The Minnesota Legislature reconvened in a flurry of activity on March 8, as legislators scrambled to initiate the work that needs to be completed in 10 very short weeks.

Legislative leaders are quickly advancing their own priorities including: tax relief, transportation funding and a bonding bill. As legislative work progresses toward adjournment, legislators will face a number of challenges including capitol construction, election year politics, a budget surplus, and internal party caucus dynamics.

While the governor and legislators are working on their own agendas, AgriGrowth will be actively engaged at the State Capitol, promoting new initiatives and reacting to challenges.

One of AgriGrowth’s top priorities—transportation—was the theme at the first event in AgriGrowth’s 2016 Legislative Series, held on March 9, 2016 in St. Paul. MnDOT Commissioner Charlie Zelle, Senate Transportation Chair Scott Dibble and House Transportation Chair Tim Kelly all agreed that now is the time to act on transportation infrastructure. The three leaders on the issue agreed that we need a long-term, sustainable funding plan that is large enough in scope to address significant needs and comprehensive, in that it addresses the diverse needs of different parts of the state.

AgriGrowth’s top legislative policy priorities are outlined below—this list does not reflect the entire scope of our policy interests, and it may be updated as the session progresses:

**WATER QUALITY ISSUES**

Much of the water debate as it pertains to agriculture production will center on water quality, sustainability, appropriations, water usage fees, and the Department of Natural Resources’ oversight of wells. AgriGrowth recognizes the importance of water to agriculture production, manufacturing and our communities, and we will continue to engage in these issues through the legislative session to ensure any policy changes are based on sound science and do not add unnecessary regulatory burdens to the agriculture/food sector.

**TRANSPORTATION FUNDING AND INFRASTRUCTURE**

Significant investments need to be made in the state’s road and bridge system for moving agricultural and value added commodities to market. AgriGrowth supports long-term investments that provide targeted and sustained transportation funding without raising taxes, but instead relies on more efficient use of existing Minnesota Department of Transportation resources, general fund spending, bonding and the dedication of existing transportation-related revenues.
TAX RELIEF
Property tax reform on agricultural lands and agribusiness property remains a high priority of AgriGrowth. The discussion will continue this legislative session as a tax bill was not passed in 2015, leaving opportunities for tax reform this legislative session. AgriGrowth supports reductions in agricultural and agribusiness property taxes.

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 as well as successful agribusiness and livestock operations. AgriGrowth will continue to encourage legislators to review the state environmental permitting and rules process affecting Minnesota farmers and agribusinesses.

AGRICULTURE TECHNOLOGY RESTRICTIONS
AgriGrowth understands the importance of agriculture technology for the production of agriculture crops and the health of the agriculture system as whole. It is important that policymakers let science dictate the action. AgriGrowth opposes state legislation that would seek to ban or impose restrictions on agriculture technology that is not based on sound scientific research.

ANIMAL WELFARE
Animal agriculture is vitally important to Minnesota’s economic vitality. A strong animal agriculture sector keeps our rural communities vibrant and also supports agri-businesses that create jobs and value added agriculture in other parts of the state. AgriGrowth supports public policy that is based on sound science, encourages operations of all sizes, protects the environment, and keeps Minnesota producers competitive in national and worldwide markets.

GMO LABELING
AgriGrowth remains an ardent supporter of agriculture biotechnology and supports the position of the FDA that labeling would be misleading and is precluded since there is no nutritional or safety difference with non-GMO food ingredients. AgriGrowth opposes state labeling programs that would create a patchwork of GMO labeling standards across the country that put agribusiness and producers at a competitive disadvantage. We support current federal legislation that would create a national, voluntary, USDA-administered labeling standard for non-GMO food products.

WORKFORCE DEVELOPMENT
Minnesota’s agriculture industry continues to see shortages of skilled workers in areas such as agricultural mechanics and equipment, animal science, farm business operations and management, food science and technology, and plant and soil science. AgriGrowth supports initiatives that ensure higher education institutions deliver the right programs and are providing graduates with the skills necessary for the future success of Minnesota’s agricultural economy.

The constitutional deadline for adjournment of the 2016 Legislative Session is May 23rd, 2016.
Freight rail is responsible for at least 7% of Minnesota’s employment—roughly a quarter of a million jobs—according to a new academic study released by the Minnesota Regional Railroads Association, Minnesota Chamber of Commerce, Minnesota AgriGrowth Council and BNSF Railway.

Other key findings of the report:

- Freight rail is responsible for $40 billion of state GDP
- Freight rail adds about $2000 to the average Minnesotan’s income and more than $5,000 per household
- Freight rail generates about $7 billion in annual state and local tax revenue
- Rail’s safety record is unmatched, with accident rates 2/3rds the average of all private industries
- Sectors that rely on rail play a disproportionately important role in Minnesota’s economy, including: agricultural products, forest products, heavy machinery, metals mining and processed food

Investments in transportation infrastructure, including Minnesota’s freight rail system, have allowed a diverse range of industries to develop and grow across the state, most notably the agriculture industry.

