

Hard Times Make for Easy Choices

Written By Fay Benson, Graze NY educator with the South Central NY Dairy Team

Vaughn Sherman of Jerry Dell Farm, Dryden NY thought he had arrived at success with his dairy business in 1995; his BST treated herd of 300 milkers had the highest average production level in Cortland County, and his Harveststores were full of Alfalfa and Hi-Moisture Corn. By the spring of 1997 the creditors were calling, his cash flow failed to meet his cost of production and he was ready to talk to an auctioneer. A grazing advocate for the county stopped to talk to him about grazing. The hard times made the choice fairly easy; either, give up the business and the cows he loved, or take a chance on putting the cows out to graze.

Today Jerry Dell is a successful dairy, the herd of 350 still grazes and in 2001 they certified organic. They have brought four family members back into the business, and the future looks bright. This transformation isn't guaranteed by the transition to grazing but the key to success seems to be not what works on most farms but rather what works for the individual farmer. Vaughn says that he was managing his farm to maximize production, a way that works for many operators. The problem was that it didn't work for him. Managing a grazing operation seems to fit his abilities better than the production style that he was operating in 1995.

During this period of low milk prices most farms are experiencing hard times. Hard times can be a good time to evaluate your business and decide whether changes are necessary. Grazing is a proven way to produce milk in New York. Generally there is less capitol required per cow, production may be lower but the cost of production will also be lower. It isn't for every farmer, but it is a viable alternative if it suits your management style. A key piece of advice if you are considering making any type of changes to your operation you need to have good records to guide you. Financial records allow you to monitor how the change is affecting your farm, before you have gone too far down the wrong road.

You Can't Manage What you don't Measure

Since 1996 The Department of Applied Economics and Management at the Cornell University College of Agriculture and Life Sciences has collected and published business summaries for 30-50 NY dairy farmers that make use of Intensive Grazing on their farms. The following are some of the excerpts from these Dairy Farm Business Summaries (DFBS).

Intensive Grazing vs. Confinement Farms: Average 1996-2006*

| Item | Grazing Farms | Confinement Farms |
|------------------------------|----------------------|--------------------------|
| Number of cows | 91 | 90 |
| Milk sold/cow | 17,025lbs. | 18,982lbs. |
| Operating cost/ cwt | \$10.73 | \$11.40 |
| Total cost/cwt | \$16.21 | \$16.81 |
| Net Farm income/cow | \$467 | \$365 |
| % Return on equity | 3.94% | 1.18% |
| Purchased feed+crop exp./cwt | \$5.05 | \$5.29 |
| Veterinary+medicine exp./cow | \$65 | \$87 |
| Machinery cost/cow | \$509 | \$591 |

*This data was compiled from annual averages reported in the year-appropriate DFBS. The data set for each year may include different farms, as the farmers who return surveys vary.

One of the biggest challenges confinement dairies face when they begin the transition to a pasture based dairy is the probable drop in milk production. For years there has been an unstated link

Prepared by Fay Benson, Grazing Educator with Cornell Cooperative Extension, Cortland County
To purchase a copy of the DFBS, contact Linda Putnam – (607) 255-8429 or email lpd2@cornell.edu

between milk production and profitability. Many dairies will give up on the transition when the level of milk in the bulk tank starts to drop. For those that complete the transition and who have kept good records, they find that there is usually an economic return from pasture, (as indicated by the above chart).

Profits are not the only benefits that NY dairy farmers have discovered by converting to a pasture based system. The Grazing-DFBS asks each year “Has the adoption of grazing impacted your family’s’ quality of life?” The respondents have answered positively 80% of the time. Some of the other comments are:

- Environmentally friendly
- Reduced chore time
- Healthier cows
- More opportunity to involve the children
- Positive comments from neighbors and tourists

How to get started in Grazing

There are three ways to begin the evaluation of how grazing might impact your farm:

1. First is to contact your local Extension office to find out where to get information on grazing.
2. Second would be to contact your County SWCD office to inquire about planning a grazing system for your farm and whether there are any grants to help with the infrastructure required.
3. And third is to talk to other dairies in your area that practice grazing.



Jerry Dell Farm 1995; Today the Harveststores are gone and 300 acres of pasture surround the farm.

Prepared by Fay B

To purchase a copy of the DFBS, contact Linda Putnam – (607) 255-8429 or email lpd2@cornell.edu