HELPING CLIENTS WITH EXPANSION PROJECTS

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With the average age of a dairy facility in Minnesota over 40 years it is easy to see that there is a need for new dairy structures. When considering facilities we have to understand that the rules of the game have changed. No longer can producers build forty cow tie stall facilities and expect to pay for them with milk sales. New facilities will be larger, cheaper on a per cow basis, more efficient, and probably cold.

Why should you, a dairy practitioner, help clients with building and remodeling projects? There are many reasons.

First, if not you, someone else. There is a need; someone will fill it. Why not the veterinarian. The veterinarian is on the farm more often than an other would-be design consultant. You, the veterinarian, see the farm in its working clothes, not just when things have been cleaned up for your visit. You have many opportunities to observe the work habits of the producer. You can observe employee management techniques of the producer. You have at least a rudimentary understanding of the producer,s financial condition, and you may have access to complete information if requested. You are also, according to at least two recent surveys of dairy producers, the most frequent source of information to dairy farms. You are probably also the most trusted advisor. You also know better than anyone else the status of facilities on the farm as they relate to animal health and productivity. You see the sore feet, the pneumonia, the mastitis.

Second, trends in the dairy industry tell you to get involved. According to the Minnesota Dairy Research and Promotion Council *, there were 26,000 dairy herds in Minnesota and 915,000 cows in 1980. If present trends continue we could have only 8200 farms and 494,000 cows in the year 2000. There will be a loss of 26,200 full time jobs (from 1992 to 2000) in the dairy industry as a result. Many of these jobs represent the dairy "infrastructure" in place today. Loss of this infrastructure will raise the cost of production to the producer. You must also realize that part of that infrastructure is the dairy veterinarian. How many of those lost jobs will be DVM positions?

Helping producers expand or remodel can be a win win situation. Producers can reduce production costs, increase production, improve lifestyle, and facilitate multifamily cooperation. You can preserve your job! You can also preserve the job of the milk truck driver, the fieldman, the nutritionist, the DHI supervisor, the livestock trucker, the equipment dealer, and on and on.

Third, you can supplement your income. This type of work can be as profitable as any other part of your practice.

Fourth, job satisfaction is high. It is a lot of fun to see dairy producers making money and happy with their lifestyle. It makes your job much easier.

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What resources does a veterinarian need to fill this role? First, you need a commitment to change and an understanding that the health of the enterprise is much more a determinant of success than the health of an individual animal. Does it make sense to treat a cow for mastitis and then turn her out into a poorly designed facility that will likely predispose her to get mastitis again? If you do not treat the mastitis what is the economic loss to the producer? If he has to cull her it might cost him $500 to $700. What is the cost of not preventing many other infections? Consider lost milk, lost milk premiums, and treatment costs. You need to look beyond the individual and look at the enterprise.

Next, you need a knowledge base of facility design. Nearly every dairy veterinarian has a substantial understanding of dairy facilities already. We work in them all day. You can expand this base by visiting other facilities in the area. There are many places you can visit. There are also many seminars you can attend. Dr. John Chastain, from the University of Minnesota, has an awful lot of good information as you have just heard in his presentation. There is also a wealth of printed information available. A good source is the American Society of Agricultural Engineers. I think acquiring and maintaining knowledge is really pretty easy for most dairy veterinarians. We do this all the time.

Third, you need a way to deliver the knowledge to the producer, and with that, a way to get paid for it. This means you have to have communication skills and a workable billing system. We all know that you cannot simply write a list of recommendations down, drive away and expect them to be implemented. A workable billing system for our practice is billing for time rather than procedure. Consider what your clients are really paying your for in day to day practice:

They all are used to paying for products. There is a tangible product and a set price. Value is determined by the efficacy and cost of the product versus the cost of not using the product (the problem). Most clients are used to paying for services to some extent. Rectal examinations and displaced abomasum repair are examples. The service can be fairly tangible when performed on farm while the producer is there. Value is determined once again by success or failure in fixing the problem. Many consumers are less likely to attach a high value to service, however. This is probably why many veterinary practices have tried to "lump" services in with products. That way it is difficult for the consumer to determine how much of the cost is product and how much is service. Clients also pay for information, or at least for the time it takes to deliver information. Many producers are not used to paying their veterinarian for information. They may be used to paying others for information however. Attorneys and accountants are examples. It is more difficult to determine value; perhaps this explains why these professions are often considered "expensive" by consumers. Clients also pay for enthusiasm, guidance, cheerleading, or whatever you want to call it. Very few consumers probably recognize this; nor do they recognize its value. It is very hard to quantitate this value.

