



Developing Dairy in

IOWA

A healthy, growing dairy industry has the potential to offer multiple service suppliers and milk markets to Iowa's dairy producers and provide significant economic and social development for the state's rural communities. The dairy industry can grow when Iowans expand existing facilities or start new dairies. The industry also can grow when people from other places come to Iowa to dairy.

The Iowa New Farm Family Project



What is the Iowa New Farm Family Project?

One opportunity to bring growth and vitality to the state's dairy industry is through the Iowa New Farm Family Project. Several host communities are inviting farm families from Western Europe to establish modern dairy farms in Iowa. Iowans can strengthen the dairy industry and their communities by integrating young families who establish value-added agricultural businesses. These families will invest their capital locally, bring an entrepreneurial spirit to their new communities, and help stabilize Iowa's rural economy and population.

Which Western European countries are being targeted?

A cooperative relationship has been established with Atlantic Business Development/The Netherlands and the Dutch National Extension Service to connect Dutch farm families with the Iowa New Farm Family Project. The project has the potential to include farm families from Germany and Denmark at a later date.

Why are Dutch farm families emigrating from The Netherlands?

Dutch farmers are emigrating because of regulations in The Netherlands that limit herd size and make it difficult for farmers to pass their dairy businesses to the next generation. The Dutch National Extension Service estimates that over the next decade as many as 7,000 Dutch dairy farmers will resettle in the United States and other nations. The Dutch families coming to Iowa want to focus

exclusively on milking cows on small farms that would be managed and operated by the owner with most of the labor coming from the family.

Why is the Iowa New Farm Family Project important for Iowa's dairy industry, economy, and society?

The dairy industry in Iowa, as elsewhere in the United States, continues to need educated, skilled workers. Iowa now has the opportunity to import educated and successful farm families and to grow the dairy industry. These new families would make homes and develop 300- to 500-cow operations on 40- to 80-acre land parcels. Feed and forage production agreements and other spin-off opportunities for neighboring farmers would help develop the community's economy.

The Iowa New Farm Family Project has the potential to enrich Iowa communities with young families who establish value-added agricultural businesses, involve Iowa citizens in welcoming and settling these new families in their communities, and foster healthy economic development. Studies show that for every \$1.00 in milk and associated livestock sales, another \$1.29 is generated in economic growth. And, it is estimated that for every 100 cows added to Iowa's dairy industry, two jobs are created on the farm, 1.4 jobs are created off the farm, and 1.5 children are added to the rolls at local schools.

How can immigrants own farmland in Iowa?

Iowa land ownership law allows immigrants with conditional permanent U.S. residency to own farmland. Immigrants who obtain conditional permanent U.S. residency status through the EB-5



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Immigrant Investor Pilot Program, as administered by the Bureau of Citizenship and Immigration Service, may own farmland in Iowa. They must qualify as immigrant investors and meet certain financial and job creation requirements in an EB-5 immigrant investor regional center. Farmland can be purchased only in approved host communities within the regional center.

What is an EB-5 immigrant investor regional center?

Seventy-seven rural and small urban counties in Iowa have been designated as an EB-5 Immigrant Investor Pilot Program regional center. These counties qualified because of the need to resolve economic and rural development challenges. The focus of the regional center is to promote economic growth, improve regional productivity, create jobs, and increase domestic capital investment.

Will Dutch farm families be able to relocate anywhere in Iowa?

No. They must relocate to a host community within the 77 counties that make up the EB-5 immigrant investor regional center. Host communities have undertaken extensive planning and preparation to assess their future, determine that the Iowa New Farm Family Project is consistent with their goals, and become a welcoming community.

What requirements do Dutch farm families have to meet?

Dutch farm families would enter the United States and settle in Iowa as immigrants, planning to remain in this country permanently. They would be granted conditional permanent residency for the first

two years. After the first two years, they would apply to remove the conditional status from their permanent residency with the ultimate goal of becoming U.S. citizens.

