

The Knowledge to Act: Margin Over Feed Cost

When the cost of concentrates is on the rise, how to optimize herd feeding while improving your profit margin

Main Objective

To understand the main factors influencing the cost of concentrates for the herd, in order to maximize farm revenues after feeding costs. At the end of the session, the participant will know how to identify his herd's strong points – and those needing improvement – in the *Feeding – Concentrates* budget entry. He will then be in a better position to make more profitable decisions regarding this important expenditure entry.

Specific Objectives

At the end of this training course, the participant will be able to:

- Know some of the reasons explaining the fluctuations of feed costs
- Identify some opportunities to improve revenues from milk deliveries
- Analyze, for comparison with his herd data, some key economic parameters such as:
 - Cost of concentrates per hectolitre
 - Milk:Concentrates ratio
 - Cost of cow concentrates per ton
 - Cost of heifer concentrates per heifer
 - Cost of heifer concentrates per hectolitre
- Pinpoint ways to reduce feeding costs.

Who should participate? Any dairy producer preoccupied with the increase of feed costs.

Trainers:

- Mark Rose, M.Sc.Ag., Valacta Advisor
- and/or Jean Brisson, agr., Dairy Production Expert, R&D, Valacta

Duration: 5-hour course, in-class

Proceedings

In order to increase positive impact at the farm, participants may complete some exercises after the course, at their discretion.

Useful tools to bring along:

- Your Milk Marketing Board data for the last 12-24 months
- Herd Summary Reports (Performance Record + Feed Report) from your last test
- Information on the work sequence at your barn
- If you feed grain/cereals, a sample of your conditioned grain (rolled or ground).

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The Knowledge to Act: Margin Over Feed Cost Course Content

1. **Introduction**
2. **The markets**
 - 2.1. Historical review of feed costs
 - 2.2. Reasons explaining the upheaval of feed costs during the last three years
 - 2.3. Perspectives
3. ***The cost of cow concentrates varies widely from farm to farm***
 - 3.1. Valacta/Agritel Averages
 - 3.2. Feed costs vs margin
 - 3.3. Case study illustrating the situation on a given day and for a given period:
 - 3.3.1. Cost of cow concentrates (\$/hl)
 - 3.3.2. Cost of cow concentrates (\$/kg butterfat)
 - 3.3.3. Cost of cow concentrates (\$ per ton)
 - 3.3.4. Mik:Concentrates Ratio
 - 3.4. Service offer – Monitoring the cost of concentrates
4. **Feed costs: forages**
 - 4.1. Reminder of the importance of forages vs feed costs
 - 4.2. Overview of Agritel data on forage production cost
5. **Avenues of solution**
 - 5.1. Feeding sequence
 - 5.1.1. Review of research data
 - 5.1.2. Case overview to illustrate the analysis process
 - 5.1.3. Participants fill the table listing daily tasks on the farm
 - 5.1.4. Objectives
 - 5.1.4.1. Lighting
 - 5.1.4.2. Heat watch
 - 5.1.4.3. 1st feeding
 - 5.1.4.4. Number of feedings
 - 5.2. Feed intake
 - 5.2.1. Overall impact of feed intake:
body condition score, production, reproduction, feed cost
 - 5.2.2. Review of factors influencing feed intake
 - 5.3. Forage quality
 - 5.3.1. Impact of quality on feed cost and on production
 - 5.3.2. Avenues to improve quality
 - 5.4. Choosing ingredients
 - 5.4.1. Forages and winning combinations
 - 5.4.2. Concentrates: characteristics, advantages and limitations of chosen ingredients
 - 5.4.3. Keeping an eye on variability, quality control

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5.5. Complete feed

- 5.5.1. Cost of storage, rolling and grinding
- 5.5.2. Ingredients for complete feed
- 5.5.3. A few pros and cons

5.6. Texture of grain/cereals

- 5.6.1. Digestion site
- 5.6.2. Digestibility of grain/cereals vs presentation
 - 5.6.2.1. Roller Mill
 - 5.6.2.2. Hammer mill
- 5.6.3. Sample evaluation

5.7. Feeding Systems

- 5.7.1. Strategic choices
- 5.7.2. Importance of grouping
- 5.7.3. Importance of ration monitoring

5.8. Additives: characteristics, advantages and limitations

- 5.8.1. Buffers
- 5.8.2. Organic minerals
- 5.8.3. Vitamins
- 5.8.4. Toxin binders
- 5.8.5. Others

6. **The cost of heifer concentrates varies widely**

- 6.1. Objectives
- 6.2. Case study illustrating the situation for a given period:
 - 6.2.1. Milk feeding
 - 6.2.2. Cost of heifer concentrates (\$ per springing heifer)
 - 6.2.3. Cost of heifer concentrates (\$/hl)
 - 6.2.4. Cost of heifer concentrates (\$/kg butterfat)

7. **Revenues from milk deliveries: detecting opportunities**

- 7.1. Milk value, components and ratio
 - 7.1.1. Milk value (\$/hl)
 - 7.1.2. Milk value (\$/kg butterfat)
 - 7.1.3. % butterfat
 - 7.1.4. % protein
 - 7.1.5. SNF/F ratio
- 7.2. Case study
- 7.3. Deliveries vs quota
 - 7.3.1. Over-quota
 - 7.3.2. Unrecoverable
- 7.4. Incentives
- 7.5. Service offer for dairy planning

8. **Conclusion**

- 8.1. Importance of an action plan at the farm
- 8.2. Valacta service offers

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