

Cornell Cooperative Extension

South Central NY Dairy and Field Crops Program

1st Quarter Report

January—March 2018

The Winter Meeting Season: Focus on Structured Education

Janice Degni SCNYDFC Team Leader

During the winter months we focus on meetings and seminars that educate our audience on current topics including regulatory updates, production practices, research updates or new ideas to incorporate into decision making. Topics addressed are based on priorities identified through extensive stakeholder input in the development of our plans of work. We assess resources available from our own team, to university faculty and staff, and industry partners to develop the educational events.



We vary the format of meetings to address different preferred learning styles. Meetings can range from conferences with formal lecture-like presentation, to peer to peer learning where participants share their experiences in discussion groups or skills based

training designed to provide experiential learning with hands-on activities where both classroom and practical application strive to incorporate the science underlying recommended practices. Participants benefit from both the formal information presented and informal discussions with each other.

Identified priorities are outlined below.

Statewide Plan of Work: 1.1 Agricultural and Horticultural Business Vitality

- Support the long-term viability & well being of the agricultural/horticulture industry & rural communities in NYS.
- Promote economically and environmentally sound products and practices and safer and healthier products.

Field Crop Production & Environment	Dairy Modernization	Small Dairy Technologies & Market Opportunities	Farm Business Management
Water Quality & Environmental Compatibility w/ Crops	Dairy Enterprise Performance & Management	Small farm technologies	Financial Records & Management
Forage Quality	Dairy Feeds & Feeding	Organic Transition Consultation	Financial Decision Making
Integrated Crop Management	Dairy Replacement Enterprise	Direct Marketing and on-farm dairy processing	Business Planning
	Animal Welfare, Cow Comfort & Housing	Intensive Grazing Management	Farm Succession/ Transition Planning
		USDA Risk Mgt- Crop Insurance	Human Resource Management

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The Current Economic Challenge Facing Dairy Farmers

Janice Degni, Area Extension Team Leader



While we are familiar with the price cycles in dairy, this year is causing widespread economic stress affecting farms of all sizes and production methods, including organic.

The pay price for milk has been below the cost of production since January, making this a negative equity year. Prices have been low for the past two years. Farms came into the year with few if any reserves as a result of two years of low margins. Other factors that add to the difficulty are inventories of poor quality forage harvested in a wet, cool season. Consequences of poor quality forage include increased expenses from purchased concentrates and lost income from lower production. This low milk price cycle is also coinciding with a low beef price cycle.

One positive development are the changes to the USDA Margin Protection Program (MPP) available to all producers through the Farm Service Agency. MPP was released with the 2014 Farm Bill as the 'new' program to provide a safety net for dairy farms that worked like an insurance program rather than automatic payment as in the previous MILC program. The program considers both milk price and feed prices to arrive at a calculation for a margin. Producers had to buy into the program to receive coverage. The minimum fee was \$100 and only protected at the lowest margin of \$4. Premiums were subsidized to a point. Margin averages were calculated for a 2 month period. A pay out would occur if the average margin for the 2 month period fell below the level selected from \$4 to \$8 in 50 cent increments. Although margins were tight at times after the program began, by averaging two months of calculations, payments were few and far between. Farmer's became disgruntled with the

program because it did not offer assistance when they needed it and their participation had a cost, significant at times.

The 2018 release of MPP has some significant changes which should benefit those who choose to participate. First, the enrollment period runs until June 1 and is retroactive back to January for beginning the program. This will allow farmers to know their coverage for Jan-April so they can calculate their cost and benefits. Other changes include:

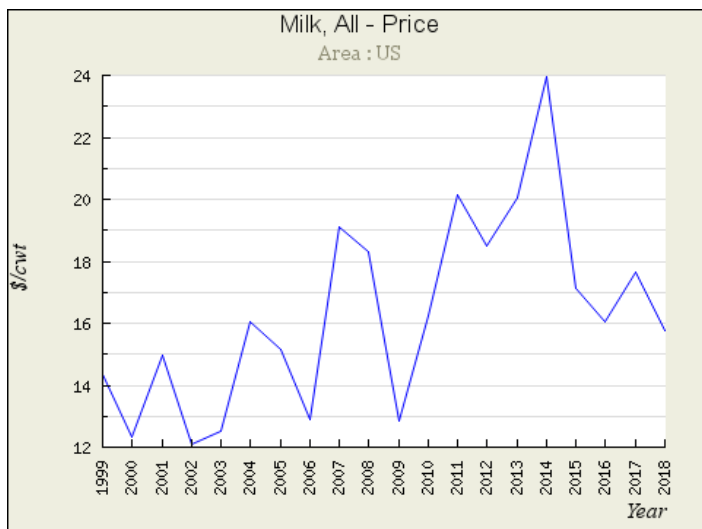
- Calculations of the margin period is monthly rather than bi-monthly.
- Covered production is increased to 5 million pounds on the Tier 1 premium schedule, and
- Premium rates for Tier 1 are substantially lowered.

