Growing Minnesota’s dairy industry

Summit brings farmers, leaders together to discuss change

BY KRISTA KUZMA & SADIE FREIRICKS
Staff writers

ST. PAUL, Minn. – Dairy leaders feel the future direction of the state’s industry needs to change.

“Since 1990, all other livestock industries in Minnesota have maintained or grown production. Only dairy has declined,” said Marin Bozic, assistant professor at the department of applied economics at the University of Minnesota and associate director for Midwest Dairy Foods Research Center.

To initiate change, over 100 people from all facets of the dairy industry – from dairy processors and dairy organization presidents to dairy farmers and dairy education leaders – attended the Minnesota Dairy Growth Summit on Feb. 9 at the St. Paul campus of the University of Minnesota. The summit was organized by Midwest Dairy Association, the University of Minnesota and Minnesota Milk Producers’ Association.

Bozic outlined the current dairy situation in the state, noting that from 1992 to 2014, Minnesota’s dairy industry hasn’t grown. In that time period, the number of dairy farms dropped from 14,000 to 3,499. The total annual milk production has also declined from 9.858 million pounds to 9.132 million pounds, a 7.4 percent decrease. This decrease has also lowered Minnesota’s national rank in milk production from fifth in 1992 to its current rank of eighth.

Meanwhile, production in surrounding upper Midwest states has grown considerably, with South Dakota up 27 percent, Wisconsin seeing a 16.5 percent increase and Iowa jumping 10 percent. Michigan’s dairy industry has exploded with growth in those same years, with production up 77 percent.

“Should this raise a question? Can we learn from our neighbors?” Bozic said.

But hope for Minnesota’s dairy industry is not lost, said Mike Kruger, CEO for Midwest Dairy Association.

“We have a lot of advantages in this state,” Kruger said.

From a recent study commissioned by Midwest Dairy Association, Kruger mentioned benefits of dairying in Minnesota. There is plenty of land, water and feed along with the ability to be profitable due to use of homegrown forages. There are also competitive milk prices relative to other areas of the country and there is a diversified processing base. The state is dairy-business-friendly and there is a strong dairy heritage to keep the industry going.

“The advantages really outweigh our challenges,” Kruger said. “Minnesota is a great place to produce and process dairy products.”

President of the University of Minnesota, Eric Kaler, also sees potential for the state’s dairy industry, especially if people step up and “reject complacency.”

“...complacency refers to doing things a certain way because that’s just the way we do them. Complacency means ignoring change in the world around us and expecting the world to change for us rather than expecting ourselves to adapt to the

Welle opts for a tunnel-ventilated barn for new construction

BY ANDREA BORGERDING
Staff writer

FREEPORT, Minn. – When building a new barn, it’s often a matter of timing and coordination to get everything right. For Joel Welle, the timing was over the course of 10 years – but by then, he knew exactly what he wanted.

“I wanted to build a freestall barn many years ago, but my dad was reluctant. It’s actually better we did it this way,” Welle said. “We would never have built the facility that we should’ve built.”

Since Dec. 10, Welle has been housing his herd of 140 cows in a 128-stall tunnel-ventilated freestall barn. The cows are milked in the original stanchion barn in groups of 35. The change has been a dramatic one for both the cows and Welle and his family.

Welle (36) has been working on his family’s home farm his entire life. In 2012, he purchased the cows from his father, Dave, who continues to help on the farm.

For the past 10 years, the Welles were forced to keep the 133-cow milking herd in challenging conditions in order to grow the herd. One group of 35 cows was on a dry lot bedded with straw – but was kept inside the stanchion barn during cold spells. The other groups were kept in a 40-by 80-foot open-sided shed separated into five bays.

“But close to 100 cows in these pens, there wasn’t

The cows rest on sand bedding. Welle was striving for cow comfort when planning his new barn.
world’s needs,” he said.

Kaler said the University of Minnesota wants to be a part of this change.

“The path forward also demands that we work to ensure that this long-standing partnership between the U and the dairy community is embraced, rewarded and, whenever possible, strengthened,” he said.

There were also many other speakers on hand to outline the benefits of dairy to the state. A panel from the University of Minnesota featured leaders, who described the University’s devotion to the industry. This panel included Brian Buhr, dean of the College of Food, Agriculture and Natural Resource Sciences; Trevor Ames, dean of the College of Veterinary Medicine; and Michael Schmitt, senior associate dean of the University of Minnesota Extension.

Another panel included Minnesota state government leaders, including John Linc Stine, commissioner for the Minnesota Pollution Control Agency; Charlie Post, assistant commissioner for the Minnesota Department of Agriculture; and Harlan Madsen, a dairy farmer and a commissioner in Kandiyohi County.

Lieutenant Governor Tina Smith made a few remarks along with Adam Hinckley from Hinckley Holsteins in Chaffield, Minn., the 2014 Minnesota Milk Producer of the Year.

After assessing the state’s current dairy situation, summit leaders identified three areas to focus on when going forward in growing Minnesota’s dairy industry: market opportunity assessment, social license to thrive and grow, and dairy development efforts.

“We want to proceed from this,” Bozic said. “We’re asking all areas of the industry to contribute.

These same leaders also hope this summit will help solve Minnesota’s declining dairy dilemma. The people gathered at the event brainstormed in small groups about reasons behind the decline and actions to take in order to make changes in the future. These ideas were gathered and will be distributed in the coming weeks.

“There is a saying, ‘People will forgive you anything except success.’ This is about cultural change as much as it is about economics. We need a culture that embraces and celebrates success,” Bozic said.

He thinks this success will come from an entrepreneurial spirit.

“I want to support the creativity of our Minnesota dairy farmers,” Bozic said, emphasizing that this initiative is also about the people of Minnesota’s dairy industry and not just the numbers.

“In the 1990s we said, go big or get out. Now our mantra should be get creative or get out.”

A proposal was discussed to rename the former Minnesota Dairy Leaders Roundtable to the Minnesota Dairy Growth Council, and repurpose it as a platform to pursue new dairy growth efforts. Bozic summarized the council’s proposed goals as moving Minnesota towards a more dynamic and future-proof dairy industry, recognizing that all dairy farmers need all dairy farmers, removing the hurdles to and supporting entrepreneurship, and building a strong partnership between the dairy industry, state government and the University of Minnesota and MnSCU.

Gene Hugaas, external and constituent relations liaison for the University of Minnesota and moderator of the event summed up the message and future hopes of the summit.

“It’s not just (about growth in) cow numbers, it’s also growth in efficiency, individual cow production, better quality, opportunity, profitability, diversity and markets,” he said. “All of us can contribute individually to the idea of dairy growth, but our efforts are maximized if we work together.”

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