

870611

This document is made available electronically by the Minnesota Legislative Reference Library  
as part of an ongoing digital archiving project. <http://www.leg.state.mn.us/lrl/lrl.asp>

LEGISLATIVE REFERENCE LIBRARY  
HD1775.M6 S87 1987  
- Strategies for Minnesota agricultu



3 0307 00053 0330

**STRATEGIES FOR MINNESOTA AGRICULTURE**

A Report of the

State Agricultural Policy Project

MARCH, 1987

MINNESOTA DEPARTMENT OF AGRICULTURE  
90 WEST PLATO BOULEVARD  
ST. PAUL, MINNESOTA 55107

LEGISLATIVE REFERENCE LIBRARY  
645 State Office Building  
Saint Paul, Minnesota 55155

HD  
1775  
.M6  
S87  
1987

To The Honorable Rudy Perpich, Governor  
130 State Capitol

February, 1987

During the past several months, the department organized and worked with an Advisory Committee and several work teams on a state agricultural policy project. The purpose was to identify issues and opportunities affecting Minnesota agriculture, and to define a role for the state in this matter. The project provides a framework for developing a forward-looking state agricultural policy.

Assistant Commissioner Anne Kanten chaired the Advisory Committee whose members were representative of Minnesota agriculture and agri-business. In addition, dozens of other people participated on work teams organized around topical areas. In all, well over one hundred individuals were involved in the effort.

This report is the result of all the work. In it you will find a concept or viewpoint regarding the role the state ought to play in agriculture. Inherent in the many recommendations is a strategy - a strategic point of view - about what Minnesota can and must do to deal with and move beyond the present crisis that grips so much of our nation's heartland. The recommendations are made, however, with full recognition that the central farm issue is and always will be federal farm policy and the prices received for commodities.

The recommendations can be grouped into five areas which depict roles for the state in agricultural policy.

- Getting maximum profit out of what we produce. Several recommendations aim at increasing profitability by reducing production costs and improving commodity marketing, handling and selling.
- Developing alternatives for what we produce. The report recommends expanding in-state agri-processing efforts and conducting research and development on new items made from traditional agricultural products.
- Producing new marketable commodities. There are recommendations for diversifying agricultural production through increased market research and development.
- Farming in an environmentally sound manner. Several recommendations are made to help manage Minnesota's agricultural resource base in a productive but also environmentally sound manner.

- Improving the agricultural regulatory support system. The report has suggestions to improve Minnesota's regulatory program to assure the productivity of farmers as well as the movement of agricultural products into commerce.

We feel the recommendations, if enacted, will move the state forward in dealing with areas of critical concern to the future of Minnesota agriculture. One area is the current financial crisis. The state has enacted several provisions to deal with current financial problems, and this report contains recommendations to continue programs which ease the financial burden of Minnesota farmers while facilitating the process of debt adjustment. Other recommendations suggest initiatives crucial to the future well-being of Minnesota agriculture, such as diversification and market development initiatives that must be made in order to move beyond current circumstances.

Another area involves a body of issues that are just emerging. Agricultural practices and the use of natural resources are coming under close scrutiny due to concerns over such issues as soil erosion, non-point pollution, etc. Several recommendations address issues of environmental protection and stewardship.

An area that we will investigate at some future point is the effect of bio-technology upon plant and animal production.

The results of countless hours of work are contained in this report. On behalf of the Advisory Committee and all those who worked on the project, I transmit it for your consideration. We hope the recommendations contained herein will help us move through and beyond the current crisis.

Respectfully yours,

  
Jim Nichols  
Commissioner

JN:kvr

cc: Marlene Johnson, Lt. Governor  
Lani Kawamura, Director, State Planning Agency  
Jay Kiedrowski, Commissioner, Department of Finance  
Advisory Committee Members

## TABLE OF CONTENTS

	<u>Page</u>
Forward . . . . .	.ii
List of Priority Recommendations. . . . .	.iv
Introduction. . . . .	1
Process . . . . .	1
Summary of Work Team Reports	
Profitability . . . . .	2
Agricultural Credit and Finance . . . . .	5
Agricultural Diversification. . . . .	8
Food Quality. . . . .	.11
Marketing . . . . .	.12
Agricultural Practices/Environmental Effects. . . . .	.14
Land Tenure . . . . .	.17
Regulation. . . . .	.20
Image of Agriculture. . . . .	.22
Education . . . . .	.24
Appendices	
A - Advisory Committee Membership . . . . .	.27
B - Membership of Work Teams. . . . .	.31
C - Process . . . . .	.37
D - Organizations Surveyed. . . . .	.41

## LIST OF PRIORITY RECOMMENDATIONS

### AGRICULTURAL CREDIT AND FINANCE

- **FUND MEDIATION ADEQUATELY.** The legislature should continue the mediation program and fund it adequately. Additional funds ought to be provided for support resources, such as the Farm Advocate Program and Farm Management programs, to assist farmers in preparing for mediation.
- **REAUTHORIZE INTEREST WRITE-DOWN PROGRAM.** The legislature should reauthorize the interest write-down program for farm operating loans for the 1987-89 biennium.
- **ASSIST WITH DEBT RESTRUCTURING.** The legislature should amend the Minnesota Rural Finance Administration law to allow utilization of the homestead buy-back portion of the program.

### AGRICULTURAL PRACTICES/ENVIRONMENTAL EFFECTS

- **COMPLETE SOIL MAPPING.** The legislature should encourage and provide funds to complete soil mapping. The eight remaining counties should be encouraged to participate in soil surveys.
- **STRENGTHEN AGRICULTURAL CHEMICAL REGULATION.** The legislature should strengthen Minnesota Pesticide Control Law to improve control over handling and application of pesticides and establish new requirements necessary for the protection of public health and environmental quality. Administration of the Pesticide Control Law should remain with the MDA. The MDA should also increase activities related to enforcement of these regulations. The MDA and Pollution Control Agency should jointly develop and implement programs to reduce problems of chemical container disposal.
- **INITIATE BIOLOGICAL PEST CONTROL.** The MDA and the University of Minnesota should be granted funds to carry out the biological pest control program recommended for funding during the 1987-1989 biennium by the Legislative Commission on Minnesota Resources.
- **REDUCE AGRICULTURAL CHEMICAL USE.** It is recommended that MDA and the University of Minnesota initiate an immediate effort to develop and promote long-range pest control strategies, such as cultural and biological controls, that will provide alternatives to chemical pesticides.
- **ESTABLISH HEALTH RISK ASSESSMENT FOR CHEMICALS.** The MDA and Minnesota Department of Health should take the lead to initiate health risk assessments for chemicals for use in setting health standards and for other decision making purposes regarding these substances.
- **MONITOR GROUNDWATER EFFECTS OF AGRICULTURAL CHEMICAL USE.** The MDA should seek funds to expand current survey and monitoring efforts aimed at detecting pesticides and fertilizers in groundwater. MDA should also serve as a clearinghouse for information and data on pesticides and fertilizers and their impacts on the environment.

- **RETIRE MARGINAL FARMLAND.** The legislature should continue programs to retire highly erodible marginal farmland from production.

#### **DIVERSIFICATION/MARKETING**

- **ESTABLISH AN OFFICE ON AGRICULTURAL DIVERSIFICATION.** The legislature should establish and fund an office within MDA to coordinate state efforts to channel surplus agricultural production capacity towards producing commodities for new non-food uses. The office would identify and encourage ways to diversify Minnesota agriculture.
- **EXPAND CONSUMPTION OF MINNESOTA GROWN OR PROCESSED PRODUCTS.** The legislature should appropriate funds to the Minnesota Grown Campaign to continue and expand upon successful efforts at organizing the marketing activities of Minnesota grown or processed specialty or high value crop producers. The state should survey retailers and farmers to establish potential demand and supply for fresh produce.
- **EMPHASIZE AGRICULTURE TRADE.** A deputy commissionership for Agricultural Trade should be created within the Department of Trade and Economic Development to maintain the visibility of agricultural trade.
- **PROVIDE MARKETING ASSISTANCE.** Assistance should be given to Minnesota farmers and farm associations to develop marketing or processing strategies and materials by reauthorizing the agricultural development grant program.
- **DETERMINE AGRI-PROCESSING POTENTIAL.** The state should conduct a study to determine the potential for increasing in-state processing of agricultural commodities and the extent that materials and additives being used in such processing can be produced locally.

