

# DAIRY focus

## ADDRESSING THE NEEDS, CONCERNS & OPPORTUNITIES OF LARGE DAIRY PRODUCERS

### Survival Tips During Difficult

### Economic Times *by Dan Rupar, Esq.*

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We are hearing from our clients about survival and retrenchment. In isolated instances we are hearing about opportunity that has been created by the changing market. Some sectors of the economy are quietly flourishing. Where opportunity is created in a down economy is from strength of balance sheet and the implementation of difficult decisions.

The overriding theme in these times is to “be conservative with debt.” The cleaner the balance sheet... the stronger the business in tough times. That is not very profound, but as simple as it sounds, it is difficult to implement. Every effort should be made to maintain a strong cash position. This allows for strategic purchases, whether of land, cattle, feed, or other struggling farms, or complementary businesses. As others falter, you will be in a position to strengthen your business.

[Farms] that have a high level of debt are working aggressively to pay it down. But in paying down debt, it is important to maintain good relationships with lenders. Credit has tightened up tremendously and the increase in banking regulation no longer allows your banker to exercise much discretion or act as a partner with your business. If you need funds for growth, you may have to think creatively to access funds. This may entail private investment or lending.

There are many good people looking for employment and this is a time to evaluate your current employees and

upgrade where needed. With great employees, treat them fairly and well during tough times and you will create loyal, motivated employees to fuel your future growth.

Cash flow management is another key [to] staying healthy in a down economy. Close management of inventory and receivables to increase cash flow is something successful businesses are working on very hard.

Flexibility on payment terms with customers and an understanding of each individual situation can build loyalty, but in being good to customers, do not put your business at risk. Be very diligent in collecting any accounts that are beginning to age. If you have good cash flow, take this opportunity to add good people, new equipment, more land and other items that will improve your business. Many vendors will be very appreciative of your business and you might find very favorable pricing.

Be willing to adapt to change. The business model you have been operating under may require subtle or dramatic shift in the current economy. Be open to diversifying into a complementary business. A down economy is the time to sit down and do some honest strategic planning for the future. Use the past as a history lesson in what has worked and what has failed. But in strategic planning, look towards the future. Just because it worked in the past does not mean it will continue to work.

Unfortunately, it still looks like there is a long road ahead before the economy pulls out of its current malaise. There are pockets of success and strong businesses, but many continue to struggle. Those that are making money appear fearful of spending it, or in growing their businesses because of the uncertainty of government regulation and the tax system.

But for those with strong balance sheets, a down economy creates opportunities to enhance and grow the business. The key is acting with diligence and care while working hard to maintain a clean balance sheet. Basically, be good, be careful, keep your eye on the ball and be alert and aware of opportunities that may arise out of the difficulties of others.



# NUTRITIONAL EFFECTS ON REPRODUCTION

by Dr. Tom Bass, DVM, PhD serving with Renaissance Nutrition, Inc.



## ENERGY BALANCE

- Manage body condition and energy status. Dry off cows at a body condition score (BCS) of 3-3.25, maintain through the dry period and target a loss of no more than 0.5 units after calving
- Focus on management and nutrition to encourage high dry matter intake through the transition period – provide adequate bunk space, minimal group and social change, good cow comfort, and a lower energy dry cow ration.
- A WI evaluation of over 17,000 lactations concluded that a BCS of less than 2.5 between 30 and 200 days in milk was a significant risk factor for reduced reproductive performance.
- A NY study showed a 14-18% reduction in pregnancy rates with subclinical ketosis.
- Feeding rumen-protected choline has been associated with improved reproduction in some trials.

## PROTEIN

- Elevated MUN typically reflects a mismatch in the ration's carbohydrate-protein balance. Excess protein is increasingly less involved and lower fermentable carbohydrate is often a contributor to elevated MUN. Target MUN values of 10-13 mg/dl. High values may negatively affect reproduction.

## MINERALS & VITAMINS

- Feed recommended levels of available minerals and vitamins. Numerous studies have cited improved reproduction in association with feeding chelated/complexed (organic) forms of zinc, manganese, copper and cobalt.
- Feeding phosphorus over 0.38% of the ration DM has NO research to support improved reproduction.
- Vitamins A and E can help immunity and uterine health. Beta-Carotene has shown positive reproductive benefits in a few trials

Nutrition is rarely the sole cause of reproductive issues and will rarely be the sole solution.



DAIRY  
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