

(9) appointing senior management employees to oversee affirmative action efforts and the setting of timetables for carrying out clauses (1) to (8).

Subd. 2. AFFIRMATIVE ACTION POLICY. Whenever feasible, the board shall sponsor, cosponsor, or support shareholder resolutions designed to encourage corporations in which the board has invested to pursue a policy of affirmative action in Northern Ireland.

Subd. 3. DIVESTMENT NOT REQUIRED. Nothing in this section may be construed to require the state board to dispose of existing investments or to make future investments that violate sound investment policy for public pensions.

Approved April 28, 1988

CHAPTER 688—H.F.No. 1000

An act relating to agriculture; providing alternatives for meaningful long-term benefits to Minnesota agriculture; providing initiatives for farmers to use sustainable agriculture; developing agricultural practices that minimize the use of energy in production agriculture; establishing a study of the use of Minnesota grown products under certain conditions; establishing a rural health and safety program; establishing a Minnesota dairy task force; authorizing different versions of the Minnesota grown label; establishing a program to certify soil testing laboratories; prescribing periodic review of grain testing equipment; authorizing a soil buffering demonstration project; authorizing designation of organic certification agencies; requiring crop hail insurance providers to file rates; authorizing the rural finance authority to implement a seller-sponsored loan program; amending requirements of rural finance authority loan programs; adjusting interest rate buy-down program eligibility; extending deadline for seed potato standards; providing for certain ethanol development payments; establishing a school milk program; establishing a laboratory services account; establishing a degradable plastics task force; restricting use of certain plastic products; regulating dry edible beans; establishing an agricultural contract task force; regulating the marketing of certain grains; appropriating money; amending Minnesota Statutes 1986, sections 17B.02; 41A.09, by adding a subdivision; 41B.02, by adding a subdivision; 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, subdivision 4, and by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 17.102, subdivision 1; 17B.05; 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1, 2, and 4; and 41B.05; Laws 1987, chapters 124, section 2; and 396, article 9, section 1, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 31; 32; 60A; 124; and 325E.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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ARTICLE 1

MINNESOTA AGRICULTURAL PRODUCTS

Section 1. [16B.103] AGRICULTURAL FOOD PRODUCTS GROWN IN STATE.

Subdivision 1. STATE CONTRACTS. The commissioner shall encourage and make a reasonable attempt to identify and purchase food products that are grown in this state.

Subd. 2. REPORT. The commissioner shall prepare a report at the end of each biennium and submit it to the committees on agriculture of the house of representatives and senate on the total food products purchased or contracted for by agencies and the amounts of fruits, vegetables, grains, meats, poultry, and other food products purchased or contracted for that are grown in this state.

Sec. 2. AGRICULTURAL PRODUCT USE REPORT.

The commissioner of agriculture shall investigate the use of agricultural products to discern the opportunity for expansion of market share by agricultural producers in the state. This investigation must include franchised food chain and restaurant establishments selling prepared food in this state. The commissioner shall submit a report of the investigation to the committees on agriculture of the house of representatives and senate by January 31, 1989.

Sec. 3. EFFECTIVE DATE.

This article is effective the day following final enactment. Section 1 applies to contracts entered into by the state after June 30, 1988.

ARTICLE 2

RURAL HEALTH AND SAFETY PROGRAM

Section 1. [137.34] PROGRAM ESTABLISHED.

Subdivision 1. PROGRAM ESTABLISHED. The Minnesota extension service is instructed to develop and implement an ongoing program for rural health and safety.

Subd. 2. PROGRAM GOALS. (a) During fiscal years 1989 and 1990, priority goals of the rural health and safety program must include the following:

(1) assessment of the availability of high quality farm safety education and training materials and programs and identification of any barriers to increasingly widespread acceptance and utilization of these materials and programs;

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(2) design, coordination, conduct, and interpretation of statewide rural health and safety studies;

(3) evaluation of the concept of voluntary farm safety audits and the possibility that those audits might be linked to an appropriate recognition or reward system including reduced insurance premiums for farmsteads that achieve a particularly good safety rating;

(4) development of joint educational programs and effective working relationships among the Minnesota agencies and organizations having rural health and safety concerns; and

(5) development of effective working relationships and information sharing arrangements with agencies and organizations in other states of the upper mid-west that have rural health and safety concerns.

(b) The director of the Minnesota extension service shall report to the committees on agriculture of the house of representatives and senate on the findings and recommendations of the rural health and safety program by March 1, 1989.

Subd. 3. RESPONSIBILITIES. The rural health and safety program in the Minnesota extension service has the following ongoing responsibilities:

(1) to develop programs and materials related to farm accident prevention;

(2) to develop and implement educational programs that will enable rural residents to understand and comply with safety standards and good health practices;

(3) to maintain cooperation and effective working relationships with health and safety agencies and organizations in Minnesota, other states, and the United States government; and

(4) to seek and efficiently utilize grant money made available for programs relating to rural and farm safety.

Subd. 4. PROGRAM FUNDING. Money for support of the rural health and safety program in the Minnesota extension service may be accepted from the following sources:

(1) legislative appropriations from the general fund;

(2) funds from other sources within the University of Minnesota and the extension service to the extent not precluded by other law; and

(3) gifts or grants from individuals, organizations, governmental units, foundations, corporations, or other sources except that no restrictions may be placed by the giver with respect to the functions, duties, and responsibilities of the program.

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ARTICLE 3

DAIRY TASK FORCE

Section 1. MINNESOTA DAIRY TASK FORCE.

Subdivision 1. ESTABLISHMENT. The Minnesota dairy task force is established consisting of:

(1) the commissioner of agriculture or the commissioner's designee, who is a nonvoting member;

(2) a representative from the University of Minnesota designated by the dean of the college of agriculture, who is a nonvoting member;

(3) two members representing dairy processors of class I and class II milk appointed by the governor;

(4) one member representing the dairy herd improvement association appointed by the governor;

(5) two class I milk producers appointed by the governor;

(6) two class II milk producers appointed by the governor;

(7) one dairy farmer at-large appointed by the governor; and

(8) one retail grocer appointed by the governor.

Subd. 2. OBJECTIVES. The objectives of the Minnesota dairy task force are to:

(1) increase production efficiency of dairy cow herds;

(2) reduce input costs of production;

(3) increase profitability of individual dairy farms; and

(4) establish long-range goals, objectives, and time line achievement strategies for the dairy industry.

Subd. 3. DUTIES. The Minnesota dairy task force shall by June 1, 1989:

(1) gather existing information on increasing milk production efficiency of dairy cow herds, reducing input costs, and increasing profitability of dairy farms;

(2) establish a mechanism to disseminate gathered information to dairy farmers in a practical form;

(3) examine computerized analysis of dairy records and the available software, and recommend practical alternatives for dairy farmers to use computerized analysis;

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(4) develop a preliminary draft of long-range goals, objectives, and time line achievement strategies for the dairy industry;

(5) study alternatives for component pricing of milk;

(6) recommend legislation needed to accomplish the objectives and goals in subdivision 2; and

(7) examine available data on patterns and relationships between changes in the purchase price of raw milk from dairy farmers and changes in the retail price of dairy products purchased by the consumer.

Subd. 4. PILOT PROJECTS; DEMONSTRATIONS. The task force may sponsor and oversee pilot projects and demonstrations on dairy farms. The projects must be of general applicability to family size dairy farms of the state. Pilot projects and demonstrations must apply strategies and practices for increasing the profitability of dairy farms and increasing income levels for individual dairy farmers.

Sec. 2. REPORT.

The Minnesota dairy task force shall prepare and submit an interim report on its activities, accomplishments, and recommendations to the committees on agriculture of the senate and house of representatives by February 1, 1989.

Sec. 3. REPEALER.

Section 1 is repealed effective June 30, 1990.

Sec. 4. EFFECTIVE DATE.

Sections 1 and 2 are effective July 1, 1988.

