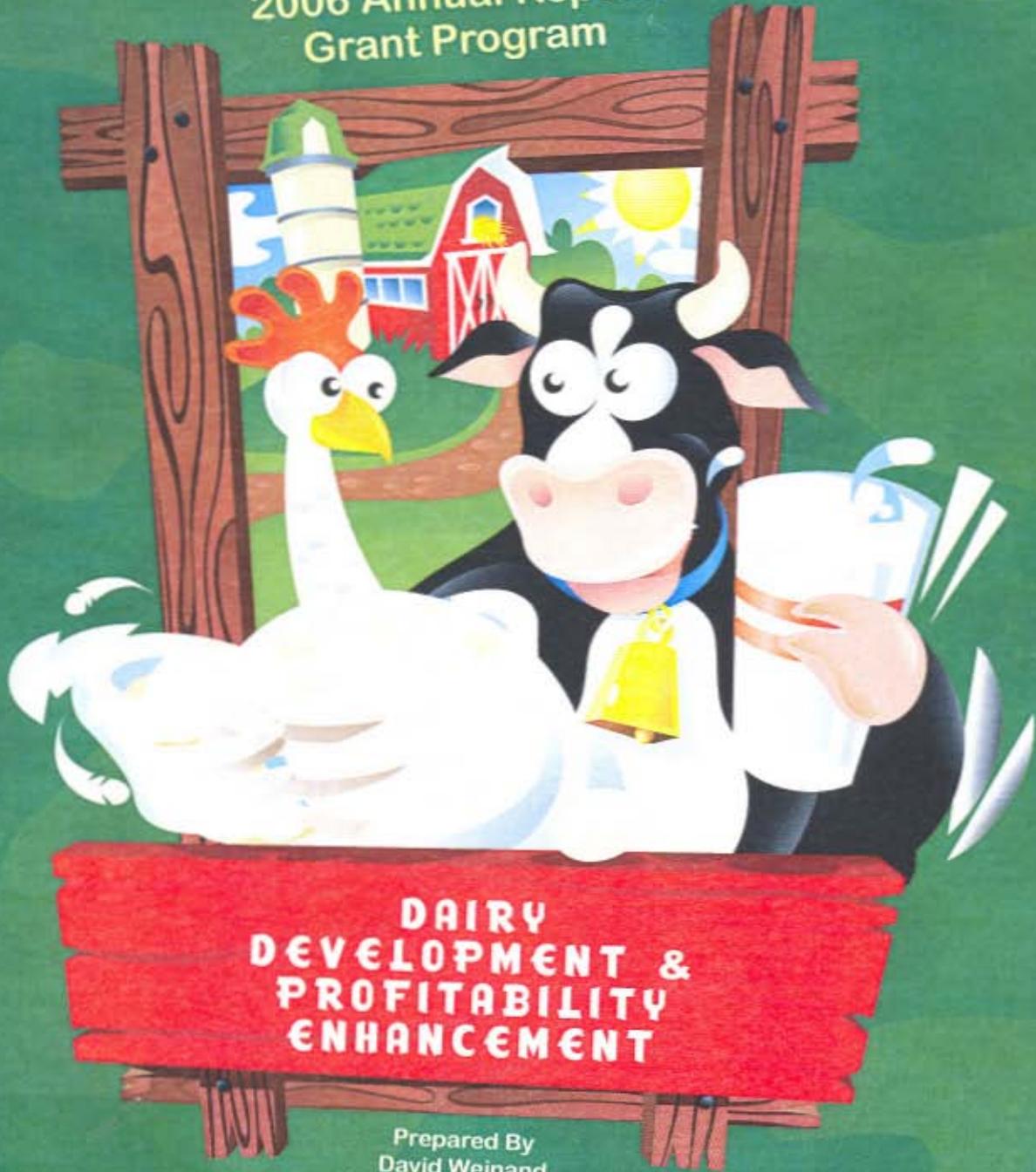




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2006 Annual Report Grant Program



DAIRY DEVELOPMENT & PROFITABILITY ENHANCEMENT

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Table of Contents

Executive Summary	2
Legislation.....	3
Typical Diagnostic Team.....	4
Grant Distribution.....	5
Grant Projects Summary by Region	6
Dairy Business Planning Grants.....	13
Benchmarks	13

Appendix

Dairy Diagnostic Teams and Regions	A
Dairy Business Planning Grants Map	B
Legislation Language	C

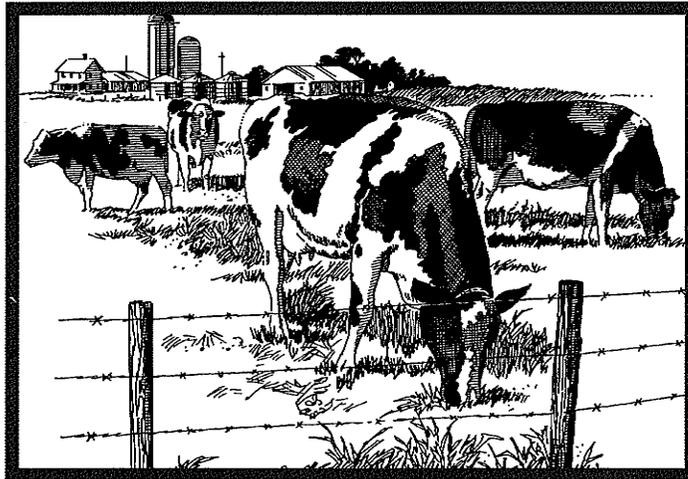
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2005 Legislative Report

Executive Summary



The Dairy Development and Profitability Enhancement Program has two:

