

WESTERN DAIRY MANAGEMENT CONFERENCE 2023

Proceeding

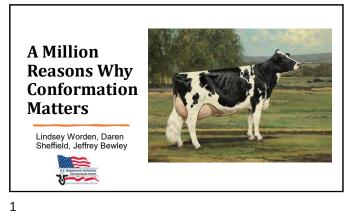


A Million Reasons Why Conformation Matters

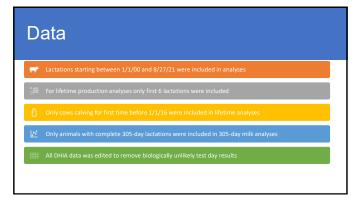
Jeffrey Bewley | Holstein Association USA, Inc. | jbewley@holstein.com

Notes:

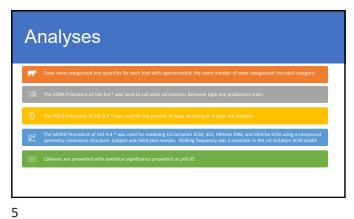
PowerPoint Slides on next page

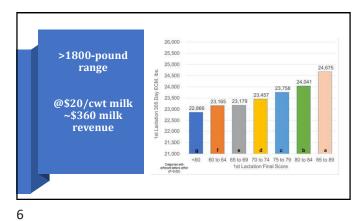


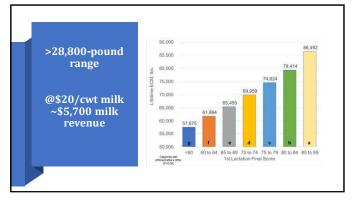


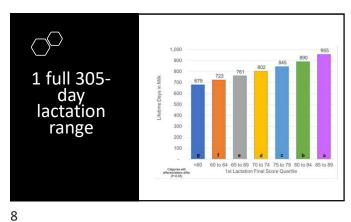


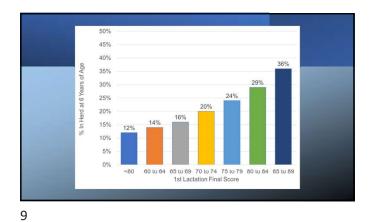


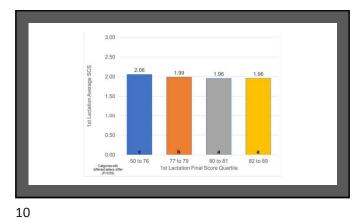




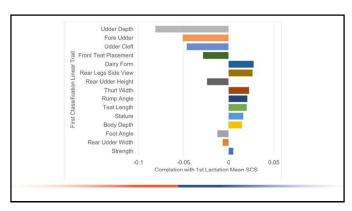


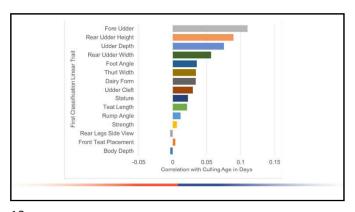


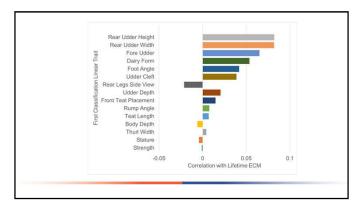


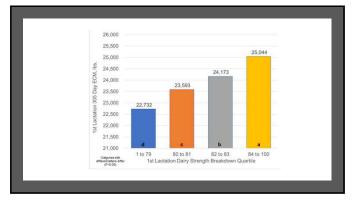


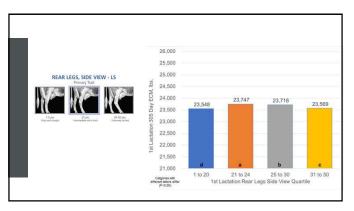
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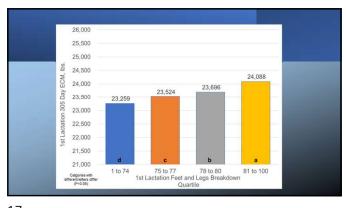


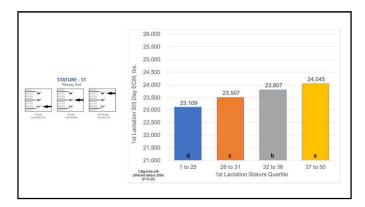


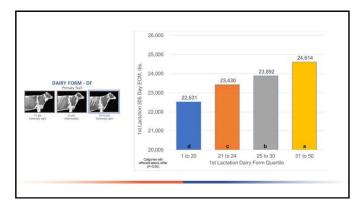


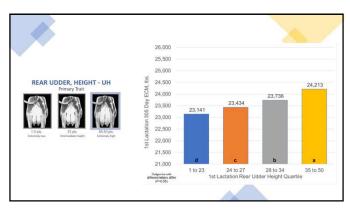


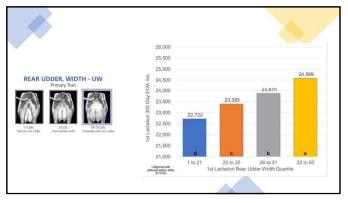


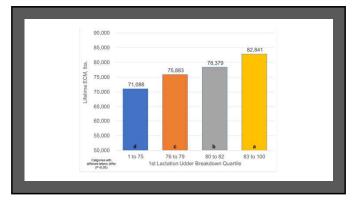


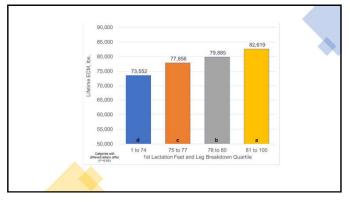


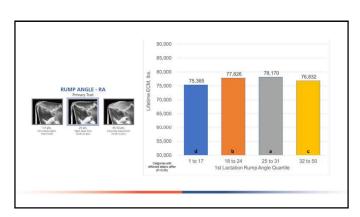


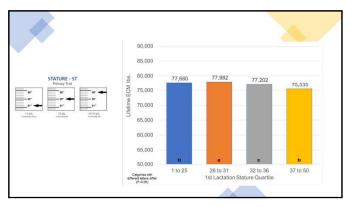


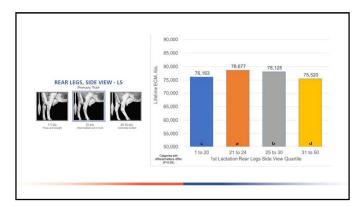


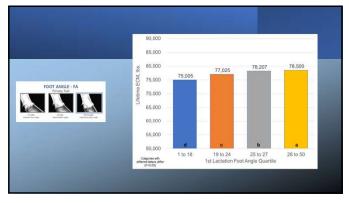


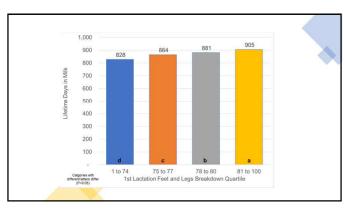


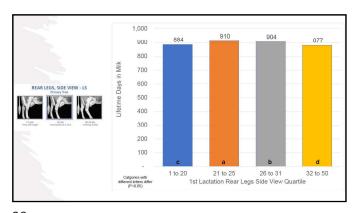


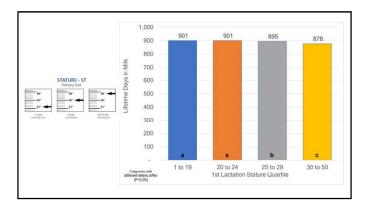


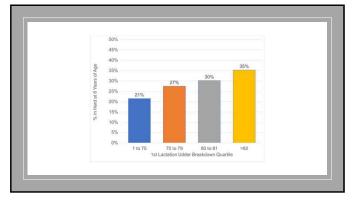


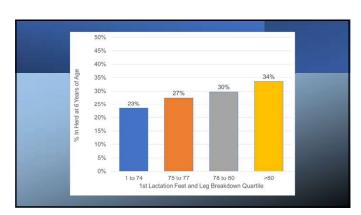


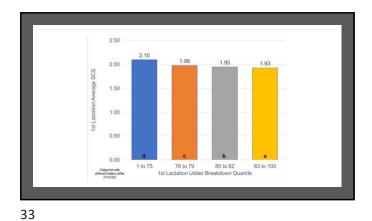


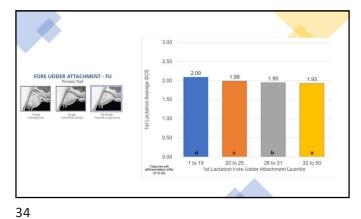










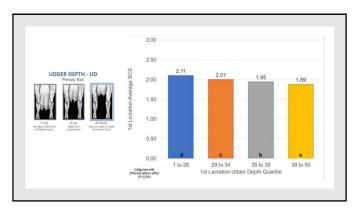


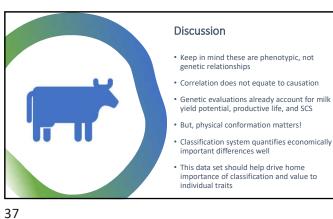
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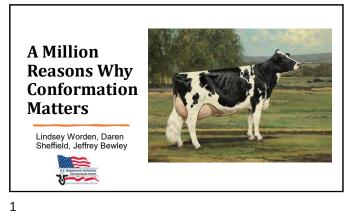


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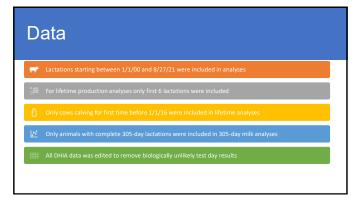
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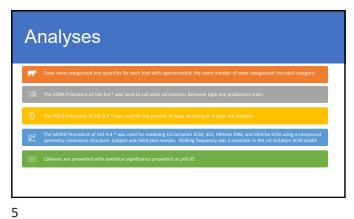
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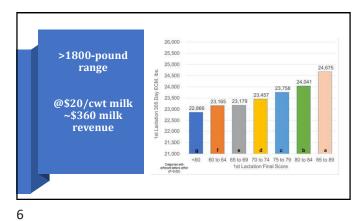


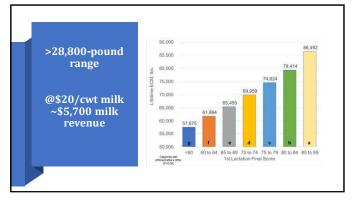


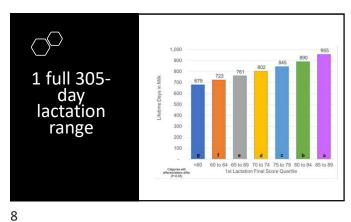


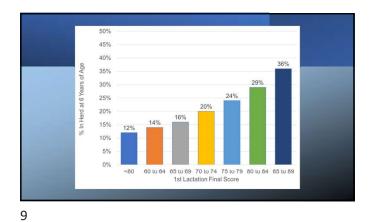


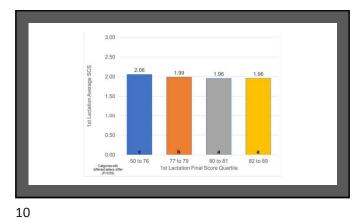




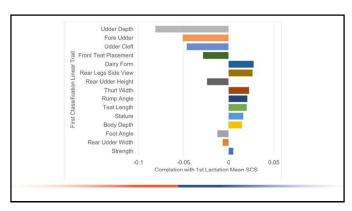


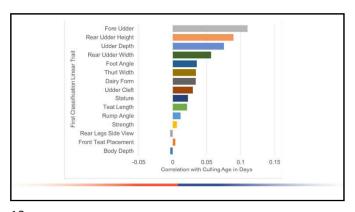


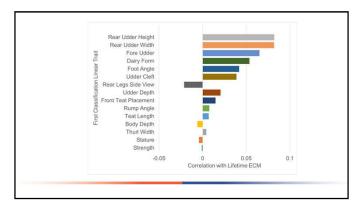


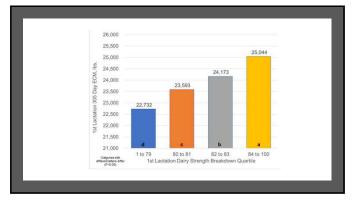


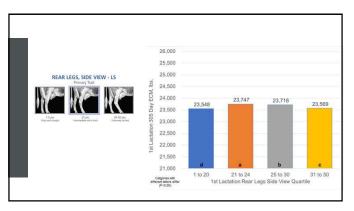
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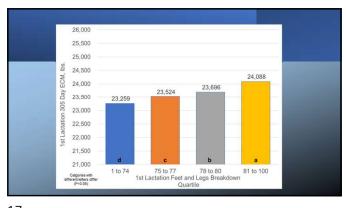


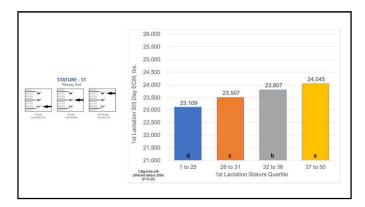


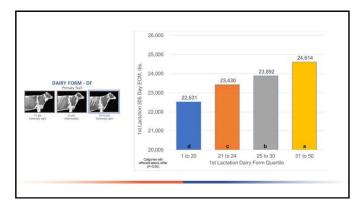


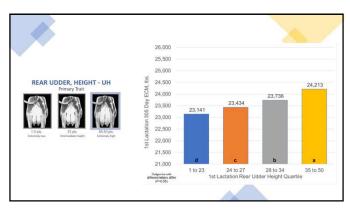


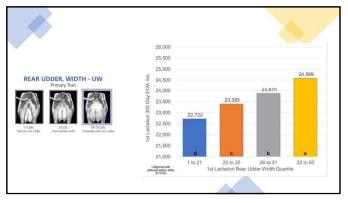


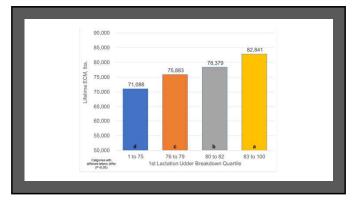


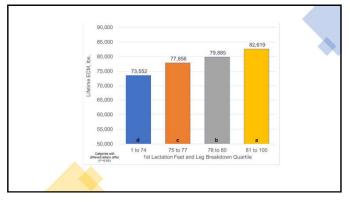


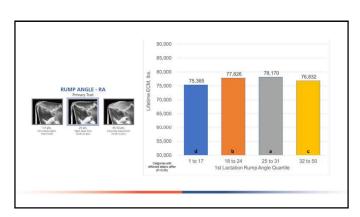


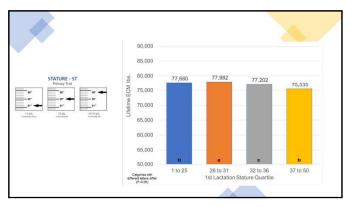


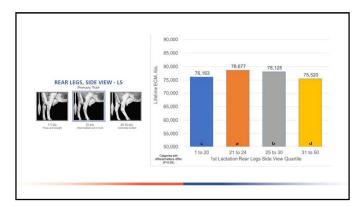


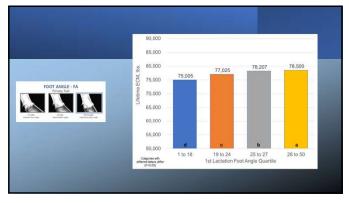


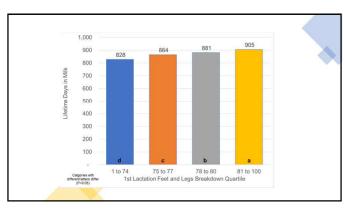


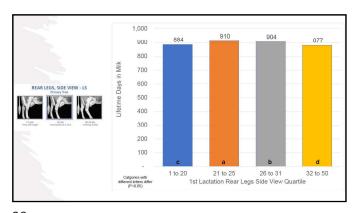


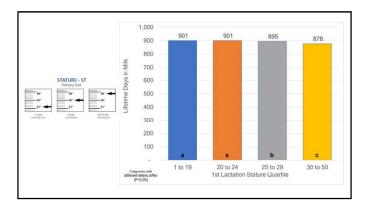


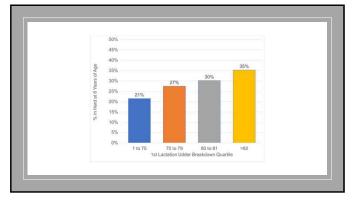


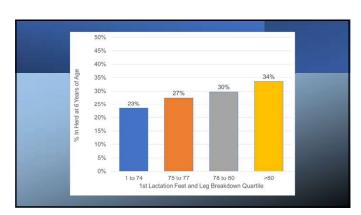


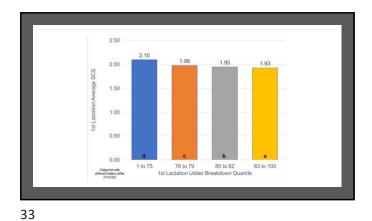


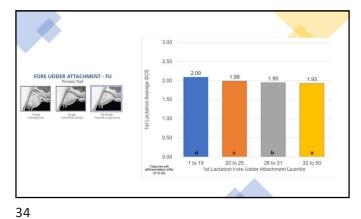










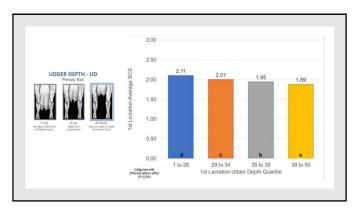


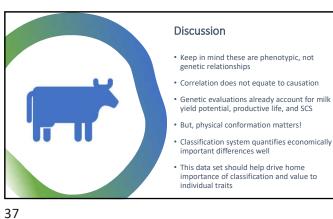
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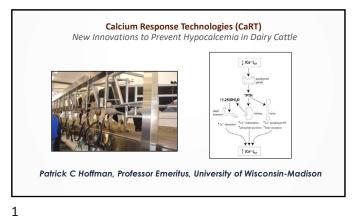


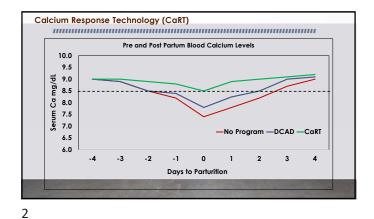
Calcium Release Technologies (CaRT)

Pat Hoffman | University of Wisconsin-Madison | pchoffma@wisc.edu

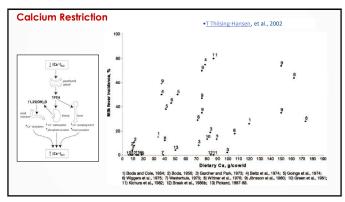
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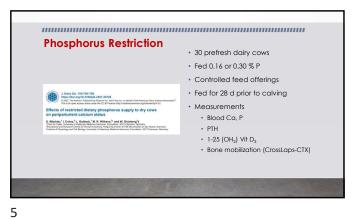
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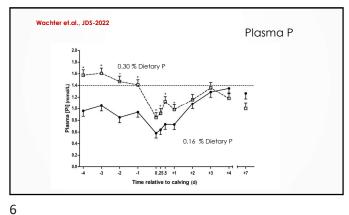


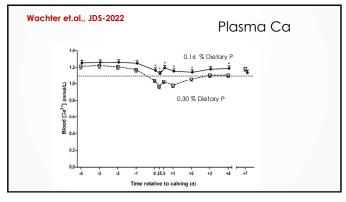


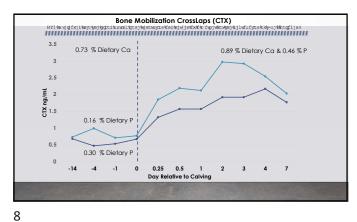
Ca Response Technologies • Dietary Ca Restriction Dietary P Restriction • Zeolite A Solanum glaucophyllum · Difructose Anhydride Calcidiol 25 (OH) Vit D₃

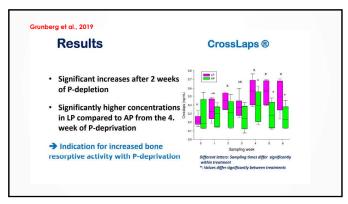


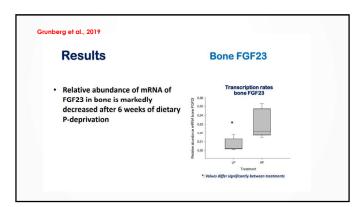












Wachter et.al., JDS-2022 (Summary) Feeding 0.16 % P vs 0.30 % P to prefresh cows.....

