

CATALYST

NOVEMBER 2009 NEWSLETTER

Identify bottlenecks, evaluate interventions with DHI records

Dairy producers around the world are facing low milk prices and difficult economic times. Regardless of the situation, but arguably more importantly when times are challenging, producers must manage their dairy operation very closely and with good information. The following is reprinted with permission from National DHIA in the US.

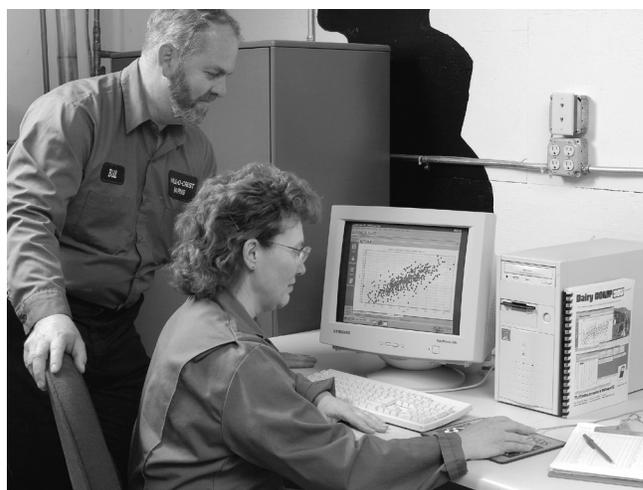
For dairy producers and their nutritionists, veterinarians, milk processors and business consultants, Dairy Herd Information (DHI) records provide a wealth of information about herd performance and financial results. Whether a herd's challenge is high somatic cell count milk, fat:protein inversion and/or low pregnancy rate, DHI data help dairy herd consultants identify bottlenecks, troubleshoot problems, evaluate interventions, make sound culling decisions and assist with day-to-day management.

"DHI transforms data into information that producers and their advisers can evaluate and use to make proactive management decisions so the herd can perform at optimal levels."

Bradley Hilty, Penn State extension information management specialist

"Simply stated, you can't manage what you don't measure," said Mike Hutjens, University of Illinois dairy science professor. "DHI records are essential to balancing rations and optimizing performance."

With today's tight financial situation, every cow must earn her keep on the farm, Hutjens commented. "The 'team' (dairy herd) is only as strong as each 'player' (cow)." DHI data offer objective production, milk quality and health status numbers that are vital in making economically correct culling decisions.



DHI data, records and graphs provide a wealth of information that allow business-minded dairy producers to monitor and evaluate many management areas, including rations, milk quality, reproduction and inventory.

Discover valuable information

"If a dairy producer is not testing for milk production, he is missing out on a large amount of useful herd management information," stated John Ellsworth, a strategic and financial consultant with Success Strategies, Modesto, Calif. Additionally, he is lacking information to provide guidance in the culling process. "Given the high cost of feed the past two years, the culling information and guidelines have been critical to keeping producers profitable."

Bradley Hilty, Penn State extension information management specialist, noted that we live in a knowledge-based world. "Management by observation is no longer adequate. Producers who acquire the knowledge they need to manage their operations more aggressively are more likely to be successful. DHI records can be a valuable management tool if producers take the time to read and understand these records."

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Identify Bottlenecks (Continued)

Find obvious cows to cull

“DHI records – particularly reproduction and milk quality – will direct you to very obvious culling choices,” explained veterinarian Keith Sterner of Sterner Veterinary Clinic, Ionia, Mich. Make more intelligent decisions regarding who stays and who goes to town. Reproduction and milk quality are the areas that count the most in making culling decisions. “Don’t make monitoring and evaluating DHI records more complicated than you have to,” he remarked.

“DHI records provide vital information for cash flow projections,” stated Robert Tigner, Iowa State Extension farm management field specialist, New Hampton, Iowa. “Dairy producers need accurate records to make accurate cash flow projections.”

