

SMASH

Learnings from DairyPush

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Discussion

- **What is DairyPush?**
- **The DairyPush process**
- **Key Learnings**
- **Immediate actions**
- **Summary**



What is DairyPush and why are we talking about it?

- **Farmer led** programme started 2007 – 2013
- 40-60 farms involved
- Closed group – information shared
- On average farms increased profitability by \$50,000/year
- Strategic focus
- Combination of extension techniques



Focus Farm

(extension to the wider community)

2 public field days/yr

Fortnightly reports emailed to participants and posted
on DairyNZ website

Participant Group

3 participant workshops/yr

Group info shared and compared

One-on-one

3 visits/yr

Profitability focus

Strategic

AGFI

IRY
J\$H

DairyPush Focus

Change of thinking:

Initial thinking



Production



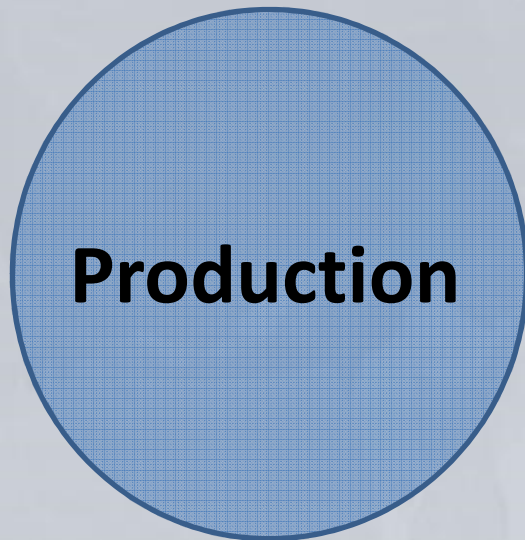
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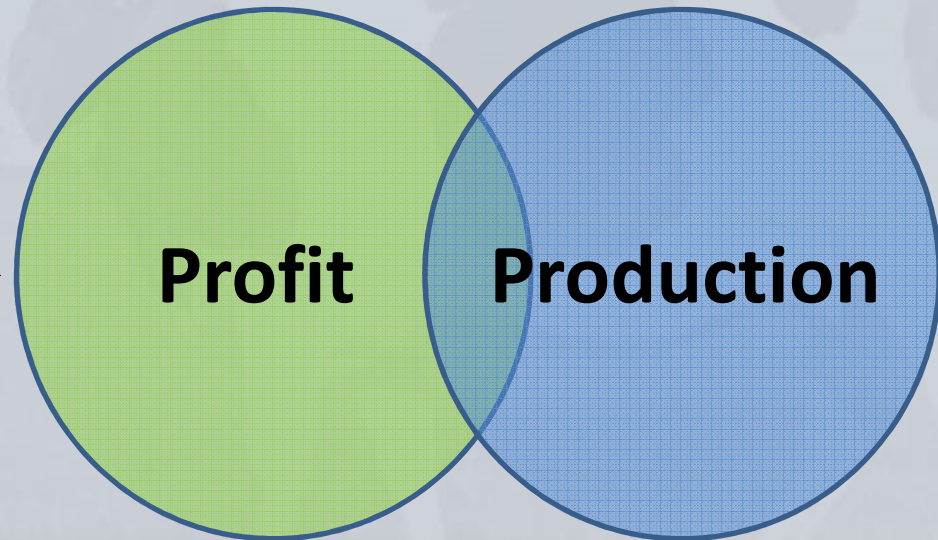
DairyPush Focus

Change of thinking:

Initial thinking



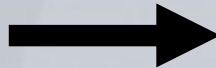
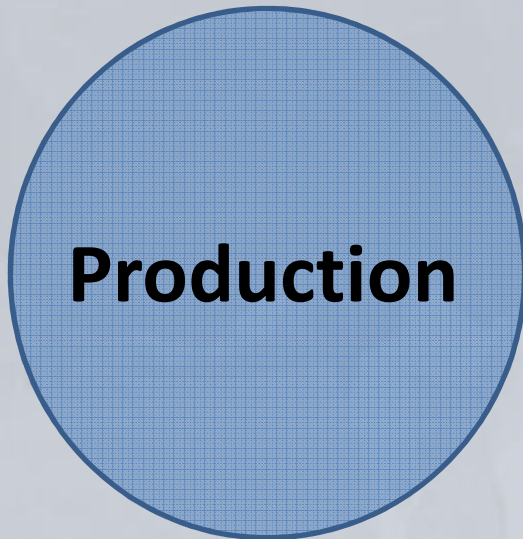
Change of focus



