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Minnesota Crop Production Retailers

INPUTS

Executive Director's Report

Hello MCPR members,

During the MCPR Annual meeting, a new Board member was elected to fill the position vacated by Matt Benda. Newly elected Board member Jeff Einck represents retailers in the MCPR South west Region. Please congratulate Jeff Einck, agronomy manager for Chandler Coop, when you see him. Jeff brings to his position a concern about nitrogen regulations and need of more people in our workforce who are qualified. Jeff was interested in serving on the MCPR Board to learn more about and having an impact on expected new regulations Ag retailers may face. He is concerned about possible new limitations on applications of fall fertilizer applications. In his spare time Jeff enjoys spending time with his family as they camp and boat.



During the January 2017 Board meeting, Board Chair Craig Maurer, CFS Coop, stepped down after having completed his two year term, and handed the gavel to Board Vice Chair Dale Johnson. Dale is now the new MCPR Board Chair. He is the Operations and

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Capital Update

Governor Mark Dayton delivered his 6th State of the State address, claiming much progress for Minnesotans. He further suggested that "Minnesota is much better off today than it was six years ago" in spite of an election outcome that seemed to indicate voters disagreed with his policies and leadership. The Governor did acknowledge struggling farmers facing declining commodity prices and miners on the Iron Range, the same voters which political pundits credit with a surprisingly strong vote for conservatives and against the Governor's political party in both the Minnesota Senate and House of Representatives. Governor Dayton made national news by his collapse during the speech and followed up by the Governor's office announcement that he has prostate cancer.

Items of specific interest to MCPR members in the Governor's budget for the 2018-19 fiscal year are the following MN Department of Agriculture (MDA) increases: \$1.5 million for internal agency business process improvement, \$1 million to expand current capabilities for rapid detection, identification, containment, control, and management of high priority plant pests and pathogens, \$ 600,000 from the State's General Fund to provide funding for oversight and enforcement of Minnesota's Noxious Weed Law and Plant Protection Statutes due to the recent discovery of highly invasive Palmer Amaranth into Minnesota through native seed mixes. The MDA also proposes to help develop Minnesota's Next Generation of Crops with \$2 million from the state's General Fund to develop high value commodity crops to increase market opportunities for Minnesota farmers and address conservation issues. The goal of the recommendation is to implement and market perennial and cover cropping systems specific to Minnesota that will protect and restore the state's surface. He also wants to spend \$400,000 for Industrial Hemp Development for licensing and registration of growers, on site field inspections, testing and research, and other activities associated with the current industrial hemp program. In addition, he seeks to create a Pollinator Protection Account funded by \$1 million from Minnesota's General Fund and \$500,000 from a dedicated fund funded by fee revenues from pesticides toxic to pollinators. MCPR will research the details for this proposal. Finally, the Governor proposes a Waste Pesticide Collection Fee Increase of \$1.7 million to cover rising disposal and collection costs for waste pesticides collected. The administration maintains that these program costs exceeded revenues last year by approximately \$400,000, primarily because the amount of non-agricultural waste pesticides continues to rise. The fee proposal raises the waste pesticide surcharge on

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approximately 10,000 non-agricultural pesticides from \$50 per product registered to \$125 per product registered and increases the waste pesticide surcharge on 3,650 agricultural pesticides from \$50 per product registered to \$75 per product registered. The largest MDA program costs proposals will be generated by for Clean Water Activities and funded by \$17.616 million from the MN Legacy Clean Water Fund. MCPR members will remember this fund was created by Minnesotans' who approved a ballot measure to add a constitutional amendment to increase the Minnesota sales tax by approximately ½ cent.

Given the Republican majority in both the Minnesota Senate and House, the tax and fee increases will face stiff opposition in legislative committee hearings. Remember, the Governor proposes the biennial budget, but the legislature disposes the final budget. On the legislative front, the House and Senate are starting at a blistering pace with

many hearings, and passing the federal tax conformity bill which conforms Minnesota tax law to Federal provisions. The bill was signed in to law by Governor Dayton.

The Minnesota Senate and House of Representatives approved a bill and the Governor signed the law that would subsidize \$326 million of premiums for approximately 123,000 Minnesotans who buy insurance on the individual marketplace but do not qualify for federal tax subsidies. These folks can expect premium rebates of 20% to 30% per policyholder. A provision sponsored by state Representative Tim Miller, a Republican from southwest Minnesota, allows farmer health-care co-ops to sell insurance to their members and employees, presumably acquiring better group rates than individuals can achieve solo now. With a community focus, those co-ops could also add local medical practitioners and hospitals back into a network-approved system. Legislators heard testimony that if someone has a



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heart attack in Renville, Minnesota, the local county hospital says it would have to air lift them to Sioux Falls because certain critical care procedures are out-of-network. For farmers, the turmoil in health insurance comes at a time they can least afford it. This will prove to be an interesting legislative session. It remains to be seen how the Governor will get along with the Republican controlled House and Senate. We will know much more by mid-May when the legislature will adjourn. Focus in the ag related committees has been either repeal of the buffer laws passed in the recent legislative sessions and/or funding for farmer costs related to buffer requirements.

