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<http://www.mda.state.mn.us/>

AT A GLANCE

- 450 employees across the state
- Analyzed over 5,000 dairy product samples and 3,000 meat and poultry samples in partnership with the MDA Laboratory Division
- Conducted over 2,800 manufactured food, 7,000 retail food, and 1,000 animal feed inspections to ensure the safety and quality of products manufactured and distributed in Minnesota.
- Approximately 1.6 billion pounds of ag products certified as plant pest free for export to 70 countries by 136 Minnesota companies during 2017
- Assisted Minnesota counties, townships, and cities with the enforcement of noxious weed issues
- Annual Agricultural Growth, Research, and Innovation (AGRI) \$10.235 million state investment in FY17 was matched by \$78 million in private investment with an estimated 1,740 jobs created
- More than 1,300 farms and farmers' markets licensed to use the Minnesota Grown logo
- In partnership with all Minnesota counties, collected over 500,000 pounds of waste pesticides in 2017

PURPOSE

Our mission is to enhance Minnesotans' quality of life by ensuring the integrity of our food supply, the health of our environment, and the strength of our agricultural economy.

The Minnesota Department of Agriculture (MDA) provides many services to Minnesota farmers, their consumers, and the agriculture economy. Among our many efforts, we:

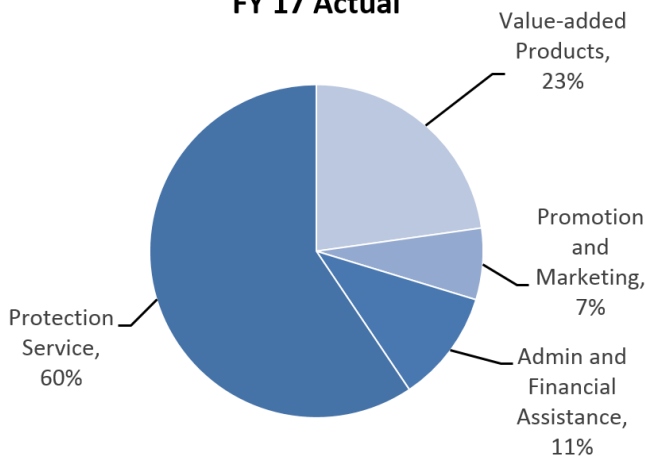
- Invest in farmers through education and grants aimed at modernizing the family farm;
- Invest in the future of the agricultural economy with grants for research and value-added processing;
- Ensure that state and federal regulations for food and health safety are followed;
- Educate producers, suppliers, and consumers on proper production and handling of food products;
- Educate Minnesotans about environmental hazards to keep our farms, homes, businesses, and neighborhoods safe;
- Promote the consumption of Minnesota-grown foods; and
- Promote the export of Minnesota crops and livestock.

We support the following statewide outcomes:

- A thriving economy that encourages business growth and employment opportunities
- All Minnesotans have optimal health
- People in Minnesota are safe
- A clean, healthy environment with sustainable uses of natural resources

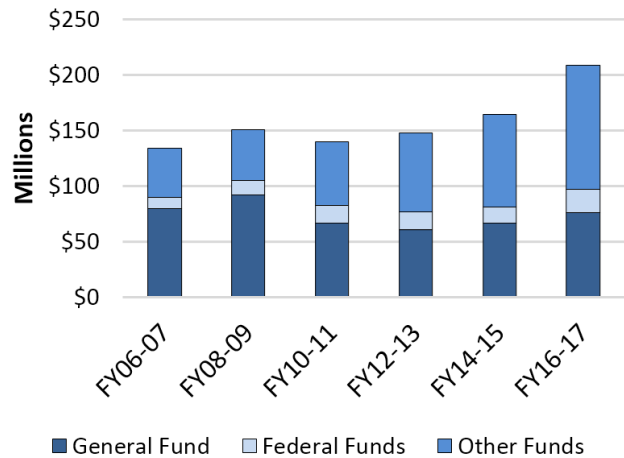
BUDGET

**Spending by Program
FY 17 Actual**



Source: BPAS

Historical Spending



Source: Consolidated Fund Statement

Our budget comes from three primary sources. The most significant funding resource is fee revenues. These revenues must be spent to support the activities from which they are collected and currently make up just over one-third of the agency's budget. The state's General Fund is also a large part of the agency's budget at just over one-third of the budget. A large portion of the general fund budget passes through MDA in AGRI (Agricultural Growth, Research, and Innovation) and other assistance programs. In FY16-17 and FY18-19 federal funds accounted for about 10 percent of MDA's budget.

STRATEGIES

We use a range of regulatory and voluntary strategies to support our mission. This includes the use of registration, labeling, licensing, permitting, inspection, and enforcement efforts. Additionally, we coordinate and conduct outreach activities such as workshops, conferences, and field demonstration projects.

Our staff conduct inspections and verify samples to ensure that producers, processors, wholesalers, haulers, grocery and convenience stores, and other industry personnel are producing and handling dairy, food, meat, and feed products in a safe manner to protect them from unintended alteration and contamination.

We ensure that Minnesota plant products meet the import requirements of our trading partners, meet grading standards established in contracts, that seeds meet viability and purity standards, that general health standards are met for nursery stock, and that standards for freedom from harmful plant pests are met.

Our marketing and promotional initiatives offer producers technical and financial assistance on a variety of issues, including dairy and livestock development, business planning, and emerging water quality and conservation practices.

Our staff facilitates access to new markets through the Minnesota Grown Directory, international trade market research, and client support for trade missions and export assistance. We also support the organic industry through education, direct financial support, and skill development.

Minnesota Statutes Chapter 17, (<https://www.revisor.mn.gov/statutes/?id=17>) creates the Department of Agriculture and provides specific authority to the commissioner.

Agriculture

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
<u>Expenditures by Fund</u>						
1000 - General	32,695	43,884	41,123	45,343	42,250	42,250
2000 - Restrict Misc Special Revenue	1,760	1,370	1,971	1,930	1,882	1,899
2001 - Other Misc Special Revenue	4,666	4,093	5,348	6,137	6,200	6,340
2018 - Agriculture	31,861	36,412	38,486	41,557	40,524	40,537
2050 - Environment & Natural Resources	373	405	662	1,615		
2301 - Arts & Cultural Heritage			138	162		
2302 - Clean Water	13,208	13,625	12,343	10,738		
2403 - Gift	5	13		66	15	15
2801 - Remediation	1,544	1,607	1,508	1,969	1,959	1,959
3000 - Federal	8,686	12,053	13,017	13,258	11,357	11,527
6000 - Miscellaneous Agency	61	190	66			
Total	94,859	113,652	114,662	122,775	104,187	104,527
Biennial Change				28,926		(28,723)
Biennial % Change				14		(12)

Expenditures by Program

Protection Services	62,076	67,813	67,123	74,184	58,373	58,662
Promotion and Marketing	6,749	7,777	6,891	8,338	8,177	8,345
Value-added Products	13,170	25,583	25,895	25,073	23,561	23,714
Admin and Financial Assist	12,864	12,479	14,752	15,180	14,076	13,806
Total	94,859	113,652	114,662	122,775	104,187	104,527

Expenditures by Category

Compensation	38,209	40,864	43,567	47,606	45,095	45,210
Operating Expenses	35,871	36,132	33,878	40,531	30,218	30,247
Grants, Aids and Subsidies	20,249	34,956	36,998	34,538	28,765	29,019
Capital Outlay-Real Property	120	1,103	93		42	
Other Financial Transaction	411	597	125	100	67	51
Total	94,859	113,652	114,662	122,775	104,187	104,527

Total Agency Expenditures	94,859	113,652	114,662	122,775	104,187	104,527
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Agriculture

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
Internal Billing Expenditures	5,260	5,304	5,343	5,580	5,672	5,755
Expenditures Less Internal Billing	89,600	108,348	109,319	117,195	98,515	98,772
 <u>Full-Time Equivalents</u>	 447.23	 460.17	 480.57	 506.73	 471.44	 468.62

Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
1000 - General						
Balance Forward In	1,414	6,484	1,267	2,701		
Direct Appropriation	51,426	48,698	52,703	52,798	51,856	51,856
Transfers In	3,349	6,359	901	1,534	135	135
Transfers Out	18,176	17,037	11,050	11,690	9,741	9,741
Cancellations	42	257				
Balance Forward Out	5,277	362	2,698			
Expenditures	32,695	43,884	41,123	45,343	42,250	42,250
Biennial Change in Expenditures				9,887		(1,966)
Biennial % Change in Expenditures				13		(2)
Full-Time Equivalents	129.77	154.20	159.40	173.43	169.62	169.02
2000 - Restrict Misc Special Revenue						
Balance Forward In	12,410	11,242	10,793	9,562	7,012	4,813
Receipts	2,207	1,581	2,154	1,840	1,667	1,736
Transfers In	150	1,877		134	85	85
Transfers Out	1,182	1,794	2			
Net Loan Activity	(484)	(743)	(1,411)	(2,594)	(2,069)	(673)
Balance Forward Out	11,342	10,793	9,563	7,012	4,813	4,062
Expenditures	1,760	1,370	1,971	1,930	1,882	1,899
Biennial Change in Expenditures				771		(120)
Biennial % Change in Expenditures				25		(3)
Full-Time Equivalents	11.29	8.74	12.01	12.91	12.20	12.14
2001 - Other Misc Special Revenue						
Balance Forward In	6,859	7,383	8,663	8,633	8,030	7,433
Receipts	5,308	5,373	5,458	5,613	5,682	5,788
Internal Billing Receipts	5,265	5,296	5,335	5,494	5,582	5,696
Transfers Out		3	139	79	79	79
Balance Forward Out	7,501	8,661	8,633	8,030	7,433	6,802
Expenditures	4,666	4,093	5,348	6,137	6,200	6,340
Biennial Change in Expenditures				2,726		1,055
Biennial % Change in Expenditures				31		9
Full-Time Equivalents	35.28	38.11	30.48	30.48	34.34	34.34

Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21

2018 - Agriculture

Balance Forward In	16,047	18,357	22,788	24,639	21,668	18,603
Receipts	28,203	29,872	30,550	28,800	27,973	28,178
Transfers In	7,189	13,148	12,062	12,001	11,836	11,836
Transfers Out	2,402	3,212	2,276	2,215	2,350	2,350
Balance Forward Out	17,178	21,753	24,638	21,668	18,603	15,730
Expenditures	31,861	36,412	38,486	41,557	40,524	40,537
Biennial Change in Expenditures				11,770		1,018
Biennial % Change in Expenditures				17		1
Full-Time Equivalents	183.32	176.17	186.33	192.41	192.09	188.59

2050 - Environment & Natural Resources

Balance Forward In	667	294	400	934		
Direct Appropriation		511	1,025	681	0	0
Transfers In			173			
Cancellations			3			
Balance Forward Out	294	400	933			
Expenditures	373	405	662	1,615		
Biennial Change in Expenditures				1,499		(2,277)
Biennial % Change in Expenditures				193		(100)
Full-Time Equivalents	4.34	3.55	2.94	2.93		

2301 - Arts & Cultural Heritage

Balance Forward In				12		
Direct Appropriation			150	150	0	0
Balance Forward Out			12			
Expenditures			138	162		
Biennial Change in Expenditures				300		(300)
Biennial % Change in Expenditures						(100)

