

Management of Milk Recording Organisations – Current Problems and Future Challenges



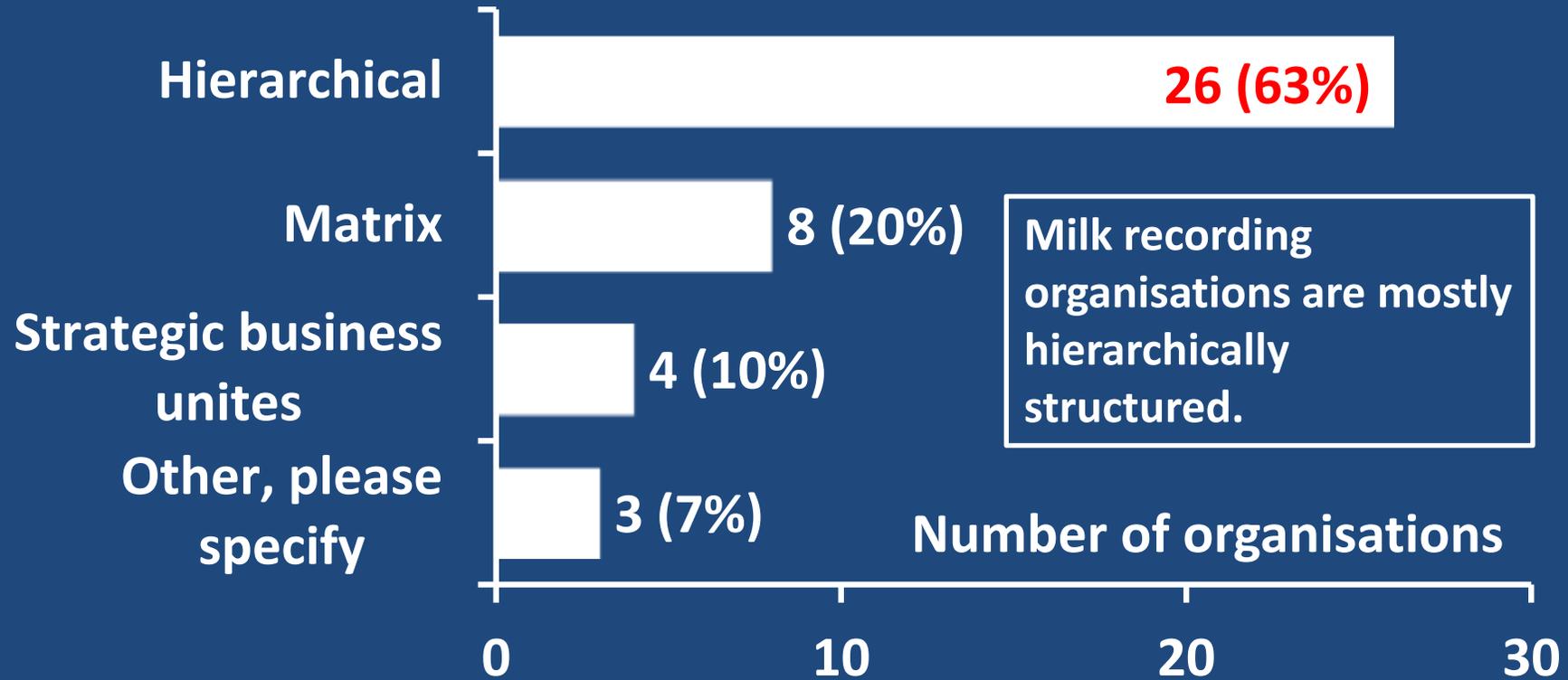
P. Bucek, K. Zottl, J. Kyntäjä, C. Trejo, F. Miglior, H. Leclerc, J. van der Westhuizen, K. Kuwan, Y. Lavon, K. Haase, J. Kucera, D. Radzio, Xavier Bourrigan, A. Koeck (Köck), F. Rapaioli, L. Chazo, G. Navarro, F. Sotelo, S. B. P. Barbosa, J. A. Horst, V. Nikolov, C. Popa, A. Braun, A. D. Coburn, J. K. Seenger, L. Feeney, L. van Keulen, S. Alday, N. Belkadi, Nils-Erik Larsson, E. Galvanovska, A. Pentjärv, F. Onken, N. Petreny, R. L. Bhagat, Mile Pećinar, E. Barras, D. Hambrook, X. Massart, J. High, Ch. Lecomte, S. Harding, D. Laureckaitė-Tumelienė, T. Craven, G. Johannesson, M. O'Keeffe, U. Lauritsen, A. Bradley

Extent of the project

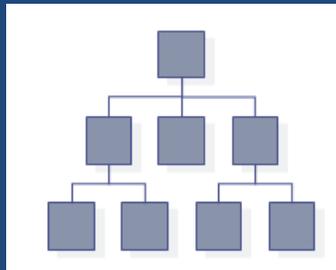
- **Number of organisations that completed the survey: 41**
- **Continents: North America, South America, Europe, Asia and Africa**
- **All dairy cows: 44,045,330**
- **Dairy cows recorded: 20,599,077**
- **Dairy cows recorded by organisations: 16,511,197**



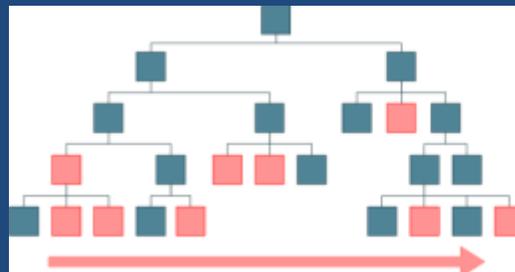
How is your organisation structured?



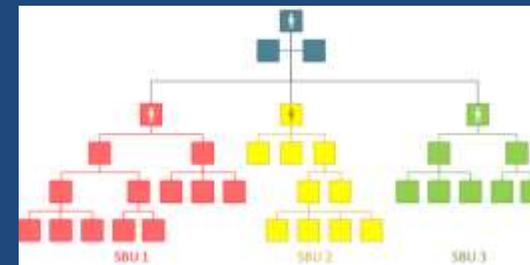
Hierarchical



Matrix

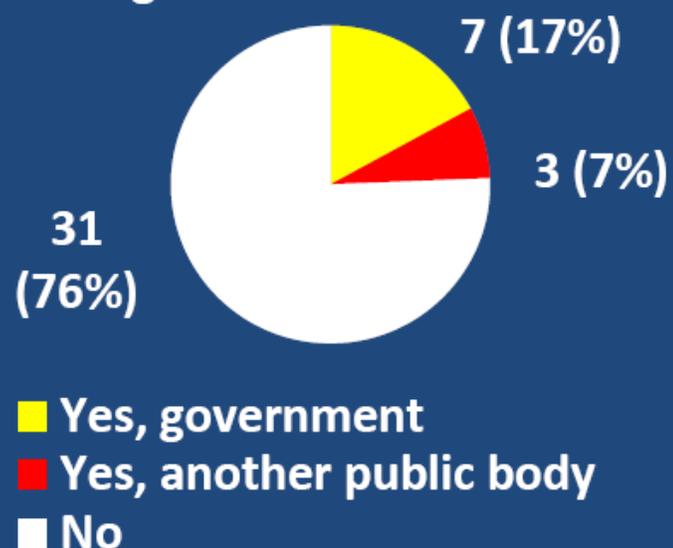


Strategic business units



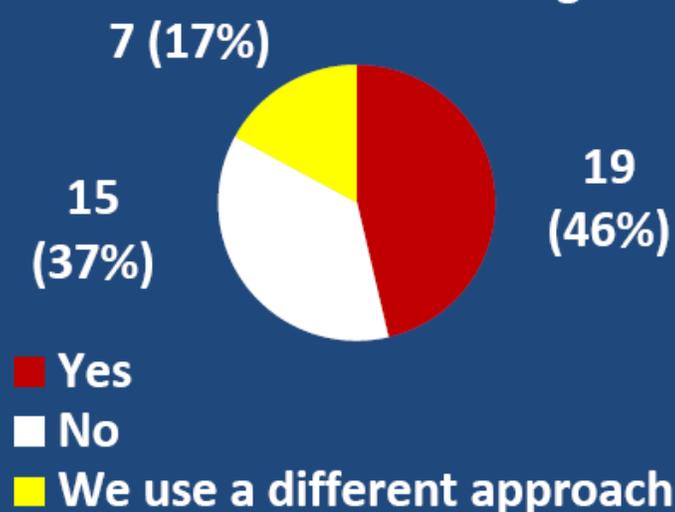
Public (government) ownership of milk recording organisations

Number of organisations



Laboratories owned by milk recording organisations

Number of organisations



Laboratories and ownership

- Advantages and disadvantages
- Selected comments in the case of a NO answer: easy to leave, freedom of decision, flexibility, etc.
- Selected comments in the case of YES answer: under direct control, continuous involvement, logistics and responding to customers, investment in ISOs, charging policies, higher responsibility, management supervision, etc.

What is your future milk recording strategy?

What is your future milk recording strategy?

More than 30 responses per option: electronic reporting, new online services, improving fertility services, feeding and health management, improving services through the use of milk analysis spectra

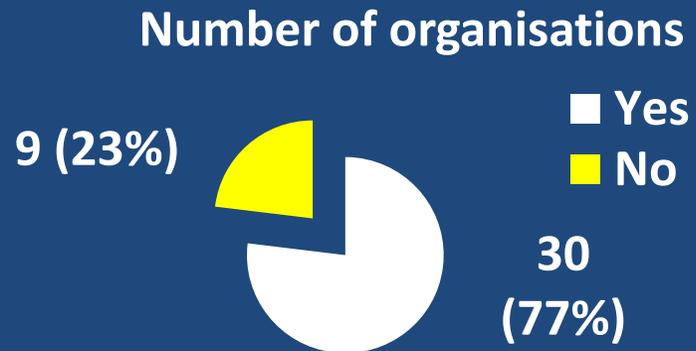
20 to 25 responses per option: cost-cutting, advisory services, employ cutting-edge technology, new benchmarks and new traits

Less than 20 responses per option: new summaries, new business areas, higher level of automation in laboratories, quality assurance system for the food chain, higher level of automation using TRU TEST EMM

In which areas have you introduced new services within the last 6 years (since 2010)?



Do you offer advisory services?



