



# The Dairy Business

By  
Newton Bair

### FEED BILLS TOO HIGH?

Why are my feed bills so much higher than my neighbors? The most obvious cause is that I don't have enough on hand, so I'm forced to buy more. But the real cause, if you look deep enough, is that I have not bothered to plan ahead in my cropping system, purchases of grain and supplements, or adjusting my needs to the available supply. So the only cure for my high feed costs is to take less profit out of the business.

I'd better look beyond the obvious cause of the problem for what I can do to prevent it in the first place. If my constant shortage of feed is forcing me to owe more and more to the feed mill or the bank, I'm fighting a losing battle. There must be another cause of the problem that I can do something to correct. It starts with good planning.

### PLAN FARMING SYSTEM

The most successful Dairy Managers I know plan their whole operation with a high degree of predictability. The easiest way to do that is to do as many things as

possible that are under your control. No, you can't control the weather, or prices, or many kinds of accidental freaks. But you can control or at least guide the production or acquisition of feed crops to satisfy the needs of your herd. You can also control total feed needs by adjusting the numbers of cows and heifers to be fed. Base your long range plans on the things that you have the most control over.

Take the high cost of Protein Supplements, for example. This is one place where it pays to grow as much of your own protein as possible, rather than buy it. Six tons of alfalfa per acre will produce a dry matter equivalent of around 2400 pounds of protein. Corn for silage on the same land will produce approximately 1200 pounds, or only half as much. Corn for grain will produce only about 630 pounds, or only about one-fourth as much protein as alfalfa.

Of course, you need the high energy at low cost that corn silage can provide, but once the needs for energy are calculated and supplied

by your crop system, plan to grow as much protein as possible, rather than excess corn which might be of questionable value on today's market. Even a fifty bushel crop of soybeans can provide nearly twice the protein per acre that corn will. Production costs should be monitored close enough to make a comparison of the cost of growing your own with the cost of mill supplied protein.

Another way of controlling your own destiny is by timely contract or purchase of production items, including feed. A shortage that is anticipated in the fall can often be corrected by purchasing the crop from a neighbors' field at harvest time prices. Be a good negotiator. Take time to accurately estimate the potential yield and value of a field before striking a bargain with your neighbor. It doesn't need to be a steal to be a good buy, but it should cost you less than you would have to pay later on when supplies are tight and the market high.

### TOO MANY REPLACEMENTS?

How many heifers should you be feeding? The average dairy replacement rate is between 20 and 25 percent per year. A good ratio of heifer replacements to milking cows is about one heifer under two years old for every two milking cows. When nature gets too generous with heifer calves, it is only natural that you want to keep every critter that comes along. But when the heifer barn is jammed with beef and you are buying high priced feed to keep them, they may never pay for it. Make sure that every heifer raised has the potential for raising the level of production in your herd.

The cost of feeding a heifer is high. A Holstein heifer calving will cost between \$1000 and \$1200 for feed alone. If much of her feed is purchased, the cost will run a lot

higher. The number of heifers raised should be carefully weighed against the total feed supply as well as the other obvious things

like pen room, labor and of course, the real potential for profitable production.

## Land improvement workshop set

SCHUYLKILL HAVEN — A land improvement contractors workshop sponsored by the Schuylkill Conservation District will be held July 12 at the new Schuylkill County Fairgrounds located next to the Penn State Campus, Rt. 61, Schuylkill Haven.

The workshop is being coordinated with the Schuylkill County Fair Association and the Pennsylvania Chapter of the Land Improvement Contractors Association (LICA). LICA equipment operators will be demonstrating excavation equipment donated from some major equipment manufacturers including Caterpillar and John Deere.

Demonstrations will contribute to necessary improvements in preparation for the 1984 Schuylkill County Fair. The demonstration will include excavation work to construct a midway area, water diversions, vegetated waterways, stone-centered waterways, surface

drainage drop inlets and sub-surface drainage pipes for soil erosion control.