ARTICLE 4

MINNESOTA GROWN LABEL

Section 1. Minnesota Statutes 1987 Supplement, section 17.102, subdivision 1, is amended to read:

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, 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 raw agricultural products ~~that are not processed into a different physical form or frozen;~~ only if 80 percent or more of the agricultural product is produced in this state.

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(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.

Sec. 2. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 5

SOIL TEST LABORATORY CERTIFICATION

Section 1. [17.73] SOIL TESTING LABORATORY CERTIFICATION.

Subdivision 1. PROGRAM ESTABLISHMENT. The commissioner shall establish a program to certify the accuracy of analyses from soil testing laboratories and promote standardization of soil testing procedures and analytical results.

Subd. 2. CHECK SAMPLE SYSTEM. (a) The commissioner shall institute a system of check samples that requires a laboratory to be certified to analyze at least four multiple soil check samples during the calendar year. The samples must be supplied by the commissioner or by a person under contract with the commissioner to prepare and distribute the samples.

(b) Within 30 days after the laboratory receives check samples, the laboratory shall report to the commissioner the results of the analyses for all requested elements or compounds or for the elements or compounds the laboratory makes an analytical determination of as a service to others.

(c) The commissioner shall compile analytical data submitted by laboratories and provide laboratories submitting samples with a copy of the data without laboratory names or code numbers.

(d) The commissioner may conduct check samples on laboratories that are not certified.

Subd. 3. ANALYSES REPORTING STANDARDS. (a) The results obtained from soil or plant analysis must be reported in accordance with standard reporting units established by the commissioner by rule. The standard reporting units must conform as far as practical to uniform standards that are adopted on a regional or national basis.

(b) If a certified laboratory offers a recommendation, the University of Minnesota recommendation or that of another land grant college in a contiguous state must be offered in addition to other recommendations, and the source of the recommendation must be identified on the recommendation form. If rela-

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tive levels such as low, medium, or high are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota or the land grant college in a contiguous state must also be presented.

Subd. 4. REVOCATION OF CERTIFICATION. If the commissioner determines that analysis being performed by a laboratory is inaccurate as evidenced by check sample results, the commissioner may deny, suspend, or revoke certification.

Subd. 5. CERTIFICATION FEES. (a) A laboratory applying for certification shall pay an application fee of \$100 and a certification fee of \$100 before the certification is issued.

(b) Certification is valid for one year and the renewal fee is \$100. The commissioner shall charge an additional application fee of \$100 if a certified laboratory allows certification to lapse before applying for renewed certification.

(c) The commissioner shall notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.

(d) Fees collected under this subdivision must be deposited in the state treasury and credited to the laboratory services account. The money in the account is annually appropriated to the commissioner to administer this section.

Subd. 6. RULES. The commissioner shall adopt rules for the establishment of minimum standards for laboratories, equipment, procedures, and personnel used in soil analysis and rules necessary to administer and enforce this section. The commissioner shall consult with representatives of the fertilizer industry, representatives of the laboratories doing business in this state, and with the University of Minnesota college of agriculture before proposing rules.

Sec. 2. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 6

GRAIN MARKETING

Section 1. Minnesota Statutes 1986, section 17B.02, is amended to read:

17B.02 DEFINITIONS.

Subdivision 1. **SCOPE.** As used in sections 17B.01 to 17B.29, the terms defined in this section have the meanings given them.

Subd. 2. **DEPARTMENT.** "Department" means the Minnesota department of agriculture.

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Subd. 3. **COMMISSIONER.** "Commissioner" means the commissioner of agriculture or the commissioner's authorized representative.

Subd. 3a. **DISCOUNT.** "Discount" means an offer or purchase price for grain that is lower than the base or standard price offered by a buyer at a certain time and at a specified location. A discount price represents the lower than normal value of the grain because of inferior quality as determined by measurement of grade, dockage, test weight, or other factors.

Subd. 4. **PERSON.** "Person" means any individual, firm, copartnership, cooperative, company, association, and corporation, or their lessees, trustees, or receivers.

Subd. 5. **PREMIUM.** "Premium" means an offer or a purchase price for corn, soybeans, or wheat that exceeds the base or standard price offered by a buyer at a certain time and at a specified location. A premium price represents the higher than normal value of the grain because of superior quality as determined by measurement of grade, dockage, test weight, or other factors.

Subd. 6. **TEST EQUIPMENT.** "Test equipment" means the mechanical and electronic devices commonly used in measurement of grain qualities including protein content, moisture content, and test weight.

Subd. 7. **TEST EQUIPMENT OPERATOR.** "Test equipment operator" means a person assigned by the management of an elevator or grain storage facility who is chiefly responsible for the preparation and analysis of grain samples for protein content, test weight, moisture content, and other qualities upon which price is determined.

Sec. 2. [17B.041] COMMISSIONER TO REVIEW ACCURACY OF TEST EQUIPMENT AND TEST EQUIPMENT OPERATORS.

Subdivision 1. **PERIODIC REVIEW; EQUIPMENT AND OPERATORS.** The commissioner shall implement, by rule or emergency rule, a program for the periodic review of protein analysis, test weight, dockage testing devices, moisture testing equipment, and other equipment used to determine qualities upon which price is determined, and the operators of the equipment. If a review is performed by department personnel at the site of the test equipment, the review must consist of the performance of routine tests and analysis on one or more samples of grain by the principal operator of the test equipment.

Subd. 2. **TAGGING OF OUT-OF-COMPLIANCE TEST EQUIPMENT.** Personnel of the department who perform an on-site review of test equipment and operators shall prohibit the further use of test equipment that fails to meet and maintain acceptable tolerance levels established by rule.

Subd. 3. **FOLLOW-UP REVIEW UPON REQUEST.** The commissioner shall arrange for a follow-up review within seven business days of a periodic review if a follow-up review is requested by the test equipment operator.

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Subd. 4. REQUEST FOR COMMISSIONER TO SCHEDULE A REVIEW.
A purchaser or seller of grain may request the commissioner to perform a review of the test equipment and test equipment operator that is used to test the grain. A signed request must be submitted to the commissioner and upon receipt of a request, the commissioner shall schedule a review at a reasonable time considering other duties and responsibilities of the department personnel.

Subd. 5. STATE NOT LIABLE. The state is not liable to a seller or purchaser of grain for losses resulting from erroneous tests or analysis by test equipment or test equipment operators, whether reviewed by the department or not, if the commissioner and the department have exercised due care in the scheduling and conduct of reviews under subdivisions 1 and 3.

Sec. 3. [17B.0451] PREMIUMS BASED ON CORN TEST WEIGHT MUST EQUAL OR EXCEED DISCOUNTS.

A purchaser of corn who provides a discount for corn that falls below the standard test weight for corn must offer an equal or greater premium for corn that has a test weight higher than the standard test weight.

Sec. 4. [17B.0452] PREMIUMS BASED ON SOYBEAN TEST WEIGHT MUST EQUAL OR EXCEED DISCOUNTS.

A purchaser of soybeans who provides a discount for soybeans that fall below the standard test weight for soybeans must offer an equal or greater premium for soybeans that have a test weight higher than the standard test weight.

Sec. 5. [17B.0453] PREMIUMS BASED ON TEST WHEAT WEIGHT MUST EQUAL OR EXCEED DISCOUNTS.

A purchaser of wheat who provides a discount for wheat that falls below the standard test weight for wheat must offer an equal or greater premium for wheat that has a test weight higher than the standard test weight.

Sec. 6. [17B.0461] PREMIUMS BASED ON FOREIGN MATERIAL IN CORN MUST EQUAL OR EXCEED DISCOUNTS.

A purchaser of corn who provides a discount for corn that falls below the standard for foreign material for corn must offer an equal or greater premium for corn that has less foreign material than the standard. For corn, foreign material includes broken corn and foreign material.

Sec. 7. [17B.0462] PREMIUMS BASED ON FOREIGN MATERIAL IN SOYBEANS MUST EQUAL OR EXCEED DISCOUNTS.

