2008 Indiana Farm Management Profiles

Bartholomew and Jackson Counties

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Wednesday, June 25, 2008

Elsbury’s Greenhouses and Garden Center, Inc.
5073 N State Road 9
Hope, IN 47246

B&A Thompson Grain Farms
15055 S Baseline Road
Columbus, IN 47201

Shane Meier Farms, Inc.
6755 W 1000 N
Scipio, IN 47273

Evening Program
Community Building
Bartholomew County 4-H Fairgrounds
750 W 200 S
Columbus, IN 47201

Irwin Gardens
5th Street
Columbus, IN 47201

Tuesday, June 24, 2008

B&A Thompson Grain Farms
15055 S Baseline Road
Columbus, IN 47201

Shane Meier Farms, Inc.
6755 W 1000 N
Scipio, IN 47273

Elsbury’s Greenhouses and Garden Center, Inc.
5073 N State Road 9
Hope, IN 47246

Gelfius Farms
20565 E 200 N
Hartsville, IN 47244

B&A Thompson Grain Farm, Inc.
Acknowledgements

Purdue University’s Department of Agricultural Economics organizes the annual Indiana Farm Management Tour in cooperation with the Indiana Farm Management Association and Purdue Extension. The tour visits farms and agribusinesses that demonstrate highly successful farm business management practices or have unique perspectives on farm business management. The purpose of the tour is to encourage and develop a high level of management knowledge and skill among Hoosier farmers. This publication profiles the management of the businesses visited during the Indiana Farm Management Tour in 2008.

The tour organizers sincerely appreciate the willingness of the host business owners to share what they have learned about managing their businesses. The organizers also appreciate the sponsoring agencies and companies whose donations of money and goods make it possible to conduct the tour without charging tour participants a large registration fee. As you visit the sponsors listed on the inside back cover of this document, please thank them. The organizers also thank the many individuals who give of their time to help make the tour as enjoyable, safe, and informative as possible for tour participants, including the outstanding Extension Educators and Specialists who work the tour. For information on future tour dates, please visit <http://www.agecon.purdue.edu/extension/programs/farm_tour.asp>.

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Brandt Farm                                Corinne Alexander
Elsbury’s Greenhouses                      Jennifer Dennis and Roberto Lopez
Gelfius Farms                               Bruce Erickson
Shane Meier Farms, Inc.                   Luc Valentin
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Indiana Farm Management Tour  
Bartholomew and Jackson Counties  
June 24 and June 25, 2008  
(All times are Eastern Daylight Time [EDT].)

Tuesday June 24, 2008

1) B & A Thompson Grain Farm, Inc. – Interview at 1:00 p.m. Mini-tours (pick three of the four) at 1:35 p.m. on surface and subsurface drainage, organizing your business to facilitate succession planning, crop monitoring and scouting, and no-till fertility management.

2) Brandt Farm – Interview at 3:00 p.m. Mini-tours at 3:30 p.m. on the Indiana Classified Forest Program, rotational grazing, and marketing organic milk.

3) 4-H Community Building – Dinner at 5:30 p.m. Program at 6:00 p.m. A panel discussion on Transferring Your Farm Business to the Next Generation, with Attorney Jeff Washburn and Purdue Specialist Alan Miller answering your questions and two local farmers sharing lessons learned.

4) Irwin Gardens – 8:00 p.m. Participants will be able to walk the gardens at the historic home of the Irwin-Sweeney-Miller family. A tour guide will discuss the history of the gardens. The gardens are located at 5th and Lafayette streets in downtown Columbus.

Wednesday June 25, 2008

5) Elsbury’s Greenhouses and Garden Center, Inc. – Interview at 8:00 a.m. Mini-tours at 8:40 a.m. of the garden center, outdoor mum production, and the environmental computer system.

6) Gelfius Farms – Interview at 10:00 a.m. Mini-tours at 10:40 a.m. on precision planting to enhance yields and reduce seed costs, managing full-time and seasonal labor, and maintaining balance.

Lunch – 12:00 p.m. at Gelfius Farms

Agricultural Outlook Update – Dr. Chris Hurt, Purdue University Marketing Specialist, will update the market outlook for grains, soybeans, and livestock at 12:30 p.m.

7) Shane Meier Farms, Inc. – Interview at 1:30 p.m. Mini-tours starting at 2:15 p.m. on driving down per unit production costs by using cover crops and no-till to build up soils, machinery selection, and the computer-controlled grain drying system.
What Can You Learn from Our Tour Hosts?

Five family businesses with their own unique management practices welcome you to their place of business. Read the profiles in this publication, listen to the general interviews, and then see if you can answer the following questions. As you answer them, think about how you might use some of the host farmers’ ideas on management to improve the performance of your own business.

**B & A Thompson Grain Farm, Inc.**

1. Why do the Thompsons have so many tractors?
2. How are the current and the next generation of management preparing themselves for a successful transition?
3. What can you see by flying over your fields that you would never see from the ground?
4. What are the Thompsons’ keys to managing a successful farm business?
5. How is scouting information and information from suppliers used to improve the crop production system?

**Brandt Farm**

1. What expected benefits led to the decision to convert to organic production?
2. What are the benefits of rotational grazing?
3. What are Justin Burbrink’s keys to managing a business?
4. How has Justin Burbrink organized the farm business to put family first?
5. What are the advantages of being a small farm?

**Elsbury’s Greenhouses and Garden Center, Inc.**

1. Why is community outreach an important marketing tool?
2. What creative solutions have the Elsburys used to deal with rising energy costs?
3. How has Elsbury’s adapted agronomic practices to their greenhouse production systems?
4. How has Gordon Elsbury’s experience early in his career as an Extension Educator influenced his approach to management?
5. How is greenhouse production and the Elsbury’s Greenhouse business similar to crop production on traditional Indiana crop farms?

