

Animal Recording Information for the Herd Consultant

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Summary

In 2004, AgSource began the process of adjusting its business philosophy to a value-added model. This philosophy embraces the objective of developing and delivering higher-valued services to the customer and selling those services on that basis. This shift in philosophy has helped AgSource grow the number of cows enrolled in its recording program and increase the frequency of herd testing during this seven year period. AgSource processed 1.2 million more individual cow recordings in 2011 than in 2004.

Initially, the focus of the value-added approach was aimed at the dairy farm owner or herd manager. As herd sizes continue to grow, so has the dairy farm owner's and herd manager's reliance on consultants for support and assistance with management decisions. The dairy herd consulting industry is robust and is highly competitive. In order to contend, many of these consultants utilize herd analysis and benchmarking information to demonstrate their expertise and increase customer satisfaction. For these reasons, AgSource's value-added marketing efforts have been expanded to include dairy herd consultants.

AgSource's internal database, along with its value-added reporting capability, places the organization in a positive position to support the needs of these consultants. By working to become an allied business partner, AgSource helps dairy herd consultants provide better management support to a shared customer base. The end goal is long-range success for all three entities in this business relationship.

Keywords: consultants, management decisions, allied business partner

Introduction

The competitive nature of the dairy herd consulting industry creates a need for differentiation. This need has given rise to the development of individualized proprietary data gathering and delivery methods. In many cases, this information includes data collected as part of milk recording and testing services. This information is being used to demonstrate expertise, proficiency and gain customer confidence. An added piece of this business model is the information is being delivered at no additional cost to the dairy farm. The main goal of this activity is to maintain or increase sales of semen, feed additives or other products or services.

This activity has the potential for two negative outcomes: the first being a reduced appreciation and perceived value of milk recording information and resulting data points. The other is the resulting confusion when several different databases are utilized to create benchmarking information.

Typically, herd owners employ the services of two to three different consultants. For example; one specializing in semen and reproductive services and another specializing in nutrition services. If each of these service providers is working from a separate database, measuring results and determining a future course of action is confounded.

Networking

AgSource has identified three key areas where it can support the consulting industry and provide improved service to customers held in common.

First: AgSource offers consultants the same prepared management reports and summaries provided to AgSource customers. This allows the consultant to study the herd's information prior to the consultation visit. Consultants and dairy herd managers/owners are busy individuals. Previewing this information allows for meeting time to be devoted to setting direction and making management decisions instead of reviewing data. Reduced meeting time and faster decision making improves efficiencies for both the consultant and herd managers. The consultant's time is better spent evaluating results and formulating recommendations rather than entering data and creating spreadsheets.

Second: AgSource value-added products and benchmarks verify the results of the consultant's efforts by quickly and appropriately identifying the direction a herd is moving in several key management areas. Figure 1, below, shows a portion of the AgSource Herd Report Card. This report quickly identifies herd strengths and weaknesses. By reviewing the entire report with their customers, consultants can develop a planned approach to implementing management changes and also monitor past decisions and their results. This tool is developed using the AgSource database, a single database of cows with regular milk recording intervals along with the regular recording of other events. The Herd Report Card is available twice per year and uses graphic display of results to assist in easily identifying both strong and weak areas of performance.

