

# OPEN FOR BUSINESS

## *Livestock Friendly Counties Provide Opportunities*

The economic impact of the livestock industry in Nebraska cannot be emphasized enough.

According to the U.S. Department of Agriculture, total cash receipts from all livestock products in Nebraska were more than \$14.5 billion in 2014. That total is almost half of the receipts generated by the state's number one industry, agriculture.

The ripple effect of the money generated by livestock has an especially significant impact on the state's rural counties and communities whose residents depend on the industry for their livelihoods. The industry has helped many once-dwindling towns see a boost in population and jobs as a result of livestock.

Counties in Nebraska that have sought and received the "**Livestock Friendly County**" designation are actively promoting and seeking livestock development in their area.



In 2003, the Nebraska Legislature passed **legislation** that created the Livestock Friendly County (LFC) program with **Morrill County** receiving the initial designation in 2005.

"The Livestock Friendly County designation is the first step for a county to promote itself as a place willing to work with livestock operations and businesses to build new, or expand current, facilities," Nebraska Department of Agriculture (NDA) Director Greg Ibach said. "Our department manages the program to assist counties in implementation, but the decision to participate is made at the local level."

Such decisions take the cooperative efforts of the county board, planning and zoning commissions (where applicable) and urban and rural residents. Once board members decide to seek the LFC



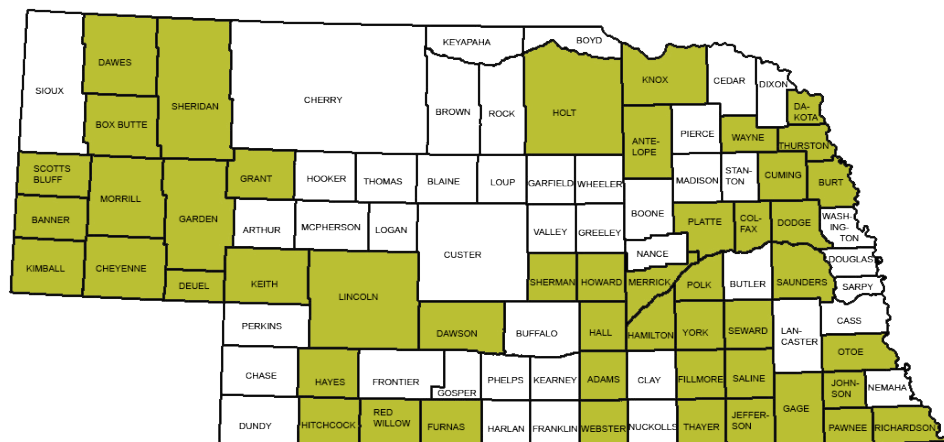


Swine and poultry are the two fastest-growing segments in the livestock industry in Nebraska.



designation, they hold a public hearing, vote to pass a resolution to **apply**, and then submit an application to the Nebraska Department of Agriculture (NDA).

NDA then reviews the application, provides the county board with any input and works with county officials to make a public announcement on receiving the LFC designation.



There are 49 counties with the LFC designation as of December 4, 2018.

## KNOX COUNTY

Marty Cayler, president of **Farmers and Merchants State Bank** in Bloomfield, has lived and worked in Knox County in northeast Nebraska most of his life. He understands the importance of the livestock industry to the local economy.

"As the livestock operations grow, they need more employees whether they're a large farm or a small farm," Cayler said. "This gives us the chance to attract more and more people to our rural communities which keep our local businesses and schools alive."



Marty Cayler

After working with NDA to meet the criteria for the LFC program, Knox County received the designation in 2014. Some of the changes made to local regulations provided a path for expansion of some livestock operations in the area.

One such expansion took place in 2015 and 2016 at the **Mark Miller LLC feedlot** approximately seven miles north of Bloomfield.

"We increased our cattle herd from 5,000 to 10,000 head," said Kelly Kumm, CFO of the company. "That meant an investment of \$3 million in structures and another \$1 million in equipment."

Kumm said the investment not only meant tax dollars for the



Kelly Kumm

county but the hiring of 10 additional employees.

"We also keep 40 semi-trucks constantly running," added Kumm. "And that means 40 truck drivers we contract with and keep on the road."

