

Estill County Farm Scoop

Agriculture & Natural Resources



University of Kentucky
College of Agriculture,
Food and Environment
Cooperative Extension Service



Cooperative Extension Service

Estill County
76 Golden Court
Irvine, KY 40336
(606) 723-4557
Fax: (606) 723-5912
Estill.EXT@uky.edu

Plant Sale

The Estill County Extension Office is currently taking up our annual spring plant sale orders. This year we will be offering two varieties of strawberries, Allstar (June bearing and a larger berry), or Earliglow (June bearing, smaller, sweeter berry); Natchez blackberry plants; Duke or Chandler blueberry plants (two varieties are needed for pollination); Prelude raspberry plant; asparagus crowns and onion plants (Candy onions). Plant orders and payment are due no later than March 11, 2022 to the Estill County Extension Office. For more information, please contact our office at 606-723-4557.

Soil sample early this year

Soil tests are the only way to ensure your ground has the nutrients it needs for the upcoming growing season, and with the current high input costs, it could help you save money. We are encouraging producers to submit these samples to us as early as possible this year to

ensure your results are back before you need to make your first spring application. The University of Kentucky is down a soil testing lab due to the Dec. 10 tornado that destroyed the Research and Education Center in Princeton. UK's Lexington Soil Testing Laboratory will be analyzing all samples until further notice. As March is expected to be extremely busy, earlier submission of samples to the lab is highly encouraged.

Depending on what you plan to produce, you will need to take different kinds of soil samples. Production agriculture fields, lawns, gardens, fruit trees and ornamentals all have unique fertility and soil pH requirements. Collect at least 10 soil cores in small areas. Larger fields may need at least 20 soil cores. Soil samples will also have different depths depending on the tillage system you use. Samples from tilled areas, gardens, ornamentals and fruit trees, should be taken at least 6 to 8 inches deep. Collect soil samples about 4 inches deep in no-till fields and home lawns.

Extension agents can help you collect the proper samples and may even have sample bags and soil probes that you can use. Submit soil samples to UK through your local extension office. Agents will send the samples to UK for testing and can help you interpret the results.

Source: Frank Sikora, UK director of laboratories and soils program

Estill County Beef Producers & Cattlemen's Meeting

The next Estill County Beef Producers meeting, followed by the Estill County Cattlemen's meeting, will be on

Thursday, February 10, 2022
at 6:30 p.m.

Meeting will be held at the
Estill County Extension Office
76 Golden Court, Irvine, KY 40336

For those needing the required CAIP education component, a **CAIP education session will start at 5:30 p.m.**, prior to the meeting.



Judy Vaughn

County Extension Agent for
Family & Consumer Sciences
judy.vaughn@uky.edu

Taylor Miles

County Extension Agent for
4-H Youth Development
taylor_miles@uky.edu

Visit us online at estill.ca.uky.edu

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LEXINGTON, KY 40546



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Update on Agriculture Exemption Number for Sales Tax Exemption on Farm Purchases



The application deadline for farms with existing Exemption Certificates on file with farm suppliers was January 1, 2022. Applications are still being accepted for existing farms. However, the Kentucky Department of Revenue may not be able to issue an Agriculture Exemption Number for late applications before the current Exemption Certificates expire. That could cause a lapse in sales tax exemption this year. The existing Exemption Certificates are valid through June 30, 2022. Farmers who missed the deadline should apply as soon as possible.

Farms that do not have existing Exemption Certificates should also apply as soon as possible in order to qualify for the sales tax exemption. Kentucky law now requires that farmers apply to the Kentucky Department of Revenue for an Agriculture Exemption Number to qualify for exemption from sales tax on qualified purchases for the farm. For more information, instructions, and link to the application see the earlier article "[Agriculture Exemption Number Now Required for Tax Exemption on Farm Purchases](https://agecon.ca.uky.edu/agriculture-exemption-number-now-required-tax-exemption-farm-purchases)." This article can be found at <https://agecon.ca.uky.edu/agriculture-exemption-number-now-required-tax-exemption-farm-purchases>.

