

New Horizons

The Newsletter of the Wisconsin Association of Professional Ag Consultants

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The New World Order (for Wisconsin Agriculture)

•Commentary by Daniel R. Peterson, Hilltop Agronomics

Author's Note: The following is commentary, meaning that it is my own opinion and does not reflect official WAPAC policy or position. Please read it with that in mind. You may well disagree with all or some of my statements.

We hear the term “shock and awe” a lot these days, and in many ways it’s a term appropriate to what’s happening to Wisconsin agriculture. Right now many parts of Wisconsin are in the worst drought since ’88, and the financial shock is going to be large. Many operations will end as a direct result of it. But there is much more going on than this year’s drought. We’re all aware of the long-term, incremental changes in farming, but I’ve been wondering - are we contemplating what’s *really* changing now and what the impacts of those changes will be? I personally believe that we are undergoing a historical sea change in Wisconsin agriculture.

Certain long-term trends in farming have been present for a hundred years – trends such as: Replacing labor with mechanization; improving genetics; better fertilizers and usage; increasing information and knowledge; larger and more efficient equipment; and the whole range of pesticides. All of these have been leading to bigger farm units over time. These long term trends have been moving at a predictable, manageable pace that we could adapt to. If we include the more negative trends of farm net income, average age of farmers, adjusted price over time of the products we raise, input costs vs. output prices, and so forth – it’s not encouraging. Many reasonable people looking at these statistics could conclude that farming’s days in Wisconsin are numbered. What do you think will happen? What will farming look like in Wisconsin 20 or 25 years from now? If we step back and look at agriculture as an industry, rather than as our way of life, we can see that the economic forces at work in agriculture are really not much different than those forces that have affected most other industries in America. Call it the “Wal-Mart-ization” of agriculture. These economic forces are not some government conspiracy; they are the natural result of increasing automation, technology, information, competition, and the natural drive towards efficiency. Farmers today are not working any more hours than our grandfathers did, but they’re producing a heck of a lot more during those hours!

Ok. So far I’m not saying anything new. What is this “historical sea change” in my opening paragraph? It is this – that all of these long term trends are now being impacted by “mega-forces” that are causing profoundly rapid and fundamental structural and social changes in

The traditional patterns of Wisconsin agriculture and its relationship to society are fundamentally and permanently changing – in the historical equivalent of an eye blink.

farming. These rapid and fundamental changes are more pronounced in some areas of the state than others and therefore more noticeable, but they are occurring throughout the state. I believe the confluence of the long term trends discussed above and these mega-forces are synergistically resulting in the rapidity of the changes we are witnessing. The traditional patterns of Wisconsin agriculture and its relationship to

society are fundamentally and permanently changing – in the historical equivalent of an eye blink.

The traditional patterns have been family farms, a psychological bond between agriculture and the non-farm public (everyone was proud of being in “America’s Dairyland”), the rural/small town dependency upon farmers (tax base, implement dealers, feed mills, farm supply companies, truckers for grain and livestock, cheese plants, canning plants, and so forth), hunting land, the succession of farms being passed down the generations

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The New World Order, *continued*

and how that stability positively influenced the larger society and helped stabilize small towns, and the tacit recognition by even city residents that agriculture was important.

My list of “mega-forces” and their results as I see it:

1. Rapid and stunning increased value of land due to demand by non-farm buyers – a recent, and historical, shift. In some areas of the state it is now impossible for farmers to buy land to farm. In my area some farms not in the path of immediate development are selling for ten to seventeen thousand dollars per acre. Those in the path of development are consistently twenty thousand plus. One large realtor with a long career of selling farmland told me that for the last five years less than 10% of his farmland sales have been to farmers and it gets less every year. This means that control of farmland is very rapidly shifting to non-farmers.
2. Growing hostility and opposition from large segments of society (broadly including “preservationists” and “environmentalists”). This large-scale judgmentalism and intolerance directed toward farming has never occurred before. There is a real psychological impact on farmers from it and I have personally spoken to farmers who quit because of the intense feelings of hopelessness generated by this hostility. It results in an “it’ll only get worse” stressful feeling that is added to the economic stresses most farmers are dealing with.
3. City values corrupting rural values. This really began with the rise of radio and television. But now the “information age” (internet) has made all of the negative influences of the urban culture accessible to rural kids/families on a scale unheard of previously. The result is that it contributes to the next generation choosing not to continue the farm lifestyle. How does it contribute? It teaches instant gratification, 40 hours and weekends off as the societal norm, downgrades the traditional sense that “I can make it on my own by working hard”, and reinforces the “live for today” mentality.
4. Technology (Bt, RR, computerization, “smart” machines, etc.). Technological advances have led to historically large jumps in production per acre and per man-hour, and most of this has occurred within the last eight to ten years. And we are only at the front edge of this revolution in productivity. This is a great acceleration of the long established trends discussed above.

