



Agriculture

CENTRAL KANSAS EXTENSION DISTRICT NEWS

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December 2018

Upcoming Events

December

- 7 Tom Maxwell Retirement Reception, American Ag Credit, Salina
- 13 K-State Calving School, McPherson
- 19 CKD Farm Financial Series #1: Balance Sheet Basics, Minneapolis

January

- 7 K-State Corn Production School, Salina
- 9 K-State Calving School, Russell
- 16 CKD Farm Financial Series #2: Cash Flow Analysis, Minneapolis

February

- 7 K-State Sorghum School, Salina
- 13 CKD Farm Financial Series #3: Ratios & Renewals, Minneapolis

March

- 13 CKD Farm Financial Series #4: Ag Finance Tools & Resources, Minneapolis

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Tom Maxwell Retirement Reception

December 7th

After 38 years, Tom is retiring from the Central Kansas Extension District at the end of December 2018. A reception will be held Friday, December 7, at American AgCredit, 925 W. Magnolia Rd., Salina KS, from 4 to 6:30 p.m. American AgCredit is just west of the I-135 Magnolia exit at the entrance to Menards in Salina. Cards may be sent to Tom's home address: 436 N. Holmes Rd., Salina KS 67401.

How Much Hay Do I Need?

A majority of producers have a set amount of bales that they need to have around to sustain a cow through the winter feeding period. This number is based off of years of experience and learning. The way that we can do a rough estimate of how much forage you need to calculate is with a couple of averages.

For instance, a good rule of thumb is that a cow will consume 2.5% of her body weight in dry matter on a daily basis. This means that a 1,200-pound cow will consume approx. 30 pounds of dry matter per day. If we multiply that times the number of days we intend on providing hay, we can get a close estimate on the pounds of hay required. So, if we feed hay for 100 days that would be 3,000 pounds or two 1,500-pound bales of hay. However, we also know that a cow cannot consume 100% of that bale and, depending on the way hay is fed, we should account for up to a 30% loss or refusal of the hay. This means we now need 2.6 round bales per cow to get through the winter.

So, as we scramble around looking for forage for the winter, be mindful of how much you plan on feeding and then adjust the number based off of the quality of the forage, cow size, stage of production, and any losses due to waste or refusal.

Cade Rensink, Livestock Agent

A view from the basement

Have you ever been told to “mind your own business”? I know I have and I get reminded of it often when I tease my two boys about having girlfriends. You would think that as many times as I’ve heard that statement over the last several years, it would have sunk in by now. Not so much the part of not asking about girlfriends (that’s gonna keep happening), but the minding of my own “business” part.

I read an article in the April 2018 edition of *Progressive Cattleman* titled “Defining success: Does my ranch measure up?” In the commentary, author Marci Whitehurst wrote that comparing ourselves to another ranch inevitably places us on one end of a negative pendulum - either we don't measure up or we belittle others in our pride as an attempt to prove our worth. She went on to say that success is highly individual and extremely personal. So, in essence, we should mind our own business by defining what success looks like for ourselves and setting competitive goals to achieve it.

Now, this doesn't mean we shouldn't use benchmarks to aid in goal setting, but it does mean that those benchmarks may need to be evaluated a little differently. It also means that we shouldn't be thinking that we're not as important as our neighbor because he runs so many more cows than we do. The more land you own or the more cattle you run doesn't always mean you're more successful. Heck, you might be making more net profit off of your 40 cows than your neighbor does off of his 400. We don't know and we shouldn't care. By minding your own business, you concentrate on making the most of what you have.

Another aspect of “mind your own business” that came to light for me this summer was a conversation I had with a local banker about interest rates and coffee shops. It's not uncommon for someone to come in the bank and ask for a certain interest rate because his morning coffee buddy says that what he's getting. Two points to be made here: 1) he heard it at the coffee shop, so is that really his rate? and 2) the two guys may not present the same risk to the lender and simply may not warrant the same rate.

The best way for someone to have a good relationship with their lender and ultimately get the best rate possible is for them to mind their own business and take ownership of that business. This means not relying on your banker to do all of your work for you. Don't just show up once a year to sign a balance sheet that they prepared for you and expect to sign a line of credit renewal with a low rate.

In a recent email exchange with another local ag lender, he said he's been trying to convey to his customers that they need to prove to the bank that the bank needs them more than the borrower needs the bank. This reinforces the need for you to do your own work throughout the year by creating your own business plans, drafting your own balance sheets, putting together your own cash flow projections, establishing your own crop and livestock budgets. After all, no one should know your figures better than you.

You have to mind your own business and understand what makes your operation attractive or not. Whether you borrow money or not, I would encourage you to take a look at the enclosed flyer on the upcoming CKD Farm Financial Series that we are hosting this winter. These workshops will provide a pretty good foundation on which to build a better financial understanding of your farm or ranch.

Oh, and if you haven't ever been told, let me be the first...mind your own business!

Cade Rensink, Livestock Agent





CKD Farm Financial Series

Each session begins at 7:00 PM
Ottawa County Courthouse Meeting Room
307 N. Concord, Minneapolis, KS

This four-part series is designed to help farm and ranch operators better understand their financial records, analyze the performance of their businesses, have more meaningful conversations with their lenders, and, ultimately, take ownership of their livelihoods.

Dates & Topics

Wednesday, December 19 – Balance Sheet Basics

This session is scheduled near the end of year for the purpose of preparing and understanding the balance sheet - knowing what assets and liabilities go where, what values to use, and how to utilize the information provided. Participants will have the ability to work with Joe Farmer and his case farm to analyze his balance sheet.

Wednesday, January 16 – Cash Flow Analysis

As you begin thinking about tax season, this session will look at how your tax return figures and profitability can be analyzed using a simple cash flow or full income statement. Calculating debt service, matching up inventories, and making projections will be discussed. Participants will look at Joe Farmer's financials and see if he is making money.

Wednesday, February 13 – Ratios and Renewals

Here we will combine information from the balance sheet and cash flow to evaluate the performance of an operation and aid in decision making for the upcoming production year. We will also talk about considerations for enterprise budgeting and preparing for an operating loan renewal. Participants will get the opportunity to be the banker and decide if Joe Farmer's credit request is approved.

Wednesday, March 13 – Ag Finance Tools and Resources

Our final session will highlight several of the financial assistance programs available to both experienced and young or beginning producers in Kansas. We will also discuss a few best management practices for farmers and ranchers to implement that can help put them on a path to success.

Each session will be approx. one hour. No RSVP is required. Come to one, come to all.

For more information, please contact the CKD - Minneapolis Office at (785) 392-2147 or email crensink@ksu.edu.



Central Kansas
District

Kansas State University is committed to making its services, activities and programs accessible to all participants. If you have special requirements due to a physical, vision, or hearing disability, contact Cade Rensink, CKD Livestock Production Agent, at (785) 392-2147.

Kansas State University Agricultural Experiment Station and Cooperative Extension Service
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**Central Kansas Extension District
Salina Office**

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Address Service Requested

The enclosed material is for your information. If we can be of further assistance, feel free to call or drop by the Extension Office.

Sincerely,



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Crop Production
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