1. Dairy Diagnostic teams

- Based on farm records analysis from last year, these teams produced a \$8,383,062.25 return for the state's investment, resulting in a 11.9:1 return in the first year for every grant dollar spent.
- Significant returns like this occurred through a variety of cost savings (reduction of feed, interest or labor expense, etc.) and increased profitability (increased milk production, improved milk quality, improved health and other management factors).
- In addition there has been \$ 1,176,997.50 of in-kind contributions from industry towards the program

2. Dairy Business Planning Grants

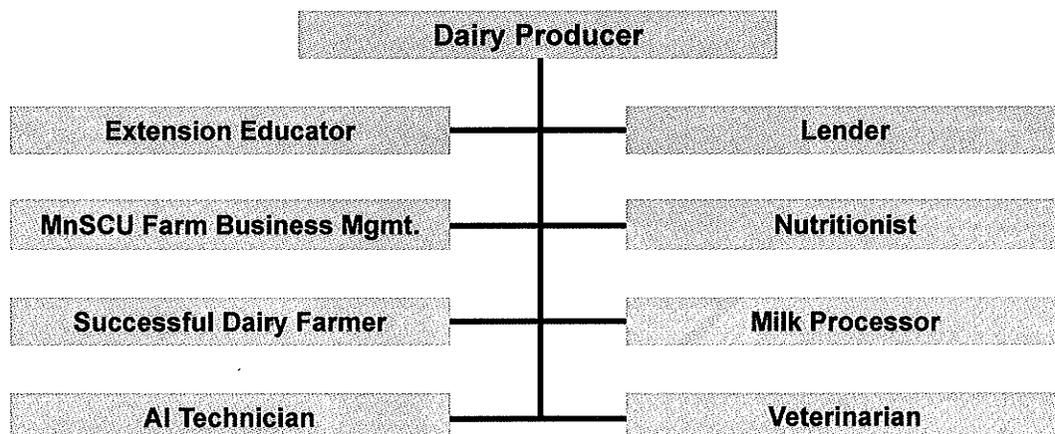
- The Dairy Business Planning Grants Program is assisting producers in positioning themselves for the future.
- This grant covers 50% of the cost of developing a business plan, up to a maximum of \$5,000.
- A number of producers are exploring expanding their herds, while others are investigating transferring the operation to the next generation, managing debt or investing in feedlot improvements for environmental protection.

Legislative History

The Dairy Diagnostic Team Grant Program began on a pilot basis in 1996. The program was then funded by a biennial appropriation of \$1 million. The program expanded in 1997 to five regional groups and one statewide organization. The 2003 Legislature appropriated \$2 million for the FY 04-05 biennium to increase dairy diagnostic efforts and to provide grants to individual farmers for dairy business planning and modernization. For fiscal year 2005, a total of \$705,000 was granted to the program partners.

The program is administered as mandated in Minnesota Laws 1997, Chapter 216, Section 7, Subdivision 4, which states: "...To Expand the one-on-one educational delivery team system to provide appropriate technologies, including rotational grazing and other sustainable agriculture methods, applicable to small and medium sized dairy farms to enhance the financial success and long-term sustainability of dairy farms in the state. Activities of the dairy diagnostic teams must be spread throughout the dairy producing regions of the state. The teams must consist of farm business management instructors, dairy extension specialists, and dairy industry partners to deliver the information and technological services." The 2001 First Special Session, Chapter 2, Section 9, Subd. 2a. language expanded the responsibilities of the program. Laws of Minnesota for 2003, Chapter 128 continued these responsibilities.

