

Successful Dairy Producers Effective Managers

NEW HOLLAND (Lancaster Co.) — While there is no one "cookbook" recipe to dairy profitability, there are some success stories for dairy farms that are the result of "managing like crazy," according to Gary Snider, director of consulting services, Farm Credit of Western N.Y.

Snider spoke to about 200 dairy farmers during the Agri-Basics Annual Dairy Seminar held last week at Yoder's Restaurant in New Holland.

Using data compiled by the Agrifax Benchmark Program and used by Farm Credit, Snider listed key elements that have gone into making dairy farms successful in his region.

In one true-life example, Snider cited the aggressive management of a newlywed "college couple" that used the money for their honeymoon — all \$4,000 — to purchase a mixer wagon. They quickly boosted average milk output per cow from 16,000 to 21,000 pounds. With the help of good neighbors,

said Snider, they also invested \$50,000 in a new barn.

Snider said these managers are typical of the new "college couples" right out of Penn State or Cornell that are "goal-driven, not afraid to change, and are wise and conservative investors."

The program placed the most successful dairy farmers into five basic groups:

- Managers who are good with cows, with 21,956 pounds of milk sold per cow.

- Labor efficient, with 1,049,721 pounds of milk per worker per year.

- Can obtain a great milk price, about \$14.27/CWT.

- Tight with money, producing milk at \$10.44/CWT.

- Good "utility infielders," producers who are good at managing and working with "a lot of things," said Snider.

The best producers had no control over the milk price, but still managed to raise their own livestock (heifers are the equivalent to

"money in the bank," said Snider) and kept costs down. Also, they keep totals of milk sold per worker high, use capital debt effectively, maintain adequate liquidity over expenses, develop many skills in response to changes, and have surplus buffers in place to cope with fluctuating price and changing weather.

"We love these guys," said Snider. "They're great farmers and excellent to do business with."

In "managing like crazy," the most effective earners believe nothing is sacred (they don't keep "favorite cows"), they wipe out any previous dairy traditions, and don't hold to "paradigms" (the belief that the way we do business has been the way we always do business).

"The successful producers are excellent feeding managers" who can balance and utilize feed correctly and can "tighten up the shop" (not spend on items until the profit is made), according to



While there is no one "cookbook" recipe to dairy profitability, there are some success stories for dairy farms that are the result of "managing like crazy," according to Gary Snider, director of consulting services, Farm Credit of Western N.Y., far right. Snider was one of the speakers during the Agri-Basics Annual Dairy Seminar held last week at Yoder's Restaurant in New Holland. From left, Jerry M. Swisher, Jr., dairy agent, Virginia Cooperative Extension; Dr. Will Hoover, professor of dairy science, West Virginia University; and Snider.

Snider.

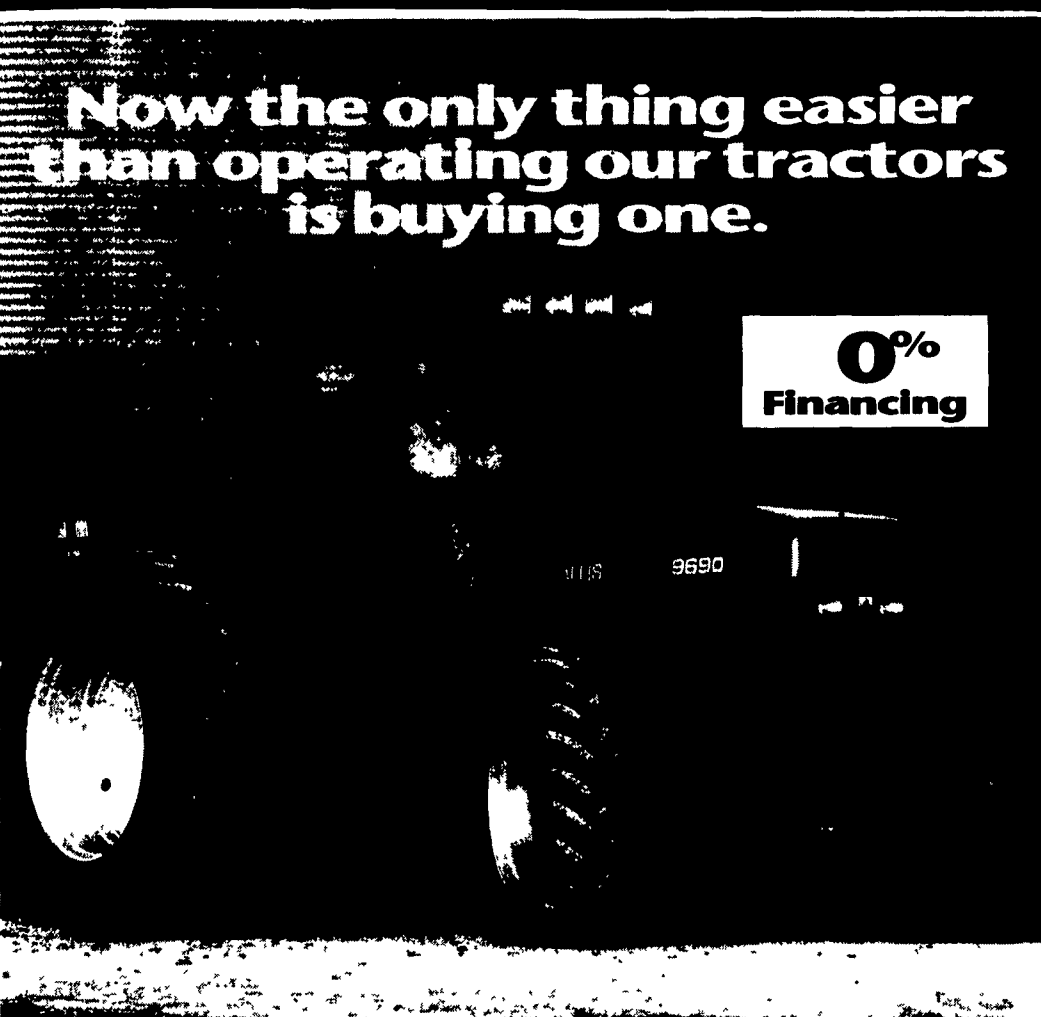
One of the ways to keep costs down effectively and improve herd health is through the correct application of pasture rotational grazing. The important considerations are forage quality, availability, and selection, according to Jerry M. Swisher, Jr., area dairy agent, Virginia Cooperative Extension.

Swisher spoke about the impor-

tance of proper grazing material selection and how important it is to maintain the pastures so the material is palatable and is readily available to cows.

Dr. Will Hoover, professor of dairy science, West Virginia University, said that it is important to look at the interactions of feed with the rumen.

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