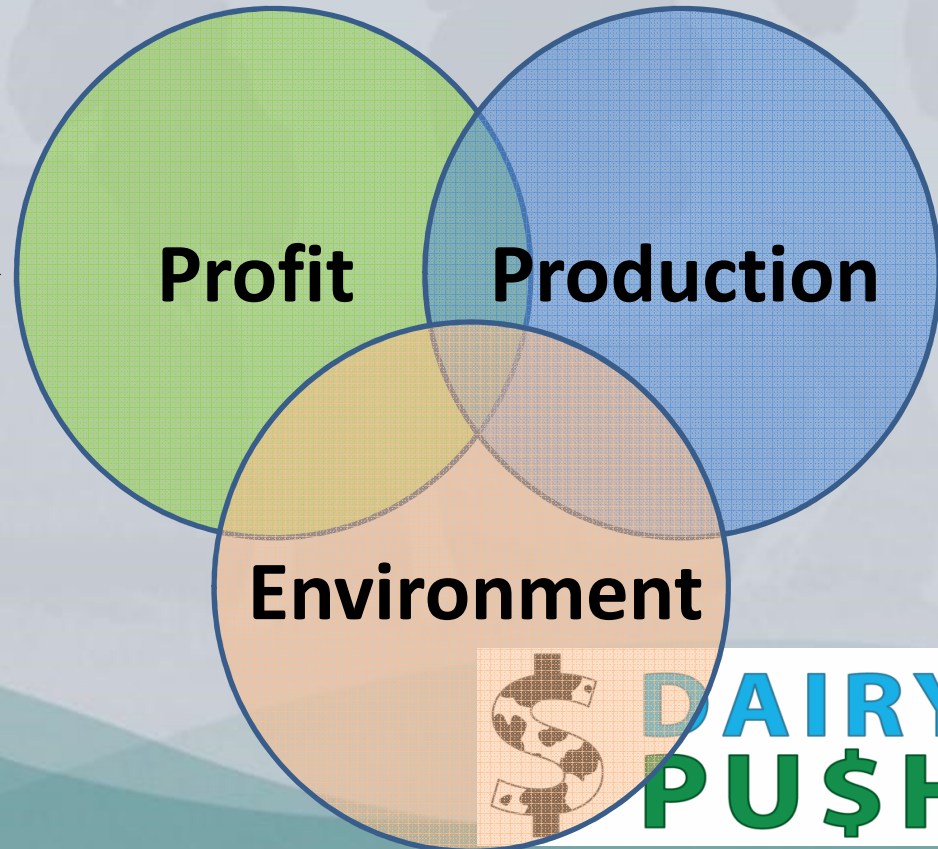
DairyPush Focus

Change of thinking:

Initial thinking



Change of focus



The DairyPush Process

1. Start with the big picture
2. Understand where business is now
3. What needs to be the focus in the short-term?



1. Start with the big picture



1. Start with the big picture

Profitability is only one aspect!

What is more powerful/motivating?

- what are your values/drivers?
- clearly understanding what you want life to look like in 5/10 years time?
- How do you define success – in your business?; in your life?



Focus Area Equity Growth

Goals & Measures:
• Grow equity to \$2.5 million by 2011
• Generate positive income of \$70,000 by 2011
Actions:
• Prepare 5 year cashflows and equity targets - Nov 07
• Identify leading investor to gain knowledge from - Dec 07

Focus Area Farm Business

Goals & Measures:
• Achieve an Operating Profit of \$2,000/ha - May 2008
• Increase positive eaten from 13t/ha to 14t/ha May 2008
Actions:
• Identify 3 key factors necessary to increase Operating Profit - July 07
• Develop and monitor monthly cashflow
• Monitor a positive budget through weekly farm walks. Adjust management accordingly.

Focus Area Health + Fitness

Goals & Measures:
To have the fitness level to participate in family sport/recreation activities
• Run 20 minutes/3x/week
• weight 90kg
Actions:
• Have full health check - July 07
• walk/run 60 minutes per week
• No dessert when dining at home

Focus Area Family

Goals & Measures:
Spend 1 day per week (or equivalent of) with family members and partner
Actions:
• One family outing per week
• Dinner date with partner each month
• Have dinner at "the table"



Focus Area _____

Goals & Measures:

Actions:

Focus Area _____

Goals & Measures:

Actions:

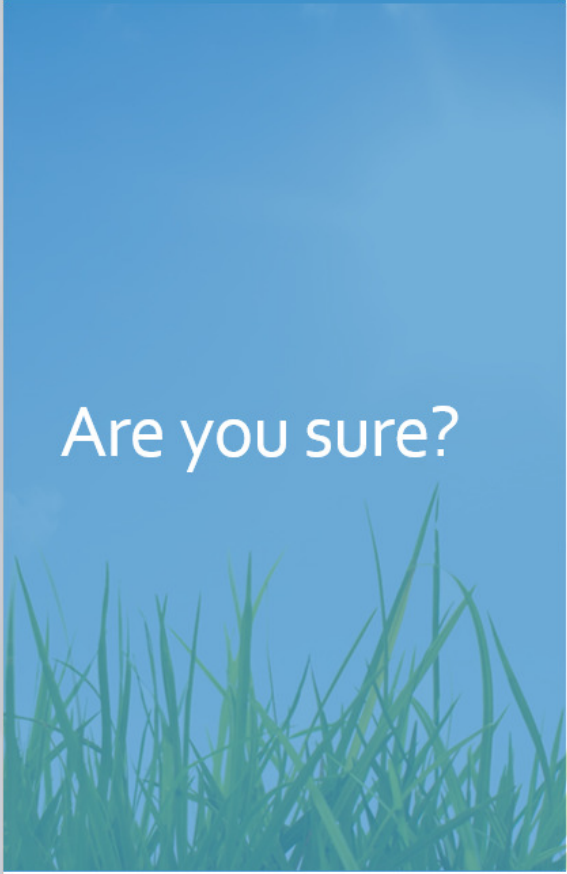
2. Where are you now?



