

CENTRAL NEW YORK DAIRY NEWS



April 2012 Volume 5 Issue 1

Things to Consider.....

The old cost-price squeeze is upon us again.....

- Milk prices are slipping and expenses are going up or holding steady (depending on the expense item). Milk price projections made by a variety of dairy economists are all showing the same trends, downward. For 2012 average projections fall in the range of \$3.00 to \$3.50/cwt. lower than last year. Of course, it varies month to month.
- Energy prices are high. Crude oil prices are over \$100/barrel which translates into very high diesel and gasoline prices.
- Grain prices are high. As I'm writing this the price for corn grain at the Chicago Board of Trade is \$6.35 per bushel and soybeans are at \$14.26 per bushel!
- USDA announced that there will be a MILC payment of \$0.3895 per cwt. for February's production. This payment is not because of low milk prices. It is because of the high feed prices. Using futures settlement prices on March 30, 2012 predicted MILC payments would be \$0.8877 for March, \$0.8892 for April, \$0.9164 for May, \$0.9111 for June, \$0.7855 for July, and \$0.3761 for August before going to \$0.00 for September through December. Check with your local FSA office to determine your best strategy if you have not already done so.
- Be careful on making cuts to expenses, especially feed expense. We've seen it time and time again. During difficult economic times it's tempting to reduce grain feeding, since it is likely your largest expense. However, IF your rations are fine tuned already and you are feeding appropriately, real drastic cuts almost always financially hurt you in the long run. Reducing purchased grain expense by \$0.50/cow/day, but losing \$1.00 in production will only make matters worse. I'm not saying you should not scrutinize your feed costs to be sure there is justification for everything you are feeding, just be sure you are smart about any adjustments you make. Work with your nutritionist.

Combat high grain costs by making high quality forage.....

- One of the best ways to reduce grain cost is by feeding less of it. However, you do not want to reduce production at the same time.
- This very unusually warm & early spring is likely to catch many people off guard.
- Drop Kevin or myself an email (addresses on back cover of this newsletter) to be put on our spring forage quality monitoring list. We track alfalfa height in fields all over our region. Data is sent to you approximately twice a week as to the progress of grass, alfalfa, and mixed stands with projected dates to harvest for lactating cow quality. Don't get caught off guard and miss out on top quality hay crop by harvesting too late. With slumping milk prices and high grain costs you cannot afford to have anything but the best quality.

Consider balancing your ration for amino acids.....

- At our recent Dairy Day program Dr. Chuck Schwab presented convincing data showing that we should be balancing our dairy rations for amino acids. Amino acids are the building blocks of protein. The first two limiting amino acids are lysine and methionine.
- Improvements in milk protein, milk pounds, milk butterfat, reproduction, and overall health are benefits that are seen.
- To successfully accomplish this task (balancing for amino acids) your nutritionist needs to be using a ration balancing program that calculates metabolizable protein. It's no longer sufficient to simply calculate crude protein, soluble protein, and degradable protein in the diet.
- Although some of the ingredients used to meet amino acid requirements can be expensive, we often find that ration crude protein levels can be reduced in the process. This frequently means a net cost/cow/day that is no more than prior to the change, occasionally less than prior to the change, and occasionally a little more expensive. This really depends on what your ration looks like prior to the change.
- The bottom line is what you should be considering here. The most important number is not what you are spending, but what is left over from milk income after you pay the feed bill.

The 400,000 SCC rule; take advantage of help available.....

- This new rule is based on a three month rolling average.
- It has essentially been established so that the U.S. can meet this same standard that is common among other dairy exporting countries in the world.
- Since we are currently exporting around 12 to 13 percent (on a milk equivalent basis) of our U.S. milk supply, it is essential that we meet this standard to maintain our competitive position.
- Dairy One and QMPS (Quality Milk Production Services) have teamed up to develop a SCC reduction support program that is called '400K Beat It !'
- Recommendations made by QMPS are based in science and backed by research. Follow their recommendations and you will easily reach the 400K goal.
- For more information about the program contact: Randy Perkins, at Dairy One by email: Randy.Perkins@DairyOne.com or phone him at (607) 227-6528. You may also contact one of the QMPS Laboratories that cover our region:

Central Laboratory
Toll Free: 877-645-5522
607-255-8202
Ithaca, New York 14853

Eastern Laboratory
Toll Free: 877-645-5681
518-255-5681
Cobleskill, New York 12043



Now is the time to ready your herd for hot weather.....

- Check over & clean your fans and other ventilation equipment to be sure it is in proper working order so that it is ready when you need it.
- Consider installing tunnel ventilation in your tie stall barn. You can contact me for an unbiased assessment of your needs. I can spec out fan capacity needs and inlet requirements.
- Water intake goes up during hot weather. Be sure plenty of water is available. Cows like to drink right after they are milked. Cows will almost always stop to drink water when leaving the milking parlor or when leaving a tie-stall barn right after milking. If you can strategically place a water tub near that exit path it will prove to be beneficial.
- Open up sidewalls on free stall barns. Sidewall curtains are popular, but simply removing the siding will do the same thing.
- Fans in free stall barns should be located in the holding area, over the stalls, and over the area where cows stand to eat at the feed bunk.
- If you have an adequate water supply, sprinklers add an extra measure of relief to cows in free stall housing.
- The use of fans and sprinklers need to be coordinated and designed to work properly together. Consult with someone experienced with these systems to be sure your system is operating properly. A poorly designed system can do more harm than good!
- If you employ intensive rotational grazing and do not have enough pasture to totally satisfy your herd's forage needs, you may want to consider grazing at night only. This assumes you have tunnel ventilation in the barn to keep the cows comfortable during the day.

Short on forage and looking for solutions.....

- A variety of events (floods, wind damage, and simply a poor growing season for some) this past growing season have caused some dairy producers to be short on forage. Some are slightly short, whereas others completely lost their supplies on hand and crops still standing in the field.
- Producers with severe shortages have already employed a variety of strategies to meet their needs. Most producers severely affected have received some financial aid to help offset their losses. If you have not received any assistance contact the NYS Dept. of Ag. & Markets and your County Farm Service Agency to see if any funding is still available.
- In some cases carryover inventory has and can meet the shortfall, but that is the exception.
- Culling unprofitable (or marginal) cows reduces forage demand.
- Sending heifers off to a custom heifer raiser also reduced the demand for forage.
- Purchasing forage is another choice to consider, assuming you can find it. Corn silage is about impossible to find because of the local losses and dry growing conditions in areas to our west.
- When buying forage, quality is of extreme importance. Poor quality forage (even cheap) is most often not worth the price when it is going to be fed to lactating cows.
- Byproduct feeds are another option to consider to stretch your forage supply. Products such as soy hulls, citrus pulp, beet pulp, wheat middlings, and brewers grains (if you can find brewers grains) can help to stretch your forage supply.
- Feeding a high hay crop diet (when new crop comes along) is another option to consider.
- Fertilizing your hay crop this spring will also add to your forage supply. Don't skimp.
- I have worked with many producers on forage shortfall issues and would be happy to assist you if you need some individual assistance. Don't hesitate to call.

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Volume 5 Issue 1
April 2012



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Cooperative Extension

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Cornell Cooperative Extension

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