

There are 5 M's in Dairy Farming

COOPERATIVE
EXTENSION
SERVICE



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Simply put, dairy farming is about 5 M's-Milk (and the cows that produce it), Money (income, expenses and the net), Measuring (collecting data), Making decisions and Management. There is always a risk in oversimplifying and looking at BIG PICTURES, but often we can recognize and analyze our situation and then hopefully improve it when we stand back and take a "BIG PICTURE" approach.

Milk and the cows that produce it are income generators of the dairy farm business. Almost anything you can think of that has to do with their care ultimately can influence their milk yield. Feeding, housing, cow comfort, milking facilities and procedures are just a few factors that are related to milk yield.

Because dairy farm operations are businesses they involve money. Money comes into the business as income from sales of milk, cows (sold for dairy purposes or as cull cows), surplus bull calves, heifer calves or heifers at other ages that can be sold if there are already sufficient heifers to replace the cows that will leave the herd. Money leaves the dairy farm business when the expenses of the dairy herd are paid. Cash expenses can include feed, supplies, labor, breeding costs, veterinary expenses, costs of producing forages, equipment repair and maintenance costs and interest on operating loans.

Measuring the performance of the cow herd and cropping system and the finances of the operation is critical. That requires gathering and recording data. How can you tell how well the cows or the finances of the dairy operation are doing if you don't have data? The way you judge how well is to compare performance to some standard. An often heard management adage, the source of which is uncertain, is that "if you don't measure it, you can't manage it".

Making decisions is a normal part of every dairy operation. Each decision made should be based on sound information. Information can be gleaned from the performance measures of the dairy operation. Decisions require something to be done as a result of the decision if they are to have impact.

The final M in dairy farming is Management. Management is the capstone of the 5 M's. Management is closely related to each of the other M's and is ultimately responsible for them. Management is a perspective. Perspective can mean everything. When looking at the cows and the production system one might want to be thinking about their impact on the financial performance of the dairy. Likewise, as the financial records are being examined, thinking about the cows and the production system and how they impact the financial performance can be beneficial. The cows and the dollars are linked to one another so much that an overall perspective on the dairy farm business must consider both at the same time. Management is that perspective.

