

**Senate Counsel, Research,
and Fiscal Analysis**


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Senate

State of Minnesota

S.F. No. 1991 - Military Pay Differential

Author: Senator Steve Murphy

Prepared by: Carol E. Baker, Senate Counsel (651/296-4395) 

Date: April 6, 2005

S.F. No. 1991 clarifies current law that provides a pay differential to state employees who, as members of the National Guard or other reserves, are ordered to active military service and incur an earnings decrease as a result.

Section 1 [Payment of Salary Differential for Reserve Forces Who Reported for Active Service] clarifies that:

- (1) the person's total monthly gross salary, excluding overtime pay, is the figure that must be used to calculate the person's earnings as a state employee (averaged over the last three full months of the person's state employment before military mobilization); and
- (2) the pay differential calculations must be made on a monthly basis, rather than on an hourly basis or daily basis, since that is the basis for military pay.

The bill also clarifies the information sharing process, as follows:

- (1) it establishes that the soldier is responsible for notifying the employing state agency of the military orders, and must provide the name and contact information for his or her designated power-of-attorney;
- (2) it further establishes that the employing state agency must:
 - (i) make information readily available (e.g., on its Web site) to inform its citizen-soldier employees of the various employment-related decisions that must be made upon mobilization regarding state benefit continuation and any optional deductions;

(ii) request the name and contact information of the person's designated power-of-attorney and immediately convey that information to the Commissioners of Finance and Employee Relations; and

(iii) provide to the employee's designated power of attorney a copy of any information or communications directed to the employee during the person's military leave, and must also honor requests for information or other appropriate directives from that designee on behalf of the employee during the person's military leave.

The bill clarifies that the pay differential law is not precluded by the language of Minnesota Statutes, section 192.261, stipulating that long-term military leave is an unpaid leave.

CEB:rdr

Senator Murphy introduced--

S.F. No. 1991: Referred to the Committee on Agriculture, Veterans and Gaming.

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A bill for an act

relating to the military; clarifying the pay differential law for state employees who are ordered to active military service; amending Minnesota Statutes 2004, sections 43A.183; 192.261, subdivision 1.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes 2004, section 43A.183, is amended to read:

43A.183 [PAYMENT OF SALARY DIFFERENTIAL FOR RESERVE FORCES WHO REPORTED FOR ACTIVE SERVICE.]

(a) Each agency head shall pay to each eligible member of the National Guard or other reserve component of the United States armed forces of ~~the United States~~ an amount equal to the ~~difference between the member's basic active-duty military salary and the salary the member would be paid as an active state employee, including any adjustments the member would have received if not on leave of absence~~ person's salary differential for each month or portion of month that the person is ordered to serve in active military service. The person's salary differential is calculated as the difference between:

(1) the person's monthly total gross earnings as an active state employee, excluding any overtime pay received but including all other earnings, averaged over the last three full months of the person's active state employment prior to reporting to active military service, and including any

1 additional salary or earnings adjustments that the person would
2 have received at any time during the person's military leave had
3 the person been serving as an active state employee during that
4 time; and

5 (2) the person's monthly base pay in active military
6 service.

7 This payment may be made only to a person whose basic
8 ~~active-duty-military-salary-is-less-than-the-salary-the-person~~
9 ~~would-be-paid-as-an-active-state-employee~~ for whom the amount in
10 clause (1) is greater than the amount in clause (2). Payments
11 must be made at the intervals at which the member received pay
12 as a state employee, except that any back pay due under this
13 section may be paid as a lump sum. Payment under this section
14 must not extend beyond four years from the date the employee
15 reported for active service, plus any additional time the
16 employee may be legally required to serve. An eligible member
17 of the National Guard or other reserve component of the United
18 States armed forces may apply for the pay differential benefits
19 authorized under this section prior to, during, or following the
20 person's active military service on or after May 29, 2003.

21 (b) An eligible member of the reserve components of the
22 United States armed forces ~~of-the-United-States~~ is a reservist
23 or National Guard member who was an employee of the state of
24 Minnesota at the time the member reported took military leave
25 under section 192.261 to report for active military service.

26 (c) For the purposes of this section, an employee of the
27 state is an employee of the executive, judicial, or legislative
28 branch of state government or an employee of the Minnesota State
29 Retirement System, the Public Employee Retirement Association,
30 or the Teachers Retirement Association.

31 (d) For purposes of this section, the term "active service"
32 has the meaning given in section 190.05, subdivision 5, but
33 excludes service performed exclusively for purposes of:

34 (1) basic combat training, advanced individual training,
35 annual training, and periodic inactive duty training;

36 (2) special training periodically made available to reserve

1 members; and

2 (3) service performed in accordance with section 190.08,
3 subdivision 3; and

4 (4) service performed as part of the active guard/reserve
5 program pursuant to United States Code, title 32, section
6 502(f), or other applicable authority.

7 (e) The agency head must continue the employee's enrollment
8 in health and dental coverage, and the employer contribution
9 toward that coverage, until the employee ~~is-covered-by-health~~
10 ~~and-dental-coverage-provided-by-the-armed-forces~~ reports for
11 active military service. If the employee had elected dependent
12 coverage for health or dental coverage as of the time that the
13 employee reported for active service, the agency head must offer
14 the employee the option to continue the dependent coverage at
15 the employee's own expense. The agency head must permit the
16 employee to continue participating in any pretax account in
17 which the employee participated when the employee reported for
18 active service, to the extent of employee pay available for that
19 purpose. An employee who has opted to continue a permitted
20 benefit may cancel that continuation at any time during the
21 person's military leave by written notification from the
22 employee, or from the employee's designated attorney-in-fact
23 under a power of attorney, to the agency head or the
24 commissioner of employee relations.

25 (f) The agency head must periodically inform in writing all
26 agency personnel who are or may be members of the reserve
27 component of the United States armed forces of the benefits
28 provided under this section and of the procedures relevant to
29 securing those benefits, including but not limited to any
30 procedures regarding the continuation and discontinuation of any
31 optional deductions. It will suffice to meet this requirement
32 if the agency head posts the information on the agency Web site
33 in a highly recognizable manner that can be easily found and
34 understood by the employees to whom it might apply.

35 Upon being ordered to active duty, the employee must notify
36 the agency head of that order in a timely manner and must

1 provide to the agency head the name of and contact information
2 for the employee's designated attorney-in-fact under a power of
3 attorney. Prior to the commencement of the employee's military
4 leave, the agency head must ensure the agency's receipt of that
5 information and immediately convey that information to the
6 commissioners of finance and employee relations, including any
7 subsequent change in that designation by the employee. When
8 communicating with the employee during the person's military
9 leave, the agency head and the commissioners of finance and
10 employee relations must immediately provide a copy of the
11 communication to the employee's designated attorney-in-fact.
12 Those officials must also honor requests for information or
13 other appropriate directives from that designee on behalf of the
14 employee during the employee's military leave.

15 (g) The commissioners of employee relations and finance
16 shall adopt procedures required to implement this section. The
17 procedures are exempt from chapter 14.

18 ~~(g)~~ (h) This section does not apply to a judge, legislator,
19 or constitutional officer of the executive branch.

20 [EFFECTIVE DATE.] This section is effective the day
21 following final enactment and applies to state employees serving
22 in active military service on or after May 29, 2003.

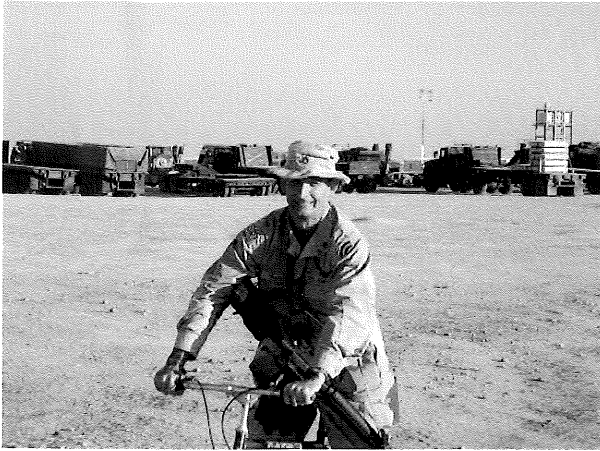
23 Sec. 2. Minnesota Statutes 2004, section 192.261,
24 subdivision 1, is amended to read:

25 Subdivision 1. [LEAVE OF ABSENCE WITHOUT PAY.] Subject to
26 the conditions hereinafter prescribed, any officer or employee
27 of the state or of any political subdivision, municipal
28 corporation, or other public agency of the state who engages in
29 active service in time of war or other emergency declared by
30 proper authority in any of the military or naval forces of the
31 state or of the United States for which leave is not otherwise
32 allowed by law shall be entitled to leave of absence from the
33 officer's or employee's public office or employment without pay
34 during such service, with right of reinstatement as hereinafter
35 provided. Such leave of absence without pay, whether heretofore
36 or hereafter, shall not extend beyond four years plus such

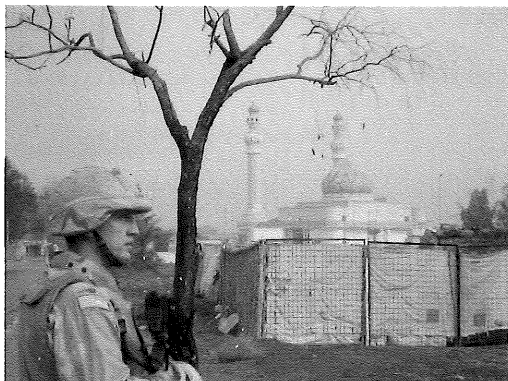
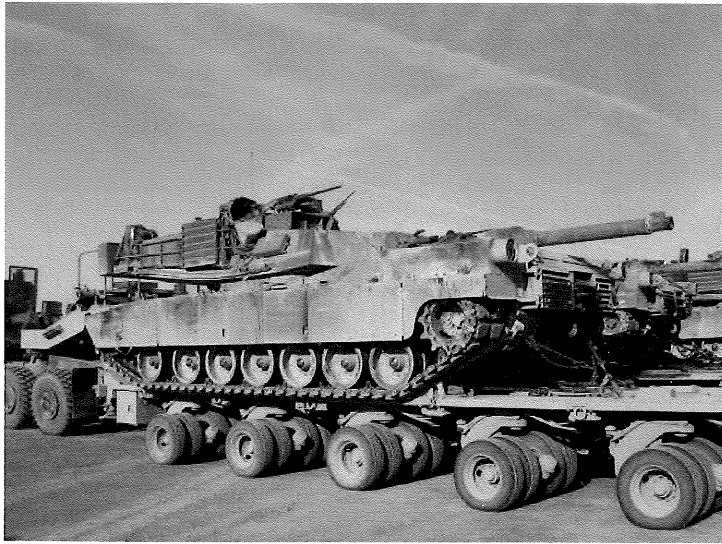
1 additional time in each case as such an officer or employee may
2 be required to serve pursuant to law. This shall not be
3 construed to preclude the allowance of leave with pay for such
4 service to any person entitled thereto under section 43A.183,
5 192.26, or 471.975. Nothing in this section contained shall
6 affect any of the provisions or application of section 352.27
7 nor of section 192.26 to 192.264, or any laws amendatory
8 thereof, insofar as such sections pertain to the state employees
9 retirement association or its members.

10 [EFFECTIVE DATE.] This section is effective the day
11 following final enactment and applies to state employees serving
12 in active military service on or after May 29, 2003.

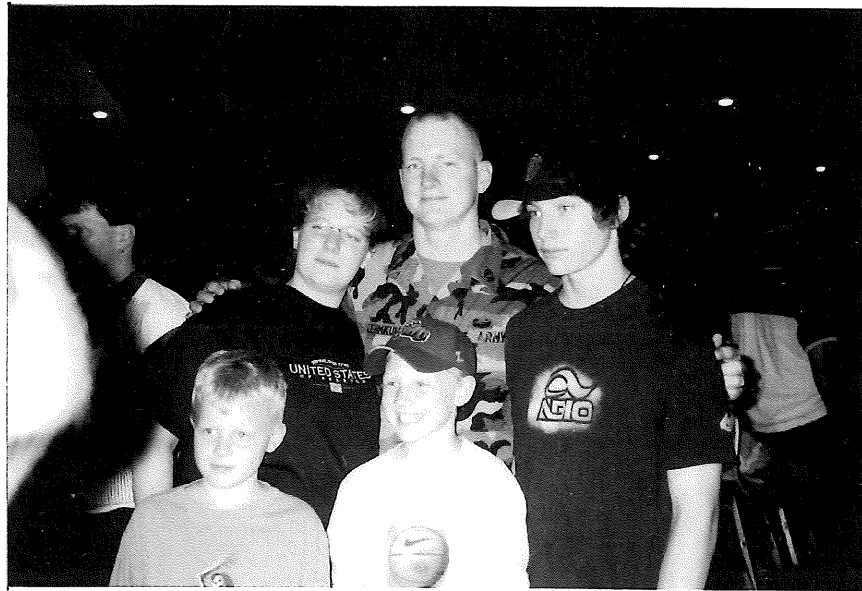
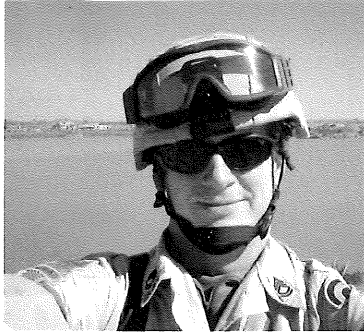
"Attachment B"



**Staff Sgt. Scott Theisen, from St. Cloud, Minnesota
serving with
Bravo Co. 434th MSB of the Mn Army NG
at FOB Speicher, near Tikrit Iraq – 2005**



"Attachment C"



**Sgt 1st Class Scott Lehmkuhl with his family in Sartell, Minnesota
currently serving with
Bravo Co. 434th MSB of the Minnesota Army NG,
out of
FOB Speicher, near Tikrit Iraq, north of Bagdad**



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Senate

State of Minnesota

S.F. No. 2066 - Criminal Penalties for Cockfighting and Dogfighting

Author: Senator Wes Skoglund

Prepared by: Carol E. Baker, Senate Counsel (651/296-4395) *CEB*

Date: April 6, 2005

Section 1, subdivision 1 [Penalty for Animal Fighting; Attending Animal Fight.] makes technical changes.

Subdivision 2 [Penalty for Possessing a Fighting Dog.] makes it a gross misdemeanor for a person to own or have custody of a dog trained for use in dog fights. It is conclusive evidence that a dog has been trained to fight if the dog has fresh wounds or scarring and the person possesses training equipment or drugs known to be used to train dogs to fight.

Subdivision 3 [Affirmative Defense.] makes it an affirmative defense if the preponderance of evidence proves that:

- (1) the person does not use or train the dog in dog fighting; and
- (2) drugs or other equipment found in the person's possession are used solely to maintain the health of the dog.

Subdivision 4 [Penalty for Possessing Fighting Birds.] makes it a gross misdemeanor for a person to own or have custody of a cock or other type of bird trained for use in bird fights. It is conclusive that a bird has been trained to fight if the bird exhibits fresh wounds or scarring and the person possesses training equipment or drugs known to be used for birds that fight.

Subdivision 5 [Affirmative Defense.] makes it an affirmative defense if a preponderance of the evidence proves that the person did not use or train the bird for fighting and

accompanying drugs or equipment found in the person's possession are used solely to maintain the health of the bird.

Subdivision 6 [Peace Officer Duties.] declares that the animals described in subdivisions 2 and 4 are dangerous weapons and constitute an immediate danger to the safety of humans. It allows a peace officer or animal control authority to remove, shelter, and care for those animals. The peace officer must immediately notify the owner if known. If the owner is unknown and cannot be ascertained, or does not, within ten days after notice, redeem the animal by paying the expenses, the animal may be disposed of.

Subdivision 7 [Disposition.]

Paragraph (a) allows an animal taken into custody to be humanly disposed of after ten days if certain procedures are followed.

Paragraph (b) allows the animal's owner to prevent disposition by posting security within ten days in an amount to provide for the actual cost of keeping the animal.

Paragraph (c) requires the authority taking custody of the animal to give notice to the owner by mail, posting a copy where the animal was taken into custody, or delivering it to a person residing on the property, and telephoning if possible. The notice must include:

- (1) a description of the animal, details of the circumstances regarding the seizure, and information to contact the person where the animal is kept;
- (2) a statement that the owner may post security to prevent disposition of the animal and may request a hearing within ten days; and
- (3) a statement that all costs relevant to keeping the animal are the owner's responsibility.

The owner may request a hearing within ten days of the seizure and may appeal the hearing officer's decision to the district court within five days of notice of an adverse decision. The judge or hearing officer may authorize the return of the animal if they find the animal has not been used for fighting.

Subdivision 8 [Photographs.] states that a satisfactorily identified photograph of the animal is as admissible into evidence as the animal itself.

Subdivision 9 [Veterinary Investigative Report.] states that a satisfactorily identified veterinary investigative report is as admissible into evidence as the animal itself.

CEB:rd

Passed

1 Senator moves to amend S.F. No. 2066 as follows:

2 Page 2, line 7, delete "It is conclusive" and insert "There

3 is a rebuttable presumption"

4 Page 2, delete lines 14 to 21

5 Page 2, line 22, delete "4" and insert "3"

6 Page 2, line 25, delete "It is conclusive" and insert

7 "There is a rebuttable presumption"

8 Page 2, delete lines 32 to 36

9 Page 3, delete lines 1 to 3

10 Page 3, line 4, delete "6" and insert "4"

11 Page 3, line 5, delete "4" and insert "3"

12 Page 3, line 9, delete "4" and insert "3"

13 Page 3, line 11, after "officer" insert "or animal control

14 authority"

15 Page 3, line 12, delete "7" and insert "5"

16 Page 3, line 21, delete "7" and insert "5"

17 Page 3, line 22, delete "6" and insert "4"

18 Page 3, line 27, delete "6" and insert "4"

19 Page 3, line 31, after the period, insert "If, however, a

20 hearing is scheduled within ten days of the seizure, the

21 security amount must be posted prior to the hearing."

22 Page 3, line 33, delete "6" and insert "4"

23 Page 4, line 4, delete "the location, address," and insert "

24 a contact person and"

25 Page 4, line 5, delete ", and contact person where the

26 animal is kept"

27 Page 5, line 7, delete "8" and insert "6"

28 Page 5, line 15, before "signature" insert "name, address,

29 organization, and"

30 Page 5, line 17, delete "9" and insert "7"

31 Page 5, line 26, before "signature" insert "name, address,

32 veterinary clinic, and"

The Post Review – August 27, 2003

East Central Minnesota Dog fight discovered in Sunrise pole barn

By Barbara Brown

More than 35 people received citations and two dogs died late Saturday night after police broke up a dog fight in Sunrise Township. The Chisago County Sheriff's Office arrested the 35 people on charges of misdemeanor par-taking in a dog fight. Two others, Tommy Lee McClellan, 59, and Neal Burton, 41, face felony dog fighting charges, according to the Chisago County Sheriff's Office.

McClellan lives at the site of the fight – 11069 Sunrise Road. Burton is from Minneapolis.

Five people were arrested and booked at the Chisago County jail for warrants or because officers were unable to identify them.

Two pit bulls were put to sleep as a result of the injuries they received in the fight held in a pole barn on the Sunrise Road property.

Deputies were dispatched to the residence at about 10:45 p.m. Aug. 23 after an anonymous woman called 911 and said she thought someone was trying to kill her.

After further investigation, officers found out the woman who originally placed the 911 call had had an apparent argument with someone at the scene and she may have been intoxicated when she made the call, said Chisago County Sheriff's Office Capt. Doug Sampson.

Sampson said officers were still investigating and that he did not know as of Monday if the fight Saturday night was the first in the area or if the fighting had been a regular occurrence but not found out before.

Officers arriving at the address Saturday night spotted several vehicles parked at the residence when they arrived and they heard "yelling and chant-ing from a pole barn" on the property, the sheriff's office said.

When officers looked into the barn, they saw a pen and an active dog fight taking place. Two pit bulls were in the pen fighting each other and the crowd of more than 50 men, women and children stood by watching.

The two dogs suffered "extensive injuries," according to the sheriff's office, and were put to sleep after they were taken by Animal Control officers to an emergency veterinarian who determined the injuries were severe.

The Chisago County Sheriff's Office was assisted by North Branch and Wyoming police officers, the Minnesota Department of Natural Resources and the Minnesota State Patrol.

The case was under investigation Monday and more charges may be filed, the sheriff's office said.

1 Senator moves to amend S.F. No. 1218 as follows:

2 Delete everything after the title and insert:

3 "WHEREAS, Minnesota has a diverse livestock production
4 system; and

5 WHEREAS, Minnesota livestock farmers and related
6 agricultural processing benefits the state's economy by
7 employing over 200,000 people and generating over
8 \$28,000,000,000 in economic value to the state; and

9 WHEREAS, the "Minnesota feedlot wars" started around 1985
10 and have continued for approximately 20 years; and

11 WHEREAS, some have expended time, energy, and resources
12 during the last 20 years ^{that} has been channeled into criticizing and
13 tearing down someone else's preferred method of livestock
14 production; and

15 WHEREAS, Minnesota has many opportunities for residents to
16 learn about the economic and environmental benefits of livestock
17 produced on a broad range of diverse systems, ranging from
18 pasture to confinement; and

19 WHEREAS, high livestock and human populations peacefully
20 coexist in close proximity to each other in much of the world,
21 such as the United Kingdom, Denmark, the Netherlands, and
22 Lancaster County, Pennsylvania; NOW, THEREFORE,

23 BE IT RESOLVED, that 2005 be known as the year that the
24 Minnesota feedlot wars ended and the mark of the beginning of a
25 new era that is characterized by peace, harmony, love, and
26 acceptance of diversity with regard to livestock farmers in
27 Minnesota.

28 BE IT FURTHER RESOLVED, all Minnesotans should adopt a
29 respectful, encouraging, and appreciative attitude toward
30 Minnesota livestock farmers.

31 BE IT FURTHER RESOLVED, livestock farmers should renew and
32 intensify their efforts to be good neighbors and good stewards
33 of our environment by carefully following all federal, state,
34 and local regulations.

