

# AUTOMATED ACTIVITY MEASURING ADOPTION AND ECONOMIC CONCERNS



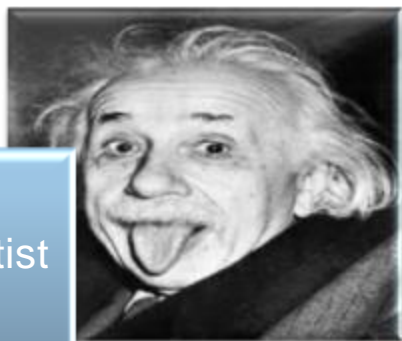
**Jeffrey Bewley, Amanda Sterrett, Randi Black, Barbara Wadsworth, Di Liang, Karmella Dolecheck, Matthew Borchers, Lauren Mayo, Nicky Tsai, Maegan Weatherly, Melissa Cornett, Samantha Smith, Megan Hardy, and Jenna Klefot**



# Precision Dairy Players



Scientist



Engineer



Company



Farmer



Cow



These Two are the Keys

# Technological Transformation

- Extension of other industries
- New dairy industry demands
  - Animal well-being
  - Consumer demands
  - Environmental pressure
  - Labor challenges
  - Economic competition



# Cow Challenge Solutions

1. Finding cows in heat
2. Finding and treating lame cows
3. Finding and treating cows with mastitis
4. Catching sick cows in early lactation
5. Understanding nutritional status of cows
  - a. Feed intake
  - b. Body condition (fat or thin)
  - c. Rumen health (pH/rumination time)

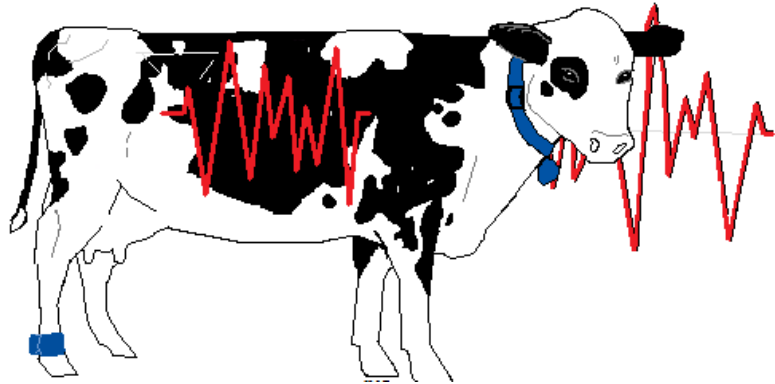


# Happy Cows via Technology?

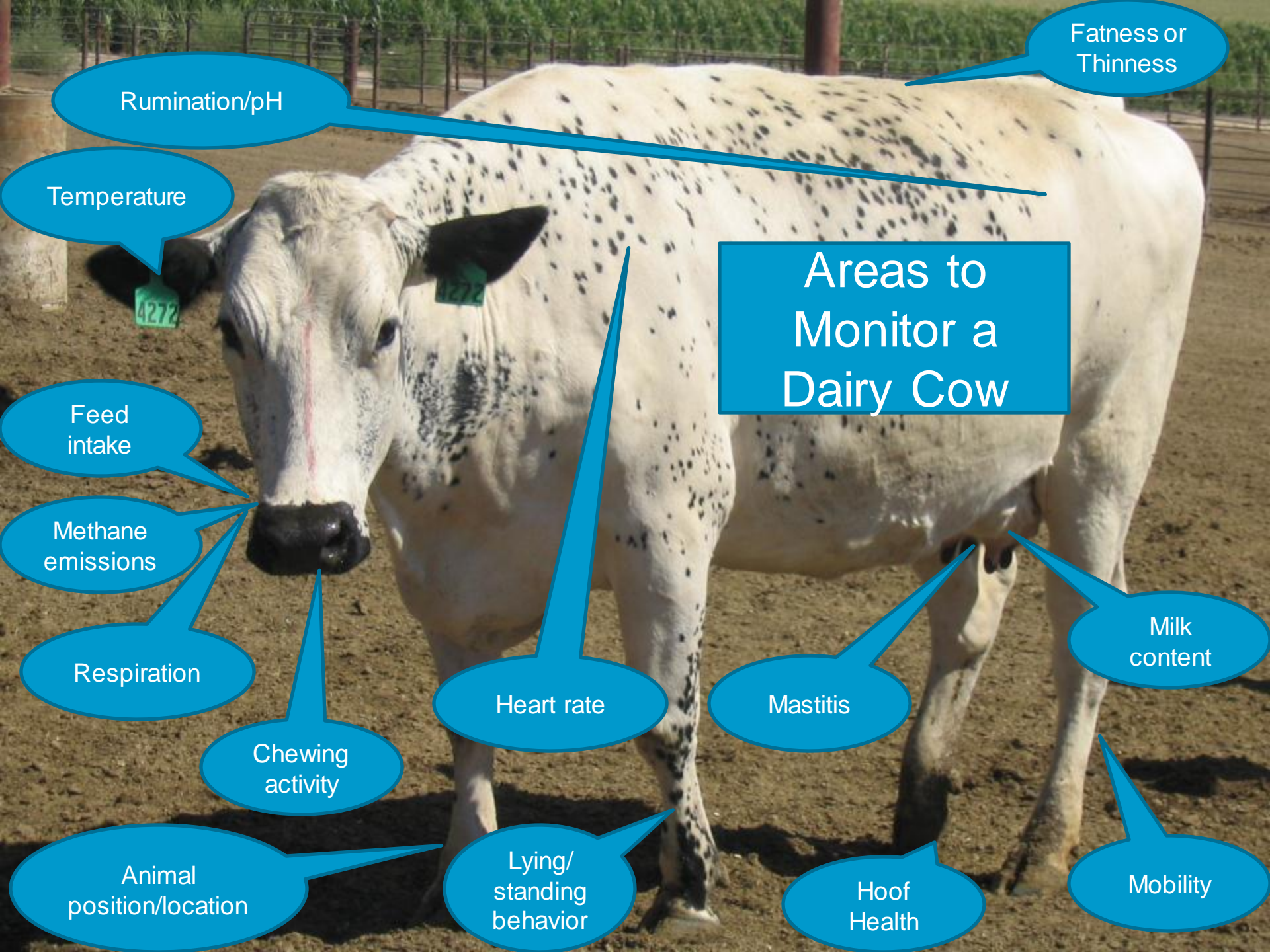




# Precision Dairy Management



*The use of automated, mechanized technologies toward refinement of dairy management processes, procedures, or information collection*



Fatness or  
Thinness

Rumination/pH

Temperature

## Areas to Monitor a Dairy Cow

Feed  
intake

Methane  
emissions

Respiration

Chewing  
activity

Heart rate

Mastitis

Milk  
content

Mobility

Hoof  
Health

Lying/  
standing  
behavior

Animal  
position/location



# UK Coldstream Dairy Monitoring Capabilities



**Thank You to  
All our  
Consortium  
Sponsors!**

Technology	Parameter(s) Measured
SmartBow	Position, Movement
VelPhone	Calving Time, Vaginal Temperature
Alanya	Temperature, Lying Time, Activity, Locomotion, Behavior
AfiLab	Fat, Protein, Lactose
Pedometer Plus	Lying Time, Steps
HR Tag	Rumination Time, Neck Activity
Track-a-Cow	Lying Time, Time at Feedbunk
Mastiline	Somatic Cell Count
CowManager Sensor	Rumination Time, Feeding Time, Ear Skin Temperature, Activity
IceQube	Lying Time, Steps, Locomotion
Anemon	Vaginal Temperature, Estrus
TempTrack	Reticulorumen Temperature
FeverTag	Tympanic Temperature
AccuBreed	Mounting Activity
CowScout	Leg Activity

# Precision Dairy Farming Benefits

- Improved animal health and well-being
- Increased efficiency
- Reduced costs
- Improved product quality
- Minimized adverse environmental impacts
- More objective



# So Many Options!!!!



# Ideal Technology



- Explains an underlying biological process
- Can be translated to a meaningful action
- Cost-effective
- Flexible, robust, reliable
- Simple and solution focused
- Information readily available to farmer
- Commercial demonstrations



# What Are the Limitations of Precision Dairy Farming?



# PDF Reality Check

- **Maybe not be #1 priority for commercial dairy producers (yet)**
- **Many technologies are in infancy stage**
- **Not all technologies are good investments**
- **Economics must be examined**
- **People factors must be considered**



# Technology Pitfalls



- “Plug and play,” “Plug and pray,” or “Plug and pay”
- Technologies go to market too quickly
- Not fully-developed
- Software not user-friendly
- Developed independently without consideration of integration with other technologies and farmer work patterns





# Technology Pitfalls



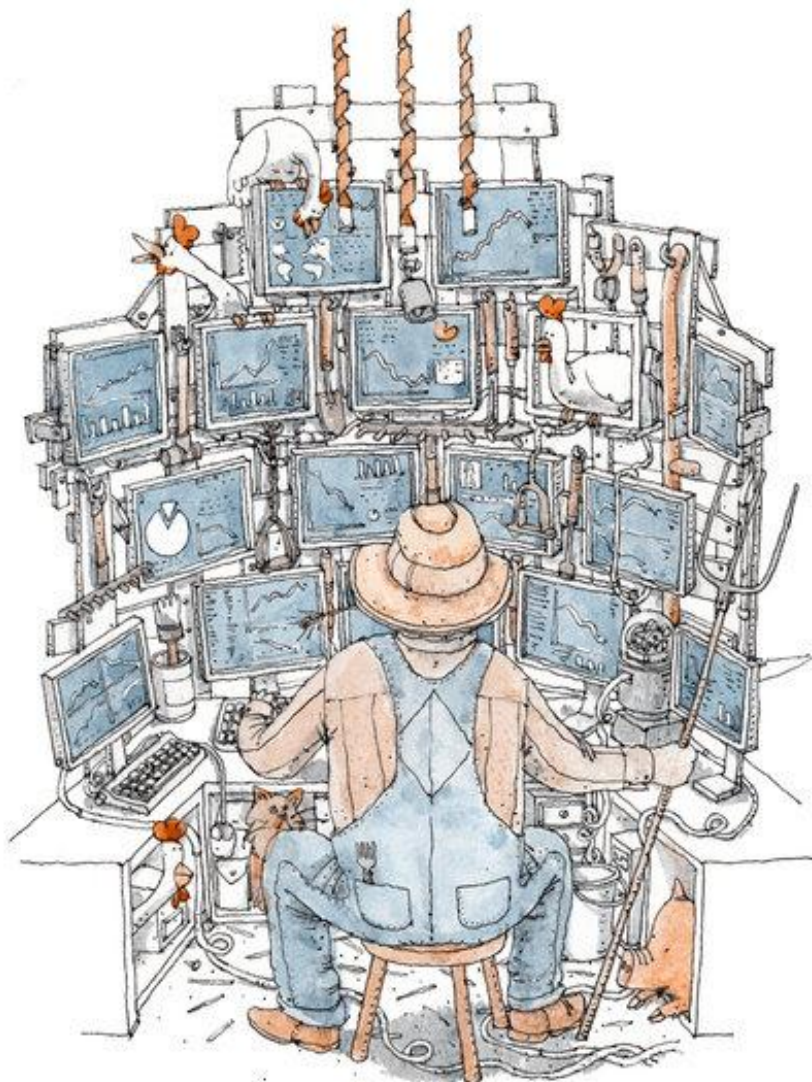
- Too many single measurement systems
- Lack of large-scale commercial field trials and demonstrations
- Technology marketed without adequate interpretation of biological significance of data
- Information provided with no clear action plan

