

Chapter 89

2020 Regular Session

Subject Agriculture

Analyst Colbey Sullivan

Date May 17, 2020

Overview

This is the 2020 omnibus agriculture policy act. It includes legislative initiatives and provisions requested by Governor Tim Walz and the Minnesota Department of Agriculture (MDA). The act modifies state seed and noxious weed laws, as well as laws governing perishable farm product buyers, state loan programs, eggs, meat and poultry inspections, farm safety, grain buyers, emerging farmers, hemp, agricultural education, pet food, and more.

Governor Walz signed this act into law on May 16.

Article 1: Perishable Farm Products

This article modifies existing statutes that provide financial protections to producers of perishable farm products. Among other things, this article eliminates the state license requirement for wholesale purchasers of these products and extends from 10 to 30 days the default amount of time a wholesaler has to pay the seller after receipt of the perishable products.

Section Description – Article 1: Perishable Farm Products

1 Public policy.

Modifies a legislative declaration of public policy regarding the importance of protecting the economic livelihood of producers and suppliers of perishable farm products. Eliminates references to wholesale produce dealers, because that license category is repealed at the end of this article. Specifies that perishable product handlers must comply with all applicable MDA rules.

2 Definitions.

Converts the existing definition of “produce” to a new definition of “perishable farm products,” which includes fruits, vegetables, mushrooms, and eggs. Modifies definitions of “voluntary extension of credit” and “due date” so that deferred payment sales are now those for which payment is made more than 30 days after delivery or consignment. Under prior law, the threshold was ten days. Converts the existing definition of “wholesale produce dealer” to “farm products dealer,” defined as any person who buys perishable farm products for resale and is licensed by MDA

Section Description – Article 1: Perishable Farm Products

- as a retail food handler, wholesale food handler, wholesale food processor or manufacturer, or a food broker. Defines “person” and certain other terms by reference to existing statutory food industry definitions.
- 3 **Brokers.**
Makes conforming terminology changes to requirements that apply to perishable product dealers who act as a broker between the buyer and seller.
- 4 **Payments for perishable farm products.**
Makes conforming terminology changes to requirements that apply when there is a contract between a seller and dealer of perishable products. Extends the default payment deadline when a date is not specified in the contract from 10 to 30 days after delivery.
- 5 **Production and review of information.**
Makes conforming terminology changes to requirements and procedures that apply when MDA is investigating a perishable product dealer.
- 6 **Complaints to commissioner, hearing; action on bond.**
Modifies the origin of damage claims that trigger an MDA investigation from breach of bond to breach of contract between the buyer and seller. Statutory surety bond requirements for perishable product dealers are repealed below.
- 7 **Grades established; inspection.**
Makes conforming terminology changes to language that empowers MDA to grade and inspect perishable products. Allows MDA inspectors to inspect perishable product sales transactions upon request and in the same manner as MDA inspects perishable products for grade, quality, or condition.
- 8 **Filing brand or label; permit.**
Makes conforming terminology changes to language that authorizes MDA to issue permits for perishable product brands and labels upon request.
- 9 **Inspection certificate.**
Makes conforming terminology changes to language that allows owners, conveyers, and prospective buyers of perishable products to request an MDA inspection of the products.
- 10 **Perishable farm products examination.**
Makes conforming terminology changes to language that require perishable farm product dealers to have MDA inspect products that the dealer believes are spoiled,

