



House Agriculture Hearing – MDA Response to COVID-19

January 13, 2021

MDA Response to COVID-19

- **Agriculture and food businesses are essential critical infrastructure in the nation's response to the COVID-19 pandemic.**
- **Throughout the pandemic, the Minnesota Department of Agriculture (MDA) has conducted a wide variety of activities to respond issues affecting meat processors, livestock growers, grocers, farmers' markets, and other food and agriculture businesses.**
- **During this response we have continued to perform our regulatory responsibilities, including food, meat, and dairy inspection.**

Grocery and Food Business Assistance

MDA Response Included:

- Created Safe at Retail Cost Share Program to reimburse retailers' expenses associated with implementing CDC's COVID-19 safety measures.
 - 177 businesses were awarded a total of \$125,000
 - Payments were made to businesses in 125 different Minnesota cities
- Awarded mini-grants to help assist food vendors, producers, and schools respond to disruptions in traditional Farm to School markets.
 - 40 schools and farm businesses received funding totaling over \$160,000

Grocery and Food Business Assistance

- Created new cost-share options to help food processors and farmers develop e-commerce sites or contract for merchandising help in response to shifting market conditions.
- Granted \$1.25 million in state appropriated funds to Second Harvest Heartland for purchase of milk and protein products
- Granted \$6 million in CARES Act funds to Second Harvest and The Food Group with a priority on Minnesota products and processors.

Farmers' Market and Farm Market Assistance

MDA Response Included:

Created rapid-response cost-share programs for farms and markets to implement COVID-19 safety measures.

- \$13,000 to assist 51 summer farmers' markets
- \$2,300 to assist 9 winter farmers' market
- \$13,000 to assist 53 farmers operating community supported agriculture farms and conducting on-farm sales

Other COVID Response Activities

- Issued 6 loans totaling \$860,000 in Rural Finance Authority (RFA) Disaster Recovery Loan Program funds to assist farmers who experienced revenue losses due COVID-19.
- Provided \$250,000 to the Farm Business Management program for scholarships to producers impacted by COVID and who were experiencing mediation or in bankruptcy. Scholarships covered approximately 75% of tuition costs for 168 students.
- Provided \$500,000 to the Metropolitan Economic Development Association (MEDA) and Latino Economic Development Center (LEDC) to award grants to Minnesota producers in local and regional markets, with priority given to Black, Indigenous, and People of color producers, agricultural workers, and community-based organizations.
- Created and distributed more than 50 COVID-19 guidance documents for farmers, food businesses, markets, wineries and breweries, garden centers, and other entities.

Meat Processing Assistance

MDA Response Included:

- Incident Management Team stood up (comprised of staff from all MDA Divisions, BAH, MPCA, USDA)
- Ordered depopulation supplies from National Veterinary Stockpile
- Received nearly \$11M from the Minnesota Fund to support depopulation and disposal efforts
- Awarded \$155k to build mobile CO2 depopulation trailer system
- Brought 2 Executive Orders to the Governor to waive weight restrictions for hauling livestock and biomass
- Established two disposal sites for composting of pig and turkey carcasses
- Developed a carcass delivery scheduling system for producers
- Established MDAResponds@state.mn.us email for stakeholders to contact us

Impact on Small and Local Meat Processing Industry

- The closure of very large processing plants resulted in significant pressure on our small and local meat processing industry to absorb the extra supplies
- A shortage of processors existed pre-pandemic, especially in some parts of the State
- Consumers pushed towards local food sources, particularly custom exempt – buying part of pig or beef animal to put in their freezer



Maximizing Capacity

- Fill the capacity we have:
 - Focused on matching up processors that had capacity, with livestock producers or individuals that needed processing
 - Queried all processors to see if they had capacity, and/or were willing and interested in expanding AND what barriers they had, if any (like cooler space, employees, etc)
 - Provided people to make connections
- Expand capacity
 - Introduced the “Fast track” Equal To Inspection program
 - Assist very small plants in moving to inspected slaughter more quickly, so that they (plants or livestock producers) had a bigger market for their products
 - Worked with plants interested in becoming licensed and expanding

- Webinars on “Equal To” meat processing, and other options for processors and producers
- Poultry processing webinar
- Poultry processing listening sessions – focus groups for outreach
- Dairy and Marketing Divisions collaborated on a webinar to provide information to livestock farmers and meat processors called the *ABCs of Small Meat Processing*.

