NEW YORK

SMALL DAIRY INNOVATORS

SUCCESSFUL STRATEGIES FOR SMALLER DAIRY FARMS
New York

Small Dairy Innovators

Successful Strategies for Small Dairy Farms

Ice Cream and Hayrides Keep Family Farming.................................................................1
Bellvale Farms – Orange County, NY

Small and Versatile: Dairy Adapts to Changing Markets............................................. 3
Scheffler Organic Farm – Tompkins County, NY

Small is Beautiful: Making a Living Milking 12 Cows.................................................. 5
Wake Robin Farm – Onondaga County, NY

Balancing Work & Family on a Small Dairy................................................................. 6
Emary Springs Farm – Cattaraugus County, NY

Dairy and Beef: A Perfect Fit......................................................................................... 7
Herr Dairy Farm – Lewis County, NY

Dairy Changes Ownership & Style............................................................................... 8
Homestead Fields, Jefferson County, NY

Sound, Slow Growth Positions Dairy for Future............................................................. 10
Reed Haven Farms, Jefferson County, NY

About the Publisher:

The Cornell Small Farms Program works to foster the sustainability of diverse, thriving small farms that contribute to food security, healthy rural communities, and the environment. We do this by encouraging small farms-focused research and extension programs and fostering collaboration in support of small farms. www.smallfarms.cornell.edu

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Ice Cream and Hayrides Keep Family Farming  
Bellvale Farms – Orange County, NY

**(NON) AG EDUCATION**

When Al and Judy Buckbee’s son and daughter announced that they wanted to farm with their parents, the family’s question was, “How do we support more people without milking more cows?” The solution, making and selling their own ice cream, answered more than just the original question. A decade later, the Buckbees find themselves selling delicious desserts and teaching neighbors about dairying in New York State.

The Buckbees go way back in Orange County agriculture: they’re a New York State Century Farm Family and an Orange County Dairy of Distinction. Al grew up on the farm and participated in 4-H and FFA before heading off to Kansas State. “In the 50s they hadn’t started agribusiness yet – there was no emphasis on the business side of running a farm,” says Al, so after two years in an agriculture program he transferred to the business school. The choice was a crucial one. Al now relies on technical consultation for cow nutrition, ice cream production, and other key aspects of the farm, but he says that his business knowledge and ability to make financial decisions for the farm have been invaluable.

**LOCATION, LOCATION, LOCATION**

Bellvale Farms is the New York State dairy farm closest to New York City. That proximity means that the number of farms in Orange County has declined steadily as the suburbs have grown; many of the Buckbees’ neighbors commute to the city for work. In that environment, retailing farm products was an excellent option for growing the business without growing the 60-cow herd. The family started by growing and selling sweet corn, tomatoes, and pumpkins from a wagon on the farm. “We learned a lot from the vegetable business. It was a great way to get started and learn about retail,” Al says. The family considered making cheese and bottling their milk, but settled on ice cream because it required the least amount of start-up capital.

Al’s son-in-law, who has a degree in chemistry, took some ice cream “short courses” at Penn State. They built a creamery six tenths of a mile closer to a main road and started selling veggies and ice cream there. Al was surprised to see a 50% increase in sales immediately; they hadn’t thought that half a mile would make such a difference. The other surprise was the shift in their customer base. The original business plan emphasized the idea of selling ice cream to the people who already came to buy Bellvale Farms vegetables. What the Buckbees actually observed was a new set of customers coming just for the ice cream. Though farmers’ markets are popular, the Buckbees prefer to sell their products from home to save on transportation and labor costs. The creamery is open every year from April through November; 2009 was its seventh season.

