

CHAIRMAN'S COMMENTS

Profitability is linked to many aspects of our dairy enterprise, however the two aspects that are frequently the target of scrutiny are feed costs and the level of individual cow production. Several studies have confirmed what many farmers have realized; cows with higher levels of production, combined with longevity, are the most profitable in the herd.

While feed costs are definitely important and need constant monitoring, they come second to production levels. To achieve higher production in the herd there are many points that require close monitoring.

As we have come to realize, the late dry cow period and early lactation are the two most important periods to monitor in order to achieve higher production levels. Keeping a close eye on cows in these stages as well as testing for MUN, SCC, mastitis and other disease challenges are the first steps to take to attain results.

Our goal at CanWest DHI is to help you achieve those results. The programs and services that we offer have been built around the needs of dairy farmers. From basic milk testing services, to milk testing for disease monitoring, our lab testing services will continue to evolve to meet your needs. For farmers without herd management software, we offer management reports and 'to do' lists to assist with herd management along with log books and a calendar for herd event recording.

Dairy Comp is an important management tool on a significant percentage of farms in the CanWest area, assisting farmers with individual cow and overall herd and parlor management. This management software has evolved since its introduction and will continue to be upgraded to meet the needs of dairy farm managers. Most recently, a Canadian Quality Milk (CQM) module was added to Dairy Comp. As CQM is rolled out across the country, this addition makes the transition to CQM very manageable.

As always, we are open to your suggestions to improve our services. As we enter into the fall and winter meeting time feel free to approach your area Directors or staff with any comments you may have.

On behalf of myself and the rest of the Board at CanWest DHI, may you all have a Merry Christmas and enjoy some special times with family and friends!

John Bongers

John Bongers is a dairy producer from Eastern Ontario.

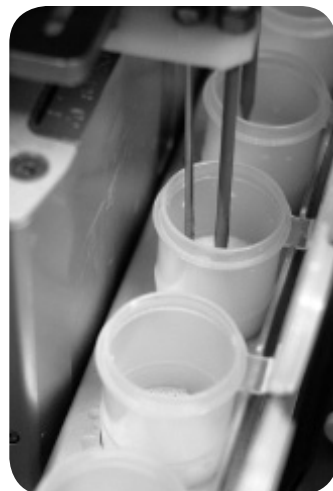
Production key to dairy profitability

Researchers at Kansas State University recently completed a study of the factors that impact dairy profitability. Not surprisingly, they found a wide range of profitability among farms. But milk price was not the most significant determinant for profitability — it was total milk produced per cow.

The researchers say that the correlation between profitability and milk price over time is not particularly strong because of the influence that cost has on profit. "When analyzing why some producers are more profitable than others, milk production is a much stronger indicator of profit differences than price or cost," say study authors, especially when it comes to small or mid-sized dairy farms.

Therefore, while big picture factors like milk prices are important, producers' individual management skills are more important for long-term business survival.

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DHI is proven tool to higher production

While there is no magic formula to higher milk production and improved profitability, it is clear that having good accurate information, and taking action on that information, is critical. Now, more than ever under current milk pricing, SNF limits and quota policies, it is essential that dairy producers closely manage production and components for maximum profits.

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Studies have clearly showed that the use of DHI services is a key driver of higher production. In addition to herds seeing a significant increase in production and decrease in SCC within a couple of years of DHI enrolment, independent studies have shown that DHI herds have higher milk production than non-DHI herds. An added bonus is that DHI herds also have lower SCC levels, which is so important for milk quality and efficient milk production.

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More than just milk volume...

It's clear from the data that DHI herds are getting more milk revenue and profits from their cows. Under today's milk pricing, simply increasing milk production alone without consideration to components, ratio or SNF may not be optimum. A good handle on components and ratio at the group and even individual cow level, is not only important from a milk revenue point of view, but also from a nutritional and health perspective.

Another trend is that more and more herds are turning their DHI information over to their nutritionist and veterinarian who uses it to improve rations, herd health and reproductive performance. Those improvements can really pay off.

No doubt that dairy farming is a big business and the old saying that you can't manage what you don't measure certainly applies. To improve production and profitability you need good information. DHI service, like any other investment, does include an outlay of money, but the return definitely pays!

CQM Recording Tools available from DHI

As you probably know, the Canadian Quality Milk (CQM) program is being rolled out across all provinces in Canada. One of the components of the program is the detailed record keeping of individual animal treatment information.

For many farms, this record keeping was already being done in some fashion. However, the CQM program does require that treatment information be recorded in certain ways and with certain specific pieces of information. To assist herds with that record keeping process, DHI has modified their on farm record keeping tools.

Dairy Comp Software: For farms that like keeping records electronically, Dairy Comp software can help combine the herd management aspect of health and treatment recording with the CQM requirements. Not only will Dairy Comp assist in

analyzing health incidence and generate daily treatment lists as needed, but it will also easily provide treatment records for CQM auditing. Dairy Comp has been approved by Dairy Farmers of Canada as fully compliant with all aspects of CQM record keeping.

DHI Logbook: For farms that prefer having a paper system either as their sole system, or in addition to an electronic system, the DHI Logbook is an excellent tool. In addition to herd management record keeping (calvings, breedings, etc), the Logbook is also an approved record keeping tool for the animal treatment requirements of the CQM program.

Whether you are looking for an electronic or paper solution to your CQM recording needs, we can help. To find out more, call us at 1-800-549-4373.