



Managing the business global growth

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Groupe Lieutenant Inc., Stoke

GROUPE LIEUTENANT

- 2 legal entities
- 5 shareholders
- 15 employees
- 500 cows, 645 kg/d
- 415 replacement heifers
- 1,050 ha in crops and 400 ha of woodlot

4 axes for the business development

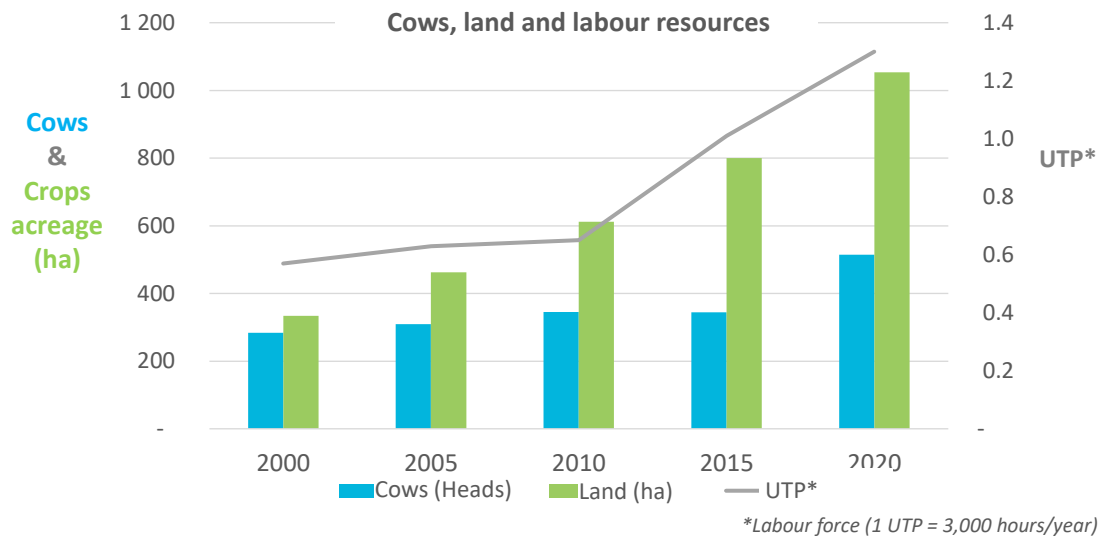
- Finances
- Dairy production
- Crops
- Human resources