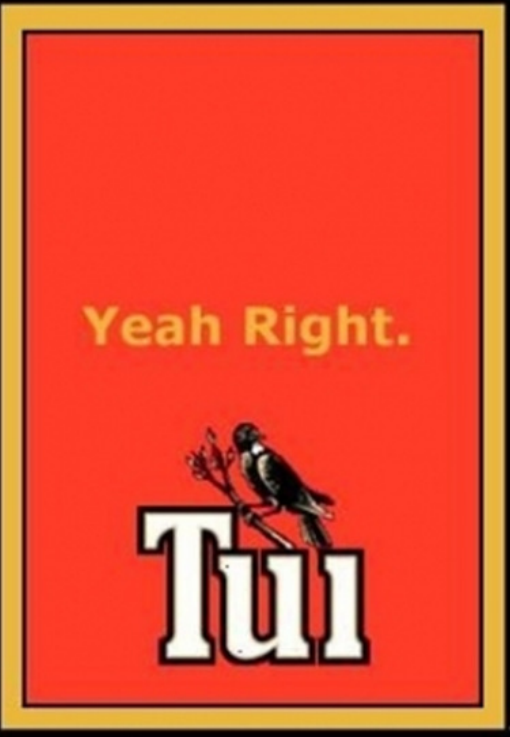
2. Where are you now?

- How well do you understand your business?
- What are the key things that need to be changed to reach this vision?
- How do you perform financially?
 - Do you know? How do you know?





I'm OK mate,
I'm in the top 20%



80% of farmers think they are in the top 20%

FARMAX
YOUR ADVANTAGE



2. Where are you now?

- DairyBase is a key tool to help understand financial and physical performance & benchmark
- Enables businesses to be compared on 'fair footing'
 - Adjustments for labour,
 - Change in feed inventory,
 - Owned runoff,
 - Change in livestock value & Depreciation



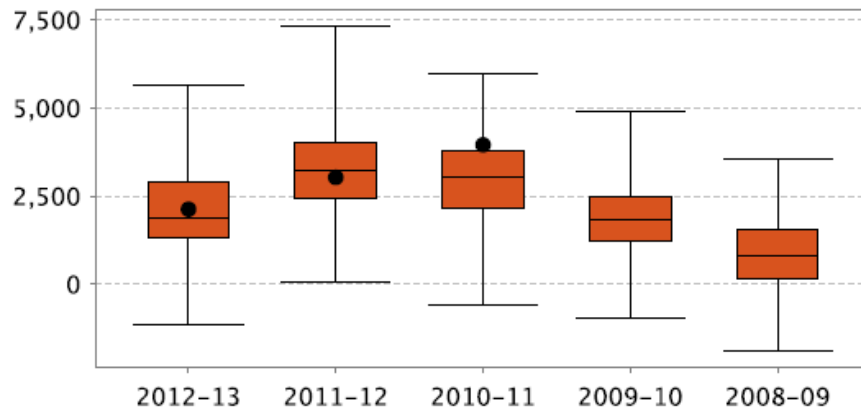
Operating Performance Summary



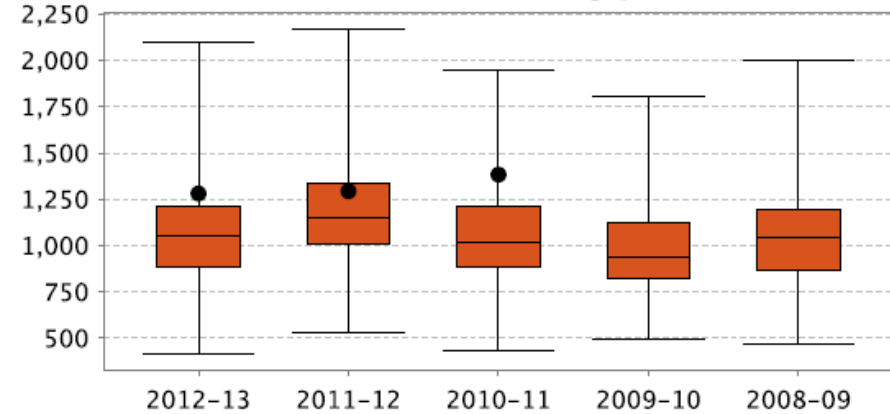
♦ Training - Farm A

Waikato Owner operator

Dairy Operating Profit (\$ per Ha)

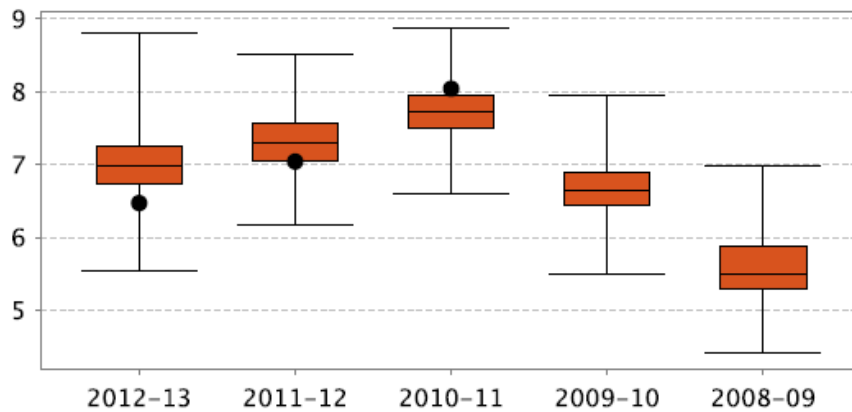


Milksolids Production (kg per Ha)

