

DEPARTMENT OF AGRICULTURE, 1999

GUIDE TO

M I N N E S O T A

*Department of
Agriculture*

1999

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Saint Paul, Minnesota 55155

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November 1998

Minnesota Department of Agriculture

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STATE OF MINNESOTA

OFFICE OF THE GOVERNOR
130 STATE CAPITOL
SAINT PAUL 55155

ARNE H. CARLSON
GOVERNOR

Dear Commissioner:

Welcome to state government and to the Department of Agriculture. This briefing book has been assembled to assist the incoming administration during this period of executive branch transition. We hope you will find it valuable.

You will see by the material contained in the attached briefing that the Department of Agriculture has accomplished much during this important last decade of the century and also that there are many ideas for future service refinements.

Please feel free to call upon the resources of this administration as you begin to familiarize yourself with your new responsibilities.

I wish you much success.

Warmest regards,

A handwritten signature in black ink that reads "Arne H. Carlson".

ARNE H. CARLSON
Governor



Minnesota Department of Agriculture

Dear Commissioner:


Congratulations on your recent appointment and welcome to the Department of Agriculture. You will have the opportunity to enjoy one of the finest agencies in the State of Minnesota.

Let me assure you that I have enjoyed the years in this Department and I trust that your experience will be equally rewarding. You have a challenging job ahead of you and I hope this assembled information about the Department of Agriculture will be helpful to you as you begin your work.

You will find the agency staff competent, hard working and more than willing to assist you as the new Commissioner of Agriculture. You have my best wishes for a productive administration.

If I can assist in any way, please do not hesitate to call.

Sincerely,



Gene Hugoson
Commissioner

Summary description of agency

Short history

The Minnesota State Dairy Commission, a forerunner of the Agriculture Department, was created in 1885. Its purpose was to prohibit the sale of oleo margarine and adulterated milk. Staff consisted of one department head, one assistant, and a clerk who doubled as a chemist. The yearly budget was \$6000.

In 1889, the name was changed to the State Dairy and Food Commission and it was given authority to regulate all food products, the state's first attempt at general food regulation. In 1896, the name was changed to the Minnesota Dairy and Food Department. The first food standards and labeling rules were adopted in 1907.

In 1919, the Minnesota Department of Agriculture was created. The department's chief responsibility was promoting Minnesota agriculture and Minnesota dairy products. However, the Dairy and Food Department also continued to operate, primarily promoting the dairy industry. In 1923, the two departments merged to become the Department of Agriculture, Dairy and Food but continued to have two commissioners until 1929.

It was not until 1961 that the name of the consolidated department was changed to the Department of Agriculture. Today the department works to promote Minnesota food products, protect consumers, provide information and assistance to the state's farmers and protect our natural environment.

Vision, Mission, Goals

MDA's vision focuses on both the agricultural producer and the consumer of food products. This accomplished through:

- Protection and promotion of Minnesota's

- agricultural production
- Regulation and inspection of food products for both human and animal consumption
- Promotion and development of economic opportunities for Minnesota agriculture and its products

Because Minnesota's agricultural products are shipped both nationally and internationally, the programs of MDA affect all citizens of Minnesota, as well as citizens of the United States and the world.

Mission

The mission of the Minnesota Department of Agriculture (MDA) is to work toward a diverse agricultural industry that is economically profitable and environmentally sustainable; to protect public health and safety regarding food and agricultural products; to provide consumer protection regarding product quality and content; and to ensure orderly commerce in agricultural and food products.

Goals

Sustainability of Minnesota's agriculture industry is the goal of MDA. This is accomplished through our Protection Services Program (inspection and regulation of agriculture and agriculture-supported industries), marketing and development of agriculture (through promotion of Minnesota's agriculture products and support of developing technologies) and policy development.

MDA uses the following strategies in pursuit of its mission and vision:

- Regulating pesticide use and application of a wide range of agricultural inputs
- Managing exotic pests, nursery stock and agricultural export certification
- Ensuring quality of agricultural products by providing certification, licensing, bonding and weighing services for both buyers and sellers
- Licensing and inspecting food operations such

as grocery stores, dairy farms and plants, food warehouses, vending machines and licensed food and beverage establishments

- Conducting voluntary and mandatory inspections of grain and produce producers, processors, wholesalers, retailers, elevators, transportation and trading groups
- Providing technical and laboratory assistance for regulatory functions
- Promoting agricultural resource management practices that benefit producers and the state's natural resources
- Promoting Minnesota agricultural products in national and world markets
- Providing financial assistance to farmers and farmer-owned cooperatives for the purpose of enhancing their production capacity and profit potential
- Coordinating and supporting department efforts through centralized administrative services
- Providing leadership for department efforts through policy development, direction and communication

