

## CHAPTER 21A

## SOYBEANS

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**21A.01 PURPOSE.** It is hereby declared that the market development, promotion and advertising, market research and production of soybeans grown in Minnesota is important to the general welfare of the people of Minnesota; that it is in the public interest that better methods of marketing, producing, processing, advertising, and promoting soybeans grown in the state of Minnesota be fostered, encouraged, developed, and improved, so that the soybean industry within the state, the people employed by said industry, directly or indirectly, and the people of the state of Minnesota, should be benefited thereby; and that accomplishment of these purposes requires establishment of a Minnesota soybean research and promotion council for the purpose of contributing to the protection, expansion, stabilization and improvement of the agricultural economy of this state. Sections 21A.01 to 21A.19 shall not be construed to abrogate or limit, in any way, the rights, powers, duties and functions of the commissioner of agriculture or any other agency of the state, but shall be supplementary thereto, and in aid and cooperation therewith.

[ 1969 c 277 s 1; 1976 c 149 s 62 subd 3; 1977 c 28 s 1 ]

**21A.02 DEFINITIONS.** Subdivision 1. As used in sections 21A.01 to 21A.19, the terms described in this section shall have the meanings ascribed to them.

Subd. 2. "Soybeans" means soybeans grown within the state of Minnesota for use as food, feed, seed, or any industrial or commercial use.

Subd. 3. "Commercial channels" means the sale of soybeans to any commercial buyer, dealer, processor, cooperative, or to any person, public or private, who resells any soybeans or product produced from soybeans.

Subd. 4. "Person" means any individual, corporation, association, cooperative, or partnership.

Subd. 5. "Council" means the Minnesota soybean research and promotion council.

Subd. 6. "First purchaser" means any person that buys soybeans from the grower in the first instance; or any lienholder or pledgee, public or private, or assignee of said lienholder, secured party or pledgee, who gains title to the soybeans from the grower as the result of exercising any legal rights by the lienholder, secured party, pledgee, or assignee thereof, regardless of when the lien, security interest or pledge was created. First purchaser also includes any person, public or private, who acquires a lien or security interest or receives a pledge of the soybeans after said soybeans are harvested.

Subd. 7. "Commissioner" means the commissioner of agriculture of the state of Minnesota.

Subd. 8. "Grower" means any person who owns or operates a soybean growing facility and shares in the profits and risk of loss from such facility and who plants, raises, and harvests soybeans during the current or preceding marketing year.

Subd. 9. "Qualified voter" means any grower defined herein.

Subd. 10. "Promotional order" means an order issued by the commissioner pursuant to this chapter which establishes a program for promotion, advertising, production, market research, and market development of the growing, processing, distributing, sale of or handling of soybeans and soybean products and provides for the collection of fees, financing the same.

Subd. 11. "Sale" means any passing of title from the grower to the first purchaser. Sale includes any pledge, security interest or lien of soybeans after harvest.

Subd. 12. "Marketing year" means a one-year period from September 1 to the last day of August in the following year.

[ 1969 c 277 s 2; 1976 c 149 s 11 ]

**21A.03 SOYBEAN COUNCIL; MEMBERS.** There is hereby created the Minnesota soybean research and promotion council. Upon the petition of not less than 500 soybean growers, the commissioner shall proceed to conduct an election to determine the members of the council. The council shall consist of representative growers of the major soybean-producing crop reporting districts, as reported by the State-Federal Crop and Livestock Reporting Service, as follows: Each crop reporting district that reports soybean acreage and that has a five-year average soybean acreage of at least 5,000 acres, but not more than 300,000 acres, shall have one member; each district that reports a five-year average soybean acreage of at least 300,000 acres, but not more than 750,000 acres, shall have two members; and each district that reports a five-year average soybean acreage in excess of 750,000 acres shall have three members.

