



Inputs

Capitol Update

The actual legislative session was gavelled to order at 12 noon on Tuesday, February 25. However, for those of us watching events at the Capitol this session it seems to have been convened for months as so many pre-session hearings occurred. High on the Legislature's agenda this year is approving capital improvements, or bonding bill. Governor Mark Dayton has proposed a nearly \$1 billion dollar plan, and the legislature will formulate its own proposal in the coming weeks. Other issues in 2014 include raising the minimum wage, providing heating assistance, resolving the projected \$1.23 billion revenue budget surplus, and repealing the business-to-business taxes imposed in 2013.

Repealing Business-to-Business Taxes Passed in 2013 - State revenue officials released additional details regarding how a controversial new warehousing sales tax will work when it's set to take effect on April 1st, 2014. The clarifying guidelines also appear to be adding more fuel to the campaign to try to repeal the tax that would apply to any business buying storage or warehouse services from another entity. However, thanks to the lobbying of MCP R and our partners in the ag coalition during the 2013 legislative session these taxes were not applied to agriculture. With nearby states (Iowa, Illinois, Michigan, Wisconsin, and North Dakota) not taxing general warehousing services, legislators are motivated to act quickly to repeal these taxes. The ag coalition is working to repeal the farm equipment repair tax, another business sales tax passed by lawmakers in 2013. The tax applies to labor on farm equipment repair, but unlike the warehousing tax it took effect in July 2013. Replacement parts remain exempt from the tax, which was part of a broader expansion of the state's 6.875% sales tax to commercial equipment repairs. Look for legislative action to also repeal this tax.

Roundup Ready House Hearing - The House Agriculture, Environment, and Natural Resources Finance Committee, Chaired by Rep. Jean Wagenius (DFL-Minneapolis), held an informational hearing to discuss the existence of some weeds that have become resistant to glyphosate, or Roundup. Researchers testifying at the hearing confirmed that in some areas and counties of Minnesota they have identified suspected glyphosate-resistant weeds. Those weeds include common ragweed, giant ragweed, and water hemp.

(continued on page 3)



Inside this Issue

Capitol Update	1&3
Executive Director's Report	2
News Notes	1-3
Reguletter	Insert
Brad's View	4

News Notes

Chipotle Airs First Episode of "Farmed and Dangerous"

Recently the first episode of Chipotle's "Farmed and Dangerous" show was aired portraying the agriculture community and efforts by the agriculture industry to defend itself in a less-than-favorable light. The theme is "big agriculture" versus "sustainable" farmers who grow wholesome food. Fertilizer was only mentioned at the outset of the show when the founder of the "Animoil" feed supplement introduces his product to a public relations firm executive by claiming that the feed supplement will be good for the environment by eliminating the need to transport fertilizers, among other things, to farmers. (TFI)

More GMO Acres Planted

According to the International Service for the Acquisition of Agri-biotech Applications, farmers around the world grew a record 175 million hectares of biotech crops last year, up three percent from 2012. US farmers planted an estimated 173 million acres of biotech crops last year, up less than one percent from 2012. Brazilian farmers increased biotech acreage by 10 percent. Plantings in China increased five percent. European farmers planted 365,000 acres of biotech crops last year. Biotech acres in Canada went down seven percent last year. (BIO)

(continued on page 2)

Executive Director's Report

Hello MCPR members,

The inevitable swing in agriculture's economics has occurred with talk of \$3 corn. We all knew the pendulum would swing back the other way. Precise, professionally administered, agronomically sound crop input products and services will soon be applied across Minnesota's water sheds. MCPR members' precision ag systems vary by product and design, but the ultimate determinate of what works well is decided by the purchaser, the 40,000 Minnesotans who make their living farming. But we have another set of eyes determining what works and doesn't work, and those eyes are not usually disciplined by agronomy or ag economics. Rather, these folks are asking what our environmental impact is as we provide our products and services to growers. Slowly but surely environmental risk is entering the ag economics equation. The wonderful story our industry has to tell is that the best agronomic and best environmental practices often run parallel. But while we struggle to tell our story, the rest of the world is not listening. By and large, we have lost the argument about ag environmental impacts from their perspective. We really do have some work ahead of us in this arena. What do we mean, precision ag? I was interested recently in the announcement by S.S.T. Director of Training Bill Richardson that he has developed a Precision Ag Certification Program. Ten specific areas of study and mastery are components of this program. I wonder if this approach will prove useful as the industry matures?

