

Jackson & Trempealeau County Agricultural News



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Changes in Agriculture Education

Steve Okonek, the Trempealeau County Agriculture Educator, is taking on a new role starting September 1, 2020. He will now be serving as the Jackson and Trempealeau County Agriculture Educator.

Extension has been going through many changes over the last few years. One of those changes is limited money at the state level to co-fund educator positions in counties. Leadership at the state level has a commitment to making strategic decisions that allow it to continue to provide agricultural education that focuses on critical areas. At the local level, that means we will be seeing more shared positions. The oversight committee members in both counties value agriculture education, but are also committed to using local tax dollars wisely. The committee members agreed to a shared position in order to continue to provide local agriculture Extension education. "It isn't our desired solution, but it is a workable solution," noted Pat Malone, Area Extension Director.

"Steve is an ideal educator to take on this dual role," said Malone. He lives in Jackson County with his wife, Julie, and their son, David. They raise pigs and sweet corn. He has worked as the Trempealeau County Agriculture Educator since 2012. He focuses on soils and crops and livestock. In addition to working with swine, Okonek also ran a dairy operation for a number of years. "His experience is well-rounded and based in both research and practical application," said Malone.

After serving in the U.S. Army, Okonek attended UW-River Falls and earned a B.S. in Farm Management. He then spent a number of years working as a crop consultant. He earned his M.S. in Agronomy from Iowa State after he began working for Extension.

Steve can be reached at 715-538-5097 or via email at steven.okonek@wisc.edu. He is looking forward to meeting people in person when circumstances allow.

Let's all welcome Steve to his new role.



USDA, SBA Program Payments and Tax Consequences

We have an alphabet soup of programs this year, PPP, EIDL, CFAP, MFP and who knows what is next. Total payments received from these programs and a combination of programs can add up to a significant tax bill at the end of the year. Planning now will save stress and headaches later. Long story short, all proceeds from programs are taxable income.

Paycheck protection program (PPP) is a loan until the loan amount is forgiven. If your business meets the rules of the program and the loan or a portion of the loan is forgiven, then the amount forgiven is taxed as ordinary income. This can be confusing because the program states that the amount forgiven is not taxable, but the expenses paid with the forgiven amount cannot be used as an expense. The net effect is the amount forgiven is taxable. Be sure to track the expenses you paid with the PPP money you received so your lender can determine if the loan is forgivable or not.

Economic injury disaster loan (EIDL) grant of up to \$10,000 is taxable as this money is a grant.

Corona virus food assistance program (CFAP) and market facilitation program (MFP) are taxed as regular income.

What should a farmer do to ensure a stress-free tax season? First, assuming you have a profit for 2020 and a tax liability, there are some things that can be done to set your business up for future strength. First, there is no guarantee that markets will be better next year or that payments will continue as they have in 2020. With that in mind it is always wise to use any profits to set up a more secure future.

First, pay any passed due accounts. Second, pay back operating notes and any money borrowed to get through the low-price period. Third, rebuild cash reserves. Fourth, pre-pay expenses for next year and replace or update needed equipment.

You will notice I did not put replace and update equipment in the first category. If there is a piece of equipment that is dragging the business down then by all means, replace that equipment. Buying equipment to save on taxes is not always a good strategy. Let us look at what this looks like. In this scenario you have a \$50,000 profit and \$25,000 cash on hand in late December 2020. You do not want to pay taxes and you would like to have a new skid loader. Notice I said “like to have” not scheduled to replace or need a skid loader. You call the bank and get a loan for \$25,000 as you have \$25,000 cash on hand. You get your new or next to new skid loader and all is going well. Your tax bill is zero as you wrote off the entire purchase price of the skid loader. Pretty savvy, right?

April of 2021 the milk price drops. Your cash on hand is zero and you have a skid loader payment of \$471.79 due each month. Skid loader payment is calculated using a loan of \$25,000 for 5 years at 5% interest. What do you do?

