

Straight to the Bottom Line – 5/1/11

By: Steve Martin

### The Stack of Dusty Green Envelopes

It is interesting to watch the way the information side of the dairy industry has evolved over the years. I suppose it would be the same in any industry, but there seems to be an abundance of things to collect, count and analyze in our business. Maybe we even do this in excess occasionally. But with information comes power, so I would rather over do than under do. From the complications of analyzing reproduction data, to counting culls and deaths and to the critical area of feed and milk economics, there is no shortage of things to count and analyze.

This is not a new phenomenon for folks who milk cows for a living. I have enjoyed hearing stories from my grandfather about the early days of matriculating on milk. He worked for Auburn University as a DHIA tester in the 1930's. In those days, he would leave for a one to two week journey across Alabama between dairy pockets weighing milk. Just like me, he enjoyed the people side of this business as he stayed in the homes of the dairy families enjoying some good southern cooking and getting to know his clients. After collecting milk and breeding information from several farms, he would head back to campus for several days of arithmetic before sending the official record summaries back to the dairy. Now, zoom ahead 60 years to another Auburn guy sitting in a dairy office somewhere in Texas looking at a really tall stack of dusty green envelopes atop a filing cabinet. Not growing up on a dairy, and being new in the business, I asked "what's in all those envelopes? Well, those are our DHIA records. Gotcha... why are none of them opened?" They were at least a half inch thick each and most of them had not even been opened. So the story goes. Now zoom ahead another 20 years to remote computer access, daily milk weights, flow meters, blue tooth individual cow responders, automatic sort gates and the list goes on. We have come a long way from those drives all the way back to Auburn to do the math, to the unopened green envelopes and now to what we enjoy today with weekly report dashboards. We have made progress for sure, but what is the next level?

I think we have gotten really good as an industry at collecting records and spouting out reports. But have we stopped short of where we really need to be. I have been challenged recently by more than one of our clients regarding the extent to which we are using all the fancy graphs to make better business decisions at the dairy. I took the challenge to heart as I know we have spent a tremendous amount of effort to get the data collected and summarized. Now, it is time to go to the next level on using the information. My answer to the challenge is simple; we have to tie everything to dollars. Then, we will get the attention of the producer. I don't want the weekly reports that we have spent so much time developing to be like the stack of dusty green envelopes. Margins are tight even at a reasonably high milk price. We have to be at the top of our game to be successful. Data can help us get there, but we have to be willing to go the extra mile, tie the fancy colored graphics to dollars and then use the information to guide the way we manage the dairy. Next month, we will dig into a few details about the data we need to be collecting and maybe offer some new angles on some old measures.