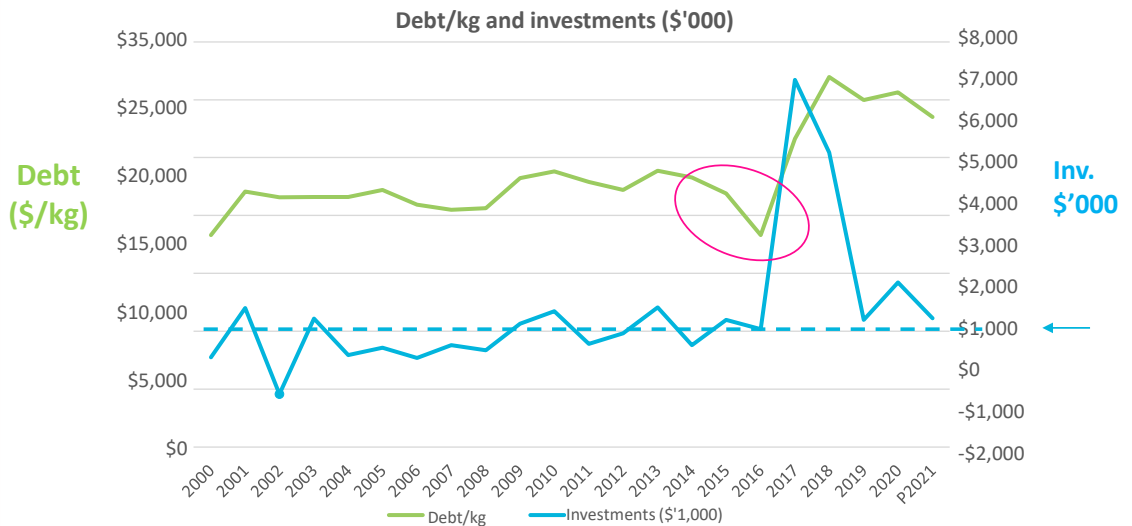
Overview

Our farm's evolution in two graphs

Evolution of the Production Units



Investments and debt

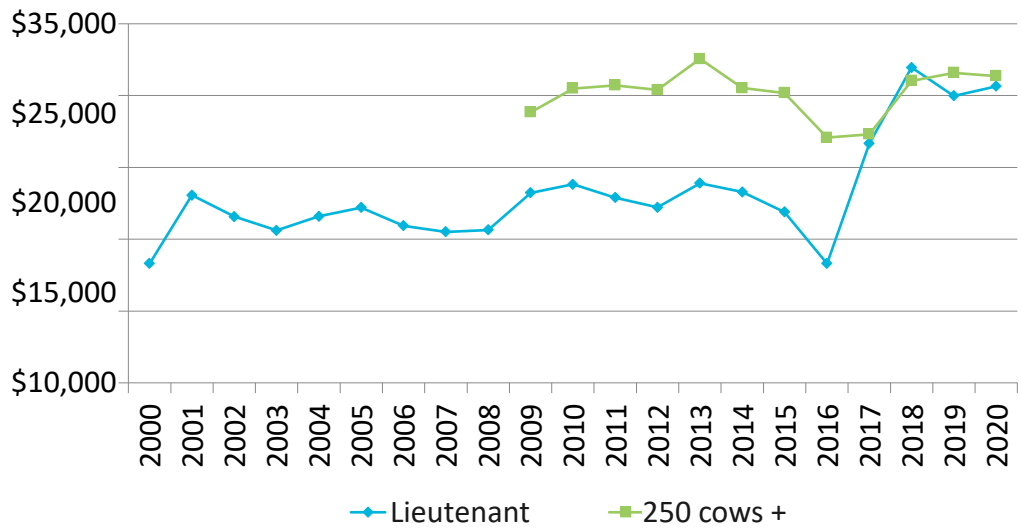




