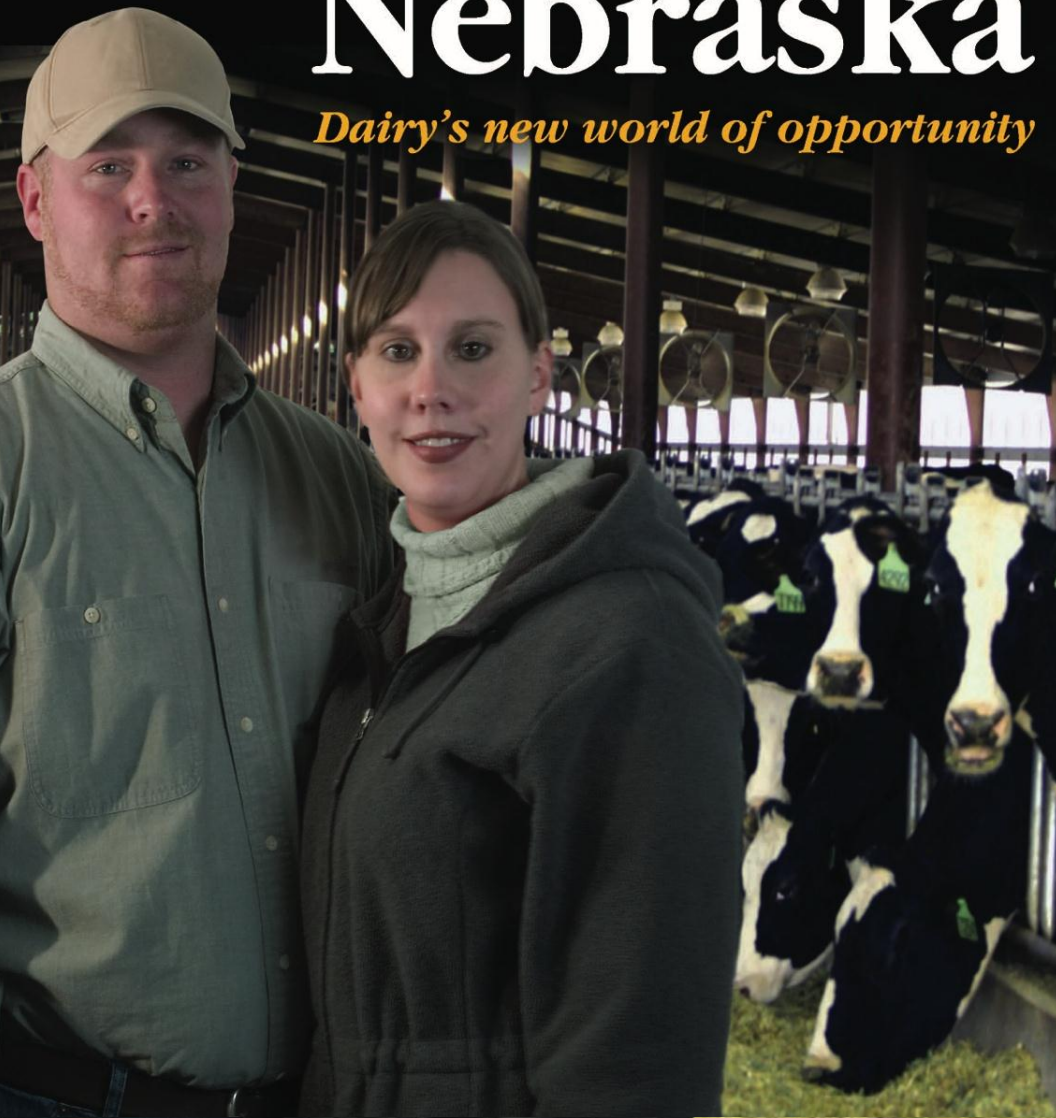




# Nebraska

*Dairy's new world of opportunity*



## MESSAGE FROM THE DIRECTOR OF AGRICULTURE

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Agriculture is the backbone of Nebraska's economy, and our dairy sector is a vital part of our state's top industry. Fortunately, Nebraska offers dairy producers and processors all the key ingredients for success, whether they are relocating from outside the state or looking to expand their Nebraska operation.