Nationally and globally there is an oversupply of milk. Price forecasters do not foresee improvements in prices in the near term. Futures markets indicate some improvement in the fall.

A recent Dairy and Situation outlook explains,

"Milk prices continue on the path of slow recovery. The prices of butter, cheese, dry whey and nonfat dry milk will average higher in April than March increasing the Class III and Class IV prices. Comparing average April prices to March, butter on the CME could average about 9 cents per pound higher, 40- pound cheddar blocks about 4 cents higher and dry whey about 2 cents higher. Cheddar barrels however will be about 3 cents lower. These price changes will put the April Class III price near \$14.50 compared to \$14.22 for March and the low of \$13.40 for February. The average nonfat dry milk price could be about 5 cents higher. The combination of higher butter and nonfat dry milk prices will increase the April Class IV price to near \$13.60 compared to \$13.04 for March the low of \$12.87 for February."

Excerpt from "Dairy Situation and Outlook, April 20, 2018" by Bob Cropp, Professor Emeritus, University of Wisconsin Cooperative Extension



This graph shows the all milk price from 1999-2017. The year 2009 is remembered as a painful one for dairy farmers.

It was the year following the National Economic Crisis brought on by the collapse of the real estate market. It was our first widespread year resulting in negative equity. Five years later the highest milk price ever, around \$24/cwt., was enjoyed in 2014. For some the year's income provided a boon and for others a chance to catch up on long needed maintenance and repairs. For the years following 2014 price has been significantly lower. -jd

(Cont. from pg 1. Winter Meeting Season)

Hands-On	Conference Topics	Discussion Groups	Workshops	Tours
Feeder School: Focus on the Feeder's impact on the farm's bottom line. <ul style="list-style-type: none"> Rumen physiology - What every feeder should know. Nutrition - Impact of feeders on the ration, DM monitoring Basic bunk silo management. 	Crop production and toxic algal blooms, corn silage: comparing hybrid performance and forage quality aspects, weed control and resistance management, making use of precision ag data: developing yield stability zones.	Crop rotations No-Till and Cover Crops The Quality of 2017 Corn Silage Hemp Production & Building community among Producers'	Heifer Management: Guidelines for Decisions on Who to Keep: Genetics & Record Keeping	Dairy Manager's Discussion Group visit to El-Vi Dairy, Newark.
<ul style="list-style-type: none"> Packing density & preservation. Feed bunk management TMR audits, Troubleshooting mixer wagons. Safety considerations for feeders. 	The importance of maximizing cow comfort and the role of animal welfare in the dairy industry		Organic Weed Management Pasture Management	Tre-G Organic Dairy: New Facility and Robotic Milker Tour
Herd Manager Training: <ul style="list-style-type: none"> Transition cow health & facilities Antibiotic stewardship & protocols Cull cow management Body condition scoring through transition Cow health physical exams Individual cow case studies 	Spring Manure Handling & Trucking Safety Meeting		Soil Health and Pest Management Hay Evaluation	Dairy Manager's Discussion Group visit to Twin Birch Dairy, Skaneateles

Program Designed to Help Combat Low Milk Prices

Betsy Hicks, Area Extension Dairy Specialist

The current dairy economy is in what dairy economist Dr. Andy Novakovic calls the “long scrape”. He uses this term to describe the way in which dairy producers are feeling the effects of prolonged low milk price. In comparing past low years to the current situation, producers say this low feels different. In 2009 producers saw extremely low prices; in 2012 producers were hit with moderately low prices, but extremely high grain prices. In both of these situations, producers were under pressure, but recovery came relatively soon after the lows. In the current situation, producers have had sustained low milk prices for three years and are looking at a 2018 that has little recovery in price through the fall. This has created that “long scrape” feeling that Dr. Novakovic describes – far different from the “deep cuts” of 2009 and 2012.

