

## **“Great management pays better than ever”**

By Brian Reed DVM, MBA

*“Doc, guess what I got for the bull calf I sold on Monday?” “I couldn’t believe it when I opened the check for that cow we couldn’t get bred!” “I remember just a few years ago when I only got half of what I get now for a fresh dairy heifer, plus I sold her calf for \$900 last week!”* These are all very familiar sentiments heard from dairy farmers over the last couple of years. There are several industry-wide factors that have led to this. Cull cow and beef prices have been elevated from a decrease in our national beef herd mainly due to prolonged and widespread drought conditions over various parts of the country. This resulting decrease in pasture output has led to severe culling of beef herds in several key areas of the country. Beef on dairy breeding programs and development of markets for the resulting offspring as well as for traditional dairy bull calves has led to bull calves being a profit center for dairy farms instead of just an afterthought. Because of this focus on bull calves as well as decreased replacement inventories on many farms, dairy cattle sales prices have almost doubled since their lows several years ago.

Dairy operations that excel in their health and reproductive management abilities are rewarded financially for their efforts, now more than ever. When springing heifers were worth about what it cost to raise them, or even less on some farms, the farms doing a great job were not rewarded as much as they are today. Cows that were culled in the first 60 days after calving due to health reasons related to their transition period have always been an expense to dairy farms. Now they are even more costly due to both the increased cost for their replacement. There is also a difference in cull value for a thin, less healthy early lactation cow versus one that had a successful lactation and is sold at dry-off instead at a much higher price. Let’s look at the various ways great management pays dividends in today’s markets.

Every dairy farm has cows that need to be culled. The goal should be to minimize the number of animals culled for preventable reasons and maximize the number of animals culled at the completion of a highly productive and healthy life. Ideally, they are then replaced by a younger, healthy animal with a higher genetic value than themselves due to a solid breeding program. When you do this well through superior overall management, your replacement needs will be reduced to an optimal level for your herd. Doing this frees up the opportunity to use more animals in a beef on dairy breeding program or to sell high-genetic dairy animals at a premium price in today’s markets.

When you think about how you can improve your operation, look over your records to determine areas that may lead to premature culling of dairy animals. It might be due to calf management leading to elevated death loss or raising unhealthy heifers due to pneumonia. This leads to getting culled early in their productive lives. There might be room for improvement in your dry cow management and feeding programs that are causing metabolic, health or production problems leading to early lactation and early life culling. There might be some

improvement that could be made to various cow comfort factors on your farm that could improve both production and increased longevity of your cows. Maybe your records reveal that improvement in your foot health and lameness programs would yield high dividends for you.

Reproductive management programs should be scrutinized closely to find these opportunities. Culling a cow early in her productive life because you are unable to get her pregnant within a reasonable time period can cut her productive life short by a number of years. Increasing your pregnancy rate and decreasing your calving interval not only improve your milk production by decreasing your herd's average days in milk, but fewer cows should be culled for reproductive reasons as well. There are several different reproductive management programs that can be used. The key is to choose one that works for your farm and then follow it relentlessly throughout the year, as you never really are caught up on reproduction in a herd. In this era of high bull calf prices and a premium for dairy animals, the more calves born and sold or raised successfully, the more profitable you will be.

As I have looked at net cull cow, calf sales plus dairy sales on many farms over the last couple of years, I have seen variations of up to \$3.00/CWT (hundred weight) of milk sold between the extremes on farms. There is real opportunity to manage your herd to take advantage of the current market conditions related to bull calf, cull cow and dairy sales. An added bonus is that when you do improve these sales, you also improve production and profitability of the management areas that are changed. Work with your farm advisors to develop sound management programs to move your farm forward to meet tomorrow's challenges.