**Gelfius Farms**

1. What extra management capability is needed to manage a diverse array of crops?
2. How do you balance the demands of work and family?
3. How do you plan to deal with your input costs in the future, especially those for fertilizers and fuel?
4. What are the best ways to manage seasonal employees?
5. What changes have you made, or will you make in the future, to minimize your operation’s environmental impact?
Shane Meier Farms, Inc.

1. How does Shane Meier go about driving down per unit cost of production?
2. How does Shane Meier’s cover crop management fit with the strategy of building soil potential to decrease production cost per unit?
3. How does Shane Meier make cover crops work with his no till system?
4. Why does Shane Meier buy the largest used piece of equipment he can buy?
5. How is Shane Meier using a computer-controlled low-temperature grain drying system to reduce drying cost?
Strategic Management

The mission of B & A Thompson Grain Farm is:
• To produce agricultural products with the goal of maximum efficiency,
• To maintain or increase productivity of all land farmed, rented or owned, and
• To be an asset to the community, both as an agricultural business and as individuals.

The Thompson Grain Farm is very much a family business. Brian is responsible for purchasing inputs, crop plans, marketing, crop production, and record keeping. Karla, Brian’s wife, is responsible for record keeping, transportation, and meals. Janelle, their daughter, helps with transportation and meals. Benjamin, their son, is an equipment operator and marketing and management trainee. Ben is preparing to become the fifth generation of management for the Thompson farm. Allen, Brian’s father, serves as an equipment operator and chief semi-tractor operator, the job that Brian says is the best in the business. Lucille, Brian’s mother, helps with transportation and meals. Leah Goecker, a cousin, helps as a truck driver.

The most important goals for the business at this time are to:
1. Operate the farm so that the business can continue into the future,
2. Allow growth in the farm business to allow the addition of the next generation,
3. Use Ben’s education to explore different marketing strategies for reducing risk, and
4. Search for ideas that will fuel self-sufficiency.

Brian indicates there are three important aspects to life – family, work, and community. These three items are linked by Christian beliefs and attitudes.

The things that are undertaken on the farm are guided by the Thompson’s definition of success. For the Thompsons, success does not mean having a lot of assets; it is about the satisfaction of doing a job well, accomplishing something that you care about, contributing to the well-being of society, and enjoying your life.

Brian points to several experiences that have influenced his career as a farmer. One of these experiences was serving on the board of the Jackson County Co-Op Credit Union, where he served as chairman. He also points to his leadership experiences in Farmhouse Fraternity while a student at Purdue University.

Operating a successful farm business requires several things to be done well. Brian has a list of eight items that he feels are critical to being successful. They are:
1. Continue to learn. Find things that will expand your horizons.
2. Develop a good marketing plan. The Thompsons have two marketing plans, one for the farm itself and another for farm production. They market the farm to others by doing a good job with their production practices, including attention to neatness and organization, and good farm stewardship. Farm production is marketed by staying in touch with cash markets daily and utilizing futures pricing when the cost of production price level is attained.
3. Work to always improve efficiency.
4. Maintain good communication among members in the business.
5. Pay attention to the details.
7. Find your members’ individual strengths, and find people who can complement your weaknesses.
8. Provide training for the next generation.

When asked to describe his leadership style, Brian provided the following paraphrase adapted from Major Dick Winters, Easy Company, 506th Parachute Infantry Regiment, 101st Airborne Division: Strive to be a leader of character; competence, and courage. Lead by example. Develop a team, know your people and use their personal talents. Allow employees to use their imagination and creativity. Prepare and plan to overcome trials and hardship. Limit financial and personal risk. Utilize technology to increase output and efficiency.

Farm History

The home farm was purchased in 1953. Farm enterprises at that time included farrow-to-finish hogs, cattle, chickens, corn, wheat, and alfalfa. A second farm purchase was made in 1964, bringing the total acreage to 270 acres. Farm enterprises during the 1960s included farrow-to-finish hogs, cattle, corn, soybeans, and wheat. During the 1970s, the acreage increased from 350 to 700 acres, and the hog enterprise was eliminated.

In 1981, Brian graduated from Purdue University with a degree in Agricultural Mechanization and joined the farm business. One of the things that Brian appreciated about joining the farm business was that he was given plenty of responsibility from the very beginning. Brian’s Dad basically said, “Here it is, figure it out.”

In 1983, Brian and Karla were married, and a Sub-Chapter S corporation was created. This period saw the size of the farm increase to 1,500 acres. The 1990s was a period of time that focused on improving the efficiency of the farm business through the evaluation and adoption of appropriate technology. By the late 90s, the farm acreage increased to over 2,000 acres.

Today the farm acreage totals 2,400 acres. About 30 percent of the acres farmed are owned. The remaining acres are rented using crop-share and cash rental arrangements. In 2008, there are about 1,100 acres of corn and 1,300 acres of soybeans. There currently are no livestock enterprises on the farm, and crops include corn and soybeans. Over the last three years, corn yields have averaged 142 bu/acre, and soybeans have averaged 49 bu/acre.

Managing Change

Change has always been a part of farming, and the Thompsons are constantly looking for ways to improve their farm operation. For the Thompsons, this continuous improvement has been accomplished by evaluating and adopting new technologies and monitoring performance.

Brian indicates that the close monitoring of the crop during the growing season has always been a part of their management. He attributes part of this to the fact that when he first joined the farm business, he also worked for a local company as a crop scout. Crop monitoring also allows Brian to combine scouting with his love of flying. Part of their crop scouting program includes flying over their fields to make observations.

One of the Thompsons’ first applications of precision technology to crop production was the 1988 adoption of Micro-Trak equipment.
for the application of chemicals. They began yield monitoring for crop insurance reporting and on-farm yield trials in 1994. Today they are using GreenStar equipment to map yields. They have also begun using grid soil sampling.

They began raising no-till solid seeded soybeans in 1995. In order to save seed and improve seed placement, they shifted to no-till 15”-row soybeans in 2003. For the last eight to ten years, they have been producing no-till corn. They have worked with seed companies on research plots over the years. To make the delivery of crops to market, they purchased their first semi-tractor in 1996.