As educators in Extension, our program has always focused on bringing new ideas and technology to our producers, while emphasizing how important doing the basics right is to a producer’s bottom line. Our program in this first quarter further underlines the importance of these principles. Knowing how much stress our producers are under right now has led us to further emphasize how focusing on doing the day-in and day-out tasks to the best of their abilities will have a long-term positive effect on their business. Cash flow is extremely tight; with limited access to funds producers need to feel like they can make positive strides in their business without having to spend money.

Many of the strategies discussed by producers involved changing habits, adding sound management strategies and focusing on doing the basics right.

As such, the winter program utilized a few different forms to reach out to producers. **The Dairy**

Manager’s Discussion Group met formally with professors Andy Novakovic and Tom Maloney from Cornell University to talk about current trends in prices and labor, and then toured three different dairies in the following two meetings to gather ideas and learn from their peers. **A**

Heifer Workshop held at the Vet School Dairy on campus emphasized to participants that their bottom line is affected by the heifer program that they run, and **gave options for reducing total costs while advancing genetic potential of the herd more rapidly**, all while maintaining the health of the heifer herd. Lastly, **Herd Manager Training** offered a two-day course to bring producers up to speed on ways to protect the health of their herd, as well as giving specifics on records to maintain to protect their business. Both of the days emphasized points with an on-farm tour and allowed for ample discussion between host farms and participants to encourage peer learning.

Many of the strategies talked about at meetings and program this season did not focus on buying new equipment, implementing expensive programs or utilizing next steps that would cost the dairy money. The ideas discussed involved changing habits, adding sound management strategies and focusing on doing the basics right. The discussion between producers was invaluable and did not focus on how poor milk price was; producers were focused on how they can make their dairy better.



Organic Dairy Programs

Fay Benson and Abbie Teeter, SCNY DFC Small Dairy Technology Educators

January, February and March have been very busy months for the Cornell Organic Dairy Program. During this time, we have reached over 600 producers in meetings alone, including our very successful time with Altfrid Krusenbaum at the end of March. Altfrid is a Grazing Consultant in Wisconsin and is an Education Coordinator for the Dairy Grazing Apprenticeship (DGA) on top of managing his own farm. Krusen Grass Farms is a 470-acre farm in Elkhorn Wisconsin, operated by Sue and Altfrid Krusenbaum. After many years operating a grazing and certified organic dairy they now raise 40 head of grass-fed and grass-finished steers annually, which they market directly to the customer. They also produce high quality hay and small grains for fellow Organic Valley Coop members. During his time in New York, he hosted a morning meeting for Master Graziers in the Dairy Grazing Apprenticeship Program and an afternoon meeting that was open to grazing farmers as well as those interested in grazing.

On March 29th, Altfrid and Fay hosted the first meeting of the day for Dairy Grazing Masters. A total of 10 farmers came to this meeting representing 8 farms that have Approved Masters. During this time, Altfrid went over the DGA Website in-depth with Masters and showed them the different resources on the website. The group also had time to have an open discussion with each other, which was appreciated by all. Masters with Apprentices were able to speak to others about how they found and why they hired their Apprentice. The program as a whole was discussed at length.

During the morning session of this meeting, we also hosted a farm tour for Apprentices that were in town for the afternoon meeting. Abbie took the Apprentices to Freeville for a tour of Jerry Dell farm and their Farm Store. Jeremy Sherman spoke to three Apprentices about their Freeville Farm, as well as a general overview of their other farm locations. The Apprentices were very engaged, asked many questions, and were impressed by the operation.

After a group lunch, we hosted a larger meeting, “Are You Robbing Your Pastures to Feed Your Livestock?” Almost 50 producers were in attendance for this meeting which offered plenty of time for discussion after the presentations. After the meeting concluded, a

smaller group of producers continued the discussion. Managing the soils and pastures of your operation are the two key components of a profitable livestock grazing operation. Altfrid Krusenbaum discussed his experience with managing pastures on his farm to generate profit and his biodynamic philosophy and how he looks at the farm as an organism with the goal in mind to develop a self-sustaining farm “individuality”. No synthetic fertilizers or farm chemicals are used on the land and no antibiotics or hormones are used on the animals. Altfrid says, “Our belief is that farming with nature trumps farming against it. We have been in business since 1990 and have been using management intensive grazing since 1992.”

