Legislative Outlook: A Short and Less Controversial Session in Store for 2012

The 2012 Minnesota State Legislature comes back into session on January 24, facing what is expected to be a short and less contentious session compared to last year. The first day of session begins at noon, when many legislators bring family members to the floor while conducting mostly ceremonial business and announcements. The following day is also reserved for the traditional “One Minnesota Conference” when legislators convene privately at the University of Minnesota’s Humphrey Institute in the spirit of collegiality and bipartisan cooperation.

Adding to the unusual political environment – where some lobbyists are still getting used to Republican majorities in the House and Senate with a Governor’s Office controlled by DFL Governor Mark Dayton – the 2012 legislative session will get under way while redistricting decisions are still pending. There will even be a recess held for precinct caucuses February 2-7 before redistricting is completed. Under the Minnesota Constitution and state statutes, a Minnesota Supreme Court appointed 5-judge panel will be deciding new district boundaries by February 21, 2012. Members of the State Legislature will be anxious to complete legislative work in St. Paul and return to (potentially new) districts to begin campaign reelection work as early as possible in the Spring. Those facing reelection will include all state senators and all members of the House of Representatives. The reelection follows the general election held less than two years ago where all senators and representatives were just elected. (Senators are usually elected every four years.)

Nonetheless, House Speaker Kurt Zellers surprised some by issuing a December 14, 2011, memorandum announcing that the House of Representatives intends to adjourn sine die on April 30, 2012. The memo also contained a reminder that the House will recess for Easter/Passover break from April 6-13.

With these scheduled recess breaks, combined with the delayed January 26 working start to the session and scheduled April 29 conclusion of legislative business, there are not many working days available for the 2012 session. In addition to fewer available legislative work days, pending redistricting decisions, and all seats facing reelection, the session is expected to be short and less controversial. This is thanks in part to the surprise budget surplus projected for the fiscal 2012-13 biennium.

With the November 2011 forecast projecting a surplus balance of $876 million for the next biennium, this session the legislature will not have to revisit the painful budget balancing negotiations with Governor Dayton that resulted in last year’s stalemate and state government shutdown. Instead, current law requires any forecast balance be used to restore the state’s reserves. This forecast adds $255 million to the cash flow account, increasing it to $250 million, and $621 million to the budget reserve, bringing it to $648 million.

As the 2012 session resumes, most committees will keep the same hearing schedule as last session. For the House and Senate Agriculture Committees, this means Tuesday/Wednesday/Thursday standing hearings at 9:00 am for Chair Rod Hamilton’s Article Continued on Page 4

Agri-Growth Legislative Calendar of Events:
2012 Agri-Growth Policy Luncheon Series

During the Minnesota Legislative Session, Agri-Growth hosts policy luncheons to discuss timely issues, network with agriculture contacts, and get to know legislators, members of Congress, and special guests.

2012 schedule:
- February 8, 2012
- March 21, 2012
- April 18, 2012

Speakers will be announced via email and online soon. Visit agrigrowth.org/events to register. Luncheons will be held at the Best Western Kelly Inn, with registration at 11:30 a.m. and a buffet lunch at noon. Cost per luncheon is $25 for members and $30 for non-members.

Legislative & Congressional Staff Reception

Agri-Growth members are invited to join us 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 1, 5:00 p.m. - 7:30 p.m. at 317 on Rice Park in downtown St. Paul, Minnesota.

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- Agri-Growth Welcomes Three New Board Members for 2012
The Minnesota Agri-Growth Council is an advocate for the state’s food and agriculture industry. Founded in 1968, the Council 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.

To maximize the value of milk produced on farms throughout the Upper Midwest, farmers came together to form AMPI in 1969. That mission continues today. The 3,000 dairy farmers of AMPI market 6 billion pounds of milk, own 12 manufacturing plants, and market a full line of consumer-ready dairy products resulting in $1.7 billion in annual sales. AMPI-members are located in Wisconsin, Minnesota, Iowa, Nebraska, South Dakota and North Dakota.

