



The Center Spotlight

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Profit Team Creates Opportunity for Open Discussion

Editor's Note: This is part of a monthly series of timely articles and information from the Center for Dairy Excellence, a non-profit organization focused on strengthening Pennsylvania's dairy industry.

HARRISBURG, Pa. — Ron Wenger and his father Carl formed a partnership at Hollowacres Farm LLC last January and are milking about 240 cows on their farm in Pleasant Hall, Franklin County. In the spring, when they started seeing somatic cell counts on the rise, they decided to establish a Dairy Profit Team to address the problem.

Hollowacres is one of 200 dairy farms that have taken advantage of the team concept to evaluate performance issues. Using the team approach on a dairy can lead to better business decisions and improved profitability.

"The first big issue we looked at was somatic cell counts, but we didn't stop there," Ron said. "The profit team has given us the opportunity to look at everything, identify the problems and focus on finding the solutions for those problems."

The Wengers' veterinarian, nutritionist and lender all sit on the profit team, along with Ron, Carl and their herdsman. "We meet three or four times a year and have an open discussion on the issues affecting the dairy," Ron said. "It helps open the lines of communications, with anyone able to comment on anything we can change or improve."

Ron credits the profit team program with helping get the partners to a point where they are able to sit down around a table, discuss the problems, and focus on what's causing it. "The profit team has given us some goals and things to work toward," he said. "It has also helped us set up the protocols a little bit more in detail."

Part of the solution

While Ron believes that no one thing can be credited with improving their somatic cell count, he said since the profit team was established, they've seen it fall by 200,000 SCC.

"When anything changes on the farm, you can blame or credit half a dozen things, but the profit team definitely gave us some strategies to work on," he said. "The funds that the Center for Dairy Excellence provided also allowed us to do some culturing of the cows to find out what was causing some of the mastitis in the herd."

Although the profit team was established with somatic cell counts in mind, the Wengers are now using it to look at other issues. "We've hit a lot of things during the year, and it has really helped to keep those communications lines open," Ron said.

2011 application period now open

Pennsylvania-based dairy farms interested in creating either a Dairy Profit or Target Profit Team can apply for funding and program support through the Center for Dairy Excellence. Existing Dairy Profit Teams can access up to \$1,000 to cover the cost of paid team members and discovery-related expenses, and up to \$1,500 is available for new teams. Target Profit Teams have up to \$1,000 for new teams and \$750 for existing.

An on-farm dairy resource team operates much like a board of directors for the farm, with trusted advisors meeting regularly to discuss the farm operation and bottlenecks to profitability.

In 2010, a study of 75 farms participating in the center's program showed that using the team approach resulted in growth in milk production and profitability. Dairy farms increasing milk production as a result of the profit team's input added an average of \$4,000 in monthly revenue to the bottom line.

To participate in the program, farms must complete an application and agree to participate in a team training session and mid-year check-in training facilitated by Penn State Dairy Alliance. Teams must



Ron Wenger, with his wife Amy and two children, Gavin (20 mo.) and Colin (6 mo.), is a partner with his dad Carl at Hollowacres Farm.

also be willing to disclose income and expense information to team members to allow for open discussions regarding profitability and performance.

Each team must also have a facilitator who coordinates the team, organizes meetings, and works closely with the dairy farm management team to ensure the goals of the team are clearly outlined.

Farms needing assistance in finding a facilitator can contact the Center for Dairy Excellence. Penn State Cooperative Extension provides support for the program, with extension agents serving as facilitators on several farms. The center also works closely with the Service Core of Retired Executives (SCORE), a volunteer group willing to serve as facilitators for profit teams.

To get an application, individuals can contact the center at 717-346-0849 or by e-mail at info@centerfordairyexcellence.org. You can also visit www.centerfordairyexcellence.org for more information.

Pennsylvania Milk Production, Market Share on the Rise

Pennsylvania Dairy Industry Performance Scorecard Summary	Nov. 2009 Report	Nov. 2010 Report	Change from last year	Target range
Milk Cows	541,000 cows	541,000 cows	—	
Rolling 12-Mo. State Milk Production	10.544 bill. lbs.	10.713 bill. lbs.	+1.60%	10.8 bill. lbs.
Wholesale Milk Price	\$16.80/cwt.	\$20.10/cwt.	+19.64%	
PA Daily Feed Costs (cost of corn, soybean & hay at 65 lbs. milk)	\$5.88/cwt.	\$6.17/cwt.	+4.93%	
Milk Margin (IOFC @ 100# of Milk)	\$10.92/cwt.	\$13.93/cwt.	+54.22%	
Milk Production/Cow/Day	61 lbs.	61 lbs.	—	80 lbs.
% of Herds with 80+ lbs./cow/day	9%	9%	—	
Rolling 12-mo. Herd Production Average	20,987 lbs.	20,934 lbs.	- 0.25%	25,000 lbs.
Average Somatic Cell Count	263,900	248,110	- 5.70%	200,000
% of Herds below 200,000 SCC	29%	32%	+ 13.4%	
Average Days In Milk	185 Days	187 Days	+ 1.19%	185 Days
Average Age to First Calving	25.4 months	25.5 months	+ 0.35%	21—24 mo.
Average Days to First Service	89 Days	90 Days	+ 0.62%	< 80 Days
Average Cull Rate (% left herd)	33.8%	34.8%	+ 2.81%	20—35%
Average Pregnancy Rate	16.78%	15.62%	- 6.91%	> 20%
To view complete scorecard, visit:	www.centerfordairyexcellence.org			

HARRISBURG, Pa. — Pennsylvania grew milk production by 3.2 percent over the past 12 months, according to the November "Pennsylvania Dairy Industry Performance Scorecard."

Despite droughty weather conditions in parts of the state and rising feed costs, production continues to rise, helping the state inch above 5.6 percent in its total market share of the U.S. milk supply. Cow numbers in the state are unchanged from a year ago, while daily milk production per cow is up one pound or 2.6 percent.

Somatic cell count levels fell to their lowest level in 24 months, now at 248,000, with 44 percent of the state's herd having a somatic cell count of below 200,000. Pennsylvania's dairy herds lost some ground in reproduction this month, with days in milk up 1.1 percent and pregnancy rates down 6.9 percent from a year ago.

The complete scorecard can be viewed online at the center's website, www.centerfordairyexcellence.org. Click on the "SCORECARD" icon in the middle of the home page, or call 717-346-0849 to request a copy.

For more information on programs and resources available to help farms reach their performance and profitability goals, contact the center at 717-346-0849 or by e-mail at info@centerfordairyexcellence.org.



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