

Are you ready for the Margin Protection Program for Dairy Producers (MPP)?



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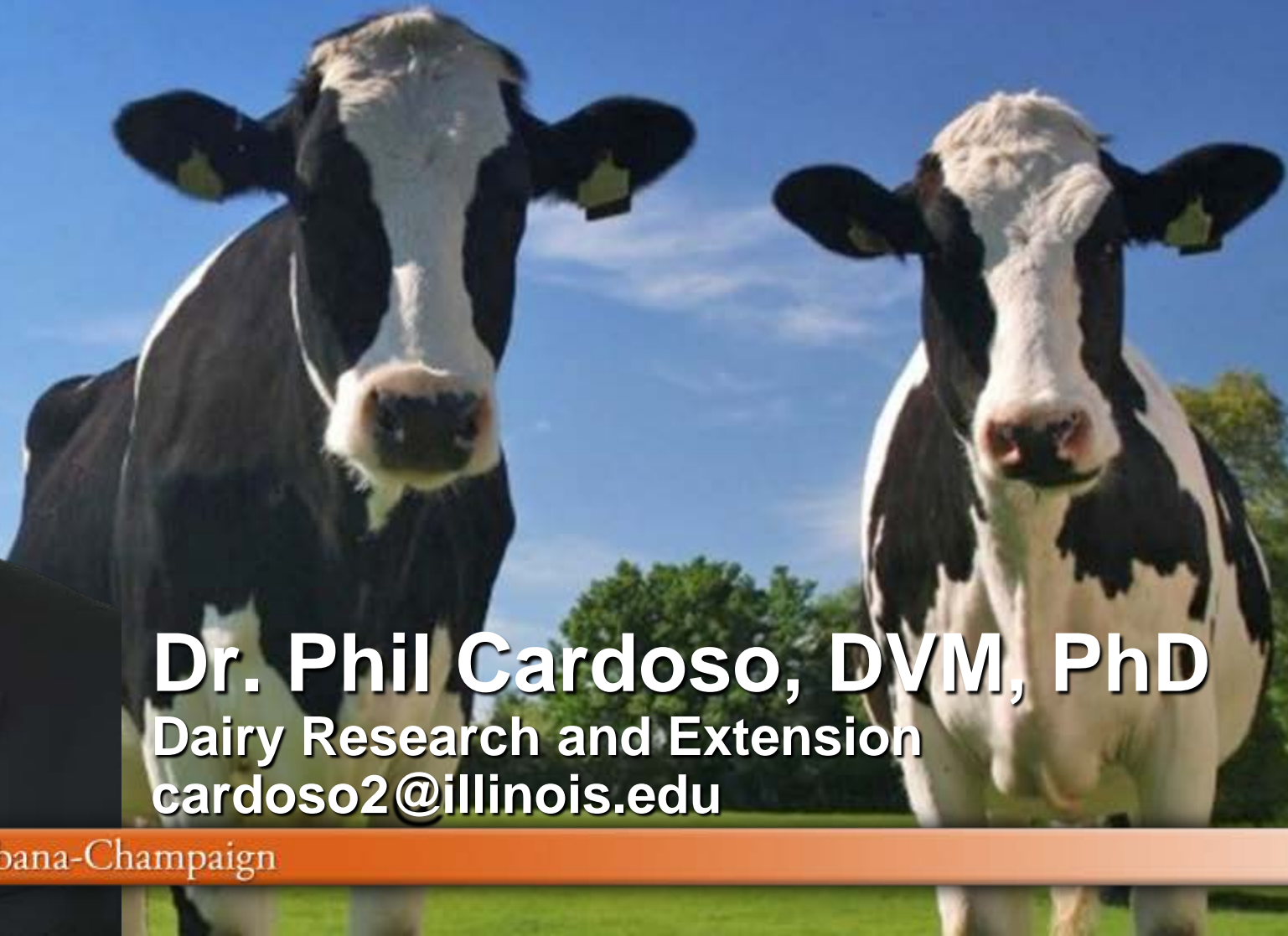


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Are you ready for the MPP?

Looking at IOFC and Dairy Efficiency



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University of Illinois at Urbana-Champaign

Dry Matter Intake Calculations

- 1 lb DMI = 2 lb milk (Jersey) or 2 ½ lb milk (Holstein)
- $DMI = (0.018 \times BW) + (0.3 \times \text{lb } 4\% \text{ FCM})$



Dry Matter Intake Calculations

BW: 1500 lbs.
Milk: 85 lbs.
Milk fat: 3.5%

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- $\text{lb } 4\% \text{ FCM} = (0.4 \times \text{lb milk}) + (\text{lb fat} \times 15) = (34) + (??? \times 15)$



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- $\text{lb } 4\% \text{ FCM} = (0.4 \times \text{lb milk}) + (\text{lb fat} \times 15) = (34) + (??? \times 15)$
- $\text{lb of fat} = \text{lb milk} \times \% \text{ milk fat} = (85 \times 3.5\%) = 2.97 \text{ lbs.}$



Dry Matter Intake Calculations

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- $\text{lb } 4\% \text{ FCM} = (0.4 \times \text{lb milk}) + (\text{lb fat} \times 15) = (34) + (2.97 \times 15) = 78.55 \text{ lbs.}$
- $\text{lb of fat} = \text{lb milk} \times \% \text{ milk fat} = (85 \times 3.5\%) = 2.97 \text{ lbs.}$



Dry Matter Intake Calculations

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- $\text{DMI} = (0.018 \times \text{BW}) + (0.3 \times \text{lb } 4\% \text{ FCM}) = (27) + (0.3 \times 78.55) = \underline{\underline{50.5 \text{ lbs.}}}$
- $\text{lb } 4\% \text{ FCM} = (0.4 \times \text{lb milk}) + (\text{lb fat} \times 15) = (34) + (2.97 \times 15) = 78.55 \text{ lbs.}$
- $\text{lb of fat} = \text{lb milk} \times \% \text{ milk fat} = (85 \times 3.5\%) = 2.97 \text{ lbs.}$



Feed Efficiency or Dairy Efficiency (DE)

- Lb of milk per lb of DMI
- **Lb of FCM per lb of DMI**
- Lb of ECM per lb of DMI
- Lb of ECM per lb DMI per lactation
- Lb of ECM per lb DMI over lifetime
- Lb of milk solids per acre (ha)
- Lb of milk solids per lb of NE of DMI
- Lb of milk nitrogen per lb of nitrogen consumed
- Lb of milk solids per unit of carbon dioxide output
- **\$ of ECM per \$ of DMI**
- Residual feed intake (RFI; negative is better)



University of Illinois Guidelines for DE

• Group	Days in Milk	DE (FCM/DMI)
• High Group, mature cows	< 90	> 1.7
• High Group, 1st Lactation	< 90	> 1.6
• Low Group	> 200	> 1.3
• One group TMR herds	150 to 225	> 1.5
• Fresh cows	< 21	< 1.5
• Problem herds/groups	150 to 200	< 1.3



Does higher DE = higher profitability?



IOFC = Income Over Feed Costs

- **allows you to see how much income you put at risk by making a feeding change.**



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- **it doesn't take into account the health and reproductive benefits of certain feeds.**



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- **it doesn't take into account the health and reproductive benefits of certain feeds.**

Your cow/herd IOFC ?





Dairy Focus Toolbox

Dairy Focus Toolbox - Dairy Efficiency

Input Values in Orange Boxes
Output Values in Blue Boxes

"Example based on Federal Order 32 announced pricing"

	Price/cwt			
Fat	\$1.7672			
Protein	\$3.5390			
OS	\$0.3826	<i>if needed</i>	TMR	
		Cost cow \$/day	\$ 7.55	7.6
		DMI lb	52	
Basis	\$2.00			
Hauling	-\$1.00	\$ / DM lb	\$ 0.1452	0.1452
Promotion	\$0.15			
Quality	\$1.62			
Total	\$2.77			

Early Lactation	
Early Group	
Milk Yield	80.000
Fat %	3.50%
lb of fat	2.8
Protein %	3.10%
lb of Protein	2.48
OS %	5.70%
lb of OS	4.56
DMI	52
\$ / DM lb	\$0.1452
\$ / cow / day	\$17.69
\$ / cwt	\$22.11
ECM IOFC	\$10.135 43%

Mid/Late Lactation	
Mid/Late Grp	
Milk Yield	65.000
Fat %	3.70%
lb of fat	2.405
Protein %	3.15%
lb of Protein	2.0475
OS %	5.70%
lb of OS	3.705
DMI	50
\$ / DM lb	\$0.1200
\$ / cow / day	\$14.71
\$ / cwt	\$22.64
ECM IOFC	\$8.714 41%

Energy corrected milk

$$\text{Formula ECM} = (\text{lb Milk} \times 0.327) + (\text{lbs of Milk Fat} \times 12.95) +$$

Milk yield	85
fat%	3.90%
protein %	3.20%

energy corrected milk 90.308

3.5% Fat Corrected Milk

$$\text{Formula FCM} = (\text{lbs of Milk} \times 0.4324) + (\text{lbs of Milk Fat} \times 16$$

Milk yield	85
fat%	3.90%

fat corrected milk 89.75

4% Fat Corrected Milk

$$\text{Formula 4% FCM} = (\text{lbs of Milk} \times 0.4) + (\text{lbs of Milk Fat} \times 15$$

Milk yield	85
fat%	3.90%

fat corrected milk 83.73

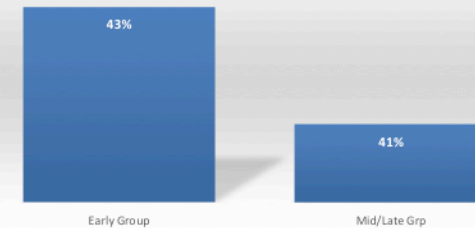
Dairy Efficiency

$$\text{Formula Dairy Efficiency (DE)} = \text{lbs of 3.5 FCM} / \text{Dry Matte}$$

FCM	89.75
DMI	55

DE 1.63

IOFC GOAL ≤ 40%



*Adapted from Mark Tegeler (Diamond V)



	A	B	C	D	E	F	G	H	I	J	K	L
3	9/1/2014					Herd Average DMI:		47.03				
4												
5	Lot 1	Cows	DIM	AVG.	Call Wt.	Lbs FED	Feed DM	% Error	Refusal	Refusal DM	DM Intake	Per Cow
6	8/24/2014	55	203		6100	6150	45.00%	0.82%	130.00	45%	2709.00	49.25
7	8/25/2014	55	204	78.9	6200	6440	45.00%	3.87%	250.00	45%	2785.50	50.65
8	8/26/2014	55	205		6200	6300	45.00%	1.61%	560.00	45%	2583.00	46.96
9	8/27/2014	55	206		7000	6750	45.00%	-3.57%	220.00	45%	2938.50	53.43
10	8/28/2014	54	198	76.4	6200	6320	45.00%	1.94%	220.00	45%	2745.00	50.83
11	8/29/2014	54	199	75.1	6200	6450	45.00%	4.03%	200.00	45%	2812.50	52.08
12	8/30/2014	54	200	73.3	6200	6420	45.00%	3.55%	150.00	45%	2821.50	52.25
13	Average	55	202	75.9		6404		0.02	247		2770.71	50.78
14												
15	Lot 3	Cows	DIM	AVG.	Call Wt.	Lbs FED		% Error	Refusal	DM	DM Intake	Per Cow
16	8/24/2014	89	214		9000	9100	45.00%	1.11%	160.00	45%	4023.00	45.20
17	8/25/2014	89	215	72.4	9200	9320	45.00%	1.30%	450.00	45%	3991.50	44.85
18	8/26/2014	89	216		9100	9320	45.00%	2.42%	600.00	45%	3924.00	44.09
19	8/27/2014	89	217		8840	8930	45.00%	1.02%	420.00	45%	3829.50	43.03
20	8/28/2014	88	216	67.6	9000	9100	45.00%	1.11%	310.00	45%	3955.50	44.95
21	8/29/2014	88	217	65.9	9000	9040	45.00%	0.44%	250.00	45%	3955.50	44.95
22	8/30/2014	88	218	65.2	9100	9180	45.00%	0.88%	200.00	45%	4041.00	45.92
23	Average	89	216	67.8		9141.43		0.01	341		3960.00	44.71



