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Dairy Compliance in Kentucky

KDDC is in its eighth year of helping Kentucky producers stay compliant with the state's environmental requirements through an ongoing opportunity in working with the Division of Water. In the state of Kentucky dairy operations have three requirements to be considered in compliance. One is the Agricultural Water Quality Plan (AWQP). The AWQP is needed if you own more than 10 acres and was established with the Agriculture Water Quality Act which was passed by the Kentucky General Assembly in 1994. The act protects surface and groundwater resources from pollution from agriculture and silviculture practices. The Kentucky Agriculture Water Quality Plan consists of best management practices (BMPs) from six areas: silviculture (forestry); pesticides and fertilizers; farmstead; crops; livestock; and streams and other waters. The statewide plan serves as a guide to individual landowners/land users as they develop water quality plans for their individual operations. The landowner is responsible for preparing a plan that best meets the needs of their farming operation. This plan belongs to the landowner and must be available if water pollution occurs and is identified and traced to his/her agricultural operation. A self-certification form can be filed with the local conservation district. Next is the Kentucky No Discharge Operational Permit- Short Form B (KNDOP). The KNDOP is a state-authorized permit for industrial facilities and agricultural waste handling systems that do not have and do not intend to have a point source discharge to Waters of the Commonwealth. Animal Feeding Operations is a lot or facility where animals have been, are, or will be stabled or confined and



fed or maintained for a total of forty-five days or more in any twelve-month period; and where crops, vegetation forage growth, or post-harvest residues are not sustained over any portion of the lot or facility. AFOs with a liquid manure waste handling system are required to obtain a KNDOP to legally operate. To apply for a KNDOP, a completed Short Form B must be submitted. There is no fee for a KNDOP, which is valid for five years. Dry waste systems are not required to have a permit. AFOs are required to develop a Nutrient Management Plan (NMP) whether they have a liquid manure waste handling system or not. Large AFOs, when applying for a construction or an operational permit must submit a NMP with the application. Anyone planning to build a liquid manure waste handling

system must obtain a construction permit before beginning construction. To apply for a CP, a completed Short Form B must be submitted along with the design criteria for the structure. This construction permit is valid for one year. KDDC consultants can assist producers in obtaining any of these requirements.



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Kentucky Milk Matters produced by Carey Brown

President's Corner **Freeman Brundige**



As usual for the last few years there is lots of activity in the dairy business. Wal-Mart has announced the construction of a multi-million-dollar processing facility in south Georgia. This could have an impact on the way milk is moved in the Southeast and from other areas into the South. Hopefully creating a need for more milk to be produced in Southeast states. We in Kentucky are poised to be part of that growth.

The Fall Tour to Madison was well attended and enjoyed by all. No matter what your interest in our industry, there is something to see on this trip. Kudos to the staff and Eunice for a great job. We are currently meeting to select the final candidate for our open consultant position. With lots of great applications we will have a tough time picking one, but that is a good position to be in.

Crop harvest is going wide open, and yields are greater than anticipated. Genetics in the grain world have turned plant productivity into almost miracle areas. Most of us need more moisture for our fall planted crops, but the lack of has allowed for a timely harvest.

Lots of things still to happen this fall, the North American International Livestock Exposition, Indiana Dairy Tour, KDDC Board meeting Nov. 16th and KDDC planning meeting in December. I'm hoping to see many of you at these events. And as always, we welcome your thoughts and comments.

**HAVE YOU BOUGHT
BEEF SEMEN OR A
BEEF BULL THIS YEAR?**

**TURN IN YOUR 2023
RECEIPTS NOW!**

KDDC's Beef on Dairy Initiative is in its second year and we are currently accepting receipts to cost share semen or herd bulls that meet program requirements. Visit www.kydairy.org/beefondairy

Executive Director Comments

H H Barlow



The holiday season is upon us again. As I get older, it seems like time flies. 2023 is almost over and thank God for it. It has been an extremely tough year, but there is still so much to be thankful for.

I recently saw a picture of an Israeli dairy farm that was destroyed by Hamas and the war in Ukraine is continuing. Just think if you were experiencing that here at home and everything you had was in grave danger, including your family. Please pray for those people who have led lives similar to ours but are now suffering unimaginably.

Thankfully, the 'Great Milk Price Drop' is behind us. September milk checks show a \$2/cwt increase compared to the low month of July. Projections show there will be continued improvement in prices. How much improvement is still the big question. Many factors point to higher prices, such as very good domestic demand for dairy products and very little growth in supply. The high prices for cull cows will also limit any increase in the national milk cow herd. Lastly, worldwide production looks to be declining so exports should increase.

It appears that there will be very little change in high feed prices. The higher milk price will lower Dairy Margin Coverage insurance payments. The outlook for DMC payments is unknown.

There has been a lot of discussion about the Federal Milk Marketing Order hearings for several weeks. The purpose of these hearings is to hear testimony about making significant changes in our milk pricing system. There has been no change since 2000...that's 23 years ago!