A purchaser of soybeans who provides a discount for soybeans that fall below the standard for foreign material for soybean must offer an equal or greater premium for soybeans that have less foreign material than the standard.

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Sec. 8. [17B.0463] PREMIUMS BASED ON FOREIGN MATERIAL IN WHEAT MUST EQUAL OR EXCEED DISCOUNTS.

A purchaser of wheat who provides a discount for wheat that falls below the standard for foreign material for wheat must offer an equal or greater premium for wheat that has less foreign material than the standard.

Sec. 9. [17B.0471] PREMIUMS BASED ON TOTAL DAMAGED CORN KERNELS MUST EQUAL OR EXCEED DISCOUNTS.

A purchaser of corn who provides a discount for corn that falls below the standard for total damaged kernels for corn must offer an equal or greater premium for corn that has less total damaged kernels than the standard.

Sec. 10. [17B.0472] PREMIUMS BASED ON TOTAL DAMAGED SOY-BEAN KERNELS MUST EQUAL OR EXCEED DISCOUNTS.

A purchaser of soybeans who provides a discount for soybeans that fall below the standard for total damaged kernels for soybeans must offer an equal or greater premium for soybeans that have less total damaged kernels than the standard.

Sec. 11. [17B.0473] PREMIUMS BASED ON TOTAL DAMAGED WHEAT KERNELS MUST EQUAL OR EXCEED DISCOUNTS.

A purchaser of wheat who provides a discount for wheat that falls below the standard for total damaged kernels for wheat must offer an equal or greater premium for wheat that has less total damaged kernels than the standard.

Sec. 12. [17B.048] SELLER OPTION TO AVERAGE LOADS.

A purchaser of corn, soybeans, or wheat must allow a seller who delivers the grain in multiple loads within a period of two consecutive calendar days, at the option of the seller, to average the measurements from the multiple loads with respect to test weight, moisture content, and protein analysis. All loads allowed to be averaged under this section must be of a quality acceptable to the purchaser.

Sec. 13. Minnesota Statutes 1987 Supplement, section 17B.05, is amended to read:

17B.05 DISPUTES ON GRADES, DOCKAGE; STATE ARBITRATION.

(a) If a disagreement arises between a person receiving and a person delivering grain in this state as to the proper grade, dockage, moisture content, protein content, or other factors used in establishing the market price of the grain, an average sample of the grain in dispute may be taken by either or both of the parties interested. The commissioner shall prescribe a procedure for taking samples and having the samples certified by both the person receiving and the person delivering the grain as being true samples of the grain in dispute on the

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day the grain is delivered and sampled. Samples must be forwarded prepaid in suitable air-tight containers, with the names and addresses of the person receiving and the person delivering the grain, to the head of the grain inspection division of the department. The head of the grain inspection division shall examine samples submitted, and determine the proper grade, dockage, moisture content, protein content, and other factors used in establishing the market price of the samples of grain in accordance with the inspection rules and the standards established by the United States Department of Agriculture and the state of Minnesota. The test results must be based on the arithmetic mean of the samples submitted. If a person requesting the inspection asks for determination of some but not all of the factors that affect market price, the department shall perform only the requested tests on the samples. A person requesting the inspection must pay the required fee before the results of the inspection are released. The fee charged must be the same as that required for similar services rendered by the grain inspection division. Payment for the grain involved in a disagreement must be made on the basis of grade, dockage, moisture content, protein content, and other market pricing factors certified by the department on samples submitted. An appeal of the determination made by the department may be made as provided under the United States Grain Standards Act, United States Code, title 7, section 79, subsection (c), and the Code of Federal Regulations, title 7, sections 800.125 to 800.140. A person receiving or delivering grain that is subject to this section is liable for damages resulting from not abiding by the determination made by the department. A person who violates this section is subject to penalties prescribed in section 17B.29.

(b) A licensed business that uses test equipment as defined in section 17B.02 to perform tests or analysis on grain to be purchased or placed in storage must post at the place of business a notice informing persons selling or delivering grain of their right to have a representative sample of the grain forwarded to the grain inspection division for analysis. The commissioner shall provide copies of the notice to each business licensed to buy or receive grain. The business must display the notice in a conspicuous location as prescribed by the commissioner.

Sec. 14. EFFECTIVE DATE.

Section 3, 4, 5, 6, 7, 8, 9, 10, or 11 is effective 30 days after at least three states representing 30 percent or more of the national production of that grain according to the current United States Department of Agriculture crop production summary requires that a premium be paid for the grain based on the factors provided in the section. Section 3, 4, 5, 6, 7, 8, 9, 10, or 11 applies to purchasers of grain in this state 30 days after the commissioner publishes notice in the State Register that the section is effective. The commissioner must notify affected licensed purchasers of grain that section 3, 4, 5, 6, 7, 8, 9, 10, or 11 is effective by ten days after notice is published in the State Register. Section 12 is effective August 1, 1989.

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ARTICLE 7

BY-PRODUCT SOIL BUFFERING MATERIALS

Section 1. [17.7241] DEFINITIONS.

Subdivision 1. SCOPE. The definitions in this section apply to sections 1 to 5.

Subd. 2. COMMISSIONER. "Commissioner" means the commissioner of agriculture.

Subd. 3. INDUSTRIAL BY-PRODUCT SOIL BUFFERING MATERIAL. "Industrial by-product soil buffering material" means an industrial waste or by-product or the by-product of municipal water treatment processes containing calcium or magnesium or both in a form that may neutralize soil acidity.

Subd. 4. LIMESTONE. "Limestone" means a material consisting essentially of calcium carbonate or a combination of calcium carbonate with magnesium carbonate capable of neutralizing soil acidity.

Subd. 5. SOIL BUFFERING MATERIALS. "Soil buffering materials" means materials whose calcium or magnesium or both are capable of neutralizing soil acidity.

Subd. 6. STOCKPILE. "Stockpile" means a supply of agricultural soil buffering material stored for future use.

Subd. 7. TNP. "TNP" means total neutralizing power and is the number of pounds of neutralizing value in one ton of a soil buffering material.

Sec. 2. [17.7242] SOIL BUFFERING DEMONSTRATION PROJECT AND STUDY.

Subdivision 1. PURPOSE. The purpose of the demonstration project required under sections 1 to 5 is to identify appropriate and mutually beneficial methods for the use of industrial by-product soil buffering materials. Proper use will minimize current waste disposal problems, provide a market for an underutilized resource, and make available to farmers an effective, low-cost soil buffering product.

Subd. 2. AUTHORITY. The commissioner shall coordinate the design and implementation of a demonstration project to examine the technical feasibility, economic benefits, and environmental impacts of using industrial by-product soil buffering materials as a substitute for limestone and other traditional soil buffering materials.

Subd. 3. PROCEDURES DEVELOPED. The demonstration project must identify and recommend as proposed standards appropriate procedures for the sampling, analysis, TNP labeling, storage, stockpiling, transportation, and application of industrial by-product soil buffering materials. After TNP labeling standards have been established, which must be no later than March 1, 1989,

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they must be provided to the landowner or tenant prior to land application or stockpiling.

Subd. 4. SCOPE. The demonstration project must be on a scale deemed by the commissioner to be efficient and manageable while providing the greatest practicable use of industrial by-product soil buffering materials for agricultural purposes.

Sec. 3. [17.7243] RESPONSIBILITIES OF THE COMMISSIONER.

Subdivision 1. BROAD PARTICIPATION. The commissioner shall seek participation in the demonstration project by other persons, institutions, and organizations having an interest in soil buffering materials and industrial by-product soil buffering materials including the pollution control agency, one or more counties, one or more soil and water conservation districts, and the University of Minnesota.

Subd. 2. PUBLIC EDUCATION. The commissioner shall seek to maximize the public education benefit of the demonstration program.

Sec. 4. [17.7244] ENVIRONMENTAL CONTROLS.

