

Omnibus Agriculture Bill Signed

Governor Pawlenty signed the Agriculture and Veterans Omnibus Policy Act into law just a few days before the Legislative Session was scheduled to end. The bill made a major upgrade to the statute dealing with wolf depredation on livestock which is covered in detail on pages 1 and 3. Here are highlights of other changes the bill made to the states' agriculture policy.

Horses are now classified as "livestock." Legislators essentially turned the clock back by classifying the raising of horses as agriculture production. For centuries horses were as integral to agriculture production as the modern day tractor is today. At some point in the past horses were relegated to pet status or animals kept strictly for recreational purposes. The change in law now defines horses as livestock. The definition change to livestock includes horses used for riding, driving, farm or ranch work, competition, racing, recreation, sale or as breeding stock as livestock.

Temporary Livestock Production Input Lien. Rules for the Farmer-Lender Mediation Act were modified. A temporary livestock production input lien was created. The lien can be placed by an individual that provides supplies or other inputs to a farmer during the 45 day period after a farmer has requested to go to mediation with a creditor under Minnesota's Farmer-Lender Mediation Act.

Wind Rights & Easements. Current regulations did not allow foreign-owned companies to own more than a 20% interest in an easement for that grants a wind easement. An exemption was created that now allows greater than a 20% ownership stake in wind easements by foreign companies.

Restricted Use Pesticides. All persons that wish to purchase a restricted use pesticide must show their pesticide applicator card when purchasing a restricted use product.

Extension Service Programs. The cities and towns may now directly fund extension service work. In the past the funding of local extension service programs had been primarily a county function. This change allows cities and town to directly fund educational programs and services provided by extension service educators. Those areas include agriculture; economic development; nutrition; youth leadership development programs; and environment and natural resources." This change should enhance the ability for cities and towns to directly support local 4-H programs.

Federal EPA Ethanol Waivers. The federal EPA allows ethanol to be added to fuels on a waiver basis. After a waiver has been granted, but prior to its implementation as a mandated level the MN Department of Commerce must certify that fuel suppliers are ready to implement the move to the new mandated level before can happen.

Hemp Production. The legislature directed the Minnesota Department of Ag to examine and provide a report on hemp production laws in Canada or other countries dealing the problem of industrial hemp versus illegal marijuana production. The report was a legislative request to provide more information on the issue of legalizing the production of industrial hemp in Minnesota.

Dairy Research. The legislature directed the Minnesota Department of Ag to form a stakeholder group and provide report to next years legislature the costs associated with creating a new dairy research and education facility in Minnesota.

Shearing/Clipping Law. Currently there is a law on the books that states, "No person who has custody of any animal which has had its hair removed by clipping or shearing shall cause or permit the animal to stand on a road, street, or other unsheltered place between November 1 and May 1 within 60 days after the clipping or shearing, unless the animal is blanketed." In rare act of actually getting rid of something that was unnecessary, this year's ag bill eliminated that law. Minnesota has other laws on the books that adequately deal with any acts of animal cruelty or neglect.

Canada Confirms BSE Case

In March the Canadian Food Inspection Agency (CFIA) confirmed the 17th case of bovine spongiform encephalopathy (BSE) in a 6 year old beef cow from Alberta. The CFIA also noted that no part of the animal entered the human food or animal feed systems.

The CFIA indicated the age and location of the infected animal was consistent with previous BSE cases in Canada. Canada and the U.S. are categorized as Controlled Risk for BSE by the OIE. Both have multiple firewalls in place to protect animal and human health.

The impact of BSE on world beef markets is still felt today. Many countries used the disease as an excuse to shut off beef imports into their countries. The beef producers and meat processors in exporting countries have effectively eliminated the risk to human health and have controls in place that will eliminate the disease from cattle.

Today the evidence indicates that BSE is fast approaching worldwide eradication. In 2009 only 2 cases of BSE were diagnosed outside Europe. One as in Canada and the other in Japan. In Great Britain a total of 60 BSE cases were detected in 2009. While 60 BSE cases seems to be a large number for a single country, that must be put into context. In 1992 Great Britain had over 37,000 cases of BSE.

NCBA Demands FTA Action

NCBA and other agriculture groups recently joined in a news conference demanding that the Obama Administration and the U.S. Congress take action to approve free trade agreements with Colombia, Panama and South Korea.

The National Cattlemen's Beef Association, National Pork Producers Council, American Farm Bureau Federation, National Association of Wheat Growers, and National Corn Growers Association outlined the costs to U.S. agriculture of continuing to delay action on these market opening agreements.

