

# AGRICULTURAL NEWS

## Schuyler and Steuben Counties

Volume 97

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No. 4

### Manure Isn't Cheap Energy

by Maggie Seiler, Associate Editor Hoards Dairyman Intel

The excitement surrounding the green power of poop appears to be waning as the number of anaerobic digesters on U.S. livestock operations plateaued in 2013.

As of May 2015, 260 digester projects were active or under construction with only six of those projects entering the energy-producing business since 2014. That's a far cry from the more than 20 projects that entered the energy-producing business each year during a six-year run from 2008 through 2013.

So why the disinterest in new projects? The relevancy of manure-generated energy is dependent upon hefty government grants to get projects off the ground. Then, continued financial investment in maintenance and

repair of the systems piles up. On top of that, prices paid for the energy produced are just too low to justify new entries.

A recent article focused on manure digesters in *The Wall Street Journal* reported that Wisconsin utility companies have received state approval to pay nearly 5 cents less per kilowatt-hour of energy in 2016 than was offered a decade ago. Meaning most companies will only be paying around 3 cents per kilowatt hour.

Meanwhile, other green energies such as wind and solar power have ballooned, soaking up a majority of the growth in green energy. Why? It's much cheaper to produce power with wind and solar than with manure.

One thing is for sure, until the basic dollars and cents of manure-based energy make sense, the goal of having 1,300 digesters on dairies by 2020 will be totally out of reach. That was the original goal of the AgStar program, a joint venture of the EPA, USDA and the Department of Energy.



## Cornell Cooperative Extension

Steuben County

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## Dairy Princess & Ambassadors Sought for Steuben County

The Steuben County Dairy Promotion Committee is looking for candidates to be the 2016 Steuben County Dairy Princess. Candidates must be a resident of Steuben County between the ages of 16 and 24, never been married, nor had a child. She must be the daughter of a dairy farmer, farm employee, agribusiness employee or be personally affiliated with the dairy industry through 4-H or FFA. The primary role of the Dairy Princess is to increase the consumption and sale of fluid milk and dairy products through public appearances, public education, and providing nutrition information to consumers.

Girls ages 8 -16 are welcome and encouraged to join the Dairy Promotion Committee as Dairy Ambassadors or Dairy Maids. These are non-competitive positions that support the dairy princess and the committee at public events throughout the year.

If you are interested in becoming a Dairy Princess or Ambassador and want more information please contact Tracey McCaig at 607-661-8746.

### Agricultural Program Committee

Bill Brown	Hammondsport
Jason Gerber	Addison
Cathy Halm	Campbell
Drew Heisey	Hornell, NY
Greg Muller	Bath, NY
Bob Nichols	Addison
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### Agricultural Program Staff:

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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

## Tour of 2015 Fall Seeded Cover Crop Plots

@ the USDA Natural Resources  
Conservation Service

Big Flats Plant Materials Center

Where: 3266 State Route 352, Big Flats, NY  
14814 (off I86, exit 48)

When: April 21, 2016 @ 1:30 pm

RSVP: send an email with # attending to:

[shawna.clark@ny.usda.gov](mailto:shawna.clark@ny.usda.gov)



## SIGN UP FOR WEEKLY SUMMER FIELD CROP UPDATES

E-mail Delisa at  
[dp253@cornell.edu](mailto:dp253@cornell.edu)  
or call 607-664-2300

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Closer Than You Think**

**James Barber**, New York State Executive  
Director USDA Farm Service Agency  
PUBLISHED ON MARCH 30TH, 2016



*These "farm operating microloans" can be used for tools, equipment, livestock, seed, fertilizer, utilities, even marketing, distribution and certification expenditures. But unlike conventional FSA farm operating loans, the microloan offers a simplified application process, and eligibility requirements have been modified to recognize new and smaller operations. (U.S. Department of Agriculture, Flickr/Creative Commons)*

SYRACUSE, N.Y. — Access to reliable credit has been an important issue for farmers long before President Woodrow Wilson signed into law the Federal Farm Loan Act back in 1916. In fact, even a century later, with all of the financial options available today, one of the biggest challenges to entering agriculture – or even growing an existing farming operation – still can be the cost of land and equipment.