The major points of discussion are returning to the 'higher of' formula for Class III and Class IV prices in establishing the Class I mover, raising location differentials, raising processor make allowances, adjusting component values and improving the transparency and timing of reporting product prices. All of these factors have direct impacts on farm milk prices.

I had the honor of testifying as an independent dairy producer on September 28 at the hearing. My summary message was the dairy farmer cannot have any rule changes that would lower our producer pay price. And in fact, changes need to be made to raise our producer pay prices. My testimony is available by contacting me or USDA's Agricultural Marketing Service.

The hearings have not yet concluded. They are in recess until after Thanksgiving. The sad fact is, because there is such a large number of presenters and differing viewpoints on what should change, it will be at least 2025 before any new or changing rules will be implemented. It is apparent that producers, processors and retailers are not in agreement on what needs to be done, even though we are essential to each other. Who knows what the final result will be.

KDDC has also been following the 2023 Farm Bill proceedings. It now appears that the present Farm Bill will definitely be extended until at least the summer of 2024. Thankfully, the DMC program will continue because of the extension.

On to some good news, KDDC hosted a great fall tour to the World Dairy Expo in Madison, Wisconsin along with farm visits in Indiana, Iowa and Illinois. I believe our trips are getting better every year. The Expo is great in showcasing beautiful dairy animals. The allied dairy exhibitors display the latest great technology items available for dairy producers. It is the premier dairy event in the US every year.

Please take note of all the Kentucky exhibitors who showed cattle in Wisconsin. The list of Ky. winners is in this newsletter.

The farm visits are extremely educational, and we all bring knowledge home to improve our operations. Dairy farming offers the potential for multiple income streams. During our visits, we witnessed a cross-section of income producing enterprises. We observed value-added sales, Agri-tourism, beef on dairy and selling high genetic animals. We also have fun on our trips...One of our passengers noticed that we were only ten miles from the famous Field of Dreams, so we detoured to the movie site and actually ran the bases and walked out of the cornfield like they did in the movie. Please make plans now to join us on next year's tour October 1-4, 2024.

A special thanks goes to our sponsors headlined by the Ky. Agricultural Development Board and Kentucky Farm Bureau as well as kudos to Eunice Schlappi and our consultant Jennifer Hickerson for planning the trip.

KDDC is currently interviewing to fill the south central consultant position. The applicants have quality resumes and I'm looking forward to a new member joining our team.

At the writing of this newsletter, the North American Livestock Exposition is a week away. I'm glad to announce many Kentuckians are exhibiting at this year's event.

KDDC is sending a survey to all our dairy producers. The reason for this is to ask our farmers for input regarding their needs and identify the best ways for KDDC to help improve their operations.

Please return these surveys so that we can optimize our services to you. Our consultants hope to visit each of you to get your survey and discuss your needs. I'm excited about this endeavor so that we can nail down specific ways to be of assistance, including financial. The MILK 4.0 program is in effect, but working with the Ag Development Board, we are planning to amend the program and possibly create new ones, which makes these surveys and farm visits all the more important! This information will be used for 2024-2026.

Finally, remember to be thankful as we enter this holiday season and celebrate our Christian heritage. As always, Jesus Christ is the reason for Christmas. Get to know Him intimately and He will bring peace to you in this troubled world.

**KDDC'S
YOUNG PRODUCER
MEETING & THE
KENTUCKY DAIRY
PARTNERS
CONFERENCE**

**FEBRUARY
27-28, 2024**

**SLOAN CONVENTION CENTER
BOWLING GREEN, KY**

**SAVE
THE
DATE**



Kentucky Proudly Represented at World Dairy Expo

This year, the World Dairy Expo in Madison, WI had over 2,500 animals and 1,800 exhibitors representing 36 states and 3 countries. Kentucky was proudly represented with several successful exhibitors of every breed. This summary of Kentucky exhibitors includes animals who placed in the top 15 of the class. With several classes including more than 50 animals,

this is a great achievement and deserving of recognition. Congratulations to these showmen and women on their accomplishments and all others who had cattle at World Dairy Expo this year.

Animals in italics are bred and owned animals.