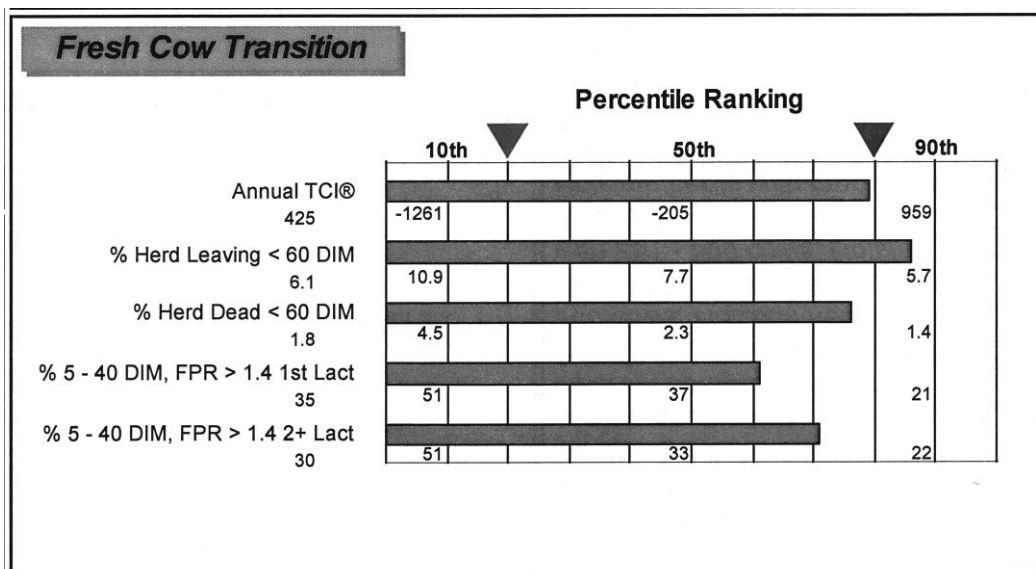


Figure 1. This portion of the Herd Report Card illustrates how fresh cow transition performance measurements compare to cohort herds. The full report tracks and graphs 25 variables within five management areas, including fresh cow transition, production, reproduction and genetics, inventory and udder health.

Figure 2 illustrates another AgSource report that is very useful to consultants. The Profit Opportunity Analyzer® (POA) is a more in-depth analysis tool, designed for use in team meetings with consultants. This product has two methods of delivery. Dairy herd owners/managers may order a POA directly from AgSource or, consultants may purchase the report from AgSource and deliver it directly to their customer.