Dairy Focus Toolbox - Dairy Efficiency



Input Values in Orange Boxes

Output Values in Blue Boxes

"Example based on Federal Order 32 announced pricing"

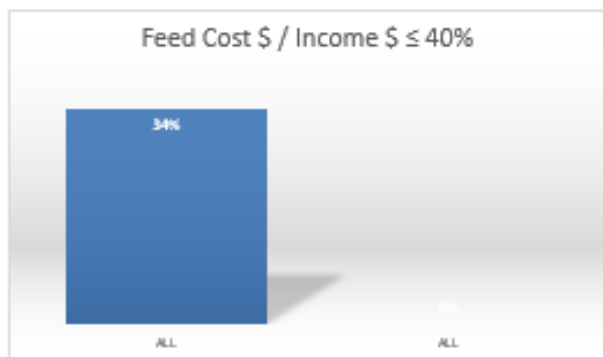
Price/cwt

Fat	\$2.6349
Protein	\$3.9000
OS	\$0.5046
Barir	
Hauling	-\$0.70
Promation	-\$0.15
Quality	\$1.58
Total	\$0.73

Wanted	TMR
Cart cow \$/d	\$ 6.47
DMI lb	47
\$/DMI lb	****

Herd	
Group:	ALL
Milk Yield	75.000
Fat %	3.50%
lb of fat	2.625
Protein %	2.90%
lb of Protein	2.175
OS %	5.70%
lb of OS	4.275
DMI	47
\$/DMI lb	\$0.1314
\$/cow/day	\$18.10
\$/cut	\$24.14
ECMIOFC	**** 34%

Additive?	
Group:	ALL
Milk Yield	
Fat %	
lb of fat	0
Protein %	
lb of Prote	0
OS %	5.70%
lb of OS	0
DMI	
\$/DMI lb	
\$/cow/d	\$0.00
\$/cut	\$/DIV0!
ECMIOFC	**** \$DIV0!



Energy corrected milk

$$\text{Formula ECM} = (\text{lb Milk} \times 0.327) + (\text{lbs of Milk Fat} \times 12.95) + (\text{lbs of Milk Protein} \times 7.20)$$

Milk yield	75
Fat %	3.50%
protein %	2.90%

energy corrected: **** 86.3

3.5% Fat Corrected Milk

$$\text{Formula FCM} = (\text{lbs of Milk} \times 0.4324) + (\text{lbs of Milk Fat} \times 16.216)$$

Milk yield	75
Fat %	3.50%

Fat corrected milk: 74.32

4% Fat Corrected Milk

$$\text{Formula 4% FCM} = (\text{lbs of Milk} \times 0.4) + (\text{lbs of Milk Fat} \times 15)$$

Milk yield	75
Fat %	3.50%

Fat corrected milk: 69.38

Dairy Efficiency

$$\text{Formula Dairy Efficiency (DE)} = \text{lbs of 3.5 FCM} / \text{Dry Matter Intake}$$

FCM	74.32
DMI	47

DE: 1.58

University of Illinois Guidelines for DE

Group	Days in Milk	DE
High Group, mature cow	< 90	> 1.7
High Group, 1st Lactation	< 90	> 1.6
Low Group	> 200	> 1.3
One group TMR herd	150 to 225	> 1.5
Fresh cow	< 21	< 1.5
Problem herd/group	150 to 200	< 1.3

www.dairyfocus.illinois.edu





Scenario 1



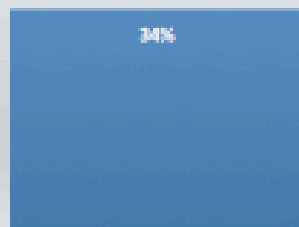
Dairy Focus Toolbox - Dairy Efficiency

Input Values in Orange Boxes
Output Values in Blue Boxes

"Example based on Federal Order 32 announced pricing"

Price/cwt		TMR			
Fat	\$2.6349	*if needed			
Protein	\$3.9000	Cost cow \$/day	\$ 6.47		
OS	\$0.5046	DMI lb	47		
Basis		\$ / DM lb	\$ 0.1377		
Hauling	-\$0.70				
Promotion	-\$0.15				
Quality	\$1.58				
Total	\$0.73				
Herd		Additive?			
Group:	ALL	Group:	ALL		
Milk Yield	75,000	Milk Yield			
Fat %	3.50%	Fat %			
lb of fat	2,625	lb of fat	0		
Protein %	2.90%	Protein %			
lb of Protein	2,175	lb of Protein	0		
OS %	5.70%	OS %	5.70%		
lb of OS	4,275	lb of OS	0		
DMI	47	DMI			
\$ / DM lb	\$0.1314	\$ / DM lb			
\$ / cow / day	\$18.10	\$ / cow / day	\$0.00		
\$ / cwt	\$24.14	\$ / cwt	#DIV/0!		
ECM IOFC	\$11,928	34%	ECM IOFC	\$0.000	#DIV/0!

Feed Cost \$ / Income \$ ≤ 40%



Energy corrected milk

$$\text{Formula ECM} = (\text{lb Milk} \times 0.327) + (\text{lbs of Milk Fat} \times 12.95) + (\text{lbs of Milk Protein} \times 7.20)$$

Milk yield	75
fat%	3.50%
protein %	2.90%

energy corrected milk **74.179** 86.3

3.5% Fat Corrected Milk

$$\text{Formula FCM} = (\text{lbs of Milk} \times 0.4324) + (\text{lbs of Milk Fat} \times 16.216)$$

Milk yield	75
fat%	3.50%

fat corrected milk **74.32**

4% Fat Corrected Milk

$$\text{Formula 4% FCM} = (\text{lbs of Milk} \times 0.4) + (\text{lbs of Milk Fat} \times 15)$$

Milk yield	75
fat%	3.50%

fat corrected milk **69.38**

Dairy Efficiency

$$\text{Formula Dairy Efficiency (DE)} = \text{lbs of 3.5 FCM} / \text{Dry Matter Intake}$$

FCM	74.32
DMI	47
DE	1.58

University of Illinois Guidelines for DE		
Group	Days in Milk	DE
High Group, mature cows	< 90	> 1.7
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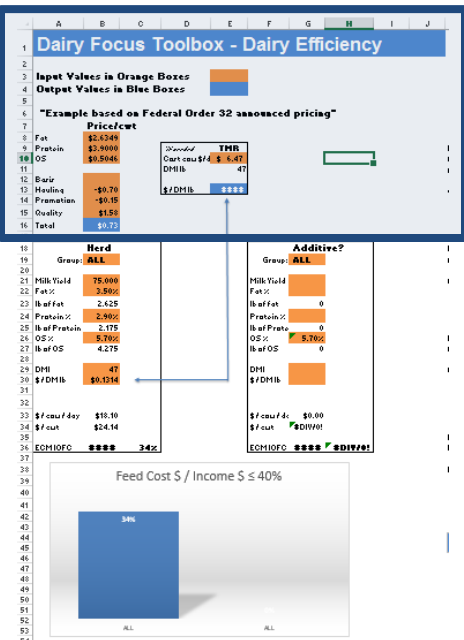
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Input Values in Orange Boxes
Output Values in Blue Boxes

"Example based on Federal Order 32 announced pricing"

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Protein	\$3.9000
OS	\$0.5046
Basis	-\$0.70
Hauling	-\$0.15
Promotion	-\$0.15
Quality	\$1.58
Total	\$0.73

	TMR
*if needed	
Cost cow \$/day	\$ 6.47
DMI lb	47
\$ / DM lb	\$0.1377



Dairy Focus Toolbox - Dairy Efficiency

Input Values in Orange Boxes
Output Values in Blue Boxes

"Example based on Federal Order 32 announced pricing"

Price/cwt

Fat	\$2.1344
Protein	\$2.4000
OS	\$0.5040
Barb	-\$0.70
Headline	-\$0.15
Quality	\$1.50
Total	\$6.73

DMHb 47

Herd		Additive?	
Group:	ALL	Group:	ALL
Milk Yield	75.000	Milk Yield	
Fat %	3.50%	Fat %	
Ib of fat	2.625	Ib of fat	0
Protein %	2.90%	Protein %	
Ib of Protein	2.175	Ib of Protein	0
OS %	5.70%	OS %	5.70%
Ib of OS	4.275	Ib of OS	0
DMI	47	DMI	
\$ / DM lb	\$0.1377	\$ / DM lb	
\$ / cow / day	\$18.10	\$ / cow / day	\$0.00
\$ / cwt	\$24.14	\$ / cwt	#DIV/0!
ECM IOFC	\$11.632	ECM IOFC	\$0.000
	36%		#DIV/0!

Feed Cost \$ / Income \$ ≤ 40%

Herd

Group: **ALL**

Milk Yield	75.000	
Fat %	3.50%	
Ib of fat	2.625	
Protein %	2.90%	
Ib of Protein	2.175	
OS %	5.70%	
Ib of OS	4.275	
DMI	47	
\$ / DM lb	\$0.1377	
\$ / cow / day	\$18.10	
\$ / cwt	\$24.14	
ECM IOFC	\$11.632	36%

Additive?

Group: **ALL**

Milk Yield		
Fat %		
Ib of fat	0	
Protein %		
Ib of Protein	0	
OS %	5.70%	
Ib of OS	0	
DMI		
\$ / DM lb		
\$ / cow / day	\$0.00	
\$ / cwt	#DIV/0!	
ECM IOFC	\$0.000	#DIV/0!



Dairy Focus Toolbox - Dairy Efficiency

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Output Values in Blue Boxes

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Herd

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DMI	47
\$/DMI lb	\$0.1377
\$/cow/day	\$18.10
\$/cwt	\$24.14
ECM IOFC	36%

Additive?

Group	ALL
Milk Yield	81.000
Fat %	3.50%
Ib of fat	2.835
Protein %	2.90%
Ib of Protein	2.349
OS %	5.70%
Ib of OS	4.617
DMI	50
\$/DMI lb	\$0.1377
\$/cow/day	\$19.55
\$/cwt	\$24.14
ECM IOFC	35%

Feed Cost \$ / Income \$ ≤ 40%

Herd

Group: **ALL**

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Additive?

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Ib of OS	4.617
DMI	50
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\$ / cow / day	\$19.55
\$ / cwt	\$24.14
ECM IOFC	\$12.667 35%



Dairy Focus Toolbox - Dairy Efficiency

Input Values in Orange Boxes
Output Values in Blue Boxes

"Example based on Federal Order 32 announced pricing"

Price/cwt

Fat	\$2.4344
Protein	\$2.4000
OS	\$0.5046
Burp	-\$0.70
Headline	-\$0.15
Quality	\$1.55
Total	\$6.73

DMHb: 47

DMHb: 47

Herd		Additive?	
Group:	ALL	Group:	ALL
Milk Yield	75.000	Milk Yield	81.000
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Ib of fat	2.625	Ib of fat	2.835
Protein %	2.90%	Protein %	2.90%
Ib of Protein	2.175	Ib of Protein	2.349
OS %	5.70%	OS %	5.70%
Ib of OS	4.275	Ib of OS	4.617
DMI	47	DMI	50
\$ / DM lb	\$0.1377	\$ / DM lb	\$0.1377
\$ / cow / day	\$18.10	\$ / cow / day	\$19.55
\$ / cwt	\$24.14	\$ / cwt	\$24.14
ECM IOFC	36%	ECM IOFC	35%

Feed Cost \$ / Income \$ ≤ 40%

Herd

Group: **ALL**

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Fat %	3.50%	
Ib of fat	2.625	
Protein %	2.90%	
Ib of Protein	2.175	
OS %	5.70%	
Ib of OS	4.275	
DMI	47	
\$ / DM lb	\$0.1377	
\$ / cow / day	\$18.10	
\$ / cwt	\$24.14	
ECM IOFC	\$11.632	36%

Additive?

