



Agribusiness support first line of defense in challenging times

By John Frey, Executive Director
Center for Dairy Excellence

Editor's Note: This is a special feature from the Center for Dairy Excellence exclusively for the Farmshine newspaper.

In April, the Center for Dairy Excellence hosted a special round of meetings for dairy's sales and service representatives. The goal of the meetings was to really challenge all of us on how we communicate and work

with dairy farmers during these challenging times.

More than 150 people took time out of their busy schedules to attend one of these three meetings. That alone demonstrated how important Pennsylvania's dairy industry view on-farm communications and the relationships they build.

Every dairy farm family has a core group of trusted advisors they depend on to help them maximize their dairy's potential — it could

be the vet, nutritionist, DHIA or AI technician, accountant, or the local extension educator among others.

These are the people you have come to depend on as your first line of defense in helping you work through problems on your dairy.

The current low milk price situation is no different. Dairy producers across the state are looking to their service providers to help them find ways to cut costs and improve profits. And those providers are eager

to offer that help because they know the success of their business depends on the success of their dairy farm customers.

This month's Center page includes insight from three agribusiness professionals on some of the things dairy producers they work with are doing to control costs and manage through the challenging times. Their activities mirror those of others who are working diligently to help dairy farmers work through the downturn.



Background: The Mid-Atlantic Farm Credit is one of 99 regional farm credit associations across the country. In his role as a loan officer, Terrell works with many dairy farm families

ANDY TERRELL, Loan Office, Mid-Atlantic Farm Credit, Lancaster

in the southeastern region of Pennsylvania. He also serves on the Pennsylvania Dairy Task Force's Business Management Committee.

What are producers doing in the area of farm financing? "The entire interest market is now lower than ever because of the general economy," says Terrell. "Many farmers are using this to their advantage to refinance loans at lower interest rates.

"We are looking at all sorts of ways we can help producers weather the downturn," he says.

Options could include providing term loans, increasing lines of credit, restructuring existing debts or even setting up interest-only payments in the short term.

"We look at each individual farm situation and decide what is best for that situation," Terrell explained.

How is it helping? "We are really pushing our clients to look at all of the tools available to help them get through the challenging times," he says.

"We encourage them to work with the center and with their local extension office to see where they can make improvements," he explains. "We encourage them to do feasibility studies, put together profit teams and go to various educational programs put on by Penn State Dairy Alliance, Extension and PDMP.

"We really want them to get out there and see all of the opportunities they have to find ways to improve their business."



Background: Many organizations are working closely with dairy producers to help them lower somatic cell counts and improve udder health. Improving milk quality can generate

DENNIS MILHOAN, Lancaster Dairy Farm Automation, Lititz

multiple returns, leading to increased milk production, lower mastitis costs and added milk premiums.

Dennis Milhoan heads up the Milk Quality Working Group for the PA Dairy Task Force. At Lancaster Dairy Farm Automation, where he is president, he focuses heavily on this opportunity to help producers enhance profits through udder health.

What are producers doing to improve udder health? LDFA is working with more than 100 dairies to troubleshoot problems to improve profitability. "It's how we add value

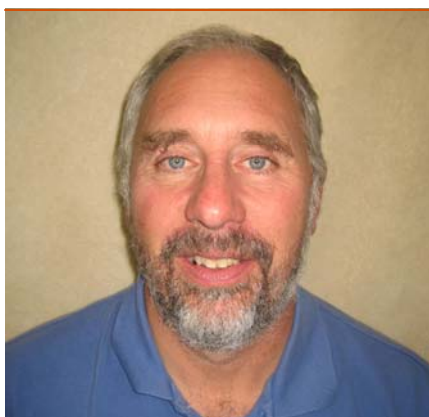
for our customers," Milhoan says. "We partner with producers to improve udder health."

The service doesn't cost existing LDFA customers anything. "They buy their supplies from us and, in return, we provide the service to them. It is one way we can help our farms be more sustainable."

How is it helping? The service starts with a "whole-environment" assessment of the cow — from the freestall to the milking parlor. Based on that evaluation, LDFA identifies action items to prioritize.

"Producers are seeing results, dropping somatic cell counts by 200,000 or more," Milhoan says. "Incidences of clinical mastitis have also fallen 3—5 percent on new infection rates.

LDFA sees this service as a way to add value for their customers. "We want to systematically drive continuous improvement on the dairy," he says. "When you can improve udder health and milking performance, you have less mastitis, lower SCCs, and increased production. The higher premiums are just an added bonus."



Background: Naumann works as a nutritionist for Hooper Feeds, which serves about 320 dairy producers in Lancaster County and surrounding

TOM NAUMAN, Hooper Feeds, Gordonville

areas. They manufacture any kind of nutritional product and provide every aspect of nutritional services a dairy producer needs.

Like many feed companies, Hooper is working closely with its producers to evaluate every aspect of the ration to make sure it is the best value for what they are paying.

What are producers doing to control feed costs? "We are really trying to stress the importance of high quality forage," Naumann says. "It is too late to focus on last summer's forages. But we want the to focus on

forage quality for the upcoming year and the 2009 forages coming in.

"For the guys buying their forages, we want them to get the best value," he says. "We tell them, 'Don't buy it if it doesn't have a forage analysis, and if it does, make sure you're getting the best value.'"

Stretching forages is also important. "We want them to make the best use of the carbohydrates from forages," Naumann says. "If you can get more energy into the cow from carbohydrates, it is a lot cheaper than getting it from fats."

Protein can also be reduced through maximizing the use of carbohydrates.

"You can reduce your total protein intakes because the cow will make more of her own protein in the rumen," he says. "We are being really proactive in amino acid balancing to help them reduce protein levels."

How is it helping? "We spend a lot of time coaching producers to look at every ingredient in their ration but to not make knee jerk decisions," Naumann says. "They need to keep things in perspective — Not do things that cause long-term losses."