This guide is designed to identify key factors that need to be considered by both dairy producers and processors. On the following pages, you will find information pertaining to Nebraska's agricultural statistics and the economic advantages of our great state. Also, you will find information on State agencies, their roles and responsibilities, and how to contact them.

Our land, our people, and our plentiful resources are Nebraska's advantages. They make our state a great choice for the dairy industry.

Discover what Nebraska has to offer. I think you'll agree, Nebraska truly is dairy's new world of opportunity.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Ibach". The signature is fluid and cursive, written in a professional style.

Greg Ibach, Director  
Nebraska Department of Agriculture

## NEBRASKA ADVANTAGES

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**Feed.** Nebraska has an ample supply of quality feed available for animal agriculture. The feed resources include more than 1.46 billion bushels of corn harvested from 8.85 million acres; 75,000 acres of sorghum; 5.10 million acres of soybeans; and 2.85 million acres of hay (890,000 acres of alfalfa and 1.6 million acres of wild hay).

### **Ethanol Co-Products.**

Nebraska's livestock industry, including dairy, can benefit from ethanol production through the consumption of the ethanol co-product distillers grain. Current marketing projections for distillers grain are 5.02 million metric tons. A dairy cow



typically can consume five or more pounds of dry distillers grain per day. Distillers grain is a very cost-effective feed ingredient for lactating dairy cattle, and access to this co-product continues to grow.

**Water.** Nebraska has an abundant supply of quality water available for use in livestock and crop production. Nearly 70% of the water in the Ogallala Aquifer – the world's largest source of underground water – can be found beneath Nebraska's land surface. That is more than 14 trillion gallons of water — five times the water in Lake Erie. Nebraska also has over one billion gallons of water in surface reservoirs.

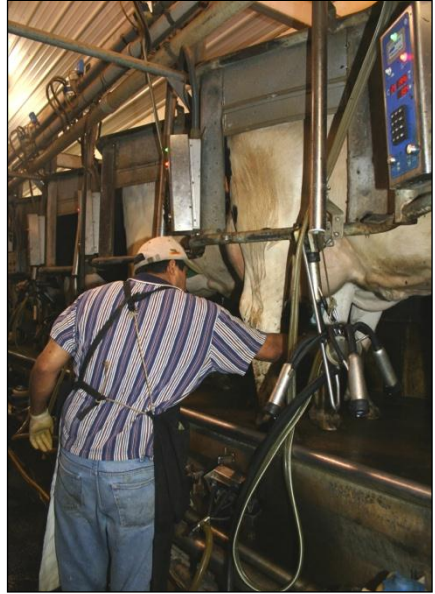
**Utilities.** Nebraska is the nation's only 100% public power state. Low utility costs make Nebraska an excellent location for industries, including agriculture enterprises. Industrial rates for electricity and natural gas in Nebraska are among the lowest in the nation (25% lower than the national average). Both energy sources are accessible throughout the state.

**Labor.** As the dairy industry becomes more mechanized and many of the routine day-to-day chores are run by computers, a top-quality labor force is essential. Nebraska workers are among the most productive workers in the nation, and they are known for their strong work ethic and technical proficiency.

Nebraska's labor force is also known for its high productivity, low absenteeism, and low turnover rates. These traits translate directly into industry profitability.

Nebraska has lower than average rates for unemployment insurance (74% less than the national average) and workers' compensation insurance (71.5% less than the national average). In fact, workers' compensation insurance is not required until one employs ten or more workers.

**Quality of Life.** With a population of 1.8 million, Nebraska is the only state in the union governed by a nonpartisan unicameral legislature. The state's business-friendly climate includes a constitutional right-to-work provision, competitive labor costs, and a strong work ethic. Nebraskans are friendly, sincere, and proud of the state's agricultural tradition. Our communities have low crime rates and strong family values.