Key issues and constituencies

Agriculture in Minnesota is a unique industry. While it is rich with tradition and cultural heritage for many citizens, it is also subject to the dramatic effects of a rapidly evolving world marketplace. Ongoing economic and social changes require MDA to continually review and assess the services it provides, which contribute to changing department programs. Among the most significant ongoing developments:

- **1996 Farm Bill**

With the 1996 farm bill, the federal government shifted the focus of American agriculture by eliminating the old subsidy programs and instituting a seven-year program of gradually declining market transition payments. During this period, farmers were expected to shift their operations to focus on producing what the marketplace dictated rather than what the

government dictated. Called "Freedom to Farm," this legislation has had profound effects on the way farmers do business.

- **Commodity Price Fluctuations**

With the removal of government subsidy programs, commodity prices have seen increased fluctuations both up and down. This makes it much more difficult for farmers to set budgets and make long-range plans because revenue can vary widely from one season to the next. This also increases the need for agencies like MDA to help farmers become knowledgeable in marketing issues and the use of risk-management tools.

- **Fewer Farmers, Larger Farms**

Although long-term commodity prices have stagnated in recent decades, the costs of running a farm and supporting a family have risen dramatically. This has forced farmers to look for ways to increase profits. For some, the answer has been to expand their farm to gain economies of scale and increase cash flow. For others, it has meant adopting low-input techniques such as sustainable farming. Still others have decided to leave the industry altogether. This has resulted in a reduction in the number of farmers and an increase in the size of the average Minnesota farm.

- **State's Population Becomes More Urban**

As in many other states, Minnesota's population continues to become more urban. This has several significant ramifications for agriculture. First, as urban areas expand into traditional agricultural areas, conflicts arise between the interests of production agriculture and the interests of non-farm residents. With development comes higher property values and higher property taxes, which further cut into farmers' already thin profit margins. Also, transplanted non-farm residents sometimes find the day-to-day operations of production agriculture to be disruptive to the quality of life they expected to find by moving to the countryside. Often, this

results in complaints to local officials and pressure on farmers to change production practices. A second ramification is that as more of the state's population loses touch with the needs of farmers and the importance of the industry, there is a risk at all levels of government for less attention and value to be placed on addressing key issues in agriculture.

- **Six Difficult Years for NW Minnesota**

For the past six years, farmers in northwestern Minnesota have seen their wheat production severely impacted by crop disease and poor growing conditions. This has forced many of them out of business, and continues to be a major problem for that part of the state. Federal and state assistance has helped some growers, but many others still face dire financial difficulty.

- **Minnesota Needs New Markets**

With U.S. food consumption stabilizing and agricultural production continuing to increase, there is a growing need for the state's agriculture industry to develop new markets for its farm commodities. This can be done in two ways. First, the industry can develop new uses for commodities (such as producing ethanol from corn, or building material from soybeans). Second, Minnesota agriculture can expand existing export markets and develop new export markets in countries with growing populations.

- **Minnesota Hurt By Asian Economic Slump**

The recent collapse of the Asian economies had a massive impact on many commodity prices since much of Minnesota's agricultural production is exported to that region. With the drop in export demand came a drop in farm income, as many farmers chose to hold onto their grain until they could get better prices. With another large crop being harvested in the autumn of 1998, there is concern about a "glut" of grain that will need to be moved to market.

- **More Effective Food Safety Measures Needed**

While the American food supply is the world's

safest, isolated incidents of contamination continue to call public attention to food safety issues. The agriculture and food industry will need to adjust to increased public expectations by adopting more effective food safety measures as new information and technology become available.

- **Imported Foods Bring Increased Risk**

With more produce and other foods being imported, there is an added risk of food contamination because some countries do not require producers to follow the stringent pesticide and fertilizer laws enforced in the U.S.

- **Boxcar Shortage**

Due to a combination of factors, producers and grain elevators in many parts of the Upper Midwest have encountered severe problems with a shortage of rail transportation needed to haul grain and other commodities to market.

- **Minnesota Could Lose Dairy Processing Plants**

Minnesota dairy and livestock producers have in some cases failed to keep pace with production increases in other parts of the country. If this trend continues, the state risks losing its vaunted processing infrastructure to other states where processors can be assured of an adequate supply of raw commodities.

Key legislators and legislative committees

The following are legislative committees and their 1997-98 membership.