**FREE TOURS**

Bellvale Farms is open to the public for free tours on Sundays from June through October. They advertise the tours at the creamery and on their website ([http://bellvalefarms.com/](http://bellvalefarms.com)); Bellvale Farms is also listed on the New York State and Orange County tourism websites. Al says, “I’m not a techie, but there’s real value in having a website. It brings your business to the attention of people who wouldn’t have known about it otherwise.” Petting calves and a milking demonstration are a big draw.
From a farmer’s perspective, it’s interesting to watch people encounter a working farm for the first time. Al observes that they do contend with some people who are judgmental of the family’s farming practices or of animal agriculture, but most visitors are truly interested in the operation and ask good questions. He’s become more aware of the public perception of agriculture and how to respond to visitors’ questions. Though the farm isn’t compensated financially for the tours, the Buckbees believe that it’s important to be ambassadors for agriculture. “We keep things cleaned up,” explains Al, noting that appearances are as important for a farm as they are for any other business. The tours are popular, and visitors are willing to go a little farther out of their way to see the farm that produces such yummy ice cream.

NOTHING VENTURED, NOTHING GAINED
Not all of the Buckbees’ efforts have borne fruit. From 1996 to 2000, they tried rotational grazing. Without feeding much grain or silage, their herd average fell to 15,000# of milk per cow per year. Al decided that it was worthwhile to spend more on feed in order to generate more income. The rolling herd average is back up to 25,000-26,000# per cow on a conventional diet including concentrate, corn silage, and haylage. They still turn the cows out on the paddocks but don’t depend on grazing for nutrition. Al notes that the farm has excellent soil, which enables them to grow good crops. In 2009, after 10 years, Bellvale Farms discontinued their vegetable sales. They’re still selling Halloween pumpkins and offering free hayrides on October weekends. Al says that the pumpkins sold well this year, even with increased prices. Like most other dairies, the Buckbees struggle with the current state of the dairy industry and milk prices. Still, Al is optimistic that the milk price will rebound.

Judy attended their 8-year-old grandson’s and their 11-year-old granddaughter’s Little League games this summer and noticed that they were the only grandparents in attendance. Many of the players didn’t have anyone there to cheer them on. “You get a buzz from family time – not everything is about money,” observes Al. They’re willing to sacrifice some potential income for that treasured time as long as the bills are paid. Community service is also important to the family: Al has served on the Orange County Agricultural and Farmland Preservation Board and is a past chair of the Soil and Water Conservation board; Judy has served on the town planning board, and their son was elected to the Orange County legislature this fall.

Al emphasizes that New York State has great opportunities for aspiring farmers! Noting that we all need to eat, he often encourages young farm visitors to consider careers in agriculture. Al advises aspiring farmers to do an internship for 3-5 years before starting on their own. Farming isn’t for everyone and internships are a good way to get experience.

If you’re in Orange County next summer, stop for some Bellvale Farms ice cream! To learn more about Bellvale Farms, visit http://bellvalefarms.com/.

The above profile was written by Adrienne Masler, a summer intern with the Cornell Small Farms Program in 2009. To learn more about services available to NY small dairies visit www.smallfarms.cornell.edu
GETTING CERTIFIED
Dairy farmers Ed and Eileen Scheffler noticed the growing demand for organic and locally produced food. As agricultural practices and consumer preferences change, farms like theirs must find ways to adapt. Small farms possess greater adaptability because they haven’t made huge investments in infrastructure or equipment that would tie them to one type of production.

Ed and Eileen bought the farm from Ed’s parents in 1981 and continued farming conventionally. By 2000, their philosophy was changing: “We didn’t like spraying chemicals,” says Ed. “Organic seemed like something we could do, something viable.” Change can be scary, and this choice required a willingness to change one’s mind. The Schefflers began the transition to organic and sold their first organic milk in December of 2003. They sell to the Organic Valley co-op and have been very happy with organic prices; the increase in income has helped them invest in a retirement account and send their children to college. Ed notes that they haven’t seen a significant yield decrease since the transition, an experience that challenges the conventional wisdom that organic simply can’t produce enough food. They do spend more time cultivating, but Ed cites a study that determined that mechanical cultivation and chemical spraying cost the same amount of money.