#### **REGULATION**

- **REQUIRE UNIFORMITY IN GRAIN TESTING.** The legislature should enact legislation requiring uniformity in equipment and establishing standards for testing of protein in wheat and other small grains, as well as testing standards for oil/protein. The state should also require uniformity and establish standards for moisture testers.
- **MAINTAIN GRAIN QUALITY.** The MDA should, in cooperation with applicable agencies, encourage all grain handlers to use recommended or approved methods of handling and storing of grain products, including proper aeration and pest control.
- **INVESTIGATE GRAIN STORAGE AND MARKETING PROBLEMS.** The MDA should study the economic impacts of storing grain for several years and the consequences of current marketing and storage practices. If the Interstate Grain Marketing Compact is established, it should assume this role.
- **PROVIDE REGULATORY SUPPORT FOR AGRICULTURAL INDUSTRIES.** The legislature should appropriate funds to continue laboratory facilities and other regulatory support programs at levels adequate to meet the needs of interstate commerce and public health.

- **ELIMINATE DUPLICATION.** The MDA should continue to pursue written cooperative agreements with local health agencies to eliminate real or potential duplication of inspections and licensing of food establishments.

#### LAND TENURE

- **STRENGTHEN CORPORATE REPORTING.** The MDA should evaluate the effectiveness of the reporting requirements and penalties for non-compliance in the corporate ownership law.
- **ASSIST BEGINNING AND REENTRY FARMERS.** The Family Farm Security Program (FFSP) and other mechanisms should be authorized to provide beginning and reentry farmers access to the lower land prices currently available. The FFSP should be encouraged to sell acquired properties to beginning and reentry farmers who meet the FFSP requirements; and to enter into agreements with agricultural creditors regarding acquired properties.
- **EVALUATE CREDITOR DIVESTITURE POLICIES.** The legislature immediately should begin to monitor the divestiture policies of lenders who have acquired farm properties, and to evaluate the impact of their timetables or policies for divestiture of acquired properties.

#### RESEARCH AND EDUCATION

- **DEVELOP A PILOT FARMS PROJECT.** The MDA should establish a pilot project using actual farms to evaluate FINPACK (the computerized farm financial planning and analysis package) by users; analyze cost-effective approaches to energy management; monitor ways to reduce input costs; and evaluate chemical use and application equipment efficiency and management of other input costs.
- **INVOLVE FARMERS IN RESEARCH.** Farmer participation in agricultural research and demonstration activities ought to be increased through utilization of advisory boards representative of types and sizes of farms. Periodic turnover of membership should be required. Some research should be performed on actual operating farms with producers playing an integral part in the research process.
- **ASSIST CAREER TRANSITIONS.** The state should continue and expand programs for the training and education for dislocated farmers and farmers needing off-farm employment.
- **EDUCATE ABOUT AGRICULTURE.** The legislature should continue educational programs such as "Minnesota Agriculture In The Classroom," and "Ag Extravaganza" so as to foster an awareness of agriculture among the non-farm population.
- **COORDINATE AG EDUCATION.** The legislature should assign a coordinating body, such as the Minnesota Council for Coordinating Education in Agriculture, to provide a mechanism for coordinating resources committed to agricultural education from K through college.



## WORK TEAM REPORTS

### Introduction

This report summarizes work carried out by several work teams, an Advisory Committee and the Minnesota Department of Agriculture (MDA) regarding the development of a state agricultural policy. The entire effort grew out of a charge to MDA to develop a comprehensive agricultural policy for the state. It is intended as a point of reference - a starting point - for further discussion of policies and programs the state of Minnesota ought to adopt regarding agriculture. Of necessity, some of the recommendations deal with the present and coping with the current agricultural crisis. However, most of the recommendations look to the future and, if enacted, would aid in establishing a profitable and environmentally sound agricultural industry in the next century. Other recommendations call for more investigation and analysis of certain topics, with the intent of developing state policies at a later date. Above all, the report is viewed as a working document which can be changed through discussion and further investigation.

### Process

Several steps were taken to initiate the process. After developing a list of topical areas for a state agricultural policy, the department surveyed over 70 organizations or individuals regarding the topical areas. Subsequently, the list was changed based upon 45 responses which the MDA received. Work teams were established for each topical area, and an Advisory Committee was set up to review the work team reports and provide feedback to the department. Each work team presented its ideas and suggestions to the Advisory Committee twice, once in the form of a matrix outline, and secondly as a final work team report. The Advisory Committee offered suggestions and feedback to the Work Groups.

### Summary By Topical Area

The report is organized around the topical areas of the Work Team reports. However, the report is not a simple compendium of those reports, which in most cases are several pages long. The individual topical sections of this report are summations of the Work Team reports and the comments and recommendations of the Advisory Committee. In addition, MDA staff added the sections on statistics. While the foundations for these sections were the Team reports and discussions of the Advisory Committee, there was need for selection and interpretation on the part of staff.

For each topical area, a general goal is stated followed by background data and a statement as to strategies the state should pursue in the matter. The final section contains recommendations for specific actions on the part of the state. The reader will find some overlap among work team reports. There was an attempt to minimize duplication, but only to the extent that such minimization did not change the substance of a Work Team Report.

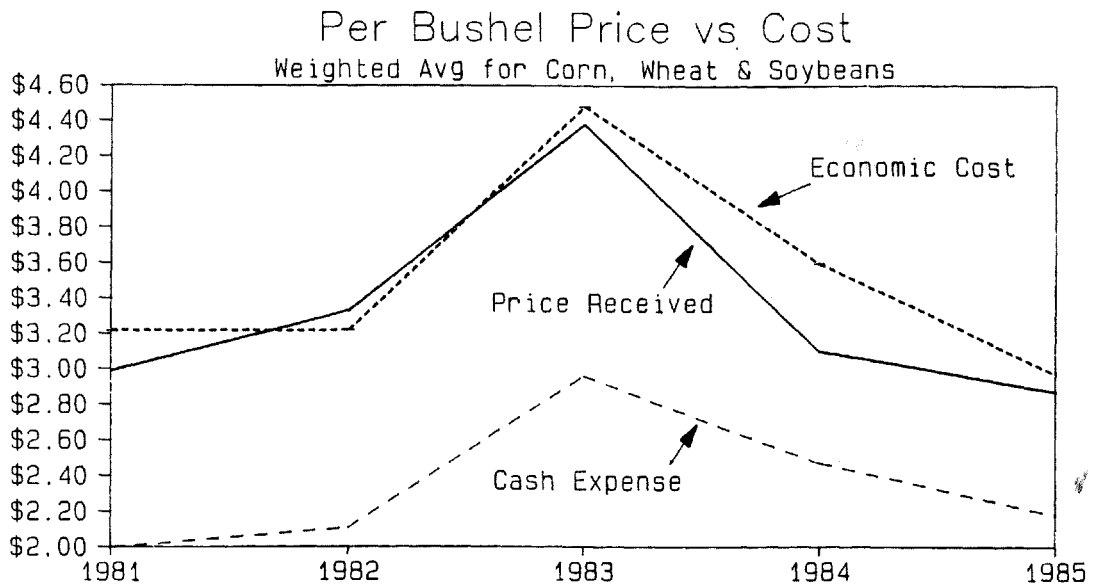


## PROFITABILITY

### Average Farm Expenses

<u>Expense</u>	<u>1976</u>	<u>1981</u>	<u>1985</u>	<u>Change</u> <u>1976-81</u>	<u>Change</u> <u>1981-85</u>	<u>Change</u> <u>1976-85</u>
Livestock	\$16,807	\$31,663	\$30,667	88.4%	-3.2%	82.5%
Crop	9,168	23,326	23,590	154.4%	1.1%	157.3%
Cash Rent	3,176	7,991	12,083	151.6%	51.2%	280.5%
Equipment	5,348	12,397	12,083	131.8%	-2.5%	125.9%
Interest	4,222	18,834	19,735	346.1%	4.8%	367.4%
Labor	3,377	7,300	7,480	116.2%	2.5%	121.5%
Other	<u>3,458</u>	<u>6,911</u>	<u>8,573</u>	<u>99.9%</u>	<u>24.1%</u>	<u>147.9%</u>
<b>Total</b>	<b>\$45,556</b>	<b>\$108,422</b>	<b>\$114,211</b>	<b>138.0%</b>	<b>5.3%</b>	<b>150.7%</b>

[Source: A.V.T.I. Farm Business Management Reports]



[Source: Economic Indicators of the Farm Sector, U.S.D.A.]

