Table of Contents

2014-15 Revised Budget - Agriculture

Agency Profile - Agriculture 1
Current, Base and Governor's Recommended Expenditures - Rev 3
Sources and Uses 4
Governor's Changes 5
All Funds FTE by Activity - Rev 9
Revenues Summary 10
Pesticide and Fertilizer Management 11
Current, Base and Governor's Recommended Expenditures - Rev 13
Sources and Uses 14
Plant Protection 15
Current, Base and Governor's Recommended Expenditures - Rev 17
Sources and Uses 18
Laboratory Services 19
Current, Base and Governor's Recommended Expenditures - Rev 21
Sources and Uses 22
Dairy and Food Inspection 23
Current, Base and Governor's Recommended Expenditures - Rev 25
Sources and Uses 26
Ag Marketing and Development 27
Current, Base and Governor's Recommended Expenditures - Rev 29
Sources and Uses 30
Ag Growth, Research and Innovation 31
Current, Base and Governor's Recommended Expenditures - Rev 33
Sources and Uses 34
Grants and Assistance 35
Current, Base and Governor's Recommended Expenditures - Rev 37
Sources and Uses 38
Agency Services 39
Current, Base and Governor's Recommended Expenditures - Rev 41
Sources and Uses 42
Federal Fund Summary 43
Federal Funds Summary 43

Mission:

Our mission is to enhance Minnesotans' quality of life by ensuring the integrity of our food supply, the health of our environment, and the strength of our agricultural economy.

Statewide Outcome(s):

Agriculture supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

The Minnesota Department of Agriculture (MDA) provides a long list of services to Minnesota farmers and consumers. Among its many efforts, the department:

- Inspects the entire chain of food production in Minnesota,
- Ensures that state and federal regulations for food and health safety are followed,
- Educates producers, suppliers, and consumers on proper production and handling of food products,
- Educates Minnesotans about environmental hazards to keep our farms, homes, businesses and neighbors safe,
- Promotes the consumption of Minnesota-grown foods, and
- Supports the export of Minnesota Crops and Livestock.

Agriculture is a major contributor to the economic health of Minnesota, with farm-level production and agricultural processing having a total output impact greater than $74 billion and a total employment impact of more than 342,000 jobs. Changes in consumer habits and tastes, a more urban population, new and increasingly competitive and global markets, transportation and communication innovations, and evolving environmental and energy policy, among other factors, offer challenges and opportunities.

The key trends affecting agriculture are consumer expectations for a safe food supply, increased focus on a healthy environment, growth opportunities in local and organic foods, the growth in international markets and the emergence of new biofuels. Together, these trends have created more diversity in farm business models used in the state. For example, while the vast majority of Minnesota's agricultural production and economic impact still comes from "traditional" crop and livestock farms, there is a steadily growing number of farms catering to consumers' increasing interest for local food and for greater interaction with those who provide their food.

The agency budget comes from three primary sources. First, the state's general fund provides roughly 40 percent of the agency budget. About one third of this general fund budget is passed through in Agriculture Growth, Research and Innovation (AGRI) and other assistance grant programs. Second, dedicated funds spent by the agency come from fee revenue which are dedicated to and used for the activities for which they were collected. The third funding source is federal funds, which provide roughly ten percent of the agency's budget. Recently, federal funding has diminished for some MDA programs. The largest budget increase in recent years has been from the addition of Clean Water "legacy" funds.

Strategies:

The agency uses a range of regulatory and voluntary strategies to support its mission. This includes the use of registration, labeling, licensing, permitting, inspection and enforcement efforts. Additionally, the agency coordinates and conducts outreach activities such as workshops, conferences, and field demonstration projects.

Agency staff conduct inspections and verify samples to ensure that producers, processors, wholesalers, salvers, haulers, grocery and convenience store and other industry personnel are producing and handling dairy, food, meat and feed products in a safe manner to prevent product adulteration and contamination.

The agency ensures that Minnesota plant commodities meet the specified import requirements of our trading partners, specific grades established in business contracts, viability and purity standards of seeds, general health standards for nursery stock, established standards of freedom from harmful plant pests.

The agency marketing and promotional initiatives offer producers technical and financial assistance for production and siting issues, dairy development, grazing, and business planning, on-farm demonstration and technical assistance for emerging water quality and conservation practices.

Agency staff facilitates access to markets through the Minnesota Grown Directory, International Trade market research and client support for trade missions and export assistance. In addition, the agency supports the organic industry through education, direct financial support, and skill development.

Measuring Success:

The agency will monitor the following data to determine progress or measures of success:

- Annual pounds of waste pesticide collected and properly disposed.
- Export Certificates issued in one to three business days
- Traps placed for Emerald Ash Borer
- National Laboratory Services accreditations achieved
- Inspection rate of high-risk food processing facilities
- Return on investment for trade and reverse trade missions

Agriculture
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$62,003	$87,515	$16,535	$166,053
Current Law Expenditures (FY 2014-15)	$61,990	$88,353	$15,735	$166,079
Governor's Recommended Expenditures (FY2014-15)	$62,660	$101,415	$15,735	$179,811
$ Change from FY 2014-15 Current Law to Governor's Rec	$670	$13,062	$0	$13,732
% Change from FY 2014-15 Current Law to Governor's Rec	1%	15%	0%	8%

Agriculture
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	**Other State Funds**	**Federal Funds**	**Total Funds**
BALANCE FORWARD IN	$0	$64,792	$154	$64,946
REVENUE	$0	$99,086	$15,778	$114,864
TRANSFERS IN		$9,772		$9,772
APPROPRIATION	$63,270	$19,376	$0	$82,646
SOURCES OF FUNDS	**$63,270**	**$193,026**	**$15,931**	**$272,228**
BALANCE FORWARD OUT		$55,589	$196	$55,785
TRANSFERS OUT	$610	$36,020		$36,630
EXPENDITURES	$62,660	$101,415	$15,735	$179,811
PAYROLL EXPENSE	$21,499	$43,027	$7,836	$72,362
OPERATING EXPENSES	$18,189	$34,711	$5,281	$58,180
OTHER FINANCIAL TRANSACTIONS	$0	$21,756	$21	$21,777
GRANTS, AIDS AND SUBSIDIES	$22,946	$1,920	$2,553	$27,419
CAPITAL OUTLAY-REAL PROPERTY	$26	$2	$44	$72
USES OF FUNDS	**$63,270**	**$193,024**	**$15,931**	**$272,225**

Agriculture

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium

Support Lab Operations and Quality Control

The Governor recommends supporting the operations of the agricultural lab at world-class levels, including utilization of specialized mechanical systems and achieving International Standards Organization (ISO) 17025 accreditation for assurance of lab data quality. Operating under ISO accreditation ensures the integrity of the Department of Agriculture's data and that Minnesota's agricultural system is able to avail itself of federal funding opportunities.

Performance Measures:
This proposal may result in fewer challenges to data quality and increased opportunity for federal funding

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
General Fund	Expenditure	335	335	670	335	335	670
	Net Change	**335**	**335**	**670**	**335**	**335**	**670**

Clean Water Legacy - Minnesota Agricultural Water Quality Certification

The Governor recommends implementing the Minnesota Agricultural Water Quality Certification Program (MAWQCP), a state-federal partnership designed to assure that certified farm operations meet water quality goals and standards, to provide a clearer picture of what practices are being implemented in which locations, offering greater transparency and accountability in watersheds. This proposal provides funding for 1.6 FTEs to perform this work.

Performance Measures:
This proposal will help increase the water quality on and around Minnesota's farms

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Other Funds	Expenditure	1,500	1,500	3,000	0	0	0
	Net Change	**1,500**	**1,500**	**3,000**	**0**	**0**	**0**

Commercial Animal Waste Technician License (CAWT) Revision and Fees

The Governor recommends implementing changes to the CAWT fees and licensing structure as proposed by the CAWT Work Group. This group, comprised of producers, consumers, and local and state regulators suggests creating a three tier license structure ($25 for applicators, $50 for waste site managers, and $100 for animal waste companies) with all applications being renewed annually. This proposal funds 0.4 FTEs to perform this work.

Performance Measures:
This proposal will ensure stronger oversight of CAWT applicators, site managers, and animal waste companies

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Other Funds	Expenditure	36	38	74	38	38	76
Other Funds	Revenue	36	38	74	38	38	76
	Net Change	**0**	**0**	**0**	**0**	**0**	**0**

Agriculture

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium

Clean Water Legacy - Nitrates in Groundwater

The Governor recommends continuing funding to protect groundwater from nitrate contamination due to the use of fertilizers. Contamination from nitrates poses the greatest threat to Minnesota's groundwater. This proposal funds 3.2 FTEs to perform this work.

Performance Measures:
If approved, this initiative will reduce nitrate contamination of Minnesota groundwater.

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Other Funds	Expenditure	1,500	1,500	3,000	0	0	0
	Net Change	**1,500**	**1,500**	**3,000**	**0**	**0**	**0**

Clean Water Legacy - Agricultural Non-point Source Research

The Governor recommends continuing funding to conduct research to quantify agricultural contributions to impaired waters and for development and evaluation of best management practices to protect and restore water resources while maintaining productivity. This proposal funds 0.4 FTEs to perform this work.

Performance Measures:
This proposal will help Minnesotans to understand the best management practices to protect and restore water resources

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Other Funds	Expenditure	1,050	1,050	2,100	0	0	0
	Net Change	**1,050**	**1,050**	**2,100**	**0**	**0**	**0**

Clean Water Legacy - Impaired Waters Technical Assistance

The Governor proposes continuing funding to protect the water resources of Minnesota from agricultural-related contaminants. To accomplish this,the Department provides technical assistance on proper implementation of best management practices and supports pilot and demonstration projects. This proposal funds six FTEs to perform this work.