At the U.S. Department of Agriculture Farm Service Agency (FSA), we believe starting or expanding a farm or ranch should never be out of reach, nor should it require buying thousands of acres of land, borrowing significant sums or committing to unreasonable interest rates.

That's why three years ago, FSA created a new microloan program tailored especially to borrowers who have small or medium-sized needs. With its streamlined paperwork, no mandatory minimum amount and up to \$50,000 in borrowing authority, microloans



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**This year start managing price stability, crop size and the changing export market,** contract with The Birkett Mills, where both price and market are guaranteed before you plant. Go to: [www.thebirkettmills.com](http://www.thebirkettmills.com) to view contract information.



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have become one of our most popular programs to date, providing \$25.8 million to more than 17,000 borrowers, with fully 70 percent of microloans having gone to new farmers and nearly 50 percent to first-time FSA customers.

These “farm operating microloans” can be used for tools, equipment, livestock, seed, fertilizer, utilities, even marketing, distribution and certification expenditures. But unlike conventional FSA farm operating loans, the microloan offers a simplified application process, and eligibility requirements have been modified to recognize new and smaller operations.

This January, FSA expanded the microloan concept to now cover farm ownership expenses, such as land purchases, constructing or upgrading farm structures and even implementing soil and water conservation practices. With a “farm ownership microloan,” no appraisals are needed, and eligibility has been expanded to include other important skills like experience with a non-farm business, military leadership or advanced education in an agricultural field.

So if you operate a truck farm with direct marketing and sales, if your farm uses hydroponics, aquaponics, organic or vertical growing methods, if you work a smaller number of acres and do business with farmers markets, restaurants or community-supported agriculture businesses, perhaps a microloan is just what you need to make your business succeed and grow!

At FSA, we work each day to help farmers achieve their own version of the American Dream of brighter days for their farms, their families and their future. To learn more about how microloans can help you, visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans) or contact your local FSA office. To find your local office, visit <http://offices.usda.gov>.

## **Non-Lactating Animals Count Too**

Tags: [Dairy \\$ense](#), [Income Over Feed Cost \(IOFC\)](#)

Posted: March 17, 2016

When margins are tight the conversation usually focuses on the lactating cows and how to improve performance. This makes sense as they are the major driver of income. However, there are other groups of animals that generate expenses and unless they are sold do not contribute to the income stream. Dry cows and heifers take up on average 20 percent of the farm’s total feed costs (home raised and purchased). This number is generated from the cash flow plans conducted by the Extension Dairy Team.

### **Production Perspective**

Each month in “Dairy \$ense” income over feed cost per cow is listed in addition to the feed cost per non-lactating animal. For 2015 using the ration formula fed at Penn State for dry cows and heifers, the feed cost averaged \$3.48/cow and \$1.66 per heifer (does not include pre-weaned calves). These feed costs are based on the Penn State Feed Price List.

Ninety farms participating in Extension's cash flow workshops were evaluated on their dry cow and heifer feed costs. In the cash flow Excel spreadsheet, both market and producer cost prices are compared for the various animal groups. The average dry cow feed cost per day for market and cost was \$3.37 and \$2.44 respectively. However, there was a wide range in feed costs: \$0.79 to \$5.78/cow/day. The low and high numbers were similar for the market and cost categories.

The feed costs for heifers were \$1.99 and \$1.58/animal/day, market and cost respectively. This group also had a wide range in feed costs: \$1.00 to \$4.38/heifer. It appears there are opportunities to achieve better cost control for the non-lactating animals on some farms.

A common theme for dry cows and heifers is inadequate forage inventory. Many cash flow

plans purchase a substantial amount of grass hay or straw to meet their fiber needs. It is not unusual to observe excellent feed cost control on the lactating cows but the opposite for the dry cows and heifers. Every farm has its set of challenges and should be evaluated to determine opportunities.

