



STATE OF SOUTH DAKOTA  
M. MICHAEL ROUNDS, GOVERNOR

June 3, 2003

Eduardo Aguirre  
Commissioner  
Bureau of Citizenship and Immigration Services  
425 I Street, Northwest, Room 1700  
Washington, DC 20536

Dear Commissioner Aguirre:

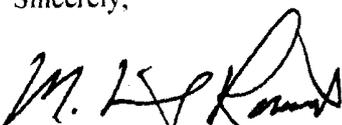
The Immigration Act of 1990, Section 121(b)5, establishes provisions by which individuals who invest \$1 million in a business in the United States (US) and employ ten or more US citizens or legal residents will be granted a 2-year provisional visa. Rules to implement the Act were adopted in November of 1991. These rules extend provisions to individuals who invest \$500,000 in a business in specified high unemployment or rural areas in the US as defined by the Act.

The South Dakota International Business Institute administers this program and the authority to certify which geographical regions are certified high unemployment areas has been delegated to the South Dakota Department of Labor (SDDOL).

Based upon provisions of the Act, rural counties qualify regardless of unemployment rate. However, cities of 20,000 or more within these rural counties qualify only if they are high unemployment areas or if the entire county has a qualifying unemployment rate. Based on this, all South Dakota counties qualify except for South Dakota's only two metropolitan statistical areas of Sioux Falls (Minnehaha County) and Rapid City (Pennington County). Additionally, the cities of Aberdeen (Brown County) and Watertown (Codington County) do not qualify as they have populations of more than 20,000.

The entire state of South Dakota, except for the cities mentioned in the prior paragraph, constitute South Dakota's certification of areas of high unemployment for the purposes of the Immigration Act of 1990. Questions regarding implementation of the Foreign Investor provisions of the Act in South Dakota may be referred to Joop Bollen, Director, SDIBI, at 605-626-3098. Questions regarding certification may be referred to Pam Roberts, Secretary, SDDOL, at 605-773-3101.

Sincerely,



M. Michael Rounds

MMR:ls



**SOUTH DAKOTA DEPARTMENT OF LABOR**  
**PAMELA S. ROBERTS, SECRETARY**

June 9, 2003

South Dakota International Business Institute  
Attn: Joop Bollen  
1200 South Jay Street  
Aberdeen, SD 57401

Dear Mr. Bollen:

This letter is being provided in response to your request for the South Dakota Department of Labor to certify targeted employment areas in South Dakota. This certification is needed to support provisions detailed in Section 122(b)5 of the Federal Immigration Act of 1990. These provisions create the opportunity for foreign individuals who invest in a business in the United States and employ ten or more U.S. citizens or legal residents to be granted a two-year provisional visa. The required capital investment is \$1 million, except in targeted employment areas. For these targeted employment areas, the investment requirement is lowered to \$500,000.

To be certified as a targeted employment area, an area must qualify as a rural area or a high unemployment area. As defined by the Act, a rural area is any area not within either a metropolitan statistical area or the outer boundary of any city or town having a population of 20,000 or more. By this definition, all county areas in South Dakota qualify as rural areas, except the Rapid City MSA (Pennington County), Sioux Falls MSA (Lincoln and Minnehaha counties), and the cities of Aberdeen (2000 Census population of 24,658 located in Brown County) and Watertown (2000 Census population of 20,237 located in Codington County).

To be designated as a high unemployment area, an area must have an unemployment rate that is at least 150 percent of the national average. The current national unemployment rate (April 2003) is 6.0 percent. Therefore, to qualify as an area of high unemployment, an area needs an unemployment rate that is at least 150 percent of the national rate, which would be 9.0 percent. According to current unemployment rates, none of the remaining areas in South Dakota qualify as high unemployment areas.

Therefore, the Department of Labor certifies that all rural areas in South Dakota, as defined by the Act, qualify as targeted employment areas. If you require additional assistance regarding this matter, please do not hesitate to contact Phil George (605) 626-2314.

Sincerely,

Pamela S. Roberts  
Secretary of Labor

**EXECUTIVE OFFICE**  
**KNEIP BUILDING**  
**700 GOVERNORS DRIVE**  
**PIERRE, SOUTH DAKOTA**  
**57501-2291**

**605-773-3101**  
**605-773-4211 (Fax)**

**ABC DIARY LIMITED PARTNERSHIP  
AGREEMENT OF LIMITED PARTNERSHIP**

THIS AGREEMENT OF LIMITED PARTNERSHIP (the "Agreement") is made as of this \_\_\_\_ day of \_\_\_\_\_, 2004, among ABC FAMILY, L.L.C., a South Dakota limited liability company, as General Partner, and Korean Investor ONE, Korean Investor TWO, Korean Investor THREE, and Korean Investor FOUR.

In consideration of the mutual covenants and agreements hereinafter set forth, the parties, desiring to form a partnership pursuant to the South Dakota Uniform Limited Partnership Act, as amended, for the purposes and upon the terms and conditions hereinafter set forth, hereby certify and agree as follows:

**ARTICLE I**

**FORMATION; NAME; PURPOSES; TITLE TO PROPERTY;  
ADDRESS OF OFFICE AND AGENT**

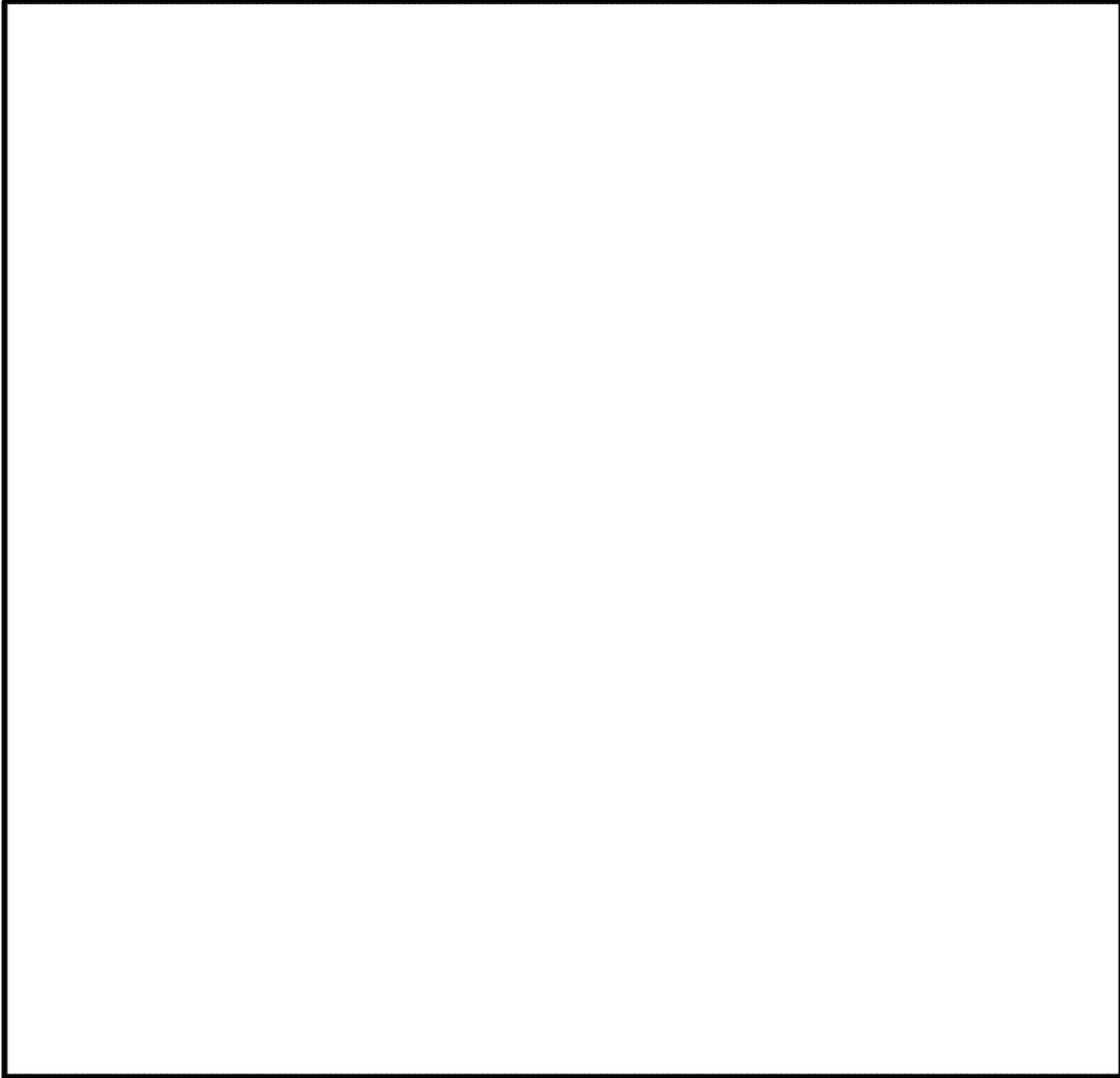
**Section 1.1. Formation of Partnership.** The parties hereto hereby form a limited partnership pursuant to the South Dakota Uniform Limited Partnership Act, as amended, and the rights and liabilities of the partners shall be as provided in that Act, except as otherwise expressly provided herein. The General Partner shall promptly prepare, execute, file, and record in the appropriate public offices a Certificate of Limited Partnership and shall do all other things required for the perfection of the Partnership as a limited partnership and to authorize the conduct of its business under an assumed name pursuant to South Dakota law and to register to do business in South Dakota as required by South Dakota law.

**Section 1.2. Partnership Name.** The name of the Partnership shall be "ABC Dairy Limited Partner ship", and the business of the Partnership shall be conducted under such name.

(b)(4)



(b)(4)



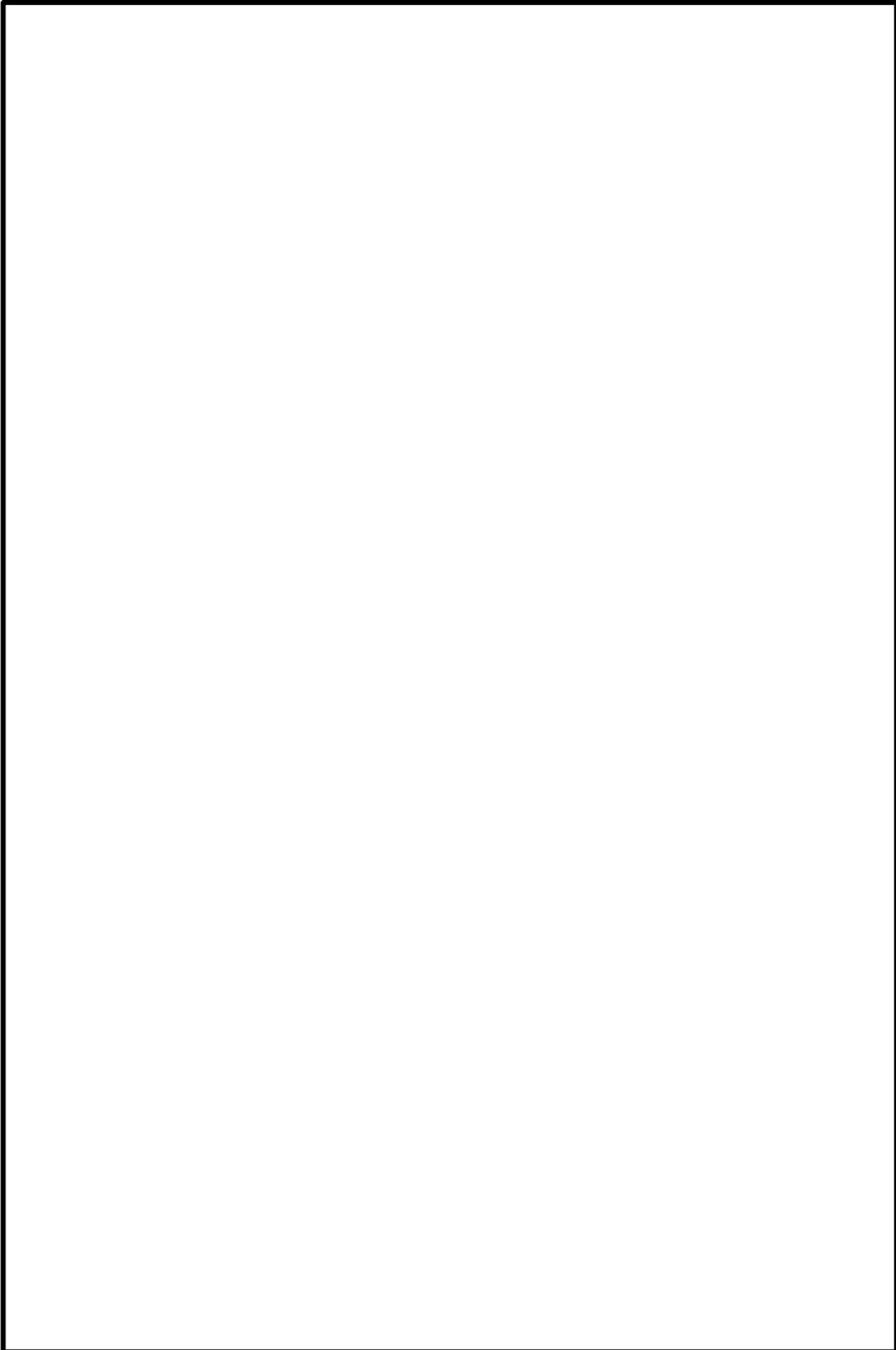
**ARTICLE II**  
**DEFINITIONS**

**Section 2.1. Definitions.** When used in this Agreement the following terms shall have the meanings forth below:

**Act** means the Uniform Limited Partnership Act as adopted in the State of South Dakota, and in effect from time to time.

**Agreement** means this Agreement of Limited Partnership, as from time to time amended.

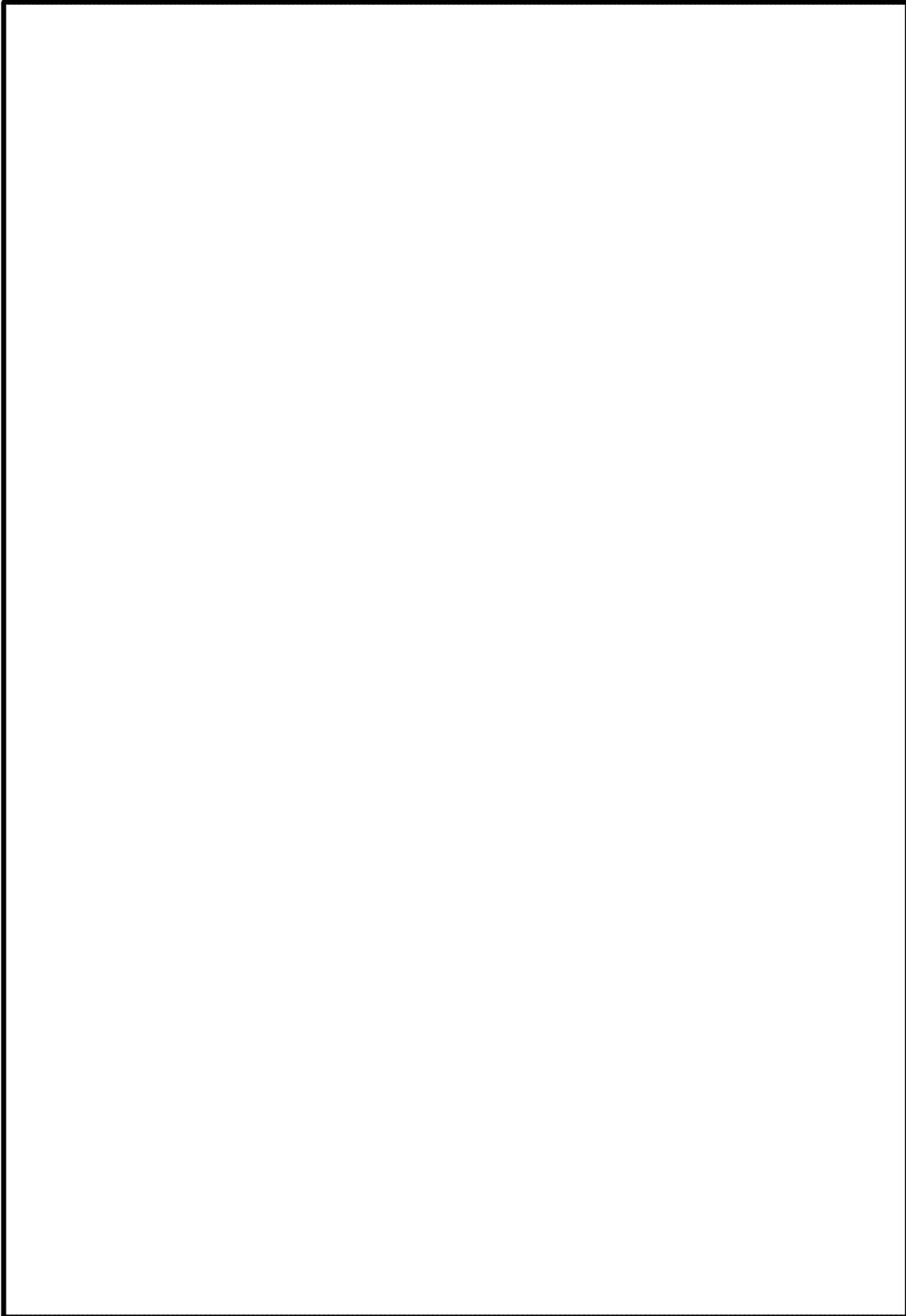
(b)(4)



**Code** shall mean the Internal Revenue Code of 1986, as amended from time to time, together with

Treasury Regulations issued thereunder from time to time, or any successor statute or regulations.

(b)(4)



(b)(4) **Project** means a dairy operation located in the State of South Dakota with a projected plan to employ \_\_\_\_\_  or more individuals.

**Person** means any natural person or any Entity.

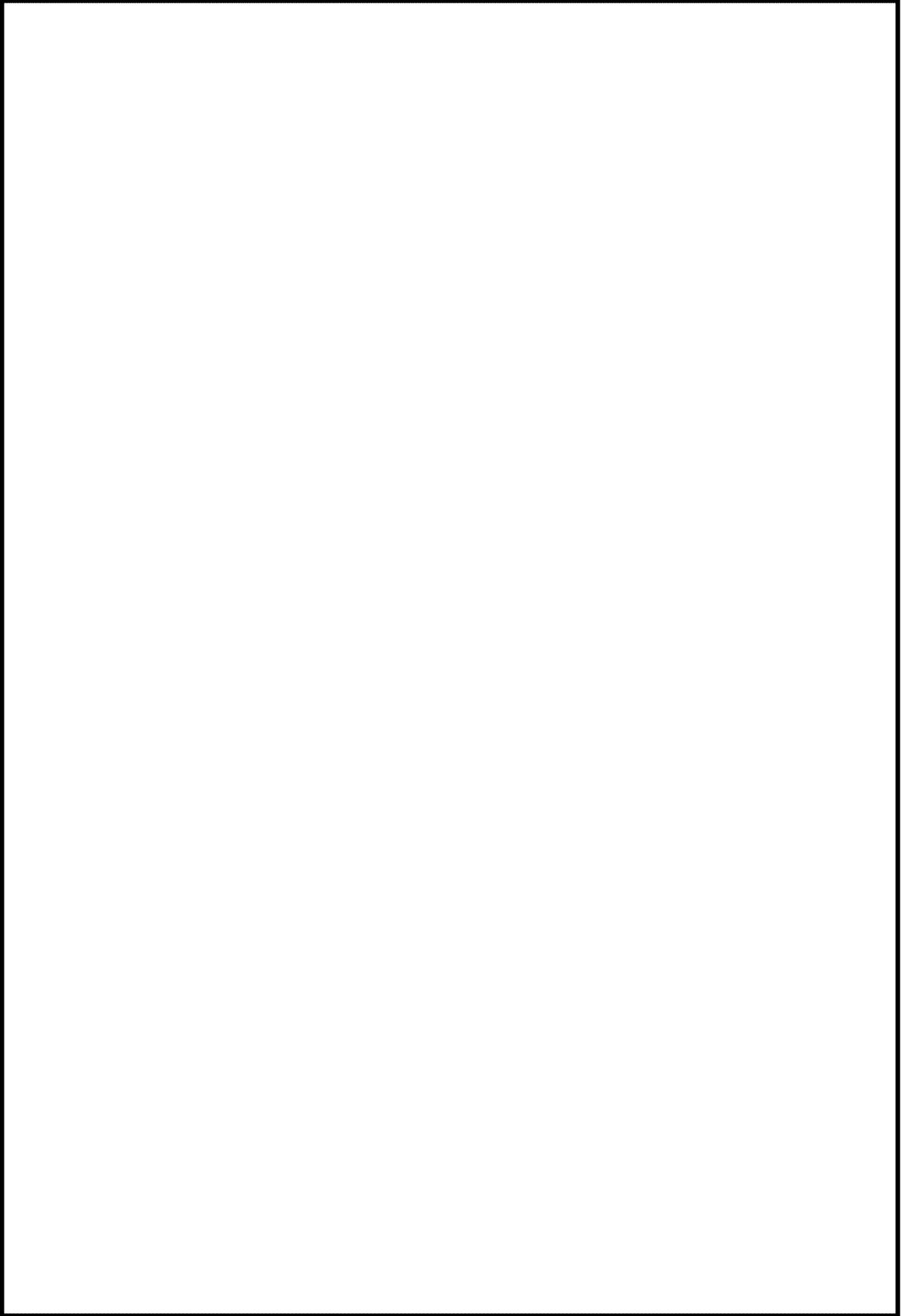
**Successor Entity** shall have the meaning set forth in Section 10.3.

**Tax Matters Partner** shall mean ABC Family, L.L.C., a South Dakota limited liability company, who is designated as such pursuant to Code Section 6231(a)(7)A.

### ARTICLE III

(b)(4)

(b)(4)

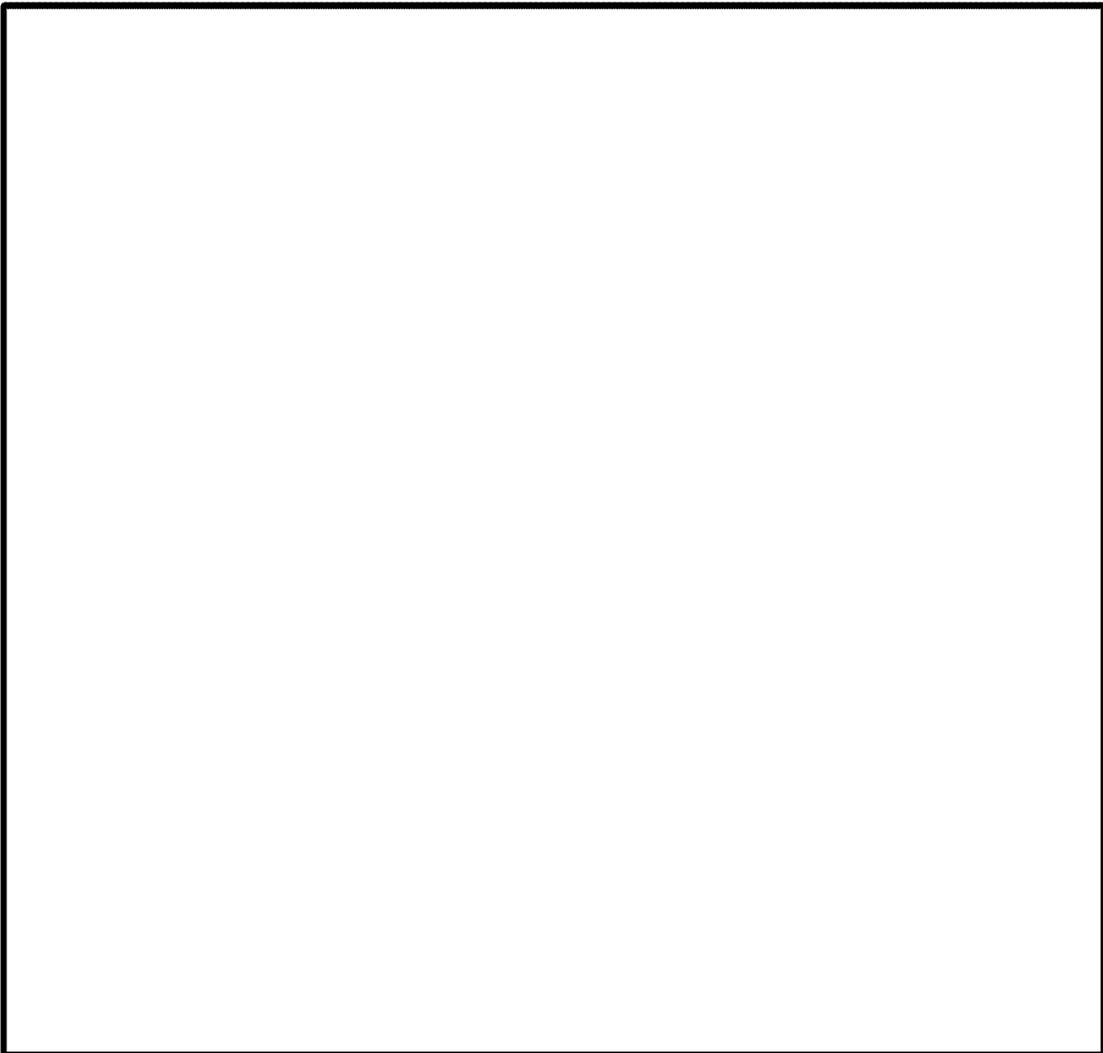


(b)(4)



**ARTICLE V**

(b)(4)

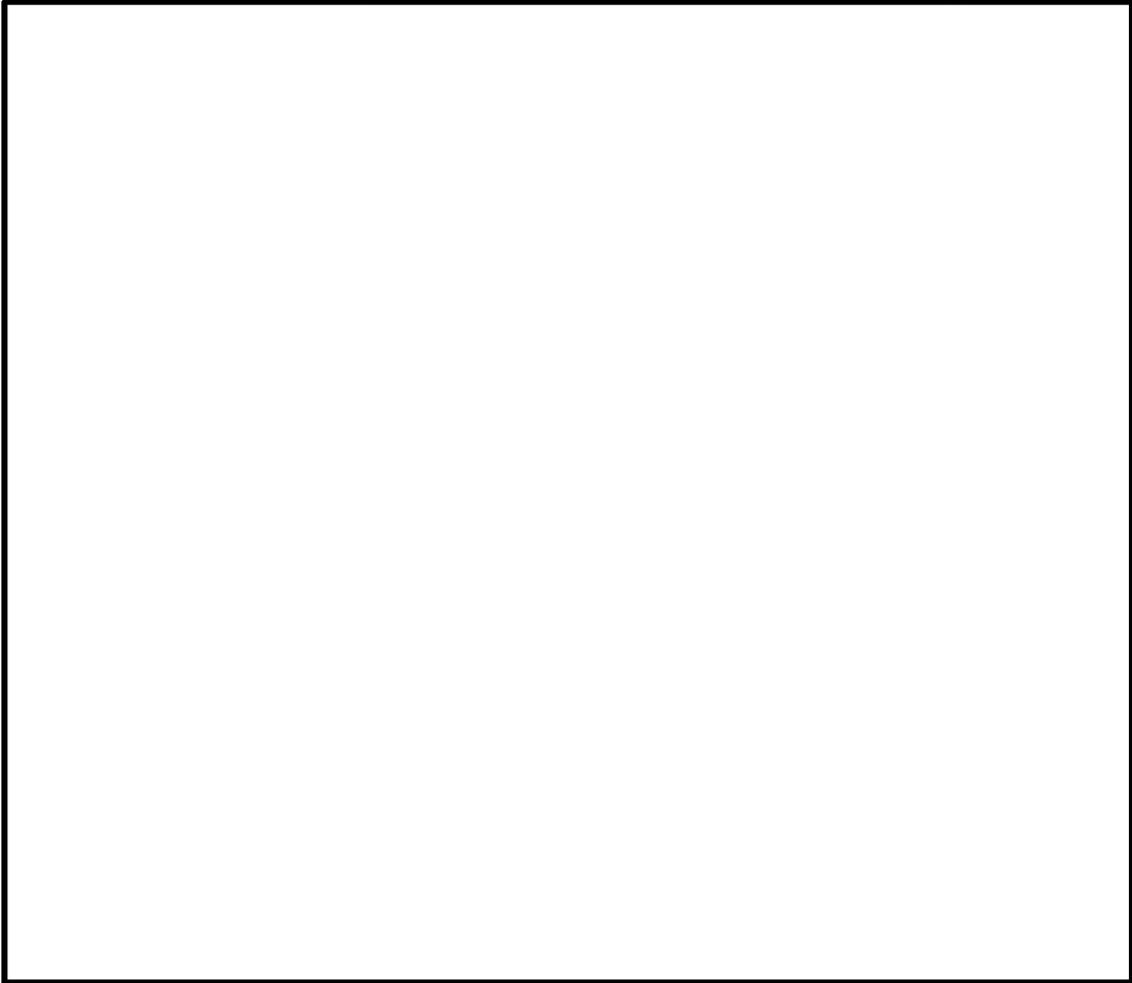


(b)(4)



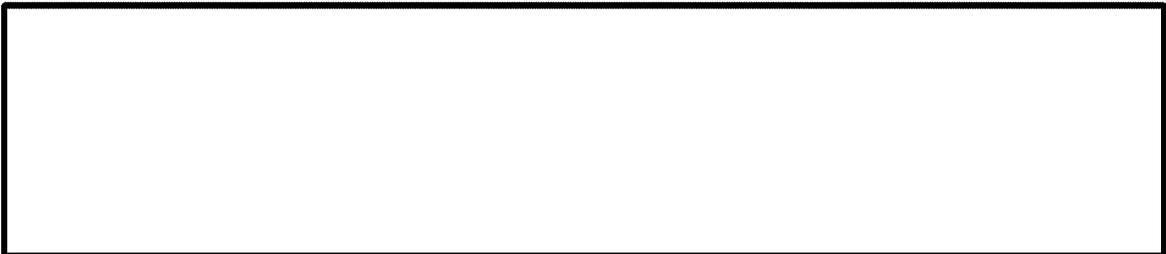
ARTICLE VI

(b)(4)

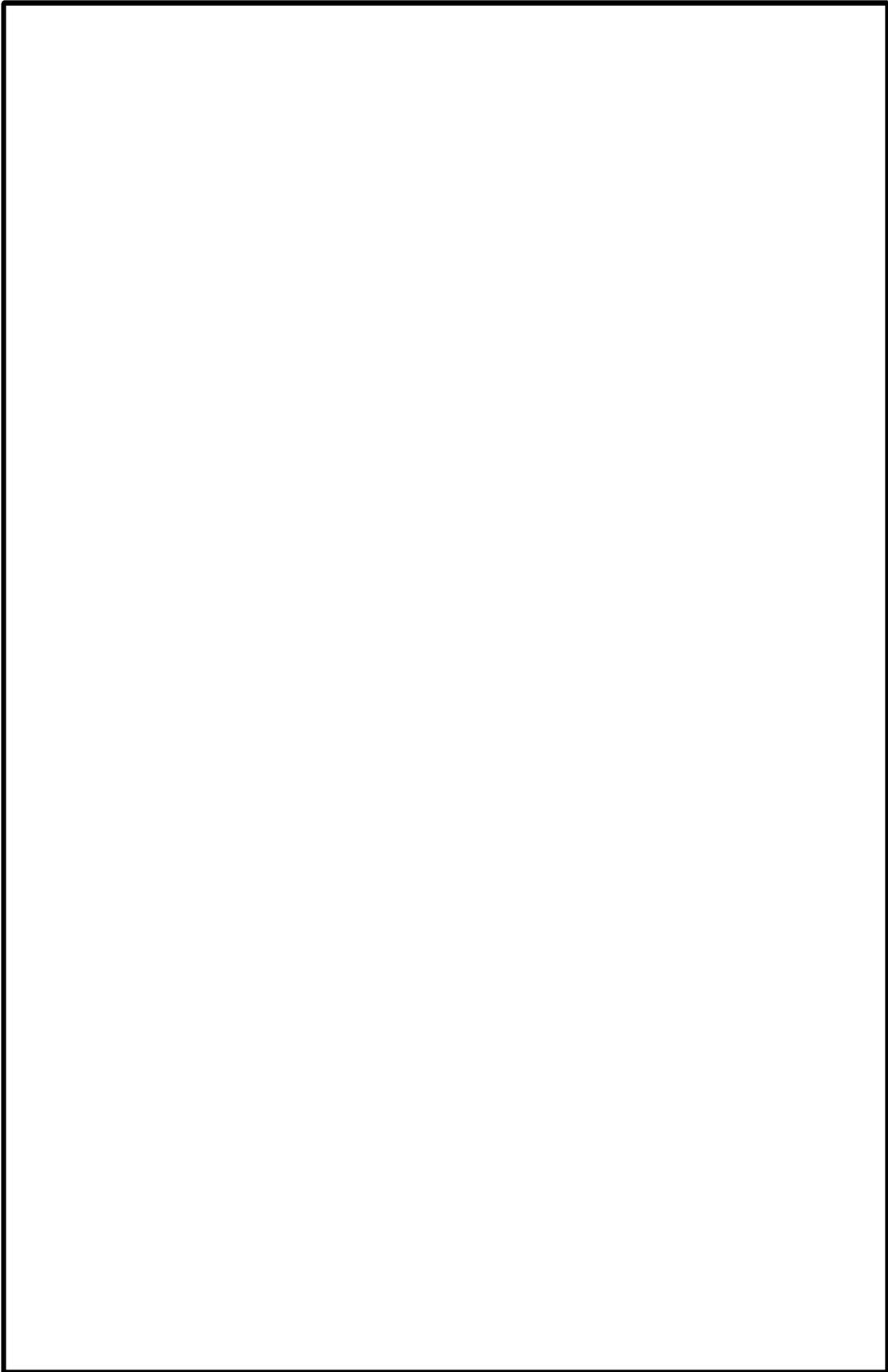


ARTICLE VII

(b)(4)



(b)(4)



(b)(4)

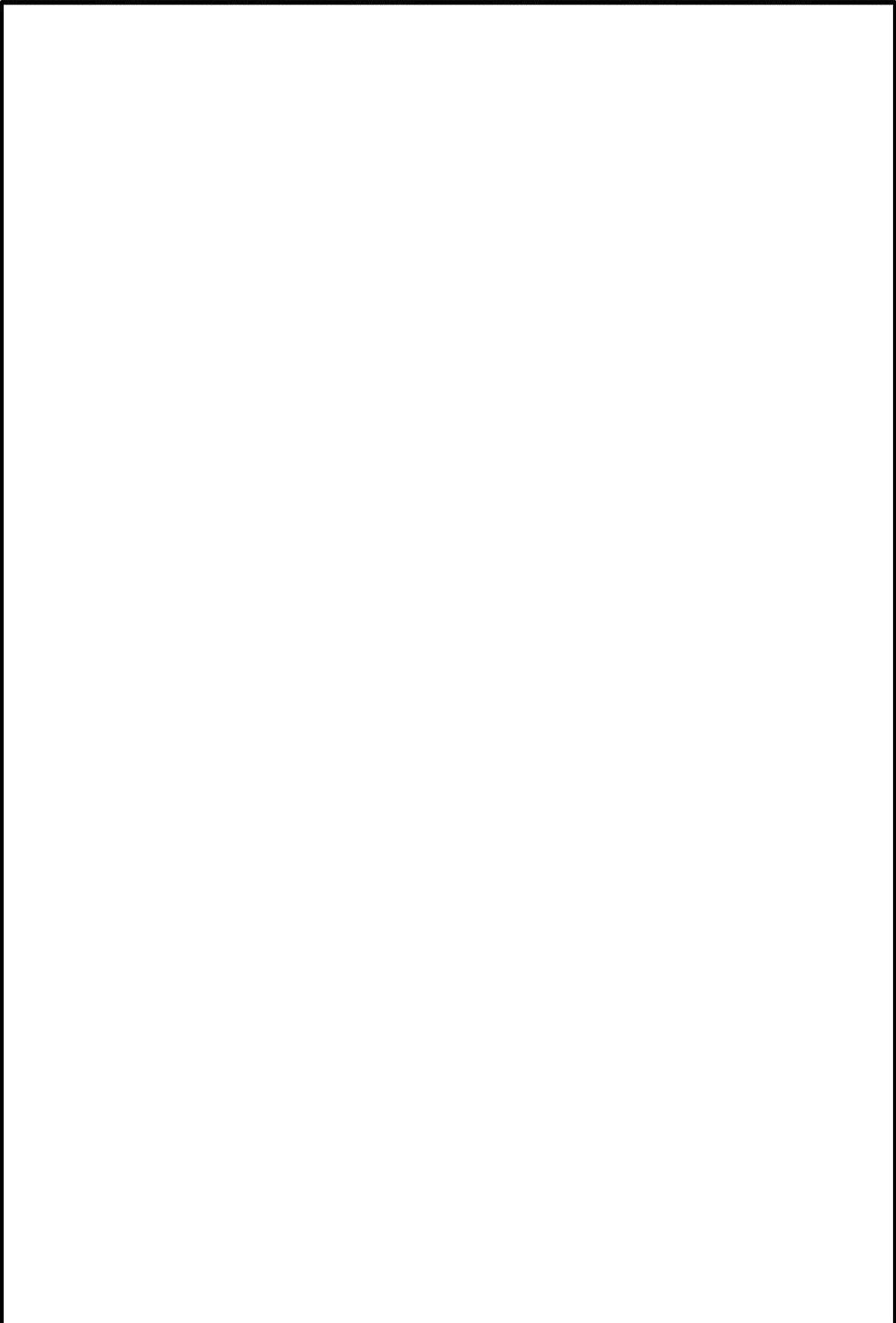


**ARTICLE VIII**

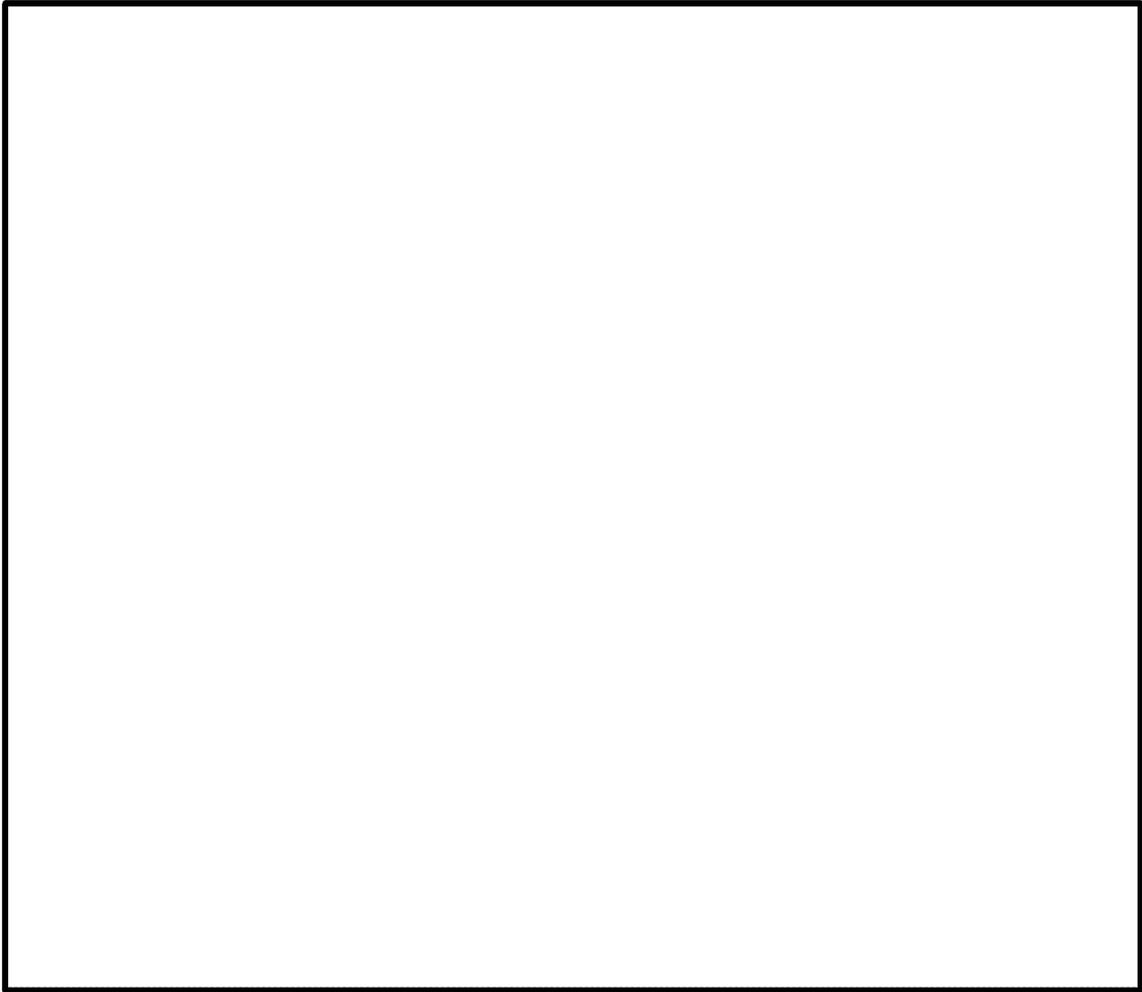
(b)(4)



(b)(4)



(b)(4)

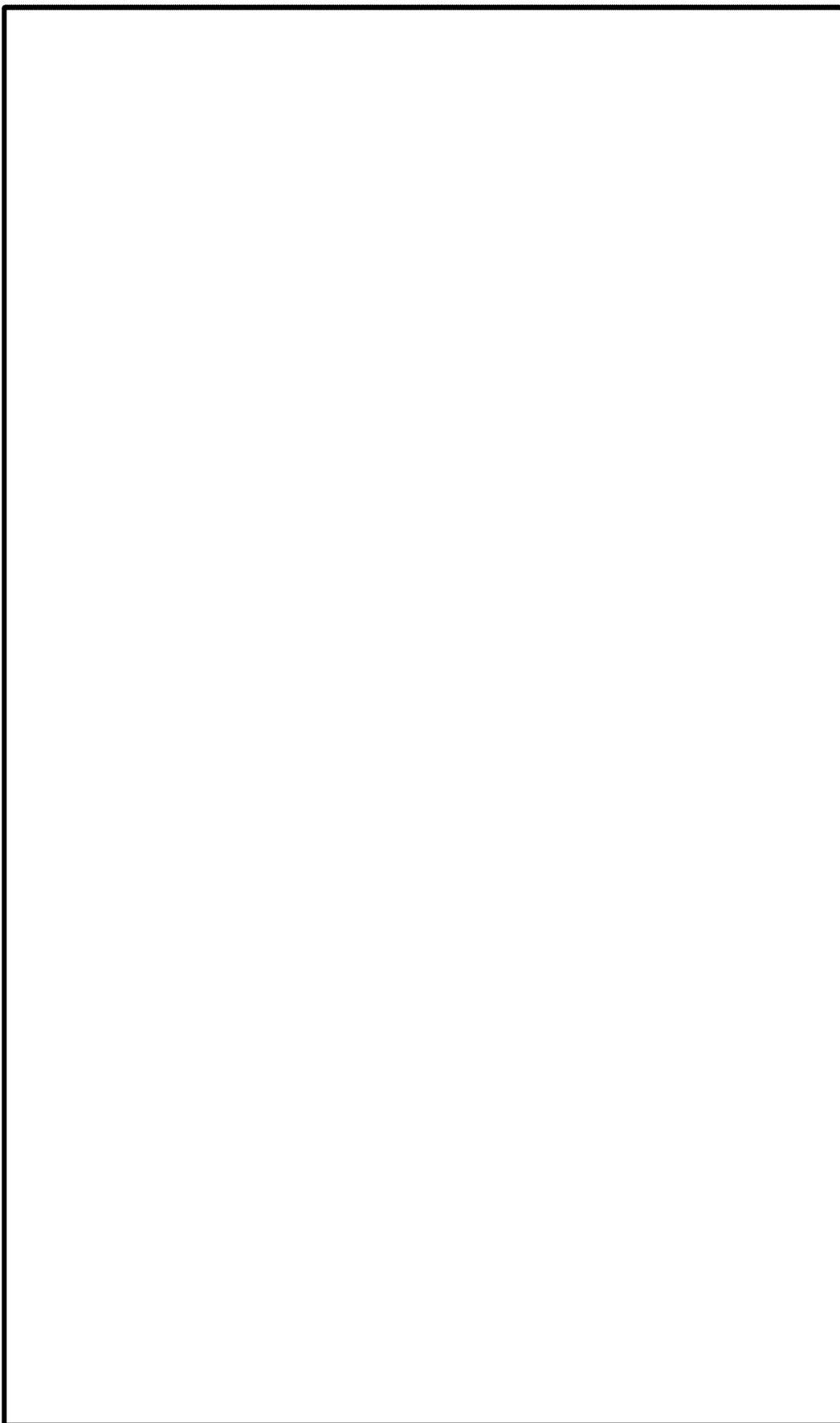


ARTICLE IX

(b)(4)



(b)(4)



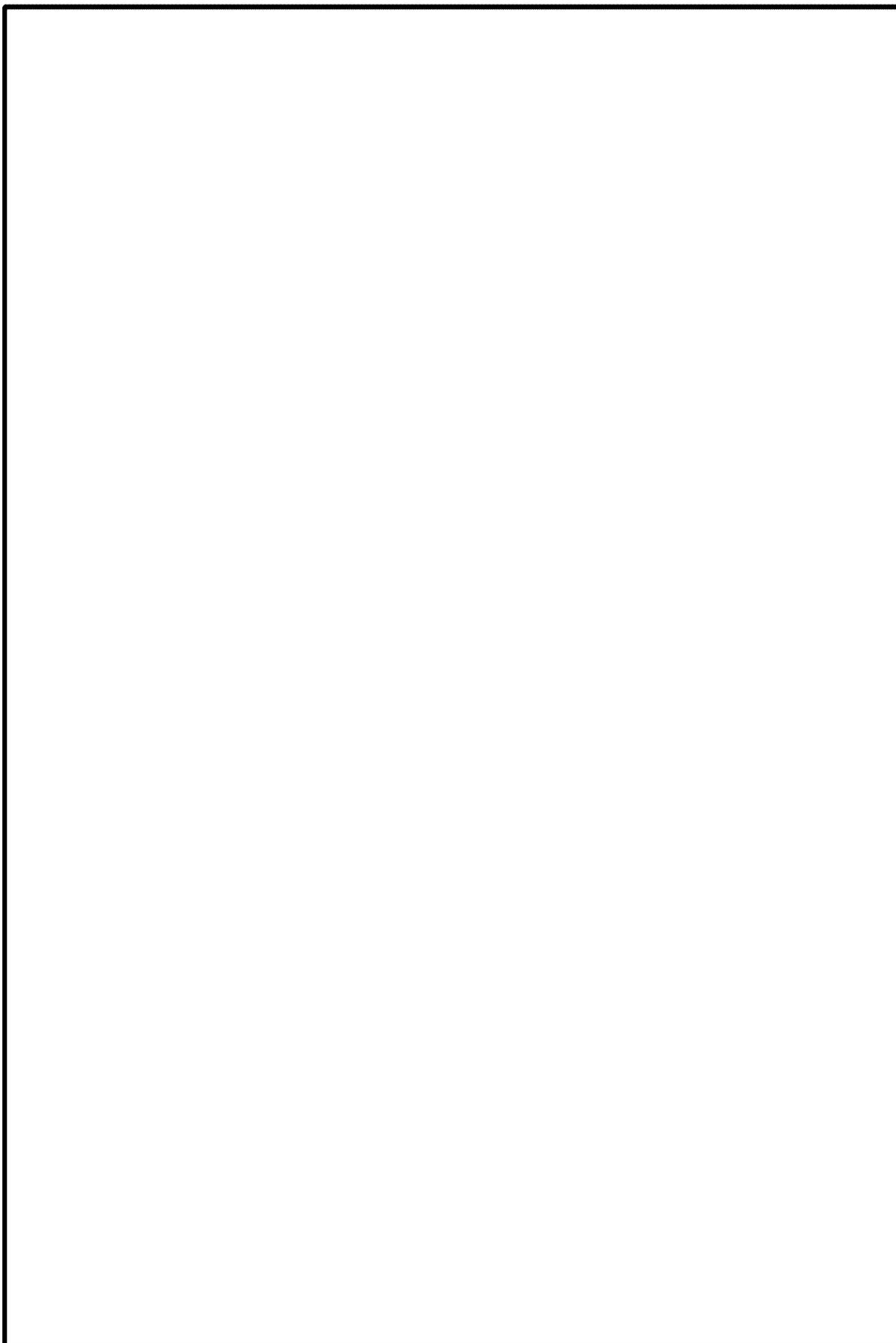
(b)(4)



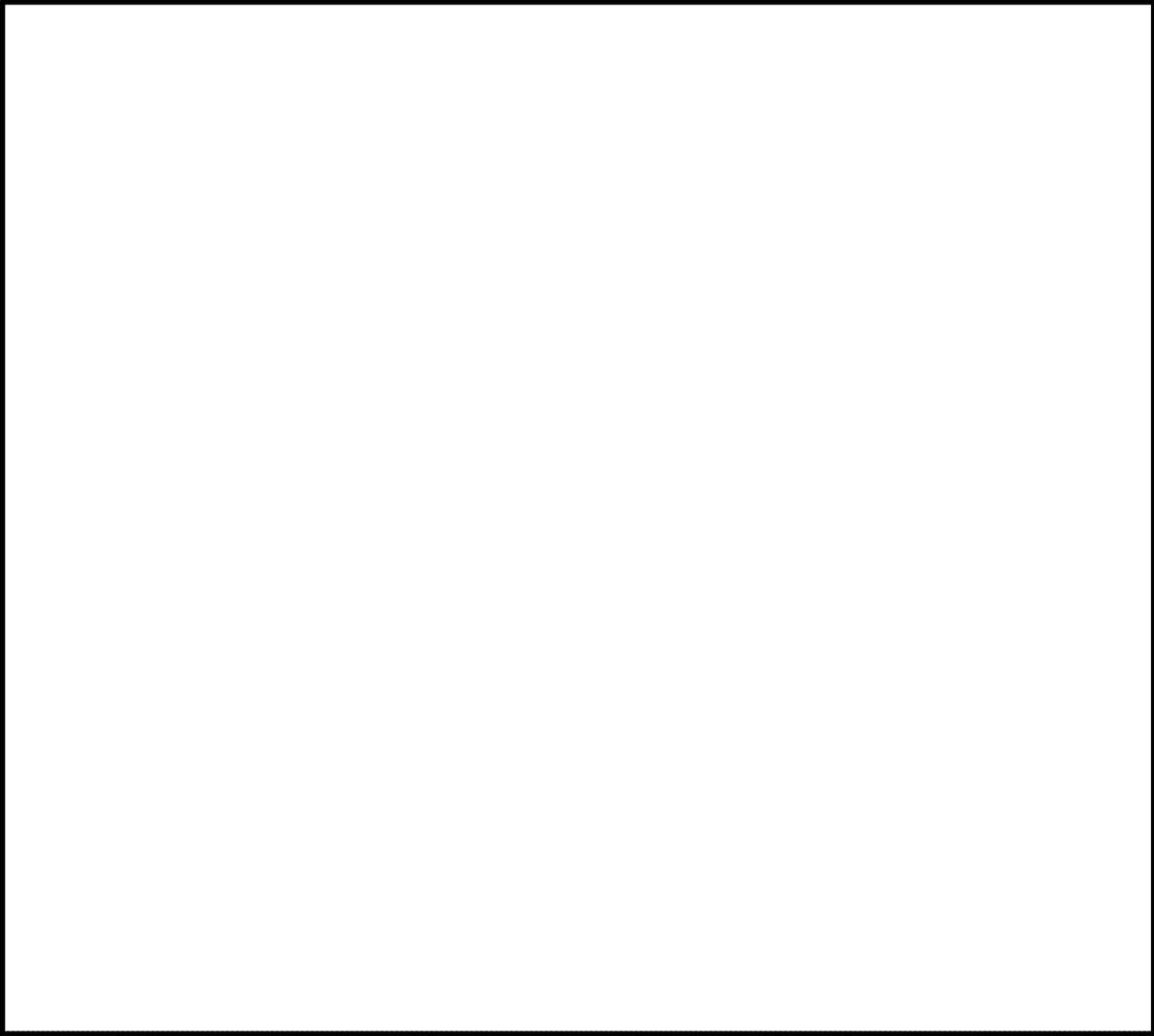
(b)(4)



(b)(4)

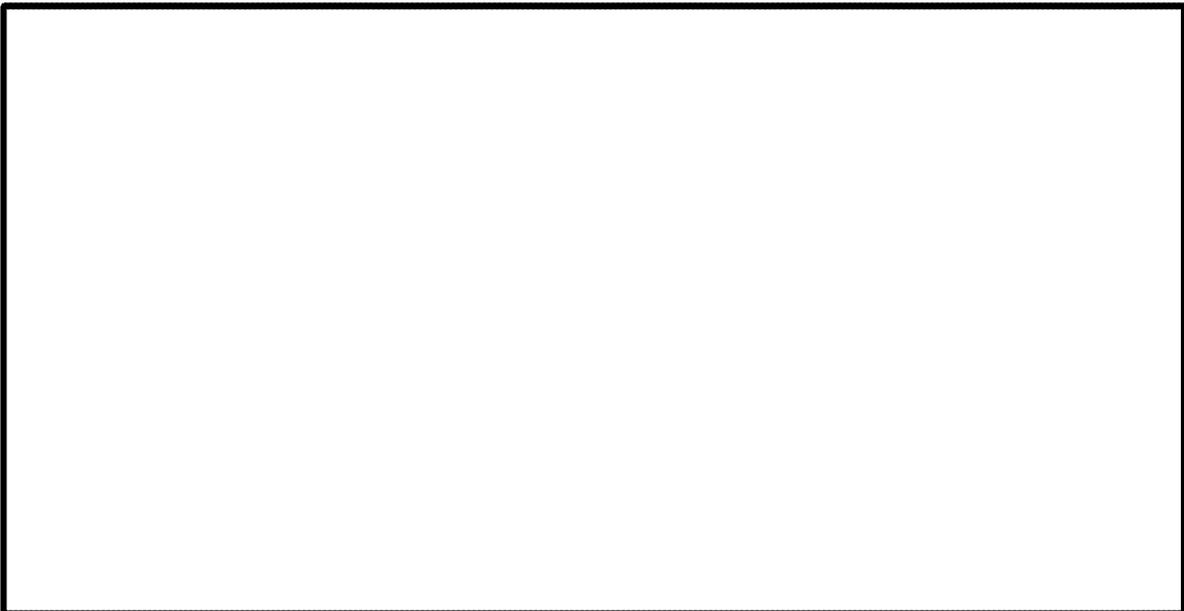


(b)(4)

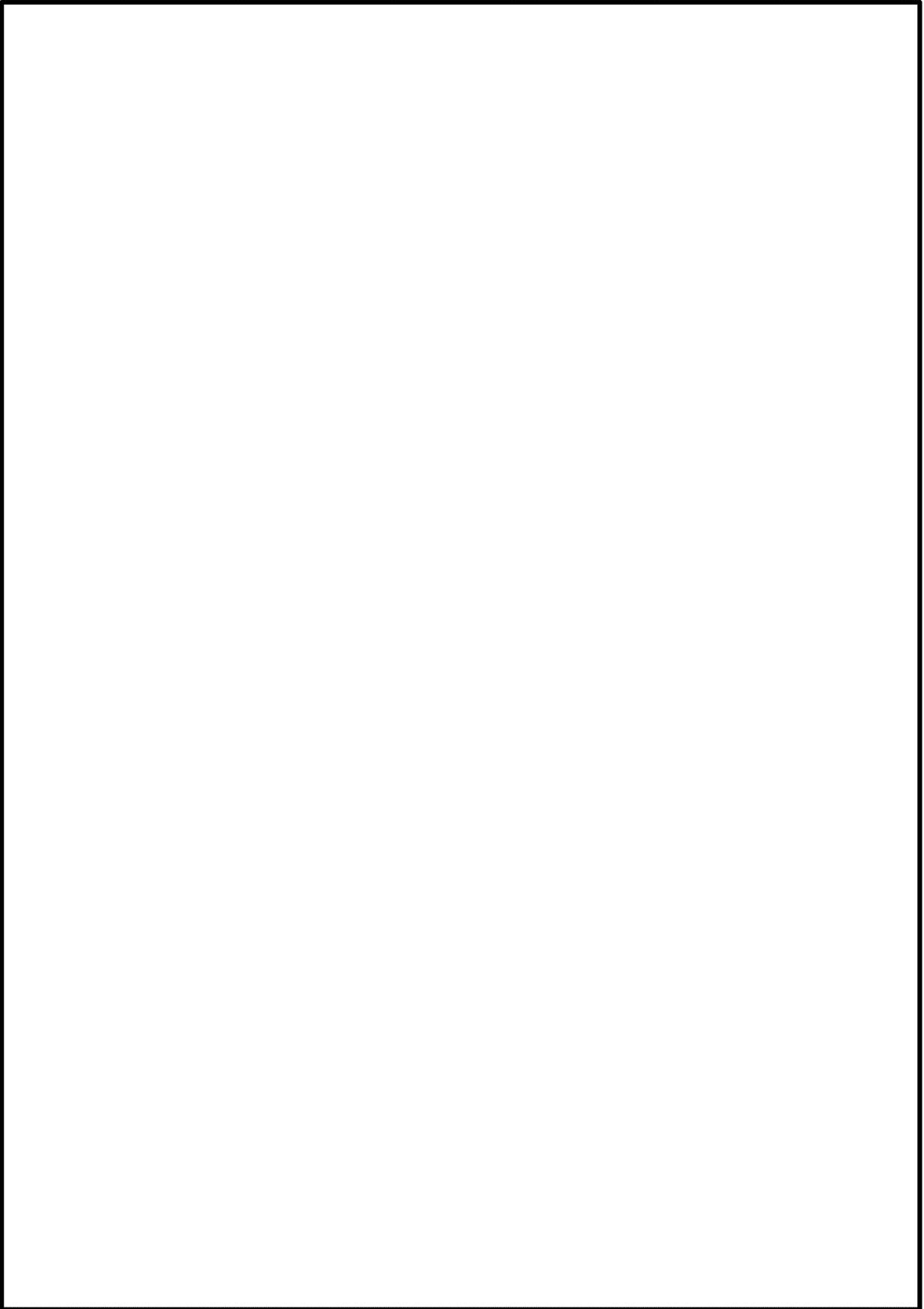


**ARTICLE X**

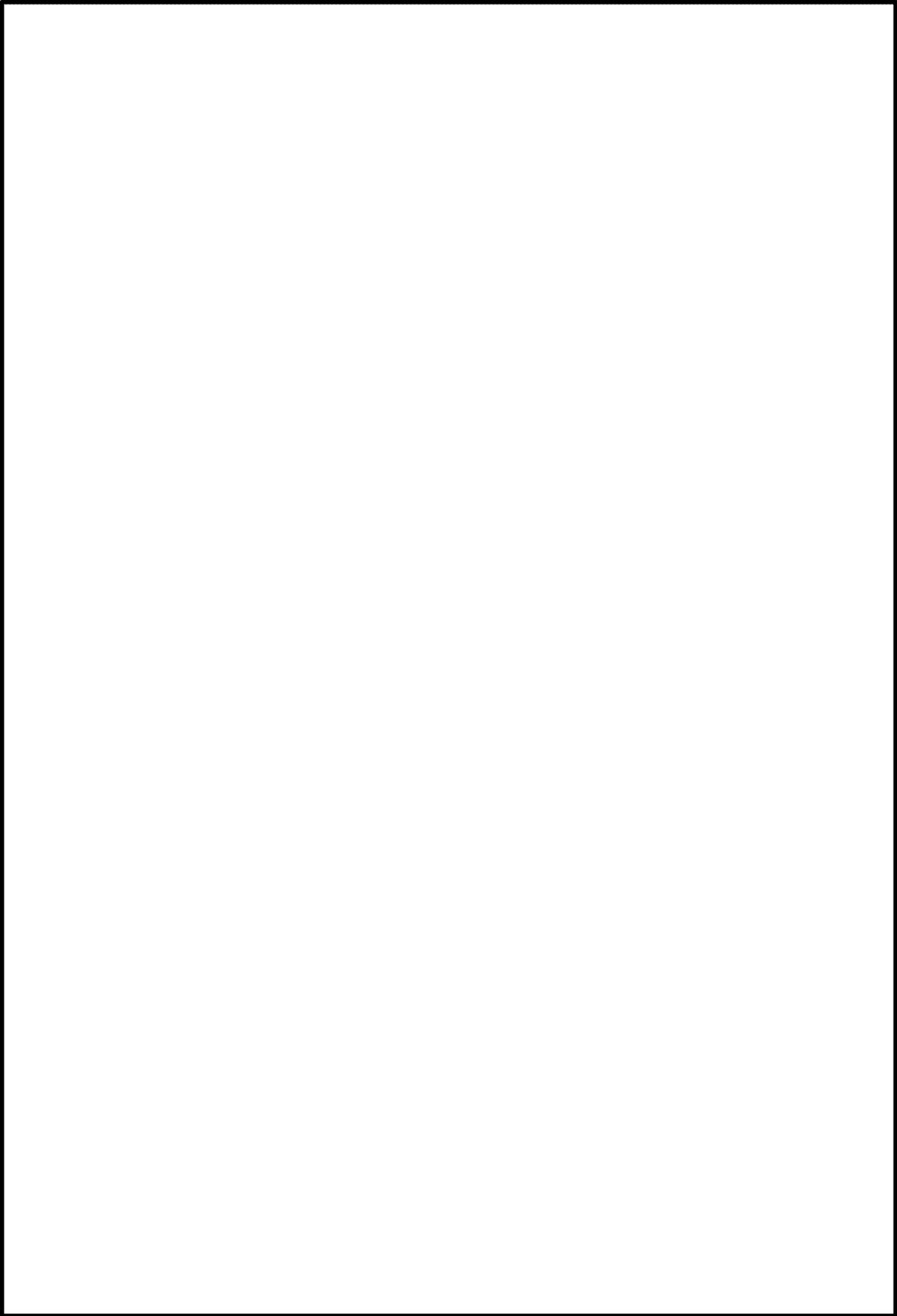
(b)(4)



(b)(4)



(b)(4)



ARTICLE XI

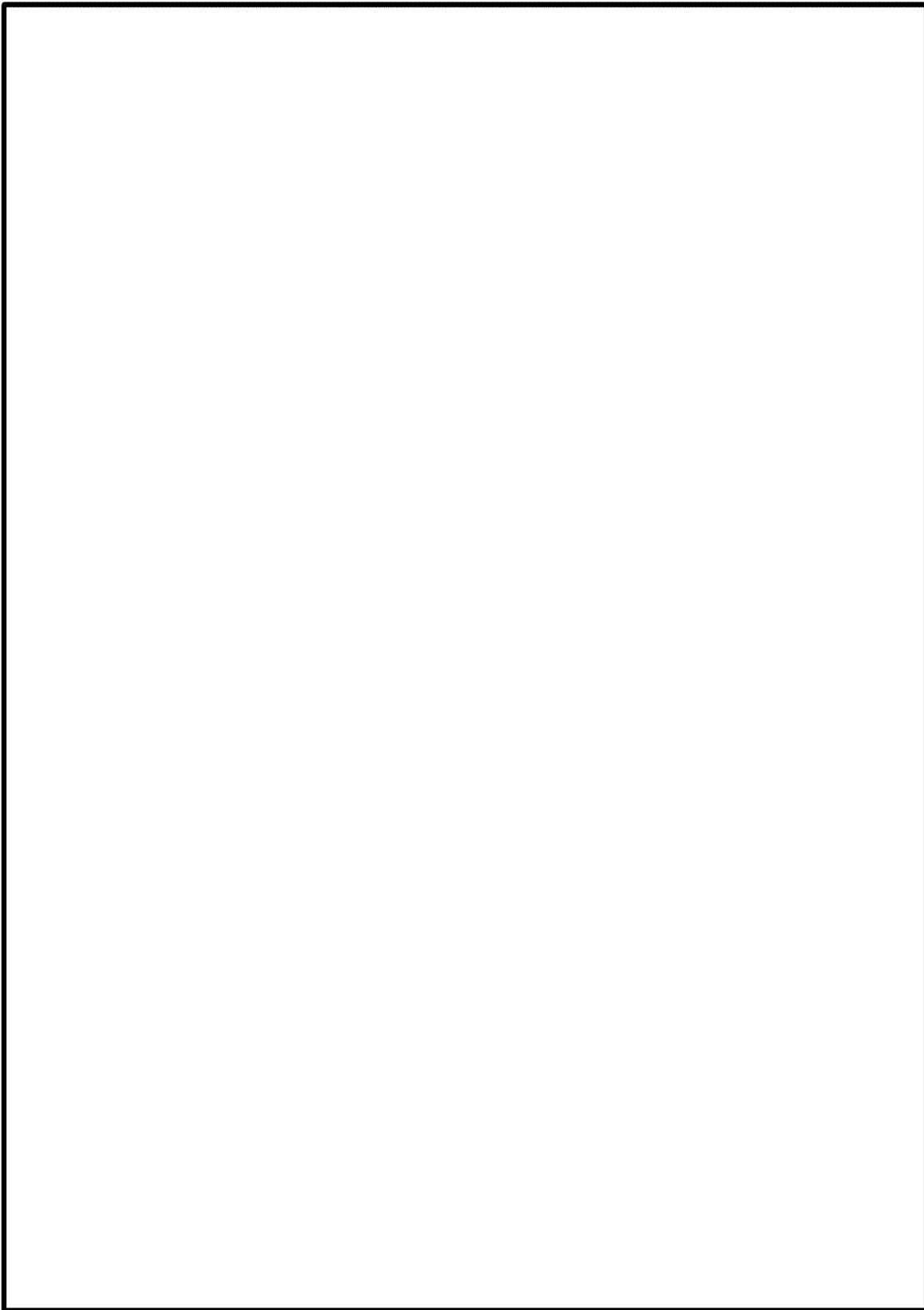
(b)(4)



(b)(4)



(b)(4)



IN WITNESS WHEREOF, the undersigned have executed this Agreement of Limited Partnership as of the date first above written.

**GENERAL PARTNER**

ABC FAMILY, L.L.C., a south Dakota  
Limited Liability Company

Witness:

\_\_\_\_\_

By \_\_\_\_\_

Its \_\_\_\_\_

Witness:

\_\_\_\_\_

\_\_\_\_\_  
Korean Investor ONE

Witness:

\_\_\_\_\_

\_\_\_\_\_  
Korean Investor TWO

Witness:

\_\_\_\_\_

\_\_\_\_\_  
Korean Investor THREE

Witness:

\_\_\_\_\_

\_\_\_\_\_  
Korean Investor FOUR

U.S. Department of Homeland Security  
425 I Street, NW  
ULLICO Bldg., 3<sup>rd</sup> Floor  
Washington, DC 20536



**U.S. Citizenship  
and Immigration  
Services**

HOOPRD 70/6.2.8

APR - 8 2004

Mr. Joop Bollen  
Director  
South Dakota International Business Institute  
711 East Wells Avenue  
Pierre, South Dakota 57501—3369

Dear Mr. Bollen:

Pursuant to Section 610 of the Appropriations Act of 1993, the South Dakota International Business Institute (SDIBI), Dairy Economic Development Region (DEDR) is designated as a regional center to participate in the Immigrant Investor Pilot Program. The new commercial enterprise investment focus of the SDIBI/DEDR Regional Center will be on two areas of commercial enterprise:

1. Animal dairy farm operations.
2. Animal heifer ranch operations.

As of this date, aliens seeking immigrant visas through the Immigrant Investor Pilot Program may file individual petitions with USCIS for these new commercial enterprises located within the SDIBI/DEDR regional center area comprised of 12 counties in eastern South Dakota. These are the counties of Brookings, Clark, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, McCook, Miner, Moody, and Roberts.

Alien entrepreneurs who file petitions for commercial enterprises located in the SDIBI/DEDR regional center area must fulfill all of the requirements set forth in 8 CFR 204.6, except that the petition need not show that the new commercial enterprise directly hired ten new employees as a result of the alien entrepreneur's investment. Each individual petition, to demonstrate that it is associated with the SDIBI/DEDR regional center, in conjunction with addressing all the requirements for an individual alien entrepreneur petition, shall also contain as supporting evidence relating to this regional center designation, the following:

1. A copy of this designation letter.
2. A copy of the approved regional center narrative proposal.
3. A copy of the approved job creation methodology required in 8 CFR 204.6(j)(4)(iii), as contained in the SDIBI/DEDR regional center proposal which has been approved by USCIS, which reflects how investment in a new commercial enterprise within the

Mr. Joop Bollen  
Page 2

geographic area of the designated regional center will create full-time employment positions, either directly or indirectly, for not fewer than ten U.S. workers.