35 BE IT FURTHER RESOLVED, rural residents should renew and
36 intensify their efforts to be good neighbors, and accept,

1 encourage, and support the livestock farmers in their area.

2 BE IT FURTHER RESOLVED, that time, energy, and resources
3 could be more productively channeled into promoting a person's
4 preferred method of livestock production rather than directed
5 toward criticizing another person's preferred method of
6 livestock production."

7 Delete the title and insert:

8 "A memorial resolution asking the residents of Minnesota
9 for tolerance of different views on animal agriculture
10 production practices; making 2005 the year the Minnesota feedlot
11 war ended, and the mark of the beginning of a new era for
12 Minnesota livestock farmers characterized by peace, love,
13 harmony, and acceptance of diversity."

LIVESTOCK

is **good** for the **economy**

and

good for the **environment**

Minnesota

needs more

LIVESTOCK

Prepared by Senator Steve Dille, 103 State Office Building, 100
Martin Luther King Blvd. St. Paul, MN 55155 (651-296-4131.)
February 2005

LIVESTOCK PRODUCTION IS GOOD FOR MINNESOTA'S ECONOMY

1. Minnesota livestock farms and related livestock agribusiness employ over 200,000 people.
2. Minnesota livestock farms and related livestock agribusiness annually produce economic value of at least \$28 Billion.
3. Minnesota livestock consumes 25% of Minnesota corn and soybean crops.
4. Minnesota ranks first in the nation in turkey production, third in hogs and fifth in dairy cows, 6th in total red meat production, 8th in total livestock production, and 10th in cattle, calves, chickens, and eggs.

Farm size necessary to make \$50,000 net profit

Minnesotans should let farmers that want to make a living on the farm, grow their business, re-invest in their production facilities and adopt new technology. What does it take to make a living on the farm?

Farm Management Records for West Central and Central Minnesota show the following:

	1999 503 Farms	2000 505 Farms	2001 505 Farms	2002 451 Farms	2003 489 Farms
Average gross income	\$306,000	\$323,000	\$344,000	\$327,000	\$380,000
Average net income	\$62,000	\$56,000	\$38,000	\$50,000	\$73,000
% of gross that's net	20%	14%	11%	15%	19%

To net \$50,000, you would need about \$300,000 of gross farm revenue.

Out of \$50,000 net income the farmer must pay:

15.3% social security tax	\$7,650
Income tax	\$7,350
Health care (est.)	\$6,000
Principle payments on debt	varies
Family living expenses	<u>\$29,000</u>
TOTAL	\$50,000

\$50,000 is barely enough if you are debt free with no off farm income.

In order for most farmers to make a decent living, expansion and growth are necessary, especially if a son or daughter joins the business.

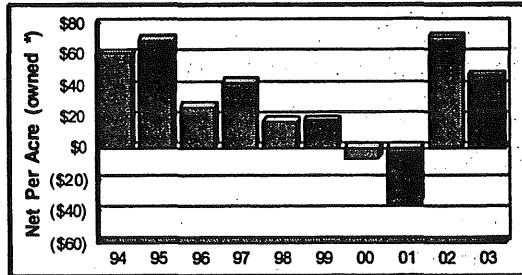
ENTERPRISE Analysis Farm Business Management Central & West Central Minnesota

Corn - 2003 <small>Minnesota Central & West CBM 2003</small>	OWNED			RENTED		
	Average	Low	High	Average	Low	High
	281	50	57	439	87	80
Acre	116.3	75.4	132.7	201.1	97.8	260.8
Yield per Acre	143.0	96.3	168.7	145.1	102.1	164.8
Operator's Share of Yield %	100	100	100	100	100	100
Value per Unit	\$2.21	\$2.10	\$2.28	\$2.23	\$2.11	\$2.27
Crop Product Return Per Acre	\$316.12	\$202.17	\$384.64	\$323.51	\$215.37	\$374.07
Miscellaneous Income per Acre	\$9.38	\$8.01	\$10.24	\$5.47	\$16.10	\$2.01
Gross Return per Acre	\$325.50	\$210.18	\$394.88	\$328.98	\$231.47	\$376.08
Direct Expense Per Acre						
Seed	40.48	36.65	43.11	41.47	37.95	41.55
Fertilizer	48.87	39.86	47.34	49.83	44.87	47.32
Chemicals	24.47	26.50	21.36	24.06	28.09	21.02
Crop Insurance	8.96	6.20	8.88	10.10	8.92	7.85
Drying Fuel	5.90	6.69	7.53	5.84	7.19	7.06
Fuel and Oil	11.96	14.23	12.88	11.73	12.91	12.71
Repairs	23.21	29.93	23.52	19.69	27.77	17.83
Custom Hire	4.90	6.76	4.38	3.30	2.96	2.04
Land Rent	0.00	0.00	0.00	76.20	65.29	74.46
Marketing	0.65	2.08	0.08	0.32	1.55	0.01
Operating Interest	5.25	5.59	5.06	6.04	5.46	5.00
Miscellaneous	1.41	2.07	0.79	1.12	1.39	0.59
Total Direct Expenses	\$176.06	\$176.56	\$174.93	\$249.70	\$244.35	\$237.44
Return over Direct Expense	\$149.44	\$33.62	\$219.95	\$79.28	\$87.12	\$138.64
Overhead Costs per Acre						
Custom Hire	1.95	6.95	1.73	1.47	4.43	1.20
Hired Labor	7.74	5.50	11.82	7.04	6.20	6.72
Machinery & Building Leases	3.76	2.54	3.87	5.67	2.14	4.24
Real Estate Taxes	7.57	6.58	8.05	0.00	0.00	0.00
Farm Insurance	4.84	4.88	5.49	4.10	3.43	4.95
Utilities	3.41	3.05	3.79	2.83	2.81	2.86
Dues & Professional Fees	1.14	0.77	1.38	1.20	1.64	1.39
Interest - Interm/Lg Term Debt	40.52	35.33	47.51	5.20	6.92	3.69
Mach & Bldg Depreciation	24.75	33.53	25.05	18.54	23.24	21.32
Miscellaneous	6.92	4.64	11.36	4.00	3.87	4.32
Total Overhead Expenses	\$102.60	\$103.77	\$120.05	\$50.05	\$54.68	\$50.69
Total Expenses	\$278.66	\$280.33	\$294.98	\$300.25	\$299.03	\$288.13
Net Return per Acre	\$46.84	\$29.85	\$100.90	\$28.73	\$32.44	\$87.95
Direct Expense per unit	\$1.23	\$1.83	\$1.04	\$1.72	\$2.39	\$1.44
Total Expense per unit	\$1.95	\$2.91	\$1.75	\$2.07	\$2.93	\$1.75
Net Return per Unit	\$0.33	(\$0.73)	\$0.59	\$0.20	(\$0.66)	\$0.53
Break Even Yield per Acre	126.00	139.49	129.88	131.42	134.22	131.22
Estimated Labor Hours per Acre	3.08	4.57	2.98	2.37	3.59	2.13
Labor & Mgmt Charge per Acre	\$25.23	\$29.12	\$23.57	\$21.97	\$27.63	\$19.81
Net Return over Labor & Mgmt	\$21.61	(\$0.27)	\$77.33	\$6.76	\$5.81	\$68.14
Government Payments	\$22.80	\$19.62	\$26.82	\$23.37	\$21.32	\$24.50
Net Return with Government Payments	\$44.41	\$19.35	\$104.15	\$30.13	\$27.13	\$92.64

Net Return Per Acre (owned)			
Year	Gr. Return	T. Costs	Net Return
94 *	\$288	\$227	\$61
95	\$301	\$232	\$69
96	\$271	\$245	\$26
97	\$299	\$257	\$42
98	\$276	\$259	\$17
99	\$278	\$260	\$18
00	\$262	\$269	(\$7)
01	\$243	\$278	(\$35)
02	\$344	\$273	\$71
03	\$325	\$279	\$47

* Prior to 1995 data included all acres.

24

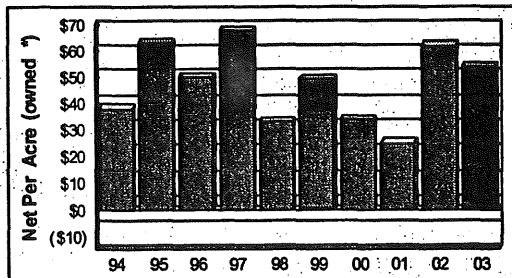


10 year Ave Net return/Acre of CORN - \$31⁰⁰/Acre
Acres required to Net \$50,000 - 1600 Acres

Soybean 2003 MISCELLANEOUS CASH FBM 2003	OWNED			RENTED		
	Average	Low	High	Average	Low	High
Acres	116.0	63.7	133.2	204.1	138.1	201.4
Yield per Acre	32.3	23.2	39.4	31.4	25.3	36.4
Operators Share of Yield %	100	100	100	100	100	100
Value per Unit	\$6.66	\$6.26	\$7.05	\$6.59	\$6.12	\$7.14
Crop Product Return Per Acre	\$214.92	\$145.29	\$277.77	\$206.86	\$154.77	\$259.68
Miscellaneous Income per Acre	\$20.98	\$8.94	\$18.35	\$20.85	\$13.23	\$27.48
Gross Return per Acre	\$235.90	\$154.23	\$296.12	\$227.71	\$168.00	\$287.16
Direct Expense Per Acre						
Seed	25.08	26.99	23.56	24.13	24.84	23.25
Fertilizer	6.51	8.92	3.97	5.21	7.96	4.53
Chemicals	20.34	20.99	20.99	18.90	18.62	19.40
Crop Insurance	7.81	5.43	7.74	8.00	5.75	7.72
Fuel and Oil	9.47	9.76	9.22	9.55	9.94	9.85
Repairs	18.64	21.91	21.02	16.50	22.94	15.88
Custom Hire	5.10	7.99	5.23	3.30	4.48	4.36
Hired Labor	0.00	0.00	0.00	0.27	0.05	0.61
Land Rent	0.00	0.00	0.00	73.54	70.49	73.63
Machinery and Bldg Leases	0.29	0.57	0.00	0.40	2.21	0.04
Marketing	0.38	1.53	0.03	0.00	0.00	0.00
Operating Interest	4.49	3.05	3.22	4.90	4.98	3.59
Miscellaneous	0.80	0.48	0.52	0.65	1.19	0.27
Total Direct Expenses	\$98.91	\$107.62	\$95.50	\$165.35	\$173.45	\$163.13
Return over Direct Expense	\$136.99	\$46.61	\$200.62	\$62.36	\$-5.45	\$124.03
Overhead Costs per Acre						
Custom Hire	1.02	1.32	1.17	1.16	2.71	0.66
Hired Labor	5.62	5.02	5.27	5.41	6.06	7.28
Machinery & Building Leases	2.66	0.74	1.82	4.47	2.02	5.39
Real Estate Taxes	7.69	6.40	9.29	0.00	0.00	0.00
Farm Insurance	3.83	2.98	4.52	3.52	3.22	4.37
Utilities	2.79	2.60	3.07	2.41	2.77	2.86
Dues & Professional Fees	1.10	0.49	1.24	1.09	1.09	1.20
Interest Interm/Lg Term Debt	34.16	35.21	34.16	4.49	5.40	3.50
Mach & Bldg Depreciation	19.81	23.18	21.95	16.00	17.69	18.72
Miscellaneous	4.70	2.74	9.09	3.72	3.60	5.25
Total Overhead Expenses	\$83.38	\$80.68	\$91.58	\$42.27	\$44.56	\$49.23
Total Expenses	\$182.29	\$188.30	\$187.08	\$207.62	\$218.01	\$212.36
Net Return per Acre	\$53.61	\$-34.07	\$109.04	\$20.09	\$-50.01	\$74.80
Direct Expense per unit	\$3.07	\$4.64	\$2.42	\$5.27	\$6.86	\$4.49
Total Expense per unit	\$5.65	\$8.11	\$4.75	\$6.61	\$8.62	\$5.84
Net Return per Unit	\$1.66	(\$1.47)	\$2.77	\$0.64	(\$1.98)	\$2.06
Break-Even Yields per Acre						
Estimated Labor Hours per Acre	2.42	3.08	2.18	2.04	2.50	1.83
Labor & Mgmt Charge per Acre	\$21.07	\$24.22	\$21.80	\$18.41	\$21.25	\$16.95
Net Return over Labor & Mgmt	\$32.54	(\$-8.24)	\$87.24	\$2.68	(\$-21.26)	\$57.85
Government Payments per Acre	\$22.73	\$20.25	\$24.43	\$22.38	\$24.15	\$21.66
Net Return with Govt Payments	\$55.27	\$12.01	\$111.67	\$25.06	\$3.11	\$79.51

Net Return Per Acre (owned)				
Year	Gr. Return	T. Costs	Net Return	
94 *	\$200	\$162	\$38	
95	\$220	\$157	\$63	
96	\$227	\$177	\$50	
97	\$255	\$187	\$68	
98	\$221	\$188	\$33	
99	\$222	\$173	\$49	
00	\$212	\$178	\$34	
01	\$208	\$183	\$25	
02	\$230	\$168	\$62	
03	\$236	\$182	\$54	

* Prior to 1995 data included all acres.

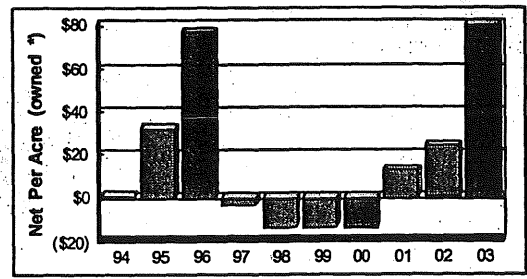


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10 year Ave net return/acre of soybeans - \$48⁰⁰/Acre
 Acres required to Net \$50,000 - 1040 Acre

Wheat 2005 MISCU. West Central FBM 2005	OWNED			RENTED		
	Average	Low	High	Average	Low	High
	52	14	14	116	26	26
Acres	63.9	37.2	48.2	94.9	56.9	90.3
Yield per Acre	58.9	47.2	68.0	59.9	45.6	67.5
Operators Share of Yield %	100	100	100	100	100	100
Value per Unit	\$3.64	\$3.51	\$3.63	\$3.64	\$3.55	\$3.70
Crop Product Return Per Acre	\$214.43	\$165.74	\$246.88	\$218.18	\$162.02	\$249.60
Miscellaneous Income per Acre	\$13.92	\$4.74	\$17.14	\$7.88	\$11.84	\$6.18
Gross Return per Acre	\$228.35	\$170.48	\$264.02	\$226.06	\$173.86	\$255.78
Direct Expense Per Acre						
Seed	13.27	15.39	12.35	12.82	12.79	11.78
Fertilizer	30.68	25.90	30.21	30.79	28.22	31.50
Chemicals	7.45	11.36	3.73	8.42	10.91	7.35
Crop Insurance	6.11	3.92	5.07	5.36	5.48	4.57
Drying Fuel	0.07	0.69	0.00	0.00	0.00	0.00
Fuel and Oil	7.14	11.09	5.30	6.61	5.77	7.31
Repairs	12.37	15.51	9.50	11.13	9.80	10.66
Custom Hire	3.30	14.55	2.33	3.60	7.88	1.71
Machinery and Bldg Leases	0.08	0.83	0.00	0.14	0.69	0.00
Land Rent	0.00	0.00	0.00	62.61	66.42	61.35
Marketing	1.34	0.06	0.00	0.46	0.53	0.00
Operating Interest	3.76	4.44	5.47	3.48	3.56	2.19
Miscellaneous	1.90	0.48	8.55	0.71	0.47	0.20
Total Direct Expenses	\$87.47	\$104.22	\$82.51	\$146.13	\$152.52	\$138.62
Return over Direct Expense	\$140.88	\$66.26	\$181.51	\$81.93	\$21.34	\$117.16
Overhead Costs per Acre						
Custom Hire	1.15	0.75	1.92	0.86	0.19	1.09
Hired Labor	3.27	1.87	2.44	2.53	1.32	3.71
Machinery & Building Leases	1.80	0.71	0.30	2.66	2.35	1.62
Real Estate Taxes	7.42	5.90	7.77	0.00	0.00	0.00
Farm Insurance	2.95	3.56	3.17	2.44	2.04	2.66
Utilities	1.80	2.21	1.55	1.49	1.41	1.43
Dues & Professional Fees	0.69	0.93	0.52	0.85	0.86	0.48
Interest Intern/Lg Term Debt	21.84	20.59	19.80	3.01	2.09	4.00
Mach & Bldg Depreciation	12.21	14.39	13.40	10.29	8.97	12.75
Miscellaneous	3.97	3.92	3.78	2.98	2.34	3.56
Total Overhead Expenses	\$57.10	\$54.83	\$54.65	\$27.11	\$21.57	\$31.30
Total Expenses	\$144.57	\$159.05	\$137.16	\$173.24	\$174.09	\$170.92
Net Return per Acre	\$83.78	\$11.43	\$126.86	\$52.82	\$0.23	\$84.86
Direct Expense per unit	\$1.48	\$2.21	\$1.21	\$2.44	\$3.34	\$2.05
Total Expense per unit	\$2.45	\$3.37	\$2.02	\$2.89	\$3.81	\$2.52
Net Return per Unit	\$1.42	\$0.24	\$1.87	\$0.88	(\$0.00)	\$1.27
Break Even Yield per Acre	39.72	37.50	34.50	40.00	37.50	34.50
Estimated Labor Hours per Acre	1.95	2.41	2.35	1.57	1.93	1.80
Labor & Mgmt Charge per Acre	\$14.98	\$20.28	\$15.11	\$13.53	\$16.04	\$15.07
Net Return over Labor & Mgmt	\$68.80	\$8.15	\$111.75	\$39.29	\$14.23	\$69.79
Government Payments per Acre	\$20.74	\$23.07	\$19.78	\$19.18	\$15.88	\$21.21
Net Return with Govt Payments	\$89.54	\$31.22	\$131.53	\$58.47	\$30.11	\$91.00

Year	Gr. Return	T. Costs	Net Return
94 *	\$137	\$136	\$1
95	\$171	\$139	\$32
96	\$229	\$152	\$77
97	\$149	\$152	(\$3)
98	\$149	\$162	(\$13)
99	\$137	\$150	(\$13)
00	\$112	\$125	(\$13)
01	\$176	\$163	\$13
02	\$164	\$140	\$24
03	\$228	\$145	\$84



* Prior to 1995 data included all acres

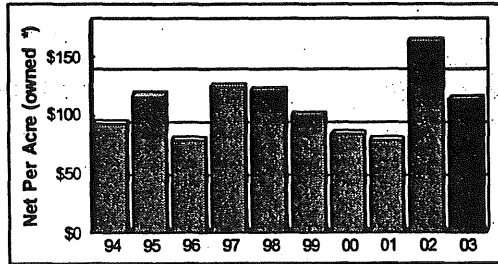
10 year Ave net return/acre of wheat - \$19⁰⁰/Acre
 Acres required to net \$50,000 - 2630 acres

Altafa Farm - 2003 Missouri Central Farm 2006	OWNED			RENTED		
	Average	Low	High	Average	Low	High
	104	21	21	110	24	24
Acres	48.1	39.1	66.3	41.6	36.2	49.8
Yield per Acre	3.4	1.9	4.8	3.4	1.7	5.0
Operators Share of Yield %	100	100	100	100	100	100
Value per Unit	\$90.91	\$75.67	\$100.53	\$87.84	\$79.54	\$95.55
Crop Product Return Per Acre	\$312.73	\$139.99	\$480.53	\$295.14	\$134.42	\$475.84
Miscellaneous Income per Acre	\$1.28	\$2.29	\$1.78	\$8.89	\$0.00	\$2.47
Gross Return per Acre	\$314.01	\$142.28	\$482.31	\$304.03	\$134.42	\$478.31
Direct Expense Per Acre						
Fertilizer	15.84	15.32	21.08	18.68	11.85	25.70
Seed	0.00	0.00	0.00	0.00	0.00	0.00
Chemicals	4.22	4.97	6.79	6.28	5.15	9.51
Crop Insurance	1.05	0.91	1.19	1.90	1.61	2.82
Drying Fuel	0.00	0.00	0.00	0.00	0.00	0.00
Fuel and Oil	15.62	15.99	16.16	14.92	15.09	16.31
Repairs	27.54	31.76	21.14	28.94	33.25	26.71
Custom Hire	11.55	10.61	7.34	9.60	7.13	6.86
Special Hired Labor	0.00	0.00	0.00	0.00	0.00	0.00
Machinery and Bldg Leases	0.53	0.00	0.00	1.81	0.47	3.56
Land Rent	0.00	0.00	0.00	67.99	62.48	74.02
Utilities	0.00	0.00	0.00	0.00	0.00	0.00
Marketing	0.00	0.00	0.00	0.29	0.81	0.00
Operating Interest	6.07	14.70	2.78	4.71	6.59	3.89
Miscellaneous	2.33	1.36	2.87	1.75	1.24	2.04
Total Direct Expenses	\$84.75	\$95.62	\$79.35	\$156.87	\$145.67	\$171.42
Net Return per Acre	\$229.26	\$46.66	\$402.96	\$147.16	-\$11.25	\$306.89
Overhead Costs per Acre						
Custom Hire	4.59	5.41	4.11	5.49	4.33	6.19
Hired Labor	7.55	3.72	13.98	11.98	9.09	13.95
Machinery & Building Leases	3.07	4.38	2.03	4.44	5.21	3.23
Real Estate Taxes	6.00	6.41	5.48	0.00	0.00	0.00
Farm Insurance	4.89	4.36	4.50	3.78	2.79	3.60
Utilities	4.01	3.99	3.19	3.19	4.28	2.25
Dues & Professional Fees	1.47	1.18	1.13	0.95	1.08	1.05
Interest: Interm/Long Term Debt	37.35	27.87	41.84	6.49	7.67	5.06
Mach & Bldg Depreciation	35.30	33.30	41.34	28.65	31.47	22.11
Miscellaneous	11.50	6.64	26.33	5.79	4.99	3.40
Total Overhead Expenses	\$115.73	\$97.26	\$143.93	\$70.76	\$70.91	\$60.84
Net Return per Acre	\$113.53	-\$50.60	\$259.03	\$76.40	-\$82.18	\$246.05
Direct Expense per ton	\$24.64	\$51.69	\$16.60	\$46.69	\$86.20	\$34.42
Total Expense per ton	\$58.28	\$104.26	\$46.71	\$67.75	\$128.15	\$46.64
Net Return per ton	\$33.00	(\$27.35)	\$54.19	\$22.74	(\$48.61)	\$49.41
Direct Labor (Yield per Acre)						
Estimated Labor Hours per Acre	4.88	5.06	5.12	4.28	4.22	4.08
Labor & Mgmt Charge per Acre	\$29.98	\$28.72	\$25.45	\$27.48	\$28.89	\$18.17
Net Return over Labor & Mgmt	\$83.55	-\$79.32	\$233.58	\$48.92	-\$107.07	\$227.88
Government Payments per Acre	\$18.82	\$15.29	\$16.97	\$20.60	\$15.59	\$19.90
Net Return with Gov Payments	\$102.37	-\$64.03	\$250.55	\$69.52	-\$91.48	\$247.78

Net Return Per Acre (owned)			
Year	Gr. Return	T. Costs	Net Return
94 *	\$268	\$175	\$93
95	\$290	\$174	\$116
96	\$255	\$176	\$79
97	\$316	\$192	\$124
98	\$324	\$203	\$121
99	\$311	\$211	\$100
00	\$285	\$201	\$84
01	\$285	\$207	\$78
02	\$357	\$194	\$163
03	\$314	\$200	\$114

* Prior to 1995 data included all acres.

