

AGRICULTURE & NATURAL RESOURCES NEWSLETTER DECEMBER 2023

UK Cooperative
Extension Service

Cooperative Extension Service
LaRue County
P.O. Box 210, 807 Old Elizabethtown Rd.
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CALENDAR OF EVENTS

12/12

LC Cattlemen's Meeting - 7pm

12/14

Managing Cattle in Confinement
Conference, Hardin County
Extension

12/20

Extension Open House 2-4pm

12/22

CAIP Application Deadline

12/25 - 1/2

The Extension Office is closed.

1/3 - 1/4

The Extension Office is closed.

1/9

LC Cattlemen's Meeting - 7pm

1/11 - 1/12

KY Cattlemen's Convention,
Lexington

1/19

KY Pork Producers Annual
Meeting, Bowling Green

1/22

Extension Council Leadership
Awards Banquet, LC Extension
Service

2/1

UK Winter Wheat Meeting,
Hopkinsville

2/8

Alfalfa/Stored Forage Conference,
Bowling Green

2/8

Kentucky Crop Health Conference,
Bowling Green



AGENT REMARKS

2023 is quickly winding down and this time of year brings thoughts of thanksgiving, reflection, and hope for a brighter 2024. After all, that is what we do as agriculturalists give thanks for our harvest, reflect on the outcomes, and look forward to the next season. 2023 has brought us challenges and uncertainty while also positive markets and excellent yields. In my short time here in LaRue county I have realized the producers will face a challenge head on with hopes for a better future. Traditionally that is what rural communities do face the future head on. However this boldness can lead to loneliness and difficult to manage mentally. In recent years rural communities have seen an increase in chemical dependence as well as suicide. It does not have to be this way, the holiday season can be a stressful time where people feel isolated, desperate, or alone. Rural communities have always been there to provide aid when needed. Today more than ever we need to reach out and support one another. Days are shorter, we all have bust schedules, but take the time to stop by your neighbors or send them a card, lets be there for one another this season. From all of us here at the extension office we wish you the very best holiday season. As for my family and I, we hope you have a blessed holiday and 2024 brings you joy and happiness.

Adam Thomas

LaRue County Extension Agent
for Agriculture & Natural
Resources Education

**Cooperative
Extension Service**

Agriculture and Natural Resources
Family and Consumer Sciences
4-H Youth Development
Community and Economic Development

MARTIN-GATTON COLLEGE OF AGRICULTURE, FOOD AND ENVIRONMENT

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FORAGE TIMELY TIPS: DECEMBER

- Begin utilizing stockpiled pastures.
- Graze pastures with orchardgrass and clovers first. Save tall fescue pastures for late winter grazing.
- Using polywire, strip graze stockpiled pastures to improve Utilization. Start at the water source and allocate enough forage to for 2-3 days. Back fencing is not necessary since pastures are not regrowing this time of the year.
- Make plans to frost seed red and white clover onto closely grazed tall fescue pastures in February. See supplies of improved varieties may be tight.
- Begin hay feeding as stockpiled forage is used up.
- Supplement hay with commodity feeds as needed.
- Minimizing waste by utilizing ring feeders.



Larue County Cattlemen's AWARDS DINNER

RSVP ↓ ↓ ↓
12/8
270-358-3401

LARUE
COUNTY
CATTLEMEN'S
ASSOCIATION



\$10 *per person*
NON-MEMBERS

.....
Free

CURRENT PAID MEMBERS
MEMBERSHIP DUES WILL
BE ACCEPTED AT THE DOOR
.....

Join
US!
12 at 7PM
DECEMBER

LARUE COUNTY EXTENSION SERVICE
807 OLD ELIZABETHTOWN RD., HODGENVILLE

UK BEEF MANAGEMENT WEBINAR SERIES

Registration is necessary, however, if you received this email directly from Darrh Bullock then you are already registered. If you received this from another source, or have not registered previously, then please send an email to dbullock@uky.edu with Beef Webinar in the subject line and your name and county in the message. You will receive the direct link with a password the morning of each meeting. This invitation will directly link you to the site and you will be asked for the password which can be found just below the link. Each session will be recorded and

All meeting times are 8:00pm ET/7:00pm CT.

