

# Southern Counties DHIA

“The Key to Survival is Change”

NALMA 2011  
VANCOUVER CANADA

# 2009

## A year to Remember

- Challenges
  - Global Economy
  - Reduced Exports
  - Supply Surplus

Net Result – milk price far below cost of production

Support industry is not immune from downturn

A/R's increase at a rapid pace

# Reduced Membership

• CWT	14	12,950
• Sold	1	800
• Relocated out of state	3	3,000
• Discontinued service	3	<u>7,000</u>
Total	21	23,750

-14% herds

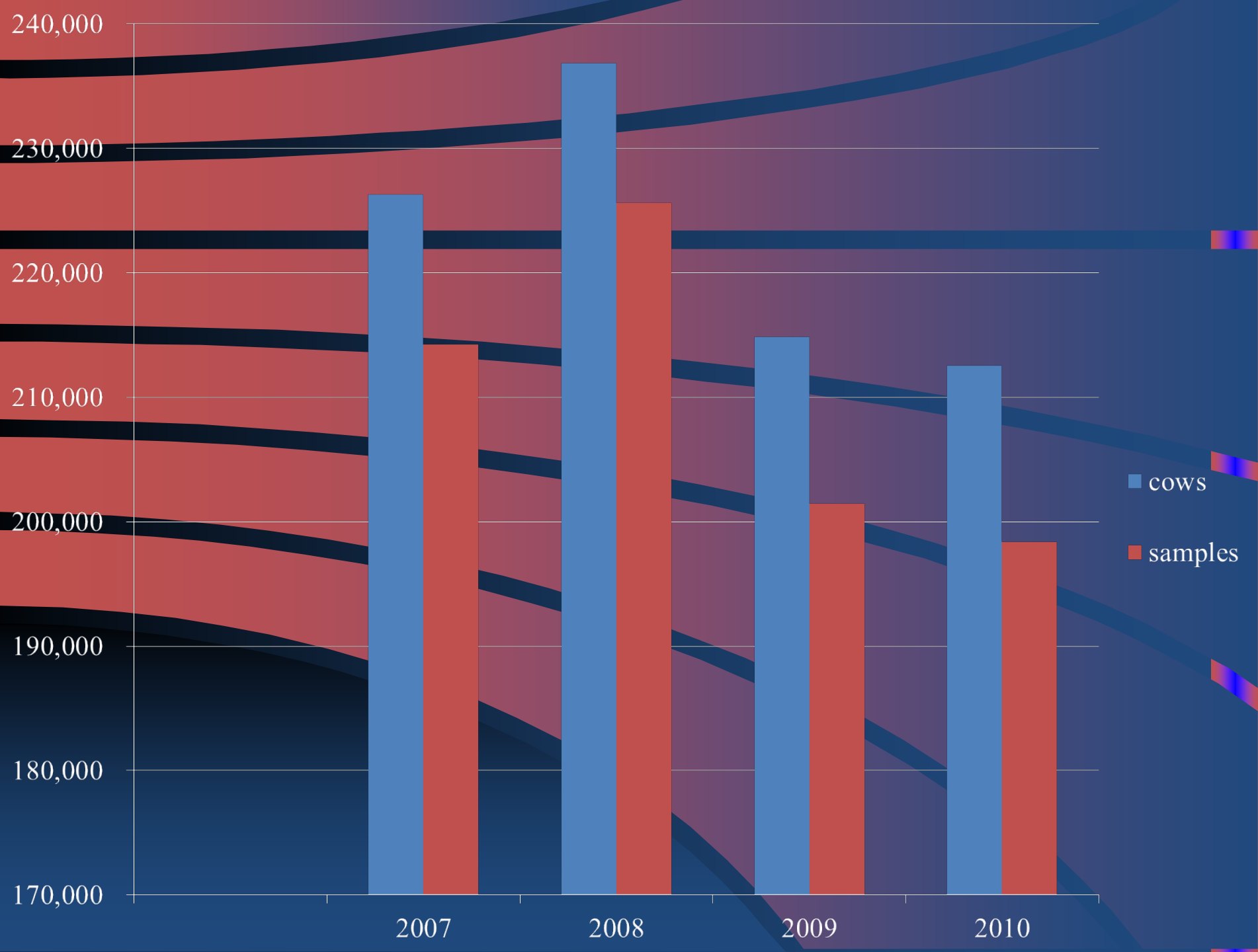
-9% cows tested

# Declining Numbers

	Cows Tested	SC	CV
	Total		
2009	2,578,342	1,064,933	1,513,409
2008	2,842,707	1,219,634	1,623,073
Net Diff	-264,365	- 154,701	- 109,664

# Sample Totals

	Cows	Samples
2007	226,282	214,239
2008	236,892	225,619
2009	214,861	201,444
2010	212,560	198,391



# Changes & Challenges

- 21 herds no longer testing
- Permanent reduction in cow numbers
  - Reduce testing staff by 2
  - Provide a full work schedule for remaining staff
  - Reduce work schedule for hourly employees
  - Increase workload for salaried employees

# Primary Facility

## Chino lab operations

- Started in 1973 with association mergers of Riverside and San Bernardino DHIA
- Processed over 200,000 samples for 200 dairies
- Provided the foundation for the expansion into the Central Valley

# Secondary Facility

- Shafter Lab
- Opened in 2004
- Serves the Central Valley
- 2008 - 48 herds
  - 124,415 samples      135,256 cows

# Just the facts

At the end of 2009 both labs were operating at reduced capacity – below efficient numbers

- Chino 101,000 to 79,000 samples per month
- Shafter 124,000 to 111,000 samples per month