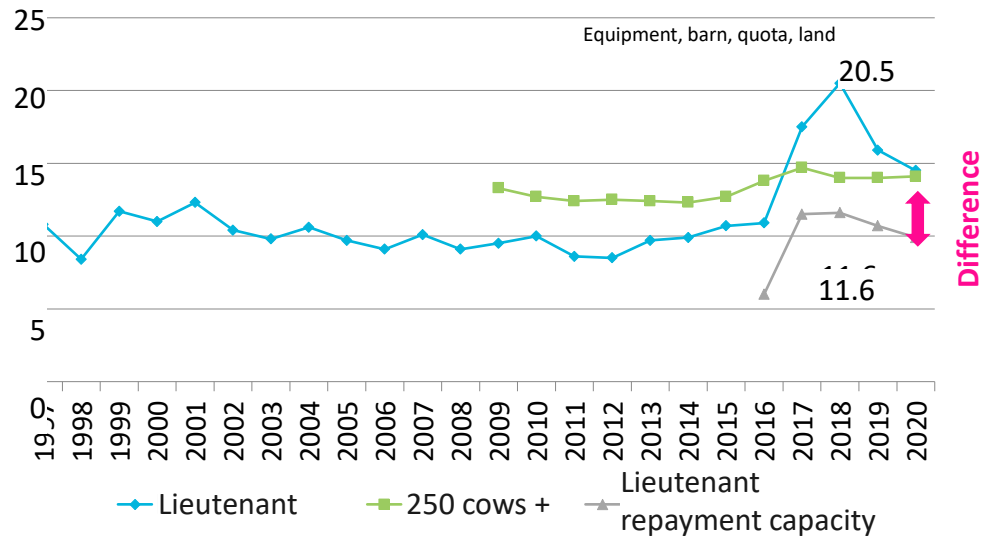
Finances

Good control for better progress

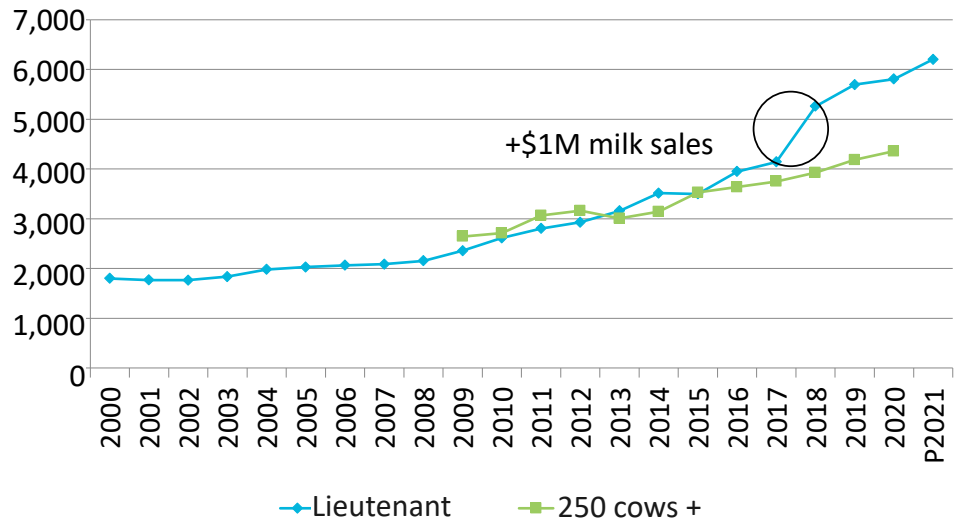
Total debt/kg (\$)



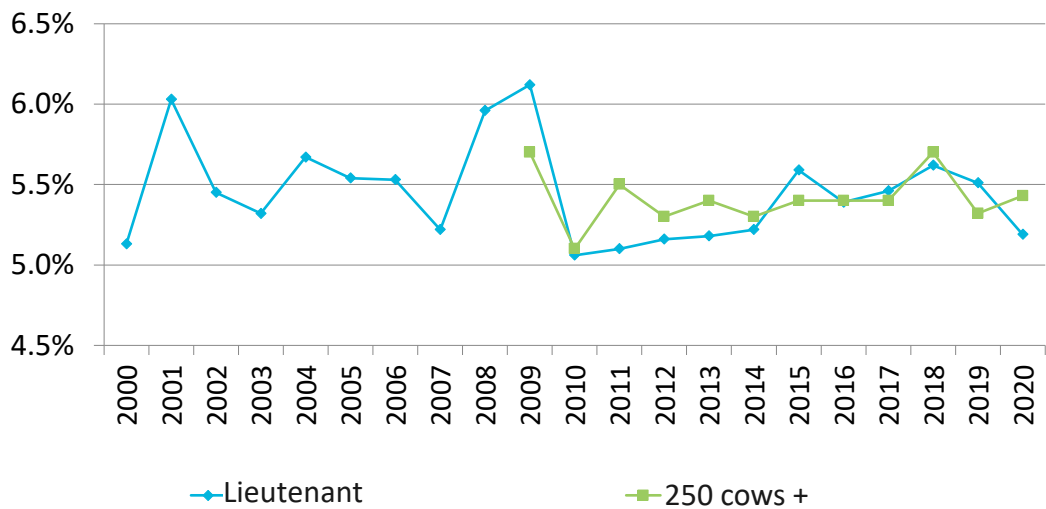
Loan terms and annuities (years)



