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<https://mda.state.mn.us/>

AT A GLANCE

- 535 employees across the state
- Analyzed over 3,700 dairy product samples and 2,200 meat and poultry samples in partnership with the MDA Laboratory Division
- Conducted over 3,100 manufactured food, 10,200 retail food, and 560 animal feed inspections to ensure the safety and quality of products manufactured and distributed in Minnesota.
- Issue about 1,500 phytosanitary certificates annually providing worldwide market access.
- Assisted Minnesota counties, townships, and cities with the enforcement of noxious weed issues
- Annual Agricultural Growth, Research, and Innovation (AGRI) \$14.354 million state investment in FY21 was matched by \$33 million in private investment
- 1,290 farms and farmers’ markets licensed to use the Minnesota Grown logo
- In partnership with all Minnesota counties, collected nearly 660,000 pounds of waste pesticides in 2021

PURPOSE

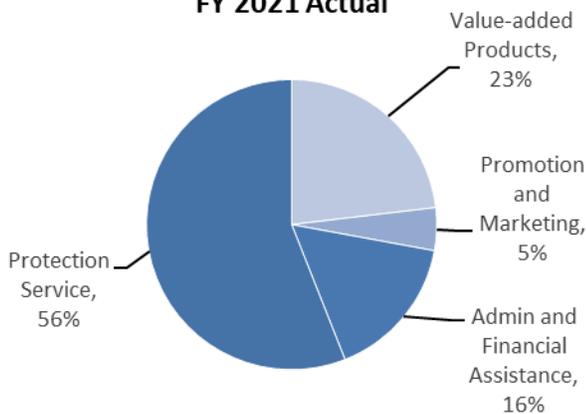
Our mission is to enhance Minnesotans' quality of life by ensuring the integrity of our food supply, the health of our environment, and the strength of our agricultural economy.

The Minnesota Department of Agriculture (MDA) provides many services to Minnesota farmers, their consumers, and the agriculture economy. Among our many efforts, we:

- Invest in farmers through education and grants aimed at modernizing the family farm;
- Invest in the future of the agricultural economy with grants for research and value-added processing;
- Ensure that state and federal regulations for food and health safety are followed;
- Educate producers, suppliers, and consumers on proper production and handling of food products;
- Educate Minnesotans about environmental hazards to keep our farms, homes, businesses, and neighborhoods safe;
- Promote the consumption of Minnesota-grown foods; and
- Promote the export of Minnesota crops and livestock.

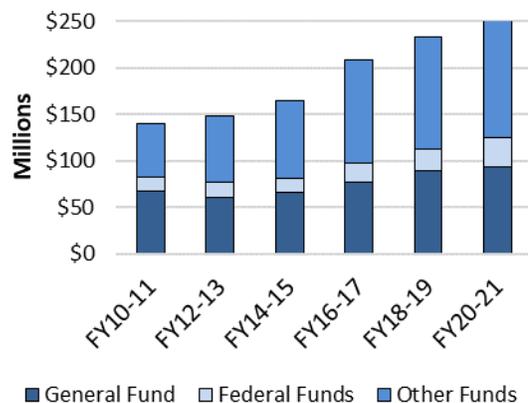
BUDGET

**Spending by Program
FY 2021 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

Our budget comes from various sources. The most significant funding resources are split between fee revenues and general funds. Fee revenues must be spent to support the activities from which they are collected. The state's General Fund is used for various activities throughout the agency. A large portion of the general fund budget passes through MDA's Agricultural Growth, Research, and Innovation (AGRI) programs, Agriculture Research, Education, Extension, and Technology Transfer (AGREETT) program, and other assistance programs. Federal fund expenditures accounted for approximately 12 percent of MDA's budget spend and the Rural Finance Authority's revolving loan program accounted for just under 14 percent.

STRATEGIES

We use a range of regulatory and voluntary strategies to support our mission. This includes the use of registration, labeling, licensing, permitting, inspection, and enforcement efforts. Additionally, we coordinate and conduct outreach activities such as workshops, conferences, and field demonstration projects.

Our staff conduct inspections and verify samples to ensure that producers, processors, wholesalers, haulers, grocery and convenience stores, and other industry personnel are producing and handling dairy, food, meat, and feed products in a safe manner to protect them from unintended alteration and contamination.

We ensure that Minnesota plant products meet the import requirements of our trading partners, meet grading standards established in contracts, that seeds meet viability and purity standards, that general health standards are met for nursery stock, and that standards for freedom from harmful plant pests are met.

Our marketing and promotional initiatives offer producers technical and financial assistance on a variety of issues, including dairy and livestock development, business planning, and emerging water quality and conservation practices.

Our staff facilitates access to new markets through the Minnesota Grown Program, regional and domestic marketing opportunities, and support for international trade missions, market research, and export assistance. We also support the organic industry through education and direct financial support.

Minnesota Statutes Chapter 17, (<https://www.revisor.mn.gov/statutes/?id=17>) creates the Department of Agriculture and provides specific authority to the commissioner.

Agriculture

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	46,511	46,236	44,767	65,728	51,413	52,029
1251 - COVID-19 Minnesota	1,239	10				
2000 - Restrict Misc Special Revenue	1,474	1,250	1,185	1,229	1,247	1,267
2001 - Other Misc Special Revenue	6,068	6,308	6,425	7,360	7,412	7,650
2018 - Agriculture	41,351	41,188	39,854	46,273	48,033	46,202
2050 - Environment & Natural Resources	1,536	806	413	1,399		
2301 - Arts & Cultural Heritage	358	366	532	406		
2302 - Clean Water	12,044	14,491	15,205	14,499		
2403 - Gift		21	147	1,161	6	6
2801 - Remediation	1,690	1,846	2,205	2,431	2,396	2,402
3000 - Federal	10,144	9,760	12,006	18,395	12,862	10,993
3010 - Coronavirus Relief	74	12,459				
3015 - ARP-State Fiscal Recovery			5,993	7		
6000 - Miscellaneous Agency	61	364		2		
Total	122,551	135,104	128,730	158,890	123,369	120,549
Biennial Change				29,966		(43,702)
Biennial % Change				12		(15)
<u>Expenditures by Program</u>						
Protection Services	72,586	75,064	73,388	83,408	69,206	67,360
Promotion and Marketing	6,874	6,391	7,914	11,811	7,219	8,717
Value-added Products	26,205	30,993	24,860	29,072	27,022	27,022
Administration and Financial Assistance	16,885	22,656	22,568	34,599	19,922	17,450
Total	122,551	135,104	128,730	158,890	123,369	120,549
<u>Expenditures by Category</u>						
Compensation	47,186	47,391	48,191	54,007	50,852	51,147
Operating Expenses	36,599	36,370	36,355	46,378	35,458	33,080
Grants, Aids and Subsidies	38,577	50,013	43,597	57,515	36,159	35,464
Capital Outlay-Real Property	7	714	515	903	867	825
Other Financial Transaction	181	615	72	87	33	33
Total	122,551	135,104	128,730	158,890	123,369	120,549

Agriculture

Agency Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Total Agency Expenditures	122,551	135,104	128,730	158,890	123,369	120,549
Internal Billing Expenditures	6,149	6,616	6,115	7,270	6,906	6,616
Expenditures Less Internal Billing	116,402	128,488	122,616	151,620	116,463	113,933

<u>Full-Time Equivalents</u>	486.79	468.45	459.63	499.99	462.34	457.28
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Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In	6	3,785	14	11,650		
Direct Appropriation	55,059	53,808	74,504	65,011	62,334	62,950
Transfers In	3,474	1,685	502	3,108	173	204
Transfers Out	10,210	11,421	18,173	14,041	11,094	11,125
Cancellations		1,606	429			
Balance Forward Out	1,817	14	11,652			
Expenditures	46,511	46,236	44,767	65,728	51,413	52,029
Biennial Change in Expenditures				17,747		(7,053)
Biennial % Change in Expenditures				19		(6)
Full-Time Equivalents	175.34	164.01	163.72	182.08	174.79	172.99

1251 - COVID-19 Minnesota

Balance Forward In		10				
Direct Appropriation	4,202					
Balance Forward Out	2,963					
Expenditures	1,239	10				
Biennial Change in Expenditures				(1,249)		0
Biennial % Change in Expenditures				(100)		

2000 - Restrict Misc Special Revenue

Balance Forward In	7,860	7,032	7,804	9,668	5,890	2,700
Receipts	1,527	969	965	5,953	7,989	4,263
Transfers In	320	876	1,537	1,537	1,525	1,525
Transfers Out	200	716	38			
Net Loan Activity	(1,042)	894	584	(10,039)	(11,457)	(3,574)
Balance Forward Out	6,991	7,804	9,668	5,890	2,700	3,647
Expenditures	1,474	1,250	1,185	1,229	1,247	1,267
Biennial Change in Expenditures				(311)		100
Biennial % Change in Expenditures				(11)		4
Full-Time Equivalents	10.91	9.98	7.28	6.99	6.83	6.86

2001 - Other Misc Special Revenue

Balance Forward In	7,416	7,469	7,697	7,238	7,013	6,380
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Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Receipts	6,149	6,616	6,088	7,270	6,914	6,624
Internal Billing Receipts	6,149	6,616	6,088	7,270	6,914	6,624
Transfers In			2,869			
Transfers Out	66	80	2,990	135	135	135
Balance Forward Out	7,431	7,697	7,238	7,013	6,380	5,219
Expenditures	6,068	6,308	6,425	7,360	7,412	7,650
Biennial Change in Expenditures				1,409		1,277
Biennial % Change in Expenditures				11		9
Full-Time Equivalents	30.97	32.63	33.31	38.19	38.19	38.19

2018 - Agriculture

Balance Forward In	27,909	25,909	24,654	29,008	25,834	22,723
Receipts	28,535	29,919	30,709	33,603	35,426	35,665
Transfers In	11,939	11,720	15,847	12,051	11,807	11,807
Transfers Out	2,453	2,334	2,351	2,555	2,311	2,311
Balance Forward Out	24,579	24,027	29,005	25,834	22,723	21,682
Expenditures	41,351	41,188	39,854	46,273	48,033	46,202
Biennial Change in Expenditures				3,588		8,108
Biennial % Change in Expenditures				4		9
Full-Time Equivalents	178.40	172.68	171.88	178.51	184.31	183.22

2050 - Environment & Natural Resources

Balance Forward In	1,017	958	550	136		
Direct Appropriation	1,000			1,263	0	0
Cancellations	5	0	1			
Balance Forward Out	476	152	136			
Expenditures	1,536	806	413	1,399		
Biennial Change in Expenditures				(529)		(1,812)
Biennial % Change in Expenditures				(23)		(100)
Full-Time Equivalents	4.44	2.38	0.02	1.02	0.02	0.02

2301 - Arts & Cultural Heritage

Balance Forward In	21	73	143	6		
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Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Direct Appropriation	400	400	400	400	0	0
Cancellations		10	5			
Balance Forward Out	63	98	6			
Expenditures	358	366	532	406		
Biennial Change in Expenditures				214		(938)
Biennial % Change in Expenditures				30		(100)

2302 - Clean Water

Balance Forward In	5,087	7,444	9,475	4,379		
Direct Appropriation	11,010	10,710	10,120	10,120	0	0
Transfers Out		60				
Cancellations	161		12			
Balance Forward Out	3,892	3,604	4,378			
Expenditures	12,044	14,491	15,205	14,499		
Biennial Change in Expenditures				3,169		(29,704)
Biennial % Change in Expenditures				12		(100)
Full-Time Equivalents	29.16	28.19	28.72	31.76	0.01	0.01

2403 - Gift

Balance Forward In	46	49	53	1,070	31	26
Receipts	1	25	1,163	122	1	1
Transfers In		4				
Transfers Out		4				
Balance Forward Out	47	53	1,070	31	26	21
Expenditures		21	147	1,161	6	6
Biennial Change in Expenditures				1,287		(1,296)
Biennial % Change in Expenditures						(99)
Full-Time Equivalents				1.00		