The designation by the USCIS of the SDIBI/DEDR as a regional center does not reflect any determination on the merits of individual petitions filed by alien entrepreneurs under the Investor Pilot Program. All petitions for alien entrepreneurs who invest within the regional center will be adjudicated by the USCIS on a case-by-case basis and each petition must be fully documented. The individual petitions must be submitted to the California Service Center.

If you have any questions concerning the SDIBI/DEDR designation under the Immigrant Investor Pilot Program, please contact Morrie Berez, Senior Adjudications Officer, Office of Programs and Regulation Development, at (202) 616-7862.

Sincerely,

A handwritten signature in black ink, appearing to read "W. R. Yates", written in a cursive style.

William R. Yates  
Associate Director  
Operations

*South Dakota*



**DAIRY ECONOMIC DEVELOPMENT REGION**  
South Dakota Department of Tourism and State Development



Request for Participation:  
**IMMIGRANT INVESTOR PILOT PROGRAM and  
REGIONAL CENTER DESIGNATION**

May 31, 2003

## Table of Contents

Introduction to the Dairy Development Region		
I.	General Introduction	1
II.	Name and Management of the Regional Center	2
III.	Business Purpose of the Regional Center	2
IV.	Geographic Location of the Regional Center	4
V.	South Dakota's Extent of Need	5
VI.	DEDR's Statistical Profile	9
Dairy Investments for the DEDR		
I.	Business Structure	12
II.	Investment Alternatives and Amounts	13
III.	Investment Scalability	13
Economic Impact		
I.	Direct Economic Impact	14
A	DEDR Project Size	14
B	DEDR Project Investment	17
C	Construction Phase	17
D	Operational Phase	18
E	Miscellaneous	19
II.	Indirect Economic Impact	20
A	Economic Multipliers	21
B	Annual Indirect Economic Impact of the DEDR Project	23
III.	Summary of Economic Impact	26
The Proposed Regional Center and Regulatory Conformance		
-	CFR Section 204.6(m)(3) item i	27
-	CFR Section 204.6(m)(3) item iii	31
-	CFR Section 204.6(m)(3) item iv	33
-	CFR Section 204.6(m)(3) item v	36

## Tables

Table 1	Statistical Profile for the DEDR	11
Table 2	Direct Short-Term Economic Impact Analysis	15-16
Table 3	Economic Multipliers for Dairy Farm Products and Miscellaneous Livestock in NE and SE SD	22
Table 4	Annual Indirect Long-Term Impact Analysis	25
Table 5	DEDR Population Trends 1990-2000	28
Table 6	DEDR Area Poverty Rates 1989-1999	29
Table 7	DEDR Investment Project Impact Summary	29
Table 8	Corn Versus Dairy Productivity Comparison	31
Table 9	Investment in the DEDR	32
Table 10	Regional Impact of the DEDR Project	35
Table 11	Effect of the DEDR on Household Spending	36

## Appendices

Appendix A	Support Letters
Appendix B	Certification Letter
Appendix C	Promotional Plan Summary 2004 & Promotional Materials
Appendix D	International/National Press
Appendix E	RIMS II Economic Multipliers
Appendix F	Financial Analyses/Employee Requirements
Appendix G	Memorandum of Understanding
Appendix H	Construction Company Letter
Appendix I	Dairy Support Industry Study
Appendix J	Twelve Counties of the DEDR
Appendix K	SDDT&SD (South Dakota Department of Tourism & State Development) Letter of Agreement

## **Introduction to the Dairy Development Region**

### **I. General Introduction**

This application to the Bureau of Citizenship and Immigration Services (BCIS) requests Regional Center status under the Investor Pilot Program for 12 counties in Eastern South Dakota along the I-29 corridor (Appendix J). The application was prepared by the South Dakota International Business Institute (SDIBI) for the South Dakota Department of Tourism and State Development (SDDTSD). Support from the South Dakota Department of Agriculture (SDDOA), the South Dakota Department of Labor (SDDOL), Dr. Keun Ho Lee, and Dr. David Savitski is gratefully acknowledged.

Mr. Bollen directs the SDIBI. He is a graduate of UCLA and the American Graduate School of International Business (Thunderbird). His prior professional experience includes a commodity trader with Continental Grain Company and security trader with J.P. Morgan. During the last 10 years, Mr. Bollen has developed an international business outreach program at Northern State University that has received national awards, and has been featured in numerous magazines, newspaper, and TV pieces. Mr. Bollen also serves as Vice Chair for the District Export Council and is a successful businessman in northeast South Dakota.

Mr. Bollen is supported by the resources of Northern State University, SDDTSD, SDDOA, SDDOL and affiliated with two specialists in US immigration law and policy who will be actively engaged in the preparation of each individual investor's application under the Regional Center.

Dr. Lee and Dr. Savitski assisted Mr. Bollen with this application. Dr. Lee earned a Ph.D. from Columbia's Economics Department and has been employed by Northern State University's Economics and Finance Department for 2 years. Dr. Savitski earned a

Ph.D. from UCLA's Economics Department and has been employed by Northern State University's Economics and Finance Department for six years.

## **II. Name and Management of the Regional Center**

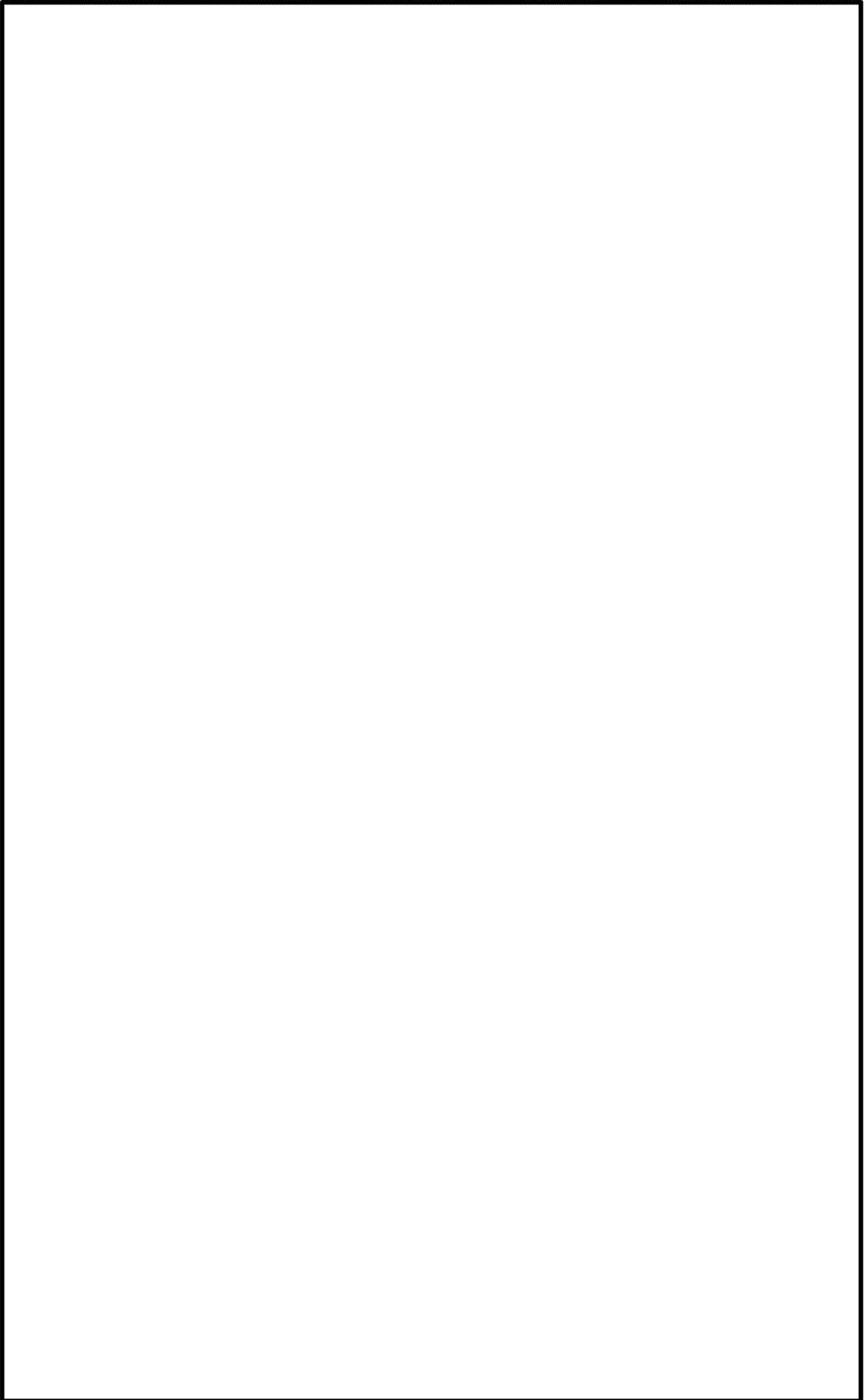
The designation of Regional Center would be awarded to the SDIBI, which is responsible for all export and foreign direct investment development for the State of South Dakota (Appendix K: Contractual Agreement). SDIBI would name the Regional Center the Dairy Economic Development Region (DEDR) and manage all administrative responsibilities related to the DEDR.

## **III. Business Purpose of the Regional Center**

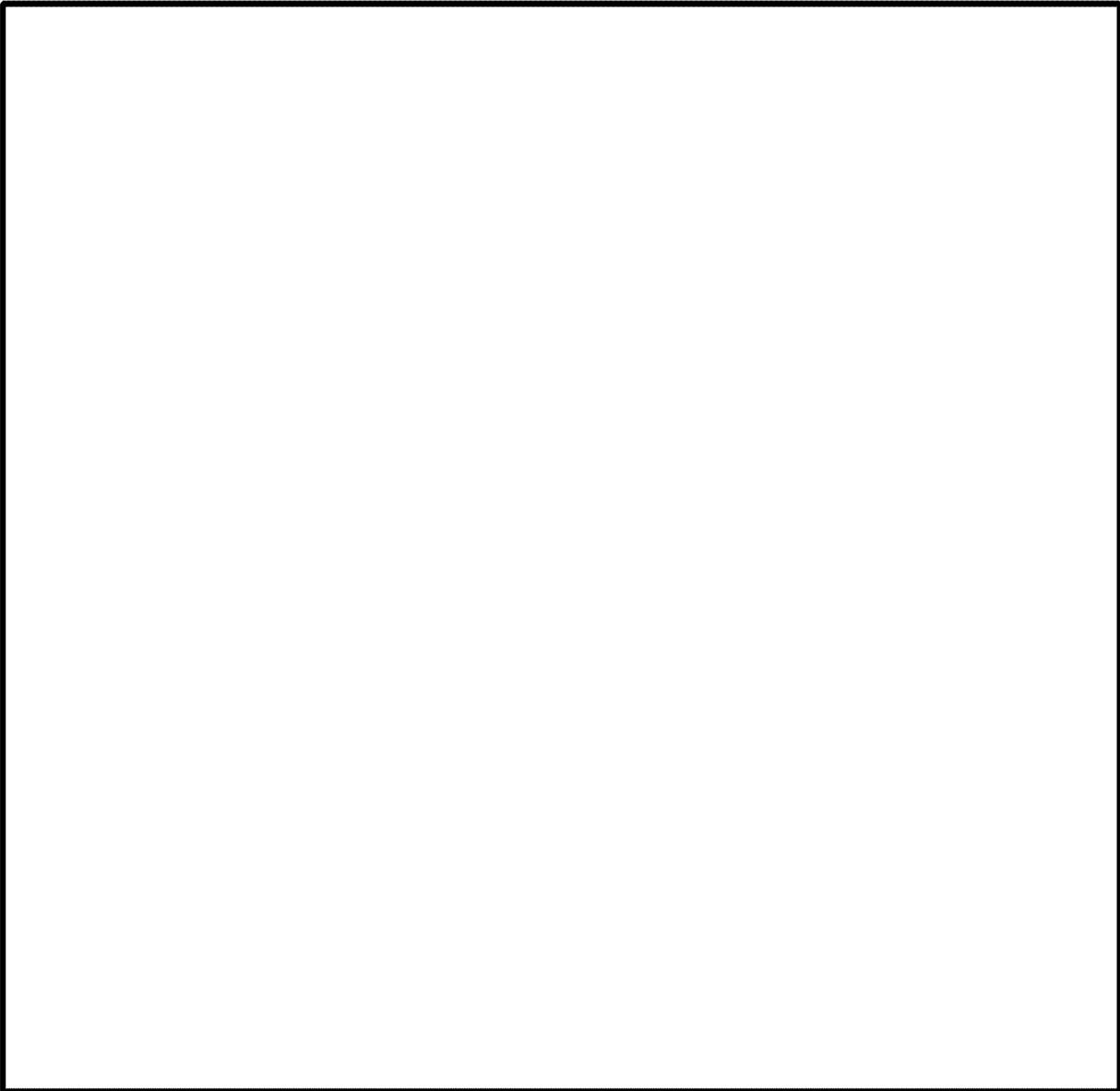
(b)(4)



(b)(4)



(b)(4)



#### **IV. Geographic Location of the Regional Center**

The Immigration Act of 1990, Section 121(b) 5, establishes provisions by which individuals who invest \$1 million in a business in the US and employ ten or more US citizens or legal residents will be granted a two-year provisional visa. Rules to implement the Act were adopted in November of 1991. These rules extend provisions to individuals who invest \$500,000 in a business in specified high-unemployment areas in the US.

Based upon these provisions of the Act, rural counties qualify regardless of unemployment rate. However, cities of 20,000 or more within these rural counties

qualify only if they are high unemployment areas or if the entire county has a qualifying unemployment rate. Based on this, all South Dakota counties qualify except for South Dakota's two metropolitan areas, Sioux Falls (Minnehaha County) and Rapid City (Pennington County). Additionally, the cities of Aberdeen (Brown County) and Watertown (Codington County) do not qualify as they have populations exceeding 20,000. The SDDOL certified all of South Dakota, except for the cities above mentioned, as areas of high unemployment for the purposes of the Immigration Act of 1990 (Appendix B: Governor Letter and Certification Letter).

The counties to be included in the DEDR are Brookings, Clark, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, McCook, Miner, Moody and Roberts. The entire area, except for the city of Watertown (Codington county), qualifies. Participants in the DEDR intend to qualify for an Immigrant Investor Visa under the pilot program with a \$500,000 initial investment in this area.

As stated earlier, this region is best suited for dairy development as it has a strong milk market with many buyers, relatively inexpensive feed costs and an existing infrastructure for a new dairy operation to prosper. Additionally, the region has the social amenities necessary for immigrants to successfully acclimate (Appendix C: South Dakota: An Excellent Choice)

## **V. South Dakota's Extent of Need**

Several years ago, two Rutgers University demographers visited the Great Plains and observed that there was a significant population decline in many small towns and areas within this region. Based on that causal empirism, Frank and Deborah Popper began a series of research projects which led them to call for a return of the buffalo to areas of the Great Plains (*The Great Plains: From Dust to Dust*, December 1987, F & D

Popper). That concept was later referred to as the Buffalo Commons (*The Buffalo Commons: Metaphor as Method, Geographical Review*, October 1999). The public reacted to the Buffalo Commons concept with indignation due to the perception that two East Coast, Ivory Tower researchers were attacking its beloved homeland. The Poppers updated their research in the 2000 and remained convinced that the demise of civilization in large areas of rural South Dakota, leaving small communities struggling for survival, is real.

An article in the May 7, 2001 issue of *U.S. News*, entitled “A Broken Heartland,” echoed this observation: “Up and down the Great Plains, the country’s spine, from the Sandhills of western Nebraska to the sea of prairie grass in eastern Montana, small towns are decaying, and in some cases, literally dying out. The remarkable prosperity of the last decade never reached this far.” Nearly 60% of the counties on the Great Plains lost population in the 1990s, according to a *U.S. News* analysis of the new census data. “It is like the parting of the Red Sea,” says Fannie Mae demographer Robert Lang, a census expert. “There are rivers of people flowing out of the Plains.”

South Dakota's economy is in transition from one that is strictly agriculture-based to one of value-added processing, light manufacturing and service. The migration from rural areas has provided the necessary labor for these sectors in South Dakota’s urban areas. Unfortunately, however, these burgeoning industries in South Dakota have been unable to create sufficient jobs for all displaced rural workers, resulting in an outflow of population to the urban areas in South Dakota and from the state. The purpose of the DEDR is to stabilize or reverse this trend through creation of rural jobs as a result of foreign investment in the dairy sector.

Although in transition, South Dakota's economy is still very much very dependent on commodity production and on agriculture in general. Rapid technological advances in agricultural crop production have had tremendous impact on the composition of its economic structure. These advances have resulted in fewer, but larger farms with more sophisticated/automated equipment, enabling them to farm with fewer employees. While this trend is not unique to South Dakota, its economy is more farm-dependent than most other states.

Because of the technological advances, farm-related income is also being redistributed to a smaller number of larger farmers who typically are less likely to invest the excess earnings in the community. This negatively impacts the local business community and, again, limits opportunities for farm families seeking to offset losses of farm income with non-farm income.

Compared with other states, South Dakota receives a larger percentage of its farm-related income from government program payments. Washington's move to phase out government payments over several years would further jeopardize marginal farms. This, in turn, will result in additional displaced workers who would be forced to seek jobs in non-farm related sectors.

South Dakota, unlike many other farm-dependent regions, greatly lacks alternatives from which to build a new economic base: dramatic scenery to attract tourists, moderate winter climate to attract retirees, proximity to a growing city or a retail trading center are non-existent. True to the popular perception, South Dakota is mostly flat, open and sparsely populated. Mark Drabenstott, chief economist at the Kansas City Federal Reserve Bank, states that 569 of the nation's 2,357 non-metropolitan counties had income and employment growth rates higher than the national average during the last

decade (*Rural America in a New Century*, October 1999). Of these, 25 percent have amenities that attracted retirees with investment income and transfer payments, 35 percent have rural retail trade centers, and 20% have manufacturing-based economies. Significantly, only 3 percent of the fast-growing non-metro counties have farm-dependent economies, underscoring the weakness of rural economies. Drabenstott also found that the rural counties with lagging economies were not evenly distributed across America, but were instead clustered in the “Heartland Triangle” of which includes South Dakota.

South Dakota, according to a report by Harold Hodgkinson of the Center for Demographic Policy in Washington, D.C., had an annual population growth of 0.8% during the 90s, while the nation’s annual population grew 9.8% over the same period. He also stated “it is disturbing that over 50% of South Dakota’s families had annual incomes below \$26,000.” Additionally, according to the May 7, 2001, issue of *U.S. News*, 42% of Midwestern farmers, the dominant economic group, earn less than \$20,000 annually.

Increased export of bulk commodities to developing markets, one might argue, could offer a solution to the region’s economic troubles. The increasing concentration of commodity production into a smaller number of larger farms, however, and since trade activity is controlled by a handful of commodity trading companies, what benefits are gained from commodity exports would accrue to a small number of individuals and corporations, not to the region’s declining communities.

South Dakota’s economy thus needs to diversify its economy beyond agriculture with an expansion of service sectors, manufacturing, and high value-added agricultural production to offer opportunities for displaced farm workers and new labor market entrants. SDIBI’s mission is to aide that transformation by developing the infrastructure

to support foreign direct investment for South Dakota as a whole.

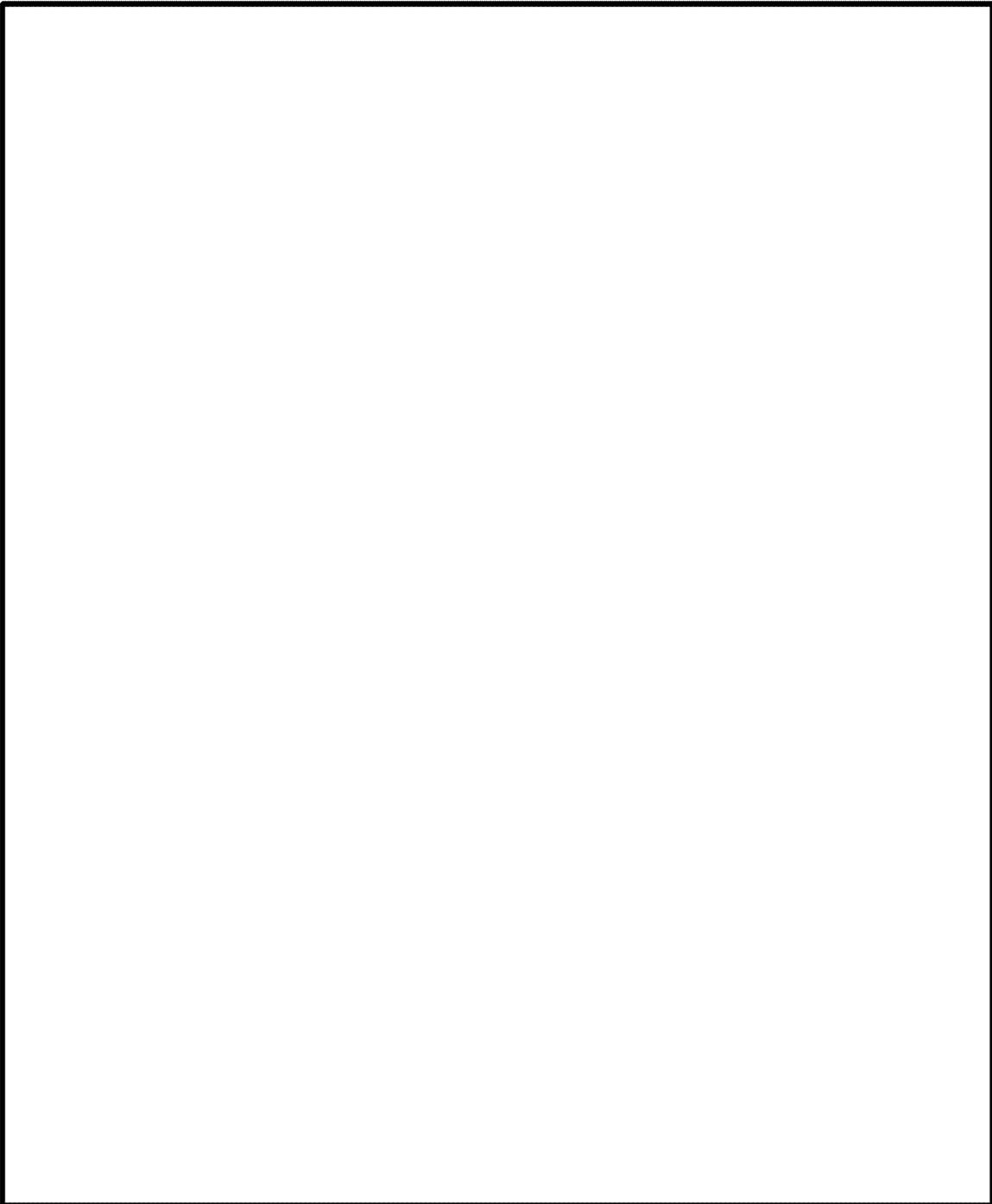


(b)(4)

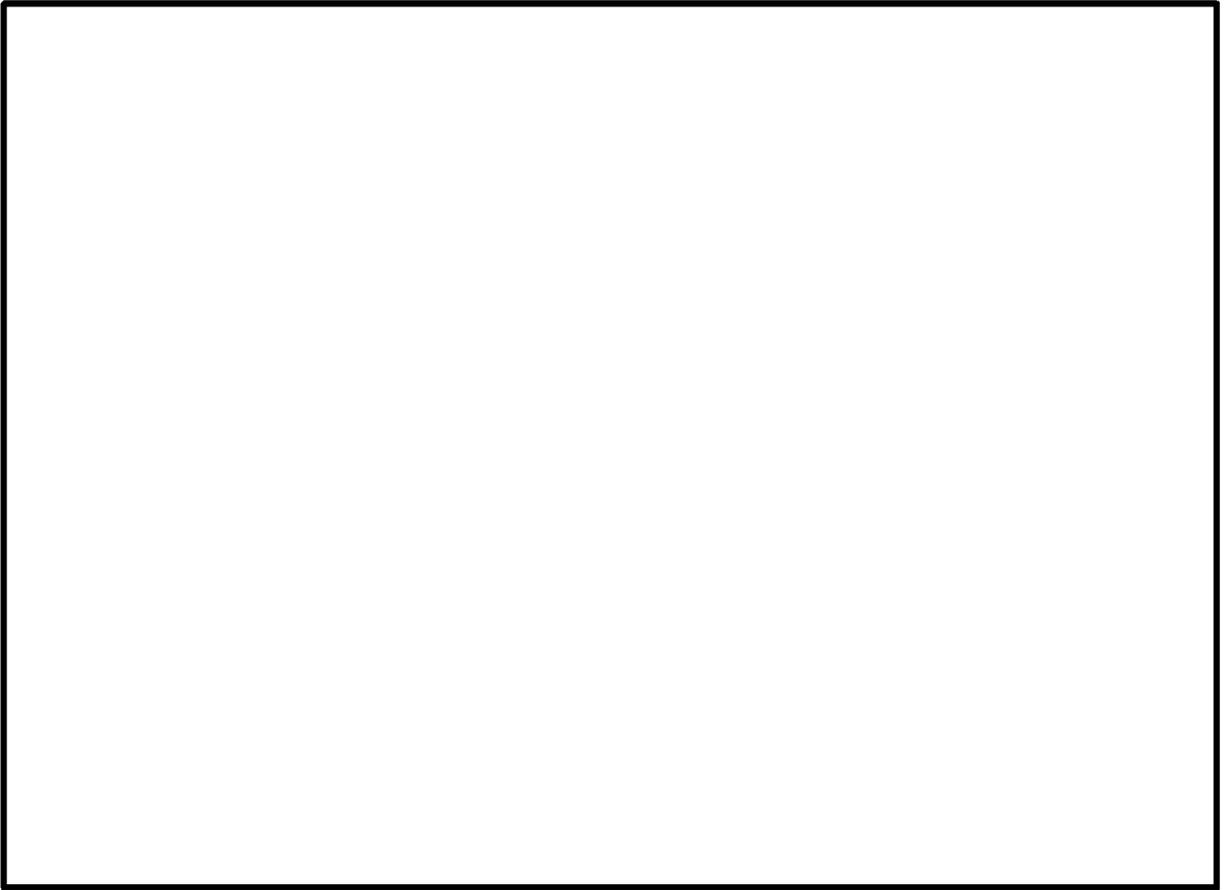


**VI. DEDR's Statistical Profile**

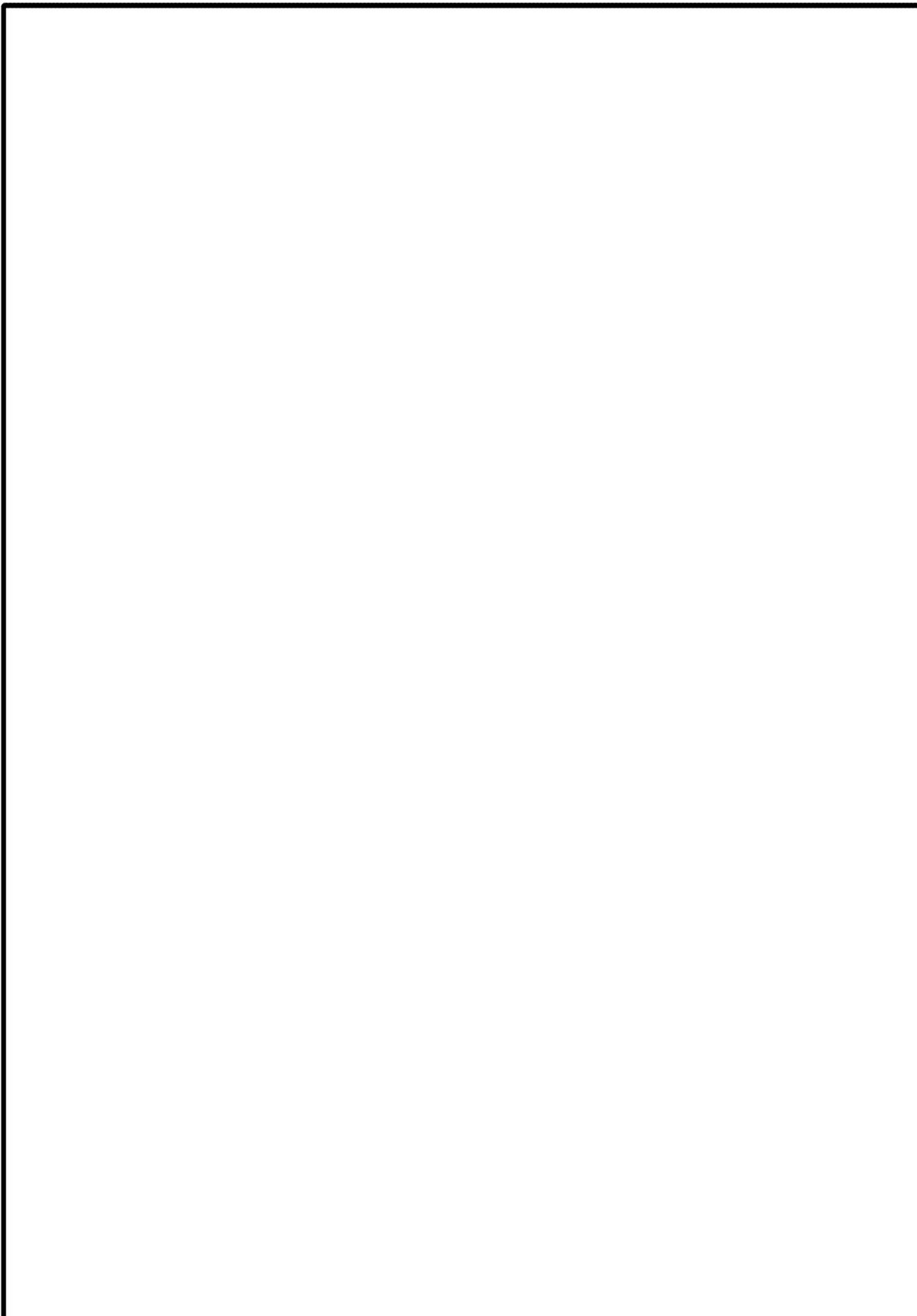
(b)(4)



(b)(4)

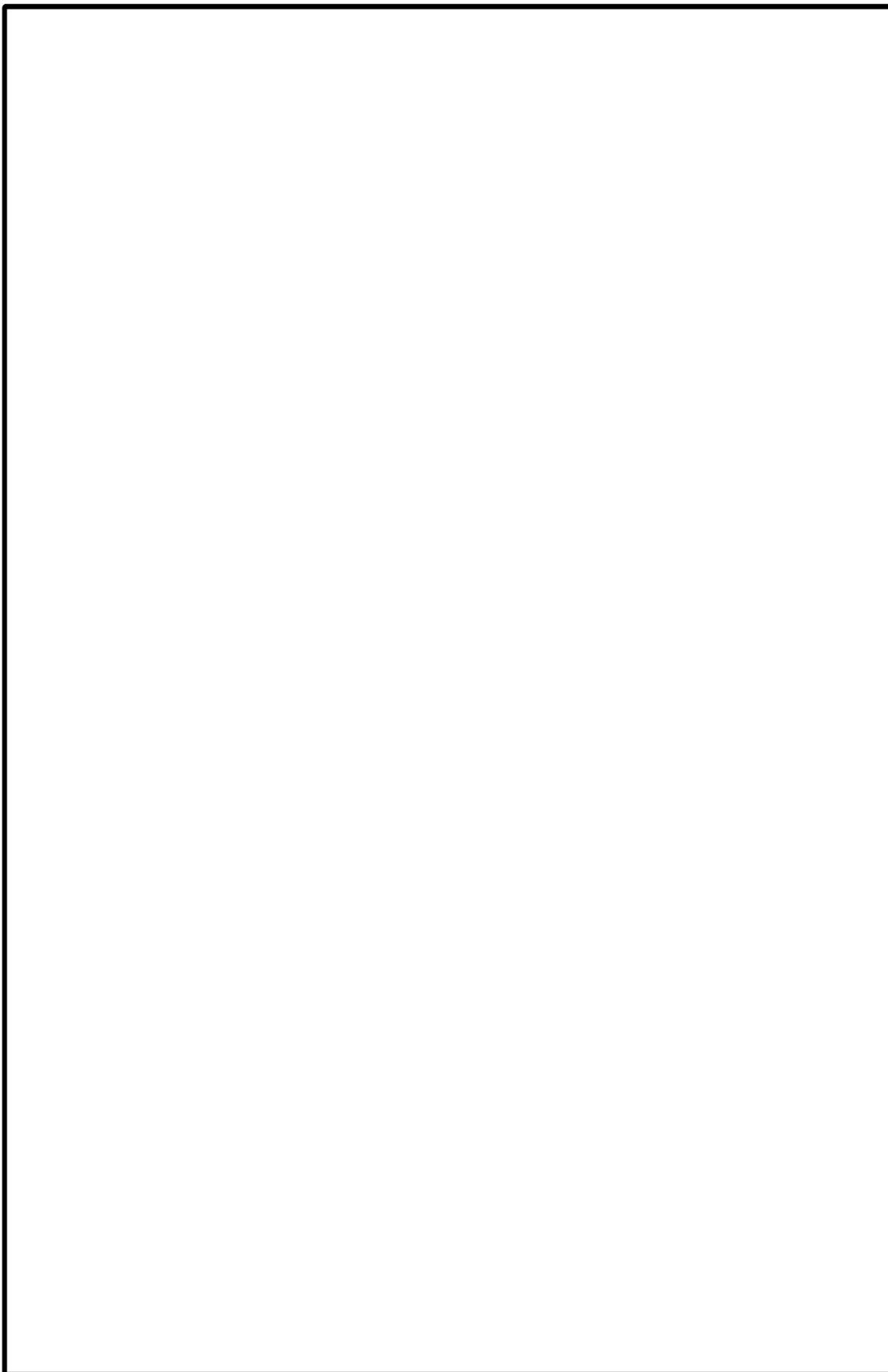


(b)(4)



**Dairy Investments for the DEDR**

(b)(4)



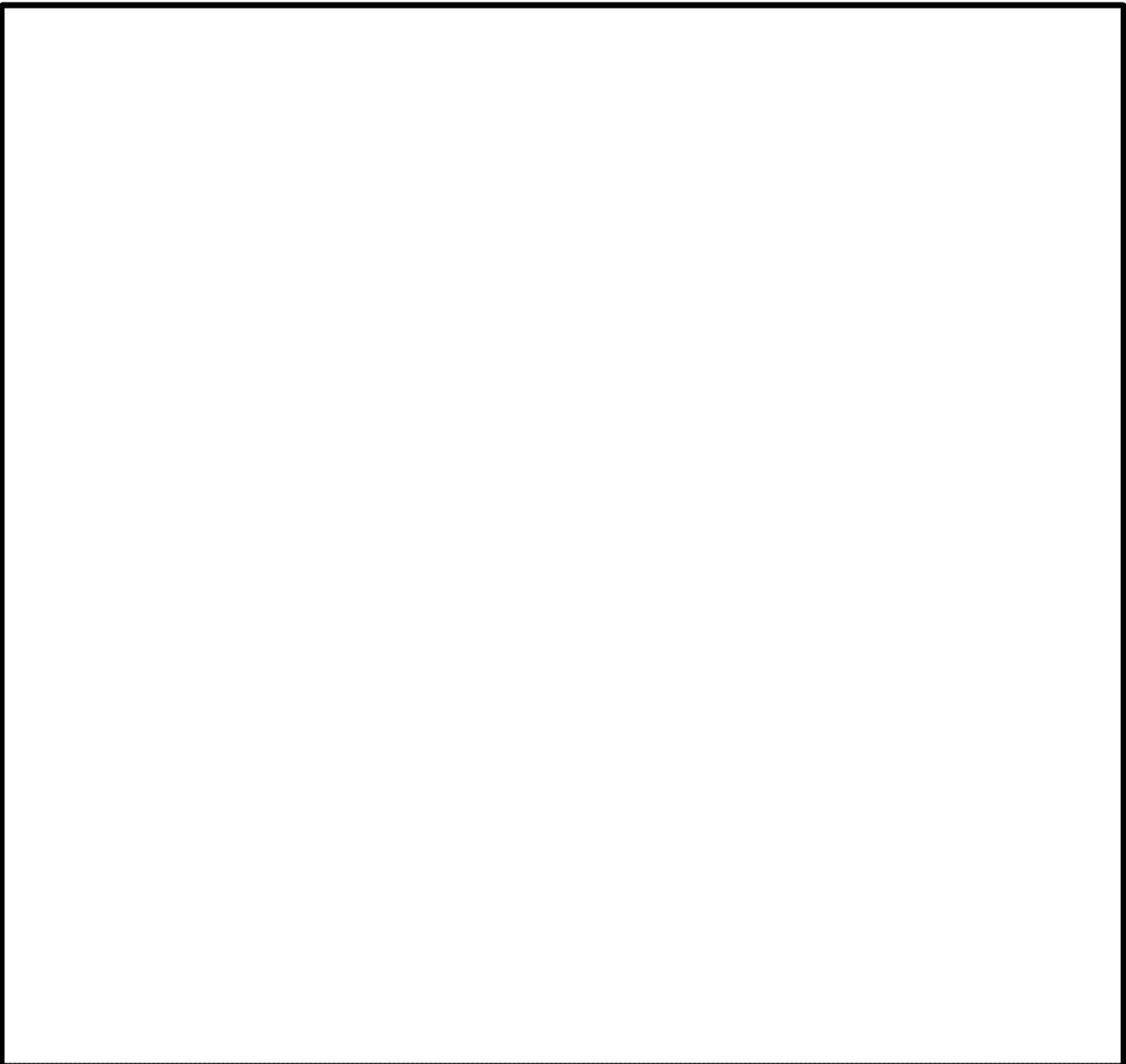
**II. Investment Alternatives and Amounts**

(b)(4)



**III. Investment Scalability**

(b)(4)

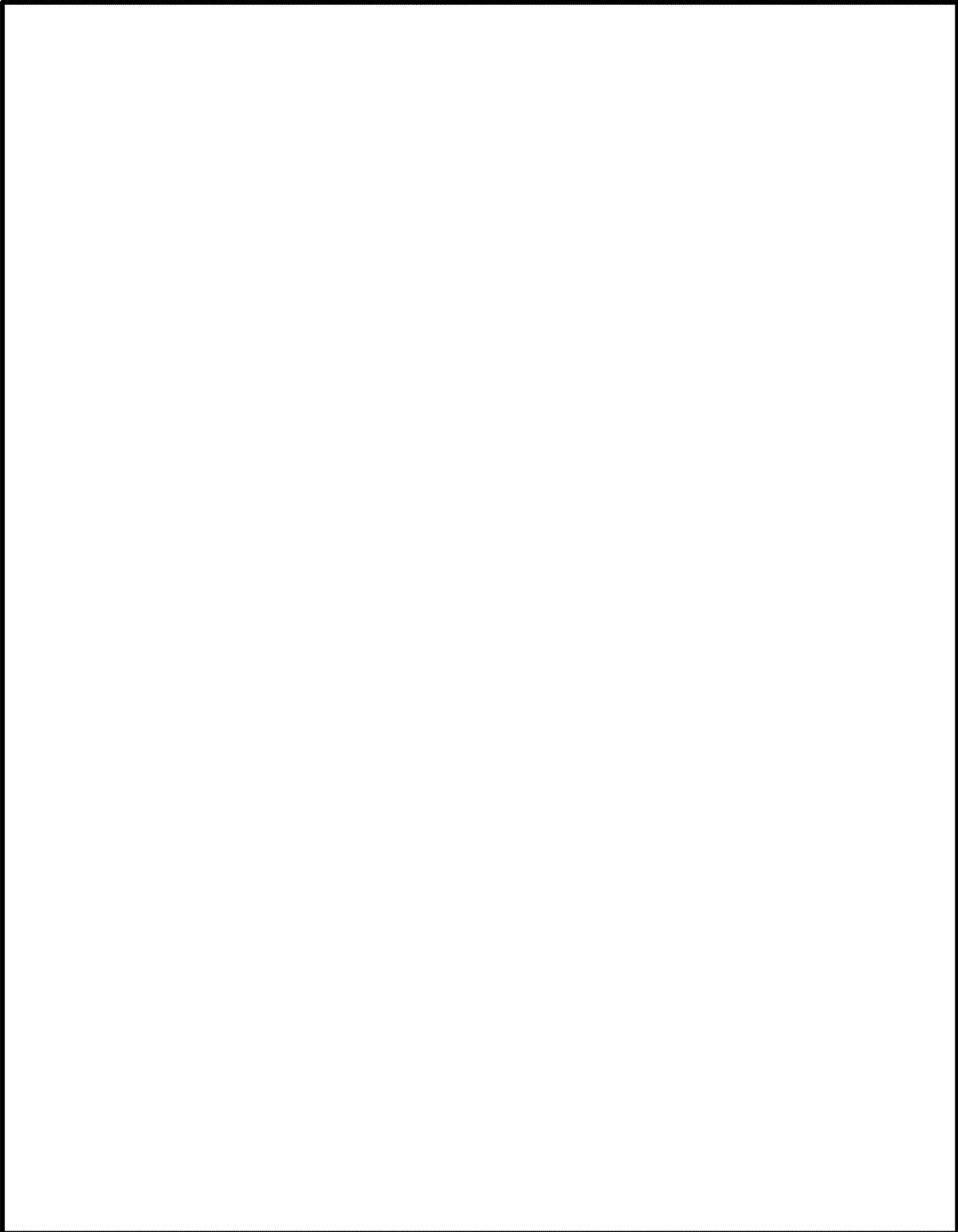


(b)(4)



**Economic Impact**

(b)(4)



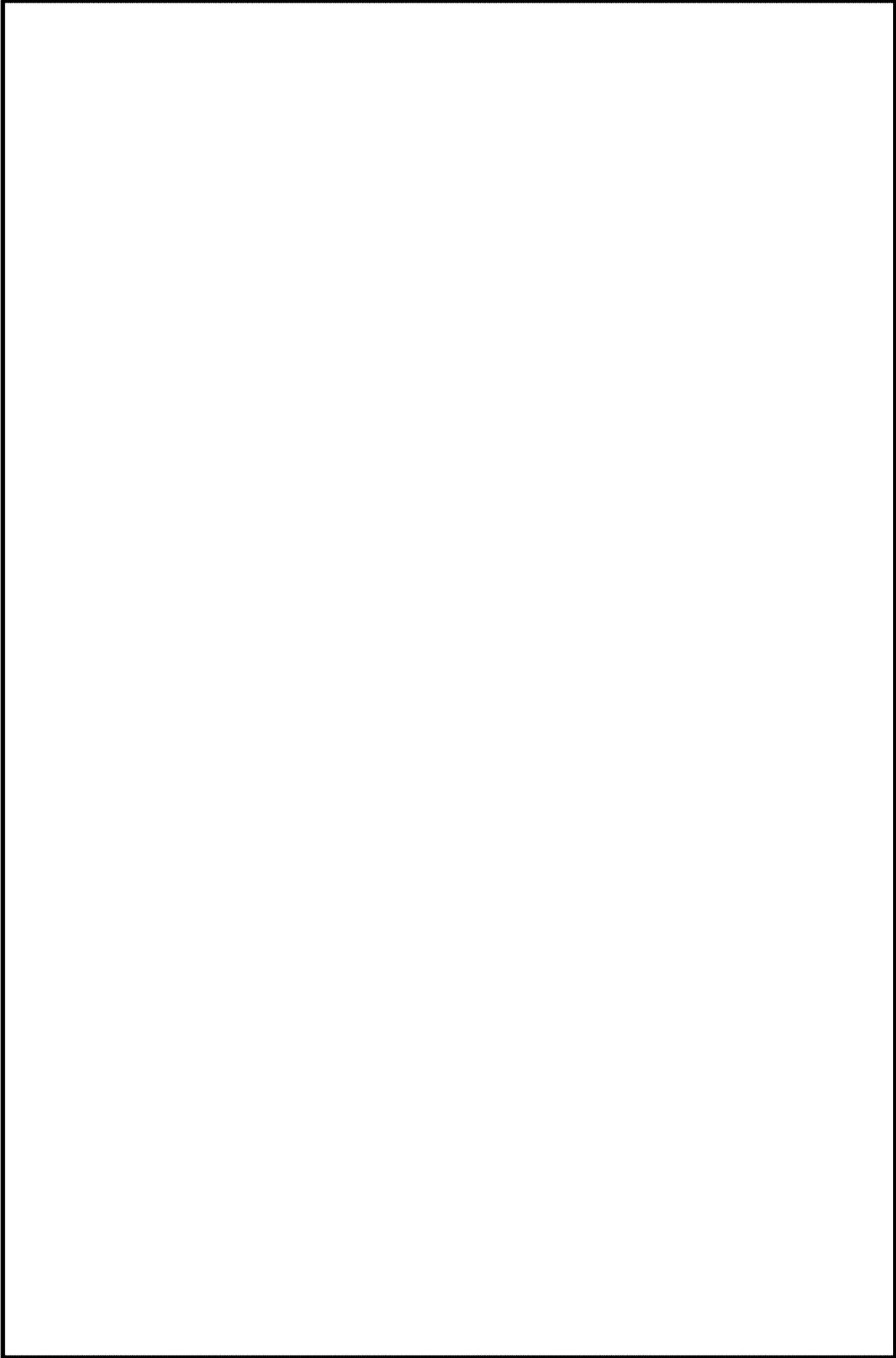
(b)(4)



(b)(4)



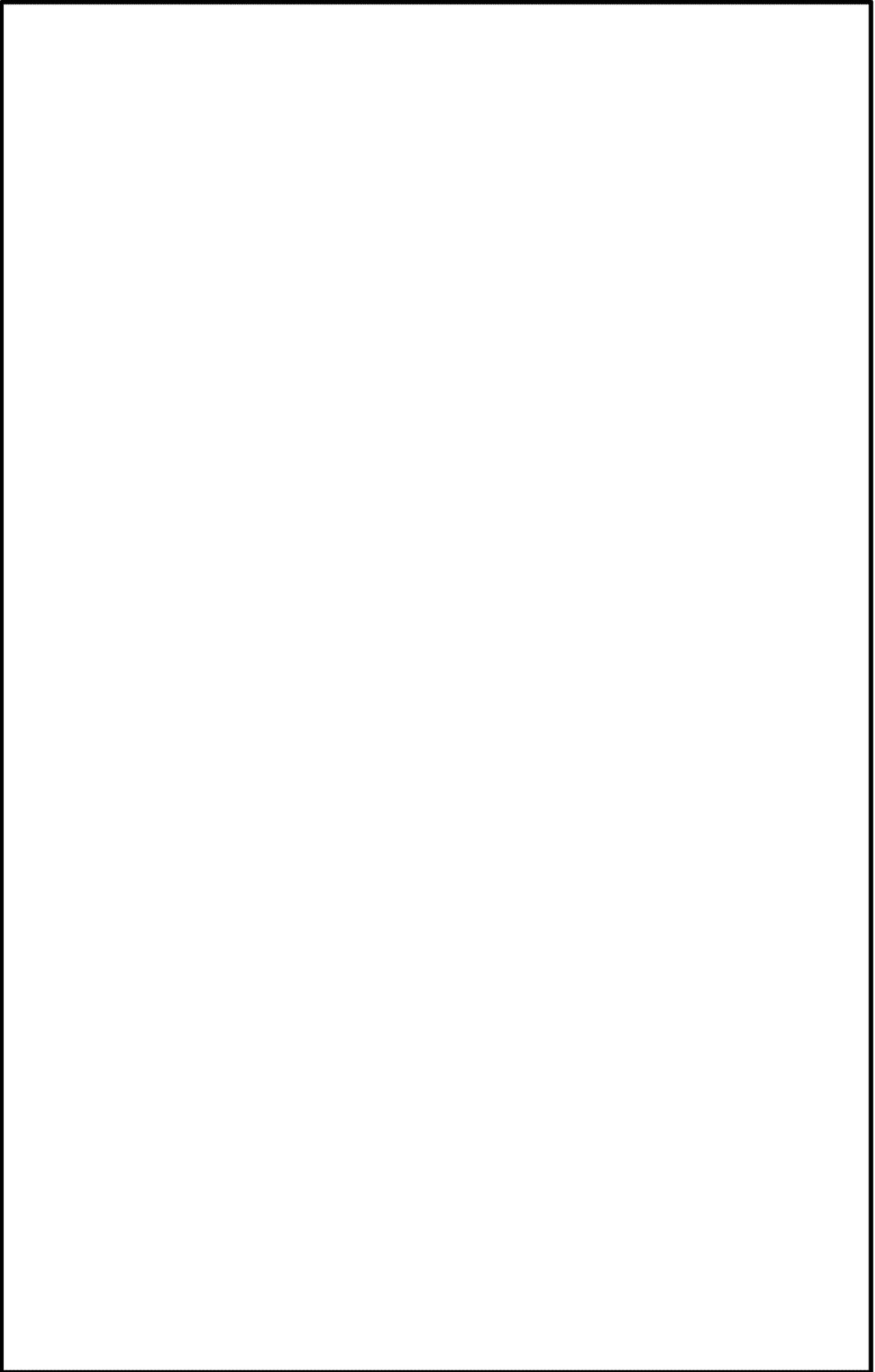
(b)(4)



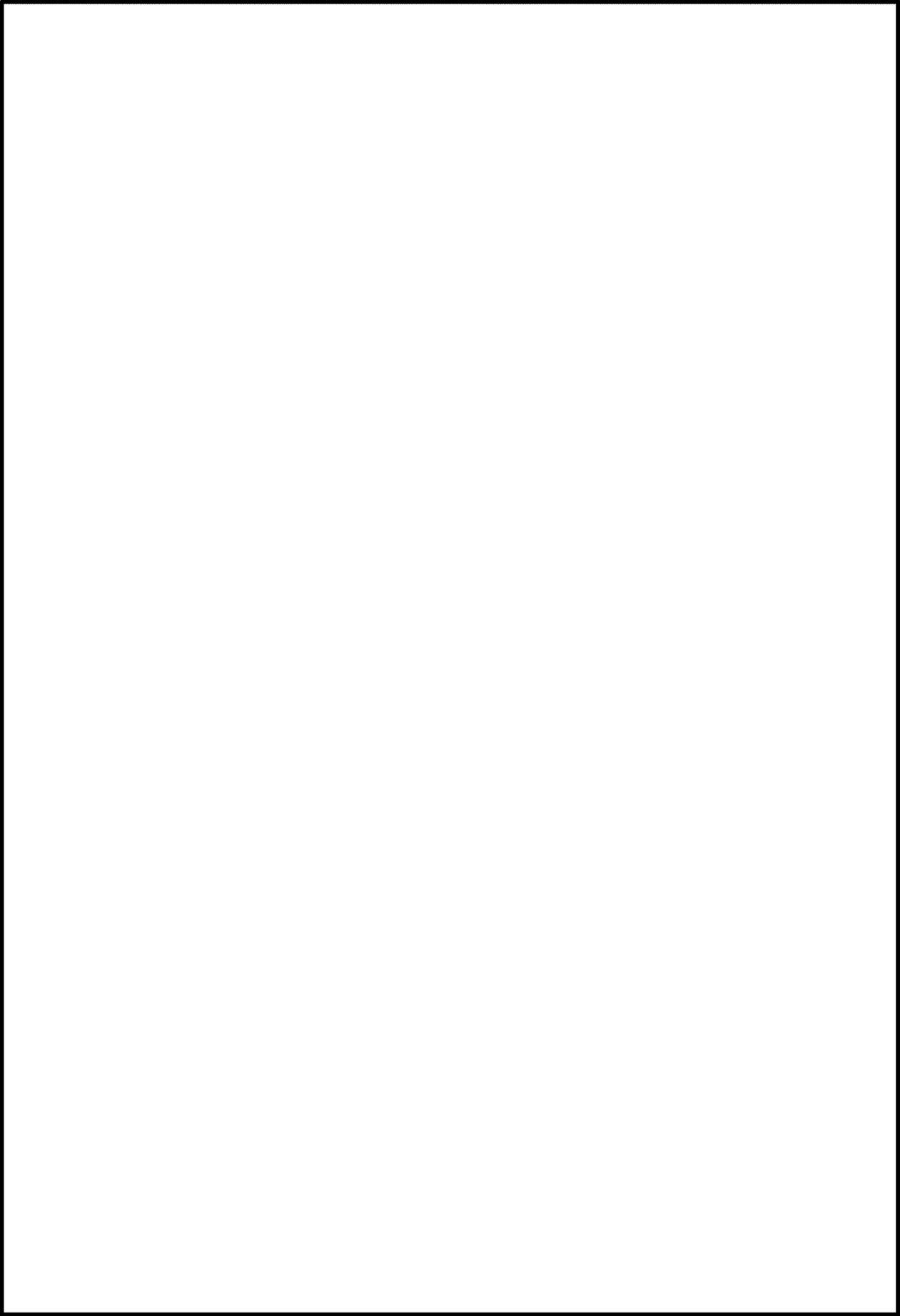
(b)(4)



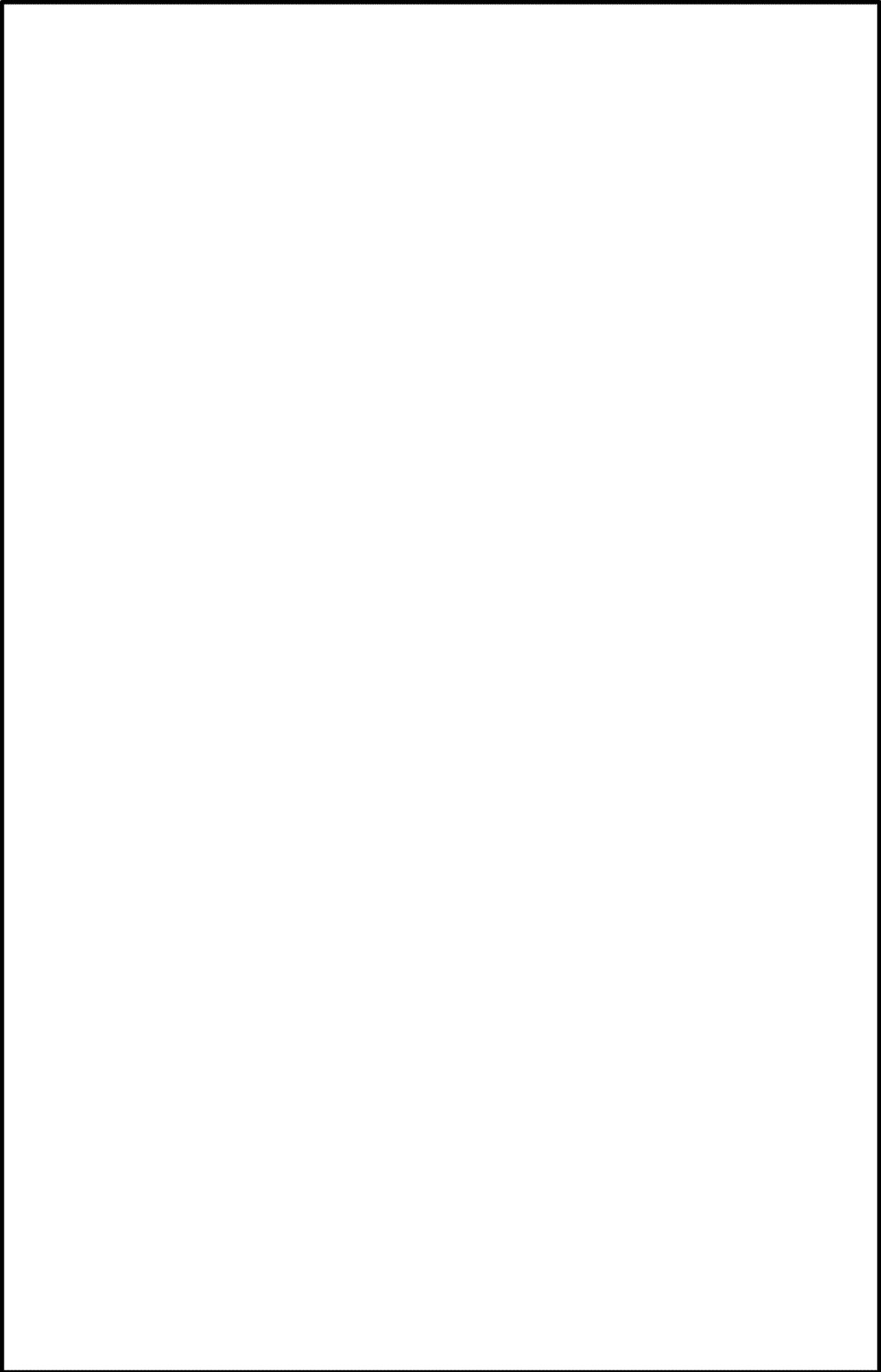
(b)(4)



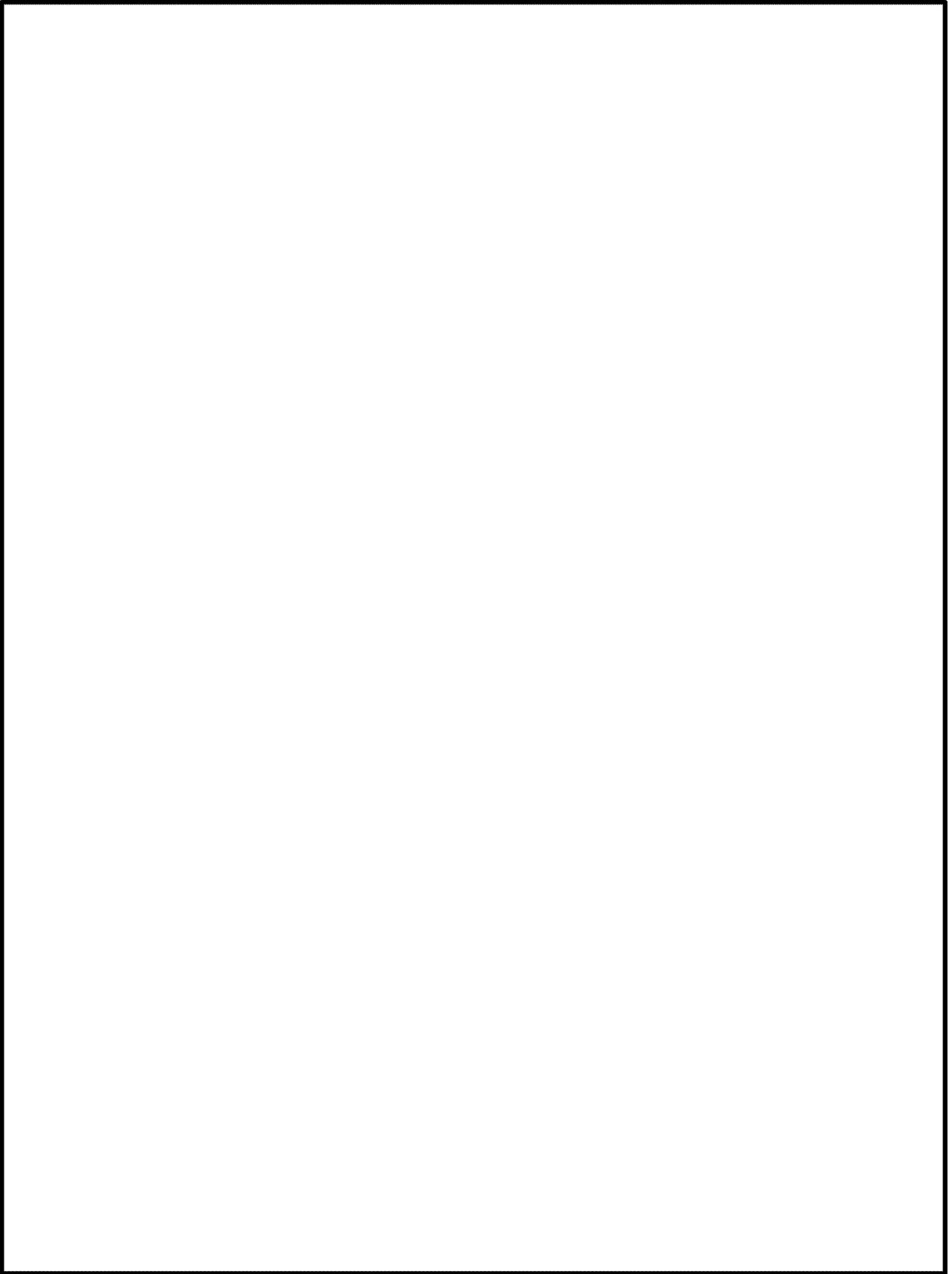
(b)(4)



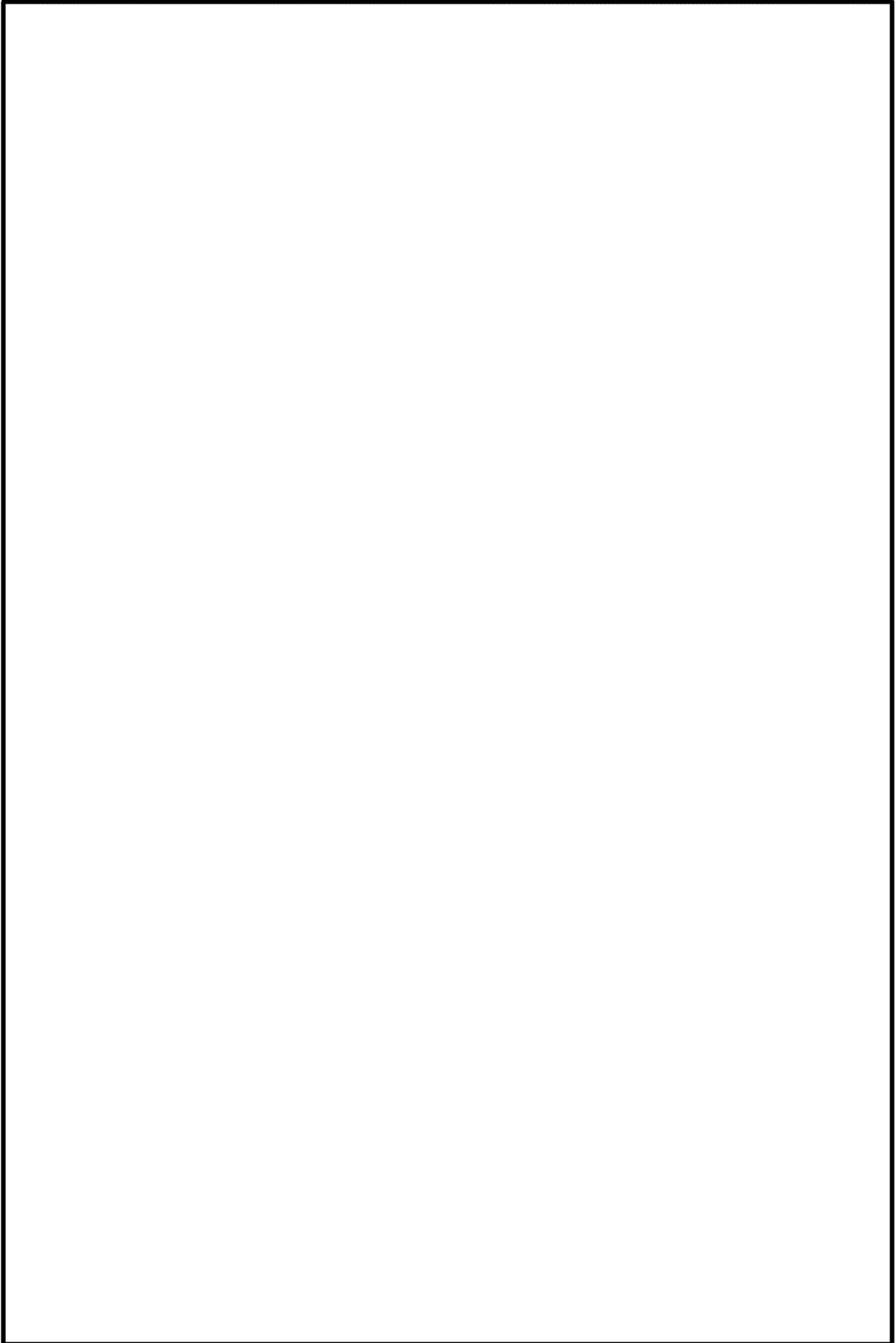
(b)(4)



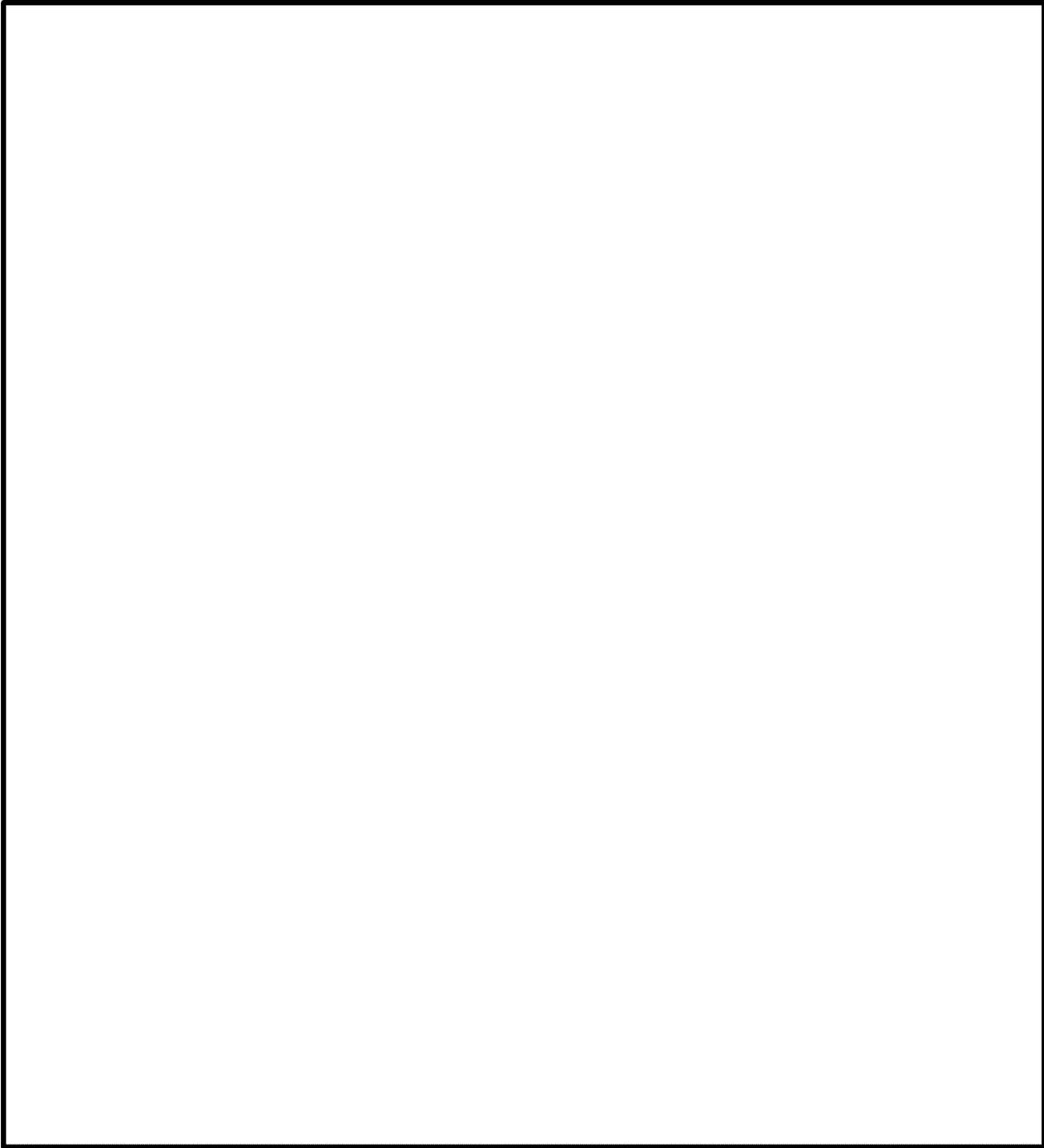
(b)(4)



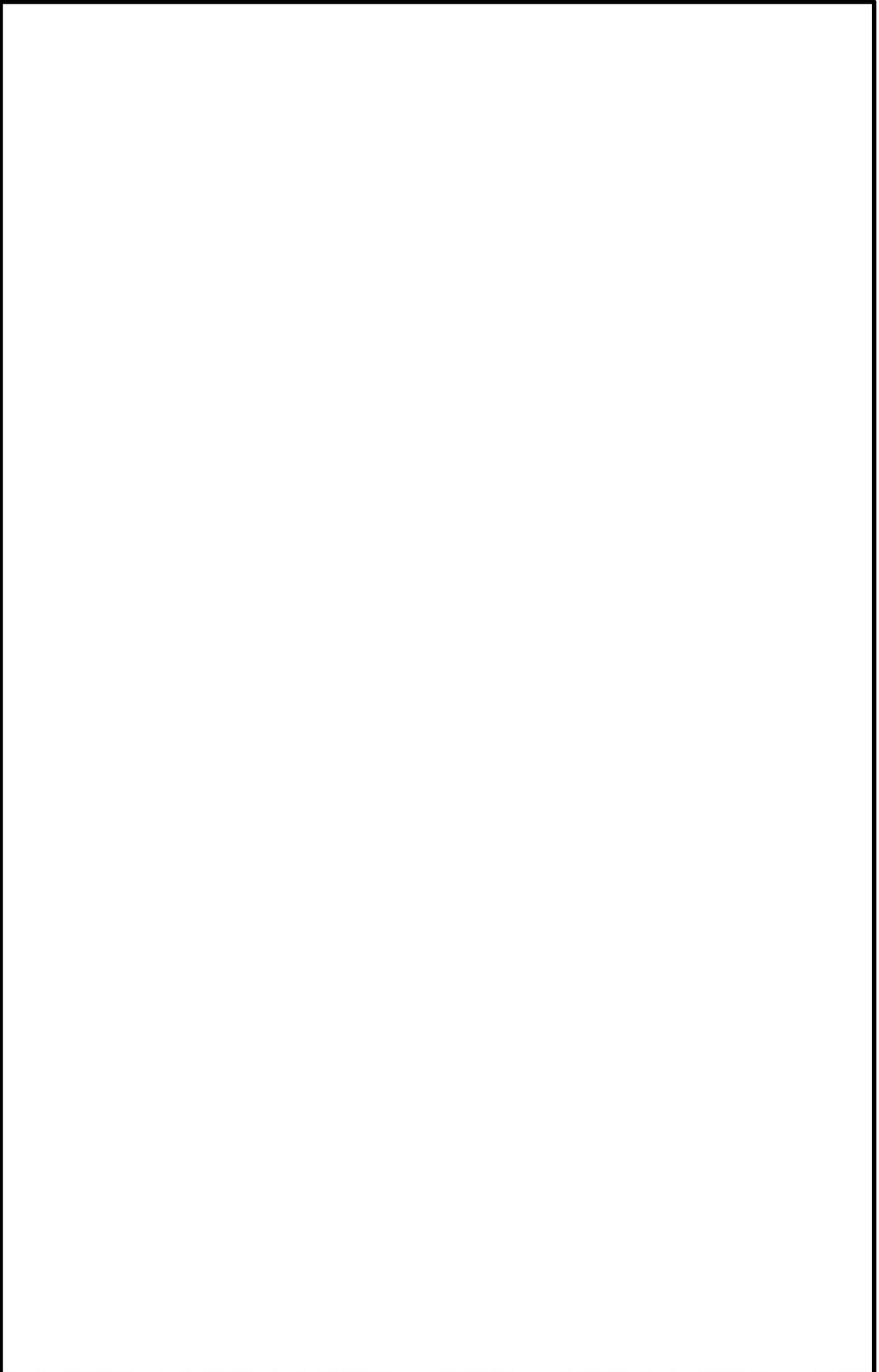
(b)(4)



(b)(4)

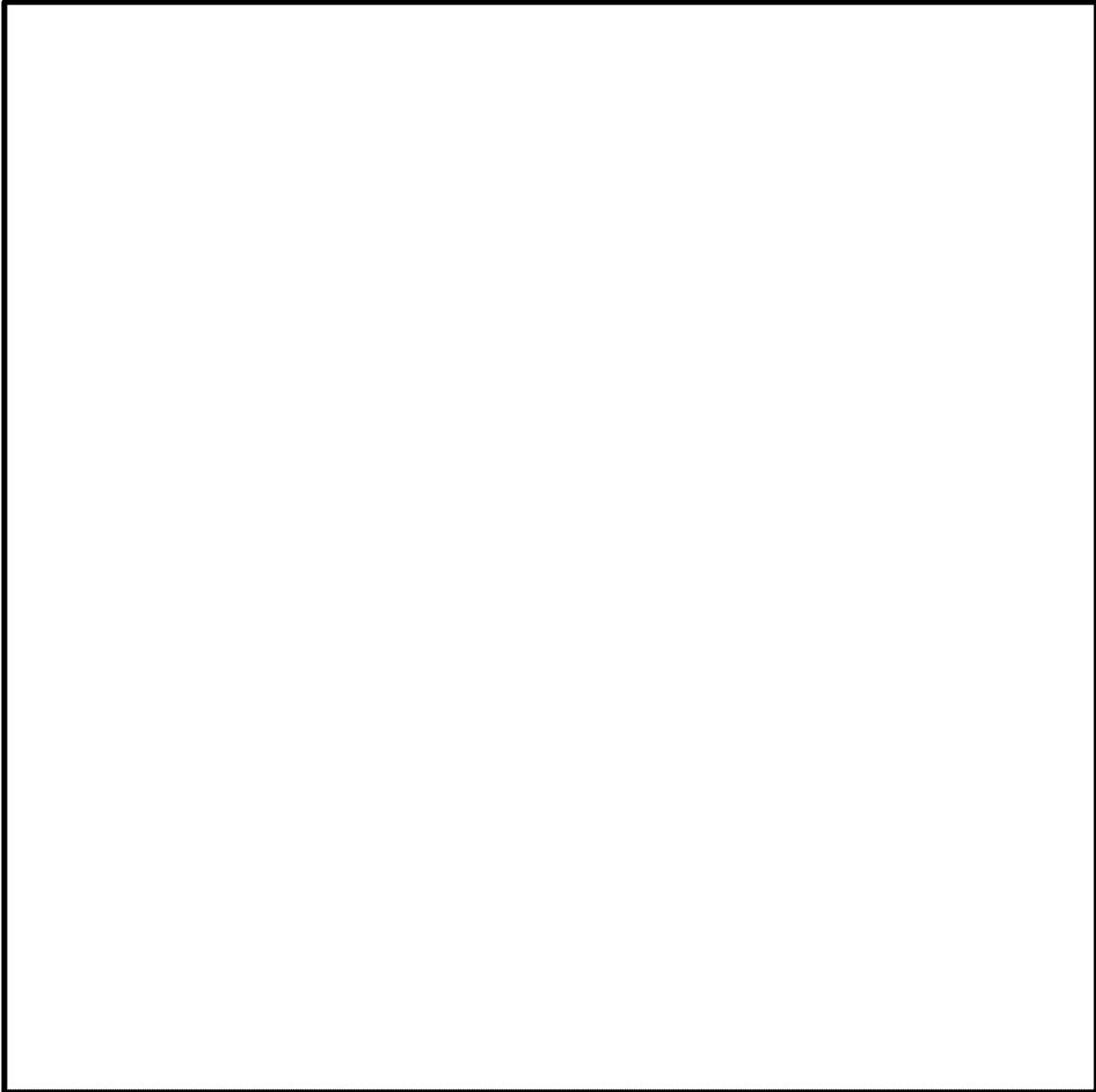


(b)(4)



### III. Summary of Economic Impact

(b)(4)



#### **The Proposed Regional Center and Regulatory Conformance**

The law, 8CFR Section 204.6(m)(3), sets forth five significant elements that the Regional Center application must address. The elements referring to job creation through increased exports are omitted as this is no longer a requirement. In the following pages, the text from the law is cited (in boldface italics) after which its requirements are addressed utilizing the analysis outlined in the prior sections of this application.

