AT A GLANCE

• More than half of the state’s total land area is farmland
• 450 employees across the state
• 978 agricultural chemical companies regulated
• 1st in the nation in turkey exports
• 3,000 lbs of venison donated to MN food shelves
• 10 million gallons of milk screened annually

PURPOSE

The mission of the Minnesota Department of Agriculture (MDA) 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. MDA services start before the crop even goes into the ground. We help ensure that farmers have quality seed, fertilizer, pesticides and animal feed so that the final product is also high quality. The MDA also provides services targeted directly to Minnesota farmers. These services include risk-management education, organic and sustainable agriculture technical support and dairy and livestock development support.

We continue our service after the plants and animals leave the farm. In the processing and distribution segments of the food chain, we perform duties such as dairy and food processing facility inspections and international market development. Our service delivery concludes at the consumer level with services such as consumer food safety education, agricultural chemical spill response, and grocery store inspections.

In ensuring that Minnesota agricultural activities are orderly, safe, and competitive, MDA contributes to the statewide outcomes of: A thriving economy that encourages business growth and employment opportunities; all Minnesotans have optimal health; and a clean, healthy environment with sustainable uses of natural resources.

BUDGET

The Department of Agriculture has a total biennial budget of approximately $150 million. This budget is primarily funded by general fund appropriations, as well as receipts for services provided. This revenue is deposited in the Agriculture Fund.
STRATEGIES

To accomplish its mission, the Department of Agriculture’s programs (Protection Services Program, Agricultural Marketing and Development Program, and Administrative Services Program) use the following strategies:

1. **Regulatory** - Conducting onsite inspections throughout the state on the entire chain of food production. On-site inspections of facilities ensure that the agricultural products and processes meet applicable standards for quality and integrity. For example, the fertilizer used on lawns must meet quality standards just as the fertilizer used in production agriculture. Milk is also inspected at many points, from the farm, to the milk plant, to the supermarkets.

2. **Education** - Educating producers, suppliers, and consumers on proper production and handling of food products. And, educating Minnesotans about environmental hazards to keep our farms, homes, businesses and neighbors safe.

3. **Promotion** - Helping farmers and agribusinesses market their products in an increasingly competitive global marketplace. Since Minnesota produces more food and agricultural products than its citizens can consume, marketing strategies are needed that encourage exports to other states and countries. The MDA plays a lead role in helping the state’s farmers and agricultural businesses build trade relationships with potential customers in other states and countries.

The Department of Agriculture’s legal authority comes from [M.S. 17-43](https://www.revisor.mn.gov/statutes/?view=part&start=17&close=43).
In 2013, we:

- Issued over 30,000 licenses and certifications to pesticide applicators, dealers, and fertilizer companies.
- Collected over 1,000 pesticide samples for water quality measurements.
- Safely disposed of more than 260,000 lbs of waste pesticide.

The Pesticide and Fertilizer Management Division (PFMD) regulates pesticides and fertilizers in urban and rural. The division’s programs help ensure the safe storage, transportation, application and disposal of home, garden and agricultural pesticide and fertilizer products.

The PFMD also plays an important role in the monitoring of water resources in agricultural and urban areas to determine the presence and concentration of pesticides and nitrate. The PFMD is responsible for administering many of the MDA's Legacy Clean Water Fund (CWF) projects such as research, technical assistance to local units of government, on-farm demonstration projects, and water quality monitoring and data management.

The PFMD provides for a firm and fair regulatory program for Minnesota’s pesticide applicators, dealers, and fertilizer companies. It also ensures safe storage and use of pesticides and fertilizers. In both regulatory and voluntary programs, it is scientific information above all that drives PFMD decisions, practices and policies. PFMD relies on partnerships with local units of government, agricultural and commodity organizations, agricultural chemical organizations, conservation and environmental organizations, the University of Minnesota, other states, the federal government, and other countries to facilitate uniform regulatory programs.

The Pesticide and Fertilizer Management Division provides services in five primary categories:

1. Traditional pesticide and fertilizer regulation
2. Water quality protection
3. Pesticide and fertilizer emergency response and remediation
4. Waste pesticide disposal
5. Administration of Clean Water Funds to support research and enhance groundwater and surface water monitoring for agricultural chemicals.

Specific services provided include: registration, labeling, licensing, permitting, inspection and enforcement efforts; the monitoring of water resources; the development and promotion of voluntary practices; the certification of individuals for fertilizer and pesticide application; and certification of soil and manure testing laboratories. PFMD also coordinates and conducts many education and outreach activities such as workshops, conferences, and field demonstration projects.
RESULTS

Quantity: Number of pesticide inspections of various pesticide users and distributors from 2009 through 2013.

Result: Number of counties participating in long-term nitrate monitoring that have seen reductions in nitrate levels.

