

'84 AI Sire Summary (Continued from Page D26)

1984 Modified Contemporary Comparison

The Predicted Differences (PD's) for milk (PDM) and fat (PDF) yields and fat percentage (PD%) are expressed relative to the 1982 genetic bases for those traits. Therefore, the PD's from the January 1984 Sire Summary run, especially those for milk and fat yields, are of a different magnitude from those from previous years. As a consequence of the genetic base changes for yield traits, the PD's for dollars (PD\$) from the January 1984 summary are considerably lower than those from previous summaries. However, bulls rank the same as they would have if

the genetic bases had not been changed, and the percentile rankings on PD\$ are the same. Dairy producers are encouraged to pay close attention to the percentile ranking of each bull to help interpret the genetic superiority represented by the PD's for yield traits relative to the 1982 genetic bases.

Table 1 reports the average PD82's for PDM, PD%, PDF, and PD\$ for each breed and service group. Tables 2 and 3 show the distribution of PDM and PD\$ for active AI bulls.

Table 1.--Average PD82's for bulls summarized in January 1984

Breed	All bulls ¹					Active AI bulls					Non-AI bulls				
	Number	PDM	PD%	PDF	PD\$	Number	PDM	PD%	PDF	PD\$	Number	PDM	PD%	PDF	PD\$
Ayrshire-----	215	-217	-0.01	-10	-31	16	+242	-0.02	+7	+27	149	-284	-0.02	-13	-40
Guernsey-----	491	-240	-.01	-12	-36	33	+469	-.06	+15	+56	326	-329	-.01	-16	-48
Holstein-----	10,260	-419	+0.01	-13	-49	543	+535	-.01	+18	+65	7,169	-573	+0.02	-17	-66
Jersey-----	956	-306	+0.02	-12	-40	58	+453	-.03	+18	+60	709	-411	+0.03	-16	-54
Brown Swiss-----	286	-293	+0.03	-8	-32	43	+383	.00	+15	+50	164	-447	+0.03	-14	-53
Milking Shorthorn---	110	-15	-.01	-2	-4	11	+408	-.02	+13	+48	80	-44	-.01	-3	-8
Red and White-----	84	-99	+0.02	-1	-8	1	+273	+0.05	+18	+48	67	-132	+0.01	-3	-14
All breeds-----	12,402	-391	---	-12	-46	705	+507	---	+17	+62	8,664	-535	---	-17	-63

¹ Includes AI bulls not now active.

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Table 2.--Distribution of PDM by breed for active AI bulls listed in the January 1984 Modified Contemporary Comparison

Range of PDM	Number of bulls					
	Ayrshire	Guernsey	Holstein	Jersey	Brown Swiss	Milking Shorthorn
+1,600 and above---	---	---	6	---	---	---
+1,400 to +1,599----	---	---	8	---	1	---
+1,200 to +1,399----	---	---	19	1	1	1
+1,000 to +1,199----	---	2	44	1	1	1
+800 to +999-----	1	2	74	7	2	---
+600 to +799-----	3	4	88	9	7	1
+400 to +599-----	2	12	101	13	5	1
+200 to +399-----	3	9	97	14	14	5
0 to +199-----	1	4	67	10	6	---
-199 to -1-----	4	---	15	2	2	---
-399 to -200-----	2	---	3	1	3	2
-599 to -400-----	---	---	6	---	1	---
-799 to -600-----	---	---	7	---	---	---
-999 to -800-----	---	---	1	---	---	---
-1,000 and below---	---	---	7	---	---	---
Total-----	16	33	543	58	43	11

Table 3.--Distribution of PD\$ by breed for active AI bulls listed in the January 1984 Modified Contemporary Comparison

