

## CHAPTER 17

## DEPARTMENT OF AGRICULTURE

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**17.03 POWERS AND DUTIES OF COMMISSIONER.**

*[For text of subs 1 and 2, see M.S.2006]*

Subd. 3. **Cooperation with federal agencies.** (a) The commissioner shall cooperate with the government of the United States, with financial agencies created to assist in the development of the agricultural resources of this state, and so far as practicable may use the facilities provided by the existing state departments and the various state and local organizations. This subdivision is intended to relate to every function and duty which devolves upon the commissioner.

(b) The commissioner may apply for, receive, and disburse federal funds made available to the state by federal law or regulation for any purpose related to the powers and duties of the commissioner. All money received by the commissioner under this paragraph shall be deposited in the state treasury and is appropriated to the commissioner for the purposes for which it was received. Money received under this paragraph does not cancel and is available for expenditure according to federal law. The commissioner may contract with and enter into grant agreements with persons, organizations, educational institutions, firms, corporations, other state agencies, and any agency or instrumentality of the federal government to carry out agreements made with the federal government relating to the expenditure of money under this paragraph. Bid requirements under chapter 16C do not apply to contracts under this paragraph.

*[For text of subs 4 to 13, see M.S.2006]*

**History:** 2007 c 45 art 1 s 8

**17.035 VENISON DISTRIBUTION AND REIMBURSEMENT.**

Subdivision 1. **Reimbursement.** A meat processor holding a license under chapter 28A may apply to the commissioner of agriculture for reimbursement of \$70 towards the cost of processing donated deer. The meat processor shall deliver the deer, processed into cuts or ground meat, to a charitable organization that is registered under chapter 309 and with the commissioner of agriculture and that operates a food assistance program. To request reimbursement, the processor shall submit an application, on a form prescribed by the commissioner of agriculture, the tag number under which the deer was taken, and a receipt for the deer from the charitable organization.

Subd. 2. **Distribution.** (a) The commissioner of agriculture shall ensure the equitable statewide distribution of processed deer by requiring the charitable organization to allocate and distribute processed deer according to the allocation formula used in the distribution of United States Department of Agriculture commodities under the federal emergency food assistance program. The charitable organization must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the amount of processed deer received and the organizations to which the meat was distributed.

(b) The commissioner of agriculture may adopt rules to implement this section.

**History:** 2007 c 57 art 1 s 13

**17.101 PROMOTIONAL ACTIVITIES.**

*[For text of subd 1, see M.S.2006]*

**Subd. 2. Agricultural development grants and contracts.** In order to carry out the duties in subdivision 1, the commissioner, in addition to whatever other resources the department may commit, shall make grants and enter into contracts to fulfill the obligations of subdivision 1. The commissioner may enter into partnerships or seek gifts to carry out subdivision 1. The commissioner may contract with, among others, agricultural commodity organizations, the University of Minnesota, and agriculture related businesses to fulfill the duties. The commissioner shall make permanent rules for the administration of these grants and contracts. The rules shall specify at a minimum:

- (a) eligibility criteria;
  - (b) application procedures;
  - (c) provisions for application review and project approval;
  - (d) provisions for program monitoring and review for all approved grants and contracts;
- and
- (e) other provisions the commissioner finds necessary.

Contracts entered into by the commissioner pursuant to this subdivision shall not exceed 75 percent of the cost of the project supported by the commissioner's grant. In any year, no organization shall receive more than \$70,000 in grants from the commissioner.

*[For text of subs 3 to 6, see M.S.2006]*

**History:** 2007 c 45 art 1 s 9

**17.102 MINNESOTA GROWN LABEL.**

**Subdivision 1. Establishment and use of label.** (a) The commissioner shall establish a "Minnesota grown" logo or labeling statement for use in identifying agricultural products that are grown, raised, processed, or manufactured in this state. The commissioner may develop labeling statements that apply to specific marketing or promotional needs. One version of a labeling statement must identify food products certified as organically grown in this state. The Minnesota grown logo or labeling statement may be used on products only if 80 percent or more of the agricultural product is produced in this state.

(b) The Minnesota grown logo or labeling statement may not be used without a license from the commissioner except that wholesalers and retailers may use the Minnesota grown logo and labeling statement for displaying and advertising products that qualify for use of the Minnesota grown logo or labeling statement.

*[For text of subd 2, see M.S.2006]*

**Subd. 3. License.** A person may not use the Minnesota grown logo or labeling without an annual license from the commissioner. The commissioner shall issue licenses for a fee of \$20.

**Subd. 4. Minnesota grown account.** The Minnesota grown account is established as an account in the agricultural fund. License fee receipts and penalties collected under this section must be deposited in the agricultural fund and credited to the Minnesota grown account. The money in the account is continuously appropriated to the commissioner for the direct costs of implementing the Minnesota grown program.