NCBA President Steve Floglesong said, "Every day that passes without progress puts American jobs and market share at further risk." Don Butler of the National Pork Producers added, "There is no such thing as a timeout in world trade. We are losing market share almost daily. These three FTAs represent nearly \$2.5 billion left on the shelf,"

U.S. Senators and the Obama Administration seem tone deaf to the damage that is being done to U.S. farmers and ranchers by their failure to act. While they diddle around, Colombia, Panama and South Korea are moving forward on trade deals with U.S. competitors. Panama has just completed an agreement with Canada, and South Korea has completed negotiations with the European Union and is currently negotiating with Australia and Canada.

NCBA President Steve Floglesong said, "I've heard the talk, I want to see the walk. Where I come from, your word is your bond." Floglesong added, "I have heard the President's promise. I've heard (U.S. Trade Rep.) Ron Kirk express the immediate need to fix this trade situation. I expect them to keep their word. American farmers will do their part."

Problem Elk Removed

USDA/APHIS Wildlife Services Agency animal control officers removed 11 of the 16 problem elk near Lancaster, in Kittson County MN this past April.

The herd which may have contained some escaped domestic elk have had a history of destroying winter feed stores on the cattle operations in the area.

The MN DNR five-year elk management plan calls for strict population management of elk in Kittson County, particularly for elk outside of a separate group, the Caribou-Vita herd, which is located farther north near the Manitoba border.

Elk caused damage to crops has been a chronic in northwest Minnesota. Some years payments for damages caused by elk have exceeded \$100,000.



Minnesota Beef Council Quarterly Meeting

The Minnesota Beef Council met on April 9th for their spring quarterly meeting. Joe Martin, Minnesota Assistant Commissioner of Agriculture provided the council with a wide range of updates on livestock related activities. The council also received updates on promotional activities, finances and developing issues from committee chairs, Ron Eustice, Executive Director, and other staff members.

Martin thanked the Beef Council Staff for handling the fiscal agent duties for the 1 year TB assessment program. The special \$1 per head TB assessment paid by all cattlemen in Minnesota (except those in the TB management zone) raised a total of \$936,147 during the 1 year it was in operation. The MN Department of Agriculture managed the 1 year assessment program and contracted with the Beef Council to provide fiscal agent services for collection of the assessment. Those assessment dollars went directly to the Minnesota Board of Animal Health to pay for the wide range of expenses associated with eliminating TB and regaining Minnesota's TB Free Status.

Mr. Martin also briefed the council on efforts to get the state's TB status upgraded this fall. The Board of Animal Health, MN DNR and MN Department of Ag are all working closely with USDA to move the current Modified Accredited Advance zone up to TB Free and the Modified Accredited Zone (northwest part of the state) to Modified Accredited Advanced this October.

Martin also touched on the need to focus on the antibiotic residue issue. While the overall number of animal carcasses rejected by USDA/FSIS because of residue issues is statistically small, it remains a lightning rod for attempts to ban the use of all antibiotics in animals. Because Minnesota has both a large beef and dairy industry, animals that originated on Minnesota dairies and ranches do make the residue rejection list published on USDA/FSIS's website. Assistant Commissioner Martin noted that the livestock industry is well positioned to resolve this issue internally, through producer education, close collaboration with their herd veterinarian, and proper record keeping. He also cautioned, "either we fix this ourselves as an industry or someone is going to step in and fix it for us. See pages 1 & 8 for more info on the antibiotic residue issue.

The "State of Origin" checkoff dollar report indicates how Minnesota's cattle industry is connected to surrounding states. The latest report covers the period July 2009 – through March 2010 and highlights where Minnesota cattle go when they leave the state and what states are sending cattle into Minnesota for production and slaughter. This report doesn't provide the detail as to whether these were feeder calves, fed cattle, breeding stock or cull cattle, but it does identify where cattle move within the Midwest and beyond. Here are the larger amounts of check-off dollars related to Minnesota cattle that went out of state and out-of-state cattle that came into Minnesota.

Check-Off Dollars - \$1= One Animal Transaction

State	(MN Cattle) Received from	(Out of State Cattle) Paid to
Nebraska	\$153,396	\$7,844
Wisconsin	\$91,749	\$63,409
Iowa	\$34,323	\$71,955
S. Dakota	\$26,443	\$83,704
Texas	\$55	\$17,161
Kansas	\$25,725	\$846
Illinois	\$15,807	\$916
Kentucky	\$2,988	\$8
Michigan	\$1,459	\$225
N. Dakota	\$972	\$12,000

Based on check-off dollars returned to Minnesota during the past 9 months a total of 365,535 head of cattle left Minnesota for slaughter or further value added production. A total of 293,535 head of cattle from outside of Minnesota entered the state for either slaughter or further value added production. The numbers are general in nature, but do provide an indication of where major slaughter, feeder calf, back-grounding and breeding stock markets are located for Minnesota cattle. During the same 9 month period 535,854 head of cattle changed hands within Minnesota, either bound for further value added production or to slaughter at one of Minnesota's processing plants.

The next Beef Council meeting will be held on July 6th, 2010.