

**File Number:** H.F. 4133  
**Version:** Third engrossment

**Date:** May 15, 2018

**Authors:** Anderson, P. and others

**Subject:** Agriculture policy

**Analyst:** Colbey Sullivan

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd/](http://www.house.mn/hrd/).

### Overview

This is the 2018 omnibus agriculture policy bill. It includes language from the Minnesota Department of Agriculture's proposed omnibus policy bill (H.F. 4133, as introduced). It also includes H.F.s 3472 (Swedzinski, saltwater aquaculture), 3374 (Munson, noncommercial pesticide applicators), and 2887 (Backer, nitrogen fertilizer rule).

#### Section

- 1**     **Purpose.** Expands eligibility for the Agricultural Best Management Practices (AgBMP) loan program to include public drainage ditch authorities.  
**Effective date:** Effective the day following final enactment.
- 2**     **Definitions.** As in section 1, this section would make public drainage ditch authorities eligible for AgBMP loans.  
**Effective date:** Effective the day following final enactment.
- 3**     **Loans issued to borrower.** Expands existing AgBMP loan limits to allow public drainage ditch authorities to receive larger loans when these loans benefit multiple landowners.  
**Effective date:** Effective the day following final enactment.
- 4**     **Aquaculture permits; rules.** Requires the Minnesota Pollution Control Agency (MPCA) to classify saltwater aquatic farms and facilities that process saltwater aquatic life as agricultural operations for purposes of any construction, discharge, or other permit issued by the agency.

## Section

- 5**      **Saltwater aquaculture.** Defines this term for purposes of the Department of Natural Resources (DNR) transportation and importation permit requirements established below.
- 6**      **Saltwater aquatic farm.** Defines this term for purposes of the MPCA permit language above and the transportation and importation permit requirements established below.
- 7**      **Saltwater aquatic life.** Defines this term for purposes of the MPCA permit language above and the transportation and importation requirements established below.
- 8**      **Transportation or importation of saltwater aquatic life; quarantine requirement.**
- Subd. 1. Purpose.** Establishes a legislative finding that it is in the public interest to increase private saltwater aquaculture under the coordination of the Minnesota Department of Agriculture (MDA).
- Subd. 2. Transportation permit.** Provides that mandatory transportation and importation permits for saltwater aquatic life are issued by the DNR and governed by this section. Establishes permit requirements.
- Subd. 3. Exemptions.** Establishes exemptions for the permit requirements established above.
- 9**      **Expenses; reimbursements.** Modifies noxious weed law to clarify that any weed-control claim against publicly owned or managed land must first be approved by MDA.
- 10**     **Fees.** Provides that a contractor performing rest area custodial services for the Minnesota Department of Transportation is eligible to receive a noncommercial pesticide applicator license from MDA and can pay a lower license fee.
- 11**     **Drug.** Clarifies the definition of “drug” for purposes of commercial feed law.
- 12**     **Application; date of issuance.** Establishes the license period for a new foodhandler license category available only to certain custom-exempt food handlers.
- 13**     **Classification.** Creates the new custom-exempt license category. Custom-exempt businesses are those that slaughter and/or process animals (e.g, livestock, wild game) or poultry for consumption by the animal or bird’s owner. Businesses eligible for this new license category would be those that mark all products as “Not For Sale” and do not conduct retail or wholesale sales in the same facility.
- 14**     **Fees effective July 1, 2003.** Provides that those who receive the new custom-exempt food handler license would pay the same fee as those with a retail food handler license.
- 15**     **Cottage foods exemption.** Allows Limited Liability Companies (LLCs) with at least \$1,000,000 in liability insurance to qualify for this food-handler license exemption. Currently only individuals are eligible.
- 16**     **Eggs in possession of retailer.** Establishes separate shelf-life limits for Grade A and Grade AA eggs sold at retail, allowing Grade A eggs to stay on the shelf almost 50 percent longer than Grade AA eggs before they must be removed from sale.
- 17**     **Milk storage requirement.** Prohibits haulers from picking up milk from a dairy farm unless the farm’s bulk tank is in proper working order. Prohibits a hauler from picking up milk

## Section

stored for more than 72 hours at a farm; authorizes MDA to waive this 72-hour limit in cases of hardship, emergency, or natural disaster.