Grants/Cost-Share for Meat Processors

- Created rapid-response mini-grant program to help livestock farmers and processors
 - **Awarded 81 grants totaling more than \$360,000**
- Created financial reimbursement program for small and mid-sized milk, meat, and poultry processors who purchased supplies and equipment to create a safe environment for employees and customers
 - **Reimbursed just over \$340,000 to seven businesses**
- Fast-tracked eleven FY 2021 Value-Added Grants to help meat/poultry processors increase their capacity to process additional Minnesota livestock
 - **Projects totaled approximately \$160,000**
- Provided a matching service for hog farmers seeking alternative processing locations

Grants/Cost Share for Meat Processors

- Offered financial support to turkey producers, including processors, contract growers, and independent growers, who marketed fewer liveweight pounds in March-September 2020 compared to March-September 2018.
 - 43 producers/processors were awarded nearly \$1.2 million through the Turkey Market Loss Cost-Share Program
- Created the Hog Depopulation Cost-Share Program to offer financial assistance to owners of hogs who depopulated hogs between March and September due to changing market conditions.
 - Almost \$3.1 million was awarded

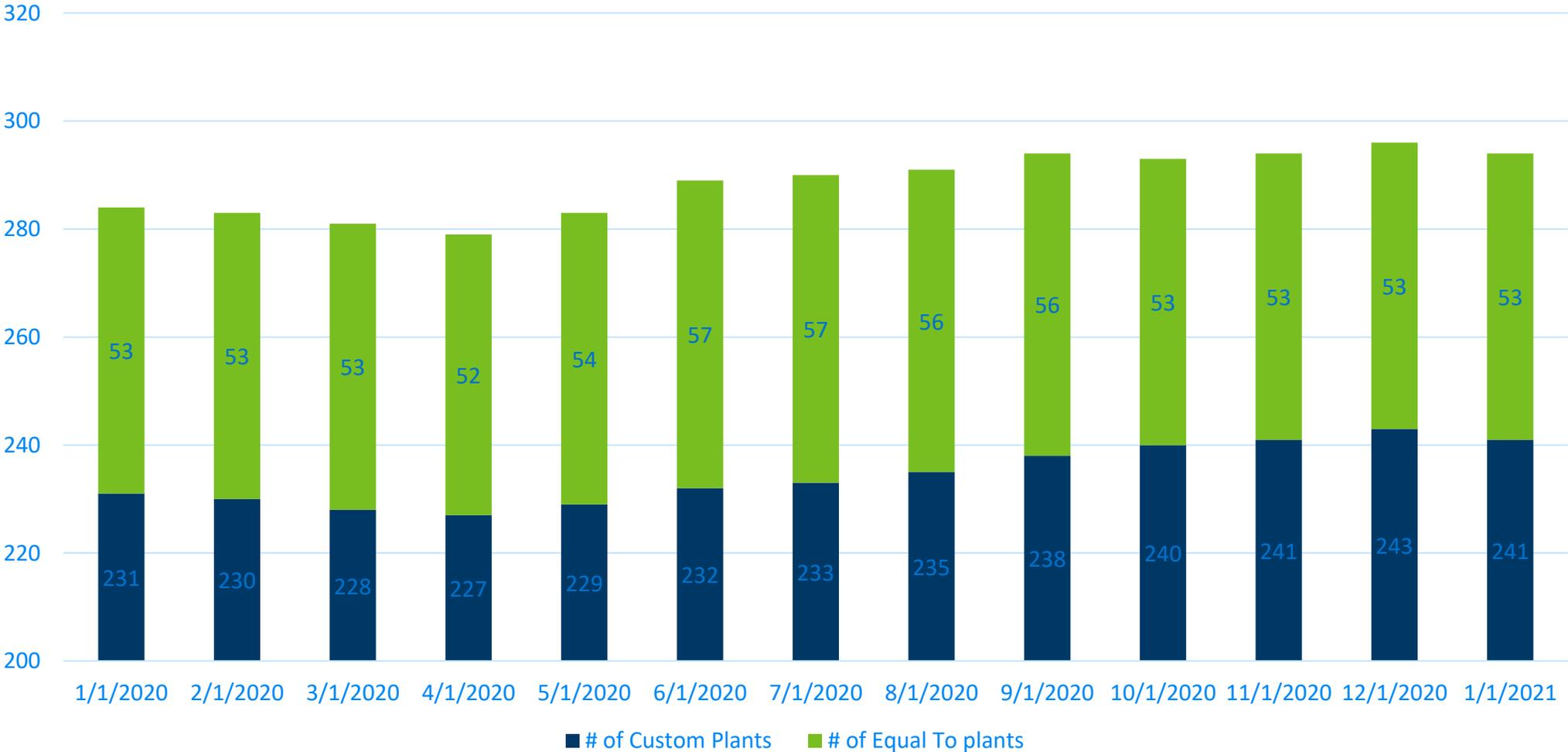
Fast Track “Equal To” Inspection

- Created a “Fast Track” program to help processors get inspected slaughter, so that producers and processors could take advantage of a wider market.
- Reduced the time needed to get a meat plant under “Equal To” inspection from several months to weeks.
- Provided substantial assistance to these processors in meeting the requirements – assigned a ‘case worker’ to meet with them to help them stay on track.

- “Equal To” slaughter and processing
 - Added 4 “Equal To” Slaughter establishments – increase of about 20% in plant numbers
 - These plants continue to successfully operate in the “Equal To” program
 - Existing plants increased capacity, especially early on
 - Some plants dropped out due to market changes (restaurant closures, impact on airport businesses)
