MU study shows economic impact of Missouri’s dairy industry

By Michelle Proctor, Senior Information Specialist

Missouri’s dairy product manufacturing and production industry revenues translated into annual statewide economic output worth $7.7 billion, contributing more than $2 billion to the state’s gross domestic product, and directly and indirectly supporting more than 23,000 jobs, according to a study by the University of Missouri Extension Commercial Agriculture (CA) Program.

“Missouri’s history as a major milk-producing state endowed us with a diverse dairy product manufacturing sector that remains a major employer,” write CA Program economists Joe Horner and Ryan Milhollin, who prepared the study for the Missouri Dairy Products Association. The study was officially released March 12, at the Missouri State Capitol before the House Committee on Agricultural Policy, chairman Bill Reiboldt presiding.

“The Congressional Ag Policy Committee is interested in what we do in the Commercial Agriculture Program to promote Missouri’s agri-business and industries, and to increase their profits,” said Rex Ricketts, director of the CA Program. “When we lay out what industries are paying taxes, bringing incomes and creating jobs to which areas of Missouri, the legislators pay attention. We have been state funded since our inception in 1987, when the university could receive funds from the state legislature for specific objectives. As legislators change, we need to re-inform those coming in as to what we do, how we direct our resources and where we need to fund our endeavors.

“Various agricultural industry groups have requested the CA Program to analyze the economic impact of their industry. Everyone understands the importance of jobs, taxes, income. When our industry is presented in those terms, everyone understands the importance of protecting and nurturing this major wealth creator.”

Missouri’s dairy product manufacturing industries directly employed 5,515 workers receiving average wages of $46,850 per worker to create a total statewide payroll of $258 million. Considering all the direct, indirect and induced jobs stimulated by Missouri’s dairy product manufacturing industries, a total of 23,297 jobs were supported. These jobs provided $1.2 billion in labor income to Missourians.

Dairy manufacturing plants in Missouri produced an estimated $4.4 billion worth of dairy products in 2011, the most recent year for which data was available. Missouri’s gross domestic product (GDP) was $2.0 billion larger due to the value added by Missouri’s dairy product manufacturing industries. The Missouri dairy manufacturing industry stimulated $138 million in state and local taxes to Missouri and $239 million in federal taxes in 2011.

The study’s co-author, economist Joe Horner said, “Missouri agriculture produces lots of commodities. What is different about Missouri’s dairy industry is that our state’s dairy processing industry transforms every drop we produce into higher-valued products. In addition, much of Missouri’s dairy processing is owned by local dairy farmers through their cooperatives, allowing the farmers to capture the value they create.

“That supports over 23,000 jobs. Missouri dairy farms have been declining in numbers from what we were years ago. At one time we were a top ten dairy state. Today we are still in the top 25, which makes us a major dairy state in the southeast USA. Economic impact translates to jobs and our processing industry provides a ready market for the milk producers. It is wonderful that we can produce and process within our state—that’s an exception in commodity producing states.”

“The agricultural diversity in our state is enormous,” Congressman Reiboldt said. “The research and technology produced by the University of Missouri is so fabulous—in every area of our state’s agricultural production. And economic impact studies really lay out the far reaching effect that these industries have on our state in terms we can readily understand—which industries are creating jobs, income and taxes.

“As legislators we need to find a way to fund this sort of research and finance new technologies. We must stop the competition between congressmen that goes on as to whose money needs are more important. Ag research has taken a cut and we must set our priorities in order as a state and as a nation: food and jobs going into the future.”

Dairymen Rick Scheer of New Haven, Missouri was amazed by the economic contribution study. “The extent of the dairy industry is more important to the state than even I, as a producer, knew,” he said. “It was eye-opening to me. I did not know about how much money and jobs were brought in by the processing end. The key to keeping that 7.7 billion dollars in Missouri is to maintain a dairy farm industry and create an environment in which growth is possible. Allow it to excel—get bigger and better.

“I’m not interested in hand-outs, just opportunities. The Commercial Agriculture Program has been invaluable to the growth of our farm, giving us tools in such areas as manure management and facility management. We used their economic expertise and research to expand our operation with robotic milkers. That’s an example of how the legislature can help the industry; by continuing to fund programs like the University’s Commercial Agriculture.”


