

FCS MONDAY MORNING

Legislative Update

March 1, 2010

FCS LEGISLATIVE RECEPTION RECOGNIZES HUGOSON AND DILLE FOR THEIR OUTSTANDING SERVICE

The accolades poured forth for a couple of Minnesota's outstanding public servants at the this year's Farm Credit Services Legislative Reception held on February 16th. Minnesota Ag Commissioner Gene Hugoson was acknowledged for his long and distinguished tenure under three governors. No other commissioner has done as much as Hugoson to bring Minnesota producers worldwide recognition as a stable source of wholesome food and reliable trading partners. While the evening marked Hugoson's last speech as Governor Pawlenty's ag commissioner, everyone present hopes to see him again, next year, in the same role only with a new boss.

State Senator Steve Dille (R-Dassel) was also acknowledged by Farm Credit members but, the warmest accolade were offered by several of his Senate colleagues. Senate Ag Committee Chair Jim Vickerman noted that Dille had been an important player in every major piece of farm legislation that had come out the ag committee during his tenure. Senator Gary Kubly (DFL-Granit Falls) said he had come to the legislature expecting that he and Dille would never find common ground. "I have come to trust Steve Dille," said Kubly. "He has the interest of Minnesota agriculture at heart and always put our producers ahead of partisan politics."

Both men were presented with a certificate of appreciation for their work on behalf of agriculture that read "We are better for the service you have given." In accepting his award, Dille told the touching story of his time as a military veterinarian in Vietnam and the family that he helped to immigrate to the U.S., after the war. "They came with nothing and have all become educated, contributing members of their communities," said Dille. "They are so thankful for all that they have been able to achieve in this country. I am tired of people who criticize America and take our blessings for granted. Think of all we have and all we have to offer others."

VICKERMAN ANNOUNCES HIS RETIREMENT FROM POLITICAL LIFE

"I couldn't be more proud to have been a voice for farmers and veterans at the Capitol"

Legislative veteran and Ag Committee Chairman Jim Vickerman (DFL-Tracy) announced his retirement from politics, last Monday (2/22/10). Vickerman has been a key player on agricultural and veterans issues for years, championing ethanol and biodiesel legislation. A farmer, he was elected to the Senate in 1986 and was re-elected six times. "There comes a time," said Vickerman. "There are good people out there. Let someone younger take it on. I leave sad and happy. What more can you ask?"

Vickerman has performed a balancing act over his years at the Capital, weighing his love for agriculture with his concern for the environment. He was a major promoter of the corn-based ethanol industry in Minnesota but, of late, has had a growing concern over the loss of water-managing grasslands that are being torn up to grow corn for those plants. "That shouldn't happen. We going to lose something we'll never get back, said Vickerman.

Vickerman was elected to the State Senate in the midst of the farm crisis of the mid-1980's and has remained popular with his constituents ever since, garnering 59% of the popular vote in the 2006 election. At 78 years-old and with over four decades in public life, Vickerman and his wife, Wave, plan to spend more time enjoying their their grandchildren and each other.

PORK PRODUCERS AND FEED SUPPLIERS PRESS MEASURE CREATING PRIORITY LIEN FOR FEED SUPPLIED DURING MEDIATION

The Minnesota Feed & Grain Association (MGFA) has teamed up with the Minnesota Pork Producers Association (MPPA) in promoting a bill that would give feed suppliers a priority lien in livestock if they provide inputs during the first 45 days of a farmer-lender mediation.

SF2465 is authored by Senator Jim Vickerman. The House companion bill - HF 2889 - is being carried by Rep. Al Juhnke, Chair of the House Ag Finance Committee. The measure would allow a feed supplier to deliver feed to a livestock operation during the first 45 days of mediation and recover payment by taking a lien in the livestock that is takes priority over existing lenders.

The bill was heard in the Senate on Thursday (2/25/10) and amended to require that the feed supplier give notice to the lender before delivering feed and shortening the period for perfecting the lien from six months to 60 days. FCS lobbyist, John Apitz, worked with officials from MPPA and the MGFA to reach this compromise language. The bill was approved and sent on to the Senate Judiciary Committee for further review.

The House bill will be taken up in the Ag Finance Committee on Tuesday (3/2/10).

BUDGET BALANCING BEGINS Governor Recommends 3 – 6 Percent Reductions in Agency Budgets

House and Senate finance committees began reviewing Governor Pawlenty's recommendations for balancing the state budget, this past week. Generally, the Governor has asked agencies to recommend a 3 percent reduction in their operating budgets and a 6 percent reduction in spending from any funds that they administer. For the Minnesota Department of Agriculture this means an operating budget reduction of nearly \$800,000 between now and June 30, 2011, as well as a deferment of nearly \$1.7 million in Ethanol Producer Payments. This will amount to a nearly 8.4% budget reduction for the current biennium.

In the next biennium, the Governor recommends a similar cut of \$2,242,000 to the Ag Department budget.

Over the coming weeks, the finance committee will use the Governor's recommendations as well as funding "targets" established by legislative leadership to attempt to get the current state budget back into balance before the close of the 2010 Session. Few in the Legislature are looking forward to work ahead. Everyone is concerned over what will be required to address the \$5 – 7 billion shortfall predicted for the 2011-2012 biennium.