Dutch-Marie Dundee Allie



Millcreek Lottery Ladyluck



NAME	OWNER	PLACING IN CLASS
AYRSHIRE		
<i>Bring-Em Out Reagan Pepper Lee</i>	<i>Jackson Jones & Jesse Muse</i>	<i>11th in Jr Fall Heifer Calf</i>
Stil-Dreamn Jazzmeister Cajun	Rylan Pike, Tim & Sandy Vibbert	11th in Jr Summer Yearling Heifer
Glamourview's Beth Dutton-ET	Jeff & Lisa Gibson, Brian Stump, J & K Muse, Tre Wright	6th in Winter Yearling Heifer
<i>Ky-Blue Wh Salem</i>	<i>Emmett Vannoy, Tre Wright, Jesse Muse</i>	<i>4th in Summer Junior Two-Year-Old Cow</i>
Shocking Burdette All In-ET	Jeff & Lisa Gibson, J&K Muse, Tre Wright	9th in Summer Junior Two-Year-Old Cow
Steel-Fire Reagan Jaci	Rylan Pike and Carter Branstetter	10th in Senior Two-Year-Old Cow
Eller's Berkley Tipsy	Emmett Vannoy, Tre Wright, Lucas Schmitt, Jesse & Kiley Muse	7th in Senior Three-Year-Old Cow
BROWN SWISS		
Edge View D Sofia-ETV	Micah & Kylie Paige Sparrow	10th in Jr Winter Heifer Calf
Hills Valley Pactole Puzzle	Jeremy Kinslow	6th in Fall Heifer Calf
<i>Buckmeadow Seaman Willow</i>	<i>M, J & S Saltzman, C & L Buckley</i>	<i>2nd in Jr and 6th in Summer Yearling Heifer</i>
Edgeview D Sawyer-ETV	Jesse & Kiley Muse	13th in Fall Yearling Heifer
Xtreme Phantom Tea	Micah & Kylie Paige Sparrow	3rd in Jr and 8th in Summer Junior Two-Year-Old Cow
Krahngirls Dyna Whiskey Twin	Fairdale Farm LLC	4th in Senior Two-Year-Old Cow
Hilltop Acres K Buttercup	Fairdale Farm LLC	14th in Senior Three-Year-Old Cow
Hilltop Acres Dynmt Daphnie-ET	Fairdale Farm LLC	9th in Four-Year-Old Cow
Dutch-Marie Dundee Allie	Hadleigh, Ezra & Kenna Jones and Kelly Jo Manion	1st in Jr and 2nd in Component Merit Cow, Total Performance Winner, Holstein Marketplace Sires International Type & Production Award, Senior Champion Female of the Junior Show, Grand Champion Female of the Junior Show
Beu Dell Thunder Jemma	Fairdale Farm LLC	4th in Component Merit Cow
GUERNSEY		
Unos Ap Uriah-ETV	Lily Ann Storm & Lucas Hayes	2nd in Jr and 6th in Fall Heifer Calf
Knapps Drone Title Wave-ETV	Luke & Jace Fisher, Mckoy Kinslow	7th in Junior Two-Year-Old Cow
Knapps Apie Tesla-ETV	Emmett Vannoy, Tre Wright, Katie Oesterritter	1st in Senior Two-Year-Old Cow
Heritage Brook Lb Trillium-ET	Emmett Vannoy, B & J Potter, C & A Nicley	1st in Junior Three-Year-Old Cow
Knapps Drone Trinidad	Kaleb & Shelbi Fisher	1st in Senior Three-Year-Old Cow
JERSEY		
Beslea Kingsdale Time Zone	Hadley & Hudson Spoonamore	4th in Jr and 15th in Winter Heifer Calf
<i>KCJF/Lucky Lady Joel Dreamchaser-ET</i>	<i>Keightley & Core, Jackson Powers and Frank & Diane Borba</i>	<i>8th in Junior Two-Year-Old Cow</i>
<i>KCJF Colton Festive</i>	<i>Keightley & Core, Frank & Diane Borba</i>	<i>5th in Senior Three-Year-Old Cow</i>
MILKING SHORTHORN		
Mueterthies Barbie-ET	Bailey Komar	1st in Winter Heifer Calf
Bettin On Lottery Magnolia	Skyler Mays	1st in Summer Junior Two-Year-Old Cow
Hard Core Lottery Fireworks	Payton Towe	4th in Jr and 8th in Four-Year-Old Cow
Millcreek Lottery Ladyluck	Taylor Graves	1st in Aged Cow, Senior Champion Female, Grand Champion Female, Best Uddered Cow
RED AND WHITES		
<i>Ka-Brat Unstop Lona-Red</i>	<i>T Bratcher, H & H Spoonamore and A Carrier</i>	<i>1st in Jr and 5th in Spring Heifer Calf</i>
Miley Warrior Galore-Red	Jesse Lee Muse	6th in Fall Heifer Calf
Magees-Pride Wr Wynonna-Red	Brooke Bennett	7th in Jr Fall Heifer Calf
<i>JG-Springs Unstop Lowen-Red</i>	<i>Emily Goode</i>	<i>6th in Jr Spring Yearling Heifer</i>
<i>JG-Springs Warr Talia-Red</i>	<i>Emily Goode</i>	<i>2nd in Jr and 9th in Winter Yearling Heifer</i>
<i>JG-Springs Warr Taya-Red-ET</i>	<i>Emily Goode</i>	<i>3rd in Jr and 9th in Fall Yearling Heifer</i>
Ms Ky-Blue Felicity-Red-ET	Emmett Vannoy, Tre Wright, Charlie Elmore	7th in Senior Two-Year-Old Cow
HOLSTEIN		
<i>Buckmeadow Lambada Ramsey</i>	<i>Colt & Luke Buckley</i>	<i>6th in Jr Spring Heifer Calf</i>
Ms Tang Alligator A Game-ET	C & L Buckley, N & L Gilbert and A Carrier	4th in Jr Winter Heifer Calf
<i>Ka-Brat Advancer Daisy</i>	<i>T Bratcher, H & H Spoonamore and A Carrier</i>	<i>6th in Jr Winter Heifer Calf</i>
Delcreek Fatal Eruption-ET	Colt & Luke Buckley & Andrew Carrier	12th in Jr Winter Heifer Calf
Sikmadale Avalanche Boonji-ET	T Bratcher, H & H Spoonamore and A Carrier	12th in Jr Fall Heifer Calf
<i>Bratcher-Vu Master Talli</i>	<i>C & T Bratcher, A Carrier, C & L Buckley</i>	<i>10th in Jr Spring Yearling Heifer</i>

