State initiatives target growth in thriving animal agriculture industry

By Carolyn Orr [1]
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What is the economic impact of a single dairy cow? An analysis by South Dakota State University put it at $14,000, and in Nebraska, the state estimates that a 2,000-cow dairy operation generates 20 jobs and pays more than $200,000 in property taxes.

Animal agriculture is big business in the Midwest, and in recent years, states such as Nebraska and South Dakota have begun new initiatives to encourage its expansion.

Nebraska’s efforts began in 2003 with legislation giving counties the chance to be deemed “livestock friendly.” Under the program, the state reviews the county’s use of its zoning powers to ensure that they are applied in a clear and consistent manner to livestock operations.

The program started slowly because counties were mistakenly concerned that it could infringe on their home-rule power to set zoning standards. But as the program has matured and gotten continued support from leaders such as Gov. Dave Heineman, more counties are enrolling. And Nebraska’s livestock industry (which makes up about half of the state’s farm sector) is growing, mostly through expansion of existing operations.

Today, more than one-third of the grain produced in Nebraska is fed to the state’s livestock — an example of how one part of a state’s agricultural community helps the business of another. From feed mills to veterinary services, livestock operations produce ancillary business opportunities for local communities, says Steve Martin, agriculture promotion coordinator in Nebraska.

Meanwhile, in South Dakota, Gov. Dennis Daugaard, who grew up on a dairy farm, has been participating in shows such as the World Ag Expo with one goal in mind: Attract more dairies to the state.

“South Dakota has the reasonably priced land and feed that livestock operations need,” says David Skaggs, the state’s director of dairy development.

Perhaps more important, he says, South Dakota is a state that has realistic regulations and an end market. The state is home to more than 90,000 cows, but new and planned processing facilities there could use the milk from almost twice that number. Over the last seven years, 17 new dairies have been built in South Dakota.

In addition to assisting with farm expansions and relocations, South Dakota helps immigrant entrepreneurs apply for the federal Immigrant Investor Program. The state has also started its own age and source verification program for beef cattle farmers, providing an alternative for meeting U.S. country-of-origin labeling rules.

Both Skaggs and Martin say there have traditionally been two big obstacles to expansion: the permitting process and local residents’ objection to new livestock facilities. The objections are often a result of concern over odors, but Skaggs says new construction methods and siting restrictions are helping minimize this problem.

In Iowa, meanwhile, a partnership of producer associations is addressing these concerns. The Coalition to Support Iowa’s
Farmers has developed a process called Community Assessment Modeling, which determines the best location for new farms by studying the kind of livestock barn to be built, the direction that winds usually blow, the terrain and the proximity of neighbors.

Through the efforts of Nebraska, South Dakota and Iowa, the Interstate 29 corridor is becoming an economic cluster that is attracting new dairies, building businesses that supply livestock farmers, and enticing companies that process milk.

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