December 12, 2023-Shooting the Bull: Answering all your Beef Related Questions! – Updates and Roundtable discussion with UK Specialists

January 9, 2024 -Management decisions that impact reproductive efficiency in beef herds – George Perry, Professor, Texas A&M University

February 13, 2024 -What's the Cost of a Cheap Mineral – Katie VanValin, Assistant Extension Professor, University of Kentucky

BEEF TIMELY TIPS

Dr. Les Anderson, Beef Extension Professor, University of Kentucky

- Be sure that weaned heifer calves are on a feeding program that will enable them reach about 65% of their mature weight before the start of the breeding season. Rations should be balanced to achieve gains sufficient to get heifers from their current weight to that “target” weight.
- Body condition is important, plan an adequate winter program for cows to be at least body condition score 5 (carrying enough flesh to cover the ribs) before the calving and breeding season. This will help them to breed early in the spring. Thin cows should be fed to regain body condition prior to winter. Don’t let cows lose weight/condition. Supplementation will most likely be needed. Find low-cost supplemental feeds to meet the nutrient needs of cattle.
- Divide the herd into groups for winter feeding - weaned heifer calves - first-calf heifers, second-calvers and thin mature cows - the remainder of the dry cows which are in good body condition - herd sires
- Begin feeding the lowest quality forage to dry cows which are in good condition during early winter and save the best hay for calving time or for weaned calves.
- Order and number ear tags for next year’s calf crop this winter. It is also a good time to catch up on freeze branding and replacing lost ear tags. Fall Calving Herd
- Get breeding supplies together, if using estrous synchronization and/or A.I
- Have Breeding Soundness Evaluation (BSE) performed on bulls (even if you used them this spring).
- The fall breeding season starts. Breeding can best be accomplished on stockpiled fescue pasture; otherwise, cows with calves should be fed 25-30 pounds of good quality hay or its equivalent. Supplement with grain, if needed, and minimize hay waste. **DON’T ALLOW THESE COWS TO LOSE BODY CONDITION PRIOR TO OR DURING THE BREEDING SEASON.** It is easy to wait too long to start winter feeding. Don’t do it unless you have stockpiled fescue.
- Nutrition level of cows during the first 30 days after conception is critical. Pay attention.
- Observe performance of bulls during breeding season. Watch cows for return to estrus, if you see several in heat, try to determine the cause and consider changing bulls. General
- Complete soil testing pasture to check for fertility and pH.
- Consider putting down geotextile fabric and covering with gravel in feeding areas before you begin hay feeding to minimize waste of expensive hay. Or, perhaps, construct concrete feeding pads for winter feeding areas.
- Monitor body condition and increase feed, if needed, for all classes of cattle.



SAVE THE DATE
Managing Cattle in
Confinement Conference
Hardin County Extension Office
December 14, 2023
Registration begins at 3:00 ET

 **Martin-Gatton**
College of Agriculture,
Food and Environment
University of Kentucky.

DEPRECIATION CHANGES 2023

Suzy Martin

It is important to understand the challenges facing tax preparers when it comes to accelerated depreciation and equipment purchases with trade-ins. The Tax Cuts and Jobs Act (TCJA) passed in 2018 had three significant changes to capital purchases and trade-ins.

First, Section 179 increased to \$1,000,000 and is indexed for inflation. For 2023 a deduction is allowed for up to \$1,160,000 of capital purchases in the year they are placed in service. The deduction is limited if total capital purchases are greater than \$2,890,000. It can only be used for capital items with a useful life of less than 20 years. The deduction is also limited to taxable income. In other words, it cannot be used to push the Schedule F negative. The decision to use Section 179 can be made on each piece of equipment individually and items can be partially accelerated.