"Perhaps no industry has been transformed as much by freight rail as agriculture and agribusiness,” said Perry Aasness, Executive Director of the Minnesota AgriGrowth Council. “Minnesota's farmers rely on rail to acquire necessary resources like seed, fertilizer and equipment, and to export goods to the global marketplace. Nearly 20 percent of Minnesota’s exports that are transported by rail are farm products. Rail has helped Minnesota become the nation's third largest farm exporter; this would not be possible without the rail infrastructure that is in place to move goods out of the state and into distant markets."

The study was released at an event hosted by the University of Minnesota’s Humphrey School, and featured the study’s author, Phillip Romero, professor of finance at the University of Oregon, along with a panel of influential leaders, including AgriGrowth member Bob Zelenka, Executive Director of the Minnesota Grain and Feed Association.

The panel discussion highlighted the importance of rail in Greater Minnesota towns, where grain elevators are located along rail lines, and farmers rely on freight rail to ship products to the marketplace.

"In most of the communities, we’re the major employer and the major taxpayer,” said Bob Zelenka, executive director of the Minnesota Grain and Feed Association. “We have been and continue to be a major economic driver in rural Minnesota.”

As debate begins at the Capitol over transportation funding, expect to see freight rail at the table. With more than 4,500 miles of rail in Minnesota, and a strong impact on the broader economy, the freight rail industry will be a part of the solution to Minnesota’s transportation challenges.

The full study can be found at: www.mnrailroads.com/_pdf/MN EconStudy_WEB_FEB16.pdf
In our first newsletter of 2016, and as the Minnesota legislative session is starting, I'd like to share a few thoughts regarding AgriGrowth's top state and federal policy priorities.

This year may be a challenging year economically for Minnesota's agriculture sector—our state's economy, especially the agricultural sector, has already felt the adverse effects of falling commodity prices, and the stronger U.S. dollar coupled with weak global growth.

While downturns in the agriculture economic cycle are not new, there are several key issues at the moment where AgriGrowth is engaged that are key to the long-term prosperity of Minnesota's agriculture sector: water quality, transportation, GMO labeling and international trade.

WATER QUALITY

Agriculture and water are intricately linked—water availability has historically been a key reason why agriculture has developed so successfully in Minnesota over the past century, growing agriculture into an industry that contributes nearly 20% to the state's economy, ranking second only to manufacturing in terms of economic impact to the state. Water is an important resource to protect, as it is critical to Minnesota's economy and way of life.

I had the opportunity to attend Governor Dayton's Water Summit in late February—along with more than 800 other industry leaders, government employees, advocates and concerned citizens.

The challenges facing our water systems are often complex, and will require everyone coming together to find solutions. In many ways, agriculture is more sustainable than ever. Farmers are constantly striving to make the most effective use of land and resources and we must prioritize protecting water quality in our continuous improvement efforts.

It was great to see Minnesota's agriculture sector well-represented at the Governor's Water Summit, discussing the issues and the implications of potential solutions, and I urge all of us working in agriculture, and related sectors, to bring our best solutions forward. It's important for policy makers and others interested in this issue to understand that enhancing agriculture productivity while protecting our natural resources do not need to be mutually exclusive goals. New technology, continued farmer adoption of best practices, and investments in productivity research will be important to helping provide solutions.

AgriGrowth is currently engaged in the development of a Working Lands Conservation Pilot Program that seeks farmer led, watershed based, and supply chain engagement to address water quality issues. I'm hopeful this pilot program will help demonstrate the shared values and commitment Minnesota agriculture has in identifying meaningful solutions and opportunities that enhance productivity while protecting our natural resources.

TRANSPORTATION

Legislators on both sides of the aisle, as well as the governor, have all said that transportation is a top priority for this session, and I sincerely hope they take advantage of the momentum that has been building for a comprehensive transportation funding package. The transportation committee chairmen and MnDOT commissioner gave us reason to be optimistic when they spoke at AgriGrowth's Session Preview Luncheon—they all agree that we need a long-term, sustainable funding plan that is large enough in scope to tackle the problems we face, and equitable in terms of how it treats different parts of the state.

Investing in our transportation infrastructure will be important to the future prosperity and long term competitiveness of the Minnesota's agriculture sector. State and federal investments into upgrading our transportation infrastructure of roads, bridges, ports, waterways, and rail are crucial to ensuring our ability to move products to market in a cost competitive and timely basis.

(continued)
GMO LABELING

Last week, the US Senate voted to block a GMO labeling bill—a bill which would establish national, voluntary standards for foods made with GMOs. AgriGrowth strongly supports a voluntary, uniform federal standard for GMO food labeling.

We are disappointed in this news, but negotiations are continuing in the hopes of finding a compromise on this issue.