Nebraska offers a beautiful, diverse landscape – from the rolling hills and fertile valleys in the east; to the level farmground of the central region; to the beautiful Sandhills in the north; to the high plains in the western Panhandle and southwestern corners of the state. Wide-open spaces allow for room to build, expand, and enjoy life. Modern cities are scattered throughout the state. The cost of living is significantly lower in Nebraska than other states in the nation. This, coupled with a friendly atmosphere, makes Nebraska a great place to live.

Nebraska ranks high in public education when compared to the rest of the nation. Nebraska’s public schools boast a 93.8% graduation rate, compared to the 81.7% national average. The student/teacher ratio is 13:1, compared to a national average of 17:1. Nebraska schools also pride themselves on strong partnerships between high schools, parents, community colleges, universities, business, and industry.

**Cost of Living and Doing Business.** Line item by line item, it just makes sense to locate businesses in Nebraska. The state offers one of the most comprehensive and outstanding incentive programs available, meeting needs of all size businesses. Then there are those intrinsic benefits that are hard to quantify – the costs of raising happy, healthy, and safe families in a state that boasts a relatively pollution- and crime-free environment, with an abundance of recreational and cultural opportunities. Nebraska’s overall cost of living ranks well below the national average in all major categories, such as food, housing, utilities, transportation, and health care.

Refer to <http://www.neded.org/files/DED/statcomp.pdf> to compare the cost of doing business in Nebraska with other states.

**Marketing.** Nebraska dairy producers provide checkoff dollars to Midwest Dairy Association. Midwest Dairy represents more than 11,000 dairy farmers, reaching about 35 million consumers in 10 Midwest states. Midwest Dairy represents dairy farmers to increase dairy sales, foster innovation and inspire consumer confidence in dairy products and practices.



## **PROFILES OF NEBRASKA DAIRIES**

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### **Tuls Dairies, Shelby and Butler counties, Nebraska**

Todd Tuls owns two dairies in eastern Nebraska, Double Dutch Dairy near Shelby in Polk County, and Butler County Dairy near Surprise. Double Dutch Dairy broke ground in 2005, expanded in 2006, and currently milks 4,400 cows/day. Butler County Dairy began operations in 2008 and currently milks 6,000 cows/day in a state of the art facility. Tuls has always had a keen interest in the business and enjoys the challenge that comes with managing such a sizable operation. When the decision was made to move to Nebraska, it was the consistent access to affordable feed that sold Tuls on the move. With the number of cows milked at both operations, the quality and quantity of feedstuff is important. Tuls partners with area producers to supply him with feed such as corn, corn silage, soybean meal, and alfalfa. Nebraska's extensive irrigation system allows for this consistent feed, and now the growth of the ethanol industry offers greater access to co-products such as distillers grains. "A drought in other states will lower the quality and quantity of feed, but in Nebraska, irrigation allows you to work around such extremes," Tuls says. In addition, nutrients are distributed to the fields from the on-site lagoons, increasing overall crop productivity in the area.



*Todd Tuls*



*Dan and Steve Wolfe*

### **Wolfden Dairy, Kearney, Nebraska**

Steve and Dan Wolfe built brand new dairy facilities in central Nebraska in 1997 after intensely researching dairying opportunities in the state. The brothers moved their Wolfden Dairy business 1,500 miles west from their prior location in the Appalachian Mountains of Virginia. Expansion was not feasible on the East

Coast due to limited feed and high land prices, but Nebraska had just what they were looking for. "Nebraska offers so many positive fixed elements that we easily made the decision to relocate, build, and now expand here," Steve says. He is referring to access to water and Nebraska's extensive irrigation system, affordable land prices, and acceptable weather conditions. "With water comes feed," Steve says. Brother Dan also likes their chosen location just south of the city of Kearney. They have access to services, a good school system, and are just five miles off a major interstate highway. "With a milk plant just an hour away, we couldn't have picked a better location," Dan says.

