

Grass Based Dairying—Why Iowa?

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Driving through the state of Iowa makes one wonder what continues to lead the loss of dairy livestock production across the state as more and more acres continue to be converted into row crops each year. The loss of dairy livestock doesn't sound important until we consider the also the economic loss of not having these farm businesses to support infrastructure and jobs in our local communities or the environmental loss of added soil erosion due to the higher intensity of row crop acres.

Target herd sizes of 80-120 cows with mostly family labor has shown to be a successful model on 1.5 to 2 acres of forage ground per cow. Two keys to reducing labor requirements, thus improving the quality of life, are a cost-efficient milking system and a cost-efficient rotational grazing system. Those two keys are also important for keeping investment levels, especially machinery and facilities at a level that allows income generation over total costs.

For areas of Iowa where corn silage is a competitive crop, access to one-third of an acre of corn silage per cow as a means to reduce winter forage costs and pasture supplementation costs if profitable to do so.

Adding value to every \$1 of feed that is used here in Iowa, the dairy industry may be the most important industry to target small business economic growth from. If 100 new grass based dairies were up and running at 100 cows each (10,000 cows), \$27 million is contributed to farm income, employing 120-150 people and using feed from 30,000 acres of land in addition to purchased feeds of \$400,000. Purchased services would be \$655,500 in veterinary and medicine, \$320,000 in breeding services, \$1,120,000 in interest, \$638,350 in supplies, \$500,000 in fuel, gas and oil, \$1,500,000 on seed, chemicals and fertilizers, \$586,500 in utilities and \$3,429,850 in salaries for family living expenses to be spent in other parts of the economy. Additional monies are spent on custom services, consulting, insurance, taxes, machinery and equipment and other expenses to a tune of \$2,500,000 per year. Thus the economic implications are retaining and expanding dairy operations is immense.

A concerted effort by counties, economic development commissions, extension, government agencies needs to be coordinated to assist infrastructure development. In addition, a more concerted effort needs to be coordinated to develop aspirations of beginning producers to want to pursue a production career in the dairy industry. Financial budgeting and analysis, pasture development, facility remodeling and dairy production and pasture management skills need to be addressed in both formal and in-formal settings.

Research into beginning farm programs from other states needs to be assessed for applicability in Iowa. Financial and personnel resources must be secured for this to happen also as beginning producers are time-consuming and it is everyone's best interest to get them started off on the right foot.

Thus, thanks to the land, water, experience, environment and infrastructure, Iowa would seem like a very logical place to develop grass based dairies.