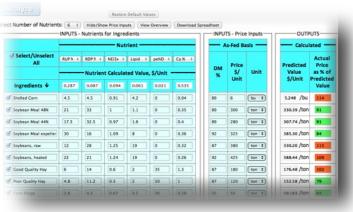
Dairy Feed Values, Options and Decision Making Tools



Victor E. Cabrera



Evaluated Cow

Replacement

Evaluated Cow: 167.235542

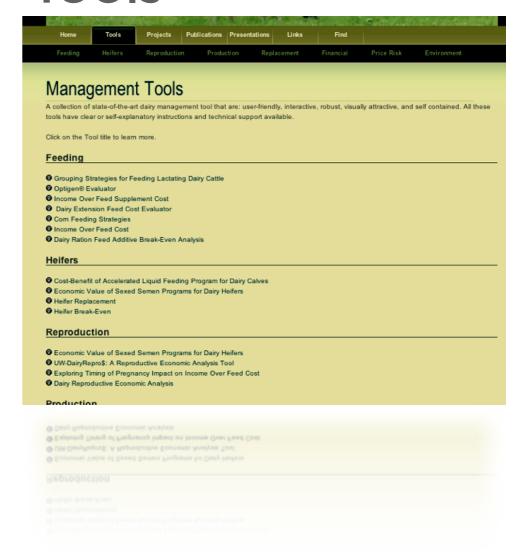
UW-Dairy Management

DairyMGT.info



Admin Portal

Tools



FeedVal 2012

- Decision support tool to assess the <u>ACTUAL</u> value of dairy feed ingredients
- Help dairy producers, nutritionists, consultants, <u>LENDERS</u>, make economical decisions:
 - Purchasing feed ingredients
 - Using available feed ingredients

FeedVal 2012

- What it does?
 - Calculates the value of individual NUTRIENTS
 - Calculates the value of feed INGREDIENTS
 - Gives <u>RELATIVE</u> value of feed ingredients

FeedVal 2012

- How it does it?
 - Value of a feed ingredient is the <u>AGGREGATED</u> <u>value</u> of its nutrients
 - Nutrient value is the average nutrient value in selected feed ingredients
 - Relative value compares market against predicted feed value

Upload data as Excel file: Choose File No file chosen

Analyze Disregard negative Nutrient Calculated Values Select Number of Nutrients: 6 Hide Price Inputs

Restore Default Values

Download Spreadheet

FeedVal 2012

Calculated

Actual Price

as % of

Se	nalyze Disregard negative elect Number of Nutrients:	Nutrient Ca	Culated Val	Hai	Restore Defaul	t Values	Download
			- Nutrients	for Ingredie	ents		
				Nut	rient		
		RUP% \$	RDP%	(NEBXIVI)	Plant	DENDE \$	Ca % \$
				U U	101	163	
			Nutrient	Calculated	d Value, Ş,	Unit DM	
	Ingredients ↓						
	✓ Shelled Corn	4.5	4.5	0.91	4.2	0	0.04
	✓ Soybean Meal 48%	21	33	1	1.1	0	0.35
	✓ Soybean Meal 44%	17.5	32.5	0.97	1.6	0	0.4
	Soybean Meal, expeller	30	16	1.09	8	0	0.36
	✓ Soybeans, raw	12	28	1.25	19	0	0.32
	✓ Soybeans, heated	22	21	1.24	19	0	0.26
	✓ Good Quality Hay	6	14	0.6	2	35	1.3
	Poor Quality Hay	4.8	11.2	0.5	2	50	1
	✓ Corn Silage	2.8	4.2	0.67	3.2	30	0.28
	✓ Distillers Dried Grains	15	15	0.9	12	0	0.22
	✓ High-Moisture Corn	3.6	5.4	0.95	4.2	0	0.03
	✓ Tallow	0	0	2.06	100	0	0
	⊘ Blood Meal	76	19	1.06	1.2	0	0.3
	⊘ Urea	0	287	0	0	0	0
	✓ Straw	4	1	0.45	0.37	75	0.31
	⊘ Soy Hulls	6	8	0.67	2.7	0	0.63
	✓ Corn Gluten Feed	7.5	16.5	0.79	3.5	0	0.7
	✓ Canola Meal, expeller	17	21	0.8	5.4	0	0.75
	✓ Canola Meal, solvent	13.5	24.5	0.74	1.5	0	0.75
	✓ Cottonseed Meal	20	25	0.78	1.9	0	0.2
Ingredients	✓ Wheat Middlings	4.5	14	0.76	4.3	0	0.16
ingi calcitis	✓ Whole Cottonseed	6	18	0.88	19.3	22	0.17
	✓ Hi-Pro Distillers	22	22	0.9	4	0	0.22
	✓ Wet Distillers	12	18	0.92	15	0	0.22
		15	15	0.78	5.2	0	0.3
	✓ Wet Brewers	12	18	0.78	5.2	0	0.35
	✓ Malt Sprouts	9	21	0.68	2.3	0	0.24
	✓ Sunflower Meal	8	21	0.63	1.4	0	0.48
	☑ Beet Pulp	5	5	0.67	1.1	0	0.91
	✓ Hominy	4	8	0.86	4.2	0	0.03
	✓ Linseed Meal	16	16	0.72	1.7	0	0.4
			4				1
		2		0.8	0.2	0	
		42	23	1.08	2.5	0	0.06
		3.5	14	0.73	4.3	0	0.13
	⊘ Whey	1	9	0.85	0.7	0	1.37
	✓ Oats	4.5	8.5	0.81	5.1	0	0.11
	⊘ Wheat	4.2	10	0.91	2.3	0	0.05
	⊘ Barley	3.4	9	0.85	2.2	0	0.06
	Extra Ingredient						
	Extra Ingredient						
	Extra Ingredient	1	33	3 4 4	3		

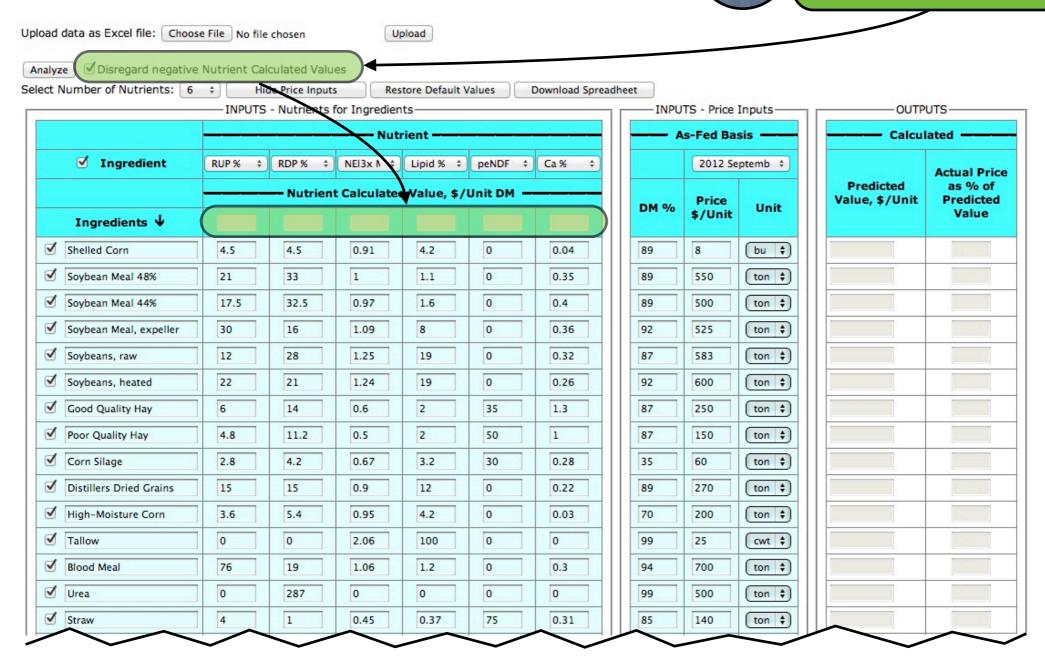
h	INPUT	S - Price	Inputs —	ou
	A:	s-Fed Bas	sis —	——— Cald
	PI	2012 Se	ptemb 🗘	
				Predicted
	DM %	Price \$/Unit	Unit	Value, \$/Uni
	89	8	(bu ‡)	
	89	550	ton ‡	
	89	500	ton ‡	
	92	525	ton ‡	
	87	583	ton ‡	
	92	600	ton ‡	
	87	250	ton ‡	
	87	150	ton \$	
	35	60	ton ‡	
	89	270	ton ‡	
	70	200	ton ‡	
	99	25	(cwt ‡)	
	94	700	(ton ‡)	
	99	500	(ton ‡)	
	85	140	(ton ‡)	
	89	280	(ton ‡)	
	89	250	(ton ‡)	
	89	360	(ton ‡)	
	89	400	ton ‡	
	89	360	ton ‡	
	89	240	ton ‡	
	89	300	ton ‡	
	89	300	ton ‡	
	45	125	(ton ‡)	
	89	250	(ton ‡)	
	25	75	(ton ‡)	
	89	250	ton ‡	
	89	320	(ton ‡)	
	89	150	ton ‡	
	89	250	ton ‡	
	89	370	ton ‡	
	89	175	ton ‡	
	89	640	ton ‡	
	89	240	ton ‡	
	20	50	ton ‡	
	89	250		
	89	8.4		
	89	14.75	(cwt \$)	
			(ton ‡)	
			(ton ‡	

