

A Reprint from *Tierra Grande*

# Milk

## It does the Panhandle good

By Mark G. Dotzour and Beth Thomas



Somebody tell the Clampetts that California is no longer “the place you oughta-be.” For the Golden State’s dairy farmers, it’s now the Texas Panhandle.

Five years ago there were only five dairies in the Dalhart area. Today there are 11 in operation, four under construction and three more being built on speculation.

The growth in the number of dairies is a result of California-based Hilmar Cheese Company’s decision to build its second milk processing plant in Dalhart.

Compared with California, Texas is a “business-friendly, ag-friendly, stable regulatory environment,” said David Ahlem, site manager for Hilmar’s new cheese and whey protein plant.

“Also, Texas’ panhandle has low humidity,” Ahlem said. “The dry climate is important for milk production. There are cooler nights in the summer here, and wide open spaces for the cattle. It’s all about keeping the cattle comfy.”

The company’s original California plant is the largest single-site cheese and whey products manufacturer in the world. Named for the town of Hilmar, that plant processes over 11 million pounds of milk daily into a variety of products. The Dalhart plant will be able to process an additional five million pounds of milk each day. The company expects to invest \$190 million in the facility over the next ten years and will employ more than 300 local residents.

“California’s urban sprawl and environmental pressures have been the major forces in pushing dairy farmers out of the state,” said David Moore, executive director for the High Plains Dairy Council, which spearheaded the effort to get Hilmar to build its latest plant.

“The spillover from California’s Bay Area [population] began pressing up against the dairies,” Moore explained. “Families bought a ranchette because they wanted a taste of country. Then they woke up one morning and smelled the dairy. Since people vote and cows don’t, dairies that have been there for generations are being pushed out. Texas’ High Plains region is ready to welcome their multibillion dollar industry and their \$2 billion in annual economic impact for our state.”

Representatives from dairies in Denmark and the Netherlands also are touring the region, looking for land for their dairy operations. According to Kari Campbell of the Dumas Economic Development Corporation, farmers in Europe are experiencing the same problems as those in California.

A local market where farmers can efficiently and inexpensively deliver their milk for processing is essential to the dairy industry. With the Hilmar plant opening in October, the growing number of local dairies will see their freight costs reduced significantly. In addition, the Panhandle already supplies about 75 percent of the state’s corn, a primary feed for cattle.

The new plant has resulted in strong local demand for labor and housing. Along with the need for dairy employees, help-wanted signs for jobs ranging from bank tellers and teachers to accountants and nurses have sprouted all over the region. The Texas Workforce Commission, in cooperation with the Panhandle Workforce Development Board, is focusing on connecting prospective workers with area employers.

“Our region is experiencing a problem with supply keeping up with demand,” said Moore.

Affordability is increasingly a problem as land and home prices continue to rise.

“California buyers compare our land prices with theirs and think it’s a deal. Local sellers love the increased profits,” Moore said. “However, young couples relocating for entry-level work here are feeling the home-buying pinch.”

Area officials are addressing the housing shortage by offering incentives to attract housing developers and by requesting tax abatements from the state to build affordable housing.

Moore’s vision is of new dairy farms spreading out in a 60- to 70-mile radius around Dalhart. Dairy families historically farm generationally, with younger generations starting dairies near mom and dad’s. Having dairies spread out from the beginning will improve waste management and minimize competition for cattle feed.

“Now that they’re here,” Moore said, “we want them to stay.”

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### THE TAKEAWAY

Dairy farming operations are being pushed out of Southern California by urban sprawl. Many are relocating to the Panhandle, boosting the Texas economy by \$2 billion annually.



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