2302 - Clean Water

Balance Forward In	8,127	6,985	5,570	1,511		
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Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
Direct Appropriation	8,584	7,582	8,283	9,283	0	0
Transfers In		173				
Transfers Out	500	83		56		
Cancellations	783					
Balance Forward Out	2,219	1,032	1,511			
Expenditures	13,208	13,625	12,343	10,738		
Biennial Change in Expenditures				(3,753)		(23,081)
Biennial % Change in Expenditures				(14)		(100)
Full-Time Equivalents	29.35	30.53	32.31	32.51		

2403 - Gift

Balance Forward In	50	45	80	82	20	11
Receipts	0	48	1	4	6	6
Transfers In		30				
Transfers Out		30				
Balance Forward Out	45	80	81	20	11	2
Expenditures	5	13		66	15	15
Biennial Change in Expenditures				48		(36)
Biennial % Change in Expenditures				259		
Full-Time Equivalents	0.10					

2801 - Remediation

Balance Forward In		15		11		
Direct Appropriation	388	388	393	398	399	399
Open Appropriation	1,171	1,204	1,126	1,560	1,560	1,560
Balance Forward Out	15		11			
Expenditures	1,544	1,607	1,508	1,969	1,959	1,959
Biennial Change in Expenditures				326		441
Biennial % Change in Expenditures				10		13
Full-Time Equivalents	2.68	2.85	2.57	2.57	2.57	2.57

3000 - Federal

Balance Forward In	585	81	4			
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Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
Receipts	8,290	12,046	13,014	13,258	11,357	11,527
Transfers Out	150	13	2			
Balance Forward Out	39	59				
Expenditures	8,686	12,053	13,017	13,258	11,357	11,527
Biennial Change in Expenditures				5,536		(3,391)
Biennial % Change in Expenditures				27		(13)
Full-Time Equivalents	50.80	45.71	54.22	59.49	60.62	61.96

6000 - Miscellaneous Agency

Balance Forward In	57	53	284	231	229	231
Receipts	7	370	(32)	1	2	2
Transfers In	50	83	50			
Transfers Out		33	6	3		
Balance Forward Out	53	284	230	229	231	233
Expenditures	61	190	66			
Biennial Change in Expenditures				(185)		(66)
Biennial % Change in Expenditures				(74)		
Full-Time Equivalents	0.30	0.31	0.31			

8200 - Clean Water Revolving

Balance Forward In	26,540	26,614	25,163	18,473	9,073	6,873
Transfers In				1,000		
Net Loan Activity	74	(1,450)	(6,690)	(10,400)	(2,200)	220
Balance Forward Out	26,614	25,163	18,473	9,073	6,873	7,093

8250 - Rural Finance Administration

Balance Forward In	2,289	3,432	3,469	3,476	3,526	3,560
Receipts	58	84	124	126	129	131
Transfers In	1,064					
Transfers Out	33	97	53	56	68	70
Net Loan Activity	55	52	(64)	(20)	(27)	(29)
Balance Forward Out	3,432	3,470	3,475	3,526	3,560	3,592

Agriculture

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Direct				
Fund: 1000 - General				
FY2019 Appropriations	52,798	52,798	52,798	105,596
Base Adjustments				
All Other One-Time Appropriations		(1,953)	(1,953)	(3,906)
Current Law Base Change		964	964	1,928
Pension Allocation		47	47	94
Approved Transfer Between Appropriation		0	0	0
Forecast Base	52,798	51,856	51,856	103,712
Fund: 2050 - Environment & Natural Resources				
FY2019 Appropriations	681	681	681	1,362
Base Adjustments				
All Other One-Time Appropriations		(681)	(681)	(1,362)
Forecast Base	681	0	0	0
Fund: 2301 - Arts & Cultural Heritage				
FY2019 Appropriations	150	150	150	300
Base Adjustments				
One-Time Legacy Fund Appropriations		(150)	(150)	(300)
Forecast Base	150	0	0	0
Fund: 2302 - Clean Water				
FY2019 Appropriations	9,283	9,283	9,283	18,566
Base Adjustments				
One-Time Legacy Fund Appropriations		(9,283)	(9,283)	(18,566)
Forecast Base	9,283	0	0	0
Fund: 2801 - Remediation				
FY2019 Appropriations	398	398	398	796
Base Adjustments				
Pension Allocation		1	1	2
Forecast Base	398	399	399	798
Open				
Fund: 2801 - Remediation				
FY2019 Appropriations	1,560	1,560	1,560	3,120
Forecast Base	1,560	1,560	1,560	3,120

Agriculture

Agency Change Summary

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
<i>Dedicated</i>				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	1,930	1,882	1,899	3,781
Forecast Base	1,930	1,882	1,899	3,781
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	6,137	6,200	6,340	12,540
Forecast Base	6,137	6,200	6,340	12,540
Fund: 2018 - Agriculture				
Planned Spending	41,557	40,524	40,537	81,061
Forecast Base	41,557	40,524	40,537	81,061
Fund: 2403 - Gift				
Planned Spending	66	15	15	30
Forecast Base	66	15	15	30
Fund: 3000 - Federal				
Planned Spending	13,258	11,357	11,527	22,884
Forecast Base	13,258	11,357	11,527	22,884
<i>Revenue Change Summary</i>				
<i>Dedicated</i>				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	1,840	1,667	1,736	3,403
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	5,613	5,682	5,788	11,470
Fund: 2018 - Agriculture				
Forecast Revenues	28,800	27,973	28,178	56,151
Fund: 2403 - Gift				
Forecast Revenues	4	6	6	12
Fund: 3000 - Federal				
Forecast Revenues	13,258	11,357	11,527	22,884

(Dollars in Thousands)

	FY19	FY20	FY21	Biennium 2020-21
Fund: 6000 - Miscellaneous Agency				
Forecast Revenues	1	2	2	4
Fund: 8250 - Rural Finance Administration				
Forecast Revenues	126	129	131	260
<i>Non-Dedicated</i>				
Fund: 1000 - General				
Forecast Revenues	3,870	3,870	3,870	7,740
Fund: 2801 - Remediation				
Forecast Revenues	115	115	115	230
Fund: 8250 - Rural Finance Administration				
Forecast Revenues	2,072	2,073	2,077	4,150

Program: Protection Services

Activity: Pesticide and Fertilizer Management Division

<http://www.mda.state.mn.us/pesticide-fertilizer/pesticide-fertilizer>

AT A GLANCE

- In partnership with all Minnesota counties, collected over 500,000 pounds of waste pesticides in 2017, and over 8 million pounds of waste pesticides have been collected since 1990.
- In our 28 year history, over \$41 million from the Agricultural Chemical Response & Reimbursement Account has been spent to reimburse persons for the environmental cleanup of ag chemicals.
- Funded over \$1.1 million annually for fertilizer research, directed by a council of agriculture organizations.
- Monitored groundwater (690 samples at 168 locations) and surface water (1,218 samples at 208 locations) for pesticides in 2017
- Pesticide monitoring of groundwater since 1985 and surface water since 1991, now analyzing for 150 different chemicals

PURPOSE & CONTEXT

The Pesticide and Fertilizer Management Division is responsible for almost all aspects of fertilizer and pesticide regulation in Minnesota as well as many other water resources protection efforts.

We support the agency's mission by regulating pesticides and fertilizers to ensure the integrity of our food supply, implementing programs that protect and improve the health of our environment, and managing a regulatory system that instills confidence and consistency in support of a strong agricultural economy.

SERVICES PROVIDED

We have broad responsibilities in the regulation of pesticides and fertilizers as it relates to ensuring water quality and protection of the environment. We have a wide variety of services, regulatory activities and voluntary programs that are listed below.

- Inspections
- Pesticide/fertilizer training, licensing, and permitting
- Emergency response 24/7
- Site cleanups and Superfund administration
- Anhydrous ammonia (AA) regulation
- Commercial manure application licensing
- Pesticide and fertilizer use surveys
- Pesticide misuse investigations
- Best Management Practices (BMP)
- Discovery Farms technical support
- Reimbursement for cleanups
- Actions to protect pollinators in both urban and rural settings
- Pesticide Management Plan implementation
- Nitrogen Fertilizer Management Plan implementation
- Groundwater monitoring for pesticides and nitrates
- Surface water monitoring for pesticides and nitrates
- Free waste pesticide collection for agricultural and urban users
- Soil and manure laboratory certification
- Research funding for fertilizer impact on water quality
- Agriculture Water Quality Certification for farmers and landowners
- Nitrate water quality technical support for municipalities
- Anhydrous Ammonia private inspector certification

RESULTS

- **Pesticide Inspections.** Inspections of pesticide facilities are designed to correct violations and assist in compliance. Our electronic/paperless Compliance Information System (CIS) results in more timely, comprehensive and consistent inspections.
- **Waste Pesticide Collections.** The Minnesota Department of Agriculture has conducted Waste Pesticide Collections since the early 1990s. Since 2001, the majority of the waste pesticide has been generated in urban settings. Agricultural waste pesticides have decreased due to changes in technology, packaging, and stewardship.
- **Pesticide Licensing.** The Minnesota Department of Agriculture has been investing in online electronic pesticide testing tools and additional testing locations that have drastically reduced the time it takes for the 12,823 commercial and non-commercial pesticide applicators in MN to begin work after passing their test to demonstrate competency.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Pesticide inspections of various facilities, dealers, and sites	270	268	FY16 to FY17
Quantity	Pounds of waste pesticides collected	400,000	500,770	FY16 to FY17
Quantity	Wait time to receive pesticide license during peak licensing season	5 weeks	10 days	FY16 to FY17

Authority for this activity is found in Minnesota Statutes, Chapters
M.S. 18B (<https://www.revisor.mn.gov/statutes/?id=18B>),
M.S. 18C (<https://www.revisor.mn.gov/statutes/?id=18C>),
M. S, 18D (<https://www.revisor.mn.gov/statutes/?id=18D>),
M.S. 18E (<https://www.revisor.mn.gov/statutes/?id=18E>),
M.S. 103H (<https://www.revisor.mn.gov/statutes/?id=103H>),
M.S. 115E (<https://www.revisor.mn.gov/statutes/?id=115E>)

Pesticide and Fertilizer Mgmt

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
<u>Expenditures by Fund</u>						
1000 - General	555	611	553	651	611	611
2000 - Restrict Misc Special Revenue	9	3	2	74		
2018 - Agriculture	15,902	16,440	15,239	16,813	15,790	15,884
2050 - Environment & Natural Resources				250		
2302 - Clean Water	13,179	13,587	12,294	10,693		
2403 - Gift	5					
2801 - Remediation	1,544	1,607	1,508	1,969	1,959	1,959
3000 - Federal	441	268	300	431	324	324
Total	31,635	32,515	29,897	30,881	18,684	18,778
Biennial Change				(3,372)		(23,316)
Biennial % Change				(5)		(38)
<u>Expenditures by Category</u>						
Compensation	11,142	11,494	11,548	12,260	9,636	9,749
Operating Expenses	18,517	18,312	14,980	16,157	9,031	9,012
Grants, Aids and Subsidies	1,828	2,642	3,351	2,438		
Capital Outlay-Real Property	2					
Other Financial Transaction	145	66	18	26	17	17
Total	31,635	32,515	29,897	30,881	18,684	18,778
Total Agency Expenditures	31,635	32,515	29,897	30,881	18,684	18,778
Internal Billing Expenditures	2,679	2,826	2,496	2,669	2,357	2,386
Expenditures Less Internal Billing	28,955	29,690	27,400	28,212	16,327	16,392
<u>Full-Time Equivalent</u>	122.55	121.96	119.25	120.60	86.99	86.89