Price Risk Management Tools for Cattle producers

The last few years are unlikely to be remembered fondly by many cattle producers. Large cattle supplies, a global pandemic, weather challenges, and a sharp increase in feed prices have all impacted feeder cattle values. However, 2022 has brought optimism for a significantly better cattle market. As I write this on January 21, 2022, there is more than a \$15 per cwt increase in CME® feeder cattle futures from the

March contract to the August contract. In fact, every contract for August through November is trading north of \$180 per cwt. It has been some time since we have seen those types of price levels so they have certainly caught my attention over the past few weeks. This article will briefly discuss some tools available to cattle producers should they want to protect themselves from downside price in 2022.

First, producers could consider entering a cash forward contract with a buyer looking to place feeders later in the year. The two parties could agree on a price now for cattle to be delivered at a later date and this expectation of higher prices should be reflected in the contract price. Assuming the contract is binding and enforceable, this strategy eliminates price risk. However, production risk remains a concern if cattle don't perform as expected, fail to reach the agreed upon weight, or if weather conditions necessitate earlier sale of the cattle. While forward contracts are an excellent price risk management tool, they are pretty limited in their use for cattle in Kentucky.

Hedging, through the sale of deferred futures contracts, is another way to capitalize on a strong futures market. As an example, a producer who plans to sell cattle in August may choose to sell an August CME® Feeder Cattle futures contract now in order to have downside price protection until they sell the cattle. If feeder cattle markets decline between now and August, the producer will gain on their short futures position, which will offset some of the loss in value of the cattle they will sell. Producers who choose to implement this strategy need to be certain they have access to considerable capital for margin calls. If futures prices continue to increase, producers can lose a lot of money on short futures positions before they are able to sell their cattle on the stronger market. For this reason, it is crucial that lenders be fully aware of the plans if this strategy is used. Producers must also consider basis as the value of the cattle they sell will not perfectly match futures prices.

Options on futures contracts provide an opportunity to have some downside protection, but also keep the ability to capitalize on rising prices. For example, if the August CME® feeder cattle futures contract were trading at \$180 per cwt, the producer might buy a put option with a strike price of \$174. The put option

Price Risk: Continued from page 2

gives the producer the right to sell August futures at \$174, which means their option will increase in value as the market falls. They will pay a premium for this right, which becomes an additional cost. They must also self-insure the first \$6 per cwt drop in the market (the difference between the futures price and the strike price on the put). If feeder cattle prices continue to rise, the producer can benefit by selling their cattle on the stronger market and the only expense is what was paid in premium. Much like hedging through the sale of a futures contract, basis must also be considered with an option strategy as the strike price is based on the futures market.

An additional limitation of both futures-based strategies (sale of futures and purchasing of options) is the 50,000 lb CME® Feeder Cattle contract size. The vast majority of Kentucky cattle producers are not large enough to utilize futures and options. Fortunately, Livestock Risk Protection (LRP) insurance provides an opportunity to purchase an insurance product very much like a put option, but that can be scaled for smaller operations. Additionally, the subsidy on LRP has been increased substantially over the last couple of years, which makes it much more attractive from a premium perspective.

LRP is an insurance product that pays an indemnity if the CME® Feeder Cattle Index is below a selected coverage level on the ending date of the insurance policy. The CME® Feeder Cattle Index is used to cash settle open CME® Feeder Cattle contracts at expiration, so this insurance product is very similar to a put option. Consider the option example from before for a producer that planned to sell 800 lb feeder steers in August. Rather than purchasing an August put, that producer could instead purchase LRP insurance with a coverage level of \$174 per cwt and an ending date sometime during the month of August. If the CME® Feeder Cattle Index was below \$174 on the ending date of the policy, they would be indemnified for the difference on every lb they covered. They must still self-insure the decrease until the index reaches \$174 and they must also understand basis – the policy is indemnified based on

the CME® Feeder Cattle Index, rather than what they sell their cattle for.


