

TENNESSEE



DAIRY NEWS

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Spring 2004

Mark Your Calendars for the Milk Pricing Program

*Gary W. Rogers and Kristy Hill,
Extension Dairy Specialists*

The UT Agricultural Extension Service is sponsoring four training sessions on milk pricing. The sessions will take place across the state during the week of June 28 at Clarksville, Spring Hill, Morristown and Athens. Dr. Bob Cropp from the University of Wisconsin will lead all the sessions. Dr. Cropp is a widely known and respected expert on milk pricing and marketing. The sessions will focus on how the milk price paid to Tennessee dairy producers is determined. We will discuss the unique factors that impact the price paid to producers in Tennessee and the region. Milk pricing questions have permeated our industry for years, and this will be a great opportunity to learn more about how milk prices are set and to discuss milk pricing with other producers across the state. Our goal is to help producers and agents better understand milk pricing in Tennessee so that our industry can be more informed and more competitive. We hope that all producers and interested agents will plan to attend one of these important training sessions.

June 28 **Montgomery County Extension Building,**
Clarksville
10:00 a.m. to 12:30 p.m., CST

June 29 **Middle Tennessee Experiment Station
Conference Center,** Spring Hill
12:30 p.m. to 3:00 p.m., CST

June 30 **Walters State Expo Center,**
Morristown
10:00 a.m. to 12:30 p.m.

June 30 **South East Bank and Trust Building,**
Athens
7:00 p.m. to 9:30 p.m.

Refreshments will be served at each session.

See Dr. Cropp's article, "Dairy Situation and Outlook: May 17, 2004" on Dairy Herd Management magazine's Web site.

<http://www.dairyherd.com/marketanalysis/links/analysis2.html>

Tennessee Dairy Industry and Milk Pricing Facts

*Gary W. Rogers and Kristy Hill,
Extension Dairy Specialists*

Since the price of dairy products has been on the rise at the local grocery store, producers and Extension agents have been bombarded with questions. To help strengthen our response, we have included some short facts on the Tennessee dairy industry and how the price of milk paid to producers is determined. Please use this information as needed.

1. Tennessee has about 760 active commercial dairy farms. All are family owned or operated.
2. Tennessee has about 85,000 dairy cows (about 112 per herd).
3. Nearly half of Tennessee's dairy farms have gone out of business over the past 10 years.
4. Most Tennessee dairy farms have fewer than 200 cows.
5. The largest dairy farm in Tennessee milks about 650 cows.
6. An average Tennessee dairy cow produces about 6 gallons of milk per day.
7. The top five dairy counties in Tennessee are Greene, Monroe, McMinn, Washington and Marshall.
8. Tennessee has 13 milk processing plants and the world's largest yogurt plant located in Murfreesboro.
9. Tennessee's dairy industry generates more than \$500 million in economic activity each year.
10. Tennessee dairy farmers receive about 30% of what consumers pay for milk. About 70% goes to marketing, processing, distribution and retailing.
11. Milk prices paid to Tennessee dairy farmers have been at 25-year lows for the last two years. Until very

- recently, Tennessee dairy farmers got \$1 to \$1.10 per gallon. By the summer of 2004, that price may reach \$1.60 or \$1.70 per gallon.
12. Feed prices have gone up by 30% to 40% over the last several months. Feed costs make up at least 60% of the farmer's cost of production.
 13. The price of fuel and gas for operating farm machinery has gone up for farmers just like it has for other consumers.
 14. Prices for dairy cows and heifers have increased by 50% or more in the last several months. A good dairy cow now costs more than \$2000.
 15. Dairy farmers can't control the price they are paid for their milk. The price of milk paid to producers depends almost entirely on supply and demand.
 16. The government does not set the price of milk and has had very little to do with the overall price of milk over the past 10 years. However, milk marketing and transportation are subject to government rules. These rules do impact the relative price of milk paid to producers in various areas. The government does set a minimum price for some dairy products; but even with recent low milk prices, this has had little impact on the price paid to producers or the price paid by consumers.
 17. Almost all milk produced in Tennessee is used for consumption as a fluid type product (e.g., skim milk, 1% milk, 2% milk, chocolate milk and whole milk). Milk used for fluid products is generally more valuable than milk used for manufactured products such as butter and cheese because fluid milk spoils quickly. However, Tennessee dairy producers are paid as if only 60% of their milk goes into fluid type products due to government rules on marketing.
 18. Dairy farmers can't pass along increased costs of production to handlers or consumers because they can't set the price they receive for their milk. Handler, processor, distributor and retailer profits from milk are dependent on market forces and market competition. The retail price of milk is set by the retailer and depends on local circumstances.
 19. Milk and other dairy products are a great buy for the consumer when one considers the nutritional impact as well as the health benefits.
 20. University of Tennessee research has shown that milk and other dairy products can help consumers manage and lose weight.
 21. The price of milk paid to the producer and paid by the consumer for milk and other dairy products has been increasing for the last two months because of an undersupply of milk. This undersupply is the result of poor economic conditions at the farm level that have driven a large number of farms out of the dairy business, resulting in reduced cow numbers and less milk.

