

Agency Purpose

The mission of the Minnesota Department of Agriculture (MDA) is to work toward a diverse agricultural industry that is profitable and environmentally sound; to protect public health and safety regarding food and agricultural products; and to ensure orderly commerce in agriculture and food products.

From the farm to your family, the MDA ensures that Minnesota agricultural products used in production or available for consumption meet or exceed regulatory standards. These standards are set by state and federal laws that ensure the quality of products and the safety of food. The MDA also helps sustain and enhance the economic and environmental conditions of the agricultural sector in a number of ways. Since Minnesota produces more food and agricultural products than its citizens can consume, it must focus on marketing strategies that encourage exports to other states and countries. The MDA plays a lead role in helping the state's farmers and agricultural businesses build trade relationships with potential customers in other states and countries.

Core Functions

The Protection Services Program provides regulatory oversight for agricultural products from the farm to retail stores. Many of these regulatory activities touch consumers' everyday lives. For example, the MDA protects consumers by inspecting food and dairy products, dairy farms, food processing facilities, grocery stores, and even food stands at the Minnesota State Fair. The MDA also regulates, inspects and analyzes animal feed, fertilizers and pesticides; it performs laboratory analysis on food products; and inspects grain and fresh produce moving into or out of Minnesota. The MDA helps protect the environment by monitoring surface and ground water for possible contaminants and by preventing the establishment of destructive tree and plant pests such as gypsy moth and emerald ash borer.

The Agricultural Marketing and Development Services Program helps sustain and enhance farmers' economic and environmental well-being through a number of services. The program develops and tests new farming practices that help minimize environmental impacts, educates farmers about these practices and encourages their implementation with education and technical assistance. It gives farmers updated information on plant pests during the growing season, helping them determine how and when to take action to protect their crops. The program also helps the state's agricultural community expand existing markets and develop new markets for Minnesota agricultural products. This includes developing international trade opportunities, offering educational programs on risk management, and encouraging value-added activities.

The Ethanol Producer Payment Program was authorized by the 1986 legislature. Currently ten ethanol plants located throughout Minnesota are eligible to receive producer payments. M.S. 41A.09 contains the formula for producer payments. Each plant submits a quarterly report of gallons of ethanol produced. These reports are independently audited, and payments are made in accordance with statute.

The Administration and Financial Assistance Program provides leadership and administrative support to the agency, gathers important statistical information for the farm sector, and offers financial assistance to producers. This program provides overall leadership and coordination of agency efforts. It coordinates communication with internal and external stakeholders including farmers, media, and other government bodies. It provides fiscal oversight to the department and provides important information on employment and benefits to employees. Producers use the statistical information gathered by our joint federal/state division of Ag Statistics to learn about

At A Glance

Why is agriculture vital to 21st century Minnesota? In addition to providing us with the world's most abundant and wholesome food supply, agriculture remains a cornerstone industry.

- ◆ Agriculture and its related industries account for approximately 15% of all Minnesota jobs, making it the second largest economic sector in the state.
- ◆ Over 80% of all agricultural jobs are off-farm, in processing, distribution, supply, and service activities.
- ◆ Exports of farm products bring in more than \$2 billion to the state each year.
- ◆ Minnesota is the fifth largest exporter of agricultural products among the states, leading in turkey exports and ranking in the top ten in milk, soybeans, pork and other commodities.
- ◆ More than half of the state's total land area is farmland.

MDA works to help ensure that all this activity remains orderly, safe, and profitable.

important trends in their industry. The Ag Stats program produces publications that provide valuable information on crop conditions and production statistics and forwards information on Minnesota agriculture to the U.S. Department of Agriculture (USDA). Producers and rural lenders benefit from the Rural Finance Authority loan programs. These loans help beginning farmers get started and they help producers upgrade existing production facilities.

Operations

The department's main office is at 625 Robert Street North, in St. Paul. However, since most of the regulatory and promotion services we provide require face to face contact with our farmers, producers, and consumers, almost half of our staff is scattered throughout the state in the areas they serve. Our inspectors are responsible for on-site inspections of facilities. These inspections ensure that the agricultural products and processes meet applicable standards for quality and integrity. For example, the fertilizer we use on our lawns must meet quality standards just as the fertilizer used in production agriculture. The pesticides we use in our homes are regulated just as those used by farmers. Milk is inspected at many points, from the farm to the milk plant to our supermarkets. Sustainable agricultural practices, such as biological control of weeds and pests, benefit not only the farmers but the shoppers in urban shopping malls.

In addition to ensuring the safety and integrity of products, the department helps farmers and agribusinesses market those products in an increasingly competitive global marketplace. The MDA encourages value-added activities and the development of new domestic markets for existing agriculture products, and it works with other state offices to stimulate international exports of Minnesota-grown agricultural products. This is done to help keep Minnesota's agricultural community competitive in the world marketplace.

Budget

The MDA budget comes from multiple funds. These funds include the General Fund for operations and for ethanol producer payments, dedicated revenue funds, federal funds, and loan funds.

Over half of all money expended is appropriated from the General Fund. Of this amount, approximately 40% is for ethanol producer payments. Most of the balance supports agency program operations.

Dedicated funds spent by the MDA (Special Revenue and Ag Fund) provide operational costs for various programs. These funds recover of the costs of services provided.

Some regulatory programs collect various fees that defray the cost of services to the General Fund. These fees are deposited to the General Fund as non-dedicated revenues.

MDA continues to apply for federal funds that complement our area of programmatic responsibility.

MDA also administers several agricultural loan programs. Funding for these loan programs is provided through a variety of sources that include user financed bonds.

Contact

For additional policy information, please contact Quinn Cheney, Director of Policy Development at (651) 201-6180 or Quinn.Cheney@state.mn.us. For more budget details, please contact Steve Ernest, Financial Management Director, at (651) 201-6580 or Steve.Ernest@state.mn.us.

MDA's web site is www.mda.state.mn.us. Our web site contains additional information on each of the divisions in the agency, licensing information, food recalls information, and more. For information on how this agency measures whether it is meeting its statewide goals, please refer to www.departmentresults.state.mn.us

Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	300	300	300	300	600
Forecast Base	300	300	0	0	0
Change		0	(300)	(300)	(600)
% Biennial Change from 2006-07					-100%
General					
Current Appropriation	39,926	39,970	39,970	39,970	79,940
Forecast Base	39,926	39,970	37,570	37,570	75,140
Change		0	(2,400)	(2,400)	(4,800)
% Biennial Change from 2006-07					-6%
Remediation Fund					
Current Appropriation	388	388	388	388	776
Forecast Base	388	388	388	388	776
Change		0	0	0	0
% Biennial Change from 2006-07					0%
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	92	540	0	0	0
General	37,924	40,705	37,570	37,570	75,140
Remediation Fund	388	388	388	388	776
Statutory Appropriations					
Clean Water Revolving Fund	4,984	1,405	2,360	2,802	5,162
Misc Special Revenue	2,852	3,448	3,447	3,516	6,963
Agriculture Fund	18,688	19,843	17,537	17,663	35,200
Federal	4,394	6,561	6,073	6,001	12,074
Remediation Fund	934	1,902	2,352	2,373	4,725
Rural Finance Administration	252	1,148	148	148	296
Miscellaneous Agency	40	6	56	6	62
Gift	88	124	46	46	92
Total	70,636	76,070	69,977	70,513	140,490
<u>Expenditures by Category</u>					
Total Compensation	27,596	31,208	30,497	31,057	61,554
Other Operating Expenses	17,945	21,730	18,794	18,316	37,110
Payments To Individuals	538	796	746	748	1,494
Local Assistance	18,767	18,341	16,931	16,931	33,862
Other Financial Transactions	5,790	3,995	2,829	3,281	6,110
Transfers	0	0	180	180	360
Total	70,636	76,070	69,977	70,513	140,490
<u>Expenditures by Program</u>					
Protection Services	31,890	36,688	35,429	35,461	70,890
Promotion & Marketing	6,088	9,217	7,002	6,932	13,934
Value-Added Ag Products	17,388	16,625	15,268	15,268	30,536
Admin & Financial Assistance	15,270	13,540	12,278	12,852	25,130
Total	70,636	76,070	69,977	70,513	140,490
Full-Time Equivalents (FTE)	416.0	408.7	397.5	396.9	

Program Description

The purpose of the Protection Services Program is to protect the state's citizens and environment by ensuring the quality, integrity, and safety of agricultural and horticultural products that are produced and used in Minnesota.

