

A 'Perfect Storm' For Hay

Southern Drought Creates Opportunities And Issues For Local Hay Producers

BY LISA HARE
P&D Correspondent

The relatively short-lived heat wave area farmers experienced in late July and early August was just a small taste of the drought southern producers have suffered — and still are.

With more than 50 consecutive days of temperatures hovering between 100 and 115 degrees in Oklahoma, and parts of Texas that haven't seen a drop of rain since last fall, ranchers in the southern Plains are growing desperate for feed for their cattle. Many are paying exorbitant costs to ship hay from Nebraska and South Dakota.

"Load after load is being shipped out to Texas and Oklahoma — the past two weeks have been incredible. For our part, we have the perfect storm: a limited supply of hay and a high demand from ranchers in the south."

DAVID KEISER

weeks have been incredible," said David Keiser, general manager for Dakota Premium Hay, Yankton. "For our part, we have the perfect storm: a limited supply of hay and a high demand from ranchers in the south."

Recent high corn and soybean prices have influenced many local producers to convert alfalfa acres to those crops, tightening hay supplies.

"Hay isn't a subsidized crop like corn and beans," said Gerald Lierman of The Hay Company in Beemer, Neb. "We've seen at least a 60-70 percent drop in local (hay) production over the last three years."

But livestock still need to eat.



PHOTO: METRO GRAPHICS

"Right now there are a lot of cattle needing feed," Keiser said. "We've had a tremendous influx of (hay) buyers from Texas."

According to USDA statistics, the average price for hay last July was \$112 per ton. This year, that price has doubled, and for some, has nearly tripled as shipping expenses drive costs even higher.

"Supply is so weak right now," Keiser said. "Alfalfa doesn't even have to test that high, and it'll go for \$200/ton — or more."

Keiser added that trucking has become a serious issue, as well.

"There just aren't enough trucks on the road right now to handle the demand," he said.

"I've heard down south they're paying as much as \$300 (per ton)," Lierman said. "When you get to paying

that much, a man has to think about getting rid of his livestock."

And that's the choice many southern producers are currently facing.

According to the Texas Agrilife Extension Service, ranchers have been selling off cattle at double or triple the normal rate, forcing many livestock auctions to turn cattle away.

Fortunately, cattle prices have remained fairly strong due to foreign market demands and other factors. But rebuilding their herds means more expenses later for ranchers.

"We're reaching the breaking point for these producers," Keiser said. "When that happens, that (hay) market will disappear."

Social Media Can Produce Benefits For Your Farm

BY RITA BRHEL
P&D Correspondent



Rita
BRHEL

I like Facebook. It's a great place to connect with new people, reconnect with old friends, and stay connected whenever life gets a little too hectic to be able to make a phone call or even send an e-mail. And there are a couple blogs I visit regularly, and even write for. And YouTube can be both a learning tool — the kids ask me to look up a video about various topics that pique their interest, like the Venus Fly Trap or falling stars or sea cucumbers — and a source of entertainment.

But as far as a marketing tool for our small farm, I'm still trying to find the way using social media. I started off with a website, then added a blog and an e-newsletter, and did a little Facebooking and Twittering, but after a while, there didn't seem to be very much interest from potential customers and I abandoned all of it to rely on my favorite stand-by of offline voice of mouth and a sign on the end of our driveway announcing "Eggs for Sale." We also sell produce from our garden locally, and grass-fattened lambs and goats at a regional market in Kansas. The social media experiment was largely to benefit our local sales, which didn't do nearly as much as the old-fashioned cold call, door-to-door pitch, and customer referral.

But there are many farmers that have great success with social media and get almost all their sales from contacts through these Internet tools.

I came across an article recently in *Sheep Industry News* that interviewed some of these savvy producers to see whether their success has anything to do with skills that can be learned or are

simply luck. Here are a couple points that I found interesting in the article that might explain something about the apparent hit-or-miss of using social media as a marketing tool:

- 96 percent of the world's developed nation population age 30 or under belong to a social network;

- Facebook's population totals enough to qualify as the third-largest country in the world, behind China and India;

- one-third of the population with access to the Internet prefers to use their cell phone to read news rather than sit down with a traditional newspaper;

- Journalists now use bloggers as news sources (as a journalist, this trend is actually a little concerning but that's a topic for another time).

Basically, what these statistics are saying is that if you want to reach new customers, you must be online and using social media. And some people, including those responsible for bringing the latest news of importance to the masses — journalists — take what's written by personal bloggers very seriously.

Now let's take a look at a couple of the success stories illustrated in the article:

- Don Macon of Flying Mule Farm in Auburn, Calif., uses Facebook to sell lamb, mutton, wool, and pelts through farmers markets and direct sales, as well as offers a targeted grazing service. He started selling at farmers mar-

kets seven years ago but found difficulty in finding new customers outside the local network. He began by building an e-mail list of family and friends, and then set up a website through which he got a wider outreach for the e-mail list. His regular e-mail updates morphed into a personal blog, and Facebook is the latest addition to his Internet marketing arsenal.

