

Extension responds immediately to dairy producer needs

Early in 2009, Iowa State University Extension dairy specialists were on track to help a large number of dairy producers make milking easier with barn transitions – using more labor efficient, profitable and physically healthy milking parlor designs. Then the economy turned and the extension dairy specialists - Chris Mondak, northwestern Iowa; Larry Tranel, eastern Iowa; and Dale Thoreson, northeastern Iowa – were standing beside producers trying to deal with a financial situation that was out of control.



The specialists knew it was time to change their focus and recognized that producers needed information on how to make informed decisions before fall. “We knew that producers would be making critical decisions before harvest and we wanted them to understand the economic situation they were in,” said Chris Mondak. “The reality is every one of them is in a tight financial situation due to low milk prices and high input costs. It is costing them \$100 per cow per month to stay in business – and many are going to need new skills to get financial help this year and additional information to make business decisions before harvest.”

To meet those educational needs, the dairy specialists pulled together the extension team of John Baker, Iowa Concerns attorney at law; Donna Andrusyk, extension family life specialist; and Erin Herbold, Center for Agriculture Law and Taxation legal consultant, and offered ten local meetings of the seminar - Dairy Financial Situation: Taking Charge in Challenging Times - between July 28 and Aug. 21.

The meetings were attended by dairy producers and their bankers, attorneys and creditors who came to learn what ISU Extension had to say about taking charge of dairy finances during challenging times. Included in the information shared were explanations of the current dairy industry economic situation, financial options and strategies, communications needed to talk to lenders, legal options and strategies, as well as tips and resources to make good decisions during stressful times, and how to talk to family members about the financial situation.

“We wanted to make sure producers knew there was nothing they could have done that would have changed the financial situation they were finding themselves in,” said John Baker, Iowa Concerns attorney. “They need to understand that market forces created this situation, not errors in management on their part. They also need to know how to communicate in new ways, how to communicate as they deal with the tremendous stress caused by this situation.”

One young dairy couple said during a follow-up meeting with a dairy specialist, “That seminar was kind of a downer with talk about mitigations, negotiations and different types of bankruptcy. But it was all information that we didn’t understand before, and now we feel like we know what

options and rights we have.” The young couple was working through a Dairy TRANS financial analysis with the extension specialist, in preparation of meeting with lenders.

During one local meeting a banker helped the producers understand his view of the economic situation, “Please understand that I am not out to get you,” he said. “I’m trying to protect the community’s money – your family’s, your friend’s, your neighbor’s money.”

Baker says the reach of the seminar is going beyond the people that attended. He receives calls at Iowa Concern Hotline from seminar participants and from people participants have talked to about the seminar information. Dale Thoreson and Larry Tranel are conducting Dairy TRANS financial analysis with producers and referring others to advisors that offer FinPAK services. They feel lenders and producers both have a better understanding of the communication skills and challenges that come with this downturn in the economy.

“Our Oelwein seminar had the most questions and comments,” said Thoreson. “That group included many people who had been through the farm crisis of the 80s. They had very specific questions about what was going on in the industry – and they had the attitude that they could get through this.”

It was Thoreson’s experiences with producers during the 80s that prompted him to include Donna Andrusyk, extension family life specialist, on the session agenda. He asked her to talk about open family communications and talking to the children. Tom Quaff, editor of Dairy Herd Management – a publication read by most dairy families in the country, attended the Nashua meeting and took copious notes during Andrusyk’s presentation. His editorial the next day focused on the family communication aspect because, as he told Andrusyk, this was information related to the dairy financial crisis that hadn’t been talked about and it was important that farm families know it.

Even though the dairy financial situation was the main focus for the dairy specialists and their colleagues during July and August, the dairy team knows that many producers have the desire to stay in the dairy industry for the long haul. Producers see the current situation as part of a cycle, a phase they must work through. “The production side of things continues,” said Mondak. “There still remain questions of nutrition, reproduction, robotic milking systems to be answered and we are here for those too.” And with that, the dairy team continues providing timely information producers use to make decisions effecting their efficiency and productivity.

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– Young couple, dairy producers, after seminar

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