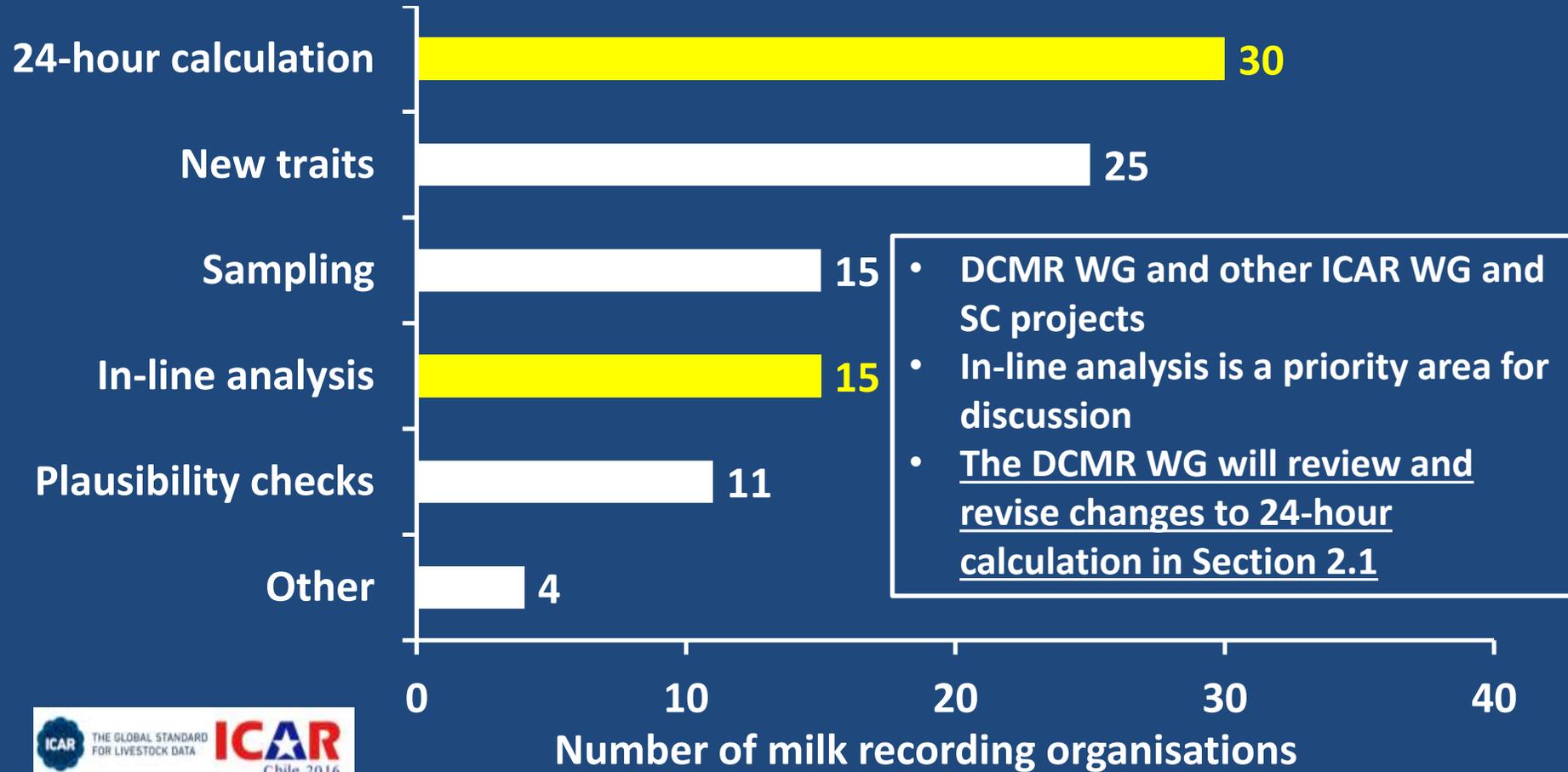
- Advisory services are the common standard among MROs
- Fertility and pregnancy checks, herd management and feeding are common
- Designed to accommodate additional payments



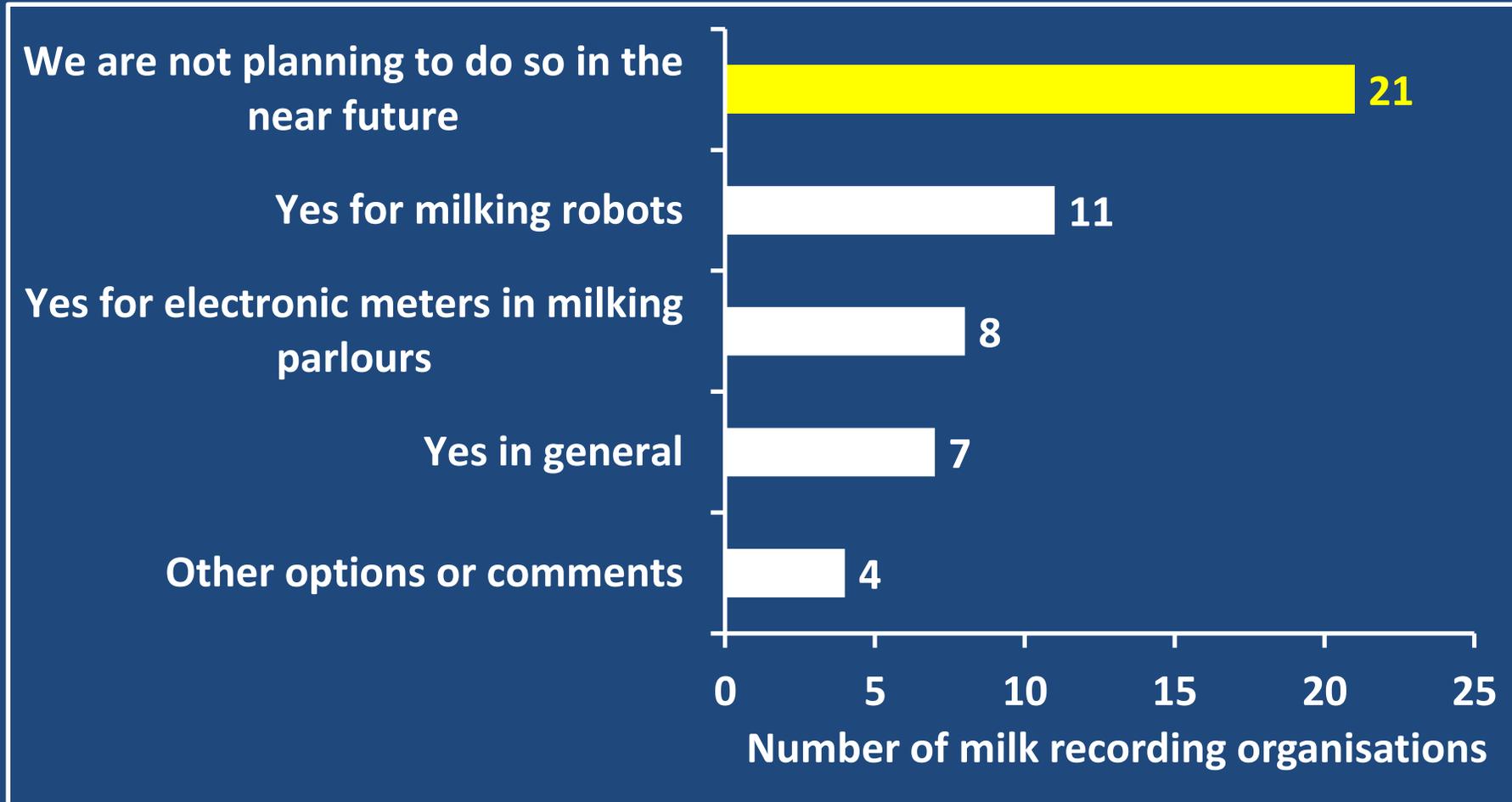
In which field do you offer advisory services?

In which field do you offer advisory services?	Yes, it is offered	Paid by basic fee	Additional payment
Fertility and pregnancy check	18	4	16
Herd management	16	8	13
Feeding	13	5	11
Health traits	12	6	11
Technical milking parlours, meters	7	3	8
Others	4	2	7

Which areas do you think need additional research?

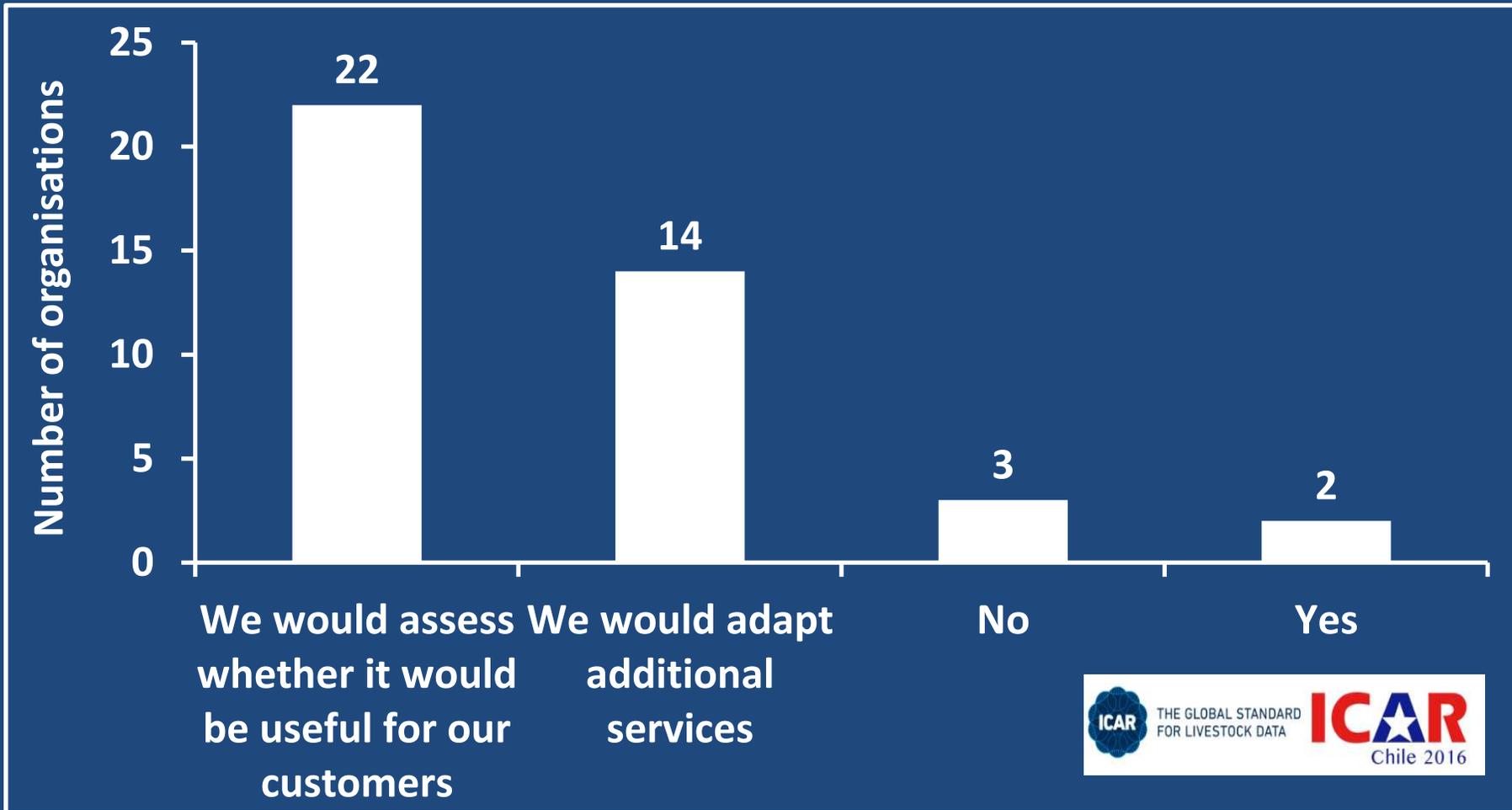


Are you planning to introduce daily milk recording or are you interested in doing so in the future?

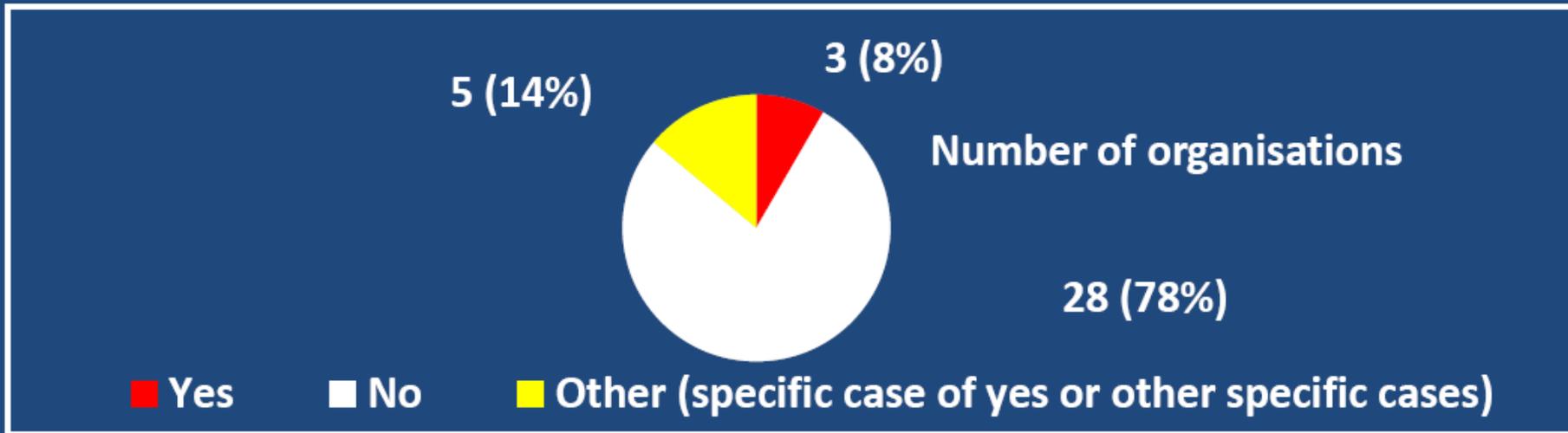


The demand for the introduction of daily milk recording is low whereas interest among MROs is higher for AMS.

