2018 Penn State Dairy Nutrition Workshop

### What Can Rumination Tell Us about Managing Nutrition?

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#### What we will discuss today:

- What is rumination and why is it important?
- What influences rumination time?
- Monitoring rumination on-farm using technology
- The importance of rumination in rumen function and production of milk and components
- New research on rumination and milk fat
- Future directions

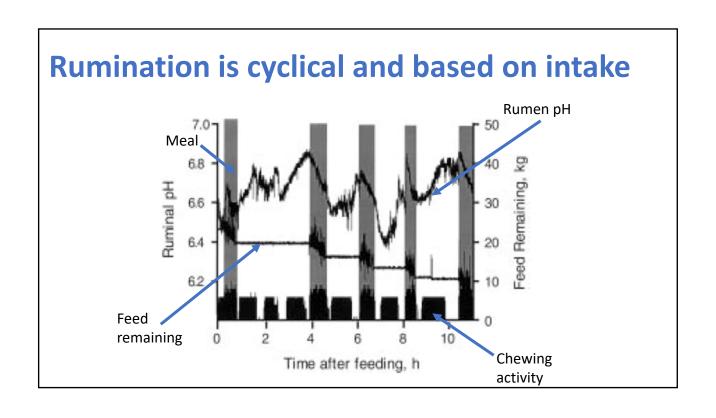
### The purpose of rumination is to improve feed digestion

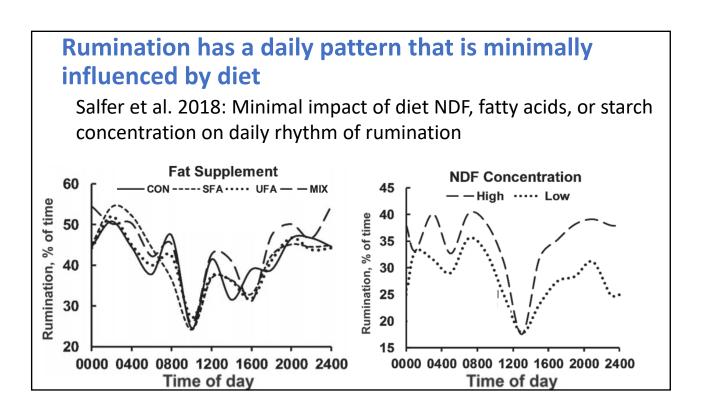
#### How?

- 1. Reduce particle size
- 2. Increase surface area for microbial digestion
- 3. Supports optimal rumen function

### Rumination is an essential part of the digestive process

- Regurgitation of partially digested feed through contractions of the reticulorumen
- Occurs usually while at rest
- Enables rapid consumption followed by leisurely breakdown
- Rumination is key part of the time budget between ruminating, eating, and resting
- These variables are often reciprocal especially rumination and eating
  - → There is no perfect time budget for all cows





#### Rumination time can be assessed in two ways:

- 1. Baseline or average rumination time (e.g. min/d)
- 2. Deviation ( $\Delta$ ) from baseline rumination time
  - These is what rumination sensor algorithms for heat detection and health alerts are built around

### Baseline rumination time is driven by multiple factors:

- Diet
  - Forage to concentrate ratio
  - Particle size
  - Feed fragility (e.g. straw vs silage)
- Milk production → Dry matter intake
- Individual cow variability



### Baseline rumination time is driven only partly by diet and DMI:

Variable	Correlation coefficient for Rumination time (mid/d)
DMI	0.19
Eating time (min/d)	0.27
NDF, % of DM	-0.15
Forage NDF, % of DM	0.19
Forage, % of DM	0.15
Silage, % DM	0.21
TMR particles on 8mm sieve, % of DM	0.38

Diet factors interact with one another and with DMI – this dilutes each variable's direct correlation with rumination time.

Beauchemin (2018)

Particle size is important but is not a great predictor of rumination

- Cow rumination responses to particle size are often not repeatable in research trials
- Recent meta-analysis of particle size research indicated additional factors that modulate cow response to particle size:

Forage source
Forage:Concentrate ratio
Ensiling method

Nasrollahi et al. (2016)

### Baseline rumination time is impacted by inherent animal variability

- Cows ruminate for widely variable amounts of time each day, even when environment, diet, DIM, parity, and production level are accounted for
- Variation attributable to Cow ranges in the literature from 16% to 48%
  - 12 cows on same diet monitored with halter pressure monitors vs 79 cows on varied diets monitored with a commercially available microphone-based system

#### **Take-homes:**

- No single factor predominantly determines baseline rumination time!
- The impact of higher or lower baseline rumination time on production is not well understood

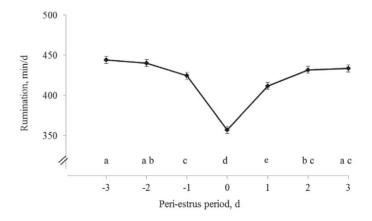
Dado and Allen, 1994; Byskov et al. 2015

### Specific events cause rumination to deviate from the baseline:

- Estrus
- Calving
- Metabolic conditions
  - Transition period
- Gastric/other illness
- Changes in milking or feeding frequency

Current rumination sensors are quite effective at detecting and identifying these events!

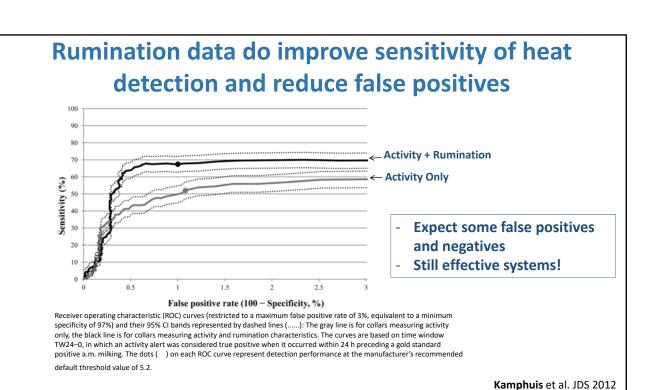
#### Rumination decreases before and during estrus



Dynamics of rumination time during the estrus period for 265 estrus events leading to pregnancy of the cow.

Reith et al. JDS 2012

#### **Change in rumination time during estrus is** not uniform across all cows 80 70 60 Number of cows 50 30 20 10 11 - 20 21 - 30 31 - 40 41 - 50 > 51 Rumination 1 - 10 increase Rumination decrease, % Distribution of the number of cows with different decreases (%) in rumination time during estrus. Reith et al. JDS 2012



#### How do we measure rumination?

- 1. Visually count number ruminating
  - Daily patterns!
- 2. Video recording
- 3. Rumination monitoring systems

### Multiple rumination monitors are commercially available

- Heatime HR Tags (neck collar) SCR
- SensOor (ear tag) CowManager/Select Sires
- MooMonitor+ (neck collar) DairyMaster

Systems use accelerometer to detect motion, and algorithm to interpret movements as behaviors



#### Rumination monitoring systems are accurate

Publication	Cow hours observed	Observers	Housing	System	R <sup>2</sup> of system vs visual observer
Pereira et al. 2018	144	1	Grazing	CowManager	0.72
Borchers et al. 2016	192	42	Freestall	CowManager	0.69
Bikker et al. 2015	327	3	Freestall	CowManager	0.93
Schirmann et al. 2009	102	2	Freestall	SCR	0.96

Detection of rumination may vary by system; for cows wearing both CowManager and SCR sensors, SCR reported 39% greater rumination times on average (Dolecheck, 2015)

# We have successfully incorporated rumination data into reproduction and health monitoring....

#### What about nutrition?

(rumination is digestive process after all!)

### Rumination contributes to and is an indicator of proper rumen function

**Optimal rumination** 

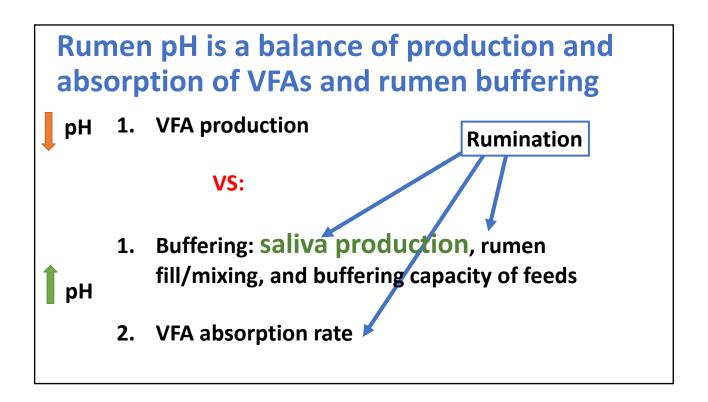


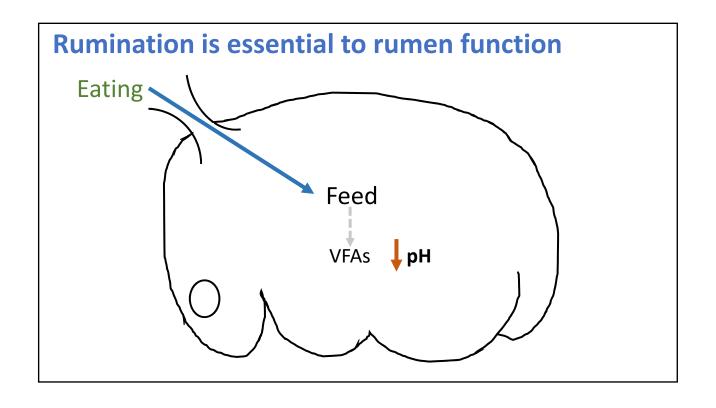
**Optimal feed digestion** 

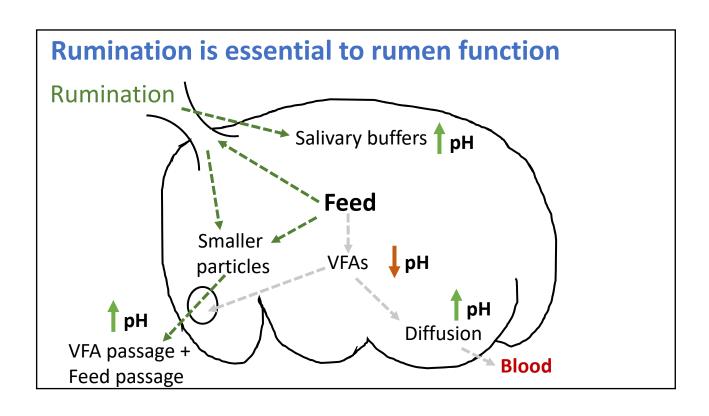


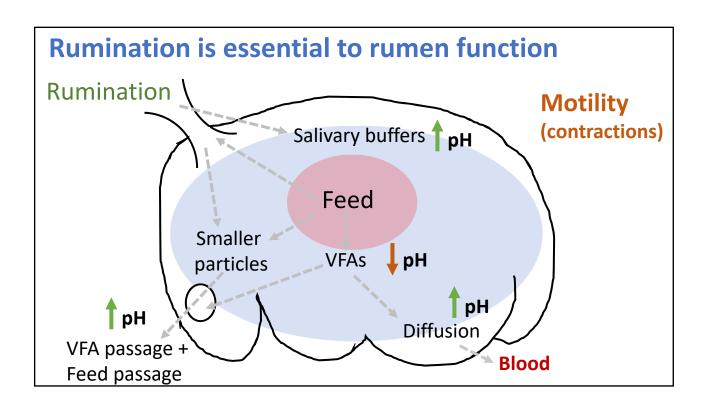
Rumination impacts rumen function:

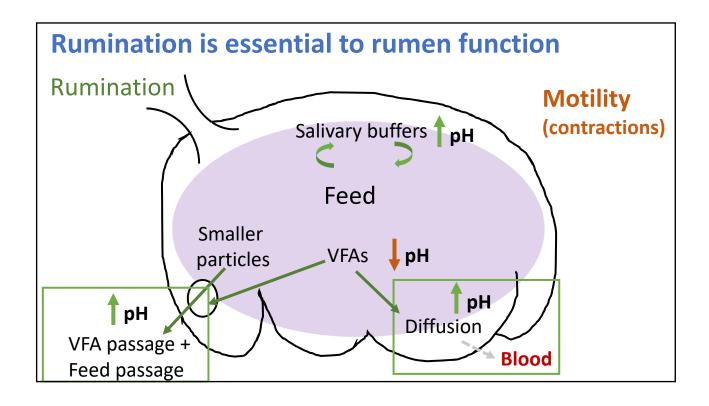
- 1. Increases rumen pH
- 2. Encourages motility and mixing
- 3. Increases availability of substrate for microbes











### Disrupted rumen function can disrupt production of milk and components

Two examples of affecting milk fat production specifically:

- Milk fat depression: altered fermentation causes formation of fatty acids that inhibit milk fat synthesis
- Subacute ruminal acidosis (SARA): prolonged low rumen pH damages rumen papillae and reduces health and productivity (primarily milk fat and yield)

Do not understand prevalence of these conditions, and if/how rumination may play a role.

#### Milk fat varies between and within herds

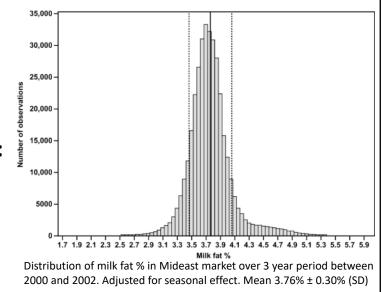
#### The "known" factors:

- Diet
- Season
- Stage of lactation, parity

#### The "unknown" factors:

- Genetics
- Milk fat depression
- Rumination?

Bailey et al. 2005



# Nutritional Implications of Metabolic Diseases in Dairy Cows

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#### Parturient Period

High risk for ill health – first two weeks

#### Metabolic

- Milk fever
- Ketosis
- Fatty liver

#### Gastrointestinal

- Rumen upset/acidosis
- Indigestion

#### Infectious

- Metritis
- Mastitis
- Pneumonia

#### **Physical Problems**

- Displaced abomasun
- Retained placenta
- Lameness

#### Postpartum Cow

~50% of cows have at least one health problem post-calving

Often cows have multiple problems that occur as a complex

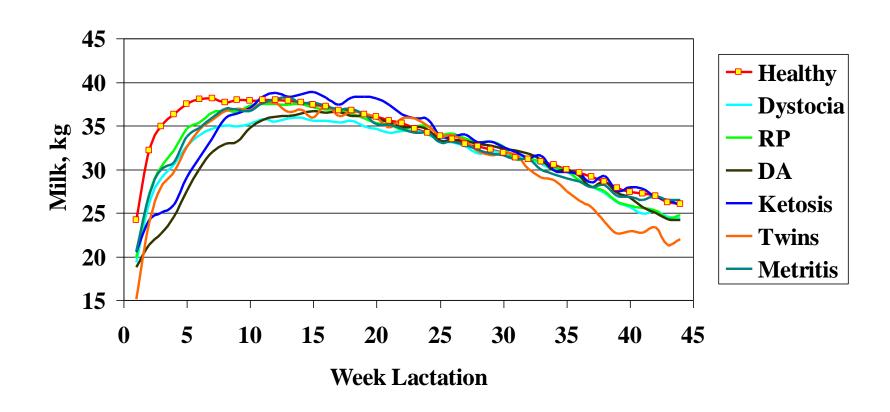
RFM  $\rightarrow$  metritis  $\rightarrow$  ketosis  $\rightarrow$  DA

Dystocia
Retained fetal membranes (RFM)
Milk fever (MF)
Metritis
Mastitis
Ketosis

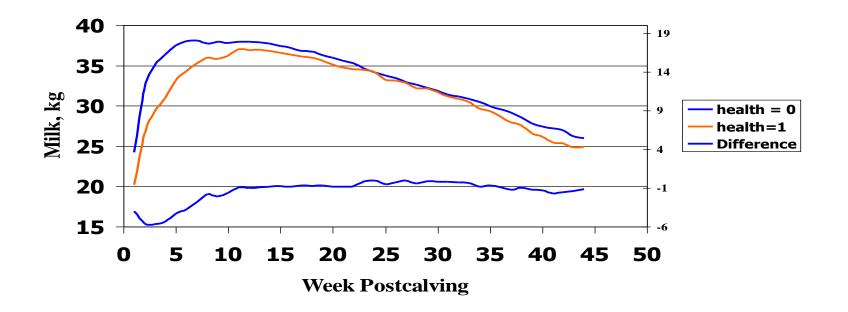
Displaced abomasum (DA)
Fatty liver
Indigestion

Cows with parturient problems have reduced milk yield, reduced fertility and increased risk of culling or death

#### Health and milk production



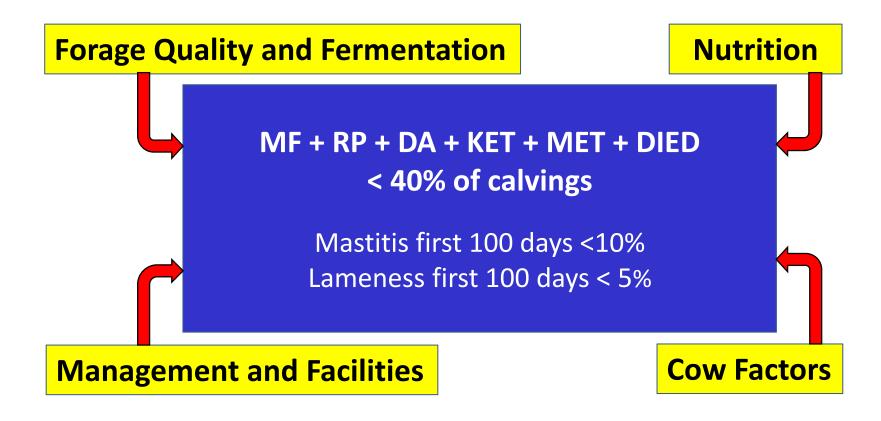
#### Health and milk production



No problem: M305 9514

Problem: M305 9310 -204 kg ns

#### **Transition Goals**



### Hypocalcemia and Calcium Regulation

#### Serum Calcium

- The precise control of calcium ion in extracellular fluid (ECF) is vital to the health of the cow
- Key role in biological processes
  - Muscle contraction, blood coagulation
- Total mean Ca in blood ~9-10 mg/dl
  - 2.25-2.50 mmole/liter
- Serum calcium is bound to albumin and globulin (~50%)
- Biologically active free ionic calcium (~50%)

# Acute decline in blood calcium with onset of lactation/parturition

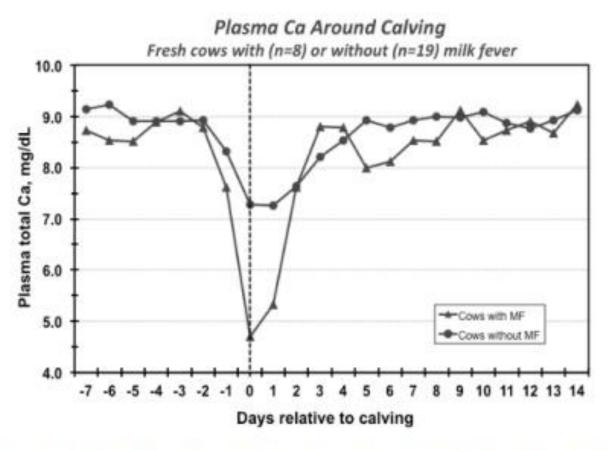


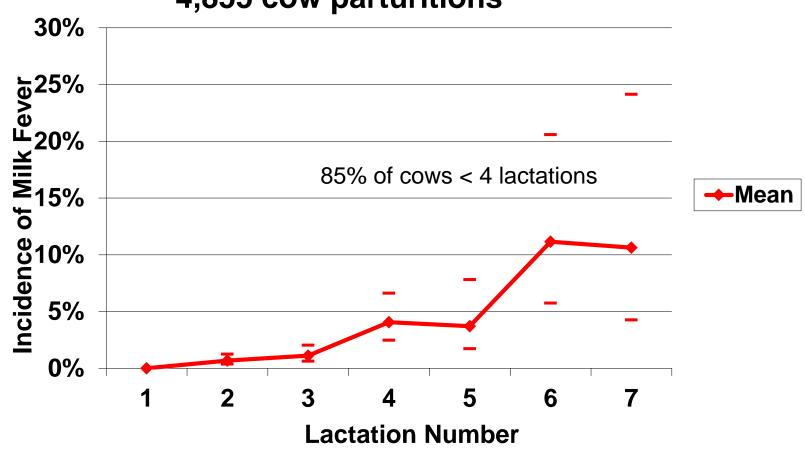
Figure 4. Period of greatest clinical occurrence of milk fever in cows post calving (Adapted Kimura et al. 2006)

#### Parturient Hypocalcemia ("Milk Fever")

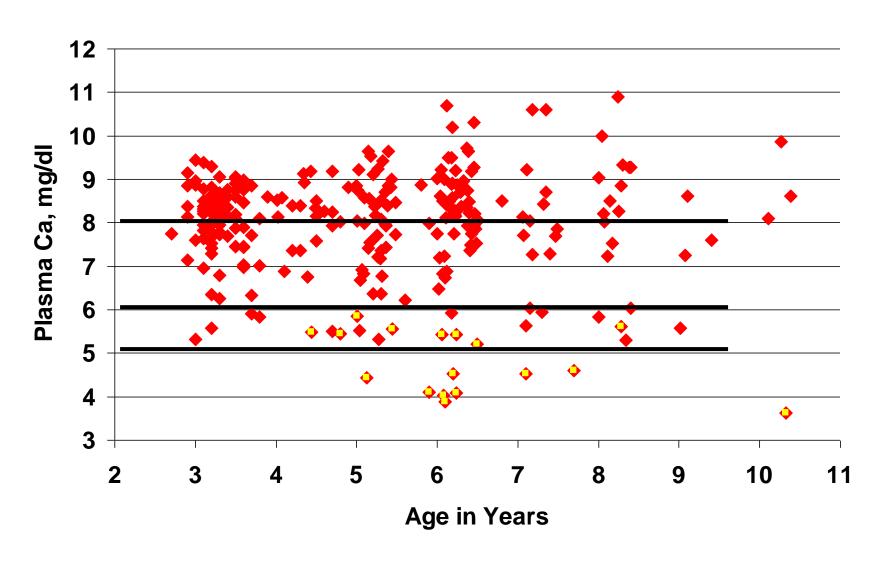
- Serum Ca < 5.6mg/dl (individual variation)</li>
- Recumbent, depressed, gut stasis, hypothermic
- Require intravenous calcium treatment to survive
- Incidence ~5%
- Risk of MF increases with age
  - 9% per lactation (Lean et at., 2006)

#### Milk fever by lactation

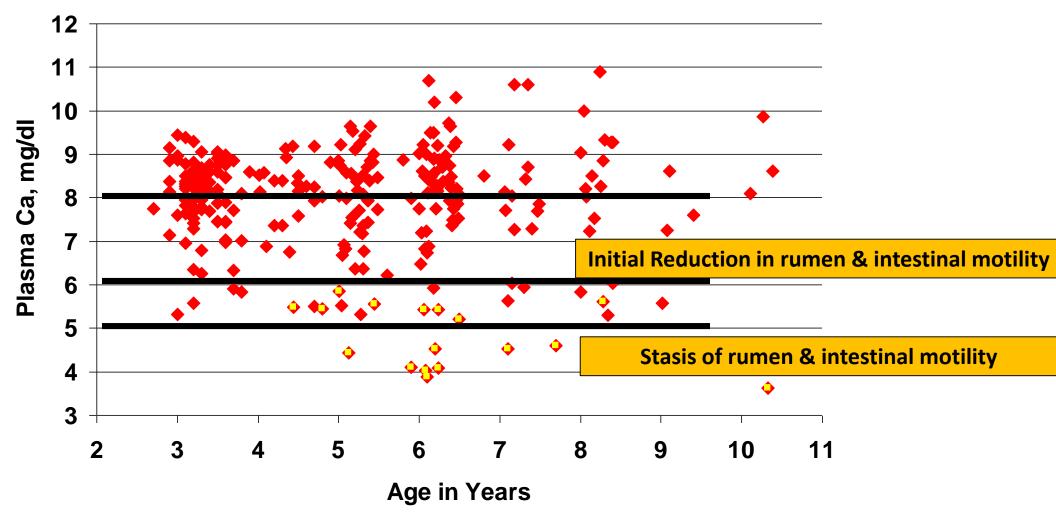




#### **Plasma Ca Day of Calving**



#### **Plasma Ca Day of Calving**



Reduction in motility will impair Ca absorption

#### Calcium homeostasis

- Blood calcium is maintained within a narrow range of 8-10 mg/dl.
- Calcitonin is secreted plasma iCa is elevated
  - Increases deposition of Ca and P into bone
- PTH secreted with lowered palsma iCa
  - Increases Ca mobilization from bone
  - Increases intestinal absorption of Ca

#### Calcium homeostasis

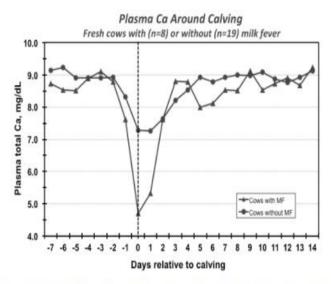
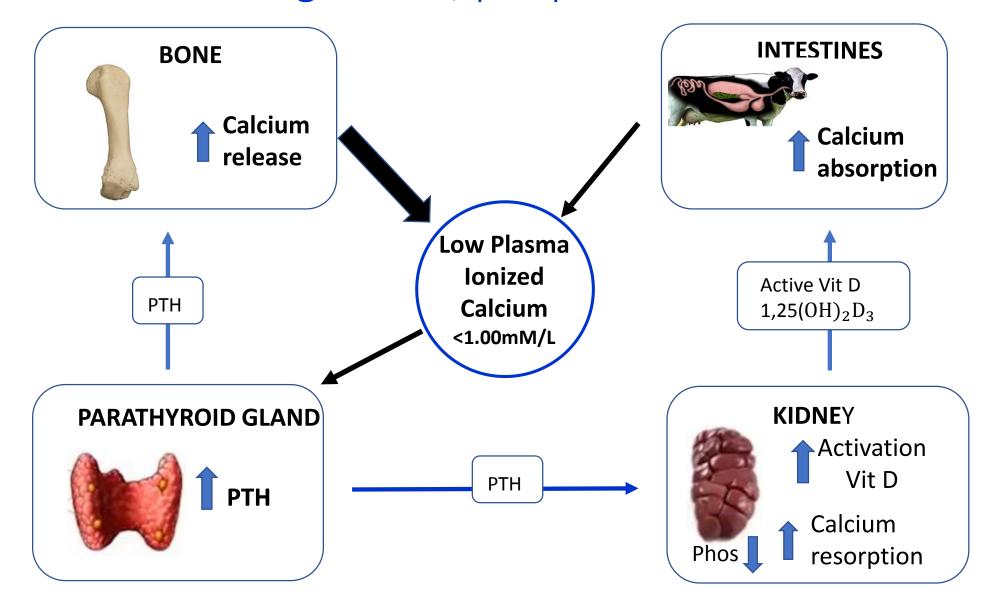


Figure 4. Period of greatest clinical occurrence of milk fever in cows post calving (Adapted Kimura et al. 2006)

#### Kinetics (Ramberg)

- Sudden but temporary decrease in Ca at calving
- Decline in plasma Ca for 1-2 days post calving
- Followed by a recovery in homeostasis 2-3 days

#### Calcium regulation, periparturient cow



#### Minerals modifying response to calcium regulation

#### Magnesium

- Critical for the release of PTH from the gland
- Involved in the synthesis of the active form of Vit D
- If Mg is low, kidney and bone are less responsive to PTH.

#### Phosphorus

- Increasing dietary P increases the risk for milk fever
- P regulated by directly by  $1,25(OH)_2D_3$
- P regulated indirectly by the PTH/Ca neg. feedback loop

#### Subclinical Hypocalcemia

- Serum Ca >5.6 -? (8.0, 8.5)mg/dl
- Cut off value influences % of cows with SCH after calving
- Associated risks depend on timing of blood sampling after calving.
- More subtle signs
- To treat or not to treat with calcium
  - Intravenously
  - Subcutaneously
  - Orally

#### Hypocalcemia

- Calcium is needed for normal muscular function
- The uterus, rumen, abomasum contain smooth muscle which can be weak/less tone
- Increased risk of
  - Dytocia
  - Uterine prolapse
  - Retained fetal membranes (RP)
  - Reduced rumen function and DMI
  - Displaced abomasum (DA)
  - Ketosis
  - Mastitis

#### Pre-Partum dietary management

- Manipulate dietary cation anion difference (DCAD)
  - Limit cations  $(K^+ + Na^+)$ , Supplement anionic salts  $(Cl^- + S^{-2})$
  - Metabolic acidosis and increased urinary Ca excretion
  - Urinary pH acidic (6.0-7.0)
  - Often calcium fed at 1.0 to 1.8% DM (180 gms)
- Low dietary calcium diets
  - Limit calcium to <0.4% DM</li>
  - No supplemental calcium added
  - Calcium binder to decrease Ca absorption (Zeolite A)

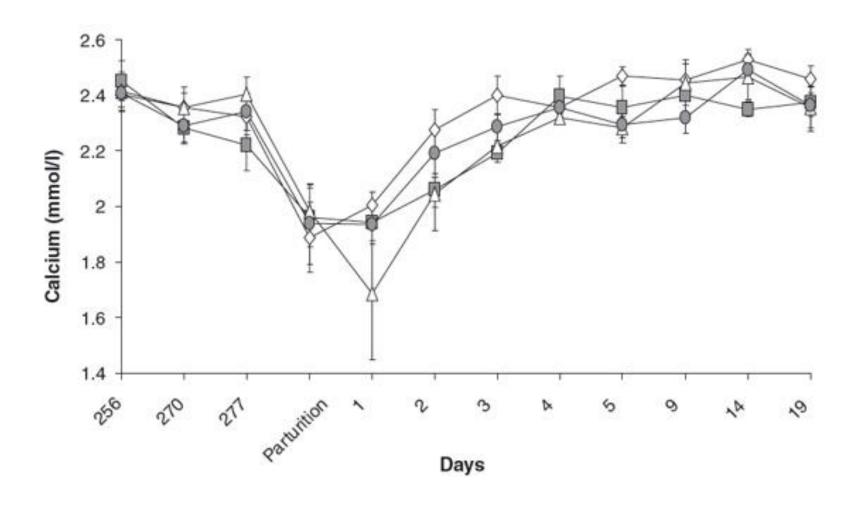
## Influence of different calcium contents and anionic salts fed pre-partum and plasma changes through parturition

A.Liesegang et al.

♦ 43.5 g Ca/day

- 40.5 g Ca/day + anionic salts
- $\triangle$  100.9 g Ca/day
- 98.5 g Ca/day plus anionic salts

24 Holstein Cows 2-4<sup>th</sup> lactation



#### Acidogenic Diets

- Benefit may be the increase in urinary Ca
- Amount can be about 5 to 8 grams/day rapid recovery
- May be sufficient for rapid reabsorption to maintain ECF Ca concentrations

### Low Calcium Diets

- Boda < 30g/d will prevent MF
  - < 50 g/d will minimize MF cases and improve response to treatment
- Our goal ≤ 40 g/d at 22 lbs of DMI in close-up cows
  - No supplemental Ca (or P)
  - Mg 0.40% to 0.50% of DM

## Meta Analysis – Lean et al. 2006

Equation (1)					
Predictor	Coefficient	SEM	OR	95% C	<u>L .</u>
Intercept	-5.76	1.028			
Ca	5.48	1.729	239.4	8.082,	7,089.244
Mg	-5.05	1.618	0.006	0.001,	0.152
Ca x Ca	-2.03	0.819	0.131	0.026,	0.654
Р	1.85	0.716	6.376	1.566,	25.958
DCAD 1	0.02	0.007	1.015	1.001,	1.030
	Risks: Ca, P, D	CAD	Protective: Mg	Priority: Ca	&Mg> P> DCAD
Equation (2)					
Predictor	Coefficient	SEM	OR	95% CL	
Intercept	-5.17	1.048			
Ca	5.74	1.788	309.6	9.306, 10	,298.0
Mg	-8.66	2.007	0.001	.001,	.009
Ca x Ca	-2.16	.844	0.115	.022,	.601
Р	2.29	.717	9.9	2.423,	40.2
K	0.78	.313	2.2	1.183,	4.036
S	-3.48	1.513	0.031	0.002,	0.598
	Risks: Ca, P, K		Protective: Mg, S	Priority: Ca	&Mg>S> P> K

DCAD 1 = (Na + K) - (CI + S) in meq/100 g DM (only equation of four that was significant) 87 trials out of 137 trials Breed adjustment, exposure, and Trial not included

### To Investigate Interactions

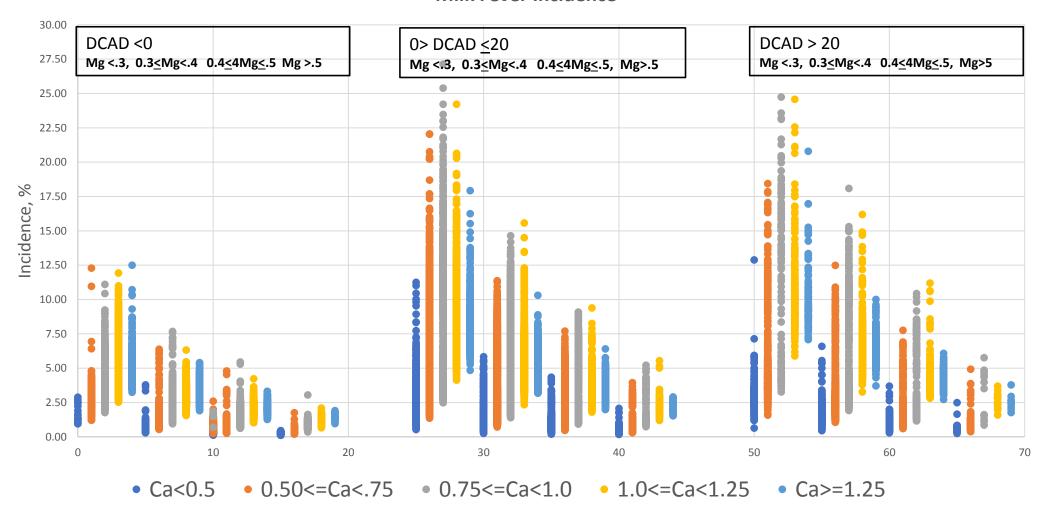
Stochastic mineral content of dry cow diets using Lean et al. Milk Fever model – 76,000 simulations

•	% DM	 	 
	/U DIVI		

• Item	Mean	STD	min	max
• Ca	0.79	0.27	0.12	1.61
• P	0.31	0.05	0.08	0.71
• Mg	0.38	0.08	0.06	0.70
• K	1.21	0.34	0.37	2.34
• Cl	0.70	0.26	0.10	1.39
<ul><li>DCAD (meq%)</li></ul>	3.59	13.78	-33.78	36.27

### Stochastic Model based on Lean et al.

#### Milk Fever Incidence



### Results of the model

- Milk Fever incidence lowest with
  - Low DCAD <0</li>
  - Mg > 0.5
  - Ca < 0.5
- High urinary Ca excretion rapid pool of resorbable Ca
  - Maintain gut motility
- Mg responsive PTH system and target cells
  - Enhance Calcitriol production
- Low Ca stimulation of bone resorption
- Up regulation of Ca homeostasis

## DCAD feeding regimen have potential drawbacks

- Reduced palatability leading to reduced feed intake
- Increased labor to monitor urine pH
- Exclusion of springing heifers in close up cow groups
  - Not necessary
  - Not recommended

## Low Calcium Dry Diets

- Corn Silage
- Low Calcium Forage
  - Grass hay works well if truly grass hay
  - Straw diets provide an excellent way to reduce Ca
- NO SUPPLEMENTAL CALCIUM or PHOSPHORUS
- Calcium <.40 Calcium intake at 10 kg DM <40 g
- Phosphorus <.35</li>
- Magnesium .45-.50 Magnesium sulfate, MagOxide
- Potassium usually 1.3-1.6
- Sulfur .25-.30
- NaCl .025% of DM (NRC, .06-.10lb/cow)

## Goal of dry cow programs

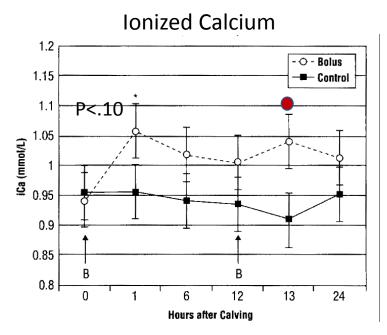
• Whether low calcium dry cow diets or low alkaline diets, the goal is to create a responsive system to a decline in plasma Ca.

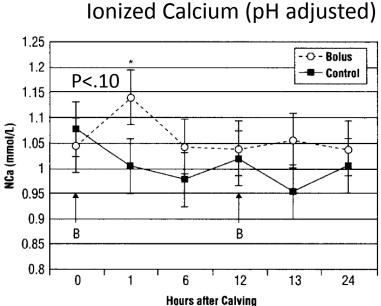
## Calcium bolus containing anionic salts

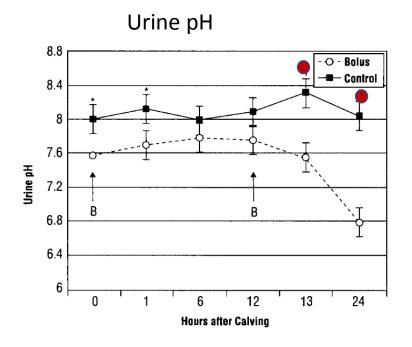
- Bovikalc Bolus (Boehringer Ingelheim Vetmedica)
  - 70% calcium chloride
  - 30% calcium sulfate
  - Contains a fat wax coating to protect cow from caustic salts
- Dissolves in 30 minutes
  - Calcium chloride readily absorbed
  - Calcium sulfate absorbed more slowly
- Label direction
  - 1 bolus given at calving, a second bolus given 12 hours later
  - 43 grams of calcium per bolus, cost \$8.00/bolus

# 20 cow, no anionic salts, only cows iCa <1.10mg/dl

Sampson et al







• P<.05

Calcium secreted in urine was not different between groups

### Ca bolus treatment

- Questionable benefits to a "blanket" treatment approach (\$16/cow)
  - Majority of cows< 4rth lactation are responsive and have normal Ca levels within 2-4 days
  - Any detrimental effects?
    - Does it blunt the normal PTH response mechanisms to improve Ca homeostasis?
    - Does it delay or help the cow return and maintain Ca homeostasis?
    - Do cows on DCAD diets need to be acidified for another day?
- Possible target cows
  - Lactation 4 and greater with delay in osteoclasts and Ca homeostasis
  - Lactation 3 and greater if BCS > 3.5 or are lame, limiting DMI post-calving

# Ketosis in Dairy Cows

#### **Bovine Ketosis**

- Primarily seen the first 2 weeks post-calving
- The clinical syndrome is characterized by
  - Anorexia
  - Depression
  - Ketonemia
  - Ketonuria
  - Hypoglycemia
  - Decreased milk production
- Ketones found in blood, milk, urine

### **Bovine Ketosis**

- Ketone bodies-interconversions
  - Acetoacetate
  - β-hydroxybutyrate
  - Acetone (on breath of cows)
  - Isopropanol (fermentation product)
- Sources of ketone production in the cow
  - Ruminal epithelium
  - Liver
  - Mammary gland
- Normal blood ketones < 10 mg/dl (1.0 mM/L)</li>

### Glucose metabolism

- Gluconeogenesis-synthesis of glucose from non-CHO sources
- Large amounts of glucose must be produced by the liver to meet the heavy demands for lactose, particularly early lactation
- Precursors for gluconeogenesis
  - propionate production (rumen) CHO
  - amino acids (tissue storage, diet) PRO
  - glycerol (triglycerides) FAT
- Failure to have adequate gluconeogenic precursors results in hypoglycemia

## Hypoglycemia, lipogenesis and ketone production

### In hypoglycemic state-

- pancreas releases less insulin and more glucagon
- hormone activates lipase in adipose cells
- triglycerides are hydrolyzed and release LCFA and glycerol
  - Fatty acid oxidation for energy for tissues
- Excessive fat mobilization as NEFA's enter the liver and get directed to ketones

- 1. Inadequate supply of MP in pre-calving diet
- 2. Underfeeding or nutritional ketosis
- 3. Alimentary ketosis from abnormally fermented forages
- 4. Spontaneous ketosis in high producing dairy cows at peak lactation

1. Inadequate supply of MP in pre-calving diet

## MP Requirements

#### 1400 lb dry cow 270 days pregnant

1100 g/d	Metabolizable	
	Protein (g/d)	
Maintenance	450	
Pregnancy	340	
Mammary	270	
Growth	40	

### Mp Requirements

1400 lb dry cow 270 days pregnant

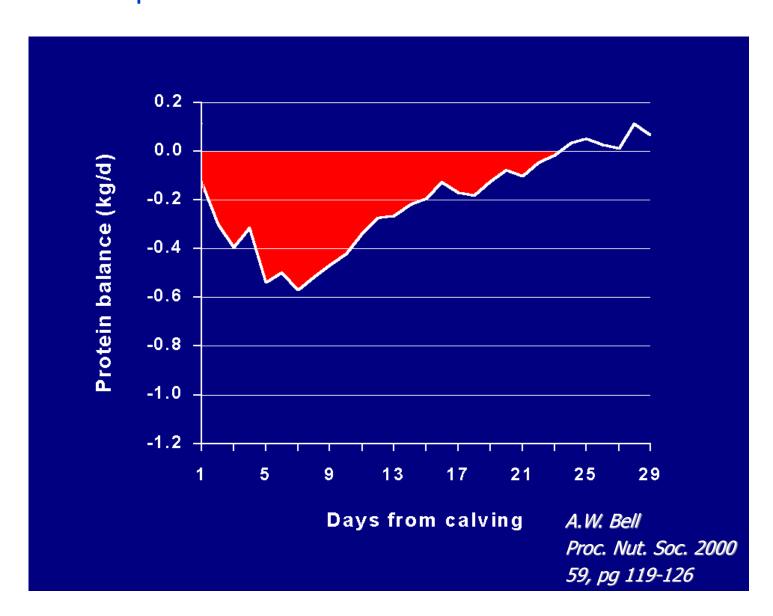
1400 lb, 80lb milk, 3.0% protein

1100 g/d	Metabolizable	
	Protein (g/d)	
Maintenance	450	
Pregnancy	340	
Mammary	270	
Growth	40	

2300 g/d	Metabolizable	
	Protein (g/d)	
Maintenance	640	
Lactation	1620	
Mammary		
Growth	40	

Protein difference of 1200 grams/day from calving to lactation

## Metabolizable Protein Balance Periparturient Period

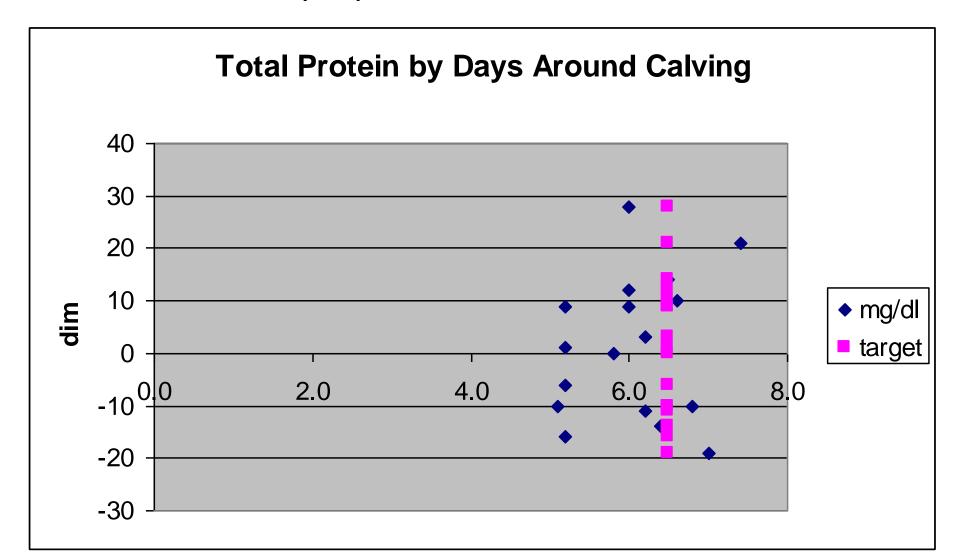


### Protein and Ketosis

- The cow relies on amino acids for gluconeogenesis to make up the short fall of rumen propionate
- Estimated 500-1000 gm of endogenous protein mobilized per day to satisfy mammary gland's need for amino acids and glucose precursors during first 7-10 days
- If protein stores are limited, gluconeogenesis is limited
- Hypoglycemia and ketogenesis

### Serum Total Protein

Herd data7-10 days post fresh



## Considerations for MP formulation of dry cow diets

- Far-off dry cow (27-32 lbs dm)
  - MP requirement ≈ 800 grams/day (240 days pregnant)
  - 12%-13% crude protein
- Close-up dry cow (21-25 lbs dm)
  - MP requirement 1100 gms minimum at calving (280 days)
  - 1100-1300 in 22lb DM
  - 15-16% crude protein diet
  - Supply methionine if feeding bloodmeal (L:M ratio close to 3:0)

- 2. **Underfeeding ketosis**–insufficient calories to meet demands lactation and body maintenance
  - Insufficient quantity of feed or diets low in metabolic energy density
  - Reduced DMI secondary to illness
    - hypocalcemia, metritis, mastitis, DA

#### 3. Alimentary Ketosis

- Consumption of excessive amounts of silage high in butyric acid
- Problems in fresh cows with abnormally fermented forages
- Increased β-hydroxybutyrate released into the circulation and ketosis
- Alimentary Ketosis is really "butyrate toxicosis"

#### 4. Spontaneous Ketosis

- Seen in very high producing cows at peak production with abundance of high quality feed
- Postulated a signal for lipolysis to meet LCFA demand for milk fat
- LCFA's lead to liver ketogenesis, independent of plasma glucose (Kronfeld)
- Ketosis responds to protected fats
  - Absorbed from small intestine as chylomicrons
  - Removed by mammary gland for incorporation into milk fat(Palmquist and Jenkins)

## Close-up ration composition

- CP to supply 1,100 to 1,300 gm MP at 22 lbs DMI
  - 14% to 16% CP
- NDF 40 to 46% (NRC 36 to 38%)
- NFC 30 to 35%
  - Starch 18 to 21%
  - Sugar 3 to 5%
- Calcium <.4</li>
- Magnesium >.45
- Phosphorus <.35</li>

## Trace Minerals and Vitamins for Close-up Dry Cows

- Antioxidant system and Immune function
  - Vitamin A 70,000 to 100,000 IU per day
  - Vitamin D 24,000 to 30,000 IU per day
  - Vitamin E 1000 to 2000 IU per day
  - Se 0.3 ppm
  - Cu, Zn, Cr
  - I, Mn, Fe,
- Benefit of complexed trace minerals

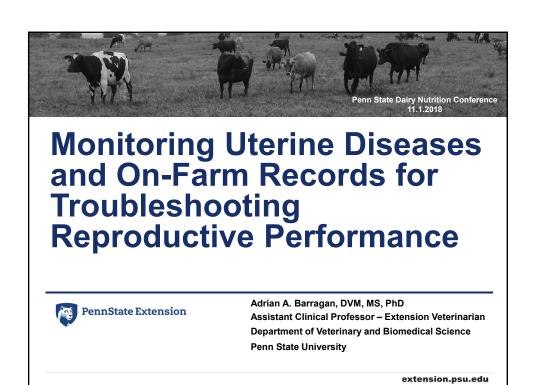
# Post-calving group

- DMI 43-44lb (80lb milk)
- CP 16%-16.5%
- NDF 30-31%
- NFC <u><</u>40
  - Starch 27-28%
  - Sugar 3-5%
- FAT 5.0-5.6%
- High or low energy diets first three weeks?
  - positive influence on reducing liver lipid, BHBA, and sole hemorrhages
  - Increased milk production first three weeks to six weeks postcalving

### Conclusion

 Good nutritional management of dairy cattle during the transition period can improve their responses to the metabolic challenges posed by late pregnancy and early lactation







- Overview of Uterine Diseases: Impacts on Reproduction
- Monitoring Uterine Diseases
  - Diagnostic Methods
- On-Farm Record Analysis
- Troubleshooting Process





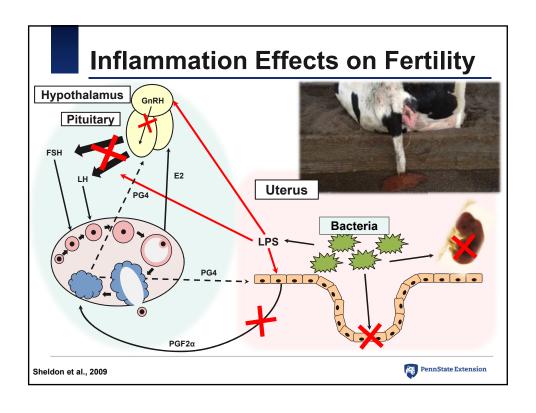
#### **Uterine Disease Overview**

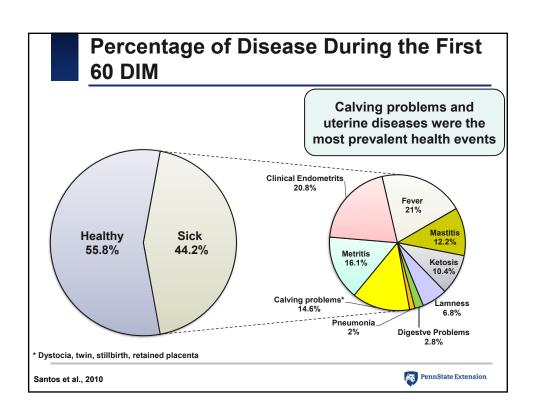
- Some of the most prevalent diseases in dairy farms (8.6% - 50%)
- Costs between \$106 and \$360/case (direct and indirect costs)
- Negatively affects
  - Milk production (3 lbs/d-12.5 lbs/d)
  - Reproductive performance (↓15 CR, ↓31 PR, ↑15% PL)
  - Culling rate (↑2.2 risk)
  - Animal welfare

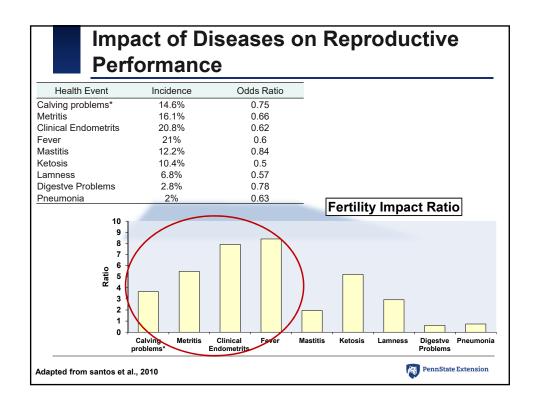


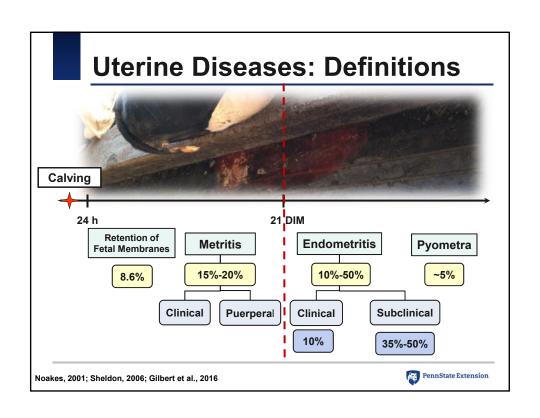
Rajala and Gröhn, 1998; Han et al., 2005; Ospina et al, 2010; Potter et al., 2010; Gilbert et al., 2012

