



## 2015 Legislative Session Update

Cory Bennett, Director of Public Policy



The 2015 legislative session began on Tuesday, January 6th, and for the first time in two years Minnesota's government is under divided leadership. After the November elections, DFL Governor Mark Dayton is serving his second term and Democrats still control the Minnesota Senate. But in the House, Republicans are now in control after a two year hiatus. Of the eleven seats picked up by House Republicans, ten came from rural Minnesota, setting up a scenario in which rural Minnesota issues will be more of an emphasis this legislative session.

Certainly the number one priority for legislators this session will be creating the 2016-2017 fiscal budget. One of the differences for House Republicans this

year compared to when they were last in control of the House of Representatives is they aren't facing a budget deficit. Instead, according to the latest budget forecast released last month, the state is looking at an approximate \$1 billion surplus, which is the largest budget surplus the legislature has seen since 2007. However, legislative leaders are already tempering expectations saying that spending increases will be small and targeted. Although there will be much debate on the amount and areas of government that will see investments, one thing all sides can agree upon is that with a budget surplus there will be little appetite to raise the state's taxes, with some legislators even looking to cut taxes.

Related to the budget, the area that is getting the most attention is transportation. Everyone seems to agree that the state's deteriorating roads and bridges needs to be addressed this session. The big gorilla in the room is how to pay for it. Minnesota Department of Transportation (MNDOT) projections indicate that the state would need to invest an additional \$6 billion over the next ten years in order to address the problem. On January 26th, Governor Dayton unveiled a plan that would raise an additional \$11 billion for

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## AGRI GROWTH EVENT CALENDAR

### 2015 AGRIGROWTH POLICY LUNCHEON SERIES

#### SCHEDULE:

- February 25th, 2015
- March 25th, 2015
- April 22nd, 2015

Future luncheon speakers will be announced via email when confirmed.

#### EXCLUSIVE TO AGRIGROWTH MEMBERS: LEGISLATIVE & CONGRESSIONAL STAFF RECEPTION

AgriGrowth members are invited to join staff in hosting legislators, Congressional staff and other VIPs who help promote Minnesota's food and agriculture industry. The reception is complimentary for all members and offers hors d'oeuvres and refreshments.

Join us on **February 4th, 5:00 p.m. - 8:00 p.m.** at 317 on Rice Park in downtown St. Paul, Minnesota.

If you would like more information on membership, please contact AgriGrowth Director of Membership and Development Mary Kay Delvo at 651-905-8900 or by email at [mkdelvo@agrighrowth.org](mailto:mkdelvo@agrighrowth.org)

## 2015 Policy Luncheon Series



The popular Policy Luncheon Series is back for the 2015 legislative session. Prior guests in the series include Speakers of the House, tax and ag committee chairs and Minority Leaders from both chambers. The luncheon held on January 28th featured **Reps. Paul Anderson** (pictured) and **Rod Hamilton**. Among the invited guests for future luncheons are Minnesota Department of Natural Resources Commissioner Tom

Landwehr, Senate Ag Finance and Policy chairs, Sens. Tomassoni and Sparks and Speaker of the House, Kurt Daudt.

The luncheons will again be held at the Best Western Capitol Ridge, (formerly the Kelly Inn). The cost is \$25 for members, and \$35 for non-members. Future luncheons will be held from 11:30-1p on the following dates, register at [agrighrowth.org/events/](http://agrighrowth.org/events/)

- **February 25th**
- **March 25th**
- **April 22nd**

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# MEMBER IN FOCUS

**COMPANY: ENBRIDGE ENERGY**

**WEBSITE: ENBRIDGE.COM, MINNESOTAPROJECTS.ENBRIDGE.COM**

**LOCATION: HEADQUARTERS IN CALGARY, ALBERTA; U.S. LIQUIDS PIPELINES HEADQUARTERS IN MINNEAPOLIS, MN AND U.S. MAJOR PROJECTS HEADQUARTERS IN DULUTH, MN AND SUPERIOR, WI**

## **History/background of organization:**

Enbridge has transported and delivered energy in Minnesota for 65 years. With 11,000 employees company-wide, and 400 employees in Minnesota, we operate the world's longest, most sophisticated crude oil and liquids transportation system. We are the leading pipeline operator in both the oil sands region of Canada and the rapidly growing Bakken formation in Canada and the United States. Currently, we are engaged in the largest capital program in our 65-year history — with \$36-billion in commercially secured growth investments across all our business segments, and \$5-billion in proposed projects in Minnesota.



