



Dairy Development and Profitability Enhancement Program

Fiscal Year 2024 Legislative Report

Work Plan Fiscal Year 2026

07/01/2025

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Executive Summary

In Fiscal Year (FY) 2024, the Minnesota Department of Agriculture (MDA) continued the Dairy Development and Profitability Enhancement Program (DDPEP), consisting of two components: the Dairy Profitability Enhancement Teams Grant (Dairy Profit Teams) and the Dairy Business Planning Grant. Together, these programs invested over \$583,000 to support Minnesota's dairy industry through continuing education and business plan development.

1. Through the Dairy Profit Teams Grant, the MDA awarded funds to Minnesota Dairy Initiative (MDI) and Minnesota Milk for FYs 2024 and 2025. This was the first time multiyear grants were funded.
 - MDI reached 183 farms across the state. The teams help dairy farmers make the best decisions for their farms, families, and the legacy they're building by pulling together industry experts and essential resources to plan for a vibrant future.
 - Minnesota Milk was awarded funds to work with dairy farms interested in writing and implementing conservation legacy plans as a part of the Driftless Area Ag Alliance (DAAA).
2. Dairy Business Planning Grants helped 18 dairy producers hire professional consultants to aid in developing business plans and strategies. Professional planners helped producers explore expanding their herds, building new facilities, transferring operations to a new generation, and changing ownership structures.

Background

Since 1996, the DDPEP has helped Minnesota dairy farms improve profitability, productivity, sustainability, and viability.

In its founding year, the Minnesota Legislature provided \$1 million for the biennium to establish a pilot program and create one Dairy Profit Team. The program expanded in 1997 to support five regionally based teams and one statewide team. The statewide team specialized in management practices such as organic production and grazing that focused on alternative dairy species (sheep and goats).

The Legislature increased the appropriation to \$2 million for the FY 2004-05 biennium to expand advisory team activity and begin a grant program to encourage individual farmers to invest in comprehensive dairy business planning. During budgetary reductions in 2009, annual funding was reduced to \$634,000 and it remains at that level.

In 2021, the program was established in state statute (MINN. STAT. 32D.30). Prior to then, the program was reauthorized each biennium through session law.

The 2023 Minnesota Legislature appropriated \$634,000 per year for the FY 2024-25 biennium to continue the DDPEP, including the Dairy Profit Enhancement Teams and Dairy Business Planning Grants.

In 2024, the Minnesota Legislature adopted several changes to the statute to broaden the eligible uses of the funding and make the program more adaptable for industry needs. [Appendix A: Program Statute](#) includes the updated statute language.

Statute provides authority to the commissioner to allocate funding between both program components to improve the quality of milk produced in the state. The MDA prepared this report to meet its statutory obligation.

FY24 Activities and Accomplishments

The MDA issued a competitive request for proposals (RFP) in the summer of 2023 to award funds to organizations to implement the Dairy Profit Teams for FY24 and FY25. The Minnesota Dairy Initiative (MDI) was awarded a grant of \$475,000 per year to support advisory teams and outreach events fielded by the nine MDI regional coordinators across the state. Minnesota Milk was awarded \$25,000 per year for teams working on conservation legacy plans focused in the driftless area of Minnesota.

Grant Recipient: Minnesota Dairy Initiative

MDI Dairy Profit Teams work directly with farmers and farm families to utilize a flexible, custom-fit team approach to help farm families evaluate their whole farm. Teams work to find ways to improve profitability, productivity, sustainability, and viability through establishing priorities, conducting team meetings, and achieving business goals. Teams identify priorities and suggest changes that could help the farmer or family meet their goals. The teams are advisory and do not make decisions for farms. [Appendices C](#) and [D](#) provide a map and contact information for each of the regions.

In FY24 and FY25, MDI teams helped farms set goals for their operation. [Appendix E](#) shows the number of farms enrolled by county. Overall, 579 goals were set by the teams and 86% of the goals were met or progress was made, as noted in the following graph and table.