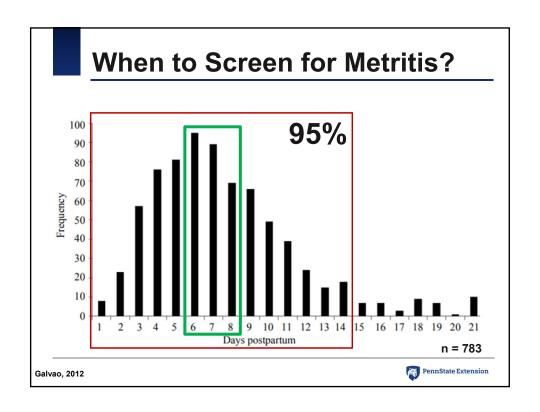


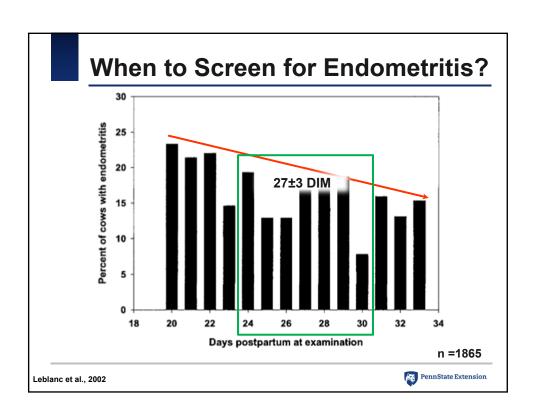


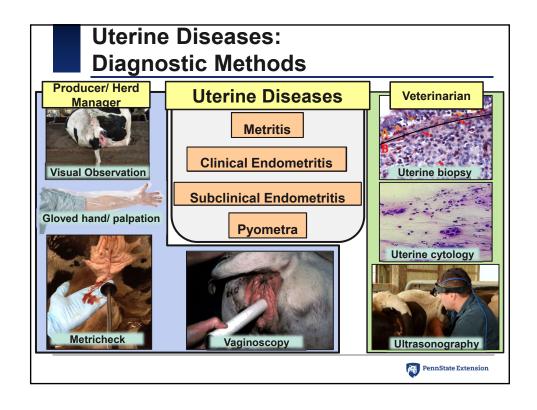


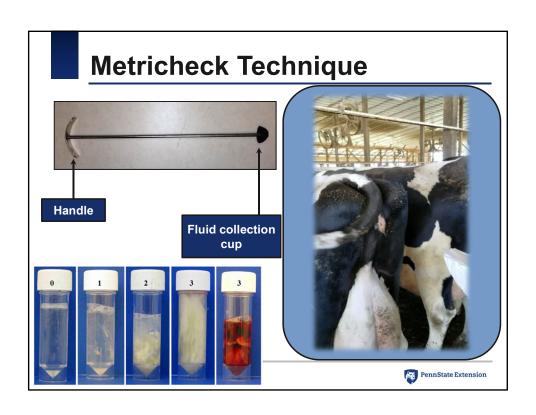


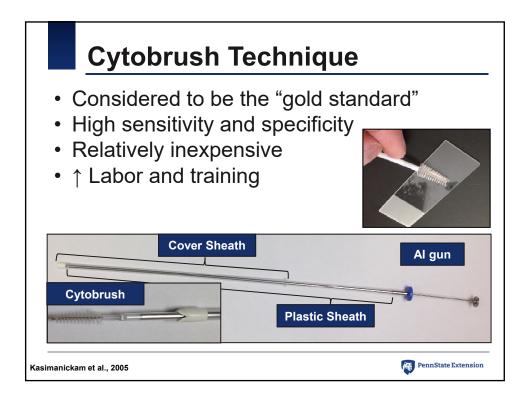


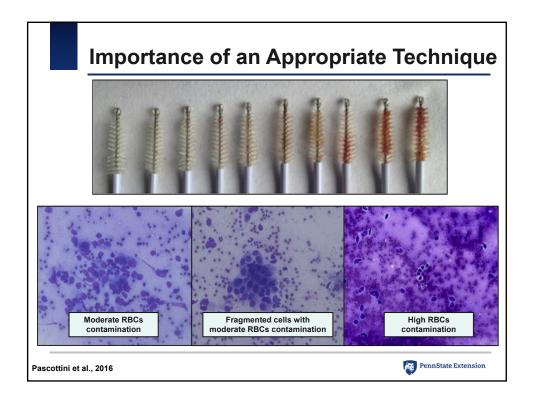






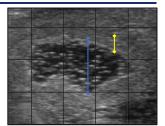






#### **Uterine Ultrasonography**

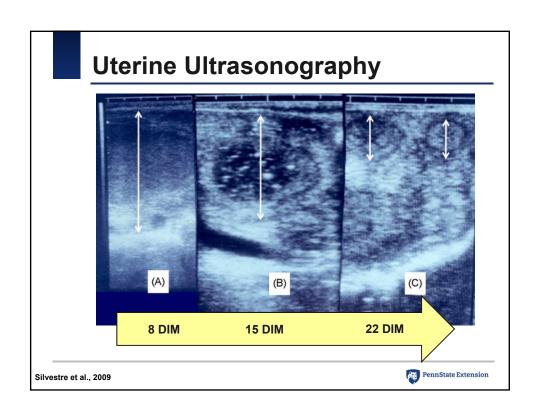
- Identify abnormal fluid in uterus
  - > 1 mm
  - o > 3 mm
  - o > 5 mm
- Measure thickness of the uterine wall
  - o > 7 mm
  - o > 8 mm
- Cervix diameter
  - o > 7.5 cm

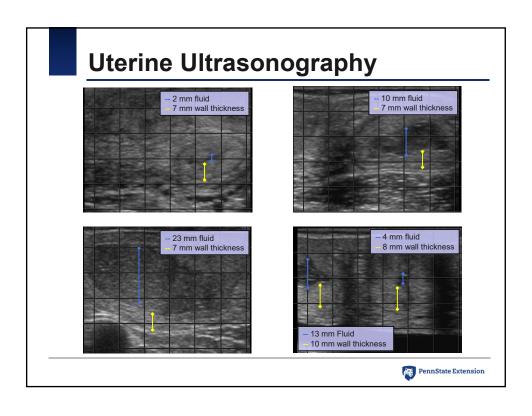


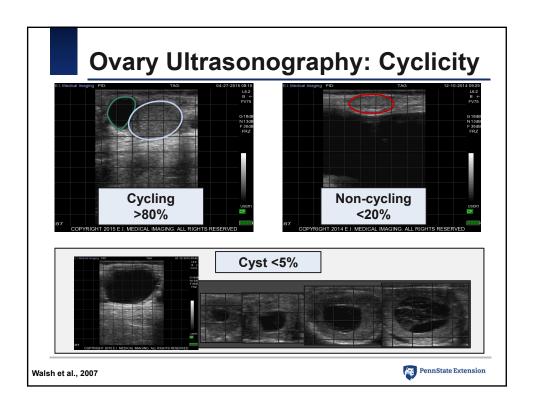


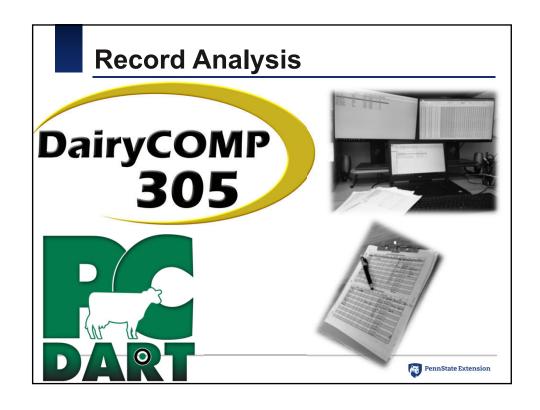
Leblanc et al., 2002; kasimanickam et al., 2004; Gilbert et al., 2005











## Reproductive Performance Assessment

- 1. Define the specific reproductive problem
- 2. Record analysis:
  - Herd assessment
  - Reproductive performance
- 3. Make and rank recommendations







#### **Herd Assessment**

- Records quality
- Herd Structure
  - Proportion of cows by reproductive code
  - Proportion of cows and heifers
  - Milk production
- Incidence of fresh cow diseases (e.g., uterine diseases)





Records quality

LIST ID LACT PEN DIM RPRO DSLH DCC FOR							
Description	FOR statement contents						
Cows milking more than 2 years	DIM > 730						
Cows with prolonged gestation	DCC > 300						
Heat date greater than today	HDAT > TODAY						
Pregnant with no conception date	RC= 5-6 CDAT= 0						
Conception date greater than today	CDAT > TODAY						
Cows with no fresh date	LACT > 0 FDAT= 0						
Heifers with a fresh date	LACT= 0 FDAT > 0						
Fresh date greater than today	FDAT > TODAY						





#### **Herd Assessment**

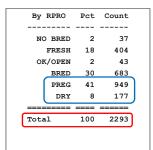
#### **Herd structure**

#### **SUM BY RPRO**

# By RPRO Pct Count 40 1555 NO BRED 1 37 FRESH 10 404 OK/OPEN 1 43 BRED 17 684 PREG 26 1029 DRY 5 177 Total 100 3929

· Calves and heifer included

#### **SUM BY RPRO FOR LACT>0**



· Just cows included



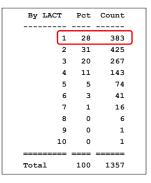
#### **Herd Assessment**

#### **Herd structure**

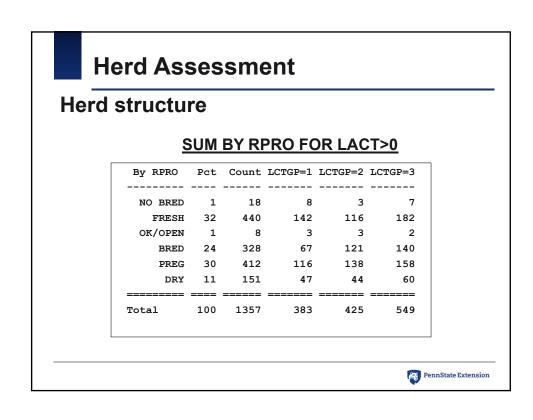
#### **SUM BY LACT FOR LACT>0**

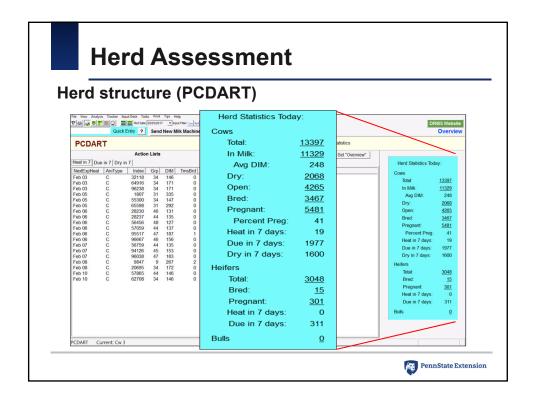
By LACT	Pct	Count
1	69	1175
2	26	440
3	4	66
4	1	21
5	0	8
6	0	1
7	0	1
Total	100	1712

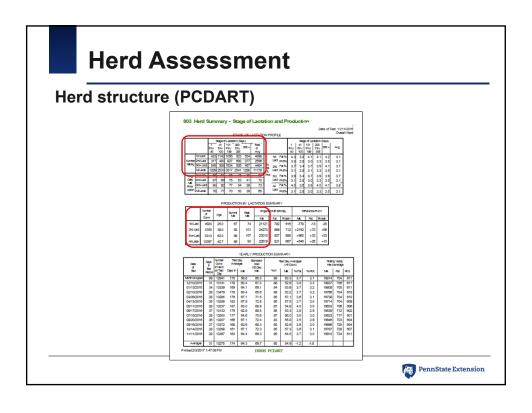
- Expanding herd
- · High Culling rate

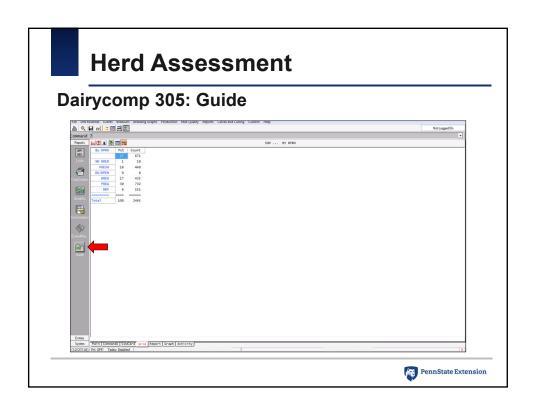


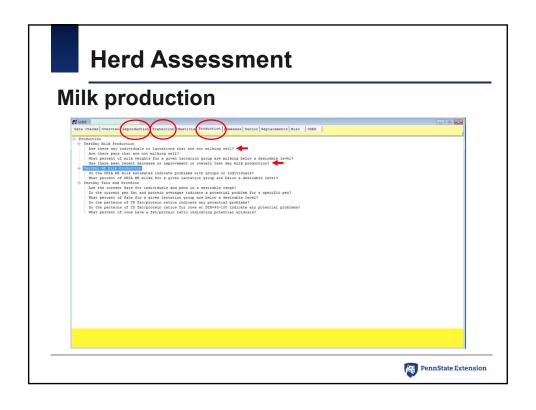
PennState Extension

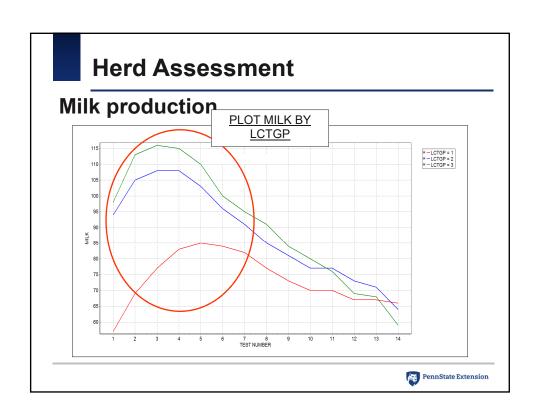


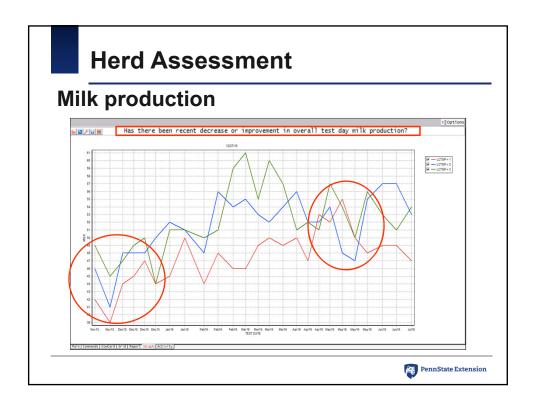


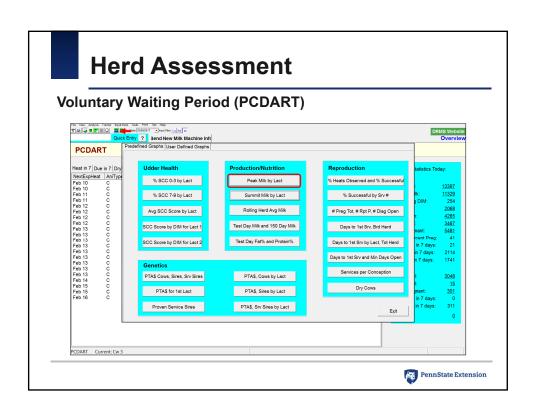


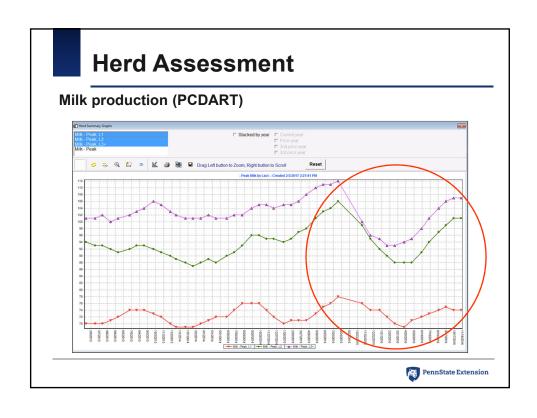


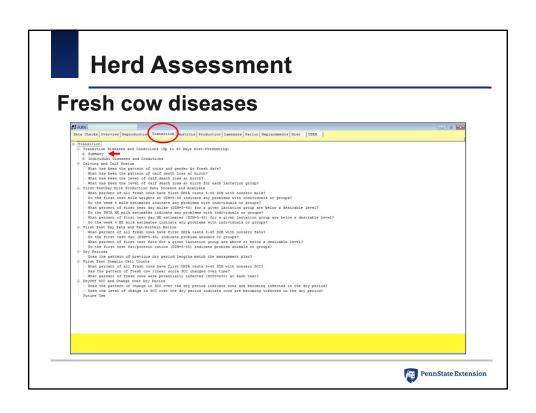


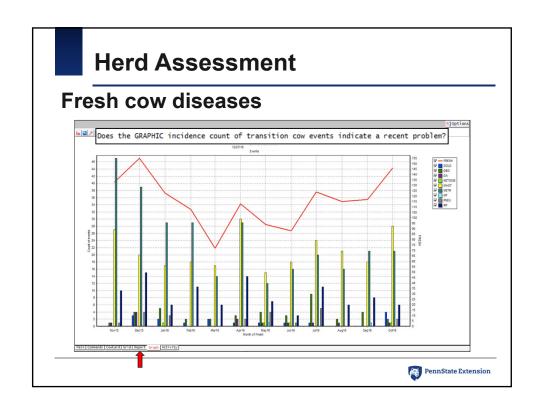


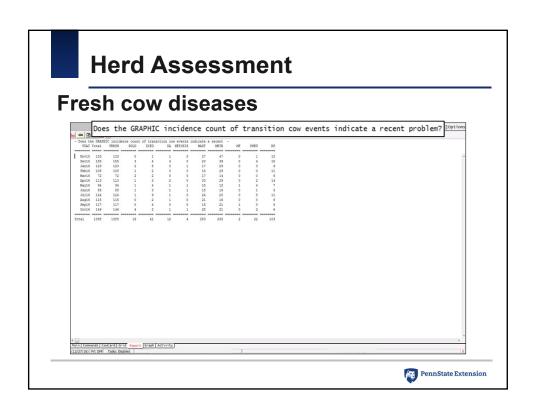


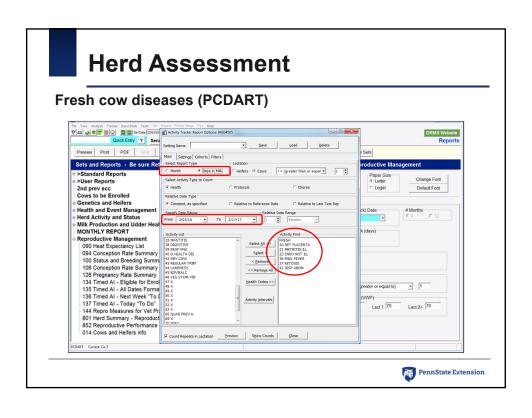


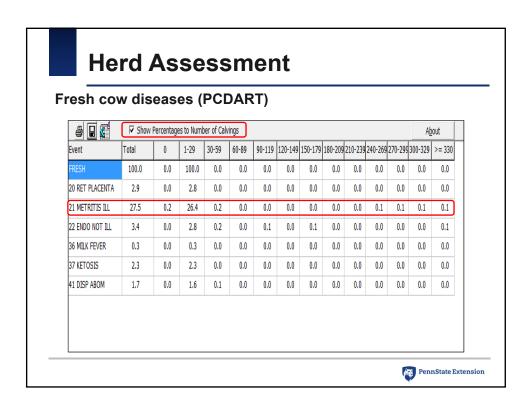








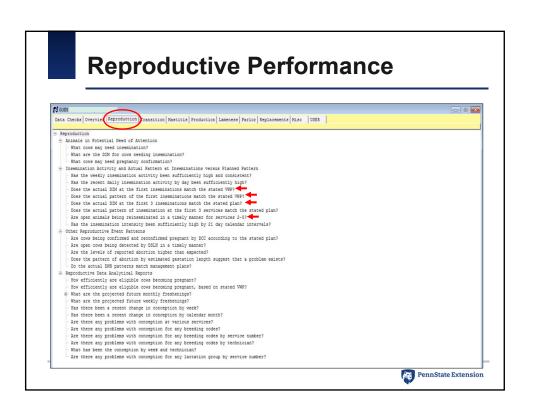


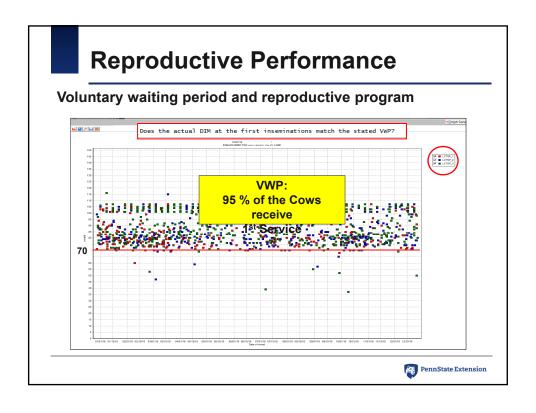


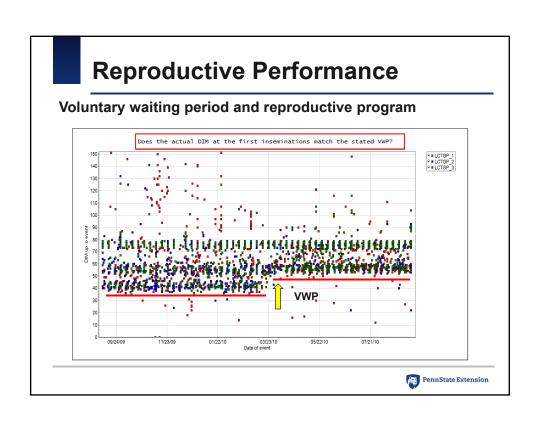


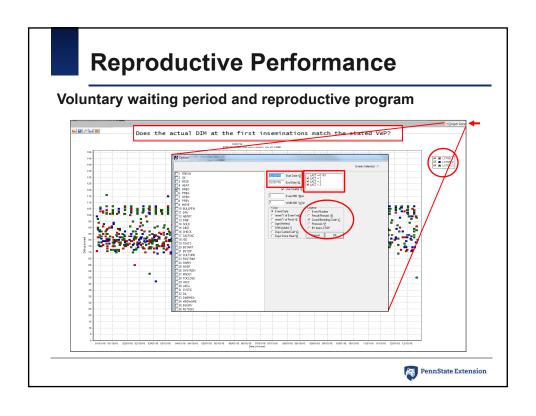
- · Define Reproductive Program
  - VWP
  - Type of program (e.g., HD, TAI or HD+TAI)
- Reproductive efficiency
  - Service rate
  - Conception rate
    - By service
    - · By AI method
    - · By AI technician
    - · By parity
    - By month (e.g., heat stress)
  - Pregnancy rate

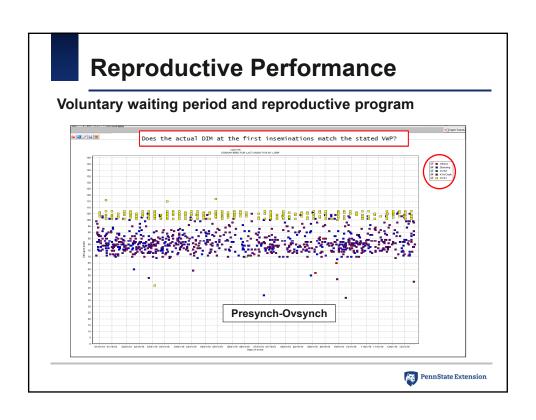


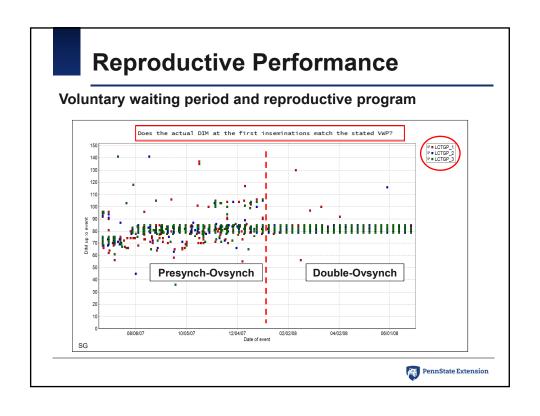


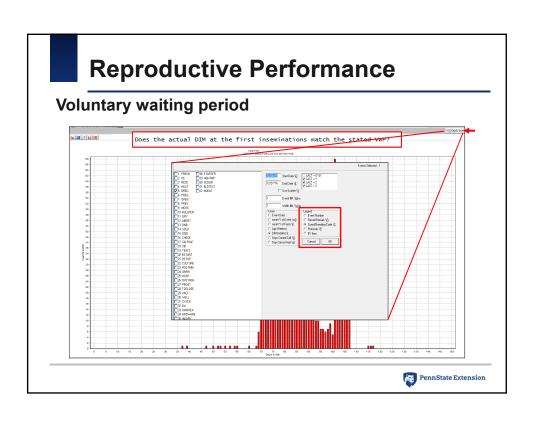


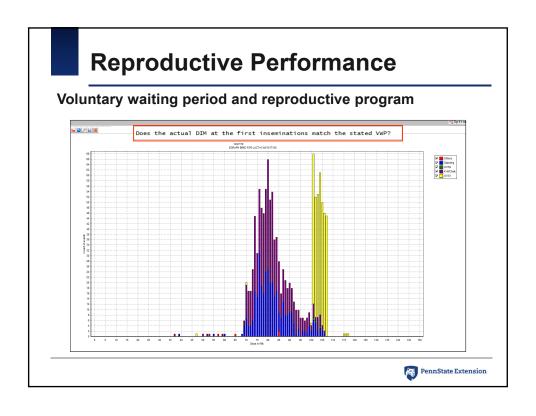


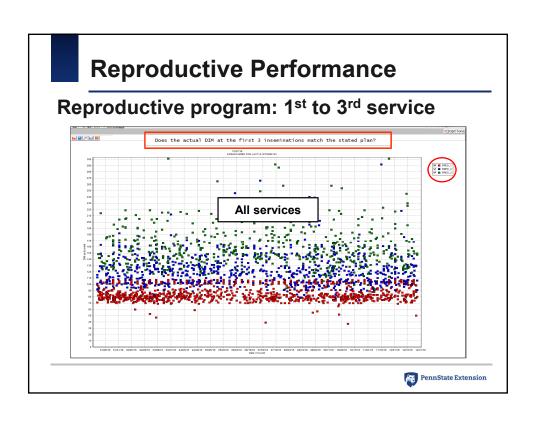


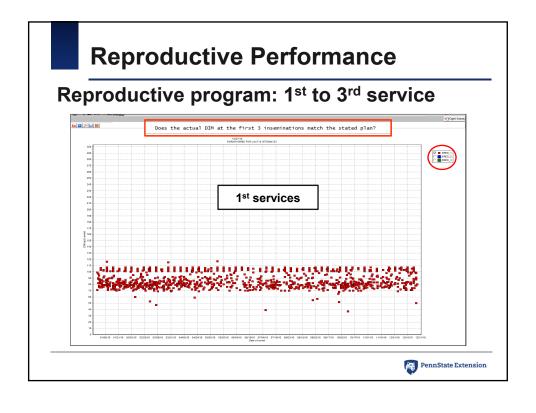


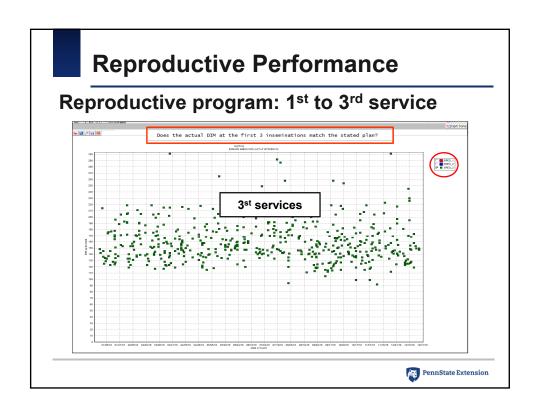


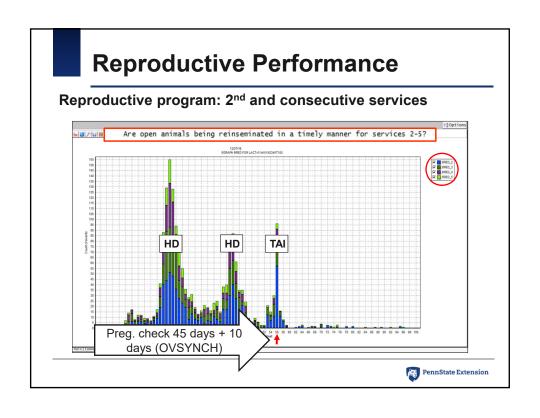


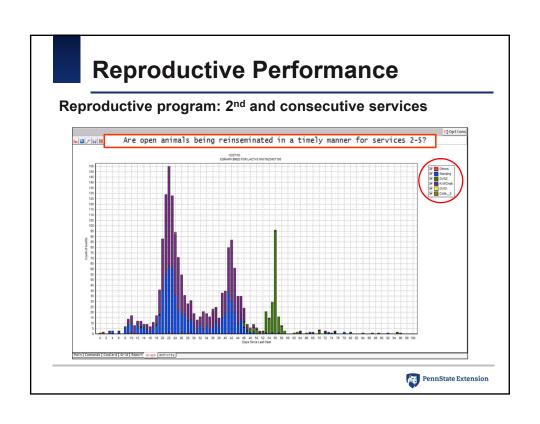


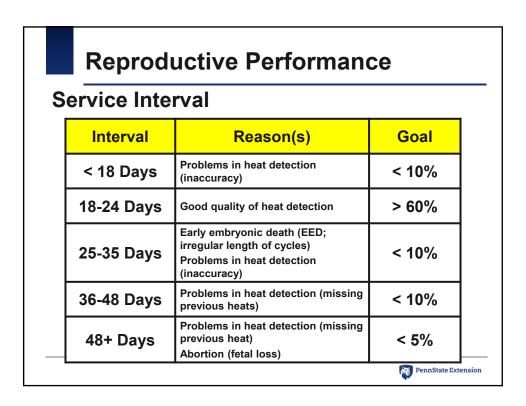


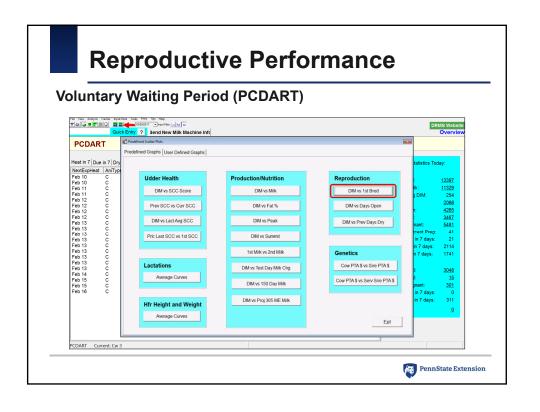


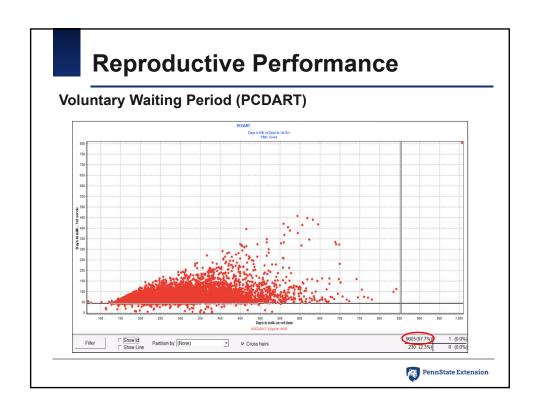


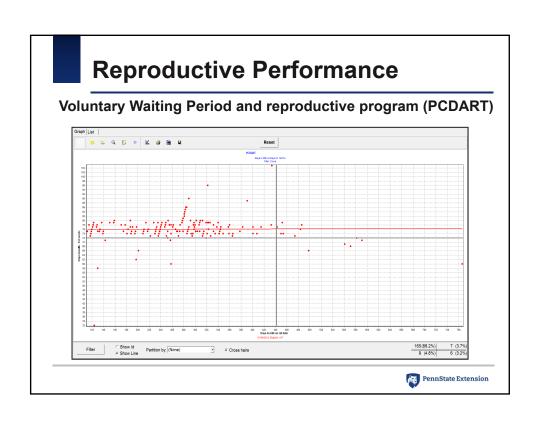


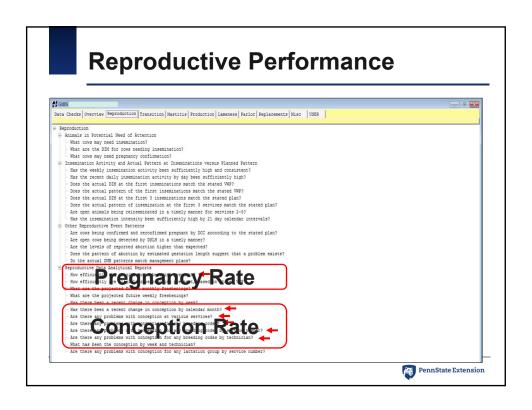


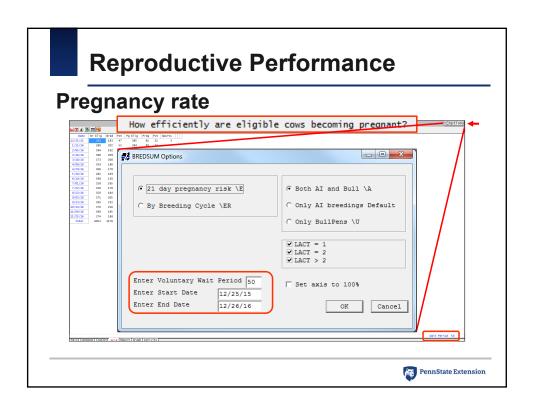


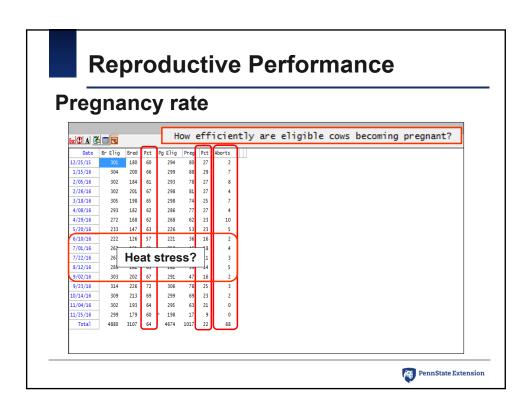


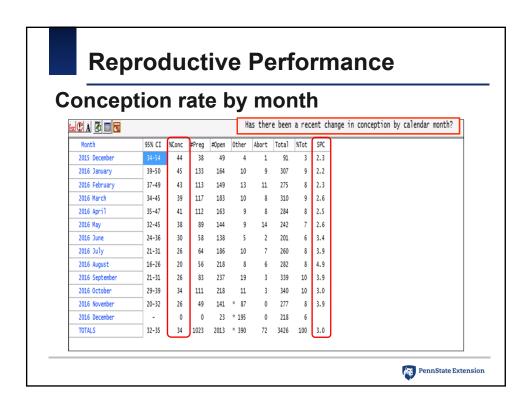


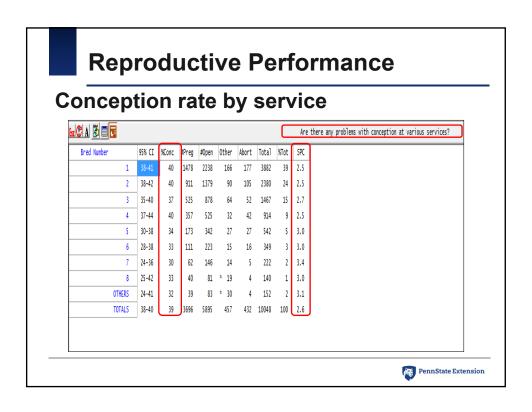


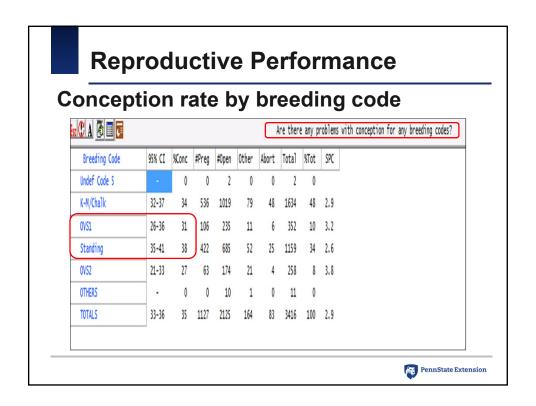


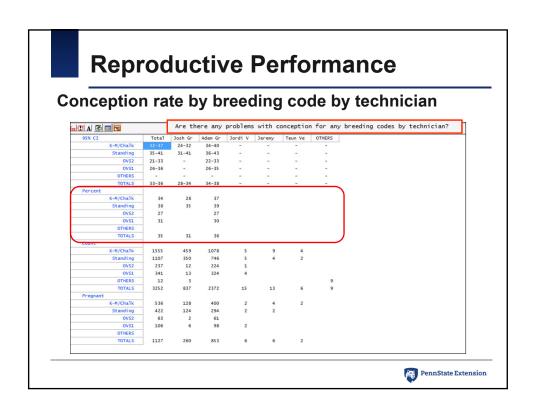


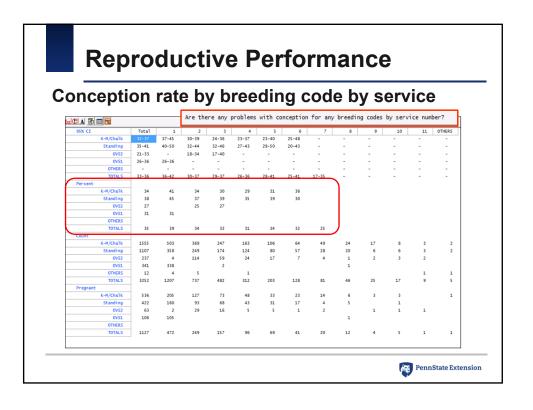


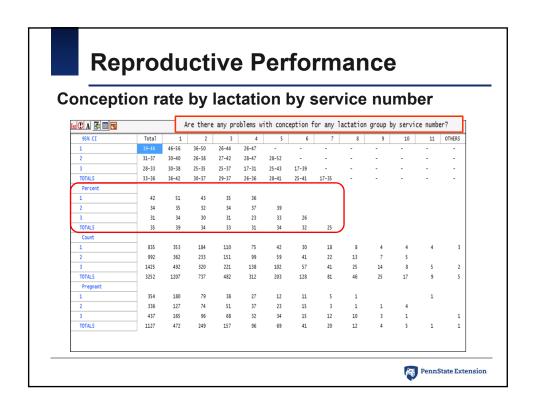


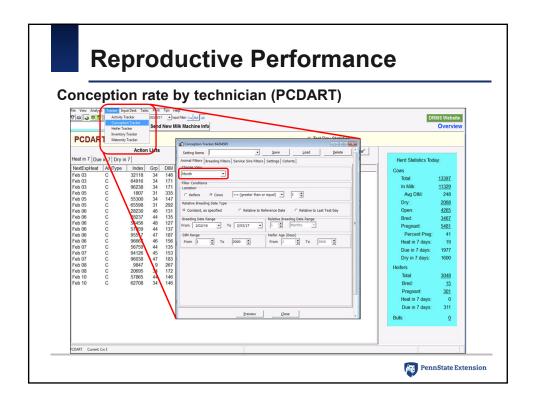


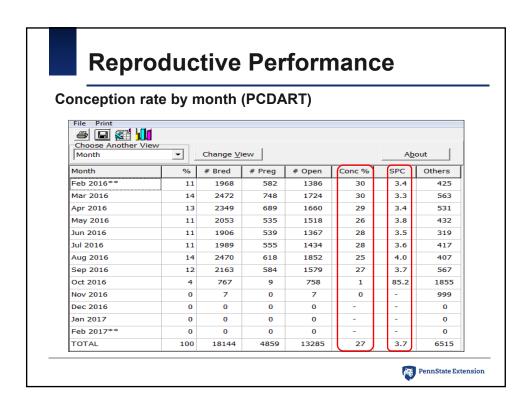


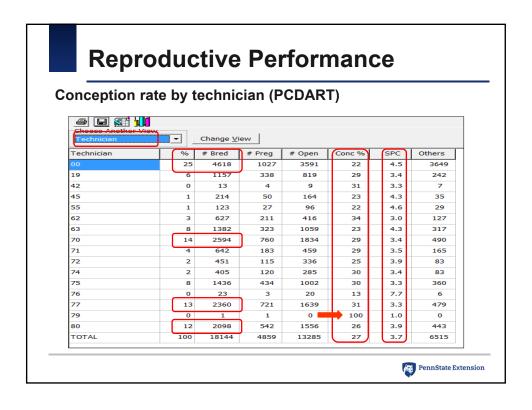


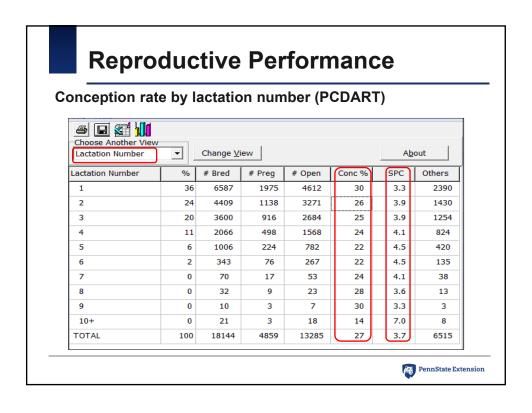


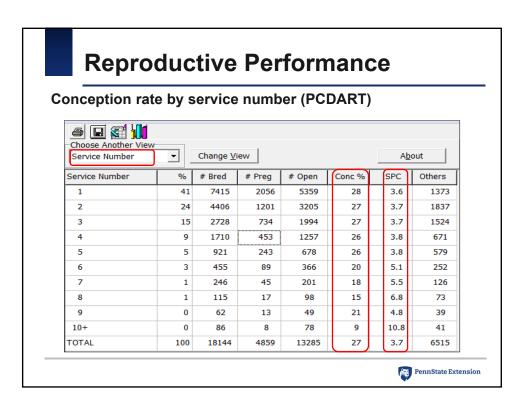


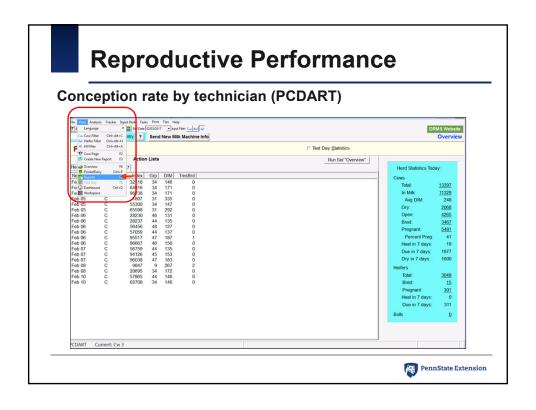


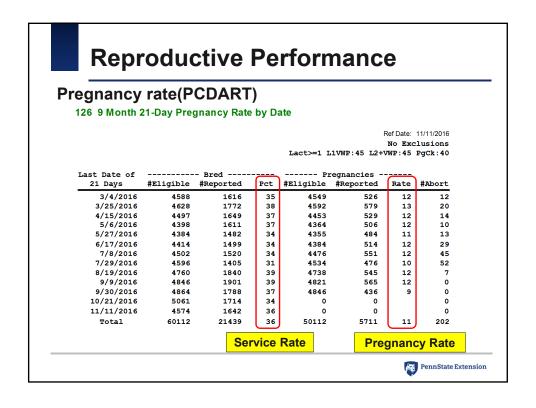


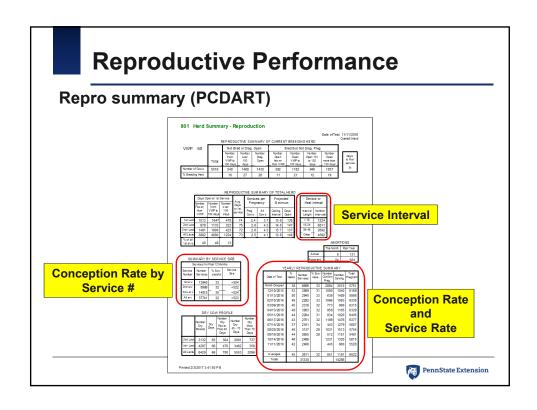












#### **Troubleshooting Process**

- Step-by-step approach
  - · Meeting with the producer
  - Farm walk-through: field data collection
  - Record analysis
- Identify risk factors and rank them in order of importance
- · Provide recommendations
  - Be aware of operation limitations
  - Set small goals for reaching your benchmarks (avoid producer's frustration)







### Hands-On Lab : Uterine Disease Diagnosis

#### **Objectives:**

 Perform calving diagnostic methods described in the oral presentation









Adrian A. Barragan, DVM, MS, PhD Assistant Clinical Professor Tel: 814.863.5849 Email: axb779@psu.edu

## Thank you



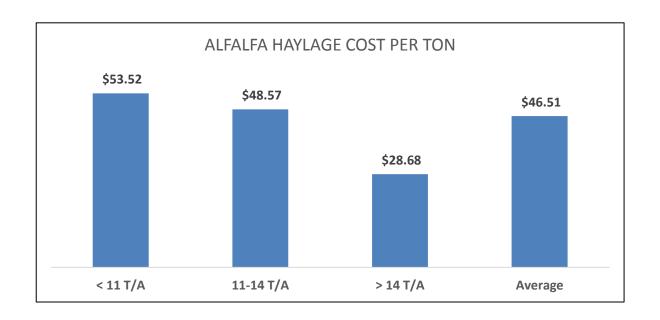
Department of Veterinary and Biomedical Sciences College of Agricultural Sciences Penn State University

extension.psu.edu



#### **ALFALFA HAYLAGE COST PER TON**

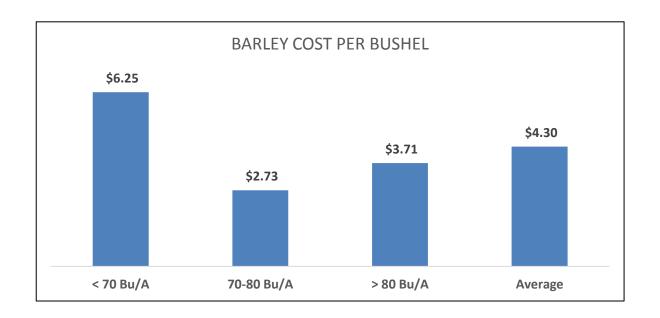
Yield Group	< 11 T/A	11-14 T/A	> 14 T/A	Average
Yield per Acre	7.4	12.1	17.5	10.0
Acres Owned	15	24	12	17
Acres Rented	29	13	24	24
Total Acres	44	37	36	41_
Seed/Acre	\$ 23	\$ 27	\$ 31	\$ 25
Fertilizer/Acre	\$ 37	\$ 60	\$ 42	\$ 44
Chemical/Acre	\$ 8	\$ 11	\$ 26	\$ 11
Custom Hire/Acre	\$ 25	\$ 86	\$ 38	\$ 44
*Land Rent/Acre	\$ 74	\$ 105	\$ 82	\$ 83
Total Direct Costs/Acre	\$ 166	\$ 289	\$ 219	\$ 208
Total Direct Costs/Ton	\$ 33.93	\$ 27.01	\$ 39.78	\$ 32.66
Percent of Crop Labor	30%	36%	33%	32%
Total Overhead Costs/Acre	\$ 99	\$ 140	\$ 171	\$ 119
Total Overhead Costs/Ton	\$ 17.31	\$ 13.77	\$ 11.65	\$ 15.62
Owner Draw/Acre	\$ 47	\$ 51	\$ 40	\$ 47
Loan Payments/Acre	\$ 82	\$ 109	\$ 73	\$ 89
Total Costs/Acre	\$ 394	\$ 589	\$ 502	\$ 463
Total Costs/Ton	\$ 53.52	\$ 48.57	\$ 28.68	\$ 46.51
Average % Rented Land	67%	35%	66%	58%
*Avg. Land Rent on Rented Acres	\$ 108	\$ 167	\$ 100	\$ 120
Number of Farms	54	26	11	91





#### **BARLEY COST PER BUSHEL**

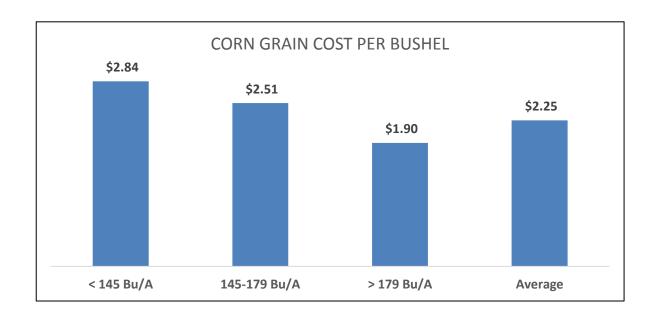
Yield Group	< 70 Bu/A	70-80 Bu/A	> 80 Bu/A	Average
Yield per Acre	58.3	76.7	89.5	73.3
Acres Owned	7	13	6	8
Acres Rented	10	6	35	17
Total Acres	17	19	41	26
Seed/Acre	\$ 32	\$ 39	\$ 25	\$ 31
Fertilizer/Acre	\$ 24	\$ 13	\$ 36	\$ 25
Chemical/Acre	\$ 32	\$ 1	\$ 12	\$ 18
Custom Hire/Acre	\$ 47	\$ 12	\$ 43	\$ 37
*Land Rent/Acre	\$ 134	\$ 36	\$ 140	\$ 111
Total Direct Costs/Acre	\$ 269	\$ 100	\$ 256	\$ 222
Total Direct Costs/Bushel	\$ 4.10	\$ 0.96	\$ 3.08	\$ 2.98
Percent of Crop Labor	3%	4%	7%	4%
Total Overhead Costs/Acre	\$ 64	\$ 58	\$ 38	\$ 54
Total Overhead Costs/Bushel	\$ 1.08	\$ 0.75	\$ 0.42	\$ 0.78
Owner Draw/Acre	\$ 11	\$ 11	\$ 16	\$ 13
Loan Payments/Acre	\$ 21	\$ 41	\$ 21	\$ 26
Total Costs/Acre	\$ 365	\$ 209	\$ 332	\$ 315
Total Costs/Bushel	\$ 6.25	\$ 2.73	\$ 3.71	\$ 4.30
Average % Rented Land	60%	30%	85%	68%
*Avg. Land Rent on Rented Acres	\$ 179	\$ 60	\$ 140	\$ 144
Number of Farms	5	3	4	12





#### **CORN GRAIN COST PER BUSHEL**

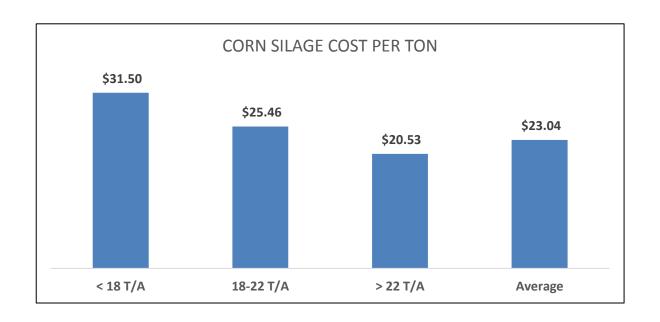
Yield Group	<	145 Bu/A	14	5-179 Bu/A	> 179 Bu/A	Average
Yield per Acre		123.6		162.1	219.6	177.7
Acres Owned		14		8	14	11
Acres Rented		47		23	30	31
Total Acres		60		30	44	43
Seed/Acre	\$	74	\$	91	\$ 87	\$ 86
Fertilizer/Acre	\$	55	\$	73	\$ 61	\$ 64
Chemical/Acre	\$	38	\$	39	\$ 33	\$ 36
Custom Hire/Acre	\$	25	\$	36	\$ 23	\$ 28
*Land Rent/Acre	\$	53	\$	76	\$ 117	\$ 88
Total Direct Costs/Acre	\$	245	\$	315	\$ 321	\$ 302
Total Direct Costs/Bushel	\$	19.76	\$	17.20	\$ 10.47	\$ 14.95
Percent of Crop Labor		11%		10%	10%	10%
Total Overhead Costs/Acre	\$	49	\$	48	\$ 47	\$ 48
Total Overhead Costs/Bushel	\$	3.02	\$	2.09	\$ 1.24	\$ 1.94
Owner Draw/Acre	\$	22	\$	14	\$ 15	\$ 16
Loan Payments/Acre	\$	36	\$	30	\$ 34	\$ 33
Total Costs/Acre	\$	352	\$	407	\$ 417	\$ 399
Total Costs/Bushel	\$	2.84	\$	2.51	\$ 1.90	\$ 2.25
Average % Rented Land		77%		75%	69%	73%
*Avg. Land Rent on Rented Acres	\$	64	\$	90	\$ 146	\$ 105
Number of Farms		13		22	25	60





