Producer's View of Staying Ahead in the Dairy Business: Staying Ahead – Wisconsin Style

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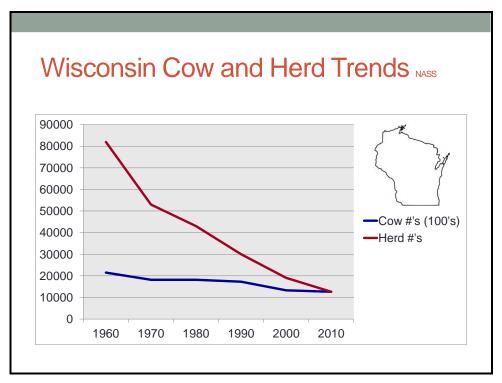
STAYING AHEAD-WISCONSIN STYLE

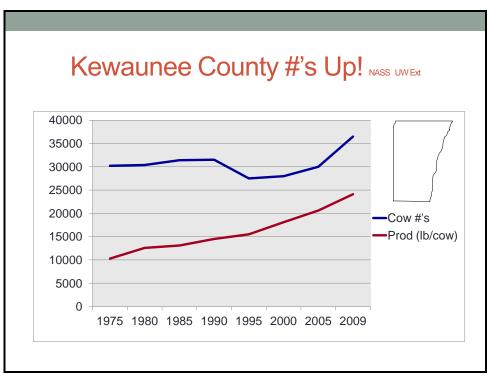
(OR AT LEAST TRYING TO)

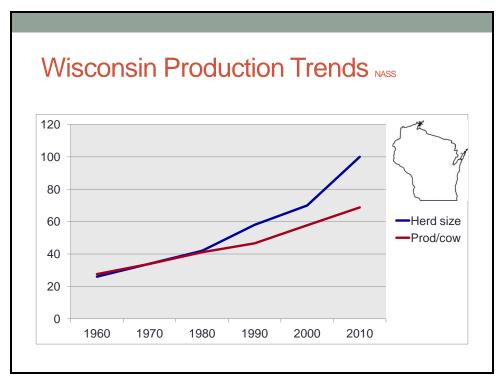
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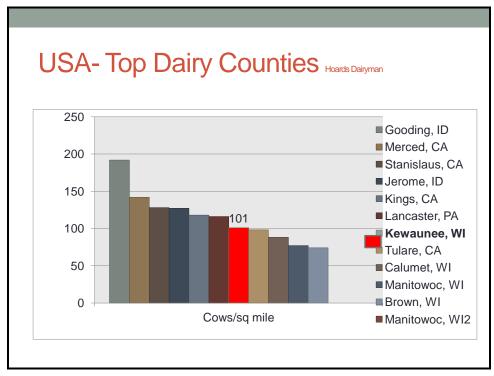
Overview and History of Kewaunee County

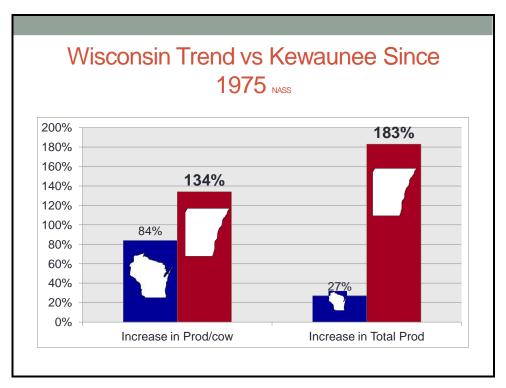
- 2nd highest cows/sq mile east of Rockies
- More cows (42,000) than people (30,000)
- · More digesters than any other county
- · Tremendous dairy heritage
- Strong political support from both parties in Madison

