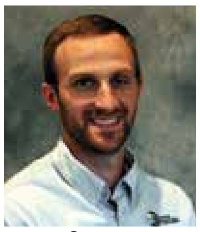
Develop a game plan for a tight economic year

WE'VE been through a strong decline in milk prices and a challenging economic period before. Economic conditions have been worse, so try to put 2018 milk prices into context.


Goeser

That being said, having previously experienced economic hardship doesn't change the fact that it will be tough (or impossible) this year to pay the bills without needing a credit line.

My extended family as well as yours will endure and power through this economic climate, as dairy farming families are among the strongest I've ever encountered. Force yourself to think positive thoughts through these trying times. My late father, despite a 10-plus-year battle with Parkinson's disease, would tell us to do just that — it's how he managed life and his dairy business. Those who knew him can attest to that.

Working toward a positive mindset, Dad taught me that we can't let ourselves worry about that which is out of our control (milk prices). Rather, our collective aim should be to manage that which we can control.

In 2018, step up your nutrition and crop management efforts. You can come up with novel ideas that will substantially improve your economic standing by sitting down with your advisory team and challenging everyone at the table to be proactive in putting together a strong game plan. In these discussions, consider the following short and midterm moves for your 2018 business:

Short term: Join a peer group and/or host a team meeting with consultants.

Join up with those near you and form a peer group or host management team meetings. There are numerous valuable things to learn from your colleagues and consultants in a group setting. First and foremost, consider talking through feelings and emotions you are all experiencing. Stress is an incredibly powerful and physical phenomenon.

Having taken part in a well-attended industry meeting recently with University of Wisconsin's John Shutske, I learned from him that farmers have a greater suicide rate than veterans of the U.S. military who have proudly served our country. We need to better support one another emotionally in the agriculture industry, as these discussions should not be taboo.

Beyond stress, share ideas and learn from others. Dairy owners and managers are not only strong individuals but are also brilliant and come up with countless unusual ways to accomplish a task. Focus on what you can control and learn from those around you.

Short term: Think outside your "normal" diet.

High-forage diets are often assumed to be economically better than the alternative. Corn distillers grains have not been popular the past few years because of the mycotoxin and butterfat concerns. However, are these assumptions always valid? Cows don't have forage to concentrate requirements, and there are diverse ways to successfully feed dairy cows.

Start by asking your nutritionist to run an economic feed evaluation. There are several publicly available from the industry and academia. For discussion purposes, I'll reference University of Wisconsin Professor Victor Cabrera's Feed-Val economic tool available at http://dairymgt.uwex.edu. In recent Feed-Val reports for the Upper Midwest, hominy, corn gluten feed, wheat, wheat midds, and dried distillers grains plus solubles (DDGS) are projected to be better economic buys than corn silage priced at $35 per ton.

Focusing on distillers grains further, the 2017 corn crop is substantially cleaner than last year's, with a strong decline in mycotoxin contamination. Thus, I expect DDGS produced from 2017 corn are much cleaner as well. Consult with your nutritionist and talk about feeding DDGS or the other feeds referenced here.

Midterm: Aggressively plan for forage season.

Year after year, I'm called on to support dairies and nutritionists who are recognizing less than desirable forage quality. We tend to focus on cost trimming (cutting this ingredient or that to save 5 or 10 cents per cow); however, one of the most effective ways to move your bottom line by 50 cents to $1 per cow per day is through bettering forage quality. Aggressive crop scouting and harvest management will yield better quality compared to those who trust a calendar to plan.

As the hay or haylage season approaches, start walking fields. Throw the calendar out the window, and check your hay or haylage crop maturity with your consultants. Use tools such as the Predictive Equations for Alfalfa Quality (PEAQ) sticks or growing degree days (GDD) ahead of first cut to time your harvest. Consider cutting alfalfa at 22 to 24 inches PEAQ heights instead of waiting for late-bud to early-bloom stage or sticking to the date you've always cut on the calendar.

Cutting at 22 to 24 inches PEAQ will improve your quality and dairy bottom line. Then in between cuttings, don't pick your calendar back up — leave it in the trash and walk fields. With today's genetics and warming trends, buds could be coming in as soon as 17 to 20 days! Starting at 21 days after the prior harvest, get in the truck and walk several fields to scout plant maturity. Cut and harvest at bud stage, don't assume 28-day intervals will get your dairy where it needs to be.

As corn matures through the season, ask your crop consultant what the mold and pest pressures look to be. If fungal pressure appears to be coming on, consider a research-backed fungicide. Spending $40 per acre may seem expensive; however, breaking this cost down to a per-cow per-day expense may equate to as little as 3 to 5 cents per cow per day — less than the cost of most ingredients. Damon Smith, plant pathologist with the University of Wisconsin, along with some Canadian researchers, are finding that the right fungicide application around silking can lessen mycotoxin load.

Then, as silage harvest season approaches, work with your nutritionist and crop consultant and cut some stalks from several fields at different cut heights. Assess fiber, starch, and fiber digestibility.

Spending an afternoon cutting some plants and then a few dollars on feed analyses may prove invaluable if more corn silage can be fed and grain backed out of the diet following high-cutting corn silage. Recent partial budgets evaluating yield loss against performance gains have suggested the return on investment with high cutting (12 to 18 inches high) can be two or three to one.

In summary, use the ideas discussed here to learn and aggressively manage aspects of your dairy with your consulting team. There are likely many other opportunity areas beyond those discussed here, but start with one or two and build from there. Ask your advisers to challenge you with new thoughts and new plays for your 2018 game plan. Trust that the future of our industry is bright. And most importantly, think like my father, Craig Goeser, be positive and optimistic in knowing that things will be all right.

Goeser is the director of nutritional research and innovation with Rock River Lab Inc., Watertown, Wis., and adjunct assistant professor, dairy science department, University of Wisconsin-Madison.