The Highs, Lows, and Good-to-Knows:

Scaling a Direct-to-Consumer Operation as First-Generation Farmers





Agenda

₀₁ About Us and the Farm

Dig Picture Assessment

₀₃ Analyzing each Question

Our Assessments in 2024

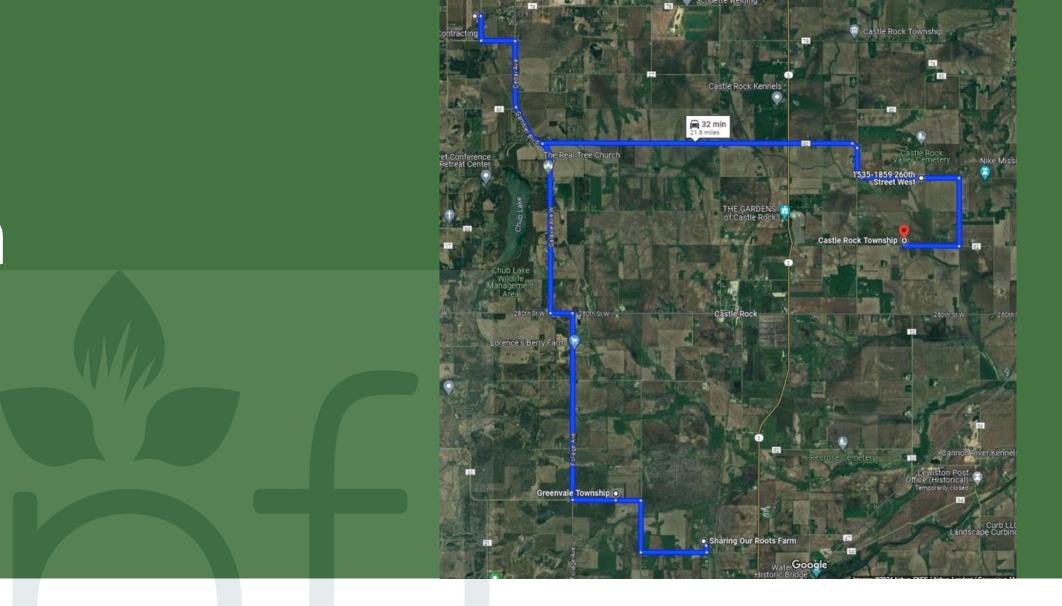
⁰¹ About Us

The Farmers: **Wyatt Cropper Parks Tessa Sadae Parks**





The "Current" Farm



100% Rental Ground

- 5 leases
- ~125 acres total

Grass-finished Beef

- Purebred Holstein bull calves
- Bottle-fed to butcher
- Weaned at ~10 weeks with starter grain before moving on to pasture and hay
- Target age: 18-22 months

Hay

- Over 50 acres certified organic
- ~50 acres transitioning organic
- 4'x5' round bales
- Wrapped for outdoor storage

Our "homebase"

at Sharing Our Roots

- Water
- Permanent perimeter fencing
- Winter housing (canvas barn)



Big Picture Assessment

DO WE HAVE THE MONEY?

(Probably not - everything is expensive)

- DO WE HAVE THE SPACE AND TIME?
- Pasture Space
- Freezer Storage

- DO WE HAVE THE ABILITY TO MOVE IT?
- Transportation

- DO WE HAVE THE CAPACITY TO SELL IT?
- Market opportunities
- Processing access





<u>03</u>

Do we have the money?

- Profit vs Loss (QuickBooks Report)
- Financier Balance Sheet
- Opportunity cost (can we afford not to do this?)

Do we have the space and time?

<u>Pasture</u>

- Rotational grazing
 - 1.5 2 acre paddocks
 - ~3-5 days per paddock per group of 5-10
- Permanent and temporary fencing

Winter Housing/Feed

- Barn rental
 - 15 calves/yearlings, or 10 market steers
- Bale Grazing
 - 1 round bale every other day per 10 animals

Health care

- Basic care (bottle feeding, banding, disbudding)
- Vet Access

<u>Freezer</u>

Cold storage unit can hold ~5 steers of beef





Do we have the ability to move it?

Animals

- Cattle trailer and farm truck
- No handling equipment (chute, squeeze)

Beef

• Large coolers, chest freezer trailer

Schedule

- Two full-time off-farm jobs
 - Is it worth our time and labor?



Do we have the capacity to sell it?