Figure 1. Goals set by MDI Teams

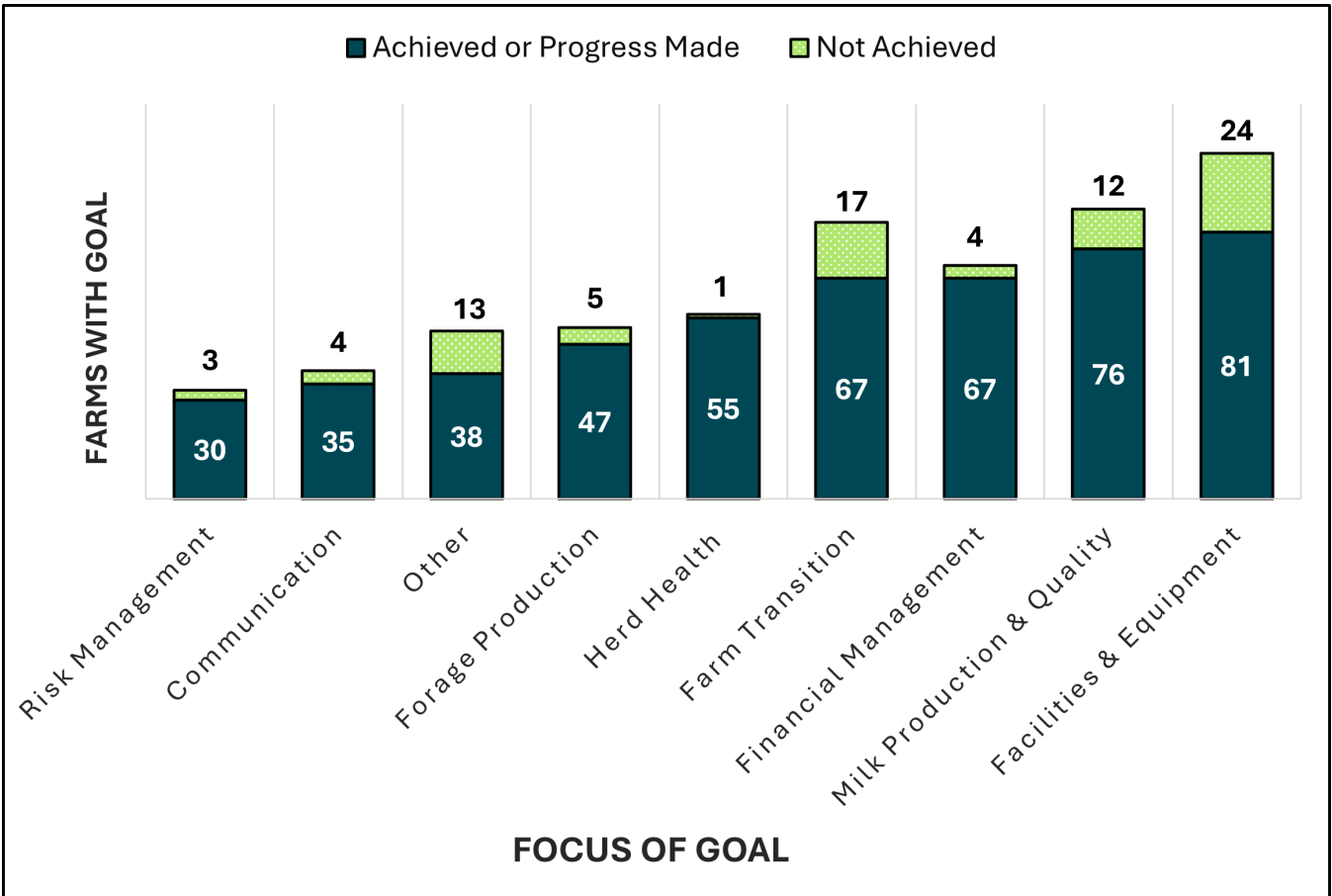


Table 1. Goals set by MDI Teams

Focus of goal	Farms making progress or achieving goal	Farms not making progress	Number of farms with this goal
Risk Management	30	3	33
Communication	35	4	39
Other	38	13	51
Forage Production	47	5	52
Herd Health	55	1	56
Farm Transition	67	17	84
Financial Management	67	4	71
Milk Production & Quality	76	12	88
Facilities & Equipment	81	24	105
Total	496	83	579

MDI partners with other organizations and individuals to offer the team structure. The teams may include local lenders, veterinarian, feed consultant, genetic advisors, Sustainable Farming Association (SFA), the University of Minnesota (UMN), UMN Extension, the Farm Business Management (FBM) program, and other experts.

