

SF4026 - 0 - Cell-Cultured Meat and Poultry

Chief Author: **Rich Draheim**
 Committee: **Agriculture and Rural Development**
 Date Completed: **3/4/2024 11:24:34 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
General Fund	-	-	28	28	28	
Federal Fund	-	-	-	-	-	-
Total	-	-	28	28	28	
Biennial Total			28	56		

Full Time Equivalent Positions (FTE)		Biennium			Biennium	
		FY2023	FY2024	FY2025	FY2026	FY2027
General Fund	-	-	.17	.17	.17	
Federal Fund	-	-	.16	.16	.16	
Total	-	-	.33	.33	.33	

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:** 3/4/2024 11:24:34 AM
Phone: 651-297-1423 **Email:** chloe.burns@lbo.mn.gov

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
General Fund	-	-	28	28	28
Federal Fund	-	-	-	-	-
Total	-	-	28	28	28
Biennial Total			28		56
1 - Expenditures, Absorbed Costs*, Transfers Out*					
General Fund	-	-	28	28	28
Federal Fund	-	-	-	-	-
Total	-	-	28	28	28
Biennial Total			28		56
2 - Revenues, Transfers In*					
General Fund	-	-	-	-	-
Federal Fund	-	-	-	-	-
Total	-	-	-	-	-
Biennial Total			-		-

Bill Description

This bill makes minor corrections to labeling provisions for meat and poultry products and modifies the definition of meat and poultry products contained within 31A to include cell cultured meat and poultry products. This modification would bring such products under the regulatory purview of the Minnesota Meat and Poultry Inspection program, which is consistent with current Federal interpretations on where such products fall (USDA FSIS meat and poultry inspection). This means such establishments would be subject to the daily inspection provisions contained in these requirements and MDA would be required to assign inspection resources and cover all shifts during which applicable products are produced.

Assumptions

MDA would expect to have one additional inspected establishment. Because this establishment does not currently fall under meat inspection, MDA does not have a baseline from which to draw; MDA believes interest in such products is likely to be limited, but that it will exist. The absorption of such associated costs by the meat inspection program would depend upon when the establishment is added, and its location and proximity to an inspection and other inspected establishments. Because the MDA meat inspection program is currently stretched to the limit and is limited in its ability to add new establishments, these are included as additional program costs.

Such establishments would be meat processors and are likely to be frequent operators. Estimates were made using a plant that operates five days a week under inspection year-round; inspectors would have one daily shift at each establishment, averaging about an hour per inspection. Travel estimates could vary widely; calculations were made using a 50-mile roundtrip for each inspection visit (260 inspections/year).

Expenditure and/or Revenue Formula

Staff expenses: Salaries and fringe for the expected staff are calculated based on the following information.

Expenditure (Actual Dollars)	Amount	FY 2024	FY 2025	FY 2026	FY 2027	Notes
Salary & Fringe:		FTE	FTE	FTE	FTE	

\$123K Ag Advisor - MAPE 10L	123,000		0.13	0.13	0.13	Inspections would be spread between existing inspection staff, based on geographical locations, though assigned to one primary inspector in charge. FTE included here would be total expected, assuming 5 days/week inspection, for 1 hour each day, 52 weeks per year.
\$138K Ag Consultant - MAPE 14L	138,000		0.05	0.05	0.05	Food safety audits, training of staff
\$150K Food Inspection Supervisor MMA 20K	150,000		0.05	0.05	0.05	Oversee inspections, including managing inspection schedules
\$164K Agric Program Supervisor MMA 23K	164,000		0.05	0.05	0.05	Oversee program, outreach/education
\$138K Food Stndrds Compliance Officer - MAPE 14L	138,000		0.05	0.05	0.05	Address noncompliance operations during surveillance and responding to complaints, tips
	FTE	0.00	0.33	0.33	0.33	
	Subtotal	0	44,875	44,875	44,875	

IT Equipment: \$3,300 per year x .33 FTE: \$1,073/year

Travel: 260 inspections/year x 50 miles x .67/mile=\$8,710/year

Mobile Phone: A portion of a mobile phone is included in accordance with the calculated FTE. \$783 per year x .33 FTE = \$254/year

Total: \$54,912/year FY 25, 26, 27 and ongoing.

Revenue: USDA FSIS Match (50%): 27,456/year

Net: \$27,456 expenditures/year

As a part of the Minnesota Equal To inspection program and as subject to the Federal Meat Inspection Act, these activities would be eligible for a 50% funding match from USDA FSIS.

Long-Term Fiscal Considerations

Depending upon interest in processing of cell cultured meat and poultry products, MDA's expenses could remain relatively stable or could increase if more establishments join the program. This may impact the availability of inspection resources to both cell cultured meat and poultry plants and traditional meat processing plants requiring or desiring Minnesota Equal To inspection.

Local Fiscal Impact

None.

References/Sources

NA

Agency Contact: Nicole Neeser (651-301-1766)

Agency Fiscal Note Coordinator Signature: Julie Sis

Phone: 651-201-6412

Date: 3/4/2024 10:47:43 AM

Email: julie.sis@state.mn.us