***(i) Clearly describe how the regional center focuses on a geographical region of the United States and how it will promote economic growth through improved regional productivity, job creation and increased domestic capital investment.***

This section of the law has two parts: regional focus and promotion of economic growth.

First, the Regional Center status area consists of twelve counties in eastern South Dakota along the I-29 corridor (Appendix J). This region was chosen as it is well suited for dairy development. It has a strong milk market with high demand for milk, relatively inexpensive feed costs, and dairy infrastructure in place for a new operation to prosper. Additionally, the region has the social amenities necessary for immigrants to successfully acclimate (Appendix C: promotional materials outline these advantages).

The region was also chosen to stem its rural decline. Data presented indicate that eight of the twelve counties included in the DEDR experienced population declines for the period 1980-2000. Excluding the increasing population trends of the cities of Watertown, Brookings and Madison, 11 of the 12 counties experienced population declines while the U.S. experienced a 24% growth during that same period (Table 5).

**Table 5. DEDR Population Trends 1980-2000**

Area	Census Data			Current Population by Select Age Group				
	1980	1990	2000	0-17	18-34	35-54	55-64	65+
Brookings County	24,332	25,207	28,220	5,860	10,954	6,482	1,859	3,065
Codington County	20,885	22,698	25,897	6,945	5,889	7,364	2,046	3,653
Clark County	4,894	4,403	4,143	1,119	584	1,117	402	921
Deuel County	5,289	4,522	4,498	1,140	727	1,245	456	930
Grant County	9,013	8,372	7,847	2,090	1,179	2,332	750	1,496
Hamlin County	5,261	4,974	5,540	1,630	935	1,420	494	1,061
Kingsbury County	6,679	5,925	5,815	1,424	824	1,626	535	1,406
Lake County	10,724	10,550	11,276	2,677	2,738	3,078	940	1,843
McCook County	6,444	5,688	5,832	1,657	975	1,554	508	1,138
Miner County	3,739	3,272	2,884	735	407	788	264	690
Moody County	6,692	6,507	6,595	1,921	1,208	1,905	576	985
Roberts County	10,911	9,914	10,016	3,007	1,720	2,633	952	1,704
<b>Total</b>	<b>114,863</b>	<b>112,032</b>	<b>118,563</b>	<b>30,205</b>	<b>28,140</b>	<b>31,544</b>	<b>9,782</b>	<b>18,892</b>
Statewide	690,768	696,004	754,844	202,649	168,647	213,068	62,349	108,131
US	226,542,199	248,709,873	281,421,906					

**Note: Reference date for current population data is April 1, 2000**

**Source: U.S. Census Bureau**

Table 6 lists the poverty rates for the DEDR in 1989 and 1999, as well as for the entire state. Even though this table does not appear to be as persuasive at first glance in terms of percentages, it is evident that four of the twelve counties included in the DEDR have poverty rates above the U.S. average. More persuasive are the statistics included in Table 1 which demonstrate that the per capita income for the DEDR lags the U.S. average by a substantial margin. Hence, this region is ideal for both investment attractiveness and economic developmental needs.

**Table 6. DEDR Area Poverty Rates 1989-1999.**

AREA	All people in poverty		Related children under 18 years <sup>1</sup>	
	1989	1999	1989	1999
	Percent	Percent	Percent	Percent
Brookings County	17.8	14	14.7	10.1
Clark County	18.8	14.8	27.5	20.1
Codington County	12.5	9	14.9	8.6
Deuel County	16.6	10.3	20.2	9.8
Grant County	10.8	9.9	10.7	9.8
Hamlin County	16.3	12.1	19.1	17
Kingsbury County	13.5	10	17.8	13.5
Lake County	10.4	9.7	11.6	8.6
McCook County	11.8	8.1	12.7	8.9
Miner County	16.6	11.8	21.6	14.7
Moody County	13.3	9.6	16.9	11.4
Roberts County	26.4	22.1	37.1	30.1
Average	15.4	11.8	18.7	13.6
South Dakota	15.9	13.2	20.1	16.7
US	13.5	11.8	19.0	16.9

Source: U.S. Census Bureau, 1990 and 2000 Census of Population. U.S. data are from the 2001 *Statistical Abstract of the United States*, Tables 680 (page 442) and 684 (page 444).

Second, the dairy investments outlined in this application project promotes economic growth in the region. Table 7 summarizes the economic impact of the DEDR project in terms of domestic capital investment, job creation, annual salaries generated and annual taxes collected.

(b)(4)

**Table 7. DEDR Investment Project Impact Summary.**

Item	Long-Run Impact
Investment	(b)(4)
Jobs Created	
Annual Salaries Generated	
Annual Tax Contributions	

Source: Tables 2,4.

(b)(4)



(b)(4)



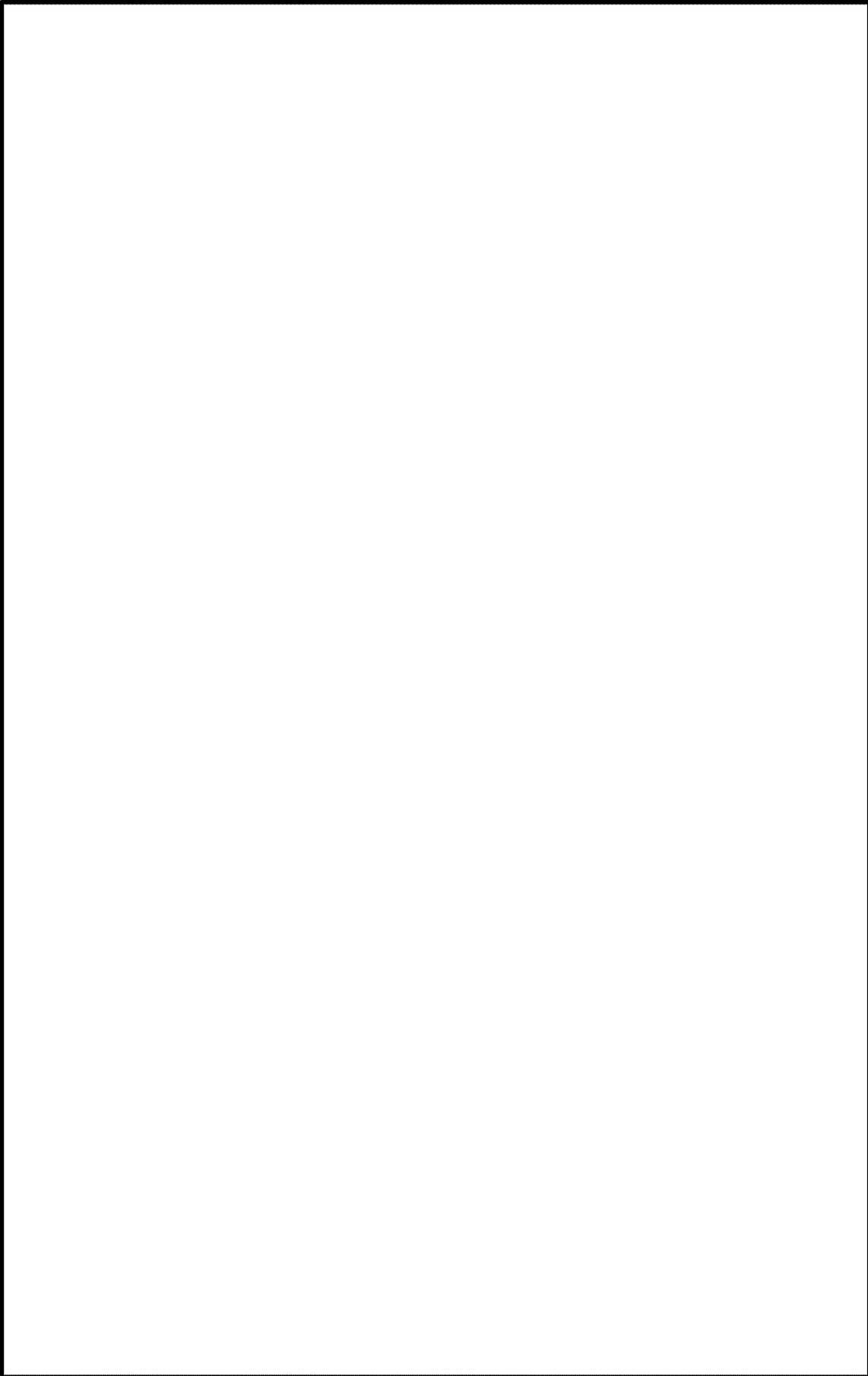
(b)(4)



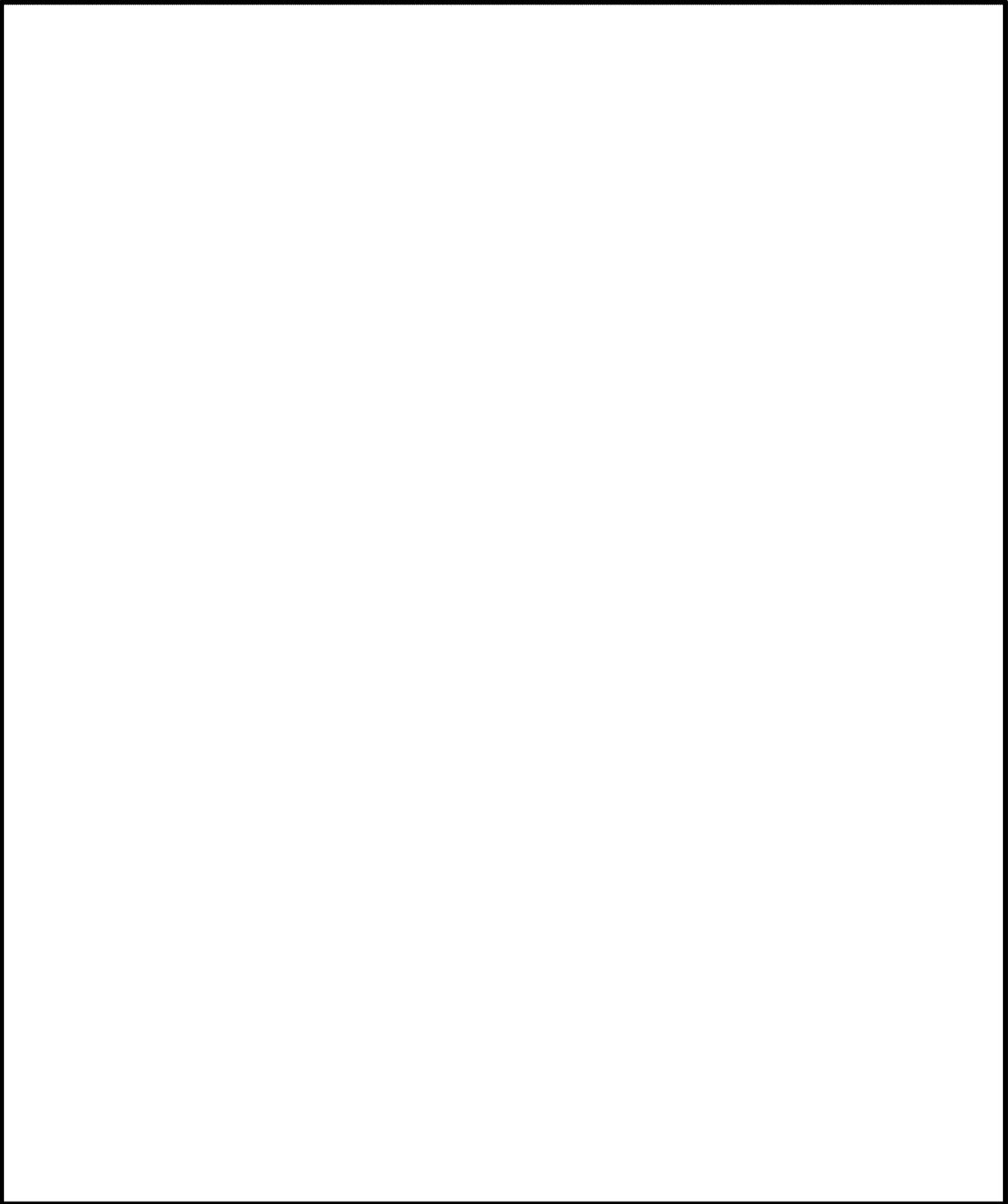
(b)(4)



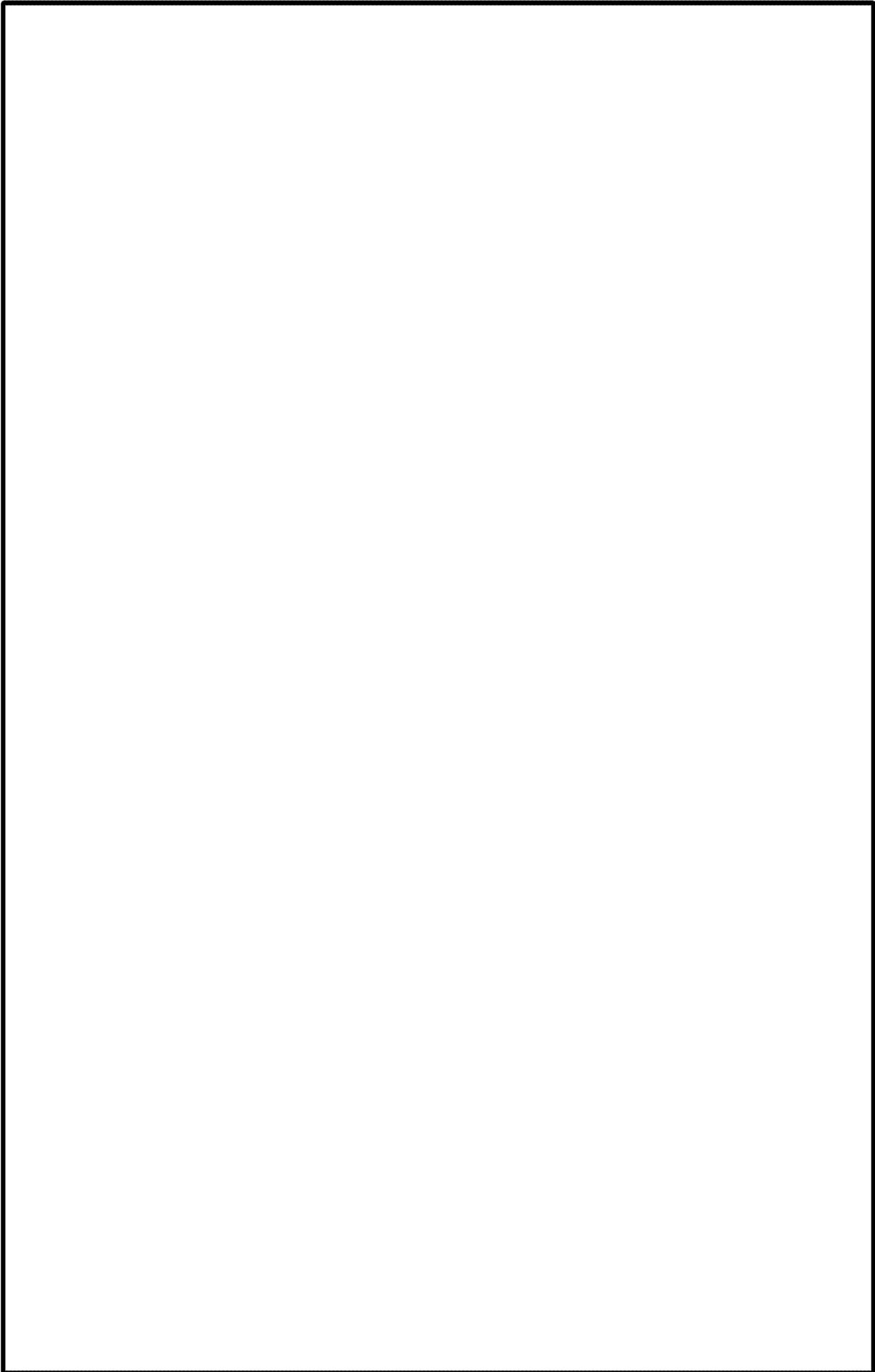
(b)(4)



(b)(4)



(b)(4)



(b)(4)



A description of the DEDR, an overview of the proposed projects, an analyses of the first-round direct economic impact and statistically valid forecasting tools consisting of commonly used RIMS II multiplier analysis to estimate long-term indirect economic impact, were used to directly answer the requirements of 8CFR Section 204.6(m)(3).

In summary, the information provided in this application, the fact that the State of South Dakota already has invested considerable resources for the dairy development, the broad support from South Dakota's congressional delegates, the support of South Dakota's government agencies and private industry (Support letters: Appendix A) all provide persuasive arguments that we need to prevent further economic decline in the DEDR by capitalizing on the dairy economic development opportunities that currently exist. A successful application for the DEDR will play a most important factor in assuring that the opportunities are fully realized.

THOMAS DASCHLE  
SOUTH DAKOTA

COMMITTEES:  
AGRICULTURE  
FINANCE  
RULES AND ADMINISTRATION  
(202) 224-2321  
TOLL FREE 1-800-424-8084\*  
<http://daschle.senate.gov>

## United States Senate

WASHINGTON, DC 20510-4103

June 4, 2003

320 SOUTH FIRST STREET, SUITE 101  
ABERDEEN, SD 57402  
(605) 225-8823

1313 WEST MAIN STREET  
RAPID CITY, SD 57702  
(605) 348-7851

320 NORTH MAIN AVENUE, SUITE B  
SIOUX FALLS, SD 57101  
(605) 334-8686  
TDD (605) 334-4632

The Honorable Eduardo Aguirre  
Commissioner  
Bureau of Citizenship and Immigration Services  
425 Eye Street, NW, Room 1700  
Washington, DC 20536

Dear Commissioner Aguirre:

I am writing to express my strong support for an application that has been submitted by the South Dakota Department of Tourism and State Development for a Regional Center designation under the EB-5 Immigrant Investor Pilot Program.

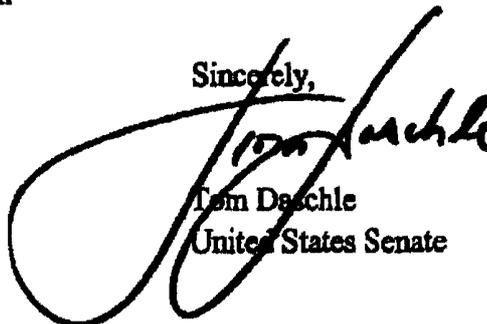
The State of South Dakota has worked closely with the South Dakota International Business Institute (SDIBI) to develop the state's dairy industry. In doing so, SDIBI identified the EB-5 Immigrant Investor Pilot Program and, specifically, the Regional Center designation as critical components of the state's efforts to encourage direct foreign investment by international dairy operators. The Regional Center designation is important because it would allow applicants under the program to meet the modified job creation requirements allowed within a Regional Center. This is critical because in a rural setting the economic benefits of direct foreign investment often extend far beyond the direct job creation impact of such investments. Without a Regional Center designation, the state's efforts to attract foreign dairy operators will face extremely high hurdles.

I believe the state's effort to attract foreign dairy operators is extremely well-conceived and, with a Regional Center designation, this effort will play a vital role in reestablishing an important South Dakota industry. In addition to the impact this designation will have on South Dakota's economy, I believe the state's application for a Regional Center designation fits squarely within the purposes for which this program was created.

I appreciate your consideration of this request. If you have any questions about my support for this application, please don't hesitate to contact me or Paul Batcheller, my Economic Development Director, at (202) 224-0055.

With best wishes, I am

Sincerely,



Tom Daschle  
United States Senate

TIM JOHNSON  
SOUTH DAKOTA

RAPID CITY OFFICE: (605) 341-3990  
PO BOX 1088, RAPID CITY, SD 57709

ABERDEEN OFFICE: (605) 226-3440  
PO BOX 1984, ABERDEEN, SD 57402

SIOUX FALLS OFFICE: (605) 232-8888  
PO BOX 1424, SIOUX FALLS, SD 57101

## United States Senate

WASHINGTON, DC 20510-4104

WASHINGTON OFFICE:  
136 HART SENATE OFFICE BUILDING  
WASHINGTON, DC 20510-4104  
(202) 224-5842

TDD: (202) 224-8279

TOLL FREE  
1-800-537-0025

E-MAIL: [tim@johnson.senate.gov](mailto:tim@johnson.senate.gov)  
WEB SITE: <http://johnson.senate.gov>

June 4, 2003

The Honorable Eduardo Aguirre  
Commissioner  
Bureau of Citizenship and Immigration Services  
425 I Street, NW; Room 1700  
Washington, DC 20536

Dear Commissioner Aguirre:

I am writing in support of the application submitted by the South Dakota International Business Institute (SDIBI) to the Bureau of Citizenship and Immigration Services (BCIS). I support the efforts to qualify areas of Northeastern South Dakota as an economic development region as defined by the Immigration Act of 1990, and to promote financial investment in our rural communities.

As detailed in section 121 (b) of the Immigration Act of 1990, individuals who invest \$1 million in a United States business and employ ten or more US employees will be granted a two-year provisional visa. In November of 1991, that provision was extended to include individuals who invest \$500,000 in businesses located in specified high unemployment or rural areas of the US, as defined by the act.

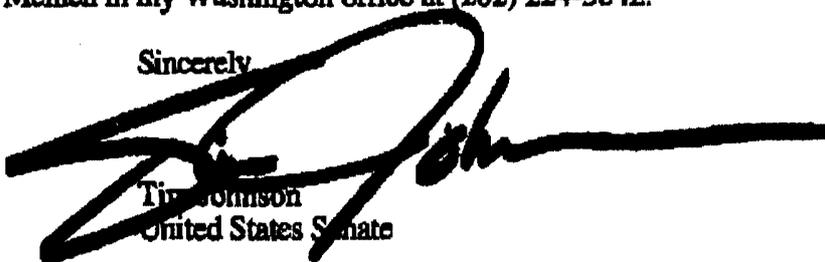
Based on the provisions of the act, rural counties are qualifying locations, regardless of their rate of unemployment. Cities with a population of 20,000 or more within these counties do not qualify unless they have a high rate of unemployment, or if the entire county has a qualifying unemployment rate. In South Dakota, therefore, only the two counties of Minnehaha (Sioux Falls) and Pennington (Rapid City) do not qualify for the designation because of population, and the cities of Aberdeen (Brown County) and Watertown (Codington County) would be similarly disqualified. All other communities in South Dakota qualify for the designation of high unemployment for purposes of the act.

Designating counties as development regions is essential for promoting investment in agricultural development, job creation, and industrial development. It is critical that South Dakota spur investment in its rural communities to keep young people in South Dakota and to provide a living wage in smaller communities.

I encourage you to support the South Dakota International Business Institute in their efforts to designate South Dakota counties as economic development regions. With the support of Bureau of Citizenship and Immigration Services, the SDIBI will continue to be successful in promoting international business investment, and making a positive economic impact in our rural communities.

Thank you for your consideration in this matter. If I may be of any assistance to you, please feel free to contact me or Dean Meinen in my Washington office at (202) 224-5842.

Sincerely



Tim Johnson  
United States Senate

**Congress of the United States**  
**House of Representatives**

**WILLIAM J. JANKLOW**  
1504 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-4101  
(202) 225-2801

The Honorable Eduardo Aguirre  
Commissioner  
Bureau of Citizenship and Immigration Services  
425 I Street, Northwest, Room 1700  
Washington, DC 20536

Dear Mr. Commissioner:

I write to call to your attention an application made to the Assistant Commissioner for Adjudications by the South Dakota Department of Tourism and State Development that proposes to designate 12 counties in Eastern South Dakota as a regional center under the Immigrant Investor Pilot Program as outlined in the Immigration Act of 1990, Section 121(b)5. This section establishes provisions by which individuals who invest \$1 million in a business in the United States (US) and employ ten or more US citizens or legal residents will be granted a two-year provisional visa. Rules to implement the Act were adopted in November of 1991. These rules extend provisions to individuals who invest \$500,000 in a business in specified high unemployment or rural areas in the US as defined by the Act.

Allow me to illustrate the importance of this proposed designation to the economic well-being of the counties included in the regional center and the South Dakota dairy industry in general. As Governor of South Dakota I devoted considerable time in anchoring the largest one-time free enterprise investment in South Dakota's history. As a result, Davisco Foods International is currently building a state-of-the-art mozzarella cheese plant in Lake Norden, SD, which will provide approximately [redacted] new high quality jobs for this wonderful rural community. An even greater economic impact will be generated in terms of new dairy farms and heifer-raising facilities that will be attracted to supply the Davisco Plant. A study conducted by two economists from Northern State University in Aberdeen, SD, indicates that over [redacted] new jobs will be created excluding economic multiplier implications. This is a tremendous opportunity for rural South Dakota, which generally has limited economic development opportunities and which has been faced with a variety of economic challenges in terms of declining population.

(b)(4)

South Dakota's international efforts to recruit dairy farmers have proven to be more successful than U.S. recruitment efforts as conditions in the foreign countries are more conducive to the promotional efforts. So far [redacted] new dairy projects have been attracted, and that number could be substantially higher if the benefits of the Immigrant Investor Pilot Program were available. The restrictions associated with the non-immigrant E-2

(b)(4)

COMMITTEE ON AGRICULTURE  
SUBCOMMITTEE ON DEPARTMENT OPERATIONS,  
OVERSIGHT, NUTRITION, AND FORESTRY  
SUBCOMMITTEE ON LIVESTOCK AND HORTICULTURE

COMMITTEE ON INTERNATIONAL RELATIONS  
SUBCOMMITTEE ON MIDDLE EAST AND CENTRAL ASIA  
SUBCOMMITTEE ON EUROPE

**Congress of the United States**  
**House of Representatives**

**WILLIAM J. JANKLOW**  
1504 LONGWORTH HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-4101  
(202) 225-2801

COMMITTEE ON GOVERNMENT REFORM  
SUBCOMMITTEE ON NATIONAL SECURITY,  
EMERGING THREATS, AND INTERNATIONAL  
RELATIONS  
SUBCOMMITTEE ON ENERGY POLICY,  
NATURAL RESOURCES, AND REGULATORY AFFAIRS  
**WEBSITE: [www.house.gov/janklow](http://www.house.gov/janklow)**

visa make South Dakota somewhat uncompetitive in relation to other countries that are attempting to expand their dairy industry.

I hope this application will receive every consideration possible. Please do not hesitate to contact me, or have a member of your staff call Chris Braendlin of my staff at 202-225-2801, if you have any questions or if we can assist further in any way.

Sincerely,



Bill Janklow



## South Dakota Department of Agriculture

523 East Capitol Avenue, Pierre, SD 57501-3182  
(605) 773-3375 (605) 773-5926 FAX

OFFICE OF THE SECRETARY

May 30, 2003

The Honorable Eduardo Aguirre  
Commissioner  
Bureau of Citizenship and Immigration Services  
425 I Street, Northwest, Room 1700  
Washington, DC 20536

Dear Mr. Commissioner:

This is a letter of support for an application made to the Assistant Commissioner for Adjudications by the South Dakota Department of Tourism and State Development that proposes to designate 12 counties in Eastern South Dakota as a regional center under the Immigrant Investor Pilot Program as outlined in the Immigration Act of 1990, Section 121(b)5. This section establishes provisions by which individuals who invest \$1 million in a business in the United States (US) and employ ten or more US citizens or legal residents will be granted a two-year provisional visa. Rules to implement the Act were adopted in November of 1991. These rules extend provisions to individuals who invest \$500,000 in a business in specified high unemployment or rural areas in the US as defined by the Act.

Since being appointed South Dakota Secretary of Agriculture three years ago, I have devoted a considerable amount of energy and resources to developing our livestock industry – specifically the dairy industry. Statistics show about 60% of our dairy producer population is 55-65 years of age. In just a few short years, instead of 800 dairy farm families, we may have only 250. We need to take action now to save our dairy infrastructure. Dairy development is also an opportunity to reduce the out migration of our young people. For example, the immigrants I visited with are, on average, about 25 years of age, either newly married or with one child.

The designation of the regional economic development zone for the 12 counties will provide our rural communities the potential for growth. It will also serve as a vehicle for reversing the loss of population, which will also reverse the current decline in our schools and main streets. The economic spin off from dairying is tremendous, with every community in this region benefiting. Our crop farmers will also benefit by having an opportunity to add value to their crops here in the state, rather than sending those crops out of state.

(b)(4)

Davisco-Foods International is currently building a state-of-the-art mozzarella cheese plant in Lake Norden, SD, which will provide approximately [ ] new high quality jobs for this wonderful rural community of 400 residents. An even greater economic impact will be generated in terms of new dairy farms and heifer-raising facilities that will be attracted to supply the Davisco Plant. A study conducted by economists from Northern State University in Aberdeen, SD, indicates that over [ ] new jobs will be created, excluding economic multiplier implications. This is a tremendous opportunity for rural South Dakota, which generally has limited economic development opportunities and which has been faced with a variety of economic challenges in terms of declining population.

(b)(4)

South Dakota's international efforts to recruit dairy farmers have proven to be more successful than U.S. recruitment efforts. I have personally visited with many of the foreign dairymen when they came to tour our state. These folks are excited about the opportunities for them, but they have concerns about the substantial investment they would make in their projects with no guarantee of a long term future here. So far [ ] new dairy projects have been attracted, and that number could be substantially higher if the benefits of the Immigrant Investor Pilot Program were available. The restrictions associated with the non-immigrant E-2 visa make South Dakota somewhat noncompetitive in relation to other countries that are attempting to expand their dairy industry.

Thank you for your attention to this issue. I hope the application will receive every consideration possible. Please do not hesitate to contact me, or have a member of your staff call Roger Scheibe, SD Dairy Development Specialist, at 605/773-5425, if you have any questions or if we can assist further in any way.

Sincerely,



Larry Gabriel  
South Dakota  
Secretary of Agriculture



June 5, 2003



The Honorable Eduardo Aguirre  
Commissioner  
Bureau of Citizenship and Immigration Services  
425 I Street, Northwest, Room 1700  
Washington, DC 20536

Dear Commissioner Aguirre:

I am writing this letter to support the application filed by the South Dakota Department of Tourism and State Development for a regional development designation of twelve counties in Eastern South Dakota. This designation will enhance the effectiveness of the State's international recruitment efforts and thus assist in procuring adequate milk for the plant that we are currently constructing in Lake Norden, South Dakota.

(b)(4)

This new plant will secure jobs for [ ] employees and create an estimated [ ] [ ] additional economic impact resulting from investments in new cows and facilities needed to produce the milk. Additionally, as long as we can procure sufficient raw milk at economically acceptable prices, we expect future expansions to follow. Our plant in Idaho, for example, quadrupled in size during the last 10 years.

Designation of a regional development center will enhance South Dakota's effectiveness in recruiting overseas dairies as restrictions associated with the non-immigrant E-2 visa greatly reduces the U.S competitiveness compared to other countries with more favorable immigration legislation. This new designation will level the playing field, allow us to procure the needed milk and create a stimulus to rural South Dakota that has faced economic challenges as a result of population declines.

I hope you will favorably look at the application submitted. Please to not hesitate to contact me if additional information is needed.

Sincerely,

Mitch Davis

BUSINESS OFFICE  
704 North Main Street  
Post Office Box 69  
Le Sueur, Minnesota 56058-0069  
507-665-8811 Fax 507-665-3701



TELEPHONE  
(605) 432-4563

CHEESE FACTORY, INC.



P. O. DRAWER 351 • MILBANK, SOUTH DAKOTA • 57252

June 2, 2003

The Honorable Eduardo Aguirre  
Commissioner  
Bureau of Citizenship and Immigration Services  
425 I Street, Northwest, Room 1700  
Washington, DC 20536

Dear Commissioner Aguirre:

South Dakota has under taken an aggressive effort to attract foreign dairies contemplating emigration to relocate their businesses to the State of South Dakota. This effort is being undertaken to ensure an adequate supply of milk for existing dairy processors, as well as, a newly constructed cheese plant in the State.

Valley Queen Cheese Factory, Inc. is a manufactured of cheese and whey products and has operated in Milbank, South Dakota since 1929. We are a privately owned family firm founded by two Swiss immigrants; thus, the challenges and opportunities faced by the foreign dairies being recruited by the State of South Dakota are clearly understood by our firm. Our firm has been on a steady growth pattern over the past decade, with an annual average growth rate of 11%. The major challenge faced by our firm as we continue to look for further growth in the future is an adequate supply of our raw material, milk. We see the potential relocation of foreign dairies to the State as a key component of our future in South Dakota.

As we look at continued depopulation in the rural areas of the United States, the flicker of hope offered by these new operations is appealing. South Dakota has already succeeded in attracting 10 immigrant dairy families, who have injected into the State not only the capital for the construction of their operations but more importantly have added additional family units. These new family units help stem a rural exodus that is threatening the very survival of many rural communities.

The designation of South Dakota as an economic development region under the Immigration Act of 1990 would be a tremendous boost for our efforts to attract these relocating dairy operations. The importance of the addition of these businesses and families to our State cannot be over stated.

Sincerely,

A handwritten signature in cursive script that reads "Mark Leddy".

Mark Leddy

Co-CEO

# Land O'Lakes, Inc.

June 3, 2003

The Honorable Eduardo Aguirre  
Commissioner  
Bureau of Citizenship and Immigration Services  
425 "I" St. NW, Room 1700  
Washington, DC 20536

Dear Commissioner Aguirre:

I am writing to lend my support, and the support of Land O'Lakes, Inc., to the designation of 12 South Dakota counties (Grant, Codington, Clark, Hamlin, Deuel, McCook, Brookings, Kingsbury, Miner, Lake, Moody and Turner) as a Dairy Economic Development Region defined under the Immigration Act of 1990, thereby allowing legal residents a two-year provisional visa.

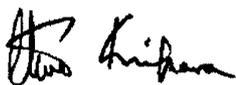
(b)(4)

Land O'Lakes and Davisco Foods International are building a \$40 million state-of-the-art mozzarella cheese plant in Lake Norden, a town with a population less than 500, in Hamlin County, South Dakota. The new plant will create  additional jobs, secure the  existing jobs at an adjacent food ingredient plant, and dramatically increase the market for milk produced by area farmers by as much as five million pounds per day.

The new dairy plant will initially support the milk production from 30,000 cows, and eventually expand to require the milk production from 75,000 cows. Without the recruitment and support of South Dakota to new immigrant dairy owners and workers, this expansion would not be possible.

Please support the Dairy Economic Development Region application under Section 121(b)5 of The Immigration Act of 1990.

Sincerely,



Steven Krikava  
Director, Government Relations  
4001 Lexington Ave. N.  
Arden Hills, Minnesota 55126  
651-481-2269

# McCook County Auditor's Office



P.O. Box 190 ♦ Salem SD 57058  
Phone 605-425-2791 ♦ Fax 605-425-2534

June 06, 2003

The Honorable Eduardo Aguirre, Commissioner  
Bureau of Citizenship & Immigration Services  
425 I Street, Northwest, Room 1700  
Washington, DC 20536

Dear Commissioner Aguirre:

The McCook County Commissioners are in support of an application designating twelve counties along the I-29 Corridor in South Dakota as a Dairy Economic Development Region.

Like many counties in South Dakota, McCook County has experienced an economic decline in our rural communities. People move to the country to live on acreages but commute out of county for their jobs. Our farmsteads are disappearing from the countryside.

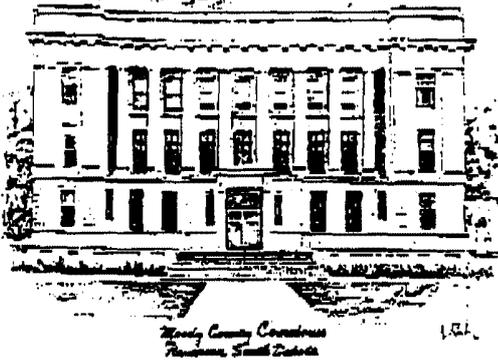
Enclosed you will find a copy of the McCook County Comprehensive Plan. Some of information contained in the Plan includes demographic conditions; population projections, infrastructure, rural water lines, and land use.

The McCook County Commissioners request favorable consideration for the application and thank you for your time.

Sincerely,

A handwritten signature in cursive script that reads "Geralyn Sherman".

Geralyn Sherman  
McCook County Auditor  
On behalf of the:  
McCook County Commission



Office of  
Moody County Commissioners  
101 E Pipestone Ave, Suite D  
Flandreau, SD 57028-0152

Phone: 605-997-3161  
Fax: 605-997-9996

June 9, 2003

The Honorable Eduardo Aguirre, Commissioner  
Bureau of Citizenship and Immigration Services  
425 I Street, Northwest, Room 1700  
Washington, DC 20536

Dear Commissioner Aguirre:

The South Dakota Department of Agriculture/Division of Ag Development and the International Business Institute at Northern State University are submitting an application to designate 12 counties along the I-29 Corridor in South Dakota, including Moody County, as a Dairy Economic Development Region. This will be a federal designation, defined under the Immigration Act of 1990.

Moody County, South Dakota has experienced an economic decline and a new dairy facility would be a tremendous boost to counteract further decline. Moody County is eager to support this initiative and we request the federal government to favorably consider the application.

Thank you in advance for any help you can give us in these matters.

Sincerely,

Bill Nibbelink, Chairman  
Moody County Commissioners

**ADDITIONAL SUPPORT LETTERS FROM THE FOLLOWING  
COUNTIES WILL BE FORWARDED TO THE BCIS BY AUGUST 1, 2003:**

- BROOKINGS
- CLARK
- CODINGTON
- DEUEL
- GRANT
- HAMLIN
- KINGSBURY
- LAKE
- MINER
- ROBERTS



STATE OF SOUTH DAKOTA  
M. MICHAEL ROUNDS, GOVERNOR

June 3, 2003

Eduardo Aguirre  
Commissioner  
Bureau of Citizenship and Immigration Services  
425 I Street, Northwest, Room 1700  
Washington, DC 20536

Dear Commissioner Aguirre:

The Immigration Act of 1990, Section 121(b)5, establishes provisions by which individuals who invest \$1 million in a business in the United States (US) and employ ten or more US citizens or legal residents will be granted a 2-year provisional visa. Rules to implement the Act were adopted in November of 1991. These rules extend provisions to individuals who invest \$500,000 in a business in specified high unemployment or rural areas in the US as defined by the Act.

The South Dakota International Business Institute administers this program and the authority to certify which geographical regions are certified high unemployment areas has been delegated to the South Dakota Department of Labor (SDDOL).

Based upon provisions of the Act, rural counties qualify regardless of unemployment rate. However, cities of 20,000 or more within these rural counties qualify only if they are high unemployment areas or if the entire county has a qualifying unemployment rate. Based on this, all South Dakota counties qualify except for South Dakota's only two metropolitan statistical areas of Sioux Falls (Minnehaha County) and Rapid City (Pennington County). Additionally, the cities of Aberdeen (Brown County) and Watertown (Codington County) do not qualify as they have populations of more than 20,000.

The entire state of South Dakota, except for the cities mentioned in the prior paragraph, constitute South Dakota's certification of areas of high unemployment for the purposes of the Immigration Act of 1990. Questions regarding implementation of the Foreign Investor provisions of the Act in South Dakota may be referred to Joop Bollen, Director, SDIBI, at 605-626-3098. Questions regarding certification may be referred to Pam Roberts, Secretary, SDDOL, at 605-773-3101.

Sincerely,



Michael Rounds

:ls



**SOUTH DAKOTA DEPARTMENT OF LABOR**  
**PAMELA S. ROBERTS, SECRETARY**

June 9, 2003

South Dakota International Business Institute  
Attn: Joop Bollen  
1200 South Jay Street  
Aberdeen, SD 57401

Dear Mr. Bollen:

This letter is being provided in response to your request for the South Dakota Department of Labor to certify targeted employment areas in South Dakota. This certification is needed to support provisions detailed in Section 122(b)5 of the Federal Immigration Act of 1990. These provisions create the opportunity for foreign individuals who invest in a business in the United States and employ ten or more U.S. citizens or legal residents to be granted a two-year provisional visa. The required capital investment is \$1 million, except in targeted employment areas. For these targeted employment areas, the investment requirement is lowered to \$500,000.

To be certified as a targeted employment area, an area must qualify as a rural area or a high unemployment area. As defined by the Act, a rural area is any area not within either a metropolitan statistical area or the outer boundary of any city or town having a population of 20,000 or more. By this definition, all county areas in South Dakota qualify as rural areas, except the Rapid City MSA (Pennington County), Sioux Falls MSA (Lincoln and Minnehaha counties), and the cities of Aberdeen (2000 Census population of 24,658 located in Brown County) and Watertown (2000 Census population of 20,237 located in Codington County).

To be designated as a high unemployment area, an area must have an unemployment rate that is at least 150 percent of the national average. The current national unemployment rate (April 2003) is 6.0 percent. Therefore, to qualify as an area of high unemployment, an area needs an unemployment rate that is at least 150 percent of the national rate, which would be 9.0 percent. According to current unemployment rates, none of the remaining areas in South Dakota qualify as high unemployment areas.

Therefore, the Department of Labor certifies that all rural areas in South Dakota, as defined by the Act, qualify as targeted employment areas. If you require additional assistance regarding this matter, please do not hesitate to contact Phil George (605) 626-2314.

ly,

S. Roberts  
y of Labor

**EXECUTIVE OFFICE**  
**KNEIP BUILDING**  
**700 GOVERNORS DRIVE**  
**PIERRE, SOUTH DAKOTA**  
**57501-2291**

**605-773-3101**  
**605-773-4211 (Fax)**

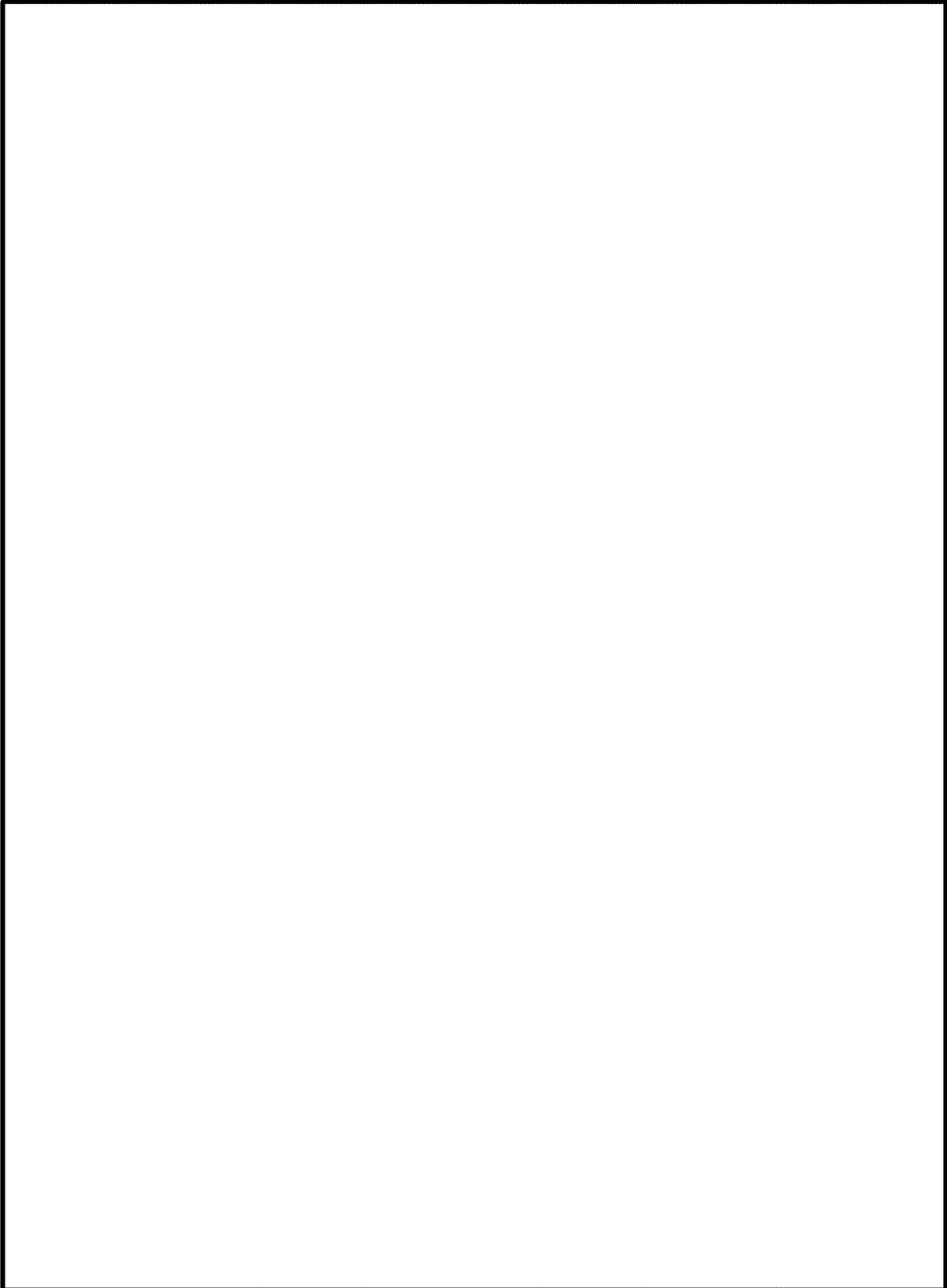
**International Dairy Business/Promotional Plan Summary 2004**

(b)(4)

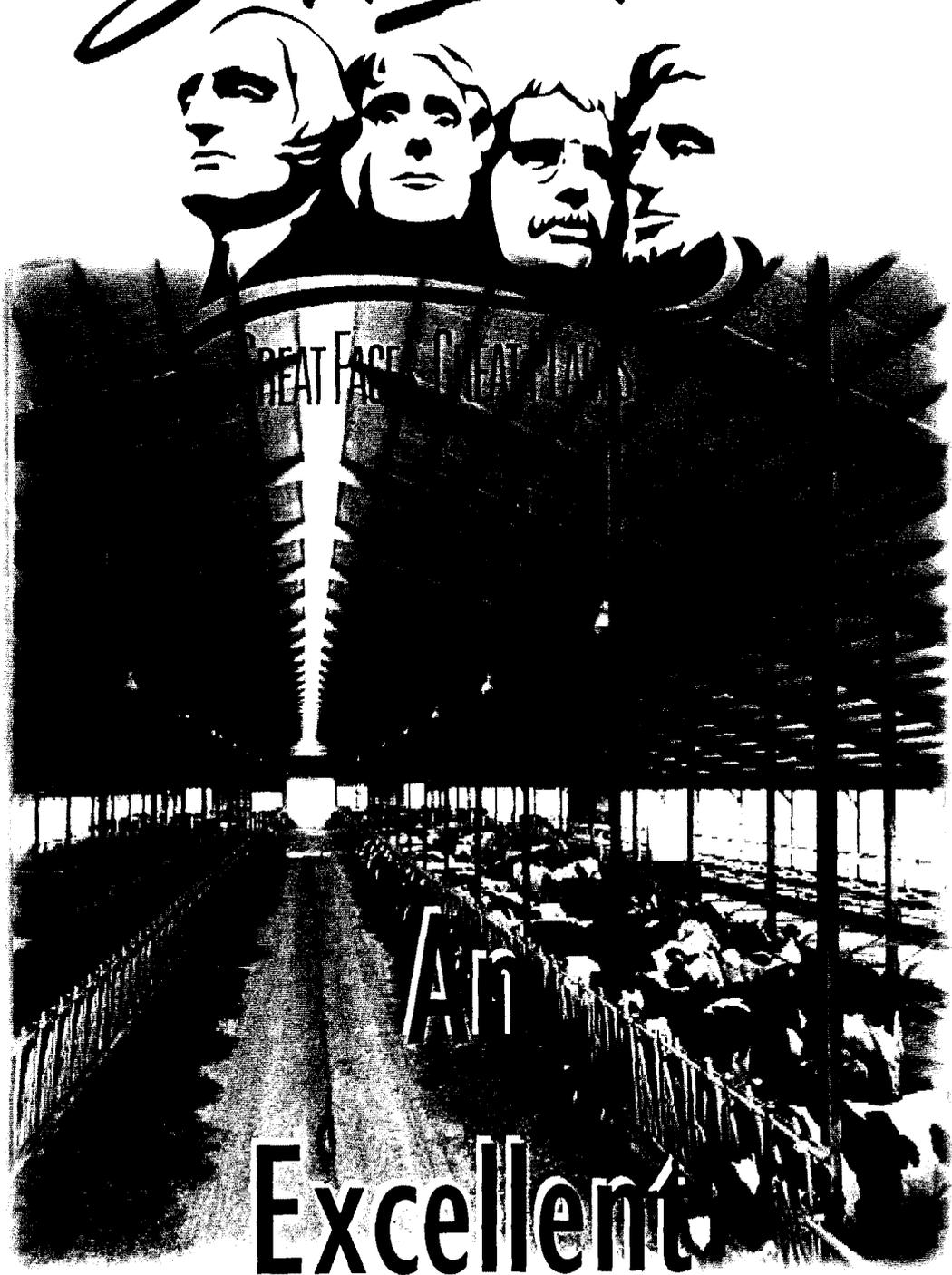


A promotional time line for 2004 follows:

(b)(4)



*South Dakota*



An  
Excellent

Choice

## South Dakota at a Glance

- South Dakota occupies an area of 77,047 square miles, enjoys a continental climate and is bordered by Minnesota and Iowa (E), Nebraska (S), North Dakota (N) and Wyoming and Montana (W).
- United States acquired South Dakota as part of the Louisiana Land Purchase in 1803 from France.
- The land was then occupied by Sioux Indians who had driven the agricultural Arikara Indians from the region.
- The first settlement was established in 1817 by fur traders in Fort Pierre, South Dakota.
- In 1850 settlements began to develop more rapidly as land speculators and farmers from Iowa and Minnesota moved west. Emigration from European countries (Germany, Scandinavia, Holland, Russia and United Kingdom) soon followed.
- The Gold Rush in 1874, when gold was discovered on Indian land (treaty 1868), led to the development of towns in western South Dakota and South Dakota's rich western history with now famous personalities such as General Custer, Wild Bill Hickok and Calamity Jane unfolded.
- In 1889 South Dakota became the 40<sup>th</sup> State with Pierre as its capitol.
- The development of the railroads in the late 1800s caused the population to increase threefold with agriculture following suit.
- Postwar South Dakota, with improved farming techniques, witnessed a steady increase in agricultural & livestock operations with larger farms replacing smaller family farms.
- The late 1900s, with a major New York bank moving its credit card operation to Sioux Falls, marked the beginning of a shift towards service, finance and trade investments that resulted in significant economic growth.
- Today almost one-third of the region west of the Missouri River belongs to Indians on reservations with most of the remaining land being occupied by cattle and sheep ranchers. In the more productive eastern region of the Missouri River livestock and cash cropping (corn, soybeans, wheat) are the major sources of income. The economy here is more diversified including manufacturing, electronics and service industry.
- South Dakota currently has a population of 755,000 with Sioux Falls (140,000), Rapid City (65,000), Aberdeen (30,000) and Watertown (25,000) being the largest population centers.



## SOUTH DAKOTA DEPARTMENT OF AGRICULTURE

### DIVISION OF AGRICULTURAL DEVELOPMENT

523 East Capitol Avenue, Pierre, SD 57501-3182

(605) 773-5436 (605) 773-3481 FAX

1-800-228-5254 In SD

Web Address – [www.state.sd.us/doa/](http://www.state.sd.us/doa/)

Dear Producer:

The dairy industry has always been an important component of our state's #1 industry – Agriculture. In 2000 agriculture generated \$17.1 billion of economic activity in our state. The dairy sector is a substantial contributor to that figure through both agricultural production (livestock and grains) and agricultural support (agricultural services, machinery, supplies, food processing).

The enthusiasm for dairying has been restored as our dairy farmers, crop and forage farmers, and communities realize the positive advantages gained in the various segments of the dairy infrastructure, from the operation itself to the milk processors.

South Dakota offers our producers an excellent, competitive milk price. Modernization and expansion of our processing facilities has increased the capacity for milk production in our region. Our state also offers an abundant supply of quality forages, grains and by-product feeds. Likewise, our neighboring states provide a reliable source of feed stuffs. Land value, as well as cropland and pastureland cash rent rates, have remained very reasonable. Excellent quality of life, educational opportunities and recreational activities are just a few of the advantages our South Dakota families realize.

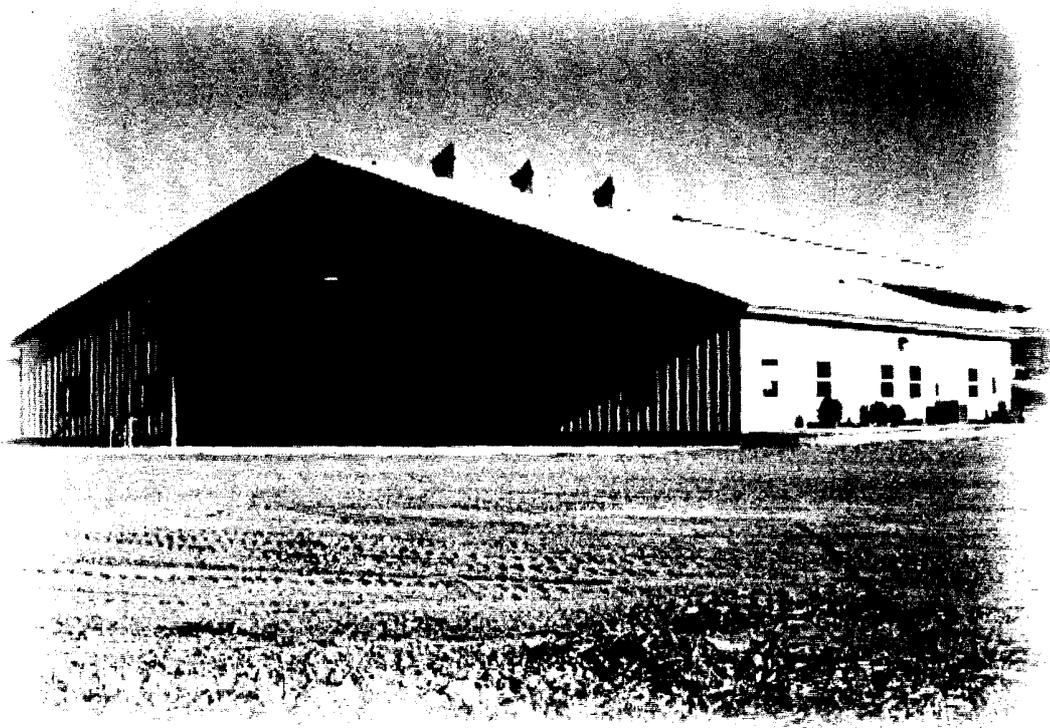
Dairy producers, whether existing, start-up or relocated, can enjoy profitable opportunities in South Dakota. We welcome your interest in the South Dakota dairy industry. I encourage you to review the related dairy, agricultural, financial and general state information in this folder. You can visit our Internet site at [www.state.sd.us/doa/doa.html](http://www.state.sd.us/doa/doa.html) for a host of agricultural information. We will soon have a page specific to dairy. Finally, I invite you to contact our staff for assistance with any questions or additional information regarding our dairy industry.

Best regards,

Larry E. Gabriel  
SD SECRETARY OF AGRICULTURE

# Dairy Climate

IN SOUTH DAKOTA





## Profile

- **No corporate income tax.**
- **No personal income tax.**
- **No personal property tax.**
- **No business inventory tax.**
- **Fourth lowest average unemployment insurance rates.**
- **Free of excessive government regulations and red tape.**
- **Low energy and facility costs.**
- **Excellent air, rail and highway system.**
- **Attractive financing and employee training grants.**
- **Low cost of living.**
- **Fourth lowest overall crime rate in the USA.**
- **Healthy and clean environment.**
- **Number one for high school graduation rates in the nation.**
- **Forty-four percent of the workforce has completed a year or more of college.**
- **South Dakota ranks in the top ten nationally for SAT verbal and mathematics scores.**
- **Eighth lowest unionized percentage of all workers in the USA.**
- **South Dakota has more fiber optic cable than any other state in the USA.**
- **Leading producer of major agricultural commodities.**
- **Second or third generation Northern European workforce with solid work ethics.**
- **Easy access to South Dakota's Port of Entry and Foreign Trade Zone.**

Please visit our website at: <http://www.state.sd.us/goed/>

# South Dakota Headlines

## Just the Facts

- South Dakota enjoys a balanced, healthy economy.
- The State of South Dakota has enjoyed a balanced budget for 109 years.
- South Dakota's population grew six percent from 1990 to 1997.
- South Dakota's manufacturing industry grew 57% from June 1989 to June 1999 – the second largest increase in the nation.
- South Dakota ranks first nationally for economic environments for entrepreneurship according to the 2002 Small Business Survival Index.

## The Business-Friendly Climate

- More fiber optic cable than any other state in the USA
- Low energy and facility costs
- Free of excessive government regulations and red tape
- Healthy, clean environment
- Leading producer of major agricultural commodities

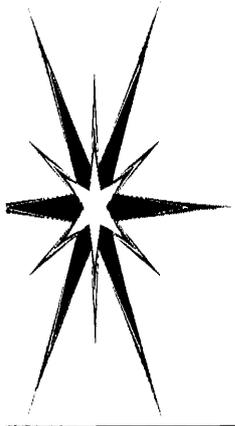
**EXTRA!!! The Times EXTRA!!!**

**South Dakota #1  
for Entrepreneurs**



**Make the Move to  
South Dakota – These  
companies did.**

- ✓ Gateway 2000
- ✓ Citibank
- ✓ Green Tree Financial
- ✓ 3M
- ✓ Polaris
- ✓ Yellow Freight
- ✓ GE - ASI



# Brookings, South Dakota

## *The Ideal Dairy Climate*

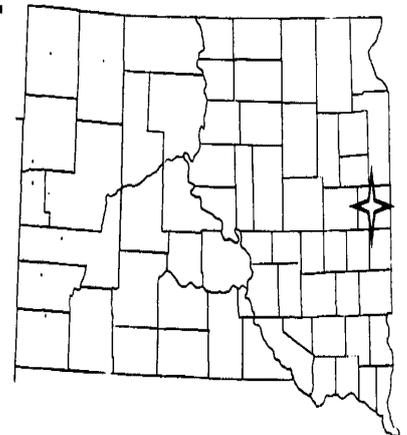
---

### Brookings, South Dakota 1995 Weather Data

Days with a high temperature of 85° or more	29
Number of such days with a low temperature of 70° or more	6
Days with a low temperature of -10° or less	6

---

Based on cow stress days, Brookings, South Dakota is the best place in the United States to dairy.



---

Source: Don Berg, Land O' Lakes, 1996 Midwest Dairy Conference

# South Dakota

**NUMBER ONE DAIRY CLIMATE**

**NUMBER ONE BUSINESS CLIMATE**

## Big things

are happening in South Dakota's dairy industry. Land O' Lakes, in partnership with Davisco, is considering South Dakota for a state-of-the-art cheese plant. Valley Queen Cheese recently expanded here. DairiConcepts is starting a speciality cheese plant in South Dakota.

**What that means for dairy producers is increased markets and increased profits.**

South Dakota has what dairy producers need to succeed. Adequate power, abundant feed and weather conducive to milking. Check out South Dakota. You'll like what you see.

## Dairy is thriving in South Dakota

Dairy is thriving in South Dakota. Just ask Land O' Lakes; DairiConcepts; Associated Milk Producers, Inc; Valley Queen Cheese Factory, Inc; Dimock Dairy; Dean Foods; Gillette Dairy; Cass Clay; and Davisco, Inc. They all have found success in South Dakota.

 South Dakota is home to five cheese processors, two fluid milk plants, one milk powder plant and one whey processor.

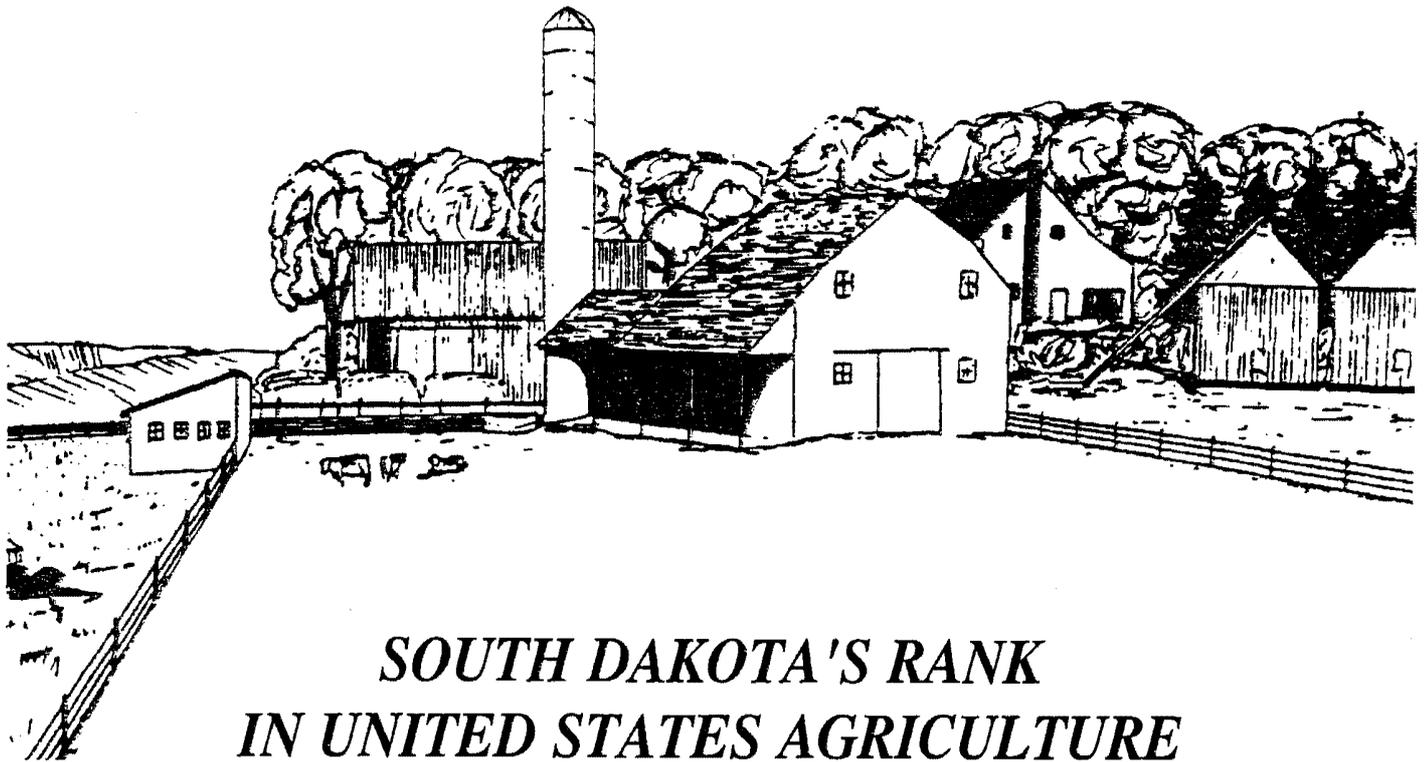
 Processors are positioned throughout the state, which allows producers the opportunity to locate in desired areas and still access a local market.