Subdivision 1. SAMPLING; ANALYSIS. The commissioner and the commissioner's agents may sample, inspect, make analysis of, and test industrial by-product soil buffering materials used in the demonstration project and study at a time and place and to an extent the commissioner considers necessary to determine whether the industrial by-product soil buffering materials are suitable for the project. The commissioner and the commissioner's agents may enter public or private premises where demonstration projects are being conducted in order to have access to:

(1) soil buffering materials used in the demonstration project;

(2) sampling of sites actually or reportedly exposed to industrial by-product soil buffering materials;

(3) inspection of storage, handling, transportation, use, or disposal areas of industrial by-product soil buffering materials;

(4) inspection or investigation of complaints of injury to humans, wildlife, domesticated animals, crops, or the environment;

(5) observation of the use and application of the soil buffering material;

(6) inspection of records related to the production, transportation, stockpiling, use, or disposal of industrial by-product soil buffering material; and

(7) other purposes necessary to implement sections 1 to 5.

Subd. 2. RECEIPT FOR INSPECTION SAMPLES; REPORT ON ANALYSES. Before leaving inspected premises, the commissioner shall provide the

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owner, operator, or agent in charge with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.

Subd. 3. EMERGENCY INSPECTION. The commissioner and the commissioner's agents may enter public or private property without a notice of inspection if a suspected incident involving industrial by-product soil buffering materials may threaten public health or the environment.

Sec. 5. [17.7245] REPORT.

The commissioner shall report to the committees on agriculture of the house of representatives and senate by March 1, 1989, and on March 1 of each year thereafter, about the activities, findings, and recommendations related to the demonstration project.

Sec. 6. [17.7246] EXEMPTION.

Sections 1 to 5 do not apply to industrial by-product soil buffering material produced at a facility if the University of Minnesota, North Central Experimental Station, has conducted a study of the material at that facility.

Sec. 7. REPEALER.

Sections 1 to 6 are repealed June 30, 1991.

Sec. 8. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 8

ORGANIC CERTIFICATION

Section 1. [31.95] ORGANIC CERTIFICATION.

Subdivision 1. DESIGNATION. The commissioner shall designate one or more organizations located in this state, made up of organic food growers, manufacturers, or sellers, to certify organically grown seeds, products, and food.

Subd. 2. FEES. The commissioner shall prescribe fees to be charged to persons for certification of organically grown seeds, production, and food under section 16A.128. By 1991, fees collected must reflect the total annual cost of certification.

Subd. 3. CERTIFICATION REQUIREMENT. An organic certification agency may not refuse services or certification to a person:

(1) whose seeds, production, and food meet certification requirements; and

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(2) who has paid membership dues and certification fees.

Subd. 4. RULES. The organic certification organization may draft rules for submission to the commissioner to adopt for implementation of the organically grown certification program.

ARTICLE 9

CROP HAIL INSURANCE RATE FILING

Section 1. [60A.32] RATE FILING FOR CROP HAIL INSURANCE.

An insurer issuing policies of insurance against crop damage by hail in this state shall file its insurance rates with the commissioner. The insurance rates must be filed before April 1 of the year in which a policy is issued.

ARTICLE 10

RURAL FINANCE AUTHORITY

Section 1. Minnesota Statutes 1987 Supplement, section 41B.01, subdivision 2, is amended to read:

Subd. 2. **PURPOSE.** Sections 41B.01 to 41B.23 create and establish the Minnesota rural finance authority and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the authority of article XI, section 5, clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit on real estate security. The purpose of the rural finance authority's programs and of the bonds issued to finance or provide security for the programs is to purchase participation interests in loans, including seller-sponsored loans to be made available by agricultural lenders to farmers on terms and conditions not otherwise available from other credit sources. It is hereby found and declared that there presently exist in the state economic conditions which have severely adversely affected the economic viability of farms to the detriment of the rural economy and to the detriment of the economy of the state of Minnesota as a whole. It is further found and declared that as a result of public agricultural policies, agricultural market conditions, and other causes, the condition of the farm economy of the state of Minnesota is such as to jeopardize the continued existence and successful operation of farms in this state, necessitating the establishment of the programs in sections 41B.01 to 41B.23 to provide new sources of credit on favorable terms and conditions. It is further found and declared that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by assuring the viability of farm operations, by preventing erosion of the tax base in rural areas, by reducing foreclosures on farm property, and by

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enhancing the financial stability of farmers and of the businesses which depend on farmers as customers. It is further found and declared that in establishing a Minnesota rural finance authority and in authorizing the programs in sections 41B.01 to 41B.23, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of improving and otherwise promoting their health, welfare, and prosperity and that the Minnesota rural finance authority, as created and established, is empowered to act on behalf of the people of the state of Minnesota in serving this public purpose for the benefit of the general public.

Sec. 2. Minnesota Statutes 1986, section 41B.02, is amended by adding a subdivision to read:

Subd. 18. SELLER-SPONSORED LOAN. “Seller-sponsored loan” means a loan in which part or all of the price of a farm is financed by a loan from the seller of the farm who is a natural person, a partnership, or a family farm corporation as defined in section 500.24, located in Minnesota. The loan must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates or by a contract for deed. The definition of a seller-sponsored loan under this subdivision does not include a loan between persons within the second degree of kindred according to common law. A seller-sponsored loan may not be made to a person who has previously defaulted on a state loan or state guarantee of a loan.

Sec. 3. Minnesota Statutes 1987 Supplement, section 41B.03, subdivision 3, is amended to read:

Subd. 3. BEGINNING FARMER LOANS. In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan, including a seller-sponsored loan, in which the authority holds an interest, must:

- (1) have sufficient education, training, or experience in the type of farming for which the loan is desired;
- (2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000;
- (3) demonstrate a need for the loan;
- (4) demonstrate an ability to repay the loan;
- (5) demonstrate that the agricultural land to be purchased will be used by the borrower for agricultural purposes; and
- (6) demonstrate that farming will be the principal occupation of the borrower.

Sec. 4. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 1, is amended to read:

New language is indicated by underline, deletions by ~~strikeout~~.

Subdivision 1. **ESTABLISHMENT.** The authority may establish, develop criteria, and implement a beginning farmer program. ~~The program must assist persons entering farming who have not owned a farm before entering the beginning farmer program.~~ The program may include assistance for persons entering or reentering farming through the use of seller-sponsored loans.

Sec. 5. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **STATE PARTICIPATION.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of ~~one-fourth~~ 35 percent of the principal amount of the loan or ~~\$25,000~~ \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 6. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 4, is amended to read:

Subd. 4. **FARM MANAGEMENT.** A borrower must agree to participate in a farm management program approved by the commissioner of agriculture for at least the first ~~eight~~ five years of the loan.

Sec. 7. Minnesota Statutes 1987 Supplement, section 41B.05, is amended to read:

41B.05 GENERAL POWERS OF THE AUTHORITY.

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the authority has the general powers granted in this section.

(a) It may sue and be sued.

(b) It may have a seal and alter the seal.

(c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.

(d) It may acquire, hold, and dispose of real or personal property for its corporate purposes.

(e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.

(f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.

(g) It may provide general technical services related to rural finance.

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(h) It may provide general consultative assistance services related to rural finance.

(i) It may promote research and development in matters related to rural finance.

(j) It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.

(k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the authority will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of authority resources and assistance within a region in cooperation with county and multicounty authorities.

(o) It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from authority funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of authority resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

(q) It may delegate any of its powers to its officers or staff.

(r) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.

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(s) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans under the normal procedure. The authority may provide in an agreement for special procedures or requirements designed to meet specific conditions or requirements.

(t) It may allow farmers who are natural persons to combine programs of the federal Agriculture Credit Act of 1987 with programs of the rural finance authority.

ARTICLE 11

INTEREST RATE BUY-DOWN ADJUSTMENT

Section 1. INTEREST RATE BUY-DOWN ADJUSTMENT.

