

Surviving The Dairy Economic Roller Coaster

By: Donna Amaral-Phillips, Ph.D.



With lower milk prices and higher feed costs this year, many dairy farmers are looking for ways to survive these tough economical times. We need to look at ways to improve net income for which farmers can control and change. Farmers can control how they use their monetary resources for the feeding program on the own farms .

When reviewing your feeding program, start by taking a hard look at each cow in your herd. Available feed and financial resources need to be allocated to the most productive cows in the herd. Cows which are the less productive, such as those cows which have been open a long time, cows with high cell counts, and/or the lowest producers may need to be culled. Farmers need to allocate the available forage resources and dollars to purchase feed to those cows which make the most money per dollar invested. Sometimes, culling cows may even increase the total amount of milk produced if feed bunk space or amount of feed fed was limiting productivity prior to culling.

Early lactation cows are the profit generators. It is extremely important that these cows be given every opportunity to milk to their potential. These cows need to see quality feed in the feed bunk at all times and have a comfortable stall to lie down in and chew their cud. You may want to think about managing these cows separately from the later lactation cows so that you can give them some additional attention and/or additional grain, different forages, or feeds. This practice allows you to target which cows receive those feeds that cost more or those quality forages that are tight supply.

Feed costs represent 50 to 60% of the cost to produce milk. Review your current feeding program to see if there are additional changes that can help you save feed dollars. In some situations, changing the ingredients of the grain mixture but at the same time providing a balanced diet can save money by reducing purchased feed costs. Also, reevaluate if the feed additives you are adding to see if they are resulting in additional milk production, improved health, or improved reproductive performance to justify their cost. Above all, consult your nutritionist to see if there are ways to reduce feed costs.

During tough economical times it is very hard to resist the urge to cut back on feed which can later cost more dollars than you saved now. For example, dry cows and heifers need grain to maintain their body condition and to grow. However, they are not currently income generating assets. But we need to realize that cutting corners here can cost us in lower milk production, delayed rebreeding and compromised health once they calve. Cutting corners now that compromise future health and performance will end up costing you more dollars than you save.