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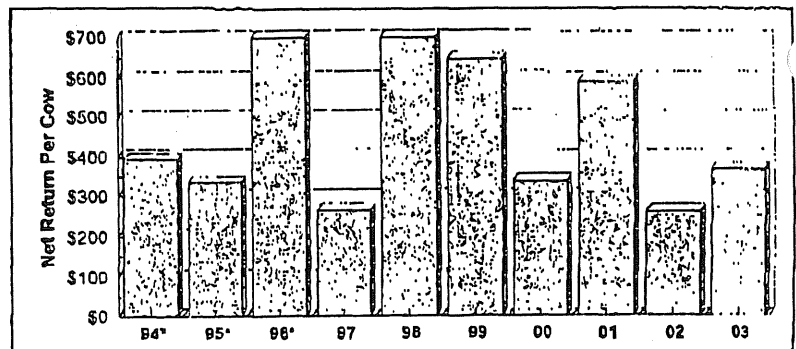


10 year Ave Net return/acre of altafa = \$107⁰⁰/Ac
 Acres required to net \$50,000 - 470 Ac

Dairy Cow Enterprise-03		529 Farms		Average		105 Farms		Low		105 Farms		High	
MN AVG-Per Cow		Quantity	Per Cow	Quantity	Per Cow	Quantity	Per Cow	Quantity	Per Cow	Quantity	Per Cow	Quantity	Per Cow
Milk Sold		19921.63	\$2,574.89	17336.63	\$2,212.29	22755.21	\$3,013.08						
Milk Used in the Home & Fed		76.34	\$8.90	85.03	\$11.05	60.29	\$7.24						
Dairy Calves Sold		0.17	\$27.95	0.09	\$19.78	0.19	\$27.29						
Transferred Out		0.72	\$89.28	0.62	\$71.96	0.79	\$102.26						
Cull Sales		0.27	\$129.37	0.30	\$111.96	0.26	\$132.22						
Bulchered		0.01	\$3.15	0.01	\$3.88	0.01	\$2.85						
Less Livestock Purchased		-0.06	(\$64.76)	-0.07	(\$74.03)	-0.03	(\$37.34)						
Less Livestock Transferred In		-0.33	(\$374.78)	-0.32	(\$367.23)	-0.36	(\$391.52)						
Inventory Change		0.02	\$39.53	-0.04	(\$45.15)	0.05	\$104.25						
Total Production		19997.97	\$2,433.51	17421.66	\$1,944.51	22815.50	\$2,960.33						
Other Income			\$183.95		\$157.80		\$196.37						
Total Return			\$2,617.46		\$2,102.31		\$3,156.70						
Direct Costs													
Corn (bu.)		75	156.87	75	165.63	81	165.60						
Corn Silage (lb.)		14003	136.20	13604	131.70	15265	148.44						
Hay, Alfalfa (lb.)		4286	192.30	4024	174.00	4369	193.84						
Haylage, Alfalfa (lb.)		3123	76.71	4340	112.55	3133	75.13						
Complete Ration (lb.)		1034	104.38	832	80.02	1024	90.04						
Protein Vit Minerals (lb.)		2877	363.06	2872	392.23	3458	393.36						
Other feed stuffs		1331	58.94	1113	57.43	682	44.04						
Total Feed			\$1,088.46		\$1,113.56		\$1,110.45						
Breeding fees			29.76		19.54		37.50						
Veterinary			96.56		98.15		94.20						
BST			33.04		26.99		41.80						
Livestock supplies			134.65		122.43		126.40						
DHIA			14.79		12.34		15.96						
Fuel & oil			35.90		38.50		36.19						
Repairs			94.09		82.45		103.53						
Custom hire			17.64		31.66		16.71						
Hired labor			0.00		0.00		0.00						
Hauling and trucking			23.14		19.59		25.98						
Marketing			41.35		41.44		40.08						
Bedding			12.72		10.19		16.24						
Operating interest			13.58		21.34		10.44						
Total Direct Costs			\$1,635.68		\$1,638.18		\$1,675.48						
Return to Direct Costs			\$981.78		\$464.13		\$1,481.22						
Overhead Costs													
Custom Hire			15.18		7.03		20.15						
Hired labor			201.61		169.41		274.08						
Machinery & bldg leases			25.97		31.56		25.89						
Farm insurance			30.54		29.73		31.50						
Utilities			61.14		60.16		65.25						
Interest			112.12		106.81		116.95						
Mach & bldg depreciation			121.93		111.51		134.47						
Miscellaneous			44.58		37.30		48.74						
Total Overhead Costs			\$613.07		\$553.51		\$717.03						
Total Costs			\$2,248.75		\$2,191.69		\$2,392.51						
Net Return			\$368.71		(\$89.38)		\$764.19						
Est. Labor Hours per Unit			40.94		41.65		41.39						
Labor & Management Charge			\$187.56		\$184.28		\$202.39						
Net Return over Lbr. & Mgt.			\$181.15		(\$273.64)		\$561.80						

Enterprise History		Per Cow	
Year	T. Return	T. Costs	Net Ret.
94*	\$2,170	\$1,777	\$393
95*	\$2,055	\$1,720	\$335
96*	\$2,440	\$1,720	\$720
97	\$2,220	\$1,956	\$264
98	\$2,691	\$1,990	\$701
99	\$2,645	\$1,999	\$646
00	\$2,341	\$2,001	\$340
01	\$2,780	\$2,190	\$590
02	\$2,470	\$2,208	\$262
03	\$2,617	\$2,249	\$369

*Regional data used prior to 1997

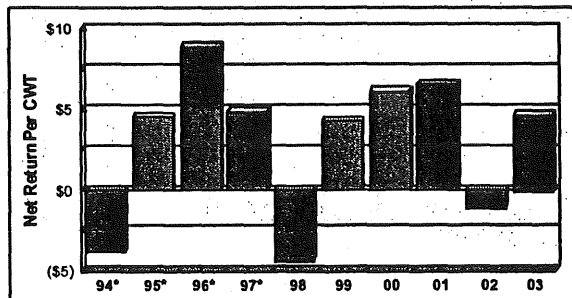


10 year average Net income / cow / year - \$462/cow
 # of cows to Net \$50,000 - pg. 8 108 cows

Hogs Barrow - Finish to MN AVG Per CWT	50 Farms Quantity	Average CWT	10 Farms Quantity	Low CWT	10 Farms Quantity	High CWT
Raised Hog Sales	94.44	\$39.46	91.68	\$35.90	92.71	\$40.81
Transferred Out	1.38	\$0.78	3.92	\$1.15	2.7	\$1.14
Cull Sales	4.9	\$1.37	10.16	\$3.36	4.87	\$1.34
Butchered	0.21	\$0.09	1.38	\$0.51	0.09	\$0.03
Less Livestock Purchased	-2.22	(\$2.04)	-1.27	(\$1.27)	-2.57	(\$2.25)
Less Livestock Transferred In	-0.12	(\$0.09)	0	\$0.00	-0.07	(\$0.14)
Inventory Change	1.41	\$3.08	-5.87	(\$2.80)	2.27	\$5.35
Total Production	100.00	\$42.65	100.00	\$36.85	100.00	\$46.28
Other Income		\$0.02		\$0.01		
Total Return		\$42.67		\$36.86		
Direct Costs						
Corn (bushel)	3.77	7.95	6.25	13.6	2.57	5.24
Complete Ration	60.74	5.56	0	0	103.47	7.05
Protein Vit Minerals (lbs)	61.86	8.69	94.08	16.24	60.32	7.93
Other feedstuffs	0.26	0.24	0.08	0.11	0.25	0.14
Total Food		\$27.74		\$13.95		\$12.55
Breeding fees		0.47		0.47		0.52
Veterinary		1.38		1.36		1.32
Livestock supplies		0.79		0.57		0.52
Fuel & oil		0.45		1.54		0.24
Repairs		0.81		1.85		0.55
Custom hire		1.65		2.22		0.83
Machinery & bldg leases		0.59		0.00		0.91
Livestock leases		0.29		0.00		0.00
Utilities		0.12		0.33		0.06
Hauling and Trucking		0.18		0.00		0.44
Marketing		0.37		0.61		0.27
Operating Interest		0.37		0.21		0.40
Total Direct Costs		\$29.91		\$39.11		\$26.42
Return to Direct Costs		\$12.76		(\$2.25)		\$14.93
Overhead Costs						
Custom hire		0.52		0		1.55
Hired labor		2.03		0.36		1.64
Machinery & bldg leases		1.38		0.67		3.86
Farm insurance		0.48		0.67		0.38
Utilities		0.62		0.84		0.41
Interest		1.08		0.47		0.73
Mach & bldg depreciation		1.56		1.14		1.25
Miscellaneous		0.46		0.62		0.26
Total Overhead Costs		\$8.13		\$4.77		\$10.08
Total Costs		\$38.04		\$43.88		\$36.50
Net Return		\$4.63		(\$7.02)		\$10.78
Est. Labor Hours per Unit		0.33		0.44		0.28
Labor & Management Charge		2.23		3.72		2.09
Net Return over Lbr. & Mgt.		\$2.40		(\$10.74)		\$7.69

Enterprise History Year	Per CWT		
	T. Return	T. Costs	Net Ret.
94*	\$37.69	\$41.49	(\$3.80)
95*	\$42.85	\$38.30	\$4.55
96*	\$55.72	\$46.83	\$8.89
97*	\$48.90	\$44.06	\$4.84
98	\$31.70	\$36.08	(\$4.38)
99	\$38.50	\$34.21	\$4.29
00	\$42.30	\$36.17	\$6.13
01	\$44.02	\$37.46	\$6.56
02	\$36.40	\$37.49	(\$1.09)
03	\$42.67	\$38.04	\$4.63

*Regional data used prior to 1997



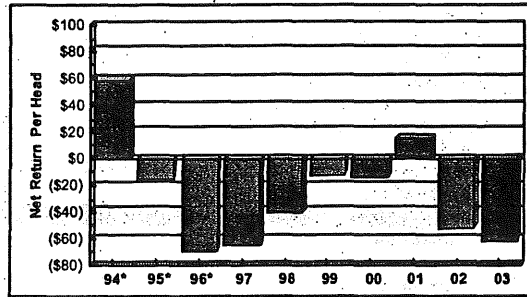
35

10 year average Net/cwt of pork produced - 3⁶²/cwt
 20 pigs/sow x 250 lbs/market pig x 3⁶²/cwt = 181⁰⁰/Net/50
 # of Sows to Net \$50,000 280 Sows

Livestock Information - 2003

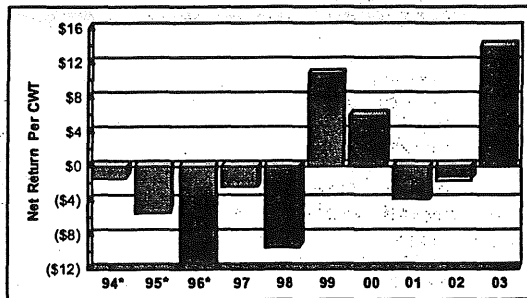
Dairy Replacement Heifers			Per Head
Year	T. Return	T. Costs	Net Ret.
94*	\$425.62	\$366.70	\$58.92
95*	\$453.72	\$469.60	(\$15.88)
96*	\$347.67	\$417.09	(\$69.42)
97	\$349.00	\$414.00	(\$65.00)
98	\$378.00	\$418.00	(\$40.00)
99	\$534.00	\$546.00	(\$12.00)
00	\$521.00	\$535.00	(\$14.00)
01	\$465.32	\$450.64	\$14.68
02	\$404.00	\$456.00	(\$52.00)
03	\$409.00	\$470.18	(\$61.18)

*Regional data used prior to 1997



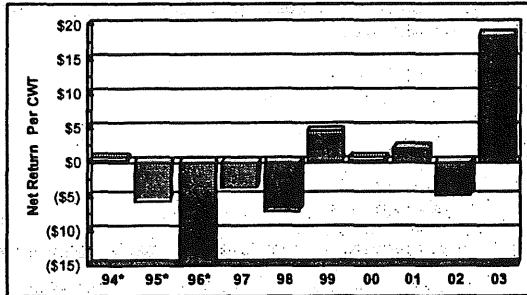
Dairy Steers			Per CWT
Year	T. Return	T. Costs	Net Ret.
94*	\$50.35	\$51.75	(\$1.40)
95*	\$45.36	\$50.75	(\$5.39)
96*	\$59.29	\$71.25	(\$11.96)
97	\$63.73	\$66.14	(\$2.41)
98	\$46.65	\$56.07	(\$9.42)
99	\$64.54	\$53.81	\$10.73
00	\$59.30	\$53.37	\$5.93
01	\$51.67	\$55.50	(\$3.83)
02	\$52.35	\$53.91	(\$1.56)
03	\$77.18	\$63.29	\$13.89

*Regional data used prior to 1997



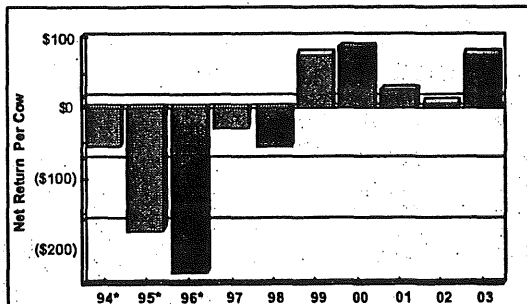
Beef Finishing -All			Per CWT
Year	T. Return	T. Costs	Net Ret.
94*	\$50.44	\$49.73	\$0.71
95*	\$48.36	\$53.87	(\$5.51)
96*	\$59.58	\$74.15	(\$14.57)
97	\$55.54	\$59.15	(\$3.61)
98	\$47.61	\$54.60	(\$6.99)
99	\$54.83	\$50.26	\$4.57
00	\$50.00	\$49.28	\$0.72
01	\$52.24	\$50.21	\$2.03
02	\$45.49	\$50.21	(\$4.72)
03	\$74.65	\$56.15	\$18.50

*Regional data used prior to 1997



Beef Cow-Calf			Per Cow
Year	T. Return	T. Costs	Net Ret.
94*	\$325.43	\$380.44	(\$55.01)
95*	\$223.11	\$397.47	(\$174.36)
96*	\$245.56	\$478.49	(\$232.93)
97	\$421.11	\$450.64	(\$29.53)
98	\$374.89	\$429.39	(\$54.50)
99	\$479.57	\$403.77	\$75.80
00	\$459.58	\$373.17	\$86.41
01	\$430.77	\$404.72	\$26.05
02	\$420.22	\$413.88	\$6.34
03	\$492.24	\$416.51	\$75.73

*Regional data used prior to 1997



Farms producing for a niche market, using low input systems, organic producers, those producing specialty crops, or using on-farm processing to add value, may be able to achieve a higher net profit as a percent of gross cash operating income.

A properly sited, and
engineered livestock
farm that is properly
managed, and follows
the new 7020 MN State
feedlot rules and laws is
good for the
environment.

Livestock Production Helps Protect the Environment

1. Cattle, sheep, and horse production requires hay, pasture and small grain production which controls erosion and runoff much better than the typical corn-soybean rotation.
2. Fields fertilized with manure that has been properly managed, have increased water holding capacity. Peer reviewed research from across the U.S. shows runoff is reduced 2-62%, and soil loss is reduced 15-65% as compared to control sites that were not fertilized with manure.
3. University of Minnesota research at Morris shows decreased phosphorus runoff at sites fertilized with manure that is properly managed.
4. Minnesota Pollution Control Agency study completed in 2004 attributes only 1% of the phosphorus entering our surface water is coming from feedlots.
5. Nitrogen leaching losses are generally less than commercial fertilizer when manure is applied at agronomic rates. (Gyles Randall data)
6. Nitrogen leaching losses from a corn-soybean rotation are 30-50 times higher than alfalfa or CRP.
7. Minnesota Department of Natural Resources research in SE Minnesota over a 30 year period shows that streams in pastures that were rotational grazed had better water quality than streams that were not grazed. This is partially due to trees growing up in non-grazed areas, causing the grass to die, resulting in more stream bank erosion. Also, livestock were permitted to graze only long enough to harvest the forage and then were moved to another pasture.

**Estimated Total Phosphorus Contributions to
MN Surface Water**

1. Crop land and pasture runoff	26.4%
2. Atmospheric deposition	13.1%
3. Commercial/Industrial water use	12%
4. Stream bank erosion	11.1%
5. Municipal sewage treatment plants	10.9%
6. Non agricultural rural runoff	5.7%
7. Urban runoff	4.8%
8. Waste food/garbage disposal waste	4.2%
9. Septic tanks	3.7%
10. Automatic dishwasher detergent	2.8%
11. Agricultural tile drainage	1.8%
12. Roadway and sidewalk de-icing chemicals	1.1%
13. ***FEEDLOTS***	1.0%
14. Raw and finished water supply	.8%
15. Toothpaste, mouthwashes, etc.	.3%
16. Non-contact cooling water	.2%
17. Ground water intrusion into sewage systems	Less than .1%

Source: "Detailed Assessment of Phosphorus Sources to MN Watersheds," prepared by the Barr Engineering Company, February, 2004 for the MN Pollution Control Agency.

Livestock that is properly managed is good for the environment because:

1. Less soil erosion
2. Less water runoff
3. Less phosphorus runoff
4. Better soil fertility
5. Better water quality
6. Less urban sprawl
7. Fewer vehicles on the road commuting to distant jobs.
8. More diversity in cropping systems
9. More pasture land
10. Fewer row crops on marginal land

High Livestock and human populations peacefully coexist in much of the world.

Minnesotans should try to be more like citizens of the United Kingdom, Denmark, the Netherlands, or Lancaster County, PA who live in close proximity to farmers that use diverse production systems ranging from small pastures to large modern confinement barns. They live together in the same neighborhood in peace and harmony.

Comparison of 4 MN Counties with Lancaster County, PA

	Lancaster County, PA	Meeker County, MN	McLeod County, MN	Wright County, MN	Carver County, MN
Area in sq. miles	949	644	503	716	357
Population 2002	470,658	22,644	34,898	89,986	75,620
Population per sq. mi.	496	35	69	126	212
All Cattle 2003	255,700	29,500	32,500	47,500	35,000
Milk Cows 2003	107,600	8,100	9,100	12,100	12,800
Hogs 2003	386,800	61,000	38,000	21,000	25,000
All Sheep and Lambs 2003	6,100	1,700	700	1,100	600
All Chickens 2003	13,000,000	1,562,000			NA
Turkeys 2003	NA	2,000,000	NA	NA	NA

Lancaster County animal statistics are from 2002. MN counties are 2003. Information compiled from various state and county web sites, U.S. Bureau of Statistics, MN Dept. of Agriculture, and USDA.

Comparison of Livestock and Human Populations in Minnesota, the United Kingdom (England, Scotland, Wales, Northern Ireland), Netherlands, Denmark, and Italy

	Minnesota	United Kingdom	Netherlands	Denmark	Italy
Area in square miles	84,000	94,000	13,000	16,000	55,000
Population – 2000	5 million	60 million	16 million	5.4 million	28 million
Population per square mile	59	638	1231	331	512
Cattle	2.6 million	11.3 million	3.8 million		7 million
Sheep	170,000	42 million			11 million
Hogs	6 million		11 million	24 million	9 million
Poultry	78 million (includes 46 million turkeys)	44 million	100 million		

Conclusion: In some parts of the world, high livestock and human populations peacefully co-exist. Minnesotans should try to become more accepting of livestock and not oppose farmers who are expanding their livestock enterprises.

Livestock

Is **good** for the **economy**
and
good for the **environment**

Minnesotans should become more accepting of livestock farms. They should enthusiastically encourage grain farmers to add livestock enterprises. They should also encourage livestock farmers to grow and re-invest

Because

Minnesota
Needs more
Livestock

ENDING MINNESOTA'S
"FEEDLOT WAR"
1985 – 2005

Senate Agriculture, Veterans, and Gaming
Committee calls for 2005 to be the year the
Minnesota "Feedlot War" ends and a new era
begins for Minnesota livestock farmers—an era
characterized by peace, harmony, love, and
acceptance of diversity.

Senator Jim Vickerman—Chair, DFL-Tracy
Senator Rod Skoe—Vice-Chair, DFL-Clearbrook
Senator Steve Dille—Lead, Minority, R-Dassel
Senator Yvonne Prettner Solon, DFL-Duluth
Senator Dallas Sams, DFL-Staples
Senator Becky Lourey, DFL-Kerrick
Senator Dean Elton Johnson, DFL-Willmar
Senator Betsy Wergin, R-Princeton
Senator Sean Nienow, R-Cambridge
Senator Paul Koering, R-Fort Ripley
Senator Dick Day, R-Owatonna
Senator Steve Murphy, DFL-Red Wing
Senator David Hann, R-Eden Prairie
Senator Ann Rest, DFL-New Hope

Date: February 1, 2005

To: All Minnesota Citizens, Agricultural and Environmental organizations, and other citizen groups interested in or concerned about livestock production.