ton ‡

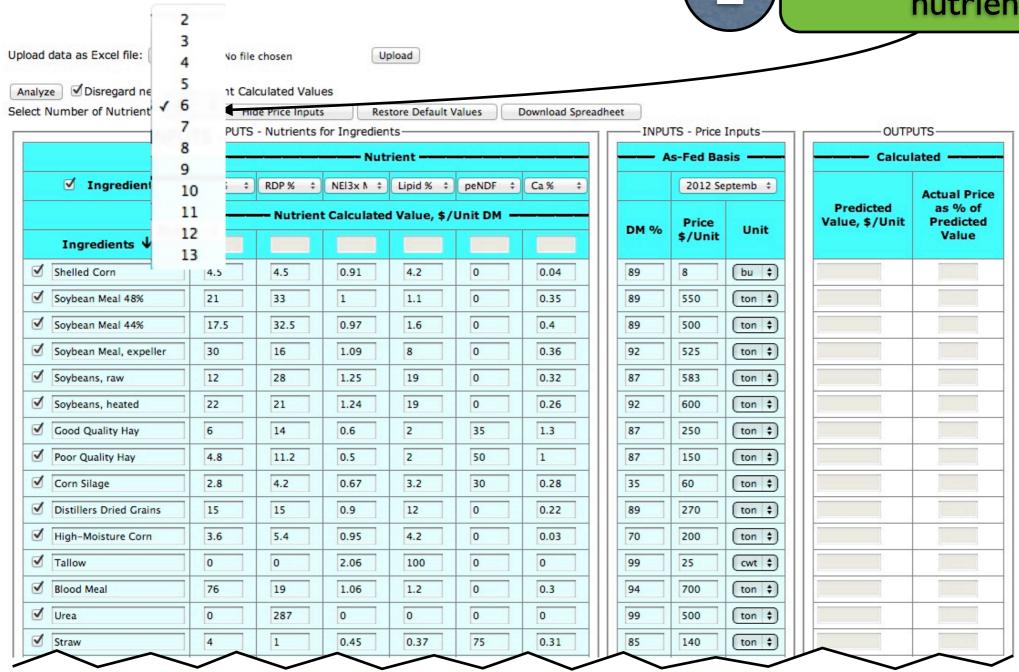
Predicted Value

Results

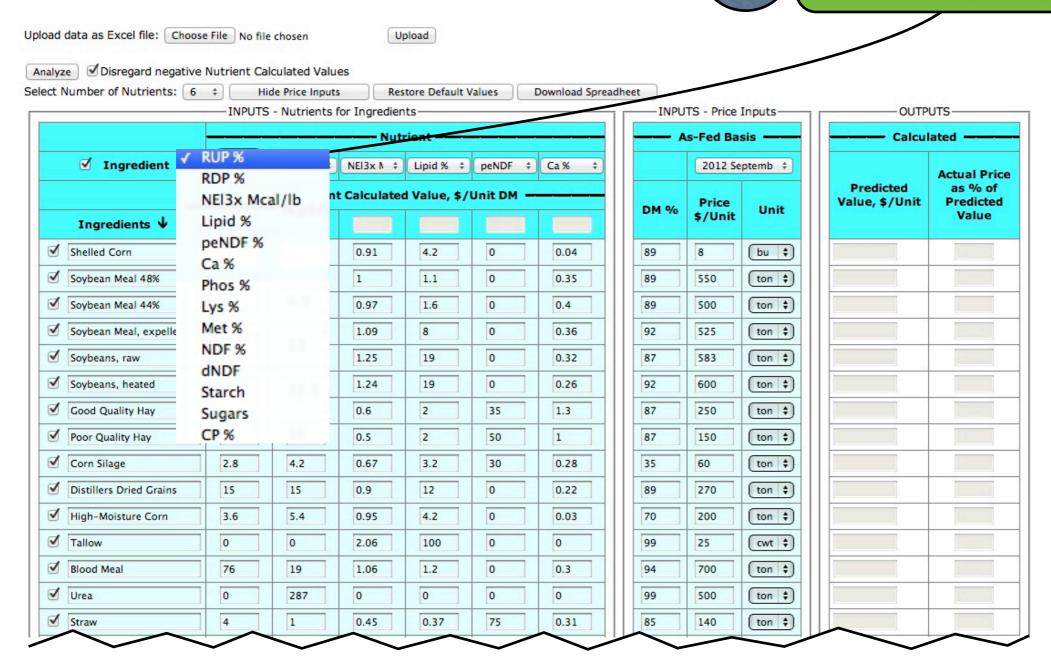
Select if to use negative nutrient values



