

# *Herdshare Program*

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## Startup Guide



*Herdshare School*

# What does it take to start a herdshare program?

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You might be daunted by the many facets involved in starting a herdshare program. There is certainly a lot to consider – including legal, business, financial, animal husbandry and milk handling aspects.

I felt the same way 4 years ago as I was starting my herdshare program. I was worried every day that I was doing something illegal, and I felt like someone needed to give me permission to do it. **You don't need permission!** You just need to understand where to focus your energy and time.



This guide takes you through a simple, step-by-step plan that will address each area of building a successful herdshare program. Let's get started!

# Plan for Success & Profit



## 1. TIME TO PLAN!

Are you interested in large scale, or are you more interested in the herdshare program to make your farm more sustainable (i.e. your does/cows paying their own way)?

Calculate how many shares you can comfortably deliver each week. Take the average output per animal, x7 days per week, divided by the size of the share (half or full gallon per week?)

Will you hand milk or machine milk?

Do you have a milking setup or parlor that you can keep clean?

## 2. PRICE FOR PROFITABILITY

Will you milk 10 months per year or year-round?

Will you offer on-farm pickup only, and/or set up drop sites (include monthly delivery fees if so!)

Your costs and inputs will drive your pricing. Do not choose your price based on what you think is fair or the market! Use [Charlotte Smith's milk price worksheet](#) to help you determine price per month. Price for share buy-in should be true. Calculate the value of each animal in the herd and divide it by the number of shares that you will have (keep 51% for yourself!)

Check into the tax laws for your state. A herdshare program is a boarding facility - you are boarding your members' cows or goats, not selling milk. Research if a boarding facility is taxed in your state. If you will be liable for tax, include that in your calculations.

# Run your herdshare program like a business



## 3. WORK ON YOUR WEBSITE AND MARKETING PLAN

If you haven't already, build your website - pay for professional hosting (no ads!), and purchase a domain with your farm name in it - not a secondary domain (e.g. hainesdairy.com, not hainesdairy.wixsite.com)

Create a page for your herdshare program. Include copy text on how you manage the animals and how the milking is performed. Describe what a herdshare program is, and how it works. Either include the pricing and contract information, or provide contact information.

Begin to advertise on social media, and with your farm customers through your emails. List your herdshare program on the following sites if appropriate: [www.localharvest.com](http://www.localharvest.com), [www.realmilk.com](http://www.realmilk.com), [www.eatwild.com](http://www.eatwild.com)

## 4. GET YOUR LEGAL AND BUSINESS DUCKS IN A ROW

Visit Farm To Consumer Legal Defense Fund's website. They keep updated information about herdshare program legislation in every state.

Join FTCLDF! Their staff will create and customize a herdshare contract for you based on your state and situation.

Create an Limited Liability Corporation (LLC). Most states have an online business portal to help you easily create an LLC. This is ESSENTIAL for you to protect yourself and prevent personal liability. Visit a local lawyer or your tax professional - they can help set this up as well.

Obtain your federal and state tax IDs - once the LLC is formed, you can go online with the IRS and state tax agency to obtain your tax IDs.

Open a local bank account - many credit unions have low cost business accounts.

[www.herdshareschool.com](http://www.herdshareschool.com)

# Manage your animals and milk like a business, not a hobby



## 5. HERD AND OFFSPRING MANAGEMENT

Manage your breedings and freshenings so that you have sufficient milk for your entire season. Keep in mind the lactation curves of your animals.

Test your animals for communicable diseases - Q-fever, Johnnes, Tuberculosis, Brucellosis.

How will you manage the offspring? Will you be dam raising or selling them? Growing up for meat or replacements?

## 6. MILK MANAGEMENT

Set up your milking parlor in such a way that you can keep it and your milking components clean.

Consider whether you will use glass mason jars, glass milk bottles, or plastic. Washing takes considerable time and effort for sterility, so that that into account.

Test and optimize your milking procedure and cleaning protocols, whether you are maching milking or hand milking.

Test and optimize your milk cooling procedure. Take a full bottle and check temperature to see how quickly it gets to 38F. It should be at 38F within 2 hours of milking to prevent bacterial growth.

Test your milk to ensure that you are milking in a sanitary way. You should send milk in regularly to a testing lab. Test for somatic cell count (SCC), preliminary aerobic count (PIC), and coliforms (Coli). I would encourage you to post your results on your website for transparency.

# Think you might need a little more help?



## *Consider joining us in Herdshare School!*



In Herdshare School, we break each of these action areas down even further, and provide you with links, tips, cleaning and testing protocols, wording for your customers, and worksheets that will make developing your herdshare program even more simple and straightforward.

Members also have access to our herdshare community Facebook group, where we share how we overcome challenges that face herdshare programs all over.

*Interested? Come see what Herdshare School is all about  
at [www.herdshareschool.com/school](http://www.herdshareschool.com/school)*