They use QuickBooks for financial records and they use the Internet as a source of information about equipment, new ideas for management, fertilizer recommendations and technologies, and seed information.

**Managing Production Operations**

One of the important operational aspects is the care that is given to maintaining farm machinery. After use for the season, the machinery is not only washed but waxed. Each winter a close inspection of the machinery is made, fluids changed, and extensive preventative maintenance is performed so that machinery will be ready to go and be reliable during the next season. This is done to keep the delays resulting from a breakdown to a minimum. The planter and combine are replaced on a four-to-five-year cycle in order to take advantage of technology changes and ensure a reliable machine. Other equipment is replaced as technology changes dictate. When equipment is replaced, Brian makes an effort to size it to present needs or the next size larger in order to be prepared for future expansion.

Managing input procurements has become more challenging. The Thompsons’ approach has been to pre-plan these purchases and to purchase in volume. The Thompsons use their observations on crop growth and input from production and fertility consultants to develop their plans. Brian knows the importance of being a low cost producer, but he also appreciates the need for suppliers to be profitable so that he can continue to do business with them. He views input suppliers as a member of the farm team.

Most of the crop field operations are performed by the Thompsons. The only task that is routinely completed by a custom operator is fertilizer application. A custom applicator is used for this job because of limited labor and the increased precision that can be obtained from a custom applicator. If timeliness becomes critical, a custom applicator may also be used for herbicide and pesticide applications.

With the current crop mix, there is adequate on-farm storage for the entire crop. There is 145,000 bushels of storage at the main farm. There is an additional 92,000 bushels of storage available for rent.

For a number of years, grain has been marketed through terminal markets at Jeffersonville. The relationship that has developed with these customers has been quite helpful over the years. With Benjamin joining the farm business after graduation from Purdue next spring, it is expected that he will bring some new marketing ideas.

**Managing the Future**

Looking to the future, there seems to be an increasing number of management challenges. Managing variable soil types over the upcoming years with high land...
costs and what seems to be more extreme weather will be a challenge. The competition for available resources such as land and other inputs may require new strategies and different ways of thinking.

The Thompsons expect that the solution to these management challenges will come from several sources. Items on their list include:
1. Be receptive to new ideas from the next generation.
2. Develop ways to more effectively use stored data, both field data and financial data, to support decision making.
3. Continue to invest in continuing education classes whenever they are available.
4. Be involved in your community in order to expand your thinking “outside the box.”

While there will be challenges in the future, the Thompsons also recognize that these challenges will create opportunities. If the farm is kept neat, clean, well organized, and cropping practices follow the highest standards of stewardship, opportunities will occur.
Introduction

Justin Burbrink has made two unique management choices for Brandt Farm. First, Justin uses intensive rotational grazing to supply the majority of feed for his dairy cows. Second, Justin is a certified organic producer. While there are synergies between these two choices because organic dairy production requires that the cows have access to pasture, a producer could choose to use intensive rotational grazing and not be certified organic or could choose to be certified organic and feed the cows a grain-based ration.

History

Justin and Laura Burbrink met in seventh grade and were married the summer after their sophomore year of college. Both attended Purdue, where Justin majored in Farm Management and Laura majored in Elementary Education. They have four children, Beau, age 11; Brayden, age 9; Brooklyn, age 7; and Brock, age 6.

After college, Justin came back to the farm to work with his father in 1996. Justin helped with planting, harvest, and the bookwork. Today, Justin and his father continue to help each other out and to share equipment.

Justin got into the dairy business with one cow, Daisy, that he milked by hand in 1998. One cow became two, and in 2000, Justin built a milking parlor that could milk 6 cows. In April 2001, he purchased 40 cows to start the conventional dairy operation. In 2005, Justin decided to convert the dairy to organic production.

Brandt Farm is 140 acres of cropland and 80 acres of pasture that are either owned or rented from Justin’s grandfather, Kenneth Burbrink, and other land owners. Of the 120 acres of certified organic cropland, 20 acres are in alfalfa; 60 acres are in other types of hay such as barley, rye, triticale, and forage peas; 30 acres are in soybeans; 15 acres are in corn for grain; and 15 acres are in corn silage.

The Decision to Convert to Organic Production

Under the National Organic Program (NOP), there are two steps that are required to transition a dairy to organic production. First, the pasture and any cropland that will be used to produce feed for the dairy must be transitioned to organic production. For pasture and cropland to be certified for organic production, the producer must have records proving that the land has been managed organically according to the NOP rules for a minimum of three years. In essence this means the producer must show that there have been no chemical fertilizers or pesticides applied to the land for a minimum of three years. Second, the producer can then transition the dairy herd to organic production, and this transition process takes one year. Because the producer can transition the herd during the last year of the land transition, the total time required to transition a dairy herd to organic production is three years.

During the one-year transition period for the herd, the entire herd must be managed according to the rules of the NOP. This means that the dairy cows must be grazed on certified organic pastureland and fed certified organic grain, and the cows must have access to pasture. The use of hormones
and antibiotics is prohibited. If an animal becomes sick and requires antibiotics, the producer may treat the animal but must remove it from the herd.

In Justin’s case, the pastureland was used in the conventional operation and was ready to certify because it had not had chemical fertilizers and pesticides applied to it for the previous three years. The other acres certified were in hay production of small parcels that had been fallow. Thus, Justin only needed to transition his dairy herd, and he was able to start delivering certified organic milk to Organic Valley in February, 2007.

One important aspect of the NOP rules for organic dairy is the access to pasture, though there is wide variability in the extent to which certified organic dairies graze their herd. Justin has chosen to be primarily pasture-based, using rotational grazing on 5 acre paddocks that are then subdivided into halves or thirds by wire. Before Justin converted to organic, his dairy operation was also pasture-based, but he fed much more grain than he does now. Currently, Justin is only feeding eight pounds of corn per cow per day, which is down from the 20 to 22 pounds of corn per cow per day he was feeding when he was conventional. Justin has the goal of moving to entirely pasture-based production because “cow’s milk is a lot better on grass.”

