



## New Service Identifies Opportunities for Improved Profits

*Profit Profiler pinpoints strategies and opportunities for improvement from a financial perspective.*

As costs continue to rise, producers are more aware than ever of the need to make sound business decisions based on factual information. Trying to get all the pertinent information together is difficult enough but when you have it, how do you use it to identify where you are and what are your best opportunities for increased profitability? CanWest DHI, in collaboration with a group of Ontario dairymen from Progressive Dairy Operators (formerly Large Herd Operators group), have developed a service that can help answer these questions.

**Benchmarks provide important information on where you are today.**

Profit Profiler is a new and innovative dairy financial analysis service that combines both the financial and physical aspects of managing a dairy business and provides simple benchmarks that rank your dairy business against your peer group and allows you to estimate the outcome of potential changes.

A pilot study of 40 herds was conducted before the service was made available to dairymen in the CanWest region. One of the pilot herds is owned by Thom Mueller of Vernon, Ontario. After completing the Profit Profiler process Mueller found that there was a lot of information to review, but going through the reports with the DHI specialist really helped. Profit Profiler gave him a good understanding of the bottom line for his business, while illustrating financial outcomes of different options he is considering for the future. When asked if he would recommend using the Profit Profiler, Mueller did not hesitate. "It is very useful to understand

**Evaluation of Impact of Meeting Goals...**  
For Herd dnn01 for the year ending 7/31/2008  
Comparing current performance to predicted performance of extra quota purchased

Crops	Current	Predicted	Diff
Total Forage Cost	\$76,793	299	#
Total Cost of Grain Fed	\$61,327	151	11
Total Crop Sales	\$20,110	15	00
Adjustment to cost to grow each crop to 38.5% Off in 2008			

  

Livestock	Current	Predicted	Diff
Milk Cost			
Milk Cow Pur. Feed Cost	\$4	79%	\$12,811
Crop Cost attributed to Cows	\$11	329	\$1
Total	\$15	0.80	\$6,680
		12	\$1,091
		12.0	\$0
		26.0	\$2,667
		0.89	\$0
		95%	\$6,602
		97%	\$3,714

  

Changes	Net	Impact
Feed		
Cost		
Revenue		
Profit		

  

**LABOR** (based on 2 persons working in Dairy)

# Kg Fat Sold	Person	15,806	16,464	659
Milk Revenue	Person	\$276,844	\$295,647	\$18,803

  

Total Farm Revenue \$630,113 \$656,250 \$26,137

your numbers and it is a worthwhile exercise to really know how your farm compares to other operations. I feel it is money well spent."

**Comparing options helps decide where you want to go in the future and the impact on profitability of different possibilities.**

Dr. Robert Bell, a recognized expert in animal health and dairy financial analysis, has promoted identifying profitability options to producers for a number of years. When given the opportunity to review Profit Profiler, Bell was excited about what the program offers to producers. Many of the measures and comparisons corresponded completely with what he has been promoting, supporting that the Profit Profiler analysis is highly relevant to today's dairy farming business. Bell supports the Profit

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## PROFIT PROFILER (Continued)

Profiler saying, “Today's successful businesses base their decisions on timely and pertinent information. CanWest DHI's dairy Profit Profiler provides producers the unique opportunity to compare their dairy operation's production and financial parameters with their peers. This program identifies areas of opportunity to improve productivity and profitability for producers and their management team.”



Profit Profiler is also gathering great interest from the agricultural accounting firms and financial institutions. This type of information provides factual assessments of the current bottom line situation for agricultural clients looking to expand their businesses. It demonstrates that the producer is making all possible effort to ensure that the plans they are proposing are realistic. This not only helps the financial officers to see the projected outcome, but also reinforces that these producers have strong management skill sets.

### CanWest DHI uses its strengths to make Profit Profiler work for producers.

Bill Grexton, Manager of Herd Management Services at CanWest DHI and coordinator of the Profit Profiler concept explains why DHI created this opportunity for dairy producers. “A number of our customers, non-customers and producer groups have been looking for and asking for this type of information. CanWest DHI's strength is the collection and analysis of data and providing management information. It is a natural fit.” Grexton adds, “Previously there were no concrete benchmarking tools available to measure and report the success and profitability for progressive dairy producers. With Profit Profiler these benchmarks are now available. The producers can now clearly identify how they compare within their peer groups, and with the “What if” options, they can come out with fact based projections with regards to potential changes and identify the one that provides them with the best option for increased profitability - decreasing the potential for costly errors.”

