

Penn State Cooperative Extension Capitol Region Dairy Team

IMPROVING THE FAMILY FARM Roland P. Freund Regional Farm Management Agent

The single family farmer today is something like a one-person band, attempting to play all the instruments at once and still maintain a steady beat. Things get pretty hectic at times, some beats get skipped, and many notes are missed. The stress on the player is often severe, and many

sour notes result.

Much has changed in the past 50 years to stress the family farmer. Groups of farmers used to combine equipment and labor resources to fill silo, thrash grain, slaughter and process hogs or cattle, and make apple butter. Facilities were generally low investment then, and labor efficiency was less critical to farm profitability.

Farmers today have become far more independent: attempting to control more of their own production



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processes. Each of them has invested more money in equipment and facilities — which they use for less hours per year than their grandparents did. The result is that payments on facilities, machinery, and equipment are crippling many a struggling small family farm.

Options which family farmers face under these conditions are to sell out, expand the business, specialize, or

cooperate. Let's look at the last two options and, using dairy examples, see what a family might consider.

Specialization would enable a family farm to be more focused, but still be an independent operation.

• Milk cows. Analysis of dairy farm businesses in Pennsylvania has shown that more than 40 percent of dairy operations could buy their feed cheaper than they produce it. This suggests that such operations should concentrate on milking cows and let others grow the crops for them. If they sell their field equipment, they can reinvest that capital in larger and better facilities and concentrate on what they do best.

• Grow feed. The same studies showed that about 40 percent of our dairies could have sold the feed they produced for cash and been more profitable than dairying. One such farmer could grow feed on his own and two other farms and supply the needs of those two expanded operations. He could do a better job of producing quality feed than the three did independently.

• Raise replacements. This is a popular form of specialization for elderly dairymen who still want to work with animals. To be financially successful, these farmers need to concentrate investment on baby calf facilities, minimize investment for older groups, observe careful biosecurity, and turn out several hundred head per year.

• Cooperate

— two-family operation. It has been suggested that two families could combine resources to operate a 300-cow dairy with a low-cost, labor-efficient parlor. Fieldwork does not have to stop to get the milking chores done, and each family can schedule weekends and vacations away from the farm.

• Multifamily farm. There are many ways that a group of farmers could combine to form a business in which each of them can be owners and managers. In dairying, the key is to get the return on a large parlor through high use and labor efficiency. The group might own the parlor, but individuals could each own a milk tank and a barn where they house their own cows. This arrangement might create more problems than it solves.

A better model might be one which is operated as a single business. Each family contributes capital to construct the total facility and furnish the cows. They might lease their land and equipment to the business and provide labor and management. The business could pay each member wages for labor and management, lease payments, and profit distributions based on their investment in the business.

• Business arrangements. Each of these options requires at least an operating agreement. The cooperative ventures also require the formation of business entities and some complex legal agreements. These will be the topic for another article in this series.

Reasners: 'We Show Our Milk Cows And Milk Our Show Cows'

HARRISBURG (Dauphin Co.) — Michelle Reasner and her husband, Jeff, milk their show cows and the rest of the JEMI herd on their farm in Newburg, Cumberland County.

While Jeff is kept busy working as an independent representative for Taurus, Inc. and Semex, Inc., Michelle cares for the herd. To meet the nutritional needs of the purebred Ayrshires, Jerseys, and several Holsteins, the cows spend most of their day grazing the different paddocks of the farm. During the summer and winter months, supplemental feed and forages are used. The JEMI herd is milked in a 67-stall barn twice per day and the rolling herd average is 16,500 pounds of milk, 5 percent fat, and 3.9 percent protein.

A walk into the farm office is like taking a tour of show awards and prizes. Banners, trophies, chairs, and many other awards are displayed. Michelle began showing cattle many years ago and has exhibited at the All-American Dairy Show for more than 15 years. Although the JEMI show string consists mainly of Ayrshires and Jerseys, a few Holsteins have also been known to sneak on the trailer and make trips to shows.

Michelle and Jeff's farm slogan is, "We Show Our Milk Cows And Milk Our Show Cows." This successful farm brings out many different animals and can be seen at numerous shows during the season.

Even with her busy schedule, Michelle still finds time to go "antiquing" and shares this love with her father, Darwin Braund. A visit to the farmhouse is quite a treat for any dairy antique collector. Some of the items were given to Michelle and Jeff and some were purchased on antique outings or visits to collectible shows.

One of the favorites is a Penn Gate Dairy quart milk bottle given to Michelle by the original owner of the door-to-door milk delivery business, Bob Gitt of Littlestown, Adams County. A rare pair of model Jersey cows are also very high on Michelle's list of favorites. Imported from Beswick, England, the pair was rescued by father, Darwin at a flea market where the previous owner was going to throw them away. A one-quart steel butter churn adorns one of the shelves of collectibles.

The Reasners display a Davis Swing Churn in their living room. It was the smallest of the six different sizes offered by the Vermont Farm Machinery Company of Bellows Falls, Vermont and is dated May 1, 1877.

One of the items Michelle will display at the Dairy Antique and Collectible Show at All-American is a gallon milk bottle used by the Singing Brook Farm during their bottling and delivery business. Obie Snider, president of the All-American board of directors, owned and operated this bottling business from the family farm in Imler. Butter churns, other milk bottles and selected collectibles will also be displayed by the Reasners at the show.

Many unique and rare items will be on display and/or offered for sale at the All-American Dairy Antique and Collectibles Show, which will be conducted Sept. 21-25 as a part of the All-American Dairy Show Week at the Farm Show Complex. For more information, contact Dr. Darwin Braund at (814) 863-1383.



Pennsylvania Crop Insurance Program

At Left: Sam Hayes, Secretary of Agriculture in the field observing first-hand a corn field ravaged by this year's drought.

The PA Crop Insurance Assistance Program has been extended for crop year Fall 2002 and Spring 2003. Benefits include:

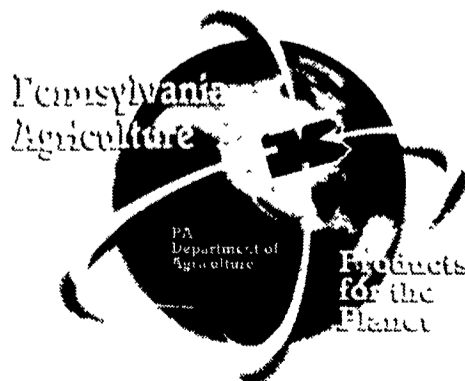
FREE "CAT" Coverage

**Discounted Premiums & Fees
(Paid for "BUY-UP" Coverage)**

To receive these benefits, contact a crop insurance agent today. List available at www.RMA@usda.gov.

Enrollment Deadline for Fall Seeded Crops: September 30, 2002

Sam Hayes
Secretary of Agriculture



Growers are encouraged to consider crop insurance protection as part of their farming risk management plan. All policy fees and approximately 20 percent of net premium costs are paid for the growers of Pennsylvania.