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W-S FEED & SUPPLIES LIMITED

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IN MEMORY

We remember Earl Wideman, the founder of W-S Feed & Supplies Ltd. who passed away on Wednesday March 23, 2016.

When the sadness casts a shadow
and the candle flame has died,
Just remember that it's never really gone:
Though the light has disappeared,
Yet the fragrance still abides
And ensures that its presence lingers on.

HEIFERS NEED THEIR OWN SPACE

Many heifers struggle to meet their genetic potential when competing with older cows — and it is not a new story. We have known for years that first-calf heifers in mixed pens consume less feed, spend less time lying down and produce less milk than when they are grouped in their own pens. Numerous natural behavioral differences exist between mature cows and first-calf heifers. Heifers take smaller bites, eat more slowly and spend more time eating. They are also typically less dominant and more easily displaced from the feedbunk, stalls and water. Unfortunately, this lost genetic potential can be easily overlooked on a dairy farm because there is no "control" pen for comparison.

CAN EXPECT A 10% MILK DROP

Classic research published in the 1980s tells us that we should expect about 10 percent less eating time and dry matter intake, up to 20 percent less lying time and close to 10 percent less milk production when parities are co-mingled. More recently, European researchers found that heifers housed in separate pens for one month after calving elevated their milk yield by 506 pounds per 305-day lactation and had a substantially lower ketosis incidence.

Another recent study conducted in Spain found that first-calf heifers mixed with older cows lose more body weight and produce milk 10 to 15 percent less efficiently during the first month of lactation. And it gets worse: these first-calf heifers that are forced to compete with older cows also have lower milkfat test, less drinking time and reduced rumination. The bottom line is that we can expect first-calf heifers to lose about 10 percent of their milk yield potential if forced to compete with older cows.

OVERCROWDING ACCENTUATES NEGATIVES

What if the pens are also overcrowded? Then, the situation becomes predictably worse, according to our research here at the Miner Institute. In mixed parity pens, dry matter intake does not begin to drop for older cows until bunk space dwindles to about 16 inches per cow, but the feed intake of first-calf heifers declines as soon as bunk space drops under 24 inches per cow. First-calf heifers are very sensitive to restricted bunk space. Ramping up stall and headlock stocking density from 100 to only 113 percent in mixed pens causes the spread in milk production between mature cows and first-calf heifers to widen from 6 to nearly 14 pounds per cow daily.

At 131 percent overcrowding, the difference in milk production between first-calf heifers and older cows surged to 21 pounds per cow. These data make it clear that it doesn't take a large rise in stocking pressure to put heifers at a severe competitive disadvantage when they are grouped with mature cows.

DAIRY XPO

DROP BY OUR BOOTH AT THE DAIRY XPO ON APRIL 6-7 IN STRATFORD. THE SHOW RUNS FROM 9 AM - 4 PM BOTH DAYS.

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HEIFERS NEED THEIR OWN SPACE CON'T...

RUMINATION MAY BE COMPROMISED

What explains the reductions in feed intake and milk yield for these first-calf heifers? Recent research we have conducted at the Miner Institute is beginning to shed some light on what may be happening to heifer behavior — especially rumination. Projects conducted by our spring semester Advanced Dairy Management students evaluated what happens with stall choice, resting time and rumination when first-calf heifers and mature cows were grouped together. This information should be viewed as preliminary until we can confirm the results in future studies, but it is certainly food for thought. Pens of cows (70 percent mature and 30 percent first-calf heifers) were observed by the students, and stall preference was noted. In particular, they noted the stalls that were most preferred by mature cows. When usage of all the stalls within a pen was assessed, they were used by cows and heifers in a 70:30 ratio reflecting the group demographics. But, as we examined stall preference from 100 percent of stalls to the top 5 percent of stalls, their use by first-calf heifers dropped from 30 percent down to only 5 percent. Likewise, lying, as a fraction of stall occupancy time, fell to only 5 percent or so for the most preferred, most competitive stalls. Previous work by our students has found that first-calf heifers ruminate up to 40 percent less when they are lying in a stall preferred by older cows. Additionally, field observations indicate that rumination activity can improve substantially when first-calf heifers are moved from a mixed pen to their own pen. In fact, field data indicate as much as an hour gain in rumination time when heifers are provided with their own pen to avoid competition with older cows.