Dairy Development and Profitability Enhancement Team



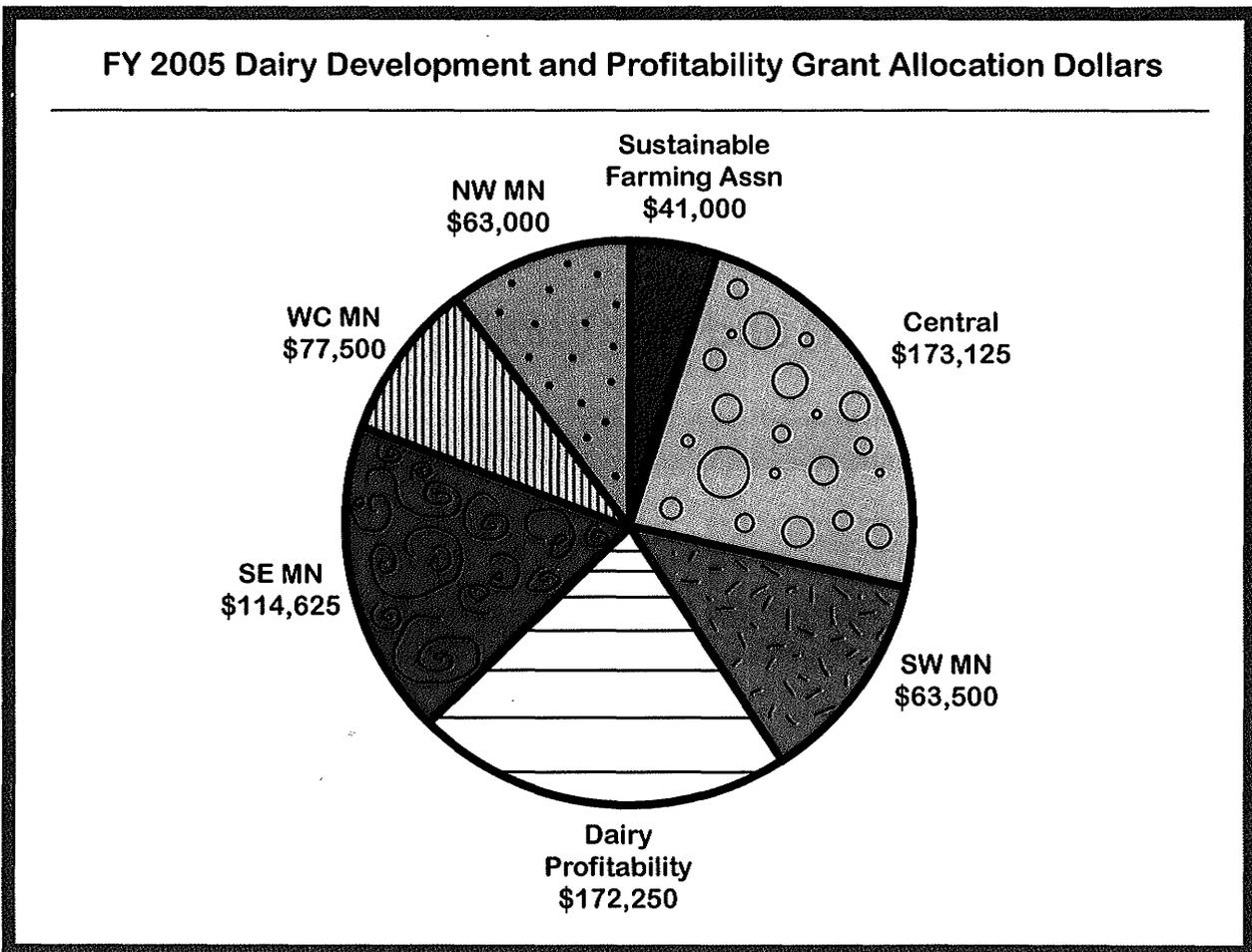
Above is one example of a Dairy Diagnostic Team. Each team is a combination of people with a variety of backgrounds and expertise. They work with the farm family to evaluate the current situation of the farm and what the farm family wants to accomplish. They then form a list of recommendations and prioritize the list to help the family meet their goals and objectives. Working together, the team will know what goals the farmer is working towards and can help to redirect resources into that direction. Some recommendations may take longer than others to implement. No two farms are exactly the same, just as no two team's recommendations are exactly the same. The issues may be similar, but the means by which to solve the issues may be very different.

Minnesota Dairy Initiative (MDI)

The following is a short progress report on the activities of the grant recipients:

The MDI is a producer-led initiative to coordinate a comprehensive approach to the delivery of on-farm services to Minnesota's dairy farmers through the Dairy Development and Profitability Enhancement Program (DDPE).

The MDI is a federation of the below six regional partners, Sustainable Farming Association (SFA), and several affiliated organizations, including the Minnesota Department of Agriculture (MDA), Minnesota Milk Producers Association (MMPA), the University of Minnesota, Minnesota State Colleges and Universities (MNSCU) through Farm Business Management and other industry groups.



The Program Partners

Statewide, 467 dairy farms participated in the program (see attachment B) in FY 2005. Of this total, 412 farmers were enrolled in the six regional groups with the remaining 55 dairy producers working with the Sustainable Farming Association. The program is limited to a three-year involvement with the team, but the farmers can reapply if they need the team to assist them in their next phase of management.

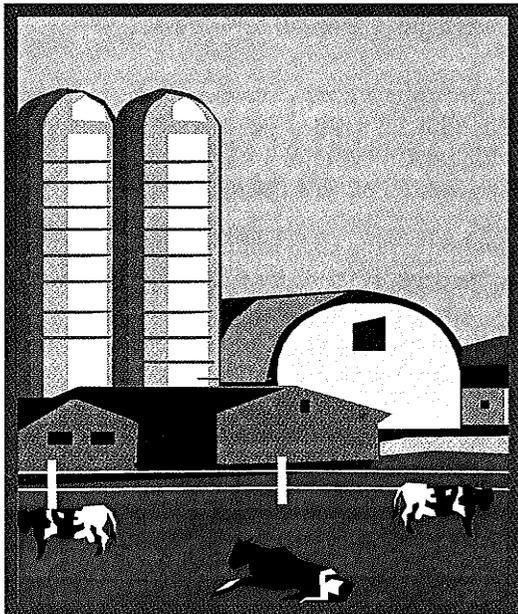
West Central Dairy Profit Teams

This project's primary objective is to be a vital resource to the 59 participant herds in the West Central Minnesota area. This group is working with a variety of producers in the region. They are focusing their efforts on working with Farm Business Management, DHIA, veterinarians, nutritionists and lenders. This includes 16 new farms that are just getting started.

Estimated in-kind contribution for this region is >\$ 138,150.

West Central estimates that the economic impact of their program is \$1,080,550 through improvements in productivity and profitability on farm. Twenty-three farms in this region are working towards five star certification through MMPA's Environmental Quality Assurance (EQA), while five have achieved five star status. New construction in this area is also booming, with 12 new parlors, 10 new composting barns, one new free stall and two outdoor straw packs within the past year. This amounts to (conservatively) \$1,125,000 in new construction. In addition to hosting two farm tours this past year on composting barns and parlors with an excess of 200 farmers in attendance.

Working with seven different farm management instructors in WC MN is a strong part of this program. These instructors do a tremendous job in working cash flows and making these operations viable. Testing of water quality is a second factor that has helped producers in this area. Some of the water in the area is high in iron and manganese which results in lower water intakes and reduces herd health and productivity.



Testimonials

"We have benefited from the program, (increase of 10#/cow/day) among other things, and so we will continue."

"Our milk production last summer was the best it's ever been. If we sell the 15 bred heifers, our farm will be paid for, free and clear."

