

NEW FARMER CASE STUDIES

LEARNING AND USING HOLISTIC MANAGEMENT: D'Auria Family Farm

By Karl North

Introduction

Joe D'Auria and I met through the New York organic farming organization, NOFA-NY. He attended an introductory workshop in Holistic Management offered by several of us who had begun using the decision-making framework. He was having difficulty creating a farm plan that would help him sort out the causes of his lack of success in becoming profitable, and he was persuaded that Holistic Management might help.

When Kaycie, Joe's future partner, was living in Massachusetts, she was an organizer for a rural community development project funded by the Kellogg Foundation with a million dollar grant: Community Involved in Sustaining Agriculture. A goal of the project was to help farmers connect more effectively with each other and with the rest of the rural community. The project worked with several different farmer groups. The dairy farmer group attended a course in Holistic Management. Kaycie was impressed with the good response to the course from the group, which consisted largely of older, conservative farmers.

On visits to my farm, Joe and Kaycie were impressed with the farm design and plan, which was influenced by Holistic Management. They agreed to join a group—a learning community—that I formed as part of my Holistic Management educator training. They were looking specifically for a process that would overcome difficulties they encountered with decision-making in their partnership.

Whole Under Management

Joe bought the farm he and Kaycie now manage in 1995. Located in Hurleyville, New York in the Catskill Mountains, it is a mix of rich bottom land and heavily wooded hardwood and softwood forest, with two streams, a river and a pond that border the fields. It was originally a dumpsite for manure from a poultry industry. Previous owners had produced field corn for 20 years and hay before that.

The surrounding community is economically depressed, based on a dying hotel industry. But it has farming potential; it is two hours drive from the New York City and its major food market.

The original intention was to build on vegetable farming experience. Joe eventually began a transition to livestock for commercial meat production. In 1999 Joe and Kaycie started farming together. The farm was left fallow in 2000 when they took a farming job in another location for a year. One reason for this temporary change was to step back from their own farm in an attempt to sort out goals for the farm that were in conflict. With new respect for the farm's potential, the farmers came back to the farm with renewed energy. Now they are aiming for a homestead and commercial beef, pork,

lamb, chicken, dairy, and egg operation that will support them and their young daughter, Linnae.

They wrote this description of their Whole Under Management:

Whole Under Management : Creek Berry Farm

The Minimum Whole

Decision Makers: Joseph, Kaycie and Linnae

Land / Capital Assets

a) 158 acres of farm and forestland owned with a mortgage. Open land includes: a) 25.5A prime tillable land (sandy loam with a gravel base), of which 16.5A are fenced with woven wire or 7 strands of high tensile wire for livestock, and a .5A paddock fenced with 10 foot high woven wire to deter deer b) 11A of unmanaged/overgrown pasture d) 1.5A fenced with 10 foot high woven wire, surrounding a mixed orchard, a berry patch, vegetable, herb, and flower gardens. Forestland includes: a) 7A of 45 year old Douglas fir and Norway spruce c) 7A virgin 100 year old Eastern hemlock saw timber d) 50A northern hardwood pole and saw timber (of which 5A are fenced in 7 strand high tensile wire, adjacent to pasture). Species include Red and Sugar maple, American beech, Yellow and Black birch, Black cherry, Red oak, basswood, American sycamore, White ash, aspen, elm, hemlock, White pine, and a 40 year old White spruce plantation. e) 51 acres of mixed northern hardwood and coniferous woodland (species break down in progress).

Building and Equipment:

- 1) 1 small 16 by 20 building used as our primary barn ,
- 2) an old house used to store feed and supplies, needs renovating to become more farm labor housing as well as a commercial kitchen
- 3) 38-foot tractor-trailer used to store hay and minerals ,
- 4) one 32 by 20 greenhouse for growing winter food , spring transplants and storing garden supplies.
- 5) 24-foot truck body used a garden tool shed
- 6) 20 by 24 foot garage used as a farm shop
- 7) 2 - 14 by 14 feet metal Quonset-shaped moveable run in sheds
- 8) 12 by 16 feet cabin in the woods used as apprentice housing

Money? *We are working on a statement to go here*

Holistic Goal

Here is the document Joe and Kaycie wrote. They think it needs more work. In response to my questions, they supplied the statements in *italics*.