The second change was to Bonus Depreciation. Bonus Depreciation allows for an 80% deduction for any new or used capital assets with a useful life of 20 years or less and placed in service in 2023. There is no limit to the amount of Bonus Depreciation that can be taken regardless of how much total capital purchases are or what the taxable income is. However, the decision to take Bonus Depreciation is made on a class-by-class basis. This means the equipment gets grouped by age and Bonus Depreciation is taken on all capital items in that class or none. It is important for tax planning purposes to note that Bonus Depreciation will decrease to 60% in 2024, 40% in 2025 and will be 20% in 2026.

The TCJA also changed how trade-ins were reported on a tax return. Previously, trade-ins were handled as a like-kind exchange. The purchase price of the new piece was the difference between the cost and trade value. Any basis left on the traded piece continued to depreciate. The ability to report equipment trades as like-kind exchanges was eliminated with the TCJA. Now, the trade-in is reported as a sale of equipment and any depreciation recapture or gain is reported on Form 4797 on the tax return.

From a tax management standpoint, it has not been uncommon since the TCJA to see a tax return that had significant gains reported on Form 4797 due to large ticket items being traded-in and Bonus Depreciation being used to offset those gains.

This results in a negative Schedule F. However, as mentioned before, Bonus Depreciation will continue to decrease over the next 3 years. Remember, Section 179 cannot be used to run the Schedule F negative. The task lies in helping clients manage their taxes with large gains reported on Form 4797 but at the same time not having the bonus depreciation as a tool to manage their overall taxable income levels. Make sure to seek tax planning advice before the end of the year to avoid surprises.



2023 KY VEGETABLE & FRUIT INPUT COSTS: CHANGES & TRENDS



Tim Woods, Emily Spencer, and Matt Ernst

Summary Prices for many crop inputs have increased steadily since 2016. This report updates 2023 Kentucky price trends for key vegetable and fruit crop inputs: fuel and fertilizer, labor, plant protection products, and seed. These representative data may be used to help producers identify input costs and trends and update production budget estimates for 2024. Nationally, there has been a sharp increase in many farm inputs connected with the vegetable sector, especially over the past 3 years.

Key variable input costs such as those related to fertilizers and fuel were down in 2023 compared to the previous year, but still remained relatively high. Wage rates have moved up sharply since 2016 and appear to be up again based on AEWR figures, especially in California.

Kentucky farmers have similarly seen significant increases in some inputs, while others have stayed relatively steady or even dropped since last year. In the summer and fall of 2023, we completed a regional summary of input prices for Kentucky producers for both conventional and organic inputs on vegetable farms.

For John Bell at Elmwood Stock Farm, a certified organic farm in Georgetown, KY, three inputs have been significantly over budget in the fall of 2023: cardboard and plastics, seed, and interest expense. Bell further noted that, “drip irrigation supplies are around 20% more than what we had expected.” This article details some of the farm inputs that are affecting Kentucky growers in 2023 and will likely continue to affect Kentucky growers into 2024.

Plant protection expenses vary across different crops and by season. An input price survey was conducted with regional suppliers, agricultural organizations, and leading farmers in summer 2023, confirming higher prices for many inputs for Kentucky specialty crop growers. However, prices reported by major suppliers for Kentucky growers in the 2022 and 2023 seasons showed relative stability across synthetic products.

Inputs for certified organic production may be more difficult to obtain locally, depending on the crop and the region. Generally speaking, product prices for OMRI-approved materials showed less variability in 2022 and 2023 than in previous years. Availability and shipping costs are often more significant factors for obtaining plant protection products for certified organic production. For a list of plant protection products and their respective costs, see the CCD website.

Kentucky H2A wages were \$11.63/hour in 2019, climbing 23% to \$14.26 in 2023. Labor comprises 30-40% for typical produce enterprises, so this is a significant figure. Labor is also a significant portion of post-harvest costs related to packing, grading, and shipping. These costs have increased throughout the supply chain.