Farms have the option to pay a \$200 yearly enrollment fee to be enrolled in the program. By enrolling, dairy farmers became eligible to receive grant funds, through MDI, to help them reach their goals. If farmers do not intend to apply for grant assistance, no enrollment fee is required but they can still utilize MDI's services. Farmers often work with their team for multiple years.

In addition to the farms that were directly served by teams, MDI reached other farmers by hosting barn tours and workshops on managing a family business, soil health, calf management, organic transition, and farm transition. MDI hosted several retreats for dairy farm couples that included workshops on communication with your partner and family, relationship building, handling stress, managing personalities, solving problems, and planning.

Grant Recipient: Minnesota Milk Producers Association

Minnesota Milk Producers Association Dairy Profit Team created the Driftless Area Ag Alliance (DAAA), a nonprofit farmer-led conservation group in Southeast Minnesota. The farmer led group focuses on conservation programs and practices that incentivize soil health and sustainable production. The farmers are devoted to keeping their local water, soil, and air healthy as they adopt innovative technologies and share their stories. Their vision is to ensure a healthy environment and community for generations to come.



Photo 1. Cover crops, a sustainable practice used by DAAA members.

DAAA has 16 members including 11 farms and 5 community members. Many of the group's farmers participate in ongoing sustainability projects and conservation programs to improve their local environment and farming operations. In 2024, the organization surveyed the farmer's conservation practices. The survey results included 11 farms and encompassed 9,308 acres of cropland, of which 61% use a nutrient management plan and 28% use cover crops.

Dairy Business Planning Grants

Dairy Business Planning Grants help producers hire a third party for technical assistance services and develop farm business plans. These services include evaluating the operation, transitional changes, expansions, improvements, and other business modifications. Recipients can use these grants to evaluate modernization projects and pursue other improvement activities while developing their business plans. Grants are capped at \$5,000 per producer and require a dollar-for-dollar match from the farm or individual.

In FY24, we awarded \$82,080 to 18 producers who were considering significant changes to their operations. The average grant size was \$4,640. Producers in Stearns County received four grants; Benton County received two; and Cottonwood, Fillmore, Goodhue, Le Sueur, Morrison, Murray, Otter Tail, Pipestone, Rock, Wadena, Winona, and Wright. See [Appendix B](#) for a map showing the locations of participating dairy farms.

The most common uses of the planning grants were to evaluate the feasibility of a farm transition to the next generation and expansion plans.

FY26 Workplan

Dairy Profit Teams

The MDA's goal is to continue to assist the dairy industry through the Dairy Profit Teams by supporting organizations that provide information and technical assistance to dairy farms of all sizes to enhance their financial success and long-term sustainability. We hope to see a least 10% of Minnesota dairy farms served through this program. In early FY26, we plan to release an RFP for the FY26-27 biennium and expect that the selected grant recipients will begin administering their programming in fall 2026.



Photo 2. Dairy cows eating in a freestall barn

Dairy Business Planning Grants

In FY26, our goal is to support 15-20 farms or processors across the state through the DBPG. Through reporting from grantees, we will continue to evaluate the impact of the farm changes made through the technical assistance providers.

FY26 Budget

Budget item	FY25 amount
Dairy Profit Teams	\$500,000
Dairy Business Planning Grants	\$86,500
Administration	\$47,500
Total funding	\$634,000

Appendix A: Program Statute

[MINN. STAT. 32D.30](http://www.revisor.mn.gov/statutes/cite/32D.30) (www.revisor.mn.gov/statutes/cite/32D.30)

Subdivision 1. **Program.** The commissioner must implement a dairy development and profitability enhancement program consisting of a dairy profitability enhancement program, dairy business planning grants, and other services to support the dairy industry.