The Schefflers like to do as much of the labor by themselves as possible, so they have made it a point to invest in equipment that will help them work efficiently and achieve high-quality products. For example, the stationary mixer installed in 2008 replaced a Rissler cart (a mobile mixer) and Ed is now producing a much more consistent ration for his cows. When it comes to growing crops, Ed prefers to plant and harvest when the time is right. He says, “It’s difficult to see getting a custom operator to the farm on my time.”

DIRECT MARKETING
Eileen began direct marketing her organic eggs in 2008. After a few false starts – the snowplow buried their roadside cooler and customers couldn’t see the cooler on the porch – they decided that Ed’s new heated motorcycle shed could double as a farm store. They added grass-fed organic beef shortly afterward; the beef is processed in a Pennsylvania slaughterhouse that is certified organic and humane. They also obtained a raw milk permit in 2009. Customers call ahead to place their order and pick up their milk at the farm store on Tuesdays. “People are looking for a high-quality product, they want to know their farmer and where their food comes from,” says Ed. Direct marketing is also a way to diversify the operation and to add value by selling their products at retail value.

Ed and Eileen enjoy talking to their customers and rely on word-of-mouth to attract new customers; they also sell at one farm market. Eileen’s egg cartons bear the motto “Sharing our healthy harvest with you” and she says, “That’s really what I believe – I really want to get good, wholesome food to people.” Their customers’ stories are inspiring. One woman reversed severe gum disease by eating natural foods and a high-fat diet, including Schefflers’ raw milk. Others are able to drink raw milk after years of avoiding pasteurized milk (lactase, the enzyme that digests the milk sugar lactose, is present in raw milk but is destroyed by pasteurization). Some customers are concerned about their overall health or simply want a relationship with the farmers who supply their food.
ADAPTING ON A SMALL FARM

The Schefflers are happy with their current practices. They enjoy farming without chemicals, not relying on commodity pricing and government subsidies, and having input into the Organic Valley co-op. Most importantly, says Ed, “it’s fun again.” Direct marketing is one way that the Schefflers are diversifying their farm. They don’t have plans to make direct marketing a bigger part of their operation immediately, but they may start growing more beef animals; “We hadn’t anticipated such interest in our beef,” says Ed. He mentions that they are selling out of eggs every day and that they could probably expand egg production without much investment. They currently sell 9 gallons of raw milk per week – the rest is sold in bulk to Organic Valley – and don’t plan to expand their on-farm sales.

The current market for organic milk has been affected by the economic recession just like every other sector, but the Schefflers aren’t panicking. They’re in better financial shape than many of their non-organic neighbors, although they note that sound management is as important to their success as income. They are also poised to make whatever changes they’ll need to be successful. “I would think that large farms would be locked into selling what they produce as commodities. Small farms are probably more accessible to the public and able to adapt,” Ed says.

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Small is Beautiful: Making a Living Milking 12 Cows
Wake Robin Farm – Onondaga County, NY

FROM VEGETABLES TO DAIRY
After operating a vegetable CSA for six years, Meg and Bruce Schader agreed that they would rather milk cows. Meg and Bruce were inspired to keep their farm small when they heard about a friend’s grandfather who sent his four children to college on his income from milking 12 cows. In order to make their new operation viable, they built a creamery and learned how to produce yogurt in 2006. “We had the idea that we could just transition like snapping our fingers,” says Meg, but they quickly learned that it wouldn’t be that easy. Despite challenges – the pasteurizer arrived six months late and Meg needed an appendectomy in 2006 – Wake Robin Farm is now making a name for itself and the Schaders have expanded their product line to include bottled milk and artisan cheeses.