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DMHb: 47

DMHb: \$0.1377

Group: ALL

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Herd

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Ib of OS	4.617	
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Input Values in Orange Boxes

Output Values in Blue Boxes

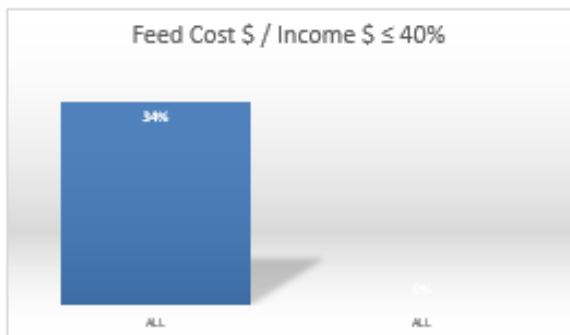
"Example based on Federal Order 32 announced pricing"

	Price/cwt
Fat	\$2.6349
Protein	\$3.9000
OS	\$0.5046
Barir	
Hauling	-\$0.70
Promation	-\$0.15
Quality	\$1.58
Total	\$0.73

Standard	TMR
Cart cou \$/d	\$ 6.47
DMI lb	47
\$/DMI lb	****

Herd	
Group:	ALL
Milk Yield	75,000
Fat%	3.50%
lb of fat	2,625
Protein%	2.90%
lb of Protein	2,175
OS%	5.70%
lb of OS	4,275
DMI	47
\$/DMI lb	\$0.1314
\$/cou/day	\$18.10
\$/cut	\$24.14
ECMIOFC	**** 34%

Additive?	
Group:	ALL
Milk Yield	
Fat%	
lb of fat	0
Protein%	
lb of Prote	0
OS%	5.70%
lb of OS	0
DMI	
\$/DMI lb	
\$/cou/d:	\$0.00
\$/cut	\$/DIW!
ECMIOFC	**** \$DIW!



Energy corrected milk

$$\text{Formula ECM} = (\text{lb Milk} \times 0.327) + (\text{lbs of Milk Fat} \times 12.95) + (\text{lbs of Milk Protein} \times 7.20)$$

Milk yield:	75
Fat%	3.50%
protein%	2.90%

energy corrected: **** 86.3

3.5% Fat Corrected Milk

$$\text{Formula FCM} = (\text{lbs of Milk} \times 0.4324) + (\text{lbs of Milk Fat} \times 16.216)$$

Milk yield:	75
Fat%	3.50%

fat corrected milk: 74.32

4% Fat Corrected Milk

$$\text{Formula 4% FCM} = (\text{lbs of Milk} \times 0.4) + (\text{lbs of Milk Fat} \times 15)$$

Milk yield:	75
Fat%	3.50%

fat corrected milk: 69.38

Dairy Efficiency

$$\text{Formula Dairy Efficiency (DE)} = \text{lbs of 3.5 FCM} / \text{Dry Matter Intake}$$

FCM: 74.32

DMI: 47

DE: 1.58

University of Illinois Guidelines for DE

Group	Days in Mill	DE
High Group, mature cow	<90	>1.7
High Group, 1st Lactation	<90	>1.6
Low Group	>200	>1.3
One group TMR herds	150 to 225	>1.5
Fresh cow	<21	<1.5
Problem herds/groups	150 to 200	<1.3

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Energy corrected milk
Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 Fat%: 3.50%
 protein%: 2.90%

energy corrected milk: 74.179

3.5% Fat Corrected Milk
Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 Fat%: 3.50%

fat corrected milk: 74.32

4% Fat Corrected Milk
Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 Fat%: 3.50%

fat corrected milk: 69.38

Dairy Efficiency
Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FCM: 74.32
 DM: 47

DE: 1.58

University of Illinois Guidelines for DE		
Group	Days in Milk	DE
High Group, mature cow	<90	>1.7
High Group, lactating	<90	>1.6
Low Group	>200	>1.2
One group TH herd	150 to 225	>1.5
Fresh cow	<21	>1.5
Problem herd/fareup	150 to 200	<1.2

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Energy corrected milk

Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 fat%: 3.50%
 protein%: 2.90%

energy corrected milk: 74.179

3.5% Fat Corrected Milk

Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 fat%: 3.50%

fat corrected milk: 74.32

4% Fat Corrected Milk

Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 fat%: 3.50%

fat corrected milk: 69.38



Energy corrected milk
Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 Fat%: 3.50%
 protein: 2.90%

energy corrected milk: 74.179

3.5% Fat Corrected Milk
Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 Fat%: 3.50%

Fat corrected milk: 74.32

4% Fat Corrected Milk
Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 Fat%: 3.50%

Fat corrected milk: 69.38

Dairy Efficiency
Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FDM: 74.32
 DM: 47

DE: 1.58

University of Illinois Guidelines for DE

Group	Days in Milk	DE
High Group, mature cow	<90	>1.7
High Group, Int Lactation	<90	>1.6
Low Group	>200	>1.2
One group TH herd	150 to 225	>1.5
Fresh cow	<21	>1.5
Problem herd/areop	150 to 200	<1.2

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Energy corrected milk

Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield 75
 fat% 3.50%
 protein % 2.90%



Milk yield 81
 fat% 3.50%
 protein % 2.90%

energy corrected milk 74.179

energy corrected milk 80.113

3.5% Fat Corrected Milk

Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield 75
 fat% 3.50%

fat corrected milk 74.32

4% Fat Corrected Milk

Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield 75
 fat% 3.50%

fat corrected milk 69.38



Energy corrected milk
Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 Fat%: 3.50%
 protein: 2.90%

energy corrected milk: 74.179

3.5% Fat Corrected Milk
Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 Fat%: 3.50%

Fat corrected milk: 74.32

4% Fat Corrected Milk
Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 Fat%: 3.50%

Fat corrected milk: 69.38

Dairy Efficiency
Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FDM: 74.32
 DM: 47

DE: 1.58

University of Illinois Guidelines for DE

Group	Days in Milk	DE
High Group, mature cow	<90	>1.7
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Low Group	>200	>1.2
One group THR herd	150 to 225	>1.5
Fresh cow	<21	>1.5
Problem herd/farmer	150 to 200	<1.2

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Energy corrected milk

Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield 75
 fat% 3.50%
 protein % 2.90%



Milk yield 81
 fat% 3.50%
 protein % 2.90%

energy corrected milk 74.179

energy corrected milk 80.113

3.5% Fat Corrected Milk

Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield 75
 fat% 3.50%



Milk yield 81
 fat% 3.50%

fat corrected milk 74.32

fat corrected milk 80.27

4% Fat Corrected Milk

Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield 75
 fat% 3.50%

fat corrected milk 69.38



Energy corrected milk
Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 Fat%: 3.50%
 protein%: 2.90%

energy corrected milk: 74.179

3.5% Fat Corrected Milk
Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 Fat%: 3.50%

Fat corrected milk: 74.32

4% Fat Corrected Milk
Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 Fat%: 3.50%

Fat corrected milk: 69.38

Dairy Efficiency
Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FDM: 74.32
 DM: 47
 DE: 1.58

University of Illinois Guidelines for DE		
Group	Days in Milk	DE
High Group, mature cow	<90	>1.7
High Group, lactating	<90	>1.6
Low Group	<200	>1.2
One group THR herd	150 to 225	>1.5
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Energy corrected milk

Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield 75
 fat% 3.50%
 protein % 2.90%



Milk yield 81
 fat% 3.50%
 protein % 2.90%

energy corrected milk 80.113

energy corrected milk 74.179

3.5% Fat Corrected Milk

Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield 75
 fat% 3.50%



Milk yield 81
 fat% 3.50%

fat corrected milk 80.27

fat corrected milk 74.32

4% Fat Corrected Milk

Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield 75
 fat% 3.50%



Milk yield 81
 fat% 3.50%

fat corrected milk 74.93

fat corrected milk 69.38



Energy corrected milk
 Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 Fat%: 3.50%
 Protein%: 2.99%
 Energy corrected milk: 86.3

3.5% Fat Corrected Milk
 Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 Fat%: 3.50%
 Fat corrected milk: 74.32

4% Fat Corrected Milk
 Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 Fat%: 3.50%
 Fat corrected milk: 59.38

Dairy Efficiency
 Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FCM	DMI	DE
74.32	47	1.58

University of Illinois Guidelines for DE

Group	Days in Milk	DE
High Group, mature cows	< 90	> 1.7
High Group, 1st Lactation	< 90	> 1.6
Low Group	> 200	> 1.3
One group TMR herds	150 to 225	> 1.5
Fresh cows	< 21	< 1.5
Problem herds/groups	150 to 200	< 1.3

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Dairy Efficiency

Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FCM: 74.32
 DMI: 47

DE: 1.58

University of Illinois Guidelines for DE		
Group	Days in Milk	DE
High Group, mature cows	< 90	> 1.7
High Group, 1st Lactation	< 90	> 1.6
Low Group	> 200	> 1.3
One group TMR herds	150 to 225	> 1.5
Fresh cows	< 21	< 1.5
Problem herds/groups	150 to 200	< 1.3



Dairy Efficiency

Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

Energy corrected milk
 Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 Fat: 3.50%
 Protein: 2.99%
 energy corrected milk: 86.3

3.5% Fat Corrected Milk
 Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 Fat: 3.50%
 Fat corrected milk: 74.32

4% Fat Corrected Milk
 Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 Fat: 3.50%
 Fat corrected milk: 59.38

Dairy Efficiency
 Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FCM	DMI	DE
74.32	47	1.58

University of Illinois Guidelines for DE

Group	Days in Milk	DE
High Group, mature cows	< 90	> 1.7
High Group, 1st Lactation	< 90	> 1.6
Low Group	> 200	> 1.3
One group TMR herds	150 to 225	> 1.5
Fresh cows	< 21	< 1.5
Problem herds/groups	150 to 200	< 1.3

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FCM 74.32
 DMI 47
 DE 1.58



FCM 80.27
 DMI 50
 DE 1.61

University of Illinois Guidelines for DE

Group	Days in Milk	DE
High Group, mature cows	< 90	> 1.7
High Group, 1st Lactation	< 90	> 1.6
Low Group	> 200	> 1.3
One group TMR herds	150 to 225	> 1.5
Fresh cows	< 21	< 1.5
Problem herds/groups	150 to 200	< 1.3





Scenario 2

22 7 2006



Dairy Focus Toolbox - Dairy Efficiency

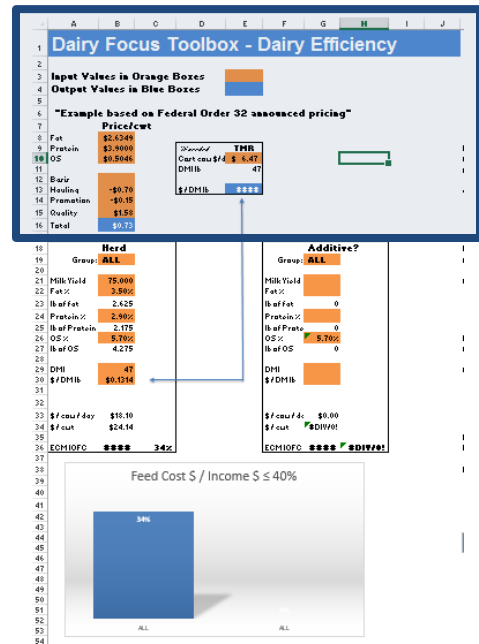
Input Values in Orange Boxes
Output Values in Blue Boxes



"Example based on Federal Order 32 announced pricing"

	Price/cwt
Fat	\$2.6349
Protein	\$3.9000
OS	\$0.5046
Basis	-\$0.70
Hauling	-\$0.15
Promotion	-\$0.15
Quality	\$1.58
Total	\$0.73