# Move to Action

- October 2009 Board voted to end lab operations in Chino
- Maintain an office with a reduced staff to provide service to Southern region
- Facility for storage of testing equipment; meters, bottles, etc.
- Drop off depot for samples to be transported to Shafter lab.
- Eliminate office manager position

# Move to Action

- This decision was made after months of reviewing all options and finalizing a plan of action
- Was not taken lightly by the Board of Directors – affects employees and members
- Time table for change – 1<sup>st</sup> quarter of 2010

# Notification

- Staff meeting to inform employees
  - one on one meetings to review their employment future/retention bonus/years of employment
  - Cooperation was vital to a successful transition
  - This was the first step in the process

# Notification

- Membership in Both regions
- Review reason, goals and time frame
  - Letter
  - Dairy visits
  - Phone calls

# The Move

- Keeping the southern facility open for administration allowed for an organized move
- Moved instruments 1 line at a time over a two week period
- No disruption in service for southern region
- A full week to work the line into the new laboratory

# Early Challenges

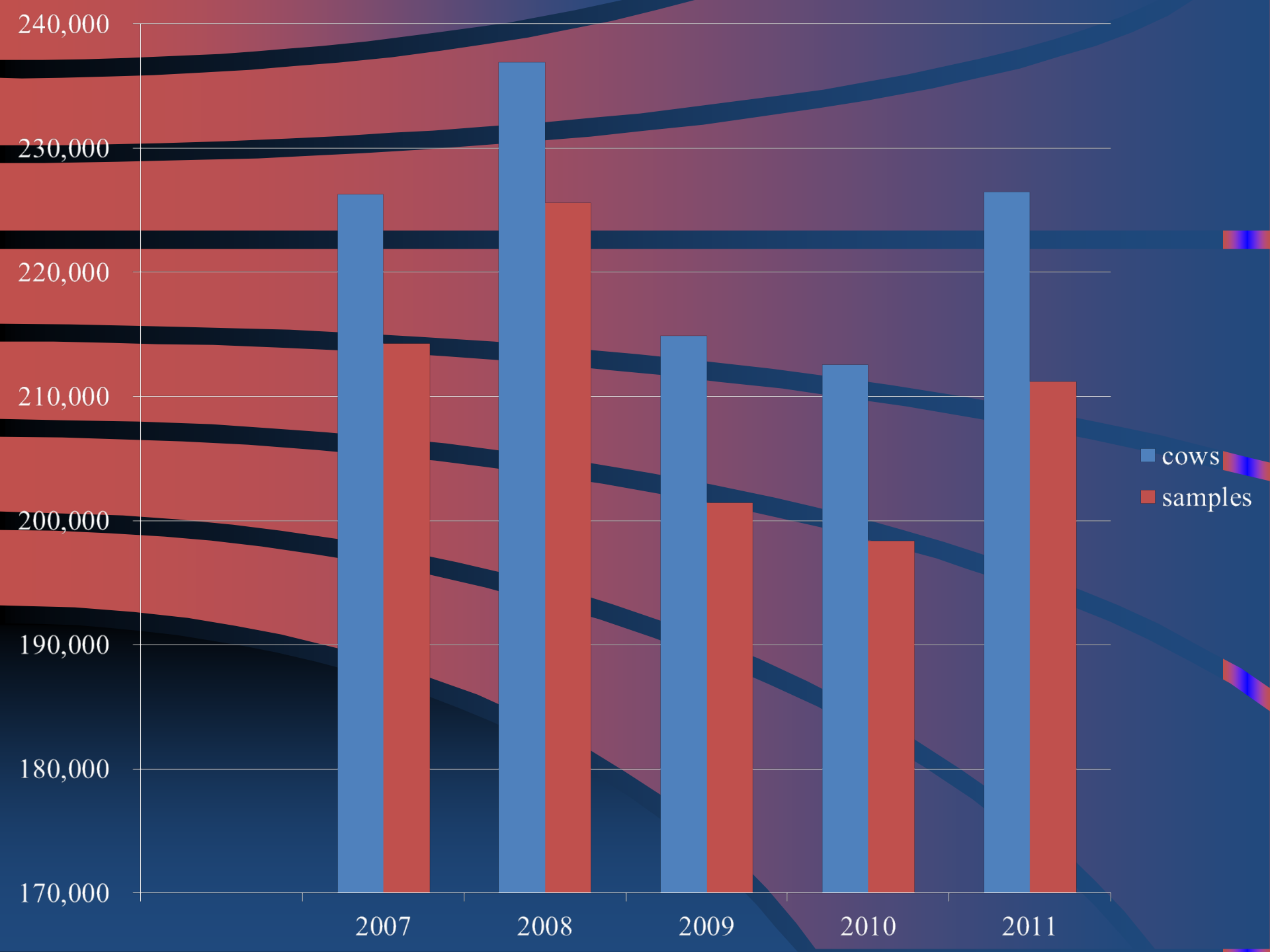
- A challenge by definition is not easy
- Field Manager resigned to pursue other interests
  - Reduced herds - position was left vacant
- Two new lab technicians hired/trained
- Transporting samples 170 miles/5 days a week – 10 different people

# The Final Verdict

- All samples are ran the same day they arrive
- Turn around time improved for southern region
- Shipping went better than planned
- Employees are working full schedules
- Testing rates unchanged
- Red ink turned to black

# Sample Totals

	Cows	Samples
2007	226,282	214,239
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2009	214,861	201,444
2010	212,560	198,391
2011	226,479	211,202



# Goals

- Not just survive, but position the association for the future
- Provide quality service at an affordable price
- Keep the association in a financial position to explore new technology that benefits our members in the operation of their business