#### **CORN SILAGE COST PER TON**

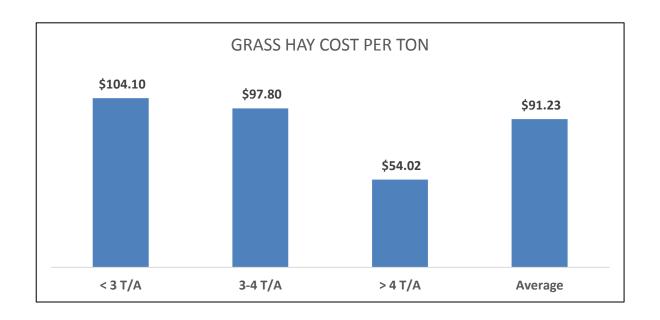
Yield Group	< 18 T/A	18-22 T/A	> 22 T/A	Average
Yield per Acre	15.0	19.7	25.8	22.2
Acres Owned	65	35	23	33
Acres Rented	161	39	41	58
Total Acres	227	74	64	92
Seed/Acre	\$ 72	\$ 73	\$ 91	\$ 82
Fertilizer/Acre	\$ 75	\$ 69	\$ 67	\$ 69
Chemical/Acre	\$ 57	\$ 28	\$ 40	\$ 39
Custom Hire/Acre	\$ 69	\$ 85	\$ 80	\$ 80
*Land Rent/Acre	\$ 47	\$ 87	\$ 90	\$ 83
Total Direct Costs/Acre	\$ 320	\$ 342	\$ 368	\$ 352
Total Direct Costs/Ton	\$ 24.32	\$ 18.76	\$ 15.10	\$ 17.65
Percent of Crop Labor	35%	32%	28%	31%
Total Overhead Costs/Acre	\$ 92	\$ 79	\$ 77	\$ 80
Total Overhead Costs/Ton	\$ 6.31	\$ 4.01	\$ 3.02	\$ 3.83
Owner Draw/Acre	\$ 17	\$ 32	\$ 26	\$ 27
Loan Payments/Acre	\$ 44	\$ 49	\$ 59	\$ 54
Total Costs/Acre	\$ 472	\$ 502	\$ 530	\$ 513
Total Costs/Ton	\$ 31.50	\$ 25.46	\$ 20.53	\$ 23.04
Average % Rented Land	71%	52%	64%	64%
*Avg. Land Rent on Rented Acres	\$ <i>4</i> 8	\$ 121	\$ 146	\$ 119
Number of Farms	15	32	53	100





#### **GRASS HAY COST PER TON**

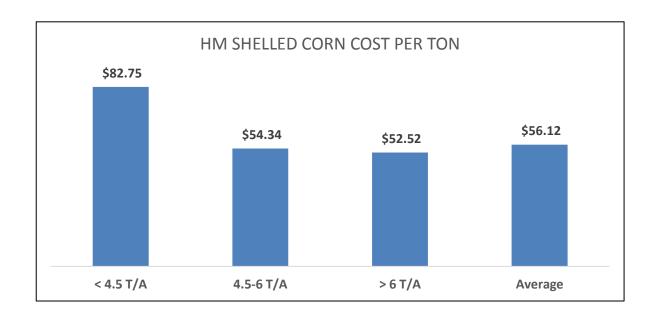
Yield Group	< 3 T/A	3-4 T/A	> 4 T/A	Average
Yield per Acre	1.7	3.4	4.9	2.6
Acres Owned	16	14	9	14
Acres Rented	19	29	68	27
Total Acres	34	42	77	41
Seed/Acre	\$ 12	\$ 10	\$ 9	\$ 11
Fertilizer/Acre	\$ 26	\$ 36	\$ 18	\$ 28
Chemical/Acre	\$ 1	\$ 4	\$ -	\$ 2
Custom Hire/Acre	\$ 13	\$ 37	\$ 49	\$ 24
*Land Rent/Acre	\$ 45	\$ 93	\$ 45	\$ 59
Total Direct Costs/Acre	\$ 98	\$ 179	\$ 120	\$ 124
Total Direct Costs/Ton	\$ 41.88	\$ 45.28	\$ 27.79	\$ 41.38
Percent of Crop Labor	9%	10%	14%	10%
Total Overhead Costs/Acre	\$ 41	\$ 85	\$ 102	\$ 60
Total Overhead Costs/Ton	\$ 17.33	\$ 24.03	\$ 19.52	\$ 19.56
Owner Draw/Acre	\$ 12	\$ 20	\$ 18	\$ 15
Loan Payments/Acre	\$ 25	\$ 50	\$ 26	\$ 33
Total Costs/Acre	\$ 176	\$ 334	\$ 266	\$ 233
Total Costs/Ton	\$ 104.10	\$ 97.80	\$ 54.02	\$ 91.23
Average % Rented Land	55%	67%	88%	65%
*Avg. Land Rent on Rented Acres	\$ 69	\$ 102	\$ 67	\$ 80
Number of Farms	50	25	9	84





#### **HM SHELLED CORN COST PER TON**

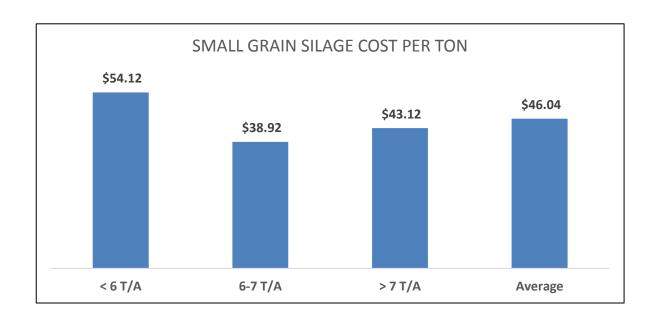
Yield Group	< 4.5 T/A	4.5-6 T/A	> 6 T/A	Average
Yield per Acre	3.8	5.2	8.2	6.8
Acres Owned	23	10	9	12
Acres Rented	49	15	19	24
Total Acres	72	26	28	36
Seed/Acre	\$ 74	\$ 68	\$ 91	\$ 83
Fertilizer/Acre	\$ 41	\$ 72	\$ 72	\$ 66
Chemical/Acre	\$ 12	\$ 20	\$ 29	\$ 24
Custom Hire/Acre	\$ 36	\$ 17	\$ 83	\$ 61
*Land Rent/Acre	\$ 85	\$ 25	\$ 66	\$ 62
Total Direct Costs/Acre	\$ 248	\$ 201	\$ 341	\$ 296
Total Direct Costs/Ton	\$ 74.76	\$ 33.03	\$ 33.03	\$ 41.14
Percent of Crop Labor	7%	6%	6%	6%
Total Overhead Costs/Acre	\$ 32	\$ 29	\$ 47	\$ 41
Total Overhead Costs/Ton	\$ 8.41	\$ 2.99	\$ 5.33	\$ 5.48
Owner Draw/Acre	\$ 14	\$ 17	\$ 15	\$ 15
Loan Payments/Acre	\$ 23	\$ 33	\$ 28	\$ 28
Total Costs/Acre	\$ 317	\$ 280	\$ 431	\$ 380
Total Costs/Ton	\$ 82.75	\$ 54.34	\$ 52.52	\$ 56.12
Average % Rented Land	69%	60%	68%	67%
*Avg. Land Rent on Rented Acres	\$ 99	\$ 43	\$ 95	\$ 88
Number of Farms	7	7	22	36





#### **SMALL GRAIN SILAGE COST PER TON**

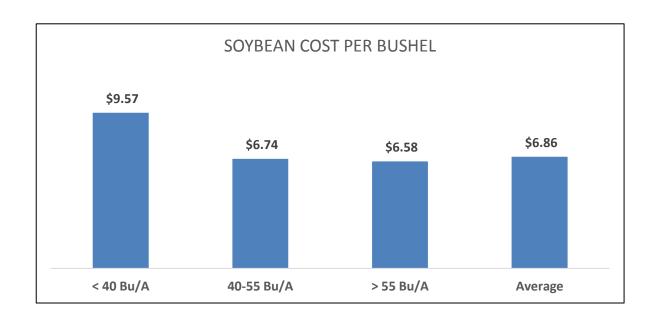
Yield Group	< 6 T/A	6-7 T/A	> 7 T/A	Average
Yield per Acre	3.8	6.3	8.1	5.4
Acres Owned	15	32	37	24
Acres Rented	28	67	66	47
Total Acres	43	100	104	71
Seed/Acre	\$ 31	\$ 33	\$ 64	\$ 40
Fertilizer/Acre	\$ 23	\$ 34	\$ 48	\$ 31
Chemical/Acre	\$ 2	\$ 2	\$ 4	\$ 2
Custom Hire/Acre	\$ 19	\$ 32	\$ 69	\$ 34
*Land Rent/Acre	\$ 57	\$ 57	\$ 83	\$ 63
Total Direct Costs/Acre	\$ 131	\$ 159	\$ 268	\$ 171
Total Direct Costs/Ton	\$ 35.99	\$ 25.38	\$ 29.90	\$ 32.04
Percent of Crop Labor	9%	13%	15%	11%
Total Overhead Costs/Acre	\$ 34	\$ 41	\$ 46	\$ 39
Total Overhead Costs/Ton	\$ 9.17	\$ 6.59	\$ 5.79	\$ 7.75
Owner Draw/Acre	\$ 15	\$ 11	\$ 12	\$ 13
Loan Payments/Acre	\$ 26	\$ 34	\$ 26	\$ 28
Total Costs/Acre	\$ 206	\$ 245	\$ 351	\$ 250
Total Costs/Ton	\$ 54.12	\$ 38.92	\$ 43.12	\$ 46.04
Average % Rented Land	66%	68%	64%	66%
*Avg. Land Rent on Rented Acres	\$ 54	\$ 79	\$ 106	\$ 76
Number of Farms	63	28	29	120





#### **SOYBEAN COST PER BUSHEL**

Yield Group	< 40 Bu/A	40-55 Bu/A	> 55 Bu/A	Average
Yield per Acre	32.0	47.5	62.7	50.6
Acres Owned	12	12	11	12
Acres Rented	42	53	33	45
Total Acres	53	65	43	57
Seed/Acre	\$ 62	\$ 65	\$ 78	\$ 69
Fertilizer/Acre	\$ 20	\$ 9	\$ 0	\$ 8
Chemical/Acre	\$ 17	\$ 22	\$ 28	\$ 23
Custom Hire/Acre	\$ 12	\$ 38	\$ 51	\$ 39
*Land Rent/Acre	\$ 120	\$ 93	\$ 138	\$ 110
Total Direct Costs/Acre	\$ 231	\$ 227	\$ 295	\$ 249
Total Direct Costs/Bushel	\$ 6.56	\$ 4.94	\$ 4.16	\$ 4.87
Percent of Crop Labor	11%	183%	7%	111%
Total Overhead Costs/Acre	\$ 21	\$ 51	\$ 70	\$ 54
Total Overhead Costs/Bushel	\$ 1.14	\$ 1.08	\$ 1.12	\$ 1.10
Owner Draw/Acre	\$ 14	\$ 16	\$ 9	\$ 14
Loan Payments/Acre	\$ 40	\$ 26	\$ 39	\$ 31
Total Costs/Acre	\$ 306	\$ 320	\$ 413	\$ 347
Total Costs/Bushel	\$ 9.57	\$ 6.74	\$ 6.58	\$ 6.86
Average % Rented Land	78%	81%	75%	79%
*Avg. Land Rent on Rented Acres	\$ 120	\$ 99	\$ 157	\$ 116
Number of Farms	3	17	9	29





All Breeds	reeds		27%	20%			10%	12%	13%		
				ı	Breakeven	Mi	ilk Price				
Dairy Summary per Cow:		< \$16	\$ 16-\$18	Ş	\$18-\$19	\$	\$19-\$20	\$ 20-\$22	>\$22	Α	verage
Total Number of Cows		177	118		109		121	280	81		142
Number of Cows Milking		157	103		94		106	246	69		124
Percent in Milk		88%	87%		87%		87%	87%	86%		87%
Milk Sold per Total Cows		23,690	23,161		22,494		23,326	22,603	21,581		22,882
Milk Sold per Milking Cow		27,056	26,695		25,982		26,901	25,885	25,113		26,349
Average Lbs Milk per Day		74	73		71		74	71	69		72
Average Milk Price Planned	\$	17.13	\$ 17.28	\$	17.39	\$	17.50	\$ 17.67	\$ 17.97	\$	17.43
Milk Inflow	\$	4,062	\$ 4,001	\$	3,916	\$	4,080	\$ 3,994	\$ 3,877	\$	3,987
Cull Cow Sales	\$	247	\$ 240	\$	240	\$	260	\$ 234	\$ 232	\$	242
Bull Calf Sales	\$	113	\$ 65	\$	93	\$	73	\$ 70	\$ 94	\$	85
Misc. Dairy Sales	\$	39	\$ 44	\$	55	\$	12	\$ 22	\$ 109	\$	48
Total Inflow	\$	4,461	\$ 4,350	\$	4,305	\$	4,425	\$ 4,320	\$ 4,311	\$	4,361
Milking Cow Home Raised Feeds	\$	237	\$ 592	\$	640	\$	897	\$ 929	\$ 919	\$	642
Milking Cow Purchased Concentrates	\$	981	\$ 943	\$	1,039	\$	956	\$ 1,000	\$ 1,050	\$	991
Milking Cow Pur Forages	\$	38	\$ 107	\$	66	\$	7	\$ 3	\$ 58	\$	58
Heifer and Dry Cow Home Raised Feed	\$	35	\$ 73	\$	68	\$	141	\$ 133	\$ 136	\$	86
Heifer and Dry Cow Pur Concentrates	\$	285	\$ 283	\$	243	\$	318	\$ 262	\$ 275	\$	275
Heifer and Dry Cow Pur Forages	\$	120	\$ 117	\$	123	\$	41	\$ 17	\$ 87	\$	96
Total Feed	\$	1,695	\$ 2,114	\$	2,180	\$	2,359	\$ 2,344	\$ 2,525	\$	2,148
Percent of Milk Inflow (Milking Cows)		31%	41%		45%		46%	48%	52%		42%
Home Raised Feeds	\$	272	\$ 665	\$	708	\$	1,037	\$ 1,061	\$ 1,055	\$	728
Purchased Concentrates	\$	1,266	\$ 1,226	\$	1,282	\$	1,274	\$ 1,263	\$ 1,325	\$	1,266
Purchased Forages	\$	158	\$ 224	\$	190	\$	47	\$ 20	\$ 145	\$	154

Dairy Direct Expenses:	 < \$16	\$	16-\$18	\$ 18-\$19	\$	19-\$20	\$	20-\$22	>\$22	A	erage/
Breeding and Registration	\$ 76	\$	72	\$ 83	\$	60	\$	82	\$ 77	\$	76
Vet and Medicine	\$ 103	\$	107	\$ 104	\$	94	\$	146	\$ 127	\$	111
bST	\$ -	\$	-	\$ 3	\$	9	\$	13	\$ -	\$	3
Supplies	\$ 173	\$	143	\$ 183	\$	161	\$	168	\$ 195	\$	168
DHIA	\$ 22	\$	24	\$ 25	\$	29	\$	26	\$ 25	\$	25
Contract Heifer Raising	\$ 40	\$	41	\$ 10	\$	29	\$	108	\$ 77	\$	46
Dairy Custom Hire	\$ 38	\$	44	\$ 25	\$	45	\$	42	\$ 58	\$	40
Milk Hauling	\$ 218	\$	211	\$ 216	\$	235	\$	206	\$ 212	\$	215
Milk Marketing	\$ 60	\$	84	\$ 89	\$	44	\$	56	\$ 66	\$	71
Bedding	\$ 59	\$	54	\$ 71	\$	89	\$	70	\$ 127	\$	73
Dairy Expenses per Cow	\$ 789	\$	780	\$ 808	\$	797	\$	916	\$ 964	\$	828
Overhead Expenses:	< \$16	\$	16-\$18	\$ 18-\$19	\$	19-\$20	\$	20-\$22	>\$22	A	/erage
Fuel and Oil	\$ 103	\$	106	\$ 124	\$	83	\$	138	\$ 107	\$	111
Repairs	\$ 126	\$	126	\$ 154	\$	201	\$	209	\$ 182	\$	155
Hired Labor, Witholding	\$ 185	\$	139	\$ 107	\$	179	\$	301	\$ 327	\$	187
Machinery Leases	\$ 3	\$	27	\$ 29	\$	6	\$	12	\$ 12	\$	17
Building Leases	\$ 96	\$	91	\$ 55	\$	74	\$	55	\$ 16	\$	70
Real Estate Taxes	\$ 60	\$	52	\$ 54	\$	62	\$	46	\$ 96	\$	60
Farm Insurance	\$ 34	\$	37	\$ 31	\$	34	\$	60	\$ 60	\$	41
Utilities	\$ 53	\$	64	\$ 69	\$	73	\$	92	\$ 97	\$	71
Risk Mgt. and Advertizing	\$ 5	\$	6	\$ 7	\$	4	\$	4	\$ 4	\$	5
<b>Dues and Professional Fees</b>	\$ 11	\$	9	\$ 16	\$	21	\$	18	\$ 19	\$	14
Miscellaneous	\$ 34	\$	31	\$ 67	\$	36	\$	52	\$ 46	\$	44
Overhead Expenses per Cow:	\$ 711	\$	688	\$ 714	\$	774	\$	989	\$ 966	\$	775
Owner Draw per Cow	\$ 218	\$	286	\$ 326	\$	333	\$	254	\$ 408	\$	297
Loan Payments per Cow	\$ 498	\$	489	\$ 525	\$	638	\$	540	\$ 785	\$	555
Total Outflow per Cow	\$ 3,912	\$	4,358	\$ 4,552	\$	4,901	\$	5,044	\$ 5,649	\$	4,604
		_	4=	46.55	_	40	_	06.55			46
Gross Milk Price Farm Breakeven	\$ 14.67	\$	17.27	\$ 18.48	\$	19.44	\$	20.89	\$ 24.03	\$	18.48
IOFC Breakeven	\$ 6.96	\$	7.44	\$	\$	8.46	\$	8.73	\$ 10.09	\$	7.96
Gross Margin to Guarantee	\$ 9.38	\$	10.16	\$ 10.71	\$	11.49	\$	12.28	\$ 14.66	\$	11.06

**Total Inflow - Total Outflow** 

(8) \$

(247) \$

(476) \$

549 \$

(724) \$ (1,337) \$

(243)

#### **Breakeven Milk Price**

			i cake ven					_			I	
Dairy Enterprise per Cow:	< \$16	Ş	16-\$18	Ş	18-\$19	Ş	19-\$20	Ş	20-\$22	>\$22	Α	verage
Milk Sold per Total Cows	23,690		23,161		22,494		23,326		22,603	21,581		22,882
Total Milk Inflow	\$ 4,062	\$	4,001	\$	3,916	\$	4,080	\$	3,994	\$ 3,877	\$	3,987
Total Dairy Non-Milk Inflow	\$ 399	\$	349	\$	388	\$	345	\$	326	\$ 435	\$	374
Total Inflow	\$ 4,461	\$	4,350	\$	4,305	\$	4,425	\$	4,320	\$ 4,311	\$	4,361
Milking Cow Home Raised Feeds	\$ 237	\$	592	\$	640	\$	897	\$	929	\$ 919	\$	642
Milking Cow Purchased Concentrates	\$ 981	\$	943	\$	1,039	\$	956	\$	1,000	\$ 1,050	\$	991
Milking Cow Purchased Forages	\$ 38	\$	107	\$	66	\$	7	\$	3	\$ 58	\$	58
Heifer and Dry Cow Home Raised Feeds	\$ 35	\$	73	\$	68	\$	141	\$	133	\$ 136	\$	86
Heifer and Dry Cow Purchased Concentrates	\$ 285	\$	283	\$	243	\$	318	\$	262	\$ 275	\$	275
Heifer and Dry Cow Purchased Forages	\$ 120	\$	117	\$	123	\$	41	\$	17	\$ 87	\$	96
Total Feed	\$ 1,695	\$	2,114	\$	2,180	\$	2,359	\$	2,344	\$ 2,525	\$	2,148
Dairy Expenses	\$ 789	\$	780	\$	808	\$	797	\$	916	\$ 964	\$	828
Overhead Expenses	\$ 711	\$	688	\$	714	\$	774	\$	989	\$ 966	\$	775
Owner Draw	\$ 218	\$	286	\$	326	\$	333	\$	254	\$ 408	\$	297
Loan Payments	\$ 498	\$	489	\$	525	\$	638	\$	540	\$ 785	\$	555
Expenses Other than Feed	\$ 2,216	\$	2,244	\$	2,372	\$	2,542	\$	2,700	\$ 3,123	\$	2,456
Total Outflow	\$ 3,912	\$	4,358	\$	4,552	\$	4,901	\$	5,044	\$ 5,649	\$	4,604
Gross Milk Price Breakeven per CWT.	\$ 14.67	\$	17.27	\$	18.48	\$	19.44	\$	20.89	\$ 24.03	\$	18.48
IOFC Breakeven (per Cow per day)	\$ 6.96	\$	7.44	\$	7.62	\$	8.46	\$	8.73	\$ 10.09	\$	7.96
Gross Margin to Guarantee per CWT.	\$ 9.38	\$	10.16	\$	10.71	\$	11.49	\$	12.28	\$ 14.66	\$	11.06
Total Inflow - Total Outflow	\$ 549	\$	(8)	\$	(247)	\$	(476)	\$	(724)	\$ (1,337)	\$	(243)

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												٠,	10, 201
All Breeds		19%		27%		20%		10%		13%	12%		
					Bre	eakeven	M	ilk Price					
Dairy Summary per CWT:	<	<b>\$16</b>	\$1	16-\$18	\$1	18-\$19	\$1	19-\$20	\$2	20-\$22	>\$22	A۱	verage
Total Number of Cows		177		118		109		121		272	81		143
Number of Cows Milking		157		103		94		106		239	69		125
Percent in Milk		88%		87%		87%		87%		87%	86%		87%
Milk Sold per Total Cows		23,690		23,161		22,494		23,326		23,075	21,635		22,957
Milk Sold per Milking Cow	;	27,056		26,695		25,982		26,901		26,406	25,142		26,425
Average Lbs Milk per Day		74		73		71		74		72	69		72
Average Milk Price Planned	\$	17.13	\$	17.28	\$	17.39	\$	17.50	\$	17.65	\$ 17.18	\$	17.33
Milk Inflow	\$	17.13	\$	17.28	\$	17.39	\$	17.50	\$	17.65	\$ 17.18	\$	17.33
Cull Cow Sales	\$	1.03	\$	1.03	\$	1.06	\$	1.13	\$	1.02	\$ 1.07	\$	1.05
Bull Calf Sales	\$	0.48	\$	0.28	\$	0.41	\$	0.32	\$	0.30	\$ 0.47	\$	0.37
Misc. Dairy Sales	\$	0.16	\$	0.21	\$	0.25	\$	0.05	\$	0.09	\$ 0.49	\$	0.21
Total Inflow	\$	18.81	\$	18.79	\$	19.11	\$	18.99	\$	19.07	\$ 19.21	\$	18.96
Milking Cow Home Raised Feeds	\$	1.01	\$	2.55	\$	2.81	\$	3.83	\$	4.29	\$ 4.00	\$	2.81
Milking Cow Pur Concentrates	\$	4.12	\$	4.08	\$	4.65	\$	4.10	\$	4.25	\$ 4.76	\$	4.30
Milking Cow Pur Forages	\$	0.16	\$	0.48	\$	0.31	\$	0.03	\$	0.01	\$ 0.30	\$	0.26
Heifer and Dry Cow Home Raised Feed	\$	0.15	\$	0.31	\$	0.30	\$	0.61	\$	0.56	\$ 0.58	\$	0.37
Heifer and Dry Cow Pur Concentrates	\$	1.22	\$	1.23	\$	1.09	\$	1.37	\$	1.17	\$ 1.38	\$	1.22
Heifer and Dry Cow Pur Forages	\$	0.50	\$	0.51	\$	0.57	\$	0.18	\$	0.10	\$ 0.42	\$	0.43
Total Feed	\$	7.16	\$	9.17	\$	9.73	\$	10.11	\$	10.39	\$ 11.45	\$	9.40
Home Raised Feeds	\$	1.16	\$	2.86	\$	3.11	\$	4.43	\$	4.86	\$ 4.58	\$	3.18
Purchased Concentrates	\$	5.34	\$	5.32	\$	5.74	\$	5.47	\$	5.41	\$ 6.15	\$	5.53
Purchased Forages	\$	0.66	\$	0.99	\$	0.88	\$	0.20	\$	0.12	\$ 0.72	\$	0.69



											_	
Dairy Direct Expenses:	< \$16	16-\$18		18-\$19		19-\$20	_	20-\$22		>\$22		erage/
Breeding and Registration	\$ 0.32	\$ 0.31	\$	0.36	\$	0.26	\$	0.38	\$	0.35	\$	0.33
Vet and Medicine	\$ 0.44	\$ 0.46	\$	0.46	\$	0.40	\$	0.63	\$	0.58	\$	0.49
bST	\$ -	\$ -	\$	0.01	\$	0.04	\$	0.05	\$	-	\$	0.01
Supplies	\$ 0.74	\$ 0.61	\$	0.82	\$	0.70	\$	0.75	\$	0.97	\$	0.75
DHIA	\$ 0.09	\$ 0.10	\$	0.11	\$	0.13	\$	0.11	\$	0.12	\$	0.11
Contract Heifer Raising	\$ 0.17	\$ 0.18	\$	0.04	\$	0.12	\$	0.42	\$	0.41	\$	0.20
Dairy Custom Hire	\$ 0.15	\$ 0.18	\$	0.11	\$	0.19	\$	0.19	\$	0.25	\$	0.17
Milk Hauling	\$ 0.93	\$ 0.92	\$	0.96	\$	1.01	\$	0.89	\$	1.09	\$	0.95
Milk Marketing	\$ 0.26	\$ 0.37	\$	0.40	\$	0.19	\$	0.24	\$	0.33	\$	0.32
Bedding	\$ 0.25	\$ 0.23	\$	0.31	\$	0.37	\$	0.30	\$	0.55	\$	0.31
Dairy Expenses per CWT.	\$ 3.36	\$ 3.36	\$	3.58	\$	3.40	\$	3.95	\$	4.66	\$	3.63
Overhead Expenses:	< \$16	\$ 16-\$18	\$:	18-\$19	\$	19-\$20	\$	20-\$22		>\$22	Α١	/erage
Fuel and Oil	\$ 0.44	\$ 0.46	\$	0.57	\$	0.37	\$	0.61	\$	0.50	\$	0.49
Repairs	\$ 0.52	\$ 0.54	\$	0.68	\$	0.87	\$	0.92	\$	0.87	\$	0.68
Hired Labor, Witholding	\$ 0.73	\$ 0.57	\$	0.46	\$	0.74	\$	1.34	\$	0.94	\$	0.73
Machinery Leases	\$ 0.01	\$ 0.11	\$	0.13	\$	0.03	\$	0.05	\$	0.07	\$	0.07
Building Leases	\$ 0.38	\$ 0.39	\$	0.24	\$	0.30	\$	0.30	\$	0.05	\$	0.30
Real Estate Taxes	\$ 0.26	\$ 0.22	\$	0.24	\$	0.28	\$	0.19	\$	0.49	\$	0.27
Farm Insurance	\$ 0.14	\$ 0.16	\$	0.15	\$	0.14	\$	0.30	\$	0.25	\$	0.18
Utilities	\$ 0.22	\$ 0.28	\$	0.30	\$	0.31	\$	0.42	\$	0.41	\$	0.31
Risk Mgt. and Advertizing	\$ 0.02	\$ 0.02	\$	0.03	\$	0.02	\$	0.02	\$	0.02	\$	0.02
Dues and Professional Fees	\$ 0.05	\$ 0.04	\$	0.07	\$	0.09	\$	0.08	\$	0.07	\$	0.06
Miscellaneous	\$ 0.15	\$ 0.13	\$	0.31	\$	0.16	\$	0.22	\$	0.21	\$	0.19
Overhead Expenses per CWT.	\$ 2.91	\$ 2.92	\$	3.18	\$	3.30	\$	4.43	\$	3.89	\$	3.31
Owner Draw per CWT.	\$ 0.94	\$ 1.23	\$	1.44	\$	1.45	\$	1.16	\$	2.13	\$	1.33
Loan Payments per CWT.	\$ 2.12	\$ 2.14	\$	2.30	\$	2.76	\$	2.37	\$	3.74	\$	2.44
Total Outflow per CWT.	\$ 16.49	\$ 18.83	\$	20.22	\$	21.02	\$	22.31	\$	25.87	\$	20.12
Gross Milk Price Farm Breakeven	\$ 14.67		•		•	19.44	•		•		\$	18.42
IOFC Breakeven	\$ 6.96	\$ 7.44	\$	7.62	\$	8.46	\$	8.96	\$	10.11	\$	7.98
Gross Margin to Guarantee	\$ 9.38	\$ 10.16	\$	10.71	\$	11.49	\$	12.33	\$	14.68	\$	11.04
Total Inflow - Total Outflow	\$ 2.32	\$ (0.03)	\$	(1.11)	\$	(2.03)	\$	(3.24)	\$	(6.66)	\$	(1.16)

2016 Plans

8/16/2016

#### **Breakeven Milk Price**

Dairy Enterprise per CWT.	•	< \$16	\$:	16-\$18	\$:	18-\$19	\$:	19-\$20	\$2	20-\$22	>\$22	Α	verage
Milk Sold per Total Cows		23,690		23,161		22,494		23,326		23,075	21,635		22,957
Total Milk Inflow	\$	17.13	\$	17.28	\$	17.39	\$	17.50	\$	17.65	\$ 17.18	\$	17.33
Total Dairy Non-Milk Inflow	\$	1.68	\$	1.52	\$	1.72	\$	1.49	\$	1.42	\$ 2.03	\$	1.63
Total Inflow	\$	18.81	\$	18.79	\$	19.11	\$	18.99	\$	19.07	\$ 19.21	\$	18.96
Milking Cow Home Raised Feeds	\$	1.01	\$	2.55	\$	2.81	\$	3.83	\$	4.29	\$ 4.00	\$	2.81
Milking Cow Purchased Concentrates	\$	4.12	\$	4.08	\$	4.65	\$	4.10	\$	4.25	\$ 4.76	\$	4.30
Milking Cow Purchased Forages	\$	0.16	\$	0.48	\$	0.31	\$	0.03	\$	0.01	\$ 0.30	\$	0.26
Heifer and Dry Cow Home Raised Feeds	\$	0.15	\$	0.31	\$	0.30	\$	0.61	\$	0.56	\$ 0.58	\$	0.37
Heifer and Dry Cow Purchased Concentrates	\$	1.22	\$	1.23	\$	1.09	\$	1.37	\$	1.17	\$ 1.38	\$	1.22
Heifer and Dry Cow Purchased Forages	\$	0.50	\$	0.51	\$	0.57	\$	0.18	\$	0.10	\$ 0.42	\$	0.43
Total Feed	\$	7.16	\$	9.17	\$	9.73	\$	10.11	\$	10.39	\$ 11.45	\$	9.40
Dairy Expenses	\$	3.36	\$	3.36	\$	3.58	\$	3.40	\$	3.95	\$ 4.66	\$	3.63
Overhead Expenses	\$	2.91	\$	2.92	\$	3.18	\$	3.30	\$	4.43	\$ 3.89	\$	3.31
Owner Draw	\$	0.94	\$	1.23	\$	1.44	\$	1.45	\$	1.16	\$ 2.13	\$	1.33
Loan Payments	\$	2.12	\$	2.14	\$	2.30	\$	2.76	\$	2.37	\$ 3.74	\$	2.44
Expenses Other than Feed	\$	9.33	\$	9.66	\$	10.49	\$	10.91	\$	11.92	\$ 14.42	\$	10.72
Total Outflow	\$	16.49	\$	18.83	\$	20.22	\$	21.02	\$	22.31	\$ 25.87	\$	20.12
Gross Milk Price Breakeven per CWT.	\$	14.67	\$	17.27	\$	18.48	\$	19.44	\$	20.89	\$ 23.74	\$	18.42
IOFC Breakeven (per Cow per day)	\$	6.96	\$	7.44	\$	7.62	\$	8.46	\$	8.96	\$ 10.11	\$	7.98
Gross Margin to Guarantee per CWT.	\$	9.38	\$	10.16	\$	10.71	\$	11.49	\$	12.33	\$ 14.68	\$	11.04
Total Inflow - Total Outflow	\$	2.32	\$	(0.03)	\$	(1.11)	\$	(2.03)	\$	(3.24)	\$ (6.66)	\$	(1.79)

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Dairy Enterprise Summary per Cow by Farm Size 2016 Plans 8/16/2016

All Breeds by Farm Size		17%		30%		13%		22%		9%	10%		100%
	Farm Siz	e Groupi	ng										
Dairy Enterprise per Cow by Farm Size:		30-50		52-70	7	71-100	1	05-176	1	80-289	>290	A	verage
Total Number of Cows		45		59		80		137		234	592		143
Number of Cows Milking		39		51		69		120		207	523		125
Percent in Milk		87%		86%		85%		87%		88%	88%		87%
Milk Sold per Total Cows		21,994		22,508		22,798		23,453		22,675	25,403		22,957
Milk Sold per Milking Cow		25,201		26,135		26,645		26,899		25,631	28,865		26,425
Average Lbs Milk per Day		69		72		73		74		70	79		72
Average Milk Price Planned	\$	17.57	\$	17.16	\$	17.29	\$	17.36	\$	17.48	\$ 17.26	\$	17.33
Milk Inflow	\$	3,872	\$	3,863	\$	3,949	\$	4,072	\$	3,962	\$ 4,384	\$	3,980
Cull Cow Sales	\$	237	\$	234	\$	235	\$	245	\$	191	\$ 322	\$	242
Bull Calf Sales	\$	106	\$	96	\$	69	\$	76	\$	65	\$ 71	\$	85
Misc. Dairy Sales	\$	64	\$	74	\$	21	\$	41	\$	20	\$ 8	\$	48
Total Inflow	\$	4,279	\$	4,268	\$	4,275	\$	4,434	\$	4,238	\$ 4,784	\$	4,354
Milking Cow Home Raised Feeds	\$	544	\$	597	\$	614	\$	771	\$	768	\$ 630	\$	646
Milking Cow Pur Concentrates	\$	1,009	\$	940	\$	995	\$	967	\$	914	\$ 1,150	\$	983
Milking Cow Pur Forages	\$	34	\$	54	\$	143	\$	67	\$	6	\$ 25	\$	58
Heifer and Dry Cow Home Raised Feed	\$	75	\$	72	\$	66	\$	84	\$	139	\$ 121	\$	85
Heifer and Dry Cow Pur Concentrates	\$	293	\$	307	\$	271	\$	229	\$	304	\$ 259	\$	278
Heifer and Dry Cow Pur Forages	\$	136	\$	132	\$	125	\$	47	\$	23	\$ 68	\$	97
Total Feed	\$	2,091	\$	2,102	\$	2,214	\$	2,166	\$	2,153	\$ 2,253	\$	2,147
Percent of Milk Inflow		41%		41%		44%		44%		43%	41%		42%

Dairy Enterprise Summary per Cow by Farm Size 2016 Plans 8/16/2016

Dairy Direct Expenses:		30-50		52-70	7	1-100	10	05-176	1	80-289		>290	<u> </u>	verage
Breeding and Registration	\$	59	\$	89	\$	76	\$	78	\$	82	\$	63	\$	77
Vet and Medicine	\$	93	\$	112	\$	107	\$	111	\$	131	\$	131	\$	111
bST	\$	8	\$	3	\$	-	\$	-	\$	-	\$	8	\$	3
Supplies	\$	212	\$	194	\$	149	\$	156	\$	112	\$	112	\$	168
DHIA	\$	21	\$	27	\$	28	\$	26	\$	21	\$	22	\$	25
Contract Heifer Raising	\$	53	\$	51	\$	49	\$	17	\$	12	\$	109	\$	46
Dairy Custom Hire	\$	18	\$	27	\$	17	\$	61	\$	81	\$	70	\$	40
Milk Hauling	\$	235	\$	233	\$	211	\$	198	\$	202	\$	198	\$	217
Milk Marketing	\$	66	\$	87	\$	79	\$	57	\$	62	\$	65	\$	71
Bedding	\$	44	\$	61	\$	84	\$	73	\$	150	\$	70	\$	72
Dairy Expenses per Cow	\$	809	\$	884	\$	799	\$	777	\$	854	\$	848	\$	830
Overhead Expenses:	3	30-50	į	52-70	7	1-100	10	05-176	18	80-289		>290	Α	verage
Fuel and Oil	\$	164	\$	111	\$	138	\$	70	\$	100	\$	83	\$	111
Repairs	\$	121	\$	160	\$	137	\$	160	\$	192	\$	194	\$	157
Hired Labor, Witholding	\$	32	\$	65	\$	87	\$	268	\$	388	\$	512	\$	178
Machinery Leases	\$	8	\$	14	\$	8	\$	19	\$	3	\$	64	\$	17
Building Leases	\$	96	\$	49	\$	61	\$	60	\$	99	\$	110	\$	71
Real Estate Taxes	\$	72	\$	81	\$	55	\$	40	\$	37	\$	43	\$	60
Farm Insurance	\$	8	\$	22	\$	40	\$	77	\$	71	\$	59	\$	42
Utilities	\$	15	\$	50	\$	73	\$	118	\$	90	\$	118	\$	72
Risk Mgt. and Advertizing	\$	-	\$	5	\$	1	\$	7	\$	4	\$	21	\$	5
Dues and Professional Fees	\$	11	\$	10	\$	9	\$	19	\$	14	\$	23	\$	14
Miscellaneous	\$	65	\$	53	\$	32	\$	36	\$	24	\$	28	\$	44
Overhead Expenses per Cow	\$	592	\$	622	\$	640	\$	873	\$	1,022	\$	1,256	\$	770
Owner Draw per Cow	\$	387	\$	369	\$	304	\$	253	\$	181	\$	152	\$	301
Loan Payments per Cow	\$	627	\$	562	\$	599	\$	563	\$	397	\$	500	\$	558
Total Outflow per Cow	\$	4,506	\$	4,538	\$	4,556	\$	4,632	\$	4,607	\$	5,009	\$	4,607
	\$	30-50	į	52-70	7	1-100	10	05-176	18	80-289		>290	Α	verage
Gross Milk Price Farm Breakeven	\$	18.72	\$	18.31	\$	18.52	\$	18.19	\$	19.18	\$	17.96	\$	18.42
IOFC Breakeven	\$	7.85	\$	8.04	\$	7.88	\$	7.73	\$	8.19	\$	8.55	\$	7.98
Gross Margin to Guarantee	\$	11.48	\$	11.24	\$	10.78	\$	10.43	\$	11.66	\$	10.84	\$	11.04
Total Inflow - Total Outflow	\$	(227)	\$	(270)	Ś	(281)	Ś	(199)	Ś	(369)	Ś	(225)	\$	(252)

Dairy Enterprise Summary per Cow by Farm Size 2016 Plans 8/16/2016

#### **Breakeven Milk Price**

Dairy Enterprise per Cow:	;	30-50	į	52-70	7	1-100	10	05-176	1	80-289	>290	Δ	verage
Milk Sold per Total Cows		21,994		22,508		22,798		23,453		22,675	25,403		22,957
Total Milk Inflow	\$	3,872	\$	3,863	\$	3,949	\$	4,072	\$	3,962	\$ 4,384		3,980
Total Dairy Non-Milk Inflow	\$	408	\$	405	\$	325	\$	362	\$	276	\$ 401	\$	375
Total Inflow	\$	4,279	\$	4,268	\$	4,275	\$	4,434	\$	4,238	\$ 4,784		4,354
Milking Cow Home Raised Feeds	\$	544	\$	597	\$	614	\$	771	\$	768	\$ 630	\$	646
Milking Cow Purchased Concentrates	\$	1,009	\$	940	\$	995	\$	967	\$	914	\$ 1,150	\$	983
Milking Cow Purchased Forages	\$	34	\$	54	\$	143	\$	67	\$	6	\$ 25	\$	58
Heifer and Dry Cow Home Raised Feeds	\$	75	\$	72	\$	66	\$	84	\$	139	\$ 121	\$	85
Heifer and Dry Cow Purchased Concentrates	\$	293	\$	307	\$	271	\$	229	\$	304	\$ 259	\$	278
Heifer and Dry Cow Purchased Forages	\$	136	\$	132	\$	125	\$	47	\$	23	\$ 68	\$	97
Total Feed	\$	2,091	\$	2,102	\$	2,214	\$	2,166	\$	2,153	\$ 2,253	\$	2,147
Dairy Expenses	\$	809	\$	884	\$	799	\$	777	\$	854	\$ 848	\$	830
Overhead Expenses	\$	592	\$	622	\$	640	\$	873	\$	1,022	\$ 1,256	\$	770
Owner Draw	\$	387	\$	369	\$	304	\$	253	\$	181	\$ 152	\$	301
Loan Payments	\$	627	\$	562	\$	599	\$	563	\$	397	\$ 500	\$	558
Expenses Other than Feed	\$	2,415	\$	2,436	\$	2,342	\$	2,467	\$	2,454	\$ 2,756	\$	2,460
Total Outflow	\$	4,506	\$	4,538	\$	4,556	\$	4,632	\$	4,607	\$ 5,009	\$	4,607
Gross Milk Price Breakeven per CWT.	\$	18.72	\$	18.31	\$	18.52	\$	18.19	\$	19.18	\$ 17.96	\$	18.42
IOFC Breakeven (per Cow per day)	\$	7.85	\$	8.04	\$	7.88	\$	7.73	\$	8.19	\$ 8.55	\$	7.98
Gross Margin to Guarantee per CWT.	\$	11.48	\$	11.24	\$	10.78	\$	10.43	\$	11.66	\$ 10.84	\$	11.04
Total Inflow - Total Outflow	\$	(227)	\$	(270)	\$	(281)	\$	(199)	\$	(369)	\$ (225)	\$	(252)

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	26%		36%		14%		15%	4%	5%		
			ı	3re	akeven I	Mil	k Price				
Whole Farm per Cow:	< \$16	\$:	16-\$18	\$:	18-\$19	\$:	19-\$20	\$ 20-\$22	>\$22	Α	verage
Total Number of Cows	135		129		102		238	144	102		143
Number of Cows Milking	119		113		90		209	125	89		125
Percent in Milk	87%		87%		87%		87%	88%	88%		87%
Milk Sold per Total Cows	22,555		23,326		22,315		23,311	23,856	22,470		22,957
Milk Sold per Milking Cow	26,066		26,879		25,559		26,886	27,147	25,550		26,425
Average Lbs Milk per Day	71		74		70		74	74	70		72
Average Milk Price Planned	\$ 17.07	\$	17.33	\$	17.50	\$	17.59	\$ 17.63	\$ 17.13	\$	17.33
Milk Inflow	\$ 3,851	\$	4,044	\$	3,907	\$	4,105	\$ 4,194	\$ 3,849	\$	3,980
Patronage Dividends	\$ 6	\$	11	\$	19	\$	19	\$ 39	\$ 57	\$	15
Cull Cow Sales	\$ 232	\$	246	\$	241	\$	258	\$ 230	\$ 226	\$	242
Bull Calf Sales	\$ 100	\$	75	\$	95	\$	80	\$ 59	\$ 83	\$	85
Misc. Dairy Sales	\$ 58	\$	24	\$	63	\$	33	\$ 19	\$ 191	\$	48
Govt. Payments	\$ -	\$	1	\$	11	\$	-	\$ -	\$ -	\$	2
Other Govt. Payments	\$ 2	\$	10	\$	4	\$	12	\$ 15	\$ -	\$	7
Crop Sales	\$ 278	\$	74	\$	137	\$	282	\$ 2	\$ 149	\$	169
Custom Work Income	\$ 20	\$	18	\$	2	\$	52	\$ 29	\$ 6	\$	21
Other Farm Income	\$ 375	\$	146	\$	72	\$	394	\$ 74	\$ 29	\$	224
Non Milk Inflow (Subtotal)	\$ 1,070	\$	604	\$	644	\$	1,132	\$ 467	\$ 742	\$	813
Total Inflow	\$ 4,921	\$	4,648	\$	4,551	\$	5,236	\$ 4,661	\$ 4,590	\$	4,793

Direct Crop Expenses and Purchased Feed:	< \$16	\$:	16-\$18	\$:	18-\$19	\$:	19-\$20	\$2	20-\$22	>\$22	Αv	erage
Seed	\$ 116	\$	120	\$	157	\$	202	\$	166	\$ 207	\$	143
Fertilizer	\$ 117	\$	105	\$	171	\$	111	\$	126	\$ 151	\$	122
Chemical	\$ 32	\$	48	\$	45	\$	62	\$	90	\$ 107	\$	50
Custom Hire	\$ 131	\$	127	\$	108	\$	115	\$	258	\$ 194	\$	132
Land rent	\$ 106	\$	107	\$	94	\$	136	\$	144	\$ 78	\$	109
Milking Cow Pur Concentrates	\$ 964	\$	999	\$	938	\$	1,024	\$	960	\$ 981	\$	983
Milking Cow Pur Forages	\$ 70	\$	82	\$	41	\$	28	\$	-	\$ -	\$	58
Heifer and Dry Cow Pur Concentrates	\$ 275	\$	286	\$	235	\$	314	\$	242	\$ 282	\$	278
Heifer and Dry Cow Pur Forages	\$ 125	\$	110	\$	88	\$	77	\$	32	\$ 2	\$	97
Total Feed and Direct Crop Expenses	\$ 1,936	\$	1,984	\$	1,879	\$	2,070	\$	2,018	\$ 2,002	\$	1,972



Dairy Direct Expenses:	 < \$16	\$	16-\$18	\$ 18-\$19	\$:	19-\$20	\$2	20-\$22	>\$22	_	verage
Breeding and Registration	\$ 82	\$	68	\$ 81	\$	77	\$	97	\$ 80	\$	77
Vet and Medicine	\$ 100	\$	108	\$ 102	\$	126	\$	160	\$ 159	\$	112
bST	\$ -	\$	-	\$ 4	\$	16	\$	-	\$ -	\$	3
Supplies	\$ 161	\$	169	\$ 200	\$	156	\$	163	\$ 166	\$	169
DHIA	\$ 21	\$	26	\$ 25	\$	25	\$	30	\$ 34	\$	25
Contract Heifer Raising	\$ 30	\$	41	\$ 29	\$	122	\$	-	\$ 10	\$	46
Dairy Custom Hire	\$ 22	\$	43	\$ 41	\$	48	\$	62	\$ 73	\$	40
Milk Hauling	\$ 229	\$	209	\$ 209	\$	216	\$	222	\$ 234	\$	217
Milk Marketing	\$ 76	\$	71	\$ 84	\$	53	\$	48	\$ 87	\$	71
Bedding	\$ 51	\$	63	\$ 86	\$	78	\$	135	\$ 146	\$	72
Dairy Expenses per Cow	\$ 772	\$	799	\$ 859	\$	916	\$	915	\$ 989	\$	832
Overhead Expenses:	< \$16	\$	16-\$18	\$ 18-\$19	\$:	19-\$20	\$2	20-\$22	>\$22	A	verage
Fuel and Oil	\$ 130	\$	138	\$ 156	\$	161	\$	141	\$ 148	\$	143
Repairs	\$ 164	\$	177	\$ 187	\$	234	\$	413	\$ 262	\$	197
Hired Labor, Witholding	\$ 134	\$	179	\$ 189	\$	374	\$	565	\$ 274	\$	218
Machinery Leases	\$ 12	\$	35	\$ 49	\$	25	\$	-	\$ 37	\$	28
Building Leases	\$ 67	\$	99	\$ 75	\$	58	\$	58	\$ 70	\$	78
Real Estate Taxes	\$ 88	\$	49	\$ 82	\$	75	\$	56	\$ 137	\$	72
Farm Insurance	\$ 25	\$	51	\$ 33	\$	62	\$	147	\$ 111	\$	50
Utilities	\$ 58	\$	81	\$ 67	\$	112	\$	178	\$ 175	\$	86
Risk Mgt. and Advertizing	\$ 1	\$	11	\$ 1	\$	5	\$	6	\$ 14	\$	6
Dues and Professional Fees	\$ 15	\$	11	\$ 19	\$	23	\$	34	\$ 15	\$	16
Miscellaneous	\$ 60	\$	51	\$ 65	\$	80	\$	53	\$ 51	\$	60
Overhead Expenses per Cow	\$ 754	\$	882	\$ 923	\$	1,210	\$	1,650	\$ 1,295	\$	955
Owner Draw per Cow	\$ 284	\$	353	\$ 426	\$	377	\$	267	\$ 605	\$	358
Loan Payments per Cow	\$ 614	\$	590	\$ 660	\$	926	\$	524	\$ 1,181	\$	684
Total Outflow per Cow	\$ 4,360	\$	4,608	\$ 4,748	\$	5,498	\$	5,375	\$ 6,071	\$	4,801
	< \$16	\$:	16-\$18	\$ 18-\$19	\$:	19-\$20	\$2	20-\$22	>\$22	A	verage
Gross Milk Price Farm Breakeven	\$ 14.62	\$	17.11	\$ 18.38	\$	19.46	\$	20.62	\$ 23.94	\$	17.47
IOFC Breakeven	\$ 5.56	\$	7.47	\$ 7.75	\$	8.24	\$	8.60	\$ 10.45	\$	7.32
Gross Margin to Guarantee	\$ 7.78	\$	10.09	\$ 11.08	\$	11.21	\$	11.44	\$ 14.89	\$	10.09
Total Inflow - Total Outflow	\$ 561	\$	40	\$ (196)	\$	(262)	\$	(714)	\$ (1,480)	\$	(7)

#### **Breakeven Milk Price**

Whole Farm per Cow:	< \$16	\$ 16-\$18	\$ 18-\$19	\$ 19-\$20	\$ 20-\$22	>\$22	Α	verage
Milk Sold per Total Cows	22,555	23,326	22,315	23,311	23,856	22,470		22,957
Total Milk Inflow	\$ 3,851	\$ 4,044	\$ 3,907	\$ 4,105	\$ 4,194	\$ 3,849	\$	3,980
Total Dairy and Crop Non-Milk Inflow	\$ 1,070	\$ 604	\$ 644	\$ 1,132	\$ 467	\$ 742	\$	813
Total Inflow	\$ 4,921	\$ 4,648	\$ 4,551	\$ 5,236	\$ 4,661	\$ 4,590	\$	4,793
Crop Direct Expenses	\$ 502	\$ 507	\$ 576	\$ 627	\$ 784	\$ 737	\$	556
Milking Cow Purchased Concentrates	\$ 964	\$ 999	\$ 938	\$ 1,024	\$ 960	\$ 981	\$	983
Milking Cow Purchased Forages	\$ 70	\$ 82	\$ 41	\$ 28	\$ -	\$ -	\$	58
Heifer and Dry Cow Purchased Concentrates	\$ 275	\$ 286	\$ 235	\$ 314	\$ 242	\$ 282	\$	278
Heifer and Dry Cow Purchased Forages	\$ 125	\$ 110	\$ 88	\$ 77	\$ 32	\$ 2	\$	97
Total Feed and Crop	\$ 1,936	\$ 1,984	\$ 1,879	\$ 2,070	\$ 2,018	\$ 2,002	\$	1,972
Dairy Expenses	\$ 772	\$ 799	\$ 859	\$ 916	\$ 915	\$ 989	\$	832
Overhead Expenses	\$ 754	\$ 882	\$ 923	\$ 1,210	\$ 1,650	\$ 1,295	\$	955
Owner Draw	\$ 284	\$ 353	\$ 426	\$ 377	\$ 267	\$ 605	\$	358
Loan Payments	\$ 614	\$ 590	\$ 660	\$ 926	\$ 524	\$ 1,181	\$	684
Expenses Other than Feed	\$ 2,424	\$ 2,625	\$ 2,868	\$ 3,428	\$ 3,357	\$ 4,069	\$	2,829
Total Outflow	\$ 4,360	\$ 4,608	\$ 4,748	\$ 5,498	\$ 5,375	\$ 6,071	\$	4,801
Gross Milk Price Breakeven per CWT.	\$ 14.62	\$ 17.11	\$ 18.38	\$ 19.46	\$ 20.62	\$ 23.94	\$	17.47
IOFC Breakeven (per Cow per day)	\$ 5.56	\$ 7.47	\$ 7.75	\$ 8.24	\$ 8.60	\$ 10.45	\$	7.32
Gross Margin to Guarantee per CWT.	\$ 7.78	\$ 10.09	\$ 11.08	\$ 11.21	\$ 11.44	\$ 14.89	\$	10.09
Total Inflow - Total Outflow	\$ 561	\$ 40	\$ (196)	\$ (262)	\$ (714)	\$ (1,480)	\$	(7)