2801 - Remediation

Balance Forward In		13		32		3
Direct Appropriation	399	399	399	399	399	399
Open Appropriation	1,304	1,469	1,838	2,000	2,000	2,000

Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Cancellations		35				
Balance Forward Out	13		32		3	
Expenditures	1,690	1,846	2,205	2,431	2,396	2,402
Biennial Change in Expenditures				1,100		162
Biennial % Change in Expenditures				31		4
Full-Time Equivalents	2.80	2.43	2.60	2.60	2.60	2.60

3000 - Federal

Balance Forward In	2	0	1			
Receipts	10,147	9,760	12,005	18,395	12,862	10,993
Balance Forward Out	4	0				
Expenditures	10,144	9,760	12,006	18,395	12,862	10,993
Biennial Change in Expenditures				10,497		(6,546)
Biennial % Change in Expenditures				53		(22)
Full-Time Equivalents	54.77	55.84	52.08	57.82	55.59	53.39

3010 - Coronavirus Relief

Balance Forward In		7,562				
Direct Appropriation	6,600	6,771				
Transfers In		6				
Transfers Out		6				
Cancellations		1,874				
Balance Forward Out	6,526					
Expenditures	74	12,459				
Biennial Change in Expenditures				(12,533)		0
Biennial % Change in Expenditures				(100)		
Full-Time Equivalents		0.31				

3015 - ARP-State Fiscal Recovery

Balance Forward In				7		
Direct Appropriation			6,000			
Balance Forward Out				7		
Expenditures			5,993	7		

Agriculture

Agency Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Biennial Change in Expenditures				6,000		(6,000)
Biennial % Change in Expenditures						(100)
Full-Time Equivalents			0.02	0.02		

6000 - Miscellaneous Agency

Balance Forward In	227	2	2	2		
Receipts	(164)	364	0			
Balance Forward Out	2	2	2			
Expenditures	61	364		2		
Biennial Change in Expenditures				(423)		(2)
Biennial % Change in Expenditures				(100)		

8200 - Clean Water Revolving

Balance Forward In	8,213	11,039	13,040	17,104	9,660	660
Transfers In	5,500		1,000			
Net Loan Activity	(2,674)	2,001	3,064	(7,444)	(9,000)	(600)
Balance Forward Out	11,039	13,040	17,104	9,660	660	60

8250 - Rural Finance Administration

Balance Forward In	4,917	4,185	3,434	4,914	2,554	1,916
Receipts	85	24	22	17	83	83
Transfers In		900	8,810			
Transfers Out		900	6,310			
Net Loan Activity	(1,212)	(775)	(1,042)	(2,377)	(721)	(681)
Balance Forward Out	3,790	3,434	4,914	2,554	1,916	1,318

Agriculture

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Direct				
Fund: 1000 - General				
FY2023 Appropriations	65,011	65,011	65,011	130,022
Base Adjustments				
All Other One-Time Appropriations		(3,085)	(2,219)	(5,304)
Current Law Base Change		408	158	566
Approved Transfer Between Appropriation		0	0	0
Forecast Base	65,011	62,334	62,950	125,284
Fund: 2050 - Environment & Natural Resources				
FY2023 Appropriations	1,263	1,263	1,263	2,526
Base Adjustments				
One-Time Legacy Fund Appropriations		(1,263)	(1,263)	(2,526)
Forecast Base	1,263	0	0	0
Fund: 2301 - Arts & Cultural Heritage				
FY2023 Appropriations	400	400	400	800
Base Adjustments				
One-Time Legacy Fund Appropriations		(400)	(400)	(800)
Forecast Base	400	0	0	0
Fund: 2302 - Clean Water				
FY2023 Appropriations	10,120	10,120	10,120	20,240
Base Adjustments				
One-Time Legacy Fund Appropriations		(5,120)	(5,120)	(10,240)
All Other One-Time Appropriations		(5,000)	(5,000)	(10,000)
Forecast Base	10,120	0	0	0
Fund: 2801 - Remediation				
FY2023 Appropriations	399	399	399	798
Forecast Base	399	399	399	798
Open				
Fund: 2801 - Remediation				
FY2023 Appropriations	2,000	2,000	2,000	4,000
Forecast Base	2,000	2,000	2,000	4,000
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				

Agriculture

Agency Change Summary

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Planned Spending	1,229	1,247	1,267	2,514
Forecast Base	1,229	1,247	1,267	2,514
Fund: 2001 - Other Misc Special Revenue				
Planned Spending	7,360	7,412	7,650	15,062
Forecast Base	7,360	7,412	7,650	15,062
Fund: 2018 - Agriculture				
Planned Spending	46,273	48,033	46,202	94,235
Forecast Base	46,273	48,033	46,202	94,235
Fund: 2403 - Gift				
Planned Spending	1,161	6	6	12
Forecast Base	1,161	6	6	12
Fund: 3000 - Federal				
Planned Spending	18,395	12,862	10,993	23,855
Forecast Base	18,395	12,862	10,993	23,855
Fund: 6000 - Miscellaneous Agency				
Planned Spending	2			
Forecast Base	2			
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	5,953	7,989	4,263	12,252
Fund: 2001 - Other Misc Special Revenue				
Forecast Revenues	7,270	6,914	6,624	13,538
Fund: 2018 - Agriculture				
Forecast Revenues	33,603	35,426	35,665	71,091
Fund: 2403 - Gift				
Forecast Revenues	122	1	1	2
Fund: 3000 - Federal				
Forecast Revenues	18,395	12,862	10,993	23,855

(Dollars in Thousands)

	FY23	FY24	FY25	Biennium 2024-25
Fund: 8250 - Rural Finance Administration				
Forecast Revenues	17	83	83	166
<i>Non-Dedicated</i>				
Fund: 1000 - General				
Forecast Revenues	4,099	4,099	4,099	8,198
Fund: 2801 - Remediation				
Forecast Revenues	134	134	134	268

Program: Protection Services

Activity: Pesticide and Fertilizer Management Division

<http://www.mda.state.mn.us/pesticide-fertilizer/pesticide-fertilizer>

AT A GLANCE

- In partnership with all Minnesota counties, collected nearly 660,000 pounds of waste pesticides in 2021, and over 9 million pounds of waste pesticides have been collected since 1990.
- In our 28-year history, over \$50 million from the Agricultural Chemical Response & Reimbursement Account has been spent to reimburse persons for the environmental cleanup of ag chemicals.
- Funded over \$1.1 million annually for fertilizer research, directed by a council of agriculture organizations.
- Over the last decade the Minnesota Department of Agriculture (MDA) has developed one of the most comprehensive pesticide monitoring programs in the nation. Monitoring data is publicly available and is used as feedback in the pesticide regulatory process, to inform policy makers, planners and citizens of the state about the quality of Minnesota's water resources.
- Monitored for pesticides in groundwater (511 samples at 161 locations) and surface water (870 samples at 55 locations) in 2021. Collected 512 private drinking water well pesticide samples from five counties in 2021.
- Registered over 13,000 pesticides.

PURPOSE AND CONTEXT

The Pesticide and Fertilizer Management Division (PFMD) is responsible for almost all aspects of fertilizer and pesticide regulation in Minnesota as well as many other water resources protection efforts.

We support the agency's mission by regulating pesticides and fertilizers to ensure the integrity of our food supply, implementing programs that protect and improve the health of our environment, and managing a regulatory system that instills confidence and consistency in support of a strong agricultural economy.

SERVICES PROVIDED

We have broad responsibilities in the regulation of pesticides and fertilizers as it relates to ensuring water quality and protection of the environment. We provide a wide variety of services, regulatory activities, and voluntary programs that are listed below.

- Pesticide/Fertilizer Inspections
 - Federal, routine, incident, and compliance assistance
- Pesticide/fertilizer training, licensing, and certification
- Pesticide/Fertilizer Misuse Investigations
- Pesticide/Fertilizer storage facility permitting
- Pesticide Registration
- Worker Protection Standard education and compliance
- Enforcement of pesticide and fertilizer regulations
- Emergency response 24/7
- Site cleanups and Superfund administration
- Anhydrous ammonia (AA) regulation
- Commercial manure application licensing
- Pesticide and fertilizer use surveys
- Best Management Practices (BMP)
- Discovery Farms technical support
- Reimbursement for cleanups
- Actions to protect pollinators in both urban and rural settings
- Pesticide Management Plan implementation

- Groundwater Protection Rule and Nitrogen Fertilizer Management Plan implementation
- Groundwater monitoring for pesticides and nitrates
- Surface water monitoring for pesticides and nutrients
- Private well monitoring for pesticides and nitrates
- Free waste pesticide collection for agricultural and urban users
- Soil and manure laboratory certification
- Research funding for fertilizer impact on water quality
- Agriculture Water Quality Certification for farmers and landowners
- Nitrate water quality technical support for municipalities

RESULTS

- **Pesticide Inspections.** Inspections of pesticide facilities are designed to correct violations and assist in compliance. Our electronic/paperless Compliance Information System (CIS) results in more timely, comprehensive and consistent inspections. The number of routine inspections declined as the number of complaint based inspections increased.
- **Waste Pesticide Collections.** The MDA has conducted Waste Pesticide Collections since the early 1990s. Since 2001, the majority of the waste pesticide has been generated in urban settings. Agricultural waste pesticides have decreased due to changes in technology, packaging, and stewardship.
- **Pesticide Applicator Training.** Historically , the Minnesota Department of Agriculture(MDA) partners with various sponsors to offer in person training workshops as part of the Pesticide and Fertilizer Applicators continued education requirements. In the spring of 2020 when the Covid pandemic hit MDA was faced with many challenges as in person trainings were not allowed according to CDC guidelines. We allowed our sponsors to create and offer web-based training platforms, including online virtual and self-paced pre-recorded workshops. In 2021 person workshops were offered again, however it was not feasible to go back to the in person platform 100% of the time.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Pesticide Inspections: Facility, Worker Protection Standard, Restricted Use Pesticide	330	221	FY20 to FY21
Quantity	Misuse Investigations conducted	210	340	FY20 to FY21
Quantity	Pounds of waste pesticides collected	618,348	601,500	FY20 to FY21
Quantity	Pesticide and Fertilizer training workshops offered	91 in person trainings held	17 in person & 54 web-based trainings held	FY20 to FY21

Authority for this activity is found in Minnesota Statutes, Chapters
M.S. 18B (<https://www.revisor.mn.gov/statutes/?id=18B>),
M.S. 18C (<https://www.revisor.mn.gov/statutes/?id=18C>),
M.S. 18D (<https://www.revisor.mn.gov/statutes/?id=18D>),
M.S. 18E (<https://www.revisor.mn.gov/statutes/?id=18E>),
M.S. 103H (<https://www.revisor.mn.gov/statutes/?id=103H>),
M.S. 115E (<https://www.revisor.mn.gov/statutes/?id=115E>)

Pesticide and Fertilizer Management Division

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	539	652	603	1,151	1,263	1,263
2000 - Restrict Misc Special Revenue	47	10	6			
2018 - Agriculture	17,231	16,961	16,637	20,393	23,101	20,793
2050 - Environment & Natural Resources	190	37		1,263		
2302 - Clean Water	12,000	14,445	14,805	14,049		
2403 - Gift				100		
2801 - Remediation	1,690	1,846	2,205	2,431	2,396	2,402
3000 - Federal	297	351	443	841	350	350
Total	31,993	34,302	34,699	40,228	27,110	24,808
Biennial Change				8,632		(23,009)
Biennial % Change				13		(31)
<u>Expenditures by Category</u>						
Compensation	11,607	11,542	11,875	13,373	11,088	11,041
Operating Expenses	15,180	16,396	15,742	20,938	13,939	11,974
Grants, Aids and Subsidies	5,177	6,332	7,024	5,823	2,067	1,777
Capital Outlay-Real Property	6		25	42		
Other Financial Transaction	22	32	33	52	16	16
Total	31,993	34,302	34,699	40,228	27,110	24,808
Total Agency Expenditures	31,993	34,302	34,699	40,228	27,110	24,808
Internal Billing Expenditures	2,997	3,194	2,970	3,813	3,511	3,199
Expenditures Less Internal Billing	28,996	31,107	31,729	36,415	23,599	21,609
<u>Full-Time Equivalent</u>	112.00	108.29	107.91	112.07	90.75	89.25