Subd. 2. **Dairy profitability enhancement program.** (a) The dairy profitability enhancement program must provide information and technical assistance to dairy farms of all sizes to enhance their financial success and long-term sustainability. The program must assist dairy producers in all dairy-producing regions of the state. Assistance to producers from the program may be provided individually, as a team, or through other methods by farm business management instructors, dairy extension specialists, and other dairy industry partners. The program may engage in activities such as comprehensive financial analysis, risk management education, enhanced milk marketing tools and technologies, facilitating or improving production systems including rotational grazing, and value-added opportunities.

(b) The commissioner must make grants to regional or statewide organizations qualified to manage the various components of the program and serve as the program administrators. Each regional or statewide organization must designate a coordinator responsible for overseeing the program and submitting periodic reports to the commissioner regarding aggregate changes in producer financial stability, productivity, product quality, animal health, environmental protection, and other performance measures attributable to the program. The organizations must submit this information in a format that maintains the confidentiality of individual dairy producers.

Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business planning grants of up to \$5,000 per producer or dairy processor to use technical assistance services for evaluating operations, transitional changes, expansions, improvements, and other business modifications. Producers and processors must not use dairy business planning grants for capital improvements.

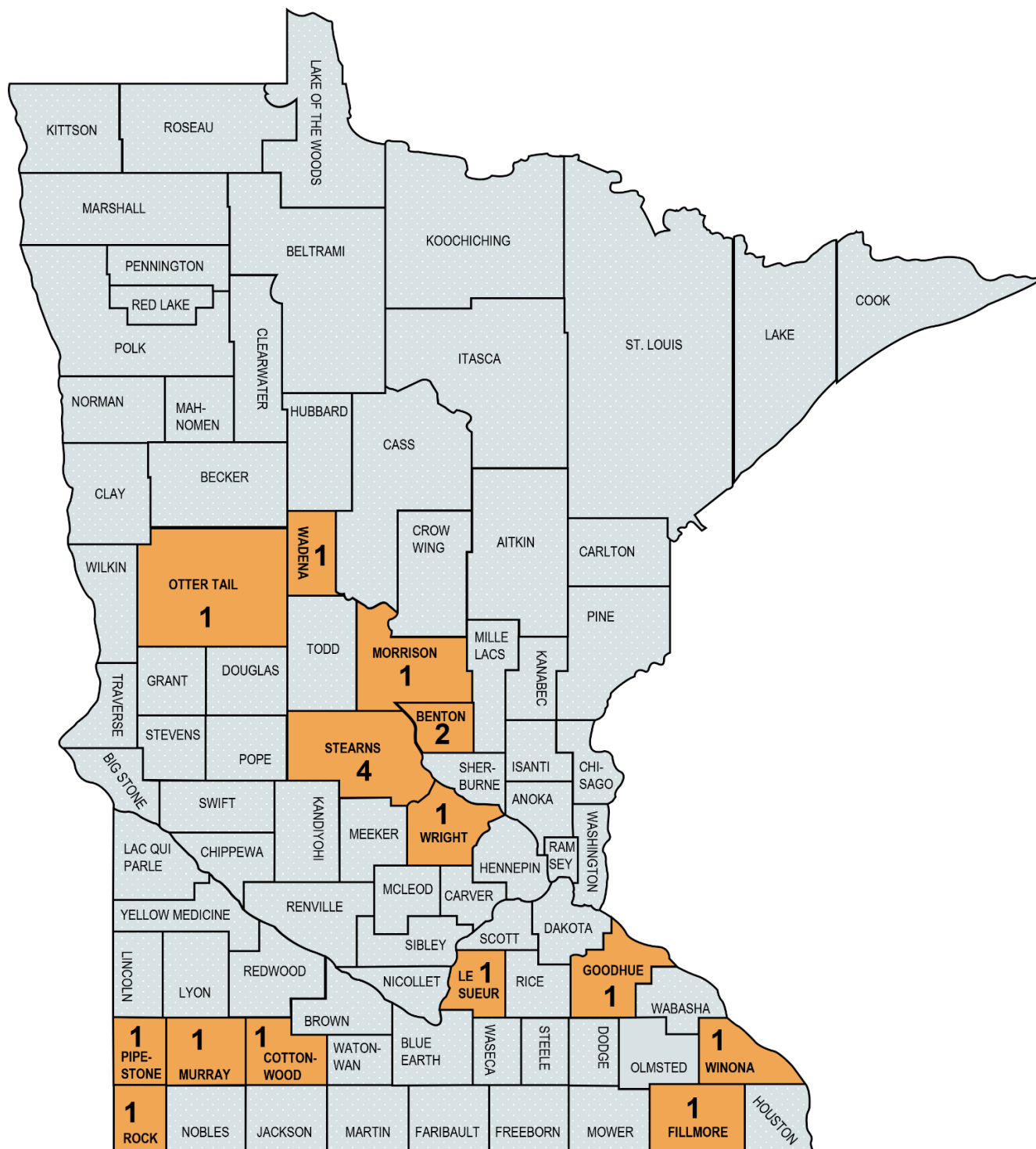
Subd. 4. **Funding allocation.** Except as specified in law, the commissioner may allocate dairy development and profitability enhancement program dollars for the permissible uses specified in this section and other needs to support the dairy industry, including efforts to improve the quality of milk produced in the state, in the proportions that the commissioner deems most beneficial to the state's dairy farmers.