Section Description – Article 1: Perishable Farm Products

- damaged, unmarketable, or unsatisfactory. States that this inspection requirement does not apply if the parties waive this inspection requirement via contract.
- 11 **Shipments on consignment.**
Makes conforming terminology changes to requirements that apply when perishable products are shipped to a dealer but title to the product remains with the shipper (i.e., consignment sales). Specifies that the dealer must pay the shipper the net amount due when the shipper provides the required shipment report to the shipper.
- 12 **Investigation of complaints.**
Makes conforming terminology changes to a statute that authorizes MDA to investigate perishable product complaints. Removes references to the wholesale produce dealer license because that license category is repealed below.
- 13 **Mediation and arbitration.**
Makes conforming terminology changes to the requirement that perishable product sales contracts provide for the resolution of disputes via mediation or arbitration.
- 14 **Parent company liability.**
Makes conforming terminology changes to a statute that provides that parent companies are liable for the actions of their subsidiaries who purchase perishable products.
- 15 **Proceeds.**
Makes conforming terminology changes to the definition of “proceeds” for purposes of a provision providing that a farm product dealer’s perishable products, products manufactured from the perishable items, and sales proceeds are held in trust for the benefit of unpaid sellers.
- 16 **Manufactured farm products.**
Converts the existing definition of “products of produce” to “manufactured farm products” for purposes of a provision providing that a farm product dealer’s perishable products, products manufactured from the perishable items, and sales proceeds are held in trust for the benefit of unpaid sellers.
- 17 **Trust assets.**
Makes conforming terminology changes to the definition of “trust assets” for purposes of a provision providing that a farm product dealer’s perishable products, products manufactured from the perishable items, and sales proceeds are held in trust for the benefit of unpaid sellers.

Section Description – Article 1: Perishable Farm Products

18 Farm products dealer.

Converts the existing definition of “wholesale produce dealer” to “farm products dealer” for purposes of a provision providing that a farm product dealer’s perishable products, products manufactured from the perishable items, and sales proceeds are held in trust for the benefit of unpaid sellers.

19 Farm products dealers’ trust.

Makes conforming terminology changes to the statute providing that a farm product dealer’s perishable products, products manufactured from the perishable items, and sales proceeds are held in trust for the benefit of unpaid sellers.

20 Prohibited acts.

Removes references to wholesaler license and bond requirements, which are repealed below. Makes conforming terminology changes. Establishes a misdemeanor crime for violations of this chapter or associated MDA rules. Requires prosecuting officers to promptly initiate appropriate court proceedings when MDA reports a violation of this chapter or associated rules to the prosecuting officer.

21 Repealer.

Eliminates the following statutes:

- Minn. Stat. § 13.6435, subd. 5: This statute classified financial data submitted to MDA by wholesale produce dealer license applicants and is repealed because the wholesale producer dealer license statutes are repealed in this section.
- Minn. Stat. § 27.03, subd. 1: This statute required a state license and a bond to act as a wholesale produce dealer.
- Minn. Stat. § 27.04: This statute prescribed the application process for wholesale producer dealer licenses.
- Minn. Stat. § 27.041: This statute defined the surety bond requirements for licensed wholesale produce dealers, established wholesale produce dealer license requirements, and created a dedicated account in the Agricultural Fund for the wholesale producer dealer license program.

Article 2: Seed Law

This article modifies state laws that address noxious weed seeds and creates a Seed Program Advisory Committee to advise the MDA. Among other things, this article changes the regulated entity for purposes of seed labeler permit fees from the “initial” labeler of the seed, to simply the “labeler.” It also establishes a zero tolerance for noxious weed seeds in screenings, agricultural seeds, and grains used as animal feed and requires hemp seed labelers to test hemp parent plants for THC at the appropriate developmental stage.

Section Description – Article 2: Seed Law

- 1 Screenings.**
Expands the definition of “screenings” in the 1959 Minnesota Screenings Act to include broken seed used to feed animals. Sections 1 to 7 in this article modify the Minnesota Screenings Act, which regulates those who sell or use weed-seed-infested agricultural seeds, grains, and screenings for animal feed. For purposes of the Minnesota Screenings Act, screenings means chaff, noxious and other weed seeds, inert matter, and other foreign material removed from seeds or grains.
- 2 Noxious weed seeds.**
Expands the definition of “noxious weed seeds” for purposes of the Minnesota Screenings Act to include weed seeds classified by MDA as prohibited (as well as restricted) noxious weed seeds.
- 3 Restricted weed seeds.**
Modifies the definition of “restricted weed seeds” for purposes of the Minnesota Screenings Act by eliminating the 90-seed-per-pound regulatory threshold and the existing list of restricted weed species (e.g., buckthorn, Canada thistle, etc.). Empowers MDA to designate restricted weed seeds in consultation with a new Seed Program Advisory Committee. The 90-seed-per-pound regulatory threshold for restricted weed seeds is retained and now appears in section 5.
- 4 Prohibited noxious weed seeds.**
Defines this new term for purposes of the Minnesota Screenings Act to mean weed seeds that MDA, in consultation with a new Seed Program Advisory Committee, designates as prohibited.
- 5 Infested feed grain; screenings.**
Makes it unlawful for a person to feed, sell, or transport to a consumer for feeding purposes agricultural grains, seeds, or screenings that contain prohibited weed seeds. Inserts the existing 90 seed/pound regulatory threshold for restricted weed seeds.