Budget Activities

- ⇒ Pesticide and Fertilizer Management
- ⇒ Plant Protection
- ⇒ Dairy and Food Inspection
- ⇒ Laboratory Services

AGRICULTURE DEPT
Program: PROTECTION SERVICES

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	100	100	100	100	200
Technical Adjustments					
One-time Appropriations			(100)	(100)	(200)
Forecast Base	100	100	0	0	0
General					
Current Appropriation	10,414	10,440	10,440	10,440	20,880
Technical Adjustments					
Approved Transfer Between Appr			1,307	1,307	2,614
Forecast Base	10,414	10,440	11,747	11,747	23,494
Remediation Fund					
Current Appropriation	388	388	388	388	776
Forecast Base	388	388	388	388	776
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	13	187	0	0	0
General	10,174	11,983	11,747	11,747	23,494
Remediation Fund	388	388	388	388	776
Statutory Appropriations					
Misc Special Revenue	3	13	3	3	6
Agriculture Fund	17,093	17,306	16,224	16,267	32,491
Federal	3,285	4,909	4,715	4,683	9,398
Remediation Fund	934	1,902	2,352	2,373	4,725
Total	31,890	36,688	35,429	35,461	70,890
<u>Expenditures by Category</u>					
Total Compensation	19,695	21,720	21,030	21,273	42,303
Other Operating Expenses	12,102	14,968	14,400	14,189	28,589
Other Financial Transactions	93	0	0	0	0
Transfers	0	0	(1)	(1)	(2)
Total	31,890	36,688	35,429	35,461	70,890
<u>Expenditures by Activity</u>					
Pesticide & Fertilizer Mgmt	11,087	13,454	13,074	13,059	26,133
Plant Protection	7,127	6,408	5,816	5,859	11,675
Dairy & Food Inspection	8,075	9,909	9,663	9,667	19,330
Laboratory Services	5,601	6,917	6,876	6,876	13,752
Total	31,890	36,688	35,429	35,461	70,890
Full-Time Equivalent (FTE)	303.9	284.5	272.3	272.2	

Activity Description

Pesticide and Fertilizer Management (PFM) regulates pesticides and fertilizers, including any matter relating to registration, labeling, distribution, sale, handling, use, application, or disposal. This encourages fair competition and quality assurances for customers, as well as environment and human health protection. To accomplish this responsibility the division utilizes a range of regulatory and voluntary programs.

Population Served

All citizens of the state, producers, and agricultural industries benefit from PFM activities. PFM activities directly affect agriculture, and help provide protection of Minnesota's land and water resources. A significant amount of the regulated activities occur in urban areas since pesticide and fertilizer statutes apply equally to all lands and buildings, whether they have commercial, residential, public or any other use. The division works directly with other states and countries to facilitate uniform regulatory programs.

Services Provided

PFM has responsibilities in three categories:

- ◆ traditional pesticide and fertilizer regulation;
- ◆ water quality protection; and
- ◆ pesticide and fertilizer emergency response and remediation.

Activity at a Glance

During Fiscal Year 2006, PFM:

- ◆ Collected 230,952 pounds of waste pesticides
- ◆ Issued 28,000 pesticide licenses or certificates
- ◆ Permitted over 1,100 chemigation sites
- ◆ Registered 11,000 pesticide products
- ◆ Collected approximately 900 pesticide/water quality samples
- ◆ Provided \$1,242,418 in agricultural chemical cleanup reimbursement
- ◆ Permitted 631 agricultural chemical storage sites
- ◆ Certified 50 manure testing laboratories
- ◆ Responded to over 300 agricultural incidents such as chemical spills and anhydrous ammonia releases
- ◆ Conducted 73 nitrate clinics in 32 counties and analyzed 2,959 water samples on site
- ◆ Surveyed over 4,000 producers and 1.8 million acres of corn, soybeans, wheat and hay for pesticide use
- ◆ Conducted approximately 900 pesticide investigations

Regulatory strategies include education, training, monitoring, licensing, permitting, and promotion of voluntary practices along with inspection, investigation, and enforcement actions. In addition, the PFM division promotes voluntary best management practices (BMPs) for the protection of water quality.

The traditional mission of the division has been to ensure that pesticides and fertilizers were properly labeled and met legal criteria. This provided fair competition for the industry and guaranteed product quality for farmers and consumers. This mission is still important, but there is an increasing emphasis on water quality protection, product use and sale in urban areas. All tasks have become increasingly complex.

The division conducts a variety of fixed facility inspections for pesticides and fertilizers. Products are registered and individuals, sites and companies are certified, licensed or permitted. Education and compliance workshops update and communicate legal requirements or voluntary practices to clientele. Ground and surface water quality are extensively monitored. The division administers remediation and response to agricultural chemical incidents utilizing state superfund or an industry-supported funding program. Additionally, the division facilitates property transfers by the oversight of environmental site assessments.

Historical Perspective

Since the mid 1980s, environmental concerns regarding pesticides and fertilizers have greatly increased. The revision of the Minnesota Pesticide Control Law in 1987 and the passage of the Comprehensive Groundwater Protection Act of 1989 resulted in significant and broad new responsibilities for the division. Programs such as waste pesticide collection, emergency response, superfund, agricultural chemical cleanup reimbursement, water quality monitoring, and increased applicator licensing and certification of applicators added not only a heavy workload but a changed focus to the services provided by the division. These programs also require highly technical and scientifically based regulatory action.

AGRICULTURE DEPT

Program: PROTECTION SERVICE

Activity: PESTICIDE AND FERTILIZER MANAGEMENT

Narrative

In late 2005, the Minnesota Department of Agriculture (MDA) reorganized. Pesticide and fertilizers programs, formerly a significant component of the Agronomy and Plant Protection Division were separated into a single division and renamed the Pesticide and Fertilizer Management (PFM) division.

MDA has been a leader in developing programs that respond effectively to new challenges. Programs such as the Agriculture Chemical Response and Reimbursement Account (ACRRA) program, waste pesticide collections, ground and surface water monitoring programs are nationally recognized for their effectiveness and innovation.

Key Measures

Performance measures used to evaluate effectiveness are:

- ◆ the division will develop real-time electronic data sharing capability by making forms and databases available through the internet to interested parties and regulated clientele.

Activity Funding

This activity receives the majority of its funding from pesticide and fertilizer fee revenues, deposited in and statutorily appropriated for their dedicated uses from the Agricultural Fund.

Contact

For additional information on this activity, please contact Greg Buzicky, Division Director, at (651) 201-6639 or Greg.Buzicky@state.mn.us

Information on programs and staff can be found at the MDA web site www.mda.state.mn.us.

AGRICULTURE DEPT
Program: PROTECTION SERVICES
Activity: PESTICIDE & FERTILIZER MGMT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	13	187	0	0	0
General	718	761	741	741	1,482
Remediation Fund	388	388	388	388	776
Statutory Appropriations					
Agriculture Fund	8,437	9,356	8,807	8,807	17,614
Federal	597	860	786	750	1,536
Remediation Fund	934	1,902	2,352	2,373	4,725
Total	11,087	13,454	13,074	13,059	26,133
<u>Expenditures by Category</u>					
Total Compensation	5,136	6,138	6,060	6,195	12,255
Other Operating Expenses	5,951	7,316	7,014	6,864	13,878
Total	11,087	13,454	13,074	13,059	26,133
Full-Time Equivalents (FTE)	69.3	81.8	76.1	76.1	

Activity Description

Plant Protection Division (PPD) regulates seed, noxious weeds, nursery stock, invasive/exotic pests and apiaries. Division staff provides inspection and certification for grain, fruit and vegetables, and agricultural products for export. In addition, PPD is responsible for survey, monitoring and eradication of plant pests. This ensures that we promote and encourage global trade and at the same time protect our agricultural crops and our highly valued natural environment from unwanted exotic or invasive plant pests that are often an unwelcome byproduct of human global movement. Concurrently, importers or consumers of Minnesota agricultural products and commodities demand assurance or official certification that Minnesota products meet certain prescribed standards and requirements.

Population Served

All citizens of the state, producers, consumers, processors, exporters, and agricultural and forestry industries benefit from PPD activities. PPD activities directly affect agriculture and the protection of environmental resources within the state. Also, a significant amount of regulated activities occur in urban areas. In addition, the division works directly with other states and countries to facilitate global trade through regulatory and export certification programs.

Services Provided

PPD has diverse responsibilities in several categories:

- ◆ plant pest exclusion and regulation
- ◆ certification of agricultural commodities for export
- ◆ nursery dealer and grower inspection/certification
- ◆ seed inspection and sampling
- ◆ grain inspections and sampling analysis
- ◆ fruit and vegetable inspection services
- ◆ potato inspection services including seed potato inspection and certification
- ◆ food Safety Audits.

Regulatory strategies in all areas include education, training, monitoring, licensing, certifying, and promotion of voluntary practices along with survey, monitoring, inspection, and enforcement actions. The mission of the division is to protect the quality of Minnesota's agriculture, agricultural products and natural resources from plant pests, invasive species, and noxious weeds using sound plant protection and certification measures. Minnesota agricultural and natural resources are continually under threat from new and existing pest species such as soybean rust, gypsy moth, potato cyst nematode, emerald ash borer, sudden oak death, and invasive plant species.

The division conducts a variety of facility inspections for seed and plant pests. Products are registered and individuals, companies, nursery stock, and export products are certified, licensed, or permitted. Education and compliance agreement training sessions update and communicate legal requirements or voluntary practices to clientele. Invasive pest species are extensively monitored. Increasingly, the division also directly protects Minnesota natural resources through control of pests such as the gypsy moth.

Activity at a Glance

- ◆ Serves the potato industry, supplying processors, growers and consumers by protecting the \$100 million crop from plant pests.
- ◆ Serves numerous producers and brokers by issuing over 3,000 export certificates annually for agricultural products.
- ◆ Inspects 7,000 – 8,000 acres of nursery stock, and 8,000 retail outlets annually for agricultural, flower, vegetable and tree seed quality.
- ◆ Inspects and certifies 35 million pounds of imported fruits and vegetables and six million pounds of export fruits and vegetables.
- ◆ Tests 1,500 official seed samples to enforce label accuracy for more than 500 labelers offering over 40,000 lots of seed for sale annually.
- ◆ Implements pest survey and monitoring programs to provide eradication activities such as the elimination of gypsy moth from 150,000 acres in 2006.

