



# Having an advisory team helps us manage

These four farms brought together their best advisors to tackle change and challenge.

**W**HEN most of us think of a team, sports typically comes to mind. If we're talking about the greatest sports teams in history, does the Olympic Gold Medal hockey team from 1980 come to mind? College kids, not NHL all-stars, made up that squad. But, as a team, they became an unstoppable force and defeated the Russians in a historic goal medal match.

Dairy advisory teams, too, can become remarkably successful. You don't need to search the country to create the dream team either. All you need is vast perspectives, expertise, as well as some clear goals and expectations. These Round Table participants have looked beyond the farmgate to create their own advisory team. All have taken part in the creation of an advisory team to discuss goals, specific challenges, and the farm's future ambitions. For some, it is a farm ownership transfer that ignites the start of a team, and for others it may simply be poor-performing fresh cows.

Teams are created by bringing together each farm's circle of most trusted advisors. The farm's veterinarian, the banker, the nutritionist, and members of academia or extension are often involved. All of our participants agree that, in order to form a successful, productive advisory team, a good dose of honesty is required.

## How did your advisory team get started?

**Hill/Shuey:** We read about Profit Team in an agricultural publication. We thought we could

benefit from this opportunity, as we had just expanded our barn by 20 stalls. We are part of a Pennsylvania statewide program through the Center for Dairy Excellence. We applied in December 2007 and started our first meeting in February 2008. Initially, a \$2,500-per-year incentive was provided to offset the advisory team's service fees. (This incentive is now \$2,000 per year.) We also applied for the Grow Dairy grant which offered \$2,000 toward changes or improvements recommended by the advisory team which went towards the purchase of three mega calf huts to transition our weaned calves.

**Hyman/Stockman:** In our county, we have what is called an ag coordinator. He was able to get a grant to start profit teams in Jefferson County, N.Y. We ended up being one of four farms in our county to participate. There was cost sharing available to help cover the costs of the meetings, so we received \$600 for each meeting which occurred over the course of two years.

**Jones:** We saw a need to improve, and our specialists each had their ideas for improvement. We thought that everyone would benefit if we came together as a group and discussed what to do and where to start. We are not a part of any extension or statewide program.

**Krienke:** Our advisory team is managed by a regional program called the Dairy Profitability Enhancement Program (DPEP) that is a segment of the Minnesota Dairy Initiative program. Our milk field representative recommended the pro-

gram to us after it got running. At the time, we were looking into our initial expansion, and it sounded like a good resource to tap. We contacted our DPEP program coordinator and signed up. Our regional program offers a \$200 scholarship for a farm purchase that the team agrees upon.

## Who is on your team, and what is their main area of expertise?

**Hill/Shuey:** Kirk Sattazahn of Select Sires is our facilitator and reproduction specialist. Brian Reed, D.V.M., has expertise in herd health and business management. Rick Stehr of REB Consultants is our nutritionist. Fred Weaver of Weaver Accounting is the finance expert. The remaining members of the team include the four owners: Rich Hill (dairy and heifer rations, crops), Gale Hill (on-site mastitis culturing, administrative support), Kevin Shuey (herd health, A.I. technician, Holstein mating), and Terry Shuey (calf raising, Brown Swiss mating, finances, marketing).

**Hyman/Stockman:** Tom Sheppard of Dairylea was our facilitator. Jason Karges at Cornell University has expertise in business; Greg Lake of Cargill, nutrition; and Laura Raymond, Watertown Animal Hospital, is our veterinarian. Additional consultants were brought in, depending on what topic was being discussed.

**Jones:** Our team consists of Curtis Jones, co-manager of the dairy farm; Charles Townsend, D.V.M., of Animal Health Management Services is our veterinarian; Dan Johnson of Select Sires



**Little Hill Farm — the Hills and Shueys, Lebanon, Pa.**

Rich and Gale Hill (left) and Kevin and Terry Shuey (right) formed a partnership 16 years ago when siblings Rich and Terry decided to manage their family farm by continuing the three-generation tradition. Today, 98 cows are milked at the farm in rural Pennsylvania with no outside labor. Registered Holsteins and Brown Swiss are milked three times daily with an SCC of 77,000. Members of the Holstein herd average 29,660 M, 3.6 F, 3.3 P, while their Brown Swiss herdmates average 27,612 M, 4.0 F, 3.3 P.

