

What One Item Would You Change In Your Operation?

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With the cooler, wet weather and tendency to want to stay inside by the warm fire, take some time and reflect on changes that you would like to make in your farming business. What is the one item you would like to work on this year that would improve the profitability of your operation? Basically, you want to define what change you would like to make, break it down into small, doable pieces, and then to decide on a plan to accomplish your goal.

What Do You Want to Change:

First, you need to define what you want to change or accomplish. To effectively define what change should be made in any business, you need to review your records. As you are getting your records together for tax purposes, take a few extra minutes to look at your costs and the other production records you have in front of you. For example, do some of your costs seem out of line, is production lower this last year, or did you have to sell too many cows because they didn't breed back. Then, decide on the one area or problem you want to work on. Often times we try and tackle everything at once, quickly become overwhelmed, and end up feeling like we haven't accomplished anything.

Break task down into doable pieces:

Suppose you see that your total grain bill is higher than normal even though feed costs were somewhat lower. The next set of questions you should ask is: did you feed more grain to the milking herd, did you increase the number of cows milking, or did the heifers account for the higher grain costs. Basically, you are trying to narrow down where the higher grain costs are coming from in order to get the problem area narrowed down into a small doable project.

Design a plan of action:

Next, once you have decided on a small manageable goal, you need to design a plan of action. In our example, we have identified that the amount of grain fed to the milking herd increased over the past year. On reflection we remember that we have not tested the forages being fed and rebalanced the ration since last spring. The first step is to call our nutritionist and have them take samples of the forages currently being fed and use these results to rebalance the diet for the milking herd. Once this is done, we need to see if the ration needs to be changed to save dollars on our monthly feed costs. Notice that the plan of action here was not to immediately decrease the amount of grain fed but to investigate the correct amount of grain needed and to adjust the ration accordingly.

Thus, develop a doable action plan and put that plan for your farming operation into practice.