To be a successful veterinary consultant, whether it be in environment, milk quality, records, reproduction, or nutrition, one has to be able to get paid for more than just a product. Service, information, and cheerleading are of great value. If you do not get paid
for it you will not do it; or at least you will not do it for long. Piecemeal billing systems make it difficult to get paid. How much is it worth to walk out to the freestall barn after treating a cow for mastitis to evaluate stall comfort, for example? How much is it worth to look at DHI records; how much is it worth to look at a ration; how much is it worth to discuss youngstock housing after delivering a calf on a 900 pound 26 month old heifer; how much is it worth to label his drug cabinet when you place your favorite medication on it?

When you bill for time, it is all worth whatever time it took. Our practice bills only by time or by contract. This is the single most important change we ever made in terms of allowing us to do production medicine. Be aware though, that if a veterinarian now only charges for product, and tries to lump as much service as possible with product the change to a time based system may be painful for the consumer and the veterinarian.

What are the mechanics of being a environmental consultant?
How do we do it? There is no right or wrong way, but some ideas are:

Number one, you need to know the producers goals. If he does not know his goals you need to help him define them. In addition he should have a mission statement that simply states why he milks cows. Is it to make money? to have a nice lifestyle? to have something to do? to use an existing facility?

to get his daughter in the local dairy princess contest? Why? He needs to know. His goals should be short and long term. A short term goal might be to milk 60 instead of 40 cows; long term might be 200 cows. Producers should WRITE DOWN a mission statement and goals. With a strong wind you can sail all day, but it you do not know your destination how will you know when you get there?

Next, the consultant and the producer need to determine if expansion meets his goals and is consistent with his mission.
If increased profitability is a goal and he plans to build a double eight herringbone parlor and milk 80 cows perhaps he needs to rethink his plan. It is often the case that the producers stated goals and his actual goals are in conflict. In the previous example the producer’s goal of getting out of the parlor fast is taking precedence over profit. He needs to realize this and either change his goals, or modify his plan. It is entirely possible that you will actually talk clients out of expanding with this exercise. Perhaps if we had done more of this in the late 1970s we would not have so many empty dairy facilities today.

Sometimes the consultant actually plants the seed or initiates the idea. It might occur while you are treating that mastitis case when you suggest that most cases of mastitis are preventable, and that facilities play a large role in prevention.

I am convinced that most producers in substandard facilities do not know how easy and nice it is to be a dairyman in a good facility. If you grew up with cows who always had smashed teats and damaged hocks you probably think it is normal. Think about the "teachable moment" as Dr. Gordie Jones says.

The consultant also needs to be an immediate source of information. This means having printed materials on hand in the truck, having photos or slides of facilities, leading tours or open houses, speaking to groups, or referring producers to someone with information.

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The veterinary consultant needs to be a cow advocate. The missing link in most expansion projects before the late 1980s in my area was "cow friendliness". Facilities were designed for human comfort, manure handling, push button feeding, and status. Even today, the veterinary consultant will sometime be at odds with builders or producers whose goals do not include cow comfort. If profitability is a goal in an expansion, cow friendliness must be considered, and likely will displace other goals.

Another important role of the consultant is for lack of a better term, to head off disasters. We have all seen facility disasters. Some of them have been built by some of our clients while they were our clients. Most of us have offered objections when we discovered the plan. Sometimes we are heard; sometimes not. Nevertheless, if you are prepared with useful information about alternatives you may prevent a producer from building a disaster.

We need to take an active role in planning expansions. This can be discussions on farm, with notes on the back of an envelope, back at the office, or at the office of the builder, banker, or other party. We need to have an understanding of the financial implications of our recommendations on the farm. If we cannot provide this information we need to recommend someone who can. Finally, there will be, or probably are veterinarians who offer a complete package of a design build firm. The veterinarian might act as a general contractor for the project.

A very important final step for the consultant is monitoring progress once the project is done. Once again you, the veterinarian have an advantage because you are there frequently. You see the cows in the facility, you see the problems and the benefits. You need to reinforce the value of the benefits and work toward solutions of problems. Some might consider this hand holding, but it is perhaps the most overlooked aspect of facility design by the people in the industry. Like anything else with production medicine you need to justify your existence.

What is your vision of the future of the dairy industry in Minnesota? How will the dairy practitioner survive the impending changes? One of my goals is to be still be a dairy practitioner ten years, and hopefully twenty or thirty years from now. To achieve that goal I will help my producers compete. Cows will be milked somewhere in twenty years; it might as well be in my area.

They have a tremendous need for help with expansion projects. By filling that need we can all win.

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