



Agricultural Emergency Account

2025 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.

2024-2025 Activities

The scope of this report covers July 1, 2024 – June 30, 2025.

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.

By 2025, HPAI has been detected in all 50 states and Puerto Rico, affecting both commercial and backyard flocks of turkeys, chickens, ducks, and game birds. Nationally, 174.89 million domestic birds have been affected by this disease through this fiscal year and the virus has shown no signs of abating its deadly impact. Full indemnity for on-farm actions can be taken with a presumptive positive test result.

In Minnesota, the beginning of FY25 saw a lull from the HPAI response. The disease continued to have minor impacts in other states throughout the summer for a total of 17 cases this fiscal year. During FY25, the Ag Emergency Account funds supported the response to these cases throughout the lifetime of the cases. In this fiscal year, 11 commercial premises across Minnesota had confirmed HPAI-positive results in various production types, including meat birds and breeder turkeys, along with six premises designated as “World Organization for

Animal Health (WOAH) non-poultry” 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. Between July 1 and July 17, 2024, two Minnesota dairy farms were infected with H5 virus. Response expenses related to these detections were minimal, covered by general funds or partner agencies.

Incident management

The multi-agency Minnesota Ag Incident Management Team (IMT), along with our industry partners, were on duty responding to an unusual burst of summer infections in the prior fiscal year. The Ag Emergency Account was used to cover up-front costs, such as staff responder regular time salaries, and for immediate depopulation efforts to control the spread of the disease. All overtime, travel, and 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 grants or dedicated fund dollars. Program managers are much more willing to make staff available to the incident if their time is compensated. 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 reimbursed by USDA through a cooperative agreement, as are all travel-related expenses. In total, 30 IMT employees logged time toward response work in FY25, with a total of 1,788 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 poultry 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 six commercial premises due to HPAI.

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 FY25, 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.

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) expenses are covered under the cooperative agreement, expectations for computing infrastructure have increased expenses through Minnesota IT Services (MNIT). Networking hardware, workstation support, and GIS support for preparedness and response activities are all made possible through access to Ag Emergency Account funds.

Animal welfare

Pure Prairie Poultry Inc., a broiler processing company based in Minnesota, abruptly closed their Iowa processing plant in early October 2024 due to financial issues. The growers of approximately 250,000 broilers on six Minnesota farms were stuck with birds they didn't legally own, and the financial state of the company meant that feed mills contracted to haul feed to the farms would not be paid. Both the department and the Minnesota Attorney General's Office spent a considerable amount of time attempting to procure feed for the birds as well as find a place to process the birds. Ultimately, the legal and financial situation made both feeding the birds and marketing them impossible. After all options were exhausted, the growers requested that the MDA depopulate the remaining birds. Minnesota's Full-Service Emergency Response contractor used state-owned equipment and supplies typical for HPAI response to depopulate approximately 140,000 birds on four farms.

Similar circumstances occurred with birds owned by the same company placed in barns in Iowa and Wisconsin. The Iowa Department of Agriculture and Land Stewardship (IDALS) leveraged their statutory authority to feed birds but were not able to gain legal rights to market them. IDALS requested assistance from the MDA and our contractors. Unable to put Minnesota state resources to work across state lines, the MDA entered into a contract with IDALS to rent the foaming equipment and supplies for a daily fee. IDALS contracted with the depopulation crews separately to complete the work in their state. Revenue from this agreement was deposited into the Ag Emergency Account.

Preparedness

Maintaining readiness requires staff to complete training, exercises, and situational awareness activities. Most of these activities are funding through general funds, but some supplemental support is pulled from the Ag Emergency Account for field trials, supplies, and staff time and travel.

National Milk Testing Strategy

A December 6, 2024 Federal Order established the National Milk Testing Strategy (NMTS) to execute testing of raw milk in the contiguous states to detect the H5N1 virus. Minnesota developed a program that utilized samples that are already being collected for a variety of other tests and planned for 100% of its 1,650 dairy farms being tested each month. Unfortunately, federal funds for this program were frozen in January 2025, prior to Minnesota's implementation of the plan.

On January 31, 2025, the NMTS detected a new cluster of infected herds in the southwestern part of the U.S. with a different serotype, which heightened the concern and need to implement the plan. MDA leadership evaluated whether the agency should continue to wait for federal funding to support the program, or use state funds to launch the program expecting that federal support would resume later. They determined that Minnesota’s animal industries were best served by initiating sampling prior to federal funding availability. This allowed program officials to initiate the program, including acquiring sampling supplies, and coordinating training at the labs. Fortunately, the federal funding that covered supplies, transportation of samples, and the industry lab fees for collecting the samples was released soon after and the MDA was reimbursed for these costs. Federal funding did not cover staff time needed to develop, implement, and monitor the program so Ag Emergency funds were used to support this activity throughout FY 2025.

Ag Emergency Account Budget

Table 1. Account transaction comparison through fiscal years 2023-2025 (in U.S. dollars)

Transaction	FY23	FY24	FY25
Revenues:	-	-	-
Transfer In	-	1,000,000	-
Roll Forward In	3,934,661	2,494,711	2,892,188
Interest	91,755	140,316	95,458
Agency Direct Cost Reimbursement	-	-	99,965
Subtotal	4,026,416	3,635,027	3,087,611
Expenditures:	-	-	-
Payroll	252,480	185,638	129,407
Space Rental	97,454	12,410	-
Contract Services	1,038,521	374,302	251,305
Communications	40,824	44,269	5,481
Travel	13,009	2,235	620
Employee Development	175	-	-
MNIT Services	27,027	16,135	18,274
Supplies	57,201	104,496	220,818
Equipment	3,239	-	-
Other Operating Costs	1,775	4,765	25,023
Medical	-	(1,140)	423
Subtotal	1,531,706	742,839	631,351
Fiscal Year Ending Balance:	2,494,711	2,892,188	2,456,260