


Paths Forward for the Pennsylvania Dairy Sector

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General Outline – Thinking Strategically

1. Pulling an industry together around a common theme, goal, or vision
2. What are the big trends shaping US dairy
3. What are the assets of the PA dairy sector
4. How does PA leverage its assets to move forward?

prepared by A.M. Novakovic

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Do You/We Have a Vision for the PA Dairy Sector? Does it Matter?

- Vision: a set of ideals and priorities, a picture of where we want to be in the future, core principles, define success
 - Realistic: based in reality, honest, factual
 - Credible: believable, achievable
 - Attractive: inspire and motivate
 - Future oriented: where you want to be
- Whose vision?
 - my vision for my business?
 - my vision for your business?
 - our vision for our industry?
 - their vision for our industry?

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Can an Industry develop a Strategic Plan?

- Are you a farmer?, processor?, an agribusiness?
Do you have a Strategic Plan for your business?
- Do you have ideas about what you think “the industry” or “government” ought to do to help you achieve your goals for your business?
- Is there a vision for the Pennsylvania dairy sector? Is it different from a vision for NY? Or the NE? Or Wisconsin? Does it matter?
- What factors facilitate or frustrate this vision?
- Who are the players and what can we expect from them?

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Strategic Planning – Strategic Thinking

“Strategic Planning” determines where an organization is going over the next year or more, how it's going to get there and how it'll know if it got there or not. *(Consultants Development Institute)*

“Strategic Thinking” is a way of viewing challenges and opportunities from a variety of perspectives and altitudes, in order to proffer the very best solutions and directions. It is the habit of visualizing alternative futures for the organization and their impact on others. It's not just a way of thinking what could be, but also a way of seeing what should be. *(Strategy Management Group)*

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Who are the players and stakeholders?

- Who has skin in the game?
- Who is helping?
 - whom do we need to add to this part of the list
- Who is holding us back?
 - can we change this
- Who talks the talk? Who walks the walk?
 - Can we motivate the idlers and watchers?

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What do we need to be good at to have success?

- Farming
 - assemble inputs (feed, cattle, labor, management, capital)
 - dairy management (health, reproduction, genetics, feeding)
 - farm management (crops program, other enterprises, financial management, labor management, succession planning)
 - marketing (product, sales, pricing, logistics, placement)
- Processing
 - Products (volume vs margin)
 - Plants (nearby us vs. near to customer, close enough to trust vs. big enough to have market clout)
- Retailing or Food Service
 - How do you define Value?
 - Who is your customer and what does she want?
 - What do your suppliers need to do and be for you?

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Megatrends in the Dairy Sector (Does PA go with or buck the trends)

- Farming
 - Bigger is better, or at least lower cost
 - Unless, different is better (different product, different market)
 - Success goes to the good thinker more than the hard worker
- Processing
 - Old strategy: High quality product, consistently produced, at an affordable price
 - New requirement: nimble, creative, inspiring (while still delivering value = q/p)
- Demand
 - Consumer calls the shots (definitely NOT the processor)
 - Wants affordability and quality, but also
 - Good for me, good for us, good on you

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What Does This Mean for an Industry

- Keep old values but toss out old strategies
- There is not one answer for an industry or one strategy that will guarantee success for any business
- We can think strategically together, we can develop public and cooperative programs to facilitate a joint vision, but only you can develop and implement your strategic plan
- Educate your customer but don't argue with them
- Be right, do right, brag about it

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Pennsylvania Dairy's Assets?

- YOU TELL ME
- Great dairy tradition
 - Favorable to dairy plus farming production system
 - authenticity
- Natural image
 - Traditional methods, Amish visuals
 - Sustainable, local, trustworthy
- Philadelphia has a great food story
 - Pair more dairy foods with Philly traditions?
 - Great tasting not fancy
 - basic ingredients => natural
- Ice Cream, Creamery, Cream Cheese, Butter
 - Pennsylvania Creamy Goodness?

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