Hilty believes that a majority of producers just look at the rolling herd average on a DHI report. He encourages producers and consultants to not just look at past and current performance, but to use these records to anticipate future performance. “DHI transforms data into information that producers and their advisers can evaluate and use to make proactive management decisions so the herd can perform at optimal levels.”

Don’t cut testing costs

Tigner said it’s easy to look at those things you write checks for, especially during challenging economic times. “But, don’t cut milk testing costs. Information is necessary to make decisions. Dairy producers and consultants need DHI records to manage cattle and the dairy operation, and to effectively use resources. The only way to manage a herd successfully is with records, especially DHI records.”

DHI milk testing is a very small portion of a dairy’s total cost picture. “If you’re able to increase dry matter intake by effectively monitoring and evaluating DHI records, and making appropriate changes, you may be able to add on the revenue side,” Tigner commented.

“Dairy producers need to be on DHI test to figure out where the herd is experiencing problems,” said Alan Udy, field rep, Gossner Foods, Logan, Utah. “It’s hard for me to understand how you can dairy without records. DHI data, records and graphs tell you a whole lot of information.”

Due to the vast amount of information available through DHI records, Hilty developed a systematic approach for examining and interpreting DHI data. The approach focuses on the big picture of herd performance in four key management areas: milk production, reproduction, udder health and culling/ replacements. If the key indicator of any of these management areas indicates a possible problem might exist, evaluating a series of diagnostic indicators can help determine the problem’s origin and severity. Then, producers and/or consultants can identify and implement corrective intervention strategies.

Set clear, attainable goals

According to Andrew Holloway, Elanco Animal Health technical consultant in the Northeast USA, every successful dairy producer sets goals that are clear, measurable and attainable. “DHI testing helps monitor and measure progress on goals, such that intervention can take place. Without DHI records, dairy producers are missing out on accurately measuring progress.”

When time is limited, Sterner encourages clients (and he does the same thing himself) to look at two key areas – milk quality and reproduction – on DHI records. If a cow is not producing salable milk, even if she’s producing a lot of milk, she should be a candidate for the culling list. A high producing cow that pumps out poor quality milk is a double negative to the dairy because she’s eating a lot and her milk is not salable. “A cow producing salable milk at a sufficient level is very valuable,” he stated.

Look at cows with chronic mastitis. “Those are the ones who should get on the bus and visit the career counselor at Burger King,” Sterner added. “If a cow is not making break-even milk production and open, she should also get on the bus. Her genetics don’t matter if she’s open and producing below a break-even level.”

“DHI records allow dairy producers to sort the wheat from the chaff,” Sterner added. “DHI records are a very important tool for making herd management and business decisions.”

Legitimate, accurate data

Holloway finds DHI records extremely helpful in evaluating dairy herd performance because he knows they’re legitimate and accurate. “I feel confident in interpreting DHI data. I’m not as confident in on-farm generated data.” In addition, he uses the data to find opportunities for improvement. Successful dairy herd managers use their advisers and records to optimize the herd’s reproductive performance, maximize udder health and minimize the impact of metabolic disease on their dairy.

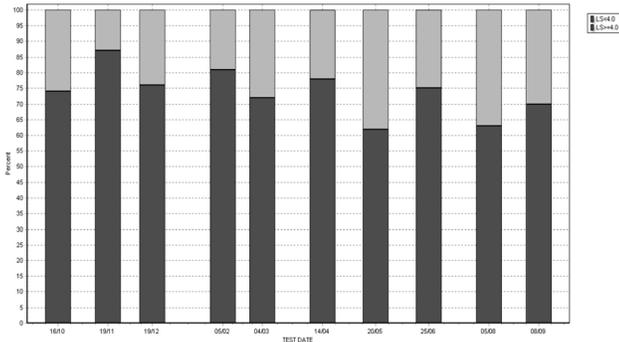
The bottom line is that DHI records aren’t a cost; they are an investment in credible information to provide datadriven decisions to manage today’s complex dairy farm operations.

For more information on how CanWest DHI can help you manage your herd for increased profitability, call us today at 1-800-549-4373.

