Corn Planter Clinic
Tuesday, March 29, 2016
3:00 p.m. – 6:00 p.m.
Cory Mark Farm
11595 Buffalo Rd.
Wayland, NY 14575

Steuben County Cooperative Extension will host with BCA Ag Technologies and Cory Mark Farm. Get ready for the 2016 season with an in-depth look into your corn planter. We will be going over basic planter setup, planter maintenance, all the way up to the latest planter technologies on the market. Josh Carpenter from BCA Ag Technologies in Oakfield, NY will be on hand to answer questions.

RSVP’s appreciated; contact CCE Steuben at 607-664-2300 or email DeLisa at dp253@cornell.edu or Stephanie at sms64@cornell.edu. $15.00 per person, dinner provided.
**Farm Storage Facility Loans**
Do you need additional commodity storage? How about upgrading some existing storage?

FSA’s Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, soybeans, oats, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to $50,000 can be secured by a promissory note/security agreement and some loans between $50,000 and $100,000 will no longer require additional security. Loan terms are 7, 10, or 12 years depending on the amount of the loan.

Current interest rates are as follows:
- 7 year loans at 2.0%
- 10 year loans at 2.125%
- 12 year loans at 2.250%

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit [www.fsa.usda.gov/price-support](http://www.fsa.usda.gov/price-support) or contact the following FSA offices depending on where your farm is located:
- Steuben/Yates County FSA office at 607-776-7398 ext. 2.
- Tioga/Chemung County FSA office at 607-565-2106 ext. 2.
- Seneca/Schuyler County FSA office at 315-568-6346 ext. 2.

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**Group Calf Feeding**
by Timothy X. Terry – Harvest NY

This past weekend (Feb. 25-27) was the annual NY Farm Show held at the NYS Fairgrounds in Syracuse, NY. Like Empire Farm Days, there really is too much to see and truly appreciate in a single eight hour day. In fact, I only managed to get through three of the six exhibit buildings. Of course, this also included a 2-hour seminar on the latest and greatest in robotic automation. It’s phenomenal what has been and is being done to address the labor requirements of repetitive or menial tasks related to milking, feeding, and calf care. Some of these units have a surreal, almost art deco-meets-Buck Rogers appearance to them, but I digress…

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**Agricultural Program Committee**
- Bill Brown
- Jason Gerber
- Cathy Halm
- Drew Heisey
- Greg Muller
- Bob Nichols
- Paul White

**Legislative Representatives:**
- Hilda Lando
- Bob Nichols

**Agricultural Program Staff:**
- Kerri Bartlett, Dairy & Livestock
- Stephanie Mehlenbacher, Horticulture
- DeLisa Drum, Agriculture Community Educator
- Hans Walter Petersen, Grapes
- Brett Chedzoy, Forestry

Cornell Cooperative Extension of Steuben County
Website: [www.putknowledgetowork.org](http://www.putknowledgetowork.org)
Phone: 607-664-2300
Calf care still seems to be a hot topic in the farming community. More specifically, “Do we go from the tried and true, but labor intensive, calf hutch system to the more labor efficient, but potentially capital intensive, group housing system with automated feeders?

**Upside –**
So other than labor efficiency what are the benefits?

- Less labor time means more management time. Now you can be more of a manager making sure calves are growing well, are dehorned on time, tagged, vaccinated, etc.
- More space per calf. May be debatable, but it is contiguous space and it is shared with other calves. In a 4’ x 8’ hutch plus a 4’ x 4’ yard you have 48 ft² and most group housing systems aim for ~50 ft².
- Because they are grouped there is the social interaction / socialization which seems to reduce stress, improve growth rates, and later, workability in the herd.
- You can increase the frequency of feedings, and even though each feeding may be smaller, the total daily amount may be greater. Moreover, the units can be responsive to increases in intake up to a set daily maximum – you get calves eating more and ramping up faster. This could ultimately translate to an additional 2,000 lbs. of milk in the first lactation (Soberon 2013).
- Even though there may be the occasional mechanical failure, the automated feeders never show up late, drunk, or not at all. The mix is consistent and never too hot or too cold, even for the 2 a.m. feeding.