In 2008, the farm was honored

with the National Brown Swiss Young Breeders Award, and they have received the Holstein Progressive Breeder Registry Award for nine years. Terry is a Select Sire Power delegate and serves on the Board of Directors for the Pennsylvania Dairymen's Association.

The farm started their advisory team with help from Pennsylvania's Center for Dairy Excellence in 2008. Little Hill says, "The whole experience of involving outside experts challenged us to think outside the box and will likely influence how we make decisions in the future."



**Hy-Light Farms, LLC, Adams, N.Y.**

Todd and Heather Hyman didn't originally set out to manage two dairy farms that now milk around 1,000 cows in total. In fact, they originally wanted to milk 40 cows. Todd worked for Cargill and Heather for a local dairy farmer when their small farm began. As the herd grew, Heather's parents, Jerry and Mary Stockman, became involved. They are shown above, left to right, Mary, Heather, Todd, and Jerry.

With a desire to ensure a future with their rapidly growing farm, Hy-Light Farm decided to take part in a local dairy Profit Team pro-

gram. Over the course of two years of teamwork, the farm has grown to two locations. Their home farm milks 330 in a double-8 herringbone with an RHA of 26,000 M, 4.0 F, 3.2 P, with a 150,000 SCC. Their leased facility milks 750 in a double-16 herringbone with an RHA of 24,000, 3.7 F, 3.1 P, and a 130,000 SCC. All animals are housed in sand-bedded free stall barns.

When discussing his approach to these teams, Todd says, "Don't use them to tell you what your goals are. Tell them your goals, and have the team help you achieve them."



### Coleman Crest Dairy — the Jones family, Loretto, Ky.

Reproductive challenges, heifers calving with high SCC, and fresh cow nutrition all spurred the development of an advisory team at Coleman Crest Dairy in Loretto, Ky. Stewart and Mary Jones, along with their family, milk 266 cows. Shown from left to right are Beth, Mark, Stewart, Mary, Curtis, Luke, Denise, and Mathew.

Stewart and Mary purchased their farm in 1983. In 1995 they joined the dairy business after constructing new facilities. The milking herd is housed in a 250-cow sand-bedded free stall barn.

Transition cows are housed in a 45-cow sawdust bedded pack barn, and cows are milked in a double-6 herringbone parlor. The couple's oldest son, Curtis, works fulltime on the farm in addition to six other employees. Younger siblings help when possible.

The family was recognized as a runner-up for Kentucky Farm Bureau's Outstanding Young Farm Family and has received milk quality awards from their milk processor. While choosing what topics to focus on in meetings is difficult, they say "long-term success is our first goal."



### Prairie Dairy— the Krienke family, Lester Prairie, Minn.

A series of major changes at Prairie Dairy were aided by the help of an advisory team for the ambitious Krienke family in Lester Prairie, Minn. Kraig and Rachelle Krienke have owned the 140-year-old family farm for the past 5 years and are shown here with son Blake and daughter Elizabeth. They recently welcomed home a new son, Brodie.

Assisted by Minnesota's Dairy Profitability Enhancement Program (DPEP), their advisory team has helped the farm go from 50 to 320 cows. Milking cows are housed in a 4-row naturally ventilated free

stall barn bedded with sand. Breeding age young stock and dry cows are also housed in sand-bedded free stalls.

The all-Holstein herd averages 30,000 M, 3.65 F, 2.95 P. SCC is 150,000. In 2010, the family was the McLeod County Farm Family of the year. Kraig also serves as a board member of the DPEP. Based on his advisory team experiences, Kraig says, "I feel the team approach has really helped our farm excel. It has helped us through many changes from expanding our dairy to farm transfer."

works with us on genetics; Glenn Smith of Kentucky Nutrition Services is our nutritionist; Denise Jones, our daughter-in-law, who works for the Kentucky Dairy Development Council is a consultant; and Jeffrey Bewley, Jack McCallister, and George Heersche, all University of Kentucky Dairy Extension specialists, also join us. Their areas of expertise include dairy systems management, genetics, and reproduction, respectively.