STARTING OUT
Before embarking on the transition, the Schaders researched on-farm milk processing. They learned that yogurt was the best product for a start-up because it’s easier to make than cheese and has more value than bottled milk. They created a business plan with assistance from NY FarmNet, which Meg says has helped them to focus their goals and secure funding. She adds that loans provided their working capital for the first few years. Their debt-to-income ratio was intimidating at first, but after three years and a lot of hard work, the numbers look better. The management of the dairy is much different from the CSA: all the income from CSA membership was available by June of each year and the Schaders had a solid number to work with for the rest of the year. When growing vegetables, they could also predict their input costs (e.g., seeds) with relative ease. Now they’re learning how to juggle expenses for a variety of supplies such as yogurt cups, vanilla, maple syrup, and their delivery truck. Through it all, “the energy came from our vision – a vision can get you through anything if you really want it to,” says Meg. Now they’re milking 12 cows on 45 acres of hay and pasture. In the summer months, the cows are rotated to fresh pasture every 12 hours, and in the winter they are let out for exercise and are fed hay and about 5 to 10 pounds of organic grain per day; the grain helps to keep the milk components high.

FINDING THEIR NICHE
All the milk produced at Waken Robin is processed on-farm and Meg and Bruce don’t buy in any additional milk. There’s no bulk tank – instead, the Schaders milk into 10-gallon cans, which enables them to use milk from different cows for different products. They usually use milk with the highest butterfat content for the yogurt, which they make rich and creamy.

Meg credits family as the linchpin of Wake Robin’s success. Bruce comes from a family of farmers; they own the land and some of the equipment. Meg’s family helps to take care of 9-year-old Hugh and made a loan to the farm. “Banks often don’t know how to look at farms,” Meg says, but in 2008 they were able to get capital through Farm Credit’s new Farm Start program.

Meg and Bruce are committed to running the farm themselves and making it work with the land, animals, and equipment that they have. It flies in the face of traditional economic thinking, which emphasizes growth, to ask as Meg does, “How can we stay small forever?” Wake Robin is poised for a different sort of growth by expanding their product line and by increasing their retail sales. Currently the yogurt is wholesaled to local stores and the milk and cheese are sold on-farm and at the farmers market. Meg is inspired by the book “Nature of Slow Money: Investing as if Food, Farms, and Fertility Mattered", which challenges businesses to grow in ways outside of the economic bottom line.

The above profile was written by Adrienne Masler, a summer intern with the Cornell Small Farms Program in 2009. Learn more about small dairy services at www.smallfarms.cornell.edu
Balancing Work & Family on a Small Dairy
Emary Springs Farm – Cattaraugus County, NY

TRANSITIONS
They say that the only thing that remains constant is change. The Emary Springs Farm in Freedom, NY exemplifies the adage. The farm, operated by Sara and Jeremy Hatch, has undergone many transitions since starting up in 2001. Sara Hatch grew up on a dairy farm. She has an Associates degree in Animal Science from SUNY Cobleskill and started working for a large dairy when she graduated. She soon realized that she would rather have her own farm. Sara's parents co-signed a USDA-guaranteed loan for beginning farmers and shared their equipment with her. When Sara began farming, she was milking 50 cows and farming conventionally. Sara married Jeremy Hatch in 2002, transitioned to organic certification in 2004, and downsized to a milking herd of 20 in 2006.

The Hatches' management of farm labor has changed to keep pace with their growing family. The first transition was from Sara farming with help from her parents to Sara and Jeremy working together. Jeremy worked full-time for the highway department; he worked on the farm before and after highway department work and used vacation time to do cropwork. But in the winter, he would usually be gone plowing snow. He convinced Sara to downsize the herd so that the work would be manageable for her. Jeremy quit his job to work on the farm full-time soon after their 3rd child was born in 2006. He got part-time job in 2007 when Sara could better balance the needs of family and farming.

STRATEGIES
The Hatches sold their first organic milk early in 2004. Though organic milk prices helped make the herd reduction possible by keeping their income relatively stable, their primary business management strategy has always been paying attention to their bottom line and not spending more than is coming in. Grazing and growing their own feed helps to keep costs down. They've had to buy corn the last two years but grow all of their small grains. “We were producing all of our own feed two years ago and we'd like to get back to that point,” Sara explains. Every month or two Sara sits down to analyze how many pounds per cow they need to produce in order to meet their expenses.