## Holsteins Unlimited, Leigh, Nebraska

Dairying has been good to the Mike Malena family of Leigh since Mike started in the business in 1971. He knew he wanted to dairy and convinced his father to let him buy a few cows. Ever since then, Mike and his family have been milking cows and making a good living. In 2006, the



*(from left to right) Brent and Rachel Malena; Keal, Heather, and Makenna Held, Mike and Joy Malena; and Sean Malena*

Malena children, two sons, a daughter, and their spouses, decided their future would also be in dairying. As a result, a new basement barn with a double 24 parlor and 800-head free-stall barn was constructed and is up and running. This is phase one of the expansion. Permits and landscaping have been completed for the addition of another large free stall barn when the time is right. The facility gave the Malena family a great start. “They enjoy the business, decided it was what they wanted to pursue, and I encouraged them to develop a business plan that would provide them with opportunity and a profitable living,” Mike says. At Holsteins Unlimited, everyone takes an active role in the feeding, management, genetics, and crop production to make the operation run smoothly. The dairy employs individuals primarily for the milking parlor. With a second generation coming on board, dairying will be a mainstay at this family farm, and the recent expansion will offer a new foundation.





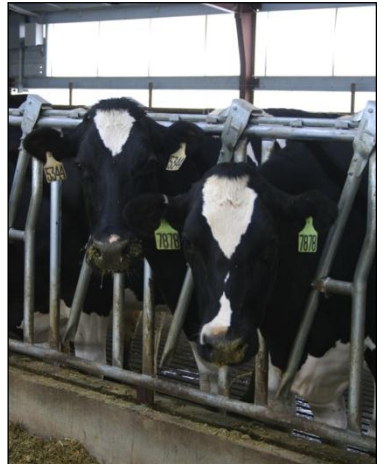
*Thiele Dairy Family Team - Includes Luke, Karol, Ron, Mary Ann, Scott, Lori, Tom, and Bill, plus a team of dedicated employees.*

## **Thiele Dairy, Clearwater, Nebraska**

A trio of brothers and their families have created a solid team that has proven successful in Nebraska's dairy industry. Bill, Ron, and Tom of Clearwater have been in the dairy business for 30 years. When it came to expansion, the Thieles have taken a unique approach. Rather than one large expansion, they have increased cow numbers on an annual basis. Since 1994, they have increased the herd size from

200 to nearly 1,200 cows. Along the way, they have continued to add free stall barns, a manure management system, and have updated the milking facility. Bill says, "We have always thought cows, facilities, and equipment need to be operated at near their full potential. It's helped us avoid adding fixed expenses and helped lower our cost of producing milk." As the dairy has grown, they have formed several alliances

with former dairymen. One raises their baby calves, another artificially inseminates all the replacement heifers, and another houses all dry cows. Leasing facilities from another neighbor has recently allowed them to start milking additional cows at another site. At Thiele's, it's truly a family affair with everyone sharing in the daily activities – from office work, to cow work, to crop work – to accomplish all the tasks. They believe Nebraska offers the economic advantage of shipping milk rather than shipping feed. Expanding their dairy in Nebraska just makes sense to this family.





## **FINANCIAL INCENTIVES FOR DAIRIES**

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In 2006, Nebraska's tax law was updated by LB 990 – passed by the Nebraska Legislature and signed into law by Governor Dave Heineman. LB 990 added two important financial incentives for livestock operations, including dairies:

- Qualified **livestock production** projects are eligible for \$2,750 for each \$50,000 in net investment, as well as \$3,000 for each new full-time employee.
- Qualified **livestock modernization** projects are eligible for credits worth 10% of the net investment (credits limited to \$30,000 per operation). Livestock modernization includes projects that involve depreciable buildings, facilities, and equipment, other than motor vehicles, planes, and railroad rolling stock.