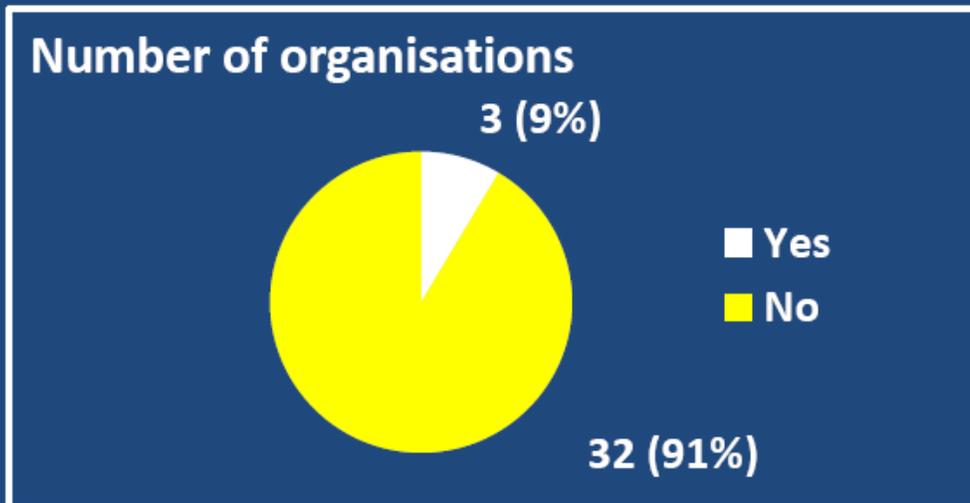
If a group of farmers were to request different services, would you change your services?



**Do you offer your services to farmers in foreign countries
(sample-taking, laboratory delivery, laboratory and data processing)?**



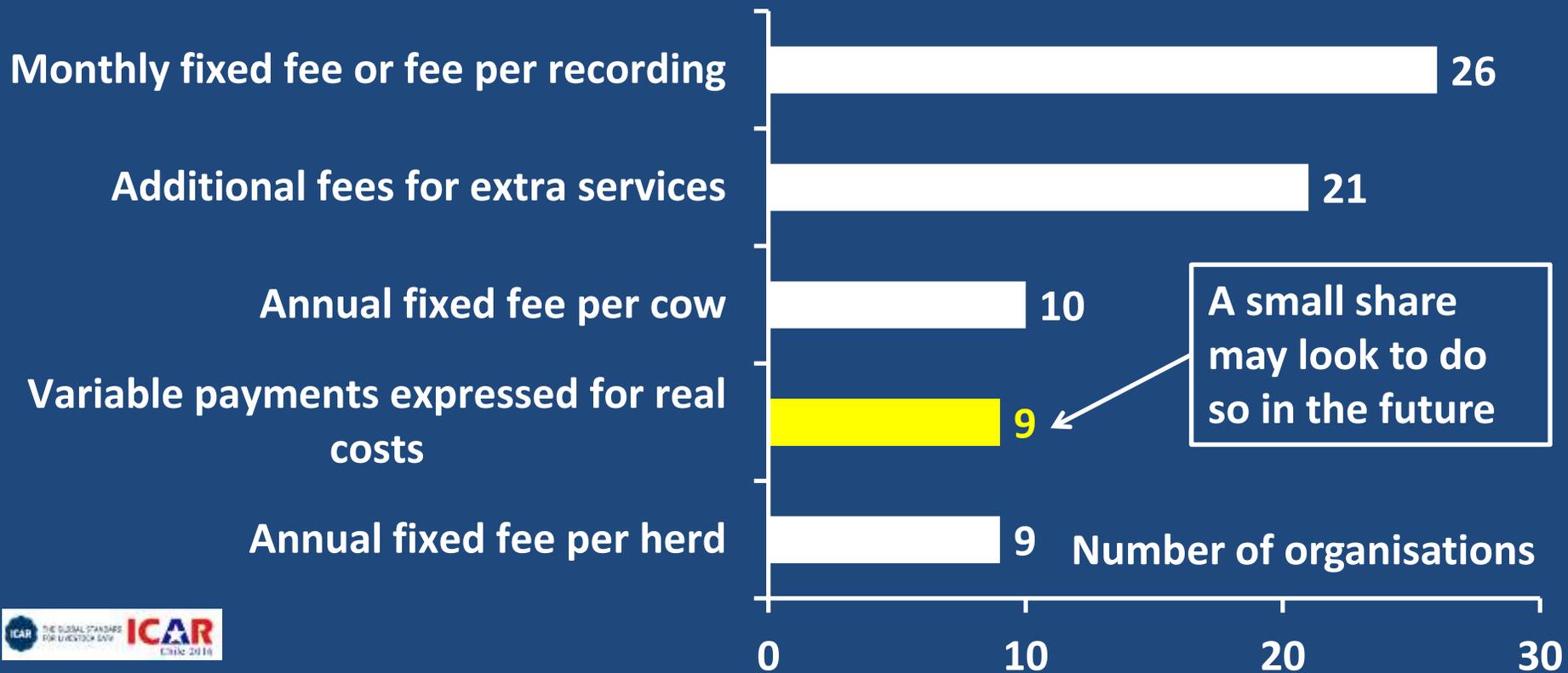
**Do any foreign milk recording organisations
offer services to farmers in your area?**



**Are you planning to expand abroad
and/or partner with foreign
companies in the future?**

- Yes: 7 (21%)
- No: 27 (79%)
- It is expected that the interest in offering services abroad will increase
- In some cases MROs offer or plan to offer specialised services

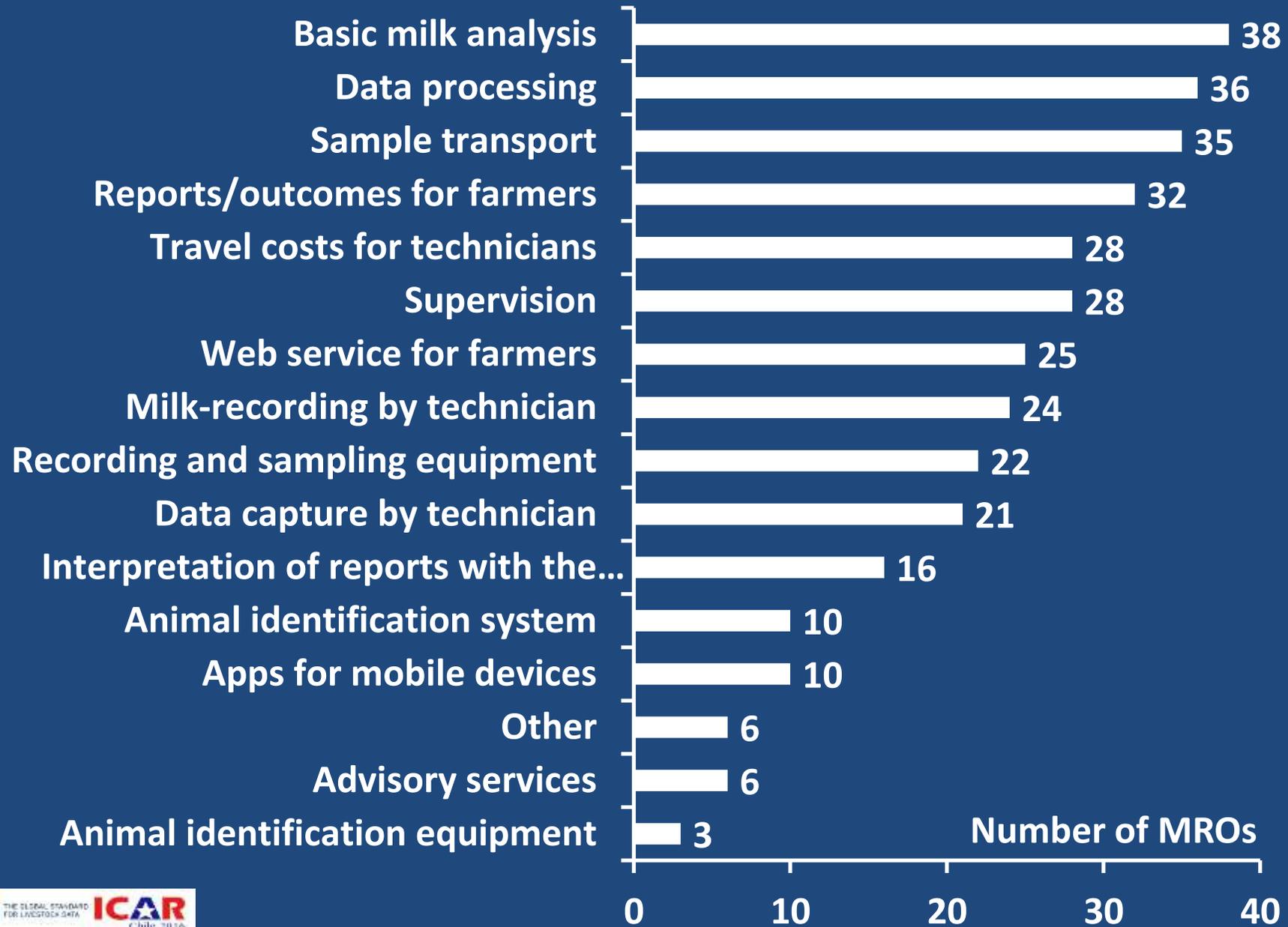
What fee scheme do you have in place for milk-recording services?



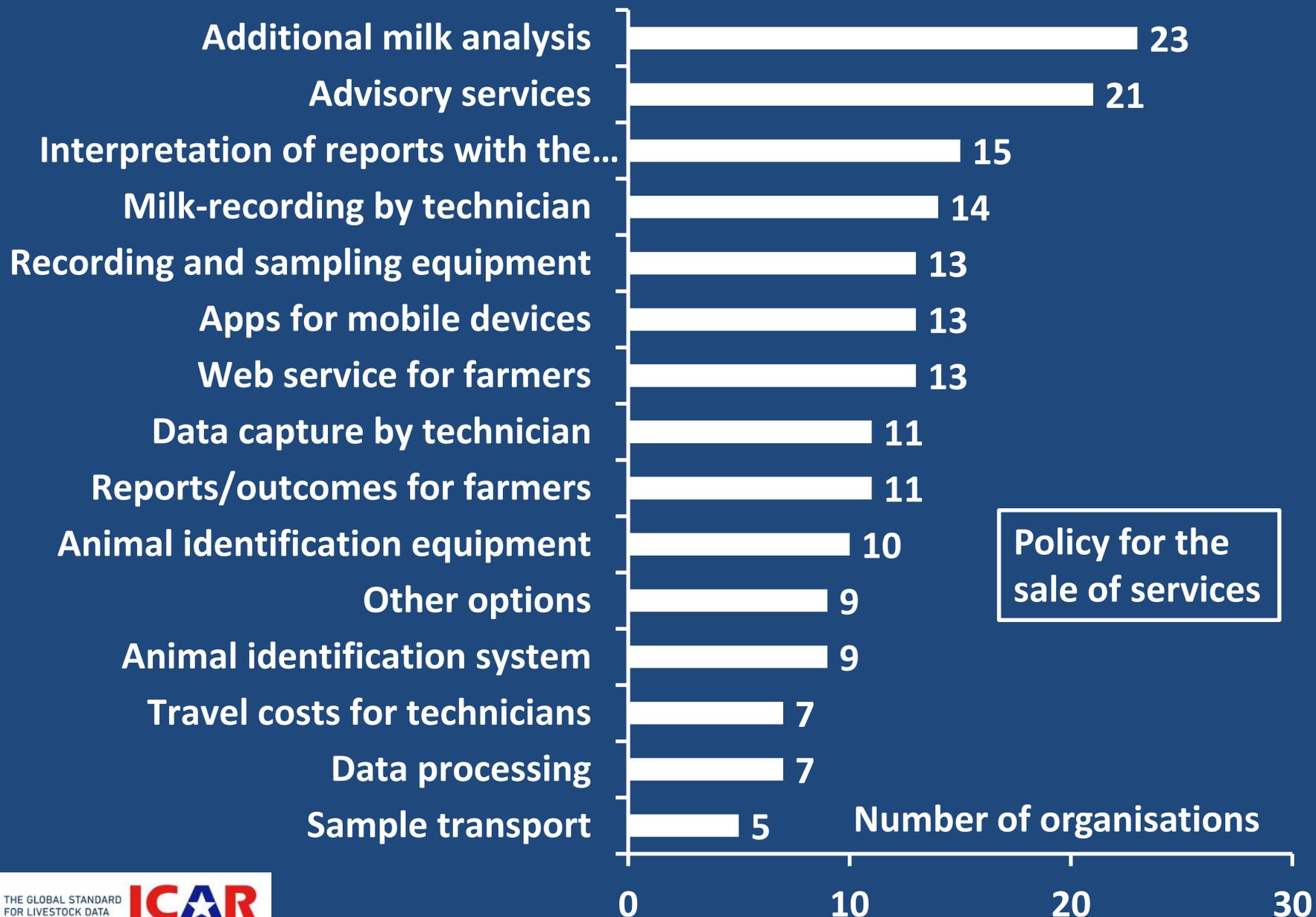
- Some MROs are affected by laws and taxes on fee policies
- Monthly fixed fees or recording fees are most common
- Additional fees for extra services is also common