Diversifying their income (e.g., by selling hay) is another strategy the Hatches use when needed. They try to avoid debt but do have some: they got an operating loan to buy fertilizer this year. Extra income from Jeremy's part-time off-farm job also helps.

PUTTING IT ALL TOGETHER
One of the Hatches’ biggest challenges this year has been the weather. Rain and a muddy, poorly drained barnyard have contributed to higher-than-usual somatic cell counts. An ongoing challenge for the farm is limited space. They pasture on 18 of their own acres and rent about 200 acres of cropland. Having more acreage would be ideal, but the farm is landlocked: there's no option to expand.

Raising kids and farming together means engaging in a constant balancing act. “We try not to overextend ourselves,” says Sara. They're always checking to make sure their strategies are working and adjust course if needed.

Even though some days are harder than others, Sara loves the life that farming provides her family. She says, “I grew up on a dairy farm and swore I would never do this, but I love the animals. Farming gives me the opportunity to be with my kids. If I didn’t do this, I'd probably be working an outside job.

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Dairy and Beef: A Perfect Fit
Herr Dairy Farm – Lewis County, NY

THE TRANSITION
Larry and Barbara Herr moved their family from Lancaster, Pa., to Lowville, N.Y., in 1987. The couple left behind their Pennsylvania egg production business and began a 60-cow dairy in Lewis County. Their goal then, as it is today, was to raise their family more than cows, Larry says.

For five years, the Herrs milked 65 cows and raised all their replacements. Then in 1992, Larry and Barbara sold all their heifers and bought a few beef cattle. By his own admission, Larry is more of a beef person than a dairyman. He graduated from Penn State with a degree in animal science with a concentration in beef cattle.

Knowing how the beef industry works, Larry realized that he could not make a decent living with just beef. But dairy and beef complement each other, and his land resources fit both enterprises.

Today the Herrs milk about 64 cows and raised all their replacements. Then three years ago he sold all their heifers and bought a few beef cattle. By his own admission, Larry is more of a beef person than a dairyman. He graduated from Penn State with a degree in animal science with a concentration in beef cattle.

Larry grew both herds to the size his land resources can handle. The combination of beef and dairy maximizes harvesting equipment, which Larry uses for both enterprises. Any lower quality forages are fed to the beef cattle and the best forages to the milking herd.

In 2002, Larry bought his father’s farm in Pennsylvania so he could continue to market his beef cattle through that outlet. Larry tapped a number of resources as he made his transitions:
• The Soil and Water Conservation District helped him set up rotational grazing.
• Lewis County Cooperative Extension provided information on selecting grasses beneficial to both dairy and beef.

Larry completed a financial analysis to evaluate the economic feasibility for his initial transition away from raising dairy replacements to raising beef cattle. Buying beef cattle wasn’t a huge investment, and Larry didn’t have any trouble cash flowing the new operation.

The farm’s profitability stayed the same. The trade-off from selling heifer calves, raising the beef and buying dairy replacements was pretty neutral financially. A goal was to generate enough income from his beef operation to buy his dairy replacements. Larry has been able to do that.

Raising beef doesn’t require as much labor or management as does raising heifers. The Herrs’ children did a lot of the calf chores when the family grew dairy replacements. Transitioning to a beef operation allowed the children to work less and be more involved in other activities.

Larry makes the day-to-day decisions on the dairy and the beef cattle enterprises. He uses QuickBooks and tries to track the economics of each operation separately. Forage costs are split between the two entities. Larry and Barbara make major financial decisions together.

THE FUTURE
The Herrs’ transition to a combination dairy and beef farm has worked well for them. But now that their children are grown and Barbara has taken a job off the farm, Larry wants to slow down a little bit. Over the next two years, the Herrs will make major decisions about their next transition.