Q & A with Ed Welch, AMPI President and CEO:
How is AMPI funded?
As a dairy marketing cooperative, AMPI is owned by and for the dairy farmers who market their milk through the cooperative. Milk flowing into AMPI’s network of manufacturing plants is primarily made into cheese, butter, and powdered dairy products.

Half of AMPI’s sales are from consumer-ready products. AMPI manufactures the products marketed under 174 retail, food service, and food ingredient brands, including making cheese slices for McDonald’s.

What is new with your organization?
Late last year, 18 new cheese vats were installed at AMPI’s two largest cheese plants in Jim Falls and Blair, WI. These cheese vats are the first of their kind, featuring advances in technology and automation that will make more and better cheese from the same volume of milk. Growing demand from our customers reaffirms AMPI’s commitment to be a premier cheese producer.

The new equipment has already proven to be a winner for AMPI. A trial vat installed at the Blair plant produced award-winning cheese for the 2011 World Dairy Expo Dairy Products Championship Contest. Judges named AMPI’s Cheddar cheese entry first place.

What are the key trends affecting your industry?
Volatile milk markets, combined with skyrocketing on-farm input costs, have proven difficult for the businesses of each of our dairy farmer-owners. These hurdles have caused a decline in dairy farms and total milk volume in the Midwest. Despite this decline, processors in the region expanded plant capacities and are now struggling to keep those plants consistently full.

What are your legislative priorities?
AMPI’s legislative agenda is developed by our dairy farmer-owners and put into action each year. AMPI takes pride in our grassroots involvement and representation on Capitol Hill, allowing the cooperative to be on the frontline of current policy discussions.

Our priorities currently include:
• constructing a dairy safety net that supports family farms, not milk volume;
• supporting dairy growth management as an effective way to reduce market volatility; and
• underscoring the dairy industry’s commitment to producing high quality milk and dairy products that begin with top-notch animal care.
Agri-Growth Welcomes Three New Board Members for 2012

At the 2011 Annual Meeting, the Minnesota Agri-Growth Council Board of Directors appointed three new directors to fill the seats of outgoing and retiring board members. The 25-member board governs the Council, representing the diversity of Minnesota’s food and agriculture industry, including ex-officio representation from leadership at the Minnesota Department of Agriculture and the University of Minnesota College of Food, Agriculture and Natural Resource Sciences.

The new Directors are:

**KATE LEAVITT**
DIRECTOR OF INTERNATIONAL SALES & MARKETING, SUNOPTA GRAINS & FOODS GROUP:
Kate Leavitt joined the SunOpta team in 1999. She now serves as the Director, International Sales and Marketing of the SunOpta Grains and Foods Group (formerly Sunrich, Inc). Sunrich was originally established in 1978 as the Minnesota Waxy Corn Growers Association by over 300 grower members/shareholders.

In addition to the main focus on sales and marketing to international markets, Ms. Leavitt also sits on several committees and contributes to the efforts of the OTA-Asia Task Force, SunOpta Corporate Branding Team, and works closely with the Minnesota Department of Agriculture, Minnesota Trade Office, Minnesota Soybean Growers Association and USSEC on strategic planning and promotional events. Ms. Leavitt is also a member of the Board of Directors for the Soyfoods Association of North America (SANA) and chairs the Sustainability Committee for SANA.

Ms. Leavitt graduated with honors from the University of Minnesota, earning degrees in both Japanese and Mathematics. Raised and currently residing in Eagan, MN, she has also lived in Japan, and traveled extensively in Europe and SE Asia. Personally she is the mother of two young sons (ages 4 and 7 years), has been an active member of a bookclub for over 10 years and enjoys ice skating and scrapbooking.

**STEVE PETERSON**
DIRECTOR SOURCING SUSTAINABILITY, GENERAL MILLS, INC:
Steve Peterson became the Director of Sourcing Sustainability at General Mills in August, 2010. Steve led External Manufacturing at General Mills 2005-2010. Previously, Steve was a member of the Integration team creating the combined Supply Chain resulting from the General Mills and Pillsbury merger.

