



Agricultural Chemical Response and Reimbursement Account (ACRRA)

Report regarding the maximum reimbursement or payment amount

02/01/2022

Minnesota Department of Agriculture
Roger Mackedanz, Executive Director
Agriculture Chemical Response and Reimbursement Account
Pesticide and Fertilizer Management Division
625 Robert Street North
Saint Paul, MN 55155
Phone: 651-201-6400
roger.mackedanz@state.mn.us
www.mda.state.mn.us

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Executive Summary

Over the last several months the Minnesota Department of Agriculture conducted three stakeholder meetings to collect any comments regarding the need to adjust the maximum reimbursement amount and any other concerns that anyone may have regarding the Agricultural Chemical Response and Reimbursement Account (ACRRA) Program.

All comments received during these meetings and those received by the department in writing were in support of raising the maximum reimbursement, with most of the comments suggesting that the maximum amount be raised to coincide with that of inflation. Any increase in the maximum reimbursement amount allowed would require the current fees to be increased to accommodate for those increased expenditures unless there is some other type of revenue source identified.

Introduction

During the 92nd Legislature (2021 - 2022) language was passed that required the commissioner of the Minnesota Department of Agriculture (MDA) to convene stakeholders to develop recommendations regarding the maximum reimbursement or payment amount for the Agricultural Chemical Response and Reimbursement Account (ACRRA) Program.

The following was the language that passed:

4tSec. 25. REPORT REQUIRED; AGRICULTURAL CHEMICAL RESPONSE AND REIMBURSEMENT ACCOUNT PROGRAM.

The commissioner of agriculture must convene stakeholders and develop recommendations regarding the maximum reimbursement or payment amount under Minnesota Statutes, section 18E.04, subdivision 4. The report must include an analysis of what the maximum reimbursement or payment would be if adjusted for inflation. By February 1, 2022, the commissioner must report these recommendations to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture finance. Participating stakeholders must be given an opportunity to include written testimony to the legislative committees in the commissioner's report.

Background

The Agricultural Chemical Response and Reimbursement Account (ACRRA) program was created as part of the 1989 Minnesota Groundwater Protection Act to provide financial assistance for cleaning up incidents causing agricultural chemical contamination. The ACRRA program funds are administered by the Agricultural Chemical Response Compensation Board. The five-member board consists of representatives from agricultural chemical registrants, manufacturers/dealers, farmers, and the commissioners of the Minnesota Departments of Agriculture and Commerce.

The ACRRA statute is set up to reimburse for costs incurred by incident.

Pursuant to MS 18E.02, subd. 7 the definition of incident is:

"Incident" means a flood, fire, tornado, transportation accident, storage container rupture, leak, spill, emission discharge, escape, disposal, or other event that releases an agricultural chemical accidentally or otherwise into the environment and may cause unreasonable adverse effects on the environment. Incident does not include a release from the normal use of a product or practice in accordance with law.

In order for the Commissioner to make reimbursements to an eligible party, the following has to be met (MS 18E.04 Subd.1):

The commissioner shall reimburse an eligible person from the agricultural chemical response and reimbursement account for the reasonable and necessary costs incurred by the eligible person in taking corrective action as provided in subdivision 4, if the board determines:

(1) the eligible person takes all reasonable action necessary to minimize and abate an incident and the action is subsequently approved by the commissioner;

(2) the eligible person complies with any reasonable requests for corrective action issued to the eligible person by the commissioner;

(3) the eligible person complied with corrective action orders if issued to the eligible person by the commissioner; and

(4) the incident was reported as required in chapters 18B, 18C, and 18D

When the ACRRRA statute was passed in 1989 it was understood that this program should reimburse for cleanup of "historical contamination," meaning contamination that was currently in place and may not have met all of the requirements outlined above, so the following language was inserted in the statute (MS 18E.04, Subd 4):

(e) The board may not make reimbursement greater than the maximum allowed under paragraph (a) for all incidents on a single site which:

(1) were not reported at the time of release but were discovered and reported after July 1, 1989; and

(2) may have occurred prior to July 1, 1989, as determined by the commissioner.

(f) The board may only reimburse an eligible person for separate incidents within a single site if the commissioner determines that each incident is completely separate and distinct in respect of location within the single site or time of occurrence.

"Single site" as defined in MS 18E.02, Subd 6 is; *all land and water areas, including air space, and all plants, animals, structures, buildings, contrivances, and machinery whether fixed or mobile including anything used for transportation within a one-half mile radius of a discovered or reported incident where agricultural chemical handling, storage, disposal, and distribution activities have occurred or are now occurring.*

In 2002, the statute was changed to limit the board's ability to reimburse an eligible party to a maximum rate of 60% for costs associated with an agricultural chemical incident that occurs in a specific land area where corrective actions were previously taken to address an incident if that subsequent incident existed within 5 years.

The ACRRA program is funded by the collection of annual surcharges on pesticide and fertilizer sales and on applicator and dealer licenses. As a condition of obtaining a license or registration from the MDA, a person must pay the ACRRA surcharge. The revenue collected supports the ACRRA program operations. Surcharge rates are as shown in Table 1 below.

Table 1: FY22 ACRRA Surcharge Rates

ACRRA Surcharge Category	ACRRA FY22 Surcharges
Commercial & Non-Commercial Pesticide Licenses	\$25
Structural Pest Control Company Licenses	\$100
Agricultural Fertilizer Licenses (includes lawn service)	\$50
Pesticide Dealer License (ag and non-ag)	\$75
Fertilizer Tonnage	\$0.32/ton
Pesticide Registration (percent of sales)	0.32%
Out-of-State Pesticide Distributors (each site annually)	\$3,135

Statute requires the commissioner to adjust the fees to keep the fund balance within the minimum (\$1 million) and maximum (\$5 million) amounts.

The vast majority of the revenue for the ACRRA program comes from the fertilizer tonnage fee and the pesticide gross sales fee. Table 2 includes an analysis of these fees as represented on a per acre cost to a grower if these fees are passed on to them.

Table 2: Fees as represented on a per acre cost as of 1/1/2022:

Crop	Fertilizer Cost for farmers using fertilizer	Fertilizer pounds per acre on average	Cost per acre of the ACRRA surcharge for fertilizer tonnage	Pesticide Cost farmers using pesticides	Cost per acre of the ACRRA surcharge for pesticide percent of gross sales
Corn	\$119.50	453	7.4 cents	\$31.53	10.1 cents
Soybeans	\$30.65	67	1 cent	\$40.00	12.9 cents
Wheat	\$87.49	275	4.4 cents	\$30.00	9.7 cents
Alfalfa	\$59.88	125	1.9 cents	\$11.00	3.4 cents
Sugar Beets	\$87.36	368	5.9 cents	\$113.07	36.5 cents
Oats	\$46.87	112	1.9 cents	\$15.54	4.9 cents

Fertilizer and pesticide costs for the 2019 crop year, University of Minnesota FINBIN data.

Fertilizer pounds per acre were based on 2017 data, the last year that we have available for fertilizer sales in Minnesota. USDA NASS census was a basis for the data and compared to MDA fertilizer data, NASS survey data for fertilizer applied per crop and USDA NASS survey data.

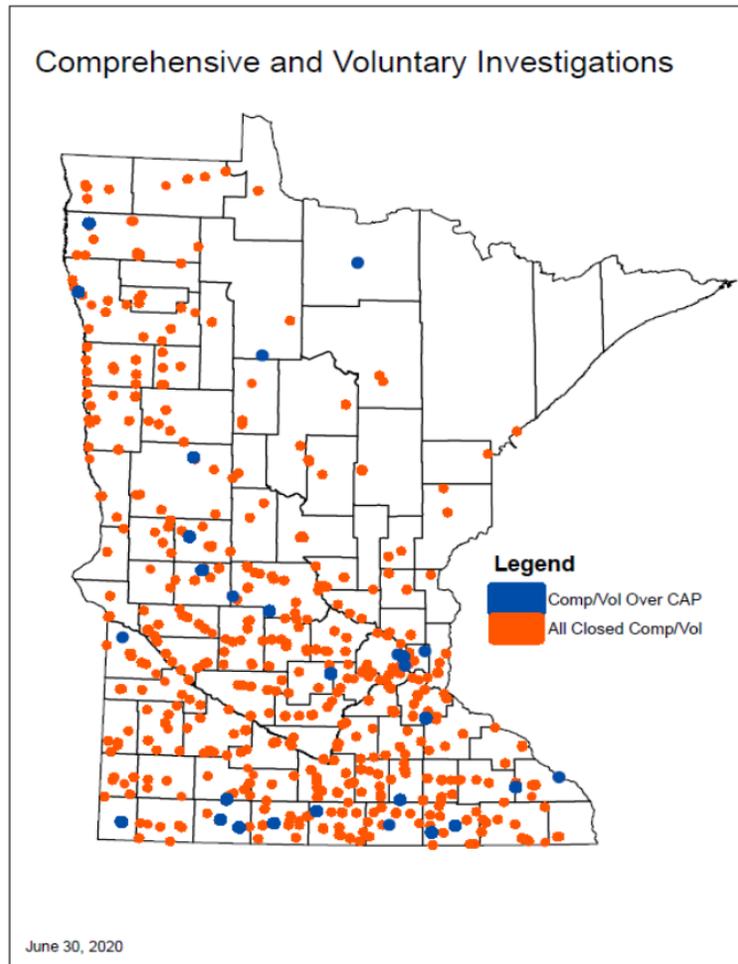
Since its inception, the ACRRA program has disbursed over \$50 million to cover eligible corrective action clean-up costs.

There have been 1,465 applications processed for 630 sites.

A total of 31 sites have gone over the maximum amount of \$350,000 allowed per site (Figure 1), resulting in 4.9% of the sites reaching the cap.

Of the 31 sites that have reached the cap, 25 are agricultural chemicals sites and six are wood treating sites.

Figure 1: Map of all sites that have been investigated and those that have exceeded the maximum reimbursement



Analysis of Inflation

The legislation requested that the report include an analysis of what the maximum reimbursement amount would be if it was adjusted purely based on inflation. Two determinations were done to account for inflation. The first: What would the original \$200,000 from 1998 be in 2021 dollars? The second: What would the adjusted maximum reimbursement amount be from the date it was increased in 2000 to \$350,000? Using a simple Consumer Price Index (CPI) inflation calculator, the two analyses are summarized in Table 3 below.

Table 3: CPI Inflation Calculation

Maximum Reimbursement	Year	Consumer Price Index Buying Power as of 8/1/2021
\$200,000	1998	\$338,573
\$350,000	2000	\$567,230

About the CPI Inflation Calculator

The CPI inflation calculator uses the [Consumer Price Index](#) for All Urban Consumers (CPI-U) U.S. city average series for all items, not seasonally adjusted. [This data](#) represents changes in the prices of all goods and services purchased for consumption by urban households.

U.S. Bureau of Labor Statistics

https://www.bls.gov/data/inflation_calculator.htm

Stakeholder Meetings

The legislation also required the commissioner to bring together stakeholders to gather comments regarding recommendations for the maximum reimbursement amount. In order to accomplish this task, the MDA scheduled three separate open meetings to request comments from stakeholders. In order to promote these meetings, the department posted the meetings on the department’s ACRRR webpage where all of the ACRRR meeting notices are posted. The MDA also sent out emails to those individuals and organizations that have indicate an interest in the ACRRR program and several legislators. A notice of these meetings was also sent to the ACRRR board members. The board members were encouraged to forward the notice to all interested parties.

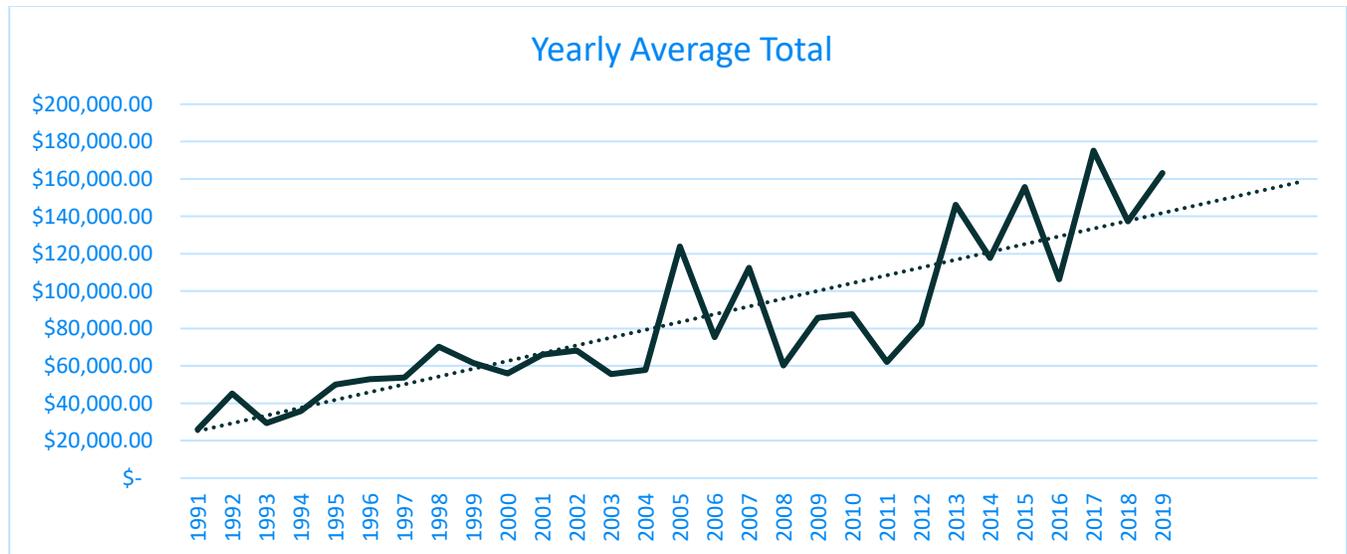
The meetings were held virtually on September 30, October 20, and November 3 to accommodate any COVID meeting restrictions. The October 20 meeting was held immediately after the regularly scheduled ACRRR board meeting.

