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Dairy Development and Profitability Enhancement Workplan FY 09

I am pleased to provide for you the 2009 Fiscal Year budget. The budget is sent to you as a requirement of the legislation for the Dairy Development and Profitability Enhancement Program. I will explain in more detail how each portion of the budget has been used and how we intend to use it in the next fiscal year.

Dairy Profit Teams

The dairy profit teams provide one-on-one guidance to dairy producers across the state, providing comprehensive financial analysis, risk management education as well as production enhancement advise. Approximately 450 teams each year, across the state, have tackled lots of different aspects of management and successfully assisted producers in making transitions to a higher degree of management. Farms that have participated out performed the other farms in their region according to Minnesota State College and University (MnSCU) Farm Business Management records.

Dairy Business Planning Grants

Over the past year hundreds of farms have taken advantage of the business planning grants. The business planning grants provide planning expense dollars for producers to develop a business plan. The grant is a 1:1 match with the producer and is capped at \$5,000 per producer. Funds have provided an incentive for producers to explore the feasibility of changes to their operations, whether it includes an expansion, farm transfer, environmental correction required under 7020 feedlot rules or other management change.

Special Projects

The special projects portion of the budget has allowed the Department to direct funds towards specific educational efforts deemed worthy. Funding for price risk management, Quality Count\$, Dairy On-Time education, Dairy Star website development and Ag. Plastic Recycling are examples of the use of this budget line item.

\$635,000	Dairy Profit Teams
145,400	Dairy Business Planning Grants
60,600	Special Projects
70,000	<u>Administration</u>
<u>\$ 905,000</u>	Available funds each fiscal year

\$100,000 was allocated from the Dairy Development and Profitability Program towards TB activities in the state for fiscal year 2009.

If you have additional questions, concerns or need clarification on any aspect of the Dairy Development and Profitability Enhancement program contact the program administrator David Weinand, 651-201-6646 or David.Weinand@state.mn.us.