Select number of nutrients

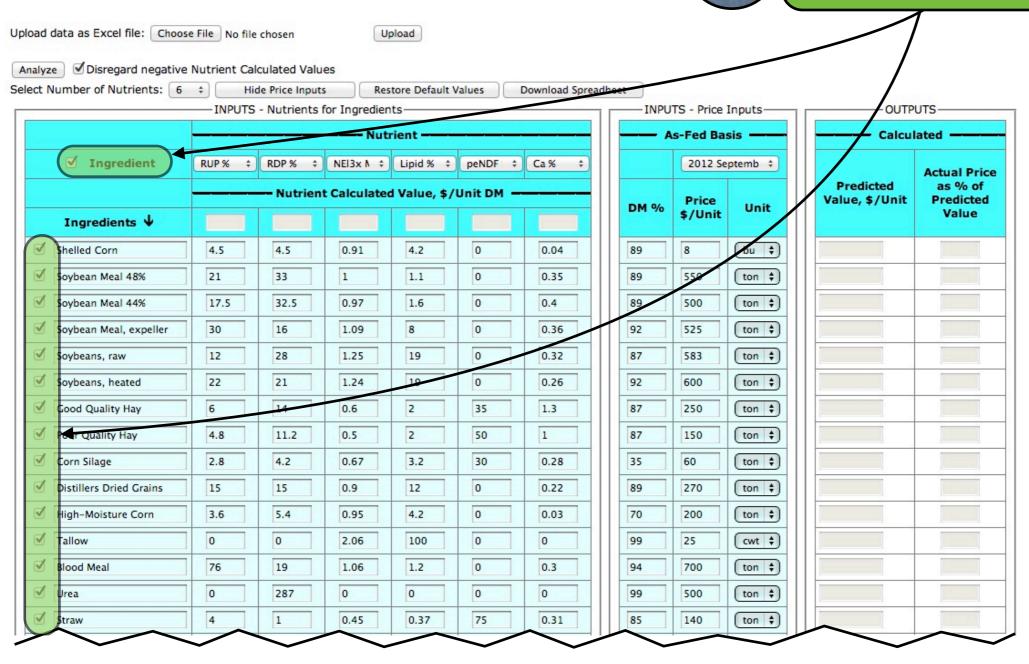


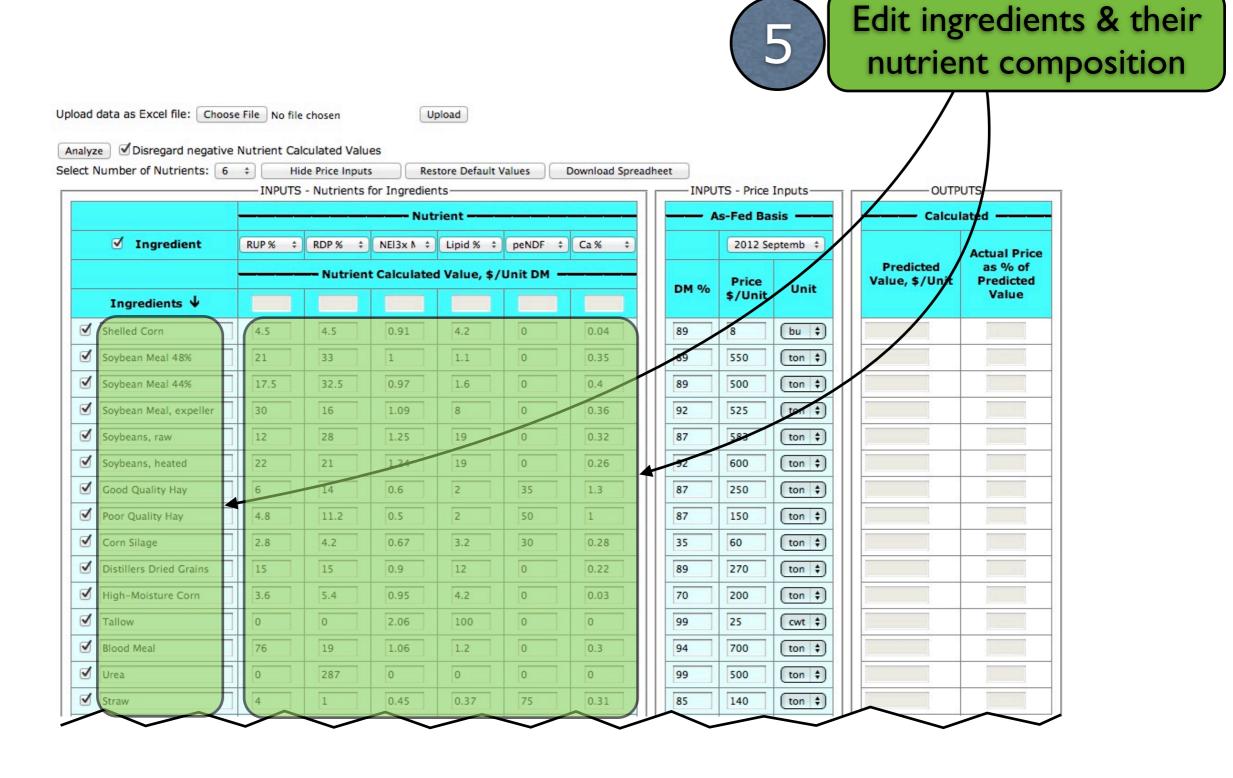
Select combination of nutrients

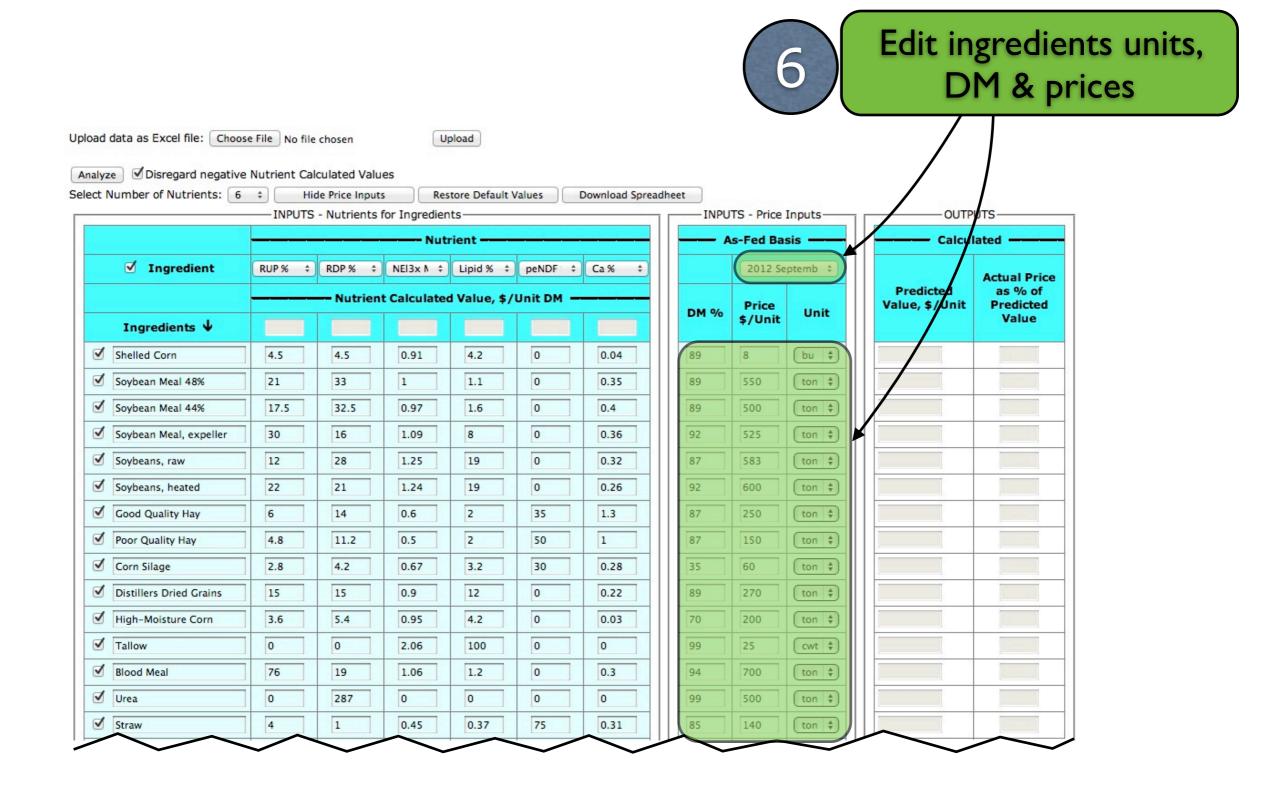




Select ingredients







Download Spreadheet

Perform a calculation!

Upload data as Excel file: Choose File No file chosen

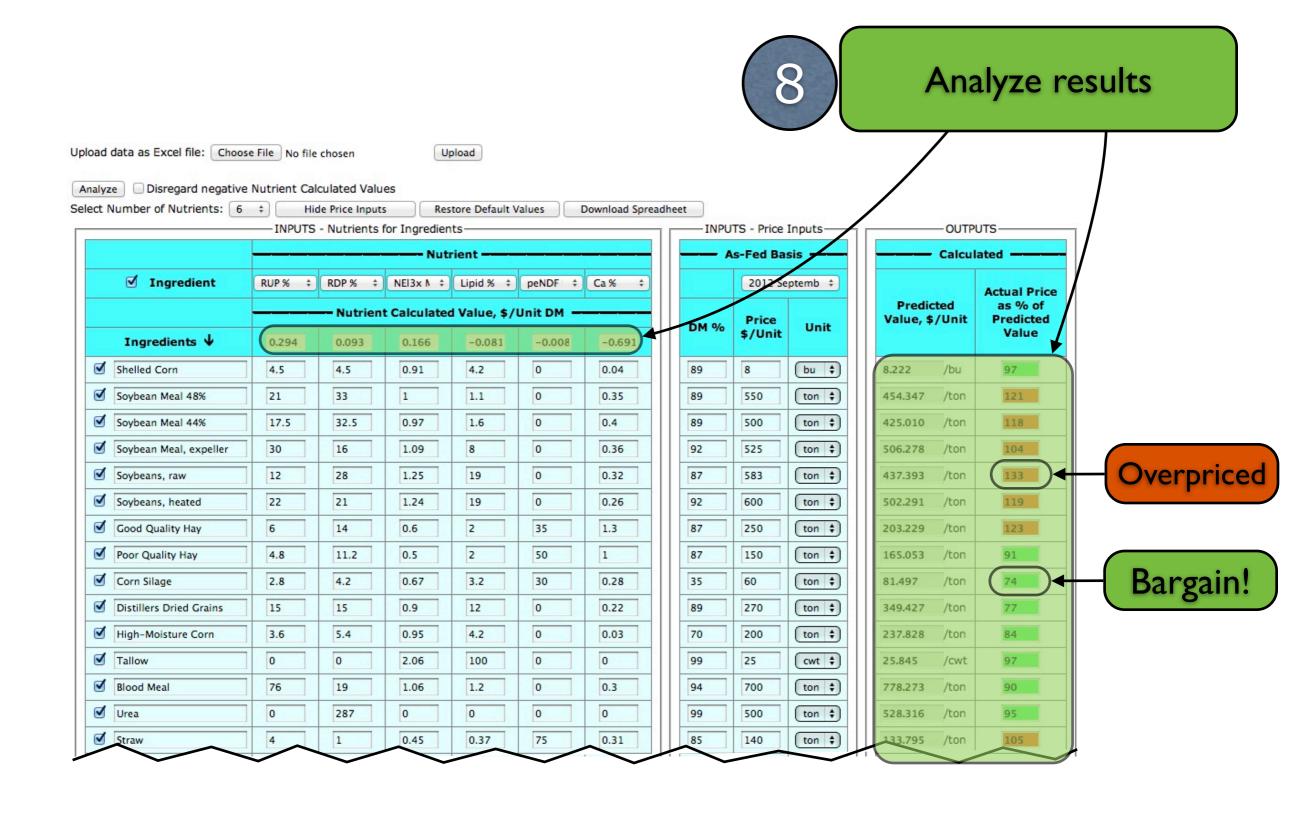
Analyze Disregard negative Nutrient Calculated Values