Subd. 5. **Reporting.** No later than July 1 each year, the commissioner must submit a detailed accomplishment report and work plan detailing future plans for, and the actual and anticipated accomplishments from, expenditures under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. If the commissioner significantly modifies a submitted work plan during the fiscal year, the commissioner must notify the chairs and ranking minority members.

Appendix B: FY24 Dairy Business Planning Grant Recipients

In FY24, we awarded \$82,080 to 18 producers who were considering significant changes to their operations. The average grant size was \$4,560. Producers in Stearns County received four grants; Benton County received two; and Cottonwood, Fillmore, Goodhue, Le Sueur, Morrison, Murray, Otter Tail, Pipestone, Rock, Wadena, Winona, and Wright.

Map 1. Locations of FY24 Dairy Business Planning Grant recipients.



Appendix D: Regional contacts as of 07/01/2025

Regional Partner	Contact Information
Minnesota Dairy Initiative (MDI) – State Coordinator	Emily Mollenhauer, 651-764-0309
Sustainable Farming Association (SFA) – Statewide	SFA Office, 763-260-0209
MDI – Central	Kristen Salzl, 651-278-1374
MDI – Central	Taylor Witt, 320-360-6489
MDI – Central and Northwest	Karen Gorentz, 218-234-3716
MDI – South Central	Jill Zieroth, 952-466-5311
MDI – Southeast	Dale Heintz, 507-951-0756
MDI – Southeast	Makenzie Alberts, 507-601-8181
MDI – Southwest	Heidi Sellner, 507-794-7993
MDI – Southwest	Brittany Moorse, 507-530-4415
MDI – West Central	Jay Brown, 218-238-6790

Appendix E: Herds enrolled by region and county FY24

County	# of Herds Enrolled
Becker	18
Benton	3
Brown	10
Carver	5
Chisago	1
Cottonwood	1
Crow Wing	1
Dakota	2
Dodge	1
Douglas	6
Fillmore	6
Goodhue	4
Hennepin	1
Houston	4
Kandiyohi	1
Le Sueur	1
Lincoln	3
Lyon	1
Mahnomen	2
McLeod	4
Mille Lacs	3
Morrison	7
Mower	1
Murray	2

County	# of Herds Enrolled
Olmsted	6
Otter Tail	15
Pine	1
Pipestone	5
Pope	2
Renville	1
Rice	3
Rock	2
Scott	1
Sibley	4
St. Louis	2
Stearns	15
Steele	3
Stevens	1
Swift	1
Todd	7
Wabasha	6
Wadena	2
Waseca	1
Washington	1
Winona	11
Wright	4
Yellow Medicine	1