easily done.

Slightly higher seeding rates are best for frost seeding than for conventional seeding. White clovers can be seeded at 1-1.5 lb. per acre. Remember it is a very small seed than red clover – you can get it on too thick if not careful. I've found that mixing it with another seed as a carrier is good. Red clover should be seeded at 6-8 lbs. per acre;

birdsfoot trefoil at 5 lbs. per acre and common lespedeza with hulled seed at 10 lbs. per acre. Those are single species rates, if mixing, then each would be reduced.

All legumes should be inoculated with the appropriate inoculants (rhizobia) for that species to insure proper bacteria, good germination and growth. Coated seed, when available, can solve lots of problems including seed size, the inoculants and it can even help the pH for the seedling.

Remember, it's not about maximizing a grazing event, but maximizing a grazing season! Keep on grazing!

Who is the New Guy?

By Dr. Kirby Krogstad, Assistant Professor, Department of Animal Sciences, The Ohio State University

Source: <https://dairy.osu.edu/newsletter/buckeye-dairy-news/volume-26-issue-1/who-new-guy>

I don't know about you, but I've had a whirlwind start to 2024. Before it gets crazier, I want to introduce myself to all of you Buckeye Dairy News readers. My name is Kirby Krogstad, and I just joined the faculty at The Ohio State University at the Wooster Campus. I have a research and Extension position, so I will be getting to know the Ohio dairy community very well, and hopefully you'll all get to know me, too!

I grew up on dairy farms in South Dakota (Krogstad Bros. Dairy) and Minnesota (Garlin Dairy). I grew up like many other farm kids – I spent a lot of time playing sports and showing cattle. After high school, I went to South Dakota State University (Go Jacks!) where I studied dairy production and ag business. In college, I was involved in student government, dairy club, and dairy judging. I also had my first research experience as an undergraduate with Dr. Jill Anderson. I am still a passionate Jackrabbit sports fan. All this is to say, If I am ever wearing blue and yellow, don't worry – it is Jackrabbit blue and yellow!

After graduating from SDSU, I went to Lincoln, NE to complete a M.S. degree with Dr. Paul Kononoff. We studied ethanol coproducts, forage feeding strategies, and fiber digestion models. The best thing about living in NE was meeting my wife—more about her later. After studying at University of Nebraska – Lincoln, I headed off to Michigan State University to study with Dr. Barry Bradford. We did quite a wide range of research during my PhD. We investigated Enogen silage, ruminal acidosis, and supplementing B-vitamins as a strategy to improve animal health. I hope to continue investigating all of these topics in my new role, but I'll keep you all filled in on our team's progress as it happens.

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My wife, Sydney, and I moved to Wooster just before Christmas. We're settling in and are quite excited to get to know the area. Both being from the high plains, we're really enjoying the rolling hills and beautiful scenery. We both love to read and drink good wine, so please when you have the chance, let us know the best book or bottle you've experienced recently. I enjoy books about history and consequential leaders, especially their memoirs. My wife enjoys Sci-Fi and fantasy novels. I'm also an avid golfer – I look for, and accept, most any reason to hit the links. If I am not at my desk, a dairy farm, or a meeting...then I'll be at the course! We also have a shih tzu dog named Oliver who we enjoy cuddling with. I have only one request, if you're willing to show me your corner of the Ohio dairy industry, please reach out so we can get it on the schedule – just email me at krogstad.6@osu.edu. Or if you're in the Wooster area and want to grab a lunch or coffee or you just want to introduce yourself, then please shoot me a note. I am eager to get to work for the Ohio dairy industry and I'm most excited to get to know all of you. Time to get to work!



Upcoming Extension Programs

The following programs have been scheduled for NE Ohio farmers. Check back each week as more programs are added to the calendar

Northeast Ohio Small Farm Financial College

March 9 and March 16, 2024

Learn more or register at go.osu.edu/NEOSFFC

Private Pesticide/Fertilizer Applicator Training

February 14, 2024 – Geauga County

March 11, 2024 – Ashtabula County

March 28, 2024 – Online via Zoom

Register at Go.osu.edu/NEOPAT

Northeast Ohio Agronomy School

March 27, 2024 - Registration Opens Feb. 1st

Pruning Classes

March 2nd – Hartford Orchard LLC

March 30th – Sage's Apple Orchard

Fruit Tree Pruning

CFAES

with the Ashtabula County Master Gardeners

Tuesday, March 5, 2024

6:00 PM to 8:00 PM

OSU Extension – Ashtabula County

\$5 per person



Pruning Backyard Fruit Trees

Do you need some help or have questions about pruning your backyard fruit trees? Join Master Gardener volunteer, Alice Vervais, as she teaches the basics of pruning fruit trees. Learn the “when, how and why” of pruning fruit trees. This is a hands-on class so please remember to bring your clippers.

