

# MINNESOTA'S



## COVID-19 RECOVERY BUDGET

### MDA Division Programs Overview

February 2021



# Dairy and Meat Inspection

Dr. Nicole Neeser, Director

# Dairy and Meat Inspection

## What we do:

- Ensure the safety of the food supply by conducting regulatory-based inspection work for dairy, meat, poultry, and egg products
- Ensure dairy and meat products and our associated regulatory programs meet the standards necessary for commerce
  - Interstate commerce of dairy products
  - Intrastate commerce of meat and poultry products
- Respond to emergencies and outbreaks

# Dairy and Meat Inspection

## How we do this:

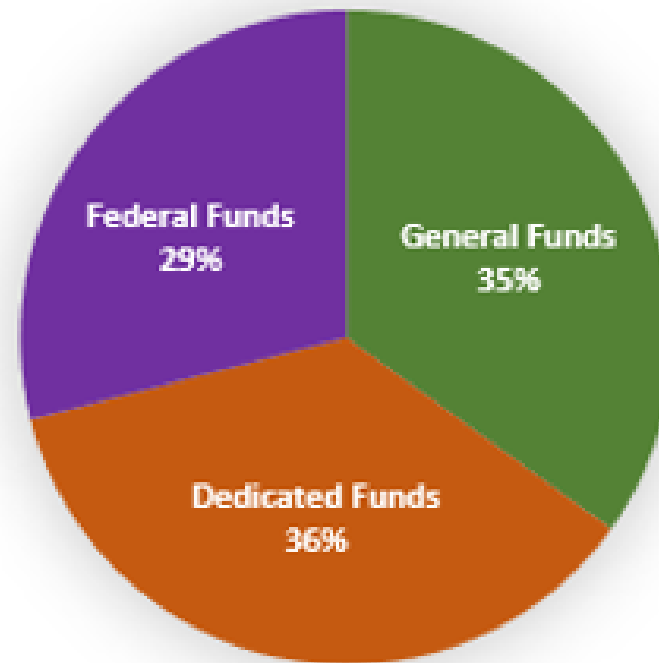
- Ensure safe food handling practices are used from the farm to manufacturer during on-site inspections
- Collect samples to monitor product safety
- Conduct outreach and educational activities with farmers and manufacturers
- Certify industry personnel to conduct temporary or cooperative inspection work
- Provide guidance to prospective or new operators on how to meet the requirements
- Issue certificates to Minnesota dairy and meat companies so that they can sell their products internationally

# FY2022-23 Base Budget DMID

## Dairy and Meat Inspection FY2022-23 Base Expenditures by Fund

**\$4.33 million**  
**Federal Fund**

**\$5.374 million**  
**Agricultural Fund &  
Misc Special Revenue**



**\$5.21 million**  
**General Fund**

# Dairy and Meat Inspection

- Dairy and Meat Inspection are major program areas
  - Major funding sources are General Fund, Fees and Federal, approximately 1/3 each
- 51 FTEs (55 employees), many support functions cross programs
  - Dairy: 13.25 Field Inspection FTEs conduct about 7,000 inspections/year
  - Meat: 17.8 Field Inspection FTEs conduct over 9,300 inspections/year
  - Compliance officers, operations, outreach, audits, supervision, veterinarians

# Dairy and Meat Inspection

- Dairy Inspection

- Dairy farms

- As of 1/1/2021: 2,200 Grade A, 125 Grade B

- Manufacturing (70) and Grade A (37) plants

- Tankers and haulers (about 1100 licensed/permitted)

- FY 22-23 Biennial Budget:

- \$2,356 General Fund (32%): \$4,954 Agricultural Fund - Fees (68%)

- Current Trends:

- Fewer dairy farms

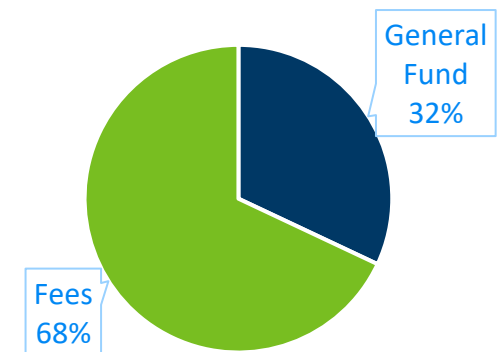
- Increasing numbers of small dairy manufacturing plants