### “If you are expanding or looking for ways to increase profit, this is the product to use.”

Reg Gilmer, RicRoReg Holsteins,  
South Mountain, ON

If you are a dairy business manager who is looking for opportunities to improve productivity and profit in the future, The Profit Profiler service can assist in taking the guess work out of where you are now and assists you to make sound financial management decisions for your future.

Profit Profiler also provides you with the type of documentation that you can take to your financial advisor to help make your plans a reality.

For more information, contact Bill Grexton at CanWest DHI, (800) 549-4373 Ext. 254 or email [bgrexton@canwestdhi.com](mailto:bgrexton@canwestdhi.com)

### SOME EARLY RESULTS

In all, 35 herds in the pilot project provided information. To give you an idea of the range of results, the table below compares the group by milk production. These numbers were the AVERAGE of each group.

Production	High	Low
Avg kg Milk Sold Per Cow	9,907	8,532
Forage Cost per Acre	\$482	\$405
Forage Cost (% of Milk Revenue)	10.5%	11.1%
Feed Cost (% of Milk Revenue)	23%	24%
Dairy Labor Cost (% of Milk Revenue)	6.9%	9.0%
Total Cow Costs (% of Milk Revenue)	53%	49%
Cost per Replacement per year	\$954	\$880
Total Farm Cost (% of Total Farm Revenue)	82%	87%
Milk Revenue per Person	\$442,928	\$385,076

In this comparison, the largest herd difference was in labor cost. Higher production herds had a lower labor cost which accounted for half the difference in the total cow cost. They had a 5% advantage in overall costs - for \$750,000 gross sales, this amount to \$37,500 additional profit.

# Timely Results Mean Timely Action

We are in an age when communication can be instantaneous and where delaying actions can mean dollars from your pocketbook. CanWest DHI has recently introduced another method to streamline the transfer of important test day data to you so that you can make timely decisions to efficiently maintain your dairy business. The latest in data transfer is DHI's SCC Alert option.



SCC results text message

The SCC Alert option can provide you with up to date SCC results for your cows even before your DHI reports have been processed. Available in two different formats, e-mail and text messaging, the SCC Alert process matches up the raw data from the DHI lab with the electronic file that is communicated to the processing centre by your field services person. A data file is created using your herd's unique identification, either chain number or barn name, that lists the animals in your herd from highest somatic cell count to lowest. The e-mail option will list all the cows in the herd while the text messaging option will list the 6 highest cows in your herd above a base threshold that you can specify. [Text messaging is limited to the highest 6 cows due to space restrictions]

If you select the text messaging option you will need to provide your DHI Customer Service Representative with your cell phone number and the provider of that service (Bell, Telus, Rogers, etc) and DHI will do the rest. As your samples are analyzed and the electronic

file is communicated and the two are matched together you will receive a text message.

It will contain the 6 highest cows in your herd, indentified as you identify your cows and listing the SCC results.

## E-Mail Version

Customers that would like the e-mail version of the SCC Alert option will receive an e-mail message to their address with a subject line of DHI SCCAlert – Test \*\*DATE\*\*. The body of the e-mail message will list all the cows in the herd form highest to lowest SCC values. An illustration of the e-mail format is shown below.

By Chain #	By Barn #
050999999	050999999
Aug 19	Aug 19
VisID__SCC	VisID__SCC
254__2445	PRIDE__14953
53__1565	SASHA__4620
341__1263	STA13__3090
6__1162	BARBARA__2197
60__1160	RUBY__1569
59__1151	RAIN__1416
51__1034	TIA__1291

This service is complimentary, aside from charges that your cell phone provider may levy for the text messaging service, and is designed to be more efficient than the Lab Fax option as it eliminates the manual process of faxing the reports. If you have a cell phone or can access your e-mail away from the farm you can benefit from the SCC Alert option. Your DHI Customer Service Representative can enroll you at your next test or you can contact the Customer Service Desk at 1-800-549-4373 to get set up for this option. Just provide an accurate cell phone number or e-mail address and we'll send you the most recent results as a test message and for subsequent tests you'll receive your SCC information quicker than ever before.