"I would continue with the dd program, but this is my third year. I'll take a year off and join up again."

"After having dealt with low production and poor herd health for so long, my team suggested I have the water tested. My production is up almost 30 pounds of milk per cow per day."

"In two months I have increased my water consumption from 14 gallons to 30. It's like I have a new herd."

"Farm Business management is going to be the salvation of this operation."

Northwest Dairy Profit Teams

There are 26 farms enrolled in this project. This group has refocused some of their efforts to assist producers in developing grazing plans and work to improve the operation from within. Veterinarians, nutritionists, lenders, MnSCU farm business management instructors and U of MN Extension Regional educators have worked together and have sponsored a number of workshops within the region including NW Dairy Industry meetings, Upper Midwest Grazing conference, Milker training, Organic Livestock Production meeting and a Compost Dairy Facilities Tour.

An estimate of in-kind contribution for this region is \$ 91,260.00.

Northwest estimates that the economic impact of their program is \$117,000 through improvements in what the producer received in overall productivity and profitability on farms in the Northwest.



Testimonials

"Having the dairy team out to our farm has helped us with the planning of passing along the farm to our son."
Mahnomen County producer

"The Milker Training was perfect for my hired milkers and was a great refresher for me also."
Clearwater County producer

"The team suggestions of and ideas of how to convert my storage shed into a compost bedded pack has saved me additional building expense, decreased my cell count and doubled my herd size."
Koochiching County producer.

"Through the financial reports we were able to show our lender that the farm had improved. We are now able to get an interest buy-down and get money to purchase more cows." Clearwater County producer

"Working with the Dairy Diagnostic group and a dairy intuitionist we were able to detect some feeding problems and things that we were able to change, also lowered our somatic cell count drastically." Mahnomen County producer

"The group discussion helped us realize the things we need to change to become more profitable. It specifically gave us ideas on how to tap into other finances that were available to our farm." Marshall County producer

"This program has helped us have a better relationship with our lender" From Koochiching County producer

"We were considering transitioning out of dairy, but with the profitability of the dairy the team helped us look at other alternatives. Without the team's visit we would not have known how profitable we truly were."
Mahnomen County producer

"We are considering adding more cows to our operation and we needed advice on housing. The team gave us some suggestions and also gave us some options as to what to do with our heifer raising. We are seriously considering using a heifer grower to raise the additional heifers we need for replacement."
Koochiching County producer

Dairy Profitability Enhancement Program (DPEP)

This program's mission statement is "To retain dairy farms by increasing profitability and production based on family goals through a coordinated team approach to problem solving, and improving quality of family life while continuing to contribute to the local economy." Ninety-seven farms in DPEP were enrolled in this project in 2004. The DPEP coordinates with 250 agricultural professionals that serve as team members delivering information to participating farmers, with an average of 3.4 meetings per farm per year, as well as serving more farms than last year. DPEP maintained offices in Brown County, Carver County, and Sibley County to efficiently reach our producers, and has worked with the MMPA on the Environmental Quality Assurance Program. DPEP has actively worked toward the state-wide goal of improved milk quality by focusing more energy on this topic during team meetings as well as providing additional financial benefit to producers. DPEP has continued working with a Dairy Resource Specialist to support our coordinators and teams. The DRS is able to provide expertise on specific issues relating to farms such as facility management, nutrition, and milk quality, as well as promoting Farm Business Management as a vital financial tool for dairy producers.

\$447,142.50 of in-kind contributions were made to the dairy industry in the DPEP region.

DPEP estimates that the economic impact of their program is approximately \$ \$2,319,736



Economic Impact Statements

A Wright County producer formed a DPEP team in March 2004. Production averaged 84 pounds per cow per day, with an RHA of 25,347. This is a very good producer who is looking to excel even more. The team suggested some improvements that allowed the farm to increase production to 90 pounds per cow per day, and attain an RHA of 26,154, which continues to climb.

A Rice County farm family has made great strides in the past twelve months with the help of their DPEP team. Milk quality has been a challenge for the herd for some time. After the farm scheduled quarterly sessions with a Spanish-speaking veterinarian the cow handling techniques and prep procedure improved. They have also been working closely with the Dairy Resource Specialist, which has resulted in a 11-pound increase in milk per cow per day.

When my husband died, it was so good to have team members to call on. I am so grateful to have the team to assist in this difficult time. I know I can count on them for good advice. Lee Todnem has been especially helpful in recommending a tax person. Pine County Dairy Producer

Our DPEP team has really helped get everyone on the same page as to what sort of operation we need to concentrate on, and lets everyone offer options and/or solutions. I believe production has increased by about 3,000 pounds per cow since we joined the program. Sibley County Dairy Producer

DPEP has truly been the cornerstone of our success. With our experienced team, we have achieved an increase of 10 lbs of milk production per cow per day! We have more than doubled our herd size to 1,000 milking cows, and have updated, modernized and expanded our milking facility and housing areas. In addition to our measured business growth, DPEP has helped us as a dairy farming family achieve personal growth and has made each one of us better dairymen. McLeod County Dairy Producer

Central Region

This project worked with 144 farms last fiscal year, of which 50 farms were new to the program. This region also had some special focus areas of Milk Quality, Transferring the farm/Partnership, Expansion, New Start-ups and Modernization. Central also supported and promoted other educational events throughout the region including a dairy women's seminar, calf care, milk quality, price risk management and how to enhance family time. Central also helped a number of producers upgrade their computer protection through technology grants.

Central region estimate their in-kind contributions to the dairy industry \$301,920.

Central estimates that the economic impact of their program of \$ \$1,450,945.