Senate Agriculture and Rural Development Committee

Chair: Dallas Sams

Vice Chair: Paula Hanson

Members:

Tracy Beckman

Charles Berg

Michelle Fischbach

Dean Johnson

Arlene Lesewski

Bob Lessard

Becky Lourey

Steven Morse

Steve Murphy

Pat Piper

Kenric Scheevel

Jim Vickerman

Senate Environment and Agriculture Budget Division

Chair: Steven Morse

Members:

Charles Berg	Bob Lessard
Steve Dille	Pat Pariseau
Dennis Frederickson	Leonard Price
Janet Johnson	LeRoy Stumpf
Jane Krentz	Jim Vickerman
Gary Laidig	

House Agriculture Committee

Chair: Stephen Wenzel

Vice Chair: Doug Peterson

Members:

Bob Gunther	Ken Otremba
Mike Jaros	Michelle Rifenberg
Al Juhnke	Leslie Schumacher
Tony Kielkucki	Gail Skare
Ron Kraus	Steve Trimble
Gary Kubly	Torrey Westrom
William Kuisle	Ted Winter
Carol Molnau	

House Environment and Natural Resources Committee

Chair: Willard Munger

Vice Chair: Alice Hausman

Members:

Tom Bakk	Myron Orfield
Mike Delmont	Tom Osthoff
Jerry Dempsey	Jim Rostberg
Tim Finseth	Kathleen Sekhon
Betty Folliard	Doug Stang
Mark Holsten	Howard Swenson
Ruth Johnson	Kathy Tingelstad
Anthony Kinkel	Jean Wagenius
Betty McCollum	Robert Westfall
Bob Milbert	Tom Workman
Bud Nornes	

House Environment, Natural Resources and Agriculture Finance Committee

Chair: Tom Osthoff

Vice Chair: Kathleen Sekhon

Members:

Tom Bakk	Doug Peterson
Gregory Davids	Howard Swenson
Tim Finseth	Kathy Tingelstad
Henry Kalis	Stephen Wenzel
Betty McCollum	Robert Westfall
Willard Munger	Loren Solberg

Boards, commissions and task forces

Under MS 15.014, a commissioner of a state department or agency may create advisory task forces to advise the commissioner on specific programs or topics within the jurisdiction of the department. Task Force is limited to 15 members per task force of which four task forces may be reimbursed.

The commissioner serves on the following boards, commissions and task forces:

Food Safety Advisory Committee - MS 28A.20

Advises commissioner and the legislature on food issues and food safety.

Agricultural Chemical Response Compensation Board - MS 18E.05

Created to reimburse eligible persons from the agricultural chemical response and reimbursement account for the reasonable and necessary costs incurred by the eligible persons in taking corrective action as provided in Subd. 4 of MS 18E.04.

MN Public Facilities Authority - MS 446A

Responsible for reviewing and approving financing of eligible projects that have been certified to the authority.

Board of Water and Soil Resources - MS 103B.101

Responsible for coordination of water and soil resources planning activities of counties, soil and water conservation districts, watershed management organizations, and any other local units of government through the various authorities for approval of local plans, administration of state

grants, and by other means as may be appropriate. Report to the Governor and Legislature by October 15 of every even-numbered year with an assessment of board programs and recommendations and board membership changes necessary to improve state and local efforts in water and soil resources management.

MN Ag and Economic Development Board - MS 41A

Provides for agricultural and economic development in the state. All credit advanced pursuant to loan guaranty commitments is to be secured by subrogation of the state to mortgage security and other security interests granted to the private lender, in proportion to the amount advanced by the state.

MN Environmental Quality Board - MS 116C

The Legislature recognizes that problems related to the environment often encompass the responsibilities of several state agencies and that the solutions to these problems require the interaction of these agencies. Debate concerning population, economic and technological growth should be encouraged so that the consequences and causes of alternative decisions can be better known and understood by the public and its government.

MN Rural Finance Authority - MS 41B.025

There is created a public body corporate and politic to be known as the "Minnesota rural finance authority," which shall perform the governmental functions and exercise the sovereign powers delegated to it in sections 41B.01 to 41B/23 and chapter 41C in furtherance of the public policies and purposes declared in section 41B.01.

MN Ag Education Leadership Council - Laws of Minnesota 1997, C 183, Article 3, Sec. 2, Subd. 2

Develop recommendations to the legislature and governor and provide a review for agriculture education programs in Minnesota, etc.

Pesticide Applicator Education and Examination Review Board - MS 18B.305

The commissioner shall establish and chair a pesticide applicator education and examination

review board. The board will discuss topics of current concern on pesticide training, review and evaluate recently conducted education programs and recommend options to increase overall effectiveness.

