

So You Want To Be An Alpaca Farmer

By Renee & Barry Prokop
Black Meadow Suris

One is always curious about why someone starts a business, any business. Is it a lifelong passion, opportunity knocking, or just the stars aligning? The two primary reasons that we dropped out of the rat race and joined the alpaca chase were the lifestyle and the financial benefits that we experienced. Almost a year later we have reflected on why we made the decision that we did and if we had to do it all over again would we make the same decision?

Life-Style

My sister Mary is looking for a house. Now while I realize that this may seem a non sequitur but hang in there and it will all make sense in a minute. We agreed to board her four horses for six months while she looked for a house. Before everyone starts to take sides in this discussion let me say that I do love horses. In preparation and research for writing this article I actually rode one. It was the first time in over thirty years. My wife and sister Mary accompanied me as we rode through the woods, branches slapping me in the face and so forth. I only fell off the horse - twice, lost my



reins – twice and headed up trails that I had no intention of going – twice. All in all, I thought a successful outing – no broken bones! As my wife indicated, there are not that many places left in the world that she could be thoroughly entertained for two hours for free. Anyway, horses are graceful and majestic and sometimes funny; but I was certainly glad to bid them a fond farewell as they headed for their new home after six months on our farm. I will admit that I couldn't

possibly keep horses; I just don't have that kind of energy!

So while I am not an expert on the care and maintenance of horses, I think that I can say with confidence that horses are NOT alpacas. While taking care of both alpacas and horses, I observed a number of activities that I like about alpacas. Alpacas:

- Don't need to be kept in stalls



except in extreme weather; a simple run-in will do. As a matter of fact, alpacas do not like being in enclosed areas without a view of their surroundings. While we inherited an eight stall barn when we bought our farm, the alpacas have never seen the inside of one. They seem to prefer the pastures or the concrete runs

- Are pretty disease resistant so veterinarian bills are at a minimum
- Don't have to be shod since they don't have hoofs, just two toes on each foot. They do have to have their toes trimmed but that can be accomplished by the owner with relative ease
- Are easy to show. Just show up and march your alpaca around the ring. No fancy grooming or halters needed. In fact, if the judges find that an owner has altered the alpaca's fleece, other than an annual uniform shearing, they can be disqualified from competing (with some exceptions). At one show we almost missed getting into the ring in a timely manner. All we had time to do was throw on the halter and pick out the big pieces of hay on the way to the ring. The judges took the time to use this as a good example of what they are looking for, Pasture Fresh
- Are light on their feet since they only weigh about 150 pounds when they are fully grown. This leaves the pastures virtually undamaged by their walking, running or grazing
- When full grown, they can eat a little less than a cup of grain and supplements a day and about 2.5 pounds of hay or grass. They also only drink about 1.5 quarts of water a day. During most of the year the alpacas are content to graze on the pasture grasses.
- Clip the grass from the pasture and do not tear the grass out by the roots thus preserving the pastures for the long term. It is very difficult for us to determine which fields the alpacas have been in during the day since they leave the fields pretty much in the same condition as they find them
- Are easier to handle since they are lighter and generally more timid. My first experience with the horses was trying to keep them out of a field after I had accidentally left the gate open. All four horses and I noticed the open gate at the same time and the race was on. I got there about five seconds before the horses and held my arms akimbo and shouted "Whoo". I then immediately dived out of the way as the horses thundered past and out into the lush green pasture. With alpacas, they tend to shy away from human contact and have to be cornered to be handled. But once caught, tend to be pretty docile
- Fiber, which is shorn once a year, can be made into hats, sweaters, scarves, blankets and much more
- Create a community poop pile so that it can be quickly cleaned
- Poop doesn't smell and can be directly applied to gardens without being composted. We created a raised vegetable garden and filled it with alpaca poop. We are expecting a



bumper crop of vegetable this year

- Can be taken to the veterinarian in the back of a minivan (we actually took one to an alpaca show this way!). Once in the van, the alpaca pushed and hummed a bit but seemed to take the ride in stride.