22. Consumers in Tennessee pay more for their milk because much of the milk consumed in Tennessee is produced outside the region. Hauling costs for milk brought into Tennessee increase the price consumers pay for milk.
23. Depending on the time of year, between 10% and 40% of the milk consumed in Tennessee comes from outside the region, and hauling costs add \$.20 to \$.25 per gallon to milk prices.

Tips for Heat Stress Season

Kristy M. Hill, Extension Dairy Specialist

Heat stress has definitely arrived, and with a vengeance. Typically, the heat stress season in Tennessee lasts from early March through October. Heat stress is caused by a combination of temperature and humidity. Cows begin suffering from heat stress when the temperature is 72 degrees Fahrenheit with a relative humidity of 95 to 100%. When temperatures climb into the 80's, relative humidity can be quite low and still negatively affect dairy cattle. The following tips may help your cows survive this long, hot season.

Water

Provide abundant fresh water. Water intake may increase by 50% during times of heat stress. To encourage water consumption: 1) ensure enough water bunk space (at least 2 waterer locations per group, preferably one station per 20 cows), 2) provide water in parlor exit lanes, 3) have water supply with an adequate recovery rate as cows drink 3-5 gallons per minute, 4) put waterers in the shade, 5) keep water tanks clean, and 6) keep temperature of water between 70 and 86 degrees F.

Remember, you can never offer too much water!

Cooling

Cooling systems will provide the most relief from heat stress. However, if your chosen cooling system is not maintained properly, it could make the situation worse. Most cooling systems in Tennessee use a combination of water and air movement.

Air movement is vital in freestall barns and holding pens. Fans should be cleaned at least once per year. Dirty fans do not function at full capacity and do little to move air in conventional barns. If your fans are on a belt system, be sure to replace any worn belts. Fans should provide air-flow of about 11,000 cfm and should be tilted downward at 20 to 30 degree angles. You will need at least one 36-inch fan for every 30 feet, or a 48-inch fan for every 40 feet.

Sprinkler systems are designed to wet the hair and skin of the cow using a large water droplet, allowing evaporation to cool the cow (with the aid of fans). Use either 180-degree (along feed bunks) or 360-degree (in holding

areas), low pressure (20 to 25 psi) sprinkler nozzles that produce a shower of large droplets that readily wet the cows' skin -- not ones that produce a fine mist. Irrigation nozzles and solid-cone coarse droplet spray nozzles with flow rates between 0.2 and 0.5 gallons per minute work very well. Be sure to check older nozzles for clogs and proper flow rates.

Misting systems have a smaller droplet size than sprinkler systems and cool primarily by cooling inspired air. These systems are not intended to wet the animals or the environment they are in and do not work well in windy conditions or with fans. The high humidity in our area may cause the mist droplets to expand so they do not fully evaporate before settling to the ground, bedding or feed. A fine mist that wets the hair of the cow will create an insulating layer around the cow that prevents her from releasing body heat. A misting system is probably not advisable for most dairy operations in Tennessee, especially for freestalls bedded with sawdust or shavings.