The agenda of all three meetings remained the same so that any participant did not have to attend more than one meeting to get the information provided.

All three meetings began with a welcome from the commissioner followed by a detailed presentation by the executive director outlining the history of the ACRRR program. This presentation covered some legislative history along with changes to the department’s Incident Response Program that may have impacted the cost of cleanups over time.

The presentation also showed an analysis of the cost per site since the beginning of the program. The average cost per site (excluding emergency incidents) has increased significantly since the beginning of the program as is illustrated in the following chart (Chart 1). Please note that this chart is not the actual cost but rather the costs as submitted to the ACRRR program. The ACRRR program does not track cost per site after a site has exceeded the maximum reimbursement amount. In reality, the average cost would be higher than those listed in the chart. The chart is an illustration that represents increasing costs since the beginning of the program.

Chart 1: Yearly average costs submitted to the ACRRR Program per site



As part of the presentation, the department offered several suggested statutory issues for discussion, in addition to the maximum reimbursement, which included:

- Alternative sources of drinking water as an eligible expense
- Minimum and Maximum account balance (\$1 million - \$5 million)
- Recontamination extending beyond five years
- Clarifying the discovery of an incident that may not have occurred prior to July 1, 1989
- Should the immediate reporting be an “all or nothing” eligibility requirement
- Completed applications must be submitted at least 60 days prior to a meeting
- Board staff and other administrative costs and the commissioner's Incident Response Program costs related to eligible incident sites, up to \$450,000 per fiscal year (last update 2009)

A copy of the presentation was placed on the department’s ACRRR webpage so that anyone could review the presentation without going to one of the stakeholder meetings. The presentation is attached to this report (Attachment 1).

Following the presentation, all stakeholders were asked to provide comments to the following questions:

What concerns do you have with the current ACRRRA cap?

What do you think the ACRRRA cap should be and why?

What other concerns do you have with the ACRRRA program?

The attendance at the three meetings was limited (12, 8, and 13 non-MDA individuals respectively). There were several questions regarding the presentation at each of the meetings with minimal comments for changes to the program. The most frequent comment was in support of raising the maximum reimbursement.

There were no comments received in opposition to raising the maximum reimbursement.

Minutes of the three stakeholder meetings are included in Attachment 2.

Written Comments

The department accepted written comments from all interested parties. A total of 19 comments were submitted to the department. Of those 19 comments, 16 were submitted as a form letter under various letterheads.

The form letter comments suggested an increase in the maximum reimbursement to \$567,000 along with an increase in the administrative support for the department from the current \$450,000 per year to consider inflation increases. These comments also suggested that the fund balance maximum should be allowed to go up to \$8 million. All of these comments accepted that an increase in the maximum reimbursement would result in an increase in the fees in order support these changes.

The remaining three comments all supported an increase in the maximum reimbursement amount but did not specify an amount. One comment suggested the increase be retroactive.

Only one comment was received by an organization representing growers. Although that comment did support an increase in the maximum reimbursement, it suggested that it be done without raising the fees to support the program.

All written comments are included in Attachment 3.

Conclusion

All comments received were in support of raising the maximum reimbursable amount. There were several reasons given for raising the maximum amount, but the vast majority of the comments suggested raising the maximum to be roughly equivalent to the amount reflected by the inflation analysis of approximately \$567,000.

If the maximum reimbursable amount was to raise to \$567,000, which is more than half of the minimum account balance, it would become very difficult to support the program within the current statutory mandated fund balance of \$1 million to \$5 million. Based on the current number of sites seeking reimbursement, it would be impossible to support this increase without a substantial increase in the current fees. Because the current

statute (MS 18E.03, Subd 4) puts a maximum amount of the fee on the license categories, any increase in fees would need to be done solely on the fertilizer tonnage and pesticide gross sales fees.

If there is any attempt to make such a change to the maximum reimbursement retroactive, it would only increase the level of the current fees even higher.

Currently, the statute (MS 18E.03, subd 3) allows the department to use up to \$450,000 from the account for the administration of the ACRRA and Incident Response Programs. This maximum was put in place in 2009. If that administration support was to be adjusted for inflation, which was suggested in the comments, that would increase to approximately \$590,000 (based on the CPI calculator).

There were no comments received on the other issues that the department raised such as addressing recontamination within five years to perhaps longer than a 5-year time period or the criteria to be eligible for reimbursement.

There was only one comment received that expressed concern about raising the fees. That comment also supported raising the maximum reimbursement amount but did not want it to affect the fees. Since it is required to set the fees at a level to maintain a fund balance between \$1 Million and \$5 million, it would be impossible to raise the reimbursement amount without raising the fees unless the statute was to be adjusted to allow for other revenue sources.

Attachment 1- Stakeholder Meeting Presentation

Agricultural Chemical Response and Reimbursement Account (ACRRA) Stakeholder Meetings

Roger Mackedanz | ACRRA Executive Director

Stakeholder Meetings 2021



Legislative Action

SF 958 - 4th Engrossment - 92nd Legislature (2021 - 2022)

4tSec. 25. REPORT REQUIRED; AGRICULTURAL CHEMICAL RESPONSE AND REIMBURSEMENT ACCOUNT PROGRAM.

The commissioner of agriculture must convene stakeholders and develop recommendations regarding the maximum reimbursement or payment amount under Minnesota Statutes, section 18E.04, subdivision 4. The report must include an analysis of what the maximum reimbursement or payment would be if adjusted for inflation. By February 1, 2022, the commissioner must report these recommendations to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture finance. Participating stakeholders must be given an opportunity to include written testimony to the legislative committees in the commissioner's report.

History of ACRRA Reimbursements

The ACRRA program was created as part of the 1989 Minnesota Groundwater Protection Act to provide financial assistance for cleaning up incidents causing agricultural chemical contamination.

The ACRRA program funds are administered by the Agricultural Chemical Response Compensation Board. The five-member board consists of representatives from agricultural chemical registrants, manufacturers/dealers, farmers, and the Commissioners of the Minnesota Departments of Agriculture and Commerce.

The ACRRA Board is governed by Minnesota Statute 18E and Minnesota Rules 1512.0100- 1512.1100.

Board Members

Jeff Wheeler, Chair
Retailer Representative

James Hlatky, Vice Chair
Farmer Representative

Janet Hou, Board Member
Manufacturing Representative

Joel Fischer, Petrofund Director
for Grace Arnold, Commissioner of Commerce

Whitney Place, Assistant Commissioner
for Thom Petersen, Commissioner of Agriculture

ACRRA Reimbursements

The ACRRA statute is set up to reimburse for costs incurred by incident.

The definition of incident is:

"Incident" means a flood, fire, tornado, transportation accident, storage container rupture, leak, spill, emission discharge, escape, disposal, or other event that releases an agricultural chemical accidentally or otherwise into the environment and may cause unreasonable adverse effects on the environment. Incident does not include a release from the normal use of a product or practice in accordance with law.

ACRRA Reimbursements

In order for the Commissioner to make reimbursements to an eligible party the following has to be met:

Reimbursement of response costs.

The commissioner shall reimburse an eligible person from the agricultural chemical response and reimbursement account for the reasonable and necessary costs incurred by the eligible person in taking corrective action as provided in subdivision 4, if the board determines:

- (1) the eligible person takes all reasonable action necessary to minimize and abate an incident and the action is subsequently approved by the commissioner;
- (2) the eligible person complies with any reasonable requests for corrective action issued to the eligible person by the commissioner;
- (3) the eligible person complied with corrective action orders if issued to the eligible person by the commissioner; and
- (4) the incident was reported as required in chapters 18B, 18C, and 18D.

ACRRA Reimbursements

When the ACRRA statute was passed back in 1989 it was understood that this program should reimburse for cleanup of “historical contamination”, meaning contamination that was currently in place and may not have met all of the requirements outlined above so the following language was inserted in the statute:

“(e) The board may not make reimbursement greater than the maximum allowed under paragraph (a) for all incidents on a single site which:

- (1) were not reported at the time of release but were discovered and reported after July 1, 1989; and
- (2) may have occurred prior to July 1, 1989, as determined by the commissioner.

(f) The board may only reimburse an eligible person for separate incidents within a single site if the commissioner determines that each incident is completely separate and distinct in respect of location within the single site or time of occurrence.

ACRRA Reimbursements

"Single site" for purposes of this chapter means all land and water areas, including air space, and all plants, animals, structures, buildings, contrivances, and machinery whether fixed or mobile including anything used for transportation within a one-half mile radius of a discovered or reported incident where agricultural chemical handling, storage, disposal, and distribution activities have occurred or are now occurring.

1999 Legislative Initiatives & Legislation Affecting ACRRA Program

During fall-winter, 1998-99, a work group met to discuss and evaluate possible 1999 legislative initiatives.

Several issues were discussed:

- raising of the \$200,000 “cap”;
- restricting reimbursement or payment of “mark up” type environmental consultant/contractor costs incurred during clean ups;
- administrative need for limiting opportunities to access ACRRA reimbursement;
- illegal storage at and recontamination of previously “cleaned up” facilities; and
- local government restrictions on the use of MN municipal airports by licensed aerial pesticide applicators.

In the end, consensus of participating parties of the Work Group was not achieved—particularly with regard to the two core issues—and the Commissioner of Agriculture subsequently made no legislative proposals on behalf of the ACRRA Program.

1999 Legislative Initiatives & Legislation Affecting ACRRA Program

LEGISLATION

Four statutory amendments were made by the 1999 legislature to the ACRRA Law, Minn. Stat. 18E.:

- The Annual Report of the ACRRA Board/Program needed to be submitted to the House of Representatives Committee on Ways and Means, the Senate Committee on Finance, the House of Representatives and Senate Committees with jurisdiction over the environment, natural resources, and agriculture, and the Environmental Quality Board;
- The definition of “eligible person” was amended to include owners of Minnesota municipal airports, under conditions specified in Minn. Stat. 18E.02, Subd. 5., (2);
- The following provision was added under the title “Financial Security; Municipal Airports”: “As a condition for the use of space or facilities for the storage, handling, or distribution of agricultural chemicals on the grounds of a municipal airport, a licensed aerial pesticide applicator shall hold the owner of the airport harmless for any expenses to cover necessary corrective actions caused by the applicator.” [SEE, Minn. Stat. 18E.035.j; and,
- An “Aerial Applicator Liability Study” was required of the Commissioner of Agriculture.

Minnesota Statutes § 18E.04, subdivision 4, was changed during the 2000 Legislative Session (House File 3312, Chapter 477) at the request of industry representatives. Changes included:

- increased the maximum allowable reimbursement payable to eligible persons under ACRRA. The maximum eligible costs for corrective actions for incident cleanups increased from \$200,000 to \$350,000; and
- applied an eighty percent (80%) reimbursement for costs between \$200,000 and \$300,000 and a sixty percent (60%) reimbursement for costs between \$300,000 and \$350,000.

These changes provided a maximum potential increased funding per incident site of \$110,000.

Minnesota Statutes § 18E.04, subdivisions 2, 4 and 5, were changed during the 2001 Legislative Session (House File 10, 2001 Special Session). Changes included:

- a reduction of the reimbursement percentage from 100% to 90% for eligible costs between \$100,000 and \$200,000;
- a requirement that all eligible costs are submitted within three years after cost incurrence or corrective action report approval, whichever is later (any costs incurred over three years prior to July 1, 2001, must be submitted by June 1, 2004); and
- procedures for requesting a hearing before the ACRRA Board when a decision on a reimbursement or payment has an adverse effect on the eligible person. These changes went into effect as of July 1, 2001. All costs incurred by eligible persons after the effective date will be subject to the changes.

2002 Legislative Session

Minnesota Statutes §18E.02 subdivisions 5(a) and 5(b); §18E.03 subdivision 4; §18F.04 subdivisions 2, 3, and 4; and § 18E.06 were changed during this session (Minnesota Session Laws 2002, Chapter 373, House File 3183). Changes included:

- limited the maximum reimbursement to 80 percent of total eligible costs;
- limited surcharges on licenses fees to 50 percent of the license fee;
- limited the amount that an eligible person can collect within the same fiscal year to \$100,000 if the balance in the ACRRA fund is below \$2,000,000;
- defined “Emergency Incidents” and “Recontamination” to clarify language contained in statute (see below);
- limited reimbursements to a maximum rate of 60 percent if recontamination from a subsequent incident exists within 5 years(see definition below); and
- changed the date the Annual Report is due from September 1 to December 1.

