

of over 1.2 million bushels. The same year, **EAD Control Systems, Inc.**, in partnership with **RC Hydraulic Systems, Lowe Construction, Inc.**, and **Brock Grain Systems** put up a bin with a 156-foot diameter, holding over 1.3 million bushels.

Not to be outdone, Behlen currently offers a bin with a 1.5-million-bushel capacity. Obviously, the bin capacity race is on and very serious.

FARMSTEAD/LIVESTOCK EQUIPMENT

Fifty years ago, livestock production was dominated by small, diversified grain and livestock farms. In 1964, over 2.3 million farms, 72% of all farms, had cattle and calves. In 2011, that number was 862,000.

While these traditional operations still exist today, the majority of animal agriculture value is mostly derived by single-purpose, modern, sophisticated enterprises. These enterprises are under tremendous pressure to control production costs, putting the same cost-control pressures on livestock supply companies.

"At the same time, niche production from natural and organic operations continues to emerge," says **Tom Wenstrand**, President and Owner of **Hawkeye Steel Products, Inc.** "The desire to know where food comes from will continue to increase which will support smaller operations. And, the production of show pigs and show cattle offers another robust niche for today's livestock equipment supply company."

Hawkeye Steel manufactures animal feeders, drinkers, and other production equipment sold under two labels: **Pride of the Farm** and **Brower**. The company also manufactures fabric buildings sold under its **SpanTech** label.

Product focus has changed a great deal for Hawkeye Steel. "The main change over the past 50 years has been the increased use of poly designs," says Wenstrand. "We can produce more intricate and more detailed parts with reduced labor content."

Today, taking a "green" or environmentally friendly approach is also important. "Our energy free drinkers have had great

performance," explains Wenstrand. "A 100% energy free drinker is about as green as you can get."

As with most ag suppliers, Hawkeye Steel has had to adjust to a tidal wave of change in distribution channels.

"It's been our greatest challenge," states Wenstrand. "In 1962, our customers were primarily feed dealers and plumbers who dotted the landscape. A typical Midwestern county might have 20 dealers. Plus, numerous feed mills and feed warehouses were located near central livestock markets."

"In that era, one could successfully argue that the greatest livestock activity in the world took place at the **Union Stockyard** in Omaha, NE. Today, its Exchange Building, where thousands of transactions took place, is now a mixed-use apartment, commercial and community center." Previously prominent stockyards in Kansas City, Peoria, East St. Louis and other locations have met similar fates.

According to Wenstrand, feed dealers are still viable for distributing livestock products. "But we've had to identify and work with distributors who can effectively service those accounts," he explains. "At the same time, we needed to find and build relationships with distributors and installation contractors whose principal businesses are selling directly to the mega animal producers. These are distributors which primarily sell non-mechanized farmstead equipment. They're not great in numbers, and our relationship with them is precious."

The Rural Lifestyle area has also emerged as a strong market for livestock supply companies. "We have products which offer good value for this segment," says Wenstrand. He believes that Rural Lifestylers increasingly look to the web first for information, but still use traditional outlets for product, although that, too, is changing.

Wenstrand says, "For us, the channels to reach Rural Lifestylers include farm stores, catalogs, and, increasingly, online retailers which often include both farm stores and catalogs with multi-channel focus."

EVOLVING COMMUNICATIONS

Communications strategies have certainly changed for everyone. Web search engine lead generation and QR codes are definitely effective and a big part of the business for livestock equipment suppliers, distributors and dealers.

"Online videos are becoming increasingly important, as well," says Wenstrand. "Of course, there is still no substitution for personal rapport building. It just has to be done in a cost effective way."

For Siekman and Behlen Country, the changes have been evolutionary versus revolutionary, "We have evolved in two ways. The first is that we know we cannot be all things to all people. We must carefully market to the target markets which benefit most from our products.

"The second is that our local dealers have the closest relationships to the end users, and the best way to market is to support those local efforts." **AM**



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