

Around Dakota Ag

Going, going, gone

By LON TONNESON

HARD times in dairy have claimed a high-profile Holstein breeder in South Dakota.

DuBo Holsteins — operated by Harlan and Mary Bohn and Greg and Andrea Bohn — held a complete herd dispersal in late August.

They sold all their cows and calves, including the 95-point 3E Bonnie Elms Julie cow, which has won numerous prizes in local and regional shows.

“Had to stop the bleeding,” says Harlan of their decision to sell the herd after more than 60 years.

The milk-price crash — from an average of \$18 per cwt. last year to around \$10 per cwt. — created a wave of trouble that swamped the Bohns. They had suffered through a drought in 2006 and hadn't gotten a corn crop. They ended up buying \$7 corn to feed the cows and were still working off that debt. They had hoped to build a 300-cow freestall barn and convert the tiestall barn into a parlor so their son, Greg, could join them in the business. But their bank — which had lost money on other dairies recently — turned them down.

“It wasn't a matter of equity,” says Harlan, “but of cash flow.”

When Greg landed a job with Semex, Harlan and Mary decided to sell.

“We didn't see anything improving soon enough to help us,” says Harlan, who hopes to continue farming.

State losses

Even though South Dakota has fewer than 500 dairies, the industry's troubles are having an impact on the state's economy. Economists have calculated that every \$1 of milk sales generates about \$2.70 in economic activity.

“For the first half of last year, using the multiplier, the economic activity generated from dairy production was \$424 million. This year, it's only \$254 million,” says Alvaro Garcia, South Dakota State University Extension dairy specialist.

“About 25.6 South Dakotans were employed indirectly for every \$1 million of milk sold,” Garcia says. “Considering the \$63 million difference between 2008 and 2009, that would equate to almost 1,631 indirect dairy industry jobs lost.”

Finding solutions is difficult, says Bill Even, South Dakota secretary of agriculture. The bottom line is this: While wholesale milk prices have fallen 50% in the past year, milk, cheese and yogurt prices have only dropped 15% at the retail level. Until this situation changes, milk prices will remain too low for dairy producers to make a profit, and the entire state's economy will suffer as a result, he says.



SALE DAY: Greg Bohn leads the family's prize cow into the auction ring during their recent complete herd dispersal sale.



NO JOY: Harlan and Mary Bohn — flanked by their grandson, Dylan; daughter-in-law, Andrea; and son, Marcus — watch their cows being auctioned off.

Pork losses get worse

HIGH costs and low prices have been battering pork producers for two years.

Losses have been running about \$20 per head for most of the year. Now, losses are said to be approaching \$40 to \$50 per head.

The South Dakota Pork Producers Council recently joined other pork organizations urging USDA to:

- immediately purchase an additional \$100 million worth of pork for various federal food programs.

- use \$100 million of the \$1 billion appropriated for addressing the H1N1 virus for the swine industry.

- work with the U.S. Trade Representative to open export markets to U.S. pork. Several countries, including China, continue to impose unwarranted bans on U.S. pork because of the H1N1 flu.

- study the economic impact on the livestock industry of an expansion of corn-ethanol production and usage.

“Our pork producer members are hurting, and they have been for almost two years now. They need help,” says Jeremy Lehrman, SDPPC executive director.



JEREMY LEHRMAN

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