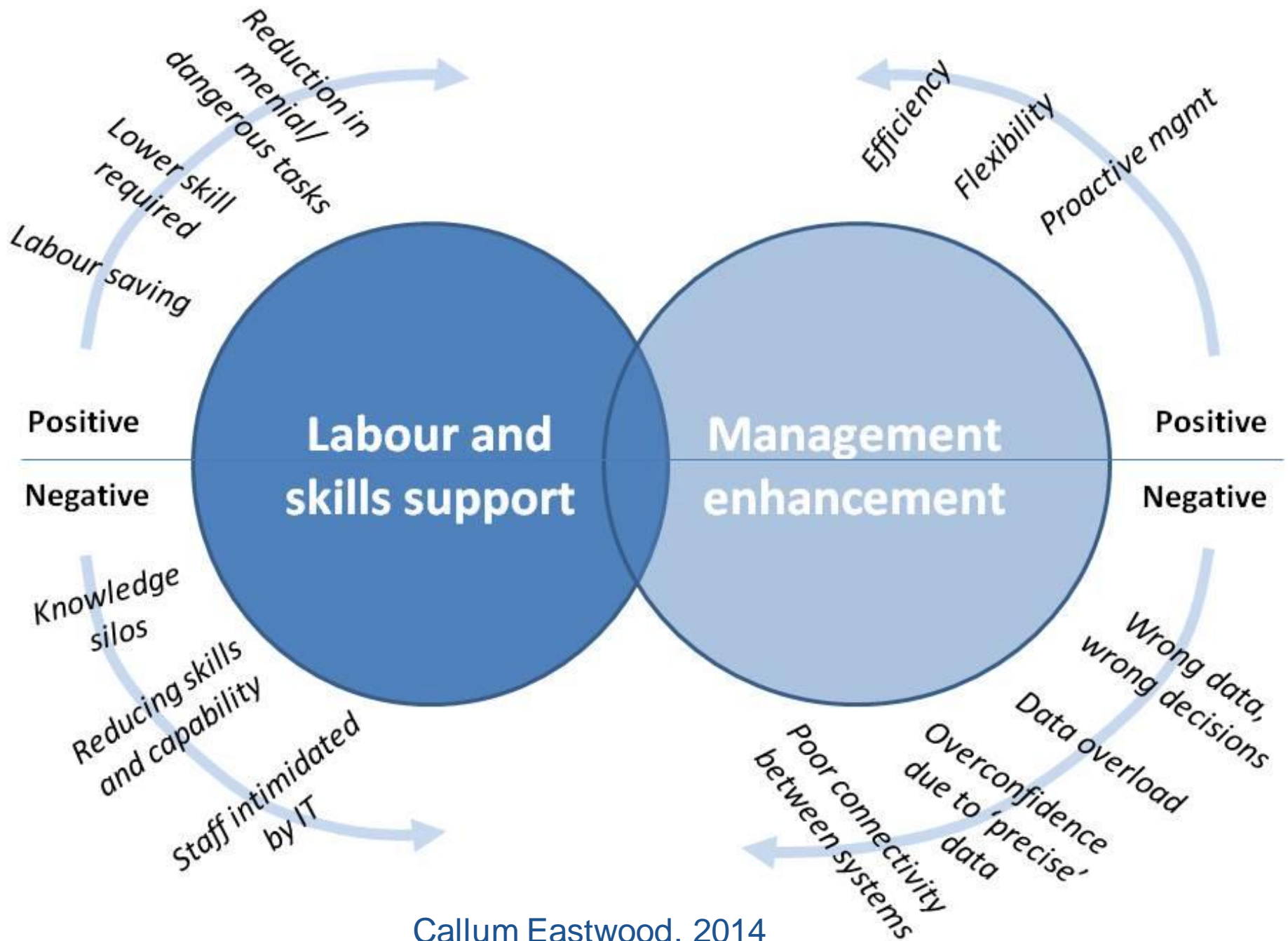
# Lessons Learned

- Be prepared for little things to go wrong
- Be careful with early stage technologies
- Need a few months to learn how to use data
- Data integration is challenging



# UK Herdsman Office





# Accuracy and Precision



# Sensitivity and Specificity

**Sensitivity** (true positive rate): alert with an observed mastitis case

$$\text{Sensitivity} = \frac{\text{true positives}}{\text{true positives} + \text{false negatives}}$$

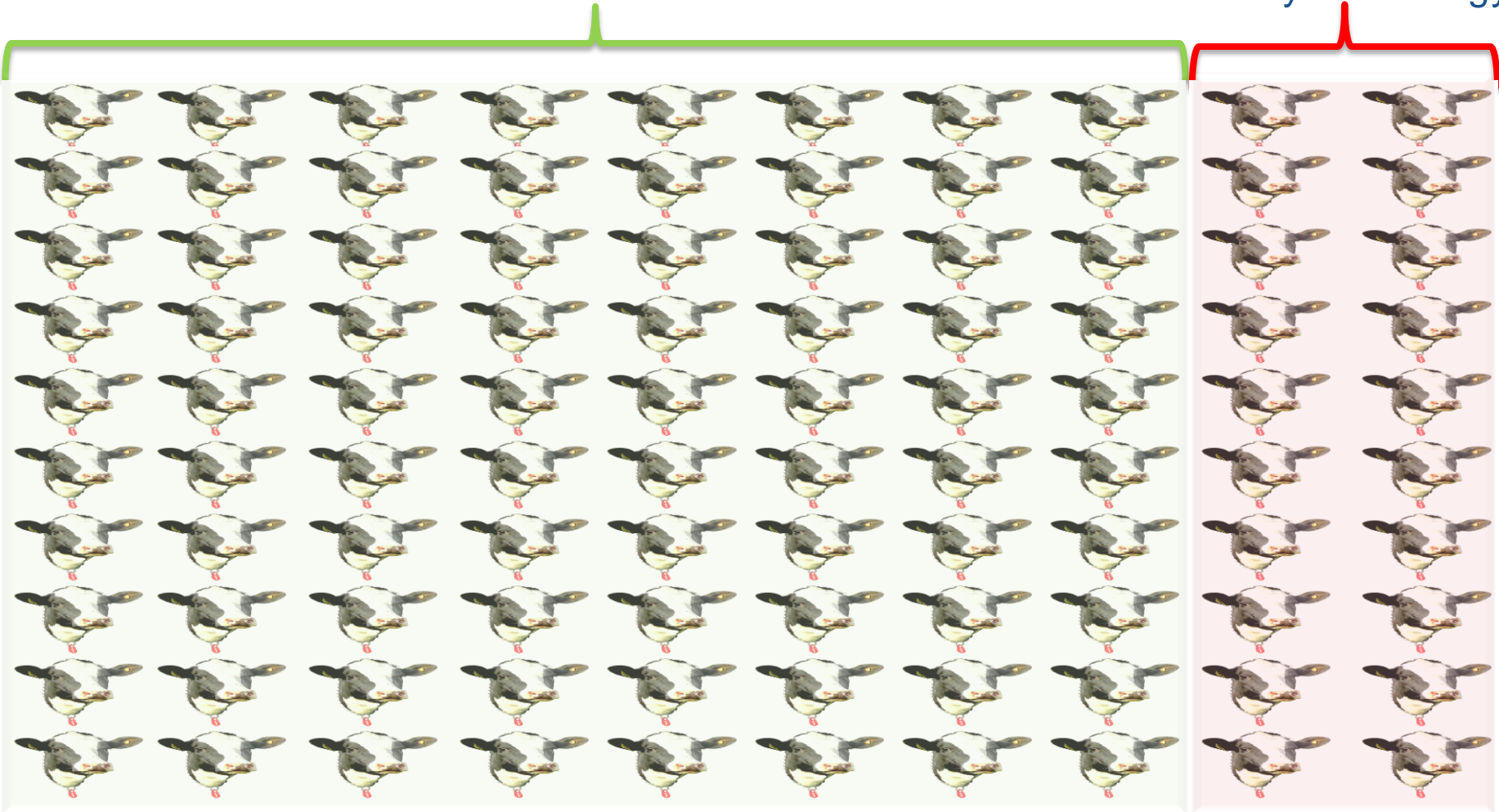
**Specificity** (true negative rate): no alert with no mastitis

$$\text{Specificity} = \frac{\text{true negatives}}{\text{true negatives} + \text{false positives}}$$