Select Number of Nutrients: 6 \$ Hide Price Inputs Restore Default Values

INPUTS - Nutrients for Ingredients											
			Nutr	rient ——							
✓ Ingredient	RUP % ‡	RDP % ‡	NEI3x N ‡	Lipid % ‡	peNDF ‡	Ca % ‡					
		Nutrient	Calculated	l Value, \$/	Unit DM —						
Ingredients ↓	0.294	0.093	0.166	-0.081	800.0-	-0.691					
Shelled Corn	4.5	4.5	0.91	4.2	0	0.04					
Soybean Meal 48%	21	33	1	1.1	0	0.35					
Soybean Meal 44%	17.5	32.5	0.97	1.6	0	0.4					
Soybean Meal, expeller	30	16	1.09	8	0	0.36					
Soybeans, raw	12	28	1.25	19	0	0.32					
Soybeans, heated	22	21	1.24	19	0	0.26					
Good Quality Hay	6	14	0.6	2	35	1.3					
Poor Quality Hay	4.8	11.2	0.5	2	50	1					
✓ Corn Silage	2.8	4.2	0.67	3.2	30	0.28					
☑ Distillers Dried Grains	15	15	0.9	12	0	0.22					
High-Moisture Corn	3.6	5.4	0.95	4.2	0	0.03					
✓ Tallow	0	0	2.06	100	0	0					
☑ Blood Meal	76	19	1.06	1.2	0	0.3					
☑ Urea	0	287	0	0	0	0					
Straw	4	1	0.45	0.37	75	0.31					

INPUTS - Price Inputs								
—— As-Fed Basis ——								
	2012 Se	ptemb ‡						
DM %	Price \$/Unit Unit							
89	8	bu 💠						
89	550	ton \$						
89	500	ton ‡						
92	525	ton ‡						
87	583	ton ‡						
92	600	ton ‡						
87	250	ton ‡						
87	150	ton ‡						
35	60	ton ‡						
89	270	ton ‡						
70	200	ton ‡						
99	25	cwt ‡						
94	700	ton ‡						
99	500	ton \$						
85	140	ton \$						

OUTPUTS-									
Calculated ———									
Predic Value, \$		Actual Price as % of Predicted Value							
8.222	/bu	97							
454.347	/ton	121							
425.010	/ton	118							
506.278	/ton	104							
437.393	/ton	133							
502.291	/ton	119							
203.229	/ton	123							
165.053	/ton	91							
81.497	/ton	74							
349.427	/ton	77							
237.828	/ton	84							
25.845	/cwt	97							
778.273	/ton	90							
528.316	/ton	95							
133,795	/ton	105							



Perform another calculation!

Upload data as Excel file: Choose File No file chosen Upload

-INPUTS - Nutrients for Ingredients-

Analyze
☑ Disregard negative Nutrient Calculated Values

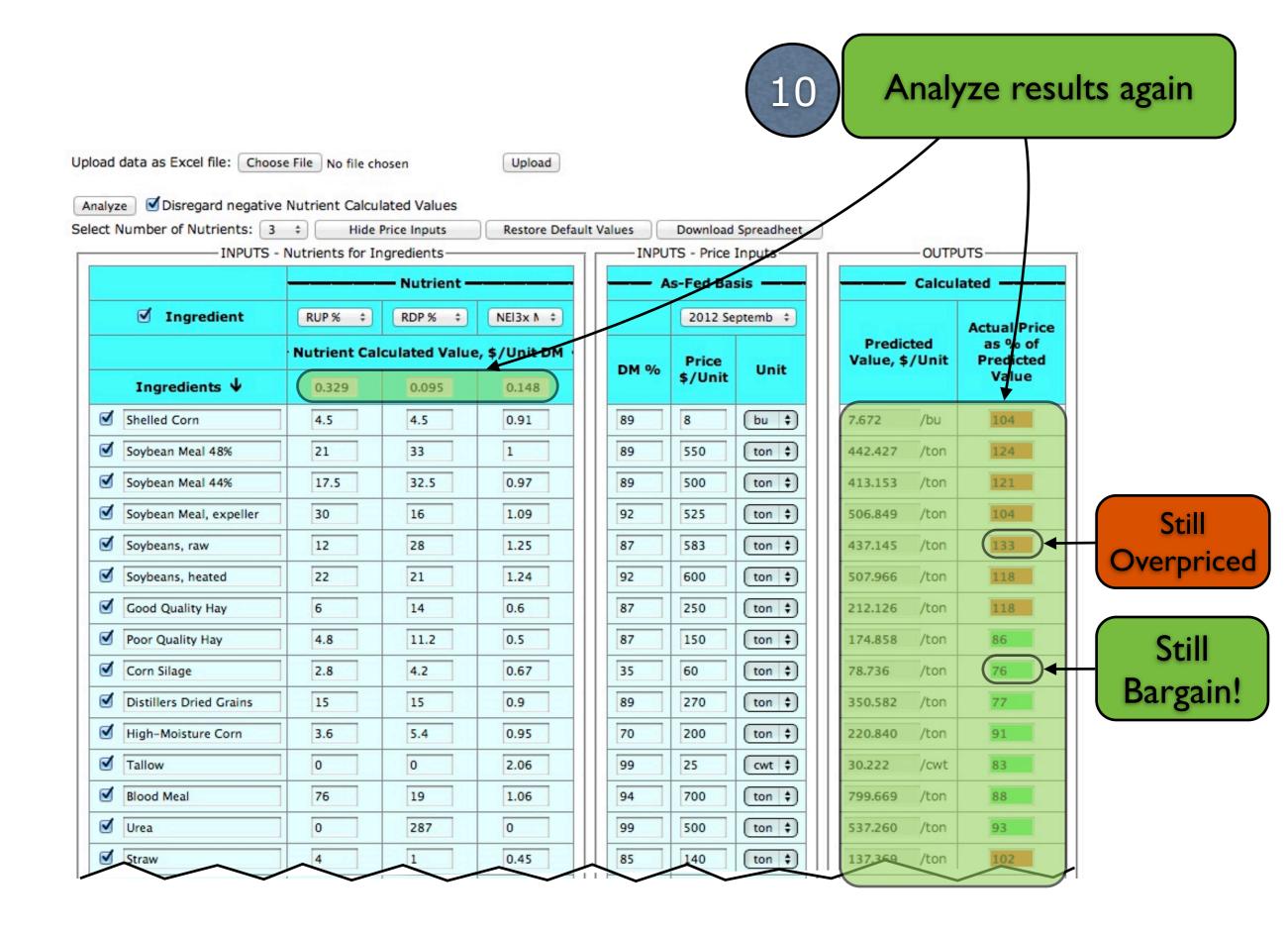
Select Number of Nutrients: 3 \$ Hide Price Inputs Restore Default Values Download Spreadheet

		Nutrient —								
✓ Ingredient	RUP % ‡	RDP % \$	NEI3x N ‡							
	Nutrient Cal	culated Value	, \$/Unit DM							
Ingredients ↓	0.329	0.095	0.148							
Shelled Corn	4.5	4.5	0.91							
Soybean Meal 48%	21	33	1							
Soybean Meal 44%	17.5	32.5	0.97							
Soybean Meal, expeller	30	16	1.09							
Soybeans, raw	12	28	1.25							
Soybeans, heated	22	21	1.24							
Good Quality Hay	6	14	0.6							
Poor Quality Hay	4.8	11.2	0.5							
✓ Corn Silage	2.8	4.2	0.67							
☑ Distillers Dried Grains	15	15	0.9							
High-Moisture Corn	3.6	5.4	0.95							
✓ Tallow	0	0	2.06							
☑ Blood Meal	76	19	1.06							
✓ Urea	0	287	0							
Straw	4	1	0.45							

As-Fed Basis ——							
	2012 Se	ptemb ‡					
DM %	Price \$/Unit	Unit					
89	8	bu 💠					
89	550	ton ‡					
89	500	ton 🕏					
92	525	ton ‡					
87	583	ton ‡					
92	600	ton ‡					
87	250	ton \$					
87	150	ton 🕏					
35	60	ton ‡					
89	270	ton \$					
70	200	ton \$					
99	25	cwt 💠					
94	700	ton \$					
99	500	ton \$					
85	140	(ton ‡					