Pesticide and Fertilizer Mgmt

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
1000 - General						
Balance Forward In		24		42		
Direct Appropriation	564	564	837	838	611	611
Transfers In	14	23	8	21		
Transfers Out			250	250		
Balance Forward Out	23		42			
Expenditures	555	611	553	651	611	611
Biennial Change in Expenditures				39		18
Biennial % Change in Expenditures				3		1
Full-Time Equivalents	4.15	4.18	4.03	4.03	4.03	4.03

2000 - Restrict Misc Special Revenue

Balance Forward In		0				
Receipts	9	3	2	74		
Transfers Out		0				
Balance Forward Out	0					
Expenditures	9	3	2	74		
Biennial Change in Expenditures				64		(76)
Biennial % Change in Expenditures				535		(100)
Full-Time Equivalents	0.14					

2018 - Agriculture

Balance Forward In	8,723	8,677	9,412	10,972	9,242	7,470
Receipts	16,235	17,376	18,174	16,473	15,408	15,600
Transfers In	209	339	16			
Transfers Out	1,510	1,517	1,390	1,390	1,390	1,390
Balance Forward Out	7,756	8,435	10,972	9,242	7,470	5,796
Expenditures	15,902	16,440	15,239	16,813	15,790	15,884
Biennial Change in Expenditures				(290)		(378)
Biennial % Change in Expenditures				(1)		(1)
Full-Time Equivalents	85.03	83.23	78.73	78.73	77.89	77.89

2050 - Environment & Natural Resources

Direct Appropriation				250	0	0
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Pesticide and Fertilizer Mgmt

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
Expenditures				250		
Biennial Change in Expenditures				250		(250)
Biennial % Change in Expenditures						

2302 - Clean Water

Balance Forward In	8,127	6,939	5,570	1,485		
Direct Appropriation	8,509	7,507	8,208	9,208	0	0
Transfers In		173				
Transfers Out	500					
Cancellations	783					
Balance Forward Out	2,173	1,032	1,484			
Expenditures	13,179	13,587	12,294	10,693		
Biennial Change in Expenditures				(3,780)		(22,987)
Biennial % Change in Expenditures				(14)		(100)
Full-Time Equivalents	29.07	30.18	31.96	32.16		

2403 - Gift

Balance Forward In	5					
Expenditures	5					
Biennial Change in Expenditures				(5)		0
Biennial % Change in Expenditures						
Full-Time Equivalents	0.10					

2801 - Remediation

Balance Forward In		15		11		
Direct Appropriation	388	388	393	398	399	399
Open Appropriation	1,171	1,204	1,126	1,560	1,560	1,560
Balance Forward Out	15		11			
Expenditures	1,544	1,607	1,508	1,969	1,959	1,959
Biennial Change in Expenditures				326		441
Biennial % Change in Expenditures				10		13
Full-Time Equivalents	2.68	2.85	2.57	2.57	2.57	2.57

Pesticide and Fertilizer Mgmt

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
3000 - Federal						
Receipts	441	268	300	431	324	324
Expenditures	441	268	300	431	324	324
Biennial Change in Expenditures				23		(83)
Biennial % Change in Expenditures				3		(11)
Full-Time Equivalents	1.38	1.52	1.96	3.11	2.50	2.40

Program: Protection Services

Activity: Plant Protection Division

<http://www.mda.state.mn.us/plants-insects>

AT A GLANCE

- 29 million units of corn and soybeans and 112 million hundredweights of other agricultural seed sold under state permit in 2017
- \$11 billion in grain purchased and over 290 million bushels stored under grain licenses and bonds during 2017
- 249 nursery growers certified and 1,954 dealers inspected to ensure nursery stock sold in Minnesota is free of serious plant pests during 2017
- \$300,000 in grants awarded to local governments for management of noxious weeds in FY18
- Assisting Minnesota counties, townships, and cities with the enforcement of noxious weed issues statewide, costing \$4 million dollars annually or approximately \$170,000/county
- During FY18, \$138,000 paid in claims for wolf depredation and \$120,000 granted to producers for predation prevention programs
- Spread of emerald ash borer held to 1/3 the national average despite 10 years of infestation
- Eight firewood producers certified to offer heat-treated, pest-free firewood to help slow the spread of emerald ash borer and gypsy moth

PURPOSE & CONTEXT

The Plant Protection Division (PPD) has two broad areas of responsibility. First, PPD is responsible for detecting, excluding, containing, and managing invasive or exotic plant pests that threaten both agriculture and Minnesota's forests and the environment. Second, PPD inspects and certifies agricultural commodities for export, grade and freedom from specific pests. These activities contribute to the mission of the agency by protecting agriculture and the environment from pest threats and by verifying the quality of Minnesota products for sale or export. Minnesota farmers are protected by grain bonds, seed labeling laws and inspection, noxious weed programs and many other PPD programs designed to protect public and private land as well as critical pollinator habitat.

SERVICES PROVIDED

We ensure that seeds and plants sold, planted, exported, or stored in Minnesota meet purity, viability, and health standards, and that the environmental, societal, and recreational impacts of plant pests such as noxious weeds, gypsy moth, and emerald ash borer are reduced or eliminated.

These goals are achieved by:

- Inspecting and certifying plants and plant parts (such as seed, grain, fruit, logs, and lumber). Inspection and certification programs ensure Minnesota's plant commodities meet standards for import and export requirements, germination and purity of seeds, health of nursery stock, and the absence of harmful plant pests.
- Excluding, eradicating, or managing plant pests that threaten Minnesota's agriculture or environment. We keep Minnesota as free as possible from harmful plant pests. Our survey, audit, regulatory, quarantines, and treatment programs benefit farmers, the forest and recreation industries, and conservation plantings including critical pollinator habitat and the general public.

Fee-generated dedicated funds comprise over 45 percent of the division activities and about 25 percent of activities are funded through federal and state grants from the Environment and Natural Resources Trust Fund. The remaining 30 percent of our funds are from the state General Fund, of which about 20 percent of those are one-time appropriations for the FY18-19 biennium.

RESULTS

- Minnesota plant products are exported to markets without delays, during 2017, 1.6 billion pounds of agriculture products were certified for export to 70 countries by 136 Minnesota companies.
- Produce for sale is quickly inspected, during 2017, 1.2 billion pounds of potatoes and 21.1 million pounds of fruits and other vegetables were inspected.
- Nursery stock, seeds, and seed potatoes sold in Minnesota are viable and free of serious plant pests. Routine inspections of 250 seed retailers and 1,858 seed samples tested for quality during 2017 demonstrated that 95% of seed is accurately labeled in the state and 4 seed lots contained Palmer amaranth, a prohibited noxious weed seed
- Invasive plant pests are kept out of Minnesota and their impacts on agriculture and the environment are minimized, for example the spread of gypsy moth was reduced by over 40% by placing 20,000 gypsy moth survey traps and treating 76,000 acres to slow the advancing gypsy moth population.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>
Quantity	Acres managed for eradicating noxious weeds	1800 – 2016 2000 - 2017	2600 – 2018
Quantity	Number of seed samples collected and analyzed and their compliance percentage	1386 (91%) – 2016 1422 (94%) – 2017	1858 (95%) – 2018
Quantity	Number of permitted hemp growers	7 – 2016 34 - 2017	40 – 2018
Quantity	Number of invasive insects and diseases monitored	54 – 2015 67 – 2016 83 - 2017	84 - 2018

M.S. Section 3.737 (<https://www.revisor.mn.gov/statutes/?id=3.737>) and 3.7371

(<https://www.revisor.mn.gov/statutes/?id=3.7371>) provides the authority to compensate farmers and landowners for loss caused by wolf or elk.

M.S. Section 17.445 (<https://www.revisor.mn.gov/statutes/?id=17.445>) provides the authority to provide apiary inspection services for interstate commerce

M.S. Chapter 18F (<https://www.revisor.mn.gov/statutes/cite/18F>) provides authority to issue permits for release of genetically engineered organisms

M.S. Chapter 18G (<https://www.revisor.mn.gov/statutes/?id=18G>) provides the authority to exclude and manage invasive and exotic plant pests and to certify commodities for export

M.S. Chapter 18H (<https://www.revisor.mn.gov/statutes/?id=18H>) provides the authority to inspect and certify nursery dealers and growers

M.S. Chapter 18J (<https://www.revisor.mn.gov/statutes/cite/18J>) defines enforcement procedures for violations of Chapters 18G, 18H, 18K, 27, 223, 231, and 232; sections [21.80](#) to [21.92](#); and associated rules.

M.S. Chapter 18K (<https://www.revisor.mn.gov/statutes/cite/18K>) provides authority to implement an industrial hemp pilot program

M.S. Section 18.75-91 (<https://www.revisor.mn.gov/statutes/?id=18.75>) provides the authority to administer a state noxious weed program

M.S. Chapter 21.71-78 (<https://www.revisor.mn.gov/statutes/cite/21.71>) provides the authority to inspect and certify seed potatoes.

M.S. Section 21.80-92 (<https://www.revisor.mn.gov/statutes/?id=21.80>) provides the authority to inspect seeds for distribution and enforce seed label requirements.

M.S. Chapter 27 (<https://www.revisor.mn.gov/statutes/?id=27>) provides the authority to provide a wholesale produce dealer bonding program.

M.S. Chapter 223 (<https://www.revisor.mn.gov/statutes/?id=223>) provides the authority to provide a bond program for grain.

M.S. Chapter 230 (<https://www.revisor.mn.gov/statutes/cite/230>) provides authority to mediate disputes between elevators or other buying or storing sites of agricultural commodities and railroads

M.S. Chapter 231 (<https://www.revisor.mn.gov/statutes/?id=231>) provides the authority to provide a bond program for warehouses

Plant Protection

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
<u>Expenditures by Fund</u>						
1000 - General	1,956	2,419	2,813	3,237	2,483	2,483
2000 - Restrict Misc Special Revenue			53	13	13	13
2018 - Agriculture	3,779	3,998	4,420	5,023	4,808	4,774
2050 - Environment & Natural Resources	373	405	662	1,365		
3000 - Federal	1,547	1,149	1,329	1,773	1,720	1,758
6000 - Miscellaneous Agency		125				
Total	7,655	8,096	9,278	11,411	9,024	9,028
Biennial Change				4,939		(2,637)
Biennial % Change				31		(13)
<u>Expenditures by Category</u>						
Compensation	4,862	4,783	5,303	5,829	5,264	5,248
Operating Expenses	2,787	3,011	3,184	5,007	3,748	3,767
Grants, Aids and Subsidies		134	775	563		
Capital Outlay-Real Property		6	4			
Other Financial Transaction	6	162	12	12	12	13
Total	7,655	8,096	9,278	11,411	9,024	9,028
Total Agency Expenditures	7,655	8,096	9,278	11,411	9,024	9,028
Internal Billing Expenditures	728	648	682	772	828	844
Expenditures Less Internal Billing	6,927	7,447	8,597	10,639	8,196	8,184
<u>Full-Time Equivalent</u>	68.49	65.40	69.59	72.27	65.57	65.07

Plant Protection

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
1000 - General						
Balance Forward In		218		190		
Direct Appropriation	2,068	2,268	2,859	2,864	2,483	2,483
Transfers In	41	66	444	483		
Transfers Out		120	300	300		
Cancellations		13				
Balance Forward Out	153		190			
Expenditures	1,956	2,419	2,813	3,237	2,483	2,483
Biennial Change in Expenditures				1,675		(1,084)
Biennial % Change in Expenditures				38		(18)
Full-Time Equivalents	15.09	14.69	18.93	18.60	15.18	15.18

