

Those who build up assets by farming, retire much better off than those on a salary.

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Introduction

There are many benefits and good points in working on or owning a farm, even a small one.

What is a small farm? Five hectares in one country or area, 50 in another, or 500 in another? In New Zealand, there is a Small Dairy Farmer group of those with fewer than 250 cows.

Today, cost efficiencies are essential on all farms, but especially on small ones. It is not always possible or viable to increase the size of your farm or to buy a bigger one.

In New Zealand in the 1950s, 60 cows was the average dairy herd size and gave a good living. That number allowed us to buy a three bedroom house out of income in 1958, three years after buying the farm. In the 1960s, the average herd size was 100 cows, which allowed a farmer to put three children through private boarding school. Now the average is 390 cows for a lower living standard, partly because costs and regulations have gone up so much.

Buying the neighbour's farm, or more land, when what you already have is not earning a salary for you, and is 8% before tax, is making you cash poorer but asset richer. When capital gain was rampant here in New Zealand, it gave assets for retirement, but not now, nor likely in the future. Farm land prices are already much too high for the return.

Farm net profits have been dropping for 50 years that I know of and there are no signs of a change. Profits are still reducing as costs increase. Official urban inflation in New Zealand is under 3%, while farming inflation rates are much higher.

Suggestions

Look into buying or leasing a small farm close to your nearest town and on a main road (obviously not on a motorway), and producing and selling retail - cow and goat milk, pig meat, poultry (eggs, young chickens and broilers), vegetables, fruit, Christmas trees, etc. Have tame horses and sell rides to children. Graze horses, which is more profitable than grazing other animals. Make and sell compost. Breed and courier to buyers Caliginosa earthworms (not Foetida, Tiger or compost worms because many already do so) to all New Zealand at \$150 per 1,000 plus freight. No one else is doing this. John Stemmer in Motueka did so for decades. Tell me if you do and I'll encourage our subscribers to buy them from you. One 400 cow dairy farmer client bought 10,000 earthworms to spread over all his 150 hectare farm. His new consultant stopped him applying CalciumMagPlus, so his earthworm numbers had decreased hugely!

Farm profits

Points that may help include -

1. Be efficient. **Avoid** over-capitalising with concrete, buildings and too many cows. One dog is enough for cows. We paid NZ£20 for ours in 1955, the equivalent of NZ\$2,000 in 2014. You could breed and sell good ones like her. Read Dogs, to see how she saved us time every day. There are dairy farmers who don't have one, so they walk or drive into a paddock to fetch (chase) cows out for milking, wasting time every day. Our dog became friends with the cows and moved them gently, while I went ahead to get the dairy ready, and to wet and cool the yard in summer.
2. Farm with the optimum number of animals for your farm. See Spreadsheets > Dairy cows for max profit. Each cow costs \$1,500 plus supplement costs per year. One farmer reduced from 200 to 180 increasing his annual profit by \$30,000, and the 180 produced more milk than the 200 had, so gave him more profit, with less pasture damage.
3. Do feed budgets and keep records of numbers for future use and planning. Figures and accuracy in farming are essential.
4. Milk once a day to allow other employment. See Milking.
5. I can't see buying an automatic milker for NZ\$300,000, costing \$30,000 a year in interest and maintenance, as a solution. Staff are needed for AI identifying and drafting for breeding, mastitis,

bloat monitoring and treatment, monitoring health, etc.

6. Depending on your skills, take on part time work.
7. Fish farming.
8. Selling animal manure in bags and bulk.
9. Home hosting, bed and breakfast and paying guests.
10. Babysit children.
11. Tourism, which is big business in New Zealand, can be very profitable and enjoyable, meeting people from around the world.
12. Run farm tours, on yours and other local farms of different sizes and types.
13. Add value to what you produce, for example grow non-chemical vegetables and animal products such as butter, cheese, meat, poultry, etc. Know the regulations and comply with them.
14. A Waikato dairy farmer makes cheese with some of his milk and sells the rest to their dairy company.
15. Farm free range poultry for eggs and meat.
16. Grow and sell shrubs, trees, timber, vegetable and flower seedlings.
17. Intensify.
18. When your farm is running 99% efficiently, do agricultural or lifestyle block consulting. There is a demand for it. I turn down work almost daily, especially in difficult times. Read the consulting chapter.
19. Rear calves to sell, such as the very popular Hereford bulls or Friesian cows, which are fast-growing, early-finishing beef called White Faces. Both sexes are always in demand for local meat, but the heifers mature and sell sooner. Read Beef.
20. Sell direct to consumers. Become a retailer to by-pass middlemen, who in NZ net much more out of milk, etc. than the producers do, and increase their retail prices when farmer milk prices go up, but hardly reduce them when farmer milk prices almost halve. The result is that when prices decrease, the demand for milk doesn't increase as fast as it should.
21. Consider using neighbours by paying them, or contractors, rather than buying more equipment.
22. Graze pet horses and goats for people.
23. Graze the road frontage of side roads, but not on highways!
24. Allow those trying get rid of top soil and animal manure to spread it on your land, but don't over-do it, and apply lime to break down the manure. Monitor Calcium and all 17 element levels by pasture analyses.
25. Run a cattery or dog care for people who travel a lot.
26. Farm caged rabbits for meat from pasture. They'll also eat weeds and rubbish.
27. Make and sell compost using local body (council) grass mowings and/or from lawn mowing contractors. They sometimes pay to be able to get rid of it. Paunch contents from abattoirs can also be an earner of income by collecting it, as it feeds earthworms and makes good compost. Animal manure collected from large dairies and feedlots can add to the earnings, as can a little free subsoil from building sites and road works. Add it to soil for earthworms and spread 2 cm over high fertility gardens. Low grade sand, pumice and lime with other deficient elements are also needed. See www.revitalfertilisers.co.nz and read Soils > Earthworms. Revital is a paunch contents and earthworm compost fertiliser giving profitable results, even on large farms, in New Zealand. It can be mixed with reactive phosphate (Sechura or Gafsa) and/or lime. Earthworms do most of the work so there is not as much turning necessary. It can be big business for anyone near to an abattoir and can save the abattoir a disposal problem. Also Google for Composting and sell some.
28. Be careful about buying feed. If the payout is high it can pay off, but buying at 40 cents a kg



when home grown costs a third that is not. You may be able to lease land cheaply to grow hay and or silage more cheaply. Look around for lifestyles nearby who may appreciate you managing their extra land for a small fee.

North Americans can learn by attending Joel Salatin's seminar/field days in Shenandoah Valley, Virginia. See <http://polyfacefarms.com>

Email Joel Salatin <husbandman@northriver.coop> or write to

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I hope you've read some of this champion of the small-farmer's books. He has now become a big farmer by leasing land, which shows what can be done in some countries, without capital. His books don't include technical information like GrazingInfo, but are mostly about small farming methods for net profit by selling retail, some of which can be applied to even larger farms. In August 2006, there were 1,000 farmers in USA following Joel's farming and direct marketing methods.

See -

<http://www.lifestyleblock.co.nz/index.php>

<http://www.smalldairy.info>

<http://www.mnn.com/food/organic-farming/blogs/are-small-dairy-farms-doomed>

If you are succeeding with a small system, please tell us about it, and please tell us if you'd like to be acknowledged in GrazingInfo. Thanks.