DAIRY COMP

One of the most important benefits of herd management software is the ability to use the data that has been entered into the system to monitor herd performance to make better management decisions. Whether the decision is to make a change in a management area or to maintain the status quo, Dairy Comp software has many tools that can effectively use the stored information to aid the decision making process.

As an example, Dairy Comp can use test day results in different ways to monitor herd performance. The graph shown below can be accessed off the SCOUT menu and will show the percent of cows under or over a linear score (LS) of 4.0 (or SCC over or under 200,000). Each bar represents a test day over the last year, so the user can quickly see how udder health changes from test to test. The bottom portion of the bar represents the percentage of cows with LS below 4.0 and the top portion shows the percentage of cows with LS above 4.0. Focusing on the right side of the graph, which shows the most recent test results, can help determine if changes in udder health are occurring over time and if goals for the udder health of the herd are being met.



The following table breaks down milk production, components, linear score and 305 projections by lactation group, stage of lactation and by stage of lactation within each lactation group. This table quickly summarizes the most recent test day numbers into different herd groups which makes it easier to determine potential problem areas. If there is an issue that warrants further investigating, a list of individuals can be created for the group in question.

BY STAGE	#COW	AVDINTD	AV MILK	AVMKDEV	AV PCTE	AV PCTP	AV LS	AV 305M	
FRESH	3	21	31	0.0	4.6	3.2	1.2	9867	
EARLY	21	6	77	30	1.4	3.6	3.2	1.0	8513
MID	32	9	154	34	3.2	3.7	3.2	1.8	9798
LATE	21	6	254	30	3.3	4.4	3.5	1.8	9275
OVER305	14	4	364	28	1.2	4.4	3.6	2.1	9868
LCTGP 1	45	28	174	31	2.5	4.0	3.3	1.6	9428
FRESH	13	2	32	48	0.0	4.3	3.0	0.6	10840
EARLY	20	3	84	38	-0.3	3.6	3.2	2.7	10257
MID	33	5	142	34	3.6	4.6	3.5	2.8	9428
LATE	20	3	225	23	-0.3	5.1	3.8	3.3	8533
OVER305	13	2	341	30	0.0	4.5	3.8	1.2	10265
LCTGP 2	24	15	159	34	1.2	4.4	3.5	2.4	9715
FRESH	11	2	25	46	0.0	4.9	3.0	1.0	9670
EARLY	37	7	66	40	-0.8	3.6	3.0	3.6	9874
MID	21	4	137	36	2.2	4.3	3.4	3.5	10160
LATE	21	4	236	31	7.8	3.8	3.6	3.6	10928
OVER305	11	2	314	24	1.0	4.4	3.9	4.2	11410
LCTGP 3	31	19	139	36	2.3	4.0	3.3	3.4	10296
FRESH	11	7	25	40	0.0	4.6	3.1	1.0	10089
EARLY	26	16	74	36	0.1	3.6	3.1	2.5	9436
MID	29	18	147	34	3.1	4.1	3.3	2.4	9776
LATE	21	13	242	29	3.8	4.4	3.6	2.7	9612
OVER305	13	8	346	28	0.9	4.4	3.7	2.4	10352
Total	100	62	160	33	2.2	4.1	3.4	2.3	9763

Lots of information can be generated and recorded on a dairy but its worth is when it is used. Dairy Comp software has the tools that can help dairyman make better use of the information collected to motivate change in management or validate a job well done.

INVOICE QUESTIONS

Twice a year DHI invoices customers for services provided. With each billing period, the Customer Service Desk (CSD) and the Accounting Department receive a number of calls from customers who have specific questions about their invoice and are looking for more information. A summary of the more typical questions received by the CSD staff may answer some questions you have and haven't yet asked.