Pesticide and Fertilizer Management Division

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		72		18		
Direct Appropriation	860	860	621	1,133	1,263	1,263
Transfers In			11	23		
Transfers Out	250	280	11	23		
Balance Forward Out	71		18			
Expenditures	539	652	603	1,151	1,263	1,263
Biennial Change in Expenditures				564		772
Biennial % Change in Expenditures				47		44
Full-Time Equivalents	4.04	4.08	4.14	4.39	4.14	4.14

2000 - Restrict Misc Special Revenue

Balance Forward In	16					
Receipts	30	10	6			
Expenditures	47	10	6			
Biennial Change in Expenditures				(51)		(6)
Biennial % Change in Expenditures				(89)		
Full-Time Equivalents	0.01		0.05	0.05	0.05	0.05

2018 - Agriculture

Balance Forward In	12,666	10,923	10,576	11,021	8,585	6,775
Receipts	16,400	17,473	18,532	19,407	22,681	22,874
Transfers Out	1,390	1,390	1,450	1,450	1,390	1,390
Balance Forward Out	10,444	10,045	11,021	8,585	6,775	7,466
Expenditures	17,231	16,961	16,637	20,393	23,101	20,793
Biennial Change in Expenditures				2,838		6,864
Biennial % Change in Expenditures				8		19
Full-Time Equivalents	74.15	71.44	72.27	72.27	81.48	79.98

2050 - Environment & Natural Resources

Balance Forward In	190	37				
Direct Appropriation				1,263	0	0
Cancellations		0				
Expenditures	190	37		1,263		

**Pesticide and Fertilizer Management
Division**

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Biennial Change in Expenditures				1,036		(1,263)
Biennial % Change in Expenditures				456		
Full-Time Equivalents				1.00		

2302 - Clean Water

Balance Forward In	5,087	7,414	9,475	4,354		
Direct Appropriation	10,935	10,635	9,695	9,695	0	0
Cancellations	161		12			
Balance Forward Out	3,861	3,604	4,354			
Expenditures	12,000	14,445	14,805	14,049		
Biennial Change in Expenditures				2,409		(28,854)
Biennial % Change in Expenditures				9		(100)
Full-Time Equivalents	28.81	27.88	26.37	29.28		

2403 - Gift

Balance Forward In				100		
Receipts			100			
Balance Forward Out			100			
Expenditures				100		
Biennial Change in Expenditures				100		(100)
Biennial % Change in Expenditures						

2801 - Remediation

Balance Forward In		13		32		3
Direct Appropriation	399	399	399	399	399	399
Open Appropriation	1,304	1,469	1,838	2,000	2,000	2,000
Cancellations		35				
Balance Forward Out	13		32		3	
Expenditures	1,690	1,846	2,205	2,431	2,396	2,402
Biennial Change in Expenditures				1,100		162
Biennial % Change in Expenditures				31		4
Full-Time Equivalents	2.80	2.43	2.60	2.60	2.60	2.60

**Pesticide and Fertilizer Management
Division**

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
3000 - Federal						
Receipts	297	351	443	841	350	350
Expenditures	297	351	443	841	350	350
Biennial Change in Expenditures				636		(584)
Biennial % Change in Expenditures				98		(45)
Full-Time Equivalents	2.19	2.46	2.48	2.48	2.48	2.48

Program: Protection Services

Activity: Plant Protection Division

<https://www.mda.state.mn.us/plants-insects>

AT A GLANCE

- Monitor over 20,000 traps for spongy moth (formerly gypsy moth) annually to identify satellite populations for treatment and eradication.
- Monitor commodities and specialty crops statewide for more than 50 invasive threats annually.
- Since 2015, nearly 500,000 parasitic wasps released against emerald ash borer throughout Minnesota.
- Facilitate research on invasive species by staffing a containment facility on the U of M campus.
- Review about 200 permits on an annual basis for the movement of soil, plants or other organisms into Minnesota.
- Certify 12 firewood producers as meeting heat treatment standards to produce pest-free wood.
- Register about 900 tree care companies annually to maintain communication on invasive species restrictions on wood movement.
- Certify about 2,000 nursery stock sellers and 200 nursery stock growers annually.
- Inspect about 5,500 acres of seed potatoes and certify as meeting disease requirements annually.
- Issue about 1,500 phytosanitary certificates annually providing worldwide market access.
- License and inspect about 350 grain buyers and 215 grain storage facilities on an annual basis.
- Collect 1500-2000 seed samples annually to establish label accuracy and noxious weed absence.

PURPOSE AND CONTEXT

The Plant Protection Division (PPD) provides inspection and certification services in a variety of plant and plant product industries to:

- facilitate fair and transparent marketplaces
- provide certification for product access to markets, and
- protect those industries, as well as our natural resources, from invasive species

These activities contribute to the mission of the agency by protecting agriculture and the environment from pest threats and by verifying the quality of Minnesota products for sale or export. A wide variety of Minnesota producers and citizens directly interact with PPD including nursery stock growers and sellers, seed producers, seed potato producers, fruit and vegetable wholesalers, hemp producers and processors, grain buyers, livestock producers and land managers.

SERVICES PROVIDED

We work to ensure that plants and plant parts sold, planted, exported, or stored in Minnesota meet purity, viability, and health standards, and that the impacts of plant pests such as noxious weeds and invasive pests are mitigated. These goals are achieved by:

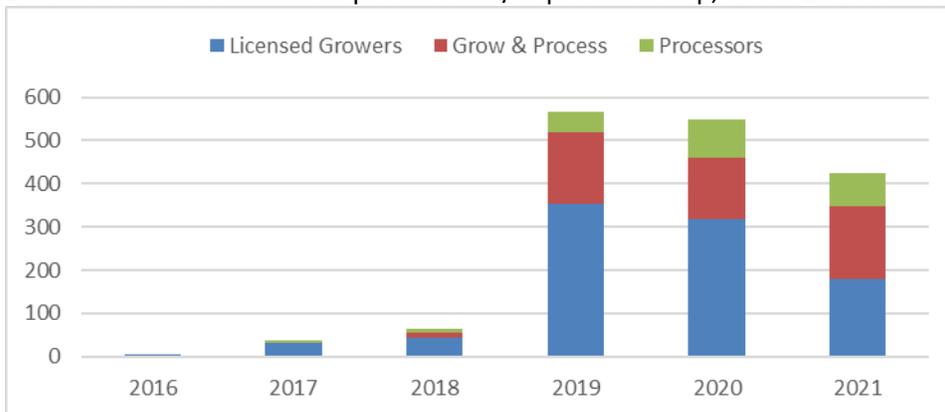
- Inspecting and certifying plants and plant parts (e.g., seeds, grain, fruit, logs). Inspection and certification programs ensure Minnesota's plant commodities meet standards for import and export requirements, germination and purity of seeds, health of plants, and the absence of harmful plant pests.
- Excluding, eradicating, or managing plant pests that threaten Minnesota's agriculture or environment. Our surveys, inspections, quarantines, and treatment programs benefit farmers, and the public by keeping Minnesota as free as possible from harmful plant pests.

Fee-generated dedicated funds support about 50 percent of PPD spending, with another 20 percent supported by federal and state grants and the remaining 30 percent supported by State general funds.

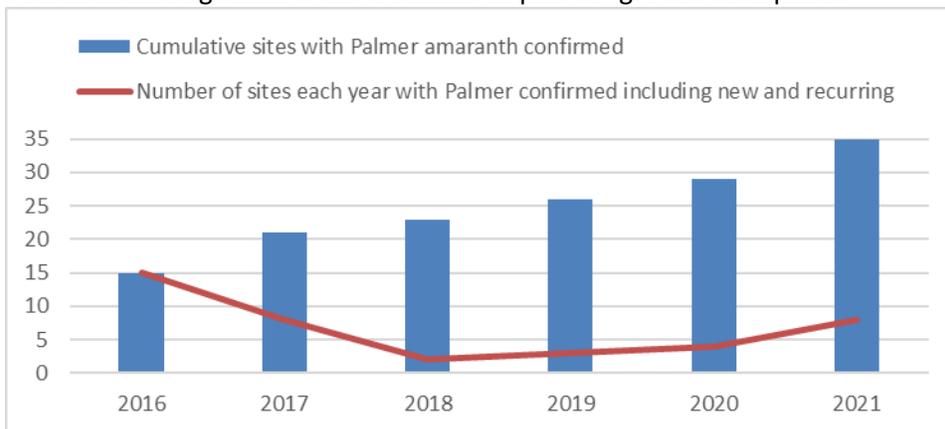
RESULTS

During 2021, PPD:

- Provided grading services for potatoes (> 8 million hundredweight at the Lamb Weston, Park Rapids and >2500 loads at Northern Star, Chaska) and all other fruits and vegetables with nearly 500 inspections to help ensure fair pricing for the grade available.
- Provided auditing for Good Agricultural Practices / Good Handling Practices to 58 entities to facilitate market access for their products.
- Successfully re-established the seed potato winter grow out in Hawaii after Covid-19 had required the program to shift to Florida in 2020. Unfortunately, states operating in Florida during 2021 lost their crop due to poor weather.
- Worked to manage bond claims on behalf of grain producers impacted by the bankruptcy of Pipeline Foods.
- Worked with several nurseries with finds of jumping worms to mitigate the risk of selling infested plants to consumers.
- Delayed the invasion of spongy moth by eradicating an infestation in downtown Minneapolis as well as new introductions in NE and SE Minnesota.
- Identified 4 additional counties with emerald ash borer infestations and worked with local land managers to delimit and begin management of them.
- Licensed over 400 entities to produce and/or process hemp, about 20% fewer than in 2020.



- Awarded 20 noxious weed management grants to local units of government for a total of \$98,000.
- Identified 6 new sites with Palmer amaranth infestation and two sites with recurrence of Palmer and continued management work at all sites to prevent growth and spread.



- Implemented an advertising campaign to bring more awareness to how Palmer amaranth is moved and how farmers can protect themselves.

M.S. Section 3.737 (<https://www.revisor.mn.gov/statutes/?id=3.737>) and 3.7371

(<https://www.revisor.mn.gov/statutes/?id=3.7371>) provides the authority to compensate farmers and landowners for loss caused by wolf or elk.

M.S. Section 17.445 (<https://www.revisor.mn.gov/statutes/?id=17.445>) provides the authority to provide apiary inspection services for interstate commerce

M.S. Chapter 18F (<https://www.revisor.mn.gov/statutes/cite/18F>) provides authority to issue permits for release of genetically engineered organisms

M.S. Chapter 18G (<https://www.revisor.mn.gov/statutes/?id=18G>) provides the authority to exclude and manage invasive and exotic plant pests and to certify commodities for export

M.S. Chapter 18H (<https://www.revisor.mn.gov/statutes/?id=18H>) provides the authority to inspect and certify nursery dealers and growers

M.S. Chapter 18J (<https://www.revisor.mn.gov/statutes/cite/18J>) defines enforcement procedures for violations of Chapters 18G, 18H, 18K, 27, 223, 231, and 232; sections [21.80](#) to [21.92](#); and associated rules.

M.S. Chapter 18K (<https://www.revisor.mn.gov/statutes/cite/18K>) provides authority to implement an industrial hemp pilot program

M.S. Section 18.75-91 (<https://www.revisor.mn.gov/statutes/?id=18.75>) provides the authority to administer a state noxious weed program

M.S. Chapter 21.71-78 (<https://www.revisor.mn.gov/statutes/cite/21.71>) provides the authority to inspect and certify seed potatoes.