- Decreased blood P
- Increased blood Ca
- Increased bone mobilization
- $\boldsymbol{\cdot}$ PTH did not directly explain differences in bone mobilization
- 1-25 (OH₂)D₃ status appeared to be under the influence of P homeostasis precalving and Ca homeostasis postcalving??
- Authors speculated that P homeostasis was under the control of FGF23 (not measured) as opposed to PTH

FGF23 Fibroblast Growth Factor

Produced in bones cells

Identified in the early 2000s

Is a bone derived hormone

Suppresses phosphate reabsorption (kidney)

Modulates kidney Na and P transport

Suppresses enzymes that activate

1-25 (OH₂)D₃

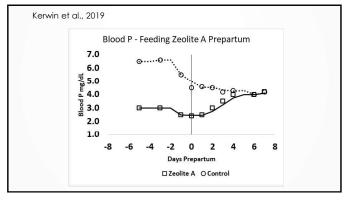
Increases when blood P is high

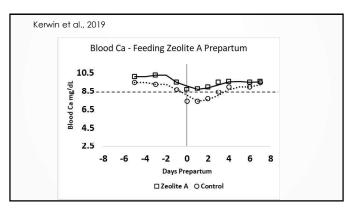
Decreases when blood P is low

Peolite A Synthetic Zeolite Heavily studied sodium aluminium silicate High ion exchange capacity Commercially Available to Feed to Dairy Cows To reduce milk fever To reduce subclinical hypocalcemia Introduced as a Ca Binder New research = binding of recycling P Fed 14-21 d prefresh

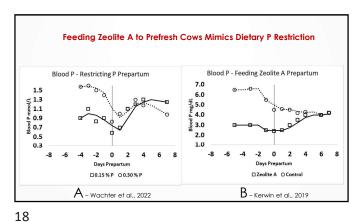
** 55 prefresh Holstein dairy cows
 ** Fed 0.38 % P or 0.38 % P + Zeolite A
 ** Ad lib feed offerings
 ** Fed for 21 d prior to calving
 ** Blood Ca, P
 ** Blood Ca, P
 ** Blood Ca, P
 ** Clinical Milk Fever
 ** Sub-clinical hypocalcemia
 ** Milk Production
 ** Milk Production
 ** Colostrum Quality

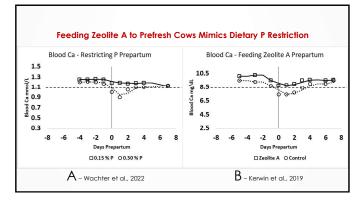
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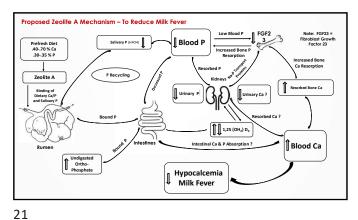


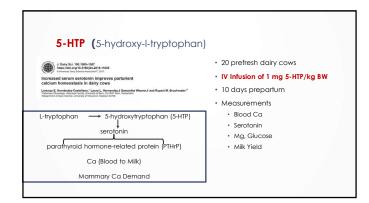
						Blood Ca	Blood P	Clinical Milk
						Response % of	Response % of	Fever % of
		Dietary	Ca % DM	Dietary	P % DM	Control	Control	Control
Reference	Treatments	Zeolite	Control	Zeolite	Control	Zeolite vs Control	Zeolite vs Control	Zeolite vs Contro
Thilsing-Hansen et al., 2001	Zeolite vs Control	0.64	0.45	0.64	0.45	+ 27 %	NR	- 33 %
Kerwin et al., 2019	Zeolite vs Control	0.65	0.68	0.38	0.39		- 50 %	0%
Frizzarini et al., 2022	Zeolite vs DCAD	NR	NR	NR	NR	+11 %	-47%	NR
	Zeolite vs Control	NR	NR	NR	NR	+17 %	-49%	NR
Crookenden et al., 2020	Zeolite vs Control	NR	NR	NR	NR	+13 %	-73 %	NR
Pallesen et al., 2007	Zeolite vs Control	0.61	0.69	0.61	0.69	+ 33%	- 10 %	- 75 %
	Zeolite vs Control	0.61	0.33	0.61	0.69	+ 57 %	- 72 %	-100 %
Grabherr et al., 2008	Zeolite vs Control	0.42	0.38	0.42	0.38	+ 11 %	- 22 %	NR
Saraiva de Oliveira, 2021	Zeolite vs DCAD	0.57	2.53	0.36	0.43	+ 13 %	- 45 %	-51%
Thilsing-Hansen et a., 2002	Zeolite vs Control	0.60	0.60	0.30	0.30	+12 %	- 36 %	0%
Khachouf et al., 2019	Zeolite vs Control	2.79	2.79	0.80	0.80	+8%	0%	NR

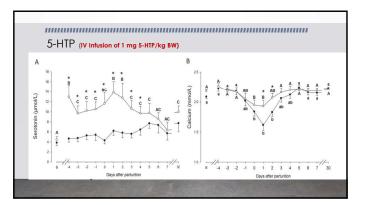


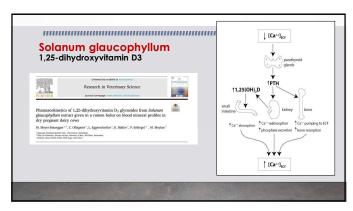


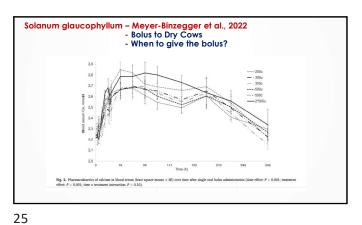


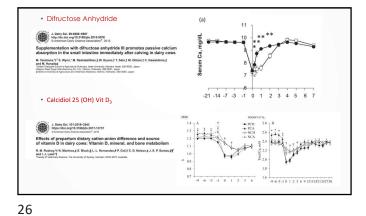












Ca Response Technologies - Summary						
Technology	CaRT	On-Farm Reality				
Dietary Ca Restriction	Yes	Infeasible				
Dietary P Restriction	Yes	Difficult to formulate diets low enough in P				
Zeolite A	Yes	Commercially available. Induces dietary P restriction – bone mobilization of Ca/P.				
5-HTP	Yes	Commercial application in development				
Solanum glaucophyllum	Yes	Commercial applications emerging				
Difructose Anhydride	No	Increases Ca absorption post-partum				
Calcidiol 25 (OH) Vit D ₃	No	Improves Vit D status which has other benefits				



Future of Calf Rearing in Pairs and Groups

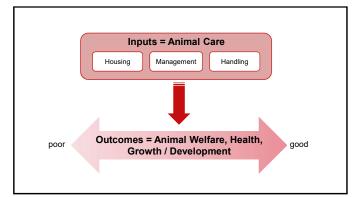
Jennifer Van Os | University of Wisconsin-Madison | jvanos@wisc.edu

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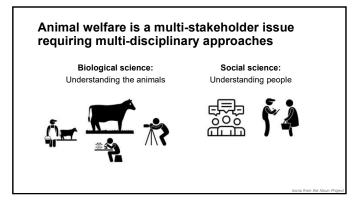
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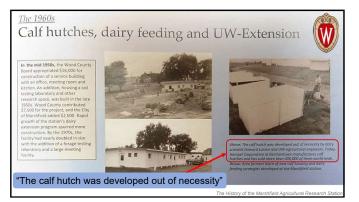






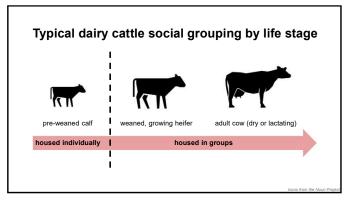
Calf rearing: Past

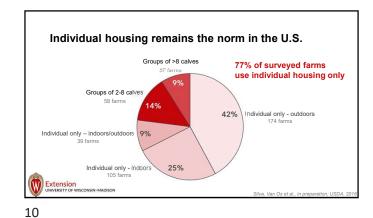
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Calf rearing: Present

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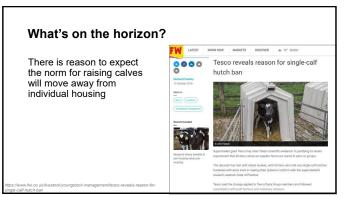


Why is individual housing the norm?

- Allows for controlling & monitoring individual calves (feeding, health issues)
- Physical separation can reduce disease risks:
 - calf-to-calf contact
 - [‡] shared aerosol
 - $\blacksquare \ \ \mathfrak{P}$ contamination of shared feeding equipment or bedding
- Ease of handling individual calves



Calf rearing: Future



Benefits of social rearing



14



- ✓ Addresses calves' motivation and preference for contact
 ✓ Positive emotional state reflected in "optimistic" test responses

13

Benefits of social rearing



√ Play behavior

92

15

√ Social development



Benefits of social rearing



16

- ✓ Resilience to stress (weaning)✓ Cognitive / behavioral flexibility
- ✓ Adaptability to new things

sen et al., 1997; Chua et al., 2002; de Paula Vieira et al., 2010; Duve et al., 2012; Costa et al., 2014; Gaillard et al., 2014; Meaghe

Why does learning ability matter?



We expect cows to learn a lot of new things over their lifetimes:

- ✓ New housing elements (e.g., hutch → bedded pack → stalls; different feeding and drinking sources)
- ✓ New diets and feed items
- ✓ New social groups
- ✓ Milking in parlors (both sides!) or AMS

18

Photo: http://udderside.blogspot.com/2012/05/graduating-to-milking-herd.html

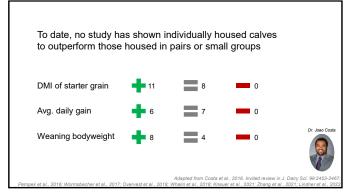
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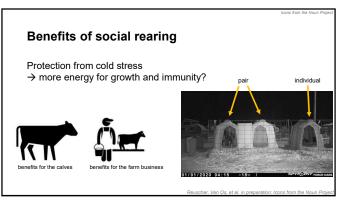
Benefits of social rearing

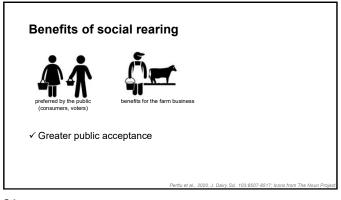
✓ Greater solid feed intake
✓ Greater weight gains, ADG

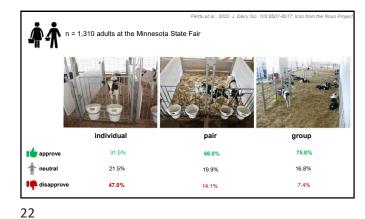
Costa et al. 2016. Invited review in J. Dairy Sci. 99:2453-2467.

Pempek et al. 2016. Womsbecher et al. 2017. Overvest et al. 2018. Whalin et al. 2016. Knauer et al. 2017. There et al. 2018. Under et al. 2018. Under et al. 2018. Under et al. 2019. Und









21

Benefits of pairing calves:

- ✓ Motivated for social contact
- ✓ Play behavior

94

- ✓ Social development
- ✓ Resilience to stress
- ✓ Cognitive / behavioral flexibility, adaptability to new things
- ✓ Greater solid feed intake
- ✓ Greater weight gains
- ✓ Greater public acceptance
- ✓ (Enhanced protection from cold stress?)

What about potential challenges?



Potential challenges of pair or group raising

1) How to raise healthy calves?

- Many farms successfully raise healthy calves in social groups
- We surveyed producers using pair or group housing: 72% were satisfied with calf health
- But, some farms may need to adjust management practices before transitioning from individual housing

Iva. Van Os. et al. in preparatio

Multiple factors contribute to calf morbidity

The same principles for good health apply whether housing calves individually or in groups:

- ✓ preventive care and monitoring
- ✓ colostrum protocol
- ✓ nutrition
- √ hygiene, sanitation, biosecurity
- ✓ ventilation
- ✓ space allowance, bedding
- ✓ all-in / all-out moves

Ollivett, 2020. Vet. Clin. Food Anim. 36:385-398; Costa et al., 2016. J. Dairy Sci. 99:2453-2467

26

Pair-housed calves can stay healthy

- n = 48 calves (16 individuals, 16 pairs)
- Housed from 0-60 d of age in outdoor plastic hutches
- Winter (December-March) in Wisconsin





euscher, Van Os, et al. in preparati

25

Potential challenges of pair/group raising

2) Proper housing facilities?

One reason given for keeping calves individually is a lack of housing facilities for groups

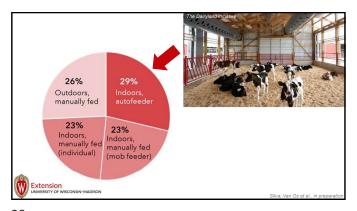
Androno Colorra et al. 2017. I Dainy Sei, 100-8872 88

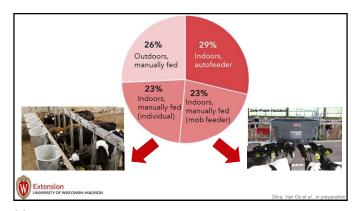
Extension
UNIVIRSITY OF WISCONSIN-MADISON

2019 survey: 413 dairy producers & calf raisers

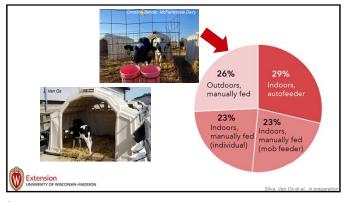
Adapted from NASS, 2017

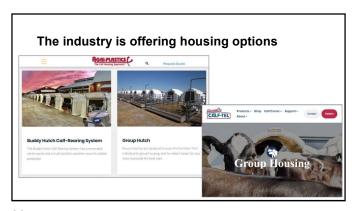
F. Silva, J. Van Os, C. Winder (U Guelph), M. Akins, T. Kohlman, T. Olivett,
H. Schlesser, B. Schley, S. Stuttgen, J. Versweyveld (in preparation)





29 30





31 32

Potential challenges of pair/group raising

3) How to manage unwanted behaviors (e.g., cross sucking)

In our survey, at least "occasional" cross sucking reported by:

- 85% of producers using pair or group housing
- 70% of producers using individual housing with fence-line contact





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36 35

Western Dairy Management Conference

Two (or more) heads are better than one

- Pair or group housing will likely become an industry expectation
- Social contact from an early age is important for calves' development, growth, welfare, and public perception
- There can be challenges, but they are <u>surmountable</u>:
 - Housing options vary in level of infrastructure investment
 - Concerns with health or cross sucking can be managed





Is Your Calf Program Sustainable

Robert James | Down Home Heifer Solutions | jamesre60@gmail.com

Notes:

PowerPoint Slides on next page



Sustainable?

- •The ability to endure, and to remain diverse and productive indefinitely.
- "Five pillars of sustainability" –Dr. Frank Mitloehner UC Davis

2

Primary goal of all heifer rearing programs

- Raise the highest <u>quality</u> heifer that can maximize profits when she enters the lactating herd.
- No <u>limitations</u> that detract from her ability to produce milk under the farm's management system.
- Optimize <u>profits</u> by obtaining highest <u>quality</u> heifer in lowest possible cost in least amount of time.
- \bullet Raise the number of <u>heifers required</u> to meet the goals of the dairy business.

Is your calf program sustainable?

What issues are driving sustainability of the calf enterprise?

- Welfare
- Environment
- •Labor
- Food Safety
- Economic viability



Calf "welfare" Calf and consumer perspective



6



5

Calf rearing is the focus for consumer perceptions of dairy – Univ. of British Columbia

- Animal welfare and consumer willingness to pay for yogurt- Napolitano et al (2008)
- Welfare of calves transported by road Roadknight et al (2021)
- Prolonged cow / calf contact Meagher et al (2019)
- Citizen views on practices of zero grazing and cow calf separation Hotzel (2017)
- Comparison of selected animal observations assess welfare of calves.... Bergman et al (2014)
- Symposium: Considerations for the future of dairy cattle housing: An animal welfare perspective. J. Dairy Sci. 103:5746

Impact of animal "welfare" on calf performance and consumer perceptions

- Paired or group-housed calves
 - Earlier starter intake
 - Adapt better to novel situations
 - Less stressful weaning
 - Jennifer Van Os



Pair housing – Wagner Farm – Iconto Falls, WI 650 Holsteins

- Social Behavior

 - Prefer having a buddy
 They stay with their buddy when moved to larger groups
 Easier transition to weaned calf facility
- Less Antibiotics

9

- Eat more, grow faster, therefore less antibiotics
- Healthier calves
 Death loss: currently 0% for over a year
- Challenges still feeding twice daily learned behavior labor in feeding and cleaning.



Picture – L. Raatz – Wagner Farm

Group Housing – Alternatives

Mob feeders

Acidified Free choice





10





Group housing

- Requirements for group housing success:
 - Maternity
 - Colostrum management
 - Herd health

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- Facility design ventilation and drainage.
- Different managerial skill set
- Limitation to maximum herd size with different systems?
- Data availability and use with autofeeder system

Another aspect of welfare

Traditional feeding program goals

- Limit feed milk (<1.25 lb DM/DAY)
- Feed low fat CMR (<20%)
- Why? low cost/day and transition to ruminant at earliest age
- Is this normal for mammals?