OR

<table>
<thead>
<tr>
<th>Type of Measure</th>
<th>Description of Measure</th>
<th>Previous</th>
<th>Current</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity</td>
<td>Pesticide inspections of various pesticide users and distributors</td>
<td>252</td>
<td>259</td>
<td>2009 &amp; 2013</td>
</tr>
<tr>
<td>Quantity</td>
<td>Anhydrous ammonia inspections of bulk storage facilities</td>
<td>55</td>
<td>64</td>
<td>2005 &amp; 2013</td>
</tr>
<tr>
<td>Quantity</td>
<td>Pounds of waste pesticide collected and properly disposed</td>
<td>336,127</td>
<td>304,089</td>
<td>2010 &amp; 2013</td>
</tr>
<tr>
<td>Quality</td>
<td>Annual number of Ag chemical contamination sites remediated within one year</td>
<td>30</td>
<td>31</td>
<td>2003 &amp; 2013</td>
</tr>
<tr>
<td>Result</td>
<td>Number of counties participating in long-term nitrate monitoring that have seen reductions in nitrate levels</td>
<td>9</td>
<td>23</td>
<td>2006 &amp; 2012</td>
</tr>
</tbody>
</table>

Support Lab Operations and Quality Control:

<table>
<thead>
<tr>
<th>Fiscal Impact ($000s)</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2018</th>
<th>FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditures</td>
<td>335</td>
<td>335</td>
<td>335</td>
<td>335</td>
</tr>
<tr>
<td>Net Fiscal Impact =</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Expenditures – Revenues)</td>
<td>335</td>
<td>335</td>
<td>335</td>
<td>335</td>
</tr>
<tr>
<td>FTEs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Request:
The Governor recommends supporting the operations of the agricultural lab at world-class levels, including utilization of specialized mechanical systems and achieving International Standards Organization (ISO) 17025 accreditation for assurance of lab data quality. Operating under ISO accreditation ensures the integrity of the Department of Agriculture (MDA)'s data and that Minnesota’s agricultural system is able to take advantage of federal funding opportunities.

This proposal represents an 8% increase in base general fund funding for the Lab Services activity, and a 1% increase to the agency’s total general fund budget.

Rationale/Background:
The Minnesota Department of Agriculture's Laboratory Services Division (LSD) is the regulatory laboratory for protection services divisions within the agency and for the Minnesota Department of Natural Resources. The laboratory also provides emergency response analytical capability for other customers. The lab primarily provides data and analysis for food safety regulation and on agricultural chemicals in water and soil.

This proposal is intended to increase the amount of agricultural commodities exported to foreign countries. In 2013, Minnesota exported $1 billion in agricultural commodities to foreign countries, which is an increase from $750 million in 2010. While the trend of this economic indicator is improving, this proposal will increase the rate of agricultural commodities exported to foreign countries.

MDA’s agricultural lab services provide assurances to importers who purchase Minnesota’s agricultural commodities that the commodities meet basic health and quality standards. While the MDA agricultural lab’s work provides scientifically and legally defensible data that are used in regulations and policy decisions, it does not have the specialized mechanical systems that are required to achieve accreditation to ISO 17025. With this internationally recognized accreditation, the lab will be able to assure buyers in the global marketplace that Minnesota’s products meet globally recognized health and quality standards. As a result, this proposal will contribute to more exportation of Minnesota’s agricultural products. The Department of Agriculture is confident that this proposal will help improve the stated indicator because it has heard from foreign importers that they would be more inclined to buy Minnesota’s products if the data quality on the products is ISO accredited.

Proposal:
To achieve ISO 17025 accreditation that will increase foreign importers’ likelihood of buying Minnesota’s agricultural commodities, MDA proposes to make the investments necessary to purchase the required specialized mechanical systems, maintain those systems on an ongoing basis, and provide the necessary staff training on the system and standards. Implementation of the proposal will happen according to the steps outlined below and by the following tentative timeline:

1. Procurement of specialized mechanical systems – October 2015
2. Develop staff systems training program – December 2015
4. Develop staff ISO training program – February 2016
5. Begin training programs – March 2016
6. Apply for ISO accreditation – May 2016
Results:
MDA will measure the performance of this proposal using the two following measures:

Measure 1: Do we achieve and maintain accreditation to ISO 17025? This answers the question, “how well will we do it?”

Measure 2: Do we see a change in the amount of Minnesota’s agricultural commodities that are exported? If exports of Minnesota’s agricultural commodities increases after ISO standards are achieved, we may infer there is a correlation between the success of this proposal and the increase in exports. However, there are other contributing economic factors, so we will not be able measure a causal relationship. This measure answers the question, “is anyone better off?”

Statutory Change(s):
Not applicable.