M.S. Section 21.80-92 (<https://www.revisor.mn.gov/statutes/?id=21.80>) provides the authority to inspect seeds for distribution and enforce seed label requirements.

M.S. Chapter 27 (<https://www.revisor.mn.gov/statutes/?id=27>) provides the authority to provide a wholesale produce dealer bonding program.

M.S. Chapter 223 (<https://www.revisor.mn.gov/statutes/?id=223>) provides the authority to provide a bond program for grain.

M.S. Chapter 230 (<https://www.revisor.mn.gov/statutes/cite/230>) provides authority to mediate disputes between elevators or other buying or storing sites of agricultural commodities and railroads

M.S. Chapter 231 (<https://www.revisor.mn.gov/statutes/?id=231>) provides the authority to provide a bond program for warehouses

Plant Protection Division

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	3,180	3,231	3,072	3,582	3,324	3,324
2000 - Restrict Misc Special Revenue		30	7	45	40	40
2018 - Agriculture	4,437	4,662	4,587	4,868	4,967	5,049
2050 - Environment & Natural Resources	1,346	769	413	136		
3000 - Federal	1,488	1,316	1,338	1,721	1,855	1,827
6000 - Miscellaneous Agency	61	364		2		
Total	10,511	10,371	9,417	10,354	10,186	10,240
Biennial Change				(1,112)		655
Biennial % Change				(5)		3
<u>Expenditures by Category</u>						
Compensation	5,812	5,852	5,774	6,245	6,386	6,460
Operating Expenses	3,676	3,630	3,159	3,823	3,713	3,694
Grants, Aids and Subsidies	956	518	475	278	82	81
Capital Outlay-Real Property		0				
Other Financial Transaction	67	371	10	8	5	5
Total	10,511	10,371	9,417	10,354	10,186	10,240
Total Agency Expenditures	10,511	10,371	9,417	10,354	10,186	10,240
Internal Billing Expenditures	733	805	765	849	882	890
Expenditures Less Internal Billing	9,778	9,566	8,652	9,505	9,304	9,350
<u>Full-Time Equivalent</u>	71.95	69.07	66.03	69.63	69.93	69.78

Plant Protection Division

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		207		258		
Direct Appropriation	3,233	3,233	3,329	3,324	3,324	3,324
Transfers In		9	64	91		
Transfers Out		126	64	91		
Cancellations		93				
Balance Forward Out	53		257			
Expenditures	3,180	3,231	3,072	3,582	3,324	3,324
Biennial Change in Expenditures				243		(6)
Biennial % Change in Expenditures				4		(0)
Full-Time Equivalents	22.50	21.50	20.81	20.94	20.94	20.94

2000 - Restrict Misc Special Revenue

Receipts		30	7	45	40	40
Expenditures		30	7	45	40	40
Biennial Change in Expenditures				22		28
Biennial % Change in Expenditures						55

2018 - Agriculture

Balance Forward In	4,445	4,478	4,623	4,564	5,900	5,639
Receipts	4,916	5,211	4,998	6,675	5,177	5,177
Transfers Out	460	474	471	471	471	471
Balance Forward Out	4,464	4,553	4,563	5,900	5,639	5,296
Expenditures	4,437	4,662	4,587	4,868	4,967	5,049
Biennial Change in Expenditures				357		561
Biennial % Change in Expenditures				4		6
Full-Time Equivalents	33.53	33.64	33.13	36.35	35.55	35.55

2050 - Environment & Natural Resources

Balance Forward In	827	921	550	136		
Direct Appropriation	1,000					
Cancellations	5		1			
Balance Forward Out	476	152	136			
Expenditures	1,346	769	413	136		

Plant Protection Division

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Biennial Change in Expenditures				(1,565)		(549)
Biennial % Change in Expenditures				(74)		(100)
Full-Time Equivalents	4.44	2.38	0.02	0.02	0.02	0.02

3000 - Federal

Receipts	1,488	1,316	1,338	1,721	1,855	1,827
Expenditures	1,488	1,316	1,338	1,721	1,855	1,827
Biennial Change in Expenditures				255		623
Biennial % Change in Expenditures				9		20
Full-Time Equivalents	11.48	11.55	12.07	12.32	13.42	13.27

6000 - Miscellaneous Agency

Balance Forward In	227	2	2	2		
Receipts	(164)	364	0			
Balance Forward Out	2	2	2			
Expenditures	61	364		2		
Biennial Change in Expenditures				(423)		(2)
Biennial % Change in Expenditures				(100)		

Program: Protection Services

Activity: Laboratory Services Division

<https://www.mda.state.mn.us/laboratory-services>

AT A GLANCE

For Fiscal Year 2022:

- Performed 5,487 tests for 5,560 analytes (an organism or chemical constituent of a sample) on 2,612 samples for MDA's Dairy and Meat Inspection Division;
- Performed 9,370 tests for 146,378 analytes on 6,523 samples for MDA's Pesticide and Fertilizer Inspection Division;
- Performed 17,766 tests for 53,747 analytes on 2,002 samples for MDA's Plant Protection Division;
- Performed 5,332 tests for 5,333 analytes on 1,275 samples for MDA's Food and Feed Safety Division.
- Performed 7,868 tests for 8,465 analytes on 3,933 samples for the Department of Natural Resources.

PURPOSE AND CONTEXT

The Laboratory Services Division's goal is to furnish scientifically and legally defensible testing that supports the Minnesota Department of Agriculture's (MDA) agency objectives. These activities are critical to the protection of Minnesota's food supply, agricultural industry, and natural environment.

SERVICES PROVIDED

The Laboratory Services Division provides analytical testing primarily for:

- MDA Dairy and Meat Inspection Division
- MDA Food and Feed Safety Division
- MDA Pesticide and Fertilizer Management Division
- MDA Plant Protection Division
- Minnesota Department of Natural Resources

Specific Services:

Foodborne outbreaks:

- Ag chemical spills
- Human and animal exposure
- Product tampering
- Plant disease outbreaks
- Food security events
- Natural disasters

Surveillance testing for:

- Food safety
- Pesticides in water
- Dairy product safety
- Interstate marketing of milk
- Seed health
- Meat safety for small producers
- Plant disease

Other services include:

- Method development
- Technical consultation
- Data interpretation
- Quality assessment

RESULTS

The Department grades laboratory performance on our ability to provide accurate defensible data that meets established program objectives in a timely manner. In order to measure this performance we survey our customers annually to measure their satisfaction level with our services. We discuss problem areas and address them through our formal corrective action procedure. Overall the lab's customers are satisfied with our services.

Performance Measures based on customer survey

Satisfaction with service provided by laboratory

<i>Type of Measure</i>	<i>Dissatisfied</i>	<i>Somewhat Satisfied</i>	<i>Satisfied</i>	<i>Very Satisfied</i>
Previous Score (2020)	0%	0%	21%	79%
Current Score (2021)	0%	5%	15%	80%

Satisfaction with data quality

<i>Type of Measure</i>	<i>Dissatisfied</i>	<i>Somewhat Satisfied</i>	<i>Satisfied</i>	<i>Very Satisfied</i>
Previous Score (2020)	0%	0%	7%	93%
Current Score (2021)	0%	5%	14%	81%

Satisfaction with overall Laboratory performance

<i>Type of Measure</i>	<i>Dissatisfied</i>	<i>Somewhat Satisfied</i>	<i>Satisfied</i>	<i>Very Satisfied</i>
Previous Score (2020)	0%	0%	7%	93%
Current Score (2021)	0%	0%	20%	80%

Authority for this activity is found in M.S. Chapter 17, (<https://www.revisor.mn.gov/statutes/?id=17>) and other statutes authorizing specific protection services activities.

Laboratory Services Division

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	4,675	5,410	5,464	6,122	5,811	5,811
2000 - Restrict Misc Special Revenue	68	33	30	37	27	27
2018 - Agriculture	3,450	3,072	2,704	2,974	2,669	2,842
2302 - Clean Water			343	357		
3000 - Federal	1,716	1,865	1,790	1,950	1,966	1,935
Total	9,909	10,379	10,331	11,440	10,473	10,615
Biennial Change				1,483		(683)
Biennial % Change				7		(3)
<u>Expenditures by Category</u>						
Compensation	4,835	4,664	4,844	5,210	4,849	4,930
Operating Expenses	4,986	4,918	4,985	5,367	4,757	4,860
Capital Outlay-Real Property		681	490	853	867	825
Other Financial Transaction	87	117	12	10		
Total	9,909	10,379	10,331	11,440	10,473	10,615
Total Agency Expenditures	9,909	10,379	10,331	11,440	10,473	10,615
Internal Billing Expenditures	700	718	646	723	631	657
Expenditures Less Internal Billing	9,208	9,661	9,685	10,717	9,842	9,958
<u>Full-Time Equivalent</u>	51.50	47.43	47.75	50.47	46.12	46.12

Laboratory Services Division

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		533		311		
Direct Appropriation	5,192	5,192	5,776	5,811	5,811	5,811
Transfers In	85	20	79	129	80	86
Transfers Out	85	334	79	129	80	86
Cancellations		0				
Balance Forward Out	517		312			
Expenditures	4,675	5,410	5,464	6,122	5,811	5,811
Biennial Change in Expenditures				1,501		36
Biennial % Change in Expenditures				15		0
Full-Time Equivalents	15.22	13.99	14.15	15.80	16.93	17.04

2000 - Restrict Misc Special Revenue

Balance Forward In	31	33	0	10		
Receipts	70	0	40	27	27	27
Balance Forward Out	33	0	10			
Expenditures	68	33	30	37	27	27
Biennial Change in Expenditures				(34)		(13)
Biennial % Change in Expenditures				(34)		(19)
Full-Time Equivalents	0.46	0.30	0.08	0.22	0.14	0.14

2018 - Agriculture

Balance Forward In	1,649	1,317	865	876	668	739
Receipts	663	285	364	405	429	429
Transfers In	2,453	2,334	2,351	2,361	2,311	2,311
Balance Forward Out	1,315	864	875	668	739	637
Expenditures	3,450	3,072	2,704	2,974	2,669	2,842
Biennial Change in Expenditures				(843)		(167)
Biennial % Change in Expenditures				(13)		(3)
Full-Time Equivalents	25.02	22.23	20.98	21.57	18.37	18.28

2302 - Clean Water

Balance Forward In				7		
Direct Appropriation			350	350	0	0

Laboratory Services Division

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Balance Forward Out			7			
Expenditures			343	357		
Biennial Change in Expenditures				700		(700)
Biennial % Change in Expenditures						(100)
Full-Time Equivalents			1.97	2.04		

3000 - Federal

Balance Forward In		0				
Receipts	1,716	1,865	1,790	1,950	1,966	1,935
Balance Forward Out		0				
Expenditures	1,716	1,865	1,790	1,950	1,966	1,935
Biennial Change in Expenditures				159		161
Biennial % Change in Expenditures				4		4
Full-Time Equivalents	10.80	10.91	10.57	10.84	10.68	10.66

Program: Protection Service

Activity: Food and Feed Safety Division

<http://www.mda.state.mn.us/food-feed/food-feed>

AT A GLANCE

- Conducted and participated in over 60 outreach activities on food safety related issues which included: in-classroom food safety talks, providing starting a food business expertise at small and minority-owned business conferences, presenting at educational conferences, and facilitating meetings with stakeholders and partner agencies.
- Conducted over 13,300 inspections – including 3,100 manufactured food and 10,200 retail food.
- Participated in 65 investigations of contamination events or human illness outbreaks.