Added Definitions:

- Emergency Incident means an incident resulting from a flood, fire, tornado, transportation accident, storage container rupture or other event as determined by the Commissioner of Agriculture that immediately, uncontrollably and unpredictably releases agricultural chemicals into the environment, and which may cause unreasonable adverse effects on the public health or the environment.
- Recontamination means an agricultural chemical incident that occurs in a specific land area where corrective actions were taken to address a previous incident. Recontamination does not include an emergency incidents.

History of Statute Changes in 18E regarding reimbursable amounts

Initial- 90% - \$1,000 - \$100,000
100%- \$100,000 - \$200,000

2001 90% - \$1,000 - \$200,000
80% - \$200,000 - \$300,000
60% - \$300,000 - \$350,000

2000 90% - \$1,000 - \$100,000
100% - \$100,000 - \$200,000
80% - \$200,000 - \$300,000
60% - \$300,000 - \$350,000

2002 80% - \$1,000 - \$350,000

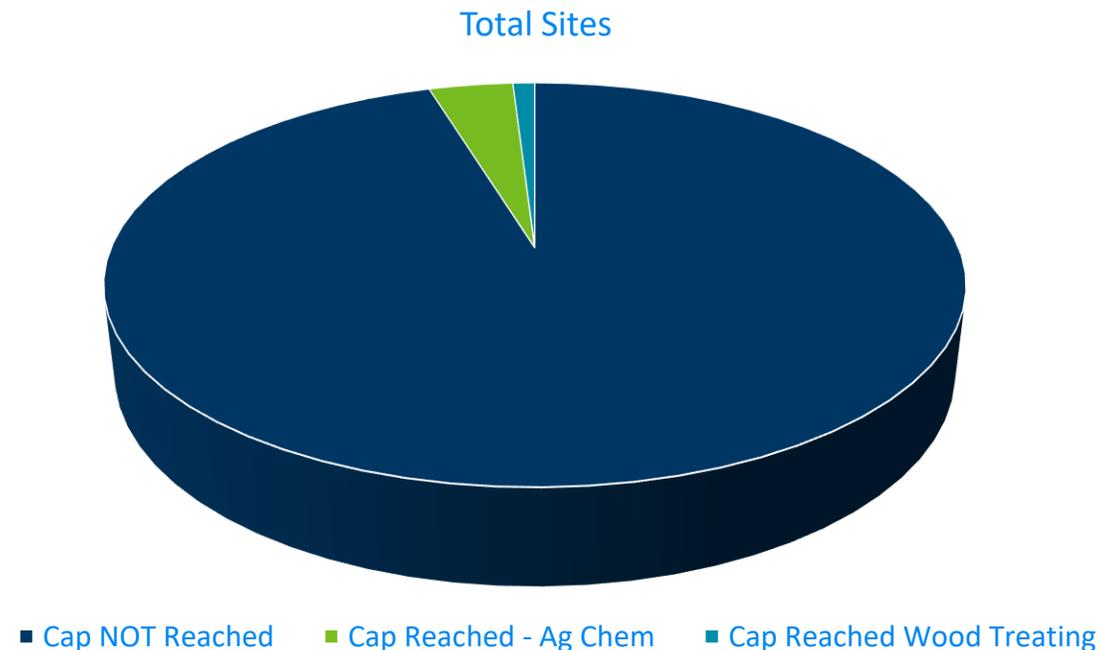
History of ACRRA Reimbursements as of 6/30/2021

- Since inception, the ACRRA program has disbursed over \$50 million to cover eligible corrective action clean-up costs.
- There have been 1,465 applications processed for 630 sites.
- 30 sites have gone over the maximum amount of \$350,000 allowed per site.

History of ACRRA Reimbursements as of 6/30/2021

A total of 4.8% sites have reached their cap.

Of the 30 sites that have reached the cap, 24 are agricultural chemicals sites and six are wood treating sites.



History of ACRRA Reimbursements

The MDA Commissioner sets the surcharge rate to maintain a minimum balance of one million dollars and an upper balance of five million dollars.

Changes to the Incident Response Program:

High risk areas (dates below are approximate):

Between 1990 and 2006, one key high risk area added:

- Beneath the floor of dry fertilizer buildings (had always included dry fertilizer buildings, but did not look beneath floor at start of IRU cleanup programs in ~1990)

Since 2006, two high risk areas have been added:

- Anhydrous ammonia loading areas and piping
- Load-in and load-out areas

Changes to the Incident Response Program:

AgESAs/Phase I ESAs:

If completed prior to discovery, recommended as not eligible to ACRRA staff.

Approximately 2004-2005, IRU started requiring AgESAs on all sites, so IRU recommended reimbursement to ACRRA staff.

Costs for AgESA may be more significant than for a typical Phase I ESA.

Changes to the Incident Response Program:

Typical MDA List 1 and 2 costs vs. Specialty Pesticide Costs

Costs submitted with ACRRA application for April 2020 Board Meeting. Ten (10) invoices were submitted with analytical costs that included specialty pesticides. Invoices were dated February 5, 2018 through September 19, 2019.

Soil Analytical Costs, per sample

	<u>Pace-Madison</u>	<u>Pacific Ag Lab</u>	<u>South Dakota Ag Lab</u>
MDA List 1	\$124		
MDA List 2	\$171		
Specialty Pesticides		\$325-\$375	\$165-\$1177

Water Analytical Costs, per sample

	<u>Pace-Madison</u>	<u>Pacific Ag Lab</u>	<u>South Dakota Ag Lab</u>
DATCP (List 1)	\$124		
Acid (List 2)	\$242		
Specialty Pesticides			\$377

Changes to the Incident Response Program:

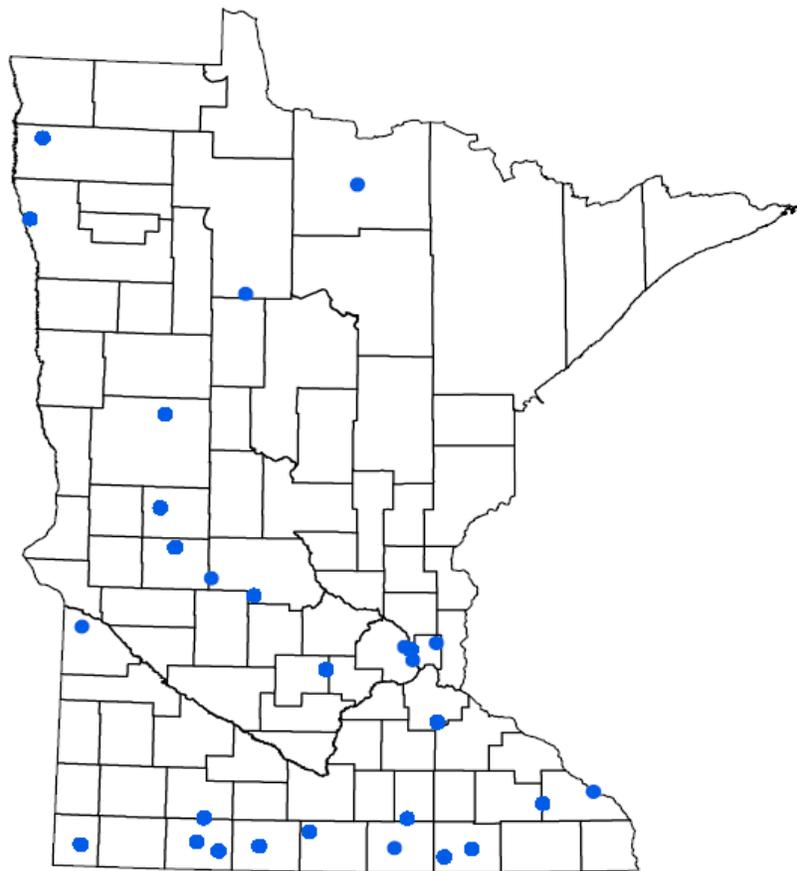
IMPORTANT NOTES:

MDA does not have a set list of specialty pesticides at this time

Compounds included in specialty pesticide analyses vary by project

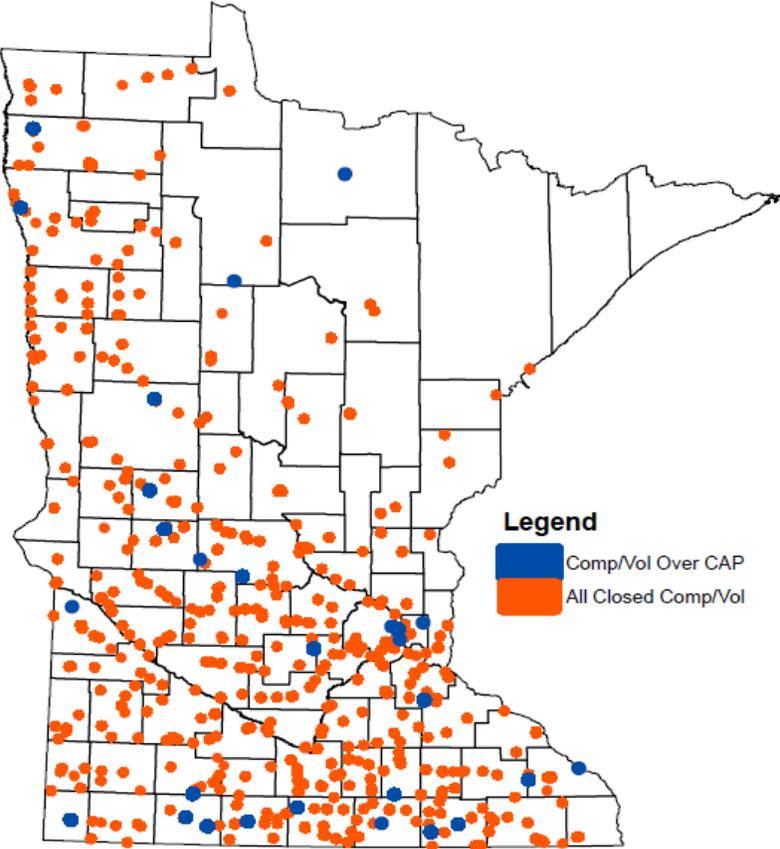
Compound lists for specialty pesticides can vary within each project over time