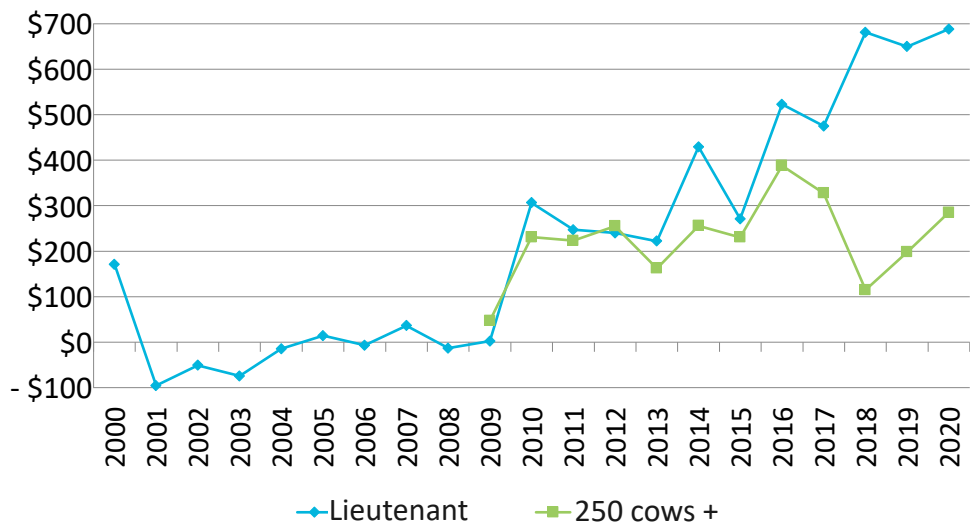
Total income (\$'000)



Expense rate (%)



Remaining balance



Finances

Strengths

Annual budget planning allows for better management of income, expenses, investments and loans