## **Q & A with Brad Shamla, Vice President, US Operations, Enbridge Energy**

Brad Shamla has been with Enbridge for more than two decades, working in Operations, Engineering, Business Development and Administration across Canada and the U.S. He is currently Vice President, U.S. Operations where he is responsible for U.S. Liquids Pipelines operations and gathering systems.

and Canada's oil sands, is creating an urgent need for more energy infrastructure in Minnesota and throughout North America. Enbridge is playing a critical role in providing that infrastructure. We are proposing new liquids pipelines to help our customer's increase production and access new markets.

## **What are your legislative priorities?**

Our top priority for Minnesota in 2015 is working with the Minnesota Public Utilities Commission (MPUC) to acquire permits for our pipeline projects. We are happy to be joined in this effort by a significant (and growing) coalition of interested parties from the business, labor and agricultural communities. The MPUC process is extremely robust and inclusive - and Enbridge is working hard to connect Minnesotans who will benefit from the construction of our pipelines with the regulators who are interested in hearing your story.

## **What do you value most about your membership in AgriGrowth?**

AgriGrowth members, including Enbridge, have a lot at stake in Minnesota's transportation infrastructure debate. Whether a product is shipped on truck, rail or pipeline, our customers expect a safe, efficient delivery of their product. Minnesotans expect the same. AgriGrowth members and Enbridge are very effectively working together to tell that story to our regulators and to Minnesotans. The MPUC's decision on Sandpiper obviously affects Enbridge directly - but it affects many other AgriGrowth members directly as well. Our membership enables us to share your story in a powerful and effective way - and therefore deliver a better product for all of us.

## **How is your organization funded?**

Enbridge transports, generates and distributes energy across North America. Our primary business in Minnesota is efficiently and safely moving petroleum products from the areas where they are produced to the refinery for our customers.

## **What is new with your organization?**

Enbridge has been working to improve the regional transportation infrastructure in Minnesota. This multi-billion dollar investment will certainly improve the safety and efficiency of oil transportation in Minnesota, not to mention an enormous economic boom for those involved with building and maintaining these projects as well as the communities that will sustain, house, and supply those construction workers. We are actively working toward permitting our Sandpiper project, with a renovation of Line 3 to follow. We hope to have all Sandpiper permits in place by the close of 2015 to begin construction in 2016.

## **What are key trends affecting your industry? How so?**

Increased growth in oil production in the Bakken region,



The Minnesota Agri-Growth Council is an advocate for the state's food and agriculture industry. Founded in 1968, Agri-Growth is a nonprofit, nonpartisan organization that represents the shared interests of its 200-plus members, which include food and agriculture businesses, organizations and producers, as well as the service industries that support them.

## **MINNESOTA AGRI-GROWTH COUNCIL**

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## **Staff**

Perry Aasness, executive director  
Mary Kay Delvo, director of membership and development  
Adam Axvig, communications director

“I don’t relish having to raise the revenues needed to start repairing 25 years of neglecting Minnesota’s transportation system, I just consider it my responsibility”

- Governor Mark Dayton in address at Minnesota Chamber of Commerce “Session Priorities” Dinner, January 7th, 2015

transportation over the next decade by increasing the tax on gas by 16 cents per gallon, increased motor vehicle license fees, and higher registration fees. Governor Dayton’s plan also included a half percent sales tax increase in the metro for transit. But Republican leadership in the House indicated a plan of raising taxes will likely not be supported but instead will look to reprioritization of existing dollars,

general fund dollars, or possibly bonding to fund the projects. The transportation debate could also show a rural versus metro divide on how transportation projects are prioritized between roads and bridges and rail and bus lines.

And as with all budget setting sessions, education and health and human services will weigh heavily in the final budget agreement.