AGRICULTURE DEPT

Program: PROTECTION SERVICE

Activity: PLANT PROTECTION

Narrative

Inspection programs provide unbiased determinations of the quality and quantity of produce and grain, ensuring that they are fairly reflected in prices to consumers. Providing consistent professional weighing, sampling, testing, and grading services allows voluntary domestic and mandatory export customers the ability to trade with certainty in a fair market.

Historical Perspective

At the Minnesota Department of Agriculture (MDA), Plant Protection programs were part of the Agronomy and Plant Protection Division and the Grain Division until the fall of 2005. At that time, the new Plant Protection Division was formed, bringing together staff and programs with similar statutory authorities, goals, and objectives and also programs that were often working with the same federal agencies or University staff. This new alignment allows for more efficient and effective use of resources, staff, and equipment and a sharing of resources that had been evolving for many years, with potato inspection staff assisting with many export certification tasks.

Staff entomologists, plant pathologists, and horticulturalists are increasingly challenged to protect Minnesota's industries and natural resources by monitoring for and combating plant pests such as emerald ash borer, soybean rust, and karnal bunt as well as conducting field inspections and certifying the pest-free status of shipments of a wide variety of products for foreign markets. In 1995, the MDA initiated an invasive species program to prevent the introduction and spread of invasive species. This increasingly challenging responsibility was due to Minnesota's burgeoning global economy. The 400 tons of goods moving through the state each year provide a virtual "freeway" for harmful plants, agricultural pests, and invasive species to enter our state.

Key Measures

Performance measures used to evaluate effectiveness are:

- ⇒ Pest survey and detection programs result in rapid response activities ensuring that new and threatening pests such as gypsy moth, potato cyst nematode, and emerald ash borer are found quickly and eradicated.
- ⇒ Grain, seed, seed potatoes, fruits, vegetables, and nursery stock are inspected and monitored in a timely manner to ensure that quality and pest free requirements are being maintained.
- ⇒ Commodity export inspection and certification services are efficiently provided in a timely manner.
- ⇒ Seed performance complaints are investigated and truthfulness of seed labeling enforced.

Activity Funding

This activity receives approximately half of its funding from seed, nursery, potato, fruit, and vegetable fee revenues, deposited in and statutorily appropriated for their dedicated uses from the Agricultural Fund. The bulk of the other half of the budget comes from the General Fund, with federal grants also contributing a significant source of funding.

Contact

For additional information on this activity, please contact Geir Friisoe, Division Director, at (651) 201-6174 or geir.friisoe@state.mn.us.

Information on programs and staff can found on the MDA web site at www.mda.state.mn.us.

AGRICULTURE DEPT
 Program: PROTECTION SERVICES
 Activity: PLANT PROTECTION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,593	2,273	2,116	2,116	4,232
Statutory Appropriations					
Agriculture Fund	4,713	3,265	2,686	2,729	5,415
Federal	821	870	1,014	1,014	2,028
Total	7,127	6,408	5,816	5,859	11,675
<u>Expenditures by Category</u>					
Total Compensation	5,032	4,288	3,757	3,838	7,595
Other Operating Expenses	2,002	2,120	2,060	2,022	4,082
Other Financial Transactions	93	0	0	0	0
Transfers	0	0	(1)	(1)	(2)
Total	7,127	6,408	5,816	5,859	11,675
Full-Time Equivalents (FTE)	85.3	51.4	45.3	45.2	

Activity Description

Dairy and Food Inspection works to ensure that food, animal feed, meat, and dairy products are safe and wholesome for Minnesotans consumers and livestock. This is accomplished through regulatory inspections and enforcement, surveillance sampling, special investigations, consumer protection, and educational outreach. The goal of these food safety programs is to prevent the sale or consumption of adulterated food, animal feed, meat, and dairy products and to heighten awareness of proper biosecurity and food safety practices.

Population Served

The entire population of Minnesota, as well as visitors, and those outside Minnesota who consume Minnesota dairy, food and meat products benefit from the service provided by these food protection programs. Minnesota businesses that export food, animal feed, and dairy products benefit from certificates of free sale issued by the Minnesota Department of Agriculture (MDA) as well.

Services Provided

Dairy inspectors routinely inspect and take samples from dairy farms, processing plants, and bulk milk trucks to make sure all milk and dairy products are produced and handled safely. Inspectors also test pasteurizer equipment for proper operation, certify bulk milk hauler-samples, review labels for accuracy, work with farmstead cheese processors, and provide information to dairy farmers and processors to help keep them current with the latest laws and regulations. Milk survey officers check that the dairy industry, milk laboratories, and the Dairy Program comply with the federal Pasteurized Milk Ordinance, allowing Minnesota dairy products to be shipped nationwide.

Food inspectors conduct routine and follow-up inspections at food manufacturing/processing plants, canneries, warehouses, salvage operations, concession stands, and retail food stores. They also conduct regulatory and surveillance food sampling to determine food safety trends and emerging pathogens and conduct inspections under contract with the U.S. Food and Drug Administration (FDA). Inspectors investigate complaints, conduct final inspections of new and remodeled facilities, and work with local health departments to ensure uniform inspection procedures across the state. In addition, they investigate food borne illness outbreaks to determine the cause, remedy the problem, and prevent similar problems in the future. They also work with the industry and the public on food recalls originating in Minnesota or elsewhere and work to verify that recalled products have been removed from sale. The inspectors respond to emergencies such as floods, fires, truck rollovers, and other emergencies to determine if the affected food is safe and wholesome, and to prevent damaged and contaminated goods from reaching the public.

The meat, poultry, and egg inspection section conducts inspections at small and very small meat and poultry processors that manufacture products for wholesale distribution. State inspected meat and poultry products are produced under a cooperative agreement with the United States Department of Agriculture (USDA). This program is referred to as having an "equal to" USDA inspection program. In addition, inspectors provide grading services for eggs packed in the state.

The commercial feed program provides regulation, compliance assistance and technical assistance so that commercial feeds distributed in Minnesota are not misbranded or adulterated, are safe and effective for the intended purpose and pose no threat of carryover adulteration to the human food supply. The program regulates commercial feed distribution so that purchasers of commercial feed are protected and the health of animals consuming the feed is assured. The commercial feed program also regulates drugs in animal feeds, the

Activity at a Glance

For Fiscal Year 2006, the division;

- ◆ Inspected 5,815 dairy farms, 515 bulk milk trucks, 508 haulers, and 70 plants.
- ◆ Inspected 1,152 food processing plants, 6,249 retail food stores, and 636 mobile concessions.
- ◆ Certified 3,244 dairy samples average 4.5 tests per sample.
- ◆ Certified 3,513 food and meat samples.
- ◆ Issued 1,085 Certificates of Free Sale for export.
- ◆ Inspected 75 meat and poultry plants, 175 custom exempt plants and 20 egg grading facilities.
- ◆ Conducted 518 Bovine Spongiform Encephalopathy (BSE) inspections.
- ◆ Inspected 30 federally licensed mills.
- ◆ Conducted 19 tissue residue trace-backs.
- ◆ Collected 181 feed samples for analysis.

prohibition of animal proteins from ruminant feeds, contaminants in feed such as dioxins and mycotoxins and unapproved ingredient use.

The compliance section supports the dairy, food, animal feed, and meat inspection programs in law enforcement and compliance activities. Compliance officers conduct special projects and investigations, work with delegated local health agencies, review plans for newly constructed and remodeled facilities and train inspectors, industry, and consumers on the latest food safety issues. Many of the projects and training efforts are developed in partnership with the Minnesota Department of Health (MDH), the University of Minnesota (U of M), local health agencies and representatives of the food or dairy industry.

Historical Perspective

All inspection programs are moving toward a risk-based inspection program, which allocates resources to facilities that have a higher risk or potential of causing food borne illness. While ordinary operations still have oversight, more complex, high-risk operations (processing or preparing foods often involved in food borne outbreaks) receive more frequent inspections and, in many cases, assistance in developing and following Hazard Analysis Critical Control Point (HACCP) plans to address problems before they occur. Further, cross training among inspection groups develops a more efficient inspection program.

Dairy, animal feed, food, and meat inspection has become a more complicated and expensive business. The industry is becoming more mechanized and computerized with more complex, engineered products and requires well-equipped, highly trained overseers. A global food supply with challenging import and export standards, lower detection limits for contaminants, and new concerns about antibiotics, pesticide residues, and emerging pathogens makes a close working relationship with a state-of-the-art laboratory essential. Efficient inspection programs demand the best computer and information technology. Electronic inspections, access to summary data from anywhere in the state, and prompt electronic analysis of data are vital components of an effective program in the electronic age.

Finally, biosecurity and terrorism vulnerabilities have added an entirely new consideration for increased security, planning, and emergency response in case of a terrorist attacks on our food supply. Food, animal feed, meat, and dairy businesses, especially medium-sized and small businesses that don't have the resources themselves look to the department for guidance in preparing for and responding to such events.