The line entitled "Cash Expense" represents the minimum price necessary for the average farmer to cover only the out-of-pocket production expenses. "Economic Cost" takes into account these expenses plus such items as depreciation and allocated returns to operating capital. "Economic Cost" is the minimum price necessary to continue production over the long-run. Note also that this data applies to the entire mid-western region of the U.S., not to Minnesota alone.

## PROFITABILITY

**GOAL:** The state should do the following:

- Administer a comprehensive farm management information system that emphasizes accessibility and farmer involvement.
- Encourage more effort and research aimed at maximizing profits, not yields.
- Develop programs that facilitate the maximum amount of value addition possible to agricultural products before they leave Minnesota.
- Encourage agricultural research at colleges, universities and experimental stations to look at long-term sustainable agriculture and include farmers in the research and extension process.

**BACKGROUND:** The profitability of Minnesota agriculture depends primarily upon price and returns commensurate with the cost-of-production. While the state can have only a limited effect upon price, it can play a role regarding the cost of producing and marketing commodities. This role can be very important since narrow margins often exist between farm profit and loss. According to USDA data, in 1985 the average economic cost for Minnesota farmers - the price a farmer must receive to stay in business over the long haul - to produce corn was 2.5 percent greater than the average price received per bushel. The price received for milk was 3.9 percent less than the economic cost. The average price for soybeans, another major commodity, was above the economic cost by 5.1 percent per bushel. A 5 percent reduction in economic costs or increase in prices received would have had a significant impact on the profitability of corn and milk. The weighted line graph on page 2 show that this relationship generally has held during of the past five years except for 1984.

The involvement of farmers in research and demonstration activities would provide input and feedback. For example, FINPACK is a set of four computer programs developed for farmers, educators and agricultural lenders to use in financial and management planning. These tools are now widely used; they ought to be evaluated to determine farmers understanding of the FINPACK programs, and analyzed to see if the programs meet the needs of farmers.

The major forces driving recent increases in production expenses were rising land and interest costs. There was little the individual producer could do to affect these costs. Another significant expense - the use of chemicals - is a cost that can be affected by management. Field research by the University of Nebraska found significant overuse of chemicals due to inaccurate applications or managerial errors.

The marketing of commodities can have a dramatic effect upon profits or losses. Wide variations in the testing for wheat protein levels were found at some Minnesota elevators during the fall of 1986. The inaccuracy of protein level testing affected the income of farmers and grain elevators. During the fall of 1986, a farmer would have been docked 30 cents a bushel for every 1 percent below a 14 percent protein level; he would have received a bonus of 25 cents a bushel for each 1 percent over the 14 percent level.

Another area of marketing that can affect profitability regards the use of methods such as forward contracting or agricultural options. The delivery of marketing education programs could be expanded through the use of non-formal methods (i.e. video cassettes, etc.). The use of these methods could expand the audience for marketing education programs, providing for a broad dissemination of information.

Another key area for farm profitability lies in federal farm programs. Participation in federal farm programs, either currently or in the future, will require conservation plans that are contingent upon soil surveys. Farmers in counties without soil surveys will be eligible to participate in the programs, such as the Conservation Reserve Program, but will still need soil survey data or SCS assistance. The lack of a soil survey may present a significant barrier to timely participation. Currently, there are 12 counties which have not signed soil survey agreements.

**STRATEGIES:** The role of the state in farm profitability ought to be one of research and demonstration regarding ways to reduce production costs, providing marketing and farm management assistance to farmers, facilitating access to information, and monitoring the marketplace to assure that economic transactions are based upon accurate testing equipment and procedures.

**RECOMMENDATIONS:**

- The legislature should require that institutions of higher education which conduct agricultural research and demonstration activities, develop farmer advisory boards to provide direction and feedback. Such advisory boards should reflect a variety of farms (sizes, types, etc.), and turnover should be required. Research results should be interpreted within the context of impact upon farm income.
- State agencies and institutions of higher learning should develop alternative non-formal means of delivering market education programs to farmers, such as videos, educational television, etc.
- The legislature should enact legislation requiring uniformity in equipment and establish standards for testing of protein in wheat, and also testing standards for oil/protein. The state should require uniformity and establish standards for moisture testers.
- The MDA should develop a pilot project using actual farms to evaluate FINPACK (the computerized farm financial planning and analysis package) by users; analyze cost-effective approaches to energy management; monitor ways to reduce input costs; and evaluate chemical use and application equipment efficiency and management of other input costs.
- The legislature should encourage and provide funds to complete soil mapping. The eight remaining counties should be encouraged to provide soil mapping.

## AGRICULTURAL CREDIT AND FINANCE

**GOAL:** The state should continue policies and programs to help farmers obtain credit at reasonable costs and which recognize the needs of both the lender and the borrower. In the short term, the state should continue those programs of credit relief and debt restructuring which facilitate an orderly process of financial adjustment, such as interest write-down, mediation and debt restructuring,

**BACKGROUND:** High interest rates, falling land values, declining commodity prices and other factors have left many Minnesota farmers facing cash flow problems and/or unserviceable debt loads. In many instances, these farmers face either bankruptcy or foreclosure. The legislature responded with several measures to ease the crisis.

An interest write-down program was enacted in 1985 and reauthorized in 1986. Interest expenses on operating loans had doubled between 1976 and 1981, and continue as a significant operating expense. The write-down program was used by 6,436 producers and 420 lending institutions participated in the program during 1986. For the 1986 program, the average subsidized loan amount was \$61,533, for a state paid subsidy of \$2,943 per participant. The average interest rate on all loans was 12.88 percent. A deficit of \$13.9 million was incurred during 1986. As 1987 began, the program faced an uncertain future as the state faced a severe budget shortfall.

FmHA is encouraging Minnesota producers to take advantage of the interest-write down feature of the FmHA guaranteed operating loan program. The program, which began in the spring of 1985, provides a write-down of interest on new or renegotiated operating or other short-term loans. The program could provide relief to qualifying operators, allowing them to restructure short-term debt or obtaining operating loans at reasonable rates.

The state enacted a major provision - the Minnesota Rural Finance Administration - to address problems of unserviceable debt levels through a program of debt restructuring. While the program is just getting underway, it is clear that the eligibility criteria of one part - the homestead buyback program - restrict use by the very people it was intended to help. The criteria on source of income and full-time farming should be amended.

Another law - mandatory mediation - was enacted for the purpose of facilitating debt adjustment. The program has generally worked well, bringing farmers and lenders together to mediate settlements. As a result, the mediation program is being widely utilized and costs were beyond expectations. If the program is to continue, additional funding will be required.

**STRATEGIES:** The state role in credit and finance should be short-term, and consist of programs which ease the burden of interest expenses and facilitate the process of debt adjustment. Programs such as interest write-down, debt restructuring, mediation, legal services, career training, and other supportive programs should be continued to provide the time, income support and access to the legal and financial resources that are needed both by farmers who are leaving agriculture and those who are restructuring operations to remain in agriculture.

**AGRICULTURAL CREDIT & FINANCE**

Farm Mediation as of February 13, 1987

<u>District</u>	<u>Creditor Notices Filed</u>	<u>Debtor Requests Filed</u>	<u>% of Creditor Notices</u>	<u>Mediated Agreements</u>	<u>% of Debtor Requests</u>	<u>Settled Outside Mediation</u>	<u>Lack of Good Faith</u>
Northwest	1,392	524	38%	249	48%	83	21
Northeast	894	333	37%	175	53%	67	13
Southwest	3,204	1,733	54%	684	40%	225	43
Southeast	1,752	911	52%	382	42%	81	33
State	7,242	3,501	48%	1,490	43%	456	110

[Source: Minnesota State Planning Agency]

Interest Write-Down Program: 1985 & 1986

		<u>1985</u>	<u>1986</u>
Program # 1	Applications	402	22
	Interest Encumbered	\$254,089	\$11,711
Program # 2	Applications	1,875	6,436
	Interest Encumbered	\$2,575,329	\$18,898,518
All Programs	Applications	2,277	6,458
	Interest Encumbered	\$2,829,418	\$18,910,229
	Deficit Amount	\$0	\$13,985,229
Principal Borrowed	Actual		\$457,468,638
	Subsidized		\$395,470,665

[Source: Minnesota Dept. of Commerce]

Debt Service Coverage Ratios: 1986

<u>Debt Service Coverage Ratio</u>	<u>With Off-Farm Income</u>		<u>Without Off-Farm Income</u>	
	<u>Percent</u>	<u>Cumulative Percent</u>	<u>Percent</u>	<u>Cumulative Percent</u>
Below 0.5	65.8%	65.8%	74.9%	74.9%
0.5 - 1.0	9.8%	75.6%	8.4%	83.3%
1.0 - 1.5	8.4%	84.0%	7.4%	90.7%
1.5 - 2.0	7.0%	91.0%	4.0%	94.7%
2.0 - 2.5	2.6%	93.6%	1.9%	96.6%
2.5 - 3.0	1.2%	94.8%	0.9%	97.5%
Above 3.0	5.2%	100.0%	2.5%	100.0%
	100.0%		100.0%	

"The Debt Service Coverage Ratio is defined as income less family living expenses and taxes, divided by debt service costs (principal and interest). Any value less than 1.0 indicates that income is not sufficient to make full debt payments.