Feedlot and Manure Management Committee - MS 17.136

Commissioner of Agriculture and Commissioner of Pollution Control Agency shall establish a feedlot and manure management advisory committee to identify needs, goals, and suggest policies for research, monitoring, and regulatory activities regarding feedlot and manure management. In establishing the committee, the commissioner shall give first consideration to members of the existing feedlot advisory group.

Environmental Education Advisory Board - MS 115A.072

Provide for the development and implementation of environmental education programs that are designed to meet the goals listed in Section 126A.01.

Emergency Response Commission - MS 299K.02

The Emergency Response Commission is established to comply with and administer the federal act.

Office of Emergency Response - MS 299K.03

The Office of Emergency Response is established in the Department of Public Safety to coordinate state compliance with the federal act. It will consist of the Emergency Response Commission and its staff.

The Agricultural Land Preservation Advisory Board - MS 40A.14

The department may form a citizen advisory board to assist in the establishment of and administration of an agricultural land preservation and conservation awareness program.

Agricultural Marketing and Bargaining Committee - Laws of Minnesota 1998, Chapter 373, Sec. 19

Commissioner will establish an agricultural

marketing and bargaining advisory committee to monitor and review the implementation and effectiveness of sections 17.691 to 17.703.

Organic Advisory Task Force - MS 31.95

Commissioner will appoint MN Advisory Task Force composed of members of the organic industry to advise the commissioner on organic issues.

Seed Potato Advisory Task Force - MS 21.112

Commissioner may appoint an advisory seed potato certification task force.

Sustainable Agriculture - MS 17.114

The commissioner shall establish a sustainable agriculture advisory committee to assist in carrying out the duties of Subd. 3 and to advise the commissioner in carrying out the requirements of the sustainable agriculture program.

Wetland Heritage Advisory Committee - MS 103G.2242

The governor shall establish a wetland advisory committee consisting of a balanced diversity of interests including agriculture, environmental, and sporting organizations, land development organizations, local government organizations, and other agencies.

World Trade Center - MS 44A

The Minnesota World Trade Center corporation is a public corporation established to facilitate and support Minnesota World Trade Center programs and services and to promote the Minnesota World Trade Center. The corporation is a state agency.

Commodity Councils - MS 17.53

The commissioner of agriculture serves as ex-officio member of 12 commodity councils as follows:

- Minnesota Barley Research and Promotion Council
- Minnesota Dry Edible Bean Research and Promotion Council
- Minnesota Beef Research and Promotion Council

- Minnesota Canola Research and Promotion Council
- Minnesota Corn Research and Promotion Council
- Minnesota Dairy Research and Promotion Council
- Area One Potato Research and Promotion Council
- Minnesota Area II Potato Research and Promotion Council
- Minnesota Soybean Research and Promotion Council
- Minnesota Turkey Research and Promotion Council
- Minnesota Wheat Research and Promotion Council
- Minnesota Cultivated Wild Rice Council

Activity summary

Protection Services Program

- Agricultural Certification Division
- Agronomy and Plant Protection Division
- Dairy and Food Inspection Division
- Grain Produce Inspection Division
- Laboratory Services Division

This program provides consumer protection through the regulation of the food chain. The program develops, administers and coordinates regulatory service programs which support and protect producers, processors, distributors and consumers of Minnesota agricultural food products. This is accomplished through programs which apply state, federal or local laws and regulations associated with health, safety, quality, labeling and environmental protection.

Agricultural Marketing and Development Program

- Agricultural Marketing and Development Division
- Agriculture Nonpoint Source Pollution

This program works toward the sustainable use and development of Minnesota's agricultural resources. It strives to identify, develop and

expand markets for new and existing products of Minnesota agriculture and increase public awareness of the social, economic, and cultural contributions. It identifies and helps to develop ways to diversify agriculture as well as the production and marketing of non-traditional agricultural products. The program also works to protect agricultural land resources, identify and develop pest management technologies for producers, and identify research and development needed to preserve and develop the state's agricultural resources.

Administration and Financial Assistance Program

- Administrative Services Division
- Agricultural Finance Division
- Agricultural Statistics Service
- Commissioner's Office
- Information Services Division

This program provides overall policy direction and supervision of department programs, administering a variety of agricultural financial assistance programs and providing support services for the department.

Priority projects with timelines

Project Unity

In 1995, the Minnesota Department of Agriculture began the development of a multi-year information technology initiative called Project Unity to modernize its information systems. This information resources management plan was developed to provide a road map for improving systems, technology, and the delivery of MDA services. The 1997 State Legislature approved a one-year appropriation of \$1.2 million to begin Project Unity.