# How Many Cows With Condition Do We Find?

80 Estrus Events Identified by Technology

20 Estrus Events  
Missed by Technology

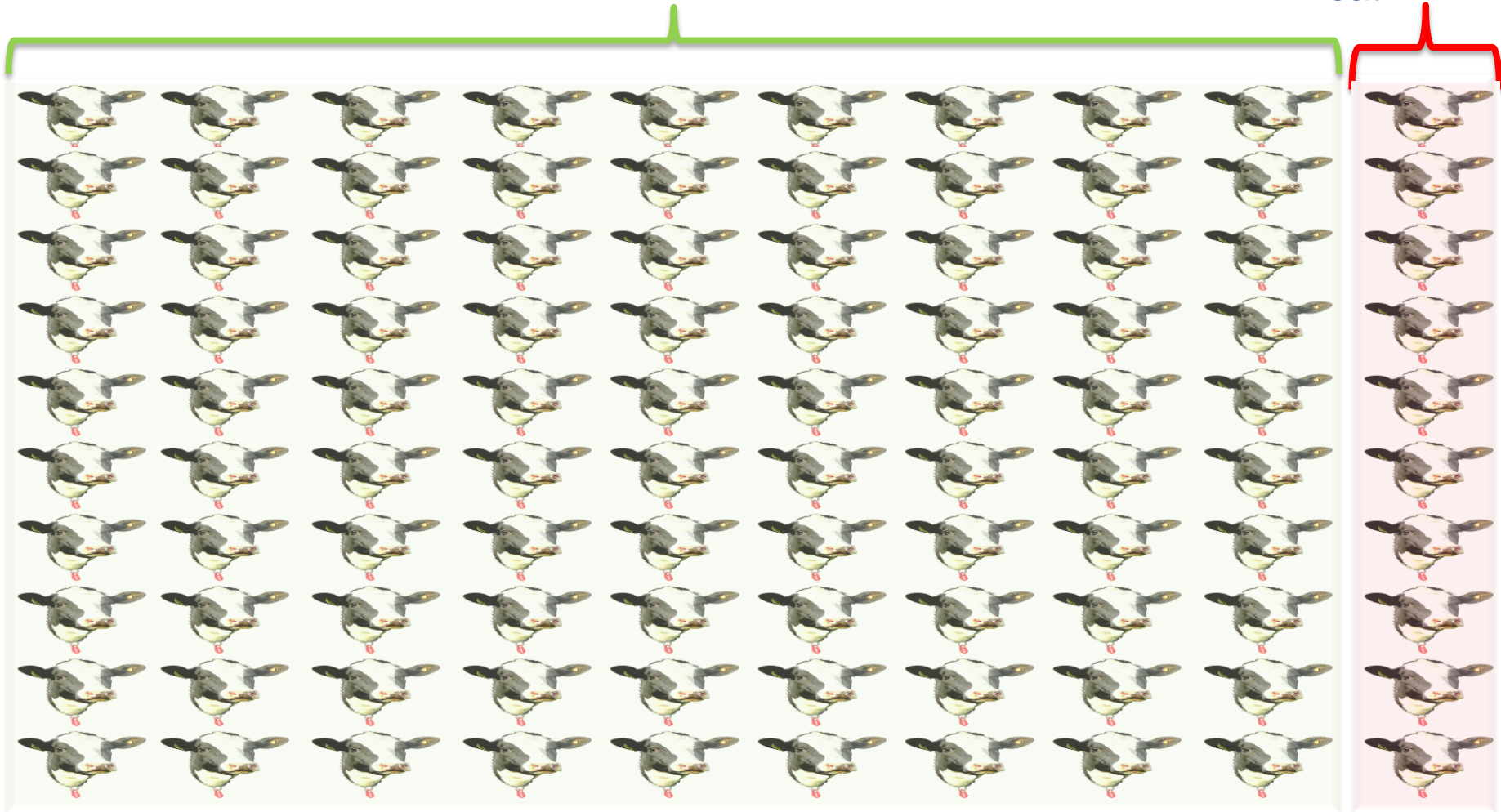


Example: 100 estrus events

# How Many Alerts Coincide with an Actual Event?


90 Alerts for Cows Actually in Heat

10 Alerts for Cows Not in Heat



Example: 100 estrus events

# What's the Sweet Spot?

- 
- A cow standing in a field, its body composed of US dollar bills, symbolizing the financial aspects of the text.
- Cost of missed event
    - High for estrus
    - Lower for diseases?
  - Cost of false positive
    - Low for estrus
    - High for mastitis
  - Farm dependent

SRRORIM

+

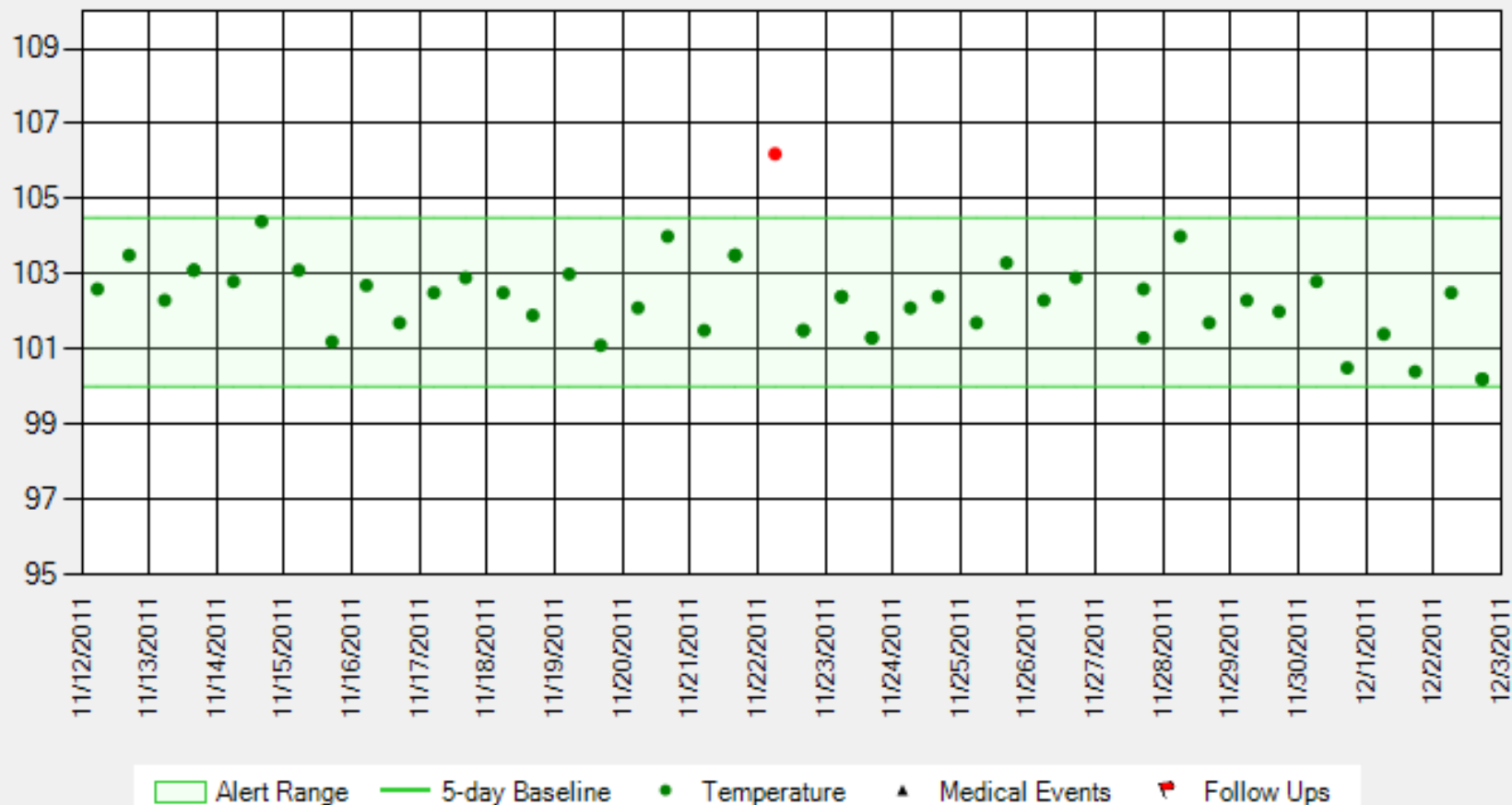
SAKE



# DVM TempTrack



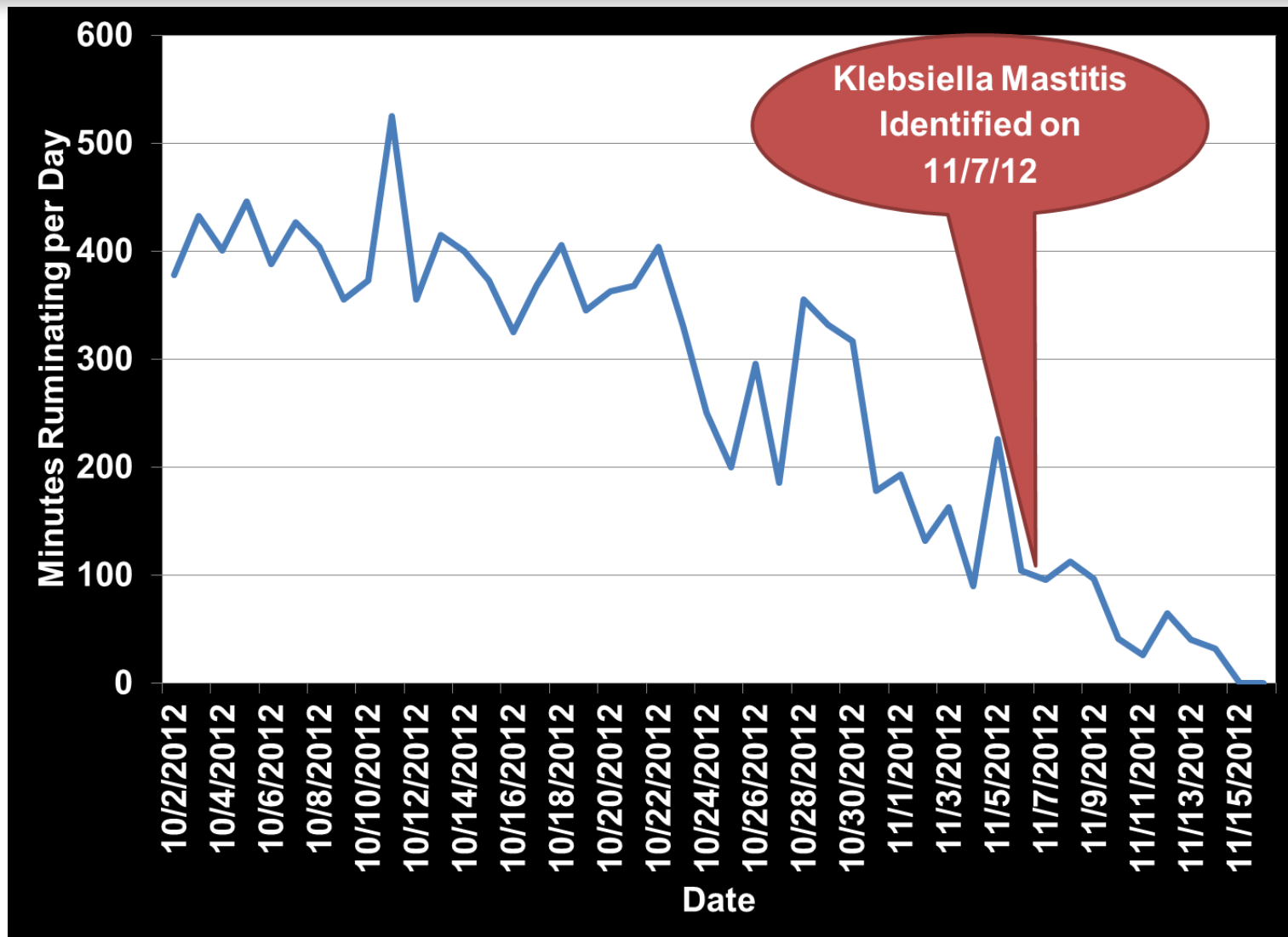
TempTrack™ Bolus Readings



1331 had *Strep uberis* isolated from her LF and RF quarters on 11/29/11

Amanda Sterrett et al. , Unpublished Data

# SCR Rumination Time



# Percent of cows above and below Z-score thresholds and varying alert time windows from udder quarters from clinical, subclinical, and mastitis-free cows

			Subclinical mastitis		Clinical mastitis		No mastitis detected	
Z-score threshold	Observation window (d)	Variable monitored	% Below	% Above	% Below	% Above	% Below	% Above
-2	1	RU	45	55	49	51	54	46
-3	1	RU	45	55	49	51	54	46
-3	2	RU	46	54	49	51	54	46
-3	2	RU	46	54	49	51	54	46
-2	3	RU	48	52	46	53	56	44
-3	3	RU	47	53	48	52	55	45
-2	1	NA	45	55	49	51	54	46
-3	1	NA	45	55	49	51	54	46
-2	2	NA	46	54	49	51	54	46
-3	2	NA	46	54	49	51	54	46
-2	3	NA	48	52	48	52	56	44
-3	3	NA	47	53	48	52	55	45
-2	1	MY	4	96	22	78	35	65
-3	1	MY	4	96	21	79	35	65
-2	2	MY	7	93	25	75	35	65
-3	2	MY	7	93	25	75	35	65
-2	3	MY	15	85	29	71	38	62
-3	3	MY	15	85	29	71	37	63

RU = rumination time, NA = neck activity, and MY = milk yield.



# From Purdue to Poor Due



**PURDUE**  
UNIVERSITY.

Did I get  
the wrong  
PhD?