PURPOSE AND CONTEXT

The Food and Feed Safety Division (FFSD) supports the Minnesota Department of Agriculture’s mission to ensure the integrity of the food supply through proactive outreach, risk-based inspections, and rapid response. Our protection services regulatory and outreach activities include overseeing the production, manufacturing, distribution, and sale of food products. We focus on ensuring that safe food handling practices are employed from the farm to the processor, distributor, and retailer so that consumers receive safe and wholesome products.

The Division’s work contributes to the agency’s mission to equitably ensure the integrity of the food supply and the strength and resilience of the agricultural economy by:

- Verifying laws governing food safety are followed so products can safely enter commerce and consumers are protected,
- Ensuring food producers have access to interstate and international markets,
- Giving food producers opportunities to expand their business, and
- Providing farmers with access to processing services necessary to market their products within Minnesota, nationally, and internationally.

SERVICES PROVIDED

Outreach: We maintain a strong emphasis on outreach and education in our regulatory approach. When food and feed business operators have a good understanding of food safety principles and knowledge of the regulations, they can more effectively apply good food and feed safety practices. Robust outreach and education activities are key to assisting new operators in navigating the rules as they begin a new business, as well as ensuring that existing operators have up-to-date information of food safety risks that exist in their processes.

Assessments and Inspections: Our staff conduct risk-based food safety inspections as required by federal and state law. Inspections verify that operators who make, distribute, and sell human food have systems in place to ensure their products are safe and are produced in a clean and sanitary environment. Division staff also conduct a variety of other food and feed safety assessments, including label reviews, facility design reviews, product sampling, and facility sampling to ensure a safe food supply. Changes in assessment and inspection emphasis will continue as the Food Safety Modernization Act (FSMA) is implemented and modifies the regulatory requirements for manufacturers of food.

Response and Enforcement: Our staff respond quickly to unsafe products and operations. The Food Emergency Rapid Response Team is part of a federal-state-local partnership that conducts product tracing when an outbreak is detected and following up when food safety systems fail, and a product recall is necessary. Our Compliance staff

conduct specialized reviews and analyze patterns of operators unable to follow the regulations. We take action to address compliance issues when they are more severe and cannot be addressed through voluntary compliance mechanisms, such as outreach or inspections.

RESULTS

The Manufactured Food Regulatory Program Standards (MFRPS) and Voluntary National Retail Food Regulatory Program Standards (VNRFRPS) are a critical component in increasing capacity and capabilities of state regulatory programs to support the national Integrated Food Safety System (IFSS). The goal of the MFRPS and VNRFRPS is to implement a nationally integrated, risk-based, food safety system focused on protecting public health. The ten standards for regulatory programs provide a roadmap for effective program management and are based on a continuous, quality management systems approach to regulatory food safety programs.

The Manufactured Food Program has maintained conformance with 10 out of 10 program standards, as demonstrated through successful program audit by the US Food and Drug Administration.

The Retail Food Program has maintained conformance with 5 and achieved conformance with 3 of the 9 program standards, as demonstrated through successful program audits by independent, qualified regulatory agencies.

Retail Food Inspection: Inspection Rates

The Retail Food Program is responsible for inspecting and licensing all retail food handlers in Minnesota and consists of 24 field inspectors, five plan review staff, five supervisors, and one program manager. There are approximately 5,900 retail food facilities and 1,000 retail mobile food licenses in the state. Retail facilities are classified according to food safety risk based on food handling activities. Retail facilities are inspected at different frequencies based on their specific risk classification.

The Retail Food Program has steadily increased the rate of inspections conducted according to the risk-based schedule as a result of added staff that were hired within the last seven years. The inspections include a review of food handling practices and sanitary conditions necessary to meet the requirements of the Minnesota Food Code. These inspections are essential to protect public health and serve to inform retail food handlers when food handling practices require changes to prevent foodborne illness.

Table 1: Number of Retail Food Inspections Conducted by Fiscal Year

Fiscal Year	2016	2017	2018	2019	2020	2021	2022
Inspection Count	2,365	3,388	5,252	3,931	3,780	5,799	5,086

Manufactured Food Inspection: Inspection Rates

The Manufactured Food Program is responsible for inspecting and licensing all wholesale food processors and distributors in Minnesota and consists of 15 field inspectors, two supervisors, one quality administrator, and one program manager. There are approximately 1,070 food processors and 720 food distributors in the state. Wholesale facilities are classified according to food safety risk based on food handling activities. Wholesale facilities are inspected at different frequencies based on their specific risk classification.

The Manufactured Food Program has significantly increased the rate of inspections conducted according to the risk-based schedule for the past three years. This change has been a result of program level annualized work planning and monitoring improvements. The inspections include a review of food handling practices and sanitary conditions necessary to meet the requirements of the federal Food Safety Modernization Act Preventive Controls and Current Good Manufacturing Practices regulations. These inspections are essential to protect public health and serve to inform retail food handlers when food handling practices require changes to prevent foodborne illness.

Table 2: Percentage of Facilities Inspected by Established Risk Frequency

Inspection Type	6/30/2019	6/30/2020	6/30/2021	6/30/22
Distributor	81.35%	65.28%	76.86%	82.73%
Food Processor	57.83%	61.86%	67.31%	85.81%

M.S. 28A (<https://www.revisor.mn.gov/statutes/cite/28A>) provides the legal authority for Food Handler Licensing

M.S. 31 (<https://www.revisor.mn.gov/statutes/?id=31>) provides the legal authority for Food Inspection Program activities.

M.S. 34A (<https://www.revisor.mn.gov/statutes/cite/34A>) provides the legal authority for Food Inspection Program enforcement activities.

Food and Feed Safety Division

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	6,692	6,486	6,565	7,340	7,017	7,017
2000 - Restrict Misc Special Revenue	896	920	730	554	508	521
2018 - Agriculture	2,813	2,712	3,107	3,758	4,010	4,126
3000 - Federal	2,363	2,531	1,964	2,120	1,910	1,910
Total	12,765	12,649	12,366	13,772	13,445	13,574
Biennial Change				724		881
Biennial % Change				3		3
<u>Expenditures by Category</u>						
Compensation	9,872	10,151	10,079	11,076	10,863	10,979
Operating Expenses	2,781	2,429	2,266	2,646	2,549	2,582
Grants, Aids and Subsidies	112	70	19	50	33	13
Other Financial Transaction	0		2			
Total	12,765	12,649	12,366	13,772	13,445	13,574
Total Agency Expenditures	12,765	12,649	12,366	13,772	13,445	13,574
Internal Billing Expenditures	855	972	827	947	942	971
Expenditures Less Internal Billing	11,910	11,677	11,539	12,825	12,503	12,603
<u>Full-Time Equivalent</u>	99.82	98.10	93.05	100.19	95.42	94.23

Food and Feed Safety Division

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		74		323		
Direct Appropriation	6,760	6,760	6,888	7,017	7,017	7,017
Transfers In			128	257		
Transfers Out		348	128	257		
Balance Forward Out	68		323			
Expenditures	6,692	6,486	6,565	7,340	7,017	7,017
Biennial Change in Expenditures				726		129
Biennial % Change in Expenditures				6		1
Full-Time Equivalents	55.28	53.99	53.06	56.31	54.38	53.15

2000 - Restrict Misc Special Revenue

Balance Forward In	1,312	1,502	1,333	1,277	1,187	1,021
Receipts	1,087	750	674	464	342	345
Balance Forward Out	1,502	1,333	1,277	1,187	1,021	845
Expenditures	896	920	730	554	508	521
Biennial Change in Expenditures				(532)		(255)
Biennial % Change in Expenditures				(29)		(20)
Full-Time Equivalents	9.09	8.12	5.50	3.72	3.64	3.67

2018 - Agriculture

Balance Forward In	4,554	4,525	5,269	5,527	5,209	4,642
Receipts	3,275	3,787	3,696	3,770	3,773	3,773
Transfers Out	493	330	330	330	330	330
Balance Forward Out	4,523	5,269	5,527	5,209	4,642	3,959
Expenditures	2,813	2,712	3,107	3,758	4,010	4,126
Biennial Change in Expenditures				1,340		1,271
Biennial % Change in Expenditures				24		19
Full-Time Equivalents	19.73	19.00	21.46	24.34	25.41	25.50

3000 - Federal

Receipts	2,363	2,531	1,964	2,120	1,910	1,910
Expenditures	2,363	2,531	1,964	2,120	1,910	1,910
Biennial Change in Expenditures				(810)		(264)

Food and Feed Safety Division

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Biennial % Change in Expenditures				(17)		(6)
Full-Time Equivalents	15.72	16.99	13.03	15.82	11.99	11.91

Program: Protection Services

Activity: Dairy and Meat Inspection Division

<https://www.mda.state.mn.us/food-feed/meat-poultry-and-egg-inspection>

<https://www.mda.state.mn.us/food/dairy-inspection-minnesota>

AT A GLANCE

- Conducted over 17,000 daily inspections of slaughter and processing operations in Minnesota “Equal To” meat and poultry processing plants during FY 21-22
- Increased meat and poultry inspection slaughter plants serviced by over 15% since FY 20
- Led or participated in 45 outreach events both in-person and virtually on food safety and regulations
- Fully implemented online testing for dairy bulk hauler examinations in FY 21
- Collected and analyzed over 3,700 dairy samples and 2,200 meat samples in cooperation with the MDA laboratory
- Issued over 800 certificates in FY 21-22 for dairy products to be exported

PURPOSE AND CONTEXT

The Dairy and Meat Inspection Division (DMID) supports the Minnesota Department of Agriculture’s mission to ensure the integrity of the food supply by conducting regulatory and outreach activities related to the production and manufacturing of dairy, meat, poultry, and eggs. Our activities ensure dairy processors have access to interstate and international markets, give small meat processors opportunities to expand their business, and providing farmers access to slaughter and processing services necessary to market their products within Minnesota.

These activities are also critical to ensuring the health of consumers. Dairy, meat, poultry, and egg products are traditionally high-risk food safety products and as such, have specific inspection and regulatory requirements designed to address these unique risks. Inspection work focuses on ensuring safe food handling practices are employed from the farm to processor and manufacturer so that consumers receive safe food.

SERVICES PROVIDED

Inspections: Our inspectors conduct food safety-based inspections that focus on ensuring farmers and manufacturers of dairy, meat, poultry, and egg products have systems in place to ensure products are safe and are producing food in a clean and sanitary environment. These inspections are also required by federal and state law. Inspections focus on both sanitary requirements and each facility’s food safety-based programs and systems. Certified industry inspection programs are also used to help improve dairy industry business continuity by ensuring required inspections are performed on a timely basis and that food safety practices are assessed in a timely manner.

Outreach: The Division maintains a strong emphasis on outreach and education, prior to and as a part of regulation. When operators have a good understanding of food safety principles and the regulations, they can more effectively use good food safety practices daily, not just for an upcoming inspection. Outreach and education are also key to assisting new operators in navigating the rules as they begin a new business, as well as ensuring that existing operators have strong foundational knowledge in food safety risks that exist in their processes.

Investigations, Compliance, and Enforcement: Investigators and compliance staff work to conduct reviews of product labels and equipment plans, identify operators working outside of the regulations and to follow up when food safety systems fail and a recall of product is necessary or an outbreak is detected. Enforcement actions, such as warning letters, penalties, or license and permit suspensions may be used to promote or address compliance issues when they are more severe and cannot be addressed through inspections or education.

RESULTS

Industry audits are used to assess overall compliance rates and provide an assessment of how well inspected entities are meeting the regulatory requirements designed to ensure the dairy, meat, poultry, and egg products they produce are safe.

Dairy Inspection: Interstate Milk Shipment (IMS) Audits

The State and its dairy industry must participate in the IMS program to be able to ship Grade A dairy products across state lines. IMS audits are used to assess overall compliance of the farms, plants, and dairy program. Because failure of an audit results in a lost market, achieving passing results is critical to maintaining business continuity and market access. Dairy farm, plant, and enforcement food safety audit results are monitored annually with the goal to achieve 100% passing scores. This evaluation measures the quality of inspections being performed, as well as how well entities are complying with the regulatory requirements. As noted on Table 1, the overall trend for this measure is stable to improving.