The legislative session reminds us that a smaller group of Minnesotans understand modern agriculture each year. Because our representative form of government is a numbers game, meaning that everyone gets just one vote, each year agriculture loses a little more of our public policy influence in St. Paul and Washington D.C. Today I was in a legislative hearing discussion considering how the Department of Natural Resources (DNR) can better regulate ag pivots and better account for ground water usage. I noted with interest that a spirited defense of agriculture was waged by a metro legislator with few farmers among his constituents. This is a sober reminder that we need all the friends we can get if agriculture is to keep our public trust and franchise.

Until next time,



Bill Bond

News Notes/ continued from pg 1

Do FAA Regs Allow Farmers to Fly Drones?

North Dakota State University Extension machine specialist John Nowatzki updated the status of Unmanned Aerial Vehicles (UAV) at the Corn Knowledge conference recently. "Farmers now can do this on their own land legally, according to FAA's new regulations," said Nowatzki, "They just made that rule change in January. They do have to follow remote control rules. They can't go closer than three miles from an airport. They have to fly under 400 feet and they have to be able to see their aircraft while they're flying." (RRFN)

Editors Note – The FAA has stated that until they develop specific rules to specify the details of UAV operations which is due in 2015 (many believe will be delayed, however) commercial U.A.V. flights are not permitted. The F.A.A. has established several experimental sites throughout the USA to evaluate the issues.

The original FAA quote is as follows: Farmers may operate an unmanned aircraft over their own property for personal use and Guidelines for the operation of model aircraft, such as those published by the Academy of Model Aeronautics (AMA), may be used by farmers as reference for safe model UAS operations.

This is just a confirmation that lacking specific regulations, privately owned UAS are still considered radio controlled (R/C) vehicles by the FAA. And as such they refer to established AMA guidelines for how to safely operate a R/C vehicle over your private property. Nowhere in that statement do they sanction commercial agricultural applications.

MN Corn Growers Survey

Minnesota corn farmers remain cautiously optimistic about the outlook for corn farming, but were slightly less confident when asked about the general direction of agriculture overall according to a recent independent survey commissioned by the Minnesota Corn Growers Association. When asked if corn farmers will be better off, worse off or about the same three years from now, 19 percent said better, 31 percent worse and 47 percent the same. Corn farmers were asked the same question in 2012 and 17 percent responded with better, 28 percent worse and 49 percent the same. Respondents overwhelmingly said lower corn prices were the No. 1 issue facing their farms. Production and input costs were second and third. (MCGA)

The Natural Resources Defense Council (NRDC) Demands EPA Speed Up Butterfly Study

This winter's census of the Monarch butterfly in Mexico reported the lowest population levels ever measured. The agency has planned to start the review later this year, but NRDC wants EPA to begin its review within 30 days and complete it within six months. The petition claims that the widespread use of glyphosate is causing "significant ongoing harm" to the butterflies, largely by killing milkweed. (MABA)

(continued on page 3)

Capitol Update/ continued from pg 1

Hearing testifiers were Dr. Jeff Gunsolus, Professor and Extension Weed Scientist - University of Minnesota, and Dr. Don Wyse, Professor and Co-Director of the Center for Integrated Natural Resources & Agricultural Management (CINRAM). The professors stressed that if herbicide resistant weeds continue to increase there may be a growing risk to corn and soybean farmers in terms of loss of yields and profits and that farmers may need to rethink their weed management strategies such as herbicide inputs, crop rotation, cultural control and crop competition. Some believe the real motivation behind this issue is an attempt to discredit GMO innovations...establishing GMO labeling on food ingredients being the likely goal of this political effort. However, little progress on GMO labeling is expected.

