



Tool helps estimate forage lease values

The Excel-based Forage Risk Analyzer tool from RightRisk.org helps users estimate accurate forage lease values.

Previous installments in this series focused on Hal and Merna Gall* and their potential lease of cornstalks for forage. Emphasis was on using the FRA tool to calculate the total cost and associated risk when leasing cornstalks for 200 head of mature cows.

The Galls are now considering using the cornstalks as part of a feeding program for yearling steers. The Galls would place 300 steers weighing 650 pounds for three months on the cornstalks.

We will assume 585 Animal Unit Months (AUMs) for the stalks, similar to previous examples, and each steer consuming about 0.65 AUMs, with supplemental feed. The Galls assume a gain of 2 pounds per day or 180 pounds total over the three-month period. They expect the gain will be worth \$129/cwt, for a total of \$1,071 per head entered in the value/head section, with an estimated death loss of two head.

We include all the expenses outlined in earlier articles (temporary fence, machinery, labor) and now incorporate additional costs for feeding the steers, including a feed truck, loader, and portable bunks.

Accounting for Stored Feed with FRA

Users account for stored feed and related expenses by using the FRA tool. Up to 15 different stored feeds can be entered, along with inventory changes over the lease. The Galls plan to feed their steers a mix of alfalfa hay, shell corn, corn silage, and supplement (Table 2), in addition to the leased cornstalks. They expect to buy hay, which is accounted for on the inventory worksheet. Other expenses associated with the stored feed include grinding hay and covering the silage pile.

Net Return and Risk Analysis

The Galls calculate an expected net return of \$18,237 (Table 3) associated with the proposed lease after entering the information for revenue gains and expenses associated with the lease and supplemental feeding. This equates to a net return of \$36.47 per acre.

The Risk Analysis section allows users to examine risk across six different variables. The Galls' main worry with the proposed strategy is that potential AUMs would be reduced due to snow cover. To account for this, they input a minimum AUM estimate at 100 and a maximum at 700. The probability curve in Table 4 indicates a net return with a minimum net

return of \$5.30/AUM (\$3,100.50 total) and a maximum of \$37.3/AUM (\$21,820.50 total). It also indicates a 68-percent probability the net return will fall below \$31.17/AUM (\$18,234 total), the most likely value.

**The Gall family and their operation are a case study example created to demonstrate RightRisk tools and their applications. No identification with actual persons (living or deceased), places, or agricultural operation is intended nor should be inferred.*

James Sedman is a consultant to the Department of Agricultural and Applied Economics in the University of Wyoming College of Agriculture and Natural Resources, and John Hewlett is a farm and ranch management specialist in the department. Hewlett may be reached at (307) 766-2166 or hewlett@uwyo.edu.

For more information

RightRisk.org offers numerous risk management tools in addition to the Forage Risk Analyzer tool, including the Multi-temporal Risk Analyzer, the Risk Scenario planner, and the Machine Risk Analyzer. These and other tools include detailed user guides and practical examples and are designed to allow users to enter their information to make better management decisions while accounting for risk and uncertainty. Visit Rightrisk.org and select "Risk Management Tools" from the Resources tab to begin.

Table 1. Market Livestock Input Screen

Market Livestock	Value per Head	BEGINNING Number of Head	ADDED Number of Head	SOLD Number of Head	ENDING Number of Head
Description					
Cornstalk Grazing -- 300 steers, 650# @\$130.cwt initial value	845		300		300
Cornstalk Grazing -- 298 steers, 180 lbs gain/hd, \$129/cwt	1,071			298	(298)

Table 2. Stored Feed Input Screen

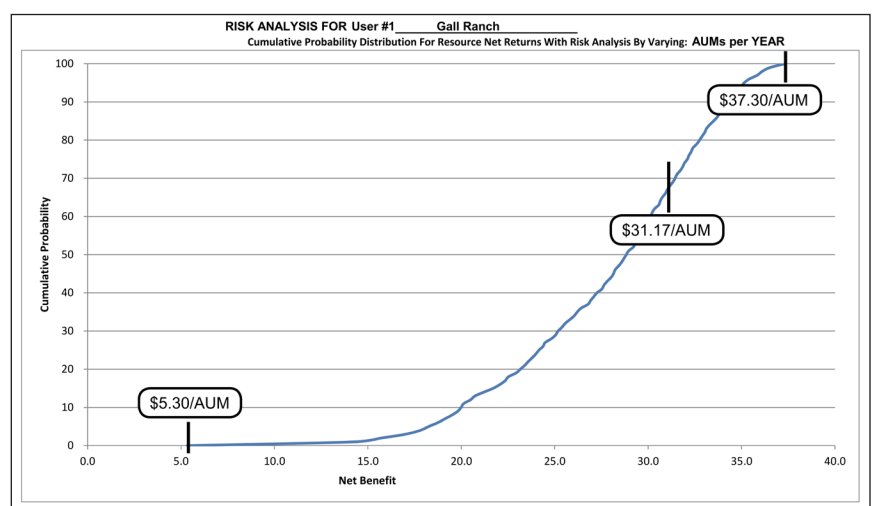
Stored Feeds/Concentrates/Supplements	Units	Value per Unit	BEGINNING Number of Units	ADDED Number of Units	SOLD Number of Units	ENDING Number of Units
Description						
Alfalfa hay	tons	\$85.00	20	47.5	67.5	0
Shell corn	tons	\$125.00	68		67.5	0.5
Corn silage	tons	\$30.00	400		67.5	332.5
Supplement (vitamin and ionophore)	tons	\$290.00	7		6.75	0.25