Profit Opportunities

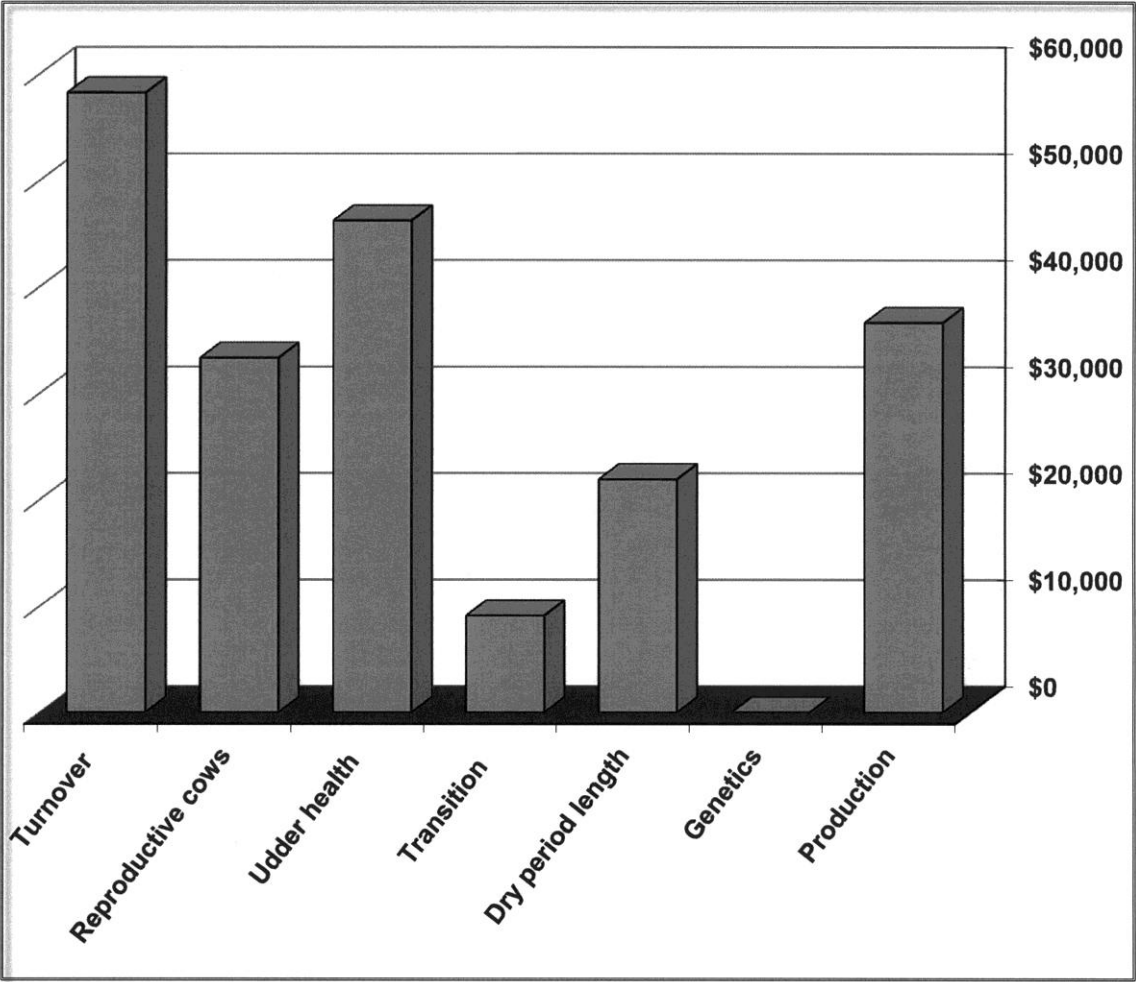


Figure 2. This page of the POA estimates the profit that could be realized with improved performance across seven herd management areas.

If the report is ordered directly, an AgSource representative makes an appointment with and presents the report to the dairy farm's entire management team. Involving all decision-makers and influencers is critical for successful application of the information. The program improves teamwork between all service providers as they consider facts, discuss ways to improve performance and agree on a course of action. Delivering the report allows AgSource to play a valuable role on the team.

Consultants who purchase and deliver the Profit Opportunity Analyzer on their own are required to attend an AgSource training program. During the training and subsequent refresher programs, AgSource is able to demonstrate value as an allied partner while networking and developing a long-term relationship with an allied industry partner.

Third: AgSource directly engages dairy herd consultants in the development of new management tools and updates of current offerings. This not only improves the quality of AgSource products, but also increases buy-in from those who influence the dairy farms AgSource serves. The 2012 introduction of polymerase chain reaction (PCR) testing to identify mastitis pathogens in preserved milk samples is the most recent example of such collaboration. Udder health management professionals have various opinions regarding the application of this relatively new technology. Because of this, a team of university researchers and veterinarians was assembled to assist AgSource with the development of the program and to train other veterinarians and consultants. While taking this team approach has extended the development time for this new product, it has proven to be worthwhile, netting greater support and understanding of the test's value.

The Genetic Selection Guide is another example of an AgSource product created with external support. This tool, jointly developed with Genex Cooperative, divides dairy cow and heifer herds into genetic quartiles based on net merit. The Genetic Selection Guide assists herd managers with decisions pertaining to improving their genetic base and applying new technologies such as sexed semen and genomics.

Conclusion

Networking with dairy herd consultants is a natural next-step in AgSource's value-added business model. It supports improved management decisions and increases efficient use of consultant and dairy herd owner/manager time. This program also gives consultants the ability to measure and benchmark their customer's results against a large database of raw data points. AgSource's large database allows herds to be compared by breed and size of dairy farm. This single database provides consistent points of reference, which is particularly important if two or more consultants are working with the same dairy farm.

This marketing system encourages direct networking opportunities for AgSource. Coordinating activities with allied industry partners allows AgSource to better serve its members and customers while gaining the support and endorsement of key influencers. The entire program supports and enhances the continued use and reliance on AgSource management information.