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	26%		36%		14%		15%		4%	5%		
Whole Farm per CWT:	 < \$16	ć	16-\$18		eakeven 18-\$19		ilk Price 19-\$20	Ċ	20-\$22	>\$22	Λ,	verage
Total Number of Cows	135	ڔ	129	. ب	102	ڔ	238	بر	144	102		143
Number of Cows Milking	119		113		90		209		125	89		125
Percent in Milk	87%		87%		87%		87%		88%	88%		87%
Milk Sold per Total Cows	22,555		23,326		22,315		23,311		23,856	22,470		22,957
Milk Sold per Milking Cow	26,066		26,879		25,559		26,886		27,147	25,550		26,425
Average Lbs Milk per Day	71		74		70		74		74	70		72
Average Milk Price Planned	\$ 17.07	\$	17.33	\$	17.50	\$	17.59	\$	17.63	\$ 17.13	\$	17.33
Milk Inflow	\$ 17.07	\$	17.33	\$	17.50	\$	17.59	\$	17.63	\$ 17.13	\$	17.33
Patronage Dividends	\$ 0.02	\$	0.05	\$	0.08	\$	0.08	\$	0.16	\$ 0.25	\$	0.07
Cull Cow Sales	\$ 1.02	\$	1.05	\$	1.09	\$	1.11	\$	0.94	\$ 1.00	\$	1.05
Bull Calf Sales	\$ 0.44	\$	0.32	\$	0.43	\$	0.35	\$	0.25	\$ 0.37	\$	0.37
Misc. Dairy Sales	\$ 0.27	\$	0.10	\$	0.27	\$	0.13	\$	0.09	\$ 0.82	\$	0.21
Govt Payments (MILC)	\$ -	\$	0.00	\$	0.05	\$	-	\$	-	\$ -	\$	0.01
Other Govt. Payments	\$ 0.01	\$	0.05	\$	0.02	\$	0.05	\$	0.06	\$ -	\$	0.03
Crop Sales	\$ 1.27	\$	0.32	\$	0.74	\$	1.21	\$	0.01	\$ 0.69	\$	0.77
Custom Work Income	\$ 0.09	\$	0.08	\$	0.01	\$	0.20	\$	0.11	\$ 0.02	\$	0.09
Other Farm Income	\$ 1.69	\$	0.64	\$	0.36	\$	1.66	\$	0.29	\$ 0.13	\$	0.99
Non Milk Inflow	\$ 4.81	\$	2.62	\$	3.05	\$	4.79	\$	1.90	\$ 3.28	\$	3.59
Total Inflow	\$ 21.88	\$	19.95	\$	20.54	\$	22.38	\$	19.53	\$ 20.41	\$	20.91
Direct Crop Expenses and Purchased Feed:	< \$16	\$	16-\$18	\$:	18-\$19	\$	19-\$20	\$	20-\$22	>\$22	Αv	erage
Seed	\$ 0.51	\$	0.51	\$	0.71	\$	0.87	\$	0.71	\$ 0.93	\$	0.62
Fertilizer	\$ 0.52	\$	0.45	\$	0.78	\$	0.49	\$	0.54	\$ 0.67	\$	0.54
Chemical	\$ 0.14	\$	0.21	\$	0.20	\$	0.26	\$	0.36	\$ 0.48	\$	0.22
Custom Hire	\$ 0.57	\$	0.54	\$	0.47	\$	0.49	\$	1.09	\$ 0.87	\$	0.56
Land rent	\$ 0.45	\$	0.46	\$	0.39	\$	0.56	\$	0.54	\$ 0.34	\$	0.46
Milking Cow Pur Concentrates	\$ 4.28	\$	4.32	\$	4.21	\$	4.39	\$	4.23	\$ 4.35	\$	4.30
Milking Cow Pur Forages	\$ 0.34	\$	0.36	\$	0.18	\$	0.12	\$	-	\$ -	\$	0.26
Heifer and Dry Cow Pur Concentrates	\$ 1.24	\$	1.23	\$	1.08	\$	1.37	\$	1.00	\$ 1.24	\$	1.22
Heifer and Dry Cow Pur Forages	\$ 0.55	\$	0.48	\$	0.40	\$	0.33	\$	0.11	\$ 0.01	\$	0.43
Total Feed and Direct Crop Expenses	\$ 8.61	\$	8.57	\$	8.41	\$	8.88	\$	8.57	\$ 8.91	\$	8.62



Dairy Direct Expenses:	< \$16	\$ 16-\$18	\$:	18-\$19	\$ 19-\$20	\$2	20-\$22	>\$22	Δ	verage
Breeding and Registration	\$ 0.36	\$ 0.29	\$	0.36	\$ 0.33	\$	0.39	\$ 0.35	\$	0.33
Vet and Medicine	\$ 0.46	\$ 0.46	\$	0.45	\$ 0.54	\$	0.66	\$ 0.71	\$	0.49
bST	\$ -	\$ -	\$	0.02	\$ 0.06	\$	-	\$ -	\$	0.01
Supplies	\$ 0.72	\$ 0.74	\$	0.95	\$ 0.68	\$	0.68	\$ 0.73	\$	0.75
DHIA	\$ 0.09	\$ 0.11	\$	0.11	\$ 0.11	\$	0.13	\$ 0.15	\$	0.11
Contract Heifer Raising	\$ 0.14	\$ 0.18	\$	0.12	\$ 0.52	\$	-	\$ 0.04	\$	0.20
Dairy Custom Hire	\$ 0.09	\$ 0.18	\$	0.17	\$ 0.20	\$	0.26	\$ 0.34	\$	0.17
Milk Hauling	\$ 1.02	\$ 0.90	\$	0.95	\$ 0.94	\$	0.96	\$ 1.04	\$	0.95
Milk Marketing	\$ 0.35	\$ 0.31	\$	0.38	\$ 0.23	\$	0.18	\$ 0.39	\$	0.32
Bedding	\$ 0.22	\$ 0.27	\$	0.36	\$ 0.33	\$	0.59	\$ 0.64	\$	0.31
Dairy Expenses per CWT.	\$ 3.45	\$ 3.44	\$	3.87	\$ 3.93	\$	3.85	\$ 4.41	\$	3.83
Overhead Expenses:	< \$16	\$ 16-\$18	\$:	18-\$19	\$ 19-\$20	\$2	20-\$22	>\$22	Δ	verage
Fuel and Oil	\$ 0.58	\$ 0.61	\$	0.72	\$ 0.70	\$	0.61	\$ 0.66	\$	0.63
Repairs	\$ 0.73	\$ 0.76	\$	0.85	\$ 1.01	\$	1.72	\$ 1.17	\$	0.86
Hired Labor, Witholding	\$ 0.54	\$ 0.73	\$	0.79	\$ 1.54	\$	2.34	\$ 1.23	\$	0.90
Machinery Leases	\$ 0.05	\$ 0.15	\$	0.21	\$ 0.10	\$	-	\$ 0.17	\$	0.12
Building Leases	\$ 0.28	\$ 0.42	\$	0.33	\$ 0.25	\$	0.20	\$ 0.30	\$	0.33
Real Estate Taxes	\$ 0.39	\$ 0.21	\$	0.39	\$ 0.33	\$	0.23	\$ 0.61	\$	0.32
Farm Insurance	\$ 0.11	\$ 0.23	\$	0.14	\$ 0.26	\$	0.58	\$ 0.50	\$	0.22
Utilities	\$ 0.26	\$ 0.34	\$	0.28	\$ 0.47	\$	0.72	\$ 0.78	\$	0.37
Risk Mgt. and Advertizing	\$ 0.01	\$ 0.04	\$	0.00	\$ 0.02	\$	0.02	\$ 0.06	\$	0.02
Dues and Professional Fees	\$ 0.07	\$ 0.05	\$	0.08	\$ 0.10	\$	0.15	\$ 0.07	\$	0.07
Miscellaneous	\$ 0.26	\$ 0.23	\$	0.31	\$ 0.34	\$	0.21	\$ 0.23	\$	0.26
Overhead Expenses per CWT.	\$ 3.28	\$ 3.76	\$	4.11	\$ 5.11	\$	6.78	\$ 5.77	\$	4.11
Owner Draw per CWT.	\$ 1.27	\$ 1.52	\$	2.02	\$ 1.64	\$	1.06	\$ 2.74	\$	1.59
Loan Payments per CWT.	\$ 2.80	\$ 2.49	\$	2.99	\$ 4.00	\$	2.26	\$ 5.17	\$	2.99
Total Outflow per CWT.	\$ 19.41	\$ 19.79	\$	21.41	\$ 23.56	\$	22.52	\$ 26.99	\$	21.14
	< \$16	\$ 16-\$18	\$:	18-\$19	\$ 19-\$20	\$2	20-\$22	>\$22	Δ	verage
Gross Milk Price Farm Breakeven	\$ 14.62	\$ 17.11	\$	18.38	\$ 19.46	\$	20.62	\$ 23.94	\$	17.47
IOFC Breakeven	\$ 5.56	\$ 7.47	\$	7.75	\$ 8.24	\$	8.60	\$ 10.45	\$	7.32
Gross Margin to Guarantee	\$ 7.78	\$ 10.09	\$	11.08	\$ 11.21	\$	11.44	\$ 14.89	\$	10.09
Total Inflow - Total Outflow	\$ 2.47	\$ 0.16	\$	(0.87)	\$ (1.18)	\$	(2.99)	\$ (6.59)	\$	(0.22)



2016 Plans

8/16/2016

#### **Breakeven Milk Price**

			יום	eakevei	 iik i iice				
Whole Farm per CWT:	< \$16	\$ 16-\$18	\$	18-\$19	\$ 19-\$20	\$ 20-\$22	>\$22	Α	verage
Milk Sold per Total Cows	22,555	23,326		22,315	23,311	23,856	22,470		22,957
Total Milk Inflow	\$ 17.07	\$ 17.33	\$	17.50	\$ 17.59	\$ 17.63	\$ 17.13	\$	17.33
Total Dairy and Crop Non-Milk Inflow	\$ 4.81	\$ 2.62	\$	3.05	\$ 4.79	\$ 1.90	\$ 3.28	\$	3.59
Total Inflow	\$ 21.88	\$ 19.95	\$	20.54	\$ 22.38	\$ 19.53	\$ 20.41	\$	20.91
Crop Direct Expenses	\$ 2.19	\$ 2.18	\$	2.55	\$ 2.67	\$ 3.22	\$ 3.30	\$	2.40
Milking Cow Purchased Concentrates	\$ 4.28	\$ 4.32	\$	4.21	\$ 4.39	\$ 4.23	\$ 4.35	\$	4.30
Milking Cow Purchased Forages	\$ 0.34	\$ 0.36	\$	0.18	\$ 0.12	\$ -	\$ -	\$	0.26
Heifer and Dry Cow Purchased Concentrates	\$ 1.24	\$ 1.23	\$	1.08	\$ 1.37	\$ 1.00	\$ 1.24	\$	1.22
Heifer and Dry Cow Purchased Forages	\$ 0.55	\$ 0.48	\$	0.40	\$ 0.33	\$ 0.11	\$ 0.01	\$	0.43
Total Feed and Crop	\$ 8.61	\$ 8.57	\$	8.41	\$ 8.88	\$ 8.57	\$ 8.91	\$	8.62
Dairy Expenses	\$ 3.45	\$ 3.44	\$	3.87	\$ 3.93	\$ 3.85	\$ 4.41	\$	3.83
Overhead Expenses	\$ 3.28	\$ 3.76	\$	4.11	\$ 5.11	\$ 6.78	\$ 5.77	\$	4.11
Owner Draw	\$ 1.27	\$ 1.52	\$	2.02	\$ 1.64	\$ 1.06	\$ 2.74	\$	1.59
Loan Payments	\$ 2.80	\$ 2.49	\$	2.99	\$ 4.00	\$ 2.26	\$ 5.17	\$	2.99
Expenses Other than Feed	\$ 10.80	\$ 11.22	\$	13.00	\$ 14.67	\$ 13.95	\$ 18.09	\$	12.51
Total Outflow	\$ 19.41	\$ 19.79	\$	21.41	\$ 23.56	\$ 22.52	\$ 26.99	\$	21.14
Gross Milk Price Breakeven per CWT.	\$ 14.62	\$ 17.11	\$	18.38	\$ 19.46	\$ 20.62	\$ 23.94	\$	17.47
IOFC Breakeven (per Cow per day)	\$ 5.56	\$ 7.47	\$	7.75	\$ 8.24	\$ 8.60	\$ 10.45	\$	7.32
Gross Margin to Guarantee per CWT.	\$ 7.78	\$ 10.09	\$	11.08	\$ 11.21	\$ 11.44	\$ 14.89	\$	10.09
Total Inflow - Total Outflow	\$ 2.47	\$ 0.16	\$	(0.87)	\$ (1.18)	\$ (2.99)	\$ (6.59)	\$	(0.22)

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Whole Farm Summary per Cow by Farm Size 2016 Plans 8/16/2016

		17%	30%	13%		22%		9%	10%		
Whole Farm per Cow by Farm Size:		30-50	52-70	71-100	1	L <b>05-176</b>	1	L80-289	>290		verage
Total Number of Cows		45	59	80		137		234	592		143
Number of Cows Milking		39	51	69		120		207	523		125
Percent in Milk		87%	86%	85%		87%		88%	88%		87%
Milk Sold per Total Cows		21,994	22,508	22,798		23,453		22,675	25,403		22,957
Milk Sold per Milking Cow		25,201	26,135	26,645		26,899		25,631	28,865		26,425
Average Lbs Milk per Day		69	72	73		74		70	79		72
Average Milk Price Planned	\$	17.57	\$ 17.16	\$ 17.29	\$	17.36	\$	17.48	\$ 17.26	\$	17.33
Milk Inflow	\$	3,872	\$ 3,863	\$ 3,949	\$	4,072	\$	3,962	\$ 4,384	\$	3,980
Patronage Dividends	\$	11	\$ 11	\$ 6	\$	20	\$	29	\$ 25	\$	15
Cull Cow Sales	\$	237	\$ 234	\$ 235	\$	245	\$	191	\$ 322	\$	242
Bull Calf Sales	\$	106	\$ 96	\$ 69	\$	76	\$	65	\$ 71	\$	85
Misc. Dairy Sales	\$	64	\$ 74	\$ 21	\$	41	\$	20	\$ 8	\$	48
Govt. Payments	\$	9	\$ -	\$ -	\$	1	\$	-	\$ -	\$	2
Other Govt. Payments	\$	2	\$ 6	\$ 14	\$	10	\$	3	\$ 8	\$	7
Crop Sales	\$	294	\$ 238	\$ 75	\$	132	\$	67	\$ 28	\$	169
Custom Work Income	\$	18	\$ 22	\$ 20	\$	32	\$	7	\$ 16	\$	21
Other Farm Income	\$	409	\$ 230	\$ 171	\$	178	\$	139	\$ 128	\$	224
Non Milk Inflow	\$	1,150	\$ 913	\$ 611	\$	735	\$	521	\$ 606	\$	813
Total Inflow	\$	5,022	\$ 4,775	\$ 4,560	\$	4,807	\$	4,482	\$ 4,989	\$	4,793
Direct Crop Expenses and Purchased Feed:	;	30-50	52-70	71-100	1	L <b>05-17</b> 6	1	180-289	>290	Αv	erage
Seed	\$	153	\$ 136	\$ 120	\$	158	\$	146	\$ 141	\$	143
Fertilizer	\$	120	\$ 130	\$ 131	\$	121	\$	132	\$ 78	\$	122
Chemical	\$	30	\$ 42	\$ 32	\$	66	\$	80	\$ 68	\$	50
Custom Hire	\$	73	\$ 110	\$ 117	\$	180	\$	194	\$ 159	\$	132
Land rent	\$	109	\$ 88	\$ 47	\$	171	\$	96	\$ 128	\$	109
Milking Cow Pur Concentrates	\$	1,009	\$ 940	\$ 995	\$	967	\$	914	\$ 1,150	\$	983
Milking Cow Pur Forages	\$	34	\$ 54	\$ 143	\$	67	\$	6	\$ 25	\$	58
Heifer and Dry Cow Pur Concentrates	\$	293	\$ 307	\$ 271	\$	229	\$	304	\$ 259	\$	278
Heifer and Dry Cow Pur Forages	\$	136	\$ 132	\$ 125	\$	47	\$	23	\$ 68	\$	97
Total Feed and Direct Crop Expenses	\$	1,958	\$ 1,939	\$ 1,981	\$	2,007	\$	1,893	\$ 2,076	\$	1,972



Whole Farm Summary per Cow by Farm Size 2016 Plans 8/16/2016

Dairy Direct Expenses:	3	30-50	 52-70		71-100	1	05-176	1	80-289		>290		Average
Breeding and Registration	\$	59	\$ 89	\$	76	\$	78	\$	82	\$	63	\$	77
Vet and Medicine	\$	93	\$ 115	\$	107	\$	111	\$	131	\$	131	\$	112
bST	\$	8	\$ 3	\$	-	\$	-	\$	-	\$	8	\$	3
Supplies	\$	214	\$ 194	\$	154	\$	156	\$	112	\$	112	\$	169
DHIA	\$	21	\$ 27	\$	28	\$	26	\$	21	\$	22	\$	25
Contract Heifer Raising	\$	53	\$ 51	\$	49	\$	17	\$	12	\$	109	\$	46
Dairy Custom Hire	\$	18	\$ 27	\$	17	\$	61	\$	81	\$	70	\$	40
Milk Hauling	\$	236	\$ 233	\$	211	\$	198	\$	202	\$	198	\$	217
Milk Marketing	\$	66	\$ 87	\$	79	\$	57	\$	62	\$	65	\$	71
Bedding	\$	44	\$ 61	\$	84	\$	73	\$	150	\$	70	\$	72
Dairy Expenses per Cow	\$	812	\$ 886	\$	804	\$	777	\$	854	\$	848	\$	832
Overhead Expenses:	3	30-50	52-70	-	71-100	1	05-176	1	80-289		>290		Average
Fuel and Oil	\$	198	\$ 137	\$	155	\$	119	\$	139	\$	104	\$	143
Repairs	\$	159	\$ 190	\$	164	\$	226	\$	235	\$	229	\$	197
Hired Labor, Witholding	\$	43	\$ 81	\$	129	\$	335	\$	459	\$	585	\$	218
Machinery Leases	\$	23	\$ 17	\$	10	\$	48	\$	13	\$	67	\$	28
Building Leases	\$	102	\$ 57	\$	71	\$	62	\$	108	\$	120	\$	78
Real Estate Taxes	\$	95	\$ 96	\$	63	\$	48	\$	45	\$	48	\$	72
Farm Insurance	\$	9	\$ 28	\$	47	\$	92	\$	83	\$	69	\$	50
Utilities	\$	18	\$ 61	\$	98	\$	139	\$	106	\$	133	\$	86
Risk Mgt. and Advertizing	\$	-	\$ 5	\$	2	\$	7	\$	4	\$	23	\$	6
Dues and Professional Fees	\$	13	\$ 13	\$	10	\$	22	\$	17	\$	25	\$	16
Miscellaneous	\$	80	\$ 80	\$	43	\$	52	\$	28	\$	31	\$	60
Overhead Expenses per Cow	\$	739	\$ 765	\$	792	\$	1,151	\$	1,236	\$	1,435	\$	955
Owner Draw per Cow	\$	465	\$ 443	\$	352	\$	301	\$	213	\$	170	\$	358
Loan Payments per Cow	\$	810	\$ 678	\$	711	\$	691	\$	534	\$	561	\$	684
Total Outflow per Cow	\$	4,785	\$ 4,712	\$	4,639	\$	4,926	\$	4,730	\$	5,089	\$	4,801
	3	30-50	52-70	-	71-100	1	05-176	1	80-289		>290		Average
Gross Milk Price Farm Breakeven	\$	17.25	\$ 16.86	\$	17.66	\$	17.82	\$	18.89	\$	17.43	\$	17.47
IOFC Breakeven	\$	6.91	\$ 7.01	\$	7.24	\$	7.49	\$	8.01	\$	8.15	\$	7.32
Gross Margin to Guarantee	\$	10.00	\$ 9.79	\$	9.92	\$	10.06	\$	11.37	\$	10.30	\$	10.09
Total Inflow - Total Outflow	\$	237	\$ 64	\$	(79)	Ś	(119)	Ś	(247)	Ś	(100)	Ś	(7)

Whole Farm Summary per Cow by Farm Size 2016 Plans 8/16/2016

#### **Breakeven Milk Price**

Whole Farm per Cow:	:	30-50	52-70	71-100	1	05-176	1	80-289	>290	Α	verage
Milk Sold per Total Cows		21,994	22,508	22,798		23,453		22,675	25,403		22,957
Total Milk Inflow	\$	3,872	\$ 3,863	\$ 3,949	\$	4,072	\$	3,962	\$ 4,384		3,980
Total Dairy and Crop Non-Milk Inflow	\$	1,150	\$ 913	\$ 611	\$	735	\$	521	\$ 606		813
Total Inflow	\$	5,022	\$ 4,775	\$ 4,560	\$	4,807	\$	4,482	\$ 4,989		4,793
Crop Direct Expenses	\$	486	\$ 506	\$ 447	\$	696	\$	647	\$ 573	\$	556
Milking Cow Purchased Concentrates	\$	1,009	\$ 940	\$ 995	\$	967	\$	914	\$ 1,150	\$	983
Milking Cow Purchased Forages	\$	34	\$ 54	\$ 143	\$	67	\$	6	\$ 25	\$	58
Heifer and Dry Cow Purchased Concentrates	\$	293	\$ 307	\$ 271	\$	229	\$	304	\$ 259	\$	278
Heifer and Dry Cow Purchased Forages	\$	136	\$ 132	\$ 125	\$	47	\$	23	\$ 68	\$	97
Total Feed and Crop	\$	1,958	\$ 1,939	\$ 1,981	\$	2,007	\$	1,893	\$ 2,076	\$	1,972
Dairy Expenses	\$	812	\$ 886	\$ 804	\$	777	\$	854	\$ 848	\$	832
Overhead Expenses	\$	739	\$ 765	\$ 792	\$	1,151	\$	1,236	\$ 1,435	\$	955
Owner Draw	\$	465	\$ 443	\$ 352	\$	301	\$	213	\$ 170	\$	358
Loan Payments	\$	810	\$ 678	\$ 711	\$	691	\$	534	\$ 561	\$	684
Expenses Other than Feed	\$	2,827	\$ 2,772	\$ 2,659	\$	2,920	\$	2,837	\$ 3,014	\$	2,829
Total Outflow	\$	4,785	\$ 4,712	\$ 4,639	\$	4,926	\$	4,730	\$ 5,089	\$	4,801
Gross Milk Price Breakeven per CWT.	\$	17.25	\$ 16.86	\$ 17.66	\$	17.82	\$	18.89	\$ 17.43	\$	17.47
IOFC Breakeven (per Cow per day)	\$	6.91	\$ 7.01	\$ 7.24	\$	7.49	\$	8.01	\$ 8.15	\$	7.32
Gross Margin to Guarantee per CWT.	\$	10.00	\$ 9.79	\$ 9.92	\$	10.06	\$	11.37	\$ 10.30	\$	10.09
Total Inflow - Total Outflow	\$	237	\$ 64	\$ (79)	\$	(119)	\$	(247)	\$ (100)	\$	(7)

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Penn State Dairy Cattle Nutrition Conference Red Lion Hotel, Harrisburg PA November 1, 2018



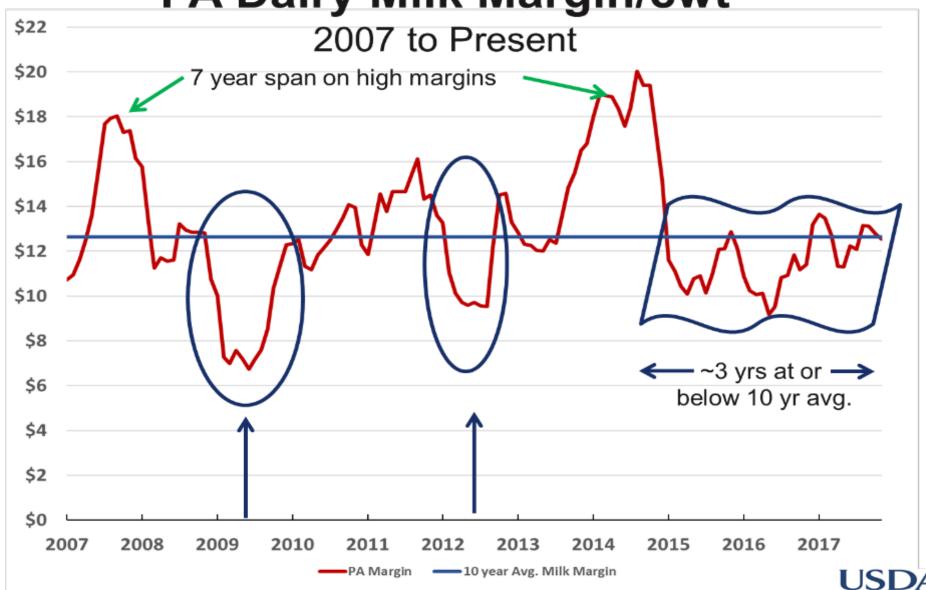
# Competitive Advantages for Farms of Different Sizes

**T. Beck**, R. Goodling, M. Haan, **V. Ishler**, M. Rosales, A. Sandeen & C. Williams

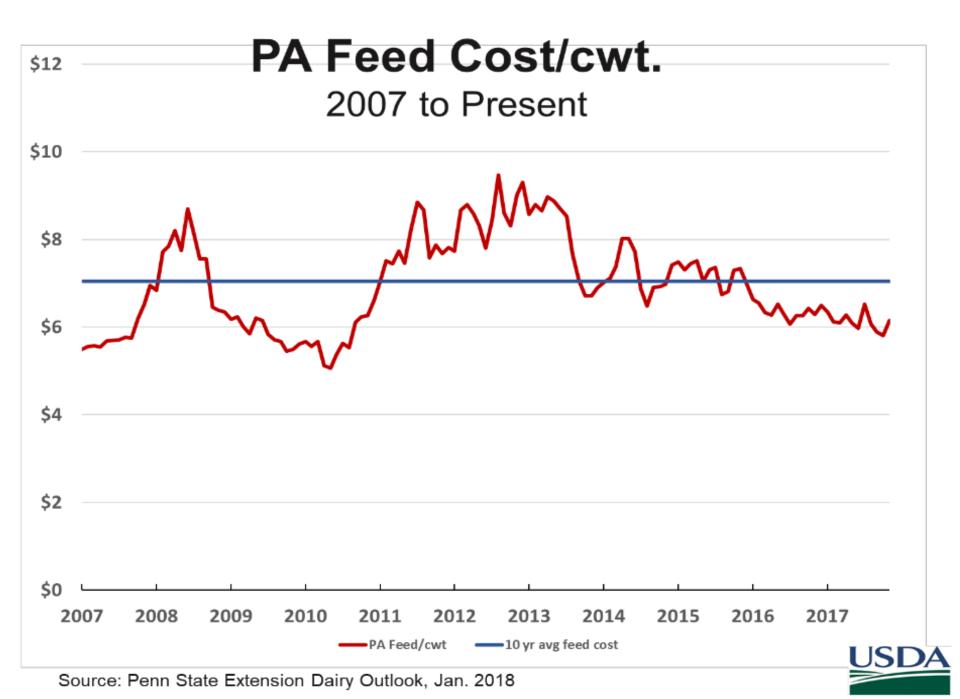


Project supported in part by: Sustainable Agricultur Research & Education

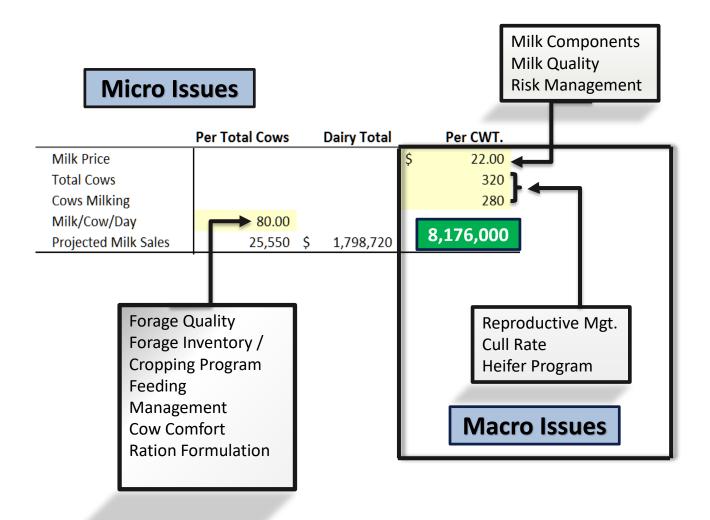
Management Agency (RMA) PA Dairy Milk Margin/cwt



Source: Penn State Extension Dairy Outlook, Jan. 2018



### Cash Flow "Mechanics"



## 4 Year Actuals: Dairy Breakeven/CWT



## **Crops to Cow Farms 2016 & 2017**

Item	2017 –	27 farms	2016 – 2	20 farms	
	Quantity	Value	Quantity	Value	
Milk sold/cow	24,643	\$4,568	24,623	\$4,256	
Gross income/cow		\$4,896		\$4,665	
Total direct expenses/cow		\$3,220		\$3,314	
Total overhead expenses/cow		\$1,694		\$1,535	
Net return/cow		-\$18.71		-\$184.80	
Labor & mgt. charge		\$217		\$205	
Return over labor & mgt.		-\$236		-\$390	
COP w/ Labor & Mgt./cwt (Dairy Enterprise Only)		\$19.50		\$18.87	
Feed cost/cow		\$2,312		\$2,315	
Milk price/feed margin (cwt)		\$9.15		\$7.88	

PennState Extension

# Dairy Industry in Transition





## Milk Price Variation--2018

Milk Buyer	2018 Avg TD Gross	Location djustment	Market justment	Hauling	M	arketing	Mailbox Price	D	Total eductions
Rutter's	\$ 17.62		-	\$ 0.57	\$	0.06	\$ 16.98	\$	0.63
Rutter's	\$ 16.50			\$ 0.56	\$	0.30	\$ 15.64	\$	0.86
Rutter's	\$ 17.30			\$ 0.57	\$	0.33	\$ 16.40	\$	0.90
Clover	\$ 16.91			\$ 0.73	\$	0.20	\$ 15.98	\$	0.93
Land O Lakes	\$ 17.30	\$ 0.450		\$ 0.51	\$	0.51	\$ 16.29	\$	1.46
Land O Lakes	\$ 17.12	\$ 0.450	\$ 0.20	\$ 0.63	\$	0.51	\$ 15.77	\$	1.79
DFA	\$ 15.62	\$ 0.450	\$ 0.43	\$ 0.51	\$	0.41	\$ 14.70	\$	1.80
Lanco-Pennland	\$ 16.65		\$ 1.40	\$ 1.05	\$	0.38	\$ 13.83	\$	2.82
MD-Va	\$ 15.09	\$ 0.400	\$ 1.20	\$ 1.13	\$	0.37	\$ 13.59	\$	3.10
MD-Va	\$ 14.57	\$ 0.400	\$ 1.20	\$ 1.18	\$	0.33	\$ 13.06	\$	3.11
MD-Va	\$ 14.73	\$ 0.400	\$ 1.20	\$ 1.10	\$	0.77	\$ 12.86	\$	3.48
11	\$ 16.31	\$ 0.425	\$ 0.94	\$ 0.78	\$	0.38	\$ 15.01	\$	1.90

Ave	rage Ma	ilbox	De	Average ductions			
\$	16.25	Class I Fluid market	\$	0.83			
\$	16.03	Land O Lakes average	\$	1.63			
\$	13.61	Other Coops	\$	2.86			
\$	2.64	Fluid compared to Other Coops					
\$	2.42	LOL compared to Other Coops					

# Maryland and Virginia Milk Producers Coop. Assn. Inc. 08/17/2018

July 2018	Finel f	Monya						Pounds	Rute	Month Y	ser To Date
<b>Butterfat</b> Te	est		3.47			authorities des transporter and de services and des				TO THE PARTY OF TH	
FO1 3.5%	Unifor	m Price				Producer Price	Diff	404,428	2.0400	8,250.33	38,020.17
Your Gross	Price a	at Test				Butterfat		14,034	2.5287	35,487.78	269,948.30
MdVa 3.5%	Blend	Price		YTD		Protein	2.9100	11,769	1.4827	17,449.90	155,794.6
Pounds Oel	ivered	4	04,428	3,079,993		Other Solids	5.7400	23,214	0.1422	3,301.03	14,650.3
Promote D	elivere	d:				Location Adjust	ment	404,428	-0.4000	-1,617.71	-12,319.9
1st	0 11		21 st	0		Market Adiustri		404,428	-1.2000	-4,853,14	-36,959.9
2nd 27,2	0.00	(S)		27,003		Premiums / Per		NAME OF THE PARTY OF		3.226.12	30,417,4
21 Z , 2	0 3	\$5000 PARTY - 1200	L	27,000						0,220.12	50,71117
34th 25,6			100000000000000000000000000000000000000	27,698							
461 ∠23,6 5th	0 15		L	27,090							
5th 25,5	-	Tell gran middle		27,479		2018 Mar PPD		0	0.0000	\$0.00	622420
78th 78th	0 7			21,719		ZUTO MET PPD		U	0.0000	\$0.00	\$3,343.8
8th 25,9	~ [		F-2335-8	27,589		_					-
Sth		th c	L	27,500		Gross Value				61,244.31	462,894.7
Oth 27,0		78	100000	27,981							
voi 2/,0	"0 10	u, 21,210	B1st	27,301							
	-					Less Advance				27.601.24	
enture en	d Pers	afties : (	Tenta / CW	T Total Amt	YTD Amt	Less Hauling				4,742.56	34,840.2
ally Premi			0,7977	3,226,12	28,517,47	Less Assignme	nts			1,530.72	11,250.3
P		Ascant.		0.00						23325 2730 23 275 275 275 275 275 275 275 275 275 275	7/2000 A MODEL AND CONTROL OF CON
<b>7</b> .5				0.00	1,000.00	Not Earnings				27,389.79	416,804.1
т	otal A	mount		3,226.12	30,417.47						
091MV				Asse	mbly	Destination	N.				
				Che	TES.	Charge	<u> </u>		T	otal Amount	Year To Da
TRANSPO	ORTAT	TON CHAR	æs	718	B.10	4.024.4	\$			4.742.56	34,840.
							- Mar		(22)		
Assi Se	Sales and the sales and the sales are	0.010 00.0000000000000				PerCWT			I	Sel America	Year To Da
				RESEARC		0.0500				202.21	1,539.
A TOP SAME SAME AND A SAME		TING EXPE	CAST COST CONTRACTOR	2011			762.31 404.43			762.31 404.43	5,398
State Condition in the reservoir depth		ANTIC DAI	KT ASSI	DURTION		0.1000 0.0400				161.77	3,080. 1,232
30615 CT		Amount				0.0400	101.77		-	1.530.72	11,250
	I OES	ATAKEK,	_							1,000.72	11,200

## LAND O'LAKES, INC. - CHECK REMITTANCE DETAIL PAY PERIOD: 08/01 - 08/31, 2018 SETTLEMENT CHECK

Payment Date: 09/17/2018

FARM ID:

FARM NAME:

Payment ID:

PAYOUT ID:

PAYOUT NAME:

TEST AVERAGES:

**Bfat:** 3.557

**PROT**: 2.97 **BAC**: 3

**OSOL**: 5.745

QUALITY AVERAGES:

SCC: 177

PI: 4

**CRYOS**: 538

CHARGEABLE STOPS: 46
DAILY BASE LBS: 43,939
PROD % OF BASE: 97.5%

PRODUCTION Grade A Pounds	<b>POUNDS</b> 1,327,918.00	RATE	TYPE	YOUR TOTAL	FARM TOTAL
Grade A Bfat Grade A Protein Grade A Other Solids Producer Price Diff @ Bos Loc adj to PPD Volume Quality LOL Premium Variable Hauling Cost CWT Program Cost Gross Amount Total Deductions Bank Deposit Your Mailbox Price	47,234.04 39,439.16 76,288.89 1,327,918.00 1,327,918.00 1,327,918.00 1,327,918.00 1,327,918.00 1,327,918.00 1,327,918.00	2.6009 1.6245 0.1741 1.2600 -0.4500 0.2500 0.2000 0.6000 -0.1650 -0.0400	per lb bfat per lb protein per lb o-sol per cwt	122,851.02 64,068.92 13,281.90 16,731.77 -5,975.63 3,319.80 2,655.84 7,967.51 -2,191.06 -531.17 222,178.88 124,897.50 97,281.38	122,851.02 64,068.92 13,281.90 16,731.77 -5,975.63 3,319.80 2,655.84 7,967.51 -2,191.06 -531.17 222,178.88

Payment Date: 09/17/2018 FARM ID: Payment ID: PAYOUT II PAYOUT ID:

**FARM NAME:** PAYOUT NAME:

Advance Deductions	Dollars
BANK	802.04
BANK	9,128.86
ADVANCE PAYMENT	79,424.19
	89,355.09
Final Deductions	, To
HAULING	8,365.88
NATIONAL DAIRY PROMO	663.96
LOCAL DAIRY PROMO	1,327.92
ADMINISTRATIVE FEES	250.00
MARKET ADJ.	2,655.84
ADVANCE 08/30/18	20,000.00
OTHER	676.00
OTHER	265.58
BANK	1,337.23
<del>.</del>	35,542.41
<del></del>	

TOTAL DEDUCTIONS:	124 907 50
TOTAL DEDUCTIONS.	124,897.50

YEAR TO DATE TOTALS:					
POUNDS	10,147,874.00				
GROSS DOLLARS	1,736,855.86				
ADA/LDP	10,147.88				
HAULING	63,931.60				
MKT/ADM	36,761.05				
NDPO	5,073.94				

## 2016 Whole Farm Income by Farm Size

Whole Farm per Cow:	30	0-50	52	:-70	7	71-100	10	5-176	18	3 <b>0-2</b> 89	;	>290	A۱	verage
Milk sold per milking cow	2	25,201	2	6,135		26,645	2	26,899		25,631		28,865		26,425
Avg. Lbs. Milk per cow		69		72		73		74		70		79		72
Total Inflow	\$	5,022	\$	4,775	\$	4,560	\$	4,807	\$	4,482	\$	4,989	\$	4,793
Total Outflow	\$	4,785	\$	4,712	\$	4,639	\$	4,926	\$	4,730	\$	5,089	\$	4,801
Gross Milk Price Breakeven	\$	17.25	\$	16.86	\$	17.66	\$	17.82	\$	18.89	\$	17.43	\$	17.47
Total Inflow – Total Outflow	\$	237	\$	64	\$	(79)	\$	(119)	\$	(247)	\$	(100)	\$	(7)

## 2016 Whole Farm Overhead Expenses by Farm Size

Whole Farm per Cow:	30	-50	52	-70	71	L-100	10	5-176	180	0-289	>2	290	Ave	erage
Fuel and oil	\$	198	\$	137	\$	155	\$	119	\$	139	\$	104	\$	143
Repairs	\$	159	\$	190	\$	164	\$	226	\$	235	\$	229	\$	197
Hired labor	\$	43	\$	81	\$	129	\$	335	\$	459	\$	585	\$	218
Farm insurance	\$	9	\$	28	\$	47	\$	92	\$	83	\$	69	\$	50
Utilities	\$	18	\$	61	\$	98	\$	139	\$	106	\$	133	\$	86
Dues and fees	\$	13	\$	13	\$	10	\$	22	\$	17	\$	25	\$	16
Misc	\$	80	\$	80			\$		\$	28	\$		•	60
Total Overhead Costs	\$	739	\$	<b>765</b>	\$	792		1,151		1,236		1,435	\$	955

(104 farms)

## 2016 Whole-Farm Breakeven Inflow Summary

Whole-Farm per Cow:	<	< \$16		< \$16		\$16-\$18		L8-\$19	\$1	L9- <b>\$20</b>	\$2	20-\$22	>\$22		Average	
Milk Inflow/Cow/Year	\$	3,851	\$	4,044	\$	3,907	\$	4,105	\$	4,194	\$	3,849	\$	3,980		
Cull Cow Sales	\$	232	\$	246	\$	241	\$	258	\$	230	\$	226	\$	242		
Bull Calf Sales	\$	100	\$	75	\$	95	\$	80	\$	59	\$	83	\$	85		
Crop Sales	\$	278	\$	74	\$	137	\$	282	\$	2	\$	149	\$	169		
Other Farm Income	\$	375	\$	146	\$	72	\$	394	\$	74	\$	29	\$	224		
Non-Milk Inflow (subtotal)				604			•	1,132				742		813		
·		•					-		-				•			
Total Inflow	\$	4,921	\$	4,648	<u> </u>	4,551	\$	5,236	<u> </u>	4,661	\$	4,590	\$	4,793		
<b>Gross Milk Price Breakeven</b>	\$	14.62	\$	17.11	\$	18.38	\$	19.46	\$	20.62	\$	23.94	\$	17.47		
(104 farms)																

#### 2016 Dairy Compared to Whole-Farm Data

Per Cow/Year	<	< \$16	\$16-\$	518	\$1	l <b>8-</b> \$19	\$1	L9- <b>\$20</b>	\$2	20-\$22	>\$22	Αv	erage
Total InflowDairy	\$	4,461	\$ 4,	350	\$	4,305	\$	4,425	\$	4,320	\$ 4,311	\$	4,361
Total Inflow—Whole Farm	\$	4,921	\$ 4,6	548	\$	4,551	\$	5,236	\$	4,661	\$ 4,590	\$	4,793
Difference	\$	460	\$	298	\$	246	\$	811	\$	341	\$ 279	\$	432
Dairy Breakeven Price		14.67	17	7.27		18.48		19.44		20.89	24.03		18.48
Whole-Farm Breakeven Price		14.62	17	7.11		18.38		19.46		20.62	23.94		17.47
Difference		.05		.16		.10		02		.27	.09	\$	1.01

# How Much Milk Does a Herd Need to Breakeven?







**Clear Form** 

Determining milk income needed	Dairy Enterprise Only*	*Do not include custo other farm income	om work or
Number of milking cows	125		
			Dairy
Expenses:			Enterprise
Direct costs	\$ 152,124	Farm Total	Percentage
Overhead costs	\$ 207,391	\$ 243,989	85.00
Family living expense	\$ 65,000		
Taxes			
Loan payments (principal + Interest)	\$ 45,557		
Total feed cost	\$ 365,318	home raised and pure	chased feed
Total outflow	\$ 835,390		
Non-Milk Income	\$ 83,539		
Minus non-milk income	\$ 751,851	•	
Average milk price			
Minimum pounds of milk shipped/year			
Average production, lbs/day			



**Clear Form** 

Determining milk income needed	Dairy Enterprise Only*	*Do not include custo other farm income	om work or
Number of milking cows	270	]	Dainy
Expenses: Direct costs	\$ 245,830	Farm Total	Dairy Enterprise Percentage
Overhead costs Family living expense	\$ 459,391 \$ 70,000	\$ 524,000	
Taxes  Loan payments (principal + Interest)  Total feed cost	\$ 84,854		shood food
Total outflow Non-Milk Income Minus non-milk income	\$ 551,153 \$ 1,411,228 \$ 220,250 \$ 1,190,978		Lnased Teed
Average milk price  Minimum pounds of milk shipped/year	, , , , , , , , , , , , , , , , , , , ,		
Average production, lbs/day			

## 2016 Corn Silage Production Costs by Farm Size

Per Acre	30-50	52-70	71-100	105-176	180-289	>290	Average
Average Number of Cows	45	58	80	139	230	543	135
Yield Per Acre	23.7	23.1	21.8	21.6	19.2	24.3	22.5
Cost per Ton	\$19.18	\$20.57	\$28.08	\$30.67	\$28.69	\$27.67	\$24.55
Total Direct Costs/Acre	\$307	\$303	\$429			\$455	\$364
Seed/Acre	\$76	\$75	\$106			\$100	
Fertilizer/Acre	\$67	\$71	\$106			\$42	
Chemical/Acre	\$23	\$27	\$45			\$70	
Custom Hire/Acre	\$41	\$30	·			\$143	
			·			·	
Overhead Costs/Acre (98 farms)	\$60	\$63	\$70	\$118	\$122	\$130	\$85

#### **2016 Dairy Breakeven Summary**

Dairy Enterprise per Cow:	< \$16	\$ 16-\$18	\$:	18-\$19	\$ 19-\$20	\$ 20-\$22	>\$22	A	verage
Total Inflow/Cow/Year	\$ 4,461	\$ 4,350	\$	4,305	\$ 4,425	\$ 4,320	\$ 4,311	\$	4,361
Total Feed (\$/Cow/Year)	\$ 1,695	\$ 2,114	\$	2,180	\$ 2,359	\$ 2,344	\$ 2,525	\$	2,148
Dairy Expenses	\$ 789	\$ 780	\$	808	\$ 797	\$ 916	\$ 964	\$	828
Overhead Expenses	\$ 711	\$ 688	\$	714	\$ 774	\$ 989	\$ 966	\$	775
Owner Draw	\$ 218	\$ 286	\$	326	\$ 333	\$ 254	\$ 408	\$	297
Loan Payments	\$ 498	\$ 489	\$	525	\$ 638	\$ 540	\$ 785	\$	555
Expenses Other than Feed	\$ 2,216	\$ 2,244	\$	2,372	\$ 2,542	\$ 2,700	\$ 3,123	\$	2,456
Total Inflow – Total Outflow	\$ 549	\$ (8)	\$	(247)	\$ (476)	\$ (724)	\$ (1,337)	\$	(243)
(104 farms)									

#### **2016 Dairy Breakeven Summary**

Dairy Enterprise per Cow:	< \$16	\$ 16-\$18	\$18-\$19	\$ \$19-\$20	\$ 20-\$22		>\$22	A	verage
Gross Milk Price Farm Breakeven	\$ 14.67	\$ 17.27	\$ 18.48	\$ 19.44	\$ 20.89	\$	24.03	\$	18.48
IOFC Breakeven	\$ 6.96	\$ 7.44	\$	8.46	\$ 8.73	·		\$	7.96
Total Inflow - Total Outflow	\$ 549	\$ (8)	\$ (247)	\$ (476)	\$ (724)	\$	(1,337)	\$	(243)
Total Feed (\$/Cow/Year)	\$ 1,695	\$ 2,114	\$ 2,180	\$ 2,359	\$ 2,344	\$	2,525	\$	2,148

(104 farms)



#### Conclusion

#### No One Approach to Success







#### Management

Crops – Cow – Cash = All intertwined Good management allows various strategies to work.

#### **Balance**

Forage quality with quantity
Formulated diet with actual
Herd management with
feeding management
Income and expenses

#### **Assets**

Need to keep adequate assets – animals, facilities, equipment, land to remain profitable.