 Finding new markets for dairy producers in South Dakota is a priority. Land O' Lakes, in partnership with Davisco, is currently conducting a feasibility study for a world-class cheese manufacturing facility in eastern South Dakota.

 South Dakota's weather is perfect for high milk production. Based on cow stress days, Brookings, S.D., has the ideal production climate.

"Brookings, S.D., is the best place in the United States to dairy."

Paul Christ  
Land O' Lakes



## ***SOUTH DAKOTA'S RANK IN UNITED STATES AGRICULTURE 2001***

### **SECOND**

- Flaxseed Production
- Sunflower Production
- All Hay Production
- Alfalfa Hay Production
- Proso Millet Production

### **FIFTH**

- Oat Production
- Durum Wheat Production
- Beef Cows that have Calved
- Calf Crop
- Land in Farms & Ranches

### **SEVENTH**

- Steers 500 Lbs. And Over
- All Other Hay Production

### **THIRD**

- Rye Production

### **EIGHTH**

- Harvested Acreage, Principal Crops
- Soybean Production
- Cattle and Calves on Feed --  
All Feedlots
- Corn for Grain Production

### **SIXTH**

- All Cattle and Calves
- Heifers 500 Lbs. And Over
- Market Sheep and Lambs

### **FOURTH**

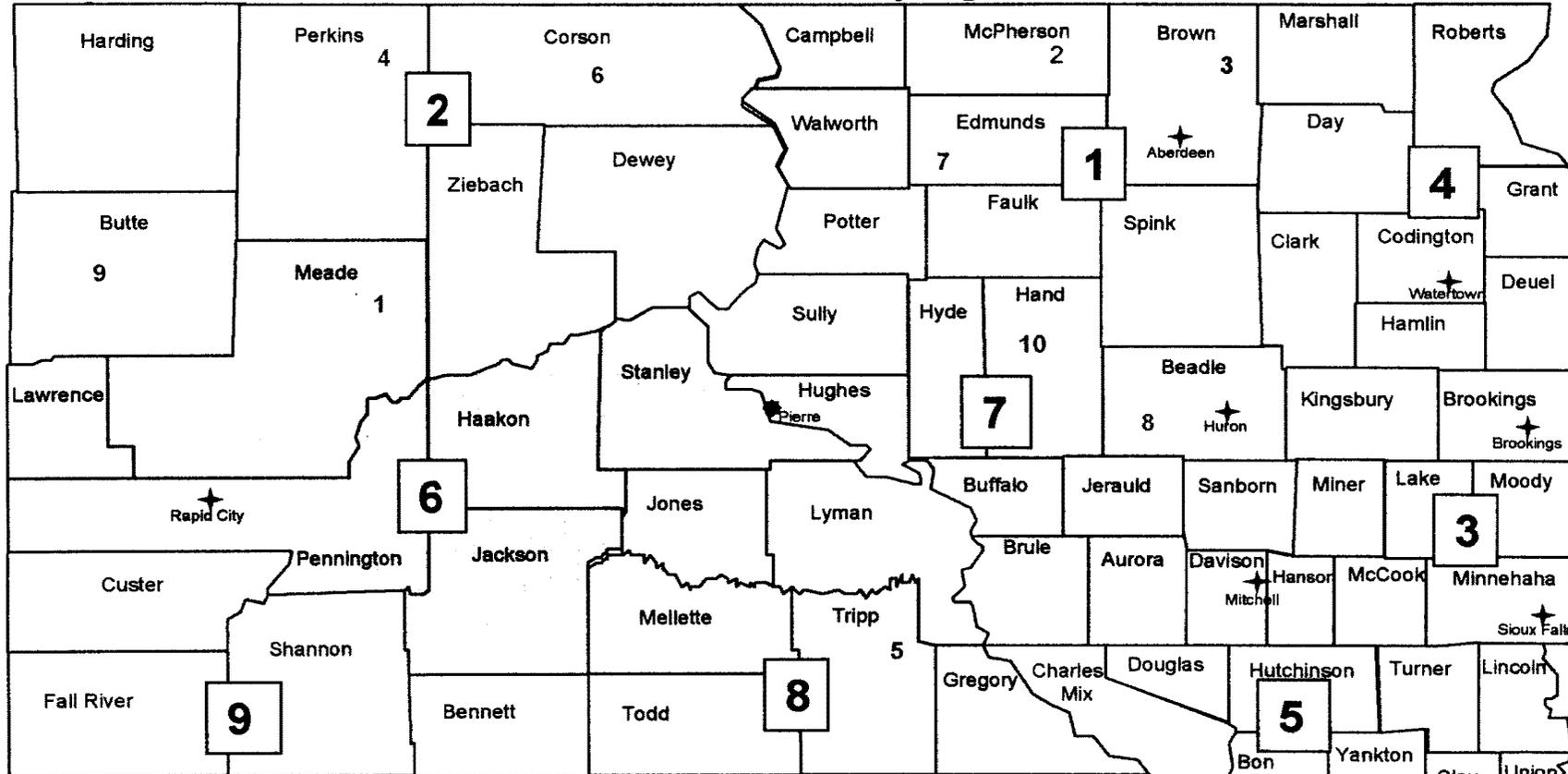
- Other Spring Wheat Prod.
- Lamb Crop
- All Sheep and Lambs
- Honey Production

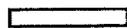
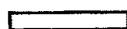
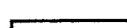
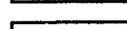
### **NINTH**

- All Wheat Production
- Sorghum for Grain Production

# South Dakota Alfalfa Hay Production

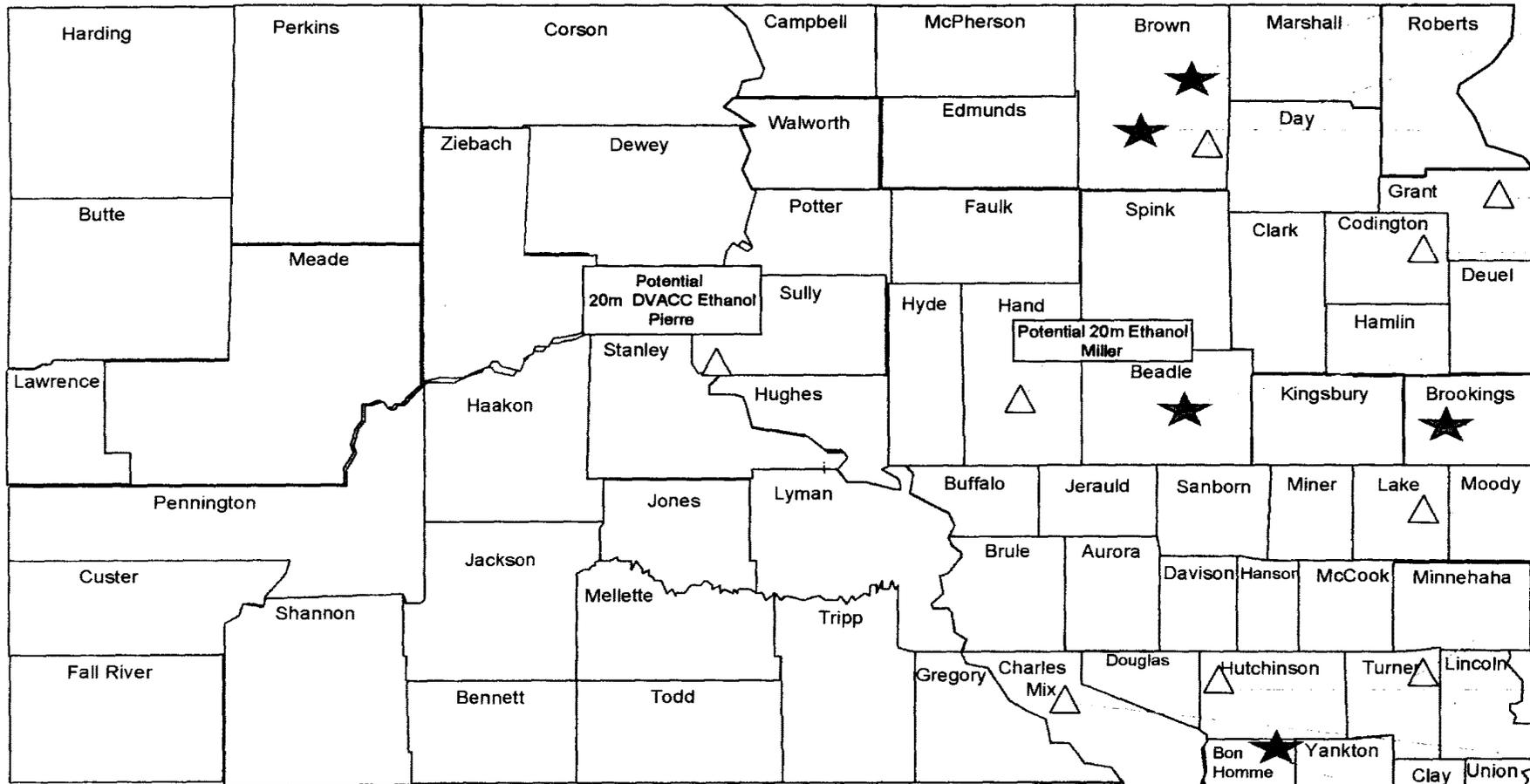
2000 Production by Region



-  NORTHEAST REGION (709,000 TONS)
-  EAST CENTRAL REGION (724,000 TONS)
-  SOUTHEAST REGION (646,000 TONS)
-  NORTH CENTRAL REGION (1,036,000 TONS)
-  CENTRAL REGION (476,000 TONS)
-  SOUTH CENTRAL REGION (452,000 TONS)
-  NORTHWEST REGION (730,000 TONS)
-  WEST CENTRAL REGION (524,000 TONS)
-  SOUTHWEST REGION (136,000 TONS)

Ranking of top 10 individual counties shown in red

# South Dakota



Soybean Processing High Oil  
Soybean Meal  
Huffton

Potential  
45m Ethanol  
Gron

8m Ethanol  
Aberdeen

Potential  
40m Ethanol,  
Big Stone City

Potential  
40m Ethanol  
Watertown

12m Ethanol  
Huron

Soybean Processing  
Soybean Meal  
Volga

Potential  
40m Ethanol  
Wentworth

Potential  
40m Ethanol  
Chancellor

Potential Ethanol  
Parkston

Potential Ethanol  
18m Platte

8m Ethanol Plant  
Dried Distillers Grain  
Scotland

## Processing By-Product Corn & Soybeans

## SOUTH DAKOTA BY-PRODUCT FEEDS

### **Ag Services**

Arley Hanson  
40647 122 nd St  
Huffton SD 57432  
605-294-5222 (Telephone)

Mechanical Extruded Soybean Crushing - High Oil Soybean Meal

### **Broin Enterprises**

Jeff Broin  
851 Washington  
Scotland SD 57059  
605-583-2258 (Telephone)

Ethanol - Dried Distillers Grain

### **Dakota Ethanol**

Dean Frederickson  
PO Box 100  
Wentworth SD 57075  
605-483-2676  
605-483-2681 (FAX)

Ethanol - Dried Distillers Grain

### **Heartland Grain Fuels**

Mark Luitjens  
38469 133<sup>rd</sup> St  
Aberdeen SD 57401  
605 225-0520 (Telephone)

Ethanol - Dried Distillers Grain

### **Heartland Grain Fuels**

Mark Luitjens  
Huron SD 57350  
Huron SD 57350  
605-225-0520 (Telephone)

Ethanol - Dried Distillers Grain



## SOUTH DAKOTA DEPARTMENT OF AGRICULTURE

### DIVISION OF AGRICULTURAL DEVELOPMENT

523 East Capitol Avenue, Pierre, SD 57501-3182

(605) 773-5436 (605) 773-3481 FAX

1-800-228-5254 In SD

Web Address – [www.state.sd.us/doa/](http://www.state.sd.us/doa/)

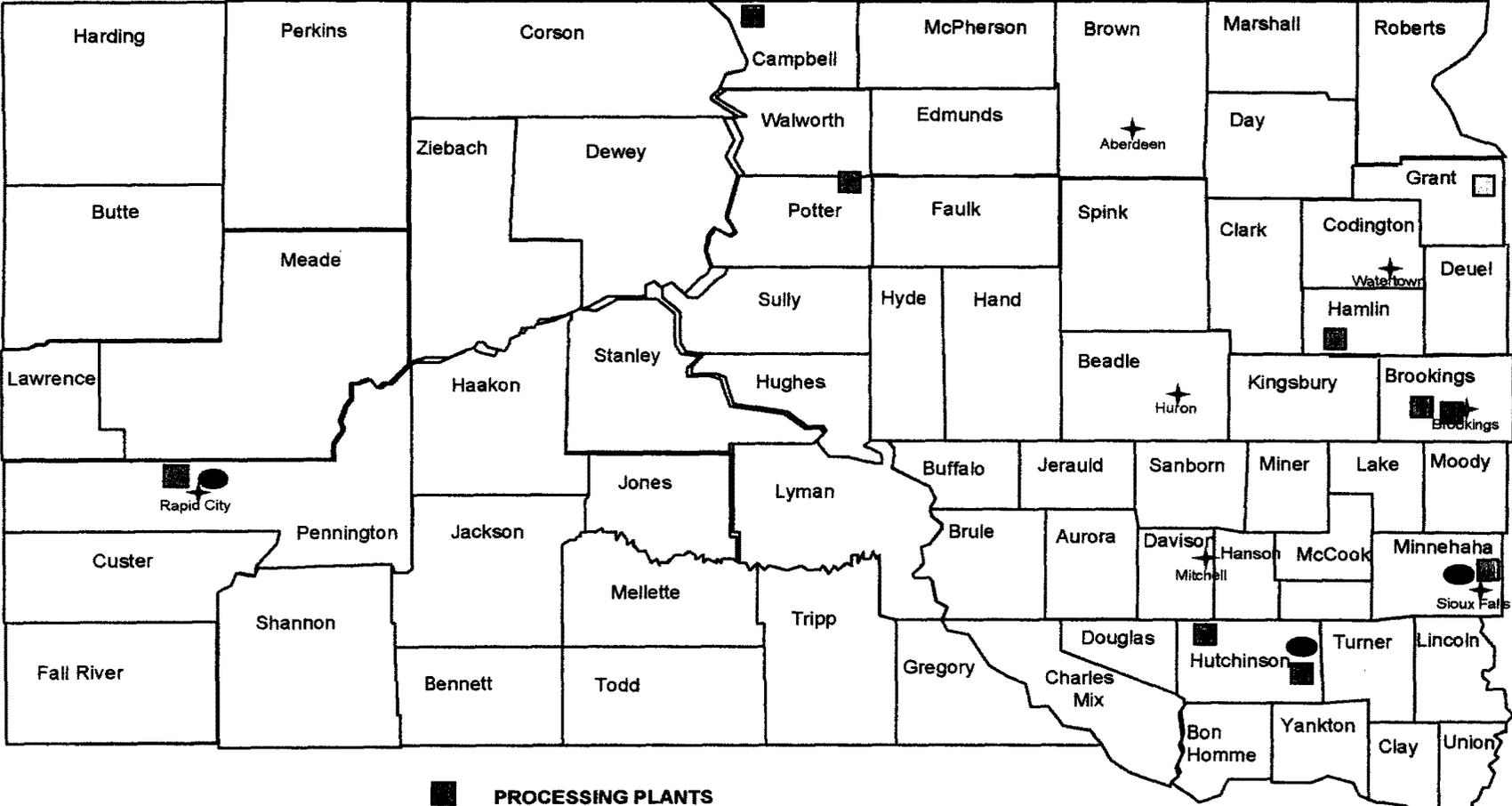
### Commodity Feed Prices in South Dakota

---

Commodity	Typical Price Range
Corn	\$40 - \$80 / Ton
Corn Screenings	\$30 - \$50 / Ton
Corn Silage	\$20 - \$30 / Ton
Sunflower Seed	\$160 - \$180 / Ton
Alfalfa Hay – “poor quality”	\$30 - \$50 / Ton
Alfalfa Hay – “good quality”	\$70 - \$100 / Ton
Grass Hay	\$40 - \$60 / Ton
Distillers Dried Grains	\$80 - \$120 / Ton
Brewers Dried Grains	\$75 - \$100 / Ton
Corn Gluten Feed – Wet	\$25 - \$35 / Ton
Corn Gluten Feed – Dry	\$110 - \$120 / Ton
Soybean Meal	\$160 - \$180 / Ton
Soybean Hulls	\$80 - \$90 / Ton
Wheat Middlings	\$60 - \$70 / Ton
Hominy	\$70 - \$90 / Ton
Meat & Bone Meal	\$200 - \$250 / Ton
Typical Land Rents	\$45 - \$90 / Acre

# SOUTH DAKOTA

## Milk Processing Plants & Receiving Stations



■ PROCESSING PLANTS

● RECEIVING STATIONS

<p>Brookings County: LOL, Volga, SD, Brookings, SD                  SD State University Dairy, Brookings, SD</p> <p>Campbell County: Dairi Concepts, Pollock, SD</p> <p>Grant County: Valley Queen, Milbank, SD</p> <p>Hamlin County: Davisco, Lake Norden, SD</p>	<p>Hutchinson County: Dimock Dairy, Dimock, SD                  AMPI, Freeman, SD</p> <p>Minnehaha County: Lakeside Dairy, Sioux Falls, SD</p> <p>Pennington County: Gillette Dairy, Rapid City, SD</p> <p>Potter County: Cass Clay, Hoven, SD</p>
--	--

<p>Hutchinson County: AMPI, Freeman, SD</p> <p>Minnehaha County: LOL, Sioux Falls, SD</p> <p>Pennington County: Black Hills Milk Producers, Rapid City, SD</p>
--



# SOUTH DAKOTA DEPARTMENT OF AGRICULTURE

## DIVISION OF AGRICULTURAL DEVELOPMENT

523 East Capitol Avenue, Pierre, SD 57501-3182

(605) 773-5436 (605) 773-3481 FAX

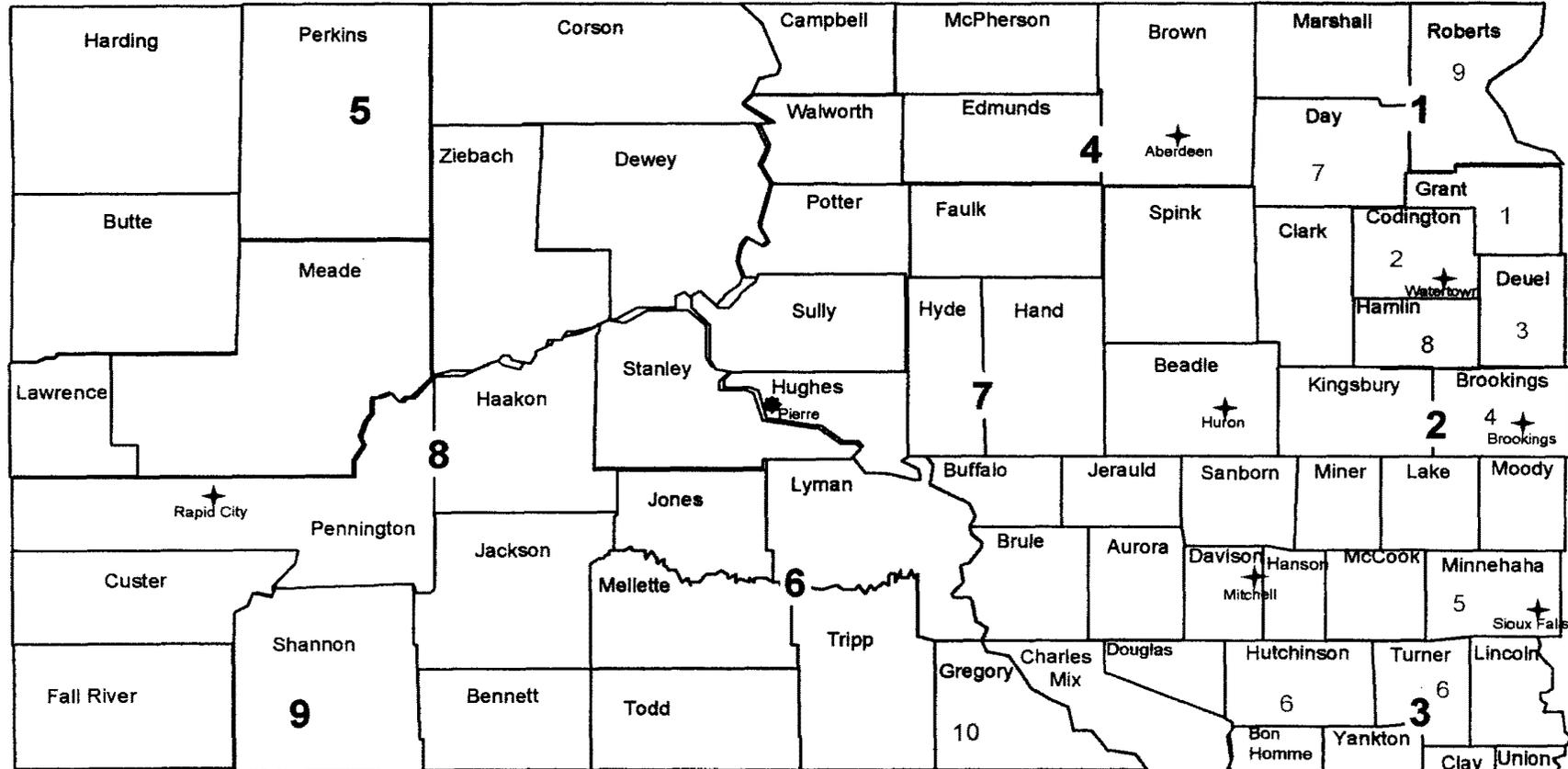
1-800-228-5254 In SD

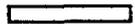
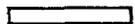
Web Address – [www.state.sd.us/doa/](http://www.state.sd.us/doa/)

### South Dakota Milk Processing Plants

<p><b>Associated Milk Producers Inc (AMPI)</b></p> <p>Harvey Wollman 136 E Railway Freeman SD 57029</p> <p>605 925-4234</p>	<p><b>Gillette Dairy of the Black Hills</b></p> <p>Dave Dickson Box 2553 Rapid City SD 57709</p> <p>605 348-1500</p>
<p><b>Cass Clay</b></p> <p>Jim Hageman Box 825 Hoven SD 57450</p> <p>605 948-2211</p>	<p><b>Lakeside Dairy</b></p> <p>Jarrold Otta 1233 W Russell St Sioux Falls SD 57104</p> <p>605 336-1958</p>
<p><b>Dairi Concepts</b></p> <p>Jack Volk Box 668 Pollock SD 57648</p> <p>605 889-2313</p>	<p><b>Land O Lakes Inc (LOL)</b></p> <p>Greg Rexwinkle Box 168 Volga SD 57071</p> <p>605 627-9191</p>
<p><b>Davisco</b></p> <p>Mike Noethlch Box 66 Lake Norden SD 57248</p> <p>605 785-3683</p>	<p><b>SD State University Dairy</b></p> <p>Howard Bonneman Box 2104 Brookings SD 57007</p> <p>605 688-4116</p>
<p><b>Dimock Dairy</b></p> <p>Mike Royston Box 26 Dimock SD 57331</p> <p>605 928-3833</p>	<p><b>Valley Queen Cheese</b></p> <p>Dave Gonzenbach Box 351 Milbank SD 57252</p> <p>605 432-4563</p>

# South Dakota Dairy Cows



-  Northeast Region (30,900 Head)
-  East Central Region (20,100 Head)
-  Southeast Region (18,900 Head)
-  North Central Region (8,200 Head)
-  Central Region (4,200 Head)
-  South Central Region (4,500 Head)
-  Northwest Region (4,600 Head)
-  West Central Region (2,300 Head)
-  Southwest Region (300 Head)

Data withheld to avoid disclosing information for individual farms (7,000 Head)

Dairy Cow Numbers by Region

Source: Ag Statistics  
Reference Date: 1-1-2001

Ranking of top 10 individual counties show in red

Milk Cow Inventory for SD - 101,000



## **DAIRY CONSTRUCTION PROJECTS IN SOUTH DAKOTA**

**The following pages provide construction cost estimates, financing examples, projected income statements and blue prints for a 300 expandable to 600 and 500 expandable to 1000 cow dairy farms.**

**THE FINANCIAL INFORMATION CONTAINED ARE ESTIMATES ONLY  
AND BY NO MEANS GUARANTEES THAT FINANCIAL RESULTS ARE  
OBTAINABLE AS OUTLINED!!!!**

(b)(4)

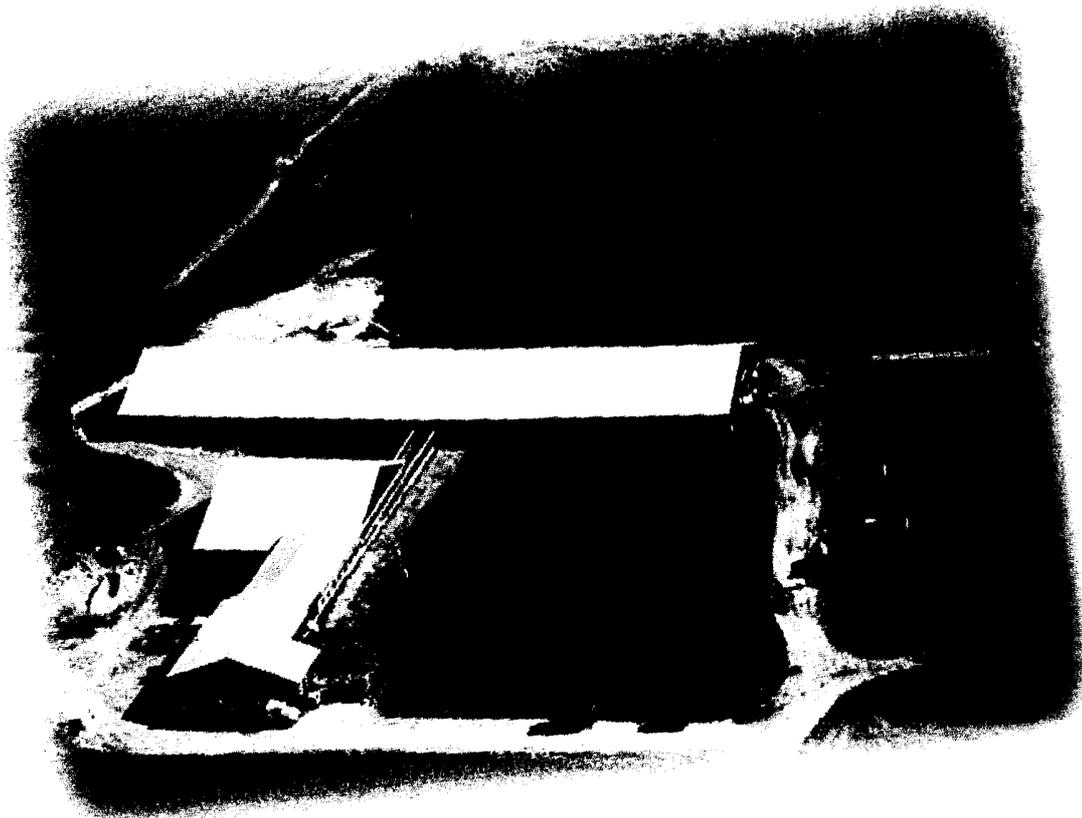


**300**

expandable to

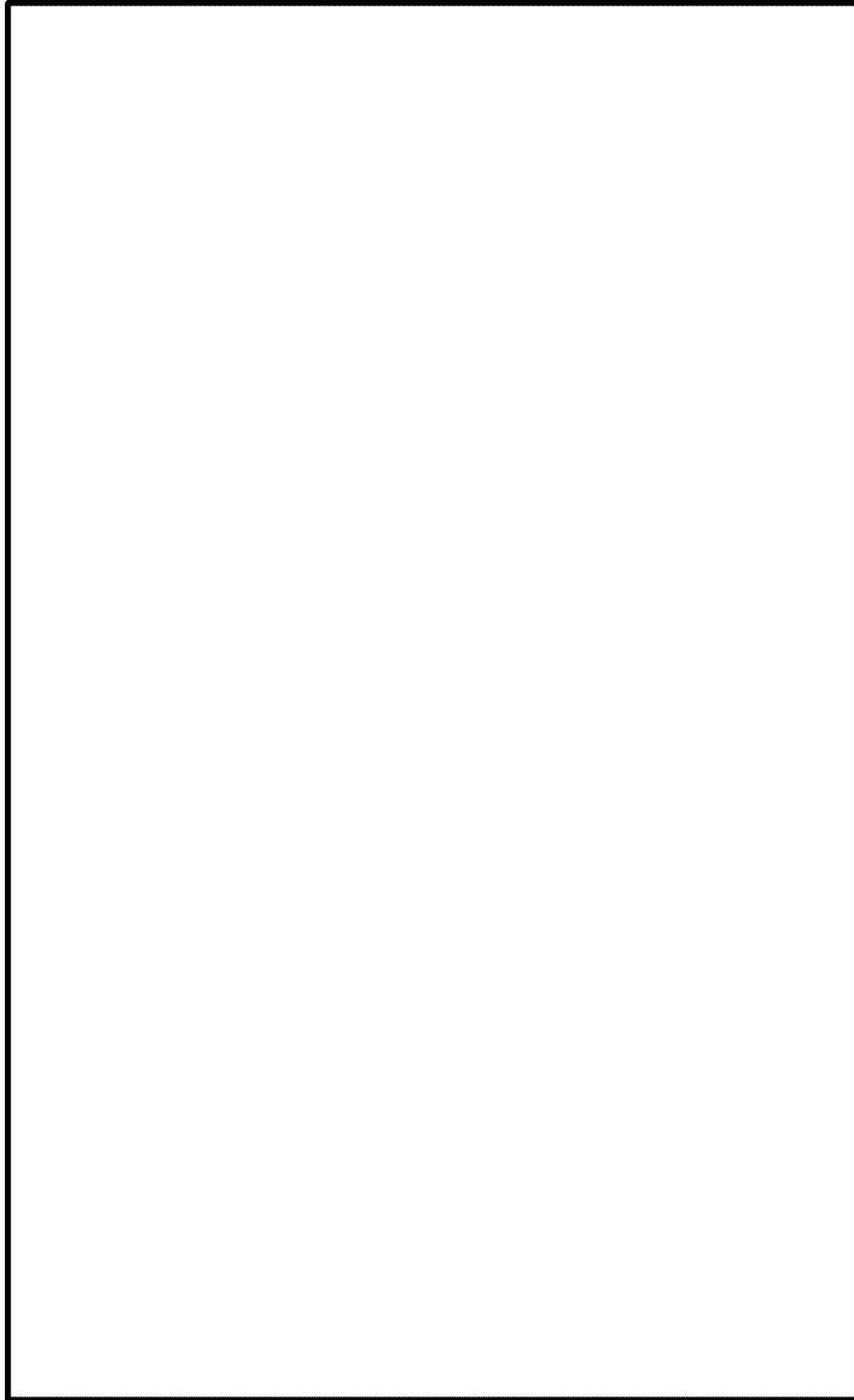
**600**

**COWS**



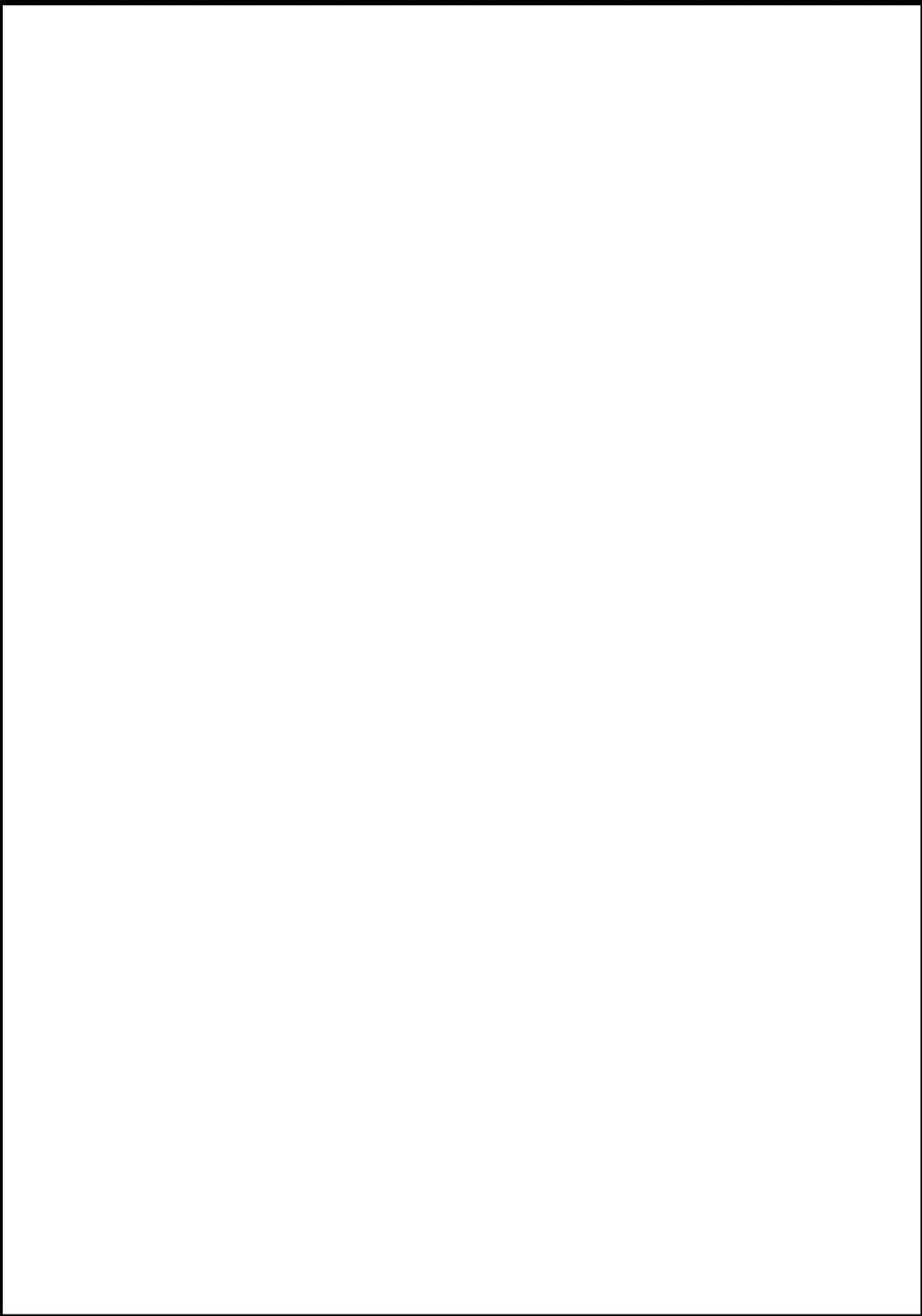
(b)(4)

## **Construction Cost Estimate**

A large, empty rectangular box with a black border, occupying the central portion of the page. It is positioned directly below the 'Construction Cost Estimate' header and to the right of the '(b)(4)' text. The box is completely blank, suggesting it is a placeholder for content that has been redacted or is yet to be entered.

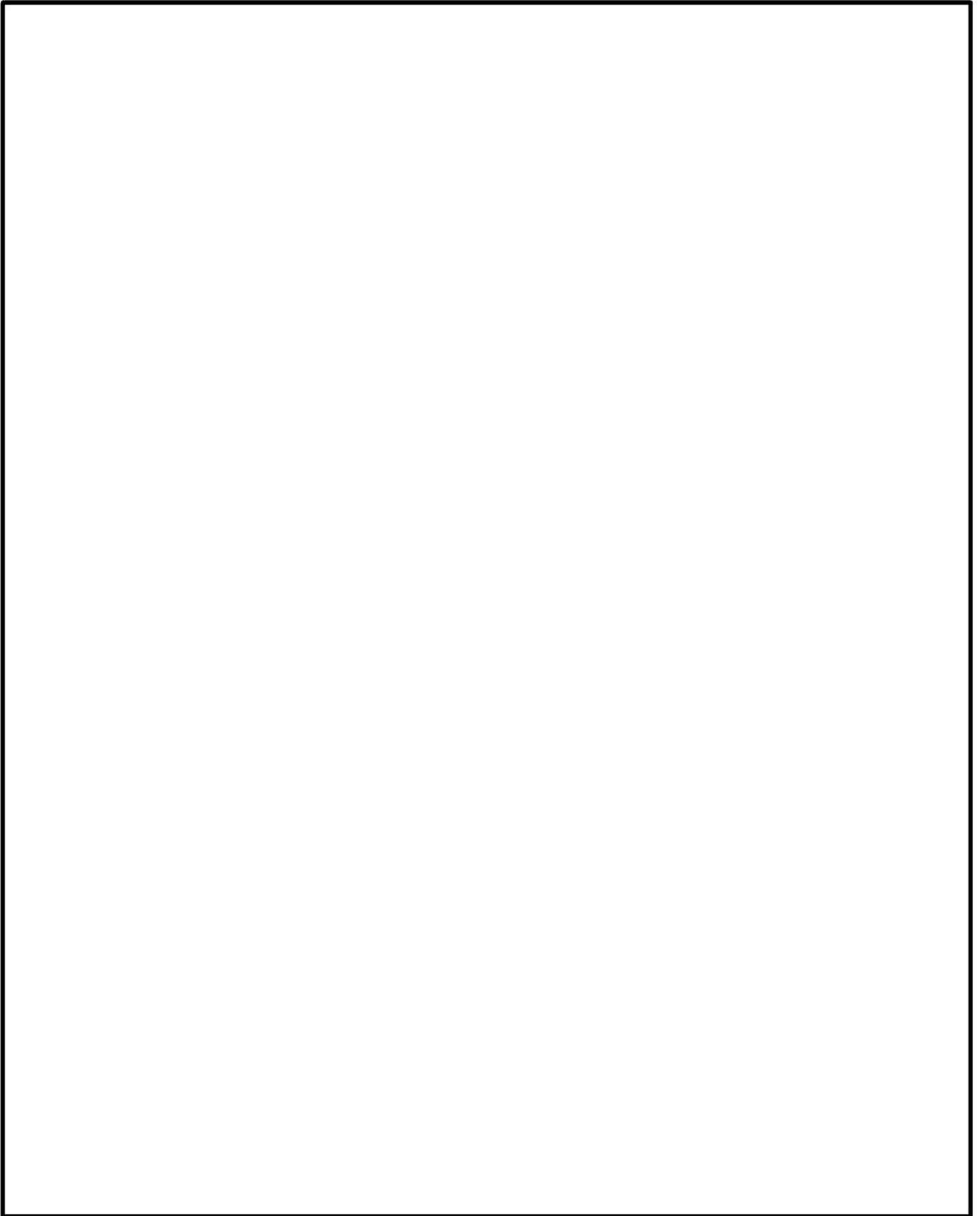
(b)(4)

**Dairy Lending Example**



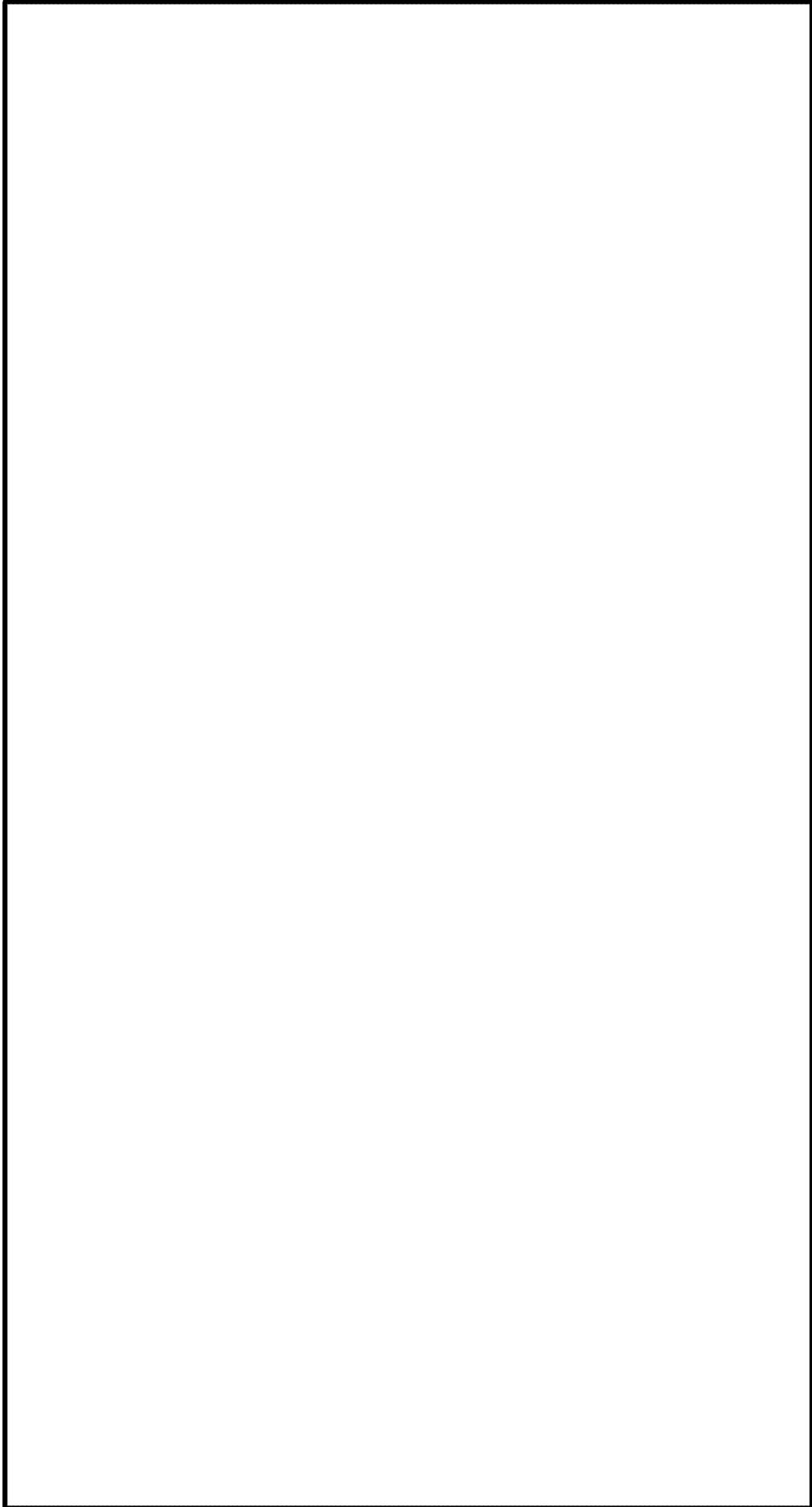
(b)(4)

## Projected Income Statement

A large empty rectangular box with a black border, occupying most of the page. This box represents a redacted projected income statement, as indicated by the (b)(4) label in the top left corner.

**600 Cow Facility**

(b)(4)



**500**

expandable to

**1000**

**COWS**



## Construction Cost Estimate

(b)(4)



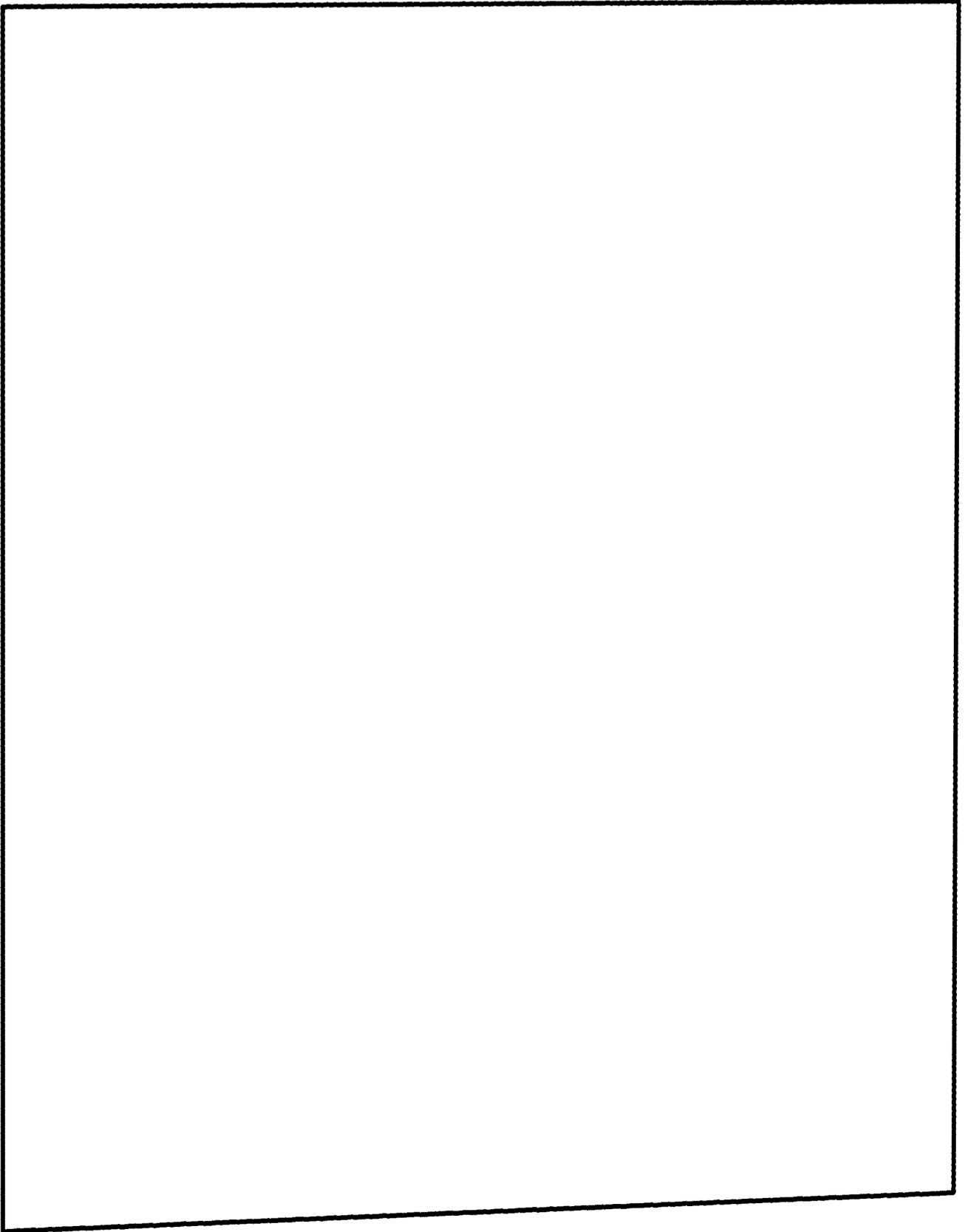
(b)(4)

**Dairy Lending Example**



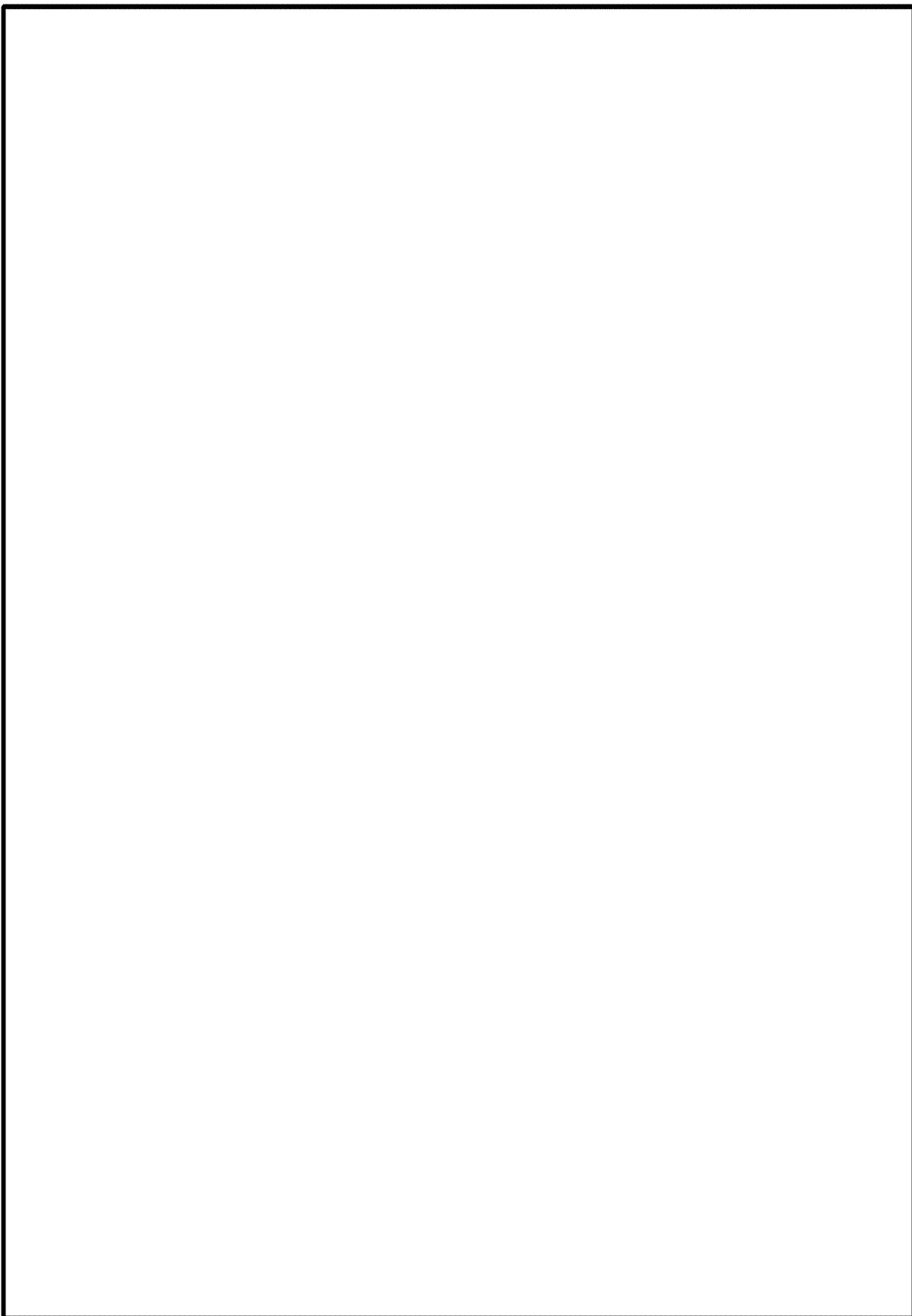
## Projected Income Statement

b)(4)



**500 Cow Facility**

(b)(4)



# **WANTED**

## **DAIRY FARMERS!!!**

The State of South Dakota, its communities and citizens are aggressively developing the South Dakota dairy industry and are in need of additional dairy farmers. An additional 65,000 cows are needed to supply a new cheese plant that is currently being constructed.

### **ARE YOU INTERESTED IN**

A dairy environment  
without milk quota,  
no state income taxes, low land prices,  
ideal dairy cow climate,  
sensible regulation and  
permitting processes, high demand  
for milk, high profitability,  
ample expansion and  
financing opportunities?

*For further information please contact:*

South Dakota International Business Institute,  
1200 South Jay Street, Aberdeen, SD 57401, USA  
001-605-626-3149 Phone, 001-605-626-3004  
Fax, E-mail: [bollenj@northers.edu](mailto:bollenj@northers.edu)

**NETHERLANDS**

# Zuid-Dakota heeft koeien nodig

**De Amerikaanse staat Zuid-Dakota is naarstig op zoek naar 60.000 melkkoeien. Met de komst van een nieuwe kaasfabriek van Davisco, die 2003 gereed is, heeft de akkerbouwstaat een ernstig melktekort. Melkveehouders uit melkstaten als Californië, New York en Texas maar ook uit Europa en met name Nederland moeten dat tekort aanvullen.**

Tot er genoeg aanbod in Zuid-Dakota is, zal Davisco Foods International in de nieuwe mozzarella-fabriek in Lake Norden melk van buiten de staat verwerken. De fabriek heeft per dag ruim 2 miljoen liter melk nodig; waar zo'n 80.000 koeien voor nodig zijn. Melkfabriek Land O'Lakes kan voor de melk van 20.000 koeien zorgen, maar de rest moet nog gevonden worden. Dat is heel wat, als je bedenkt dat er nu in totaal 101.000 koeien rondlopen in Zuid-Dakota. Toch zijn de boerenleiders ervan overtuigd dat die extra koeien er komen.

## Goed voor arme staat

De gouverneur van de landbouwstaat, Bill Janklow, verwacht dat de fabriek de economie van de arme staat weet op te krikken. Niet alleen de kaasfabriek levert banen op, ook de melkvee- en toeleverende bedrijven genereren extra economische activiteit. Janklow vindt het van lef getuigen dat Davisco in Zuid-Dakota een kaasfabriek bouwt en er ook naar melk zoekt. „Het is niet eenvoudig om bedrijven te vinden die willen investeren in het platteland van Amerika en zeker niet in het platteland van Zuid-Dakota.”

De gouverneur raadt de bestaande veehouders aan uit te breiden, terwijl anderen juist met melkvee moeten beginnen. Akkerbouwers die daar niets in zien, kunnen volgens hem ook helpen door 25 tot 30 ha van hun land te verkopen voor een nieuw melkveebedrijf. „Dan hebben ze meteen afzet voor maïs en luzerne, terwijl ze ook de mest van de melkveebedrijven kunnen gebruiken”, weet Roger Scheibe, melkveespecialist van het ministerie van Landbouw van de staat. Wat de boeren zo



Foto: Gertjan Zevenbergen

De nieuwe kaasfabriek in Zuid-Dakota heeft 2 miljoen liter melk per dag nodig.

aan de verkoop van gewassen overhouden, is meer dan als ze hun oogst op de graanmarkt zouden aanbieden. Ze hebben immers bijna geen transportkosten. Dat is volgens Scheibe ook gunstig voor de melkveehouder. Die hoeft immers zelf geen land te kopen, zolang hij maar genoeg grond onder contract heeft om mest op af te zetten.

## Nederlandse interesse

Samen met Joop Bollen, directeur van het South-Dakota Business Institute, wil Scheibe Nederlandse boeren overhalen om naar Zuid-Dakota te emigreren en bedrijven van drie- tot zeshonderd koeien te

stichten. Afgelopen maanden heeft Bollen vier keer Nederlandse boeren naar de staat gehaald om de kansen ter plekke te bekijken. In ieder geval drie van de vier reizen leverden een gezin op dat emigreerde. Om dat aantal te vergroten wil Bollen ook jonge boeren, met minder kapitaal maar wel met veel kennis interesseren om in de staat koeien te gaan melken. Samen met Davisco broedt hij op een huurconstructie. Davisco zou melkveebedrijven willen opzetten om ze vervolgens tegen een zacht prijsje te verhuren.

Gertjan Zevenbergen

## Canada slaat terug

■ De vereniging van Canadese tomatenexporteurs CTTA onderzoekt de mate waarin de Verenigde Staten tomaten dumpen op de Canadese markt. De VS hebben onlangs precies hetzelfde gedaan. Sinds vorige maand geldt daar voor de invoer van Canadese tomaten een fikse heffing. Die maatregel duurt in elk geval nog tot april 2002.

## Illegaal spuiten

■ De illegale handel van gewasbeschermingsmiddelen in Spanje is de laatste drie jaar volgens ingewijden fors gestegen, meldt de landbouwwattaché in Madrid. In het circuit zou voor ruim 66 miljoen gulden omgaan, vooral in de gebieden Murcia en Almería. Het gaat vooral om middelen die nog in de toelatingsprocedure zitten. Deze zijn veel goedkoper.

## Akkerbouw vergeten

■ De Britse regering is vergeten om 205 miljoen gulden aan steun voor de akkerbouwsector aan te vragen bij de Europese Unie. Brussel had het bedrag klaarliggen, maar door de mkz-crisis is het aan Londen aandacht ontsnapt. De National Farmers Union, de Britse boerenbond, pleit voor compensatie van de gedupeerde telers.

## Deense varkensfusie

■ Danish Crown en Steff Houlberg, twee Deense varkensvleesconcerns, bereiden een fusie voor. Als de kartelpolitie het samengaan goedkeurt, ontstaat met een capaciteit van 20 miljoen stuks de op één na grootste varkensslachter ter wereld. Het Amerikaanse Smithfield is met 27 miljoen varkens de grootste.

## België: vee opkopen

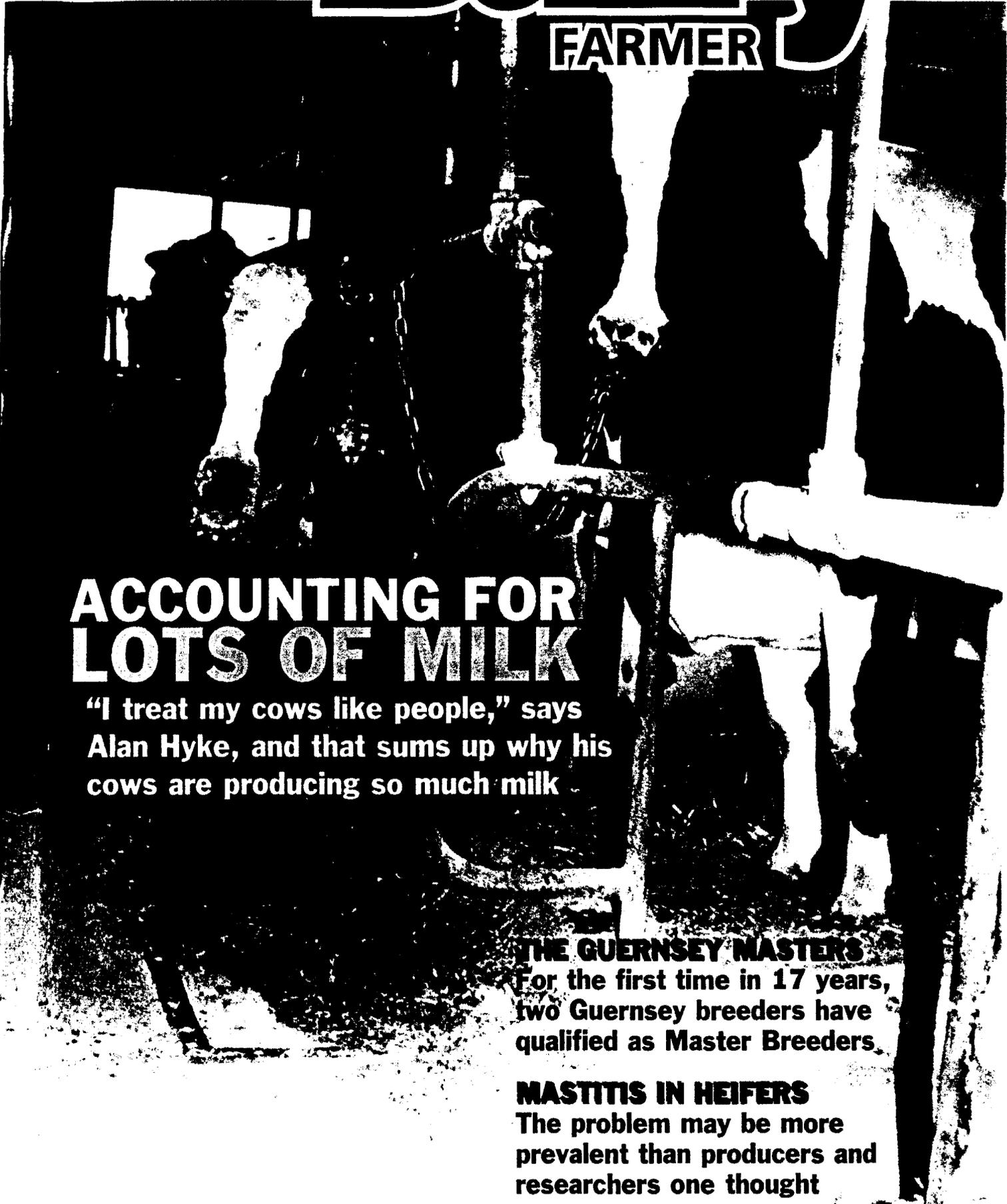
■ De Belgische Boerenbond heeft de Vlaamse overheid gevraagd nog eens 10 procent van de veestapel uit de markt te nemen, bovenop de al geplande 5 procent. Dit kost 300 miljoen gulden extra. Zonder die ingreep dreigt een koude sanering, omdat veel boeren niet aan de milieueisen van het Mestactieplan kunnen voldoen.

**CANADA & UNITED KINGDOM**

July/August 2002

\$3.50

# ONTARIO **Dairy** FARMER



## ACCOUNTING FOR LOTS OF MILK

"I treat my cows like people," says Alan Hyke, and that sums up why his cows are producing so much milk.

### THE GUERNSEY MASTERS

For the first time in 17 years, two Guernsey breeders have qualified as Master Breeders.

### MASTITIS IN HEIFERS

The problem may be more prevalent than producers and researchers one thought.

DAIRYING AT THE ARCTIC CIRCLE

Vol. 16 / Issue 04

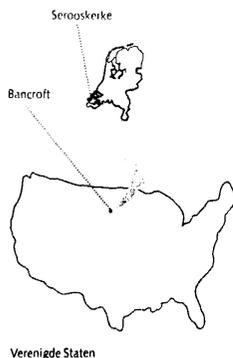
# WANTED DAIRY FARMERS!!!

Wanted by the  
FBI  
for  
the  
murder  
of  
the  
President  
of  
the  
United  
States  
of  
America  
on  
January  
30, 1963  
in  
Dallas,  
Texas  
Reward  
\$100,000  
plus  
expenses

Koude winters, hete zomers en tornado's. André en Floor Meijers hebben in hun eerste emigratiejaar de grillige weersomstandigheden van Zuid-Dakota aan den lijve ondervonden. Gelukkig konden ze profiteren van een gunstige melkprijs, zodat er inmiddels talrijke nieuwe investeringsplannen op tafel liggen. De bedoeling is dat in de toekomst gegroeid wordt naar een bedrijf met 1000 koeien.

**H**et is één van de eerste dingen waar de bank naar vraagt: "Ga je ook BST gebruiken?". André Meijers lacht. 'Amerikaanse banken zijn heel voorzichtig voordat ze geld lenen aan agrarische bedrijven. BST-gebruik zien ze als een middel om meer geld te verdienen en ze stellen het daarom bijna zelfs verplicht.' Niet dat André Meijers (36), samen met zijn vrouw Floor (23) boerend in Bancroft in de Amerikaanse staat Zuid-Dakota, tegen BST-toediening is. 'Zolang je er altijd maar voor

André en Floor Meijers: 'Eenvoudiger geld te lenen dankzij gebruik BST'



# Bankgarantie dankzij BST

André en Floor Meijers in Zuid-Dakota: 'Boven de 30 graden Celsius verlies je melkproductie en koeien'

zorgt dat er goed voer voor het voerhek ligt; koeien moeten altijd kunnen eten. Omdat onze zesrijgige ligboxenstal weinig voerplaatsen heeft en we bovendien BST gebruiken voer ik altijd tien procent boven de standaardnorm.' De grote hoop restvoer die iedere dag om de hoek van de stal wordt geschoven onderstreept Meijers' werkwijze.

Sinds oktober 2000 wonen Floor en André Meijers in Zuid-Dakota. In Nederland werden er in maatschappijverband met André's moeder in Serooskerke (Zeeland) dertig koeien gemolken en naast de vijftien hectare akkerbouw zorgde de verhuur van

vijftien paardenboxen voor veel werk. Floor werkte als activiteitenbegeleidster in een verzorgingstehuis.

Boeren in Bancroft met 200 koeien, aan het eind van een gravelweg in een uitgestrekt, glooiend sojabonenlandschap betekende een enorme verandering, ook sociaal. 'We hebben inmiddels alles al meegemaakt', kijkt Floor glimlachend terug. 'Een winter met een recordhoogte van 180 centimeter sneeuw, een aantal maal tornadoalarm en dan nu die snikhete zomer. We vallen echt met de neus in de boter', klinkt het met enige ironie. Toch werd bewust gekozen voor Zuid-Dakota

omdat hier met een relatief beperkt budget gestart kon worden. 'We zouden eerst naar Canada zijn gegaan, want daar heb je hele Nederlandse kolonies en zouden we gewoon Nederlands kunnen praten', vertelt André over zijn aanvankelijke moeilijkheden met de Engelse taal. 'Maar Canada was te duur. Hier konden we starten met ons meegebrachte kapitaal van 200.000 dollar.' In samenwerking met de bank kochten ze daarvoor een bestaand bedrijf met een vier jaar oude ligboxenstal met 220 ligboxen, 160 melkkoeien en 10 hectare land. Het woonhuis is nu een 'mobilehome'. 'Dat gaat best voor een aantal

kend dat een melkprijs tussen de 65 en 70 cent kostendekkend kon zijn. 'In mijn gebrekkig Engels dacht ik dat we met de fabriek afspraken hadden gemaakt voor een garantiëprijs van 75 cent', vertelt André. 'Maar toen we het eerste melkgeld ontvingen kregen we 68 cent.' Door miscommunicatie bleek er geen melkcontract afgesproken te zijn. Floor vult André aan: 'Dat was wel schrikken, en ondanks vele gesprekken die ook anderen voor ons voerden was er niets meer aan te doen.' Onkunde met de taal zorgde voor de nodige hoofdbreken — 'je wordt er zo moe van om steeds ieder

snorrend boven de koeien. 'Boven de 30 graden verlies je melkproductie en koeien', heeft André inmiddels ervaren. 'De eerste warme week van dit jaar hadden we meer dode koeien dan gedurende de hele winter. En dat terwijl twintig graden onder nul ook voor de koeien problemen begint op te leveren.' Beeldend maakt Floor duidelijk dat wanneer adem en speeksel van de koeien bevroren aan hun snorharen de voeropname vermindert en de situatie toch wel zorgelijk begint te worden. Maar nu is het zomer, minstens 30 graden en er waait een straffe wind. 'Luchtver-

De zesrijgige ligboxenstal biedt plaats aan 220 melkkoeien



Snorrende ventilatoren bewijzen tijdens de warme dagen hun waarde

jaar', vindt Floor, die wel één harde eis vooraf aan de emigratie stelde. 'Goedkope bedrijven zitten verder van de bevoonde wereld en dat paste beter in ons budget. Dat vond ik prima, zolang we maar niet te veel naar het westen van Zuid-Dakota zouden gaan. Daar zijn Indianenreservaten en daar wilde ik absoluut niet wonen.'

## Miscommunicatie

In de zesrijgige ligboxenstal is het aantal melkkoeien inmiddels naar ruim 200 gestegen. 'We hadden al weer voldoende financiële armslag om te investeren.' Voor de 37 onlangs gekochte koeien werd gemiddeld f 3500 betaald. 'Dat is veel geld, maar de melkprijs was afgelopen tijd ook erg goed', vertelt André, die in augustus meer dan 85 cent per kg melk kreeg. 'Daar hebben we achteraf geluk mee gehad', weet Floor. Voordat het bedrijf werd gekocht was bere-



woord te vertalen' — maar in maart 2001 begon de melkprijs flink te stijgen. 'Achteraf waren we beter af zonder melkcontract', vertelt André, die inmiddels een contract heeft afgesloten voor volgend jaar van bijna 80 cent.