**Subd. 4a. Funding sources.** The Minnesota grown account shall consist of license fees, penalties, advertising revenue, revenue from the development and sale of promotional materials, gifts, and appropriations.

**Subd. 4b. Appropriations must be matched by private funds.** Appropriations from the Minnesota grown account may be expended only to the extent that they are matched with contributions to the account from private sources on a basis of at least \$1 of private contribu-

tions to each \$4 of state money. For the purposes of this subdivision, "private contributions" includes, but is not limited to, license fees, penalties, advertising revenue, revenue from the development and sale of promotional materials, and gifts.

*[For text of subs 5 and 6, see M.S.2006]*

**History:** 2007 c 45 art 1 s 10–14

**17.109** [Repealed, 2007 c 45 art 1 s 66]

**17.117 AGRICULTURE BEST MANAGEMENT PRACTICES LOAN PROGRAM.**

Subdivision 1. **Purpose.** The purpose of the agriculture best management practices loan program is to provide low or no interest financing to farmers, agriculture supply businesses, rural landowners, and water–quality cooperatives for the implementation of agriculture and other best management practices that reduce environmental pollution.

*[For text of subs 2 and 3, see M.S.2006]*

Subd. 4. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Agricultural and environmental revolving accounts" means accounts in the agricultural fund, controlled by the commissioner, which hold funds available to the program.

(c) "Agriculture supply business" means a person, partnership, joint venture, corporation, limited liability company, association, firm, public service company, or cooperative that provides materials, equipment, or services to farmers or agriculture–related enterprises.

(d) "Allocation" means the funds awarded to an applicant for implementation of best management practices through a competitive or noncompetitive application process.

(e) "Applicant" means a local unit of government eligible to participate in this program that requests an allocation of funds as provided in subdivision 6b.

(f) "Best management practices" has the meaning given in sections 103F.711, subdivision 3, and 103H.151, subdivision 2, or other practices, techniques, and measures that have been demonstrated to the satisfaction of the commissioner to prevent or reduce adverse environmental impacts by using the most effective and practicable means of achieving environmental goals.

(g) "Borrower" means a farmer, an agriculture supply business, or a rural landowner applying for a low–interest loan.

(h) "Commissioner" means the commissioner of agriculture, including when the commissioner is acting in the capacity of chair of the Rural Finance Authority, or the designee of the commissioner.

(i) "Committed project" means an eligible project scheduled to be implemented at a future date:

- (1) that has been approved and certified by the local government unit; and
- (2) for which a local lender has obligated itself to offer a loan.

(j) "Comprehensive water management plan" means a state approved and locally adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331, 103D.401, or 103D.405.

(k) "Cost incurred" means expenses for implementation of a project accrued because the borrower has agreed to purchase equipment or is obligated to pay for services or materials already provided as a result of implementing an approved eligible project.

(l) "Farmer" means a person, partnership, joint venture, corporation, limited liability company, association, firm, public service company, or cooperative that regularly participates in physical labor or operations management of farming and files a Schedule F as part of filing United States Internal Revenue Service Form 1040 or indicates farming as the primary business activity under Schedule C, K, or S, or any other applicable report to the United States Internal Revenue Service.

(m) "Lender agreement" means an agreement entered into between the commissioner and a local lender which contains terms and conditions of participation in the program.

(n) "Local government unit" means a county, soil and water conservation district, or an organization formed for the joint exercise of powers under section 471.59 with the authority to participate in the program.

(o) "Local lender" means a local government unit as defined in paragraph (n), a state or federally chartered bank, a savings association, a state or federal credit union, Agribank and its affiliated organizations, or a nonprofit economic development organization or other financial lending institution approved by the commissioner.

(p) "Local revolving loan account" means the account held by a local government unit and a local lender into which principal repayments from borrowers are deposited and new loans are issued in accordance with the requirements of the program and lender agreements.

(q) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

(r) "Program" means the agriculture best management practices loan program in this section.

(s) "Project" means one or more components or activities located within Minnesota that are required by the local government unit to be implemented for satisfactory completion of an eligible best management practice.

(t) "Rural landowner" means the owner of record of Minnesota real estate located in an area determined by the local government unit to be rural after consideration of local land use patterns, zoning regulations, jurisdictional boundaries, local community definitions, historical uses, and other pertinent local factors.

(u) "Water-quality cooperative" has the meaning given in section 115.58, paragraph (d), except as expressly limited in this section.