Performance Measures:
This proposal will help Minnesotans to understand the best management practices to protect and restore water resources

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Other Funds	Expenditure	1,500	1,500	3,000	0	0	0
	Net Change	**1,500**	**1,500**	**3,000**	**0**	**0**	**0**

Agriculture

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium

Clean Water Legacy - Agriculture Best Management Practice (AgBMP) Loan Program - Corrected

The Governor recommends continuing funding for the Agricultural Best Management Practices (AgBMP) Loan Program. The AgBMP program provides low interest loans for water quality projects to implement components of Comprehensive Local Water Plans and other environmental plans such as Minnesota 319 Nonpoint Source Management Plan, Total Maximum Daily Load (TMDL) Implementation Plans, Sole Source Aquifer Plans, and Wellhead Protection Plans. This proposal funds 0.5 FTEs to perform this work.

Performance Measures:
This proposal will lower the delinquency rate on AgBMP loans

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Other Funds	Expenditure	258	260	518	200	300	500
Other Funds	Transfers In	1,442	1,440	2,882	0	0	0
Other Funds	Transfers Out	1,442	1,440	2,882	0	0	0
	Net Change	**258**	**260**	**518**	**200**	**300**	**500**

Clean Water Legacy - Pesticide Monitoring and Assessment

The Governor recommends continuing funding to provide capacity to increase of monitoring of pesticides in Minnesota's water resources. The results of this monitoring is used to assess, over time, changes in Minnesota's water resource quality. This porposal funds 1.9 FTEs to perform this work.

Performance Measures:
This proposal will result in an increase of pesticide analyses each year as well as the number of analytes detected

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Other Funds	Expenditure	350	350	700	0	0	0
	Net Change	**350**	**350**	**700**	**0**	**0**	**0**

Clean Water Legacy - Irrigation Water Quality Protection

The Governor recommends funding for a regional irrigation water quality specialist position through the University of Minnesota Extension.

Performance Measures:
This proposal will result in greater education among agricultural producers related to irrigation management in Minnesota

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Other Funds	Expenditure	110	110	220	0	0	0
	Net Change	**110**	**110**	**220**	**0**	**0**	**0**

Clean Water Legacy - Manure Applicator Program Enhancement

Performance Measures:
If approved, this initiative will result in greater education among commercial animal waste technicians, site managers and companies performing manure application in the state of Minnesota.

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Other Funds	Expenditure	100	100	200	0	0	0
	Net Change	**100**	**100**	**200**	**0**	**0**	**0**

Agriculture

Governor's Changes

(Dollars in Thousands)

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium

Clean Water Legacy - Research Inventory Database

The Governor recommends continuing funding to develop a database to provide ready access to research that supports clean water implementation activities for groundwater and surface water protection. This proposal funds 0.2 FTEs to perform this work.

Performance Measures:
This proposal will help individuals access to research that supports clean water implementation activities for groundwater and surface water protection

		FY 14	FY 15	FY 14-15 Biennium	FY 16	FY 17	FY 16-17 Biennium
Other Funds	Expenditure	175	75	250	0	0	0
	Net Change	**175**	**75**	**250**	**0**	**0**	**0**
Net All Change Items	General Fund	335	335	670	335	335	670
	Other Funds	6,543	6,445	12,988	200	300	500
	Net Change	**6,878**	**6,780**	**13,658**	**535**	**635**	**1,170**

Agriculture
All Funds FTE by Activity - Rev

Activity	Current FY 2013	Forecast Base FY 2015	Governor's Revised FY 2015
Budget Activity: Pesticide and Fertilizer Mgmt	91.9	87.1	100.8
Budget Activity: Plant Protection	74.1	73.3	73.3
Budget Activity: Lab Services	46.1	46.1	46.1
Budget Activity: Dairy and Food Inspection	113.2	111.2	111.2
Budget Activity: Ag Marketing and Development	31.5	31.5	31.5
Budget Activity: Value-Added	0.1	0.1	0.1
Budget Activity: Grants and Assistance	1.8	0.9	0.9
Budget Activity: Agency Services - Agriculture	61.0	64.6	65.1
Agriculture	419.6	414.8	429.0

Agriculture
Revenue Summary
(Dollars in Thousands)

		Biennium FY14-15			
		General Fund	Other State Funds	Federal Funds	All Funds
Non Dedicated	DEPARTMENTAL EARNINGS	6,514	0		6,514
	Subtotal	6,514	0		6,514
Dedicated	FEDERAL GRANTS	0	0	15,688	15,688
	DEPARTMENTAL EARNINGS		43,319		43,319
	INVESTMENT INCOME		547		547
	ALL OTHER		55,220	90	55,310
	Subtotal	0	99,086	15,778	114,864
	Total	**6,514**	**99,086**	**15,778**	**121,378**

Agriculture
Pesticide and Fertilizer Management Division

http://www.mda.state.mn.us/chemicals

Statewide Outcome(s):

The Pesticide and Fertilizer Management Division supports the following statewide outcome(s).

Minnesotans are healthy.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Context:

The Pesticide and Fertilizer Management Division (PFMD) regulates pesticides and fertilizers in urban and rural settings in Minnesota for the protection of human health and the environment and for the safety of communities. The division's programs help ensure the safe storage, transportation, application and disposal of home, garden and agricultural pesticide and fertilizer products. The PFMD also plays an important role in the monitoring of water resources in agricultural and urban areas to determine the presence and concentration of pesticides and nitrate. The PFMD is responsible for administering many of the MDA's Legacy Clean Water Fund (CWF) projects such as research, technical assistance to local units of government, on-farm demonstration projects, and water quality monitoring and data management.

About 65 percent of the division's funding is from pesticide and fertilizer registration fees, permitting and licensure user fees and surcharges that are deposited in dedicated accounts. Other funding sources include Legacy Clean Water Funds, Minnesota Environmental Response and Liability Act (state superfund program), state General Fund appropriations, and federal funds.

Strategies:

To fulfill its responsibilities, PFMD uses both regulatory and voluntary strategies. These include: the use of registration, labeling, licensing, permitting, inspection and enforcement efforts; the monitoring of water resources; the development and promotion of voluntary practices; the certification of individuals for fertilizer and pesticide application; and certification of soil and manure testing laboratories. PFMD also coordinates and conducts many outreach activities such as workshops, conferences, and field demonstration projects.

A firm and fair regulatory program provides for a "level playing field" and ensures public confidence in the storage and use of pesticides and fertilizers. In both regulatory and voluntary programs, it is scientific information above all that drives PFMD decisions, practices and policies. When possible, input is sought from diverse stakeholders in the development of rules, policies and practices.

PFMD relies on partnerships to accomplish its work. PFMD has strong partnerships with local units of government, agricultural and commodity organizations, agricultural chemical organizations, conservation and environmental organizations, the University of Minnesota and other institutions of higher education, the University of Minnesota Extension Service, and state and federal agencies.

Results:

Pesticide Inspections of Facilities and Anhydrous Ammonia Bulk Storage Inspections of Permitted Facilities. Inspections of pesticide facilities and anhydrous ammonia facilities are designed to assist in compliance and to correct non-compliant issues. PFMD recently developed and implemented a paperless inspection and documentation system, the Compliance Information System (CIS), that results in more comprehensive and consistent inspection protocols. Though these protocols take more time initially, overall efficiency increases due to the single entry, ease of document review and document transfer. http://www.youtube.com/watch?v=Krvd5k4dU4Y. The principal driver for the number of inspections is the number of staff and staff time. Increased resources have been provided by the legislature. New staff has been hired and are being trained.

Waste Pesticide Collections. The MDA has conducted Waste Pesticide Collections since the early 1990s. Since 2001, the majority of the waste pesticide has been generated in urban settings. Agricultural waste pesticides have decreased due to changes in technology, packaging and stewardship. In the last few years this trend has been more pronounced. Waste pesticides that are collected and properly disposed of are pesticides that are not available to contaminate soil, ground or surface water.
http://www.mda.state.mn.us/news/government/~/media/Files/news/govrelations/legrpt-wastepest2011.ashx

Annual Number of Ag Chem Sites Remediated. The MDA has responsibility for overseeing the remediation of agricultural chemical contamination sites. These are commonly located where pesticides and fertilizers are stored or handled. A surcharge on agricultural chemicals and licenses is dedicated to a reimbursement fund (ACRRA, the Agricultural Chemical Response and Reimbursement Account). Factors such as the agricultural economy and property transfers drive the number of sites remediated in any given year.
http://www.mda.state.mn.us/en/grants/disaster/acrra.aspx

Number of Counties Participating in Long-Term Nitrate Monitoring. Nitrate is one of the most common contaminants in Minnesota's groundwater and may exceed the drinking water standard in vulnerable aquifers. The most vulnerable areas of the state are the Central Sands and Karst regions. To better understand sources and preventative measures, PFMD partners with a number of counties to develop cooperative monitoring networks. Funding from Minnesota's Legacy Clean Water Fund is used for activities that help identify potential sources of nitrate contamination and evaluate and implement practices to reduce nitrate in groundwater. http://www.mda.state.mn.us/protecting/waterprotection/~/media/5F3B00B7A52C4591AF43EB747FB91F2B.ashx

Legacy Clean Water Fund Performance Measures. Minnesota state agencies work together to establish and report outcome-based performance measures that monitor the progress and impact of Clean Water Fund activities. These measures can be found in the Clean Water Fund Performance Report. The report contains a set of quantifiable performance measures, of which the MDA is reporting on 13.