Section Description – Article 2: Seed Law

- 6 Exceptions.**
Provides that weed-seed-infested agricultural seeds, grains, and screenings produced by a farmer and fed to animals on the farmer’s own farm are not exempt from the Minnesota Screenings Act if the seeds, grains, or screenings contain prohibited noxious weed seeds.
- 7 Enforcement; rulemaking.**
Eliminates language requiring MDA to maintain the state list of restricted noxious weed seeds under the Minnesota Screenings Act via the formal rulemaking process.
- 8 Labeler.**
Defines this new term for purposes of the 1983 Minnesota Seed Law as the person whose name and address, or federally-authorized code, appears on the label of agricultural, vegetable, flower, tree, shrub, or any other seed sold in Minnesota. Under this act, labelers, rather than “initial labelers” are now required to obtain permits and pay fees to MDA.
- 9 Recommended uniform state seed law.**
Defines this new term by reference to the seed law guidelines produced by the Association of American Seed Control Officials.
- 10 Hemp seed.**
Requires hemp seed labelers to test hemp parent plants at the appropriate developmental stage and obtain a certificate of analysis showing that the seed’s parent hemp plants had a THC concentration of less than 0.3 percent.
- 11 Records.**
Establishes that recordkeeping requirements for seed labelers apply to all types of seed subject to labeling requirements under the Minnesota Seed Law. Specifies information that labelers must retain as part of the complete record for each seed lot sold.
- 12 Seed laboratory.**
Requires MDA to apply specified laboratory tolerances when verifying seed label claims by referring to specific federal regulations and the Recommended Uniform State Seed Law defined above.
- 13 Prohibited and restricted seeds.**
Requires MDA to consult the new Seed Program Advisory Committee when determining prohibited and restricted weed seed species. Requires MDA to publish, distribute, and periodically revise an official list of prohibited and restricted noxious

Section Description – Article 2: Seed Law

- weed seeds. Permits MDA to accept and consider petitions to designate certain weed seeds.
- 14 **Advisory committee; membership.**
Requires MDA to consult the Seed Program Advisory Committee created in this section. Requires the committee to evaluate plant species and recommend to MDA whether evaluated species should be designated as restricted or prohibited. Requires the committee to reevaluate designated species every three years. Requires the committee to also advise MDA regarding Minnesota Seed Law implementation. Establishes two-year terms and prohibits reimbursement of committee member expenses and payment of per diem. Requires MDA to appoint members who represent specified organizations and industries. Requires the Committee to elect a chair from among its membership.
- 15 **Miscellaneous violations.**
Prohibits advertising or selling a patented, protected, or proprietary seed variety without permission of the entity that holds the patent or certificate for the intellectual property associated with the seed variety.
- 16 **Permits; issuance and revocation.**
Specifies what seed sales MDA considers for purposes of setting a seed labeler’s permit fee amount. Removes references to the initial labeler. Modifies permit fee categories for labelers of native grass and wildflower seed.
- 17 **Exemptions.**
Provides that a labeler, as defined above, must obtain a seed fee permit from MDA. Under prior law, initial labelers were required to obtain this permit.
- 18 **Seed fee permits.**
Requires seed labelers, as defined above, to obtain a permit from MDA and pay the applicable fee. Under prior law, this was required of “initial labelers.” Specifies that seed permit fees are based on the initial sale of the seed in Minnesota. Sets the permit fee for hemp seed at 69 cents/hundredweight sold. Sets the fee for native grass and wildflower seed at \$1/hundredweight.
- 19 **Repealer.**
Repeals Minn. Stat. § 21.81, subd. 12, the definition of “initial labeler,” for purposes of state seed law. This article requires “labelers,” rather than “initial labelers” to obtain seed permits from MDA.

