

CHAPTER 268—S.F.No. 3017

An act relating to agriculture; providing for a study and report on public and private funding of a milk volume production loan program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **MILK VOLUME PRODUCTION LOAN PROGRAM FUNDING STUDY.**

Subdivision 1. **Study.** The commissioners of agriculture and employment and economic development must study the feasibility of a public and private partnership to fund a milk volume production loan program that would make low-interest loans to dairy producers of at least \$500 per cow, as part of the producers' dairy capital improvement projects designed to increase milk production in Minnesota. The commissioners shall recommend an appropriate limit on the number of cows per producer to be covered by this program. The study must determine whether there is sufficient interest among agricultural lenders, private agribusiness, and the dairy industry to establish an adequate revolving loan fund for the program, consisting of private donations matched by public funding from existing economic development funds, rural development funds, or additional legislative appropriations.

Subd. 2. **Report.** By January 2, 2007, the commissioners of agriculture and employment and economic development must report on the results of the study required in subdivision 1 to the chairs of the committees of the house of representatives and the senate with jurisdiction over agricultural policy. The report must include recommendations on the following items:

- (1) estimated program administration costs;
- (2) the terms of a milk volume production loan including, but not limited to, amortization options and the rate of interest required only to cover program administration costs;
- (3) producer loan eligibility criteria; and
- (4) the amount of annual private contributions and public matching funds needed to establish a sustainable and effective revolving loan program for milk volume production loans.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment.

Presented to the governor May 22, 2006

Signed by the governor May 26, 2006, 5:12 p.m.