For example, the cash flow plans from two 400-cow dairies were evaluated. In 2015, their purchased concentrate cost including both heifers and dry cows was very similar at \$63,000. However, one farm had to purchase grass hay for these animals at \$76,700, so this farm's purchased feed cost was almost \$140,000 for the non-lactating animals. This has significant implications to a cash flow plan. Many of these issues require a thorough look at the cropping plan for the operation to find ways to produce more of the forage needed for heifers and dry cows.

No matter how many cash flow plans are analyzed, feed costs keep rising to the top of the list as a critically important topic impacting the farm's potential cash surplus. Lactating cows make up the majority of feed cost, however, dry cows and heifers can influence the farm's break-even cost of production. Working with Penn State's Dairy Business Management Team, producers can get their feed costs divided out between the lactating and non-lactating animals. This provides one more opportunity to manage both production and finance for a critically important area of the farm.

### Action plan for evaluating feed costs for the dry cows and heifers.

**Goals:** Determine the annual feed costs for dry cows and heifers.

**Steps**

- **Step 1:** Organize invoices to capture all the purchased feed costs for dry cows and heifers. This would include calf starter, grower, heifer supplements, minerals and dry cow grains. Average their prices for the year.
- **Step 2:** Summarize the rations from baby calves through springing heifers and dry cows. Determine the most representative ration for the various animal groups for the year.
- **Step 3:** Using the Penn State Excel cash flow spreadsheet, enter in the respective rations and their costs to determine the feed costs per animal group.
- **Step 4:** If feed costs for this group exceed 20% of the total feed costs, evaluate the potential causes.

### 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



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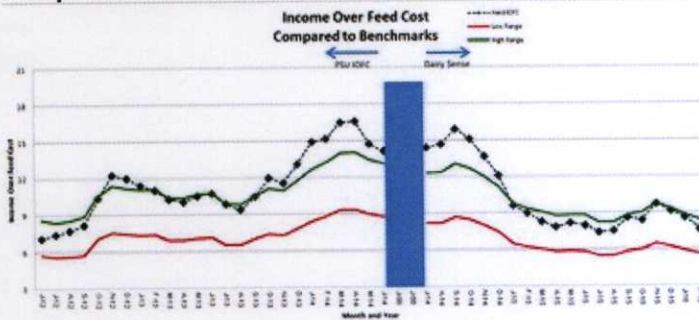
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ration contained 63% forage consisting of corn silage, haylage and hay. The concentrate portion included corn grain, candy meal, sugar, canola meal, roasted soybeans, Optigen (Alltech product) and a mineral vitamin mix. All market prices were used.

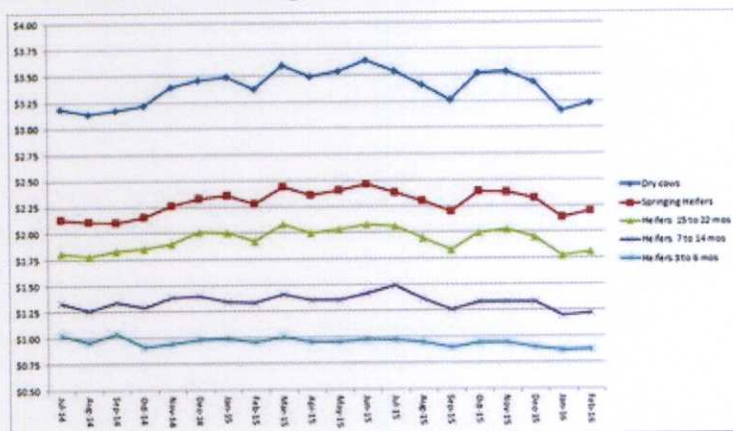
Also included are the feed costs for dry cows, springing heifers, pregnant heifers and growing heifers. The rations reflect what has been fed to these animal groups at the Penn State dairy herd. All market prices were used

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



Note: February's PSU milk price: \$16.52/cwt; feed cost/cow: \$6.40; average milk production: 85 lbs.

### Feed cost/non-lactating animal/day



## Dairy Acceleration Program: Additional Funding Opportunity

Additional funding from the Department of Agriculture and Markets and the Department of Environmental Conservation has extended the Dairy Acceleration Program.

This program is designed to enhance profitability and environmental stewardship of New York dairy farms. The program will be delivered in collaboration with Cornell PRO-DAIRY and Cornell Cooperative Extension.

