

PLANNING ON DOING ENTERPRISE ANALYSIS?

BILL GREXTON, MANAGER OF HERD MANAGEMENT SERVICES, CANWEST DHI

One of the best things you can do NOW for next year is adjust how you record your expenses. In computer bookkeeping programs, that is called "Adjusting your Chart of Accounts".

The thing to do is decide what you need to know about your revenue and expenses when doing an enterprise analysis. For example do you need to know how much was spent for supplements, minerals, complete feeds, or do you really want to know what was spent on calves, heifers, dry cows and cows? I would suggest if you are looking at Enterprise Analysis, you need to allocate your revenue and expenses BY ENTERPRISE such as calves heifers, cows, forage crop, grain crop, etc.

Computer accounting programs allow you to make these adjustments by selecting the chart of accounts and adding a sub-account to the original expense. (It is usually found in the SETUP menu and is called CHART OF ACCOUNTS. Use Help to find Chart of Accounts if you

can't find it on the menu). For example, if you have 'Purchased Feed' category, you can add three sub-accounts called Calves, Heifers and Cows to that category. When entering your expense, you can simply select the appropriate category and at the end of the year, the program will give you the summary you desire. This can apply to all revenue and expenses.

If you are planning to use the Profit Profiler Dairy Financial Analysis Service, the program allocates expenses in to 'cows', 'replacements', 'forages', and 'grain' enterprises. However, you may wish more detail such as hay vs. corn (in silages), or calves vs. heifers (in replacements) for further analysis. It all depends upon what you want to see.

The thing to do now is to decide what you want to know after this year is over. NOW is the time to make this change – BEFORE entering any information for the next year.

DAIRY COMP

Managing the health information of your herd

Health event information can be used by dairy producers and their advisors to make important herd management and culling decisions. As the Canadian Quality Milk (CQM) program is rolled out across all provinces, information on the antibiotic treatment associated with these health events also needs to be recorded and logged.

Dairy Comp software is an excellent way to record and monitor herd health and disease incidence in dairy herds. Dairy Comp allows producers to enter many types of health events for animals in the herd. Entry of this information is menu driven, making the recording process quick and easy. Dairy Comp stores the health event information entered on the animal's record for life. Dairy Comp software also allows the entry of treatment information like; milk and meat with hold times, person administering a treatment and time of treatment administration with each health event. This information will be stored to create an ongoing treatment log of animals that are, or have been, on a treatment protocol as required by the CQM program.

Complete health event records will allow producers to effectively monitor incidence of disease over time. Dairy Comp compiles all the health information recorded into a summary table. Total number of occurrences of all health events recorded for the past year is shown. Health event records are broken down by occurrences per month or stage of lactation. This information is valuable to determine if there are trends in the occurrence of a particular health event.

With the treatment information recorded with the health events entered into Dairy Comp, producers have lists available that indicate which animals do not have saleable milk or cannot be sold for meat.

The health information entered into Dairy Comp on the farm can also be accessed by dairy advisors using Dairy Comp. They can make valuable use of health event records to gain a better picture of overall herd health or to help monitor the quality of the feed ration.

Key components of health data recording are to use consistent definitions of the health events that are recorded as well as recording all of the health events occurring in the herd. Producers are encouraged to work with their veterinarian to ensure consistent and on-going data collection.

Good health event recording on your dairy can serve two purposes. It provides valuable information that can be used to make better herd management decisions in your herd today. In the process of tracking health events and treatments used, an ongoing treatment log required for the CQM program is created. Dairy Comp is an effective health information recording tool because it provides great herd management benefits and meets the treatment log requirements needed for the CQM program.



CUSTOMER SERVICE DESK

Disease Testing

Along with our familiar Johne's and Leukosis tests, DHI now offers a test for contagious Mastitis (Mastitis 3). Because these three tests are very specific and come at a higher cost, selective testing options are available. (Unlike continuous option tests such as SCC or MUN, disease tests have to be selected **each test day**).

Let's take a look at some of these options.

For the Mastitis 3 test, the following options are available:

1. All cows
2. Specific cows that you choose
3. Groups of cows that meet one or more of the following criteria:
 - Cows greater than 240 days in milk (for action plan at dry-off and calving)
 - Cows purchased in the last 6 months
 - Cows that have freshened since last test
 - Cows with a somatic cell count greater this test than a value set by you (i.e. greater than 200K)

With any of these options, you can also specify individual cows not to be tested and they will be excluded.

