

These programs offer dairy producers opportunities to gather data and work with teams – all to improve their businesses

# Business management helps weather low prices

**Economic forecasts for the coming year** have some dairy farmers scrutinizing farm finances even more carefully than usual.

"We're coming off high input prices and looking ahead to low milk prices," said Ron Robbins. He, his wife, Nancy, and their son Brian milk 600 cows at North Harbor Dairy in Sackets Harbor, N.Y. "The dairy industry is facing tough times in the next nine months."

North Harbor Dairy has been preparing for the downturn. In the past year it initiated a Dairy Profit Team, and in the past four years it has participated in an annual farm business summary. "Farm management tools have made us better equipped to handle this low price cycle," Robbins said.

Several projects that received grant funds from partner organizations the New York Farm Viability Institute and Center for Dairy Excellence give farmers the resources to increase – and improve – farm business management.

■ **Benchmarking programs**, such as the Cornell Dairy Farm Business Summary, help farmers answer basic questions: How do my business finances differ over time? How does my dairy stack up against similar operations?

To participate in the free and confidential Summary program, dairy farmers can work with a Cooperative Extension educator or consultant to provide annual business data. Once that's done, New York farmers can register online to generate reports that analyze profitability, cash flow, crops, labor efficiency and more. Any dairy can obtain printed copies of statewide and regional reports.

Another program, Dairy Profit Monitor, looks at financial and production benchmarks on a monthly basis. For this fee-based program, developed by PRO-DAIRY, dairies or their consultants contribute data online and generate reports to compare the business against similar operations nationwide.

"We use these tools all the time, but we certainly get interested in business management in low-price times when things are tighter," said John Marshman.

He and his brother, David, milk 400 cows in Oxford, N.Y. Benchmarking reports keep all the farm's managers on the same page, Marshman said.

■ **Financial consultants** with New York FarmNet, an outreach program of Cornell's agricultural economics department, provide free, confidential and on-farm assistance to farmers who want to scrutinize their financial records. "We provide one-on-one analysis of the farm business and help identify areas and opportunities for improved profitability," said Ed Staehr of FarmNet.

Some 93% of the 800 farms the program works with annually develop plans to improve profits or expand the business, Staehr said. In addition, FarmNet offers assistance to farms looking to bring in partners, implement business transfers and analyze the feasibility of a new venture.

■ **Profit-focused discussion groups** provide dairy farmers with an opportunity to work collaboratively to probe and improve their business management. The more than 20 dairy farmer groups statewide have organized around a variety of topics, such as grazing, young farmers, large herds and robotics.

"The emphasis is on sharing knowledge and building relationships so that everyone's experiences can benefit each other," said Kathy Barrett, an Extension educator with PRO-DAIRY who directs the discussion group program. ■

## FYI

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■ For information on forming a dairy discussion group, contact Kathy Barrett at 607-229-3457. Email: kfb3@cornell.edu

■ To learn more about the Dairy Farm Business Summary, call 607-254-1136 or go online to <http://dfbs.aem.cornell.edu>

■ Contact New York FarmNet by calling 800-547-3276. See this website: [www.nyfarmnet.org](http://www.nyfarmnet.org).

■ For information about the Dairy Profit Monitor, call 607-592-6222. Website: [www.dairyprofit.cornell.edu](http://dairyprofit.cornell.edu)