Table 3. FRA Tool Net Return Analysis

Resource Net Return Analysis Worksheet		Supplier #1	Supplier #2	Supplier #3	User #1
TOTAL					Gall Ranch
LAND Resource Net Return:	-\$18,513	\$0	\$0	\$0	-\$18,513
LIVESTOCK Resource Net Return:	\$53,195	\$0	\$0	\$0	\$53,195
HOUSING Resource Net Return:	-	-	-	-	-
STORED FEED Resource Net Return:	-\$16,445	\$0	\$0	\$0	-\$16,445
TOTAL Resource Net Return:	\$18,237	\$0	\$0	\$0	\$18,237
Total Resource Net Return Allocation:	100%	-	-	-	100.0%

Net Return Analysis*	Supplier #1	Supplier #2	Supplier #3	User #1
Net Return per YEAR	\$18,237	\$0	\$0	\$18,237
Net Return per ACRE	\$36.47	\$0.00	\$0.00	\$36.47
Net Return per ANIMAL	\$120.77	\$0.00	\$0.00	\$120.77
Net Return per POUND of AVAILABLE TDN	\$0.06	\$0.00	\$0.00	\$0.06
Net Return per ANIMAL UNIT MONTH	\$31.17	\$0.00	\$0.00	\$31.17
Net Return per ANIMAL UNIT	\$374.09	\$0.00	\$0.00	\$374.09

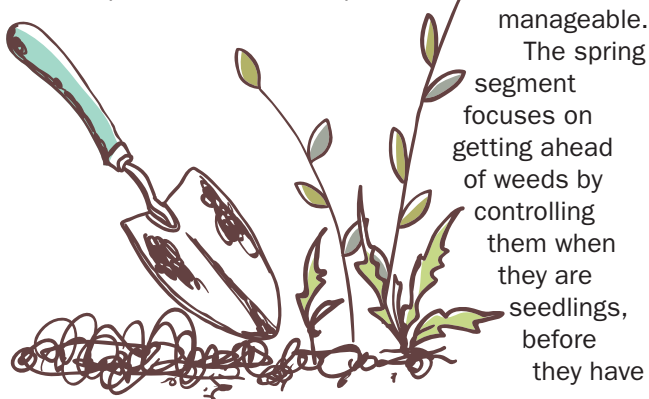
Table 4. Net Return Analysis



Magazine's seasonal to-do list takes care of those 'don't forgets'

A seasonal to-do list for the yard, garden, and farmland is a new segment introduced in the winter issue of University of Wyoming Extension's *Barnyards & Backyards* magazine, focused on rural living in Wyoming.

The new calendar encourages all of the activities that can be done in a season, so none go forgotten and are accomplished when the problem is most manageable.



The spring segment focuses on getting ahead of weeds by controlling them when they are seedlings, before they have

a chance to begin seed production. Pasture and hay field maintenance includes fences, weed control, soil testing, and equipment.

Irrigation season preparations include weed and debris cleanup in ditches and canals, inspecting pipe, and equipment maintenance. Most often, gardens come to mind early in spring, and they are covered, too, such as starting seeds for vegetables and flowers, fertilizing, and pruning.

There are also suggestions for later in the spring season. Tree and shrub pruning are tasks that often get left until there is a problem with their health but really should be taken care of annually. Garden perennials have yearly tasks to maintain good health, and winter protection is an annual must. Edible gardens often start with seeds but also involve purchasing and transplanting seedlings, if you don't start your own indoors, and the lawn around a home has year-round maintenance.

After all the garden tasks have been taken care of, there are always family interest items that can

add to the fun of the coming season, such as bird feeders, planting containers for the front entrance or for the back yard entertainment areas, and a suggestion not to forget to share from your garden tops the magazine insert.

For magazine subscribers, the list is on pages 14-15. For those who do not subscribe, it can be found online at bit.ly/wyospringseason. These pages can be pulled out of the magazine and hung in a garden shed, the barn, or even prominently on the refrigerator. Subscription information for the *Barnyards & Backyards* magazine is here: bit.ly/banbsubscribe. The section in each magazine will be updated for the upcoming season; the first one is centered on spring activities.

We hope you enjoy the tips and find them useful as Wyoming moves through the seasons.

Donna Hoffman is the University of Wyoming Extension horticulture educator for Natrona County. She can be reached at (307) 235-9400 or at dhoffman@natronacounty-wy.gov.