

“Dairy Likely To Alter Breed Selection”

proclaimed the headline across the top of page 1 of the Business section of *The Amarillo Globe-News*, Sunday, March 12, 2006. And why would the industry alter the base of its production? “Jerseys have economic edge over Holsteins.”

The economics of the cheese business, particularly in the Texas panhandle, makes plenty of news these days. And one simple, fundamental fact of that business is accelerating the demand for Jersey cattle. If you’re in milk procurement, like Patty Stroup of Hilmar Cheese Company, and looking at what it costs to produce a pound of cheese, the bottom line is plant efficiency.

“I want to buy the most fat and the most protein pounds I can get that comes with the least water,” she told a standing-room only crowd

gathered on March 8 in Dalhart, Texas to get the story on Hilmar’s expansion plans. “We can run the same volume of milk and get so much more cheese out the back end of our plant.”

Therefore, “Our pricing system is set up so that the higher component milk is rewarded more than the lower component milk is.”

Hilmar Cheese is “green-fielding an industry” in Dalhart. It is building a plant where little milk is produced today, and by its pricing formula enticing the development of a sustainable, high component milk supply. Its needs will be huge. The Dalhart facility will take in 2 million pounds of milk a day when it starts up in fall of 2007, expand by another 1.5 million pounds in 2008, then take on an additional 1 million pounds each year after that until it reaches its capacity of 9.5 million pounds in 2014.

Each million pounds of milk is 18,000 cows. This is opportunity without precedent for the Jersey breed.

All we have to do is supply the demand for cattle. It’s coming not only from the new dairies being built on the High Plains, however, but also from the Upper Midwest and every other locale where there are milk producers who are paying close attention to the economics of the cheese business and who expect to be in business three, five, 10 years from now.

Thus, the demand for Jerseys in the United States over the next decade is potentially much, much more

than 171,000 cows in the Texas panhandle. It’s conceivably double, perhaps even triple the number of Jersey cows in production today.

Which brings us back to the question we raised last month: “How

long would it take to double the size of a Jersey herd?” It could take seven years (*Figure 1, blue line*), or it could happen in just five (*green line*). Sooner would be better. Otherwise, the present opportunity to expand the Jersey breed could pass us by.

Fast-track expansion begins with achieving the targets for culling rate, calving interval, age at first calving, and calf and heifer losses listed in the upper left-hand corner of *Figure 1*. It continues with unstinting utilization of highly ranked Cheese Merit (CM\$) A.I. sires, then raising heifers so they are disease-free, well-mannered and headlock-trained. Not only will you have plenty of quality replacements for your own operation, you’ll also have a nice payday when you sell those you don’t need.

Be bold. The market for Jerseys is long-term and it will be sustainable.

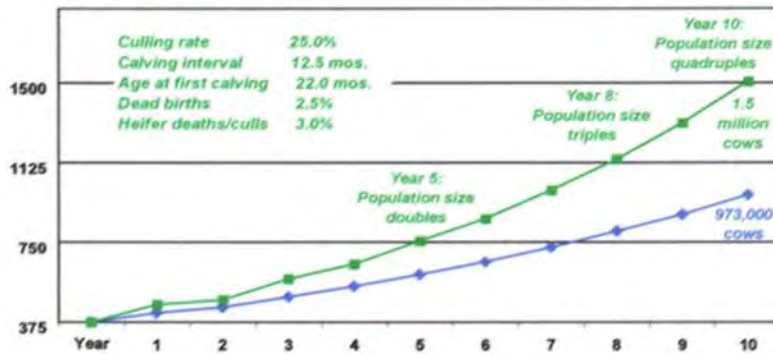


Fig. 1. Forecasts of U.S. Jersey milking cow herd size at average annual growth rates of 10% (blue line) and 15% (green line), based upon culling rate, calving interval, age at first calving, dead births, and heifer death/cull rate.