**Downside –**
- Initial investment and set-up of the equipment can result in severe sticker shock as this usually requires a new building or renovation of an existing building. However, the ROI seems pretty good when you consider the salary and benefits paid to a competent calf feeder over 7 – 10 years.
- Cleanliness is paramount. In a 2011-2012 study, Endres followed 38 Minnesota dairy farms that used automated calf feeders and found that the most successful farms changed the nipples almost daily and made sure the reservoirs, hoses, and blending units were always clean. This will mean additional vigilance on your part.
- Some individual calf observation may be lost. When you’re feeding bottles or buckets to individual calves you’re forced to look at and evaluate each calf. Fortunately, many of these systems record consumption, number of visits, duration of visit, etc., and will flag calves that are not performing within the norms you set. However, this is just a flag, you will need to appraise each calf and decide how to proceed.
- Training calves takes patience on your part and a strong sucking response on the calf’s part. Most farms wait until at least Day 2 (ave. Day 6) before starting a calf on an automated feeder. If the calf doesn’t dive onto the nipple at feeding time she may need more time or is not a good candidate for the automated feeder.
- Potential for disease incidence (morbidity). Obviously, with calves in that close proximity to each other the chances of disease spreading throughout the pen is greatly increased. Again, vigilance on your part is required.
Even if you don’t go the whole-nine-yards with automated feeders, you may be able to gain some of the benefits and efficiencies by strategically grouping the calves. By limiting the size of the pen (i.e. – 6 calves) or the age range (max. 4 days between oldest and youngest) you can “gang” or “mob” feed the group, provided they are equally competitive -- a timid calf will not do well here.

Either way, cleanliness and a sharp eye are keys to success. High coliform and/or standard plate counts (SPC) on feeding surfaces are ingredients for disaster. Feeders must be washed daily, bedding must be maintained, ventilation must be properly sized and functioning correctly, water should be available at all times, and grain should always be fresh – feed to a little more than consumption.

Remember: you are laying the foundation for future productivity. Just like a building, how well the foundation is laid determines how sound and how high the building can go. Ideally, you would like to double the calf’s birth weight by weaning time (56 – 60 days).

Convert your Conventional Corn Planter To No-Till For 2016
Ryan Carabeau

Today’s farmers face increasingly volatile weather patterns, strict environmental standards and tight margins. Every farmer is looking to maximize productivity while minimizing risk, and no-till corn planting can be part of the solution. A common misconception is that no-till requires a specialized planter, which may be costprohibitive. However, with a few modifications your conventional corn planter can accomplish what a shiny new no-till planter can at a fraction of the cost. No-till improves soil health and reduces erosion while maintaining or improving corn silage yield. Similar to conventional planting, no-till planting boils down to one goal: soil-to-seed contact. The following changes can be made to any conventional corn planter to accomplish this goal.

Row cleaners
The first step is creating a smooth, consistent, and level path for the row unit. To do this, a set of spiked wheels called row cleaners are placed in front of the row units. Their job is to remove crop residue, small stones, and any other debris remaining in the path of the depth gauge wheels. Row cleaners create a smooth path for the row unit, and in turn the seed is more consistently delivered to the bottom of the slot. The row cleaners pictured were purchased from Yetter; we see the best results when they’re set at a height that removes only the residue on top of the soil. Any lower and they begin to create unwanted furrows or ridges in the field.

Down pressure
Down pressure on the seed opener disks is key to creating a uniform slot for the seed. This is crucial when working in firm soils such as sod being rotated to corn silage after fi rst cut. Most planters come with a steel spring assembly, an air bag, or most recently hydraulic down force systems. Each row unit
should have between 100 to 400 pounds of additional down force available to allow the openers to penetrate the firmest soils in the field. Each seed box adds additional weight (average seed boxes can hold 1.5-2 bags of seed or 75-100lbs). Keeping the seed boxes at least half full ensures that you have adequate down pressure.

**Closing wheels**

Finally, closing the seed slot at the rear of the row unit is especially important to ensure maximum seed-to-soil contact without creating unnecessary sidewall compaction. Many companies have developed closing wheels with spikes or tines that help penetrate firmer soils. However, if not managed closely these wheels can go deeper than desired and disturb the seed placement. We find that the Yetter spiked closing wheels are a great compromise. The spikes penetrate even the hardest soils we planted (including gravel field roads!) and yet the “gauge wheel” design limits the wheel from traveling too deep on softer ground. This design helps loosen the soil next to the seed and firmly close the slot around the seed with minimal sidewall compaction. Of course, all of these modifications assume that the planter is in good repair and any worn parts have been replaced. By giving the row unit a smooth path to travel on, the seed a constant depth slot to fall into, and firmly pressing the soil around the seed your planter will perform well in no-till conditions. The farm purchased a White 6100 planter in 1996 and since then has planted all first-year corn into hay stubble after first cut has been removed. In 2013 we made the above changes to the planter and no-tilled roughly half of the continuous corn acres after a winter cover crop. Last year we no-tilled 100% of corn silage ground and averaged 25 tons/A, with the best fields yielding over 30 tons/A. No-till allows us to spend the time and fuel we’ve traditionally spent plowing on other projects, while maintaining soil health and doing our part to improve water quality.