The table below provides a quick comparison of some of the key features of the strategies discussed. Forward contracts are the only strategy described that do not involve basis risk, as an actual price for the cattle can be agreed upon. Potential margin calls are an important consideration for producers that choose to use short futures positions. Put options and LRP insurance both have the advantage of leaving potential for upside price gains, although the downside protection is not as solid as with forward contracts or short futures. Finally, LRP insurance offers the best opportunity to scale price protection to smaller quantities. While forward contracts could be written in any size, they tend to be more available for larger volumes.

Risk management strategies are very much dependent on the risk preferences and financial situation of the individual. The purpose of this article was largely to point out what is being offered by the market and review some price risk management strategies that are available. While these markets certainly have the potential to go higher, it is very likely that attractive pricing opportunities will be available for producers looking to establish some downside price risk protection this year. Price risk management is not about trying to cherry-pick market highs as it is sometimes presented. It is about strategically managing downside price risk and should be part of every producer’s marketing plan.

Table 1: Quick Comparison of Feeder Cattle Price Risk Management Tools

	Subject to Margin Call	Leaves Upside Potential	Subject to Basis Risk	Available in Small Scale
Cash Forward Contract				✓ -
Short Futures	✓		✓	
Put Option		✓	✓	
LRP Insurance		✓	✓	✓

Burdine, K. "Price Risk Management Tools for Cattle Producers." Economic and Policy Update (22):1, Department of Agricultural Economics, University of Kentucky, January 28th, 2022.



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facebook.com/EstillExtension
 Questions? Email us at estill.EXT@uky.edu

Strawberry Production

What Strawberry Production System Is Right For You?

Are you interested in growing strawberries for markets or you-pick? Are you already growing strawberries and have production questions?

Join as Dr. Shawn Wright, UK Horticulture Specialist, shares the pros and cons on plasticulture strawberries vs. matted row production.



February 21

6:30pm

This class will be offered via Zoom.

Use the link below to join:

<https://uky.zoom.us/j/87964544556>

Contact your local extension office with any questions.



A UNIVERSITY OF KENTUCKY & UNIVERSITY OF TENNESSEE COLLABORATION

SPRING INTO THE PRODUCTION SEASON

Register for one or more sessions here:

<https://tinyurl.com/4k899hnn>

Tuesdays on Zoom from 6-7:30 PM EST

February 15- Tools & equipment for vegetable production

March 1- Ins and outs of fertilizers and soil fertility for organic vegetable production

March 15- Tomato grafting & root-knot nematode management

March 29- High tunnel crop rotation



Starting a Food Production Business

Learn how to get started with your food production business idea. Topics include requirements, permits, certifications, commercial kitchens, insurance, and resources.



February 18, 2022
10:00 - 11:30 a.m. EST

Register now! tinyurl.com/5nuwd356



Woodford County Extension Office
(Will also be available on Zoom)
184 Beasley Drive, Versailles, KY 40383
(859) 873-4601
elizabeth.coots@uky.edu

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The Estill County Farmers' Market will have their next meeting on Thursday, February 24th at 6 p.m. Meeting will be held at the Estill County Extension Office, 76 Golden Court, Irvine.

Beef Quality Care Assurance (BQCA) Training & Recertification

Monday, February 28, 2022

at 6:00 p.m.

at the Estill County Extension Office
76 Golden Court, Irvine

Are you needing to get your BQCA training certification? Here's your chance. Brandon Sears, Madison County ANR agent will be leading this training session.

**Please call 606-723-4557
to sign up.**

If interested in purchasing a BQCA farm gate sign, the cost will be \$5. We will be accepting checks only and payment will be taken the night of training.



*BQCA Training qualifies as CAIP education.

