

THE NC EXTENSION DAIRY TEAM



DR. STEVE WASHBURN
Professor, Dairy Specialist
919-515-7726
swashbur@ncsu.edu



DR. STEPHANIE WARD
Dairy Specialist
919-515-4015
shward@ncsu.edu



DR MIGUEL CASTILLO
Forage Specialist
919-513-1335
mscastil@ncsu.edu



Brittany Whitmire
Dairy Associate
828-577-8598
bfwhitmi@ncsu.edu



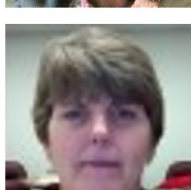
DR. SHANNON DAVIDSON
Dairy Associate
919-515-4045
sdavids@ncsu.edu



BRENT BUCHANAN
Area Specialized Agent-West
315-212-1277
babuchan@ncsu.edu



MARTI DAY
Area Specialized Agent - East
919-691-3062
mlprice2@ncsu.edu



NANCY KEITH
County Extension Director - Iredell
704-878-3165
nwkeith@ncsu.edu



TONY MCGAHA
Extension Agent, Haywood
828-456-3575
tamcgaha@ncsu.edu

Your Local Extension Office

Guilford County Center
3309 Burlington Road
Greensboro, NC 27405
336-641-2400

UPCOMING EVENTS

October

11 - Milk Quality Tour - Iredelle County
18 - Milk Quality Tour
- Guilford/Randolph

November

1 - Nickels for Know-how voting
9 - Dairy Profit Monitor training- 10-3,
Iredell County Extension Center

Initial training session led by NCSU and Cornell Extension faculty. Dairy Profit Monitor allows producers to enter monthly herd and financial data into an online database, which can provide users immediate feedback on their own business performance and financial parameters. Participants will use the data from Dairy Profit Monitor in peer group discussions that will occur throughout 2017. If interested in participating in this program, contact Brittany Whitmire at bfwhitmi@ncsu.edu.

December

14 - Winter Dairy Workshop -
Waynesville
15 - Winter Dairy Workshop - Statesville
and Greensboro

NC DAIRY NEWS

A state wide newsletter to bring our dairy farmers information from North Carolina's allied dairy support agencies, organizations and industry.
published and edited by the NC Cooperative Extension Dairy Team

A Positive Attitude is an Asset – **Take Care of Yours and Watch Out for Others in These Challenging Economic Times**

by Don Nitchie, Extension Educator, University of Minnesota
adapted by Brittany Whitmire, Dairy Extension Associate, NC State University

Successful farm managers need positive attitudes – especially in the face of less profitable times. A key asset of successful farmers is being comfortable analyzing finances and acknowledging strengths AND weaknesses. These producers recognize early warning signals from their records and prepare for a potential downturn. Everyone is experiencing some level of stress under the current market conditions, though. As a result, you may be more self-deprecating, critical of others, self-doubting, or just feeling a higher than normal level of anxiety. It is nothing to be ashamed of, but it should not be ignored. Beware of any major attitude changes or signals of depression.

Having come off the high of 2014, the past two years have required producers to re-align their thinking to a long-term competitive environment. A positive outlook, combined with a proactive management strategy, will help you get through today's tough environment. Keep in mind that small improvements add up when dealing with some of the following stress-inducing situations:

Your Financial Ratios Weakened. This is not ideal, but a key part of managing is striving for strong indicators to begin with — to serve as shock absorbers in rougher times. You, of course, need to recognize when they decline too much and determine what actions will put them back in balance. You need to measure, monitor and use these ratios to be prepared for action if needed. If you wait for someone else (your lender) to point out a problem, it might be too late and probably will limit your options to fix the problem.

Your Costs are High. When prices were high, cost structures that were too high did not have as much of an impact. When prices are low, cost structures really make a difference. Can you make a difference on your cost structure? The only way to know is to measure.

How Negative fall-out can impact an entire industry

Written by Brent Buchanan, Area Specialized Agent in Dairy

Way back in 2009, a USDA veal slaughter plant in Northern Vermont was targeted by the Humane Society of the United States (HSUS) for an undercover video operation. Indeed, things were not as they should have been in the plant. The co-owner and a plant worker were soon criminally charged and the plant was closed. As a result, the dairy farmers in Northern Vermont no longer had this local asset to help market their bull calves, but farmers elsewhere were unaffected.

However, as a direct result of this undercover operation, the HSUS formally petitioned the USDA to change the laws concerning processing of veal calves in the US. That petition was largely granted and now the entire nation has a new set of rules governing how veal calves are handled and processed. Not that the rule changes are all bad, but because of two bad actors in an entire industry wheels can be set in motion that will impact every dairy farmer across the nation. This new law went into effect September 16, 2016.

