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 transportation.

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2015 Legislative Session Update
Cory Bennett, Director of Public Policy

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 agrigrowth.org/events/:

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

AgriGrowth 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@agrigrowth.org

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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.
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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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.

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.

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 Minnesota 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](http://govrelations.umn.edu/capital-request.html)

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.

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.