Markets

- Places to vend
- Potential customer base

Product Selection

- Proximity to meat processor
 - USDA, custom-exempt, Equal-to
 - Availability
 - Ingredient-added vs product of the farm
- Bulk vs individual cuts vs wholesale







2024

01 High Calf Prices • 2023 Average Calf Price: \$150 • 2024 Average Calf Price: \$500+ 02 On and Off-Farm • Reduced off-farm income Work • Wyatt full-time on-farm **D3** Tractor Purchase moo hay ground, moo problems ₀₄ Flooding/ • Limited Pasture Access Changed cashflow (poor hay Drought

yields and quality)

LIFETIME COST VS RETAIL VALUE PER ANIMAL

| Retail Value | \$2,949.00 |
|-----------------------------------------|-------------|
| Lifetime Cost per animal | -\$2,218.33 |
| | |
| Cost to Weening | -\$793.33 |
| Calf Cost | \$500.00 |
| Days To Ween | 60 |
| Total Milk Consumption (gallons) | 60 |
| cost for calf starter (50lbs) | \$76.00 |
| Replacement Milk Cost per Gallon | \$3.17 |
| Total Milk Replacer Cost | \$190.00 |
| Daily Creep Feed Consumption (lbs) | 1.0 |
| Start Feed 50lbs | \$12.39 |
| Cost to Obtain Calf (Transport/Labor) | \$25.00 |
| Bedding Cost per Bale | \$5.99 |
| Bales per calf | 6 |
| Total bedding cost | \$35.94 |
| Bottle Nipples, Mineral Block, Resorb | \$30.00 |
| | |
| | |
| Cost From Ween To Processing | -\$1,425.00 |
| Months from Ween to Market | 18 |
| Total Feed Consumption to Market (Tons) | 4.00 |
| Cost per Ton For Feed | \$150.00 |
| Cost to transport to Processing | \$25.00 |
| Lifetime Feed Cost (All Hay) | \$600.00 |
| Processing | \$800.00 |
| | |

FOR A GROUP OF 5 CALVES SPRING/SUMMER '24

| Current Calf Cost | 4400.00 | |
|---------------------------------|------------|--------------|
| (Zumbrota Auction 5/20/24) | \$400.00 | |
| Cost for Bottle Calves | \$2,000.00 | |
| | | |
| Milk Replacer Cost | \$76.00 | per 50lb bag |
| Vol. of Milk Replacer per Bag | 24 | gal |
| Consumption per Calf | 60 | gal |
| Total Group Consumption | 300 | gal |
| Total Milk Replacer Cost | \$950.00 | |
| | | |
| Creep/Starter Feed Cost | \$12.39 | per 50lb bag |
| Daily Consumption per Calf | 2.0 | lb |
| Total Daily Group Consumption | 10.0 | lb |
| Days on Feed | 60 | |
| Total Starter Feed Cost | \$84.39 | |
| | | |
| Bedding Cost per Bale | \$5.99 | |
| Bales per calf | 6 | |
| Bales per Group of 5 | 30 | |
| Total Group Bedding Cost | \$179.70 | |
| | | |
| | | |
| Starting Calves Cost | \$3,214.09 | |
| | | |
| | | |



<u>04</u>

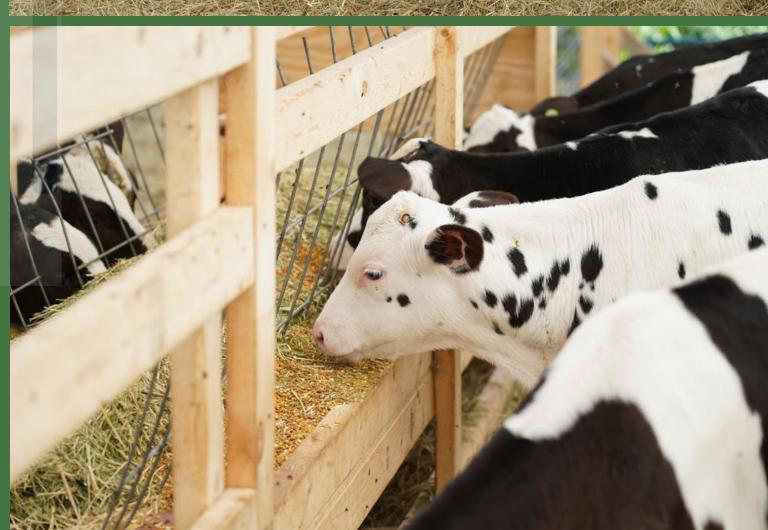
Current Quandary

- Initial 2024 plans:
 - Raise 20 calves
 - Part-time off-farm work for Wyatt
- Actual 2024 plans:
 - No calves
 - No cattle after April 2025 processing (no beef to sell in winter 2025 - 2026)
 - Opportunity to buy feeders from farm friends
 - Poor cashflow (low hay yields and Wyatt full-time on-farm this season)









Thank You



Contact Us



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