2000 - Restrict Misc Special Revenue

Balance Forward In				1	1	1
Receipts			54	13	13	13
Balance Forward Out			1	1	1	1
Expenditures			53	13	13	13
Biennial Change in Expenditures				66		(40)
Biennial % Change in Expenditures						(61)
Full-Time Equivalents			0.17	0.25	0.25	0.25

2018 - Agriculture

Balance Forward In	2,075	2,693	3,398	3,625	3,606	3,403
Receipts	4,782	5,024	4,748	5,014	5,065	5,065
Transfers In		20	300	300		
Transfers Out	403	342	400	310	460	460
Balance Forward Out	2,676	3,398	3,626	3,606	3,403	3,234
Expenditures	3,779	3,998	4,420	5,023	4,808	4,774
Biennial Change in Expenditures				1,666		139
Biennial % Change in Expenditures				21		1
Full-Time Equivalents	34.24	34.65	34.53	35.99	35.99	34.99

2050 - Environment & Natural Resources

Balance Forward In	667	294	400	934		
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Plant Protection

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
Direct Appropriation		511	1,025	431	0	0
Transfers In			173			
Cancellations			3			
Balance Forward Out	294	400	933			
Expenditures	373	405	662	1,365		
Biennial Change in Expenditures				1,249		(2,027)
Biennial % Change in Expenditures				161		(100)
Full-Time Equivalents	4.34	3.55	2.94	2.93		

3000 - Federal

Balance Forward In	343	0				
Receipts	1,204	1,149	1,329	1,773	1,720	1,758
Transfers Out		0				
Expenditures	1,547	1,149	1,329	1,773	1,720	1,758
Biennial Change in Expenditures				406		376
Biennial % Change in Expenditures				15		12
Full-Time Equivalents	14.82	12.51	13.02	14.50	14.15	14.65

6000 - Miscellaneous Agency

Balance Forward In	0	0	227	227	229	231
Receipts	0	352		2	2	2
Transfers Out		0				
Balance Forward Out	0	227	227	229	231	233
Expenditures		125				
Biennial Change in Expenditures				(125)		0
Biennial % Change in Expenditures						

Program: Protection Services

Activity: Laboratory Services Division

<http://www.mda.state.mn.us/laboratory-services>

AT A GLANCE

For Fiscal Year 2018:

- Performed 8,293 tests for 8,421 analytes (an organism or chemical constituent of a sample) on 3,830 samples for MDA's Dairy and Meat Inspection Division;
- Performed 12,946 tests for 153,643 analytes on 8,646 samples for MDA's Pesticide and Fertilizer Inspection Division;
- Performed 21,817 tests for 41,364 analytes on 2,116 samples for MDA's Plant Protection Division;
- Performed 11,112 tests for 11,138 analytes on 4,185 samples for the Food and Feed Safety Division.
- Performed 14,241 tests for 15,163 analytes on 4,658 samples for the Department of Natural Resources.

PURPOSE & CONTEXT

The Laboratory Services Division's goal is to furnish scientifically and legally defensible testing that supports the Minnesota Department of Agriculture's (MDA) agency objectives. These activities are critical to the protection of Minnesota's food supply, agricultural industry, and natural environment.

SERVICES PROVIDED

The Laboratory Services Division provides analytical testing primarily for:

- MDA Dairy and Meat Inspection Division
- MDA Food and Feed Safety Division
- MDA Pesticide and Fertilizer Management Division
- MDA Plant Protection Division
- Minnesota Department of Natural Resources

Specific Services:

Foodborne outbreaks:

- Ag chemical spills
- Human and animal exposure
- Product tampering
- Plant disease outbreaks
- Food security events
- Natural disasters

Surveillance testing for:

- Food safety
- Pesticides in water
- Dairy product safety
- Interstate marketing of milk
- Seed health
- Meat safety for small producers
- Plant disease

Other services include:

- Method development
- Technical consultation
- Data interpretation
- Quality assessment

RESULTS

The Department grades laboratory performance on our ability to provide accurate defensible data that meets established program objectives in a timely manner. In order to measure this performance we survey our customers annually to measure their satisfaction level with our services. We discuss problem areas and address them through our formal corrective action procedure.

Performance Measures based on customer survey

Satisfaction with technical assistance provided by laboratory

<i>Type of Measure</i>	<i>Dissatisfied</i>	<i>Somewhat Satisfied</i>	<i>Satisfied</i>	<i>Very Satisfied</i>
Previous Score (2016)	0%	5%	15%	80%
Current Score (2017)	0%	0%	9%	91%

Satisfaction with data quality

<i>Type of Measure</i>	<i>Dissatisfied</i>	<i>Somewhat Satisfied</i>	<i>Satisfied</i>	<i>Very Satisfied</i>
Previous Score (2016)	0%	10%	10%	80%
Current Score (2017)	4%	0%	20%	76%

Satisfaction with overall Laboratory performance

<i>Type of Measure</i>	<i>Dissatisfied</i>	<i>Somewhat Satisfied</i>	<i>Satisfied</i>	<i>Very Satisfied</i>
Previous Score (2016)	0%	0%	10%	90%
Current Score (2017)	0%	0%	9%	91%

Authority for this activity is found in M.S. Chapter 17, (<https://www.revisor.mn.gov/statutes/?id=17>) and other statutes authorizing specific protection services activities.

Laboratory Services

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
<u>Expenditures by Fund</u>						
1000 - General	4,105	5,572	4,344	5,252	4,743	4,743
2000 - Restrict Misc Special Revenue	79	75	121	95	115	116
2018 - Agriculture	2,464	2,633	3,041	3,089	3,299	3,308
3000 - Federal	1,916	2,016	1,879	2,067	2,033	1,995
Total	8,565	10,296	9,384	10,503	10,190	10,162
Biennial Change				1,027		465
Biennial % Change				5		2

Expenditures by Category

Compensation	4,034	4,085	4,349	4,767	4,721	4,757
Operating Expenses	4,446	4,938	4,904	5,692	5,407	5,389
Capital Outlay-Real Property	3	1,014	85		42	
Other Financial Transaction	82	258	45	44	20	16
Total	8,565	10,296	9,384	10,503	10,190	10,162

Total Agency Expenditures	8,565	10,296	9,384	10,503	10,190	10,162
Internal Billing Expenditures	644	587	640	612	725	722
Expenditures Less Internal Billing	7,920	9,709	8,744	9,891	9,465	9,440

Full-Time Equivalent

	46.78	46.35	48.60	56.33	54.06	53.16
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Laboratory Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
1000 - General						
Balance Forward In		369		389		
Direct Appropriation	4,421	4,421	4,746	4,750	4,743	4,743
Transfers In	142	828	156	373	135	135
Transfers Out	95	45	170	260	135	135
Cancellations		1				
Balance Forward Out	363		388			
Expenditures	4,105	5,572	4,344	5,252	4,743	4,743
Biennial Change in Expenditures				(81)		(110)
Biennial % Change in Expenditures				(1)		(1)
Full-Time Equivalents	14.20	14.04	14.00	18.32	15.30	15.45

2000 - Restrict Misc Special Revenue

Balance Forward In		67	59	35	80	59
Receipts	146	67	96	140	94	97
Balance Forward Out	67	59	35	80	59	40
Expenditures	79	75	121	95	115	116
Biennial Change in Expenditures				62		15
Biennial % Change in Expenditures				40		7
Full-Time Equivalents	0.56	0.58	0.59	0.50	0.50	0.50

2018 - Agriculture

Balance Forward In	1,119	1,392	1,605	1,662	1,504	1,271
Receipts	538	663	853	716	716	716
Transfers In	2,193	2,202	2,260	2,215	2,350	2,350
Transfers Out		20	16			
Balance Forward Out	1,386	1,603	1,662	1,504	1,271	1,029
Expenditures	2,464	2,633	3,041	3,089	3,299	3,308
Biennial Change in Expenditures				1,033		477
Biennial % Change in Expenditures				20		8
Full-Time Equivalents	18.67	19.52	22.34	26.84	26.61	25.76

3000 - Federal

Balance Forward In	0					
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Laboratory Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
Receipts	1,915	2,016	1,879	2,067	2,033	1,995
Balance Forward Out	0					
Expenditures	1,916	2,016	1,879	2,067	2,033	1,995
Biennial Change in Expenditures				14		82
Biennial % Change in Expenditures				0		2
Full-Time Equivalents	13.35	12.21	11.67	10.67	11.65	11.45

Program: Protection Service

Activity: Food and Feed Safety Division

<http://www.mda.state.mn.us/food-feed/food-feed>

AT A GLANCE

In Fiscal Years 2017 and 2018,

- Conducted over 2,800 manufactured food, 7,000 retail food, and 1,000 animal feed inspections to ensure the safety and quality of products manufactured and distributed in Minnesota.
- Created a new program specific to on-farm produce safety to support Minnesota produce growers in conforming to new Food Safety Modernization Act (FSMA) requirements through outreach, education, and regulatory review.
- Conducted and participated in over 80 outreach activities on food and feed safety related issues which included: providing training on new regulations related to the feed and produce safety, hosting emergency response exercises, presenting at educational conferences, and facilitating meetings with stakeholders and partner agencies.
- Participated in 48 human illness outbreak investigations to rapidly respond to and prevent the spread of illness in partnership with the Minnesota Department of Health.
- Issued 1,762 food and 156 animal feed certificates to Minnesota companies so products could be sold and distributed internationally
- Analyzed over 1,800 animal feed product samples for over 16,000 analytes in partnership with the MDA Laboratory Division

PURPOSE & CONTEXT

The Food and Feed Safety Division (FFSD) supports the Minnesota Department of Agriculture's mission to ensure the integrity of the food supply by conducting regulatory and outreach activities related to the production, manufacturing and sale of food and commercial animal feed products. Our activities contribute to a strong agricultural economy by ensuring food and feed producers have access to interstate and international markets, giving these processors opportunities to expand their business, and providing farmers with access to processing services necessary to market their products within Minnesota, nationally, and internationally.

Inspection work focuses on ensuring that safe food and animal feed handling practices are employed from the farm to processor and distributor so that consumers receive safe food and feed products. Much of this work is also required for manufacturers and farmers to conduct in-state, interstate and international sales of their products. The success of these programs is critical to ensuring the safety of human and animal consumers, as well as strong viable food and animal agriculture industries in the State.

SERVICES PROVIDED

Inspections: Our inspectors conduct food and feed safety based inspections as required by federal and state law that focus on ensuring processors and distributors of food and commercial animal feed have systems in place to ensure products are safe and are produced in a clean and sanitary environment. Changes in inspection focus will continue as the Food Safety Modernization Act (FSMA) is phased in and expands the regulatory requirements for manufacturers of human and animal foods.

Outreach: The Division maintains a strong emphasis on outreach and education, prior to and as a part of regulation. When food business operators have a good understanding of food safety principles and the regulations, they can more effectively apply good food safety practices. Outreach and education are also key to assisting new operators in navigating the rules as they begin a new business, as well as ensuring that existing operators have strong foundational knowledge in food safety risks that exist in their processes.

Investigations, Compliance, and Enforcement: Investigators and staff work to conduct many specialized reviews. Examples of specialized reviews include product labels and equipment plans, analyzing patterns of operators working outside of the regulations and following up when food safety systems fail and a recall of product is necessary or an outbreak is detected. Enforcement actions, such as warning letters, penalties, or license and permit suspensions may be used to address compliance issues when they are more severe and cannot be addressed through inspections or outreach.