Very good relationship with the financial partners

Market involvement and knowledge

Challenges

Continue to generate an interesting remaining balance for self-financing

Negotiate and position the loan renewals

Improve repayment capacity in the coming years

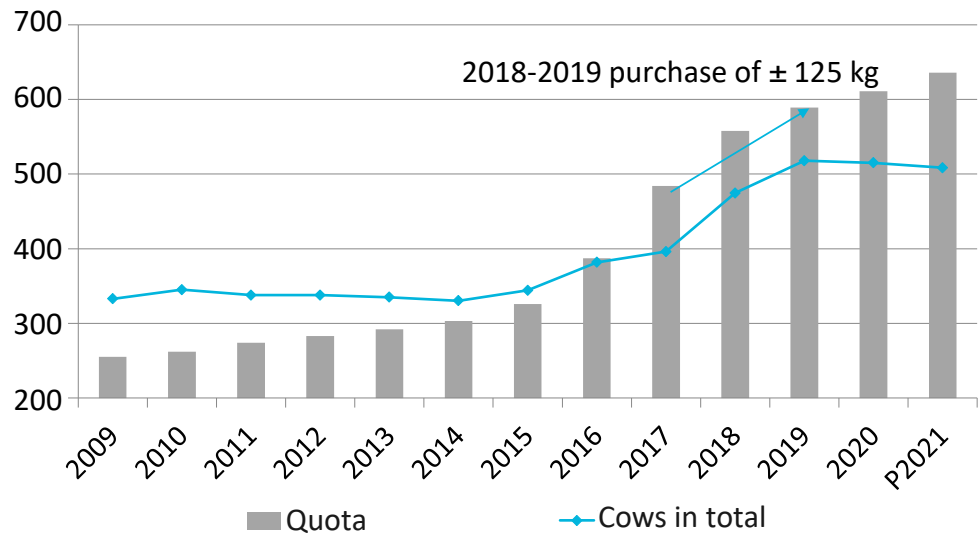


Milk

Always do better

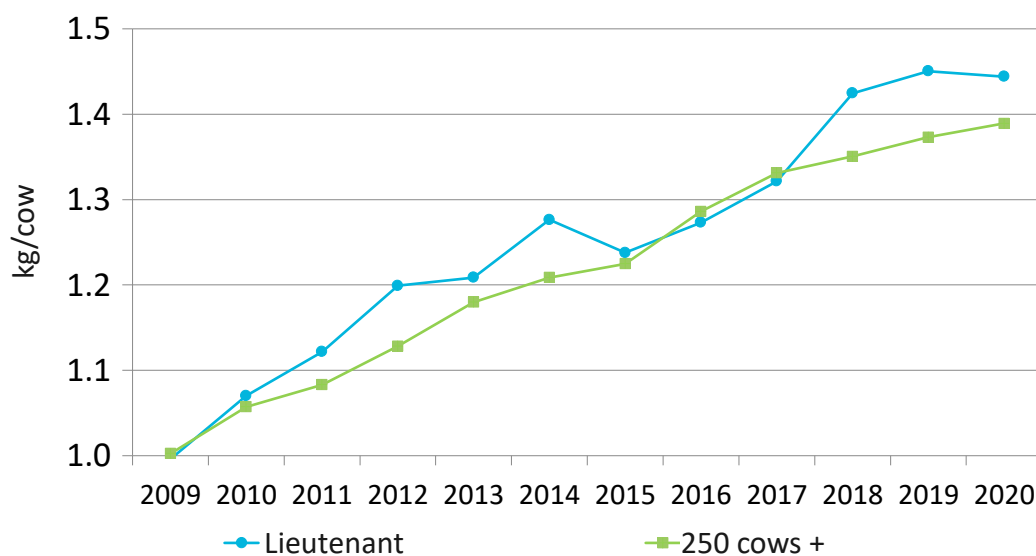
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Cows and Quota