Investigations Over The ACRRA Cap

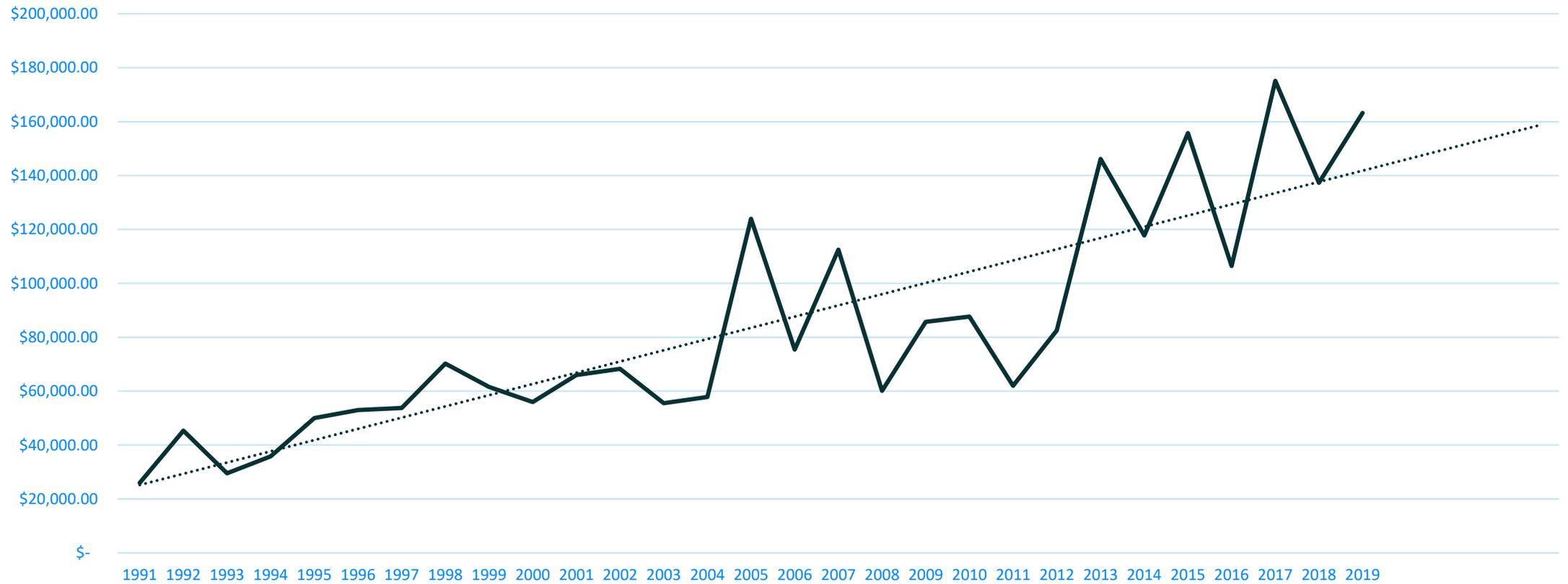


June 30, 2020

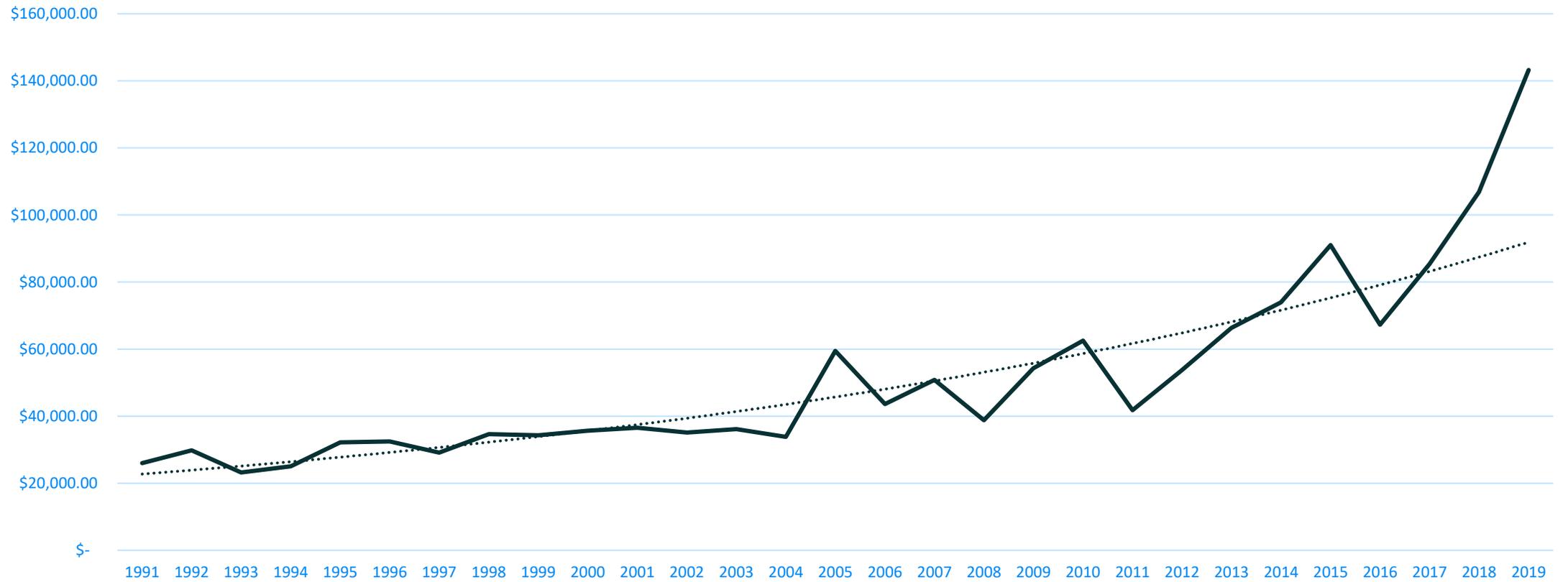
Comprehensive and Voluntary Investigations



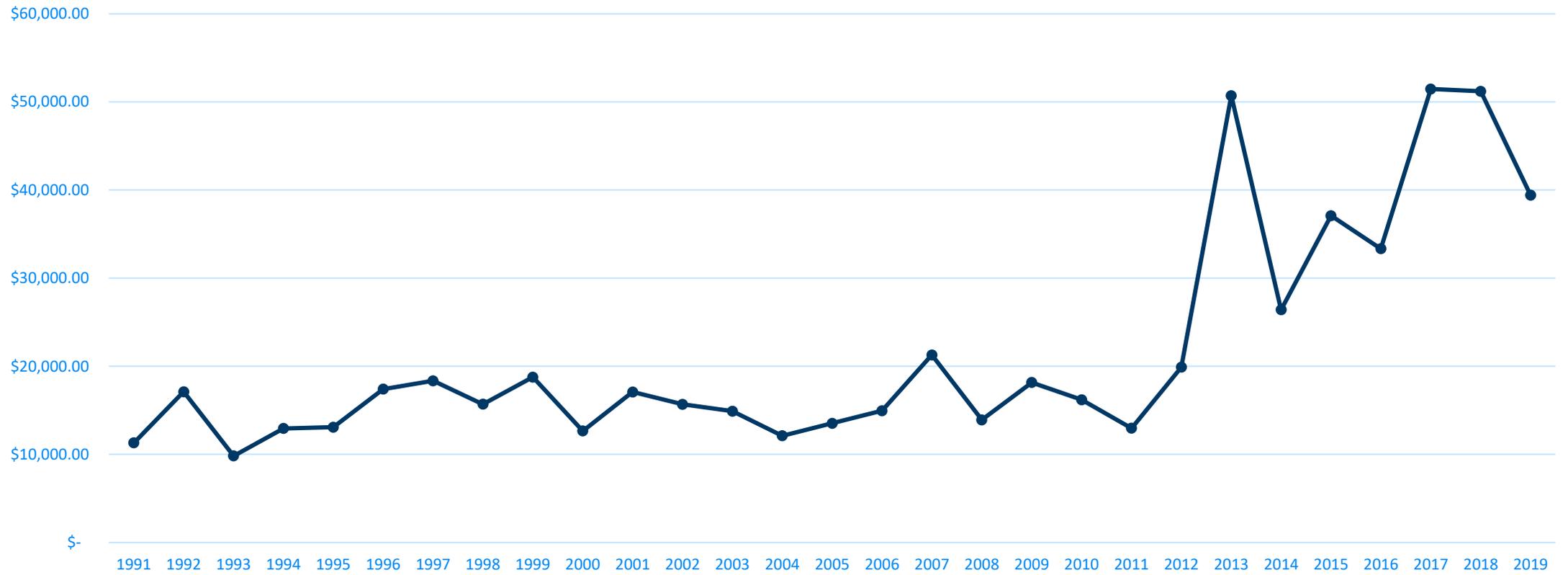
Yearly Average Total



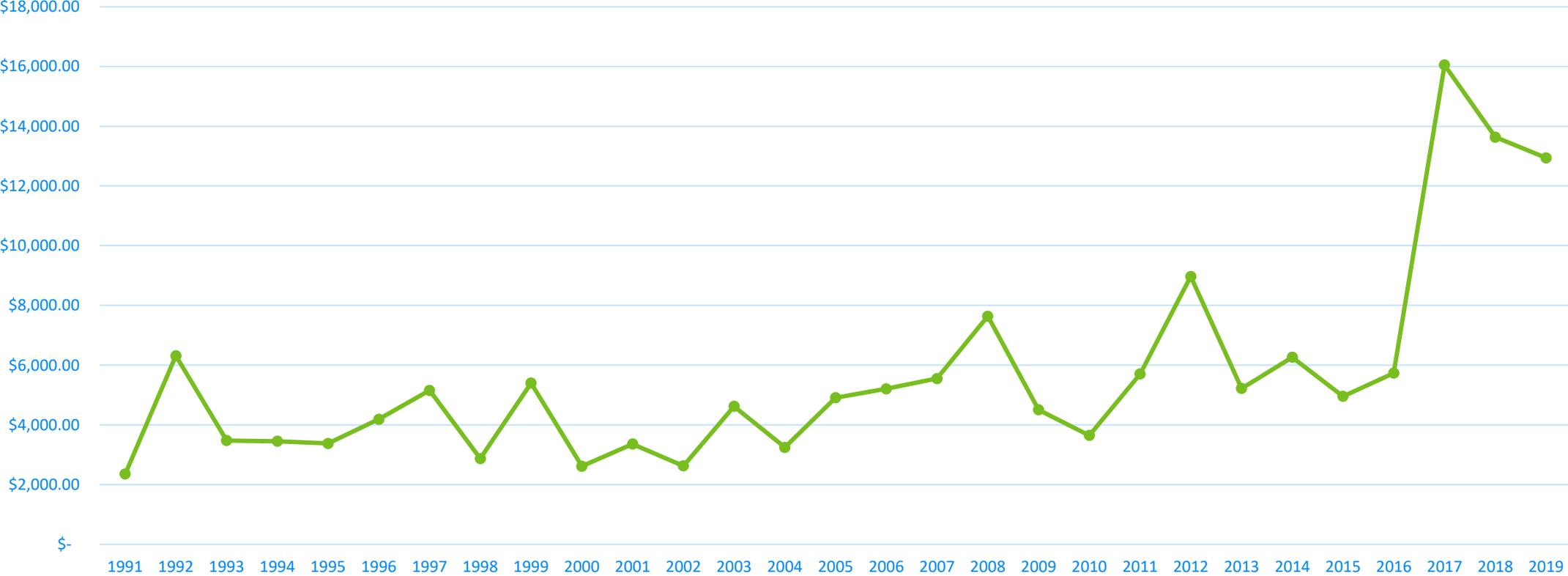
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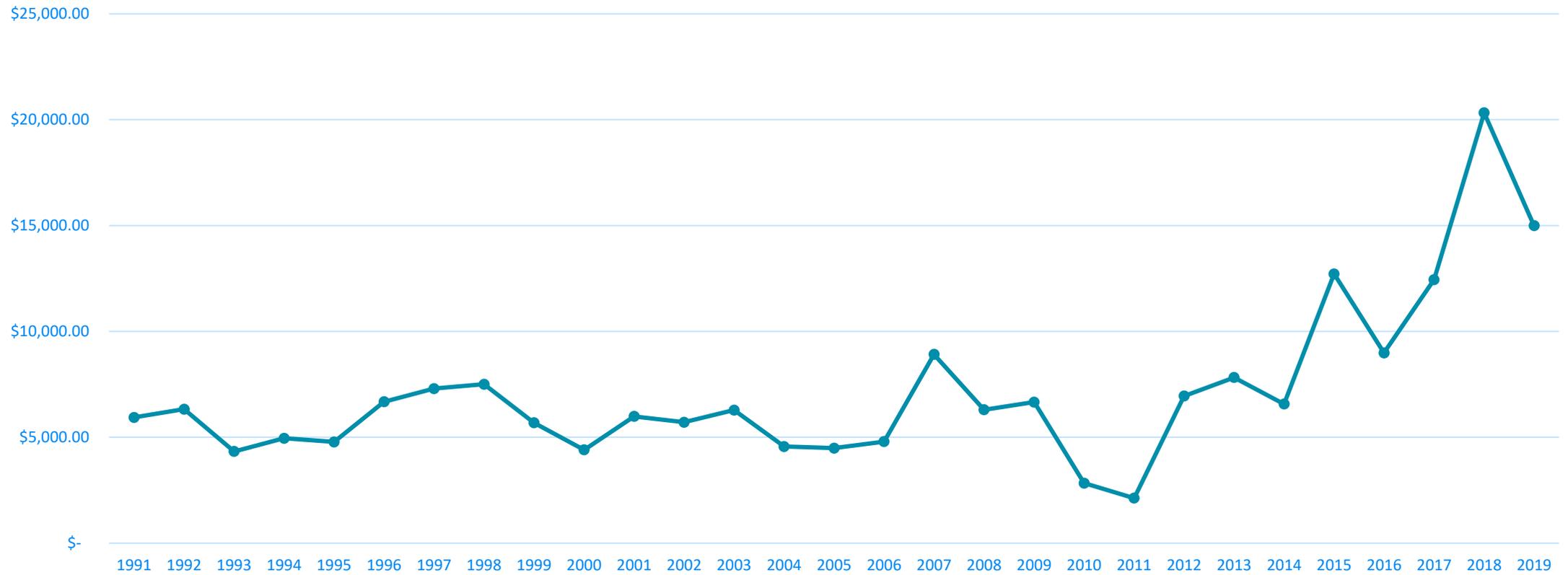
Consultant