The most important tip on heat stress: Just because you think it feels comfortable outside, don't assume that your cows are comfortable.

Youth News

Kristy Hill, Extension Dairy Specialist

There have been a few changes in show policies and locations for 2004. Please read all of the information below. If you have any questions, please contact your local 4-H agent or FFA advisor.

Changes to Show Policies: The most significant change is the elimination of Rule #11 which stated any animal leased can not be shown in an open dairy show except by the lessee. Now, a junior exhibitor may lease an animal, and that animal may be shown by anyone in any open dairy show. For a complete copy of the updated policies, please visit our Web site at http://animalscience.ag.utk.edu/dairy/dairy_4-H.htm

Athens Regional Fair: The State Dairy Extension Office will not be handling entries for this show. Please contact the Athens Fair for entry information.

Smoky Mountain District Show: This show has been moved from the Appalachian Fair in Gray to the Tennessee Valley Fair in Knoxville. The junior show at the Appalachian Fair will remain open to any junior wanting to participate. Additionally, with the changes in the composition of the Extension Districts during the next fiscal year, the Smoky Mountain District has determined to open its Junior Show to any exhibitor who will be included in the Eastern Region. If you live in any of the counties listed and would like to participate in the Junior Show at Knoxville, please fill out the entry form found in the Ten-

nessee Valley Fair Catalog. The entry form for the Smoky Mountain District/Eastern Region Junior Dairy Show is a two-page entry form. Please be sure to fill out both pages or you will not be entered in the show.

Exhibitors outside of this area will not be allowed to show in the Junior Show at the Tennessee Valley Fair.

Counties included in the Eastern Region

Fentress, Cumberland, Bledsoe, Hamilton, Bradley, Rhea, Meigs, Morgan, Scott, Campbell, Anderson, Roane, McMinn, Polk, Monroe, Loudon, Blount, Knox, Union, Claiborne, Hancock, Grainger, Jefferson, Sevier, Cocke, Hamblen, Hawkins, Greene, Unicoi, Washington, Sullivan, Carter, and Johnson.

Calendar of Events

- 6/28 - 30 UT Extension Dairy Milk Pricing Program
 - 6/28 -Montgomery County Extension Office, Clarksville
10:00 a.m. - 12:30 p.m., CST
 - 6/29 - Middle Tennessee Experiment Station Conference Center, Spring Hill
12:30 p.m. - 3:00 p.m., CST
 - 6/30 - Walters State Expo Center, Morristown
10:00 a.m. - 12:30 p.m., EST
 - 6/30 - South East Bank and Trust Building, Athens
7:00 p.m. - 9:30 p.m., EST
- 7/1 Junior Dairy Show deadline for animal registration and lease agreements
- 8/1 Entry deadline for ALL District Junior Dairy Shows and State Show
- 8/19 Central District 4-H Dairy Judging Contest, Wilson County Fair
- 9/11 Smoky Mountain District (Eastern Region) Junior Dairy Show and Dairy Judging Contest, Tennessee Valley Fair
- 9/13 Cumberland District Junior Dairy Show, Warren County Fair
- 9/14 Western District Junior Dairy Show and Dairy Judging Contest, West Tennessee State Fair

Continued on back

Calendar continued

- 9/16 State 4-H and FFA Dairy Judging Contest,
Tennessee State Fair
- 9/18 Central District Junior Dairy Show,
Tennessee State Fair
- 10/8 - 9 State Junior Dairy Show,
MTSU, Murfreesboro

600 Links and Counting —

*Gary W. Rogers and Kristy Hill,
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SoutheastDairyExtension.org — The University of Tennessee's dairy information portal continues to grow! This Web-based portal of links to specific articles and information-rich sites now has 600 links. Hit the Suggest Link button at the top of every page to suggest other links for your fellow producers, dairy Extension professionals, educators and researchers. Visit the site soon.

<http://www.southeastdairyextension.org>.

The Tennessee Dairy News is published three to four times a year and is available on the UT Animal Science Web page at <http://animalscience.ag.utk.edu/>

If you would prefer to receive the Tennessee Dairy News via e-mail, please subscribe to
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