Feeding and housing for calves von Keyserlingk (2010)

- Milk feeding amounts Ad lib vs restricted to 10% of body
 - Higher BW gains, improved feed conversion, reduced age at first breeding (Diaz, 2001, Shamay, 2005)
 - Less vocalization
 - Fewer unrewarded visits to autofeeder
- Nipple vs bucket feeding higher concentration of enzymes (de Passille, 1993)
 - · Less cross sucking.

Impact of "better" nutrition particularly the first month of life

• Body condition



- Calves fed more milk
 - Reduced duration of scours from Crypto –
 (Olivett, 2012)
 - Greater leukocyte response to Salmonella - (Ballou, 2018)
 - Less mortality and clinical symptoms when challenged with Bovine Herpes Virus and Mannheimia (Ballou et al)
- More milk during first and later lactation - Soberon et al, 2013

13 14

Advantages of body condition in preweaned calf?





Why do we raise calve in individual hutches/pens?

- Disease prevention
- Observation
- •Tradition?

Optimizing returns – facilities to promote calf health, <u>labor efficiency and labor effectiveness</u>

- Calf hutch as the "gold standard"???
 - Labor involved in feeding liquid diet, calf starter, bedding, sanitation
 - Impact of weather on labor
 - Impact of weather on calves
 - Retention of labor
 - Minimizing shrink in liquid and dry diet
 - · Maintaining quality of liquid and dry diet

Seeking a win:win outcome

Calf

Consumer

- More milk earlier in life
- Feed for genetic potential for growth
- Achieve benefits of paired or group housing
- Manage calves to achieve genetic potential
 - <u>Records</u> for proactive calf management
- Raise the number needed maternity, newborn care, minimize morbidity and mortality

17 18

Transporting calves to calf rearing facilities? Another "welfare" issue?

- Age at shipping?
- Length of "haul" without feed or water?
- US 28h?
- DCHA- 24 h, then 5 hour stop
- AABP http://aabp.org/Resources/AABP_Guidelines/t ransportationguidelines-2019.pdf
- Biosecurity with calves co-mingled from multiple source farms?

Canada – February 2020

- Calves may be transported for up to 12 hours if dehydration, starvation and exhaustion are prevented???????
- Once 12 hours is reached, they must be provided with feed, water and rest.
- Calves 8 days and under may only be transported once and are prohibited from going to assembly centres.



Environment

- Impact of the calf program on the nutrient management plan for the dairy?
- N and P excretion by calves?
- 20 -40 g N/day, 3 5g P/day when fed ~ 1.2 – 1.5 kg DM/day (Hill, 2006)
- Climate is large determinant
 "Wetter" climates must collect nutrient effluent from calf hutch sites.



Carol Highsmith - Library of Congress collection

Facilities for calves and nutrient effluent management

22

21

Labor availability and cost

- 2021 meat and dairy employers requested 34,000 H-2A and 2B workers
- One in five livestock and dairy workers are foreign born. In Texas, 51% of dairy workers were immigrants

American Immigration Council – July 2022

Minimum wage and overtime

- Washington state 200,000 farm workers
 - •>40 hours/week overtime pay
- •California phased in >26 or <25 employees
 - 9.5 to 8.0 h/day
 - •55 to 40 h/week
- New York

24

• Minimum wage - \$14.20, overtime 60 h - \$21.30

What can be done to improve labor efficiency and effectiveness

What can be done to improve labor retention?

Calf care tasks

- Maternity calving, colostrum harvest/storage
- Newborn care navels, vaccinations, colostrum feeding, transport
- Milk prep / pasteurizer / storage
- Milk replacer prep
- Milk feeding bucket or bottle, sanitation
- Calf starter feeding
- Health team
- Housing bedding, maintenance, sanitation

25 26

Impact of rearing facility on labor effectiveness





Labor efficiency and effectiveness

Labor efficiency and effectiveness



- Efficiency ++++
- Shrink?
- Repetitive actions of adding and removing nipples?

Do you have a system?

30 29

$Food\ safety\ \ \text{-}\ Is\ this\ an\ issue\ for\ dairy$ calf programs?

- 55% of dairies fed unpasteurized milk saleable and unsaleable.***
- Feeding milk from treated cows is "off label use of antibiotics".
- 38% fed medicated milk replacer
- Preweaned calf health
 21% diarrhea 76% treated
 12% respiratory 95% treated
- Primary antimicrobial
 Tetracyclines
 Cephalosporins
 Tremethoprim/sulfa
 Macrolides/florfenicol

NAHMS DAIRY 2014



Financial management applied to calves!

- Historical = low cost/day
- Limited milk
- · Early weaning
- Early calf ranch approach economy of scale, specialization and protocol development.
- Is your calf program low cost/day or low cost for value product?
- · What about optimizing returns?

Cost of raising heifers by stage of growth

	Birth to 200 lb	201 – 700 lb.	701- 850 lb.	851 – Calving
Feed	\$172	\$342	\$105	\$443
Labor	95	88	18	92
All other costs	97	310	116	469
Total	\$364	\$739	\$240	\$1017
% of Total Costs	<mark>15.4%</mark>	31.3%	10.2%	<mark>43.1%</mark>
% of Total Growth	8%	38%	12%	35%

What stage has a greater impact on health? What stage has greatest efficiency of growth? Influence on mammary development?

Karszes, Hill – Dairy Replacement Program: Cost and Analysis, Summer, 2019

Low-cost rearing – Is this a sustainable goal?

- •DCHA goals
 - •Survival
 - •>97% 24 h 60 days
 - Morbidity
 - •Scours <25%
 - Respiratory < 10%



33 34

Preweaning morbidity

- Impact of respiratory disease on lifetime performance?
 - Rossini et al (2004) Treat >2X = reduced herd life and increased AOFC.
 - Bach et al (2010) Treat >4x =1.87 odds of not completing 1st lactation.



Optimizing our returns – biology and \$\$\$

- •Instead of cost/day cost / lb(g) of gain
- Biology and \$\$\$ of nutrition
- Nutrient requirements for maintenance and gain

Growth rate

- Double birth weight by 56 days?
- 85 lb. birth weight = 1.5 lb. / day
- What is genetic potential for growth?
- Heifers that completed 2nd lactation grew more between 12 to 65 days of age than those that did not. (Bach, 2010)
- Each lb. of preweaning ADG = 850 1,130 lb. more milk in 1st lactation (Soberon et al)



Impact of environment on ADG

Whole Milk Intake Quarts	Environmental Temperature (°F)			
	Allowable gain	68	40	20
4	Energy	.85	.36	Lose weight
	Protein	.83		
	\$/lb gain	\$1.81	\$4.27	infinite
8	Energy	2.47	2.1	1.9
	Protein	1.9		
	\$/lb gain	\$1.25	\$1.47	\$1.63

Calves lose weight at 4 quarts when temperature is less than 30°

Calf continue to grow regardless of temperature at higher feeding rates

Most important during first 30 days of life when limited starter intake

37 38

Cost per pound of gain for 120-lb. calf

Type of milk	2qt. Twice Daily	3 qt. Twice Daily		
Whole milk 3.25 PR 3.75 Fat	\$2.95	\$2.04		
Milk Replacer 20%CP, 20% FAT, 12.5% S	\$3.23	\$2.07		
Milk Replacer 24%CP, 22% FAT, 12.5% S	\$2.66	\$1.79		
Milk Replacer 26%CP, 17%FAT, 12.5% S	\$2.39	\$1.82		
Milk Replacer 26%CP, 24% FAT, 12.5% S	\$2.48	\$1.71		
Milk Replacer 28%CP, 20%FAT, 12.5%% S	\$2.24	\$1.67		
Robert Corbett - May /June 2018 - Dairy Herd Management				

Optimizing returns – raise what you need!

- •Cost to rear replacement heifer exceeds their market value.
 - 2019 Dairy Replacement Cost \$2,094 \$2,607 J. Karzes.
- •Selling surplus replacements is not usually profitable. 1/6/2023 USDA / AMS \$1,338
- •Biosecurity risk of purchasing replacements.

Optimizing returns - cont'd.

- Control involuntary culling rate in milking herd
- Raise what you need.
 - Calf mortality minimize
 - Optimize potential of what you raise
 - Nutrition
 - Health

How do you "manage" your calves?

- to handle or direct with a degree of skill: such as:
- to exercise executive, administrative, and supervisory direction of, <u>manage</u> a business
- Hmmm.... Apply this to the calf enterprise

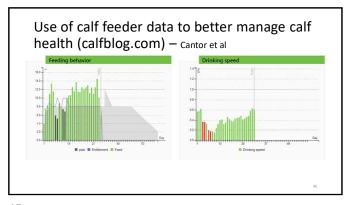
41 42

Essentials for calf management

- Calf management team feeders, managers, herd management, DVM, industry partners
- Communication pathways
- Records minimal lag and relevant to achieving goals (growth, health, financial.
- Commitment to improvement.

Impact of technology

- Robotic milking Are these herds managed differently than conventional herds?
- Apply this mindset to managing calves
- •Data for calf management?
 - Consumption, drink speed, breakoffs, unrewarded visits, treatments



What does the future hold and are you ready?

- Where is your calf program now?
- Where do you want it to be?
- How will you get there?
- Is your calf program important to your farm?

45 46

Is your calf program sustainable?

- Plan for the future
- Feeding for success health and future milk
- Housing system paired or group housing
- · Labor effectiveness and efficiency
- Environmentally compatible.
- Economically sustainable

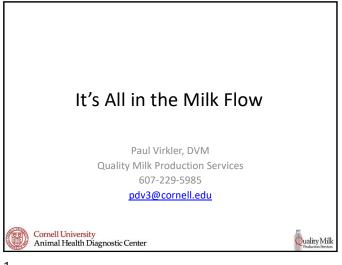
 - Raise what you need.
 Control morbidity and mortality
 Manage your calf program with the same mindset as your cows!

It's All in the Milk Flow

Paul Virkler | Cornell University | pdv3@cornell.edu

Notes:

PowerPoint Slides on next page



Outline of Talk

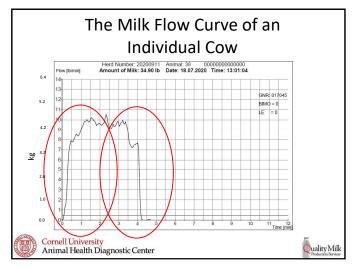
- Discussion of influences on the front end of the milk flow curve
- Discussion of consequences of getting it wrong
- Outlining ideas for how we monitor this
- Brief overview of influences on the back end of the milk flow curve

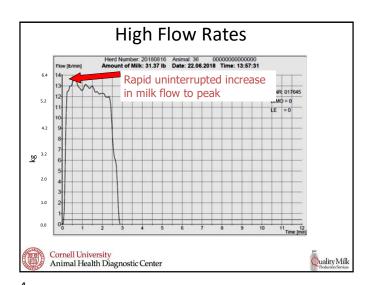


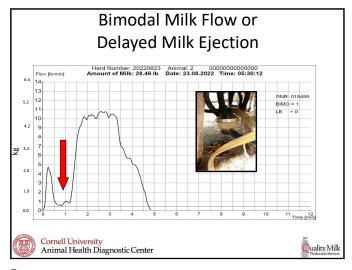
Quality Milk Production Services

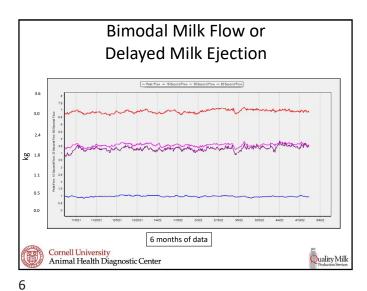
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5

Milk Letdown Physiology

 "Milk ejection is an inborn reflex, an involuntary act not under the conscious control of the cow."

from Milking Machines and Lactation

 Teat stimulation of dairy cows caused oxytocin release and milk ejection at all times during the day.





Milk Letdown Physiology

Milk Letdown

Milk Letdown

Oxytocin

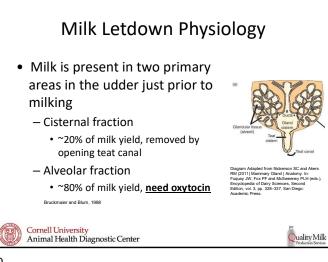
Jugular

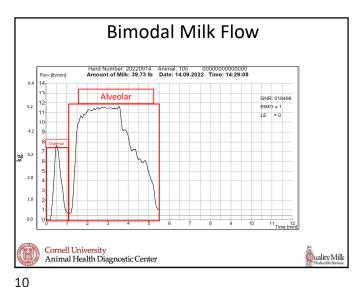
Vein

Diagram from www.qualitymilkalliance.com used with permission from Dr. Ron Erskine

Cornell University

Animal Health Diagnostic Center





Bimodal Milk Flow or Delayed Milk Ejection

- · Why should we care about bimodal milk flow?
 - Influence on unit on time
 - Kickoffs
 - Reattaches
 - Liner slips
 - Cows leaving the parlor not milked out
 - Loss of milk production!
- These influence parlor efficiency, mastitis risk, and ultimately the bottom line.





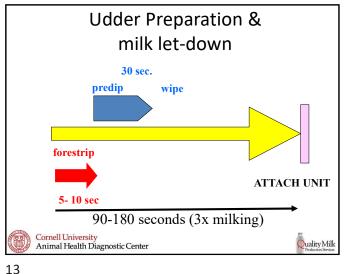
Milk Letdown Physiology

- · What causes a failure of milk letdown?
 - Failure to achieve adequate oxytocin levels from stimulation
 - Release of epinephrine (adrenalin)
 - · Blocks oxytocin receptors
 - Causes contraction of the teat and cisternal area
 - Milking in unfamiliar surroundings
 - Oxytocin release is blocked and so only cisternal milk is removed





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Milking Routine Timing

- Pre-dip Contact Time (>30 seconds)
- Initial Stimulation Time (5-10 seconds or more)
- Lag Time (time from start of stimulation to unit attachment) (90-180 seconds)

Are there issues with the timing if it is performed correctly?





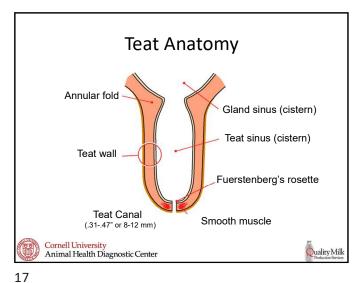
What if we get it wrong?

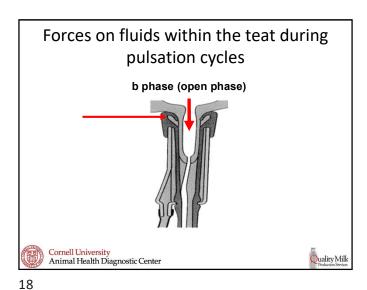
- Negative influences on:
 - Cow (pain, mastitis)
 - Teat (increased risk of damage)
 - Parlor (increased unit on time, less efficient)
 - Milker (more kick-offs, reattaches, dirtier units)
 - Herd Manager (more mastitis)
 - Owner (less milk, more mastitis)



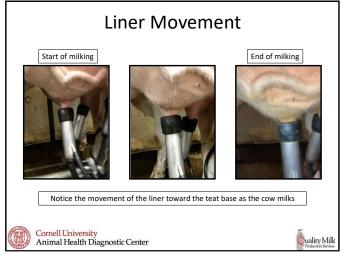
Quality Milk

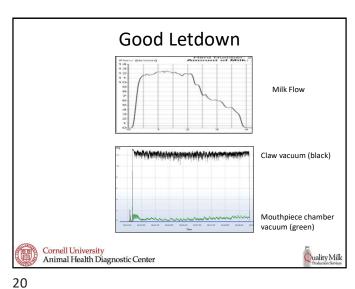
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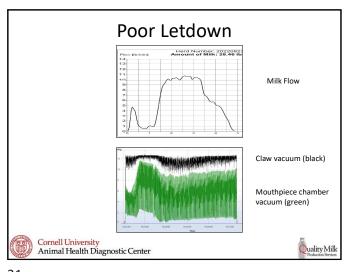
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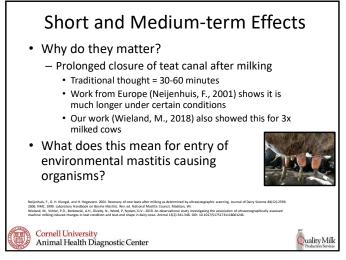
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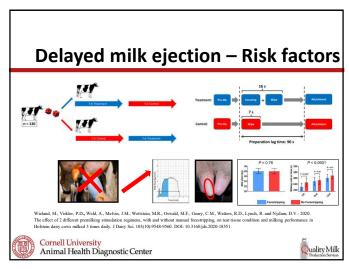
Western Dairy Management Conference



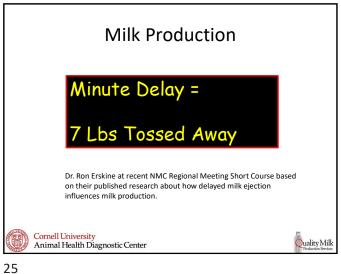


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Milking Routine Timing

- Your Action Item:
 - Go home and time your routine in the 3 critical areas that I outlined
- If it is not correct, then work on ways to correct it
- Without a good routine, you will have a challenge to milk cows quickly, gently, and completely.



Quality Milk

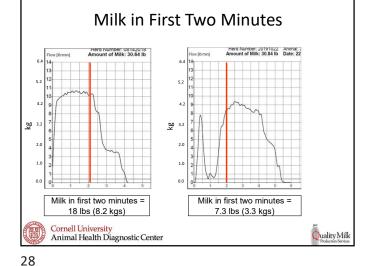
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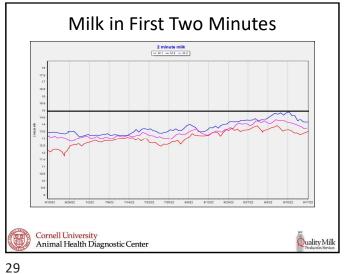
Monitoring The Front End of the Curve on Your Farm

- If you have parlor data use:
 - Pounds of milk in the first two minutes (2 min milk)
 - Goal is >15 lbs (6.8 kgs) for 3x milking
 - Goal is >18 lbs (8.2 kgs) for 2x milking
- If you do not have parlor data then:
 - Recheck the timing of your routine in the 3 critical areas on a regular basis and at unannounced times for all milkers









Other Influences on the Front End of the Curve

- Vacuum levels
- Pulsation settings



30

Inappropriate Claw Vacuum Settings

- Has the average claw vacuum at peak flow for a 5 to 20 second interval been accurately measured on at least 10 cows?
- Is it appropriate for your herd?
 - Goals of your dairy
 - Liners

31

- Risk of over milking (milking routine, ATO settings, unit alignment, etc)



48 kPa vs 42.5 kPa

Quality Milk

Cornell University Animal Health Diagnostic Center

Inappropriate Claw Vacuum Settings

- 1000 cow herd with a double 20 parallel parlor
- Increasing clinical mastitis and bulk tank somatic cell count (SCC)
- Hardness at teat end = 50% abnormal
- Average claw vacuum was 13.3"Hg (45.1 kPa)
- Liner manufacturer wants 11.5"Hg (39.0 kPa)



Quality Milk

Inappropriate Pulsation Settings

- Have the pulsation parameters been accurately measured?
- Are they appropriate for your herd?