For further information on the study, contact Joe Horner at 573-882-9339 or HornerJ@missouri.edu.
Surge flow is a success story about the American agriculture system and epitomizes just why our agriculture system is the envy of the world. It was a scant 35 years ago that Surge Flow irrigation was first documented in an irrigation research field in peaceful Cache Valley, home of Utah State University (USU) in Logan, Utah. Later, when the nation’s irrigation community began hearing that by temporarily disrupting the flow of water to a furrow or basin, the water afterwards advances faster and more evenly. People realized that what the old time irrigators (especially those using basins) had actually been doing all those years was surging. When the old pioneers couldn’t get their water to reach the end of their basins, they merely turned it into another basin, waited until the next day and then reapplied the water – it would now make it to the end of the field. The old timers called this ‘bumping.’

Like penicillin, surge’s discovery was serendipitous. USU researchers Stringham and Keller were actually investigating cut-back irrigation, a method of furrow irrigation in which water is allowed to advance nearly to the end of the field using a full stream of water and then the furrow flow is “cut-back” to avoid run-off, yet at the same time still allowing for more soak time across the field. To obtain a cut-back rate, the size of the outlet orifices in the irrigation pipe must somehow be partially reduced, which mechanistically is difficult to do. Instead, the researchers decided to use a simpler on/off procedure. For example to transform a 1.4 GPM flow rate into a 0.6 GPM rate, they ran the sets 15 minutes on/15 minutes off. To their amazement the water furrows that were being treated on/off got to the end of the field much faster and more uniformly. Stringham and Keller had discovered surge flow!

The phenomenal success of surge’s rapid acceptance among the nation’s irrigation community can probably be attributed to several things. First, USU chose a catchy moniker for their new discovery – Surge Flow. Non-continuous furrow irrigation just isn’t a handle that would have grabbed much attention. Second, the American agricultural media performed their usual excellent job informing farmers in the U.S. about surge flow. The phrase surge flow was probably a household phrase in the homes of furrow irrigators before there were even workable surge flow valves on the market. Next, Extension Service efforts helped farmer innovators develop usable surge flow valves. Lastly, the carrot… farmers are by and large conservative, not wanting to waste a dime, but on the other hand not wanting to be left out when special opportunities are being offered. Recognizing the benefits of surge flow, many wise soil and water conservation districts (S&WCDs), underground water districts, etc. offered to cost-share the valves. All of these—integral components of America’s agriculture system—took place, resulting in thousands of valves being installed in American irrigation fields within a dozen years of the discovery of surge flow in Cache Valley.

Texas was once the epicenter for surge flow. Today, although still the leading state, many of the fields that were formally watered with surge flow in Texas are now using sub-surface drip irrigation. Nebraska comes second. Missouri actually ranks third in surge flow use.

Surge flow is strong in Missouri for several reasons. First, its state and county S&WCDs again were willing to cost share valves. Next, the NRCS Irrigation Office in Dexter, MO helped train irrigators. Last, but very significant, was the presence of Polypipe and large capacity wells. Here is why: traditional furrow irrigation is known to gobble up labor; today labor is expensive and difficult to find. Among furrows systems those using siphon tubes are the most laborious, followed by gated-pipe systems where gated joints are leap-frogged downstream and replaced with carrier pipe after each set. Even where there was enough gated pipe to span the entire crown of the field, the requirement to change gates once or twice a day still called for substantial labor inputs.

A Polypipe system (coupled with a large output well) could eliminate 80-90% of normal furrow labor. However, to pull off this sweet deal, furrow streams have to get out in an acceptable time. A field 1320 feet wide with 38-inch rows would have 208 water furrows if watered every-other row, which is the pattern that 94% of SEMO irrigators use. If all water furrows are watered at once (which is where the big labor savings come from) a 3,000-GPM well would have a furrow stream of 14.4 GPM and a 2,000-GPM well would provide a 9.6 GPM furrow stream. However, these flow rates would not have enough chump to get to the bottom of the field in a timely manner for most of our soils. Surge flow would overcome this problem in two ways; first, surging naturally makes a soil advance water faster, and, secondly, only 104 of the water furrows would be watered at the same time, thus doubling up the water furrow flows to become 28.8 and 19.2 GPM for the 3,000- and 2,000-GPM wells, respectively.