Cleason Horst of “Friendly Blends” soil amendments in Canandaigua, New York spoke about the depletion of soil fertility in pastures and how farmers can remedy this by understanding soil lab reports. He explained the many pastures he has worked with where there have been only “withdraws” and no “deposits” to the soil bank account. “Too many farmers are robbing the fertility of their soils to feed their livestock,” he stated. He described how to interpret soil test results and how he recommends farmers prioritize their investment back into their most important resource.

On March 30th, Fay took Altfrid on a tour of farms in the area. Fay and Altfrid traveled to Twin Oaks Dairy LLC (Katie & Kirk Arnold) in Truxton, Cobblestone Valley Farm (Paul and Maureen Knapp) in Preble, Riehlman Farms LLC (Doug & Martsje Riehlman) in Homer and Scheffler Farm, LLC (Ed and Eileen Scheffler) in Groton.



South Central NY (SCNY) Extension Dairy & Field Crops Team

Meetings & Workshops Fall 2017-2018

Oct 26	Feeder School Day 1: Feeder's impact on the bottom line. Rumen physiology—What every feeder should know. Nutrition—Impact of feeders on the ration, DM monitoring, basic bunk silo management Walnut Ridge Dairy, Lansing	Betsy, 28p
Nov 2	Feeder School Day 2: Packing density and preservation. Feed bunk management TMR audits, troubleshooting mixer wagons. Safety considerations for feeders. Whittaker's Dairy, Whitney Point	Betsy, 28p
Nov 30	Feed Dealers Seminar Chamber of Commerce Building	Betsy, 17p
Jan 9	NY Certified Organic (NYCO) #1: Crop Rotations Jordan Hall, Experiment Station, Geneva, NY	Fay, 88p
Jan 10	SCNY Dairy Manager's Discussion Group: Current Trends in Pricing Cortland County Office Building & Labor	Betsy, 21p
Jan 11	No-Till Discussion with Jim Hershey, President –PA No-Till Alliance Walnut Ridge Dairy, 31 Holden Road, Lansing	Janice, 22p
Jan 17	Hemp Discussion Group CCE Broome Office	Janice, 16p
Jan 24	Winter Crop Meeting: HABS & Whole Farm Mass Nutrient Balances Ithaca Ramada Inn	Janice, 91p
Feb 6-7	Cow Comfort Conference: The importance of maximizing cow comfort and the role of animal welfare in the dairy industry Holiday Inn. 442 Electronics Parkway Liverpool, NY	Betsy, 75p
Feb 13	SCNY Dairy Manager Discussion Group Tour to WNY El Vi Farm, Newark, NY	Betsy, 4p
Feb 15	Heifer Workshop: How to Make Decisions on Who to Keep: Genetics & Record Keeping Cornell Vet School Teaching Dairy	Betsy, 15p
Feb 21	Organic Weed Management McLean Fire Hall	Fay & Janice, 19p
Feb 27	FSA Farmer Appreciation Luncheon Dryden Fire Hall	Mel, 12p
Mar 9	Spring Safety Meeting NYS GRANGE, Cortland	Janice/DSSC, 49p

Mar 15 & 22	Herd Manager Training : 2 days– Classroom and Hands-on Whittaker Dairy, Whitney Point and Riverside Dairy, Cincinnati	Betsy, 18p
Mar 20	Organic Dairy Farm Robotic Milker Tour Tre-G Farms, Lafayette	Fay & Abbie, 4p
Mar 20	SCNY Dairy Managers' Discussion Group Tour to CNY Twin Birch, Skaneateles, NY	Betsy, 11p
Mar 27	Soil Health and Pest Management Workshop American Legion, Horseheads	Janice, 33p
Mar 29	Are You Robbing Your Pastures? Dryden Fire Hall	Fay & Abbie, 26p

Photo Collage –Winter Meetings



NYCO



Herd Manager Training



Dairy Manager Discussion Group Tours



Winter Crop Meeting

“New York’s agriculture industry is an economic engine in upstate communities – driving growth and expanding opportunity.”



