

## Fair Value for Exported Manure Slurry

What is the worth of the manure slurry used in ones farming operation



Every farmer would love to receive the nutrients of the producer's manure slurry at no cost. Some farmers even feel that the dairy or feed yard has the problem and the producer should pay all of the cost associated with cleaning their lagoon solids. *But is that really fair?*

### **Thought #1**

All crops need N-P-K nutrients for healthy growth and to get the highest yields possible. Most farmers purchase much of their fertility from the local co-op as well as pay for the application costs. *What do you normally buy from the local co-op?*

When you buy your fertility from the co-op, you are buying some mix of N-P-K. Granted, you have more control over the exact amounts of nutrients desired. When accepting manure slurry, the N-P-K mix comes in a fixed proportion directly as the cow produced it.

If you apply manure slurry for the Nitrogen needs, you probably will be getting an excess of Phosphorus. If you apply for the Phosphorus needs, you will probably need to side dress your fields for Nitrogen. *What would be your desired application rate?*

The one thing that manure slurry does that chemical nutrients from the co-op cannot deliver is all the micro-nutrients and humas that comes with the fiber in a manure slurry. This fiber allows the ground to more easily accept and retain rain or irrigation water.

In addition, manure slurry has considerable organic Nitrogen that becomes a slow release and continual Nitrogen feed as the biologicals in the soil break down the nutrients and make it plant available. Generally, you get  $\frac{1}{2}$  of the Nitrogen the first year and  $\frac{1}{4}$  of the Nitrogen in both years two and three.

### **Thought #2**

If a farmer is going to purchase fertility on a given year anyways, why not purchase it from the neighboring dairy or feed lot producer. This is helping the producer financially with cleaning their lagoon as well as creating good will and developing a positive relationship with one's neighbor.

In addition, building good will with the neighboring producer can often lead to a farmer being able to sell their extra commodities such as corn, silage, hay, wheatlage at a fair market value and receive a more consistent cash flow than marketing it through the co-op.

Sometimes the timing of the manure slurry does not coincide with your cash flow. Fertility and planting costs are often arranged in the spring with your banker to help finance your year's crop production. If the timing of the fertility does not coincide with your cash flow you may be able work with the producer to pay them when you can.

### **Thought #3 – Getting your money's worth**

When buying N-P-K fertility in the form of a manure slurry how does a farmer know what they are getting and what they are paying for?

A farmer should expect to see the results of a certified lab sample taken during the pumping process on each 30-40 acre parcel of land. Then you will know more precisely what was received and what you should be expected to pay for.

### **Thought #4 – So What is the fair value of the nutrients delivered?**

It is common practice to only charge the farmer for the co-op prices for the *first-year available nutrients* they already would be buying. The rest of the micronutrients and excess nutrients received is generally given as added value at no additional cost.

Since the manure slurry is in a fixed ratio, direct from the livestock, the farmer will have to choose which nutrient they wish to determine the application rate; usually Nitrogen or Phosphorus.

Assume the nutrient needs for your desired 140 bu. crop yield is 156-N, 71-P, and 189-K per acre. And assume the sample manure slurry analysis shows that there is 8 units of N, 18 units of P and 6 units of K delivered per 1000 gallons. The pumper applied 20,000 GPA to give your expected Nitrogen needs. So, in this scenario, **“What is the fair price per acre?”**

Assuming the local co-op prices boil down to 40¢ per pound for N, 45¢ per pound for P the following would hold true per acre: At 20,000 GPA the nutrients delivered are 160 lbs. N; 360 lbs. P; and 120 lbs. K. While the fair market value is negotiable; the majority of the producers would expect you to pay them for the nutrients you desired and would normally buy. In this scenario it would be \$90.80 per acre = (N = 156 x .40¢) + (P = 71 x .45¢).

The N-P-K value delivered is substantially higher, especially when you consider all the residual Nitrogen available in the outlying years. Received co-op market value is (N = 160 x .40) + (P = 360 x .45) + K + (residual N of 160 x .40) + micronutrients + fiber (humus) + land application of \$5 per acre) for a conservative total comparative value of \$295 per acre.

A fair price should be negotiated with the producer in a simple price per acre. If the samples show the nutrient expectation was more than delivered, then both parties should be happy. If the N-P-K was expected, but was not delivered, then an adjustment per acre should be discussed with the producer.

In most cases the producer is delivering excess nutrients than ordered. So, in the end, the farmer is generally receiving exceptional value for a price they already would be paying.  
***It is a win-win.***