Article 3: Noxious Weeds

This article modifies state noxious weed law, including by changing the regulatory categories for noxious weeds and the management plans used to control noxious weeds.

Section Description – Article 3: Noxious Weeds

- 1 Noxious weed management plan.**
Modifies the definition of “noxious weed management plan” by specifying that the plan applies to the location, rather than an area or site, where a noxious weed infestation is found.
- 2 Noxious weed management site.**
Renames “weed management area” as a “noxious weed management site” for purposes of designated weed management areas created to control or eradicate noxious weeds.
- 3 Cooperative weed management areas or CWMAs.**
Defines this term for purposes of state noxious weed law as partnership organizations formed to manage invasive plants across jurisdictional and land ownership boundaries.
- 4 Biological control of plants.**
Defines this term for purposes of state noxious weed law as the use of natural plant enemies to suppress noxious weeds or invasive plants.
- 5 Appropriate disposal site.**
Defines this term for purposes of state noxious weed law as a facility that lawfully destroys noxious weeds and their propagating parts.
- 6 Invasive plant.**
Defines this term for purposes of state noxious weed law as a nonnative species whose existence in the state causes, or could cause, harm.
- 7 Noxious weed categories.**
Modifies terminology for the existing “prohibited noxious weeds” regulatory category. Modifies the criteria MDA must use to place weeds in the “restricted” category. Provides that specially regulated plants could be nonnative species as well.
- 8 Generally.**
Modifies landowner responsibilities to reflect that required management could include actions other than controlling or eradicating the weeds.

Section Description – Article 3: Noxious Weeds

- 9 **Noxious weed management plan.**
Modifies the name of a weed-control agreement between a landowner and the responsible government unit from “weed control agreement” to “noxious weed management plan,” as defined above.
- 10 **Training for control or eradication of noxious weeds.**
Updates a reference to the head of University of Minnesota Extension.
- 11 **Prosecution.**
Authorizes MDA or a weed inspector employed by a city or township to initiate court proceedings against a landowner by removing language that previously limited this authority to county inspectors.
- 12 **Noxious weed management.**
Requires MDA to develop management strategies and criteria for each individually listed noxious weed species, and each category of weed.
- 13 **Noxious weed education and notification.**
Authorizes MDA to notify appropriate media outlets—previously MDA was required to alert them—when a weed on the eradicate list is confirmed for the first time in a county.
- 14 **Noxious weed management site.**
Modifies terminology from “weed management area” to “noxious weed management site,” consistent with the definition change earlier in this article.
- 15 **Transportation of noxious weed propagating parts.**
States that transporting noxious weed propagating parts without a permit is prohibited. Specifies that a permit is generally required to transport them on a public roadway of any kind. Expands the permit exemption for transportation for the purpose of destroying propagating parts to include transporting to any appropriate disposal site, not just those sites that MDA has approved. Requires a person transporting propagating parts for this purpose to comply with yard waste disposal requirements that differ depending on whether the disposal occurs in a metropolitan county or Greater Minnesota. Requires a permit to possess noxious weed propagating parts for research, education and outreach, or other MDA-approved reasons. Requires transportation permit applicants to agree to follow permit guidelines.

Section Description – Article 3: Noxious Weeds

- 16 **Grant program.**
Modifies terminology from “weed management area” to “noxious weed management site,” consistent with the definition change above.
- 17 **Membership.**
Modifies membership of the Noxious Weed Advisory Committee by specifying representation by the University of Minnesota Departments of Agronomy and Forest Resources, townships, and counties.

Article 4: Miscellaneous Provisions

This article modifies or establishes various agriculture policy provisions including those concerning industrial hemp, emerging farmers, loan programs, farm safety, pet food, the Minnesota Agricultural Education Leadership Council, and grain buyers.