Phase 1 (July - December 1997) identified the department's needs, infrastructure and information management, and created a plan for updating and restructuring a wide variety of business processes and systems. This phase also outlined recommendations

for the department's information strategy such as standardizing software, prioritizing information technology investments and upgrading outdated network components. In addition, Phase 1 included the selection of the first priority system to be re-engineered--the licensing system.

Phase 2 (January 1998 - February 1999) will include steps for the analysis, design, development and implementation of the new department-wide licensing information system. In addition, critical technical advances identified in Phase 1 will take place during this time. They include installation of remote access equipment, an update to the network operating system, enhanced security and backup procedures, and a database management system. These changes were critical to current business operations and essential elements of the new licensing information system.

Funding requested in the FY 00-01 budget initiative will enable us to continue with our information resource plan. Phase 3 (July 1999 - June 2001) includes the next process improvement system which will provide enhanced data management relating to inspections, compliance, and laboratory program activities. This department-wide project continues to replace obsolete, disparate, and inefficient programs with a department-wide integrated network of relational data.

Upcoming events / important dates

The following are national, state, and local agriculture-related events:

January

Ag Statistics Surveys

Ongoing surveys relating to crops, livestock, prices farmers receive and pay, farm labor and ag chem usage

National Diet Month

National Environmental Policy Act Anniversary

January 1

National Oatmeal Month

February

American Heart Month
 Canned Food Month
 NASDA Mid-Year Meeting
 National Cherry Month
 National FFA Week
 National Pancake Week
 National Potato Month
 Soybean Month

March

International Fancy Food & Confection Show
 National Agriculture Day
 First day of spring
 National Agriculture Week
 School visits with ag volunteers
 National Frozen Food Month
 National Noodle Month
 National Nutrition Month
 National Pig Day
 National School Breakfast Week
 Natural Products Expo West
 Maple Syrup Day
 Master Gardener Day
 Opening of Duluth Harbor
 March/April depending on weather
 Opening of River Barge Season
 March/April depending on weather
 Waste Pesticide Collections
 Most occur between late March and October with northern counties in even-numbered years and southern counties in odd-numbered years.

April

Earth Day
 Farmers Market Opening/Season
 April through October
 Maple Syrup Month
 National Arbor Day
 Last Friday of April
 National Garden Week
 National Lawn and Garden Month
 Nitrate Clinics
 April through September
 Pick Your Own (fresh produce)
 April through December
 World Health Day

May

Arbor Month
 County Fairs
 Summer and fall
 FMI/US Food Export Showcase
 National Barbecue Month
 National Beef Month
 National Egg Month
 National Hamburger Month
 Sustainable Ag Farm Field Days
 May through October
 USDA Ag in the Classroom National Conference

June

Dairy Month
 National Association of State Aquaculture Coordinators
 National Beef Steak Month
 National Fresh Fruit and Vegetable Month
 Pest Control Month
 Turkey Lovers' Month

July

Forage and Hay Expo
 End of July or beginning of August
 MASDA Annual Meeting
 National Baked Bean Month
 National Ice Cream Month
 National July Belongs to Blueberries Month

August

Agri-Growth Tour
Crop Day
FarmFest
National Veterinary Week
National Water Quality Month
Minnesota State Fair
End of August through Labor Day (runs ten days)

September

Corporate Gift Show
Food Safety Month
NASDA Annual Meeting
National Chicken Month
National Farm Animals Awareness Week
National Farm Safety Week
National Honey Month
National Organic Harvest Month
National Rice Month (cultivated wild rice)
Natural Products Expo East

October

National Apple Month
National Consumers Week
National Pork Month
National School Lunch Week
Produce Marketing Association Trade Show
United Nations World Food Day
World Dairy Expo
World Farm Animals' Day

November

Homemade Bread Day
National Farm City Week
Week of Thanksgiving
School visits with ag volunteers
Peanut Butter Lovers' Month

December

Governor's Ag Summit

Strategic plans

In 1995, MDA contracted with the Management Analysis Division of the Department of Administration to assist in the development of a strategic plan for the agency. This plan focused on the agency's need to create a new structure and to change management practices to provide greater vision and leadership for the agency. The implementation of this plan began in October 1995 with the restructuring and combination of divisions. The plan is now in its final phase with the change of management practices being implemented in the Administrative Services and Information Services divisions.