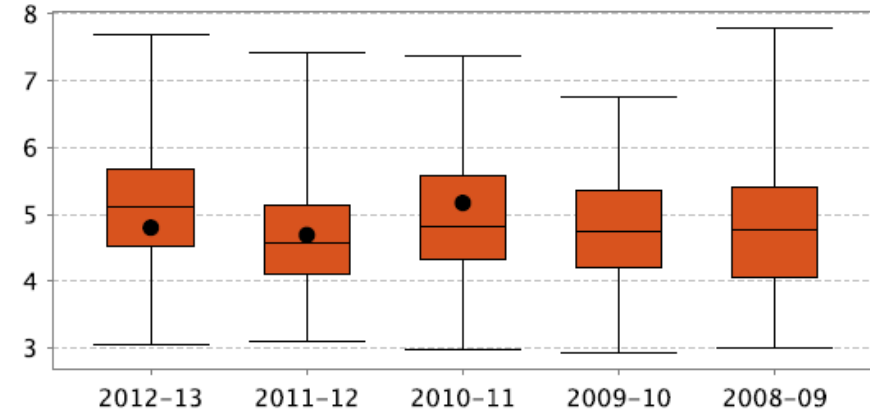


These graphs show your farm in relation to the distribution of the benchmark. The top and bottom lines show the upper and lower ranges, the box shows the range from the 25th percentile to the 75th, and the middle line shows the 50th percentile. The dot shows you where your farm sits within this range

Gross Farm Revenue (\$ per KgMS)



Operating Expenses (\$ per KgMS)



Benchmark: Waikato Owner operator

Number of farms in benchmark: 220 (2012-13) 153 (2011-12) 175 (2010-11)

Your KPI's

- Animal Health
- Supplement cost
- F.W.E
- Operating Profit



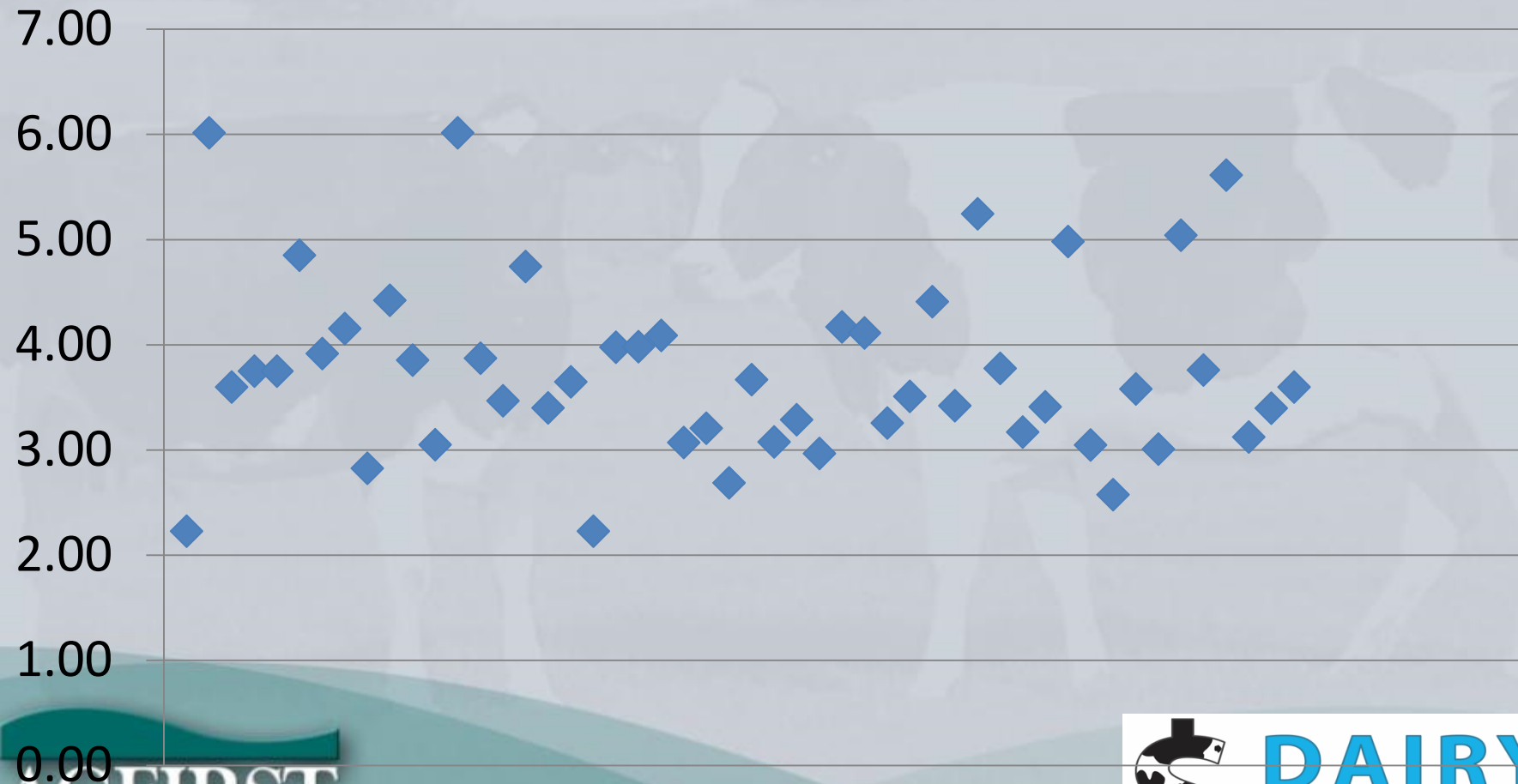
Waikato Owner Operator KPI's – 2013/14

KPI	Unit	2013/14	2012/13	2011/12
No in Benchmark grp		115 (drought)	220 (drought)	153
Animal Health	\$/cow	\$100	\$89	\$91
Supplement cost	\$/kg MS	\$1.62	\$1.22	\$1.06
Farm Working Exp	\$/kg MS	\$4.74	\$4.24	\$4.03
Operating Exp	\$/kg MS	\$5.46	\$5.10	\$4.70
Operating Profit	\$/ha	\$3,508	\$1,943	\$3,100



