

## NEW FARMERS

## Our Story

by Sarah Van Orden and Daniel Millen

Having started up their own small dairy just a little more than a year ago, these savvy beginning farmers share the story of how - and why - they got started in farming.

Sunday afternoon naps. Stopping for sunrises, sunsets, and rainbows. Mud, wind, sun and snow. Facing the consequences of your own decisions. Late nights, early mornings, and all the time in between. Pride, excitement, hope and heartbreak. Getting up every single day, starting anew. All of this and more accompanies the choice to become self-employed in agriculture. While there are struggles, the rewards are immense.

For the past year we have been living this adventure as the operators of Vanillen Dairy in Trumansburg, New York. We strive to run a profitable business, believing that we must compete successfully to create a future for ourselves. But our passion for this life and lifestyle are just as important in achieving our dreams.

Vanillen Dairy was born out of necessity, but not without substantial detailed planning and a bit of luck. When Sarah entered college in 1998, it was with the stipulation that her herd of ten registered Brown Swiss would remain at her parents' farm in southeastern NY only until her graduation. While Sarah has an immense love for the Big Brown Cow and a deeply held belief that they are the breed with growing opportunities, the rest of her family did not share this enthusiasm.

Finishing her BS in Animal Science at Cornell University in 2001, Sarah entered the MS program in Agricultural Economics there with an anticipated completion of December 2003. Meanwhile, a part-time job at an Ithaca dairy farm led her to meet Dan, who had graduated in 2000 from SUNY Morrisville's Animal Science-Dairy program and was now working full-time on this farm. Although Dan was not from a farm family, he spent his teenage years working for a neighbor and then decided to pursue agriculture as a career.

### THE SEARCH FOR A FARM

By winter of 2001-02, we had decided to begin researching farming opportunities together. Our options were wide open as we joined both the NY FarmLink database and the Land Link Vermont program. These programs required us to complete a profile of our goals, experience, and assets. In return we received farm profiles from owners who were interested in some type of business transfer. At this point, we were mainly looking for an operation that would allow us to bring in cattle of our own and have a high degree of control over herd management.

In March 2002, we visited several farms in Vermont whose profiles had interested us. While some had potential, none were exactly what we were looking for, and we decided not to pursue any agreements at that point.

Later that spring a friend mentioned a farm in nearby Trumansburg that had sold their cattle but might be looking to rent the facilities. We met with the owner and the person renting the cropland, and discovered that our needs could easily mesh together. Forages could be provided for us to purchase, meaning we would not need to invest in field equipment or additional labor. The facilities were not fancy but were functional, there was adjacent pasture, and all the barn equipment had been left intact after the previous herd was sold. Rent could be reasonable and there was a house available, although it needed substantial repair to make it livable.

By this time it was summer 2002. Our employment on the Ithaca farm was growing unduly stressful and we were anxious to leave. Our first thought was to start out with just the ten Brown Swiss at the Trumansburg farm, and temporarily continue our employment elsewhere. But economically, it made more sense to spread our fixed costs over the maximum number of productive units, so we began to make financial projections and budgets based on filling the 54-cow tie-stall at the new farm.

### A FEASIBLE STARTING POINT

Having both held a variety of past jobs and internships, we knew that dairying was what we wanted to do, together. This was not our dream farm, but it was a feasible starting point that would allow us to gain business management experience and build equity; a stepping-stone to the future. Familiarity with many of the local service providers would make starting out much easier. Our low-ball budgets indicated that we could support ourselves from the farm full-time, and financing became our next concern.

Sarah's participation in the Farm Credit Fellows program at Cornell gave us a precise blueprint of a lender's expectations. In addition to three years of financial projections, we developed a business plan and loan proposal that detailed our goals, our plans for operations and management, and our own personal resumes and financial history. Our talents are complementary: In addition to dairy management, Dan's strengths lay in mechanics, crops, and carpentry, while Sarah prefers business management and the registered industry. Writing out Standard Operating Procedures for nearly every area of the business indicated to potential lenders that we were serious and that we had the skills and

knowledge to operate a dairy business. We even utilized our recent frustrating experience as employees while it was still fresh to write an employee handbook, even though we wouldn't be hiring employees for a while.

