



South Dakota Department of Agriculture

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OFFICE OF THE SECRETARY

My Fellow South Dakotans:

There are two ways to look at the statistics in this publication. Both are valuable. They can be viewed as a measure of accomplishments or as a measure of new opportunities.

The first view is what I call the traditional view. The production statistics are bulk commodities produced by the hard work of our farmers and ranchers who contribute about \$6 billion to our economy each year.

They are doing a good job and the production reports show increases in several areas during 2004. We can look at these numbers as a measure of their accomplishment and contribution.

There is another way to look at these numbers. When the maker of corn chips or ethanol sees the figure of 500-million-plus bushels of corn in the middle of the continental United States, he might view that as a business opportunity, and he would be right.

A very large supply of raw commodities, located far from the nearest port, in a state with no income tax and having a reliable labor supply is real opportunity to multiply the value of that commodity by turning it into products.

That's the value-added view.

That's the pro-development view.

That's market-product view and it's also our future knocking.

We rank number two in honey production but much of it is sold in bulk and blended with other honey to improve the quality of that honey.

We can change that by moving from the traditional view to the market-product view. When we do that, a greater share of the end market value will stay in our state.

The market-product view is what our "Certified Beef"© program is all about. Right now, we are working on beef. In the future, "SD Certified" may expand to other products like honey.

It is my hope that the information reported to you in this document will be viewed by South Dakotans as real business opportunities we can explore together in the future.

Sincerely,

Larry E. Gabriel

S.D. SECRETARY OF AGRICULTURE