Subdivision 1. ELIGIBILITY. Notwithstanding Laws 1987, chapter 15, section 8, subdivision 2, the commissioner may consider a farmer an eligible buyer if the farmer has a loan balance with a lender under the Federal Guaranteed Operating Loan Program with the Interest Rate Buy-down Program administered by the FmHA between the dates January 1, 1987, and December 31, 1988, and complies with the remaining provisions of Laws 1987, chapter 15.

Subd. 2. LATER MATURITY. Notwithstanding Laws 1987, chapter 15, section 8, subdivision 3, the commissioner may consider a farm operating loan eligible for interest rate buy-down even though the maturity date is later than June 30, 1989, if the maturity date is later due to participation in the Federal Guaranteed Operating Loan Program Interest Rate Buy-down Program administered by the FmHA.

Subd. 3. PAYMENT AFTER REQUEST. Notwithstanding Laws 1987, chapter 15, section 4, subdivision 5, the commissioner may pay the last one-half of the interest rate buy-down amount within 30 days after request for final payment is received from the lender.

Sec. 2. EFFECTIVE DATE.

This article is effective the day following final enactment.

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ARTICLE 12

EXTENSION OF DEADLINE FOR SEED POTATO STANDARDS

Section 1. Laws 1987, chapter 124, section 2, is amended to read:

Sec. 2. EFFECTIVE DATE.

Section 1 is effective for potatoes planted after January 1, ~~1989~~ 1990.

ARTICLE 13

AGRICULTURAL CONTRACT TASK FORCE

Section 1. AGRICULTURAL CONTRACT TASK FORCE.

The commissioner of agriculture shall form an advisory task force to determine the feasibility of changing existing programs or developing a new program to provide economic protection for farmers producing agricultural commodities under contract. The economic protection would be provided when businesses have filed bankruptcy and are unable to make payments under the contract or are otherwise financially unable to make payments under the contract.

The advisory task force membership must include farmers, canning processors, contract seed businesses, livestock and poultry contractors, other agricultural processors, farm organizations, and bonding and financial institutions.

The commissioner shall coordinate meetings of the advisory task force, provide staff support, and participate in the advisory task force meetings.

The commissioner shall prepare a report of recommendations of the task force including recommendations for the legislature. The report must be presented to the chairs of the agriculture committees in the legislature by January 15, 1989.

ARTICLE 14

DRY EDIBLE BEANS

Section 1. Minnesota Statutes 1986, section 223.16, subdivision 4, is amended to read:

Subd. 4. **GRAIN.** "Grain" means any cereal grain, coarse grain or oilseed in unprocessed form for which a standard has been established by the United States Secretary of Agriculture or the Minnesota board of grain standards, dry edible beans, or ~~any~~ other agricultural crop ~~erop~~ which crops designated by the commissioner may designate by rule.

New language is indicated by underline, deletions by ~~strikeout~~.

Sec. 2. Minnesota Statutes 1986, section 232.21, subdivision 7, is amended to read:

Subd. 7. **GRAIN.** "Grain" means any cereal grain, course grain or oilseed in unprocessed form for which a standard has been established by the United States secretary of agriculture or the Minnesota board of grain standards, dry edible beans, or agricultural crops designated by the commissioner by rule.

Sec. 3. Minnesota Statutes 1986, section 232.23, subdivision 4, is amended to read:

Subd. 4. **FORM OF GRAIN WAREHOUSE RECEIPT.** (a) A grain warehouse receipt must be in duplicate, contain the name and location of the grain warehouse, and be delivered to the depositor or the depositor's agent. Grain warehouse receipts shall be consecutively numbered as prescribed by the commissioner and state the date of deposit, except where the deposit of a certain lot for storage is not completed in one day. In that case, the grain warehouse receipt, when issued, shall be dated not later than Saturday of the week of delivery.

(b) A grain warehouse receipt shall contain either on its face or reverse side the following specific grain warehouse and storage contract: "This grain is received, insured and stored through the date of expiration of the annual licenses of this grain warehouse and terms expressed in the body of this grain warehouse receipt shall constitute due notice to its holder of the expiration of the storage period. It is unlawful for a public grain warehouse operator to charge or collect a greater or lesser amount than the amount filed with the commissioner. All charges shall be collected by the grain warehouse operator upon the owner's presentation of the grain warehouse receipt for the sale or delivery of the grain represented by the receipt, or the termination of the storage period. Upon the presentation of this grain warehouse receipt and payment of all charges accrued up to the time of presentation, the above amount, kind and grade of grain will be delivered within the time prescribed by law to the depositor or the depositor's order."

(c) A grain warehouse receipt shall also have printed on it the following:

"Redemption of Receipt

Received from, the sum of \$..... or bushels in full satisfaction of the obligation represented by this grain warehouse receipt.

Gross price per bushel \$.....

Storage per bushel \$.....

Net price per bushel \$.....

All blank spaces in this grain warehouse receipt were filled in before I signed it and I certify that I am the owner of the commodity for which this grain

New language is indicated by underline, deletions by ~~strikeout~~.

warehouse receipt was issued and that there are no liens, chattel mortgages or other claims against the commodity represented by this grain warehouse receipt.

Accepted Signed
Warehouse operator Dated

This redemption shall be signed by the depositor or the depositor's agent in the event that the grain represented is redelivered or purchased by the public grain warehouse operator. Signature of this redemption by the depositor constitutes a valid cancellation of the obligation embraced in the storage contract."

(d) A warehouse receipt for dry edible beans must state the grade of the dry edible beans delivered to the grain warehouse and the redelivery charge required under section 4, paragraph (a).

Sec. 4. Minnesota Statutes 1986, section 232.23, is amended by adding a subdivision to read:

Subd. 10a. REDELIVERY OF DRY EDIBLE BEANS. (a) A public grain warehouse shall deliver dry edible beans to a holder of a warehouse receipt after the warehouse receipt holder pays a redelivery charge and the charges accrued until the time the warehouse receipt is surrendered to the grain warehouse operator. The dry edible beans must be dry and processed to acceptable standards for canning and packaging use. The redelivery charge may not exceed \$3 per net hundredweight of the dry edible beans. The commissioner may determine the maximum redelivery charge by rule, after receiving a petition to change the redelivery charge signed by at least 25 dry edible bean processors, producers, and public warehouse operators.

(b) A grain warehouse operator shall deliver dry edible beans in bags or in bulk as requested by the warehouse receipt holder. The warehouse receipt holder shall furnish the bags if dry edible beans are to be bagged.

(c) A grain warehouse operator shall grade the dry edible beans if requested by the warehouse receipt holder. The grain warehouse operator may determine grade by United States Department of Agriculture standards, Northarvest standards, or Michigan Bean Shippers Association standards. The warehouse receipt holder shall pay grading fees.

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ARTICLE 15

SUSTAINABLE AGRICULTURE LOANS AND GRANTS

Section 1. [17.115] SHARED SAVINGS LOAN PROGRAM.

Subdivision 1. ESTABLISHMENT. The commissioner shall establish a shared savings loan program to provide loans that enable farmers to adopt best management practices that emphasize sufficiency and self-sufficiency in agricultural inputs, including energy efficiency, reduction of petroleum and chemical inputs, and increasing the energy self-sufficiency of agricultural producers.

Subd. 2. LOAN CRITERIA. (a) The shared savings loan program must provide loans for purchase of new or used machinery, installation of equipment, and projects that reduce or make more efficient farm energy use. Eligible loan uses do not include seed, fertilizer, or fuel.

(b) Loans may not exceed \$15,000 per individual applying for a loan and may not exceed \$75,000 for loans to five or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest on the loans is six percent.

(c) Loans may only be made to residents of this state engaged in farming.

Subd. 3. AWARDING OF LOANS. (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The loan review panel shall consist of two lenders with agricultural experience, two resident farmers of the state using sustainable agriculture methods, a farm management specialist, a representative from a post-secondary education institution, and a chairperson from the department.