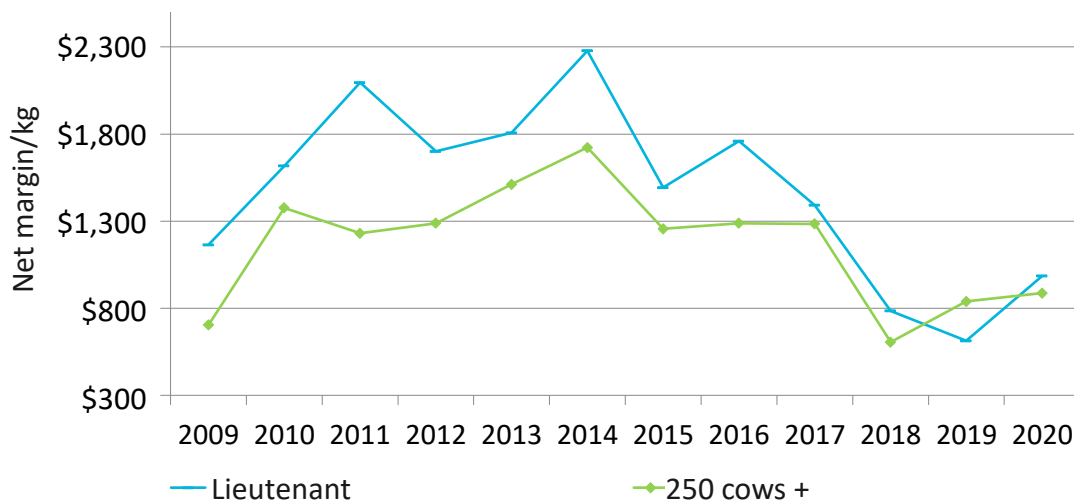




kg-BF/cows in production/day

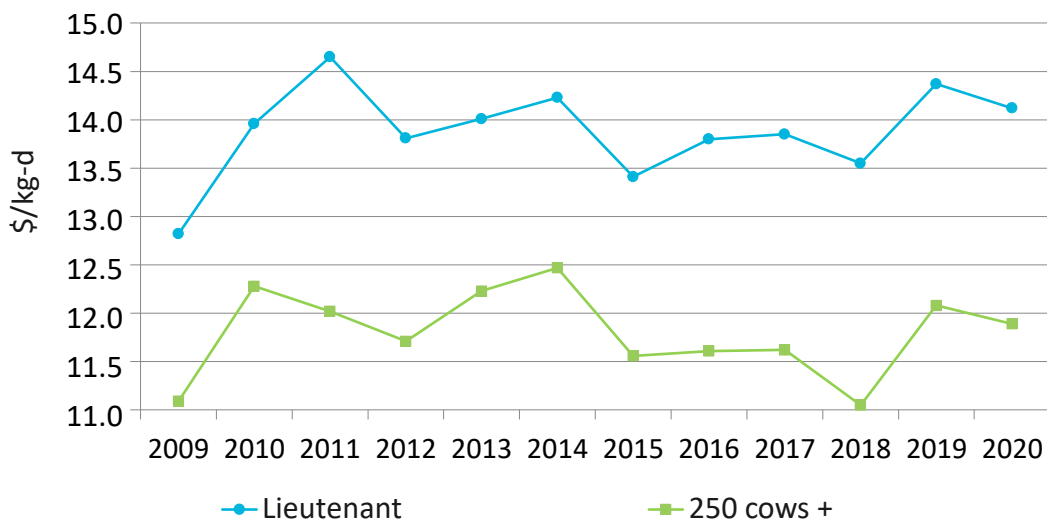


Difference between the sale price received and the total costs (\$/kg/year)



Feed margin (\$/kg BF-d)

(INCLUDING dry and close-up cows)



Milk

Strengths

Good herd monitoring skills

Good feed and veterinary monitoring

Animal quality and demand for surplus cows

Cost of Production Control

Barn ready for increased production, 100 cows with same facilities

Environmental Compliance for 799 U.A.

Milk

Challenges

Adjust heifer replacement to the replacement needed, surplus animals are a lot of work

Reduce the proportion of first-calf heifers in the herd

Improve health during the 0-3 month growth period

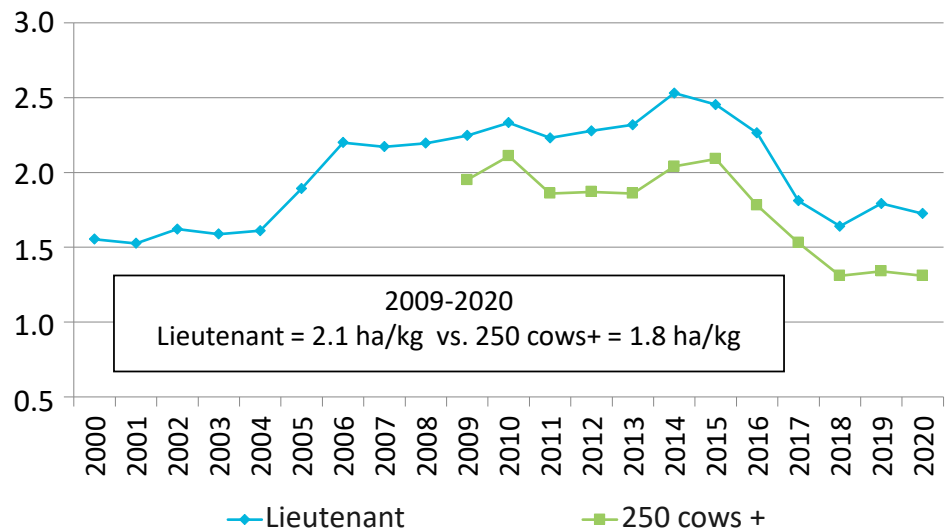
Reach a better herd uniformity while improving genetics