Performance Measures	Previous	Current	Trend
Pesticide Inspections of Various Pesticide Users and Distributors	252	259	Stable
Anhydrous Ammonia Inspections of Bulk Storage Facilities	55	64	Improving
Pounds of Waste Pesticide Collected and Properly Disposed	336,127	304,089	Stable
Annual Number of Ag Chem Contamination Sites Remediated	30	31	Improving
Number of Counties Participating in Long-Term Nitrate Monitoring	9	23	Improving

Performance Measures Notes:

Pesticide Inspections: "Previous" is Federal fiscal year 2011. "Current" is Federal fiscal year 2012. Staff resources are a key driver of the number of inspections, three newly hired inspectors are expected to increase total inspections by at least 13% over "previous" over the next three Federal fiscal years. Several types of inspections are grouped in this performance measure.

Anhydrous Ammonia: "Previous" is FY 2011. "Current" is FY 2012. New inspectors were hired and trained in FY 2012. It is anticipated that inspection number will increase in FY 2013 and as long as funding is maintained. http://www.mda.state.mn.us/chemicals/fertilizers/nh3.aspx

Waste Pesticides: "Previous" is the average pounds collected statewide by MDA and county partners in calendar years 2009-2010. "Current" is the amount collected in 2011. Recent statutory changes should increase county participation in the program, and thus increase the amount of waste pesticide collected. http://www.mda.state.mn.us/chemicals/spills/wastepesticides.aspx

Remediated Sites: "Previous" is the average of sites remediated in calendar years 2006 -2010. "Current" is calendar year 2011. The economic conditions of 2008-2010 resulted in fewer property transactions and fewer voluntary remediated sites. Increased staff and improving conditions will result in more property transactions, more sites reported and sites remediated. http://www.mda.state.mn.us/chemicals/pesticides.aspx

Long-Term Nitrate Monitoring: "Previous" is 2008. "Current" is 2011. More counties will be added to the nitrate monitoring network using Legacy Clean Water Funds.

Budget Activity: Pesticide and Fertilizer Mgmt
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$1,585	$34,386	$1,300	$37,272
Current Law Expenditures (FY 2014-15)	$1,128	$29,771	$972	$31,871
Governor's Recommended Expenditures (FY2014-15)	$1,128	$42,315	$972	$44,415
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$12,544	$0	$12,544
% Change from FY 2014-15 Current Law to Governor's Rec	0%	42%	0%	39%

Budget Activity: Pesticide and Fertilizer Mgmt
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	**Other State Funds**	**Federal Funds**	**Total Funds**
BALANCE FORWARD IN		$10,408		$10,408
REVENUE		$25,566	$972	$26,538
APPROPRIATION	$1,128	$16,366	$0	$17,494
SOURCES OF FUNDS	**$1,128**	**$52,340**	**$972**	**$54,440**
BALANCE FORWARD OUT		$5,501		$5,501
TRANSFERS OUT		$4,524		$4,524
EXPENDITURES	$1,128	$42,315	$972	$44,415
PAYROLL EXPENSE	$825	$18,121	$679	$19,625
OPERATING EXPENSES	$277	$23,847	$293	$24,417
OTHER FINANCIAL TRANSACTIONS	$0	$27		$27
GRANTS, AIDS AND SUBSIDIES		$320		$320
CAPITAL OUTLAY-REAL PROPERTY	$26	$0		$26
USES OF FUNDS	**$1,128**	**$52,340**	**$972**	**$54,440**

Agriculture
Plant Protection Division

http://www.mda.state.mn.us/plants

Statewide Outcome(s):

The Plant Protection Division supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

Sustainable options to safely move people, goods, services and information.

PPD activities support three statewide outcomes. A thriving economy is supported and maintained by PPD program activities that ensure access to international and interstate markets, protect grain producers and produce dealers from loss, and ensure that purchasers of seed, seed potatoes, and nursery stock receive good quality and viable material. A clean, healthy environment is maintained by excluding or minimizing the impacts of serious forest pests such as gypsy moth and emerald ash borer. The efficient and safe movement of commodities is maintained by export certification activities, the grading of produce, and through seed and seed potato certification.

Context:

The Plant Protection Division (PPD) of MDA works to ensure that plants sold, planted, exported or stored in Minnesota meet purity, viability and health standards. This goal is achieved in two main ways:

- Inspecting and certifying plants and plant parts (such as seed, grain, fruit, logs, lumber), and
- Excluding, eradicating, or managing plant pests that threaten Minnesota's agriculture or environment.

The purpose of the PPD's inspection and certification programs is to help ensure that Minnesota's plant commodities meet standards necessary for business such the import requirements of our foreign trading partners, specific grades of quality established in business contracts, the viability and purity of seeds, the general health of nursery stock, and the absence of harmful plant pests. Direct beneficiaries of PPD's inspection and certification activities include commodity producers, exporters, and produce purchasers. In addition, consumers of food and feed benefit through access to high-quality foodstuffs.

The purpose of the PPD's plant pest programs is to keep Minnesota as free as possible from harmful plant pests, such as emerald ash borer, gypsy moth, potato cyst nematode, and noxious weeds. To achieve this goal, the division's efforts include: surveying both agricultural crops and urban plants for invasive plant pests; auditing inspections of imported nursery stock; issuing quarantines on the sale and/or transport of infested plants; and conducting treatment programs designed to combat each specific pest. Beneficiaries of these programs include farmers, the timber industry, the recreation industry, and the general public.

Fee-generated dedicated funds comprise over 45 percent of the division's funding, and are used to recover costs associated with seed inspections, nursery inspections, grain elevator audits, certification of seed potato stocks, and the processing of export certificates. Some 30 percent of the division's programs are funded through federal grants, which are used for terrestrial invasive pest programs. There is no guarantee that these federal funds will continue in the future. About 25 percent of the division's funds are from the state General Fund and are used to support regulatory programs and to conduct surveys.

Strategies:

Certification of plant commodities intended for export, sale, planting or storage is based on a combination of strategies: Actual visual inspection by highly trained staff, collection of samples, field surveys, laboratory analysis, food safety production audits, and review of records.

Plant pest activities are based on a system of prevention, early detection, rapid response and management. Prevention and early detection rely on trapping and surveying in conjunction with outreach to the general public and/or affected industries. Rapid response and management relies on pest treatment (such as pheromone flake treatments for gypsy moth) while management typically involves longer-term strategies such as biological control for noxious weeds or emerald ash borer.

PPD's key partners include: farmers, exporters, the nursery industry, the grain industry, seed producers and handlers, municipal and county governments, the Minnesota Department of Natural Resources, the Minnesota Department of Transportation, the United States Forest Service and the United States Department of Agriculture.

Results:

Key results of PPD activities are: Minnesota plant products are exported to international markets without delay or difficulties; produce for sale is quickly inspected; nursery stock, seeds and seed potatoes sold in Minnesota are viable and free of serious plant pests. In addition, export markets for a number of agricultural and forest products are maintained because MDA surveys are able to demonstrate the absence of plant pests such as Karnal bunt and potato cyst nematode. Finally, the adverse economic, social and recreational impacts of plant pests such as noxious weeds, gypsy moth and emerald ash borer are reduced or eliminated.

Performance Measures	Previous	Current	Trend
Export certificates issued within 1-3 business days	2,544	3,699	Improving
Hundredweight of produce inspected	2.75 million	2.95 million	Improving
Traps placed for emerald ash borer	250	6,500	Improving

Performance Measures Notes:

Export certificates issued in 1-3 business days: "Previous" is FY 2007. "Current" is FY 2011. All export certificates are issued within one to three business days. See www.mda.state.mn.us/licensing/licensetypes/phyto.aspx. For more on the expansion of Minnesota agricultural exports, see www.mda.state.mn.us/food/business/~/media/Files/food/business/economics/agexportprofile.ashx.

Hundredweight of produce inspected: "Previous" is calendar year 2011. "Current" is calendar year 2012. Hundredweight of produce inspected is extracted from inspection reports submitted to USDA, AMS, Specialty Crop Branch, as reported in the MDA Plant Protection Annual Report. For further detail, see www.mda.state.mn.us/licensing/licensetypes/fruit-veg-insp/fruitandvegetable.aspx.

Emerald ash borer traps: "Previous" is FY08. "Current" is FY 2011. Trapping is highly dependent on federal funding, which is expected to drop dramatically in the next fiscal year. For more on emerald ash borer, see www.mda.state.mn.us/plants/pestmanagement/eab.aspx.

Nursery stock grower acreage inspected: "Previous" is FY 2010. "Current" is FY11. For further information, see: www.mda.state.mn.us/licensing/licensetypes/nurseryprogram.aspx.

Budget Activity: Plant Protection
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$3,736	$7,514	$3,295	$14,544
Current Law Expenditures (FY 2014-15)	$3,736	$8,446	$3,150	$15,332
Governor's Recommended Expenditures (FY2014-15)	$3,736	$8,446	$3,150	$15,332
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$0	$0	$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Plant Protection
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	**Other State Funds**	**Federal Funds**	**Total Funds**
BALANCE FORWARD IN		$2,320		$2,320
REVENUE	$0	$8,350	$3,150	$11,500
APPROPRIATION	$3,736	$0	$0	$3,736
SOURCES OF FUNDS	**$3,736**	**$10,669**	**$3,150**	**$17,555**
BALANCE FORWARD OUT		$1,579		$1,579
TRANSFERS OUT		$644		$644
EXPENDITURES	$3,736	$8,446	$3,150	$15,332
PAYROLL EXPENSE	$2,651	$5,828	$1,752	$10,230
OPERATING EXPENSES	$1,085	$2,618	$1,398	$5,101
USES OF FUNDS	**$3,736**	**$10,669**	**$3,150**	**$17,555**

Agriculture
Laboratory Services Division

http://www.mda.state.mn.us/about/divisions/lab.aspx

Statewide Outcome(s):

The Laboratory Services Division supports the following statewide outcome(s).