**Why Do Dairy Farms Build Satellite Manure Storage Structures?**

Karl Czymmek and Peter Wright, PRO-DAIRY Program Cornell University

Manure storage is an important environmental protection practice and more dairy farms across NYS are installing or adding to their storage capacity. Manure storage allows for improved application timing so that nutrients can be better recycled for crop use. Farms that are regulated or that receive state or federal cost sharing must design and build manure storage in accordance with strict USDA-NRCS standards. New regulatory requirements are bringing additional limitations that affect when manure may be applied making adequate manure storage capacity a necessity, and this will also drive an increase in construction of manure storages. Many farms have built manure storage structures near the barns where the animals are housed for ease in loading. Manure needs to be applied at an agronomic rate to crop land, according to crop need, and this means manure must be transported to most fields operated by the dairy, some near, some far. Further, traditional bedding sources like straw or sawdust have become very expensive or difficult to find, so many farms provide mattresses or have turned to bedding with sand or recycled manure solids for cows in freestall housing. This results in manure with a liquid consistency, and often containing 90-95% water. This watery material is bulky and presents challenges to move around at the optimum spreading time to land that grows crops for the cows. For these reasons, it often does not make sense to enlarge or add a second manure storage structure at the home location, but to create storage near other blocks of land where manure will be land applied anyway. These structures are referred to as satellite storage. A satellite storage allows farms to pump or transport manure during less busy times and in ways that reduce traffic intensity and odor prevalence. This is a benefit for the environment, neighbors, and the farm. This system also allows farms to focus on manure application when the land is ready, as the time-
consuming aspect of hauling was taken care of before the growing season starts. This means more timely manure application and also better results for the farm and the environment, because risks of nutrient loss are lower when timing is better.

**Strategic Marketing In One Night!**
Steuben County Civil Defense Center
7220 State Rte 54
Bath, NY 14810
March 15, 2016
6:30-8:30 PM

Cornell Cooperative Extension of Steuben County offers this strategic marketing workshop for early stage beginning farmers, experienced beginning farmers, as well as experienced farmers. Is your marketing strategy “we sell whatever we have to anyone that will buy it”? Learn how a focused strategy and specific efforts can reduce your marketing labor needs and make every step count. If you want to sharpen and focus your marketing skills or just don’t know where to begin developing a marketing plan, we can help! Co-sponsored by Cornell Cooperative Extension and Groundswell Center for Local Food & Farming, with support from USDA’s Beginning Farmer & Rancher Development Program, Grant #11674923.

There is no cost to this workshop but pre-registration is required. To register please visit http://groundswellcenter.org/2016-programs-listing/ and complete the Program Interest Form and indicate your interest in “Strategic Marketing”. For more information or questions regarding this event contact Matt LeRoux at 607-272-2292 or email at mnl28@cornell.edu.

**Is 2016 a Repeat of 2009?**
**Virginia A. Ishler,**
Extension Dairy Specialist - PSU

It should be no surprise when the dairy industry comes off a year like 2014 with exceptional milk prices that the other extreme will come around. The carryover of income from 2014 softened the blow of 2015’s lower milk price. Moving into 2016 the milk price is expected to be even lower. The same issues affecting cash flow in 2009 are impacting producers in 2016. Have we learned from past experience?

**Production Perspective**

The factors that affected a farm’s 2009 break-even cost of production are still exerting their influence in 2016. Forage quality, forage inventory, cropping and feeding management, nutrition, and cow comfort affect the milk produced per cow per day. Problems in one or many of these areas can have a significant effect on the total pounds of milk sold per year. If cow numbers are not where they need to be because of reproductive management, cull rate or the heifer program this can influence the pounds of milk shipped. These management areas are all intertwined and any corrections take time to exert a positive influence. Normally there are no easy or quick fixes.