SPARE HEIFERS FROM COMPETITION

Taken together, this new information indicates that forcing first-calf heifers to compete with mature cows compromises their normal rumination activity and interferes with their ability to find a stall where they can rest without fear of being displaced. Although dynamics may change for very large pens, for pens in which the cows all recognize each other (probably 100 or so cows), mixing heifers and mature cows bleeds away potential milk and profit. At this point, the best recommendation remains to group heifers separately — and don't overcrowd a mixed pen! (Rick Grant, Hoard's Dairyman)

FEWER HOGS AND HIGHER PRICES

The nation's pork producers have indicated to USDA that they are not expanding the breeding herd and, in fact, intend to reduce farrowings this spring and summer. This means pork supplies will be somewhat less than had been anticipated and that hog prices will be somewhat higher. For the USDA;s March, Hogs and Pigs report, pork producers' indicate that the size of the nation's breeding herd was unchanged from the same date one-year earlier. The herd has been in an expansion phase from the last half of 2014 through 2015. That expansion was largely because of record high profits due to baby pig losses from PED. That expansion phase seemingly has now ended. There is some unevenness in the change in breeding herd numbers over the past year. One constant is that the Southern Plains states have been the most aggressive in adding breeding herd numbers over recent years. For the 16 states that USDA surveys for the March report, the breeding herd is up 9% in Oklahoma and 10% in Texas. Over the past 2 years, the Southern Plains have led the country in expansion by increasing their breeding herd by 15%.

Some of the primary Midwestern States reported a decrease in their breeding herds over the past year. Generally, record corn yields in most western Corn Belt states were not a sufficient reason to increase the breeding herd. Iowa reported their breeding down 2%,. In Indiana, where corn yields were reduced by summer flooding, the breeding herd was down 7%.

The second most important information from this inventory report is that pork producers intend to reduce the number of sows farrowed by 1% this spring and by 3% this summer. If they follow through on these intentions, pork supplies next fall and winter will be smaller than previously anticipated. Smaller anticipated supplies will likely boost price prospects.

The inventory numbers in this latest inventory report can be used to forecast pork supplies for the remainder of 2016 and the first quarter of 2017. Market hog inventories indicate that pork supplies maybe near unchanged in the second and third quarters of this year. Fourth quarter supplies are also expected to be near unchanged, reflecting modestly smaller spring farrowings, but somewhat more pigs per litter. For the 2016 calendar year, pork production is expected to be unchanged to up 1%. Pork supplies in the first quarter of 2017 will come from the 3% smaller summer farrowings. However, the more pigs per littler and heavier weights, pork production is expected to be only about 1% smaller.

Live hog prices in 2015 averaged $50.23 per hundredweight for 51 percent to 52 percent lean carcasses, according to USDA. My current forecast is that prices will be in a range of $49 to $54 for all of 2016, about $1 higher than last year. Live weight prices averaged about $46 in the first quarter of this year. Prices are expected to rise to the $55 to $58 range for averages in the second and third quarters and finish the year in the mid-to-higher $40s.

Hog prices stand ready to make their normal seasonal rally into the early summer. Current prices in the higher $40s are expected to move to the higher $50s or low $60s by June and July. Strong prices are expected until September when the normal seasonal pattern begins a sharp decline.

Current prospects are for costs of production to be at the lowest level in nine years due to low feed costs. Those costs are estimated to be near $50 per live hundredweight for the entire year of 2016. This means that this year's outlook is for an average profit of about $6 per head compared to an estimated $3 per head of loss for 2015. Losses of $9 per head are expected in the first quarter and $6 per head in the final quarter. Profits of $21 per head are anticipated in the second quarter and $18 per head in the third quarter.

The pork production industry appears headed for a year in which they will cover all costs and with some modest profits left over. Producers have avoided a bigger build-up in the breeding herd that could have driven the industry back toward losses. For right now, the industry seems to have supply in alignment with pork demand such that prices cover full cost of production. In the future, producers will need to keep expansion of the breeding herd at one percent or less per year. (Chris Hurt, Perdue University)