



Profiles of Successful Strategies for Small Farm Dairies

A project of the Northern New York Agricultural Development Program

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

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, buy replacement heifers and raise 50 head of beef cattle. Larry raises the beef animals to approximately 500 pounds; then sells them to his father in Pennsylvania who raises them to maturity. This allows the Herrs to tap into Lancaster's good market for beef cattle, which Lewis County and the surrounding areas lack. Larry hires a local trucker to haul cattle to Pennsylvania.

Mechanics, Management & Resources

Initially Larry used his existing facilities to house beef. Then three years ago he built a Coverall building to house them in the winter. The rest of the year, the beef herd is rotationally grazed.

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 can 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.
- Trade magazines give Larry useful information.

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:

- Assess their situation.
- 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.

For Larry and Barbara the transition went fairly well. Beef usually calve in the spring, so they must double up on labor at that time. Larry has an all-hay program, so he is not planting field crops when beef cows are calving.

Larry and Barbara gauge their success on whether or not they still enjoy what they do and can pay their bills. Benchmarks don't drive them. Larry makes good quality milk and has a good market for his beef cattle. Those are important.

The Northern New York Agricultural Development Program

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