Testimonials

Producer from Stearns County – This is a very beneficial program. The team concept is a great concept that has helped us reach goals that we thought were unattainable.

Producer from Morrison County – This program is the key to developing a team approach concept and action plan. SCC reduction and expansion are the best efforts to date.

Producer from Morrison County – The team approach greatly helped with our farm transfer! Six team members met in various groups and locations on eight different occasions. A very improved situation is the result!

Producer from Meeker County – This program is a good way to get information to help make sound business decisions. They also have helped make our dairy more labor-efficient!

Producer from Stearns County – My wife and I have been struggling with marginal milk yields for the last five years. We had addressed cow comfort, SCC issues, as well as ration and nutrition. We seemed to have stalled. In our old tie stall barn, we had a daily tank average of 60#'s per day. We just cannot get past that. Now our profit team has opened a few new doors that we had not considered. It would seem that a number of small things combined together have been blocking our progress.

Producer from Benton County – The program has helped me continue farming. It has provided more options and has helped with my feedlot upgrades.

Agri-business from Stearns County – This program has kept many of our farms in business, the team approach brings many options to the table.

Agri-business from Meeker County – This program is one of the easiest to work with. You deal with the current problems, and you don't have to work through the whole book to finally get to the problem.

Agri-business from Renville County – Options are what I see every time a team sits down at a kitchen table, many different options on how to make life better for each farm.

Agri-business from Douglas County – This is a very informational program for producers and team members. I have been a part of many teams, and to see the success of the team approach on each farm is incredible!

Sustainable Farming Association

SFA assisted a number of producers as they explored converting their operations to grazing and/or organic production. The SFA also worked with producers regardless of size to help them become more profitable and productive primarily through establishing mentor/mentee relationships.

There are now over 100 certified organic dairy farms in the state with more in transition. This accounts for almost 2% of the total operating dairy farms in Minnesota. The trend points towards a declining number of conventional dairies and an increasing number of organic dairies in the near future. The organic milk processors operating in Minnesota cannot get enough milk to meet demand. Anywhere that can quickly convert more farms to organic production will lead this market. This is a challenge and opportunity for Minnesota in the near future.

SFA focuses much of their resources toward improving the quality of life of the producer. Through collaboration with other regional teams, they have met the needs of the producers looking to make transitions to organic as well as grazing-type management. Their efforts have resulted in an estimated economic impact of \$240,000.

SFA is also working with goat and sheep dairy production. The demand for goat milk and meat is increasing annually due to health-conscious consumers and ethnic communities who prefer goat milk and meat products. Presently, there are two known processors of goat milk and two known processors of sheep milk in Minnesota.



Testimonials

An Ottertail County producer - "I appreciate all your hard work and time towards our getting us on-line selling for our as 'certified organic' milk. We've been selling to Organic Valley for over 30 days now ..."

A Stearns County producer: "The changes we've made gave us a higher rating in CSP [the Conservation Security Program]."

A Chippewa County certified organic producer started with meat goats and has utilized the Dairy Planning Grant to create a business plan to add dairy goats to their operation. They are well on their way to increasing their herd to 300 goats and will possibly become the first certified organic goat milk producer in Minnesota.

A Stearns County grazing dairy producer has increased their herd from 300 to nearly 500 cows and is well on their way to having their milk certified organic. They enrolled in the EQA program and are very close to a five-star certification, which is important, since they have approximately 80 land-adjointing neighbors.

A Cook County as well as a Swift county producer have both begun an on-farm processing plant. One intends to sell fluid milk while the other has conducted butter, yogurt and ice cream taste testing with local residents with favorable results.

Southwest Region

Forty eight farms participated from this region of the state in the dairy profitability program, which put significant effort into producer workshops. This region worked effectively across state lines, with both South Dakota and Iowa, to deliver educational programs collectively to their producers.

Southwest region estimates their in-kind contributions from the dairy industry to be \$128,025

Southwest estimates that the economic impact of their program was \$674,831.25.



Testimonials

A Brown County producer - "The dairy profitability program is very instrumental in helping us push forward with plans to pass on a highly successful family farm. Success in one generation does not guarantee success in the next generation since the industry is changing so rapidly. The team helped us open up communication on many subjects that otherwise would have stayed on the backburner. Everything from personal issues to management changes to daily chores gets covered. We have made some changes that have helped us save time and improve cow health. As we check off one thing we start exploring the next needed change. For the new generation it helps foster needed changes and the team is very important in helping the previous generation realize why the changes are necessary and help them buy into the changes. Our farm is unique since it was a two family farm with plans to make it a one family farm within 4-5 years. It is a very labor-intensive operation. Our challenge will be to significantly reduce the labor requirements while maintaining cash flow and profitability. There also is a big need to make improvements to facilities since the newest structure on the farm is 25 years old. This will require a lot of financial planning. Our team has helped get us the right help at the right time and keeps us moving forward. Without them, I'm afraid we would be sitting in the same position in five years or we would be back in the city looking for jobs. I worked several years in the dairy industry closely with family farms in a neighboring state. I saw the struggles that incoming dairy producers faced with not much hope of accomplishing their goals. The financial struggles and personal relationship struggles are often times too great to overcome without help. I am glad that we have our team to guide us through the rough spots. It is still up to us to accomplish our goals, but it is a whole lot easier with support of experts in our field. One saying that comes up often is, 'You can lead a horse to water, but you can't make him drink.' I say that a horse won't drink if it doesn't know where the water is. Our team is showing us the water and it's up to us to take the drink. Please continue full financial support to this valuable program. The future of countless farms may depend on it."