Subject: Ending Minnesota's "Feedlot War" 1985-2005. Beginning a new era in Minnesota Livestock production characterized by peace, love, harmony, and acceptance of diversity.

2005 is the year for peace, harmony, and bipartisanship in the Minnesota Legislature.

We would respectfully request that 2005 also be the year for the "Feedlot War" to end, and that a new era begin for Minnesota's livestock farmers that is characterized by:

1. Peace.
2. Harmony.
3. Love.
4. Acceptance of Minnesota's diverse livestock productions systems.
5. Acceptance that Federal, State, and local regulations are among the most stringent in the world and will, if followed, protect the environment in almost all situations.
6. Rhetoric and resources that are channeled into promoting one's preferred method of production rather than channeling rhetoric and resources into criticizing and tearing down someone else's preferred method of production.
7. Livestock farmers renewing and intensifying their efforts to be good neighbors, and carefully following all federal, state, and local feedlot regulations.
8. Rural residents renewing and intensifying their efforts to be good neighbors, and accepting, encouraging, and supporting the livestock producers in their area.
9. Opportunities for all Minnesotans to learn about the economic and environmental benefits of livestock produced in a broad range of diverse systems, ranging from pasture to confinement.
10. Respectful, encouraging, and appreciative attitude toward of Minnesota livestock farmers.
11. The knowledge that Minnesota livestock farms and related agribusiness is good for the economy, employing over 200,000 people and generating economic value of at least \$28 billion.

12. The knowledge that high livestock and human populations peacefully coexist in much of the world. Minnesotans should try to be more like citizens of the United Kingdom, Denmark, the Netherlands, or Lancaster County, PA, who live in close proximity to farmers that use diverse production systems ranging from small pastures to large modern confinement barns. They live together in the same neighborhood in peace and harmony.

13. The knowledge that livestock that is produced on farms that are properly sited, engineered and managed is good for the environment.

The Minnesota "Feedlot War" began around 1985 and has gone on for twenty years. We respectfully ask all the warring parties to please lay down your swords, set aside hateful condescending speech, spend your energy, talent, and resources to build up and not to tear down.

Please, Minnesota, let's make 2005 the year the "Feedlot War" ended.

Please, Minnesota, let's make 2005 the year a new era begins for Minnesota Livestock producers, an era characterized by peace, harmony, love, and acceptance of diversity.

Sincerely,

Mn. Senate Agriculture Committee

Senator Steve Dille

Senator Noel Spore

Senator Vicki

Senator Patsy Larson

Senator Betty Bergin

Senator Paul Koering

" Steve Murphy

" Dick Gray

Senator Ann H. Kest

Senator Groun Peterson Solon

Senator Dallas Sons

Senator Gene Holden

Senator Dean Elton Johnson

Senator Sean Nielsen

**Senators Dille; Vickerman; Day; Johnson, D.E. and Lourey introduced--
S.F. No. 1218: Referred to the Committee on Agriculture, Veterans and Gaming.**

1 A memorial resolution

2 asking the residents of Minnesota for tolerance of
3 different views on animal agriculture production
4 practices; making 2005 the year the Minnesota feedlot
5 war ended, and a new era beginning for Minnesota
6 livestock farmers characterized by peace, love,
7 harmony, and acceptance of diversity.

8 WHEREAS, Minnesota has a diverse livestock production
9 system; and

10 WHEREAS, federal, state, and local regulations in Minnesota
11 are among the most stringent in the world; and

12 WHEREAS, livestock that is produced on properly sited,
13 engineered, and managed livestock farms, regardless of the
14 system used, is good for the environment; and

15 WHEREAS, Minnesota livestock farmers and related
16 agricultural processing benefits the state's economy by
17 employing over 200,000 people and generating over
18 \$28,000,000,000 in economic value to the state; and

19 WHEREAS, the "Minnesota feedlot wars" started around 1985
20 and have continued for approximately 20 years; and

21 WHEREAS, much of the rhetoric and resources during the last
22 20 years has been channeled into criticizing and tearing down
23 someone else's preferred method of livestock production; and

24 WHEREAS, Minnesota has many opportunities for residents to
25 learn about the economic and environmental benefits of livestock
26 produced on a broad range of diverse systems, ranging from

1 pasture to confinement; and

2 WHEREAS, high livestock and human populations peacefully
3 coexist in close proximity to each other in much of the world,
4 such as the United Kingdom, Denmark, the Netherlands, and
5 Lancaster County, Pennsylvania; NOW, THEREFORE,

6 BE IT RESOLVED, that 2005 be known as the year that the
7 Minnesota feedlot wars ended and a new era beginning that is
8 characterized by peace, harmony, love, and acceptance of
9 diversity with regard to livestock farmers in Minnesota.

10 BE IT FURTHER RESOLVED, all Minnesotans should adopt a
11 respectful, encouraging, and appreciative attitude toward
12 Minnesota livestock farmers.

13 BE IT FURTHER RESOLVED, livestock farmers should renew and
14 intensify their efforts to be good neighbors and carefully
15 follow all federal, state, and local regulations.

16 BE IT FURTHER RESOLVED, rural residents should renew and
17 intensify their efforts to be good neighbors, and accept,
18 encourage, and support the livestock farmers in their area.

19 BE IT FURTHER RESOLVED, that rhetoric and resources should
20 be channeled into promoting a person's preferred method of
21 livestock production rather than channeling rhetoric and
22 resources into criticizing another person's preferred method of
23 livestock production.

February 18, 2005

Senator Steve Dille
Minnesota State Senate
103 State Office Building
100 Rev. Dr. Martin Luther King, Jr. Blvd.
St. Paul, MN 55155

Dear Senator Dille,

The undersigned organizations would like to commend you for authoring the "feedlot war" letter dated February 1, 2005, and co-signed by your colleagues on the Senate Agriculture, Veterans, and Gaming Committee.

We also recognize that unproductive rhetoric surrounding livestock production has been increasing as of late. The agriculture community would like to join you in putting an end to the current negative tone. In doing so we will commit to being respectful of all real and perceived social issues surrounding animal agriculture farming and processing in Minnesota.

As your letter points out, this starts with an understanding that animal agriculture and livestock production is critical to the state of Minnesota and consumers world wide, and must coexist peacefully with all others. At the same time, a balance must be struck between economic success and stewardship, respect for neighbors, and other diverse factors.

That being said, we the undersigned members of the agriculture community are committed to honoring the tenor of your letter and forging ahead with responsibility and respect for all parties with a stake in Minnesota's livestock sector.

Sincerely,

Minnesota Dairy Leaders Round Table
Minnesota Agri-Growth Council
Minnesota Soybean Growers Association
Farm Credit Services Associations Serving Minnesota
Minnesota State Cattlemen Association
Minnesota Association of Cooperatives
Minnesota Turkey Growers Association
Broiler and Egg Association of Minnesota
Minnesota Barley Growers Association
Minnesota Pork Producers Association



MINNESOTA MILK PRODUCERS ASSOCIATION

413 South 28th Avenue, Waite Park, MN 56387

Phone: 320-203-8336 ★ FAX: 320-203-8322

E-Mail: mmpa@mnmilk.org ★ Web: www.mnmilk.org

February 15, 2005

Senator Steve Dille
103 State Office Building
100 Rev. Dr Martin Luther King, Jr. Blvd.
St. Paul, MN 55155-1206

Dear Senator Dille:

Thank you for the opportunity to respond to the proposed resolution authored by you and signed by the Minnesota Senate Agriculture, Veterans and Gaming Committee. On behalf of two thousand dairy farmers and over two hundred and fifty industry supporters, Minnesota Milk Producers Association wholeheartedly supports the resolution and commends you and the committee for introducing the resolution.

The debate has been taxing on everyone involved, especially dairy producers who want to continue a successful family business while improving their quality of life and the environment in which they live.

We fully support the resolution asking for all dairy producers to be good neighbors. Minnesota Milk with support from the State of Minnesota continues to help dairy farmers become better neighbors by meeting and/or exceeding all environmental regulations through the Environmental Quality Assurance program.

Minnesota Milk greatly appreciates the resolution asking for all Minnesotan's to have a respectful, encouraging and appreciative attitude toward livestock farmers. Minnesota has a diverse dairy industry. Some dairy farmers choose to go the route of low input - low output rotational grazing. Other dairy farm families choose to modernize their old and tired barn into a new barn that is more comfortable for the cows. To remain viable and profitable, many dairy farm families choose to add cows to their herd while others chose to do the best they can with their existing facilities.

We welcome the resolution asking rural residents to renew and intensify their efforts to be good neighbors and to accept, encourage and support us. As dairy farm families, we add a great deal to our local communities. We need suppliers like feed dealers, equipment dealers and veterinarians. Just as important, we need processors nearby to add more value to the products we produce.

Minnesota Milk appreciates your support and understanding as livestock agriculture continues to change, much the same way other industries continue to change. Thank you again for your thoughtful resolution. If you have questions, please contact me at your convenience.

Sincerely,

Bob Lefebvre
Executive Director

The Voice of Minnesota's Dairy Industry



February 28, 2005

Senator Steve Dille
Room 103 State Office Building
100 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1606

Dear Steve,

Thank you for your letter of February 1, 2005 asking for ending of the "Feedlot War" 1985-2005. I concur with your letter. I also believe there are opportunities for all size hog producers in Minnesota. It would be very nice if producers would have one set of rules to work with.

Thank you again, Steve, for this letter as well as everything else you do helping Minnesota agriculture.

Sincerely,

A handwritten signature in black ink, appearing to read "Kent Holden", written in a cursive style.

Kent Holden



MINNESOTA CATHOLIC CONFERENCE

Archdiocese of St. Paul/Minneapolis ♦ Diocese of Crookston ♦ Diocese of Duluth
Diocese of New Ulm ♦ Diocese of St. Cloud ♦ Diocese of Winona

March 21, 2005

Senator Steve Dille
103 State Office Building
100 Rev. Dr. Martin L. King, Jr. Blvd.
St. Paul, MN 55155-1206

RE: Resolution regarding tolerance of diversity in agriculture

Dear Senator Dille,

As the public policy organization of the Catholic Bishops of Minnesota, we commend your leadership in striving for compromises, working to build consensus and promoting mutual respect between individuals and organizations who support and/or participate in agriculture in Minnesota. While we would not characterize the differences of opinion and practices which have arisen among these individuals and organizations as "Minnesota feedlot wars," we do recognize that conflicts have occurred and we support your intentions in introducing your resolution regarding tolerance of diversity in agriculture in our state.

In 2004, our national organization of Catholic Bishops, the United States Conference of Catholic Bishops (USCCB), issued a statement on agriculture entitled *For I Was Hungry & You Gave Me Food*. In their statement, our Bishops advised that in agriculture much is at stake in moral and human terms because food sustains life itself and it is not just another product.

While acknowledging that individuals can differ about the specific application of their recommendations, the Bishops further explained that the following six criteria should provide us with a framework for measuring policies related to agriculture:

- (1) Overcoming Hunger and Poverty;
- (2) Providing a Safe, Affordable and Sustainable Food Supply;
- (3) Ensuring a Decent Life for Farmers and Farmworkers;
- (4) Sustaining and Strengthening Rural Communities;
- (5) Protecting God's Creation; and
- (6) Expanding Participation and Dialogue in the Development of Agricultural Policies.

We are particularly grateful to you for your efforts to expand participation and dialogue between various individuals and diverse organizations regarding the development of agricultural policies in our state.

Very truly yours;

Kate Krisik
Social Concerns Director

Dille wonders 'Can't we just all get along?'

Senator pens letter calling for peace, harmony

By Janet Kubat Willette

jkubat@agrinews.com

ST. PAUL — Sen. Steve Dille wants peace, harmony, love and acceptance to replace the criticism and condescending remarks fired back and forth in the feedlot war.

The Dassel Republican wrote a 13-point letter last week outlining a new era for Minnesota's livestock farmers.

He read the letter, which was signed by all members of the Senate agriculture committee, at the end of a Feb. 3 hearing where testimony was taken on the Governor's Livestock Advisory Task Force Report and the Citizens Task Force Report.

"I was trying to think what was holding up livestock (expansion) in this state," Dille said, and he came up with urban sprawl and conflict.

He figured that since Democrats and Republicans are trying to make peace in the Senate this year and are doing a fairly good job, the warriors on both sides of the



Dille

Your turn

What do you think about Sen. Steve Dille's idea? Is it possible to end the "Feedlot War" and have peace in farm country? Email jkubat@agrinews.com or call 800-533-1727 ext. 17790. We'll include some of the responses in next week's paper.

feedlot war may also be able to come to a truce.

Dille wrote the letter, and ran it by a couple other senators. He fine-tuned it and then asked his colleagues on the agriculture committee to sign it. They agreed.

The letter bears the signatures of both Senate Minority Leader Dick Day and Senate Majority Leader Dean Johnson, among others.

The room was silent when Dille read the letter. He also apologized to the Land Stewardship Project for being critical of them in the past.

Paul Sobocinski, a Wabasso farmer and LSP staff member, welcomed the letter and called it a first step in mending frayed relations. But trust, he said, must be built over time.

Lisa Heggedahl, an Angus producer from Hayfield, testified on behalf of the governor's report and called the letter a peace offering.

"Sen. Dille has extended a peace offering to those such as Land Stewardship Project whose viewpoint differs from his," Heggedahl said. "He has asked for peace and harmony in order to work together for the betterment of Minnesota's livestock producers rather than the expenditure of time and energy to oppose one another. It remains to be seen whether the Land Stewardship Project and others will reach out and accept the olive branch or reach out and rap Sen. Dille over the head with it."

Dille said there's room for all types of livestock production in Minnesota.

Ideally, LSP will help people who want to farm using grass-based production methods rather than tear down those who choose to raise livestock in confinement.

Likewise, he hopes the "other side" will quit making condescending remarks about LSP.

"You'd think at some point in the future, the feedlot war will end," Dille said. "... Why not this year?..."

"If this works, I might even ask them to mention it in my obituary."

The letter has been distributed in the Senate and a resolution will be drafted for passage in both the House and Senate.

Dille is also going to introduce a bill addressing urban sprawl.

To All Minnesota citizens:

2005 is the year for peace, harmony and bipartisanship in the Minnesota Legislature.

We would respectfully request that 2005 also be the year for the "Feedlot War" to end, and that a new era begin for Minnesota's livestock farmers that is characterized by:

1. Peace
2. Harmony
3. Love
4. Acceptance of Minnesota's diverse livestock production systems.
5. Acceptance that federal, state and local regulations are among the most stringent in the world and will, if followed, protect the environment in almost all situations.
6. Rhetoric and resources that are channeled into promoting one's preferred method of production rather than channeling rhetoric and resources into criticizing and tearing down someone else's preferred method of production.
7. Livestock farmers renewing and intensifying their efforts to be good neighbors, and carefully following all the federal, state and local feedlot regulations.
8. Rural residents renewing and intensifying their efforts to be good neighbors, and accepting, encouraging and supporting the livestock producers in their area.
9. Opportunities for all Minnesotans to learn about the economic and environmental benefits of livestock produced in a broad range of diverse systems, ranging from pasture to confinement.
10. Respectful, encouraging and appreciative attitude toward all of Minnesota's livestock farmers.

11. The knowledge that Minnesota livestock farms and related agribusiness is good for the economy, employing 200,000 people and generating economic value of at least \$28 billion.

12. The knowledge that high livestock and human populations peacefully coexist in much of the world. Minnesotans should try to be more like citizens of the United Kingdom, Denmark, the Netherlands or Lancaster County, Penn., who live in close proximity to farmers that use diverse production systems ranging from small pastures to large modern confinement barns. They live together in the same neighborhood in peace and harmony.

13. The knowledge that livestock that is produced on farms that are properly sited, engineered and managed is good for the environment.

The Minnesota "Feedlot War" began around 1985 and has gone on for 20 years. We respectfully ask all the warring parties to please lay down your swords, set aside hateful condescending speech, spend your energy, talent and resources to build up and not to tear down.

Please, Minnesota let's make 2005 the year the feedlot war ended.

Please, Minnesota, let's make 2005 the year a new era begins for Minnesota livestock producers, an era characterized by peace, harmony, love and acceptance of diversity.

— Sincerely, Sen. Steve Dille, Sen. Rod Skoe, Sen. Jim Vickerman, Sen. Becky Lourey, Sen. Betsy Wergun, Sen. Paul Koering, Sen. Steve Murphy, Sen. Dick Day, Sen. Ann Rest, Sen. Yvonne Pretner Solon, Sen. Dallas Sams, Sen. David Hann, Sen. Dean Elton Johnson, Sen. Sean Nienow

Diverse groups support Sen. Dille's feedlot message

from staff reports

The Minnesota Dairy Leaders Roundtable, Minnesota Agri-Growth Council, Minnesota Soybean Growers Association, Farm Credit Services Associations serving Minnesota, Minnesota State Cattlemen Association, Minnesota Association of Cooperatives, Minnesota Turkey Growers Association, Broiler and Egg Association of Minnesota, Minnesota Barley Growers Association and Minnesota Pork Producers Association wrote a letter to Sen. Steve Dille, R-Dassel, commending him for authoring the feedlot war letter

dated Feb. 1, 2005.

The groups said they "recognize that unproductive rhetoric surrounding livestock production has been increasing as of late" and they will join him "in putting an end to the current negative tone."

They pledged to respect social issues surrounding livestock production and processing in the state.

"This starts with an understanding that animal agriculture and livestock production is critical to the state of Minnesota and consumers world wide, and must coexist peacefully with all others. At the same time, a balance

must be struck between economic success and stewardship, respect for neighbors and other diverse factors."

Rural health care

House Republicans outlined a package of rural health initiatives March 2 to help more people get access to medical care.

Their proposals include higher payments to nursing homes and rural hospitals, grants to preserve rural pharmacies and spur electronic record-keeping, purchasing alliances for small businesses and farmers, and tax changes to ease the use of Health Savings Accounts.

"Health care takes on a new and more difficult dimension in rural areas," said Rep. Fran Bradley, the lead Republican on health care issues. "Do I want a piece of action for those groups? You bet I do."

Higher payments to nursing homes — a 3 percent increase each year for two years — would cost about \$150 million and dwarfs the total 2 percent increase proposed by Gov. Tim Pawlenty. Bradley didn't have a price tag for the whole rural health package, but said the nursing home increase was by far the biggest-ticket item.

— Associated Press

Bill introductions

Rep. Tony Cornish, R-Good Thunder, has introduced a bill calling for a Renewable Energy Production Incentive to support the development of wind energy. Under the bill, House File 218, owners of wind energy conversion systems with a capacity of 2 megawatts or less receive 1.5 cents for each kilowatt hour produced for a period of 10 years. The payment would be available to only 200 megawatts of total statewide capacity.

Sen. Julianne Ortman, R-Chanhassen, has introduced a bill, Senate File 1247,

which provides an individual income tax credit and a corporate franchise tax for qualifying investments in dairy operations.

Sen. Steve Dille, R-Dassel, has introduced Senate File 1202 that appropriates money for a grant to Second Harvest food banks for the purchase of milk.

Sen. Ellen Anderson, DFL-St. Paul, has introduced a bill, Senate File 1187, to prohibit the sale of atrazine.

Sen. Becky Lourey, DFL-Kerrick, has introduced a bill restricting the sale of ethanol plants. The bill is Senate File 943.

Dille's letter sparks optimism

By Janet Kubat Willette

jkubat@agrnews.com

Reaction to Sen. Steve Dille's letter calling for an end to the feedlot war has been cautiously optimistic.

Jim Palmer of the Minnesota soybean growers called the letter commendable.

He also commended Dille, a Dassel Republican, for trying to bring people together.

Mary Jo Forbord, executive director of the Minnesota Sustainable Farming Association, said the letter outlines goals that can hopefully be achieved.

Dave Preisler, executive director of the Minnesota



Dille

Pork Producers Association, said the letter sets a tone that all agricultural groups should follow.

Paul Sobocinski, a Wabaso farmer and Land Stewardship Project staff member, said the letter expresses values his organization shares, and he hopes it's the beginning of an opportunity to work together to benefit rural Minnesota.

Sobocinski said LSP took the letter in good faith, but said the Legislature must back the letter with action. Specifically, lawmakers must send a clear message that no legislation that would affect township rights or local control will pass. Also, lawmakers need to correct the current funding imbalance by equally funding research geared for confinement and pasture systems.

In 1998, the Legislature did fund both, Sobocinski said. A confinement hog facility went up in Waseca, and pas-

ture-based systems in Morris received a boost. That's an example of harmony, he said.

"We welcome the opportunity to work with Sen. Dille and other ag committee members" to move the state forward, Sobocinski said.

Sobocinski

Preisler agrees. "Let's go forward and work on things of mutual benefit," he said.

Ron Jacobsen, who farms near Freeborn and is president of the Minnesota Soybean Growers Association, said Dille's letter fits well with their campaign to keep livestock in Minnesota. MSGA is size-neutral, he said. Soybean growers want

Inside

• Read letter writers reactions on the opinion page — Page A7

livestock in the state to consume Minnesota-grown soybeans that are processed into meal. Jacobsen said without livestock soybean growers would lose 68 cents a bushel shipping production out of state.

Forbord wants to move the debate from feedlots to a holistic approach that emphasizes how farming is interrelated to the economy and the health of the community.

"I don't want Sen. Dille's gesture of good faith to be hollow," she said. "I commend Sen. Dille for coming out of the trenches. I think he has the good of Minnesota agriculture at heart."

(What's So Funny 'bout) Peace, Love, and Understanding

as sung by Senator Steve Dille
Song written by Elvis Costello with a few "amendments" by
Senate staffer Anne Hamre
March 2005

As I walk through
The Capitol
Searchin' for light in the darkness of farm policy.

I ask myself
Is all hope lost?
Is there only pain and hatred, and misery?

