

Make Financial Hay Now continued from bottom of page 3

Beck agrees. “Have some cash on hand for the next downturn,” he says. “Maximize your production without increasing expenses.” Here, he would look for a high-forage program that provides a good, basic ration for the cows. “Build up your forage inventory,” he adds.

Beck says it can take a young producer three to five years to get the herd stabilized, get the operation on a firm footing, and accumulate reserves for operating capital.

For younger or older farmers, capital investments — building improvements or new equipment — require a lot of pencil pushing. Producers like to upgrade equipment in flush years when they’ve had to make do with old equipment in

lean times. “Concentrate on upgrading critical equipment,” Longenecker says. Many operations use a skid-steer daily and need a decent tractor all the time. That would be a good place to start.

“In some cases, there might be essential equipment that needs to be replaced,” Beck notes. But he cautions against that “euphoric feeling” that grabs some producers when they see a hefty checkbook and get a bad case of spending-itis.

Longenecker says equipment that sees only occasional use might be better off rented, leased, or custom hired. Corn planters, combines and subsoilers fall into this category. Equipment used only two

weeks a year still has to be paid for all of the other 50 weeks.

What works? “I highly recommend any producer get in touch with Tim Beck’s office and work consistently with them on a cash flow program,” Longenecker says. “When you need a building improvement or piece of equipment, they will tell you what it will do to your cash flow.”

Review the information in the Spring Agri-Vator on managing risk. Taken together, these ideas will help smooth the bumps in any operation’s financial road.

Nutritionists

Jim Hogue, Manheim, PA
717-653-9433
rtrider1@embarqmail.com

Jim Longenecker, Christiana, PA
610-593-2575
abjnklong@epix.net

Curt Umble, Landisville, PA
717-898-0884
cumble@comcast.net

Tom Good, Lititz, PA
717-626-8689
tcgood@dejazzd.com

Russ Kline, McVeytown, PA
814-542-4486
russ@udderway.com

Tim Rutledge, Reinholds, PA
371-7667 Mobile
abt@dejazzd.com

Wilson Eberly, Ephrata, PA
717-656-4942
wilsone@emypeople.net

Herbert Bonnice, Jr., Tunkhannock, PA
570-836-2421
hbonnice@mymail.emcyber.com

Steve Vaughan, Hartville, OH
330-877-3830
HealthyCows@gmail.com

Iron Rock Nutrition
Dan Hillyer, Dover, PA
717-308-1615
hillyerdan@comcast.net

Robert Davis, Cochranville, PA
610-593-2961
davisrobert@zoominternet.net

Trent Lartz D.V.M., Shippensburg, PA
717-532-6953
tlartz@yahoo.com

Michael M. Campbell, State College
814-574-7259 Mobile
mcampbell550@verizon.net

Homer Eberly, Stevens PA
717-336-3047
heeblerly@dejazzd.com

Adam Zurin, Manheim, PA
717-682-5103
azurin5001@gmail.com

Kevin Nolan, Honey Brook, PA
484-467-4173
kevinagribasics@gmail.com

AGRI-BASICS, INC. • 1.800.361.9265 • agribasics@dejazzd.com • www.agribasics.com

The Agri-Vator - Dairy Edition - Summer 2014

Agri-Basics, Inc.
54 Brown Street
Elizabethtown, PA 17022

Innovative
Individualized
Practical
Solutions

AgriBasics, Inc. is celebrating their
25th Anniversary
1989-2014

“...meeting today’s challenges, pursuing tomorrow’s goals.”

The
AGRI-VATOR

54 Brown Street • Elizabethtown, PA 17022 • 1-800-361-9265 • www.agribasics.com

SUMMER • 2014 DAIRY EDITION Vol. 14, No. 2

Double 56™: The Magic Number for Calves

Dairy producers are starting to understand Double 56™ as the key number for increased milk production. Calves that double their birth-weight by 56 days of age demonstrate vastly higher production as adults each lactation. That means a new 90-pound calf should weigh 180 pounds in 56 days. Supreme Milling Double 56 Calf Feeds are designed to help producers make that goal. It works.