	Previous	New claws, shells,	After
	set-up	and liners	adjustments
Claw vacuum			
("Hg(kPa))	12.2 (41.4)	12.1 (41)	11.8 (40)
Pulsator rate	60	60	60
Pulsator ratio	60:40	65:35	60:40
b phase (ms)	450	496	442
d phase (ms)	235	186	226

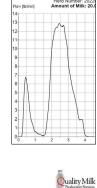




Animal Health Diagnostic Center Qual

Summary of the Major Influences on the Front End of the Milk Flow Curve

- Milking Routine
 - -Stimulation
 - Lag Time from Stimulation to Unit Attachment
- · Also think about:
 - Claw vacuum levels
 - Pulsation settings

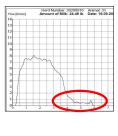


Cornell University Animal Health Diagnostic Center

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Major Influences on the Back End of the Milk Flow Curve

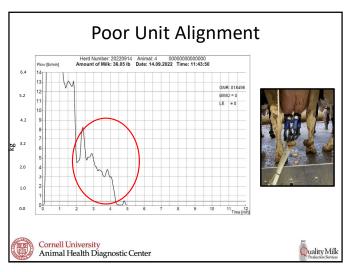
- You can have a great front end of the curve but a poor back end. Think about:
 - Unit alignment
 - Automatic take-off settings
 - Use of manual mode



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Animal Health Diagnostic Center

Quality Milk

35



Unit Alignment Scoring

- Poor unit alignment
 - Increases the risk for liner slips
 - Influences milking speed of individual quarters
 - Increases the risk of teat damage and abnormal cow behavior
 - Can add confusion to appropriate Automatic Take-Off settings
 - Decreases parlor efficiency
 - · Prolonged unit on time
 - · More chance of reattach



37



38

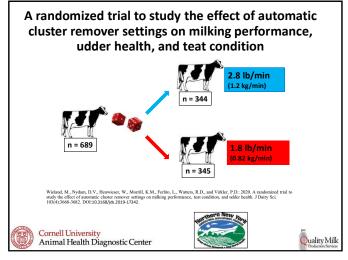
Why Adjust ATO settings?

- · Reduce the risk of teat damage
- · Improve animal welfare
- · Reduce unit on time
- Increase parlor efficiency

What happens to milk production?







Summary

2.8 lb/min

1.8 lb/min

- · No difference in milk
- 27 seconds less unit on time with 2.8 lb/min
- No difference in components
- Short term teat scores better with 2.8 lb/min
- · No difference in mastitis







39

Automatic Take-Off Settings

 Need to take into account complete picture of milking routine, teat scoring, goals of dairy, milking equipment, strip yields, etc





41 42

Monitoring the Back End of the Milk Flow Curve

- If you have parlor data then use:
 - Unit on time
 - Time in low flow
- If you do not have parlor data then:
 - Time the unit on time and observe the claw and cow behavior at the end of milking





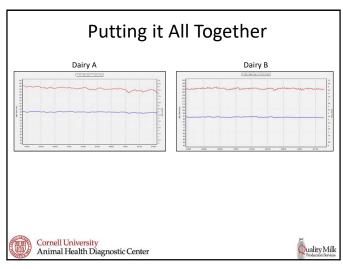
Putting it All Together

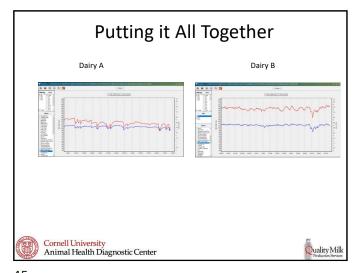
Pounds (kgs) of milk/stall/hour

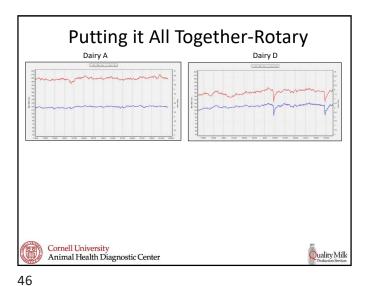




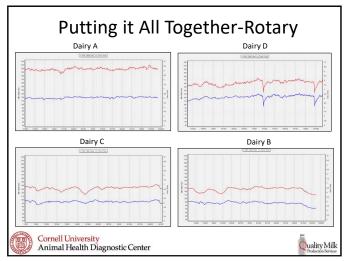
43







45 46



Summary of Front End Time your milk routine Monitor with 2 minute milk or timings Check claw vacuum levels Check pulsation Cornell University Animal Health Diagnostic Center

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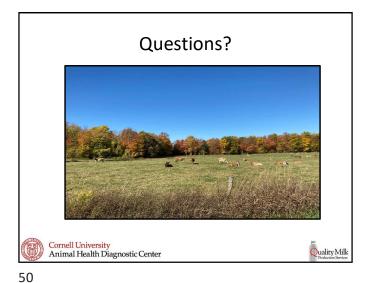
126

Summary of Back End

- Look at unit alignment in your parlor
- Check what your automatic take-offs are currently set at:
 - Adjust if complete picture warrants this
- Monitor with:
 - unit on time
 - time in low flow
 - observing claws at end of milking





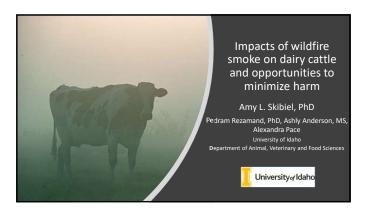


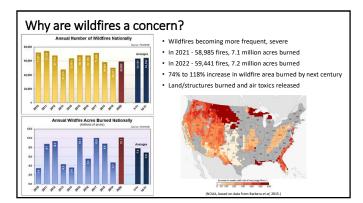
Minimizing the Impacts of Wildfire Smoke on Cattle

Amy Skibiel | University of Idaho | askibiel@uidaho.edu

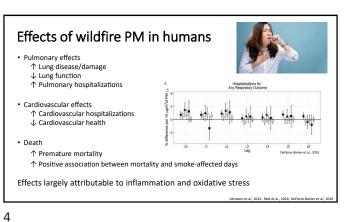
Notes:

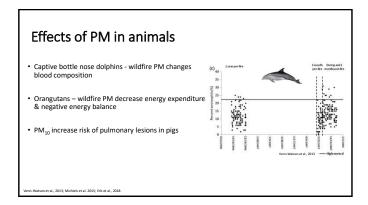
PowerPoint Slides on next page

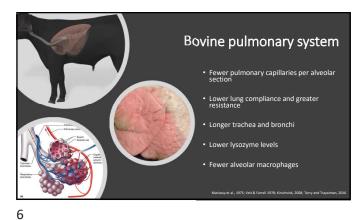


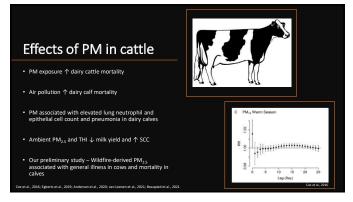


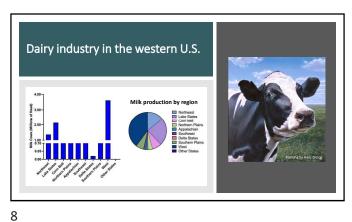
Particulate matter (PM) PM₁₀- particles between 2.5 – 10 µm PM₂₅ - particles smaller than 2.5 µm in diameter PM inhaled into lungs, deposit in airways PM₂₅ particles are especially harmful PM₂₅ can enter bloodstream U.S. EPA - PM₂₅ emissions as a criteria pollutant



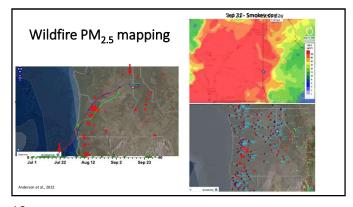


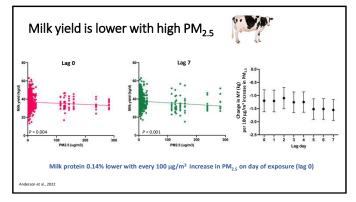


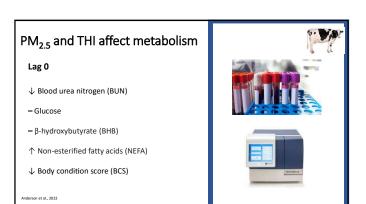




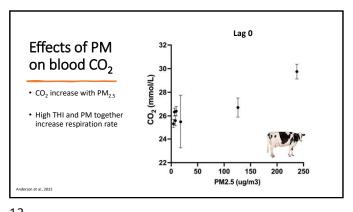


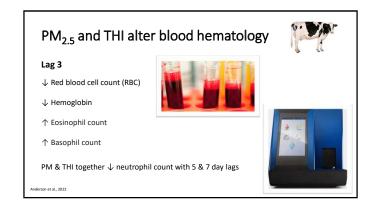


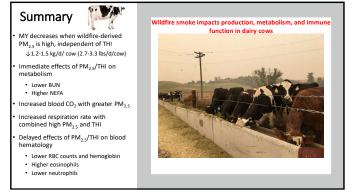


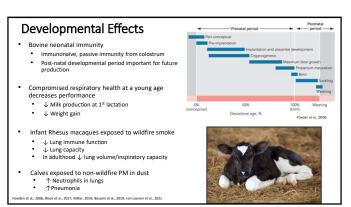


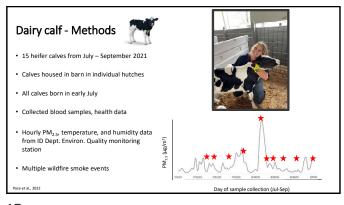
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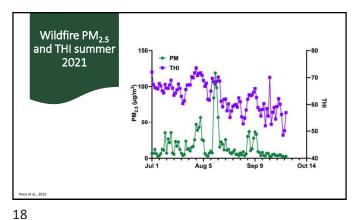


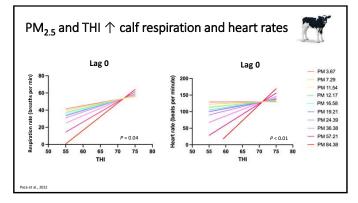












PM_{2.5} and THI alter calf blood hematology

Lag 3

↓ White blood cell count (WBC)

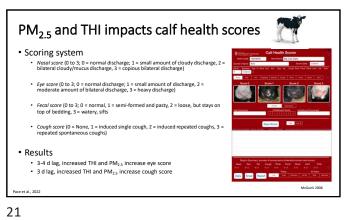
↓ Neutrophil count

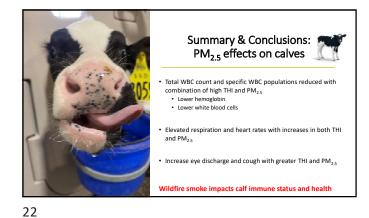
↓ Eosinophil count

↓ Hemoglobin

PM & THI together ↓ lymphocyte count with 2-day lag

19 20







Tips for protecting livestock

- Monitor animals
- Limit exercise during periods of smoke
- Make sure animals have adequate water
- Keep animals indoors
- Allow animals time to heal
- \bullet Good barn and field maintenance
- Have an evacuation plan

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• Check out https://livestockwildfirehub.org



AVMA https://www.avma.org/resources/pet-owners/emergencycare/wildfire-smoke-and-animals Ranches, 2020 https://extension.oregonstate.edu/animals-livestock/beef/how-protect-pets-livestock-wildfire-sm

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Pest Bird Management

Amber Adams-Progar | Washington State University | amber.adams-progar@wsu.edu

Notes:

Paper on next page

Pest Bird Management: How to Stop the Flock

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Associate Professor – Dairy Management Specialist

Department of Animal Sciences

Washington State University

Email: amber.adams-progar@wsu.edu

Introduction

Pest birds cause a significant amount of damage on dairies across the United States every year. These losses range from crop damage to the loss of cattle feed from bird depredation. The economic losses from bird depredation of feed has been self-reported by dairy farmers from coast to coast in the United States. A survey of dairy farmers in New York, Pennsylvania, and Wisconsin suggests dairies reporting 10,000 or more birds per day lost \$64,000 of feed annually (Shwiff et al., 2012). An additional survey of dairy farmers in Washington State reported feed losses that equated to \$55 per cow per year (Elser et al., 2019). Besides the loss of feed, pest birds also pose a health risk to cattle.

Most pest bird species are carriers of potentially pathogenic bacteria including *Salmonella spp.*, *Escherichia coli spp.*, *Campylobacter spp.*, and *Mycobacterium avium paratuberculosis*. They can transfer bacteria from farm to farm on their feet or through their fecal matter. A probable connection between the presence of pest birds and cattle health was identified in both of the previously mentioned surveys. Results from the surveys indicated that farmers in Washington State, New York, Pennsylvania, and Wisconsin whom reported more than 10,000 pest birds per day on their dairy were more likely to have Johne's disease or *Salmonella* present on the farm (Elser et al., 2019; Shwiff et al., 2012). Pest birds may contribute to disease transmission on dairies. The methods available for pest bird deterrence vastly range in price and effectiveness. Shooting is the most commonly used deterrence method, but farmers self-reported it as only "somewhat effective". The use of netting over entry points in the barn can be effective but expensive. Cannons or predator calls are effective at first, but then pest birds habituate to them. Although pest birds pose a threat to farm viability, research on this issue is limited.

Over the past seven years, our research team investigated pest bird movement on dairies, feed nutrient loss from bird depredation, bacteria present in bird fecal matter, effects of pest bird presence on dairy cattle behavior, and the effectiveness of lasers and native raptors as bird deterrence methods.

Pest Bird Movement

Wild birds have little need to inhabit dairy barns during the warmer months of the year because nature provides their housing and nutritional needs. However, shelter and food become scarce during the winter months. Dairy barns provide a suitable environment for birds during winter, especially with a plentiful food supply. This is one reason why wild birds begin establishing a night roost in dairy barns at the end of the fall season. Our team monitored bird night roosting behavior and bird count data on 12 Washington State and Idaho dairies during the fall and winter months. Across all farms, European starlings (*Sturnus vulgaris*) were the most commonly recorded bird species, with a few sparrows and pigeons also observed. As environmental temperatures decreased, the number of birds present on the dairies increased (Lichtenwalter et al., under review). This study documented the movement pattern we expected for pest birds on dairies.

Feed Quality

Feed loss from pest bird depredation and spoilage is the most common type of pest bird damage reported by dairy farmers. Besides the loss of feed quantity, pest birds also influence feed quality. In theory, the total mixed ration (TMR) is formulated so that the cow receives balanced nutrients in every bite. We determined how pest bird depredation of the feed affected feed quality for 19 lactating cow pens on five dairies. Fresh feed samples were collected upon delivery to the feed bunks. We then allowed the pest birds (primarily European starlings) to consume feed for 30 minutes while the cows were being milked. Feed samples were collected from the areas of the feed bunk that were most densely populated by pest birds. Changes in feed quality differed by farm, depending on the lactating cow diets. For example, farms that fed corn silage noticed a significant decrease in net energy for lactation, but farms that fed haylage did not notice a drop in net energy for lactation (Caskin et al., under review).

Bacteria Transmission

Understanding the prevalence rate of pathogenic bacteria in pest bird fecal samples found on dairies allows us to analyze potential relationships between pest bird presence and cow health. We collected 88 fresh fecal droppings from European starlings on five dairies. All samples were evaluated for *Salmonella spp.*, *Escherichia coli spp.*, and *Campylobacter spp.* Over 38% of samples contained *Escherichia coli spp.* and 1% contained *Campylobacter jejuni. Salmonella* was not detected in our samples (Caskin et al., under review). These results differ from similar studies in other regions of the United States. It is apparent that regional differences in bacteria prevalence in bird fecal matter exists, and direct connections between pest birds and cattle health cannot be easily established.

Cow Behavior

Several studies investigated pest bird damage to feed and potential disease transmission, but no known studies determined whether pest bird presence influences cow behavior. We conducted two studies that observed cow behavior at the feed bunk when pest birds were present. The first study included 16 pens from five dairies. Cow behavior was recorded one hour prior to feed delivery and three hours post-feed delivery. Bovine-bovine interactions as well as bovine-avian interactions were observed. As the proportion of occupied headgates at the feed bunk increased,

the number of occurrences of bovine-avian aggression increased. Bird aversion towards cattle also increased as the proportion of occupied headgates at the feed bunk increased (Caskin et al., under review). Interestingly, pest birds preferred to occupy the ends of the feed bunk in lieu of the middle of the feed bunk in freestall barns. These locations may have been preferred because they were closer to the barn exits.

The second study recorded the number of pest birds that established a night roost within the freestall barns at one dairy during the winter. These bird estimates were analyzed against cow behavior data collected for 214 lactating cows during the bird observation periods. Cow inactivity or high activity were not affected by pest bird presence. However, changes in time spent ruminating, eating, and being active were related to pest bird presence (Lichtenwalter et al., under review). As the number of birds increased, the average number of minutes cows spent eating or ruminating per hour decreased. These results suggest that pest birds may negatively impact cow behavior, in addition to impacting cow feed quality, which could lead to potential metabolic health concerns.

Deterrence Methods

We have anecdotal evidence that having resident raptors present on a dairy is one of the most effective long-term pest bird deterrence methods. This method is also environmentally-friendly and socially-acceptable. Attraction techniques such as installing nestboxes or perches can encourage a raptor to visit a dairy, and hopefully choose that dairy as a nesting site. We installed 40 American kestrel nestboxes on seven dairies in Washington State and are monitoring nestbox occupancy over the next several years. Another deterrence method we are testing is the use of lasers in freestall barns. Our goal is to determine whether these lasers will deter birds from establishing night roosts in the rafters of the barns. By the end of our project, we intend to have valuable information on these two bird deterrence methods to help farmers decide which methods are the most economical and successful for their dairies.

To-do List

Based on the past seven years of data and observations, we have a list of recommendations that will help dairy farmers minimize pest bird damage. Here are the top four:

- ✓ Estimate the number of birds on your farm, especially during consistently cold weather
- ✓ Do not underestimate the amount of pest bird damage on your farm
- ✓ Implement deterrence methods during warmer weather, make your dairy less "comfy"
- ✓ Consider using more than one deterrence method

References

Elser, J., A. Adams-Progar, K. Steensma, T. Caskin, S. Kerr, and S. Shwiff. 2019. Economic impacts of birds on dairies: Evidence from a survey of Washington dairy operators. PLoS ONE 14(9): e0222398.

Caskin, T., K. Steensma, S. Shwiff, H. Cameron, E. Impala, C. Lichtenwalter, and A. Adams Progar. Bovine-avian interactions on dairies: Wild bird influence on pathogen prevalence, feed quality, and cow behaviour. Under Review.

