

In Response To Falling Milk Prices

Penn State Extension Dairy Specialists have prepared a list of suggestions for dairy producers to consider in response to the recent decline of milk prices.

Here are tips from Dick Adams, Bill Heald, Jud Heinrichs, Steve Spencer, Mike O'Connor and Larry Specht for your consideration.

DICK ADAMS

Feed Cost Reductions

Overall view: Current price relationships for concentrates and forage and anticipated new milk prices of \$12 for 3.5% milk call for no skimping on rate of concentrate feeding. A grain to milk ratio of 1:2½ or 1:3 certainly should be within reason if it is needed to balance the forage ration. Nevertheless there are some things that could be done to reduce feed costs on many farms, especially those with a cash flow problem due to lower milk prices and other reasons. These include the following:

1. Buy wisely - Get prices from at least two or three sources for items needed in volume. Take service, quality, nutritional assistance into consideration before deciding on a supplier. Be sure prices are for comparable items and on the same basis regarding delivery, discounts for volume, cash, etc.
2. Maintain reasonably low inventories of feeds and ingredients - This makes more cash available for other needs and helps protect against a fluctuating market.
3. Use a meal or pellet rather than a coarse-texture feed - Meals and often pellets may cost less than the same formula in a coarser and perhaps less digestible form.
4. Consider use of a urea-

containing feed in a well-balanced ration - Soluble protein and rumen undegradable protein must be at proper levels in the total ration, as well as mineral and readily available energy content (NSC). More often can be used in a ration containing higher levels of corn silage, hay and dry corn than with a haylage and high-moisture corn diet.

5. Reduce forage and concentrate waste - Some farms run considerably over the 5 to 10% feeding out loss generally encountered with good feeding and handling practices.

6. Switch from a farm or custom-mixed concentrate to a manufactured feed if it is more economical and meets the needs of your herd - Often custom mixes cost more than a manufactured feed.

7. Try decreasing protein intake moderately - Some good producing herds can use an appreciably lower protein ration than others. Check response when lowering protein the equivalent of 2% on a finished dairy feed basis.

8. Try discontinuing buffers or limiting their use to the first 2 to 3 months of the lactation. Cows may not respond profitably on a ration high in alfalfa which is a good natural buffer.

9. Determine if fat feeding is profitable in your herd by response to its removal - It does not pay to use high-fat rations in some herds whether it is from oilseeds or added fats.

10. Consider use of commodities and/or food processing wastes - More advantageous in herds of about 100 cows and higher.

11. Increase forage intake and

decrease concentrate intake in a well-balanced ration if cash flow is critical.

12. Use sour colostrum, waste milk or milk replacer for calf feeding.

13. Wean calves at four weeks, if they are eating 1 to 1½ lbs. daily of a good calf starter plus forage.

Make only one change at a time to improve evaluation. Decrease concentrate intakes gradually at not over 3 to 4 lb. daily during a period of a week.

BILL HEALD

Lower Costs of Producing Milk

1. Switch from DHIR or DHIA to AM/PM testing.

2. Withhold high SCC cow's milk from bulk tank milk to receive quality bonuses.

3. Remove cows from the herd that don't produce enough milk to pay for their feed and maintenance costs.

4. Don't breed cows that are to be culled.

5. Keep only the best heifer calves and sell the rest before weaning.

6. Reduce culling of milking herd to 25-35%.

7. Sell cows that continue to be infected with Staph aureus after dry cow therapy and freshening.

8. Shoot for a 50-60 days dry period.

9. Freshen heifers at 22-25 months.

10. Design a mastitis control program to lower SCC by ½ or linear score by 1.

11. Determine desired lactation average milk production. Divide that number by 200 for cows and 225 for heifers to determine peak milk. Manage cows to reach that level of peak milk on first or second test.

12. Look for Holstein cows with protein tests below 2.9%. These cows are low in energy or thin. Feed them more energy to correct body condition score or protein test.

13. Look for Holstein cows with fat test below 3.3 or above 4.3. They probably have a feeding problem that is reducing production.

FOCUS

Pennsylvania Dairy Herd Improvement Association

Call 1 800-DHI-TEST for service or information

14. Cows with a somatic cell count score greater than 4 are probably infected and indicates that the mastitis control program can be improved.