	TMR
*if needed Cost cow \$/day	\$ 6.47
DMI lb	47
\$ / DM lb	\$0.1377



Dairy Focus Toolbox - Dairy Efficiency

Input Values in Orange Boxes
Output Values in Blue Boxes

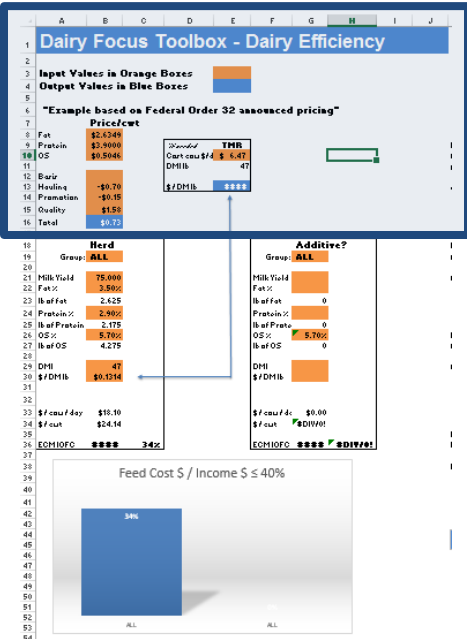


"Example based on Federal Order 32 announced pricing"

	Price/cwt
Fat	\$2.6349
Protein	\$3.9000
OS	\$0.5046
Basis	
Hauling	-\$0.70
Promotion	-\$0.15
Quality	\$1.58
Total	\$0.73

*if needed		TMR
Cost cow \$/day	\$	6.47
DMI lb		47
\$ / DM lb		\$0.1377

*if needed		TMR
Cost cow \$/day	\$	6.50
DMI lb		47
\$ / DM lb		\$0.1383



Dairy Focus Toolbox - Dairy Efficiency

Input Values in Orange Boxes
Output Values in Blue Boxes

"Example based on Federal Order 32 announced pricing"

Price/cwt

Fat	\$2.1344
Protein	\$2.4000
OS	\$0.5946
Barb	-\$0.70
Headline	-\$0.18
Quality	\$1.55
Total	\$6.73

TMR
DMib \$/lb 47

Herd		Additive?	
Group	ALL	Group	ALL
Milk Yield	75.000	Milk Yield	
Fat %	3.50%	Fat %	
Ib of Fat	2.625	Ib of Fat	0
Protein %	2.90%	Protein %	
Ib of Protein	2.175	Ib of Protein	0
OS %	5.70%	OS %	5.26%
Ib of OS	4.275	Ib of OS	0
DMI	47	DMI	
\$/DM lb	\$0.1377	\$/DM lb	
\$/cow/day	\$18.10	\$/cow/day	\$0.00
\$/cwt	\$24.14	\$/cwt	\$0.00
ECM IOFC	36%	ECM IOFC	35%

Feed Cost \$ / Income \$ ≤ 40%

Herd

Group: **ALL**

Milk Yield	75.000	
Fat %	3.50%	
Ib of fat	2.625	
Protein %	2.90%	
Ib of Protein	2.175	
OS %	5.70%	
Ib of OS	4.275	
DMI	47	
\$ / DM lb	\$0.1377	
\$/ cow / day	\$18.10	
\$/ cwt	\$24.14	
ECM IOFC	\$11.632	36%

Additive?

Group: **ALL**

Milk Yield	75.000	
Fat %	3.50%	
Ib of fat	2.625	
Protein %	3.10%	
Ib of Protein	2.325	
OS %	5.70%	
Ib of OS	4.275	
DMI	47	
\$ / DM lb	\$0.1383	
\$/ cow / day	\$18.69	
\$/ cwt	\$24.92	
ECM IOFC	\$12.189	35%



Dairy Focus Toolbox - Dairy Efficiency

Input Values in Orange Boxes
Output Values in Blue Boxes

"Example based on Federal Order 32 announced pricing"

Price/cwt

Fat	\$2.1344
Protein	\$2.4000
OS	\$0.5040
Barb	-\$0.70
Headline	-\$0.15
Quality	\$1.50
Total	\$0.75

DMHb: 47
\$ / DM lb: \$0.1377

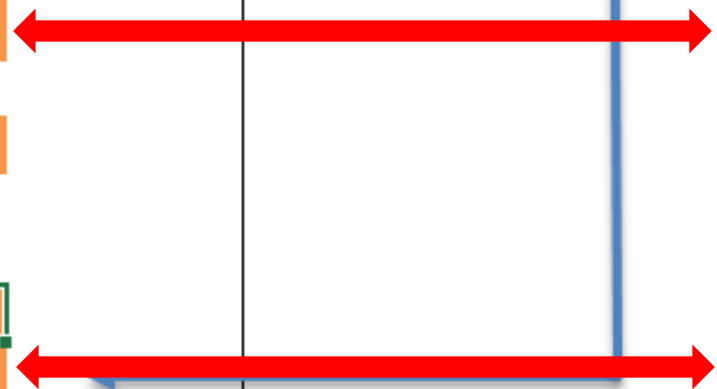
Herd		Additive?	
Group:	ALL	Group:	ALL
Milk Yield	75.000	Milk Yield	
Fat %	3.50%	Fat %	
Ib of fat	2.625	Ib of fat	
Protein %	2.90%	Protein %	
Ib of Protein	2.175	Ib of Protein	
OS %	5.70%	OS %	
Ib of OS	4.275	Ib of OS	
DMI	47	DMI	
\$ / DM lb	\$0.1377	\$ / DM lb	
\$ / cow / day	\$18.10	\$ / cow / day	
\$ / cwt	\$24.14	\$ / cwt	
ECM IOFC	36%	ECM IOFC	

Feed Cost \$ / Income \$ ≤ 40%

34%

Herd	
Group:	ALL
Milk Yield	75.000
Fat %	3.50%
Ib of fat	2.625
Protein %	2.90%
Ib of Protein	2.175
OS %	5.70%
Ib of OS	4.275
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Additive?	
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Milk Yield	75.000
Fat %	3.50%
Ib of fat	2.625
Protein %	3.10%
Ib of Protein	2.325
OS %	5.70%
Ib of OS	4.275
DMI	47
\$ / DM lb	\$0.1383
\$ / cow / day	\$18.69
\$ / cwt	\$24.92
ECM IOFC	\$12.189 35%



Dairy Focus Toolbox - Dairy Efficiency

Input Values in Orange Boxes
Output Values in Blue Boxes

"Example based on Federal Order 32 announced pricing"

Price/cwt

Fat	\$2.1344
Protein	\$2.4000
OS	\$0.5040
Barb	-\$0.70
Headline	-\$0.15
Quality	\$1.50
Total	\$6.73

DMIB: 47

ECM IOFC: 36%

Feed Cost \$ / Income \$ ≤ 40%

34%

Herd

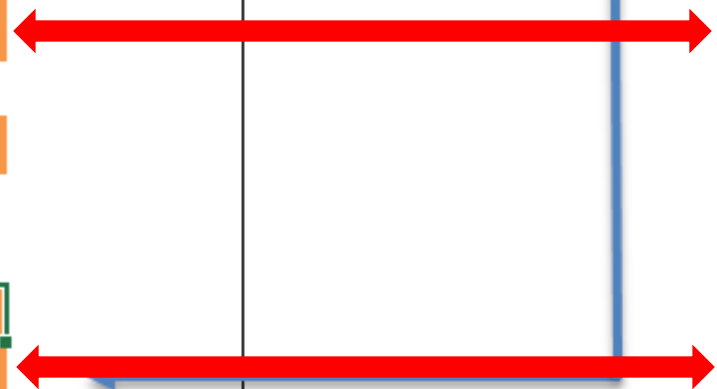
Group: **ALL**

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lb of OS	4.275
DMI	47
\$ / DM lb	\$0.1377
\$ / cow / day	\$18.10
\$ / cwt	\$24.14
ECM IOFC	\$11.632 36%

Additive?

Group: **ALL**

Milk Yield	75.000
Fat %	3.50%
lb of fat	2.625
Protein %	3.10%
lb of Protein	2.325
OS %	5.70%
lb of OS	4.275
DMI	47
\$ / DM lb	\$0.1383
\$ / cow / day	\$18.69
\$ / cwt	\$24.92
ECM IOFC	\$12.189 35%



Dairy Focus Toolbox - Dairy Efficiency

Input Values in Orange Boxes

Output Values in Blue Boxes

"Example based on Federal Order 32 announced pricing"

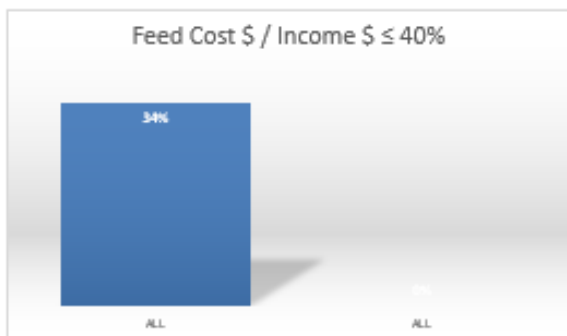
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Barir	
Hauling	-\$0.70
Promation	-\$0.15
Quality	\$1.58
Total	\$0.73

Standard	TMR
Cart cou \$/d	\$ 6.47
DMI lb	47
\$/DMI lb	****

Herd	
Group:	ALL
Milk Yield	75,000
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lb of OS	4,275
DMI	47
\$/DMI lb	\$0.1314
\$/cou/day	\$18.10
\$/cut	\$24.14
ECMIOFC	**** 34%

Additive?	
Group:	ALL
Milk Yield	
Fat%	
lb of fat	0
Protein%	
lb of Prote	0
OS%	5.70%
lb of OS	0
DMI	
\$/DMI lb	
\$/cou/d:	\$0.00
\$/cut	\$/DIW/!
ECMIOFC	**** \$DIW/!

Feed Cost \$ / Income \$ ≤ 40%



Energy corrected milk

$$\text{Formula ECM} = (\text{lb Milk} \times 0.327) + (\text{lbs of Milk Fat} \times 12.95) + (\text{lbs of Milk Protein} \times 7.20)$$

Milk yield:	75
Fat%	3.50%
protein%	2.90%

energy corrected: **** \$6.3

3.5% Fat Corrected Milk

$$\text{Formula FCM} = (\text{lbs of Milk} \times 0.4324) + (\text{lbs of Milk Fat} \times 16.216)$$

Milk yield:	75
Fat%	3.50%

fat corrected milk: 74.32

4% Fat Corrected Milk

$$\text{Formula 4% FCM} = (\text{lbs of Milk} \times 0.4) + (\text{lbs of Milk Fat} \times 15)$$

Milk yield:	75
Fat%	3.50%

fat corrected milk: 69.38

Dairy Efficiency

$$\text{Formula Dairy Efficiency (DE)} = \text{lbs of 3.5 FCM} / \text{Dry Matter Intake}$$

FCM 74.32

DMI 47

DE 1.58

University of Illinois Guidelines for DE

Group	Days in Mill	DE
High Group, mature cow	<90	>1.7
High Group, 1st Lactation	<90	>1.6
Low Group	>200	>1.3
One group TMR herds	150 to 225	>1.5
Fresh cow	<21	<1.5
Problem herds/groups	150 to 200	<1.3

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Energy corrected milk
Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 Fat%: 3.50%
 protein%: 2.90%

energy corrected milk: 74.179

3.5% Fat Corrected Milk
Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 Fat%: 3.50%

fat corrected milk: 74.32

4% Fat Corrected Milk
Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 Fat%: 3.50%

fat corrected milk: 69.38

Dairy Efficiency
Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FCM: 74.32
 DM: 47

DE: 1.58

University of Illinois Guidelines for DE		
Group	Days in Milk	DE
High Group, mature cow	<90	>1.7
High Group, lactating	<90	>1.6
Low Group	>200	>1.2
One group TH herd	150 to 225	>1.5
Fresh cow	<21	>1.5
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Energy corrected milk

Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 fat%: 3.50%
 protein%: 2.90%

energy corrected milk: 74.179

3.5% Fat Corrected Milk

Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 fat%: 3.50%

fat corrected milk: 74.32

4% Fat Corrected Milk

Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 fat%: 3.50%

fat corrected milk: 69.38



Energy corrected milk
Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 Fat%: 3.50%
 protein: 2.90%

energy corrected milk: 74.179

3.5% Fat Corrected Milk
Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 Fat%: 3.50%

Fat corrected milk: 74.32

4% Fat Corrected Milk
Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 Fat%: 3.50%

Fat corrected milk: 69.38

Dairy Efficiency
Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FDM: 74.32
 DM: 47
 DE: 1.58

University of Illinois Guidelines for DE		
Group	Days in Milk	DE
High Group, mature cow	<90	>1.7
High Group, Int Lactation	<90	>1.6
Low Group	>200	>1.2
One group TH herd	150 to 225	>1.5
Fresh cow	<21	>1.5
Problem herd/fareup	150 to 200	<1.2

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Energy corrected milk

Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield 75
 fat% 3.50%
 protein % 2.90%



Milk yield 75
 fat% 3.50%
 protein % 3.10%

energy corrected milk 75.259

energy corrected milk 74.179

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Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

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Milk yield 75
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 protein % 2.90%

energy corrected milk 74.179



Milk yield 75
 fat% 3.50%
 protein % 3.10%

energy corrected milk 75.259

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fat corrected milk 74.32



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 fat% 3.50%

fat corrected milk 74.32

4% Fat Corrected Milk

Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield 75
 fat% 3.50%

fat corrected milk 69.38



Energy corrected milk
Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 Fat%: 3.50%
 protein: 2.90%

energy corrected milk: 74.179

3.5% Fat Corrected Milk
Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 Fat%: 3.50%

Fat corrected milk: 74.32

4% Fat Corrected Milk
Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 Fat%: 3.50%

Fat corrected milk: 69.38

Dairy Efficiency
Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FDM: 74.32
 DM: 47
 DE: 1.58

Group	Days in Milk	DE
High Group, mature cow	<90	>1.7
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Low Group	>200	>1.2
One group TH herd	150 to 225	>1.5
Fresh cow	<21	>1.5
Problem herd/farmer	150 to 200	<1.2

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Energy corrected milk

Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield 75
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 protein % 2.90%



Milk yield 75
 fat% 3.50%
 protein % 3.10%

energy corrected milk 74.179

energy corrected milk 75.259

3.5% Fat Corrected Milk

Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield 75
 fat% 3.50%



Milk yield 75
 fat% 3.50%

fat corrected milk 74.32

fat corrected milk 74.32

4% Fat Corrected Milk

Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

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 fat% 3.50%



Milk yield 75
 fat% 3.50%

fat corrected milk 69.38

fat corrected milk 69.38



Energy corrected milk
 Formula ECM = (lb Milk x 0.327) + (lbs of Milk Fat x 12.95) + (lbs of Milk Protein x 7.20)

Milk yield: 75
 Fat: 3.50%
 Protein: 2.99%
 Energy corrected milk: 86.3

3.5% Fat Corrected Milk
 Formula FCM = (lbs of Milk x 0.4324) + (lbs of Milk Fat x 16.216)

Milk yield: 75
 Fat: 3.50%
 Fat corrected milk: 74.32

4% Fat Corrected Milk
 Formula 4% FCM = (lbs of Milk x 0.4) + (lbs of Milk Fat x 15)

Milk yield: 75
 Fat: 3.50%
 Fat corrected milk: 59.38

Dairy Efficiency
 Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FCM	74.32
DMI	47
DE	1.58

University of Illinois Guidelines for DE

Group	Days in Milk	DE
High Group, mature cows	< 90	> 1.7
High Group, 1st Lactation	< 90	> 1.6
Low Group	> 200	> 1.3
One group TMR herds	150 to 225	> 1.5
Fresh cows	< 21	< 1.5
Problem herds/groups	150 to 200	< 1.3

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Dairy Efficiency

Formula Dairy Efficiency (DE) = lbs of 3.5 FCM / Dry Matter Intake

FCM 74.32
 DMI 47
 DE 1.58

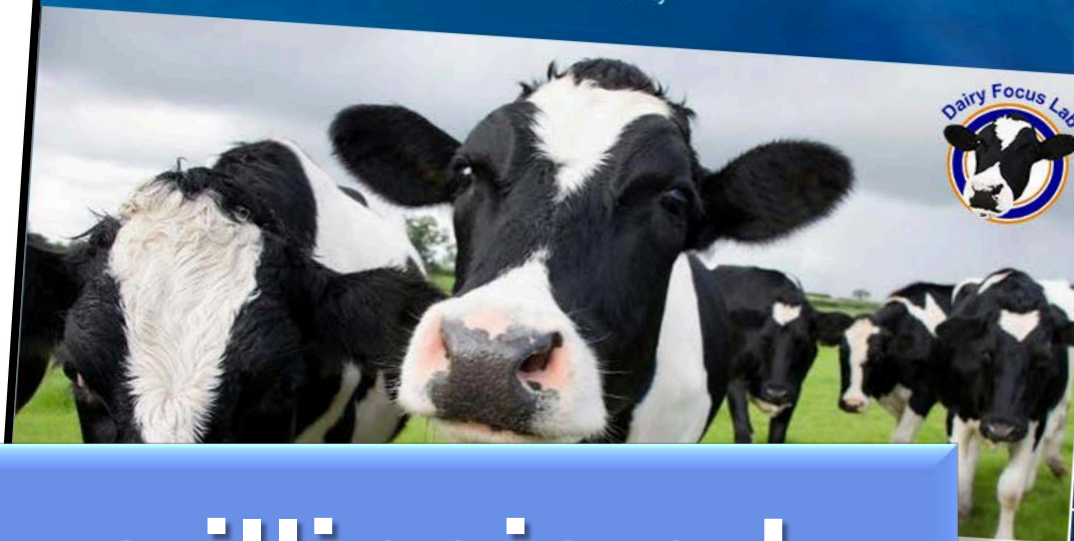
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DAIRY NUTRITION AND REPRODUCTION

Focused research and strategies for dairy farm profitability

Department of
Animal Science



www.dairyfocus.illinois.edu

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Welcome

Welcome to Dr. Cardoso's Dairy Nutrition and Reproduction Research Laboratory. **The Dairy Focus Lab** was created in 2012 when Dr. Cardoso accepted a position in the Department of Animal Sciences at the University of Illinois. Currently, the Laboratory consists of Dr. Cardoso, a communications specialist, graduate students, and a number of undergraduate students.



The Lab is aware of and committed to meeting the challenges of the Illinois dairy industry and dairy farmers at large. These principles give the basis for the research program and future collaborations within and outside the UI's Department of Animal Sciences.



University of Illinois at Urbana-Champaign



Margin Protection Program (MPP) ONLINE DECISION TOOL



John Newton
University of Illinois
217-333-1051

jcnewt@illinois.edu

 [@New10_AgEcon](https://twitter.com/New10_AgEcon)

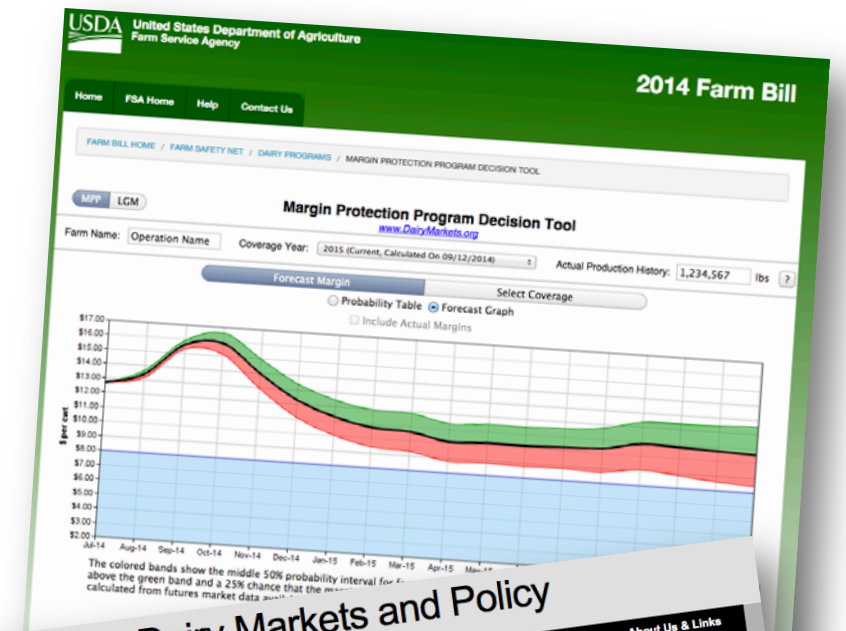
Tool Access

Use the tool at www.fsa.usda.gov/mpptool

Educational material www.dairymarkets.org/MPP

Questions

Please submit questions during the presentation



Margin Protection Program for Dairy

The Program on Dairy Markets and Policy was chosen by the Farm Service Agency to develop a web based decision tool to help producers make their participation selection. Their work and educational efforts are supported by the U.S. Department of Agriculture, Farm Service Agency, under Agreement No. 58-0510-4-002 N.

Actual and Forecast Dairy Production Margin

Historic middle third of margin values from Jan. 2005 to present.

MPP Margin

Upper decile boundary

Lower decile boundary

Updated 9/12/14

Margin Protection Program is only weeks away from being implemented. An important question remains unanswered - how much do dairy producers know about this program, and how many plan to participate? Dairy economists Dr. Marin Bozic (University of Minnesota) and Dr. Chris Wolf (Michigan State University) are conducting a national survey of dairy producers opinions of the new program. Let's help them inform us better by [completing this survey](#). The survey will take you about four minutes to complete, and then you can choose to play an interactive 'choice experiment' and may win one \$1,000 and three \$500 participation awards. Please help us spread the word about this survey by posting information about it on your Facebook and Twitter accounts, as well as newsletters. On Twitter, you may simply [retweet this tweet](#): I hope you will consider helping this effort.