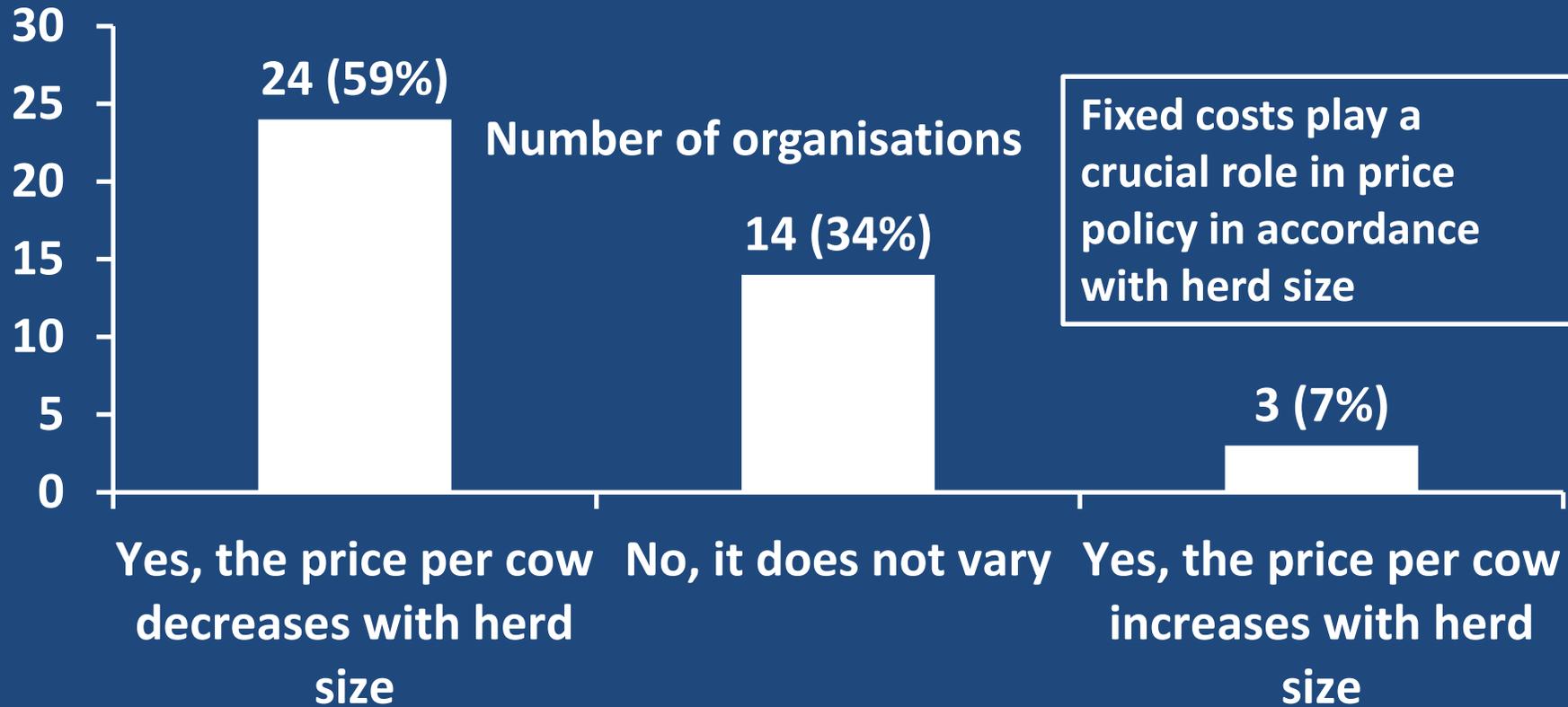
Please tick the options included in the minimum payment for recording



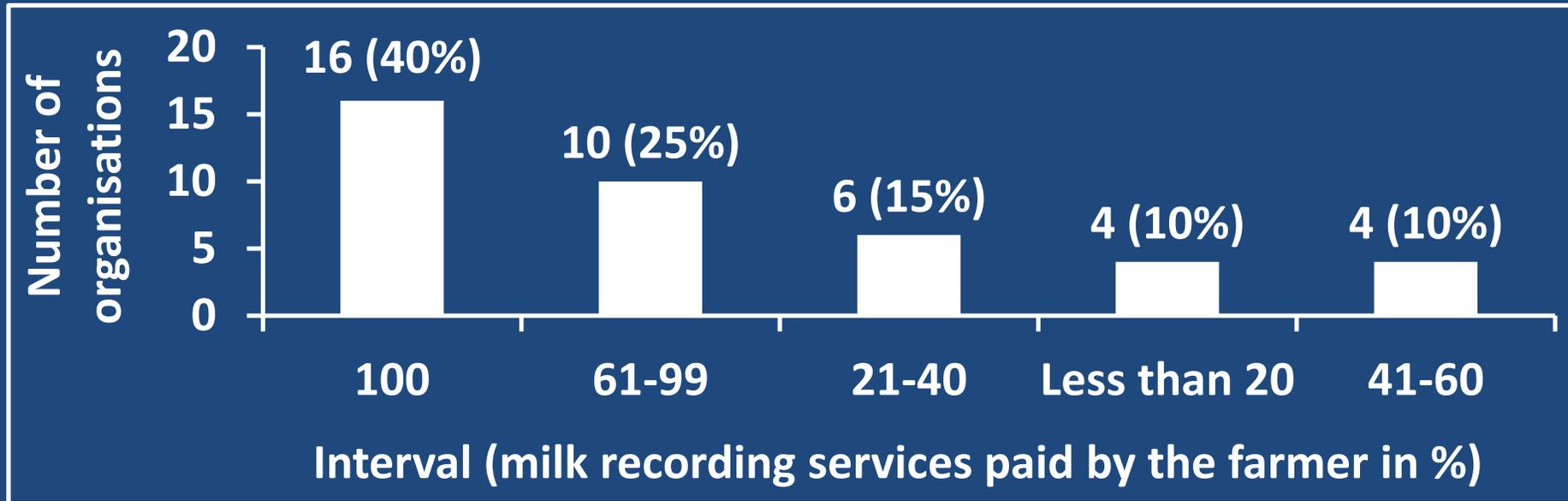
Please tick additional payment options provided by your organisation.



Does your pricing vary according to herd size?



**How were milk recording services paid for in 2015
(or 2014)? Please enter the share in %**



Additional sources of possible financial sources for milk recording

Possible financial sources for milk recording

The share of financial sources in interval in different organisations in the project

