

MN Rural Counties Caucus

Monday, April 15, 2019

The meeting was conducted on the GoToMeeting electronic platform

Attendees: Paul Gerde, MRC Chairman, Pope Co; Sharon Bring, MRC Sec/Treas., Marshall Co; Russell Walker, Roseau Co; Barry Nelson, Becker Co; Grant Weyland, Clay Co; Larry Anderson, Cottonwood Co; Keith Englund and Jerry Rapp, Douglas Co; Troy Johnson and Doyle Sperr, Grant Co; Leon Olson, Kittson Co; Wayne Skoe, Koochiching Co; Doug Krueger, McLeod Co; Joe Teheny, Meeker Co; Don Jensen and Neil Peterson, Pennington Co; Jerry Jacobson, Polk Co; Chuck Flage, Red Lake Co; Bobby Harder, Sibley Co; Bob Kopitzke, Stevens Co; Dave Kircher, Todd Co; Dave Salberg, Traverse Co; Dennis Larson, Wilkin Co; Charlie Borrell, Wright Co; Brian Giese, Pope Co. Engineer, Andrea Vogel, Deputy Commissioner MN Dept. of Agriculture, Peder Kjeseth, MDA Gov't Affairs, Henry Erdman, Hemp Industry Lobbyist, Dan Larson, MRC Executive Director.

1) Approve Agenda; 2) Approve Minutes (March 11, 2019); 3) Treasurers Report; 4) Guest Speakers Andrea Vogel, Peder Kjeseth and Henry Erdman; 5) Legislative Update / Dan Larson; 6) Other MRC Business; 7) Adjourn.

1) Approve Agenda: Dave Salberg made a motion to adopt the agenda. Second by Dennis Larson. Motion adopted.

2) Approve Minutes: Dave Salberg made a motion to adopt minutes. Second by Dennis Larson. Motion adopted.

3) Treasurers Report: Sharon Bring gave the treasurer's report. Bob Kopitzke made a motion to adopt the report. Second by Don Jensen. Motion Adopted.

4) Guest Speakers Andrea Vogel, Peder Kjeseth and Henry Erdman.
Hemp industry lobbyist Henry Erdman provided insights into industrial hemp and CBD current and developing markets. He said interest in Minnesota, across the United States, and Canada from growers, processors and investors is increasing rapidly as a result of a 2018 farm bill classification change on hemp from narcotic to crop. The growth in interest can be measured by the number of applications MDA has received to grow industrial hemp - from seven in 2016, to 30 in 2017, to 40 in 2018 and over 400 this year after the federal designation change. Wisconsin has about 1,500 licensees, while the South Dakota governor vetoed a hemp marketing bill.

MN Dept. of Agriculture Asst. Commissioner Andrea Vaubel, and Government Affairs Director Peder Kjeseth discussed four issues MDA singled-out for being underfunded in the Senate Ag and Housing Finance Omnibus bill in testimony last week before the Senate Finance Committee. Issues discussed were:

\$618,000 the first year and \$539,000 the second year to replace equipment in the MDA laboratory

\$300,000 the first year and \$300,000 the second year for an industrial hemp pilot program

\$900,000 the first year and \$900,000 the second year for noxious weed prevention and preparedness

\$300,000 the first year and \$300,000 the second year for ag emergency preparedness and response activities

Henry Erdman discussed hemp as an emerging ag commodity. He said the newly-designated crop is fast becoming a consideration as a supplemental crop to corn and beans to many growers and that there is a 50 state race to see who can attract processors. Colorado, Montana, Ohio, Kentucky, Wisconsin and Minnesota are front-runners at this point. He said Kentucky just landed a facility that uses waste product from hemp to make fiberboard that looks like oak that currently employs 12 people.

He said the real trend in the market is with CBD for retail - with companies like Johnson & Johnson and L'Oréal placing large orders. He said researchers have developed a growing line of product applications that range from adhesives to cosmetics to carpet, ... George Wieblen is a U of M geneticist prominent in developing hemp products. The farm bill allows cross-border movement of MN fiber to Canadian processing facilities. Minnesota Hemp Farms is an early grower.

5) Legislative Update / Dan Larson

Dan Larson led a discussion on MRC legislative priorities. On broadband funding he said he was leading a media outreach program for MN Rural Broadband Coalition and would be writing several Letters to the Editor options members could select from to send to their local paper(s). He also said he had written a longer op/ed commentary for submission to a major daily under for MRBC Chairwomen Nancy Hoffman. He was directed to ask administrators for their media lists.

On county authority to maintain ditches, members supported continuing to work on the issue through the remainder of the session and in the interim. On Provider Tax, Dan Larson was directed to obtain the list of programs that would be affected by cuts and members would check with human service directors on impacts. On Greater MN Community Design Program, Dan Larson was directed to check with extension to see how the program compares with a similar program it runs.

On transportation funding the board agreed on the following message:

MRC supports funding that is distributed through the Highway User Tax Distribution Fund

6) Other MRC Business: Next meeting will take place May 6th, and be conducted on the GoToMeeting platform.

7) Adjourn: Dave Salberg made a motion to adjourn. Second by Bob Kopitzke. Motion adopted.

Minutes Approved _____

Sec / Treasurer _____