

# Future vet: Current trends in demand for veterinary services on dairy farms

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## Abstract

The industry that is served by the dairy veterinarian is dynamic and operates under conditions where the value of its end products decrease in real dollar value over time. This exerts pressure on that industry toward constant improvements in operating efficiencies and cost reductions. It is no surprise then that as part of the service sector to this industry, the practicing dairy veterinarian will need to be as dynamic and constantly striving to improve and increase the value of its offerings to this ever-evolving sector. The veterinary work force is highly selected and highly trained. It has been an integral part of advancement in the production of dairy foods. With a forward-looking attitude striving for constant discovery of new and useful ideas for advancing cow health and productivity, it will be possible to assure that this remains true. Conversely, lacking this outlook, there is the real risk that the veterinarian becomes less relevant on dairy farms over time as those farms compete on a global level for market share.

## Introduction

It has long been understood that things do not remain the same in how veterinarians create value on farms.<sup>1,2</sup> While there have always been practitioners serving as the vanguard in exploring new ways to create value, there has also been a contingent concerned about how these new products and services conform to licensure and insurance considerations. The author has long relied on a broad interpretation of the Veterinarian's Oath as a guiding principle in this regard, rather than an inelastic approach commonly found in state Practice Acts or the whims of insurance underwriters' interpretations of what veterinarians may have to offer as value to the dairy industry.

## Farms are changing

Imminently it will be true that 2/3 of the dairy cows and 2/3 of the milk produced in the United States will be found on large farms with greater than 1,000 cows. This holds true even while the average farm still has less than 400 cows as of 2022.<sup>3</sup> Large and modern farms create a different demand structure for veterinary services than small farms representative of the industry at the beginning of the authors career in veterinary service. Early in this career over 80% of billable services revolved around individual clinical care, reproductive services and surgery. On farms now served, those aspects of veterinary service now constitute less than 5% of billable services. Certainly, this is due to both changes in dairy farms and what they demand and value in veterinary services, as well as advancing stage of career, competencies and appetite for service type.

## Understanding value creation on modern farms

A large part of value creation in the veterinarian-client relationship is fostered by a trust that takes time and effort to build. This presents a considerable challenge in moving swiftly from lower-value services to higher-value services on these large, sophisticated operations. It behooves the veterinarian to constantly improve their understanding of operating trends on these farms to identify the portals that present the most significant opportunities to improve financial outcomes which are the final measure of success. The veterinarian must be prepared to understand and communicate how the biologic variables which are the basic subjects of our trained expertise translate into financial metrics that benefit the farm operation. Dairy farms are complex, integrated entities that have a myriad of confounders that challenge simple analysis and interpretation. It is not reasonable to expect a newly minted practitioner to comprehend this level of complexity even if coming from that background. This understanding can only be derived from serious study over long periods of time spent observing these operations at ground level. For this reason, it is the view of the author that technical service need be the foundational way to acquire higher value analytical skills. Reconciling the low value of this technical service on farms to the compensation expectations of a talented individual that has invested very heavily in training will continue to be a vexing issue to further progress along these lines.

## The skills

It is the view of the author that a thorough comprehension of dairy cattle nutrition will be foundational to the addition of any high-value service to dairy farms. Animal health, productivity and longevity will be largely driven by feeding strategies. Identifying metabolic rates, which are diet driven, that are compatible with metabolic homeostasis in the herd against local constraints and opportunities in climate, housing, forage sources, capital and human resources, and owner worldview will be paramount to financial success for both producer and practitioner. Understanding the opportunities in circularity and its effect on both revenue and cost will also be very important. Milk need not be the only major consideration toward more fruitful financial outcomes on dairy farms. Nutrient mass balance understanding can aid both economic efficiencies and regulatory compliance. The latter can be a significant consideration for survival of dairy farms and access to markets. Another emerging opportunity exists in understanding and managing risk on these large complex businesses to include strategic risks, price and cost risks and regulatory and community-based risks. Some of these service ideas range pretty far from individual clinical care of animals but they are services that are in demand on dairy farms. Some service sectors will find a way to provide these services. It is hard to imagine that there is skill and aptitude sets

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within the other hopeful service sectors that are more amenable to solving these complex issues and opportunities on dairy farms than the highly trained and highly engaged veterinarian.

## References

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2. J. K. Wise, The US Market for Food Animal Veterinary Medical Services, *J Am Vet Med Assoc* 1987.
3. Michael Nepveux, USDA Report: US dairy farm numbers continue to decline, Feb. 26, 2021, U.S. Farm Bureau Market Intel.