Figure 1 shows the increase of surge in the SEMO area since 1998. Cotton flood irrigators are the biggest users (35% of the furrow fields), with the other crops having a use rate around 20%. Fields using surge have higher yields than furrow fields not employing surge. The increase in gross profits is highest for corn, which showed $98/acre increased gross profits. For cotton and full season soybeans the gross increases in profits from surge were $78 and $28/acre, respectively. Fields using surge flow receive 1 to 2 more irrigation applications then do regularly irrigated furrow fields, except for cotton, where seasonal application numbers for the two methods were nearly equally. Growers on average pay $6.35/acre/yr for Polypipe. SEMO irrigators who employ surge, on average, do it on just 56% of their furrow fields.

The story of Missouri’s use of surge flow made a full circle earlier this year. The first surge flow trial on a producer’s field was conducted in 1981 by Dr. Wynn Walker of USU and took place in Flowell, UT on the Garn Turner farm. Dr. Walker’s graduate students who helped in the trial in 1981, are world leaders in irrigation today. The dataset that was collected, which came to be known as the Flowell Case Study, was used in the early days of surge by many researchers throughout the world to model various aspects of surge flow. The group of international students at Flowell went on to publish research on surge at the beginnings of their careers. Two grad students are today notable in the field of irrigation by their own rights -- Dr. Oweis, director of International Center for Agricultural Research in the Dry Areas (ICARDA) and Dr. Samani of the Hargreaves-Samani ET equation fame.

USU’s Dr. Walker, who has just finished re-writing the chapter on flood irrigation for the NRCS’s National Engineering Handbook, was discussed earlier this year by a group of irrigation scientists meeting 1,500 miles away in Dexter, MO. The group, led by NRCS area engineer, John Hester, wants to upgrade their ability to predict how furrow irrigation behaves on mid-South soils. They will use Walker’s software, SIRMOD, to model regular and surge flow. This author, one of Dr. Walker’s original grad students from the Flowell test in 1981, was at the Dexter meeting and will also be involved in the project to improve furrow irrigation in the mid-South. The story of surge flow has come full circle and the saga continues.

Joe Henggeler describes irrigation methods to Michelle Proctor.
What you need to know about the USDA Animal Traceability Rule

By Michelle Proctor, Senior Information Specialist

On March 11, 2013, the USDA Animal Disease Traceability rule went into effect nationwide. “The purpose of the rule is to improve animal traceability in the case of a significant disease event,” said Craig Payne, University of Missouri Extension Commercial Agriculture Program, veterinarian.

The rule requires that certain species and classes of livestock be officially identified before they move across state lines (interstate movement). “Cattle producers have asked us what they need to know and do to be in compliance, without undertaking unnecessary procedures,” said Payne.

There are three classes of cattle that will need to be officially identified and have a Certificate of Veterinary Inspection before interstate movement occurs:

• Sexually intact beef cattle 18 months of age and older
• Cattle of any age that are going to a rodeo, recreational event, show or exhibition
• All female dairy cattle, regardless of age
• All male dairy cattle (including dairy steers) born after March 11, 2013

Exemptions to the official identification requirement of the regulation include, but are not limited to:

• Beef cattle less than 18 months of age (unless being moved interstate to a rodeo, recreational event, show, or exhibition).
• Cattle moved as a commuter herd (a herd moved interstate between to premises without change of ownership). Owners will need to obtain a written commuter herd agreement from animal health officials in the states of origin and destination before movement occurs and the agreement will need to be renewed annually.
• Cattle being moved interstate directly to an approved tagging site. Tagging sites include facilities such as livestock markets that have signed an agreement with animal health officials to serve as tagging sites. Cattle will be officially identified at these sites.

Official identification that is recognized by every state includes:

• National Uniform Eartagging System (NUES)—metal eartags such as the “brite” USDA tag and the orange Brucellosis vaccination eartag. These tags are recognized by their unique numbering system and they are imprinted with the official U.S. shield.
• Animal Identification Number (AIN) tag. These include electronic identification tags or visual tags that contain a fifteen number code (starting with 840), and are imprinted with the U.S. shield.

