



SUPERIOR CALIFORNIA

Serving the Northern



DAIRY REVIEW

Sacramento Valley

July 24, 2003

Vol. XII, No. 4

In This Issue . . .

Dairy Herdsman Short Course to be held at Chico

Making Your Calculations for the CWT Program

Dairy Herdsman Short Course to be held at CSU, Chico October 28-30

Save the date now for the 3-day Herdsman Short Course sponsored by the University of California Cooperative Extension and California State University, Chico. The event will be held at the CSUC Farm. Lunch, a comprehensive notebook and other class materials will be included in the \$150 fee. Additional participants from the same dairy can register for \$75.00. Student registration is \$75.00. Three days of classes and hands-on laboratories will be held covering topics such as foot care, conducting a cow-health exam, milking management, human health concerns, reproductive physiology and milk quality. This workshop is for farm owners and their herd managers, so mark your calendar today! **The class is limited to 40 so register now!**

Making Your Calculations for the CWT Program

As you know, Jim Tillison gave a presentation at the Kountry Kitchen on July 18 regarding the details of the CWT program. Before anyone signs up, they need to “do the math” and figure out just what they will get out of participating in the program (aside from an assessment of 5 cents/cwt).

In order to help you out, I have developed an excel spreadsheet that gives you some idea of the income that would be derived from sample “bids” for the cow sale program across a range of milk production levels. It allows you to enter your herd average in CWT, cow numbers, market price of your cows (if they were being sold as milking stock) and their average weight. The first table will then give you a “ballpark” figure of what kind of payment you would receive depending on the bid level you chose. Since you will also have income from sale of cows, I have put in a column that shows your income after the 15% capital gains tax for the sale of the cows.

In the second table, you can enter the percent decrease of milk production that you want to make if you decide not to sell cows to the CWT Program. Just enter the percent decrease and the table will give you the total annual income you would receive from the program across a range of bids/cwt. Don’t forget that you would still have the assessment to pay on the milk you continued to produce.

The third table shows what would happen if you did not enter into any agreement and just paid the assessment and then the milk price increased.

Barbara Reed
Farm Advisor

In accordance with applicable State and Federal laws and University policy, the University of California does not discriminate in any of its policies, procedures, or practices on the basis of race, religion, color, national origin, sex, marital status, sexual orientation, veteran status, age, medical condition, or handicap. Inquiries regarding this policy may be addressed to the Affirmative Action Director, University of California, Agriculture and Natural Resources, 300 Lakeside Drive, 6th Floor, Oakland, CA 94612-3560. (510) 987-0097.



To simplify information, trade names of products have been used. No endorsement of named products is intended, nor is criticism implied.

The example is for a 600 cow herd with a production average of 170 cwt and a milk price increase of \$0.35. This is not a specific increase to any one class of milk, but just a generic increase. The assessment is then deducted to show what your net income increase would be depending on the milk price change.

I would be happy to go over this spreadsheet with anyone and to provide you with a floppy disc of this program for no charge. The excel spreadsheet can also be accessed at our website at:

http://ceglenn.ucdavis.edu/Dairy/CWT_Program_Bid_and_Cost_Estimates.htm