FALL TOUR

Jacob Smoker family's Dairy/Beef operation in Wanatah, IN., finishing 2000 head of dairy/beef on site. Smoker's receive dairy/beef crosses at 450 lbs. and finish at 1200-1400 lbs. Four generations have farmed at this location raising corn for silage and shell corn on 2000 acres. Jersey/Angus and Holstein/Angus crosses are raised with the Jersey/Angus gaining 2.7 lbs./day and the Holstein/Angus gaining 2.8 lbs./day.



Hill Top Acres Dairy in Calmar, IA. is owned by the Mashek family. One of the top Registered Brown Swiss herds in the nation. Hill Top milks 450 head and has a RHA of 30,300 lbs. of milk 1400 lbs. BF and 1080 lbs. protein. The Mashek's market 150 live animals per year and embryos in the U.S. and many other countries. Mashek's also are using automatic calf feeders.



Einck Dairy in Ft. Atkinson Iowa has four owners and milks 640 Holsteins in a double ten parlor. Chris Hines is one of the owners and manages the dairy. The tank average on 3x was 104 lbs. per day with 4.3 BF, 3.15 protein and a SCC of 130,000. A scrape then flush system is used to clean and then reclaim sand from the beds at a 90% retrieval rate.



Top Deck Farm in Oelwein Iowa is run by the three Decker brothers. They milk 650 Holsteins and have a 33,200 lb. herd average. Heifers are housed in group bedded pack pens and bred at 13 ½ months of age. From 12 months to calving the heifers are fed a low energy diet to prevent too much weight gain. They farm 2000 acres of which most all is used to feed the milking herd and replacements.



Berning Acres is owned by Matt and Natalie Berning in East Dubuque, IL. They are currently milking 420 head of Holsteins and have started an Agri-tourism business to supplement their cash flow. Tours are offered from May to October and kids camp is offered at a rate of \$130/child. The herd is presently producing 96-100 lbs./day with a 4.2% BF. They grow their own forage on 650 acres which is custom harvested. Calves are raised on an automatic calf feeder and at 7 months they are moved to a custom grower.



Cinnamon Ridge Farms of Donahue, IL. is owned by John and Joan Maxwell. They are a 5th generation diversified farm, which includes the dairy, a dairy/beef operation, a 10,000 head hog operation, 400 chickens, 4000 acres of row crops and forage and an active Agri-tourism business. The herd is milked with 4 robots and the RHA on their 240 registered Jerseys is 28,000 lbs. with 4.9% BF and 4.0% protein. In 2020 the herd was 1st in the nation for fat and protein. Genetics from Cinnamon Ridge are sold across the nation and around the world.



John Deere Pavilion in Moline IL. was the final tour stop



FARM FAMILY FEATURE



Victor Yoder Family

by H.H. Barlow

How do you start over with a new farm, a new state and new facilities?? The Victor Yoder Family did it very successfully. Victor and family moved from Tennessee to the Bee Spring community of Edmonson County in 2017. He had been dairy farming with his father and brothers near Fayetteville, Tennessee, close to the Alabama border and came to Kentucky to strike out on his own along with his wife Marlene and their seven children—Vincent, Randall, Victoria, Patrick, Denver, Clayton and Monica.

They bought an old dairy farm but the buildings and facilities were unusable, so they started from scratch. With his great family workforce, they built new barns and all the facilities to milk cows. All three barns have beautiful green metal exteriors. Victor had some extra help erecting and roofing the buildings, but the family did all of the interior work including welding the single-12 parallel, rapid-exit parlor.

Their 120 milking cows are housed in a compost bedded pack barn with a feed alley down one side with lock-ups. They feed a TMR based on 2/3 corn silage and 1/3 wrapped wheat balage, plus a grain mix. The cows are milked three times a day and are averaging between 70 and 80 lbs.