Pollinator Concerns - MDA Development of Pollinator Habitat Best Management Practices – The MDA was directed by the 2013 legislative session to develop best management practices (BMPs) that protect pollinators by providing habitats necessary for their survival and to use funds from the pesticide regulatory account for their development. These practices are to be incorporated into pesticide applicator and county agricultural inspector training. In addition, the MDA Commissioner was also required to submit a pollinator report to the legislative committees and divisions with jurisdiction over agriculture and nature resources. The report was released in January and includes a proposal to establish a pollinator bank to preserve pollinator species diversity, as well as a proposal to create and enhance pollinator nesting and foraging habitats and the establishment of pollinator reserves or refuges. Several legislative hearings on pollinators have and will occur. The report also included the process and criteria the commissioner will use to perform a special review of neonicotinoid pesticides registered by the commissioner for use in this state currently and in the future. Much of this effort may be duplication of federal government pollinator research and reports. Of course, MCPR member firms are very active in researching and reporting on pollinator issues. Pollinators are very important to agricultural systems and MCPR members...Minnesota agriculture must maintain leadership on pollinator issues. Some Minnesota bee keepers are going on the attack against MCPR members and our products and services. What is ironic is that some of these same bee keepers agitated in the legislature against MDA record keeping of bee colony locations. Of course, MCPR members utilized this MDA resource to avoid pesticide over drift on bee colonies of record. The MDA granted the beekeepers request by eliminating the records of bee colony locations...thereby reducing our ability to coordinate with the bee keepers related to avoiding their colonies. The bee keepers are not united in these issues...working directly with them is difficult.

Transportation Safety - The House and Senate Transportation Committees held hearings on oil freight and pipeline safety. Expect legislation on identifying and funding gaps in our emergency response system. Related to rail road oil and fertilizer transport, one of the committees played videos of CNN's news coverage from the incidents in ND and Quebec. The testimony indicated that oil pipelines and trains are not the only hazards, and that ethanol and anhydrous ammonia are also considered hazardous.

Minimum Wage Debate- Like the federal debate, Minnesota once again mirrors the approach being taking in Washington D.C. to increase the current MN \$6.15 /hr. large employers and \$5.25/hr. small employers' minimum wage. The MN House approach is an incremental increase to \$9.50/hr. for large employers and \$8.50/hr. for small employers, The Senate is not as aggressive, currently proposing \$7.75/hr. by 2015. The special 48 hour overtime ag exemption is at risk in the House which proposes 40 hours to overtime. With the political composition of the MN Senate/House/ and this Governor, plan on an increase in Minnesota's minimum wage law once the House and Senate majority can come to agreement. Many were surprised when the legislature could not reach agreement on the state minimum wage bill last year...supporters vow the minimum wage will increase this year.

News Notes/ continued from pg 2

Water Management Complicated by the New Farm Bill

The new farm bill will make it harder to drain nuisance wetlands. Rinke Noonan attorney John Kolb made that point at a tile drainage seminar in Wahpeton. "We've seen in the last several years people getting out of the farm program because they thought it was too restrictive on the ability to use their land and to drain what they considered marginal wetlands or nuisance areas," said Kolb, "They (Congress) looked for a way to tie compliance to something that farmers have a more difficult time doing without and that's crop insurance." Kolb says uncertainty over the Clean Water Act will continue to be a major concern for farmers. "Uncertainty about how the Corps of Engineers is implementing the Clean Water Act has made it very difficult to give advice with a predictable outcome because the interpretation of Supreme Court rulings and local Corps policies, especially in Minnesota, seems to be inconsistent with what past practices have been." (RRFN)



MINNESOTA CROP PRODUCTION RETAILERS

15490 101st Ave. N., Ste. 100
Maple Grove, MN 55369

Phone 763-235-6466

Fax 763-235-6461

www.mcpr-cca.org

FIRST-CLASS MAIL
U.S. POSTAGE
PAID
TWIN CITIES, MN
PERMIT NO. 27334

MCPR Board

Brad Englund,
Board Chair

Jeff Arnold
Matt Benda
Cory Buysse
Perry Estabo
Dale Johnson
Craig Maurer

Michael Minnehan
Sean Ness
T.J. Phillips
Arnie Sinclair
Bryan Strickler
Rick Walker

Staff

Bill Bond
Executive Director

Jessica Brunelle
Membership
Regulatory
Compliance Manager

Brad's View

MCPR Members:

Thanks for your prompt MCPR membership renewals...membership looks strong again this year. MCPR members indicate their support to advance our interests and goals together which sends a strong signal that we are united and strong.

MCPR is busy at the Minnesota state capitol and also at the regulatory agencies watching out for your interests. We strive to represent your interests as public policy is developed and considered. As you move into the demanding spring crop input applications, MCPR is also in the public policy arena diligently protecting MCPR member interests and legacy.

This is a winter we will all remember for a long time! Weather is such a critical part our industry. I think more than ever, this spring cannot come fast enough! Be safe out there!

Brad Englund
MCPR Board Chair