



NNY Dairies Share Success Strategies

A project of the Northern New York Agricultural Development Program

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Hidden View Farm, Clinton County: Changes Support Future of Three Brothers' Families Plus Parents' Retirement

Daniel and Don Tetreault began working with their father John Paul on the family's Champlain, N.Y., dairy in 1977 and 1978 after each of them graduated high school. Their younger brother Dale joined the dairy in 1984. They bought their uncle's dairy next door and formed a three-way partnership in 1989.

During the 27 intervening years, the Tetreaults have bought land, grown cow numbers internally from 112 to 650, and improved facilities and structures. They currently own 891 acres, 510 of it tillable, and rent another 150 acres.

In 2005, the Tetreault brothers formed a limited liability company (LLC) for the equipment only. The LLC owns the equipment, runs the business and leases other assets from the brothers' partnership. One goal of this structure was to protect family from liability.

Transitions and changes have been done with two goals in mind:

1. To support three families and the brothers' retired parents.
2. To grow for future generations.

Mechanics, Management & Resources

Many of the changes the Tetreaults have made during their lengthy transition center on their facilities and their cropping program. They built a 214-stall freestall barn in 1995 and moved their herd from an old freestall barn. At the same time they abandoned their double-8 parlor and built a double-8, which they expanded to a double-12 in 1999. In 1990, the brothers built bunker silos to accommodate their change from baled hay to haylage and a total mixed ration (TMR). In 2005, the brothers built an additional freestall barn to accommodate their herd growth.

The fact that the brothers have grown internally, sparing them the cost of buying cattle, has been a boon to their dairy's financial security. Studies done by Farm Credit show that dairies with strong internal herd growth are more financially secure than those with less

internal herd growth. This dairy produces 1 million pounds of milk per man, due in part to their excellent feeding program.

To make the best use of their resources and time, the Tetreaults have heifers custom raised from 3 months of age to one month prior to calving, at approximately 23 months. The brothers mow and windrow hay, plus pack the bunker silo, but they hire a custom harvester to chop forages. They also hire a custom operator to spread manure, which is plowed down immediately.

Daniel is responsible for herd health, feed management and protocols. Dale is the labor and herd manager. Don has responsibility for the cropping program and equipment maintenance. Their mother, Gloria, keeps the financial records and does the necessary paperwork for the Cornell Dairy Farm Business Summary. The brothers share decision-making and oversee finances. Each of the brothers has pursued continuing education, attending accounting and business administration classes at Clinton Community College.

Hidden View LLC employees one full-time person and 10 part-time people who milk and do barn cleaning.

During their transition and the development of their business plan, the Tetreaults made excellent use of consultants, seeking advice from a number of sources: Cornell Cooperative Extension, attorneys, their Yankee Farm Credit lender, their accountant, PRO-DAIRY, agribusiness and other farmers.

Working with other's input, the brothers completed a business plan before their transition. It was helpful in projecting income and returns. They make good use of various financial summaries, such as the Farm Credit dairy benchmark study and the Cornell Dairy Farm Business Summary, to monitor their business' performance. The family believes that good financial records are essential to business success.

The Future

The Tetreaults' goals are to grow 10% internally per year, compared to the norm of 5% internal growth. The brothers plan to add 200 stalls onto their freestall barn and to build a new barn for fresh cows.

The Tetreaults are currently doing estate planning with the goals of setting up buy-out provisions and separating their residences out of the business. They're also drawing up living trusts.

Though their financial position has generally been excellent, with the exception of some tight cash flow at the beginning of the transition, the Tetreaults always strive to do better financially.

Transition Tips

Transitions can stress even the best family relationships. But the Tetreaults have weathered the growth and change of their dairy business well. Critical to that is the brothers' ability to share decisions and trust each other explicitly.

Other keys to a successful transition suggested by the brothers include:

- Hold regular family meetings to discuss the business and future plans. The brothers also met as a group with lawyers.
- Cooperation, communication and understanding are critical to the success of a transition and to the future of Hidden View LLC. Good communication makes the changes go smoothly.
- It's important not to have secrets, especially about finances.
- Prepare yourself for long hours as you make changes and increase the size of your business. You have to love what you're doing, the Tetreaults said.
- Write out one-year, five-year and 10-year goals for your farm business.
- Have a means to assess if your transition and business are successful. For the Tetreaults, profitability is one measure. They also evaluate whether they still enjoy what they're doing and have pride in their work and their dairy.
- Keep a positive attitude and be patient.
- Remain committed to your goals.

The Northern New York Agricultural Development Program

The Northern New York Agricultural Development Program provided funding for a project that profiles NNY dairies and their success strategies, found online at www.nnyagdev.org. The Northern New York Agricultural Development Program is a farmer-driven research and education program specific to New York state's six northernmost counties: Jefferson, Lewis, St. Lawrence, Franklin, Clinton and Essex. Thirty-three farmers serve on the Program board led by Co-Chairs Jon Greenwood of Canton (315-386-3231) and Joe Giroux of Plattsburgh (518) 563-7523. For more information, contact Jon, Joe or R. David Smith at 607-255-7286 or visit www.nnyagdev.org

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