



How to Read: Dairy Profit Monitor 12 Month Summary

Prepared by Ashley Howlett

Production Parameters

- **Average Number of Lactating Cows** – The average number of cows in milk by month.
 - o A trend may be seen seasonally due to management choices (seasonal/partial seasonal calving) and can impact other areas of the report, like Herd DIM.
- **Percent Heifers (relative to cows)** – Indicates how many heifers they're carrying relative to the average herd size, milking and dry. A higher number (85 - 100%) is usually an excess of heifers – the farm may be trying to expand or is selling heifers regularly. The question is normally asked “why are we keeping excess heifers around?” A lower number (70 - 80%) usually allows a herd to maintain a consistent herd size.
- **Lbs components/cow/day** – Range: 5 - 6.5 lbs. You'll notice farms making more milk usually have a higher amount, especially if they are doing well with component percentages. Highest farms are hitting 6.7 - 6.8. There is a seasonal trend in this number over the year, with lower levels in the summer, which plays a factor in income over feed cost.
- **Fat and Prot. Corrected Milk/cow/day** – Factors in the added value associated with the percent of butterfat, protein, and other solids in the milk. A higher percentage of components in milk will show a higher corrected milk value per cow per day.
 - o When there is a significant change in dry matter intake (>5 lbs), look here to see if there is a big jump or drop in milk production/component percentages. If there is a change in milk, there is usually a ration or forage change associated with production and intake changes.
- **% Cows in Milk** – Range 88% - 93%. This is an indicator of how many dry cows are on the farm. If the number is lower (around 85% or less) it usually means there are cows being dried off earlier and leads to asking why those cows are around or what the management purpose is.

Herd Parameters

- **Cull Rate** – The 12 month average on the right column is the sum of the individual months. Range: 20 - 50% annually, 1.6 - 4.2% monthly
 - o A higher number means there might be events happening on the farm that have been leading to more culling (overcrowding, mastitis issues, etc) or that they have large heifer numbers entering the milking herd, changing culling parameters to adjust for the larger inflow of heifers.
- **Fresh Cow Cull Rate** – higher than 12% for a 12 month average is a point of concern. If over 0.8% monthly, this could become a point of concern.
- **% DA** – Over 5% concerning
- **% RP** – Can vary – When above 15% can be concerning (as long as cow reproductive health is okay throughout lactation- it can be okay)
- **DOA%** - Above 10 - 12% concerning
- **Pregnancy Rate** – 18 - 35% is normal – usually a dip with heat stressed months.



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- **Herd DIM**- goals: 150 - 170
 - o Higher than 180 usually indicates cows aren't getting bred on time
- **Youngstock Cull Rates** – Sold and died (should not include calves or heifers sold for dairy purposes). Animals sold should represent those sold to beef as poor performers.
 - o Goals for heifers older than 3 months of age: <3% for 12 month average.
 - o The goals for heifers younger than 3 months can vary across farms depending on how frequently lower genetic potential animals are culled and if these are included in your farm's data or not. If it's not including any of these animals, the goal is less than 3% for 12 month average.
- **Calving Age** – Typically between 22 - 24
 - o Some people are calving in at 21 months – the point is to make sure they're big enough when they calve as the size is more important than the age.
 - o 25 - 26 months – the farm waits a little longer to breed heifers. Concern becomes the cost associated with carrying all the animals.
 - o If monthly average taken from DairyComp 305, usually understates average as program rounds down when calculating.

Milk Check Analysis

- **Component Milk Income per cwt.** – Variable from farm to farm- price per lb of butter, protein and other solids will be the same but the component income per cwt changes depending on the % component production. Only way farm can change this is to change % components.
- **Net Marketing Margin per cwt.** – Non-component milk income (Other premiums + quality + PPD) - milk marketing expense (Hauling + milk check deductions)

Efficiency Parameters

- **Worker Equivalents** – Assumes 230 hrs/month
 - o If have large variation every few months, it can depend on where the pay periods lie
 - o Focus on cows per worker and milk sold per worker
- **Milk Sold per Worker** – Range: 900,000 - 1,800,000(annual)
 - o 1.8 million is more rare: typically the dairies custom boarding heifers and buying feed will hit the number
 - o Monthly variation will occur depending on how many days in the months and payroll periods when getting hours off Centerpoint or Quickbooks
- **Cows per Worker**- Range: 35 - 70
 - o If the farm is doing their own crops and raising their own heifers – they're closer to the 35. If just running a dairy, can be over 70.
- **Lbs of ECM (energy corrected milk) per Lb. of Dry Matter** – aka feed conversion
 - o Range: 1.3 - 1.7



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- Average: 1.5 - 1.6
- A key factor associated with income over feed costs, the higher the better.
- **Dry Matter Fed per Cow:** Range: 45 - 62
 - The lower end of the range is usually Jersey herds and grazing/organic operations.
- **Percent Forage in Diet (DM Basis):** Range: 35 - 65%. Depends on the geographic area, and forage quality.
 - Lower forage- farm might be buying more feedstuffs because they are cheaper
 - Higher forage- good quality forages with sufficient quantity

Financial Parameters

- **Purchase Grain Cost/cwt** - Range:\$4 - \$8
 - The variation in this is from farms that raise their own grain vs. purchasing all their commodities.
 - This also can be related to forage quality
- **Lactating Feed Cost/cwt**- Range: \$5 - \$10. Includes purchased feed costs along with grown feed costs. Self-valued, homegrown forages and grain are in this number.
- **Lactating Feed Cost/Head/Day** - Range: \$6 - \$8. Includes purchased feed costs along with grown feed costs.
- **Lactating Feed Cost per LB DM** – Range: \$.08 - \$.15
 - Looking at this parameter over time helps determine the consistency of forage values and costs that are being entered.
 - If it changes more than \$0.01 between months there may be an inconsistency. Sometimes a ration change or rapid price change will cause a large difference and can make a monthly change greater than \$0.01.
- **NMIOPFC**- Net milk income over purchased feed costs, per cow per day.
 - Actual milk price – uses the actual milk prices received by the farm. Change from one month to the next can be driven by milk price change, and changes made within the farm
 - Fixed milk price – uses a 3 year average of butterfat, protein, and other solids price along with a net marketing margin we set in the program.
 - This takes out the noise the milk price can cause and shows the impact the feed program/management has on the IOFC.
- **NMIOTFC** – Net milk income over total feed costs, per cow per day
 - This adds in the costs for grown grain and forages
 - Calculated using both actual and fixed milk price.