

ALABAMA DAIRY NEWSLETTER

ADS-D-09 9
September 17, 2009

This issue of the Alabama Dairy Newsletter contains ADHIA summary information for August 2009. Enclosed are several dates of importance, an article you could use with your banker and Boyd's Bullets.

2009 & 2010 Dates to Remember

September 27, 2009: 4-H National Dairy Conference, Madison, Wisconsin - Leave Sunday September 27th and Return Thursday Oct 1st.

October 1, 2009: Lease Forms For Animals To Be Shown At The Alabama National Fair

October 1, 2009: Entry Forms For The Alabama National Fair Show

October 10, 2009: Fayette District Dairy Show(Tentative)-Fayette, AL

October 11, 2009: Montgomery District Dairy Show – Montgomery, AL

October 11-13, 2009: Alabama National Fair Dairy Show- Montgomery, AL

November 6, 2009: Quiz Bowl Louisville KY - Leave Friday Nov 6 & Return Sunday Nov. 8, The Contest Is Saturday, Nov 8th

November 7, 2009: Dairy Judging Louisville KY - Leave Saturday Nov 7 & Return Monday, Nov 9th Contest Is Sunday, Nov 8th

March 6, 2010: State Dairy Judging Workshop – Wedowee, AL

March 17, 2010: Entry Forms From State Judging Teams

March 20, 2010: State Dairy Judging Contest – Shorter, AL

March 20, 2010: State Dairy Quiz Bowl Contest – Shorter, AL

May 1, 2010: DAIRY U 2nd Term – Auburn, AL

For More Info: www.ag.auburn.edu/~bradybo

Respectfully,

Boyd Brady, Extension Dairy Specialist

ALABAMA'S TEN HIGH HERDS FOR MILK,FAT & PROTEIN IN AUGUST 2009
OFFICIAL 305 DAY DHIA HERDS PROCESSED BETWEEN 8-1-09 AND 8-31-09

Name	City	Breed	No. Cows	All Cows			
				%in Milk	Ave. Daily Milk	Fat	Protein
<u>MILK</u>				**			
CHARLES EICHER	NEWBERN	H	74	92	54.6	1.84	1.58
J BOYD SIGAFOOSE	CENTURY	B	88	92	50.5	1.75	1.59
E V SMITH CENTER	SHORTER	H	87	85	45.6	1.51	1.38
BENNEY JOE BROWN	SOUTHSIDE	H	64	86	44.0	1.48	1.40
RONNIE SMITH	CULLMAN	H	144	81	43.6	1.54	1.32
DAVID/WILL GILMER	SULLIGENT	H	221	80	42.5	1.36	1.27
TRAYLOR DAIRY	WEDOWEE	X	226	80	41.4	1.14	1.27
PAYTON FARMS	COLLINSVILLE	H	91	80	39.7	1.25	1.16
PAUL JENNINGS	CENTRE	H	48	88	37.5	1.11	1.03
SHADY NOOK	GRAND RIDGE	J	160	77	36.9	0.73	0.61
Average of Ten High Herds This Month					43.6		
Average of Ten High Herds Last Month					47.5		
Average of Ten High Herds Last Year This Month					41.4		

<u>FAT</u>				**			
CHARLES EICHER	NEWBERN	H	74	92	54.6	1.84	1.58
J BOYD SIGAFOOSE	CENTURY	B	88	92	50.5	1.75	1.59
E V SMITH CENTER	SHORTER	J	65	75	33.8	1.63	1.19
RONNIE SMITH	CULLMAN	H	144	81	43.6	1.54	1.32
E V SMITH CENTER	SHORTER	H	87	85	45.6	1.51	1.38
CEDARCREST FARMS 2	FAUNSDALE	J	479	77	30.8	1.51	1.13
BENNEY JOE BROWN	SOUTHSIDE	H	64	86	44.0	1.48	1.40
J D BARR III	TROY	H	118	71	36.6	1.47	1.10
DAVID/WILL GILMER	SULLIGENT	H	221	80	42.5	1.36	1.27
WADE HEATHERLY	BAILEYTON	X	75	73	36.0	1.36	1.11
Average of Ten High Herds This Month					1.54		
Average of Ten High Herds Last Month					1.72		
Average of Ten High Herds Last Year This Month					1.52		

<u>PROTEIN</u>				**			
J BOYD SIGAFOOSE	CENTURY	B	88	92	50.5	1.75	1.59
CHARLES EICHER	NEWBERN	H	74	92	54.6	1.84	1.58
BENNEY JOE BROWN	SOUTHSIDE	H	64	86	44.0	1.48	1.40
E V SMITH CENTER	SHORTER	H	87	85	45.6	1.51	1.38
RONNIE SMITH	CULLMAN	H	144	81	43.6	1.54	1.32
DAVID/WILL GILMER	SULLIGENT	H	221	80	42.5	1.36	1.27
TRAYLOR DAIRY	WEDOWEE	X	226	80	41.4	1.14	1.27
E V SMITH CENTER	SHORTER	J	65	75	33.8	1.63	1.19
PAYTON FARMS	COLLINSVILLE	H	91	80	39.7	1.25	1.16
CEDARCREST FARMS 2	FAUNSDALE	J	479	77	30.8	1.51	1.13
Average of Ten High Herds This Month					1.33		
Average of Ten High Herds Last Month					1.46		
Average of Ten High Herds Last Year This Month					1.28		

Boyd's Bullets September 2009

Info derived from Dairy Alert

10 Profit Priorities

Mark J. Thomas is a veterinarian and partner in Countryside Veterinary Clinic, LLP in Lowville, N.Y.