## LAND O'LAKES, INC. - CHECK REMITTANCE DETAIL PAY PERIOD: 08/01 - 08/31, 2018 SETTLEMENT CHECK

Payment Date: 09/17/2018 FARM ID: FARM NAME: Payment ID: PAYOUT ID: PAYOUT NAME:

**TEST AVERAGES: Bfat:** 3.557 **PROT:** 2.97 **OSOL:** 5.745

QUALITY AVERAGES: SCC: 177 BAC: 3 PI: 4 CRYOS: 538

CHARGEABLE STOPS:46DAILY BASE LBS:43,939PROD % OF BASE:97.5%

PRODUCTION Grade A Pounds	<b>POUNDS</b> 1,327,918.00	RATE	TYPE	YOUR TOTAL	FARM TOTAL
Grade A Bfat Grade A Protein Grade A Other Solids Producer Price Diff @ Bos Loc adj to PPD Volume Quality LOL Premium Variable Hauling Cost CWT Program Cost Gross Amount Total Deductions	1,327,918.00 47,234.04 39,439.16 76,288.89 1,327,918.00 1,327,918.00 1,327,918.00 1,327,918.00 1,327,918.00 1,327,918.00 1,327,918.00 1,327,918.00	2.6009 1.6245 0.1741 1.2600 -0.4500 0.2500 0.2000 0.6000 -0.1650 -0.0400	per lb bfat per lb protein per lb o-sol per cwt	122,851.02 64,068.92 13,281.90 16,731.77 -5,975.63 3,319.80 2,655.84 7,967.51 -2,191.06 -531.17 222,178.88 124,897.50	122,851.02 64,068.92 13,281.90 16,731.77 -5,975.63 3,319.80 2,655.84 7,967.51 -2,191.06 -531.17 222,178.88
Bank Deposit Your Mailbox Price			per cwt	97,281.38	

Page: 1

Date: 9/17/2018 15:11:11 PM

## LAND O'LAKES, INC. - CHECK REMITTANCE DETAIL PAY PERIOD: 08/01 - 08/31, 2018 SETTLEMENT CHECK

Payment Date: 09/17/2018FARM ID:FARM NAME:Payment ID:PAYOUT ID:PAYOUT NAME:

Advance Deductions BANK BANK ADVANCE PAYMENT	<b>Dollars</b> 802.04 9,128.86 79,424.19
	89,355.09
Final Deductions	
HAULING	8,365.88
NATIONAL DAIRY PROMO	663.96
LOCAL DAIRY PROMO	1,327.92
ADMINISTRATIVE FEES	250.00
MARKET ADJ.	2,655.84
ADVANCE 08/30/18	20,000.00
OTHER	676.00
OTHER	265.58
BANK	1,337.23
	35,542.41

TOTAL DEDUCTIONS: 124,897.50

YEAR TO DATE TOTALS:								
POUNDS	10,147,874.00							
GROSS DOLLARS ADA/LDP HAULING MKT/ADM NDPO	1,736,855.86 10,147.88 63,931.60 36,761.05 5.073.94							

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Date: 9/17/2018 15:11:11 PM

#### Maryland and Virginia Milk Producers Coop. Assn., Inc.

08/17/2018

#### **Direct Deposit Advice**

	al Pay	roll	0.47					<b>Pounds</b>	Rate	Month	Year To Date
Butterfat Test			3.47			Producer Price	ni#	404,428	2.0400	8.250.33	38,020.17
FO 1 3.5% Uniform Price Your Gross Price at Test						Butterfat	Diff	14.034	2.5287	35,487,78	
						Protein	2.9100	11,769	1.4827	17,449.90	
MdVa 3.5% Blend Price			4 400	YTD		Other Solids	5.7400	23,214	0.1422	3.301.03	•
Pounds Oeliver	red	40	4,428	3,079,993		Other Octace	3.7400	23,214	0.1422	3,301.04	3 14,000.50
Produce Deliv	rered:					Location Adjust	ment	404,428	-0.4000	-1,617.71	-12,319.9
1st 0	11th	0	21st	0		Market Adjustn	ent	404,428	-1.2000	-4,853.14	-36,959.92
2nd 27,204	2th	26,893	22nd	27,003		Premiums / Per	alies			3,226.12	30,417.47
3rd 0	3th	0	23rd	0							
4th 25,633	4th	26,856	24th	27,698							
5th 0	5th	0	25th	0							
6th 25,518	18th	27,113	26th	27,479		2018 Mar PPD		0	0.0000	\$0.00	\$3,343,8
7th 0	7th	0	27th	0				_			
8th 25,939	8th	27,168	28th	27,589		Gross Value				61.244.31	462.894.7
9th 0	9th	0	29th	0		CIUSS VAILE				01,244.3	1 402,004.7
0th 27,076	20th	27,278	30th	27,981							
	_		31st	0							
										27 604 24	1
-1			- 101	T T-4-1 A-A	VTD 44	Less Advance				27.601.24	
			nte/CW		YTD Amt	Less Hauling				4,742.56	34,840.2
uality Premium			0.7977	3,226.12	28,517.47		nts				34,840.2
uality Premium					28,517.47	Less Haufing Less Assignme	nts			4,742.56 1,530.77	34,840.2 2 11,250.3
emiums and P vality Premium QP	Peruit	у		3,226.12 0.00	28,517.47 1,900.00	Less Hauling	nts			4,742.56	34,840.2 2 11,250.3
uality Premium/ QP		у		3,226.12	28,517.47 1,900.00	Less Haufing Less Assignme	nts	ľ		4,742.56 1,530.77	34,840.2 2 11,250.3
uality Premium QP	Peruit	у		3,226.12 0.00	28,517.47 1,900.00 30,417.47	Less Haufing Less Assignme		ľ		4,742.56 1,530.77	5 34,840.2 2 11,250.3 9 416,804.1
uality Premium QP	Peruit	у		3,226.12 0.00 3,226.12	28,517.47 1,900.00 30,417.47	Less Haufing Less Assignme Net Earnings	1	ľ	I	4,742.56 1,530.77	5 34,840.2 2 11,250.3 9 416,804.1
<b>uality Premiu</b> m/ QP	Peruit	unt	0.7977	3,226.12 0.00 3,226.12 Assective	28,517.47 1,900.00 30,417.47	Less Haufing Less Assignme Net Earnings			Ţ	4,742.56 1,530.77 27,369.79	34,840.24 2 11,250.31
uality Premium/ QP Tota S081MV TRANSPORT	Peruit	unt	0.7977	3,226.12 0.00 3,226.12 Assective	28,517.47 1,900.00 30,417.47	Less Haufing Less Assignme Net Earnings Destination Charge 4.624.46	l.	!		4,742.56 1,530.76 27,369.76 ctal Amount 4,742.56	5 34,840.2 2 11,250.3 9 416,804.1 Year To Day 34,840.
Tota TRANSPORT  Assi See	Perudi	unt CHARG	0.7977	3,226.12 0.00 3,226.12 Asse Ctu	28,517.47 1,900.00 30,417.47	Less Haufing Less Assignme Net Earnings  Destination Charge 4.024.4	1			4,742.56 1,530.76 27,369.76 27,369.76 24,742.56	5 34,840.2 2 11,250.3 9 416,804.1 Year To Day 34,840.
Tota SSBIMV TRANSPORT  Assi Slee 00001 NATH	Perudicinal Amore	unt CHARG	0.7977	3,226.12 0.00 3,226.12 Assective	28,517.47 1,900.00 30,417.47	Less Haufing Less Assignme Net Earnings Destination Charge 4.624.46	B: ****Ams*			4,742.56 1,530.76 27,369.76 27,369.76 4.742.56	5 34,840.2 2 11,250.3 9 416,804.1 Year To Day 34,840. Year To Day 1,599.
Tota S091MV TRANSPORT Assi Slee 00001 NATH	AMOUNTATION	unt CHARG DAIRY PF G EXPEN	0.7977	3,226.12 0.00 3,226.12 Asse Chi 71:	28,517.47 1,900.00 30,417.47	Less Haufing Less Assignme Net Earnings  Destination Charge 4.024.40  Per CWT 0.0500	B: ****Ams** 202.21 762.31			4,742.56 1,530.76 27,369.76 4.742.56 Otal Amount 202.21 762.31	34,840.2 11,250.3 416,804.1 Year To Day 34,840. Year To Day 5,398.
Tota SIGNAV TRANSPORT Assi Slee 00001 NATH	AMOUNTATION	unt CHARG DAIRY PF G EXPEN	0.7977	3,226.12 0.00 3,226.12 Asse Chi 71:	28,517.47 1,900.00 30,417.47	Less Haufing Less Assignme Net Earnings  Destination Charge 4.024.4	B: ****Ams*			4,742.56 1,530.76 27,369.76 27,369.76 4.742.56	5 34,840.2 2 11,250.3 9 416,804.1



Determining milk income needed	Dairy Enterprise Only*	*Do not include custom work or other farm income			
Number of milking cows  Expenses: Direct costs Overhead costs Family living expense			Farm Total	Dairy Enterprise Percentage	
Taxes Loan payments (principal + Interest) Total feed cost  Total outflow Non-Milk Income Minus non-milk income		hom	e raised and p	urchased feed	
Average milk price Minimum pounds of milk shipped/year Average production, lbs/day					



Determining milk income needed	Dairy Enterprise Only*	*Do not include custom work or other farm income			
Number of milking cows  Expenses: Direct costs Overhead costs Family living expense			Farm Total	Dairy Enterprise Percentage	
Taxes Loan payments (principal + Interest) Total feed cost  Total outflow Non-Milk Income Minus non-milk income		hom	e raised and p	urchased feed	
Average milk price Minimum pounds of milk shipped/year Average production, lbs/day					





Today's Progressive Dairy

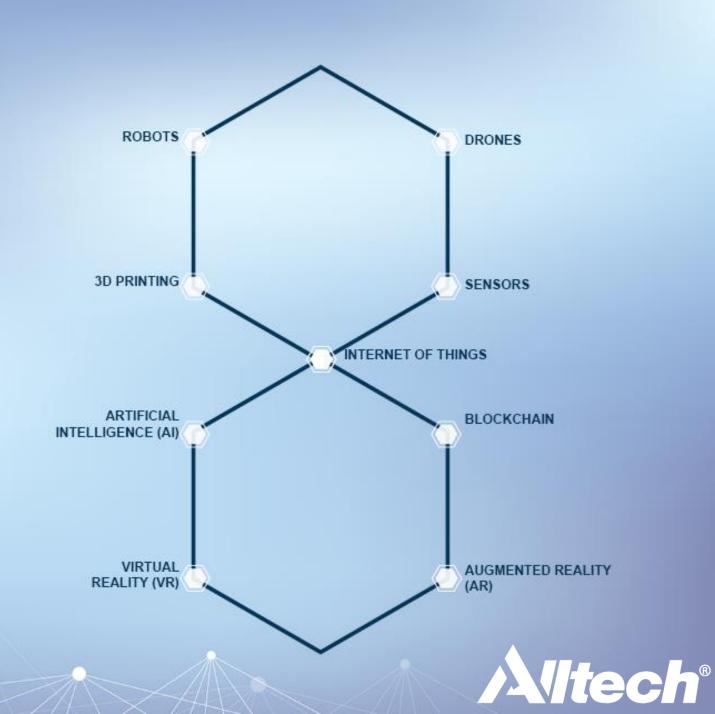
- Well Managed Nutrition
- Excellent Cow Comfort
- Top Genetics
- Low Somatic Cell Count
- Disease and Reproduction Under Control



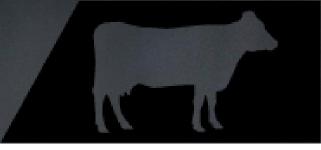


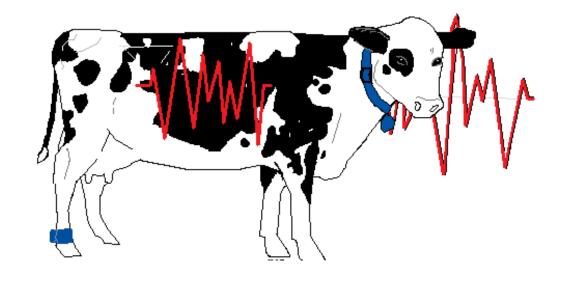


Professor Aidan Connolly
Chief Innovation Officer
Global Vice-President Corporate Accounts
Alltech



#### Precision Dairy Management





The use of automated, mechanized technologies toward refinement of dairy management processes, procedures, or information collection







## Automated Milking Systems







**Automated Calf Feeding** 







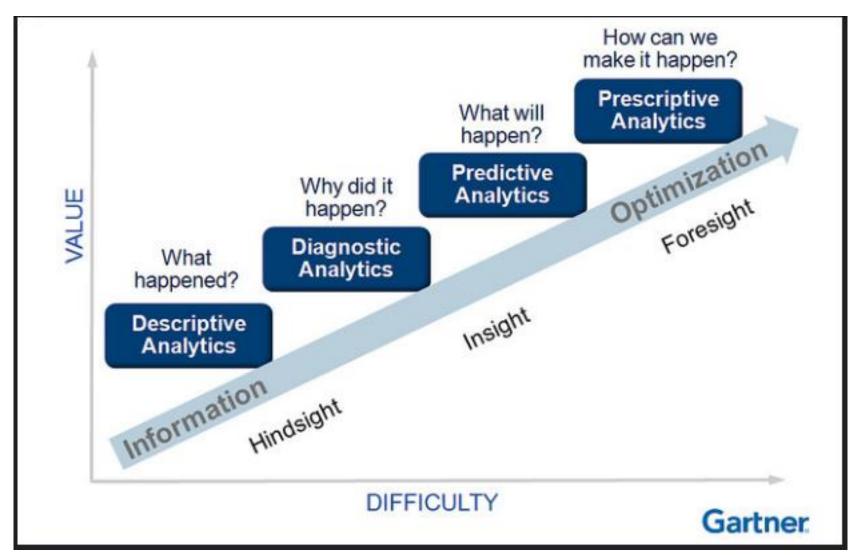
## Precision Feeding

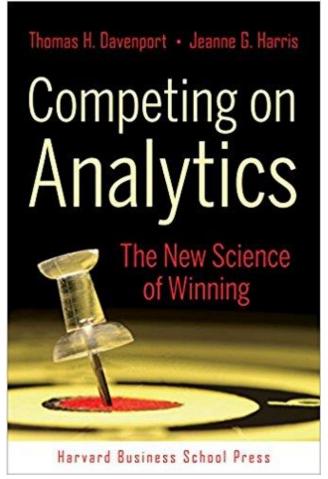
## Precision Dairy Monitoring



## Gartner's™ Data Analytics Maturity Model

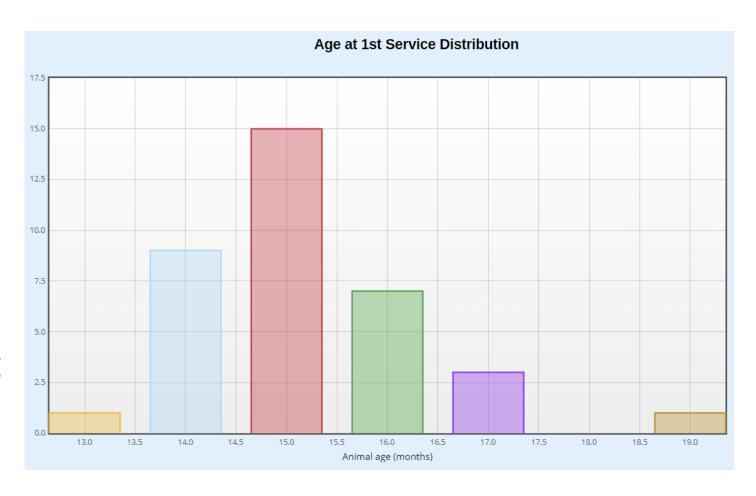






## Descriptive Analytics

- Summarize what happened
  - Bar charts
  - Pie charts
  - Line graphs
- Typical herd management software tasks



## Diagnostic and Prescriptive Analytics

- Why did something happen?
- Answer specific, precise questions
- In dairy, often lacking additional necessary data
  - Weather changes
  - Human resource changes
  - Disease diagnostics
  - Causal analysis tools within software

## **Exploratory Analytics**

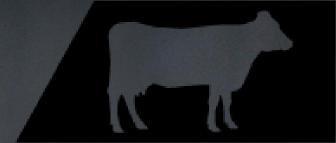


- Identifying patterns in data to identify outliers
  - Management by exception
  - Statistical process control
  - Used by sensor systems
  - Potential for weather, nutrition, economic, and human resource data

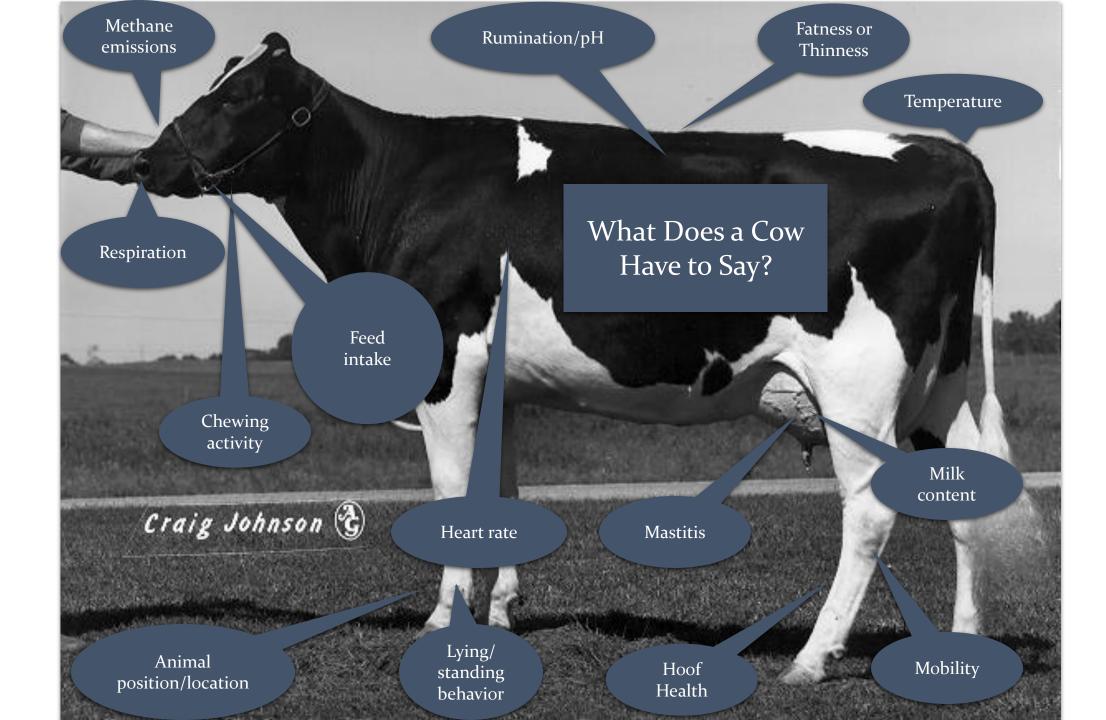
## **Predictive Analytics**

- Machine learning and statistical algorithms
- Likelihood of future results
- Provide best possible assessment of future
- Could be used for likelihood of conception, disease recovery, intervention success, survival, etc.

## Causal Analytics



- What is likely to happen with a change
  - Infer causations from previous experience, other farms, research, etc.
  - Nutrition changes
  - Reproduction programs
  - Technology adoptions
  - Management techniques



## Wearables, Images, and Milk Analyses























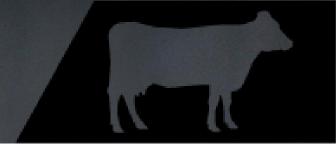


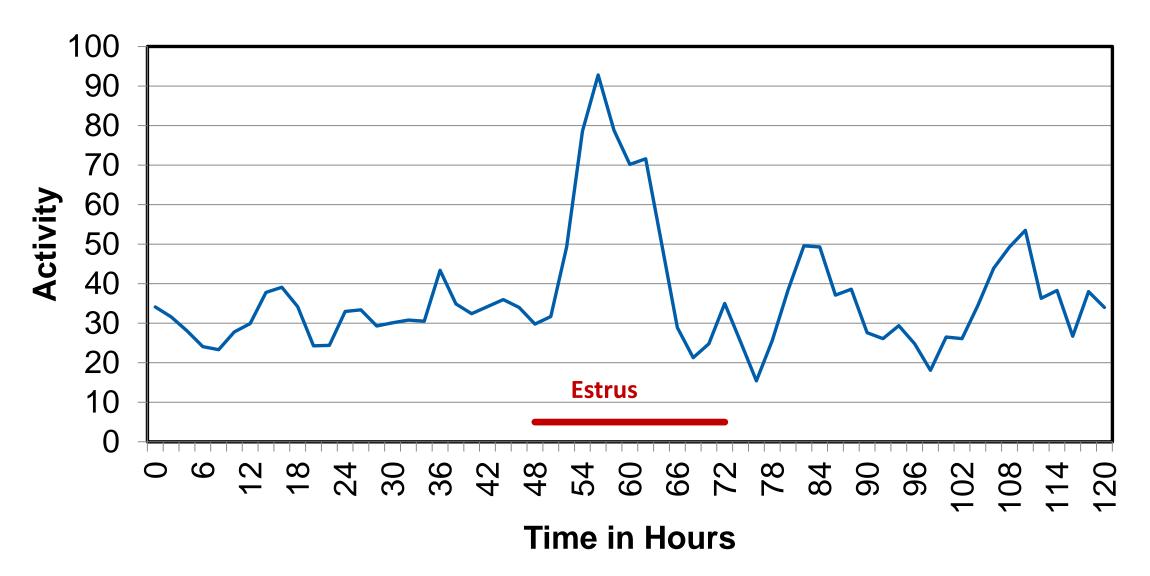






## Management by Exception





## Precision Dairy Monitoring Applications



- Estrus Detection
- Mastitis Detection
- Fresh Cow Disease Detection
- Lameness Detection
- Calving Detection
- Genetic Traits
- Management Monitoring



#### Estimating US dairy clinical disease costs with a stochastic simulation model

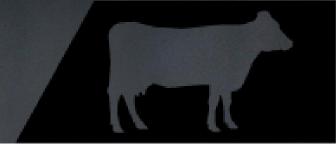
D. Liang,\* L. M. Arnold,† C. J. Stowe,‡ R. J. Harmon,\* and J. M. Bewley\*1

\*Department of Animal and Food Sciences, †Veterinary Science Department, and

‡Department of Agricultural Economics, University of Kentucky, Lexington 40546

Disease	Parity	Mean ± SD
Mastitis	Primiparous	\$325.76 ± 71.12
	Multiparous	\$426.50 ± 80.27
_	Primiparous	\$185.10 ± 64.46
Lameness	Multiparous	\$333.17 ± 68.76
Motritic	Primiparous	\$171.69 ± 47.88
Metritis	Multiparous	\$262.65 ± 56.15
Retained placenta	Primiparous	\$150.41 ± 51.43
	Multiparous	\$313.49 ± 64.66
Left-displaced abomasum	Primiparous	\$432.48 ± 101.94
	Multiparous	\$639.51 ± 114.10
Ketosis	Primiparous	\$77.00 ± 24.00
	Multiparous	\$180.91 ± 63.74
Hypocalcemia	Multiparous	\$246.23 ± 52.25

#### **Early Disease Detection**









MAY ALLOW PRODUCERS TO DETECT DISEASES EARLIER THAN WITH VISUAL OBSERVATION ALONE MAY IMPROVE INDIVIDUAL COW
TREATMENT RESULTS BY
DETECTING DISEASE EARLIER

MAY ALERT PRODUCERS TO A
LARGER, HERD-LEVEL, PROBLEM
SO THAT THE PRODUCER CAN
CONSIDER MANAGEMENT
CHANGES FOR BETTER DISEASE
PREVENTION

#### **Detection Benefits**

- Reduced labor (pre-select examination cows)
- Early treatment and intervention
  - Cultured based therapy?
  - NSAID administration?
  - Pathogen-specific approach?



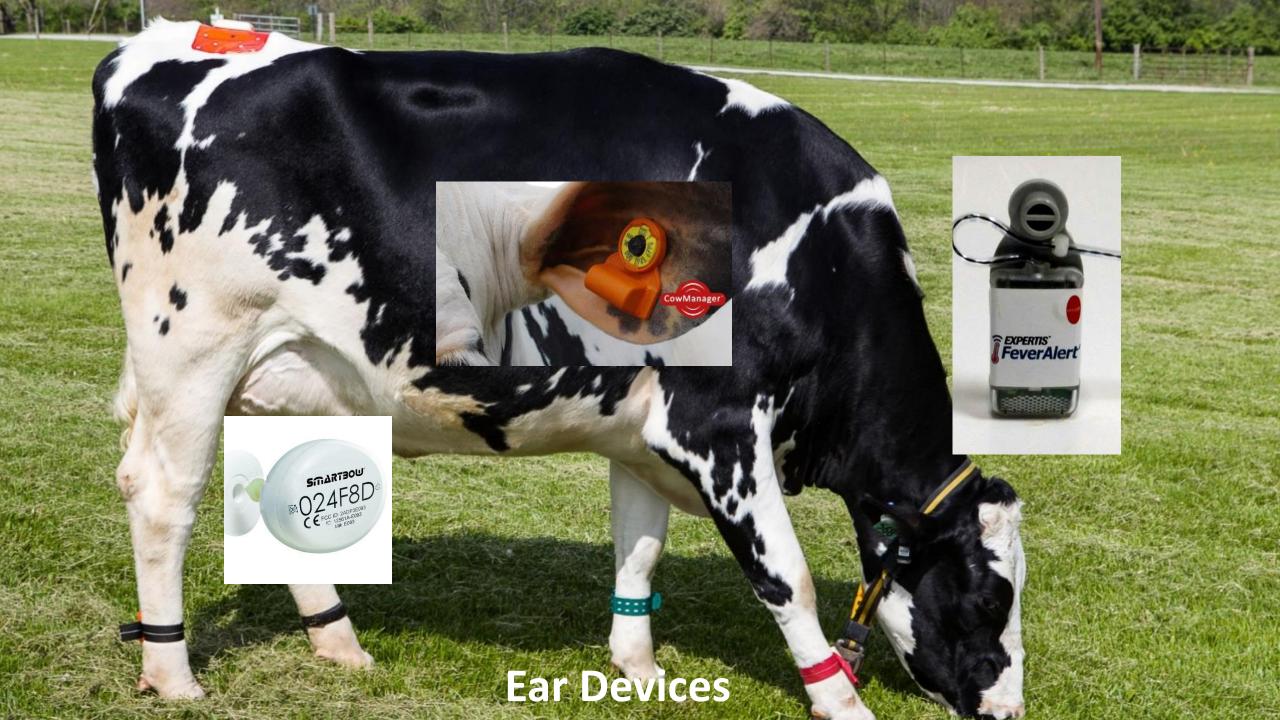
#### **Detection Benefits**

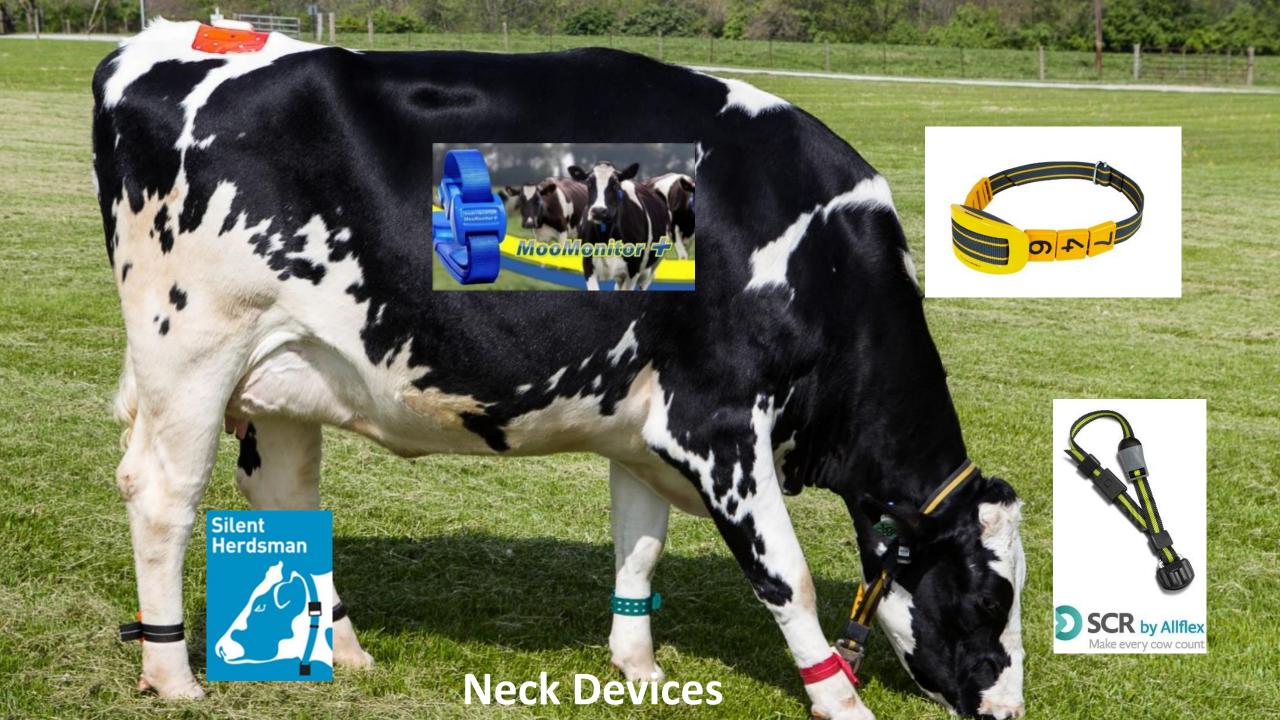
- Increase in cures
  - Less chronic cases?
- Increase in well-being
  - Fewer severe cases
  - Preemptive NSAID administration based on culture results
- Reduced chronic cases
  - Faster more appropriate treatment regimes

#### Detection Benefits

- Reduced disease transmission
  - Contagious animals separated sooner
- Separate abnormal milk
  - Threshold in component changes
    - For example, presence of blood
- Use of management protocols already in place to address sick cows











### Wearable Technology Attributes







EASY TO ATTACH TO COW

STAYS ATTACHED TO COW WITHOUT ABRASIONS OR INJURIES

BATTERY LIFE = 3 TO 5 YEARS



TRANSMITS DATA
WITHOUT
INTERRUPTION



STORES ENOUGH
DATA TO
WITHSTAND SYSTEM
FAILURES



LESS THAN 3% OF DEVICES FAIL PER YEAR

#### Best Place to Put a Tag?



#### Ear



Leg



Neck

- + Easy to put on
- + Small size
- Easily caught and torn out
- + Stays on well
- Harder to put on
- May collect manure
- + Logical location for behavior
- + Stays on well
- Neck growth



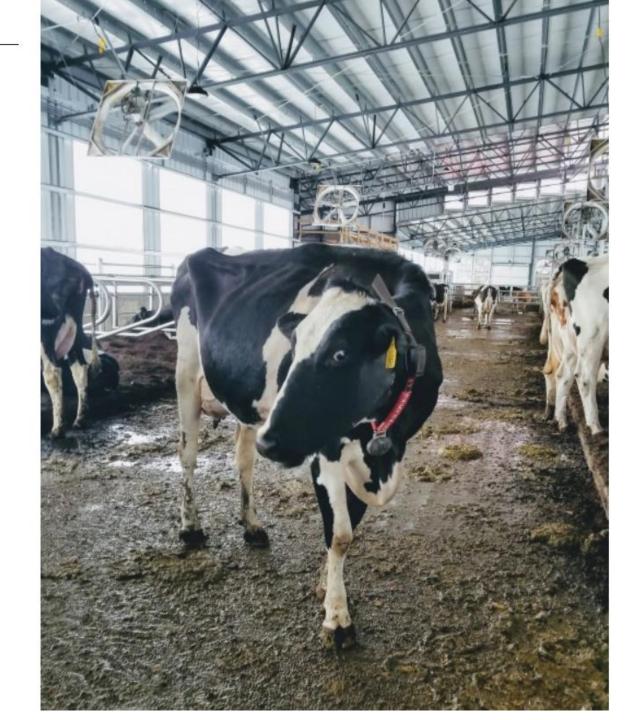
Tail

- + Good location for calving behavior
- Falls off
- May cut off blood flow

# Subcutaneous Fitbits? These cows are modeling the tracking technology of the future

Livestock Labs is getting bio-monitors under cows' skin in hopes of helping farmers spot disease earlier, and it wants to bring its tech to people, too.

by Rachel Metz May 15, 2018











#### J. Dairy Sci. 99:8477–8485 http://dx.doi.org/10.3168/jds.2015-10695

© American Dairy Science Association®, 2016.

#### Development of a noninvasive system for monitoring dairy cattle sleep

J. M. Klefot,\* J. L. Murphy,\* K. D. Donohue,† B. F. O'Hara,‡ M. E. Lhamon,§ and J. M. Bewley\*1

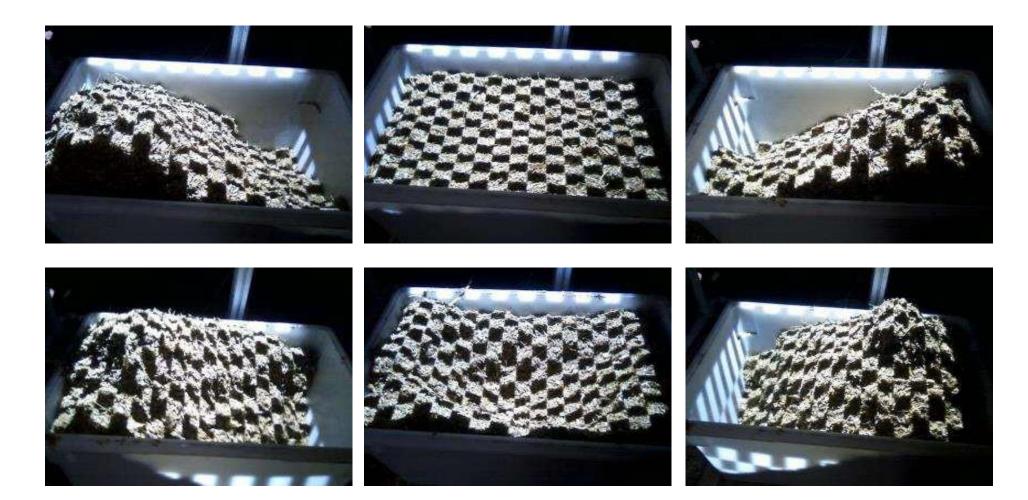






#### Short communication: Measuring feed volume and weight by machine vision

A. N. Shelley,\* D. L. Lau,\* A. E. Stone,† and J. M. Bewley†1





Contents lists available at ScienceDirect

#### Computers and Electronics in Agriculture

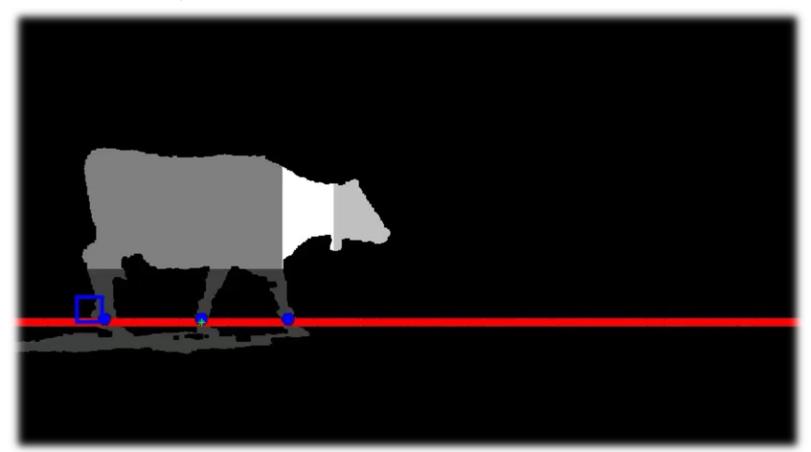




Original papers

Automatic lameness detection in dairy cattle based on leg swing analysis with an image processing technique

K. Zhao<sup>a,b</sup>, J.M. Bewley<sup>c</sup>, D. He<sup>a,d,e,\*</sup>, X. Jin<sup>b</sup>



#### **Genetic Evaluations**

- May provide information previously unavailable for genetic evaluations
- New or improved traits (i.e. feed intake, lameness, BCS, heat tolerance, fertility)
- Improved data accuracy (i.e. yield, fat, protein, SCC, health traits)
- More data, fewer erroneous measurements



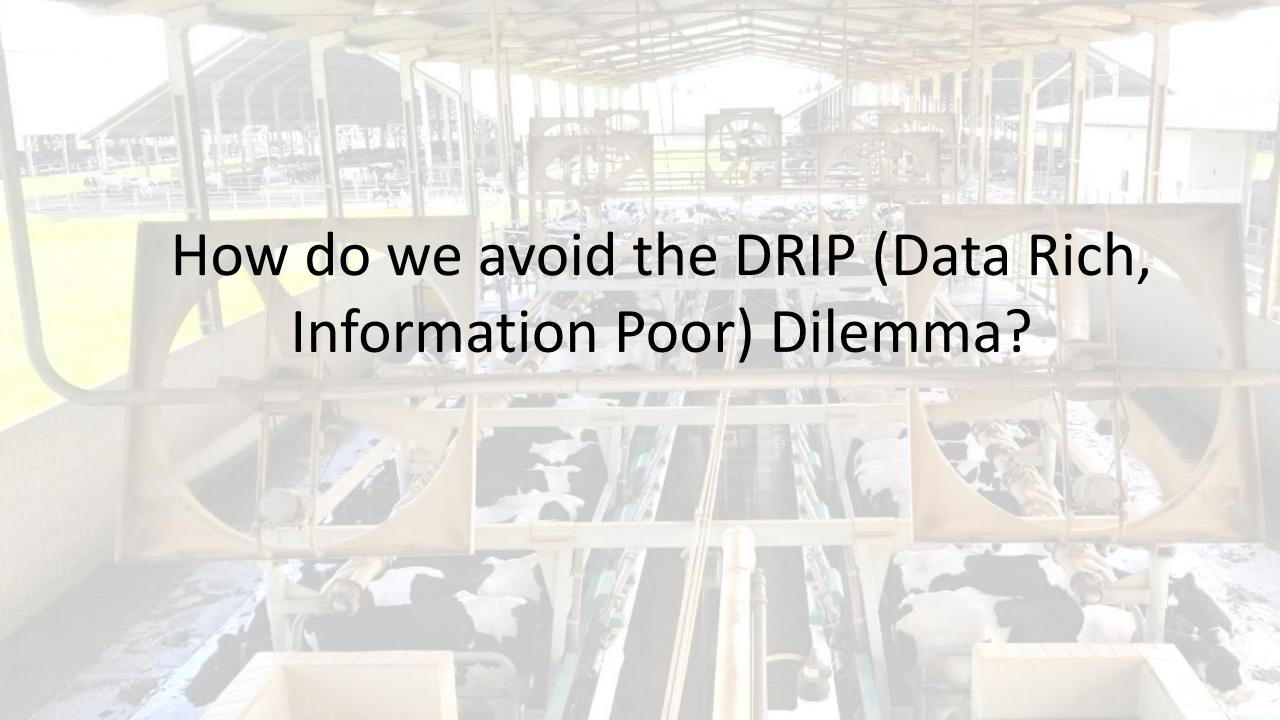
"Cow Fitbits" and artificial intelligence are coming to the dairy farm. But some farmers aren't so impressed.



'Cow Fitbits' and artificial intelligence are coming to the dairy farm. But some...

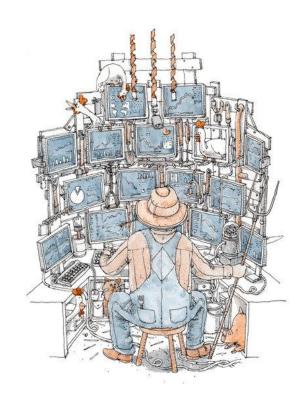
Farmers might be tackling a critical question before much of the rest of the workforce: Can new technology ever beat old intuition — even when it comes to a bunch of co...

washingtonpost.com

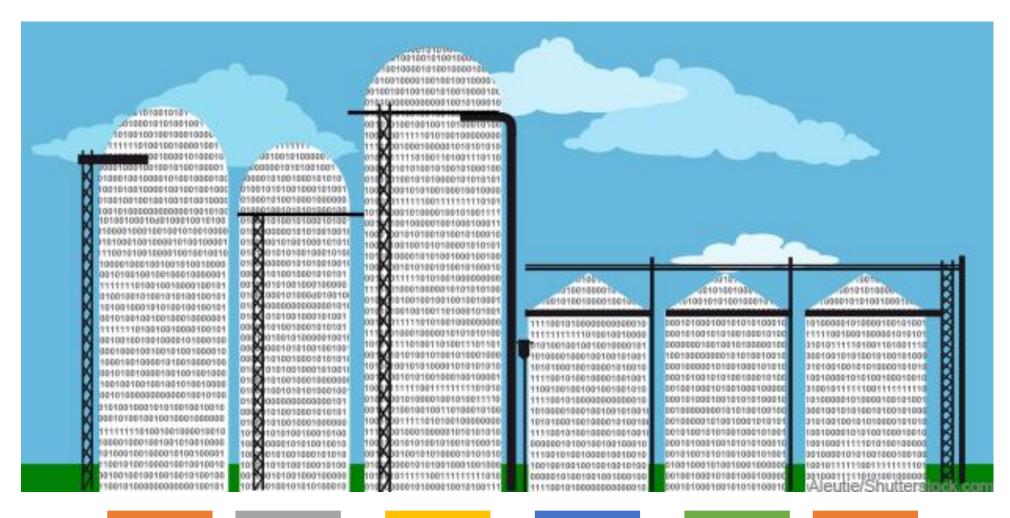


# Big Data Challenges

- Financial and production data are largely disconnected
- Inconsistent data entry
- Paper trails
- Rural connectivity
- Lack of standardization
- Advisory network is also confused



#### **Data Silos**



DHIA

Sensors

Genetics

Milk Buyer

Nutrition

Financial

# Handling Data



PROTOCOLS FOR HANDLING ALERTS



NATURAL REACTIONS
OF HEALTHY COWS



REPEAT ALERTS



**FAILED DEVICES** 

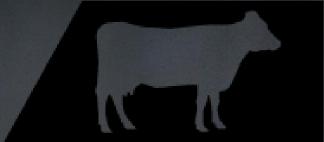


BACKUP PLAN FOR SYSTEM OUTAGE



DATA SECURITY/OWNERSHIP

#### Software Interface Attributes





Cloud based interface



Smartphone application



Addresses needs of visual and verbal learners



Intuitive user interface



Interconnectivity with herd management software



Real-time data display



Customer focused training and support



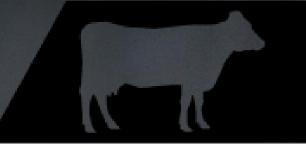
Refined alert list

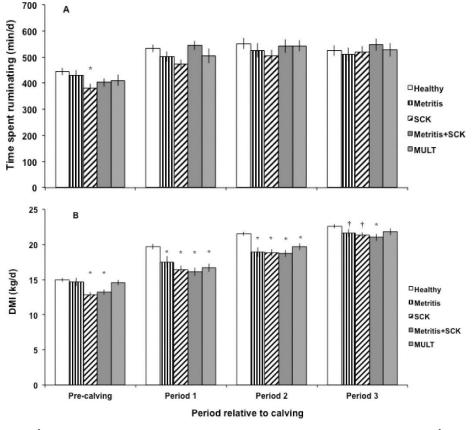
# Technology Challenges and Limitations

- Brand differences in measures
- Technology failures
- Standardization
- Calibration
- Integration



### British Columbia: Pre-calving Data Potential





Schirmann, D.M. Weary, W. Heuwieser, N. Chapinal, R.L.A. Cerri, M.A.G. von Keyserlingk

Journal of Dairy Science

Volume 99, Issue 12, Pages 9917-9924

(December 2016)



#### Cornell Research: Metritis Detection

Table 1. Incidence of metritis, DIM at clinical diagnosis, sensitivity of health index score (HIS) to detect cows with metritis, and interval between the first HIS-positive outcome and clinical diagnosis (CD) of metritis by farm personnel

	_			Sensitivity		$HIS$ -positive to $CD^2$		
Item	Events $(\text{no.})^1$	$\begin{array}{c} \text{Incidence} \\ (\%) \end{array}$	DIM at event (mean $\pm$ SD)	% (no./no.)	95% CI	Days	95% CI	P-value
Metritis <sup>3</sup> Metritis only <sup>4</sup> Metritis with other disorders <sup>5</sup> Metritis by rectal temperature	349 322 27	32 30 2	$6.8 \pm 2.6$ $6.8 \pm 2.6$ $7.0 \pm 2.4$	55 (191/349) 53 (170/322) <sup>a</sup> 78 (21/27) <sup>b</sup>	49, 60 47, 58 62, 91	-1.2 $-1.2$ $-1.3$	$ \begin{array}{c} -1.6, -0.7 \\ -1.6, -0.7 \\ -2.4, -0.2 \end{array} $	<0.01 <0.01 0.03
≤39.4°C 39.5–39.9°C ≥40.0°C	165 79 74	52 25 23	$7.2 \pm 1.8$ $6.2 \pm 2.0$ $5.2 \pm 1.8$	56 (92/165) 49 (39/79) 58 (43/74)	48, 64 38, 61 46, 70	$     \begin{array}{r}       -1.4 \\       -1.3 \\       -0.2     \end{array} $	-1.9, -1.0 $-2.9, 0.4$ $-0.9, 0.4$	$           < 0.01 \\                 0.13 \\                 0.46         $

<sup>&</sup>lt;sup>a,b</sup>Different superscripts indicate differences ( $P \leq 0.05$ ) between means based on mean separation with the LSD test.

M.L. Stangaferro, R. Wijma, L.S. Caixeta, M.A.
Al-Abri, J.O. Giordano
Journal of Dairy Science
Volume 99, Issue 9, Pages 7422-7433
(September 2016)



<sup>&</sup>lt;sup>1</sup>Number of events diagnosed (331 and 9 cows with 1 or 2 events of metritis, respectively).

<sup>&</sup>lt;sup>2</sup>HIS-positive to CD = interval in days between the first positive HIS outcome (positive outcomes only) and clinical diagnosis.

<sup>&</sup>lt;sup>3</sup>All metritis events recorded.

 $<sup>^{4}</sup>$ Cows diagnosed with only metritis from -5 to 2 d relative to CD.

 $<sup>^{5}</sup>$ Cows diagnosed with metritis and at least another health disorder from -5 to 2 d relative to CD.

#### Cornell Research: Metabolic Disease Detection

CONTENTESCAICH. IVICIADUNC DISCASC DELECTION

Table 2. Incidence of metabolic and digestive disorders, DIM at clinical diagnosis, sensitivity of health index score (HIS) to detect cows with disorders, and interval between the first HIS-positive outcome and clinical diagnosis (CD) of disorders by farm personnel

Disorder	$\begin{array}{c} \text{Cows} \\ \text{(no.)}^1 \end{array}$	Incidence (%)	DIM at event (mean $\pm$ SD)	Sensitivity		$HIS$ -positive to $CD^2$		
				% (no./no.)	95% CI	Days	95% CI	P-value
Displaced abomasum	41	3.8	$14.9 \pm 10.5$	98 (40/41)	93, 100	-3.0	-3.7, -2.3	< 0.01
Displaced abomasum only <sup>3</sup>	20	1.9	$19.2 \pm 13.1$	100(20/20)	83, 100	-3.2	-4.1, -2.2	< 0.01
Displaced abomasum with other disorders <sup>4</sup>	21	1.9	$10.9 \pm 4.8$	95 (20/21)	76, 100	-2.8	-3.9, -1.7	< 0.01
Ketosis	54	5.0	$9.3 \pm 5.4$	91 (49/54)	83, 99	-1.6	-2.3, -1.0	< 0.01
Ketosis only	28	2.6	$10.1 \pm 6.7$	89 (25/28)	72, 98	-0.9	-1.8, 0.1	0.06
Ketosis with other disorders	26	2.4	$8.3 \pm 3.4$	92 (24/26)	75, 99	-2.4	-3.3, -1.5	< 0.01
Indigestion	9	0.8	$8.3 \pm 6.9$	89 (8/9)	68, 100	-0.5	-1.5, 0.5	0.28
Indigestion only	7	0.6	$7.8 \pm 6.1$	86 (6/7)	60, 100	-0.7	-2.1, -0.8	0.29
Indigestion with other disorders	2	0.2	$6.0 \pm 0.0$	100(2/2)	16, 100	0.0		
All metabolic-digestive <sup>5</sup>	104	9.6	$11.4 \pm 8.3$	93(97/104)	89, 98	-2.1	-2.5, -1.6	< 0.01
Metabolic-digestive only	55	5.1	$13.2 \pm 10.5$	93 (51/55)	82, 98	-1.7	-2.4, -1.1	< 0.01
Metabolic-digestive with other disorders	49	4.5	$9.3 \pm 4.2$	94 (46/49)	83, 99	-2.5	-3.1, -1.8	< 0.01

<sup>&</sup>lt;sup>1</sup>Number of events diagnosed.

M.L. Stangaferro, R. Wijma, L.S. Caixeta, M.A.

Al-Abri, J.O. Giordano

Journal of Dairy Science

Volume 99, Issue 9, Pages 7422-7433

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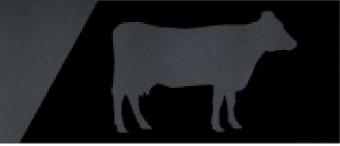
<sup>&</sup>lt;sup>2</sup>HIS-positive to CD = interval in days between the first positive HIS outcome (positive outcomes only) and CD.

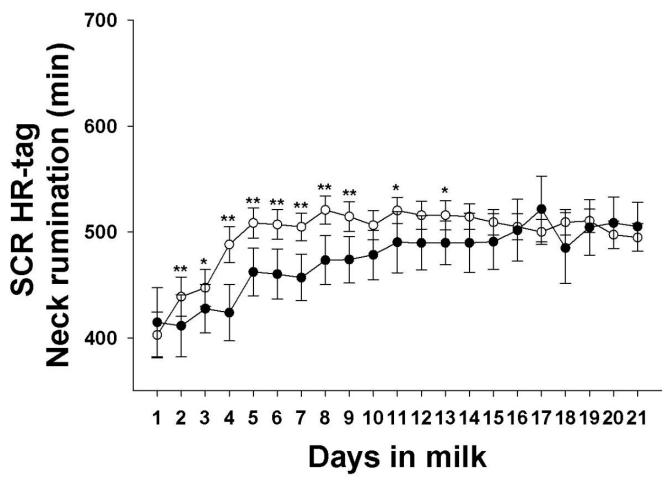
<sup>&</sup>lt;sup>3</sup>Cows diagnosed with the disease of interest only from −5 to 2 d relative to CD.

<sup>&</sup>lt;sup>4</sup>Cows diagnosed with the disease of interest and at least another health disorder from −5 to 2 d relative to CD.

<sup>&</sup>lt;sup>5</sup>Metabolic-digestive = metabolic and digestive disorders combined (displaced abomasum, ketosis, and indigestion).

#### Hyperketonemia: Increased rumination time



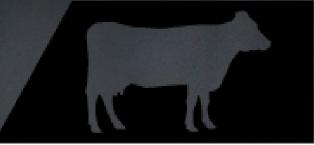


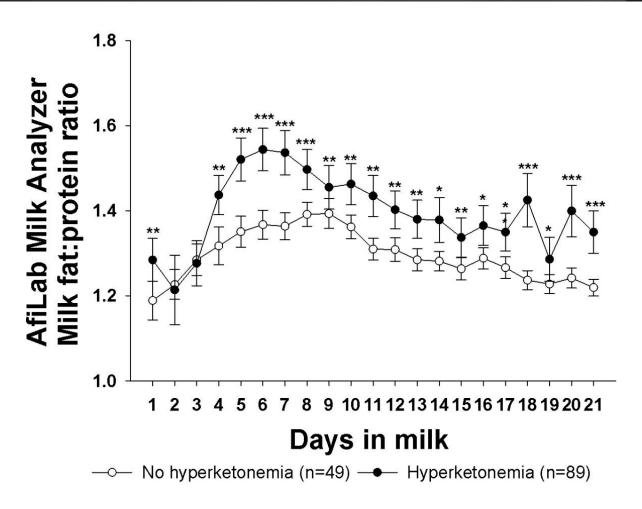
—○— No hyperketonemia (n=49) — Hyperketonemia (n=89)

† *P* < 0.1, \* *P* < 0.05, \*\* *P* < 0.01, \*\*\* *P* < 0.001

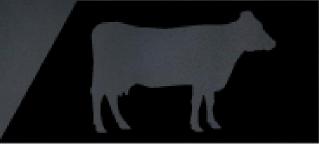
Tsai et al. 2016, unpublished

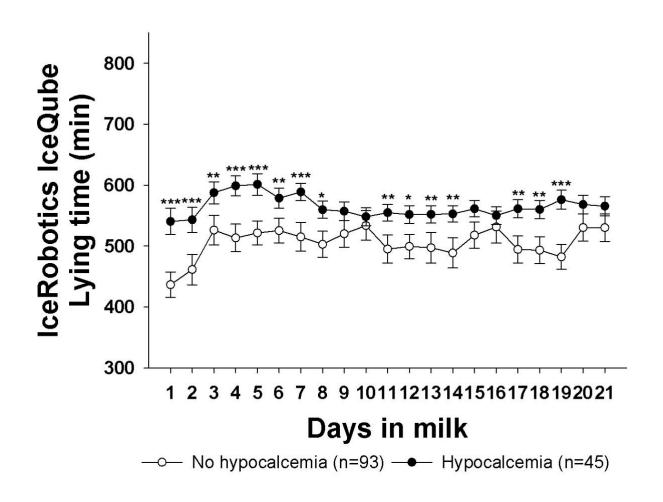
#### Hyperketonemia: Higher fat:protein





# Hypocalcemia: Increased lying



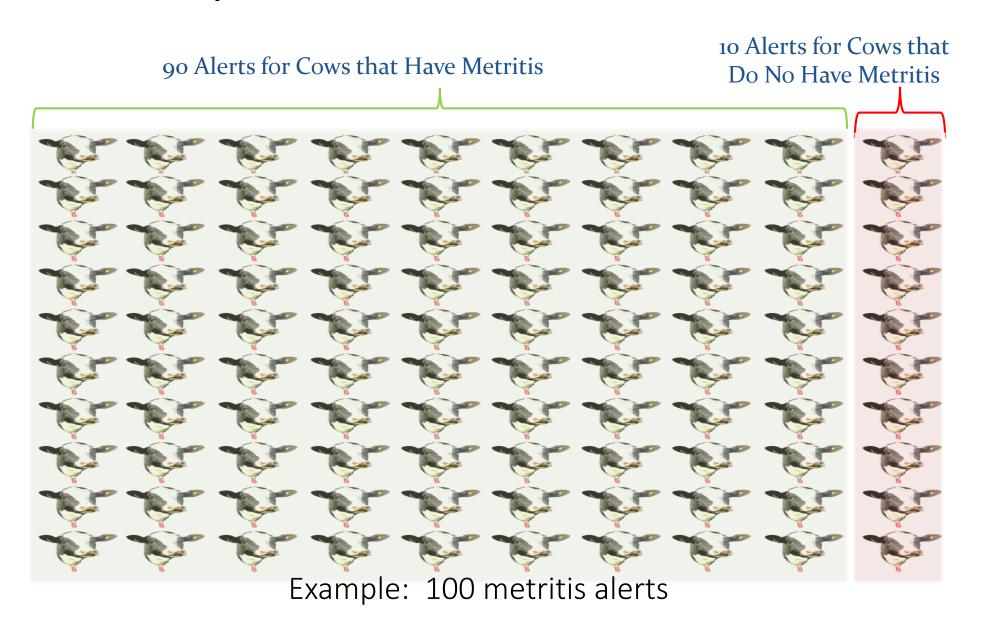


#### How Many Cows With Condition Do We Find?

20 Metritis Events 80 Metritis Events Identified by Technology Missed by Technology

Example: 100 metritis events

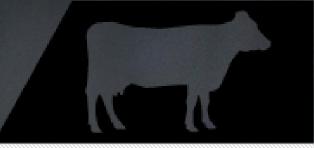
#### How Many Alerts Coincide with an Actual Event?