Creek Berry Farm Holistic Goal

Quality of Life

Some of Joe and Kaycie's quality of life statements were:

- 1) [We want to be] continuously working toward creating a healthy, balanced, sensible, quality lifestyle for our family
- 2) [We want to] grow, harvest, preserve and prepare nutritious food for the family
- 3) [We want to] maintain a clean, functional, warm feeling home

Their quality of life desire for providing for their daughter, Linnae's, mental, physical, emotional, and spiritual growth led to the decision that they wanted one full-time parent to focus on that objective. Likewise, that person would be responsible for home schooling her with emphasis on her creative, intellectual, and decision making abilities

Likewise, the quality of life statement:

- 4) [We want to] manage our time effectively and maintain balance prompted the following decisions:

- 1) attempting to cease farm activities at 5:30 pm in the summer
- 2) reserving every other evening for family focused activities
- 3) taking one full day off from farming per week, except doing basic chores (ie. no moving of animals)
- 4) taking one 10-day family vacation per year in which we all leave to visit extended family
- 5) taking one 10-day vacation not visiting family
- 6) attending some kind of professional training two weekends per year.

5) *Mental, physical, emotional, and spiritual growth for the whole family*

6) *Healthy community relations*

Forms of production

Some of Joe and Kaycie's forms of production statements were:

- 1) producing vegetables, herbs, fruit, and grass-based meat, dairy and eggs for our family and for sale
- 2) preserving and preparing food—drying, canning, smoking, freezing, lacto-fermenting and root cellaring; making yogurt, butter, cheese and other cultured dairy products; maintaining a starter for baking sourdough whole grain breads

3) farming with humane, ecological, and self-sustaining practices, which include:

- a. maintaining low stress situations for livestock, like monitoring parasite loads closely, providing livestock with shelter, wind blocks or shade during inclement weather, and keeping physical manipulations to a minimum (ie. dehorning).
- b. intensive rotationally grazing livestock
- c. maintaining a high standard regarding disease control, like only importing sound livestock to the farm who test negative on relevant diseases.

4) using draft animals as our primary source of power in making hay, managing the garden and field crops, bringing in logs for firewood and lumber, snow removal, and as an enjoyable source of recreation.

Most of the above items are actions that should be tested once you have formed your holistic goal. Such listing is typical on a first attempt at a holistic goal. From these specific forms of production, I worked with Joe and Kaycie toward forms of productions that were not mixed with how-to's as you see below.



5) *Enough net income from the farm to provide for:*

- a. *Basic necessities*
- b. *Health insurance*
- c. *More time for non-farming activities*
- d. *Linnae's education*
- e. *The basis for a farm outreach program including an arts program and other activities that enlarge the farmers' social network*

6) *Planning that integrates housework*

7) *Planning that integrates needed building renovation*

Future Resource Base

Land is producing optimally.

The farmers work only 5 days a week.

The farm attracts visitors without stress for the farmers.

Community cultural health.

There is no longer a road through the farm.

The farmers had some problems with the terms 'forms of production' and 'quality of life'. The ones on which they are making satisfactory progress they wrote down in their goal. We talked about making the statement show how the three parts relate so as to help decision-making in the following sequence:

Values ← Activities ← Future ← Landscape.

I suggested that to make it a document that is most useful in decision-making, they needed forms of production that would bring about all of the quality of life elements they had described. They understood that some of the statements in their quality of life were really forms of production, and

that the document will be more useful if they made a clear distinction. This discussion brought to light other Forms of Production that they want but are not doing now. These I added in italics. **Editor: We further separated out some of the quality of life statements that were decisions to enable people to see the difference.**

I commented that making forms of production statements as general as possible would allow them to consider a wide range of options. They feel that the detail in their statement does not deter them from considering other options later; in fact it keeps them clear on what they want to focus on right now.

Joe and Kaycie are still writing the future resource base part of their goal. Our discussion generated some of it, included in italics.

Decision Testing

Here are discussions of decisions the D'Aurias subjected to the Holistic Management Testing Questions.

