

Living the Dream: The Start of a Family Dairy

By Raylene Nickel

The contented lowing of cows at dusk, the brisk rhythm of the milking machines at dawn, these had meant nothing to Gabrielle Rojas as a teenager. Then, the work on her family's dairy seemed little but drudgery.

But by the age of 20 her experiences at other jobs shed new light on the past. She began to remember the romance of a dairy cow and found herself longing to find a way back to the farm as a way of life. "Dairying is what I wanted to do; it became my dream, and I had to figure out how to get there," she says.

The journey back was winding and demanding. For with her family's dairy long since gone, her path was of necessity self-determined.

Yet she at last overcame formidable start-up odds and today, at 35, Gabrielle and her husband, Julio Rojas, are living the dream on a farm near Wausau, Wisconsin. Together with children Jade, Jonathan and Reyden, they run a dairy using leased facilities and milking 66 cows they own outright.

Their stepping stones have been both carefully planned and fortuitously accidental. Among these have been hard work, methodical gathering of experience and education, care in managing finances, access to dedicated mentors in grazing and dairy management, and the good fortune to find retiring dairy producers willing to give them a break.

The sum effect is simple yet groundbreaking for the family. Julio's words say it best: "It feels good to milk your own cows."

STEPS TO GABBY'S START

Dairying has long been Gabby Rojas' dream. So after years of working for dairy farmers, Gabby wondered whether or not she and her husband, Julio Rojas, could make a go of it by buying the land and restoring the rundown dairy facilities of her parents' farm near Wausau, Wisconsin

But the price tag of the renovation combined with buying the land was just too steep.

"The amount of capital it would have required to buy the land as well as put in a milking facility was staggering," she says. "Even if we would have qualified for the loans, we didn't want to take on that much debt."



Mentor Grazier
Wendy and Greg Galbraith

Apprentice
Gabby Rojas

Location
Aniwa, WI



"Part of Gabby's income from working for us was in the form of animals. Cattle are a great investment because they reproduce."

- Wendy, Master Dairy Grazier



Gabby had earned equity in cattle during her Apprenticeship and, in preparation for a beginning farmer loan from the USDA Farm Service Agency (FSA), she and her husband, Julio, developed a business plan with the help of DGA's financial advisor.

DAIRY  **GRAZING**
— APPRENTICESHIP —

She kept working for other farmers until a crisis came in 2009. Both Gabby and her husband lost their jobs on a dairy farm, with no advance warning. The sudden loss came just 10 days before they had planned to sign a purchase agreement on a home.

Further motivated to build a self-determined life, Gabby enrolled in Wausau's Northcentral Technical College, aiming for a two-year associate degree in dairy science. "Maybe this will help us get to where we want to be," she told Julio.

Indeed, these words were prophetic. As her class work unfolded, she soon caught the eye of farmer-instructor Wendy Galbraith. Impressed by the young woman's determination and eagerness to learn, Wendy invited Gabby to do an internship on the grass-based dairy she owns with her husband, Greg, near Wausau. The internship was a required component of Gabby's college curriculum and comprised 200 hours of on-farm labor.

During the internship Gabby's work and commitment so impressed the Galbraiths that they invited her to take a step further by working on their farm for two years as an Apprentice enrolled in the Dairy Grazing Apprenticeship (DGA).

At the completion of both the Apprenticeship and her two-year dairy science degree, an opportunity came that at last opened the door for Gabby and Julio to start dairying. The open door found them well prepared.

Here's a closer look at the methodical and long-term steps leading to a dairy farm of their own:

Embracing the vision while learning. Once Gabby identified her dream, she had the courage to keep it in view and work for it, despite the obstacles. Willing to enter a dairy career at whatever point the industry offered open doors, Gabby, along with Julio, worked for a number of dairy producers.

"I've had fantastic experiences working for a handful of different farmers," she says. "I've learned about different systems of production, and the experience has shown me that what works on one farm, might not work on another."

With her sudden loss of employment, she resolutely turned toward what she perceived to be the next obvious open door: enrollment in a two-year dairy science program.

Fortuitously, this move also presented the unexpected opportunity to participate in the DGA when she caught the attention of farmer-instructor Wendy Galbraith. But even in this, it was Gabby's own positive attitude and work ethic playing key roles in the opening of the door.