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## **LIVESTOCK FRIENDLY COUNTY PROGRAM**

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Livestock production is a vital part of Nebraska's economy, and the trends in this area suggest a need to address production expansion. As a result, the Nebraska Legislature created a process to recognize and assist counties to maintain or expand their livestock sector. A county that meets the criteria and standards set forth in this process may apply to be designated a livestock friendly county. The Nebraska Department of Agriculture administers this program through its Ag Promotion and Development Division, which plays an instrumental role in the dairy expansion process.

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Web site: [www.agr.ne.gov](http://www.agr.ne.gov)

## **NEBRASKA DEPARTMENT OF AGRICULTURE**

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Nebraska Food Safety and Consumer Protection implements and enforces sanitation and quality standards relative to the dairy industry. The Dairy Division conducts on-site inspections of dairy farms, milk haulers, manufacturing plants, and fluid milk bottling plants. This ensures a comprehensive inspection program that goes from the farm to the consumer to assure a safe and wholesome supply of dairy products.

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Web site: [www.agr.ne.gov](http://www.agr.ne.gov)

## **NEBRASKA DEPARTMENT OF ENVIRONMENTAL QUALITY**

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The Nebraska Department of Environmental Quality (NDEQ) provides for the protection of Nebraska's air, land, and water resources. Local field offices have enabled the agency to provide agriculture producers with greater access to NDEQ staff, provide more timely response to citizens, and develop a better understanding of local issues because NDEQ staff live and work in the local community. NDEQ is a one-stop permit shop. There is no need to work through the EPA.

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Web site: [www.deq.state.ne.us](http://www.deq.state.ne.us)

## **UNIVERSITY OF NEBRASKA – EXTENSION**

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The University of Nebraska-Lincoln Extension helps Nebraskans put knowledge to work. It provides a variety of educational opportunities for agricultural producers, delivered in a variety of ways. Extension educators and specialists teach, facilitate, and collaborate in providing research-based information to Nebraskans, including those who work in the dairy industry. Nebraska is one of the leaders in developing feeding procedures for the use of distillers grain and gluten feed produced by the ethanol industry. The Nebraska dairy web site contains information on dairy relocation, manure management, and dairy management.

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## OTHER CONTACTS

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### **Midwest Dairy Association**

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### **Alliance for the Future of Agriculture in Nebraska**

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### **Nebraska Corn Board**

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### **Nebraska Alfalfa Marketing Association**

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### **USDA Rural Development**

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### **Nebraska Soybean Board**

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### **Nebraska Department of Agriculture**

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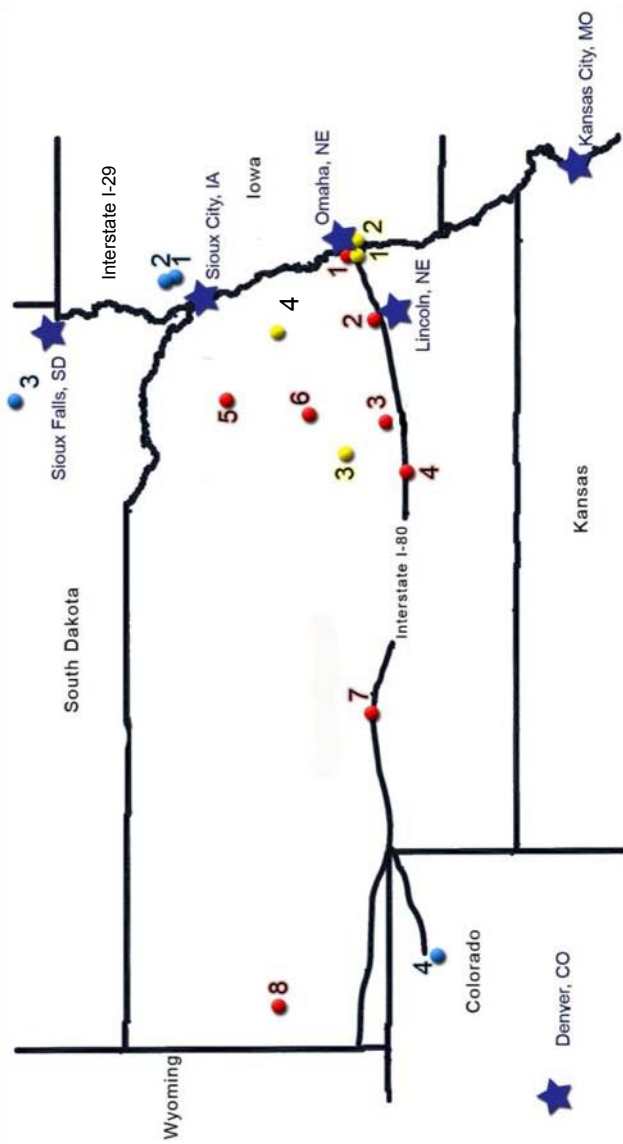
# LEGENDS & MAP