RESULTS

Overall compliance rates are routinely assessed by conducting reviews that provide an assessment of how well food and feed producers are meeting the regulatory requirements designed to ensure the products they produce are safe.

Retail Food Inspection: Inspection Rates

The Retail Food Program is responsible for inspecting and licensing all retail food handlers in Minnesota and consists of 24 field inspectors, four supervisors, and one program manager. There are approximately 6,000 retail food facilities and 1,500 retail mobile food licenses in the state. Retail facilities are classified according to food safety risk based on food handling activities. Retail facilities are inspected according to a schedule based on the classified risk.

The Retail Food Program has steadily increased the rate of inspections conducted according to the risk-based schedule as a result of added staff that were hired within the last three years. The inspections conducted review food handling practices and sanitary conditions to meet the requirements of the Minnesota Food Code. These inspections are essential to protect public health and serve to inform retail food handlers when food handling practices require intervention measures due to the potential to foodborne illness.

Number of Retail Food Inspections Conducted by Fiscal Year

Fiscal Year	2016	2017	2018
Inspection Count	2,365	3,388	5,252

Manufactured Food Inspection: Full Implementation of Manufactured Food Regulatory Program Standards

Building an Integrated Food Safety System (IFSS) is mandated by the Food Safety Modernization Act (FSMA). The U.S Food and Drug Administration System (FDA) manages programs and initiatives that build the infrastructure and capacity of state, local, territorial, and tribal regulatory agencies and promote a national IFSS. The Manufactured Food Regulatory Program Standards (MFRPS) are a critical component in establishing the national IFSS. The goal of the MFRPS is to implement a nationally integrated, risk-based, food safety system focused on protecting public health. The ten standards identified in the MFRPS provide a roadmap for effective program management and are based on a quality management systems approach to regulatory program oversight. The MFRPS ten standard element are identified in the table below.

Manufactured Food Program Standards

Standard Number	Element
Standard 1	Regulatory Foundation
Standard 2	Training Program
Standard 3	Inspection Program
Standard 4	Inspection Audit Program
Standard 5	Food-related Illness, Outbreak and Response
Standard 6	Compliance and Enforcement Program
Standard 7	Industry and Community Relations
Standard 8	Program Resources
Standard 9	Program Assessment
Standard 10	Laboratory Services – <i>Partnership with MDA Laboratory Services Division</i>

The Manufactured Food Program has committed to meet the MFRPS, requiring documentation of the program’s policies and procedures as well as records of their consistent use to demonstrate the quality management system is in place. In February of 2017, the FDA assessed the Manufactured Food Program and the program demonstrated full implementation of and conformance to the MFRPS. The FFSD Manufactured Food Program is one of only a few food inspection programs in the country to achieve the full implementation and conformance outcome from and FDA assessment. This accomplishment provides the foundation for effective public health protection of manufactured food safety systems in Minnesota and allows for more efficient partnership with partner agencies, such as the FDA.

Commercial Feed Inspection: Sample Analysis Findings

The Commercial Feed Program routinely samples feed and pet food products distributed in Minnesota. The sampling program was structured to represent the Minnesota feed industry geographically and to capture product and seasonal variations. One goal of the feed sampling program is to assist commercial feed producers through the identification of unapproved drug residues and other contaminants which may indicate system design flaws or sanitation concerns. Some samples that do not comply with regulatory standards also require an investigation to be completed by the feed manufacturer. The reports of these investigations are reviewed by Commercial Feed Program Staff.

The percentage of samples found not in compliance with regulations and the percentage of samples requiring a manufacturer’s report of their investigation has remained relatively steady to slightly decreasing in the last four calendar years. One variation observed in 2016 may be due to the October 1, 2015 implementation of an amendment to the veterinary feed directive (VFD) drugs section of the Animal Drug Availability Act of 1996 (ADAA). A VFD drug is intended for use in animal feeds, and such use of the VFD drug is permitted only under the professional supervision of a licensed veterinarian.

During this period, the Commercial Feed Program has focused on targeted outreach activities and maintaining a responsive relationship to address challenges the feed industry faces with implementing new regulations. New regulations for the use of animal drugs requiring the professional supervision of a licensed veterinarian may have impacted these findings.

Feed Sample Results by Calendar Year

<i>Calendar Year</i>	<i>Samples Found Non-compliant</i>	<i>Samples Requiring Manufacturer's Report of Investigation</i>
2014	12.8%	4.3%
2015	14.8%	4.1%
2016	8.0%	1.7%
2017	12.5%	3.7%

M.S. 31 (<https://www.revisor.mn.gov/statutes/?id=31>) provides the legal authority for Food Inspection Program activities.

M.S. 34A (<https://www.revisor.mn.gov/statutes/cite/34A>) provides the legal authority for Food Inspection Program enforcement activities.

M.S. 25 (<https://www.revisor.mn.gov/statutes/?id=25>) provides the legal authority for Commercial Feed Inspection Activities

Food and Feed Safety

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
<u>Expenditures by Fund</u>						
1000 - General	4,375	6,333	5,812	7,527	6,759	6,759
2000 - Restrict Misc Special Revenue	1,080	724	1,133	1,298	1,257	1,269
2018 - Agriculture	2,237	2,317	2,886	2,977	3,292	3,403
3000 - Federal	2,245	1,293	2,063	2,628	2,058	2,042
6000 - Miscellaneous Agency	60					
Total	9,997	10,668	11,895	14,430	13,366	13,473
Biennial Change				5,659		514
Biennial % Change				27		2

Expenditures by Category

Compensation	7,271	7,900	8,711	9,785	10,419	10,431
Operating Expenses	2,721	2,714	3,065	4,470	2,880	2,972
Grants, Aids and Subsidies		20	118	175	67	70
Capital Outlay-Real Property	5	0				
Other Financial Transaction	0	34	0			
Total	9,997	10,668	11,895	14,430	13,366	13,473

Total Agency Expenditures	9,997	10,668	11,895	14,430	13,366	13,473
Internal Billing Expenditures	812	601	774	776	908	930
Expenditures Less Internal Billing	9,186	10,067	11,120	13,654	12,458	12,543

Full-Time Equivalent

	83.83	88.91	96.30	105.10	107.07	107.40
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Food and Feed Safety

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
1000 - General						
Balance Forward In		2,175	0	783		
Direct Appropriation	6,460	6,460	6,505	6,520	6,759	6,759
Transfers In	289	1,329	129	264		
Transfers Out	200	3,625	40	40		
Cancellations	19	5				
Balance Forward Out	2,154		782			
Expenditures	4,375	6,333	5,812	7,527	6,759	6,759
Biennial Change in Expenditures				2,630		179
Biennial % Change in Expenditures				25		1
Full-Time Equivalents	37.54	56.52	52.67	56.27	58.21	57.46
2000 - Restrict Misc Special Revenue						
Balance Forward In	427	971	1,051	1,213	999	820
Receipts	1,473	855	1,296	1,084	1,078	1,172
Transfers In	150					
Transfers Out		50				
Balance Forward Out	970	1,051	1,214	999	820	723
Expenditures	1,080	724	1,133	1,298	1,257	1,269
Biennial Change in Expenditures				627		95
Biennial % Change in Expenditures				35		4
Full-Time Equivalents	9.80	6.06	9.18	10.65	9.95	9.89
2018 - Agriculture						
Balance Forward In	2,166	3,044	3,891	4,021	3,911	3,695
Receipts	3,320	3,477	3,346	3,197	3,406	3,408
Transfers Out	230	361	330	330	330	330
Balance Forward Out	3,020	3,843	4,020	3,911	3,695	3,370
Expenditures	2,237	2,317	2,886	2,977	3,292	3,403
Biennial Change in Expenditures				1,310		832
Biennial % Change in Expenditures				29		14
Full-Time Equivalents	18.85	18.02	21.24	22.44	23.96	23.96

Food and Feed Safety

Activity Financing by Fund

(Dollars in Thousands)

3000 - Federal

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
Balance Forward In	188	38	2			
Receipts	2,217	1,283	2,063	2,628	2,058	2,042
Transfers Out	150		2			
Balance Forward Out	10	28				
Expenditures	2,245	1,293	2,063	2,628	2,058	2,042
Biennial Change in Expenditures				1,153		(591)
Biennial % Change in Expenditures				33		(13)
Full-Time Equivalents	17.34	8.30	13.21	15.74	14.95	16.09

6000 - Miscellaneous Agency

Balance Forward In	43	33				
Transfers In	50					
Transfers Out		33				
Balance Forward Out	33					
Expenditures	60					
Biennial Change in Expenditures				(60)		0
Biennial % Change in Expenditures						
Full-Time Equivalents	0.30	0.01				

Program: Protection Service

Activity: Dairy and Meat Inspection Division

<http://www.mda.state.mn.us/food-feed/meat-poultry-and-egg-inspection>

<http://www.mda.state.mn.us/food/dairy-inspection-minnesota>

AT A GLANCE

In State Fiscal Years 2017 and 2018,

- Conducted over 9,000 daily inspections of slaughter and processing operations at Minnesota “Equal To” meat and poultry processors so that they and the farmers they serve could sell their product openly in Minnesota
- Conducted over 80 outreach activities with dairy and meat industry stakeholders, regulated clientele, and other partners.
- Fully implemented two certified dairy industry inspection programs designed to train and certify industry personnel to perform basic regulatory functions.
- Analyzed over 5,000 dairy product samples and 3,000 meat and poultry samples in partnership with the MDA Laboratory Division.
- Issued approximately 600 certificates each year allowing Minnesota companies to sell their products internationally.

PURPOSE & CONTEXT

The Dairy and Meat Inspection Division (DMID) supports the Minnesota Department of Agriculture’s mission to ensure the integrity of the food supply by conducting regulatory and outreach activities related to the production and manufacturing of dairy, meat, poultry, and eggs. Our activities contribute to a strong agricultural economy by ensuring dairy processors have access to interstate and international markets, giving small meat processors opportunities to expand their business, and providing farmers access to slaughter and processing services necessary to market their products within Minnesota.

Dairy, meat, poultry, and egg products are traditionally high-risk food safety products and as such, have specific inspection and regulatory requirements designed to address these unique risks. Inspection work focuses on ensuring safe food handling practices are employed from the farm to processor and manufacturer so that consumers receive safe food. Much of this work is also required for manufacturers and farmers to conduct in-state, interstate, and international sales of their product. These programs are critical to ensuring the safety of consumers as well as strong viable animal agriculture industries in the state.

SERVICES PROVIDED

Inspections: Our inspectors conduct food safety based inspections that focus on ensuring farmers and manufacturers of dairy, meat, poultry and egg products have systems in place to ensure products are safe and are producing food in a clean and sanitary environment. These inspections are also required by federal and state law. The inspection program will also begin to focus its efforts on enforcing the Food Safety Modernization Act requirements in dairy manufacturing facilities; this expands the requirements for these processors, along with other food manufacturers, for systems-based food safety programs in their plants. The program also manages two certified industry inspection programs which help improve dairy industry business continuity by ensuring required inspections are performed on a timely basis and promoting improved food safety practices on an ongoing basis.

Outreach: The Division maintains a strong emphasis on outreach and education, prior to and as a part of regulation. When operators have a good understanding of food safety principles and the regulations, they can

more effectively use good food safety practices daily, not just for an upcoming inspection. Outreach and education are also key to assisting new operators in navigating the rules as they begin a new business, as well as ensuring that existing operators have strong foundational knowledge in food safety risks that exist in their processes.