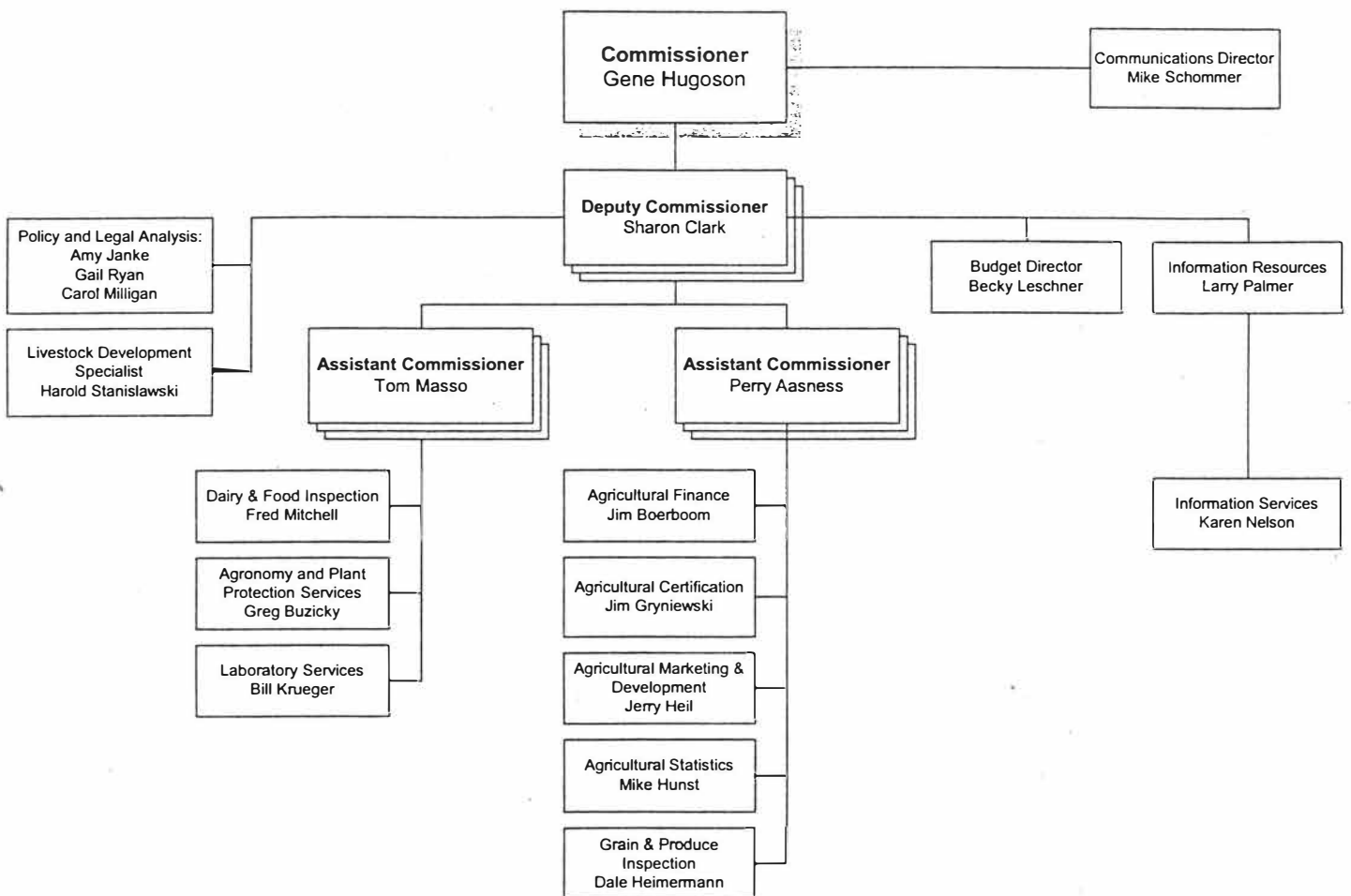
One outcome of this strategic plan was the creation and development of a comprehensive information technology plan—Project Unity. Project Unity was presented to the Legislature in the 1997 session. We received a one-time appropriation to begin the plan and instructions to come back and report our progress. Phases 1 and 2, department-wide analysis and an integrated licensing system for all divisions of this plan, is in the final stages. Funding for Phase 3, the inspection and analysis component, plus base funding increases, will be a budget initiative for the 1999 Legislature.

The next strategic plan is now in the first stages of being developed. Each division has completed function forms for all activities. Included in the function forms are specific sections that address the future direction and needs of the activity. These function forms are currently being reviewed, and meetings will begin in the spring to discuss objectives and performance measures.

Copies of the Management Analysis Study, Project Unity, and all 100 function forms are available from the agency.