## Koude versus hitte

Ondanks dat de stal van alle zijden helemaal open is, hangen ruim 20 ventilatoren

plaatsing is erg belangrijk', vertelt André. 'Sinds we de ventilatoren hebben gekocht gaat het een stuk beter. Ik moest de dag era voor tien koeien meer voer in de wagen gooien.' Het rantsoen is voor alle melkkoeien gelijk en bestaat uit half maïs-half luzernekuil, aangevuld met katoenzaad, korrelmaïs, een eiwitmengsel en 'wetcake', een maïsproduct afkomstig uit de ethanolindustrie. Gemiddeld produceren de koeien hiervan ruim 27 kg melk met 3,50 % vet en 3,00 % werkelijk eiwit.

Het melken, voeren, mest uitschrijven, vee verzorgen en insemineren zorgt voor een drukke dagtaak. Floor en André weten dat het nu redelijk voor de wind gaat, maar dat het ook anders had kunnen aflopen. 'We zijn door een diep dal gegaan, maar dankzij goede adviezen en hulp van de burens zijn we er nog', vertelt Floor eerlijk.

Nieuwe plannen hebben de ondernemers inmiddels genoeg. Een aannemer zal een opzet maken om het bedrijf zo uit te breiden dat er naar een bedrijf met een omvang voor 1000 koeien toegroeid kan worden. De drogekoeienstal uitbreiden en verbouwen zal nu de eerst volgende investering zijn. 'Daarna willen we de ligboxenstal uitbreiden en zoals de plannen nu liggen bouwen we vervolgens een nieuw huis.' Floor kijkt André aan. 'André wil eigenlijk eerst nog een nieuwe melkput. Ik kies voor het huis, maar daar komen we samen nog wel uit.'

Jaap van der Knaap

Een uitgestrekt sojabonen- en maïslandschap





deze noordelijke staat graag een paar jaar in ploegendienst voor je. Heb je eenmaal zo'n bedrijf op poten gezet, dan kun je flink groeien, zeker als de melkprijs goed is. En dat was afgelopen jaar zo; soms bijna 40 eurocent per liter bij een uitstekende kwaliteit.

#### Grond is ballast

„Van mij hoeft het zo groot niet, hoor”, zegt Truus Schukking uit Poppenwier (Fr) als ze na een rondleiding door de 2x24 stands visgraat melkstal door de machiniekamer van Pirse Dairy loopt. Alles is er dubbel uitgevoerd: twee compressors, twee waterpompen, twee vacuümpompen. „Ze kunnen zich hier geen mankementen veroorloven”, zegt haar man Germ zichtbaar genietend. Hij heeft gelijk. De 1.250 koeien worden immers driemaal daags gemolken. Bij een storing twee uur wachten op een monteur levert te veel oponthoud op. „Ja, ik vind het wel mooi. Maar welke man hier niet?”

Het aantrekken van plastic overschoenen: dagelijks hygiëneritueel voor de Nederlandse melkveehouders die in Zuid-Dakota hun collega's bezochten.



Het bedrijf moet 2,6 miljoen dollar opleveren: 3 miljoen euro. Wat je daarvoor krijgt? Twee ellenlange ligboxenstallen, een melkstal, een mestvijver en geen grond. Want wie in Amerika aan de slag wil, moet melken, melken en nog eens melken. Alleen zo kun je, door elke cent die je verdient weer in het bedrijf te stoppen, snel groeien. Grond is dan ballast. Voer laat je door de bureu verbouwen. Die akkerbouwers willen je maar wat graag luzerne of korrel-

## Wie in Amerika aan de slag wil, moet melken, melken en nog eens melken

maïs verkopen. Geef ze de marktprijs en ze zijn tevreden. Als ze dan ook nog jouw mest op hun land mogen uitrijden, zijn ze helemaal gelukkig. Want die mest, zo bewezen proeven van de plaatselijke overheid, laat de opbrengst van hun gewassen met sprongen stijgen.

#### Dure koelen

„We zitten op goede melkveehouders te wachten”, zegt Gary Maas. Maas is akkerbouwer en heeft op zijn bedrijf nog een ligboxenstal staan. Een van zijn werknemers boert daar, maar maakt er een bende van. De koeien lopen kreupel, de melkstal is oud en te laag, de stal staat op instorten, om over het woonhuis maar helemaal te zwijgen. „Wat een ouwe zooli. Die koeien kunnen wel meteen weg”, klinkt het nog voordat de Nederlanders uit hun busje stappen. Het bedrijf kun je voor een habbekrats kopen. En misschien wil Maas het zelf wel financieren. Maar de Nederlanders zien er niets in. Ze bouwen liever zelf, naar eigen inzicht, op een perceel

dat een akkerbouwer aan hen wil overdoen. Hier de stal, daar de melkput en daar de mestvijver. Want regels heb je ook hier. De mest van alle koeien moet je 270 dagen lang kunnen opslaan. En er moet voldoende land zijn om de mest op kwijt te kunnen. Lars uit den Boogaard meet met flinke passen hoeveel ruimte er op het erf nodig is voor de stallen. „Kunnen we niet samen beginnen?”, vraagt Ruben Duivenvoorde hem, terwijl hij voor zich uit staart. De twee vrienden boeren bij Leiden in maatschap met hun ouders, maar zitten klem tussen collega's

en regels. Uitbreiden moet, maar is moeilijk. Deze Amerikaanse staat biedt kansen te over, al heb je ook hier geld nodig. Niet voor melkquotum, dat kennen ze hier niet. En dus ook niet voor land. Maar je hebt wel geld nodig voor de stal en voor vee. Door de hoge melkprijs, betalen Amerikanen al 2.200 euro per koe. En wil je een levensvatbaar melkveebedrijf opzetten, dan zul je toch minstens driehonderd koeien moeten melken, houden verschillende voorlichters het Nederlandse bezoek voor. Zeker als je wilt dat de bank je krediet verschaft. Maar dan moet je wel minstens 30 procent eigen vermogen meenemen. In het vliegtuig naar Nederland is niemand er zeker van dat in Zuid-Dakota zijn of haar nieuwe huis staat. „Toch maar eens met mijn vader overleggen”, „ik ga niet alleen”, „mijn vrouw wil niet”, of „ik ben te oud” en „als mijn kinderen gaan, ga ik mee”, zijn de argumenten. Germ wil wel, Truus moet er nog over nadenken. „Als vrouw mag je hier niet buiten de deur werken, als je één investeerdersvisum

#### Slim

Boeren bleken tijdens de nationale IQ-test het slimst te zijn. Dat konden we op onze klompen aanvoelen komen, want hoe houd je je anders staande als agrarisch ondernemer anno nu? Staatssecretaris Geke Faber schreef mij onlangs een brief als antwoord op mijn brief van augustus(!) vorig jaar. Allereerst excuus voor de verlate reactie, zij begreep mijn bezorgdheid over het gewasbeschermingsmiddelenbeleid, maar desalniettemin: het kan niet anders, zij vraagt begrip. Het beleid is inmiddels wel wat versoepeld, toch blijft het zeuren. Nu wil ze weer land 'desnoods uiteigenen' ten behoeve van recreatie en wonen! Was ik maar een klefekonkarper, een bleekbekbunging, een tammetonnetor, was ik maar zeldzaam! Dan zou ik gekoesterd worden, ik zou minimaal tien hectare krijgen om mij voort te planten, speciale tunnels om veilig over te steken, de straatverlichting ging uit om mij zo min mogelijk te storen, de dierenambulance stond paraat voor elke dwarse scheet, de bouw van woonwijken werd stilgelegd om mij rond te kunnen laten scharrelen. Nu kan je land afgepakt worden voor de aanleg van een golfbaan, een fietspad, een vakantiepark voor te veel vrije tijd. Nu kan men de – gezien de milieueisen noodzakelijke – uitbreiding van je bedrijf drie, vier jaar ophouden door bezwaren in te dienen. Nu klaagt iedereen over de hoge groenteprijzen, niet beseffende dat het ons voorland is als alle akkers Efteling worden en we ons voedsel altijd moeten importeren. Cynisch? Ach, in februari kan alles wel eens grauwer lijken dan het is. Straks wordt het weer lente. Dat zien wij als eersten – lopend over ons land, speurend naar dat eerste frisgroene sprietje. Vogels kwetteren, een zachte wind blaast de muffe winter uit je overal en een voorzichtig zonnetje verwarmt je nek. Je zit

hten'

rie- and ; oor taar hte om markten van Chicago verkocht. Het transport is duur. De boerenzonen en -dochters zien geen brood meer in het bedrijf en vertrekken, vaak de staat uit. Melken de veehouders hier traditioneel gemiddeld 100 tot 150 koeien, de nieuwe bedrijven die gebouwd worden door uitgekoch-

# Wim en Nicoline Hammink in Zuid Dakota (USA)

## OP ZAKEN

hebben sinds enige tijd ook een gericht waarbij ze toekomstige gebied met raad en daad kunnen koppelen heeft een heldere kijk praten vanuit veel ervaring. Het is als echtpaar beiden overtuiging moet beschikken moet je kapitaal hebben. Hij spreekt over het eigen /geleend kapitaal komt bij dat hij inschat dat je opstart met 300 koeien je van om en nabij de 4000 dollar hebt. Dan is alles inbegrepen een stuk land, melkstal en stal-recte noodzakelijke dingen die je bedrijf nodig hebt. Het is dat je de gemiddelde kosten te meer koeien op een melk-alfde capaciteit zet. Maar ook in de koeien kunnen sterk fluctueert geldt echter ook voor de nkt dat er in hier geen regels ertelt Hammink. Bij de opzet drijf moet je ook een gedegen i indien dat moet worden een erkend ingenieursbureau-aa van bedragen gemiddeld 1.000 dollar.

tend wijst hij er ook op dat je niet moet investeren in veel hij dat in het begin wel is grond komt maar 1 x te ind een belangrijk gegeven er jezelf niets van aantrek- hier bijna akkerbouw. Er is te koop en bovendien is er hierlijke mest. Daarom is het vesteren in koeien en melk- oet het geld vandaan komen. wel zoveel grond kopen dat een erf en gebouwen op rekening houdt met een

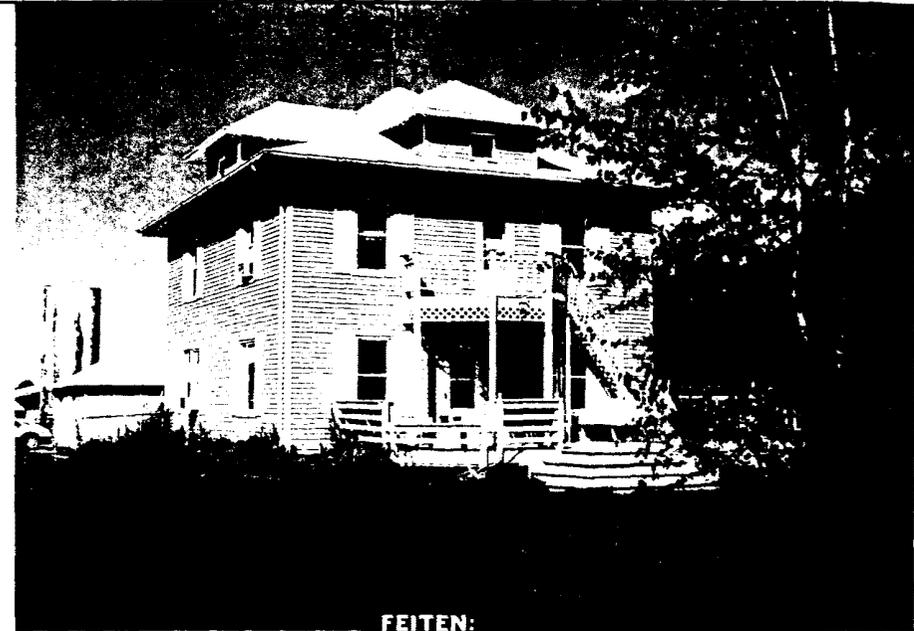
## ONDERNEMERSPLAN IS DE BASIS

Toen Wim en Nicoline naar South Dakota gingen hadden ze een goed doortimmert businessplan opgezet dat de Bank in de USA direct aansprak. Ze waren in dit gebied gewend dat meestal akkerbouwers met de vraag voor leningen kwamen. In de akkerbouw is de geldstroom anders. Wim: wij begonnen in juni 1996 te melken en konden aan het einde van het jaar al onze eerste rente betalen. Dat waren ze niet gewend hier, zegt hij. Dat heeft wel een rol gespeeld bij onze latere leningen bij de Bank. We konden ook versneld aflossen en dat spreekt Banken ook erg aan. Kortom we hadden en hebben volop vertrouwen van de Bank.

Hammink raadt beginnende emigranten aan als het financieel is te verwezenlijken om niet te klein te beginnen. Je moet als het kan een start proberen te maken met 300 koeien. Verder is het ook belangrijk dat je financiële risico's probeert in te dekken. Zelf doen ze dit door prijsafspraken te maken met de zuivel-fabriek zodat je weet wat de melk gaat opbrengen. Dat zelfde doen ze op het gebied van de aankoop van voer etc. We willen graag goed verdienen maar we willen niet verliezen. Soms is het beter om wat minder te verdienen en geen risico te lopen dat je verlies lijdt. Dat is te voorkomen door goede afspraken te maken. Dat wil niet zeggen dat je alle melk moet contracteren maar zelf heeft hij dit jaar 60% voor een vaste prijs verkocht. De werkelijke prijs is dit jaar hoger. Maar daar moet je ook tegen kunnen, stelt hij.

Ze hebben de werkzaamheden goed onder controle. Op het bedrijf wordt met 12 man vast personeel gewerkt. Wim: we hebben er een man extra bijgenomen die overal kan worden ingezet. Nu was het zo dat ik steeds bij ziekte of afwezigheid van iemand in moest springen. Daar krijg je bij steeds toenemende werkzaamheden steeds minder gelatenheid van

Een van de twee karakteristieke woningen die bij het bedrijf zijn gelegen



## FEITEN:

South Dakota heeft 750.000 inwoners en bijna alle melk gaat in de kaasbak. Veel fabrieken, dus er is keuze in de afzet van melk. SD is een staat waar de meeste gunstige klimaatdagen voor koeien voorkomen. Er is een goed investeringsklimaat. De Staat heeft weinig belasting. In totaal zijn er in deze staat ruim 100.000 melkkoeien met een tendens naar vermindering. De gemiddelde bedrijfsgrootte ligt op 574 ha en de gemiddelde leeftijd van de boer is 51 jaar.

werkers voor een deel zijn gehuisvest. Ze komen in de ochtend en brengen hun eigen eten mee. De twee voormannen werken in shifts. De één komt s'ochtends om 6 uur en de ander begint om 13.00 uur. De avondmelkploeg begint om 22.00 uur maar daar is dan geen voorman bij aanwezig. Op de vraag of het werkvolk ook wel eens vakantie opnemen moet Hammink verbaasd lachen. Daar doen we hier niet aan, zegt hij. Nou goed, 1 week per jaar is wel het maximale.

Met betrekking tot het jongvee wordt er gewerkt met een opfokbedrijf. Dat is een bedrijf-stak die tegenwoordig veel gevraagd is in South Dakota. Bij Hammink hebben ze er veel goede ervaringen mee. Alle vaarskalveren worden daarheen gebracht tegen een prijs van 150 dollar en weer teruggekocht als drachtige vaars voor 1200 dollar.

Er wordt tegenwoordig veel gekruist met

wordt gemaakt. Aan de hand daarvan vragen we bij verschillenden voerleveranciers en fabrikanten een offerte. Hammink heeft ervaren dat je dan een scherpe prijs kunt bedingen. Er blijven ook grote verschillen per offerte te zijn.

Interessant is ook het gebruik van BST het

# farmers most

## VIEWPOINT: The Parents

state.  
people here are very  
It seems the milk buy-  
er is not fair to farmers  
than trying to screw the  
money out of them like  
at home. They realise  
every one has to make  
it.

American way of life  
is not the best but I could get used  
to it. The people here are dif-  
ferent to us."

concerns were tax  
in the UK - could roll-  
over money be used to invest  
in the US - and the visa situa-  
tion - getting a Green Card  
is a problem.

will look at all the options  
which is the most cost  
effective in taking the family  
over," said Mossop. "A  
new unit would be the  
best but depends on how  
much we have to spend. But  
the benefit of this is that you  
can set up the unit as you want

only they would look to  
buy 10 cows and double the  
unit as soon as possible.  
I will go home now and do  
the sums," he said.

He said that his brother-in-  
law's family were also inter-  
ested in moving and there was  
a 50 per cent chance that he  
would be farming in the US in  
the next six months.

# farmers go home to do the sums

## VIEWPOINT: The father and son

back. The milk price is not sustain-  
able at the moment. The costs of pro-  
duction bear no relation to returns.  
'Over here you have a State that is  
doing everything it can to encourage  
farmers. There are milk buyers com-  
peting for business, a cheaper cost of  
living and everyone wants to help.  
I wish we had some one like Larry  
Gabriel (South Dakota's Secretary of  
Agriculture) in the UK to fight our  
case. They seem professional in  
what they do here and committed to  
agriculture. The facilities and infra-  
structure are very good - it is an

agricultural State.

They are now at home looking at the  
sums but said they would want to  
come back for a good look round  
before making a decision. The area  
they preferred was around  
Brookings and they were happy to  
take on either a Greenfield site or  
rundown farm.

"We would want to start with at  
least 300 cows and then grow as  
much money and reinvest," said  
Richard. "If you can give the County  
Commissioners or one of the feed  
companies a letter of intent they  
will lend you up to \$1 million, inter-  
est free, to get a project up and run-  
ning. This would be a very big help.  
"The future seems brighter here,"

said Adrian. "Over the next 15 years  
you can see things here flourish.

"You get the feeling the local com-  
munity want you. They need young  
people to get their communities  
going again. The only taxes are  
Federal which gives a favourable  
economic climate."

Richard said that one of his main  
concerns was getting a Green Card  
for his father although he was pre-  
pared to move to the US on his own.

"I wouldn't want to borrow too  
much either," he said. "We have a  
good set-up at home and if things  
picked up I would be happy to stay  
However there was a better than  
evens chance he would eventually  
move.

# Mr Fixit for a smooth move

HELPING the South Dakota Govern-  
ment attract UK and Canadian  
farmers to the state are Farm  
Solutions. The company promote  
themselves as 'professional facili-  
tators' - helping farmers through  
the whole process of selling up to  
setting up a new business abroad.

Running the London office is  
Peter Burdon, a New Zealander  
who has worked in the UK for 20  
years. He organised farmer meet-  
ings around the UK to explain the  
advantages of dairying in South  
Dakota and then arranged the  
farmers' trip to the state.

Those farmers are now doing  
their calculations.

"The next and most important  
step is to draw up a realistic busi-  
ness plan," said Mr Burdon.

"Farmers also need to draw up a  
personal plan detailing where they  
want to live, the schools they want  
their children to go to and a possi-  
ble job for the wife.

"The next step is to find suitable  
premises and register an offer of  
intent with conditions. Then a visa  
application can be made which can  
take six months to put together  
with the final business plan and  
police checks.

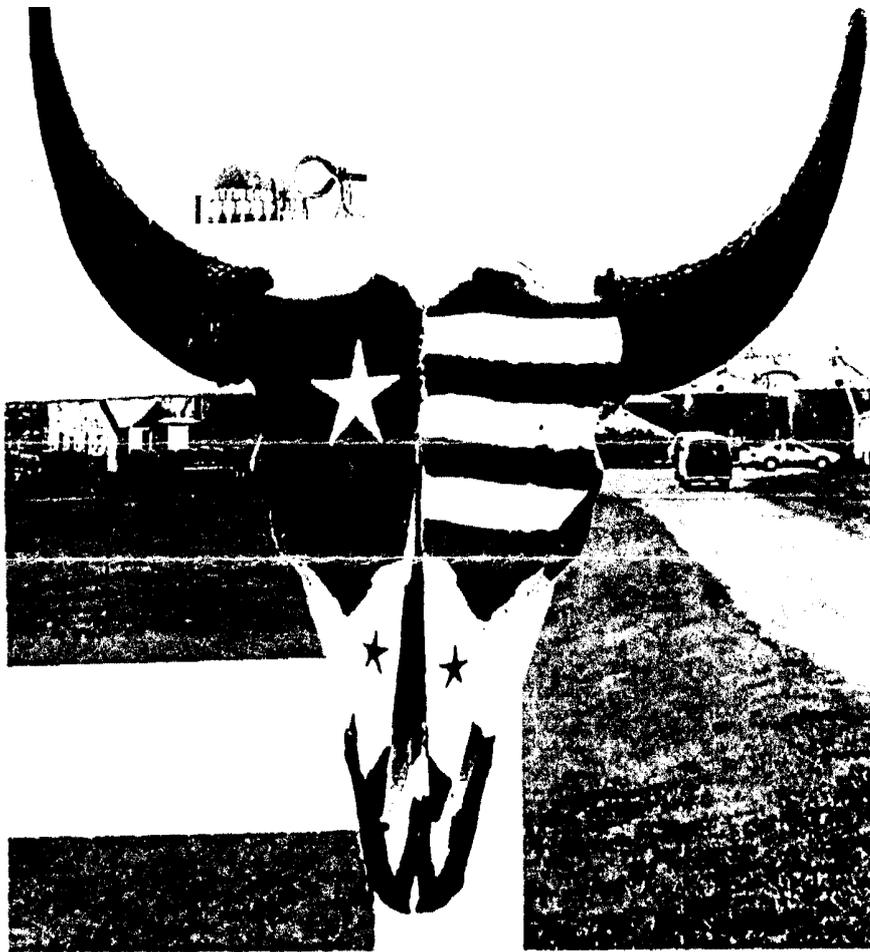
"When this is sorted the farmer  
can put his farm on the market and  
start to plan things which need to  
be started in the US. When the visa  
is approved in principal contracts  
can then be signed.

"A farmer may want to visit the  
US on a tourist visa for six months  
to sort out the final details. Once  
the visa is granted farmers can  
move to the US and get their busi-  
ness going."

As facilitators Farm Solutions  
help at all stages of the emigration  
process. They charge a fee, which  
is based on the total investment  
being made by the farmer, and  
varies according to the complexity  
of the move and how much help  
the client needs.

Mr Burdon has one warning for  
anyone who wants to emigrate:  
"Don't think that moving to South  
Dakota will solve all your prob-  
lems. If you are a farmer strugg-  
ling in the UK you will struggle in  
the US - moving will not make you  
a better businessman."

■ Farm Solutions are organising a  
further series of farmer meeting  
around the UK starting in January.  
A further farmer visit to South  
Dakota is being planned for April.  
For details contact Peter Burdon  
on 020 8355 3420 or e-mail  
info@pdn.uk.com.



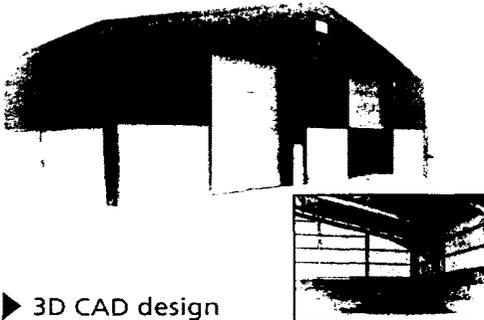
**A PATRIOTIC welcome for visitors to the Tatanka Hills ranch off Highway 81 near Lake Norden. In next week's final report from the "Land of Great Faces and Great Places" MIKE GREEN reports on a Dutch family who have invested \$3.6 million on a 800-cow unit on a greenfield site. Also on the trip was Promar consultant Richard Bell who answers the critical question - how much do you need to invest to set up a viable unit?**



designed to work . . .  
. . . built to last



Buildings by Browns offer strong, quality, secure and value-for-money construction. Ambient and temperature controlled storage buildings designed, made and erected specifically to meet the exact requirements of your business.



- ▶ 3D CAD design
- ▶ Steel framed buildings
- ▶ Timber sectional buildings
- ▶ Nationwide service
- ▶ Free planning application service for customers
- ▶ Give us a call today: 01939 232 382
- ▶ Email: info@brownsofwem.com

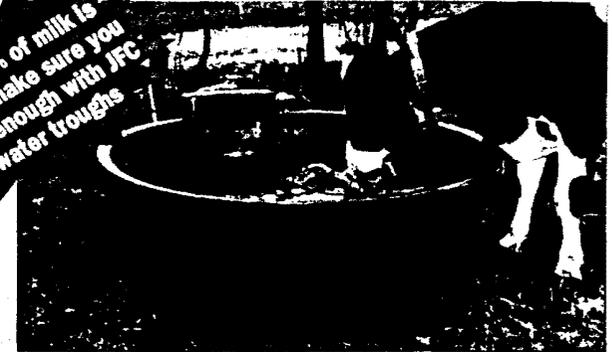
- Crop storage
- Fan housing
- Feed storage
- Warehousing
- Packhousing
- Livestock housing
- Multi-purpose
- Agricultural
- Equestrian
- Industrial
- Leisure

Four Lane Ends  
Wem, Shropshire  
SY4 5UQ  
Fax: 01939 234 032



Manufacturing  
(Europe) Limited

Over 90% of milk is water, make sure you have enough with JFC water troughs



Our latest addition to the range is the new D140

For details of your nearest stockist please phone

**01691 659226**

Website: [www.jfcuk.com](http://www.jfcuk.com)

WING

An alternative approach is increasing margins from the same volume of milk. "Average somatic cell counts in South Dakota are currently high at 480,000 cells/ml. "This demonstrates the scope for boosting premiums."

Installing a back flush system and milking mastitis cows separately has allowed Mr Sefrood to cut cell counts to 260,000 cells/ml. "To pay for the system, we had to sacrifice individual cow milk meters."

Looking to the future, forward cheese prices are predicted to increase by 27% increase over the next 18 months. "Hopefully, this means a recovery in milk prices by the end of this year," says Mr Sneer.

forward  
2.7p/litre  
milk price.  
benefits it  
mitment,  
to aban-  
ng better  
table.

ly benef-  
racting is  
hrest of  
duced is  
price of  
rall price



*There is a right tool for every job.....*

BIOTAL



BIOTAL

# WANT YOU S. FARMING RECRUITING STATION for a Green Card

UK farm-  
USA - E2  
l, which  
d which

has a E2 visa they would be allowed to stay.

They can marry a US resident but at this age would be viewed as too young to make this commitment. They can also apply for a Green Card which gives permanent residency.

For those reaching retirement age before they have qualified for a Green Card and still on a E2 visa there is a problem because you are no longer involved in the business. One option here would be to go back and forth between the US and UK.

To qualify for a Green Card and permanent residency can take up to two years. To qualify the business must have assets of between \$500,000 and \$1m - depending on the area - and must employ 10 full-time, legal employees. To justify this the business would need a minimum of 800 cows.

apply for  
years and  
es a per-  
000 in a  
a profit,  
employ-  
hole fam-  
have to

for resi-  
visas but  
not be a  
ld set up  
r ran a  
he dairy  
the same

children  
g retire-  
E2 visa  
they need  
re they  
o to col-  
a. They  
they are  
e owner

on (ins)
0.32
0.42
1.24
2.07
2.93
4.34
1.32
2.81
2.64
1.66
1.81
1.33
2.89



**This five bedroom farmhouse near Ramona costing in the region of \$200,000 is now under offer from one UK farming couple. Meanwhile Peter Burdon of Farm**



**Solutions, pictured, will be organising another series of meetings in the New Year to discuss the attractions of South Dakota with farmers. Another visit to the state is planned for April**

**G**raham Wadsworth farms with his father Edmund at Raines Hall, Sedgwick, Cumbria. They run the 130-cow pedigree Raines herd which is one of the top three highest yielding herds in Cumbria.

"I don't see much future for dairying in the UK," said Graham, 31. "Financially things are getting tighter and tighter each year. There is no point farming your assets away. You could just do nothing, work on and see asset value go down - but you may be better off just selling up now.

"Politically there is no will to improve our situation. It is difficult to expand because the profitability of agriculture does not set the price of land or buildings - outside money dictates farm values. Here in the US agricultural profitability is related to farm value.

"In the last 10 years we have invested £250,000 in our business and have more than doubled output by increasing cow yields and numbers. But we have also increased our own workload to the point where it takes all our time and there is no time for anything off the farm. And we still make the same profit that we did 10 years ago.

"I can see us having to invest between £300,000 and £400,000 over the next 10 years to double production and increase the workload to make the same profit we did 10 years ago. The numbers just don't add up.

"We could bury our heads in the sand and say 'things could get better'. But if you look at all aspects of the industry it is very difficult to see where it will get any better.

"We can't sit around complaining - we need to do something about it."

Graham has visited both the United States and Canada on a number of occasions and visited a large number of dairy units. This was the first visit for Edmund.

"There are certainly a lot of opportunities here," said Graham. "But we need better figures, some of them are rather fuzzy.

"I would not come here and run a small unit. Dairying would be the first business but there are plenty of opportunities for other businesses. I am a person who needs goals and targets and I would get bored with just running a dairy farm.

"The best opportunities here will come by biding time. There will be people who move here, over commit themselves and go bankrupt. These offer the best opportunity. You can step straight into a good facility but you need to be in a position to move here.

"Another possibility would be to lease a unit which would cut down borrowings. Most of the money would be invested in cows which make money and have a value. With similar borrowings you could run twice as many cows and this would be a safer option.

"I would be looking at 500 to 1,000 cows initially. But I want time to do other things and look at other business opportunities. I am fed-up with milking cows. What's the point in killing yourself with work and not having a life.

"South Dakota has plenty to offer and a qual-

ity of life. But I would have to visit in January first before I made a decision. There are times when the UK climate is not nice and also here - but it is different.

"I would be concerned over asset values. In the UK property has a good asset value. In South Dakota the value of property is more likely to decrease than increase. You must make sure that profits are sufficient to cover this because in 20 years could have a business worth a fraction you paid for it. You need to take this into account when doing the calculations.

"But one good thing here is that you can reinvest your profits in the business without paying tax.

"Another reservation is that if you run a 1,000 cow dairy herd with 10 Mexican workers you would be stuck if they went on strike. A relief labour service could be one business opportunity.

"It is a long way from home, family and friends. In ten years time I won't be doing what I am now given the outlook for dairying in the UK," said Graham, who added that there would be a 60 per cent chance that in 10 years time he would be dairying in South Dakota.

Edmund Wadsworth is a widower and was not intending to move to the US but was keen to support his son in any decision he made.

Among the reasons he would not move were because he has another son and daughter in the UK and two grandchildren. "I would be happy to move here but would not because of my age and the cost of medical insurance here. We moan about the health service in the UK but it is important," said Edmund.

"Here there is a Government who want a agricultural industry, in particular livestock and dairy farming. There is an openness and encouragement to come here, not just from the Government but from local farmers. There certainly appears to be much less tape because increasing bureaucracy strangling us at home.

"There seems to be a better moral climate here and less crime. The moral attitude is probably the same as there was in the about UK 50 years ago. The Church seems to be an important part of life in this area."

Mr Wadsworth was also struck by the facilities a town the size of Milbank with a population of under 2,000 had to offer.



**The Wadsworths - top dairymen from Cumbria: "Not much future in dairy farming in the UK, where the industry is being strangled by increasing bureaucracy"**

to do this and then they  
to be environmentally  
y. Why? Most environ-  
payments encourage  
towards to change so  
analises the good stew-

we have a local Govern-  
which is held in high  
. The common goal is  
ty of local communi-

Gabriel has a ranch in  
n County where he runs  
of 500 beef cows from  
he produces feeder cat-  
d breeding heifers. He  
ears saddle horses for  
g on ranches and tak-  
t in rodeos.  
few ranches in my  
have sons or daughters  
to take over. I hope  
multinational companies  
come in. We want the  
to remain in private  
- they look after the  
and this is what made  
ca great."  
h Dakota generates 1.2  
dollars from agricul-  
t we could feed all beef

net wealth in South Dakota by  
\$600 million - which would  
help the whole economy and  
benefit rural towns.  
"Soya bean meal is being  
exported from South Dakota to  
Western Canada where it is fed  
to hogs (pigs) which are then  
sent back to South Dakota for  
slaughter. This does not help  
the farmers of South Dakota  
or Canada but just helps the  
haulage industry."

South Dakota has plentiful  
cheap feed which the State  
wants to add value to by con-  
verting it to milk and meat.

"The future for both large and  
small farms is to add value  
and sell products rather than  
commodities," said Mr  
Gabriel. "The days when farm-  
ers sold calves in the autumn  
and played checkers all winter  
have gone.

Farmers ask me why I am  
encouraging more farmers  
into the state because it will  
only increase the price they  
pay for alfalfa hay. But I tell  
them that more farmers will  
boost the local economy and  
this will benefit everyone.



South Dakota - where it's legal to carry a firearm without a permit as long as it is visible. Pictured left, Larry Gabriel, Haakon County cattleman, and state secretary of agriculture since 2000

Asda Price (£)	WalMart Price (£)
1.13	0.67
0.59	0.50
2.69	2.25
1.25	0.64
10.00	6.35
0.98	1.11
2.58	3.35
2.60	1.95
1.35	1.65
4.26	2.04
1.00	0.92
2.52	2.39
0.77	0.84
0.18	0.48
0.18	0.38
0.53	0.95
0.14	0.17
0.45	0.68
0.50	0.47
0.52	1.49
2.74	4.04
1.54	1.33
1.57	1.17
1.06	1.84
0.62	0.32
0.46	0.52
0.74	0.95
1.68	1.57
3.64	2.49

## South Dakota – badland for tax and spend politicians

South Dakota also sells itself as an area with a good business environment, high standard of living and good lifestyle.

Benefits promoted include a low cost of living, sound education and health care, low crime, clean environment and healthy local economy.

Although everyone has to pay federal taxes South Dakota does not impose its own income or property tax. This makes it one of the bottom three states for the lowest personal and business tax rates in the USA

Joop Bollen said: "South Dakota ranks first nationally for economic environments for entrepreneurship according to the 2002 Small Business Survival Index," he said. "The state's manufacturing industry grew 57 per cent from 1989 to 1999, the second largest increase in the nation."

Nationally the state comes second in computer to student ratio (3.2 to 1); third in lowest overall crime rate; fifth for business friendly legislatures; seventh for the lowest cost of living and 10th for the most livable state.

South Dakota has the death penalty and it is legal to carry a firearm without a permit providing it is visible. To carry a hidden firearm requires a permit as do rifles for hunting.

Children can drive a tractor on the road from the age of 12 and from the age of 14 can get a provisional driving license. If they pass their test they can drive by themselves but there is an 8pm curfew. Once 16 there are no restrictions.

■ **NEXT WEEK:** Producing milk in South Dakota - is it a viable option for UK farmers?

TWICE AS GOOD



### The Royal Welsh Winter Fair will now be TWO spectacular days!

It's a festival of winter activity for all the family. Cattle, sheep and pigs are BACK, with horses and hounds.

The antique fair and the Christmas Arcade will provide unique ideas for gifts, as well as tradestands, food hall, poultry, produce, handicrafts and floral art.

Don't miss TWO DAYS of festivity at the Royal Welsh Winter Fair, Llanellwedd, Builth Wells, **December 2nd and 3rd.**



Publicity supported through the WDA's Rural Recovery Marketing Communications, Shows and Events Fund.

Llanellwedd, Builth Wells Assembly Centre



...ison) ranching in South Dakota, USA.

...fear  
...west  
...st that

...egion  
...hills of  
...lls of  
...new  
...ad-

...term  
...on pound  
...t, they  
...lling for  
...cattle  
...e  
...herself  
...rs are

**By Louella Houldcroft**

(0191) 201-6290  
louella.houldcroft@ncjmedia.co.uk

planning trips to the US to see for themselves what America has to offer. Julie and her partner James Ailsby have already resigned their tenancy in Cheshire and are due to move out to South Dakota in April. "Before we went out there in November I wasn't sure at all," she said. "But when we saw how they treat their farmers in the US and what a thriving industry dairy farming is out there we had no doubts." The advert appeared in the farming Press over the weekend and so far Julie has received over 50 calls from across the country - around 80pc of them from Cumbria and the Borders. Many of the calls, she said, were from farmers in

their late 40s and early 50s wanting to start a new life in order to secure their sons' futures. Gill Shearer, NFU regional spokeswoman for Cumbria, said yesterday: "Farmers no longer feel they have the freedom to farm in the way they want to and the draw of a new life in a country where farmers are valued is attractive. "The tragedy of this is that the farmers who are likely to take up this challenge are the ones we should be trying to keep in this country and I hope this sends a clear message to the Government." A seminar about the job in South Dakota is being held on February 11 at The North Lakes Hotel and Spa, Penrith, between 7pm and 9pm. Anyone wanting more information about the courses should contact Julie Scanlon on 01477 535 504 or email her at sddairy@btinternet.com before February 1.

**The Mount Rushmore State**

**Comparing South Dakota, USA, with Cumbria, UK**

to Scafell Pike, which at 3,210ft is the highest point in England.

**Population:**  
South Dakota: 756,600, as of 2001.  
Cumbria: 491,814, as of 1999.

**Nature reserves:**  
South Dakota: Custer State Park is home to a herd of 1,500 free-roaming bison. Bison can weigh as much as 2,000 pounds. Historically, the bison played an essential role in the lives of the Lakota (Sioux), who relied on the

"tatanka" for food, clothing and shelter.

Cumbria: Cumbria Wildlife Trust manages over 40 nature reserves throughout Cumbria extending to over 3,000 hectares (8,000 acres). The reserves represent a wide variety of the typical habitats found in Cumbria, including peat bog, sand dunes, ancient woodland and limestone pavement.

**Talkoast**

is farming in Britain on its last legs?  
Call and leave your message on: **(0191) 201-6130**

**Mining:**  
South Dakota: The site of a rich gold strike in 1875, Deadwood retains its mining town atmosphere.  
Cumbria: Coal mining in Whitehaven dates back to the 13th Century when the monks from St Bees Abbey supervised the opening of coal mines at Arrowthwaite. This long history ended abruptly in March 1986

when Haig Pit, Cumbria's last deep coal mine, finally closed

**Dangers:**  
South Dakota: The Prairie Rattlesnake is the only venomous snake native to South Dakota.  
Cumbria: Bracken is poisonous to animals and harmful to humans: the bitter, crunchy tips enjoyed as a salad vegetable contain cyanide and a carcinogen. Best avoided. Inhaling the carcinogenic brown spores in late summer is also to be avoided.

Pictures: BARRY GREENWOOD and STUART CONWAY



Freedom: Duane Lamme rides the range on his 25,000-acre buffalo ranch near Rapid City in South Dakota

# Freedom of America's West

of a new life free of milk quotas, reports Robert Uhlig, Farming Correspondent

**UNEXPECTED FARMERS!!!**  
 Some milk and cream are aggressively developing the South  
 head of additional dairy farmers. An additional 65,000 cows  
 new cheese plants that is currently being constructed.

much Julie Scanlon, have decided to sell their  
 action equipment and give notice on their ten-  
 e from ancy of an 80-acre farm near Holmes  
 tons to Chapel, where they keep 50 cows. "Eco-  
 friend, nomic circumstances in Britain for dairy  
 farmers have been extremely hard for

several years. South Dakota offers us a  
 future: we could never hope for in Brit-  
 ain," Mr Ailsby said.

Like most dairy farmers, Mr Ailsby has  
 been selling his milk for about 16p a litre  
 for the past year, a price that keeps shop  
 prices low but offers no profit.

"If you cannot expand and you have  
 got declining margins, there is nowhere  
 to go. If things don't change here, we will  
 go bust," he said.

Mr Ailsby makes ends meet by work-  
 ing on neighbouring farms between the  
 twice daily ritual of milking his herd.  
 Miss Scanlon, 31, works as a freelance  
 communications manager when not  
 helping her boyfriend on their farm.

But in South Dakota there is such a

demand for milk and the costs are so low  
 that farmers are able to dictate the price  
 to their suppliers, earning enough to  
 support two people with ease. The cou-  
 ple leave in April for a 90-day reconnais-  
 sance trip.

"We're hoping to buy a small acreage,  
 build a dairy unit on it, buy all our feed in  
 instead of growing it and, if it all goes to  
 plan, we should eventually be able to  
 expand to 300 to 400 cows. Then the  
 sky's the limit," said Mr Ailsby.

Such dreams are impossible for most  
 new farmers in Britain. Land prices and  
 operating costs are high, milk quotas are  
 expensive – in South Dakota there are  
 no quotas – and regulations are  
 burdensome.

pr GM cows' milk boosts cheese production



**Mitch Davis of Davisco:** "We feel that this area will see significant growth over the next 10 years due to all the accommodations that are necessary to make for successful dairying."



**Mark Leddy of Valley Queen:** "I strongly believe that in a truly free international marketplace the US dairy industry would thrive."

term. Over a six-year period of 1997-02 an average 600-cow dairy farm received a price equivalent to 20.7ppl. This price is above the cost of production in this area and would allow the dairyman to operate at a profitable level. Over supply and under supply are common occurrences in the US. These conditions typically exist for short periods of time.

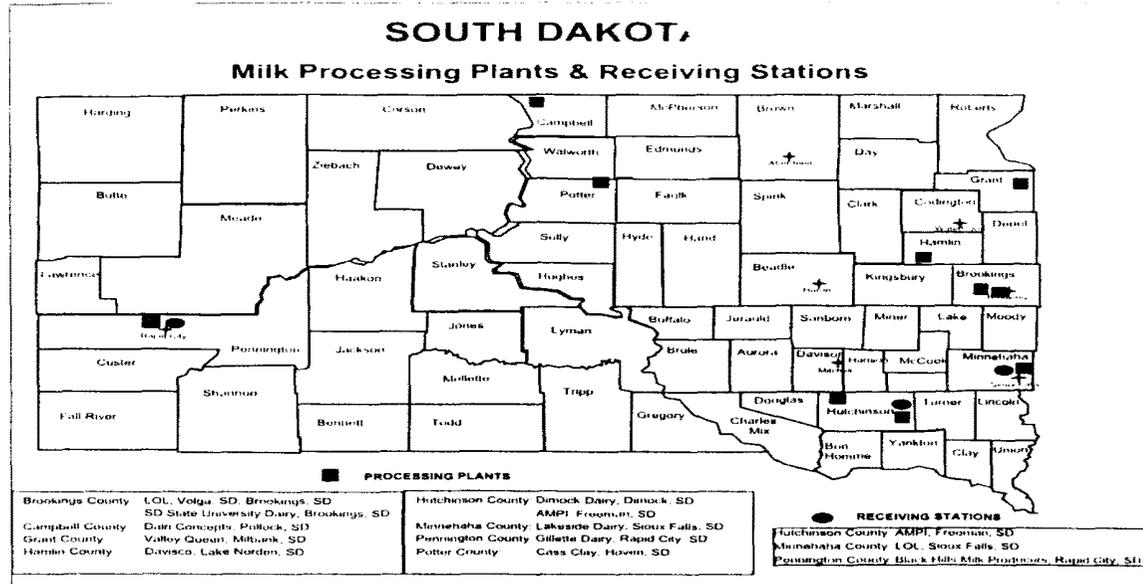
"I feel, as a company, that we are well positioned in the US cheese industry. We have increased our milk processed by nearly three times over the past 11 years to capture additional economies of scale. We have always

aggressively re-invested in our plant to capitalize on technological advances as they occur, which has placed us in a good position operationally versus our competitors. It is difficult to make judgments on the international marketplace because of the many trade-distorting

world," explains Mark.

Davisco are equally as confident on the future of the dairy industry in the USA. "We would expect our South Dakota plant to go the way of our Idaho plant. We have expanded four times in 10 years in Idaho to meet the needs of our suppliers' expansions," says Mitch. The \$60m investment is obviously a major step in this direction. Valley Queen also have plans for a significant expansion in South Dakota which is currently in the planning stages. Both these projects demonstrate the long-term optimism both companies have in the future of dairying.

This optimism may be fuelled by an expected rise in cheese consumption and, in the long term,



#### Milk Income Loss Contract (MILC) programme

This programme, authorised by the 2002 Farm Bill, financially compensates dairy producers when domestic milk prices fall below a specified level. In 2002 this equated to approximately 2ppl.

Payments are made on an operation-by-operation basis, up to a maximum of 2.4m lb (just over 1m litres) of milk produced by the farm/fiscal year.

#### USEFUL WEBSITES

Milk buyers in South Dakota

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

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

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

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

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

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

Milk pricing

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

[www.cme.com/wrappedpages/delayed\\_intraday\\_quotes/10min\\_futures/r\\_da.html](http://www.cme.com/wrappedpages/delayed_intraday_quotes/10min_futures/r_da.html)

# WAIKATO

MILKING SYSTEMS

# WAIKATO UK



rian-based Promar consultant **RICHARD BELL**, looks at the financial aspects of moving to South Dakota - and is taken by surprise by the positive figures. In his example Mr Bell looks at a farmer selling up a typical dairy unit in the UK to raise cash to invest in South Dakota. This is raised by selling his farmhouse for £250,000, land for £400,000 (200 acres at £2,000/acre), milk quota for £75,000 (500,000 litres p/l), machinery for £20,000, and the dairy herd for £100,000 (100 cows at £500/cow), and youngstock for £100,000. It raises a total of £815,000. After debts and £315,000 this leaves net capital of £500,000 for investment in South Dakota.

Total profit of £60,210. Net investment capital of £500,000. Paid at 50 per cent equity in South Dakota this gives business assets of £1,000,000. At £2,030 per cow means a herd of 492.6 can be built. At a profit of £1,000 this gives a total of £218,714 - 3.63 times more than that in the UK.

However, it must be added that profit post depreciation, before drawings, tax, reinvestment and repayments of capital portion of loans." For example, assuming a straight line repayment of capital over ten years of £50,000 or £32,400 per year extra interest:

On the UK £176,000 at 8 per cent over 10 years requires £176,000 and interest repayment of £9 per annum per £100,000 repaid. Thus 176 x £149 = £262,240.

At an interest of £49 per annum borrowed gives average interest paid of £8,624 per annum. This must be taken from the net capital.

South Dakota £500,000 at 8 per cent over 10 years requires net capital and interest

**S. DAKOTA**  
£149  
£1403

**S. DAKOTA**  
£760  
£125  
£2,030

repayment of £149 per annum per £1,000 borrowed. Thus 500 x £149 = £74,500 x 10 years = £745,000

Average interest is £49 per £1,000 and so average interest paid is £24,500 per year. This must be taken from profits.

"If I was setting up a unit in South Dakota I would want a 10 per cent return on my capital for private drawings - £50,000. This would be used for living and personal expenses but also to fund rent, mortgage for a house, investments and off-farm enterprises."

"If you assume private drawings of £50,000 per year and £20,000 for reinvestment in capital items and tax of say £40,000, this gives initial profit requirement of £110,000. With £500,000 to repay and an annual profit of £218,714 less £110,000, this gives a cash surplus for repayments £108,714.

"US agricultural banks probably lend 30 per cent more than UK banks would be comfortable with, but there is no investment in fluctuating quota.

"The South Dakota Department of Agriculture will underwrite up to \$100,000 for the herd loan and underwrites loans on feedstuffs and building works.

"Farmers must keep an inventory - including milk production, cow numbers, feed stocks - which must be lodged with the banks. This would be a new discipline for most UK farmers but if you want to borrow money you have got to be organised and committed

■ The conclusion: "Overall economics are similar to UK - the way to make lots of money is to have lots of cows. You still have to work hard to make a living but in South Dakota it would be a good living."

WHEN I was asked to go to South Dakota I had to get the atlas out to see where it was. Now I, and many FG readers, know exactly where to find it.

The State has good infrastructure and is technologically advanced. Even the smallest town had wonderful facilities and schools for its population.

All the officials and locals made the group very welcome demonstrating their enthusiasm to attract people to boost the local economy. One highlight was meeting Agriculture Secretary Larry Gabriel (and his impressive hat!) If the UK had an Agricultural Minister as passionate and interested in rural prosperity as Larry Gabriel then fewer UK farmers would be considering a move.

I would be happy to move to the State with my young family because there are plenty of opportunities and a good standard of living. But I would want to be confident that my business plan was viable.

It is clear from our feedback that large numbers of farmers are ready to sell up and move abroad.

It is a disgrace that some of the UK's best young farmers need to look abroad for opportunities. Our politicians, bureaucrats and leaders should ask themselves why they have created such a hostile climate for farmers and how they can resolve this. South Dakota's gain will be the UK's loss.

**USEFUL WEBSITES**  
South Dakota homepage - [www.state.sd.us](http://www.state.sd.us)  
Dairy farming opportunities [www.sd-exports.org/dairy2002](http://www.sd-exports.org/dairy2002)  
Department of Agriculture - [www.usda.gov](http://www.usda.gov)  
Farm Services Agency - [www.fsa.usda.gov](http://www.fsa.usda.gov)  
Useful contacts (South Dakota is six hours behind GMT)  
Joop Bollen  
South Dakota International Business Institute  
Telephone: 001 605 626 3149  
E-mail [bollenj@northern.edu](mailto:bollenj@northern.edu)  
Peter Burdon  
Farm Solutions  
Telephone 020 8355 3420  
E-mail [info@pdx.uk.com](mailto:info@pdx.uk.com)



BEWARE OF LOW-SPEC LOOK-ALIKES

How many of these features can you find on lower-spec look-alikes?

- Integral ladder with safety rings
- Clear resin coating on inside of main body
- Smooth interior - no part at top of cone
- 67 cone is gal-coated inside by smooth flow
- Legs fixed to bin with stainless steel bolts through large plates
- 14 capacities from 2.4 to 24 tonnes
- ISO 9002 quality certificate
- Stainless steel bolts every 4m
- Cross bracing on all 15m models and over
- Sludge-proof conical generator body - so bed is protected from nutrient depression



**NEW!**  
TRANSLUCENT RANGE FOR HIGH VOLUME USERS



**AGRITECH** bins have everything you need as standard

NATIONAL CATTLE SUPPLIES

Woolhope, Hereford - NR1 4QX

Tel 01432 860518 Fax 01432 860815

**DUFLEX TAGS • DUFLEX TAGS • DUFLEX TAGS**

## DEFRA APPROVED ALL NUMERIC TAGS

**£1.30 per ANIMAL**  
(Primary secondary set)

**REPLACEMENT TAG SERVICE**  
If you are not USING Duflex tags and need replacements, order before 2pm and have your tags sent on the same Day (at no extra cost).  
**No other Tag supplier can match our service.**

**ELECTRONIC TAGS**  
Earlsmere have a full range of ISO 'Electronic' Tags and Readers.  
Tag prices start at £1.99 for Primary/Secondary Sets.  
Portable Readers from £200.  
**To discuss your requirements contact:**

**DUFLEX TAGS • DUFLEX TAGS • DUFLEX TAGS**

**eid**  
EARLSMERE ID. SYSTEMS LIMITED

Earlsmere House, Doncaster Road  
Barnsley, South Yorkshire S71 5EH  
TEL: 01226 20409  
FAX: 01226 244169

nic develop-  
bs," said Mr  
e US as it is  
rganisation  
investment  
programmes  
and promote

ring inward  
a," said Mr  
identified for  
s and gener-  
main coun-  
o encourage  
d, Germany

State around  
runs from  
nsas in the  
portant area  
tion. Minn-  
avisco came  
rovided a big  
he company  
large cheese  
ssing plant

extra 65,000  
other plants  
ould get the

in Holland,  
he message  
to farmers  
limited and  
moved."

Belgian fami-  
he area. The  
encouraging  
he region.  
n grain that  
loaded onto  
re - so why  
rain market  
a?

est grain in  
tance from  
panies have  
of ethanol  
e this grain.



**Joop Bollen - his country needs you**

Also soya bean crushing plants have been attracted to the State.

"All these plants are producing more and more by-products for livestock feed - it is a win win situation giving dairies a cheap source of feed.

"A good milk price, low operating costs and low taxes all mean that the return on investment in South Dakota is high. We say in South Dakota that if you make a profit you keep the profit.

"All the processors have a published price but they will all negotiate a better price. You can also negotiate a contract price for up to five years which is very important for new entrants."

The area being promoted for dairy production is 30 miles either side of I29 between Milbank in the north to Sioux Falls in the south.

"The west of South Dakota has the most beautiful scenery but from a dairying perspective it is no good - producers are reliant on one milk plant."

"The bare minimum number of cows a new entrant would need is 300 - but many would argue it should be more. Ideally a farmer would set up a unit of 300 cows with a view to increasing it to 600 cows.

"A farmer milking 100 cows in Canada, where milk quota is worth Can\$23,000 per cow, could sell up and run a 600 cow unit here for the same outlay but make double the profit. But in Canada producers know what the milk price will be while in the US the milk price is very volatile."

Mr Bollen also warned that when managing 600 cows or more a farmer had to

operating costs and low taxes all mean that the return on investment in South Dakota is high.

**We have a saying here: "When you make a profit in South Dakota - you keep the profit!"**

adapt. "You need to cope with a transition from a person who did all the work themselves to someone who can manage staff - farmers must not underestimate this. It is difficult and not everyone can do it.

"Getting staff is not a problem. There is a lot of immigrant Mexican labour and the Dutch farmers that have settled have found their skill levels acceptable."

Roger Scheibe, dairy development specialist with the South Dakota Department of Agriculture said milk production in the USA was migrating from the west of the country to the Mid-west states.

"Two thirds of the population in the USA is on the east coast while two thirds of the milk production is on the west coast," he said. "It means that South Dakota is ripe for expansion and is why new dairy companies are moving to the state.

"There are population pressures in areas such as California where there is urban encroachment, environmental pressures and limited opportunity for expansion and growth. Farmers are looking to sell land for development and build new units in other areas, including South Dakota.

"In Texas urban encroachment and the hot, humid weather are also making farmers consider relocating. South east USA is not suitable for milk production because it is so hot. North East USA tends to have smaller dairy farms which have lost a generation of dairy farmers as sons and daughters look for employment elsewhere.

"The mid-west has been identified as geographic area ripe for expansion.

and a further 14.3 per cent are employed in related industries.

There are 32,500 farms in South Dakota with an average farm size of 1,354 acres.

Average land values in 1997 were £232/acre, ranging from £558/acre in the South East of the State to £117/acre.

Land prices have increased 6 per cent over the last five years. Currently land values (including build-ings) average £293/acre.

Individuals and families run 86.7 per cent of farms and corporations are responsible for 4.1 per cent.

Forty per cent of farmers are owner occupiers, 45.8 per cent part owners and 13.9 per cent tenants. The average age of farmers in South Dakota is 52.

On average 17.2 per cent of total farm income comes from Government payments.

Cattle and calves account for 36.2 per cent of total farm income in South Dakota, followed by Soya beans 16.5 per cent, maize 15.4 per cent, wheat 8.4 per cent and dairy 6.1 per cent.

In 2000 a total of 92 dairy producers (8.4 per cent) ceased milk production, in 2001 149 producers (15.3 per cent) and so far this year 42 farms, or smaller family holdings, have closed.

Lewis and Clark, the explorers who opened up the American West were early visitors to South Dakota. "We beheld a most beautiful landscape." William Clark noted in his journal

# mean us? How farmers are sold on America

- a because they want to improve their lifestyle, seek greater business opportunities, develop a more secure future and provide a better environment for their family.
- People leave Britain because of:
  - BREAKDOWN in law and order
  - EU control
  - WORRY about the future
  - TRAFFIC

- INCREASED pollution
- FINANCIAL uncertainty
- LACK of a feelgood factor
- SOCIAL UNREST
- The presentation says UK farmers have to change or die, and have been driven too far by rising farm costs, lower prices for products as trade barriers have been reduced and an over-regulated EU which

- denies farmers proper access to free markets.
- UK farmers faced by an ever-dwindling capital base have seen family life wrecked, wrestled with legal battles and have encountered a suicide rate which is 50 per cent above the national average with 85 farmers taking their lives in 2001 as a consequence of rural stress.

- Farm incomes have fallen by 90% over the past five years despite working long hours for little return.
- While some farmers have been able to move up the supply chain NFU figures show that farmers sold £16bn of product, processors earned £5bn and retailers £1bn.
- UK farmers are unappre

re is a  
gation

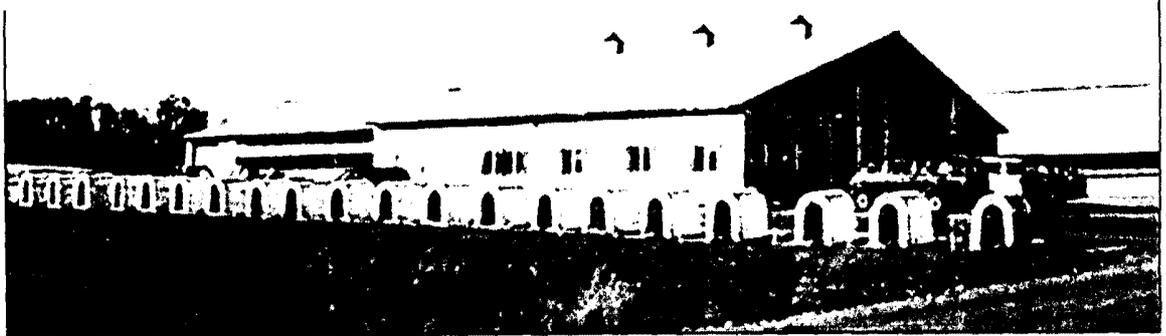


ou would have to start with  
00 to 400 cows first. You  
an't manage 1,000 cows  
raight away - if you had  
ny major problems it would  
st drive you out of busi-  
ness. Some of the bigger  
erds here had problems.

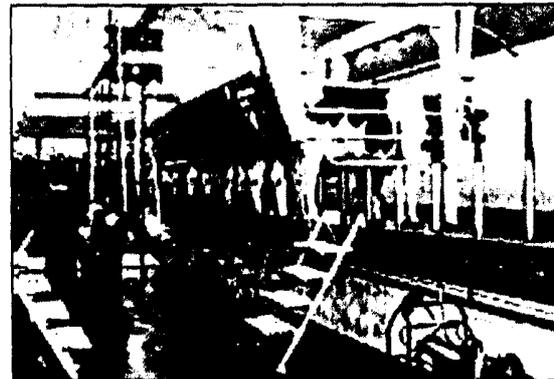
With 300 to 400 cows you  
ould manage them right, do  
good job - then build up.

If you put up a new unit for  
00 cows then you will be  
orking against deprecia-  
on on the building for the  
rst five years and will be  
osing capital. So you must  
e in it for at least 10 years.

The farmers here seem to  
ix and are a friendly  
unch. The standard of liv-  
ng is better than in the UK  
nd farmers expect less  
ork. Better quality of life  
ould be a better way of put-  
ting it because the standard  
f living is good in the UK."



## £2.5m investment and a home on the range



The Verpaalens moved to South Dakota last year and have invested in a £2.4m new dairy unit off Interstate 29 near Billings (pictured top).

Construction of the dairy started last November. Their facilities have permission to expand to a 1440 cow unit and has a 20:20 rapid exit parlour used 24 hours a day (pictured bottom) which will be expanded to a 40:40 when cow numbers are increased. Frido Verpaalen (pictured right) and his wife Sonja use Mexican milking hands. Immigrant labour is generally paid a wage of between \$8 and \$10 an hour (£5.30 to £6.60/hour) for an uninterrupted 12-hour shift to ensure 24 hour productivity for the milking parlour. Typically when hired hands have made enough money they go home. Frido imports some equipment because it is cheaper and of better quality but delivery of a tractor was delayed for a month by US customs because of foot and mouth worries



decision:

# TATOMA

**Diet feeders &  
bedding choppers**

Terrington Machinery Imports

Tel: 01553 828083

www.terrington.freeuk.com



## Milk producers subsidised

The 2002 US Farm Bill brought a subsidy to support milk producers when the milk price fell below a floor price.

Called the Milk Income Loss Contract (MILC) program it is administrated by the Farm Services Agency.

Eligible dairy producers are those who produced milk in any state and marketed the milk commercially beginning in December of 2001. Sign-up for the program started in August and runs until September 2005.

MILC payments will occur in months when the price of Class I milk in Boston falls below \$16.94 per cwt (24.8p/litre). Payment rates will

be 45 percent of the difference between \$16.94 and the Boston Class I price for that month. Dairy operations will not receive a payment for months when the Class I price in Boston is \$16.94 or higher.

Payments will be made on an operation-by-operation basis, up to a maximum of 2.4 million pounds (1.09 million litres) of milk produced. Although the scheme started in October, milk producers can claim payments back to December 2001.

The payment in November was \$1.10/cwt (2p/l) and in October was worth \$0.80/cwt (2.3p/l).

# Where the buffalo roam

There ARE three options to starting a dairy in the Dakotas - leasing an existing unit or buying land and building a self.

On the tour from the UK and taken to farms which had all available.

Dairy to the east of Brookings a Californian farmer seven his sons do not want to take e they have other business

s a 24:24 herringbone parlour 30 cows and 600 heifers. The is \$2.0 million for the cattle, buildings, \$1m for 800 acres of m for the machinery, feed, and two trailer homes - a total (\$3m).

When of DairyNet2000 who are the sale said: "At the \$6.5m buyer would likely need to have n in cash to obtain financing (ning amount of the purchase in financing."

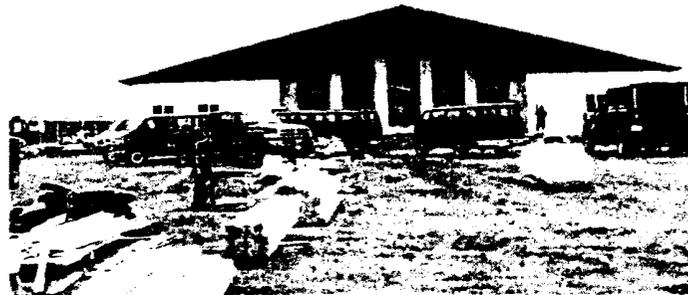
has expressed a willingness to estate, making the property more interested parties who

may not have \$2.75m. A lease potentially reduces the needed capital from \$2.75m to \$1.5m. A lease would be negotiated based on the total number of stalls paid monthly to the owner. A range is \$20 to \$35/stall/month depending on the specific situation.

"The lessee of the facility could also lease the adjacent land for corn silage production and animal waste application. Cash rent is determined on a per acre basis. An example is \$80/acre/year.

"The lessee would purchase all personal property. In Pires Dairy, the personal property is all dairy cows and dairy heifers, all inventories such as corn silage, hay parlour supplies, farm machinery such as trucks and tractors. Additional financing needed would be determined by the agreed prices in the final Bill of Sale.

"The lease would be written for a specific term. One example is five years. The lessee could have first option to purchase the facility and farm land at the end of the lease. The sale price could be established at the beginning or the end of the lease. Everything is negotiated between the two parties and put in writing. Other topics to negotiate in a lease are which party pays the repairs to the facility, pays the prop-



The Sherman Dairy. The unit, priced at \$3.6m (£2.4m) will be ready in January with housing for 825 cows with expansion to 1,400 cows possible. It also has 10:10 rapid exit milking parlour with space to expand to a 20:20, slurry collecting and storage facilities, barns and a five-bedroom farmhouse.

ty taxes to South Dakota and casualty insurance." A farm 15 miles south of Watertown is for lease at \$2,500/month. It has housing for

140 cows and a 12:12 herringbone parlour. This is being promoted as a starter farm for a new entrant. Another option is to buy a new unit cur-

rently being erected north east of Brookings at White. The asking price for the Sherman Dairy is \$3.6 million (£2.4m). The facility will be ready in January and includes housing for 825 cows with further expansion to 1,400 cows possible, 10:10 rapid exit milking parlour with space to expand to a 20:20, slurry collecting and storage facilities, storage barns and a new five-bedroom farmhouse. It does not include cows or feed.

"We wanted a show farm for South Dakota and this will be it," said Wim Hammink.

A unit near Lake Norden with 80 acres, housing for 150 cows and a 2.5 million gallon slurry lagoon is for sale for \$320,000 (£210,000).

There are plenty of areas of bare land for sale in areas where arable farmers want a livestock unit next to them to which they can supply feed and utilise the manure.

Forty to 50 acres of land at Lynn and Sandy Holtzma's farm is available, situated one mile from the I29 and 15 miles south of Watertown. The Holtzma's want \$1,600 (£1,070) an acre for the site which has no permit yet.

"Forty acres is the minimum to build a new unit on and fifty acres is much better because it gives more scope on where to position the farmhouse," said Wim

Hammink.

Mr Holtzma is going out of milk production because his unit needs updating but his two sons are not interested in farming. He also has a bad back.

He wants to continue farming his 1,200 acres and wants a dairy unit for the manure - which he is willing to pay for. He is also prepared to rear heifers for the new unit.

Land nearby which has a permit for 1,200 cows is being offered at \$2,000 (£1,300) an acre. The land is being sold by a consortium of neighbouring farmers who want the manure.

"Buying an existing unit in South Dakota is not easy as there are not many good places," said Mrs Hammink. "The older dairies are sometimes in bad shape. This is one of the reasons that we started the Sherman Dairy project. We think the next project should be smaller, about 400 cows. There is more interest in that number of cows to start with."

"To lease a facility is always a possibility. But it must be a good facility, and not in an old one. We think to develop a new dairy is almost the best option. If there is a good home on the place that is nice also, you can move in and don't have to worry about the construction of a home."



Daily ration for cows at Hill Top Dairy (fed as a total mixed ration)

Maize silage 21kg

Whey (liquid) 5.0kg

Water 4.5kg

Soyabean hulls 1.4kg

Soyabean meal 0.7kg

Total dry matter intake 25kg

Feed cost per cow \$3.51 (£2.34)

Feed costs have increased because of summer drought

Dairy is a typical and well-known use of BST is the norm. It on a greenfield site four an investment by five parting Howard Whitmore, pic. The unit has a permit for and runs 1,400 milkers and ns. lics are important and cows 2,270 litres each on BST. the cows are averaging 36 to r cow. ost effective and I am c. safe," said Mr Whitmore. "I necting cows but if we don't illose money." nected with the milk boost- ne every 14 days from 70

the cows to give plenty of air circulation - very important in the cold winters and hot summers. The cubicles are 48 inches wide with plenty of leaping space. Mats and chopped straw are used for bedding.

The cows are milked through a 40 point rotary parlour running 24 hours a day - six hours milking and two hours cleaning per shift. A total of 26 people are employed to run the unit.

"With a 1,250 cow unit you would expect to employ about 12 people," he said.

Mr Whitmore said one of the biggest problems on the unit was mastitis and one of the ways of controlling this would be better staff training.

## South Dakota is the new Idaho says top processor

SOUTH DAKOTA is ripe for the expansion of milk production according to Mitch Davies of milk processor Davisco.

The company is investing \$50 million in a state-of-the-art mozzarella cheese making plant at Lake Norden in partnership with dairy farmer co-operative Land O' Lakes.

The co-operative will supply milk to the plant, Davisco will process it and Land O' Lakes will then market the cheese.

Mr Davies said that Davisco built a dairy plant in west Idaho in 1992 where there was a low population, plenty of cheap ground and good weather for dairying. The plant initially started processing 2.5 million lb of milk a day but this had now expanded to 7ml lb.

"This area is the new Idaho," said Mr Davies. "There is plenty of land around to build dairies and arable farmers want the manure. This is an agricultural state and we welcome people who will stim-

ulate livestock production and economic activity.

"This state allows you to run your business with fewer constraints than in other states or other parts of the world. That is why we are investing here."

Another milk plant looking to expand is Valley Queen in Milbank. Cheese production at the plant in 1990 was 250 million pounds. This has now increased to 750 ml lb, with most being sold to Kraft.

The company has 200 producers supplying milk direct to the dairy. Unless they are on a forward contract producers have only a one day notice period.

"Any of these suppliers can ring up and tell us not to collect their milk if they think they can get a better price elsewhere," said Mark Leddy, joint chief executive officer of the company. "But we think we pay the best price for milk in the area."

Prices are based on the Chicago

Board of Trade cheese price and producers are paid every two weeks.

The furthest supplier is 180 miles away in neighbouring Iowa. His farm has 4,000 cows while the smallest supplier has just 15 cows. Ideally the company is looking for suppliers within 30 to 50 miles of Milbank. There is a volume bonus of 15 cents per cwt (about 0.2p/l).

The highest price paid for grade A milk - 3.5 per cent butterfat and 3.01 per cent protein - in the last five years is \$18.70/cwt (27.4p/l) in December 1998 and the lowest price \$10.81/cwt (15.85p/l) in July this year. The September price had recovered to \$11.82/cwt (17.34p/l). The average milk price over the last five years is 19.7p/l.

A 600 cow herd producing milk at 3.67 per cent butterfat, 3.01 per cent protein and SCC of 350,000 would have had an average price of 21.19p/l over the last five years peaking at 24.44p/l in 1998 with a trough of 18.22p/l in 2000.