# The Book of David: Cow People Benefit Most





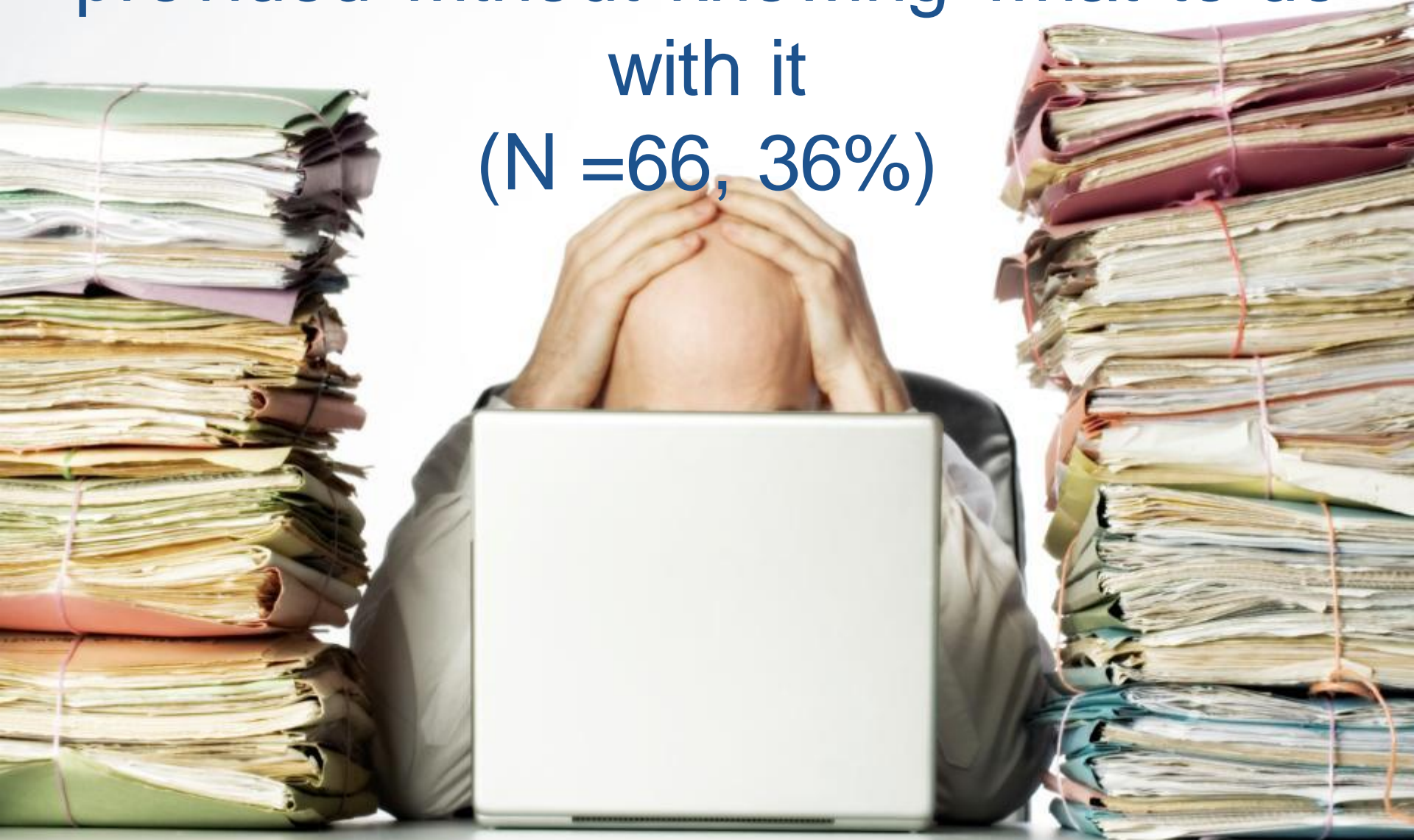
# Why Have Adoption Rates Been Slow?

Reason #1. Not familiar with  
technologies that are available  
(N = 101, 55%)



Reason #2. Undesirable cost to benefit  
ratio  
(N =77, 42%)

Reason #3. Too much information  
provided without knowing what to do  
with it  
(N = 66, 36%)



Reason #4. Not enough time to  
spend on technology  
(N =56, 30%)



# Reason #5. Lack of perceived economic value (N =55, 30%)



# Reason #6. Too Difficult or Complex to Use (N =53, 29%)



# Reason #7. Poor technical support/training (N =52, 28%)



Reason #8. Better  
alternatives/easier to accomplish  
manually  
(N =43, 23%)



# Reason #9. Failure in fitting with farmer patterns of work (N =40, 22%)



# Reason #10. Fear of technology/computer illiteracy (N =39, 21%)



# Reason #11. Not reliable or flexible enough (N =33, 18%)



# Reason #99. Wrong College Degree (N =289, 100%)



# Precision Dairy Technologies: A Producer Assessment

Matthew R. Borchers and Jeffrey M. Bewley  
University of Kentucky  
Department of Animal and Food Sciences



see blue.™



# Materials and Methods

- Statistical analyses performed
  - 152 returned surveys
  - 109 surveys used (72%)
- Statistical analyses
  - SAS® (v9.3) (Cary, NC)



## Question 5. What automatic monitoring technologies do you currently have on your dairy? (If not applicable, select "Not applicable")

Most Used Parameters	Respondent Percentage
Daily milk yield	52.3%
Cow activity	41.3%
Not applicable <sup>1</sup>	31.2%
Mastitis	25.7%
Milk components (e.g. fat, protein, and SCC)	24.8%
Standing heat	21.1%
Feeding behavior	12.8%
Temperature	12.8%
Body weight	11.0%
Rumination	10.1%

<sup>1</sup> Respondents replying "Not applicable," were those not currently utilizing precision technologies on their farms.

Question 5. What automatic monitoring technologies do you currently have on your dairy? (If not applicable, select "Not applicable")

Least Used Parameters	Respondent Percentage
Rumen activity	9.2%
Animal position and location	8.3%
Lying and standing behavior	8.3%
Jaw movement and chewing activity	7.3%
Hoof health	6.4%
Lameness	4.6%
Heart rate	3.7%
Body condition score	2.8%
Methane emissions	1.8%
Respiration rate	1.8%
Rumen pH	0.9%

## Question 6. Rate the importance of the following criteria for evaluating technology purchases

Item	Mean $\pm$ SD
Benefit: cost ratio	4.57 $\pm$ 0.66
Total investment cost	4.28 $\pm$ 0.83
Simplicity and ease of use	4.26 $\pm$ 0.75
Proven performance through independent research	4.24 $\pm$ 0.75
Availability of local support	4.12 $\pm$ 0.95
Compatibility with existing dairy practices and systems	4.12 $\pm$ 0.86
Time involved using the technology	4.07 $\pm$ 0.88

<sup>1</sup>Results calculated by assigning the following values to response categories: Not important: 1, Of little importance: 2, Moderately important: 3, Important: 4, Very important: 5.

## Question 7. Rate the potential usefulness of the following measures

Most Useful Parameters	Mean $\pm$ SD
Mastitis	4.77 $\pm$ 0.47
Standing heat	4.75 $\pm$ 0.55
Daily milk yield	4.72 $\pm$ 0.62
Cow activity	4.60 $\pm$ 0.83
Temperature	4.31 $\pm$ 1.04
Feeding behavior	4.30 $\pm$ 0.80
Milk components (e.g. fat, protein, and SCC)	4.28 $\pm$ 0.93
Lameness	4.25 $\pm$ 0.90
Rumination	4.08 $\pm$ 1.07
Hoof health	4.06 $\pm$ 0.89

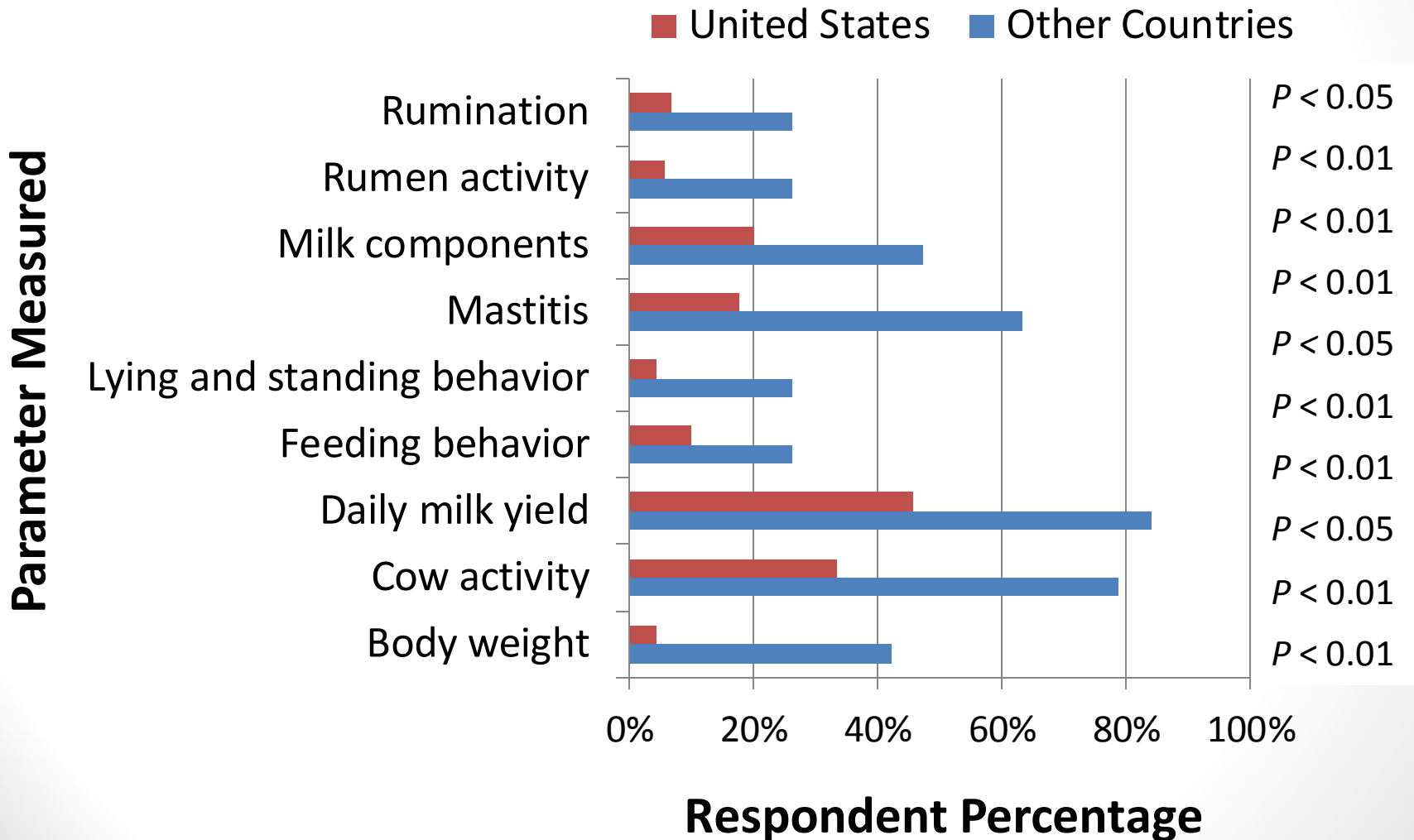
<sup>1</sup>Results calculated by assigning the following values to response categories: Not useful: 1, Of little usefulness: 2, Moderately useful: 3, Useful: 4, Very useful: 5.