While the Governor, legislative leaders, and legislators have their list of things to monitor, the Minnesota AgriGrowth Council has also compiled a list of priorities. Below is a short list of some of the items that AgriGrowth has identified to date:

### Agriculture Coalition Proposal

With the state looking at a proposed budget surplus of approximately \$1.037 billion, several agriculture groups, including AgriGrowth, will be forwarding several proposals to the legislature asking for a variety of investments and policy initiatives. Items included in the package include:

- \$30 million in agriculture productivity research
- \$6 million for the Agriculture Rapid Response Fund
- \$18 million in bonding for the University of Minnesota Animal Isolation Unit
- Investments in Rural Minnesota Roads and Bridges
- Investments in Agriculture Education (High School, FBM, MAELC)
- Review of MPCA Citizens’ Boards authority
- Review of DNR well permitting and water use
- Oppose state GMO Labeling and restrictions on GMO use
- Support House, Garage and One Acre on new school building levies

### GMO Labeling

Several bills were introduced last session that would require the labeling of foods containing genetically modified organisms (GMO) sold in Minnesota. While those bills did not advance, the House Commerce and Consumer Protection Finance and Policy Committee did hold an informational hearing on the issue. Senator Marty has introduced a labeling bill again this year. AgriGrowth remains an ardent supporter of agriculture biotechnology and supports the position of the Food and Drug Administration that labeling would be misleading and is precluded since there is no nutritional or safety difference when compared with a non-GMO food ingredient. AgriGrowth also supports efforts at the federal level, such as the Safe and Accurate Food Labeling Act, that would set national standards for voluntary GMO labeling.

### Water Quality Issues

Minnesota has more shoreline from lakes and streams than any other state except Alaska. Because of this vital asset, water will play a prominent role at the legislature again this session. Much of the water debate, as it pertains to agriculture production and agribusiness, will center on water quality, sustainability, appropriations, water usage fees, and the Department of Natural Resources (DNR) oversight of wells. In recent weeks AgriGrowth has held meetings with the Department of Natural Resources on these issues and those discussions will continue. AgriGrowth recognizes the importance of water to agriculture production, manufacturing and our communities and we will continue to engage in these issues throughout the legislative session.

On January 16th, Governor Dayton announced he would pursue legislation pertaining to buffer zones. The proposal would create 50’-60’ buffer zones along all waterways, impacting roughly 125,000 acres of land. Current law requires buffer zones around many of the state’s waters, but enforcement has been handled on the local level. Under the Governor’s proposal, the Department of Natural Resources would be responsible for enforcement.

### Neonicotinoids

Again this session, we anticipate that the legislature will have a continued debate on pollinators and the use of neonicotinoids. Last session the legislature passed legislation that recreated a pollinator compensation fund, invested in a new bee research facility at the University of Minnesota, and allocated millions of dollars in new funding for pollinator habitat development. The AgriGrowth Council understands the importance of pollinators for the production of certain crops and the health of the agriculture system as whole. However, it is important that policymakers let science dictate the action, not activism. The Minnesota Department of Agriculture is currently reviewing the use of neonicotinoids and has included a potential ban in a list of possible actions as a result of the department’s review.

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#### 2014 BOARD OF DIRECTORS:

##### Executive Officers:

- Chair:* Steve Peterson, General Mills
- Vice Chair:* Pat Lunemann, Twin Eagle Dairy & Minnesota Milk Producers Association
- Secretary:* Jim Winter, Ecolab
- Treasurer:* Mark Jirik, Cargill, Inc.
- Immediate Past Chair:* Kristin Weeks Duncanson, Duncanson Growers

##### Directors:

- Dr. Brian Buhr, University of Minnesota
- Mark Davis, Davisco Foods International, Inc.
- Randal J. Doyal, Al-Corn Clean Fuel
- Commissioner David Frederickson, Minnesota Dept. of Agriculture
- Meg Freking, New Fashion Pork
- Heidi Hawkins, Wells Fargo Bank
- Rod Hebrink, AgStar Financial Services
- Brian Ingulsrud, American Crystal Sugar
- Kate Leavitt, SunOpta Grains and Foods Group