Group Info

Farm working Expenses/kgMS 2011/12

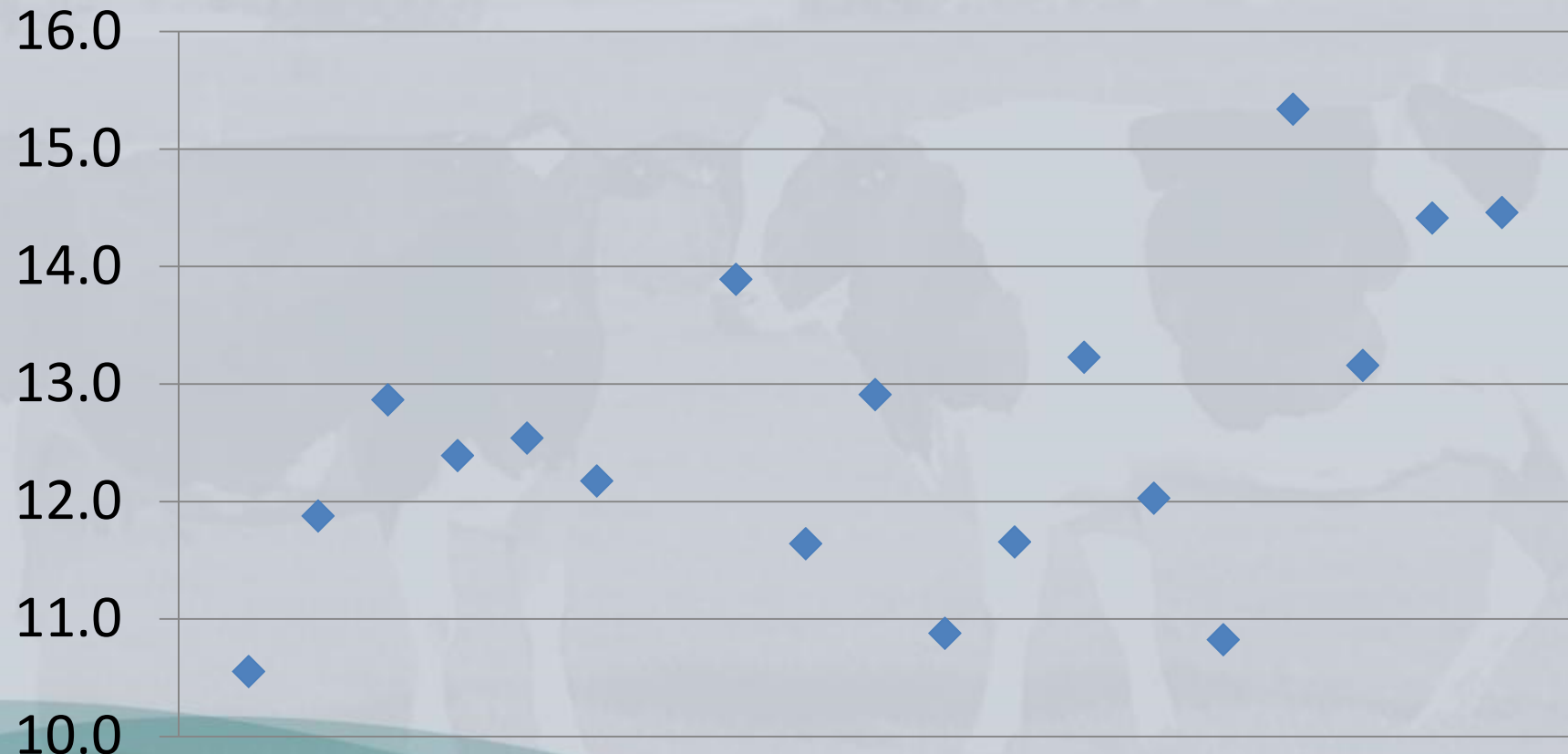


Farm working Expenses/kgMS



Group Info

Pasture and Crop eaten t DM/ha

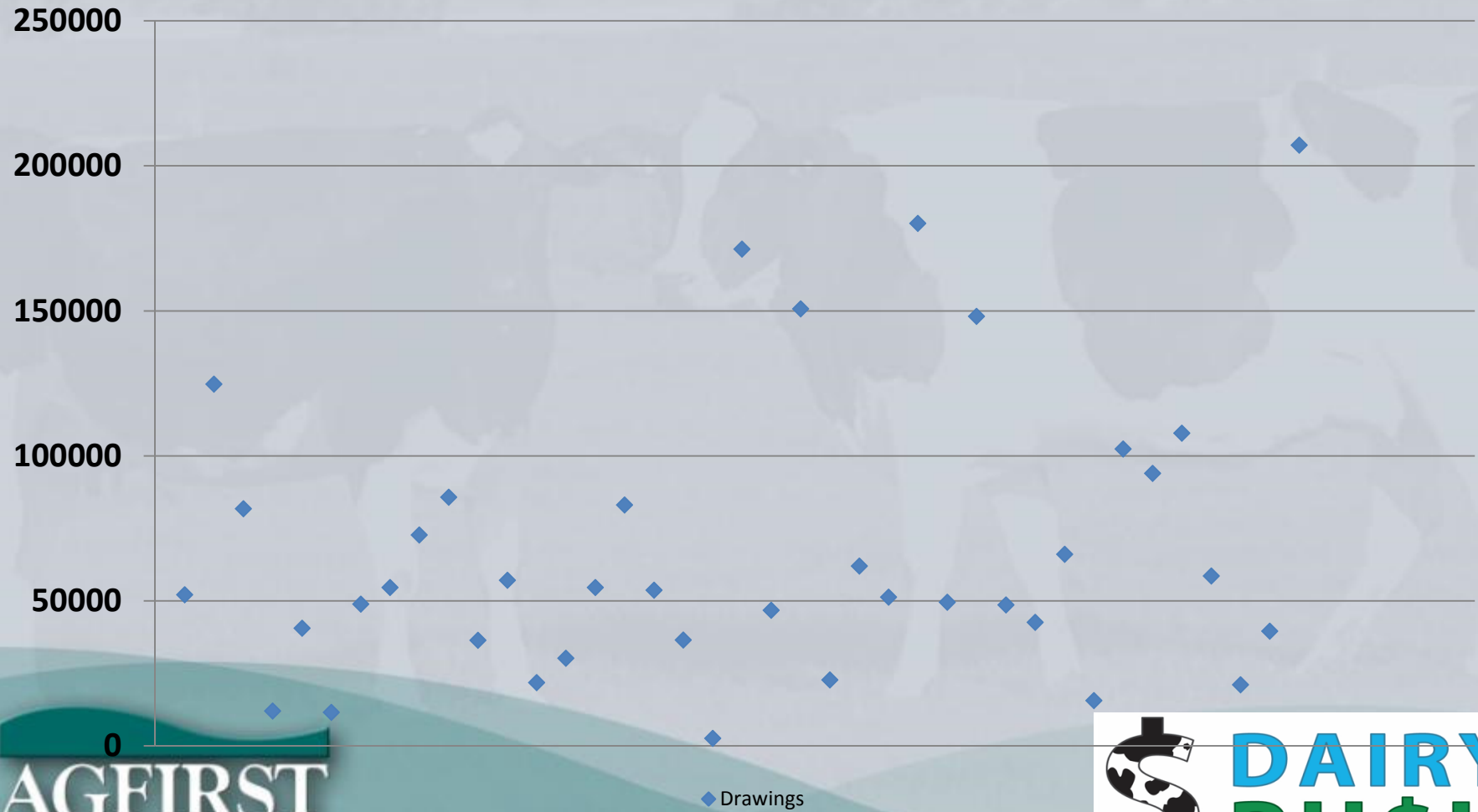


◆ Pasture and Crop eaten t DM/ha



Group Info

Drawings



Waikato Owner Operator 2013/14

Rank: Dairy Operating Profit \$ Per Ha Number of farms in benchmark	Unit	Average (61)
Dairy Operating Profit	\$/ha	3,692
Milk Production	KgMS/ha	1,190