The first thing that you may have noticed is that we invoice in advance. Our invoice are designed in two parts. The first part is the "Estimated Semi-Annual Invoice" which is the statement that reflects the current charges – the cost of the services we expect you to use in the next six months and the adjustments for the services from the prior period. The second part of the invoice is the "Statement of Activity", which itemizes the services actually used and the reconciliation of these charges with the amount that was prepaid. This then insures that the customer only pays for the services actually used. Any difference (debit or credit) in this part of the statement is reflected in the first part of the invoice for the current charges.

We estimate the services in advance by invoicing for the service plan upon which you are enrolled, ie. Publishable or Management records, additional options (SCC, MUN, Monitor reports, etc.), the number of milkings attended by DHI staff and, of course, the number of cows you milk. These figures are determined from the last test prior to the current invoicing period.

Since the estimate is unlikely to be completely accurate because of the variables involved with a milking herd, it is important that you review and confirm that the charges are correct. If you see charges for services that you have cancelled or something else you can't explain, you should call the Customer Service Desk and we will get it clarified or corrected.

DHI has several methods of payment, one of which should meet your needs. As indicated on your invoice, you can pay by any method within the 45 day payment period and receive the one percent discount on the current period charges. Options for payment may include the use of internet banking or payment through your bank. Should you or your bank have any questions with regards to arranging these payment options, our Accounting Department would be pleased to provide any assistance required. If you are looking for an alternative to lump sum payment, you may wish to consider preauthorized payment plans from your bank account or directly from your milk cheque (available in ON and SK). Keep in mind that installment payments do not qualify for the early payment discount.

Please don't hesitate to call the Customer Service Desk or our Accounting Department at 1-800-549-4373 if you have any questions regarding your DHI invoice.



1.800.549.4373 www.canwestdhi.com

CHAIRMAN'S COMMENTS

Attention to detail maintains profitability



Managing a modern dairy operation successfully in today's business world is the summation of doing a lot of little things right, from calf and heifer rearing, to breeding and feeding for longevity, health and profitable production levels.

Today's successful dairy farmers pay close attention to many details to maintain profitability and grow their businesses for future viability.

As dairy farmers in the United States and Europe are struggling with milk prices that are below the cost of production, it is those farmers who pay strict attention to details in managing controllable costs who are staying in business during these challenging economic times. When margins are squeezed as they currently are in those areas, relevant, accurate and current herd management information is critically important.

With the milk price stability that we have here in Canada we have the opportunity to use the tools provided by DHI

to increase our profit levels. From basic herd testing, to SCC and MUN testing, as well as the in-depth analysis and herd monitoring capabilities of Dairy Comp Herd Management Software, DHI services provide us with the tools to do all of the little things right.

As our dairy industry is faced with issues concerning interprovincial and international trade, they are also working more closely together than ever. Let us as dairy farmers give them our full support in their efforts to put a truly national focus on how our industry will remain viable and relevant in the future. These efforts are the key to our future profitability.

As on our farms, the whole dairy industry has to do a lot of little things right, cohesively to maintain the future viability of our livelihood.

As December is upon us, on behalf of the Board and staff at CanWest DHI, I wish all of you and your families a Merry Christmas and a successful beginning in the New Year.

John Bongers

John Bongers is a dairy producer from Eastern Ontario.



HERD MANAGEMENT CONFERENCE PRESENTED BY CANWEST DHI

PRE-REGISTER BY JANUARY 12 AND SAVE!

January 19, 2010
Legion Hall
Chesterville, ON

January 20, 2010
Memorial Hall
Tavistock, ON

January 21, 2010
PMD Complex
Drayton, ON

REGULAR PRICE: \$45.00 EARLY BIRD: \$37.00 (INCLUDES GST)

Price includes conference and lunch. Pre-registration required by January 12, 2010.

Pre-register by phone at 519.824.2320, or fax at 519.824.2434

Please note that a \$20.00 fee will be charged for 'no-shows'.

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WHAT ARE YOU MISSING ON YOUR DHI REPORTS?