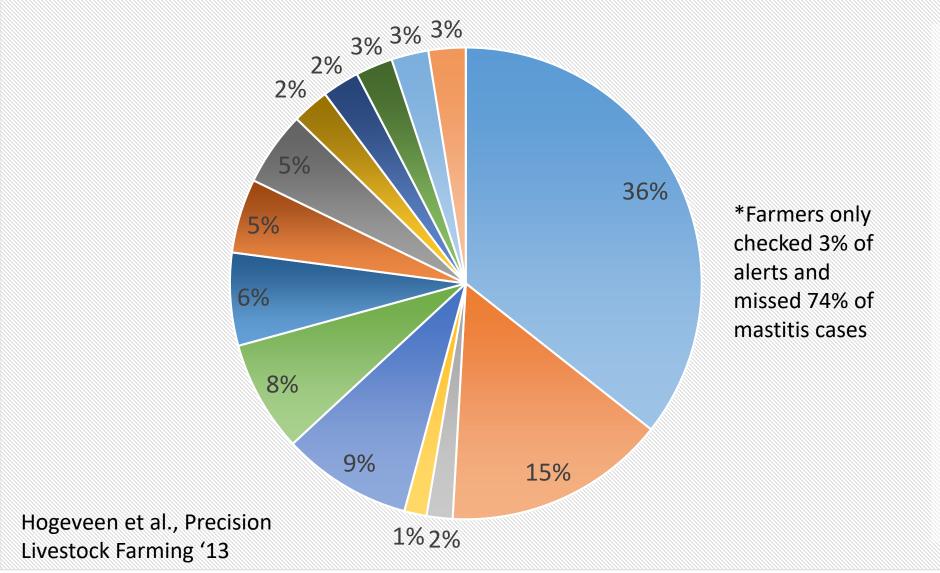


## Sensitivity and Specificity

Technology	Disease			
	Se (%)	Sp (%)	Acc (%)	
System 1	80	85	83	
System 2	80	81	81	
System 3	70	77	75	
System 4	78	82	80	
System 5	76	80	78	
System 6	46	88	77	
System 7	60	85	75	

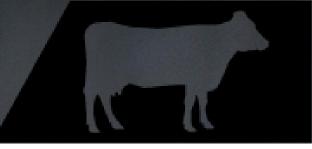
### Reasons alerts were not checked

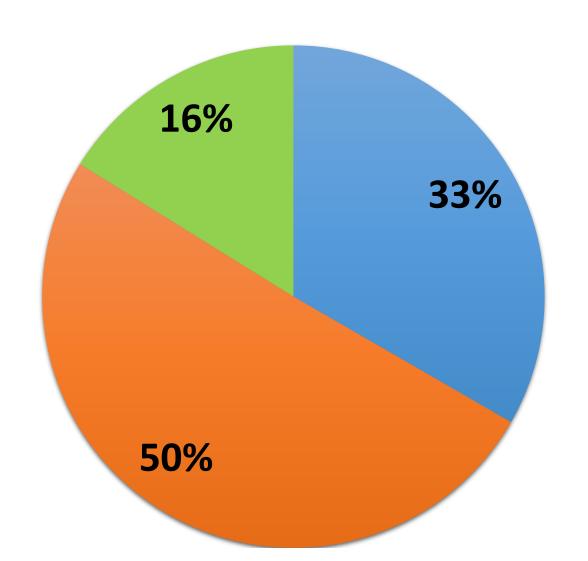




- No flakes/clots on filter sock
- Milk production not alarming
- Repeat
- No time
- Combination alert not alarming
- Temporary physical problems
- Conductivity alert not alarming
- AMS disorders
- Too many cows treated
- Green alert
- Checked before, not clinical
- Not clinical at last check
- Will be culled
- In heat

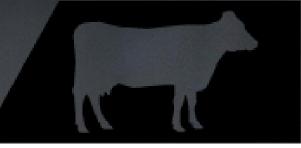
### Farmer Handling of Sensor Alerts

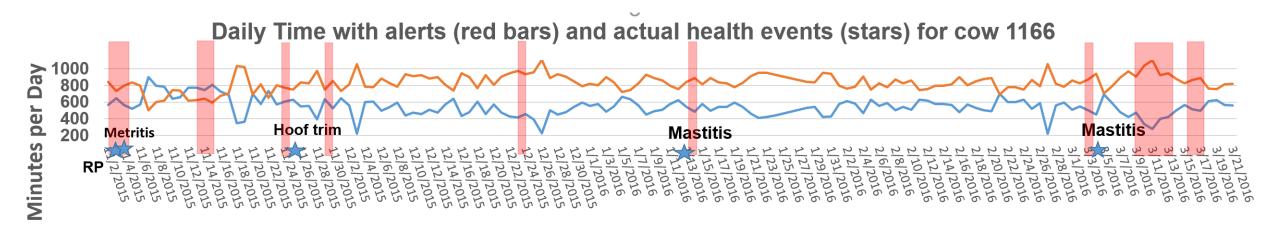


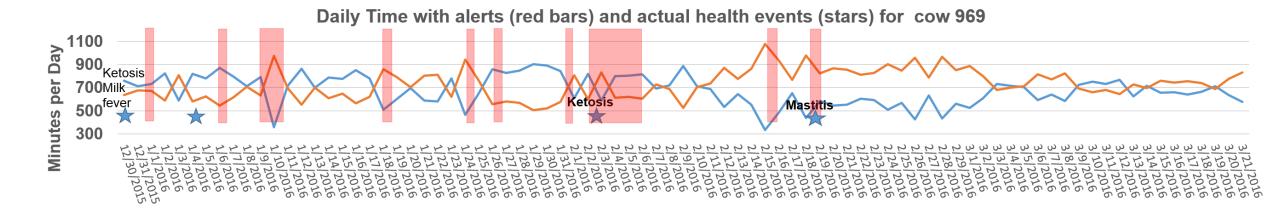


- Alert accepted and animal checked
- Alert accepted and animal not checked
- Alert rejected

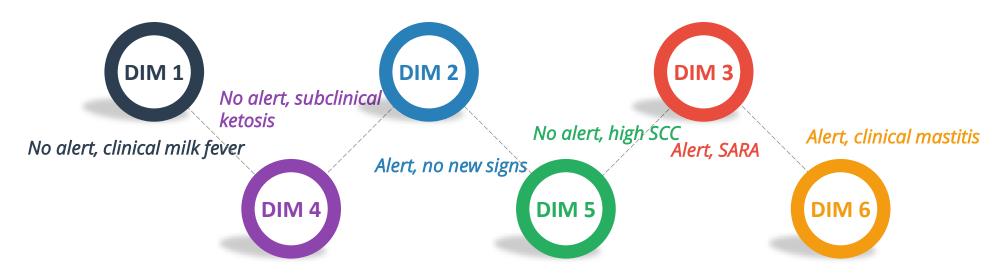
### Timeline Alert/Event Comparisons







#### Alert Definition Dilemma



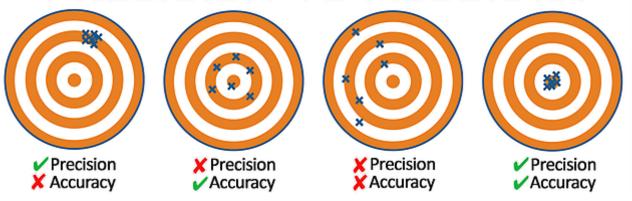
- Systems may alert subclinical conditions that end users view as false positive
- Systems may provide alerts sooner than physical signs appear
- Systems may provide alerts after clinical symptoms have been observed

### Health Index Solves Some Concerns



### Are we measuring the targets we intend to?

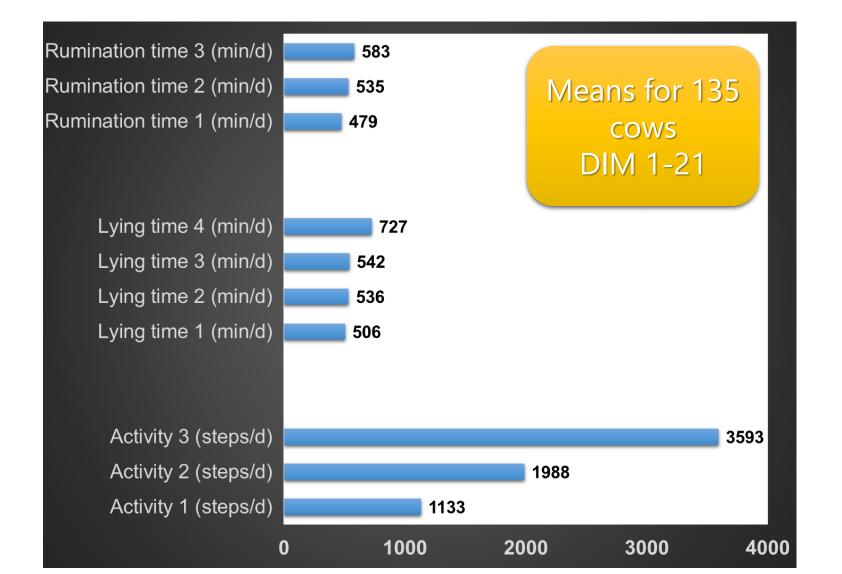
#### PRECISION VS ACCURACY



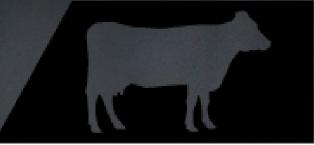


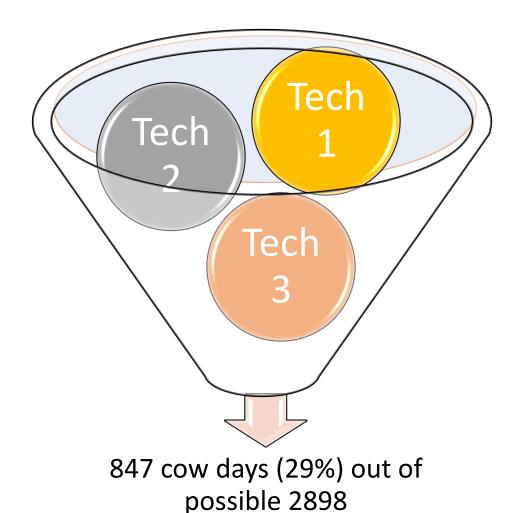


### $X \neq X$ and $Y \neq Y$



## Disappearing Data





- 138 cows
- DIM 1 to 21
- 2898 cow days
- 7 technologies

## Disease Challenges



- •Meeting sensitivity (80%) and specificity (99%) goals (Rasmussen, 2004)
- Calibration across time
- Automatic diversion or alert?
- Recommended action when an alert occurs with no clinical signs

## Disease Challenges

- Dynamics of clinical and subclinical states
- Potential for overtreatment
- Employee education
- Gold standards imperfect

### Other Cautions

- Huge within cow and within herd variation
- Many management factors and environmental conditions affect these variables
- Group/pen changes affect behaviors
- Some cows don't read the book
- Not all changes are linear



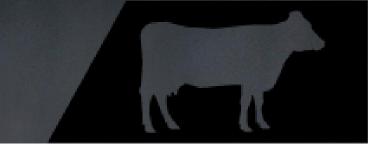


Data Driven Dairy Producer Treats data as an asset **Connects Understands basic** production to statistics finance Data Driven **Dairy** Looks forward, not Manage with KPIs just backward and dashboards

### Where do we go from here?

- Identify disease prospectively
- Determine course of action after alert
  - Culture?
  - Treatment?
  - Another intervention?
- Assess economic benefit of identification

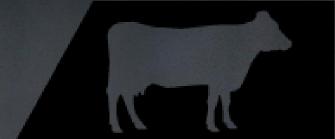
### Possible Future?





- Develop standards for assessing monitoring technology usefulness
- Address farmer need for meaningful alerts
- Account for degree of infection
- Capture the complexity of clinical and subclinical disease

### How Can Advisors Help?





Understand pros and cons of systems



Understand investment economics



Create a plan for using data



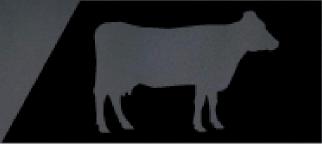
Develop protocols for therapeutics, treatment, culling



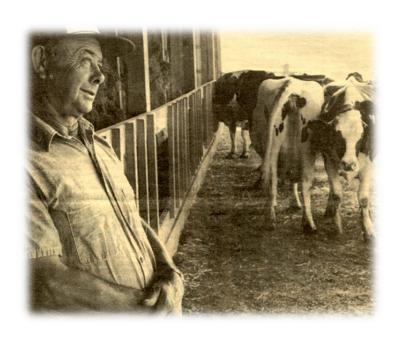




### I Come From a Small Farm



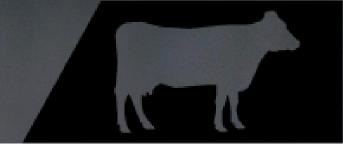


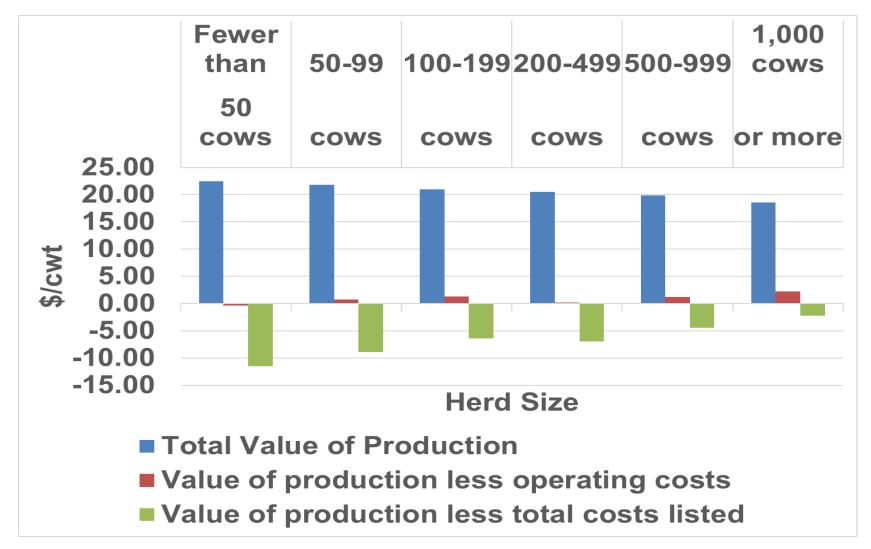






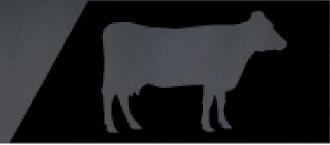
### I Understand the Realities







# What is a Small Dairy? Anyone Who Can't Ship a Tanker Load Each Day?







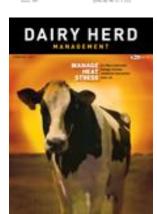
## Read More than Just Dairy





No.

.....

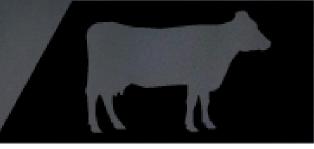








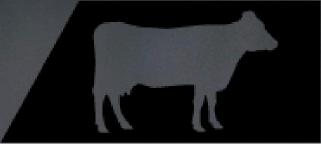
### **Small Giant Characteristics**



- The Leader Factor. Self-aware leaders with a vision
- The Community Factor. Rooted within their local communities
- 3. Employee Factor. Engaged and valued employees



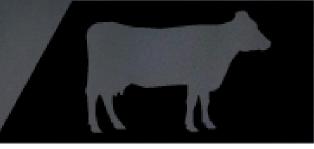
### **Small Giant Characteristics**



- 4. The Customer/Supplier Factor. Personal ties to customers and suppliers
- 5. The Margin Factor. Sound business models with some margin protection
- 6. The Passion Factor. "They have the soul of an artist, but happen to be in business"



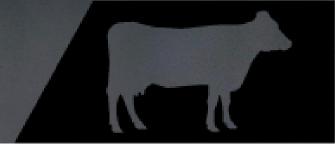
# Mojo---the corporate equivalent of charisma in a person







### Five Mojo Elements



- 1.Be the best
- 2. Know your business and its limitations
- 3.Be responsive to consumer demands
- 4. Build relationships
- 5. Stay privately held



### How Will You Be Great?

- High yield
- Marketing genetics
- On-farm processing
- Grazing
- Organic
- Agri-tourism
- Partnerships with other farmers
- Contract heifer raising (either direction)
- Contract feed
- Strategic investments

### Strive for Farm Resilience

- 1. Learn to live with change and uncertainty
  - Expect the unexpected
  - Learn from crises
  - Remain flexible
  - Spread risk

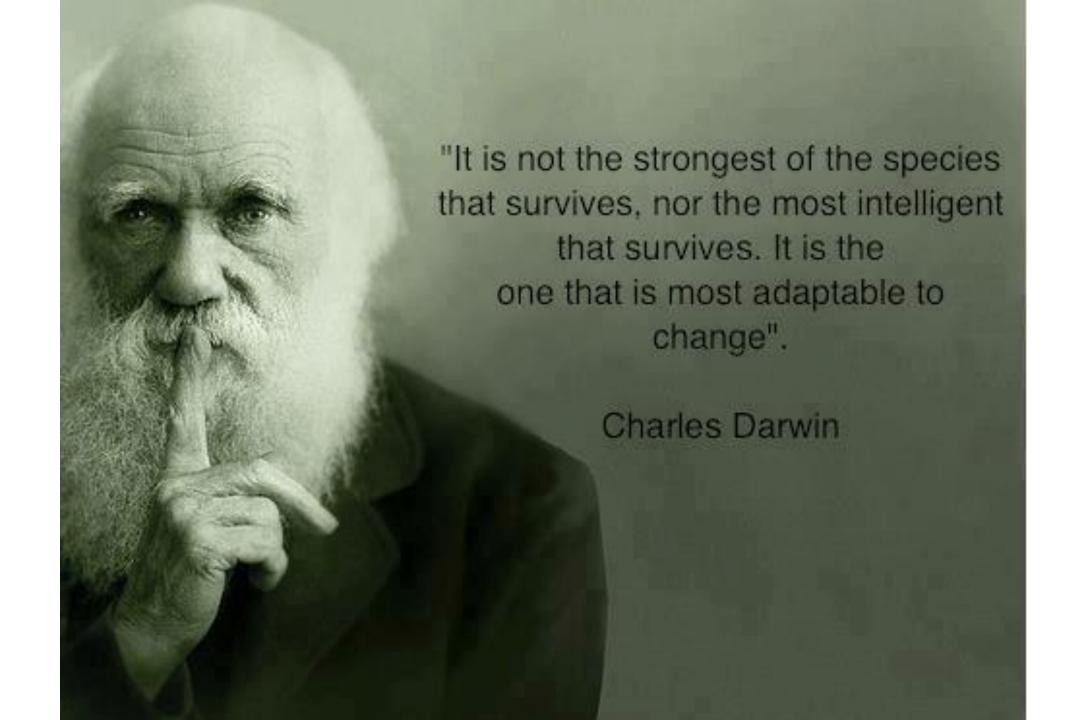
### Strive for Farm Resilience

### 2. Nurture Diversity

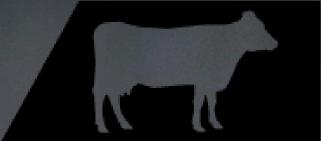
- Diversity of crops, animals, breed, products, and enterprises
- Look for ways to rely less on others for labor, nutrient management, energy use or money

### Strive for Farm Resilience

- 3. Create opportunities for organizing yourself and links with others
  - Strong network of friends, family, and contacts
  - Political organizations help deal with change through collective action
  - Be involved in community groups (church, local sports, civic organizations



### Dairy Business Management





Owners/Managers should have a CEO/CFO mentality



Consider biological parameters and economic considerations simultaneously



Detailed financial and economic information systems have not been adopted by dairy managers as well as production or simple accounting information systems



### Economies of size----it's just basic math

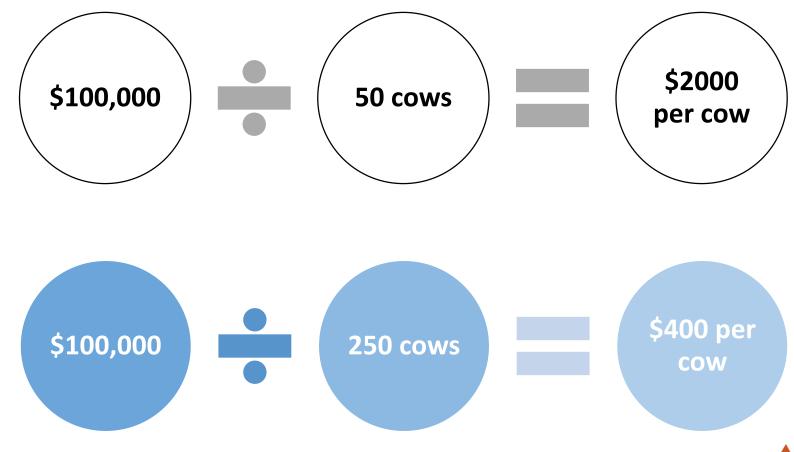




SIZE

Sometimes it does matter.

### Spreading Fixed Costs over More Animals



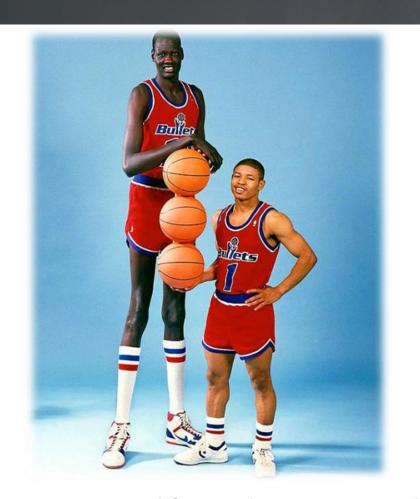


## **Economies of Size**

- Average cost of production per cow declines as the size of the operation grows
- Increasing returns to size
- Economies of size result from:
  - Full utilization of labor, machinery, buildings
  - Ability to afford specialized labor and machinery and new technology
  - Price discounts for volume purchasing of inputs
  - Price advantages when selling large amounts of output



## Starting Out At a Competitive Disadvantage



Don't Shoot Yourself in the Foot Through Your Cost of Production

## Cost of Production Overcapitalization Example

	Full use	Half use	Quarter use
Cows milked per milk stall	30	15	7.5
Parlor investment per stall per cow	\$600	\$1200	\$2400
Repayment cost (\$/cow/yr)*	\$116	\$232	\$463
Parlor labor cost (\$/cow/yr)*	\$218	\$233	\$264
Total cost (\$/cow/yr)	\$334	\$465	\$727

\$1.67

\$2.33

<sup>\*</sup>Based on 9% interest and 7-year repayment, 20,000 lb annual milk production and \$10/hr labor



Cost per cwt to harvest milk



\$3.63



## Do you know?

- Rolling herd average
- Bulk tank average
- Culling rate
- Calving interval
- SCC

- Return on assets
- Asset turnover ratio
- Operating expense ratio
- Current ratio
- Debt: asset ratio





## Calculating Cost of Production

- Collecting the information is the hard part
- Doing the calculations is the easy part
- Important to focus on the right enterprise
- Labor, Depreciation, Inventory adjustments all really need to be included

## Reality Check

- We can't calculate COP with just "3 or 4" numbers
- You probably don't know some of the numbers you need
- Garbage in, garbage out
- It's not just the destination, it's the journey
- An attempt (even if inaccurate) to calculate COP is better than not trying

## Investment Types

## The Over's

- Investments
  - Land, toys, and parlors
- Labor/owner withdrawals
- Hospital
- Cull rate

## The Under's

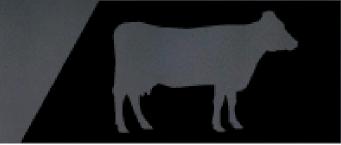
- Production
- Cow comfort
- Cow cooling
- Forage storage
- Transition cow facilities and nutrition
- Preventive health
- Human resources



Investment analysis should be more than just gut feel



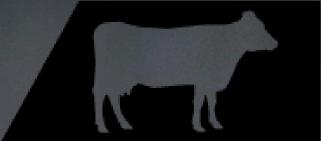
## Partial Budgeting



- Examines the expected economic returns to a specific management change
- Total benefit-Total Costs=Profitability of Intervention
- Used to calculate Benefit: Cost ratios
- Examples: Using sexed semen, adding a feed additive, using a synchronization protocol



## Partial Budget Calculations



## Benefits

Costs

Increased revenue

+ Decreased costs

=

Total benefit

Decreased revenue

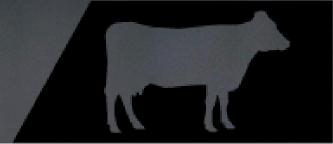
+ Increased Costs

**Total costs** 

**Profitability=Total benefit-total costs** 



## Net Present Value



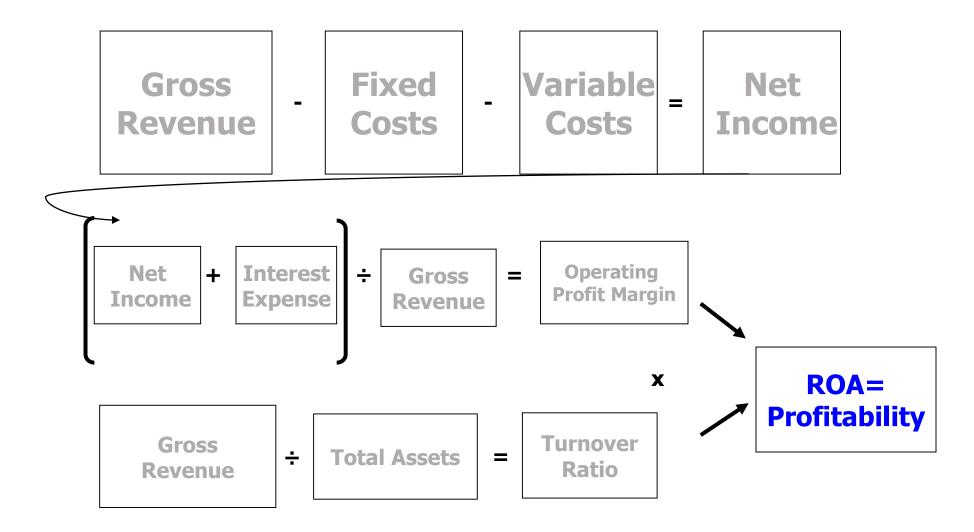
- Considers the "Time Value of Money"—a dollar today is worth more than a dollar tomorrow
- Considers timing of expenses and income
- More accurate way of examining an investment decision
- A little more complex and time consuming
- Should be used for major capital investments



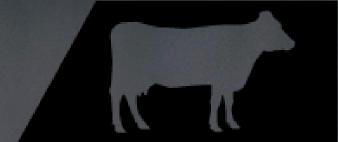
## Agriculture has Low Margins

- FALSE!!!! (OK, maybe not lately)
- Agriculture has high margins (~32%)
- Only computer/software businesses are higher
- Wal-Mart (~3 to 4%-think not much inventory, lots of product out the door)
- Struggle with asset turnover (large proportion of assets in real estate)

## **DuPont Analysis**



## Revenues or Costs?



- Most people spend most of their time lowering costs
- Cost control only impacts earns, not turns
- Biggest impact comes from changes that impact both earns and turns
- So, efforts should be focused on
  - Increasing throughput
  - Improving product quality
  - Taking advantage of market price premiums
  - Remove non-productive assets



# If you don't measure it, you can't manage it



## Analytics can be your competitive advantage



## Business Intelligence and Analytics

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Optimization	What's the best that can happen?
Predictive Modeling	What will happen next?
Forecasting/Extrapolation	What if these trends continue?
Statistical Analysis	Why is this happening?
Alerts	What actions are needed?
Query/Drill Down	What exactly is the problem?
Ad hoc Reports	How many, how often, where? •
Standard Reports	What happened?

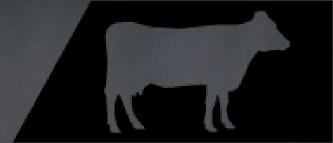
Degree of Intelligence



Be precise. A lack of precision is dangerous when the margin of error is small.

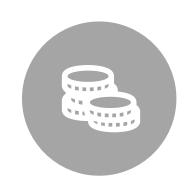
Donald Rumsfeld

## Big Data, Small Farms





Trend toward more data and better use of data is rapid



Small dairies can also take advantage of herd and financial data



Too often, we fall into the trap of saying "that only applies to the big guys, not me"



Reality check: biology and business management principles are not size dependent



# Common Modern Benefits Missed by Small Dairies

- Full use of herd records
- Monitoring technologies
- Financial records
- Genomic testing
- Negotiating semen pricing
- Alternative semen sources (i.e. Amazon)
- Forward contracting

- Raising and storing forages 1980's style
- Comparison shopping inputs
- Purchasing in bulk with neighbors
- Updated vaccination programs
- Comfortable housing
- Prioritizing dry and fresh cows



"You can only do what the markets will let you do, no matter how clever you are" -Dr. Joseph Steinman

# Control the Controllable

- Most of a business manager's energy, time, effort, and thoughts should be focused on the parts of the business over which he/she maintains control
- Limited time dedicated to parts where the manager has no control
- Not saying don't pay attention to policy, just don't let it dominate your thoughts and time



## 6 Controllables

## 1. Milk yield

- a. More control than price
- b. Spreads fixed costs

## 2. Herd health

- a. Healthy cows last longer
- b. Be around when things get better
- c. Get quality bonuses

## 3. Reproduction

- a. Breakeven milk yield level is higher so consequences are greater
- b. Want cows in milk when things get better

## 6 Controllables

## 4. Replacement heifer quality

- a. Tomorrow's milk cows
- b. 24 month age at first calving reduces costs

## 5. Feed costs

- a. Forage quality
- b. Byproduct feeds
- c. Feed additives
- d. Shrink

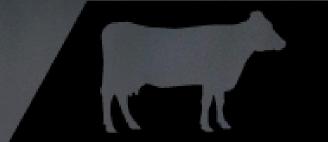
## 6. Asset base

- a. Non-productive assets
- b. Machinery, land, toys
- c. Custom hiring possibilities

# Know When It's Time to Walk Away

- Don't let "fear of failure" lead to bad decisions
- Run cash flows for next couple years
- Are you better off to sell now or continue until prices are better?
- Don't let the situation take all your equity away
- Don't wait until creditors force you out
- Dream about what else you might like to do
- Develop an exit strategy

## Work with Your Banker



- Have conversations before it's too late
- Bring your balance sheet with you
- See if you can refinance credit card debt
- See if you can refinance loans
- Operating lines of credit
- Don't let your banker be the captain steering your ship into the iceberg

## **Potential Reductions**

- Cull cows that don't cover variable expenses
- Limit major capital expenditures to necessities
- Purchases that can be delayed because inventory is available
- Volume discounts
- Bargains
- Focus on what you need, not what you want
- Consider high-group/low-group rations

## Be Proactive About the Future

- Communicate with consumers
- Environmental issues
- Animal well-being issues
- Dairy consumption promotion
- Financial planning
- Business planning
- Succession plans

## Questions?



Biology and business management principles are not size dependent

Jeffrey Bewley, PhD, PAS jbewley@alltech.com







## Across Species Research

All Products			
	Number of Studies		
	Total	Journal Articles	
Aquaculture	21	8	
Beef	56	16	
Dairy	124	48	
Equine	19	6	
Pets	9	-	
Poultry	82	26	
Sheep & Goat	16	5	
Swine	75	19	
In vitro	103	7	
Other	3	2	
Total	508	137	



### Ruminant Research Alone



#### Animal Health: 10 Peer-Reviewed Studies

 Bacterial challenges (Salmonella and E. colì), viral challenges (IBR), dietary challenges (acidosis), physiological challenges (calving), and environmental challenges (heat stress)



#### **Production Efficiency:** 50 Peer-Reviewed Studies

Feed intake; feed conversion, milk production, body weight gain, rumen fermentation (volatile fatty acid production)



#### Pre-Harvest Food Safety: 4 Peer-Reviewed Studies

Broad-spectrum protection (Salmonella, Campylobacter, E. coli); reduced prevalence and number, reduced risk of food recall



#### Antibiotic Stewardship: 8 Peer-Reviewed Studies

- Non-antibiotic technologies that naturally maintain immune strength and digestive health
- $\bullet \ \ \text{Effective in both conventional and antibiotic-free systems}$
- Enhanced consumer confidence
- Support for environmental conservation



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### 2012 Meta-analysis



J. Dairy Sci. 95:6027–6041 http://dx.doi.org/10.3168/jds.2012-5577 © American Dairy Science Association®, 2012.

A meta-analysis of the effects of feeding yeast culture produced by anaerobic fermentation of Saccharomyces cerevisiae on milk production of lactating dairy cows

G. D. Poppy, \*†¹ A. R. Rabiee,‡ I. J. Lean,‡ W. K. Sanchez,† K. L. Dorton,† and P. S. Morley\*
\*Department of Clinical Sciences, College of Veterinary Medicine and Biomedical Sciences, Colorado State University, Fort Collins 80523
†Diamond V, Cedar Rapids, IA 52405
‡SBScibus, PO Box 660, Camden 2570, NSW, Australia

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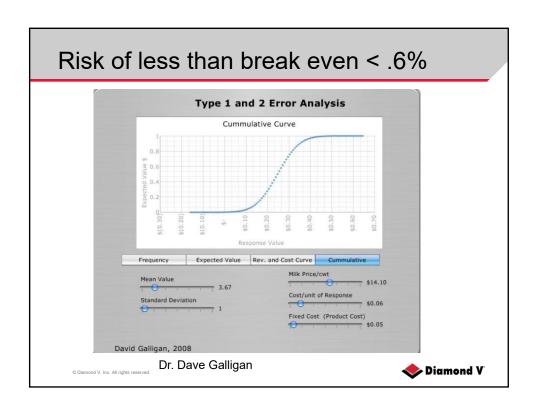
## Meta analysis responses in 36 peer reviewed studies

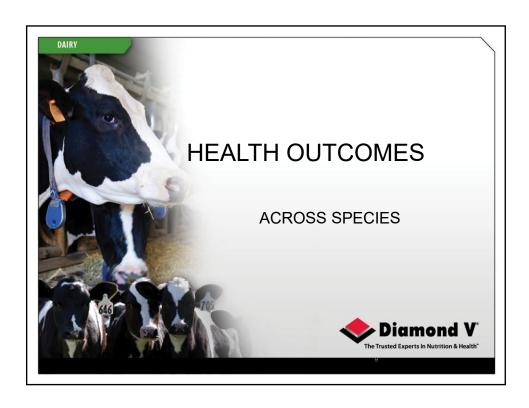
Item	Response	P-value	95% Confidence interval
Milk			
Early lactation (lb.)	3.01	0.001	1.39 to 4.64
Mid-late lactation (lb.)	2.16	0.049	0.02 to 4.29
Dry Matter Intake			
Early lactation (lb.)	+1.36	0.003	0.46 to 2.24
Mid-late lactation(lb.)	-1.72	0.008	-2.99 to46

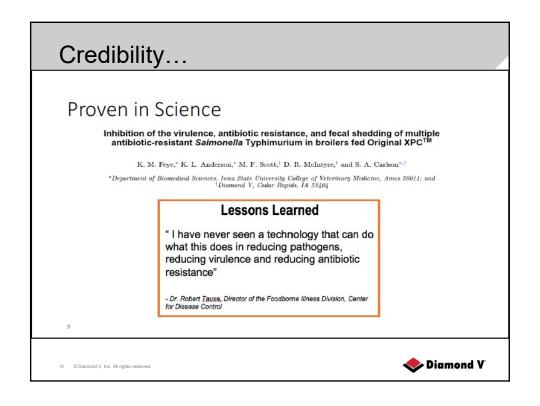
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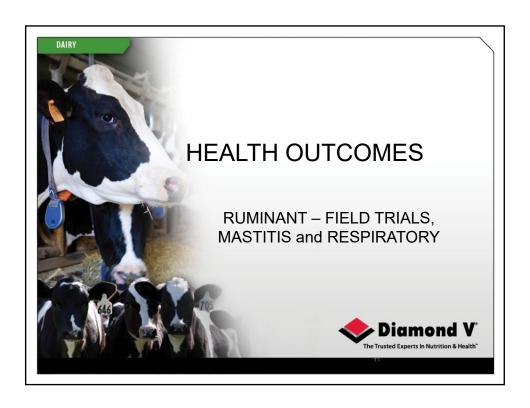


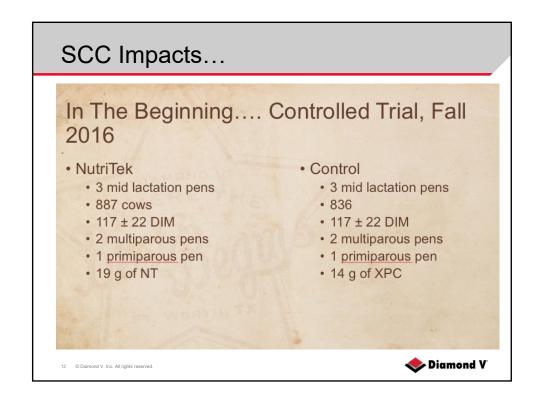
Economics of Response by Stage of Lactation			
ltem	Early Lactation	Mid-late Lactation	
Milk (lb.)	3.01	2.16	
Dry Matter Intake (lb.)	+1.36	-1.72	
Milk value @ \$15/cwt	\$0.45	\$.32	
DMI value @ \$.12/lb. DM	(\$0.16)	\$0.20	
Diamond V product cost	\$0.05	\$0.05	
Bottom line IOFC (dollars/cow/day)	\$0.24	\$0.47	
* Poppy et al., 2012, J.	Dairy Sci.	<b>◆</b> Diamond V	

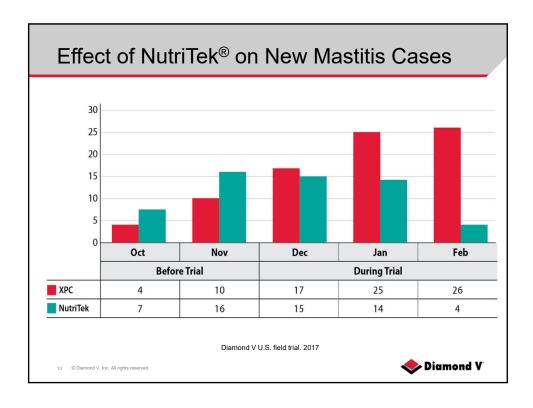












### NutriTek®: Role in Mastitis Reduction

	XPC	NutriTek
Number of cows	836	887
Cases	68	33
Risk <sup>1</sup>	0.08	0.04
RRR/RRI <sup>2</sup>	0	.54

<sup>1.</sup>Incedent cases of mastitis per group

NutriTek® Reduced the Relative Risk of Mastitis Cases by 54%

Diamond V U.S. field trial. 2017

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<sup>&</sup>lt;sup>2</sup>·Relative Risk Reduction (RRR) or Increase (RRI) represents the reduced (or increased) risk of an event occurring vs. Control on this operation. A negative value would indicates a relative risk increase (Ex. RRR of 0.40 = 40% reduced risk.)

### Epi Retrospective Analysis

- Evaluate mastitis incidence and Linear Score on herds with minimum 12 months of feeding NT, 25 herds.
  - ◆ Data evaluated the same # days pre/post implementation
- Herds ranged from 880 to 10,727 adult cows and milk production ranged from 17,100 to 27,900 lbs on 305d bases

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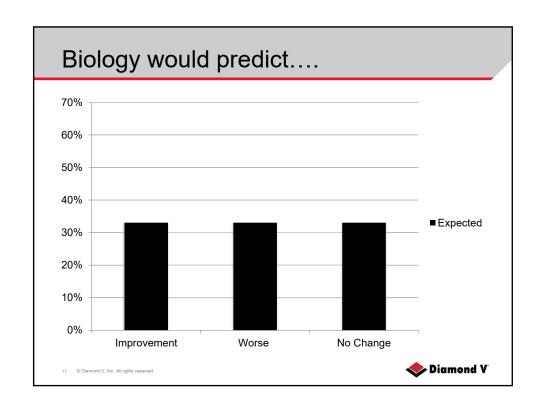


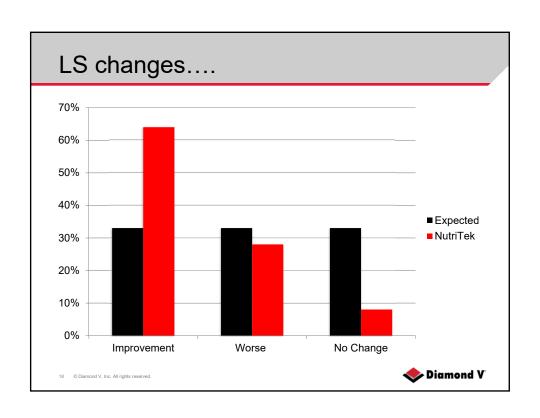
### Clinical case defined...

- Case- Defined as an animal that received treatment for mastitis on farm.
- 10 day interval between incident cases

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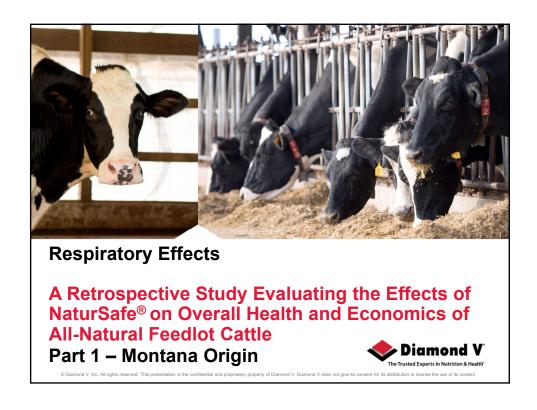
🔷 Diamond V





# Clinical incidence... Clinical Incidence Decreased 71% Increased 23.6% No Change 5.4%

🗫 Diamond V



	Control	NaturSafe	RRR or RRI1	95% CI of RRR or RRI	P-Value	NNT <sup>2</sup>
# Head	2594	1726				
# Lots	5	4				
Average In-weight (Ib)	861	878				
Average Days on Feed	166	176				
1 <sup>st</sup> Pulls, %	7.2	2.9	0.60	0.45 to 0.70	<0.01	23.4
2 <sup>nd</sup> Pulls, %	2.4	1.1	0.53	0.22 to 0.72	<0.01	80.0
3+ Pulls, %	1.0	0.6	0.30	-0.40 to 0.65	0.31	361.4
Fallouts, % of all Cattle	6.2	0.9	0.85	0.75 to 0.91	<0.01	19.1
Fallouts, % of 1 <sup>st</sup> Pulls	86.0	32.0	0.63	0.44 to 0.75	<0.01	1.9
Railers, %	0.1	0.5	-1.99	-8.92 to 0.10	0.07	-325.6
Mortality. %	0.5	0.2	0.50	-0.55 to 0.84 versus Control. A negative value indic	0.23	. 433,2

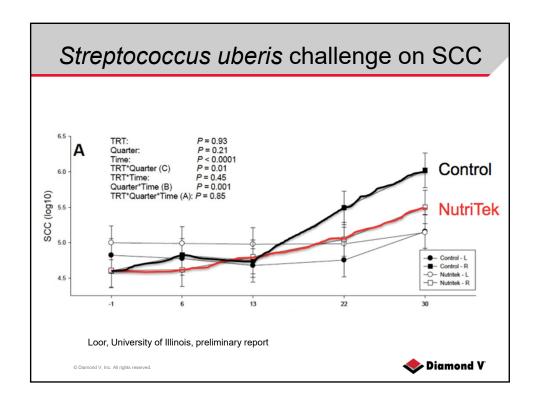


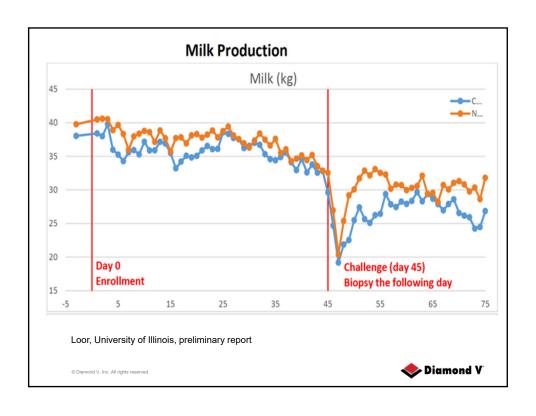
### **University of Illinois Update**

- Mastitis Trial
  - ♦ N=16 2<sup>nd</sup> lact+ cows
    - ◆ <200,000 SCC and no history of mastitis trt
    - ◆ Approximately 60 DIM at start of trial
- Treatments
  - ◆ Control TMR
  - ◆ Experimental TMR + 19 g/NutriTek/head/d
- Challenge
  - ♦ 42 days on trial
  - ◆ Strep Uberis, 5,000 CFU, one rear quarter

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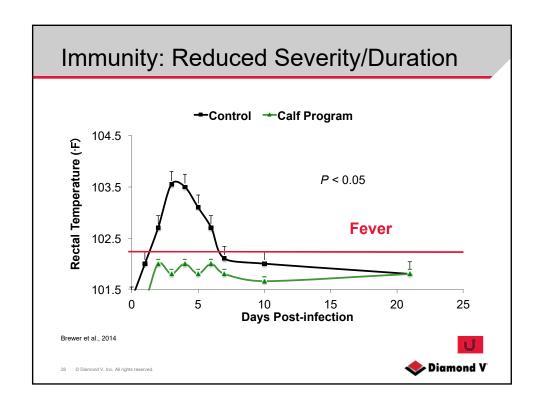
	S (Universities of Alberta	and Kansas)	
verall Average (2 Studies; 3 comparisons)	Control	NutriTek	Diff
Milk, lbs.	84.5	84.6	(
Fat, %	4.02	4.19	0.
SCC, cells/ml	130,943	90,848	-40,0
Fat-Corrected Milk (FCM), lbs. (3.5% FCM basis)	93.8	97.2	3
Dry Matter Intake (DMI), lbs.	42.3	42.2	-(
FCM/DMI	2.22	2.30	3.9
conomics	Control	NutriTek	Diff
Fat-Corrected Milk revenue, \$/cow/d (FCM @ \$14.50/cwt.)	\$13.595	\$14.099	\$0.
DMI, cost (@ \$0.12/lbs. DM)	-\$5.073	-\$5.065	\$0.
SCC bonus ( < 100,000 = \$0.10/100 lbs. milk)	\$0.00	\$0.08	\$0.
Cost of NutriTek (\$0.13/hd/d)	\$0.00	(\$0.13)	(\$0.
IOFC (Milk revenue - Feed costs)	\$8.522	\$8.988	\$0.
Annualized IOFC for 1,000 cow Dairy, \$/year			\$170,1
Fat-Corrected Milk was used instead of Energy-Corrected milk because both ECM (U of Albert reported Solids-Corrected Milk).  SCC bonus varies throughout the U.S. 10 cents per cwt is a very conservative below 200,000 or below 100,000)	•	·	
Shi et al., 2018 University of Alberta, preliminary report			
Olagary et al., 2018 KSU, preliminary report			

# Amelioration of Salmonellosis in Pre-weaned Dairy Calves using Diamond V Calf Program

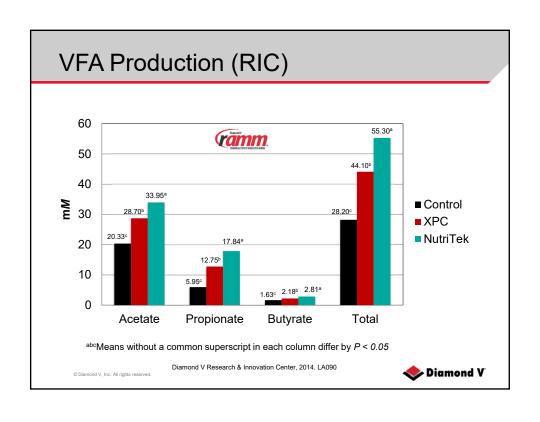
- N= 40 dairy calves (20/trt), <8 days old at trial initiation</li>
- Treatments 0-35 days post arrival
  - ◆ Control milk replacer + 3.5 g/head/d grain matrix in gelatin capsule given as bolus
  - ◆ Experimental milk replacer with 1 g SmartCare/d + 3.5g/head/d Original XPC in gelatin capsule given as bolus
- 2 Phases
  - ◆ Pre-infection 0-14 days post arrival
  - ◆ Challenge 14-35 days post arrival
- Challenge
  - ◆ Day 14
  - Salmonella typhimurium
    - Gelatin capsule with either control or Original XPC

Brewer et al. 2014. Amelioration of salmonellosis in pre-weaned dairy calves fed Saccharomyces cerevisiae fermentation products in feed and milk replacer. Veterinary Microbiology 172:248-255.