Key Measures

Performance measures used to evaluate effectiveness are:

- ⇒ Total number of inspections completed versus total number of inspections required by risk category (high, medium, and low risk of causing food borne illness).
- ⇒ Total number of dairy and food samples collected and average number of tests done on each sample.
- ⇒ Number of partnerships, agreements, and grants initiated or continued to leverage resources.

Activity Funding

This activity receives the large part of its funding from the General Fund. Feed, dairy, and food inspection fees, deposited in and statutorily appropriated for their dedicated uses from the Agricultural Fund, also provide significant funding. Federal grants are also an important source of funding.

Contact

For additional information on this activity, please contact Kevin Elfering, Division Director, at (651) 201-6453 or Kevin.Elfering@state.mn.us.

Additional information about dairy and food inspection activities are also available on the MDA's web site, www.mda.state.mn.us, and the Dairy and Food Inspection main information line at (651) 201-6027.

AGRICULTURE DEPT
Program: PROTECTION SERVICES
Activity: DAIRY & FOOD INSPECTION

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	5,369	5,679	5,627	5,627	11,254
Statutory Appropriations					
Misc Special Revenue	3	13	3	3	6
Agriculture Fund	2,095	2,715	2,717	2,717	5,434
Federal	608	1,502	1,316	1,320	2,636
Total	8,075	9,909	9,663	9,667	19,330
<u>Expenditures by Category</u>					
Total Compensation	6,247	7,439	7,359	7,382	14,741
Other Operating Expenses	1,828	2,470	2,304	2,285	4,589
Total	8,075	9,909	9,663	9,667	19,330
Full-Time Equivalents (FTE)	91.7	97.2	97.2	97.2	

Activity Description

The Laboratory Services Division (Lab) provides analytical support and data critical to the protection of Minnesota’s food supply, agricultural industry, and environment. Legally defensible analyses support the departmental regulatory programs and are shared through the National Food Emergency Response Network (FERN).

Population Served

The laboratory protects all Minnesota citizens and those who use Minnesota agriculture or agricultural products by working to ensure a safe, secure food supply and protecting the environment from misuse of agricultural chemicals. Through partnerships, we serve the entire nation as we work with other states and federal agencies to identify and address problems of national concern and work to ensure the wholesomeness of Minnesota’s food exports.

Services Provided

Laboratory Services performs chemical, microbiological, and physical analyses of food, dairy products, beverages, water, fertilizer, lime, feed, seed, plant material, pesticides, pesticide residues, and grain. These tests support inspection and enforcement activities of the Minnesota Department of Agriculture’s (MDA’s) regulatory divisions. We also determine product quality and conformance to state and federal laws and regulations, and provide evidence in legal proceedings against violators. This activity provides routine analyses to ensure that products meet legally mandated quality standards (such as analyzing a fertilizer to see if it is contaminated by heavy metals) and provides for forensic analysis to identify unknown agents in a suspect product.

The Laboratory Services Division maintains a core emergency technology and analytical response capability that spans the spectrum of laboratory services for food and agriculture samples associated with protecting and defending the food supply and the environment. Maintenance of this core capability is essential for MDA’s ability to respond to unique emergency and other emerging issues that affect public health and the economic well being of Minnesota’s food and agriculture sector.

Our lab’s special analytical testing also gives the department rapid and accurate data to manage environmental and food-borne crises, such as E. coli contaminated ground beef and pesticide residues in produce. The Lab develops and maintains new analytical capabilities as problems or questions arise within the feed, food, and agrochemical industry. We also consult on analytical issues with inspectors, managers, private analytical laboratories, and regulated industries.

In addition to our services to MDA’s regulatory programs, the Lab provides analyses for the U.S. Department of Agriculture (USDA), the Food and Drug Administration (FDA), the Environmental Protection Agency (EPA), and other federal and state agencies. It also administers a laboratory certification program for private and commercial testing laboratories as required by law.

Historical Perspective

Laboratory Services has served Minnesotans since 1887. The lab’s first duty was to oversee our state’s dairy industry. Over the years our services have grown to include seed quality analysis and more complicated analytical services such as microbiological, chemical, and plant analysis of seed, feed, food, and dairy products. The 1989 groundwater protection legislation created a special need to expand the lab’s analytical capabilities and technology to include testing for a wide variety of pesticides and other agricultural chemicals. In 1995, the MDA provided the state with an opportunity to integrate the Minnesota Department of Natural Resources (DNR) analytical services into MDA’s operations. This allowed the DNR to close two laboratories while still having access to the quality data required for decision-making. In 1999, the closure of the FDA’s Minneapolis lab led to

Activity at a Glance

The Laboratory Services Division is structured to provide diverse analytical services to help ensure food safety/security while protecting the agriculture industry and our environment.

Laboratory Structure:

- ◆ Biological Analyses
 - ⇒ Microbiology
 - ⇒ Plant Pathology/Seed
- ◆ Chemical and Toxicological Analyses
 - ⇒ Environmental Chemistry
 - ⇒ Toxicology and Chemistry

AGRICULTURE DEPT

Program: PROTECTION SERVICE

Activity: LABORATORY SERVICES

Narrative

the co-location of federal FDA staff with MDA staff, bringing additional expertise and partnerships to the laboratory. In November of 2005, the laboratory services division completed moving into new lab facilities, co-located with the Minnesota Health Department's (MDH's) laboratory. Our agencies quickly experienced how co-location enhanced and expanded an existing strong, unique partnership between MDA and MDH. This strengthened relationship gives Minnesota increased capacity to address emerging food protection and defense concerns. Most recently, the 2005 legislature approved construction of additional lab improvements to create a new BSL 3-Ag facility.

The laboratory continues to be challenged by the significant changes that are occurring in analytical technology, laboratory information systems, International Organization for Standardization (ISO) accreditation requirements, and laboratory safety and security concerns. The MDA laboratory Services has continued in 2005 and 2006 to leverage its national leadership role as a food and agriculture regulatory laboratory. This includes the unique partnership the lab has with the University of Minnesota supporting their role as the National Center for Food Protection and Defense (NCFPD), a Department of Homeland Security Center of Excellence for the protection and defense of the nation's food supply. The laboratory was recognized for this leadership by being selected as one of only two state agriculture laboratories receiving a \$1 million dollar grant from FDA for responding to chemical terrorism. The Laboratory Services continues to work closely with FDA, USDA, NCFPD and FERN to assist in development and applied science validation of new technologies for emergency response analysis of food and agriculture samples.

Key Measures

Performance measures used to evaluate effectiveness are:

- ⇒ Increase in customer and user satisfaction through ready access to laboratory data through the Laboratory Information Management System (LIMS). This insures that analysts, decision makers, and interested individuals get the information they need.
- ⇒ Increase in percent of real-time Analytical Quality Control available to analysts in the laboratory.
- ⇒ Increase in participation in the eLEXNET and FoodSHIELD national directories and result data repositories. This minimizes effort and resources used to identify analytical methods and trends in food safety and security.
- ⇒ Certification by Center for Disease Control (CDC) or Animal and Plant Health Inspection Service (APHIS) of MDA's Biosafety Laboratory Facilities (BSL) suites, including the BSL3 and BSL 3-Ag facilities.
- ⇒ Accreditation of MDA to the ISO 17025 (calibration and testing laboratory) standards.

Activity Funding

This activity receives the large part of its funding from the General Fund. Pesticide, fertilizer, seed, feed, dairy and food inspection fees provide revenue to pay for lab work performed for each area. Federal grants are also an important source of funding.

Contact

For additional information on this activity, please contact William Krueger, Division Director, at (651) 201-6572 or William.Krueger@state.mn.us.

Information on programs and staff can be found at the MDA web site www.mda.state.mn.us.

AGRICULTURE DEPT
Program: PROTECTION SERVICES
Activity: LABORATORY SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,494	3,270	3,263	3,263	6,526
Statutory Appropriations					
Agriculture Fund	1,848	1,970	2,014	2,014	4,028
Federal	1,259	1,677	1,599	1,599	3,198
Total	5,601	6,917	6,876	6,876	13,752
<u>Expenditures by Category</u>					
Total Compensation	3,280	3,855	3,854	3,858	7,712
Other Operating Expenses	2,321	3,062	3,022	3,018	6,040
Total	5,601	6,917	6,876	6,876	13,752
Full-Time Equivalents (FTE)	57.6	54.1	53.7	53.7	

Program Description

The purpose of the Agricultural Marketing and Development Program is to bolster our agricultural sector's economic and environmental health by providing quality marketing services, technical resources, and economic stimulus.