Payments from AI - business

0-40

Payments from breeding organisations

0-33

Payments from the dairy industry

0-60

Public Sources

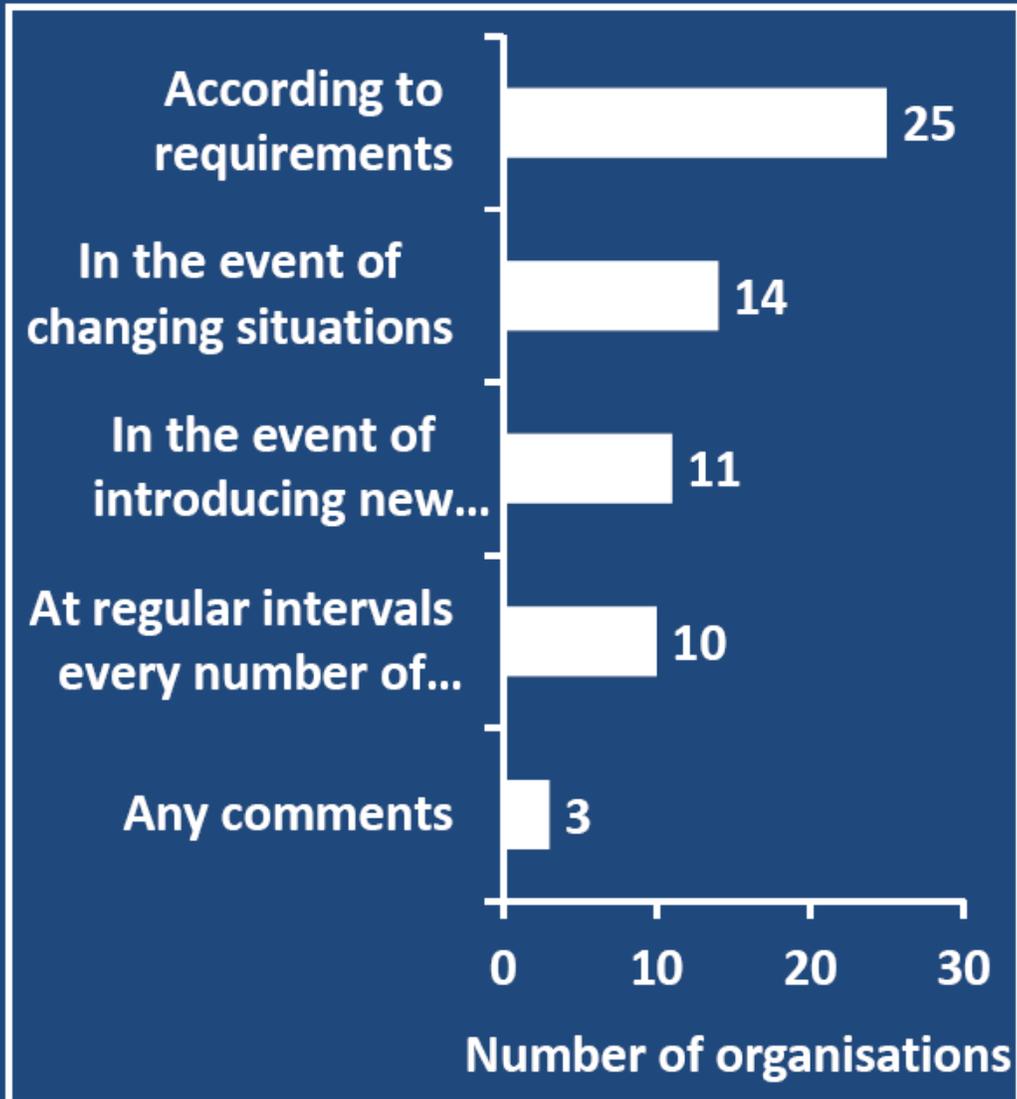
0-40

Government

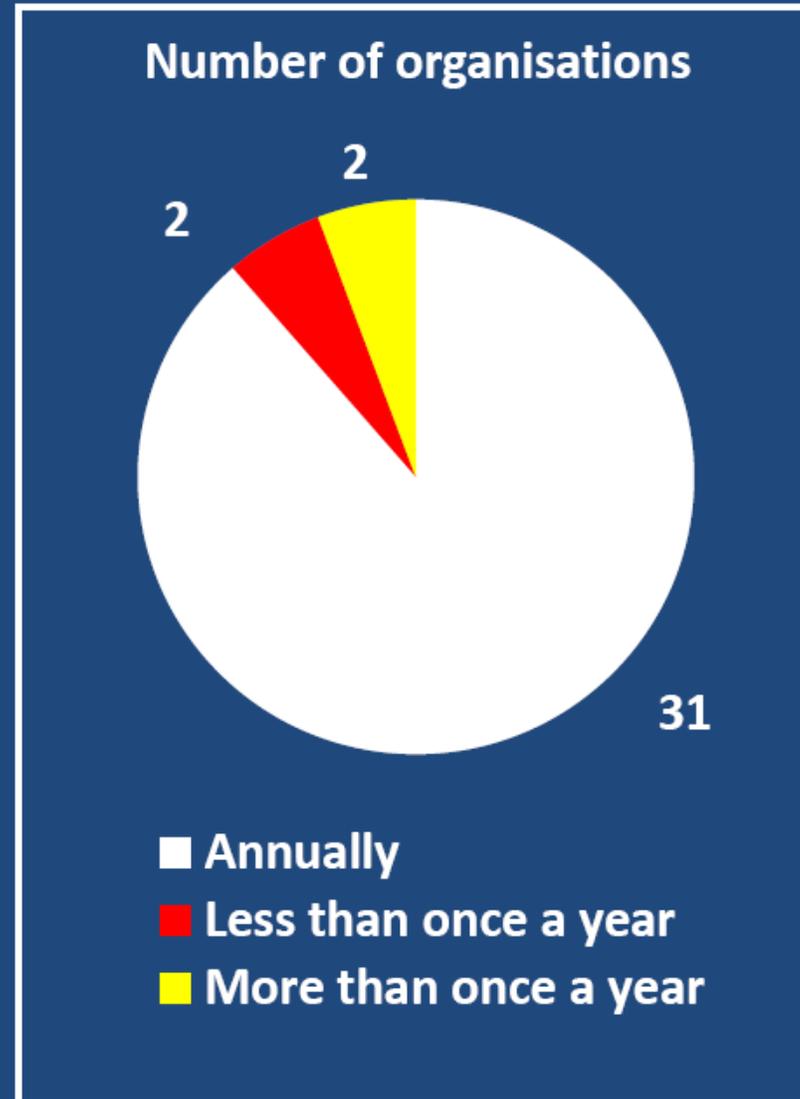
0-100

Farmer payments are not included

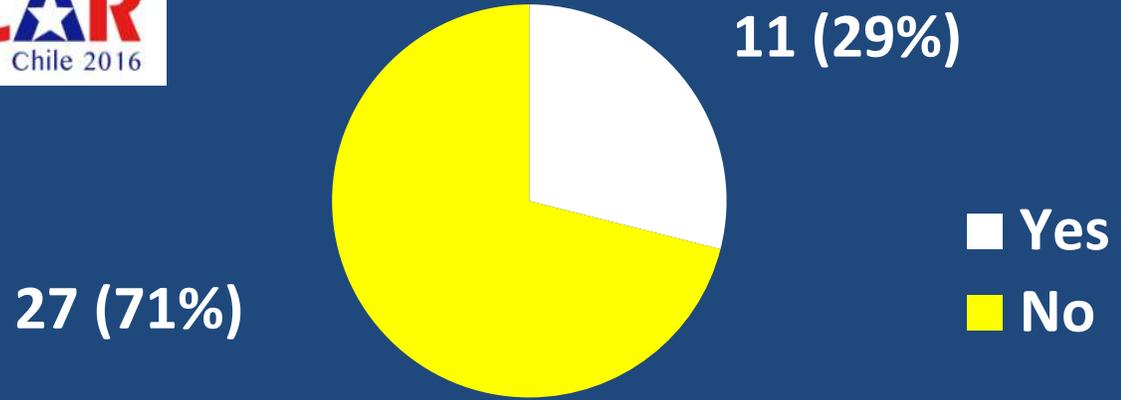
How often do you evaluate your processes/management structure?



Are employee evaluations carried out?



Is there a trend in milk recording mergers/take-overs, including milk analysis labs and data processing centres?

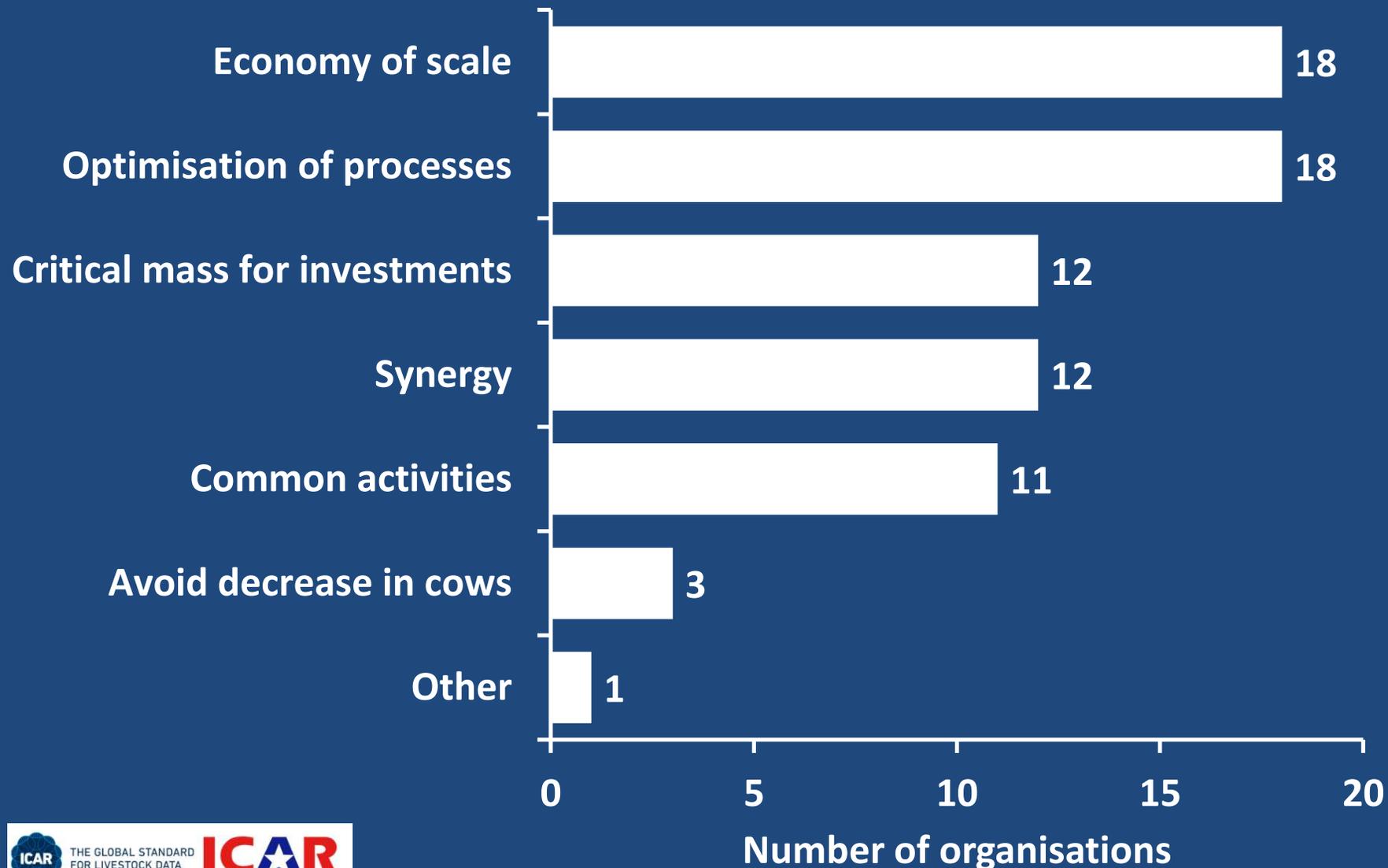


Number of organisations

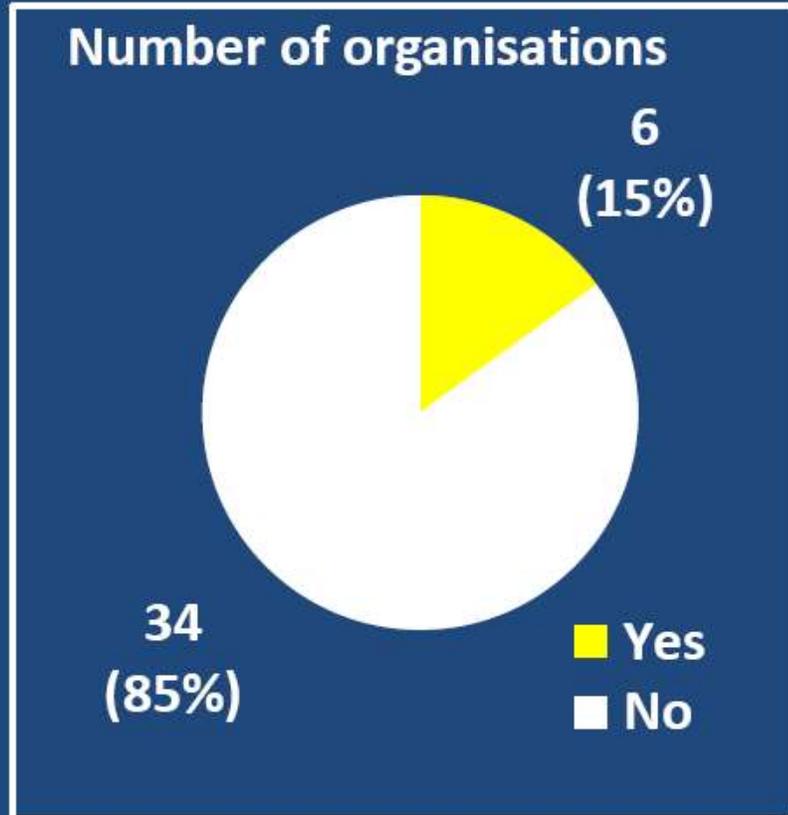
Mergers/take overs play an important role, a trend that is expected to continue to grow



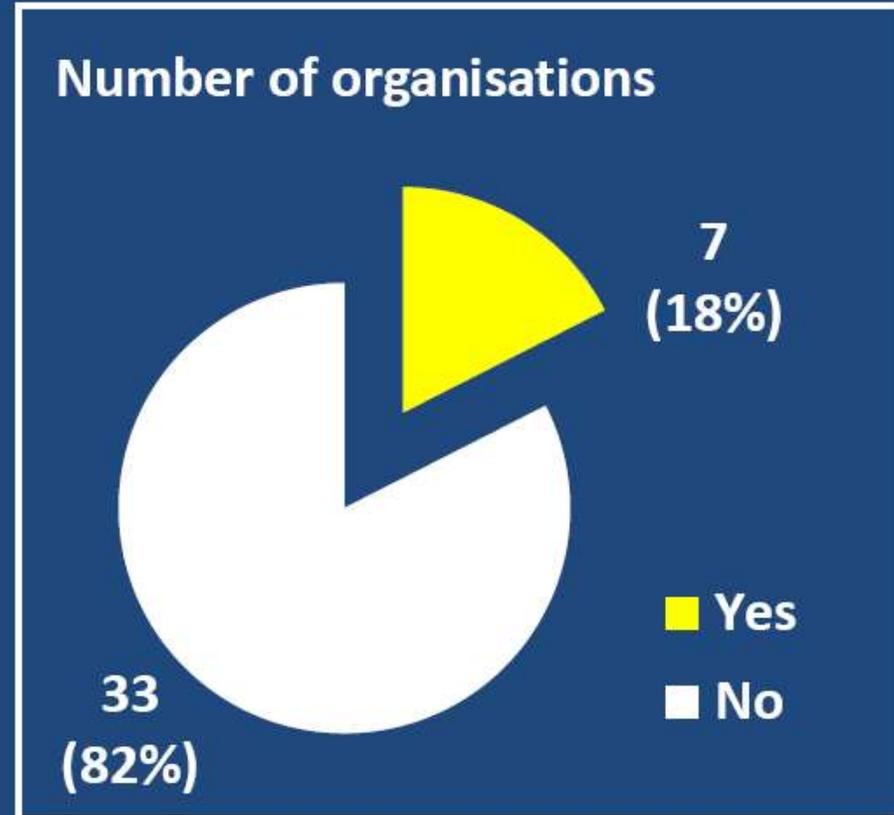
In the event of acceding to a merger or take-over, what would be the main reasons for doing so?



