



With the horrific events surrounding September 11th, it's easy to overlook the quiet beauty that surrounds us every day.

## From Bruce's Desk

I'd like to thank those of you who took the time earlier in the summer to speak with our marketing consultant, [Claire Heffernan](#). Your responses enabled us to better understand our client's needs and improve our services.

[John Gremer](#) completed the week long "Banker's School" at Cornell in June. He now writes the monthly notes that accompany the Actual-To-Budget Reports.

We want to welcome [Karen Veazey](#) to the Dehm Associates staff. Karen works part time for us and the rest of the time for Lamb Farms in Oakfield, NY, a 1,100 cow dairy. She's been taking over some of John's duties in the area of information management.

Lots of times some of our best ideas come while spending time alone such as in a tractor cab. If some of your best ideas "hit" when it seems you are the busiest, feel free to call our staff. We will be glad to work on new budgets or create those amortization schedules for new equipment.

Finally, if you have any comments or recommendations about our services, please feel free to let us know. Many of our ratios and analysis exist because our clients have requested them. [As always, we appreciate your business.](#)

## WE'LL HELP YOU START A DAIRY ADVISORY TEAM! (AND GET RESULTS)

Benchmarks and Financial performance information often tell you where you are, but say little of how you got there. Budgets indicate a goal, but lack the ability to plot a specific course of action. [A Dairy Advisory Team is the bridge that links information to action.](#)

The Dairy Advisory Team brings together dairy specialists knowledgeable about the farm's operation to review financial and production data, identify problem areas, develop and implement solutions.

With financial analysis data in hand, the nutritionist, veterinarian, agronomist, banker and others make recommendations that [improve performance and profitability](#). It's like the difference between a flashlight and a laser beam in a farm's approach to problem solving.

If you'd like to start a Dairy Advisory Team, but don't have the time or don't know where to begin, Dehm Associates



Dairy specialists gather to identify problems and jointly develop solutions to improve farm productivity. Advisory teams motivate producers and their professionals to meet specific goals.

can help. We will coordinate meetings of specialists and monitor team progress, decisions and assignments. Our experience setting up Dairy Advisory Teams guarantees they will be easy to implement and will produce results. In fact, work done in the area earned Dehm Associates the NYS Agriculture Commissioner's [Agri-Service Award](#) in 1997.

Because we are convinced of

the value of Dairy Advisory Team for your farm, Dehm Associates is offering to set up a Dairy Advisory Team for any of our existing clients and coordinate [two sessions at no charge](#). To be eligible for this offer, you must contact us by October 15th.

## DAIRY ADVISORY TEAM (DAT) QUESTIONS AND ANSWERS

How often does a DAT meet?

We recommend meeting every month or two, depending on the urgency. Meeting less frequently generally leads to much lower productivity of the team.

How long should meetings last?

Meetings should last no more than 1.5 hours. Strict adherence to starting and ending times helps everyone focus on important items.

How many team members should there be?

Teams with too many members accomplish less than those with 4 to 5 professionals plus farm management.

Should written notes be kept?

Written notes are critical for maintaining continuity, communication and direction to the advisory team process. Written goals and assignments leave no room for confusion.

What is the best way to prepare for DAT meetings?

Farm management should be prepared to discuss major problems and goals for the team to address. Professionals can provide their analysis of the farm with a SWOT analysis.

What areas of the farm are discussed at DAT meetings?

All areas of concern including financial, production, herd health, reproduction, crops and labor.

# Exploring DBM: Milk Sales Difference From Budget

How much is that change in milk production really worth?

The [Milk Sales Difference From Budget](#) calculation is the tool that tells you how much of the difference in milk income is due to changes in price (beyond your control) and changes in lbs. milk shipped

	Actual	Budget	Difference
Lbs. Milk Sold	770,440	877,393	(106,953)
Milk Sales	125,569	117,571	7,998
Milk Price	16.30	13.40	2.90

## Milk Sales Difference From Budget

Due To Change in Price: **\$22,330**  
Due To Change in Lbs: **(\$14,332)**

(under your control). In the example presented, the dairy is showing milk sales \$7,998 higher than budget—which should be good news. However, milk shipped for the month was 106,953 lbs less than budget while milk price was \$2.90 above budget. Failure of the farm to meet the production goal cost the

farm \$14,332 in income. Use this figure to justify investment in cow comfort, better feed or forage facilities or other limiting factors. [This type of information cannot be determined if you do not have a budget.](#)

For serious students, the Change in Lbs calculation is (Actual Lbs x Budget Price) - (Budget Lbs x Budget Price). The Change in Price calculation is (Actual Lbs x Actual Price) - (Actual Lbs x Budget Price).

## DEHM ASSOCIATES

### FARM BUSINESS SERVICES

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## REWARD FOR REFERRALS

Referrals are an important source of new clients to a growing business. If you're happy with the Dairy Business Management Program, why not tell a neighbor? New clients signed up in the summer and fall get special attention and lower start-up fees. If someone you refer becomes a client, we'll pay you \$100 as a thank you. [Help your neighbor and help yourself by referring us a new client today.](#)

The Dairy Business Management Program

- [Peace of mind](#). Easy to use monthly reports about your farm.
- [Fact-based](#) decision making support.
- Improved cost management.
- [Fast access](#) to financial information.
- [Objective](#) analysis and advice.

Who are Our Clients?

Dairy farm owners and managers who are interested in improving how they manage their farms.



**“If someone you refer becomes a client, we'll pay you \$100 as a thank you.”**