Specifically, the rules no longer allow the processor a second opportunity to get calves up and ambulatory once they enter the processing facility. Previously calves could be sorted and if necessary, allowed to rest and recuperate a while prior to being observed by the USDA inspector for the pre-slaughter observation. Now, if a calf is not up and walking when the truck arrives at the plant for off-loading, the calf must be immediately humanely euthanized and discarded.

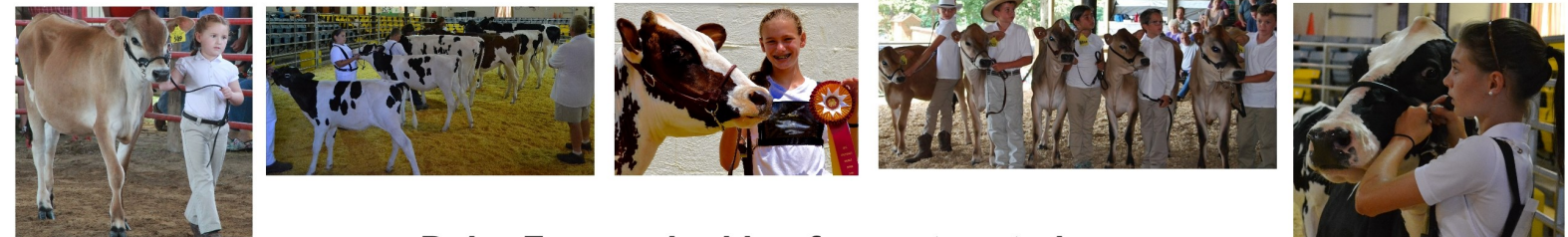
So what does that mean for North Carolina? I'd expect the prices for veal calves to drop sharply. Since this is certainly not a good time for further reductions in cash flow for dairy farmers, I'd suggest developing some strategies to mitigate this potential loss. Perhaps you can contract with a neighbor to use your waste milk and raise out your bull calves, or even take on that duty at your farm? Find part-time farmers with some land and some ability to take on your calves. You might try to deal directly with veal plants to ensure they receive only healthy calves (provide proper colostrum and care for them, like you do your heifers) and in return you are paid a fair price. You might consider switching to sexed semen to reduce the bulls born on your farm (but that won't help over the next nine months).

And last but not least, try to avoid working with anybody who willingly participates in such poor agricultural practices that their actions could negatively impact you and the entire dairy industry. This HSUS scenario had nothing directly to do with the dairy farmers of Vermont and it took seven years to play out; but every dairy farmer in the nation will now pay a bit of the price. If you'd like to discuss some bull calf options or if you have a role in which you'd like to see Cooperative Extension be involved, please contact one of your NC Dairy Team members. We are here to help!

District Junior Dairy Shows round up a good crowd of dairy kids

Waiting while I got my oil changed the other day, a Gentleman of Experience came and sat down close enough to me he could see me working on dairy show stuff. He started to tell me about his experience showing cows as a kid. I spent the whole 20 minutes waiting for my car listening to how this experience had impacted his life. He ended up his stories with a big grin and shining eyes saying "Those cow shows were better than Christmas to me!!"

The impact is hard to measure immediately, but rest assured we make one! So many of our dairy youth go on to work in agriculture in one way or another and make us proud the way they represent the 4-H and FFA programs that contributed to their success. Thanks to all of you who support the Dairy Youth Program!!



Dairy Farmer looking for pasture to lease

Interested in property with existing or the potential space for dairy facilities. 30+ acres, work trade is possible. I have extensive experience in agriculture, mechanical, and handyman work as well as cheese making. Over the past five years I have been working full time in outdoor education while growing a herd. Originally from Scottsville, VA, looking to move to western NC, southwest VA, eastern TN. Graduate of Appalachian State University with a major in building construction with a concentration in sustainable development. Open to all possibilities on both working farms and idle land in need of a little TLC. Please contact me via email or telephone: Travis Hurt(434)-249-1420, hurt.tr@gmail.com.

A Positive Attitude (continued from front page)

If your expenditures are high in a certain category, you need to verify it is for very good reasons. You might identify expenditures where you need to reexamine if your standard practices are really paying off. Small changes can add up to big savings in average costs.

Your Income Taxes are High. Some late career producers are trying to transition to retirement and/or to the next generation and are now paying some of the biggest income taxes of their lives, even in the face of low current year prices and profits. This occurs because over the years much of their profits were deferred forward and invested in farming capital assets, which now need to be liquidated or transferred. It is not fun but is a mathematical and accounting reality of a successful farming career. At best, it can be moderated by spreading the deferred tax burden over several years.

When facing today's stressors, be mindful of your own outlook, as well as other people. Make the best of your life and your farming career a day at a time.