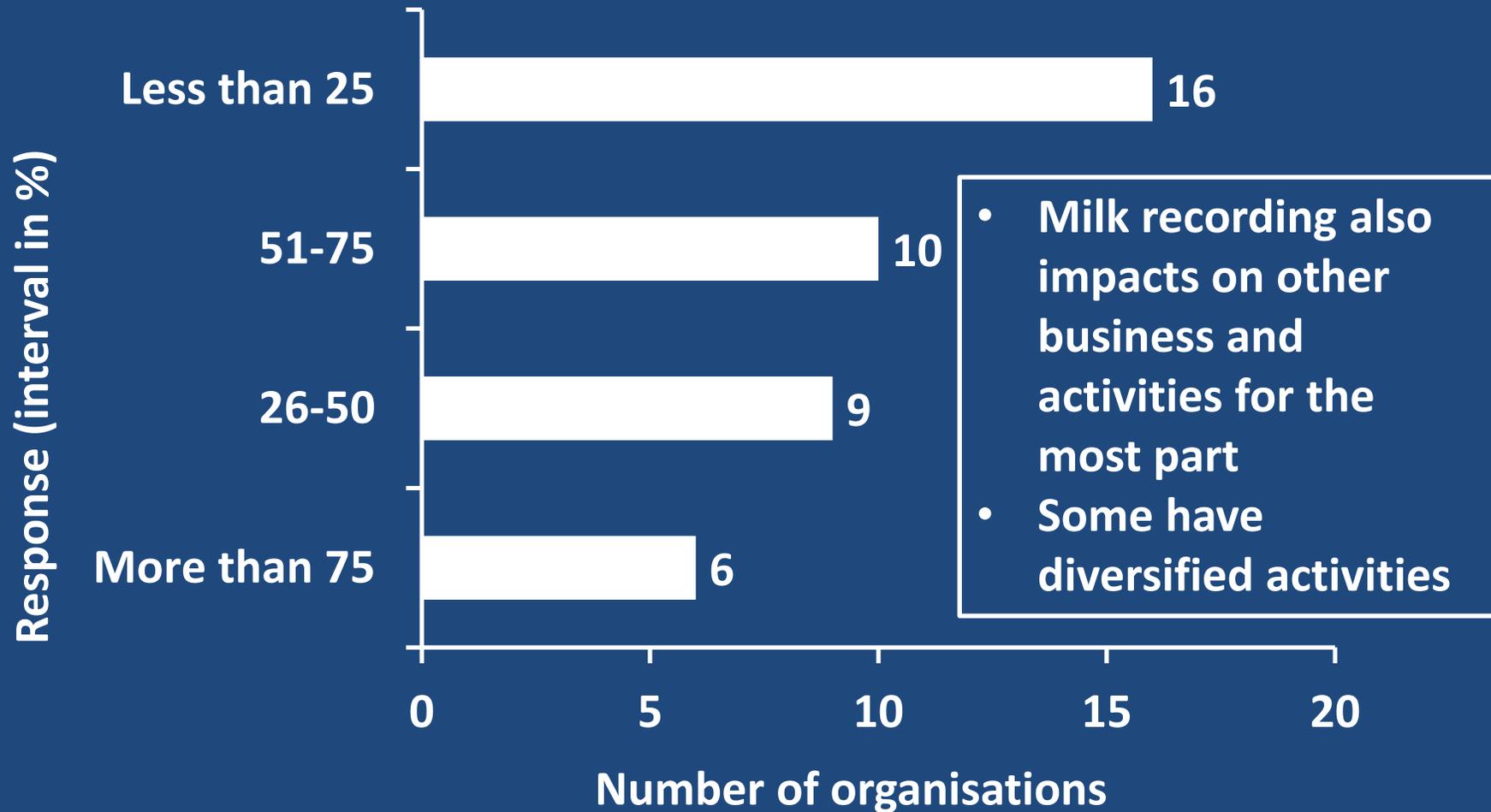
Are any special tax incentives for farmers used?



Are there any special incentives for farmers' health insurance?



What percentage of your organisation's working hours is devoted to milk recording?

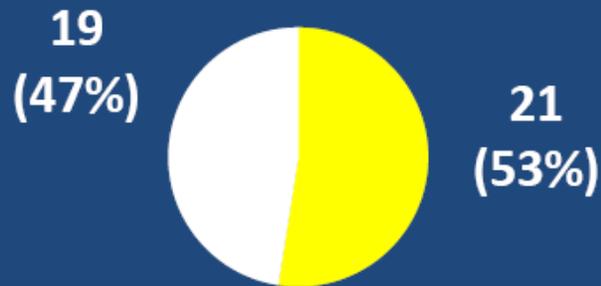


How many employees in your organisation are working in milk recording?

Response	How many employees are there in your organisation?		How many employees in your organisation are working in milk recording?	
	Number of organisations	Share of organisations in %	Number of organisations	Share of organisations in %
Less 50	13	32	21	51
51-200	14	34	13	32
201-1000	9	22	4	10
More than 1000	5	12	3	7
Number of responses	41	100	41	100

Do you receive direct subsidies or financial support for any part of the recording process?

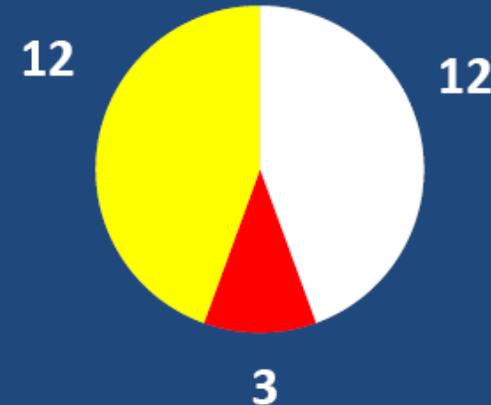
Number of organisations



- No, all services are paid for by the customer.
- Yes, some services receive financial support from government or public funds

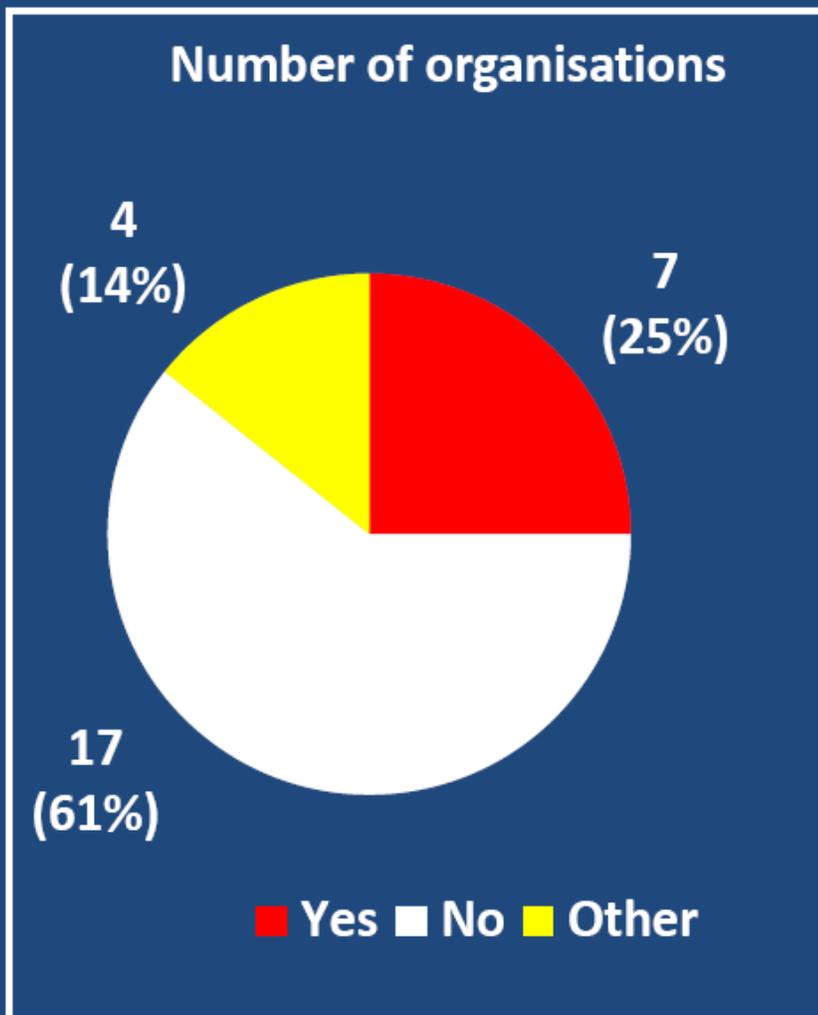
Where financial support from government/public funds/industry is received, are these funds likely to change?