"I came to see that Gabby was very serious about farming on her own," says Wendy. "She was responsible, trustworthy and eager to learn. We knew that if she were to work for us we would be able to leave her with the keys to our place, and that she would treat it as her own."

Completing the Apprenticeship while also wrapping up her college curriculum and caring for family indeed presented a heavy workload requiring dogged determination, but Gabby pressed forward, leaning on Julio's support and encouragement, along with help from her sister, Anna Genrich-Szymanski.

Managing finances wisely. When Gabby and Julio found a viable start-up opportunity requiring financing from a commercial lender, they had already built some equity to help secure the loan. For starters, they had already purchased 20 acres.

Besides providing equity, this acreage offered a place where Gabby could develop purchased newborn dairy heifers into producing cows. “Part of Gabby’s income from working for us was in the form of animals,” says Wendy. “Cattle are a great investment because they reproduce. As dairy graziers, we consider the investment in cattle to be a priority. Once you have the cattle, they will provide the equity needed for everything else, like machinery and infrastructure.

“By the time Gabby’s Apprenticeship with us was over, the calves she’d acquired had matured, and she had seven first-calf heifers that she owned outright,” says Wendy. “These provided equity she could use in securing the loan from the Farm Service Agency.”

An absence of personal debt was another factor playing in the Rojas’ favor when applying for a loan. “Up until the last year we’ve never had a credit card or a car loan,” says Gabby. “We saved up so that we were always able to pay cash for whatever we needed. We didn’t want to live on plastic.”

Pursuing opportunity. When a start-up opportunity came, it came unexpectedly and required Gabby’s willingness to take the interpersonal risk of exploring options with neighbors. “My mom had been talking to our neighbors, Ernst and Maya Sturzenegger, and they had happened to mention that they were planning to retire from milking in the next year,” says Gabby. “With Mom’s encouragement, Julio and I went to talk to them.”

The beginners and the retiring farmers met several times, discussing ways the Sturzeneggars’ established cow herd and their milking facilities could be made available to the Rojas under conditions workable for both families. The outcome was the sale of the herd of 54 cows to the beginners and a three-year leasing of the facilities along with a 60-acre pasture.

Since the Sturzeneggars’ goal was to retire only from dairying while continuing their growing of cash crops and harvesting of hay, the Rojas are able to buy hay from them as well as corn.

The sale price of the cows and the terms of the lease were the outcome of discussions between the beginners and the retiring couple, as they explored the mutual needs of each family. The Sturzeneggars gave a higher priority to helping a beginning dairy family get started than to their earning of fair market value for their possessions.

Writing a business plan. When the opportunity came to buy cows and lease facilities and pasture, Gabby sought advice from financial advisor Tom Cadwallader. Within the Dairy Grazing Apprenticeship, Tom works with both Mentors and Apprentices seeking help with business planning and financial management.

“When I did the financial analysis on the business arrangement she and Julio were exploring with the Sturzeneggars, it worked pretty well,” says Tom. “So, I looked at various other scenarios as well. For instance, I did the projections using a high cost of feed and a milk price as low as \$14, and the projection was still positive.”

With the positive financial analysis Gabby next set her sights on applying for a beginning farmer loan from the USDA Farm Service Agency (FSA). In preparation for this she worked at completing the business plan she'd begun writing as part of her coursework for the DGA. She took the finished business plan to Tom for screening before submitting it to the lending agency.

“A business plan helps clarify and organize your ideas to see if they can actually work,” says Tom. “And it helps to tell your story to people who may potentially invest in your dream. And so, in the writing of her plan, I encouraged Gabby to brag about herself and her experience in the initial page where you introduce yourself,” says Tom. “In the next segment of the plan she did a nice job of describing what they wanted to do with the farm, their plans for the grazing system, and their family goals.”

Other details, including the accurate numbers she was able to plug in for projected costs and income, further contributed to the excellence of Gabby's business plan. She took the time to learn from the Sturzenegggers the annual cost of utilities, for instance, and the annual production of the cow herd.

A distinct advantage of the arrangement is that she and Julio purchased cows already adapted to the environment in which they would continue milking. Thus, they could expect the herd's replacement rate to remain stable. “People often underestimate the potential impact of moving cows to new facilities along with changing their management,” says Tom. “When you do this, you can typically expect to replace 30 to 40 percent of the cows in the first year.”

Gabby's business plan and financial projections indeed succeeded in securing several low-interest loans from the FSA. The loans cover the business arrangement with the Sturzenegggers and also the purchase from her parents of a home and 40 acres located just a half mile from the leased dairy.