Table 1. Percent of Passing IMS Audits.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Percent	98%	98%	96%	97%	94%	95%	100%	98%	97%	98%

Meat and Poultry Inspection: Food Safety Assessment Results

In-depth assessments and audits of the food safety systems at each meat and poultry establishment are performed at least once every 3 years and for new establishments after a 90-day operating period. The assessment provides a deeper look at how well establishments are complying with the regulatory requirements as well as how well inspection staff are working with establishments to move toward compliance. The goal for this measure is to have more than 66% of audits result in passing result, which is one that does not require additional follow-up other than by inspection staff.

The overall trend for this measure is stable but below the target. The program has seen significant growth since 2020 and audit results are typically poorer for new establishments, especially those with language or cultural barriers. Additionally, federal regulatory requirements continue to grow in complexity and small operators cannot always easily implement these requirements. To improve results, the program has been focusing on improving outreach and assistance to new establishments during their first six months under the inspection program.

Table 2. Percent of Passing FSA's

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Percent	32%	64%	63%	67%	64%	45%	43%	57%	53%	47%

M.S. 32D (<https://www.revisor.mn.gov/statutes/cite/32D>) provides the legal authority for Dairy Inspection Program activities.

M.S. 31A (<https://www.revisor.mn.gov/statutes/?id=31A>) provides the legal authority for Meat and Poultry Inspection Activities.

Dairy and Meat Inspection Division

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	2,568	2,488	2,736	2,899	2,865	2,865
2000 - Restrict Misc Special Revenue	114	94	106	110	108	108
2018 - Agriculture	2,727	2,853	1,942	2,619	2,957	3,058
3000 - Federal	2,001	1,927	1,792	1,986	2,062	2,092
Total	7,409	7,362	6,575	7,614	7,992	8,123
Biennial Change				(582)		1,926
Biennial % Change				(4)		14
<u>Expenditures by Category</u>						
Compensation	5,653	5,680	5,111	5,774	6,065	6,175
Operating Expenses	1,756	1,682	1,465	1,840	1,927	1,948
Other Financial Transaction	0					
Total	7,409	7,362	6,575	7,614	7,992	8,123
Total Agency Expenditures	7,409	7,362	6,575	7,614	7,992	8,123
Internal Billing Expenditures	712	770	567	690	752	770
Expenditures Less Internal Billing	6,697	6,592	6,008	6,924	7,240	7,353
<u>Full-Time Equivalent</u>	54.90	51.47	46.44	54.55	56.50	56.50

Dairy and Meat Inspection Division

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		41		34		
Direct Appropriation	2,605	2,605	2,770	2,825	2,865	2,865
Transfers In	40	45	55	150	93	118
Transfers Out	40	203	55	110	93	118
Balance Forward Out	37		34			
Expenditures	2,568	2,488	2,736	2,899	2,865	2,865
Biennial Change in Expenditures				580		95
Biennial % Change in Expenditures				11		2
Full-Time Equivalents	23.96	20.45	22.19	22.47	22.59	22.18

2000 - Restrict Misc Special Revenue

Balance Forward In	14	29	39	39	35	33
Receipts	9	4	5	6	6	6
Transfers In	120	100	100	100	100	100
Balance Forward Out	29	39	39	35	33	31
Expenditures	114	94	106	110	108	108
Biennial Change in Expenditures				8		0
Biennial % Change in Expenditures				4		0
Full-Time Equivalents	0.35	0.32	0.34	0.32	0.32	0.32

2018 - Agriculture

Balance Forward In	2,872	2,298	1,627	1,901	2,210	2,010
Receipts	2,261	2,320	2,317	2,844	2,877	2,919
Transfers In				194		
Transfers Out	110	140	100	110	120	120
Balance Forward Out	2,297	1,625	1,901	2,210	2,010	1,751
Expenditures	2,727	2,853	1,942	2,619	2,957	3,058
Biennial Change in Expenditures				(1,019)		1,454
Biennial % Change in Expenditures				(18)		32
Full-Time Equivalents	17.50	17.99	12.06	19.94	20.59	21.00

3000 - Federal

Receipts	2,001	1,927	1,792	1,986	2,062	2,092
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Dairy and Meat Inspection Division

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Expenditures	2,001	1,927	1,792	1,986	2,062	2,092
Biennial Change in Expenditures				(150)		376
Biennial % Change in Expenditures				(4)		10
Full-Time Equivalents	13.09	12.71	11.85	11.82	13.00	13.00

Program: Promotion and Marketing

Activity: Agricultural Marketing and Development

<https://www.mda.state.mn.us/business-dev-loans-grants/economic-analysis-market-research>

<https://www.mda.state.mn.us/about/mnfarmerstress>

<https://www.minnesotagrown.com>

<https://minnesota.agclassroom.org/>

AT A GLANCE

- 200 farmers assisted by dairy profit teams
- 27,000 people use the Minnesota Grown website each month to locate farms and farmers' markets
- 1,290 farms and farmers' markets licensed to use the Minnesota Grown logo
- 5,810 acres listed on the cropland grazing exchange, an online tool that matches livestock farmers with crop farmers with land available for grazing.
- 19 grazing plans written or revised new grazing plans developed in FY20-22 for prescribed grazing on state Wildlife Management Areas and state parks
- 161,138 students reached by MN Agriculture in the Classroom program resources in 2021/2022 school year
- 645 pre-service and in-service teachers received ag literacy training during the 2021/2022 school year
- 224 livestock farms and land listings listed for sale or rent in 2021 using the Farm Link website to assist with the transition of farm ownership
- 109 beginning/emerging farmers using Farm Link to seek land to purchase or rent
- 23 existing farmers seeking transition to non-heir
- One overseas office in Taiwan opened representing Minnesota agriculture interests to East Asian buyers

PURPOSE AND CONTEXT

Agricultural Marketing and Development works to help farmers and other agricultural businesses:

- Be profitable;
- Protect our natural environment and resources; and
- Meet society's needs for food, fiber, and fuel.

We serve:

- Farmers
- Consumers
- Local government
- Environment and natural resource professionals
- K-12 nutrition professionals, teachers, and students
- Commodity councils
- Minnesota agribusinesses including the biofuels industry and agricultural organizations
- Entrepreneurs and food and beverage companies and manufacturers

SERVICES PROVIDED

We provide numerous and diverse services to meet our goals, including:

- Minnesota Grown, an umbrella marketing program that connects consumers and wholesale buyers with producers of specialty crops, livestock, and other agricultural products grown or raised in Minnesota;

- Organic information and financial assistance to growers, processors, and consumers;
- Marketing support, including business development, tradeshow support, and international marketing;
- Women, Infant and Children (WIC) Farmers’ Market Nutrition and Senior Farmers’ Market Nutrition Programs that distribute vouchers for fresh produce;
- Minnesota Agriculture in the Classroom, an educational resources and professional development provider that embeds agriculture, food, and natural resources education into K-12 classrooms;
- Livestock producer and local government information and assistance on livestock development and permitting, including preparation of conservation grazing plans for use of public land;
- Dairy Profit Team which is one-on-one assistance with farmers to improve dairy farm profitability;
- Renewable bio-energy sector technical analysis and assistance, information, and market analysis;
- Economic analysis and domestic and international agricultural market research;
- Conservation, environmental protection, and resource-management activities to increase farmer adoption of innovative practices and technology;
- Farm transition assistance through information on resources, an online service, FarmLink, that matches transitioning farmers with beginning farmers and through Farmland Access/Succession Teams;
- Agricultural land use assistance including land access for immigrant farmer community and information on agricultural zoning and business development;
- Agricultural commodity research and promotion councils oversight;
- Good Food Access Program administration;
- Farm safety grants for grain bin safety and rollover protection systems for tractors; and
- Trade services through trade missions (including United Kingdom, Finland, Philippines, Panama and Chile in FY2021) and in-market representation;
- Agricultural Growth, Research, and Innovation (AGRI) Program and Agriculture Research, Education, Extension and Technology Transfer Grant (AGRETT) Program administration.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous Value</i>	<i>Date</i>	<i>Current Value</i>	<i>Date</i>
Quantity	Monthly visitors to the online Minnesota Grown directory of farms and markets	20,000	2020	27,000	2021
Quantity	Number of Seniors and WIC participants receiving Farmers’ Market Nutrition Program vouchers	59,815	2014	43,677	2021
Quantity	Number of students reached by MN Agriculture in the Classroom program resources	143,680	2019/2020 school year	161,138	2021/2022 school year

M. S. 17.03 Subds. 1, 6, 7, and 7a (<https://www.revisor.mn.gov/statutes/?id=17.03>) authorizes the development of agricultural industries, promotion of agricultural products to international markets and promotion of agricultural diversification and nontraditional agriculture.

M.S. 17.101 Subd. 1 (<https://www.revisor.mn.gov/statutes/?id=17.101>) provides authority for promotion and support of production and marketing of products of Minnesota agriculture.

M.S. 17.102 (<https://www.revisor.mn.gov/statutes/?id=17.102>) authorizes the establishment and promotion of the Minnesota Grown label.

M.S. 17.1017 (<https://www.revisor.mn.gov/statutes/cite/17.1017>) and M.S. 17.1018 (<https://www.revisor.mn.gov/statutes/cite/17.1018>) establishes the Good Food Access Program.

M.S. 17.119 (<https://www.revisor.mn.gov/statutes/cite/17.119>) establishes the Tractor Rollover Protection Pilot Grant Program.

M.S. 17.58 (<https://www.revisor.mn.gov/statutes/?id=17.58>) defines the duties of the agency related to oversight of the promotion councils.

M.S. 17.80 (<https://www.revisor.mn.gov/statutes/?id=17.80>), 17.81 (<https://www.revisor.mn.gov/statutes/?id=17.81>), 17.82 (<https://www.revisor.mn.gov/statutes/?id=17.82>), 17.84 (<https://www.revisor.mn.gov/statutes/?id=17.84>) articulate state agricultural land preservation and conservation policy and define duties of the agency.

M.S. 17.844 (<https://www.revisor.mn.gov/statutes/?id=17.844>) authorizes promotion of livestock production.

M. S. 17A (<https://www.revisor.mn.gov/statutes/?id=17A>) provides authority over livestock marketing and dealer licensing.

