



Spring 2022 Dairy Program

The University of Wisconsin – Division of Extension is moving to a structure of having Regional Dairy and Crops Educators across the state. These positions will provide research-based education to dairy and crop producers by assessing the needs of farmers in their region and designing and delivering educational programming and services to meet those needs.

Dairy and crop production are the largest agricultural industries in the state and Regional Educators will offer specific expertise that can serve those industries across several counties. Regional Educators will:

- Design and deliver educational meetings and field days in the counties they represent
- Provide consultation on production challenges to farmers and agricultural consultants
- Contribute to digital outreach opportunities on agricultural topics through email, websites, and social media
- Collaborate with other educators and specialists across the state
- Engage with Extension Committees on progress and planning

We are excited to announce that our region will be served by both a **Regional Dairy Educator** and **Regional Crops Educator**. These Educators will cover Barron, Pierce, Polk, and St. Croix Counties in 2022. The Regional Dairy Educator will be **Ryan Sterry**, and the new Regional Crops Educator is **Michael Geissinger**.

Regional Crops Educator
Michael Geissinger
michael.geissinger@wisc.edu
Cell: (651) 302-6520

Regional Dairy Educator
Ryan Sterry
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Badger Dairy Insight

Zoom webinars January-March, Tuesdays 1:00-2:30 PM

Pre-Registration Required: <https://extension.wisc.edu/agriculture/farm-ready-research/>

Starting in January 2022 through March 2022, join University of Wisconsin-Madison Division of Extension’s Dairy Program bi-weekly on Tuesdays from 1:00 to 2:30 pm CST for the Badger Dairy Insight webinar series. Take the opportunity to learn from and discuss with local Extension Dairy Program Educators and UW Specialists current dairy topics.

January 11 Animal Care Starts with the Calf (recording to be made available)	January 25 Diving into Dairy Data Projects (recording to be made available)	February 8 Silage Quality from Pricing to Feeding Behavior (recording to be made available)
March 1 Ins and Outs of Cocktail Forage Mixes for Dairy Rations	March 15 Managing Heifer Maturity Pre & Post Breeding Matters	March 29 The Randomness of Repro

Feeding and Silage Quality

Save the Date - April 6th 10:00 AM - Location TBD

Join us for a program focused on the latest research based best practices for harvesting and preserving haylage and silages.

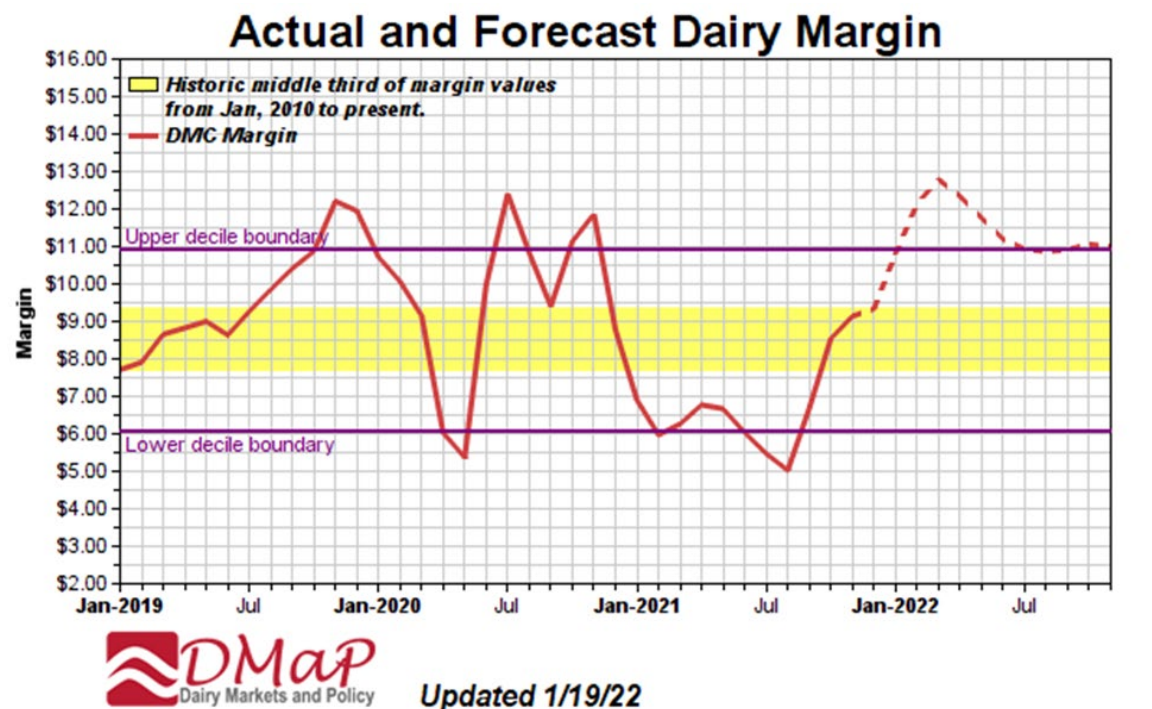
Our featured speaker will be Dr. Luiz Ferraretto, UW-Madison and Extension Ruminant Nutritionist. Luiz's research and extension interests are applied ruminant nutrition and management. His program is focused on understanding and improving starch and fiber utilization by dairy cows, corn silage and high-moisture corn quality and digestibility, the use of alternative by-products as feed ingredients, supplementation of feed additives to lactating cows, and the development of on-farm and laboratory techniques for forage and feed analysis.

