

Tom Bailey
Ephraim, Utah
Bailey Farms International
Products: Compressed Hay
Size of Operation: 140,000-180,000 tons per year
In Business Since: 1996
Farm Credit Partner: Western AgCredit



For Tom Bailey, what started out as a love of farming turned into a successful international hay exporting business.

Bailey Farms International was established in 1996 when Tom and his brother, Ken, began looking for new markets for the alfalfa hay they raised. “We were looking for markets that had stability to them where we could consistently sell a large volume of hay,” says Tom. At the same time, they decided to start cubing their hay – a process that compresses hay into small, hand-sized blocks, making it easier to ship. With the help of a marketing company, they began exporting their cubed hay to Japan.

Two years later, the Baileys diversified into double compressed baled hay, which also reduces the physical size of the hay but requires less manipulation by the customer – while cubed hay needs to be processed into feed, sections of compressed baled hay can be consumed directly. Compressed bales now comprise 90% of Bailey International’s production, with each compressed bale weighing just under 1,000 pounds.

Bailey International ships around the world, from the Middle East to the Pacific Rim. International demand has grown so strongly that, in addition to their own crop, the Baileys now purchase hay from other producers. Today, the company sells about 140,000-180,000 tons of hay each year, and has added facilities to meet current and future demand. “Our target is 10% growth annually, if the markets allow,” said Tom.

Operating internationally required the Baileys to learn about logistics, currency exchange, trade agreements, permits, certifications between countries and quality regulations. For example, in order to be able to sell direct to customers in China, the Baileys opened an in-country office. In addition, many countries have very specific regulations governing chemicals used on imported hay. To meet these country-specific standards, the Baileys employ a detailed inventory system that closely tracks hay from each producer.

The Baileys also had to decide how best to manage their risk, opting to operate with very little speculation. “The Baileys have a real good handle on the level of risk they want to take and how they manage that risk,” said their Western AgCredit loan officer, Jerry Johnson. “They are excellent businessmen.”

As the Baileys continue to watch emerging markets, and supported by their expanded processing capacity, they are poised for continued growth around the globe.