

CENTRAL NEW YORK DAIRY NEWS



Don't shoot yourself in the foot as you ride down hill on the milk price roller coaster

INSIDE THIS ISSUE:	
Dairy Acceleration Program Round 2	2-3

After a banner year for milk prices it probably seems like you are riding that milk price roller coaster down hill fast. In addition to the decline in market prices, most producers are also being assessed a \$0.50/cwt. reblend. These steep declines in milk price may cause you to want to react by doing something from a management standpoint. The temptation is to cut expenses. Of course the biggest expense for most is purchased grain expense. Be careful!! This may not be the place to make cuts, at least wholesale cuts.

Cows don't understand economics. They will only react to the biological impacts that are placed upon them. So, what are the things you can do or should do?

- Quality forage is still king. There is no replacing low fiber highly digestible forage when it comes to producing milk economically. Be sure you are allocating your best forage to your early lactation & highest producing groups of cows. Put together a plan to harvest first cutting in a timely manner this spring. Contact us to be placed on our First Cutting Forage Quality Monitoring email list. We track the progress of first cutting by measuring alfalfa height across our region. We then use that information to predict optimal harvest dates for grass, alfalfa, and mixed stands. The info is updated weekly during the spring. Optimal dates can vary widely from year to year. To receive this information as well as updates and announcements from the team, send a request to herkimer@cornell.edu
- Shortchanging cows on the nutrition they need will come back to bite you. Many people learned this the hard way back in 2009. Milk production declined, cows lost body condition, and they did not breed back. When things turned around and people who substantially cut back on grain feeding returned to normal grain levels, the cows simply said "thank you very much", but did not respond with very much additional milk production. They needed to start a new lactation to be able to take advantage of the higher level of nutrition. I remember having the unpleasant conversations with producers in 2009. When pretty much every producer was running in the red financially, the conversation often ended with the conclusion that those who lost the least amount of money in the short run (until things turn around) will come out of this situation in the strongest position. Don't cut \$1.00 in cost and lose \$2.00 to \$3.00 in income. This will only make a bad situation worse. Financial data from Cornell's Dairy Farm Business Summary program consistently shows that the highest correlation with dairy farm profitability is net milk income minus feed costs. In other words, it's what is left over after feed costs are paid. IT IS NOT necessarily the farms with the lowest feed costs that are the most profitable. IT IS the farms with the highest net milk income minus feed costs that are the most profitable. This is most often associated with high milk production.
- Staying on top of your repro program will always pay big dividends. Typical declines in production/cow/day for the herd is around .25 lbs. for every additional day in milk. As an

example, you can expect to see a 10 pound per cow per day reduction in milk output when average herd days in milk increases from 160 to 200. This varies from herd to herd, with 3X herds, rBST supplemented herds, with higher producing herds seeing less of a daily decline. Routine pregnancy checks by your veterinarian will still pay off. Poor reproductive performance is something that cannot be overcome by nutrition.

- Achieving and maintaining high quality milk is another area not to skimp on. Research tells us time and time again that low somatic cell count cows make more milk. Also, most handlers pay some type of quality premium and low SCC is always part of that incentive. And who wouldn't want to get those quality incentives right now with these low milk prices?
- Cow comfort is something you hear about all the time now. The reason is because there is solid research data to support the fact that improved cow comfort results in increased milk production. Properly sized and designed stalls improve stall usage and reduce injuries. Proper ventilation and cow cooling strategies (I know it seems like the summer heat is a long way off right now) really pay off. Eliminating (or at least minimizing) those drops in production during the summer heat not only pays off then, but maintaining that production persistency makes it pay off as you go into the fall and winter as well.
- Time budgets are another area to think about. Much of the research on this had been done right in New York at Miner Institute under Dr. Rick Grant. You can find all kinds of studies with varying results. The bottom line is that cows have a strong desire to rest (lay down and spend time chewing their cud). Many experts have suggested 12 to 14 hours a day as optimal. Some conclusions have said that 2 to 3.5 lbs. of milk is lost for every hour below those levels. Think about holding area time (especially with 3X milking), overcrowding, and anything else that will limit resting time. Some herds have gained 2 to 5 lbs./cow/day by simply changing routines or managing how many cows are brought into the holding area at a time. Every farm is different.

Dairy Acceleration Program Round 2

The Dairy Acceleration Program is an initiative of Governor Cuomo, in partnership with the NY Department of Agriculture and Markets and the NYS Department of Environmental Conservation. The program is designed to enhance profitability of New York dairy farms and to maintain a commitment to environmentally responsible growth. A second round of funding has allowed the program to offer funding to more NYS dairy farms.

Funds may be used to:

- Engage a qualified farm business consultant to develop a business plan analyzing feasibility for growth.
- Engage an AEM Certified Planner to develop a new or update an existing Comprehensive Nutrient Management Plan (CNMP).
- Engage an engineer to design eligible best management practices associated with the farm CNMP.

- Engage a professional to design plans for new construction or remodel facilities to support production growth.
- Engage a professional to create a farmstead development plan.

To be eligible, the business must be a dairy cattle farm. They must have complete financial records for business planning. Preference is given to farms under 300 cows. You must complete and submit an application.

The Dairy Acceleration Program funding covers 80% of a project's cost. The farm is responsible for 20% of the project cost, which is paid directly to the service provider, including any in excess of established limits.

Payments may include:

- up to \$5,000 per farm to write a business plan or to develop a combination of business planning, facility planning and/or farmstead development planning.
- Up to \$6,000 to develop a new Comprehensive Nutrient Management Plan (CNMP) or update to an existing CNMP more than three years old plus the first year of service for farms under 300 cows.
- Up to \$4,500 to update an existing CNMP plus the first year of service or farms under 300 cows.
- Up to \$5,000 to design a single best management practice (BMP) or up to \$10,000 to design a combination of BMP's associated with a CNMP.
- Up to \$2,500 for the certification of an existing manure storage.
- Up to \$1,000 for a soils investigation and/or topographical survey associated with the design of an eligible BMP.

Best Management Practices (BMP) eligible for design (engineering) funding include:

- 561 Heavy Use Area (e.g. concrete barnyard)
- 367 Roofs and Covers (e.g. cover over a barnyard)
- 317 Composting Facility
- 316 Animal Mortality Facility
- 635 Vegetative Treatment Area
- 360 Waste Facility Closure
- 632 Waste Separation Facility
- 313 Waste Storage Facility
- 634 Waste Transfer
- 626 Waste Treatment



An application is available online (preferred), however it can be printed out and mailed to :

PRO-DAIRY Dairy Acceleration Program
272 Morrison Hall
Cornell University
Ithaca, New York 14853

For more information, visit: http://ansci.cornell.edu/prodairy/dairy_acceleration/
You may also call (315) 683-9268 or email: dap@cornell.edu for information.

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