In August, 2016, **Post Holdings Inc. announced** it was converting its Michael Foods 4-million plus laying-hens egg facility near Bloomfield to a cage-free facility. The conversion, which is expected to take three to four years, will add many additional jobs and millions of dollars of investment.



"When a company makes this kind of investment, especially one that generates more employment, those paychecks get spent up and down Main Street," said bank president Cayler. "That has quite an impact on our area."

Livestock development can also provide opportunities for young people to return to the farm, an opportunity they may not have had in a strictly row-crop operation.



*The livestock industry contributes to the economy in many ways, including keeping semis on the road.*

"My son, who is 30 now, came back seven or eight years ago," said Dean Wilken, operator/owner of Mason Grove Land & Cattle near Bloomfield. "He may not have been able to do that without us having cattle. When I came back to this

farm 40 years ago, my dad told me then that I needed to have livestock to stay afloat."



*Dean Wilken*

## ADAMS COUNTY

Adams County in south-central Nebraska has had the LFC designation for 10 years beginning in 2007.

"I was on the Planning and Zoning Commission as a liaison to the County Board of Supervisors at that time," said retired Hastings veterinarian Chuck Newman.

"I knew we needed to do this



*Chuck Newman*

because animal agriculture is important to our area and having agriculture diversity is

important to our county. I think whatever we can do to promote animal agriculture is good for the county."

Soybean and corn farmer Ron Pavelka agrees.

"Everything I do ends up in the livestock feeding system," said Pavelka whose farming operation is located in the southeastern corner of Adams County. "When I market my grain I know it's reflected in my **basis**. You can take a look at different bids and know the value of that livestock is trickling down to the farmer who only grows row crops."

Pavelka takes the equation a step further when he talks about livestock being an essential

component of the **Golden Triangle**.

That triangle consists of: 1) corn, which can be converted to 2) clean-burning ethanol fuel which in the processing stage produces distillers grains, a primary feed-source for 3) cattle whose manure is an important fertilizer source for the first part of this equation, corn.



*Ron Pavelka*

Adams County certainly has all three components of the Golden Triangle. According to **2012 Census of Agriculture** the value of total crops (primarily soybeans and corn) in the county that year was more than \$262 million and the value of livestock more than \$155 million. **Chief Ethanol**, with locations in both Hastings and Lexington, produces 120 million gallons of ethanol annually which means it consumes a lot of corn and produces tons of distillers grains.

One of the biggest consumers of those distillers gains is Gottsch Cattle Feeders' **Juniata Feedyard**.



Jack Lawless

"For the ethanol industry to be a viable industry somebody has to use those co-products,"

Gottsch Cattle Feeders General Manager Jack Lawless said. "We turn distillers grains into meat for peoples' tables and nutrients for farmers' fields."

## LEARN MORE

FAQ about the LFC program can be found [here](#).

Benefits of the LFC designation are available [here](#).

## ROOM FOR MORE

At the end of 2016, there were a total of **41 counties** that had received the Livestock Friendly County designation with more counties being added to the list in 2017.

"Agriculture is the number one industry in Nebraska and livestock is the engine that drives that train," said NDA Director Ibach.

"Many of our rural counties and communities in the state depend on livestock to boost their local economies. That's why we will continue to encourage more counties to acquire the Livestock Friendly County designation so they can let the livestock industry know they are open for business."



## ECONOMIC IMPACT BY THE NUMBERS

A large livestock operation such as Gottsch Cattle Feeders' Juniata Feedyard located in Adams County has an enormous impact on the local economy.

Gottsch Cattle Feeders' feedyard, trucking and farming operations result in the employment of 63 people with an annual payroll of \$2.619 million. A significant portion of those salaries are spent at area businesses and service providers.

Here is a partial list of purchases the Juniata feedyard makes on an annual basis that contributes to the county's economic vitality:

**Gallons of diesel and gasoline: 361,000**

**Paid utilities: \$395,000**

**Corn harvested/purchased: 4,453,000 bushels**

**Silage harvested/purchased: 105,000 tons**

**Wet distillers grains purchased: 169,000 tons**

**Alfalfa, prairie hay and roughage purchased: 23,770 tons & 28,544 bales**

**Estimated number of trucks/semis needed daily to haul feed: 94**