Dairy Gross Farm Revenue (GFR)	\$/KgMS	8.45
Labour Expenses	\$/KgMS	1.03
Stock Expenses	\$/KgMS	0.55
Supplements	\$/KgMS	1.45
Grazing and Run-off	\$/KgMS	0.41
Other Working Expenses	\$/KgMS	1.24
Overheads	\$/KgMS	0.68
Dairy Operating Expenses	\$/KgMS	5.35
Farm Working Expenses (Cash only)	\$/KgMS	4.66



Benchmark 61 farms



RY
PUSH

3. What needs to be the focus?



Do you understand drivers of Profit?

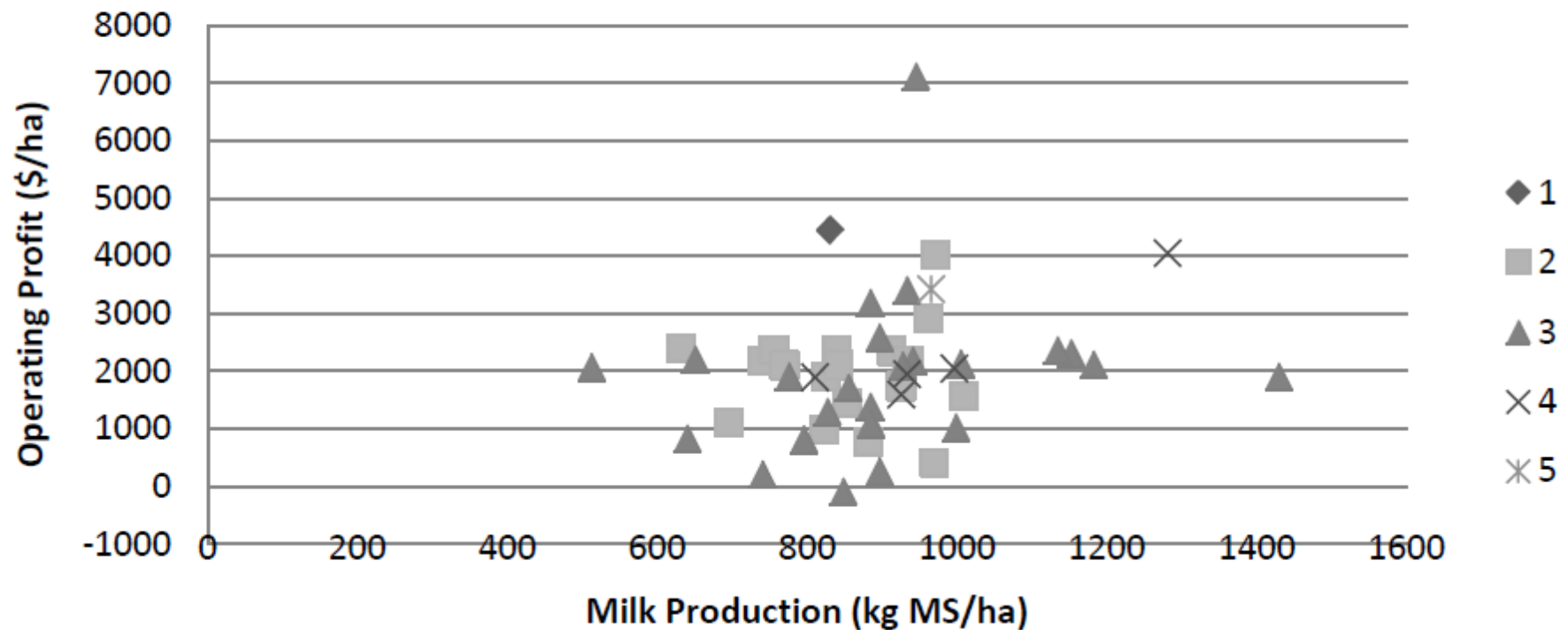
Milk production per ha?