Cow Comfort Conference Presenters



NYCO



Are You Robbing Your Pastures?

Feeder School – Hands-on Training that Directly Impacts Producers' Bottom Lines

Betsy Hicks, Area Extension Dairy Specialist

Feed is more likely than not the highest expense on dairy farms today. Producers realize the importance the role of feeder has on the farm for more than one reason – not only do the people performing in this role impact shrink, but how well they perform directly impacts how well cows can perform. In this way, feeders can impact the bottom lines of dairies on two levels: minimizing costs by maintaining low levels of shrink and overfeeding expensive grain, and maximizing milk receipts when they feed consistently, allowing cows to stay healthy and productive. Because of the importance of the role, producers want to make sure their feeders understand the importance of their job and willingly send their employees to job-specific training to enhance their duties back on the farm.

Because of the needs outlined above and the current dairy situation, the team collaborated with PRO-Dairy and the other regional dairy teams to set up a 2-day Feeder School where this type of employee could come to learn the “how” and the “why” behind the things they do every day. Included in this school were morning classroom sessions where we explained how the rumen works, why making a consistent Total Mixed Ration (TMR) is important and incorporated several aspects of cow behavior so that feeders more fully understand the animal they are feeding. The afternoon portions focused on how feeders can better manage their bunks, assess wear in their mixing equipment and other hands-on activities. The school culminated in a “feeder challenge” where they incorporated what they had learned from both days of the school to answer questions, assess bunks, and make dry

matter feed adjustments.

The Feeder School was put on in seven different sites across the state, each with a 2-day program. In SCNY, over 20 employees or owners of dairies attended the school, representing over 13,000 lactating cows. In evaluation, all participants stated they learned new information at the school and would recommend participation to others. Specifically, feeders stated they learned about bunk safety, being precise on measurements, scale calibration, dry matter adjustments, and mixer maintenance. Classroom sessions of nutrition and dry matter were ranked a 4.6 out of 5, with 5 being most informative.

Since Feeder School occurred in the fall, we have had several calls for follow-up to the school. One farm was only able to send feeders to the second day, and invited Betsy to come to the farm to do a select teaching from the day they missed to their whole feeder crew. This has since evolved into a facilitator role for Betsy, as the farm utilizes two different nutritionists and the feeder crew and nutritionists will sit down in the shop to overcome bottlenecks. Another farm has invited Betsy and Melanie out to go over their routine in delivering feed to their cows. Performing TMR Audits to ensure feed wagon accuracy was a concern on a separate farm that contacted Betsy for follow-up. On-going communication in these areas will be a focus for the next few months; it offers farms a means to control costs, utilize Extension Specialist expertise, and maximize cow health and production – a win for all.

Tioga County Farm Visits

Melanie Palmer, Dairy Educator

The dairy farms of the South Central New York Dairy & Field Crops Team cover a large range of cow numbers, acres, crops, labor, facilities, management and resources. In today's world of “large” dairy farms, many producer meetings and workshops tend to focus on the “1000 cow dairies”. This is by no means to disregard the smaller dairy operations, as they have been and continue to be, an important fixture in the dairy industry.

I was recently contacted by an agri-service business in the region that wanted me to spend a day making farm visits with the customer service representative to “see” the county farms, many of them 50 – 100 cow dairies. The company service rep explained that the purpose of the visits would be to show the SCDFC Team who their customer base was. This could potentially offer some guidance to the Team to make sure we are reaching *all* of the farms in our area.

Seven farms were visited that day. We were able to speak with five of the seven farm owners. As is typical of dairy farms, none of the seven were alike. There were general discussions about the farm history, current status, and thoughts for the future of the business. The conversations with the farmers, as well as visiting the farms and seeing their resources gave me the opportunity to determine some of the challenges of these farms.

How does the team develop program to serve the farmers that can't or don't leave their farms or do not reach out for help? Options might include future farm visits with other team specialists that can share information and expertise, or producer meetings or workshops that focus on the small dairy technologies and issues. Whatever the method decided by the team, addressing the needs and challenges of their businesses is a goal of the SCNYDFC Team. Contributing to these farms to help them continue as viable businesses in the future will have a positive impact on the families involved and businesses in the area.