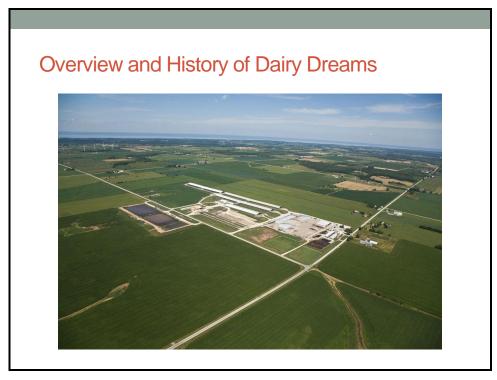












Overview and History of Dairy Dreams

- Partnership of Don Niles and John Pagel
- Started milking cows in 2002
- Several planned expansions from 1200 to 2800
 - 2004 expanded to 1400 all on one site
 - 2006 expanded to 2100 brought calves home
 - 2008 expanded to 2500
 - · 2010 built digester
 - 2012 brought all young stock home

Recent Shockwave of Environmentalist Activity

So What Does "Staying Ahead" Mean Now? Two Controlling Factors

- The rest of the dairy industry is constantly improving
 - 3000 cows and competent is no longer a guarantee of success in Wisconsin
- More cows (and more manure) may not be a local option

Dairy Dream's Idea of "Staying Ahead"

- We need to continue to extract more value from our current footprint
 - · Not a new idea, but a heightened focus
- We need to create and fill a niche as a "Preferred Manure Producer" of Kewaunee County

Extracting More Value

Year	Milk/Cow
1001	
2007	82.4
2008	78.3
2009	83.7
2010	83.2
2011	82.8
2012	85.5
2013	85.4
2014	86.8
2014	00.0

Extracting More Value

Milk/Cow	ECM/Cow
82.4	
78.3	
83.7	
83.2	83.5
82.8	84.6
85.5	90.2
	89.5
86.8	92.6
	82.4 78.3 83.7 83.2 82.8 85.5

Extracting More Value

Year	Milk/Cow	ECM/Cow	Milk/Facility
2007	82.4		139,600
2008	78.3		164,119
2009	83.7		199,817
2010	83.2	83.5	202,737
2011	82.8	84.6	199,612
2012	85.5	90.2	209,684
2013	85.4	89.5	221,667
2014	86.8	92.6	238,134

Improving and Preserving Genetic Progress

- Preserving
 - Focus on DOA's, Calf mortalities, Fresh culls and deads
 - Goal from birth to fresh is 95%
 - Goal for <60 day culls and deads is 5.0%

Maternity Protocols



Calf Protocols



Improving and Preserving Genetic Progress

Year	DOA	<60 cull
2007	8.30	7.30
2008	7.00	7.10
2009	6.50	6.20
2010	5.60	5.80
2011	3.90	5.20
2012	2.00	4.10
2013	2.00	4.00
2014	1.00	4.30

Improving and Preserving Genetic Progress

- Preserving
 - · Focus on DOA's, Calf mortalities, Fresh culls and deads
 - Goal from birth to fresh is 95%
 - Goal for <60 day culls and deads is 5.0%
- Improving
 - Stratify herd into genetic "donors" and "non-donors"
 - Non-donors
 - Beef crosses
 - Embryo surrogates Rent a Uterus
 - Donors
 - Sexed semen to meet herd needs

How much excess resource?

- With 90% survival, no sexed semen, 50% heifers and a 45% cull rate can be supported.
- Therefore, with a 35% cull rate, 30% of the heifer resource will be extraneous.
- How can that excess 30% be put to most profitable use?
- If my heifer resource is worth \$2,244,350 I am talking about managing \$673,305 for greater profit.



Make greater use of a strategic DNB program.

- Aggressive, focused DNB program
- Examples
 - >3 lact
 - Relv < 90
 - Mast/SCC
 - · Save cost of tx and higher risk of reoccurance
- This is the only tactic which doesn't require a dry period (cost \$250?)
- High value fat cull vs low value fresh cull (difference?)
- Best in a BST environment

Preferred Manure Producer

- Methane digester
 - · Pathogen reduction
 - Odor reduction
 - Renewable power production
- Advanced manure processing
 - Explore new technologies
 - Nitrogen and phosphorus control

NOTES