

Newsletter of White Oak Veterinary Clinic, PC

Topic of the Month

Heifer Inventory

The number of replacement heifers a dairy should raise has been a hot topic for a number of years now. It's a number that generates very strong opinions- whether it is better to sell a newborn heifer calf, or sell a yearling, or a springer, or buy replacements for less than you can raise them.

Normally, when a decision involves strong opinions, I try to encourage people to lean on data to make a decision. Of course, one of the problems is that there are a lot of intangibles involved. It is difficult to figure out opportunity costs for different strategies, determine what an option might do for the overall cash flow of the farm, and guess what the market for beef calves might do, if, for example, we make a decision to breed to beef.

Even so, making no decision is always a worse option than making a bad decision. There is not a one size fits all strategy, but a farm does need to decide what its strategy will be. Problems that we don't manage have a way of managing us.

Let's have the discussion. Before even considering the financials, it would be important to decide what your replacement needs are, and to determine what your marketing strategy is going to be. Attacking the problem in smaller steps might make it easier to address. But the biggest challenge might just be getting started.

Commodity Futures Prices

As of January 31, 2021

Corn	\$5.47/bu
Soybean Meal	\$431/ton
Milk (Class III)	\$15.36/cwt
Beef (Live cattle)	\$115.05/cwt

Practice News

- We have upgraded our credit card processing software. With the new system, we have the ability to complete credit card payment transactions on-farm for anyone who is interested.

Upcoming Opportunity

- AgDiscovery 2021 is accepting applications through March 25. This is a national summer program designed to introduce students in grades 7-12 to career paths available in agricultural sciences and also to business management within agriculture. The program includes classes, workshops, facility visits, and interaction with USDA personnel, among other things. For more information, or to apply, visit the website at: www.aphis.usda.gov/agdiscovery.

In the News

- The USDA has temporarily frozen \$2.3 billion in supplemental Coronavirus Food Assistance Program payments. The Trump administration had expanded eligibility for CFAP 1 and 2 on January 15, largely to include contract pork and poultry producers. The program was frozen following a White House memo from the Biden administration titled Regulatory Freeze Pending Review. FSA will continue to take applications while the review is underway, although no checks will be distributed at this time.
- According to NMPF, retail dairy purchases from March to December 2020 increased over the same period in 2019. Fluid milk experienced a volume growth of 3.7%. Equally impressive is that milk sales had a growth of nearly \$1 billion, as opposed to a growth of about \$400 million for plant based milk alternatives.