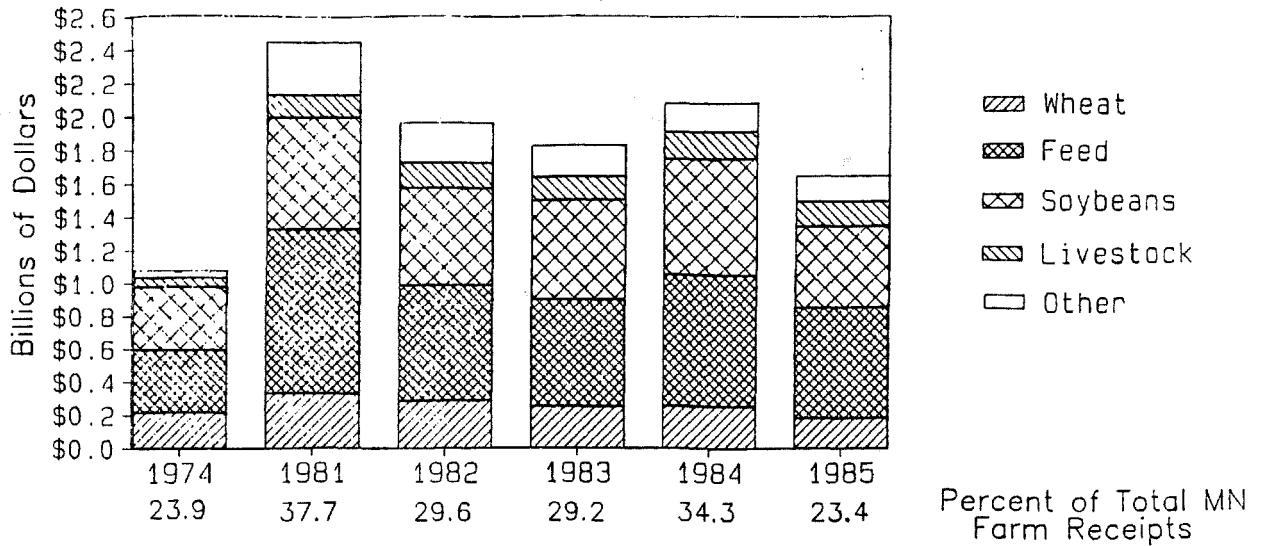
[Source: 1986 Minnesota Farm Financial Survey]

RECOMMENDATIONS:

- The legislature should adequately fund mandatory mediation to assure fulfillment of purpose without disrupting other Extension programs.
- The legislature should reauthorize the interest write-down program for operating loans for the 1987-89 biennium.
- The legislature should change the Minnesota Rural Finance Administration law by amending the eligibility criteria of the homestead buy-back portion of the program.

## DIVERSIFICATION

### Value of Minnesota Agricultural Exports



[Source: Foreign Agricultural Trade of the United States]

### Farm Enterprise

<u>Type of Farm</u>	<u>Percent of All Farms</u>				<u>% Change 1954-82</u>
	<u>1954</u>	<u>1965</u>	<u>1974</u>	<u>1982</u>	
Cash Grain	23.2%	23.4%	41.9%	38.3%	65.1%
Field Crops	0.8%	1.1%	4.1%	4.7%	487.5%
Other Crops	0.4%	0.3%	1.1%	1.4%	250.0%
Livestock	19.1%	21.3%	19.8%	27.8%	45.5%
Poultry	3.2%	1.8%	1.1%	1.3%	-59.4%
Dairy	34.0%	38.7%	26.7%	19.7%	-42.1%
General & Misc.	19.3%	13.4%	5.3%	6.8%	-64.8%

[Source: Census of Agriculture]

### Percentage of Harvested Cropland Devoted to Principle Crops

	<u>Percentage of Harvested Cropland</u>				<u>% Change 1954-82</u>
	<u>1954</u>	<u>1964</u>	<u>1974</u>	<u>1982</u>	
Corn	27.5%	27.7%	33.3%	33.1%	20.4%
Wheat	3.5%	5.6%	13.6%	14.6%	317.1%
Soybeans	14.1%	17.2%	19.4%	22.1%	56.7%
Other	54.9%	49.5%	33.7%	30.2%	-45.0%

[Source: Minnesota Agricultural Statistics]



## AGRICULTURAL DIVERSIFICATION

**GOAL:** The state should adopt policies and encourage research into programs that will facilitate the diversification of the agricultural economy. Above all, the state must develop the institutional mechanisms and a strategic plan for diversifying its agricultural products and land uses.

**BACKGROUND:** Minnesota has approximately 30 million acres of agricultural land and a farm production capacity that is rapidly becoming under used. During the past 30 years, this production capacity has been directed toward producing major commodities for direct export outside of the state. Over 23 percent of total farm receipts in 1985 came from export sales. Three grain crops - corn, wheat and soybeans - account for the majority of export sales. In 1985, 81 percent of total export revenue came from these crops (or \$1.34 billion out of \$1.65 billion in sales). Also, almost 70 percent of all Minnesota cropland is devoted to growing these three commodities. This specialization and reliance upon a few export commodities has left the state vulnerable to sharp downturns in export demand or value, such as is now occurring.

There have been attempts to diversify Minnesota's economy. The Minnesota Grown Campaign, initiated by MDA, tried to organize a more effective system of marketing locally grown produce. In addition, the MDA was granted funds (agricultural development grants) to help farm and commodity organizations develop new markets or expand upon old ones. The Agri-processing Loan Guaranty Board was also created to spur the development of in-state agri-processing. The legislature also provided, in 1983, a tax incentive for the production of ethanol. The University of Minnesota and the Governor's Rural Development Council have also carried out diversification activities. While all of these activities have been worthwhile efforts, most have faced sharp reductions in funds. Moreover, the activities have not resulted in a clear strategy as to what directions or activities the state ought to pursue regarding diversification.

Federal farm policy has encouraged specialization and maximum production of selected commodities. Conversely, such efforts have encouraged producers and research institutions to neglect marketing and the development of new agricultural products. Efforts at diversifying agriculture production/processing have been sporadic, commodity specific and usually responses to crises. There has not been an ongoing effort to assess and develop a plan for diversifying the use of Minnesota's agricultural resources.

**STRATEGIES:** The state should promote increased consumption of locally grown or processed produce; research and development on new or different (food and non-food) uses for commodities currently being produced; and research and development on agricultural commodities not now produced but which could be used for chemical or industrial uses.

### **RECOMMENDATIONS:**

- The legislature should fund the Minnesota Grown Campaign to continue and expand the promotion of Minnesota grown fresh and processed products. The state should also promote licensed, franchised Minnesota Farmers Markets.

- The legislature should reauthorize the Agricultural Development Grant Program to assist in the development and marketing of new agricultural products, or to develop unique marketing or processing strategies.
- The legislature should establish and fund an office within MDA to coordinate state efforts to channel surplus agricultural production capacity towards producing commodities for new non-food uses, such as bio-degradeable beverage containers.
- The MDA should establish a clearing house on non-food use research and development activities, which would be a focal point for information on growing or producing agricultural products for non-food uses.
- The state should conduct a survey of food retailers and producers to determine the potential market for locally grown produce.
- The state should research and document ethanol's effects on engines; define potential uses for ethanol, such as using it as a fuel enhancer or extender; and promote ethanol's positive contributions to Minnesota's economy.

## FOOD QUALITY

**GOAL:** The state must assure that consumer food products are safe and wholesome. Moreover, a strong regulatory program must be maintained to allow Minnesota food products to be certified for entry into commerce. The state should also maintain and improve the marketability of Minnesota's grain products through regulatory and education programs.

