



Minnesota Crop Production Retailers

Inside This Issue

Capitol Update	Page 1 - 3
Executive Director's Report	Pages 1 - 4
Dale's View	Page 3
Reguletter	Insert

INPUTS

Capitol Update

The updated Minnesota economic forecast was reduced from projected a \$1.54 billion dollar surplus for the 2020 – 2021 budget by about one-third to \$1.052 billion due to slower income tax revenue collections and slower projected economic growth. Governor Walz did not make major changes in his proposed budget and tax increases. However, Republican Senate Majority Leader Gazelka cautioned against the Governor's spending and tax increases. Governor Walz also proposed a \$1.27 billion borrowing for a bonding package for public construction projects and transportation and transit as compared to the Senate. Expect much posturing from the DFL controlled House of Representatives and Republican controlled Senate on the spending and tax increases and large bonding bill. However, a way forward remains to be seen prior to the mandatory adjournment date May 20.

The drama seems to be building at the State Capitol as the newly elected House members make their presence known and felt. Not following the Minnesota Ag Committee's historical generally nonpartisan positions and legislation on ag issues, the House Ag Committee has seen a number of strictly party line votes. An example, even the straightforward usually noncontroversial Ag Fertilizer



Research and Education Council (AFREC) authorization renewal for a sunset provision of another 10 years, the metro oriented party line votes to limit the renewal to 5 years and to force the AFREC Board to consider metro related fertilizer research was unexpected, and frankly, uncalled for. The MN Senate provision extends the authorization another 10 years without additional metro focused requirements which is the position the AFREC Board supports. The partisan nature of the major tax and spending issues in Minnesota, which has the only divided state house in the country, is running in a unique parallel to the debate and partisan politics in Congress now that the House is controlled by the democrats. In Congress the push seems to be to impact voters thinking about the Republican controlled Senate with a hope to influence voters to overturn both the Republican controlled US Senate and defeat the current President.

MCPR slowed down a bill proposed by an aggressive environmental organization, the
(continued on page 2)

Executive Director's Report

Hello MCPR Members,
Once again MCPR has been invited to participate in yet another agricultural oriented environmental initiative underwritten by the state of Minnesota, formulated and lead by 'experts', and encouraged to help them understand how to solve the problem.



The problem? This time the problem is soil health. Meeting planner Anna Cates indicated that the U of MN launched a new healthy soils initiative on November 8, 2017. She explains that clean water depends on healthy soil – soil that supports plant growth and can absorb, hold and filter water. Healthy soil, in turn, depends on how people manage the land.

Anna Cates is the Soil Health Specialist hired to lead this effort. She holds a Master of Science in Soil Science and is finishing her doctorate in Agronomy from the University of Wisconsin-Madison, where she has been studying soil carbon cycling in corn-cover crop biofuel systems. Her position is housed within the Department of Soil, Water, and Climate at the University of Minnesota. "I'm eager to work closely with farmers, keeping in mind the uncertainties of crop and livestock production," Cates said. "My goal is to tailor my research

(continued on page 2)

Capitol Update

(continued from page 1)

MN Center for Environmental Advocacy (MCEA) which expanded the use of the MCPR Member pesticide fees paid into the MDA administered Agricultural Chemical Response and Clean Up Account (ACRRA) which currently pays for ag chemical cleanup for agricultural facilities. While this bill will be unlikely to pass in this legislative session, the MCEA and their friends seek to expand to the utilization of this fund to pay for private landowner water well remediation. This breath-taking expansion of ag retailers' liability for private well remediation and payment could be a substantial new expense for commercial agriculture in Minnesota. But one can understand why this idea appeals to anti ag and pro-environmental groups. You will note we said we "slowed it down" because nothing is ever sure while the legislature is still in session. MCPR will stay on top of this legislative initiative, you can be sure.

Another issue the legislature considered is in the area of grain storage, liability and risk. Of course, this development is related to the news of the arrest and guilty plea of the former manager of the Ashby, Minnesota farmers elevator after stealing approximately \$5 million from the grain elevator's funds. Under legislation considered but not moving through the MN House and Senate, the MDA will create and administer a program to provide indemnity payments to farmers when a grain elevator or other grain buyer defaults on a voluntary extension of credit contract. The program would have been funded by an assessment levied on each voluntary extension of credit contract.

