

Iowa New Farms Project

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Summary and Implications

Growing the dairy industry in Iowa has taken many facets. The Iowa New Farms Project started 4 years ago with 3 pilot communities, Butler County, Stacyville, and Brooklyn. The first dairy relocated to Butler County and started operation on November 15, 2005. The 350 cow dairy is owned by a former Dutch dairy farmer who immigrated to the United States on an EB-5 visa. Additional dairy farm families are in the process of developing their business plans for a similar move in 2006.

Introduction

Iowa State University Extension, the North East Iowa Community Based Dairy Foundation and the Northeast Iowa Community College established a set of goals for their role in the state's dairy industry. One of these goals was to stop the decline in cow numbers, dairy farms and milk production in the state and to grow these numbers over time. A part of that goal was the development of the Iowa New Farms Project. This project was launched to attract dairy farm families outside of Iowa into the state.

Process

The project started in the fall of 2001 with a contact from The Netherlands asking for assistance in helping dairy farmers immigrate into the United States. Shortage of land, very difficult environmental regulations and the high cost of milk quota was literally stopping any potential expansion or involvement of inter-generation families in the Dutch dairy industry.

Dairy production has one of the largest economic impacts with an economic multiplier of 2.27. Only dairy processing is higher with a multiplier of 2.61. Dairy farmers tend to be young families with children still involved in the local school systems. For the average 72-cow Iowa dairy farm, 1.52 jobs on the farm and an additional 0.75 job off-farm are created. Each of these reasons gives a strong incentive to help grow the Iowa dairy industry.

Extension contacted three communities as to their interest in being a pilot community for the New Farms Project. Each community held a planning session and at least one community meeting open to all persons in the community, to discuss the project and determine if it would

be a good fit for their community. Once the community endorsed the project, a steering committee was formed. These ranged from about 7 to 16 members and represented dairy farmers, crop farmers, economic development organizations, businesses, county government, attorneys, realtors, and local residents. The steering committees were assisted by Extension in developing tours, identifying dairy service providers, and many other tasks to make their community attractive to potential families.

Extension developed a cooperative relationship with Atlantic Business Development/The Netherlands and the Dutch National Extension Service (DLV) who do the recruiting, selection, and preparing of the farm families for immigration into the United States. Atlantic Business Development has since established Atlantic Business Development/Iowa to help in the immigration process, to identify dairy service providers, and to assist in the details of the tours conducted for the potential families. Extension has also provided technical assistance to families on issues such as insurance needs in the US, the education system in Iowa, business plan development, health protocols for cattle selection, and identifying neighboring farmers that are interested in producing corn silage, alfalfa and utilizing the manure nutrients from the dairy.

Results to Date

Potential immigrating families are utilizing the EB-5 Visa. This, along with a special designation of 77 counties in Iowa, requires an immigrating family to have a herd of 300 dairy cows and an investment of at least \$500,000 to qualify for this investment Visa. The EB-5 provides the family with conditional immigrant residence. This allows the family to purchase land in Iowa and to eventually pursue US citizenship for the parents and children.

Extension and the communities have assisted ABD/Netherlands at Emmigratia fairs in Holland, and have conducted three tours of the North East Iowa communities, the dairy industry, and family life in Iowa.

Once the first family purchased an option on land, Extension was able to identify potential crop farmers who might be interested in growing corn silage, alfalfa and utilizing the manure nutrients from the dairy. A meeting of these crop farmers was held in Shell Rock in September of 2004. Thirty persons attended the meeting representing 9 farm families. Seven of these requested that their name be given to the new farm family as willing to discuss crop production possibilities. The immigrating farmer contacted all seven families and 5 made arrangements to interview the family and develop a crop production contract. Our Farm Management Specialist facilitated these meetings. One family was selected by the new farmer to grow about 180 acres of corn silage and 100 acres of alfalfa. The local CEED has assisted the crop producer in the technology of

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clear seeding alfalfa and corn for corn silage. Custom operators harvest both of the silage crops. This crop farmer also contracted for the manure from the dairy and is currently remodeling his swine facilities to raise heifers for the dairy.

Through facilitation by the Extension dairy field specialist, four potential cattle purchasers were identified, interviewed, and one was selected by the family to purchase herds of cows utilizing the health protocols the field specialist and a local veterinarian developed. Two herds were purchased out of Minnesota and one in Iowa. The first herd arrived November 15th and the last November 23rd 2005. In the first 2 weeks 25 calves have been born. The herd is milked twice per day in a double 14 parallel parlor. The new farm family has hired two full time employees and 2 to 3 part-time employees.

Additional features of the dairy include a circular concrete facility for one year of manure storage; and rubber matting in the holding pen, alleyways and in the feeding alley where the cows stand to eat. Cows lie on a mattress and are bedded with sawdust. An automatic calf feeder, imported from Germany, can feed up to 30 calves. Bull calves are sold by one week of age to a local Butler County Dairy beef producer. A modified grain cart delivers sawdust from the feed alley to the center of the stalls. This was designed by the new farmer and manufactured by a local welding shop.

On November 12, 2005 the Butler New Farms steering committee, ABD/Netherlands, and Meyer Construction Inc., the lead contractor, conducted an open house at the new dairy. Over 1200 people attended the functions that day.

Currently another four communities have expressed detailed interest in preparing their community for possible dairy expansion and in some cases initiation of the dairy industry. Two more families are in the process of developing a business plan for possible immigration to Iowa in 2006.

The Iowa New Farms Project has initiated many more leads both domestically and internationally. This long process of improving the economic viability of the community through the dairy industry has had many bumps along the way. But these pilot communities continue to be enthusiastic about their chance to attract the dairy industry.