

## Feed Strategies to Deal With Low Milk Prices

Feed expenditures are the single largest operating expense accounting for 45-50% of total production costs in your dairy business. Feed costs need to be closely monitored at all times whether the milk prices are high or low. When evaluating feed costs in our current situation of low milk prices, it is important to understand the relationship between feed cost and milk production. The goal of every dairy is to identify the optimal point at which you can minimize feed costs but still maintain optimal productivity. This is the point that will maximize your income over feed costs. Remember, milk production is the economic engine that generates the cash flow in your dairy business so saving 10 cents in feed costs but losing 20 cents in productivity is not a good economic decision. Conversely, saving 10 cents in feed costs but increasing 20 cents in productivity is a great economic decision.

### Strive to Produce the Best Forages Possible

The largest source of nutrients is the forage produced on the farm. High quality forage reduces the amount of purchased feed supplements needed. Getting forages harvested on time was never more critical than it is now. Inoculate with Crop-N-Rich, pack well and cover with SiloStop to preserve what was harvested and maintain the high feeding value.

### Reduce Feed Wastage

With higher feed prices, controlling feed shrink becomes more critical than ever. Your goal should be an overall feed shrink loss of about 5%. Consider the difference between 5%, a more typical 10% feed shrink, and a very high 15%.

Herd Size	YEARLY COST OF FEED SHRINK (\$)*		
	@5%	@10%	@15%
100 Cows	\$9,125	\$18,250	\$27,375
200 Cows	\$18,250	\$36,500	\$54,750
500 Cows	\$45,625	\$91,250	\$136,875
1,000 Cows	\$91,250	\$182,500	\$273,750

\* Based on \$5.00/head daily feed cost



Another way to look at this is a 5% reduction in forage shrink during feed out saves about 114 ton of forage dry matter per year for a 500 cow herd. At \$150/ton hay, that's \$19,000 worth of feed.

Some shrink in your bunker silo is inevitable, but with proper packing and the application of a proven inoculant, these losses can be minimized. A good inoculant may reduce fermentation losses by 2%; proper packing and good face management may save another 3%; proper covering saves about 10%. You cannot afford to give away this amount of feed

### Feed to an Empty Bunk

It is well known that to maximize milk production, you need to maximize dry matter intake. In order to do this, many dairy operations will feed to five percent leftovers. However, the dollar value of the lactation TMR is high and overfeeding by five percent may not make economical sense since the leftover TMR may be wasted or fed to a group of animals that do not require the higher nutrient levels. Consider managing to an empty bunk with a goal of feed being available 22 hours per day.



### Evaluate Feed Efficiency

Monitoring feed efficiency (amount of milk per unit of feed) becomes even more important as milk prices decrease. There are several considerations (other than feed wastage which was covered separately) that will have an impact of the efficiency of feed usage. These include:

- Two groups of milk cows versus one group to allow better targeting of nutrients and additives
- Rumensin will improve feed efficiency
- Yeast will typically improve digestibility of feedstuffs, thus improving feed efficiency
- Heat abatement programs during the summer
- Providing adequate water access
- Aggressive reproduction strategies to have more cows in peak lactation
- Culling strategies to remove low end producers
- Avoid overcrowding & maximize cow comfort
- Proper particle size and moisture in the TMR.

### Evaluate Corn By-Products

Corn by-products such as wet/dry distillers, wet/dry corn gluten feed, and hominy products may be attractively priced relative to traditional corn and protein sources. There is potential for cost savings by using these products. However, it is critical to evaluate both the potential negatives and positives of these by-products that could impact cow productivity. It is important that the use of these types of by-products or other products are a correct fit from a nutritional, economical and storage standpoint. The use of the Vita Plus IDS program, NRC Modeling and the Nutri-Spec ration balancing programs are an important part of this evaluation.

### Maximize Milk Components

Certain feeding strategies, such as using the Vita Plus NRC Modeling program to balance the ration for amino acids (specifically lysine and methionine) will consistently increase milk protein content. Take advantage of these strategies to get the most revenue per pound of milk and protein produced.

### Evaluate Total Dietary Protein & Phosphorus Levels

There may be opportunity to reduce feed costs by lowering the total protein and phosphorus levels in the diet while maintaining herd productivity. The use of the Vita Plus Nutri-Spec ration program is important in this evaluation process in order to determine optimal dietary protein efficiencies and required phosphorus levels for optimal performance.

### Total Dietary Nutrient Evaluation

Proper evaluation of all dietary nutrients and feed additives are important to prevent costly overfeeding. Utilize the Vita Plus ration balancing programs to determine optimal nutrient levels for your dairy operation and utilize your Vita Plus consultant to apply the 4 R's (research, response, results, returns) to evaluate feeding additives for your dairy.

### In Summary

During these current economic times, it is mandatory to evaluate not only nutritional strategies but on-farm management strategies in order to determine if potential changes can improve the dairy's bottom line. Develop your list of potential changes, evaluate the positives and negatives and then prioritize which nutritional or management change will have the largest effect on improving your bottom line. Use this opportunity to work with your nutritional consultant to fine tune your feeding program. In addition, consider providing additional training to your employees to help them improve and fine tune their skills in performing important every day tasks in managing the dairy. The success of any dairy business is in having the little details done correctly time and time again to maintain herd health and productivity.

*Determining the optimal point at which you can minimize feed costs but still maintain high value milk production is critical for your success. In addition, it is important to understand that there are many practical management strategies that can be implemented that can have significant effect on maintaining high value milk production and lowering your cost of hundred weights produced.*