Range of PD\$	Number of bulls					
	Ayrshire	Guernsey	Holstein	Jersey	Brown Swiss	Milking Shorthorn
+200 to +219-----	---	---	1	---	---	---
+180 to +199-----	---	---	---	---	---	---
+160 to +179-----	---	---	11	---	1	---
+140 to +159-----	---	1	8	1	1	2
+120 to +139-----	---	---	28	2	2	---
+100 to +119-----	---	1	61	3	2	---
+80 to +99-----	2	5	94	6	8	1
+60 to +79-----	3	5	122	14	3	---
+40 to +59-----	1	12	100	20	8	3
+20 to +39-----	2	5	63	7	8	2
0 to +19-----	4	3	23	5	5	1
-19 to -1-----	3	1	9	---	2	---
-39 to -20-----	1	---	2	---	---	1
-59 to -40-----	---	---	6	---	2	1
-79 to -60-----	---	---	3	---	1	---
-99 to -80-----	---	---	4	---	---	---
-119 to -100-----	---	---	5	---	---	---
-139 to -120-----	---	---	2	---	---	---
-140 and below---	---	---	1	---	---	---
Total-----	16	33	543	58	43	11

Considerations for reducing milk production

Editor's Note: This article was written by Jack J. Kirkland and Blair J. Smith, Penn State Extension dairy marketing specialists.

UNIVERSITY PARK — Dairymen who are considering reducing milk production in order to receive the \$10 incentive payments should consider the following points in their decision-making process.

1) The decision should involve your financial position not only during the fifteen month tenure of the diversion payment period but your financial position after the program is over and how your decision during that period affects your longer run financial position.

2) If you decide to reduce your marketings to obtain the diversion payment, there are several strategies you might use to accomplish this. The selection of a strategy may have an impact on your financial position in the longer run. Total cash receipts may be affected by the strategy you selected. For example, if you get rid of the milk by feeding it to calves or to your milking cows, you will have extra cash from the sale of the calves or by having to buy

less feed for your cows. On the other hand, if you cull cows to reduce marketings, the cash received from the sale of calves will decrease.

3) If you decide to reduce marketings to obtain the diversion and then increase it at the end of the 15 months, there will be an effect on your financial position. If you retain heifers to add to the herd at the end of the 15 months, there will possibly be a higher feed cost during the 15-month period due to feeding the extra heifers. If you buy heifers or cows after the 15 month period, this will add to your costs and possibly increase outstanding debt.

4) If you have a tight cash flow need, you should remember if you reduce marketings and obtain the diversion payments that at the very best you will receive the payments quarterly. This may cause problems in your cash flow needs and should be considered.

5) For those dairymen under a base plan (Federal Order 4), a reduction in marketings may cause you to lose some of your base. This will decrease your future cash receipts and your decision should take account of

this. There may be a way to reduce marketings and keep your base, but it would probably involve some tightly controlled management practices.

6) The timing of the culling of cows will probably be controlled in some way. This may have an effect on your cash receipts and costs. If you have to spread the sale of your cull cows over a certain time period, you may not get the full savings in feed costs since the cull cows will have to be fed until they are sold.

7) If you have part of your milk check going to some of your creditors, or if some creditors hold a lien on your cows, perhaps you should check with them before making a decision. A creditor may not like to see the amount of money he is receiving reduced, or the cows serving as collateral on his loan to you sold, so that you can meet your reduced marketing goals.

8) If you reduce the use of feeding, either by culling cows or by reducing feed per cow, you may have extra feed on hand. However, this doesn't necessarily mean you will be able to sell it. You may be able to sell some of the hay and

grain, but probably won't be able to sell the silage. This unsold feedstuff should be counted as an increase in inventory and not as a cash saving. It may affect your future operation in that you will be able to change your feeding program to feed more roughages and less grain since you have additional hay or silage on hand. This may reduce your purchased feed costs for the next year.

9) Above all, this decision should

not be taken lightly. There are many implications from the decision dairymen will make and they should consider all of these. The decision which any one dairyman makes should be for his/her individual situation. Do not make a decision based on examples, averages, or what your neighbor does. Evaluate your own position and alternatives and then make a decision on what seems to be best for you.

