



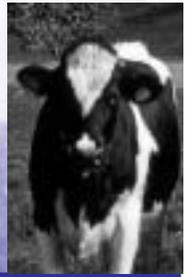
White Oak Mills

# Dairy News Leaf

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A White Oak Mills Dairy Customer Newsletter

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## Surviving Tough Economic Times

By Don Snyder

White Oak Mills Dairy Specialist

With ingredient costs increasing and milk price dropping, what can dairymen do to keep their heads above water? Which of the following scenarios will be key to remaining profitable in these trying times?

1. Stop feeding that \$.14-.16 per head microbial product.
2. Switch from high-priced corn to a lower-priced substitute such as wheat midds.
3. Replace high-priced soybean meal with a less expensive protein source.
4. Stop using BST.
5. Pray for wisdom.

If you picked #5, that is a great place to start! And that decision should lead you to the following conclusion: None of the other four options are guaranteed to

improve or even maintain profitability. Why? Because they ignore a major component of one's bottom line: income over feed cost. Any of these scenarios *can* help improve profitability *if* they do not result in a corresponding loss of production, decrease in fat % or protein %, or lowered breeding efficiency.

If I were to change a feed ration to remove corn and replace with midds, saving \$.08-.12 per head in doing so but as a result lost one pound of milk because the cows 'missed' the extra starch, I just cost my customer \$\$.

So what is a dairyman to do? Look at the options available. Decide which cost reduction strategy looks the best, then **monitor closely** the results. Some adjustments can result in corresponding production changes rather quickly, several days or so. Others may take a month or more (in breeding parameters) to see the positive or negative effects. So develop a plan, work the plan, and monitor the results. 🐄

## Producer Spotlight: Maplehofe Dairy Quarryville, PA

By Dean Kessler

White Oak Mills Dairy Specialist

One of the joys and challenges of working in the dairy industry is working with different types of operations. Maplehofe Dairy has complemented its dairy farm with a retail store since 1974. In that time, they have established themselves as an integral part of the community. Everyone in the area knows Maplehofe as an excellent place to buy not only milk directly from the farm, but also local eggs, local produce in season, and let's not forget the hand-dipped ice cream and milk shakes. (On a personal note if you like strawberry milk, theirs is the best.)

Calvin, Sam, Doug and Merle Glick operate Maplehofe. Henry Yoder works as herdsman seeing to the daily needs of the 100 milking cows.

Maplehofe also raises hogs, grows all of their own forages (including corn silage, rye, haylage and dry hay), and sells some hay.



Maplehofe became a White Oak dairy feed customer in August 2011, and, since then, has overcome several production challenges. Butterfat was of particular concern, and White Oak has worked with Henry to make the necessary feeding changes in order to correct that situation.



Samuel Glick,  
Maplehofe, 100 cows

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## Employee Spotlight:

### Stuart Heisey White Oak Mills Purchaser

As everyone who feeds livestock is aware, today's grain prices are driven by so much more than the grain fundamentals of supply and demand. Thus, we have seen the volatility in today's ag commodity markets from variables such as the US and world economies, government policies, the value of the US dollar, US ethanol production, and the speculator's influence on commodity prices, all of which make forecasting and purchasing of high-quality commodities more challenging than ever.

*“Ten years ago, harvest was typically the best time to buy. Since then, the opportunities for buying have come much earlier ... sometimes as early as late June or early July.”*

To ensure that you receive competitively-priced, high-quality feeds, White Oak Mills relies on Purchaser Stuart Heisey's strengths and efforts in purchasing competitively-priced, high-quality ingredients.

Stuart, who earned a bachelor's degree in mathematics from Messiah College, has more than 18 years of experience purchasing agricultural commodities.

After teaching high school math and working for the Brethren in Christ World Missions in Africa, Stuart first joined White Oak in 1992, working in the mill and later serving as Assistant Purchaser and subsequently General Manager until Fall 1999.

He then was employed by McGeary Grain, Inc., in Lancaster, for seven years before returning to White Oak as the Company's Purchaser in 2006.

Stuart's responsibilities include procuring and managing the inventories of the Company's bulk and

buys, but that will likely change. All of these will need some amino acid support for cow performance.

Amino acid balancing? When amino acids are balanced, cows perform well on lower protein rations. We are already applying this to your rations.

Grow more rumen bugs with starch? Extra starch can replace protein in growing rumen bugs. Care must be taken to ensure rumen health. Will not work in every ration.

Grow more protein? Soybeans after barley or wheat, oats after corn for silage, aggressive nitrogen fertilization of grass forage crops all can grow extra protein. 🌱



*Stuart Heisey, Purchaser*

bagged ingredients, which are then delivered to our manufacturing facility via truck or railcar. He also oversees White Oak's Grain Exchange program and handles forward-contracting of key commodities for White Oak customers.

“In the past few years, with the maturing of the ethanol industry and the further globalization of commodity markets (i.e. the rise of China in particular), it has become increasingly difficult to achieve good market timing on either sales or purchases of grains or any other feedstuffs,” says Stuart. “Ten years ago, harvest was typically the best time to buy. Since then, the opportunities for buying have come much earlier ... sometimes as early as late June or early July. Therefore, evaluate your feed needs early or in the middle of the growing season so that you are prepared to take advantage of buying opportunities.”

Stuart, who resides in Elizabethtown, has been married for 23 years and has four daughters. 🌱

## Coping with High Protein Costs

*By Bruce Kreider  
White Oak Mills Director of Dairy*

Concerns about acres planted to soybeans domestically and the final size of the South American crop have fueled protein prices in relationship to energy prices (corn). Even with softer soybean and soybean meal prices the past two weeks, protein costs will remain a challenge in the near future. What can a dairy manager do to protect profitability?

Alternative sources? Protein sources tend to adjust to the market. Currently, corn-based protein (gluten meal, glutted feed, distillers) and cottonseed meal are good

## Producer Spotlight

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All of Maplehofe's successes have not been without challenges, but as you drive by, you will see the Dairy Of Distinction sign out front as a testament to their hard work and perseverance. 🌱