Seed costs, as reported by USDA for vegetable farms on a national basis, increased slightly from 2020 to 2022. The USDA survey reported no year-on-year increase in seed costs for the first quarter of 2023, as compared to 2022. Kentucky vegetable producers reported only modest, if any, increases in seed prices for 2023. The vegetable seed cost category is similar to the plant protection category: some increases to be expected over time, but large percentage increases continue to be unusual. Plant material for perennial crops (asparagus, berries, tree fruit, nuts) has increased more significantly since 2020. This is tied to robust demand and producers passing along higher costs (e.g., labor and fertilizer) to buyers. In some cases, higher freight costs have an outsized impact on the cost of acquiring plant stock for perennial crops.

2024 Outlook Nationally, prices for many crop inputs have increased since 2020 and we see the same for Kentucky growers. International market trends, trade and geopolitics have an outsized impact on the prices that Kentucky farmers Department of Agricultural Economics | agecon.ca.uky.edu | 3 pay for fuel. Producers with the storage and/or financial capacity to pre-purchase fuels may be able to guard against some of the risks of price increases. Price uncertainty will likely remain in 2024. Prices for nitrogen fertilizers were still very high in 2023. Going into fall 2023, “fundamental factors suggest an easing in nitrogen fertilizer prices,” according to the University of Illinois (Schnitkey) [6]. However, as the Illinois report acknowledges, this is an easing from very high nitrogen prices. Price relief for synthetic nitrogen sources in 2024 is unlikely to reach back to price levels seen in 2021, let alone 2020. Global factors in the phosphate industry supply chain portend that 2024 phosphate fertilizer prices could remain at 2023 levels (Jasinski)[7]. Potash prices are also likely to remain similar to 2023 prices because of similar supply and demand. In short: Input prices rose sharply across the board for specialty crop producers through the pandemic both in Kentucky and nationally. Some costs have moderated in 2023, even come down sharply relative to peak costs in 2022. Labor costs remain a challenge and the era of higher fuel, fertilizer, chemical, and seed prices is likely to persist for Kentucky fruit and vegetable growers in 2024, though there is evidence to suggest that the prices will stabilize at their current high price point, rather than see more sharp increases.

2024 KY FRUIT & VEGETABLE CONFERENCE



2024 KENTUCKY FRUIT & VEGETABLE CONFERENCE

Jan. 3rd-4th, 2024

Pre-conference events Jan. 2nd

**Sloan Convention Center
Bowling Green, Kentucky**

Open
HOUSE-&-
WELCOME

Reception

December 20, 2023
2-4 PM

LARUE
COUNTY
EXTENSION
SERVICE

-light refreshments will be served

807 Old Elizabethtown Road, Hodgenville

HOW
CAN WE
serve you??



Take our ten-minute survey to help us develop programs addressing needs in your community. Scan the code above or visit:

go.uky.edu/serveKY

TESTING AVAILABLE

Free Soybean Cyst Nematode Testing

If you are interested in taking and receiving information on Soybean Cyst Nematode in your fields contact the LaRue County Extension Service, 270-358-3401.

Soil Fertility and Hay/Forage Testing Services are still available

BOBBY MCDOWELL AWARD OF EXCELLENCE

If you would like to nominate an individual or group for the annual Bobby McDowell Award of Excellence for leadership or community service, nominations are due by **January 8, 2024**. Nomination forms are available at the Extension Office or on our website at

<https://larue.ca.uky.edu/sites/larue.ca.uky.edu/files/B%20M%20Award%20of%20Excell%20Nominee%20Form%20for%20Jan%202024.pdf>

C A I P

COUNTY AGRICULTURE INVESTMENT PROGRAM



APPLICATION PERIOD:

11/14 - 12/22



LaRue County Extension Service
807 Old Elizabethtown Rd., Hodgenville