Budget Activities

- ⇒ Agricultural Marketing Services
- ⇒ Agricultural Resources Management and Development

AGRICULTURE DEPT

Program: PROMOTION & MARKETING

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	200	200	200	200	400
Technical Adjustments					
One-time Appropriations			(200)	(200)	(400)
Forecast Base	200	200	0	0	0
General					
Current Appropriation	4,085	6,530	6,530	6,530	13,060
Technical Adjustments					
Approved Transfer Between Appr			465	465	930
One-time Appropriations			(2,400)	(2,400)	(4,800)
Forecast Base	4,085	6,530	4,595	4,595	9,190
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	79	353	0	0	0
General	3,895	6,043	4,595	4,595	9,190
Statutory Appropriations					
Misc Special Revenue	237	346	263	260	523
Agriculture Fund	1,207	1,285	1,231	1,254	2,485
Federal	582	1,097	817	777	1,594
Miscellaneous Agency	0	0	50	0	50
Gift	88	93	46	46	92
Total	6,088	9,217	7,002	6,932	13,934
<u>Expenditures by Category</u>					
Total Compensation	3,706	4,691	4,591	4,794	9,385
Other Operating Expenses	2,193	4,243	2,104	1,882	3,986
Payments To Individuals	0	218	174	173	347
Local Assistance	189	65	12	12	24
Other Financial Transactions	0	0	50	0	50
Transfers	0	0	71	71	142
Total	6,088	9,217	7,002	6,932	13,934
<u>Expenditures by Activity</u>					
Ag Marketing Services	2,870	3,642	3,590	3,560	7,150
Ag Resc Mmt & Devel	3,218	5,575	3,412	3,372	6,784
Total	6,088	9,217	7,002	6,932	13,934
Full-Time Equivalent (FTE)	56.5	63.9	63.4	63.3	

Activity Description

Agricultural Marketing Services (AMS) assists in the orderly marketing of Minnesota's agricultural commodities and products; promotes Minnesota agricultural products in domestic and international markets; furnishes information and economic analyses related to marketing opportunities; provides promotional, informational and other marketing services for agricultural producers, processors, consumers, and others involved in the marketing process; and protects producers through programs related to the licensing, bonding, and certification in the sale and storage of agricultural products.

Population Served

AMS serves grain, livestock, vegetable, fruit, poultry and dairy producers, agri-businesses, manufacturers, processors, distributors, retailers, and exporters by protecting and promoting Minnesota agriculture.

Consumers and end users benefit from the introduction and promotion of high quality fresh Minnesota agricultural products. AMS helps Minnesota consumers and producers connect locally through the Minnesota Grown program and connect Minnesota producers and agri-businesses with the world through the increased export of high value food and agricultural products.

Services Provided

AMS helps diversify agriculture in Minnesota by promoting:

- ⇒ Overseas market development with the collaborative efforts of United States Department of Agriculture (USDA) and other state and regional trading groups that promote both branded and generic activities at international trade exhibitions. Also promotes Minnesota agricultural products in international markets through relationships with possible product end-users in global markets.
- ⇒ Bio-science development by providing assistance to Minnesota stakeholders on bio-processing/bio-manufacturing projects. AMS is partnering with the University of Minnesota and Department of Employment and Economic Development on bio-energy initiatives.
- ⇒ Minnesota-certified producers who can maximize their profits by differentiating what they produce with International Standards Organization (ISO) certification mechanisms where producers agree on an external set of principles.
- ⇒ Risk management, so producers can protect themselves from market swings.
- ⇒ Dairy and livestock development, so the state can maintain productivity in animal agriculture and maintain a diverse agricultural economy.
- ⇒ Renewable fuel production and use, so Minnesota grain can help reduce air pollution and dependence on imported fossil fuels.
- ⇒ Farmers markets, so producers can maximize their profits in the sale of fresh farm produce.
- ⇒ Minnesota-Grown labeled products, so consumers can more easily identify and buy Minnesota Grown produce and products.

AMS protects producers by licensing, bonding, inspecting, and auditing:

- ◆ grain buyers and grain storage elevators;
- ◆ livestock dealers, markets, and agents; and
- ◆ wholesale produce dealers.

AMS helps commodity growers by overseeing the operations of the state's 12 commodity promotion and research councils.

Activity at a Glance

In the 2004 - 2005 biennium, Agricultural Marketing Services

- ◆ participated in 11 international food shows
- ◆ participated in 86 international trade events
- ◆ received 637 visitors from 60 countries
- ◆ established 1,016 contacts with new buyers
- ◆ made 23 first sales to new markets
- ◆ increased Minnesota exports sales by \$44 million
- ◆ protects producers of agricultural products by licensing, bonding, and auditing of persons and companies that buy grain, livestock, and wholesale produce

Historical Perspective

As farmers' productivity has outpaced the needs of Minnesota's population, the need for stronger efforts to add value and effectively market Minnesota's agricultural products has also increased. The globalization and consolidation of agriculture means that family farmers and local agri-businesses need help to sell their quality products locally, nationally, and internationally, and prosper in a changing economy. Licensing, bonding, and auditing programs are more important than ever when sellers and buyers are no longer neighbors but strangers. Producers in a changing landscape receive education on their rights under Minnesota and federal law. AMS has the responsibility to promote Minnesota agricultural products in global markets. AMS, in conjunction with the Department of Employment and Economic Development, has a special focus on the Minnesota – China Partnership.

Key Measures

Performance measures used to evaluate effectiveness are:

- ⇒ Ensure the orderly marketing of agricultural products through the licensing, bonding, and auditing of grain elevators, grain buyers, wholesale produce dealers, and livestock dealers.
- ⇒ New or expanding domestic and international markets are identified, analyzed, and developed.

Activity Funding

This activity receives the large part of its funding from the General Fund. Fees for various certification and promotion activities, deposited in and statutorily appropriated for their dedicated uses from the Agricultural Fund, also provide significant funding.

Contact

For additional information on this activity, please contact Kurt Markham, Division Director, at (651) 201-6382 or Kurt.Markham@state.mn.us.

Information on programs and staff can be found at the MDA web site www.mda.state.mn.us.

AGRICULTURE DEPT
Program: PROMOTION & MARKETING
Activity: AG MARKETING SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	1,357	1,777	1,792	1,792	3,584
Statutory Appropriations					
Misc Special Revenue	193	282	238	235	473
Agriculture Fund	1,207	1,285	1,231	1,254	2,485
Federal	63	264	259	259	518
Miscellaneous Agency	0	0	50	0	50
Gift	50	34	20	20	40
Total	2,870	3,642	3,590	3,560	7,150
<u>Expenditures by Category</u>					
Total Compensation	1,909	2,289	2,358	2,440	4,798
Other Operating Expenses	913	1,333	1,104	1,042	2,146
Local Assistance	48	20	7	7	14
Other Financial Transactions	0	0	50	0	50
Transfers	0	0	71	71	142
Total	2,870	3,642	3,590	3,560	7,150
Full-Time Equivalent (FTE)	29.6	32.8	32.0	31.9	

Activity Description

Agricultural Resources Management and Development (ARMD) assists agricultural producers with resource policy and management challenges, identifies and oversees research and demonstrations on agricultural environmental issues, conducts on-farm research, develops and transfers information and technology; and provides pest management and diversification options.

Population Served

This activity serves producers and agricultural professionals, processors, suppliers, and the general public. We partner with researchers, producer organizations, local governments, and state, local and federal environmental protection and conservation agencies to jointly address issues or opportunities.

Services Provided

ARMD provides services in the following ways:

- ⇒ Inform and involve producers and stakeholders in environmental policy and program development, such as Total Maximum Daily Loads (TMDL), drainage and feedlots.
- ⇒ Organize research and development partnerships with producers, researchers and others to address environmental protection, overcome production barriers and create opportunities.
- ⇒ Provide agriculture Best Management Practices, and Sustainable Ag Loans to producers that make investments to enhance environmental performance and profitability.
- ⇒ Sponsor on-farm research and pilot projects to evaluate practices and transfer information and technology.
- ⇒ Provide integrated pest management (IPM) and bio-control strategies, including operating bio-control and plant pathology quarantine facilities.
- ⇒ Assist local governments and producers with rural planning and land management.
- ⇒ Provide production information to producers on profitable diversification options, such as small scale livestock production and niche markets.
- ⇒ Provide information, training, and financial assistance to organic growers and processors.

Historical Perspective

The Resources Management and Development division administers or supports state laws that affect resources management and development in several areas:

- ◆ development of agricultural industries and cooperation with the University of Minnesota (U of M);
- ◆ environmental Policy Act (environmental review);
- ◆ agricultural land preservation and conservation;
- ◆ sustainable agriculture and integrated pest management (including biological control);
- ◆ agricultural diversification;
- ◆ sustainable agriculture loans and grants;
- ◆ agricultural Best Management Practices (BMP) Loans; and
- ◆ organic production and certification.

Some trends affecting the division's clientele and mission include:

- ◆ The impact of federal and state implementation of the Clean Water and Safe Drinking Water Acts on farming operations;
- ◆ rapidly growing producer interest and consumer demand for organic, natural, and eco-labeled food products;
- ◆ demand from small and medium-sized producers for diversification options which help them manage enterprise risk and access growing specialty markets;

Activity at a Glance

- ◆ Provides producers and stakeholders with information on environmental policies and regulations, pest management, organic certification, and other issues.
- ◆ Administers cumulative total loan value of \$94 million in Agricultural Best Management Practice Loans, from a total appropriation of \$53 million, for manure and feedlot management, conservation tillage, and septic systems.
- ◆ Enters into research partnerships to evaluate feasibility, cost, and environmental benefit of practices or technologies.
- ◆ Maintains and harvests with partners 2,500 insectaries for leafy spurge control agents and supports local bio-control efforts in 68 counties.
- ◆ Assists local government on land use planning, and agricultural development.

