



Extension FactSheet

Animal Sciences, 2029 Fyffe Road, Columbus, OH 43210-1095

Questions Pertaining to Large Dairy Enterprises in Ohio: Community Impact

Who will work at large dairy farms?

Ohio currently has a very tight job market. Many dairy farms are having difficulty finding an adequate number of qualified employees. An expanding livestock farm or a large livestock farm new to a community is likely to face especially difficult hiring problems. As a consequence most large livestock farms will consider both local people and people new to the community in filling positions.

Large livestock farms are likely to turn to recruitment of employees from other areas of the United States or from other countries (e.g., migrants) when they are unable to find local people to fill all their positions at economically justifiable wage rates. Success in hiring local people will depend on such things as wages and benefits, job descriptions, length of work week, work schedule, flexibility in work schedule, working conditions, orientation and training programs, communication, sense of importance to the business, opportunities for advancement, and reputation in the community as a desirable place to work.

Who generally owns large farm operations?

There are still approximately 100,000 commercial dairy farms operating in the United States. Of those, more than 99.5 percent are family owned. Interestingly, the same is true of large dairy farms. Of farms with more than 200 cows, more than 99 percent are owned by families or

small family corporations. Characteristics of Ohio dairy farms are similar to those that describe farms in the United States.

Why are farmers in the Netherlands interested in locating in Ohio?

There are actually two parts to this question. The first one is why are farmers in the Netherlands leaving their country? The second part is why are they choosing Ohio?

The Netherlands covers an area equal to 40% that of Ohio. Yet, its population of 18 million people is approximately 50% larger than that of Ohio. Additionally, there are approximately six times more dairy cows in the Netherlands than in Ohio. Needless to say, land is getting very scarce and expensive. Additionally, the Dutch government has agreed to new European Union regulations aimed at reducing by 25% the animal population over a period of ten years. Hence, it is now nearly impossible for a Dutch dairy farm to increase its size to bring their sons and daughters into the operations. Consequently, many Dutch farmers are selling their farms in their homeland and are relocating their families in other countries, primarily Canada, New Zealand, France, East Germany, Poland, Portugal, and the United States.

Within the United States, the eastern cornbelt is rapidly becoming an area of choice for Dutch farmers. The climate is similar to that of their homeland. Agronomic resources (soil, air, and water) are generally very favor-

able to milk production. Dutch churches have been established in some locations. Ohio is a milk deficient state (more milk processed and consumed than produced) and many of its processors are looking for additional milk to provide the dairy products consumed by its growing population.

What is the true cost to the community to accommodate large farms, e.g., in terms of improved roadways?

If the dairy developer works with and cooperates with local economic development professionals and state economic development specialists, the cost to the community will be zero. The reason is the ability to utilize Tax Increment Financing (TIF) or enterprise zone programs that set aside NEW tax dollars from real property improvement. Thus, without the dairy project, the increase in taxes will not materialize. Next, the state has infrastructure grant programs available to assist communities in improving publicly owned roads, and water or sewer infrastructure. These programs facilitate lowering the amount required for local dollars to improve infrastructure, resulting in leveraging of additional local tax funds.

Are tax abatements available to large dairy farms?

No, the available structure being recommended for large livestock farms is a tax redirection through a negotiated TIF or Enterprise Zone (EZ) Agreement. The farm pays the same dollar amount that the taxes would normally be, but the dollars are dedicated to specific categories: to help the County Engineer and Township Trustees fund road improvements and/or help the local school district. If dollars are directed towards the school system, a gift in lieu of taxes must be used to protect the school from lost State revenue. This prevents the State from lowering the amount of money sent to the local school district based on its State formula for funding.

Do schools lose tax money when the large dairy farms come into a community?

Schools gain revenue if an agreement with the dairy farm is negotiated that allows for a 100% agreement with a gift back to the school. If an agreement is arranged, the school system continues to receive the State formula dollars, plus the gift funds. If no agreements are created, the school sees roughly a zero increase in revenue even though the local tax revenues increase significantly because of the farm's presence. All school districts are presently penalized by the state with a reduction of State formula dollars for any income increase in their real

property tax stream. People opposing new livestock TIF or enterprise zone agreements are causing the loss of potential income to their school districts, rather than causing financial harm to the farm owners.

Will large dairy farms decrease neighboring property values?

There is no scientific study that supports a certain “yes” or “no” answer to this question. Large farms could even increase land value. The key element to keep in mind is to recognize that locating a large dairy next door doesn't automatically translate to lower values for neighboring properties. Values could increase because of higher value products and lower costs of production. Value could decline because of poor neighbor relations and inept farm managers. Values could remain unchanged because neighbors choose to and fulfill their obligation to treat each other, their community, and their surrounding natural resource base with the respect each deserves in a civil society.

If local farmers receive threats or experience vandalism, how should they proceed to report such occurrences to authorities?

Farmers should report threats and vandalism to law enforcement authorities. In terms of threats, they need to write down as much detail as possible about the probable time and circumstances. The same holds true for vandalism. The goal is to help law enforcement understand the seriousness of the incidents, possibly identify a pattern (because most threats and vandalism are not committed by a perpetrator only one time, but many times), and seek to catch the perpetrators.

Second, farmers should share information with trusted neighbors. Rural law enforcement resources are spread thinly in open-country areas, and neighbors are very important for helping to maintain surveillance of property and for reporting suspicious activities.

How can farmers help to establish good relations with neighbors?

Dairy farmers can establish good relations with neighbors with some of the following strategies:

- Get to know the interests and lifestyles of your neighbors—what's important to them.
- Communicate with your neighbors, at community events or through a newsletter, to let them know what is taking place with your agricultural business.

- Be neighborly; friendly help when needed shows interest in their concerns.
- Schedule tasks so as to minimize odor, noise, and traffic flow nuisances and notify neighbors when such tasks will be occurring (e.g., by way of a newsletter, etc.).
- Make your farm attractive.
- Use environmentally sound farming practices.
- Conduct a community event on your farm (e.g., tours, free sweet corn, free meal, etc.).
- Clean up around the farm and the roadways after harvesting crops and spreading manure.
- Be proactive by explaining to local officials about your farming business.
- Make sure employees also are building positive relationships with the community.
- Annually budget funds for neighbor relations.
- Contribute to charities, buy animals at county fairs, etc., to let people know that you are investing in the well being of the community.
- Be active in the community to build farm and non-farm relationships.
- Provide leadership in local and state organizations to provide proactive directions for animal agriculture.
- Take the attitude of avoiding conflict instead of creating it.

- Use proper channels to resolve conflict instead of “taking measures in your own hands.”

Editors

Maurice L. Eastridge, Professor, Department of Animal Sciences, The Ohio State University

Suzanne Steel, Director of College Communications, Communications and Technology, College of Food, Agricultural, and Environmental Sciences, The Ohio State University

Technical contributors

Don Clark, Ohio Department of Economic Development

Maurice L. Eastridge, Professor, Department of Animal Sciences, The Ohio State University

Bernard Erven, Professor, Department of Agricultural, Environmental, and Development Economics, The Ohio State University

Allan Lines, Professor, Department of Agricultural, Environmental, and Development Economics, The Ohio State University

David Patton, Associate Professor, Community Development, Ohio State University Extension

Normand St-Pierre, Associate Professor, Department of Animal Sciences, The Ohio State University

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Keith L. Smith, Associate Vice President for Ag. Adm. and Director OSU Extension.

TDD # 1 (800) 589-8292 (Ohio only) or (614) 292-1868

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