**BACKGROUND:** There is growing concern about the problem of inadvertent or intentional food product adulteration. The number of food product recalls, due to product adulteration, has shown a marked increase over the past years. The majority of these products have been recalled because of undeclared preservatives or contamination with pathogenic micro-organisms. There also has been an alarming increase in both the number of malicious threats being made about food products and actual food product tamperings.

Minnesota farmers are concerned about improving and maintaining the quality and marketability of Minnesota's grain to improve Minnesota's position in national and international markets. The concern grows out of the continuing complaints received from national and foreign grain buyers about the quality of U.S. grain. There are several contributing factors which are thought to affect the quality and salability of grain, including the inadvertent mixing of grain types or classes; improper handling or storage of grain; and several others. In particular, the length of time involved in storing grain, as well as storage and handling practices, can cause deterioration of quality with significant economic consequences.

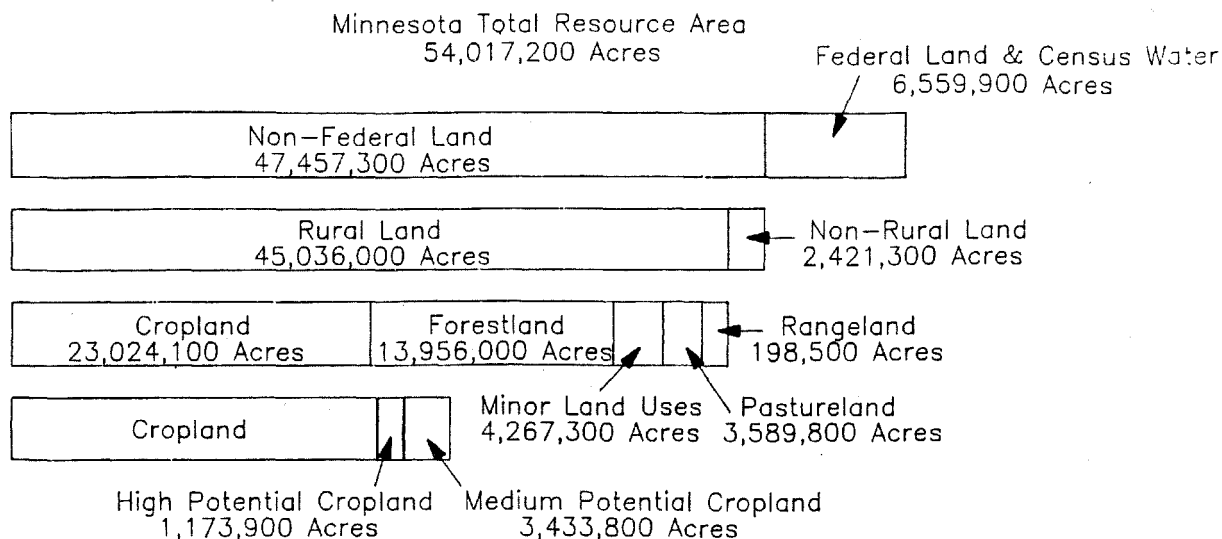
The MDA, in conjunction with USDA, conducts food regulatory activities in Minnesota. These activities include inspecting retail outlets, food processing facilities, etc. A strong regulatory food program serves both to provide consumers with safe and wholesome food products, and to allow the production and movement of food products into national and international commerce.

**STRATEGIES:** The state role regarding food quality should be to regulate food safety; conduct research and education activities regarding proper grain storage and handling; facilitate adequate storage and handling techniques; and research the grain marketing process.

### **RECOMMENDATIONS:**

- The MDA should develop a statewide plan and communication system for dealing with food product emergencies, such as food product tampering.
- The MDA should encourage grain handlers to use recommended or approved methods of handling and storing grain products, particularly in regard to aeration and pest control.
- The MDA should study the economic impacts of storing grain for several years and current marketing and storage practices. If the Interstate Grain Marketing Compact is established, it should assume this role.
- The MDA should promote the use of poor quality grain for non-human uses to prevent such grain from entering human food marketing channels.

## ENVIRONMENT



[Source: National Resources Inventory, 1982]

### Minnesota Rural Land Erosion Loss

<u>Land Use</u>	<u>Tons by Water Erosion</u>	<u>Tons by Wind Erosion</u>	<u>Average Soil Lost (Tons/Acre/Year)</u>
Cropland	57,739,400	90,079,300	6.4
Pastureland	1,508,000	26,100	0.4
Rangeland	99,700	200	0.5
Forestland	2,454,800	---	0.2
Other Land	1,761,500	50,600	0.4
TOTAL	63,563,400	90,156,200	

[Source: 1982 National Resources Inventory]

### Pesticides and Fertilizers on Minnesota Farms

<u>Year</u>	<u>Pesticides</u>			<u>Fertilizers</u>
	<u>Thousand Acres Planted</u>	<u>Thousand Acres Treated</u>	<u>Percent Treated</u>	<u>Tons Consumed</u>
1964	---	---	---	724,630
1969	17,198	8,576	49.9%	1,385,575
1974	20,989	14,502	69.1%	2,105,589
1979	22,374	16,368	73.2%	2,306,952
1984	21,651	16,441	75.9%	1,909,507
1985	---	---	---	2,017,173

[Source: Minnesota Pesticide Survey & Minnesota Department of Agriculture, Agronomy Services Division]

## AGRICULTURAL PRACTICES AND ENVIRONMENTAL EFFECTS

**GOAL:** The state should enact policies and programs to help achieve farm profitability while protecting public health and environmental quality. Programs which help reduce or prevent threats to the environment resulting from agricultural practices ought to be continued and expanded.

**BACKGROUND:** Agriculture is the largest industry and the dominant land use in the state. Cropland accounts for over 23 million of the state's approximately 54 million acre total area. The state's total land in farms is about 30 million acres. Some of the major environmental issues concerning this farmland include: chemical use, soil erosion, surface and groundwater contamination, and the conversion of farmland to non-agricultural uses.

The use of agricultural chemicals has increased dramatically during the past 20 years. It is estimated that in 1984 76 percent of Minnesota cropland was treated with pesticides. This represented a 50 percent increase in acres treated since 1969, the first year a pesticide survey was conducted in Minnesota. Each year an estimated 250 million dollars is spent on pesticides for use on cropland. Farmers also applied 2 million tons of fertilizer in 1984, approximately three times what was applied in 1964. (The use of fertilizers and chemicals has decreased during the past two years, but data is not available to confirm the magnitude of the trend.) This increase in use of pesticides and chemicals has greatly increased yields and productivity. However, there is evidence that heavy application of some pesticides and chemicals is causing environmental damage and may affect public health.

Soil erosion is a growing concern among farmers, environmentalists and the general public. An estimated 153 million tons of soil are lost to erosion each year in this state. About 60 percent of this loss is caused by wind erosion; the balance is soil loss caused by water erosion. Soil erosion results in many forms of damages, ranging from lost soil fertility and ditch and culvert cleaning costs, to sedimentation and pollution of lakes and streams.

Nitrate contamination of surface and groundwaters from fertilizers has been recognized as a concern for some time. In addition, a recent survey by the Minnesota Departments of Agriculture and Health found low levels of pesticide residues in groundwater in hydrogeologically sensitive areas of the state. This knowledge presents difficult decisions for farmers trying to maintain a profitable operation and avoid causing negative environmental and health impacts.

The legislature created the Reinvest In Minnesota (RIM) program in 1986. A major part of RIM is the conservation reserve, which retires highly erodible farmland from cultivation through 10-year or perpetual easements. The intent is to enhance environmental quality while providing for additional wildlife habitat. By the end of 1986, about 22,000 acres of highly erodible farmland had been removed from production; there are 914 participants currently holding perpetual or 10-year easements on their land.

An additional area of concern is the loss of productive farmland to non-farm land uses. Once agricultural land is converted to non-farm uses, it is usually lost forever as an agricultural or natural resource. Even small numbers of non-farm land uses in rural areas can result in conflicts and drain local public service budgets.

- The legislature should authorize the Family Farm Security Program (FFSP) to guarantee loans for beginning or reentry farmers, and to enter into agreements with agricultural creditor regarding farm creditor acquired properties.
- The Family Farm Security Program should be encouraged to sell acquired properties to beginning and reentry farmers who meet the FFSP's requirements.
- The state should require a Soil Conservation Service plan for any farm that receives state money for any type of program (cross compliance).
- The legislature should immediately begin to monitor the divestiture policies of lenders who have acquired properties, and to evaluate the impact of their timetable and policies for divesting acquired properties.