## Question 7. Rate the potential usefulness of the following measures

Least Useful Parameters	Mean $\pm$ SD
Rumen activity	3.94 $\pm$ 1.10
Lying and standing behavior	3.79 $\pm$ 1.05
Rumen pH	3.62 $\pm$ 1.16
Jaw movement and chewing activity	3.61 $\pm$ 1.15
Respiration rate	3.40 $\pm$ 1.15
Body weight	3.26 $\pm$ 1.20
Body condition score	3.26 $\pm$ 1.15
Heart rate	3.07 $\pm$ 1.15
Animal position and location	2.75 $\pm$ 1.26
Methane emissions	2.20 $\pm$ 1.16

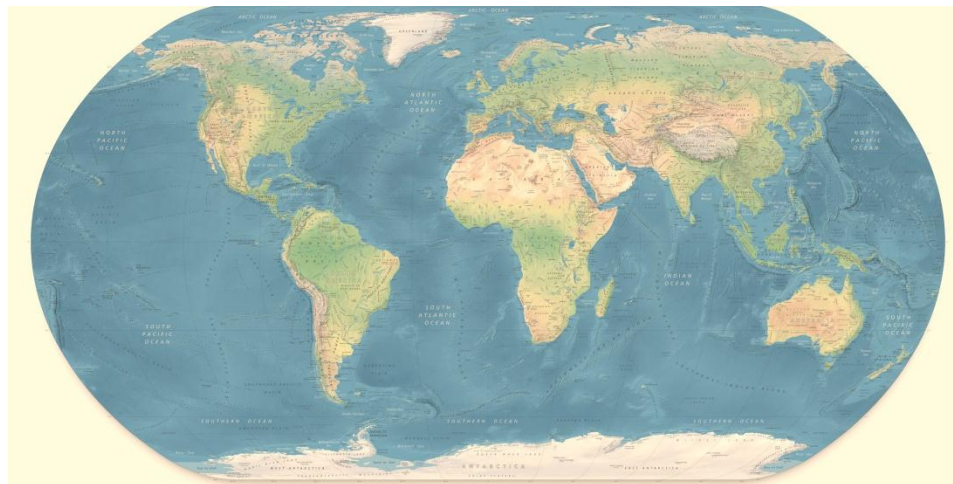
<sup>1</sup>Results calculated by assigning the following values to response categories: Not useful: 1, Of little usefulness: 2, Moderately useful: 3, Useful: 4, Very useful: 5.

# Comparisons Between Countries for Parameters Currently Measured



# Conclusions

- Significant ( $P < 0.05$ ) differences exist between the respondents from other countries and the United States, in the usage of various technologies
- Indicative of a higher percentage of producers using technologies in other countries





# Economic Considerations



- Need to do investment analysis
- Not one size fits all
- Economic benefits observed quickest for heat detection/reproduction
- If you don't do anything with the information, it was useless
- Systems that measure multiple parameters make most sense
- Systems with low fixed costs work best for small farms





# Purdue/Kentucky Investment Model



- Investment decisions for PDF technologies
- Flexible, partial-budget, farm-specific
- Simulates dairy for 10 years
- Includes hundreds of random values
- Measures benefits from improvements in productivity, animal health, and reproduction
- Models both biology and economics