M. S. 31.94 (<https://www.revisor.mn.gov/statutes/?id=31.94>) authorizes the promotion of organic agriculture.

M. S. 40A (<https://www.revisor.mn.gov/statutes/?id=40A>) establishes the agricultural land preservation program.

Agricultural Marketing and Development

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	3,431	3,997	3,486	4,516	3,829	5,329
2000 - Restrict Misc Special Revenue	238	24	104	141	222	229
2018 - Agriculture	920	818	846	453	459	462
2403 - Gift		1	50	127		
3000 - Federal	2,279	1,516	3,428	6,574	2,709	2,697
3010 - Coronavirus Relief	5	35				
Total	6,874	6,391	7,914	11,811	7,219	8,717
Biennial Change				6,461		(3,789)
Biennial % Change				49		(19)
<u>Expenditures by Category</u>						
Compensation	2,776	2,793	2,798	2,802	2,756	2,881
Operating Expenses	1,442	1,475	2,099	2,423	1,655	1,628
Grants, Aids and Subsidies	2,653	2,076	3,004	6,586	2,808	4,208
Capital Outlay-Real Property	1	0				
Other Financial Transaction	1	46	13			
Total	6,874	6,391	7,914	11,811	7,219	8,717
Total Agency Expenditures	6,874	6,391	7,914	11,811	7,219	8,717
Internal Billing Expenditures	116	110	128	62	62	62
Expenditures Less Internal Billing	6,758	6,280	7,786	11,749	7,157	8,655
<u>Full-Time Equivalent</u>	30.91	29.84	28.10	26.39	24.87	24.87

Agricultural Marketing and Development

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		401		527		
Direct Appropriation	3,996	3,996	4,200	4,215	4,015	5,515
Transfers Out	186	372	186	226	186	186
Cancellations		28				
Balance Forward Out	379		528			
Expenditures	3,431	3,997	3,486	4,516	3,829	5,329
Biennial Change in Expenditures				574		1,156
Biennial % Change in Expenditures				8		14
Full-Time Equivalents	22.21	21.22	19.26	22.69	22.69	22.69

2000 - Restrict Misc Special Revenue

Balance Forward In	285	225	223	122	105	70
Receipts	138	21	40	124	187	223
Transfers Out			38			
Balance Forward Out	185	223	122	105	70	64
Expenditures	238	24	104	141	222	229
Biennial Change in Expenditures				(18)		206
Biennial % Change in Expenditures				(7)		84
Full-Time Equivalents	0.09	0.25	0.10	0.10	0.10	0.10

2018 - Agriculture

Balance Forward In	626	636	718	687	426	350
Receipts	738	691	629	200	197	201
Transfers In	186	186	186	186	186	186
Transfers Out				194		
Balance Forward Out	630	695	686	426	350	275
Expenditures	920	818	846	453	459	462
Biennial Change in Expenditures				(439)		(378)
Biennial % Change in Expenditures				(25)		(29)
Full-Time Equivalents	7.12	7.18	6.66	0.72	0.71	0.71

2403 - Gift

Balance Forward In	15	16	16	26		
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Agricultural Marketing and Development

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25	
Receipts	0	5	60	101		
Transfers Out		4				
Balance Forward Out	16	16	26			
Expenditures		1	50	127		
Biennial Change in Expenditures				177		(177)
Biennial % Change in Expenditures						(100)
Full-Time Equivalents				1.00		

3000 - Federal

Balance Forward In	2		1			
Receipts	2,282	1,516	3,427	6,574	2,709	2,697
Balance Forward Out	4					
Expenditures	2,279	1,516	3,428	6,574	2,709	2,697
Biennial Change in Expenditures				6,207		(4,596)
Biennial % Change in Expenditures				164		(46)
Full-Time Equivalents	1.49	1.19	2.08	1.88	1.37	1.37

3010 - Coronavirus Relief

Balance Forward In		35				
Direct Appropriation	40					
Balance Forward Out	35					
Expenditures	5	35				
Biennial Change in Expenditures				(40)		0
Biennial % Change in Expenditures				(100)		

Program: Value-added Products

Activity: Agricultural Advancement Programs

<https://www.mda.state.mn.us/grants/agri>

AT A GLANCE

- Annual AGRI \$14.354 million state investment in FY21 matched by \$33 million in private investment
- 90% of grantees between FY 2015 and 2019 indicated that their grant positively impacted the larger community or business ecosystem and 89% indicated that their gross revenue increased because of the grant(s)
- 44 livestock operations assisted through Livestock Investment Grants; of which, 29 awards are helping to transition the farm to the next generation
- 33 value-added processors expanded capacity or increased food safety, including 17 meat processing businesses
- \$1.7 million invested in commodity, specialty crop, and cover crop research
- 144 Minnesota food businesses received financial assistance for e-commerce and digital marketing and participating in wholesale events
- Estimated increased sales of over \$8.4 million by Minnesota food and beverage companies that participated in New Markets cost-share programs
- Over 700 beginning farmers awarded scholarships to assist with Farm Business Management tuition
- University of Minnesota has hired 30 AGREETT agriculture faculty and educator positions

PURPOSE AND CONTEXT

The Agricultural Growth, Research, and Innovation Program (AGRI) provides financial assistance to advance the agricultural and renewable energy industries. This is accomplished through grants and other forms of financial assistance to support rural economic infrastructure activities.

The Agriculture Research, Education, Extension, and Technology Transfer (AGREETT) passed through grants to the University of Minnesota and provides long-term funding primarily for human infrastructure such as research and extension faculty, extension educators, graduate students, and post-doctoral fellowships.

We serve:

- Farmers
- Agribusinesses and entrepreneurs
- Schools, early care, and education organizations
- Biofuels and bio-based chemical industries

SERVICES PROVIDED

Through AGRI, we stimulate agricultural business activities by providing financial assistance to:

- Initiate and expand livestock production as well as support environmental improvements;
- Aid entry of new farmers;
- Add value-added enterprises to diversify farm income sources;
- Initiate, upgrade, and modernize value-added businesses including meat processors;
- Accelerate business entry into new markets;
- Improve compliance of farms, meat processors, and food businesses with food safety standards including increasing the number of farms that are Good Agricultural Practices (GAP) certified;
- Increase farmers' processing and aggregating capacity to enter farm-to-institution and other markets;

- Purchase food processing and storage equipment for schools to increase purchase of locally produced food;
- Provide incentives for production of renewable fuels, chemicals, and thermal energy from agricultural and forestry sources; and
- Advance applied crop research to improve agricultural product quality, quantity, and value.

Financial assistance is provided through several grant and cost sharing programs:

- AGRI Beginning Farmer Farm Business Management Scholarships
- AGRI County Fair Grants
- AGRI Crop Research Grants
- AGRI Farm to School Grants
- AGRI Good Agricultural Practices/Good Handling Practices Cost Share Assistance
- AGRI Good Food Access Program Equipment/Physical Improvements Grants
- AGRI Incentive Program
- AGRI Livestock Investment Grants
- AGRI Meat, Poultry, Egg, and Milk Processing Grants
- AGRI New Market Development
- AGRI Sustainable Agriculture Demonstration Grants
- AGRI Urban Agriculture Grants
- AGRI Value-Added Grants

Through AGRETT, we provide funds to the University of Minnesota for agricultural faculty positions in the College of Food, Agricultural and Natural Resource Sciences, Extension, and the College of Veterinary Medicine. In addition, funds are provided for rapid response for plant and animal diseases and for agricultural education.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous Value</i>	<i>Date</i>	<i>Current Value</i>	<i>Date</i>
Results	Value Added Grant Program Leverage	\$4.3 M private/ \$1 M state	FY2015	\$9.2 M private/ \$1.3 M state	FY2021
Results	New Markets Programs – Projected Increased Sales (because of participation in an event)	\$2.9 M	FY2015	\$8.4 M	FY2021
Results	Livestock Investment Grant Program Leverage	\$39 M private/ \$1 m state	FY2008	\$24 M private/ \$0.756 M state	FY 2021
Result	Cumulative production of advanced biofuel claimed through the Bioincentive Program	0 million British Thermal Units (MMBtu)	FY2017	2,685,426 MMBtu	FY 2022
Result	Cumulative production of renewable chemical claimed through the Bioincentive Program	986,636 pounds	FY2017	223,443,841 pounds	FY 2022
Result	Cumulative production of biomass thermal energy claimed through the Bioincentive Program	0 MMBtu	FY2017	392,353 MMBtu	FY 2022

M.S. 41A.12 (<https://www.revisor.mn.gov/statutes/?id=41A.12>) provides the legal authority for the AGRI program.

M.S.41A.14 (<https://www.revisor.mn.gov/statutes/?id=41A.14>) provides the legal authority for the AGREETT program.

M.S. 41A.16 (<https://www.revisor.mn.gov/statutes/?id=41A.16>) provides the legal authority for the advanced biofuel production incentive.

M.S. 41A.17 (<https://www.revisor.mn.gov/statutes/?id=41A.17>) provides the legal authority for the renewable chemical production incentive.

M.S. 41A.18 (<https://www.revisor.mn.gov/statutes/?id=41A.18>) provides the legal authority for the biomass thermal production incentive.

M.S. 17.116 (<https://www.revisor.mn.gov/statutes/?id=17.116>) establishes the sustainable agriculture demonstration grants.

M.S. 17.118 (<https://www.revisor.mn.gov/statutes/?id=17.118>) establishes the livestock investment grant program.

M.S. 17.1017 (<https://www.revisor.mn.gov/statutes/cite/17.1017>) establishes the good food access program

Agricultural Advancement Programs

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	16,696	15,169	15,384	18,610	17,572	17,572
2018 - Agriculture	9,441	9,970	9,382	9,534	9,450	9,450
2403 - Gift			95	928		
3010 - Coronavirus Relief	68	5,854				
Total	26,205	30,993	24,860	29,072	27,022	27,022
Biennial Change				(3,266)		112
Biennial % Change				(6)		0
<u>Expenditures by Category</u>						
Compensation	479	474	564	819	900	905
Operating Expenses	343	254	168	253	227	227
Grants, Aids and Subsidies	25,383	30,261	24,128	28,000	25,895	25,890
Other Financial Transaction		4	1			
Total	26,205	30,993	24,860	29,072	27,022	27,022
<u>Full-Time Equivalents</u>	6.35	5.67	6.02	9.05	9.05	9.05

Agricultural Advancement Programs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In	6	1,044	14	663		
Direct Appropriation	23,653	23,554	25,343	27,257	26,882	26,882
Transfers In	3,000		15	1,929		
Transfers Out	9,300	9,320	9,325	11,239	9,310	9,310
Cancellations		94				
Balance Forward Out	663	14	664			
Expenditures	16,696	15,169	15,384	18,610	17,572	17,572
Biennial Change in Expenditures				2,129		1,150
Biennial % Change in Expenditures				7		3
Full-Time Equivalents	6.30	5.32	6.00	9.00	9.00	9.00

2018 - Agriculture

Balance Forward In	40	849	115	84		
Receipts	150	36	50	150	150	150
Transfers In	9,300	9,200	9,300	9,300	9,300	9,300
Balance Forward Out	49	115	84			
Expenditures	9,441	9,970	9,382	9,534	9,450	9,450
Biennial Change in Expenditures				(496)		(16)
Biennial % Change in Expenditures				(3)		(0)
Full-Time Equivalents	0.05	0.05	0.02	0.05	0.05	0.05

2403 - Gift

Balance Forward In				908		
Receipts			1,003	20		
Balance Forward Out			908			
Expenditures			95	928		
Biennial Change in Expenditures				1,023		(1,023)
Biennial % Change in Expenditures						(100)

3010 - Coronavirus Relief

Balance Forward In		1,167				
Direct Appropriation	200	6,500				
Transfers In		6				

Agricultural Advancement Programs

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base FY24 FY25	
Transfers Out		6				
Cancellations		1,814				
Balance Forward Out	132					
Expenditures	68	5,854				
Biennial Change in Expenditures				(5,922)	0	
Biennial % Change in Expenditures				(100)		
Full-Time Equivalents		0.30				

Program: Administration and Financial Assistance

Activity: Grants and Assistance

<https://www.mda.state.mn.us/>

AT A GLANCE

- Partnered with and assisted hundreds of organizations and individuals
- Administered a variety of specialized programs
- Assisted and worked with many different sectors of the agricultural industry, including ag youth, farmers and farm customers in need, ag researchers, and others.

PURPOSE AND CONTEXT

The Grants and Assistance activity passes money through the Minnesota Department of Agriculture (MDA) to other organizations and programs that focus on specific ag-related subjects. By providing this assistance, MDA helps strengthen the agricultural economy at its “roots” and in areas that might otherwise get overlooked. These programs reach individual farmers, farm youth and specially-targeted customers of agricultural products. The money also supports key efforts to research and promote agricultural activities specific to Minnesota’s climate.