Producers should be aware that individual States may have stricter requirements than the USDA rule. Under those circumstances, the State requirements will have to be followed. The Commercial Agriculture Program encourages producers and veterinarians to contact the destination state before a shipment, to insure they are in compliance with the requirements.

Additional points you may want to know:

Most cattle in Missouri that require identification are being identified when they are sold through a livestock market.

Cattle can be identified on the farm by a veterinarian or by an owner who has obtained official identification tags.

The Missouri Department of Agriculture has a website devoted to the Animal Disease Traceability Rule which contains examples of requirements for producers moving animals and information for purchasing tags, mda.mo.gov/animals/health/disease/traceability.php.

For beef and dairy cattle moving into Missouri from other states, no changes to existing rules were needed because Missouri requirements already met or exceeded the new Federal requirements related to disease traceability.

Different Types of Tagging

- NUES brite metal ID tag
- AIN button tag
- AIN ID tag, yellow
- NUES Brucellosis vaccination tag
In March, Dr. Tim Safranski, University of Missouri Extension swine genetics and reproduction specialist, conducted CAFNR’s first study abroad opportunity to China. Thirteen MU students signed up, each paying all their expenses.

“Initially, not all of their reasons for going may have been to learn about pigs,” Safranski said. “But as a result of the experience, they learned about China’s hog industry, the culture, the history, and they learned about themselves.”

“The students approached the opportunity with the right attitude: to learn and experience China,” said Safranski. “Everything was centered in and around Beijing. We visited three pig farms, a duck farm, a dairy and a feed mill. Each day we combined agriculture and education, which together helped the students in understanding the relevance of China in the world’s swine industry. Reading statistics and economic forecasts alone just doesn’t tell the full story.”

They also visited the U.S. Embassy and received an agriculture briefing. The ag attaché explained how the U.S. facilitates imports, exports and business development in China, an emerging economic power.

A major challenge for the growth of China’s swine industry is the fact that most corn is grown in the northeastern regions and the pigs are raised elsewhere—where the people are. Safranski said China cannot grow more corn because farmers do not have enough manure to fertilize the cornfields. They can use chemical fertilizer, but the larger challenge with that is that hog farms must purify water for discharge rather than capture the nutrients for crop growth.

There is a long history of the hogs being near the people, and that is a critical component of a marketing chain that relies heavily on sales of fresh non-refrigerated pork. Now that most of the corn is grown further away, however, it breaks the link between manure as fertilizer and crops.

The result for hog farmers is the added expense of treating manure much as municipalities treat wastewater, rather than capturing nutrients in manure as fertilizer for corn. To feed their livestock, they must buy additional grain from the U.S. and other countries.

Pork is the No. 1 meat consumed in China. “The Chinese eat the entire hog as opposed to the U.S., where we eat only half. With a population of 1.3 billion, that calls for a lot of hogs,” Safranski said.

“They are building new facilities to capitalize on environmental climate control—to put the pigs in better facilities,” he said. “But they currently lack an infrastructure for education for their producers to improve their herds, and they have no extension services. There is a large U.S. presence, but it consists mostly of salesmen. Besides opportunities to sell them things, there should be opportunities to teach them better technologies that will improve their swine industry.”

There are no national organizations for pig farmers in China. They are forbidden by law. “The government does not want the farmers to organize,” said Safranski. “Therefore there are no projects in place such as our checkoff program.”

Safranski pointed out that China is home to 20 percent of the world’s population, 50 percent of the world’s hogs, and 80 percent of the world’s tower cranes used in construction. “That means that China’s swine industry will play a major role in the world hog market,” he said. “From what we saw, however, pig health is a big issue holding them back. Growth and reproductive performance are reduced due to health problems. Their genetics are improving rapidly, facilities are improving rapidly, and food processing is improving rapidly, but there is less evidence that pig health issues are being addressed as rapidly.”