- Rhonda McClure of Ewe and Us Farm in Wahoo, Neb., uses a personal blog to sell lamb, wool, and fiber artwork through direct sales. She started using the Internet to break out of the customer-limiting isolation of her rural community. At first, she only reached out to her family and friends, and now has a following that includes customers from across the nation.

The article went on to list tips to making social media work:

- Don't abandon your website — Your website is still your virtual storefront; each social media venture should be in addition to the website and linked to the site.

- Maximize virtual word-of-mouth by focusing on building relationships — The great advantage to social media is the two-way interaction that is the basis of these Internet tools. Producers can post updates, announcements, photos, etc. on happenings and followers can instantly post feedback and make referrals. In order for this to work the best, social media has to share the same attributes as offline word-of-mouth advertising in that the producer needs to build trust between him and the customer, and this is best done with transparency and personal stories and opinions.

- Be sensitive to your audience — A mainstay in marketing, no matter the platform, online or off, is that you must know your target audience. You can't sell your product if you're not communicating directly to the type of person who uses that product;

for example, you can't sell your meat if you're communicating to a vegetarian. Obviously, this is an over-dramatized example, and a mistake that not many people are going to make, but it's easy for producers to forget the intricacies of who they're communicating with. Many direct-market customers are urbanites who may love to hear the day-to-day happenings of working on the farm, and while it may be OK to write that some animals were lost to predators, they don't want to hear about the gory details and definitely don't want to see pictures.

- Plan for negative attention — Producers, especially of livestock, are bound to attract some followers whose primary agenda is to criticize their work or the way they run their operations, such as animal welfare activists. Even producers whose followers seem fairly benign can't always predict whether a given post or comment might offend someone and lead to negative feedback. Fortunately, most social media sites allow the owner to delete comments at their discretion.

- Highlight the positives in your business, not necessarily your products — Potential customers want to know what

makes your farm and products stand out from the rest. Be clear about your philosophy, whether it's the environmental conservation of controlling weeds through targeted grazing, the health benefits of eating grass-fed meat, the sustainability of sustaining the

local community through local sales, and anything that helps people feel that by supporting you, they're supporting a larger cause. Then, although you're offering your products for sale, their buying decision is based on an emotional connection to your philosophy instead of feeling pressured by a sales pitch.

- Stay up-to-date — Keep the updates, posts, and other information on your social media sites current. People come back to the blogs, Facebook pages, etc. if there's consistently new information. Don't worry about being boring; as long as you're honest and personal, you'll attract a following of people who are interested in what you're communicating.

Judging from my experience with social media marketing, I'm thinking that using the Internet is probably not the appropriate tool to be using in strictly local sales especially in a rural area. But if you're looking to reach out to people outside your local customer base, especially if your local area is rather populated and so you don't necessarily know your neighbors, social media looks like an excellent way to go.

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Conservation Stewardship Program Can Be A Benefit

HURON — The Conservation Stewardship Program (CSP) is designed to encourage producers to take their current management practices to a higher level to protect and enhance natural resources. CSP coordinator Rodney Voss with the Natural Resources Conservation Service (NRCS) states the most recent sign-up for CSP was extremely successful with more than 700 applications submitted on nearly 2 million acres statewide.

"Of those 700 applications, we obligated 331 contracts, and that was on nearly 870,000 acres," said Voss.

Management activities encouraged by CSP vary greatly, but all aim to promote healthier soils, cleaner water and improved wildlife habitat. For many producers, CSP offers reward and recognition for the conservation they are already doing, plus an incentive to try more activities.

"A farming operation may decide that they'd like to experiment and do some work with cover crops for improving soil quality. And CSP would offer that opportunity to try cover crops," Voss said. "Some of the other things that the program offers are Smart Sprayer technologies, and nutrient management through timing and placement of nutrients, among many others."

In exchange for stepped up management, the CSP provides funding to producers. In 2011, approximately \$14 million has been provided to producers. In total all three CSP rounds have garnered 834 contracts in South Dakota with payments next year exceeding \$26 million.

But that's not the entire story. There are secondary impacts generated from CSP dollars that go much farther to help the local economy and communities in South Dakota. According to Doug Vik, Economist for the NRCS, the \$14 million payments to CSP producers in 2011 have the potential to generate an additional \$11 million in indirect benefits. Expenditures by producers in local communities create business-to-business activities, generate business taxes, and pay employee salaries, all to the benefit of the local economy. In all, the 2011 CSP alone could have an impact of over \$25 million for South Dakota producers and communities.

The CSP, authorized in the 2008 Farm Bill, is a voluntary program that offers payments to producers who exercise good stewardship and agree to further improve their conservation performance. CSP is available to all producers regardless of operation type, crops produced, or geographic location.

For more information, go to www.sd.nrcs.usda.gov, or visit your local USDA service center.

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