Decision Tool

- Decision Tool
- Input Template
- Decision Tool Instructions

MPP Videos

- Stream Videos of Various Lengths

MPP Meetings

- National Train-the-Trainer
- Meetings in Your State

MPP PowerPoints

- Download PPTs of Various Lengths

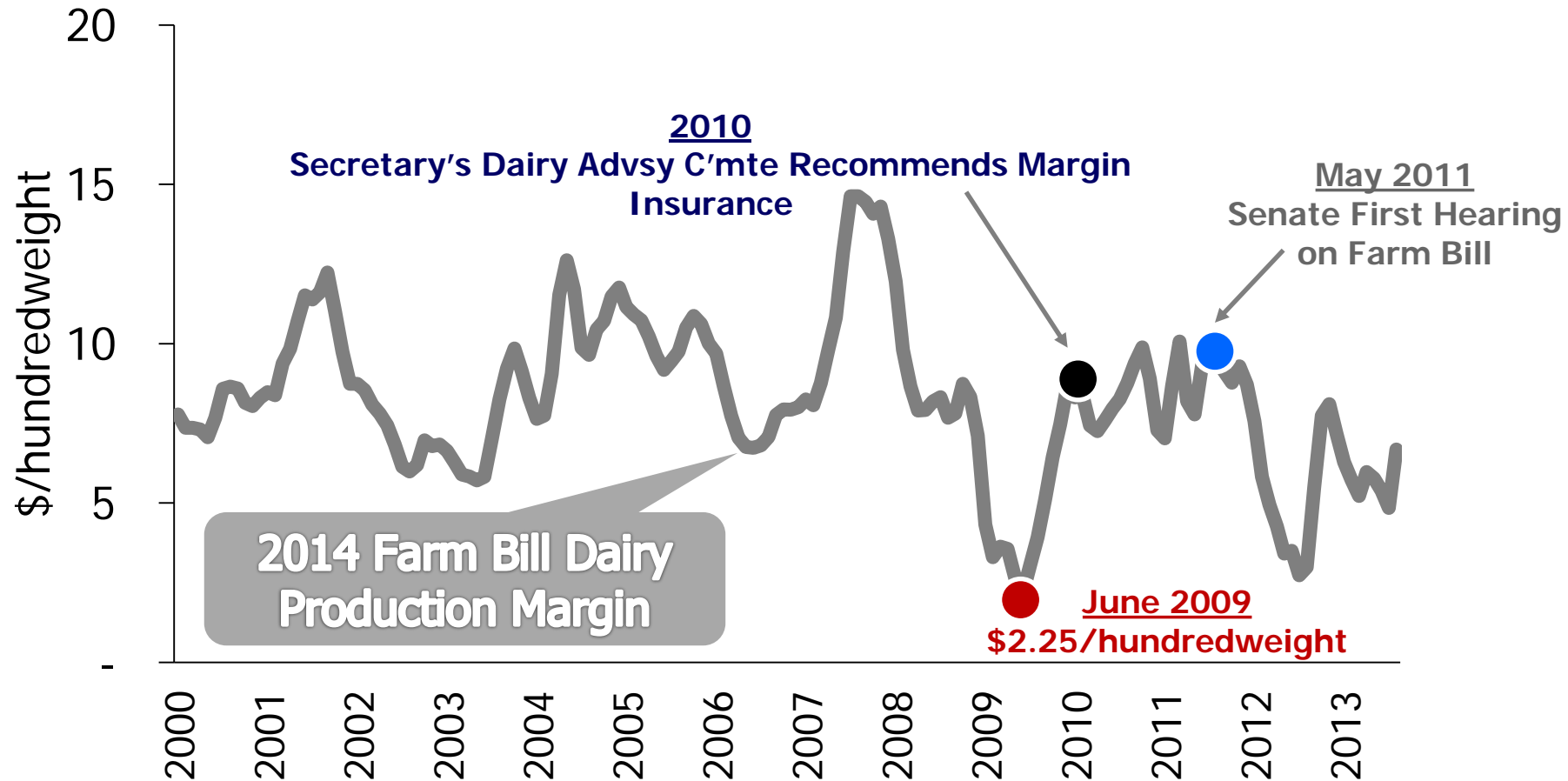
MPP Printed Material

- Resource Materials Related to the MPP

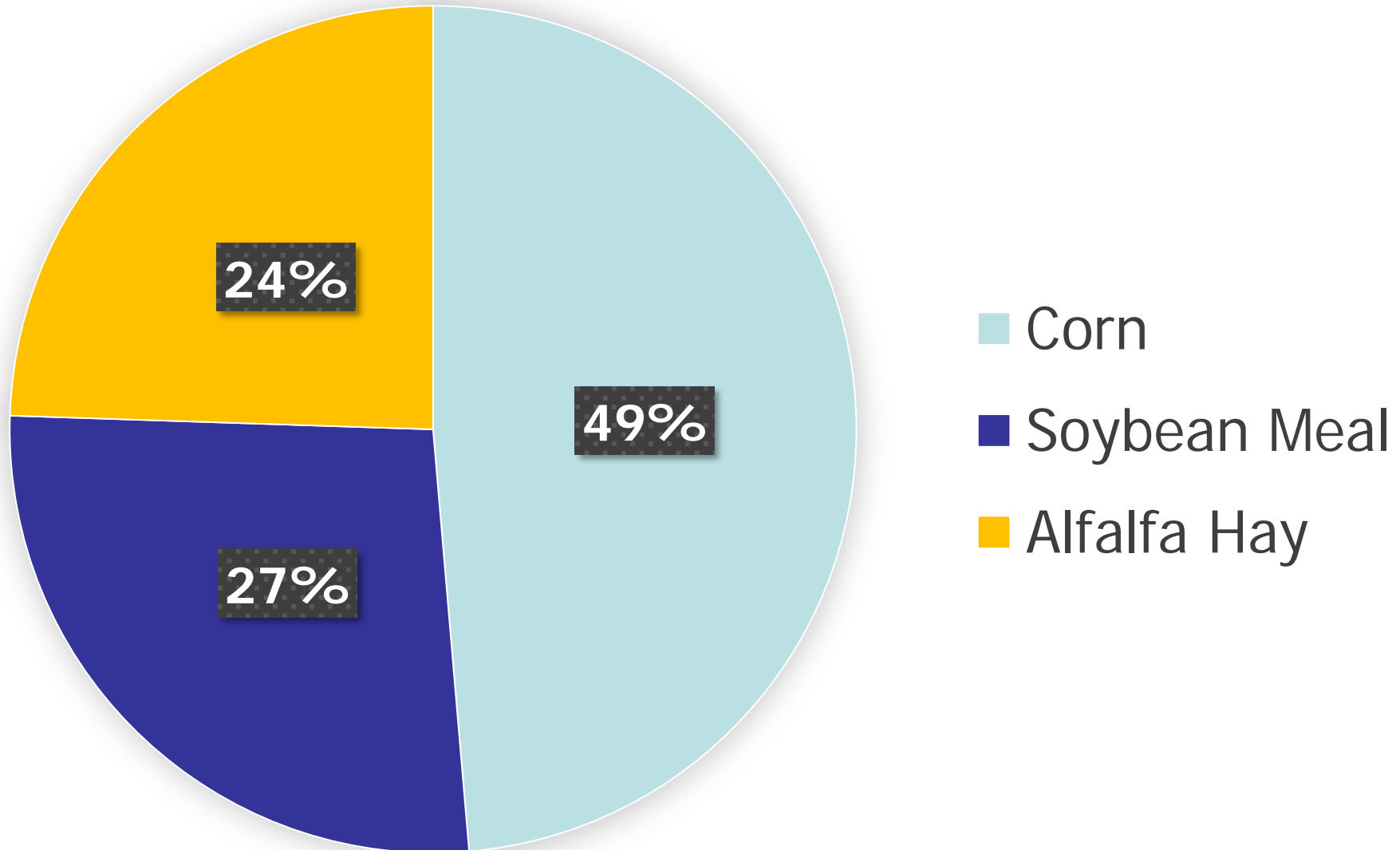
Other Farm Bill Tools

Income Over Feed Costs

$$\text{Margin} = \text{U.S. All-Milk Price} - [\text{NASS Corn Price} \times 1.0728 + \text{AMS SBM} \times 0.00735 + \text{NASS Alfalfa} \times 0.0137]$$

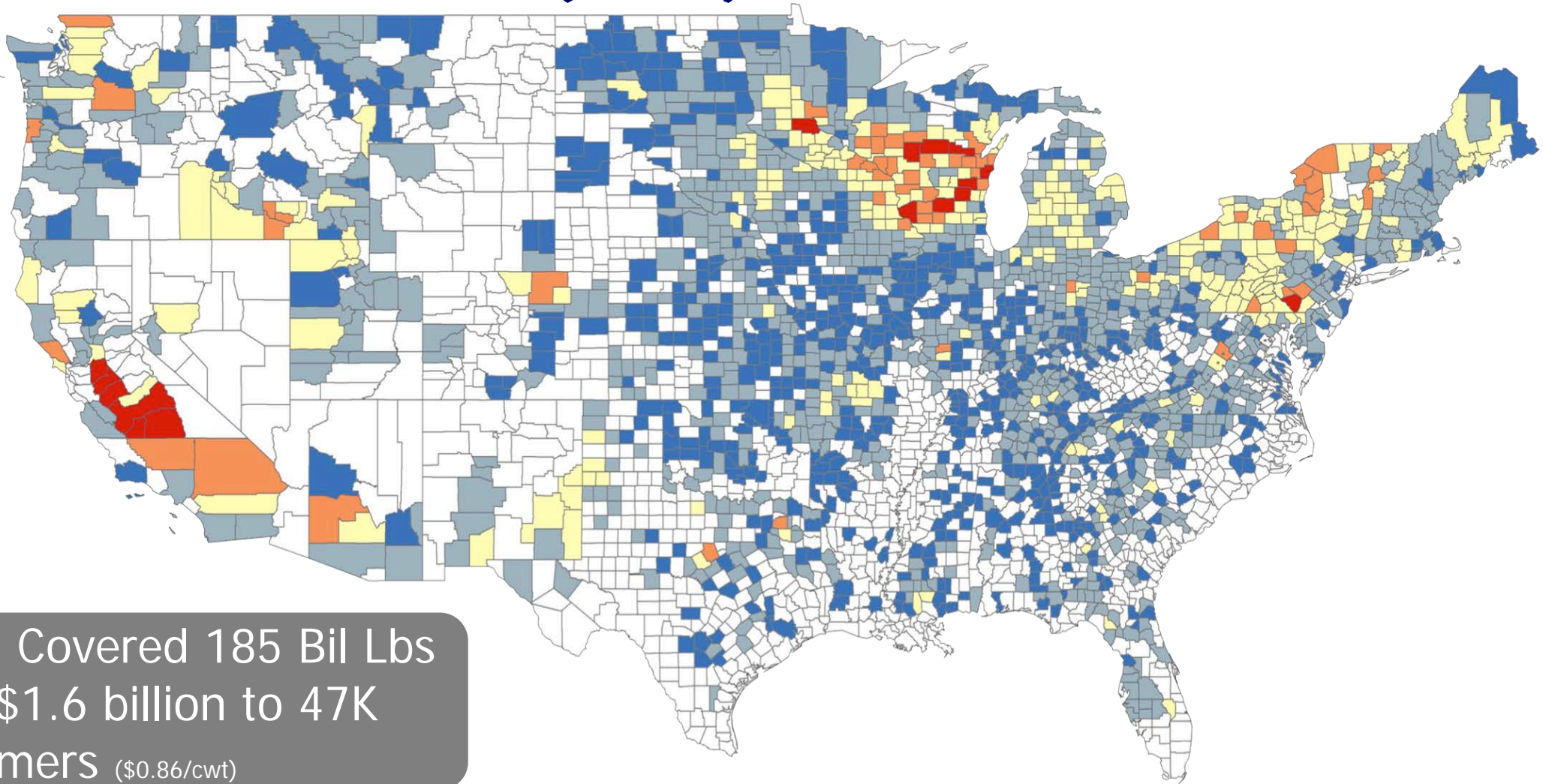
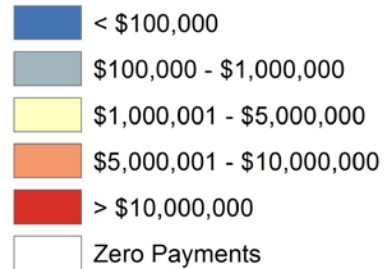