Other related manufacturing companies will be demonstrating equipment and contributing materials. These companies include Atlantic Construction Fabric Inc. demonstrating several types of erosion control and road building fabrics; Advanced Drainage Systems Inc. (ADS) demonstrating subsurface drainage tile and road culvert installation; and Finn Corporation will put the finishing touches on the projects by demonstrating a hydraulic seeding. Hydraulic seeding is a system of placing grass seed, lime, fertilizer and mulch in one operation. Finn Corporation will also demonstrate a mulch spreading machine for spreading straw on hay mulch.

Contractors or township officials interested in attending should contact the Schuylkill Conservation District at 622-4957.

## Dairyalea, Eastern share services

SYRACUSE, N.Y. — Two major northeastern dairy cooperatives have concluded agreements under which each will produce a service for the other.

The announcement was made jointly today by Clyde E. Rutherford, president of Dairyalea Cooperative and Earl Forwood, president of Eastern Milk Producers Cooperative, both headquartered in Syracuse.

Dairyalea will merge its member supply program into a similar but larger operation run by Eastern. Dairyalea members will be able to order by mail a wide variety of food items, including some Dairyalea products. Eastern's Dairy Division trucks will deliver the items on specified dates to announced locations where purchasers will pay for them and pick them up.

Some non-food items such as calf starter and certain sanitizing chemicals are also available. Eastern's Dairy products division is completing work on a major warehouse and retail store com-

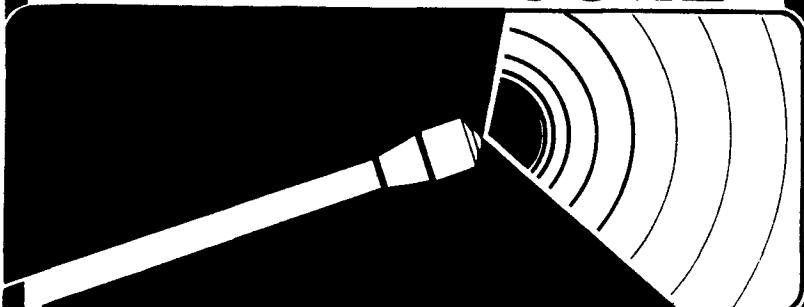
plex in Canton, Pa., which will open late this summer.

Eastern members will be able to subscribe to the top-rated Blue Cross/Blue Shield/Major Medical plan administered by Dairyalea's wholly-owned subsidiary, Agri-Service Agencies Inc. The plan, includes a million dollar Major Medical entitlement, uniform coverage and economical rates throughout the Eastern-Dairyalea member area and has been rated as one of the best administered plans in the nation.

In 1983 the Agri-Service Agencies plan paid out \$7.8 million in benefits. During its 14 years in operation it has paid out approximately \$60 million for the medical expenses of subscribers. A New York state Workmens Compensation Group plan and life insurance will also be available to Eastern members.

"We're delighted with the arrangement," Forwood said. "We can do a great deal more for our members by working together where it is mutually beneficial."

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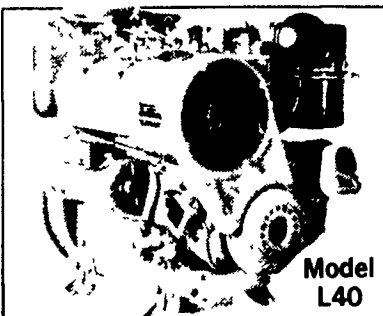
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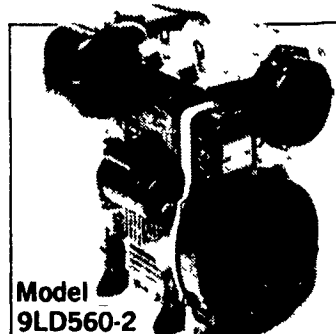
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