AGRICULTURE DEPT

Program: PROMOTION & MARKETING

Activity: AG RESOURCES MANAGEMENT & DEVELOPMENT

Narrative

- ◆ the impact of TMDLs on agricultural profitability (i.e. working lands) and economic growth;
- ◆ the emergence of potential opportunities for producers in environmental credit trading, such as carbon and water quality credits;
- ◆ rising consumer expectations about environmental and food quality;
- ◆ increasing opportunities to address state resources issues, such as TMDLs, with increased funding through federal farm conservation programs; and
- ◆ continued attention to development and adoption of agricultural practices that reduce or improve agriculture's impact on the environment.

Key Measures

Performance measures used to evaluate effectiveness are:

- ⇒ Provide \$10-\$12 million annually in Agricultural BMP Loans that protect water quality while keeping producers economically viable.
- ⇒ Complete construction and license the Biosafety Level 3 (BL3) Plant Pathology Quarantine Facility and continue operation of the Biosafety Level 2 (BL2) Biological Control Quarantine Facility, to provide scientists with research facilities to study plant pathogens, such as soybean rust, and accelerate biological control efforts on plant pests.
- ⇒ Assist producers and processors with organic certification costs. Provide educational opportunities for producers and others at annual Minnesota Organic Conference and through research and demonstration projects.
- ⇒ Assist the Commissioner's Office in contributing to and implementing the MDA roles in the Clean Water Legacy initiative. Continue to inform producers and their advisors of TMDL processes.
- ⇒ Collaborate with commodity groups, industry and the U of M to further evaluate and demonstrate innovations to agricultural drainage systems that improve environmental performance while conserving subsurface water for growing crops.
- ⇒ Provide fruit and vegetable crop pest and IPM information to over 1,200 producers and growers, crop consultants, scientists, industry representatives, and processors through electronic and paper publications.
- ⇒ Provide over 350 land managers with weed biological control agents and IPM information.

Activity Funding

This activity receives the majority of its funding from the General Fund. Federal grants, Legislative Commission on Minnesota Resources projects and other sources provide support for this activity in smaller amounts.

Contact

For information regarding the division's overall mission and programs, agricultural resource issues, please contact Paul Strandberg, Interim Director at (651) 201-6607.

For information regarding Agricultural BMP Loans, environmental review, agricultural land preservation, and animal agricultural issues, please contact Paul Burns, Assistant Director at (651) 201-6488 or Paul.Burns@state.mn.us.

For information regarding sustainable agriculture, integrated pest management, and organic programs, please contact Mary Hanks, Supervisor, Sustainable Agriculture and IPM at (651) 201-6277 or Mary.Hanks@state.mn.us.

Information on programs and staff can be found on the MDA web site at www.mda.state.mn.us/agdev.

AGRICULTURE DEPT
Program: PROMOTION & MARKETING
Activity: AG RESC MMT & DEVEL

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	79	353	0	0	0
General	2,538	4,266	2,803	2,803	5,606
Statutory Appropriations					
Misc Special Revenue	44	64	25	25	50
Federal	519	833	558	518	1,076
Gift	38	59	26	26	52
Total	3,218	5,575	3,412	3,372	6,784
<u>Expenditures by Category</u>					
Total Compensation	1,797	2,402	2,233	2,354	4,587
Other Operating Expenses	1,280	2,910	1,000	840	1,840
Payments To Individuals	0	218	174	173	347
Local Assistance	141	45	5	5	10
Total	3,218	5,575	3,412	3,372	6,784
Full-Time Equivalent (FTE)	26.9	31.1	31.4	31.4	

Program Description

The purpose of this program is to conduct value-added agricultural programs.

Budget Activities

This program includes the following budget activities:

⇒ Ethanol Producer Payments and Assistance

AGRICULTURE DEPT

Program: VALUE-ADDED AG PRODUCTS

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	18,745	15,268	15,268	15,268	30,536
Forecast Base	18,745	15,268	15,268	15,268	30,536
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	17,388	16,625	15,268	15,268	30,536
Total	17,388	16,625	15,268	15,268	30,536
<u>Expenditures by Category</u>					
Other Operating Expenses	500	0	0	0	0
Local Assistance	16,888	16,625	15,268	15,268	30,536
Total	17,388	16,625	15,268	15,268	30,536
<u>Expenditures by Activity</u>					
Ethanol Producer Payment	17,388	16,625	15,268	15,268	30,536
Total	17,388	16,625	15,268	15,268	30,536

Program Description

The Minnesota Department of Agriculture (MDA) makes Ethanol Development Payments to Minnesota ethanol producers based on a formula found in M.S. 41A.09.

Population Served

Currently ten ethanol plants located throughout Minnesota are eligible to receive producer payments. In FY 2008, two of these plants will stop receiving production payments.

All plants that received producer payments during the years when appropriation limitations did not allow the full rate per gallon to be paid are entitled to receive deficiency payments for the amount their payments were short. These payments are made annually. Money available for this purpose is pro-rated to all deficiencies.

In 2005, money was also appropriated for grants to fuel station owners to install E85 pumps and for ethanol efficiency grants.

Services Provided

Each plant submits a quarterly report of gallons of ethanol produced to the MDA. These reports are independently audited, and payments are made in accordance with the statute. Payments are made November 15, February 15, May 15, and August 15.

Service stations apply for pump assistance and are reimbursed for up to half the cost of the work, up to a maximum of \$15,000.

Historical Perspective

This ethanol producer payment program was authorized by the state legislature in 1986. Each plant enrolled in the program is eligible for payment based on gallons of ethanol produced up to a maximum amount of \$3 million for each of the ten years they may participate in the program. The program for regular payments expires 6-30-10. It is estimated that deficiency payments will continue until FY 2013.

Key Measures

Key measures for this program are specified in M.S. 41A.09, which provides for an annual production of ethanol from Minnesota plants of at least 480 million gallons by 2008. Current annual production capacity is in excess of 400 million gallons.

- ⇒ MDA reviews audited claims and makes payments to producers eligible for payment under M.S. 41A.09.
- ⇒ Fifty-one service stations were awarded E85 pump grants.

Activity Funding

This activity is funded by a direct appropriation from the General Fund.

Contact

For additional information on this activity, please contact Steve Ernest at (651) 201-6580 or Steve.Ernest@state.mn.us

Activity at a Glance

Ethanol plants in Minnesota receiving producer payments in FY 2007:

- ◆ Agra Resources Co-op, Albert Lea
- ◆ Agri-Energy, LLC, Luverne
- ◆ Al-Corn Clean Fuel, Claremont
- ◆ Central Minnesota Ethanol Coop, Little Falls
- ◆ Diversified Energy Company, LLC, Morris
- ◆ Ethanol 2000, Bingham Lake
- ◆ Heartland Corn Products, Winthrop
- ◆ Melrose Dairy Proteins, LLC, Melrose
- ◆ Minnesota Energy, Buffalo Lake
- ◆ Pro-Corn, LLC, Preston

AGRICULTURE DEPT

Program: VALUE-ADDED AG PRODUCTS

Activity: ETHANOL PRODUCER PAYMENT

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	17,388	16,625	15,268	15,268	30,536
Total	17,388	16,625	15,268	15,268	30,536
<u>Expenditures by Category</u>					
Other Operating Expenses	500	0	0	0	0
Local Assistance	16,888	16,625	15,268	15,268	30,536
Total	17,388	16,625	15,268	15,268	30,536

Program Description

The purposes of the Administration and Financial Assistance Program are to provide leadership and direction to the functions of the agency and to provide Minnesota agriculture with financial assistance.

Budget Activities

- ⇒ Grants and Assistance
- ⇒ Rural Financing
- ⇒ Administrative Services

AGRICULTURE DEPT

Program: ADMIN & FINANCIAL ASSISTANCE

Program Summary

Dollars in Thousands

	Current		Forecast Base		Biennium 2008-09
	FY2006	FY2007	FY2008	FY2009	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	6,682	7,732	7,732	7,732	15,464
Technical Adjustments					
Approved Transfer Between Appr			(1,772)	(1,772)	(3,544)
Forecast Base	6,682	7,732	5,960	5,960	11,920
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	6,467	6,054	5,960	5,960	11,920
Statutory Appropriations					
Clean Water Revolving Fund	4,984	1,405	2,360	2,802	5,162
Misc Special Revenue	2,612	3,089	3,181	3,253	6,434
Agriculture Fund	388	1,252	82	142	224
Federal	527	555	541	541	1,082
Rural Finance Administration	252	1,148	148	148	296
Miscellaneous Agency	40	6	6	6	12
Gift	0	31	0	0	0
Total	15,270	13,540	12,278	12,852	25,130
<u>Expenditures by Category</u>					
Total Compensation	4,195	4,797	4,876	4,990	9,866
Other Operating Expenses	3,150	2,519	2,290	2,245	4,535
Payments To Individuals	538	578	572	575	1,147
Local Assistance	1,690	1,651	1,651	1,651	3,302
Other Financial Transactions	5,697	3,995	2,779	3,281	6,060
Transfers	0	0	110	110	220
Total	15,270	13,540	12,278	12,852	25,130
<u>Expenditures by Activity</u>					
Grants And Assistance	2,618	2,652	2,703	2,703	5,406
Rural Financing	6,139	4,546	3,322	3,824	7,146
Administrative Services	6,513	6,342	6,253	6,325	12,578
Total	15,270	13,540	12,278	12,852	25,130
Full-Time Equivalent (FTE)	55.6	60.3	61.8	61.4	

Activity Description

This activity provides a variety of direct grants and assistance to individuals and organizations.