Larry is entertaining the idea of a share-milking arrangement. He would bring someone into the dairy who could build some equity by milking and work toward purchasing the dairy herd. Larry would continue the beef operation and grow forages for the dairy herd. He would like to grow calves closer to his market, feed them out and sell them locally. Larry would sell the dairy herd to his associate, rent the barn and provide labor without relying on help from family. Larry thinks this transition could happen in three years.

TRANSITION TIPS
Larry advises others who are thinking of similar transitions to:
• Look for enterprises that fit together. For instance, a beef business would be tough as a stand-alone business but it fits well with a dairy.
• Talk to other people who have done similar things.
• Ensure that you have a market.
• Pay attention to details of the secondary business as well as the main business. It was a good decision to give up his heifer program to make time for his beef operation, Larry says.

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Dairy Changes Ownership & Style
Homestead Fields, Jefferson County

THE TRANSITION
Ed and Ann Walldroff bought the family’s dairy after being in farming for 20 years with Ed’s parents, five brothers and a brother-in-law. Upon taking over ownership, the Walldroffs made several changes, which included converting to grazing.

Homestead Fields, as Ed and Anne Walldroff call their dairy, has been in the Walldroff family for more than 100 years, making Ed the fifth generation to work this farm. During the 1970s, Ed’s parents ran a 200-cow dairy, a 1,500-acre crop operation and a farm equipment business with Ed, his five brothers and a brother-in-law.

Each family member had specific responsibilities, with Ed managing the dairy. After 20 years of doing business together, the family decided to sell the dairy, move the equipment business to Watertown and get out of the cash-crop business.

There were conflicts along the way, but for the most part the family was able to separate business from family. The Walldroff family always held Monday night business meetings to discuss all parts of the business. Family members were able to agree to the terms of the sale without involving a third party.

With his knowledge of the dairy, Ed felt it could be profitable. He knew there was still a future in dairying, but the Walldroff dairy could only support one family. With that knowledge, the couple decided to buy the dairy from the other family members and exit the family’s equipment business in 1995.

MECHANICS & MANAGEMENT
Today, the Walldroffs milk 125 cows and have approximately 400 acres, with 375 tillable. The Walldroffs house their Holsteins, Jerseys and crossbreds in a freestall barn and milk in a double-seven swing (highline) parlor.

Once they took over as sole proprietors of the dairy, the Walldroffs converted to grazing. The Walldroffs made a conscious decision to give up operations that generated the least amount of profit, such as raising heifers and growing crops, to concentrate on their dairy herd.

Instead of doing their own cropping, the couple leases land to Ed’s brother Larry and buys back the forages. The Walldroffs feed a mix of haylage and high moisture corn, which they buy in the fall and store in upright, sealed silos. The total cost of buying forages is less than a 125-cow dairy spends on machinery and its repair and maintenance, as shown in the Cornell Dairy Farm Business Summary, Ed pointed out.

A contract grower raises the Walldroffs’ heifers beginning at approximately four to five months of age.

The herd maintains 60 pounds of milk per cow all year. Costs are much lower during summer months when the herd is grazed. Though he could make more milk with conventional dairying, Ed, who carefully tracks his costs, feels his cows are healthier and his costs are lower with grazing.

Homestead Fields employs one full-time person. Ed handles the day-to-day operations of the dairy, and Anne works off the farm. They own all the assets together as sole proprietors.

Upon making the decision to buy the dairy, the Walldroffs first had to get financing. Based on Ed’s 20 years of experience, they got a loan from the Farm Service Agency through its Beginning Farming Program. Charles Colbert of the Farm Service Agency in Canton was also instrumental in securing that loan.

At that point, the couple had to ensure the business cash flowed. Though they didn’t do a financial analysis to determine the dairy’s viability, Ed, a business graduate of Canton Agricultural Technical College with accounting savvy, knew the business’ inputs, outputs and costs.

For the first three years of ownership, the Walldroffs put every dollar back into the business to help renovate the barn. Ed created a drive-through feed alley and a completely automated AO Smith Harvester System specifically for haylage and high moisture corn. He can feed 120 cows in 20 minutes and never leave the barn.

