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RESEARCH CENTERS

Federal Pecan Marketing Order aims to stabilize market

by Charles Rohla, Ph.D. / ctrohla@noble.org

In 2015, I wrote about the proposed Federal Marketing Order (FMO) for pecans. On May 6, 2016, the U.S. Department of Agriculture announced that the order passed by an overwhelming majority of pecan growers in the 15-state producing area.

So what does this mean for the U.S. pecan industry and you as a grower? The FMO will assist the industry by promoting and marketing pecans to increase demand; therefore, it will help stabilize pricing and hopefully increase the prices growers receive for their pecans. The FMO will be used to gather and publish accurate industry data such as cold storage inventory, crop yields and estimates, and total supply of pecans, which will improve the industry's ability to price pecans. Standards for grade, quality and size will be established by the FMO along with standards for packaging pecans. The FMO will also help facilitate coordination and investment in pecan research both on the production side and on product development.

The administrative body for the FMO will be the American Pecan Council, which will consist of three growers and two shellers from each of the three production regions and two at-large seats including one accumulator and one public member. The three regions are defined as Eastern (Alabama, Florida, Georgia, North Carolina and South Carolina), Central (Arkansas, Kansas, Louisiana, Mississippi, Missouri, Oklahoma and Texas) and Western (Arizona, California and New Mexico).

Assessments will be collected on the 2016 crop and will be 2 cents per in-shell pound on native, seedling and substandard pecans and 3 cents per in-shell pound on improved pecans. The assessment will be paid by the first handler. The growers will not pay for the assessment on pecans sold to an accumulator or to a sheller. The only way a grower will be responsible for the assessment is if he or she is selling pecans directly to consumers. In this scenario, the grower would be the first handler, so he or she would have to pay the assessment on the pecans that are directly sold.

Through this period of change, it is important to keep in mind that marketing orders are initiated by industries to help provide stable markets for crops. Producers can benefit through promotion and marketing and the finance of research that is critical to the improvement of any segment of agricultural production. If you have questions about the FMO and the assessment, please contact the American Pecan Board, www.pecanboard.com. ■

Grazing cover crops requires management and balance

by Jeff Goodwin / djgoodwin@noble.org

A few months ago I accepted the position of range and pasture consultant for the Noble Foundation. The past 14 years of my career working for the Natural Resources Conservation Service (NRCS) most recently as the Texas state rangeland management specialist. I worked with farmers and ranchers to meet their management goals and objectives, and I am very excited to continue working with producers in the Southern Great Plains. One of my passions is working with producers to manage their operations while benefiting our nation's most precious resource, our living soil.

Our nation is blessed with numerous natural resources. However, one resource that is often overlooked, and is in need of our management and protection, is our nation's soil resource. Our soils are responsible for feeding billions of people and serve as the foundation for all agricultural endeavors. More importantly, soil is a dynamic living body that is the cornerstone for many of the ecological processes (e.g., nutrient cycle, water cycle, etc.) essential for functioning ecological systems. As part of managing for a healthy soil, cover crops are commonly utilized in agronomic systems to meet several management goals, such as keeping the ground covered and adding biological diversity. Cover crops are defined by the NRCS in their national conservation practice standard as "grasses, legumes and forbs planted for seasonal vegetative cover," and NRCS describes their purposes as the following:

- Reduce erosion from wind and water.

- Maintain or increase soil health and organic matter content.
- Reduce water quality degradation by utilizing excessive soil nutrients.
- Suppress excessive weed pressures and break pest cycles.
- Improve soil moisture use efficiency.
- Minimize soil compaction.

Note that NRCS does not include livestock grazing as one of the purposes for a cover crop. Over the past several years, many producers have been utilizing mixed-species cover crops in cropland and pasture systems to increase diversity, organic matter, soil microbiological function and more. Many progressive producers graze livestock on these crops to add the benefits of animal impact and distribution of urine and manure.