Buffalo in feed lots at Tananka Hills. These will go for slaughter but they can live for up to 30 years

BUFFALO farming in South Dakota has been a popular alternative enterprise over the last few years with 30,000 head on about 100 farms. But as with many new enterprises in the UK it has tended to be those in the business first and selling breeding stock that have made most money. Six to eight years ago was the boom time when good bulls were selling for up to \$8,000 (£5,300). Now bulls fetch just \$1,000 to \$1,200 (£660 to £800). One of the biggest problems has been getting the US consumer to buy buffalo meat. It is promoted as low fat, low cholesterol and tasty but costs twice as much as beef. But it has not caught the consumers'

imagination because of the price and the fact the meat needs cooking carefully because the meat dries up quickly.

At Tananka Hills Bison Ranch near Lake Norden, Kevin and Joan Stormo run a herd of 130 buffalo. "Buffalo are a lot harder than beef cattle and cows can live up to 30 years," said Mr Stormo. "But they take longer to get to slaughter weight and need careful handling - you cannot drive them and have to encourage them to follow you."

The buffalo pictured will be slaughtered over the next six months when they are over 18-months old and weigh between 450kg to 550kg.

## Grant aid for start-ups

THERE ARE plenty of grants available to farmers including those setting up new businesses.

Beginning Farmer Bond. This is a tax-exempt bond programme which allows start-up farmers to get low interest



## Dutch treat for emigrants

WIM AND NICOLIEN Hammink moved from Holland to South Dakota seven years ago and have no regrets. They started with 300 cows but have now built up to 1,000.

"There will be plenty of opportunities for our children. The middle son wants to farm - he would not have been able to continue farming if we had stayed in Holland



# For a profit in S Dakota

... a cow  
... and hous-  
... and con-  
... "Cows  
... 0 each.  
... at more  
..."  
... migrated

Forward contracting milk can boost milk price by 1.5p/litre and provide a safety net for future volatility."

But existing South Dakota producer Michael Smith warns against taking on too much debt. "Our 82-cow herd is losing 3p/litre, after borrowing cash for a new parlour and milk tank. Last year's drought and low milk prices were the last straw."

The amount of equity incoming producers have also determines eligibility for visas, says New York-based immigration specialist Mark Berry. Those with more than 20% equity can obtain a temporary investment visa.

These visas last two years with no limit on the number of renewals. But he warns that it may prove difficult keeping children in the US when they reach 21 years, when parents are on investment visas.

"Those with temporary visas can eventually upgrade to a green card, once the business has grown, eliminating the problem of keeping family members in the US. For a permanent green card visa, applicants require £320,000 of equity and a business plan showing that the new business will generate 10 jobs within a few years."

Farming in the US also requires



For a US state, South Dakota has a favourable climate, but cow buildings are insulated to cope with cold winters, says Roger Scheibe.

a different mindset. Mr Hammink highlights that most new dairy units house more than 400 cows with less than 32ha (80 acres) of land. This is because most growers are willing to enter binding agreements to grow cattle feed and they are eager to take manure.

Moving to the US also requires a different approach to staff management, says Alistair Hird, who is considering moving to South Dakota with his brother-in-law. Units tend to use Hispanic labour which want to

work eight hour shifts, so producers invest less in parlours and employ more staff.

"The question is whether we have the necessary man management skills. We manage a 110-cow unit between us.

"But our unit is trapped between lake Windermere and housing, preventing any further expansion. There appears to be a profitable future in South Dakota and setting-up a new unit is much cheaper than starting out in the UK."

# Low prices and comply with rules

ducer Analelies Sefrood. "Prices increased just before harvesting, after a dry growing season, adding to our milk production costs.

"To avoid being caught out in 2003, we have taken on 200 acres of land for growing forage maize. Contractors will be hired for sowing and harvesting the crop."

However she still relies on pur-

11,000 litres of milk at 3.7% fat and 3.3% protein."

In addition to producing cattle feed, local crop growers are essential for manure disposal, says Jeanie Votava, of the Department of Environment and Natural Resources.

"Signed agreements for manure easement are necessary

er savings, says Mr Hammink. "But slurry applications can only occur in spring, once the ground has thawed and crops are being drilled."

This limited window of slurry application has forced many new dairies to install lagoons which hold more than 400 days' worth of waste. "The minimum require-

LIVESTOCK

## PRODUCT RECALL

### NOROMECTIN DRENCH FOR SHEEP AND GOATS (2½ LITRE PACK SIZE)

It has come to the attention of Norbrook Laboratories Limited that a small quantity of one of its Pour-On products has been mislabelled as Noromectin Drench for sheep and goats.

We are therefore advising our Customers to check their stock of Noromectin Drench and NOT TO USE any 2½ litre packs which are identified by batch number 2244-35, date of manufacture 06/2002, expiry June 2004.

If you are in receipt of any packs of this particular batch, or if you have treated any animals with product from the batch, or require any additional information, please contact our Customer representative on 028 3025 8254.

We wish to assure you that this notification only applies to the 2½ litre pack size and only to the 2244-35 batch of Noromectin Drench.

Our Customer representatives will make the necessary arrangements for the collection and replacement of any packs which our Customers may have of this batch. No other pack sizes, or batches of product are affected.



## The THREE COUNTIES Countryside Show

13, 14 & 15 June 2003

Right to the heart of the countryside



# a new life on the prairies

Picture HOWARD BARLOW

Picture AP



who is moving to the US Cowboy country: three generations of a farming family in South Dakota

10 years building up his stock of pedigree Holsteins at Flashbrook, Cheshire, is just the sort of farmer the Americans would like to attract. They may not need to.

Mr Gough, who is part of a syndicate called Field of Dreams, has worked out that he can earn more by letting his farm and renting his quota than by remaining in milk production.

He now plans to visit the Mid-West as part of a five-year assessment of dairy farming around the world. Afterwards he will decide whether to start up again in Britain, to give up farming altogether, or to emigrate.

If he chooses the last option, his new field of dreams could well be in South Dakota.

The South Dakotans will also be visiting Lancashire, Cheshire, Devon and Cornwall before flying home at the weekend.

Government has absolutely no interest in the plight of the industry.

Kerri's support for the move has been secured by the promise of a horse. Her sister

is less keen on the idea. "I just don't want to go," she said, clinging to her father. "I'd miss too much about England - my friends, my school, everything."

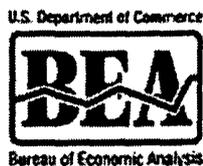
A few miles away the South Dakotans attended the breaking-up of a 160-strong herd ranked among the top 20 in Britain.

John Gough, 42, who spent

d Investments

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

# chance to win



# Bureau of Economic Analysis

## Regional Accounts

### RIMS II

#### *Regional Input-Output Modeling System*

---

### **Regional Multipliers from the Regional Input-Output Modeling System (RIMS II): A Brief Description**

#### **Overview**

Effective planning for public- and private-sector projects and programs at the State and local levels requires a systematic analysis of the economic impacts of these projects and programs on affected regions. In turn, systematic analysis of economic impacts must account for the interindustry relationships within regions because these relationships largely determine how regional economies are likely to respond to project and program changes. Thus, regional input-output (I-O) multipliers, which account for interindustry relationships within regions, are useful tools for conducting regional economic impact analysis.

In the 1970's, the Bureau of Economic Analysis (BEA) developed a method for estimating regional I-O multipliers known as RIMS (Regional Industrial Multiplier System), which was based on the work of Garnick and Drake.<sup>1/</sup> In the 1980's, BEA completed an enhancement of RIMS, known as RIMS II (Regional Input-Output Modeling System), and published a handbook for RIMS II users.<sup>2/</sup> In 1992, BEA published a second edition of the handbook in which the multipliers were based on more recent data and improved methodology. In 1997, BEA published a third edition of the handbook that provides more detail on the use of the multipliers and the data sources and methods for estimating them.

RIMS II is based on an accounting framework called an I-O table. For each industry, an I-O table shows the industrial distribution of inputs purchased and outputs sold. A typical I-O table in RIMS II is derived mainly from two data sources: BEA's national I-O table ([pdf](#)) ([html](#)), which shows the input and output structure of nearly 500 U.S. industries, and BEA's regional economic accounts, which are used to adjust the national I-O table to show a region's industrial structure and trading patterns.<sup>3/</sup>

Using RIMS II for impact analysis has several advantages. RIMS II multipliers can be estimated for any region composed of one or more counties and for any industry, or group of industries, in the national I-O table. The accessibility of the main data sources for RIMS II keeps the cost of estimating regional multipliers relatively low. Empirical tests show that estimates based on relatively expensive surveys and RIMS II-based estimates are similar in magnitude.<sup>4/</sup>

To effectively use the multipliers for impact analysis, users must provide geographically and industrially detailed information on the initial changes in output, earnings, or employment that are associated with the project or program under study. The multipliers can then be used to estimate the total impact of the project or program on regional output, earnings, and employment.

RIMS II is widely used in both the public and private sector. In the public sector, for example, the Department of Defense uses RIMS II to estimate the regional impacts of military base closings. State transportation departments use RIMS II to estimate the regional impacts of airport construction and expansion. In the private-sector, analysts and consultants use RIMS II to estimate the regional impacts of a

variety of projects, such as the development of shopping malls and sports arenas.

### **RIMS II Methodology**

RIMS II uses BEA's 1997 annual I-O table for the nation, which shows the input and output structure for approximately 500 industries. Since a particular region may not contain all the industries found at the national level, some direct input requirements cannot be supplied by that region's industries. Input requirements that are not produced in a study region are identified using BEA's regional economic accounts. Currently, data for 1999 are used.

The RIMS II method for estimating regional I-O multipliers can be viewed as a three-step process. In the first step, the producer portion of the national I-O table is made region-specific by using four-digit SIC location quotients (LQ's). The LQ's estimate the extent to which input requirements are supplied by firms within the region. RIMS II uses LQ's based on two types of data: BEA's personal income data (by place of residence) are used to calculate LQ's in the service industries; and BEA's wage-and-salary data (by place of work) are used to calculate LQ's in the nonservice industries.

In the second step, the household row and the household column from the national I-O table are made region-specific. The household row coefficients, which are derived from the value-added row of the national I-O table, are adjusted to reflect regional earnings leakages resulting from individuals working in the region but residing outside the region. The household column coefficients, which are based on the personal consumption expenditure column of the national I-O table, are adjusted to account for regional consumption leakages stemming from personal taxes and savings.

In the last step, the Leontief inversion approach is used to estimate multipliers. This inversion approach produces output, earnings, and employment multipliers, which can be used to trace the impacts of changes in final demand on directly and indirectly affected industries.

### **Accuracy of RIMS II**

Empirical tests indicate that RIMS II yields multipliers that are not substantially different in magnitude from those generated by regional I-O models based on relatively expensive surveys. For example, a comparison of 224 industry-specific multipliers from survey-based tables for Texas, Washington, and West Virginia indicates that the RIMS II average multipliers overestimate the average multipliers from the survey-based tables by approximately 5 percent. For the majority of individual industry-specific multipliers, the difference between RIMS II and survey-based multipliers is less than 10 percent. In addition, RIMS II and survey multipliers show statistically similar distributions of affected industries.

### **Advantages of RIMS II**

There are numerous advantages to using RIMS II. First, the accessibility of the main data sources makes it possible to estimate regional multipliers without conducting relatively expensive surveys. Second, the level of industrial detail used in RIMS II helps avoid aggregation errors, which often occur when industries are combined. Third, RIMS II multipliers can be compared across areas because they are based on a consistent set of estimating procedures nationwide. Fourth, RIMS II multipliers are updated to reflect the most recent local-area wage-and-salary and personal income data.

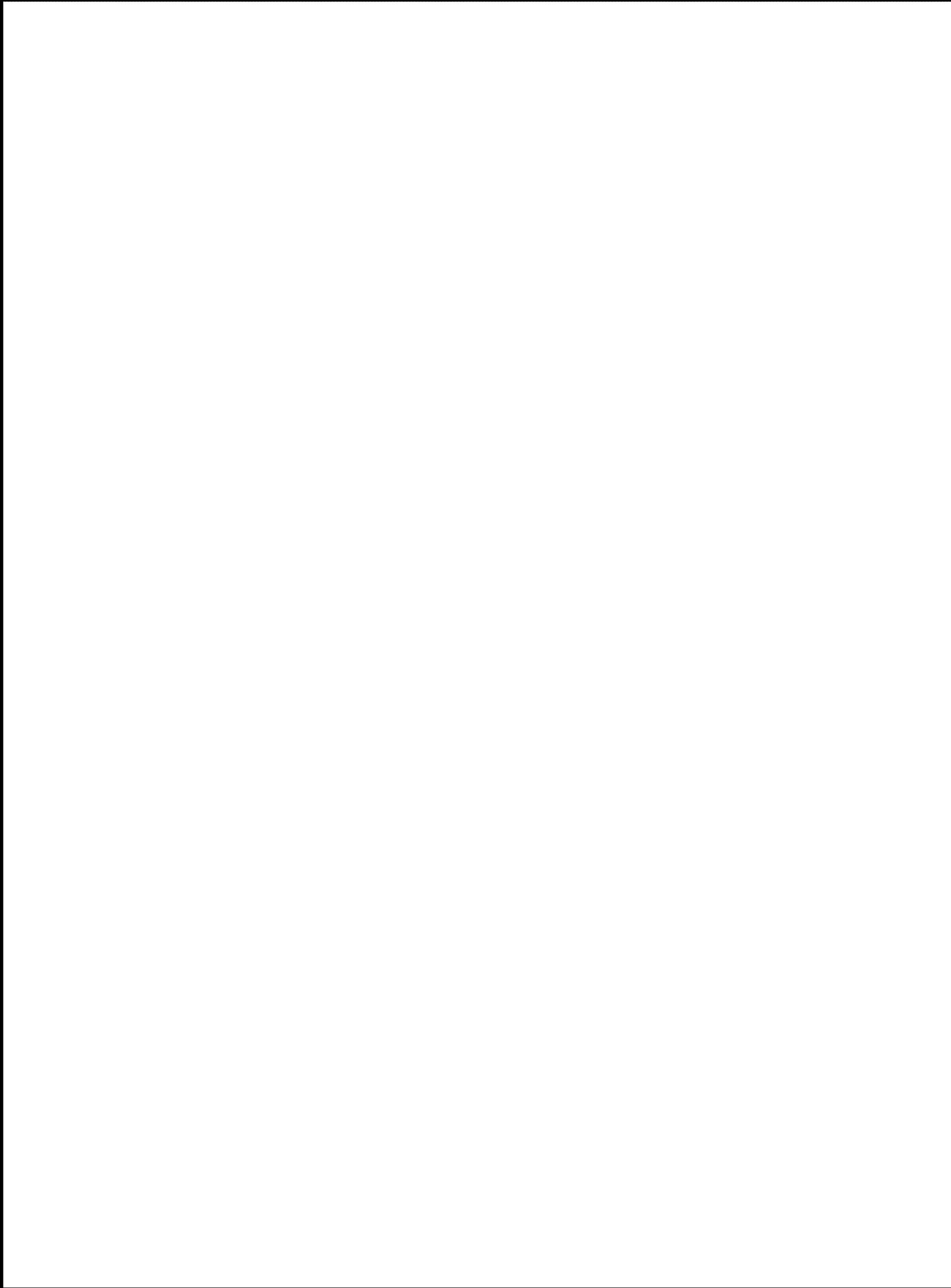
### **Applications of RIMS II**

RIMS II multipliers can be used in a wide variety of impact studies. For example, the U.S. Nuclear Regulatory Commission has used RIMS II multipliers in environmental impact statements required for licensing nuclear electricity-generating facilities. The U.S. Department of Housing and Urban Development

has used RIMS II multipliers to estimate the impacts of various types of urban redevelopment expenditures. In addition, BEA has provided RIMS II multipliers to numerous individuals and groups outside the Federal Government. RIMS II multipliers have been used to estimate the regional economic and industrial impacts of the following: opening or closing military bases, hypothetical nuclear reactor accidents, tourist expenditures, new energy facilities, energy conservation, offshore drilling, opening or closing manufacturing plants, shopping malls, new sports stadiums, and new airport or port facilities.

1. See Daniel H. Garnick, "Differential Regional Multiplier Models," *Journal of Regional Science* 10 (February 1970): 35-47; and Ronald L. Drake, "A Short-Cut to Estimates of Regional Input-Output Multipliers," *International Regional Science Review* 1 (Fall 1976): 1-17.
  2. See U.S. Department of Commerce, Bureau of Economic Analysis, *Regional Input-Output Modeling System (RIMS II): Estimation, Evaluation, and Application of a Disaggregated Regional Impact Model* (Washington, DC: U.S. Government Printing Office, 1981). Available from the National Technical Information Service, 5285 Port Royal Road, Springfield, VA 22161; order no. PB-82-168-865; price \$26.
  3. See U.S. Department of Commerce, Bureau of Economic Analysis, *The Detailed Input-Output Structure of the U.S. Economy, Volume II* (Washington, DC: U.S. Government Printing Office, November 1994); and U.S. Department of Commerce, Bureau of Economic Analysis, *State Personal Income, 1929-93* (Washington, DC: U.S. Government Printing Office, June 1995).
  4. See U.S. Department of Commerce, *Regional Input-Output Modeling System (RIMS II)*, chapter 5. Also see Sharon M. Brucker, Steven E. Hastings, and William R. Latham III, "The Variation of Estimated Impacts from Five Regional Input-Output Models," *International Regional Science Review* 13 (1990): 119-39.
- 

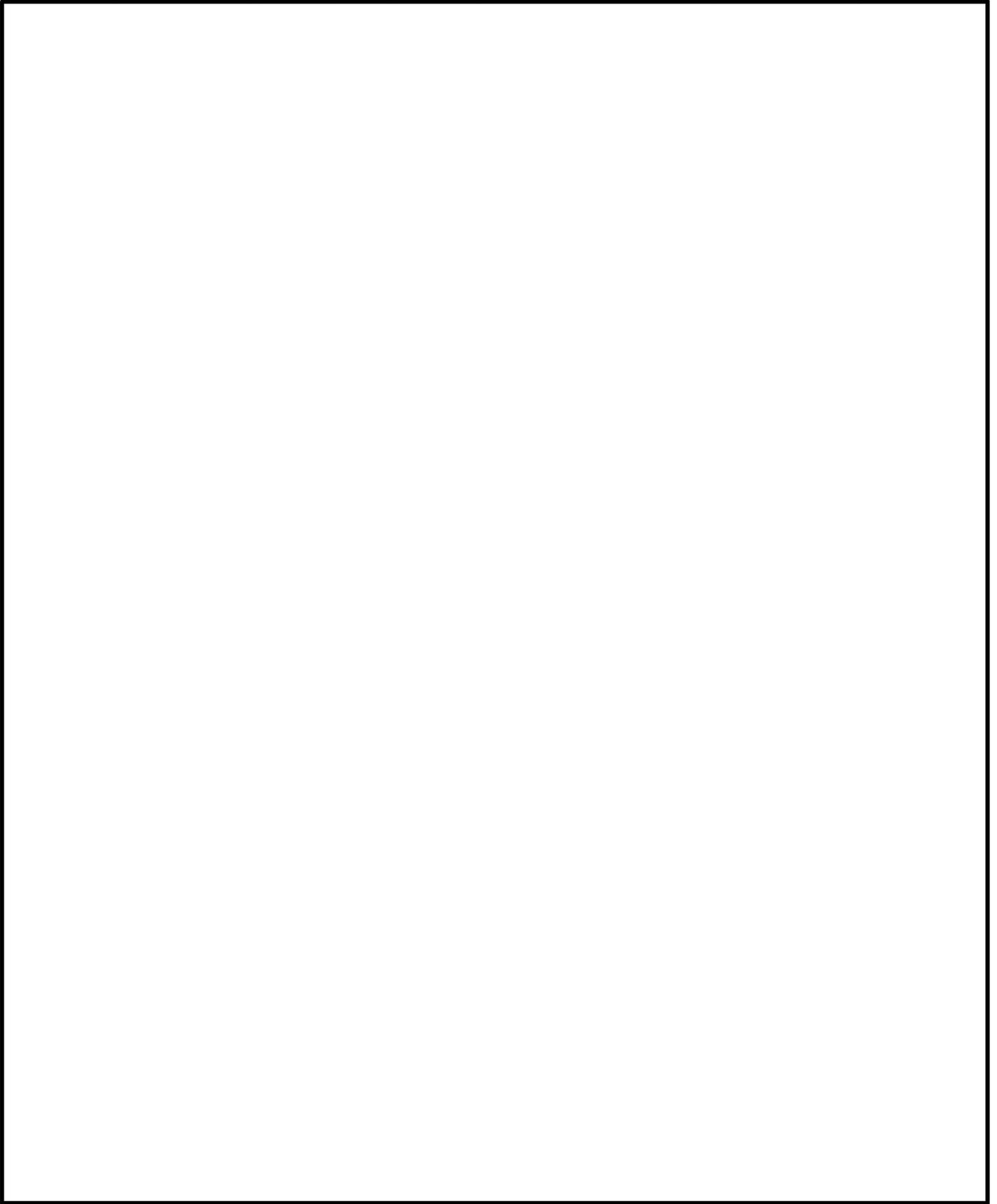
[Return to RIMS II outline, other regional products, or BEA's home page.](#)



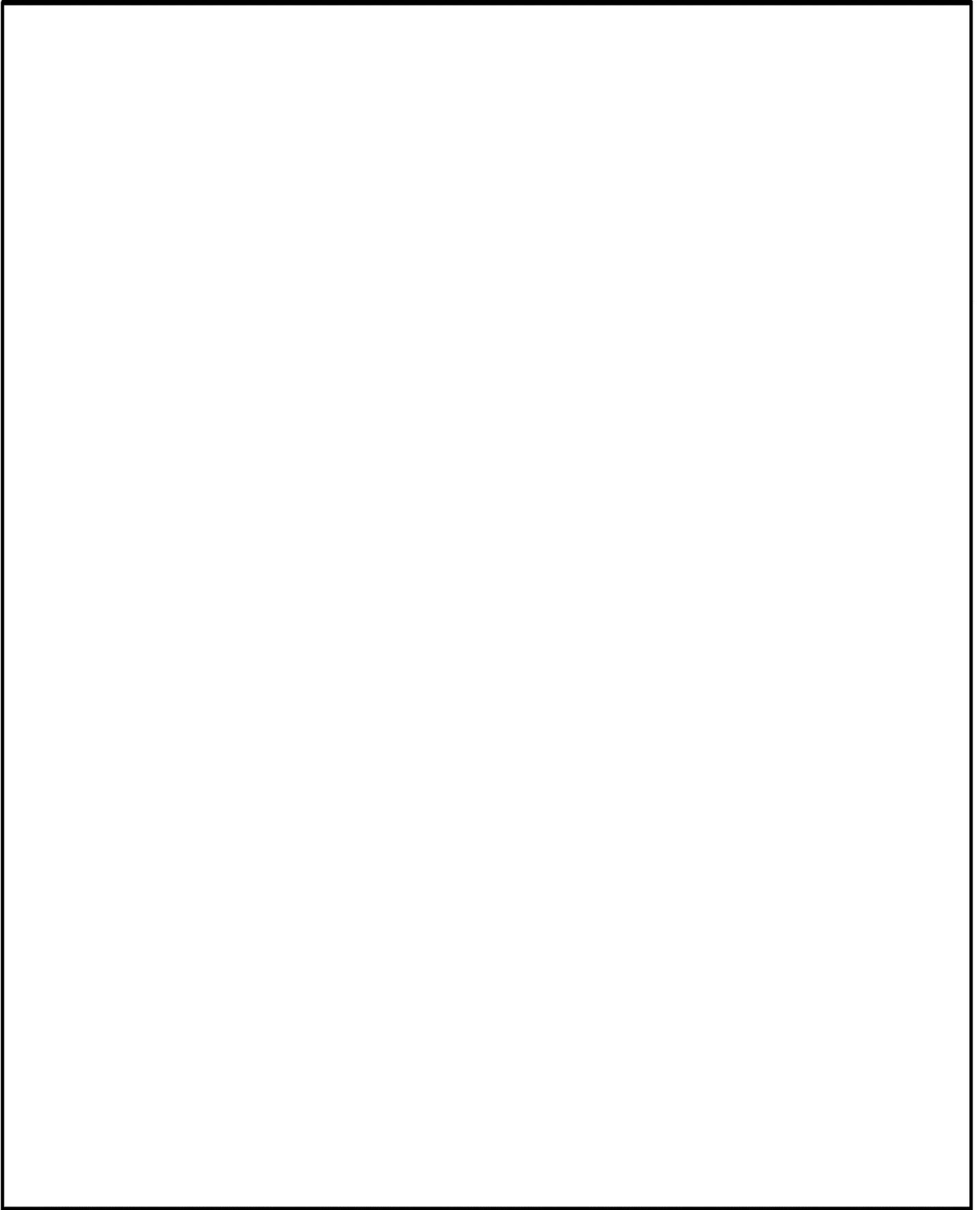


(b)(4)

## Projected Income Statement

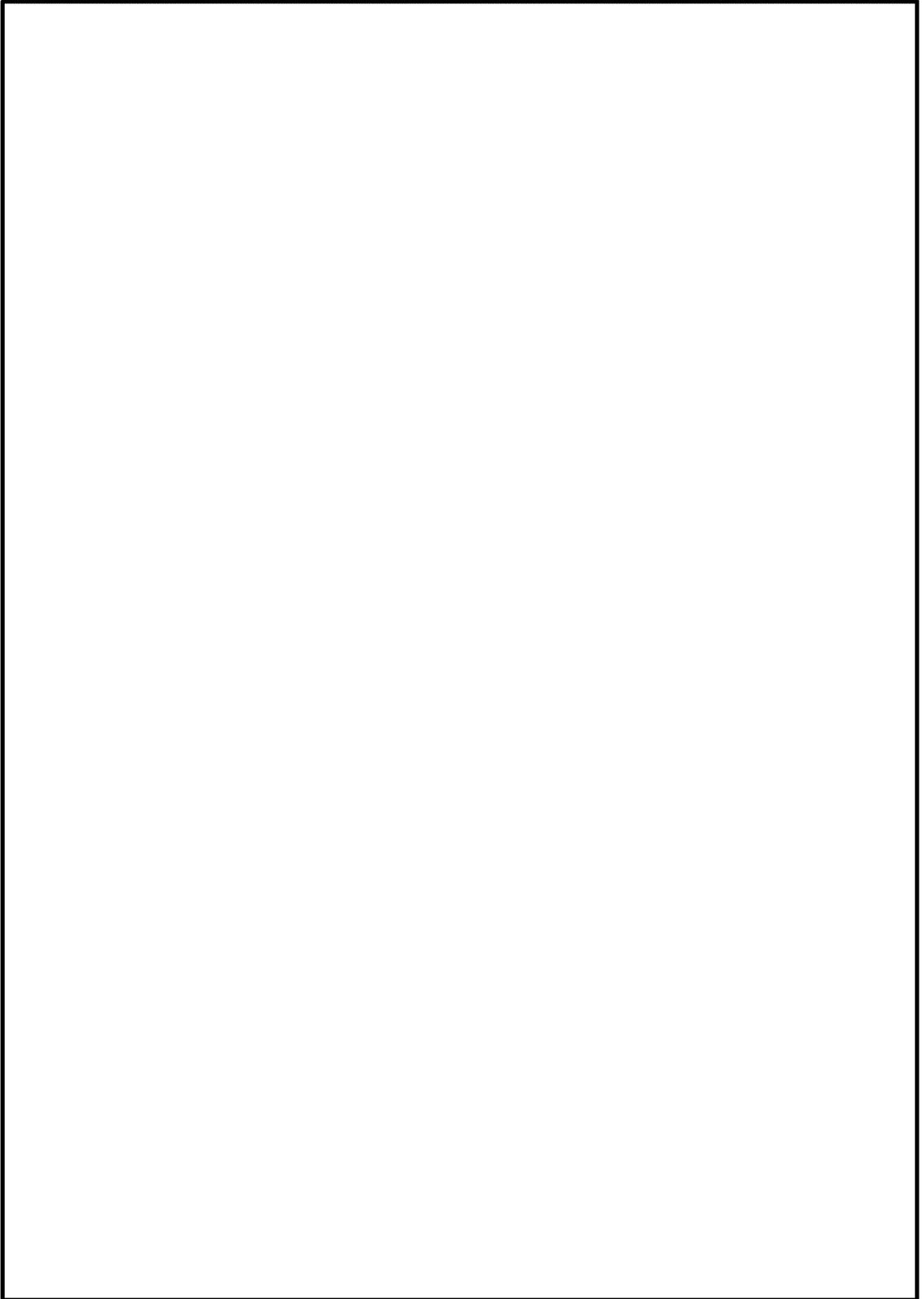
A large, empty rectangular box with a black border, occupying most of the page. This box represents a redacted projected income statement, as indicated by the (b)(4) label and the section header above it.

(b)(4)



(b)(4)

Organizational Chart and Responsibilities of a 300 cow



**MEMORANDUM OF UNDERSTANDING**

AGREEMENT, made this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ by and between the South Dakota International Business Institute(SDIBI), a South Dakota State Agency, and \_\_\_\_\_, hereinafter referred to as "investor".

WHEREAS, the SDIBI is interested to create jobs and promote economic growth through dairy development in the South Dakota counties of Brookings, Clark, Codington, Deuel, Grant, Hamlin, Kingsbury, Lake, McCook, Miner, Moody and Roberts also know as the Dairy Economic Development Region (DEDR), and

WHEREAS, the SDIBI has secured a Bureau of Citizenship and Immigration Services-designated Regional Center for the DEDR through compliance with the Immigration and Nationality Act Section 203(b)(5) surrounding EB-5 immigration, and

WHEREAS, the SDIBI is adamant to preserve this designation and desires to assure that business is conducted in a legal, ethical manner with qualified investors in accordance with section 203(b)(5) of the Immigration Act of 1990, and

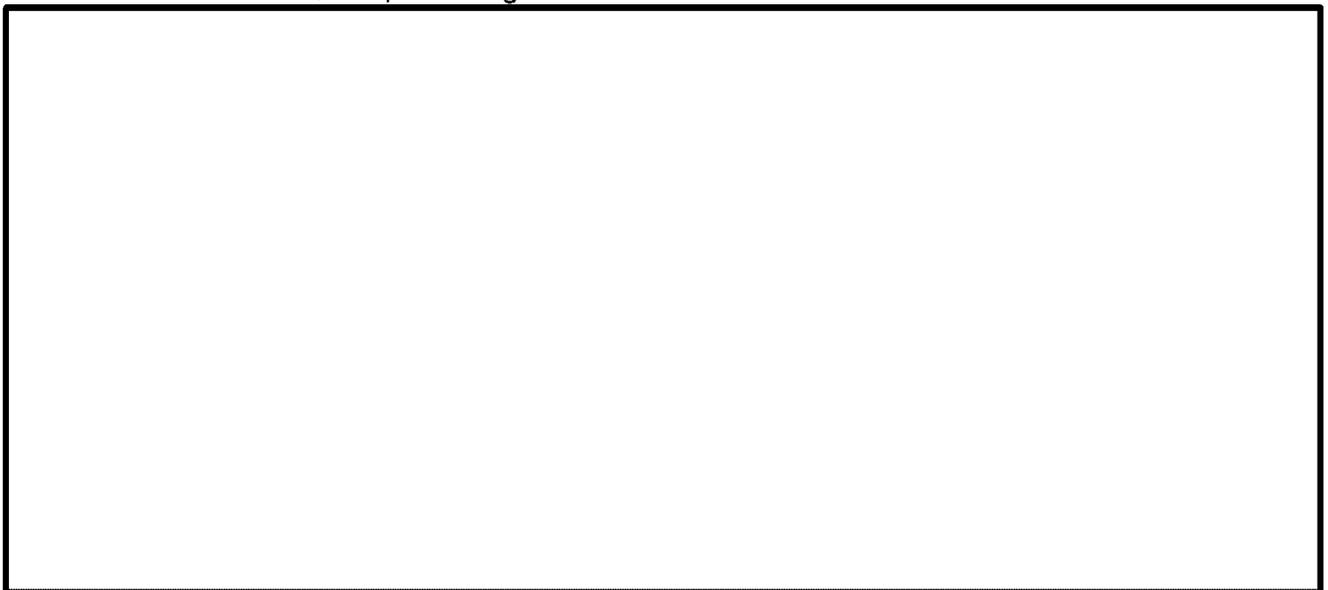
WHEREAS, the investor intends to invest in a dairy operation within the DEDR in accordance section 203(b)(5) of the Immigration Act of 1990, and

WHEREAS, the investor understands that the minimum amount of capital necessary to make a qualifying investment in the DEDR is five hundred thousand United States dollars (\$500,000), and

WHEREAS, the investor understands that not fewer than ten full-time positions, either directly or indirectly, and in accordance to section 203(b)(5) of the Immigration Act of 1990 needs to be created by the investment,

THEREFORE, the parties agree as follows:

(b)(4)



(b)(4)



**Term of Agreement.** The term of the Agreement shall commence on the date of execution of this Agreement and shall continue for a period of one year, unless earlier terminated by mutual consent in writing, by the parties.

**Applicable law.** This agreement shall be governed by and interpreted in accordance with the South Dakota codified law.

This agreement shall insure to the benefit of, and be binding upon the parties, their successors and assigns.

IN WITNESS WHEREOF: SDIBI and the investor have caused this agreement to be duly executed the date first written.

SDIBI,

\_\_\_\_\_  
(Official with Delegated Authority)      (Name)      (Date)

Investor,

\_\_\_\_\_  
(Name)      (Date)

# Larson Construction

515 East 12<sup>th</sup> Avenue  
Webster, South Dakota 57274  
605-345-3244  
Cell 605-881-4095

May 21, 2003

Joop Bolen

(b)(4)



Larson Construction

*Roland Larson*  
Roland Larson

*South Dakota*

A Dairy Industry  
Support Study

March 2003

**Great Faces.**

**Great Places.**

**Great Profits.**

*South Dakota*

**A Dairy Industry  
Support Study**

**Produced by:**

**The South Dakota International Business Institute  
1200 South Jay Street  
Aberdeen, SD 57401  
1-605-626-3149**

# TABLE OF CONTENTS

I.	Introduction.....	1
	Letter from Commissioner Chris Braendlin.....	2
II.	South Dakota’s Business Climate.....	3
	Headlines.....	4
	Tax.....	5
III.	A Manufacturing Comparison.....	6
	Industry Overview.....	7
	Economic Performance.....	8
	Employment Growth.....	8
	Facility Growth.....	9
	Capital Investment.....	10
	Gross State Product.....	11
	Labor Force.....	12
	Demographics.....	12
	Education.....	13
	Supply.....	15
	Industry Breakout.....	16
	Transportation.....	17
	Railroads.....	18
	Highways.....	19
	Operating Costs/Bottom Line.....	20
	Model Manufacturing Plant.....	21
	Payroll Expenses.....	22
	Workers Compensation.....	23
	Unemployment Insurance.....	24
	Total.....	26
	Corporate Income Tax.....	27
	Utility Expenses.....	28
	Electricity.....	29
	Natural Gas.....	30
	Bottom Line.....	32
	Savings.....	33
IV.	South Dakota’s Dairy Climate.....	34
	Letter from Secretary Larry Gabriel.....	35
	The Ideal Dairy Climate.....	36
	Number One Dairy Climate, Number One Business Climate.....	37
	South Dakota’s Rank in United States Agriculture.....	38
	Processing By-Product Corn & Soybeans.....	39
	Milk Processing Plants & Receiving Stations.....	40
	South Dakota Dairy Cows.....	41
	South Dakota Dairy Farms.....	42
V.	South Dakota’s Dairy Cow Needs.....	43
	Short-Term Cow Shortage.....	44
	South Dakota Forecasted Dairy Cow Numbers and Production.....	45
VI.	South Dakota’s Dairy Successes.....	46
	South Dakota’s Successes.....	47
VII.	South Dakota Invitation.....	48
	Summarization and an Invitation from the State of South Dakota.....	49

# Introduction

---

South Dakota recently announced the largest dairy production expansion project to happen in the Midwest in decades. Now we are in need of 65,000 additional cows to supply milk for our new state-of-the-art mozzarella cheese plant and the continued expansion of our existing processors. Our current milk deficit situation fuels growth opportunities for our dairy industry.

South Dakota is poised for explosive growth in its dairy industry. Our strong demand for milk, competitive milk prices, low feed prices, low operational costs, sensible regulations, and attractive business and political climate make South Dakota an excellent choice for businesses looking to relocate or expand.

The State of South Dakota has implemented an aggressive campaign to increase our cow numbers in the “I-29 corridor”, the eastern portion of our state. With the increase in dairy production underway, South Dakota is now in the position to build on industries that support milk production. And, the State of South Dakota is available to foster relationships and facilitate your needs and as you explore business opportunities.

We invite you to review this booklet to learn more about our state and the activity that has taken place to enhance our dairy industry. It will also allow you to better understand the many benefits South Dakota can provide your businesses. We also encourage you to visit our website to obtain additional information – <http://www.sdgreatprofits.com>

  
GOVERNOR'S OFFICE OF  
ECONOMIC DEVELOPMENT

711 East  
Wells Ave.  
Pierre,  
South Dakota  
57501-3369

605-773-5032

800-872-6190

Fax:  
605-773-3256

Internet:  
goedinfo@  
goed.state.sd.us

www.  
sdgreatprofits.com

Dear Dairy Industry Member:

South Dakota's dairy industry is growing. In fact, we need to double our dairy cow numbers to meet the increased milk demand of our processors. This expansion provides abundant opportunities for businesses interested in providing infrastructure to support our expanding dairy sector.

Agriculture continues to be the largest component of our state's economy. And our governor, Bill Janklow, has built upon that through a renewed focus to value-added ag opportunities that will utilize the quality grain and livestock commodities we produce. The Governor's efforts have resulted in considerable development of both new and expanded ag business, including the largest Midwest dairy production expansion in decades. A new cheese plant that will process nearly 2 billion pounds of milk a year is currently being built in South Dakota.

Our business climate is number one in the nation. Governor Janklow's philosophy is that when you make a profit, you should keep it. South Dakota companies pay *no corporate income tax, no personal income tax, no personal property tax, no inventory tax, and no inheritance tax*. Our businesses get a workforce that is ready and willing to help. Our companies also benefit from a favorable regulatory climate and a central location with excellent transportation facilities providing the opportunity to grow markets across the nation.

The expansion of our agricultural sector makes this is a great time to explore ag business opportunities in South Dakota! We invite you to discover how South Dakota's business climate and ag commodities may improve your company's profitability and expansion goals. I encourage you to visit our website at <http://www.sdgreatprofits.com> to find out more. Please contact our office if you have questions or if you would like additional information.

Best regards,



Chris Braendlin  
Commissioner



# **South Dakota's Business Climate**

*An attractive business climate is crucial to the bottom line of any business*

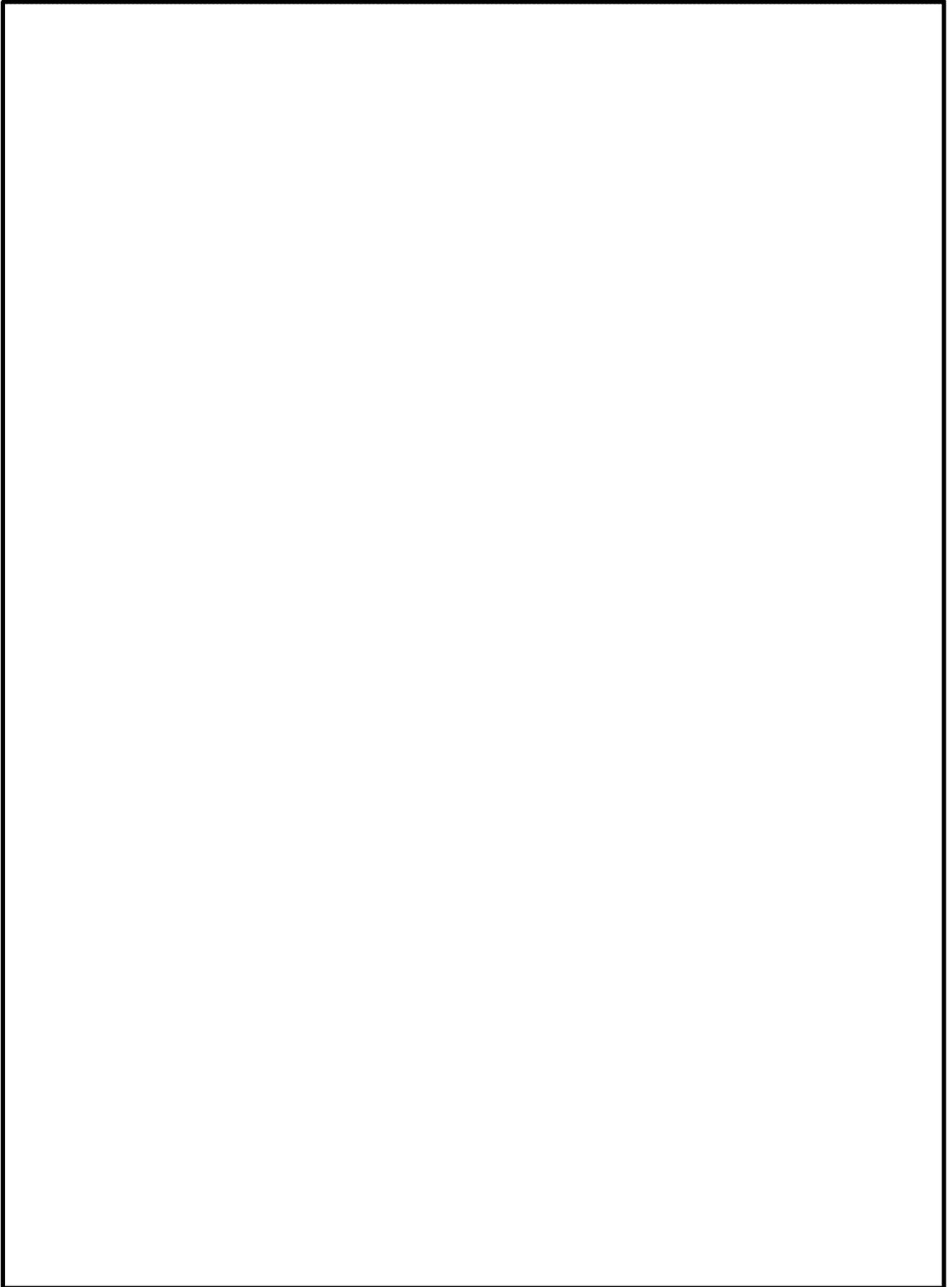
---

# A Manufacturing Comparison

*Cost of operation comparison between South Dakota  
and other states*

**Industry Overview**

(b)(4)



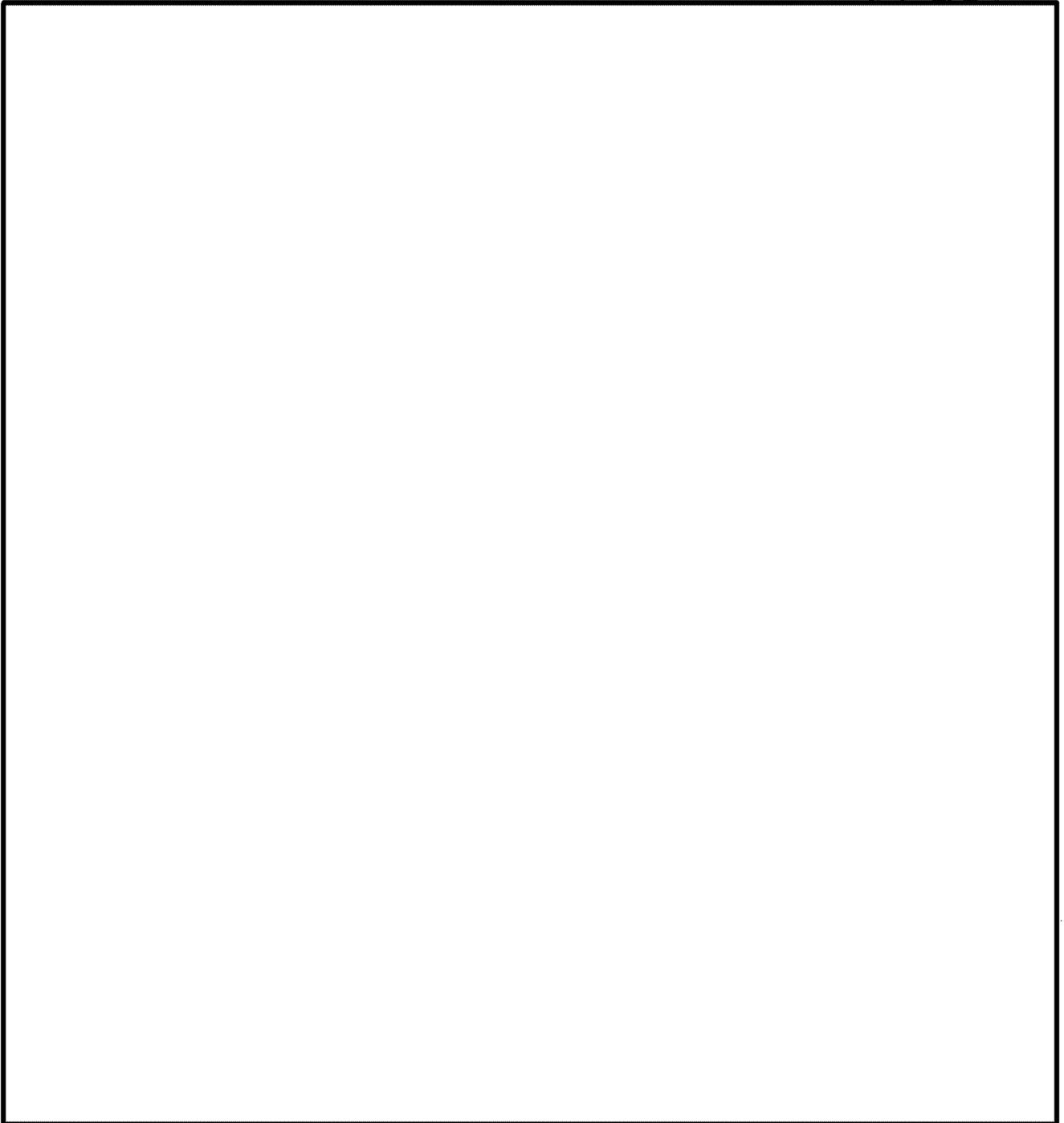
(b)(4)

**Economic Performance – Employment Growth**



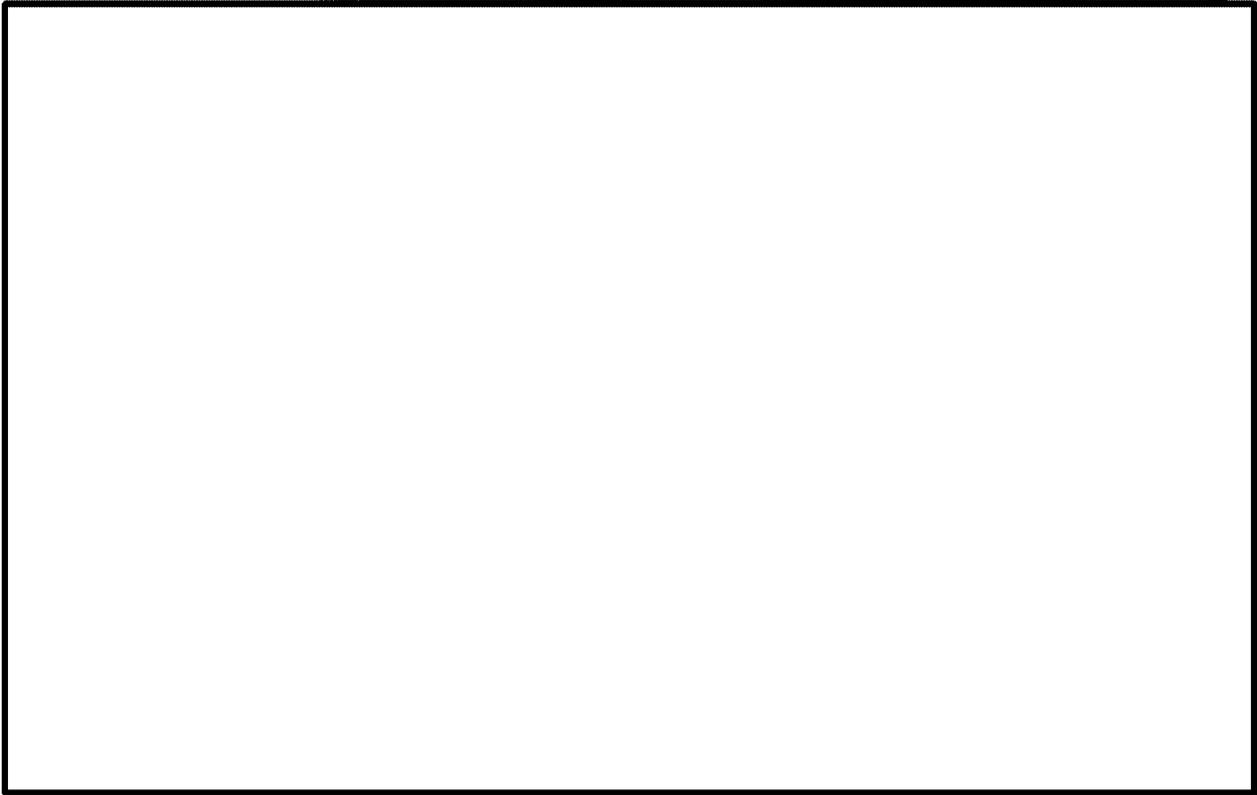
**Economic Performance – Facility Growth**

(b)(4)



## Economic Performance – Capital Investment

(b)(4)



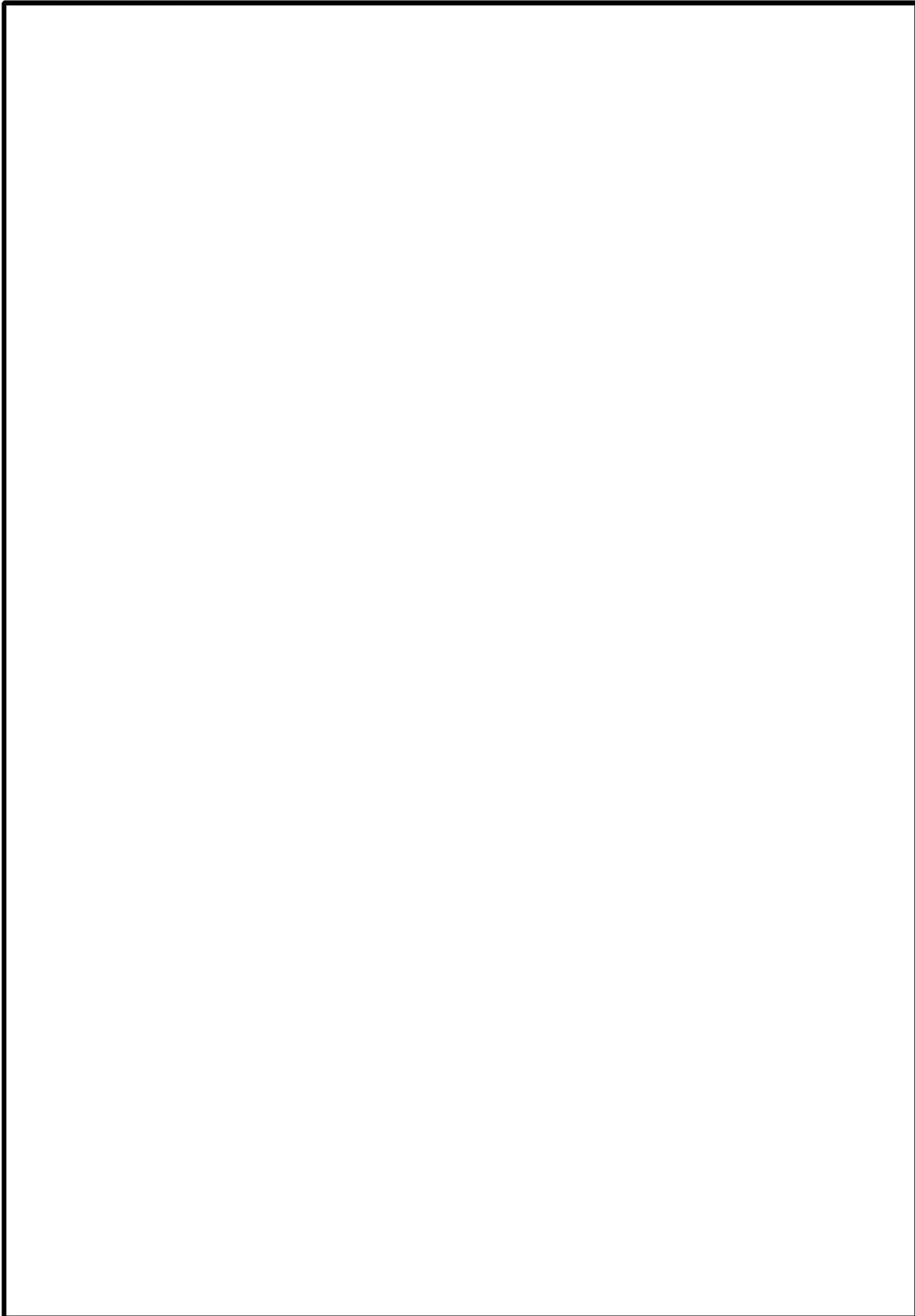
(b)(4)

**Economic Performance – Gross State Product**



**Labor Force – Demographics**

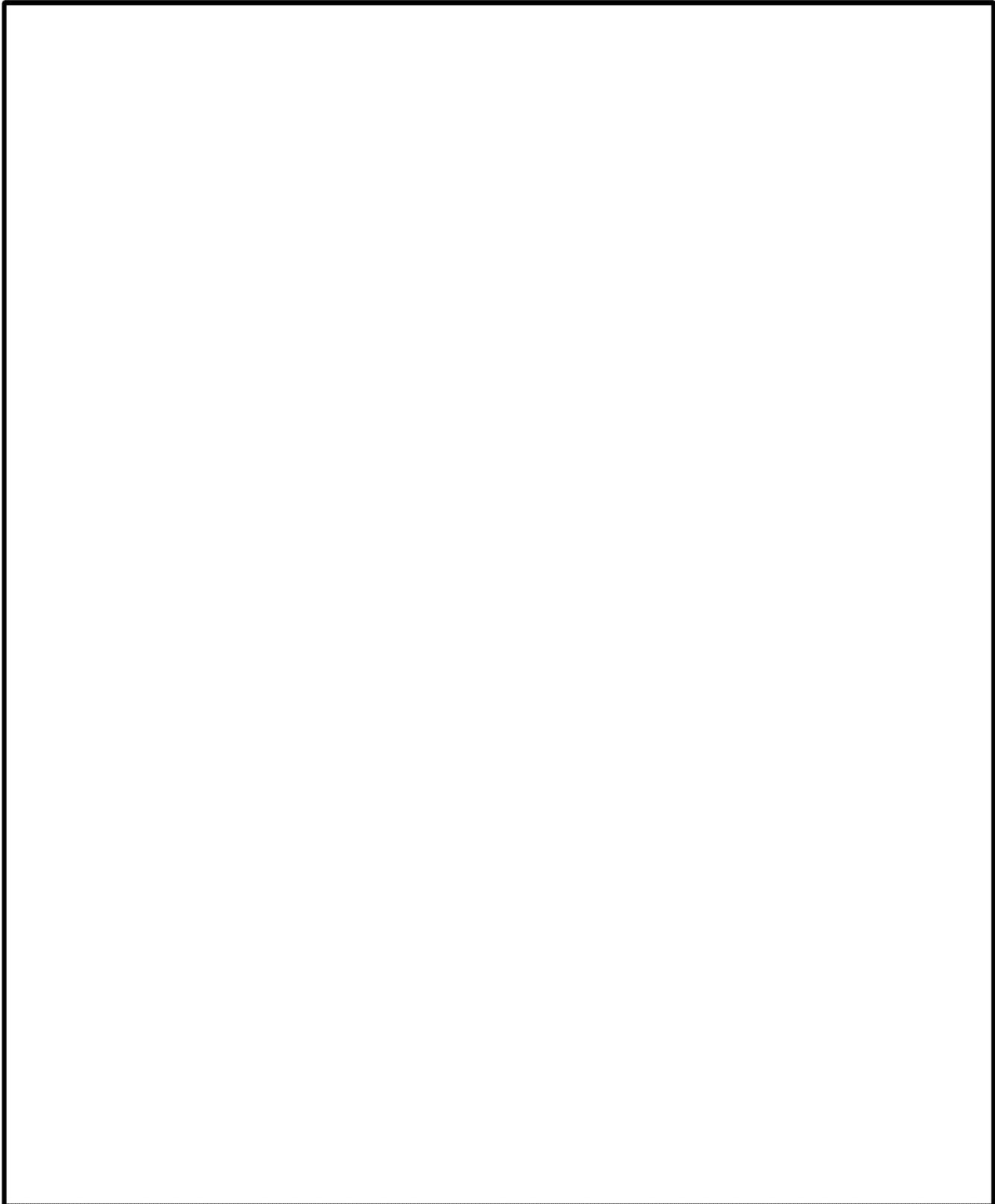
(b)(4)



**Labor Force – Education**

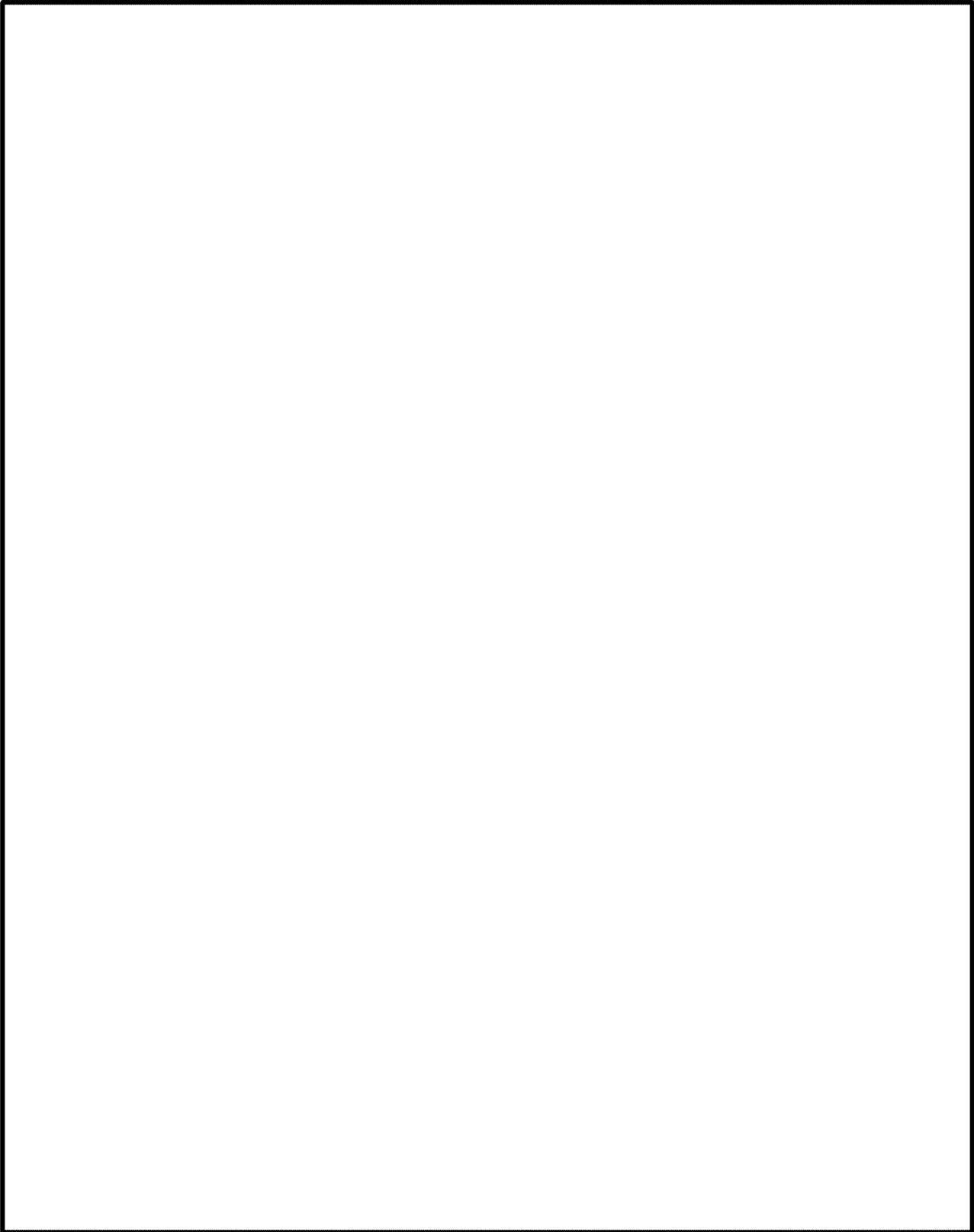
---

(b)(4)



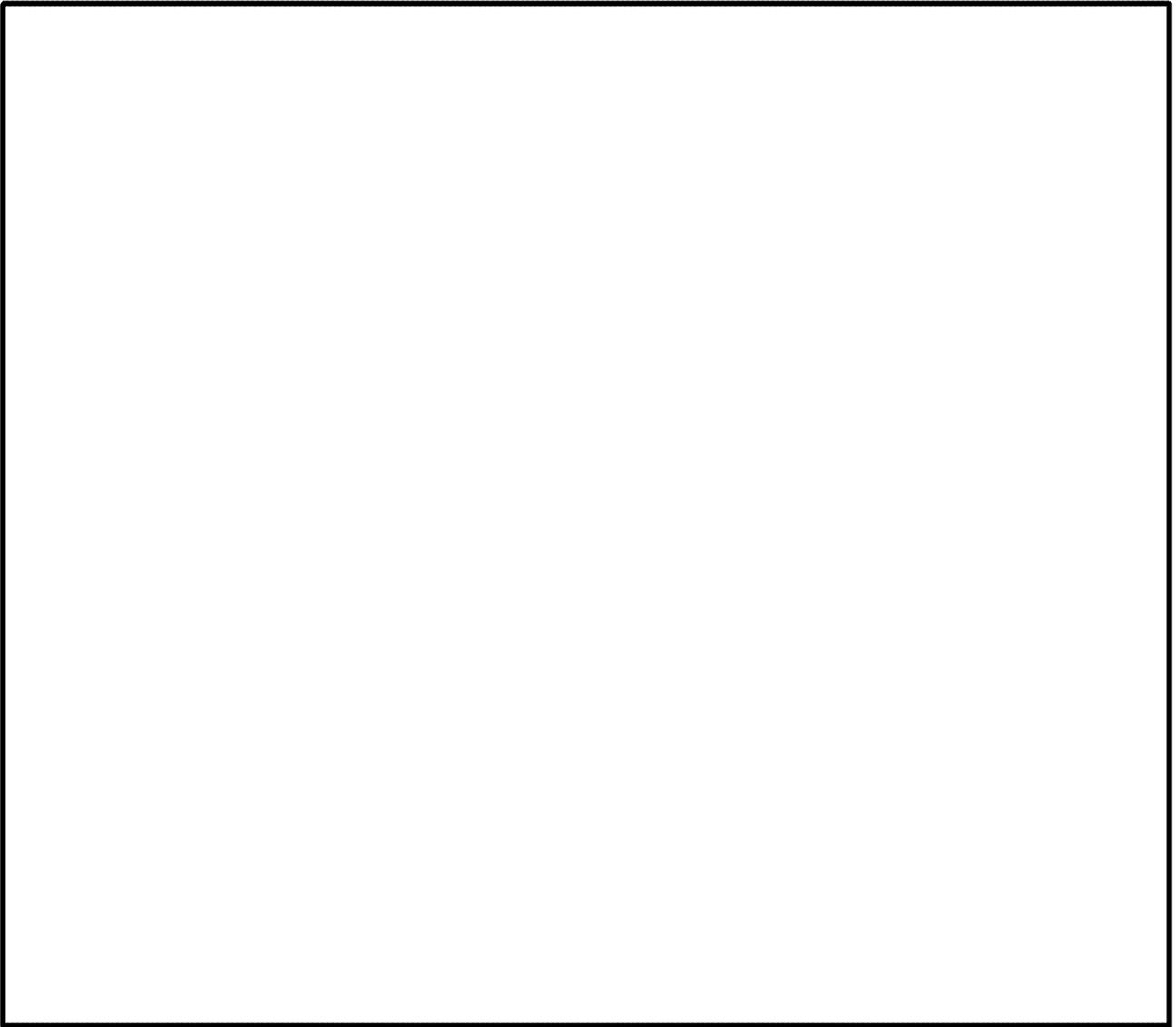
**Labor Force – Education (cont.)**

(b)(4)



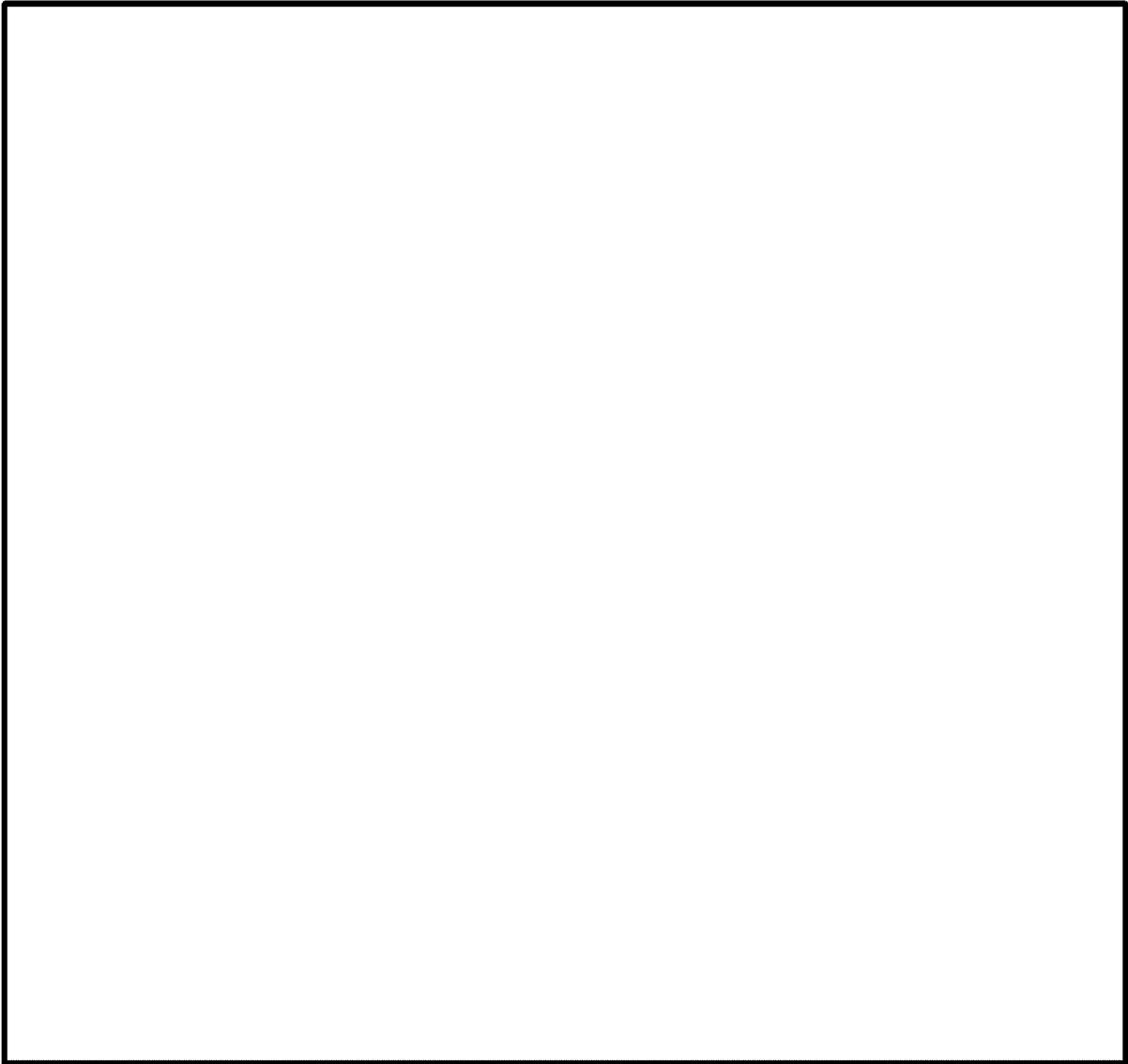
**Labor Force – Supply**

(b)(4)