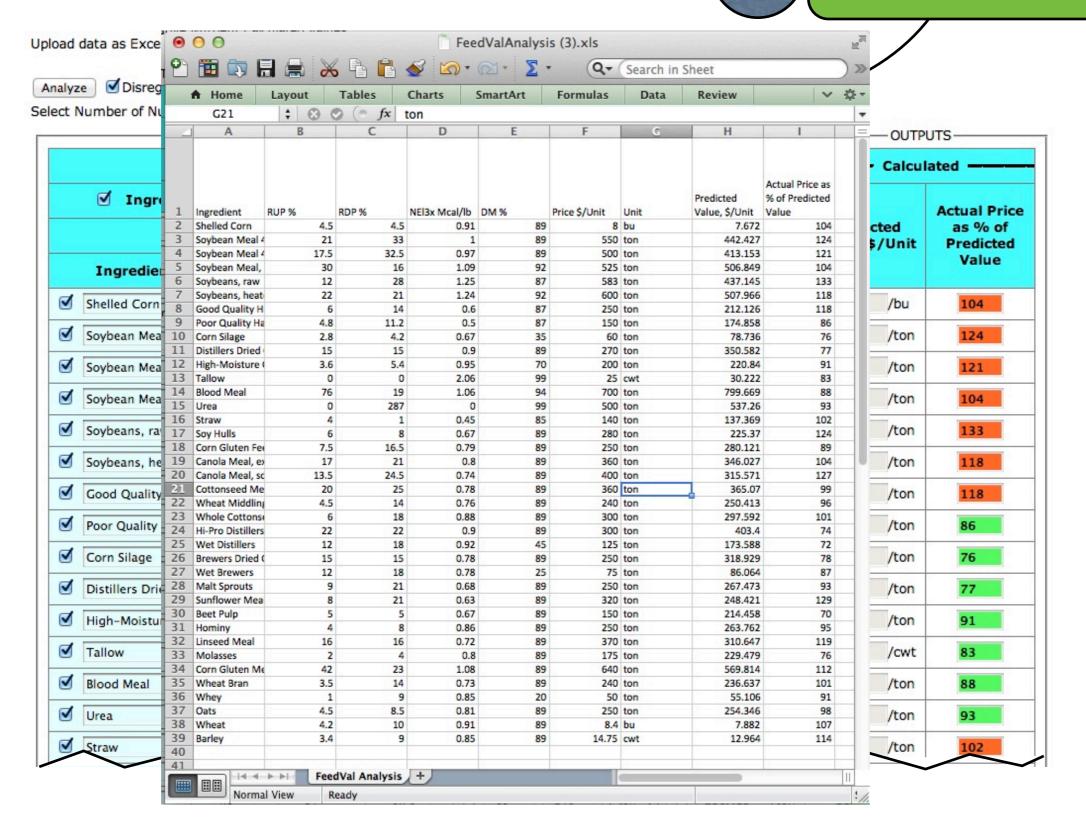
-INPUTS - Price Inputs-

Calculated ———								
Predic Value, \$		Actual Price as % of Predicted Value						
7.672	/bu	104						
442.427	/ton	124						
413.153	/ton	121						
506.849	/ton	104						
437.145	/ton	133						
507.966	/ton	118						
212.126	/ton	118						
174.858	/ton	86						
78.736	/ton	76						
350.582	/ton	77						
220.840	/ton	91						
30.222	/cwt	83						
799.669	/ton	88						
537.260	/ton	93						
137,369	/ton	102						

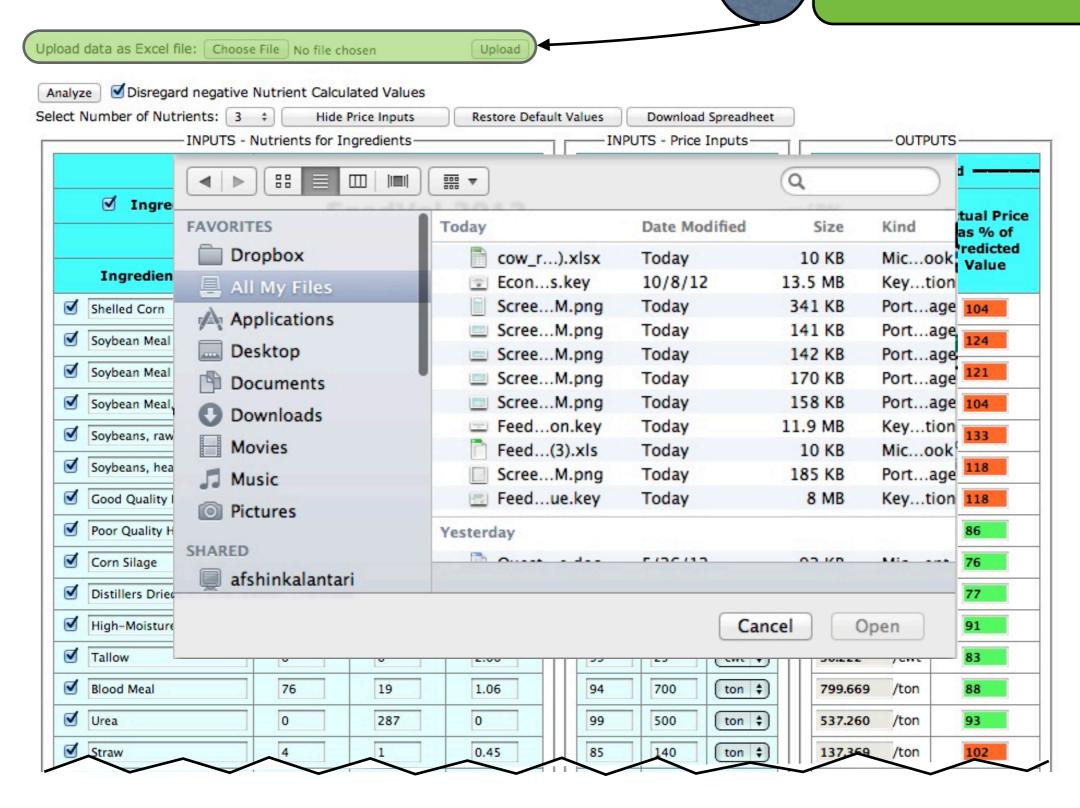




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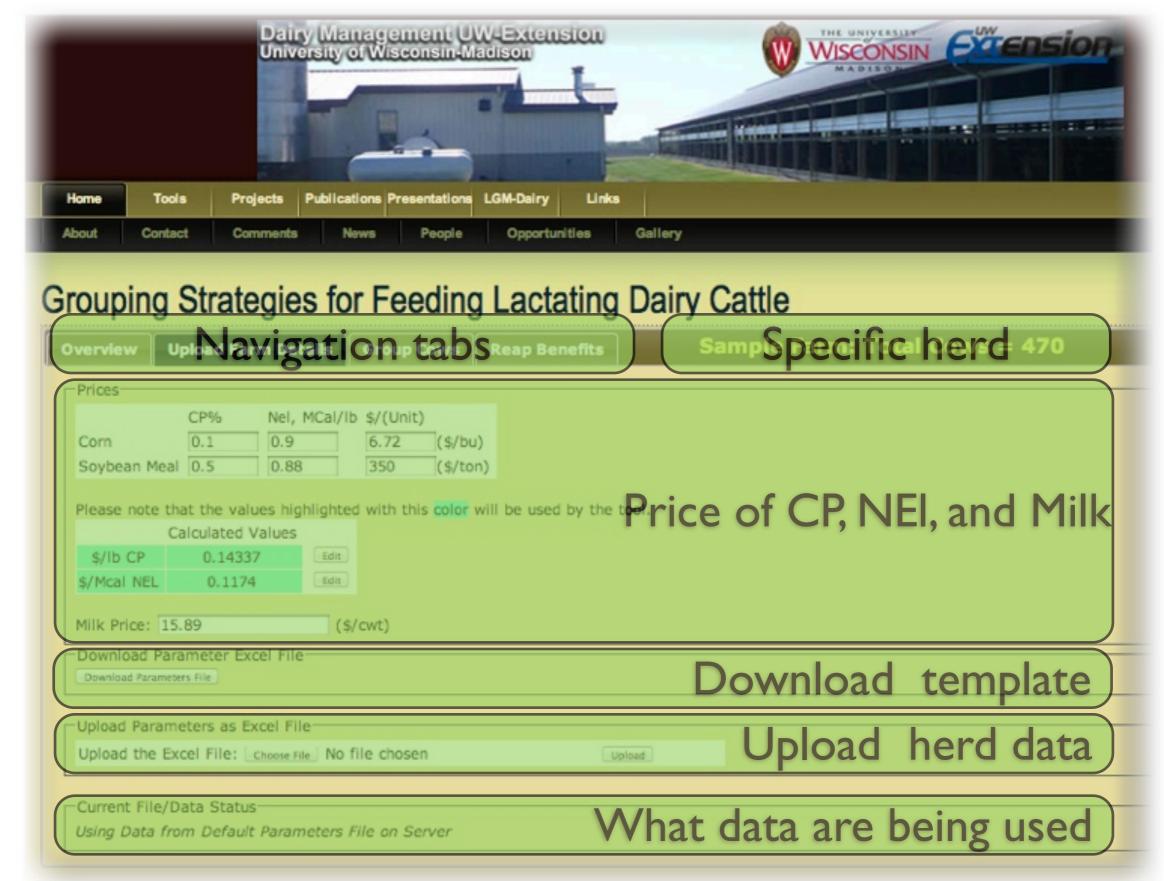
October Prices (negatives in)

