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## SD dairy industry has global flavor

Many owners foreign-born, including Dutch, Koreans. There are 44 dairies in the state that milk 500 or more cows daily, and about half are owned by people from European nations.

By: **Tom Lawrence**, The Daily Republic

*EDITOR'S NOTE: This is the third in a series of stories examining revolutionary changes in the dairy industry in South Dakota. Future story topics include environmental impacts and a closer look at a proposed Hanson County dairy*

ELKTON — It was a meeting at a South Dakota dairy farm, but it had a very worldly atmosphere.

The farm's owners, Wilfred and Olga Reuvekamp, moved here from The Netherlands. Their employees are from Mexico, Guatemala and Columbia, and a student intern working at the farm is from Denmark.

Members of the South Dakota Ag and Rural Leadership program came to the Hilltop Dairy near the South Dakota-Minnesota state line in Brookings County for the meeting.

Olga Reuvekamp said one of her employees offered to serve as the cook for lunch.

"We had a good Mexican meal and a lot of cultural exchange," she said.

The Reuvekamps, who moved to South Dakota with their daughter Elf and sons Thijs and Wim in 2006, operate a large dairy with about 2,000 head of cattle. They have about 30 employees, Olga said, and most come from countries in Central and South America.

That international flavor is quite common in South Dakota and in other states where milk is produced.

There are 44 dairies in the state that milk 500 or more cows daily, and about half are owned by people from European nations such as The Netherlands, Ireland and other countries, according to South Dakota Secretary of Agriculture Walt Bones.

Those nations have far larger populations living in much more cramped conditions, Olga said. There, while South Dakota has fewer than 10 people per square mile.

Governments also establish quotas and mandate licenses to own and milk cows. For admittedly "ambitious" people like the Reuvekamps are strict limits on how many cattle a dairy farmer can own and how much land can be used.

The Netherlands is one-fifth the size of South Dakota, she said, and it has a population of 17 million.

That equates to 1,000 people per mile, such restrictions forced them to look to the United States, she said.

"We just looked to have a new challenge. We wanted to relocate," Olga said. "But where do you go?"

They looked to the United States, where land is more affordable and the number of cattle that producers can own and the milk they can produce is virtually limitless. South Dakota has been actively recruiting European farmers for more than a decade, as have other states.

The Reuvekamps bought Hilltop Dairy in 2006 from a retired college professor from Illinois who established the rural business.

They weren't the first Dutch farmers to come to South Dakota in search of more land, cattle and opportunity.

Wim and Nicolien Hammink were.

The Hamminks came to South Dakota in 1995 and now own two Brookings County dairies — Hammink Dairy and Hammink South, where they employ more than 30 people to tend more than 2,000 cattle.

Many of the employees are from Latin American countries, including Mexico, El Salvador and other nations.

They're willing to work long hours, much of it outside, on the dairies.

Olga Reuvekamp said she learned many languages, including English, while growing up in Europe. Language classes were offered in the seventh grade, she said, and she picked up other languages, since European countries are so close to each other.

During an interview, a female employee stopped to chat with Olga and after a brief exchange in English, both went back to what they were doing.

"Muchas gracias, amigo," Olga called out to the worker.

While the employees are a key part of the operation at large dairies, that may be reduced at some point.

Olga Reuvekamp said most Dutch dairies use robotic milking machines, which require little human effort.

The cows are trained to come into the parlor, where they receive feed while having the strain of the milk filling their bags relieved.

Stuart and Brenda Plucker, who operate a small dairy farm in rural Chancellor, are believed to be the only South Dakota farmers using a robotic system. It's an expensive investment, but it also frees people up while allowing the cows to milk themselves when they feel the need.

The Pluckers had been milking their approximately 40 milk cows twice a day, as most smaller operations do.

Now, the cows milk themselves three times a day, increasing the production by up to 10 percent.

At \$21 per 100 pounds of milk, that's a nice return on the investment. But it's a considerable investment, since the robotic milkers, which can handle up to 60 cows per milking, cost \$160,000 and there are additional costs for plumbing and building costs or upgrades as needed. Right now, they are mostly used by small to medium dairies.

### **Path to citizenship**

Like most large dairies, the Reuvekamps have their cows milked three times a day. That means they have shifts of workers milking the cows.

Wilfred works outside with the employees, and he was bustling about on the day a reporter was present.

Olga Reuvekamp serves as the bookkeeper and manager, a duty that most of the wives of the transplanted farmers fill, she said.