Funding for eligible projects may be used for organization of financial records and benchmarking, creation of strategic business plans, design of new or remodeled production facilities, development or updates of Comprehensive Nutrient Management Plans (CNMPs) and design of Best Management Practices (BMPs) identified in the farm CNMP.

Dairy heifer operations are also now eligible to apply for environmental planning funds.

### Basic program eligibility:

- Must be a dairy cattle farm shipping milk.
- Must have complete financial records for business planning.
- Must have a current CNMP if applying for funds to design BMPs.
- Preference is given to farms with under 300 cows.
- Must complete and submit an application.

### Environmental planning options:

- CNMP updates for farms under 300 cows.
- New CNMPs for farms under 300 cows.
- Design of BMPs for farms under 700 cows.

Dairy Acceleration Program funding covers 80% of a project's cost. The farm is responsible for 20% of the project cost, which is paid directly to the service provider, including any in excess of established limits.

### Funding may include:

- Up to \$5,000 to develop a business plan

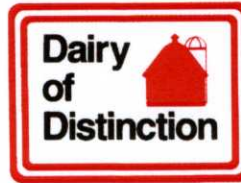
- for long term viability of the dairy.
- Up to \$2,500 for previously awarded farms to continue working with their farm business consultant in a subsequent year to refine and/or implement their business plan.
  - Up to \$1,000 to prepare farm financial records and benchmark current financial status in preparation for business planning.
  - Up to \$6,000 to develop a new CNMP (farms under 300 mature cows).
  - Up to \$4,500 to update an existing CNMP (less than 3 yrs old and farms under 300 mature cows).
  - Up to \$5,000 for design of a single eligible BMP identified in the CNMP (farms under 700 mature cows).
  - Up to \$10,000 for design of a combination of BMPs identified in the CNMP (farms under 700 mature cows).
  - Up to \$2,500 for certification of existing manure storage.

Eligible BMPs include:

- 561 Heavy Use Area (e.g. concrete barnyard)
- 367 Roofs and Covers (e.g. cover over a barnyard)
- 317 Composting Facility
- 316 Animal Mortality Facility
- 635 Vegetative Treatment Area
- 360 Waste Facility Closure
- 632 Waste Separation Facility
- 313 Waste Storage Facility
- 634 Waste Transfer
- 629 Waste Treatment

For more details visit

<http://prodairy.cals.cornell.edu/dairy-acceleration>.



## 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 15<sup>th</sup>.

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](http://www.dairyofdistinction.com) or contact your local Cornell Cooperative Extension office.

## Cornell Cooperative Extension to Publish 2016 Farm Guide

Cornell Cooperative Extension of Steuben County is seeking new farms that wish to be included in the Steuben County Guide to Agricultural Products. The guide, which has been printed for numerous growing seasons, contains a listing of local farms with agricultural products for sale within Steuben County.

Applications will be accepted from roadside stands, u-pick farms, greenhouses, farmer's markets, meat and poultry producers, maple producers, honey producers, wineries, Christmas tree growers and other agriculture enterprises located within Steuben County. Applications will only be considered from farms where at least 50% of the products sold are homegrown.

Those wishing to obtain an application should contact DeLisa Drum at (607) 664-2300 or [dp253@cornell.edu](mailto:dp253@cornell.edu) by **May 1<sup>st</sup>**! Applications can also be picked up at the CCE-Steuben office at 3 E. Pulteney Square, Bath; or on the CCE website at [www.cce.cornell.edu/steuben](http://www.cce.cornell.edu/steuben).

## Scholarships Available for GrassFed Exchange Conference

We are thrilled to announce a new scholarship program for young farmers and ranchers to attend the 2016 Grassfed Exchange conference on April 27-29, 2016 in Perry, Georgia.

Due to a generous grant from the folks at "The Herd" – Cienega Capital, TomKat Foundation, Armonia, and the 11th Hour Project – we are now accepting applications for young daughters, sons, veterans and interns to attend the 2016 conference under a scholarship program. The purpose of this program is to inspire and educate the next generation of young people to become regenerative grassland farmers and ranchers.