Ingredient	RUP %	RDP %	NEI3x Mcal/lb	Lipid %	peNDF %	Ca %	Phos %	Lys %	Met %	NDF %	dNDF	Starch	Sugars	DM %	Price \$/Unit	Unit	Predicted Value, \$/Unit	Actual Price as % of Predicted Value	
Wet Distillers	12						0.83	0.67	0.55								165.238		
Hi-Pro Distillers	22	22	0.9	4	0	0.22	0.45	0.99	0.8	25	12	2	2	89	300	ton	415.681	72	
Corn Silage	2.8	4.2	0.67	3.2	30	0.28	0.26	0.18	0.11	42	24	30	2.5	35	60	ton	76.612	78	
High-Moisture Corn	3.6	5.4	0.95	4.2	0	0.03	0.3	0.25	0.19	10.3	5	72	1.5	70	200	ton	237.48	84	
Canola Meal, expeller	17	21	0.8	5.4	0	0.75	1.1	2.14	0.71	30	6	1.5	1.5	89	345	ton	394.546	87	
Poor Quality Hay	4.8	11.2	0.5	2	50	1	0.28	0.75	0.24	50	20	2.5	2.5	87	180	ton	204.636	88	
Distillers Dried Grains	15	15	0.9	12	0	0.22	0.83	0.67	0.55	38.8	19	2.5	2.5	89	275	ton	312.328	88	
Cottonseed Meal	20	25	0.78	1.9	0	0.2	1.15	1.86	0.72	30.8	9	1.5	1.5	89	338.33	ton	383.397	88	
Soybean Meal 44%	17.5	32.5	0.97	1.6	0	0.4	0.71	3.15	0.72	14.9	7.5	2.7	1.5	89	441.2	ton	497.11	89	
Brewers Dried Grains	15	15	0.78	5.2	0	0.3	0.67	1.22	0.51	47.4	21	3.8	2.5	89	250	ton	279.142	90	
Soybean Meal 48%	21	33	1	1.1	0	0.35	0.7	3.4	0.78	9.8	4.9	2.7	1.5	89	491.2	ton	538.38	91	
Wet Brewers	12	18	0.78	5.2	0	0.35	0.59	1.22	0.51	47.1	24	3.8	2.5	25	75	ton	82.601	91	
Molasses	2	4	0.8	0.2	0	1	0.1	0.06	0.01	0.1	0.1	. 5	80	89	160	ton	174.947	91	
Shelled Corn	4.5	4.5	0.91	4.2	0	0.04	0.3	0.25	0.19	9.5	4.8	72	2	89	7.92	bu	8.528	93	
Corn Gluten Feed	7.5	16.5	0.79	3.5	0	0.7	1	0.66	0.39	35.5	18	23.3	2.5	89	252	ton	270.679	93	
Whole Cottonseed	6	18	0.88	19.3	22	0.17	0.6	1.04	0.41	50.3	20	1	1	89	291.75	ton	308.12	95	4
oybean Meal, expeller	30	16	1.09	8	0	0.36	0.66	2.89	0.66	21.7	8	2.7	1.5	92	466.2	ton	481.102	97	
Tallow	0	0	2.06	100	0	0	0	0	0	0	0	0	0	99	25	cwt	25.628	98	l l
Blood Meal	76	19	1.06	1.2	0	0.3	0.3	8.5	1.11	0	0	0	0	94	1000	ton	1010.598	99	î .
Dats	4.5	8.5	0.81	5.1	0	0.11	0.4	0.54	0.22	30	12	47	2.5	89	243.75	ton	242.646	100	i –
Good Quality Hay	6	14	0.6	2	35	1.3	0.3	0.94	0.3	40	20	2.5	2.5	87	248.67	ton	245.44	101	
Jrea	0	287	0	0	0	0	0	0	0	0	0	0	0	99	500	ton	495.007	101	
Wheat Middlings	4.5	14	0.76	4.3	0	0.16	1.18	0.67	0.3	36.7	18	29	2.5	89	240	ton	238.166	101	
Wheat	4.2	10	0.91	2.3	0	0.05	0.43	0.22	0.21	13.4	6.7	67	2	89	8.49	bu	8.184	104	Į.
Canola Meal, solvent	13.5	24.5	0.74	1.5	0	0.75	1.1	2.14	0.71	29.8	6	1.5	1.5	89	400	ton	377.523	106	
Wheat Bran	3.5	14	0.73	4.3	0	0.13	1.18	0.71	0.28	42.5	21	29	2.5	89	240	ton	226.321	106	
Whey	1	9	0.85	0.7	0	1.37	1.04	0.74	0.14	0	0	4	70	20	58.4	ton	55.103	106	
Malt Sprouts	9	21	0.68	2.3	0	0.24	0.51	1.31	0.4	47	21	3.8	2.5	89	250	ton	230.241	109	
Soybeans, raw	12	28	1.25	19	0	0.32	0.6	2.52	0.58	19.5	10	10	2	87	543	ton	486.538	112	
Corn Gluten Meal	42	23	1.08	2.5	0	0.06	0.6	1.1	1.54	11.1	3	2.5	1.5	89	812.14	ton	725.362	112	
Barley	3.4	9	0.85	2.2	0	0.06	0.39	0.45	0.21	20.8	10.4	60	2	89	15.5	cwt	13.744	113	
Sunflower Meal	8	21	0.63	1.4	0	0.48	1	1.07	0.69	40.3	12	6	1.5	89	365	ton	310.978	117	
inseed Meal	16	16	0.72	1.7	0	0.4	0.83	1.18	0.56	36.1	11	4	1.5	89	326.67	ton	273.569	119	
Soy Hulls	6	8	0.67	2.7	0	0.63	0.17	0.88	0.16	60.3	45	5.3	1.5	89	200	ton	166.963	120	
Hominy	4	8	0.86	4.2	0	0.03	0.65	0.44	0.21	21.1	11	31	1.5	89	245	ton	202.997		
Soybeans, heated	22	21	1.24	19	0	0.26	0.64	2.71	0.62	22.1	8	10	2	92	700	ton	525.188	133	
Straw	4	1	0.45	0.37	75	0.31	0.3	0.16	0.06	73	33	1	1	85	140	ton	103.905	135	
Beet Pulp	5	5	0.67	1.1	0	0.91	0.9	0.35	0.13	45.8	32	0.5	10	89	150	ton	107.256	140	

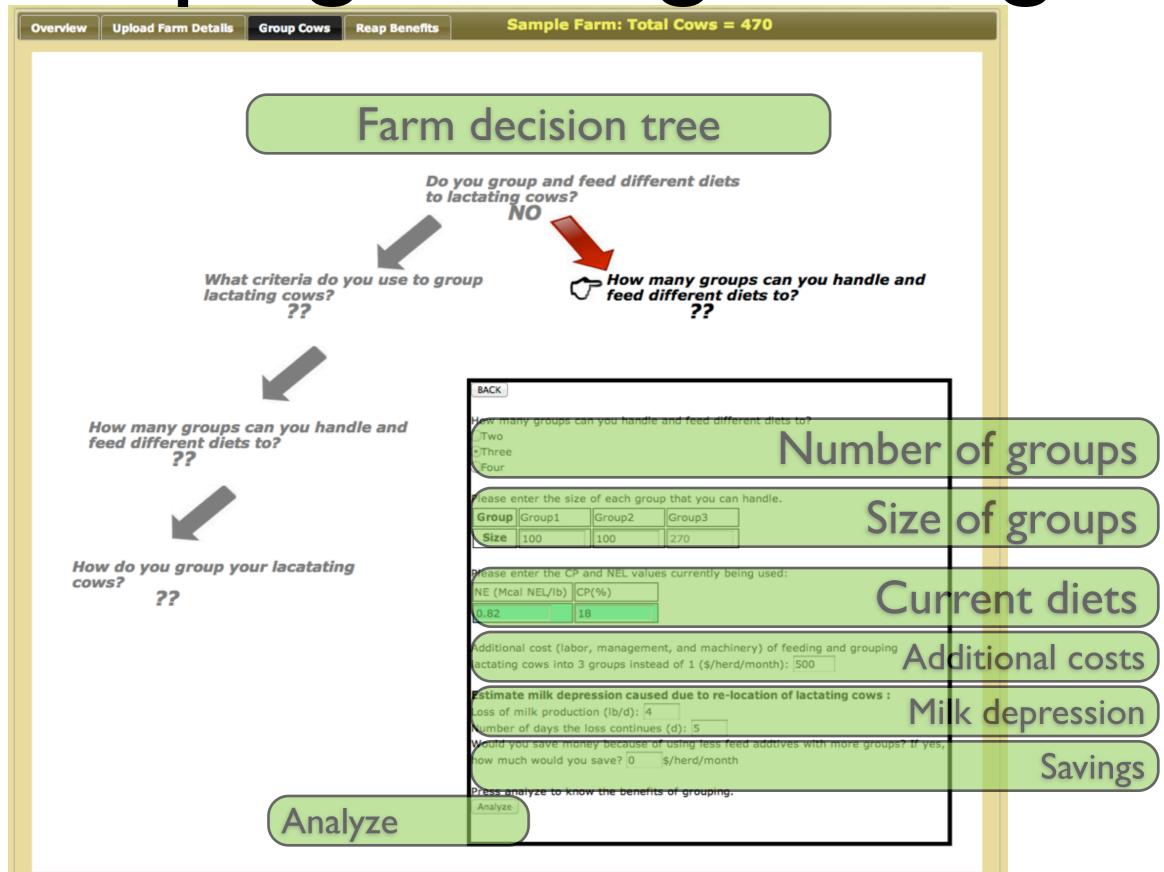
October Prices (negatives off)