High input vs. low input?

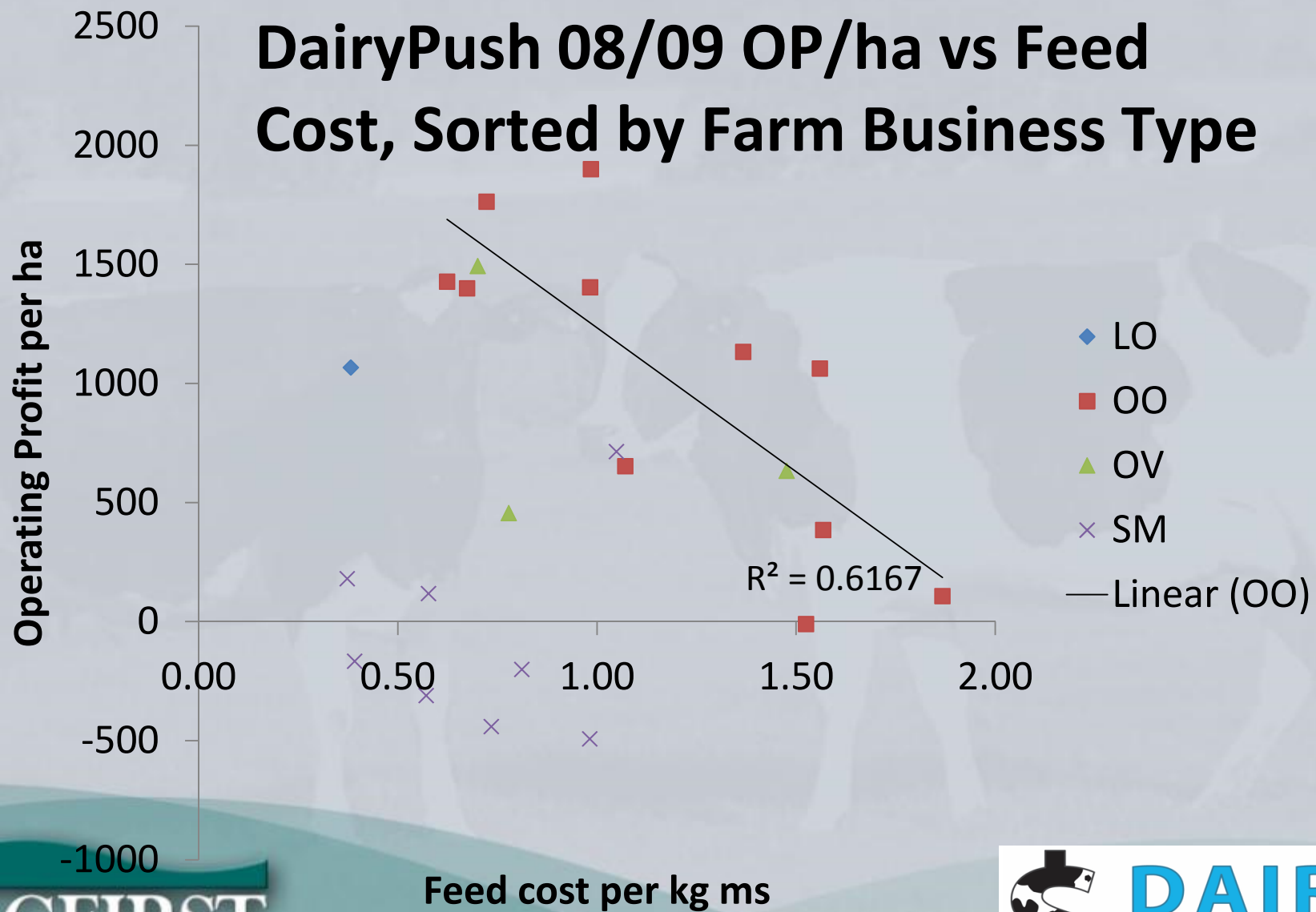


Group Info

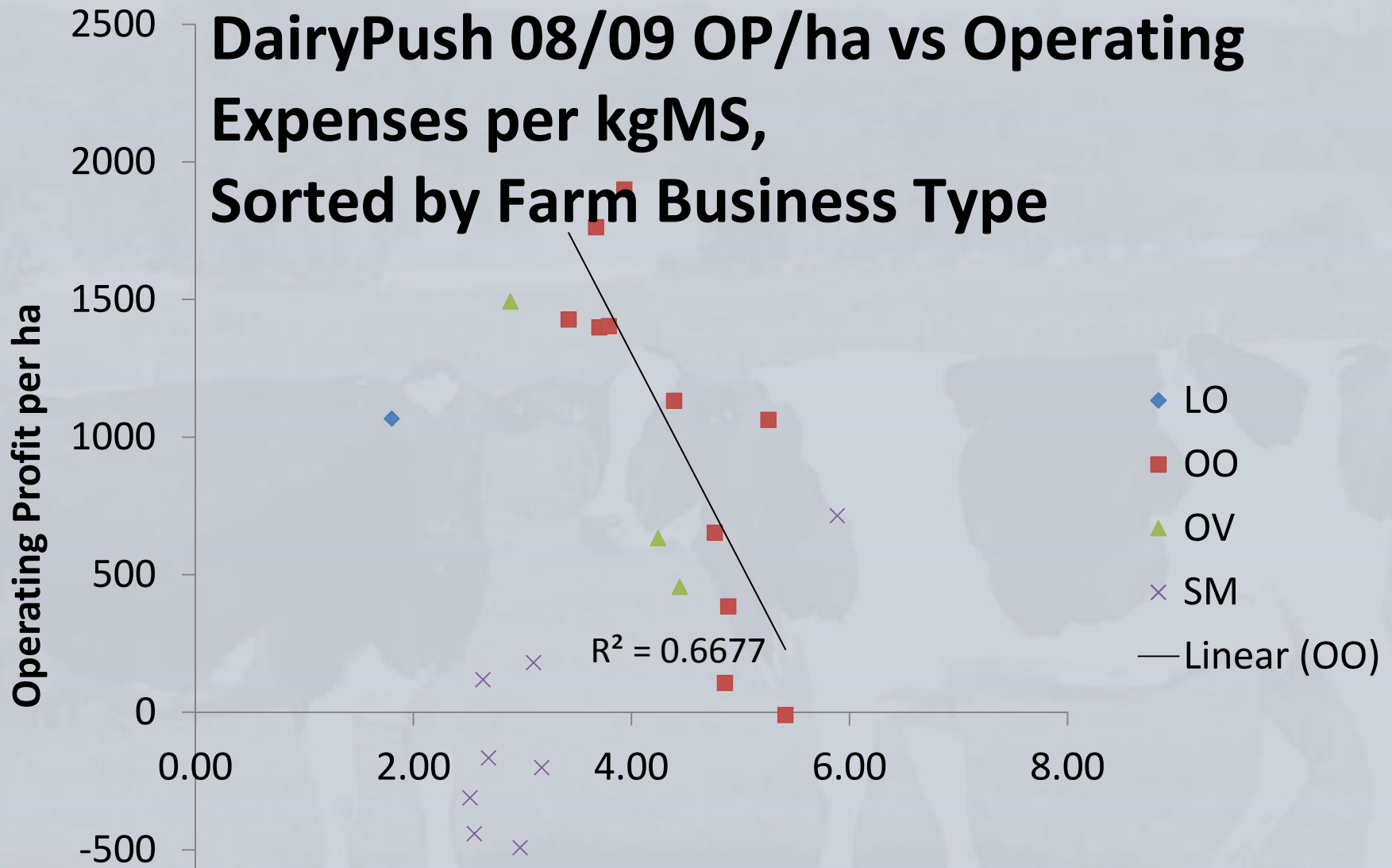
Operating Profit per ha vs. Milk Production sorted by Feed system



DairyPush 08/09 OP/ha vs Feed Cost, Sorted by Farm Business Type



DairyPush 08/09 OP/ha vs Operating Expenses per kgMS, Sorted by Farm Business Type



Dairy Operating Expenses/kgMS



What makes a good performance (High OP/ha)?

Looked at those farmers with OP/ha double the average:

- Production – reasonable (900-1200 kgMS/ha)
- Per cow production was variable (280-450kgMS/cow)
- Costs generally low – All <\$3.50/kgMS (09/10 season)
- Wide range in systems, eg 2.2-3.4 cows/ha



3. What needs to be the focus?

- Profitable farmers **do the basics well**
- Devil is in the detail – Plan, monitor, monitor
 - Cashflow budgets,
 - Feed budgets
 - Always looking ahead 6 months
- Break the goals down into 4-6 month actions
- DairyPush provided accountability to these goals



Strategy templates used



STRATEGY PLAN FOR

2011/12



Values

Key Targets for 2011/12

Production: _____ cows x _____ kgMS/cow = _____ kg MS

Farm Working Expenses kgMS \$ _____

Operating Profit Target: \$ _____ per ha

Environmental Target: _____ kgN/ha/yr leached, N Conversion Efficiency _____

Key Actions to Achieve Goals & Targets (updated each qtr)

3-5 Year Goals

(financial, env, social)

- 1.
- 2.
- 3.
- 4.
- 5.

Key Action	Person Responsible*	Date Completed	Achieved? F/P/N	Comment

*Include all people responsible for actions, eg adviser, accountant, bank manager, fed rep

I/We _____ (name of farmers) have reviewed my business KPI's as set out at the start of 2011-2012 and assessed these as either fully achieved (F), (P)partly achieved or (N)not achieved. Signature _____ Date _____

Key Learnings

- **Start with the big picture – what are you really trying to achieve?**
- **Focus on Profitability**
- **Benchmark and monitor**
- **Accountability**



Actions in short term

- Plan out your autumn feed management – next season starts now!
- **Prepare your financial budget for next season**



Thank-you

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