Our plans required financing for 40 head, a mixer wagon, and grain bin. An operating line of credit for cash flow insurance would later prove invaluable. We brought assets of cattle and cash savings to the table, which further strengthened our case. Purchasing registered cattle at slightly more than commercial values meant that our equity and collateral would still be shaky at first, and we wanted to pursue an aggressive amortization schedule. An FSA guarantee made the lender more comfortable and lowered our interest rate. Presenting a prepared, professional image with a balance of experience, equity, and earning potential excited a lender to work with us.

All systems were go by the fall of 2002. We spent weekends working on the farmhouse, perusing auctions, selecting cattle and ordering supplies. We moved December 21st and the first load of cattle arrived January 5, 2003.

### FOCUSING ON QUALITY

Our business goals revolve not only around producing high quality and high component milk, but also in merchandising replacements that meet high health and genetic standards. In building our herd, we took precautions to ensure that we would be able to develop these attributes in the future. We purchased cattle from reputable registered herds with solid health practices, in central and eastern New York. Moving cattle in January necessitated that we take these precautions, but we were thinking long term as well. Initiating a tight vaccination and testing schedule has kept our cattle healthy and producing, and played a

role in keeping our cull rate at 12% for the year. We are a NYSCHAP herd, testing for Johnes, BVD and BLV. Close communication with our herd veterinarian and nutritionist keeps all areas of herd management tied together.

We realize more and more each day the importance of building relationship networks and the benefits that these connections provide. Most of our cattle were purchased from herds we knew through our involvement with breed organizations. An agreement to purchase 12 head of Brown Swiss fell through at the last minute, which left us scrambling to fill the barn by our goal of March 1st. Ironically, our hoof trimmer mentioned a quality Holstein herd that was overcrowded, and we ended up buying 17 head from them, completely meeting our needs.

This is just one example of the many, many challenges that have unexpectedly worked themselves out for us; not without some effort, but with eventual outcomes better than we imagined. Putting ourselves in the right place at the right time has increased our luck. And while we may not think things are proceeding as planned, as long as our final goals are clearly marked, we can still work towards them.

How have we survived this first year? Predominantly by keeping stringent records and continuing to trim cost of production. Our budgets were based on an average price of \$12.35/cwt, which was significantly below the price forecasts in December 2002. Despite above average components and quality bonuses, our prices fell lower, but a decision that is profitable during low milk prices will be even more profitable when prices rise. Right now every month is a struggle, but if we can survive low prices, we feel we are prepared for the future.

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Sarah and Dan are building their farm business with top-quality Brown Swiss like these.

Photos by Sarah Van Orden

## New Regulations

(Cont. from Page <None>)

By Mariane Kiraly

On December 30, 2003, Agriculture Secretary Ann Veneman announced that downer cattle are immediately banned from the human food chain along with specified "risk" material and tissues. This ruling does not differentiate

between downer cattle with illnesses, broken legs, or any other reasons for becoming non-ambulatory. The only option now for downers is rendering or on-farm disposal. Rendering is not available in many areas of the state and can be cost-prohibitive.

Dairy cull cattle represent 8.7% of the total beef supply. Dairy cows, on the average, live between three and five lactations. In the past, some have left the farm as downers and farmers have been able to receive some money for them if they were transported to markets that accepted downers (such as in Pennsylvania). This is no longer an option.

The future of exported rendered products could also be jeopardized if there is a ban on the export of ruminant materials. Rendering fees will also be going up due to new rules and regulations that rendering companies now have to follow.

So, what happens to our downers that are not picked up by rendering companies due to cost and or availability of a rendering service? Since there is no longer a human food market for them, what should dairy farmers do to mitigate losses?

### MINIMIZE CALVING PROBLEMS

I consulted with local veterinarians Dr. Chris Camann and Dr. Jim Elwell, who explained that downer dairy cows are most common with calving and post-calving disorders. One primary cause is poor management of dry cows resulting in metabolic disorders. It makes sense to review your dry cow program with your veterinarian and

feed supplier to make sure you're providing adequate nutrition during this critical period.

Other problems such as twinning and large calves are not really preventable, except to the extent that using calving-ease A.I. bulls will help your first calf heifers and smaller cows have smaller calves. Paralysis can also be a problem with calving difficulties due to complications with milk fever and pinched nerves.

A bull-bred herd can be more susceptible to metabolic disorders because of inaccurate breeding dates or dry cow periods that are too short or too long. A regular herd