- Goat milk production increasing (>100 Grade B farms during peak season)

- Inspection for Safety, Required for Interstate Commerce

Inspection Type	Number of Inspections CY 2019	Number of Inspections CY 2020
Dairy Farm	5630	5122
Dairy Plant	1014	973
Tankers	341	336
Haulers	429	349
Total	7387	6780

Funding Sources

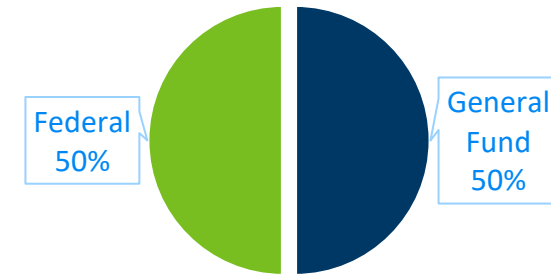


# Dairy and Meat Inspection

## • Meat and Poultry Inspection

- State 'Equal To' Meat Inspection Program
  - Small plants can wholesale product in MN
  - Requirements similar to USDA Food Safety Inspection Service
  - Daily Inspection (Continuous) per the Federal Meat Inspection Act
- Custom Exempt (Not for Sale, for Farmers, Direct Marketing)
- Budget FY 22-23
  - \$2,854 General Fund, \$3,950 Federal
  - Approximately 50%/50% split due to calculations of in-kind indirect funds
- Trends – result in more outreach needs and activities:
  - More ethnic/nontraditional slaughter and processing
  - Federal regulations are more complex
  - More compliance issues (those not complying with inspection requirements, not under inspection)
- Inspections for safety, **required** to wholesale products

## Anticipated Funding Sources



Inspection Type	Number of Inspections (2020 Calendar)
Equal To Processing inspections	7664
Slaughter Inspection Days	1229
Custom Exempt	540
Total	9433



# Dairy and Meat Inspection

Other Programs	Source of Funding	FY 22-23 Amount (1,000's)
USDA Shell Egg Surveillance	Rest. Special Revenue, 100% Reimbursement Program	12
State Egg Inspection	Agricultural Fund, Fees	62
Venison Donation	Misc Agency (Transfer from DNR)	204
Food Safety Certificates of Free Sale	Agricultural Fund, Fees	140

# Governor's Budget Recommendation



## Expand Livestock/Meat Processing

- **One-time investment of \$1 million** in the Agricultural Growth Research, and Innovation (AGRI) fund to provide grants to support meat, poultry, egg and milk processors.
  - Grants will support the start-up, expansion, and modernization of facilities across the state. These one-time funds would supplement the existing AGRI Value-Added Grant.
- **Investment of \$110,000 in each year of the biennium** to meet the processing demand at new or existing businesses.
  - This funding is necessary to support current levels of staff to meet mandated inspection frequencies.



# Food and Feed Safety

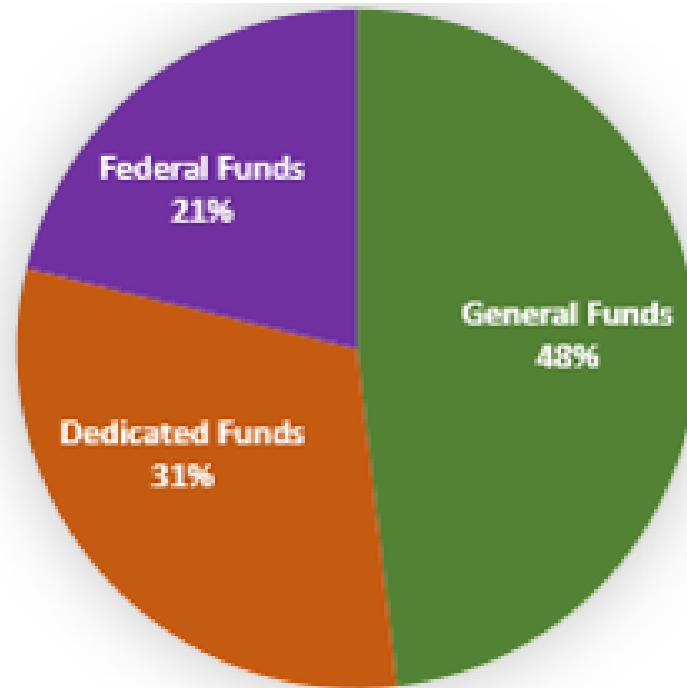
Katherine Simon, REHS | Director, Food and Feed Safety Division

