



## MICHIGAN SOYBEAN PROMOTION COMMITTEE

# a new release



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### **Farmers Help Keep Michigan's Economy in the Black**

While other Michigan industries are suffering in the recession, agriculture is on the upswing, providing a \$71.3 billion boost to the state according to a Michigan State University analysis. Agriculture provides more than 1 million jobs as the state's No. 2 industry. Jim Reid, a dairy farmer from Jeddo in northern St. Clair County, is one Michigan agriculturist who has a significant impact on his local economy.

Beginning in 2008, Reid and his wife, Pam, began an expansion that doubled the dairy from 100 milking cows to 200. Plans are to add another 20–30 cattle.

The expansion necessitated new housing for the cows and the calves. Reid hired an area building contractor to erect two new structures, as well as build some systems for environmental protection.

Reid said his contractor formerly employed 60–70 employees for residential and commercial building work, but due to a drop in building demand was forced to lay off half of its staff in the winter of 2008. The construction industry has been hit hard, with new construction opportunities dipping dramatically. Demand for agricultural building, however, has kept the remaining workforce employed. "The last 2–3 years, these farms are what they've been working on," Reid said.

Reid purchased concrete and most building materials from local sources, upping the positive impact of his expansion on the community.

Cows are now housed in a freestall barn, completed in December 2008, where they roam freely, eat and drink when they want, and choose their own bed or stall to sleep in. With its light, airy atmosphere and arched trusses, the barn resembles a cathedral from the inside. The trusses are the same style used in many churches — but for this application the purpose is to reduce surfaces on which birds may land to keep the barns cleaner.

Curtains on each side and end of the barn can be raised to allow for airflow, or lowered to maintain warmth inside. The building is built 6–8 feet above grade, allowing for manure to be pushed into adjacent storage lagoons until it can be used to fertilize crops. "Being up high like this, we get a lot of ventilation," Reid added.

Cows are bedded with sand, which helps keep the animals clean and healthy. "They like their own little private sandbox," Reid said. All this improves cow comfort, and comfortable cows produce more milk.

Milked three times per day, cows at Reid Dairy Farm give an average of 29,247 pounds of milk, or 3,441 gallons, per cow per year. Reid's excellent production and his management skills earned him the title 2009 NorthStar Cooperative Progressive Dairy Producer. His cows average among the 100 most productive dairy farms in the state, according to state Dairy Herd Improvement records.

Reid also pays close attention to detail for the comfort of his calves who are treated to new, light and airy housing as well. They reside in a hoop-style, fabric-sided barn built in summer 2009. It's designed to be comfortable for calves and convenient for Reid and his employees to care for them.

With three fulltime farmhands and one part-time helper, Reid Dairy Farm also boosts the local economy as an employer. Overall, Michigan agriculture provides a quarter of the state's jobs.

His youngest son, Jeff, 23, is beginning to show interest in farming. With the farm expansion, "There is room for growth," Reid said.

Reid has grown his business since he began. He followed in his father's footsteps, teaching elementary school for five years while milking cows on the side. When an older couple was ready to retire from dairy farming, Reid seized the opportunity to buy their farm and cows, combining them with his father's herd. Reid became a fulltime farmer in 1978. As the operation grew, he added cows and employees to help care for them.

Reid hires out some farm services that create jobs for others, as well, including those who plant the 1,000 acres of crops and provide some crop maintenance during the growing season.

Reid grows much of his own feed. He also purchases inputs, including feed that's not grown on the farm such as soybean meal. "High-quality feed is the key to keeping production at this level," he said.

Cattle at Reid Dairy Farm consume about 450 tons of soybean meal per year, the average production of nearly 440 acres of soybeans.

The major protein source for Reid's cows is soybean meal in the form of a blended protein mix. Jim considers canola meal and other protein sources to find the best current value, but, "soybean meal is always in the feed," he says.

Finding the best value for feed is especially important with today's low farmgate milk prices. Dairy farmers don't get to raise their prices as input costs rise; instead they take what price is given after milk is hauled away from the farm. Through 2009, the prices Michigan farmers received for their milk was low, from a low of \$9.31 per hundred pounds (slightly less than 12 gallons) in February to a high of \$14.98 per hundredweight in December, as recorded by the U.S. Department of Agriculture. For 2010, prices are expected to average \$15.83, rising slightly to \$16.43 by 2011.

Although consumers pay about \$3 per gallon of milk at the grocery store, with \$15 per hundredweight farmgate milk prices, farmers only see about \$1.28 of that.

Despite the challenges of remaining profitable with low milk prices, Reid Dairy Farm manages dual impacts on the community — it feeds the economy and it feeds people. "If you think about how much food you're producing, it's amazing," he said. "A dairy farmer really provides a lot of food for a lot of people."

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The Michigan Soybean Promotion Committee works to enhance the profitability of Michigan's soybean producers through the investment of soybean checkoff funds. MSPC works to build markets for soybeans through educational programs, promotion of biodiesel and other soybean uses, and funding agronomic research. MSPC is led by a board of farmers elected to direct the investment of soybean checkoff funds on behalf of the more than 10,000 Michigan soybean farmers. For information about soybean checkoff results, call (989) 652-3294 or visit [www.michigansoybean.org](http://www.michigansoybean.org). To learn more about good stewardship practices and the connection between crop production and animal agriculture, visit [www.animalag.org](http://www.animalag.org).