The 2022 Dairy Margin Coverage Decision

Mark Stephenson, Director of Dairy Policy Analysis, University of Wisconsin - Madison

January 21, 2022

This year the Farm Service Agency (FSA) opened the enrollment period for the 2022 *Dairy Margin Coverage* (DMC) program on December 13, 2021 and it will remain open until February 18, 2022. Some year's we are not conflicted about what our enrollment decision should be. If we are forecasting a poor year, then DMC is a very affordable basic margin insurance product for smaller farms and most everyone should probably sign up for a high margin coverage.



The chart shows us in the dashed line that futures markets are forecasting a very strong margin for 2022. This might also make decisions fairly easy for producers as there is a small likelihood that we would expect indemnity payments in the year given our current understanding of milk supply and demand for dairy products in the year ahead. But I would caution us to remember that we were in essentially the same circumstance during the 4th quarter of 2019 when it was enrollment time for the 2020 year... and then COVID showed up.

The 2022 Dairy Margin Coverage Decision cont.

Markets can't see perfectly around the corner which is why we have risk management programs. DMC is a fairly simple tool to provide a substantial amount of protection for smaller farms against low milk prices, high feed costs, or some combination of both. Congress has tweaked several of the program parameters, which began as the Margin Protection Program, over the years to make the current program more farmer friendly.

This last year, FSA changed the hay values used in the margin calculation to be 100 percent dairy quality, or supreme alfalfa, rather than the lower quality alfalfa values used in MPP or the 50-50 values used in the early DMC program. This has the effect of raising the ration value calculation and triggering indemnity payments more often than in the past. Moreover, the ration change will be backdated to January 2020 and producers will be compensated for any additional payments that would have been made given their enrollment decisions over the last two years.

One other important change that was made has given smaller producers the opportunity to increase their annual production history up to 5 million pounds of milk. This is called Supplemental DMC Enrollment. Any producer whose annual historic production (AHP) is less than 5 million pounds can make a one-time update using their 2019 actual marketings. FSA will add 75 percent of the difference between 2019 production and their historic annual production to their production base up to 5 million pounds. So, if my APH was 4 million pounds and my 2019 marketings are documented at 6 million pounds, my potential increase is: $(6 - 4) \times 0.75 = 1.5$ million pounds. But, since that increase would now make my APH: $4 + 1.5 = 5.5$ million pounds, I am capped at a 5-million-pound APH. However, this will certainly help access additional Tier 1 coverage. FSA will also backdate my new APH to my enrollment decisions from 2021.