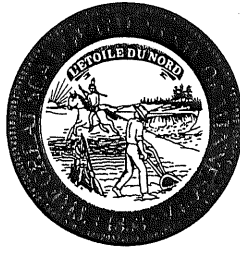
And each time I feel like this inside,
There's one thing I wanna know:
What's so funny 'bout peace love & understanding? Ohhhh
What's so funny 'bout peace love & understanding?

And as I walked on
Through feedlot wars
My spirit gets so downhearted sometimes
So where are the strong
And who are the trusted?
And where is the harmony?
Sweet harmony.

'Cause each time I feel it slippin' away, just makes me wanna cry.
What's so funny 'bout peace love & understanding? Ohhhh
What's so funny 'bout peace love & understanding?

So where are the strong?
And who are the trusted?
And where is the harmony?
Sweet harmony.

'Cause each time I feel it slippin' away, just makes me wanna cry.
What's so funny 'bout peace love & understanding? Ohhhh
What's so funny 'bout peace love & understanding? Ohhhh
What's so funny 'bout peace love & understanding?



April 6, 2005

The following individuals and organizations are supporters of SF 1218, a resolution authored by Sen. Steve Dille (R-Dassel), Sen. Jim Vickerman (DFL-Tracy), Sen. Dick Day (R-Owatonna), Sen. Dean Johnson (DFL-Willmar), and Sen. Becky Lourey (DFL-Kerrick). A letter dated February 1, 2004 addressed to all Minnesota Citizens and signed by all members of the Senate Agriculture Committee laid out the same message as this resolution.

SF218 calls for 2005 to be the year the "Minnesota Feedlot War" ends and a new era begins for Minnesota livestock farmers; an era characterized by peace, harmony, love, and acceptance of diversity.

NAME

1. Minnesota Dairy Leaders Roundtable
2. Minnesota Agri-Growth Council
3. Minnesota Soybean Growers Association
4. Farm Credit Services Association Serving Minnesota
5. Minnesota State Cattlemen's Association
6. Minnesota Association of Cooperatives
7. Minnesota Turkey Growers Association
8. Broiler and Egg Association of Minnesota
9. Minnesota Barley Growers Association
10. Minnesota Pork Producers Association
11. Minnesota Milk Producers Association
12. Holden Farm – Kent Holden
13. Minnesota Catholic Conference – Kate Krisik

14. _____

15. _____

16. _____

17. _____

18. _____

19. _____

20. _____

FARM NUMBERS

The 2003 total number of farms in Minnesota was estimated at 80,000, down 900 farms from 2002. The number of farms in the \$1,000-\$9,999 economic sales class decreased 200 to 35,200 in 2003. Those with sales in the \$10,000-\$99,999 economic sales class decreased 700 to 25,500 farms in 2003.

Farms in the \$100,000-\$249,999; \$250,000-\$499,999; and \$500,000 and over sales classes remained unchanged from 2002.

A farm is defined as any establishment from which \$1,000 or more of agricultural products were sold or would normally be sold during the year. Government payments are included as sales.

NUMBER OF FARMS, LAND IN FARMS, AND

AVERAGE SIZE: Minnesota, 1992-2003 1/

Year	Number of Farms	Land in Farms	Avg. Size of Farms
	Number	1,000 Acres	Acres
1992	88,000	29,800	339
1993	86,000	29,700	345
1994	84,500	29,500	349
1995	83,000	29,400	354
1996	82,000	29,200	356
1997	81,000	29,100	359
1998	80,000	28,600	358
1999	81,000	28,200	348
2000	81,000	27,900	344
2001	81,000	27,800	343
2002	80,900	27,800	344
2003	80,000	27,700	346

1/ A farm is any establishment from which \$1,000 or more of agricultural products were sold or would normally be sold during the year.

NUMBER OF FARMS: By Economic Sales Class

Minnesota, 1998-2003

Year	\$1,000- \$9,999	\$10,000- \$99,999	\$100,000- \$249,999	\$250,000- \$499,999	\$500,000 & Over	Total
	Number					
1998	29,600	29,400	12,600	5,500	2,900	80,000
1999	30,500	29,500	12,400	5,500	3,100	81,000
2000	32,100	28,400	11,600	5,500	3,400	81,000
2001	33,900	27,100	10,900	5,400	3,700	81,000
2002	35,400	26,200	10,000	5,400	3,900	80,900
2003	35,200	25,500	10,000	5,400	3,900	80,000

60700 FARM

19300 FARMS

LAND IN FARMS: By Economic Sales Class

Minnesota, 1998-2003

Year	\$1,000- \$9,999	\$10,000- \$99,999	\$100,000- \$249,999	\$250,000- \$499,999	\$500,000 & Over	Total
	1,000 Acres					
1998	3,110	8,500	6,800	5,590	4,600	28,600
1999	3,140	8,000	6,600	5,460	5,000	28,200
2000	3,210	7,500	6,400	5,390	5,400	27,900
2001	3,220	7,200	6,200	5,380	5,800	27,800
2002	3,290	6,830	5,900	5,380	6,400	27,800
2003	3,070	6,850	5,920	5,410	6,450	27,700

Source:

**Senate Counsel, Research,
and Fiscal Analysis**

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DIRECTOR

Senate

State of Minnesota

S.F. No. 1629 - Livestock Loans and Zoning

Author: Senator Steve Dille

Prepared by: Greg Knopff, Legislative Analyst *GK*
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Date: April 6, 2005

Section 1 [Loans; Value-Added Agricultural Products Stock Loan Program] redirects the repayments for Value-Added Agricultural Product Processing Stock Loan Program for the newly created Rural Finance Authority (RFA) Revolving Loan Account.

Section 2 [Deposit of Repayments] redirects the repayments of manure digester loans program to the new RFA Revolving Loan Account.

Section 3 [Livestock Equipment Pilot Loan Program]

Subdivision 1 [Establishment] directs the Rural Finance Authority to establish a loan program to assist farmers purchase of livestock-related equipment for the first time or to make improvements in an existing operation.

Subdivision 2 [Eligibility] provides that a borrower must be a resident of Minnesota who is eligible to own and operate Minnesota farm land and have limited total net worth. The borrower must also be operating a properly registered feedlot.

Subdivision 3 [Livestock Equipment Loans] provides that the RFA may purchase from a local lender up to 45 percent of the principal amount of a loan made to an eligible farmer for 90 percent of the value of qualifying livestock equipment. RFA participation is limited to \$40,000 per loan. Loans have a maximum term of seven years. The RFA may impose an application fee of \$50.

Subdivision 4 [Eligible Expenditures] lists a number of livestock-oriented facilities and equipment that qualify for the loan, including fences, feed-storage and handling equipment, milking equipment, and pastures.

Section 4 [Rural Finance Authority Revolving Loan Account] establishes the RFA Revolving Loan Account. Money in the account is available for the livestock equipment, manure digester, and value-added agricultural product facility stock purchase loan programs.

Section 5 [Local Road Account for Routes of Regional Significance] allows up to ten percent of appropriations to the Local Road Account for township roads of regional significance to be available for the maintenance of routes serving livestock operations permitted after the effective date of the section.

Section 6 [Grant Procedures and Criteria; Local Roads] adds the Department of Agriculture to the list of interests that need to be consulted as procedures are established for distributing grants from the Local Road Improvement Fund.

Section 7 [Feedlot Zoning Ordinances; Counties] amends existing procedures for adopting or amending county feedlot ordinances by requiring that the PCA and the Commissioner of Agriculture be notified no later than the notice of the first public hearing on the proposed ordinance adoption or amendment. The section also requires that if a county board member requests it, the county must prepare an economic analysis of the affect of the ordinance on the local economy. Various state agencies must work together to prepare a template for measuring the local economic effects of a feedlot zoning ordinance.

Section 8 [Interim Ordinance; Cities and Towns] provides that if a city or town proposes an interim ordinance on livestock production, the city or town must hold a public hearing not less than ten days after giving notice and before the ordinance takes effect.

Section 9 [Feedlot Zoning Controls; Cities and Towns] establishes procedures a city or town must follow when proposing a new or amended zoning control over feedlots. The PCA and the Department of Agriculture must be notified at the beginning of the process. A municipality may submit a copy of the proposed ordinance to the PCA and the Department of Agriculture for review and recommendation by those agencies. If a member of the municipality's governing body requests it, the municipality must prepare an economic analysis of the affect of the ordinance on the local economy. Several state agencies are required to work together to prepare a template for measuring the local economic effects of a feedlot zoning ordinance.

Section 10 [Appropriations] appropriates \$100,000 each year from the general fund to the Commissioner of Agriculture to train and provide technical assistance to county and town officials concerning local zoning and land use planning for animal operations. This

section also appropriates \$220,000 in fiscal year 2006 from the general fund to the Commissioner of Agriculture for research on livestock odor and air quality management.

Section 11 [Transfer of Funds; Deposit of Repayments] transfers the remaining balances in the value-added stock loan program and the manure digester loan program in the newly created revolving account. Any repayments to those programs are redirected for deposit in the new account.

Section 12 [Repealer] repeals the statutory language that created the revolving fund for Value-Added Agricultural Product Processing Stock Loan Program.

Section 13 [Effective Date] makes the act effective the day following final enactment.

GK:dv

1 Senator moves to amend S.F. No. 1629 as follows:

2 Page 6, line 18, after "recommendations" insert "on the
3 environmental and agricultural effects from specific provisions
4 in the ordinance"

5 Page 6, line 22, after the first comma, insert "social,"

6 Page 9, line 10, after "recommendations" insert "on the
7 environmental and agricultural effects from specific provisions
8 in the ordinance"

9 Page 9, line 14, after the first comma, insert "social,"

1 Senator moves to amend S.F. No. 1629 as follows:
2 Page 6, line 16, before "county" insert "member of the"
3 Page 6, line 24, delete "any member" and insert "a majority"
4 Page 9, line 8, before "municipality" insert "member of the
5 governing body of a"
6 Page 9, line 16, delete "any member" and insert "a majority"
7 Page 9, after line 28, insert:
8 "(e) A local ordinance that contains a setback for new
9 feedlots from existing residences must also provide for a new
10 residence setback from existing feedlots located in areas zoned
11 agricultural at the same distances and conditions specified in
12 the setback for new feedlots, unless the new residence is built
13 to replace an existing residence. A municipality may grant a
14 variance from this requirement under subdivision 6."

1 Senator moves to amend S.F. No. 1629 as follows:

2 Page 9, line 32, delete "agriculture" and insert

3 "administration for the local planning assistance center"

4 Page 10, line 2, delete "commissioner" and insert "local

5 planning assistance center"

6 Page 10, line 3, delete everything after "the"

7 Page 10, line 4, delete everything before "and" and insert "

8 commissioner of agriculture"

Senators Dille, Vickerman, Sams, Hann and Wergin introduced--
S.F. No. 1629: Referred to the Committee on Agriculture, Veterans and Gaming.

1 A bill for an act
2 relating to agriculture; changing certain loan
3 provisions; establishing a loan program; changing
4 certain livestock zoning regulations; paying for town
5 road repairs; appropriating money; amending Minnesota
6 Statutes 2004, sections 41B.046, subdivision 5;
7 41B.049, subdivision 2; 174.52, subdivisions 4, 5;
8 394.25, subdivision 3c; 462.355, subdivision 4;
9 462.358, by adding a subdivision; proposing coding for
10 new law in Minnesota Statutes, chapter 41B; repealing
11 Minnesota Statutes 2004, section 41B.046, subdivision
12 3.

13 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:**

14 Section 1. Minnesota Statutes 2004, section 41B.046,
15 subdivision 5, is amended to read:

16 Subd. 5. [LOANS.] (a) The authority may participate in a
17 stock loan with an eligible lender to a farmer who is eligible
18 under subdivision 4. Participation is limited to 45 percent of
19 the principal amount of the loan or \$40,000, whichever is less.
20 The interest rates and repayment terms of the authority's
21 participation interest may differ from the interest rates and
22 repayment terms of the lender's retained portion of the loan,
23 but the authority's interest rate must not exceed 50 percent of
24 the lender's interest rate.

25 (b) No more than 95 percent of the purchase price of the
26 stock may be financed under this program.

27 (c) Security for stock loans must be the stock purchased, a
28 personal note executed by the borrower, and whatever other
29 security is required by the eligible lender or the authority.

1 (d) The authority may impose a reasonable nonrefundable
 2 application fee for each application for a stock loan. The
 3 authority may review the fee annually and make adjustments as
 4 necessary. The application fee is initially \$50. Application
 5 fees received by the authority must be deposited in the
 6 value-added agricultural product revolving fund.

7 (e) Stock loans under this program will be made using money
 8 in the ~~value-added-agricultural-product~~ revolving fund loan
 9 account established under subdivision 3 in section 41B.06.

10 (f) The authority may not grant stock loans in a cumulative
 11 amount exceeding \$2,000,000 for the financing of stock purchases
 12 in any one cooperative.

13 (g) Repayments of financial assistance under this section,
 14 including principal and interest, must be deposited into the
 15 revolving loan account established in section 41B.06.

16 Sec. 2. Minnesota Statutes 2004, section 41B.049,
 17 subdivision 2, is amended to read:

18 Subd. 2. [~~REVOLVING-FUND DEPOSIT OF REPAYMENTS.~~] ~~There-is~~
 19 ~~established-in-the-state-treasury-a-revolving-fund, which-is~~
 20 ~~eligible-to-receive-appropriations-and-the-transfer-of-funds~~
 21 ~~from-other-services.~~ All repayments of financial assistance
 22 granted under subdivision 1, including principal and interest,
 23 must be deposited into this fund. ~~Interest earned on money in~~
 24 ~~the fund accrues to the fund, and money in the fund is~~
 25 ~~appropriated to the commissioner of agriculture for purposes of~~
 26 ~~the manure digester loan program, including costs incurred by~~
 27 ~~the authority to establish and administer the program~~ the
 28 revolving loan account established in section 41B.06.

29 Sec. 3. [41B.055] [LIVESTOCK EQUIPMENT PILOT LOAN
 30 PROGRAM.]

31 Subdivision 1. [ESTABLISHMENT.] The authority must
 32 establish and implement a livestock equipment pilot loan program
 33 to help finance the first purchase of livestock-related
 34 equipment and make livestock facilities improvements.

35 Subd. 2. [ELIGIBILITY.] Notwithstanding section 41B.03, to
 36 be eligible for this program a borrower must:

1 (1) be a resident of Minnesota or general partnership or a
2 family farm corporation, authorized farm corporation, family
3 farm partnership, or authorized farm partnership as defined in
4 section 500.24, subdivision 2;

5 (2) be the principal operator of a livestock farm;

6 (3) have a total net worth, including assets and
7 liabilities of the borrower's spouse and dependents, no greater
8 than the amount stipulated in section 41B.03, subdivision 3;

9 (4) demonstrate an ability to repay the loan; and

10 (5) hold an appropriate feedlot registration or be using
11 the loan under this program to meet registration requirements.

12 In addition to the requirements in clauses (1) to (5),
13 preference must be given to applicants who have farmed less than
14 ten years as evidenced by their filing of schedule F in their
15 federal tax returns.

16 Subd. 3. [LOANS.] (a) The authority may participate in a
17 livestock equipment loan equal to 90 percent of the purchased
18 equipment value with an eligible lender to a farmer who is
19 eligible under subdivision 2. Participation is limited to 45
20 percent of the principal amount of the loan or \$40,000,
21 whichever is less. The interest rates and repayment terms of
22 the authority's participation interest may differ from the
23 interest rates and repayment terms of the lender's retained
24 portion of the loan, but the authority's interest rate must not
25 exceed three percent. The authority may review the interest
26 annually and make adjustments as necessary.

27 (b) Standards for loan amortization must be set by the
28 rural finance authority and must not exceed seven years.

29 (c) Security for a livestock equipment loan must be a
30 personal note executed by the borrower and whatever other
31 security is required by the eligible lender or the authority.

32 (d) Refinancing of existing debt is not an eligible purpose.

33 (e) The authority may impose a reasonable, nonrefundable
34 application fee for a livestock equipment loan. The authority
35 may review the fee annually and make adjustments as necessary.
36 The initial application fee is \$50. Application fees received

1 by the authority must be deposited in the revolving loan account
 2 established in section 41B.06.

3 (f) Loans under this program must be made using money in
 4 the revolving loan account established in section 41B.06.

5 Subd. 4. [ELIGIBLE EXPENDITURES.] Money may be used for
 6 loans for the acquisition of equipment for animal housing,
 7 confinement, animal feeding, milk production, and waste
 8 management, including the following, if related to animal
 9 husbandry:

10 (1) fences;

11 (2) watering facilities;

12 (3) feed storage and handling equipment;

13 (4) milking parlors;

14 (5) milking equipment;

15 (6) scales;

16 (7) milk storage and cooling facilities;

17 (8) manure pumping and storage facilities; and

18 (9) capital investment in pasture.

19 Sec. 4. [41B.06] [RURAL FINANCE AUTHORITY REVOLVING LOAN
 20 ACCOUNT.]

21 There is established in the rural finance administration
 22 fund a rural finance authority revolving loan account that is
 23 eligible to receive appropriations and the transfer of loan
 24 funds from other programs. All repayments of financial
 25 assistance granted from this account, including principal and
 26 interest, must be deposited into this account. Interest earned
 27 on money in the account accrues to the account, and the money in
 28 the account is appropriated to the commissioner of agriculture
 29 for purposes of the rural finance authority, livestock equipment
 30 methane digester, and value-added agricultural product loan
 31 programs, including costs incurred by the authority to establish
 32 and administer the programs.

33 Sec. 5. Minnesota Statutes 2004, section 174.52,
 34 subdivision 4, is amended to read:

35 Subd. 4. [LOCAL ROAD ACCOUNT FOR ROUTES OF REGIONAL
 36 SIGNIFICANCE.] (a) A local road account for routes of regional

1 significance is established in the local road improvement fund.
2 Money in the account is annually appropriated to the
3 commissioner of transportation for expenditure as specified in
4 this section. Money in the account must be used as grants or
5 loans to statutory or home rule charter cities, towns, and
6 counties to assist in paying the costs of constructing or
7 reconstructing city streets, county highways, or town roads with
8 statewide or regional significance that have not been fully
9 funded through other state, federal, or local funding sources.

10 (b) Of the amounts appropriated under this subdivision, up
11 to ten percent is appropriated for grants or loans to towns to
12 assist in paying the costs of constructing or reconstructing
13 town roads with statewide or regional significance that have not
14 been fully funded through other state, federal, or local funding
15 sources and are routes in need of maintenance related to
16 livestock operations permitted after the effective date of this
17 section.

18 Sec. 6. Minnesota Statutes 2004, section 174.52,
19 subdivision 5, is amended to read:

20 Subd. 5. [GRANT PROCEDURES AND CRITERIA.] The commissioner
21 shall establish procedures for statutory or home rule charter
22 cities, towns, and counties to apply for grants or loans from
23 the fund and criteria to be used to select projects for funding.
24 The commissioner shall establish these procedures and criteria
25 in consultation with representatives appointed by the
26 Association of Minnesota Counties, League of Minnesota
27 Cities, and Minnesota Township Officers Association, and the
28 Minnesota Department of Agriculture. The criteria for
29 determining project priority and the amount of a grant or loan
30 must be based upon consideration of:

31 (1) the availability of other state, federal, and local
32 funds;

33 (2) the regional significance of the route;

34 (3) effectiveness of the proposed project in eliminating a
35 transportation system deficiency;

36 (4) the number of persons who will be positively impacted

1 by the project;

2 (5) the project's contribution to other local, regional, or
3 state economic development or redevelopment efforts; and

4 (6) ability of the local unit of government to adequately
5 provide for the safe operation and maintenance of the facility
6 upon project completion.

7 Sec. 7. Minnesota Statutes 2004, section 394.25,
8 subdivision 3c, is amended to read:

9 Subd. 3c. [FEEDLOT ZONING ORDINANCES.] (a) A county
10 proposing to adopt a new feedlot ordinance or amend an existing
11 feedlot ordinance must notify the Pollution Control Agency and
12 commissioner of agriculture at the beginning of the process, no
13 later than the notice of the first hearing proposing to adopt or
14 amend an ordinance purporting to address feedlots.

15 (b) Prior to final approval of a feedlot ordinance, a
16 county board may submit a copy of the proposed ordinance to the
17 Pollution Control Agency and to the commissioner of agriculture
18 and request review, comment, and preparation of recommendations.

19 (c) The agencies' response to the county may include:

20 (1) any recommendations for improvements in the ordinance;
21 and

22 (2) the legal, economic, or scientific justification for
23 each recommendation under clause (1).

24 (d) At the request of any member of the county board, the
25 county must prepare a report on the environmental and
26 agricultural economic effects from specific provisions in the
27 ordinance. Economic analysis must state whether the ordinance
28 will affect the local economy and describe the kinds of
29 businesses affected and the projected impact the proposal will
30 have on those businesses. To assist the county, the
31 commissioner of agriculture, in cooperation with the Department
32 of Employment and Economic Development, must develop a template
33 for measuring local economic effects and make it available to
34 the county. The report must be submitted to the commissioners
35 of employment and economic development and agriculture along
36 with the proposed ordinance.

1 ~~(c) The report may include:~~
 2 ~~(1) any recommendations for improvements in the ordinance,~~
 3 and

4 ~~(2) the legal, social, economic, or scientific~~
 5 ~~justification for each recommendation under clause (1).~~

6 (d) (e) A local ordinance that contains a setback for new
 7 feedlots from existing residences must also provide for a new
 8 residence setback from existing feedlots located in areas zoned
 9 agricultural at the same distances and conditions specified in
 10 the setback for new feedlots, unless the new residence is built
 11 to replace an existing residence. A county may grant a variance
 12 from this requirement under section 394.27, subdivision 7.

13 Sec. 8. Minnesota Statutes 2004, section 462.355,
 14 subdivision 4, is amended to read:

15 Subd. 4. [INTERIM ORDINANCE.] (a) If a municipality is
 16 conducting studies or has authorized a study to be conducted or
 17 has held or has scheduled a hearing for the purpose of
 18 considering adoption or amendment of a comprehensive plan or
 19 official controls as defined in section 462.352, subdivision 15,
 20 or if new territory for which plans or controls have not been
 21 adopted is annexed to a municipality, the governing body of the
 22 municipality may adopt an interim ordinance applicable to all or
 23 part of its jurisdiction for the purpose of protecting the
 24 planning process and the health, safety and welfare of its
 25 citizens. The interim ordinance may regulate, restrict or
 26 prohibit any use, development, or subdivision within the
 27 jurisdiction or a portion thereof for a period not to exceed one
 28 year from the date it is effective.

