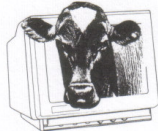




February 2009



Manitoba Dairy Farm Management Group

We mean business

Volume 12 No. 1

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Transferring the farm — Use experienced professionals - PART 1

The average age of the Manitoba dairy producer is in the upper forties. The average age of a Canadian farmer is in the high fifties. The obvious conclusion from these 2 statements is that there will be a large number of farm transfers to be completed over the next 10-15 years.

So how should Mr. and Mrs. average producer set the wheels in motion in order to transfer the farm business over to the next generation, to everyone's best advantage?

The tendency can be to procrastinate — To try to put this off as long as possible. BUT, it is an issue that will likely go better if it is talked about when the next generation are keen and ready to take on those extra responsibilities. Many young people, whether they be family or hired labour thrive on

extra responsibility, but if overlooked, may lose interest in the enterprise. For the older generation, to doubt the ability of the younger ones, is tantamount to lack of trust and may cause resentment. However this is something that cannot be hurried and the natural progression has to be followed.

Discussion is Essential

The average producer will require assistance in developing a succession plan. There are many professionals out there who are well qualified to assist in this whole process.

Professionals who have the CAFA certification [Canadian Association of Farm Advisors] are well equipped to provide excellent advice as they have earned this accreditation and have access to up-to-date information relating to all aspects of succession planning.

Using the Team Approach can be a very good way to complete the whole transfer business. This would involve a group of professionals, maybe working separately at first, but consulting with each other and eventually coming together in order to present the package to their clients. It is up to the clients to come forward with their proposal and ensure it succeeds.

Next month - PART 2 will focus on the make-up of the Team



Not too much talk of greenhouse gases and global warming after a month of -25C!!

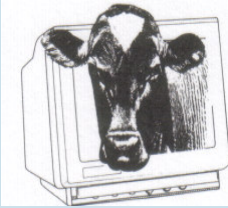
Open meeting at La Broquerie Hotel — Wednesday 18th February at 10.45am

In the February meeting, open to all producers, we are looking at "The effects of toxins in the dairy cow's diet" presented by Dean Jessop on behalf of Select Sires Canada. This problem has led to questions being asked about the effects on milk yields and maybe, possible negative effects on breeding.

Hugh Van Hout, Regional Manager for Select Sires will present on "Tail Chalking as a means of heat detection". Heat detection can become more of a challenge in the larger herds, especially with inexperienced employees. Cliff Banman will comment on the positive effects of Tail Chalking on his own breeding program.

Garry Verhoog operates a very successful 500 cow dairy at St. Labre and is looking to set up a small dairy in Ukraine, as a means of contributing to the development of the dairy industry in that country. Come listen to learn about this venture!!

Thanks to Select Sires for sponsoring this meeting



Consultant
Roger Mills CAFA

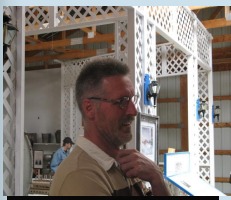
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We consider that utilising our limited land base to grow corn for silage, providing most of the energy requirements and purchasing quality forage in the form of hay, is the most profitable option for us.

Theo



Theo Van Dongen
MDFMG V-Chairman

Consultant's comments

In late fall, I attended the MB Grazing School conference, where I had been asked to present on Business and Benchmarking. I talked to producers and listened to other presentations and soon grasped the level of innovation to which remaining producers in this hard-hit cattle industry, had committed themselves. Instead of being despondent, they had set about trimming expenses to the bone and although still not in a good situation, many are now well positioned to benefit by any possible upturn in the industry. I came away thinking that there were many ways that our dairy producers could cut

small levels of expenses here and there in their own businesses, which would improve their level of profitability considerably. Obtaining improved revenue from the marketplace is paramount for any sector of agriculture, but how individual producers utilize that extra income is open to question. With more realistic fuel and feed prices, generating an improved cashflow is a realistic goal right now. This may be an opportunity, for some, to pay down some debt rather than indulging in further capital expenditure. Taking some of the cream from the good times to offset a possible reduced cash-

flow in the lean times, may well be considered a good strategy. We live in a materialistic world and sometimes we confuse **needing** with actually **wanting**

Can we justify purchasing a specific item of machinery, for instance?

Will it improve the level of efficiency in the task it is expected to perform?

Have we reached that peak of efficiency in our operation, that further quota purchase and an expansion is a requirement?

These are questions to be considered, when planning ahead.

Safety tips

Question – How many hazards can you see in the picture?

We don't always take into account the dangerous aspect of the task we are undertaking. All too often we perform a job on the farm without first assessing the risk, because we need to do it right now!

The task in the picture should have been assessed more carefully prior to starting.



The hydro cable is a major hazard. The guys are working around it with a metal ladder, which itself is balance precariously on a bale, on the loader. OK the other guy is holding the ladder!

Assess the task!

Spot the hazards!

Don't take risks !

Member Profile - Leurse Holsteins

Theo Van Dongen, Klara Bassa and their daughter **Amber** emigrated from Holland in 1994 to a 160 acre dairy facility, five miles south-west of Steinbach. They have grown the business gradually and now milk 80 cows through a 10 stall step/flat parlor, housed in a freestall barn. Rolled corn and a protein supplement are purchased to mix with the purchased hay and corn silage grown on the 100 acres of cultivated land. Land

in the immediate area is scarce and by purchasing all the hay, a quality product is ensured. The constant quality of the TMR enables quota fill to be maintained. All heifers are reared on the farm, having access to pasture during the summer.

5 years ago, a concrete manure storage was constructed and, although it was a huge expense at the time, they are very thankful that they went ahead. All the

manure is spread with their own slurry tanker, helping to provide most of the plant nutrients that the corn requires. Corn planting and harvesting is completed by a custom operator.

Participation in the group allows them to keep a check on their expenses and to ensure that their present policy of hay purchase and growing corn is still their best option.