

HOUSE RESEARCH

Bill Summary

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Section

- 1 **Agricultural appropriations and reductions.** This section explains how appropriations and cuts are laid out in subsequent sections.
- 2 **Agriculture.**
 - Subd. 1. Total reductions.** Reductions in fiscal year 2002 amount to \$26,000 and in fiscal year 2003 to \$810,000.
 - Subd. 2. Protection services division.** Cuts in FY 2003 are \$250,000, and the new base funding for future fiscal years is \$11,451,000.
 - Subd. 3. Agricultural marketing and development division.** Cuts in FY 2002 for the division are \$21,000 and \$71,000 in FY 2003. A new rider requires that counties or other qualified entities be contracted for the manure management program.
 - Subd. 4. Administrative and financial assistance divisions.** Cuts are \$5,000 in FY 2002 and \$489,000 in FY 2003. Specific reductions are made in the family farm security interest payment adjustment appropriation; grants to agricultural information centers; and an appropriation for the seaway port authority of Duluth. Base level funding beginning in fiscal year 2004 in \$4,344,000.
 - Subd. 5. Cancellations.** \$43,000 remaining for grants to cooperatives for short rotation woody crops is cancelled to the general fund.
 - Subd. 6. Transfers.** Transfers the cash balance in the ethanol development fund and the family farm security account (by the end of FY 2002 and again by the end of FY 2004) to the general fund. Transfers unneeded bond proceeds balance for the family farm security account to the debt service fund (by the end of FY 2003 and again by the end of FY 2005).
- 3 **Minnesota horticulture society.** Reduces FY 2003 funding by \$16,000.
- 4 **Agricultural utilization research institute.** Reduces the appropriation by \$400,000 in FY 2002 and \$401,000 in FY 2003. \$20,000 of this amount is from the hybrid tree management research and development program. The new base funding level beginning in FY 2004 is \$3,717,000.

- 5 **County extension work.** Amends the definition of county extension work to reduce the emphasis on human development and increase emphasis on agricultural finance economic development, nutrition, youth leadership development, and 4-H programs.
- 6 **Ethanol producer payments.** Allows for one additional ethanol plant to receive producer payments. The additional plant must be located in west central or northwestern Minnesota and must be designed to use nontraditional feedstocks. Producer payments for the new plant can be made only after June 30, 2004 and only to the extent that anticipated payments to existing ethanol plants drop below \$37,000,000 in a fiscal year.
- 7 **Ethanol producer payment program expiration.** Extends the expiration date for the producer payment program to June 30, 2015.
- 8 **Renewable energy loan program.** New language establishes a loan program for methane digesters within the rural finance authority. The authority will participate in up to 45 percent of loans up to \$250,000. The interest rate on the authority's portion of the loan must not exceed 4 percent.
- 9 **Transfer of funds; deposit of repayments.** The remaining balance in the disaster recovery revolving fund is transferred to the manure digester loan account.
- 10 **University of Minnesota loan.** Allows the rural finance authority to make a no-interest loan to the University for the design and construction of a methane digester suitable for processing the waste of no more than 150 animal units.
- 11 **Location of department of agriculture principal administrative offices.** Instructs the commissioner of administration to develop plans for moving the principal administrative offices of the department of agriculture to out-state Minnesota. Priority should be given to re-using existing state-owned space, followed by the use of available, existing space for lease. The agriculture department laboratories can be co-located with other department labs, regardless of location.
- 12 **Effective date.** Sections 1 to 11 are effective the day following final enactment.