

RELEASE THE

HAND

by Alex Jenkins



BRAKE

This month we are talking machines. I'll be the first to admit that I don't know a spark plug from a torque wrench and so all discussions about machinery are best avoided. But there is one vehicle that I love to talk about. The vehicle that you drive every single day. Your farm. Your farm is the vehicle that carries you, your family, your staff and all their dependants down the road of life.

Check the fuel line

Anyone who has ever put dirty diesel in their bakkie will know what a choking engine feels like. The engine is capable of producing the power but it is not getting the fuel it needs to perform. Cash is the fuel of your business. This is why we speak about cash flow. It needs to circulate smoothly through your business. However, you don't want your milk cheque to simply bounce through your account on

its way to your suppliers. No, you want it to stick around. You want to retain as much as possible.

While most people focus on the obvious drivers of profit (sell a lot, spend a little) only a few focus on the factors that eat into your profits, the dreaded restrictions or bottlenecks in the system. These are things that stop your cash flowing despite your best efforts.

CASH IS THE FUEL OF YOUR BUSINESS.

This is why we speak about cash flow. It needs to circulate smoothly through your business.



LOOK OUT FOR THE BOTTLENECKS

Identifying the bottlenecks in your business is not easy. You have to play the part of both doctor and patient. I have two tried and trusted pieces of advice for you:

1 You don't know what you don't know
This is where outside support and education are vital. If you don't know the amount of milk lost through poor foot health, poor calf rearing and poor dry cow management, you're unlikely to select these areas for massive and targeted action. However, if someone puts a number on them – say R450 000 lost each year – then the picture changes. An extra R450K would come in handy and would be well worth some extra effort.

2 You won't miss what you don't have
If you have always milked your current average, you have no idea what life is like with an extra 4 ¢ on top of that number. If, however, you were to lose 4 ¢ from your average, you would be acutely aware of the effects.

Solid science is able to identify and quantify most of the bottlenecks on your farm. Often it is a matter of listening to your professional support people and then doing something about whatever problems they pick up.

What car are you driving?

At 6000 rpm most cars hit the red zone. But these are also the idling revs of a Formula 1 car. The vehicle that you are sitting in determines how you drive it. Understanding what is possible to achieve will help you to set targets.

Don't just try to be better than last year, be as good as your cows can be. Understand what your target production should be and then drive towards it. Genomic testing is widely used to understand the capabilities of animals that are used as replacement heifers. With a quantifiable target for your herd, you will know whether you are on target or falling way behind your potential.

DON'T JUST TRY TO BE BETTER THAN LAST YEAR,
be as good as your cows can be.

Do the right things right

Driving with deflated tyres will hurt your consumption, no matter how big your engine is. The big things – farm size, feed costs, total production – are not where the profit in dairying lies. They take you to the break-even point but they are handicapped by the huge weight of your fixed costs. Profit is to be found in marginal milk. That is, the milk that is produced by small changes that do not cost a lot. Examples are: finding a way to get your cows to eat one more mouthful of feed, reducing heat stress, or increasing feed efficiencies. Marginal milk is pure profit and it comes from the sum of all the small details of your farm. Details that you can control. Details that, if managed properly, can lead to huge profits in your business. It is these details that I refer to as “the right things”. Manage the details correctly and you will reap the benefits.



IN CLOSING

So, how does the machine of profitable dairying work? It works by allowing your cows, your farm, and your people to be all they can be. Whether you follow a simple pen-and-paper approach, concentrate on managing your people or go in for full-scale precision farming using all the latest technology, if you know what to work on and what you should be achieving, attention to the small things on your farm will allow you to drive your business down the road of life with a smile on your face.



ALEX JENKINS is a technical specialist at Chemuniqué. He has a Master's degree in animal science and more than 10 years' experience in mineral premixing. Contact Alex at alex@Chemuniqué.co.za. 