On April 1, we will award 12 "full ride" and 20 tuition-only scholarships aimed at increasing opportunities for the next generation of people who will feed the world:

The scholarships will include:

Full Ride (12 Total) – Includes travel (at cost from point of origin), on-site accommodations (at cost); meals (paid as supplement of \$200), and registration (includes on-site meals).

Tuition Only (20 Total) – Registration (includes on-site meals)

### Required Qualifications

- Currently active or seeking employment in grassland agriculture
- Daughters and Sons – 30 or under years of age
- Veterans – 40 or under years of age and former active duty
- Interns – 30 or under years of age and active or hired intern for 2016 season

Applicants are required to fill out a one page application form (below) and submit by midnight on March 26 to [info@grassfedexchange.com](mailto:info@grassfedexchange.com)  
[Click here to download the Herd Fellows Application](#)

For information on the GrassFed Exchange Conference, go to <http://www.grassfedexchange.com/>.

## Crisis Planning for Your Dairy

By Joan Sinclair Petzen, NWN Y CCE Team

Is your livestock enterprise prepared if the next attack on agriculture targets your farm as an example of alleged mistreatment of animals, environmental pollution or community group opposition, farm worker issues or an accidental injury or death? Any farm is vulnerable to being in the media spotlight at a moment's notice. Understanding and preparing for a crisis helps you to protect yourself, industry image and consumer confidence. A written on-farm crisis response plan can help your business to weather a storm of attention from the media or social media.

"Differentiating between an 'issue' and a 'crisis' is an important first step in crisis planning," according to Telling Y our Story - On-Farm Crisis Preparedness by American Dairy Association and Dairy Council (ADA/DC). Farm businesses deal with issues from equipment breakdowns to protocol slip or animal health challenges on a regular basis. A crisis might involve an unforeseen death, cause an abrupt halt or disturbance of operations, unexpected safety or health concern to your animals, bioterrorism, danger from consuming your milk or loss of confidence in your product, a sudden lack of trust in your farm or extensive damage to your facilities by fire, explosion or natural disaster.

ADA/DC outlines a five step process for crisis preparedness:

1. Develop your crisis response team
2. Identify stakeholders
3. Assess vulnerabilities and develop crisis scenarios
4. Identify spokespersons and communicate
5. Know the resources available to you

Be sure to develop an appropriate plan for different crises your farm might encounter. Putting



plans in writing provides a guide for reacting more objectively during a time when emotions may be running high. The response team can use a written plan to communicate with family members, employees, stakeholders, neighbors, media or enforcement agencies.

The crisis response team should be a small group ideally of managers, who have the authority to make decisions and provide leadership. People intending to have a long term role in the farm business are best suited to be part of the response team. Some team members might be different for one type of crisis than another. Documenting team members' complete contact information in your written plan will make it easier to respond quickly if needed. Meeting twice a year to review the crisis plan prepares your team for rapid response and keeps the plan current.

Another group it is important to identify in advance are stakeholders. Be certain to gather contact information for each one and the best way to reach them. Appoint a response team member to communicate with stakeholders when a crisis arises.

Assessment of your vulnerability to a list of potential crises is a critical step. Develop a list of events that could result in a crisis. Estimate the probability of each event occurring from unlikely to it has happened and could again. Then determine the level of damage the event might cause ranging from devastating to very little damage. ADA/DC's workbook offers a scoring process for ranking potential disasters based upon likelihood of happening and potential damage. This helps you focus your planning on the most likely and highly damaging crises. For the top few, use your response team to work through each crisis scenario and thinking about the steps to take to address the situation and appropriate communication lines for addressing the situation.

Selecting your spokesperson is a vital aspect of the plan. They must represent your beliefs and mission. Select someone who is well spoken and in a position of authority with respect to the crisis at hand. It is key that your spokesperson is able

to be empathetic, sincere and able to relate to affected parties. They must be able to think on their feet and be pleasing to the eye of the camera. Having a list of media prepared will help you to get your message out. If the media contacts your farm be certain to get a contact you can follow up with if the situation changes or new information is learned.

