

SF1867 - 0 - Eliminating Prohibition on Dairy Below Cost Sales

Chief Author: **Jordan Rasmusson**
 Committee: **Agriculture and Rural Development**
 Date Completed: **3/13/2023 9:47:41 AM**
 Agency: **Agriculture Dept**

State Fiscal Impact	Yes	No
Expenditures		X
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium		
		FY2023	FY2024	FY2025	FY2026	FY2027
Total	-	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Chloe Burns **Date:** 3/13/2023 9:47:41 AM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2023	FY2024	FY2025	FY2026	FY2027
	Total	-	-	-	-	-
	Biennial Total			-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
	Total	-	-	-	-	-
	Biennial Total			-		-
2 - Revenues, Transfers In*						
	Total	-	-	-	-	-
	Biennial Total			-		-

Bill Description

This bill would eliminate the dairy trade practices provisions that do not allow milk (and other Class I and II dairy products) to be sold below cost.

Assumptions

The Minnesota Department of Agriculture has regulatory oversight responsibilities for the provisions found in MS 32D.24-28. This work is assigned to our dairy inspection program compliance staff. Work is done only in response to complaints or inquiries from companies or citizens. Since 2018, the number of cases investigated annually has ranged from zero to two, with various levels of effort required on those that did occur (very little, to small amount of resources needed). Most recently, in 2022, there were no enforcement cases, no complaints and only five coupon approval requests reviewed. Because the elimination of these Statutes would not result in a change in workload due to the small number of cases seen, the fiscal impact is estimated to be zero.

Expenditure and/or Revenue Formula

The bill does not affect expenditures or revenue.

Long-Term Fiscal Considerations

N/A

Local Fiscal Impact

N/A

References/Sources

N/A

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Date: 3/10/2023 5:31:27 PM

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