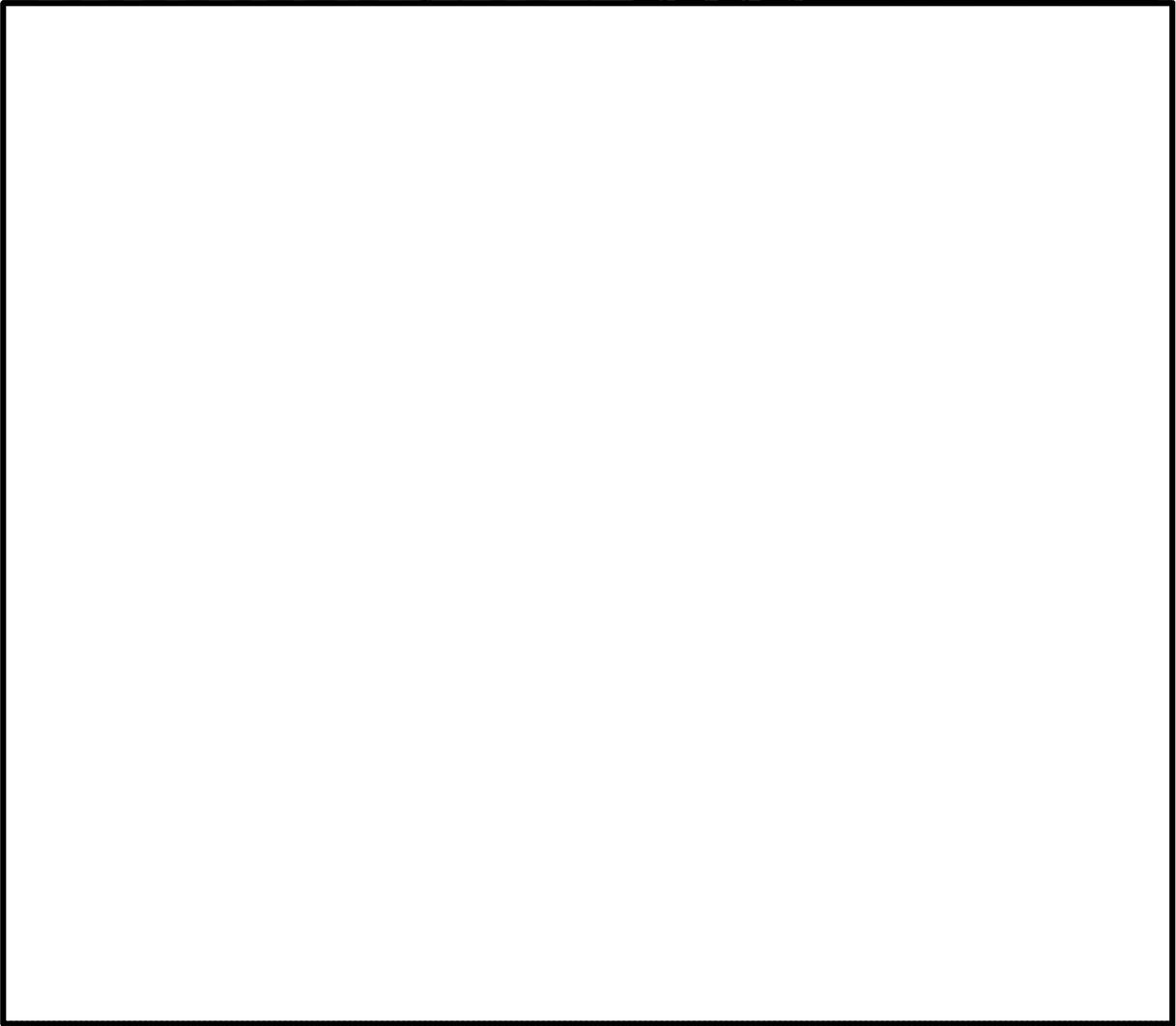
**Labor Force – Industry Breakout**

(b)(4)



## Transportation

(b)(4)



**Transportation – Railroads**

---

(b)(4)



**Transportation – Highways**

---

(b)(4)



**Operating Costs/Bottom Line**

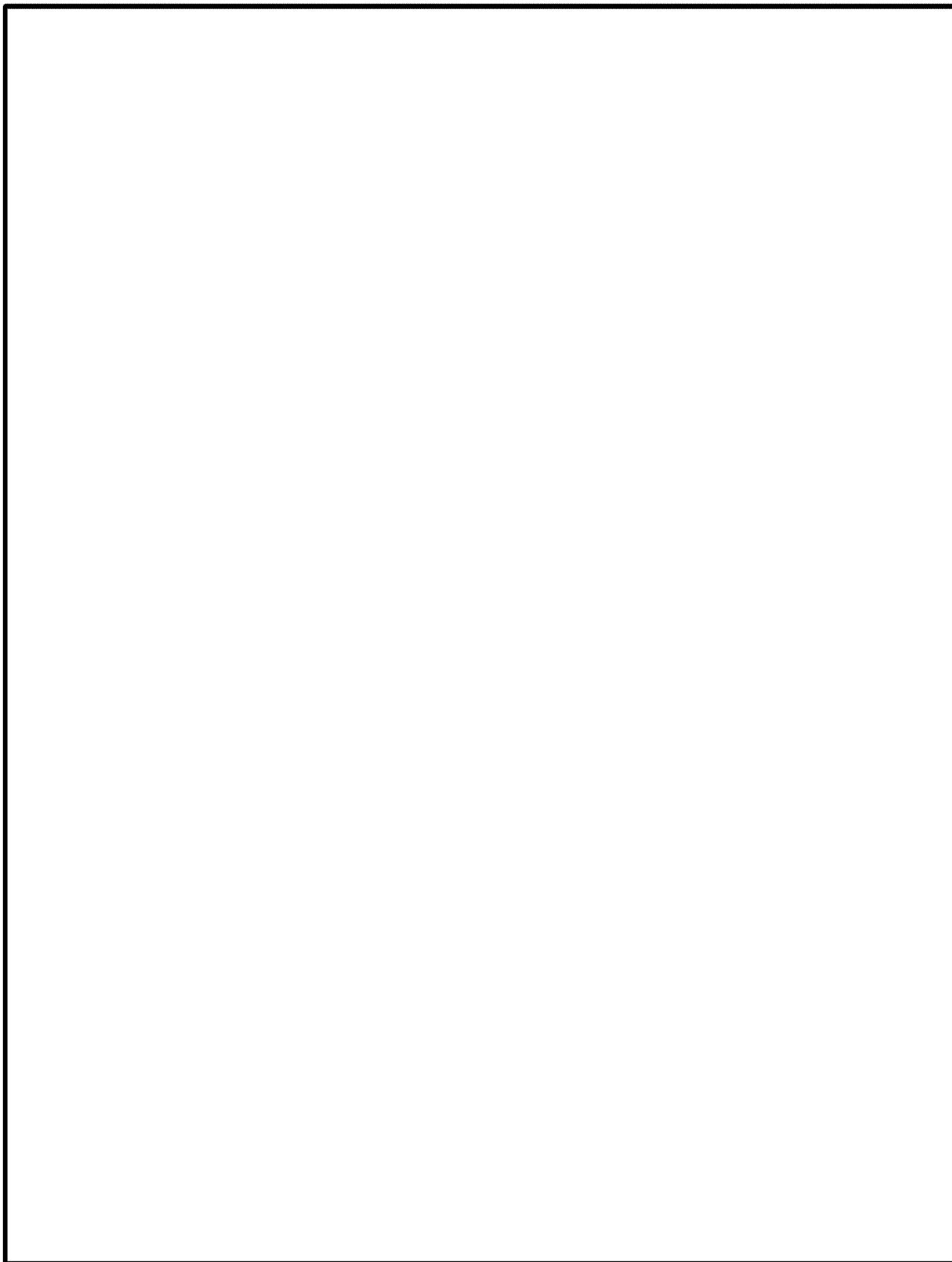
(b)(4)



**Model Manufacturing Plant**

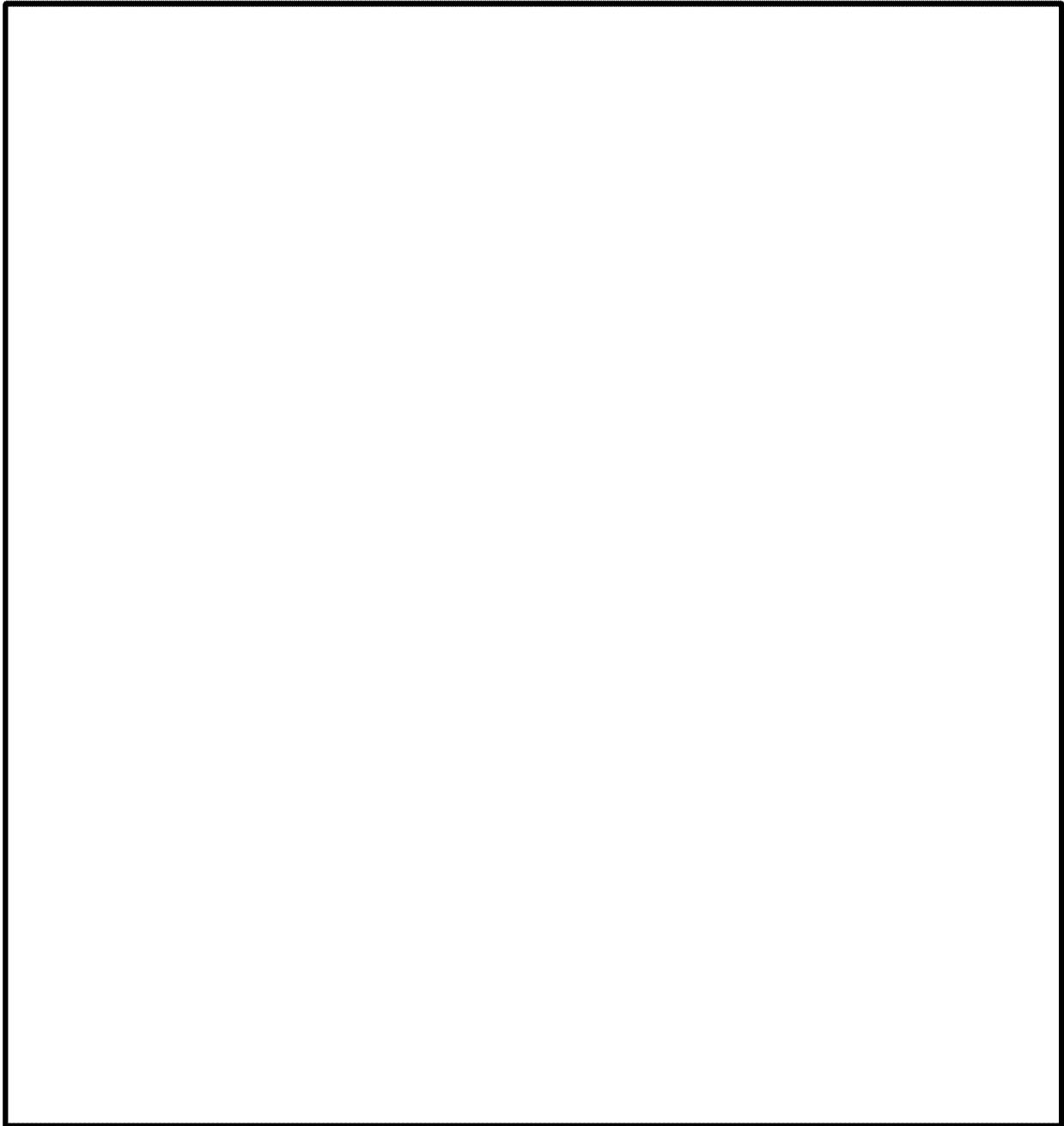
---

(b)(4)



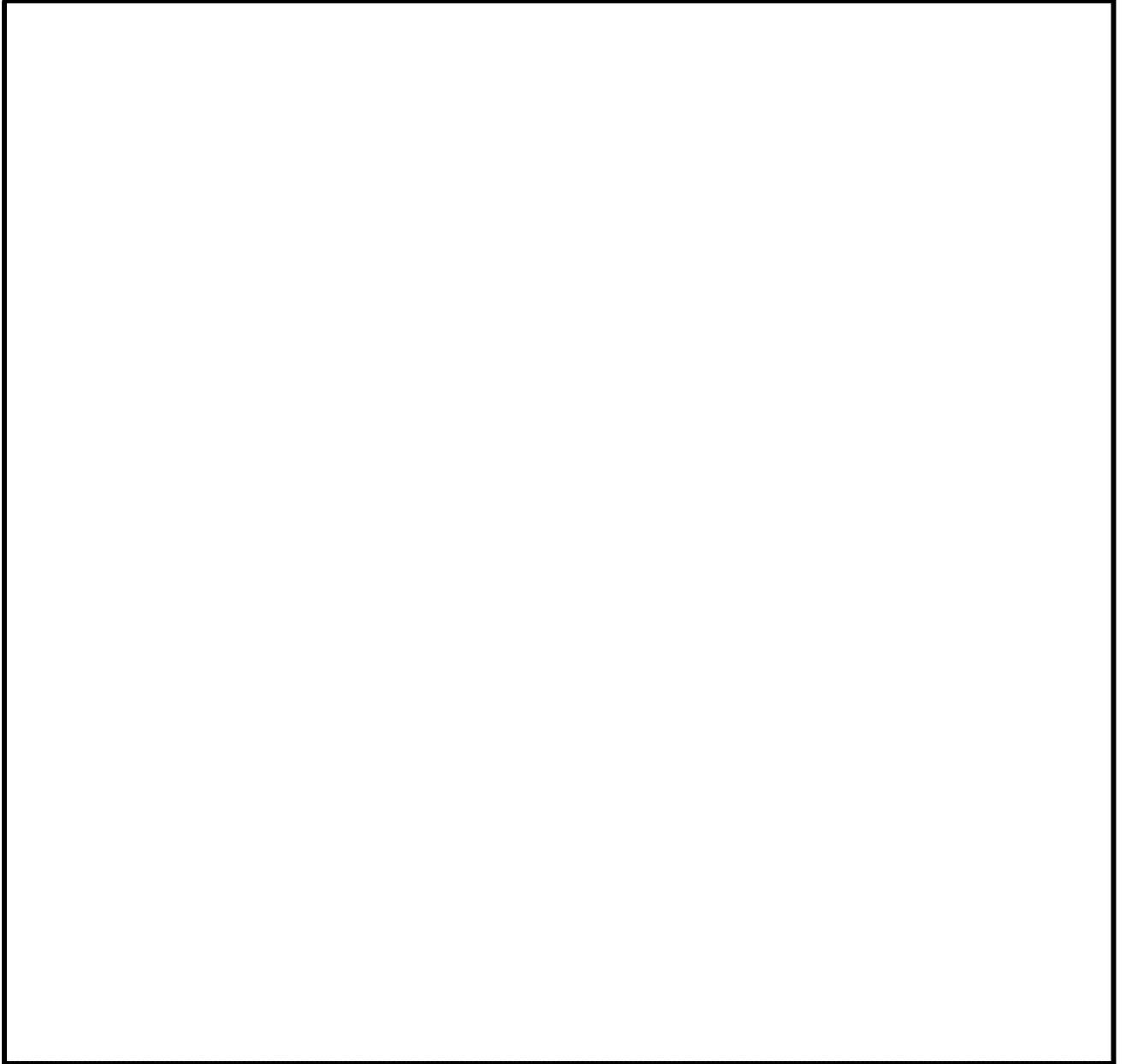
## **Payroll Expenses**

(b)(4)



(b)(4)

**Payroll Expenses – Workers Compensation**



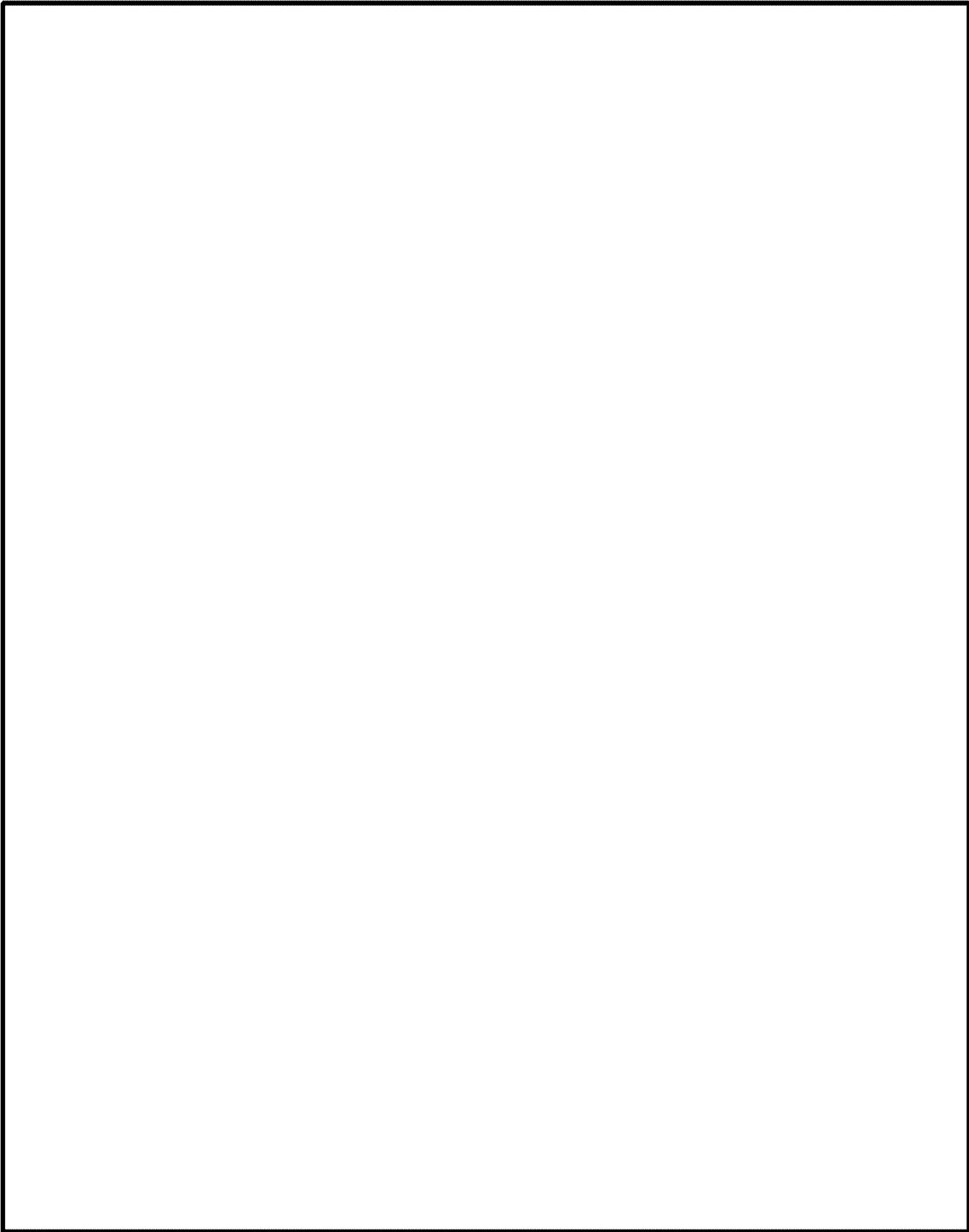
(b)(4)

**Payroll Expenses – Unemployment Insurance**



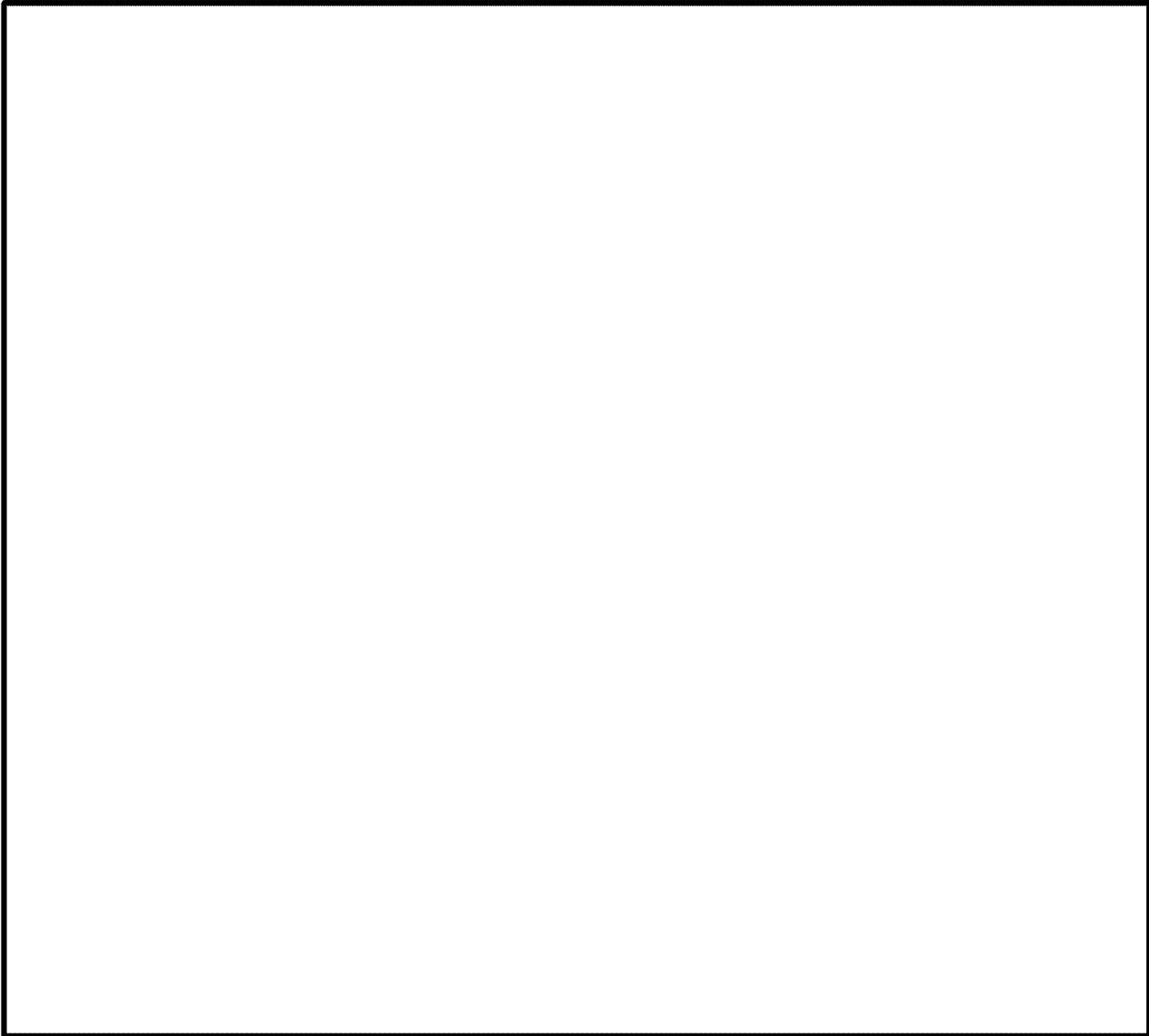
**Payroll Expenses**

(b)(4)

A large empty rectangular box with a black border, representing a redacted table. The box is positioned below the section header and to the right of the redaction code. It occupies most of the page's vertical space.

**Payroll Expenses – Total**

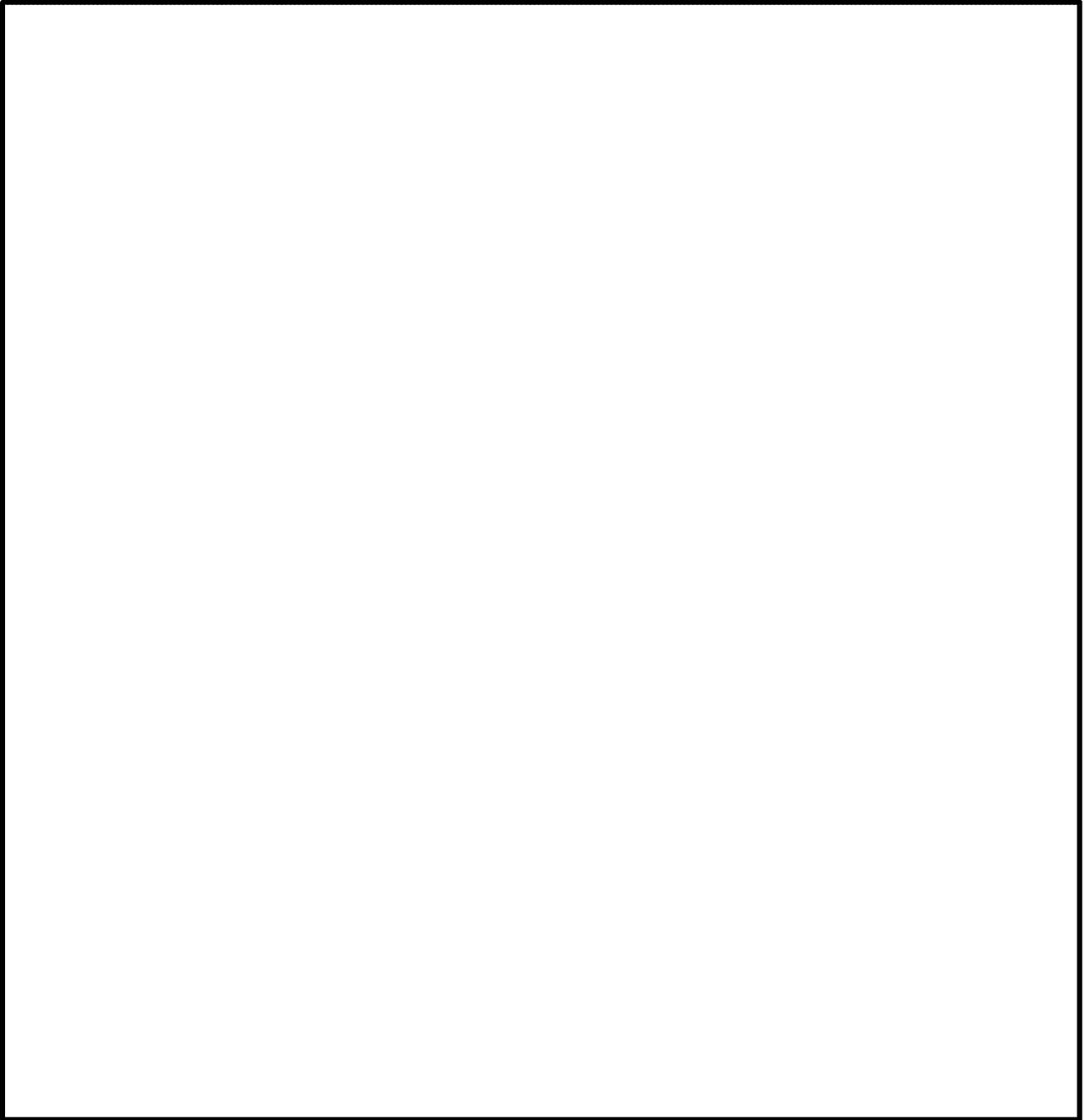
(b)(4)



**Corporate Income Tax**

---

(b)(4)



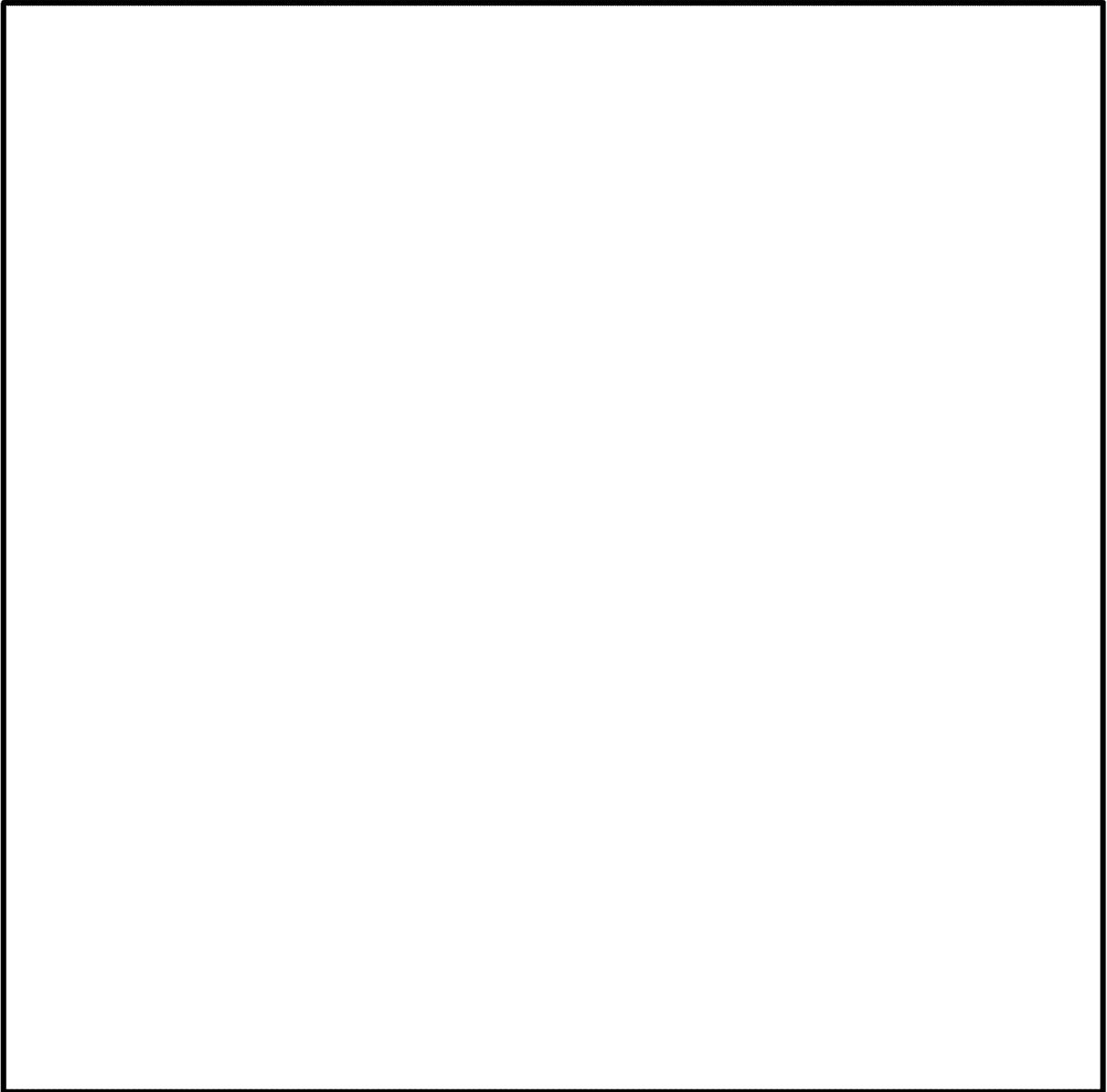
(b)(4)

**Utility Expenses**



**Utility Expenses – Electricity**

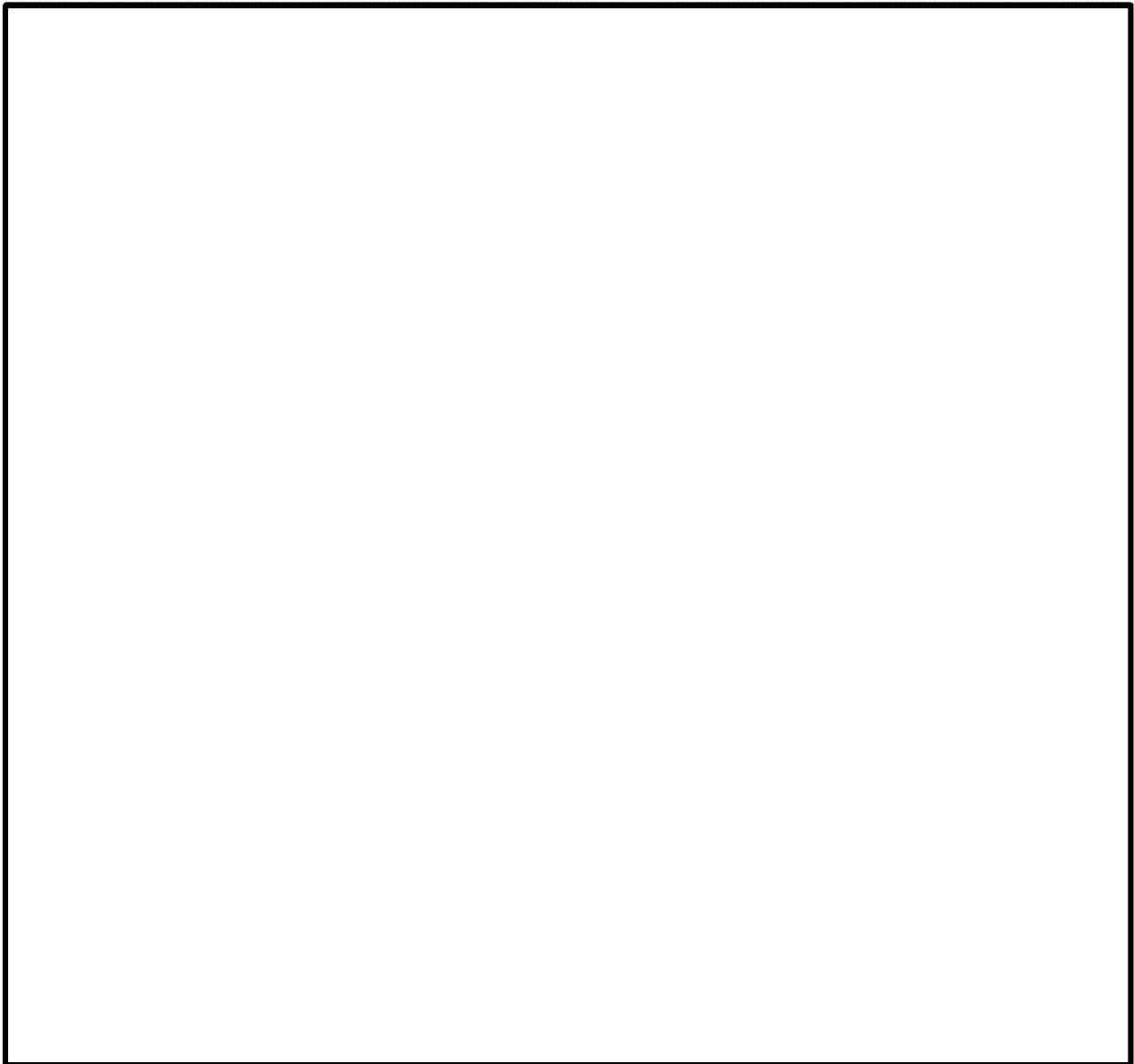
(b)(4)



**Utility Expenses – Natural Gas**

---

(b)(4)



(b)(4)

**Utility Expenses**

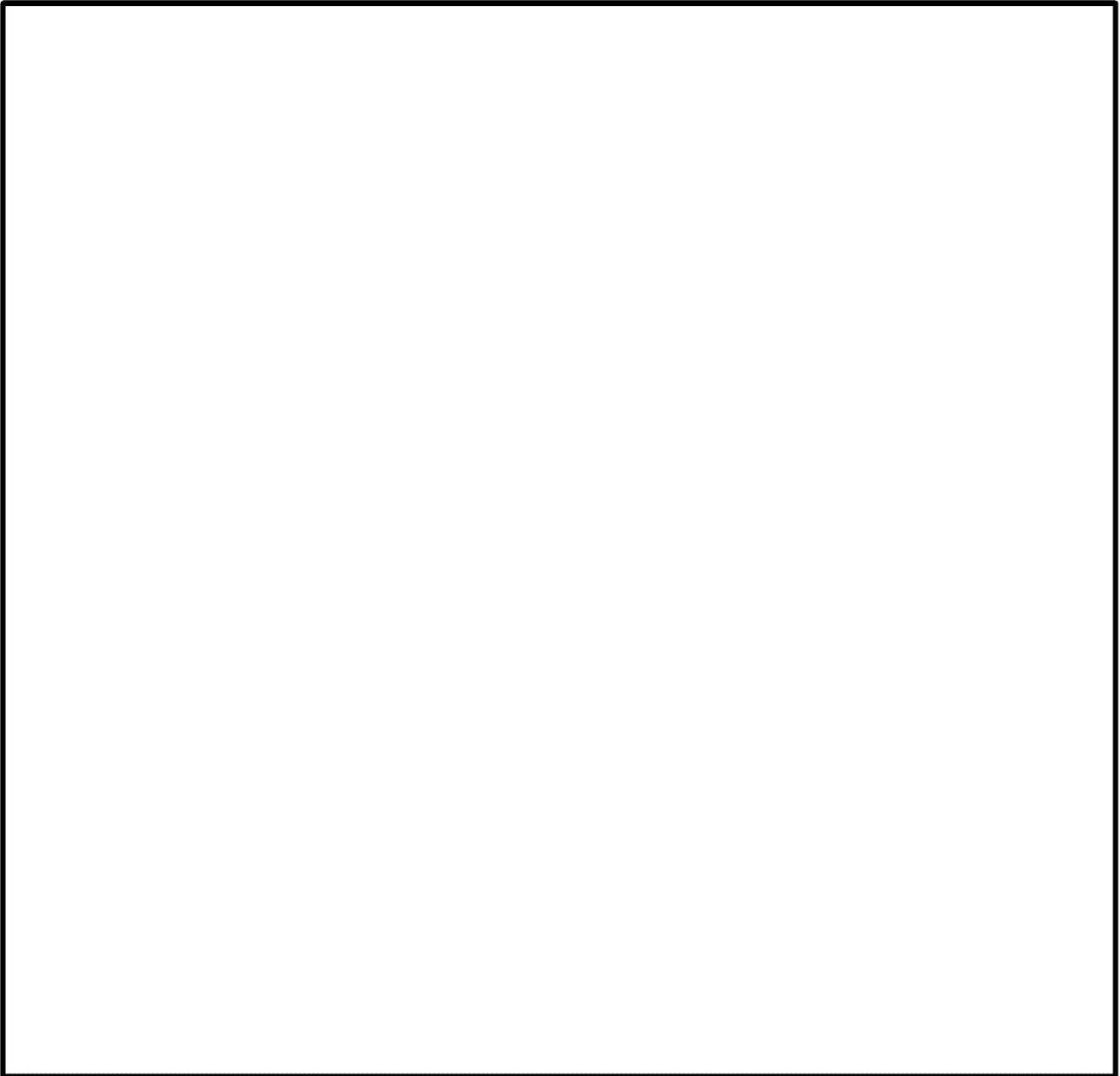
---

--

**Bottom Line**

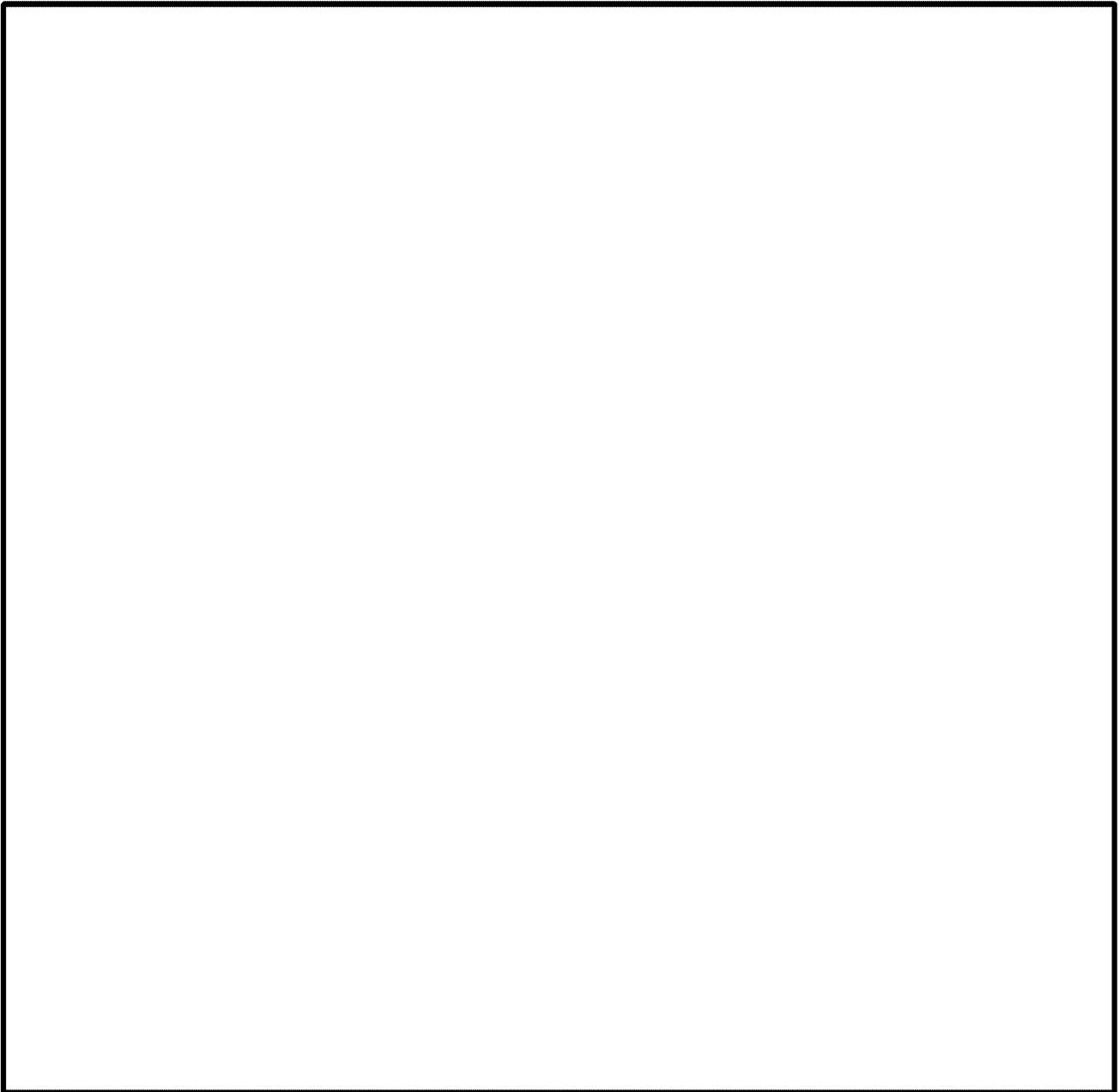
---

(b)(4)



**South Dakota Savings**

(b)(4)



---

# South Dakota's Dairy Climate

*A summary of South Dakota's excellent dairy climate*



## SOUTH DAKOTA DEPARTMENT OF AGRICULTURE

### DIVISION OF AGRICULTURAL DEVELOPMENT

523 East Capitol Avenue, Pierre, SD 57501-3182

(605) 773-5436 (605) 773-3481 FAX

1-800-228-5254 In SD

Web Address – [www.state.sd.us/doa/](http://www.state.sd.us/doa/)

Dear Producer:

The dairy industry has always been an important component of our state's #1 industry – Agriculture. In 2000 agriculture generated \$17.1 billion of economic activity in our state. The dairy sector is a substantial contributor to that figure through both agricultural production (livestock and grains) and agricultural support (agricultural services, machinery, supplies, food processing).

The enthusiasm for dairying has been restored as our dairy farmers, crop and forage farmers, and communities realize the positive advantages gained in the various segments of the dairy infrastructure, from the operation itself to the milk processors.

South Dakota offers our producers an excellent, competitive milk price. Modernization and expansion of our processing facilities has increased the capacity for milk production in our region. Our state also offers an abundant supply of quality forages, grains and by-product feeds. Likewise, our neighboring states provide a reliable source of feed stuffs. Land value, as well as cropland and pastureland cash rent rates, have remained very reasonable. Excellent quality of life, educational opportunities and recreational activities are just a few of the advantages our South Dakota families realize.

Dairy producers, whether existing, start-up or relocated, can enjoy profitable opportunities in South Dakota. We welcome your interest in the South Dakota dairy industry. I encourage you to review the related dairy, agricultural, financial and general state information in this folder. You can visit our Internet site at [www.state.sd.us/doa/doa.html](http://www.state.sd.us/doa/doa.html) for a host of agricultural information. We will soon have a page specific to dairy. Finally, I invite you to contact our staff for assistance with any questions or additional information regarding our dairy industry.

Best regards,

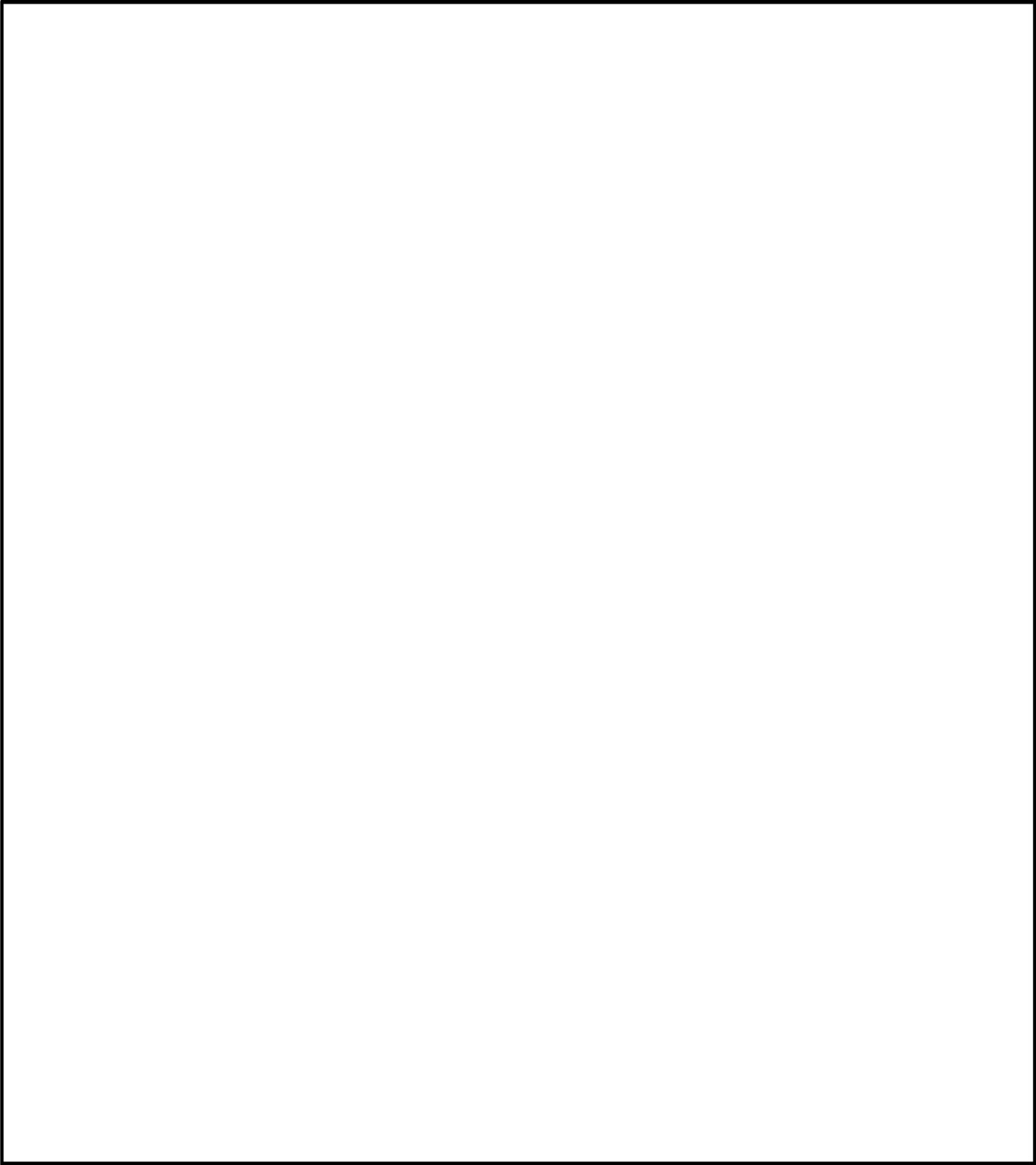
Larry E. Gabriel  
SD SECRETARY OF AGRICULTURE

---

# South Dakota's Dairy Cow Needs

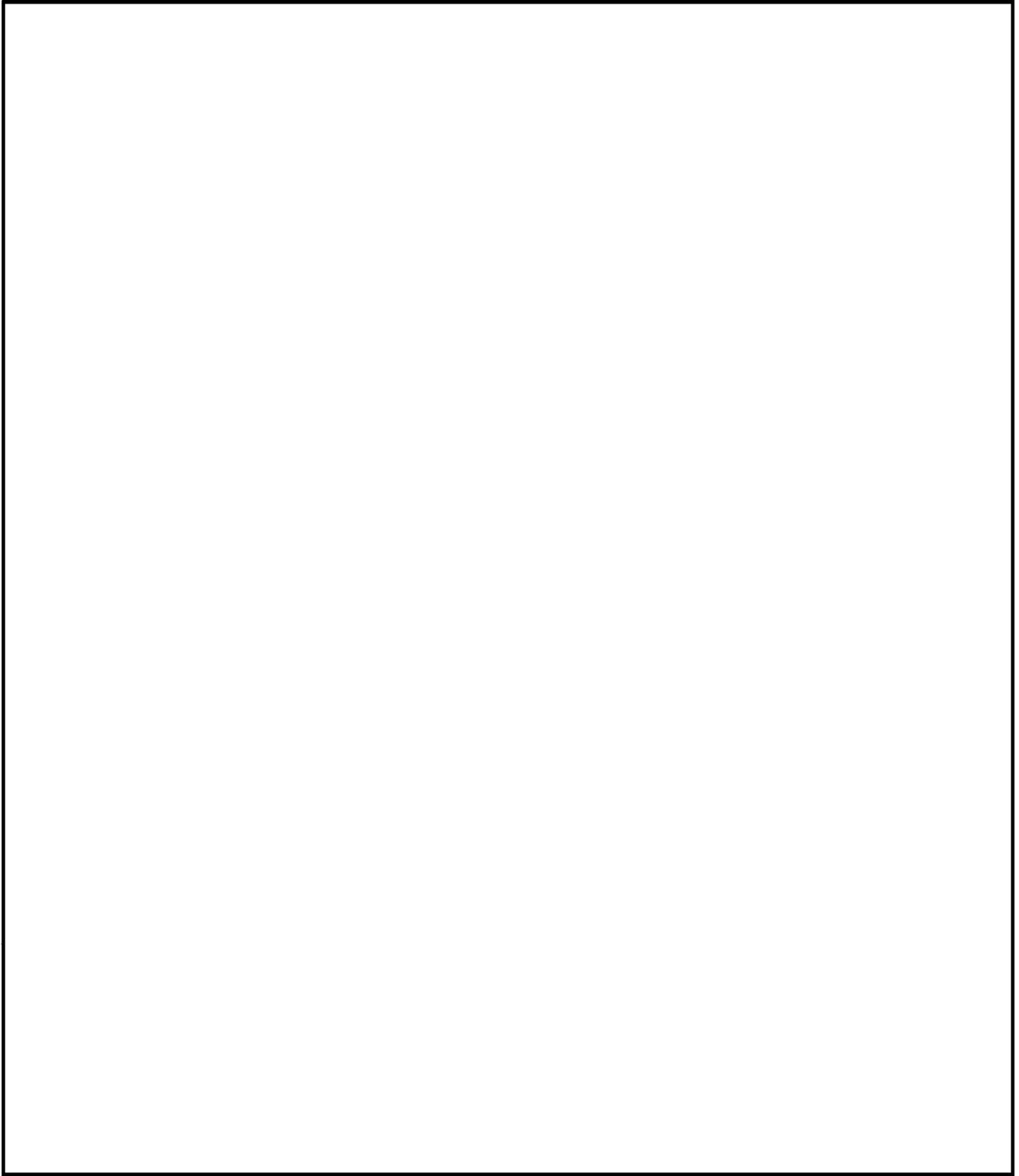
*Summary of current and future dairy cow numbers in South Dakota*

(b)(4)



(b)(4)

**South Dakota  
Dairy Cow Numbers & Milk Production**



---

# South Dakota's Dairy Successes

*Summary of recent dairy related activity in South Dakota*

**South Dakota's Dairy Successes**

(b)(4)



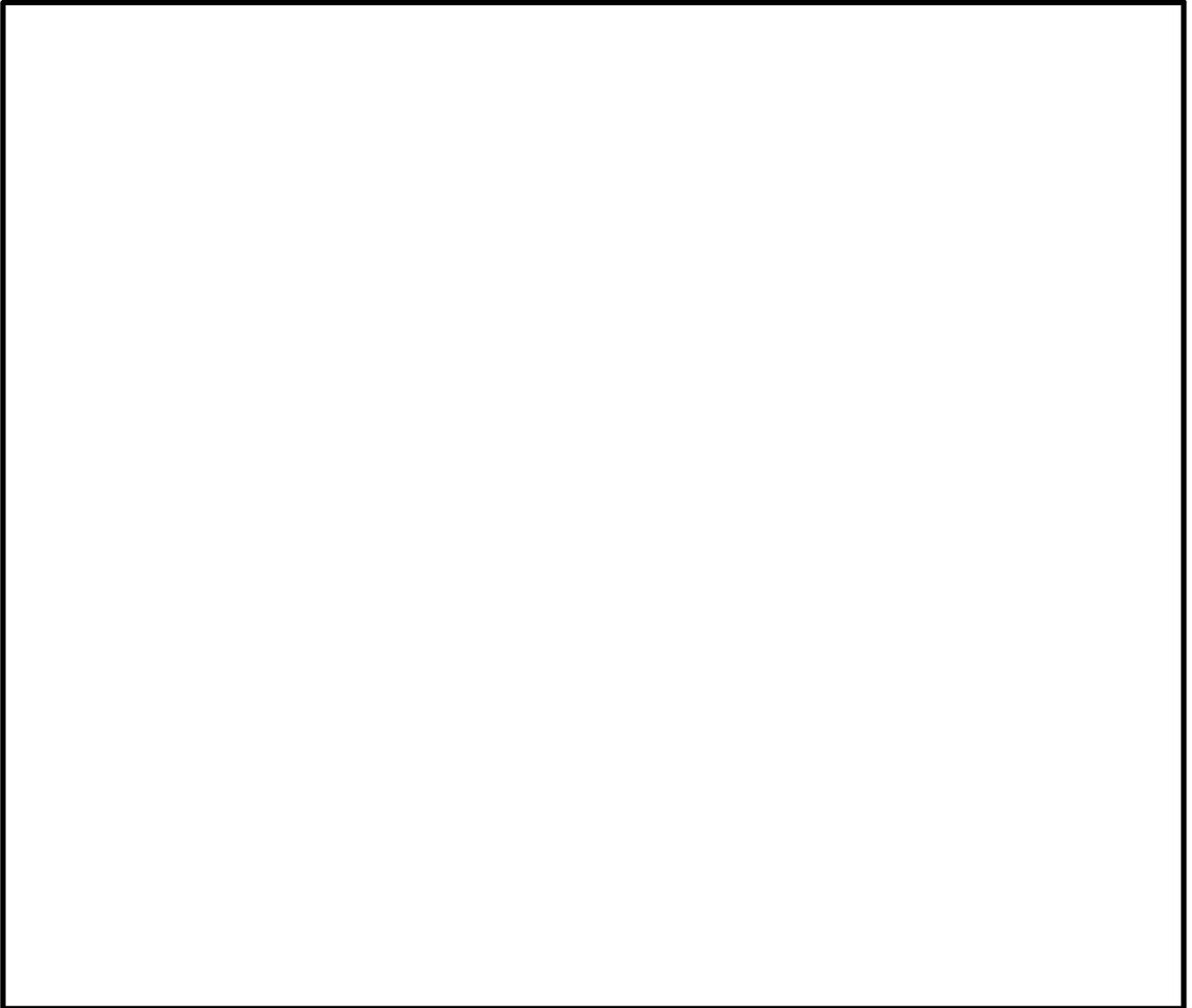
---

# South Dakota Invitation

*An invitation to explore South Dakota's dairy  
industry*

**Summarization and An Invitation from the State of  
South Dakota**

(b)(4)



**For More Information Contact:**

South Dakota International Business Institute  
1200 South Jay Street  
Aberdeen, SD 57401

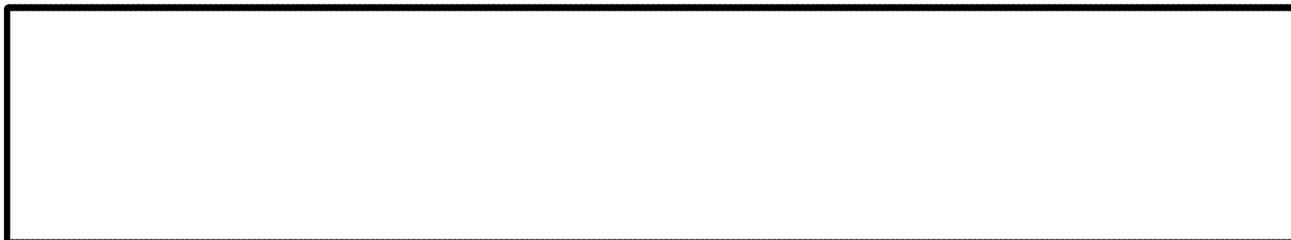
Phone: 1-605-626-3149

Fax: 605-626-3004

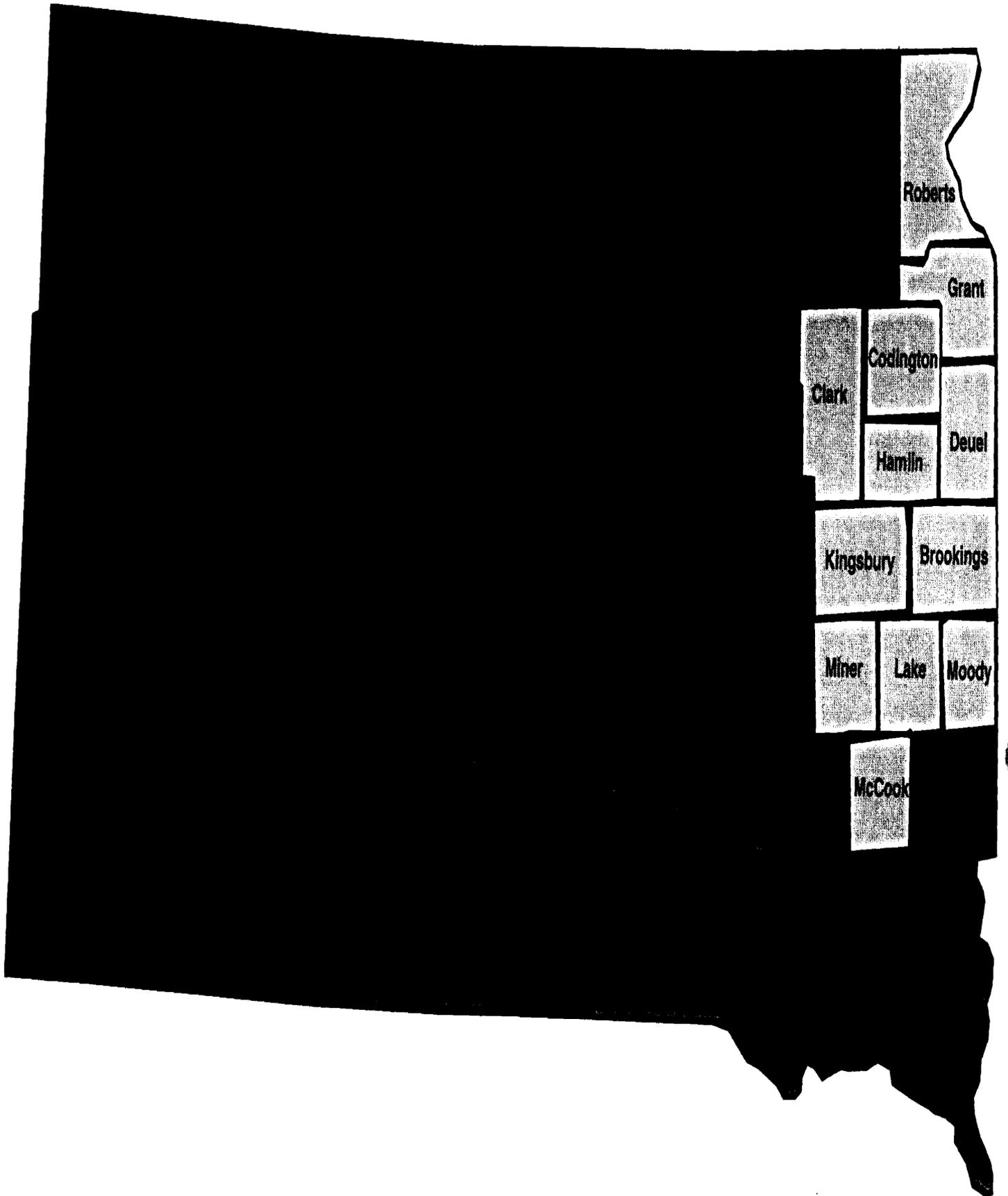
E-mail: [bollenj@northern.edu](mailto:bollenj@northern.edu)

Internet: [www.sdgreatprofits.com](http://www.sdgreatprofits.com)

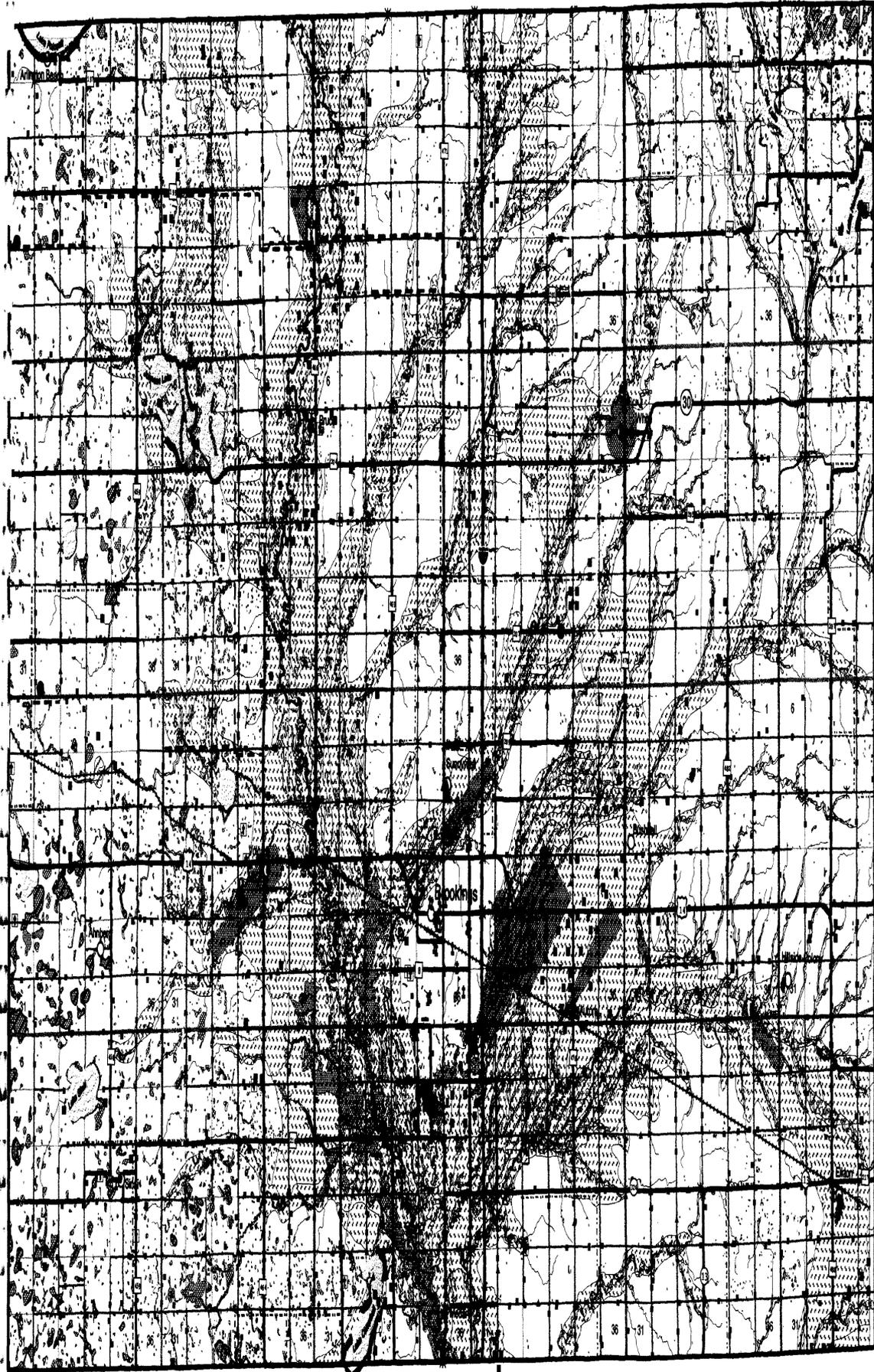
(b)(4)



# Dairy Economic Development Region (DEDR)



Brookings County South Dakota



T 112 N

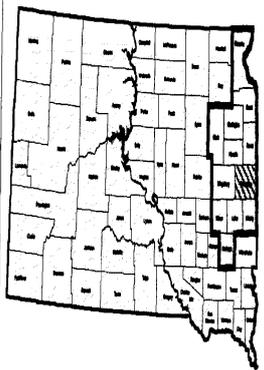
T 111 N

T 110 N

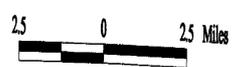
T 109 N

R 52 W      R 51 W      R 50 W      R 49 W      R 48 W      R 47 W

- † Church
- Schools
  - ∩ Abandoned
  - ∩ Occupied
- Rural Residence
  - ▲ Abandoned
  - ▲ Occupied
  - ▲ Seasonal
  - ▲ Unoccupied
- Farmsteads
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
  - Water Rights Permits
- Public Water Supplies
- ↗ Interstate Highway
- ↘ US & State Highway
- Rural Water System Lines
  - 10"
  - 8"
  - 6"
  - 5"
  - 4"
  - 3"
- Rural Water System Storage
  - Reservoir
  - ▲ Rural Water System Treatment Facilities
- Secondary Roads
  - ↗ Bituminous
  - ↘ Concrete
  - ↗ Graded
  - ↘ Gravel
  - ↗ Primitive
  - ↘ Unimproved
- ☐ Cemetery
- DENR Monitoring Wells
- ▨ Aquifer
- ▨ 100 Year Flood Plain
- ▨ National Wetland Inventory
- ▨ Wellhead Protection Areas



Prepared 4 June 2003 by:  
South Dakota Department of Agriculture, Office of Agronomy Services  
(605) 773-3796



Map Projection: Universal Transverse Mercator 1983

**NOTE: THIS MAP IS FOR REFERENCE ONLY**  
Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data supplied. The end user must be aware of data conditions and ultimately bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

South Dakota Department of Agriculture  
Office of Agronomy Services  
Joe Foss Building  
523 East Capitol  
Pierre SD 57501  
(605) 773-4432

R 52 W

T 120 N

T 119 N

T 118 N

T 117 N

T 116 N

R 55 W

R 54 W

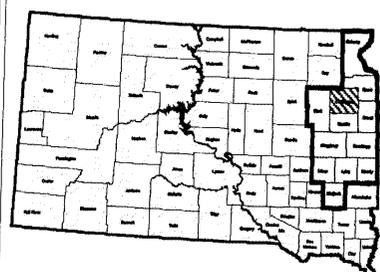
R 53 W

R 52 W

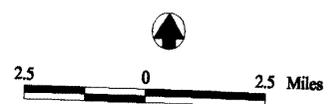
R 51 W

# Codington County South Dakota

- Church
- Schools
- Abandoned
- Occupied
- Rural Residence
- Abandoned
- Occupied
- Seasonal
- Unoccupied
- Farmsteads
- Abandoned
- Occupied
- Seasonal
- Unoccupied
- Water Rights Permits
- Public Water Supplies
- Rural Water System Lines
- 10"
- 8"
- 6"
- 5"
- 4"
- 3.5"
- 3"
- Rural Water System Storage
- Reservoir
- Water Tank
- Water Tower
- Rural Water System Treatment Facilities
- Interstate Highway
- US & State Highway
- Secondary Roads
- Bituminous
- Concrete
- Graded
- Gravel
- Primitive
- Unimproved
- Cemetery
- Prominent Elevations
- DENR Monitoring Wells
- Aquifer
- 100 Year Flood Plain
- National Wetland Inventory
- Wellhead Protection Areas



Prepared 4 June 2003 by:  
 South Dakota Department of Agriculture, Office of Agronomy Services  
 (605) 773-3796