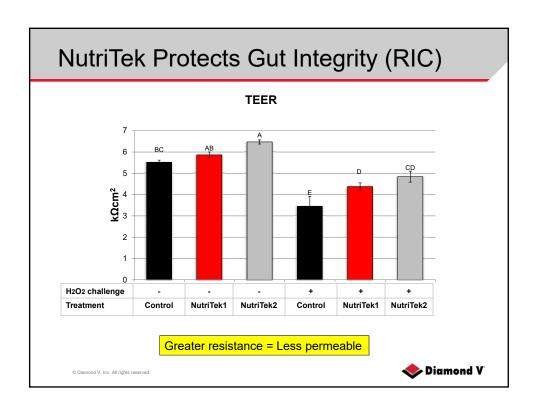
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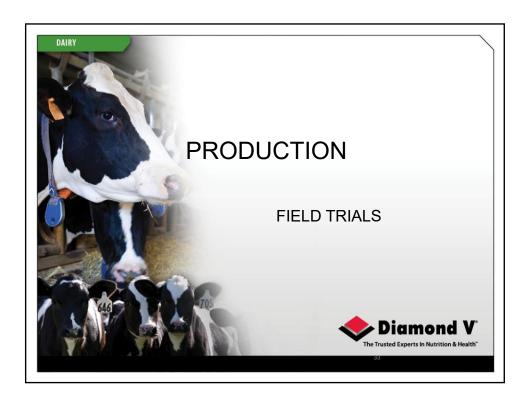






# Gut Permeability (RIC) ◆ TEER – Transepithelial Electrical Resistance ◆ Measurement to assess the barrier function of epithelial cell ◆ Applied for assessing the permeability of tight junction





# NutriTek in Lactating Diets: Performance Trends in 34 Dairies

- 34 herd assessment
  - ◆ 7 herds were established control and experimental group studies (3+ month duration per site)
  - ◆ 27 herds were retrospective summaries of performance 12 month prior to NutriTek compared to 12 months on NutriTek
- In the majority of trials, NutriTek performance was compared to XPC (either in the prior 12 months or in the positive control)

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# NutriTek has demonstrated consistent increases in ECM/Milk in 6 out of 7 Experimental/Control Group Field Trials

Dairy	Replaced XP/XPC	Milk/ECM
Controlled PNW TRIAL	No	4.4 lbs ECM
Controlled PNW TRIAL	Yes	3.4 lbs ECM
Controlled West TRIAL	Yes	2.3 lbs ECM
Controlled West TRIAL	Yes	3.2 lbs Milk
Controlled SE TRIAL	Yes	4.5 lbs ECM
Controlled PNW TRIAL	Yes	No Change
Controlled PNW TRIAL	Yes	6.4 lbs ECM
Average		3.5 lbs ECM

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### **Performance Under Heat Stress**

Pacific Northwest NutriTek Controlled Trial



Interrusived experts in nutrition or health

### Background

- NutriTek® trial was conducted in summer 2017
- Prior to the trial initiation, Original XPC<sup>™</sup> and OmniGen-AF<sup>®</sup> were fed to all cows
- NutriTek was fed for 90 days to pens 4 & 6
- Original XPC and OmniGen-AF feeding continued for pens 5 & 7
- Cows were moved into treatment pens as they left the fresh pen and remained until dry off

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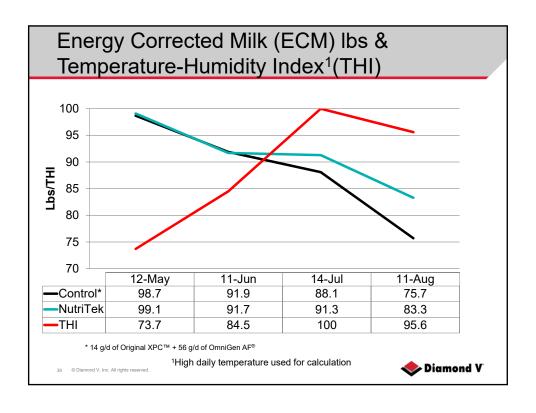


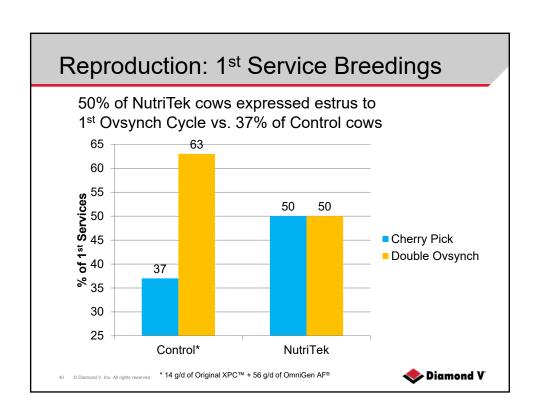
### Background

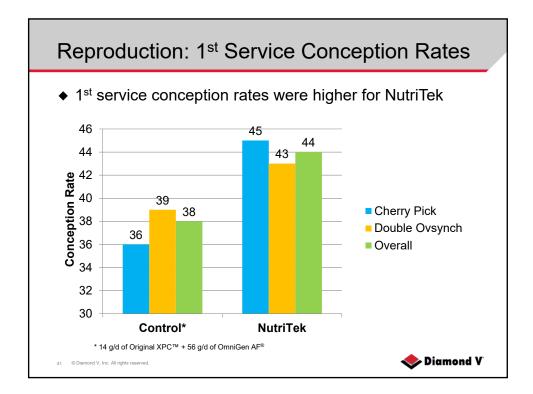
- Premix was used to deliver both treatments to the mixer
- Trial began on May 27, 2017
- Trial ended on August 18, 2017
- Data observations included: Milk, Components, Somatic
   Cell Count, Health, and Reproduction

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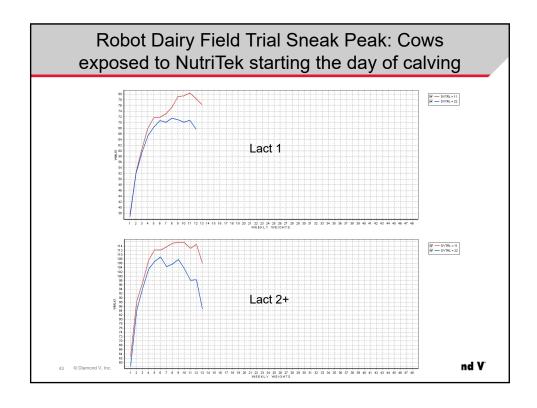


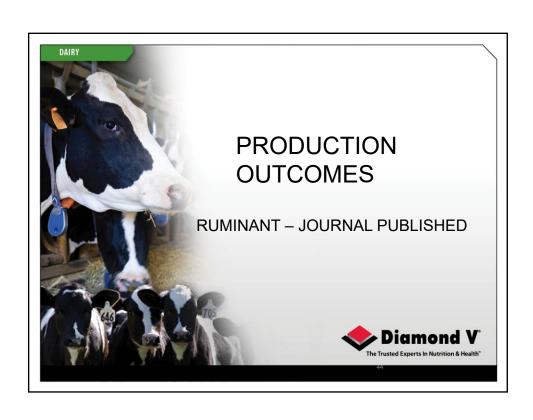
### Summary

- Trial that compared cows fed Original XPC + OmniGen-AF vs. NutriTek
- Positive outcomes of NutriTek in the diet were multi-factorial:
  - Improvements in milk quality/udder health during heat stress.
  - Stronger milk production persistence, maintenance of milk fat percent, and better overall ECM production through periods of heat stress.
  - Promising trends in reproduction efficiency.

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## NutriTek: Effects of saccharomyces cerevisiae fermentation products on lactational performance of mid-lactation cows

- Acharya et al., American Society of Animal Science 2017
- South Dakota State University
- N=80 mid lactation cows
- Control vs. NutriTek
- Trial length 8 weeks

Economic Summary from Controlled University Studies	Control	NutriTek	Diff
Acharya et al., 2017 (19.4% starch) 165 days in milk			
Milk, lbs	73.3	81.1	7.7
Fat, %	4.17	3.85	-0.32
SCC, 10 <sup>3</sup> cells/ml	Not reported	Not reported	
Fat-Corrected Milk (FCM), lbs (3.5% FCM basis)	81.1	84.6	3.5
Dry Matter Intake (DMI), Ibs	56.6	57.7	1.1
FCM/DMI	1.43	1.47	2.4%

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# 2 University trials submitted for publication: Transition Cows

- University of Alberta; Shi et al. 2018
  - ◆ Transition cow study
    - → -28 to 42 d relative to calving
      - ◆ Total of 120 cows (n = 30 per treatment)
  - Main effects
    - ◆ NutriTek vs. Control
    - ◆ Starch level
      - ◆ 1–21 DIM: High starch (26.7 %) vs. Low starch (21.4%)
      - ◆ 22-42 DIM: High starch diet for all cows
- Kansas State University; Olagary et al. 2018
  - Transition cow study
    - → -28 to 42 d relative to calving
    - ◆ Total of 60 cows (n = 30 per treatment)
  - ◆ Control vs. NutriTek

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# Economics Summary from 2018 NutriTek Transition Cow Studies

Overall Average (2 Studies; 3 comparisons)	Control	NutriTek	Diff
Milk, lbs.	84.5	84.6	0.1
Fat, %	4.02	4.19	0.17
SCC, cells/ml	130,943	90,848	-40,095
Fat-Corrected Milk (FCM), Ibs. (3.5% FCM basis)	93.8	97.2	3.5
Dry Matter Intake (DMI), lbs.	42.3	42.2	-0.1
FCM/DMI	2.22	2.30	3.9%
Economics	Control	NutriTek	Diff
Fat-Corrected Milk revenue, \$/cow/d (FCM @ \$14.50/cwt.)	\$13.595	\$14.099	\$0.50
DMI, cost (@ \$0.12/lbs. DM)	-\$5.073	-\$5.065	\$0.01
SCC bonus ( < 100,000 = \$0.10/100 lbs. milk)	\$0.00	\$0.08	\$0.08
Cost of NutriTek (\$0.13/hd/d)	\$0.00	(\$0.13)	(\$0.13
IOFC (Milk revenue - Feed costs)	\$8.522	\$8.988	\$0.47
Annualized IOFC for 1,000 cow Dairy, \$/year			\$170,124

Fat-Corrected Milk was used instead of Energy-Corrected milk because both Universities reported FCM and only KSU reported ECM (U of Albert reported Solids-Corrected Milk).

SCC bonus varies throughout the U.S. 10 cents per cwt is a very conservative estimate based on normal bonus incentives (i.e., below 200,000 or below 100,000)

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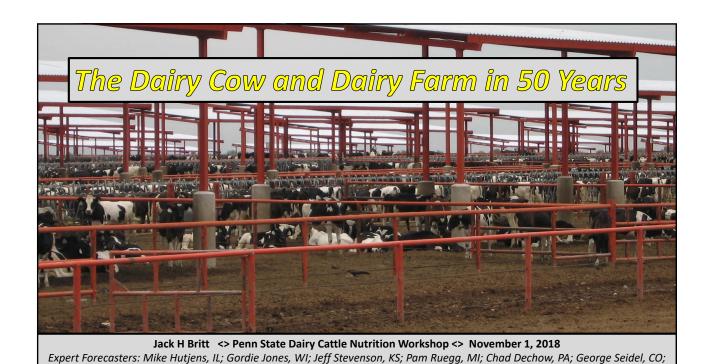
### In conclusion - why XPC and NutriTek?

- Most published research for any non-antibiotic feed additive
- Chance of XPC not making your clients money <0.06%</li>
- Proven performance through
  - Altered microbiome and increased VFA production
  - Improved lower gut integrity
  - Pathogen risk mitigation
  - · Improved innate immunity

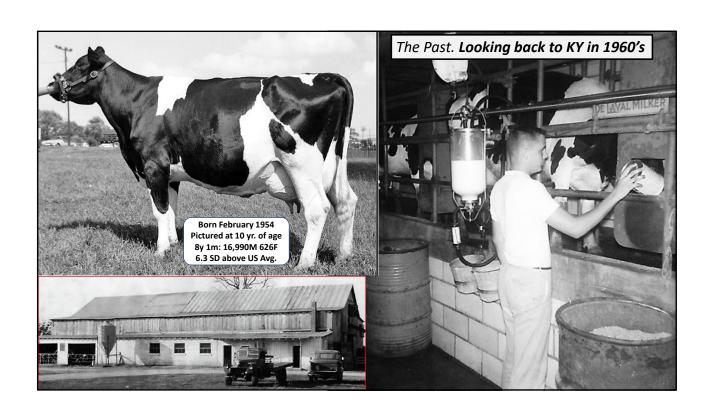
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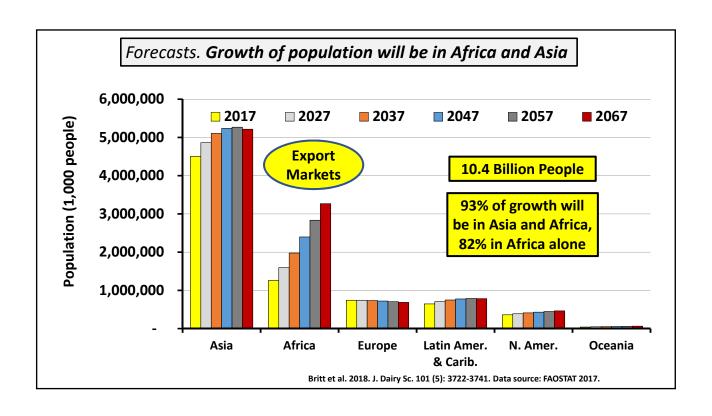


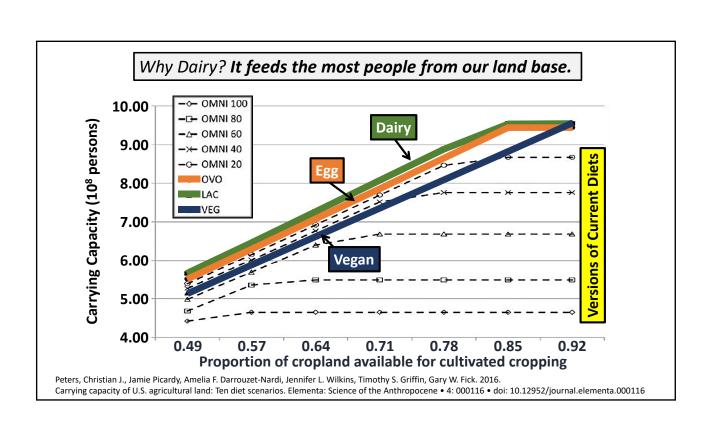


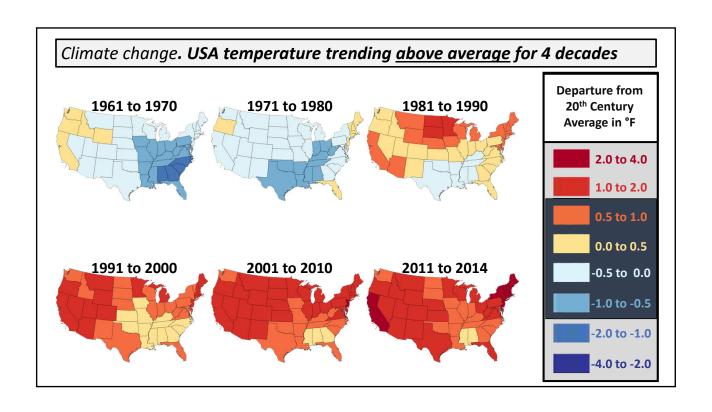


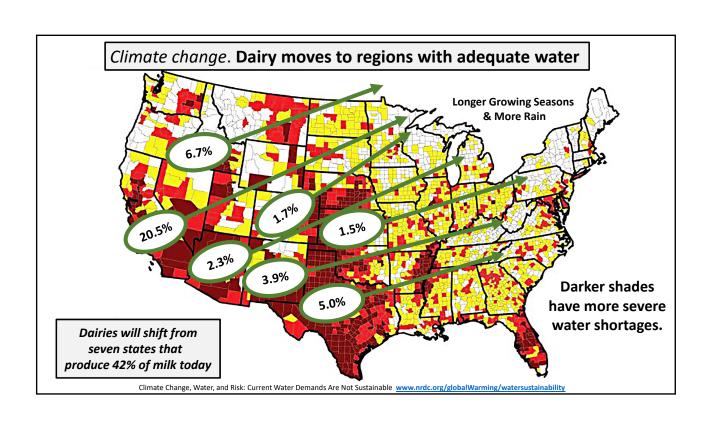
Bob Cushman, NB; Tony McNeel, MI; Hilary Dobson, UK; Martin Sheldon, UK; Patrice Humblot; SE

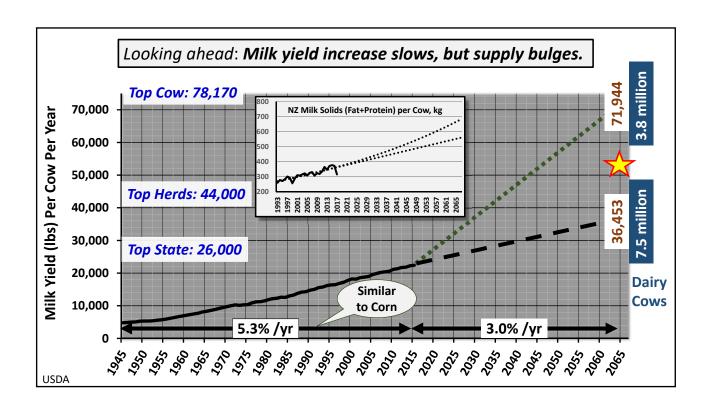


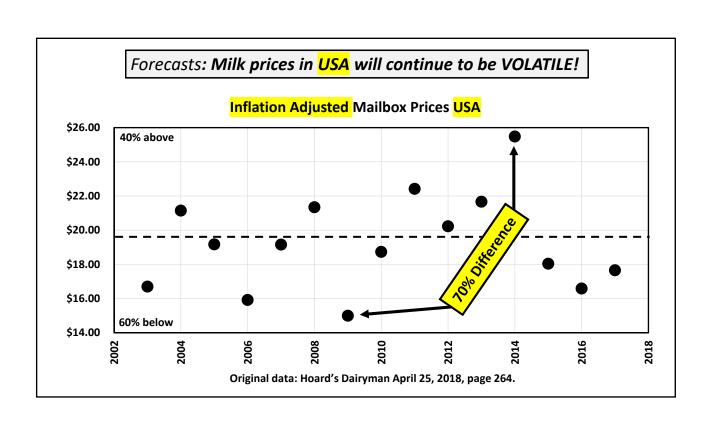


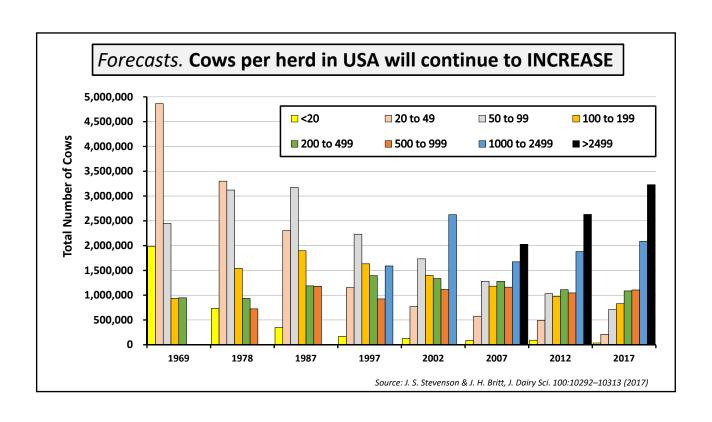




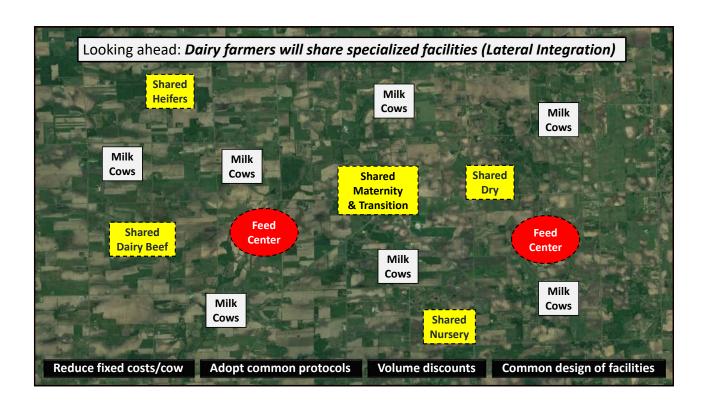


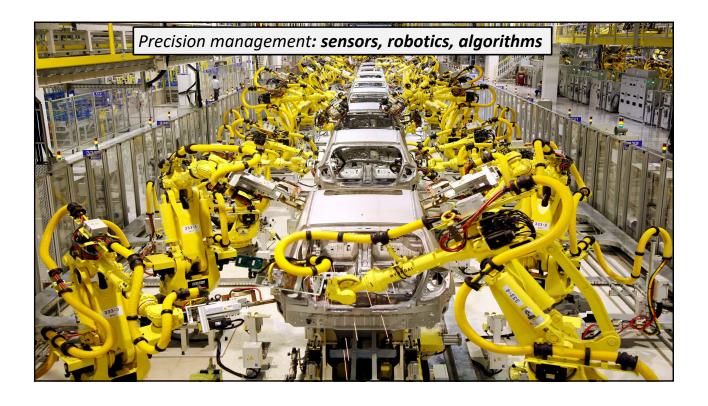


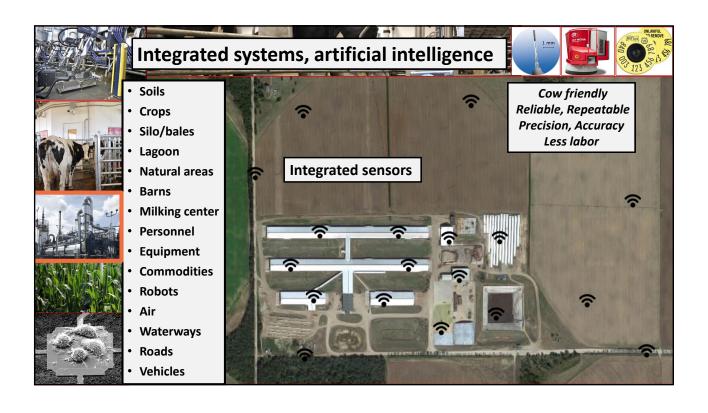


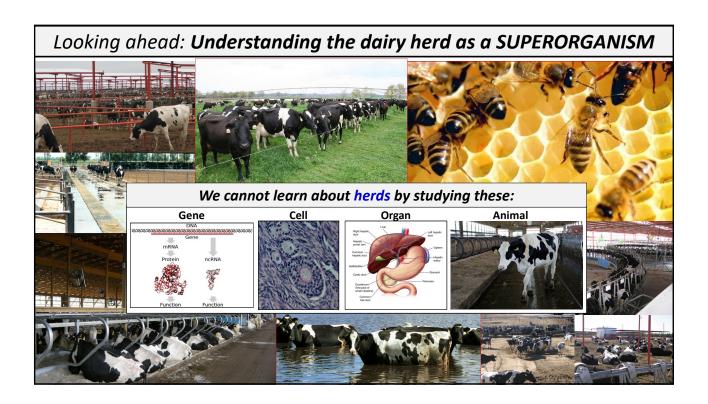


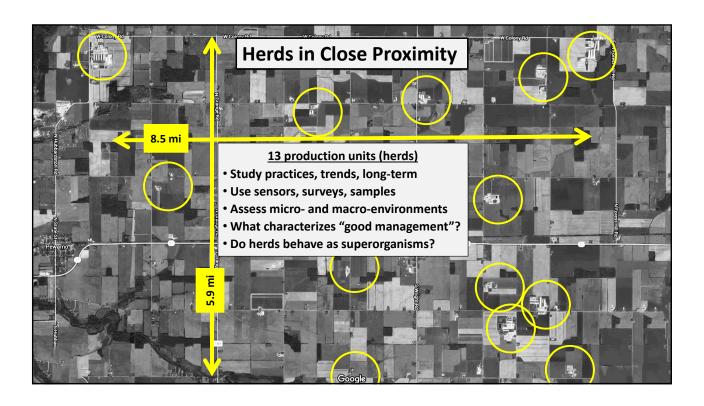
Revenue (ECM adjusted)	\$/100 lbs
Net Milk Price per 100 lbs. (Mailbox)	\$16.67
Total Revenue per 100 lbs.	\$17.83
Expenses (ECM adjusted)	
Feed Costs	\$7.54
Herd Replacement Costs	\$1.86
Labor Costs	\$1.75
Other Costs	\$5.27
Total Expenses per 100 lbs.	\$16.41
Net income per 100 lbs	\$ \$1.44
Net income per cow	\$359

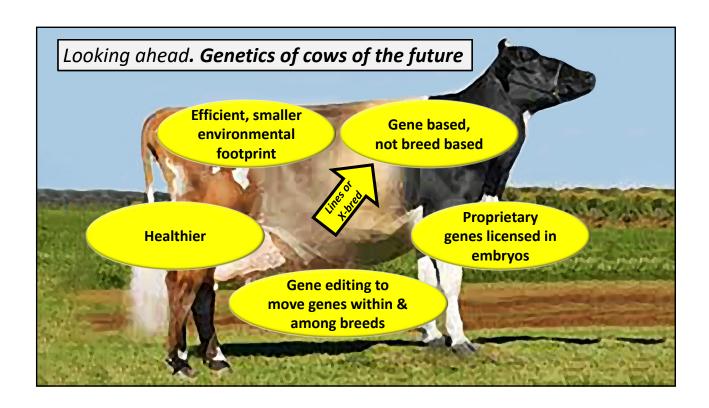


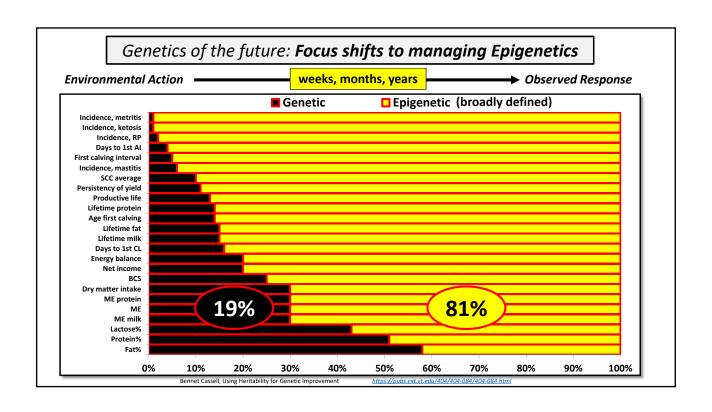


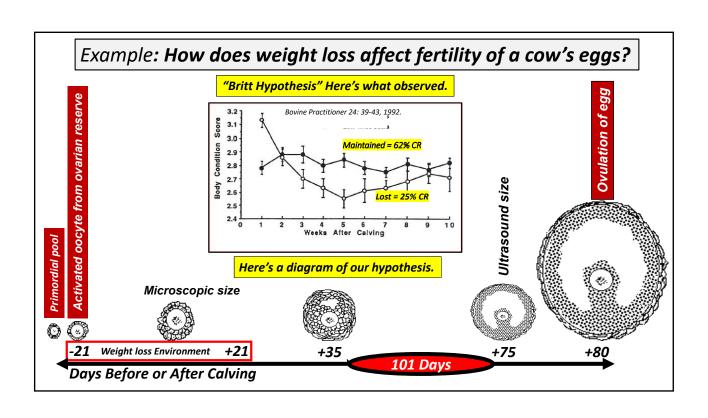


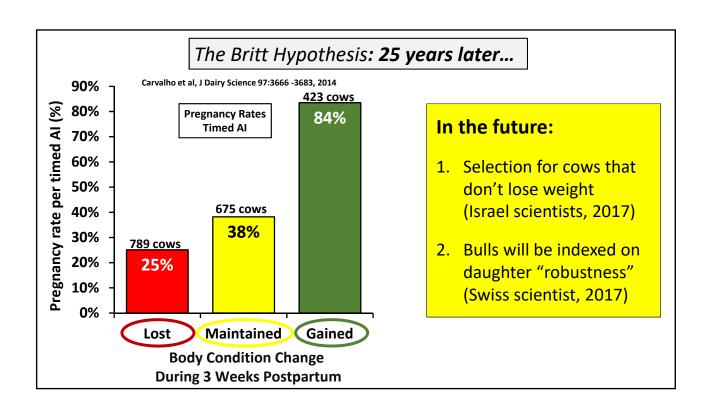


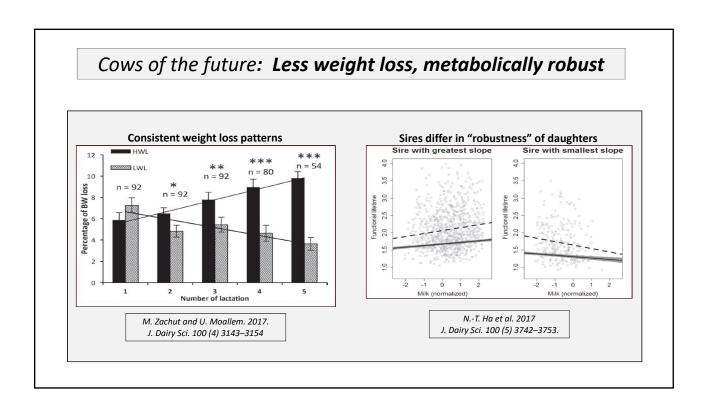












### **Current examples of epigenetic-like effects**



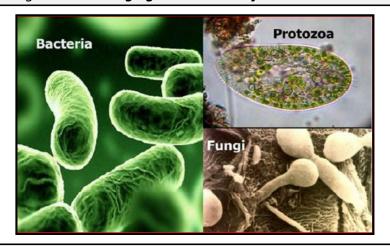
Milk fresh cows 4X for first 3 weeks of lactation



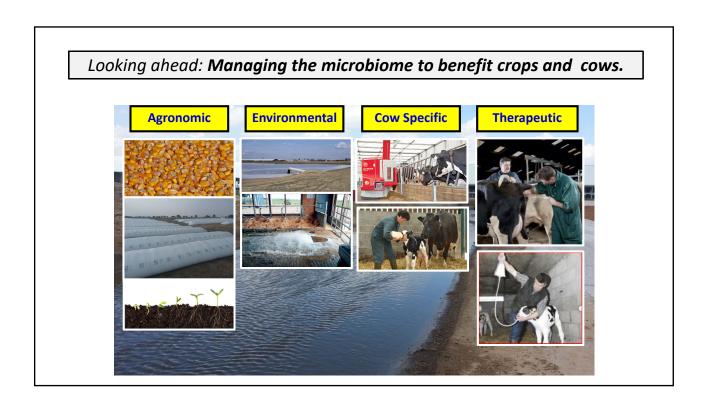
Ensure maximum growth of calves to 70 days of age

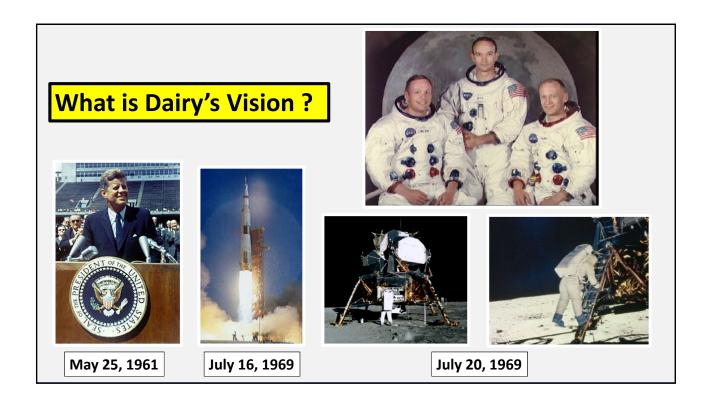
**Practices for Managing the Epigenome** 

### Looking ahead: Managing the cow's and farm's natural Microbiome



**Microbiomics** –relationships with genomically beneficial microbes that live within animals, plants, soils and in all environments





### The Dairy Cow and Dairy Farm in 50 Years

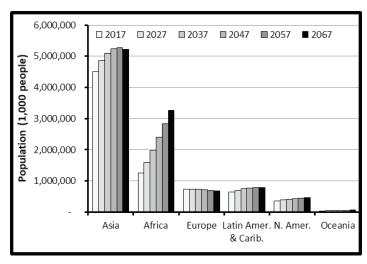
Jack H. Britt

### Jack H. Britt Consulting Etowah, NC

Over the next 50 years there will be significant changes in dairy cows and farms in North America and globally. Changes will be driven by population growth and associated increases in consumption of dairy products; climate change and northward migration of growing seasons; growth in herd sizes associated with adoption of automation, robotics and specialized waste processing equipment; increased milk component yields and improvements in cow health and fertility; adoption of new cropping systems; increased management of epigenetics of cows and crops; and increased management of the microbes of animals, crops and farmsteads.

### **POPULATION GROWTH**

Growth in global population to over 10 billion people will push worldwide dairy demand strongly upward. This growth will be almost exclusively in Asia and Africa, outside of dairy's traditional production centers such as Ireland, the European Union, North America, New Zealand, and Australia (Figure 1). Dairy consumption in Africa and Asia will be important because dairy products provide essential amino acids, vitamins, and minerals more efficiently and sustainably than most crops and other animal products.



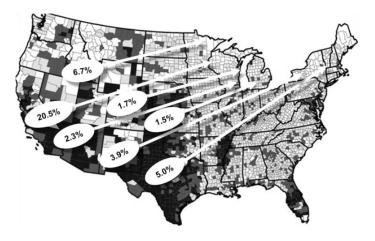
**Figure 1.** Estimated populations of major regions of the world by 2067. Estimates are from the United Nations. Adapted from Britt et al., 2018.

Countries such as China are increasing output per cow and herd size; however, there will be limits on how much such countries can produce because of limits on land suitable for producing feeds for livestock. There will be substantial opportunities for dairy exporters to provide products to countries and regions that cannot produce milk to meet all of their needs.

Countries that already are developing new products for these growing regions will capture most of this demand. North America is behind other regions in developing products for African and Asian countries. It must up its game if it expects to capture that market in the future.

### **CLIMATE CHANGE**

Climate change will cause dairying to shift in the Northern Hemisphere, mostly because of limits on water availability. In the USA dairying will move away from the west and southwest to the upper Great Lakes region and into Canada (Figure 2). Growing seasons in the upper tier of states and in Canada will increase by 4 to 6 weeks, allowing longer-season corn and other crops to be grown with greater yields.



**Figure 2.** Projected shifts in dairy cattle in the USA associated with climate change. Dark-shaded areas will have limited water resources. Percentages represent the approximate proportion of USA milk produced by associated states in 2016. Source: Britt et al., 2018.

Dairy cows will have genes from within breeds or moved among breeds to enhance tolerance to climate stress. This will allow cows to produce higher yields in hot arid or humid climates. Breeders should be developing these specialized lines now.

Similarly, feed crops that are more tolerant of heat stress will be developed for use worldwide. As the growing season moves north because of climate change, there will be new varieties of crops developed for a broader range of environmental conditions. We will also see some traditional tropical or subtropical crops move northward, providing some new resources for dairy farmers.

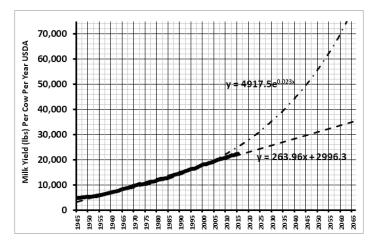
### **MILK YIELD AND COMPOSITION**

Milk output per cow will continue to climb across the globe, with average production exceeding 50,000 lbs. per cow annually in the USA (Figure 3). Components will increase and there will be discounts to dairy farms that have too much volume in relation to components. On larger farms, filtration will be used to remove lactose from milk to concentrate protein and fat. The lactose will be used as a source of sugar in rations.

There will be increased differentiation of milk in terms of value, primarily related to genes that control casein, other milk proteins, and fat. Some highly-valued milks with unique genetic traits will be licensed through embryos sold to farmers by genetic companies.

### **HERD SIZES AND TECHNOLOGY**

Average herd size will continue to grow, driven by automation, sensors, and robotics and paid for by reduced fixed cost per unit of milk (Figure 4). Many functions



**Figure 3.** Extrapolation of milk yield using linear (straight line) or exponential (curved line) from existing yield data (heavy black line) in USA. Source: Britt et al., 2018.

on dairy farms will be done by robots and automated systems that will be controlled by artificial intelligence systems. For example, driverless vehicles and automated equipment will prepare and deliver partial TMR rations to cows that are milked in robotic systems. Cows love robotic systems and automation! Consistency and lack of emotions of robots and automated systems are keys to making cows comfortable.

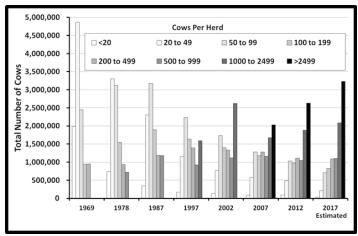
Manure and waste water on dairy farms will be processed through emerging on-farm systems that convert waste streams into chemical-like fertilizers, energy, and potable water to reduce environmental impacts. Herds will need to be larger for such systems to be operated economically, and environmental regulations may require such systems in areas with heavier livestock concentrations.

Herds will be viewed as superorganisms, and we will understand why herds that use similar genetics and feeds differ in terms of performance, health, and profitability. This will provide information to improve protocols and management and reduce issues associated with lameness and animal welfare.

Smaller-scale farms will utilize lateral integration to share facilities, feed centers, and production facilities to reduce fixed costs per unit of milk produced. Laterally-integrated operations will mimic larger dairy farms and provide some of the benefits of size to owners and operators.

### **NEW CROPS**

New perennial forage crops high in starch will be introduced along with perennial corn (maize) and new legumes to provide feed that is produced with less



**Figure 4.** Change in dairy herd sizes in the USA from 1969 to 2017. Projections for the future are that dairy cows will continue to be milked in larger herds. Source: Stevenson and Britt, 2017.

inputs. Digestibility of feeds will continue to improve through manipulation of plant genomes. More crops will be heat- and drought-tolerant.

A challenge in many African and Asian countries will be production of high quality forages with a limited land base. This issue cannot be clearly resolved by technology; therefore, it provides additional opportunities for exporting countries where land resources are available.

### **MANAGING A COW'S GENOME**

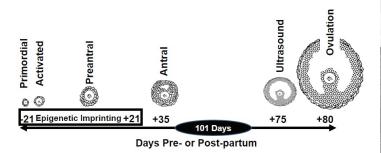
Breeds did not evolve naturally—they were created by mankind. Commercial dairy cattle will move from being breed-based to gene-based, with movement of genes among cattle breeds using gene editing and traditional breeding. Cows will be smaller and have smaller environmental footprints.

Cows of the future will have different metabolic profiles during the transition period and will not lose body condition or experience severe negative energy balance—resulting in better health and longer productivity. Overall health and fertility will improve, and some diseases will be reduced greatly or eliminated.

Embryos will replace semen as the major product sold by breeding companies. Multiple generations of embryos will be produced in a few months through cell- and embryo-culture systems before a line of female or male embryos is released for sale.

### **MANAGING THE EPIGENOME**

Cause and effect events that are separated by days, weeks, months, years, or generations reflect epigenetic responses. Epigenetic or environmental-directed gene expression will become a major part of herd manage-



**Figure 5.** Illustration of how an oocyte exposed to negative energy balance during the transition period is altered by epigenetic mechanisms to be less fertile at breeding about 90 days later. Modified from Britt (1992).

ment, driven by cloud-based data-mining of records from millions of cows.

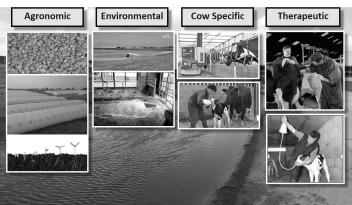
We already have examples of how epigenetics affects some important traits.

- Calves fed to gain more weight during the first 10 weeks of life produce more milk in their first lactation, about 2 years later. We are just beginning to understand the mechanisms that control this response.
- We know that oocytes developing in the ovaries of cows that experience greater body weight loss during the transition period are less fertile at 80 days postpartum. These oocytes seem okay at ovulation, but then die during the first week after fertilization (Figure 5).

### **MANAGING MICROBIOMES**

Genomics will expand to include dairy farm microbiomes (genes in the microbes) and the microbiome will be managed to improve health and longevity of cattle, reduce use of antibiotics and drugs, and increase yield and disease resistance in crops.

Commercial microbial products with specified genomes and functions will be used routinely on dairy farms (Figure 6). Seeds will be coated with selected microbes before planting to boost yield, enhance nitrogen efficiency, and control diseases. Microbes will be added to waste water to reduce pollution and improve fermentation for production of energy. Microbial supplements will be given to cows and calves at specific ages to improve health, improve digestibility of feeds, and change milk components. Some special microbial mixtures will be used as prescription drugs to treat diseases.



**Figure 6.** Examples of use of microbiome products for crops, wastewater, calves and cows, and disease treatments.

### **VISION FOR THE DAIRY INDUSTRY**

The most significant challenge for the USA dairy industry will be to develop a vision for what it will be in 50 years. It must be profitable and sustainable, and it must produce products that will be in demand domestically and worldwide. To grow in the future, the USA dairy industry needs to develop new products for domestic use and export that will be sought by consumers worldwide.

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- Stevenson, J. S., and J. H. Britt. 2017. A 100-year review: Practical female reproductive management. J. Dairy Sci. 100:10292-10313.



### What Is the Right Composition of Milk for the Future?



Farm Transport Process Market

jackhbritt@gmail.com

Jack H Britt <> Penn State Dairy Cattle Nutrition Workshop <> November 1, 2018

Milk is mostly consumed in non-fluid forms in the USA.

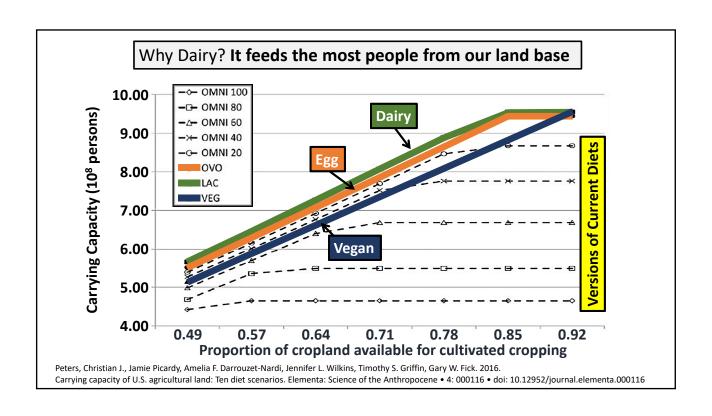


23% vs 77%

Milk vs Other dairy



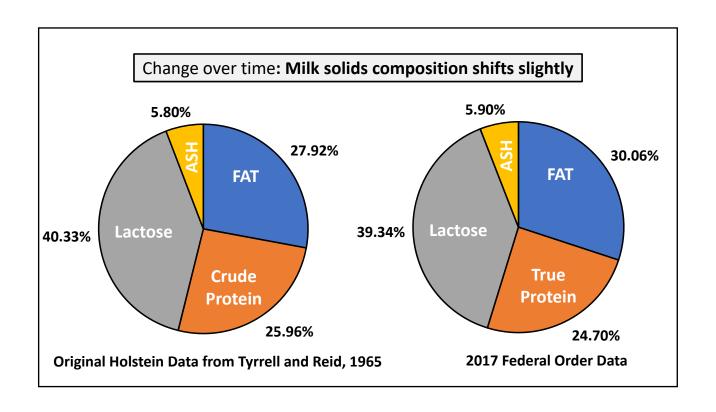
159 billion lbs.

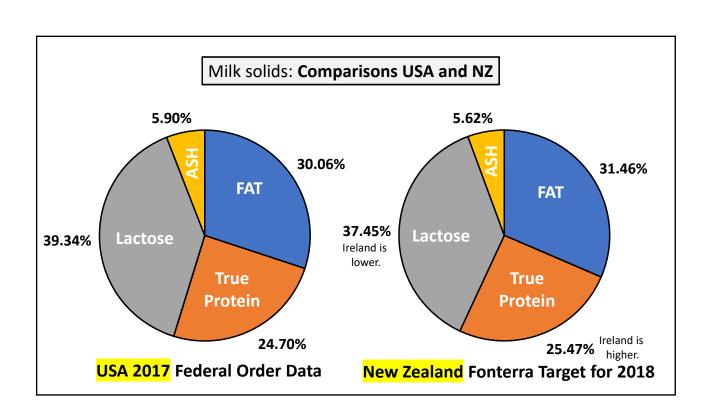


#### Cow's milk: Composition of milk from Holstein cows

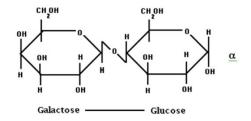
Component	Average	Range
Total solids	12.2%	10.46% - 15.6%
Solids-not-fat	8.8%	7.82% - 10.52%
Milk fat	3.4%	1.60% - 6.40%
<u>Crude</u> protein	3.2%	2.52% - 5.40%
Lactose	4.9%	3.76% - 5.72%
Ash	0.7%	0.54% - 1.00%
Energy, kcal/lb.	314	250 - 445

Source: H.F. Tyrrell and J.T. Reid. 1965. Prediction of the energy value of cow's milk. J. Dairy Sci. 48: 1212-1223. [600 composite samples]



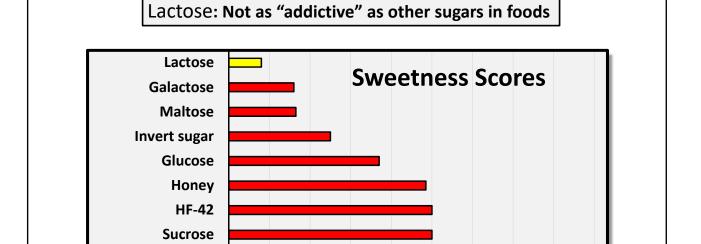


#### Lactose: Controls volume, but has least value



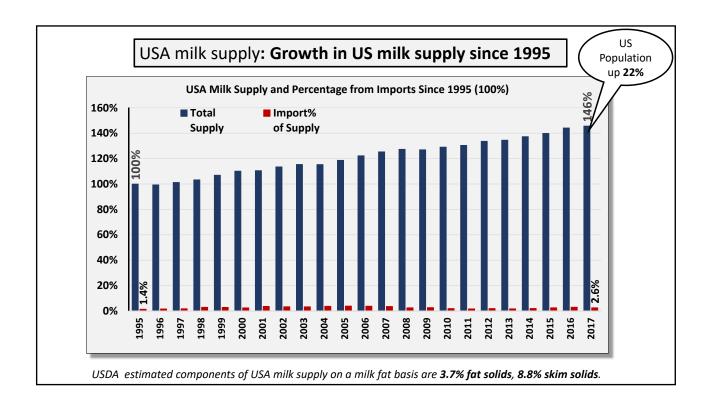
"Milk yield greatly depends on mammary lactose synthesis due to its osmoregulation of milk, one that induces mammary uptake of water. Therefore, the rate of lactose synthesis in the epithelial cells of the mammary gland serves as a major factor influencing milk volume production."

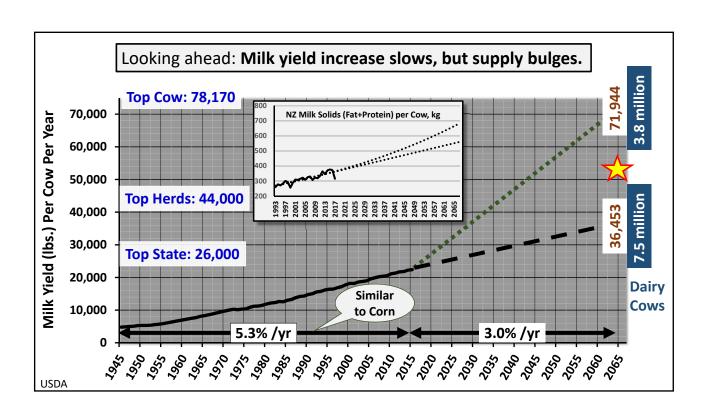
J. S. Osorio, J. Lohakare, and M. Bionaz. 2016. Biosynthesis of milk fat, protein, and lactose: roles of transcriptional and posttranscriptional regulation. Physiological Genomics <a href="https://doi.org/10.1152/physiolgenomics.00016.2015">https://doi.org/10.1152/physiolgenomics.00016.2015</a>

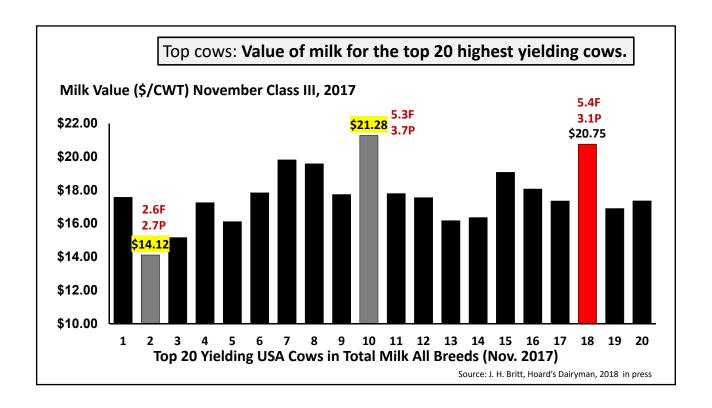


Source: https://en.wikipedia.org/wiki/Sweetness

**Fructose** 





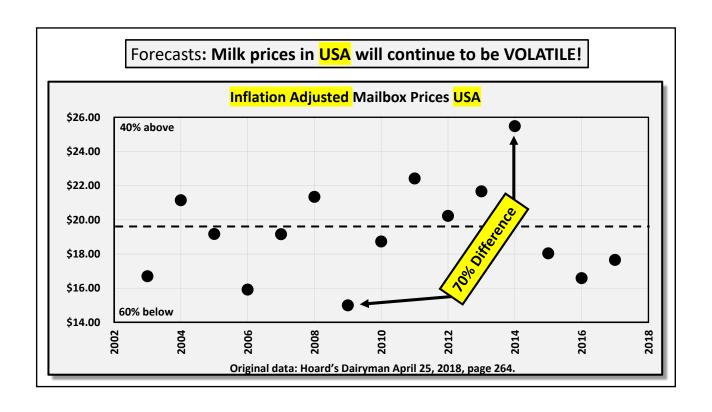


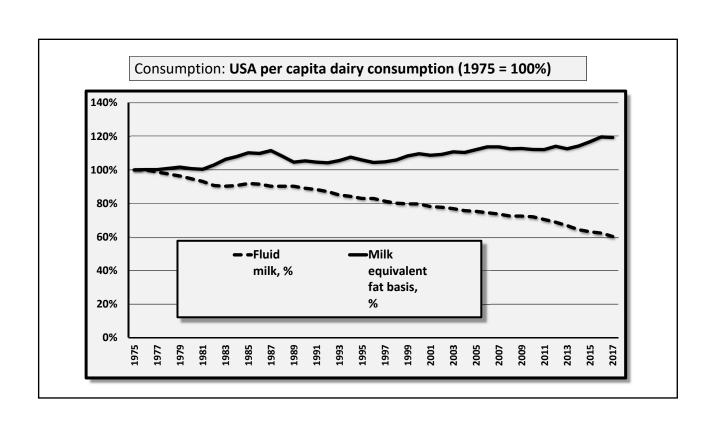
Value of USA milk supply 2017: \$ per CWT in today's market

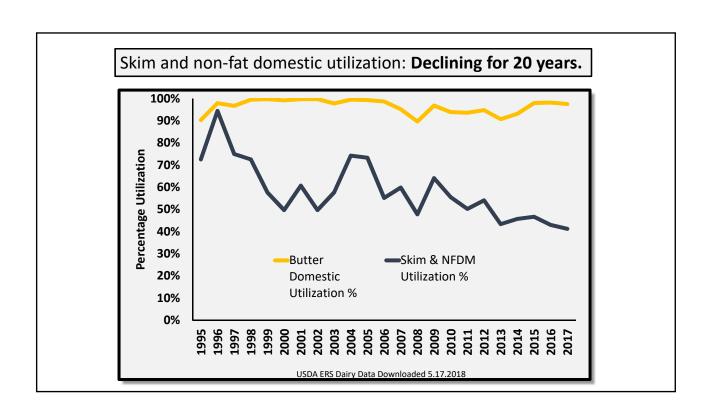
US Federal Order 2017 Values							
Component Percentage Value/Lb. Value/CWT							
Milk fat	3.82%	\$2.54	\$9.70				
True Protein	3.14%	\$2.00	\$6.28				
Lactose	5.00%	\$0.35	\$1.75				
			\$17.73				

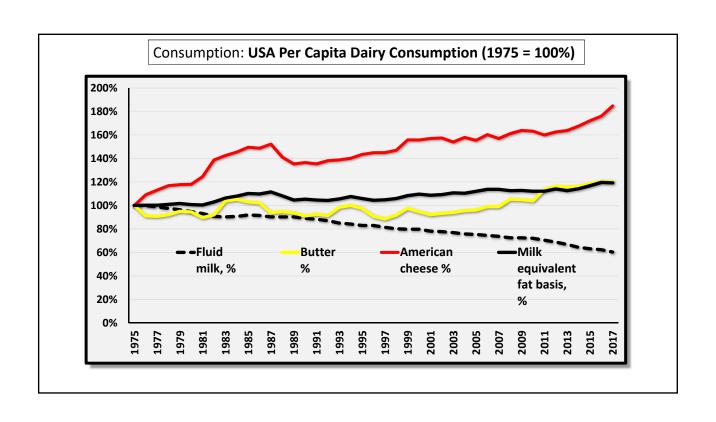
USDA-Agricultural Marketing Service

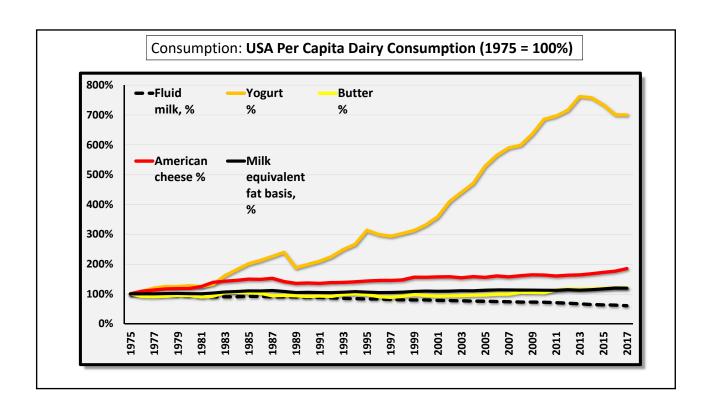
DAIRY MARKET NEWS, WEEK OF OCTOBER 1 - 5, 2018, VOLUME 85, REPORT 40

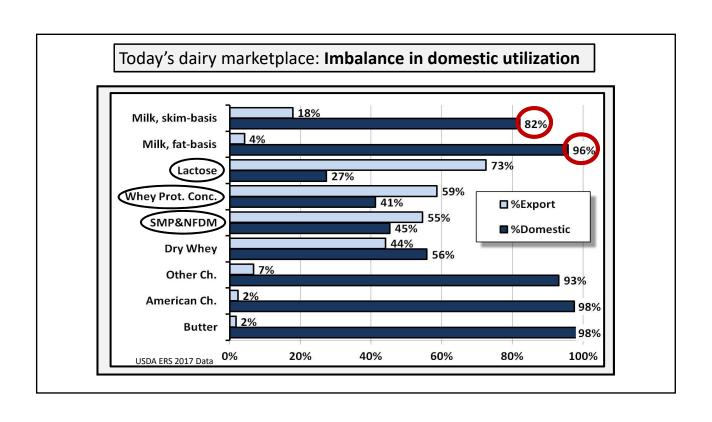


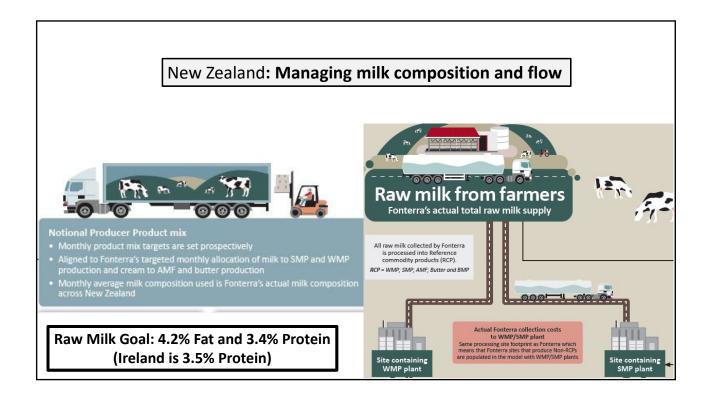












#### Change in USA supply with NZ-like standards (4.2%F & 3.3%P)

Milk supply (-7.0%) -14,902,682,078 lbs.

