

# Producer Suggestions for Modernizing or Expanding Your Dairy

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Recently, I had a question from a student about plans for expanding her family's dairy farm. It is encouraging to hear about producers planning to modernize or expand their dairy farms. This question reminded me of my Master's research which focused on this issue. I consider myself lucky to have had many great mentors including the late Dr. Roger Palmer, my Master's advisor. We learned some interesting things in this research and this question spurred me to dust this off and share some of this information over the next few months. I am sure that Roger would be happy to see that many of the lessons Wisconsin dairy producers taught us then still apply to Kentucky dairies today.

The Wisconsin Dairy Modernization Project was designed to compile producer experiences and opinions in one location. Three hundred and two Wisconsin dairy producers who had expanded their operations by at least 40% between 1994 and 1998 responded to a survey. The results of this survey can be used by other producers who may be contemplating modernizing or expanding their operation in the future. Comparisons of housing types, milking systems, labor management strategies, animal acquisitions, and animal handling were made.

The primary purpose of the survey was to collect data on different options available to producers. A few questions in the survey were open-ended allowing survey respondents the opportunity to voice their opinions. Reading through producer comments proved to be one of the most interesting parts of the survey. These comments were summarized based on the number of respondents who expressed similar ideas. When asked what advice they would give others considering expansion, the central theme for survey respondents was the importance of planning. Visiting other farms to see specific management options in action provided a chance to evaluate whether a particular option would work in your operation. Planning should not only be based on current needs but also on the farm's long-term goals. In this process, it is important to consider the needs, goals, and desires of all family members involved in the dairy. Producers valued the advice provided by consultants and other farmers. No modernization process should begin without careful evaluation of loan availability, cash flows, and other financial planning. Larger dairy operations must be prepared for new challenges related to manure management and labor management. Respondents to this survey also commented on the importance of precautionary measures to minimize disease introduction.

Survey respondents were also asked to indicate what their best and worst expansion choices were. Many of the farms in the survey had made the transition from the traditional tie-stall operation to a modern freestall/parlor operation. Eighty respondents indicated that milking in a parlor was the best choice they made while sixty-eight respondents indicated that housing cows in a freestall barn was the best choice made. Similarly, the use of total mixed rations was considered a good choice. Producers who chose to use sand for bedding appeared to be happy with this choice. Dairy farmers were also pleased with decisions made that resulted in increased labor efficiency, improved profitability, and increased time off. When asked what the worst choice made during expansion was, many producers indicated their worst mistakes were related to handling manure. Producers had some difficulties with disease introduction. Problems were also encountered with contractors, cost overruns, and timing.

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Producer responses are summarized in the tables below. These dairy producers taught us a lot about the expansion/modernization process. We will explore more of their lessons in coming months.

**Table 1. Comments from producers who had expanded about advice they would give other producers considering expansion.**

<b>Based on what you learned from this experience, what advice would you give others considering expansion?</b>	
<b><i>Comment</i></b>	<b><i>Number of Responses</i></b>
Visit farms	35
Plan, Plan, Plan. Consider future needs. Research, do homework	35
Use consultants	29
Importance of cash flow/loan availability/financial planning	27
Take time/do not hurry/go slow	25
Take advice from farmers/consultants	23
Know yourself, your family, your goals	20
Importance of manure storage/handling	20
Employee management/labor issues	18
Hire reputable builders/contractors	12
Focus on labor efficiency and profitability	12
Be open-minded/flexible/willing to change	12
Importance of biosecurity/keeping vaccinations updated	10
Become a people manager rather than a cow manager	8

**Table 2. Comments from producers who had expanded about the best expansion choices made during expansion.**

<b>Indicate your feelings about the best expansion choice you made</b>	
<b><i>Comment</i></b>	<b><i>Number of Responses</i></b>
Switching to parlor/change to new parlor/efficiency of parlor	80
Switching to freestalls/building new freestall barn	68
Sand use	36
TMR/feeding convenience	27
Employee relations/labor efficiency/working conditions	24
Economics/profitability/cash flow/loans	21
Family time/time off	19

**Table 3. Comments from producers who had expanded about the worst expansion choices made during expansion.**

<b>Indicate your feelings about the worst expansion choice you made</b>	
<b><i>Comment</i></b>	<b><i>Number of Responses</i></b>
Manure handling	41
Not hiring contractor/contractor performance	17
Loans/cost overruns	13
Disease introduction	10
Facility design (curtains, sidewall, ventilation, size, etc.)	10
Planning/timing problems	8
Building without future in mind	8

**Table 4. Selected producer comments.**

<b>Selected Producer Comments Expressing Common Themes</b>
<p><b>General</b></p> <ul style="list-style-type: none"><li>➤ You learn more with your ears open and mouth shut.</li><li>➤ Always be positive, but also temper that with realism and common sense.</li><li>➤ Goal setting and communication amongst partners is critical.</li></ul>
<p><b>Visiting Other Farms</b></p> <ul style="list-style-type: none"><li>➤ Take your video camera, notepad, and tape measure. Talk to the people who work on the dairy.</li><li>➤ When visiting other operations, ask, “What would you do differently?”</li></ul>
<p><b>Planning</b></p> <ul style="list-style-type: none"><li>➤ Plan, plan, plan.</li><li>➤ Really go slow. See other setups. Ask how they adapted.</li><li>➤ Plan before you break ground. Look to the future. Do not limit your options.</li></ul>
<p><b>Consultants</b></p> <ul style="list-style-type: none"><li>➤ Surround yourself with a team of experts and listen to them. Invest money in sound advice.</li><li>➤ Do not believe everything a consultant tells you. After it is all done, it is your farm, not theirs, so the decisions need to make sense to you.</li></ul>
<p><b>Employees</b></p> <ul style="list-style-type: none"><li>➤ After expansion, you will be a people manager not a cow manager.</li><li>➤ Listen to your help. They usually have valuable ideas.</li><li>➤ Create safe and happy working conditions.</li><li>➤ Have systems, SOP (Standard Operating Procedures), employee policies in place.</li><li>➤ Take management classes to learn how to manage people.</li></ul>
<p><b>Economics</b></p> <ul style="list-style-type: none"><li>➤ Do not cut corners on cost if quality is important.</li><li>➤ Figure an additional 25% cost when budgeting your first year’s startup cost.</li><li>➤ Do a financial analysis and long-range planning.</li><li>➤ Plan for replacements of expansion cattle that you will need for 2 years.</li></ul>
<p><b>Cows</b></p> <ul style="list-style-type: none"><li>➤ Stay on a good vaccination program.</li><li>➤ Buy heifers for replacements, not cows.</li><li>➤ Cow comfort (treat a cow like you treat yourself).</li><li>➤ Cash flow consideration-good cows that are managed well will pay you back.</li></ul>
<p><b>Facilities</b></p> <ul style="list-style-type: none"><li>➤ Manure storage and removal is a priority.</li><li>➤ Study suitability of site very hard first, don’t be afraid to move.</li><li>➤ Do not overspend on fancy buildings and equipment.</li><li>➤ Avoid winter construction.</li></ul>