

# The Future of Your Dairy Farm Business

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What is the future of your dairy farm business? You're probably so busy with the work of your business today you may not have much time to think about the future. But for you and your family it could be very beneficial. Give some thought to the next 5, 10 or 20 years ahead.

Who will determine this future? Many factors will affect your business, but for the ones over which you have control you may want to remember the following quotation. Called the Ten Most Important Two Letter Words in the English Language, it is: "IF IT IS TO BE IT IS UP TO ME". You are equal to the challenge. Will you grasp the opportunity?

There are five critical questions whose answers can help you visualize the future of your dairy farm business.

- ▶ How much net income must it generate for my family?
- ▶ How must it "work" for me to be satisfied?
- ▶ Who will be involved in my business as management? As labor?
- ▶ How will my business be organized and structured?
- ▶ What will my production system look like?

Before you start to think about these critical questions, a more important issue must be addressed. This is the issue of why your business exists today and what are your goals for it. We should all have short term (1-3 years), intermediate (4-10 years) and long term (>10 years). Discussing these goals with your family is essential. Then **WRITE THEM DOWN.**

I believe there are five areas which will determine the success of your business.

- ▶ Business management
- ▶ Labor management
- ▶ A profitable milk production level which is growing
- ▶ Forage Quality
- ▶ Cow comfort

A quick review of some key points in each area should provide the basis for an effective plan of action.

## Business Management

Take responsibility for casting the vision for your business. This is of utmost importance if your business is to succeed. It is the first principle of leadership. Consult others as you form your vision and then share your vision when it is fully formed.

Keep complete production and financial records. With them you will have the basis for knowing both the cost and the value of your business' milk production. Both types of records should be monitored monthly and used to evaluate cow and herd performance as well as the business' performance. Corrective action should be taken when weaknesses or poor performance are detected.

Perhaps you should consider forming a management team and include people outside your business such as a lender, veterinarian, your extension agent, feed consultant, etc. A fresh look from "outside" eyes can bring beneficial insights.

## Labor Management

There are no magic bullets but the following elements of labor management are important:

- ▶ Recruit and hire the right people
- ▶ Spend time to train; you, your employees and your business will all benefit.
- ▶ Coach and lead your team.
- ▶ Reward exceptional effort as well as obvious success.

#### Profitable Milk Production Level and Forage Quality

Aim for the highest level you can attain profitably. Forage quality and energy intake will be key. A planned year-round program will improve your chances of success.

Should you grow or buy? Your goal for your land should be to maximize the energy grown, harvested and stored and stored per acre. Timing with a little luck will be very important in either home-grown or purchased forages.

#### Cow Comfort

The dairy cow is queen. The more comfortable she is the more dry matter intake she'll consume. Provide a clean place for the hours during the day she is resting and she'll reward you with more milk because mastitis will not be a problem.