Olga Reuvekamp said while they are very busy managing and operating the farm, they socialize with neighbors and attend local events.

People have been very welcoming, she said, and there is no evident sense of resentment over the large operations owned by new arrivals to the United States. "No, not had any problems," she said. "It is amazing. The community is very supportive."

However, another Brookings County dairy farmer is finding plenty of resistance in Hanson County. Michael Crinion, born and raised in Ireland, has opened a large dairy in Brookings County and is seeking legal permission to open a dairy operation with 7,000 head of cattle in Hanson County.

Crinion came to the United States on the EB-5 program, which was launched in 1990 and allows foreign nationals an increased chance at U.S. citizenship if they invest at least \$1 million — or \$500,000 in a rural or depressed area — and create or preserve 10 jobs for Americans.

The South Dakota International Business Institute formerly assisted investors who wanted to take part in the visa program. Now, the Governor's Office of Economic Development has assumed many of those responsibilities, but an EB-5 regional center in Aberdeen still offers help to people from outside the country interested in investing in exchange for a path to citizenship.

Crinion has partners in his Brookings County dairy operation, and they have also qualified for EB-5 visas.

Crinion declined to be interviewed for this story, citing advice from his lawyer pertaining to the ongoing fight over his proposed dairy.

### **Korean connection**

State Rep. Stace Nelson, a first-term Republican from rural Hanson County, has been a leader in the opposition to Crinion's proposed dairy.

Nelson said he feels most county residents don't want "foreign ownership" of such a large business.

In addition to the Irish Crinion, there are South Korean investors involved, he said. Several large South Dakota dairies have South Korean investors. The investments are in the millions of dollars and are tied to efforts to obtain citizenship.

It doesn't always work out. Four South Korean investors named Yoon Soo Min, Jeong Seon Park, Yong Nan Park and Jae Moon Chung sued Rodney Winter, a Willow Lake farmer, in 2009 after a dairy operation went broke and each lost a \$500,000 investment.

The price of milk plummeted at the time and Winter was unable to keep the business afloat. The South Koreans were not listed as owners, so when Winter could not make his payments, the property was seized for the debts.

Lucas Lentsch is one of the people trying to lure more foreign investments in South Dakota agriculture.

Lentsch, the former executive director of the South Dakota Republican Party, was hired in February as director of the Division of Agricultural Development.

He was in South Korea earlier this year as part of a political goodwill trip and said he used the opportunity to promote South Dakota agriculture.

"Here's a country the size of Indiana with 49 million people and a \$980 billion GDP," Lentsch said. "Two-thirds of their livestock were killed by hoof and mouth disease, and that created a national shortage. You have a consumer that is hungry and they are looking for a safe, reliable food supply."

Some of the people investing in dairies and farms have experience in operating farms, he said. Others just see this as a prime time to get involved in American agriculture, Lentsch said. "It's an exciting time for agriculture," he said. "There are dollars out there for investment."

While South Dakota advertised for dairy farmers a decade ago, Lentsch said there are no immediate plans to try to recruit more foreign owners for South Dakota dairies and farms. That doesn't mean people from other nations may be headed here.

"We do field those interested phone calls," he said.

### **'There are more coming'**

South Dakota political observer and blogger Cory Heidelberger has kept a close eye on the changes to the state's dairy industry.

Heidelberger said he feels as long as most of the new dairy owners move to and live in South Dakota, he welcomes them.

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"I might express some alarm about foreign-born owners of big ag operations if those folks aren't moving here, living here, and living with the environmental and economic impacts of these operations on their communities," he said.

"Michael Crinion lives in Brookings, I think; he has more interest in protecting Brookings County from harm than an owner who doesn't live here," he said.

"The Veblen dairies were supported by millions of dollars from Korean investors who were more interested in buying their EB-5 visas than they were in producing good milk and protecting the local environment.

"Good farming requires responsibility. The further removed the owners and investors are from the land and the community in which their business operates, the more chance there is that they will pay less attention to the good of that community and more to merely turning a short-term profit."

Still, Heidelberger said, it is amazing how the state's dairy industry has evolved without most people realizing it.

"I do find it interesting that while the face of ag is changing to include many more immigrants, the propaganda we get from Ag United and other big industry ag lobbyists is all good, white-bread Anglos making our food," he said.

Olga Reuvekamp said while people talk a lot about the growth in Europeans moving to South Dakota to open and operate large dairies, this is just a start.

There are "Dutch colonies" of dairy farms in Texas and other states, and she said it will only grow.

"This is nothing," she said. "There are more coming."

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