Section Description – Article 4: Miscellaneous Provisions

- 1 **Industrial hemp licensing data.**
Modifies a cross-reference in the Minnesota Government Data Practices Act that points to the classification information provided to MDA by hemp license applicants under Minn. Stat. ch. 18K, the Industrial Hemp Development Act.
- 2 **Emerging farmers.**
Requires MDA to periodically convene a working group of stakeholders to advise the agency regarding the development and implementation of programs and initiatives that support emerging farmers. Requires MDA to update the legislature’s agriculture committee chairs and minority leads each year. Sets this statute to expire on August 1, 2025.
- 3 **Definitions.**
Modifies the definition of “committed project” for purposes of the Agricultural Best Management Practices Loan Program by removing conditions that (1) the local unit of government has certified the project, and (2) a local lender must have obligated itself to loan money for the project. Expands the list of eligible local lenders to include watershed districts, drainage authorities, townships, and other local units of government with taxing or special assessment authority.

Section Description – Article 4: Miscellaneous Provisions

- 4 Uses of funds.**
Specifies that if a law appropriating money for the Agricultural Best Management Practices Loan Program conflicts with the program’s statute, the appropriation law governs.
- 5 Liens against property.**
Expands the applicability of real property liens under the Agricultural Best Management Practices Loan Program to include liens created by loans issued by cities and towns, as well as counties. Specifies that the lien is a special assessment that may be collected in the same manner as other special assessments.
- 6 Shipment of plant pests and biological control agents.**
Specifies that a permit is not required for interstate shipments of organisms that the United States Department of Agriculture has specified do not require a movement permit. Extends the movement permit requirement to include noxious weeds.
- 7 Applicant.**
Defines this term for purposes of the Industrial Hemp Development Act to mean an individual or entity that applies to MDA for a hemp license.
- 8 Authorized representative.**
Defines this term for purposes of the Industrial Hemp Development Act to mean an individual authorized by a hemp licensee to make license changes or share data.
- 9 Entity.**
Defines this term for purposes of the Industrial Hemp Development Act and hemp licensing.
- 10 Processing.**
Defines this term for purposes of the Industrial Hemp Development Act to mean rendering by refinement, but not sorting, grading, baling, harvesting, or other typical farm operations.
- 11 Processing location.**
Defines this term for purposes of the Industrial Hemp Development Act to mean any processing location registered with, and approved by, MDA.
- 12 Processor.**
Defines this term for purposes of the Industrial Hemp Development Act as any person or business that converts raw hemp into a product.

Section Description – Article 4: Miscellaneous Provisions

- 13 Requirement; issuance; presumption.**
Requires a person to obtain a hemp license from MDA before (1) growing hemp for research purposes, and (2) processing industrial hemp for commercial purposes. Requires those applying for a grower license to submit to MDA all information required under the United States Department of Agriculture’s hemp production regulations. Requires those applying for a processing license to provide specified information plus any other information required by MDA. Provides that a licensee is responsible for complying with hemp license requirements irrespective of the acts or omissions of the licensee’s authorized representatives. Establishes a presumption that a person licensed by MDA to grow hemp for research purposes is in fact growing hemp for research purposes.
- 14 Federal requirements.**
Requires each processor license applicant to demonstrate to MDA’s satisfaction that the applicant has satisfied applicable federal hemp processing requirements.
- 15 Industrial hemp licensing data classification.**
Classifies as private or nonpublic certain data provided to MDA by industrial hemp licensees and license applicants, which generally prohibits MDA from releasing this information to the public. Authorizes MDA to release the data in certain circumstances.
- 16 Industrial hemp licensing data security and auditing.**
Requires MDA to establish written procedures ensuring that only authorized individuals have access to classified hemp data. Requires MDA to maintain an audit trail that identifies all queries and responses concerning this classified data. Requires MDA to immediately revoke the authorization of any individual who willfully violates state or federal data practices laws. Requires MDA to report to law enforcement anyone who willfully gains unauthorized access. Requires MDA to provide a copy of the audit trail to the Department of Administration and certain legislators and a joint House-Senate data practices commission each odd-numbered year.
- 17 Rulemaking.**
Requires MDA to adopt rules governing hemp processors. Provides that MDA’s authority to adopt these rules does not expire 18 months after enactment of the law that required MDA to adopt hemp rules, but instead expires on June 30, 2022.
- 18 Adoption.**
Adopts the Association of American Feed Control Officials’ Model Pet and Specialty Pet Food Regulation as Minnesota’s official pet and specialty pet food rules.

