

Subject Agriculture policy
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Date February 27, 2019

Overview

This is the omnibus agriculture policy bill as recommended by Governor Tim Walz and the Minnesota Department of Agriculture (MDA).

Summary

Section	Description
1	<p>Payment of inspection fee.</p> <p>Extends the expiring 40 cent/ton Minnesota Agricultural Fertilizer Research and Education Council (AFREC) surcharge by ten years, to June 30, 2029. This surcharge is paid to MDA by companies that register or distribute fertilizer products sold in Minnesota.</p>
2	<p>Expiration.</p> <p>Extends the AFREC council by ten years, to June 30, 2030. The AFREC council solicits applications and selects fertilizer research and outreach projects that receive grants funded by the AFREC surcharge revenue.</p>
3	<p>Expiration.</p> <p>Extends the Agricultural Fertilizer Research and Education Program administered by AFREC by ten years, to June 30, 2030.</p>
4	<p>Expiration.</p> <p>Extends by ten years, to June 30, 2030, the dedicated account that holds AFREC surcharge proceeds.</p>
5	<p>Storage of nursery stock.</p> <p>Authorizes MDA to approve alternative management practices that nurseries may use to maintain the viability of balled and burlapped stock.</p>
6	<p>Industrial hemp.</p> <p>Expands the definition of industrial hemp for purposes of the state's industrial hemp development and regulatory statutes to include any species of the genus <i>Cannibus</i> as well</p>

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	as all seeds, derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers with a THC concentration of 0.3 percent or less.
7	Rulemaking. Authorizes MDA to use an expedited rulemaking process when developing rules required under current law for the industrial hemp industry. Under this expedited process, MDA would develop proposed hemp rules, publish notice in the State Register, and send a copy of these proposed rules to persons registered with the department to receive rulemaking notices. MDA would be required to accept public comments for at least 30 days and could make corresponding changes, after which an Administrative Law Judge would review and approve or disapprove the proposed rules. MDA would not be required to hold a public hearing or prepare a formal Statement of Need and Reasonableness.
8	Drug. Clarifies interpretation of the definition of “drug” for purposes of commercial feed law.
9	Application; date of issuance. Establishes the license period for a new food handler license category created in the next section. This new license would be available to businesses that conduct only custom-exempt meat and poultry processing or slaughter. Custom-exempt operations are those that slaughter and process animals (e.g. livestock, poultry, wild game) for consumption by the animal’s owner.
10	Classification. Creates the new custom-exempt license category. 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.
11	Delegation to local board of health. Expands MDA’s ability to delegate its statutory responsibility for retail food business licensing and inspections to local units of government. With this change, MDA’s delegation authority would expand from only groceries and convenience stores to include other retail food handlers as well. However, MDA would retain jurisdiction over meat and poultry processors and other businesses regulated under the state meat inspection program. Under current law, MDA may delegate to local units of government only the agency’s authority to inspect grocery and convenience stores.
12	Agreements to perform duties of commissioner. Makes conforming changes to reflect MDA’s expanded food-handler delegation authority.
13	Approval of agreements. Makes conforming changes to reflect MDA’s expanded food-handler delegation authority.

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14	<p>Fees effective July 1, 2003.</p> <p>Provides that those who apply for and receive the new custom-exempt food handler license would pay the same fee as those businesses that hold a retail food handler license.</p>
15	<p>Eggs in possession of retailer.</p> <p>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.</p>
16	<p>Milk storage requirement.</p> <p>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 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.</p>
17	<p>Labels.</p> <p>Modifies required label information for milk and dairy products sold in Minnesota when these products were produced in another state where official milk plant numbers are not assigned.</p>
18	<p>Manufacture of cheese; requirements in process.</p> <p>Requires cheese produced from raw milk and subjected to an aging process for at least 60 days after manufacture at a temperature of 35 degrees or more to be labeled as aged for 60 days or more.</p>
19	<p>Emergency powers.</p> <p>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.</p>
20	<p>Advanced biofuel.</p> <p>Modifies the definition of "advanced biofuel" for purposes of the Advanced Biofuel Production Incentive Program to coincide with, rather than link directly to, the corresponding definition in the federal Renewable Fuels Standard. This would allow MDA to designate additional eligible advanced biofuels when such fuels have not yet been officially designated by the United States Environmental Protection Agency under the federal Renewable Fuel Standard.</p>

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21	Biomass. Defines this term for purposes of biomass sourcing requirements in 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. Authorizes MDA to determine that additional fuels are eligible under the program if the fuels have lifecycle greenhouse gas emissions that are at least 50 percent less than greenhouse gas emissions for comparable petroleum-based fuels. 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 eligible for incentive payments 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 modifies biomass sourcing requirements for facilities located near the state border.
26	Payment amounts; bonus; limits. Authorizes payment under the Renewable Chemical Production Incentive Program of 3 cents/pound of renewable chemical produced from starch, oil, or animal fat.
27	Cellulosic forestry biomass requirements. 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.

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28	<p>Eligibility.</p> <p>Similar to prior sections, this section modifies terminology and biomass sourcing requirements for the Biomass Thermal (energy) Production Incentive Program.</p>
29	<p>Payment amounts; bonus; limits; blending.</p> <p>Clarifies that when a facility blends cellulosic feedstock with other fuels in the production of energy, only the percentage of the total energy attributable to biomass that satisfies the statute's cellulosic biomass sourcing requirements is eligible for payment under the Biomass Thermal Production Incentive Program. Provides that if an energy producer becomes eligible due to expanded or retrofitted production capacity, MDA will assume that all qualifying biomass was used to produce biomass thermal energy from the added or retrofitted capacity.</p>
30	<p>Cellulosic forestry biomass requirements.</p> <p>Modifies requirements that apply to forestry biomass used to produce eligible 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.</p>
31	<p>Livestock expansion.</p> <p>Authorizes the Rural Finance Authority (RFA) to participate in Livestock Expansion loans that facilitate the purchase of a livestock farm.</p>
32	<p>Eligibility for beginning farmer loans.</p> <p>Modifies RFA's authority to waive farm education requirements for Beginning Farmer Loan recipients.</p>
33	<p>Definitions.</p> <p>Modifies eligibility for the Beginning Farmer Tax Credit Programs originally enacted in 2017. Modifies farm education requirements for participating beginning farmers. Authorizes MDA to waive the requirement if the farmer has a four-year degree in an agricultural program or related field, reasonable agricultural job-related experience, or certification as an adult farm management instructor.</p> <p>Effective date: This section would be effective for tax years beginning after December 31, 2018.</p>
34	<p>Establishment.</p> <p>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. Authorizes loans to eligible farmers who</p>

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	replace livestock, improve buildings, or replace lost revenue due to the confirmed presence of a highly pathogenic animal disease on a Minnesota livestock farm.
35	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 RFA-determined market disaster or emergency.
36	Loan criteria. Eliminates language preventing a borrower from receiving more than one methane digester loan through the Rural Finance Authority.
37	Loans. Increases the cap on the Rural Finance Authority's participation in a livestock equipment loan from \$40,000 to \$100,000.
38	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.
39	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. These terms would effectively be replaced by the new term "biomass," which is defined in this bill for purposes of these same programs.



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