



Agricultural Emergency Account

2024 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 Fiscal Year (FY) 2022.

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 65,300 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 and 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.

2023-2024 Activities

The scope of this report covers July 1, 2023 – June 30, 2024.

Highly Pathogenic Avian Influenza

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, and Minnesota saw its first case of the outbreak confirmed on March 26, 2022.

The beginning of FY24 saw a lull from the HPAI response. The disease continued to impact other states throughout the year and went on to infect populations of wild birds around the globe, along with several species of land and marine mammals. During FY 2024, 45 commercial premises across Minnesota had confirmed HPAI-positive results in various production types, including meat birds, breeder turkeys, and egg layer chickens, along with 12 non-commercial “backyard” premises. 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.

H5N1 in Cattle

Intermixed with the poultry response, the MDA supported a response to H5N1 infection in dairy cows. A dairy-specific strain of avian influenza was identified in Texas in April 2024 and quickly circulated among dairy herds in several states, including Minnesota. The strain remained infectious to poultry and threatened the health of both species, making the response more critical. Federal financial supports were made available in May for the dairy industry to invest in personal protective equipment, or PPE, for on-farm personnel, biosecurity improvements, and lost milk reimbursements.

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 October 11, 2023. 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 this fiscal year. The Ag Emergency Account was used 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.

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. 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, 45 IMT employees logged time toward HPAI response work in FY24, with a total of 3,406 hours worked.

A major expense incurred during the HPAI response was payment of the state Full-Service Emergency Response contractors. These contractors are very experienced in poultry depopulation and are 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 praised by producers for their professionalism, efficiency, 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, including animal disease events. 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 annual maintenance costs of state emergency response assets are directed to be paid through this fund. During this fiscal year, state contractors depopulated 22 commercial premises.

Pre-movement testing for avian influenza is required for all flocks within 21 days of slaughter. HPAI surveillance testing specifically for incident response is covered by the federal government. Again, in FY24, the Ag Emergency Account was used to subsidize poultry industry pre-movement testing at the University of Minnesota's Veterinary Diagnostic Labs because results contributed to Minnesota's overall HPAI surveillance program.

Technology resources available through MNIT ensure that staff working on emergency responses are connected to each other and official records platforms. Networking hardware, workstation support, and GIS support for preparedness and response activities are all made possible through access to Ag Emergency Account funds.

Ag Emergency Account Budget

The balance of the Ag Emergency Account as of January 28, 2025, is \$1,274,611. The account balance fluctuates with preparedness and response needs. The following three tables tally the revenues, expenditures, and totals for the previous three fiscal years.

Table 1: Account revenue comparison through fiscal years 2022-2024.

Account Revenues	FY22	FY23	FY24
Transfer In	4,000,000	-	1,000,000
Roll Forward In	425,839	3,934,661	2,492,711
Interest	4,108	91,755	140,316
Subtotal	4,429,947	4,026,416	3,492,964

Table 2. Account expenditure comparison through fiscal years 2022-2024.

Account Expenditures	FY22	FY23	FY24
Payroll	322,016	252,479	185,638
Space Rental	-	97,454	11,000
Contract Services	127,194	1,038,520	626,360
Equipment	-	3,239	-
Supplies	-	57,201	104,496
Communications	-	40,824	293,854
Employee Development	-	175	-
Travel	-	13,009	2,235
MNIT Services	46,075	27,027	16,135
Other Operating Costs	-	1,775	4,765
Subtotal	495,285	1,531,705	1,244,482

Table 3. Account balance comparison through fiscal years 2022-2024.

Fiscal Year	FY22	FY23	FY24
Ending Balance:	3,934,661	2,494,710	2,202,549