Section Description – Article 4: Miscellaneous Provisions

- 19 **Notice; public comment.**
Provides that if the Association of American Feed Control Officials revises the Model Pet and Specialty Pet Food Regulation, said revisions are automatically adopted in Minnesota unless MDA specifically determines otherwise.
- 20 **Custom processor.**
Links the definition of “custom processor” for purposes of food handler licensing to a similar definition in state meat and poultry inspection law.
- 21 **Egg temperature.**
Allows egg retailers to hold eggs at up to 45 degrees Fahrenheit, rather than 41. Eliminates language that grandfathered-in egg equipment in use prior to August 1, 1991.
- 22 **Meat food product; poultry food product.**
Expands the definition of meat food product and poultry food product for purposes of state meat and poultry inspection law to include wild game or fowl.
- 23 **Prohibitions.**
Allows a person to give away custom-processed, noninspected deer, wild game, and fowl via donation or gift.
- 24 **Inspection.**
Specifies that meat and poultry inspection requirements do not apply to custom-processed animals, wild game, or fowl, but the meat must be identified and handled as required by MDA.
- 25 **Loans.**
Doubles the maximum loan amount under the Rural Finance Authority’s Pilot Agricultural Microloan Program from \$10,000 to \$20,000.
- 26 **Minnesota Agricultural Education Leadership Council.**
Modifies the membership of the Minnesota Agricultural Education Leadership Council (MAELC). Reduces total council membership from 17 to 16 by eliminating the representative of the Minnesota Private Colleges Council. Modifies qualifications for one council position by eliminating reference to the chair of the University of Minnesota agricultural education program; provides that going forward this position will be filled by a person representing an agricultural education program at a higher education institution. Updates obsolete references to certain organizations that must be represented on the council. Deletes obsolete committee names and replaces

Section Description – Article 4: Miscellaneous Provisions

- them with general references to the legislature’s agriculture and education committees. Replaces “agriculture” with “agricultural” in multiple places.
- 27 **Agricultural education grant program.**
Technical, MAELC conforming changes.
- 28 **Minnesota Center for Agricultural Education.**
Technical, MAELC conforming changes.
- 29 **Resource, magnet, and outreach programs.**
Technical, MAELC conforming changes
- 30 **Grain.**
Defines this term for purposes of MDA’s grain buyer licensing program to mean products commonly referred to as grain and other products ordinarily stored in grain warehouses.
- 31 **Oral contracts.**
Provide additional time (30 days, instead of 10 under prior law) for licensed grain buyers to provide written confirmation to farmers or others who sell their grain to the buyer and orally elect to defer payment until a later date (i.e., enter into an oral “voluntary extension of credit contract”).
- 32 **Contracts reduced to writing.**
Provides additional time (30 days, instead of 10 under prior law) for licensed grain buyers to reduce a voluntary extension of credit contract to writing, mail or give it to the seller, and have the contract signed by both buyer and seller.
- 33 **Veterinarian immunity.**
Provides civil and criminal penalty immunity to a licensed veterinarian who in good faith and in the normal course of business reports suspected animal cruelty to law enforcement. Specifies an effective date of August 1, 2020, and prospective applicability.
- 34 **Agriculture, bioenergy, and bioproduct advancement.**
Modifies the Laws 2019 appropriation for the Agriculture Growth, Research, and Innovation (AGRI) program at MDA to specify that the \$5 million allocation for innovative soybean processing and research is to be used for a facility at the Ag Innovation Campus (in Crookston).

Section Description – Article 4: Miscellaneous Provisions

35 Farm safety recommendations.

Requires MDA, in consultation with the existing Farm Safety Advisory Committee, to report recommendations to the legislature by January 15 of next year regarding how best to provide financial and technical workplace safety assistance to Minnesota farmers.

36 Biofuels report.

Requires MDA to report to the legislature by January 15, 2021, specific policies and infrastructure necessary to meet the state’s existing petroleum replacement goal and to utilize biofuels to achieve the state’s existing greenhouse gas reduction goals.



Minnesota House Research Department provides nonpartisan legislative, legal, and information services to the Minnesota House of Representatives. This document can be made available in alternative formats.

www.house.mn/hrd | 651-296-6753 | 600 State Office Building | St. Paul, MN 55155