Farm Business Management Instructor - "The diagnostic team approach has proven to be very beneficial to helping dairy farm families by: Bringing in expertise in areas of nutrition, herd health, financial management, recording keeping; Having more minds working toward improvement of the dairy herd, along with more resources; Working together as a team; Serving as a sounding board for the producer's ideas; Helping the dairy get more more organized; Providing a link to the latest research and the newest technologies emerging.

A Nobles County producer has been fighting a SCC problem for years. Six months ago they enrolled in the program and our team has helped them come up with a plan to fix this problem. They put us in contact with people to analyze the records and help come up with correct solutions to our situation.

Southeast Region

56 farms from this region of the state participated in the dairy profitability program, 20 of which were first time enrollees. This region has put a lot of effort in Quality Count\$, a statewide program to improve milk quality in Minnesota. This region has also worked on some stray-voltage issues and has been successful in eliminating this problem on a few farms. The region estimates that they have touched 10 percent of the farms in SE Minnesota.

Southeast region estimates their in-kind contributions from the dairy industry to be \$70,500.

Southeast estimates that the economic impact of their program is \$ 2.5 million.



Testimonials

A Wabasha County producer recently expanded his operation and is very appreciative of the time the dairy team members have contributed and their advice for making his expansion successful. He feels by having a dairy team many more things get done because of the team. "They get us moving."

An Olmsted County Producer "...this team is one of the best things that has happened to us. Things are finally getting done and decisions are being made!" This farm has been very proactive in using the information put forth by their team.

A Winona County Farmer met with his team and has used the team to look at facility efficiency, cash-flow issues and labor management. By using the team effort, we accomplished things as a group that the other professional individuals could not accomplish by themselves. This team has made the difference of keeping him in business.

A young Winona County couple wishes to buy, lease or rent the farm from the Wife's father. Wife's father is pretty difficult to work with and there hasn't been a good working relationship on this farm for many generations. Young couple were seriously looking at giving up on dairying due to these difficult circumstances. Both couples met with a mediator and are doing their best to hang on until a better working relationship can be established.

Another Winona county farm has enrolled for year #3. He's cleaned the farm, added cows, remodeled, added a computer and book-keeping system, and has got the farm secured for his future with a buy/sell agreement with his parents. Again, without MDI, I'm doubtful that he'd be operating today!

A Wabasha county producer is an organic grazer, and needed a new facility and the team concluded remodeling was not a wise choice. The team has worked endlessly to arrive at proper cow numbers to make the facility cash flow. This producer has faced a lot of farm and family issues but plans to build this spring.

Dairy Business Planning Grants

The Dairy Business Planning Grants Program has granted \$ 182,067.15 to producers exploring making some change to their operations in fiscal year 2005. The grants are capped at \$5,000/producer with a requirement of a one-to-one match by the applicant. A number of the producers are looking at expansion, while others are improving their environmental stewardship or refinancing their debt. There are also a few applicants that are exploring transferring the operation to the next generation. The end result must be a business plan that thoroughly explores making a change.

If only 75 percent of all the grant recipients over the past four years decide to go forward with their plans, there would be an additional 24,000 cows added to the state. At a modest production (18,000 lbs./cow) and conservative milk price (\$12/cwt) \$ 51,840,000 of gross income will be added to the economy of rural Minnesota. In addition, this will result in an additional 480 jobs if one assumes 50 cows/FTE. Appendix C is a map of the 42 producers who applied for and received dairy business planning grants in fiscal year 2005.

Benchmarks

Despite the belief that the size of a herd is a predetermined factor or benchmark to the profitability of a dairy enterprise, figures from the 2002-2004 Minnesota State Colleges and University (MnSCU) Farm Business Management Records indicate that a well managed small farm carrying a small debt load can provide a satisfactory level of income for a family. Efficient use of available resources, maintenance of a healthy herd, a base level of \$12.75/cwt of milk and use of DHIA (or similar) records will in combination generate profits to the dairy enterprise.

While benchmarks are a way to draw a line in the sand as it relates to achieving a certain level of profitability, these can not be stand alone numbers, but can be used as a guide in total. Interest rates, milk marketing conditions, weather, debt load, supply and demand for protein supplements and transitional stage of the herd as well as herd health are all variables that can affect the outcome of any given year.

Hired labor	<\$200/cow
Total interest expense	<\$100/cow
Total direct expense	<\$10/cwt
Milk produced	+21,000/cow
Cull rate	26%
Turnover rate	33%
SCC	<300,000
Percent of barn capacity	105%
Feed cost/cwt	<\$5.20
Milk price & gov't support	\$13
Total debt to asset ratio	<50%
Debt per cow	<\$3000
Labor hours per cow	<40