Minnesotans are healthy.

A clean, healthy environment with sustainable uses of natural resources.

A thriving economy that encourages business growth and employment opportunities

Context:

The Minnesota Department of Agriculture's Laboratory Services Division (LSD) is the regulatory laboratory for protection services divisions within the agency and for the Minnesota Department of Natural Resources. The laboratory also provides emergency response analytical capability for other customers.

- The laboratory is the primary food safety laboratory for the state of Minnesota. The laboratory provides data and analyses that are scientifically and legally defensible, and that inform food safety regulation activities. In addition, the laboratory responds to food-borne disease outbreaks from pathogens such as E. coli and Salmonella, and threats to food safety.
- The laboratory provides data on the environmental fate of agricultural chemicals, including data on pesticide residues and nitrates in water, and data on soil samples and other environmental samples. These data are the basis for regulatory decisions on best-management practices and also may influence regulatory actions.
- The activity of the Laboratory Services Division helps producers and agricultural businesses by ensuring the marketability and quality of Minnesota products for the global marketplace.
- For the Department of Natural Resources, the lab provides data and analyses to inform regulatory programs and regulatory decision-making.

Approximately 45 percent of Laboratory funding comes from the General Fund. Of this amount, 56 percent is allocated to rent for the lab facility; the balance primarily funds food safety initiatives. Fee-based dedicated funds make up roughly one-third of the laboratory budget. These dollars support programs that look specifically at agricultural inputs such as feed, food and targeted environmental testing. The remaining laboratory funding comes from federal sources. This work complements the department's programs for food safety and environmental protection.

Strategies:

The Laboratory Services Division helps ensure Minnesotans are healthy and enjoy a clean environment with sustainable uses of natural resources by providing scientifically and legally defensible data to the Dairy and Food Inspection and Pesticide and Fertilizer Management Divisions of the Department, along with the Minnesota Department of Natural Resources. These data and analyses are used in making regulatory and policy decisions.

The Laboratory Services Division maintains sufficient emergency capacity to respond quickly and effectively to foodborne outbreaks, disasters and chemical spill incidents.

The Laboratory Services Division helps foster a thriving economy because the data and analyses produced by the laboratory give agricultural concerns and food production companies the analytical verification of their products' authenticity, integrity and quality. This is a key underpinning necessary for all food sales and exports.

Results:

Performance in the laboratory setting is defined in terms of capability, capacity, timeliness of emergency response and quality of results. Therefore, the laboratory's performance is not based on a count of samples analyzed, but rather the satisfaction of customers with lab services. Customer satisfaction surveys are new at the Laboratory Services Division, so trends cannot be discerned. However, the laboratory has done very well in gaining accreditation from several national organizations and agencies.

Performance Measures	Previous	Current	Trend
Customer Survey: % satisfied with technical assistance provided by laboratory	No data	100%	NA
Customer Survey: % rating laboratory performance good or excellent.	No data	100%	NA
National accreditations achieved	100%	100%	Stable

Performance Measures Notes:

Customer Survey Results: Data presented is from a survey of Program Managers of MDA's Pesticide and Fertilizer Management Division. Additional surveys from other MDA divisions, the DNR and other/federal clients are in process or in development. Trends for survey-related performance measures, based on responses of all customers, will be available for the FY 2016-2017 biennium.

National Certifications pursued and achieved: The laboratory is accredited for 32 methods by the American Association of Laboratory Accreditation (A2LA) in the areas of Biological and chemical analyses. The laboratory pursued accreditation last year for 20 methods and received accreditation for all. This year we pursued accreditation for an additional 12 methods and received accreditation for all. In addition to accreditation, the laboratory is approved by the FDA under the Pasteurized Milk Ordinance (PMO), as is each laboratory analyst performing dairy testing at MDA. The US EPA approves the laboratory's Quality Assurance Project Plans for pesticide testing.

Budget Activity: Lab Services
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$7,972	$5,712	$4,101	$17,785
Current Law Expenditures (FY 2014-15)	$7,972	$6,134	$3,723	$17,829
Governor's Recommended Expenditures (FY2014-15)	$8,642	$6,134	$3,723	$18,499
$ Change from FY 2014-15 Current Law to Governor's Rec	$670	$0	$0	$670
% Change from FY 2014-15 Current Law to Governor's Rec	8%	0%	0%	4%

Budget Activity: Lab Services
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	**Other State Funds**	**Federal Funds**	**Total Funds**
BALANCE FORWARD IN		$519		$519
REVENUE	$0	$1,374	$3,723	$5,097
TRANSFERS IN		$4,768		$4,768
APPROPRIATION	$8,642	$0	$0	$8,642
SOURCES OF FUNDS	**$8,642**	**$6,661**	**$3,723**	**$19,026**
BALANCE FORWARD OUT		$527		$527
EXPENDITURES	$8,642	$6,134	$3,723	$18,499
PAYROLL EXPENSE	$2,744	$3,911	$2,065	$8,720
OPERATING EXPENSES	$5,898	$2,217	$1,593	$9,708
OTHER FINANCIAL TRANSACTIONS	$0	$4	$21	$25
CAPITAL OUTLAY-REAL PROPERTY		$2	$44	$46
USES OF FUNDS	**$8,642**	**$6,661**	**$3,723**	**$19,026**

Agriculture
Dairy and Food Inspection Division
http://www.mda.state.mn.us/about/divisions/dairyfood.aspx

Statewide Outcome(s):
The Dairy and Food Division supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

People in Minnesota are safe.

Context:
The purpose of the Dairy and Food Inspection Division Program (DFID) is to ensure the integrity the food supply in Minnesota and to heighten awareness of proper biosecurity and food safety practices. The integrity of the food supply is intact when Minnesotans are confident the food and feed they buy is safe, regardless of where in Minnesota it is purchased. Integrity of the food supply also means that food and feed producers know that a fair, consistent system of regulatory enforcement is in place, and that this system provides them access to markets worldwide. The term "food supply" includes animal feed, dairy products, food products, meat, shell eggs, and poultry.

The primary beneficiaries of DFID's work include the general public, the food processing industry, dairy producers and processors, rural meat processors, poultry processors, and dairy/food/feed companies wishing to export their products. On a day-to-day basis, DFID inspectors work with dairy farmers, rural meat processors, grocery store operators and food/feed facility operators to bring their operations into compliance with food safety laws and practices.

Within the DFID, the Rapid Response Team investigates food safety problems caused by foodborne illness outbreaks, as well as problems at food or feed processing facilities. This team is made up of technical experts in food manufacturing, food inspection, microbiology and epidemiology. Members of the Rapid Response Team work closely with the epidemiologists at the Minnesota Department of Health.

The division's funding breakout is roughly 43 percent general fund appropriations, 46 percent fee-generated revenue, and 11 percent federal funds via contracts with the U.S. Food and Drug Administration and the U.S. Department of Agriculture.

Strategies:
DFID conducts inspections and verification sampling to ensure that producers, processors, wholesalers, salvers, haulers, grocery stores, convenience stores and other industry workers are 1) producing and handling dairy, food, meat and feed products safely, and 2) preventing adulteration and contamination of food and feed products.

Recently the DFID renewed its focus on a risk-based inspection system for food processing facilities, with the goal of focusing on facilities at the highest risk for food safety issues. The timing goal of this new system is to have high-, medium- and low-risk facilities inspected every 12, 18 and 24 months, respectively, with a goal of 100 percent, 90 percent, and 80 percent completion, respectively. Thus, facilities that are in compliance and therefore low-risk will be inspected less frequently than high-risk facilities. Under this new system, inspectors will be able to spend more time working with high-risk facilities. Overall, this risk-based model will better ensure food safety and food security, and thus support overall statewide health and safety outcomes.

DFID contributes to a thriving economy by giving Minnesota's food industry the assurance of fairly enforced, scientifically sound food safety standards. This assurance provides strong "quality" branding to Minnesota companies' food and feed products, which in turn allows these companies to access markets globally.

Key DFID partners include the Minnesota Department of Health, with whom DFID works closely during outbreak investigations, the U.S. Food and Drug Administration, the U.S. Department of Agriculture, and associations within the food, feed, dairy, and meat industries.

Results:

Results are measured differently for the division's four main program areas of dairy, food, feed and meat. The division's Dairy Program is routinely audited and inspected by outside entities (Interstate Milk Shipment program, the FDA and the USDA). Performance measures for staff are based on audit program results and routine inspection activity data. Results for DFID's Food Program are measured by the number of routine inspections completed per FTE per year, see detail below.

For DFID's Feed Program, national standards are in the process of development. These standards will cover feed facility inspection frequency and feed inspection workload/ FTE. Once these new national standards are developed, likely within a year, new performance measures for DFID will be created. DFID's Meat Program routinely assesses its performance to ensure program objectives are met. These assessments are regularly reported to USDA as a condition of ongoing federal funding.

Performance Measures	Previous	Current	Trend
Farm inspections passing Interstate Milk Survey audits	100%	100%	Stable
Food safety audits with a Notice of Intended Enforcement or Immediate Suspension	21%	7%	Improving
Inspection Rate of high-risk food processing facilities	55%	70%	Improving
Number of routine food inspections per active FTE	323	290	Improving

Performance Measures Notes:

Farm inspections passing Interstate Milk Survey audits: "Previous" is second half of FY 2011. "Current" is FY 2012. The Interstate Milk Survey is a federally-required audit of dairy producers whose milk is shipped across state lines. To learn more about MDA role on dairy farms, see http://www.mda.state.mn.us/about/divisions/dairyfood.aspx.

