

PDPW MANAGERS memo

July 11, 2008

Watch for these highlights in this edition of the Managers Memo:

- PDPW Education Calendar is Released!
- Business Transition Seminar details are now available.
- Helpful business tips, from managing employees to heat stress.

Thanks,
PDPW

Featured PDPW Member:

"I got involved with PDPW for the educational benefits, but over the years it's almost grown into a fraternity of like-minded progressive dairy producers. The PDPW experience is very upbeat and optimistic."

~Dan Siemers

Dan Siemers, along with his brother Paul, and their families own and operate Siemers Holstein Farm, Inc. in Newton, Wis. They are the fifth generation dairy producers. The Siemers family milk 2,300 cows, raise the majority of their young stock and calves and crop 3,800 acres. Dan explained that their business strategy is to make steps to enable us to invest for the future and retirement, to allow the dairy to be transitioned quite easily to the next generation.

Dan will be one of the featured dairy producer panelists at the PDPW Business Transition Seminar, which will be held throughout the state next month. Details on this valuable session are below.

For Your Dairy Business:

SPECIAL ANNOUNCEMENT: PDPW EDUCATION CALENDAR IS RELEASED! Mark your calendar now and share these dates with your colleagues, neighbors and others! Created by dairy producers for dairy producers, the PDPW Education Calendar is stacked with valuable conferences that help dairy producers become more profitable. The complete calendar is below, or go to www.pdpw.org to view the PDF.

KNOW WHEN DAIRY INDUSTRY EDUCATIONAL EVENTS ARE HAPPENING by signing up to receive an Outlook calendar invitation to events from PDPW. Be in the know and sign up today by emailing mail@pdpw.org. Event invitations are emailed directly to you so you can add them to your personal calendar.

NAVIGATE THE INTRICATE PROCESS OF BUSINESS TRANSITION WITH INCREASED CONFIDENCE by attending a one-day PDPW Business Transition Seminar on your choice of Aug. 12, 13 or 14. George Twohig of the agricultural law firm of Twohig Rietbrock & Schneider, Chilton, Wis., and his team of panelists will guide you through the intricate transition process and dairy producers who have begun or have completed the transition process will tell about their experiences. An ag lender will cover the banking perspective. Register now and join fellow producers Aug. 12, Fond du Lac; Aug. 13, Eau Claire; or Aug. 14, Wisconsin Dells. Go to www.pdpw.org for additional information. The registration deadline is Aug. 4.

YOU CAN BE A POSITIVE INFLUENCE within your community for the dairy industry—and answer the tough questions about our industry by attending *Dairy Connect*, a one-day communications and issues management training event on Sept. 16, in Madison. *Dairy Connect* is engaging, one-on-one, hands-on training that will sharpen your presentation skills and help you speak up with command, conviction and confidence. You never know when the opportunity to speak out about dairy will arise. Training is limited to the first 15 who register. Registration deadline: Sept. 5. Visit www.pdpw.org to register online or call 800-947-7379.

DO YOU KNOW A TEEN, AGE 15-18, WHO WOULD BENEFIT FROM A FAST-PACED, FUN, INDUSTRY-FOCUSED WEEKEND that will explore various aspects of the dairy industry and provide a positive learning environment to meet and learn from each other? Perhaps your teen, a friend, a niece or nephew or even youth from the local high school? Then please share the word about PDPW's Youth Leadership Derby set for Nov. 8-9 in Brillion. In addition to fantastic workshops, real-life learning labs and a lock-in, teens will tour two dairies and a cheese plant: Holsum Dairies, Hilbert, and its 6,700-cow dairy with rotary parlor and anaerobic manure digester; Ran-Rose Farms, Reedsville, and its 70-cow registered Holstein herd centered on genetics and high-performance cows; and Land O'Lakes cheese plant, Kiel, where they'll see the step-by-step process from the milk truck to the final product, including 40# blocks of cheese. Registration is just \$100/person. Visit www.pdpw.org for more information.

GET A FIRST-HAND LOOK AT THE LATEST ANIMAL IDENTIFICATION APPLICATIONS and learn how these tools can be incorporated into your management practices during demonstrations at Farm Technology Days, hosted by Country Aire Farms near Greenleaf, Wis., Brown County, July 15-17. Live animals will show how identification technology works in dairy applications such as herd health programs, breeding programs, sorting of animals and how the technology works with the DHIA milk testing system. "The use of progressive animal identification technology promotes labor efficiency and increased accuracy for livestock management while bringing us one step closer to our goal of being better prepared to respond with 14 hours in the event of an animal disease outbreak," states Robert Fourdraine, Wisconsin Livestock Identification Consortium (WLIC) chief operation officer.