- Darcy Pawlik, Syngenta Seeds, Inc.
- Alan Poff, Schwan Food Company
- Lexann Reischl, GNP Company
- Tom Rosen, Rosen’s Diversified
- Don Schiefelbein, Shiefelbein Farms
- Joe Swedberg, Hormel Foods Corporation
- Linda Tank, CHS Inc.
- Dan Tjornehoj, Minnesota Veterinary Association
- Tom Wegner, Land O’Lakes, Inc.
- Don Wick, Red River Farm Network

## Environmental Regulatory Reform

While other parts of the country are limited by water shortage and the need to import feed, Minnesota has plentiful opportunities with respect to both of these essential elements of a successful livestock operation. Unfortunately, new investment in this industry has been placed at risk due to recent actions by the Minnesota Pollution Control Agency Citizens' Board. Beyond the costs and delays of these projects, the recent Citizens' Board action raises real questions about Minnesota's willingness to accommodate growth and new investment in the animal agriculture sector. AgriGrowth will be asking the legislature to review the Board's responsibilities and powers to ensure that Minnesota can become an inviting location for responsible growth and investment in Minnesota's agricultural sector to provide new economic opportunities for farmers, rural communities, and our entire state.

## Transportation

As stated earlier, transportation infrastructure and funding will take center stage this session. There is general agreement amongst the various stakeholders at the capitol, including those involved in agriculture, that significant investments need to be made in the state's aging road and bridge system. The question will be how to pay for those construction projects. Should road and bridge investments be funded with a gas tax increase, bonding, or general fund investments? That is a question that is being asked within organizations and associations around the state. Agriculture entities will be no different, and like most of those groups asking that question, the answer will vary. AgriGrowth will be engaged in working with the legislature and Dayton administration on ways to enhance our existing transportation system that meet the present and future needs of Minnesota's ag sector.

## AgriGrowth Welcomes New Board Members

Action at the January AgriGrowth Board meeting included the election of two new board members to the Minnesota AgriGrowth Board of Directors. American Crystal Sugar Vice President of Agriculture, **Brian Ingulsrud**, and AgStar Financial Services CEO, **Rod Hebrink** were both unanimously elected to the board earlier this month.

Brian Ingulsrud (right) has been employed at Moorhead, Minnesota-based American Crystal Sugar for 24 years, serving in several different capacities before his current role as Vice President for Agriculture. Ingulsrud holds an undergraduate degree in Business Administration from the University of North Dakota and an MBA from the University of Minnesota.



Rod Hebrink (left) has been with AgStar and its predecessor organizations since 1985. Rod was named President and CEO of AgStar in July of 2014. Rod succeeds longtime AgriGrowth board member, former AgriGrowth chair, and 2014 Distinguished Service Award Winner, Paul Debryin in his role on the AgriGrowth Board of Directors.

Hebrink holds a degree in Agricultural Business Administration from the University of Minnesota and has completed the Graduate School of Banking at the University of Wisconsin, Madison.

## University of Minnesota Seeks Funding for Veterinary Isolation Lab



The University of Minnesota College of Veterinary Science is seeking \$18 million in state bonding money to replace two obsolete veterinary isolation laboratories that date back to 1958. The facility would be located in St. Paul and would create 10,000 square feet of space to house large animals as well as adding an additional 20,000 square feet of high biosafety level

laboratory spaces. The \$18 million in state funding sought by the University would augment a \$9 million investment by the University to build the lab. sota College of Veterinary Science researchers were the first to develop a test for PEDv, a pig virus that has plagued the pork industry in the Midwest. The University hopes to build on those successes with the new facility. "The new Veterinary Isolation Facility will be vital to helping us understand how diseases like PEDv are spread, including the role of feed in disease transmission. A new state of the art facility that can be used year-round will also be key for evaluating the effectiveness of new vaccines or validating new diagnostic tests," said **Dr. Trevor Ames**, Dean of the University of Minnesota College of Veterinary Medicine.

The request was part of a broader \$77 million bonding request put forward by the University of Minnesota for the 2015 legislative session. While bonding typically takes place in even number years, there has been indication by the Governor and some legislative leaders that there could be a bonding bill in 2015. You can find more information regarding the University of Minnesota's bonding requests by visiting <http://govrelations.umn.edu/capital-request.html>

The University's important work in veterinary science was featured in the July 2014 AgriGrowth newsletter article on Porcine Epidemic Diarrhea Virus or PEDv. University of Minne-