Media outreach goes beyond traditional print, radio and television. Think about how you are going to use social media and the internet. We live in the era of instant communication and having your message prepared in advance will help you to communicate proactively in the event of a crisis.

Finally, know your resources. Both industry and agency resources are available to assist you with messaging and appropriate communication techniques. Industry promotion organizations, the New York Animal Agriculture Coalition, Farm Bureau, government inspectors, Extension and the professionals you work with regularly in your business operations can be called upon to help you respond in a crisis. As you develop a plan for each scenario include a list of resources to call on to help your team respond proactively

We hope no farm ever has to deal with a crisis. But being prepared can help lessen the blow of a crisis to your family and business. Dealing with a crisis can be emotionally charged and consume a tremendous amount of energy. Having a team in place and a plan for dealing with the most likely and damaging crises can help limit the fallout and reduce the disruption caused when one comes up. Identify your response team and stakeholders and prepare a written plan of action to be ready if crisis strikes.

# Dairy Market Watch

Milk Component Prices			Milk Class Prices				Statistical Uniform Price & PPD					MPP
Month	Butterfat	Protein	I (Boston)	II	III	IV	Jamestown, NY		Albany, NY		Albany \$/gal. to farmer	Milk Margin Minus Feed Costs (\$/cwt)*
Feb 15	\$1.83	\$2.41	\$19.49	\$14.48	\$15.46	\$13.82	\$15.51	\$0.05	\$16.11	\$0.65	\$1.39	\$7.66
Mar 15	\$1.84	\$2.49	\$18.81	\$14.50	\$15.56	\$13.80	\$16.40	(\$0.31)	\$15.85	\$0.29	\$1.37	\$7.53
Apr 15	\$1.89	\$2.56	\$18.75	\$14.98	\$15.81	\$13.51	\$15.36	(\$0.45)	\$15.96	\$0.15	\$1.38	\$7.48
May 15	\$2.06	\$2.52	\$19.08	\$14.81	\$16.19	\$13.91	\$15.67	(\$0.52)	\$16.17	\$0.08	\$1.39	\$7.83
June 15	\$2.10	\$2.69	\$19.39	\$14.77	\$16.72	\$13.90	\$15.94	(\$0.78)	\$16.54	(\$0.18)	\$1.43	\$8.15
July 15	\$2.11	\$2.61	\$19.78	\$14.70	\$16.33	\$13.15	\$15.76	(\$0.57)	\$16.36	\$0.03	\$1.41	\$7.45
Aug 15	\$2.27	\$2.57	\$19.53	\$14.54	\$16.27	\$12.90	\$15.75	(\$0.52)	\$16.35	\$0.08	\$1.36	\$7.94
Sep 15	\$2.75	\$1.98	\$17.68	\$15.36	\$15.82	\$15.08	\$16.53	\$0.71	\$17.13	\$1.31	\$1.48	\$8.95
Oct 15	\$2.91	\$1.70	\$19.09	\$16.44	\$15.46	\$16.43	\$16.45	\$0.99	\$17.05	\$1.59	\$1.47	\$9.21
Nov 15	\$3.18	\$1.32	\$19.73	\$18.26	\$15.30	\$16.89	\$17.17	\$1.87	\$17.77	\$2.47	\$1.53	\$10.01
Dec 15	\$2.90	\$1.35	\$19.96	\$16.71	\$14.44	\$15.52	\$16.12	\$1.68	\$16.72	\$2.28	\$1.44	\$8.10
Jan 16	\$2.31	\$1.82	\$19.29	\$14.19	\$13.72	\$13.31	\$14.37	\$0.65	\$14.97	\$1.25	\$1.29	\$7.91
Feb 16	\$2.38	\$1.74	\$16.89	\$14.30	\$13.80	\$13.49	\$14.14	\$0.34	\$14.74	\$0.94	\$1.27	Not Available

**February Utilization (Northeast): Class I = 34%; Class II = 25%; Class III = 24%; Class IV = 17%.**

*Class I = fluid milk; Class II = soft products, cream, and yogurt; Class III = cheese (American, Italian), evaporated and condensed products; Class IV = butter and milk powder.*

\*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 and active across most of the country. Midwestern and northeastern cheese manufacturers are running full production schedules to handle current milk intakes. Some additional milk is being diverted into cheese vats as educational institutions go on spring break. Although cheese makers still report relatively good retail demand for cheese, buyers are wary about making purchases beyond near term needs. Some end users have fuller storage facilities and are watching price movements closely. Many industry contacts perceive that cheese inventories are long and growing.