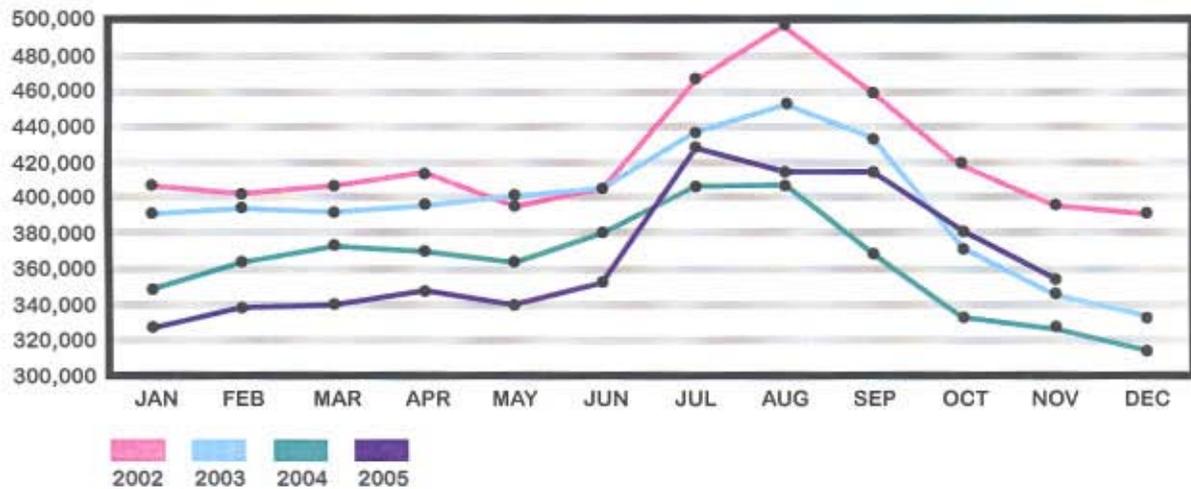
Quality Count\$

Quality Count\$ is designed to help increase dairy farmers profitability and milk quality by decreasing their herd somatic cell counts. Quality Count\$ is an initiative that came about thanks to a unique partnership among Minnesota's public and private dairy organizations. The University of Minnesota Extension Service, Minnesota Department of Agriculture, Minnesota Dairy Initiative Teams as well as Farm Business Management Instructors and Minnesota's dairy processors worked together to reduce Somatic Cell Counts to below 300,000. Our average herd SCC for November 2005 was at 355,000. This is an increase over the previous November but was trending lower earlier in the year.

For calendar 2005, Minnesota's average herd SCC was 367,000, compared to 362,000 for 2004, 397,000 for 2003, and 424,000 for 2002. In addition, average milk production has risen to almost 20,000 pounds per cow in DHIA.

Bruce Dokkebakken, of MN DHIA, recently started looking at median SCC as a measure of milk quality that may be more reflective of what is happening at the farm level. There were a number of months the state was below 300,000 SCC in 2005. The avg. median monthly SCC for 2005 was 319,000, 2004 was 320,000, compared to 355,000 for 2003, and 380,000 for 2002.

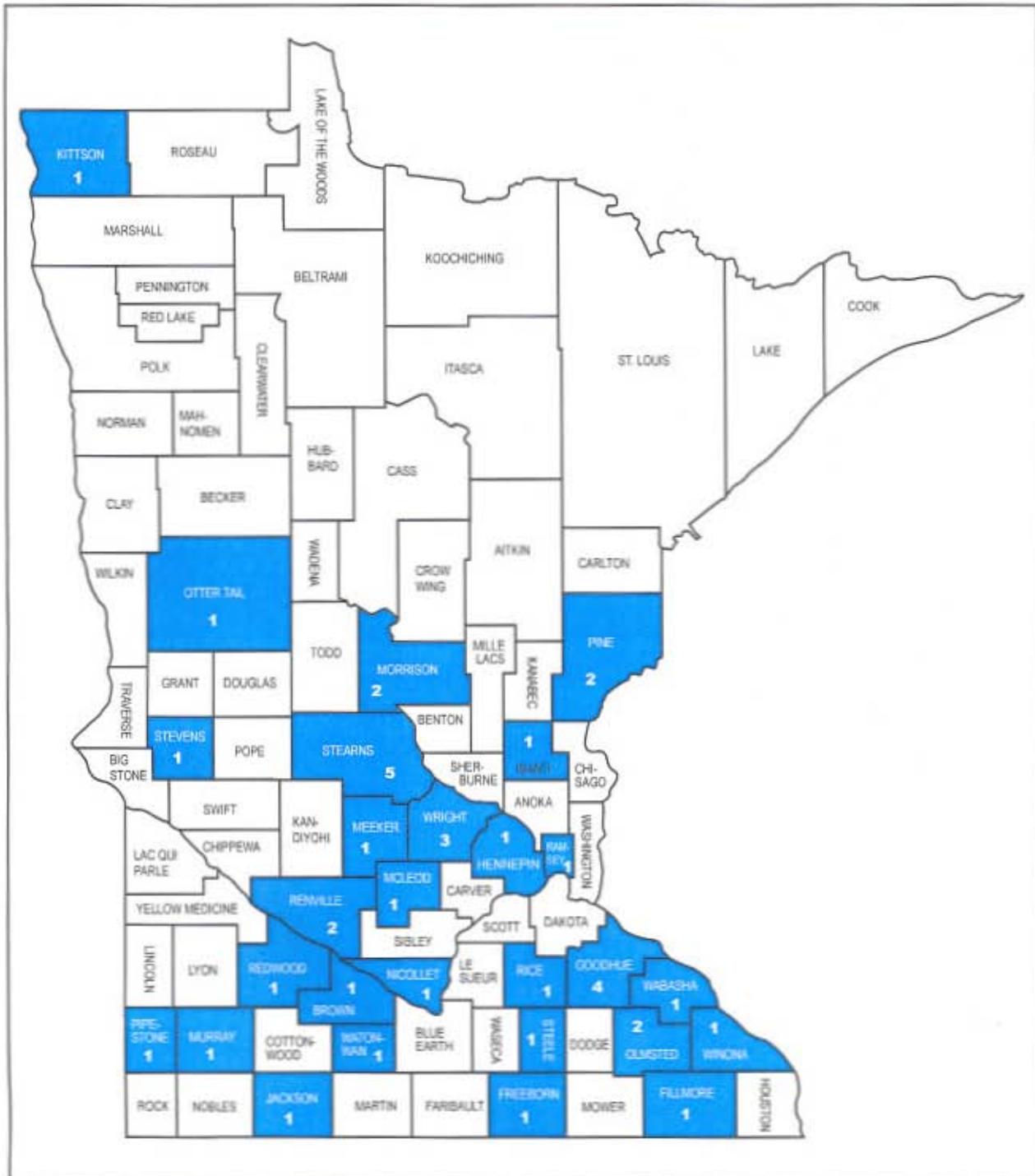
SCC Trends by Year



(Source MN DHIA, 12/05)