(c) The loan review panel shall rank applications according to the following criteria:

(1) realize savings to the cost of agricultural production and project savings to repay the cost of the loan;

(2) reduce or make more efficient use of energy; and

(3) reduce production costs.

(d) A loan application must show that the loan can be repaid by the applicant.

(e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects. Priority must be given based on the amount of savings realized by adopting the practice implemented by the loan.

New language is indicated by underline, deletions by ~~strikeout~~.

Subd. 4. ADMINISTRATION; INFORMATION DISSEMINATION. The amount in the revolving loan account is appropriated to the commissioner to make loans under this section and administer the loan program. The interest on the money in the revolving loan account and the interest on loans repaid to the state may be spent by the commissioner for administrative expenses. The commissioner shall collect and disseminate information relating to projects for which loans are given under this section.

Sec. 2. [17.116] SUSTAINABLE AGRICULTURE DEMONSTRATION GRANTS.

Subdivision 1. ESTABLISHMENT. The commissioner of agriculture shall establish a grant program for sustainable agriculture methods that demonstrates best management practices, including farm input reduction, farm energy efficiency, or usable on-farm energy production. The commissioner shall use the program to demonstrate and publicize the energy efficiency, environmental benefit, and profitability of sustainable agriculture techniques. The grants must fund demonstrations on farms of external input reduction techniques or farm scale energy production methods consistent with the program objectives.

Subd. 2. ELIGIBILITY. (a) Grants may only be made to farmers, educational institutions, or nonprofit organizations residing or located in the state for demonstrations on farms in the state.

(b) Grants may only be made for projects that show:

- (1) the ability to maximize direct or indirect energy savings or production;
- (2) a positive effect or reduced adverse effect on the environment; and
- (3) profitability for the individual farm.

Subd. 3. AWARDING OF GRANTS. (a) Applications for grants must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a technical review panel appointed by the commissioner. The technical review panel shall consist of a soil scientist, an agronomist, a representative from a post-secondary educational institution, two resident farmers of the state using sustainable agriculture methods, and a chairperson from the department.

(c) The technical review panel shall rank applications according to the following criteria:

- (1) direct or indirect energy savings or production;
- (2) environmental benefit;
- (3) farm profitability;
- (4) the number of farms able to apply the techniques or the technology proposed;

New language is indicated by underline, deletions by ~~strikeout~~.

(5) the effectiveness of the project as a demonstration;

(6) the immediate transferability of the project to farms; and

(7) the ability of the project to accomplish its goals.

(d) The commissioner shall consider the recommendations of the technical review panel and may award grants for eligible projects. Priority must be given to applicants who are farmers or groups of farmers.

(e) Grants for eligible projects may not exceed \$25,000 unless the portion above \$25,000 is matched on an equal basis by the applicant's cash or in-kind land use contribution. Grant funding of projects may not exceed \$50,000 under this section, but applicants may utilize other funding sources. A portion of each grant must be targeted for public information activities of the project.

(f) A project may continue for up to three years. Multi-year projects must be reevaluated by the technical review panel and the commissioner before second or third year funding is approved. A project is limited to one grant for its funding.

(g) Only one grant under this section may be made per grantee.

ARTICLE 16

SCHOOL MILK PROGRAM

Section 1. [124.648] MILK PROGRAM.

Subdivision 1. LEGISLATIVE FINDINGS. The legislature finds that for best health and well-being, school children in the state should receive at least one serving of milk each day. The school milk program established in this section is to provide school districts in the state with added resources so that all kindergarten students in public and nonpublic schools may have access to wholesome milk on a daily basis.

Subd. 2. ESTABLISHMENT; SCHOOL PARTICIPATION. Each school district in the state is encouraged to participate in the state-supported school milk program for kindergartners. Participating districts shall provide one serving of milk on each school day to each kindergarten student attending a public or nonpublic school in the district. No student is required to accept the milk that is provided by the district. The program must be promoted and operated under the direction of the commissioner or the commissioner's designee.

Subd. 3. PROGRAM GUIDELINES; DUTIES OF THE COMMISSIONER. (a) The commissioner shall:

(1) encourage all districts to participate in the school milk program for kindergartners;

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(2) prepare program guidelines, not subject to chapter 14, which will effectively and efficiently distribute appropriated and donated money to participating districts; and

(3) seek donations and matching funds from appropriate private and public sources.

(b) Program guidelines may provide for disbursement to districts through a mechanism of prepayments or by reimbursement for approved program expenses.

(c) It is suggested that the benefits of the school milk program may reach the largest number of kindergarten students if districts are allowed to submit annual bids stating the per-serving level of support that would be acceptable to the district for their participation in the program. The commissioner would review all bids received and approve bids in sufficient number and value to maximize the provision of milk to kindergarten students consistent with available funds.

Subd. 4. REIMBURSEMENT. In accordance with program guidelines, the commissioner shall prepay or reimburse participating school districts for the state share of the district's cost for providing milk to kindergarten students.

ARTICLE 17

DEGRADABLE PLASTICS

Section 1. [325E.045] PURCHASE, SALE, AND USE OF CERTAIN POLY-ETHYLENE MATERIAL PROHIBITED.

Subdivision 1. DEFINITIONS. The definitions in this subdivision apply to section 1.

(a) "Degradable" means capable of being decomposed by natural biological processes, including exposure to ultraviolet rays of the sun, within five years after the date of disposal.

(b) "Person" means an individual, partnership, corporation, sole proprietorship, association, or other for-profit or nonprofit organization, including the state and its political subdivisions.

(c) "Polyethylene disposal bag" means a bag made of polyethylene that is used or intended to be used for disposal of mixed municipal solid waste as defined in section 115A.03.

(d) "Polyethylene beverage ring" means a device made of polyethylene that is used or intended to be used to hold beverage bottles or other beverage containers together.

(e) "Public agency" means the state, an office, agency, or institution of the

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state, a county, a statutory or home rule charter city, a town, a school district, or another special taxing district.

Subd. 2. BEVERAGE RING USE AND SALE PROHIBITED. A person may not use, sell, or offer for sale a polyethylene beverage ring that is not degradable.

Subd. 3. GOVERNMENTAL PURCHASE PROHIBITED. A public agency may not purchase polyethylene disposal bags that are not degradable.

Subd. 4. GOVERNMENTAL USE PROHIBITED. A public agency may not use polyethylene disposal bags that are not degradable.

Sec. 2. DEGRADABLE PLASTICS TASK FORCE.

Subdivision 1. ESTABLISHMENT. An advisory task force on degradable plastics is established. The task force consists of the commissioners of agriculture, commerce, and the pollution control agency, the director of the waste management board, the president of the greater Minnesota corporation, the head of the consumer affairs division of the attorney general's office, and two representatives of industry and one retailer appointed by the rural development board. Representatives of other state agencies may also become members of the task force with the approval of a majority of its members.

Subd. 2. DUTIES. The task force shall study the feasibility and consequences of requiring industry and consumer products other than items in section 1 to be degradable.

Subd. 3. REPORT. The task force shall report its findings, along with any proposed legislation the task force believes necessary, to the legislature by January 1, 1990, after which the task force expires.

Subd. 4. ADMINISTRATION AND EXPENSES. The task force is attached to the rural development board for administrative purposes and the board shall furnish the task force with office space and administrative assistance necessary to fulfill the duties of the task force. Members of the task force must be paid their expenses under section 15.059.

Sec. 3. EFFECTIVE DATE.

Section 1, subdivision 2, is effective January 1, 1989. Section 1, subdivisions 3 and 4, are effective July 1, 1990.

New language is indicated by underline, deletions by ~~strikeout~~.

ARTICLE 18

ETHANOL DEVELOPMENT

Section 1. Minnesota Statutes 1986, section 41A.09, is amended by adding a subdivision to read:

Subd. 6. CONTINUED PAYMENTS. A plant in production or under construction by January 1, 1990, shall continue to receive uninterrupted payments under subdivision 3 of at least 20 cents per gallon of ethanol produced until July 1, 2000.