Powell County Turf Professionals Commercial Pesticide Training



College of Agriculture,
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March 22, 2022
9:00 a.m. to 1:00 p.m.
at the Powell County Extension Office

Agenda

8:30 Registration (Refreshments provided)

9:00 Insect Pests of Turf and Ornamentals

Dr. Jonathan Larson

10:00 Emerging Diseases of Common Ornamentals and Shade Trees

Dr. Nicole Gauthier

11:00 Invasive Plant Management

Dr. Ellen Crocker

12:00 Pesticide Calculations and Updates

Dr. Rick Bessin

1:00 Adjourn

Certified Pesticide Applicators:

Kentucky Dept. of Agriculture continuing
education units approved.

CEU's: 3 specific and 1 general for
categories 2, 3, 6, 10, 18, & 20

Register by March 15th

Call Jason Vaughn, Powell County Agriculture & Natural
Resources Agent for more information or to register, 663-6405,
or register online

https://uky.az1.qualtrics.com/jfe/form/SV_cBYXzhw25zN8KYC

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accommodated
with prior notification.

If you have borrowed a soil probe from the Estill County Extension Service, please return as soon as possible. A few have been loaned out to local residents and have yet to be returned.

Don't Fear the Pruner

Do not let the thought of pruning stress you! After being cooped up all winter, it is one of the first outside jobs that needs to be done

There are two types of cuts used when pruning trees and shrubs. The heading back cut removes the terminal, or top, portion of a shoot on a limb. This cut promotes branching and is done mostly in young trees. The other is a thinning-out cut. With this cut, you remove the entire shoot at the collar of the branch. This allows the grower to favor certain limbs over others and control the direction the tree will grow.

When beginning to prune, there are a few things to look for. Take out any diseased or dead wood. This will cut down on the instance of disease in the coming year. Take out any branches that are at a tight angle, one that is less than 45 degrees from the main trunk. If left, this area will be prone to accumulating water and eventually rot causing the branch to break off the tree. If two branches are touching and scraping against one another, remove one of them. The scraping motion will eventually lead to a gash in the bark of the tree.

So what is the right time to prune? For most trees the best time is late in the dormant season, or late winter. However, trees and shrubs that bloom early in the growing season should be pruned immediately after they finish blooming. Some examples of these include lilac, forsythia, and azalea.

Evergreens do not require much pruning. Spruces, firs, and douglas-firs are best pruned in late winter, but some spring pruning would not be harmful. Pines seldom need pruning, but to promote more dense growth, remove up to 2/3 of the length of the candles, or new growth on the pine tree.

One of the biggest mistakes you can make is to try to correct years of neglect with one fell swoop. If your tree or shrub has outgrown its space, just cutting it back will probably not be the answer. This

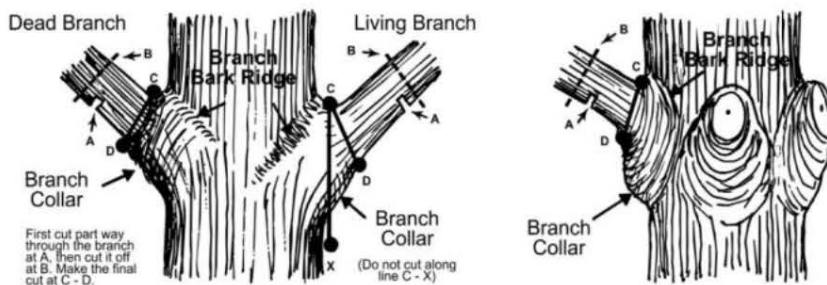
practice will stimulate weak new growth, such as when a tree is topped. Instead, try to shape the plants a little each year. It may be more practical to remove the whole tree.