**Krienke:** Team members include Joseph Neubauer, our banker and loan officer from Mid-Country Bank; Patty Dahlke, D.V.M., our veterinarian from Glencoe Vet Clinic; Paul Filzen, a Farm Business Management instructor from Ridgewater College; Jim Klein is our udder health expert and field representative from Bongard's Creamery; Wayne Kozitka, our milk tester from Minnesota DHIA, helps us with cow records; Mike Hoernemann, a fellow dairy prouder and owner of Hoernemann Dairy; Larry Russell, our nutritionist (and is a veterinarian) from Hormel Feeds; Tom Witucki is a milking equipment specialist at B&R Dairy; Al Gulbransen is an outside consultant who works in financial and udder health areas; Roger Krienke, Kraig's father, is included and does feeding and calf care; and Kim Kieser, the Dairy Profitability Enhancement Program coordinator, helps with meeting preparation and execution and takes minutes of each meeting.

### Did all of your team members work with you prior to starting?

**Hill/Shuey:** Yes, all were current business colleagues; we did not bring in any outside expertise.

**Hyman/Stockman:** Some yes, some no. Some consultants who were brought in were suggested to us by other members of the team.

**Jones:** We had existing professional relationships with our advisory team members prior to developing the team, and we did not bring in outside expertise but will when the need arises.

**Krienke:** We had an existing professional relationship with all of our core team members with the exception of Allen Gulbransen who was recommended by our farm business management instructor and added to our regular team last year. We do occasionally bring in outside expertise for specific projects or goals we are working on.

For example, we have had extension agents out for labor management and calf facility discussions. In addition, we have had Gary Neubauer, veterinarian and Pfizer rep, work with us on some reproduction improvements, as well as a reproduction specialist through Genex. All of these visiting members were asked to attend by either ourselves or other members of our team.

### How often does your team meet, and who leads the meetings?

**Hill/Shuey:** Our team meets quarterly, and each meeting lasts about 1.5 hours. The meetings take place in one of our farm homes. Our facilitator, Kirk Sattazahn, leads the meeting and creates the agenda which usually consists of our on-farm benchmarks, unfinished business items from the previous meeting, a review of our "homework," and new items to be discussed. Kirk typically e-mails us with minutes and reminders to help keep us prepared for each meeting.

**Hyman/Stockman:** Our team met quarterly over the course of two years. Each meeting lasted about two hours. One of our farms has a large office which was where we held the meetings. Our facilitator, Tom Sheppard, led the meetings, created the agenda, and helped keep our meetings moving and on target. He also sent out minutes of each meeting afterwards.

**Jones:** Our team meets two to three times a year, and each meeting lasts three to five hours. The meetings are held at our house, at the kitchen table with finger food served. At the last meeting, we discussed plans to implement a meeting agen-

da. The meetings are led by Stewart and Mary.

**Krienke:** Typically, our team meets quarterly, and each meeting lasts about two to three hours. We currently host all of the meetings out at our farm. We have a team coordinator as part of the DPEP program who consults with us to set an agenda and leads the meeting. Depending on our current focus areas, we might adjust the meeting spacing and the agenda to concentrate on a specific project or area of concern.

### What specific farm initiatives have you discussed as an advisory team?

**Hill/Shuey:** The topics we have covered include financial strategy during the recession, marketing planning (creating website, increasing cattle merchandising, five-year goals), barn expansion ripple effects (land/crops, overcrowding), diversification options to increase revenue and spread risk, communication, time off, and profit margins. One advisory team was used to address these areas.

**Hyman/Stockman:** At the time we started, we were milking about 200 cows and milking them in a flat parlor. We had issues with labor efficiency. Cows per worker and milk produced per employee needed improvement. We knew that we wanted to put ourselves in a better position for the future. We also has some SCC issues and issues with repro, specifically with preg rate. We used the same team to tackle each of these issues but brought in some additional people to help with specific issues.