## LAND TENURE

### Type of Organization by Percent

<u>Year</u>	<u>Individual or Family</u>	<u>Partnership</u>	<u>Corporation</u>	<u>Other</u>
1969	87.5%	11.6%	0.5%	0.4%
1974	91.8%	7.3%	0.9%	0.1%
1978	89.3%	9.2%	1.4%	0.1%
1982	88.0%	10.1%	1.7%	0.3%

[Source: Census of Agriculture]

### Farm Tenure by Percent

<u>Tenure of Operator</u>	<u>1954</u>	<u>1964</u>	<u>1974</u>	<u>1982</u>	<u>% Change 1954-82</u>
Full	58.6%	58.4%	60.3%	54.4%	- 7.2%
Part	21.9%	26.0%	29.8%	33.3%	52.1%
Tenant	19.4%	15.5%	9.9%	12.3%	-36.6%

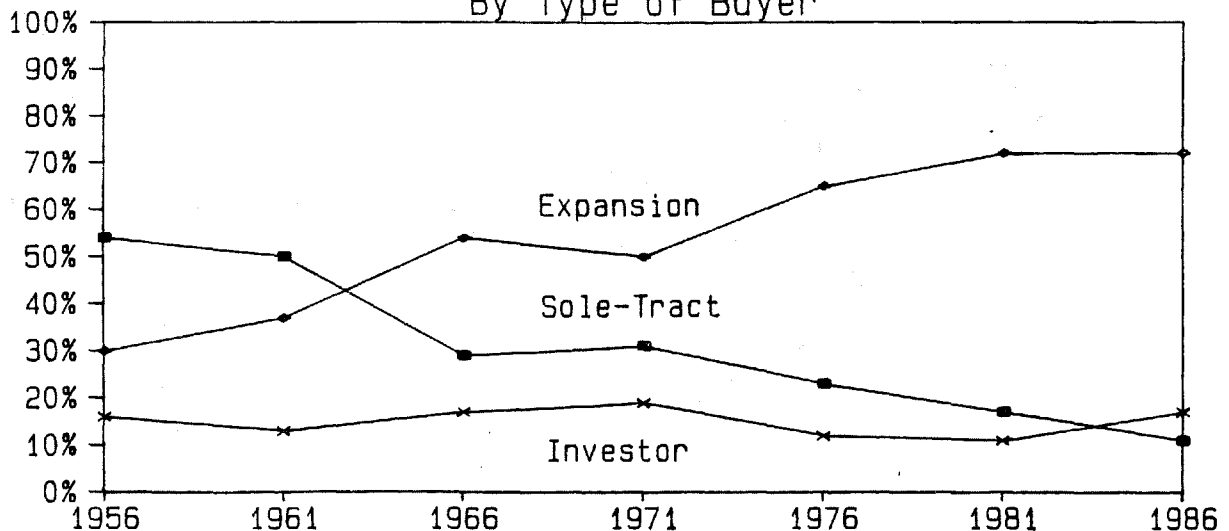
[Source: Census of Agriculture]

### Acquired Properties in Minnesota

<u>Lender</u>	<u>Number of Properties</u>	<u>Number of Acres</u>	<u>Net Investment</u>
FmHA (8/1/86)	168	45,737	\$22,920,000
FCS (11/30/86)	889	169,715	\$101,823,992
Ins. Co. (1/1/86)	---	49,961	\$43,415,000
FFSP (2/1/87)	47	7,641	----

[Source: 1986 Farm Financial Data Collection Task Force Report, Minnesota Family Farm Security Program & Minnesota Land Stewardship Project]

### Minnesota Farmland Purchases By Type of Buyer



[Source: Minnesota Rural Real Estate Market]



## REGULATION

**GOAL:** The MDA should administer programs to regulate Minnesota's agricultural industries to protect public health and welfare and environmental quality, and assure the marketability of Minnesota agricultural products in national and international markets.

**BACKGROUND:** The state must have a strong regulatory program to assure food safety and wholesomeness, as well as to provide adequate support for agricultural industries. In the past, regulatory responsibilities were divided between the MDA and USDA. MDA received direct financial support for some activities, and conducted other regulatory work under contract with USDA. Several regulatory functions were the sole preserve of the federal government. Currently, USDA and other federal agencies are reducing both direct financial assistance or contract reimbursements for regulatory work. In some areas where the federal government has acted alone, reductions in services are occurring. These actions will hurt the regulatory and support system for agriculture and agri-businesses.

Congress amended the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) in 1978 and 1982, and is expected to amend the law in the near future. Congressional intent and direction to EPA has led to administrative actions which have substantially increased the work load of state agencies regarding pesticide regulation. The MDA is the functional arm of the EPA for pesticide regulation and enforcement in Minnesota and manages both the federal and state pesticide regulatory efforts. The EPA has, since the mid-1970's, granted funding to MDA to carry out these responsibilities. However, EPA grants have been greatly reduced in recent years.

The Food Inspection Division of the department is supported in part by a contract with the Food and Drug Administration (FDA) to inspect beverage plants, warehouses, salvage facilities and bakeries within Minnesota. This contract support for inspection and laboratory work will be cut by 50 percent in FY 1988. These inspections and laboratory support are important to certify food products in order for the movement of food products into interstate and international commerce. The reduction in FDA financial support will place a burden upon MDA for both inspection and laboratory work.

In 1971, the Minnesota legislature enacted a consolidated food law to prevent dual licensing in certain establishments. The inspections and licensing were conducted and issued by either the Department of Agriculture or State Department of Health based upon the most predominate service provided by the establishment. In 1975, the Minnesota Community Health Services Act was passed to provide for signed agreements between City and County governments and the State Department of Health. This allowed local agencies to provide inspections and licensing under the guidelines and surveillance of the Department of Health. At the present time nearly 39 agencies, not including the Minnesota Department of Agriculture and the Minnesota Department of Health, have become involved with the inspection and licensing of food handling establishments. The MDA, recognizing that duplication of services may occur, has signed agreements with seven city and county governments regarding the inspection and licensing of food establishments.

The continuation of adequate funding is a serious issue regarding agricultural regulatory programs. Several key state regulatory programs are funded directly or indirectly from fees and general revenue funds. As general revenues decrease or become scarce, increases in fees are often seen as a way to maintain revenue at levels adequate to support the program. The cost of paying for such programs through fees can become burdensome, since the industries involved form a narrow economic base. If required to pass on such increases to customers, the issue of competitiveness with neighboring states becomes a real concern. It is felt that agriculturally-related programs, which benefit all consumers as well as the industry, ought to be funded by both fees and general revenue.

#### RECOMMENDATIONS:

- The MDA should be appropriated money and granted personnel to ensure an adequate regulatory pesticide program that meets the public health and economic needs of the state.
- The legislature should fund state laboratory facilities to adequately meet the needs of interstate commerce.
- The MDA should continue to pursue written cooperative agreements with local health agencies to eliminate real or potential duplication of inspections and licensing regarding food establishments.
- The legislature should appropriate resources to compensate for the loss of federal dollars. Adequate resources should be provided for effective regulatory programs and laboratory support.
- The state should establish a mechanism for state-level risk assessment. Some entity should be assigned the responsibility of conducting risk assessment analysis.

