

# DAIRYBUSINESS

## Dairy innovation doesn't guarantee success, but lack of it almost certainly means dairy won't

### INNOVATION:

Derived from the Latin word *innovatus*, which is the noun form of *innovare* "to renew or change," stemming from *in-* "into" + *novus-* "new". Innovation generally refers to the creation of better or more effective products, processes, technologies or ideas. In business and economics, innovation is the catalyst to growth.

-- Wikipedia

**By Dave Natzke**  
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**This December 2011 "Technology/Innovation" edition** of *Western/Eastern DairyBusiness* comes approximately 2 months after the death of one of the most acclaimed innovators of our era, Steve Jobs. His reputation preceded him; his innovations likely immortalize him.

Perhaps lost in that news was the death of another innovator, Wilson Greatbatch, who, the *New York Times* reported, invented the first practical implantable pacemaker while working in his New York barn, in 1958.

Undoubtedly, Greatbatch's innovation helped many people live (the American Heart Association estimates 500,000 are implanted annually) to see and enjoy the innovations of Jobs. That's a great thing about innovation: It helps us meet our immediate needs, including survival; while enabling us to live into the dreams of unlimited possibilities.

**Both Greatbatch and Jobs died in the week of World Dairy Expo**, an annual showplace for the lesser-known innovators and innovations serving the dairy industry. I can't know for sure whether either ever attended Dairy Expo (Greatbatch supported work at the University of Wisconsin-Madison on helium-based fusion reaction for power generation), but both influenced dairy, either by helping some among us keep on ticking, or improving communications and information storage/search capabilities.

From the dawning of the 19th century agricultural revolution to the ongoing 21st century information revolution, innovators have led agriculture and dairying on a technology march – a march that has only picked up speed. A walk down Dairy Expo's trade show aisles reveals seeds that grow in high-saline soils and companies looking into the genome of a cow to aid genetic selection. New delivery systems improve nutrient availability for calves; feed ingredients improve cow efficiency and raise milk income over feed costs. The number of robotic milker companies exhibiting at the 2011 World Dairy Expo doubled from the year before. SmartPhone "apps" are being introduced for almost every step in the dairy management and business process.

Some of the newest innovations are featured in our first "DBC Technology/Innovation Annual" (see December 2011 editions of *Eastern/Western DairyBusiness*).

Innovation has many drivers, starting with those to make production and manufacturing processes more efficient or effective, resulting in the creation of much of the equipment, products and services we see each year at World Dairy Expo and other shows.

**Those innovations have made us** so productive, in fact, it's led to another type of innovation, driven not by producers, but by end-users. We now must do innovative things with all the basic commodities we make to meet the changing needs and wants of dairy consumers.

Some attention – and probably capital – geared toward dairy innovation may have been lost during all the post-2009 feudin', fightin' and fixin' of federal dairy policy. However, even policy reformers recognize the importance of innovation.

After margin insurance, “innovation” is the second most repeated “I” word in many of the dairy policy proposals. Most proponents call for elimination of the Dairy Product Price Support Program, which, reformers contend, has been a disincentive for dairy product innovation, because it has historically created a market of last resort for such “uninnovative” products as nonfat dry milk, yellow cheddar cheese and butter – regardless of what products the rest of the world wants.

In recent years, we've added a new organization – the Innovation Center for U.S. Dairy – to look into ways to help dairy address consumer confidence, health and wellness, sustainability and globalization issues.

Even dairy magazine editors have to be innovative, constantly striving to create new formats and informative features to attract your attention – in print and on the Internet.

My two best conditions for “innovative” thought are: 1) in the shower; or 2) lying down. Since I work in a home office, the latter allows me to frequently disguise a nap for a staff “innovation” meeting. And, for some reason doctors might some day be able to describe, it also makes me prone to awakening exactly at 3:34 a.m. several times a month with an idea I need to write down – before I forget it by dawn.

**All indications are 2012 dairy** price and profitability numbers may be down from 2011. However, “down on the farm” doesn't have to mean “down” on the farm. There's a bright future for dairy, and all that sunshine wasn't limited to the trade show booths of World Dairy Expo.

Especially invigorating were many of the youth I met – the next generation of Jobs and Greatbatches. They will create a new wave of dairy innovation – some out of need, some out of dreams of unlimited possibilities – whether it's in a laboratory, a barn, or at 3:34 a.m. in their bedroom.