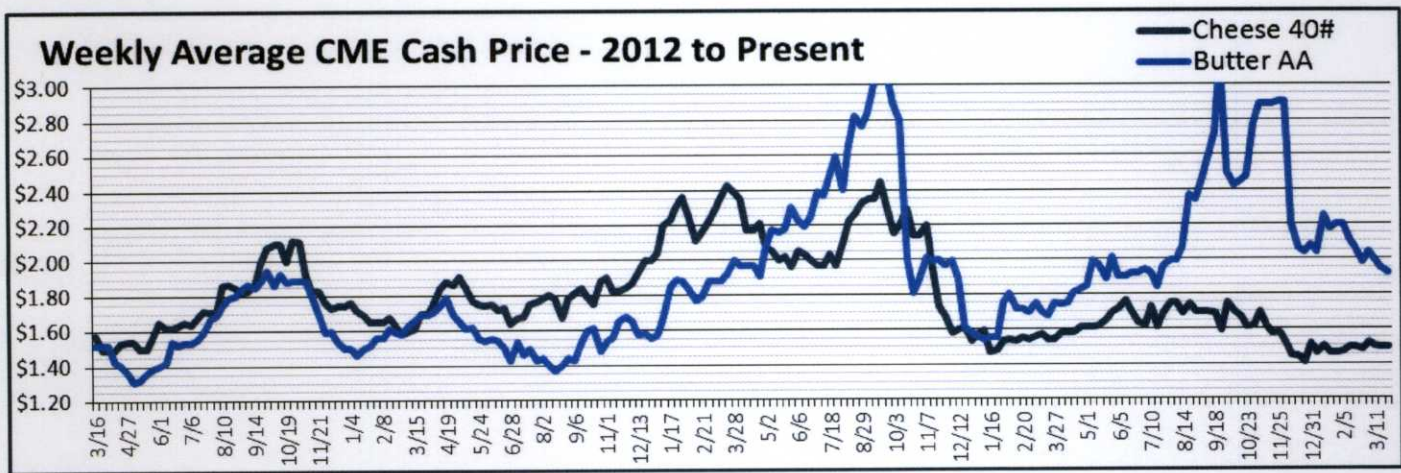
**Dry Products:** The low/medium heat nonfat dry milk market undertone is weak and quiet. Demand from the baking sector is waning. High heat nonfat dry milk production is irregular, driven by contractual needs. Dry buttermilk spot sale activity is light. Moderate condensed buttermilk loads are moving to ice cream as condensed skim volumes dominate dryer time. The dry whole milk market is weak and international prices are putting some pressure on the domestic prices. In the Northeast dry whey supply exceeds demand as stocks increase.

Friday CME Cash Prices					
Dates	2/26	3/4	3/11	3/18	3/24
Butter	\$1.98	\$2.04	\$1.99	\$1.95	\$1.92
Cheese (40# Blocks)	\$1.48	\$1.52	\$1.50	\$1.49	\$1.49

**Fluid Milk:** Farm level milk production is gradually increasing in the country. In the Northeast, Mid-Atlantic, Pacific Northwest and Florida, bottling sales moved lower due to school closings. Cream supplies are readily available throughout the country and demand is fair to good across the different Classes of dairy products. Demands for cream from ice cream/frozen dessert makers are seasonally increasing.

**Butter:** Butter production is seasonally active throughout the country as heavy cream volumes continue clearing into butter churning. Some butter manufacturers are running at full capacity. With the passing of the early spring holidays, seasonal butter requests from retailers and food service are slowing down. At this point, production is mostly focused on bulk butter. Inventories are steady to building into cold storage. Bulk butter prices in all regions are ranging from 5 cents under market to 8 cents over the CME Group price, with various time frames and averages used.

