

DAIRY PIPELINE

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Department of Dairy Science

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www.vtdairy.dasc.vt.edu



“Developing and recording goals and management priorities takes the emotion out of tough decisions when times are challenging and the ability to think clearly becomes more difficult.”

Dairy Management Specialist position—

Department of Dairy Science,
Virginia Tech

General Description

- Nine month; Tenure track; [70% Extension/30% Research]
- Earned Ph.D. in Dairy or Animal Sciences
- Assistant Professor
- Competitive Salary; Start Up Funds Available

Application review to begin
November 15, 2012.

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KEEP A CLEAR HEAD WHEN FEED PRICES SOAR

Feed prices are going up. Milk prices are not keeping pace. Profit margins are shrinking. Lenders are getting anxious. The trap is set for poor decision-making that easily occurs when a farm's priorities are not clearly defined. Decision-making is improved when the business objectives of the farm are clearly defined, and the focus is placed on those priorities that most impact lifestyle and farm profitability goals.

Many farms only have understood goals or even none at all. Developing and recording goals and management priorities takes the emotion out of tough decisions when times are challenging and the ability to think clearly becomes more difficult. Also, having these priorities recorded means they are available for reference.

In difficult times, common distractions may be cost saving deals or declining rates on operating loans. Using these tools may not be harmful themselves, and may actually be necessary to the farming operation. But, their use should be evaluated in the context of how they help achieve farm goals to avoid being “caught” in the trap of making an ill-advised decision.

My colleague, Andy Overbay, uses the example below to illustrate this point. You have \$55,000 available to buy a single vehicle for your farm. You have room to store one vehicle and the vehicle cannot be resold or traded. A local dealer has a new pickup for \$52,000. You can remember when \$25,000 was outrageous for a pickup! While shopping around, you come across a new 2013 Corvette Convertible 427 for \$49,000. This car has not been released yet, but I can assure you—that is a DEAL (list price on this car is \$91,320)! You buy it and bring it home. The next morning, you have cattle out that need to be hauled home, but you cannot hitch your gooseneck to your new car. You have a great bargain, but you have lost sight of your business priorities and jeopardized the operation.

A common trap when margins are get-

ting squeezed is improper cost control strategies. A simple goal of focusing on what pays the bills is a great starting point when evaluating cost-cutting opportunities. Here are a few low risk, high reward cost control tips that are aligned with the goal stated above:

- ▶ Review non-income producing units such as forage system, manure handling, replacement and dry cow enterprises for cost savings that will not hinder immediate and future profitability.

- ▶ Do not automatically make cuts to the lactating cow diet without evaluating potential negative effects to productivity or income. A good nutritionist can assist. Switching an ingredient that is fed at 5 lb./head a day for a \$50/ton savings saves 12.50/cow a day or \$375/month on a 100 head herd. The loss of 1 lb. of milk/cow makes this a bad decision.

- ▶ Practice comparative pricing the same commodity or supplement where savings can be realized with little or no dietary changes for the lactating herd. Ensure that these commodities are of equal nutritional value by requiring guaranteed minimums on major nutrients and dry matter content.

- ▶ Use timely forage tests to determine supplementation needs accurately.

- ▶ Determine culling and dry-off breakeven points to determine when cows should be culled or dried off. Feed pricey ingredients to the animals most able to turn that into current profit. Note: Culling and dry-off decisions should also consider body condition score, cow health, and reproductive status.

- ▶ Maintain udder and herd health to prevent dumping milk from treated cows who are still consuming the lactating cow diet.

- ▶ Keep up the preventative maintenance of the milking system to avoid system failures.

The above list is not comprehensive, but gives a guide for avoiding pitfalls of reactionary dairy management when feed prices soar and dairy margins shrink. Review herd performance benchmarks and look for indicators that barriers exist for cows to perform at their potential. Improvements in herd health, reproduction, and cow comfort (continued...)