5. Economics – large spreads between input and land costs and milk and commodity prices. While this has certainly been a long-term trend as mentioned above, the price to cost spreads today are historically large when adjusted for inflation. This is severe economic pressure that shows no sign of abating. Previously farmers were able to adapt by expanding their operations on an incremental basis. Incremental expansion is no longer the automatic answer.

How fast is it changing? In one small area (6 square miles known locally as the “prairie”) south of my office, there were 12 independent, operating family dairy farms in 1998. Today, there are six. Of those six: Two have announced they will retire by the end of ’04; one is throwing in the towel and selling out to developers; two are selling the cows and will grain farm part-time. That leaves one. One! Twelve down to one in just seven years! And I can point out many other townships where the change is nearly as dramatic. This is not “incremental” long-term trend change! It is profound and has never occurred before.

Agriculture will survive, of course. It will be radically different, however. The disconnect between the consumer and the farmer will soon be complete (except for small specialty or fresh market segments). The state will view farm operations as just another industry to regulate and “watchdog”. The non-farm public will hold all the political power, both locally and at the state level. It is highly likely that Wisconsin will have 3,000 to 5,000 dairy operations left in 20 to 25 years. The surviving operations will be more professionally operated, will use business and financial practices that other industries use, will use contracted professionals (like crop consultants) at several levels, will be heavily regulated, and will group in some areas of the state while other areas will be void of operating commercial farms. The change to farming as a business, not a “way of life,” will soon be complete.

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Dan Peterson, CCA can be reached at Hilltop Agronomics in West Bend, Wisconsin. (262) 629-5564.

Editor’s Note:

Dan Peterson’s commentary about the Wisconsin Ethanol Industry was published in the Spring 2003 issue of *New Horizons*. His concluding paragraph was inadvertently omitted. You can view the article in its entirety on the WAPAC website in the newsletter section. www.wapacinfo.org

President's Message**Information Technology Field Day
Attracts Many to Arlington**

•Eric Birschbach, WAPAC President

Greetings to all!

WAPAC just wrapped up its Information Technology Field Day on September 9 at the Arlington Research Station.

Nearly fifty members and guests attended. Thank you to field day participants and volunteers who made the field day happen. Bill Stangel, Dave Buss, Bruce Ludolph and Judy Brannstrom spent quite a bit of time making sure that the day went smoothly. Participants came from all corners of the state and were from both the private and government sectors.

Representatives from SST, Mapshots, and Farmworks did a nice job showcasing their mapping software and explaining different applications ranging from basic field mapping to displaying nutrient management features. Nyle Wollenhaupt, from Agco, provided some thought provoking aspects based on his experiences with precision ag. First rate field demonstrations were made by Raven Industries and Veris Technologies and by individual consultants who brought their own GPS equipped ATVs.

This year's field day was a "first" for WAPAC. For next year's field day, we plan to provide more in depth topics on precision ag. Please contact a member of the WAPAC Executive Council if there is specific information you would like to see addressed. Your feedback and suggestions will be much appreciated!



Kicking tires and swapping ideas: Consultants were able to demonstrate their GPS equipment in the "ATV Corral" at the WAPAC Field Day.

WASI News

•Timm Johnson, WASI Executive Director

The *Wisconsin Agricultural Stewardship Initiative* (WASI) is a producer-led effort to develop research-based whole farm solutions that balance the production and financial needs of farmers with the environmental needs of society. The Initiative results from growing interest among producers and the public in agro-environmental stewardship.

Everett Chambers is WAPAC's representative to WASI and also serves as WASI Treasurer. He asked that I share highlights of a recent WASI project with you.

In 2001, the Wisconsin State Legislature wanted to mandate the installation of buffers alongside streams and rivers but did not have sufficient knowledge of how buffers worked, the effectiveness of buffers in Wisconsin's climate, soil types and topography, and the management of buffers. The Wisconsin Buffer Initiative is a creation of UW-Madison as a solution to create initial data and knowledge of buffer performance by December 31, 2005.