Investigations, Compliance, and Enforcement: Investigators and specialized staff work to conduct reviews of product labels and equipment plans, identify operators working outside of the regulations and to follow up when food safety systems fail and a recall of product is necessary or an outbreak is detected. Enforcement actions, such as warning letters, penalties, or license and permit suspensions may be used to promote or address compliance issues when they are more severe and cannot be addressed through inspections or outreach.

RESULTS

Overall compliance rates are routinely assessed by conducting audits that provide an assessment of how well inspected entities are meeting the regulatory requirements designed to ensure the dairy, meat, poultry, and egg products they produce are safe.

Dairy Inspection: Interstate Milk Shipment (IMS) Audits

States and industries must participate in IMS in order to be able to ship milk across state lines. IMS audits are used to assess overall compliance of the farms, plants, and dairy program. Failure of an audit results in a lost market until the audit can be passed; achieving passing results is critical to maintaining business continuity and market access and therefore the program targets a 100% passing rate. The percentage of dairy farm, plant, and enforcement food safety audits that achieve passing scores (see table below) is monitored to assess overall conditions of farms and plants, as well as how well the regulatory program is meeting its obligations. This evaluation measures the quality of inspections being performed, as well as how well entities are complying with the regulatory requirements. The overall trend for this measure is stable.

Percent of Passing IMS Audits

	2013	2014	2015	2016	2017	2018
Percent	98%	98%	96%	97%	94%	95%

Meat and Poultry Inspection: Food Safety Assessment Results

In-depth assessments and audits of the food safety systems at each meat and poultry establishment are performed at least once every 3 years and for new establishments after a 90 day operating period. The assessment provides a deeper look at how well establishments are complying with the regulatory requirements as well as how well inspection staff are working with establishments to move toward compliance. The goal for this measure is to have less than 33% of audits result in significant follow up required by the auditor. A follow-up is required if the audit results in a 30 reassessment action or a Notice of Intended Enforcement, which would result in suspension if specific items are not corrected in a timely manner. The overall trend for this measure is stable to declining. This trend reflects the results of a number of new establishments joining the inspection program that have struggled complying with the regulatory requirements, sometimes due to language or cultural barriers. Additionally, federal regulatory requirements continue to grow in complexity and small operators cannot always easily implement these requirements. As a result, the program is focusing on improving outreach and educational activities for new and existing establishments.

Percent of FSA's Requiring Follow-Up

	2013	2014	2015	2016	2017	2018
Percent	58%	36%	37%	33%	36%	55%

M.S. 32D (<https://www.revisor.mn.gov/statutes/cite/32D>) provides the legal authority for Dairy Inspection Program activities.

M.S. 31A (<https://www.revisor.mn.gov/statutes/?id=31A>) provides the legal authority for Meat and Poultry Inspection Activities.

Dairy and Meat Inspection

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
<u>Expenditures by Fund</u>						
1000 - General	2,220	3,940	2,421	2,668	2,579	2,579
2000 - Restrict Misc Special Revenue	8	122	127	89	96	96
2018 - Agriculture	1,995	831	2,378	2,471	2,590	2,671
3000 - Federal		1,281	1,676	1,731	1,844	1,875
6000 - Miscellaneous Agency		65	66			
Total	4,224	6,239	6,669	6,959	7,109	7,221
Biennial Change				3,165		702
Biennial % Change				30		5
<u>Expenditures by Category</u>						
Compensation	3,254	4,747	5,120	5,368	5,441	5,530
Operating Expenses	970	1,482	1,546	1,591	1,668	1,691
Capital Outlay-Real Property			3			
Other Financial Transaction		10				
Total	4,224	6,239	6,669	6,959	7,109	7,221
Total Agency Expenditures	4,224	6,239	6,669	6,959	7,109	7,221
Internal Billing Expenditures	243	486	580	559	658	673
Expenditures Less Internal Billing	3,981	5,753	6,089	6,400	6,451	6,548
<u>Full-Time Equivalent</u>	36.83	51.50	53.95	55.60	56.56	56.56

Dairy and Meat Inspection

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
1000 - General						
Balance Forward In		187		94		
Direct Appropriation	2,361	2,361	2,481	2,487	2,579	2,579
Transfers In	43	3,940	34	87		
Transfers Out		2,548				
Balance Forward Out	184		94			
Expenditures	2,220	3,940	2,421	2,668	2,579	2,579
Biennial Change in Expenditures				(1,071)		69
Biennial % Change in Expenditures				(17)		1
Full-Time Equivalents	17.94	27.80	19.98	25.06	24.66	24.66

2000 - Restrict Misc Special Revenue

Balance Forward In			40	2	2	2
Receipts	10	112	91	11	11	11
Transfers In		50		78	85	85
Transfers Out			2			
Balance Forward Out	1	40	2	2	2	2
Expenditures	8	122	127	89	96	96
Biennial Change in Expenditures				85		(24)
Biennial % Change in Expenditures				65		(11)
Full-Time Equivalents		1.29	1.29	0.41	0.40	0.40

2018 - Agriculture

Balance Forward In	399	618	2,094	2,085	1,942	1,705
Receipts	2,396	2,396	2,508	2,513	2,523	2,523
Transfers In		652				
Transfers Out	150	741	140	185	170	170
Balance Forward Out	649	2,094	2,085	1,942	1,705	1,387
Expenditures	1,995	831	2,378	2,471	2,590	2,671
Biennial Change in Expenditures				2,023		412
Biennial % Change in Expenditures				72		9
Full-Time Equivalents	18.89	12.59	20.24	17.08	16.90	16.90

Dairy and Meat Inspection

Activity Financing by Fund

(Dollars in Thousands)

3000 - Federal

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
Receipts		1,281	1,676	1,731	1,844	1,875
Expenditures		1,281	1,676	1,731	1,844	1,875
Biennial Change in Expenditures				2,127		312
Biennial % Change in Expenditures						9
Full-Time Equivalents		9.52	12.13	13.05	14.60	14.60

6000 - Miscellaneous Agency

Balance Forward In			18	3		
Receipts		0	0			
Transfers In		83	50			
Transfers Out				3		
Balance Forward Out		18	3			
Expenditures		65	66			
Biennial Change in Expenditures				1		(66)
Biennial % Change in Expenditures						
Full-Time Equivalents		0.30	0.31			

Program: Promotion and Marketing

Activity: Agricultural Marketing and Development

<http://www.mda.state.mn.us/business-dev-loans-grants/economic-analysis-and-market-research>

<http://www.mda.state.mn.us/about/mnfarmerstress>

AT A GLANCE

- 1,332 farms and farmers' markets licensed to use the Minnesota Grown logo
- 26 farmers and/or local governments assisted with livestock permitting and or ordinance creation/amendment
- 300 farmers assisted by dairy profit teams
- 101,571 students reached by MN Agriculture in the Classroom with printed resources in 2017/2018 school year
- 868 pre-service and in-service teachers received ag literacy training during the 2015/2016 school year
- 150 farmers using the Farm Link website to assist with the transition of farm ownership
- 504 farmers and processors attend the 2018 Organic Conference

PURPOSE & CONTEXT

Agricultural Marketing and Development works to help farmers and other agricultural businesses:

- Be profitable;
- Protect our natural environment and resources; and
- Meet society's needs for food, fiber, and fuel.

We serve:

- Farmers
- Consumers
- Local government
- Environment and natural resource professionals
- Early care and K-12 teachers and students
- Commodity Councils
- Minnesota agribusinesses including the biofuels industry and agricultural organizations

SERVICES PROVIDED

We provide numerous and diverse services to meet our goals, including:

- Minnesota Grown, an umbrella marketing program that connects consumers and wholesale buyers with producers of specialty crops, livestock, and other agricultural products grown or raised in Minnesota;
- Organic information and financial assistance to growers, processors, and consumers;
- Marketing support, including business development, tradeshow support, and international marketing;
- Women, Infant and Children (WIC) Farmers' Market Nutrition and Senior Farmers' Market Nutrition Programs that distribute vouchers for fresh produce;
- Minnesota Agriculture in the Classroom, an educational resources and professional development provider that embeds agriculture, food, and natural resources education into K-12 classrooms;
- Livestock producer and local government information and assistance on livestock development and permitting, including preparation of conservation grazing plans for use of public land;
- Dairy Profit Team which is one-on-one assistance with farmers to improve dairy farm profitability;
- Licensing and bonding of livestock buyers and weighing of livestock at processing facilities;
- Renewable bio-energy sector technical analysis and assistance, information, and market analysis;

- Economic analysis and domestic and international agricultural market research;
- Conservation, environmental protection, and resource-management activities to increase farmer adoption of innovative practices and technology;
- Farm transition assistance through information on resources and through a new online service, Farm Link, that matches transitioning farmers with beginning farmers;
- Agricultural land use assistance including land access for immigrant farmer community and information on agricultural zoning and business development;
- Agricultural commodity research and promotion councils oversight of creation and operation;
- Good Food Access Program administration;
- Farm safety information and tractor rollover protection rebates; and
- Agricultural Growth, Research, and Innovation (AGRI) Program and Agriculture Research, Education, Extension and Technology Transfer Grant (AGRETT) Program administration.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Unique visitors to the MN Grown Directory website	308,000	381,000	2015 - 2017
Quantity	Pre-service and in-service teachers that received ag literacy training	868	1,025	2015 – 2017
Quantity	Number of certified organic operations (farms & handlers)	818	945	2015 - 2018
Quantity	Number of Seniors and WIC participants receiving Farmers’ Market Nutrition Program vouchers	59,815	62,001	2014 - 2017
Result	Minnesota Pavilions – Return on Investment	18:1	41:1	2015 - 2017

M. S. 17.03 Subs. 1, 6, 7, and 7a (<https://www.revisor.mn.gov/statutes/?id=17.03>) authorizes the development of agricultural industries, promotion of agricultural products to international markets and promotion of agricultural diversification and nontraditional agriculture.

M.S. 17.101 Subd. 1 (<https://www.revisor.mn.gov/statutes/?id=17.101>) provides authority for promotion and support of production and marketing of products of Minnesota agriculture.

M.S. 17.102 (<https://www.revisor.mn.gov/statutes/?id=17.102>) authorizes the establishment and promotion of the Minnesota Grown label.

M.S. 17.1017 (<https://www.revisor.mn.gov/statutes/cite/17.1017>) and M.S. 17.1018 (<https://www.revisor.mn.gov/statutes/cite/17.1018>) establishes the Good Food Access Program.

M.S. 17.119 (<https://www.revisor.mn.gov/statutes/cite/17.119>) establishes the Tractor Rollover Protection Pilot Grant Program.

M.S. 17.58 (<https://www.revisor.mn.gov/statutes/?id=17.58>) defines the duties of the agency related to oversight of the promotion councils.

M.S. 17.80 (<https://www.revisor.mn.gov/statutes/?id=17.80>), 17.81 (<https://www.revisor.mn.gov/statutes/?id=17.81>), 17.82 (<https://www.revisor.mn.gov/statutes/?id=17.82>), 17.84 (<https://www.revisor.mn.gov/statutes/?id=17.84>) articulate state agricultural land preservation and conservation policy and define duties of the agency.

M.S. 17.844 (<https://www.revisor.mn.gov/statutes/?id=17.844>) authorizes promotion of livestock production.

M. S. 17A (<https://www.revisor.mn.gov/statutes/?id=17A>) provides authority over livestock marketing and dealer licensing.