Lichtenwalter, C., K. Steensma, B. Garries, M. Marcondes, K. Taylor, C. McConnel, and A. Adams Progar. Seasonality of pest bird presence on dairies. Under Review.

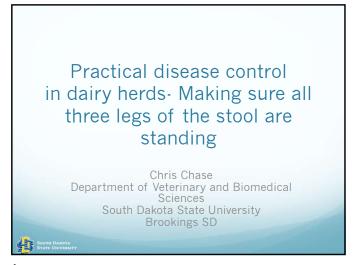
Shwiff, S. A., J. C. Carlson, J. H. Glass, J. Suckow, M. S. Lowney, K. M. Moxcey, B. Larson, and G. M. Linz. 2012. Producer survey of bird-livestock interactions in commercial dairies. J. Dairy Sci. 95: 6820-6829.

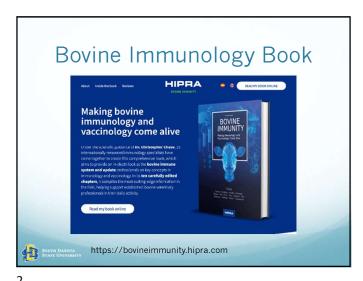
Practical Disease Control in Dairy Herds

Chris Chase | South Dakota State University | christopher.chase@sdstate.edu

Notes:

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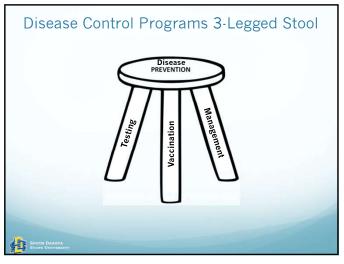


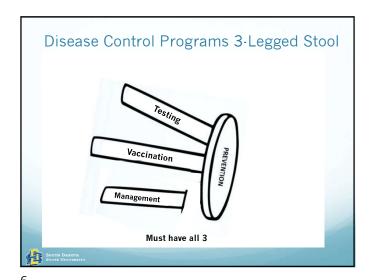


Topics Overview-Disease Prevention What? Types of vaccines and pathogens/immunogens When? do we vaccinate- age and stressors How?- Route and Good Nutritional Plane

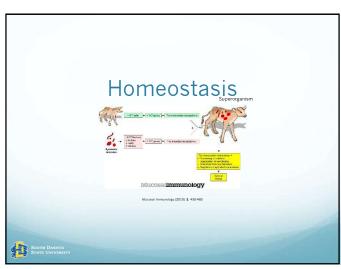
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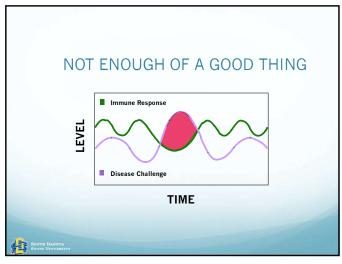


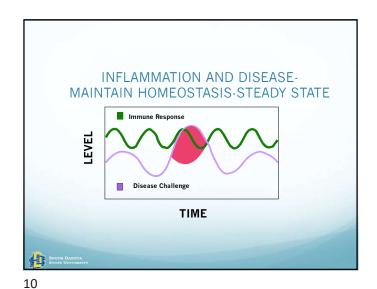


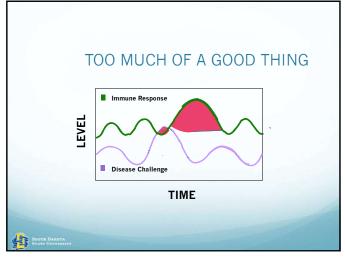
Homeostasis is the process by which a the animal maintains a stable, healthy internal environment.
 The immune system is part of the overall process of maintaining homeostasis.
 The immune system identifies and attacks harmful invasive biological entities called pathogens.

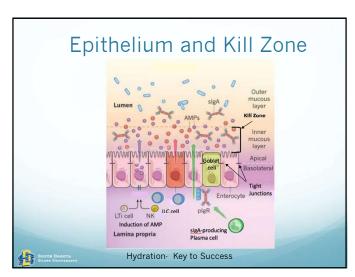


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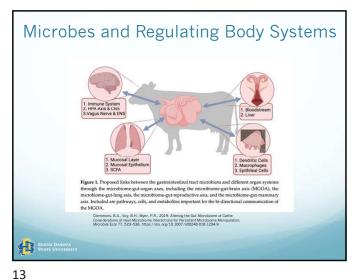


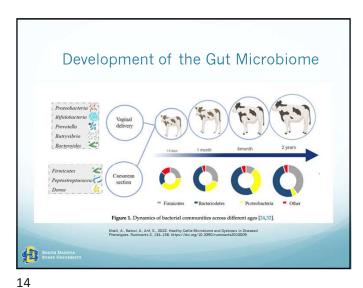


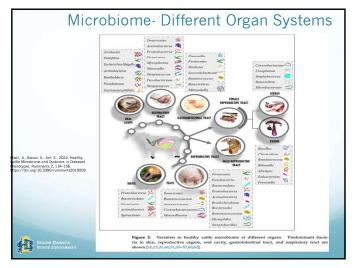


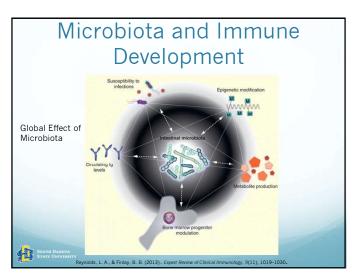


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Take Aways

- Microbiome needs to be managed and not upsetdiet, dehydration, intakes
- Pre- and Probiotics- where do they fit in?



Take Home: A Healthy Gut is a Necessity- What About Probiotic and Prebiotics?

- Bacterial cultures, Yeast, cell wall products are good for gut health
- Problem: how do we measure it
- Do we need them all the time? No- times of stress

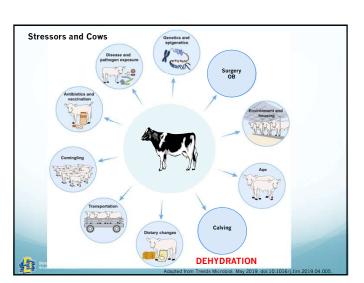
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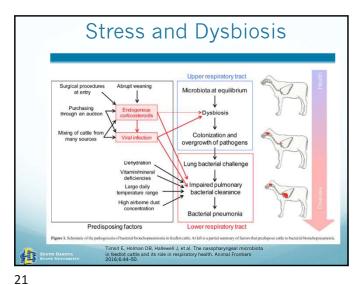
Stress

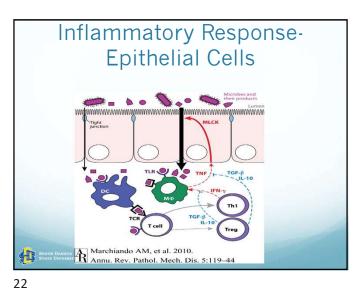
- Stress is anything that reduces immune response capability
- Adaptation to intensive production is stressful
 - Anything that improves adaptation will reduce costs and improve production
- The reason that this condition is seen more in intensive operations rather than extensive

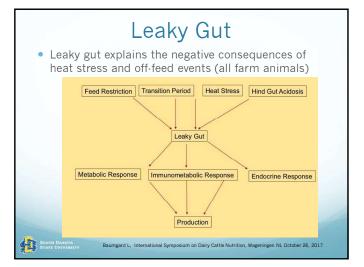


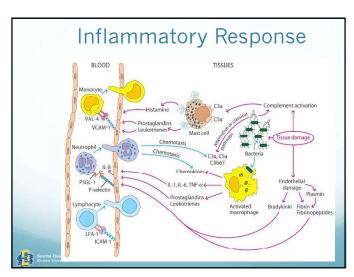
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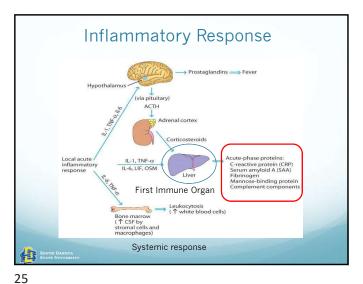


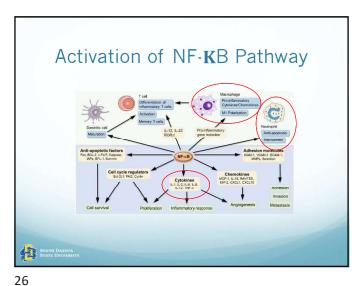


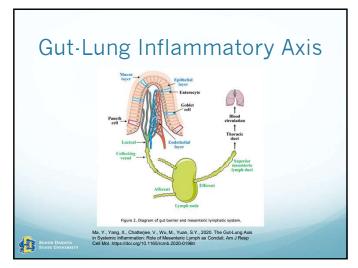


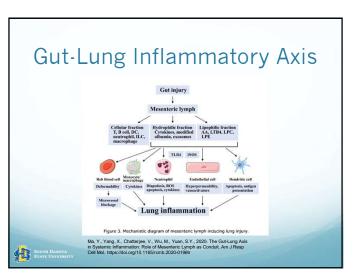




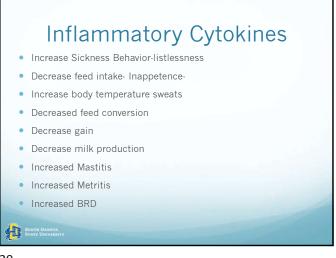


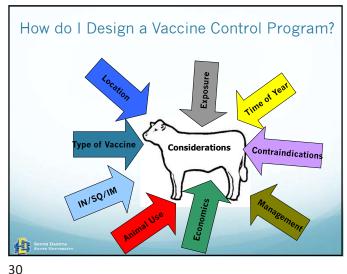


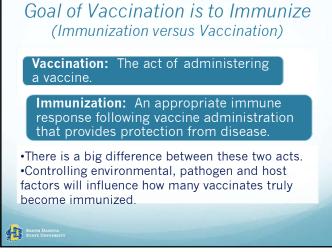




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100% Guarantee-Biologically Impossible

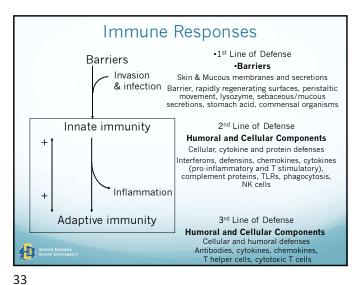
In most cases we hope that 70-80% respond and are protected

In any herd, cattle or human, 100% of the vaccinates will not be protected

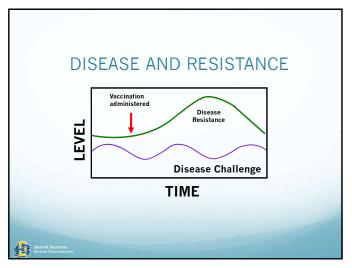
With most viruses that is good enough.

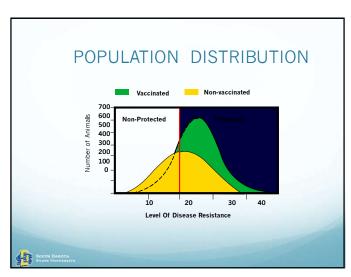
Herd Immunity

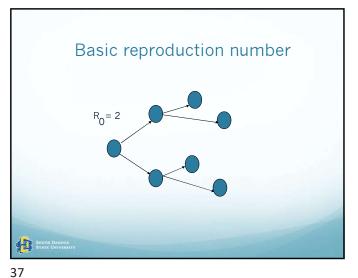
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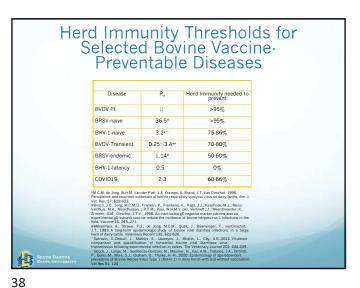


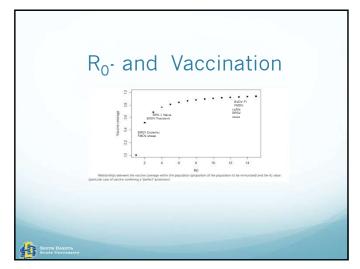


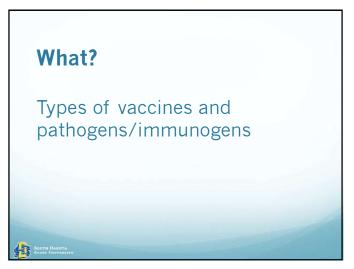


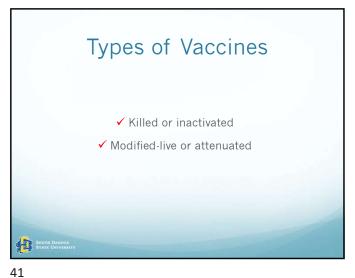


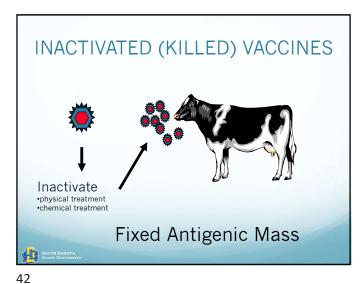


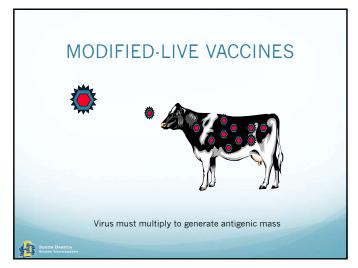


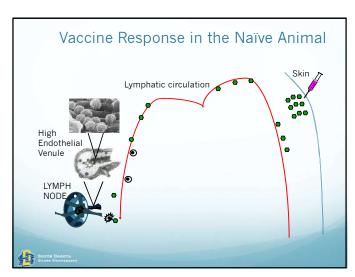




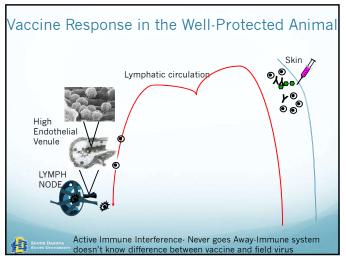


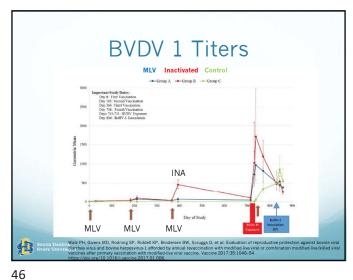


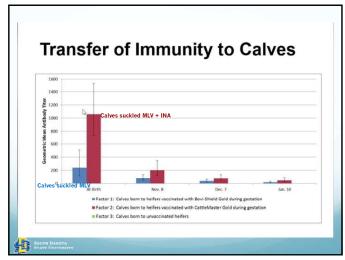




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What to Vaccinate with? In general, viral vaccine responses are better Many bacteria are endemic (Histophilus somni, Mannheimia. hemolytica, Pasteurella. multicida, Moraxella spp., Mycoplasma bovis, Salmonella typhimurium, Clostridium perfringens)

47 48

What About Bacterins in

- Site specific- Only if you have problem- many of these management related (nutrition, sanitation, environment)- efficacy is variable
- Clostridials
- Respiratory Pathogens
- Leptospira
- Salmonella
- Mastitis Vaccines



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What About Bacterins in Cattle? Cattle?- Endotoxin Stacking

- Endotoxin Stacking and Vaccines (ranked most reactive to least reactive)
 - E.coli Mastitis vaccines
 - Pinkeye (Moraxella bovis)- Whole cell LOS very reactive
 - Histophilus somnus Whole cell LOS very reactive
 - Salmonella-Whole cell LPS
 - Scour vaccines E.coli-Whole cell LPS
 - Mannheimia hemolytica- Whole cell LPS
 - Pasteurella multicida
- Subunit vaccines- no issues, leukotoxin, fimbriae, OMP
- Leptospira DOES NOT contribute to ENDOTOXIN STACKING-leptospiral LPS does not have potent endotoxigenic properties
- If need to use more than one- administer on other side of the

50

When?

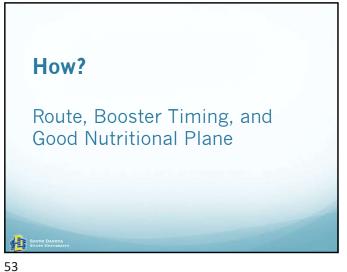
Do we vaccinate- age and stressors



vaccine protocol from birth to mature heifer?

