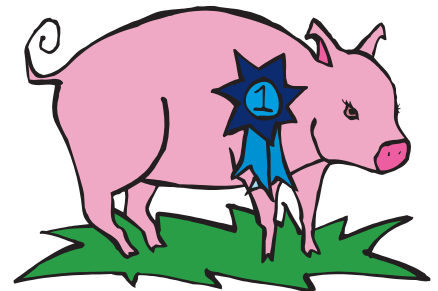


## Hot weather? Must be close to fair time.

The purpose of youth (4-H and FFA) livestock projects is to provide an opportunity for youth to learn how to feed, fit, and show their animals, but more importantly to provide an opportunity for personal growth and development. Although these projects are intended for the youth, the parents are encouraged to be involved and projects often become a family affair. As Missourians we are accustomed to hot temperatures with high humidity levels in the summer and take precautions accordingly. We should not overlook those same needs for our 4-H and FFA livestock projects.

As temperatures increase, the need for heat stress management becomes a necessity. All animals can suffer from heat stress, but is especially true in rabbits and swine, as they are unable to dissipate heat through sweating. Knowing the normal behavior of your animal is important so deviations can be recognized and proper actions taken. Signs of heat stress include, but are not limited to: increased breathing rates, sprawled out body positions, decreased movement and feed intake. Water is very important in the regulation of body temperature and should not be restricted during extreme temperatures. Providing shade and proper ventilation are also key components of managing heat. Keep the animals in the shade where there is a natural breeze or air movement provided by fans. Mistlers are also a useful tool in regulating body temperatures.



Transport animals to the fair during the cooler parts of the day (early morning or late evening) to avoid the hotter portions of the day. Do not leave animals in the trailer or crate for an extended amount of time as temperatures can reach extreme levels very quickly. Arrive in plenty of time to get settled in prior to weigh in and provide water immediately. Provide water on a regular basis to ensure adequate intake. The use of fans and misters may be required to provide an environment comfortable for the animal. Below is a list of key points and tips that may be useful in managing hot and humid weather.

- Haul animals during the cool parts of the day
- Unload quickly and provide water immediately
- Provide water on a regular basis
- Adding diluted flavors (i.e. Kool-Aid or Crystal Light) to the water before the fair and while at the fair can increase intake since the water may taste differently at the fair

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- Provide fans and misters (Don't forget the extension cords!)
- Place frozen water bottles in the pen/cage to provide cool surfaces
- Keep pens dry
- Sprinkle cool water on the shoulder, neck, head, and nose of pigs to cool them off
- Keep a close eye on your animals for any signs of abnormal behavior

Warmer weather means the approach of fair season and the need to take proper care of your livestock project during the extreme weather conditions of summer. Fair season is a great time to spend with family and friends and provides a great opportunity for youth to shine. Good luck at the fair, stay cool, and remember to have fun!

**Source:** *Heather Smith, Assistant Livestock Specialist*

## Compensation for Farm Employees

What is the average wage for farm employees? There is not a simple answer because of factors involved: skills, duties, full-time, part-time and many other factors.

Finding unbiased farm employee data is sometimes difficult due to the time and money it takes to conduct surveys, analyze results and publish. Iowa State University recently conducted a survey funded by the North Central Risk Management Center. The purpose of the study was to look at wages and benefits received by farm employees. The random survey included Iowa farms that employed one or more persons full-time in 2011.

The results were based on 251 farm employees who worked a minimum of 1,500 hours per year on the same farm business and were not related to the farm owner and/or operator. A few details discovered from the survey: sixteen percent were born outside of the United States, six percent were female, and the average experience working on a farm was just over 12 years.

The sources of compensation included cash wages (avg. 85%), benefits (avg. 11%) and bonuses (4%). The average cash wage paid was \$33,320 per year. The benefits were valued at \$4,185 per year. The bonus or incentive payment averaged \$1,424. The

total compensation was \$38,929. The actual range was from \$15,000 to \$81,345.

The average number of hours worked for full-time employees was 50 hours per week or 2,602 hours per year. The average weekly hours varied based on seasonal work load. Given the total value of compensation and the total hours, the average hourly compensation was \$15.05.

The benefits included a wide variety of items. The most common was some type of insurance and farm produce to consume. Other benefits mentioned by survey respondents included: housing, utilities, meals, personal use of vehicle, clothing, continuing education, recreation, farm commodities and retirement plans.



The employees in this survey worked on a variety of farms: crop production, beef and crops, swine and crops, dairy and crops and general livestock and crops. Some of the employees had supervisory responsibilities and were compensated accordingly. Actual details can be found in the document <http://www.extension.iastate.edu/agdm/wholefarm/pdf/c1-60.pdf>

This survey showed compensation is based on many factors; therefore, there is not one hourly wage which is fair for all farm employees. If you are considering hiring an employee take time to make a list of duties, skills required and education. Once those items are determined, then it is easier to see what type of compensation will be needed to find the person that meets those needs.

