



Agriculture Emergency Account

2022 Fiscal Year Report

1/23/2023

Report Details

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Background

In 2015, an outbreak of Highly Pathogenic Avian Influenza (HPAI) hit commercial turkey, broiler, and layer flocks in several states. Minnesota poultry growers were severely impacted, and federal and state resources were crucial to resolving the outbreak. A review of the government response highlighted the strengths and weaknesses of existing preparedness and response plans. The Agricultural Emergency Account was established by the Minnesota Legislature to encourage preparedness and response activities for all agricultural hazards. A one-time transfer of \$1 million was appropriated to the account in 2016. One of priorities was the establishment of the Office of Emergency Preparedness and Response (OEPR) at the Minnesota Department of Agriculture (MDA) in 2017. In 2020, statutory language was altered to exclude preparedness activities from fund expenditures.

Staff of the OEPR continuously engage with industry representatives (food, crop, livestock, poultry), other federal and state agencies, county governments, tribal representatives, academics, and allied industries to enhance preparedness and improve response operations for animal disease outbreaks, food safety emergencies, and invasive species eradication. Our production clientele includes over 67,400 farm operations and supports close over 388,000 jobs, all depending on a quick and efficient response to all ag emergency situations.

Previously this report was submitted based on calendar year expenditures and activities. To streamline the process and ensure financial documentation is correct, it will be switching to a fiscal year reporting basis. This report is submitted in accordance with Minnesota Statute (MINN. STAT. 17.041.3). No later than February 1 each year, the commissioner must report activities and expenditures under this section to the legislative committees and divisions with jurisdiction over agriculture finance.

2021-2022 Activities

The scope of this report covers July 1, 2021-June 30, 2022.

Widespread drought conditions across Minnesota were the hallmark issue of summer 2021. While the situation was closely monitored by the MDA, no ag emergency funds were used to address the agricultural crisis.

In the fall of 2020, reports from the United Kingdom and Europe indicated an uptick in HPAI. HPAI is a listed foreign animal disease that requires special action taken at the state and federal levels to detect, mitigate, and control because of the international trade impacts the presence of this disease carries. U.S. Department of Agriculture (USDA) response teams were preparing over the winter as reports of infected wild birds and North American backyard/hobby farms were impacted. The first commercial poultry farm in the U.S. was confirmed infected in Indiana on February 8, 2022. Minnesota is ranked number one in the country for turkey production, so the majority of flocks affected within state borders were meat or breeder turkeys.

The Minnesota Ag Incident Management Team, along with our industry partners, were on alert and poised for action when the first infected premises in Minnesota were confirmed on March 26. The Ag Emergency Account was available to cover up-front costs, such as staff responder salaries and contractor travel, and for immediate depopulation efforts to control the spread of the disease. A portion of expenses incurred in the HPAI response were reimbursed by the federal government through a cooperative agreement with the MDA.

Making adequate staffing resources available to the HPAI incident is the key to a successful response. The flexibility to use the Ag Emergency Account is critical to compensate employees who may be working on dedicated grant or appropriation dollars. Payroll expenses are limited to the salary and fringe benefits of state

employees who are logging time to approved emergency response and preparedness activities. Overtime work is approved for all employees on the incident. Overtime is paid initially through the Ag Emergency Account but is reimbursed by USDA. In total, 28 staff from the Board of Animal Health and 63 MDA employees logged hours toward HPAI response work.

Experience and technology for remote work has improved dramatically since 2020, and the MDA took advantage of remote work to build a hybrid response team. While travel (lodging, meals, and vehicles) is covered under the cooperative agreement, expectations for computing infrastructure has increased expenses through Minnesota IT Services (MNIT). Networking hardware, workstation support, and GIS support are all made possible through access to Ag Emergency Account funds.

An Incident Command Post (ICP) was established in March 2021 as a remote base to manage the HPAI incident. Rent was paid to Kandiyohi County for use of their facility in Willmar. Various office supplies, printers, and disposal services were needed to support the ICP activities. Disease mitigation in the field required use of firefighting foam to mass depopulate poultry barns. Foam was purchased with Ag Emergency Account dollars to ensure that critical depopulation times were met.

The state Full-Service Emergency Response Contract was engaged to secure trained field teams to do the on-farm labor of depopulation by foaming. State contractors were highly regarded by producers for their professionalism, thoroughness, and ability to respond quickly. State contract rates are negotiated every 2-5 years through the Minnesota Department of Administration for a variety of response areas. USDA reimbursement allowances do not cover the entire cost of the contractors, so the overage is paid through the Ag Emergency Account. In addition, equipment parts and maintenance costs are directed to this fund. During this fiscal year, state contractors depopulated 19 commercial premises and assisted with decontamination at five more. They completed composting work at three additional sites.

Through the end of fiscal year 2022, 80 premises in 28 counties had confirmed HPAI-positive results plus one epidemiological linked premises. Nearly three million domestic birds were depopulated during this event.

The 2022 legislative session appropriated \$1.5 million to the Ag Emergency Account to be granted to the University of Minnesota Veterinary Diagnostic Lab. These funds will improve equipment inventory and capabilities that are essential for rapid and accurate disease diagnostics. Monies were encumbered and grants signed in FY23.

Ag Emergency Account Budget

The following table details revenue and expenditures to the Ag Emergency Account since its formation in 2016 until June 20, 2022.

Table 1: Ag Emergency Account Budget (B049A93) 2016-2022

	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	FY 2022
Revenues							
Transfer In	1,000,000						4,000,000
Roll Forward In		980,172	889,973	732,066	592,664	424,953	425,839
Interest					11,164	1,391	4,108
Subtotal	1,000,000	980,172	889,973	732,066	603,828	426,344	4,429,947
Expenditures							
Payroll	12,607	13,357	140,351	117,862	1,346		322,016
Space Rental				1,055	18,950		
Contract Services		28,607		234			127,194
Equipment		11,841	2,491	1,362			
Palmer Amaranth Grants	6,570	6,855					
Employee Development		200	420	2,400			
Travel	508	5,012	7,946	5,365			
MNIT Services			3,519	3,762			46,075
Other Operating Costs	143	24,326	3,180	7,362	158,579		
Subtotal	19,828	90,198	157,908	139,402	178,875		495,285
Ending Balance	980,172	889,973	732,066	592,664	424,953	426,344	3,934,661