In The Netherlands, these families would have sold their milk quota, cows, personal property, and land. After paying capital gains taxes, they would use the net proceeds along with borrowed capital to establish new farms in Iowa. Each Dutch family would have to invest at least \$500,000 in their Iowa farm located within the regional center. In addition, the farm would need to create 10 full-time jobs in the region, either directly or indirectly. For example, the Dutch family might hire an employee—direct job creation. The processor who purchases the Dutch family's milk might hire another worker—a job created indirectly by the new farm.

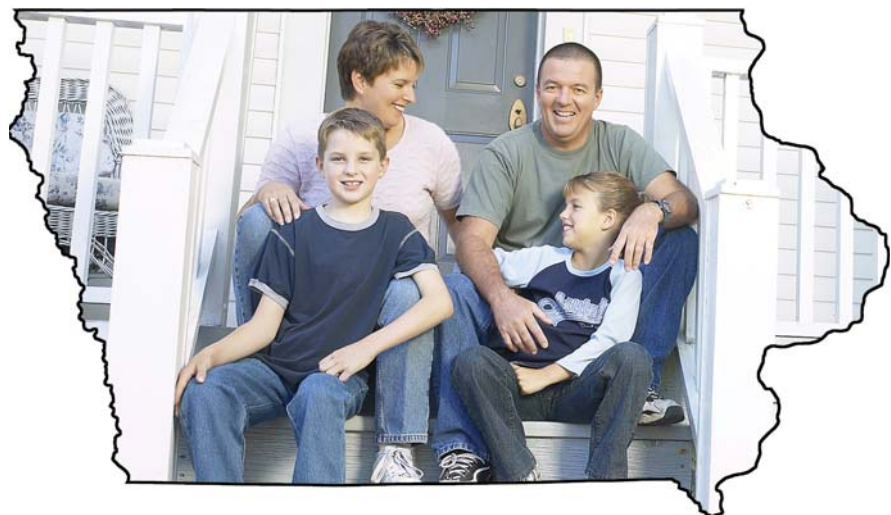
What incentives are being offered to these families?

The Dutch dairy farm families are not receiving any incentives or subsidies from the Dutch government, the U.S. government, the State of Iowa, the communities

in the regional center, or private industry to relocate and settle in Iowa. Families who choose to emigrate are doing so on their own in the pursuit of a better life. Dutch families have visited host communities, viewed land available for sale, met with dairy industry leaders, and experienced life in Iowa. They are being welcomed and offered the same opportunity that would be made available to any family interested in starting a farm in Iowa.

What does Iowa have to offer?

Iowa is a great place to dairy, with productive soil, ample fresh water and feed supplies, and necessary materials and markets close by. The state has a well educated and skilled labor force, proficient farmers with progressive management, and opportunities for profitability. Iowa also has excellent dairy training programs and a strong dairy infrastructure. In addition, Iowa is a great place to live, with high quality of life, excellent schools, a reasonable cost of living, a low crime rate, and a variety of recreational opportunities.



The Iowa New Farm Family Project



What are the Dutch farm families looking for?

Dutch farm families are attracted to the comprehensive approach of the Iowa New Farm Family Project involving the farm business, family, and community. Dutch farmers also are interested in learning how Iowa farmers manage their businesses with a strong focus on costs and returns. The project has held information meetings and participated in emigration events in The Netherlands, and has conducted tours here in Iowa involving 25 Dutch families. The first family immigrated to Iowa in October 2005. Several families are planning their move.

Dutch farm families want to become United States and Iowa citizens and become fully integrated in community life—schools, churches, society, the dairy industry, and business community. These families seek a welcoming environment, profitable and competitive dairy business opportunities, and a good place to live and raise a family—all things that Iowa offers in abundance.

What Iowa communities and counties are included in the approved regional center?

Initially six communities in the regional center have committed to relocating and settling Dutch farm families: Mitchell County, Butler County, Brooklyn (Poweshiek County), Cherokee County, Pocahontas (Pocahontas County), and O'Brien County. Table 1 lists the 77 counties included in the regional center.