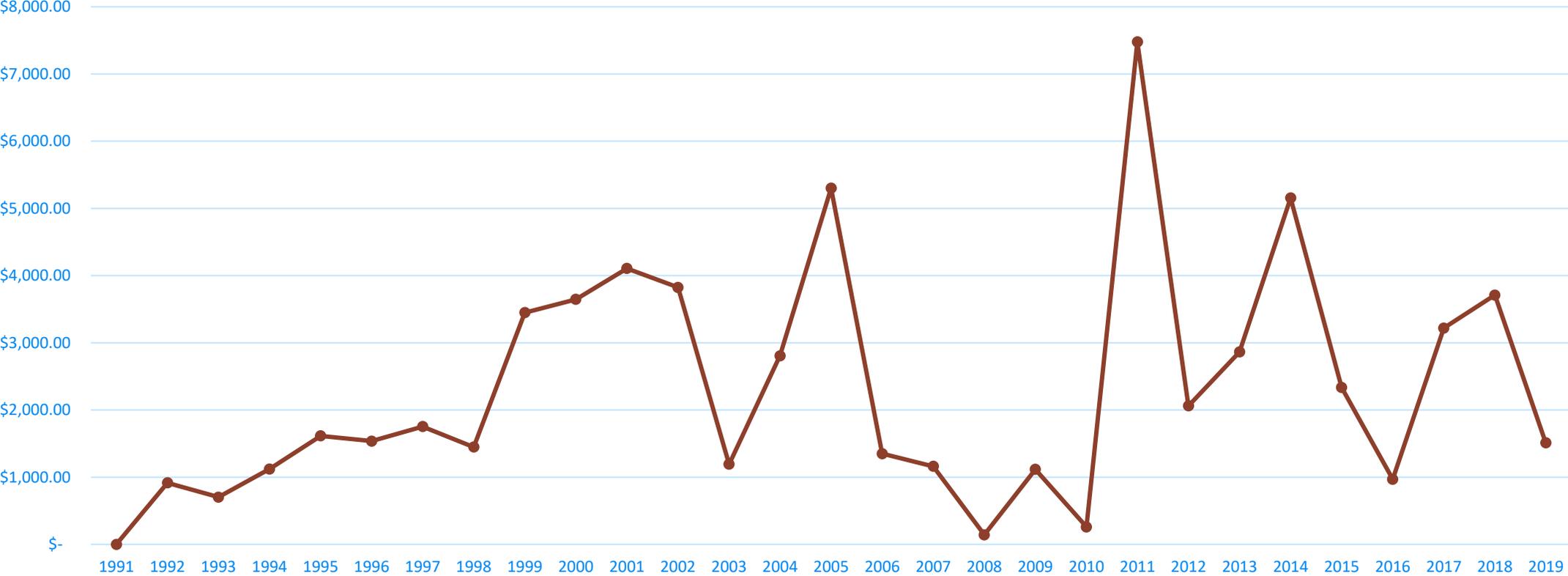
Borings and Wells



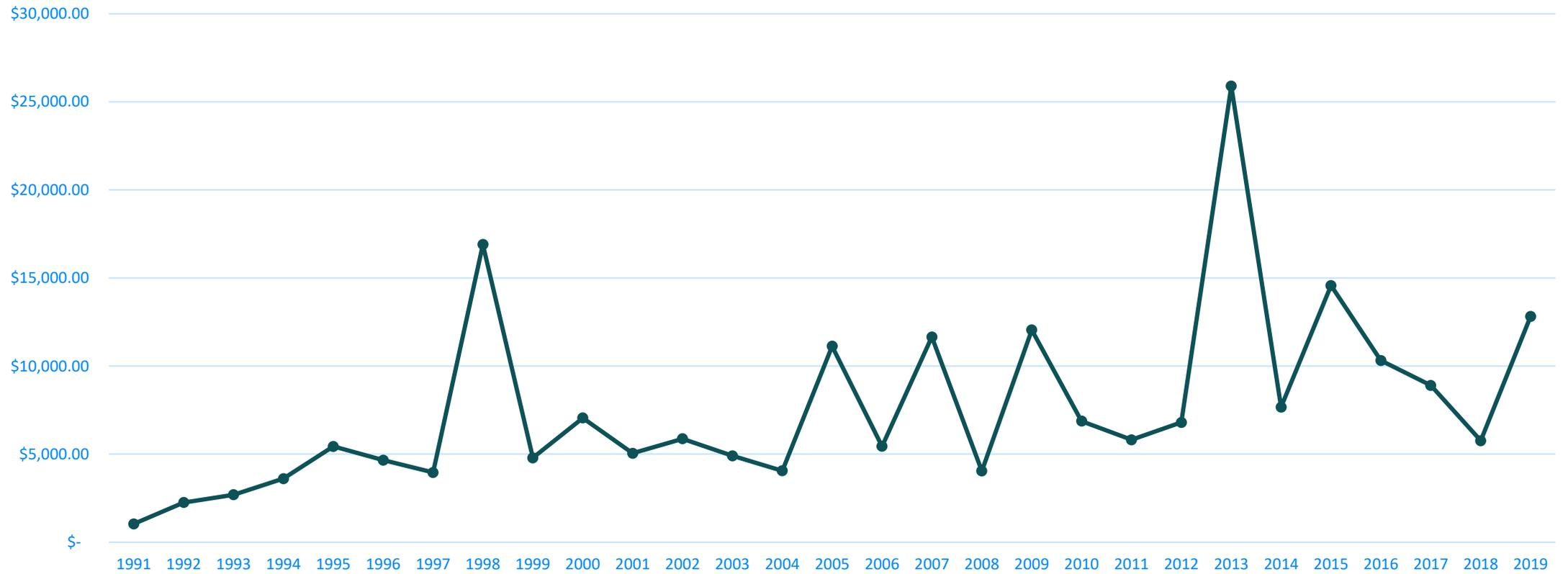
Laboratory



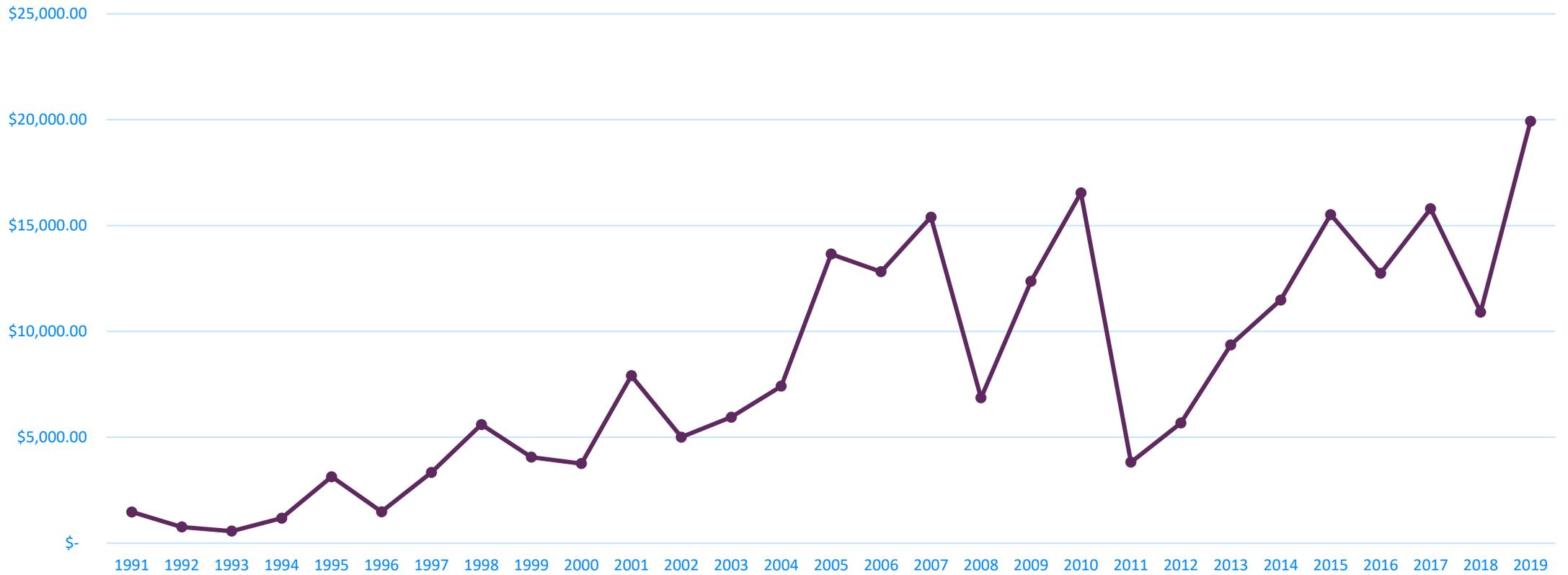
Equipment Rental



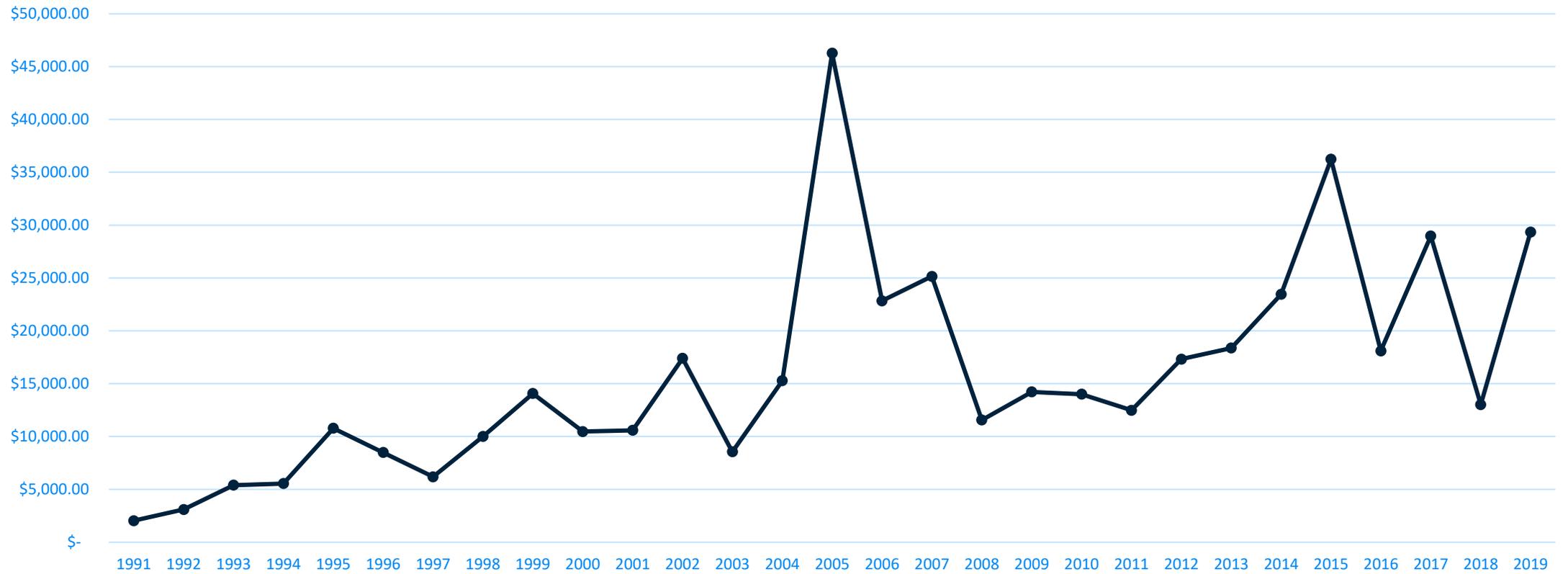
Excavation



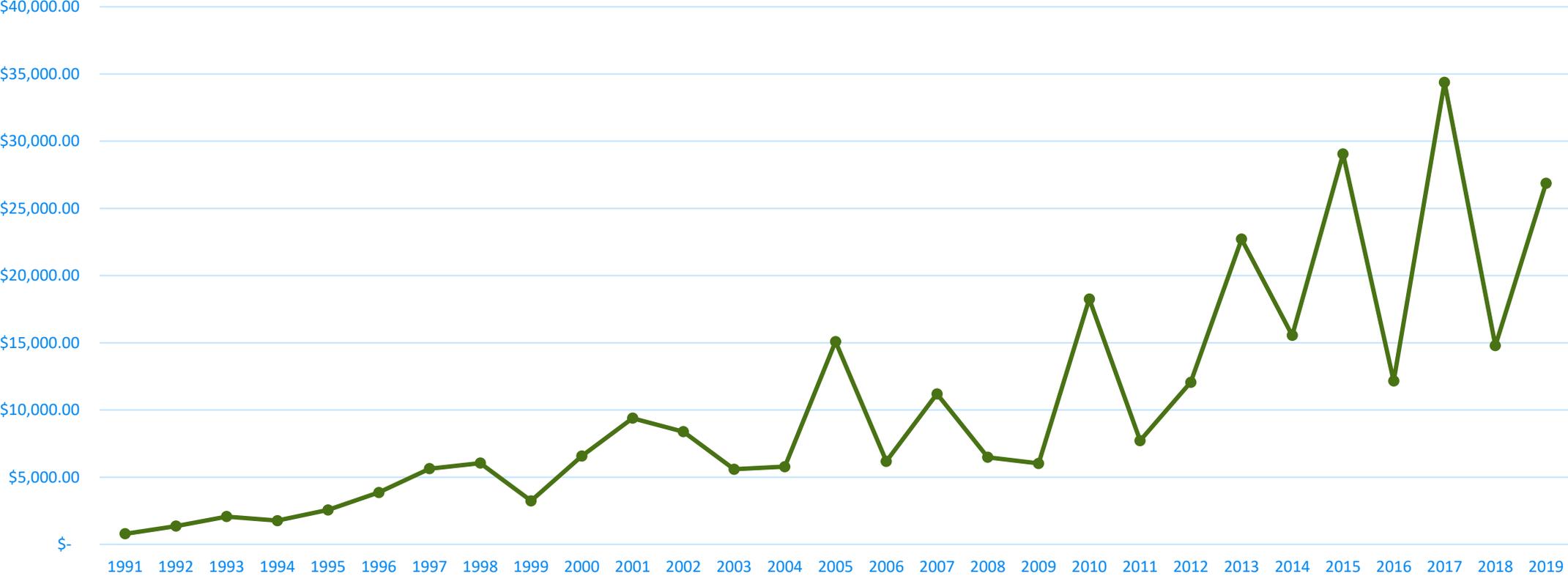
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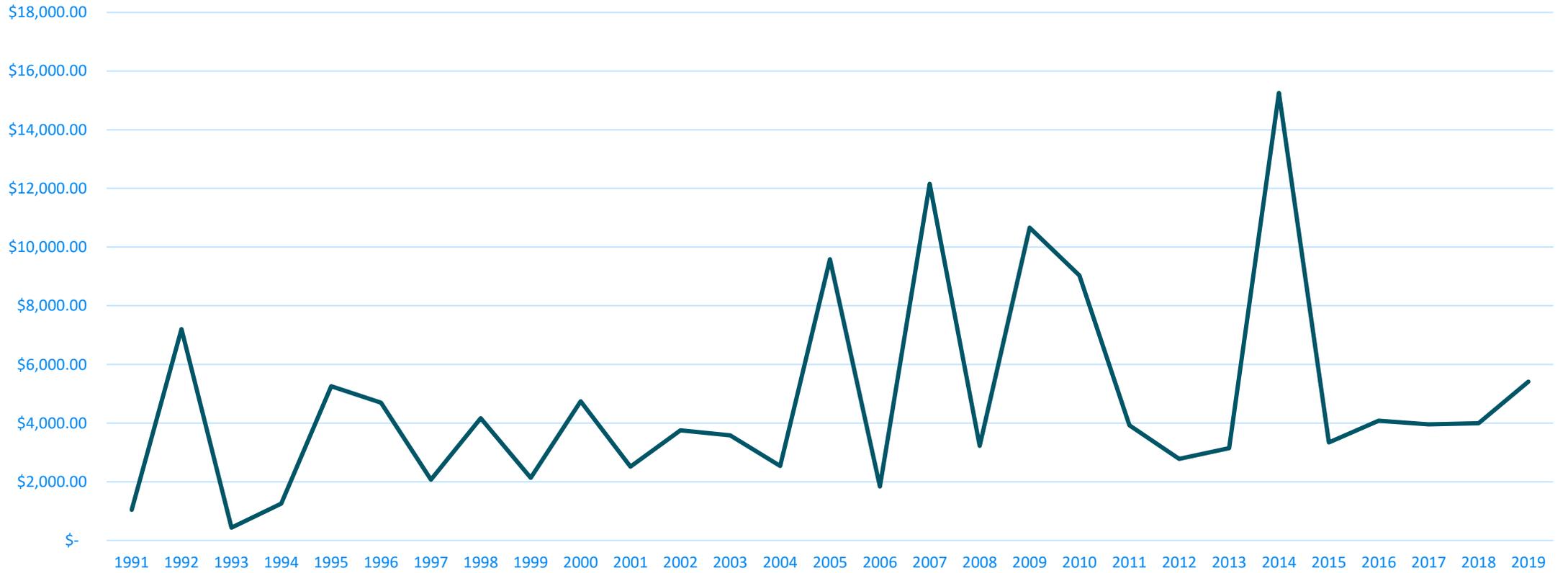
Land Application and Disposal