Decision: Start a dairy enterprise

- A. Key issues: what value-added dairy product? Will it generate enough profit to meet expenses on Joe's coming retirement from fire fighting? Can we handle manure in the enterprise without purchasing a tractor?
- B. Objectives: profit, time off from work - an enterprise that can produce enough profit per hour of labor to eliminate overwork.
- C. Alternatives considered:
 - A commercial value added pig operation . Failed quality of life - don't like castrating pigs.
 - Raw milk sale, which failed testing on several counts: too little profit, marketing problems (too many legal hoops, too many customers coming to farm, or too much time delivering milk)



Ultimately the enterprise they tested was making yogurt and cheese from milk from five cows fed entirely with farm-produced forage, selling culls as beef, and marketing dairy products mainly at the farm:

Cause and Effect—Does this action address the root cause of the problem?

Problem—not enough free time. The D'Auria's needed an enterprise that produced labor-efficient profit to provide for more free time. From their research it appears this enterprise would pass, but will check with gross profit analysis.

Weak link

Social weak link—Have I/we considered and/or addressed any confusion, anger, or opposition this action could create with people whose support I/we need in the near or distant future?

This action may fail because the milking schedule could interfere with family

time

Biological weak link - Not applicable

Financial weak link - Not applicable

Marginal reaction (Comparing two or more actions):

Not applicable

Gross profit analysis (Comparing two or more enterprises)—Which enterprises contribute the most to covering the overheads of the business? Necessary to do in the future when more data is gathered.

Energy/Money source and use—Is the energy or money to be used in this action derived from the most appropriate source in terms of my/our

holistic goal? Will the way in which the energy or money is to be used lead toward my/our holistic goal?

The plan is not developed enough to say. Need more research.

Sustainability—If I/we take this action, will it lead toward or away from the future resource base described in my/our holistic goal?

The decision passes because it aims for a dairy enterprise that is feed self-sufficient and adapted to the land resources of the farm. It also has potential for a profit on investment.

Society and culture—Considering all the questions and my/our holistic goal, how do I/we feel about this action now?

They didn't feel like they could answer this question because they weren't sure how the time management of the enterprise will work out and that is a key factor.

Decision: Based on the testing, Joe and Kaycie's decision was to continue research and planning for the dairy enterprise. They were not ready to make a final commitment until they had more answers to the test. They now know what information they need to feel more confident with that decision.

Financial Planning

Stimulated by exposure to Holistic Management® Financial Planning, Joe and Kaycie began to calculate budgets for a farm operation that would move them toward their holistic goal. This would need to include production for the homestead, and commercial level production in some of their livestock enterprises, particularly the proposed small, value-added dairy enterprise. The emphasis in Holistic Management on planning the desired profit first caught them by surprise, but they would like to finish learning to use the financial planning tool. They saw the mix of animals they were carrying as a variable presently more amenable to adjustment. A different mix might give them a better carrying capacity (pounds of animal/acre) per overhead dollar. While they are not using the Holistic Management® Financial Planning Process, these numbers may be helpful to other farmers to give context to the size and type of enterprise. Here are the preliminary budget materials they have produced and are completing:

Dairy Enterprise Budget

Overhead		Overhead per Pound	
barn maintenance	\$400.00	Total Overhead	\$14,900.0
clothing	\$500.00	lbs. Livestock	20,000
deprec.equip	\$1,000.00	Cost per lb.	\$0.75
electric	\$1,000.00		
feeders	\$100.00		
fence repair	\$100.00		
fencing/30 yrs	\$1,000.00		
truck insurance	\$600.00		
fire insurance	\$500.00		
fuel	\$250.00		
labor	\$4,800.00		
liability insur	\$500.00		
lime	\$100.00		
office expenses	\$700.00		
pasture seed	\$200.00		
product liability	\$500.00		
road maintenance	\$250.00		
supplies	\$600.00		
taxes	\$1,000.00		
tools	\$800.00		
Total Overhead	\$14,900.00		

equip-\$100

equip+\$100



Decision: Should we get Linnae and Kaycie a pony now?

This represents their original attempt in their words, and my clarification questions and comments are highlighted in *italics*.