				peNDF							Price		Predicted	Actual Price as % of
Ingredient	RUP %	RDP %	Lipid %	%	Ca %	Lys %	Met %	Starch	Sugars	DM %	\$/Unit	Unit	Value, \$/Unit	Predicted Value
Wet Distillers	12	18	15	0	0.22	0.67	0.55	2.5	2.5	45	113.67	ton	168.917	67
Hi-Pro Distillers	22	22	4	0	0.22	0.99	0.8	2	2	89	300	ton	406.606	74
Brewers Dried Grains	15	15	5.2	0	0.3	1.22	0.51	3.8	2.5	89	250	ton	309.547	81
Corn Silage	2.8	4.2	3.2	30	0.28	0.18	0.11	30	2.5	35	60	ton	71.939	83
Canola Meal, expeller	17	21	5.4	0	0.75	2.14	0.71	1.5	1.5	89	345	ton	415.699	83
Cottonseed Meal	20	25	1.9	0	0.2	1.86	0.72	1.5	1.5	89	338.33	ton	405.562	83
Distillers Dried Grains	15	15	12	0	0.22	0.67	0.55	2.5	2.5	89	275	ton	325.729	84
High-Moisture Corn	3.6	5.4	4.2	0	0.03	0.25	0.19	72	1.5	70	200	ton	230.966	87
Wet Brewers	12	18	5.2	0	0.35	1.22	0.51	3.8	2.5	25	75	ton	85.511	88
Molasses	2	4	0.2	0	1	0.06	0.01	5	80	89	160	ton	182.256	88
Poor Quality Hay	4.8	11.2	2	50	1	0.75	0.24	2.5	2.5	87	180	ton	202.669	89
Whole Cottonseed	6	18	19.3	22	0.17	1.04	0.41	1	1	89	291.75	ton	324.031	90
Corn Gluten Feed	7.5	16.5	3.5	0	0.7	0.66	0.39	23.3	2.5	89	252	ton	273.212	92
Oats	4.5	8.5	5.1	0	0.11	0.54	0.22	47	2.5	89	243.75	ton	263.578	92
Soybean Meal, expeller	30	16	8	0	0.36	2.89	0.66	2.7	1.5	92	466.2	ton	497.386	94
Shelled Corn	4.5	4.5	4.2	0	0.04	0.25	0.19	72	2	89	7.92		8.293	95
Soybean Meal 44%	17.5	32.5	1.6	0	0.4	3.15	0.72	2.7	1.5	89	441.2	ton	464.443	95
Wheat Middlings	4.5	14	4.3	0	0.16	0.67	0.3	29	2.5	89	240	ton	250.536	
Malt Sprouts	9		2.3	0	0.24	1.31	0.4	3.8	2.5	89	250	ton	257.53	
Soybean Meal 48%	21	33	1.1	0	0.35	3.4	0.78	2.7			491.2	ton	502.023	
Tallow	0			0								cwt	25.279	99
Blood Meal	76	19	1.2	0	0.3	8.5	1.11			94	1000	ton	1012.419	
Wheat Bran	3.5	14	4.3	0	0.13	0.71	0.28	29	2.5	89	240	ton	243.004	
Urea	0			0							500	ton	493.962	
Canola Meal, solvent	13.5	24.5	1.5	0	0.75	2.14	0.71	1.5	1.5	89	400	ton	391.81	102
Linseed Meal	16	16	1.7	0	0.4	1.18	0.56	4	1.5	89	326.67	ton	310.283	105
Wheat	4.2	10	2.3	0	0.05	0.22	0.21	67	2	89	8.49	bu	8.028	106
Sunflower Meal	8			0	0.48						365	ton	328.651	111
Whey	1	9	0.7	0	1.37			4			58.4	ton	52.748	
Good Quality Hay	6										248.67		221.462	
Barley	3.4											cwt	13.674	
Soybeans, raw	12			0						87		ton	460.882	
Corn Gluten Meal	42										812.14		685.828	
Hominy	4											ton	206.578	
Straw	4											ton	116.2	
Soybeans, heated	22			0								ton	530.232	
Soy Hulls	6											ton	145.439	
Beet Pulp	5											ton	103.772	

Grouping feeding strategies



Grouping feeding strategies



Grouping feeding strategies



Analysis from dairy farm records

30 Wisconsin dairy farms

No grouping vs. 3 groups

Same size groups

Same prices for all

- \$15.89/cwt milk
- \$0.14337/lb CP
- \$0.1174/Mcal NEI

Projected body weight

- 1,100 lb primiparous
- 1,300 lb multiparous

Cluster grouping

 83rd percentile CP and NEI



Analysis from dairy farm records

30 Wisconsin dairy farms

	Number of lactating cows (n=30)	Income over Feed Cost (no grouping)	Income over Feed Cost (3 groups)				
		\$/cow per year					
Mean	788	\$2,311	\$2,707				
Minimum	< 200	\$697	\$1,059				
Maximum	> 1,000	\$2,967	\$3,285				

Increase of IOFC (\$/cow per year)

- Between 7 and 52%
- Mean = \$396
- Range = \$161 to \$580

After reasonable extra costs

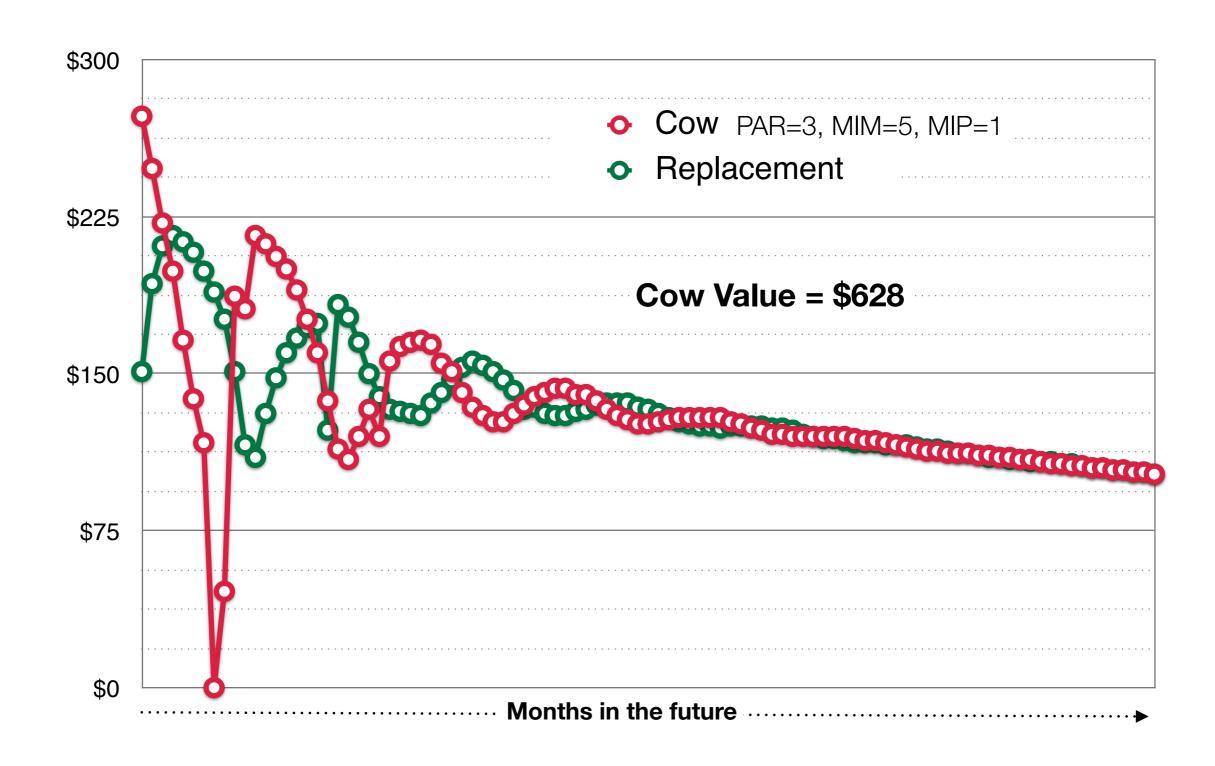
 Still increased net margin of between 5 and 47% Economic value of a cow