In Pennsylvania the average all milk price in 2015 was $18.48/cwt. Based on the cash flow plan summary compiled by the Extension Dairy Team, the break-even cost of production averaged $19.88/cwt on 107 farms. Forty-five percent maintained a break-even milk price less than $18.44/cwt however fifty-five percent exceeded $19.59/cwt. The same issue observed every year is the huge difference in total feed cost per cow per year for the farms that are competitive versus their counterparts. In 2015 this difference was $600 per cow per year in feed cost from the lowest to highest break-even cost of production. The projected milk price for Pennsylvania this year is hovering around $17.50/cwt. The market prices for feeds in 2016 are similar to 2015 and this assumes adverse weather conditions don’t affect planting and harvesting season. There are commonalities among the farms maintaining a low break-even cost of production.
After 2009 and 2012 producers realized the need for monitoring income over feed cost and how that related to their break-even number. Penn State Extension has been working with several hundred dairy operations on profit teams, in cash flow plan workshops, or one on one to evaluate the opportunity to maintain a positive cash surplus. During these interactions management practices are discussed that influence the pounds of milk sold. Cropping strategies to maximize forage inventories and correct quality limitations have risen to the top of practices to control feed costs and to maintain or improve animal performance. Implementing double cropping has helped provide more forage especially for the dry cows and heifers while freeing up more corn silage for the lactating cows. For the milking cows this strategy has helped to implement precision feeding, reduce purchased feed costs and in many cases improve milk production. For the dry cows and heifers it has helped reduce feed costs by not having to purchase additional forage.

Dairy operations that have embraced changes in their management strategies are still going to feel the pinch in 2016 however they are positioned to remain financially solvent. The farms that in both 2014 and 2015 exceeded a break-even cost of $21/cwt are not in a position to survive a $17.50/cwt milk price. The bottom lines are: 1) know your break-even number, 2) recognize the bottlenecks on the farm, and 3) implement a plan for staying in or getting out of business.

**Action plan for 2016**

**Goal:** Review last year’s cash flow plan and develop a plan for 2016.

**Steps**

- **Step 1:** Determine the farm’s break-even cost of production in 2016.
- **Step 2:** Review major management areas on the farm to determine strengths, weaknesses, opportunities and threats.
- **Step 3:** Develop a plan on the changes that will occur and assign a person to monitor and record the pertinent information.

- **Step 4:** Set-up a schedule to meet every other month with the farm’s key advisers to make sure everything is on track.

**Economic perspective**

Monitoring must include an economic component to determine if a management strategy is working or not. For the lactating cows income over feed costs is a good way to check that feed costs are in line for the level of milk production. Starting with July’s milk price, income over feed costs was calculated using average intake and production for the last six years from the Penn State dairy herd. The ration contained 63% forage consisting of corn silage, haylage and hay. The concentrate portion included corn grain, candy meal, sugar, canola meal, roasted soybeans, Optigen (Alltech product) and a mineral vitamin mix. All market prices were used.

Also included are the feed costs for dry cows, springing heifers, pregnant heifers and growing heifers. The rations reflect what has been fed to these animal groups at the Penn State dairy herd. All market prices were used.

**Income over feed cost using standardized rations and production data from the Penn State dairy herd.**

Life Balance is About Priorities
Bob Milligan, Dairy Strategies

I have a short talk I give, especially to Young Farmer groups. It is called "How to Farm and Have a Life." A key question I ask participants is: "Do you live to farm or farm to live?"

I believe most farmers do view the farm as a means to provide for themselves, their families, and their employees and to support other personal, family, social, community, and service priorities - farm to live.

Unfortunately, the demands of owning a farm business and the farm families' passion for the farm too often result in the farm consuming the farmer and even his or her owner's family's lives - live to farm. How do you keep this from happening?

The answer is, similar to farm tasks that are urgent but not important like planning and employee development, to make non-farm activities a priority by developing structures and habits. Get you children's activities on your calendar and attend barring a major crisis. Develop the habit of a family night or a "date night" with your spouse or significant other. Get involved in a community activity.

Keep two things in mind as you establish non-farm priorities:

1. The break will likely make you more productive when you return to the farm, especially in these challenging times. When I was in graduate school, a group of us and our spouse did something besides study every Friday night. One of our fellow students always said he had to study. On Saturday morning, we arrived refreshed but had to listen to him complain about how little he accomplished on Friday night. There is no doubt in my mind he would have accomplished more each weekend if he had joined us on Friday night.