This program will be held in the downstairs meeting room at the OSU Extension Office in Jefferson, Ohio. 39 Wall Street, Jefferson, OH 44047.

The cost for this event is \$5 and will be paid at the door. Cash only please.

Pre-registration is requested as class size is limited.

Call OSU Extension at 440-576-9008 to reserve your spot or to ask questions.

This program is brought to you by the
Ashtabula County Master Gardener Volunteers



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and Environmental Sciences**

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CFAES

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Fertilizer Applicator Certification Training

FEBRUARY 29, 2024 6 – 9 P.M.

go.osu.edu/trumbullfert2024

Do you apply fertilizer to 50 acres or more for crops that are primarily for sale? If so, you are required by Ohio law to attend a training session or take a test to become certified. OSU Extension Trumbull County is offering a training session (no test) that will meet all certification requirements. **Pre-Registration is required a week in advance.** Cost for this training session is \$35/person and includes training materials, and handouts. To register online with a credit or debit card please visit <https://go.osu.edu/trumbullfert2024>. You can also register by completing the back portion of this flyer and mail with check to the address below. Please make checks payable to Ohio State University Extension.

Location: OSU Extension Trumbull County, 520 West Main St, Cortland, OH 44410

Cost: \$35/person

Contact information: 330-638-6783 or beers.66@osu.edu

trumbull.osu.edu

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TRUMBULL COUNTY EXTENSION PRESENTS

March Into Pruning! 2024 Pruning Clinic

OSU Extension is teaming up with Hartford Orchards LLC to provide a hands-on pruning clinic! The morning will start with a brief overview of pruning inside before we head out to the orchard. Please dress for the weather and bring your favorite pruners, loppers, or saws!

DATE: March 2, 2024

TIME: 9:00AM to 11:AM

LOCATION: Hartford Orchards LLC, 6953 OH-305, Hartford, OH 44424

COST: \$20 – Includes free hand pruners!

PRE-REGISTRATION REQUESTED: Register online at go.osu.edu/pruning2024 or with the QR code.



For more information, visit trumbull.osu.edu or call 330-638-6783



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Topics Include:

Fruit Tree Growth

Tools of the Trade

Proper Pruning
Techniques

Knowing When to
Stop!

Small Fruit Pruning
Discussion

Q&A

EVENT SPONSOR:

Hartford
Orchards LLC



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NORTHEAST OHIO SMALL FARM FINANCIAL COLLEGE

Small and beginning farmers are encouraged to participate in this new in-depth farm management educational program!

This course will offer 10 hours of farm management education that will help start your farm on the path to financial success.

Instructors include OSU Extension Educators Andrew Holden and Lee Beers, and Farm Management Field Specialist in, David Marrison.

This two Saturday course will feature both live, in-person lectures, recordings from other state specialist, hands-on activities, take home assignments, and the ability to apply what is taught directly to your new or current farming operation.

DATE: Saturday, March 9 and Saturday, March 16, 2024

TIME: 9:00 AM – 3:00 PM

LOCATION: TBD

COST: \$100 per participant, \$50 per additional family member

Register here: go.osu.edu/NEOSFFC

Call Andrew Holden at 440-576-90089 with any questions!



CFAES

Topics:

Starting Your New Farm Business

Goals and Expectations
Mission Statements
Business Plan
Farm Business Structure

Recordkeeping, Budgets and Taxes

Enterprise Budgets
Projecting Farm Income
Cost of Production
Introduction to Farm Taxes

Managing Your Small Farm's Finances

Balance Sheets
Cash Flow Statements
Financial Statements
Managing Income and Expenses

The Legal Side of Farm Financial Management

Farm Financing
Loan Options for Small Farms
Farm Leases and Contracts
Risks on the Farm
Liability Insurance

Sponsors:

OSU Extension-Ashtabula & Trumbull Counties

OSU Beginner and Small Farms Program

Farm Financial Management and Policy Institute (FFMPI)

Risser Farm Management Fund

Bruns Insurance Services