



The Center Spotlight

www.centerfordairyexcellence.org ♦ Phone: 717-346-0849

Dairy Decisions Consultants Offer Business Road Map

Editor's Note: This is part of a monthly series of timely articles and information from the Center for Dairy Excellence, a non-profit organization focused on strengthening Pennsylvania's dairy industry.

HARRISBURG, Pa. — Matt Espenshade and his father Harvey from Evergreen-Valley Farm knew they needed to make changes to their dairy operation to remain profitable, but they weren't sure where to start.

"Working with a Dairy Decisions Consultant helped us evaluate where our primary bottlenecks were and develop a plan to address the most critical challenges that faced our farm first," Matt said. "The process gave us a roadmap through the difficult choices we had to make on our farm."

Any dairy farm in Pennsylvania can apply to have a Dairy Decisions Consultant (DDC) work with them to evaluate their dairy and identify strategies for future viability. The Center for Dairy Excellence

will provide \$1,500 for farms to go through the process, working with one of thirteen DDCs identified by the center.

For Espenshade, the process was incredibly valuable. "Now we have a plan to help us walk through one step at a time to keep us from becoming overwhelmed."

An Outside Perspective

The goal of the DDC program is to make consulting services available to those farms that have not worked with business consultants in the past. Once a farm is accepted into the program, a Dairy Decisions Consultant will sit down with the farm family and help them evaluate the farm's business performance, financial position and cost of production.

During the process, the DDC will visit the farm no more than two times.



Matt Espenshade, from Elizabethtown, Lancaster County, says their Dairy Decisions Consultant provided a roadmap for their business.

The first visit will involve discussion around the farm's current business status and decision making process and to answer the question of whether to continue to invest to strengthen the business. During the second visit, the DDC will offer their recommendations and a list of potential strategies for moving forward.

Together the family and the consultant will explore scenarios to improve

the farm's balance sheet and improve its financial performance, while helping the farm family identify strategies for making stronger decisions in the future.

A Step in the Right Direction

Taking that first step to apply to work with a Dairy Decisions Consultant could be all it takes to begin improving your overall dairy farm profitability and creating a stronger, more viable dairy operation in the future.

To apply for the program, farms must complete an application and submit with it a current balance sheet and income statement. All information is kept confidential. The program also requires a \$250 application fee that will be returned if the application is not accepted into the program.

Applications can be found on the center's website at www.centerfordairyexcellence.org. Producers can also call the center at 717-346-0849 to request a copy of the application.

Don't Miss April's "Mastering the Dairy Business" Call

On Thursday, April 28, the center will host a "Mastering the Dairy Business" conference call with Joanna Lidback, director of knowledge exchange for Farm Credit East.

The call will take place from 12 NOON to 1:15 p.m. and will include a look at the Northeast Dairy Farm Summary, also called the "Blue Book," which Lidback compiles every year to summarize production and financial data from more than 500 farms in the region.

During the conference call, Lidback will walk through the data in the "Blue Book" and show key trends that occurred in 2010. The call offer an unique look at the characteristics and management traits that defined profitability on the dairy farm in 2010, giving participants benchmarks to work toward in the coming year.



As director of knowledge exchange for Farm Credit East, Joanna Lidback authors a study of the financial health and progress of dairy farms in the Northeast.

Milk Prices Improve, But Margins Still Down On The Farm

Pennsylvania Dairy Industry Performance Scorecard Summary	Feb. 2010 Report	Feb. 2011 Report	Change from last year	Target range
Milk Cows	541,000 cows	543,000 cows	+0.37%	
Rolling 12-Mo. State Milk Production	10.537 bill. lbs.	10.738 bill. lbs.	+1.91%	10.8 bill. lbs.
Wholesale Milk Price	\$18.10/cwt.	\$19.80/cwt.	+9.39%	
PA Daily Feed Costs (cost of corn, soybean & hay at 65 lbs. milk)	\$5.95/cwt.	\$8.20/cwt.	+37.82%	
Milk Margin (IOFC @ 100# of Milk)	\$12.15/cwt.	\$11.60/cwt.	-4.53%	
Milk Production/Cow/Day	62.37 lbs.	61.99 lbs.	-0.61%	80 lbs.
% of Herds with 80+ lbs./cow/day	14%	14%	+1.42%	
Rolling 12-mo. Herd Production Average	20,894 lbs.	21,112 lbs.	+1.04%	25,000 lbs.
Average Somatic Cell Count	255,600	239,530	- 6.29%	200,000
% of Herds below 200,000 SCC	42%	48%	+ 13.17%	
Average Days In Milk	181 Days	184 Days	+ 1.66%	185 Days
Average Age to First Calving	25.5 months	25.5 months	—	21—24 mo.
Average Days to First Service	89 Days	89 Days	—	< 80 Days
Average Cull Rate (% left herd)	33.7%	35.6%	+ 5.76%	20—35%
Average Pregnancy Rate	19.30%	19.43%	+ 0.67%	> 20%
To view complete scorecard, visit:	www.centerfordairyexcellence.org			

HARRISBURG, Pa. — Despite a nearly 10-percent increase in February's wholesale milk price, milk margins are still down four and a half percent from a year ago. Feed costs are up nearly 38 percent from February 2010, pulling margins down.

Pennsylvania increased its rolling herd average by nearly 2 percent since February 2010, with cow numbers up 2,000 head, according to the latest "Pennsylvania Dairy Industry Performance Scorecard" published online at www.centerfordairyexcellence.org.

Milk production for the month of February was down slightly, falling about one third of a pound per day. Somatic cell counts continue to improve, falling six percent from a year ago to 239,530. Milk quality in the state has been at an three-year high for the past three months.

Pregnancy rates are up 0.6 percent, while days in milk are trending in the wrong direction, up three days from last year. Cull rates are also up.

See Scorecard Online

The entire scorecard can be viewed online at the center's web site — www.centerfordairyexcellence.org. Click on the "Scorecard" icon in the middle of the homepage.

Information about the center's programs and resources can also be found online. Click on "Producer" to learn more about what is available.



The Center for Dairy Excellence is proud to recognize Pennfield Feed as a supporter through the "Ally for Advancement" program. For more information about Pennfield, call 1-800-732-0467 or visit www.pennfield.com.