- Are pretty versatile since they can be used for pets, breeding, fiber production or all of the above and finally alpacas;
- Hummm. Yes, Hummmm.

With all of that being said; I would say that on balance, alpacas are easier to maintain.

The life style is also different because the alpaca industry as a whole is pretty new so we are

learning something new each and every day from each other. Only in the last couple of years have alpacas started to get the attention and research needed to better

understand them. The good news is that there is a wealth of information available from internet sites like

www.alpacanation.com,
www.alpacaresearchfoundation.org/,
www.alpacaregistry.net,
and www.alpacainfo.com/.

Having alpacas will allow you to learn as the industry continues to grow and will allow you to contribute to that overall knowledge. Nobody at this point has all the answers and a solution that works in one part



of the country may not work in another. So there is some excitement in discovering better methods to care for alpacas and share that knowledge with other alpaca owners.

As people become more interested in alpacas they start to ask more questions and want to understand what they might experience if they had an alpaca farm. The best way that we found to learn was by visiting established alpaca farms. Even after we established our farm we have

come to rely on other alpaca owners and associations as a source of information and knowledge. We have found that the alpaca community is very open and generous with their time and information. While in some cases they are competing for individual sales; overall they are a great group of families and businesses who are looking to improve the alpaca breed and the industry as a whole. AlpacaNation has a great directory of farm locations and associations like the Mid-Atlantic Alpaca Association (MAPACA), www.mapaca.org, and Alpaca Association of Western Washington (AAWW), <http://www.alpacawa.org>, are just two examples of associations that can provide additional information about everything alpaca. Alpaca owners are proud of their farms and ranches and love to show them off.

Alpaca owners love to show off their farms. This activity is second only to showing off the alpacas themselves. My wife use to show dogs and my sister Mary use to show horses. After we got alpacas they both thought that they had died and gone to heaven. "You mean that I can get a transporter to pick up my alpacas and deliver them to the show and back again?" Yup. We attended the AOBA show in Louisville Kentucky this year and there were many transporters there but even more trailers. We trailered our alpaca to the show. We were pretty proud running down the road in our two pony fiberglass dual-axle trailer until we got blown off the road by a home on wheels pulling a custom built eighteen alpaca trailer with more electronics then the space shuttle - going ninety miles an hour. Some people take going to shows to a new level.

"I don't have to spend hours cleaning and grooming the alpacas before a show?" Nope. Shows are an important part of alpaca breeding and farming. This is one venue where an impartial judge can access how your alpacas stack up against other similar alpacas by age and color. It is a great way to avoid what someone once termed "barn blindness" That is the ability to only compare your alpacas against each other. The real test is how your alpacas compare against other farms. This year our farm went to a number of shows such as Futurity, MAPACA, and AOBA nationals. Our West coast farm



Our farm won ribbons at all of the shows. Did I mention that it feels real great to win a blue ribbon? Since we were just starting our farm in the East, we only had one alpaca to take. We learned a lot at both shows and will be taking three alpacas to shows next year. Many times it is about the experience not about the ribbons. At least that was what I told our western farm as they stood holding all of their ribbons. <smile>

However, shows are a small part of the activities that an alpaca owner attends to on a yearly basis. Once the initial fencing,



pastures, watering stations, and other basic infrastructure are set up, the herd needs to be fed, monitored and cleaned up after. Establishing a barn routine is important. We found that feeding, animal handling, daily pasture maintenance, and record keeping, for each alpaca, takes time. However, being around and watching the herd is an enjoyable reward for all of that hard labor. Many evenings we sit on the back porch and watch the alpacas grazing and frolicking in the pastures. In addition, on many of my days away from the office, I can be seen settled into a chair in the middle of the field reading a book and watching the alpacas as they watch me.