The other scenario plays out like this. You put your \$25,000 cash on hand away in your cash account and pay income taxes. Your tax liability on \$50,000 profit, assuming the profit is your adjusted gross income, would be \$6,939.40. After paying the tax liability from your cash on hand of \$25,000 you will have \$18,060.60 on hand. The tax paid is a large amount and quite a dent in the \$25,000 cash on hand. Now same scenario as above, April 2021 the milk price drops. You have \$18,060.60 cash on hand and no additional equipment payment. You should be able to weather this price squeeze a little better than the other scenario.

I know this is a simplified way to look at cash and tax management. I am assuming your business will run fine without an upgrade to your equipment line. I am also assuming the only tax paid is federal income taxes and there is no self-employment taxes or state taxes. We could spend years studying tax management and all the different scenarios that could play out. This simple exercise is intended to get you to think about tax management as part of your overall business management plan. If you are blessed to have some cash left at the end of the year, look at using that cash to make your business more efficient and stable. That may be upgrading equipment, pre-paying expenses, or paying some taxes to have cash on hand to get through an emergency or a drop in prices.

Weed Management Evaluation



Late summer and fall are excellent times to evaluate your weed control practices. In most crops it is too late to do any weed control. You will be able to evaluate and change your system for next season. Herbicide resistant weeds are becoming more of an issue in Wisconsin. Catching weed escapes early and altering your weed control system quickly can save yield and headaches. As you can see in the photo of the redroot pigweed, weeds can be competitive with crops. This plant was hand pulled from my vegetable garden with no special care to save root length. After I got the weed out, I noticed how long the root was and photographed the plant. The long root allows this species to tolerate dry conditions and continue to compete with the crop plants. The following link has great information about herbicides and weed management.

<https://www.wiscweeds.info/>

Should you do deep tillage this fall? One question that comes up frequently is should I do deep tillage? I always ask why do you ask or what makes you want to do deep tillage? Sometimes I do not get an answer. Sometimes I get a reply that yields are not what they should be. If compaction is suspected, what have you done to confirm compaction?

Digging corn roots is an excellent way to determine if compaction is a root limiting factor. Corn is a good plant to use because the massive root system is easy to see and the branching character of the roots do not readily penetrate a compacted layer. The only drawback is digging corn roots is not a very pleasant job. Maximum root growth is reached at tassel emergence and the plant then puts its energy into grain formation and filling. Anytime near tassel emergence is a good time to dig corn roots for evaluation of soil compaction.

In the following photos on the next few pages I show what I learned from doing a root dig in western Jackson County.

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In the following photos I show what I learned from doing a root dig in western Jackson County.



For dramatic effect I chose an area of a field with obvious issues. This is an area of the field that was driven on with grain carts and manure tankers as the wheel tracks are evident in field.



A long-bladed spade was used to dig roots from the compacted area and the non-compacted area of the field. Any shovel can be used. If you do not mind running down some corn a backhoe could be used. After silage harvest a backhoe could be used if you do not wait too long after harvest. The roots will be too dry and difficult to see if you wait until after grain harvest to dig roots.



In the compacted area the spade could only be inserted in the ground a few inches no matter how hard I jumped on the shovel. I added water to the area around the plant I was trying to dig as we are very dry here. The water made no difference and in fact little water soaked into the compacted zone.

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In the non-compacted area, the spade penetrated to a depth of eight to ten inches. The spade would have penetrated deeper if I had harder soled shoes or if the soil were wetter. The difference between the two areas was dramatic.



This is a root ball from a plant in the compacted area. It is hard to see in the picture, but the soil had a platy structure. Platy soils have horizontal plates of soil in the compacted zone. Notice the roots are growing horizontal at the point the roots hit the compacted zone. Roots will also grow a club shaped enlarged end as the root tries to break through the compacted zone. Roots that contact a rock will also grow horizontally or become clubbed. If you are doing a root dig be sure there are not any rocks where you are digging.



This is our root ball from the compacted area. There are two roots in contact with the pen. Both roots are growing horizontally when the root hits the compacted area. The longer root has the club shaped growth on the end of the root. The shorter root makes a 90-degree turn. It is hard to see in the picture, but one side of the root mass is missing as it was not able to grow through the compacted soil. As I was digging this root ball, I noticed a large, brick shaped clump of compacted soil that fell away from the root ball. This large clod broke into smaller pieces.