A related bill which still may move through the legislative process is the Grain Buyers Act which requires an MDA license to buy

grain for reselling or making products from the grain. It also requires the payment of an annual inspection fee and inspection. This attempts to address other abuses in Minnesota grain buying which have come to the attention of the Minnesota legislature.

It is getting interesting, MCPR members. One can begin to imagine what public policy challenges MCPR members and agriculture might face if the MN Senate majority is defeated in the next election.

On the National level, The Fertilizer Institute reports that fertility 4Rs were provided for in the Farm Bill recently passed by providing incentives to ag retailers and their farmer customers to implement 4R Nutrient Stewardship practices on the farm. Most MCPR members are aware that the 4R Nutrient Stewardship is a science-based framework that uses the right fertilizer source, at the right rate, at the right time, and in the right place. TFI reports that the 4Rs can have a significant impact by increasing farmer profitability while reducing the amount of nutrients lost to the environment.

Congress recognized the important relationship agricultural retailers and crop advisors have in helping farmers implement the 4Rs by including provisions in the conservation title of the farm bill to make several programs more accessible to MCPR members and their farmer customers. Managed by the USDA Natural Resources Conservation Service, the Technical Service Provider (TSP) Program provides financial assistance to advisors who work with growers to develop conservation plans, including nutrient management plans. This year's farm bill clearly identifies that ag retailers qualify

(continued on page 3)



Executive Director's Report

(continued from page 1)

toward addressing the practicalities of running a business." The Soil Health Specialist, MCPR has been told, will expand the tools and skills of Minnesota's local conservation delivery community through the development of research and outreach strategies, as well as promote greater understanding of the economic impacts of soil and water management practices. A cynic might read that last statement as, "the cost of the damage and pollution your fertilizer, herbicides and pesticides have on our fragile environment and citizenry."

All well and good. When I shared this request with the MCPR Board in a Board memo I write periodically to keep them up to speed on issues and organizational developments, I could not help but feel a "here we go again" emotion as I shared Anna's request for participation at the first meeting. We have been here before many, many times. Nitrogen ground water pollution, nitrogen and phosphorus pollution of surface water, climate change, and safety/regulatory compliance issues to name but a few.

Our Board members are great about taking time out of their busy schedules to participate and lead in these important public policy initiatives. Board member Doug Beecher, Corteva, and Board Chair Dale Johnson, Ag Partners Coop, will join me in attending the first meeting. What are MCPR members doing about the training, delivery of products and services that improve soil health? That is what Doug was tasked with presenting a couple of days ago in preparation for the upcoming meeting.

Wait a minute! I thought the experts were going to lead us to solve this problem. Turns out, we are being asked what we do to restore, preserve, or improve soil health. Hmm. They get the budgets and new staff to ask us what we do, once again.

Oh yes, I do anticipate a significant portion of Minnesota production ag organizations

(continued on page 3)





Capitol Update

(continued from page 2)

as third-party service providers and are eligible to be certified as a TSP, meaning they can be paid by NRCS for their services.

The new bill requires NRCS to streamline the process for ag retailers and other professional crop advisors that hold specialty certifications to become certified under the TSP program. This has been a major hurdle in the past as the paperwork and training requirements were duplicative and burdensome.

Finally, Congress also provided authority for NRCS to allow ag retailers and co-operatives to certify technical service providers. While it is unclear how this will be implemented, there is an opportunity for ag retailers to become a major part of the TSP program, enrolling more acres in nutrient management plans based on the 4Rs.

Farmers not only need assistance in writing their plans, but also in implementing them. The Environmental Quality Incentives Program (EQIP) is typically where growers look for financial assistance to implement their plans and Congress clearly spelled out in the Farm Bill report language their intent is for EQIP funds to be used for 4R practice implementation. ✨

Executive Director's Report

(continued from page 2)

will send their professionals and member leaders to participate in this initiative and will do a good job. But I suspect, they, like me, really wonder why Minnesota public policy leaders keep throwing all these resources at solving problems using methods thought up by folks outside of modern production ag rather than empowering through providing resources to modern Minnesota production ag to get the job done ourselves.