DECREASE HEAT STRESS AND INCREASE HERD HEALTH, explained Lance Baumgard of the University of Arizona during his presentation at the PDPW Annual Business Conference. Noting that heat stress can affect production and cause acute health problems, acidosis, decreased pregnancy rate and increased abortion and overall death loss, Baumgard also pointed out that many changes in feeding behavior are also associated with heat stress, including decreased feed intake, increased concentration, sorting, slug feeding, drooling and less saliva production. Heat stress is known to affect rumen health, making animals more susceptible to acidosis, which can lead to an increase in respiratory problems, decrease in feeding, increase in drooling and altered feeding habits. To improve production during heat stress—and to improve your bottom line, Baumgard recommends shade and cooling.

NEED FLOOD INFORMATION? UWEX has a comprehensive flood website with important information and resources. Check it out at <http://www.uwex.edu/ces/ag/issues/ExtensionResponds-Flood.html>.

For Your Business Mind:

FARMERS AND FOOD COMPANIES. THAT'S WHO IS MOST DIRECTLY RESPONSIBLE for ensuring the safety of the food supply, according to consumers surveyed in a study undertaken on behalf of the Center for Food Integrity. But, consumers have only a moderate level of trust in farmers for ensuring food safety, giving farmers an average score of just 7.0 on a 1 to 10 scale. Trust in food companies and processors was lower at 5.55. Just one in three consumers agreed that U.S. food is amongst the safest in the world, and only one out of four strongly agreed that they are as confident in the safety of the food they eat as they were a year ago. The research study also found that consumers believe farmers are most responsible for the humane treatment of animals but have only a moderate level of trust, 6.14 on a 0 to 10 scale, that treatment of animals on U.S. farms is consistent with consumer values and ethics. Some 63 percent of respondents strongly agreed that, if farm animals are treated decently and humanely, they would have no problem consuming meat, milk and eggs. PDPW is a member of the non-profit Center for Food Integrity which was established to build consumer trust and confidence in the contemporary U.S. food system.

ARE WE BULLISH OR BEARISH FOR MILK PRICES? LOOK AT MARKET FUNDAMENTALS... The milk market is approaching a pivotal point, according to Stewart-Peterson, an agricultural commodity brokerage firm. Fundamentally, we do not see many bullish catalysts for milk prices on the DEMAND side at this time. Economic conditions continue to weaken and it is a fairly safe statement that the stock market is now in a "bear market" based on the indicators we track. Weakening economic conditions coupled with high energy costs could continue to dampen consumer confidence and likely negatively impact overall consumption. The bullish catalysts for milk prices are primarily on the SUPPLY side because of input costs. What we are watching for on the SUPPLY side is if cow numbers and milk production will finally start responding to higher feed costs. Fundamentals include: A) Cow slaughter numbers typically bottom in May. Stronger than average slaughter numbers would indicate that \$7 feed corn is having an effect as producers increase their cull rate. B) Stronger than average reductions in milk-per-cow from this point forward would also indicate higher feed costs. C) A sizable herd reduction from cows going up for bid through CWT in the next few weeks. If we see these trends emerge on the SUPPLY side, we can expect a more bullish outlook for milk prices. Although we watch fundamentals, we generally recommend that producers avoid making milk marketing decisions based on "outlook." Rather, Stewart-Peterson explained, have strategies in place for both securing inputs and selling milk, with these strategies based on overall profit margin goals for your operation.

WITH RISING GAS PRICES, MANY DRIVERS ARE LOOKING FOR NEW WAYS to protect against future increases. Entrepreneur Steve Verona saw the handwriting on the wall and has formed a new company, MyGallons.com, that lets customers buy gallons ahead of time based on the current prices in their area—in theory, locking in a lower price—and then redeem those gallons at a later date, regardless of any price increases in the interim. Verona says that the company protects itself against future gas price increases through taking positions in the stock market. This, then, allows customers to enjoy the simplicity of purchasing and redeeming gallons for an established amount and avoid experiencing market fluctuations themselves. The goal of this isn't to make money on gas. The company's profit will come from its annual membership fee which is about \$30, the interest float on the money that is paid before the gas is redeemed and advertising on its website.

GROW YOUR BUSINESS BY SHIFTING FROM “DOING IT ALL” TO DELEGATING. This shift will also help you focus your strengths without stretching yourself in too many directions while giving more control than you think. After all, when you’ve clearly defined what’s to be done and what the outcome should be, it’s difficult for employees or family members to be unsuccessful. Delegating is a five-step process: 1. Determine what to give away and what to keep. Simply create a list of everything you do on a daily, weekly or monthly basis, then go through the list and determine what’s essential to keep and what can be assigned. 2. Create a plan of what needs to be accomplished and exactly how you want it done. 3. Hire the right person based on the tasks that need performed and the skills set needed. 4. Assign results and accountability, communicating your expectations while creating consequences if expected results aren’t accomplished. 5. Check in from time to time by establishing a check-in schedule that works for you and your employee. Remaining in contact and available allows problems to be fixed as they arise and educate and develop the people working with you.