The collaboration of WASI with the Wisconsin Buffer Initiative (WBI) has led to involvement with three farms that are part of the Discovery Farm effort along with the Pioneer Farm at UW-Platteville. The three Discovery farms are located in Dodge, Ozaukee, and Winnebago Counties and are operating dairy farms of different sizes. Buffers were installed at the three Discovery Farms during Fall 2002, with monitoring equipment installed in Spring 2003. The Pioneer Farm installed buffers in Fall 2002 and already had monitoring equipment in place.

In late August, the WBI led a field trip to Iowa to learn what Iowa State is doing with buffers and what they have learned. Dennis Frame and Fred Madison of Discovery Farms and Tom Hunt of the Pioneer Farm participated.

The Wisconsin DNR has invested \$100,000 in the WBI project so far, and \$500,000 of federal funds were appropriated to start Wisconsin's buffer study. It is through efforts of partnerships between producers, agencies, and the scientific community that solutions can be found to real world situations. The ultimate goal is to improve the environmental performance and improve producer economic performance at the same time. WASI is designed to try and do just that.

Man, despite his artistic pretensions, his sophistication and many accomplishments, owes the fact of his existence to a six-inch layer of topsoil and the fact that it rains. ~ Anonymous ~

STIR THE POT!

•*Dave Sievert, Marketing Specialist*
AgSource Soil and Forage Laboratory

In the last couple of years we have seen a dramatic drop in potassium levels in a higher percentage of soil samples that are analyzed in our labs. In talking to several of the consultants we work with, we found that they are surprised and concerned with the lower than anticipated potassium levels.

As a laboratory, we first checked out our procedures and quality control methods, finding them to be above standard. So why are the potassium levels running so low?

Clues from the Fields

Last year one of our consultants sampled soil in an alfalfa field that was in its second year after corn. The tests came up far lower in potassium than the expected 160 - 170 ppm. After the corn was harvested, dairy manure was applied, plus 200 pounds of 0-0-60. Alfalfa was direct seeded. First-year yields were very good, but second-year yields were poor.

This season one of our Iowa consultants, who regularly runs full minors and CEC on all samples, was seeing potassium deficiency without any apparent imbalance of minors that would affect the utilization of the potassium. One of his clients used a para plow. The para plow will plow 12 to 14 inches deep, has a half moldboard, and turns the furrow on its side. It takes additional horse power to pull this equipment. This year's crop responded very well, with less rain than last year.

A Cornfield Case Study

Another consultant in SW Minnesota has been experiencing what appears to be potassium deficiency over the last several years. This year he has a farm that is in corn following soybeans, yielded 60 plus bushels per acre last year, and was top dressed with 200 pounds of 0-0-60 last fall. This is a minimum-till situation, with no-till last fall and cultivation this spring with a disk coulters front cultivator prior to planting. In June this year, the corn looked thin and short, with some yellowing and drying up of some of the lower leaves.

A decision was made to fly over the field after a heavy rain to take some infrared photos and check out the tile system on this farm. The photos were loaded on the computer. Using the brown shade image (which blocks out any plant image), the ground appeared brown, but the tile lines, with the recent rain, showed up as black lines. While there were a couple of small areas that could use a tile line, there were no real drainage problems. Then changing to green shade image (which picks up the green plants),

anything else shows up as brown or black – What an eye opener! The corn should have been 18" high at this time, but varied from 6 to 16 " high. Instead of the plant population being 32,000, it was closer to 24,000. Estimates were that there would be a 40 to 100 bushel per acre yield loss for this year.

Interestingly, the green shade showed that the headlands were a solid green – perhaps more passes here with the disk/cultivator. The 10 acres treated with a different tillage tool looked much better than the rest of the farm. There was also a poorer area that was identified as such last year and had hog manure applied on it this spring. There you could tell exactly where the spreader was turned on or off, and the crop was markedly better. There also was a difference where another variety had been planted in one field. Overall, there was too much dark brown in places where a nice solid green should have been.

Upon close inspection, the corn was slightly yellow, with some drying up of the bottom leaves, an indication of potassium deficiency. The spraying and fertilizer histories were reviewed and did not indicate any possible cause. The next step is to determine if there is an adequate amount of potassium available and, if so, where it is.

This farm is scheduled to have some zone sampling done yet this year to accurately determine the extent of the potassium availability/deficiency. In zone sampling, a sample of the top 1 1/2 to 2 inches is taken, and then, with another probe in the same hole, a second sample is taken at 7 inches or plow depth. Zone sampling will indicate if and where the potassium is positioned. Another option would be to take plant tissue samples as the crop is growing along with a soil sample to see how they compare and determine plant utilization.