	COHOITIC Va	llU	e oi a	CO	VV
Inputs	INPUTS - Edit Values in This Block		OUTPUTS - Interactive Resul	lts	Outputs
	Evaluated Cow Variables		Value of the Cow, \$	628	Cow value
	Current Lactation	3 \$	Compared Against a Replaceme	nt, s	Cow value
	Current Months after Calving	5 💠	Milk Sales, \$	148	
	Current Month Grown adata	1 💠	Feed Cost, \$	-157	C
	Expected Milk Production Rest of Lactation, %	100	Calf Value, \$	26	Compared
	Expected Milk Production Next Lactations, %	100	Non-reproductive Cull, \$	-126	with
	Replacement Cow Variable		Mortality Cost, \$	-24	· · · · · · · · · · · · · · · · · · ·
	Expected general entogata	0	Reproductive Cull, \$		replacement
	Herd Production and Reproduction Variables		Reproduction Costs, \$	45	
	Herd Turnove Ratio, %/year	35	Replacement Transaction, \$		
	20000000000	24,00 \$		704	
	Control Controls	18 ‡	Herd Structure at Steady State Days in milk	224	
	Reproduction Cost, \$/cow per month	20	Days to Conception		
	Hord data	10 🛊	Percent of Pregnant	122 52	Herd
	Do-not-Breed Cow Minimum Milk, Ib/day	50	Reproductive Culling, %	8	пега
	Pregnancy Loss after 35 Days Pregnant, %	22.6	Mortality, %	3	structure
	Average Cow Body Weight, Ib	1306	1st Lactation, %	43	301 0 3001 3
	Herd Economic Variables			43	
	Replacement Cost, \$/cow	1300	2 nd Lactation, %	27	
	Salvage Value, \$/lb live weight	0.38	> 3 rd Lactation, %	30	
	Calf Value, \$ calf	100	Economics of an Average Cow,	\$/year	
	Milk Price, \$/cwt	16	Net Return, \$		
	Milk Butterfat, Economic data	3.5	Mills Galand	1998	
	Feed Cost Lactating Cows, \$/lb dry matter	0.1	Milk Sales, \$	3834	
	Feed Cost Dry Cows, \$/lb dry matter	0.08	Feed Cost, \$	-1522	Lland
	Interest Rate, %/year	6	Calf Sales, \$	60	Herd
		Annah	Non-Reprod. Culling Cost, \$	-198	economics
	(Analyze	Analyze	Mortality Cost, \$	-38	cconomics
			Reproductive Culling Cost, \$	-59	

Reproductive Cost, \$

Economic net return

Expected future net returns



Model illustration

Average cow and replacement

Open cow value

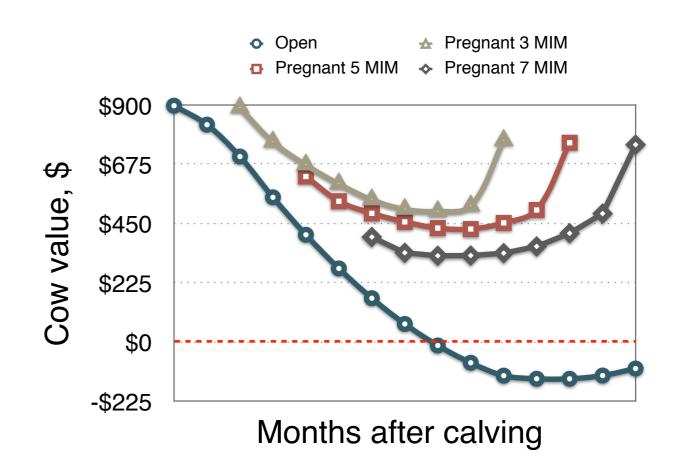
- Decreases
- Becomes negative

Pregnant cow value

- Higher than open
- U-shaped
- Similar value at calving

Overall cow value

Increases to 3rd or 4rd lactation



LGM-Dairy

Estimate premium

Compare with options

If you have saved CSV data from a previous

Mol an included of typing in your farm's data again

Upload a file

Input

Insurance contract month: 2012 \$ Oct \$

Choose your deductible level \$ 1.0 \$ /cwt

Feed Values: Enter Manually

Lowest Allowed

Default

Highest Allowed

The prices we use for the Gross Margin Calculation correspond to future and option prices retrieved on the trade dates: 2012-10-22, 2012-10-23, 2012-10-24

✓ Coverage Month		Production (cwt)		Corn Equiv (tons)		Soybean Meal Equiv (tons)		% covered	Monthly Gross Margin		
Month Ye	ear	Milk Qty.	Covered Milk × Expected Price = Milk Revenue	Corn Qty.	Covered Corn × Expected Price = Corn Cost	SBM Qty.	Covered SBM × Expected Price = SBM Cost		Milk Revenue - Corn Cost - SBM Cost - (Deductible × Milk Qty.)	\$/cwt of Farm Milk	\$/cwt of Covered Mi
☑ Dec 20	012	4113	4,113 cwt × \$20.33/cwt = \$83,616	95.8	95.8 tons × \$7.57/bu = \$25,900	21.1	21.1 tons × \$476.37/ton = \$10,051	100	43,552	10.59	10.59
☑ Jan 20	013	4340	4,340 cwt × \$19.58/cwt = \$84,976	101.1	101.1 tons × \$7.57/bu = \$27,333	22.3	22.3 tons × \$469.82/ton = \$10,477	100	42,826	9.87	9.87
☑ Feb 20	013	4188	4,188 cwt × \$19.28/cwt = \$80,743	97.6	97.6 tons × \$7.57/bu = \$26,386	21.5	21.5 tons × \$462.29/ton = \$9,939	100	40,229	9.61	9.61
✓ Mar 20	013	4240	4,240 cwt × \$19.03/cwt = \$80,685	98.8	98.8 tons × \$7.57/bu = \$26,710	21.8	21.8 tons × \$454.76/ton = \$9,914	100	39,821	9.39	9.39
☑ Apr 20	013	4188	4,188 cwt × \$18.91/cwt = \$79,193	97.6	97.6 tons × \$7.54/bu = \$26,299	21.5	21.5 tons × \$443.09/ton = \$9,526	100	39,180	9.36	9.36
☑ May 20	013	4023	4,023 cwt × \$18.64/cwt = \$74,986	93.7	93.7 tons × \$7.52/bu = \$25,164	20.7	20.7 tons × \$431.41/ton = \$8,930	100	36,869	9.16	9.16
☑ Jun 20	013	4075	4,075 cwt × \$18.66/cwt = \$76,036	94.9	94.9 tons × \$7.48/bu = \$25,367	20.9	20.9 tons × \$427.20/ton = \$8,928	100	37,666	9.24	9.24
☑ Jul 20	013	4038	4,038 cwt × \$18.58/cwt = \$75,022	94.1	94.1 tons × \$7.45/bu = \$25,036	20.8	20.8 tons × \$422.98/ton = \$8,798	100	37,151	9.20	9.20
☑ Aug 20	013	4063	4,063 cwt × \$18.54/cwt = \$75,324	94.7	94.7 tons × \$7.05/bu = \$23,842	20.9	20.9 tons × \$412.25/ton = \$8,616	100	38,803	9.55	9.55
☑ Sep 20	013	4149	4,149 cwt × \$18.44/cwt = \$76,503	96.7	96.7 tons × \$6.65/bu = \$22,964	21.3	21.3 tons × \$394.85/ton = \$8,410	100	40,979	9.88	9.88
otal —	arm		,417 cwt		65 tons 65 tons		13 tons 13 tons	100.00%	GMG 397,075	9.59	9.59

LGM-Dairy quick update

- Demand exceeded funds available since 2010, first year with premium subsidies
 - LGM-Dairy accounted for about \$16 out of the \$20 million of RMA-sponsored livestock programs in past 2 years
 - All underwriting capacity was sold within 3-4 months after subsidies were available
 - A proposal to increase to \$50 million (2.5 times) has been introduced in a House-Agriculture Committeeapproved version of the 2012 Farm Bill

LGM-Dairy quick update

 There were \$14.9 million available in underwriting capacity for LGM-Dairy for the October 26/27 2012 contract

	Policies sold	Premium paid	Subsidy
IA	15	\$238,488	\$108,393
WI	176	\$3,100,459	\$1,448,776
US	474	\$10,253,401	\$4,837,550

\$14.9M - (~20%(\$10.2M)+\$4.8M) =
 <u>~\$8M available</u> for Nov. 30...maybe for Dec. 28

Acknowledgement

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United States Department of Agriculture National Institute of Food and Agriculture