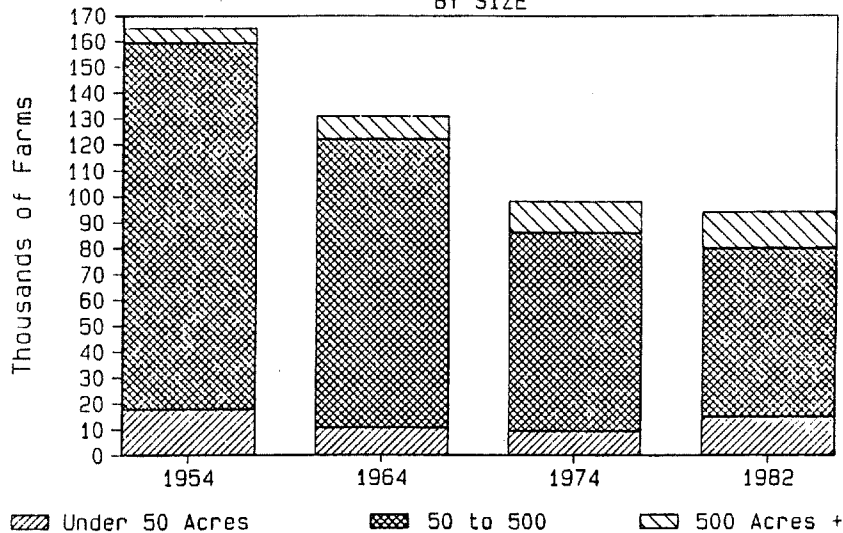
## IMAGE OF AGRICULTURE

### Minnesota Population Statistics

<u>Year</u>	<u>Total Population</u>	<u>Urban</u>	<u>Percent</u>	<u>7 County Metro Percent</u>	<u>Rural Non-Farm</u>	<u>Percent</u>	<u>Rural Farm</u>	<u>Percent</u>
1950	2,982,483	1,624,914	54.5	39.1	617,770	20.7	739,799	24.8
1960	3,413,864	2,122,566	62.2	43.6	703,750	20.6	587,548	17.2
1970	3,806,103	2,531,801	66.5	47.5	819,740	21.5	453,430	11.9
1980	4,075,970	2,725,202	66.9	46.4	990,921	24.3	359,847	8.8

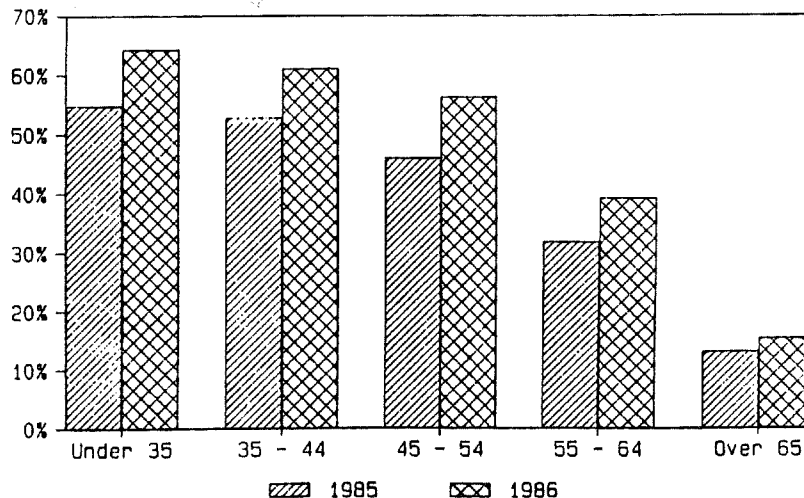
[Source: Decennial Census]

### NUMBER OF MINNESOTA FARMS BY SIZE



[Source: Census of Agriculture]

### Average Debt/Asset Ratio by Age



[Source: 1986 MN Farm Financial Survey]

## IMAGE OF AGRICULTURE

**GOAL:** To achieve an understanding among the non-farm population of the inter-relationship and importance of agriculture to the economy of the state and well-being of Minnesota communities. To facilitate an understanding of the role and contributions the regulatory and other programs of MDA make to public health, safety, environmental quality and the economy of the state.

**BACKGROUND:** The state currently tends to have a rural and urban division. This division follows population patterns and, more recently, economic conditions. The result is that an increasing share of Minnesota's population does not have day-to-day contact with agriculture. This will result in a lack of knowledge about agriculture and its contributions to Minnesota.

The affairs of the state, cannot be separated from national and international problems, events and decisions. The inter-relationship of the international and national decisions and needs must be separate, yet a part of determining the image of the state. It is important that all Minnesotans better understand these inter-relationships and the role of the department.

The MDA and the state presently have an opportunity to bring a positive understanding of agriculture and agri-business to all of the people of the state.

**STRATEGIES:** The MDA should take a lead in developing and disseminating information about agricultural and agri-business activities within the state.

### **RECOMMENDATIONS:**

- The MDA should establish an Agricultural Communications Program responsible for developing educational and informational items about the department and Minnesota agriculture in general; coordinating sources of information about agriculture; and referring inquiries to the appropriate source of information.
- The MDA should act as the lead spokesagency among state agencies for agriculture.

## EDUCATION

**GOAL:** Education must be adequate to allow people to pursue careers in agriculture and related occupations, provide skills for off-farm and transitional employment, and promote an understanding of agriculture's contribution to Minnesota.

Education for pursuing or continuing a career in farming should include curriculum in sustainable agriculture.

**BACKGROUND:** The number of people living in the metropolitan area or larger rural cities continues to grow. Moreover, teachers coming into the education system today often lack an awareness of agriculture and its social and economic importance to Minnesota. There is an ongoing need to acquaint educators of both the historical contribution agriculture has made to Minnesota, as well as its current importance.

Secondary schools continue to consolidate and change program offerings, and sometimes the removal of traditional agricultural programs results. Some students with strong interests in agriculture may not or cannot be offered alternatives which relate to their area of interest.

Rapid change is taking place in rural Minnesota. The number of farms and farm related businesses is declining at a rate which is leaving large numbers of rural families looking for new career opportunities. This has created a new, and for the most part, older job seeker with a great variety of skills and training, but most with some type of background relating to agriculture. Counseling is usually as difficult to find in rural Minnesota as are jobs for displaced farmers. Also, older persons in need of training and courses to begin new careers are often reluctant to enroll in post-secondary programs because they feel out of place or inadequate. Traditional courses may not be very applicable to what they wish to receive from education.

As rural populations change, the base from which new leaders can be drawn is becoming limited. Encouragement needs to be given to develop the potential of community leaders in Greater Minnesota Entities now working in this area are: (A) the Rural Youth Development Program sponsored by the Governor's Rural Development Council; (B) the Rural Studies program at Southwest State University; (C) the Hubert H. Humphrey Institute in developing political leaders for rural areas; and (D) the University of Minnesota Agricultural Extension Service.

### **RECOMMENDATIONS:**

- The legislature should continue educational programs such as "Minnesota Agriculture in the Classroom," and "Ag-travaganza" so as to foster an awareness of agriculture among the non-farm population.
- The state should help provide training and education for dislocated farmers and farmers needing off-farm employment.
- To develop a stronger awareness of agriculture as part of teacher preparation, and textbooks used in grades K-12 should be reviewed for the adequateness and accuracy of information about agriculture.

- The legislature should assign a coordinating body, such as the Minnesota Council for Coordinating Education in Agriculture:
  - To provide a formalized but voluntary means for coordinating the resources committed to agricultural education in Minnesota from K through college;
  - To provide a structure for improving communication about agricultural education;
  - To serve in an advisory capacity in reviewing programs in agricultural education; and
  - To provide a coordinated means for studying, analyzing and evaluating agriculture, its related industries, and agricultural education.

**APPENDIX A**

**ADVISORY COMMITTEE MEMBERSHIP**



## ADVISORY COMMITTEE MEMBERSHIP

Chair: Anne Kanten

### Farm Organizations

American Agriculture Movement: Pat Schemmel  
Minnesota Farmers Union: Willis Eken  
Julie Bleyhl: Alternate  
Minnesota Farm Bureau Federation: Merlyn Lokensgard  
Vern Ingvalson: Alternate  
National Farmers Organization of Minnesota: Gene Paul

### Agribusiness Representatives

Food Industry  
Minnesota Grocers Association: Joel Hoiland

Farm Equipment Dealers  
Farm Equipment Association: Bill Ryden

Agribusiness Supply  
Northwest Agri-Dealers: Tom Cashman

Agriculture Co-ops  
Minnesota Association of Co-ops: Allen Gerber

Agri-processor  
Land O' Lakes: Vern Freeh  
Cliff Benson: Alternate

### General

At Large  
Rural Enterprise Institute: Mike Rivard

Conservation Organization  
Izaak Walton League: Dwight Ault

Rural Economist  
Agriculture and Applied Economics: Wilbur Maki

State Government  
State Planning Agency: Randy Young

State Government  
Governor's Rural Development Council: Jane Stevenson  
Lori Widmark: Alternate

