

# Tools for Transition

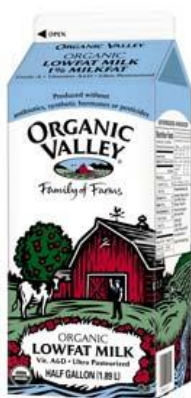


## Update

Summer 2013

### LIFE-LONG DAIRY FARMER EXCITED ABOUT FARMING AGAIN!

Photo credits: examiner.com (cow) and organic valley.com (milk carton).



Kent Hoehne, a life-long dairy farmer from Frazee, Minnesota, says that for the first time in 30 years, he's "excited about farming." Kent operates a 60-cow dairy with 120 acres of pasture. His animals were certified organic in October 2012, the pasture land in 2011. "I'm excited because, as an organic farmer, you are 'farming' – you have to think about rotations, learn about the viability of soil," says Kent. "If I'm excited, maybe I can pull some other young person along with me and get agriculture going again in our town."

**Motivation for transition:** Kent actively participates in a farm management group that includes other dairy farmers. In 2010, another producer in the group shared organic profitability statistics from an annual *Organic Farm Business Management Report*. "The worst organic producer group [in the report] blew us out of the water [financially] and we had had a good year!" explains Kent. "I figured I better start paying attention to organics."

According to Kent, his farm's profitability had been flat or declining over the past decade. "So, when I saw the profitability numbers for organic," Kent explains, "I said to myself 'we're doing this baby – we're doing this as soon as we can.'"

Kent describes himself as a low cost producer who already had been grazing his animals prior to making the transition to organic management. "We'd always had them on grass as much as possible," explains Kent. "That was a skill set that we already had. I've been raising cows this way (rotational grazing) for 25 years."

In late spring of 2010, Kent and his wife, Amber, went to an Organic Valley regional meeting to learn about co-op membership. Within months, they joined Organic Valley, began actively transitioning their herd, and started collecting \$2/cwt transition payments. The pasture land certified "right away" in 2011. The Hoehnes purchased all supplemental feed prior to and during transition.

**Challenges:** Kent hasn't always sounded so positive. His transition of the dairy herd in 2012 almost "ruined" him financially. "During our third year of transition [when selling conventional milk and feeding organic grain] milk was going for \$16/cwt and organic corn for \$18/bu," Kent explains. "That's not *hard* to cash flow – that's impossible. We had to sustain that kind of [negative] cash flow for four months."

Kent made it through the last four months of transition by digging into savings and postponing operating payments to finance organic feed purchases.

**Successes:** In October 2012, the Hoehne's cash flow turned around. "With organic milk at \$28/cwt, this thing gets really exciting in a hurry," says Kent with a smile. "My FSA banker took a look at our organic pay price and said 'you've got repayment capacity coming out your ears.' I've never heard a banker say that!"

### For More Information:

Read more about the Hoehne's transition experience online: <http://eorganic.info/toolsfortransition/farmers>.

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# Tools For Transition *Update* Continued

## SHARE THE NEWS: SCHOLARSHIPS AVAILABLE THROUGH 2013!

Financial management scholarships are available to transitioning and newly certified (less than 3 years) dairy producers and field crop farmers. Scholarships pay up to 90 percent of Farm Business Management (FBM) Program tuition annually (tuition is approximately \$1,700/year). For more information about the FBM program, visit: <http://www.fbm.mnscu.edu/>. Contact Organic/Diversification Program Principal Administrator Meg Moynihan at [meg.moynihan@state.mn.us](mailto:meg.moynihan@state.mn.us) or 651-201-6616 for scholarship information. Or, share the news! Include a copy of the above scholarship announcement in your newsletter or on your organization website!

## RESOURCES: FORAGE ASSESSMENT, PRICING, SUPPLIES



Photo credit: Dave Nicolai.

Reports of forage shortages are beginning to crop up on the nightly news and in regional farm journals. Shortages are attributed to last year's prolonged drought. And it doesn't look like things will be getting much better. Farmers are describing severe alfalfa winter injury and winter kill across southern Minnesota and Western Wisconsin. University researchers say the alfalfa damage is due to two years' previous drought and a tough winter.

The expected late first crop harvest and subsequent poor alfalfa quality is already putting pressure on available forage supplies and prices.

If you are planning to purchase forage – organic or conventional – check out the University of Minnesota's Upper Midwest Haylist: <http://www.haylist.umn.edu/>. This resource – a classifieds for hay – lists forages for sale as well as forages wanted. While currently not very active due to limited supplies, the site is well designed for searching and is worth keeping your eye on this summer.

Other classified-type resources include farm journals as well as:

- OFARM – suppliers of organic grains and forages. <http://www.ofarm.org/> or (920) 825-1369.
- NFOrganics (NFO brokerage). <http://www.nfo.org/Grain/NForganics.aspx> or (800) 306-3913.
- Craigslist (Internet classifieds searchable by county). <http://geo.craigslist.org/iso/us/mn>.

If you are concerned about alfalfa field quality on your farm, the University of Minnesota Forage Team, in collaboration with the University of Wisconsin, has developed an assessment tool as well as recommendations for alternative early forage options. The assessment tool can be found at <http://www.extension.umn.edu/forages/winter-injury-of-alfalfa/> or by contacting Dairy Nutrition and Management Specialist Jim Salfer at 320-203-6093. Alternative forage feeding strategies can be found at <http://www1.extension.umn.edu/agriculture/dairy/forages/early-season-forage-supplies/index.html> or by contacting Jim Paulson at 507-536-6300.