**Source:** *Mary Sobba, Ag Business Specialist*

## Taxation Tidbit

### Delayed Like-Kind Exchanges

While current tax rates on long-term capital gains (generally 15%) are considered to be low by many people, this tax can still present a stumbling block for people desiring to realign their business or investment assets. IRS Code Section 1031, an asset exchange provision, is a tool that can provide for the tax-free (in reality tax-deferred) realignment of these types of assets.

For example, Taxpayer A has 300 acres of farmland acquired for \$90,000 many years ago that is now worth \$1,000,000. Gain on this property of \$910,000 - if taxed at 15% is \$136,500 – a substantial amount of money and that doesn't include the 6% or \$54,600 for the State of Missouri. Section 1031 provides a method of selling this property and deferring the recognition of the \$910,000 gain – if the \$1,000,000 of sale proceeds from the relinquished property is reinvested in like-kind replacement property within 180 days. This procedure is known as a **deferred or delayed like-kind exchange**.

For real estate, the definition of like-kind property is very liberal. Like-kind real estate means any improved or unimproved real estate held for income, investment, or business use. Improved real estate can be replaced with unimproved real estate, and vice versa. Therefore, replacement property for relinquished farmland is not limited to addition farmland. One property can be replaced by two or more properties, and vice versa.

#### Key Planning Points:

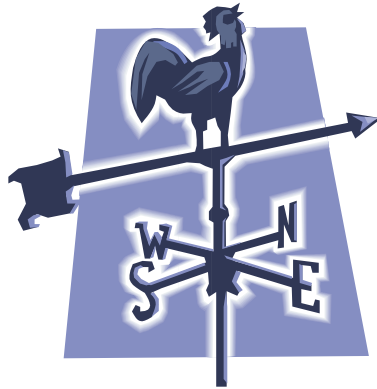
1. An “intermediary agent” must be utilized to hold the sale proceeds during the replacement period.
2. Replacement property must be “identified” to the intermediary agent within 45 days of closing on the relinquished property.
3. The replacement property must be acquired, i.e. closed, within 180 days of closing on the relinquished property.

“Boot received” will always result in recognition of gain, the lesser of the boot received or the total gain. Avoid recognition of any gain by acquiring replacement property at a price equal to or greater than the sale amount of the relinquished property.

Section 1031 can be a “big gun” in the hands of a tax planner. While tax professionals would not classify the deferred exchange of like-kind property as an aggressive tax strategy, it is a strategy that must be carried out with timeliness and exactness. Thus, if this is a strategy you would like to utilize, get your tax professional involved in the planning process as early as possible.

*Source: Parman Green, Ag Business Specialist*

## Weather Information May Help in the Management of Your Farm



Weather events have a large impact on Missouri's farming operations. Given the importance of weather to the success of Missouri's farms, weather stations have been placed throughout Missouri through efforts of the University of Missouri Extension Commercial Agriculture Program.

Data from these stations are reported as menu items on AgEBB (Agricultural Electronic Bulletin Board). The locations are listed by county. In Central Missouri, weather stations are located in the following counties: Audrain, Boone, Callaway, Carroll, and Morgan.

Archived weather information reported is the hourly and daily conditions at each location. The conditions observed are:

- Air temperature
- Relative humidity
- Wind direction and speed
- Soil temperature at the two inch depth
- Solar radiation

The summaries of these weather elements are presented on AgEBB as Menu Items:

- Daily Weather Report
- Hourly Weather Data
- Calculated Weather Indices
- Accumulated Weather

In Central Missouri, real-time weather information can also be obtained from these stations.

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Information on the weather stations can be found at: <http://agebb.missouri.edu/weather/stations/>

The weather information is especially useful for crop farmers, as there is information on degree days, rainfall and soil temperature. It is also useful to livestock producers, as the records on temperature and humidity can be useful in managing ventilation and cooling systems in confinement livestock buildings.

Horizon Point is another service that is offered by University of Missouri Extension. It is a custom weather analysis system for farmers, which includes site specific information for your location.

Farmers can subscribe to a weed-emergence outlook as part of the MU Horizon Point service. Emails report weeds, insect emergence, soil temperatures, rain runoff risks, weather forecasts and other management information. To subscribe to Horizon Point, go to <http://agebb.missouri.edu/horizonpoint>

Farmers must submit email address, location of farm by longitude and latitude, and soil type. More than one farm location can be entered. Forecasts are site-specific to each farm location.

Further weather information can be found at: <http://agebb.missouri.edu/weather/>

**Source:** *Kent Shannon, Natural Resource Engineer Specialist*



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