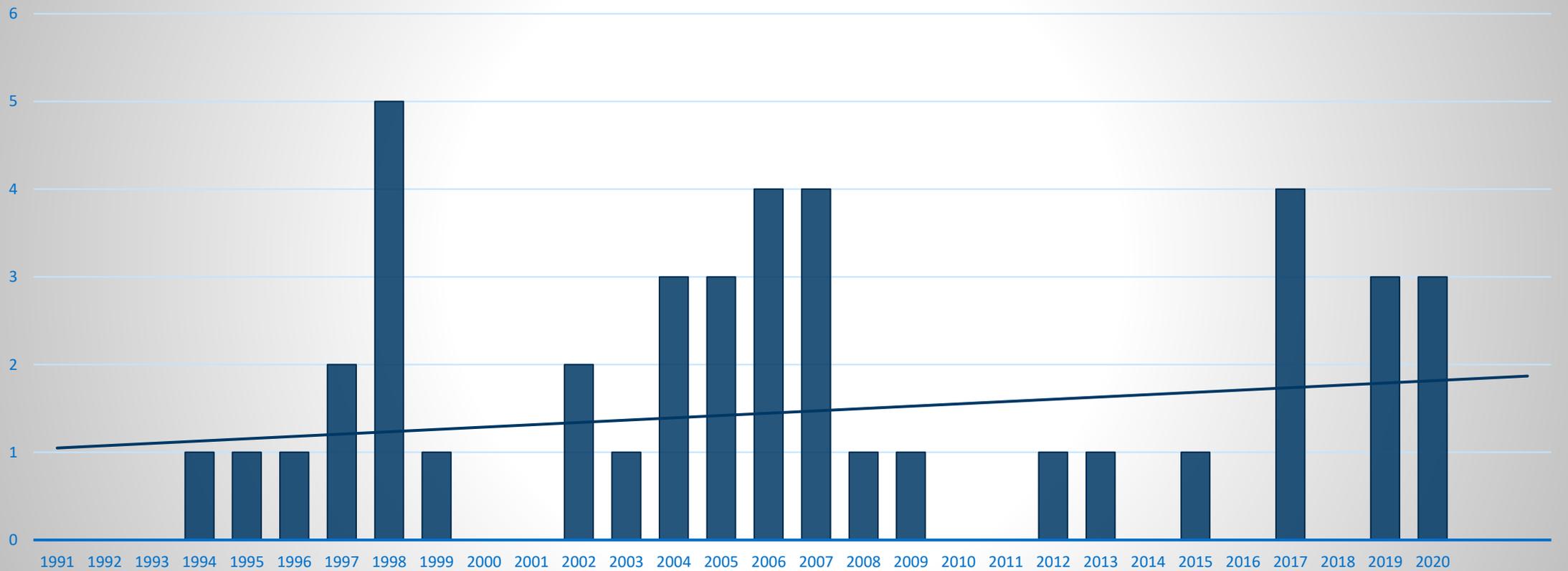
Backfill



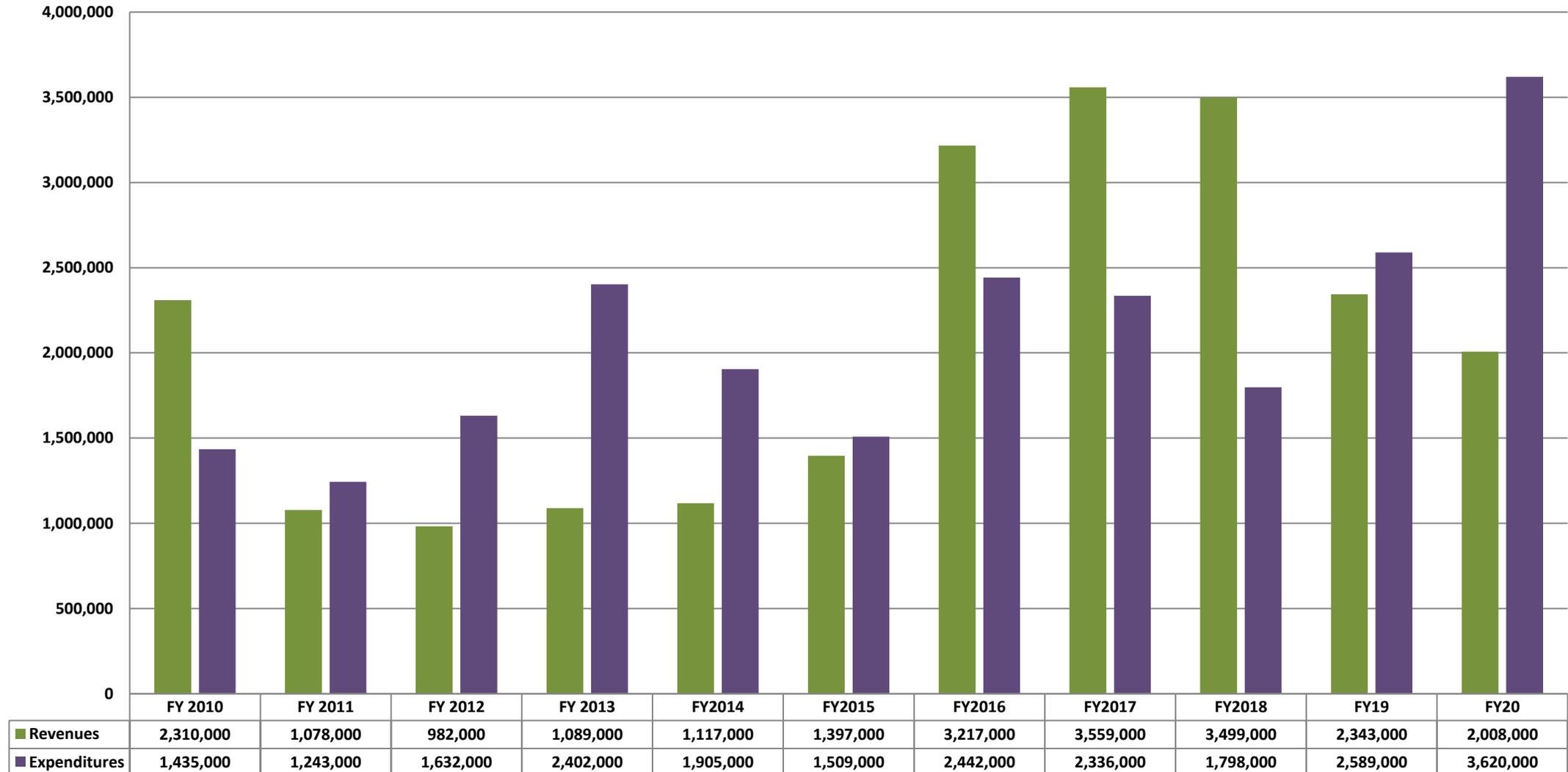
Other



Number of Sites Over Cap by Year



ACRRA Expenditures and Revenues



Current Fee Structure

Type of License	Current Surcharge	New Surcharge as of 1/1/2022
Commercial & Non-Commercial Pesticide Licenses	\$14	\$25
Structural Pest Control Company Licenses	\$55	\$100
Fertilizer Licenses	\$28	\$50
Pesticide Dealer License (Ag & Non-Ag)	\$41	\$75
Fertilizer Tonnage	\$0.17/ton	\$0.32/ton
Pesticide Registration (percent of sales)	0.17%	0.32%
Out-of-State Pesticides Distributors (each site-annually)	\$1,650	\$3,135

Fees as represented on a per acre cost with the new surcharges as of 1/1/2022

Crop	Fertilizer Cost for farmers using fertilizer	Fertilizer pounds per acre on average	Cost per acre of the ACRRRA surcharge for fertilizer tonnage	Pesticide Cost farmers using pesticides	Cost per acre of the ACRRRA surcharge for pesticide percent of gross sales
Corn	\$119.50	453	7.4 cents	\$31.53	10.1 cents
Soybeans	\$30.65	67	1 cent	\$40.00	12.9 cents
Wheat	\$87.49	275	4.4 cents	\$30.00	9.7 cents
Alfalfa	\$59.88	125	1.9 cents	\$11.00	3.4 cents
Sugar Beets	\$87.36	368	5.9 cents	\$113.07	36.5 cents
Oats	\$46.87	112	1.9 cents	\$15.54	4.9 cents

Fertilizer and pesticide costs for the 2019 crop year, University of Minnesota FINBIN data.

Fertilizer pounds per acre were based on 2017 data, the last year that we have available for fertilizer sales in Minnesota. USDA NASS census was a basis for the data and compared to MDA fertilizer data, NASS survey data for fertilizer applied per crop and USDA NASS survey data.

Percent Revenue by Type FY21

Fund	Account	Account Descr	Sub Account	FY21	%
2018	512001	ITC Interest Earnings		\$16,897	1%
2018	600339	ACRRA License Surcharge	3310	\$242,105	11%
2018	600339	ACRRA-Fertilizer Tonnage Surcharge	3320	\$715,778	33%
2018	600339	ACRRA-Pesticide Gross Sale Surcharge	3321	\$1,179,975	55%
				\$2,154,755	

Maximum Reimbursement Adjusted for Inflation

Maximum Reimbursement	Year	Consumer Price Index Buying Power as of 8/1/2021
\$200,000	1998	\$338,573
\$350,000	2000	\$567,230

About the CPI Inflation Calculator

The CPI inflation calculator uses the [Consumer Price Index](#) for All Urban Consumers (CPI-U) U.S. city average series for all items, not seasonally adjusted. [This data](#) represents changes in the prices of all goods and services purchased for consumption by urban households.

U.S. Bureau of Labor Statistics

https://www.bls.gov/data/inflation_calculator.htm

Other Potential Statutory Changes Needed:

- Alternative sources of drinking water as an eligible expense
- Minimum and Maximum account balance (\$1 Million - \$5 Million)
- Recontamination extending beyond 5 years
- Clarifying the discovery of an incident that may have not occurred prior to July 1, 1989
- Should the immediately reporting be an “all or nothing” eligibility requirement
- Completed applications must be submitted at least 60 days prior to a meeting
- Board staff and other administrative costs and the commissioner's incident response program costs related to eligible incident sites, up to \$450,000 per fiscal year (last update 2009)

Public Comments

MDA needs stakeholder input on the amount of the ACRRA cap

-Virtual stakeholder meetings are being held by the MDA on Sept 30, Oct 20 and Nov 3

-Please provide input on the following questions:

What concerns do you have with the current ACRRA cap?

What do you think the ACRRA cap should be and why?

What other concerns do you have with the ACRRA program?

Public Comments

If you would like to submit a written response,
please email it to Jennie Andryski at
Jennie.Andryski@state.mn.us

Thank you!