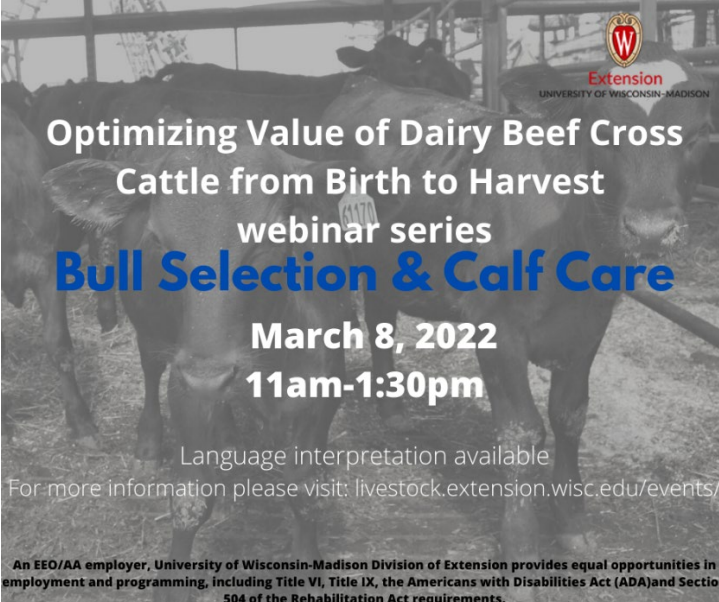
The decision for this year boils down to what am I trying to accomplish with DMC. If I am looking for risk management and am concerned about my ability to survive another pandemic impact event, then I would enroll for as much \$9.50 Tier 1 coverage as my APH allows. After all, this maximum coverage in the program only costs 15¢ which is a relatively small cost for this level of protection.

If my APH is near or below 5 million pounds, then this may be adequate risk management protection for my farm. If my APH is well above 5 million pounds and I'm looking for risk management protection, then I would still enroll for as much Tier 1 protection at the \$9.50 level as I can...it is inexpensive coverage for that milk. Any milk above 5 million pounds will need to be protected differently. Maybe buying up DMC coverage on Tier 2 to a \$5.00 level is a very basic strategy. This improves catastrophic coverage by a dollar and it only costs a half-penny. Any additional risk management will need to be done with other programs like working with your broker to sell a futures contract or purchase a put option. Or other risk management programs like Dairy Revenue Protection or Livestock Gross Margin might be attractive. Or check with your handler to see what cash forward contracts may be available to provide protection on a portion of your expected marketings.

If your farm can sustain a bout of low milk prices or higher feed costs, then maybe you would choose to self-insure this year. Since the likelihood of indemnity payments is forecast to be fairly low, you might choose to forego even the 15¢ cost of \$9.50 coverage in Tier 1. I would remind you that this was the decision made by many producers in the 4th quarter of 2019 who later regretted the lack of coverage in 2020.

If you want to look at current margin forecasts which are updated daily, you can go to <https://DMC.DairyMarkets.org> Here you can also go back in history to see what coverage would have looked like in previous years. Please consider your DMC enrollment decision carefully and make an informed decision about coverage for 2022.

Optimizing Value of Dairy Beef Cross Cattle from birth to harvest



Extension
UNIVERSITY OF WISCONSIN-MADISON

Optimizing Value of Dairy Beef Cross
Cattle from Birth to Harvest
webinar series
Bull Selection & Calf Care
March 8, 2022
11am-1:30pm

Language interpretation available
For more information please visit: livestock.extension.wisc.edu/events/

An EEO/AA employer, University of Wisconsin-Madison Division of Extension provides equal opportunities in employment and programming, including Title VI, Title IX, the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act requirements.

Zoom webinars

March 8 & 22, 2022

Two topics each day

11:00 am to noon, and 12:30 to 1:30 pm
each day

No cost to participate but must register to
receive the ZOOM link.

Registration

<https://livestock.extension.wisc.edu/events/>

Each session has opportunities for
participants to submit questions to the
presenters.



Extension
UNIVERSITY OF WISCONSIN-MADISON

Optimizing Value of Dairy Beef Cross
Cattle from Birth to Harvest
webinar series
**Feeding, Management &
Marketing**
March 22, 2022
11am-1:30pm

For more information please visit:
livestock.extension.wisc.edu/events/

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Tuesday March 8th

- Selecting beef bulls to best compliment dairy cows to consistently produce cattle with desirable carcass and feedlot performance traits.
- Dairy-beef cross calf raising protocols to enhance health, growth and performance for their entire lives (*simultaneously translated in Spanish*)

Tuesday March 22nd

- Feeding and managing dairy beef cross cattle from 400 lbs. to finish (*provides one WI BQA Continuing Education credit*)
- Marketing options for dairy beef cross cattle.

Many dairy farms have adopted the practice of breeding a portion of their herd to beef bulls to produce calves for the beef production. Dairy x beef cross animals can be extremely variable in health, growth, performance, and carcass traits, which creates problems for feeders and packers. This ZOOM series discusses ways to mitigate these variabilities, and the practicality and profitability of retaining beef x dairy calves to market as feeder or fed cattle versus marketing as baby calves.