Organization chart

Minnesota Department of Agriculture



Budget and personnel overview

Division	FTE's		Expense Budgets		Revenue Budgets	
	As of 06/30/98	Percent	Total FY 98-99	Percent	Total FY 98-99	Percent
Agronomy & Plant Protection	149.40	30.6%	\$ 22,606,165	14.0%	\$ 20,373,223	25.1%
Dairy & Food Inspection	77.50	15.9%	11,692,642	7.3%	8,184,301	10.1%
Laboratory Services	47.80	9.8%	7,832,753	4.9%	707,078	0.9%
Grain & Produce Inspection	78.80	16.1%	10,364,044	6.4%	10,053,519	12.4%
Agricultural Certification	22.50	4.6%	2,652,396	1.6%	2,128,471	2.6%
Ag Marketing & Development	49.10	10.1%	59,603,884	37.0%	763,119	0.9%
Administrative Services	24.90	5.1%	3,987,840	2.5%	3,441,271	4.2%
Information Services	10.50	2.2%	1,504,765	0.9%	19,819	0.0%
Agricultural Finance	6.00	1.2%	33,221,452	20.7%	34,455,246	42.6%
Agricultural Statistics	3.00	0.6%	373,883	0.2%	78,141	0.1%
Commissioner's Office	18.70	3.8%	7,220,897	4.5%	881,031	1.1%
Total	488.20	100.0%	\$ 161,060,721	100.0%	\$ 81,085,219	100.0%

NOTE 1: The expenditures above include the actual expenditures and certified encumbrances for fiscal year 1998, as of September 25, 1998 and expense budgets established for fiscal year 1999 (allotments). Revenues include actual recognized revenue for fiscal year 1998 and budgeted revenues for fiscal year 1999.

NOTE 2: Included in expenditures above are the following Legislative Commission on Minnesota Resources (LCMR) appropriations, ethanol producer payments, loans, and other one-time appropriations that are not supported by fees:

LCMR Projects	\$ 806,878
Federal Crop Insurance Assistance	6,862,126
Ethanol Producer Payments	49,651,000
Agricultural Best Management Practices (Ag BMP) Loan Program	16,424,431
Individual Septic Treatment System (ISTS) Loan Program	1,829,766
Disaster Recovery Loan Program	400,000
Project Unity, Information Technology Project	1,200,000
Year 2000, Information Technology Project	175,502
MN Grown Coupon Program	992,883
Total	\$ 78,342,586

NOTE 3: Included in Agricultural Finance's revenues is \$31,636,466 in loan interest payments, loan principal repayments, and short-term investment earnings which are designated for debt service on bonds issued to make Rural Finance Authority loans.

Description of divisions

Agricultural Certification Division

90 West Plato Blvd., St. Paul, MN 55107-2094
651-297-2980 Fax 651-297-2504
Jim Gryniewski, Director
Staffing: 22.5 FTE

This activity reduces the marketing risks for buyers and sellers of raw agricultural products through certification, licensing, bonding and weighing services.

This activity licenses and requires bonds from:

- Grain buyers
- Grain storage elevators
- Wholesale produce dealers
- General merchandise warehouses
- Livestock dealers, markets and agents

This activity certifies:

- Honey bee colonies for interstate shipment

This activity provides weighing services to:

- Livestock producers and purchasers at packing plants

Agricultural Finance Division

90 West Plato Blvd., St. Paul, MN 55107-2094
651-296-6187 Fax 651-296-9388
Jim Boerboom, Director
Staffing: 6 FTE

Programs administered by the Agricultural Finance Division are designed to enhance Minnesota's agricultural production and processing capacity. Four management activities are administered within the setting of agricultural finance:

- Rural Finance Authority (RFA)
- Sustainable Agriculture Loan Program
- Agricultural Best Management Loan Program
- The Minnesota Corporate Farm Law

Other programs administered by the RFA include:

- Agricultural Development Bond (Aggie Bond)
- Value Added Stock Loan
- Disaster Recovery Loan
- Ethanol Facilities Loan
- The Sustainable Agriculture Program
- The Agricultural Best Management Program
- The Corporate Farm Law
- The Family Farm Security Program

Agricultural Marketing and Development Division

90 West Plato Blvd., St. Paul, MN 55117-2094
651-296-7686 Fax 651-296-4421
Jerry Heil, Director
Staffing: 49.1 FTE

This activity develops and provides services and programs to Minnesota farmers, the agricultural sector, and the public. Services include marketing and market development, environmental protection, the development and transfer of technology and practices, and agricultural education.

Agronomy and Plant Protection Division

90 West Plato Blvd., St. Paul, MN 55107-2094
651-296-5639 Fax 651-297-2271
Greg Buzicky, Director
Staffing: 149.4 FTE

The mission of this division is to serve and protect the citizens of Minnesota and the state's agriculture environment and economy through education, technical assistance, certification and regulation.

