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“Seeking to advance the dairy industry in Pennsylvania through improved productivity and profitability.”



The Kline family's Y-Run Farms, Troy, Pa.
Photos by Sherry Bunting

Progress and decisions are all about the numbers... 'No more guessing here'

By SHERRY BUNTING
Special for Farmshine

TROY, Pa.—At Y-Run Farms, brothers Glenn and Gary don't guess about their farm's "numbers" anymore. They know them. And they review them every month.

Five years ago, they started working with Mike Hosterman in the business management division of AgChoice Farm Credit. By the third year, the Klines began to realize the benefits of the dairy profit analyzer tool and of their participation in the Farm Credit benchmark studies.

Knowing their numbers opens more possibilities for improving their joint management of the 500 cow dairy farm, where the brothers have divided responsibilities between Glenn managing the dairy herd and milking side of the operation while Gary manages the crops and employees.

They employ 15 people from the local community, including Glenn's son Chad, and they make their business decisions together with the help of their wives and their father, and the input of a profit team.



Mike Hosterman (right) goes over benchmark numbers with Glenn (left) and Gary Kline. The Klines are members of PDMP and AgChoice is one of several premier partners of PDMP.

“Working with Mike and using this tool have helped us evaluate things, like the manure separator we're looking at, because we now can analyze our numbers and run scenarios,” says Gary during a visit to the farm this summer.

“Knowing our numbers also helped us

be able to contract our milk,” adds Glenn. “We could not do that without knowing our numbers.”

Hosterman comes to the farm every eight weeks to go over the analysis. The Kline brothers explain how that fits with their budgeting process and their own monthly com-

parisons. They do an annual budget and a six month budget. Then, once every month, they sit down and compare their actual costs to their budget... to see where they are.

“This really helps us with purchasing decisions on everything from feed to equipment,” Glenn explains. “It's really important to keep following this now with today's high feed costs.”

“The profit analyzer is a useful tool for us,” Gary notes. “And by participating in the dairy benchmark study, we get to compare ourselves to the best of the best, and to know how we are doing by comparing ourselves to ourselves.”

“By comparing themselves to their own history, they see their progress,” explains Mike Hosterman.

The Klines say the third year in the program is when they had enough data accumulated to really hit the ground running with it. That's when it went from being an exercise to becoming an integral part of how they run their farm, market their milk, manage their costs, and make their decisions.

“We're in the business to make money,” adds Glenn. “This program really helps to show us where we are and how we can improve our weaknesses and capitalize on our strengths.”

Hosterman, who heads up the business management sector of AgChoice Farm Credit, describes the dairy profit analyzer software that takes that data about the farm and puts the farm manager into the position to analyze the things that influence profits.

“It's a key management tool that helps our dairy customers get away from just operating their farms day-to-day,” says Hosterman. “With the dairy profit analyzer, they can make key comparisons and decisions.”

The software program summarizes critical details based on the farm's own data and it makes the process of budgeting and performance tracking easy with the detailed information dairy managers need in order to take timely action on opportunities and to deal with challenges.

Progress at Y-Run Farms “comes from being willing to sit down and actually look at and listen to ideas and make changes where they need to,” Hosterman observes.

“Five years ago, we were doing a lot of guessing,” Gary reflects.

“Now we have concrete numbers instead of guesses,” Glenn adds.

By looking at the numbers regularly, Hosterman explains, customers are equipped to make adjustments to their milk marketing plan and their farm management. Having concrete numbers also helps the Klines get even more out of having the dairy's profit team, which meets every eight weeks.

“We review the numbers with our team and it helps keep everyone focused,” says Gary.

Participating in the benchmark study also helped the Klines realize in 2009, they weren't the only ones in a dismal situation. It gave them a way to make concrete decisions during that difficult year, and throughout every year.

Nov. 3 PDMP Dairy Forum in Lebanon Gordie Jones to highlight basics of cow comfort

LEBANON, Pa.—Dairy producers will have the opportunity to learn how basic cow comfort can make a huge difference in profitability at the Dairy Industry Issue Forum planned by the Professional Dairy Managers of Pennsylvania (PDMP) on Thursday, Nov. 3 at the Lebanon Expo Center, Lebanon, beginning at 9 a.m. The Forum is open to all dairymen.

The Forum's featured speaker will be Dr. Gordie Jones, who brings his experiences as a dairy veterinarian, consultant, and owner and manager of Central Sands Dairy LLC, home to 3800 cows in Nekoosa, Wisconsin.

“There isn't a dairyman alive who can't learn more cow skills listening to Gordie,” says PDMP president Glenn Gorrell, who operates Gorrell Dairy near Milan, Bradford County, Pennsylvania. “Gordie Jones' presentations are interesting and to the point. I am really looking forward to his presentation.”

A dynamic, world-renown speaker, Dr. Jones brings a simple but highly entertaining message of the importance of basic cow comfort in increasing productivity and enhancing profitability.

“The program on November 3 reminds us about the practical elements of cow comfort,” says Jeff Ainslie of Red Barn Consulting, who chaired the planning committee and will serve as moderator. “I think we sometimes let ourselves get all excited about new stall divider loops and new mattresses and rubber flooring, etc... Gordie is going to do a good job of reminding us that this cow comfort stuff really boils down to things that every farm can control and impact in some way. You can't buy your way to really sound cow comfort with gadgetry and slick products.”

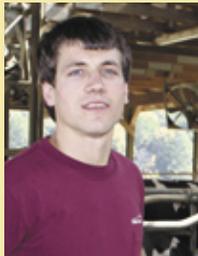
Mike Hosterman, Ag Choice Farm Credit business consultant, will also discuss the economics of cow comfort using the benchmark study numbers. He observes that “attention to detail makes



Dr. Gordie Jones



Mike Hosterman



Joel Krall

all the difference in the profitability of a dairy herd.”

Dr. Jones offers his “back to basics” philosophy on cow comfort, which is steeped in his deep respect for the cow. He is a down to earth and engaging speaker on this topic, so dairy farmers of all sizes will benefit from his no-nonsense delivery of practical advice that is good for the cows and for the farm's bottom line.

A producer panel featuring Tony Brubaker, Brubaker Farms, Mount Joy, Lancaster County; Joel Krall, Furnace Hill Holsteins, Lebanon, Lebanon County; and Dr. Jones will offer further insights into getting “back to basics.”

Attendees will have plenty of time to ask questions and participate in the discussion.

Following lunch at Noon, sponsored exclusively by Novus International, participants will travel on their own to nearby Furnace Hill Holsteins, where they can see the dairy facilities that Krall operates with partner Tim Crouse. Their 150 cow herd produces 110 pound of milk per cow per day. The farm was started by Kralls' parents, Tom and Shirley Krall, advocates of quality cow care.

PDMP's annual meeting, including election of directors, will precede the forum. With sponsorship support from American Farm Products, BouMatic, Mid-Atlantic Dairy Association, MidAtlantic Farm Credit, Red Barn Consulting, Select Sires and White Oak Mills, PDMP is able to offer this program at affordable registration fees. Cost for the Forum is \$25 per person for PDMP members; designed to make it possible for a farm's entire operation team can attend. The standard non-member fee is \$75 per person.

Registration includes lunch and the farm tour. Registration can be downloaded from www.pdmp.org or call 877-326-5993 or by email at info@pdmp.org.

Information on becoming a member of PDMP is also available at the website.