

S.F. No. 3479 – Drought relief (1st Engrossment) (as proposed to be amended by the A-7 amendment)

Author: Senator Torrey N. Westrom

Prepared by: Laura Paynter, Legislative Analyst, (651/296-5079)
Hannah Grunewald, Fiscal Analyst, (651/296-2727)

Date: March 21, 2022

Background

Last year's drought impacted farmers, particularly livestock producers and specialty crop farmers. In Minnesota, 67 counties were declared primary natural disaster areas in the summer of 2021. Many livestock farmers were not able to grow sufficient grain to feed their animals, and were forced to either sell them, purchase feed, or transport animals to pasture in areas not affected by drought. Many specialty crop producers, those who grow fruits, vegetables, flowers, and nuts, were unable to fulfill wholesale orders and had to discontinue community supported agriculture (CSA) shares. These farmers had significantly lower revenues in 2021 and are now facing higher input costs. In addition to these challenges, outbreaks of animal diseases threaten livestock. High pathogenic avian influenza, which impacted the Minnesota turkey industry in 2015, has been diagnosed in neighboring states and could spread to Minnesota.

Section 1 [Drought Relief] appropriates \$7,000,000 from the general fund in fiscal year 2022 with \$5.5 million in financial support for livestock farmers, and \$1.5 million for livestock farmers and specialty crop producers. Of the \$1.5 million, up to \$100,000 can be used to compensate livestock farmers for feed transportation costs not covered by a federal program. Only producers located in counties designated as disaster areas are eligible to receive payments of up to \$5,000. An additional \$1,500,000 is appropriated from the general fund to the Rural Finance Authority revolving loan account for disaster recovery loans. All drought relief funds in this section have required reports and are onetime appropriations available until June 30, 2024. This section would be effective the day after enactment.

Section 2 [Veterinary Disease Testing Equipment] appropriates \$1,000,000 from the general fund in fiscal year 2022 for the Veterinary Diagnostic Laboratory to purchase equipment used in animal disease testing. This onetime appropriation is available until June 30, 2023, and a report is required. This section would be effective the day after enactment.

Section 3 [Agricultural Emergency Account] transfers \$500,000 onetime from the general fund in fiscal year 2023 to the agricultural emergency account in the agricultural fund. This section authorizes the use of funds to purchase avian influenza testing supplies until December 31, 2022.