

Living Within Our Means

2009 MMPA District 2 OYDC Steve Post and Pam Shenk

Milk prices weren't great when Steve Post and his wife, Pam Shenk, began farming less than 5 years ago but being a start up farm that entered into the dairy business during a time of depressed prices gave the couple unique insight into weathering last year's record low milk prices.

"It's important to not assume that you're always going to be making \$18-19 per cwt. on your milk," Steve says.

Since starting Rosable Dairy Farm in 2005, Steve and Pam have seen milk prices fluctuate from \$10-22 per cwt. and back again.

Meanwhile, most input costs during this time have increased, some doubling. While good management practices help during these ups and downs, the couple says there comes a time when the best management practices cannot overcome the negatives of the market.

"It's important to be very careful about debt," Pam says. "Even the small debts that come up—such as clothes and other small expenses such as small equipment we purchase can all add up, and that's money that could be going toward day to day expenses. You really, really have to live within your means."

To save cash flow in the barn, Steve changed the herd's TMR by backing some of the protein out of the ration and basing the new ration on 70 lbs. of milk per day. Since the cows are milked in a tie-stall set up, Steve was able to topdress additional protein for each cow based on individual production during milking time.

"It made more work for me, but it did save money," Steve says.

Steve also culled cows a lot harder than he had before, getting rid of those that couldn't pay for their feed bills and weren't getting

pregnant.

"We might have held on to them a bit longer and tried to work with them a little more had milk prices been higher, but they were just costing money to keep in the herd," Steve says.

Since buying the farm in 2005, Steve and Pam have worked to improve their 39-acre homestead as money and time allowed. This year, the couple didn't start any new projects, but did finish one that was already in progress.

"We'd already paid for the lumber and labor was free," Steve says. "We added a lean-to roof over a drive-by feed aisle we'd put in last year as part of the freestall barn."

Steve and Pam choose to invest in their registered cows over putting a lot of capital into their facilities. The couple says they would eventually like to install a parlor and make other facility improvements, but the cows come first.

"You're better off having really good cows than having really good facilities," Steve says. "We just try to make our facilities work. If you don't have cows that can produce and last, it doesn't matter how nice your facilities are, your cows aren't going to improve because of your facilities."

Steve breeds for type and longevity. The Rosable Farm herd consists of 90 percent registered Holsteins and 10 percent registered Brown Swiss.

"Our oldest cow in the herd is 12 years old, and is at 270,000



Top: The Post-Shenk family: Pam, Mable and Steve.

Bottom: Rosable Farm.



lbs. of milk lifetime record,” Steve says. “She’s bred again, so I think she’ll go over 300,000 lbs.”

While he doesn’t breed cows specifically for show, Steve says the herd does produce show worthy cows.

“We’re not breeding for show cows, but if we have a good one we show it,” Steve says.

Last spring, the farm had several nice show calves that Steve and Pam sold privately and in sales, helping the farm’s cash flow from two standpoints: fewer heifers to feed and additional revenue from the sales.

Fortunately for Steve and Pam, two years of favorable milk prices and frugal management practices allowed them to have the cows, equipment and some of the debt load paid off before prices took a downturn. When they ran into some cash flow issues last year, the couple was able to take out a small loan from a family member to help cover their operating expenses for a few months. Around the same time, they also received an inheritance, which came as a welcome surprise.

“We were able to pay off some debt with the inheritance and that felt good,” Pam says.

Farming is a stressful and time demanding profession, particularly when finances run thin. Pam, a counselor at Northridge Middle School in Middlebury, Ind., reminds all farming families, and particularly people just starting out, to make sure they honor a segment of their life that involves non-farming things.

“It’s hard to do, but it’s important,” Pam says. “Somebody has to be conscious of taking breaks and spending family time, it’s not just about the farming.”

Steve agrees, saying he tells Pam to make sure she reminds him to stop working and spend some family time.

While Pam would like to be able to stay at home all of the time and help Steve out as “free” labor, the couple says it’s just not feasible at this time. For now, Pam helps out in the evenings, weekends and a lot in the summer. During summer, she and the couple’s daughter, Mable, 2, help out with the calves.

“If Pam didn’t have her job, we wouldn’t have

made it this year,” Steve says.

Steve’s dad, Dan, a retired school teacher, helps fix equipment, make repairs and assists with construction projects on the farm. The couple also has one part time employee who helps during milking time.

Steve says even though his father was not a dairy farmer, having him help out on the farm is invaluable, both from a labor standpoint and management standpoint. Steve and his father frequently chat about different ideas for the farm, helping Steve process which ideas are feasible and how he will implement them.



Rosable Dairy Farm Facts:

MMPA Members of:
District 2 and the Constantine Local

Herd size: 65 milking and dry, 60 replacements

Acres farmed: 60

Milking set-up: 48 cow tie stall with 4 milkers

Ag and community involvement: Steve is a delegate of the Constantine Local.

“One thing that makes a difference on our farm is...Our first generation farm was started from scratch.”