Once livestock grazing is introduced, these are no longer traditional cover crops with the sole purpose of improving the soil. They are now mixed-species dual-purpose forage crops. In a soil health management system, mixed-species forage crops have similar purposes compared to traditional cover crops. They too are used to keep the ground covered, increase organic matter, increase diversity, etc. However, they also provide a forage source for grazing livestock. In order to receive the soil health benefits, the grazing of these mixed-species forage crops should be managed to leave proper amounts of residue rather than being completely grazed out. Depending on rainfall and the region of the country, different rates of utilization (i.e., how much of the forage is grazed) can be planned. A rule of thumb is to determine the amount of production required to meet your residue goals then graze any additional production. For instance, if you need 3,000 pounds of forage residue to keep your soil covered and you produce 6,000 pounds, plan on utilizing 50 percent of the available forage. The remainder will be trampled and left for residue. Keep in mind that grazing these crops recycles the majority of their nutrients while haying and/or cutting for silage cover crops intended to add organic matter defeats that purpose. Grazing mixed-species forage crops can be very useful and add flexibility in beef production systems. However, the focus should be on balancing livestock forage demand with addressing the soil health concern that prompted planting the cover crop in the first place. ■

Cattle sellers should consult sale barn on yearling criteria

by Jason Bradley / jwbradley@noble.org

Greetings! My name is Jason Bradley, and recently I filled a need for an economic consultant here at the Noble Foundation. I began my time here in March by working under the direction of Jon Biermacher, Ph.D., in the Center for Economic Information and Analysis. During that time, I stayed busy completing the requirements for my master's degree from Oklahoma State University. In June, I moved into my current position in the producer relations program. Even before I became a consultant, many cow-calf producers were calling with questions about what marketing options they should be looking into.

Participating in a preconditioning program, such as the VAC-45 or VAC-60 that require a minimum length of time the calf has to be weaned combined with a vaccine protocol, can offer a premium if marketed through a value-added sale. While this would be the ideal practice, sometimes there are situations that prevent this from happening and the calves need to be sold early.

In the October 2016 *Ag News and Views*, Senior Economist Dan Childs' article, "Consultant offers strategies for cattle marketing decisions" looked at some of the options that are available. One of the best strategies with the current market conditions is to turn a bawling calf into a yearling and get it sold. But this brings up the question: at what point does a calf become a yearling? Is it based on a preconditioning program or on the animal's physical traits? By looking at the auction reports from the seven sale barns reported by the USDA Ag Marketing Service (AMS), we can see there is an obvious discount for calves. This discount ranged from $10 per hundredweight to $20 per hundredweight, based on the Oklahoma Combined Weekly Auction Report published by AMS on Oct. 7, 2016.

To answer these questions, I did what I would recommend to everyone who finds themselves in this situation: call your livestock auction. I called a few sale barns and asked, "What criteria do you use when pricing a calf versus a yearling?" The results varied from a weaned and preconditioned calf all the way to just the physical appearance of the animal. Most answers pointed toward a calf that had received its first round of shots and had been weaned at least 30 days.

So if you find yourself in a market that is continually moving down, like it currently is, and you're in the situation where you need to sell your calves before you can complete a certified preconditioning program or participate in a value-added sale, you may want to reach out to your preferred auction barn. Find out what they are looking for in a calf that moves it away from that serious discount and meet those requirements before selling.

In the coming future, I look forward to the opportunity to work with producers in accomplishing their goals. As an economist, some thoughts I've always tried to use when making decisions are: Know what you're gaining from each decision and what you're giving up. Being well-informed is the best tool anybody can have. Here at the Noble Foundation, we will do what we can to help you to find that information and understand it. And lastly, ask questions. No question is a dumb one if you don't know the answer. ■

Increased crop residue provides production, cost benefits

by Shawn Norton / slnorton@noble.org

Soybeans planted into residue left after grain harvest.

Soybeans planted in plot with biomass regularly removed.

Difference in stand persistence between plots. Soybeans emerged better in residue (on right) than in bare field.