Contribution to the MPP Ration



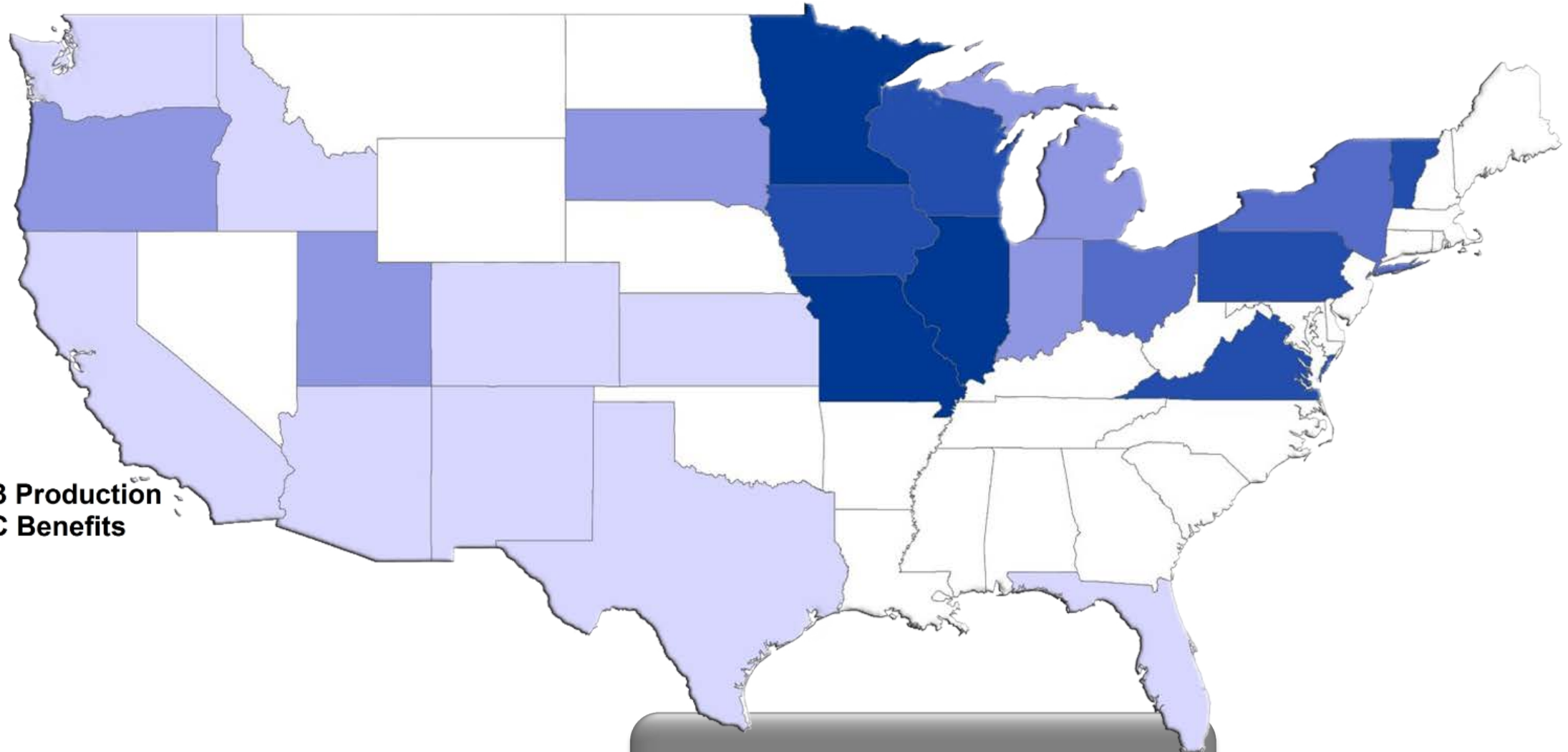
Did Dairy Have a Safety Net? Milk Income Loss Contract (MILC)

Aggregate MILC Payments 2009 - 2013



MILC 2009+ Covered 185 Bil Lbs
and paid \$1.6 billion to 47K
farmers (\$0.86/cwt)

Benefit Concentration in MILC



Percent of 2013 Production Receiving MILC Benefits

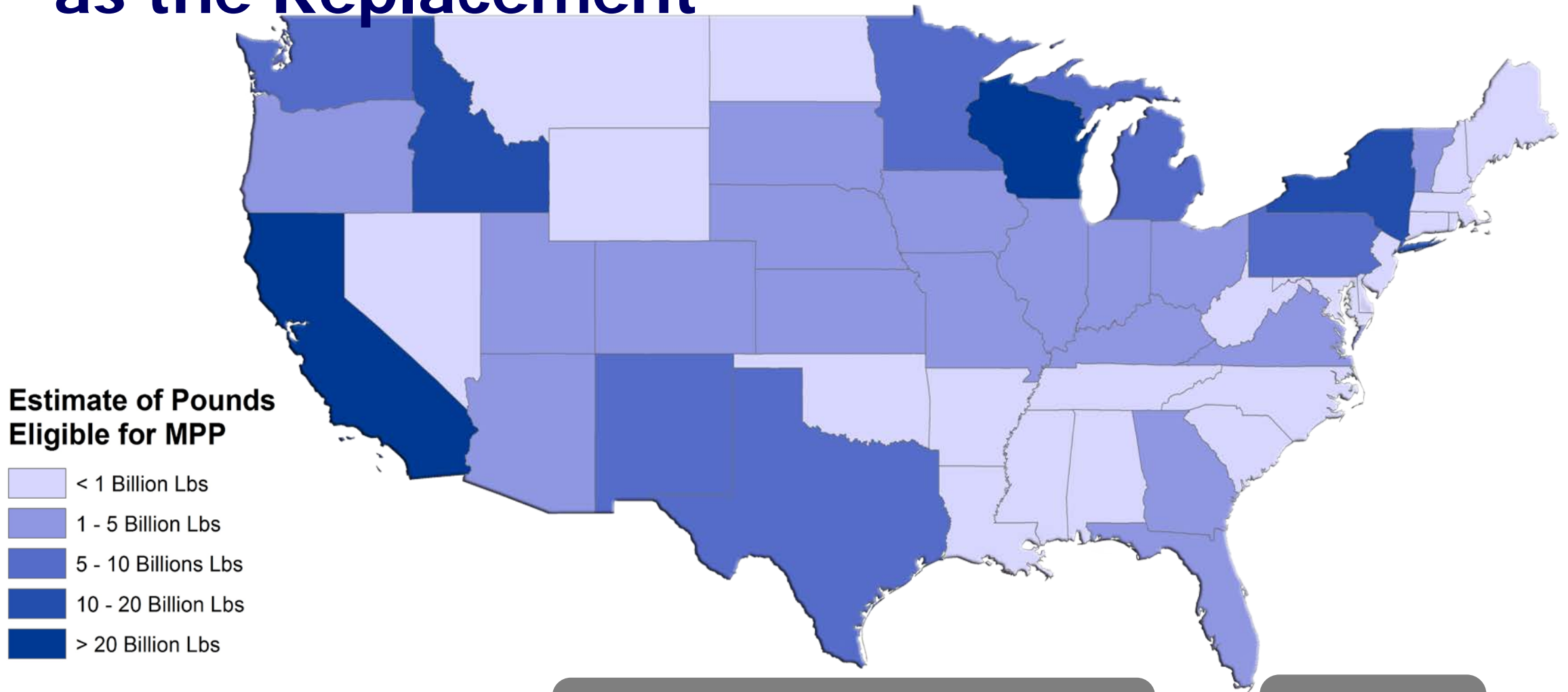
- < 25%
- 25% - 40%
- 41% - 50%
- > 60%
- No Data Available

42% of US Milk Supply Covered by MILC

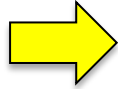
MPP: How it Works

- Voluntary program designed to protect dairymen from downturns in the dairy margin
 - Makes payments when US dairy margin falls below the farmer-selected coverage option
 - Price floors available from \$4 to \$8 hundredweight
 - Can cover 25% to 90% of production
 - Farm operators pay \$100 administrative fee and premiums based on farmer-selected coverage
 - Consecutive 2-month average margins determine indemnity:
Jan/Feb, ..., Nov/Dec
 - No eligibility constraints (income or production)

Margin Protection Program (MPP) as the Replacement

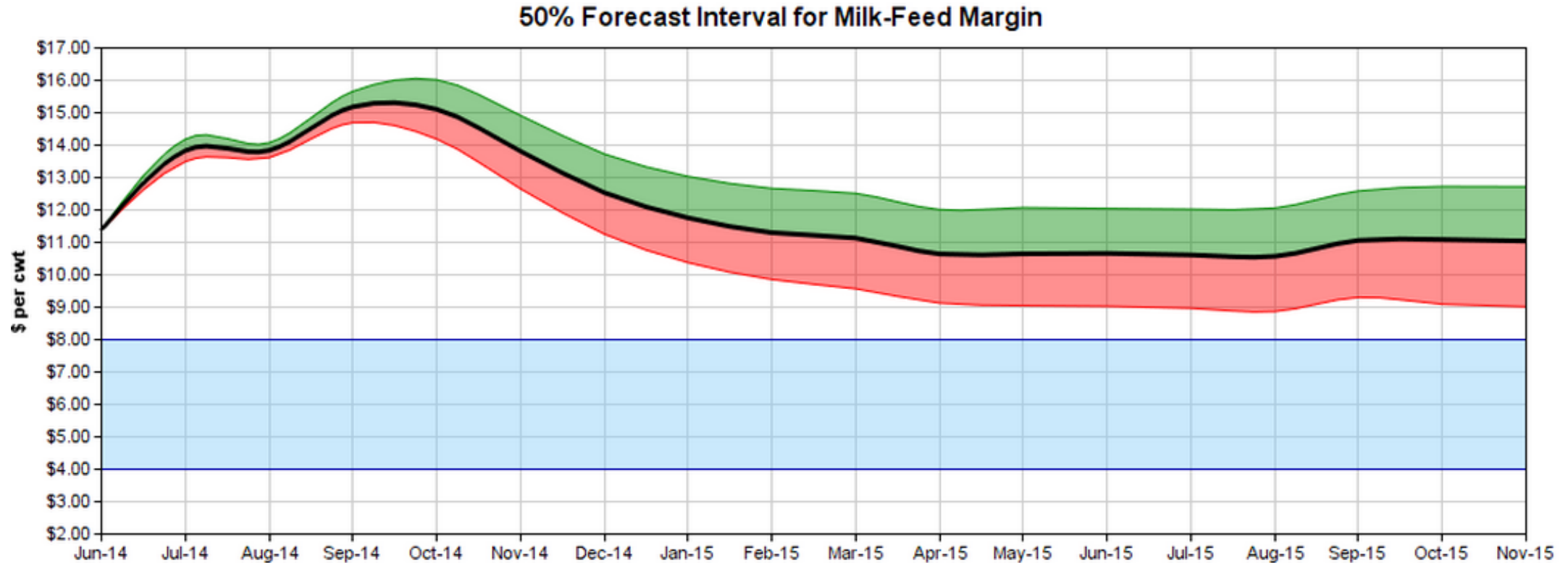


Farms Can Cover:
Max(2011,2012,2013) Milk Lbs.



182
Billion Lbs

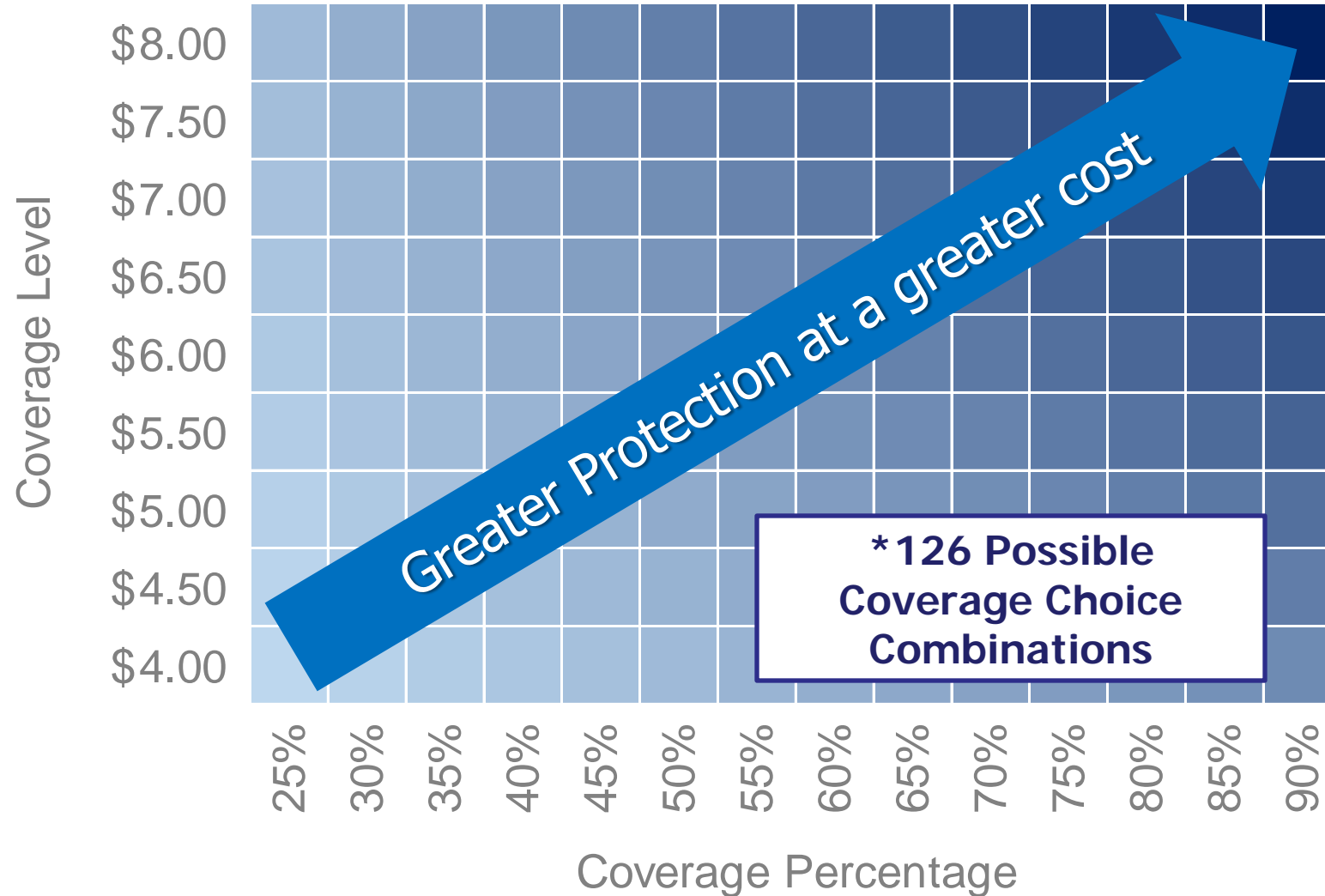
MPP: A New Way to Think About a Government Safety Net