Table 1. Counties included in the EB-5 regional center.

Adair	Crawford	Ida	Palo Alto
Adams	Davis	Iowa	Plymouth
Allamakee	Decatur	Jackson	Pocahontas
Appanoose	Delaware	Jefferson	Poweshiek
Audubon	Dickinson	Jones	Ringgold
Benton	Emmet	Keokuk	Sac
Boone	Fayette	Kossuth	Shelby
Bremer	Floyd	Louisa	Tama
Buchanan	Franklin	Lucas	Taylor
Buena Vista	Fremont	Lyon	Union
Butler	Greene	Madison	Van Buren
Calhoun	Grundy	Mahaska	Washington
Carroll	Guthrie	Mills	Wayne
Cass	Hamilton	Mitchell	Winnebago
Cedar	Hancock	Monona	Winneshiek
Cherokee	Hardin	Monroe	Worth
Chickasaw	Harrison	Montgomery	Wright
Clarke	Henry	O'Brien	
Clay	Howard	Osceola	
Clayton	Humboldt	Page	

How do interested Iowa communities participate?

Citizens in interested Iowa communities must take ownership of the Iowa New Farm Family Project. A typical organizational structure involves forming a steering committee, appointing committee chairs, conducting community meetings, and building local citizen support. All segments of the community must be represented for the project to be successful. Communities that are likely locations would be able to offer new farm families access to the dairy infrastructure, available land for sale, crop producers who are looking for new opportunities, and land available for manure application. These communities otherwise would have few new entrants into farming. However, they envision a future that uses the Iowa New Farm Family Project to capitalize on long-standing assets, infrastructure, and natural resources—community-based agriculture. They look forward to positive economic and social impacts.





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Who are the players and what are their roles?

The Iowa New Farm Family Project starts with interested Iowa communities within the EB-5 regional center. Citizens in these communities envision the project as part of their economic development future and initiate involvement by contacting their local Iowa State University (ISU) Extension county office. Community ownership is essential to participate in the project, to achieve economic development objectives, and to successfully relocate the Dutch farm families. Local citizens will help the Dutch families feel welcome and ease their transition into their new communities and culture.

Atlantic Business Development and the Dutch National Extension Service are creating awareness in The Netherlands that Iowa is a good place to live and farm. They advise and evaluate the potential of Dutch farm families planning to emigrate. Fee-based business services are offered to qualified families once the decision has been made to leave The Netherlands. Atlantic USA, based in Cedar Falls, Iowa, offers fee-based business services to Dutch farm families as they plan to relocate to Iowa and develop modern, profitable businesses.

Iowa Department of Economic Development (IDED) is the regional center administrator. IDED supervises the project to ensure that project goals and regional center requirements are achieved. IDED approves the immigrant investor contracts.

ISU Extension assists IDED by coordinating regional center activities and reviewing immigrant investor contracts for accuracy, completeness, and economic feasibility. ISU Extension works directly with host communities to evaluate and organize participation in the project. Fee-based services are offered to immigrant farm families through Atlantic USA that focus on business planning, farm system organization, and establishing the Dutch family in the host community.

What is the long-term vision for the Iowa New Farm Family Project?

The Iowa dairy industry is part of a highly competitive national industry. Iowa dairy producers continually need to invest in modernizing and upgrading their businesses to remain competitive with other regions.



As many of the older producers from single-family dairy operations retire and leave the industry, there are opportunities for new families to invest in modern facilities and genetic technology. Recruiting new state-of-the-art investments into Iowa's dairy industry is an economic development strategy that creates jobs and increases income in the state.

The Iowa New Farm Family Project creates opportunities to increase the population of rural communities, support agriculture, expand value-added agriculture, and maintain Iowa's existing dairy processing industry. The Iowa New Farm Family Project could add three to four farms per participating community. This project is one of many strategies that will help maintain and possibly grow a strong dairy industry in Iowa.



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... and justice for all

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