**Production:** Milk production in the 23 major States during February totaled 15.8 billion pounds, up 4.6 percent from February 2015. Production per cow in the 23 major States averaged 1,833 pounds for February, 79 pounds above February 2015.



**Comments:** March milk prices will round out similarly to February's as another stagnant price month goes by, but product prices may average lower than February. Domestic sales of butter and cheese will likely remain strong, but export prices will increase only slightly in April, May and June. We might see more strength in the export market throughout the second half of the year. Milk production will seasonally increase into the spring months, but that increase may be less than 1% as compared to a year ago for the first half of the year – good news to keep milk prices from falling even further. USDA forecasts milk production for 2016 to increase by 1.4% as compared to 2015, a decrease from their previous estimate of 1.6%. This projection is based on a lower average number of milk cows, 0.2% lower than last year, with milk per cow up by 1.8%. These numbers may continue to decrease as low milk prices affect our nation's dairy farms, and lower feed costs will help to keep margins level enough to continue to increase milk production per cow. (Cropp, Bob. Memo to Dairy-L. March 18, 2016).

Dairy exports don't look like they'll be helping to improve milk prices until into 2017 as the level of world stocks and increased world production coupled with decreased imports from countries like Russia and China continue to suppress the world market. On a total solid basis, exports equated to 12.5% of U.S. milk production in January, and imports were equivalent to 4.4% of milk production, the highest amount since February 2009. USDA forecasts the Class III milk price to average for 2016 between \$13.60 and \$14.20, as compared to \$15.80 last year. Futures markets show Class III to be in the \$13's until August when it rounds up to the \$14's for the remainder of the year and the first half of 2017. (Cropp, Bob. Memo to Dairy-L. March 18, 2016).

Penn State's measure of income over feed costs fell by 2.4% from January to February as lower feed prices combined with slightly higher milk production in the U.S. February's IOFC was \$6.62/cow/day and feed prices look like they will continue to remain low for the near future. (Dunn, Jim. Penn State Dairy Outlook. March 2016).



**A Drop In  
The Bucket**

*Katelyn Walley-Stoll*

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Domestic sales of cheese and butter remain steady, helping to even out milk pricing swings during this challenging year.

Penn State's February value of Income Over Feed Cost is \$6.62, a 2.4% decrease from January.

USDA forecasts milk production to be up by 1.4% in 2016 as compared to 2015, and this projection continues to decrease as milk production per cow and total milk production increases slowly.

Class III prices will be in the \$13 - \$14 range for 2016 and into 2017.

You don't need me to tell you it's been a tough year so far to be a dairy farmer – hang in there.

Cornell Cooperative Extension  
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## **COMING EVENTS:**

**June 2<sup>nd</sup> Hornell Farmers Market will be opening hours are 12-4pm.** - They are seeking vendors, for more information contact, Kari Weir – Hornell Market Manager (607) 324-9786

**August 4-6 Alfred, NY—Alfred State to host Grasstravaganza '16** - An event for farmers, conservationists, and consumers who are interested in soil health, grazing, and sustainable agriculture, will be held on the Alfred State campus.

The conference *Healthy Soils, Healthy Animals, Healthy Farms*, will feature presentations by national and local grazing and soil health experts who will cover a range of topics, interactive soil health related activities, and a trade show.

The featured speaker this year is Dr. Fred Provenza. For more than 38 years, Dr. Provenza has produced groundbreaking research on livestock grazing behavior. This work has influenced research in areas from nutrition and foraging behavior of animals and humans, to rural sociology and development.

Additional speakers include: Justin Morris, NRCS Soil Health Specialist; Dr. Bern Sweeney, Director, President, and Senior Research Scientist at the Stroud Water Research Center, an independent research institution focused on stream and river ecology; and Dr. Guy Jordarski (tentative), a holistic dairy veterinarian with nearly 30 years of experience in the industry, who now acts as the consulting veterinarian for the 1600 dairy farms in the Organic Valley milk cooperative.

For more information or to register, please visit the conference web site at [www.alfredstate.edu/grasstravaganza](http://www.alfredstate.edu/grasstravaganza) or call Karen Meade at 607-587-4714

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## **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