Key farmers decisions:

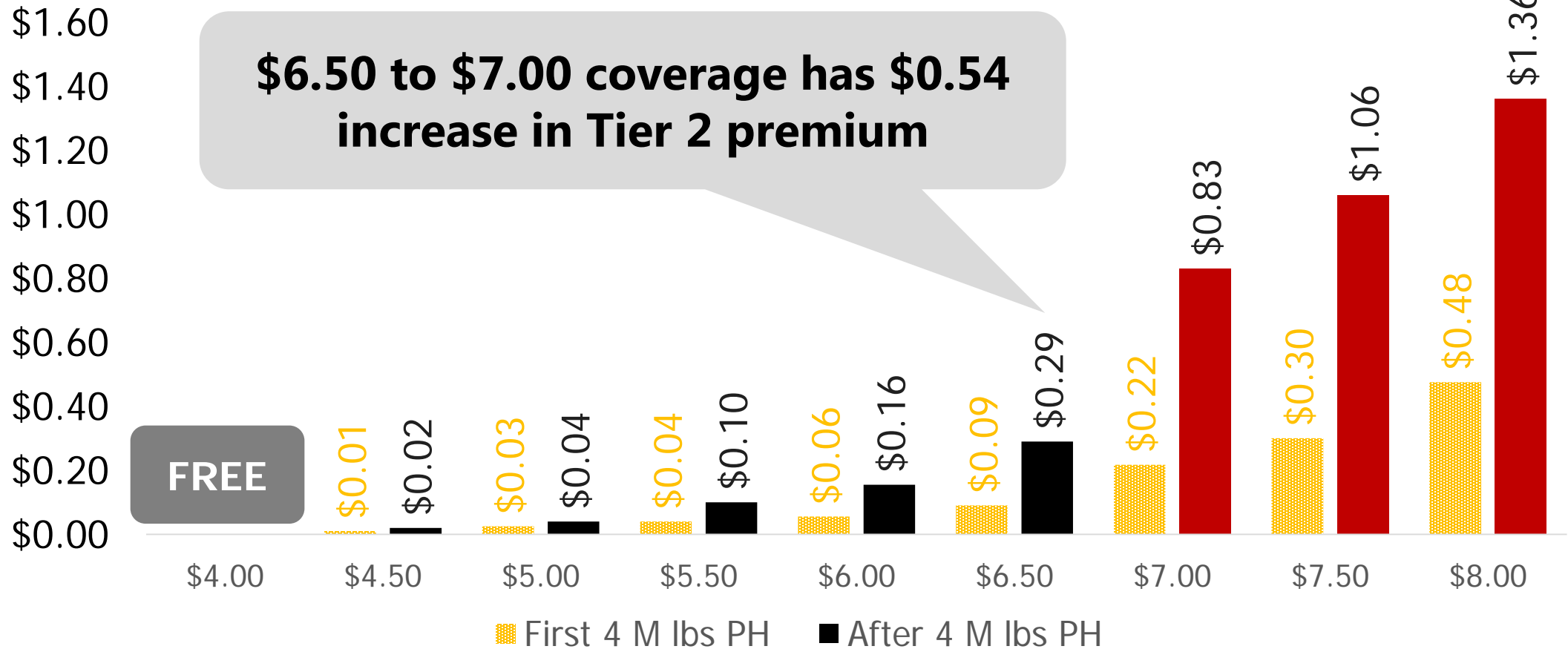
- 1) How much milk to protect (25% to 90%)
- 2) What margin level to protect (\$4 to \$8)

Coverage Options*



Premium Rates May Alter Participation Incentives

Premium Rates



MPP: USDA Funded Producer Decision Education Project

Margin Protection Program (MPP) ONLINE DECISION TOOL

Including the LGM-Dairy Analyzer ©



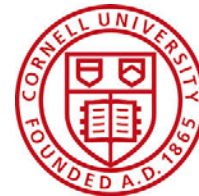
WISCONSIN
UNIVERSITY OF WISCONSIN-MADISON

 **ILLINOIS**
UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

MICHIGAN STATE
UNIVERSITY

PENNSTATE

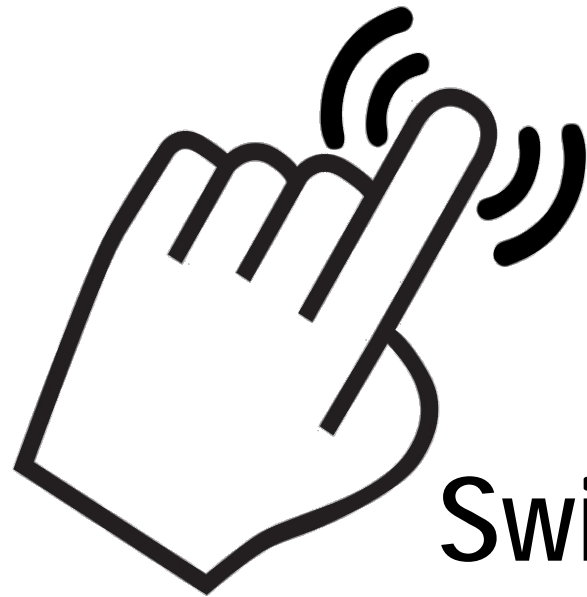

UNIVERSITY OF MINNESOTA



8 Extension Economists

7 Land Grant Institutions

Easy Cross-Program Comparison



ONE CLICK

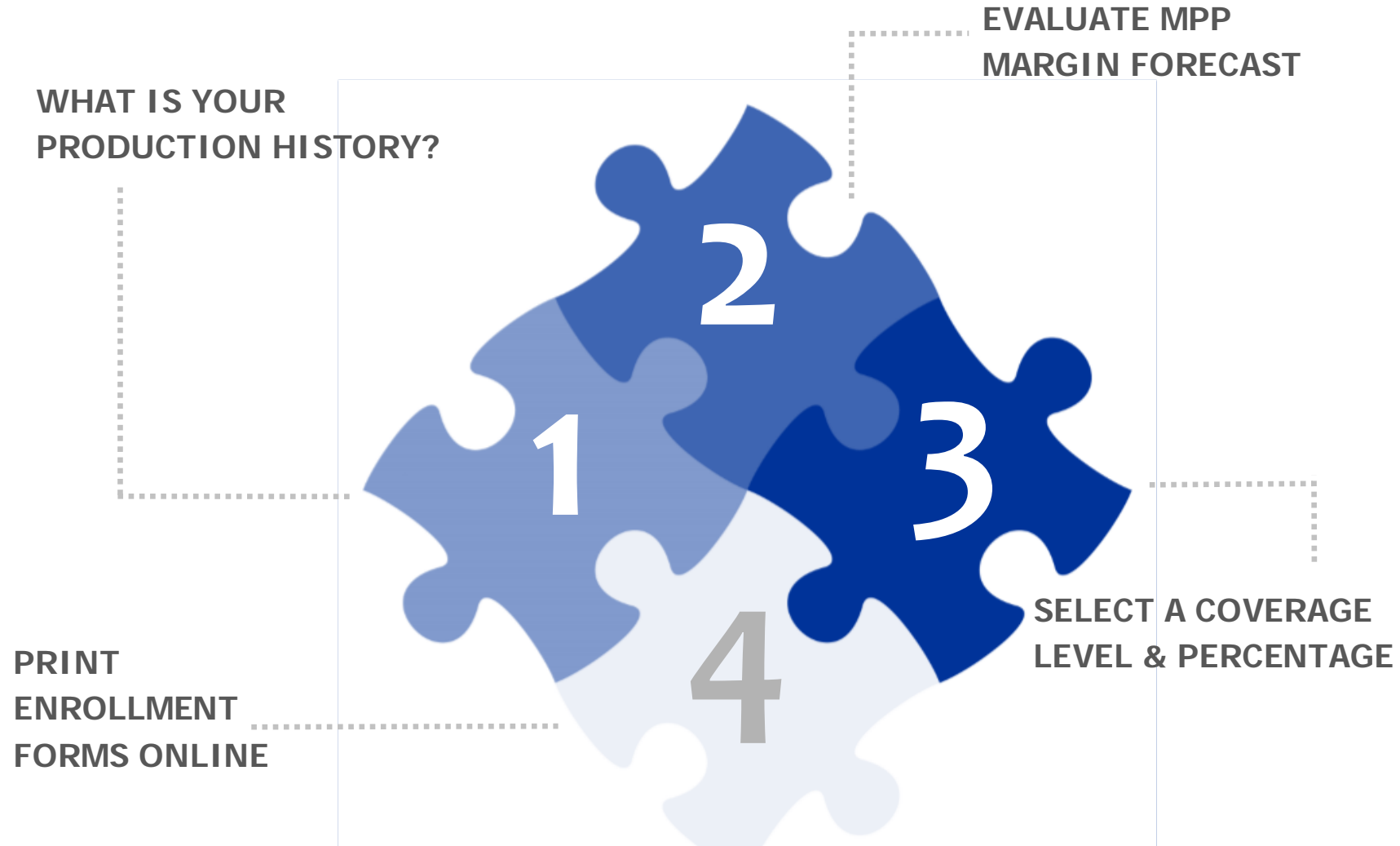
Switch between the MPP-Dairy Tool
& the “Award Winning” LGM-Dairy Analyzer[©]

Built With Farmers in Mind

Only one data point needed
Farm's Milk Production History

4 **CLICKS**
TO GET THE INFORMATION YOU
NEED FOR MPP ENROLLMENT

4 Steps of the Decision Tool



Windows PC, iOS, & Android

WORKS
WITH
ALL ELECTRONIC
DEVICES

All calculations are performed in the cloud to maximize efficiency.



Secure and 100% Free

DATA SECURITY



Farmer Data is Not
Collected

100% Free 24/7 Access



Always Available &
Free to Use

Online Educational Material



Find videos, PowerPoints, printed material, and links to other Farm Bill decision tools online.

www.dairymarkets.org/MPP

Margin Protection Program (MPP) ONLINE DECISION TOOL

Demonstration

Questions?

Please continue to submit questions during this part of the webinar

John Newton

jcnewt@Illinois.edu



@New10_AgEcon

Visit the 'Downloads' page at farmdoc.illinois.edu/webinars