



Partners rely on banker to open new organic dairy

By DIANNA TROYER
For the Capital Press

RAFT RIVER, Idaho — To finance a new multi-million-dollar organic dairy, three partners in southeastern Idaho turned to their banker to make it happen.

One of the partners, Ray Robinson, a member of the cooperative High Desert Milk in Burley, sought out a lender with extensive experience in the dairy industry, Jon Maughan, who works for Rabo AgriFinance.

"I'd worked with Jon years ago when he was with Northwest Farm Credit Services," says Robinson, who milks 20,000 cows daily. "I knew if we put up the collateral he could put together the right financial package for us."

Robinson was impressed with Maughan's communication skills.

"He kept us informed of where we had to be financially as we moved along," said Robinson. "Whatever banker you pick, there should be honesty, so there are no surprises for either the lender or borrower."

Maughan emphasized that a banker has to understand an industry and structure a company's loans accordingly.

"With startups especially, it's imperative and challenging to design a proper loan structure until the operation gets on its feet," said Maughan.

"It's our first greenfield project and the largest organic dairy we've been involved with," said Maughan. "It's been a pleasure to be part of it."

The new business, Nature Ridge Organic Dairy in Raft River, has 2,450 Holstein/Jersey cows and 30 full-time employees. About 111,000 pounds of milk is produced daily for Glanbia Foods' cheese production.

Maughan said the success of the three partners' previous businesses played a role in financing the new venture.

Besides Robinson, other partners are Reed Gib-



Nature Ridge Organic Dairy in the Raft River Valley relied on its banker to start the new business.



Photos by Dianna Troyer/For the Capital Press
Kevin Schroeder, one of three partners who started the dairy, buys organic grain and hay in southeastern Idaho.

RIGHT: A cow is milked in about six minutes while riding a rotating carousel with 60 stalls.

by, who owns pig farms including one that supplies porcine heart valves to medical companies, and Kevin Schroeder, who specializes in disposal and recycling of agricultural waste products.

Schroeder said, "Reed found some ground that had been out of production for decades, making it ideal to develop as an organic dairy for a niche market."

Schroeder is optimistic about the state-of-the-art dairy's future.

"We milked our first heifer in December 2016 and are heading soon into our

second lactation," he said while watching heifers being milked on a rotating carousel with 60 stalls.

A cow is milked in about six minutes as the carousel slowly rotates.

"Some don't want to get off when they're done because they like it so much. It's an efficient way to milk," said Schroeder.

Watching the carousel is the most popular stop on field trips.

"We've taken a lot of students on a tour," he says. "We want them to understand how their food is produced."



'A will and probate can accomplish the same goals as a trust and cost less'

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estate tax exemption.

"Before the estate planning documents are drafted, the clients, the clients' attorney, and the clients' accountant should meet to discuss the value of the assets, the federal estate and gift implications, and the general plan for distribution of the estate on the deaths of the first and second spouse."

Most importantly, a will or trust should be understandable, he says.

"I've had frustrated people come in with an unnecessarily complex trust several hundred pages long that they can't understand," he says. "Many times, a will and probate can accomplish the same goals as a trust and cost less."

Another important issue is to pick "a personal representative of the estate who will faithfully and competently handle your financial issues the way you intended."

Chisholm also sees gaps in estate planning when clients print off forms from the internet and fill them out.

"They often don't realize they may have overlooked some issues," he says.

Stevenson says federal politicians have often advocated abolishing the tax paid by someone who inherits money.

"It never seems to happen, though," he says. "The right estate plan for your situation can protect heirs from those taxes."



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John "Bert" Stevenson and his wife, Elaine, relied on Don Chisholm in Burley for estate planning.

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