BILL GREXTON, MANAGER OF HERD MANAGEMENT SERVICES, CANWEST DHI

We sometimes hear that DHI is producing a “lot of paper” that people don’t want. I’ve been told – “just give me what I need. I don’t need the rest”. I don’t think this assertion is true and I’ll try to explain why.

For the past few years, we have spoken at kitchen meetings for dairymen with the topic “Understanding DHI Reports”. Inevitably after each and every meeting, a number of those attending would say, “I didn’t know that was there. And now that I do, I know I can manage things a lot better”. What that says to me is that most people are familiar with some parts of the reports, but there are many other pieces that they would use if they knew they were there and how to understand them.

Most people look immediately at the Test Day Summary and then to individual cow test day results and very few go beyond that. So I am going to try to point out some of the lesser used parts that I think you will find useful. None of these things need to take a lot of time, but they can tell you if something needs attention, and you need to know that.

Stage of Lactation Summary – the top left section of your herd summary

How do the different stages compare? Look at BCA. Are they similar or do they go up as the stages get older? If so, do you have an issue with your transition and fresh cows that need to be addressed? If so, you better get at it while you can fix these fresh cows lactations. Are the older ones the lower numbers? Good, that is what you want to see – fresher cows doing better than the staler cows did 6 months ago.

Lactation group profile – the middle left of the page

Just take a quick look at the BCA’s. How are the younger cows doing? With better genetics, you would expect higher corrected milk and components (which is what BCA shows) with your younger animals. In addition, are there big variations in components across lactations? If so, is it a genetic issue or is one group needing different feeding or handling?

Optional columns (in stage of lactation summary, test day summary on Herd Monitor, Cow Monitor and Cow Income Monitor).

Were you aware that there are more than 100 different measures that you can see in any of these places? You can modify any report on any test day by asking your DHI technician to do it. The best part of this is that you can tailor your reports to show you the specific items you want to see. For a list, go the DHI website and click on “Herd Reports” (under Services on the left side). Then click on “Optional Information” which is at the bottom of the list.

Linear Score (LS) – on a number of reports but specifically on SCC Herd Summary

Many people do not understand the role of LS. It is a calculation that tells you how much milk loss to expect from a cow because she has an udder infection. SCC can tell you the individual’s reaction to infection and research has shown that there is a direct relationship between milk loss and udder infection.

The best way to quantify that milk loss is with the use of LS information. Any cow with a LS higher than 4.0 has significant milk loss – enough to be worried about. A good rule of thumb is that for a 2nd or later lactation cow with a lactation average LS of 4.0, you are losing 360 kg of milk. If it is 6.0, then this loss doubles to 720 kg milk. Every 1.0 increase in LS adds another 180 kg of milk loss. Not only is dealing with the infection an issue, but not getting the milk you bred the cow to produce is doubly troubling. Mastitis is an ongoing struggle. Use the tools available to help you get ahead of it.

Here are some places to watch:

SCC Herd Profile – do you see differences across the various stages and lactations in the Profile? More importantly do you see an increase over time or just after calving? This can tell you where to focus on when dealing with mastitis.

SCC Herd Summary – what percent of your herd has a LS > 4? If it is over 20%, you need to pay attention. This is more important than average SCC – which can be influenced by 1 or 2 very high cows. This measure tells you what % of the herd is costing you money.

SCC Management List (center) and SCC Summary – shows the number of tests a cow has had with LS >4. How many of your cows have multiple tests above 4.0? What do you do if 1/3 have multiple high tests? What is your limit? You need to have a plan!

There are a number of other items such as Management Measures and seeing where you stand within your province, individual cow reproduction information, and Cow Income Monitor, which identifies your lowest income earners. But, if you would like to know more, there is a video available on CD or DVD from CanWest DHI which goes through all the reports and shows you some of the items that are reported you may have missed or not even know were available to you.

My advice is to take a yellow highlighter and go through your reports when you get them, highlighting the key measure you may want to look at later. It sure saves a lot of time and if one particular area has a lot of yellow, that is a signal that maybe you should spend more time looking to improve things there.