For more information on tree pruning, check out these publications:

<https://extension.unh.edu/resource/basics-pruning-trees-and-shrubs-fact-sheet>

<https://extension.oregonstate.edu/crop-production/fruit-trees/tree-pruning-basics>

Proper Pruning Principles



Hardwoods

Conifers



*Don't fear the Pruner is an excerpt from Madison County Horticulture February Newsletter—Pay Dirt
Amanda Sears, Madison County Extension Agent for Horticulture, Amanda.sears@uky.edu*

2022 CENTRAL KENTUCKY GRAIN PRODUCERS SEMINAR

Monday, February 21, 2022 ~ 9:00 am — 12:00 pm

Location: Fayette County Extension Office

1140 Harry Sykes Way, Lexington, KY

PLEASE RSVP: (859) 257-5582

LUNCH WILL BE SERVED



Specialists in Farm & Turf Equipment Since 1972



Dr. Chad Lee
Agronomic Update

Dr. Jordan Shockley
*Farm Management Decisions
and Grain Bag Storage*

Dr. JD Green
Weed Control for 2022

For more information and to
RSVP, contact Fayette County
Extension Office:

Beau Neal

(859) 257-5582

beau.neal@uky.edu



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This meeting qualifies for CAIP!

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2022 SPRING PLANT SALE



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Agriculture and Natural Resources

**PLANT ORDERS & PAYMENT ARE
DUE NO LATER THAN MARCH 11, 2022**

	STRAWBERRIES - \$4 (BUNDLE OF 25)	QUANTITY
	Allstar (June bearing - larger berry)	
	Earliglow (June bearing - smaller, sweeter berry)	
	BLACKBERRIES - \$3 EACH	
	Natchez	
	BLUEBERRIES- \$7 EACH	
	Duke (two varieties needed for pollination)	
	Chandler (two varieties needed for pollination)	
	RASPBERRIES - \$3 EACH	
	Prelude - Bare root	
	ASPARAGUS - \$1 EACH	
	Millennium	
	ONION PLANTS- \$4 (BUNDLE OF 60)	
	Candy Onions	
Name: _____ Address: _____ Contact Number: _____ Email (optional): _____		TOTAL

Mail order form and payment to:

Estill County Extension, 76 Golden Court, Irvine, KY 40336

Checks need to be made out to: ECESL (Estill County Extension Soil Lab)

Taylor Miles

Taylor Miles, County Extension Agent
for 4-H Youth Development
taylor_miles@uky.edu

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Estill County
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 Irvine, KY 40336

RETURN SERVICE REQUESTED



Stop by and pick up your **FREE**
 2022 Food & Nutrition Calendar today!

Broccoli Chowder

- | | | |
|-------------------------------------|--------------------------------------|-------------------------------------|
| 2 tablespoons canola oil | 3 cups broccoli florets | all-purpose flour |
| 1/2 cup chopped onion | 1/2 teaspoon dried Italian seasoning | 3 1/2 cups low sodium chicken broth |
| 3 cloves garlic, finely minced | 1/2 teaspoon salt | 1/2 cup half-and-half |
| 1/2 cup chopped carrots | 1/4 teaspoon onion pepper | 1/2 cup low-fat, shredded cheese |
| 2 cups diced, unpeeled red potatoes | 3 tablespoons | |

In a large heavy pot, **heat** the oil over medium heat. **Add** the onion and garlic and **sauté** 2-3 minutes. **Add** the carrots, red potatoes and broccoli one at a time; **sauté** each about 2 minutes. **Add** the Italian seasoning, salt, pepper and flour and **toss** until vegetables are coated. **Cook** 1-2 minutes. **Add** the chicken broth and bring to a boil. **Reduce** heat to low, **cover** pot and **simmer** for 15

minutes. **Remove** lid and **stir** in the half-and-half. Bring back to a **simmer** and **remove** from heat. **Ladle** into bowls and top with cheese to serve. **Yield:** 8, 1 cup servings
Nutritional Analysis: 180 calories; 8g total fat; 2.5 g saturated fat; 15 mg cholesterol; 340 mg sodium; 18 g total carbohydrate; 3 g dietary fiber; 4 g sugar; 8 g protein.



Buying Kentucky Proud is easy. Look for the label at your grocery store, farmers' market, or roadside stand.