

CENTRAL NEW YORK DAIRY NEWS



Milk-Feed Price Ratio Hits Record Low!!

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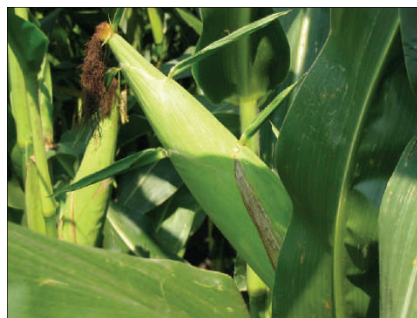
by Dave Balbian

The July 2008 Milk-Feed Price Ratio has hit a new low at 1.82! The formula for this ratio has been in use since 1995. Historical data is available to calculate it back to 1985. The June 2008 milk-feed price ratio was listed as 1.78, but has been revised upward to 1.88. Because of some moderation in feed prices and some milk price improvement I'd expect the August 2008 milk-feed price ratio to rise a bit. You all know that with these record high feed prices that things are tight. However, because the milk price is higher today than in years past the margin after feed costs is not at an all time low. This may not be very comforting because the margin left after feed costs has to pay all your other costs that have also rapidly escalated. During the Spring through late Summer 2006 period the margin after feed cost was likely the lowest we have seen.

Because the margin after feed cost is more closely associated with profitability than the current milk-feed price ratio, there has been much discussion about a change away from the current milk-feed price ratio toward some type of an "Income Over (after) Feed Cost" system. Current systems being tossed around are the PA Complete, PA Simple, and U.S. Simple systems. Keep your eyes and ears open to see where this all goes.

Got Corn?

That's the question many people are asking. Most of the corn crop in the area looks very good and many people planted more acres of corn this year in response to record high corn prices. Items to consider on corn:



INSIDE THIS ISSUE:	
Article	Page
Milk-Feed Price Ratio Hits Record Low	1
Got Corn?	1-2
Hay Crop NDF Guidelines for Lactating Cows	3
Forage Allocation Based on Quality	3

1. For silage, if you are not set up for **kernel processing** you need to figure out how to make it happen. We all know that the payback varies depending on moisture content & kernel hardness. With the high cost of corn, the payback for kernel processing looks better than ever. Any replacement chopper used for corn silage needs to have a processor.
2. Take care of your **forage needs first**. Don't put up corn for grain and then run out of silage. If you normally run out of corn silage during the summer and you have more corn planted this year, make plans to extend **corn silage feeding through the summer**. For herds with a low summer feeding rate, the use of a silage treatment that will reduce secondary

fermentation will be helpful. In addition to providing a boost in energy to the diet there is less heat of digestion with corn silage than with hay crop. With the normal heat spells we encounter every summer that could be quite an advantage.

3. **Preserve your corn silage well.** Corn is too expensive to buy and too expensive to grow to waste any of it. Cover bunk silos as soon as possible after filling with a high quality plastic held down with tires or sidewalls. Consider a new cover called Silo Stop. It's a bit costly, but tremendously impervious to air infiltration. Pack bunker silos well.

Guidelines are to have 1,000 lbs. of tractor weight for every ton of feed brought in per hour. A 30 ton per hour fill rate means a 30,000 lb.

tractor packing. At 75 tons/hour you need a 75,000 lb. tractor! Actually you need more than one tractor packing! The proper moisture content is critical.

Recent work has shown that corn silage that is too wet is almost always giving up nutrient value.

Silo Type	Recommended DM
Bunker Silos	30-35%
Upright Silos	32-38%
Bags	32-38%

4. If your hay crop quality is low you may want to feed a **higher corn silage diet** to your milking herd, assuming you'll have the inventory to do so. With all the rain we've had there is plenty of "not so hot" hay crop out there. Investigate the possibilities of **selling some of that hay crop** that may still be useful to someone with horses or beef brood cows. Use the money to buy some good feed for your milk cows.
5. **Corn Silage Pricing?** In the past prices have generally ranged from \$20 to \$45/ton depending on a variety of conditions. For example: sold out of the field, out of a bunk silo, delivered or picked up, a local market flush with feed or short on feed. With most all crop prices up and a higher corn grain price than we've historically seen corn silage is definitely worth more than in the past. Today expect that range (again depending on the variables mentioned above) to be in the \$35 to \$60 range. With a good looking corn crop out there we may have localities flush with corn that could keep prices low and benefit buyers of corn silage.
6. **Corn for grain.** Some people will have corn for grain for the first time ever or for the first time in years. Be sure it's ground well (dry corn) or run through a roller mill before feeding. If you put it up (or buy it in) as high moisture grain be sure the moisture content is correct. Around 30% moisture +/- is where you want to be. I've seen people let high moisture corn dry down (especially if they were buying it) because they were buying less water and then lost much of it out the back end of the cow because they were not really feeding high moisture corn. They were feeding dry cracked corn. The starch was crystallized. When corn gets down under 20% moisture it's really no longer high moisture corn. Price the corn at a set moisture content and correct for deviations later.

Hay Crop NDF Guidelines for Lactating Cows

Below are the maximum % NDF levels acceptable for various hay crops to feed to lactating cows (assuming better quality forage is not available). I believe these guidelines are reasonable considering the current economic environment. NDF values (on a dry matter basis) above these levels for the various types of hay crop listed will reduce the ability of your cows to produce milk economically. If you are not sure of the grass or legume content of your hay crop use the calcium levels below as a guide. The suggested calcium levels are approximate, not absolute.

<u>Forage Type</u>	<u>% NDF (DM basis)</u>	<u>Approximate % Calcium Levels (DM basis)</u>
100% Legume	47	1.40
Mixed Mostly Legume	51	1.10
Mixed Mostly Grass	55	.80
100 % Grass	59	.50

Forage Allocation Based on Quality

Donna M. Amaral-Phippips, Dairy Nutritionist from the University of Kentucky provided the following guidelines when allocating forage of various qualities to dairy cattle. Note that there is no below average forage listed because lactating cows take too big a hit in production to feed them below average quality forage.

Top Quality:

- Early Lactation Cows or when the highest percent of cows are in early lactation
- Baby calves through 3 months of age

Above Average Quality:

- Mid to Late Lactation Cows or when a lower percentage of cows are in early lactation
- Heifers 3—12 months of age

Average Quality:

- Heifers over 12 months of age.
- Dry Dairy Cows

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