Victor said his biggest challenge was quality of cows. He brought 30 cows from Tennessee and quickly expanded by purchasing cows from the market. This filled the need to get to capacity quickly, but some of the purchased cows were lacking high production potential. The facilities, feed costs, labor costs and other inputs are the same, whether you are milking a 100 lb cow or a 50 lb cow.

Victor is actively pursuing a higher genetic herd by using AI on all his cows and heifers. This year, he started using the genomic improvement

program, sponsored by KDDC. He is now genomic testing all his heifers and this information allows him to make concrete decisions regarding which animals to keep for milking and breeding to the best sires. The lower indexing genetic animals are being bred to beef semen for a higher valued crossbred calf. In addition, he is partnering with Dr. Jeffrey Bewley in implanting high quality dairy embryos for producing higher genetic potential heifers. With all these genetic tools of improvement, Victor's herd will gain production as these heifers come online.

Victor insisted on complimenting KDDC for our many improvement programs, in particular his regional consultant, Tori Embry for her on-farm assistance in improving his herd.

Victor attributes much of their success to the whole family working together to achieve a common goal. The children help with milking. They schedule the milkings so that no one milks two shifts back to back. Victor and the boys are excellent mechanics. They do all their repair work. They handle almost all of their animal care and health work.

Vincent and Denver were with their dad during my visit. When I asked about their future plans, they said they love dairy farming and plan to continue, hopefully grow bigger and be successful for many years to come. Their limiting factor at present is finding enough land to grow feed.

I had a great visit with Victor. Their farm and buildings are well kept and very attractive. The cows look so healthy and content in their barn. They truly are a family dairy farm, where they all work together and have achieved much success. It was a real pleasure to get to know them and I look forward to following their progress in the future. They are a great family and it is an honor to write their story.

The Agriculture Research and Education Center at Western Kentucky University would like to announce the addition of Shelby Felder as Dairy Manager of the Smart Holstein Lab. Shelby joined the staff at WKU after being herdsman at Creamline Farms in Milton-Freewater, Oregon where she managed 150 milking Jersey cows and replacement heifers, 150 Angus beef cows, and more than 800 custom raised dairy heifers. Shelby is a fifth generation dairy farmer and holds a Bachelor's of Science in Animal Science from Washington State University. She has previously worked as Assistant Dairy Herd Manager at the University of Kentucky and was employed as a student at Washington State University to be part of the cooperative student dairy herd. The Smart Holstein Lab is in great hands with Shelby at the helm, and Department of Agriculture and Food Science at WKU is excited for what she adds to our team.



Our Wish for You this Christmas

Whether you spend Christmas morning milking cows, tending calves or feeding heifers, we sincerely hope that you find a moment to pause and relish the additional tranquility that graces the farm on this miraculous day. And that when you return home, may your hands be warmed with a cup of cocoa and your heart filled with the joy and cheer of Christmas.

*Merry Christmas
From,*

Burkman[®]
| NUTRITION



SHELBY INSURANCE AGENCY

Explore the risk management options available to you in addition to Dairy Margin Coverage that can work with DMC or stand alone.

Dairy Revenue Protection protects against the decline in quarterly revenue on an area basis.

Livestock Gross Margin Dairy covers a squeeze between milk prices and feed cost.

Pasture, Rangeland and Forage covers lack of rainfall over two month intervals on an areas basis determined by NOAA.

Whole Farm Revenue Protection covers a decline in revenue due to insured causes including a decline in milk prices.

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Current Farm Bill Extended For One More Year

Article from Hoard's Dairyman, by **Abby Bauer**, Managing Editor

We don't have a new farm bill yet, but steps taken this week ensure programs important to dairy producers will continue for the time being. Over the weekend, the House and Senate ag committees reached an agreement on a one-year extension of the current farm bill through the 2024 calendar year.

On Tuesday, the House passed the extension as part of a larger bill they moved forward to fund the government into next year, explained Paul Bleiberg of the National Milk Producers Federation (NMPF) during the NMPF and Dairy Management Inc. (DMI) Joint Annual Meeting that took place this week in Orlando, Fla.

Bleiberg, who serves as the executive vice president of government relations for NMPF, said on Tuesday he expected the Senate to act by the end of the week, and late Wednesday night, a stopgap spending bill was passed by that chamber of Congress. This averted the government shutdown that would have gone into effect at 12:01 a.m. Saturday morning.

Although the farm bill lapsed on September 30, Bleiberg explained that was on paper only, as the real deadline for programs within the farm bill is the end of the calendar year. With the extension passed by Congress and awaiting President Joe Biden's signature, the 2018 Farm Bill will remain in effect until September 30, 2024. He said the extension carries over programs such as Dairy Margin Coverage (DMC) for another year, along with the production history update made by the supplemental DMC program, and it puts off the dairy cliff for a year.