Prior to joining General Mills, Steve had 15 years of experience with Pillsbury. Steve held positions of increasing responsibility within Supply Chain Operations and Sourcing, starting as a Commodity Analyst and lastly holding the position of Senior Director Ingredient Sourcing. Steve has been involved for many years in collaborative manufacturing and sourcing.

Steve’s educational background includes a M.S. degree in Agriculture & Applied Economics from the University of Minnesota. Steve earned his B.A. degree from St. Olaf College in Northfield, MN.

Steve resides in Golden Valley, MN with his wife, Dr. Mary Wilkens, and his three children Luke, Katie, and Jacob. Steve also owns and manages Peterson Farms, a grain and livestock operation in Paynesville, MN.

Steve serves on several non-profit boards including Park Nicollet Foundation, Kinship of Greater Minneapolis, Presbyterian Homes, and the Paynesville Area Community Foundation.

**LINDA TANK**
VICE PRESIDENT OF MARKETING COMMUNICATIONS, CHS, INC.:
Linda is vice president of Marketing Communications for CHS, a Fortune 100 diversified energy, grains and foods company, and the nation’s leading farmer-owned cooperative. CHS is committed to providing the essential resources that enrich lives. CHS is owned by farmers, ranchers and cooperatives, along with thousands of preferred stockholders.

Linda is responsible for the company’s internal and external communications and branding, including corporate image and reputation, advertising, employee communications, community and public relations.

Linda joined the regional cooperative system in 1984 and has served in a variety of marketing communications positions within CHS. She earned a bachelor’s degree in Agricultural Journalism from the University of Minnesota. She has served on the Ventura Foods board of directors, a CHS joint venture with Mitsui and Co. She chaired the Ag Council of America board of directors – the agriculture industry group responsible for planning and hosting National Ag Day – and she is a past trustee for the Minnesota 4-H Foundation Board.

She and her husband Myron have two children, and she is a partner in her family’s 4th generation farm in Cottage Grove, Minn.
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House Agriculture Committee, and Tuesday/Thursday standing meeting times at 1:00 pm for Chair Doug Magnus’ Senate Agriculture Committee. Note that all bill introductions from last year are still germane and on the books for the 2012 session.

Some changes for the 2012 session will include a new Senate Majority Leader, David Senjem (R – Rochester), the former Senate Minority Leader who takes over for Senator Amy Koch (R – Buffalo) who resigned the position after facing allegations of an improper relationship with a fellow Senate staffer. The Senate Republican Caucus has also replaced Senator Geoff Michel (R – Edina) as the Senate Deputy Majority Leader with Tax Committee Chair Julianne Ortman (R – Chanhassen). Further, the previous Legislative Director of the Minnesota Senate Republican Caucus, Kevin Matzek, assumed the role of interim Chief of Staff in November 2011 and was officially named the full-time Chief of Staff this month. The reshuffling of chair and committee assignments as a result of these changes in leadership is still uncertain.

On the House side, the Agriculture Committee will have a new committee administrator, Abigail Johnson, who was previously an Education Finance and Property Tax Committee researcher. She replaces former committee administrator Joan Harmon, who left to work with lobbying firm Messerli & Kramer after losing A.J. Duerr to a new position with the Cooperative Network.

Working on his nineteenth session at the State Capitol, and seventh year representing the Agri-Growth Council, will be lobbyist Cory Bennett of Bennett Government Consulting. Cory acts as the eyes and ears for the Agri-Growth Council, and helps Agri-Growth Council President Daryn McBeth, also a registered lobbyist, cover the many hearings, floor debates, and meetings that Agri-Growth monitors on behalf of the state’s food and agriculture industry. Daryn is in his ninth year at the helm of the Council. Agri-Growth plans to maintain a very active role with state government, including the November election process where the Council’s affiliated AgPAC will support candidates in alignment with the priorities of the state’s food and agriculture industry.

Welcome New Members!

• Ed Hegland •

The Minnesota Project

• Jay Novack •

Upper Midwest Management