Zone Sampling on a Soybean Field

Some zone sampling has been done on a current soybean field which had standard potassium sampling results ranging from 77 ppm to 126 ppm for an average of 99 ppm, which is severely deficient. With zone sampling, the shallow samples ranged from 117 to 191 ppm for an average of 142 ppm, which is slightly on the low side. The deeper samples ranged from 66 ppm to 89 ppm for an average of 74 ppm. What we are seeing is that there may be adequate potassium levels available, but the plant is unable to get to it. We know that potassium is not mobile, so the potassium needs to be placed where the plants can intercept it. Plants do not have the ability to grow back to the surface for nutrients. For this reason, we have seen the most problems with the ridge-till, minimum-till and the no-till fields. Why with the ridge-till? Often we use liquid starter, which is placed in a narrow band alongside the seed. In this case the seeds do not always intercept the potassium, plus we do not have the ability with the liquid

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Stir the Pot!...continued

to put much potassium down. The other problem is that the applicator may not always be the exact same row width as the planter, which again places the fertilizer out of reach of the plants. The minimum-till and no-till situations are explained by the fact that the applied potassium as well as the potassium credits from the previous crop residue are at or near the top of the ground.

Fixing the Problem

The possible solutions? We need to make sure that the potassium is available in an area where the plants may intercept it. For starters, use a deeper tillage tool, understanding the rule that if you till at six inches, you will get 40 - 45% of the available potassium down to three inches. If you work it a second time, you will get that 40% down to 4.5 inches. For corn, you could also consider using a broad band dry starter fertilizer which is placed ahead and directly below the seed placement. You can also get a higher concentration of potassium placed with the dry fertilizer. The real mix will occur from moldboard plowing – yes, this takes valuable time and fuel costs and causes compaction, but there is a cost savings with the full utilization of the available potassium and increased yields. The ultimate solution is to use the moldboard plow where the percent of slope will allow, because it will get the greatest amount of the available potassium down in that last two inches of your plow depth where the plant roots will intercept it. Another benefit will be to get the plant residues from the previous crop turned down, which adds more nutrients, improves tilth and improves pH. The placement of the potassium is critical for the best plant utilization.

Bottom line is that every four to five years or once in the rotation, we need to -

STIR THE POTassium!

Dave Sievert can be reached at AgSource Soil and Forage Laboratory, Bonduel, WI. (715) 758-2178.

Free Soybean Grain Quality Testing Offered

•Roger Borges, UWEX Soybean Specialist and John Gaska, UWEX Outreach Specialist

Soybeans are grown primarily for their protein content. Most soybean growers think of a bushel of soybeans as 60 lbs of soybean grain. The crushing industry however, views that same bushel as 47.5 lbs of soybean meal and 10.7 lbs of oil. The total protein and oil content of soybean grain is a key variable in determining its market value. Due to many reasons including geographical location, Wisconsin soybean protein concentration ranks among the lowest in the nation. Unfortunately, a majority of Wisconsin soybean growers are not aware of this fact. Failing to realize the problem keeps Wisconsin soybean growers from taking steps towards its solution.

With this in mind, the UW-Madison Department of Agronomy is offering free protein and oil analysis of soybean grain to Wisconsin growers. Funding for this is provided through the UW-Madison Department of Agronomy and the Wisconsin Soybean Marketing Board. The grain will be analyzed using Near Infrared Transmittance technology at UW-Madison. Individual results will be reported back to the grower and summary reports will be generated for educational purposes as well as to evaluate grain composition changes over time.

If you or your clients are interested in analyzing for protein and oil composition in soybean grain harvested this fall, please contact us now to receive a free grain quality kit. We will limit the number of free analyses to three per farm. We are encouraging growers to submit samples from soybeans grown under differing management practices on the same farm, such as different varieties, soil types, planting dates, or seed treatments. Sampling grain grown under differing management practices will allow us to evaluate any impact these practices might have on grain quality.

Grain sample test kits will be available after Sept. 10, 2003, and can be requested from Colleen Smith at clsmith8@wisc.edu or at 608-262-7702.

Reminder - Free Soybean Cyst Nematode Testing Still Being Offered

•Roger Borges, UWEX Soybean Specialist and John Gaska, UWEX Outreach Specialist

The UW Agronomy Department, in cooperation with the Wisconsin Soybean Marketing Board, is still offering free SCN testing for Wisconsin growers. This program is intended for growers to sample up to three of their fields in order to identify if SCN is present and at what levels. Growers will be responsible for collecting soil from fields suspected to have SCN and then sending the sample to the SCN testing laboratory. They will receive a lab report back with the SCN egg count and a brochure to help plan future rotations and other cultural practices to lower the level of infestation.