Given the slow recovery of milk prices, it is difficult to suggest in this column “how to improve profits.” The slumping dairy economy has forced all dairy producers to enter survival mode. This makes it more important than ever to keep your eyes on the things that will keep your dairy afloat and enable you to be profitable when milk prices increase.

Here are 10 points to consider.

1. Optimize pregnancy rate.

Get cows inseminated in a timely fashion, find open cows quickly and get them rebred. A reasonable goal is a pregnancy rate greater than 20 percent. Remember that the future result of this will be more calves on the ground, which will increase heifer-rearing cost (not an excuse to let pregnancy rate slide).

2. Decrease calf mortality.

Calf losses are unacceptable on many dairies. Strive for a dead-on-arrival loss of less than 4 percent and a pre-weaning death rate less than 3 percent. These goals are achievable with proper care and [nutrition](#).

3. Optimize milk components.

If your bulk tank average is not at least 3.5 percent fat and 3 percent protein (5.5- to 6 pounds of solids per cow per day), then your cows are telling you something. Ration formulation, forage quality and feed delivery are obvious places to start, but don't forget about cow comfort and heat stress.

4. Increase marginal milk.

The last pound of milk is where the profit (or at least [extra money](#)) lies. Strategies like 3X milking, shorter dry periods, recombinant bovine somatotropin (if your processor accepts its use) and Rumensin all allow for this immediate return. The last pound of milk produced does not cost the same as the first pound!

5. Evaluate ration cost.

Produce and feed the highest-quality forages to cut purchased-feed cost. As always, the least-expensive ration may not be the most economical. Calculate income-over-feed cost on a monthly basis. Evaluate additives and [supplements](#) carefully. Does research exist and are you really getting a return on their use?

6. Decrease “broken cows.”

Review your involuntary cull rate for the first 60 days in milk. Is it greater than 6 percent? Transition is the most vulnerable time for cows, but we still see unacceptable levels of metabolic disease. Work to improve nutrition and cow comfort to reduce — versus treat — disease.

7. Remove low-profit cows.

Given the low milk price, this is an opportune time to evaluate which cows are worth keeping. Cull low-producers or dry off some cows early. You are likely losing money feeding some cows a lactating ration. In many instances, reducing overcrowding increases overall herd production and health. Don't keep cows around just for numbers.

8. Maximize comfort.

Stall design, bedding, stocking density, heat abatement and feeding management are the aspects of a dairy that make the real difference. Embrace the current concepts not only from a profitability standpoint, but also to maximize cattle welfare. You will see the immediate returns of increased production, increased components, reduced disease and lameness and overall improved longevity.

9. Manage and train employees.

Allow your employees to strive for success. Institute training in proper techniques for all aspects of your dairy. Set goals to reduce employee turnover, improve efficiency and ensure proper welfare for your cattle. But, don't be afraid to cull. A bad employee can ruin your operation.

10. Find the bottlenecks.

Find the rate-limiting steps that prevent you from reaching performance goals. The bottlenecks will be found in one of three areas: equipment (barn, stalls, feed and cows), people (lack of skill) and policy (lack of written or unwritten farm policy). Use an advisory team to help prioritize opportunities.

USDA Projects 13-billion-bushel Corn Crop

Remember when 150 bushels per acre was an outstanding corn yield? It's now below average. Based on conditions as of Sept. 1, USDA projects U.S. corn yields to average 161.9 bushels per acre, up 2.4 bushels from August and 8 bushels above last year.

In its latest Crop Production report, the agency now projects total U.S. corn production at 13 billion bushels, up 2 percent from last month and 7 percent higher than 2008.

If realized, this will be the highest yield on record and production will be the second largest, behind 2007. The agency predicts [farmers](#) will harvest 80 million acres of corn for grain, up from 78.6 million last year.

Yield forecasts increased from last month across the western Corn Belt and the northern half of the Great Plains as mild temperatures and adequate soil moisture supplies provided favorable growing conditions. Yield prospects were unchanged in the eastern Corn Belt where dry conditions during August depleted soil moisture supplies.