## Inputs

Farm Specific or  
Industry Averages

Underlying System  
Behavior

Historical Prices

Technology Costs and  
Impact

## Intermediate Calculations (Modules)

Herd Behavior

Random Variables

Improvements from  
Technology Adoption

## Technology Impact

Revenues

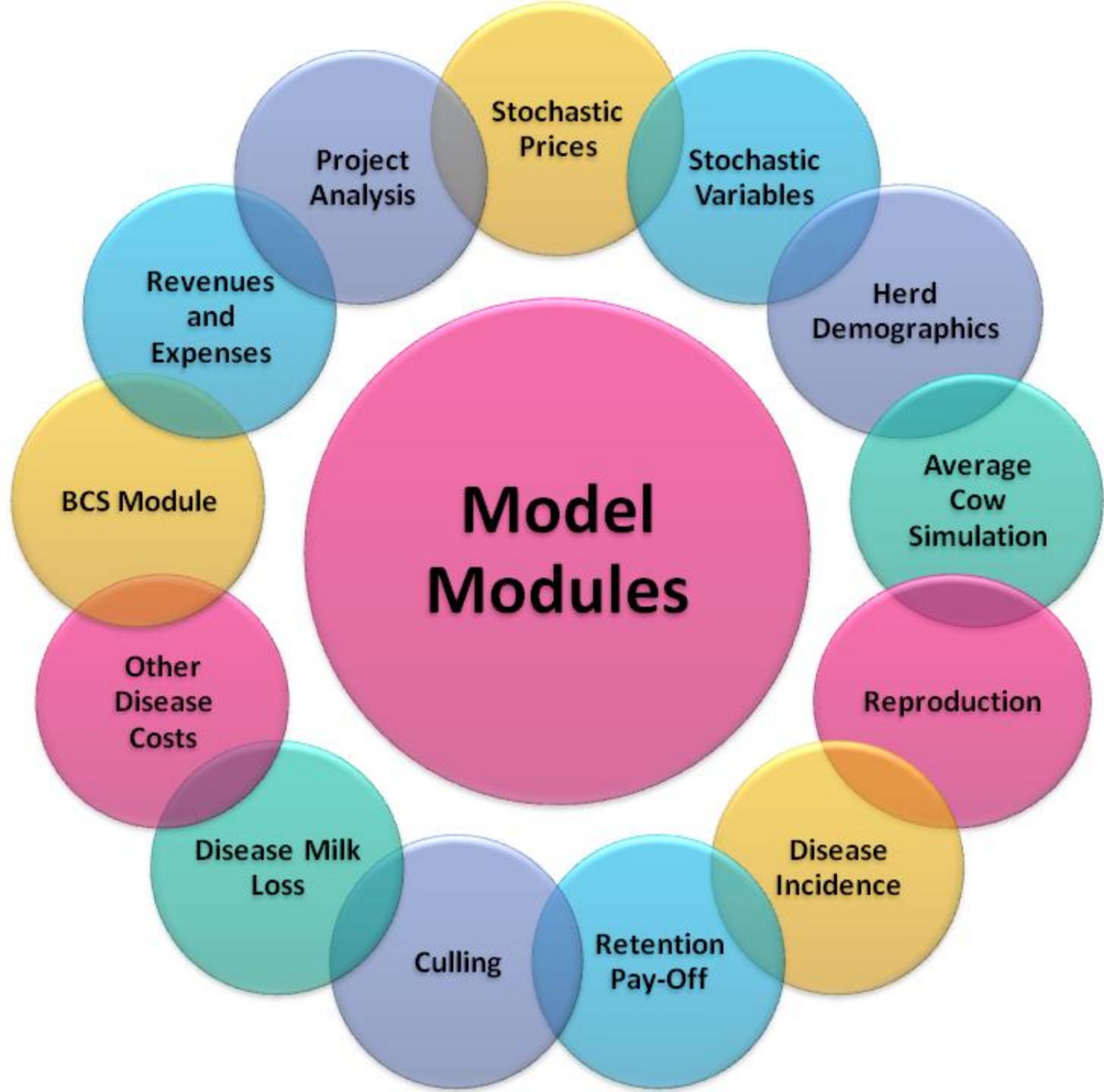
Expenses

## Project Analysis

Net Present Value

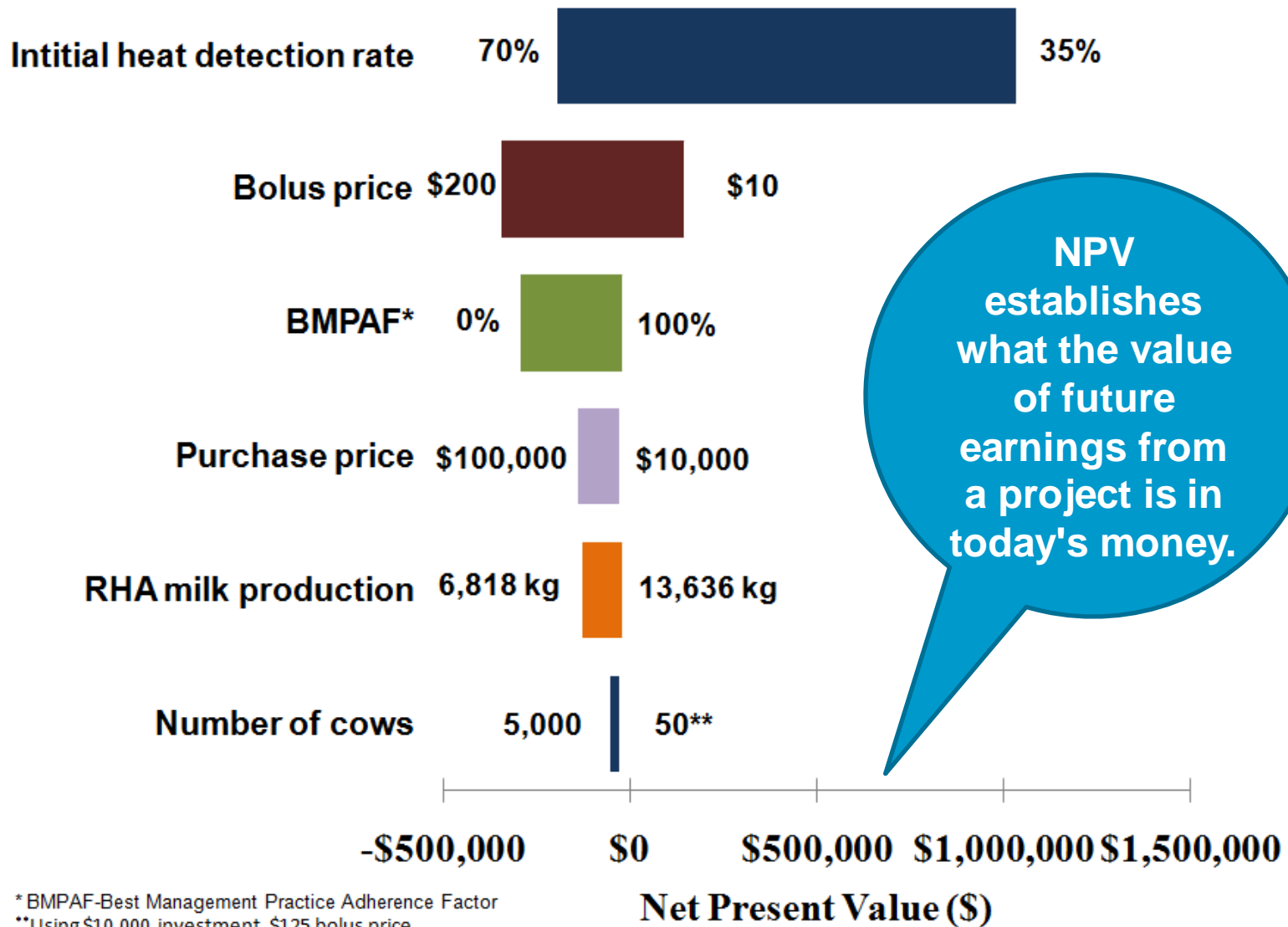
Financial Feasibility

Sensitivity Analysis



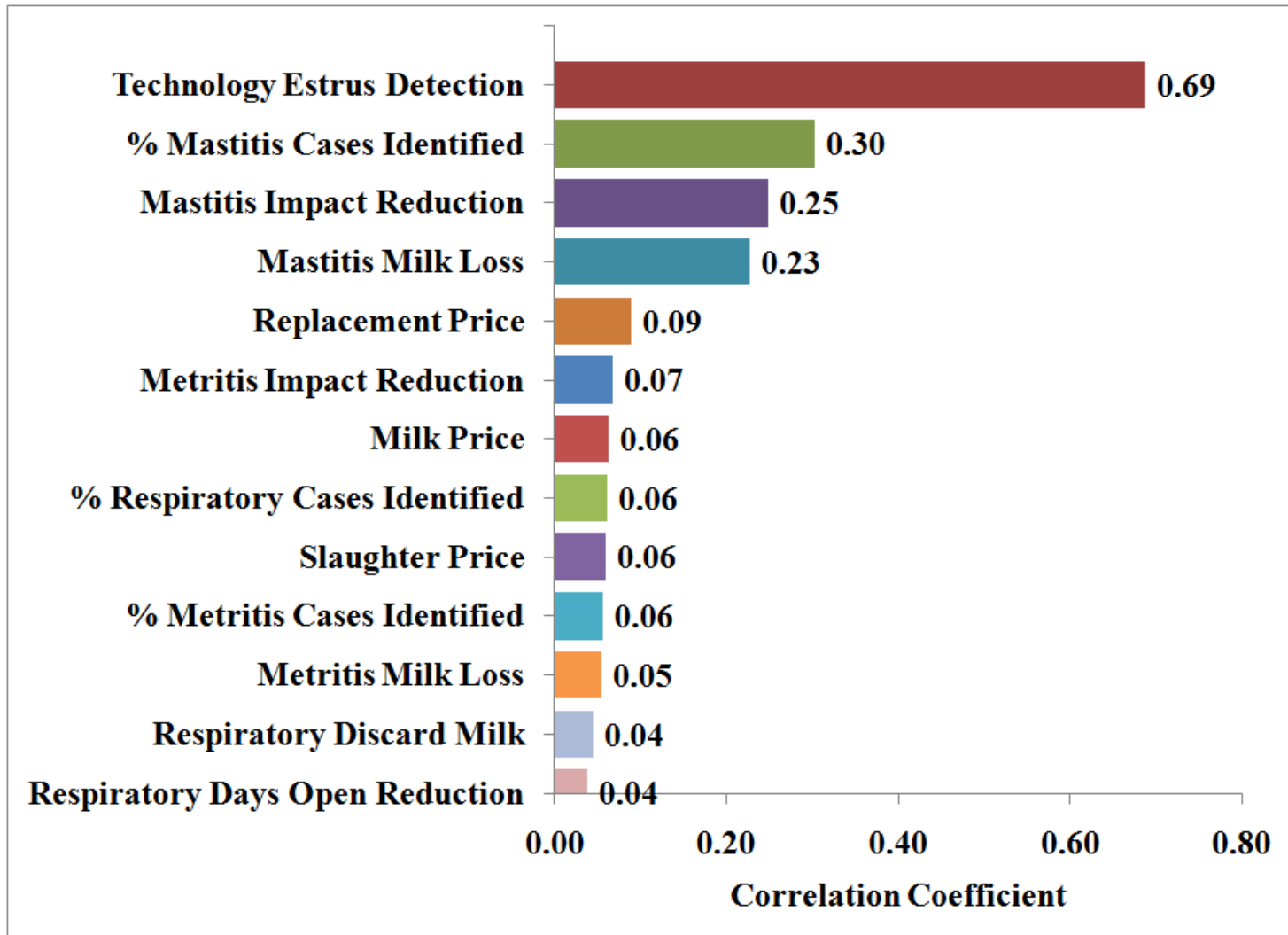


# Tornado Diagram for Deterministic Factors Affecting NPV

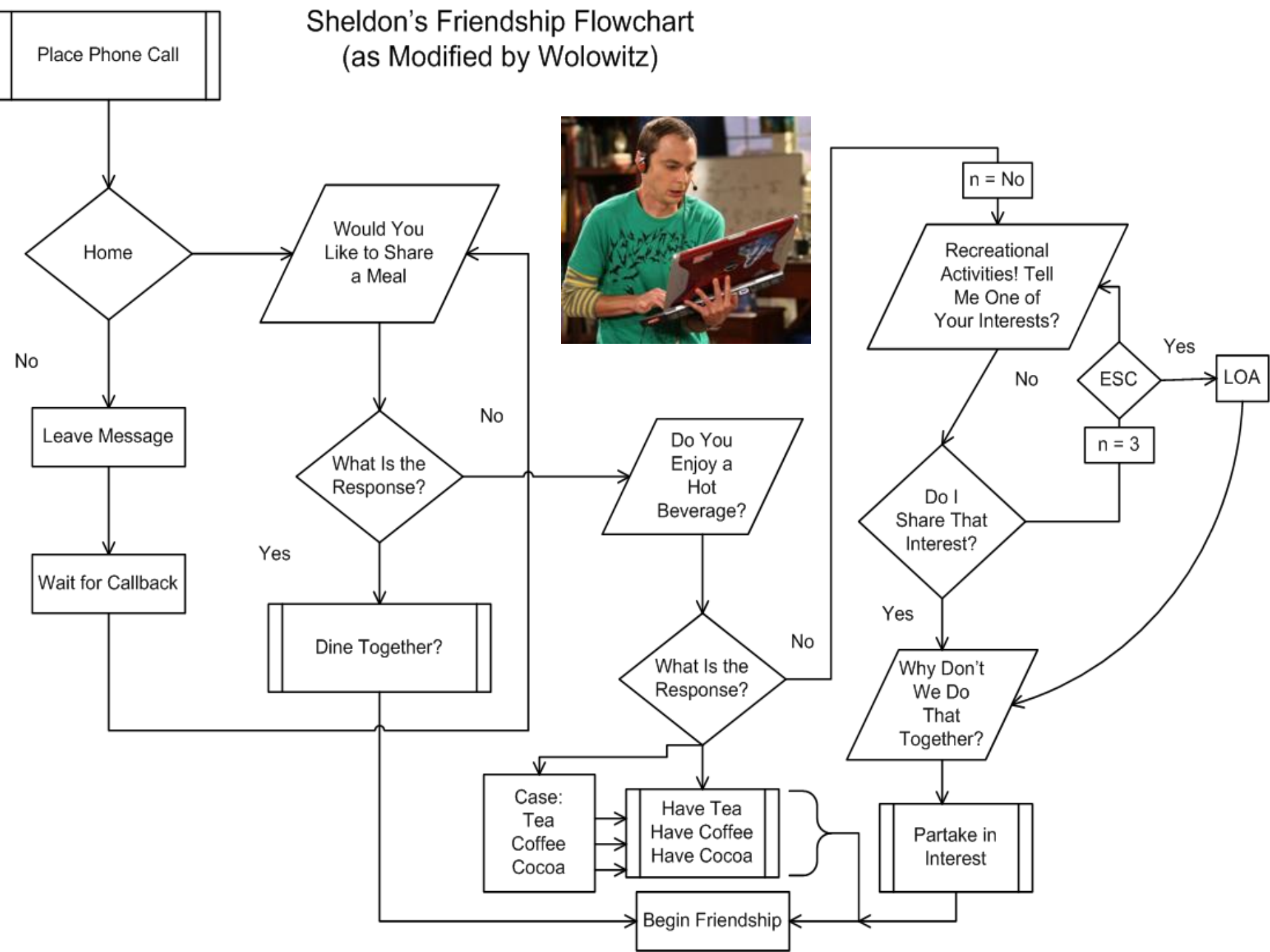




# Tornado Diagram for Stochastic Factors Affecting NPV



# Sheldon's Friendship Flowchart (as Modified by Wolowitz)



# **Investment Analysis of Automated Estrus Detection Technologies**



K.A. Dolecheck, G. Heersche Jr., and J.M. Bewley  
University of Kentucky

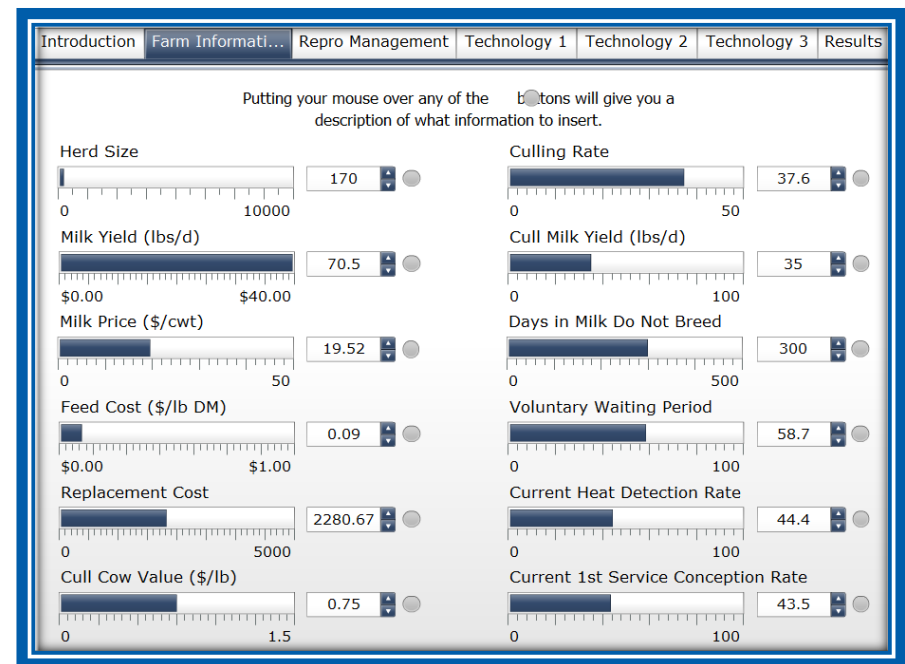
# Objective

- Develop a decision-making tool

- User-friendly

- Farm-specific

- Multiple technologies



- Dashboard tools provide interactive interfaces for analysis and decision support

# Model Outputs

- Reproductive performance
  - ▣ Days open  
(French and Nebel, 2003)
- Investment analysis
  - ▣ Years to break even
  - ▣ Net present value



# Calculations

## Net Present Value

- Present value of cash inflows minus present value of cash outflows
- Accounts for timing of revenues and cash flows
- Good investment:  
Net present value  $\geq 0$
- System net present value determined by considering the value associated with a change in days open



# Calculations

## Other Considerations

- Accounts for costs associated with:
  - ▣ Pre-investment estrus detection method
  - ▣ Semen usage
  - ▣ Pregnancy diagnosis
- 10 year investment period



# Limitations

- Investment analysis does not consider:
  - ▣ Additional benefits of technologies
  - ▣ Changes in heifer inventory
  - ▣ Effect on quality of producer's life



# Investment Analysis of Heat Detection Technologies

Heat detection is a major concern on many dairies today.

Description  
and  
instructions  
for user

Heat detection technologies used to monitor activity and other cow parameters have been applied to manage heat detection.

This net present value tool can be used to compare up to 3 different heat detection technologies in order to determine which might work best economically on a specific dairy.

To use, change herd and technology information in the input tabs and then review the outcome in the "Results" and "Before vs. After" tabs.