Safranski planned each day of the study abroad experience to include cultural as well as educational excursions. They dined in local restaurants; they traveled by subways and buses—crowded, stressful, standing-room-only city buses. The students walked on the Great Wall of China, explored the Summer Palace, the Forbidden City and the Lama Temple. They experienced Tiananmen Square, visited the pandas at the Beijing Zoo and the 2008 Summer Olympic Village.

They walked through a “wet market”, where all sorts of produce, grains and meats are displayed with no refrigeration. Wet markets are major suppliers to wholesalers, and to consumers who visit these markets daily to buy foods that will be cooked that day.

The Chinese government arranged visits to three pig farms. The first, Beijing Breeding Swine Center (BBSC), was a government-owned, shower-in facility that sold semen and breeding stock to commercial farms. The BBSC was built 20 years ago but is slated
to be remodeled and upgraded. The facility uses 100 percent AI; all semen selection is done on the farm. There are bunks on the premises so that workers can staff the premises 24-7.

The second farm was under construction. It will be a farrow-to-finish facility, mechanically ventilated. Safranski said the architects/engineers studied the best of U.S. systems, and the facility was well-designed. They expect to be operational in May.

The third pig farm visit was actually a village of 40 to 50 families who make their living from pigs and taxis. The largest family farm had 40 sows from farrow to finish. Others varied from 10 to 20 sows and used semen from the BBSC in Beijing.

The study abroad group found the woman who owned and ran the largest family farm to be very gracious and content with her life. In fact, students were struck by the happiness evident in all of the people they met. Students observed that, by U.S. standards, the Chinese had very little but seemed to enjoy their lives so much more.
The right employees are critical to the success of any employer. Hiring the right employees may sometimes seem like an impossible mission. Producers should do all that they can to avoid hiring employees who are poor performers or who actively harm the employer’s operation and the reputation of the employer in the community. In particular, infiltrators and saboteurs can cause a considerable amount of damage to an organization—harm to its reputation, productivity, other employees, property, and ultimately, its bottom line.

Employers regularly take on the sometimes daunting task of recruiting, selecting and hiring a skilled, dedicated, reliable, loyal and collaborative workforce—and complying with the multitude of related employment laws. Each organization’s needs are different. However, employers traditionally use some or all of the methods below when hiring employees.

Application - The screening process usually begins with an analysis of application materials submitted in response to the announcement of an open position. In addition, employers often use interviews, competency testing, reference checks, credit history reports, criminal background checks, court records, DMV records, and social media to analyze prospective employees. All of these methods are important tools, but employers must be cognizant of state and federal law (and sometimes local ordinances) that impact this process.

Screening Methods - Employers use social media sites to screen applicants. While social media sites can provide helpful information, these sites can easily provide information that is off-limits when making hiring decisions. For example, an employer might discover a social media site where an applicant discusses his religion or announces she is pregnant. There are ways to use social media to research job candidates, but employers must be careful. Employers should consider having a non-decisionmaker conduct the social media review. That person can filter non-relevant and potentially impermissible information from those making hiring decisions.

Interviews - To accomplish the goal of hiring employees who are a good fit, it is vital that employers communicate to prospective employees job requirements and expectations. During the interview process, ask purposeful, well thought out consistent questions that are tailored to the applicant’s ability to perform the job functions. For example, a good practice is for employers to utilize the job description in formulating the questions and to confirm that the applicant can perform the required tasks. Employers may even consider using pictures or videos and ask the applicant if they are capable of performing these types of tasks at the intervals required. The applicant’s answers and reactions to these purposeful questions and/or use of videos or photos can provide the employer useful information about the applicant’s ability to do the job.

Background Checks - Many employers conduct some form of pre-employment background check to screen applicants, and there are many good reasons to do so. This information can be helpful to ensure the hiring of qualified, safe, and productive employees. A majority of employers conducting background checks use third parties to do so. Employers who use a background check in their hiring process must be aware of the potential applicability of the Fair Credit Reporting Act ("FCRA") and relevant state laws. FCRA regulates the means by which employers may obtain and rely upon "consumer reports." Despite its title, FCRA covers more than just traditional credit reports. FCRA establishes detailed procedures that must be followed whenever a "consumer report" reflecting an individual's credit, character, reputation, standing, lifestyle, or the like, is collected to determine eligibility for employment. Consumer reports generally include such things as educational and employment histories, motor vehicle records, licenses and criminal background. Among other things, FCRA also requires that employers make certain specific disclosures, provide specific information and obtain written consent prior to requesting a consumer report or background check on an applicant.