M. S. 31.94 (<https://www.revisor.mn.gov/statutes/?id=31.94>) authorizes the promotion of organic agriculture.

M. S. 40A (<https://www.revisor.mn.gov/statutes/?id=40A>) establishes the agricultural land preservation program.

Ag Marketing and Development

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
<u>Expenditures by Fund</u>						
1000 - General	3,320	4,294	3,202	4,020	3,660	3,660
2000 - Restrict Misc Special Revenue	497	343	433	197	229	233
2018 - Agriculture	889	808	1,099	978	910	919
2403 - Gift	1	1		15		
3000 - Federal	2,042	2,331	2,157	3,128	3,378	3,533
Total	6,749	7,777	6,891	8,338	8,177	8,345
Biennial Change				703		1,293
Biennial % Change				5		8

Expenditures by Category

Compensation	2,707	2,727	2,637	2,667	2,736	2,769
Operating Expenses	1,559	1,648	1,489	1,842	1,871	1,863
Grants, Aids and Subsidies	2,483	3,392	2,720	3,829	3,570	3,713
Capital Outlay-Real Property	0	5	1			
Other Financial Transaction	0	5	43			
Total	6,749	7,777	6,891	8,338	8,177	8,345

Total Agency Expenditures	6,749	7,777	6,891	8,338	8,177	8,345
Internal Billing Expenditures	95	138	131	149	160	162
Expenditures Less Internal Billing	6,654	7,639	6,760	8,189	8,017	8,183

Full-Time Equivalent

	31.80	30.64	31.04	31.97	32.23	32.23
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Ag Marketing and Development

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
1000 - General						
Balance Forward In		555		367		
Direct Appropriation	3,973	4,123	3,996	4,004	3,846	3,846
Transfers In	76	123	52	127		
Transfers Out	186	489	478	478	186	186
Cancellations		18				
Balance Forward Out	543		368			
Expenditures	3,320	4,294	3,202	4,020	3,660	3,660
Biennial Change in Expenditures				(391)		98
Biennial % Change in Expenditures				(5)		1
Full-Time Equivalents	22.56	21.90	21.03	21.67	21.67	21.67

2000 - Restrict Misc Special Revenue

Balance Forward In	1,330	181	178	116	143	139
Receipts	412	340	371	224	225	226
Transfers Out	1,064					
Balance Forward Out	181	178	116	143	139	132
Expenditures	497	343	433	197	229	233
Biennial Change in Expenditures				(211)		(168)
Biennial % Change in Expenditures				(25)		(27)
Full-Time Equivalents	0.18	0.15	0.15			

2018 - Agriculture

Balance Forward In	483	528	849	698	614	595
Receipts	722	685	762	708	705	713
Transfers In	186	436	186	186	186	186
Balance Forward Out	501	841	698	614	595	575
Expenditures	889	808	1,099	978	910	919
Biennial Change in Expenditures				380		(248)
Biennial % Change in Expenditures				22		(12)
Full-Time Equivalents	7.38	6.94	7.63	7.88	7.79	7.79

2403 - Gift

Balance Forward In	16	15	15	15		
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Ag Marketing and Development

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
Receipts	0	0	0			
Balance Forward Out	15	15	15			
Expenditures	1	1		15		
Biennial Change in Expenditures				13		(15)
Biennial % Change in Expenditures				731		

3000 - Federal

Balance Forward In	19	14	2			
Receipts	2,040	2,333	2,155	3,128	3,378	3,533
Transfers Out		13				
Balance Forward Out	17	2				
Expenditures	2,042	2,331	2,157	3,128	3,378	3,533
Biennial Change in Expenditures				913		1,626
Biennial % Change in Expenditures				21		31
Full-Time Equivalent	1.68	1.65	2.23	2.42	2.77	2.77

Program: Value-added Products

Activity: Ag Advancement Programs

mda.state.mn.us/grants/agri

AT A GLANCE

- Annual AGRI \$10.235 million state investment in FY17 matched by \$78 million in private investment with estimated 1740 jobs created.
- 105 livestock operations assisted where 91 were beginning farmers and 99% of livestock operations made environmental improvements
- 49 agriculture businesses expanded or entered new markets
- 22 meat processing businesses upgraded or expanded
- 20 schools increased purchases of Minnesota grown produce, meat, dairy and grains
- \$2.11 million invested in commodity and cover crop research
- 103 Minnesota food businesses received cost share for retail sampling and wholesale tradeshow attendance
- University of Minnesota hired 17 AGREETT agriculture faculty positions.

PURPOSE & CONTEXT

The Agricultural Growth, Research, and Innovation Program (AGRI) provides financial assistance to the agricultural and renewable energy industries to support profitable farms and businesses, generate jobs, and strengthen the agricultural economy.

The Agriculture Research, Education, Extension, and Technology Transfer (AGREETT) passed through grants to the University of Minnesota and provides long-term funding primarily for human infrastructure such as research and extension faculty, extension educators, graduate students, and post-doctoral fellowships.

The Good Food Access Program assists grocery stores and small food retailers in making physical improvements to their buildings and purchasing equipment to stimulate sales of affordable, nutritious, and culturally appropriate food and produce in underserved communities.

We serve:

- Farmers
- Agribusinesses and entrepreneurs
- Schools, early care, and education organizations
- Biofuels and bio-based chemical industries

SERVICES PROVIDED

Through AGRI, we stimulate agricultural business activities by providing financial assistance to:

- Initiate and expand livestock production as well as support environmental improvements;
- Aid entry of new farmers;
- Add value-added enterprises to diversify farm income sources;
- Initiate, upgrade, and modernize value-added businesses including meat processing;
- Accelerate business entry into new markets;
- Improve compliance of farms, meat processors, and food businesses with food safety standards including increasing the number of farms that are Good Agricultural Practices (GAP) certified;

- Increase farmers’ processing and aggregating capacity to enter farm-to-institution and other markets;
- Purchase food processing and storage equipment for schools to increase purchase of locally produced food;
- Provide incentives for production of renewable fuels, chemicals, and thermal energy from agricultural and forestry sources; and
- Advance applied crop research to improve agricultural product quality, quantity, and value.

Financial assistance is provided through several grant and cost sharing programs:

- AGRI Livestock Investment Grants
- AGRI Value Added Equipment Grants
- AGRI Value Added Feasibility Study Grants
- AGRI Farm to Schools and Early Care and Education Grants
- AGRI New Market Development, including Tradeshow Support and Minnesota Pavilions
- AGRI Crop Research Grants
- AGRI Sustainable Agriculture Demonstration Grants
- Minnesota Biofuel Infrastructure Partnership Cost Share
- AGRI Bioincentive Program (payments for the production of advanced biofuels, renewable chemicals, and biomass thermal energy)
- AGRI Beginning Farmer Farm Business Management Scholarships
- AGRI Good Agricultural Practices/Good Handling Practices Cost Share Assistance
- AGRI County Fair Grants
- AGRI Urban Agriculture Grants
- Good Food Access Program Equipment/Physical Improvements Grants

Through AGRETT, we provide funds to the University of Minnesota for agricultural faculty positions in the College of Food, Agricultural and Natural Resource Sciences, Extension, and the College of Veterinary Medicine. In addition, funds are provided for rapid response for plant and animal diseases and for agricultural education.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Result	Livestock Investment Grant Program Leverage	\$39 M private/ \$1 M state	\$52 M private/ \$2.1 M state	FY2008; FY2017
Result	Agricultural Jobs Created – Livestock Investment Grants (Construction/Farm)	1,100/227	1325/254	FY2014; FY2017
Result	Minnesota Pavilion – Return on Investment	18:1	41:1	FY2015; FY2017
Result	Value Added Grant Program Leverage	\$4.3 M private/ \$1 M state	\$18.6 M private/\$2 M state	FY2013; FY2017
Result	Agricultural Jobs Created – Value Added Grants	54	161	FY2013; FY2017

M.S. 41A.12 (<https://www.revisor.mn.gov/statutes/?id=41A.12>) provides the legal authority for the AGRI program.

M.S.41A.14 (<https://www.revisor.mn.gov/statutes/?id=41A.14>) provides the legal authority for the AGREETT program.

M.S. 41A.16 (<https://www.revisor.mn.gov/statutes/?id=41A.16>) provides the legal authority for the advanced biofuel production incentive.

M.S. 41A.17 (<https://www.revisor.mn.gov/statutes/?id=41A.17>) provides the legal authority for the renewable chemical production incentive.

M.S. 41A.18 (<https://www.revisor.mn.gov/statutes/?id=41A.18>) provides the legal authority for the biomass thermal production incentive.

M.S. 17.116 (<https://www.revisor.mn.gov/statutes/?id=17.116>) establishes the sustainable agriculture demonstration grants.

M.S. 17.118 (<https://www.revisor.mn.gov/statutes/?id=17.118>) establishes the livestock investment grant program.

Ag Advancement Programs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
<u>Expenditures by Fund</u>						
1000 - General	9,474	12,635	13,056	13,923	14,300	14,300
2018 - Agriculture	3,624	9,232	9,228	9,650	9,261	9,414
3000 - Federal	73	3,716	3,611	1,500		
Total	13,170	25,583	25,895	25,073	23,561	23,714
Biennial Change				12,215		(3,693)
Biennial % Change				32		(7)

Expenditures by Category

Compensation	332	341	473	533	494	504
Operating Expenses	254	294	283	512	540	565
Grants, Aids and Subsidies	12,584	24,935	25,139	24,027	22,526	22,644
Other Financial Transaction	1	13	1	1	1	1
Total	13,170	25,583	25,895	25,073	23,561	23,714

Full-Time Equivalents

	5.28	4.82	6.61	7.40	7.40	7.40
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Ag Advancement Programs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
1000 - General						
Balance Forward In	461	2,498	362	587		
Direct Appropriation	14,993	19,116	22,581	22,636	23,600	23,600
Transfers Out	4,483	8,500	9,300	9,300	9,300	9,300
Cancellations		116				
Balance Forward Out	1,497	362	587			
Expenditures	9,474	12,635	13,056	13,923	14,300	14,300
Biennial Change in Expenditures				4,870		1,621
Biennial % Change in Expenditures				22		6
Full-Time Equivalents	5.13	4.77	6.53	7.25	7.25	7.25

2018 - Agriculture

Balance Forward In		876	177	290		74
Receipts	17	33	41	60	35	40
Transfers In	4,483	8,500	9,300	9,300	9,300	9,300
Balance Forward Out	876	177	290		74	
Expenditures	3,624	9,232	9,228	9,650	9,261	9,414
Biennial Change in Expenditures				6,023		(203)
Biennial % Change in Expenditures				47		(1)
Full-Time Equivalents	0.15	0.05	0.08	0.15	0.15	0.15

3000 - Federal

Receipts	73	3,716	3,611	1,500		
Expenditures	73	3,716	3,611	1,500		
Biennial Change in Expenditures				1,322		(5,111)
Biennial % Change in Expenditures				35		(100)

Program: Administration and Financial Assistance

Activity: Grants and Assistance

mda.state.mn.us

AT A GLANCE

- Partnered with and assisted hundreds of organizations and individuals
- Administered a variety of specialized programs
- Assisted and worked with many different sectors of the agricultural industry, including ag youth, farmers and farm customers in need, ag researchers, and others.

PURPOSE & CONTEXT

The Grants and Assistance activity passes money through the Minnesota Department of Agriculture (MDA) to other organizations and programs that focus on specific ag-related subjects. By providing this assistance, MDA helps strengthen the agricultural economy at its “roots” and in areas that might otherwise get overlooked. These programs reach individual farmers, farm youth and specially-targeted customers of agricultural products. The money also supports key efforts to research and promote agricultural activities specific to Minnesota’s climate.