Three recent meta-data analyses (which combine results from individual studies and treat them as one big study) confirm the benefit of early weight gain. “The data is only getting better,” says Dr. Mike Van Amburgh, Cornell University Dairy Scientist. “Every pound of average daily gain prior to weaning translates to about 1500 pounds of milk throughout the cow’s life,” he says. “That number is pretty conservative.”

In fact, some studies put the figure at 3000 pounds extra production in the first lactation. In the Cornell meta-analyses,

those highest results were thrown out. But Van Amburgh is convinced they were valid.

Genetics vs. Management

Dr. Van Amburgh says only 20-30% of a cow’s production is tied to genetics. The other 70-80% is management and environment. “This aspect of milk production is a lifetime event,” he says. “And it starts the moment the calf hits the ground.”

Jersey herds have been able to triple birth weight in 56 days. And in Japan, Wagyu calves (better known as the Kobe Beef animals) with early weight gain cut feed-out time from 30 to 24 months. There was a lifetime 7% increase in feed efficiency.

“This is a very strong relationship,” says Al Kertz, Ph.D., principal in Andhil LLC Consulting Services, St. Louis, MO. He notes that calves in the original Cornell study show a wide range of daily gain

from 0.2 to 3 pounds a day in their first 60 days even on the same feed program.

In Fernando Soberon’s data, a one-pound difference in ADG equaled 850 pounds of milk in the first lactation and 2280 pounds in the first three lactations. The Cornell meta-analyses put the value at over 1500 pounds in the first lactation for every pound of ADG.

Dr. Kertz credits better feeding with turning on the genes that affect metabolism and mammary gland development in calves. This is known as “epigenetics.”

continued top of page 2



Maximize the Value of Cull Cows

With the “perfect combination” of high milk prices and high beef prices, producers are well advised to cull their herd hard. However, care needs to be taken when cull cows are sent to market.

“The main thing is the animal’s health,” says Mike Gahagan, cattle procurement specialist for JBS USA. He looks for an animal in good condition with bright eyes and no lumps on their bag or on their body. “We don’t want to see a cow with the udder below her hocks,” he adds.

Gahagan is in the market for animals from lean to premium. But he demands a sound cow. When a processor is handling 250 to 300 animals an hour, a cow that

goes down stops the line dead and causes a major cost to the slaughter house.

“We look for good, strong animals that can get on and off the truck,” he says.

“Now is a great time to cull cows,” says Adam Zurin, Manheim-based Agri-Basics nutritionist. Since he works more with beef than dairy, he knows the cattle markets are strong and it is a good time for dairy producers to sell. “Sort out the lower producers and get them to market before they start to have health issues,” he says.

“With the high beef prices, this is a chance to drop lower producers and upgrade the herd with better genetics,”

Zurin says.

Indeed, with milk hovering around \$25 to \$28, this is a perfect time to cull tail-enders.

“Look at moving bull calves too,” advises Jim Longenecker, Christiana-based Agri-Basics nutritionist. He was amazed to see a 110-pound bull calf fetch \$350 at a recent sale. “Animals are worth a lot more money whether as beef animals or culls,” he says.

Zurin says there are definite advantages to conditioning culls prior to selling, as well as selling direct to processors and

continued bottom of page 2

Double 56™: The Magic Number for Calves *continued from top of page 1*

Tim Rutledge, Agri-Basics nutritionist based in Reinholds, PA has seen the 56-day program work at a large contract heifer operation. “We have seen increased rates of gain and are currently more than doubling growth rates after switching to a high-quality textured feed and keeping animals in the same groups as they grow and move pens, among other management improvements,” he says.

Some producers believe calves get sick by eating too much too early. Dr. Van Amburgh sees that as an old wives tale. “That flies in the face of every other neonate mammal... beef, sheep, humans, dogs, camels,” he says. “They don’t die of diarrhea.” Rather, he feels colostrum and good feeding practices “turn on” the genetics passed from the mother to the calf. It’s the mother’s way of continuing to nurture the baby once it leaves her uterus.

Dr. Kertz agrees but “beware too high solids in the liquid milk replacer. 15% solids is the red zone. At 17-18% you increase the chance of osmotic imbalance and digestive upsets even if you are providing ample water.”