29 (b) If a proposed interim ordinance purports to regulate,
 30 restrict, or prohibit activities relating to livestock
 31 production, a public hearing must be held following a ten-day
 32 notice given by publication in a newspaper of general
 33 circulation in the municipality before the interim ordinance
 34 takes effect.

35 (c) The period of an interim ordinance applicable to an
 36 area that is affected by a city's master plan for a municipal

1 airport may be extended for such additional periods as the
2 municipality may deem appropriate, not exceeding a total
3 additional period of 18 months in the case where the Minnesota
4 Department of Transportation has requested a city to review its
5 master plan for a municipal airport prior to August 1, 2004. In
6 all other cases, no interim ordinance may halt, delay, or impede
7 a subdivision which has been given preliminary approval, nor may
8 any interim ordinance extend the time deadline for agency action
9 set forth in section 15.99 with respect to any application filed
10 prior to the effective date of the interim ordinance. The
11 governing body of the municipality may extend the interim
12 ordinance after a public hearing and written findings have been
13 adopted based upon one or more of the conditions in clause (1),
14 (2), or (3). The public hearing must be held at least 15 days
15 but not more than 30 days before the expiration of the interim
16 ordinance, and notice of the hearing must be published at least
17 ten days before the hearing. The interim ordinance may be
18 extended for the following conditions and durations, but, except
19 as provided in clause (3), an interim ordinance may not be
20 extended more than an additional 18 months:

21 (1) up to an additional 120 days following the receipt of
22 the final approval or review by a federal, state, or
23 metropolitan agency when the approval is required by law and the
24 review or approval has not been completed and received by the
25 municipality at least 30 days before the expiration of the
26 interim ordinance;

27 (2) up to an additional 120 days following the completion
28 of any other process required by a state statute, federal law,
29 or court order, when the process is not completed at least 30
30 days before the expiration of the interim ordinance; or

31 (3) up to an additional one year if the municipality has
32 not adopted a comprehensive plan under this section at the time
33 the interim ordinance is enacted.

34 Sec. 9. Minnesota Statutes 2004, section 462.358, is
35 amended by adding a subdivision to read:

36 Subd. 2d. [FEEDLOT ZONING CONTROLS.] (a) A municipality

1 proposing to adopt a new feedlot zoning control or to amend an
2 existing feedlot zoning control must notify the Pollution
3 Control Agency and commissioner of agriculture at the beginning
4 of the process, no later than the date notice is given of the
5 first hearing proposing to adopt or amend a zoning control
6 purporting to address feedlots.

7 (b) Prior to final approval of a feedlot zoning control, a
8 municipality may submit a copy of the proposed zoning control to
9 the Pollution Control Agency and to the commissioner of
10 agriculture and request review, comment, and recommendations.

11 (c) The agencies' response to the municipality may include:

12 (1) any recommendations for improvements in the ordinance;
13 and

14 (2) the legal, economic, or scientific justification for
15 each recommendation under clause (1).

16 (d) At the request of any member of the municipality's
17 governing body, the municipality must prepare a report on the
18 economic effects from specific provisions in the ordinance.
19 Economic analysis must state whether the ordinance will affect
20 the local economy and describe the kinds of businesses affected
21 and the projected impact the proposal will have on those
22 businesses. To assist the municipality, the commissioner of
23 agriculture, in cooperation with the Department of Employment
24 and Economic Development, must develop a template for measuring
25 local economic effects and make it available to the
26 municipality. The report must be submitted to the commissioners
27 of employment and economic development and agriculture along
28 with the proposed ordinance.

29 Sec. 10. [APPROPRIATION.]

30 (a) \$100,000 in fiscal year 2006 and \$100,000 in fiscal
31 year 2007 are appropriated from the general fund to the
32 commissioner of agriculture to provide training and technical
33 assistance to county and town officials relating to livestock
34 siting issues and local zoning and land use planning including a
35 checklist template that would clarify the federal, state, and
36 local government requirements for consideration of an animal

1 agriculture modernization or expansion project. In developing
2 the training and technical assistance program, the commissioner
3 may seek assistance from the local planning assistance center of
4 the Department of Administration and shall seek guidance,
5 advice, and support of livestock producer organizations, general
6 agricultural organizations, local government associations,
7 academic institutions, other government agencies, and others
8 with expertise in land use and agriculture.

9 (b) \$220,000 is appropriated in fiscal year 2006 from the
10 general fund to the commissioner of agriculture to contract with
11 the University of Minnesota for further research and development
12 of livestock odor and air quality management.

13 Sec. 11. [TRANSFER OF FUNDS; DEPOSIT OF REPAYMENTS.]

14 The remaining balances in the revolving accounts in
15 Minnesota Statutes, sections 41B.046 and 41B.049, that are
16 dedicated to rural finance authority loan programs under those
17 sections, are transferred to the revolving loan account
18 established in Minnesota Statutes, section 41B.06, on the
19 effective date of this section. All future receipts from
20 value-added agricultural product loans and methane digester
21 loans originated under Minnesota Statutes, sections 41B.046 and
22 41B.049, must be deposited in the revolving loan account
23 established in Minnesota Statutes, section 41B.06.

24 Sec. 12. [REPEALER.]

25 Minnesota Statutes 2004, section 41B.046, subdivision 3, is
26 repealed.

27 Sec. 13. [EFFECTIVE DATE.]

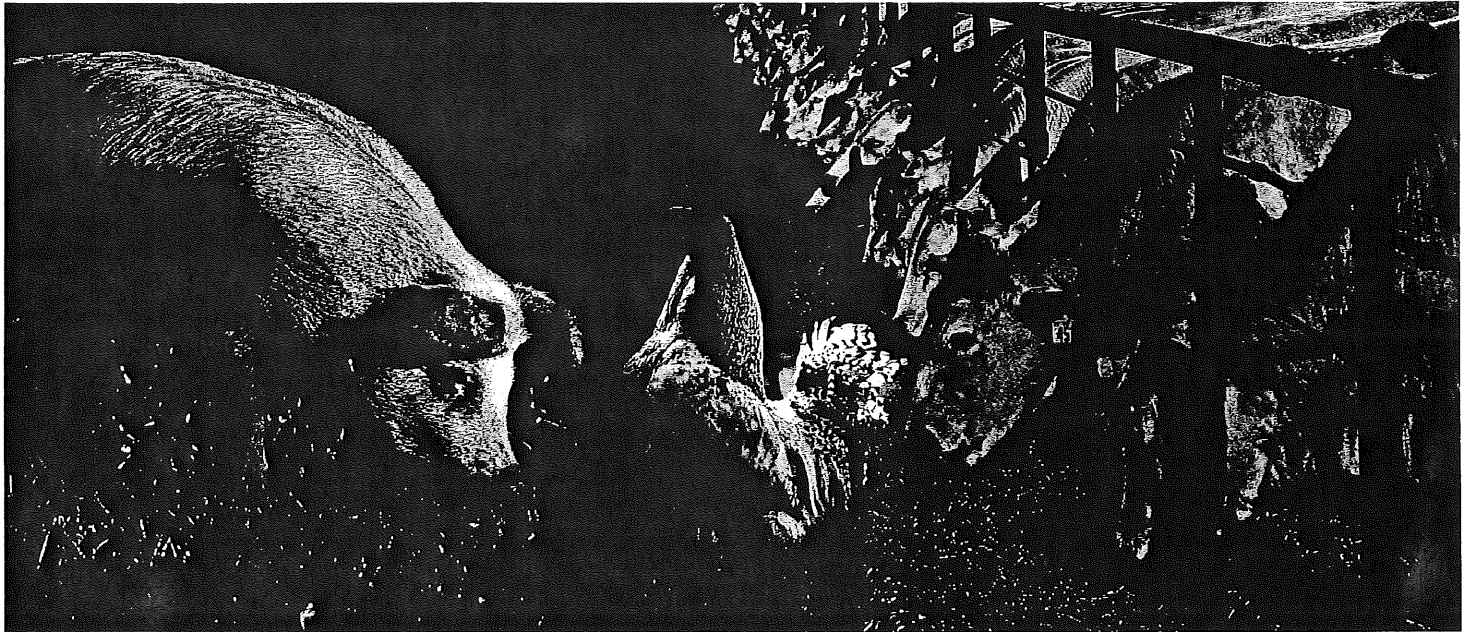
28 This act is effective the day following final enactment.

APPENDIX
Repealed Minnesota Statutes for 05-3124

41B.046 VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.

Subd. 3. Revolving fund. There is established in the state treasury a value-added agricultural product revolving fund which is eligible to receive appropriations. All repayments of financial assistance granted under subdivision 2, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the value-added agricultural loan program, including costs incurred by the authority to establish and administer the program.

Minnesota's Animal Agriculture Industry Executive Summary



June 2004

Livestock Advisory Task Force Membership:

Gene Hugoson.....*Commissioner*.....Minnesota Department of Agriculture (co-chair)

Matt Kramer.....*Commissioner*.....Minnesota Department of Employment and Economic Development (co-chair)

Sheryl Corrigan.....*Commissioner*.....Minnesota Pollution Control Agency

Dana Allen.....Minnesota Milk Producers Association and Southeast Agriculture Alliance

Al Anderson.....Cenex Harvest States Inc., and Minnesota Agri-Growth Council

Don Berg.....Land O'Lakes, Inc.

Clint Fall.....First District Cooperative

Rod Hamilton.....Minnesota Pork Producers Association

Lisa Heggedahl.....Minnesota Farmers Union and Minnesota State Angus Association

Dave Hoelmer.....AgStar Financial Services

Sander Ludeman.....Minnesota Farm Bureau, Minnesota Corn Growers and Minnesota Soybean Growers

Charles Muscoplat.....College of Agriculture, Food and Environmental Sciences, University of Minnesota

Joe Swedberg.....Hormel Foods Corporation and Jennie-O Turkey Store

Karen Zimmerman.....Minnesota Turkey Growers Association

This report was prepared by the task force with the support of staff from the Minnesota Department of Agriculture, the Minnesota Department of Employment and Economic Development, and the Minnesota Pollution Control Agency.

For additional copies, please contact the Minnesota Department of Agriculture at 651-297-3219.

Executive Summary

Animal agriculture is a vital part of Minnesota's economy. In 2001 (the most recent year for which data were available), cash receipts from livestock production totaled nearly \$4.3 billion - roughly 53 percent of the state's overall agricultural sales¹. The full economic impact of Minnesota's livestock production exceeds \$10.7 billion when indirect and induced outputs are considered².

In addition to being a major economic driver, livestock production is a major employer. The industry is credited with supporting nearly 100,000 jobs (directly providing nearly 28,000 jobs and creating business activity that supports 70,000 more)³.

Animal agriculture also generates significant demand for Minnesota's largest agricultural crops through animals' consumption of feed grains. Minnesota livestock annually consume roughly 20 percent of Minnesota's corn and soybean crops. This local demand adds value to the crops - it is estimated that animal agriculture adds more than \$2 billion to the value of Minnesota crops⁴.

Unlike some states dominated by one species or business model, Minnesota's animal agriculture industry is diversified in terms of livestock species, farm size, and business model. This diversity is important because it gives the industry resiliency and flexibility. The Governor's Livestock Advisory Task Force recognizes the value and importance of all livestock operations and seeks to preserve and expand opportunities for all of them. As such, the recommendations included in the task force report are designed to have relevance for all Minnesota livestock operations regardless of size, location, business structure or livestock species.

Statement of Need

While Minnesota's livestock industry is a major economic force, its future is uncertain. As input costs have increased and commodity prices have remained relatively static, profit margins for farmers have shrunk. This has driven some farmers out of business, while others have chosen to farm part-time and work off the farm to supplement their farm income. Some have chosen to switch to alternative farming methods such as organics, which offer potentially higher per-unit returns in exchange for higher production costs. For others, the answer has been to try to increase the number of acres or animals to offset the declining per-unit returns. As profit margins dwindle and business costs and family costs increase, farmers find they need to modernize and increase their efficiency simply to generate a livable income. However, attempts to expand or improve their facilities are sometimes met with resistance by those who are opposed to these changes.

The state's dairy sector, once the crown jewel of Minnesota agriculture, is leaving the state at an alarming rate. In the last 10 years, Minnesota lost 173,000 dairy cows⁵, 21 dairy processing plants⁶ and hundreds of millions of dollars in related

economic activity. This loss is underscored by the recent decision by Associated Milk Producers Inc. (AMPI) to close its dairy processing facility in Glencoe, Minnesota.

While the short-term status of the pork, poultry and beef sectors appears more stable, there are concerns about their long-term competitive ability as well.

To address this problem, Governor Tim Pawlenty announced the formation of the Livestock Advisory Task Force (LTF) in November 2003. Governor Pawlenty directed the task force to evaluate the status of Minnesota's animal agriculture industry and make recommendations to support its retention and growth in Minnesota.

The 14-member task force included representatives from the state's livestock industry, as well as agricultural finance, producer organizations, academia, and state government. Task force members met throughout the winter and spring of 2004, listening to presentations from local government officials, agricultural officials from other states, university officials and others. These presentations and the task force discussions that followed were designed to gather information and perspectives about the status of Minnesota's animal agriculture industry and about potential initiatives to improve its long-term prospects. The result is the list of recommendations in this report.

In addition to the recommendations for Governor Pawlenty, this report provides background information about Minnesota's animal agriculture industry and the economic and social trends driving its continuing evolution. This information is included to provide readers with some of the same information the task force used when developing the recommendations.

Livestock Advisory Task Force Recommendations

Factor 1: Local Siting of Livestock Operations

Goal: To improve the use of local management in the siting of livestock operations, thereby ensuring future economic development opportunities for livestock production and rural communities, protecting the environment, and reducing associated tensions and divisiveness in rural communities.

Recommendations: The LTF believes a significant impediment to modernization and new investment in Minnesota livestock operations is the lack of predictability and uniformity in the siting process at the local level. In recent months, the LTF received input on this issue from representatives of the Minnesota Association of Townships (MAT) and the Association of Minnesota Counties (AMC). Although the LTF hoped to make specific recommendations related to the role of local governments in the siting of livestock operations, task force members believe this issue requires further discussion with MAT and AMC representatives to gain additional input and support for recommendations in this area. Therefore, the LTF recommends the continuation of the current task force for the purpose of developing recommendations on ways to increase predictability and uniformity for livestock producers in siting operations while at the same time recognizing the role of local land use planning.

The LTF further recommends that a sub-group of the current LTF (supplemented with representatives of AMC, MAT, and two members each from the Minnesota Senate and House of Representatives) be appointed to develop recommendations by the autumn of 2004 for consideration by the 2005 legislature. Areas of discussion by the extended task force would include but not be limited to:

- Conducting fact-finding on issues of local planning and land-use regulation as it relates to animal agriculture;
- Developing a comprehensive proposal for providing necessary resources, assistance, training, and incentives for local governments to conduct planning efforts that identify suitable areas to zone for animal agriculture, and to identify and develop safeguards for areas or landscape conditions that might present environmental constraints for livestock production;
- Developing a comprehensive education and training proposal for local government officials on livestock siting issues, in consultation with producer organizations, AMC and MAT. The program would focus on science-based information regarding environmental, odor, manure management, ground water, community and economic impacts from various types of livestock operations; and
- Reviewing planning and zoning enabling laws for counties and townships and recommending changes as needed.

As part of the recommendations in this section, the LTF urges that, until the Governor has had an opportunity to consider the recommendations of the LTF on local siting of livestock operations, local governments evaluate feedlot proposals

on their individual merits and refrain from county and township moratoria and other restrictive actions that limit livestock production.

Factor 2: Permitting and Environmental Review Process

Goal: To improve the consistency, scientific basis, predictability, timeliness and efficiency of the state's permitting and environmental review process for livestock operations while continuing Minnesota's leadership in protecting the state's natural resources.

Recommendations:

- Direct the Minnesota Pollution Control Agency (MPCA) to develop by November 1, 2004, a customer service model such as Minnesota BizNice to assist project applicants through the permitting and environmental review process, and ensure applications are accurate and complete (MDA, MPCA, private industry). MPCA will then report on the status of this recommendation to the follow-up team of Livestock Task Force members;
- Direct the MPCA to work with producer groups and other stakeholders to identify process improvements for permitting and regulatory oversight. Focus should include promotion and support for Industry led Environmental Quality Assurance programs including development of regulatory self-certification for producers voluntarily participating in endorsed EQA programs. MPCA should report to the follow up LTF team on plans and progress by September 2004;
- Direct MPCA to update its General NPDES permits to increase flexibility and encompass more applicants (MPCA). Complete initial General Permits by November 1, 2004 and report to follow-up LTF team on additional General Permits (to cover anaerobic methane digesters, and other advanced technologies) and target dates for their completion;
- Direct the Environmental Quality Board (EQB) to evaluate animal-unit thresholds triggering environmental assessment worksheets (EAWs) and report findings to the follow-up team of LTF members by November 1, 2004 (EQB, MPCA, MDA); and
- Direct EQB, MPCA and the Minnesota Department of Agriculture (MDA) to determine feasibility of an alternative environmental review process (featuring time-certain steps) for operations eligible for General NPDES Permits and operations in certain geographic areas, and report back to the follow-up team of LTF members by September 2004 (EQB, MPCA, MDA).

Factor 3: Access to Capital

Goal: To encourage and enhance investment opportunities in Minnesota's livestock industry.

Recommendations:

- Develop initiatives for the 2005 legislative session to provide tax credits and other financial incentives to assist livestock operations in modernizing and reinvesting in existing facilities and report back to the follow up team of LTF members by October, 2004 (Governor's office, MDA, Department of Revenue, DEED); and
- Direct the MDA and Minnesota Department of Employment and Economic Development (DEED) to review existing loan and grant programs and recommend changes that will give the programs greater flexibility to meet the financing needs of livestock producers (MDA, DEED) (October 2004).

Factor 4: Research, Technology, Productivity

Goal: To prioritize resources and increase funding for research and education projects that support the key factors of the task force, and that enable producers and government officials across the state to support and develop Minnesota's livestock industry.

Recommendation: Direct and support investments in the University of Minnesota and Minnesota State Colleges and Universities (MnSCU) Farm Financial Management Systems to work in consultation with livestock stakeholder groups to develop and implement by November 2004 an action plan to improve the competitiveness of Minnesota's livestock industry. The plan should address the following research and education needs:

Short term needs

- Enhance research efforts related to on-farm odor and manure nutrient management (i.e., focus on public concerns over environmental issues including potential human health effects, demonstrate technologies that enhance the environment and further utilize manure's nutrient and bio-fuel benefits);
- Enhance producers' management skills to empower them to address such challenges as on-farm human resource demands, management of additional animal units and long-range fiscal planning regardless of operation size; and
- Invest in applied research capabilities (i.e., improved research facilities that reflect current technologies necessary for increased competitiveness, product quality and animal welfare, evaluate alternative sources of protein as well as provide technical assistance in the production and marketing of specialty or alternative meat and dairy products, and address questions such as constraints that limit the flow of capital investment in the livestock industry.)

Long term needs:

- Coordinate development of an agricultural information system for emergency preparedness;
- Expand research on disease control in animal populations; and
- Enhance research integrating production records and genomics.

Factor 5: Preservation of Investment

Goal: To preserve the investment in livestock facilities operating within generally accepted agricultural practices and in compliance with applicable federal, state, and local requirements.

Recommendations:

- Support legislation that strengthens Minnesota's Right-to-Farm Law (Governor's office, MDA); and
- Support and encourage education and communication programs on the importance of animal agriculture to rural communities and to Minnesota's economy as a whole (MDA, agri-business, producer and commodity organizations, U of M, secondary and post-secondary education institutions).

Additional Recommendations (Not Directly Related to the Five Factors Cited Above):

- Develop specific proposals for the Legislature based on task force recommendations (Governor's follow-up team);
- Develop additional long-term policy recommendations for enhancing the competitive position of Minnesota livestock industry (Governor's follow-up team);
- Initiate and oversee activities of LTF siting subcommittee (Governor's follow-up team); and
- Report regularly to the Governor on progress toward implementation of these recommendations (Governor's follow-up team.)

S. Dille

**Governor Pawlenty's Livestock Advisory Task Force
Recommendations (5 Factors) June 2004**

1. Local Siting of Livestock Operations
 - a. Educate and provide incentives to local government
 - b. Change state law relative to local government planning and zoning

2. Permitting and Environmental Review Process
 - a. Streamline
 - b. Decrease time to get a permit
 - c. Increase predictability

3. Access to Capital
 - a. Tax credits and other financial incentives

4. Research, Technology, Productivity
 - a. Education
 - b. University research

5. Preservation of Investment
 - a. Strengthen Right to Farm Law
 - b. Educate public about importance of livestock

Recommendations for Conditions for
Ripley Dairy
by
Ripley Township Board

1/1 Attachment H''

1. Building design should include bird control and fence around liquid basin.
2. Any abandoned Well within 100 feet of manure storage is required to be sealed.
3. Require a third-party (neutral/unbiased) (i.e. Feedlot officer) examining the site before and after excavation and upon completion of manure storage facility (compression checks, liner type).
4. That the applicant undertake the project according to the plans and specifications submitted to the County with the application.
5. The permit is invalid if the holder has not substantially completed the construction within the period of time allowed on the zoning permit connected with this conditional use permit.
6. That the feed lot officer will enter onto the premises, at least quarterly for the first 5 years, and at reasonable times and in a reasonable manner to insure the permit holder is in compliance with the conditions and all other applicable statutes, rules, and ordinances.
7. The liquid in the basin is to be either injected or irrigated. If irrigated, it must be applied by drop nozzles within 4 feet of the surface on standing crops only. The solids that are spread are recommended to be incorporated within 24 hours of application. All applications must be at agronomic rates.
8. In accordance with new MPCA rules, the applicant shall provide a manure management plan under the guidelines set forth in Section 7020.2225.
9. Manure when transported by spreader/truck to fields off-site shall be covered or in a leak-proof tank to avoid any potential manure spills on public roads.