Since the conversion to organic production and using rotational grazing, Justin has noticed changes in his herd. The overall health of his herd has improved under organic management, and now the main reason for the veterinarian to visit is to palpate and vaccinate the herd. Milk fever and acidosis have basically disappeared from the herd. If there is a serious health issue that the local veterinarian does not know how to treat in a manner consistent with the NOP rules, Justin can contact Organic Valley’s consulting veterinarian. Also, Justin has seen an improvement in milk quality with respect to somatic cell count; under organic production the somatic cell count is 180,000 to 200,000, compared to 400,000 to 500,000 under conventional production.

**Economics of Rotational Grazing and Organic Dairy**

In the move from conventional to organic production, Justin has seen a drop in production. Under conventional management his rolling herd average was 15 to 16,000 lbs of milk per cow per year, and now it is 10,000 lbs of milk per cow per year under organic management. That said, Justin has found that the higher price for organic milk more than compensates for the drop in production, and his feed costs are also much lower.

Looking at the economics of rotational grazing, a case study by Kriegl and McNair (2005) on the financial performance of Wisconsin grazing dairy farms showed that grazing farms are economically competitive with confinement operations. They found that while grazing farms produced less milk per cow and had smaller herds than confinement operations, the allocated costs (all costs except the opportunity cost of unpaid labor, management and equity) were 15 percent lower per hundredweight equivalent for grazing farms than confinement farms in Wisconsin in 2002. The average allocated cost per hundredweight equivalent was $9.87 for managed grazing, $11.24 for traditional confinement, and $11.68 for large modern confinement. One of the big advantages of grazing farms is that they are less expensive to set up than a confinement dairy in part
because the cows harvest a portion of their feed and spread their own manure while grazing, so less equipment is needed for feed and manure handling. Also, the cows tend to live longer on managed grazing farms, so there is less money spent on replacement animals.

In terms of the economics of organic dairy production, a study by Rotz, Karsten, and Weaver (2007) compared the performance of four dairy production systems for farms with 100 milking cows: organic grass, organic crop, conventional crop with grazing, and conventional confinement. Their whole farm budgets showed an economic advantage for organic production over conventional production and showed that this advantage was due to the substantially greater milk price for organic relative to conventional. The researchers also found that the profitability of organic production relative to conventional also depended on the difference in milk production per cow. They found that the organic farms had low veterinary and medical expenses due to the good herd health that is an advantage of pasturing animals for much of the year.

Clearly, the price of organic milk relative to conventional milk is very important for the profitability of organic milk production. Organic Valley has kindly shared their price information with us; Figure 1 (p. 12) shows organic and conventional Midwest base prices per hundredweight (cwt) from 1989 through a projection for 2008. These prices do not include butterfat and quality premiums. Organic Valley also notes that their 2008 Midwest base price is $24.75, $1.25 higher than in Figure 1. Based on Figure 1, the price differential between organic and conventional milk for the Midwest has varied between $1.93 per cwt up to roughly $10 per cwt higher for organic milk.

Marketing Organic Products

Justin markets all of his organic milk through Organic Valley, a farmer-owned cooperative. Justin likes the Organic Valley philosophy, which is for the farmer to make money. At the beginning of every year, Organic Valley sets the price and the milk allotment. The milk truck comes every other day to pick up the milk, and the hauling charges are subsidized so that Justin pays only $75 per month.

Justin also markets his organic soybeans, which he sells under contract. Justin has limited grain storage, so he stored his soybeans on a truck. All of his corn is used on farm. He has a 1,500 bushel dedicated bin for organic storage and a silage bunker for the corn silage. Justin is also able to use a 3,500 bushel wet bin at his father’s when his harvest is complete, which Justin cleans and uses for corn storage.

Learning about Organic Production

Justin has learned about organic production and rotational grazing by talking with other producers who are grass-based and organic. Justin says that organic certifiers are not consultants, thus he needs to go elsewhere for information. He reads and studies publications geared toward his production style, such as The Stockman Grass Farmer, Farming Magazine, and Graze. He works with Crystal Creek as feed consultants for mineral supplements because most of their business is organic and they know what products are labeled for organic use. Justin works with Ray Resker from AgriEnergy on crop production, and Jim Nelson from Organic Valley for organic seed needs and organic feed inputs.
Justin finds that there are two major advantages to being a small farm. First, Justin has the ability to keep his machinery costs low by using and repairing older machinery. Second, his smaller scale makes the risk of losing money and not being profitable less of a threat.

Justin sees the two major threats to his operation as the cost of energy and the cost of inputs. Once Justin reaches his goal of becoming self-sufficient in feed, he will be less vulnerable to the cost of organic feed.

More important, he will no longer be vulnerable to the risk of being unable to find organic feed.

**Management Philosophy**

In the shift to organic production, Justin has also shifted the goals of his operation. Under conventional production, the goal was to maximize milk production. Now, under organic production, his goal is to maintain herd health and focus on moving toward totally grass-based production so that his operation will be self-sufficient in terms of feed. Justin has recently purchased a bale.
wrapper, which will allow him to do more bale silage. Bale silage will allow Justin to harvest higher protein forage, which will increase milk production.

Justin says that his relationship with Christ has changed his perspective on family and business. For Justin, success is finding the balance between his family and the business. The most important goal for Justin is to “always keep the perspective that God and family are first and all other things come next. The work will always be there, but my children will not.”

Justin’s goals are to make a living from farming supported by off-farm jobs and to spend time having fun with his family. For Justin, the key to achieving balance between family and work has been hiring Guadalupe Fajardo to milk in the evenings and during family trips.

Conservation has always been a cornerstone of Justin’s management. The whole farm is in the Grassland Preservation Program, with the riparian zones and wind breaks enrolled in the Conservation Reserve Program. Justin has received money from EQUIP to incorporate cover crops into his production system to increase soil fertility and manage weeds and erosion. In addition, the woods are enrolled in the Indiana Classified Forest Program, which has the advantage of reduced property taxes as well as unbiased appraisals of the value of the timber and assistance in the marketing of the timber.