## Quebec and Atlantic DHI Merge



After 40 years of close collaboration, ADLIC, the Atlantic Dairy Livestock Improvement Corporation and Valacta, the Quebec Dairy Production Centre of Expertise, decided to merge their operations as of 2008. With the number of dairy producers steadily decreasing, and the demand for innovative services on the rise, this decision will help provide better services to producers all across Quebec and the Atlantic Provinces. CanWest DHI will continue to work closely with Valacta to ensure quality milk recording and high standards of service to dairy producers across Canada.

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### Trevor Fischer to provide DHI and Dairy Comp Support to Alberta Customers

DHI is pleased to announce the appointment of Trevor Fischer to the position of Sales and Product Support Manager for Alberta, effective June 23, 2008.

Trevor is originally from Manitoba where he was a DHI Technician for several years. In 1997, he relocated to Guelph, Ontario and took on the role of On Farm Dairy Software Specialist. For the past 11 years, he has provided Dairy Comp phone support to producers, advisors and DHI staff.

The hiring for this position is a direct result of tremendous growth in the use of herd management tools that DHI offers to the Alberta dairy industry, in particular with large herds where management information is so critical for success.

DHI is committed to supporting dairy producers and advisors and we are looking forward to Trevor's contribution to the continued growth and success.

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### Wes Kuntz joins CanWest DHI

Wes Kuntz has joined CanWest DHI in the role of Dairy Software Sales and Support. In his new position based out of Guelph, Wes will provide direct sales and technical support for Dairy Comp products on the farm as well as provide overall 1-800 phone support to the CanWest area.

Wes grew up on a dairy farm in south western Ontario and was heavily involved in managing his family's 400 cow dairy. Having grown up on a dairy farm, Wes brings strong Dairy Comp skills to the position given that it was part of the herd management system at the dairy. Dairy herd management skills and good computer knowledge will make Wes a great addition to the Dairy Comp team.

**New from DHI...**

# SCC Alert!

**Get your DHI SCC results in record time via Email or Text Messaging and improve your ability to make decisions.**

**LATE IN REGISTRATIONS? WE CAN HELP!**



We can register your calves/cows with Holstein Canada electronically on test day. If you already provide your breeding information to DHI, your DHI staff will only need the name of the calf, the NLID tag number and

the management number of the calf to complete the registration application. Benefits include: Accurate, timely registrations at any purity level; No more paperwork for registrations; No more late fees for registrations; A \$3.00 Per-Application discount from Holstein Canada. Detailed information and DHI fees for this service are available from DHI staff.



## Monitor Your Herd's Health

**Maintain a healthy herd and improve profitability. Milk test for Johne's and Leukosis disease available from DHI.**



## BETWEEN THE NUMBERS

### University of Guelph Releases Results of 5 Year Calving Ease and Stillbirth Study

The following is a short summary of the data analysis of the Calving Ease and Stillbirth study conducted by the University of Guelph, as presented by Erin Vernooy, B.Sc.(Agr.), M.Sc.(Epi.), Department of Population Medicine, OVC

The goal of this work was to identify herd level risk factors associated with stillbirth and to evaluate the impact of stillbirth on milk production, reproductive performance and risk of culling. Data from approximately 20,000 calvings were collected from 180 dairy farms from January 1st, 2001 to July 31st, 2006.

From these data, the incidence of reported stillbirth ranged from 0% to 17.3%, with a mean value of 7.6%. These values fall in line with stillbirth rates reported in the USA and Europe. We then looked at the data collected from the management survey. From this analysis, there were a couple of interesting results.

There was no difference in rate of stillbirth between tie-stall and free-stall barns, nor between individual and group calving pens. There was a slight negative effect on stillbirth rate in cows that spent a significant amount of time on pasture. This may be due to reduced observation time. The frequency producers check cows in labour was significantly associated with the rate of stillbirth. Checking the calving pen every 2 hours was associated with a 44% reduction compared to checking less frequently. Checking the pen at a rate of once every 4 hours or more was as poor as checking the pen once a day. Clearly, it is important the producers know when the cow starts calving so that they can make the decision to assist her at the appropriate time.