ARTICLE 19

LIVESTOCK REPORT DEADLINE

Section 1. Laws 1987, chapter 396, article 9, section 1, subdivision 4, is amended to read:

Subd. 4. **REPORT.** The interdisciplinary study team shall prepare and deliver to the commissioner of agriculture a report on the results of the study. If feasible, the study team shall also submit the results of the study in a form appropriate for publication in one or more recognized scientific journals. The commissioner shall report results of the study to the house and senate committees on agriculture not later than ~~February~~ August 1, 1989.

ARTICLE 20

LABORATORY SERVICES ACCOUNT

Section 1. **[17.85] LABORATORY SERVICES ACCOUNT.**

A laboratory services account is established in the state treasury. Payments for laboratory services performed by the laboratory services division of the department of agriculture must be deposited in the state treasury and credited to the laboratory services account. Money in the account, including interest earned on the account, is annually appropriated to the commissioner of agriculture to administer the programs of the laboratory services division.

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ARTICLE 21

APPROPRIATIONS

Section 1. **APPROPRIATION CANCELLATION.**

All money appropriated by Laws 1987, chapter 15, section 10, subdivision 1, clauses (a) and (b), for purposes of program "A" in 1987 and program "B" in 1987 and 1988 that remains unencumbered on July 1, 1988, and all money transferred to the interest rate buy-down program by Laws 1987, chapter 15, section 10, subdivision 4, is canceled.

Sec. 2. **STATE AGRICULTURAL PRODUCT USE REPORT.**

\$35,000 is appropriated from the general fund to the commissioner of agriculture to contract for an investigation and report on the use of state agricultural products within the state and opportunities for expanded markets for state agricultural products within the state under article 1. This appropriation is available until June 30, 1989.

Sec. 3. **ORGANIC FOOD CERTIFICATION AND ENFORCEMENT.**

Subdivision 1. START-UP CERTIFICATION COSTS. \$100,000 is appropriated from the general fund to the commissioner of agriculture for a grant to an organic certification organization for start-up and initial administrative costs for the purpose of promoting and marketing "Minnesota grown" certified organic food products. This appropriation is available until June 30, 1989.

Subd. 2. ENFORCEMENT COSTS. \$50,000 is appropriated from the general fund to the commissioner of agriculture to administer and enforce the organic food law, Minnesota Statutes, sections 31.92 to 31.94. This appropriation is available until June 30, 1989.

Sec. 4. **BLUEGRASS SEED AND TURF PRODUCTION.**

\$35,000 is appropriated from the general fund to the commissioner of agriculture, to be available until June 30, 1989, for a bluegrass seed and turf production program as follows:

(1) for contracting for personnel and labor costs related to bluegrass seed production over one year

\$20,000

(2) for establishment and evaluation of sod varieties on mineral and peat soil, direct seeded turf varieties, and turf characteristics

\$15,000

Sec. 5. **ALFALFA EXTRACTION PROCESS.**

\$300,000 is appropriated from the general fund to the commissioner of agriculture, to be matched on the basis of \$2 of nonstate money or in-kind contributions for each \$1 of this appropriation, to establish a pilot plant for a

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protein xanthophyll alfalfa extraction process. The commissioner must contract to establish a pilot plant for the process and operations of the plant with the required testing for markets. This appropriation is available until June 30, 1989.

Sec. 6. SWEET SORGHUM RESEARCH AND DEMONSTRATION.

\$94,000 is appropriated from the general fund to the commissioner of agriculture for transfer to the Mankato Technical Institute for the sweet sorghum research and demonstration project on the feasibility of growing, harvesting, and processing sweet sorghum as a Minnesota crop. This appropriation is available until June 30, 1989.

Sec. 7. SUSTAINABLE AGRICULTURE.

Subdivision 1. REVOLVING LOAN FUND. \$1,000,000 is appropriated from the general fund to the commissioner of agriculture to be credited to a revolving loan account for low-interest loans to farmers to adopt sustainable agriculture practices. Money in the account does not cancel but is appropriated to the commissioner of agriculture to make low-interest loans to farmers under this subdivision. Notwithstanding chapter 14, the commissioner shall prescribe procedures for application and implementation of the program.

Subd. 2. DEMONSTRATION GRANT PROGRAM. \$300,000 is appropriated from the general fund to the commissioner of agriculture for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of 1 to 1. Priority must be given for projects involving multiple parties. Up to \$20,000 of this appropriation may be used for dissemination of information about the demonstration grant projects. This appropriation is available until June 30, 1989.

Sec. 8. RURAL HEALTH AND SAFETY PROGRAM.

\$50,000 is appropriated from the general fund to the Minnesota Extension services for purposes of the rural health and safety program in article 2. This appropriation must be matched by \$25,000 of university or extension service funds. Money in this appropriation must be released to the extension service as matching funds are made available in the ratio of \$2 in general fund money for each \$1 of matching money. This appropriation is available until June 30, 1989.

Sec. 9. DAIRY TASK FORCE.

\$30,000 is appropriated from the unfair dairy trade practices account to the commissioner of agriculture to be matched dollar for dollar by private money to pay for the expenses of the Minnesota dairy task force and pilot projects in article 3. This appropriation is available until June 30, 1989.

Sec. 10. MINNESOTA GROWN COUPONS TO WIC RECIPIENTS.
\$85,000 is appropriated from the general fund to the commissioner of agricul-

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ture to be available until June 30, 1989, for a pilot program to provide Minnesota grown coupons for women, infants, and children program recipients. The commissioner of agriculture in cooperation with the commissioner of health may conduct pilot projects to give Minnesota grown coupons redeemable for food identified with a Minnesota grown logo or labeling statement at selected sites to women, infants, and children program recipients. The commissioner shall conduct an evaluation of the pilot program, prepare a report, and submit the report to the legislature by January 1, 1989.

Sec. 11. MINNESOTA GROWN LABELING.

\$20,000 is appropriated from the general fund to the commissioner of agriculture to develop different versions of the labeling statement and adopt rules under article 4. This appropriation is available until June 30, 1989.

Sec. 12. SOIL TESTING LABORATORY CERTIFICATION.

\$15,000 is appropriated from the general fund to the commissioner of agriculture to implement and administer the soil testing laboratory certification program in article 5. This appropriation is available until June 30, 1989.

Sec. 13. PLANT PEST SURVEY PROGRAM.

\$171,000 is appropriated from the general fund to the commissioner of agriculture to survey and detect plant pests and disseminate information to farmers on making appropriate applications of pesticides and nonchemical controls. This appropriation is available until June 30, 1989.

The approved complement of the department of agriculture is increased by three positions to administer the plant pest survey and detection program.

The commissioner of agriculture shall prepare a report on plant pest survey and detection and submit it to the legislature by June 1, 1990.

Sec. 14. GRAIN MARKETING.

\$100,000 is appropriated from the general fund to the commissioner of agriculture for purposes of providing periodic reviews of test equipment and test equipment operators under article 6. The approved complement of the department of agriculture is increased by three positions. This appropriation is available until June 30, 1989.

Sec. 15. BY-PRODUCT SOIL BUFFERING.

\$70,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the demonstration project and study of industry by-product soil buffering materials in article 7. This appropriation is available until June 30, 1989. Of this amount, up to \$50,000 is available to the commissioner of agriculture for expenses of administering and coordinating the demonstration project. The balance of the appropriation may be used by the commissioner

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for material testing and analysis and other activities related to the demonstration project and performed by the University of Minnesota or other qualified participants or organizations.

Sec. 16. AMARANTH PROCESSING FEASIBILITY.

\$125,000 is appropriated to the commissioner of agriculture, to be matched on the basis of \$1 of nonstate money for each \$2 of this appropriation, for contracting for a study to design and investigate the feasibility of processing, marketing, and production of amaranth, and constructing an amaranth pilot processing plant. This appropriation is available until June 30, 1989. As part of the contract, a report must be prepared and submitted to the chairs of the agriculture committees of the legislature by December 1, 1989.