We have a limited number of these free kits available and will furnish them on a first-come-first-served basis. Each kit has a bag and a prepaid mailer for one soil sample which should represent about 10-15 acres. Both the postage and lab fees are prepaid. Before or right after harvest time are great times to collect soil samples for routine soil fertility analysis and for SCN monitoring.

Soil sample test kits are available now and can be requested from Colleen Smith at clsmith8@wisc.edu or at 608-262-7702.

Wisconsin CCA Award of Excellence

The Wisconsin CCA Board has established a new award to be presented to one Wisconsin Certified Crop Advisor who has displayed excellence in technical competency and a high ethical standard in business conduct. Agricultural leaders, supervisors, coworkers, and farmers are encouraged to nominate individuals for the 2004 Wisconsin CCA Award of Excellence. The award recipient will be recognized at the Wisconsin Fertilizer Aglime and Pest Management Conference in January of 2004.

A nomination form may be received by e-mailing your request to Arnie.Imholte@pioneer.com. Nomination deadline is November 7, 2003. Questions may be directed to Arnie Imholte at 608-829-2116.

WAPAC Scholarship Time!

Did you work with an exceptional intern this past summer? If so, why not recommend that the student apply for the WAPAC Internship Scholarship? Up to \$1000 will be awarded in scholarships this year.

Eligible students must be currently enrolled as an undergraduate and must have career goals that would benefit significantly from participating in an internship related to production agriculture. Majors in production agriculture (crop and/or livestock) are preferred. The student must have been enrolled the previous summer in an internship that was production related. The scholarship is based on merit and not on financial need.

Interested students can obtain an application from their campus scholarship coordinator, or download a pdf copy at www.wapacinfo.org, or request an electronic copy in Word format by e-mailing Bryan Jensen: bmjense1@facstaff.wisc.edu.

The deadline for submitting the application and relevant materials (transcript and letter of recommendation) is November 7, 2003. Submit to: Judy Brannstrom, WAPAC Executive Secretary, 7310 Farmington Way, Madison, WI 53717.

2003 North Central Extension-Industry Soil Fertility Conference

November 19-20, 2003

Holiday Inn University Park
West Des Moines, Iowa

This 2003 event promises to be another high quality, informative meeting featuring invited talks and poster sessions about on-going research by North Central regional industry and university presenters. Industry participation in the poster sessions is encouraged. The conference begins at 1:00 p.m. on November 19, and ends at noon on November 20.

CCA CEU credits have been requested.

Presentations include these topics (and many more):

- The Future of Nitrogen Fertilizer in the U.S.
- Providing Flexibility in P and K Recommendations
- Fertilizer Management in Strip-tillage
- The Importance of Soil Microorganisms in Aggregate Stability

Registration (before Nov. 4 / after) - \$110 / \$150

Students - \$40

Proceedings - \$25

Hotel room - \$89 (group rate, ends Oct. 28)

- call (515) 223-1800 for reservations

For additional information or to register, contact:

Phyllis Pates, Potash & Phosphate Institute

772 22nd Ave. S

Brookings, SD 57006

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ppates@ppi-far.org

~According to Benjamin Franklin...

“There seem to be but three ways for a nation to acquire wealth. The first is by war, as the Romans did, in plundering their neighbors. This is robbery. The second by commerce, which is generally cheating. The third is by agriculture, the only honest way, wherein man receives a real increase of the seed thrown into the ground, in a kind of continual miracle, wrought by the hand of God in his favor, as reward for his innocent life and his virtuous industry.”

WAPAC Calendar of Events

October 7, 2003 - WAPAC Council Meeting, Wisconsin Dells.

December 11, 2003 - New Horizons Seminar, Comfort Inn, Madison. Educational sessions and exhibits.

January 19-20, 2004 - WAPAC Chemical Update Session - Alliant Energy Center, Madison.

January 20-22, 2004 - Wisconsin Fertilizer, Aglime and Pest Management Conference, Alliant Energy Center, Madison.

January 22, 2004 - WAPAC Consultants' Breakfast, Alliant Energy Center, Madison.

March 4, 2004 - WAPAC Spring Seminar and Annual Meeting (location to be announced).

