Forage Management System
Building the Road to Profitability

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Forage Management System

- Thinking about as a system, and how to get the most out of the system, allows the farm to maximize profitability of the business, the “road to profitability”
- There is always room for improvement
- Question becomes – where to start - and what to do first?
Series of Questions

- Every business is unique
- What may be a priority for one farm might not be the most important thing for your business
- To help determine where to start, a list of questions has been developed
Series of Questions

- These questions focus on key management concepts associated with the different areas of the forage management system.
- First step – go through the questions, answering yes or no.
Series of Questions

- Refer to your packet
- Take one of copies
  - A second copy provided to be used at home with all the management
- Take the next five minutes and answer the questions
Series of Questions

- With the no’s highlighted, now time to start working through a decision making process to determine what to work on first
Decision Making

What area/objective/goal do we need to work on first, second, third, etc.? Usually have more things to work on than have resources to provide.

- Management
- Capital
- Labor

Need to decide which ones will work on first
First step in decision making is identifying the different things that could be done.

Working through the questions may help in determining what things could be worked on within the business.

The next step is to prioritize the options.
Prioritize

- Comparing the different choices to determine which makes the most sense to work on first
- Assigning an order to the options so can focus management efforts on those that have the highest priority
Work on the Big Rocks First
Prioritize

- Need to look at each option/choice/decision in the same manner
- Follow a set of rules/guidelines/or criteria for each option
- Relying on management process to rank list, not emotions
How do you make “your” decisions?

- The easiest decision
- The quickest decision
- The emotional one
- What the neighbors did
- What people will think decision
- Flip of the coin decision
- Make no decision until have no choice
- Make no decision – stay the same
- The gut feeling decision
- The decision that address the issue
- The most profitable
- Generates the most cash
- Best use of resources
- Supports direction of business
Prioritize

- Partial list of criteria to utilize for prioritizing
  - Profit impact?
  - Cash impact?
  - How much labor is needed to do?
  - How much management is required?
  - How much capital is needed?
  - How fast will results be seen?
  - What other things need to be done for full impact?
  - Degree of certainty that it will work?
Decision Grids

- Matrix approach to helping decide which objective to pursue first, or which ones
- Formally evaluate the different objectives with a score assigned
- Add up the totals to determine which objectives have the highest ratings
### Decision Making Grids

**Problem:** CORN YIELDS ARE LOW. NEVER ENOUGH CORN SILAGE FOR AN ENTIRE YEAR.

**Ratings:**
- 3 - Good rating for criterion
- 2 - Fair rating for criterion
- 1 - Poor rating for criterion

<table>
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<tr>
<th></th>
<th>Grow more acres</th>
<th>Set Up &amp; Follow Crop Rotation</th>
<th>Soil Test &amp; Follow Recs.</th>
<th>Start Planting &amp; Harvesting on Time</th>
<th>Buy a Whopper Chopper</th>
<th>Check Rotations vs. Ration</th>
<th>Improve Storage</th>
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<td><strong>Low Cost</strong></td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>1</td>
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<tr>
<td><strong>Least Labor</strong></td>
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<td>3</td>
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<td><strong>Easy</strong></td>
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<td>3</td>
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<td>14</td>
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<td>8</td>
<td>12</td>
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Homework

- Go over the list you made up –
- Pick five of the areas that you think will have the biggest impact that you said no to.
- Think about criteria to rank
- Utilize the blank decision grids
- Assign ranks and score
Decision Making

- Prioritizing helps to decide what to do first
- Important part of decision making is implementation
- Making a decision and not implementing is the same as not making a decision
- Goal setting a critical component of implementation
- Tactical plans critical to meeting goals
Summary

- Think about the forage management system
- Look at the series of questions
- Work through a decision making process
- Make steady progress improving performance
- Take full advantage of the forage potential
Goals

- What are the specific things we want/need to accomplish to change no to yes
- Set goals
  - Communicate to all involved people
  - An end in sight
- “SMART” Goals
“SMART” Goals

S  Specific
M  Measurable
A  Attainable
R  Rewarding
T  Timed
Tactical Plans

- What needs to be done to meet goals?
- Who is going to do it?
- How will it be done?
- When will it be done?
- Why is it being done?
- Specific plan of action to accomplish different tasks
Tactical Plans

- Personnel Management
  - What tools does each person need?
  - What training is needed?
  - What does each person contribute?
  - What feedback can be provided?
  - What performance criteria will be used to evaluate each person’s contribution?