As field plot operations manager at the Noble Foundation, one of my responsibilities is to maintain a rotational crop system on all dedicated small plot research fields; another is to conduct small grain variety trials. Residue management is important in these two areas. We conducted a small grains variety trial consisting of 21 varieties with twin plots, which means each variety was planted with two plots side-by-side. All plots were replicated three times. Prior to hollow stem, both sides were measured for forage production. The biomass was then removed to simulate grazing. As soon as hollow stem was observed (Feb. 18, 2016), we left one plot for grain production and continued to measure and remove biomass on the other. We used a small plot combine to harvest grain samples when ready and left the stubble standing.

This is where the real story begins: after harvest (approximately 15 days), soybeans were planted into the plot area as a cover crop. Soil conditions were very dry, and temperatures were high at planting. As the drill moved across the field, I noticed each time it passed through a plot with standing straw residue that the drill coulters would have wet soil on them. However, the drill coulters were dry and free of wet soil when the plow passed through a plot with no biomass. I also noticed many large clods were present in the plot with little residue and much fewer clods in the plots with standing residue.

These observations didn't mean much to me at the time, but as the seed germinated and began to emerge everything began to make sense. The plot with standing residue emerged quicker and healthier, while the plots with little residue had few, if any, seedlings emerge. This leads me to believe the residue protecting the soil offsets the draw on soil moisture, even with the live grain crop pulling moisture from the soil to fill seed. The standing crop provided good protection from the hot sunlight while also helping reduce evaporation loss. There were substantial differences in the stand and persistence, as shown in the picture, which also demonstrates the noticeable difference in residue and the resulting soybean stand.

Some benefits to managing for increased residue include improved water infiltration, reduced labor cost, reduced soil erosion, reduced air pollution and reduced equipment cost. Residue management refers to any type of residue, whether it is left standing or lying down. Depending on the residue density, it could potentially provide some weed control in addition to the other benefits mentioned. ■

Timeliness plays critical role in agricultural operations

by Bryan Nichols / bmnichols@noble.org

A commonality

among successful producers that I have noticed is their ability to accomplish tasks in a timely manner. A few examples of activities best accomplished within a certain timeframe on the cattle side are purchasing calves, doctoring sick calves, administering vaccinations and assisting with calving. On the crop side, successful producers generally take advantage of windows for planting, fertilizer, and herbicide and pesticide application.

While all of these successful producers accomplish tasks in a timely manner, they absolutely do not accomplish them by the same means. For some of these producers, agriculture is their full-time job. For others, it is only a supplemental income. The key is that each of them has figured out how to get things done. Many times, those who have full-time jobs off the farm realize that custom hire allows them to accomplish things that otherwise would not get done. Others may find their custom hire is less than dependable on accomplishing tasks when they need to get done.

It is important for producers to always ask themselves if they are accomplishing things on time. If not, why? Barriers to timeliness come in many forms including priorities, other responsibilities and obligations, knowledge, labor, and machinery to name a few. There is typically a cost associated to removing barriers, though not always, and becoming timelier may or may not be cost-effective.

In some instances, the benefit of timeliness can be measured. For example, we know that the earlier wheat is planted the more fall forage is produced. On average, wheat pasture grows 30 pounds per acre per day in the fall prior to frost. If a practice could be implemented that increased the number of growing days in the fall by 10, then 300 pounds of additional fall forage could be grown. If a conversion rate of wheat forage is assumed at 10:1, then 30 pounds of additional beef per acre could be harvested. At 40 cents per pound of gain, this gives us a measurable benefit of $12 per acre in revenue. Can this practice be implemented for less than $12 per acre?

For those in the stocker cattle business, getting calves purchased correctly is perhaps the largest factor in making a profit. Does your operation allow you to receive these cattle when the timing is right? Are there aspects of your operation that limit flexibility in the timing of purchasing cattle, such as pen space or a labor shortage? These situations are a little more difficult to measure.

A practice that all producers can employ that has minimal cost and improves timeliness is forward planning. A lack of forward planning allows things to slip up and puts timeliness in peril. Opportunities can be created and barriers can be addressed through forward planning.