He bought a new bulk tank and put in manure storage. Because Ed culled heavily, he had to buy replacement heifers.

In the beginning, the couple was 100% leveraged. By the end of the fourth year, the Walldroffs could see an improvement in cash flow.

Resources the couple used included Sonny Golden from Golden Associates who helped the Walldroffs implement their rotational grazing program. Ed often attends Cornell Cooperative Extension workshops and reads many farm publications. He tracks the business’ finances with One Write Plus accounting program.

THE FUTURE
Ed, who is happy with how he runs the dairy, plans to keep the business at its current size. The Walldroffs feel they have the right resources – land, buildings and labor – to milk the number of cows they currently do. Ed feels his most valuable resource is his
abundant supply of natural spring water. There is room to become more efficient, Ed said, but he isn’t interested in growing his business.

The couple’s goal is to make $1 more per cwt. than the Boston Blend price. Ed’s goal is to make 60 pounds of high component milk per cow and do it as cheaply as possible. The Waldroffs hope to be debt free in five years, expecting the business to take Ed to retirement in approximately 10 years.

The couple keeps an up-to-date will and carries sufficient life insurance. An attorney familiar with dairy operations reviewed the business transfer.

The Waldroff families get along better since the separation of the enterprises. Since the sale of the dairy, the family has created a transition plan for the rest of the businesses. Ed’s brother Larry runs the cropping business, and his other brothers run the equipment business.

The Waldroffs have three children who are pursuing careers outside the family business. María, age 24, a graduate of the Fashion Institute of Technology, worked for FAO Schwartz in New York City and is a May 2005 graduate with a Degree in Elementary Education. Ben, 23, earned a degree from Clarkson University and works for an engineering firm in the Baltimore, Maryland, area. Monica is a junior at Lafargeville Central School and is looking at St. Lawrence University as a political science major.

Family and community are important to the Waldroffs. They’re involved in many agricultural and civic organizations as well as their children’s activities. By grazing his cows, boarding out heifers and buying all his forages, Ed has time for both his cows and his family. He still sees dairy farming as a viable business and is happy to have the opportunity to be involved in milk production.

**TRANSITION TIPS**

- If you are not going to do the cropping yourself, make sure you have a good reliable person to do this for you.
- Keep good records, and know your cost of production.
- Especially when working with family, keep the lines of communication open.
- It helps when going through a transition process, if you have off-farm income and benefits to help with the family living.
- If you are going to be 80 to 100 percent leveraged, be sure to have an exit plan in place.

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Sound, Slow Growth Positions Dairy for Future
Reed Haven Farms, Jefferson County

THE TRANSITION
This is a story of a farm evolving. Reed Haven Farms, a small, family-owned dairy and crop business, has prospered for 62 years. Doing so required its owners to be creative, flexible, patient and diplomatic. Reed Haven Farms has made smooth transitions as it added owners, land and cows without incurring business-destructive debt.

Brothers Dan, Alan and Mason Reed have operated Reed Haven Farms for almost 25 years. Their successful partnership began in 1979 when Alan and Dan, after graduating from Cornell University, bought the farm begun by their parents in 1942. In 1980, Mason joined the partnership after he graduated from Morrisville. They have met and dealt with numerous challenges: generating sufficient income to support multiple family members, encouraging varying interests and talents, and growing incrementally.

Dairying is the family’s tradition, but the brothers never rule out adding to that base. They keep their options open for future generations. By allowing family members to join the business when they’re ready, the Reeds have successfully maintained financial stability while growing to accommodate additional partners.

The Reed brothers’ partnership is based on sound financial management, conservatively paced growth, a commitment to high quality crops and high milk production, thoughtful planning and communication.

MECHANICS & MANAGEMENT
Incremental, planned growth, which included buying neighboring farms, has marked transitions at Reed Haven Farms. What began in 1942 with 60 acres and 12 cows has grown incrementally to today’s 170 cows and 1,200 owned and rented crop acres.