*[For text of subd 5, see M.S.2006]*

**Subd. 5a. Agricultural and environmental revolving accounts.** (a) There shall be established in the special revenue fund revolving accounts to receive appropriations, transfers of the balances from previous appropriations for the activities under this section, and money from other sources. All balances from previous appropriations for activities under this section and repayments of loans granted under this section, including principal and interest, must be deposited into the appropriate revolving account created in this subdivision or the account created in subdivision 13. Interest earned in an account accrues to that account.

(b) The money in the revolving accounts and the account created in subdivision 13 is appropriated to the commissioner for the purposes of this section.

**Subd. 5b. Application fee.** The commissioner may impose a nonrefundable application fee of \$50 for each loan issued under the program. The fees must be credited to the agricultural best management practices administration account, which is hereby established in the special revenue fund. Interest earned in the account accrues to the account. Money in the account and interest earned in the accounts established in the agricultural fund under subdivision 5a are appropriated to the commissioner for administrative expenses of the program.

*[For text of subs 6 to 10, see M.S.2006]*

**Subd. 11. Loans issued to borrower.** (a) Local lenders may issue loans only for projects that are approved and certified by the local government unit as meeting priority needs identified in a comprehensive water management plan or other local planning documents, are in compliance with accepted practices, standards, specifications, or criteria, and are eligible for financing under Environmental Protection Agency or other applicable guidelines.

(b) The local lender may use any additional criteria considered necessary to determine the eligibility of borrowers for loans.

(c) Local lenders shall set the terms and conditions of loans to borrowers, except that:

(1) no loan to a borrower may exceed \$100,000;

- (2) no loan for a project may exceed \$100,000; and
- (3) no borrower shall, at any time, have multiple loans from this program with a total outstanding loan balance of more than \$100,000.
- (d) The maximum term length for projects in this paragraph is ten years.
- (e) Fees charged at the time of closing must:
  - (1) be in compliance with normal and customary practices of the local lender;
  - (2) be in accordance with published fee schedules issued by the local lender;
  - (3) not be based on participation program; and
  - (4) be consistent with fees charged other similar types of loans offered by the local lender.
- (f) The interest rate assessed to an outstanding loan balance by the local lender must not exceed three percent per year.

*[For text of subds 11a to 17, see M.S.2006]*

**History:** 2007 c 45 art 1 s 15–19

#### **17.4984 AQUATIC FARM LICENSE.**

Subdivision 1. **License required.** (a) A person or entity may not operate an aquatic farm without first obtaining an aquatic farm license from the commissioner.

(b) Applications for an aquatic farm license must be made on forms provided by the commissioner.

(c) Licenses are valid for five years and are transferable upon notification to the commissioner.

(d) The commissioner shall issue an aquatic farm license on payment of the required license fee under section 17.4988.

(e) A license issued by the commissioner is not a determination of private property rights, but is only based on a determination that the licensee does not have a significant detrimental impact on the public resource.

(f) By January 15, 2008, the commissioner shall report to the senate and house of representatives committees on natural resource policy and finance on policy recommendations regarding aquaculture.

*[For text of subds 2 to 7, see M.S.2006]*

**History:** 2007 c 57 art 1 s 14

#### **17.81 DEFINITIONS.**

*[For text of subds 1 to 3, see M.S.2006]*

Subd. 4. **Agricultural use.** “Agricultural use” means use of land for the production of livestock, dairy animals, dairy products, poultry and poultry products, fur bearing animals, horticultural and nursery stock which is under chapter 18H, fruit of all kinds, vegetables, forage, grains, bees, and apiary products. Wetlands, pasture and woodlands accompanying land in agricultural use shall be considered to be in agricultural use.

*[For text of subd 5, see M.S.2006]*

**History:** 2007 c 13 art 3 s 7

#### **17.982 CRIMINAL AND ADMINISTRATIVE PENALTIES.**

Subdivision 1. **Criminal penalties.** A person who violates a provision of chapter 25, 28A, 29, 31, 31A, 31B, or 34 for which a penalty has not been prescribed is guilty of a misdemeanor.

*[For text of subd 2, see M.S.2006]*

**History:** 2007 c 45 art 1 s 20

### **17.983 ADMINISTRATIVE PENALTIES AND ENFORCEMENT.**

Subdivision 1. **Administrative penalties; citation.** If a person has violated a provision of chapter 25, 28A, 29, 31, 31A, 31B, 32, or 34, the commissioner may issue a written citation to the person by personal service or by certified mail. The citation must describe the nature of the violation and the statute or rule alleged to have been violated; state the time for correction, if applicable; and the amount of any proposed fine. The citation must advise the person to notify the commissioner in writing within 30 days if the person wishes to appeal the citation. If the person fails to appeal the citation, the citation is the final order and not subject to further review.

*[For text of subd 3, see M.S.2006]*

**History:** 2007 c 45 art 1 s 21