Further, employers conducting and using criminal background checks to make employment decisions must be cognizant of the guidelines recently issued by the Equal Employment Opportunity Commission ("EEOC"). The new guidelines, released in 2012, summarize the EEOC’s long-held position that employers’ reliance on arrest and conviction records may have a disparate impact on individuals because of their race or national origin. Further, the guidelines state the presumption that any policy that mandates an adverse employment decision for any criminal history is inherently discriminatory. The guidelines do not bar employers from using criminal background checks in hiring, but direct employers to be mindful of discriminatory disparate impact and to conduct individualized assessments for applicants excluded by a criminal background screening to determine whether the application of the policy is job related and consistent with business necessity.

Employers using social media and/or background checks to screen applicants should work with legal counsel to confirm that their practices, policies and procedures comply with the current state of the law.

Training - It is important to train all personnel involved in hiring on the do’s and don’ts of how to screen, interview and hire applicants. Hiring dedicated, hard-working employees is key to any organization, and doing so while minimizing legal risk requires training at all levels of the hiring process.

Practical Pointers

- Consistently use job description to ask purposeful questions.
- Comply with FCRA.
- Comply with EEOC criminal background check guidelines.
- Comply with local, state and federal laws. (The list is growing!)
- Use social media wisely.
- Train all personnel involved in hiring process and beyond.

Hiring decisions and the reducing the risk of saboteurs

By Trina R. Le Riche, Managing Shareholder and Amber M. Hodgson, Associate
Ogletree, Deakins, Nash & Stewart, P.C.

Stay current with the Commercial Agriculture Program online

The Commercial Agriculture Program maintains a website, http://agebb.missouri.edu/commag/, where our readers can access everything we are working on. You can find our Beef, Swine, Dairy and Crop focus teams’ Resource Guides, legal guides, upcoming workshops and seminars, weekly price indexes, agricultural weather forecasts and historic data, back issues (from 2007) of the Commercial Ag News—as well as our special editions and audits. We love having you on our mailing list, but online you can connect with information on agricultural issues that fall between our publication dates.

Missouri Crop Resource Guide

Website: http://crops.missouri.edu/

Want to learn more about crop production in Missouri? Check out our website called the Missouri Crop Resource Guide. The focus of this website is to offer practical resources for farmers on major issues such as protection practices, marketing/risk management, machinery, fertility, weather, economics and irrigation. Resources are provided by the University of Missouri, and there are links to the best resources from other universities and companies. Contacts in Missouri are listed if you have any questions or want to request some assistance. Become more informed to help your cropping operation.
Jared Decker appointed genetics specialist

By Michelle Proctor, Senior Information Specialist

Jared Decker has been appointed Beef Genetics Extension Specialist at the University of Missouri. The position was most recently held by Bob Weaber. Decker will also serve as animal breeding and genetics specialist on the Commercial Agriculture Program’s Beef Focus Team.

Decker received his B.S. from New Mexico State University, graduating with top honors. He majored in Animal Science with a minor in Biology. He earned his Ph.D. at the University of Missouri in Genetics, with a Ph.D. minor in Statistics. His love of biology and mathematics developed during a childhood spent on small farm in New Mexico. Decker became interested in improving his family’s Hereford herd. Learning how to identify the best sires and heifers led him to the study of genetics.

Decker’s analytical mind enjoyed number-crunching, while still in high school he was involved in math competitions. Prior to his senior year in college, Decker came to the University of Missouri for an eight-week internship in Dr. Jerry Taylor’s lab. After that experience, he knew that he wanted to earn a Ph.D. in animal genomics. He felt attending MU was an obvious choice. “MU is a leader in cattle genetics,” said Decker. “That’s why I am excited to be here and have the opportunity to take the basic research and see that it is applied in the industry.”