**Jones:** Four specific issues were discussed. First, DIM was too high, and not enough cows were pregnant. We then planned to start sync programs. That leads to reproduction: Days to first service average was too high. Sync programs would be implemented to help this, as well.

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Fresh cows were losing too much body fat and not peaking in milk, so nutrition was covered. We started feeding some feed additives as a result.

Finally, too many heifers were calving in with high SCC, so we began dry treating heifers two to three weeks prior to freshening.

**Krienke:** We began with the initial expansion of the dairy from 50 to 120 cows. We constructed a free stall barn and installed a flat parlor. We did this to reduce physical labor, improve cow comfort, milk production, and have the chance to bring the next generation in.

We also wanted to bring young stock back home and add dry cow facilities. We closed the herd and wanted to improve management of dry cows. We expanded feed storage by constructing a three-bay, 110- x 176-foot concrete bunker to improve feed quality and reduce waste while speeding up mixing time. Farm transfer was also addressed to transition ownership of the land, cows, and machinery from Kraig's parents to Kraig and Rachelle.

Later, we began construction of a double-7 herringbone in place of the flat parlor. This allowed further improvement of milking ease, sped up the milking process, allowed for more internal growth, and continued to improve milk quality. We also constructed an addition to our free stall barn to allow for internal growth up to 320 cows.

Lastly, we had a manure storage expansion to an 8-million-gallon, plastic-lined lagoon with concrete wedge pits and a sand lane. This has reduced time spent hauling manure, allowed us to reuse sand bedding, apply nutrients better, catch yard runoff, and achieve year-round storage.

For specific areas, we may only use certain members of our team. For example, a nutrition problem we may have only our nutritionist and vet at the table. But other than targeted areas, we don't use separate teams.

### How do you prioritize which goals or initiatives are focused on first?

**Hill/Shuey:** Even though team member goals were different, our goals were similar in four ways: cow comfort, being proactive instead of reactive, finances, and needs versus wants. Of course, our ongoing financial picture certainly factors into our decisions, but we prioritized with those four common denominators in mind.

**Hyman/Stockman:** We, as a group of owners, decided what our goals and ideas were, and we shared those first with our team. That's where we started. Our team then made suggestions. A lot of the success of the team depends on the type of personalities you pick to be on your team. You should pick the right personalities that will push you in areas that are not your strongest. If a team member is not contributing, replace them with someone different. You have to remember that it is still your business, and you are the ones who have to make solutions work. Also, know what your core values and goals are. Don't forget that your team members work for you.

We did have one instance where a suggestion from our team completely failed. We are good at making cows make a lot of milk — that's what we are good at. When milk prices were very low in 2009, we decided to go a different direction at our leased farm. We fed a very high-forage diet and tried to go very low input. It ended up being a disaster because it was out of our comfort zone and something that we weren't used to doing.

**Jones:** Economics plays a large part. Whatever goal we can implement with the least cost and the most gain is what we do first. We come up with goals that are reachable. Long-term success is our first goal.

**Krienke:** My wife and I, along with my father,

talk about our goals and wishes before we meet with the rest of the group. We try to prioritize in order the most beneficial for our bottom line.

### Which of these initiatives or goals have been accomplished since beginning the advisory team process?

**Hill/Shuey:** We utilized line of credit to increase cash flow and take advantage of discounts. We created a website which has increased inquiries and sales of cattle and embryos, increased flushing of high-quality Brown Swiss, and completed several agreed-upon improvements from our five-year goals.

We now lease additional land, whenever possible; have improved our heifer housing and dry cow facility; modified protocol for prefresh heifers and cows (by combining bred heifers with dry cows in an existing barn, rather than incurring the expense of constructing an additional building); and utilize mega huts as a gradual and less stressful way to introduce weaned calves into groups with a similar living environment. This has demonstrated to be a smoother transition for the next phase into the calf barn where the calves need to adjust to a different living/feeding environment and headlocks.

We have not yet implemented any diversification options to increase revenue and spread risk; however, we are actively researching a few ideas.