Food safety audits with notice or suspension: The goal is less than five percent of food safety audits with Notice of Intended Enforcement or Immediate Suspension. "Previous" is FY 2012. "Current" is FY 2013. For more detail on food safety efforts, see http://www.mda.state.mn.us/food/safety.aspx.

Inspection rate of high-risk food processing facilities: "Previous" is FY 2012. "Current" is FY 2013. Goal is 100 percent. One-time funding for two new inspectors was provided in the FY 2012- 2013 biennium. After an 18-month training period, these two new staff will begin inspecting facilities during the second half of FY 2013. For more information on the Minnesota Food Code, see http://www.health.state.mn.us/divs/eh/food/code/index.html.

Number of routine food inspections per FTE that exceed federal guideline: Goal and federal guideline is 210/FTE. "Previous" is FY 2012. "Current" is FY13. Federal guidelines seek to ensure that sufficient time is spent on the routine, core inspection activities, which do not include: re-inspections, complaint investigations, outbreak investigations, compliance follow-up inspections, risk assessment reviews, process reviews, variance process reviews, on-site training, or advisory inspections. Compliance with the FDA guideline of 210 routine food inspections per FTE per year will ensure that inspectors have sufficient time to complete the educational component of the inspection process.

Budget Activity: Dairy and Food Inspection

Current, Base and Governor's Recommended Expenditures - Rev

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$10,774	$10,756	$3,431	$24,961
Current Law Expenditures (FY 2014-15)	$10,284	$12,159	$4,196	$26,640
Governor's Recommended Expenditures (FY2014-15)	$10,284	$12,159	$4,196	$26,640
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$0	$0	$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Dairy and Food Inspection
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	**Other State Funds**	**Federal Funds**	**Total Funds**
BALANCE FORWARD IN		$4,384	$138	$4,522
REVENUE	$0	$10,787	$4,239	$15,026
TRANSFERS IN		$150		$150
APPROPRIATION	$10,284	$0	$0	$10,284
SOURCES OF FUNDS	**$10,284**	**$15,321**	**$4,378**	**$29,982**
BALANCE FORWARD OUT		$1,961	$181	$2,142
TRANSFERS OUT		$1,200		$1,200
EXPENDITURES	$10,284	$12,159	$4,196	$26,640
PAYROLL EXPENSE	$7,907	$8,619	$2,977	$19,503
OPERATING EXPENSES	$2,377	$3,540	$1,220	$7,137
USES OF FUNDS	**$10,284**	**$15,321**	**$4,378**	**$29,982**

Agriculture
Agricultural Marketing and Development

http://www.mda.state.mn.us/about/divisions/amd.aspx

Statewide Outcome(s):

Agricultural Marketing and Development supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans have the education and skills needed to achieve their goals.

A clean, healthy environment with sustainable uses of natural resources.

Context:

The Agricultural Marketing and Development Program (AMD) of MDA promotes the production and marketing of Minnesota agricultural products as food, fiber, and fuel. Agriculture is a major contributor to the economic health of Minnesota, with farm-level production and agricultural processing impact of more than $74 billion and some 342,000 jobs. Current challenges and opportunities for farmers and agricultural companies include: changes in consumer habits and tastes; a more urban population; new and increasingly competitive and global markets; transportation and communication innovations; and evolving environmental and energy policy.

The AMD assists farmers and consumers, local government, environmental and natural resource professionals, K-12 teachers and other educators, Minnesota agribusinesses including the biofuels industry, agricultural organizations and commodity groups. Activities are funded through general fund appropriations, federal grants, dedicated funds and fees, public/private partnerships, and gifts.

Funding for AMD breaks out roughly as 50 percent from state general fund appropriations, 30 percent from federal funds, and 20 percent from fee-generated funding.

Strategies:

All AMD activities focus on creating a climate conducive to profitable agricultural pursuits that protect our natural resources and meet diverse demands for food and fuel. To achieve the overall outcome of a thriving economy, for example, expansion of livestock operations through the Livestock Investment Grant Program adds value to locally grown feed stuffs, provides employment, and supports both rural and urban businesses. Another example of the economic impact of AMD is the expansion of markets for MN Grown products to families, schools, and restaurants. This supports a diverse agricultural economy, keeps food dollars in Minnesota, and improves agricultural literacy.

AMD helps support a clean, healthy environment because research and on-farm demonstrations of emerging ag drainage technology helps Minnesota farmers improve water quality and protect soil resources while maintaining profitable farm operations.

Education levels are enhanced by AMD's training and technical assistance programs. These programs serve to support beginning farmers, help existing farmers expand livestock operations, pursue new crops and new markets, and adopt new conservation practices. The Minnesota Agriculture in the Classroom (MAITC) ag literacy program provides resources for schools and workshops for teachers, so agricultural concepts can be incorporated into core subject education across the state.

AMD partners include: individual farmers, farm organizations and growers associations; institutions of higher education (primarily Minnesota State Colleges and Universities and the University of Minnesota); commodity promotion councils; USDA agencies; Minnesota Extension; ag businesses; other Minnesota state agencies; Soil and Water Conservation Districts and other local government; Minnesota Agriculture in the Classroom Foundation; biofuel companies and supporting industries/organizations; and nonprofit organization

Results:

AMD activities show results in many areas: agriculture's economic and environmental performance in Minnesota (including the biofuels industry); crop prices; federal farm and environmental policies; economic health of rural Minnesota; and foreign trade agreements. Performance has been assessed historically by measuring activity as a proxy for impact. Activities measured have included: demand for division products and services; participation in events, training programs, and financial assistance; number of school children receiving Ag In the Classroom materials; customer evaluation of products and activities; contacts with local government; and others.

We are in the process of adding performance measures and gathering data that better monitor impact of activities: number of farmers using certain practices, growing particular crops, or accessing markets; leveraging of private and federal funds; adoption of emerging conservation practices; percent of immigrant farmers securing long-term farmland; percent of counties with agricultural zoning districts; and livestock cash receipts.

Activities and performance measures related to livestock development (dairy profitability teams) and biofuels (NextGen Energy) are reported in budget activity Grants and Assistance.

Performance Measures	Previous	Current	Trend
Percent of elementary and middle schools using the Ag-in-the-Classroom's Ag Mag	34%	40%	Improving
Unique visitors to the MN Grown Directory website	223,000	240,000	Improving
Number of certified organic operations (farms & handlers)	802	939	Improving
Return on investment for trade missions/reverse missions	$120:$1	$199:$1	Improving

Performance Measures Notes:

Schools using Ag Mag: "Previous" is 2007. "Current" is 2012. Data collected by MDA based on teacher requests for the Ag Mag. Percentage is based on Department of Education lists of all public elementary and middle schools in Minnesota. This program operated from 1986-2011 with one FTE. An appropriation beginning in FY 2012 added a second FTE. For further info, see http://www.mda.state.mn.us/maitc/

MN Grown website visitors: "Previous" is 2010. "Current" is 2011. http://www.minnesotagrown.com

Organic Certified Operations: "Previous" is 2008. "Current" is 2011. Data from USDA and accredited certifying agencies. For a list of certified organic accreditors in Minnesota, please see http://www.mda.state.mn.us/~/media/Files/food/organicgrowing/usdaaccredited.ashx

Return on Investment (ROI):. "Previous" is an average of trade missions between 2008 and 2010. "Current" is 2011. ROI calculated by dividing total (actual) sales by total expenditures. Projected sales also obtained when possible. Since 2008, MDA's missions have maintained a positive ROI ranging from $16:1 to $1,163:$1. Calculations based on MDA and partner contributions to missions, not including staff time. Calculations do not include federal or Food Export funds. For detail on MDA's international marketing program, see https://www.mda.state.mn.us/food/business/internationaltrade.aspx

Budget Activity: Ag Marketing and Development
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$5,752	$2,070	$3,164	$10,987
Current Law Expenditures (FY 2014-15)	$5,752	$2,179	$2,751	$10,683
Governor's Recommended Expenditures (FY2014-15)	$5,752	$2,179	$2,751	$10,683
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$0	$0	$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Ag Marketing and Development
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	**Other State Funds**	**Federal Funds**	**Total Funds**
BALANCE FORWARD IN		$1,075		$1,075
REVENUE		$1,604	$2,751	$4,355
TRANSFERS IN		$372		$372
APPROPRIATION	$6,124	$0	$0	$6,124
SOURCES OF FUNDS	**$6,124**	**$3,051**	**$2,751**	**$11,926**
BALANCE FORWARD OUT		$870		$870
TRANSFERS OUT	$372			$372
EXPENDITURES	$5,752	$2,179	$2,751	$10,683
PAYROLL EXPENSE	$4,273	$724	$364	$5,360
OPERATING EXPENSES	$1,479	$1,077	$594	$3,151
OTHER FINANCIAL TRANSACTIONS	$0	$378		$378
GRANTS, AIDS AND SUBSIDIES		$0	$1,793	$1,793
USES OF FUNDS	**$6,124**	**$3,050**	**$2,751**	**$11,925**

Agriculture
Agricultural Growth, Research and Innovation Program

http://www.mda.state.mn.us

Statewide Outcome(s):

The Agricultural Growth, Research and Innovation Program (AGRI) supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

A clean, healthy environment with sustainable uses of natural resources.