"There's always some degree of concern that an extension might stop the momentum for doing a bill, but I don't think that's likely in this case," Bleiberg said, noting that both Senator Debbie Stabenow and Representative Glenn "GT" Thompson, heads of their chambers' respective agriculture committees, are motivated to get a new farm bill in place.

Although the House speaker and government funding discussions slowed the process considerably, Bleiberg expects that the House will vote on a new farm bill in the first quarter of next year and the Senate will follow suit.

Southland Dairy Farmers Serve Ice Cream and Smiles at the Kentucky State Fair

The Kentucky State Fair is always an exciting time for Southland Dairy Farmers and this year was no different! The 2023 event was held from August 17th – 27th and Southland Dairy Farmers were able to connect with large numbers of fairgoers with the Mobile Dairy Classroom and ice cream samples that were given away.

The Kentucky State Fair saw 599,000 people in its 11-day run. Southland Dairy Farmers handed out free mini ice cream bars as well as Gogurts to fair guests. Almost 10,000 Gogurts were handed out and over 57,400 ice cream bars, which brought a record total of over 67,000 samples distributed this year.

Southland Dairy Farmers were featured daily in the Kentucky State Fair's family-friendly agriculture space, AgLand, with the Mobile Dairy Classroom. Fair guests were educated on the importance of dairy in a daily diet and able to see live milking demonstrations at the end of each educational dairy show.

This successful event is a great way to reach large numbers of people in such a short time and be able to educate on where their milk comes from and why they need their three servings a day!



Dairy Report November 2023

John Herbert Associate Market Administrator, Appalachian Marketing Area - FO 5, Florida
Marketing Area – FO 6, Southeast Marketing Area – FO 7

FORECAST OF FEDERAL ORDER 5 UNIFORM PRICES

LAST MONTH'S ANNOUNCED PRICES		OCT 2023	NOV 2023	DEC 2023
Butterfat	\$3.0972	\$3.4545	\$3.5565	\$3.3283
Skim	\$11.23	\$11.32	\$10.16	\$10.40
@ 3.5%BF	\$21.68	\$23.01	\$22.25	\$21.69

* Prices are at the announced base zone differential of \$3.40

FORECAST OF FEDERAL ORDER 6 UNIFORM PRICES

LAST MONTH'S ANNOUNCED PRICES		OCT 2023	NOV 2023	DEC 2023
Butterfat	\$3.1034	\$3.4041	\$3.5869	\$3.3941
Skim	\$13.19	\$13.64	\$12.06	\$12.39
@ 3.5%BF	\$23.59	\$25.08	\$24.19	\$23.84

* Prices are at the announced base zone differential of \$5.40

FORECAST OF FEDERAL ORDER 7 UNIFORM PRICES

LAST MONTH'S ANNOUNCED PRICES		OCT 2023	NOV 2023	DEC 2023
Butterfat	\$3.0933	\$3.4297	\$3.5615	\$3.3456
Skim	\$11.96	\$12.21	\$10.75	\$11.09
@ 3.5%BF	\$22.37	\$23.78	\$22.84	\$22.41

* Prices are at the announced base zone differential of \$3.80

Milk Prices

FMMO 5

www.malouisville.com

October 2023

Class 1 Advanced Price

(@3.5%BF)

\$22.87

November 2023

Class 1 Advanced Price

(@3.5%BF)

\$23.15

FMMO 7

www.fmmlanta.com

October 2023

Class 1 Advanced Price

(@3.5%BF)

\$23.27

November 2023

Class 1 Advanced Price

(@3.5%BF)

\$23.55



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Retired UK Dairy Specialist



Are You Competitive as a Dairy Manager?

For a dairy operation to be profitable and sustainable long-term, available land, cattle, labor, and financial resources need to be used efficiently, be sized appropriately, and used such that they allow one to easily and effectively manage the dairy herd. By evaluating how efficiently resources are used on an on-going basis, one can find areas where small changes may allow for improvements in a dairy's financial wellbeing and/or improve dairy cow/heifer management resulting in improvements in finances. Cow-related management records, i.e. DHI records, are important in this evaluation, but only relate to cow performance and not how management directly impacts finances. To integrate cattle management and financial aspects, one needs to objectively evaluate some key management-related areas which directly impact the financial bottom line. By routinely reviewing these key areas one can quickly spot either positive or negative changes, allowing one to make changes to the dairy operation before major financial impacts are felt.

Feed Costs—Income over Feed Cost

Feed costs represent the largest expense on a dairy coming in at 40 to 60% of the total cost of production. This percentage will vary not only due to the cost of purchased feeds, but also by the value placed on homegrown forages. When calculating feed costs, consistency in the calculations is important for comparisons to be valid. Some will calculate the value of homegrown forages at a set or market value whereas others use the costs associated with raising the crop, i.e. fertilizer, seed, etc. Others do not include forages in the category, just purchased feeds. To justify raising forages (i.e. hay) or corn grain, the cost associated with raising each crop needs to be less than if those were purchased. Thus, using costs to raise forages and corn grain ideally should result in a lower calculated feed cost overall.

