

The Senate Agriculture, Veterans and Gaming Committee met on Monday, March 7, 2005 at 3:00 p.m. in Room 112, Capitol. The following members were present:

Vickerman, Chair
Skoe, Vice Chair
Day
Dille
Hann
Johnson, D.E.
Koering
Lourey
Nienow
Rest
Sams
Wergin

Senators Murphy and Solon were absent.

Senator Vickerman called the meeting to order at 3:12 p.m. He called on Senator Johnson, D.E., for S.F.787. He stated this bill would authorize a study of the feasibility and desirability to construct a rail container load out facility in or near the city of Willmar. He stated Willmar is the second or third busiest train station in the State of Minnesota.

Craig Damstrom, Trade Consultant, MN Department of Agriculture, "SEE ATTACHMENT A." He stated a study should be done first to see if this is feasible. He stated railroads are not necessarily the cheapest. However, in the long-term, rates would go down. He stated the Willmar project needs to take into consideration all of the potential transportation synergies that are available in Minnesota.

Bob Zelenka, Midwest Shippers Association, testified in support. He stated they have worked with growers and processors to have these containers and they have moved approximately 1,000 of them.

Senator Johnson moved amendment SCS0787A-1. AMENDMENT PASSED.

Senator Johnson moved S.F. 787, as amended, be passed and be re-referred to Finance. BILL PASSED.

Senator Skoe presented S.F. 1150. This bill requires businesses that sell leases to file a bond. Senator Skoe moved amendment SCS1150A-3. AMENDMENT PASSED.

John Apitz, Farm Credit Services, testified this bill is fine with them.

Jerry Schoenfeld, Farm Equipment Dealers, testified they have concerns. The person who originates the lease is a concern, there is no licensing or registration so how would you enforce it? The law would be ineffective. He suggested we take a look at the definition of "lease" and what it means.

Senator Skoe stated he would move to lay his bill on the table until some of these concerns are worked out. Bill Laid on the Table.

Senator Dille presented S.F. 1151 for Senator Sams. He stated this bill allows for a base funding level for rural economic development projects. It can also include ethanol producer payments.

Bruce Kleven, MN Farm Bureau, he was speaking for Chris Radatz, and stated they support the bill.

Thom Petersen, MN Farmers Union, testified in support and stated they want to try and keep some money in agriculture. In 06-07 only \$71 million is to go into agriculture. That is less than 1/3 of 1 percent of the state budget.

Jerry Schoenfeld, Farm Equipment Dealers, stated they are totally supportive of maintaining base level funding. Their concern is you lock down what it can be used for and he stated he's not sure if we want to do that.

Senator Skoe moved on page 2, line 1, delete "of processing and marketing facilities" and insert "activities" AMENDMENT PASSED.

Senator Hann stated he is concerned about making a blanket appropriation.

Vic Moore, Gopher State Ethanol, stated Gopher State has filed bankruptcy, but the possibility does exist that they could produce ethanol again and money could be paid to them in the future.

Senator Nienow suggested the Commissioner of Agriculture issue a report twice a year telling us how the money was spent.

Senator Dille stated the Commissioner would do that anyway – without having to do a report.


Greg Knopf, Senate Research, suggested on Page 4, line 34, delete "catch-up" and insert "deficiency"

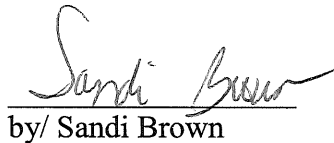
Senator Dille moved that amendment. AMENDMENT PASSED.

Senator Dille moved S.F. 1151, as amended, be passed and re-referred to Finance. BILL PASSED.

Meeting adjourned at 4:30 p.m.

This meeting was taped.


Sen. Jim Vickerman, Chair


by/ Sandi Brown

Senate Agriculture, Veterans and Gaming Committee

Monday, March 7, 2005

3:00 p.m. Room 112, Capitol

A G E N D A

S.F. 787-Johnson, D.C. – Willmar rail facility study *Amended, Passed, Ref. to Finance*

Craig Damstrom – MN Dept of Agriculture
Bob Zelenka – Midwest Shippers Association

S.F. 1150-Skoe: Agricultural equipment leases; bond requirement *Laid on the Table*

S.F. 1151-Sams: Rural economic development program *Amended, Passed, Ref. to Finance*

*Bruce Kleven
Thom Peterson*

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AGENDA

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S.F. 1151-Sams: Rural economic development program

