

## THE MANAGER

## INDUSTRY GROWTH

By Kathy Barrett

Paul and Laura Fouts doubled their herd size over eight years by following a vision laid out over a decade ago.

## Expansion through steps at Fouts Dairy

Fouts Dairy in Cortland, NY has followed a plan laid out over a decade ago to double in size.

The farm is owned and operated by Paul and Laura Fouts, in conjunction with Paul's parents Bob and Sharon. It's the farm Paul grew up on before heading off to Cornell University and graduating from the Dairy Fellows program. He and Laura came back to the farm in 1995. At that time they milked 150 cows and cropped 1200 acres. Today they milk 350 cows. The changes in the farm were guided by Paul's vision. Although the plan has evolved over time, it has allowed the Fouts dairy to nearly double herd size over eight years, with each phase setting the stage for the next phase.

"In the early 90's I laid out how the farm would look if we expanded, and as we've gone forward we've worked towards that plan," Paul said.

### The overall goals of the plan included:

- Improve profitability and quality of life for the farm owners and employees.
- Expand the herd to cost effectively improve the efficiency of the farm.
- Build new facilities to be used in conjunction with the present barn.
- Discontinue use of satellite barns.
- Change the feeding system from upright silos to bunk silos.
- Build a manure storage to maximize nutrient management and efficiency.
- Build a new calf facility for young calves.

With this vision in mind the Fouts were ready to move forward when faced with a feeding systems challenge in 2003. Three of their nine upright silos became unsafe to fill, so they tore them down. They converted to ag bags, with the long-term goal of adding bunk silos. At the same time they added a mixer wagon to the feeding system, in preparation

for feeding more animals in the future. These changes set the stage for the construction of a new barn the following year.

The next step was to bring all the animals to the main farm. This would reduce trucking costs and the cost of maintaining the satellite barns. Again, thinking of their long-term plans, they built a 150 ft, three row barn that fit well into the terrain and allowed for future expansion. Overcrowding in the old barn was alleviated and the cow numbers grew to 200. This was the first of three barn expansions over a course of five years.

To prepare for the upcoming expansions, a gravel pad for the silage bags was added, in anticipation of bunk silos. At this time, electrical lines were laid, and manure pipes and water lines were installed and sized to serve future expansions.

The farm was now situated for the next barn expansion. In 2006, 120 ft was added onto the new barn, which brought it to 270 ft. This allowed the Fouts to milk 230 cows in the present milking system. The milking parlor was expanded the next year

*Please turn to page 33*

### FYI

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Fouts Dairy Farm in Cortland NY

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tem. The success of this system was the first step to revitalize Jerry Dell Farm. The Shermans adjusted and adapted the system to suit their land-base and management style.

Vaughn said that he was managing his farm to maximize production, a way that works for many operators. The problem was that it didn't work for him. Managing a grazing operation seems to fit his abilities better than the production style that he was operating in 1995.

The next change came in 2001 when Jerry Dell became a certified organic dairy. The grazing system lent itself to this change. Vaughn said 90 percent of his herd health issues disappeared when he went to grazing, so he had few if any treated cows. The requirements to limit antibiotic use for organic production were not a problem. The increased profitability and stability of milk price in the organic market is something the Shermans appreciate. They also enjoy the quality of life the organic grazing system affords them. They credit

the increased profitability and quality of life to entice their sons and nephews back to the farm.

The Shermans have this advice to share with farmers who are looking to position their farms for the future:

- Do something different.
- Be open to new ideas if what you're doing isn't working.
- Listen to consultants and advisors, but make your own decisions. No one knows your farm better than you. Trust your gut.
- Talk to other farmers who have successfully implemented a change you are considering. They can be your best source of information.
- Push the pencil, plan, run the numbers. The Shermans participate in the Cornell Dairy Farm Business Summary to track their financial progress and benchmark.
- Have a good team in place and include them in the process.

Expansion through steps at Fouts Dairy  
*continued from page 31*

to accommodate the upcoming third expansion.

By 2008, the feeding and milking systems were set to handle the third phase of the barn expansion. By doubling the new facility to 570 feet, the satellite barns were completely eliminated. The exercise lots were also eliminated to meet CAFO regulations. A manure storage system rounded out this phase. The farm was now equipped to milk 350 cows.

The original plan called for the new facility to be filled via internal herd growth. But the milk price crash of 2009 pushed the Fouts to fill the barn more quickly through purchased animals. Over a course of four to five months they bought 50 heifers. Their vet was instrumental in helping them choose herds that were healthy and well managed. It paid off with no incidents of disease. The Fouts reached their goal of 350 milking cows.

A new calf facility for calves up to four months was built in 2011. The next step in the process will focus on the feed storage system.

The Fouts say they are glad they expanded, but Paul advises others who are planning a stepwise expansion to keep the end in mind. Plans will change and improve as you implement the expansion. Having a vision of the desired end result allows pieces of the plan to come together, with each phase laying the groundwork for the next.

### Other advice the Fouts offer:

- Visit other farms, as many as possible.
- Talk to producers. Paul's Dairy Fellows network was extremely beneficial in this regard. But any farmer can build a network by attending dairy meetings and events.
- Form a profit team or advisory team during the planning pro-

cess. Ideally include a farmer you respect who has been through a similar expansion.

- Seek out resources—engage agriservice consultants and professionals.
- Attend educational events, conferences, seminars and workshops.
- Find a contractor who is willing to work on a step-wise building project that integrates older facilities. The Fouts say they feel fortunate they had such contractor. □



Paul Fouts of Fouts Dairy Farm in Cortland NY says he is glad they expanded.