# FY2022-23 Base Budget FFSD

## Food and Feed Safety FY2022-23 Base Expenditures by Fund

**\$5.95 million**  
**Federal Fund**

**\$8.63 million**  
**Agricultural Fund &  
Misc Special Revenue**



**\$13.52 million**  
**General Fund**

# Food and Feed Safety

## Regulatory Programs

- Feed Program
- Manufactured Food Program
- Retail Food Program
- Produce Safety Program

## Purpose

- Product Safety
- Consumer/Animal Protection
- Orderly Commerce

License / Permit / Registration	Number
Commercial Feed	1976
Wholesale Food Processor/Manufacturer	1102
Wholesale Food Handler	700
Food Broker	26
Retail Food Handler	5615
Retail Mobile Food Handler	919
Cottage Food Producer	5125
<b>TOTAL:</b>	<b>15,463</b>

# Food and Feed Safety

## Feed Program

- Commercial Feed Inspection
  - Mill and distribution facilities and vehicles
  - Inspections based on risk of activities
  - Product sampling
  - Production record verification
- Pet Food Monitoring
  - Pet food manufacturer inspection
  - Product listings
  - Review of labels
- Federal Contract Inspections



## Manufactured Food Program

- Food Processor Licensing and Inspection
  - Inspections based on risk of food activities
  - Beverages, canneries, bakeries, prepared foods and ingredients
  - Sampling of product and processing environment
  - Certification for free sale / Export of products
- Food Distributor Licensing and Inspection
  - Packaged food and raw ingredient warehouses
- Federal Contract Inspections



# Food and Feed Safety

## Retail Food Program

- Facility Plan Review
  - Review of planned retail facilities and equipment
  - Required prior to opening retail food business
- Retail Facility Licensing and Inspection
  - Inspections based on risk of food activities
  - Grocery, bakery, meat, deli, convenience and packaged food stores and stands
- Support of Delegated Agency Programs
  - Oversight and assessment of 7 local city and county retail food programs





# Food and Feed Safety

## Produce Safety Program

- Federal Cooperative Agreement Program
  - Implementation of Food Safety Modernization Act
  - On-Farm food safety practices
- Outreach to Growers
  - Establish stakeholder relationships and collaboration
  - Provide access to education and training materials
- Produce Safety Inspections
  - Inspections based on risk of farm activities
  - Growing, harvesting, packing and holding



## **Additional Division Roles**

- Governor's Food Safety and Defense Task Force
- Maintain Rapid Response Team
- Oversight of Cottage Food Registration
- Conformance to National Regulatory Program Standards

## Trends and Challenges

- Supporting operators and public health response to COVID-19
- Operators new to food production and food safety practices
- Continued industry innovation for products and processes
- Complexity of business ownership, sales and distribution structures
- Changes in consumer product handling and consumption patterns
- Advancements in science of food safety and outbreak response

# Governor's Budget Recommendation

## Dedicate Food Licensing Fees

- Dedicate revenues generated from food handler license and vending machine inspection fees to the Agriculture Fund.
- Food handler license fees are currently non-dedicated and do not directly support food program operations.
- These dedicated funds will allow the MDA's Food and Feed Safety Division to better address long term planning needs, adapt to industry changes, and improve food safety program services.

# Thank you!

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