The commissioner shall appoint a nominating committee of two growers in each crop reporting district to be represented on the committee. This committee shall nominate two qualified nominees for each position or vacancy on the council. Such nominations shall be for the initial terms assigned to each district as provided in this section. The commissioner shall forthwith conduct an election in each crop reporting district among soybean growers in such manner as he deems fair and reasonable. Each ballot shall make provision for write-in votes and shall contain a certification by the grower that he is a qualified grower according to section 21A.02, subdivision 8. A plurality of the votes cast shall be sufficient to elect any candidate. The commissioner or his designee shall be an ex officio non-voting member of the council.

The council shall elect annually from its membership a chairman and vice chairman and such other officers as it may deem appropriate.

[ 1969 c 277 s 3; 1973 c 406 s 1; 1976 c 149 s 12,62 subd 3 ]

**21A.04 TERMS OF MEMBERS.** Except as provided herein with respect to initial members of the council, each member shall be elected for a three-year term. Regular elections shall be conducted by the commissioner as provided by section 21A.03 and any rule promulgated pursuant thereto. Each member shall hold office until his successor is elected and qualified. When a vacancy occurs for any reason the council shall by majority vote appoint a successor to fill the unexpired term. The successor so appointed shall be a grower residing in the same crop reporting unit as the former member whose departure created the vacancy.

[ 1969 c 277 s 4; 1976 c 149 s 62 subd 3; 1977 c 28 s 2 ]

**21A.05 RULES.** In administering sections 21A.01 to 21A.19, the commissioner shall have any of the powers conferred upon him by law. He may, after consultation with the council, promulgate such rules as are deemed necessary to effectuate the purposes of sections 21A.01 to 21A.19, including but not limited to, administration of the promotional order, establishment of minimal requirements to qualify as a producer, and overseeing the preparation of an annual report of the programs financed in whole or in part by the order.

[ 1969 c 277 s 5; 1977 c 28 s 3 ]

**21A.06 PROMOTIONAL ORDER.** The council shall meet as it may determine, or upon call of the chairman or any three members. Promptly after its election, the council shall meet and, with the commissioner, shall formulate a promotional order establishing a program including, but not limited to, market development, promotion, advertising, market research, production and distribution of soybeans grown in Minnesota. The order shall establish a fee to be paid by growers to finance the proposed activities. Except as provided herein, the fee shall not be less than one-half cent per bushel upon all soybeans grown in the state of Minnesota and sold in commercial channels, beginning with and including soybeans harvested in the marketing year beginning September 1, 1973, and each and every marketing year thereafter. The order shall also indicate the maximum assessment rate which shall not exceed one-half percent of the market value of the year's production of all participating producers. Any

increase in the assessment provided for in the promotional order must be within the limit herein prescribed in increments of not more than one-half cent per bushel annually and must be approved by a majority of voting participating producers in a referendum held for that purpose after reasonable notice of such proposed increase. Any decrease in the assessment shall be by decision of the council, however, such decrease shall not establish an assessment of less than one-half cent per bushel unless approved by a majority of voting participating producers in a referendum held for that purpose after reasonable notice of such proposed decrease. The order may also authorize the collector of the fee to retain an amount specified by the council for the expenses of collecting the fee.

The commissioner, after consultation with the council, shall hold a public hearing on the proposed promotional order and shall thereafter hold a referendum on the final promotional order among growers. The commissioner, after consultation with the council, shall specify the time and procedure for the referendum. The commissioner shall count and tabulate the ballots. The promotional order shall become effective if approved by a majority of those voting in the referendum.

[ 1969 c 277 s 6; 1973 c 406 s 2; 1976 c 149 s 62 subd 3; 1977 c 28 s 4 ]

**21A.07 PAYMENT OF FEES.** Subdivision 1. The fee shall be deducted by the first purchaser at the time of sale, provided, however, that occasional sales between growers shall be exempt from the provisions of sections 21A.01 to 21A.19; or in the case of a lienholder, secured party or pledgee, public or private, or assignee of said lienholder, secured party or pledgee, who gains title to the soybeans from the grower as the result of exercising any legal rights by the lienholder, secured party or pledgee, or their assigns, the fee shall be deducted at the time said rights are exercised; or in the case of a first purchaser who acquires a lien or security interest or receives a pledge of soybeans after harvest, the fee shall be paid by said first purchaser at the time of creating the lien, security interest or pledge. The fees shall be deducted as provided herein, regardless of whether or not the first purchaser is a Minnesota resident or stores the soybeans outside of Minnesota.