USDA also increased its forecast for soybeans, predicting a record harvest of 3.25 billion bushels, up 1 percent from the August forecast and up 10 percent from last year. Based on Sept. 1 conditions, yields are expected to average 42.3 bushels per acre, up 0.6 bushel from last month and up 2.7 bushels from 2008.

If realized, this will be the third highest yield on record. Compared with last month, yields are forecast higher or unchanged in all states except Indiana, where the yield is expected to be down 2 bushels.

The largest increases in yield from the August forecast are expected in Alabama and Maryland, up 5 and 6 bushels, respectively. If realized, the forecasted yield in Alabama, Georgia, and Mississippi will be a record high and the forecasted yield in Nebraska, North Carolina, and Ohio will tie the previous record high. Area for harvest in the U.S. is forecast at 76.8 million acres, up slightly from June and up 3 percent from 2008.

The [full report](#) is available from USDA.

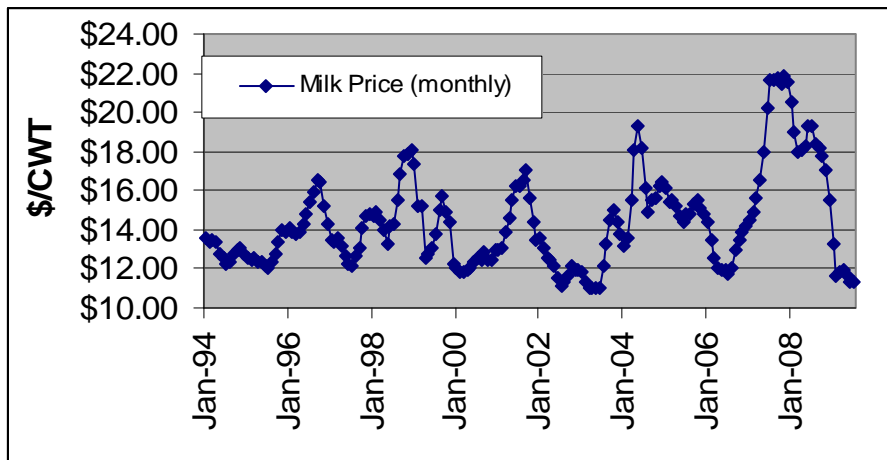
2009-2010 Alabama Dairy Situation and Outlook

Maw Runge and Boyd Brady, Alabama Cooperative Extension System

Milk producers have always faced seasonal production of milk as well as seasonal changes in price. In the Southeast, milk production typically declines in the hot summer months and increases as the

weather moderates. Price also changes, not only from season to season but year to year. Milk prices usually decline in the summer due schools being out and increases in the fall.

The old adage ***“What goes up must come down”*** has been proven to be true once again with milk prices. After a couple of years of high milk prices, they have taken a dramatic drop. What makes this more troubling is that the drop in milk price is coupled with some of the highest production costs in recent memory. Therefore, this year has been one of the most difficult in recent dairy history. There is hope for the future. According to Brad Hilty, Business and Information Management Specialist with Penn State’s Dairy Alliance Program, milk prices will increase again. Hilty said that the rolling five-year average of milk prices has been increasing every year since 1990.



As seen in Table 1, monthly milk prices are cyclical. It is important to note that the variations in milk prices are becoming wider. This can be attributed to a number of factors but changes in the dairy industry as well as changes in dairy policy are affecting the dairy industry. Dairy industry change includes fewer dairies in the southeast and more in the western US. These western dairies are typically larger than other US dairies. The changes in policy has moved milk pricing to a more market base approach with support prices decreasing. As price support decreased, volatility in farm level milk prices has increased.

What does this mean for the dairy industry in Alabama? The immediate affect is that the current low prices may cause some financial uncertainties for milk producers. Milk prices will move higher...when and how much is unknown but the cyclical pattern will continue.

Most dairies have built up a tremendous amount of equity in their operations and they have a good system of cash flow since they are paid twice a month for their milk. However, there may be times that milk production decreases and the monthly price of milk falls while production costs remain high meaning that dairy producers may need cash flow assistance.

With the higher milk price over the past couple of years, dairy producers have added cows to their herd. With the additional cows producing milk, the supply of milk has increased. This is one reason leading to the drop in milk prices. In order to correct this problem, the (NMPF) National Milk Producers Federation introduced the (CWT) Cooperatives Working Together program. This program has been used in the past to decrease the number of dairy cattle in the U. S. The 2009 version has been implemented and will begin taking cattle out of production in September 200. This year's program will take out approximately 87,000 dairy cattle which equals 1.8 billion pounds of milk taken out of the market, the largest amount of milk ever taken out of the market in any one program. Seventy three percent of the dairies to be taken out of production are located east of the Mississippi River. The result of this program has always been to increase milk prices in the past. With this program taking out more dairy cows than any other program, the effect should result in higher milk prices.

Producers who intend to continue milking might want to consider meeting with their financial lenders for restructuring their debt. This will give them some time until the roller coaster ride of milk prices turn upward.

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