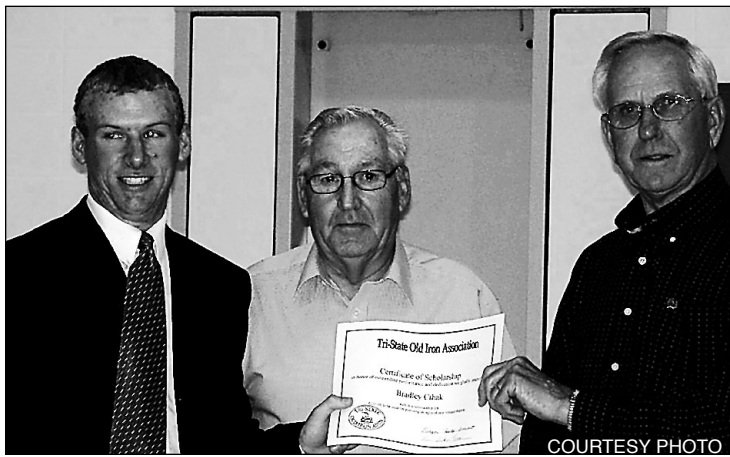


OLD IRON SCHOLARSHIP RECIPIENTS



Tri-State Old Iron Association gave away two \$250 scholarships in May, 2010.

In order to qualify for these scholarships the individuals must pursue a degree in the field of agriculture.

Mollie Wilken (right) graduated from Crofton High School and plans to attend the University of Nebraska in Lincoln.

Bradley Cihak (pictured above with Ridger Harts, Old Iron president, and Leon Becker, Old Iron treasurer) graduated from BonHomme High School and plans to enroll at South Dakota State University in Brookings where he will seek a degree in Veterinary Medicine.



POLICY PENNING

Poultry Producers

BY DARYLL RAY
Ag Policy analyst

This week, as a part of our series of articles on poultry production, we focus on the economic rationale and some of the factors that are at play in the integrated poultry market in the US as described by C. Robert Taylor and David A. Domina.

Taylor and Domina note that "After reporting integrator profits for over 25 years in Livestock, Dairy and Poultry Outlook, USDA changed its policy in 2004 and converted the estimated returns from cents/lb to indices." The reported reason for the change was a concern of industry participants.

They write, "The only 'industry participants' who have concern about USDA statistics on estimated integrator profits would be the integrators themselves. In contrast, USDA did not change similar series for Great Plains cattle feeding or North Central hog farrow-to-finish operations. No policy justification for the estimates of integrator profits has surfaced to the authors' knowledge."

One of the requirements of a competitive market is information symmetry. But as Taylor and Domina write, "Poultry growers do not have public access to either grower pay or integrator profits, yet integrators have both. Information asymmetry strengthens the integrator's monopsony or oligopsony position."

While many have argued that contracting is of benefit to the grower because it shifts the risk from the grower to the integrator, Taylor and Domina argue that the opposite is true. They write, "Contracting changes risk but it does not give growers any real advantage because the grower lacks power to take advantage of a viable bargaining position during contracting. Indeed, contracts are not 'negotiated'; they are advanced by integrators on a 'take or leave it'—and if the latter, we leave you stuck with your investment' basis. The contract allows the grower to subsidize."

Each week all of the growers in a given complex who deliver flocks to the integrator are ranked against each other in terms of production as a means of holding growers accountable for poor management. Those ranked higher are paid more than those who rank low in a given week.

But Taylor and Domina argue that "often the grower's ranking changes more because of factors controlled by the integrator than by the grower's management." They assert that the serviceman assigned to a grower can have a significant impact on the grower's ranking. They look at average pay for flocks managed by individual servicemen, averaged over 5 years. It turns out that the average pay for flocks managed by different servicemen varies widely. In the chart they provide, the lowest serviceman averaged 4.15 cents

per pound while the highest averaged 4.64 cents per pound.

"In a typical tournament system, if all growers are equally good managers they receive the same pay as they would if they were all equally bad managers. With the tournament ranking system, if 100 percent of the growers do an excellent job of raising their flocks, 50 percent or more of these highly efficient growers will fall below average for that group and receive below average pay. In a competitive cash market, contract growers in one complex would benefit if they were all equally good managers relative to other complexes with growers who were not good managers."

With the tournament system, "integrator benefits if all of their growers are good managers, as opposed to if they were all bad managers, but the growers do not benefit."

In addition, "economic risk for growers is imbalanced." They assert that "often the biggest risk of all is that of bankruptcy. Integrator acts and demands, not grower's mismanagement, is the problem. Delayed delivery of chicks, reduced placement, or similar actions by the integrator can have a devastating effect on the profitability of the contract poultry operation. A decision by the integrator to slow delivery of chicks to a grower can mean quick bankruptcy for that grower."

With regard to environmental issues, Taylor and Domina write, "integrators have used their economic control over growers to attempt to shift environmental costs and health risk costs from themselves to growers."