Farm partners are now more informed through weekly partnership meetings. Each family now alternates having off Sunday afternoon and an occasional day (or overnight) trip. To improve profit margin we are still researching with insurance and contracting feed.

**Hyman/Stockman:** Through this process, while we started milking in a flat parlor, we decided that we would spend the money to build the double-8 herringbone parlor at our home farm in a part of our old tie stall barn. This allowed us to expand by about 100 cows at that farm. Also because of this team, we were presented an opportunity with a local producer who wanted to get out of the cow portion of his business and focus on crops. Our team evaluated this opportunity and now leases this farm where we milk 750 cows and purchase all of our feed at that location. All of the areas that challenged us before (labor efficiency, repro, SCC) have seen improvement and progress.

**Jones:** The synchronization program has greatly improved our days to first service from an average of 118 to 78 days. However, DIM average is still too high. We are using synchronization programs but still have too many cows open after 150 DIM. We will discuss it again at the next advisory meeting. After adding new feed additives, we greatly improved body score on fresh cows, but peak milk still needs improvement.

Our fresh heifers responded well to dry treatment, and we lowered SCC average at first test to below 50,000. We also use this opportunity to run heifers through the milk parlor a few days prior to calving and give them the time to lie in the stalls.

**Krienke:** All of these initiatives have been accomplished with the exception of the manure storage expansion. We are currently working on this project and have completed the large lagoon and wedge pits so far. However, our current herd size of 320 is not our ultimate goal, and we plan on utilizing our team's expertise for future growth.

### What would you say to a producer who is hesitant to share detailed herd information or start an advisory team?

**Hill/Shuey:** The professionals on your advisory team will likely be individuals whose expertise

you trust and who already know many of your strengths and weaknesses. This is a rare opportunity to have a "meeting of the minds" in a confidential setting. It is necessary to be honest about key information (favorable or not) so that the group has a clear picture in order to give helpful suggestions to make your business more efficient and profitable.

**Hyman/Stockman:** I would say to that producer, if there is an aspect of your operation that you are shy about or don't want to share, it is probably something that you need to work on. For you to be successful, you have to be honest with yourself. Personally, we have not had any issues in this area. We have even had some things on our farm that honestly were bad, and those are the areas we wanted to improve.

**Jones:** All data shared is confidential to the advisory team. It's a business, and each advisory member is asked to bring to the table data specific to their field, to share with the other members, in form of charts, tables, and comparisons to help reach our goals.

The success of this business depends greatly on the advisory team, even before the "actual" team was formed and held meetings. It seems to put everyone on the same page when we hold the meeting. All the data isn't good numbers, and that's the purpose of the advisory team, to improve those numbers. We would highly recommend it to any dairy.

**Krienke:** This may be a difficult concept for some producers, but, if you truly want to improve your operation, you need to share that information so you can get to the root of the challenges you face. When it comes to financials, not everyone at the table needs to see all the details.

### What other advice can you share?

**Hill/Shuey:** In order for the advisory team to be successful in helping your business, it is essential to have open and honest communication. Discussing and documenting short- and long-term goals makes it possible to see where you are and where you are going. This process brings everyone together to set priorities and accomplish these goals. The whole experience of involving outside experts challenged us to think outside the box and will likely influence how we make decisions in the future.

**Hyman/Stockman:** These teams are not for everyone. They have their place. You need to first have a good idea of what your goals are. Don't use them to tell you what your goals are. Tell them your goals, and have the team help you achieve them.

**Jones:** We appreciate our family, our employees, and our advisory board, and they realize the success of our dairy is dependent upon their input, along with their output.

The biggest challenge is focusing on two or three things at a meeting instead of trying to cover four or five areas, therefore, keeping the length of the meeting to two hours. Another challenge is picking a date that all can come to the meeting. We have had meetings where people drop in and where people leave early and we fill them in later.

**Krienke:** I feel the team approach has really helped our farm excel. It has helped us through many changes from expanding our dairy to farm transfer. We are continuing to improve our operation and face the challenges that lie ahead with their help. I would recommend this approach to anyone who is willing to make changes in their operation and hear other people's ideas. However, for the team process to work you need to take action after the meetings and put the recommendations in place.