- 18 Labels.** Modifies requirements for labeling milk and dairy products that were produced in a state where official milk plant numbers are not assigned.
- 19 Manufacture of cheese; requirements in process.** Requires cheese produced from unpasteurized milk and aged for at least 60 days at a temperature of 35 degrees or more to be labeled as more than 60 days old.
- 20 Emergency powers.** Allows MDA to issue permits, in the event of a disaster, to move food if the applicant satisfies all disease and other control measures established by the agency.
- 21 Biomass.** Defines this term for purposes of the Advanced Biofuel Production Incentive, Renewable Chemical Production Incentive, and Biomass Thermal Production Incentive programs.
- 22 Renewable chemical.** Modifies the definition of “renewable chemical” for purposes of determining a facility’s eligibility for the Renewable Chemical Production Incentive Program. Eliminates the term “biobased content” from the definition – the definition for that term would be repealed in the final section of this bill.
- 23 Eligibility.** Modifies biomass sourcing requirements for the Advanced Biofuel Production Incentive Program and removes language limiting eligibility to advanced biofuel produced from agriculture, forestry, or solid waste sources. Lowers the minimum quarterly production level. Modifies biomass sourcing requirements for facilities located near the state border.
- 24 Cellulosic forestry biomass requirements.** Modifies requirements that apply to forestry biomass used to produce advanced biofuel under the Advanced Biofuel Production Incentive Program. Establishes a definition of “forest management plan” by referencing the corresponding definition in the Sustainable Forest Incentive Act administered by the Department of Revenue.
- 25 Eligibility.** Similar to a prior section, this section modifies biomass sourcing requirements for the Renewable Chemical Production Incentive Program, removes language limiting eligibility to renewable chemical produced from biobased content, and lowers minimum quarterly production levels.
- 26 Payment amounts; bonus; limits.** Clarifies that when a facility blends both renewable and nonrenewable chemicals, only the percentage of the blended product that is attributable to renewable chemicals is eligible for payment under the Renewable Chemical Production Incentive Program.
- 27 Cellulosic forestry biomass requirement.** Modifies requirements that apply to forestry biomass used to produce renewable chemicals under the Renewable Chemical Production Incentive Program. Establishes a definition of forest management plan by referencing the corresponding definition in the Sustainable Forest Incentive Act administered by the Department of Revenue.
- 28 Eligibility.** Similar to prior sections, this section modifies terminology and biomass sourcing requirements for the Biomass Thermal Production Incentive Program.

## Section

- 29**      **Cellulosic forestry biomass requirement.** Modifies requirements that apply to forestry biomass used to produce biomass thermal energy under the Biomass Thermal Production Incentive Program. Establishes a definition of forest management plan by referencing the corresponding definition in the Sustainable Forest Incentive Act administered by the Department of Revenue.
- 30**      **Livestock expansion.** Authorizes the Rural Finance Authority to participate in Livestock Expansion loans that facilitate the purchase of a livestock farm.
- 31**      **Establishment.** Expands eligibility for the Rural Finance Authority’s Disaster Recovery Loan Program by eliminating language restricting loan eligibility to farmers who experience damage or loss caused by high winds, hail, tornado, or flood.
- 32**      **Eligibility.** Similar to the prior section, this section expands eligibility for the Rural Finance Authority’s Disaster Recovery Loan Program by authorizing loans to farmers who experience damage or loss caused by any MDA-determined market disaster or emergency.
- 33**      **Loan criteria.** Eliminates language preventing a borrower from receiving more than one methane digester loan through the Rural Finance Authority.
- 34**      **Loans.** Increases the cap on the Rural Finance Authority’s participation in a livestock equipment loan from \$40,000 to \$100,000.
- 35**      **Loan participation.** Increases the cap on the Rural Finance Authority’s participation in a farm opportunity loan from \$45,000 to \$100,000 per individual, and from \$180,000 to \$250,000 for a group of four or more individuals.
- 36**      **Areas where groundwater pollution is detected.** Prevents MDA from adopting mandatory rules, or “water resource protection requirements,” for nitrogen fertilizer under authority of the Groundwater Protection Act (Minn. Stat. ch. 103H) unless the proposed requirements are specifically approved by law.
- 37**      **Repealer.** Repeals existing definitions of “biobased content” and “biobased formulated product” for purposes of the Advanced Biofuel Production Incentive, Renewable Chemical Production Incentive, and Biomass Thermal Production Incentive programs.