Context:

The Agricultural Growth, Research and Innovation Program (AGRI) was established to advance Minnesota's agricultural and renewable energy industries (MS 41A.12). This program focuses on areas of greatest opportunity and potential economic impact to generate agricultural jobs and profitable businesses in the areas of livestock investment, value-added business and market development, and renewable energy. Farmers, agricultural businesses and entrepreneurs with new business or market plans, diversification or expansion goals are targeted for AGRI program assistance. AGRI is funded entirely through general fund appropriations.

Strategies:

The AGRI Program may issue grants, loans and other forms of financial assistance to farmers, schools, businesses and agricultural entrepreneurs. Strategies include grants and cost-share assistance to: initiate or expand livestock production and processing; create feasibility, business and marketing plans for existing and new businesses; purchase equipment to initiate, upgrade, or modernize value-added businesses; increase the number of farms that are GAP certified and increase farmers' processing and aggregating capacity to enter farm-to-institution and other markets; purchase processing equipment in schools to increase purchase of locally produced food; produce market research studies to identify industry-wide areas of production and market opportunities; research and develop renewable energy technologies; and invest in technical assistance to support business development and farm production in new enterprises with economic potential.

The AGRI Program stimulates new agricultural and energy business activities and creates employment throughout Minnesota by providing financial and technical assistance for new opportunities for production, value-added processing, and marketing. Program activities open the doors for farmers to expand production and market their products in new ways and to new businesses. Agricultural businesses are launched or expanded to take advantage of increasing demand and new markets. Farmers and businesses develop planning skills and acquire market knowledge to increase their probability of success.

Partners in the AGRI program include regional initiative foundations, growers' associations and commodity promotion councils, the NextGen Energy Board, the Farm-to-School Leadership Team, Cooperative Development Services, the Agricultural Utilization Research Institute, and appropriate institutions of higher education.

Results:

The AGRI Program began in fiscal year 2013. As a new program, there are no exiting performance trends but the following performance measures and project evaluation measures are fully integrated into grant applications and reporting. For example, data on farm sales to institutions will be required in a grant application and sales at the end of the grant period will be reported. Follow-up surveys of grant recipients will collect data for several years after completion of the grant. These and other performance measures such as percent jobs created that still exist after two years, the ROI on domestic trade shows, the percent of Next Gen Energy grants meeting performance goals, will be included in the FY 2016- 2017 budget.

Performance Measures	Previous	Current	Trend
Livestock Investment Grant Program Leverage	$1M state / $39 M private	In progress	In progress
Number of Districts with Farm-to-School Programs	30	145	Improving
Local farm products purchased by schools	$650,000	$1.3 million	Improving

Performance Measures Notes:

Annual Investment in Livestock: "Previous" is 2008, which is the year the program began. Source of the data is MDA documentation of the 2008 $1 million General Fund appropriation to the program. This indicator is "in progress" because $1 million was made available for FY13 through a 2011 appropriation to AGRI. Farmer applications are being taken through January 14, 2013. "Current" leverage data should be available by March 1, 2013. For more detail, see http://www.mda.state.mn.us/grants/grants/livestockinvestment.aspx

School Districts with Farm-to-School: "Previous" is 2008. "Current" is 2011. There are 339 independent school districts statewide, according to the Minnesota Secretary of State. Data are from an annual survey by Institute for Agriculture and Trade Policy in cooperation with the Minnesota School Nutrition Association. For more detail, see http://www.iatp.org/documents/farm-to-school-in-minnesota

Local farm products purchased by schools: "Previous" is 2010. "Current" is 2011. Data are from an annual survey by Institute for Agriculture and Trade Policy in cooperation with the Minnesota School Nutrition Association. Further detail can be found at http://www.iatp.org/documents/farm-to-school-in-minnesota

Budget Activity: Value-Added

Current, Base and Governor's Recommended Expenditures - Rev

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$5,530			$5,530
Current Law Expenditures (FY 2014-15)	$20,470			$20,470
Governor's Recommended Expenditures (FY2014-15)	$20,470			$20,470
$ Change from FY 2014-15 Current Law to Governor's Rec	$0			$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%			0%

Budget Activity: Value-Added
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	**Other State Funds**	**Federal Funds**	**Total Funds**
APPROPRIATION	$20,470			$20,470
SOURCES OF FUNDS	**$20,470**			**$20,470**
EXPENDITURES	$20,470			$20,470
PAYROLL EXPENSE	$501			$501
OPERATING EXPENSES	$1,143			$1,143
GRANTS, AIDS AND SUBSIDIES	$18,826			$18,826
USES OF FUNDS	**$20,470**			**$20,470**

Agriculture
Grants and Assistance
http://www.mda.state.mn.us/grants/grants.aspx

Statewide Outcome(s):

The Grants and Assistance activity supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

Context:

The purpose of this activity is to target assistance to specific needs and opportunities by partnering with other organizations and programs. This assistance benefits farmers and other Minnesotans in a variety of ways, such as helping keep Minnesota dairy farms profitable, supporting groups that help train young farmers, supporting organizations that develop new products for farmers to raise and supporting farmers' markets and their customers by providing healthy locally grown food to people who might not otherwise get proper nutrition. State funds and Federal funds help fill gaps where other sources are not available.

Strategies:

MDA's grants and assistance activity builds on the expertise of several non-state entities. Some of these activities are highlighted below.

- The Dairy Development Profitability and Enhancement Program helps dairy farmers update and upgrade their operations. The program has two facets: Dairy Enhancement Team Grants and Dairy Business Planning Grants.

  Teams: Local teams are composed of University of Minnesota Extension and Minnesota State Colleges and Universities' (MnSCU) employees as well as local veterinarians, feed nutritionists and financial lenders. Teams work with individual producers to help them achieve greater profitability, productivity, and efficiency. Grants: Dairy Business Planning Grants provide a 50 percent cost share, up to $5,000 per producer for the cost of completing a business plan. Options explored by these producers include on-farm processing, expansion, transferring the farm to the next generation, and environmental upgrades.

- MDA partners with the U.S. Department of Agriculture's Food and Nutrition Service to promote farmers markets and improve the diets of low-income children, pregnant women and seniors. Checks are provided to individuals eligible for the Federal Women Infant and Children (WIC) program and in the Nutrition Assistance Program for Seniors (NAPS). These checks can only be redeemed at authorized farmers markets for locally-grown, fresh, unprocessed fruits and vegetables. MDA authorizes the markets and vendors and investigates for program compliance.

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

- The Farm Advocates program provides one-on-one assistance for Minnesota farmers who face crisis due to a natural disaster or financial problems. Advocates 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. Key farm advocate services include: financial planning; lender negotiations; farm program advice; referrals for legal services; and referrals for social and human services. Related to this work, MDA partners with the farm business management programs at Central Lakes College and Ridgewater College to provide farm families and mental health counseling support to farm families and business operators is supported through.

- Assistance is provided to county fairs and agricultural associations, the Minnesota Livestock Breeders Association, the Minnesota Poultry Association and the Minnesota Agricultural Education Leadership Council, all of which support the education and development of tomorrow's farm leaders.

- The development of tomorrow's ag industries is furthered by assistance to the Minnesota Turf Seed Council, the Minnesota Horticultural Society and the Northern Crops Institute. These organizations research and promote northern-hardy products and activities.

Results:

For grants to organizations, grant contracts require performance reporting by each group. State dollars are targeted towards educational, research or direct assistance to individuals depending on the purpose of the appropriation. Reports provide MDA with information on each organization's achievements.

For programs more actively managed by MDA staff, like the Farmers' Market Nutrition Program which combines state and Federal dollars, performance measures are provided below.

Performance Measures	Previous	Current	Trend
Number of individual producers assisted by Dairy Teams	550	575	Stable
Percent county fair aid formula is funded	95%	96%	Stable
Farmers/ WIC families/ Seniors (respectively) benefitting from the Farmers Market Nutrition Program	300/ 35,000/ 6,000	300/ 35,000/ 6,000	Stable

Performance Measures Notes:

Producers assisted by Dairy Teams: "Previous" is FY 2010-2011 biennium. "Current" is FY 2012-2013 biennium. MDA staff provides consultation and guidance on a monthly basis to the dairy teams.

County fair aid: "Previous" is FY 2010-2011 biennium. "Current" is FY 2012-2013 biennium. The formula is in M.S. 38.02.

Farmers' market participation: "Previous" is FY 2010-2011 biennium. "Current" is FY 2012-2013 biennium.

Budget Activity: Grants and Assistance

Current, Base and Governor's Recommended Expenditures - Rev

(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$5,702	$4,816	$931	$11,449
Current Law Expenditures (FY 2014-15)	$4,782	$1,626	$900	$7,308
Governor's Recommended Expenditures (FY2014-15)	$4,782	$1,626	$900	$7,308
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$0	$0	$0
% Change from FY 2014-15 Current Law to Governor's Rec	0%	0%	0%	0%

Budget Activity: Grants and Assistance
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	**Other State Funds**	**Federal Funds**	**Total Funds**
BALANCE FORWARD IN		$26		$26
REVENUE			$900	$900
TRANSFERS IN		$1,600		$1,600
APPROPRIATION	$4,970	$0	$0	$4,970
SOURCES OF FUNDS	**$4,970**	**$1,626**	**$900**	**$7,496**
BALANCE FORWARD OUT		$0		$0
TRANSFERS OUT	$188			$188
EXPENDITURES	$4,782	$1,626	$900	$7,308
PAYROLL EXPENSE	$216	$0		$216
OPERATING EXPENSES	$446	$26	$140	$611
GRANTS, AIDS AND SUBSIDIES	$4,120	$1,600	$760	$6,480
USES OF FUNDS	**$4,970**	**$1,626**	**$900**	**$7,496**

Agriculture
Agency Services

http://www.mda.state.mn.us

Statewide Outcome(s):

Agency Services supports the following statewide outcome(s).