Have enough workers to support the barn work

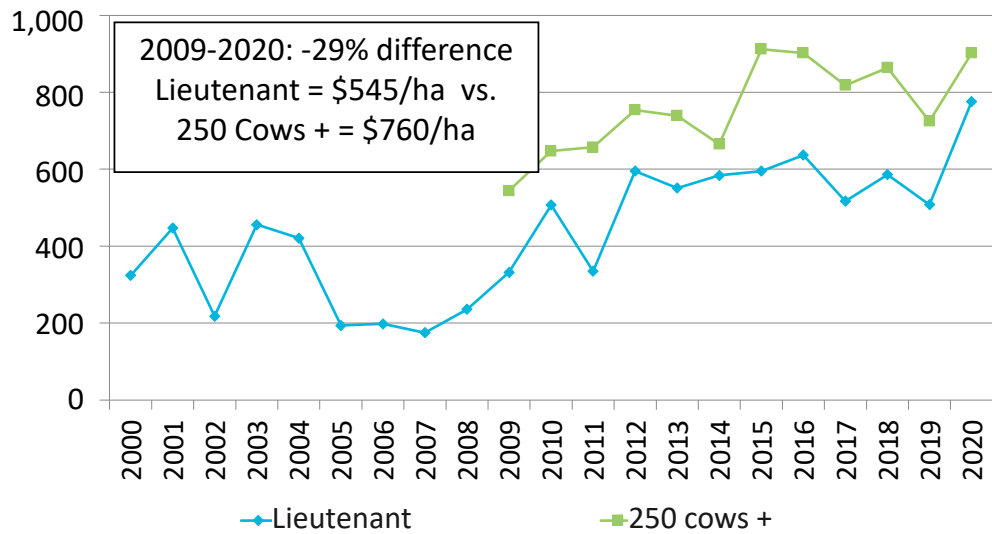
Crops

The Challenging Area

Crop/Milk Ratio (ha/kg)



Crops Contribution Margin (\$/ha)



Crops

Strengths

Good equipment maintenance expertise

Proximity to most acreage since changing the site

Self-sufficiency

Sustainable cropping practices

Challenges

47% of the acreage is leased

- Not always of optimal quality
- Buyback and long- term lease agreement planning

Equipment renewal

Forage quality and yield can always be improved

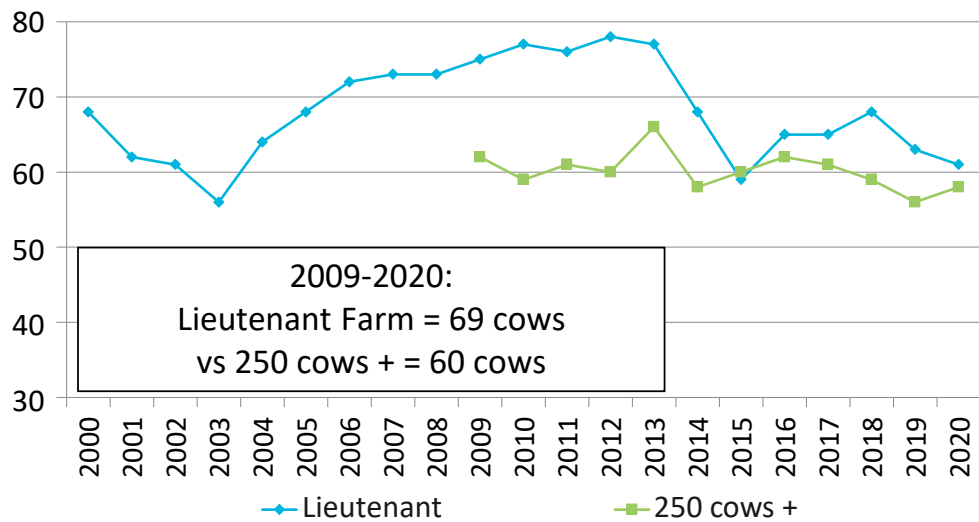


Human resources

Diversity

- Family labour
- Long-time labour
- Foreign labour

Cows/UTP-Milk Allocated



Human resources

Strengths

Team meeting and division of labour

Supporting communication and joint farming (coaching)

Long-time key employees

Several family members taking responsibility and leading the troupes

Labour already in place to increase the production volume

Common goals for the management team

Human resources

Challenges

Keeping labour year-round implies always having project ideas and a yearly increase in wage costs

Uncertainty regarding the temporary foreign workers regulation

Training worker takes longer with the advent of robots

Administrative transfer to be finalized for the phased withdrawal of parents

Always have a "TO DO" list

Maintain communications and motivation for all



Manage the global growth of the business:

- **Plan** in advance to know where you are going
- **Optimize the current** infrastructure, improve herd uniformity and adapt the number of heifer replacement to the need
- **Improve our land** and maintain good relationships with our landlords
- Maintain the **health of the "human resources"**, on a daily basis

And for the future?

- Standards, regulations, markets, consumers' perception
 - ✓ *Be adaptable!*
- We will continue to innovate like our parents before us!
- Wonderful challenges to be faced with optimism

QUESTION PERIOD

**Thank
you! 😊**