Number of organisations

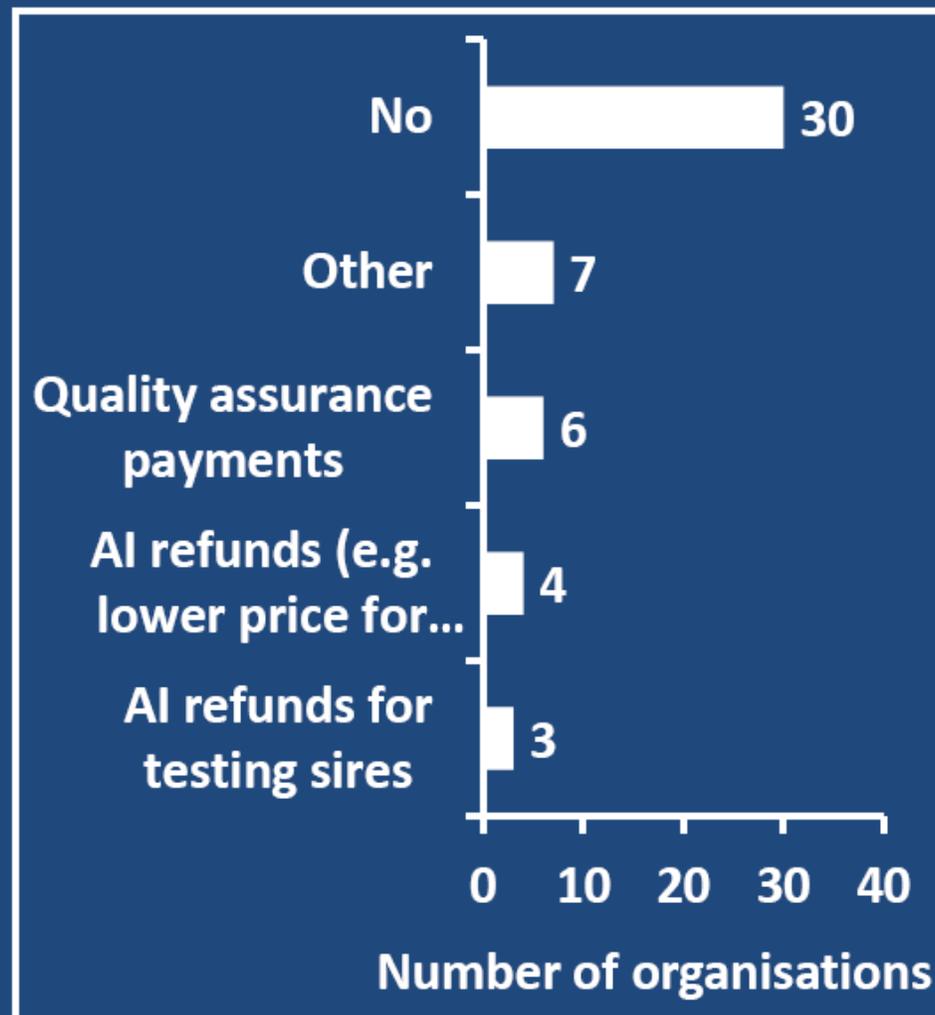


- Likely to decrease
- Likely to increase
- Likely to remain unchanged

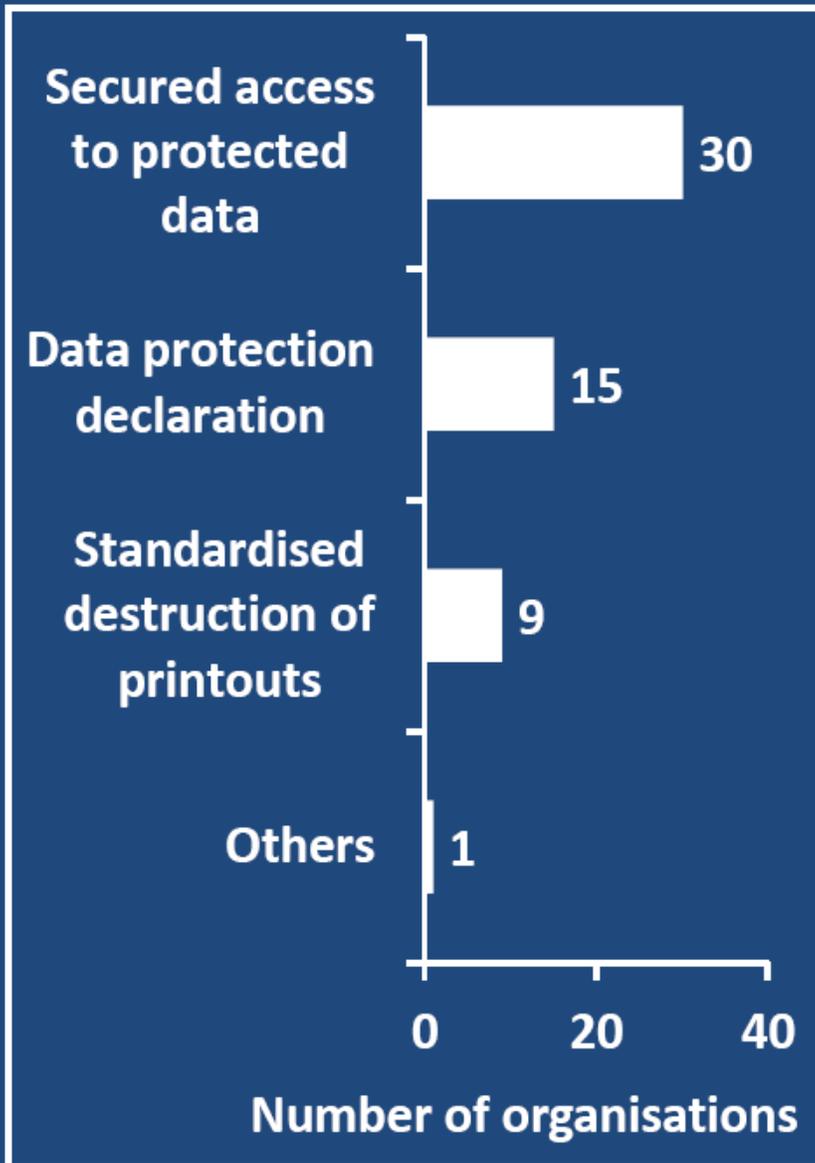
If there are any, do public payments differ in accordance with herd size?



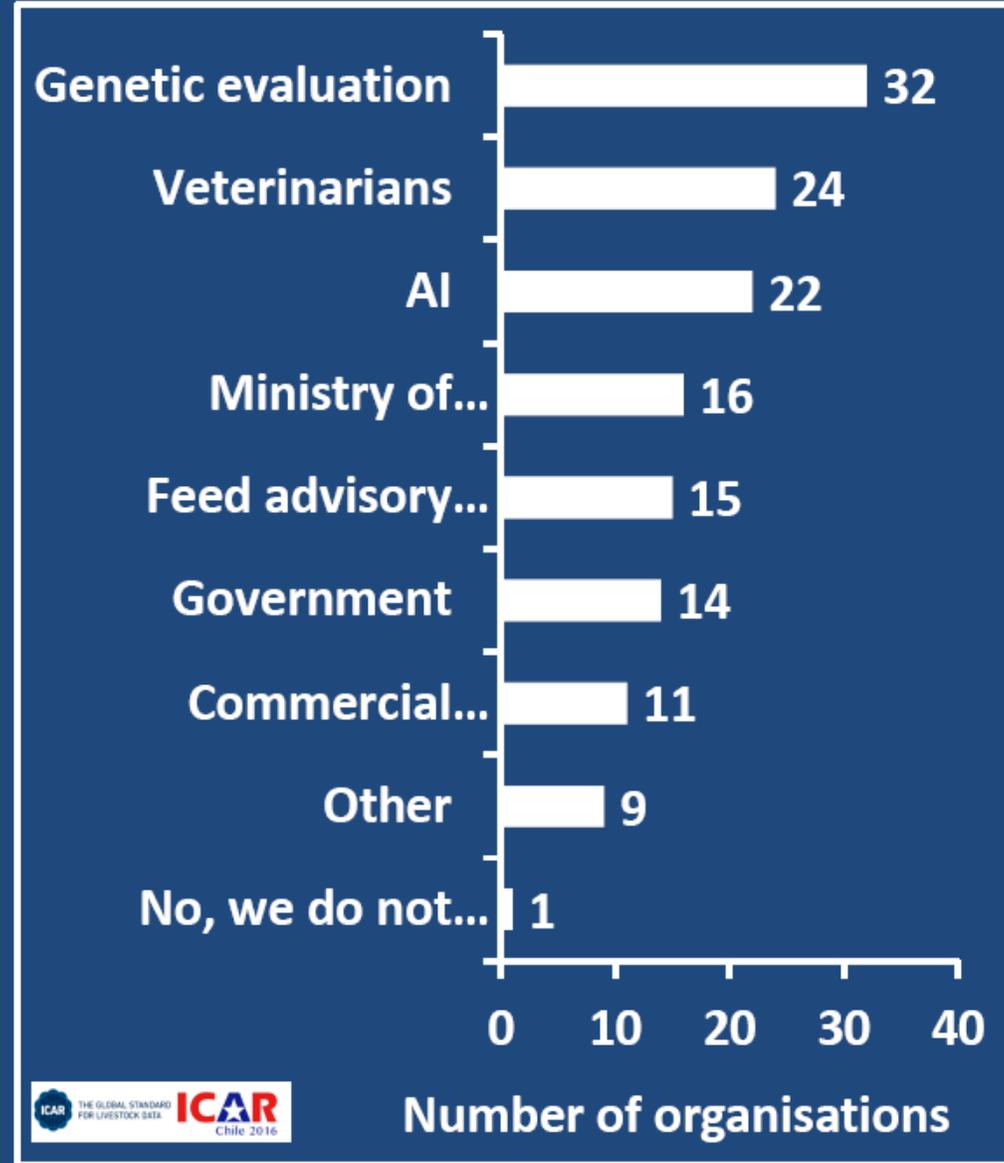
Do farmers receive any public refunds for recording fees?



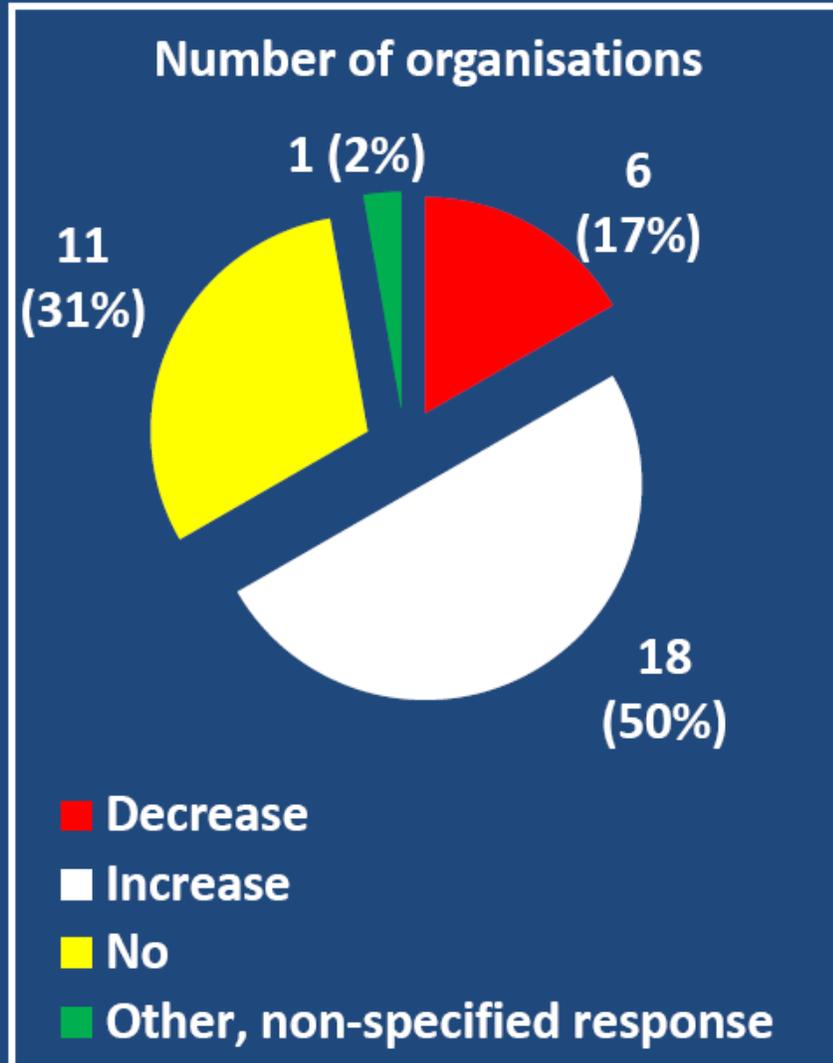
How do you keep your data safety policy on track?



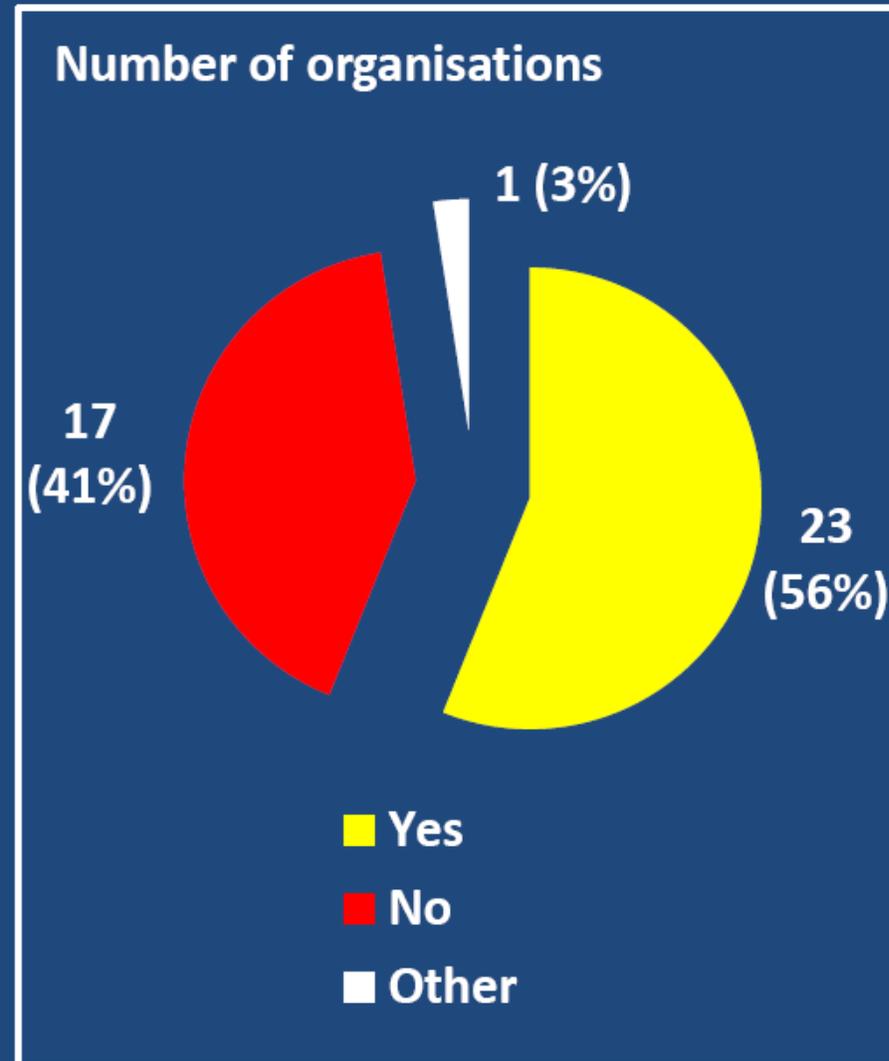
Do you share data with other bodies?