In commenting on our column on the USDA and Department of Justice hearing in Normal, Alabama one of our readers, Hugh Byrd, who viewed poultry contracting for three decades from behind a loan officers' desk before retiring, wrote the following comments: "It has been my experience...that most all poultry growers with new houses are 'happy' with their contracts. This is because they are 'living off the depreciation of their poultry houses.' I have never known any poultry farmer to budget for depreciation of their poultry equipment. If banks required poultry growers to fund a Reserve Account for equipment replacement as they do for commercial and industrial loans, there would be no poultry loans because the profit margin is much too thin and no operation would cash flow."

"Poultry integrators own their own feed mills, hatcheries, processing plants as well as truck fleets to transport the feed and chickens even though they could hire out these functions. The reason is because it is PROFITABLE for the company to own these components. My question is: If growing poultry is so profitable for the farmer, why don't the poultry companies also own poultry houses?"

Agency To Pay Gulf Farmers To Flood Fields For Migratory Birds

BY ANDREW ZAJAC
McClatchy News Service

WASHINGTON — A federal conservation agency said Monday that it will begin paying some Gulf region farmers and ranchers to flood their fields so that migratory birds can find alternative rest and nesting grounds to oil-fouled habitats.

The Migratory Bird Habitat Initiative will pay to use up to 150,000 acres of land "to provide feeding, loafing and resting areas for migratory birds," according to an announcement by the Agriculture Department's Natural Resources Conservation Service.

The program applies mainly

to former wetland areas and low-lying land in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, Missouri and Texas. Conservation officials are hoping to attract birds to safe areas before landing on shores and wetlands contaminated by the massive oil spill.

Landowners would be expected to flood fields and promote the growth of vegetation favored by migratory birds, or to enhance existing wetlands on their properties, for three to five years, said NRCS spokeswoman Chris Coulon.

Rice fields and fish farms are particularly suited to the initiative.

For birds, "it's an alternative

so they'll have a lower probability of landing in areas affected by the oil spill," Coulon said.

Up to \$20 million has been allocated for the initiative, but how much actually is spent depends on farmers' response, she said.

Coulon said she expects that many of the farmers who will sign up already work with NRCS on soil erosion control, pest management, water quality improvement and other conservation projects.

The Deepwater Horizon oil spill has fouled marshes and coastal areas relied on by birds and other wildlife, including the ecologically sensitive Chendelur Islands, the second-

oldest wildlife refuge in the national system.

The Gulf region sits beneath one of the world's major migratory flyways, with about one billion birds from more than 300 species passing through annually, said Greg Butcher, director of bird conservation for the National Audubon Society.

Sandpipers, among the earliest arrivals, usually reach the Gulf from Arctic breeding grounds by around July 4, Butcher said.

"None of this is guaranteed to work," Butcher said. "We're expecting that this will work at least a little bit. We're hoping that it'll help a lot."

'Crop Mobs' Cultivate Local-Food Movement

BY KIM PALMER
McClatchy News Service

MINNEAPOLIS — It was a rainy Saturday — a perfect day for sleeping late or lingering over a latte. But graduate student Sarah Burridge of Minneapolis was in a farm field getting wet and dirty with a bunch of people she didn't know. They got a quick demonstration on the stirrup hoe, then got to work planting tomatoes and onions, and mulching paths using mown alfalfa.

Burridge didn't get paid. She didn't even get much produce — just a few radishes. She spent the day as a farm hand for "fun," she said, after a Facebook friend told her about having a great experience volunteering at a farm near Washington, D.C.

All across the country, similar groups of mostly young urbanites are gathering in "crop mobs" to provide farmers with a few hours of free labor. While the mobbers say they do it because it's fun, there's also a mission: to support small-scale local agriculture.

"I'm extremely concerned about how we grow our food," said photographer Mette Nielsen of Minneapolis, who took part in a recent crop mob at Cornercopia Farm, an organic teaching farm on the St. Paul campus of the University of Minnesota. "It's important to get food produced closer to where we live."

The crop-mob phenomenon started two years ago in North Carolina (according to www.cropmob.org), and has spread rapidly across the country, fueled by social networking media. In the Twin Cities, there are at least two groups organizing mobs this growing season.

"It's just an opportunity for city mice to get out to a farm and get their hands dirty," said Barth Anderson, chief blogger at

Fair Food Fight (www.fairfoodfight.com), who organizes monthly crop mobs via his website and the Twin Cities Crop Mob Facebook page. "We focus on small, sustainable organic farms. We want to help farmers, and we ask for jobs that don't require training and aren't dangerous. It's idiot work, and we're the idiots."

NICHE MOBS

Riverbend Farm in Delano, Minn., has been hosting crop mobs before the term existed. Tracy Singleton, owner of Birchwood Cafe in Minneapolis, said monthly trips to the farm started a couple years ago as a way to help the local farmer, build community and educate restaurant staff about the origins of the food they were preparing. This year, her restaurant, along with Common Roots and Lucia's restaurants, started inviting its customers to take part, under the crop-mob moniker. "It's a new term people are using, and we adopted it," she said.