Population Served

Grants and assistance are provided to dairy producers, low-income and nutritionally at-risk people, farmers in crisis, county fairs and agricultural producer associations, and research and development organizations.

Services Provided

The Dairy Development Profitability and Enhancement program assists dairy producers in the enhancement of their operations. The program has two facets: Dairy Enhancement Team Grants and Dairy Business Planning Grants. Local teams are composed of U of M Extension and MnSCU employees as well as local veterinarians, feed nutritionists and financial lenders. Teams work one-on-one with producers to help them achieve greater profitability, productivity, and efficiency. Through this cooperative effort, producers have been able to eliminate bottlenecks on their operations and accomplish business and family goals. The Dairy Business Planning Grant provides a 50% cost share, up to \$5,000 per producer, of the cost of completing a business plan. Options explored by these producers have included on-farm processing, expansion, transferring the farm to the next generation, and environmental upgrades. This grant is available to all dairy producers, but the program prioritizes small to medium-sized producers.

Activity at a Glance

This activity includes the following programs:

- ◆ The Dairy Development Profitability and Enhancement Program
- ◆ The Farmers Market Nutrition coupon programs (including federal money)
- ◆ Milk for food shelves through a grant to Second Harvest Heartland
- ◆ The Farm Advocates program
- ◆ Mental health assistance through the Minnesota State Colleges and Universities
- ◆ County Fair and Agricultural Society Grants
- ◆ Grants to the Northern Crops Institute and Northern Minnesota Forage-Turf Seed Advisory Committee
- ◆ A grant to the Horticultural Society

The Farmers' Market Nutrition Programs (FMNP) promote farmers' markets and improve the diets of low-income children, pregnant women, and seniors. The program aims to increase direct sales of locally grown produce and encourage consumption of fresh produce among low-income and nutritionally at-risk people by providing checks to those groups. FMNP issues checks to FMNP-WIC recipients through the local WIC (Women, Infant and Children) agencies that can only be redeemed at authorized farmers' markets for locally grown, fresh, unprocessed fruits and vegetables. Seniors receive checks from the agencies that distribute NAPS (Nutrition Assistance Program for Seniors) commodities. The department authorizes markets and vendors to accept the checks and investigates to ensure that vendors comply with program requirements and redeem checks only for eligible items.

The Second Harvest Heartland grant supports the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks.

Farm Advocates provide one-on-one assistance for Minnesota farmers who face crisis due to a natural disaster or financial problems. Farm Advocates understand the needs of agricultural families. They are trained and experienced to deal with agricultural lending practices, mediation, lender negotiation, farm programs, crisis counseling and disaster programs, and to recognize the need for legal and social services. Farm Advocates assist farmers who are entering negotiations with a lender, liquidating assets of the farming operation, seeking financial assistance, and/or are receiving an adverse decision from a state or federal agency. Key farm advocate services include: financial planning; lender negotiations; farm program advice; referrals for legal services; and referrals for social and human Services. In addition, mental health counseling for farm families and business operators is supported through farm business management programs at Central Lakes College and Ridgewater College.

Grants to county fairs and agricultural associations provide assistance to fair boards and associations for prize costs. Grants to the Northern Crops Institute and the Northern Minnesota Forage-Turf Seed Advisory Committee provide support for continued research into hardy varieties of crops for use in the northern tier of states and

improved production of forage and turf seed related to new varieties. Grants to the Minnesota Horticultural Society support educational programs including the Minnesota Green program, which supplies donated plant materials to over 200 community greening spaces throughout the state.

Historical Perspective

The Farm Advocate program was founded in the mid-1980s.

Minnesota has had state funded FMNP since FY 1989 and has received federal funds since federal FY 1994. The senior FMNP started in Minnesota in federal FY 2001, the first year federal funds were available.

The Dairy Diagnostic program was established in 1996.

The Minnesota Horticultural Society was founded in 1866 and its magazine, *The Northern Gardener*, is the longest continuously published magazine in the state.

Key Measures

Performance measures used to evaluate effectiveness include:

- ⇒ A minimum of 350 producers will be served annually by a Dairy Profitability and Enhancement Team.
- ⇒ Four hundred farm families will be served annually by 15 Farm Advocates.
- ⇒ Fifty percent of all first time check recipients who spend FMNP checks will be new market customers.

Activity Funding

Grants and claims are funded by direct appropriations from the general fund. Appropriations for the Farmers Market Nutrition Programs provide the required match for federal appropriations.

Contact

For additional information contact Steve Ernest, Financial Management Director, at (651) 201-6580 or Steve.Ernest@state.mn.us

AGRICULTURE DEPT

Program: ADMIN & FINANCIAL ASSISTANCE

Activity: GRANTS AND ASSISTANCE

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	2,132	2,127	2,207	2,207	4,414
Statutory Appropriations					
Federal	486	499	496	496	992
Gift	0	26	0	0	0
Total	2,618	2,652	2,703	2,703	5,406
<u>Expenditures by Category</u>					
Total Compensation	111	120	124	130	254
Other Operating Expenses	279	303	256	247	503
Payments To Individuals	538	578	572	575	1,147
Local Assistance	1,690	1,651	1,651	1,651	3,302
Transfers	0	0	100	100	200
Total	2,618	2,652	2,703	2,703	5,406
Full-Time Equivalent (FTE)	1.9	2.1	2.1	2.1	

Activity Description

The Agricultural Finance division administers programs designed to enhance Minnesota's agricultural production and processing capacity, provide opportunities for renewable energy and protect the environment.

The Rural Finance Authority (RFA), a separate public body created under M.S. Chapter 41B and authorized to utilize state bonds to develop the state's agricultural resources, is included in this activity.

Activity at a Glance

- ◆ 2,549 farmers assisted through RFA
- ◆ \$166.3 million in RFA real estate participation
- ◆ 449 RFA financial service centers available
- ◆ 3,044 legal entities certified under Corporate Farm Law guidelines

Population Served

Eligible farmers who wish to purchase a farm, construct improvements on their farm, participate in value added activities, expand their livestock or improve their livestock equipment, reduce production costs, or protect the environment.

Services Provided

Four primary activities are administered by the Agricultural Finance division. They include:

- ◆ Minnesota Rural Finance Authority;
- ◆ Federal Aggie Bond program;
- ◆ Sustainable Agriculture Loan Program, jointly with the Agricultural Resources Management and Development division;
- ◆ Minnesota Corporate Farm Law.

The Minnesota Rural Finance Authority is governed by an eleven member board appointed by the governor. The board of the authority consists of the commissioners of agriculture, commerce, employment and economic development, and finance, the state auditor, and six public members appointed by the governor with the advice and consent of the senate. No public member may reside within the metropolitan area.

The RFA partners with local lenders to provide affordable credit to eligible farmers by buying a portion of the real estate loan. The RFA has a contract or participation agreement with more than 400 agricultural lenders throughout Minnesota. The agricultural lender will submit an application to the RFA with a request that the RFA purchase a portion of a qualifying real estate loan. The RFA portion of the loan is carried at a reduced interest rate. The reduced rate offers a cash flow advantage to eligible farmers.

The RFA will purchase a 45% interest in the lender's first mortgage (up to \$200,000) to an eligible farmer under the Beginning Farmer, Seller Assisted and Agricultural Improvement Programs. A participation in the Livestock Expansion Loan Program may be up to \$275,000 and up to \$225,000 under the Restructure II Program. This participation interest is set up on a reduced interest rate to improve the farmer's cash flow and to share the risk of making the loan with the lender. The RFA and lender become partners and each owns a pro-rata share of said mortgage.

The Agricultural Development Bond (Aggie Bond) Program creates a federal tax exemption for banks, and a federal and state tax exemption on interest income to an individual seller in exchange for offering below-market interest rates to the buyer. No state funds go into these loans.

The Agricultural Finance division and the Ag Resources Management and Development division jointly administer the Sustainable Agriculture Loan Program. Agricultural Finance reviews applications authorized under 17.115 for creditworthiness. In 1988, the Minnesota Legislature appropriated \$1 million for the Sustainable Agriculture Loan Program. The purpose of this loan program is to facilitate the adoption of alternative management practices that will enhance farm profitability and benefit the rural environment. The appropriation has been set up as a "revolving fund." As the outstanding loans are repaid to the state the principal revolves back to the farmers in the form of new loans.

AGRICULTURE DEPT

Program: ADMIN & FINANCIAL ASSIST

Activity: RURAL FINANCING

Narrative

The division also enforces and facilitates compliance with the Corporate and Alien Farm laws. The law's stated purpose is to protect the family farm as a basic economic unit and promote the stability and well being of rural society by ensuring the non-farm corporations and foreign entities do not own farm land or engage in production agriculture. The Corporate Farm Law (M.S. 500.24) was recodified in 1997 and amended substantially in 2000.