The Future

Justin believes there is a strong market for locally produced food and food that is produced in a natural or organic method. He sees people becoming more concerned about where their food comes from and how it is produced; they are looking for healthy and wholesome food. People are willing to pay a premium for foods produced organically, and these premiums make it possible for small family farms to be profitable. In addition, there is a growing market for grass-fed meat and milk, as well as strong demand for locally produced food. Justin is excited about the organic marketplace, the future of organic, and his future as a small family farm producing organic products.

References


Elsbury’s Greenhouses and Garden Center, Inc.

Introduction

Elsbury’s is a family-owned business that began in 1973. “Elsbury’s is committed to producing the finest quality plants available.” This production greenhouse and garden center is one of Indiana’s largest combination wholesale production greenhouses and retail garden center. They produce 1 million annuals with 1,000 different varieties, 30,000 perennials (500 varieties), 60,000 fall mums and 28,000 poinsettias. They have 20 greenhouses and 10 acres of open field production. They also produce 1.5 acres of wheat.

Elsbury’s employs four certified master gardeners and two horticulturists. Elsbury’s attributes their success to being known for quality, selection, and service to their customers and to the community. Their greenhouse and retail garden center is also a tourist destination for home gardeners and wholesale customers.

Background

Gordon and Nancy Elsbury are the current owners of Elsbury’s Greenhouses and Garden Center. Gordon Elsbury started his professional career as a Purdue Extension Educator in youth education in Bartholomew County after receiving a Master of Science degree in Horticulture from Purdue University. Elsbury’s Greenhouses opened in 1973.

Initially, the greenhouse focused on seasonal items such as bedding plants, vegetables, geraniums, and a few hanging baskets. Gordon and Nancy expanded from 1,000 square feet of production to 70,000 square feet of covered production on which they grow over 1,000 varieties of annuals, 250 varieties of herbs and scented geraniums, over 500 varieties of perennials, and 400 pots of flowering shrubs. Gordon is an active member of the Indiana Flower Growers’ Association and won the Grower of the Year Award in 1994.

Gordon and Nancy are the first generation owners of their business and work with their daughter, Ann, and son, David. Gordon and Nancy are in the process of transferring the business to their son David. Elsbury’s Greenhouses and Garden Center started as a partnership but is now an S-Corporation.

Through the Years

Gordon admits that things were easier in the beginning stages of the business. The business was originally run by Gordon and Nancy, but business growth and health issues have required them to hire employees outside of the family.

The rising price of propane fuel for heating the greenhouses is causing heating costs to become a significantly larger portion of their operating costs. Today, these costs alone account for 10 to 20% of the total operational costs of the greenhouses. In the past ten years, propane costs for Elsbury’s have increased from 0.35 cents per gallon to over $1.70 per gallon. Over time, Gordon has used several strategies to help hold down heating costs, including reducing the spacing between some crops, such as poinsettias, as well as investing in a corn furnace that is fed with second grade corn.

Technology

The Elsburys also understand that, although they are a family business, the business should not consume their life. To help
control growing conditions and help manage time, they have invested in an Argus Computer system that anticipates the needs of the crop based on light and temperature sensors.

In 2001, Gordon and Nancy visited a greenhouse facility in Eastern Pennsylvania that used this technology. This computer system has made growing greenhouse plants easier and more efficient. Water irrigation for all plants is controlled through this system, and it could be used by hog and grain feed farmers as well. This system also controls ventilation, heaters, day length manipulation, and supplemental lighting requirements. Gordon states this computer system paid for itself in as little as six months.

**Promotion**

Gordon and Nancy realized that seasonal items were the key to their business. Therefore, Elsbury’s Greenhouses and Garden Center is open year round and hosts several events throughout the year. According to their promotional materials, there are “5 Seasons of Bloom at Elsbury’s.”

Elsbury’s promotes a Spring Open house in Early April that showcases at least 25 varieties of pansies and over 500 perennials. Early vegetables and herbs are available for customers at the Open House. Although this is another day for their business, Gordon states the addition of door prizes and other neat events builds anticipation and increases cash flow.

“Elsbury University” is another event that has been offered in previous years around June. This event is designed to educate consumers about fertilizing and watering, new varieties, and other timely gardening tips. Consumers can also participate in hands on activities such as making their own hanging basket.

Customers and tourists come back to Elsbury’s in the fall to visit and participate in “Mumfest,” which is held in September, and again to the “Poinsettia Open House” during the Thanksgiving weekend. Both events are designed to showcase product offerings and bring consumers back to see amazing spreads of plant color.

**Partnerships**

Gordon’s love for the community and outgoing nature have given him a competitive advantage and have helped to promote the business. Gordon uses his Extension experiences to help with partnerships within the community. He believes his reputation and personal touch have helped the business to become an integral part of the greater Hope and Columbus communities.

Gordon has a great working relationship with the master gardeners in the area and uses these resources to create word of mouth advertising and networking opportunities. Elsbury’s believes that their America in Bloom/Columbus in Bloom participation has increased awareness about the importance of community involvement in community beautification using flowers (http://www.columbus.in.gov/cib-index.html). In addition, it has helped increase sales at his business.

Gordon has participated in the Columbus Visitor Center for five years and has helped to initiate the involvement in the America in Bloom program. With his help, Columbus is
in the running for hosting the America in Bloom and Symposium in 2010.

The Elsburys continue to play an active role in the community. Gordon is the founding president of the Hope Chamber of Commerce, which was responsible for receiving grant money from the state for street improvement for their grain elevator and industrial park. Gordon is also very active in the Bartholomew Chamber of Commerce. And Gordon and Nancy have served on the Bartholomew County Farm Bureau Board for seven years.
Gelfius Farms Balances
Multiple Crop Enterprises

Managing a diverse array of crop enterprises while maintaining a balance between work and family is fundamental to sustaining Gelfius Farms. The Gelfius operation is owned and managed by Bill and Norma Gelfius and their son Justin, who until a year ago was also working full-time as a Senior Service Engineer at Cummins Inc. in nearby Columbus.

