



DIBS

Dairy Issue Briefs



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Plummeting prices in the dairy industry are creating critical cash-flow and long-term survivability issues on Ohio's 3,328 dairy farms. Cost-cutting decisions must be made with full awareness of both short and long-term production and economic consequences. OSU Extension's Dairy Working Group, a collaboration of OSU Extension Educators and Specialists discuss:

Reducing costs to improve short term cash flow

How can I lower feed costs in a management intensive grazing system?

The key to keeping purchased feed costs low in grazing systems is to optimize intake of nutrients from the pasture and to use concentrate to *supplement* those nutrients not provided adequately by the pasture. Economic analyses have shown that under U.S. conditions, the proper supplementation of concentrate to grazing cattle increases net income compared with no supplemental concentrate (except for minerals and vitamins). This holds true even when the milk price is \$10/cwt and concentrate costs \$200/ton. To increase the return for feeding concentrate:

1. Avoid feeding too much concentrate. This reduces intake of pasture (replaces an essentially "cash-free" feed with a cash cost), can cause health problems, and increases feed costs. Usually 1 lb of concentrate for every 4 lbs. of milk is a good ratio. If pasture is limited because of drought or other reasons, or cows are too thin, increase to 1 lb of concentrate for every 3 to 3.5 lbs. of milk. For health reasons, avoid feeding more than about 8 (high starch) to 10 (high fiber) lbs. of concentrate in a single meal.
2. Use a low protein concentrate. Intensively managed pasture has high concentrations of crude protein and usually, energy, not protein, is the nutrient most limiting milk production. Most studies show little benefit of supplementing protein (including supplemental bypass protein) to grazing cows. A concentrate mix containing 12 to 14% crude protein (as-fed basis) is usually adequate for grazing dairy cows.
3. Use lower priced ingredients. Feeds such as wheat midds, corn gluten feed, and distillers grains can be used in concentrate mixes for grazing cows and these ingredients have been bargain-priced. Corn gluten feed (not corn gluten meal) and distillers grains have moderate concentrations of protein (25 to 30%) and including either of these at about 20% of the concentrate mix will eliminate the need to include soybean meal or other high protein ingredients in the mix.

Feeding starch to grazing cows will improve protein utilization; therefore some corn should be in the mix but including 10 to 20% wheat midds should lower the cost of the concentrate without adversely affecting milk production. A reasonable concentrate mix for grazing cattle is approximately 58% ground corn, 20% corn gluten feed/distillers grains, 15% wheat midds, and 7% minerals and vitamins (supplemental vitamins A, D, and E can also be reduced compared with confinement fed cows). Milk production by grazing cattle often does not increase when fed supplemental fat which can be expensive. In this period where cash flow is critical, supplemental fat is probably not warranted for grazing cattle.



Bottom Line: Feeding approximately 1 lb of concentrate per 4 lbs of milk to grazing cattle is profitable. Reduce the cost of the concentrate but using low-priced byproducts and avoid fat supplements and excess supplemental protein.

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