We need congress to approve legislation creating a federal standard for GMO labeling, to protect consumers, family farms and food manufacturers from the confusion and increased costs that would result from a patchwork system that allows 50 different standards in 50 different states.

Time is of the essence. Unless Congress acts on this bill, a mandatory GMO labeling law will go into effect in Vermont on July 1st. The longer the issue is delayed, the more difficult and costly it will be for food companies to make changes within their supply chain to comply with the Vermont law. We firmly believe a national solution is needed for this challenge.

Minnesota U.S. representatives Walz, Kline, Paulsen, McCollum and Emmer have previously voted for legislation that would create a national standard. AgriGrowth urges Senators Klobuchar and Franken to work with Senate Agriculture Chairman Roberts and other senators to find a quick resolution to this issue.

TRANS-PACIFIC PARTNERSHIP

Finally, I’d like to briefly mention how important the recently negotiated Trans-Pacific Partnership is for Minnesota’s agriculture sector. In recent weeks, several officials from the Obama Administration, including USDA Secretary Vilsack and USTR Ambassador Michael Froman have traveled to Minnesota to make the case for the TPP agreement. No trade deal is ever perfect, and TPP is no exception. However, this trade deal is important to Minnesota’s agriculture sector because it will open access to new markets and reduce trade barriers in 11 countries across the Asia-Pacific region that is home to nearly 500 million consumers and a growing middle class.

Exports of key agricultural products like soybeans, feed, corn, pork and wheat support over 60,000 jobs in Minnesota. With 95% of the world’s population outside the U.S., we need to look for opportunities that reduce trade barriers and open new markets for Minnesota agriculture. Long-term, the TPP agreement will help increase farm income, generate rural economic activity and support local jobs. I hope that congress will approve this agreement in a timely manner—it will create a boost in demand for Minnesota farm and food products, and that could not come at a better time than now.

SIEHL PRIZE LAUREATES ANNOUNCED

Awarded annually since 1994, the University of Minnesota-CFANS Siehl Prize Award has recognized “those who have made extraor-dinary contributions toward producing food and ending hunger.” Recipients are chosen in three categories: knowledge (teaching, research and outreach); agribusiness; and production agriculture.

The award has become one of the most prestigious awards given in agriculture.

The 2016 Siehl Prize Laureates were announced on March 16, 2016 as part of the celebration of National Agriculture Week. This year’s winners are:

Marla Spivak
Knowledge

Mark Davis
Agribusiness

Don Buhl
Production Agriculture

The 2016 Siehl Prize Laureates will be honored at a ceremony in McNamara Alumni Center on the university campus on Thursday, May 26, 2016.

On behalf of AgriGrowth and its members, we congratulate AgriGrowth Board Member Mark Davis and AgriGrowth member Marla Spivak on this honor, and thank them for their contributions to Minnesota’s food and agriculture industry. Spivak previously received AgriGrowth’s 2015 Distinguished Service Award.

Additional information about each of the winners can be found at: www.cfans.umn.edu/siehl2016
HAPPY BIRTHDAY TO GENERAL MILLS

General Mills, one of the largest food companies in the world and AgriGrowth member, traces its roots to a single mill built on the banks of the Mississippi River in Minneapolis by Cadwallader C. Washburn in 1866. Through hard work and determination, Washburn’s single mill grew into the multi-billion dollar company we know and love today.

To celebrate 150 years of impact on the food industry, General Mills is sharing nostalgic food memorabilia from the archives, and looking forward to “a future of continued innovation—and striving to help make its communities and the world a better place.”

“Ours is a rich history,” said Ken Powell, chairman and chief executive of General Mills. “Morning, noon and night, for 150 years, General Mills has served the world by making food people love. Today we proudly bring quality foods and leading brands to people in 130 countries around the world—and we’re especially excited about all we will do in our next 150 years.”

“General Mills is a part of Americana,” says Tom Forsythe, chief communications officer for General Mills. “We invented the Nerf ball, built the ‘Black Box,’ and along the way we’ve touched people’s lives with our iconic brands.”

General Mills will not only celebrate its past, but will also be looking ahead to the future throughout the year. “We’re going to continue meeting consumers’ changing needs through innovation and determination,” Powell explains, “and we’re going to continue to work to make our communities and the world a better place.”

Congratulations and happy birthday to General Mills. AgriGrowth wishes you success in the next 150 years!

Learn more about General Mills history at: history.generalmills.com/index.html

AGRIGROWTH WELCOMES NEW MEMBERS

Learn more about AgriGrowth at: agrigrowth.org

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Dennis Egan
Jim Gresham
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*Minnesota AgriGrowth Council* is a non-partisan, non-profit member organization representing the agriculture and food systems industry. Our strategic approach to policy development, issues management, collaboration and awareness fosters long-term sustainability, competitiveness and business growth. AgriGrowth’s diverse membership provides an informed and respected perspective for key influencers and consumers. AgriGrowth’s industry-wide perspective is essential in a state where agriculture and food is the second largest economic driver.