For Johne's and Leukosis tests, the following options are available:

1. All cows
2. Specific cows that you choose
3. Groups of cows that meet one or more of the following criteria:
 - Cows greater than 240 days in milk (for action plan at dry-off and calving)
 - Cows purchased in the last 6 months
 - Cows that have freshened since last test
 - Cows that have never been tested while present in this herd
4. A specific number, or percentage, of cows in the herd. (This is a herd-screening option. Cows can be selected randomly, or with a focus on cows with higher lactations or greater days in milk. These cows often make better test candidates for herd-screening purposes.)

As with the Mastitis 3 testing, specific cows you don't want tested can be excluded by your field staff.

As always, disease testing and interpretation of results should be discussed with your herd veterinarian.

CanWest DHI

CATALYST

DECEMBER 2010 NEWSLETTER

Production key to dairy profitability

Researchers at Kansas State University recently completed a study of the factors that impact dairy profitability. Not surprisingly, they found a wide range of profitability among farms. But milk price was not the most significant determinant for profitability. It was total milk produced per cow.

"When analyzing why some producers are more profitable than others, milk production is a much stronger indicator of profit differences than price or cost."

The researchers say that the correlation between profitability and milk price over time is not particularly strong because of the influence that cost has on profit. "When analyzing why some producers are more profitable than others, milk production is a much stronger indicator of profit differences than price or cost," say study authors, especially when it comes to small or mid-sized dairy farms.

Therefore, while big picture factors like milk prices are important, producers' individual management skills are more important for long-term business survival.

Reprinted with permission from Dairy Herd Management magazine. Complete study available at www.agmanager.info.

DHI is proven tool to higher production



While there is no magic formula to higher milk production and improved profitability, it is clear that having good accurate information, and taking action on that information, is critical. Now, more than ever under current milk pricing, SNF limits and quota policies, it is essential that dairy producers closely manage production and components for maximum profits.

Studies have shown that DHI herds have higher milk production than non-DHI herds.

Studies have clearly showed that the use of DHI services is a key driver of higher production. In addition to herds seeing a significant increase in production and decrease in SCC within a couple of years of DHI enrolment, independent studies have shown that DHI herds have higher milk production than non-DHI herds. An added bonus is that DHI herds also have lower SCC levels, which is so important for milk quality and efficient milk production.

More than just milk volume

It's clear from the data that DHI herds are getting more milk revenue and profits from their cows. Under today's milk pricing, simply increasing

Continued on page 2

Canadian Farm Business
Management Council



Conseil canadien de la gestion
d'entreprise agricole

Need advice? Got advice?



The Canadian Farm Business Management Council, in cooperation with a panel of industry specialists, has developed a bilingual, comprehensive, and highly searchable database to provide a neutral gateway between farm advisors and farmer clients.

"Farmers, advisors and the agriculture industry at large will benefit from this valuable database; whether it's a farmer looking for farm business management options or advice, or an advisor looking to expand their business" says Heather Watson, General Manager of the Canadian Farm Business Management Council.

Farmers have free access to this national database to search for advisors from all over Canada and access resources to help better understand and make informed decisions when choosing farm advisory services.

Farm advisors and consultants of all designations and specializations pertinent to agriculture are invited to join over 250 advisors already listed on the database. The database is regularly visited by farmers and other industry stakeholders who are sourcing expertise from across Canada. The database also facilitates collaboration between experts. Advisors can advertise their professional services to the agricultural community on a national scale for a nominal annual fee.

To search for an advisor or to list your farm business advisory services in the database, please visit: www.farmcentre.com/farmadvisors.

The Canadian Farm Business Management Council (CFBMC) is Canada's only national organization devoted exclusively to developing and distributing farm management information. It works closely with governments, public and private sector organizations, farm and commodity associations, and others to promote and foster the development of excellence in Canada's agricultural sector.

1.800.549.4373 www.canwestdhi.com

milk production alone without consideration to components, ratio or SNF may not be optimum. A good handle on components and ratio at the group and even individual cow level, is not only important from a milk revenue point of view, but also from a nutritional and health perspective.

Another trend is that more and more herds are turning their DHI information over to their nutritionist and veterinarian who uses it to improve rations, herd health and reproductive performance. Those improvements can really pay off.