Executive Director's Report *(continued from page 1)*

Marketing Manager for Ag Partners Coop in Goodhue, MN. Taking Dale's place as Board Vice Chairman is Rick Walker for a two year term. Rick is beginning his second term as retail representative from the MCPR Retailer District 3 which is Northwest Minnesota. He is the West Central Ag Services Manager of Crop Protection and Seed based in Ulen, MN. Craig remains on the Board of Directors as Past Chair.

While many in agriculture breathed a sigh of relief at the outcome of the Minnesota

and Federal elections, President Trump's Executive orders to withdraw from the negotiating process of the Trans-Pacific Partnership signaled to Congress and leaders in foreign capitals around the world that Trump's rhetoric on trade during the campaign is turning into action. Trump vowed during the campaign to withdraw the US from the Pacific trade deal, commonly known as TPP, which he argued was harmful to American workers and manufacturing. However, MCPR members need to be aware that Minnesota annually exports about \$6.3

billion of agriculture products of which 13% goes to Mexico. With recent news reports that Mexican President Enrique Peña Nieto canceled a meeting with US President Donald Trump after renewed tensions over Trump's plan to build a wall on the border should be carefully considered International conflicts traditionally substantially impact agricultural economics and the Minnesota crop input industry.

On another front, the increasingly prominent role technology is having on the products and services MCPR members provide cannot be overstated. The number one concern I hear from members is often the need for well trained, qualified employees in rural Minnesota to utilize this technology surge. MCPR is making these concerns known in public policy discussions with legislative leaders. Be sure to remember this challenge for qualified employees when you



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Executive Director's Update

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attend meetings or interact with our state legislators.

As we look to the next few months, once again I am reminded that as difficult as public policy is to understand and justify at times, we in the United States live a

wonderful country. We can and do have an influence on the laws, regulations, and pronouncements our elected officials make. Moreover, MCPR members can be proud that MCPR has a legacy and reputation for making an impressive impact on behalf of the crop input industry in Minnesota.

Until next time,

Bill Bond

Bill Bond



News Notes

Governor Dayton New Water Goals

Governor Mark Dayton today announced a new "25 by '25" Water Quality Goal, which he hopes will spur innovation and collaboration around strategies to improve Minnesota's water quality 25 percent by 2025. Dayton suggests that without additional action, the quality of Minnesota's waters is expected to improve only 6 to 8 percent by 2034. If approved by the Legislature, Dayton intends the proposed new goal would engage local governments, farmers, scientists, environmental groups, and business leaders in a collaborative effort to address Minnesota's water quality challenges. "Without an ambitious, achievable goal, the quality of our water will continue to deteriorate," said Governor Dayton. "Minnesotans must set

this goal now, and then work together to achieve it. This is everyone's challenge, and everyone's responsibility." Achieving a 25 percent improvement in water quality statewide would require Minnesota to take aggressive, yet achievable action. It also would help Minnesota meet existing commitments to reduce phosphorus 12 percent by 2025 and nitrogen 45 percent by 2040 in the Mississippi River. Governor Dayton's "25 by '25" Water Quality Goal would not add additional regulations. It is instead a call to action to drive public engagement and partnerships to address the state's growing water quality issues. The goal also would be flexible, allowing each of Minnesota's eight local watershed regions to decide which pollutants to address, and strategies to employ. (Fluence)



News Notes *continued*

MDA Nutrient Payment Plan

The Minnesota Department of Agriculture (MDA) invited Minnesota farmers and crop advisers to participate in a unique on-farm nutrient management program that can help water quality while managing production costs. Participants in the Nutrient Management Initiative (NMI) evaluate different nitrogen management practices on their own farms through the use of replicated side-by-side field trials. The results of these trials can help farmers fine-tune their nutrient management practices to increase efficiency and profitability. In addition, the results of advanced trials will help the University of Minnesota refine and update their current nitrogen fertilizer recommendations. The MDA is encouraging farmers and crop advisers in northwest and west-central Minnesota to participate. This is an area of the state where participation has been lower in the past and the MDA would like to increase the number of nitrogen trials. Participating farmers work with a crop adviser to set up trials on their own fields. Participating farmers receive a total of \$800, while crop advisers receive \$400 per site enrolled. The NMI offers field trials for the following practices: nitrogen rate, stabilizer products, and timing evaluations. When utilized effectively, MDA believes these trials can help to increase nitrogen management efficiency, profitability, as well as demonstrate practices that help reduce nitrate-nitrogen losses to surface and groundwater sources. (Fluence)





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Dale's View

Hello MCPR Members,

I want to thank those of you who could attend the 2016 CPM Short Course and MCPR Trade Show in December. There was an overwhelming response to the programming and strong attendance again this year. This show is not one to be missed! Please plan to attend in 2017. The dates are December 12-14 at the Minneapolis Convention Center.

I hope you find the information in these bimonthly newsletters, frequent E News, and the web page at www.mcpr-cca.org useful. MCPR is constantly seeking to inform members of important, useful, and interesting ag input industry information.

While we are in the middle of winter and planning for spring I encourage you to think about your safety procedures for employees and equipment. In addition, we all must pay more attention to the

impact our products and services have on the environment. I encourage you to stay informed as the year unfolds and how we can use people, resources and technology to overcome new obstacles presented to each of us this year.

Thanks for your commitment to MCPR.

Dale Johnson

Dale Johnson, MCPR Board Chair

MCPR Board

Dale Johnson Board Chair

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