THE MERITS OF FINANCIAL PLANNING

•Part III of a series by Andrew Davis, CFP

What types of investments should you consider?

There are four basic criteria you can use when selecting specific investments:

1. **Behavioral characteristics** – First, examine the behavioral characteristics of the security. This is where all the statistical analysis comes into play. Look for investments that show a correlation with the expected return for the asset class over a long period of time. Simply put, has it done what was expected of it?
2. **Liquidity** – If you have a major need coming up in a couple of years that will necessitate liquidating a portion of your holdings, will you have easy access to your money without fees? Which assets will generate your income needs? How easy will it be to reallocate these dollars when it is necessary? All of these questions must be addressed before you invest.
3. **Performance history** – Look for investments with a better performance history than the average for their asset classes (peer group). Be aware of what has led to past performance. Remember to keep comparisons within asset classes.
4. **Effect of taxes** – Examine the effect of taxes on your investment. Are your earnings tax-deferred? Does the timing of a capital gain distribution matter to your tax situation? Are you looking to reduce your taxable income by investing in tax-free instruments such as municipal bonds and Roth IRAs? What is the tax status of the withdrawal when you need access to the money?

Specific Asset Classes:

Cash Assets – Cash refers to money that is available for immediate needs, emergency use, or to take advantage of opportunities. It is short-term maturity assets (less than one year typically) such as checking accounts, savings accounts, money market funds, and certificates of deposit. The primary investment objective of cash assets is stability of principal.

Bonds – A bond is simply evidence of a debt. It can be secured or unsecured by the borrowing entity.

Bondholders, unlike stock shareholders, are creditors of the bond issuer, rather than owners of the company. The investor loans the money and receives interest in return, as well as the original amount at maturity.

There are three types of bonds:

- U. S. Government (or foreign government)
- Municipal (city or state)
- Corporate

Many factors can affect the value of a bond, including:

- Coupon rate
- Maturity date
- Call or put features
- Market interest rates
- Debtor's financial stability
- Insurance

While bonds offer growth potential in times of dropping interest rates, the primary investment objective of bonds is income.

Stocks – While bonds are instruments of debt, stocks represent ownership. Money is invested directly into enterprises whose value and rate of return may vary. You become a partial owner of the company you invest in. Common shareholders have a residual claim to the corporation's profits (i.e., bondholders and preferred stockholders are paid dividends before common stockholders). Preferred stock represents shares of ownership in the corporation also, but preferred stock dividends are fixed at the time of issuance. Therefore preferred stock prices are inversely related to interest rate fluctuations, much like bonds.

The type of company you choose to invest in will depend upon your investment objective.

A **'Blue Chip'** company is highly esteemed as an investment based on the following criteria: earnings in good times and bad over a long period of time; 25 or more years of paying quarterly cash dividends; and leadership in solid, established industries coupled with solid expectations for continued success.

A **growth** company normally pays little to no dividends, but investors expect the value of the stock to increase dramatically over time. This may be due to a new product being introduced, expansion plans, or just being in a growth industry.

Utility stocks are a popular type of common stock for many investors due to the high dividend income that utilities generate. High income with growth potential

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makes them attractive investments. The utilities group includes electric light and power, gas distribution and transmission, telephone, telegraph and water.

In any of these cases, the first objective for owning stocks is still growth: Growth of the value of the stock itself, or merely growth in the income generated by the security.

Real Estate – Real estate offers a number of opportunities for investors. Similar to investing in stocks, real estate offers appreciation potential and income potential, but it also offers tax benefits. You may choose real estate as a pure investment, in which case you would purchase it through Real Estate Investment Trusts (REITs), Limited Partnerships or other managed portfolios; or you can purchase it directly, at which point it becomes a business venture. The difference between these two options is the amount of time you are willing to put in, and the amount of risk you wish to take. You also can get into real estate as a debt instrument by investing in mortgages.

Other assets – There are other investment categories, such as precious metals and collectibles. They may be an intelligent hedge for your portfolio, but these are normally best purchased only after speaking with a trained professional who totally understands your financial situation.

Ownership issues will be addressed next time.

New Horizons

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New Horizons is published quarterly by the Wisconsin Association of Professional Ag Consultants (WAPAC). Articles of general interest to the membership and signed editorial comments are welcome. Submit all articles to the address below. Comments and opinions expressed herein do not necessarily represent the views of all WAPAC members. The editorial staff reserves the right to determine suitability for publication and to edit all articles submitted.

For further information about WAPAC or to notify WAPAC of an address change, please contact:

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