2. Remember the oft quoted life balance quote: No one ever said on their deathbed: "I wish I had spent more time at the office" or in our case "I wish I had spent more time in the barn."
Applications sought for 2016 Dairy of Distinction Award

The New York Dairy of Distinction Program invites interested farms to apply for this year’s Dairy of Distinction award from the Northeast Dairy Farm Beautification Program. Applications must be postmarked by April 15th.

The award is based on the idea that attractive farmsteads enhance consumer confidence in the wholesomeness of milk and stimulate milk sales and public support for the dairy industry. Roadside judging will take place in May. Winning farms will be notified in June, and will receive a Dairy of Distinction sign to display in front of their farm.

To download an application or to apply online visit the Dairy of Distinction website at www.dairyofdistinction.com or contact your local Cornell Cooperative Extension office.

2016 NYS Dry Bean Meeting
March 16, 2016

Join us for production updates on Western bean cutworm, white mold, varieties and bean breeding, and soil health. There will be a marketing update from Tim McGreevy, CEO, American Pulse Assoc., Moscow, ID, on: 2016 - International Year of Pulses: Why they are the Future of Food (dry beans/peas, lentils, chickpeas are pulses).

In addition, final results of Robin Bellinder's reduced tillage dry bean weed control trials, and trials of potential new dry bean herbicides, will be reported. Food safety practices and documentation required by buyers will be covered. There will also be a report from the December 1, 2015 Organic Dry Bean Discussion Group. The NYS Dry Bean Industry Committee will meet at 3:00 pm, and decisions on funding 2016 dry bean research will be made.

Lunch will include tasty, NYS dry bean dishes from the New York Coalition for Healthy School Food. 1.75 DEC credits (1a, 21, 23, 10) and CCA credits will be available.

Cost: $20 for Cornell Vegetable Program enrollees receiving Veg Edge; $30 for all others if registered by March 10. After March 10 cost is $5 more.

This event is sponsored by New York Bean, LLC. Sponsor opportunities are available. Questions or special needs, contact Carol MacNeil. In case of bad weather, call 585-313-8796.

Give Cattle Shelter — But Not Too Much, Purdue Says
By Lisa M. Keefe on 2/2/2016. MeatingPlace.com

Extreme cold or rapidly changing weather can lower animals’ immune response, and so beef cattle seeking shelter from harsh winter weather could be at an increased risk of disease in overcrowded barns, Purdue University experts warned.

In inclement winter weather, given access to a good barn, beef cattle will seek shelter even if the barn is too small for the herd or has poor ventilation, said W. Mark Hilton, clinical professor of beef production medicine.

So while it may seem counter to popularly understood tenets of humane handling, Hilton recommends limiting access to barns and other shelters.

“If producers are calving in this weather … calves should have access to shelter while their dams should not," he said. "If cows and calves are allowed free access to buildings it becomes an almost impossible task to keep the environment clean.”

In fact, Ron Lemenager, Purdue Extension beef specialist, said cattle should be kept in outdoor lots and pastures unless the weather becomes unbearably frigid.

Abrupt changes in weather, such as a quick warm-up with rapidly melting snow, can also pose problems since wet, muddy fields make it harder for cattle to move easily or find nutritious feed.

The problem of finding adequate nutrition is especially acute this year because last year’s forage crop was hampered by extreme weather. After record rainfall and flooding early in the growing season, many forages were harvested too mature or with too high of a moisture content. As a result, forage quality was compromised.

For every 10-degree Fahrenheit drop in the wind chill factor below 30 degrees, the energy requirements for a typical cow increase by 13 percent, he sa
Dairy Market Watch

<table>
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<tr>
<th>Milk Component Prices</th>
<th>Milk Class Prices</th>
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**January Utilization (Northeast):** Class I = 34%; Class II = 24%; Class III = 24%; Class IV = 18%.

*At a milk margin minus feed costs of $8 or less, payments are possible depending on the level of coverage chosen by the dairy producer.

**Cheese:** Cheese production is steady in the Midwest, and milk intakes in the East are driving 7 day production schedules. In the West, cheese making is active with a few processors reaching out for extra loads of milk to fill up cheese production schedules. Domestic cheese demand is still strong, especially for food service and retail customers. Good pre-holiday orders are relieving the inventory concerns of some Eastern manufacturers. Inventories are trending higher in the Midwest and West.