10. The applicant shall obtain a DNR-Division of Waters "Water Appropriation" permit.
11. Dead animals shall be composted in accordance with the Board of Animal Health regulations. A separate facility located at the same site shall be constructed and operate in accordance with the best available technology and monitored by the County Feedlot Officer. Venting the building through a Bio-Filter may be an added solution if odor problem arises.
12. Approval of the Feedlot Permit application, the Construction Short Form permit, and there shall be supporting information on file in the Dodge County Planning & Zoning Department and/or MPCA.
13. The earthen basin shall not be used to store any type of waste, except for liquid animal manure which has passed through the methane digester and separator process. A Geotec liner will be used on the upper one-third inner wall of the liquid basin.
14. The applicant shall remain in compliance with all additional standards set forth in the National Pollutant Discharge Elimination's (NPDES) permit.
15. The applicant shall maintain sufficient enough acreage (owned, rented or by agreement) to apply manure generated from this facility at agronomic rates.
16. The applicant shall submit an ISTS design before construction begins.
17. The applicant shall maintain the described and necessary technology to meet 94% Annoyance Free Odor Rating from the nearest residence not owned or associated with the dairy.
18. A satisfactory road agreement be in place between the applicant and the Township of Ripley and that this condition be applied and in place before the feedlot permit is issued (See Road Agreement between Ripley Township and Ripley Dairy). This agreement is separate document but is part of the Recommendations for Conditions.

19. Require an Anaerobic Digester at the Ripley Dairy site by GHD suitable for 3000 animal units.
20. Liability Insurance required and escrow account established for site cleanup and Maintenance in case of business failure.
21. The Ripley Dairy is responsible for dust control by building sites on County roads where traffic, generated by dairy activity, takes place.
22. The Ripley Board reserves the right to withdraw its approval at any time up to the start of Construction.

Signed this 17 day of February, 2004.

RIPLEY TOWNSHIP

By: Bruce Schmol

Its: Supervisor

By: Philip Baudoin

Its: Supervisor

By: Steve Selthun

Its: Supervisor

On this 17th day of February, 2004, before me, Christina G. Sorensen, personally appeared, Bruce Schmol, Philip Baudoin, and Steve Selthun, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same as their free act and deed.

WITNESS my hand and official seal.



CHRISTINA G. SORENSEN
NOTARY PUBLIC - MINN. 531A
My Commission Expires Jan. 31, 2005

Christina G. Sorensen
Notary Public

APPROVED BY RIPLEY DAIRY

Signed this 19th day of Feb., 2004.

By: *W. Rowkamp*

Its: *General Corporation*

On this 19th day of February, 2004, before me, Christina G. Sorensen, personally appeared, William Rowkamp, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same as his free act and deed.



CHRISTINA G. SORENSEN
NOTARY PUBLIC - MINN. 531A
My Commission Expires Jan. 31, 2005

WITNESS my hand and official seal.

Christina G. Sorensen
Notary Public

Ripley Dairy Project Timeline

Oct. 2002, two 3000 animal unit dairy projects were proposed by a nonresident who owned land in two different Dodge County townships. One is to be located in Ashland Township and the other in Ripley Township.

Nov. 2002, members from MPCA, Ripley Watershed Committee, Dodge Co. Feedlot Officer and Ripley Township Board met to view the potential site of the facility proposed for Ripley Township.

Dec. 2002, a meeting was organized by concerned citizens at the Dodge Center Legion to look into the possibilities of Ripley and Ashland enacting their own temporary moratorium on feedlots with the possibility of establishing their own planning and zoning ordinance. At this meeting, Ben Zaitz, the landowner of both proposed sites spoke and requested that he would not pursue the EAW (environmental assessment worksheet), until each township had a chance to further look into the issues involved with his proposals. In attempting to study these issues, a Dairy Review Board was organized with both townships agreeing to have various citizens from their townships act as members of this committee. A recommendation from this committee would then determine the direction each township would pursue.

Dec. 2002, the Dairy Review Board was formed and given the task of studying the issues of concern and then reporting their findings to the townships. Members of this committee included township residents, township board members and area residents with agricultural interests.

Dec. 2002, those involved in the decision making process were invited to go on a bus trip to visit two separate dairies in the Plainview area that were using a liquid separation system in their manure management plan. This was similar to the manure management plan being proposed in the dairies in Ripley and Ashland Townships. Also viewed on this trip was how the dairy planned on using sand bedding for the comfort of the cows.

Jan. 2003, dairy review board held their first meeting.

Feb. 2003, landowner Ben Zaitz asked for a variance for a facility to hold a capacity of approximately 4200 animal units. There was discussion concerning the use of a methane digester at this point to reduce the odor from the manure produced as well as producing electricity from the methane gas produced and burned off from the digester. The problems with removing sand from the manure before it entered the digester were a concern.

Feb. 2003, Dodge County sponsored a Feedlot Issues Workshop. Township planning and zoning and the enforcement of its regulations was discussed. Offset odor setback requirements were presented as a means of determining proper setbacks to achieve various levels of odor reduction standards. Water quality issues were discussed as it related to various types of soil and its substructure. This was done to point out the

difference in manure application rates as compared to the type of topography found in different regions of Minnesota.

July 2003, the dairy review board finished it's study of the dairy projects after approximately 20 meetings that included testimony from people with in depth knowledge of the various issues of concern to local citizens.

Aug. 2003, the residents of Ripley Township were notified of a meeting that the dairy review board was prepared to present their findings to the public and to township and county officials. At this meeting it was determined that the Ripley site was to include a methane digester with only the digested manure being used as a bedding material for the cows. The Ashland site was being considered with the possibility of transporting the manure produced from this site to the Ripley site to be processed through the digester. Ashland Township decided to begin the process of developing their own planning and zoning ordinance. Very few residents attended this meeting.

Aug. 2003, a tour was set up for township and county officials to tour the Gordandale Dairy facility near Stevens Point, Wisconsin. This facility would be similar to the Ripley facility in that it included a methane digester similar to the one that would be incorporated into the Ripley site. This tour supported the claim that the odor was greatly reduced after going through this process.

Sept. 2003, at the monthly Ripley township meeting a petition was presented to the board with a list of residents that were concerned with the proposed dairy and request that the board begin the process of developing its own planning and zoning ordinance. It was determined that the board should review the petition and act accordingly at the next meeting.

Sept. 2003, a special meeting was called by the Ripley township board to organize an informative meeting with township residents at the next monthly meeting in Oct. This meeting was organized because the board felt that with the low turn out of residents at the Aug. meeting of the dairy review board, at which many of the details of the dairy were presented, that we would try to present further specific information on the plans of the dairy and attempt to explain how the inclusion of the methane digester was a very important part of the viability of the success of this project. Notices were sent out to Ripley residents as to the time and date of this meeting.

Oct. 2003, the monthly Ripley township board meeting presented specific details concerning the dairy. Included in the presentations was a report from the chairman of the dairy review board, a report concerning the construction of the liquid basin, a presentation from a dairy facility inspector, a farmer that has been operating a dairy with a methane digester for several years, the designer and builder of the digester that would be incorporated into the Ripley facility. A question and answer period followed these presentations.

Nov. 2003, citizen's concerns were addressed as well as updated information concerning the dairy.

Nov. 2003, a tour to the Northern Plains Dairy was planned with notices sent out to Ripley residents inviting them to go along. Several problems with the Northern Plains Dairy were discussed with Mitch Davis. These included the measured odor readings from the Jerome meters that exceeded the state guidelines occasionally, the bypass of the digester with undigested manure into the liquid basin, and the digester itself that did not digest the manure as fully as the one proposed in the Ripley project.

Dec. 2003, at the regular monthly meeting the board received a second petition calling for the township supervisors to start proceedings to implement planning and zoning in the township. There were eighty-two names on this petition. The number of registered voters in township is approximately one hundred and nine. The township board decided to table action until the next meeting. Also at this meeting it was determined that because of additional costs the dairy might be responsible for, due to road construction, an additional land purchase, and electrical costs for three phase power, that a second site that was originally looked at might be reconsidered.

Jan. 2004, it was determined that although there were a majority of registered voters names on the petition calling for the township to enact township zoning, the same demands had already been addressed at previous meetings and was not supported at that time. The statement that facilities of this size caused property value losses, environmental degradation, noxious odors, and displaced family farmers, was not supported by facts and figures. It was the boards findings that any comparisons that supported these claims was done so with information derived from facilities that did not have the same similarities. Since this point, there has been much conversation as to the responsibility of township supervisors. The questions that have been raised are:

1. Do township supervisors act in the best interest of the majority of its citizens or do they make decisions based on the popularity of the issue at hand?
2. Do township supervisors have a responsibility to only the residents, or also to the businesses of their townships and their industries? In the case of Ripley Township, it is agriculture and in this particular case, the dairy industry.
3. And finally, what voice does the working agricultural community have if they are consistently outnumbered at the polls?

Jan. 2004, a special meeting was called to allow time for the board to discuss the many issues at hand amongst themselves without public input, since several past meetings lasted late into the evening, one being adjourned well after midnight. One last speaker was asked to attend and verify some information concerning the soil structure at the new location of the dairy. Also a tour was organized to visit with township officials and the owner of a dairy near Hilbert, Wisconsin to discuss some problems they have with traffic and any comparisons that might be made with the Ripley facility. Once again public input was allowed and concerns addressed.

Jan. 2004, Ripley supervisors and three area citizens toured the Holsum Dairy near Hilbert, Wisconsin. The traffic problems were discussed and found out what the differences were between the facilities. The Holsum Dairy did not own the bordering land to their property and as a result had to transport much of the material in the liquid basin to distant properties by road. The Ripley facility would be pumping these same contents through a hose to the fields, thus eliminating a large portion of the road traffic. This facility as well as the one near Stevens Point, Wisc. have not had any concerns with odor issues. One of the township board members from the Holsum Dairy lived a mile away and reported no odor issues as well. A letter was sent from the Calumet Co. extension agent where the Holsum Dairy is located stating that they have had no odor issues. And a member of the planning and zoning board from that area also reported that this facility was an economic benefit to the community and a welcome asset to the area.

Feb. 2004, at the regular monthly meeting the Ripley township board approved the 3000 animal unit Ripley Dairy Site Plan, road agreement and finalized conditions that would be recommended to the Dodge County Planning and Zoning board after further discussions with the public.

LAND STEWARDSHIP PROJECT

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PROGRAMS

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- Food & Farm Connection
- Local Food Dinners
- Food & Farm Festival
- Pride of the Prairie

SUSTAINABLE FARMING PRACTICES

- On Farm Research
- Planning & Managing for Stewardship
- Whole Farm Planning
- Monitoring Toolbox
- Farm Beginnings
- Agroecology

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- Pork Checkoff Campaign
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- Multiple Benefits of Agriculture & Pasture Raised Livestock



The Land Stewardship Project is involved in a broad range of activities that serve our mission "to foster an ethic of stewardship for farmland, to promote sustainable agriculture and to develop sustainable communities."

Below are summaries of our many program areas with links to details and opportunities to get involved.

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Creating a Regional Food System that benefits farmers, consumers and the land

Food Alliance Midwest - Creating Food Choices

Food Alliance Midwest (FAM) is a third-party certification program that uses a certification seal in a public education and consumer awareness campaign to support local farms and foods. By looking for the FAM certification seal, consumers can choose and purchase foods from farms that are local, environmentally friendly, and socially responsible. Food Alliance Midwest is the only certification that combines these healthful elements into one certification seal.

[Learn more...](#)

Farm and City Food Connections

LSP educates consumers on how they can support sustainable farmers by purchasing food directly from the farm. LSP helps link farmers and consumers through several resources and events: our [Stewardship Food Network](#) listing of direct-marketing farmers, the [Food and Farm Connection](#), [Local Foods Dinners](#), and the [Community Food & Farm Festival](#) that bring people together for good food and discussion of food issues, and other events.

[Learn more...](#)

Pride of the Prairie

An important aspect of LSP's work is assisting sustainable producers in cultivating profitable alternative markets and creating direct connections with consumers. LSP offers a variety of resources and workshops on marketing locally grown, sustainably raised farm products. Pride of the Prairie is working to increase the variety and amount of locally produced foods in restaurants, grocery stores and institutions in western Minnesota.

[Learn more...](#)

[top](#)

SUSTAINABLE FARMING PRACTICES

Encouraging Stewardship through education, research and demonstration

On Farm Research



LSP regularly supports research of farming practices that improve the profitability, environmental sustainability and quality of life of family farmers. LSP also takes an active role building relationships between farmers, University researchers, agency representatives and environmentalists. Recent collaborative efforts have researched farm sustainability as reflected by water quality and financial data, and forage based livestock systems and their impact on water quality and farm profitability.

[Learn more...](#)

Planning and Managing for Stewardship

Incorporated into much of LSP's work is a holistic approach to managing land, people and money - and their interrelationships. LSP offers several training opportunities and resources that translate this holistic attitude into practical techniques for planning and managing farming operations including [Whole Farm Planning workshops](#) and a [Monitoring Tool Box](#) of techniques for monitoring the impact of management decisions on quality of life, financial sustainability, soils, streams, birds, frogs, and pasture vegetation. On-line sustainability calculator for farms.

[Learn more...](#)

Farm Beginnings - Preparing a New Generation of Farmers

The Farm Beginnings program trains new farmers in low-capital, environmentally-sound farming practices, financial management, whole farm planning and environmental monitoring. It also links participants with experienced sustainable farmers who serve as mentors. A zero interest livestock loan program is available to eligible Farm Beginnings graduates made possible by a generous grant from Heifer Project International.

[Learn more...](#)

Agroecology

The long-term goal of the Agroecology Program is to restore a relationship between farming and the natural world that enhances the sustainability of both and transforms rural landscapes into mixtures of agricultural and natural ecosystems. To introduce these ideas about agroecological restoration, LSP supported the writing of a book called [The Farm as Natural Habitat: Reconnecting Food Systems with Ecosystems](#), published by Island Press in April 2002. LSP staff members participate in book readings, conferences and programs based on themes related to those in the book. LSP is a founding member of the [Wild Farm Alliance](#) and participates in activities of this coalition to promote agriculture that helps protect and restore wild nature.

[Learn more...](#)

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NEW VISION FOR AGRICULTURE

Creating a New Vision for Agriculture by organizing communities for positive change

Standing up to Corporate Power and Concentration

LSP works to change government and corporate policies that consolidate wealth and power into fewer hands while endangering the health and well-being of people, communities and the environment.

As part of the Campaign for Family Farms, LSP is working on a national drive to end the mandatory pork checkoff. The pork checkoff is a tax paid by all hog farmers on each hog sold. For years, the National Pork Producers Council (NPPC) received nearly \$50 million a year in checkoff funds, which it used to promote factory farms and corporate control of the hog industry. Now the funds are managed by the National Pork Board (which is appointed by the U.S. Secretary of Agriculture in close communication with the NPPC) with the same ultimate purpose and with much of the funding still ending up in the various subsidiaries and state affiliates of the NPPC.

[Learn more...](#)

LSP also works at the federal and state level for legislation that would ensure a fair market place for family farmers. We support a ban on packer ownership of livestock, a moratorium on agribusiness mergers, enforcement of the Packers and Stockyards Act, and strengthening of mandatory price reporting.

[Learn more...](#)

Federal & State Policy - Advancing Policy that Benefits the Land and People

LSP promotes policies and programs at the federal, state and local level that help family farms and rural communities thrive and move us toward a food and agriculture system based on good stewardship of the land.

LSP's Federal Farm Policy Committee has played a key role in developing and advancing a new policy approach in which farmers would receive federal farm program payments based on their effectiveness in producing public benefits such as soil and water quality, wildlife habitat, energy conservation, and biodiversity.

At the national level, LSP participates in the Midwest Sustainable Agriculture Working Group, the Sustainable Agriculture Coalition, the National Campaign for Sustainable Agriculture and the Campaign for Family Farms. In Minnesota, we are a strong advocate for sustainable agriculture programs at the University of Minnesota and through the Department of Agriculture.

[Learn more...](#)

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The Conservation Security Program

The Conservation Security Program (CSP), which is part of the 2002 Farm Bill, is a unique and exciting initiative that promises to reward farmers based on how well they are protecting and improving the environment. Traditional agricultural policy rewards farmers for all-out production of a handful of commodity crops, resulting in major environmental and economic problems. The CSP, which LSP members helped lay the groundwork for, provides payments for producers who historically have practiced good stewardship on their agricultural lands, and incentives for those who want to do more.

[Learn more...](#)

Organizing Against Factory Farms

LSP works to stop factory farms that pollute the air and water, threaten the health of their neighbors and drive family farmers from the land. LSP members and staff work with neighbors at the township, county and state levels to oppose factory farms and promote alternatives that are environmentally sound.

[Learn more...](#)

Document Multiple Benefits of Agriculture

With the successful completion of research that estimated and compared the benefits of different agricultural management decisions in two watersheds in Minnesota, LSP's Multiple Benefits of Agriculture project has turned to the inevitable matter of policy. Phase II focuses on the design of both policy options and their on-the-ground delivery systems that reward farmers for producing non-market public goods such as reduced soil erosion, improved wildlife habitat, and strengthened rural economies.

[Learn more...](#)

Quick Links

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[Land Stewardship Project, 2001](#)

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3

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- When a factory farm comes to town



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The Land Stewardship Project

When a Factory Farm Comes to Town:

Protecting Your Township From Unwanted Development

A Guide for Using the Interim Ordinance and Other Tools in
Minnesota's Municipal Planning Law

January 1997

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I. Introduction

A. Why this guide was created

Many townships in Minnesota are dealing with the effects of large-scale livestock and poultry production facilities (referred to in this guide as large-scale feedlots). The unprecedented size of many of these operations makes them more industrial than agricultural. Reports of their negative consequences by neighbors and residents living near these facilities are proof they need local regulation to minimize their negative effects.

But local residents and township officials can chart their own course as a community and control factory farms that want to operate in their township. Minnesota laws give townships the authority to control these facilities through comprehensive planning and zoning. This guide outlines how townships can use comprehensive planning and zoning, generally, and the interim ordinance, specifically, to control the development of large-scale livestock production operations and similar facilities.

This guide defines large-scale feedlots as those which house at least 500 animal units, which is the equivalent of about 50,000 chickens, 1250 swine, and 350 cows. An "animal unit" (AU) is a measure used to compare the amount of manure generated by different types of animals.

Numbers and styles of barns and manure storage systems vary among different facilities. Technology, such as computerized feeding and watering systems, makes it possible for farmers to handle more animals per operation than ever before. Manure is stored within the facility to be used by local farms or sold as fertilizer. The effects of concentrating a large number of animals and their wastes on a relatively small area of land is unprecedented in agriculture.

The scale of these systems is relatively new to Minnesota; regulatory agencies are using old regulations that were designed to monitor smaller types of feedlots which don't pose the same consequences as large-scale feedlots.

In the case of hogs, large confinement hog barns are often part of a contract management system. In these systems, local landowners are paid by an owner to raise pigs on contract, while that owner maintains overall management and control over the landowner's supplies, medication, feed, and sale of the hogs. Local landowners are seeking permits, and are building confinement barns and manure storage complexes more rapidly than regulatory systems are prepared to handle.









Meanwhile, neighbors and residents living near these facilities are suffering from very real problems which the outdated regulations don't recognize and thus don't regulate: Residents living next to these facilities believe the air pollution from the manure storage is causing chronic headaches, coughing, plugged ears, watering eyes, runny nose, fatigue, shortness of breath, nausea, dizziness, and tightness of chest. Strong odors have curtailed outdoor activities such as children's play, and have kept friends from visiting. Waste leaks and runoff from earthen basins used for manure storage are suspected of having contaminated some public waterways and private drinking wells. These facilities have eroded property values, according to assessors in Minnesota and an Iowa State University study. The volume of products (hogs, poultry, milk and beef) marketed through factory farms, and the preferred treatment these operations receive from packers and processors have reduced market access and prices for independent farmers, forcing many out of business. The rapid rate of change created by these large-scale facilities has eroded

When industrial ag comes to town Here's a step-by-step guide for organizing your community



By Doug Nopar & Paul Sobocinski

It can be quite disheartening to learn that you're about to be a neighbor of a livestock confinement facility housing thousands of hogs or cattle. But as Land Stewardship Project members have shown in recent years, a well-organized grassroots effort can often stop a factory farm in its tracks. When organized people run up against organized money, place your bets on the former force.

Here's a list of basic steps to take at the local level when a factory farm is proposed for your neighborhood:






-  Call your neighbors and feel out their concerns about this facility.
-  Organize a neighborhood meeting of people in the general proximity of the facility who share your concerns.
-  Consider having someone at your meeting who has fought one of these facilities somewhere else.
-  List your objections to the proposed facility — environmental, social, economic, health, land use, property values.
-  Find the information which has been supplied by the factory farm owner to government officials on feedlot permit applications. Go to the county zoning office and get a copy of the feedlot permit application. If your county doesn't have a feedlot ordinance, get a copy of the application from your state's pollution control agency. In Minnesota, contact the Pollution Control Agency at (612) 296-6300.
-  Find out how big the facility is, and what the manure storage and manure application plans are.
-  If your county has a zoning ordinance with feedlot provisions, get a copy.
-  Get a list from the county of the names and addresses and phone

numbers of the county board members and the county planning and zoning commission members. Planning and zoning commissions make recommendations to the county board. The county board can accept, reject or modify the planning commission's recommendations in their final decisions.


-  Ask the zoning administrator to describe exactly how this application will proceed in the county.
-  Circulate a petition listing the reasons you're opposed to the facility. By itself, the petition will probably not stop any facility, but it is a good tool for making people aware while gathering their names, addresses and phone numbers in one central location.


Important questions


Many people have asked staff members of the Land Stewardship Project what we mean by "factory farm." The following questions about any given facility should make the notion of a factory farm more clear:


-  Does the facility pose a potential threat to public health or the environment?
-  Does the facility have the capacity to impact neighboring property values negatively?
-  Does the owner(s) of the facility have, due to its size, preferential access to markets or credit?
-  Will the owner(s) of the facility, due to its size, be receiving price premiums?
-  Is the owner(s) removed from the day-to-day management and labor needed to operate the facility?