Their enterprises include:
- **Processor tomatoes** for Red Gold, about 370 acres
- **Snap green beans** for Central Produce, usually 100 to 160 acres
- **Seed corn** for Pioneer Hi-Bred International, Inc., about 650 acres
- **Seed soybeans** for DeKalb/Monsanto
- **High starch (amylose) corn** for National Starch, over 1000 acres
- **Winter wheat, corn, and soybeans** balancing out the remainder of their land

While it might seem like juggling the demands of each of those crops for one operation could be a bit chaotic, and at times it may be, the Gelfius family has this mix down pretty well. The diversity of crops helps to spread the timing bumps and the workloads. “We seem to thrive on all of the busywork and the unique demands of these crops,” said Bill Gelfius. Time-sensitive activities of certain crops take priority, such as seed corn detasseling and tomato harvest. Essentially all of the tomatoes, seed corn, and snap beans are center pivot irrigated. A common rotation for them is two years of seed corn, winter wheat/double crop soybeans or green beans/double crop soybeans, and then a year of tomatoes.

A Busy Growing Season

A thumbnail sketch of the growing season for Gelfius Farms goes something like this. Usually high amylose corn planting begins about mid-April. A week or so later, the setting of tomato transplants begins—they own two tomato setters, one that can do ten rows at once and another that can do six. Seed corn planting usually follows next, in late April. About the middle of May seed bean planting begins, and snap green beans usually go in about this time, too.

June is a time for weed management and nutrient management—they own their own sprayer, and use mechanical cultivation as well for tomatoes. Tomatoes are topdressed with ammonium sulfate, and the corn is sidedressed with either liquid N or anhydrous ammonia.

Late June is time for the winter wheat harvest, using a stripper/header to speed things along to make way for double-cropping soybeans. Early July brings snap bean harvest with doublecrop beans and detasseling of the seed corn. Last year Justin added to the seed corn business as a detasseling contractor for Pioneer. Tomato harvest commences late July/early August and runs to mid-September. Pioneer manages their seed corn harvest, which can begin as early as Labor Day some years. Rounding out the fall is the amylose corn harvest, seed beans, and then any other less time sensitive commercial corn or soybean fields and planting winter wheat and cover crops.

Diversity vs. Specialization

A logical question that many might ask is, “Why be involved in such a variety of
crops?” From a management perspective, part of it is the age-old question of balancing diversity with specialization. As with nearly all enterprises, events of the past are very much reflected in today’s activities, and the events of the 1980’s were fundamental in shaping the Gelfius operation of today. “Our best and worst business decisions were made within a period of a few months,” said Bill. In a nutshell, a well-intentioned very major land transaction quickly turned sour with the spiking interest rates of the time, sending the operation into financial jeopardy. To survive, the Gelfius farm looked for every opportunity to squeeze a few dollars more from every acre of land. The original 212-acre home farm that was sold in 1980 was repurchased in 2005.

Bill graduated from Purdue in 1975, doing a short stint with Northrup King Seeds as a production assistant before coming back to farm again in 1976. Early on they raised seed for NK and then began producing for Pioneer in 1993. Most of their crop is production for the Pioneer Hi-Bred/DuPont plant in nearby Rushville, Indiana.

The tomato relationship with Red Gold has been a positive one for both parties. They started with 40 acres in 1993. Red Gold in Elwood, Indiana utilizes the relatively southern location of the Gelfius crop to get their systems started early, lengthening their processing season. “As in many enterprises, there were some growing pains those first few years,” added Bill, “but I can’t imagine our operation today without the tomatoes.”

Maximizing Productivity in Managing Labor and Equipment

With so much busywork going on, Gelfius Farms could not exist in its present state without a reliable source of labor and equipment. The farm employs three individuals full-time, one semi-retired individual part-time the year-round, and local farmers during their off season. They also depend on seasonal laborers for their work in tomatoes and seed corn. “We have learned with labor over the years, at least in our operation, that if you are going to be wrong with labor, you need to err in having too much labor vs. not enough,” said Bill.

Another area where they like to err long is in equipment, as many might see them over-equipped for a farm of their size. For example, they own two 16-row Kinze planters, one with splitters, for their 4,000 or so acres. But Justin and Bill justify this by the multiple demands of their various time-sensitive crops. They are considering purchasing a larger planter for next year.

Installed grain handling improvements include a dryer, wet leg, pit, and more storage. Containment structures around their fuel and fertilizer storage areas were also added to minimize the environmental and financial risks associated with an accidental spill. They are starting to use some cover crops as part of a strategy to be more efficient with nutrient use and to enhance soil conservation and weed control. They have upgraded their planter to include devices that improve and monitor its accuracy of spacing and seed placement. And they think in the future there could be real value in somehow integrating livestock into their operation, utilizing the manure to help keep their soils in good shape while reducing their fertilizer bill.

Technology to Improve Monitoring and Efficiency

While the demands of expanding their cropping enterprises have occupied most of their energy in the past few years, new ways of operating are in the works. Recently
Keeping good employees means taking care of them. According to Bill, they try to keep a very open dialogue with their employees and try to always be open to their input. “If there is something they see that needs improving, we want them to tell us.”

Continues Bill, “We try not to micromanage. We ourselves make mistakes, and when we empower our employees with managing certain aspects, we expect that they will make a few, too. We want them to know that we expect that and to know that they are still OK with us.”

Bill adds that many problems can be avoided with better communication. “When it happens, we try to communicate what went wrong so we don’t make the same mistake more than once.” They have a simple Individual Retirement Account program that they offer their full-time employees, and they share in the costs of their health benefits.