In 1948, the Reeds bought a neighboring farm and dairy, taking herd size from 12 to 50 head, and started milking in two locations. In 1963, the family built onto the main tiestall barn and put together the two herds, which had reached 80 cows. Then, in 1972, the family built a 50-stall freestall addition onto their barn. Four years later, the Reeds bought another dairy, which increased herd size to 125 head. A contiguous land base – all the land the brothers have bought is adjoining – creates efficiency.

Today, the brothers, who use a pipeline milking system in their tiestall barn, have a 21,000-pound rolling herd average. On their approximately 1,200 tillable acres, the Reeds grow hay, soybeans, oats, corn, barley, rye, sudax and some other grains. Protein supplement is the only feed the Reeds buy for their herd’s total mixed ration (TMR).

The brothers also do some custom fieldwork and sell some crops. For example, they sell 400 to 600 tons of their approximately 50,000 square bales to Pennsylvania farmers through a local trucker.

The brothers split responsibilities on the farm: Alan handles the milking herd and veterinarian work, Mason does herd feeding and breeding, and Dan runs the cropping program and looks after the machinery. The family does all its own machinery repair in a shop that’s second to none. And often when area farmers can’t find a part at the local machinery dealer, they turn to the Reeds who frequently have the part.

The partnership includes buying neighboring farms, which has added 1,200 owned and rented crop acres. What began in 1942 with 60 acres and 12 cows has grown incrementally to today’s 170 cows and 1,200 owned and rented crop acres.

The farm employs two full-time and a couple of part-time employees.

The brothers share the responsibilities of running Reed Haven Farms, with Dan leading in milking, Alan in breeding, and Mason in fieldwork.

THE FUTURE
Dan and Joanne have three sons: Andrew, a junior at Cornell; Justin, a freshman at Morrisville; and Corey, an eighth grader. They’re all involved in the farm operation, with an interest in crops and machinery. But the family isn’t pressuring the boys to return to the farm.

If any of the third generation joins the business, the partners recognize the farm must change again. Cow numbers might have to double, which would mean addressing the capacity of their facilities.

On the positive side, the land base has capacity to produce forages for a larger dairy without additional land acquisitions. In recent years, cash crop income has increased as the land’s productivity has out-paced the dairy’s...
growth. The partners like the future options this allows them. The brothers feel confident that the strategies that have served them in the past – slow measured growth, informal communication and thoughtful planning – will also serve them well in the future.

TRANSITION TIPS
Communication and planning are traditions at Reed Haven Farms. The following practices have helped guarantee smooth transitions in the past and surely will in the future:

• Each year the partners prepare a budget. They all review it carefully so that each person knows what he can spend without the other’s consent.

• The Reeds, who have not increased debt over the years, are committed to keeping it at a manageable level. They monitor cash flow and use benchmarks to ensure they’re in line with industry averages. Because of aging equipment and buildings, the Reeds’ net worth has not increased over the past few years, and they know they must update some things to preserve their resources.

• The brothers talk every day, though they don’t have formal meetings. They report never having had a disagreement.

• Each brother knows his responsibilities and takes care of those. There is no checking up on each other.

• The Reeds share ideas and goals, mull over options, and weigh the pros and cons of suggestions. They respect different interests and encourage each other’s talents.

• The Reeds keep family living low because they all live under one roof and can divide most family living expenses three ways.

• The partners don’t take a monthly draw but rather keep track of all expenses and make sure that all partners have withdrawn equal amounts, with an adjustment made at the end of the year if necessary.

The Reed brothers have a unique operation. They work hard but truly enjoy what they are doing. The next generation will have something to say about future transitions at Reed Haven Farms, but dairy and crops will likely be a part of it.

The above profile was written by Peggy Murray in 2004 and is part of a series titled “Profiles of Successful Strategies for Small Dairy Farms,” a publication project of the Northern New York Agricultural Development Program. The entire series may be found at the link: http://www.nnyagdev.org/dairyfarmprofiles.htm