JUD HEINRICHS

How to Lower Replacement Feed Costs

1. Feed discarded and waste milk colostrum.

2. Don't overfeed liquid feeds to young calves.

3. Feed adequate forages - kinds and amount.

4. Watch costs of purchased feeds.

5. Forage test and feed program.

6. Watch grouping of animals - numbers and the age-weight spread.

7. Check amounts of grain fed - 2 to 3 lbs.

8. Feed waste feeds from cows.

9. Keep weight gains steady.

10. Feed ionophors.

STEVE SPENCER

Increasing Income and/or Cutting Costs

1. Lower Somatic Cell Count (SCC). Use proven teat dips and dry treat all quarters of all cows.

2. Cull low producers.

3. Keep milking equipment in top operating condition. Buy used when possible.

4. Consider 3X milking. This can provide 15-20% increase in milk production. Make sure labor scheduling can handle it.

5. Invest in a heat reclamer. Payback is quick on most farms.

6. Use proper amount of chemicals for cleaning and sanitizing. Don't over-use.

MIKE O'CONNOR

Reproductive Management

Here are a few topics in the area of reproductive management that dairy herd managers may want to consider in planning to reduce expenses.

1. Age at 1st calving - Strive for an average of 24 months. It is estimated to cost at least \$1.50 per

day to extend the age at first calving beyond 24 months. Too many dairy farms are losing \$100 per heifer because of delayed first calving.

2. Production per cow per year decreases as calving interval increases beyond 13 months.

3. Inseminate cows in standing heat - Inseminations based on secondary signs of heat result in lower conception rate. This increases semen costs and extends calving interval. A study using herds with average fertility showed at least \$35 net return per cow per year with the implementation of a systematic heat detection program versus poor heat detection procedures.

4. Cull chronic repeat breeding cows - evaluate the benefits of keeping cows that have been inseminated three or more times.

5. Use reproductive hormones judiciously - carefully evaluate your use of drugs for inducing heat and ovulation.

LARRY SPECHT

Genetic Management Tips

1. Buy only as much semen as you will use in the next six months.

2. Buy semen from a reliable source. Know your supplier! Semen that doesn't settle cows is the most expensive kind.

3. Use sires with reliable information. Progeny tested sires from established AI programs are your best bet.

4. Pay attention to PTA dollars for milk, fat and protein. Use of this economic index will give dairymen the best return per dollar spent.

5. If you are on DHI or AM/PM test - consider signing up for the young sires that are being progeny tested by the AI units. This program offers semen at greatly reduced prices and provides genetics that are equal to the average AI sire currently in service.

RELATIVE FEED VALUES: Multiple Feedstuffs PRICE INPUT: as of March 7

| Crop/Feedstuff | Price | Relative Feed Value | @ DM % |
|---|----------------|---------------------|--------|
| Shelled Corn Per Bushel--> | \$2.48 | | |
| 44% Soybean Oilmeal Per Ton> | \$220.00 | | |
| Table 1. Grains | | | |
| 1 EAR CORN..... | 79.56 Per Ton | | 85 |
| 2 EAR CORN, high moisture..... | 58.39 Per Ton | | 65 |
| 3 EAR CORN, bushel basket..... | 1.39 Per Bu. | | 85 |
| 4 CORN, shelled, high-moisture ... | 71.68 Per Ton | | 72 |
| 5 OATS, spring..... | 1.49 Per Bu. | | 90 |
| 6 BARLEY, winter..... | 2.43 Per Bu. | | 89 |
| 7 WHEAT, winter..... | 2.80 Per Bu. | | 86 |
| 8 RYE, winter..... | 2.74 Per Bu. | | 88 |
| 9 SORGHUM, grain..... | 2.43 Per Bu. | | 89 |
| 10 SOYBEANS, whole, raw..... | 6.07 Per Bu. | | 90 |
| Table 2. Supplements & Extenders | | | |
| 11 COTTONSEED MEAL..... | 10.25 Per Cwt. | | 93 |
| 12 BREWER'S GRAIN, wet..... | 36.12 Per Ton | | 24 |
| 13 BREWER'S GRAIN, dried..... | 137.78 Per Ton | | 92 |
| 14 DIST. CORN GRAIN, dried..... | 151.92 Per Ton | | 93 |
| 15 HOMINY FEED..... | 5.07 Per Cwt. | | 91 |
| 16 CORN GLUTEN FEED..... | 6.93 Per Cwt. | | 90 |
| 17 WHEAT BRAN..... | 5.11 Per Cwt. | | 89 |
| 18 WHEAT MIDS..... | 5.67 Per Cwt. | | 90 |
| 19 BEET PULP, dried..... | 4.16 Per Cwt. | | 91 |
| Table 3. Hay | | | |
| 20 LEGUME..... | 99.49 Per Ton | | 87 |
| 21 MIXED, mainly legume..... | 93.60 Per Ton | | 87 |
| 22 MIXED, mainly grass..... | 75.49 Per Ton | | 88 |
| 23 GRASS..... | 71.43 Per Ton | | 89 |
| Table 4. Silages | | | |
| 24 CORN..... | 28.44 Per Ton | | 34 |
| 25 LEGUME, haycrop..... | 53.07 Per Ton | | 47 |
| 26 MIXED, mainly legume..... | 48.65 Per Ton | | 46 |
| 27 MIXED, mainly grass..... | 37.97 Per Ton | | 43 |
| 28 GRASS, haycrop..... | 33.11 Per Ton | | 40 |
| 29 SMALL GRAIN..... | 36.85 Per Ton | | 37 |
| 30 SORGHUM-SUDAN..... | 30.57 Per Ton | | 34 |