Decker is currently finishing some of the research from his previous post-doctoral fellowship: identifying the regions of the genome that are responding to animal breeders’ selection decisions (changing in frequency due to artificial selection); and looking at 134 different cattle breeds. Estimates of the number of cattle breeds range from 800 to 1000 to 3000.

4-H members fight hunger with Invest an Acre

By Linda Geist, Writer, University of Missouri Extension

4-H members are seeking donations from Missouri farmers for the Invest an Acre program as part of a 4-H Revolution of Responsibility campaign to find solutions to hunger through community service.

More than one in five children in Missouri do not have enough nutritious food to eat, and 4-H members want to change this, says University of Missouri Extension 4-H youth development specialist Steve Henness.

“We are looking at how the breeds are related to each other,” said Decker. “How they have been crossed in history to create new breeds. Many breeds are found only in local populations in particular geographic regions throughout the world. My research is basically looking at the family tree of breeds.”

On the Extension side, Jared Decker writes a blog about whatever strikes him as interesting in genetics and livestock production. The name of the blog is steakgeonomics.blogspot.com.

Asked about his responsibilities with the new appointment, Decker replied, “I will be providing our regional specialists with the information they will need in order to work with the producers integrating new products. My initial approach will be to create internet content for producers to reference as they try to understand the new technologies.

“We are at a point where the technology used to analyze DNA is rapidly changing. The tools we use in animal breeding are also changing. My main focus will be to educate beef producers on how to utilize the new technologies to increase their profits.”

Bull Leasing Contracts

By Vern Pierce, Ag Law, Business and Economics

Agricultural leases are used to reduce risk, lower the cost of assets that are not used regularly, and when leasing is the only way to secure access to nearby land. Whether leasing livestock, a piece of specialized equipment, or a piece of farmland, leases have some things in common. A lease is a legally enforceable contract between two or more people where one person owns something that someone else is willing to pay to use for some period of time. Important basic elements within any lease agreement include: what you are agreeing to lease, the length of the lease, and the price to be paid for leasing the property.

In addition to the basic elements found in all enforceable lease agreements, the question that should be addressed is, do they need to be in writing? An oral lease may still be enforceable if completed in less than one year. However, it is a good idea to have it in writing. It needs to be a long enough document to contain the basic elements. One reason to have the lease in writing is to tailor the lease so that it fits the desires of both parties. As provisions are added to a lease it is critical that they be in writing to avoid disputes later.

Other provisions critical in developing a good bull leasing contract include: liability for the actions of the bull, insurance/risk of loss issues if the bull is injured or dies during some phase of the lease, performance of the bull, and health concerns.

Liability concerns are, who is responsible if the bull dies before, during, or after delivery? If the bull dies during or after delivery, who bares the cost of replacing the bull? Another issue that may arise is, if the bull injures someone or someone’s property. Questions regarding who may be liable for the bull’s actions can be very complicated if not decided in advance. A written contract may contain a provision requiring one or both parties to carry an insurance policy on the bull to protect against these events. It is possible that a general farm policy may adequately cover the risk but to be sure both parties should have documentation of this to exchange.

Two other issues important in breeding leases deal with the performance and health of the livestock to be leased. Fertility testing can help prevent some unknowns. However, a clause in the lease that deals with performance and health expectations can prevent problems later on if, for example, calving rates turn out lower than expected. A clause in the lease could cover this issue by containing a provision to compensate the lessee for calving rates below a certain threshold.

Health concerns are another matter that should be addressed in a bull lease. Bulls that are moved from herd to herd have a greatly increased risk of contracting a disease and spreading it to other herds. There is obviously a common sense element associated with disease mitigation; however, there are legal requirements as well. Mandatory disease testing requirements, especially for transactions across state lines mean both parties should consider things such as which party will be paying for the tests when are the tests to be performed, and whether bulls have to be kept separate from other livestock during the period between when the tests are run and when the results arrive.

Agreements in advance can reduce surprises and help repeat business. How these issues are handled before the lease is entered into will dictate how the lease will operate as well help address problems which require legal action.
The Commercial Agriculture Program Beef Tour
Northeast Missouri on Saturday, August 24

2013 Beef Tour

Calender Events

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<td>Integrated Pest Management Day</td>
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<th>JULY</th>
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