With the new brand of Supreme Milling Double 56™ Calf Feeds, dairy producers

can score big. Double 56™ contains high-quality corn and small grains, gently processed for the developing rumen. Pellets hold their shape to deliver vitamins, minerals, and concentrated protein supplements needed to support a developing immune system and quality growth. “We use the latest technology,” Rutledge continues. “You can get it in bulk, bags or totes. It flows out of bins well.”

Palatability is a focal point of Double 56™. There are almost no fines. It is blended with a unique process to incorporate palatability enhancers and provide flexibility to add other special features, including Rumensin. Your Agri-Basics nutritionist can custom-formulate Supreme starter and grower feeds to meet your herd’s needs.

1.5 POUNDS PER DAY

Doubling calf weight in 56 days means achieving an average daily gain of 1.5 pounds per day. That figure will be lower in the first few weeks and higher at the end of the period.

An on-farm Wisconsin study divided calves into two lots: one with 2 quarts colostrum, the other with 4 quarts at birth.

The second group outgained the first by a half-pound per day at breeding age and had fewer veterinary problems. They made 11% more milk in the first and 17% more in the second lactation.

A 2010 Cornell study, not yet published, looked at hip height and found calves that got 4 quarts colostrum had 1.5 inches greater hip height at 80 days, too. Even with just two quarts, calves outgrew the control by an inch at 80 days when they were fed more milk replacer.

“You can get an additive effect,” Dr. Kertz emphasizes. Feeding more colostrum and more milk replacer means more growth and subsequent milk production.

“Don’t try to cut costs on calves,” Dr. Kertz says. “Spend \$25-\$50 more on each calf and the return will be two- to three-fold, not counting other benefits like better health.”

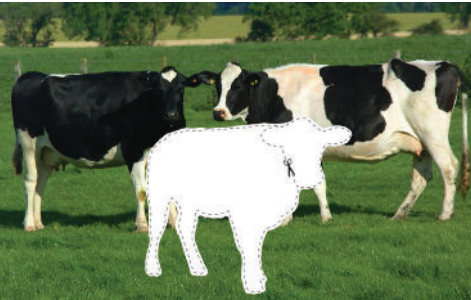
Rutledge points out that these calves can get switched to forage quicker since their rumens are better developed. “Look beyond the price per ton to the total amount of feed you are giving them and add the other benefits to the calves,” he concludes.

Welcome Kevin Nolan

If you need nutrition advice on calves or heifers, Kevin Nolan is your man. In mid-May, Kevin started working with producers in Eastern Lancaster and Berks counties as a new Agri-Basics nutritionist. He has been around cows all his life. He grew up on a family dairy farm in Cochranville and most recently managed a herd of 1500 heifers.

“I have experience with large and small dairies, increasing overall calf weights, reproduction, milk production and overall health issues,” he says. Kevin will focus mainly on dairy.

Kevin lives in Honey Brook with his wife Courtney and six children.



Maximize the Value of Cull Cows *continued from bottom of page 1*

getting paid on how they dress. “Feed those cows for another 30 days, dry up their udder, and get some flesh back on them,” he says. “If you grain-feed for 30 to 40 days, you’ll get that white fat on the cattle and you’ll get them to the next grade level. It will pay.”

Longenecker agrees. “If she has the mobility to put some extra condition on her, it’s worth keeping her around a couple of weeks and feeding her a bit of extra grain. Just be sure the cow is healthy and gaining weight.”

In addition, be sure there is no bruising or welt marks on the animal. Sometimes, a cow’s hips get caught on corners or grab a nail which will cause abscesses on her. These become major problems for the packer as they have to cut around the problem area. That lowers trim percentage.

What We Don't Know About Shredlage *by Curt Harler*

For a dairy producer, shredding is a new, more digestible way to process corn silage. Producers banking on shredlage should be aware that they are very early in the adoption cycle.