**Dry Products:** Low/medium nonfat dry milk f.o.b. spot market is weak in the East and Central regions and unsettled in the West. High heat nonfat dry milk output is sporadic, mostly based on contractual needs. The dry buttermilk market undertone is weaker as the current supply is above immediate buyer needs. Dry whole milk prices are steady to lower and spot sales have been less active. In the East, prices are steady to higher on firming market. Prices for whey protein concentrate 34% are mixed. Demand for lactose is good and inventories are tight. The casein market tone is unsettled.

**Fluid Milk:** Farm milk intakes are higher in all regions of the country. Manufacturing milk supplies are adequate for meeting production needs. Condensed skin processing is active. In the Northeast and Mid-Atlantic, Class I demand is lighter as some schools are closed. Cream volumes are readably available in all regions.

**Production:** Milk production in the 23 major States during January totaled 16.6 billion pounds, up 0.3 percent from January 2015. Production per cow in the 23 major States averaged 1,923 pounds for January, 4 pounds above January 2015. This is the highest production per cow for the month of January since the 23 State series began in 2003. The number of milk cows on farms in the 23 major States was 8.63 million head, 6,000 head more than January 2015, but 11,000 head less than December 2015.

**Butter:** Butter churning is active throughout the country as cream volumes generated from standardizing are trending higher. In the Northwest, demand from food service and retailers are steady to increasing. In the Central region, interest from Class II operations is moderate. Butter sales into retail outlets are active. In the West, domestic butter sales continue to be strong in advance of the Q1 spring holidays.

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Schuyler and Steuben – March 2016
Comments: January and February milk prices continued to drop, making a rough start to the new year. Lower milk prices going into 2016 are expected to continue, and will work to slow current national milk production increases. Compared to January a year ago, milk production in New York was up 4.1%, greater than the national increase of 0.3%. Following typical post-holiday patterns, prices for butter and cheese continue to decline. Until recently, they were supported by domestic sales. However, 2015 exports fell 70% below 2014, and imports increased by 78%. Butter stocks continue to build, and are currently 46% higher than a year ago and 36.7% higher than the five year average. Butter prices will likely continue to fall below $2.00 throughout March. 2015 cheese exports were 14% lower than 2014, and imports were 20% higher, the highest since 2006. Cheese block prices will likely hold in the $1.40 - $1.50 range for the time being. Dry whey exports were 22% lower than the year before, and dry whey stocks continue to build. (Cropp, Bob. Memo to Dairy-L. February 19, 2016).

February’s Class III price will be near $13.85, compared to $15.46 a year ago. The Class III price may not reach $14.00 until May, and will average in the $14’s for the first half of the year. Forecasts show that the price may strengthen in the second half of the year. The USDA forecasts the Class III price will average $14.05 to $14.75 for 2016. However, domestic sales continue to gradually strengthen, and world stocks may begin to decline in the second half of the year, enabling the U.S. to be more competitive on the global market. As total milk production continues to slow, the Class III price may be closer to $15 for 2016. (Cropp, Bob. Memo to Dairy-L. February 19, 2016).

Penn State’s measure of income over feed costs fell by 7.8% from December to January, in spite of lower feed prices, due to falling milk prices. The general trend in IOFC over the past few months is considerably lower than the corresponding months in the past five years. January’s IOFC of $6.41/cow/day is the lowest value since July. Corn and soybean prices are expected to remain stable due to a large world feed inventory, which will allow improved profitability from moderate milk price increases later in 2016. (Dunn, Jim. Penn State Dairy Outlook. February 2016).

2016 will be a year of low dairy product prices – Class III will likely average in the $14’s, at least for the first half of the year.

Penn State’s January value of Income Over Feed Cost is $6.41, a 7.8% decrease from December, and the lowest value since July.

As reported in Hoard’s Dairyman, 4 challenges await American markets: butterfat premiums could disappear with growing global butter stocks, low oil prices may slow dairy product purchases by oil-rich countries, more U.S. milk dryers coming online could add to milk powder inventories and the strong U.S. dollar makes American goods more expensive to importers.

Prices could rally in the second half of the year (by a dollar or so) due to increased exports and lower than predicted milk production increases.
**COMING EVENTS:**

**March 15, 2016-Strategic Marketing In One Night?**
Steuben County Civil Defense Center, Bath, NY 6:30-8:30 PM
See page 6 for more details.

**March 16, 2016-2016 NYS Dry Bean Meeting**
Leroy, NY 9:00 AM-3:00 PM
See page 9 for more details.

**TRADING POST:**

**For Sale:** 4 x 4 round bales of mixed hay and wheat straw bound with twine. Hay has been tested. Large quantities available. Please call: 607-535-4903