Increasing profitability through components and quality

Most businesses are focused on maintaining or increasing profitability. For farm businesses the major area of income is milk. And increasing quality, quantity and components hold the key to increasing profit.

Winter Dairy Management meetings that ran across the state in March and April provided the springboard for articles on understanding the financial impact of increasing components and the nutritional impact on components.

PRO-DAIRY’s Kathy Barrett and Jason Karszes partnered to write an article on the impact of components on milk price. For the average dairy farm milk components comprise over 90% of the net pay received. An analysis of the Cornell Dairy Business Summary revealed that component milk price ranges from $18.36 to $19.64 across dairies. The range in percent butterfat accounted for $.67/cwt of the difference and the range in percent protein accounted for $.79/cwt of the difference.

Tom Overton, Professor of Dairy Management at Cornell, and Dave Balbian, Dairy Specialist with the Central NY Dairy and Field Crops program of Cornell Cooperative Extension, partnered to explore nutritional strategies to maximize milk fat and milk protein yields to maximize milk revenue.

Co-Vale Farms shared their farm’s strategy to increase components. Owner-operator Brad Cates focuses on pounds of components, not percentages. Working with a nutritionist, the farm produces 31,000 lbs of milk with 4% butterfat and 3.13% protein.

Blake Gendebien, Twin Mill Farms, increased profitability by a focus on quality that dropped somatic cell count by more than half. Butterfat ranges from 3.93 to 4.0% and protein ranges from 3.15 to 3.17%.

Rick Watters, a senior Extension veterinarian with Quality Milk Production Services, provides a milking equipment maintenance schedule to optimize quality milk.

Larry Chase, a Cornell professor in the Department of Animal Science, shares the latest research on feeding shredlage to increase the nutritive value of corn silage.

Julie Berry edits The Manager for PRO-DAIRY. Email her at jrb7@cornell.edu.