The second major initiative of this work was to examine the effect the delivery of a stillborn calf on the subsequent lactation. For this work, we looked at milk production and reproduction records and the risk of being culled at the



end of the lactation. The delivery of a stillborn calf was associated with lower milk production in early lactation (-0.9kg/d for first parity cows and -2.42 kg/d for mature cows). Cows that delivered a live born calf were 16% more likely to become pregnant than cows that delivered a stillborn calf. There was no difference in days open in first parity animals, but there was a difference in mature cows. Stillbirth was not associated with an increased risk of culling.

In conclusion, from these data, we can see that there is an opportunity for improvement on many dairy farms. There are clear benefits to implementing any changes to management programs that improve the success of calving.

A sincere thank you is extended to all participating farmers.

#### Building or renovating a parlour? Please consider meter height!

Individual cow milk sample collection can be a challenge when meter and sampler height is low. With unusually low meters, sample collection over several hours of milking can result in health and safety issues for family members, farm employees or DHI staff. In many cases, meters can be mounted at a higher level at the time of installation, therefore avoiding costly retrofitting at a later date. **Please consider the location and height of your meters and discuss this with your equipment supplier to ensure it is included in the design of your parlour.** Even if you do not expect to install sampling devices initially, your design should consider their future installation. This will help ensure safe and cost effective sample collection at your farm.



# DAIRY COMP

## Heat Report Lists

A goal of dairymen is to get cows and heifers pregnant as quickly as possible after the voluntary wait period. Therefore, a lot of time and effort is spent weekly to manage the reproduction program in the dairy herd. It is important for a dairyman to measure the success of the herd's reproductive performance. Dairy Comp can generate pregnancy rate and insemination rate to indicate success or failure of the reproduction program. However, it is equally important to have an organized system in place to know which animals need to be inseminated and when they could be or need to be inseminated.

Dairy Comp products can organize herd information so that lists can be instantly generated to help organize reproduction related tasks for the week.

A 'Cow's Eligible for Insemination' list is available which highlights which animals are past the herd's voluntary wait period and are open. This list quickly indicates which animals need to be watched for a heat, need to be enrolled on a synchronization program, or have been checked open and need to be re-bred. A similar list can be generated for heifers as well. Paying attention to these lists will help ensure animals do get inseminated in a timely manner. The voluntary wait period for cows and heifers can be altered to produce a more accurate list for any herd.

A 'Heat Report' is a list that is available that shows animals that are around 21 or 42 days past their last recorded heat or insemination. This report can help a dairyman focus attention on cows that need to be watched more closely. Animals that can be found open and re-bred prior to a palpation exam, will decrease the days open for those animals.

For herds that use synchronization protocols in their reproduction program, the toughest task is ensuring cows receive the correct injection on the correct day. The success of these protocols depends on timely and accurate injections. Dairy Comp products can make lists showing cows needing an injection, the type of injection, and the day the injection is to be given. These injection lists can be generated quickly by clicking a menu option.

Dairy Comp provides tools that a herd manager can use to ensure animals are inseminated in a timely manner. These tools can be useful in any type of reproduction program. By using this type of organized approach, you will greatly increase your chances of having a successful reproduction program and ultimately improve the bottom line.

## DHI Privacy Policy Summary

The information collected by CanWest DHI, voluntarily provided by producers through testing services, is available to customers in paper and electronic forms. Access to information by advisors and/or any other parties via mail, email, website, or otherwise, requires explicit customer consent.

Herds enrolled on DHI services may have information published for awards and recognition purposes with Annual Summaries and year-end publications. Additionally, selected information from all customers will be provided to Canadian Dairy Network for the calculation of genetic indexes and sire proofs. Where applicable, information is provided to various breed associations for recognition and breed improvement programs. Participation in DHI testing programs implies consent for the release of data to these third party organizations, unless otherwise stated to DHI.

From time to time, CanWest DHI provides marketing services to third party agricultural organizations. All methods of distribution of marketing materials maintain producer confidentiality. No producer information is sold, traded or otherwise shared.

CanWest DHI operates under Canada's Personal Information Protection and Electronic Documents Act (PIPEDA).

Please Note: This is a summary of the DHI Privacy Policy. For the complete statement, please visit [www.canwestdhi.com](http://www.canwestdhi.com), or contact our customer service desk.



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