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**OVERVIEW: DEVELOPING A HIGH PROFIT HERD**

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The present surplus of dairy products has led to a decrease in farm-level milk receipts. Future reductions in the federal milk price support program, together with a predictable increase in feed grain and protein supplement prices, dictates that only the efficient producers will survive. By exercising known management options in the areas of herd health, reproduction, and nutrition, dairymen can increase production per cow, decrease feed cost, and thereby, increase profitability.

Major management efforts need to be directed toward replacement heifer programs, planned matings, estrous detection, care of the periparturient cow, sanitation, and allocation of concentrate among cows according to milk production. These efforts require only manager time. Other efforts, such as a preventive herd health program (PHHP), require an increase in operational cost but will result in substantial returns per dollar invested.

The term "management" as it relates to agricultural enterprises can be defined as the "combining of land, labor, capital, and management in such a way as to maximize net income or minimize net loss, consistent with the goals of the operator." This definition implies that the manager must manipulate all aspects of a dairy herd simultaneously, rather than concentrating on one aspect at a time. For example, a strong feeding program is ineffective if the cows are not rebred to maintain a 12- to 13-month calving interval. The term "goals" implies that a successful business manager must 1) establish goals that will accommodate a level of income sufficient to cover all costs and provide a return to management and capital investment, 2) develop a logical plan to achieve these goals, and 3) take the actions necessary to meet the goals.

The development of a high-profit herd is a worthy goal, and Kansas dairy producers have the ability to achieve this goal. Each producer will use a different approach but all will adhere to some basic concepts in the process of developing a high-profit herd. These basic concepts include such items as 1) cost-effective balanced diets for each segment of the herd, 2) a breeding program that provides genetically superior replacement females, 3) a herd health program that prevents as well as treats diseases, 4) a reproductive program that accommodates a calf every 12.6 months from mature cows and an average age at first calving of 24 months for replacement heifers, 5) a milking program that emphasizes labor efficiency and milk quality, 6) a record system for production and economic data, 7) continuous monitoring of each phase of the operation by the manager, and 8) simultaneous manipulation of all aspects of the dairy herd.

The average Kansas dairy cow has the genetic potential to produce at least 18,000 pounds of milk annually. This level of production is within reach if known management techniques are applied. Most of this production increase can be achieved without additional capital input. In fact, some of the techniques, such as the allocating adequate grain to high producers and removing excess grain from low producers, will result in a net reduction of capital outlay.

Approximately 45% of the animals in a typical dairy herd consist of replacement females that represent the future success (or failure) of the operation. Therefore, our program for Dairy Day — 1986 accents management of the replacement female — the stepping stone to a high-profit herd.

