



Minnesota Dairy Research/Education and Consumer Outreach Authority

*FY 2013
Legislative Report*



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Pursuant to Minn. Stat. 3.197, the cost of preparing this report was approximately \$250.00.

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Background & Introduction

Minnesota's dairy industry is an important economic engine for the state. There are ongoing discussions to determine how the industry can enhance its research and teaching capacities to better position itself for future generations. Since the early 2000's the University of Minnesota, Minnesota Milk Producers and others have been informally discussing how a partnership between higher education institutions and the dairy industry might be structured to meet this need.

In 2010, the Minnesota Department of Agriculture conducted a series of stakeholder meetings to gather input on the potential creation of a dairy research and education facility. Representatives from dairy processors, agricultural lenders, farm organizations, dairy equipment suppliers, educators, nutrition and farm suppliers, dairy organizations and dairy producers were part of this study. A report of their efforts was prepared on February 1, 2011.

In 2012, the Minnesota legislature approved language to establish a Dairy Research, Teaching and Consumer Education Authority (Minn. Stat. Ch. 32C.01).

Authority Board of Directors

The Authority's nine directors include the following:

Commissioner Dave Frederickson, Minnesota Department of Agriculture

Dr. Brian Buhr, University of Minnesota College of Food, Agriculture and Natural Resource Sciences

Barb Liebenstein, Dairy producer and Midwest Dairy Association

Eunice Biel, Dairy producer and Minnesota Farmers Union

Daniel Glessing, Dairy producer and Minnesota Farm Bureau

Douglas Allen, Ridgewater College and Minnesota State Colleges and University System

Greg Jans, Dairy producer and Minnesota Milk Producers

Clint Fall, First District Association, Litchfield

Sheryl Meshke, Associated Milk Producers Industries, New Ulm (Board Chair)

Board Authority Highlights

In addition to conducting meetings across the state, the Authority Board members toured neighboring dairy research and educational facilities in Madison, Arlington, Marshfield and River Falls, WI; Calmar and Ames, IA; and Brookings, SD. Board members paired up to gather information in the following areas:

Mission

1. How did you establish the goals of the center?
2. How do you balance research, teaching and consumer education goals?
3. Who offered input in the formation process? Mainly industry, educational institutions, producer organizations?

Construction Financing

1. How did you finance the initial construction phase?
2. Who were the funding partners? Government? Industry? Producers?
3. What was the split between entities for the capital costs?

Operations Financing

1. Who operates the Facility?
2. How does cost compare to a traditional facility?
3. What is the cost of production of milk?
4. Does the facility cover its costs with its operations?
5. If it does not, who subsidizes the difference?

Other Discussion Points

1. What would you change if you had to do it over?
2. Is there a need that a Minnesota facility could fill?

Administrative expenses of the Authority during the year were primarily absorbed by the board meetings being hosted by the Minnesota Department of Agriculture (MDA), University of Minnesota (CFANS), Minnesota Milk Producers Association and First District Association. Travel expenses were limited to the Minnesota Department of Agriculture for car expense using state owned vehicles with no meal or lodging expense incurred. Total administrative costs were under \$1,500.00.

MDA staff involved with the Dairy Authority included Assistant Commissioner Charlie Poster, Jim Ostlie, David Weinand, and Curt Zimmerman.

The Authority's most recent meeting in January was held in Litchfield, MN. The Authority received formal presentations from both Ridgewater and the University of Minnesota on what their school's vision would be if it were to host this facility. There was also a proposal to do a feasibility study to determine which facility would best serve the needs of the Minnesota dairy industry.

Identification of sources of funding for Authority programs is ongoing, including, but not limited to, federal, state, and local and government, foundations, gifts, donations and other sources.

As of fiscal year-end 2013, the Dairy Authority has no assets or liabilities and has made no changes to its operational plan during the year. No significant changes to bylaws, policies, rules or programs were noted.