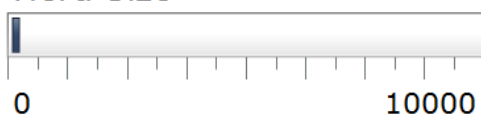
Developed by Karmella Dolecheck and Jeffrey Bewley  
Animal & Food Sciences Department  
University of Kentucky College of Agriculture



Putting your mouse over any of the buttons will give you a description of what information is being displayed

Hover buttons explain inputs and results

Herd Size



170



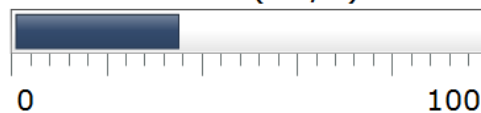
37.6

Milk Yield (lbs/d)



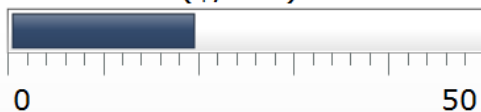
70.5

Cull Milk Yield (lbs/d)



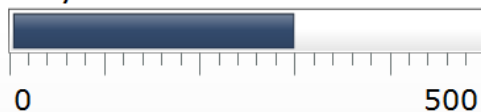
35

Milk Price (\$/cwt)



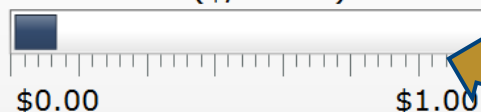
19.52

Days in Milk Do Not Breed



300

Feed Cost (\$/lb DM)



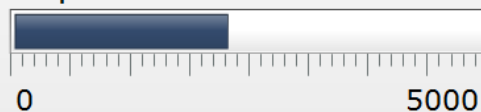
0.09

Voluntary Waiting Period



58.7

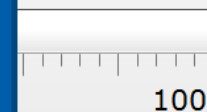
Replacement Cost



2280.67

Inputs adjustable in multiple ways

Detection Rate



44.4

Cull Cow Value (\$/lb)



0.75

Current 1st Service Conception Rate



43.5

## Pedometer Plus

Technology Name

Pedometer Plus

Compare up to 3 different technologies

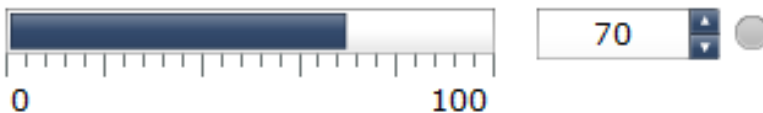
Number of Cows to Have Tags



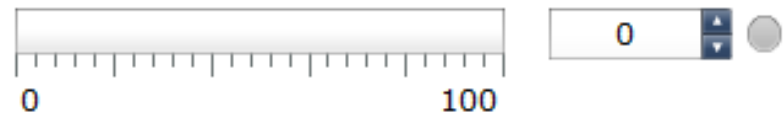
Discount



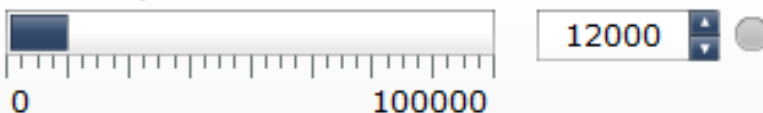
HDR



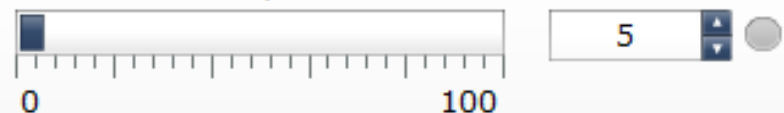
Change in CR



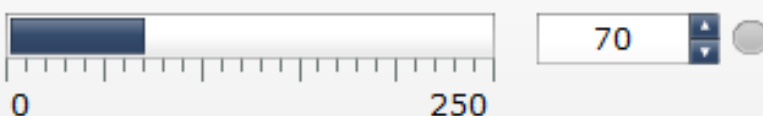
Start-up Cost



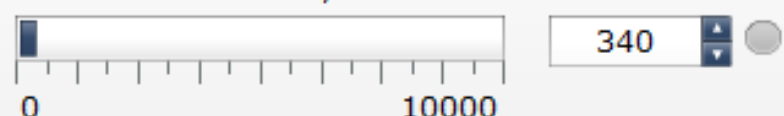
% Units to Replace/Year



Unit Cost



Maintenance Cost/Year



Total Initial Cost:



Yearly Variable Costs:



## Pedometer Plus

Technology names appear here

Days Open

5.09

Years to Break Even

3.32

Net Present Value



\$32,5

Net present value shown visibly as either good (green) or bad (red)

## Select Detect

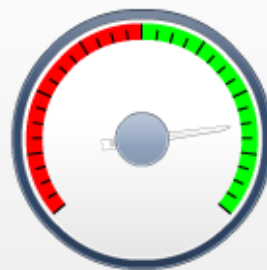
Days Open

107.77

Years to Break Even

3.36

Net Present Value



\$31,294.10

## Track a Cow

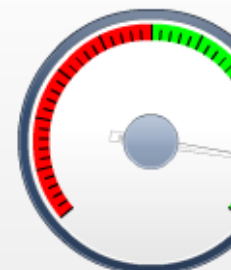
Days Open

111.87

Years to Break Even

3.00

Net Present Value



\$37,924.6

Black box and "Best Option" indicate the highest net present value

**BEST OPTION**

# Farm Specific Inputs

## Herd Assumptions

Input	Value	Source
Herd size	313	DairyMetrics, July 2013
Milk price	\$0.43/kg	FAPRI, 2013
Milk yield	33.7 kg/cow/d	DairyMetrics, July 2013
Feed cost	\$0.20/kg DM	FAPRI, 2013

# Farm Specific Inputs

## Culling & Replacement Assumptions

Input	Value	Source
Culling rate	38.1%	DairyMetrics, July 2013
Days in milk do not breed	300 d	Model assumption
Cull milk yield	15.88 kg/d	Model assumption
Replacement cost	\$1785	Liang, 2013
Cull cow value	\$1.67/kg	FAPRI, 2013

# Farm Specific Inputs

## Reproduction Assumptions

Input	Value	Source
Voluntary waiting period	58.4 d	DairyMetrics, July 2013
Current estrus detection rate	49.4%	DairyMetrics, July 2013
Current 1 <sup>st</sup> service conception rate	37.8%	DairyMetrics, July 2013

# Farm Specific Inputs

## Reproduction Assumptions

Input	Value	Source
Cost of 1 <sup>st</sup> service semen	\$15	Model assumption
Cost of $\geq 2^{\text{nd}}$ service semen	\$10	Model assumption
Cost of pregnancy detection	\$3/head	Galvao et al., 2013
Pre-investment estrus detection method	Visual	Model assumption

# Technology Inputs



- Initial investment
  - ▣ \$5,000 (Low)
  - ▣ \$10,000 (High)
- Unit price
  - ▣ \$50 (50)
  - ▣ \$100 (100)
- Estrus detection rate
  - ▣ 70% (70)
  - ▣ 90% (90)

# System Inputs

## Initial Costs

System	Start-Up Cost	Unit Cost	Total Initial Investment
Low-50	\$5,000	\$50	\$13,465
Low-100	\$5,000	\$100	\$21,930
High-50	\$10,000	\$50	\$18,465
High-100	\$10,000	\$100	\$26,930

**Low: \$5,000 initial investment**

**High: \$10,000 initial investment**

**50: \$50 unit price**

**100: \$100 unit price**

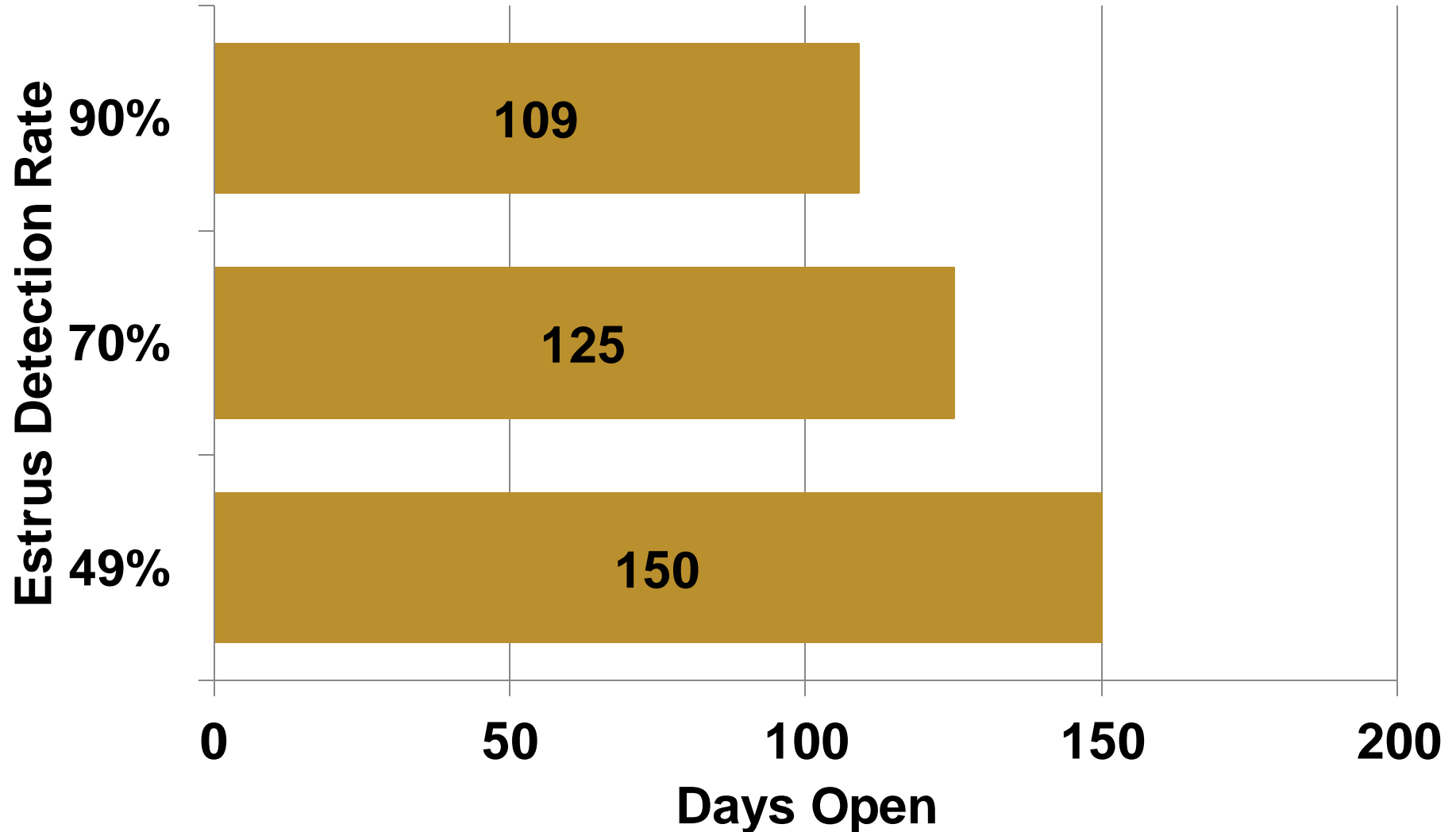
# Other Assumptions

- ◉ Discount rate = 8.0%  
(Bewley et al., 2010)
- ◉ Every animal requires a unit
- ◉ Replace 5% of units each year