Why this attitude, I pondered. Then I reflected on yet another initiative from, this time former Governor Dayton. He had in frustration, it was reported, said he wanted to directly ask Minnesota production ag what we needed in resources and authority to start working with him and his agencies to substantially reduce ags' dominant role in polluting Minnesota lakes and streams. I received an invitation as I reported in this column some time ago to a high-level meeting with Minnesota ag leaders and the Governor's leadership to address what turned out to be the subject I portrayed above. We were given three months so "tell Governor Dayton and his Commissioners what we needed to get the job done." Subsequently, I spent numerous hours as did a number of MCPR members and so did the other ag associations and their members to come up with a recommendation.

Finally, after countless meetings, the ag associations came up with a controversial but strong recommendation. Looking at the

(continued on page 4)



Dale's View

The end of a harsh winter with record snowfall in much of Minnesota in February has created a very wet spring, which may lead to a delay in the cropping season. But in agriculture, we surmount weather as professionals and move into a full speed service to growers. A more vexing problem for MCPR members and our customers are the low commodity prices combined with uncertain foreign trade issues still pending. Low margins leave little room for mistakes, so we have another opportunity as retailers to showcase our expertise and reevaluate grower plans and adjust to what mother nature has dealt us. MCPR is aggressively representing your interests at the State Capitol which should give you some solace. Please keep in mind that your success is measured in part by employee safety as we launch into another demanding spring. Remember, "Safety First."

Dale Johnson

MCPR Board Chair,
Dale Johnson





Minnesota Crop Production Retailers

15490 101st Ave. N., Ste. 100
Maple Grove, MN 55369

Phone: 763.235.6466

Fax: 763.235.6461

www.mcpr-cca.org

PRESORTED STANDARD
U.S. POSTAGE
PAID
HAMEL, MN
PERMIT NO. 75

MCPR Board

Dale Johnson, Board Chair

Jeff Arnold

Doug Becher

Kevin Crandall

Jeff Einck

Kyle Kraska

Brian Meyer

T.J. Phillips

Arnie Sinclair

Bryan Strickler

Rick Walker

Tristan Wilmes

Tim Woelfel

Advisory Board

Travis Brekken

K.C. (Kevin) Graner

Jeff Moon

Andy Oeding

Staff

Bill Bond, Executive Director

Jessica Brunelle, Vice President

Executive Director's Report

(continued from page 3)

nearly \$100 million raised each year from the ½% sales tax approved by Minnesota voters, collectively MN ag organizations on behalf of their members requested an annual block grant in some format of 10% of that \$100 million/year be provided to the MN Ag Associations in a format which was left vague so we would not get caught in the weeds of an argument as to whom the money should go.

The Governor's answer? We actually had a meeting directly with him in the Capitol to explain our reasoning and intentions if he agreed? The answer was late in coming and the answer was... "nothing". Nada. Those of us involved in this futile exercise in frustration over those three very busy months between October and December were skeptical at the onset. We had observed that the Governor's Commissioners were busy making their budget recommendations for the next budget and how they hoped to spend the \$100 million during that period and none of them were asking for ag's input in their budgets. We had also observed in the past

that state government had added at least 400 positions based upon the new income from that sales tax.

Nevertheless, we will do our best to attend and inform and learn from the soil health initiative. We have to because of the old adage that the "world is run by those who show up." Each of you could attend, but then of course, your business and service would suffer.

Which is why you hire us with your membership dollars and attendance at the Short Course and Trade Show. Thanks for voting with your membership dollars which have consistently come in near or above budget each year. In spite of consolidations and a troubled ag economy, we expect to meet our overall budget numbers again this year. You have made a good choice. MCPR will continue to expertly represent you at the table of public policy and agricultural leadership in Minnesota and across the country. ✨

Until next time,

Bill Bond

Bill Bond