BOOK REVIEW: HUG YOUR PEOPLE: THE PROVEN WAY TO HIRE, INSPIRE, AND RECOGNIZE YOUR EMPLOYEES AND ACHIEVE REMARKABLE RESULTS. Authored by Jack Mitchell, “Hug Your People” explains how to create a “niceness” culture that can help develop employees who want to be a part of your business and help it succeed. It shares how simple ideas, put into practice, will let your employees know how much you value them. The book addresses five key areas, including how to treat people, build trust, develop pride in your business, be inclusive, and recognize people. The author ends each chapter with a helpful checklist that repeats the important points. The book is as much about life as it is about business and can help you become a better leader and make you a better person. A great summer read!

READ A GREAT BOOK? SHARE IT with other Manager’s Memo readers. Just email the title and author to mail@pdpw.org. We’ll feature your book in an upcoming Manager’s Memo.

ONE MAN’S “LAST LECTURE” was initially given at Carnegie Mellon University as a one-time event. But now this “last lecture” is spreading across the country. The presenter is Randy Pausch who is dying of pancreatic cancer and delivered his message as a part of a Carnegie Mellon University tradition when a professor left the university. Pausch’s message centers on the request that each of us seize every moment. To hear this memorable “Last Lecture,” visit [www. http://download.srv.cs.cmu.edu/~pausch/](http://download.srv.cs.cmu.edu/~pausch/).

PDPW Education Calendar:

Business Transition Seminar ([Click here for complete information.](#))

August 12, 13 & 14

Eau Claire, Wisconsin Dells and Fond du Lac

Three separate one-day trainings will feature a diverse panel of experts who will guide you through business transition.

Management Accounting

September 10-11

Madison

This executive-level training, taught by Dick Wittman, uses management accounting to link financial analysis and strategic thinking.

Dairy Connect ([Click here to view the flyer and to register.](#))

September 16

Madison

A challenging one-day training focusing on communication skills and industry issues to effectively inform communities about agriculture.

Nutrient Innovation and Technology Tours

October 14-16

Throughout Wisconsin

Three days of tours featuring stops at 9 dairies where you'll hear from the owners & managers and see the latest innovations and technologies.

Dairy Policy Summit

October 30-31

This two-day conference focuses on issues that impact our dairy businesses and communities, including consumers and regulations.

Youth Leadership Derby ([Visit this link for complete details.](#))

November 8-9

Brillion High School, Brillion

A weekend lock-in for ages 15-18 with hands-on labs, one-of-a-kind tours, career exploration and interactive leadership workshops.

Production Management Symposium

November 18, 19 & 20

This conference is designed for herd owners and managers, and it will highlight nutrition, reproduction and forage innovations that yield more milk for dollars invested.

Calf Care Workshop for Hispanic Employees

December 2 & 3

A hands-on, one-day workshop, focusing on raising calves. This training will be taught solely in Spanish.

Turnkey Human Resource Workshop

December 9-10

This high-level human resources training will cover valuable documents needed in employee management, including policy and employee handbooks, standard operating procedures and paperwork needed when hiring and firing.

Commodity Marketing Informational Class

December 11

This is the orientation session of this 6-class, year-long course, which focuses on marketing tools and principles required for successful commodity marketing.

Managers Academy

January 20-22, 2009

Florida

A dynamic, national conference that features executive business training, one-of-a-kind tours and the opportunity to hear from industry leaders.

Milker Training for Hispanic Employees

February 4 & 5, 2009

This one-day, hands-on training will teach milking protocols and cow handling. This training will be taught solely in Spanish.

Agriculture Community Engagement (ACE) Regional Meeting

February 19, 2009

Holiday Inn, Fond du Lac

A one-day meeting for dairy producers, local elected officials, industry leaders and community members to address and learn more about issues and changes surrounding the dairy industry.

Annual Business Conference

March 17-18, 2009

Alliant Energy Center, Madison

The Annual Business Conference is industry's premier educational event and PDPW's hallmark conference, featuring priceless never-before-seen producer panels and other world-renowned experts.

Heifer Facility Tours

April 9 & 10, 2009

Throughout Wisconsin

Two, one-day tours highlighting a variety of housing and management styles for dairy replacement heifers.

PROFESSIONAL DAIRY PRODUCERS OF WISCONSIN

N5776 US Hwy 151, Suite 1

Fond du Lac, WI 54937

Phone: 800-947-7379

Fax: 920-273-0369

www.pdpw.org