Appendix B

Minnesota Department of Agriculture 2005 Business Planning Grants



42 Dairy Business Planning Grants distributed \$182,067.15 across MN for FY 2005.

Appendix C

- A \$1,004,000 the first year and \$1,005,000 the second year are for continuation of the dairy development and profitability enhancement grant program under Laws 1997, chapter 216, section 7, subdivision 2, and to expand the program to include additional dairy business planning and modernization activities. Grants from this appropriation for the dairy development and profitability enhancement programs (formerly known as the “dairy diagnostics program”) must require periodic reports to the commissioner on the aggregate changes in producer financial stability, productivity, product quality, animal health, environmental protection, and other performance measures attributable to the program. Information reported to the commissioner must be sufficient to establish regional and statewide performance benchmarks for the dairy industry.

- B In designing and implementing the dairy development and profitability enhancement program the commissioner must consult with the dairy leaders roundtable, appropriate producer and processor groups, the Minnesota state colleges and universities system, the Minnesota extension service, farm credit services, and other agricultural lending institutions.

- C Of the appropriation in paragraph (a), at least \$704,000 the first year and \$705,000 the second year are for the activities of dairy development and profitability enhancement teams. The commissioner must make grants, under contract, to regional or statewide organizations qualified to manage the several components of the program. Each regional or statewide organization must designate a coordinator responsible for overseeing the program and making required reports to the commissioner. Dairy development and profitability enhancement teams are encouraged to engage in activities including, but not limited to, comprehensive financial analysis, risk management education, enhanced milk marketing tools and technologies, five-year business plans, and design and engineering costs. Up to 40 percent of the appropriation under this paragraph may be used to provide producers with technical and environmental compliance support services required to implement dairy environmental quality assurance practices. A producer is eligible for support under any program under paragraphs (a) to (e) for no more than three consecutive calendar years. Grants to producers must not be used for capital improvements or for the start up of a new dairy enterprise.

- D Of this amount, up to \$300,000 each year may be used as grants to producers of up to \$5,000 per producer to develop comprehensive five-year business plans.

- E The regional and statewide organizations that deliver the dairy development and profitability enhancement program must provide required reports to the commissioner in a format that maintains the confidentiality of business information related to any single dairy producer.

DAIRY STAR

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January 14, 2006

Retired farmer makes one dairyman's dream a reality

By Kristen J. Kubisiak
Staff writer

PIERZ, Minn.— When he was a boy, Marshall Korn would sit on a hay bale in his grandfather's stanchion barn and he and the older man would talk. Korn's grandfather farmed near Clara City, Minn. and milked 30 cows.

"I loved coming to my grandfather's farm," Korn said. "The best times in my life were spent there - with Grandpa, and getting yelled at for terrorizing the cows."

Korn, 22, eventually outgrew "terrorizing the cows," but never the dream of one day having a farm just like his grandfather's.

"I was one of those people who was born knowing what I wanted to do, I just had to find a way to do it," Korn said. And in October, he did it.

Because Korn's grandfather sold his farm, Korn knew he would have to make his own start - it was a daunting prospect, but he was determined.

He started working as a hired man when he was 14. He attended Ridgewater College at Willmar, and earned a degree in farm operation with dairy emphasis. After he graduated, he started putting ads

in the *Dairy Star* looking to rent, lease, or buy into a dairy farm.

"At first I limited myself to southwest Minnesota," he said.

Korn hoped to dairy on a farm that was close to his home, and that of his wife, Melanie (DeCramer), 24, of Edgerton, Minn.

Unfortunately he didn't receive many responses from farmers in that area.

"It got to the point where I was thinking about giving up," he said. "I had a month or two of nothing. Barns and options seemed to dry up. I didn't know what else I would do in life."

But Melanie urged him to be patient.

The Korns decided if there weren't farms available where they wanted to be, they would just have to go to where farms were available. They spent a year looking before they finally found a farm.

"I had to go to Wisconsin if we had to," Korn said.

Korn ran another ad last fall: "Beginning dairyman looking for stanchion barn in Minnesota to rent, lease, or buy into."

This time he had some takers. Carol and Jim Zapzalka of Pierz, Minn. were looking to rent-



PHOTO BY KRISTEN J. KUBISIAK

Marshall Korn and his wife, Melanie, placed an ad in the *Dairy Star* last October looking for a stanchion barn to rent, lease, or buy into. They now are milking on a farm they rent from Jim and Carol Zapzalka, who answered their ad. "We are really grateful for the opportunity," Melanie Korn said.

to-buy a stanchion barn that was previously run by their son Lyle. Lyle ran the farm for about three-and-a-half years before he started having back trouble.

So Jim Zapzalka, who has his own farm where he raises young-stock, heifers and steers, bought the farm back from his son.

He milked for a while, but he couldn't run both operations himself. Still, it was important to Zapzalka that the farm his father built in 1924 continued to be used.

"It's hard when you are starting out (dairying) now," he said. "There are less and less farms. If there was a young couple trying to get started, I wanted to give them a start."

Zapzalka saw the Korns' ad and he thought he would give them a call.

"I had no idea where they were from when I called," he said.

The Korns and Zapzalkas met Oct. 12.

"They seemed like nice people," Zapzalka said.

When Korn saw the barn, he lit up, Melanie said.

"It was the barn I always

Korns

continued on page 6