Upcoming Activities

Oct. 2, 2012

Reproduction Refresher course for Dairy & Beef, 6:00 p.m., Chatham Ag Complex. [Cynthia Martel](#) or 540-483-5161

Sept. 30-Oct. 3, 2012

[National 4-H Dairy Conference](#), Madison, WI

Oct. 19, 2012

[Virginia 4-H & FFA Junior Dairymen's Contest](#), Virginia Tech Dairy Complex

Oct. 19-20, 2012

[Dairy Science Open House](#)

Oct. 20, 2012

[Showcase Sale at Virginia Tech](#)

Feb. 20-22, 2013


[VSFA Nutritional Management & Cow College](#), Roanoke, VA

Sustainable Agriculture Research & Education

■ Any producer or producer organization in the Southern region is eligible to apply for a Producer Grant. Details at www.southernsare.org/. Application deadline Nov. 15.

If you are a person with a disability and require any auxiliary aids, services or other accommodations for any Extension event, please discuss your accommodation needs with the Extension staff at your local Extension office at least 1 week prior to the event.

For more information on Dairy Extension or to learn about current programs, visit us at VT Dairy — Home of the Dairy Extension Program at: www.vtdairy.dasc.vt.edu.


R.E. James,
Dairy Extension Coordinator &
Extension Dairy Scientist,
Dairy Nutrition

lead to greater efficiency in converting feed to milk.

Linking daily decisions to the goals and strategies of the farm business results in

greater consistency in management, and avoids the trap of rash decision-making.

—Kevin Spurlin

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MINIMIZING THE IMPACT OF HIGH CORN PRICES

The drought in the mid-section of the U.S., ethanol production, and exports have combined to create tight corn supplies—and high corn prices now and for the next year. Traditionally, diets for high producing cows have contained about 26% starch, mostly supplied by corn grain. Economics

“...it is possible to achieve high production with much lower levels of starch in the diet.”

dictate that successful dairy producers feed the minimum amount of corn grain needed to provide starch in the diet without negatively impacting milk income. The good news is that it is possible to achieve high production with much lower levels of starch in the diet. This is achieved by the following changes to the feeding program.

► Harvest corn for silage at correct stage of maturity. DM percentage of the crop should be at least 32%. Additionally, one can examine the kernels for the migration of the “milkline” down the kernel. When it is approximately halfway down the face of the kernel, the crop is ready for harvest. Harvesting too early means the plant has less opportunity to deposit starch in the ear. Many varieties can contain as much as 38% starch when harvested correctly.

► Adjust processor rolls (.1–2” clearance) on the harvester to assure that kernels and the cob are broken.

► Select higher digestibility varieties for corn silage. Genetic selection has resulted in tremendous improvements in NDF digestibility. Recent research at Virginia Tech found that brown midrib (BMR) varieties tested 10% higher in NDF digestibility than non-BMR varieties at harvest. Research at Miner Institute found equal solids corrected production in cows fed diets based upon BMR varieties at 21% starch versus diets containing 26% starch based upon

non-BMR corn silage and additional supplemental corn.

► Consider using bags or smaller silos so that higher digestibility silages can be fed to the highest producing cows. Mixing BMR silages with those of lower digestibility doesn't allow one to capture the benefits of higher energy in the BMR forages.

► Substitute high digestible non-forage fiber sources such as citrus pulp, wheat midds and/or distillers grains for corn grain to reduce starch to 21% of the diet DM. When purchasing trailer load lots, always test nutrient content as deviation from “book” values can be high.

► Group cows. Over the past 15 years, many dairies have simplified their feeding programs by feeding all cows in one group. Simplicity has been achieved at the expense of feed efficiency as a greater proportion of the cows were overfed in the herd. Higher producing cows should receive the highest digestibility corn silage. Lower producing, later lactation cows may need little supplementation or the use of a less expensive by-product commodity feed to supply needed starch and energy.

The Miner Institute study found an additional benefit of higher butterfat content when feeding diets lower in starch but higher in BMR corn silage or conventional corn silage diets with added non-forage fiber sources.

Successful reduction of corn in the diet requires careful formulation and mixing of TMR's. Corn silage NDF digestibility (30 hr.) and starch should be estimated along with other nutrients in the silage to enable the nutritionist to adequately predict how the forage will be utilized. Corn grain should be finely ground to ensure that it will be well utilized in the rumen. Producers have successfully reduced starch content of high producing cow rations to 21%. Finally, monitor performance of cows when implementing a diet with reduced starch to make sure that savings in feed cost are greater than any reductions in milk income.

—R. E. James,

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