



Agricultural Emergency Account

2023 Fiscal Year Report

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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. An additional appropriation of \$4 million was added to the Account in FY2022.

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 over 388,000 jobs, all depending on a quick and efficient response to all ag emergency situations.

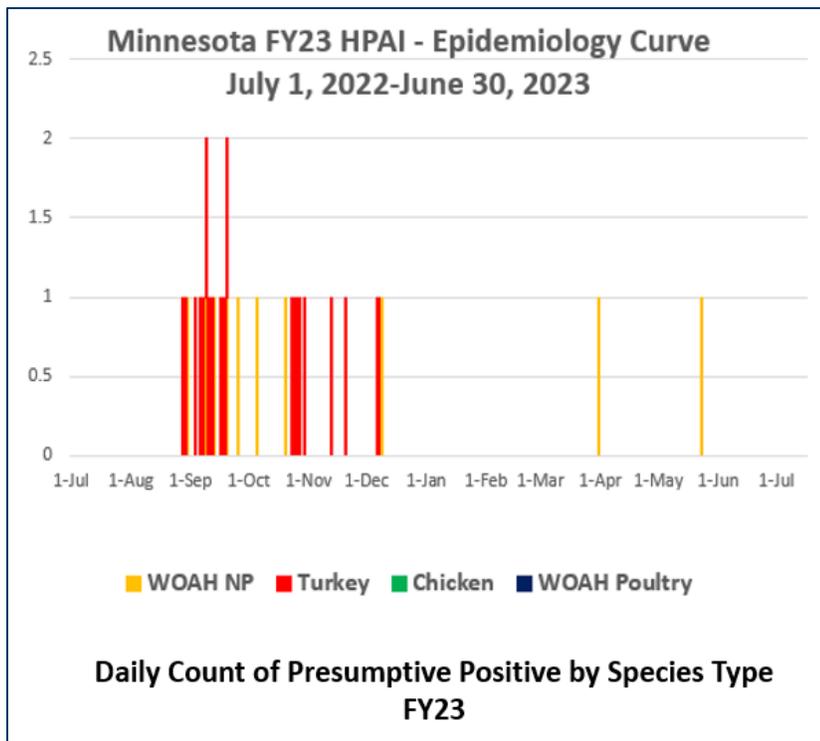
This report is submitted based on fiscal year expenditures and activities. This report is submitted in accordance with Minnesota Statute (MINN. STAT. 17.041.3). No later than February 1 each year, the commissioner must report activities and expenditures under this section to the legislative committees and divisions with jurisdiction over agriculture finance.

2022-2023 Activities

The scope of this report covers July 1, 2022-June 30, 2023.

In fall 2021, reports from the United Kingdom and Europe indicated an uptick in HPAI. HPAI is a listed foreign animal disease that requires special action at the state and federal levels to detect, mitigate, and control because of the international trade impacts the presence 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.

The start of this fiscal year brought an uneasy break from the Highly Pathogenic Avian Influenza (HPAI) response. The disease continued to impact other states throughout the year and went on to infect populations of wild birds around the globe, even several species of land and marine mammals. During FY 2023, 32 premises across Minnesota had confirmed HPAI-positive results, plus one epidemiological linked premises. Nearly 3 million domestic birds were depopulated during this event. 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 following graph shows the frequency of positive cases, separated by species, that Minnesota's response team managed during the time period.



The multi-agency Minnesota Ag Incident Management Team (IMT), along with our industry partners, were on alert and poised for action when the first fall infection in Minnesota was confirmed on August 30, 2022. The team engages in a continuous cycle of improvement to respond to lessons learned from previous activities and applied the changes to response work in 2022. The Ag Emergency Account was again available to cover up-front costs, such as staff responder salaries and contractor travel, 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.

Adequate staffing for the HPAI incident is the key to a successful response. Responders from the MDA are current employees with a variety of backgrounds and skillsets. They volunteer to join the IMT to learn more about incident response, to support the poultry industry, and to be a part of the largest foreign animal disease response in our nation’s history. The flexibility to use the Ag Emergency Account is critical to compensate employees who may be working on dedicated grant or general fund dollars. Program managers are much more willing to offer staff if the incident pays for their time. 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 through a cooperative agreement, as are all travel-related expenses. In total, 64 MDA employees logged time toward HPAI response work in FY23, with a mean of 194 hours per person.

An Incident Command Post (ICP) was moved from a Kandiyohi County facility to a private secure suite on the nearby MinnWest campus in Willmar. The lease was maintained from November 2022 through June 30, 2023, as a remote base to manage the HPAI incident. The facility was used by field staff, temporary USDA staff, and supply staff. Rent was paid to MinnWest for use of their facility in Willmar. Various office supplies, printers, and disposal services were needed to support the ICP activities.

A major expense incurred during the HPAI response was payment of the state Full-Service Emergency Response contractors. These contractors are very experienced and highly regarded by growers. To retain this valuable resource and promote in-state solutions to the HPAI crisis, the Ag Emergency Account was used to support the work of the depopulation crews most familiar with Minnesota's turkey industry. State contractors are 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. The state contract stipulates hourly wages and equipment costs, which exceed the reimbursement rate from USDA, 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 eight commercial premises.

Class A firefighting foam is the most common supply need for depopulation of floor-raised birds. The foam is pumped into the barn where birds are penned to cause a quick and humane death. The poultry industry prefers to have a constant inventory of 40-50 barrels of foam for quick deployment to a series infected premises, so the stockpile is kept in Morris with state contractors for immediate use as needed. Foam was purchased with Ag Emergency Account dollars to ensure that critical depopulation times are met.

Pre-movement testing for avian influenza is required for all flocks. HPAI surveillance testing specifically for incident response is covered by the federal government. This year, the Ag Emergency Account was used to subsidize poultry industry pre-movement testing at the University of Minnesota's Veterinary Diagnostic Labs because results were used to add to Minnesota's HPAI surveillance program.

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.

Ag Emergency Account Budget (B049A93)

Table 1: Account transaction comparison between two fiscal years.

Transaction	FY22	FY23
Revenues:		
Transfer In	4,000,000	
Roll Forward In	425,839	3,934,661
Interest	4,108	91,755
Subtotal	4,429,947	4,026,416
Expenditures:		
Payroll	322,016	252,479
Space Rental		97,454
Contract Services	127,194	1,038,520
Equipment		3,239
Supplies		57,201
Communications		40,824
Employee Development		175
Travel		13,009
MNIT Services	46,075	27,027
Other Operating Costs		1,775
Subtotal	495,285	1,531,705
Fiscal Year Ending Balance:	3,934,661	2,494,710