Lactose supply (-7%) -737,682,763 lbs.

Fat supply (-2.3%) -189,138,713 lbs.

Protein supply (+2.2%) 148,608,989 lbs.

Value/CWT (+7.3%) \$1.29 per CWT

USDA-Agricultural Marketing Service
DAIRY MARKET NEWS , WEEK OF OCTOBER 1 - 5, 2018 , VOLUME 85, REPORT 40

#### Current Value vs. a NZ-like Model in USA

New Zealand-like Model for USA milk						
Component	Value USA-type	Value NZ-type				
Milk fat	\$9.70	\$10.67				
True Protein	\$6.28	\$6.60				
Lactose	\$1.75	\$1.75				
	\$17.73	\$19.02				

USDA-Agricultural Marketing Service DAIRY MARKET NEWS , WEEK OF OCTOBER 1 - 5, 2018 , VOLUME 85, REPORT 40

#### Increasing value: Increasing butterfat and protein levels in milk

#### Improving butterfat:

- Genetic selection (h<sup>2</sup>=.53)
- Roughage
- peNDF
- Buffers in ration
- Rumen inert fats
- Methionine hydroxy analog

#### Improving protein:

- Genetic selection (h<sup>2</sup>=.56)
- Adequate rumen starch (energy) for rumen organisms
- Adequate protein or nitrogen for rumen organisms
- Adequate by-pass protein
- Protein intake balanced to meet needs without excess
- Avoid slug feeding, especially protein before energy
- Monitor MUN

Source: C. M. Jones, J. Heinrichs and K. Bailey. Milk Components: Understanding Milk Fat and Protein Variation in Your Dairy Herd (updated 2016). https://extension.psu.edu/milk-components-understanding-milk-fat-and-protein-variation-in-your-dairy-herd

#### Milk: Other issues.

• Caseins: A1, A2, better yield, etc.

• SCC: 400,00 or lower

• **bST**: Mostly a non-issue

• "Humane" milk: economically viable?

• **Processing**: Pasteurized, UHT, Aseptic

• New Products: USA is lagging

Nut milks: Innovators are often "nutty"

#### Let's Talk

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# Managing Highly Digestible Alfalfa in the Rations of High Producing NE Dairy Herds

Dr. Dave Combs University of Wisconsin



#### What makes a better forage?

- High digestibility
  - Fiber (-)
  - Fiber digestibility (+)
- High intake potential
  - Fiber (-)
  - Fiber digestibility (+)



**BOTH NDF and NDF digestibility are needed to assess forage quality** 

#### Why is fiber digestibility important?

Oba and Allen (1999)
A 1% change in vitro or in situ NDF digestibility (primarily 30-h or 48-h NDFD) was correlated with:

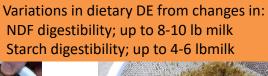
- ✓ 0.4 lb increase in dry matter intake
- ✓ 0.5 lb increase in 4% fat corrected milk yield

## Improved fiber digestibility in dairy nutrition also has other benefits

- Energy
- Rumen microbial protein production (lysine/methionine) supply
- Milk components
- Cow health









Poor digestion < 40%

Excellent digestion > 50%

A 2-3 unit change in diet DE digestibility corresponds to 1 lb change in milk yield.

## The most well known reduced lignin trait: BMR

- Brown Mid-Rib trait
  - Discovered in 1924 in St. Paul, MN
  - Natural mutation that results in reduced lignin in corn
  - Four BMR mutations known: bm3 is most common in today's corn hybrids
  - Caused by a mutation in the COMT lignin synthetic pathway

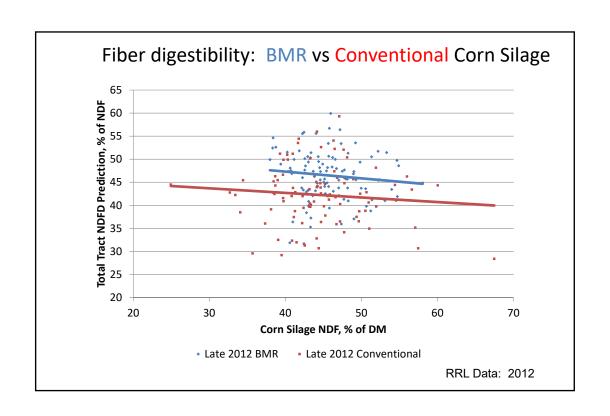






Cherney et al, 1991

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#### DMI & Milk Yield greater in BMR/HFD

Item	BMR	CONS	HFD	LFY	SEM	P-value
DMI, lb/d	55.2°	52.8 <sup>b</sup>	54.1ª	50.6 <sup>b</sup>	1.1	0.001
Milk, lb/d	84.9ª	81.8 <sup>b</sup>	83.8ª	82.3 <sup>b</sup>	1.8	0.001
Fat, %	3.55	3.62	3.61	3.64	0.08	0.25
Protein, %	3.07	3.07	3.09	3.07	0.03	0.45

Ferraretto & Shaver, 2013

#### Methods to improve alfalfa quality

- Harvesting at early maturity
- Selection for high leaf:stem ratio today's "High Quality" lines
- Selection for reduced lignin in the stem/overall plant
- Harvest technologies that reduce respiration losses, reduce risk of weather (rain), RETAIN LEAVES

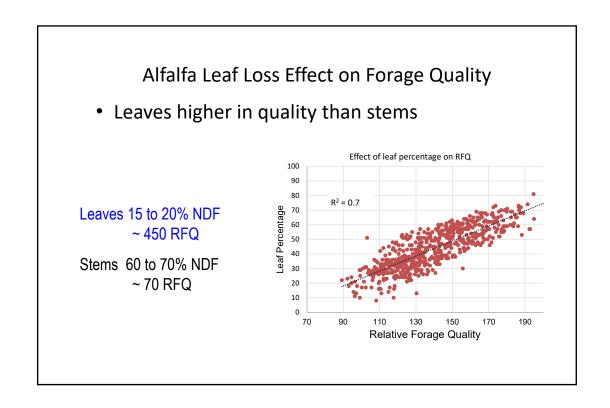


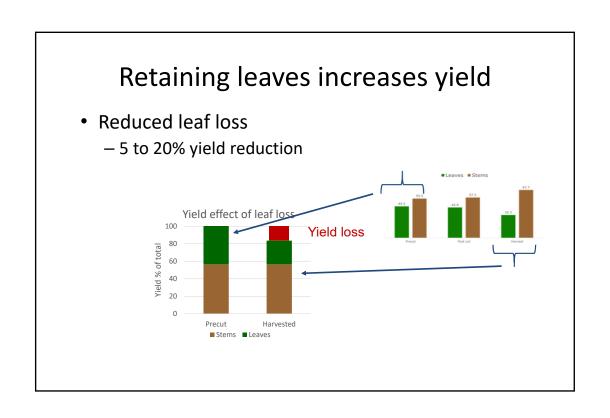




#### Composition and Digestibility of Alfalfa Changes with Maturity

	NDF	Lignin	TTNDFD	DOM
	% of DM	% of DM	% of NDF	% of DM
Immature	33	5.4	54	71
Vegetative	37	6.2	50	67
Mid-maturity	43	7.3	47	63
Mature	50	8.4	46	60





## Typical TTNDFD values of forages harvested in 2015

Forage	aNDF	TTNDFD	range in TTNDFD*
Corn silage	41.0	40	30 to 50
Alfalfa silage	41.0	43	30 to 54
Grass silage	52.4	51	31 to 71
Grass hay	61.1	45	24 to 65

<sup>\*</sup> mean value ± 2 standard deviations Samples submitted to Rock River Laboratories in 2015 and 2016

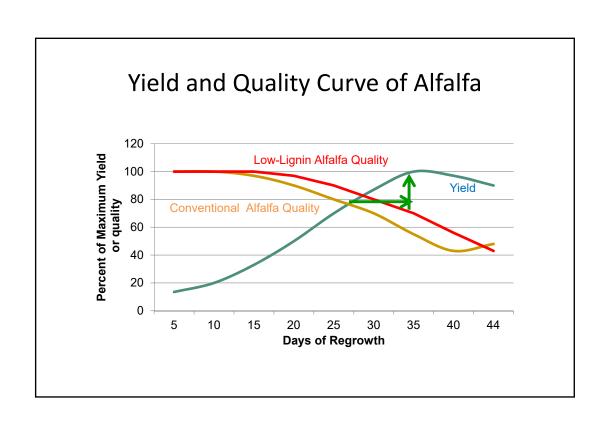
## Variation in iNDF and kd of forages harvested in 2015

Forage	Average iNDF, % of NDF	Range in iNDF	Average kd, %/h	Range in kd
Corn silage	26.5	12.5 to 40.8	2.73	1.7 to 4.7
Alfalfa silage	40.5	26.5 to 54.5	5.3	1.56 to 9.04
Grass silage * mean value ± 2 stand	25.5 lard deviations	0 to 51.5	4.46	2.08 to 6.84

Samples submitted to Rock River Laboratories in 2015 and 2016

The proportion of iNDF and rate of fiber digestion (kd) vary in forages

# High Quality Alfalfa HiGest™ Alforex HarvXtra™ Forage Genetics International



#### Opportunities with Reduced Lignin Alfalfa

- Wider harvest window?
- Later harvest
  - Greater tonnage per cutting
  - Make use of full growing season
  - Reduce number of cuttings
    - a 15 to 18% lignin reduction means we could harvest 8 to 10 days later
- Improved forage quality

#### **Evaluating Reduced Lignin Alfalfa**



a

#### How does RL trait affect digestibility?

- HiGest, HarvXtra and a Conventional HQ Alfalfa sampled over first crop 2017
  - Sampled twice a week from May 4<sup>th</sup> to June 19<sup>th</sup>
  - Approximately 500 g of fresh alfalfa harvested via scissor clipping
- Leaves and stems were separated manually
- Acid Detergent Lignin (ADL) was conducted on stem samples
- Stems were analyzed Total Tract NDF Digestibility (TTNDFD)



## Fiber digestion in Stems of RL and HQ lines of Alfalfa

		Alfalfa variety				P - value		
Variable	C1	C2	GMO	CB	SEM	Variety	Day	Variety × day
L:S ratio, DM	0.57 <sup>b</sup>	0.59 <sup>b</sup>	0.64a	0.65a	0.01	< 0.01	< 0.01	< 0.01
Stem composition and								
Digestibility								
ADL, % DM	$7.61^{b}$	$7.95^{a}$	6.74°	7.42 <sup>b</sup>	0.08	< 0.01	< 0.01	< 0.01
NDF, % DM	46.0	48.4	45.7	45.8	0.8	0.06	< 0.01	0.24
iNDF, % NDF <sup>1</sup>	$45.6^{ab}$	$48.8^{a}$	41.3 <sup>b</sup>	$45.2^{ab}$	1.6	< 0.04	< 0.01	0.12
TTNDFD, % NDF	$39.5^{bc}$	37.3°	$43.5^{a\dagger}$	$41.5^{ab}$	0.6	< 0.01	< 0.01	0.10

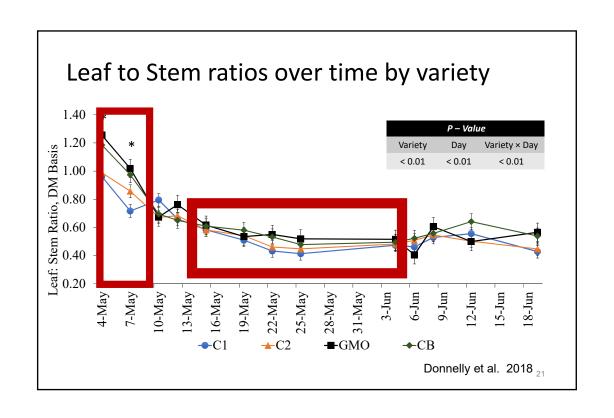
<sup>&</sup>lt;sup>a,b,c</sup> Means within a row with different superscripts differ (P < 0.05).

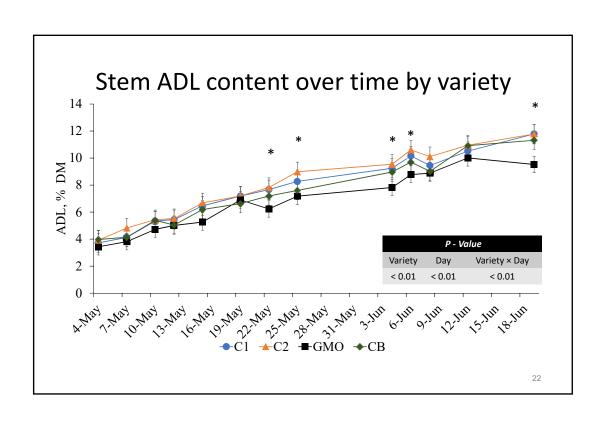
<sup>1</sup>Indigestible NDF, based on 240 h in situ incubation.

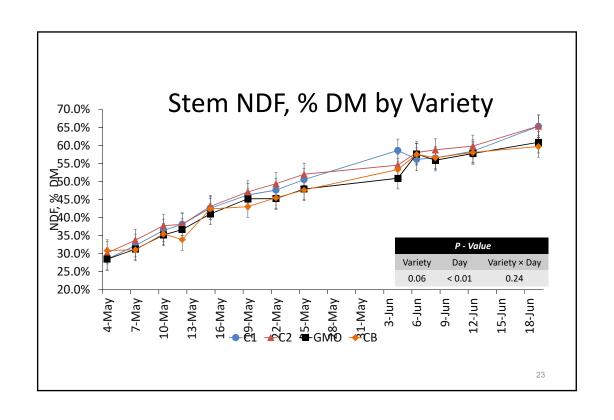
Donnelly et al. 2018

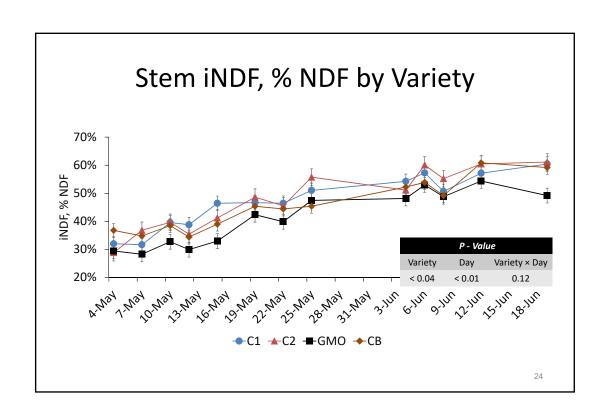
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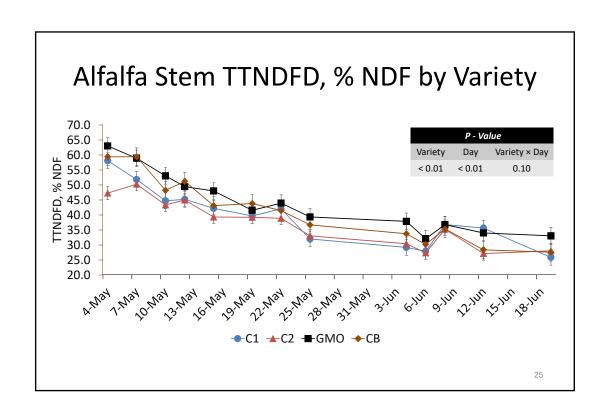
<sup>†</sup>The GMO and CB varieties differed by < 0.10, C1 and C2 differed from each other by < 0.10.

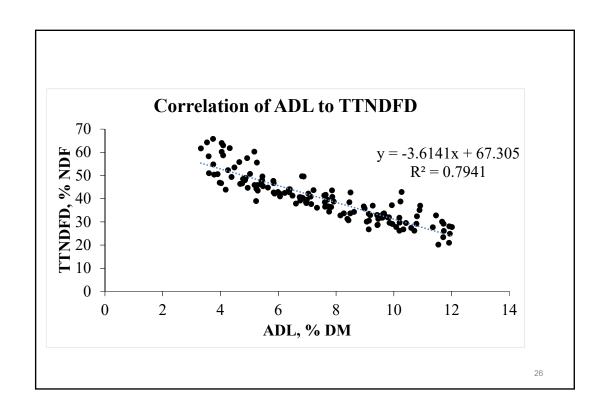


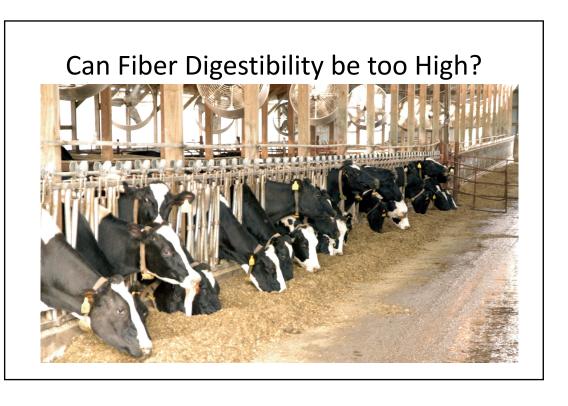












What happens if we add grass fiber (high TTNDFD) or wheat straw fiber (low TTNDFD) to a diet with high quality alfalfa and corn silage?								
			Meadow					
	Control	Tall Fescue	Fescue	Straw				
		% of Diet DN	Л					
Corn silage	26	17	17	20				
Alfalfa silage	26	17	17	20				
Tall Fescue*		17						
Meadow Fescue*			17					
Wheat Straw				8				
High Moisture Corn	26	25	26	24				
Protein/minerals	22	24	23	28				
	100	100	100	100				
	(Verbeten et al., 2012)							

#### Adding grass or wheat straw to TMR with high quality corn silage and alfalfa

			Meadow	
	Control	Tall Fescue	Fescue	Straw
Diet NDF	24	27	27	28
in Vivo NDFD	25	41	41	29
3.5 % FCM, lb	91	92	95	92
Milk Fat, %	2.9ª	3.4 <sup>b</sup>	3.4 <sup>b</sup>	3.2 <sup>ab</sup>
DMI, lb	58 <sup>ab</sup>	54ª	59 <sup>b</sup>	58 <sup>ab</sup>

(Verbeten et al., 2012)

Adding more digestible fiber from grass increased ration fiber digestibility and increased fat test

## Animal Response to fiber digestibility in corn silage\*

	WPCS	BMR	ТОР	TRTCS	SED	P Value Diet
ECM, lb	93°	99 <sup>b</sup>	99 <sup>b</sup>	103ª	0.8	<0.01
(difference from WPCS)		+6	+6	+11		
Rumination min	510 <sup>a</sup>	474bc	459c	459c	12	0.01
min / NDF intake	70.3a	64.0 <sup>b</sup>	63.6 <sup>b</sup>	61.4 <sup>b</sup>	2.9	0.05

<sup>\*</sup>No difference in BW, BCS, or BW gain

#### **Digestibility**

	WPCS	BMR	ТОР	TRTCS	SED	P Value Diet
DM	70.0	70.6	71.0	72.6	0.6	0.07
NDF	51.4 <sup>b</sup>	51.7 <sup>b</sup>	52.1 <sup>b</sup>	58.4a	1.2	<0.01

Milk production responses most highly correlated NDF digestibility

#### Intake, lb/cow/d

	WPCS	BMR	ТОР	TRTCS	SED	P value Diet
DMI	52 <sup>b</sup>	53 <sup>ab</sup>	55 <sup>ab</sup>	56 <sup>a</sup>	1.1	0.02
(difference from						
WPCS)		+1	+3	+4		
NDF intake	16.1	16.8	17.1	17.0	0.5	0.21
uNDF <sub>240</sub> intake	5.3ª	4.3 <sup>b</sup>	5.3a	4.2 <sup>b</sup>	0.2	<0.001
pdNDF intake	10.7 <sup>b</sup>	12.5ª	11.8ab	12.7a	0.3	<0.001

Typical dietary profiles for high producing
dairy cows

Item	
NDF, % of DM	28-30
TTNDFD, % of NDF	> 42%
Starch, % of DM	21-28
Starch Digestibility, % of starch	>95%
CP, % of DM	 16-18% *
,	
Fat, % of DM	3-7%



The **Wisconsin Idea** is a philosophy embraced by the University of Wisconsin System, which holds that research conducted at the University of Wisconsin System should be applied to solve problems and improve health, quality of life, the environment and agriculture for all citizens of the state.



## Low Lignin Alfalfa (High Digestibility): Dairy Applications

Duarte Diaz

Dairy Extension Specialist

University of Arizona



#### Talking points

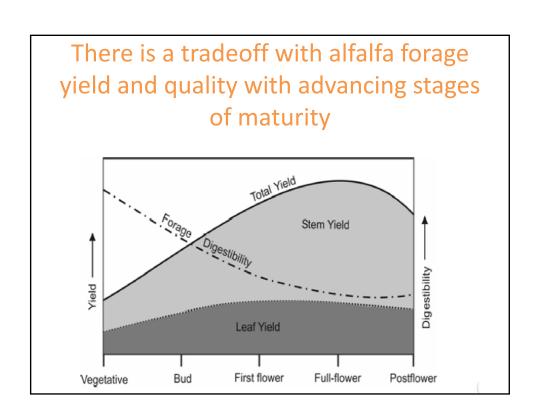
- Disclaimers
- Crossroads between agronomy and nutrition
- Analysis of forage digestibility
- Will we be ready to maximize new technologies/climate
- Studies

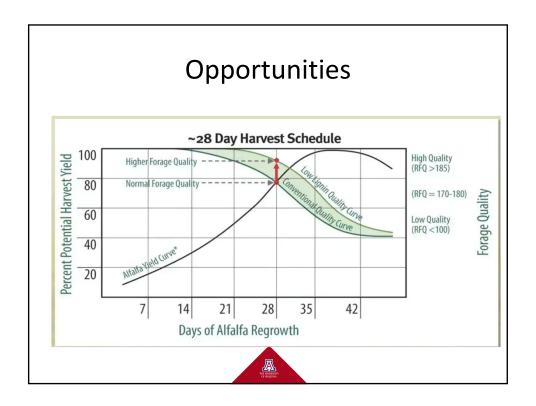


#### Why Lignin?

- Lignin is an indigestible phenolic compound in alfalfa cell walls
- As alfalfa matures, lignin content increases
- Lignin cross-links with cellulose which decreases digestibility of fiber (dNDF)
- A 10% increase in fiber digestibility
  - Increase milk/beef by 350M/yr
  - Decrease manure by 2.8M T/yr







## Potential Benefits of reduced lignin alfalfa from an agronomic perspective

- Forage quality advantage
  - Maintain current harvest schedule
  - Higher likelihood of harvesting premium quality hay (Higher NDFd and RFQ)
- Delayed harvest
  - Fewer harvests
  - Higher forage yields
  - Improved resistance
- Flexibility
  - Increased harvest timing flexibility



## Feeding recommendations regarding reduced lignin alfalfa

- Neither improved NDFd or milk production should be anticipated if grower is using delayed harvest to increase tons.
- Improved NDFd (and possibly milk production) is anticipated only when grower is using his normal (or early) cutting schedule.



## Does increasing NDFd increase energy content of alfalfa?

- YES, but only in small amounts
  - 10 lbs alfalfa DM x 1.0 mcal ME/lb DM x 42% NDF x 10% improvement = 0.42 mcal of ME
  - If we assume that all this ME goes to milk production you would get about 0.8 lbs of milk



## The energy response seems small. So, why feed alfalfa of higher NDFd?

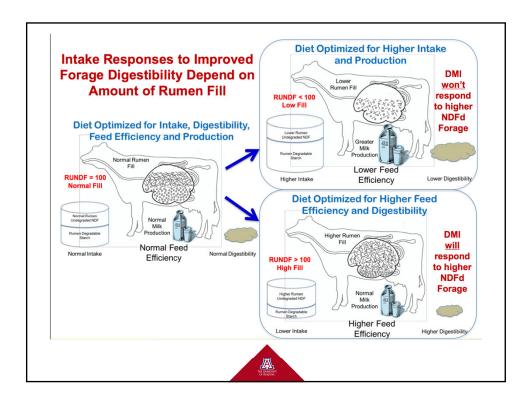
- To reduce rumen fill and increase DM intake
  - The greater impact of higher alfalfa NDFd on milk production is from increasing DM intake, rather than increasing energy concentration



## Intake Potential increases with increases in NDFd

- » A one unit increase in in-vitro digestibility of NDF was associated with a 0.37 lb/day increase in dry matter intake (DMI) and a 0.55 lb/day increase in 4% fat corrected milk yield per cow (Oba and Allen, 1999)
- » Greater DMI responses are observed with early lactation, higher producing cows that are more bulk fill limited.
  - · Less noticeable with lower producing cows





## If I feed alfalfa of a higher NDFd, will I always see an improvement in DM intake?

- No (only when)
  - -Rumen fill is excessive
    - Forage levels are greater than 55% and/or
    - Digestibility of forages is below average



## When rumen fill is not excessive, will I see a response in DM intake?

- NO
  - -When forage levels in the diet are low (less than about 45%) and/or
  - Digestibility of forages is above average, rumen fill is not limiting intake



## Does a improvement in DM intake always lead to higher milk production?

 Not always. If cows are in poor body condition or in later lactation, the increased energy intake will be used for tissue growth and not milk production.



## Milk response expectation with feeding highly digestible alfalfa

It will depend on intake improvements, body condition and stage of lactation

Chances for more milk are better if:

DM intake increases

Body condition is good

Cows are in early lactation (<150 DIM)

One pound increase in DM intake provides enough energy potential for

2.5 lbs of additional milk productionor0.35 lbs of body weight gain



If I substitute alfalfa of higher NDFd into the diet and rumen fill is high and body condition is good (>BCS of 3.5) and cows are in early lactation, should I see and improvement in DMI intake and milk production?

Very likely. For every 1 lb. increase in DM intake, you should expect a 2.5 lbs increase in fat corrected milk (FCM)



- Q: Why would a grower ever want to grow alfalfa of higher NDFd, particularly if he doesn't own any cows?
- A: To sell hay of higher quality for a premium price



- Q: So, alfalfa hay of a higher NDFd will have a greater RFV (Relative Feed Value) or TDN (Total Digestible Nutrients), which commands a premium price?
- A: Unfortunately not. Neither of these indexes will reflect the higher NDFd.



### RFQ vs. RFV?

- What do the numbers tell me
- Do they provide pertinent information
- Feed quality of alfalfa depends to a great extent on maturity of the stand
- With increased maturity, plant structural carbohydrates, as measured by the ADF and NDF fractions, increase
- Relative Feed Value (RFV)
   has been used for years to
   compare the quality of
   legume and legume/grass
   hay and silages
- Having one index to price hay and predict animal performance has been very useful for both sides
- RFV estimates forage DM digestibility and filling capacity. Relative Feed Quality improves on RFV by accounting for NDF digestibility

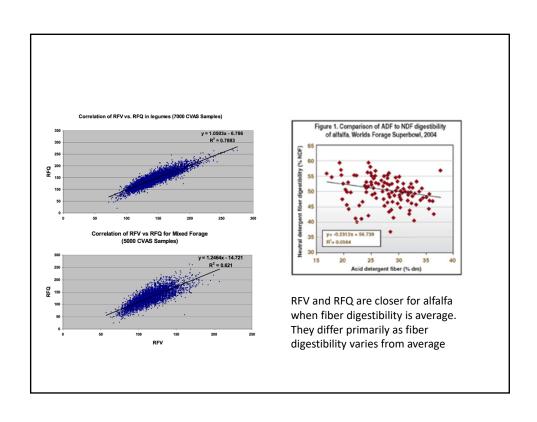
### Relative Feed Value (RFV)

- RFV estimates the digestibility dry matter from the ADF (cellulose and lignin), and calculates the DM intake potential (as % of BW) from NDF (total cell wall portion ADF+ hemicellulose)
- This index ranks forages relative to the digestible DMI of full bloom alfalfa (assuming 41% ADF and 53% NDF). The RFV index at this growth rate is 100
- Example
  - Alfalfa hay or haylage with 32% ADF and 40% NDF
  - DigDM = 88.9 (0.779 x32) = 63.97
  - DMI = 120/40=3
  - RFV =  $(63.97 \times 3) / 1.29 = 149$

Limitations of RFV 1) DigDM and DMI are assumed constants for all forages 2) ADF and NDF are the only laboratory values used 3) CP concentration of forages is not used 4) RFV cannot be used in ration formulation or evaluation

### Relative Forage Quality (RFQ)

- Fiber from grass and legumes naturally differs in digestibility, as it also when grown under different ambient temperatures.
- RFV of first-cutting alfalfa will be similar to that of second and third cutting harvested at similar stages of maturity.
- However fiber fraction digestibility could vary as it is influenced by ambient temperature at the time of growth and development.
- RFQ was therefore designed to account for fiber digestibility to estimate intake as well as the total digestible nutrients (energy) of the forage.
- RFQ Index is and improvement over RFV index for those that buy and sell forages because it better reflects the performance that can be expected from the cattle (It also differentiates legumes from grasses)



# The handoff between agronomy and nutrition

Agronomy concerns (seed seller, grower)

- Yield (tons/acre)
- RFQ (alfalfa)
- RFV (alfalfa)
- TDN
- Milk/ton (corn silage)
- \* Did it test correctly????

Nutrition concerns (nutritionist, dairy producers)

- NDF/NDFd
- RDS
- RUNDF
- DM
- Protein
- \* Are the cows going to perform better????



### What should we use?

TTNDFD

Typical TTNDFD values of corn silage, alfalfa or grass\*.

	Mean	SD	Mean - 1SD	Mean + 1 SD	Range
			TTNDFD°, %	of NDF	
Corn Silage	42	$\pm 6$	36	48	20-60
Alfalfa	43	$\pm 7$	36	50	25-80
Grass	47	$\pm 8$	39	55	6-80

Samples submitted to Rock River Laboratories, Watertown, WI.

- %ADL acid detergent lignin
- NDFom/uNDFom om or ash free –
   30/120/240 to calculate rate of fiber digestion (kd)



### **Summary**

- Should I expect increased milk production?
  - "It depends" Chances are better if:
    - Alfalfa is harvested for quality (normal cutting schedule)
    - DM intake increases
    - Body condition is good (>3.5)
    - Cows are in early lactation (<150 DIM)
  - Can't always expect a milk production response!



### Summary

- Is there anything that we need to do to the diet to feed highly digestible alfalfa?
  - Not really. Formulation similar to that used with high NDFd alfalfa
  - If rumen fill amounts are low, there is opportunity to increase forage levels in the diet
  - Do not fall prey to the "add wheat straw" reaction

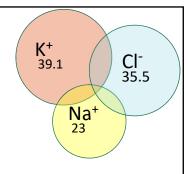


## Take Home

- Crossroads between agronomy and nutrition
- Analysis of forage digestibility
- Will we be ready to maximize new technologies/climate
- Dairy feeding studies still limited







## "Coordinating DCAD and the Electrolytes; It's More Important than you Think?"

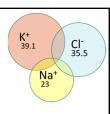
Rich Erdman

Department of Animal & Avian Sciences

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# Dietary Cation Anion Difference (DCAD)



DCAD Represents the Relative Difference in (mEq/kg) in the primary dietary electrolytes:

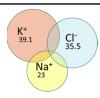
DCAD= mEq K + mEq Na - mEq Cl

DCAD-S = mEq K + mEq Na - mEq Cl - mEq S

### Uses of DCAD:

- Dry cows-Low DCAD-preventing milk fever
- Lactating Cows-High DCAD
  - Intake, Milk Production, Rumen pH, Milk Fat, Acid Base Balance

# DCAD is a relative Difference in Electrolytes, Not an amount!



						DCAD-S, mEq/kg	Electro	olytes
Diet	Κ%	Na%	CI%	S%	DM	DM	%	g/d
Basal (Corn								
Silage)	1.20	0.25	0.40	0.25	303	147	1.85	426
Basal +0.5% Salt	1.20	0.45	0.70	0.25	303	147	2.35	541
Alfalfa/Small								
Grain + 0.5% Salt	1.53	0.25	1.00	0.25	303	147	2.98	685
Assumes 51 lb DMI								

Three diets can have the same [DCAD] but be very different in amounts of electrolyte fed..

Extra electrolytes have to eliminated by the kidney

# The Electrolytes (Na, K, Cl) are Strong lons?

K<sup>+</sup> 39.1 Cl<sup>-</sup> 35.5

The term "Strong Ion" coined by Peter Stewart (Canadian Physiologist) in paper:

- "Strong Ion Theory of Acid-Base Balance" (Respiration Physiology (1978) 33, 9-26)
- Strong Ions are completely dissociated n biological fluids
  - Cations: Sodium (Na), Potassium (K) Magnesium (Mg)
  - Anions: Chloride (Cl), Sulfate, Lactate, Volatile Fatty acids, Betahydroxy butyrate.
- Dietary K, Na, and Cl are the principal dietary strong ions.

### 4 Characteristics of Strong Ions?



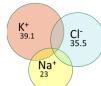
### ■Primary Functions:

- Active Transport of Nutrients (glucose, amino acids)
- Neural Transmission
- Osmoregulation: Water balance across tissues
  - Digesta vs intestine, intracellular vs. extracellular, fecal water, etc.

#### Minimal reserves

- Deficiencies manifest themselves quickly (1-2 days)
- Share common deficiency symptoms:
  - Decreased feed and water intake, dry manure
- Highly available: Nearly 100% absorbed from diet
- Excess Strong Ions are excreted in the urine, Not in the feces

## The Strong Ion's Role in Osmoregulation (Normal Osmotic Pressure: ~300 mOsm)



lon	Intra-cellular	Blood	Rumen Fluid
		mEq/L	
Na <sup>+</sup>	12	145	84
K+	139	4	27
Cl <sup>-</sup>	4	116	8
HCO <sub>3</sub> -	12	29	6
Amino acids & proteins	138	9	(VFA's) 105
Mg++	0.8	1.5	4.21
Ca++	<0.0002	1.8	$3.5^{1}$
Osmoles	290	290	315 <sup>1</sup>

<sup>1</sup>Adapted from Bennick et al. (JDS, 1978)

### Ruminants Evolved on Forages

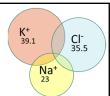


% of DM			mEq/kg DM			
K	Na	CI	K	Na	CI	
1.20	0.01	0.29	307	4	82	
3.03	0.03	0.55	775	13	155	
2.81	0.05	0.64	795	22	181	
2.42	0.13	0.72	621	57	203	
3.34	0.05	0.90	854	22	253	
3.58	0.04	0.67	916	17	188	
	1.20 3.03 2.81 2.42 3.34	K Na 1.20 0.01 3.03 0.03 2.81 0.05 2.42 0.13 3.34 0.05	K Na Cl 1.20 0.01 0.29 3.03 0.03 0.55 2.81 0.05 0.64 2.42 0.13 0.72 3.34 0.05 0.90	K         Na         Cl         K           1.20         0.01         0.29         307           3.03         0.03         0.55         775           2.81         0.05         0.64         795           2.42         0.13         0.72         621           3.34         0.05         0.90         854	K         Na         Cl         K         Na           1.20         0.01         0.29         307         4           3.03         0.03         0.55         775         13           2.81         0.05         0.64         795         22           2.42         0.13         0.72         621         57           3.34         0.05         0.90         854         22	

### **Comments:**

- Nutritional environment: High K, Low Na, and Moderate CL
- Ruminant are equipped to get rid of excess K
- Forages are high DCAD feeds

# Dietary Electrolytes are not Expensive to Supplement



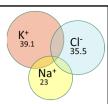
The Relative Costs of Increasing Diet K, Na, and Cl by 100mEq/kg (98, 58, and 89 g/d, respectively)<sup>1,2</sup>

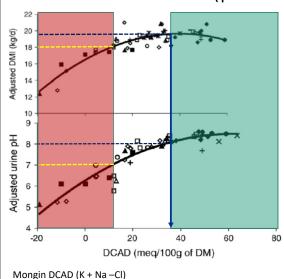
	Added Cost, \$ per Co			
Mineral Supplement	K	Na	Cl	
Salt		\$0.02	\$0.02	
Potassium Chloride	\$0.10		\$0.10	
Potassium Sesquicarbonate	\$0.25			
Sodium Bicarbonate		\$0.13		
Sodium Sesquicarbonate		\$0.09		

<sup>&</sup>lt;sup>1</sup>Cow consuming 25 kg (55 lb) DM per day

<sup>&</sup>lt;sup>2</sup>Dietary K, Na, and Cl increase by 0.39, 0.23, and 0.35%, respectively

# Dairy Cows Like to Operate with an Alkaline Urine (pH=7.5 to 8)





Adapted from Hu and Murphy, 2004, J. Dairy Sci. 87:2222

- Peak DMI occurs when urine pH is about 8
- That point is reached with DCAD of ~ 37.5 mEq/100 g
- Dry Matter Intake (DMI) falls off rapidly as urine pH drops to 7 or below.
- Low DCAD diets reduce urine pH (dry cows)
- Don't feed lactating cows for low urine pH!

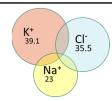
## What Regulates Urine pH?



- Strong Ion intakes in excess of requirements
  - Excreted in the urine
- SID (Strong Ion Difference) = Na<sup>+</sup> + K<sup>+</sup> Cl<sup>-</sup>
  - DCAD is a Proxy for Urinary SID
- Urinary Strong Ion Excretion (Eq. Basis)
   The cations must equal the anions:

$$Na^+ + K^+ + H^+ + (NH_4^+) = Cl^- + OH^-(HCO_3^-)$$
  
Cations Anions

## Alkaline Urine pH



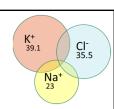
When there are Excess Cations(K,Na)

$$Na^+ + K^+ + H + (NH_4^+) = CI^- + OH^-(HCO_3^-)$$

↑ Urinary Bicarbonate, ↑ urine pH

Results in an alkaline urine: This is normal for ruminants

## Acid Urine pH



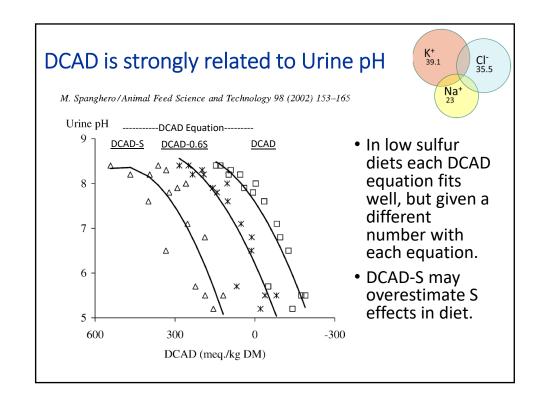
When there are Excess Anions (CI)

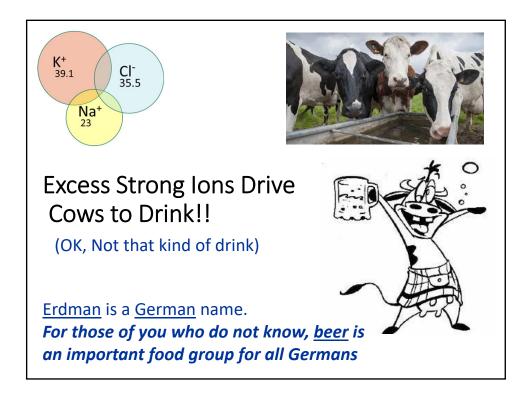
$$Na^+ + K^+ + H + (NH_4^+) = CI^- + OH^-(HCO_3^-)$$

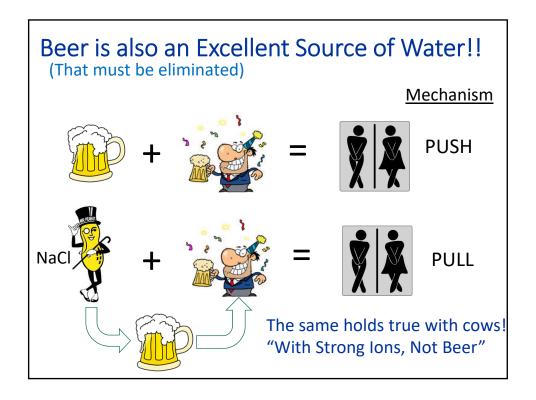
↑ Urinary  $NH_4^+$ ,  $\downarrow$  Bicarbonate,  $\downarrow$  pH

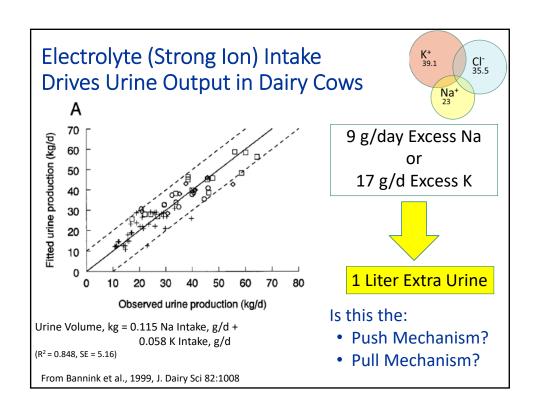
Too much Cl in relation to K and Na results in an Acid Urine (This is abnormal in ruminants)

Remember: Dairy cows like to operate with an alkaline urine (pH=7.5 to 8)





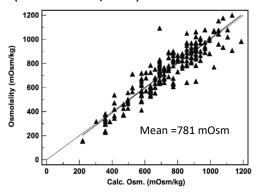




## There is a Limit to how Concentrated Urine can be



Observed Range in Urine Concentration (Milliosmoles/Liter)



In Bannink et al. 1999
The projected urine conc.

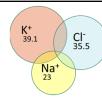
K = 881 mOsm

Na = 756 mOsm

This suggests that the cow is minimizing the amount of water lost in order to get rid of excess K and Na

From Alcántara-Isidro et al. (2015) RRJVS 1:34

## Add First Glance, Added K Appears to Improve N Use (lower MUN)



	Added Potassium, mEq/kg DM						
Milk	0	125	250	375			
MUN, mg/dL	15.5	14.0	13.6	12.0			
Protein %	2.95	2.99	2.95	2.92			
Protein, g/d	1143	1174	1158	1124			

<sup>&</sup>lt;sup>1</sup>Iwaniuk et al., 2015 J. Dairy Sci. 98:1950

- <u>Don't be fooled</u>: Milk MUN went down because urine volume went up to get rid of excess K.
- Same amount of Urea-N was excreted in a larger urine volume

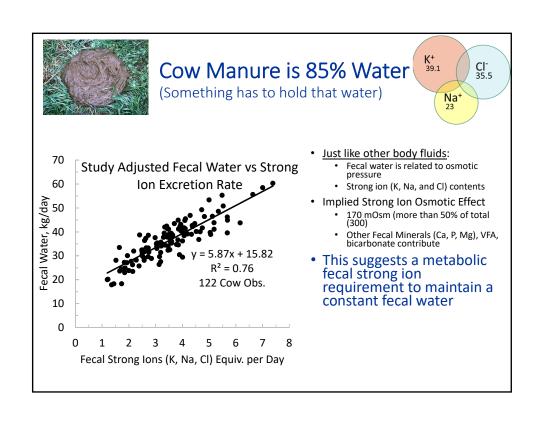
## Summary: Strong Ion Effects on Water Intake, Urine Output and pH



- Excess K and Na, Increases
  - Water Intake
  - Urine Output
  - Urine pH
- If you want cows to drink more, increase diet K and Na
  - More Water Intake, More Watering Space
- Excess Cl:
  - Decreases urine pH (Cows like an alkaline, NOT AN ACID Urine)
  - Increases urine output
  - Requires more K and Na that will also increase water intake

Dumping extra electrolytes (strong ions) in the diet has consequences

Pay attention, especially to CI!





### Cow Manure is 85% Water (K+ 39.1



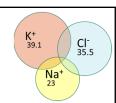
#### Preliminary Lucas Plot (Regression) Analysis

Apparently Absorbed Ion = Dietary Ion (both as g/kg Diet DM)

	Intercept (Met. Fecal)	Slope	RMSE	
Strong Ion	g/kg DM	(Abs. Coeff.)	g/kg DM	P <
K	-2.48	1.02	0.27	0.001
Na	-1.45	0.98	0.53	0.001
Cl	-1.11	0.92	0.52	0.001

- Implied Absorption Coefficients-Very High
  - ~100 % for K and Na, 92% for Cl
- Most Fecal K, Na, and Cl is Metabolic
  - 2.48, 1.45, and 1.11 g/kg Diet DM, respectively
- Consistent with maintaining constant fecal H<sub>2</sub>O

# What Do Cows Need for? Milk production

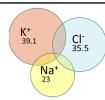


		Castillo et	Difference,	
Strong Ion	2001 NRC	al., 2013¹	g/kg	% Change
K, g/kg milk	1.50	1.54	+0.04	+2.6
Na, g/kg milk	0.65	0.41	-0.24	-37.1
Cl, g/kg milk	1.15	1.03	-0.12	-10.4

<sup>&</sup>lt;sup>1</sup>Castillo et al., 2013. J. Dairy Sci. 96:3388; 39 herds averaging 787 cows per herd

- Potassium concentrations seem fine
- More recent data suggests Na = 0.40 and Cl = 1.0
  - Lower than current 1989 NRC
- Why is milk Cl and especially Na so much lower now?

# Why are milk Na and Cl so much lower today?

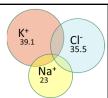


			Milk with	
Strong	2001	Normal	High	% of
lon	NRC	Milk <sup>1</sup>	SCC <sup>1</sup>	Normal
K, g/kg	1.50	1.73	1.54	91
Na, g/kg	0.65	0.57	1.05	184
Cl, g/kg	1.15	0.91	1.47	161

<sup>&</sup>lt;sup>1</sup>From Review by Harmon, 1994, J. Dairy Sci 77:2103

- 2001 NRC values based on 1965 British estimates
- Mastitis increases milk Na and Cl
- Milk SCC has declined rapidly during the last 50 years?

# What Do Cows Need? 2001 NRC Maintenance Req.



	Endogenous		
	Fecal &	Metabolic	Severe Heat
	Urinary, g/kg	Fecal (g/kg	Stress
Strong Ion	BW	Diet DM)	g/100 kg BW
K	0.038	6.1 (2.6)	0.40
Na	0.038		0.50
Cl	0.0225		

#### Comments:

- Endogenous Urinary Excretion-Impossible to Measure
  - Dependent on the relative excess of other strong ions
- Metabolic fecal minerals, usually expressed per unit diet DM
- · Heat stress values not large nor well defined

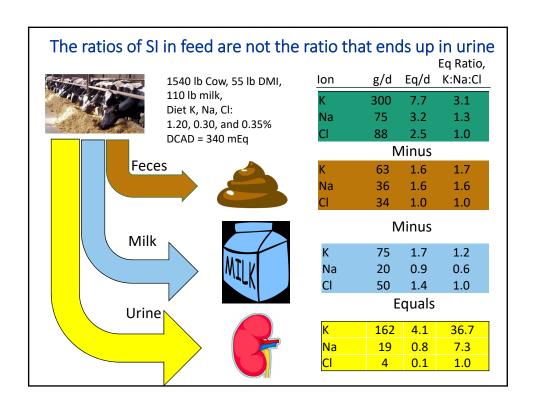
# What Do Cows Need? 2001 NRC Maintenance + Milk Requirements (g/d)<sup>1,2</sup>



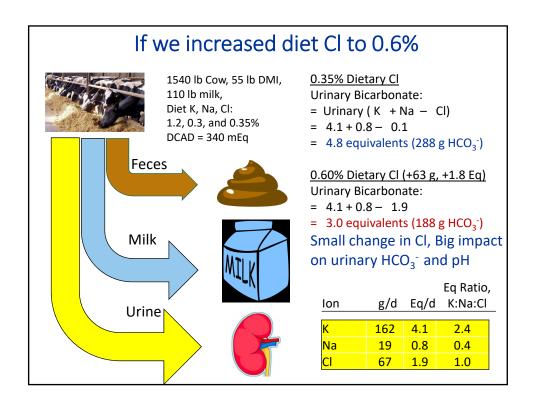
lon	End. Fecal- Urinary	Met. Fecal	Heat Stress	Total Maint	Milk	Total	% Diet DM	DCAD, mEq/ kg
K	29	153	3	185	83	268	1.07	273
Na	29		4		32	64	0.26	113
Cl	16				58	72	0.29	81

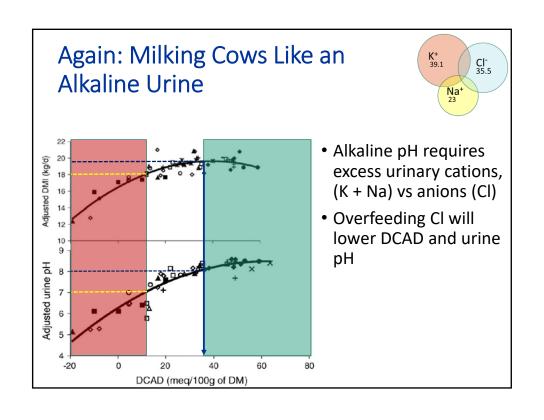
 $<sup>^{1}</sup>$ 1540 lb (700 kg) cow consuming 55 lb (25 kg) DMI producing 110 lb (50 kg) Diet DCAD = 304 milk

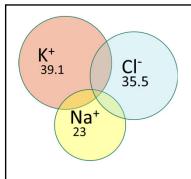
How many people feed diets with those concentrations of K, Na, and Cl?



<sup>&</sup>lt;sup>2</sup>Assumes true absorption coefficient of 90% for each strong ion





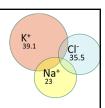




Always Remember: Excess Strong Ions Drive Cows to Drink!!



## **Summary: Coordinating DCAD and the Electrolytes**



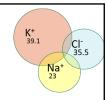
### Feed for an alkaline urine (pH ~ 7.5 to 8)

- Remember High DCAD is only a proxy for Urinary SID
- Cows need much more urinary K/Na than Cl
- Adding more NaCl or KCl to diet won't help you!

### Watch Cl, Do Feed Analysis!

- Feed enough to meet milk and maintenance needs
- Not too much in excess, leads to lower urine pH
- Small grain and grass silages, can be fairly high in Cl
- If Cl is too high
  - Add Na or K Carbonate/Sesquicarbonate instead of NaCl or KCl

# **Summary: Coordinating DCAD and the Electrolytes**



### Water Intake

- 9 grams extra Na, 17 grams extra K increase H2O by 1L.
- If want to increase H2O intake:
- Add dietary K, Na
- Make sure that you have good quality water, adequate watering space

### Finally, Pay Attention:

"Dumping extra strong ions in the diet has consequences. The cow can handle extra K and Na, but not Cl."