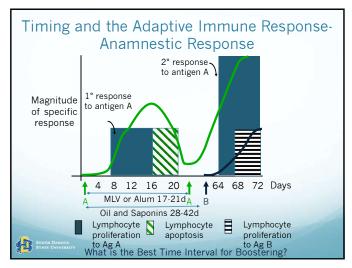
What is your recommended viral

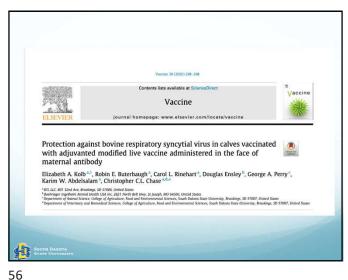
- 1-3 days old: Intranasal vaccine with IBR-BRSV
- 8-12 weeks old: Intranasal vaccine with BRSV or MLV IBR-BVD-PI3-BRSV Heifers-LEPTO 5
- 4-5 months old: MLV IBR-BVD-PI3-BRSV-Heifers-LEPTO 5
- 7-9 months old: MLV IBR-BVD-PI3-BRSV-Heifers-LEPTO 5, must be 60 days prior to first breeding



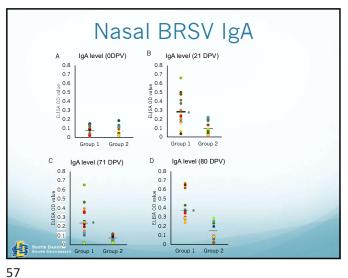
Intranasal vs Parenteral In face of maternal immunity- adjuvanted parenteral Mucosal immunity- Adjuvanted IgA • Colostral Antibody- It Is not IgA- It's IgG-that comes from the serum- parenteral vaccines Reproductive viral vaccines- parenteral- prevent IBR and BVDV viremia

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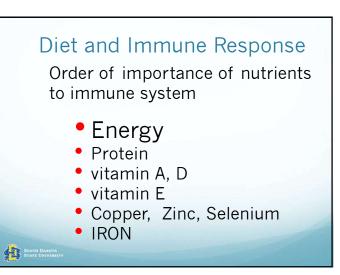
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Summary • Parenteral- challenge 72 days after vaccination Rapid virus clearance Good memory from parenteral vaccine Less lung lesions Role for secretory IgG respiratory and reproductive disease

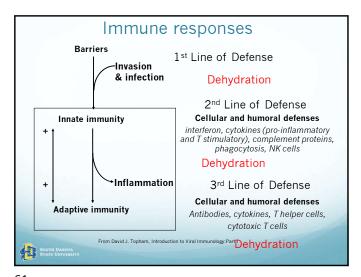
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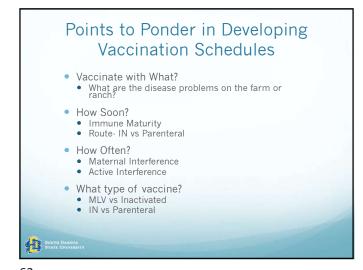
Immunity and Energy • Immune system doesn't get a free ride- energy consumer Multiple demands on energy for the postpartum



59 60

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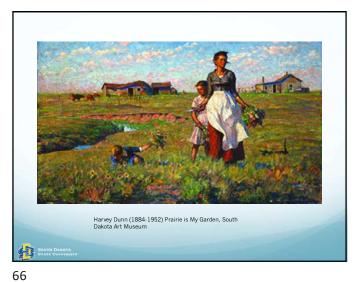
Laws of Immunological Common Sense for Cows

- Vaccination of dams 4-6 weeks prior to calving improves colostral antibodies
- Vaccination of pregnant cows- two targetscalf and cow
- Vaccination of post-calving cow- wait at least 3-4 weeks after calving

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Take Aways Avoid turning on pro-inflammatory response at times of stress Vaccination Parturition Weaning Surgery Animals properly hydrated Can we modulate pro-inflammatory responses? Using NSAIDS-Timing- Need to give before inflammationNeed modulate initial pro-inflammatory response



Tips and Tricks to Feeding 2022 Corn Silage

John Goeser | Cows Agree Consulting LLC | john@cowsagree.com

Notes:

PowerPoint Slides on next page



Goeser's Agenda

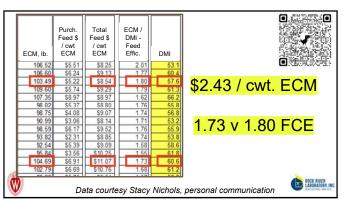
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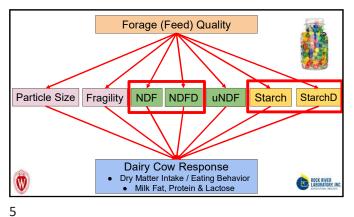
- Economic opportunity in Dairy
- Basic silage nutrition training
- Zero in on 2022 Silage quality
- Arm you with insight & strategy for better nutrition decisions:
 - o Feeding 2022 silage
 - o Growing & harvesting better 2023 silage

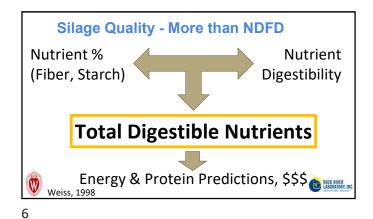


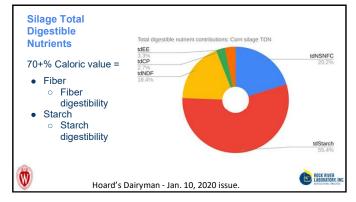
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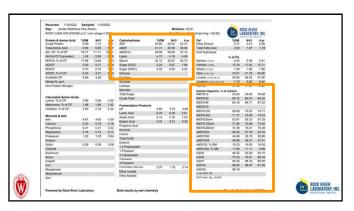


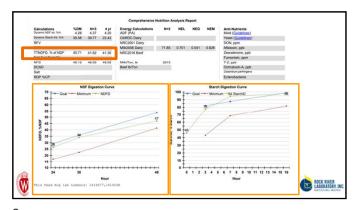


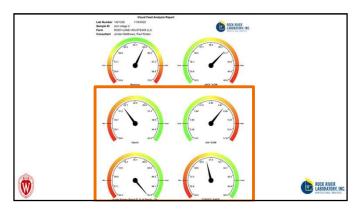




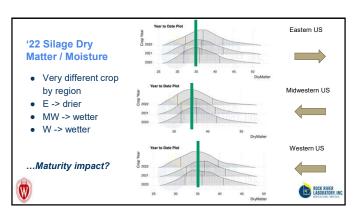


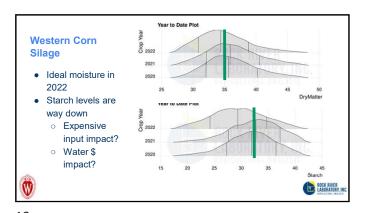


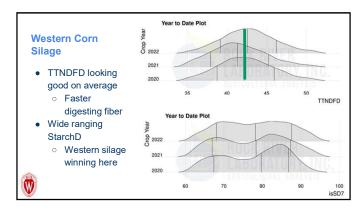


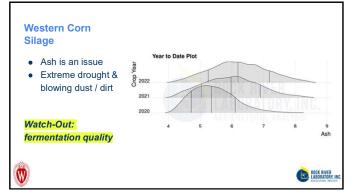


General Thoughts • 2022 was a wild ride ○ Extreme drought out West ○ Extremely expensive input ■ Water ■ Fertilizer • Highly variable growing conditions for US as a whole • 2022 looked like 2021 for some... • 2022 Silage? A unique beast in starch & fiber ○ Zero in, know what you've got, & feed around it









Overly Simple 2022 Silage Recap						
Region/Parameter	Moisture	Maturity	Starch	NDFD	StarchD	Feeding Potential?
East	Down	Up	Up	Down	Down	Down
Midwest	Up	Not sure	Up	Up	Down	Neutral to Up
West	Up	Down	Down	Up	NC	Neutral to Down
W						ROCK RIVER LABORATORY, INC.

Unique Observations / Questions

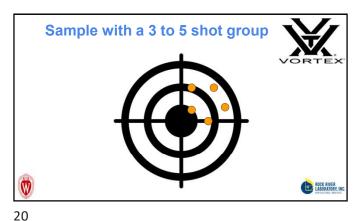
- Extremely wide range to quality across the US this year
 - Western US higher moisture, less starch, ash creeping up and average NDFD
 - o Eastern US lower moisture and more mature corn silage
 - Midwestern US ideal moisture, more starch but less starchD, and decent TTNDFD ... Black Sheep?!
 - Southern US silage looks to be good quality
- Watch outs for feeding 2023
 - o Know what you've got... incredible variation in our pits & piles
 - o West? Fermentation quality
 - o East & Midwest? Rumen starch digestibility!

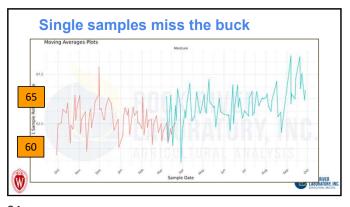


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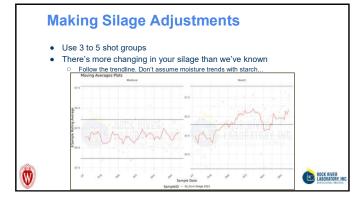
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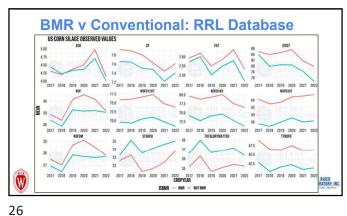




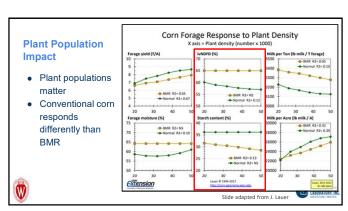
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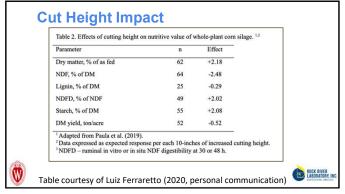


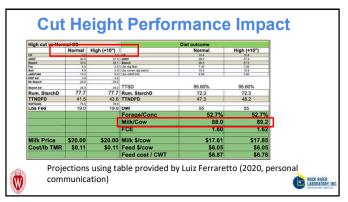


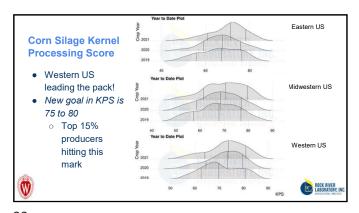














Too Many? Not Enough? Costs and Opportunities

Mike Overton | Zoetis | michael.overton@zoetis.com

Notes:

PowerPoint Slides on next page

COSTS AND OPPORTUNITIES ASSOCIATED WITH DAIRY REPLACEMENT HEIFER INVENTORY



Michael Overton Zoetis Animal Health

1

Steve Eicker

King Ferry, New York

zoetis

Introduction

- Replacement rate, (also commonly called "cull rate" or "herd turnover") is a very controversial subject
- In most dairies, youngstock development for replacement typically ranks as the 2nd or 3rd largest variable cost
- Consequently, producers and consultants tend to focus on this large explicit cost and conclude that the goal should be to lower herd turnover as much as possible
 - i.e., they overlook the lost opportunity cost of this decision
- · Terminology refresher:
 - Explicit Cost (or Direct Cost):
 - · Tangible, out-of-pocket payment; Expenses paid
 - E.g. the rent a dairy pays for an off-site heifer pasture
 - Implicit Cost:
 - Opportunity cost; hidden, non-monetary cost that is difficult to quantify well
 - E.g. rent your neighbor could have made by renting pasture to you but instead houses his wife's horses on it

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However, a Few Things to Consider:

- Excessive focus on the explicit cost of heifer programs while ignoring
 potential lost opportunity cost of failing to appropriately replace less
 profitable cows may result in incorrect decision making and reduced
 whole herd profitability
 - Raising fewer heifers \Rightarrow Lower replacement rate \Rightarrow Lower explicit cost
 - But likely higher implicit cost due to reduced future milk production
- Using cost ranking to prioritize spending cuts is inappropriate. Feed
 cost is the single largest variable cost. That does not imply that a dairy
 should feed every other day feeding to save money...
- Spending should be prioritized based on ROI, risk, time-frame, and cash flow

Definition of Cull Rate and Replacement Rate:

Assuming a stable herd size:

· Cull Rate (or Herd Turnover):

(# Sold + # Died)/Avg # Milking and Dry

EVENTS\5S SOLD DIED for LACT>0 (numerator)

ECON\ID (denominator)

OR

· Replacement Rate:

1st time Calvings /Avg # Milking and Dry (all within the same 12-month period)

COUNT FDAT>-365 LACT=1\B (numerator)

ECON\ID (denominator)

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Comparison of Calculation Approaches Avg Milking and Dry (Year) (Fresh) Dairy 1 596 35% 1714 Dairy 2 3627 1308 36% Dairy 3 1649 39% 4214 Dairy 4 771 2185 Dairy 5 1940 Dairy 6 37% 2805 Dairy 7 1411 44% 3197 Dairy 8 **37**% 984 Average/Total 7156 38% 18952

Dairy 2 1308 36% 45% 1620 362: Dairy 3 1649 39% 40% 1695 421- Dairy 4 771 35% 36% 781 218: Dairy 5 620 32% 32% 612 1946 Dairy 6 1036 37% 36% 1001 280: Dairy 7 1411 44% 40% 1264 319: Dairy 8 361 37% 24% 238 98:		# Fresh	Replacement Rate (Fresh)	Cull Rate (Sold & Died)	# Sold or Died	Avg Milking and Dry (Year)
Dairy 3 1649 39% 40% 1695 421 Dairy 4 771 35% 36% 781 218 Dairy 5 620 32% 32% 612 194 Dairy 6 1036 37% 36% 1001 280 Dairy 7 1411 44% 40% 1264 319 Dairy 8 361 37% 24% 238 98	Dairy 1	596	35%	43%	743	1714
Dairy 4 771 35% 36% 781 218: Dairy 5 620 32% 32% 612 1940 Dairy 6 1036 37% 36% 1001 2800 Dairy 7 1411 44% 40% 1264 3191 Dairy 8 361 37% 24% 238 986	Dairy 2	1308	36%	45%	1620	3627
Dairy 5 620 32% 32% 612 1940 Dairy 6 1036 37% 36% 1001 2800 Dairy 7 1411 44% 40% 1264 3193 Dairy 8 361 37% 24% 238 984	Dairy 3	1649	39%	40%	1695	4214
Dairy 6 1036 37% 36% 1001 280 Dairy 7 1411 44% 40% 1264 319 Dairy 8 361 37% 24% 238 984	Dairy 4	771	35%	36%	781	2185
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'	Dairy 7	1411	44%	40%	1264	3197
	Dairy 8	361	37%	24%	238	984
Average/Total 7156 38% 38% 7211 18952	Average/Tota	7 156	38%	38%	7211	18952

5 6

Comparison of Calculation Approaches

	# Fresh	Replacement Rate (Fresh)	Cull Rate (Sold & Died)	# Sold or Died	Avg Milking and Dry (Year)	Avg Milking and Dry (Last Month)	% Change	
Dairy 1	596	35%	43%	743	1714	1650	-4%	
Dairy 2	1308	36%	45%	1620	3627	3520	-3%	
Dairy 3	1649	39%	40%	1695	4214	4190	-1%	
Dairy 4	771	35%	36%	781	2185	2190	0%	
Dairy 5	620	32%	32%	612	1940	1970	2%	
Dairy 6	1036	37%	36%	1001	2805	2830	1%	
Dairy 7	1411	44%	40%	1264	3197	3300	3%	
Dairy 8	361	37%	24%	238	984	1040	6%	
Average/Total	7156	38%	38%	7211	18952	19040	0%	

Notice \Rightarrow calving an insufficient number of heifers relative to the number Sold or Died resulted in reduction in herd size

Replacement Rate is a Balancing Act...
Driven by Heifer Availability



- Dairy operations are often viewed incorrectly as negative pressure systems, i.e., cows get sick or die and when they leave the herd, that "pulls" a heifer into the dairy
 - But having a cow suffer a major health event today does not retrospectively cause a replacement heifer to get pregnant 9 months previously
- Assuming a stable herd size, dairies operate as a positive pressure system, i.e., as heifers calve and enter the herd, cows can be replaced

Replacement Rate is a Balancing Act... Driven by Heifer Availability



- To put it another way... herds "plan" for a "maximum" level of turnover based on how many heifers are raised (assuming no purchases)
- Cows that can, and should be culled:
 - 1. Dead cows

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- 2. Incurable or chronic disease issues
 - 3. Cows that fail to become pregnant
 - 4. Cows affected by disease leading to reduced production
 - 5. Poor producers but otherwise healthy
 - 6. Genetics (heifers +/- cows)

Culling and Replacement is About Improving the Herd

- Expected or predicted quality of incoming heifers should impact replacement decisions
- Once the obvious biologic failures on the cow side have been replaced, there is usually an opportunity to "upgrade" the dairy via "selective replacement"
 - If numerous heifers are available → more cows <u>could</u> be replaced (but not necessarily)
 - If heifer quality is excellent \rightarrow more cows should be replaced
 - If heifer quality is poor → fewer cows should be replaced
 - If inventory is inadequate, alternative plans need to be made
 - Either heifers must be purchased, or cull cows retained longer

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YES - Turnover Can be Expensive

Estimated Net Herd Replacement Cost/d in Milking and Dry Herd

		Whole Herd Replacement Rate					
		31.0%	34.0%	37.0%	40.0%	43.0%	46.0%
Replacement Cost	\$1,600	\$0.82	\$0.90	\$0.97	\$1.05	\$1.13	\$1.21
Cost	\$2,000	\$1.21	\$1.33	\$1.44	\$1.57	\$1.69	\$1.82
Rep	\$2,400	\$1.59	\$1.75	\$1.92	\$2.08	\$2.25	\$2.43

- Underlying assumptions:
 - Market cow value = \$0.82/lb
 - Average mortality risk = 6%
 - $-\,$ Average condemnation risk at time of slaughter = 7%

No surprise, higher turnover and/or higher replacement heifer cost \to higher cost/d for replacement. **But...** this is not the whole story

Before Proceeding → Brief Overview of A New Economic Model Used Throughout this Presentation

- A spreadsheet-based economic model was built to mimic the major variable costs and revenue streams associated with milking and dry cows from first calving until removal from the herd (up to 10 lactations)
- Imagine building a hypothetical herd:
 - Year 1:
 - Original group (A) of heifers calve for first time and enter lactation (Lact=1)

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- Some get culled but most survive to the next lactation
- Year 2:
- Survivors of the original group now becomes Lact=2
- New group (B) calves for the first time and enter lactation
- Year 3:
 - Survivors of original group A now become Lact =3
 - Survivors of group B become Lact=2
 - New group (C) calves for first time and enter lactation
- Process continues

Economic Model Overview, Continued

- Parity-specific risks, costs, and milk production are modeled and adjusted to a Net Present Value (NPV) at time of first calving using 7% cost of capital:
 - Replacement risk (died, sold with revenue, or sold but condemned)
 - Market cow weight and value
 - Cumulative ECM production and length of lactation for cows removed vs cows that are retained (go dry)
 - Dry period length
 - Calf revenue realized after removing stillbirths, based upon calf type (dairy bull, dairy heifer, or beef cross)
 - Projected transition cow disease costs and management costs (preventive management inputs such as dry cow tubes, vaccines, additives, etc.)

Model Outcome (and Economic Concept Used in this Presentation): <u>Income over Cost (IOC)</u>

- Similar to IOFC (income over feed cost) but IOC goes a bit
 - (Milk + Wet Calf Revenue) (Feed + Dry Cow + Transition + Replacement Cost)
 - IOC is first tabulated as a Lifetime Value
 - · A cohort of animals enter the "herd" and experience lactationspecific production, reproduction, culling risks
 - · Lifetime production (and costs) are adjusted back to a net present value as of the day of calving
 - Then, IOC is converted:
 - Average Value/d (Lifetime Value/# days in adult herd)
 - Annualized Value (Average value/d * 365 d)

13 14

Examining the Relationship Between Replacement Rate and Milk Production on IOC*

Herd Replacement Rate 37%

40%

Relative Milk Production 2% Below Average **Average Cow**

\$2.284 \$2.249 \$2.207 \$2.161 \$2,364 \$2,329 \$2,288 \$2,242 **2% Above Average** \$2,443 \$2,409 \$2,368 \$2,322

A higher replacement rate is costly IF production does not change

- Increasing RR can be valuable if culling and replacement yields a higher level of production
- Reducing RR can result in lower revenue if low producing cows are retained or if replacement is delayed

*IOC = (Milk & calf revenue) - (Lactating & dry cow feed cost + Transition cost + Net Replacement cost)

Striving for Continuous Improvement...

- It is critically important to continue working to reduce the risk of cows losing sufficient value to warrant replacement!
 - Reduce disease risk, improve repro, reduce lameness, etc.
 - Genetics, nutritional management, improve cow comfort, etc. are all important
- But, while we are doing all of that, let's also continue focusing on making good economic decisions to improve profitability
- Remember, the question that we need to continuously ask ourselves...
 - "Is the immediate and long-term value of THIS slot improved by keeping the current cow or by replacing her with a fresh heifer?"
- Increasing replacement rate can improve profitability...