The groups of dairy cattle included in the feed cost category impact the percentage of total expenses associated with feed. Generally, 65% of total feed costs are associated with the milking herd, 5% with dry cows, and 30% with heifers. For dairy herds not raising heifers, total feed costs should be 30% lower than those raising their own replacements. On feed sheets, feed cost reflects the specific group of cows or heifers being fed. These calculations are based on the estimated intake for an individual cow or heifer and do not take into account the variation in feed intake seen within groups of cows/heifers, additional feed left at the next feeding (a common and needed practice), or feed shrink prior to feeding. The take home message is to know what the value for feed cost is reflecting and the purpose or evaluation you are wanting to complete. Specifically one can ask, does the feed cost reflect (a) the amount actually spent on feed or (b) the cost of a diet formulated for a specific production or growth? Both are important in managing a dairy

herd, but are used for different purposes. Feed cost for a formulated ration allows one to compare feeding programs at the same intakes and performance parameters. Whereas the actual total feed cost on-farm reflects what actually is occurring and reveals the cost involved in feeding all classes of dairy cattle on farm, and thus the total financial cost actually incurred for the feeding program. For example, feed shrink can be quite large when commodities are stored in a commodity shed and/or wind losses occur. This cost associated with the feeding program would not be accounted for in the feed ration sheet, but actual expenses for the feeding program would account for these losses.

Lowering feed costs at the expense of milk production income is not a sound and profitable management practice. The key is to “optimize and prudently use” your feed dollars while not compromising milk income. Thus, the rationale for calculating income over feed cost. Improvements in milk production often return more than the additional feed costs, but not always. For example, if total daily feed cost per cow increases by 10 cents, approximately 0.50 lb more milk is needed to cover the additional feed cost. If these costs are associated with a feed additive or a substituted feed ingredient, the payback should be at least 2 or 3 to 1. For each additional 10 cents/cow, milk production should respond by at least 1 to 2 lbs; a difference often hard to detect in the bulk tank, but does have a financial implication. Improvements in reproduction and immunity also are very hard and at times nearly impossible to calculate the financial reward or cost. However, managers understand their importance and they do represent some of the hidden costs of production.

Labor costs—Hired, Family, and Owner Labor

Labor generally represents 15 to 20% of the cost of producing milk, the second highest expense category for most farms. As labor costs continue to increase, reviewing how efficiently labor dollars and time are used becomes even more prudent. When comparing labor efficiency or cost to benchmarks, all calculations are based on a “worker” working 2500 hours yearly (50 weeks/year at 50 hours/week) defined as 1 full-time equivalent (FTE). Remember that “workers” include not only hired labor (hired and contract labor), but also family and owner time spent completing tasks related to the dairy and raising crops for the cows and heifers.

Tiestall barns are often benchmarked at 30 to 35 cows per worker which includes raising crops. Freestall and other group housing systems generally have been benchmarked at 40 to 45 cows per worker and more recently this has averaged 52 and as high as 56 cows/worker. Parlors should be managed such that 4 turns per hour occur. These parlor throughputs reflect not only labor efficiency, but also the efficiency of getting cows to milk out in a reasonable time through the parlor.

By calculating the amount of milk SOLD per worker, one can integrate both labor efficiency and total amount of saleable milk produced. For years, the dairy industry has used the benchmark of 1 million pounds of saleable milk per worker with tiestall barns being slightly less. Today, some of the herds with the higher returns on assets are averaging almost 1.5 million pounds of milk per worker.

Identify Under-Utilized Assets

Dairy operations have a large investment in land, facilities, machinery, and equipment. Interest on debt can be equal to costs associated with labor, depending on amount of capital borrowed and interest rates. Land, facilities, machinery, and equipment need to be sized to adequately distribute these fixed costs over an adequate number of income-generating units, known as milking cows, and have sufficient, but not excessive, land and machinery/equipment to get the daily jobs done in a timely manner. Sometimes investments can increase productivity, decrease labor and repair expenses, or make the job more enjoyable. High investments in machinery/equipment relative to revenue can hurt the financial picture of a dairy operation. Yearly reevaluating if machinery and equipment are being used to their potential or need to be replaced when financially able should be completed. We have all heard the saying, “they have more green, blue, red paint than appropriate for their operation”.

Timely Sale of Productive Assets

The sale of cull cows and calves represents 5 to 15% of the total dairy income on a dairy with total income reflecting beef prices and the total pounds of beef or number of calves sold. Cows retained in a dairy herd should be more profitable than a replacement heifer or cow. At what point culling occurs depends on the cost of the replacement, estimated production of the replacement relative to the cow she is replacing, and the number of days in milk, estimated future production, and reproductive status relative to days in milk of the cow being considered as a cull to name just a few.