**Balancing Work and Family**

While the farm’s activities center on crops, family life also revolves around Justin’s wife Chatney’s career as a Senior Sales Director with Mary Kay Cosmetics, their three kids, and Bill and Norma’s daughter Rochelle and husband Dave Hart.

Legally, the main farming operation is set up as an S-corporation, and there are affiliated enterprises that deal with certain crops or related activities such as transportation. Norma is admittedly the communications heart of the organization, managing the office and all of the complexities that come with multiple crops, employees, and their separate and unique organizational and documentation needs. Bill, Norma, and Justin craft a new game plan each morning during the growing season.

Another enterprise is one that usually contributes less to returns and in fact frequently operates in the red financially. But this enterprise is a key one for maintaining some of the balance between work and play. “Tractor pulling can be all-consuming, but we maintain a healthy balance by keeping it at the bottom of the priority list behind family and business,” said Justin, who with a changing mix of family members and friends accompanies his aptly named High Dollar Habit rig in a few regional pulls each year. “Dad was the national point champion back in 1975,” added Justin. “We don’t work just for the sake of work. We realize people need occasional time away to pursue other interests and to re-energize.”

**Future Transitions**

Transitioning an operation such as this is not going to be easy. Justin is planning that Bill and Norma will give him a few more years to learn all of the important skills required to manage a business of this size and complexity. The skills are numerous enough that it seems impossible that they could all be put into a book of standard operating procedures. Family working relationships are famous for conflict, but so far the relationship is working well, maybe because he and his father think a bit differently. Justin admits he has more of an engineer’s brain, with great attention to detail and process, while Bill thinks more broadly and strategically. That is a combination that should work well in the coming years.
Shane Meier Farms, Inc.

Introduction

At first glance, Shane Meier Farms Inc. might look like a typical Indiana farm, with its main products of corn, soybeans, and wheat. But upon a second look, it quickly becomes obvious that this operation is far from ordinary. The first characteristic that sets its production system apart from many others is the use of cover crop and no-till. For Shane Meier, this set-up is very demanding from a management standpoint and does not leave much room for approximation. Meier is confident that no-till and cover crop are a great combination to improve the soil potential by improving soil structure and serving as a fertilizer trap. In addition to focusing on soil fertility improvement, another area of focus at Meier’s farm is to keep machinery and drying costs well under control.

Farm History

Charles Meier, Shane’s father, began farming in 1958 by renting 200 acres with his brother. A year later he rented 300 acres on his own. In his 51st year of farming, Charles still farms 230 acres. Shane started farming himself in 1985 by renting 210 acres. After graduating from Indiana University in 1990, he returned to farm full time. Shane slowly took over most of Charles’ ground while renting more ground on his own and today farms over 2,500 acres.

The transition was smooth, and today Charles remains on the farm as the primary help. Charles is an exceptional mechanic, welder and fabricator. Shane’s wife, Trish, and his mother, Joyce, also play active roles in the operation, handling book work and helping to feed the hungry crew when the workload gets heavy. Currently, Shane Meier Farms Inc. has no full-time employees, but hires part-time for the busy harvest time. Shane Meier is a very detail-oriented individual, and thanks to his finance degree always makes precise decisions based on the economics of the problem at hand. If anyone knows how much it costs to perform a specific operation on the farm, Meier does. No decisions are taken lightly, and cost accounting and net present values are tools commonly used.

The primary farming goal at Shane Meier Farms Inc. is to minimize cost per bushel. There are several ways that this can be accomplished, but most commonly, it is accomplished by increasing the size of the operation. While it is a straight-forward calculation and can have straight-forward benefits, Meier believes that it is not the only way. Instead, he feels that if one can increase overall yields by slightly increasing the production cost, then the goal has been achieved.

Meier would not disregard an opportunity to rent more land, but since it does not come available regularly, he has focused on other ways to improve the quantity produced while keeping costs down. To minimize cost per bushel, Meier is using different techniques: improving soil potential, system tiling, machinery purchasing innovation, and finally, a cost-efficient drying system.

Building Soil Potential

“If you want to improve yields, the answer is in the details,” Meier says. He does not believe that improving soil potential happens overnight, but he does believe that it will pay off in the long run. “This is a long-run effort,” he adds. “You may only
marginally improve your soil structure from one year to another, but it will pay.

You need to be very careful as managing a cover crop is a challenge. In the spring, before you can get in the field to plant, you first have to kill it, and sometimes it may take up to two passes. Once it is dead, you are not at the end of the tunnel yet, you still have to deal with the extra material that covers the ground.”

That is why this year for the first time Charles and Shane have adapted an old cultivator bar to create a strip cleaning machine. The machine uses the martin row cleaners to clean small strips of bare dirt where the planter elements will later deposit the seeds. This favors implantation of the seeds because the planting elements do not have to fight the excess residues, and the delay between removing the residues and planting time leaves just the right amount of time for the dark soil to warm, therefore benefitting the seed germination.

This model would not be possible without the use of the RTK satellite guidance system, a technology present on most of the tractors and combine that the operation owns. It is critical for yield recording but even more to guide the planter right down the track of the small strip. Another strong advantage of this technology is extensively used on the 90 ft boom sprayer. The sprayer is equipped with auto guidance, variable rate, but also automatic boom shut off. This technology is critical because recent herbicide prices have risen significantly and reducing overlaps is critical. Beside the direct economic benefits, this technology is also friendlier to the environment.

No-till and cover crops are management techniques used by Meier to build soil potential. On one hand, the structure is improved by reduced compaction, and on the other hand, nutrient and soil losses during the winter months are minimized. Things are always done with a purpose at Meier’s. “Yield is in the details, and this can be achieved by always critiquing your own decisions, being flexible, and learning from your mistakes,” explains Shane.

Getting the Right Machinery at the Right Price

Like most grain operations, machinery is a key expense item. Being able to keep machinery costs under control is vital for the long-term economic well-being of an operation. While there are different models for replacing and purchasing machinery, Shane Meier has found a model that best fits his operation. If you want to minimize your machinery cost per bushel, you need to buy the “largest used piece of equipment,” he says. It is well known that a piece of equipment loses proportionately more of its value during the first hours of use than afterwards. If you can buy a reliable piece of equipment with a few hours usage on it for half the price of new, it is a valuable bargain.