Roger Mackedanz

Roger.Mackedanz@state.mn.us

651-201-6400

Attachment 2 – Stakeholder meeting minutes

DEPARTMENT OF AGRICULTURE

MEETING MINUTES

ACRRA Stakeholder Meeting
Wednesday September 30, 2021

LOCATION: *DUE TO COVID-19 THIS MEETING WAS HELD REMOTELY VIA WEBEX*

ATTENDEES:

Thom Peterson	Dale Moore
Whitney Place	Jason Kirwin
Roger Mackedanz	Gary Perowitz
Jennie Andryski	Pat Pfund
Adreanne Johnson	Alex Trunnell
Cathy Villas-Horns	Patrick Murray
Peder Kjeseth	Mark Seaman
Janet Hou	Mark Keefer
Joel Fischer	Joe Conlan
Jim Hlatky	Shawna Conroy

I. Privacy Notice

Roger Mackedanz read the privacy notice.

II. Introduction- Whitney Place, Assistant Commissioner

Thanked everyone for joining the stakeholder meeting. These meetings will be a similar process from the stakeholder meetings held last fall; the legislator requested feedback from stakeholders. Whitney asked that people be vocal and share their opinions.

III. ACRRA Program Presentation- Roger Mackedanz, ACRRA Executive Director

Roger Mackedanz gave a presentation on the Agricultural Chemical Response and Reimbursement Account (ACRRA) Program

IV. Public Comment

Dale Moore: Question wondering about one of his sites not shown on the map. Emergency site was not included in the map shown.

Jason Kirwin: Jason stated that he has been working on sites since 1991. He had questions about the trucking and soil boring costs on the presentation. He pointed out that they are doing a lot more sampling than in years past. He asked for further detail on the expenditures that come out of the ACRRA fund that are not reimbursements. Roger answered that in addition to reimbursements, there clean-ups like the Essleman site as well as \$450,000 in administrative costs such as staff salaries. Jason shared a story about a site where they asked if he could sample and he mentioned that given the history of the site, they were sure to find some contamination. He said that competitors wanted to buy the site but they were afraid that there wouldn't be enough ACRRA money to clean it up.

Thom Peterson: He enjoys hearing comments and wants to remind people to always feel free to reach out to the department if they have any concerns.

Gary Perowitz, CHS: Supports the program and raising the cap. He asked for further clarification on the definition of a site. He believes that mergers of companies that are near to each other can make things difficult when they are cleaning up multiple sites that have operated separately all under one historical cap.

Jim Hlatky, Board member and farms in Todd County: Sites that are older are bound to hit the cap. Mentioned a coop that had a tornado go through. An emergency clean-up like that would be very expensive. He believes that it would be great if the fund and costs for staff could be adjusted for inflation yearly. Notes that there is an increase in the amount of soil that is being tested and excavated.

Jason Kirwin: Brought up the Felton Site- Not sure if liquid fertilizer site over the cap.

Roger Mackedanz- Roger stated that we are going to look into that site. Sites that are not on the map include tornado sites, railroad sites-train derailment, emergency sites. The Felton site started as an emergency investigation and cleanup over 15 yrs.

Jim Hlatky: Asked if that emergency sites sill come out of the fund? Roger answered yes. He stated that they could impact the fund balance.

Jason Kirwin: Hopes that the newer sites do help decrease the amount of clean-ups.

Roger Mackedanz: Roger spoke about emergency sites and why we did not include them on the graphs. Emergency sites are considered a separate incident from any historical contamination at a site and therefore do not count towards a site's total historical cap.

Jason Kirwin: A site in Ada, MN site did an investigation the 90s that took part of the historical cap and it will definitely go over the cap when the cleanup is done. He believes since there was a flood years ago that it could possible that it would be eligible for more than one cap.

Pat Pfund: Is in Ada, was working with the coop that Jason referred to. There are sites that are not being cleaned up because there aren't enough funds before they would hit the cap. She is in favor of raising the cap to \$600,000. She also believes that the single site definition could use an adjustment. She is working with a site in Perly, MN that will go over cap because there was another clean-up taking place at the property and she believes this it should be categorized as a new site.

V. Adjourn

Next meetings October 20th and November 3rd, 2021

Reminder: Please provide answers to questions and any other written comments to Jennie Andryski.

Commissioner Peterson and Assistant Commissioner Place thanked everyone for joining.

Roger Mackedanz adjourned the meeting.

 **DEPARTMENT OF
AGRICULTURE**
MEETING MINUTES
ACRRA Stakeholder Meeting
Wednesday October 20, 2021

LOCATION: *DUE TO COVID-19 THIS MEETING WAS HELD REMOTELY VIA WEBEX*

ATTENDEES:

Thom Peterson
Whitney Place
Joshua Stamper
Roger Mackedanz
Jennie Andryski
Cathy Villas- Horns
Peder Kjeseth
Janet Hou

Jim Hlatky
Joel Fischer
Pat Pfund
Shawna Conroy
Terry Sieck
Todd Terhaar
Dale Moore

I. Privacy Notice

Roger Mackedanz read the privacy notice.

II. Introduction- Thom Peterson, Commissioner

Thanked everyone for joining the second of the three stakeholder meetings.

III. ACRRA Program Presentation- Roger Mackedanz, ACRRA Executive Director

Roger Mackedanz gave a presentation on the Agricultural Chemical Response and Reimbursement Account (ACRRA) Program

IV. Public Comment

Commissioner Peterson: He appreciates the presentation and is open to suggestions and wants to listen to comments.

Shawna Conroy: Roger hit the major points on how things changed over 10 yrs. Unique chemicals we now look for tend to have low clean up goals compared to list 1. She thinks we will see more excavations on sites (they may be shallow, but more). Also, if two facilities within ½ mile considered 1 site, they are more likely to go over cap.

Jim Hlatkey: Jim has a question about the maximum fund balance amount. It is currently at 5million. If we adjusted for inflation, including staff costs and reimbursements, what would be a workable number?

Roger Mackedanz: Roger had not configured that yet but plugged it into the Consumer Price Index website. It showed that 5 million in 1989 would now be around 10-11 million.

V. Adjourn

Next meeting: November 3rd, 2021

Reminder: Please provide answers to questions and any other written comments to Jennie Andryski.

Roger Mackedanz adjourned the meeting.

 **DEPARTMENT OF
AGRICULTURE**
MEETING MINUTES
ACRRA Stakeholder Meeting
Wednesday November 3, 2021

LOCATION: *DUE TO COVID-19 THIS MEETING WAS HELD REMOTELY VIA WEBEX*

ATTENDEES:

Thom Petersen	Jason Kirwin
Whitney Place	Walker Orenstein
Josh Stamper	Patrick Murray
Roger Mackedanz	Andrew Larson
Jennie Andryski	Jeff Backer
Cathy Villas-Horns	Kit Horst
Peder Kjeseth	Pat Pfund
Joel Fischer	Molly Dimick
Janet Hou	Shawna Conroy
Jim Hlatky	

I. Privacy Notice

Roger Mackedanz read the privacy notice.

II. Introduction- Thom Peterson, Commissioner

Thanked everyone for joining for the third of the three stakeholder meetings. It has been very helpful hearing the previous comments and is looking forward to any additional input.

III. ACRRA Program Presentation- Roger Mackedanz, ACRRA Executive Director

Roger Mackedanz gave a presentation on the Agricultural Chemical Response and Reimbursement Account (ACRRA) Program

IV. Public Comment

Jim Hlatky: Asks if there is a number of applications per year. Is it consistent? Roger answered: We could pull those numbers together. Jim also asked if it would be helpful for staffing to change the deadline to 60 days prior instead 30 days prior. Roger answers yes, we would be able to be more prepared. Jim also asked if there is a list of sites that have come back into the program. Roger answers: we do not have a list. Subsequent applications are not always because of recontamination.

Pat Pfund: Would like to support the change. There is increase of costs due to inflation. Talks about specific sites that she works with that are over the cap and it makes it easier. She thinks the cap should be \$600,000.

Jason Kirwin: Jason spoke about a site in West Central MN that wanted to sell their site, but no one would buy it. Jason told him that the site would definitely be pretty contaminated based on its history. He said that buyers were resistant to buy the land, but they were worried that there wasn't enough left in the ACRRA cap. He thinks there should be more available for them. He supports the increase and asks where it goes from here and what the next step is.

Shawna Conroy: In addition to the cost of unique chemical testing, she is also seeing additional excavation costs because the clean-up goals are lower for those chemicals. She is also concerned with the sites that are within ½ from each other that count towards one cap.

V. Adjourn

Reminder: Please provide answers to questions and any other written comments to Jennie Andryski.

Whitney Place thanked everyone for joining and reminded people they can continue to email and contact the department up until February.

Roger Mackedanz adjourned the meeting.

Attachment 3 - Written Comments



November 12, 2021

Jennie Andryski
Pesticide and Fertilizer Management
Minnesota Department of Agriculture
625 Robert Street North
Saint Paul, MN 55155

Dear Ms. Andryski,

On behalf of the Minnesota Corn Growers Association's nearly 6,500 members, we would like to thank the Minnesota Department of Agriculture (MDA) for the opportunity to provide written comments as part of the MDA's recommendations process to the legislature evaluating the maximum reimbursement for the Agricultural Chemical Response and Reimbursement Account (ACRRA).

The Minnesota Corn Growers Association recognizes the use of ACRRA as an important tool to help ensure that accidental chemical and fertilizer spills are properly cleaned-up to protect the environment. We do have some concerns that we hope the MDA and the State Legislature will take in to account as they consider increasing the maximum reimbursement amount.

Minnesota's corn farmers are facing unprecedented fertilizer price increases. Nitrogen fertilizer prices are up over 100 percent year-over-year and corn farmers across the state are concerned about fertilizer shortages in the spring.¹ With one-third of ACRRA being supported through the fertilizer tonnage surcharge and 55 percent being funded through the pesticide gross sales surcharge, Minnesota farmers are already shouldering the cost for clean ups that are often at commercial sites. We would encourage the Department and the Legislature to evaluate the ability to increase the maximum reimbursement amount without the need to increase the current surcharge amounts in the future. Any increase in the surcharges are ultimately paid by farmers.

The Minnesota Corn Growers Association appreciates the opportunity to comment as a part of the recommendations process and look forward to working with the MDA and State Legislature on this issue as it moves forward.

Sincerely,

A handwritten signature in black ink that reads "Bryan Biegler". The signature is fluid and cursive, with a long horizontal line extending to the right.

Bryan Biegler
President
Minnesota Corn Growers Association

¹ <https://farmpolicynews.illinois.edu/2021/11/fertilizer-price-spike-continues-as-demand-remains-strong-and-corn-still-seen-as-profitable/>

**Written Testimony - ACRAA Stakeholder Meeting
September 30, 2021**

My name is Jason Kirwin and I've worked on ACRRA-funded investigations and cleanups since 1991. In 2000, the ACRRA Cap (Cap) was raised from \$200,000 to \$350,000 following complaints from several Coops that the Cap was not initially set high enough. At that time, the ACCRA cap was rarely exceeded, with most exceedances being attributed to wood treatment facilities. Twenty one years later, the number of sites exceeding the CAP is increasing, and unlike before, the sites exceeding the CAP are now standard agronomy (Ag-Chem) facilities. There are various reasons Ag-Chem sites have exceeded, or are about to exceed, the Cap. Below are three (3) notable post-2000 changes to the investigation and clean-up process that has resulted in bigger and more expensive cleanups:

- **Beneath Dry Fertilizer Building Identified as High Risk Area(2005)**
Prior to 2005, dry fertilizer building floors were not viewed as a High Risk Area (HRA) for contamination. We now know the area beneath the dry fertilizer building floors is one of the largest sources of contamination at an Ag-Chem site. This new HRA was unknown in 2000 and has resulted in significant increases in the size and cost of cleanups since 2005.
- **Phase I Agricultural Environmental Site Assessment (2005)**
The Phase I Agricultural Environmental Site Assessment (AgESA) was originally requested in 2005, with formal guidance coming in 2017. The AgESA mandates a thorough agricultural-focused review of the historic use of an Ag-Chem site before investigating it. The AgESA does an excellent job identifying all the different types and potential release locations at an agricultural contamination at site. Many of these releases would have been missed prior to 2017, either because we didn't look in the correct areas, or because we didn't look for the correct contaminants. Although the AgESA has improved the cleanups at Ag-Chem sites, the direct and indirect (more important) costs from AgESA's has significantly increased to size and cost of Ag-Chem cleanups.
- **Specialty Pesticide Analysis (2018)**
Largely because of the above referenced AgESA, we started getting a better understanding of the special types of pesticides uniquely handled at each Ag-Chem site. Most of these pesticides were not included in the standard analysis lists (MDA List I & II) and are described as Specialty Pesticides. Depending on the pesticide, the analysis of some of these pesticides costs up to \$1,200/sample and labs are difficult to locate. This additional analysis has improved investigations and cleanups, but these costs they were not accounted for in 2000 and have resulted in bigger and more expensive cleanups.

In addition to the above, in **February 2021** the MDA Incident Response Unit identified that they will place additional emphasis on groundwater investigations at Ag-Chem facilities. It is unknown how much this additional emphasis will cost, but those costs were not required in 2000 and will surely contribute to Ag-Chem facilities more commonly exceeding the Cap. Ultimately, based on all of the above, the number of Ag-Chem facilities exceeding the Cap will continue to increase unless the current Cap is raised.



