



Minnesota Dairy Research/Education and Consumer Outreach Authority

Annual Report



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Background and Introduction

The 2012 Minnesota legislature approved language to establish a Dairy Research, Teaching and Consumer Education Authority (MN Statutes 32C.01). The Authority's Board of Directors continue a dialogue between the state's dairy industry and higher education institutions to determine how the dairy industry, one of Minnesota's most important economic contributors, can enhance its research and teaching capacities to better position itself for the next generation of producers.

The establishment of a Dairy Authority followed a series of stakeholder meetings convened by the Minnesota Department of Agriculture in 2010. 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 in February 2011.

Dairy Authority Board members toured neighboring state's dairy research and educational facilities in 2013 to gather information on each facility's mission, construction financing, operation procedures and costs of production. Board members used this collection of data to continue their discussions this past year.

Authority Board of Directors

The Authority's nine directors are:

- Commissioner Dave Frederickson, Minnesota Department of Agriculture
- Dr. Brian Buhr, Dean, 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 Inc., New Ulm (Board Chair)

Board Authority Highlights

Following tours of neighboring dairy research and education facilities in 2013, Authority Board members focused their discussions on how to structure a partnership between higher education and private industry and how this effort could support meaningful research needs.

Discussions focused on the role of the Dairy Authority in this process and statutory language pertaining to facility design, development and operation and the challenges and advantages of studying the feasibility of multiple proposed sites.

In April of 2014, the Dairy Authority sent a letter supporting a University of Minnesota (U of M) dairy research proposal submitted to the MnDRIVE/Global food ventures funding vehicle. The proposal requested funding for a feasibility study on potential upgrades to dairy facilities on the U of M campuses and focused on operation styles, optimum number of head and operating costs. Although not selected

for funding, this effort led to a more focused commitment by Board members on how to move forward with a dairy facility located on U of M property. Key points included:

- Forward planning with the next generation of producers should be kept in mind.
- Minnesota should take a leadership role, just as other states with smaller dairy industries have accomplished by updating their dairy research facilities.
- What is attainable? What can we accomplish?
- What is the benefit to Minnesota's dairy industry? Will it be a benefit to future producers?
- How can Minnesota's dairy research and education differentiate itself from neighboring states?

With the above points in mind, the Dairy Authority decided that the U of Mn-St. Paul campus was the location that met the above points and approved the following motion:

The Minnesota Dairy Authority supports a pre-design/feasibility study for the University of Minnesota-St. Paul campus, exploring dairy research, education and public engagement efforts. The Authority, in cooperation with the U of M Dean of CFANS and the Minnesota Department of Agriculture, will coordinate the fundraising efforts.

The estimated \$130,000 needed for the feasibility study has been obtained from the Minnesota Department of Agriculture, Midwest Dairy Association and Land O'Lakes. The feasibility study will take about 6 months to complete and will determine if there is space and a suitable location for the facility on the St. Paul campus. If favorable, a design team will be assembled to prepare an estimate of project costs, which would take more than 6 months. Preliminary fundraising efforts would likely cover 12 to 18 months, depending on interest, and run concurrently with the funding and the design and building feasibility studies.

A timeline based on submitting a 2016 bonding request requires completion of all necessary requirements (pre-design, location, environmental review and secured matching funding) by August of 2015.

Administrative expenses of the Authority were primarily covered by the Minnesota Department of Agriculture (MDA). Travel expenses were limited to the Minnesota Department of Agriculture for car expense using state owned vehicles with no meal or lodging expense incurred. The total administrative costs for FY14 were under \$1000.00.

MDA staff involved with the Dairy Authority included Assistant Commissioner Charlie Poster and Agriculture Marketing and Development Division staff, David Weinand and Curt Zimmerman.

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

At the end of state fiscal year 2014, the Dairy Authority had no assets or liabilities and has made no changes to its operational plan. No significant changes to bylaws, policies, rules or programs were noted.