Cause and Effect: Yes, because although Linnae is not presently ready for riding, Kaycie would be able to do some riding and get more comfortable with her horsemanship. Currently the Percherons are too big for her. Additionally we would have a pony for our many nephews and nieces to ride when they visit. *This question is used only when a decision involves a problem, and is used to discover whether the proposed decision gets at the problem's root cause. If there is a problem in this case, could you be more*

Livestock Operating Costs

Animals	#	Hay	Corn	Minerals	Vet/Meds	Total Cost
Cows	8	\$400.00		\$20.00	\$200.00	\$3,360.00
Horses	3	\$300.00		\$20.00	\$200.00	\$960.00
Sheep	9	\$120.00		\$5.00	\$100.00	\$1,125.00
Pigs	4		\$60.00			\$240.00
Chickens	40	(egg sales offset feed costs)				
					SUBTOTAL	\$5,685.00
					vet/meds	\$500.00
					TOTAL	\$6,185.00

Item	lb/animal	# animals	total pounds	cost annually
cows	1600	8	12800	
horses	1600	3	4800	
sheep	200	9	1800	
pigs	100	4	400	
chickens	5	40	200	
			20000	

Item	cow	horse	sheep	pig	chicken
hay	400				
minerals	25				
meds/vet	75				
gen. sup	100				

butchering
electric
replacements

Speculated Gross from Direct Marketed Milk and Beef

	Gal. Milk	lbs Beef
Quantity	900	700
\$perGal/lb	\$3.00	\$2.00
Gross/Animal	\$2,700.00	\$1,400.00
# Animals	8	8
Speculated	\$21,600.00	\$11,200.00

Total Gross Profit from milk and meat \$32,800.00

clear on what that is? Otherwise you could just skip this question. In this case, not applicable.

Weak Link: Social - The particular pony that we are interested in is not fully trained, and Joe does not currently have the time to train it. And, if we found another pony, Joe would invariably have to be involved with its care and management (and he has an overloaded schedule right now). Even though Kaycie really wants a pony, she knows that with all her other responsibilities, she may not be able to care for a pony the way she wants to. She knows she would need Joe's help in caring for the pony appropriately. *Unless she commits to caring for the pony with a contingency plan for what happens if she doesn't follow through, the decision doesn't pass the test.*

Biological - not applicable
 Financial - not applicable

Energy/Money Source and Use: Yes. *It would help to have explanations why the decision passes these tests, for your own record of your thinking here.*

Sustainability: Yes. *Again, explanations would help.*

Marginal Reaction: Not applicable. *No alternatives to consider? What about trading down to smaller draft horses? Donn and I have thought about the questionable efficiency of his Percherons on our size farm. If this were true for your farm as well, this alternative might solve two problems with one decision. Just a thought. Testing potential alternatives often seems to enhance the testing experience even if the alternatives are likely to fail.*

Gross Profit Analysis: Not applicable.

Society and Culture: Doesn't feel right.

Decision:

Joe and Kaycie feel that Kaycie should continue riding the Percherons to get more horse experience, and that we should wait to get a pony until we both have more time to give it.

Summary

This farm, in their own estimation, is struggling with difficulties, in learning Holistic Management, and with momentous decisions regarding the choice of enterprises that can serve both their quality of life and income desires. Some farms will not learn effective decision-making from group learning experiences alone. Perhaps this is one. Joe and Kaycie said that the full day spent with them at their farm gathering material for this case study helped them considerably. The lesson from that is to offer them more one-on-one learning opportunities.

If we look at the impact of Holistic Management, we see the following results:

Decision/Process	Result
Testing questions	Improve decision-making ↑
Not purchase pony	More time for other animals ↑
Not purchase pony	Reduce expense ↓

Decision Testing Summary

Decision— Begin dairy enterprise	Pass	Fail	Not Sure	Not Applicable
Cause & Effect	X			
Weak Link-Social			X	
-Biological				
-Financial				
Marginal Reaction				X
Gross Profit Analysis			X	
Energy/Money Source & Use			X	
Sustainability	X			
Society & Culture			X	
Outcome—Do more research before moving forward				

Decision—Buy pony	Pass	Fail	Not Sure	Not Applicable
Cause & Effect				X
Weak Link-Social			X	
-Biological				
-Financial				
Marginal Reaction		X		
Gross Profit Analysis				X
Energy/Money Source & Use	X			
Sustainability	X			
Society & Culture		X		
Outcome—Have Kaycie ride Percheron and not buy pony now.				