

MILK-FEED RATIO FOR DAIRIES

Cache County dairy farmers met last week at an awards banquet to recognize the accomplishments of peers. Production awards were given for both quantity and quality. Some dairy producers were unable to come to the banquet because they were still in the barn milking. There is never a day off on a dairy farm.

The highest producing cow in Cache Valley this year is owned and cared for by the Gibbons Brothers in Lewiston. Cow #38 made 41,493 pounds of milk, more than 4800 gallons. Darrell and Heather Jensen of Young Ward own the cow that won the lifetime production award. In 11 lactations, cow #489 produced 334,690 pounds of milk. That is an exceptional dairy cow!

R-CM Dairy, Benson, Task Master Dairy, Lewiston, and Open-A Jerseys, Benson, took honors for having the highest average production for the entire milking herd. Hal and Cindy Olsen, College Ward, USU Dairy, Wellsville, Lewtah Holsteins and Brad and Cody Wisner, Lewiston, were all recognized for exceptional milk quality having low somatic cell counts. W. Lee Reese, Benson, received the Dairy Service Award. For many years, Lee has provided exceptional leadership in agricultural circles.

While producers enjoyed pleasant company and a delicious meal, there was concerned dialogue regarding the stability of the dairy industry. Expanding environmental regulations continue to cause much concern, and will likely be the demise of more local dairy farms. Economic realities are also an on-going issue. Even with impressive production and careful management, net profits have been marginal or non-existent on most U.S dairy farms.

Dairy producers are grateful for a recent increase in milk prices they are receiving from processors. Discouragement, however, comes because anticipated net profits are being consumed by higher input costs, especially escalating feed prices.

A useful measure of how dairy farmer earnings are being affected by changes in milk and feed prices is measured with the milk-feed ratio. The milk-feed ratio (MFR) is a measure that reflects the pounds of feed (a ration with 16 percent protein) equal in value to a pound of milk. High values for this ratio are an indication that feed is cheap relative to milk and low values are signs that feed is expensive relative to the value of milk. Whenever the MFR meets or exceeds 3.0 it is considered profitable to buy feed and produce milk.

According to USDA's "Agricultural Prices" report, the preliminary milk-ratio for February is 1.96, which is unchanged from January, but down from 2.36 a year ago. The all-milk price used by the government to calculate the ratio rose \$1.70 per hundredweight –from \$16.70 in January to \$18.40 in February. One year ago, the all-milk price used to calculate the ratio was \$15.90. The report declared that profitability is worse today than it was one year ago because higher milk prices are offset by elevated feed costs.

Is this a concern for the typical reader of the Herald Journal, or is it simply a worry for animal agriculture? Consumers are already complaining of sticker shock at the grocery store. Food inflation is a growing national concern and there is every indication that rising food prices will

only accelerate. If agricultural producers cannot turn a profit, there is no incentive to produce. Our national energy policy is playing a major role in the food price surge. There is a glaring diversity of opinion regarding the use of corn for food, feed and also fuel.

The controversy of food versus fuel will require ongoing dialogue, study, and research. Ethanol may make economic sense for growers of corn, but it is economic disaster for animal agriculture and ultimately to consumers.