



Agricultural Emergency Account

2020 Annual Report



Lucia Hunt

Acting Director, Office of Emergency Preparedness and Response

625 Robert Street North
Saint Paul, Minnesota 55155
Phone: 651-201-6637

www.mda.state.mn.us

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The estimated cost of preparing this report (as required by Minn. Stat. § 3.197) is \$450.00.

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Introduction

In 2015, an outbreak of Highly Pathogenic Avian Influenza hit commercial turkey, broiler, and layer flocks in several states. Minnesota poultry growers were severely impacted, and federal and state resources were crucial to resolution of the outbreak. A review of the government response highlighted the strengths and weaknesses of existing preparedness and response plans. The Agricultural Emergency Account was established by the Minnesota Legislature to encourage preparedness and response activities for all agricultural hazards. A one-time transfer of \$1 million was appropriated to the account in 2016. One of priorities was the establishment of the Office of Emergency Preparedness and Response (OEPR) at the Minnesota Department of Agriculture (MDA) in 2017. In 2020, statutory language was altered to exclude preparedness activities from fund expenditures.

Staff of the OEPR continuously engage with industry (food, crop, livestock, poultry) representatives, other federal and state agencies, county governments, academics, and allied industries to enhance preparedness and improve response operations for animal disease outbreaks, food safety emergencies, and invasive species eradication. Our production clientele includes over 73,000 farm operations and supports close to 400,000 jobs, all depending on a quick and efficient response to all ag emergency situations.

This report is submitted in accordance with Minnesota Statute (MINN. STAT. 17.041.3). No later than February 1 each year, the commissioner must report activities and expenditures under this section to the legislative committees and divisions with jurisdiction over agriculture finance.

Background

Minnesota is the second largest hog-producing state in the nation, raising over 17 million pigs on 3,000+ farms. Farms are concentrated in the southern third of the state. Minnesota's two largest pork processing plants, JBS in Worthington (Nobles County) and Quality Pork/Hormel in Austin (Mower County) take in about 30% of their hogs from Minnesota farms. The remainder of the pigs raised in Minnesota are processed at smaller facilities or sent out of state to plants in South Dakota, Iowa, and Nebraska.

In March and April of 2020, meatpacking plant workers started experiencing extremely high infection rates by the novel coronavirus. Worker absenteeism due to illness, fear of illness, and logistical issues caused several pork processing plants to shutter. The Smithfield pork processing plant sits just across the border in Sioux Falls, SD, and takes around 19,500 hogs per day. Smithfield, a major destination for Minnesota animals, closed on April 13. One week later, the JBS plant in Worthington, normally slaughtering 21,000 hogs per day, closed for deep cleaning. One by one, several more plants in Iowa and across the country slowed production lines or closed completely for the health and safety of employees. Nationwide pork processing capacity was reduced to 55% by early May. The Minnesota Board of Animal Health (BAH) requested the

MDA to stand up the Ag Incident Management Team (IMT) at that time to address the impact of these and other plant closures on Minnesota's livestock and poultry producers.

Widespread plant closures squeezed producers with market-ready hogs between production cycles as open barn space was sought to raise a younger herd. Farmers fed animals new diet formulations to halt or slow growth. They built or added on new barns, reached out to smaller slaughter facilities to take animals, or sold or gave away finished pigs to keep them in the human food stream. As those alternatives dried up, producers were forced to turn to depopulation measures. While undergoing deep cleaning in the processing area, JBS opened its kill floor to contract growers and were able to depopulate 3,000 head of hogs per day. Production systems implemented mass depopulation programs to ease the burden for individual farmers. The MDA estimates over 400,000 pigs of all sizes and weights were depopulated in the state. Most of those carcasses went to regional rendering plants, but some went to landfills, were composted by private systems, and more than 20,000 were hauled to the state's central disposal sites for grinding and composting.

The MDA regularly partners with the BAH to prepare and respond to foreign animal disease outbreaks. In February 2020, the agencies conducted a grinding and composting trial in southwest Minnesota. State contractors followed procedures that composted carcasses after grinding them up with a carbon source. The demonstration brought together producers and pork industry representatives, state agencies, and emergency response contractors. Officials saw how the process worked, but the conversations and relationships built during a preparedness exercise allowed the Board of Animal Health and MDA to act quickly as a focused team when this non-animal disease issue arose. The two agencies were able to successfully employ the same response for a different purpose because of preparedness.

Agricultural Response to COVID-19

The Ag Emergency Account was unlocked when the IMT was activated by the Commissioner of Agriculture. Access to these dedicated funds allowed the team to lease two parcels of land to act as centralized disposal sites. In Nobles County, 20 acres of private farmland was secured in late April, and two weeks later another 20-acre parcel was leased in Le Sueur County. A careful selection process by the IMT identified sites that satisfied privacy, access, and environmental protection criteria. Lease contracts were directed and administered on behalf of the IMT by the Minnesota Department of Administration.



Figure 1: Twenty acres of cropland set aside for composting operations

These two locations were the bases for statewide response operations. Sites were essential to operations by providing a physical parcel for use by contractors to accept deliveries of carbon and carcasses, as well as run the grinding and composting activities to process the carcasses. Strategically located near counties with the highest density of pig farms, producers were able to transport carcasses without incurring excessive transportation costs.

The timing of setting up these sites was critical as producers were in dire need of immediate disposal options. The availability of the Ag Emergency Account filled the 2-day gap between when operations started and when a special state appropriation was granted by the Minnesota Legislature to cover most of the expenses for the operation.



Figure 2: Horizontal grinder used for composting carcasses

State emergency response contractors were issued a work order to assemble all equipment needed for a functioning site. They subcontracted with Minnesota-based companies to arrange for a horizontal grinder, excavator, front end loaders, skid steers, pressure washers, and porta-johns to be delivered to the site. The contractors ordered thousands of cubic yards of wood chips to use as a carbon source for composting and oversaw its delivery and unloading. They designed the site layout based on traffic flow, access, and safety. All equipment was staged, the base layers of compost beds were under construction, and carbon piles were accessible to heavy equipment operators before the arrival of the first carcasses on May 2.

These sites would be in operation for 8-10 weeks before meatpacking plants were in widespread operation and the markets could once again absorb market-ready animals.



Figure 3: Compost fire in Nobles County (12/26/20)

Additional expenses related to the response were for land leases not invoiced in Fiscal Year (FY) 2020 and storage space rental for depopulation equipment made available to the state through the National Veterinary Stockpile. A final use for critical response dollars came at the end of the year after alternate funding ceased and costs were incurred to extinguish a compost pile in Nobles County that spontaneously combusted.

Ag Emergency Account Budget 2020

Expenditures as of February 9, 2021

Category	FY20	FY21
Personnel	1,576.31	
Equipment & Supplies	229.93	
Space/Land Rental	18,950.00	26,800.00
COVID-19 Response	158,365.87	
Total Spent	179,122.11	
Year-End Balance	544,706.83	

FY21 projections are based on long-term lease arrangements on acres rented for carcass composting.