Although Penn State did research on a harvesting method that would increase digestibility of both the fibrous and the grain portion of corn silage in early 2000, recent buzz surrounds a study done at the University of Wisconsin. There, cows fed shredlage had higher intake. After one month of fermentation, 112 cows were assigned either kernel-processed corn silage or shredlage for eight weeks. Researchers saw an advantage for shredlage in 3.5 percent fat corrected milk yield (FCMY) over the eight weeks and a treatment-by-week interaction, with a significant advantage for shredlage in FCMY at week eight (99.8 pounds vs. 95.4 pounds per cow per day).

While several producers in the Agri-Basics family are looking at the idea, a quick survey of the nutrition team shows that no producers are actually doing shredlage.

Everywhere one looks, that Wisconsin study by Randy Shaver is cited. However, it seems to be the only study out there. Even with a second study underway, there is not enough data to make a solid case. “It’s still too early to tell,” says Dr. Limin Kung, professor of animal science, dairy nutrition and silage fermentation at the University of Delaware.

Make Financial Hay Now

The old adage to “make hay while the sun shines” applies this year to finances. A key to long-term success is managing the good times – and this appears to be shaping up as one of the better years – to assure financial success in the leaner years.

“Stockpile cash,” advises Timothy Beck, extension ag business management specialist for Southeastern Pennsylvania. “Stick to the basics. Catch up on any outstanding bills you have.”

Beck notes that there is a big temptation to spend extra cash on capital expenses. “This may not be the best time to do that

In fact, Dr. Kung points out, what now is called shredlage is not the same material he saw just a couple of years ago. “It is morphing, changing,” he says. On a recent tour of Wisconsin farms that put up shredlage, he says he would not have known it was anything different than any other bunker full of silage. He notes that he is not negative on shredlage... he simply has seen no guidelines, nor enough replicated and controlled studies.



Shredlage, traditionally, is silage cut longer (usually one to 1.5 inches... normal silage is usually chopped at three-quarters of an inch or so) and ripped lengthwise to allow more stringy, fibrous material as well as more exposed area for microbial activity. Grains are shattered in the process. However, at many operations experimenting with shredlage, the product is down to three-quarters of an inch... little different than any other silage.

Shredlage, as a trademark, is claimed by Shredlage, LLC with a patent pending for Loren Cut and Claas systems. However, there are copycats. A Canadian developed a custom roller that is cross-hatched in opposite directions that he claims gives the same affect as the Shredlage machine. There also is the Kernel Star processor that works on units like the Deere 7750 to much the same affect.

if you have outstanding debt,” he says.

Lean times will return. “Now is a good time to assess how profitable you will be if and when milk prices drop,” says Jim Longenecker, Christiana-based Agri-Basics nutritionist. “Figure out now what you need to do to make the farm cash flow with minimal capital needed.”

Longenecker sees two ways a producer can make this happen. One is to get a solid return on capital investments. The other is to pay down short-term debt so the cash flow picture will be better even as milk price drop. “It’s all about cash flow. Generate cash or pay down debt,”

Some producers feel the longer and narrower pieces of shredlage pack better. One thing seems sure: making shredlage is somewhat more expensive than making silage. Most producers put the figure at around \$1 a ton more. That is due to the higher energy requirements and the fact that it cannot be harvested as quickly. There is more wear-and-tear on shredlage rollers so they must be replaced more often.

Other questions abound: What is the best moisture level for shredlage? Shredlage can be put up drier and packs well. However, some researchers fear that the wiggle room for error will get pushed higher and higher.

“42% dry matter is not as good as 32%,” Kung says. “No matter what, as a plant matures its starch digestibility declines and you can’t make it up. Processing can slow down the decline. But you will not make it up,” he says. He worries that producers will see the 42% dry matter figure and push it to 50%.

Dr. Kung would like to see a replicated study with two custom harvesters in the same field at the same time harvesting – one traditional, one with shredlage – but admits that would become a logistical nightmare. So, for the moment, producers are faced with a single, 9-acre, and 112-cow study. Producers with experience seem happy with the process. Time will tell.

he reiterates.

Longenecker says producers should not pay down low-interest long-term debt until they have their high-interest debt under control. In fact, he would like to see a producer build a nest egg to fund short-term needs from cash rather than being forced to lean on a line of credit. The timeframe around harvest and planting tend to be capital-intensive for most operations. A farm can save a lot of money by self-funding. This is especially true for older operators.

continued on back