 Major Nebraska Cities	Population
1 Omaha	428,000
2 Lincoln	260,000
3 Grand Island	48,000
4 Kearney	30,000
5 Norfolk	24,000
6 Columbus	22,000
7 North Platte	25,000
8 Scottsbluff	16,000

 Nebraska Processors
1 Robert's Dairy, Omaha ( <a href="http://www.robertsdairy.com">www.robertsdairy.com</a> )
2 LaLa Foods, Omaha ( <a href="http://lalafoods.com">lalafoods.com</a> )
3 Leprino Foods, Inc., Ravenna ( <a href="http://www.leprinofoods.com">www.leprinofoods.com</a> )
4 Grassland Dairy, West Point
 Out-of-State Processors
1 Wells Blue Bunny, Le Mars, Iowa
2 Agropur Trega Foods, Hull, Iowa
3 Lake Norden Cheese Co., Lake Norden, South Dakota
4 Leprino, Fort Morgan and Greeley, Colorado
5 Bel Brands USA, Brookings, South Dakota

*Nebraska is serviced by AMPI and DFA.*





## **NEBRASKA AGRICULTURAL STATISTICS**

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Please refer to [www.agr.ne.gov](http://www.agr.ne.gov) for more agricultural statistics.

- Average annual rainfall varies from 30 inches in the east to 18 inches in the west. Average snowfall is 29 inches.
- Sunshine ranges from approximately 55% in December to nearly 80% in July.
- Wind direction changes frequently all seasons of the year, with average velocity reaching about nine miles per hour.
- Approximately 93,557 registered wells and a network of rivers and surface water canals supply in excess of 8.5 million acres of irrigated crops and pastureland. There are approximately 24,000 miles of rivers and streams in Nebraska.
- Easily accessible ground water from the Ogallala Aquifer lies below almost all of Nebraska's land surface. This is five times the amount of water in Lake Erie.

## **WEBSITES WITH VALUABLE INFORMATION**

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- Land values are an important component of location selection. Please refer to <http://agecon.unl.edu/realestate.html> for current values.
- Nebraska grows abundant, high quality feedstuffs including distillers grains. Refer to [www.nebraskacorn.org](http://www.nebraskacorn.org) and [www.nebraska-alfalfa.com](http://www.nebraska-alfalfa.com) for input prices.

## **AIR TRAVEL**

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There are many options for air travel; most smaller towns have airports that cater to private aircraft. There are also several commercial air options, including:

- Omaha's Eppley Airfield (OMA) is Nebraska's largest airport and is served by all major carriers with many flight options.
- Lincoln's Airport (LNK) is served by Delta and United with connections through Denver, Chicago, and Minneapolis.
- Sioux City's Gateway Airport (SUX) is served by American airlines with connections through Chicago.
- Grand Island's Central Regional Airport (GRI) is served by Allegiant and American Eagle Airlines with connections through Las Vegas, Phoenix, and Dallas/Ft. Worth.

## **FOR MORE INFORMATION**

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## NOTES

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