



Profiles of Successful Strategies for Small Farm Dairies

A project of the Northern New York Agricultural Development Program

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

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 & Resources

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

Dan is the only brother who is married and his wife, Joanne, does the business' bookkeeping as a paid employee. The three brothers own all the farm's assets equally.

Business resources used by the Reeds include:

- Joanne uses Quicken to keep financial records.
- Dan, the "king of spreadsheets," uses them to track many of the farm's projects.

- The Reeds participate in Cornell Cooperative Extension's Dairy Farm Business Summary, using it to help analyze their business.
- They use Cornell Cooperative Extension as a resource and, depending on the program area, one family member tries to attend sessions.
- The partners receive publications from Jefferson and Lewis counties Extension services, and they read farm publications to stay current.

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 Northern New York Agricultural Development Program

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