Agricultural operations are very dynamic, and there are many variables to consider when making decisions. Our relationship with Mother Nature and other variables, such as markets, dictate that things be accomplished in a timely manner when opportunities present themselves. Many operators constantly ponder these questions subconsciously. If you don't, I encourage you to brainstorm about the things that have kept you from accomplishing tasks at the optimal time and explore cost-effective remedies. ■

Ag census sheds light on farming, ranching trends

by Amy Hays / aehays@noble.org

The Census of Agriculture is conducted every five years and always provides some interesting data. Although it's a survey, a quick look at the numbers over time can help us begin to understand some trends that might be headed our way.

Trend 1: Land transfer ahead

The impending transfer of land to occur in the next five years is estimated to be one of the biggest transfers in quite some time. On average, roughly 10 percent of lands (91.5 million acres) is estimated to be transferred. While the methods of transfer are not unusual (place/keep in trust, sell to relative, sell to nonrelative, gift), the unknown rests mostly on what the transfer will mean to the production on those lands. Will the current operation be maintained? Will a new operation begin?

Trend 2: Age of farm and ranch owners

Age trends runs parallel to the trend above. The average age of ownership has been steadily increasing since the early 1980s. Average age of principle operators is 58.3 in 2012, whereas it was 50.5 in 1982. Only 6 percent of operators are younger than 35, 61 percent are ages 35 to 54, and 33 percent are older than 65. In the general population, 20.5 percent are ages 20 to 34, 27.1 percent are ages 35 to 54, and 13.5 percent are older than 65. There is low representation of 35 and younger producers compared to older ones. In 1982, those numbers were more equally split at 42 percent of producers ages 35 to 54 and 42 percent older than 65. The lack of an available traditional transfer population (parent to child) and higher available young producers (grandparent to grandchild) might usher in new shifts in land use and production.

Trend 3: Beginning farmers and ranchers

Beginning producers account for 25 percent of farmers and ranchers with less than 10 years tenure on the land. Within this group is good news for diversity with more women and minorities but less good news in the amount of cash receipts, which is expected. This group does not receive the majority of their income from farms and ranches. With the shift in land expected in the next five years, these newer owners may not have the equipment, capital and experience to maintain the transferred land in the same production methods.

Trend 4: Continued decrease in farm and ranch numbers

In 2012, the number of farms was 2.11 million, the lowest in the 30-year reporting period. Small farms account for the majority at 88 percent, while 55 percent of the land in farms is greater than 2,000 acres but only account for 4 percent of farms. The largest number of farms is between 50 and 179 acres. These lands specialize in beef cattle but only 16 percent of these producers depend on the farm for the majority of their income. This points to the continued need for operational efficiency because smaller farms tend to have higher expenses and less receipts because of economies of scale.

Trend 5: Renewable energy production

In 2012, 57,000 farms reported they produced renewable energy for their use or others (doubled from 2007). California and Texas led this trend. This trend will be interesting to follow as the "production" potential of farms and ranches for energy grows. This trend adds new dynamics to the value of agricultural lands as energy needs continue to emerge.

These five trends are among the most notable in the Ag Census. The number of agriculture acres continues to be approximately 40 percent of all lands in the U.S.; there are fewer farms but acreage has maintained. The aging producer population continues to be an issue since it is growing disproportional to the population. Maintaining replacement farmers and ranchers is a pressing need now and in the near future. ■

Landowners help shape the next generation of hunters

by Josh Gaskamp / jagaskamp@noble.org

Oklahomans are fortunate to have an abundance of wildlife and communities across the state with interest and support for wildlife conservation and outdoor recreation. Introducing our youth to hunting and the great outdoors is one way to support wildlife conservation and has produced some of the most rewarding experiences in my life. I look forward to taking youth hunting every year during the Noble Academy sponsored youth doe hunt.

Many of Oklahoma's youth miss out on opportunities to hunt because they don't have access to property. Teaching youth about wildlife, conservation and management practices is important, and offering memorable hunting experiences is how we create the next generation of hunters.