SERVICES PROVIDED

- This activity provides assistance to county fairs and agricultural associations, the Minnesota Livestock Breeders Association, the Minnesota Poultry Association and the Minnesota Agricultural Education Leadership Council. These organizations maintain generations of expertise, enhance it with the latest research, and pass it on to future generations through their educational programs for youth.
- Through the Farm Advocates program, MDA provides one-on-one assistance to farmers who face crisis due to natural disasters or financial problems. Trained, experienced advocates help farmers determine how to address difficulties through agricultural lending options, mediation, farm programs, crisis counseling, disaster programs, and legal and social services. Related to this work, MDA passes funds through to the farm business management program at colleges in the Minnesota State system to provide farm families with mental health counseling support.
- MDA partners with Second Harvest Heartland to help provide food to Minnesota’s food shelves and other charitable organizations. Money provided through MDA has been used to purchase milk and protein for distribution to these organizations and to compensate producers and processors for harvesting and packaging surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested or would be discarded.
- This activity also supports the development of future products for agricultural industries. By partnering with the Minnesota Turf Seed Council, the Minnesota Horticultural Society and the Northern Crops Institute, MDA supports their research, development, and promotion of northern-hardy products and other activities.

RESULTS

Each of our partners reports to MDA on its educational, research, and assistance activities. For county fair assistance, we measure against the formula provided in statute.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Tons of food provided to food shelves and other emergency feeding organizations	3,803	2,583	FY2018; FY2022

Minnesota Statutes Chapter 38, (<https://www.revisor.mn.gov/statutes/?id=38>), Chapter 41D (<https://www.revisor.mn.gov/statutes/?id=41D>) and others.

Grants and Assistance

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	3,933	4,089	2,696	14,877	3,809	3,509
2301 - Arts & Cultural Heritage	358	366	532	406		
2403 - Gift		20	2			
3010 - Coronavirus Relief	1	6,306				
3015 - ARP-State Fiscal Recovery			5,993	7		
Total	4,291	10,781	9,222	15,290	3,809	3,509
Biennial Change				9,439		(17,194)
Biennial % Change				63		(70)

Expenditures by Category

Compensation	1	1	31	172	79	49
Operating Expenses		24	243	137	70	50
Grants, Aids and Subsidies	4,291	10,756	8,947	14,981	3,660	3,410
Total	4,291	10,781	9,222	15,290	3,809	3,509

Total Agency Expenditures	4,291	10,781	9,222	15,290	3,809	3,509
Internal Billing Expenditures			131	60		
Expenditures Less Internal Billing	4,291	10,781	9,091	15,230	3,809	3,509

Full-Time Equivalent

		0.01	0.42	0.77	0.35	0.35
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Grants and Assistance

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		1,316		9,059		
Direct Appropriation	3,933	2,781	12,183	5,580	3,809	3,509
Transfers In				238		
Cancellations		8	429			
Balance Forward Out			9,059			
Expenditures	3,933	4,089	2,696	14,877	3,809	3,509
Biennial Change in Expenditures				9,551		(10,255)
Biennial % Change in Expenditures				119		(58)
Full-Time Equivalents			0.40	0.75	0.35	0.35

2301 - Arts & Cultural Heritage

Balance Forward In	21	73	143	6		
Direct Appropriation	400	400	400	400	0	0
Cancellations		10	5			
Balance Forward Out	63	98	6			
Expenditures	358	366	532	406		
Biennial Change in Expenditures				214		(938)
Biennial % Change in Expenditures				30		(100)

2403 - Gift

Balance Forward In		2	2			
Receipts		20	0			
Balance Forward Out		2	0			
Expenditures		20	2			
Biennial Change in Expenditures				(18)		(2)
Biennial % Change in Expenditures						

3010 - Coronavirus Relief

Balance Forward In		6,299				
Direct Appropriation	6,300	17				
Cancellations		10				
Balance Forward Out	6,299					
Expenditures	1	6,306				

Grants and Assistance

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Biennial Change in Expenditures				(6,307)		0
Biennial % Change in Expenditures				(100)		
Full-Time Equivalents		0.01				

3015 - ARP-State Fiscal Recovery

Balance Forward In				7		
Direct Appropriation			6,000			
Balance Forward Out			7			
Expenditures			5,993	7		
Biennial Change in Expenditures				6,000		(6,000)
Biennial % Change in Expenditures						(100)
Full-Time Equivalents			0.02	0.02		

Program: Administration and Financial Assistance

Activity: Agency Services

<https://www.mda.state.mn.us/commissionersoffice>

AT A GLANCE

- Implementation of statewide policies
- Leadership on agricultural issues

PURPOSE AND CONTEXT

This activity makes sure MDA stays responsive to the needs of agriculture in Minnesota and stays focused on advancing our mission. *The Department's mission is to enhance Minnesotans' quality of life by ensuring the integrity of our food supply, the health of our environment, and the strength of our agricultural economy.*

SERVICES PROVIDED

This activity provides leadership and support services to the agency and its employees and performs agency-level services for the public, agricultural industries, and other governmental entities. Agency Services includes:

- The Commissioner's Office
- The Human Resources Division
- The Finance and Budget Division, including staffing for loan programs under the Rural Finance Authority, a separate board of state officials and public members, and Ag Best Management Practices (AgBMP) loans
- Hosting for staff of MN.IT, the state's office of information technology

RESULTS

We maintain communication and coordination with farmers, ag groups, state boards, interagency committees, and national and international associations. Communication and outreach activities are provided in person and through the media, including the agency's web page and social media sites.

www.mda.state.mn.us

twitter.com/mnagriculture

www.youtube.com/mnagriculture

www.facebook.com/mnagriculture

The reach of our social media presence continues to increase and has helped with outreach on many issues, including the recent outbreak of avian influenza in 2015. M.S. Chapter 17 (<https://www.revisor.mn.gov/statutes/?id=17>) outlines the responsibilities of the Commissioner of Agriculture.

Agency Services

Activity Expenditure Overview

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
<u>Expenditures by Fund</u>						
1000 - General	4,798	4,715	4,762	6,631	5,923	5,339
1251 - COVID-19 Minnesota	1,239	10				
2000 - Restrict Misc Special Revenue	112	140	203	342	342	342
2001 - Other Misc Special Revenue	6,068	6,308	6,425	7,360	7,412	7,650
2018 - Agriculture	333	139	647	1,674	420	422
2302 - Clean Water	44	46	57	93		
2403 - Gift				6	6	6
3000 - Federal		254	1,252	3,203	2,010	182
3010 - Coronavirus Relief		264				
Total	12,594	11,875	13,346	19,309	16,113	13,941
Biennial Change				8,187		(2,601)
Biennial % Change				33		(8)
<u>Expenditures by Category</u>						
Compensation	6,152	6,235	7,115	8,536	7,866	7,727
Operating Expenses	6,433	5,562	6,229	8,951	6,621	6,117
Grants, Aids and Subsidies	5			1,797	1,614	85
Capital Outlay-Real Property		33	0	8		
Other Financial Transaction	4	44	2	17	12	12
Total	12,594	11,875	13,346	19,309	16,113	13,941
Total Agency Expenditures	12,594	11,875	13,346	19,309	16,113	13,941
Internal Billing Expenditures	36	45	80	126	126	67
Expenditures Less Internal Billing	12,558	11,829	13,266	19,183	15,987	13,874
<u>Full-Time Equivalent</u>	59.36	58.57	63.91	76.87	69.35	67.13

Agency Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
1000 - General						
Balance Forward In		98		457		
Direct Appropriation	4,827	4,827	13,394	7,849	7,348	6,764
Transfers In	349	1,611	150	291		
Transfers Out	349	438	8,325	1,966	1,425	1,425
Cancellations		1,383				
Balance Forward Out	29		457			
Expenditures	4,798	4,715	4,762	6,631	5,923	5,339
Biennial Change in Expenditures				1,880		(131)
Biennial % Change in Expenditures				20		(1)
Full-Time Equivalents	25.83	23.46	23.71	29.73	23.77	23.50

1251 - COVID-19 Minnesota

Balance Forward In		10				
Direct Appropriation	4,202					
Balance Forward Out	2,963					
Expenditures	1,239	10				
Biennial Change in Expenditures				(1,249)		0
Biennial % Change in Expenditures				(100)		

2000 - Restrict Misc Special Revenue

Balance Forward In	6,202	5,242	6,210	8,220	4,563	1,576
Receipts	193	154	193	5,287	7,387	3,622
Transfers In	200	776	1,437	1,437	1,425	1,425
Transfers Out	200	716				
Net Loan Activity	(1,042)	894	584	(10,039)	(11,457)	(3,574)
Balance Forward Out	5,242	6,210	8,221	4,563	1,576	2,707
Expenditures	112	140	203	342	342	342
Biennial Change in Expenditures				293		139
Biennial % Change in Expenditures				117		26
Full-Time Equivalents	0.91	0.99	1.21	2.58	2.58	2.58

2001 - Other Misc Special Revenue

Balance Forward In	7,416	7,469	7,697	7,238	7,013	6,380
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Agency Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Receipts	6,149	6,616	6,088	7,270	6,914	6,624
Internal Billing Receipts	6,149	6,616	6,088	7,270	6,914	6,624
Transfers In			2,869			
Transfers Out	66	80	2,990	135	135	135
Balance Forward Out	7,431	7,697	7,238	7,013	6,380	5,219
Expenditures	6,068	6,308	6,425	7,360	7,412	7,650
Biennial Change in Expenditures				1,409		1,277
Biennial % Change in Expenditures				11		9
Full-Time Equivalents	30.97	32.63	33.31	38.19	38.19	38.19

2018 - Agriculture

Balance Forward In	1,058	884	861	4,348	2,836	2,568
Receipts	132	116	123	152	142	142
Transfers In			4,010	10	10	10
Balance Forward Out	857	861	4,347	2,836	2,568	2,298
Expenditures	333	139	647	1,674	420	422
Biennial Change in Expenditures				1,850		(1,479)
Biennial % Change in Expenditures				392		(64)
Full-Time Equivalents	1.30	1.15	5.30	3.27	2.15	2.15

2302 - Clean Water

Balance Forward In		31		18		
Direct Appropriation	75	75	75	75	0	0
Transfers Out		60				
Balance Forward Out	31		18			
Expenditures	44	46	57	93		
Biennial Change in Expenditures				60		(150)
Biennial % Change in Expenditures				66		(100)
Full-Time Equivalents	0.35	0.31	0.38	0.44	0.01	0.01

2403 - Gift

Balance Forward In	31	32	36	36	31	26
Receipts	1	0	0	1	1	1

Agency Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual FY20	Actual FY21	Actual FY22	Estimate FY23	Forecast Base	
					FY24	FY25
Transfers In		4				
Balance Forward Out	32	36	36	31	26	21
Expenditures				6	6	6
Biennial Change in Expenditures				6		6
Biennial % Change in Expenditures						

3000 - Federal

Receipts		254	1,252	3,203	2,010	182
Expenditures		254	1,252	3,203	2,010	182
Biennial Change in Expenditures				4,201		(2,263)
Biennial % Change in Expenditures						(51)
Full-Time Equivalents		0.03		2.66	2.65	0.70

3010 - Coronavirus Relief

Balance Forward In		60				
Direct Appropriation	60	254				
Cancellations		50				
Balance Forward Out	60					
Expenditures		264				
Biennial Change in Expenditures				(264)		0
Biennial % Change in Expenditures						

8200 - Clean Water Revolving

Balance Forward In	8,213	11,039	13,040	17,104	9,660	660
Transfers In	5,500		1,000			
Net Loan Activity	(2,674)	2,001	3,064	(7,444)	(9,000)	(600)
Balance Forward Out	11,039	13,040	17,104	9,660	660	60

8250 - Rural Finance Administration

Balance Forward In	4,917	4,185	3,434	4,914	2,554	1,916
Receipts	85	24	22	17	83	83
Transfers In		900	8,810			
Transfers Out		900	6,310			

Agency Services

Activity Financing by Fund

(Dollars in Thousands)

	Actual	Actual	Actual	Estimate	Forecast Base	
	FY20	FY21	FY22	FY23	FY24	FY25
Net Loan Activity	(1,212)	(775)	(1,042)	(2,377)	(721)	(681)
Balance Forward Out	3,790	3,434	4,914	2,554	1,916	1,318