This soil clod is indicative of platy soil structure. Note the flat surface next to my thumb. Soil should be crumbly like a good chocolate cake.



In the photo above is a root ball from the non-compacted area. Notice the abundance of roots and the easy angle the roots grow downward and outward from the lower nodes of the stalk. No roots are making sharp turns and several roots were longer than 12 inches before the roots broke off. Compaction is not likely limiting yield for this plant.

What should you do if you suspect compaction is limiting yields? Dig corn roots to evaluate for compaction. Corn is a good species to use because the fibrous roots are good indicators of compacted layers or layers that are not conducive to root growth. GPS yield maps can be used to find areas in fields that need a closer look.

If you find compaction, what should you do? Note the depth and thickness of the compacted zone. Do you have a tillage tool that can get below the compacted area? If you have such a tool, tillage will work to break up the compacted area. Only perform tillage if the soil is dry to moist. Tillage of any type under wet conditions will contribute more to compaction. If conditions are wet, you are better off not performing tillage at all. If you do not have a tool that can get below the compacted layer, try renting a tool or hiring someone to till for you. If the compacted layer is too thick or too deep to be corrected with tillage you are probably better off skipping deep tillage.

Do not forget soil nutrient tests as a source of yield drag. Make sure pH, P, K, and other nutrients are adequate before you start to dig roots.

Badger Crop Connect



Badger Crop Connect

Timely Wisconsin Crop Updates

A Webinar every other Wednesday from May 20th through September 30th at Noon

<https://fyi.extension.wisc.edu/grain/files/2020/05/badger-crop-connect.png>

Manure Gas Awareness

Fall brings harvest, hunting, and manure pumping activities to rural Wisconsin. Manure pumping carries risks and needs to be approached with caution. Use the following link to access information for manure pumping safety.

<https://fyi.extension.wisc.edu/agsafety/>

Cover Crop Seeding Rate Guide

After corn silage or small grain harvest is a great time to incorporate cover crops into your cropping system. Use this link to access a video from Penn State that explains cover crop seeding rates for multi-species mixes.

You may view the latest post at

<https://fyi.extension.wisc.edu/grain/cover-crop-mixtures-determining-seeding-rates/>

COME JOIN US.....

COVID-19 and SOCIAL DISTANCING

During this period of social distancing the Extension Office is currently closed to the public. This does not mean we are not working for you.

In the meantime I am able to be reached Monday through Friday from 8am to 4:30pm on my office cell phone 715-538-5097. Please feel free to leave a voice mail message and I will return your call.

OR

For faster response use my email at steven.okonek@wisc.edu with any questions you have.

Hopefully, we will be back to hosting and attending in-person meetings soon.

Please be advised that due to the COVID-19 pandemic and based on recommendations for safe practices, such as social distancing, by various agencies, this meeting may be conducted as a virtual meeting. To ensure public access to government functions, to the greatest extent possible under the circumstances, the public is welcome to “attend” this meeting by viewing the meeting as it is being live streamed on the Trempealeau County website (www.co.trempealeau.wi.us) and on TCCTV as able. A recording of the meeting will also be on the County’s website after the meeting has concluded. These emergency procedures are in compliance with recommendations from the Wisconsin Department of Justice/Attorney General’s office and will remain in effect until further notice during this pandemic.

Electronic Communication

Do you have an email address you check regularly? If yes, please share it with us so we can send this newsletter and other communications to you electronically. If you do not have email or you do not check your email regularly, no worries we will continue to mail the newsletter and other communications to you.

By receiving electronic communications, the links to other sources that are imbedded in communications will be live and will provide more information. Also, we will make better use of your tax dollars by being more efficient in sending information.

I will not clog your inbox or increase items sent more than what you receive already. If you feel you are receiving too many emails from our office please let us know by emailing michelle.rose@wisc.edu and she will remove you from the email list and add you back on the mailing list.

Please send your email address to michelle.rose@wisc.edu