



Summary of Dairy Profit Team Impact Report Results

Prepared by the Center for Dairy Excellence on April 28, 2010

Since the Dairy Profit Team Program was started in 2005, more than 200 farms have leveraged this resource to “get the right people around the table” to help them make better business decisions that benefit the operation. The following results were discovered from analyzing data from 75 farms, representing 13,404 cows, on the effect the profit team has had on each respective dairy farm:

- ◆ Cow numbers increased by 12 head, or about 7 percent, per farm, based on numbers before and after the inception of the teams. With each cow contributing about \$13,700 in economic revenue to the local community, that translates to \$12.3 million in total additional revenue for Pennsylvania’s rural communities.¹
- ◆ The team approach helped to drive a nearly 2-pound increase in daily milk production per cow, with about 72 percent of the farms showing increases in milk production. Those herds that did increase milk production added 7 pounds per cow per day to their milk tanks.
 - Based on \$12 milk, the increase in milk production added about \$96,500 in total monthly revenue for the 75 farms involved in the analysis.²
 - The dairy farm families increasing milk production added an average of \$4,000 in monthly revenue to their bottom line.³
- ◆ Milk quality on the participating farms increased significantly, with somatic cell counts dropping an average of 40,000 (or 14 percent) after the inception of the team. Lowering somatic cell counts translates to additional milk quality premiums for the dairy farms, with more than \$268,000 in estimated premiums added to the bottom lines of the participating farms.⁴
- ◆ Improved overall reproduction was also observed on participating farms, with the average participant seeing a pregnancy rate increase of 2.38 percent. Overall, participating farms reported pregnancy rates after the inception of the teams that were significantly higher than the state average, with profit team farms at 22.38 percent compared to a state average of 18.61 percent..

In addition to supplying their production information, the producers who submitted the impact reports were asked to identify categories of herd performance and farm management where they saw significant improvements. The top three categories for each were:

Herd Performance:

- 1) Milk/Cow/Day (47%)
- 2) Pregnancy Rate (40%)
- 3) Impact on SCC (40%)

Farm Management:

- 1) Better general decision making (62%)
- 2) Better record analysis/review (53%)
- 3) More thorough planning (43%)

The On-Farm Resource Team program continues to grow and have a positive impact on the dairy industry in Pennsylvania. The Center for Dairy Excellence is excited to maintain this successful program, as well as develop and launch new programs into the future. If you have any questions about the On-Farm Resource Team program or any other CDE programs please contact Heidi Zimmerman at c-hzimmern@pa.state.us or by phone at 717-346-0849.

1. Total Number of Cows X \$13,700 Per Cow
2. Total Number of Cows X 2 Pounds Per Cow Per Day X \$12 per hundred pounds of milk X 30 Days
3. Average Herd Size X 7 Pounds X \$12 per hundred pounds of milk X 30 Days
4. Change in SCC Levels (from 286,000 to 246,000) Translates to Average of 10 Cents In Premium. Total Cow Numbers X Average Annual Production X 10 Cents