Funds they borrowed from FSA fall into three loan categories, with terms extending up to 15 years and interest rates ranging from 1.5 percent to 3 percent.

The financial and business advice Gabby gleaned from Tom is just a sampling of the services he offers DGA Apprentices and their Mentors. He is prepared to help with more complex interactions, such as the establishment of spinoff farms, expansion of existing dairies through milk-share arrangements, and transfer of farm ownership. Graduates of DGA are also qualified to be farm managers.

Putting the plan to work. On July 1, 2012, Gabby and Julio began selling milk in their own names. Working within their leased tie-stall barn, they often get help from their children with the daily chores. Fourteen-year-old daughter Jade helps with the milking when her school schedule permits. Eleven-year-old Jonathan washes cows during some evening and weekend milkings, and 6-year-old son Reyden also washes a select group of particularly gentle cows.

Jade has already begun applying her labor in the family's dairy toward the purchase of a heifer from within her parents' herd. The acquisition will enlarge the personal herd of two she's already acquired from her labor at the Galbraiths' dairy, where she periodically worked beside her mother.

Back at their own small farm, the children also pitch in to help with the tending of pigs and chickens, all contributing to the family's dinner table. “We want to raise as much of our food as possible,” says Gabby.

Her dream has certainly at last worked its way to fruition, and she now spends her days from early till late caring for her own cattle. Julio milks in their own barn and also works part time for a dairy nearby.

Gabby's mother, Rose, and step-father Bubba Gaines, who both live with the Rojas, help out with the family's busy schedule. "When I'm working in the barn early in the morning, I know that my mom is going to make sure that the kids get on the bus just fine," says Gabby.

Trying to remember to put family first is a priority for Gabby and Julio. "Our kids are involved in activities like school band and orchestra, sports and 4-H," says Gabby. "We don't want to sacrifice their activities because of our busy work schedules. And that's been a challenge."

Gabby learned from the Galbraiths the importance of remembering to take a break from work and enjoy time away as a means of staying fresh and keeping a positive perspective.

Other lessons drawn from Greg and Wendy center on designing and managing a grazing system with the goal of rejuvenating pasture forages so that these supply an increasing percentage of the herd's needs for feed. In order to manage grass in a rotational sequence providing sufficient periods of rest from grazing, the Rojas' pastures require crossfencing.

With the help of cost-sharing from the USDA Natural Resources Conservation Service, they plan to install a four-wire perimeter fence that will withstand deer. Additional cross fencing will split the main pasture into three paddocks, each further divided by temporary cross fencing of polywire and step-in posts.

The 40 acres at their home farm, where heifers are developed, will be crossfenced into eight paddocks.

By purchasing all their grain and hay, the Rojas are able to delay investing in machinery – another startup strategy learned from the Galbraiths. "We didn't want to begin farming by taking out huge loans for tractors and machinery," says Gabby.

The Galbraiths learned this tactic from hard-won experience. When first starting out, they invested heavily in equipment but soon found themselves going backwards. By shifting to a grass-based system of production they were able to downsize their line of equipment because there were no grain crops to harvest, and cows did most of the harvesting of forages themselves along with the spreading of manure.

"As we started having more success, we bought machinery selectively," says Greg.

Among the purchases were a round baler and no-till drill. Baling and seeding forages had previously been done by custom operators, and because of that the purchasing of the two pieces of equipment were not absolutely needful but made possible by the increasing profitability of a maturing operation. "In a sense you might call them luxuries," says Greg.

Though her official Apprenticeship with them is completed, Gabby continues to view Greg and Wendy as Mentors, experts willing to field questions and share insights.

The Galbraiths view their participation in the DGA as a rewarding responsibility. “It was nice to have help from Gabby, but we didn’t just see her Apprenticeship as a means of acquiring labor,” says Greg. “We felt a responsibility to take time to teach her.”

Wendy adds: “We are happy to have the opportunity to help shape a new generation of dairy farmers who are able to buy their own farm and continue the tradition of family-owned dairies.”

For Gabby, the Galbraiths are godsend along the winding path leading to her dream of dairying. “It’s so true – when one door closes, another opens; we’ve been very blessed by open doors. Our journey hasn’t always been a walk in the park, but prayer carried me through. That, and always remembering to be thankful for what we already have.”