A thriving economy that encourages business growth and employment opportunities.

Minnesotans are healthy.

People in Minnesota are safe.

A clean, healthy environment with sustainable uses of natural resources.

Efficient and accountable government services.

Context:

Agency Services provides leadership and support services to the agency and its employees and performs agency-level services for the public, agricultural industries and other governmental entities. Operational funding comes mainly from the state General Fund and indirect charges on other funds. Funding for loans managed within this activity comes from state bonding activities, revolving funds, the Clean Water legacy fund and Federal clean water money provided through the state's Public Facilities Authority.

Minnesota's agriculture and food industries continue to face formidable challenges. Public expectations for food safety, natural resource protections and agricultural security are at the highest level in recent history, and the competition for domestic and international markets is more intense each year. Agency Services supports all of MDA as the agency strives to meet stakeholders' ongoing needs and provide timely responses to critical situations such as food safety concerns. MDA works in many ways to help Minnesota's agriculture and food industries position themselves for success in the global, fast-changing marketplace.

Strategies:

Agency Services includes the Commissioner's Office, Human Resources, Finance and Budget, Agricultural Statistics and also houses information technology staff under the authority of the state Office of Enterprise Technology (MnIT). Agricultural Statistics is a joint Federal/state office that collects, analyzes and disseminates statistical information useful not only to agricultural producers and processors but also to economists, the media, local government and the public at large. Housed within the Finance and Budget area are the Rural Finance Authority (RFA) and the Agricultural Best Management Practices (AgBMP) loan program. The RFA is a component unit of government overseen by a board made up of four state agency commissioners, the State Auditor and six private sector members, including farmers and ag lenders.

Results:

This activity provides support for the three basic goals of the agency: protecting the safety of the food supply from the farm to the consumer, promoting environmentally friendly agricultural practices and improving the marketability of Minnesota's agricultural products, including those seen below.

Performance Measures	Previous	Current	Trend
Progress towards achieving all Continuity of Operations (COOP) objectives	5	5	Stable
News release tracking – market value of media coverage	$12,625	$73,330	Improving
RFA loans over 30 days past due	<1%	<1%	Stable

Performance Measures Notes:

Progress towards achieving COOP objectives: “Previous” is January, 2012. “Current” is August, 2012. Goal is ten. A Continuity of Operations Plan (COOP) identifies potential business interruptions (building disaster, pandemic, etc.) and provides a framework (plans, procedures, resources, etc.) that enables the organization to recover and continue the essential services it provides for the state. The MDA continues to make COOP program improvements every quarter.

Scale: 0 = no progress / 1-3 =limited progress / 4-6 moderate progress / 7-9 substantial progress / 10 objective achieved. All state agencies are required to have a Continuity of Operations Plan per the MnIT Enterprise Continuity of Operations Standard (http://mn.gov/oet/images/SEC_S_Enterprise_COOP_Security.pdf).

News Release Tracking: “Previous” is July 2012. “Current” is August 2012. This is a new system begun in FY 2013 to quantify the communication value of news releases. Measurement is “Ad Equivalency Value,” which is the dollar amount of paid advertising needed to reach an equivalent number of viewers or readers as the number reached by the news stories generated by the news release. For July 2012, the viewer/reader number for all MDA news releases was 1.2 million readers/viewers, and for August 2012 it was 5.712 million. The goal is to increase the total monthly average ad equivalency value by ten percent from FY 2013 to FY 2014. See: http://www.mda.state.mn.us/en/news/newsroom.aspx

RFA Loans: Goal is less than two percent. “Previous” is June 30, 2011. “Current” is June 30, 2012. The RFA loan portfolio totaled 551 loan files at the end of FY 2012 with an outstanding loan balance of $54.2 million. For more on the RFA, see http://www.mda.state.mn.us/about/divisions/financebudget/agfinance/rfaboard.aspx

Budget Activity: Agency Services - Agriculture
Current, Base and Governor's Recommended Expenditures - Rev
(Dollars in Thousands, Biennial Totals)

	General Funds	Other State Funds	Federal Funds	All Funds
Current Biennium Expenditures (FY 2012-13)	$7,861	$22,260	$313	$30,434
Current Law Expenditures (FY 2014-15)	$7,866	$28,038	$43	$35,947
Governor's Recommended Expenditures (FY2014-15)	$7,866	$28,556	$43	$36,465
$ Change from FY 2014-15 Current Law to Governor's Rec	$0	$518	$0	$518
% Change from FY 2014-15 Current Law to Governor's Rec	0%	2%	0%	1%

Budget Activity: Agency Services - Agriculture
Sources and Uses
(Dollars in Thousands)

	Biennium FY14-FY15			
	General Funds	Other State Funds	Federal Funds	Total Funds
BALANCE FORWARD IN	$0	$46,060	$15	$46,076
REVENUE		$51,406	$42	$51,448
TRANSFERS IN		$2,882		$2,882
APPROPRIATION	$7,916	$3,010	$0	$10,926
SOURCES OF FUNDS	**$7,916**	**$103,358**	**$57**	**$111,332**
BALANCE FORWARD OUT		$45,149	$15	$45,164
TRANSFERS OUT	$50	$29,652		$29,702
EXPENDITURES	$7,866	$28,556	$43	$36,465
PAYROLL EXPENSE	$2,383	$5,824	$0	$8,206
OPERATING EXPENSES	$5,483	$1,385	$43	$6,911
OTHER FINANCIAL TRANSACTIONS	$0	$21,347	$0	$21,347
USES OF FUNDS	**$7,916**	**$103,358**	**$58**	**$111,331**

Federal Funds Summary

Federal Award Name CFDA# - MDA#	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
Nonpoint Source Implementation -Cottonwood River Native Vegetation Water Quality 66.460 - F36	No	Research study of native prairie site with no history of conventional row crop production agriculture to assess soil and water characteristics and compare to alternative management scenarios.	62	62	7	0	Yes	No	Environment
Natural Resources Conservation Service - Soil and Water Conservation 10.902 - F46	No	Provide conservation technical assistance to landowners and operators within Minnesota. Pilot agriculture water quality certification program in Minnesota.	49	88	63	50	Yes	No	Environment
Market Protection and Promotion - Pest Record Keeping 10.163 - F50	No	Education & inspection of private applicator records for compliance.	75	0	0	0	Yes	No	Environment
Environmental Protection Agency Federal Insecticide, Fungicide, and Rodenticide Act Grant 66.605 - F60	No	Ongoing grant for pesticide enforcement and grooundwater protection and other core programs throughout Minnesota.	399	458	384	384	Yes	No	Safety
Surveys,Studies, Investigations-Educational Outreach and Special Projects Environmental Protection Agency 66.716 - F61	No	Bed Bug Prevention and Outreach in Minnesota. Develop pesticide applicator license aquatics exam and manual blueprint and manual outline for Minnesota applicators.	52	55	50	35	No	No	Safety
Total Pesticide & Fertilizer			**638**	**663**	**503**	**469**			
USDA Forest Service Gypsy Moth 10.664 - F57	No	Gypsy Moth, the most destructive forest pest in North America, is detected and populations defined that allow for eradication and management efforts in Minnesota.	346	289	350	400	Yes	No	Economy
USDA Forest Health Protection 10.680 - F57	No	Suppression of population growth and spread of Emerald Ash Borer infestation in Minnesota urban landscapes.	185	125	200	200	Yes	No	Environment
USDA Animal Plant Health Inspection Services 10.025 - F62	No	Plant pests are detected and eradicated or contained to prevent spread and further damage throughout the State of Minnesota. Access to international markets is maintained as absence of regulated plant pests are vaerified.	1,489	861	1,000	1,000	No	No	Economy
Total Plant Protection			**2,020**	**1,274**	**1,550**	**1,600**			
Inspection Grading and Standardization 10.162 - F02, F03	No	Provide shell egg grading services to shell egg producers. Ensures safe poultry production for Minnesota companies and citizens.	107	131	119	122	No	No	Health
Food and Drug Administration Research 93.103 - F08	No	Food Safety projects that enable faster response to foodborne disease outbreaks, innovative traceback and product recall processes and procedures	352	545	807	807	No	No	Health
Fishery Products Inspection and Certification 11.413 - F32	No	The National Oceanic and Atmospheric Administratio (NOAA) Seafood Inspection Program offers a variety of professional inspection services on a fee-for-service basis which assure compliance with all applicable food regulations. The Program offers sanitation inspection as well as system and process auditing in facilities, on vessels, or other processing establishments in order to be designated as participating establishments.	25	34	34	33	No	No	Health
Equal to Meat and Poultry Inspection 10.475 - F83	No	Minnesota State is one of 28 States that have an "Equal To" inspection program. State inspected products may only be sold within Minnesota while Federally inspected products may be sold across State lines. The State Inspection Program is considered to be "Equal to" that of Federal Inspection and is routinely reviewed to ensure the State is meeting the Federal meat inspection requirements	1,138	1,089	1,136	1,139	Yes	No	Health
Improve Retail Food Safety 10.475 - F97	No	Educate existing and prospective meat processors on the regulatory requirements for meat inspection.	0	10	0	0	No	No	Health
Total Dairy & Food Inspection			**1,622**	**1,809**	**2,096**	**2,100**			
Food and Drug Administration Research 93.103 - F08	No	Lab analysis for the food hazards rapid response team and develop protocols for use as field diagnostics.	387	493	468	468	No	No	Health
Food Emergency Response 10.479 - F55	No	Food Emergency Response Network grant to analyze for microbiological threat agents, improve laboratory capacities for surveillance, and outbreak response. Maintain a FERN training center and participate on the risk assessment workgroup.	385	288	275	275	No	No	Health