In order to label a facility a "factory farm," we don't have to answer "yes" to all of these questions. However, the more "yes" answers we get, the more it smells like a factory.


 Contact your township supervisors and encourage them to pass a township resolution opposing the facility.


 Develop a plan for presenting your case to the appropriate governmental body (planning and zoning, county board, etc.). The drafting of this plan should involve a number of local citizens, preferably of diverse backgrounds. For example, it's good to have farmers and rural non-farmers working together on this issue.


 Get a real estate agent to estimate how this facility would affect local property values.


 Get signed letters from people living close to the proposed facility.


 Generate phone calls to members of the planning and zoning commission, as well as the county board of commissioners, expressing your opposition.

 Avoid personal verbal attacks directed toward public officials or the owner/operator of the proposed facility.

 Once you've met as a group, you may want to designate a couple of representatives to talk with the facility operator/owner to express the group's concerns.

 Choose a couple of people to be coordinators so that group members can stay in touch and act as a team.

 Work constantly to get the group's message out to the public. For example, encourage different people to write letters to newspaper commentary sections.

 Start working on developing a better zoning ordinance to regulate feedlots at the county level. Township level ordinances can also be explored. □

Doug Nopar and Paul Sobocinski are Land Stewardship Project organizers.



"Attachment K"



MINNESOTA ASSOCIATION OF TOWNSHIPS AGENCY

Minnesota Association of Townships Insurance & Bond Trust (MATIT)

Director of Operations/ General Counsel:
Troy Gilchrist

Agency Associate:
Kristen McCullough

Agency Financial Assistant:
Virginia Magee

To: Legislators
From: Troy Gilchrist
Date: April 6, 2005

RE: COMMENTS ON HOW H.F. 1732/ S.F. 1629 MAY AFFECT TOWNS

The following provides a brief discussion of how H.F. 1732 / S.F. 1629 would change how towns operate with respect to feedlots if the proposed changes were made law. Each discussion on the change to town operations is followed by a comment that provides some history and additional town perspective regarding the section. Those sections of the bill that do not specifically relate to towns are not discussed below.

The Association participated in good faith as a member of the Siting Committee and worked hard to address the concerns raised by the various agriculture groups related to the siting process. The Siting Committee report reflects the negotiated position of the Committee members and those recommendations were incorporated into this bill. Our willingness to consent to the recommendations and the bill was based on these recommendations being taken as a resolution to the concerns raised and not simply a starting point for future attempts to place additional requirements on, or undermine, town authority. Our continued support for this bill is also dependent on it staying "clean" as it moves forward with each amendment needing to be consented to by the various groups involved.

Sections of H.F. 1732 / S.F. 1692	Comments on Affect to Towns
<p>Sec. 5. Minnesota Statutes 2004, section 174.52, 4.24 subdivision 4, is amended to read: 4.25 Subd. 4. [LOCAL ROAD ACCOUNT FOR ROUTES OF REGIONAL 4.26 SIGNIFICANCE.] (a) A local road account for routes of regional 4.27 significance is established in the local road improvement fund. 4.28 Money in the account is annually appropriated to the 4.29 commissioner of transportation for expenditure as specified in 4.30 this section. Money in the account must be used as grants or 4.31 loans to statutory or home rule charter cities, towns, and 4.32 counties to assist in paying the costs of constructing or 4.33 reconstructing city streets, county highways, or town roads with 4.34 statewide or regional significance that have not been fully 4.35 funded through other state, federal, or local funding sources. 4.36 (b) <u>Of the amounts appropriated under this subdivision, up</u> 5.1 <u>to ten percent is appropriated for grants or loans to towns to</u> 5.2 <u>assist in paying the costs of constructing or reconstructing</u> 5.3 <u>town roads with statewide or regional significance that have not</u> 5.4 <u>been fully funded through other state, federal, or local funding</u> 5.5 <u>sources and are routes in need of maintenance related to</u> 5.6 <u>livestock operations permitted after the effective date of this</u> 5.7 <u>section.</u></p>	<p><u>Change:</u> This section would create an additional source of funds for towns to address road maintenance issues associated with livestock operations. Other than creating a possible additional source of funding, this section will not change how towns currently conduct their business.</p> <p><u>Comment:</u> Damage to roads caused by animal and crop agricultural operations has been a significant issue for towns for decades. This issue was not discussed as part of the Siting Committee process, but we understand was included in the bill to create something positive in the bill for towns. The Local Road Account is relatively new and has only been funded for one year, and then only to provide loans for certain trunk highway projects. Grants have never been provided under this program. We certainly welcome a funding source that recognizes the needs of towns, but question how many town roads will qualify as having statewide or regional significance and then how well town proposals will fair in this competitive process when matched against, for example, proposals for county highway projects.</p>
<p>33 Sec. 7. Minnesota Statutes 2004, section 394.25, 3.34 subdivision 3c, is amended to read:</p>	<p>This section amends county law only and does not directly affect towns. Section 8 of the bill deals with the town equivalent of this section</p>

7.3 Sec. 8. Minnesota Statutes 2004, section 462.355,
7.4 subdivision 4, is amended to read:

...

- 7.19 (b) If a proposed interim ordinance purports to regulate,
- 7.20 restrict, or prohibit activities relating to livestock
- 7.21 production, a public hearing must be held following a ten-day
- 7.22 notice given by publication in a newspaper of general
- 7.23 circulation in the municipality before the interim ordinance
- 7.24 takes effect.

Change: This section requires a town intending to adopt an interim ordinance affecting animal agriculture to give at least 10 days notice and hold a hearing before adopting the ordinance. According to the Duncanson decision, a town can currently adopt an interim ordinance affecting animal agriculture at a regular meeting without separate notice or a hearing, or adopt an interim ordinance at a special board meeting after three days posted notice without a hearing.

Comment: The Association has generally recommended towns give published notice and hold a hearing before adopting an interim ordinance even though not strictly required to do so. This section would create a new mandate on towns, but not one that is seen as undermining local control. It should be made clear that requiring notice and a hearing in these cases is not meant to change the current law as to the application of the interim ordinance to proposed operations. In other words, this section does not create a "safe harbor" for project proposers to avoid a new interim ordinance. The Siting Committee's report makes it clear that it was concerned with protecting the planning process and did not want to create a situation where people could dump in applications to avoid a proposed interim ordinance.

- 8.24 Sec. 9. Minnesota Statutes 2004, section 462.357, is
- 8.25 amended by adding a subdivision to read:
- 8.26 Subd. 9. [FEEDLOT ZONING CONTROLS.] (a) A municipality
- 8.27 proposing to adopt a new feedlot zoning control or to amend an
- 8.28 existing feedlot zoning control must notify the Pollution
- 8.29 Control Agency and commissioner of agriculture at the beginning
- 8.30 of the process, no later than the date notice is given of the
- 8.31 first hearing proposing to adopt or amend a zoning control
- 8.32 purporting to address feedlots.
- 8.33 (b) Prior to final approval of a feedlot zoning control, a
- 8.34 municipality may submit a copy of the proposed zoning control to
- 8.35 the Pollution Control Agency and to the commissioner of
- 8.36 agriculture and request review, comment, and recommendations.
- 9.1 (c) The agencies' response to the municipality may include:
- 9.2 (1) any recommendations for improvements in the ordinance;
- 9.3 and
- 9.4 (2) the legal, economic, or scientific justification for
- 9.5 each recommendation under clause (1).

Change: This section would: (1) require a town to send notice to the MPCA and MDA of a proposed feedlot ordinance before it is adopted; and (2) allow, but not require, a town to send a copy of a proposed feedlot ordinance to the MPCA and MDA for review, comment, and recommendations. Towns were required to send a copy of a feedlot ordinance to MDA after it was adopted, but towns are currently not required to notify MPCA or MDA of a proposed ordinance. Counties are currently required to provide the notification proposed in this section for towns.

Comment: Requiring towns to notify the MPCA and MDA of a proposed ordinance as is presently required of counties is seen as having a minimal impact on towns. The MPCA or MDA already have the ability to submit comments on a proposed ordinance without such notification. Being required to provide MPCA and MDA notice did not shift power away from the counties and will not do so for towns. However, it is important that sending a copy of a proposed ordinance to the MPCA and MDA remain a "may" instead of a "shall." Even though sending them a copy of the ordinance does not give the MPCA or MDA any greater rights with respect to the town being able to adopt the ordinance, we do not want towns to be subject to the delays that could occur if review of a proposed ordinance was mandated.

9.6 (d) At the request of any member of the municipality's
9.7 governing body, the municipality must prepare a report on the
9.8 economic effects from specific provisions in the ordinance.
9.9 Economic analysis must state whether the ordinance will affect
9.10 the local economy and describe the kinds of businesses affected
9.11 and the projected impact the proposal will have on those
9.12 businesses. To assist the municipality, the commissioner of
9.13 agriculture, in cooperation with the Department of Employment
9.14 and Economic Development, must develop a template for measuring
9.15 local economic effects and make it available to the
9.16 municipality. The report must be submitted to the commissioners
9.17 of employment and economic development and agriculture along
9.18 with the proposed ordinance.

Change: This section allows a town supervisor to request an economic effects report be prepared for a proposed new or amended feedlot ordinance. This section does not apply to individual applications. If requested, the board would be required to prepare the report and could look to the state created template for assistance. The report would need to be submitted to DEED and AG along with the proposed ordinance. It currently takes a decision of a majority of town supervisors (in most cases that is two) in order to require the town to conduct a study such as this since an economic report is currently not required by statute.

Comment: The original proposal was much broader and more burdensome than what eventually became part of the Siting Committee report. Consent to this section was based on the understanding that this report is a 1½ to 2 page report completed by the town board without the need to hire professionals. It will be important the state created template reflects the limited scope and self-completed nature of this report.

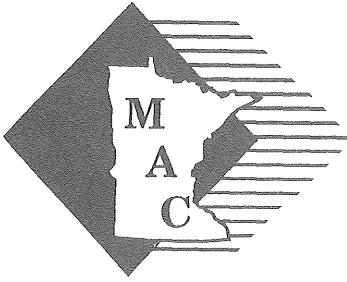
9.19 Sec. 10. [APPROPRIATION.]
9.20 (a) \$100,000 in fiscal year 2006 and \$100,000 in fiscal
9.21 year 2007 are appropriated from the general fund to the
9.22 commissioner of agriculture to provide training and technical
9.23 assistance to county and town officials relating to livestock
9.24 siting issues and local zoning and land use planning including a
9.25 checklist template that would clarify the federal, state, and
9.26 local government requirements for consideration of an animal
9.27 agriculture modernization or expansion project. In developing
9.28 the training and technical assistance program, the commissioner
9.29 may seek assistance from the local planning assistance center of
9.30 the Department of Administration and shall seek guidance,
9.31 advice, and support of livestock producer organizations, general
9.32 agricultural organizations, local government associations,
9.33 academic institutions, other government agencies, and others
9.34 with expertise in land use and agriculture.
9.35 (b) \$220,000 is appropriated in fiscal year 2006 from the
9.36 general fund to the commissioner of agriculture to contract with
10.1 the University of Minnesota for further research and development
10.2 of livestock odor and air quality management.

Change: This section creating funding for training of county and town officials and for research of odor does not directly affect how towns operate. If funded, towns would have available to them additional optional training opportunities.

Comment: Having the state support additional training opportunities for town officers is a positive step. It is important to note town officers are not required to attend this training and we would oppose any attempt to make such training mandatory. We will work with MDA to develop this training and will encourage the use of the Local Planning Assistance Center to conduct the training to the fullest extent possible.

Odor is a significant issue of concern surrounding animal agricultural operations and we believe supporting additional research will further the understanding of the issue and improve odor mitigation technology.

"Attachment 1"



Minnesota Association of Cooperatives

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April 6, 2005

Senator Jim Vickerman
226 Capitol
75 Rev. Dr. Martin Luther King Jr. Blvd.
St. Paul, MN 55155-1206

Dear Senator Vickerman:

The Minnesota Association of Cooperatives (MAC) supports SF 1629. This important legislation will take necessary steps towards strengthening our state's animal agriculture sector, an industry that is vital to the economic well-being of the entire state. SF 1629's passage would send an important message to Minnesota's livestock producers that the Legislature recognizes their importance and that it wants to be a partner in supporting new producers and helping existing producers to successfully modernize and expand.

Minnesota cooperatives and their members respectfully request the Senate Agriculture, Veterans and Gaming Committee recommend SF 1629 for adoption. As you know, this bill includes the recommendations of the Governor's Livestock Task Force Local Siting Committee and would provide for a more timely, understandable and objective process for reviewing livestock siting issues. Listed below are our more specific comments regarding the bill's provisions:

First, we believe it is appropriate that the Minnesota Department of Agriculture (MDA), along with partnering Minnesota agencies, takes a proactive role in moving the Minnesota livestock industry forward. The recommended checklist will provide all interested parties a permit review process with the necessary federal, state, and local permitting information to ensure the review process is efficient and effective for applicants, local units of government and other interested persons.

Second, the provision allowing for permissive local ordinance review by MDA, as well as the Minnesota Pollution Control Agency, will allow for better decisions by the local unit of government based on a belief that the analytical information provided by the state agencies will be science-based.

Third, we support the provision appropriating \$100,000 appropriations in FY '06 and '07 to MDA because the funding will help pay for checklist development, along with updating MDA's animal agriculture planning guide. We know the MDA budget is very

tight and, without this appropriation, these important activities might not be accomplished.

Fourth, we believe the local economic impact report will help ensure the relevant economic impacts are considered if the local unit of government begins work on a restrictive livestock ordinance. An ordinance's impact should not be speculative. This provision will allow for real, substantive information to be collected and provided to the governing board of the local unit of government. All told, this should lead to better decisions.

Fifth, we support the \$220,000 appropriations request for FY '06 to the MDA for a contract with the University of Minnesota for livestock odor and air quality management research. As you know, perceived odor concerns are some of the most troublesome issues for a local unit of government to resolve because much of the review process requires speculation on impacts. Additional research will help provide more credible, science-based information for local units of government in their permit review process.

Sixth, we support the provision that ensures local units of government provide sufficient notice to all interested parties when an interim livestock ordinance is being considered. This provision will help to ensure all relevant parties, and issues, are reviewed prior to ordinance adoption and will meet the goal of providing as much transparency as possible to the process.

Seventh, we support the bill's provision creating a new Rural Finance Authority (RFA) livestock equipment pilot loan program. The RFA's programs have helped finance many livestock operations that otherwise would not have been able to obtain the necessary credit to begin, modernize or expand their operation. We believe this new program would be consistent with the goals of the RFA, one of which is to increase the economic impact of animal agriculture in our state.

Last, but certainly not least, we also strongly support the provision providing for the potential of increased local transportation aids. This "carrot" approach will help ensure livestock operations are viewed by local units of government as a positive addition to the local community.

As you know, Governor Pawlenty and Agriculture Commissioner Gene Hugoson asked MAC to take a leading role on the Governor's Livestock Task Force Local Siting Subcommittee and we took that responsibility very seriously. The committee included a variety of interests, including representatives from the Minnesota Association of Counties and Minnesota Association of Townships. We recognize the Local Siting Committee recommendations, and your accompanying legislation, perhaps does not go as far as some in agriculture would like and may go further than others would like. However, SF 1629 represents a fair compromise package that should help ensure animal agriculture remains a primary economic generator for our state, while also ensuring local governmental units retain their decision-making role.

Our state's vital livestock industry needs to be viewed in a regional context. We believe it is important Minnesota offers similar tools to those offered by neighboring states. We need to make sure Minnesota has a level playing field to remain competitive with our neighbors. This legislation will help achieve that goal.

Thank you for authoring this important legislation.

Sincerely,



William L. Oemichen
President & CEO



Amy Fredregill
Managing Director

cc: MDA Commissioner Gene Hugoson
Deputy Commissioner Perry Aasness



THE LEAGUE
OF WOMEN VOTERS

MINNESOTA

550 RICE STREET ST. PAUL, MN 55103 PHONE (651) 224-5445 FAX (651) 290-2145

SENATE COMMITTEE ON AGRICULTURE, VETERANS AND GAMING
COMMENTS ON SF 1629

Allene Moesler, League of Women Voters Volunteer Lobbyist

April 6, 2005

The League of Women Voters in Minnesota studied agricultural issues, and using a consensus process with LWVMN members throughout the state, developed the attached position. In addition, the League of Women Voters is devoted to protecting the democratic process at all levels of government. Township government is democracy at its most basic level and township authority must be preserved. Townships must maintain the right to enact ordinances that are stronger than state standards to meet local values and unique community circumstances.

Some parts of SF 1629, Sec. 6, regarding feedlot ordinances, change the ways in which counties and townships address livestock facility permits and require those local units of government to treat livestock developments differently than they do other issues over which they have jurisdiction, such as gravel mines, residential development, and industrial development.

- **Economic Impact Statements:** (lines 6.24-6.36 pertain to counties, lines 9.16-28 to townships) This allows one elected official, rather than the majority, to demand a report on the "economic impact" of a proposed feedlot ordinance. Reports on environmental and agricultural impacts, however, are removed from consideration. Currently, if a majority of elected officials want to require an economic impact statement, they may do so. This bill would allow one elected official to make a demand without the consent of the majority. Further, is the Department of Agriculture the appropriate agency for developing the statement template? Shouldn't township officials be involved in developing a template, along with unbiased experts in local economic dynamics? Who will pay for the report? Why is there no corollary request of the proposer of a feedlot to prepare an economic impact statement? What subsidies will the operation receive? Will farm workers have salaries and benefits sufficient for them to afford housing, food and medical coverage? What will be the impact on local schools and businesses? How much money will enter the local economy? How much will leave?

Environmental and social values are community values - county and township values. Counties and townships are now denied the opportunity to request environmental review of feedlot operations under 1,000 animal units—a blow to their authority and responsibility to protect the health and well being of residents. The ability of citizens to file a nuisance complaint against a feedlot that is polluting air or water, even if it is harming their health, was removed last year. Is economic impact more significant to a community than the quality of its air and water, more significant than the health of its children?

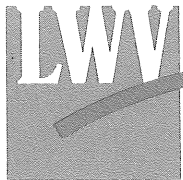
(OVER)

- **Interim ordinance provisions** to address feedlot issues should be no different than they are for other forms of development over which the township has authority.
- **A \$200,000 appropriation** to the MN Department of Agriculture to provide technical assistance to county and township officials seems inappropriate. Producer groups certainly should have no authority to provide technical information. Township official training should include livestock siting issues along with other forms of development.

These provisions of SF 1629 are an outgrowth of the Governor's Livestock Advisory Task Force. LWVMN began tracking the activities of the Governor's Task Force when it was clear that primarily agribusiness and large producer organizations were asked to participate as members, although 83% of livestock operations are less than 300 animal units.

LWVMN attended meetings of the Livestock Siting Committee, but were barred from the meeting at which recommendations were finalized, as were other interested organizations. **The League of Women Voters believes that democratic government depends upon the informed and active participation of its citizens and requires that governmental bodies protect the citizens' right to know by giving adequate notice of proposed actions, holding open meetings, and making public records accessible.** The process resulting in SF 1629 was neither inclusive nor fully open, yet it may result in legislation that will impact citizens and local governments statewide.

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POSITION ON AGRICULTURE

The LWVMN believes that the state should encourage a system of sustainable agricultural production which provides safe, healthful food and which preserves and protects the state's human and natural agricultural resources and enhances the environment. State policy should support research and technical assistance in farming practices and rural economies that improve the economic viability of family farms, environmental health, and the quality of life of family farmers and their communities.

The LWVMN holds that the family farm (*see Note, p. 2*) is the most socially desirable mode of agricultural production, and contributes to the stability of rural communities. The LWVMN views family farmers as those most likely to practice stewardship of the land in order to preserve it for future generations, participate in the economy and social life of their communities, and ensure diversity on the land.

The LWVMN believes that state of Minnesota should support family-owned, moderate- and small-sized farms. Specifically, the LWVMN believes that the state should promote

- Research directed to moderate- and small-sized farm operations
- Support for beginning farmers
- Innovative practices and crops for moderate and small-sized farms
- Farmer-controlled cooperatives that serve moderate- and small-sized farms

Further, the state of Minnesota should

- Ensure access to markets for all producers
- Provide crisis supports based on need ("*crisis*" *understood to be an event beyond the farmer's control such as a natural disaster*)
- Monitor contracts for the protection of farmers
- Ensure that corporate farms be held liable for their share of losses, environmental damage, public health hazards, etc.

In the interest of preserving and enhancing the environment, the LWVMN strongly favors a state agricultural policy, which includes:

- Incentives for sustainable farming practices
- Incentives for contributions to clean water and air, healthy soil and conservation of wildlife
- Incentives for the preservation of agricultural land
- Shared liability for environmental damage (caused by agriculture) between farmers and businesses under contract

Because of concerns for animal and human health as well as ethical issues relating to the treatment of animals, the LWVMN believes the state should promote stricter standards for animal confinement operations.

The LWVMN believes that in order to promote the stability of rural communities, the state of Minnesota should support

- Community and regional planning
- Education (retraining, farm management, marketing, etc.)
- Infrastructure
- Livable wages for workers
- Crisis assistance
- Development of leadership skills
- Networking with farmers and community leaders
- Research into viable and sustainable rural communities.

Exports should be promoted as long as this does not hold priority over promotion of a local/regional food system.

The LWVMN supports research into genetically modified foods if the purpose of such research is to ensure the long-term safety of GMO food and crops, to advance basic research knowledge, to benefit sustainable agricultural practices, and to serve the public good.

NOTE on terms used:

Family farm generally implies that the family owns and lives on the land, provides most of the labor, assumes the economic risk, and makes management decisions.

According to the Minnesota Institute for Sustainable Agriculture, sustainable agriculture seeks to balance three long-term goals:

Quality of life (to satisfy personal, family, and community needs for health, safety, food, and happiness);

Environment (to enhance finite soil, water, air, and other resources);

Economics (to be profitable).

In any given situation, the most sustainable choice is the one where the net effects come closest to meeting all three goals.

March 2001