Oklahoma landowners may be able to play a larger role in the development of the next generation of hunters through the Oklahoma Private Lands Youth Hunt program. The Oklahoma Department of Wildlife Conservation (ODWC), in partnership with private landowners across the state, offers deer hunting opportunities each year to youth ages 12 to 17 selected through a random drawing that typically takes place in August. This year, hunters had the opportunity to participate in one of four bonus antlerless deer hunts on private lands in Carter, Love, Ellis and Johnston counties.

Each of these four hunts offers a little different experience, but all have proven to be a great opportunity for youth to experience the outdoors and a thrilling hunt with a parent or guardian. Each year, the youth who participate in the hunts boast about the skills of their guides (offered in some hunts), stories shared around a campfire, target practice and the unforgettable hunts they had.

Landowners who offer these youth hunting opportunities benefit from white-tailed deer population management through doe harvest. They also receive tremendous satisfaction in knowing that a beginning hunter is learning the skills and ethics of hunting and could potentially harvest their first deer because of this opportunity. These landowners are proud to help create the next generation of hunters.

Landowners who continue to provide these opportunities look forward to the hunts every year. Collectively, these landowners have made deer hunting possible for 49 youth who may not have otherwise had the opportunity. The program regularly has more than 200 applicants and will likely continue to grow, so there is a significant amount of youth left out each year.

The four hunts have proven to be a huge success and have paved the way for other landowners to step forward. Landowners interested in providing additional opportunities for youth to hunt through the Private Lands Youth Hunt program should contact ODWC. Some landowners enjoy the time to share hunting stories with the young hunters over lunch, but a landowner's only responsibility in the program is to provide them with an opportunity to hunt. It is exciting to see that there are so many youth interested in hunting, but unfortunately there aren't enough opportunities for everyone. ■

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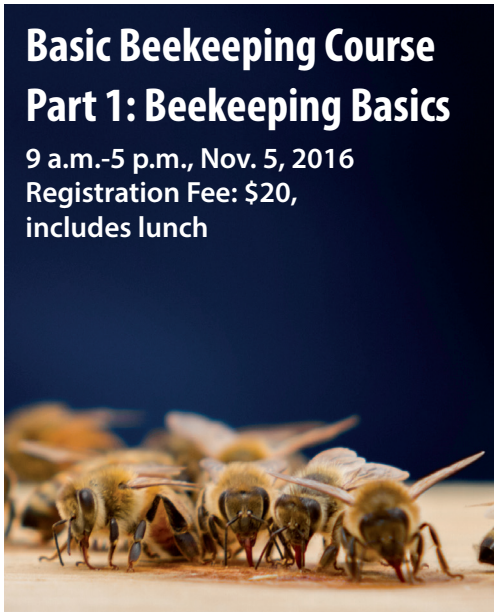
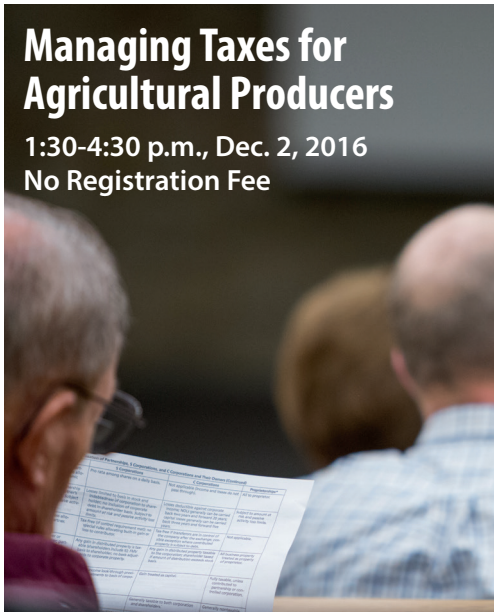


Basic Beekeeping Course Part 1: Beekeeping Basics

9 a.m.-5 p.m., Nov. 5, 2016
Registration Fee: $20, includes lunch

Basic Beekeeping Course Part 2: Honey Bee Production

9 a.m.-5 p.m., Nov. 12, 2016
Registration Fee: $20, includes lunch



Managing Taxes for Agricultural Producers

1:30-4:30 p.m., Dec. 2, 2016
No Registration Fee

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