### Staff

Department of Agriculture: Jerry Heil  
Carol Milligan  
John Smegal

**APPENDIX B**  
**MEMBERSHIP OF WORK**  
**TEAMS**

LAND TENURE  
Sister Mary Mark Tacheny, Chair  
Minnesota Catholic Conference

Michael Boehlje, Head  
Agricultural & Applied Economics/U of M

Margo Stark  
Minnesota Food Association

Verne Ingvalson  
Minnesota Farm Bureau Federation

Wayne Marzolf, Director  
Family Farm Security Program

F. B. Daniels  
Minnesota Farmers Union

Pat Moore  
Land Stewardship Project

DIVERSIFICATION  
Ralph Groschen, Chair  
Minnesota Trade Office

Bob Soleta, Farmer  
Windom, MN 56101

Al Jaisle  
State Planning Agency

Jim Sutherland  
Specrotech International

William Stoll  
University of Minnesota/Waseca

Tom Abeles  
I.E. Associates

George Panayotoff, Farmer  
Big Lake, MN 55309

PROFITABILITY  
Julie Bleyhl, Chair  
Minnesota Farmers Union

Vic Richardson  
Adult Farm Management  
Owatonna, MN

Jack True  
Agricultural Engineering/U of M

Lee Hardman  
Department of Agronomy/U of M

Bob Lunt  
Minnesota Department of Agriculture

Pat Abbe  
Governor's Rural Development Council

Julie Bleyhl  
Minnesota Farmers Union

Gene Paul, Director  
National Farmers Organization of MN

MARKETING  
Ed Moline, Chair  
Minnesota Department of Agriculture

Lori Widmark  
Rural Development Council

Pat Henderson  
Minneapolis Grain Exchange

Curt Zimmerman  
Central Livestock Exchange

Stan Stevens  
Ag Economics/U of M

AGRICULTURAL PRACTICES AND ENVIRONMENTAL EFFECTS  
Bill Bulger, Chair  
Minnesota Department of Agriculture

Eldred Phillips, Farmer  
Owatonna, MN

Tim Bremicker, Wildlife Section  
Department of Natural Resources

Debra Pile  
State Planning Agency

Don Ferren, State Conservationist  
U.S. Soil Conservation Service

Terry Ambrose, Exec. Director  
MN Agricultural Aircraft Association

Tom McGuigan  
Audubon Society

Ron Nargang  
Minnesota Department of Agriculture

Craig Sallstrom, Exec. Director  
MN Plant Food & Chemicals Association

Gaylen Reetz  
Minnesota Pollution Control Agency

Gary Englund  
Chief/Water Supply Section  
Minnesota Department of Health

Lowell Moen  
Minnesota Association of Soil & Water  
Conservation Districts

Steve Taff, Professor/U of M  
Agricultural & Applied Economics

Art Mason  
Minnesota Department of Agriculture

REGULATION  
Art Mason, Chair  
Minnesota Department of Agriculture

Quentin Schultz  
Jacques Seed Company

Scott Lambert  
Minnesota Grocers Association

Fred Hegele, Director  
Quality and Regulatory Affairs  
General Mills, Inc.

Howard Anderson, Asst. Director  
Food Inspection Division/MDA

Paul Liemandt Regulatory Specialist  
Agronomy Division/MDA

Edwin Dee, Dir. of Compliance Branch  
Food and Drug Administration  
U.S. Dept. of Health, Educ. & Welfare

AGRICULTURAL CREDIT AND FINANCE  
Jerry Heil, Chair  
Minnesota Department of Agriculture

Bob Stasson  
Minnesota Bankers Association

Kathy Mangum  
Agricultural Extension/U of M

Glenn Pederson, Professor  
Agricultural & Applied Economics/U of M

John Berg  
Minnesota Farm Bureau Federation

Craig Miller  
Minnesota Rural Finance Administration

Craig Sallstrom  
MN Plant Food & Chemical Association

Rochelle Bergin  
Department of Commerce

Jeff Torp  
Independent Bankers Association

Julie Bleyhl  
Minnesota Farmers Union

Sam Walker  
Minnesota Department of Agriculture

IMAGE OF AGRICULTURE  
Dr. Rollin Dennistoun  
Minnesota Department of Agriculture

Mike Kruger, Exec. Sec.  
Minnesota Dairy Council

Richard Fitzsimons, Exec. Director  
Red River Valley Sugarbeet Growers  
Association

Bonnie McCarvel  
Senator Dave Durenberger  
Minneapolis, MN 55402

Bob Lunt, Marketing Economist  
Planning Division/MN Dept. of Ag

EDUCATION  
Bill Coleman, Chair  
Minnesota Department of Agriculture

Dr. Thomas Lindahl  
University of Minnesota/Waseca

Carol Mockovak  
Minnesota Pollution Control Agency

Dennis Berquist  
Hutchinson AVTI

Dr. Hope Isaacson, Director  
Program Design  
Community College System

Dr. Keith Warton  
College of Agriculture/U of M

Al Withers  
Ag In The Classroom/MN Dept. of Ag

Dr. Jerome Miller  
Extension Service, Univ. of MN

FOOD QUALITY  
Tom Masso, Chair  
Minnesota Department of Agriculture

Don Anderson, Secretary  
Minnesota Meat Processors Association

John Scharmann  
Food & Drug Administration/Minneapolis

Scott Lambert  
Minnesota Grocers Association

Ed Moline, Director  
Grain Inspection Division  
Minnesota Department of Agriculture

Carl A. Smith, Jr.  
Retired - Pillsbury Company

**APPENDIX C**

**PROCESS**

## PROCESS

April	In-house Work Team formed. Developed list of issues/topical areas.
May	List of issues/topical areas sent to 70 organizations/individuals.
June	List of issues/topical areas revised based upon 45 responses.
July	Revised list sent to organizations/individuals for further comments. Organizations and individuals invited participation on work teams.
August	Issues/topical areas finalized. Began selecting work group participants and Advisory Committee members.
September	Meeting of work groups/advisory committee initiated.
October	Work Groups finalize issue identification/clarification process. Presentation of Work Group Reports to Advisory Committee. Feedback and scoping of issues.
November/ December	Work Groups concentrate on priority issues. Interim and Final Reports given to Advisory Committee.
January/ February	Final Reports prepared and presented to Advisory Committee. Feedback and revisions.
March	Report presented to Governor.



**APPENDIX D**  
**ORGANIZATIONS SURVEYED**

MN Department of Natural Resources	MN Energy & Economic Development Dept.
Minnesota Department of Health	Minnesota Pollution Control Agency
Governor's Rural Development Council	Minnesota State Planning Agency
American Agriculture Movement	American Farmland Trust
Associated Milk Producers, Inc.	Washington, D.C. 20036
New Ulm, MN 56073	MN Association of Minnesota Counties
Audubon Society of Minnesota	Central Livestock Association
Minneapolis, MN 55403	South St. Paul, MN 55075
Citizens League	Conservation Federation
Minneapolis, MN 55402	Red Wing, MN 55066
MN Dry Edible Bean Promotion Council	Farmers Elevator Association of MN
Fish and Wildlife Alliance	Groundswell
Izaak Walton League of America	Land O'Lakes, Inc.
Land Stewardship Project	Minnesota League of Minnesota Cities
Livestock Market Institute	The McKnight Foundation
Mid-America Dairymen, Inc.	Mid-Minnesota Legal Assistance, Inc.
Minneapolis Grain Exchange	MN Agricultural Aircraft Association
Minnesota Agri-Growth Council, Inc.	MN Area One Potato Promotion Council
Minnesota Association of Cooperatives	Minnesota Association of Soil and Water Conservation Districts
Minnesota Association of Townships	Minnesota Assoc. of Watershed Districts
MN Automatic Merchandising Council	Minnesota Bakers Association
Minnesota Beef Promotion Council	Minnesota Catholic Conference
Minnesota Corn Growers Association	Minnesota Crop Improvement Association
Minnesota Dairy Promotion Council	Minnesota Egg Promotion Council
Minnesota Farm Bureau Federation	Minnesota Farmers Union
Minnesota Food Association	Minnesota Food Processors Association
Minnesota Grocers Association	Minnesota Meat Processors Association
Minnesota Paddy Wild Rice Promotion Council	Minnesota Pest Control Association
Minnesota Plant Food & Chemicals Association	Minnesota Soft Drink Association

Minnesota Soybean Promotion Council  
Minnesota Vegetable Growers Association  
National Farmers Organization  
of Minnesota  
Northwest Feed Manufacturers Association  
Red River Valley Sugarbeet Growers  
Association  
St. Paul Union Stockyards  
Southern MN Regional Legal Service  
U.S. Soil Conservation Service  
University of Minnesota  
Extension Service

Minnesota Turkey Promotion Council  
Minnesota Wheat Promotion Council  
Northwest Agri-Dealers  
Northwest Petroleum Association  
Retail Farm Equipment Association  
Sierra Club  
U.S. Agricultural Stabilization  
Conservation Service  
University of Minnesota:  
Food Science and Nutrition Dept.  
University of Minnesota  
Institute of Agric., Forestry & Home Ec.