- Custom exempt processing plants
 - The most growth was in custom exempt
 - A total increase of 16 plants between April 1, 2020 (227 plants) – December 1, 2020 (243 plants)
 - Mostly these were new builds
 - Some plants were lost due to normal attrition (fire, retirement)

Trends in Number of Very Small Plants

Total Number of MN MPIP Plants



Current Status

- Regional Supervisors continue many visits with new and prospective plants; primarily these are new builds, or remodels of old facilities.
- Custom exempt continues to be biggest area of growth – easiest to get into and fits customer needs right now, especially with continued impact on restaurants, catering, etc.
- Many processors continue to report being fully booked well into 2021, and even 2022.
- Currently actively working with...
 - 3 new E2 slaughter establishments
 - 4 new E2 processing establishments
 - 3 new custom exempt slaughter establishments

Current Status

- Small processors report difficulties in finding employees as one main reason for not expanding.
- Labor shortages that existed pre-COVID were heightened during the pandemic, as plants needed to scale up operations.
- Finding stable employees is continuing problems for small processors – many are unable to find people willing to work these jobs.

Farm Stress and Mental Health Efforts

March – December 2020

- **Farm & Rural Helpline** – confidential, 24/7 service, available 24/7
 - Phone (toll free): 833-600-2670
 - Text: FARMSTRESS to 898211
 - Email: farmstress@state.mn.us
- **Farm Advocates** – provide one-on-one assistance
- **Professional Develop for Ag Community**



Minnesota Farm and Rural Helpline

ADDED Text & Email Options to Helpline

MINNESOTA FARM & RURAL HELPLINE

minnesotafarmstress.com

CALL 833-600-2670

TEXT "farmstress" to 898211

EMAIL farmstress@state.mn.us

Need help finding a confidential
financial or legal advisor?
Feeling worried or blue and
need a listening ear? 24/7



Minnesota Farm and Rural Helpline

Fall Outreach Campaign

- Timed after harvest/onset of holidays
- Print ads in farm & ranch publications
- 30-second radio spots on three farm networks (>50 MN radio stations)