# Analysis Results

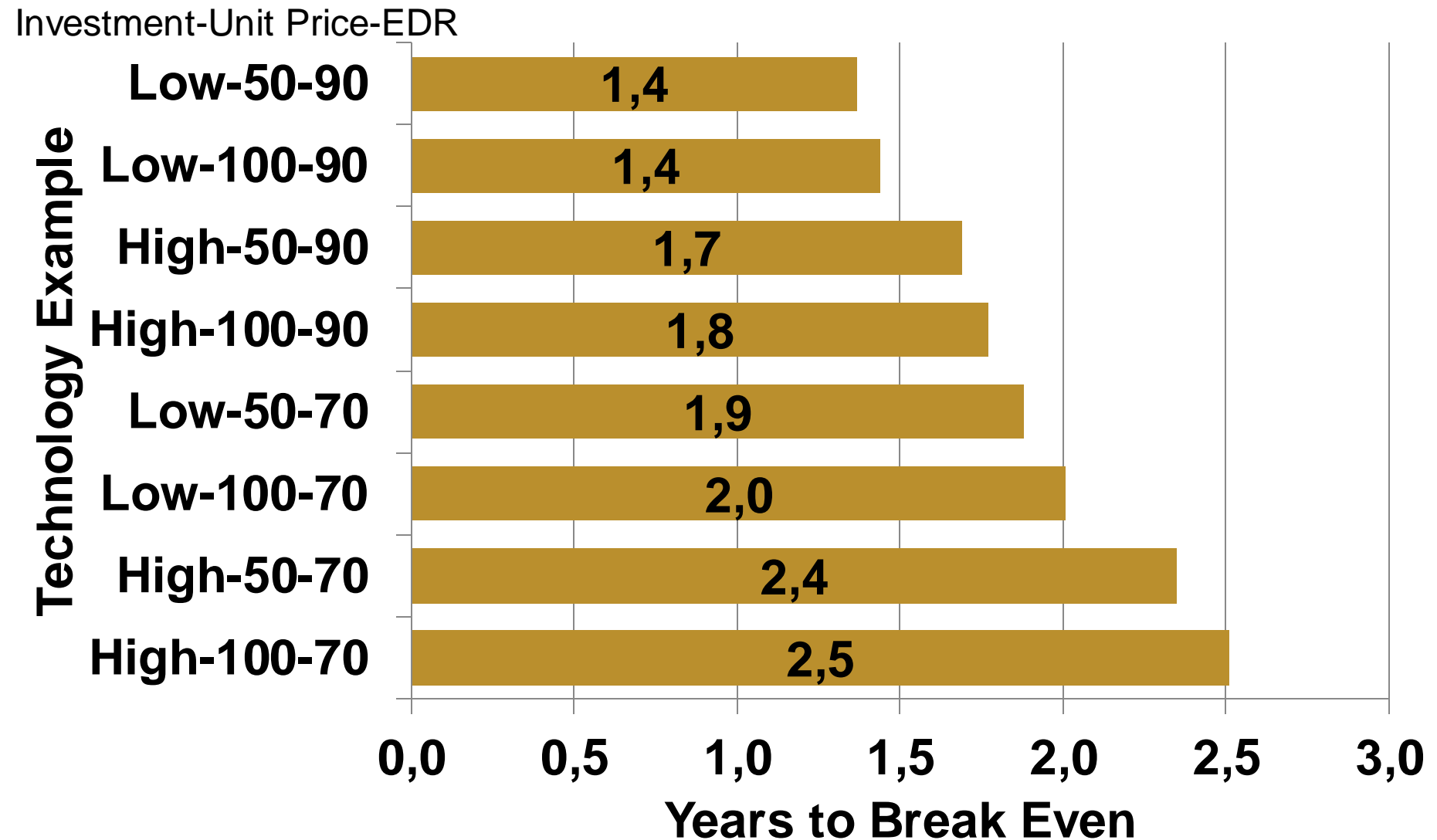
## Days Open



# Analysis Results

## Years to Break Even

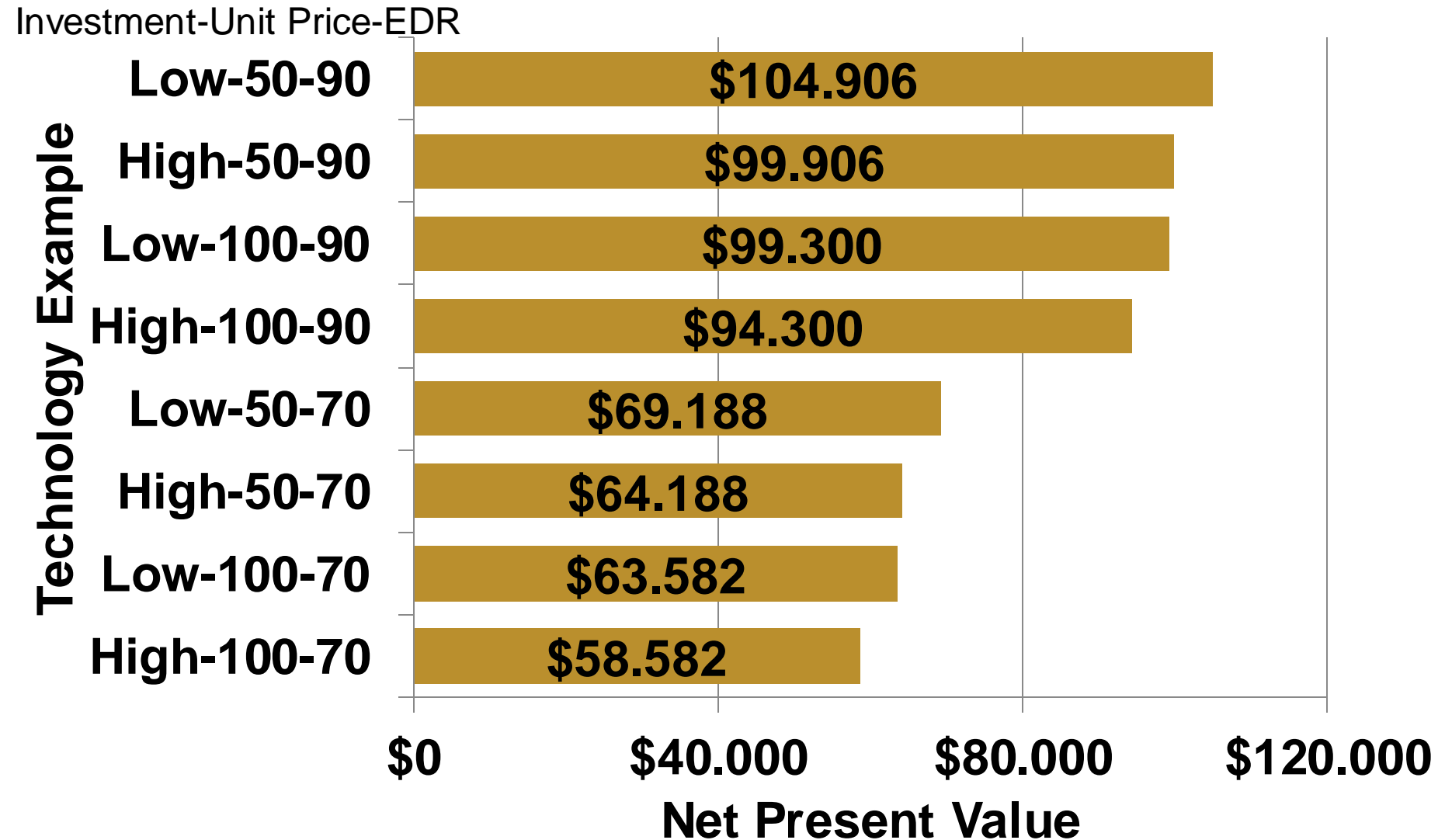
Low: \$5,000 initial investment  
High: \$10,000 initial investment  
50: \$50 unit price  
100: \$100 unit price  
70: 70% estrus detection rate  
90: 90% estrus detection rate



# Analysis Results

## Net Present Value

Low: \$5,000 initial investment  
High: \$10,000 initial investment  
50: \$50 unit price  
100: \$100 unit price  
70: 70% estrus detection rate  
90: 90% estrus detection rate



# Conclusions

- Change in days open is affected by estrus detection rate
- Years to break even is affected by:
  - ▣ 1) Estrus detection rate
  - ▣ 2) Initial investment cost
  - ▣ 3) Cow unit cost
- Net present value is affected by:
  - ▣ 1) Estrus detection rate
  - ▣ 2) Cow unit cost
  - ▣ 3) Initial investment cost

# Conclusions

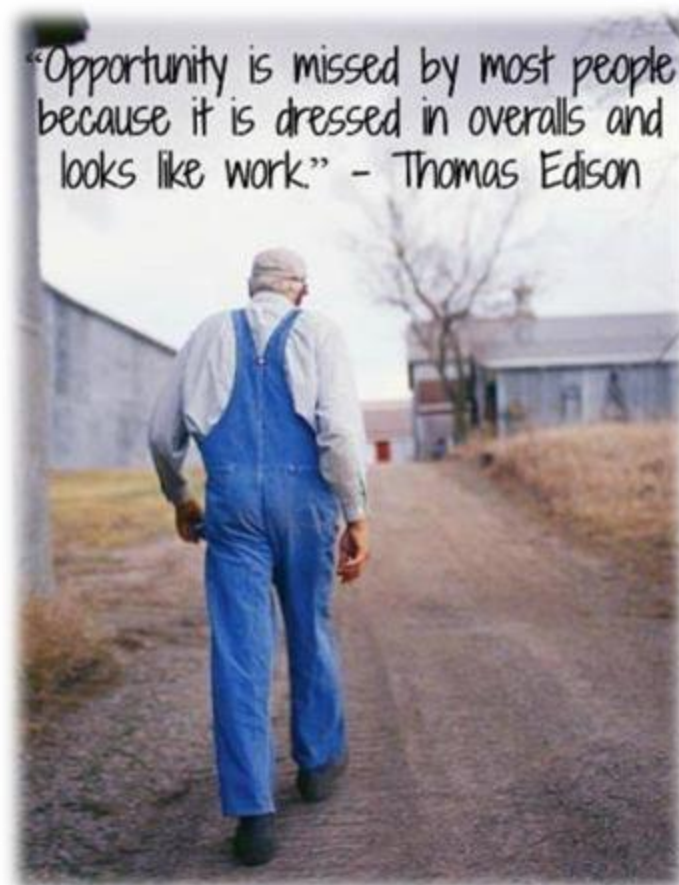
- Starting point determines investment profitability
- Accurate information is essential for accurate results
  - ▣ Producer
  - ▣ Technology manufacturers
- Dairy producers considering purchasing an automated estrus detection technology system can use this model as a decision support tool



# Cautious Optimism



- Critics say it is too technical or challenging
- We are just beginning
- Precision Dairy won't change cows or people
- Will change how they work together
- Improve farmer and cow well-being



# Path to Success

- Continue this rapid innovation
- Maintain realistic expectations
- Respond to farmer questions and feedback
- Never lose sight of the cow
- Educate, communicate, and collaborate





# Future Vision



- New era in dairy management
- Exciting technologies
- New ways of monitoring and improving animal health, well-being, and reproduction
- Analytics as competitive advantage
- Economics and human factors are key



# Questions?



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