Historical Perspective

The Minnesota Rural Finance Authority was established in 1986 to develop the state's agricultural resource by extending credit on real estate security as allowed under the authority of Article XI, Section 5, Clause (h) of the Minnesota Constitution. The initial program was designed to help lenders and borrowers restructure farm real estate loans that had become undersecured. In response to identified financing needs for agriculture, additional programs were initiated. They included the Basic Farm Loan (1987) and Seller-Assisted (1989) to help finance beginning and low-equity farmers to purchase farm real estate, Agricultural Improvement (1992) for existing farmers that needed to make improvements to their property, Restructure II for existing farmers who were in good standing with their local lender but having cash flow problems due to an imbalance in their debt structure, and Livestock Expansion (1994) to create affordable financing for new, state-of-the-art improvements for livestock production; the Value-Added "Stock" Loan Program (1994) and the Methane Digester Loan Program (2002).

Key Measures

Performance measures used to evaluate effectiveness are:

- ⇒ To direct more than 60% of the RFA loan participation to Basic, Seller-Assisted, and Agricultural Improvement loan programs.
- ⇒ To underwrite credits that show capital, liquidity, and debt service capacity comparable to industry standards.

Activity Funding

This activity is supported by the General Fund and fees on the loan programs administered.

Bonding authorization is established by M.S., Section 41B.19, Subd. 1, and is allocated by resolution of the board. Net legislative authorizations received from 1986 through 2005 for the above listed programs are \$141 million.

A resolution is passed by the RFA Board requesting that the Department of Finance sell general obligation bonds. The amount of each bond sale is determined by the level of loan activity. The date of each bond sale is coordinated with the Department of Finance. Cash generated from the sale of general obligation bonds is used to purchase up to 45% of a qualifying loan.

The principal and interest receipts from the loan participations are deposited into a dedicated account called the debt service account. Interest rate on the RFA participation is set at a level that will generate sufficient revenue to meet overall debt service requirements. The Department of Finance annually sweeps funds from the debt service account to satisfy debt service on the general obligation bonds.

Additional bond authorization does not increase the need for General Fund appropriations for staffing or administrative costs of these programs.

Contact

For additional information on this activity, please contact Jim Boerboom at (651) 201-6395 or Jim.Boerboom@state.mn.us.

AGRICULTURE DEPT

Program: ADMIN & FINANCIAL ASSISTANCE

Activity: RURAL FINANCING

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	345	495	486	486	972
Statutory Appropriations					
Clean Water Revolving Fund	4,984	1,405	2,360	2,802	5,162
Misc Special Revenue	175	247	246	246	492
Agriculture Fund	383	1,249	80	140	220
Rural Finance Administration	252	1,148	148	148	296
Miscellaneous Agency	0	2	2	2	4
Total	6,139	4,546	3,322	3,824	7,146
<u>Expenditures by Category</u>					
Total Compensation	314	327	334	343	677
Other Operating Expenses	128	224	209	200	409
Other Financial Transactions	5,697	3,995	2,779	3,281	6,060
Total	6,139	4,546	3,322	3,824	7,146
Full-Time Equivalent (FTE)	4.3	3.8	4.3	4.3	

Activity Description

Administrative Services provides the leadership to the Minnesota Department of Agriculture (MDA) and its employees, and outreach to the agriculture industry and Minnesota consumers. It also provides department-wide support in the areas of human resources, finance and budget, and information technology by assisting divisions in providing efficient and effective programs.

M.S. 17 provides the statutory authority for the commissioner of MDA.

Population Served

In addition to supplying essential assistance to MDA employees and programs, Administrative Services also works with the legislature, producers and processors in the agricultural industry, citizens of Minnesota, and partner state and federal agencies. Minnesota's agriculture industry is the seventh largest in the nation. Minnesota is the fifth largest in ag exports.

Services Provided

Services are provided through the:

- ⇒ Commissioner's Office – provides leadership for the department, sets policy, and interacts with our stakeholders – federal, state, local, and international.
- ⇒ Human Resources – provides employee safety and health program, labor relations program, training program, and diversity program in order to maintain a flexible and diverse workforce that can meet the needs of a changing and demanding workplace.
- ⇒ Finance and Budget – provides centralized accounting, payroll, budgeting, mail, and motor pool services to the employees of MDA.
- ⇒ Information Technology – provides services to all divisions for computer systems analysis, technical support, programming, project management, web design and graphic arts; administers the production of all department licenses; coordinates geographic information systems; manages telephone services; and prepares for future technology needs.
- ⇒ Agricultural Statistics – a joint federal/state division that collects, analyzes, and disseminates statistical information useful to not only agricultural producers and processors, but also to economists.

Activity at a Glance

- ◆ Commissioner's Office oversees and directs the activity of all divisions in MDA
- ◆ Human Resources and Diversity assist over 500 employees with personnel matters
- ◆ Finance and Budget works to build and manage an annual budget of approximately \$70 million
- ◆ Information Technology provides, maintains and updates MDA's hardware, software, and network computer assets
- ◆ Agricultural Statistics is a state/federal partnership that collects, correlates, and analyzes agricultural data
- ◆ MDA has 317 employees located in the Minneapolis/St. Paul metro area, and 220 employees located throughout Minnesota in the areas they serve

Historical Perspective

In recent years, there have been many executive challenges and opportunities. Farm production and the economy continue to face formidable challenges; food safety and agriculture security requirements are at the highest level in recent history; the department's budget and human resources have been obligated to respond to numerous critical situations.

The department has made significant advances to align business needs with technology support, moving from a fragmented information technology infrastructure to a highly integrated system providing improved support/services to our employees, customers, and Minnesota citizens. The department has a proven track record of successfully managing and completing complex information technology projects on time and within budget.

2006 marks MDA's first full year in the new Orville L. Freeman Building, located at 625 Robert Street North, in St. Paul. Co-location with the Department of Health and the Board of Animal Health has enhanced coordination on related activities.

Key Measures

Performance measures used to evaluate effectiveness are:

- ⇒ MDA continues to partner with other state departments of agriculture to increase our presence at the national level to ensure Minnesota's agriculture is represented and heard.
- ⇒ MDA is designing and completing technology projects that will ensure that the projects goals are defined by business practices. Our projects will be completed on time and within budget.

Activity Funding

Leadership and support activities are funded with direct appropriations from the General Fund and indirect cost charges made within the agency for central service operations.

Contact

For additional information on budgets, please contact Steve Ernest, Financial Management Director, at (651) 201-6580 or Steve.Ernest@state.mn.us.

For additional information on policy, please contact Quinn Cheney, Director of Policy Development, at (651) 201-6180 or Quinn.Cheney@state.mn.us.

Additional information, such as the Commissioner's Column is also available on the MDA's web site.

AGRICULTURE DEPT

Program: ADMIN & FINANCIAL ASSISTANCE

Activity: ADMINISTRATIVE SERVICES

Budget Activity Summary

<i>Dollars in Thousands</i>					
	Current		Forecast Base		Biennium
	FY2006	FY2007	FY2008	FY2009	2008-09
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	3,990	3,432	3,267	3,267	6,534
Statutory Appropriations					
Misc Special Revenue	2,437	2,842	2,935	3,007	5,942
Agriculture Fund	5	3	2	2	4
Federal	41	56	45	45	90
Miscellaneous Agency	40	4	4	4	8
Gift	0	5	0	0	0
Total	6,513	6,342	6,253	6,325	12,578
<u>Expenditures by Category</u>					
Total Compensation	3,770	4,350	4,418	4,517	8,935
Other Operating Expenses	2,743	1,992	1,825	1,798	3,623
Transfers	0	0	10	10	20
Total	6,513	6,342	6,253	6,325	12,578
Full-Time Equivalent (FTE)	49.4	54.4	55.4	55.0	

AGRICULTURE DEPT

Agency Revenue Summary

Dollars in Thousands

	Actual FY2006	Budgeted FY2007	Current Law		Biennium 2008-09
			FY2008	FY2009	
<u>Non Dedicated Revenue:</u>					
Departmental Earnings:					
General	3,069	3,099	3,099	3,099	6,198
Remediation Fund	116	92	92	92	184
Other Revenues:					
General	7	1	1	1	2
Other Sources:					
General	28	45	77	0	77
Total Non-Dedicated Receipts	3,220	3,237	3,269	3,192	6,461
<u>Dedicated Receipts:</u>					
Departmental Earnings:					
Misc Special Revenue	89	128	98	98	196
Agriculture Fund	18,560	15,973	15,365	15,367	30,732
Rural Finance Administration	1	1	1	1	2
Grants:					
Misc Special Revenue	82	104	111	109	220
Federal	5,059	6,794	6,469	6,393	12,862
Other Revenues:					
Misc Special Revenue	2,918	3,009	2,999	2,999	5,998
Agriculture Fund	1,060	838	833	828	1,661
Rural Finance Administration	2,879	1,823	2,077	2,248	4,325
Miscellaneous Agency	6	6	6	6	12
Gift	94	76	51	51	102
Other Sources:					
Clean Water Revolving Fund	2,673	1,405	2,360	2,802	5,162
Misc Special Revenue	121	189	189	189	378
Agriculture Fund	281	58	67	127	194
Rural Finance Administration	6,147	4,876	5,636	6,199	11,835
Miscellaneous Agency	16	2	2	2	4
Total Dedicated Receipts	39,986	35,282	36,264	37,419	73,683
Agency Total Revenue	43,206	38,519	39,533	40,611	80,144