Jason Kirwin
President

Andryski, Jennie (MDA)

From: Ayer, Tiffany <Tiffany.Ayer@mosaicco.com>
Sent: Monday, November 8, 2021 11:07 AM
To: Andryski, Jennie (MDA)
Cc: Sorenson, Sarah
Subject: ACRRRA Maximum Reimbursement Cap

This message may be from an external email source.

Do not select links or open attachments unless verified. Report all suspicious emails to Minnesota IT Services Security Operations Center.

Good afternoon,

I write on behalf of Mosaic Crop Nutrition, LLC (Mosaic) -- which currently has a site in Savage, MN enrolled in the Minnesota Department of Agriculture's AgVIC program -- to provide comment on the ACRRRA program. We have been following the MDA's current process to receive comments on the program and it is our understanding that an increase in the maximum reimbursement amount (Cap) is under consideration.

Given that Mosaic is about to reach the Cap for remedial investigation and remediation at our Savage site, and that we have additional work to do to address historic contamination that has been properly reported, Mosaic strongly supports an increase in the Cap and that such increase be retroactive to existing sites such as ours where additional work is needed. Otherwise, we would need to proceed with this additional work without receiving any further benefit from the ACRRRA program and the surcharges and fees contributed to the program by our industry. It is our understanding that prior Cap increases have been made retroactive to situations such as ours.

Thank you for your consideration of this comment. Please confirm receipt of this comment for the record, and please contact me if you have any questions or would like to discuss.

Tiffany Ayer
Remediation Lead – Legacy
(813) 244-4317

800-253-6269
218-698-4271



701 Hwy 59 South
PO Box 37
Brooks MN 56715

To: MDA Staff, ACRRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRRA CAP

To Whom it May Concern,

I am writing today in support of increasing the ACRRRA cap to adjust for the effects of inflation since the cap was last raised in 2000. Many costs have risen over that time, fuel, labor and lab analysis to name a few. This program serves ag chemical and fertilizer businesses well by creating a pool of funds with reasonable annual fees to assist in cleaning up both historic and accidental contamination in our communities. The standards for operation and the understanding of the risks to groundwater were not as well known back in the 60's, 70's and 80's when much of the historical contamination took place. As an industry our contributions through fees contributed to the ACRRRA fund encourage companies to voluntarily conduct investigations to clean up these old sites. With a generational change occurring in management in the ag chem & fertilizer business, many new managers inherit a site with historical contamination that they are unaware existed. When surprised with the significant costs associated with a cleanup, the fund provides a valuable safeguard to ensure the business can cover 80% of the unexpected expense and helps protect the groundwater in the rural communities where most of these ag retail/wholesale sites are located, while keeping the retailer solvent and able to serve their customers crop production input needs.

I strongly support increasing the ACRRRA maximum reimbursement to \$567,000 and thereafter annually adjusting the fund balance for the cost of inflation. I also support adjusting the \$450,000 annual staffing limit at MDA for inflation as well, since the labor market continues to climb on a regular basis. I realize this will result in an increase in fees to cover the additional reimbursements, but over time as the historical sites are cleaned up and new facilities with better safeguards are built those fees would most likely return to a lower rate.

This ACRRRA cap increase also impacts the fund balance and maintaining it between the 1 million and 5 million dollar could be a challenge. I would support increasing the maximum fund balance to 8 million dollars in order to facilitate a more consistent annual fee structure.

In closing I would just like to restate my support for this program and the current 80% reimbursement rate, the reimbursement process, increasing the ACRRRA cap to \$567,000 per incident, and increasing the ACRRRA fund maximum balance to 8 million dollars. It's long past time for the ACRAA fund to be adjusted to reflect the effects of inflation with a few minor adjustments to a very good program.

Sincerely,

A handwritten signature in cursive script that reads "Michele Longtin".

Name Michele Longtin

Phone # 218-698-4271



P.O. Box 439 • Perley, MN 56574

Phone: 218-861-6561 • Fert. Plant: 218-861-6562 • Station Fax: 218-861-6350

To: MDA Staff, ACRRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRRA CAP

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Sincerely,

A handwritten signature in black ink, appearing to read 'C. Renfrew'.

Name **CRAIG RENFREW**

Phone # **218-861-6561**



To: MDA Staff, ACRRRA Board, House & Senate Joint Ag Committee Members
Re: Proposal to increase the ACRRRA CAP

To Whom it May Concern,

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Sincerely,

A handwritten signature in black ink, appearing to read "Kelly Christianson", written over a large, stylized, looping flourish.

Kelly Christianson, General Manager
Northern Resources Cooperative
Roseau, MN 56751
218-463-1805



To: MDA Staff, ACRRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRRA CAP

To Whom it May Concern,

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Sincerely,

A handwritten signature in black ink that reads 'Scott Schwanke'.

Name Scott Schwanke

Phone # 507-259-7611



NuWay-K&H Cooperative
PO Box Q
Trimont, MN 56176

NuWay-K&H Cooperative
PO Box 188
Wesley, IA 50483

Trimont Office: 800-445-4118
Wesley Office: 800-244-6101
NuWay-KandH.com

To: MDA Staff, ACRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRA CAP

To Whom it May Concern,

I am writing today in support of increasing the ACRRA cap to adjust for the effects of inflation since the cap was last raised in 2000. Many costs have risen over that time, fuel, labor and lab analysis to name a few. This program serves ag chemical and fertilizer businesses well by creating a pool of funds with reasonable annual fees to assist in cleaning up both historic and accidental contamination in our communities. The standards for operation and the understanding of the risks to groundwater were not as well known back in the 60's, 70's and 80's when much of the historical contamination took place. As an industry our contributions through fees contributed to the ACRRA fund encourage companies to voluntarily conduct investigations to clean up these old sites. With a generational change occurring in management in the ag chem & fertilizer business, many new managers inherit a site with historical contamination that they are unaware existed. When surprised with the significant costs associated with a cleanup, the fund provides a valuable safeguard to ensure the business can cover 80% of the unexpected expense and helps protect the groundwater in the rural communities where most of these ag retail/wholesale sites are located, while keeping the retailer solvent and able to serve their customers crop production input needs.

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This ACRRA cap increase also impacts the fund balance and maintaining it between the 1 million and 5 million dollar could be a challenge. I would support increasing the maximum fund balance to 8 million dollars in order to facilitate a more consistent annual fee structure.

In closing I would just like to restate my support for this program and the current 80% reimbursement rate, the reimbursement process, increasing the ACRRA cap to \$567,000 per incident, and increasing the ACRRA fund maximum balance to 8 million dollars. It's long past time for the ACRAA fund to be adjusted to reflect the effects of inflation with a few minor adjustments to a very good program.

Sincerely,

Kevin M. Jones

President/CEO

507-639-7124



To: MDA Staff, ACRRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRRA CAP

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Sincerely,

Paul D Mattson

20-267-7103



To: MDA Staff, ACRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRA CAP

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Sincerely,

Charles Guck



Primary Business Address
PO Box 289
905 Pinewood Circle
Perham MN 56573

Phone: 218-346-3888
Cell: 218-849-8203
Fax: 218-346-2351
Email: charles.guck@nutrien.com



P.O. Box 636 45 3rd St NW Plainview, MN 55964 (800)927-4256 (507)534-3111 www.highplainscoop.com

To: MDA Staff, ACRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRA CAP

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Sincerely,

Keith Holm
CEO
High Plains Cooperative
507-534-3111

10/29/2021

**Farmers Cooperative Elevator Company of Bellingham
300 Railroad Street
Bellingham, MN 56212**

To: MDA Staff, ACRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRA CAP

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Sincerely,

Name

Phone #



215 Central Ave. South
Elbow Lake, MN 56531

To: MDA Staff, ACRRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRRA CAP

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Sincerely,

Derek Birdsall
General Manager
218-685-4491

To: MDA Staff, ACRRA Board, House & Senate Joint Ag Committee Members

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Sincerely,



Name NEIL TOBKIN

Nutrien Ag Solutions

Phone # 320-249-8440

To: MDA Staff, ACRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRA CAP

To Whom it May Concern,

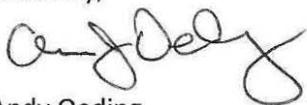
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Sincerely,



Andy Oeding

Nutrien Ag Solutions, Minnesota Division



Morris Coop

**P.O. BOX 150
MORRIS, MN 56267
(320) 589-4744**

To: MDA Staff, ACRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRA CAP

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Sincerely,

Brian Kruize



P.O. Box 511 • Wadena, MN 56482

Wadena: 218-631-1020
Toll Free: 877-446-0050

Bluffton: 218-385-2559
Toll Free: 877-722-3012

New York Mills: 218-385-2366

www.leafriverag.com

October 28, 2021

To: MDA Staff, ACRRA Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRRA CAP

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Pam Hotakainen, General Manager 218-631-1020



C-Stores
Perham Oasis (218) 346-7810
Ottertail Oasis (218) 367-3626
Dent Oasis (218) 758-3300
Menahga (218) 564-5264
Park Rapids (218) 237-2667
Akeley (218) 652-2665
Clarissa (218) 756-3320
New York Mills (218) 385-2060

Bulk, LP, Gas & Diesel
Perham (218) 346-6240
Toll Free 866-346-5601

Perham (218) 346-6240
Fax (218) 346-6241



Lakes Area Cooperative

www.lakesareacoop.com

Administrative Office: P.O. Box 247 • Perham, Minnesota 56573

Locker Div. (218) 346-6245
Fertilizer Div. (218) 346-2355
Milk Div. (218) 346-6240
Battle Lake Coop (218) 864-5574
Vergas Country Store (218) 342-2441
Wolf Lake Coop (218) 538-6660
Menahga Farm (218) 564-4453

Feed

Perham (218) 346-7075
Menahga (218) 564-4421
Toll Free 800-935-8951

To: MDA Staff, ACRR Board, House & Senate Joint Ag Committee Members

Re: Proposal to increase the ACRR CAP

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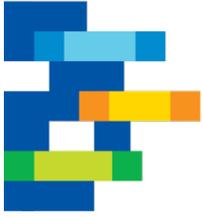
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Sincerely,

Dale Tellinghuisen

General Manager Lakes Area Cooperative



July 29, 2021

Commissioner Thom Petersen
Minnesota Department of Agriculture
625 Robert Street North
Saint Paul, MN 55155-2538

Re: The Agricultural Chemical Response and Reimbursement Account (ACRRA) Surcharge and Program Review

As an active ACRRA participant, CHS Inc. supports licensing surcharges taking effect in January 2022 to increase the ACRRA fund balance and enable future remediation of eligible sites.

Furthermore, CHS supports an ACRRA program review completed by representatives from the Minnesota Crop Production Retailers (MCPR), ACCRA Board and Minnesota Department of Agriculture (MDA). Pending a program review, and applicable recommendations, MDA should include program recommendations in its 2022 legislative agenda.

CHS is committed to the communities it operates in through product stewardship. In some cases, regional cooperatives are the only remaining viable entities and by default become the target responsible party for non-operational sites obtained through mergers and acquisitions.

CHS looks forward to MDA's consideration of the ACRRA program review and the long-term viability of ACRRA.

Sincerely,

Gary Perowitz

Gary Perowitz
Senior Environmental Specialist
CHS Inc.

Cc: Whitney Place, Assistant Commissioner, Minnesota Department of Agriculture
Patrick Murray, Executive Director, Minnesota Crop Production Retailers



601 Carlson Parkway, Suite 450 | Minnetonka, MN 55305 | P: 763.235.6466

www.mcpr-cca.org

November 3, 2021

Commissioner Thom Petersen
Minnesota Department of Agriculture
625 Robert Street North
St. Paul, MN 55155

Dear Commissioner Petersen –

The Minnesota Crop Protection Retailers (MCPR) is a nonprofit organization representing agricultural retailers and distributors, crop input suppliers, crop advisors, and registrants who supply farmers and producers with a host of products and services. We thank you for the opportunity to provide comments as it relates to the ACRRRA Program, ACRRRA cap, and ACRRRA fund balance.

MCPR has appreciated the opportunity to participate in the ACRRRA stakeholder meetings this year which were convened as a result of action taken by the Minnesota Legislature during the 2021 legislative session. The legislation required that ACRRRA stakeholder meetings be held this fall to discuss a possible change in the ACRRRA statute regarding the maximum reimbursement or payment amount.

MCPR members are active participants in the ACRRRA program, but we do have concerns with the current ACRRRA cap and reimbursement amounts which we believe both are too low. MCPR is supportive of increasing the ACRRRA cap to adjust for the effects of inflation and increasing the maximum fund balance. We are also supportive of the licensing surcharges set to take effect next year to increase the ACRRRA fund balance and enable the remediation of eligible sites.

MCPR's members have sophisticated their operating standards over the years and we pride ourselves on being good stewards of the environment and to our local communities. The ACRRRA program has helped to remediate many sites that experience a chemical incident, however the significant costs associated with a clean-up can quickly add up. Again, this is why MCPR is supportive of an increase to the ACRRRA cap to adjust for inflation, as well as an increase in the maximum fund balance.

We appreciate the opportunity to provide this input as it relates to ACRRRA Program. Please do not hesitate to contact us with any questions.

Sincerely,

Executive Director
Minnesota Crop Production Retailers

cc: Whitney Place, Assistant Commissioner, Minnesota Department of Agriculture
Jennie Andryski, Pesticide & Fertilizer Management, Minnesota Department of Agriculture