Financial

I would also be remiss if we did not mention that before any move is taken, no matter how attractive it may be, that individuals consult an accountant and if necessary an attorney to discuss their plans and develop a strategy for how they are going to transition to starting a farm. Going into a business that involves significant investment in time and money deserves caution and planning. The information presented here are our impressions and insights which is not a substitute of sound professional advice.

There has been a lot written about the tax benefits that may be derived from **Section 179**. Section 179 refers to a section of the United States Code which can be found at <http://www.law.cornell.edu/uscode/>. You can also see the U S Code at the following site, <http://uscode.house.gov/> but we found the Cornell site easier to use. Title 26 talks about the Internal Revenue Code. As we weave our way through Subtitle A, Chapter 1, Subchapter B, to Part VI you will eventually come to Section 179 which is titled “Election to expense certain depreciable business assets”.

The **American Jobs Creation Act** which became law on Oct. 22, 2004, extended the increased limitations for 2006 and 2007, and the limitations will be adjusted for inflation. (Inflation adjustment boosted the expense limit to \$105,000 and the investment limitation increased to \$420,000 for 2005). However, starting in 2008, these limitations are scheduled to return to the pre-JGTRRA limitations of 25,000 and 200,000. The good news is that there appears to be a number of moves a foot to further extend and make permanent the Section 179 provisions beyond 2007. Ensure that your accountant explains all of the implications that Section may pertain to your farm activities.

In addition to the Section 179 attraction, we believe that prospective alpaca farmers should also look at IRS publication 225, *Farmers Tax Guide* (<http://www.irs.gov/pub/irs-pdf/p225.pdf>). We believe that this publication, all 111 pages of it, is a good guide to understanding the financial implications of owning and running a farm.

After all of the fine print, calculations, and credit card bills: Would we do it all over again? Absolutely! Our goal has always been to get as quickly as possible to about 20 alpacas. We believe that at that point we will be able to provide a positive cash flow by selling some of our alpacas to offset any ongoing farm costs. So after purchasing our initial two dams, we quickly added a male cria in July 2005. This year we expect two more crias to be born (let them be girls!). We also plan to purchase two additional females to help build our herd. We believe that the major startup expenses of the first

year are behind us and while there is still a lot to do, it can be accomplished at a more leisurely pace. By the fifth year, we expect to be in a position to make more money than we spend.

Financial considerations aside, we have learned so much and had so much fun with the alpaca farm. We have met some great and helpful people and been able to watch our small herd grow. We have also come to appreciate how many different skills are necessary in order to run a farm. And there is a certain sense of satisfaction and accomplishment that we have felt from learning this new skill. We didn't know a short year ago that we would become shepherds, nurses, cowboys, laborers, security guards, marketers, accountants, caregivers, and researchers. But the fun has been in the journey, not the destination.

So if I was asked, "Would you do it all over again?", I would definitely say "Yes". My only corollary to that answer would be, "Yes, I would do it all over, but I would do it sooner!"

About the Authors:

Renee and Barry Prokop have created and developed Black Meadow Suris to provide a diverse collection of suri alpacas. We have a passion for quality customer service and friendliness. Come experience the power that a small dedicated farm can bring to your breeding program! Services that we provide include long and short term agisting, breeding services, and alpaca sales. We also are opening two stores; one online and the other at the farm. Renee and Barry operate Black Meadow Suris just outside of Fredericksburg, Virginia. Fredericksburg is located in the rolling hills just below the falls of the Rappahannock River and halfway between the two Civil War capitals, Washington, D.C. and Richmond, VA.



Renee, who is no stranger to the farm, will manage the day-to-day operations of Black Meadow Suris. Both Barry and Renee will continue to explore, learn, and communicate better ways that they have found to manage their growing farm.

To find out more about Black Meadow Suris, call us at 703-764-9077; email us at Renee@prokops.com or visit us on the web at www.blackmeadowsuris.com