SERVICES PROVIDED

- This activity provides assistance to county fairs and agricultural associations, the Minnesota Livestock Breeders Association, the Minnesota Poultry Association and the Minnesota Agricultural Education Leadership Council. These organizations maintain generations of expertise, enhance it with the latest research, and pass it on to future generations through their educational programs for youth.
- Through the Farm Advocates program, MDA provides one-on-one assistance to farmers who face crisis due to natural disasters or financial problems. Trained, experienced advocates help farmers determine how to address difficulties through agricultural lending options, mediation, farm programs, crisis counseling, disaster programs, and legal and social services. Related to this work, MDA passes funds through to the farm business management program at colleges in the Minnesota State system to provide farm families with mental health counseling support.
- MDA partners with Second Harvest Heartland to help provide food to Minnesota’s food shelves and other charitable organizations. Money provided through MDA has been used to purchase milk for distribution to these organizations and to compensate producers and processors for harvesting and packaging surplus fruits, vegetables, and other agricultural commodities that would otherwise go un-harvested or would be discarded.
- This activity also supports the development of future products for agricultural industries. By partnering with the Minnesota Turf Seed Council, the Minnesota Horticultural Society and the Northern Crops Institute, MDA supports their research, development, and promotion of northern-hardy products and other activities.

RESULTS

Each of our partners reports to MDA on its educational, research, and assistance activities. For county fair assistance, we measure against the formula provided in statute.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Percentage of county fair aid formula that is funded	95%	96%	FY2012; FY2019
Quantity	Tons of food provided to food shelves and other emergency feeding organizations	3,044	3,803	FY2016; FY2018

Minnesota Statutes Chapter 38, (<https://www.revisor.mn.gov/statutes/?id=38>), Chapter 41D (<https://www.revisor.mn.gov/statutes/?id=41D>) and others.

Grants and Assistance

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
<u>Expenditures by Fund</u>						
1000 - General	2,572	3,995	4,752	3,303	2,592	2,592
2018 - Agriculture	952					
2301 - Arts & Cultural Heritage			138	162		
2403 - Gift		12		36		
Total	3,524	4,007	4,890	3,501	2,592	2,592
Biennial Change				861		(3,207)
Biennial % Change				11		(38)
<u>Expenditures by Category</u>						
Compensation	20	11	2			
Operating Expenses	176	180				
Grants, Aids and Subsidies	3,327	3,815	4,888	3,501	2,592	2,592
Total	3,524	4,007	4,890	3,501	2,592	2,592
<u>Full-Time Equivalents</u>						
	0.20	0.16	0.05	0.05	0.05	0.05

Grants and Assistance

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
1000 - General						
Balance Forward In	775	96	905	3		
Direct Appropriation	1,918	4,026	3,850	3,300	2,592	2,592
Transfers Out	113	113				
Cancellations		14				
Balance Forward Out	8		3			
Expenditures	2,572	3,995	4,752	3,303	2,592	2,592
Biennial Change in Expenditures				1,489		(2,871)
Biennial % Change in Expenditures				23		(36)
Full-Time Equivalents	0.20	0.16	0.05	0.05	0.05	0.05

2018 - Agriculture

Balance Forward In	1,083	232				
Transfers Out	109	232				
Balance Forward Out	21					
Expenditures	952					
Biennial Change in Expenditures				(952)		0
Biennial % Change in Expenditures						

2301 - Arts & Cultural Heritage

Balance Forward In				12		
Direct Appropriation			150	150	0	0
Balance Forward Out			12			
Expenditures			138	162		
Biennial Change in Expenditures				300		(300)
Biennial % Change in Expenditures						(100)

2403 - Gift

Balance Forward In	30	30	36	36		
Receipts	0	48				
Transfers Out		30				
Balance Forward Out	30	36	36			
Expenditures		12		36		
Biennial Change in Expenditures				24		(36)

Grants and Assistance

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base FY20 FY21	
Biennial % Change in Expenditures						
3000 - Federal						
Balance Forward In	23	23				
Receipts	(22)					
Balance Forward Out		23				

Program: Administration and Financial Assistance

Activity: Agency Services

<http://www.mda.state.mn.us/commissionersoffice>

AT A GLANCE

- Implementation of statewide policies
- Leadership on agricultural issues

PURPOSE & CONTEXT

This activity makes sure MDA stays responsive to the needs of agriculture in Minnesota and stays focused on advancing our mission. *The Department’s mission is to enhance Minnesotans’ quality of life by ensuring the integrity of our food supply, the health of our environment, and the strength of our agricultural economy.*

SERVICES PROVIDED

This activity provides leadership and support services to the agency and its employees and performs agency-level services for the public, agricultural industries, and other governmental entities. Agency Services includes:

- The Commissioner’s Office
- The Human Resources Division
- The Finance and Budget Division, including staffing for loan programs under the Rural Finance Authority, a separate board of state officials and public members, and Ag Best Management Practices (AgBMP) loans.
- Hosting for staff of MN.IT, the state’s office of information technology

RESULTS

We maintain communication and coordination with farmers, ag groups, state boards, interagency committees, and national and international associations. Communication and outreach activities are provided in person and through the media, including the agency’s web page and social media sites.

www.mda.state.mn.us

twitter.com/mnagriculture

www.youtube.com/mnagriculture

www.facebook.com/mnagriculture

The reach of our social media presence continues to increase and has helped with outreach on many issues, including the recent outbreak of avian influenza in 2015. The following table shows recent social media measurements.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Facebook Fans	3,822	4,751	Sep 2016- Aug 2018
	Facebook Monthly Reach	61,138	83,000	
Results	Twitter Followers	15,154	17,878	Sep 2016- Aug 2018
	Twitter Monthly Impressions	94,200	124,665	

M.S. Chapter 17 (<https://www.revisor.mn.gov/statutes/?id=17>) outlines the responsibilities of the Commissioner of Agriculture.

Agency Services

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
<u>Expenditures by Fund</u>						
1000 - General	4,117	4,086	4,169	4,762	4,523	4,523
2000 - Restrict Misc Special Revenue	85	103	102	164	172	172
2001 - Other Misc Special Revenue	4,666	4,093	5,348	6,137	6,200	6,340
2018 - Agriculture	19	152	194	556	574	164
2302 - Clean Water	29	37	49	45		
2403 - Gift				15	15	15
3000 - Federal	423					
6000 - Miscellaneous Agency	0		0			
Total	9,340	8,472	9,862	11,679	11,484	11,214
Biennial Change				3,729		1,157
Biennial % Change				21		5
<u>Expenditures by Category</u>						
Compensation	4,587	4,775	5,423	6,397	6,384	6,222
Operating Expenses	4,440	3,552	4,427	5,260	5,073	4,988
Grants, Aids and Subsidies	27	18	6	5	10	
Capital Outlay-Real Property	110	77				
Other Financial Transaction	177	49	5	17	17	4
Total	9,340	8,472	9,862	11,679	11,484	11,214
Total Agency Expenditures	9,340	8,472	9,862	11,679	11,484	11,214
Internal Billing Expenditures	59	18	39	43	36	38
Expenditures Less Internal Billing	9,281	8,454	9,823	11,636	11,448	11,176
<u>Full-Time Equivalent</u>	51.47	50.43	55.18	57.41	61.51	59.86

Agency Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
1000 - General						
Balance Forward In	178	365		246		
Direct Appropriation	14,668	5,359	4,848	5,399	4,643	4,643
Transfers In	2,744	49	78	179		
Transfers Out	13,099	1,598	512	1,062	120	120
Cancellations	22	88				
Balance Forward Out	351		245			
Expenditures	4,117	4,086	4,169	4,762	4,523	4,523
Biennial Change in Expenditures				727		115
Biennial % Change in Expenditures				9		1
Full-Time Equivalents	12.96	10.14	22.18	22.18	23.27	23.27
2000 - Restrict Misc Special Revenue						
Balance Forward In	10,654	10,023	9,465	8,195	5,787	3,792
Receipts	156	204	244	294	246	217
Transfers In		1,827		56		
Transfers Out	118	1,743				
Net Loan Activity	(484)	(743)	(1,411)	(2,594)	(2,069)	(673)
Balance Forward Out	10,123	9,465	8,195	5,787	3,792	3,164
Expenditures	85	103	102	164	172	172
Biennial Change in Expenditures				78		78
Biennial % Change in Expenditures				41		29
Full-Time Equivalents	0.61	0.66	0.63	1.10	1.10	1.10
2001 - Other Misc Special Revenue						
Balance Forward In	6,859	7,383	8,663	8,633	8,030	7,433
Receipts	5,308	5,373	5,458	5,613	5,682	5,788
Internal Billing Receipts	5,265	5,296	5,335	5,494	5,582	5,696
Transfers Out		3	139	79	79	79
Balance Forward Out	7,501	8,661	8,633	8,030	7,433	6,802
Expenditures	4,666	4,093	5,348	6,137	6,200	6,340
Biennial Change in Expenditures				2,726		1,055
Biennial % Change in Expenditures				31		9
Full-Time Equivalents	35.28	38.11	30.48	30.48	34.34	34.34

Agency Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21

2018 - Agriculture

Balance Forward In		297	1,362	1,286	849	390
Receipts	193	218	117	119	115	113
Transfers In	118	1,000				
Balance Forward Out	292	1,362	1,286	849	390	339
Expenditures	19	152	194	556	574	164
Biennial Change in Expenditures				578		(12)
Biennial % Change in Expenditures				337		(2)
Full-Time Equivalents	0.11	1.17	1.54	3.30	2.80	1.15

2302 - Clean Water

Balance Forward In		46		26		
Direct Appropriation	75	75	75	75	0	0
Transfers Out		83		56		
Balance Forward Out	46		26			
Expenditures	29	37	49	45		
Biennial Change in Expenditures				27		(94)
Biennial % Change in Expenditures				41		(100)
Full-Time Equivalents	0.28	0.35	0.35	0.35		

2403 - Gift

Balance Forward In			30	31	20	11
Receipts		0	0	4	6	6
Transfers In		30				
Balance Forward Out		30	31	20	11	2
Expenditures				15	15	15
Biennial Change in Expenditures				15		15
Biennial % Change in Expenditures						

3000 - Federal

Balance Forward In	12	6				
Receipts	423					

Agency Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY16	Actual FY17	Actual FY18	Estimate FY19	Forecast Base	
					FY20	FY21
Transfers Out		0				
Balance Forward Out	12	6				
Expenditures	423					
Biennial Change in Expenditures				(423)		0
Biennial % Change in Expenditures						
Full-Time Equivalents	2.23					

6000 - Miscellaneous Agency

Balance Forward In	14	21	39	1		
Receipts	7	18	(32)	(1)		
Transfers Out			6			
Balance Forward Out	21	39	1			
Expenditures	0		0			
Biennial Change in Expenditures				0		0
Biennial % Change in Expenditures						

8200 - Clean Water Revolving

Balance Forward In	26,540	26,614	25,163	18,473	9,073	6,873
Transfers In				1,000		
Net Loan Activity	74	(1,450)	(6,690)	(10,400)	(2,200)	220
Balance Forward Out	26,614	25,163	18,473	9,073	6,873	7,093

8250 - Rural Finance Administration

Balance Forward In	2,289	3,432	3,469	3,476	3,526	3,560
Receipts	58	84	124	126	129	131
Transfers In	1,064					
Transfers Out	33	97	53	56	68	70
Net Loan Activity	55	52	(64)	(20)	(27)	(29)
Balance Forward Out	3,432	3,470	3,475	3,526	3,560	3,592