Sec. 17. SOIL AND WATER STEWARDSHIP EDUCATION.

\$80,000 is appropriated from the general fund to the legislative coordinating commission to make a grant to an organization to collect and disseminate materials on soil and water stewardship designated by the joint legislative committee on agricultural land preservation and soil and water conservation. This appropriation is available until June 30, 1989. The joint committee shall request proposals to locate, collect, index, and organize materials on soil and water stewardship for dissemination to primary and secondary schools for use in curricula. The joint committee shall designate an appropriate organization to review how existing requirements for environmental education are being met and report to the chairs of the agriculture committees of the legislature by February 1, 1989.

Sec. 18. DEGRADABLE PLASTICS.

\$50,000 is appropriated from the general fund to the rural development board for the purposes of article 17, section 2, to be available until January 1, 1990.

Sec. 19. SCHOOL MILK PROGRAM.

Subdivision 1. GENERAL FUND APPROPRIATION. \$800,000 is appropriated from the general fund to the commissioner of education for the school milk program in article 16, to be available until June 30, 1989. Of this amount, up to \$10,000 may be used for costs of administering the school milk program.

Subd. 2. MATCHING FUNDS IN SUBSEQUENT YEARS. The commissioner of education shall identify likely sources of matching funds for the school milk program in years after the 1988-1989 school year. It is the intent of the legislature to require non-state funds to match general fund appropriations to the school milk program in future years.

Sec. 20. PURPLE LOOSESTRIFE.

\$50,000 is appropriated from the general fund to the commissioner of

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agriculture, to be available until June 30, 1989, for eradication of purple loosestrife (lithrum salicaria) on farm land where the farmer is required to eradicate the purple loosestrife because of the noxious weed law, Minnesota Statutes, sections 18.171 to 18.315. Upon written permission by the farmer, the commissioner or the commissioner's designee may enter upon the farm land to eradicate purple loosestrife.

The commissioner may adopt rules or temporary rules necessary for the administration of this section.

Sec. 21. COUNTY AND DISTRICT AGRICULTURAL SOCIETIES; OTHER ASSOCIATIONS.

\$145,000 is appropriated from the general fund to the commissioner of agriculture to provide supplemental funding for state aid to county and district agricultural societies under Minnesota Statutes, section 38.02, and to other associations as follows:

<u>County and District Agricultural Societies</u>	<u>\$101,025</u>
<u>Red River Valley Livestock Association</u>	<u>2,395</u>
<u>Northeastern Minnesota Junior Livestock Association</u>	<u>485</u>
<u>Livestock Premiums/Boys and Girls</u>	<u>1,500</u>
<u>Red Lake Band of Chippewa Indians</u>	<u>365</u>
<u>Poultry Association</u>	<u>730</u>
<u>Minnesota Poultry Association</u>	<u>375</u>
<u>Northern Poultry Association</u>	<u>45</u>
<u>Red River Valley Dairymen's Association</u>	<u>485</u>
<u>Minnesota Livestock Breeder's Association</u>	<u>7,675</u>
<u>Northern Sheep Grower's Association</u>	<u>45</u>
<u>Northern Crops Institute</u>	<u>29,925</u>

This appropriation is available until June 30, 1989.

Sec. 22. BEGINNING FARMER AND FARM BUSINESS MANAGEMENT EDUCATION PROGRAMS.

\$125,000 is appropriated from the general fund to the state board of vocational technical education to be available until June 30, 1989. \$50,000 of this appropriation is to make \$2,500 grants to technical institutes and school districts to provide an educational program for beginning farmers pursuing a career in agriculture, and the balance is to operate farm business management programs assisting in the farmer-lender mediation process.

Sec. 23. MEDIATION PROGRAM; COMMISSIONER OF AGRICULTURE.

\$200,000 is appropriated from the general fund to the commissioner of agriculture to use for the participation of farm advocates in farmer-lender mediation and operation and administration of the mediation program. This appropriation is available until June 30, 1989.

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Sec. 24. **EFFECTIVE DATE.**

Sections 10 and 21 are effective the day following final enactment.

Approved April 28, 1988

CHAPTER 689—H.F.No. 2126

An act relating to the organization and operation of state government; appropriating money for human services and health and other purposes with certain conditions; amending Minnesota Statutes 1986, sections 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 62A.54; 62E.04, by adding subdivisions; 129A.02, subdivision 3; 129A.09; 129A.10; 144.053, by adding a subdivision; 144.125; 144.50, by adding a subdivision; 144A.04, by adding a subdivision; 144A.08, by adding a subdivision; 145.43, subdivisions 1 and 1a; 145.853, subdivision 2; 145.894; 245.771, by adding a subdivision; 245.814, subdivisions 1, 2, and 3; 245.83; 245.84, subdivision 1; 246.023, subdivision 1; 252.291, subdivisions 1 and 2; 253B.03, by adding a subdivision; 253B.17, subdivision 1; 256.73, subdivisions 2 and 6, and by adding subdivisions; 256.736, by adding subdivisions; 256.76, subdivision 1; 256B.08; 256B.092, subdivisions 5 and 7; 256B.14, subdivision 2; 256B.17, subdivision 7; 256B.431, by adding subdivisions; 256B.50, subdivision 1, and by adding subdivisions; 256B.501, subdivision 3, and by adding subdivisions; 256B.69, subdivisions 3 and 4; 256D.02, subdivision 7, and by adding a subdivision; 256D.06, by adding a subdivision; 256D.07; 256D.35, by adding a subdivision; 256D.37, subdivision 2, and by adding subdivisions; 256E.12, subdivisions 1 and 2; 256F.03, subdivision 8; 256F.07, by adding a subdivision; 257.071, subdivisions 2, 3, 6, and by adding a subdivision; 257.072; 260.181, subdivision 3; 268.0111, by adding a subdivision; 268.86, by adding a subdivision; 268.91, subdivision 7; 268.911, subdivision 3; 326.371; 462.05, by adding a subdivision; 462A.21, by adding a subdivision; 609.72, subdivision 1; and 611A.32, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.922, subdivision 6; 16B.08, subdivision 7; 62A.152, subdivision 2; 62A.48, subdivision 7; 62A.50, subdivision 3; 62D.102; 129A.01, subdivision 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, 5, and by adding a subdivision; 144A.071, subdivision 3; 144A.073, subdivisions 1, 7, and 8; 145.43, subdivision 4; 145A.06, by adding a subdivision; 148B.23, subdivision 1; 148B.42, subdivision 1; 245.462, subdivisions 3, 4, 6, 17, 18, 19, 20, 21, 23, and 25; 245.465; 245.466, subdivisions 1, 2, and 5; 245.467, by adding subdivisions; 245.469, subdivision 2; 245.471, subdivisions 2 and 3; 245.472, subdivision 2; 245.475, subdivisions 1 and 2; 245.476, subdivision 1; 245.477; 245.478, subdivisions 1, 2, and 9; 245.479; 245.482, subdivision 2; 245.696, subdivision 2; 245.697, subdivision 2, and by adding a subdivision; 252.291, subdivision 3; 252.46, subdivisions 5 and 6, and by adding subdivisions; 253B.03, subdivision 6; 256.01, subdivision 4; 256.015, subdivision 2; 256.736, subdivisions 1b, 4, and 11; 256.936; 256.969, subdivisions 2 and 3; 256B.02, subdivision 8; 256B.031, subdivision 5; 256B.042, subdivision 2; 256B.06, subdivisions 1 and 4; 256B.091, subdivision 4; 256B.35, subdivision 1; 256B.431, subdivisions 2b, 3, and 4; 256B.433, subdivision 1; 256B.50, subdivision 2; 256B.501, subdivision 1; 256B.73, subdivision 2; 256D.01, subdivision 1a; 256D.03, subdivision 3; 256D.06, subdivisions 1 and 1b; 256D.37, subdivision 1; 256E.12, subdivision 3; 268.91, subdivisions 1, 3, 3b,

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