One aspect everyone can agree upon is that cows and heifers lost on the farm do not add income to the bottom line. Death losses should be kept to minimum. NAHMS data suggest an average of 6% death losses on farm. Death losses higher than this should be reviewed and corrective action taken. Also, non-dairy culling should be kept as low as possible (ideally < 25%). Raising more replacements than needed also raises expenses. Raising replacements accounts for 15 to 20% of the cost of producing milk when their costs are accounted for separately. Using data from 2015 thru 2020, Cornell University compiled the financial and inventory records from the same 122 New York dairies enrolled in their Farm Business Management Program. For these herds, the percentage of heifers relative to number of cows decreased from 86% to 79% when comparing 2015 to 2020 (cull rate of 36% in 2020).

Family Living Expenses

Generally speaking, family living is benchmarked at around 5 to 10% of gross farm income. Depending on how a farm is structured, this expense may be included in the labor category and is associated with owner and/or family labor. Adequate farm income (and non-farm income, if applicable) is needed to cover family living expenses. Family living expenses need to be assessed accurately, tailored to your and your family’s needs, and scrutinized as closely as farm income and expenses. Often times, this expense category varies from year to year to match net farm income, and rightfully so. However, some expenditures, i.e. food or health insurance, need to be covered year to year.

Take Time to Review Major Expense Categories

To be competitive in today’s dairy business climate, one must be able to integrate the financial and cow/heifer management principles into one package and make decisions based on this information. From an income standpoint, milk income still drives the income side of the equation, but income from the sale of cows and calves still is important since that percentage often represents at least a big chunk of family living allocations. The biggest expenses include feed, labor and interest/depreciations associated with land, facilities, machinery, and equipment. Comparing costs between years to benchmarks and against local neighbors or dairies in other locations in the US can help a dairy business remain competitive today and in the future.

CLASSIFIEDS

UPDATING YOUR DIVISION OF WATER PERMIT FOR YOUR FARM? PLANNING AN EXPANSION OF YOUR OPERATION?

Update your Comprehensive Nutrient Management Plan (CNMP) and take advantage of financial assistance programs for livestock manure management, crop nutrient management, and water quality BMPs. Contact - Ben Koostra - Professional Engineer and NRCS Technical Service Provider - Bowling Green - 859-559-4662

Virtual Farm Tours - Kentucky Farms Reach New Audiences

The Dairy Alliance's ongoing virtual farm tours bring classrooms in Kentucky and beyond to the farm. During the tour, the Southeast's dairy farmers guide online viewers around the milking parlor, barn, and more to educate about a normal day on the farm while answering questions submitted in the live chat. Through the virtual tour, students learn agricultural practices and these practices' role in sustainable farming and the importance of dairy in the diet.

These virtual farm tours have been aimed at different age groups, from elementary to college students. Last year, farmer Billy Crist (right) of Crist Dairy Farm in Edmonton hosted one of these tours. Below are Billy's thoughts on the experience.

Tell us about your experience hosting the virtual farm tour, including planning the tour and then the tour day of?

"It's a very good educational opportunity for the kids, especially the kids in the city that don't know anything about the farm. It was an easy way to share our farm with the kids and an effective way to get people out to the rural community."

What was your biggest take away from hosting this virtual farm tour? Anything that surprised you?

"This tour was easier than any farm tour I've had before. We didn't have to do much prep and it was a simple process."

You were able to reach 2,691 students during this roughly one-hour tour. How many in-person tours would it typically take you to reach that many students?

"It would take a couple of schools and a few days to reach that many students. I wouldn't want to!"

With that, do you feel these virtual farm tours are a good investment of your checkoff dollars?

"Yes, it's worth the time and investment."



During the 2021-2022 school year, over 10,000 students were registered across the four live tours targeting students, with more students and consumers learning about work on a dairy farm through shared recordings.

And the tours continue. This October, dietetic interns and university nutrition students toured the Rowlett family's dairy farm (below) and Milkhouse Creamery in Campbellsburg via Zoom and received a free communications training led by Caylen Bufalino of Goudie Media. While the training was only available to registrants, the recorded tour is available to watch on The Dairy Alliance's YouTube channel.

With many American families living away from agriculture, these tours are an opportunity to connect local students of various ages and backgrounds to an agricultural industry they may otherwise never interact with. Showcasing local dairy farmers like Billy connects students to agriculture to spark an interest in learning more about where our food comes from and the hardworking farmers responsible for it all.



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Calendar of Events

NOVEMBER 30 - DECEMBER 2	Kentucky Farm Bureau Annual Meeting, Louisville, KY
DECEMBER 12	KDDC Board Planning Meeting (Directors Only), Taylor County Extension Office
DECEMBER 31	Last day of 2023 KDDC cost share programs
JANUARY 11-12	Kentucky Cattleman's Convention, Lexington, KY
JANUARY 15-17	Georgia Dairy Conference, Savannah, GA
FEBRUARY 27-28	KDDC Young Producers and KY Dairy Partners Conference, Bowling Green, KY