Net Replacement Cost for a Cow

- If we approach a cow like a loan:
 - Interest rate: 7%
 - Number of months of payments: (1/RR)*12
 - 37% RR → 1/.37 = 2.7 yr * 12 mo/yr = 32 months
 - Amount of loan (fresh heifer cost):\$2200
 - Future (residual) value = NPV of net salvage value (minus dead/condemned)
 - Projected market value today = \$960
 - Projected losses:

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- 5% mortality/year over 2.7 years = 13%
- 5% condemnation risk at time of slaughter
- Future market value after losses =\$836
- NPV in 2.7 years of \$836 = \$696
- (\$2200 \$696)/(2.7*365) = \$1.52/d of productive life

Net Replacement Cost vs. Marginal Milk

- In the previous example, replacement cost = \$1.52/d
- 2.7 years minus 2 dry periods = 875 days → \$1.72/d of lactation
- If milk = \$0.20/lb and feed = \$0.14/lb dry matter → marginal milk value = \$0.14/lb of milk
 - 12 lb marginal milk/d of lactation to pay the animal's cost
- So, how much more milk is need if RR = 40% vs. 37%?
 - Using similar assumptions → \$1.86/d of lactation
 - 13 lb marginal milk/d of lactation
 - 1 extra lb of milk/d of lactation

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 Don't you think that if you selectively removed a few more poorly performing cows, herd average would go up > 1 lb/day???

Raising a Few More Heifers → More Options



- More heifers → More Options
 - Calving more heifers → opportunity to selectively remove poor quality heifers from inventory based on genomic testing early in life BEFORE investing heavily in raising
 - More *potential* replacement of the cow herd:
 - Can be a good thing if each animal is evaluated individually (i.e., not all replacement heifers deserve to become a milking cow)
 - Chance to "upgrade" a cow slot with a better animal
 - · Can be a bad thing
 - Costly to raise replacements
 - Reduces the number of beef-cross calves produced
 - Blindly adding an animal simply because you raised her, and she represents the next generation (holds promise) is a bad thing

CAUTION! Not Raising Enough Replacements Can be a HUGE Mistake



- Raising fewer heifers

 saves cash flow now but can hurt long term profits
- If a herd with a 39% replacement rate "decides" to raise only enough heifers to support a 35% replacement rate, they are "deciding" to retain cull cows longer (assuming that no management changes occurred that truly changed replacement risk)
- 39% \rightarrow 35% replacement rate due to insufficient heifers...
 - Now, the average market cow is retained ~ 100 days longer
 - Under current conditions, miking these less productive cows longer than optimal results in lost opportunity of approximately \$150-\$200 or more per delayed replacement



Question for every producer...

- At what production level should a healthy, "Do Not Breed" cow be replaced?
- i.e., how many pounds of milk should a cow be producing to still be considered "good enough to keep in the herd"?

Replacement Timing for a Designated Cull Cow

21 22

		Current Cow	Replacement	
Projected 305d Milk (lactation = 1)	Lb	XXX	22,500	
Milk /day (lact=1, then lifetime incl dry)	Lb	65.0	72.8	
Milkfat	%	4.1%	3.9%	
Protein	%	3.3%	3.2%	
Milk price	Lb	\$0.233	\$0.224	
Annual herd turnover	%		39%	
Expected productive life	Yrs		2.6	At 0.18-lb decline/d for each
Annual mortality risk	%		5%	7 tt 0.10 tb d0011110/4 101 04011
Interest rate	%		7%	additional day of delay in
Beef value/unit body weight	Lb	\$0.80		replacement, there is an
Condemnation risk at culling	%	7%		
Current cost or market value/cow		\$1,063	\$2,400	average lost opportunity of
Time discounted net salvage value			\$877	\$1.75/d
Projected replacement cost, \$/day			\$1.98	ψ1.7 5/α
Maintenance (+ growth) feed/day	Lb	23.0	23.0	
Marginal milk feed factor	Lb	0.45	0.43	
Dry Matter Intake/day	Lb	52.0	54.4	
Feed Cost	Lb	\$0.140	\$0.140	-\$316/181 d = -\$1.75
Feed Cost/cow/day		\$7.28	\$7.62	
Income over feed and variable cost/cow/day		\$5.56	\$6.38	
IOFC & VC (includes 100% of repl cost), \$/day		\$5.56	\$4.41	-\$1.75 * 100d = -\$175/market
Decline in milk/day	Lb	0.18		******
Absolute Breakeven milk (empty stall)	Lb	32.5		cow due to delayed
Days to absolute breakeven	Days	181		replacement
Target level of milk/ for replacement	Lb	58.3		
Days until target level milk is reached	Days	37		
IOFC & VC from today to Target day, \$		\$21		
Lost IOFC & VC if sold at absolute breakeven mi	lk	-\$316		

Projected Milk Production (i.e. "Quality") of Incoming Replacements Influences When Cows Should be Replaced

Milk production level for targeted replacement of DNB cows:

		Projected 305 Milk for Lact=1 (lb)						
		18,000	19,000	20,000	21,000	22,000	23,000	24,000
	\$0.17	34	36	39	41	43	45	48
9	\$0.18	38	40	43	45	48	50	53
Price/L	\$0.19	42	44	47	50	52	55	58
ă	\$0.20	45	48	51	54	57	60	62
¥	\$0.21	49	52	55	58	61	64	67
Ž	\$0.22	53	56	59	63	66	69	72
	\$0.23	56	60	63	67	70	74	77

Other important variables other than incoming heifer quality:

- Replacement cost
- Beef value
- Expected turnover risk
- Feed cost

Producing a "Better-Quality" Heifer

- "Better-quality" means:
 - Higher genetic potential
 - Closer to mature size at calving (both height and weight)
 - · Assuming ~725 kg mature weight (Holstein):
 - 92-95% of mature body weight (~675 kg or 1490 lb) pre-calving
 - 1st Post-calving wt: 82-85% of MBW (~600 kg or 1350 lb)
 - 95% of mature height at calving (~1.4 m or 55")
 - Timely: older heifers means greater lost opportunity cost
 - Fewer calfhood health issues that may carry over to impact future productivity

25 26

Why is it SO Important that Heifers are Grown Better PRIOR to First Calving?

- ullet Cows don't typically reach their mature size until $\sim 4^{\text{th}}$ lactation
- If heifers weigh 82-85% of mature weight after calving (~1350-1375 lb), much less growth is required in first lactation
- Consider the following derived from published research1:
 - Holsteins calved at ~ 1225 lb
 - Over the course of a 305-d of lactation:
 - ~7% of energy consumed went to growth (200 lb)
 - Represents sufficient energy to support ~ 2,100 lb milk
 - Imagine if the calving weight had been 1325 lb and half of the energy consumed could have been diverted to milk instead of growth → represents ~ 1000 lb more milk during first lactation

*Olson, K., et al. (2010). Energy balance in first-lactation Holstein, Jersey, and reciprocal F₁ crossbred cows in a planned crossbreeding experiment. Journal of Dairy Science. 93(9), 4374-4385. What is the Value of Producing a "Better" Heifer?

- A retrospective analysis of farm data project was conducted to help investigate the "lifetime" value of improving heifer quality
- Data from heifers that calved for the first time in 2017-2018 for two Holstein dairies were used
 - These two dairies were chosen because they had genomic test results AND animal weights recorded at 1-3 d after first calving
 - To be included, each animal had to have the following info:
 - Projected 305d milk (NOT mature equivalent)
 - 1st calving weight (within 1-3 days of first calving)
 - Genomic test results
 - These animals were followed through 4 lactations

L== 28

Modeled 305M in Various Ways for Lactations 1-3

Multivariable regression was used to examine the relationship between key variables and net revenue (Income over Cost)

Questions to be answered:

- What factors are associated with 1st lactation 305M?
- What factors are associated with the difference from 1st lactation 305M to 2nd lactation?
- What factors are associated with the difference from 2nd lactation 305M to 3rd lactation?
- What factors are associated with the difference from 3rd lactation 305M to 4th lactation?
- Goal was to be able to predict milk impact across the first 4 lactations as a result in changes in heifer "quality"

Key Economic Inputs Used in the Model

Replacement cost (Fresh Heifer value): \$2000

Market cow value: \$0.65/lb Interest (cost of capital): 7% Lactating ration: \$0.14/lb DM Dry cow feed cost/d: \$3.00

Dairy bull calf: \$35 (22%) Dairy heifer calf: \$200 (45%)

Beef cross calf: \$150 (33%) DOA risk (all calves): 4%

Component-based milk pricing (4% fat, 3.3% protein): \$0.20/lb

Transition management cost (preventive medicine): \$75

Weighted average transition disease cost/lactation: \$125

29 30

Key Economic Outputs

- Net Replacement Cost/d:
 - (Replacement cost NPV of net salvage value)/(# days in lactation + # days dry)
- Income over Cost (IOC) similar to Income over Feed Cost (IOFC) but also includes other items:
 - (Milk + Calf Revenue) (Feed + Dry Cow + Transition + Replacement Cost)
 - Reported as a Lifetime Value but converted to:
 - Average Value/d (Lifetime Value/# days in adult herd)
 - Annualized Value (Average value/d * 365 d)

Results of the First Statistical Model: Predictors of Milk in First Lactation

- Standard Least Squares Means (LSM) model for prediction of 1st lactation 305M:
- Explanatory Variables:
 - Month of calving Weight at 1st calving (lb)

Age at 1st calving (d)

Weight at 1st calving (lb)^2

- Genomic PTA Milk

Genomic body size composite (BDC)

				Weight at Firs	t Calving		
		1200	1250	1300	1350	1400	1450
9	650	20843	21227	21563	21853	22094	22289
Calving	675	20861	21245	21582	21871	22113	22307
Ca	700	20880	21264	21601	21890	22132	22326
First	725	20899	21283	21620	21909	22151	22345
аŧЕ	750	20918	21302	21638	21927	22169	22364
Age	775	20936	21320	21657	21946	22188	22382
٩	800	20955	21339	21676	21965	22207	22401
		er lb increase in t at first calving	7.7	6.7	5.8	4.8	3.9

For each additional day of age, 0.7 lb more 305M

- But, 1 day of extra raising cost >>> \$0.09 to \$0.10 more marginal milk value

For each lb of Genomic PTAM, 3 lb more 1st lactation 305M

Summarization of Projected Value Across a Lifetime for Heifers Calving into These Herds

When accounting for the other variables:

- Age at first calving was NOT important:
 - Each additional day of Age at 1st Calving = -\$0.03 in annualized IOC
- Size at calving was VERY important:
 - Each additional lb of weight at 1st calving = \$0.41 in annualized IOC but varied by weight
 - 1200 → 1250 lb = \$0.54/lb; 1400 → 1450 lb = \$0.26/lb
 - Weight range for 90% of heifers:

1125 to 1520 lb = ~ \$160 in IOC

- Genetics was MOST important:
 - Each additional lb GPTAMilk = \$0.39 in annualized IOC
 - Range for 90% of heifers:

-550 to 1300 = ~ \$720 in IOC



Weight at 1st Calving

.

1140 1200 1260 1320 1380 1440 1500

33

Consider the Following Two Investment Options

- Option A:
 - Invest \$10,000 today
 - In 5 years, you get back \$20,000
- Option B:
 - Invest \$10,000 today
 - In 3 years, you get back \$17,716

Which option do you want?

35

There is a lot of mention about "Lifetime Milk", But Just To Be Crystal Clear...

I am <u>NOT</u> Promoting More Lifetime Milk <u>Per Cow</u> as the <u>SOLE FOCUS</u>

- Improving the health, management and genetics such that animals have the <u>capacity</u> for greater lifetime milk is GREAT!
- BUT
 - Lifetime productivity is a reasonable outcome to compare ONLY IF key inputs are held constant
 - · i.e., parity-specific turnover
 - Greater net revenue per day per slot is a much better goal
 - Growing better quality heifers and getting them into production sooner is much better than the alternative
 - Keeping animals in the herd longer as the <u>sole</u> focus increases lifetime milk but will reduce herd profitability

Two Investment Options

- Option A:
 - Invest \$10,000 today
 - In 5 years, you get back \$20,000
 - Rate of return = 15%
 - Lifetime profit = \$10,000
 - Avg profit per year = \$2000
- Option B:
 - Invest \$10,000 today
 - In 3 years, you get back \$17,716
 - Rate of return = 21%
 - Lifetime profit = \$7,716
 - Avg profit per year = \$2572

Assuming both options are available for renewal, which option do <u>you</u> want?

Now, A Comparison of Two Heifer Options • Option A: Option B: - Heifer cost of \$1500 - Heifer cost of \$2200 - 1st calving: - 1st calving: • 1275 lb @ 760 d • 1350 lb @ 710 d GPTAM of 25 GPTAM of 475 - Lact=1 305 M: 20,000 lb - Lact=1 305 M: 23,500 lb Culling Milk/Lact Culling Milk/Lact Lact Lact Risk 20% 26% (PREG & Ret) 21297 Risk 30% 35% 25089 29783 26330 34% 38% 41% 27102 48% 29787 28484 28861 66% 72% 30161 30560 44% 48% 49% 76% 83% 28697 30386 29759 99% 31511 Which option do you want?

Comparison of Two Heifer Options

	Option A	Option B
Average ECM/DIM (ALL)	75	81
Total Projected Days (Milk + Dry)	1147	842
Projected lifetime milk (lb ECM)	75,300	60,800
Average IOC/Lifetime	\$4,994	\$3,738

• Which would you say is the winning option?

Comparison of Two Programs

37

	Option A	Option B
Average ECM/DIM (ALL)	75	81
Total Projected Days (Milk + Dry)	1147	842
Projected lifetime milk (lb ECM)	75,300	60,800
Average IOC/Lifetime	\$4,994	\$3,738
Avg Projected Lifetime IOFC/DIM	\$6.28	\$7.37
Net Replacement Cost/Day	\$0.72	\$1.76
Avg IOC/Day	\$4.35	\$4.44
Annualized Average IOC	\$1,589	\$1,619

• Now, which would you say is the winning option?

A Few Notes About Heifer Inventory

- Heifer inventory and "heifer completion rate" are two items that are often monitored by consultants
 - Crappy monitor (lag of 2 years); why not measure stages of heifer growth?
- \bullet But the statement "you should not have more than X% of your herd as heifers" is very problematic
- Heifer inventory (% of adult herd) is driven by several factors:
 - Reproductive rate of the herd
 - Type of semen used (sexed vs. conventional vs. beef)
 - Heifer management and removal practices (disease, death, selective culling)
 - Is 88% completion rate "better" than 80%???
 - Focus on the right things to measure \Rightarrow leading indicators + morbidity, mortality, fertility, etc.
- \bullet Excessively high inventory \Rightarrow costly; probably not optimal
- \bullet Too few replacements \Rightarrow we wait for cows to get lame, mast, sick, skinny, before they are replaced

39

40

Estimated Heifer Inventory (live birth to calving) Expressed as % of Milking and Dry Cows

(Assumes 24 months age at first calving and creating "just enough" heifers)

		% of H	% of Heifers Born Alive that Actually Calve					
		70%	75%	80%	85%	90%		
ate	33%	80%	77%	74%	72%	70%		
ent B	37%	90%	86%	83%	81%	78%		
Replacement Rate	41%	100%	96%	92%	89%	87%		
Rep	45%	109%	105%	101%	98%	95%		

Example: for a 1000 cow herd with a 38% replacement rate and 80% heifer completion, need ~86% of milking and dry herd or ~860 heifers from birth to calving

Under normal economic conditions, excessively high replacement rate and heifer inventories are not optimal but there is not a single, optimal target for inventory

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Planning for the Future - How Many Heifers?

- Remember: the number of future replacements that calve creates the "limit" for cows that may be replaced
- Typically work from historical replacement needs and historical youngstock removal risks
- Risky:
 - What happened in the future may not repeat itself
 - · "Anticipate" future replacement needs
 - Heifer quality changes
 - Add in a bit of a buffer for flexibility
 - · Adds cost but provides a bit of insurance

42

Raising a Few More Heifers → More Options



- More heifers → More Options
 - Calving more heifers → opportunity to selectively remove poor quality heifers from inventory based on genomic testing early in life BEFORE investing heavily in raising
 - More <u>potential</u> replacement of the cow herd:
 - May be a good thing if each animal is evaluated individually (i.e., not all replacement heifers deserve to become a milking cow)
 - Chance to "upgrade" a cow slot with a better animal
 - May not be optimal
 - Costly to raise replacements
 - Blindly adding an animal simply because you raised her, and she represents the next generation (holds promise) is a bad thing

Example for Dairy X

Annual Replacement Rates for the Past 10 Years

i cai	IACAA	710	IXIX
2012	1180	2731	43%
2013	1079	2684	40%
2014	1010	2671	38%
2015	1096	2706	41%
2016	1035	2727	38%
2017	1133	2766	41%
2018	1096	2833	39%
2019	1066	2818	38%
2020	997	2774	36%
2021	1029	2806	37%
Mean	1072	2752	39%
	24		2.2% std dev
Target	1096		

Baseline target for "just enough" replacements:
• 1072 + 24 = 1096

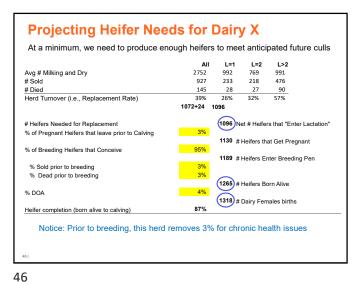
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• 1096 springers → can support 40% turnover

assuming stable herd size

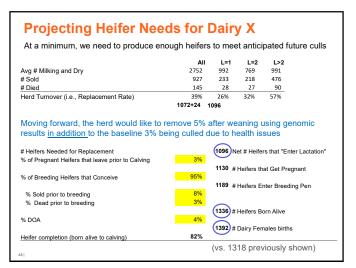
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Projecting Heifer Needs for Dairy X At a minimum, we need to produce enough heifers to meet anticipated future culls Aug # Milking and Dry 2752 992 769 991 # Sold 977 233 218 476 # Died 145 28 27 90 Herd Turnover (i.e., Replacement Rate) 39% 26% 32% 57% 1072+24 1096

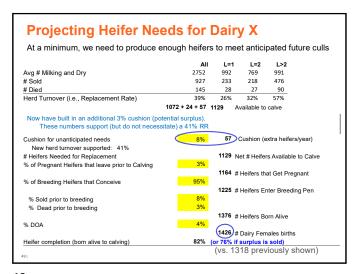


45 4

Projecting Heifer Needs for Dairy X At a minimum, we need to produce enough heifers to meet anticipated future culls L=2 L>2 992 233 769 218 991 476 Avg # Milking and Dry 927 # Died 145 90 Herd Turnover (i.e., Replacement Rate) 26% 1072+24 1096 Moving forward, the herd would like to remove 5% after weaning using genomic results in addition to the baseline 3% being culled due to health issues



47 48



Summary

- In the previous example, producing extra heifers (cushion) could be viewed as 0.1% total cost of "insurance"
 - \$20,000 forsaken beef-cross calf revenue/\$20 million total revenue
- Yes, dairy heifers are costly to raise... but it is essential to have enough to support replacement needs
 - Do not focus so heavily on explicit costs and ignore potential lost opportunity costs
- Improved management can help lower the cost of raising and enhance the "quality" of the heifers, thus improving profit potential
- Remember, herds plan for a maximum replacement rate in 2.5 to 3 years based on breeding approaches used today

49 50

A Few Other Points for Consideration...