Federal Award Name CFDA# - MDA#	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
Food Safety and Security Monitoring 93.448 - F58	No	Develop and improve local food safety and security testing programs.	394	400	400	400	No	No	Health
Environmental Protection Agency Insecticide, Fungicide, and Rodenticide Act Grant 66.605 - F60	No	Lab analysis for pesticide enforcement and groundwater protection throughout Minnesota.	246	197	242	242	Yes	No	Environment
Market Protection and Promotion 10.163 - F81, F96	N0	Cooperative agreement to collect pesticide data residues and collect comprehensive data on pathogen and indicator organisms in food and perform evaluation analysis.	528	494	335	335	No	No	Environment
Equal to Meat and Poultry Inspection 10.475 - F83	No	Lab analysis for the Equal to Meat and Poultry Inspection program that meet the federal regulatory requirements.	149	140	142	142	Yes	No	Economy
Total Laboratory Services			**2,089**	**2,012**	**1,862**	**1,862**			
Total Protections Services - Program 01			**6,368**	**5,758**	**6,011**	**6,031**			
Environmental Protectin Agency NonPoint Source Improvement Program 66.460 - F14	No	Outreach to farmers and local decision makers to provide technical information, assess knowledge, and acquire feedback on integrated drainage management systems.	31	25	25	25	Yes	No	Environment
USDA Environment Quality Incentives Program 10.912 - F18	No	Determine management guidelines for denitrifying bioreactors to maximize reduction of nutrient discharge and minimize production of envirnomentally undesirable by-products.	0	43	58	58	Yes	No	Environment
USDA Federal State Marketing Improvement Program 10.156 - F20	No	Conduct consumer research related to farmers markets and direct marketers of apples, christmas trees and berries	29	29	60	60	Yes	No	Economy
USDA Organic Certification Cost Share Program 10.163 - F21	No	Provide cost share assistance to organic producers and handling receiving organic certification	393	475	400	400	No	No	Economy
USDA Risk Management Outreach 10.456 - F45	No	Improve specialty crop farm financial management skills by increasing the number of farmers utilizing farm business management courses	36	0	0	0	No	No	Economy
USDA Natural Resources Conservation Service - Soil and Water Conservation 10.902 - F46	N0	Provide grazing land technical assistance for resource conservation management	11	0	0	0	No	No	Environment
USDA Emerging Markets Program 10.603 - F48	No	US turkey market development in China	34	119	108	108	No	No	Economy
Small Business Administration State Trade Export Promotion Program 59.061 - F49	No	Export assistance to small and medium sized food/ag companies.	37	4	45	45	Yes	No	Economy
Consolidated Pesticide Enforcement Cooperative Agreements 66.700 - F61	No	Development of a "School IPM/Pesticide Management" plan based on school assessment findings and modeled on a recently developed UM IPM program for retail stores	12	0	0	0	No	No	Safety
USDA National Institute of Food and Agriculture via the University of Minnesota 10.307 - F64	No	Collect data on farm performance measures during transition to organic production and develop analysis tools and resource materials for transitional farmers. Subaward via University of Minnesota. USDA - NIFA	80	73	73	36	No	No	Economy
USDA Specialty Crop Block Grant Program 10.170 - F91	No	MDA receives and administers a block grant from USDA to increase competitiveness of the specialty crop industry.	918	815	625	625	No	No	Economy
Total Agriculture Marketing & Development			**1,583**	**1,582**	**1,394**	**1,358**			
Total Promotion and Marketing - Program 02			**1,583**	**1,582**	**1,394**	**1,358**			
WIC Farmers Market Nutrion program 10.572 - F17	No	Food coupon reimbursements for Farmers' Markets to WIC,Women, Infants,and Children, program recipients.	357	320	320	320	Yes	No	Health
Senior Farmers Market Nutrition Program 10.576 - F95	No	Reimbursement of food coupons for Senior Citizens at Farmers' Markets.	117	137	130	130	No	No	Health
Total Grants and Assistance			**474**	**457**	**450**	**450**			
Agricultural Statistics 10.950 - F01	No	Collect, analyze, and publish primary crop and livestock statistical data	14	16	16	16	No	No	Economy
Food and Drug Administration Research 93.103 - F08	No	Develop and deliver a food focused incident management team course to improve our State's food defense program.	0	90	10	0	No	No	Safety
Homeland Security Risk Assessment 97.067 - F52	No	Plan and provide training and certification for agriculture security.	184	9	0	0	No	No	Safety

Federal Award Name CFDA# - MDA#	New Grant	Purpose / People Served	2012 Actual	2013 Budget	2014 Base	2015 Base	Required State Match Yes / No	Required State MOE Yes /No	State-wide Outcome
Total Agency Services			198	115	26	16			
Total Admin & Financial Assistance- Program 06			672	572	476	466			
Total Agency Agriculture B04			8,623	7,912	7,881	7,854			

The Minnesota Department of Agriculture (MDA) receives funding from many federal sources including the U.S. Department of Agriculture, the Food and Drug Administration, the U.S.Environmental Protection Agency, and the U.S. Department of Commerce. Some funding comes directly from the federal agency and other federal funding is received from another state agency as part of a larger grant.

Funding received from the Environmental Protection Agency funds core activities such as pesticide enforcement, applicator certification and training, groundwater monitoring urban initiatives, and endangered species activities. MDA matching funds are provided through special revenue funds from the Pesticide Regulatory Account. Matching funds greatly exceed the federal requirement because the federal funds support only a small portion of the state's pesticide program and those activities are eligible as match. Although funding levels are expected to be slightly lower over the next biennium, there will be no immediate effect on the work performed.

The U. S. Department of Agriculture Forest Service and Animal Plant Health Inspection Service provides funding to support efforts to protect agriculture crops and commodities and the forests from a number of plant pests and pathogens. Funds are utilized to implement survey and detection programs for pests such as potato cyst nematode, plum pox disease, gypsy moth, emerald ash borer, and karnal bunt of wheat. Plant pest surveys serve as a basis for making decisions to eradicate, contain, or manage plant pest threats. These surveys also serve as a basis for MDA to certify that pests do not exist in Minnesota which ensures open access to a number of foreign markets for Minnesota commodities. The required matching funds for the gypsy moth program are provided through state General Fund appropriation. Federal funding for gypsy moth is expected to remain stable or decline slightly. Minnesota is at the leading edge of approaching gypsy moth and as such, the state is a high priority for management efforts by the U.S. Forest Service. Funding to support emerald ash borer detection and response efforts is expected to have a significant reduction due to the national level of emerald ash borer funding reduction from $47 million down to $3 million. No significant reductions are expected with funding received from the Animal Plant Health Inspection Service.

Federal funds received by the MDA Dairy and Food Inspection Division have been relatively stable with the exception of those funds related to food and feed inspections which have increased. These funds provided by the Food and Drug Administration are for food safety projects that enable faster response to foodborne disease outbreaks, innovative traceback and product recall processes and procedures. The purposes of these increased funds are project specific and are not intended to supplant state resources. Federal funding for the meat and poultry inspection program provided from the USDA Food Safety and Inspection Service (FSIS) is expected to remain stable for FY 2014 - 2015. The 100% required match is from the General Fund. FSIS does not allow fees to be charged for this activity.

The U.S Department of Agriculture Food Safety and Inspection Service provides federal funding to the MDA Laboratory Services to analyze food matrices for microbiological and chemical threat agents and improve laboratory capacities for surveillance and outbreak response. In addition, funds are provided to participate on the Risk Assessment Working Group to enhance the ability to handle unknown biological contaminants and maintain one of three National Food Emergency Response Network Training Centers that will host and conduct training. Funding received from the Food and Drug Administration funds the laboratory's analytical capability and capacity for the analysis of food and food products in order to rapidly respond to any local or national food safety or security threat from the use of chemical contaminants, toxins, and poisons. The laboratory receives funding from U.S. Department of Agriculture Marketing Services for the microbiological data program to collect and analyze fresh produce items for the presence of foodborne pathogens and the pesticide data program to collect comprehensive data on pesticide residues in food and water as close to the consumer as possible. Federal funding from the U.S. Department of Agriculture has decreased significantly from a high of over one million dollars to just $275,000. The microbioligical data program is expected to end December 31, 2012, and the pesticide data program is expected to end in fiscal year 2015 or 2016. Funding from the Food and Drug Administration is stable and perhaps slightly higher.

USDA Ag Marketing Services provides funding to enhance the competitiveness of specialty crops and provide support for socially disadvantaged and beginning farmers of these crops. Funding is expected to decrease to the same funding levels of prior to FY 2012-2013. Funding provided to defray the costs of organic certification is expected to remain stable. Currently, there are no required matching funds. The Farmers Market Nutrition Program provides funding to educate low income, nutritionally-at-risk families about the value of fresh, locally grown produce and to increase direct sales for farmers through farmers' markets. Although funding has decreased by approximately 12% the last biennium, future funding is expected to remain stable. Matching funds are provided by the General Fund.

Current federal appropriation levels and continuing resolutions as well as guidance provided from our federal agencies were taken into consideration to determine Minnesota Department of Agriculture's federal funding level for the biennial budget years 2014 and 2015. Based on informed communication with our federal agencies, no significant change in future federal funding is expected. The effect of sequestration is unknown at this time. Potential impact of sequestration includes reducing education outreach and technical assistance for the environmental quality incentive program, decreased efforts to protect agriculture crops, commodities, and forests, decreased analysis of food and food products resulting in less safe food supply for the general public, and loss of financial support to the organic and specialty crop industries.