Based on nutrient values in Penn State University Feeds Library.

Program by: W.K. Waters, Dept. of Ag. Econ. & Rural Soc., Penn State University.

How Does Your Herd Compare?

STATE COLLEGE (Centre Co.)—This data is pulled from Pennsylvania DHIA's mainframe computer each week. It is a one-week summary representing approximately one-fourth of the herds on test, as they are tested monthly.

These data are valuable from a business management standpoint and can be used for comparing your operations to the averages from almost 1,400 herds across the state.

DHIA Averages for all herds processed between 2/25/91 and 3/04/91

| | |
|------------------------------|--------|
| Number of Herds Processed | 1,424 |
| Number of Cows Processed | 83,629 |
| Number of Cows Per Herd | 58.7 |
| Milk Per Cow (Lbs) | 17,338 |
| %-Fat | 3.67 |
| Fat Per Cow (Lbs) | 636 |
| %-Protein | 3.19 |
| Protein Per Cow (Lbs) | 553 |
| Average Days in Milk Per Cow | 315 |
| *Value for CWT Milk(\$) | 13.87 |
| *Value for CWT Grain(\$) | 7.82 |
| *Value for CWT Hay(\$) | 4.33 |

| | |
|---------------------------------------|---------|
| *Value for CWT Silage(\$) | 1.55 |
| *Value for Pasture Per Day(\$) | .30 |
| *Value for Milk Per Cow Per Year(\$) | 2,404 |
| *Feed Consumed Per Cow Per Year(Lbs) | |
| A: Grain | 7,115 |
| B: Hay | 2,523 |
| C: Silage | 14,836 |
| D: Day Pasture | 68 |
| *Feed Cost Per Cow Per Year(\$) | |
| A: Grain | 556 |
| B: Hay | 109 |
| C: Silage | 231 |
| D: Pasture | 20 |
| *Total Feed Cost Per Cow Per Year(\$) | 918 |
| *Income Over Feed Costs Per Year(\$) | 1,486 |
| *Grain to Milk Ratio | 1:2.4 |
| *Feed Cost Per CWT Milk(\$) | 5.30 |
| Avg Level For 1,183 SCC Herds | 321,765 |
| *Member generated figures | |

Average Farm Feed Costs For Handy Reference

To help farmers across the state to have handy reference of commodity input costs in their feeding operations for DHIA record sheets or to develop livestock feed cost data, here's this week's average costs of various ingredients as

compiled from regional reports across the state of Pennsylvania. Remember these are averages so you will need to adjust your figures up or down according to your location and the quality of your crop.

Corn, No. 2y - 2.57 BU. 4.60 CWT.
Wheat, No. 2 - 2.63 BU. 4.39 CWT.
Barley, No. 3 - 2.01 BU. 4.30

Oats, No. 2 - 1.43 BU. 4.46 CWT.
Soybeans, No. 1 - 5.60 BU. 9.35 CWT.
New Ear Corn - 64.91 BU. 3.25 CWT.
Alfalfa Hay - 100.25 BU. 5.01 CWT.
Mixed Hay - 80.50 BU. 4.03 CWT.
Timothy Hay - 76.50 BU. 3.83 CWT.