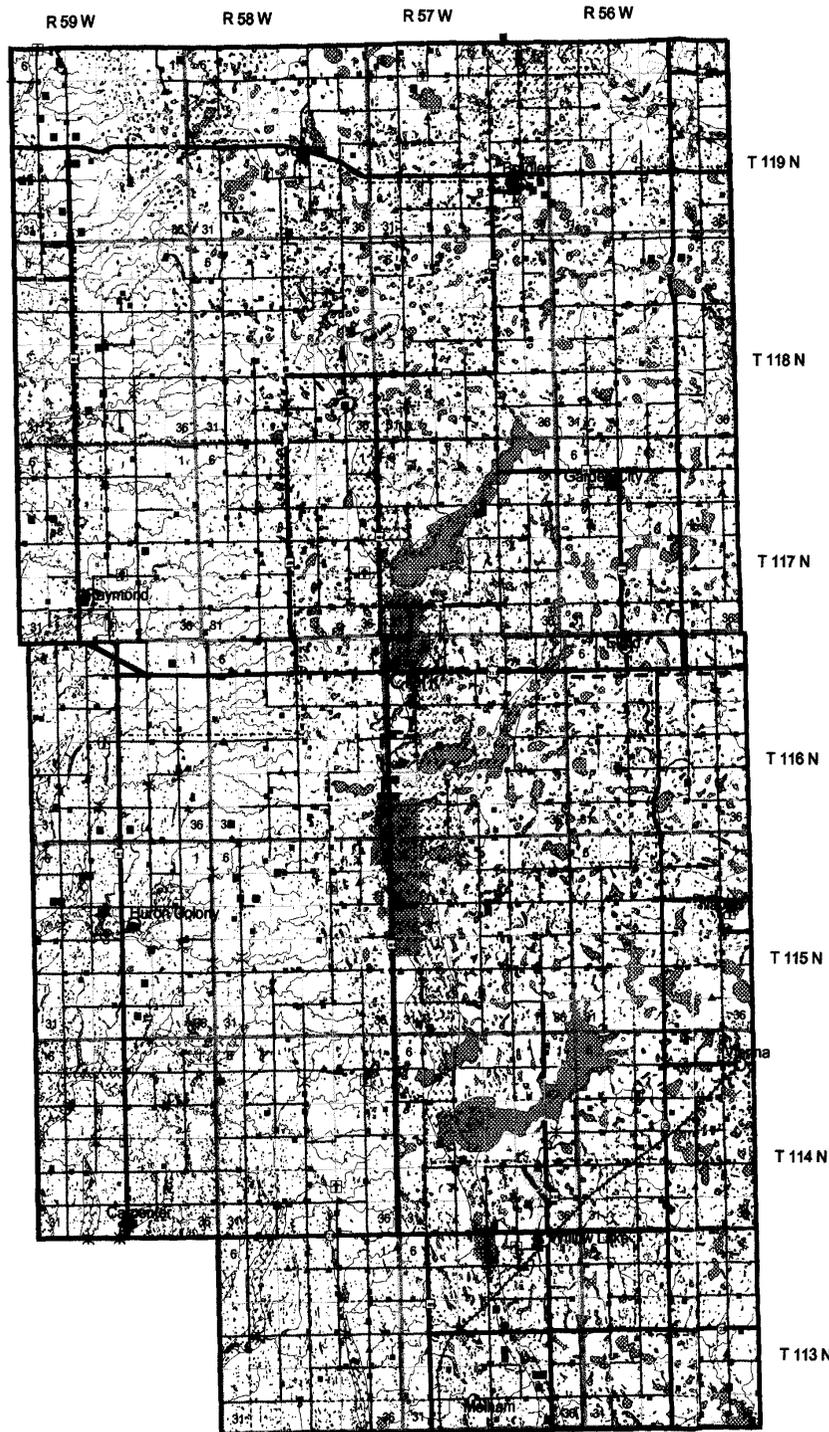
Map Projection: Universal Transverse Mercator 1983

**NOTE: THIS MAP IS FOR REFERENCE ONLY**

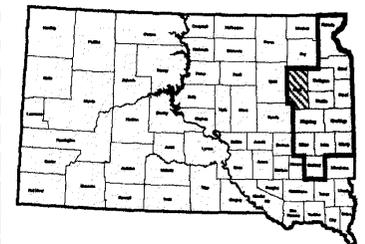
Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data supplied. The user must use common sense and bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

**South Dakota Department of Agriculture**  
**Office of Agronomy Services**  
**Joe Foss Building**  
**523 East Capitol**  
**Pierre SD 57501**  
**(605) 773-4432**

# Clark County South Dakota



- † Church
- Schools
  - ┌ Abandoned
  - ┌ Occupied
- Rural Residence
  - ▲ Abandoned
  - ▲ Occupied
  - ▲ Seasonal
  - ▲ Unoccupied
- Farmsteads
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
  - Water Rights Permits
  - Public Water Supplies
- Rural Water System Lines
  - 10"
  - 8"
  - 6"
  - 5"
  - 4"
  - 3"
- ▲ Rural Water System Treatment Facilities
- Rural Water System Storage
  - ⊙ Water Tank
  - ⊙ US & State Highway
- Secondary Roads
  - ▲ Bituminous
  - ▲ Concrete
  - ▲ Graded
  - ▲ Gravel
  - ▲ Primitive
  - ▲ Unimproved
- ⊠ Cemetary
- DENR Monitoring Wells
- ▨ Aquifer
- ▨ 100 Year Flood Plain
- ▨ National Wetland Inventory
- ▨ Wellhead Protection Areas



Prepared 4 June 2003 by:  
 South Dakota Department of Agriculture, Office of Agronomy Services  
 (605) 773-3796



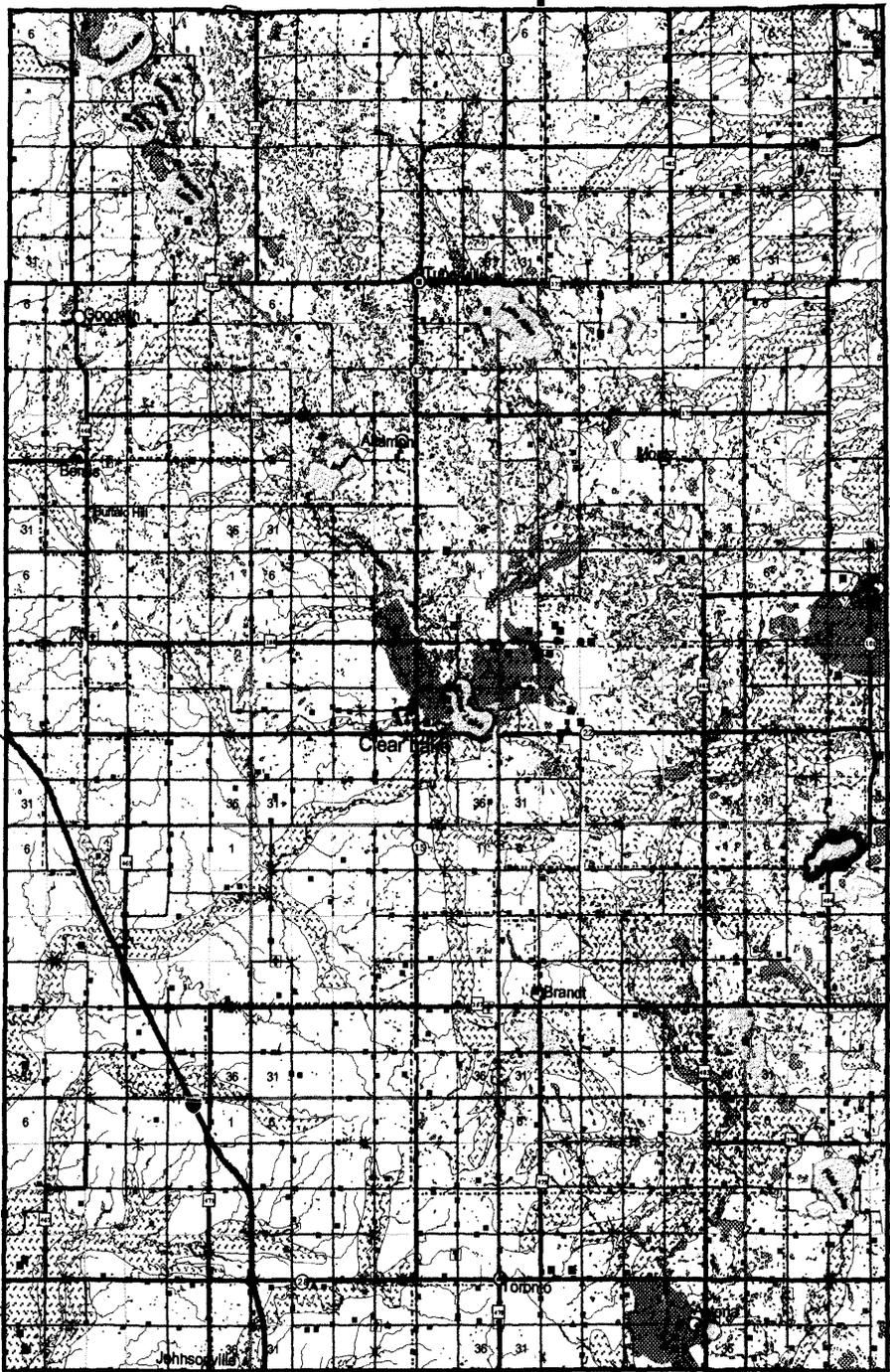
Map Projection: Universal Transverse Mercator 1983

NOTE: THIS MAP IS FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data supplied. The end user must be aware of this condition and ultimately bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

South Dakota Department of Agriculture  
 Office of Agronomy Services  
 Joe Foss Building  
 523 East Capitol  
 Pierre SD 57501  
 (605) 773-4432

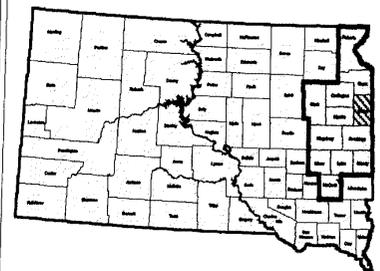
# Deuel County South Dakota



T 117 N  
T 116 N  
T 115 N  
T 114 N  
T 113 N

R 50 W      R 49 W      R 48 W      R 47 W

- ⛪ Church
- Schools
- ⌒ Abandoned
- ⌒ Occupied
- Rural Residence
- ▲ Abandoned
- ▲ Occupied
- ▲ Seasonal
- ▲ Unoccupied
- Farmsteads
- Abandoned
- Occupied
- Seasonal
- Unoccupied
- Water Rights Permits
- Public Water Supplies
- Rural Water System Lines
- 8" (Symbol)
- 6" (Symbol)
- 5" (Symbol)
- 4" (Symbol)
- 3.5" (Symbol)
- 3" (Symbol)
- Rural Water System Storage
- ⊠ Water Tower
- ⊠ Rural Water System Treatment Facilities
- ▲ Interstate Highway
- ▲ US & State Highway
- Secondary Roads
- ▲ Bituminous
- ▲ Concrete
- ▲ Graded
- ▲ Gravel
- ▲ Primitive
- ▲ Unimproved
- ⊠ Cemetary
- ⊠ Prominent Elevations
- ⊠ Aquifer
- ⊠ 100 Year Flood Plain
- ⊠ National Wetland Inventory
- ⊠ Wellhead Protection Areas



Prepared 4 June 2003 by:  
South Dakota Department of Agriculture, Office of Agronomy Services  
(605) 773-3796



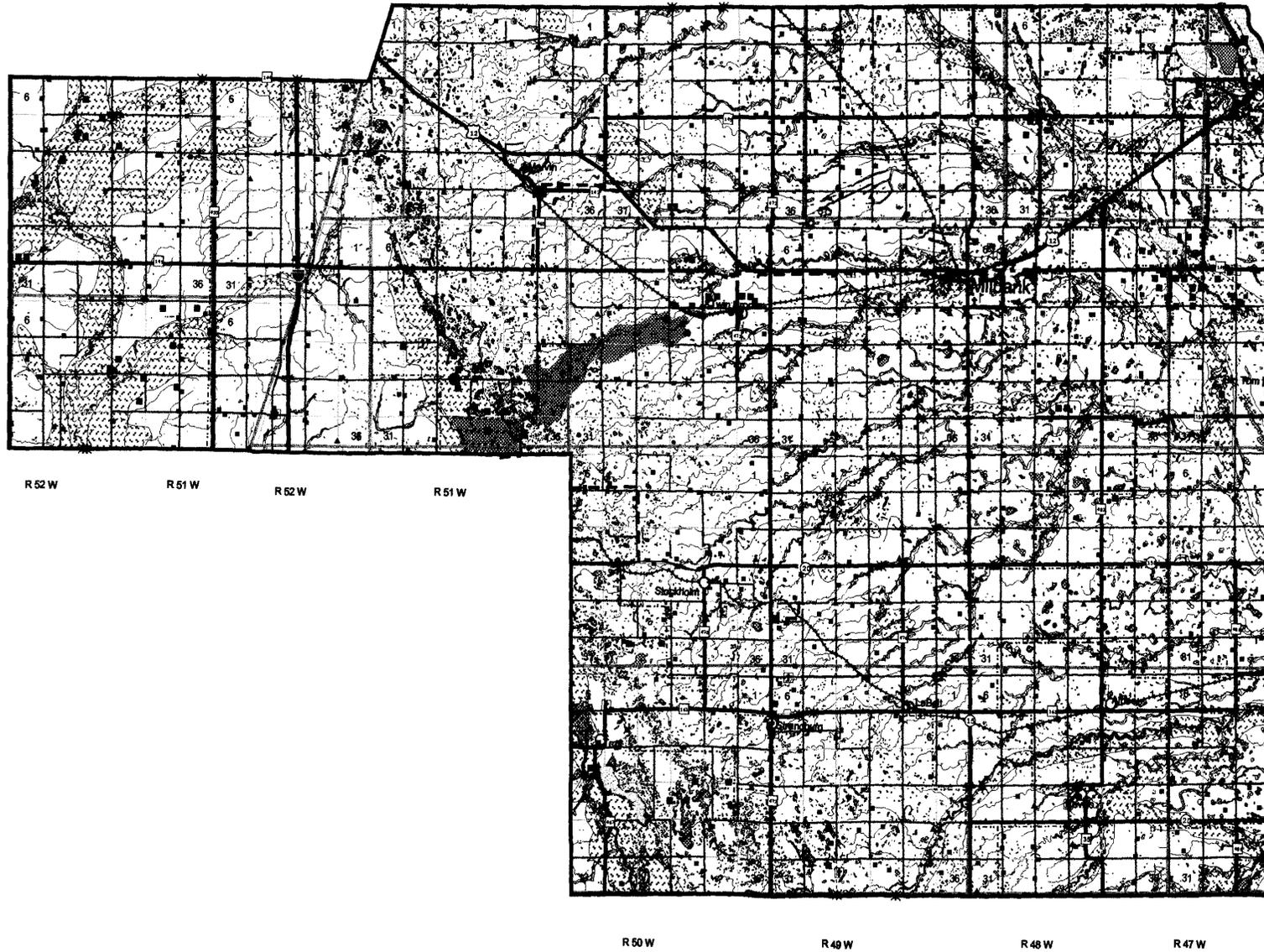
2.5      0      2.5 Miles

Map Projection: Universal Transverse Mercator 1983

**NOTE: THIS MAP IS FOR REFERENCE ONLY**  
Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data supplied. The user must be aware of data conditions and ultimately bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

**South Dakota Department of Agriculture  
Office of Agronomy Services  
Joe Foss Building  
523 East Capitol  
Pierre SD 57501  
(605) 773-4432**

# Grant County South Dakota



- † Church
- Schools
  - ┌ Abandoned
  - └ Occupied
- Rural Residence
  - ▲ Abandoned
  - ▲ Occupied
  - Seasonal
  - ▲ Unoccupied
- Farmsteads
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
  - Water Rights Permits
  - Public Water Supplies
- Rural Water System Lines
  - ▬ 8"
  - ▬ 6"
  - ▬ 5"
  - ▬ 4"
  - ▬ 3"
- Rural Water System Storage
  - Reservoir
- Interstate Highway
- US & State Highway
- Secondary Roads
  - ▬ Bituminous
  - ▬ Concrete
  - ▬ Graded
  - ▬ Gravel
  - ▬ Primitive
  - ▬ Unimproved
- Cemetery
- Prominent Elevations
- DENR Monitoring Wells
- Aquifer
- 100 Year Flood Plain
- National Wetland Inventory
- Wellhead Protection Areas

T 121 N

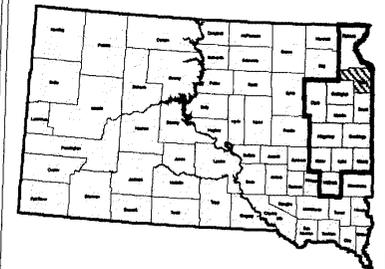
T 120 N

T 119 N

T 118 N

R 52 W    R 51 W    R 52 W    R 51 W

R 50 W    R 49 W    R 48 W    R 47 W



Prepared 4 June 2003 by:  
South Dakota Department of Agriculture, Office of Agronomy Services  
(605) 773-3796



2.5    0    2.5 Miles

Map Projection: Universal Transverse Mercator 1983

**NOTE: THIS MAP IS FOR REFERENCE ONLY**

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data supplied. The user must be aware of data conditions and ultimately bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

**South Dakota Department of Agriculture**  
**Office of Agronomy Services**  
**Joe Foss Building**  
**523 East Capitol**  
**Pierre SD 57501**  
**(605) 773-4432**

# Kingsbury County South Dakota



T 112 N

T 111 N

T 110 N

T 109 N

R 58 W

R 57 W

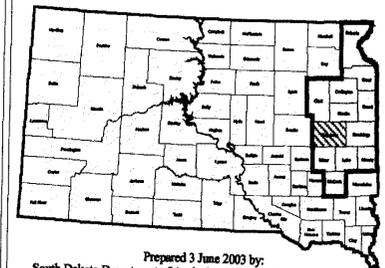
R 56 W

R 55 W

R 54 W

R 53 W

- ⚓ Church
- Schools
  - ⌄ Abandoned
  - ⌄ Occupied
- Rural Residence
  - ▲ Abandoned
  - ▲ Occupied
  - ▲ Seasonal
  - ▲ Unoccupied
- Farmsteads
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
  - Water Rights Permits
  - Public Water Supplies
- Rural Water System Lines
  - ▨ 12"
  - ▨ 10"
  - ▨ 8"
  - ▨ 6"
  - ▨ 5"
  - ▨ 4"
  - ▨ 3"
- ▲ Rural Water System Treatment Facilities
- Rural Water System Storage
  - Reservoir
- US & State Highway
- Secondary Roads
  - ▨ Bituminous
  - ▨ Concrete
  - ▨ Graded
  - ▨ Gravel
  - ▨ Primitive
  - ▨ Unimproved
- Railroad
- ⌄ Cemetery
- DENR Monitoring Wells
- ▨ Aquifer
- ▨ 100 Year Flood Plain
- ▨ National Wetland Inventory
- ▨ Wellhead Protection Areas



Prepared 3 June 2003 by:  
South Dakota Department of Agriculture, Office of Agronomy Services  
(605) 773-3796



2.5 0 2.5 Miles

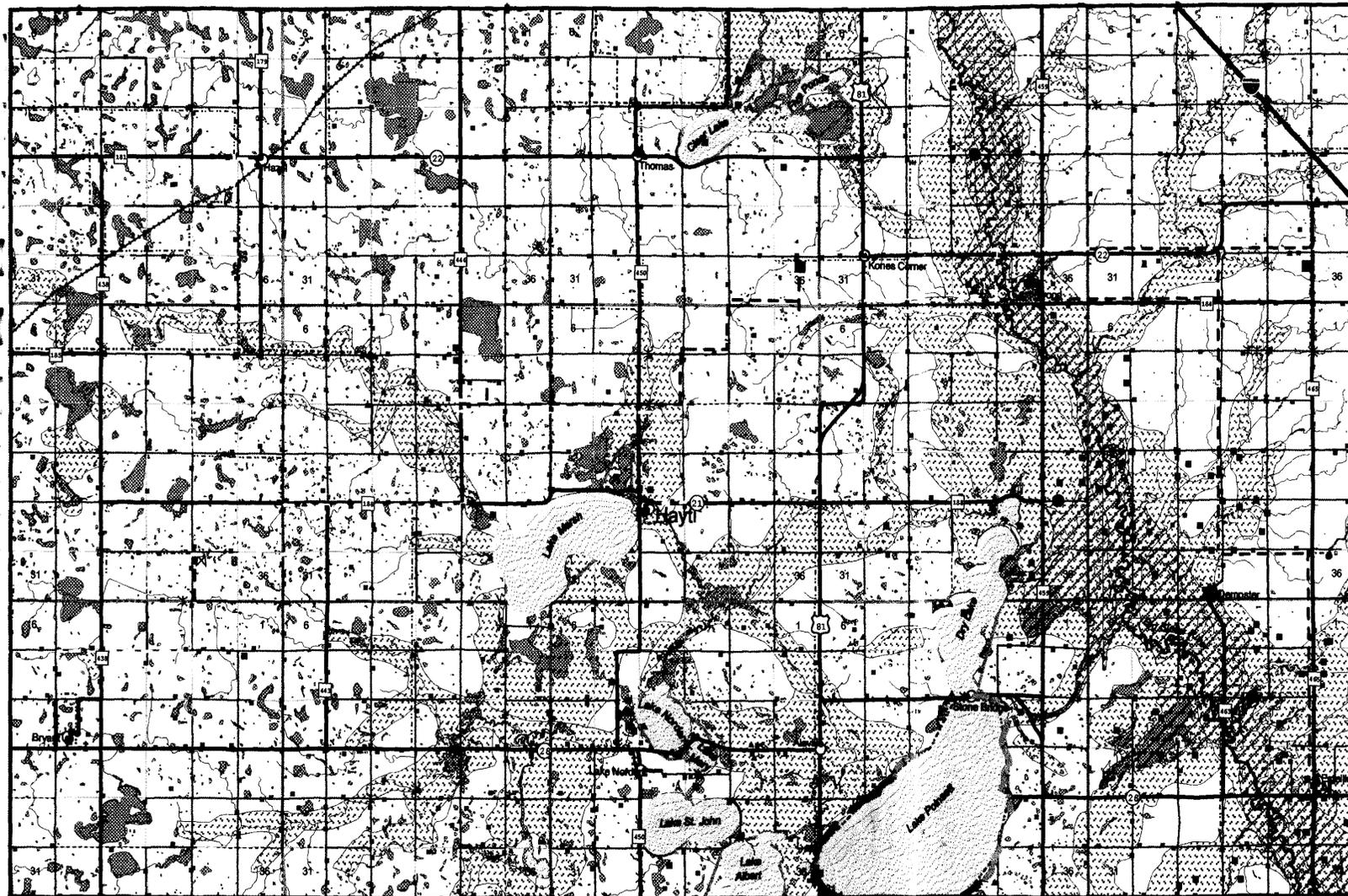
Map Projection: Universal Transverse Mercator 1983

NOTE: THIS MAP IS FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical source used to develop the database may be reflected in the data supplied. The end user must be aware of data conditions and ultimately bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

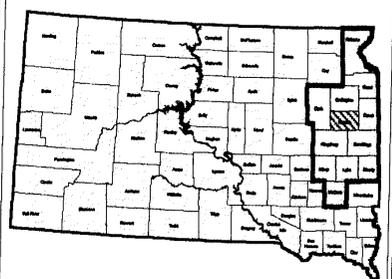
South Dakota Department of Agriculture  
Office of Agronomy Services  
Joe Foss Building  
523 East Capitol  
Pierre SD 57501  
(605) 773-4432

# Hai County South Dakota



- † Church
- Schools
  - † Abandoned
  - † Occupied
- Rural Residence
  - ▲ Abandoned
  - ▲ Occupied
  - ▲ Seasonal
  - ▲ Unoccupied
- Farmsteads
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
  - Water Rights Permits
  - Public Water Supplies
- Rural Water System Lines
  - 8"
  - 6"
  - 5"
  - 4"
  - 3"
- Rural Water System Storage
  - Water Tower
  - Reservoir
- Rural Water System Treatment Facilities
  - Interstate Highway
  - US & State Highway
- Secondary Roads
  - Bituminous
  - Concrete
  - Graded
  - Gravel
  - Primitive
  - Unimproved
- DENR Monitoring Wells
- Aquifer
- 100 Year Flood Plain
- National Wetland Inventory

T 115 N  
T 114 N  
T 113 N



Prepared 4 June 2003 by:  
South Dakota Department of Agriculture, Office of Agronomy Services  
(605) 773-3796



Map Projection: Universal Transverse Mercator 1983

**South Dakota Department of Agriculture**  
**Office of Agronomy Services**  
**Joe Foss Building**  
**523 East Capitol**  
**Pierre SD 57501**  
**(605) 773-4432**

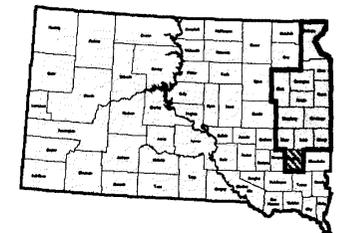
NOTE: THIS MAP IS FOR REFERENCE ONLY

Although every effort has been made to assure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data supplied. The user must be aware of data conditions and ultimately bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

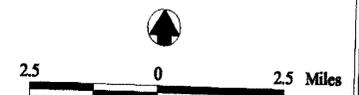
R 55 W      R 54 W      R 53 W      R 52 W      R 51 W

# McCoy County South Dakota

- ☒ Church
- Schools
  - ☐ Abandoned
  - ☐ Occupied
- Rural Residence
  - △ Abandoned
  - △ Occupied
  - △ Seasonal
  - △ Unoccupied
- Farmsteads
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
  - Water Rights Permits
  - Public Water Supplies
  - ▲ Rural Water System Treatment Facilities
- Rural Water System Storage
  - ⊙ Water Tank
  - ⊙ Water Tower
- Rural Water System Lines
  - ▨ 12"
  - ▨ 10"
  - ▨ 8"
  - ▨ 6"
  - ▨ 5"
  - ▨ 4"
  - ▨ 3"
- Secondary Roads
  - ▨ Bituminous
  - ▨ Concrete
  - ▨ Graded
  - ▨ Gravel
  - ▨ Primitive
  - ▨ Unimproved
- ☐ Cemetary
- DENR Monitoring Wells
- ▨ Source Water Protection Area (Zone A)
- ▨ Aquifer
- ▨ 100 Year Flood Plain
- ▨ National Wetland Inventory

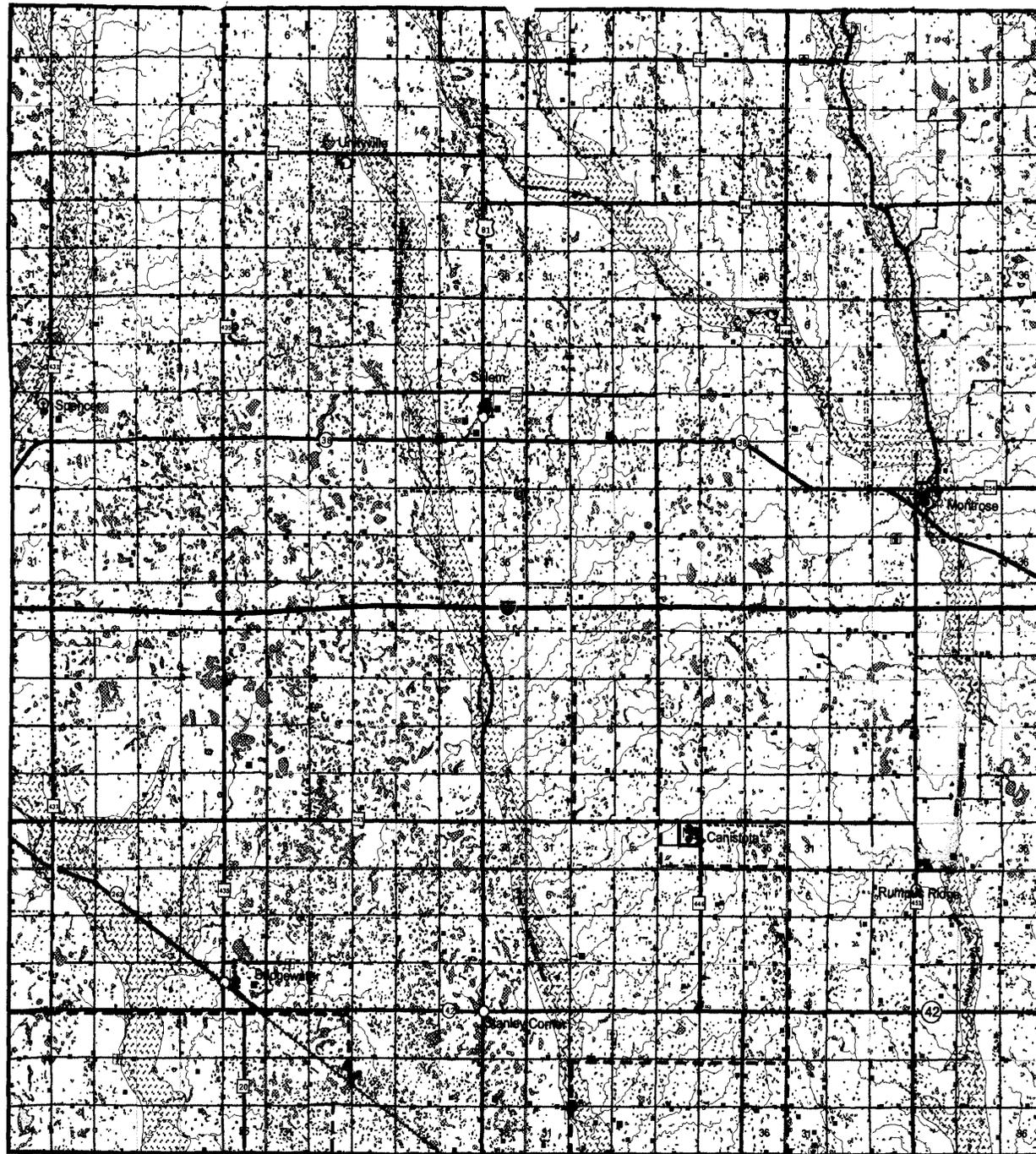


Prepared 2 June 2003 by:  
South Dakota Department of Agriculture, Office of Agronomy Services  
(605) 773-3796



Map Projection: Universal Transverse Mercator 1983

South Dakota Department of Agriculture  
Office of Agronomy Services  
Joe Foss Building  
523 East Capitol  
Pierre SD 57501  
(605) 773-4432



T 104 N

T 103 N

T 102 N

T 101 N

R 56 W

R 55 W

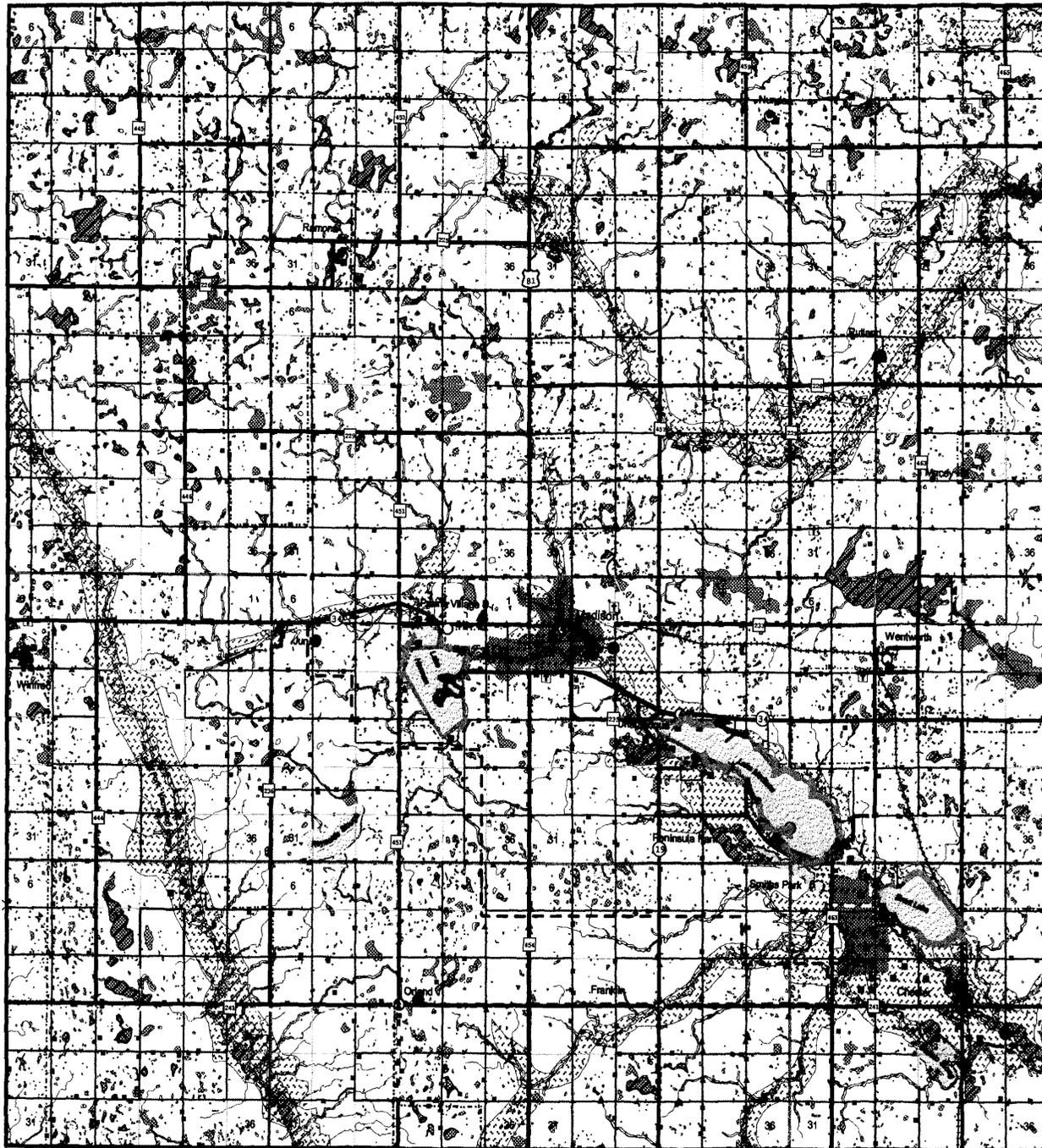
R 54 W

R 53 W

NOTE: THIS MAP IS FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data provided. The user assumes all responsibility for any errors or omissions in the data, and for any collection methodology, currency of data, and other conditions specific to certain data.

# Lak County South Dakota



T 108 N

T 107 N

T 106 N

T 105 N

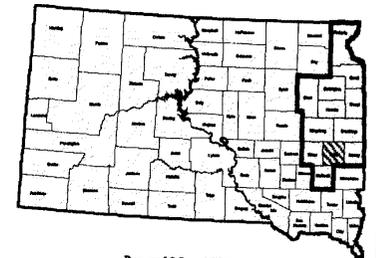
R 54 W

R 53 W

R 52 W

R 51 W

- ⚓ Church
- Schools
  - ⌄ Abandoned
  - ⌄ Occupied
- Rural Residence
  - ▲ Abandoned
  - ▲ Occupied
  - ▲ Seasonal
  - ▲ Unoccupied
- Farmsteads
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
  - Water Rights Permits
  - Public Water Supplies
  - ▲ Rural Water System Treatment Facilities
- Rural Water System Storage
  - Reservoir
- Rural Water System Lines
  - 8"
  - 6"
  - 5"
  - 4"
  - 3"
- US & State Highway
- Secondary Roads
  - Bituminous
  - Concrete
  - Graded
  - Gravel
  - Primitive
  - Unimproved
- Railroad
- Cemetery
- Prominent Elevations
- DENR Monitoring Wells
- Acquifer
- 100 Year Flood Plain
- National Wetland Inventory
- Wellhead Protection Areas



Prepared 3 June 2003 by:  
South Dakota Department of Agriculture, Office of Agronomy Services  
(605) 773-3796



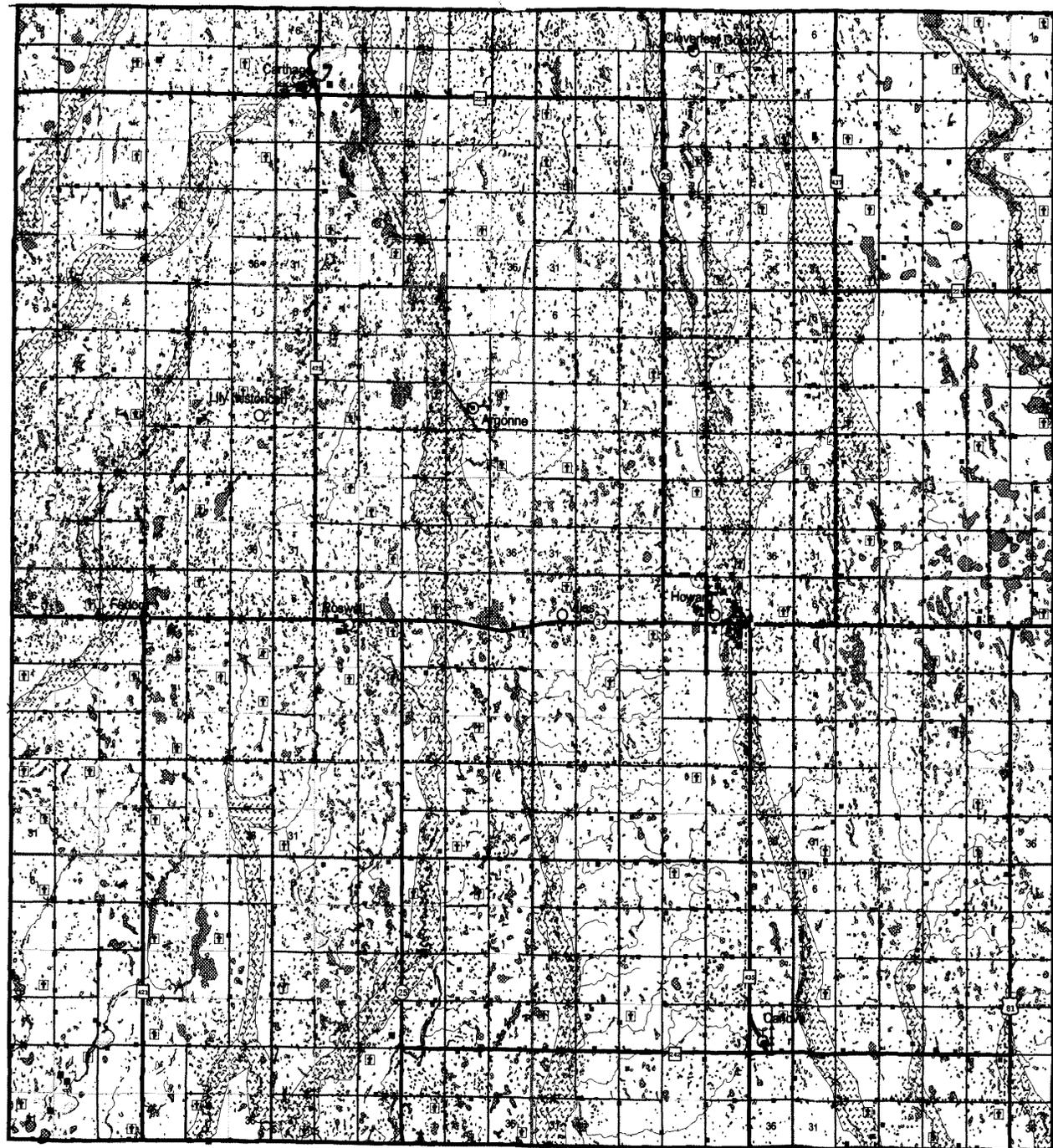
Map Projection: Universal Transverse Mercator 1983

NOTE: THIS MAP IS FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data supplied. The user must be aware of data conditions and ultimately bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

South Dakota Department of Agriculture  
Office of Agronomy Services  
Joe Foss Building  
523 East Capitol  
Pierre SD 57501  
(605) 773-4432

# Min. County South Dakota



T 108 N

T 107 N

T 106 N

T 105 N

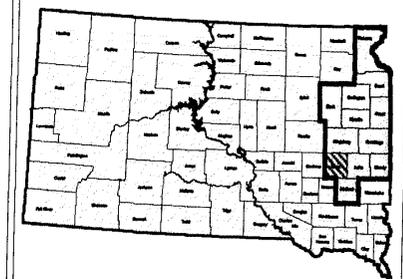
R 58 W

R 57 W

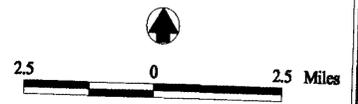
R 56 W

R 55 W

- ⊕ Church
- Schools
  - ⌈ Abandoned
  - ⌈ Occupied
- Rural Residence
  - ▲ Abandoned
  - ▲ Occupied
  - Seasonal
  - ▲ Unoccupied
- Farmsteads
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
- ▲ Rural Water System Treatment Facilities
- Rural Water System Storage
  - ⊗ Water Tower
- Rural Water System Lines
  - ▨ 12"
  - ▨ 10"
  - ▨ 8"
  - ▨ 6"
  - ▨ 5"
  - ▨ 4"
  - ▨ 3"
- ⚡ US & State Highway
- Secondary Roads
  - ▨ Bituminous
  - ▨ Concrete
  - ▨ Graded
  - ▨ Gravel
  - ▨ Primitive
  - ▨ Unimproved
- ⊕ Cemetary
- ▨ Aquifer
- ▨ 100 Year Flood Plain
- ▨ National Wetland Inventory



Prepared 2 June 2003 by:  
 South Dakota Department of Agriculture, Office of Agronomy Services  
 (605) 773-3796



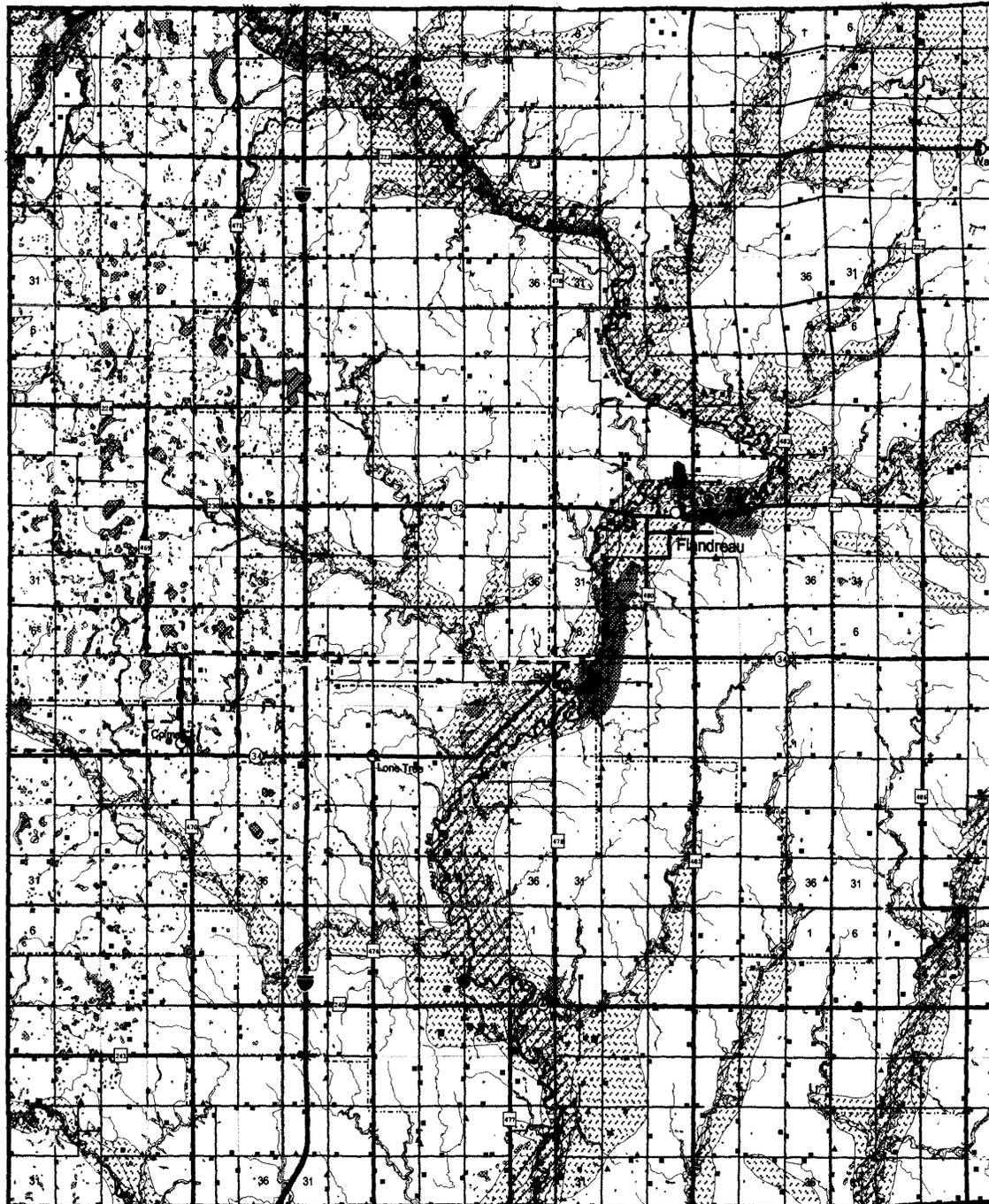
Map Projection: Universal Transverse Mercator 1983

South Dakota Department of Agriculture  
 Office of Agronomy Services  
 Joe Foss Building  
 523 East Capitol  
 Pierre SD 57501  
 (605) 773-4432

NOTE: THIS MAP IS FOR REFERENCE ONLY

Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data reported. The end user must be aware of data conditions and ultimately bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

# Moody County South Dakota



T 108 N

T 107 N

T 106 N

T 105 N

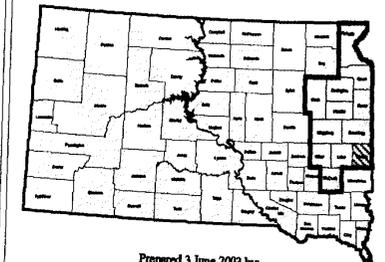
R 50 W

R 49 W

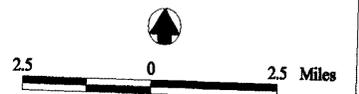
R 48 W

R 47 W

- Church
- Schools
  - Abandoned
  - Occupied
- Rural Residence
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
- Farmsteads
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
  - Water Rights Permits
  - Public Water Supplies
- Rural Water System Storage
  - Water Tower
  - Water Tank
- Rural Water System Lines
  - 10"
  - 8"
  - 6"
  - 5"
  - 4"
  - 3"
- Interstate Highway
- US & State Highway
- Secondary Road
  - Bituminous
  - Concrete
  - Graded
  - Gravel
  - Primitive
  - Unimproved
- Railroad
- DENR Monitoring Wells
- Aquifer
- 100 Year Flood Plain
- National Wetland Inventory
- Wellhead Protection Areas



Prepared 3 June 2003 by:  
South Dakota Department of Agriculture, Office of Agronomy Services  
(605) 773-3796

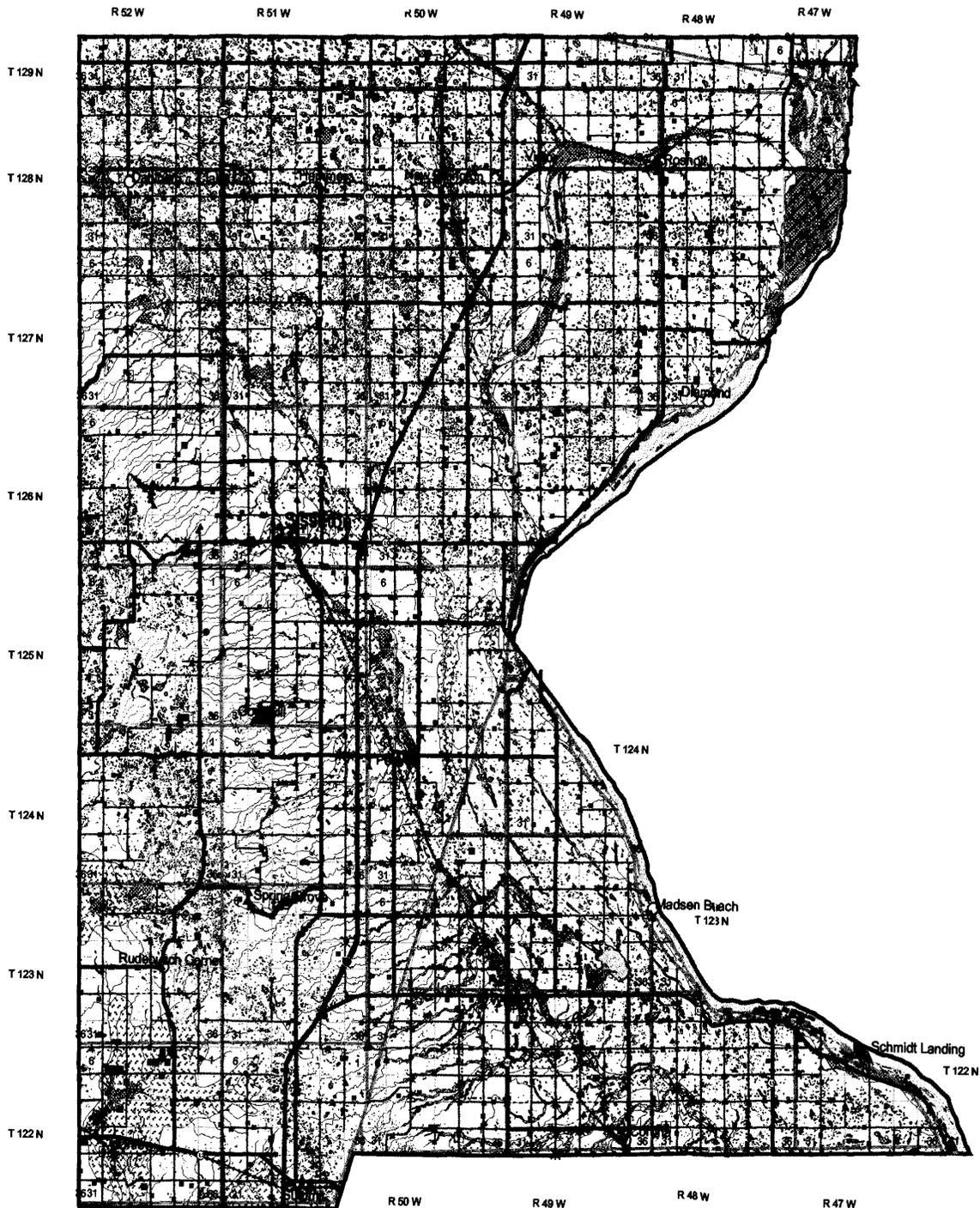


Map Projection: Universal Transverse Mercator 1983

NOTE THIS MAP IS FOR REFERENCE ONLY

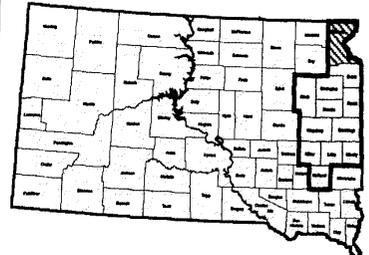
Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data provided. The end user must be aware of data conditions and ultimately bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

**South Dakota Department of Agriculture**  
**Office of Agronomy Services**  
**Joe Foss Building**  
**523 East Capitol**  
**Pierre SD 57501**  
**(605) 773-4432**

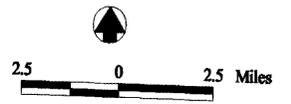


# Robins County South Dakota

- † Church
- Schools
  - ┌ Abandoned
  - ┐ Occupied
- Rural Residence
  - ▲ Abandoned
  - ▲ Occupied
  - ▲ Seasonal
  - ▲ Unoccupied
- Farmsteads
  - Abandoned
  - Occupied
  - Seasonal
  - Unoccupied
  - Water Rights Permits
  - Public Water Supplies
- Rural Water System Lines
  - 12"
  - 10"
  - 8"
  - 6"
  - 5"
  - 4"
  - 3"
- Interstate Highway
- US & State Highway
- Secondary Roads
  - Bituminous
  - Concrete
  - Graded
  - Gravel
  - Primitive
  - Unimproved
  - Cemetery
- Acquifer
- 100 Year Flood Plain
- National Wetland Inventory



Prepared 4 June 2003 by:  
 South Dakota Department of Agriculture, Office of Agronomy Services  
 (605) 773-3796



Map Projection: Universal Transverse Mercator 1983

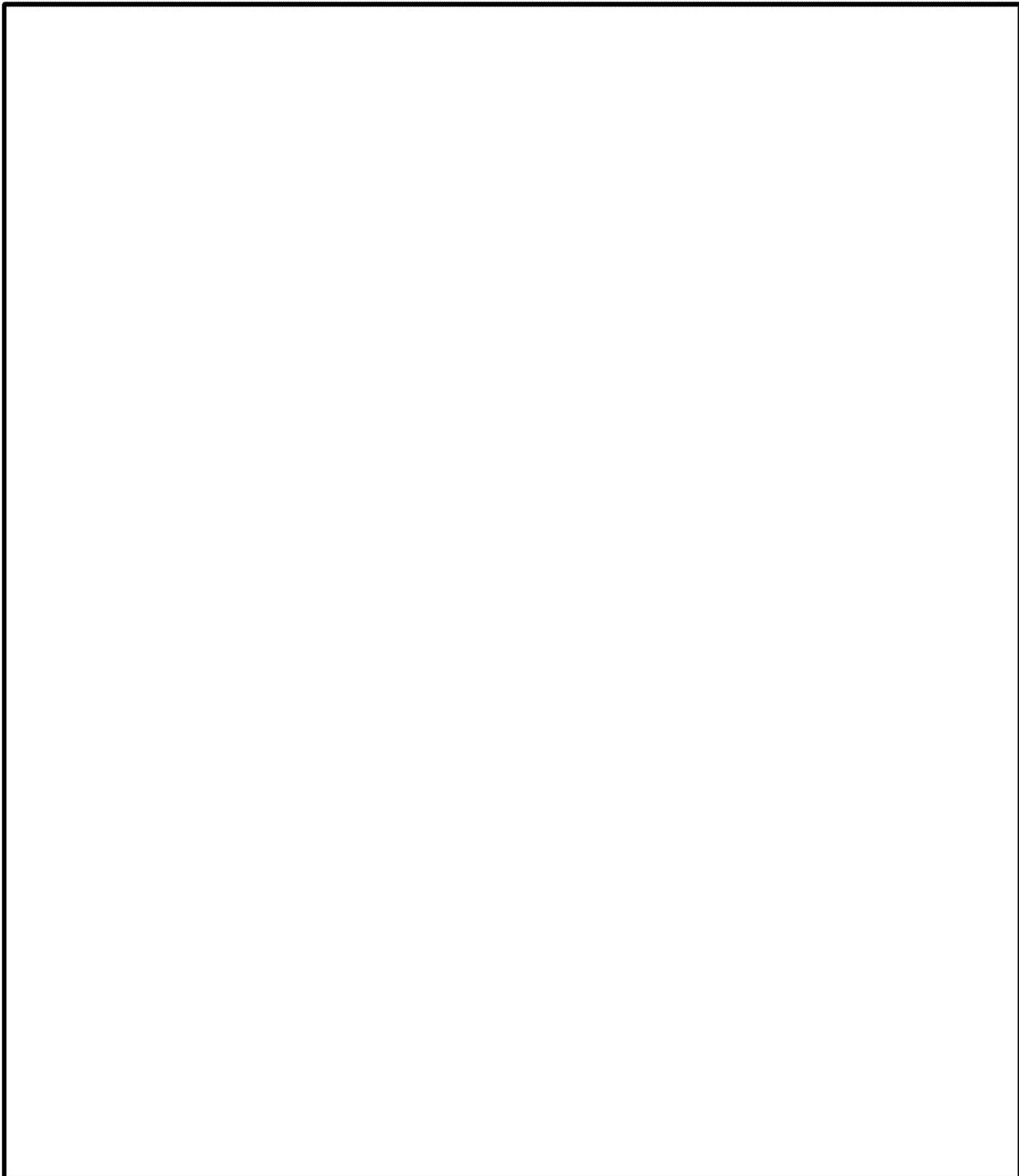
**NOTE: THIS MAP IS FOR REFERENCE ONLY**  
 Although every effort has been made to ensure the accuracy of the information, errors and conditions originating from the physical sources used to develop the database may be reflected in the data reported. The user must be aware of data conditions and inherently bear responsibility for the appropriate use of the information with respect to possible errors, original map scale, collection methodology, currency of data, and other conditions specific to certain data.

**South Dakota Department of Agriculture  
 Office of Agronomy Services  
 Joe Foss Building  
 523 East Capitol  
 Pierre SD 57501  
 (605) 773-4432**

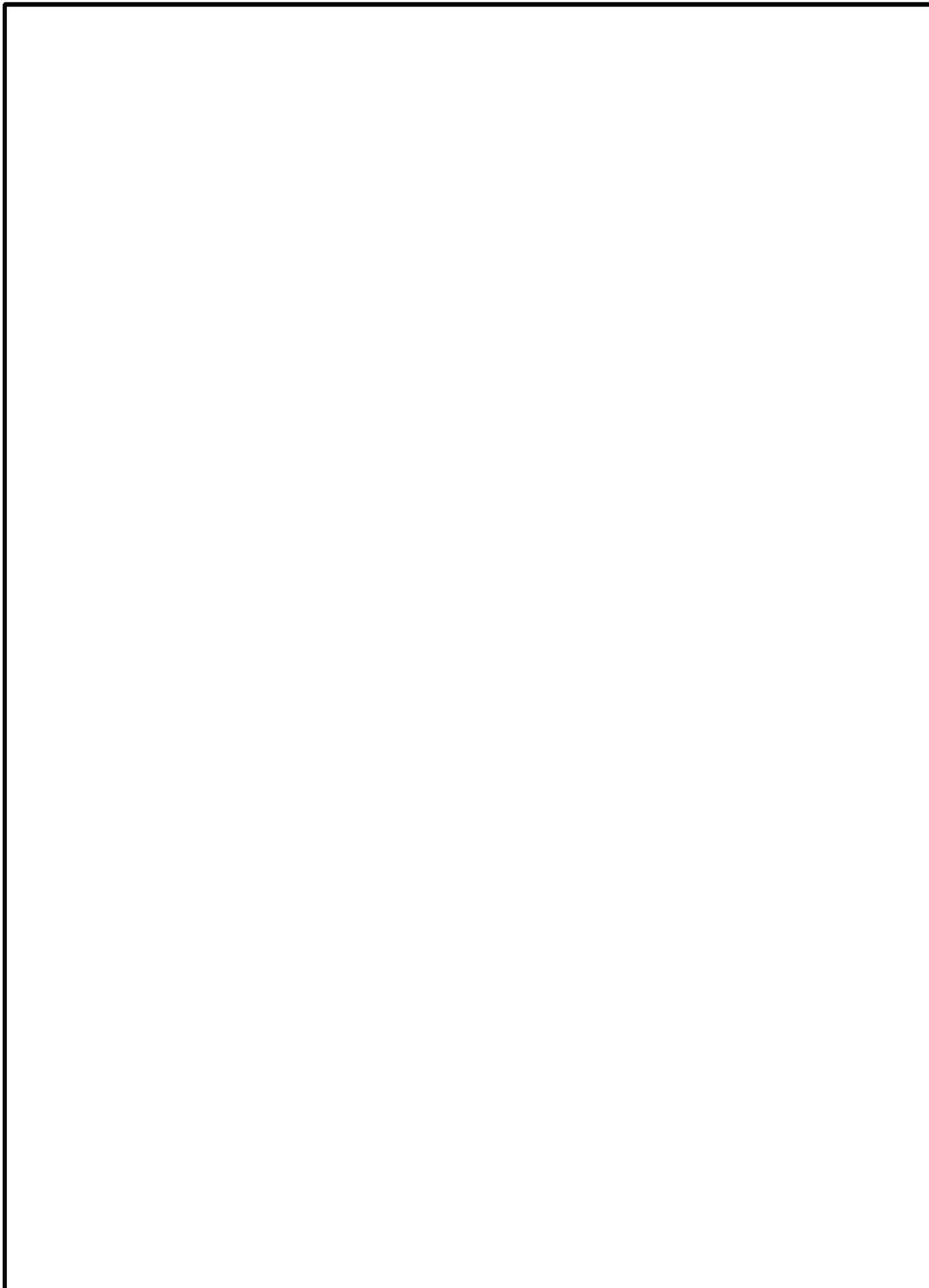
LETTER OF AGREEMENT

This letter is to confirm that the Governor's Office of Economic Development (GOED) and the South Dakota International Business Institute (SDIBI) have entered into an agreement for SDIBI to carry out the following export promotion and Foreign Direct Investment (FDI) activities:

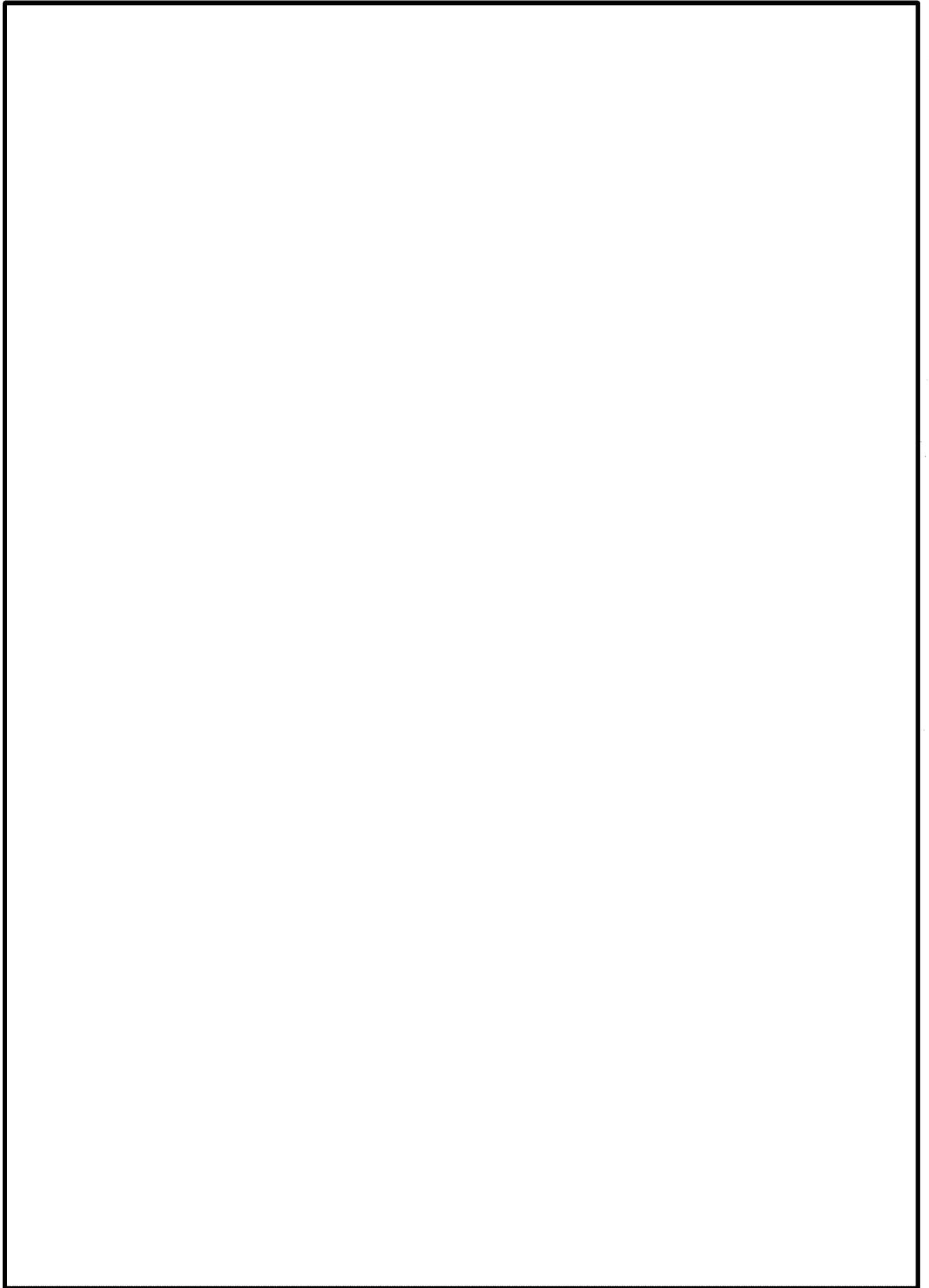
(b)(4)



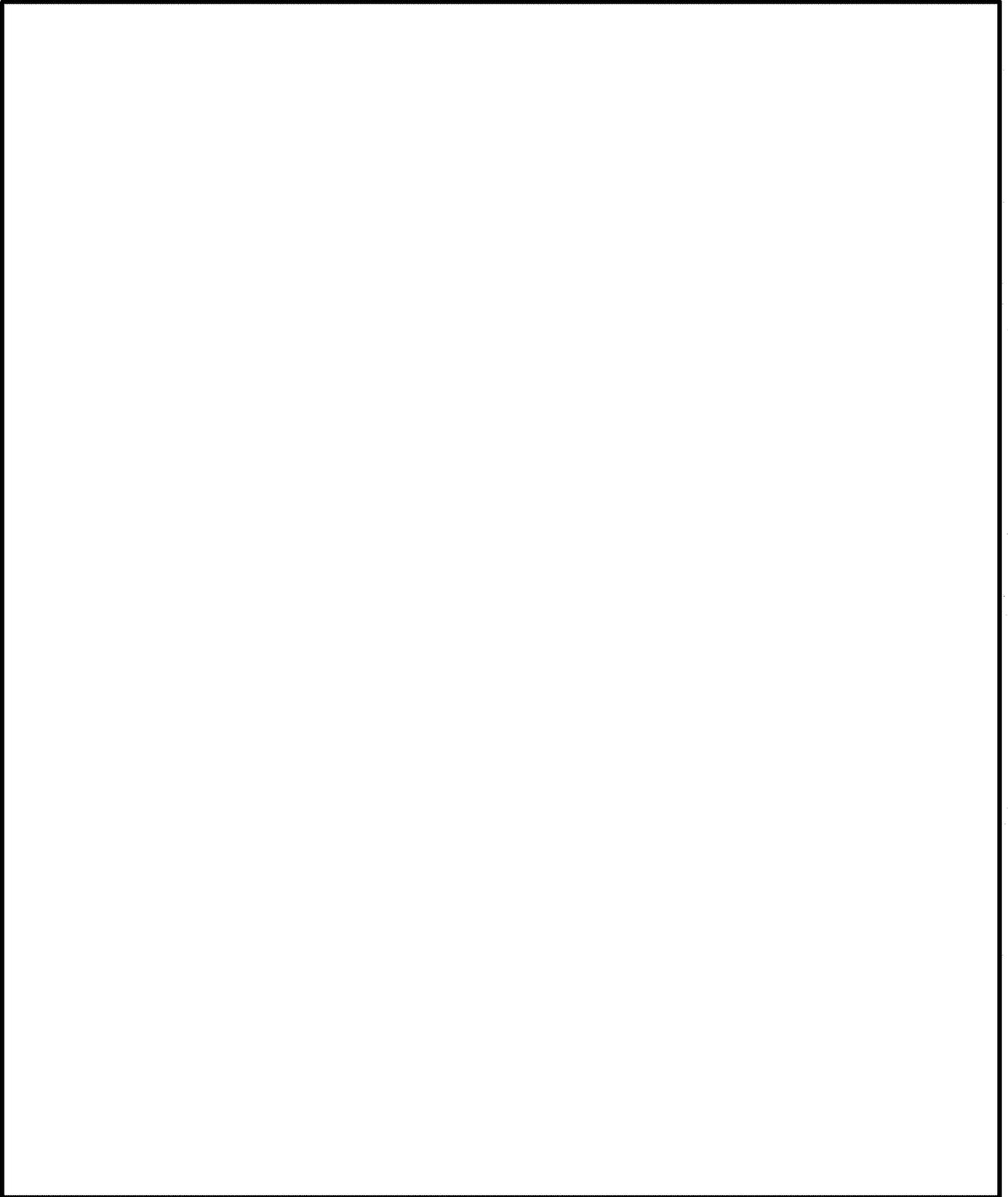
(b)(4)



(b)(4)

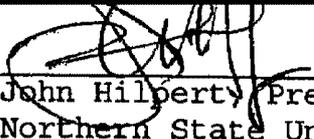


(b)(4)

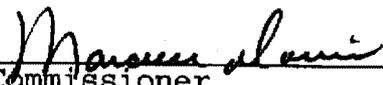


(b)(4)



  
\_\_\_\_\_  
John Hilbert, President  
Northern State University

Date: 3/17/2003

  
\_\_\_\_\_  
Commissioner  
Governor's Office of Economic  
Development

Date: 3/19/03