



STRATEGIC DECISIONS FOR BETTER RETURNS: THE FOUR RS

by Elizabeth Van Papendorp

Dairy systems have always fascinated me and continue to do so for the simple reason that they are incredibly complex and no problem ever has a simple solution. In addition, the hundreds of different products on the market only serve to create more confusion among farmers. How do we cut through all the noise and get right down to what we really want to know – whether a product works as it claims to or whether it doesn't?

To assess the worth of a product or service, and its potential usefulness on your farm, there are a few things to keep in mind when evaluating it.

An insightful article by Hutjens (2007) suggests that farmers should always evaluate a product using the **four Rs**, namely anticipated response, economic return, available research, and filed responses.

ANTICIPATED RESPONSE AND ECONOMIC RETURN

Anticipated response is often the first thing that piques one's interest. No product would be worth considering if it were not beneficial from a business point of view. Second to that is the economic response. While this may seem logical, it is often overlooked when evaluating the usefulness of a new product.



Download the full article as published in *WCDS Advances in Dairy Technology* (2007) Volume 19: 87–101, by scanning this QR code.

Economic profit can be made when the use of a product guarantees a return on investment (ROI), covering its own cost and yielding good returns in the form of improved performance responses or improved health and reproduction parameters. Hutjens (2007) suggests that an ROI below 2:1 should not even be considered.

BACKED BY RESEARCH

Economic return is mostly backed and guaranteed by the research done on a product. Millions of rand are spent on product research every year, with the aim of improving effectiveness. One important aspect of this is that a product backed by solid and significant research also carries with it a degree of certainty and assurance of its ROI.

Research is often carried out in different environments and always carries a probability figure – which is pretty much all that anyone cares about. This probability (or P-value) is very insightful and gives us an indication whether the promised response or performance of a product is real and attainable in different environments.

A good rule of thumb is that a P-value $<0,05$ has some pretty good evidence to suggest that it will have the desired effect. Any P-value $<0,1$ suggests that there is a visible trend, but a response is not always guaranteed. By

considering the available research, you can instantly eliminate some products that might not meet your desired ROI of 2:1. Any product worth your time has to be backed by some solid science.

Care must be taken with this **R** to ensure that farmers do not fall victim to what is known as the ‘me-too syndrome’. This refers to products that are marketed as being similar to other well-researched or proven products, although they themselves have little or no research and results to back up their claims.

It is important to remember that while products may have similar functions, each has a unique chemical make-up and, as a result, a unique response that cannot always be assumed to be the same as that of a similar product. It is crucial to request the scientific history behind a product and test whether the probability of a profitable response is worth your time.

FIELD RESPONSE

The last **R** to consider is field response. What are the performance effects and results observed in your own business? Again, when selecting a product, a significant P-value ($P < 0,05$) increases the chance of a profitable product response. The importance of the field response, although at the end of the checklist, lies in answering the question, “How does the product perform on your farm and in your business?”

THE FOUR Rs

Should all four of these **Rs** be ticked off, rest assured that you are well on your way to spending money on proven products that will yield an economic response. Use this checklist to cancel out the noise on-farm, allowing you to focus on the important stuff. *mpo*