Have you observed a change of interest in milk recording?

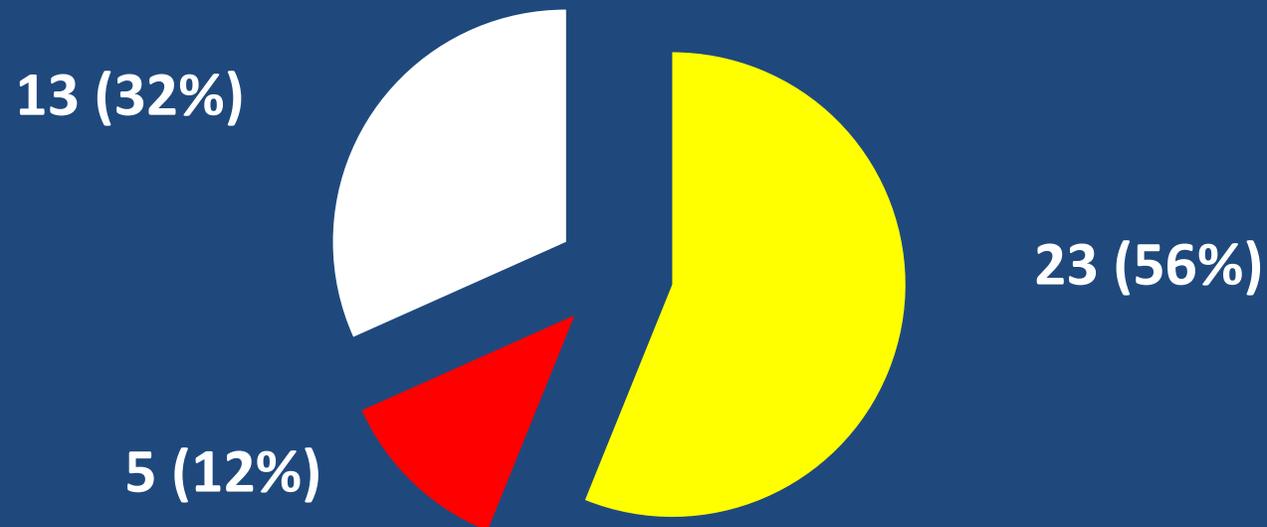


Is milk recording the most important business for your organisation?



Is remote work a regular part of your organisational activities?

Number of organisations



- We work remotely in some positions
- We plan to increase the share of remote work in the future
- No

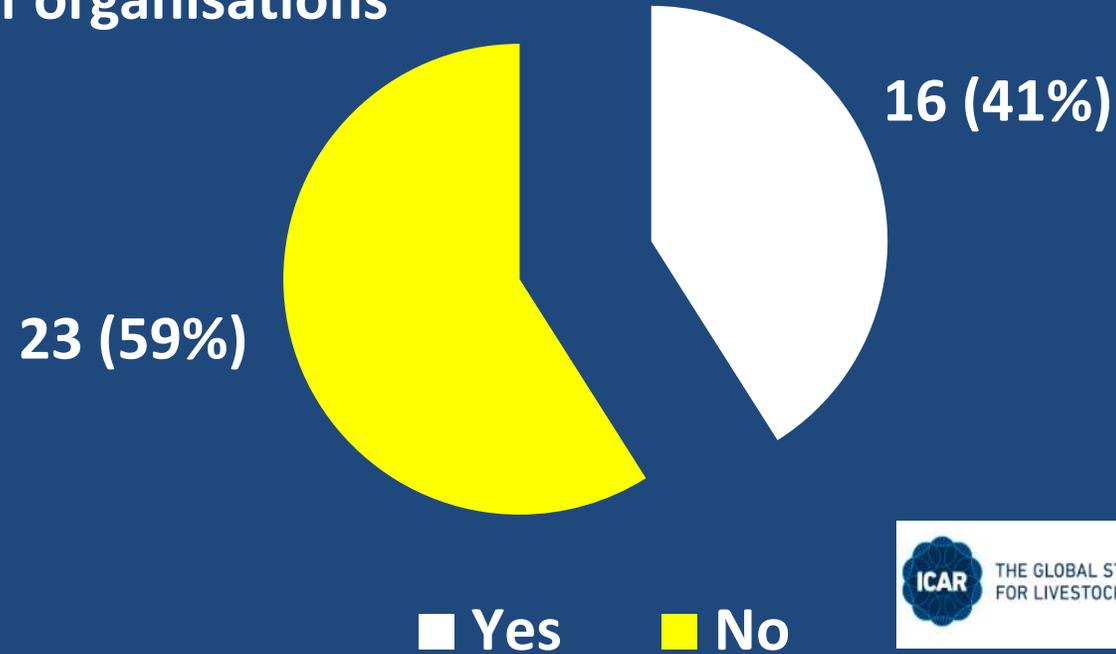
If you do work remotely, which positions are catered for? What benefits have you seen?

Indicator	Managers	Specialists	Technicians	All positions
Reduction in costs	9	5	9	4
Higher productivity	11	9	9	6
Higher satisfaction of employees	10	9	8	6
Better life/work balance	10	8	7	6
Other	0	1	2	1



Does your milk recording organisation evaluate food chain quality?

Number of organisations



If your sources of financing were to decrease how would this issue be resolved?

Response	Number of organisations
Redesign pricing policy	26
Redesign all processes	19
Rapidly close less profitable services	12
Consolidation	11
Rapidly cut staff	10
Reduce the number of local branches	6
Enter new fields of business (specify)	6
Merger or take-over	5
Selling of property (buildings, etc.)	2



Which type of cost-cutting option would you prefer?

Response	Number of organisations
Automatic or remote data capture	21
Reduce overhead costs	20
Technician routes, travel optimisation	20
Increase farmer involvement in the recording and sampling process (Method C or B)	16
Cooperation in data processing	9
Encourage longer recording intervals	8
Encourage longer sampling intervals (some recordings are non-sampled)	8
In-line sensors	4
Other	3

SWOT analysis

Possibilities

1. Services

- New services
- Advisory
- Whole process



2. Expansion

- Expansion
- Lack of competition
- Abolition of milk quota
- Data from various sources
- Unified national lab
- New health traits



3. Tailor-made outcomes

4. Members – customer relationships



Threats

1. Milk price

- Imports of dairy products

2. Sensors

3. Competition

- DHIA, MROs
- Foreign competitors
- MR

4. Founding and politics

- Agriculture policy
- Founding

5. Regulation, legislation

6. Climate

7. Genomics

8. Decreasing market

9 Hostile politics (public)

- Environment



Weakness

1. Finance (daily work)

Founding, fee structure, external sources, decreasing customers, selling service

2. Staff (daily work)

Recruiting, payment, training and managing, age

3. Grown structures

Difficult to merge

4. Equipment

IT system, Lab., meters, reliability of disease, testing

5. Supervision, limited control abilities

6. More diverse, demand from customers

7. Interactive communication

Strength



1. Staff

Dedication, experience, efficiency

2. Unification

Work flow, data processing, experience, software

3. Customers

Quick reporting, comprehensive, interactive reports, herd management, well perceived in the community, breeders support, accuracy, quality checks

Market share

Innovations

4. Organisation

Integrity, knowledge, competencies

5. Labs

6. Finance

7. Synergy

8. Health

9. Research and development

10. International ties



Conclusions

- The project summarises selected aspects of management among milk recording organisations
- All international territories including Europe, North America, South America, Asia and Africa are covered, comprising 41 organisations in total
- Different schemes of ownership are used
- The most common is a hierarchical organisational structure
- Most milk recording organisations operate privately
- There is a trend for mergers and take-overs among milk recording organisations
- It is most common to charge a monthly fee for milk recording services
- 40% of organisations report that fees are paid by farmers, while external financial sources play an important role for other organisations
- There is a growing trend towards the internalisation of milk recording activities
- Future strategies mostly include electronic reporting, new online services, improving fertility services, feeding and health management, cost-cutting, advisory services, the use of cutting-edge technology and new benchmarks (more than 20 responses)
- 77% of milk recording organisations are involved in advisory services.
- MROs see the need for research, especially in 24-hour calculation, new traits, in-line analysis and sampling

Acknowledgements



Organisations (countries) to provide raw data along with relevant contacts

Executive Agency for Selection and Reproduction in Animal Breeding	BGR	V. Nikolov
Polish Federation of Cattle Breeders and Dairy Farmers	POL	D. Radzio
TINE SA	NOR	T. Roalkvam
NorthStar Cooperative	USA	K. Haase
Innovative Agricultural Services	ROU	C. Popa
CONVIS soc.coop.	LUX	A. Braun
AgSource Cooperative Services	USA	A. Coburn
ProAgria Group	FIN	J. Kyntäjä
Czech Moravian Breeders' Corporation, Inc.	CZE	P. Bucek
LPT Ltd. (ÁT Kft)	HUN	J. Kótiné Seenger
Progressive Genetics	IRL	L. Feeney
CRV	NLD	L. van Keulen
South African Std Book and Animal Improvement Association	ZAF	J. van der Westhuizen
CONAFE (Spanish Holstein Confederation)	ESP	S. Alday

Acknowledgements



Organisations (countries) to provide raw data along with relevant contacts

Association nationale des éleveurs de bovins Maroc	MAR	N. Belkadi
Växa Sverige	SWE	Nils-Erik Larsson
Agriculture Data Centre	LVA	E. Galvanovska
Eesti Põllumajandusloomade Jõudluskontrolli As	EST	A. Pentjärv
German Association for Performance and Quality Testing	GER	F. Onken
CanWest DHI	CAN	N. Petreny
BAIF Development Research Foundation, Central Research station, Urulikanchan	IND	R. L. Bhagat
Agricultural faculty of Novi Sad	SRB	M. Pećinar
ASR: Association of Swiss Cattle Breeders	CHE	E. Barras
RJA&HS	JEY	D. Hambrook
Association Wallonne de l'Élevage asbl	BEL	X. Massart
Lancaster Dairy Herd Improvement Association	USA	J. High
Israel Cattle Breeders Association	ISR	Y. Lavon
France Conseil Elevage	FRA	L. Christophe
Cattle Information Services	UK	S. Harding

Acknowledgements

Organisations (countries) to provide raw data along with relevant contacts

State Animal Breeding Supervision Service under the Ministry of Agriculture	LTU	D.Laureckaitė-Tumelienė
National Milk Records PLC	GBR	T. Craven
The Icelandic Agricultural Advisory Centre	ISL	G. Johannesson
Munster AI	IRL	M. O'Keeffe
RYK	DNK	U. Lauritsen
QMMS Ltd	GBR	A. Bradley
LKV Lower Austria	AUT	K. Zottl
Associação Paranaense de Criadores de Bovinos da Raça Holandesa	BRA	J. A. Horst
ACHA	ARG	L. Chazo
Cooprinsem	CHL	A. Alocilla
Instituto Nacional para el Mejoramiento y Control Lechero	URY	F. Sotelo
Asosimmental - Simbrah Colombia	COL	F. Rapaioli

Thank you for your attention!
I would like to invite you all to ICAR 2019 to be held
in the Czech Republic!