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Translation available

Professional Development for Ag Community

Session Topics

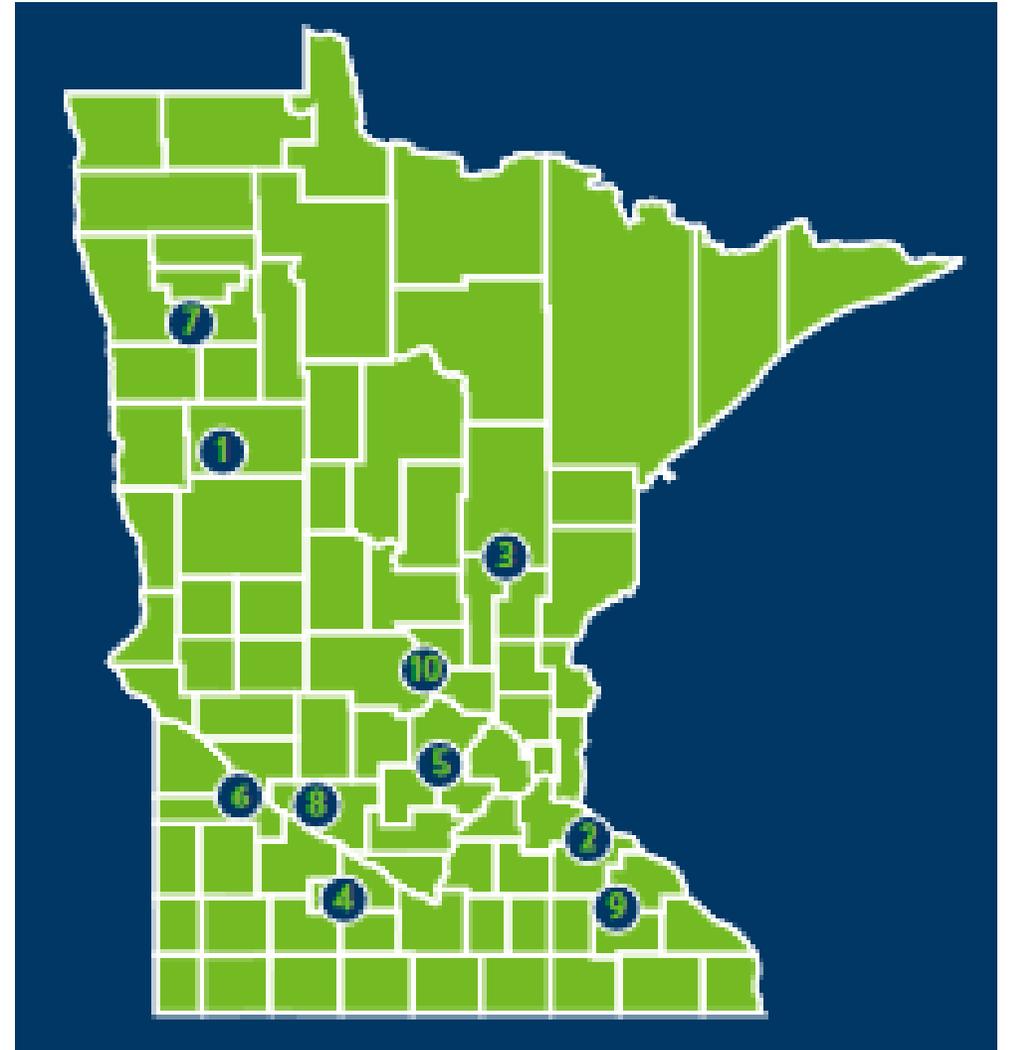
- Understanding and Treating Agricultural COVID Stress and Trauma
(re: meat processor interruptions and destruction of livestock)
- Navigating Conflict & Tough Conversations in Agriculture
- Supporting Farm Youth in Stress
- Suicide Bereavement in Farm Country

Targeted to agencies, UMN Extension, lenders, educators, social/human services, clergy, veterinarians, agribusiness

Moving events online attracted people from many other states

Minnesota Farm Advocates

- FY 20 hours: 8,228
- FY21 hours (YTD): 4,417
- Anticipate more foreclosures, bankruptcies
- Concerned about farmers' access to legal advice



Industrial Hemp Timeline



- **2014 Farm Bill:** States could oversee pilot programs to study the growth, cultivation, and marketing of industrial hemp
- **2015 Minnesota Industrial Hemp Development Act:** allowed for development of a pilot program administered by the Minnesota Department of Ag
- **2018 Farm Bill:** Hemp is defined as an agricultural crop; states and tribes can submit plans to USDA for approval of regulatory oversight
- **2019 USDA Interim Rule:** Federal rule outlining requirements of state or tribal government hemp plans
- **2020 MDA Proposed Industrial Hemp Plan:** Approved by USDA July 2020
- **2021 MDA Under Official USDA-Approved Plan**
- **2021 USDA Rulemaking:** MDA submitted comments on rules in October 2020. USDA is anticipated to issue new rules in 2021
- **???** **MDA Rulemaking:** MDA will make state rules on the program once federal regulations are finalized

Industrial Hemp

Statistic	2016	2017	2018	2019	2020*
Applicants	7	47	65	723	580
Licensed Growers	6	33	43	343	470
Licensed Processors/Handlers	0	5	8	206	242
Outdoor Acreage Planted	38	1,202	709	8,000	8,546
% Acres Planted For Grain	94.7%	99.3%	87.9%	21.7%	22%
% Acres Planted For CBD	0.0%	0.4%	10.1%	78%	83%
% Acres Planted For Fiber	5.3%	0.3%	2.0%	0.3%	27%

Thank you!

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