- A new replacement heifer provides the LUXURY of replacing the worst cow, or alternatively, selling a springing or fresh heifer
- If too few replacements, need to keep cull cows longer.
- This is bad for the cow/welfare
- Bad for market value
- Bad for public opinion
- Bad for total herd profitability
- If "excess" replacements, creates an opportunity to replace low performing low genetics cows BEFORE they get sick, lame, mastitic, skinny, etc.
 - Better for cow welfare
 - Better for market value
 - Better for public opinion
- Better for profitability

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Thank You for Your Attention!

Questions?

Michael.Overton@zoetis.com



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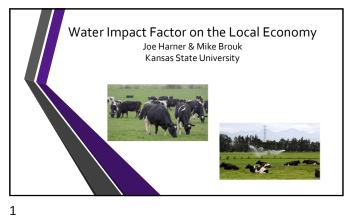
Western Dairy Management Conference

Water Impact Factor on the Local Economy

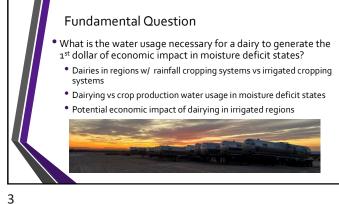
Joe Harner | Kansas State University Emeritus | jharner@ksu.edu

Notes:

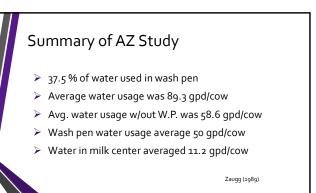
PowerPoint Slides on next page

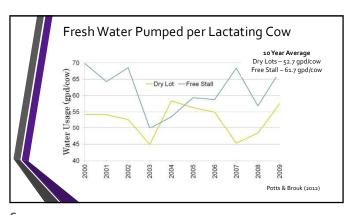




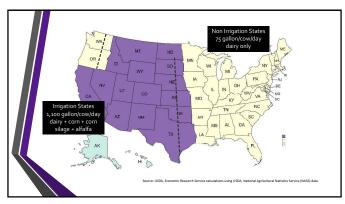


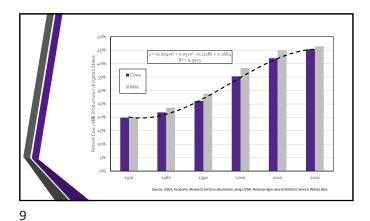
Disclaimers Every dairy does some irrigation due to dewatering lagoons / ponds No intent to imply any type of agricultural enterprise is wasting water or not of economic value Every day new water conservation practices are adopted within the agricultural sector It is recognized that agricultural enterprises have an economic multiplier effect within a local community There are exceptions (both positive and negative) to all assumptions made in this analysis Some dairies in rain surplus communities may purchase forages or commodities from producers outside the region (i.e. alfalfa hay) or vice versa (i.e. soybean meal)

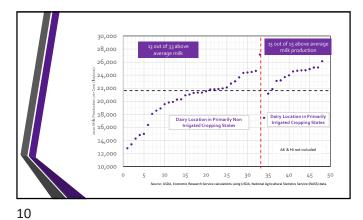




Idaho Study (6 dairies) 660 to 6,400 cows (equivalent cows) No summer heat abatement Average 29.1 to 66.1 gpd / eq. cow Overall average 50.2 gpd / eq. cow Summer usage increased 26.4 gpd / eq. cow Waste water – 5.5 to 39.6 gpd / eq. cow Average water to milk ratio 6.8 +/- 1.8







Potential movement of cows to states with moisture deficit

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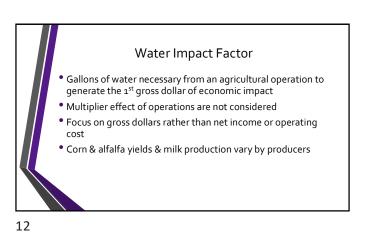
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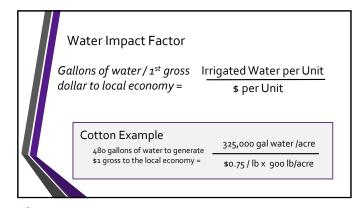
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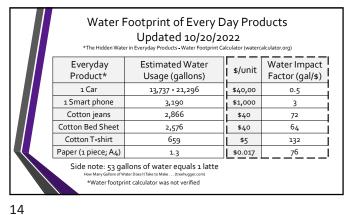
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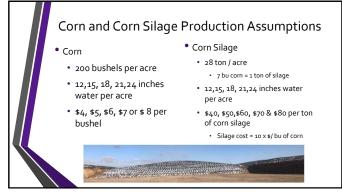
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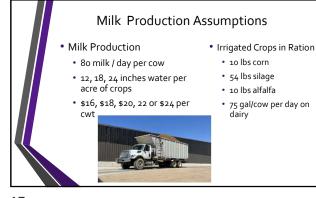




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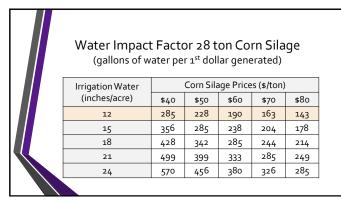


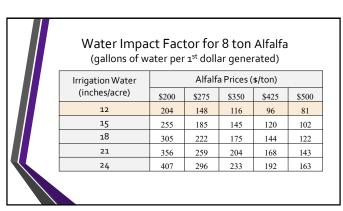
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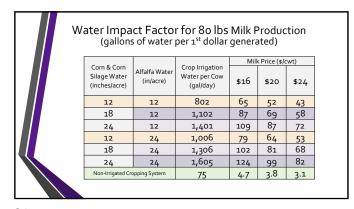


Economic Impact of 200 bu Corn Production (gallons of water per 1st dollar generated) Irrigation Water Corn Prices (\$/bushel) (inches/acre) \$4 \$5 \$6 \$8

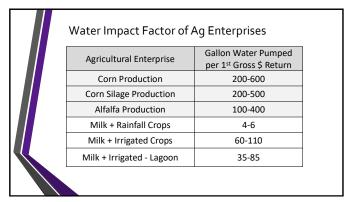
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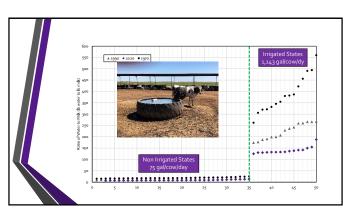


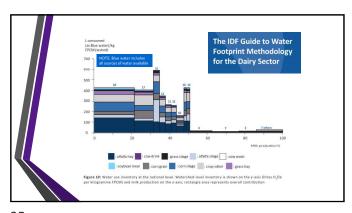


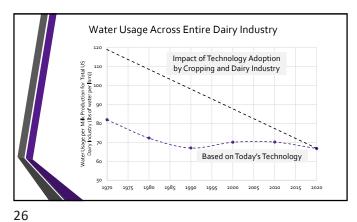


Forgotten Irrigation Water o Moisture Deficit Area	ii a Daii y iii	40 111011
Water Balance on a Dairy	Annual Average Water Usage (gallons/cow/dy)	Percent Allocation
Evaporation from uncovered lagoon & concrete surfaces	19.0	29.3%
Net water in lagoon for future irrigation	26.5	40.8%
Water in milk shipped assuming 13 % solids	8.4	5.1%
Heat abatement water assuming 50 % evaporates	3.3	12.8%
Water in separated manure solids	2.2	8.7%
Unaccounted water	5.7	3.3%
Total water used in a freestall dairy	65.0	100%









Summary of Water Impact Factor 1st glance it appears dairying in moisture deficit states uses 3-4 times less water than crop production systems to generate the 1st dollar of gross return to a region Across the entire US dairy industry the pumped water to milk ratio needed for the 1st gross dollar generated is estimated to be about 65 when considering water necessary for irrigating crops in some regions. The 5 to 8 lb water to milk ratio reported in research probably does not consider water necessary for irrigated crop production in the vicinity of a dairy.

When Is the Best Time to Get Cows Pregnant

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Notes:

PowerPoint Slides on next page



Issue (i.e., question that came to me)

- Given improved reproduction, should breeding of cows be delayed?
- What is purpose for delaying breeding? (longer lactation, lower milk at dry-off, improved first service conception, ???)
- Objective of analysis: Identify optimal DIM of conception
- Simplify problem for analysis to
 - account for herd-specific shape of lactation curves by parity group
 - account for impact pregnancy status has on lactation curves

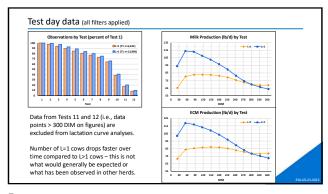
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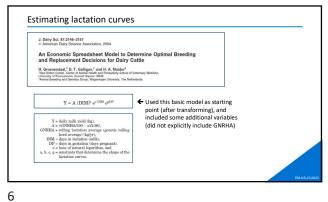
Data from an individual herd

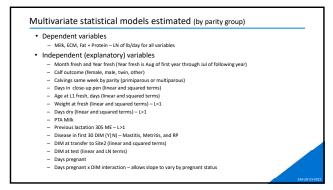
- Data for analysis from Elanco DDAS
 - DC305 backup dated 10/13/2022
 - JMP Ready file dated 10/12/2022
- Filters used for analysis (to remove extreme outliers)
 - Fresh data = 8/1/2019 to 7/31/2022 (3-year period)
 - Test DIM = 7 400
 - Test Milk = 10 180
 - L1Age at fresh (days) = 575 850 (~19-28 months)
 - Weight at fresh (L1 only) = 900 1700
 - − Days in close-up pen = 1 − 70
 - Days dry (L>1 only) = 20 100

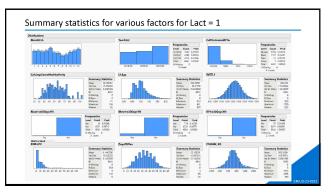
Test day data (all filters applied) Lact = 1 Cows 22.9 53.8 85.3 116.6 148.2 180.1 211.8 The number of observations drops considerably from the 9th test to 10th test and then considerably more from 10" to the 11" test and thus there is likely some "survivor bias" in these data that will impact results somewhat. Data from 10 tests were included to ensure cows with "300 DIM existed for model estimation, however data from tests 11 and 12 are excluded due to survivor bias concerns.

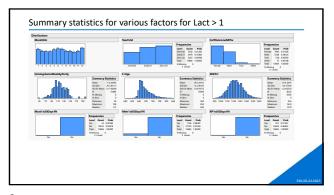
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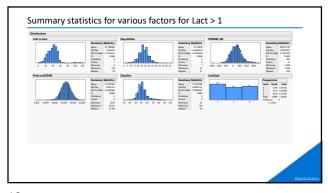


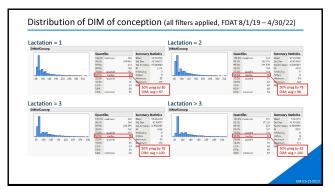


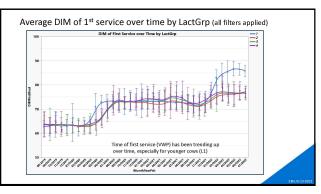


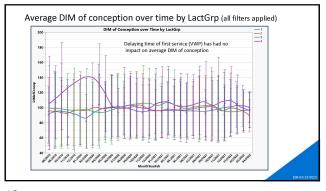


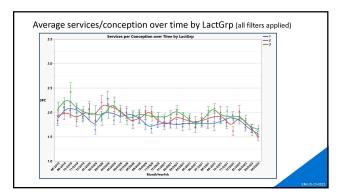










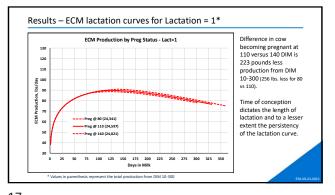


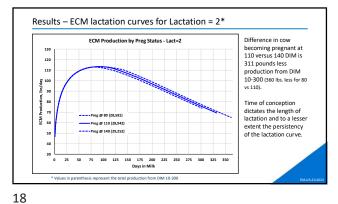
Results

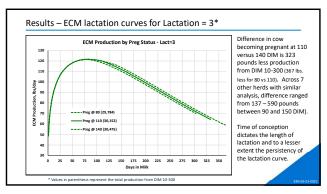
- Total of 12 models estimated:
 Three dependent variables (Milk, ECM, and Fat+Protein) x four lactation groups (L=1, L=2, L=3, and L>3) only ECM curves shown below
- Focus of results here is on production over lactation curve (DIM 10-300) versus pregnancy status – Specifically, getting cow pregnant at 80, 110 or 140 days in milk (values can be changed)
- All variables other than day of conception are held constant at means by lactation group in figures that follow
- Models were estimated such that lactation curves are "forced" to be equal to conception and then they can "go where the data suggest" (still subject to functional form)...

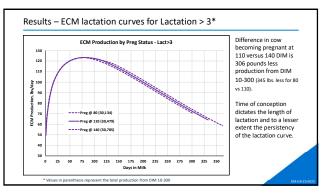
Test day average data vs Model estimated results

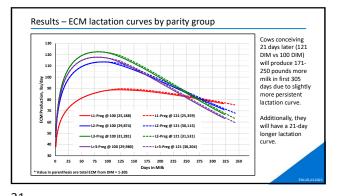
| Test day average data vs Model estimated results | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Second Production (lb/d) by DIM | Test day average data | Secon

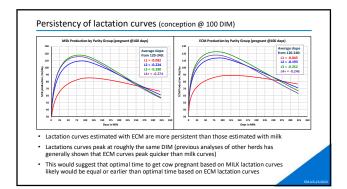












Getting a cow pregnant later in lactation will always result in more lifetime milk for that cow (all else equal), but milk/day of productive life is slightly lower. Does this comparison have any meaning/value? | Milk production across lactations | If a cow makes it through 5 lactations, getting her pregnant, on average, at 121 DIM every time versus at 100 DIM would result in 8,231 additional pounds of production over her lifetime (1,941 total days vs 1,835 days). Milk/day of productive life sea. To first total days vs 1,835 days). Milk/day of productive life in 82.7 for 121 DIM vs 82.9

Production and economic assumptions

• Production

- Voluntary waiting period = 70

- Gestation length = 275-278 (L1 = 275, L2 = 277, L>2 = 278)

- Dry period = 55 days

- Max DIM at dry off = 400

• Economic

- Maintenance and marginal feed = 20 lb/day and 0.444 lb DM/lb of milk

- Feed cost = \$0.135/lb DM for lactating cows and \$3.50/day for dry cows

- Milk price = \$18.00/cwt

- Springer value = \$2,000

- Average calf value = \$175

- Price of cull cow = \$0.60/lb

- Fixed cost = \$7.00/hd/day for lactating cow and \$4.00 for dry cow

- Interest rate = 8.0%

23 24

for 100 DIM.

What metric should be used to determine what is optimal?

- Total lifetime milk
- Milk production per day of productive life
- Income over feed costs (IOFC) milk income minus feed costs
- Income over total costs (IOTC) milk income minus total costs
- $\bullet \ \ \text{Net cash flow (IOTC plus include cost of springer, calf and salvage value)}$
- Do we need to account for the time value of money?
- Do we need to account for repeating the entire process?

Economic model

(including dry days)

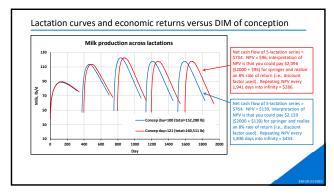
- NPV for 5 lactations is then repeated into infinity

• Calculate IOFC, IOTC, and Net cash flow for each day of 5 full lactations

Milk production is based on estimated ECM lactation curves (L4=L5=L>3 model)
 Cow is sold for salvage value at end of fifth lactation
 Net Present Value (NPV) is calculated for stream of income and expenses*

* NPV simply accounts for the "time value of money" (i.e., a dollar today is worth more than a dollar tomore

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Various economic metrics based on current conception DIM

Latation vs 1 2 3 4 5

Optimal Old of conception DISA

Optimal DISA

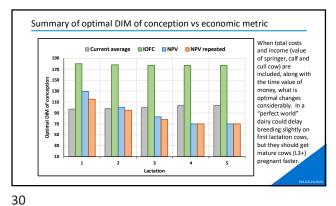
Optimal

Economic model

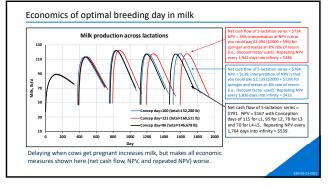
- Calculate IOFC, IOTC, and Net cash flow for each day of 5 full lactations (including dry days)
 - Milk production is based on estimated ECM lactation curves (L4=L5=L>3 model)
 Cow is sold for salvage value at end of fifth lactation
 Net Present Value (NPV) is calculated for stream of income and expenses*

 - NPV for 5 lactations is then repeated into infinity
- Various economic metrics are "maximized" using Solver by choosing conception DIM (i.e., this assumes a cow becomes pregnant when she is bred)
- Constraints for Solver (by lactation)
 - Conception DIM <= Latest DIM of conception
 (Latest DIM at dry off (Gestation length Dry period))

 - Conception DIM = Integer
 - Conception DIM >= VWP
- Solver gets "close" but isn't perfect (manually iterated to find max value)
- * NPV simply accounts for the "time value of money" (i.e., a dollar today is worth more than a dollar tomor



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Optimal conception DIM depends upon economic metric used
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 Optimal DMM of conception
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• IOFC — poorest metric as it ignores opportunity value of stall (delay breeding) . IOTC and Net cash flow - better than IOFC, but does not account for time value of money Discounted Net CF (NPV) – good metric, but ignores that process can be repeated NPV repeated – most appropriate metric for an on-going business – max returns to stall vs cow · With exception of IOFC, early conception for L>1 is generally better

Summary

- Determining the optimal time to breed cows is complex and depends upon many factors
 - Reproductive efficiency
 - Injury risk
 - Transition risk
 - Shape of lactation curves by parity peak and persistency
 - Economic factors (prices, costs)
- Given shape of lactation curves estimated here (energy-corrected milk), it appears that delaying breeding is not warranted (with exception of primiparous cows) as optimal DIM was generally earlier than current average. However, it does depend upon which metric is used.

| Early Removals by Lactation Group (FDAT 8/1/2019 - 7/31/2022)
| Removed in first 30 DIM* | Removed in first 50 DIM* | Removed in first 30 DIM* | Removed in first 50 DIM* | Removed in first 30 DIM* | Removed in first 50 DIM* | Removed i

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