This is what Meier attempts to do with all of his machinery needs, and the Internet is his tool for finding the best deals out there. Meier always makes an educated choice when buying equipment, carefully doing his homework and studying in detail the equipment he wants to buy across brands and models.

This was the case with the combine he purchased this year. “This is one of the largest combines on the market, and it was half the price of a comparable brand new combine,” Meier says. No choices are left to
Meier makes an educated decision no matter what is the issue at hand.

Meier also recognizes that there are gains to be made by sharing the ownership of expensive equipment. That is the case for the sprayer that he co owns with Albert O’Connor. “This has worked great for us,” he explains. “We have a complementary way of working.” By sharing such a piece of equipment, it allows the operation to use top-of-the-line technology at a reasonable cost because it is spread over more acres.

Getting the right tool to perform the task is also a motto at Shane Meier Farms Inc. The tool must fit the operation. For instance, according to Meier, in the quest of improving soil potential it is critical to have a nice breakdown of corn stock residues. Purchasing a Drago corn head fits nicely into the system because the longer knife rollers allow for a better first crunch-down of the corn stalk to increase residue decomposition. Other side benefits that are just as significant are improved ear handling and reduced ear bounce, which decreases grain loss.

Keeping Drying Cost Under Control

With recent increases in energy costs, drying grain is becoming more and more expensive. Meier believes that it can be done more efficiently by using the natural drying capacity of the atmosphere when the air is dry. The new drying system that he recently installed will allow him to do just that. Low temp burners will provide good quality air when the outside conditions are less than optimal, and the rest of the time outside air will be blown through the grain in order to dry it out.

One advantage of this system is that it will make adjustment in drying and ventilation as easy as clicking a computer mouse. While this Internet-based approach is beneficial to Meier, it will be even more beneficial once his storage capacity is at the level he wants it to be and as more remote bins are linked to the system.

Everything but Welding

When talking with Shane Meier, it quickly becomes obvious that he is involved with each and every detail of his operation. He laughs and says, “I can do everything but welding.” Meier also uses outside consultants as well to assist him in making the best decisions for his operation. This includes, but is not limited to, tax preparation and marketing advice. While at the end of the day Meier is the one making the decisions, he finds it useful to have other individuals to provide information and bounce ideas off of. He also makes a point of staying informed and on top of the current innovations by attending conferences, seminars, and farm shows, but also by doing some testing on his own operation.

An Integrated Operation

It is interesting to look at Shane Meier Farms Inc. as an integrated approach where everything that is done serves a purpose. Attention is given to the details so that the most is drawn from the resources available. At Meier’s, this is done by catering to the needs of the soil to improve its potential by being sensitive to the soil conditions, but also by using techniques such as no-till and cover crops to improve its structure and to reduce nutrients loss. This is also done by carefully selecting the crops that are grown and the techniques performed with the quality of the ground in mind. All of this creates a management challenge that Charles and Shane Meier tackle every day by
“critiquing, being flexible and learning from our actions.”

Future goals of the operation include setting it up in a way to be able to reduce debt load so as to be able to tackle new opportunities that may arise. In the short term, Shane Meier wants to perfect his no-till cover crop technique to increase corn-on-corn acreage to benefit the soil structure. This should increase the margin in the long run. Also, taking calculated risks have been and will continue to be part of the strategy.
Indiana Farm Management Association

Association History and Purpose

The Indiana Farm Management Association was formed in 1932 to encourage more profitable organization and operation of Indiana farms. To this end, the Association has cooperated with the Purdue Extension and the Purdue University Department of Agricultural Economics to plan and conduct the annual Indiana Farm Management Tour each year since the first tour was conducted in the early 1930's.

Association Membership

Membership is open to farm operators, farm owners, and other persons interested in farm management. The $10 annual dues paid by members help pay for some of the expenses incurred to conduct the annual farm management tour and the financial backing of the Association to a large extent makes the tour possible. The leadership and financial support this group provides are greatly appreciated by Purdue University and Indiana farmers.

Contact Information

For more information about the Indiana Farm Management Association, contact its secretary: Alan Miller, Extension Farm Business Management Specialist, Department of Agricultural Economics, Purdue University, 403 W State Street, West Lafayette, IN, 47907-2056; (765) 494-4203; <millerwa@purdue.edu>.

Information on Future Farm Management Tours

For information on future tour dates, please visit <http://www.agecon.purdue.edu/extension/programs/farm_tour.asp>.
FARM MANAGEMENT TOUR - 2008

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2008 Indiana Farm Management Profiles

Bartholomew and Jackson Counties

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15055 S Baseline Road
Columbus, IN 47201

Elsbury’s Greenhouses and Garden Center, Inc.
5073 N State Road 9
Hope, IN 47246

Gelfius Farms
20565 E 200 N
Hartsville, IN 47244

Shane Meier Farms, Inc.
6755 W 1000 N
Scipio, IN 47273

Irwin Gardens
5th Street
Columbus, IN 47201

Evening Program
Community Building
Bartholomew County 4-H Fairgrounds
750 W 200 S
Columbus, IN 47201


tuesday, june 24, 2008

B&A Thompson Grain Farms
15055 S Baseline Road
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5073 N State Road 9
Hope, IN 47246

Gelfius Farms
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Hartsville, IN 47244

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Scipio, IN 47273

Irwin Gardens
5th Street
Columbus, IN 47201

Evening Program
Community Building
Bartholomew County 4-H Fairgrounds
750 W 200 S
Columbus, IN 47201

wednesday, june 25, 2008

Elsbury’s Greenhouses and Garden Center, Inc.
5073 N State Road 9
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Gelfius Farms
20565 E 200 N
Hartsville, IN 47244

Shane Meier Farms, Inc.
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