This activity administers statutes that regulate farm and urban uses of:

- Pesticides
- Fertilizers and ag lime
- Seed
- Commercial feed
- Noxious weeds

This activity also regulates or manages:

- Plant and exotic pests
- Nursery stock
- Agricultural export certification

Dairy and Food Inspection Division

90 West Plato Blvd., St. Paul, MN 55107-2094

651-296-2627 Fax 297-5176

M. Fred Mitchell, Director

Staffing: 77.5 FTE

This activity administers the dairy and food laws and regulations designed to protect consumers from substandard products, misinformation, and fraudulent foods. It protects the public health by assuring the safety of foods destined for shipment in intrastate, interstate and international commerce.

This activity licenses and inspects the following food operations:

- Dairy farms and plants
- Licensed food, meat, fish, poultry, and beverage establishments
- Food warehouses and retail food markets
- Food vending machines

Grain and Produce Inspection Division

316 Grain Exchange Bldg., 400 South 4th Street
Minneapolis, MN 55415

612-341-7190 Fax 612-349-2616

Dale Heimermann, Director

Staffing: 78.8 FTE

This activity exists to ensure that producers have fair market access. It protects their products, represents consumer interests, and facilitates trade. This is accomplished by voluntary and mandatory inspections by licensed, unbiased staff using official methods and equipment.

This activity weighs, samples, inspects, and tests grain and produce for:

- Producers
- Processors

- Wholesalers and Retailers
- Elevators
- Transportation and Trading Groups

This activity also is responsible for the Minnesota Certified Seed Potato Program, which is locally, nationally, and internationally renowned.

Laboratory Services Division

90 West Plato Blvd., St. Paul, MN 55107-2094

651-296-3273 Fax 651-297-8787

Bill Krueger, Director

Staffing: 47.8 FTE

Mission of the Laboratory Services Division is to provide prompt, objective and accurate analysis; information; and technical leadership in cooperation with department programs, applicable laws, and regulations which protect the state of Minnesota's agriculture, environment and food chain.

These analytical activities support the department's regulatory work and help protect consumers, farmers, processors and the environment through the elimination of fraud and error in the production, processing, marketing and consumption of agricultural/food products.

General Support Services

Administrative Services Division

90 W. Plato Blvd., St. Paul, MN 55107-2094

651-296-2323 Fax 651-297-7868

Becky Leschner, Director

Staffing: 24.9 FTE

Agricultural Statistics Service

8 E. 4th Street, Suite 500

St. Paul, MN 55101

651-296-2230 Fax 651-296-3192

Michael Hunst, Director

Staffing: 3 FTE

Commissioner's Office

90 W. Plato Blvd., St. Paul, MN 55107-2094
651-297-3219 Fax 651-297-5522
Gene Hugoson, Commissioner
Staffing: 18.7 FTE

Information Services Division

90 W. Plato Blvd., St. Paul, MN 55107-2094
651-297-2015 Fax 651-282-2442
Karen Nelson, Director
Staffing: 10.5 FTE

This budget activity provides leadership and support to the department through the administration of general support services.

The management activities grouped in this area include the Commissioner's Office, Administrative Services, Information Services and the Minnesota Agricultural Statistics Service. The duties of these activities include policy development, direction and communication by the Commissioner's Office; centralization of general support services such as accounting, personnel, and information services; and the collection and publishing of agricultural statistics.

In addition to serving the department's division staff, this activity also serves a wide range of outside clients, including other state agencies, farmers, agricultural businesses, industry groups, news media, and the citizens of Minnesota. With the exception of the Minnesota Agriculture Statistics Service — a federal-state partnership — the tasks performed in this area are wholly the responsibility of the state, because they support other state-level activities.

With the many technological advances of recent years, this activity performs the necessary function of monitoring the department's information resource needs to look for ways to improve the speed, efficiency and staff/customer access to relevant information. Finally, as the agriculture industry becomes more global and as new techniques make farming an exact science, the need for highly accurate statistical information increases.

Through these services, the public benefits by having an effective, efficient state agriculture department that is customer-friendly and responsive to changes in the industry. It also benefits from agricultural statistics, which help provide a snapshot of the industry.

Other Information

Function Book

In addition to the information presented here and material found in other documents such as the Biennial Report, Biennial Budget and Strategic Plan, we are currently preparing an internal document called the Function Book. This publication details the activities of the department at the function level, describing services, clients, authorization, goals and successes. A copy of this 100-page publication is available on request.