The mobs at Riverbend Farm are "a kid-friendly, family-farm experience," said coordinator Lee Zukor, founder of a local-food website (www.simple-goodandtasty.com). He brings his own children, ages 8 and 5. "They love it!"

But Anderson mobilizes only grown-up mobs. "I want this to be muscle, from adults, not child care," he said. "That defeats the purpose." Small farmers need all the help they can get, he said. "Farming can take 80 hours a week, and the burnout factor is very high. The odds are stacked against farmers. Anything we can do to lighten the load is good."

Last month, Anderson organized a mob at Living Song Farm near Delano. "We threw bales of hay and eradicated buckthorn," he said. "They had to show me how to identify it — the stuff is evil!"

Leslie Kruempel of Shoreview, Minn., attended that mob, her first. "I had seen a piece (about crop mobs) in the *New York Times*," she said. "When Barth sent out a tweet, I was very excited. My grandpa was a farmer."

"But he retired before I was born. My mom grew up on the farm, and I heard her stories, but it was not my experience in suburbia."

Kruempel admitted she was a little nervous. "I'm not used to manual labor. I had to borrow work boots. And it was intimidating — we had to sign a liability waiver."

But she said it "felt so good to be outside" and that the lunch the farmers prepared for them was "one of the most amazing meals of my life." Now she's recruiting friends online to come to future crop mobs.

Of course, some city dwellers find farm work more physically demanding than they anticipated. "I hear it a lot the next day: 'I didn't realize how sore I'd be,'" Zukor said. "But people haven't done too much complaining. They know they did it for only four hours, and this farmer does this his entire life."

'FARMVILLE' COME TO LIFE

Some dismiss crop mobs as urbanites playing at farming, a hands-on variation of the popular "Farmville" Facebook game. Pamela Riney-Kehrberg, history professor at Iowa State University, likened crop mobs to "agricultural tourism."

"You go in, spend a nice weekend, get your fingers a little dirty. It's nice but not a significant contribution to agriculture," she said. "They're taking none of the risk. Farming is something you do 365 days a year. It's enormously difficult. (Attending a crop mob) doesn't really tell you what it is like to manage on a daily basis."

Paula Pentel, coordinator of

undergraduate advising for the University of Minnesota's urban studies program, disagrees. "I don't see it as agricultural tourism. There isn't any exchange. And there's a true interest in local food and farming. It's taking your labor and your time and putting them to something that's going to make a difference. For folks who need a little bit of help, I think it's wonderful."

And volunteers do make a difference, said Courtney Tchida, program coordinator at Cornercopia Farm. During the spring, the farm is worked by students enrolled in an organic farming class at the U. But come summer, the available crew dwindles to a few interns, she said.

"The need is huge," agreed Laura Goetsch, one of those summer interns. "The 10 of us can't manage this farm on our own, not in a sustainable way. The labor at an organic farm also has to be sustainable."

Farmer Lyle Rollag said he'd never heard the term "crop mob" and didn't think he'd have much use for one on his 900-acre family farm near Beaver Creek, Minn. "I'm a long way from an urban center, and we've gone to more of a mechanized system," he said. "My need for large groups of labor is few and far between." He runs Kollag Farms with help from his two teenage sons. "That's about all I need, although there are times you struggle, especially during the school season."

But he liked the idea of urbanites learning about agriculture. "A lot of kids are two and three generations removed from farming," he said. "Anytime you can get somebody back in a rural setting, seeing what it takes to put food on the table — that's great."

FIELDS

From Page 1B

cent when temperatures were between 75-80 degrees. Our soil temperatures are about 65 degrees," said Gelderman.

"Therefore we could extrapolate that a loss of 30-35 percent is possible if the ground is saturated for 10 days."

Applying supplemental nitrogen as a side-dress should be done before corn reaches the V6 to V8 stages, Gelderman said, especially if producers had not yet applied nitrogen or if their sampling indicates low levels of soil nitrate-N remaining.

"The safest application method is to inject either dry or liquid nitrogen into the soil to protect the urea from loss," Gelderman said. "If soil conditions won't allow this, producers should apply liquid nitrogen with drop nozzles or hoses to avoid leaf burn and also to limit urea nitrogen loss."

For more information about checking nitrogen levels in your fields, call Gelderman at 605-688-4667, or e-mail him at Ronald.Gelderman@sdsstate.edu.

NOMINATE THE 2011 YANKTON COUNTY

RELAY FOR LIFE
American Cancer Society

Honorary Survivorship Chair

Nomination Deadline: Friday, July 9, 2010

Please Mail Your Nomination To:

Avera Sacred Heart Cancer Center

Attn: Darla Gullikson

1115 W. 9th Street, Yankton, SD 57078

For questions or more information call 668-8850

My nomination for the 2011 Honorary Survivorship Chair of the Year is:

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