More than ever, under current milk pricing, SNF limits and quota policies it is essential that dairy producers closely manage production and components for maximum profits.

No doubt that dairy farming is a big business and the old saying that you can't manage what you don't measure certainly applies. To improve production and profitability you need good information. DHI service, like any other investment, does include an outlay of money, but the return definitely pays!

CQM Recording Tools available from DHI

As you probably know, the Canadian Quality Milk (CQM) program is being rolled out across all provinces in Canada. One of the components of the program is the detailed record keeping of individual animal treatment information.

For many farms, this record keeping was already being done in some fashion. However, the CQM program does require that treatment information be recorded in certain ways and with certain specific pieces of information. To assist herds with that record keeping process, DHI has modified their on farm record-keeping tools.

Dairy Comp Software

For farms that like keeping records electronically, the Dairy Comp software can help combine the herd management aspect of health and treatment recording with the CQM requirements. Not only will Dairy Comp assist in analyzing health incidence and generate daily treatment lists as needed, but it will also easily provide treatment records for CQM auditing. Dairy Comp has been approved by Dairy Farmers of Canada as fully compliant with all aspects of CQM record keeping.

DHI Logbook

For farms that prefer having a paper system, either as their sole system or in addition to an electronic system, the DHI Logbook can be an excellent tool. In addition to herd management record keeping (calvings, breedings, etc.), the Logbook is also an approved record keeping tool for the animal treatment requirements of the CQM program.

So whether you are looking for an electronic or paper solution to your CQM recording needs, we can help. To find out more, don't hesitate to call us at 1-800-549-4373.



Profitability is linked to many aspects of our dairy enterprise, however the two aspects that are frequently the target of scrutiny are feed costs and the level of individual cow production. Several studies have confirmed what many farmers have realized; cows with higher

levels of production, combined with longevity, are the most profitable in the herd.

While feed costs are definitely important and need constant monitoring, they come second to production levels. To achieve higher production in the herd there are many points that require close monitoring.

As we have come to realize, the late dry cow period and early lactation are the two most important periods to monitor in order to achieve higher production levels. Keeping a close eye on cows in these stages as well as testing for MUN, SCC, mastitis and other disease challenges are the first steps to take to attain results.

Our goal at CanWest DHI is to help you achieve those results. The programs and services that we offer have been built around the needs of dairy farmers. From basic milk testing services, to milk testing for disease monitoring, our lab testing services will

continue to evolve to meet your needs. For farmers without herd management software, we offer management reports and 'to do' lists to assist with herd management along with log books and a calendar for herd event recording.

Dairy Comp is an important management tool on a significant percentage of farms in the CanWest area, assisting farmers with individual cow and overall herd and parlor management. This management software has evolved since its introduction and will continue to be upgraded to meet the needs of dairy farm managers. Most recently, a Canadian Quality Milk (CQM) module was added to Dairy Comp. As CQM is rolled out across the country, this addition makes the transition to CQM very manageable.

As always, we are open to your suggestions to improve our services. As we enter into the fall and winter meeting time feel free to approach your area Directors or staff with any comments you may have.

On behalf of myself and the rest of the Board at CanWest DHI, may you all have a Merry Christmas and enjoy some special times with family and friends!

John Bongers

John Bongers is a dairy producer from Eastern Ontario.



HERD HEALTH

To maintain a healthy herd and protect your future, milk test for Johne's, Leukosis, and Mastitis.



CanWest DHI wishes you and your family a happy holiday season, and a prosperous and happy new year!

CANWEST DHI

THE BOARD OF DIRECTORS OF CANWEST DHI CORDIALLY INVITE YOU TO ATTEND THEIR 30TH ANNUAL GENERAL MEETING IN TORONTO

Tuesday, January 11, 2011
1:00 PM to 5:00 PM
The Fairmont Royal York,
100 Front St W, Toronto, ON
Registration at 12:00 PM

JOINT DFO/DHI TECHNICAL SESSION
WEDNESDAY, JAN. 12

RSVP by December 10 to
Allegra Interisano at
(519) 824-2320 ext. 231 or
ainterisano@canwestdhi.com

DHI PRIVACY POLICY SUMMARY

The information collected by CanWest DHI, voluntarily provided by producers through data collection and 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