Subd. 2. The council shall be named as payee and entitled to receive a fee on each bushel equal to the fee payable under subdivision 1, when the grower's loan-and-note agreement is filled out in the county agricultural stabilization and conservation office. In such case, the lending agency shall remit the fee directly to the council. When the grower's loan-and-note agreement shows that the fee has been deducted and remitted to the council, it shall not be necessary for a subsequent buyer to deduct the fee at time of purchase.

[ 1969 c 277 s 7; 1976 c 149 s 62 subd 3 ]

**21A.08 PRIORITY OF LIEN.** All rights and obligations created under sections 21A.01 to 21A.19 shall have priority to all other liens, security interests or rights created by chapter 336, provided that this section shall not impair any security interests which have been perfected prior to the effective date of Laws 1969, Chapter 277. This section shall not apply, however, to any lienholder, secured party or pledgee, or an assignee of said lienholder, secured party or pledgee if the priority herein established would impair, jeopardize, or in any manner diminish any rights created by chapter 336 which have vested prior to the effective date of Laws 1969, Chapter 277.

[ 1969 c 277 s 8 ]

**21A.09 DEPOSIT OF FEES; USE.** Subdivision 1. Fees collected pursuant to sections 21A.01 to 21A.19 shall be deposited in a bank or banks or other depository approved by the commissioner of banks and shall be disbursed by such officers and employees as may be approved by the commissioner, with the advice and consent of the council, for the necessary expenses incurred in the administration of sections 21A.01 to 21A.19, and said funds are hereby appropriated for the purposes of sections 21A.01 to 21A.19.

Subd. 2. Fees collected shall be used exclusively for the purposes described in section 21A.01, and no part thereof may be used to support any political party or candidate for public office. However, the council may utilize a portion of such fees not to exceed ten percent of the fees collected annually to expand or maintain soybean markets in any of the following ways: (a) to oppose any foreign or domestic barriers to free trade; (b) to maintain liaison with and furnish data and information to all interested governmental branches, departments and personnel relative to the interests of

soybean growers.

Subd. 3. All persons authorized to control, handle, or disburse funds shall provide bond in such form and amount as may be required from time to time by the council.

[ 1969 c 277 s 9; 1976 c 149 s 62 subd 3; 1977 c 28 s 5 ]

**21A.10 COMPENSATION AND EXPENSES.** No member of the council shall receive a salary. Each member, while engaged in the performance of the duties herein authorized, shall be entitled to his actual expenses incurred and to a reasonable per diem at a rate to be established by the council and approved by the commissioner, not to exceed \$35 per day. The council may appoint an attorney for the council and the commissioner. The attorney so appointed shall act as attorney for the commissioner only in discharging any provision of sections 21A.01 to 21A.19. The council shall fix the compensation and terms of employment of the attorney who shall act for the commissioner and the council when required and shall serve at the pleasure of the council. The provisions of chapter 8, shall not apply to this attorney.

[ 1969 c 277 s 10; 1973 c 406 s 3; 1976 c 149 s 62 subd 3 ]

**21A.11 ADDITIONAL POWERS OF COMMISSIONER.** The commissioner, with the advice and consent of the council, may contract and cooperate with any person, firm, corporation, or association, or with any local, state, federal, or international agency, including the Minnesota department of agriculture, for market development, education, publicity, promotion, research, transportation, and advertising within the purposes of sections 21A.01 to 21A.19; appoint, employ, bond, discharge, fix compensation for, and prescribe the duties of such administrative, clerical, technical, and other personnel and agencies as may be deemed necessary.

[ 1969 c 277 s 11; 1976 c 149 s 62 subd 3 ]

**21A.115 COOPERATION.** The commissioner is authorized to cooperate and enter into agreements with any appropriate agency of any state for the purpose of carrying out the provisions of sections 21A.01 to 21A.19, and in securing uniformity of administration and enforcement.

[ 1977 c 28 s 6 ]

**21A.12 ADDITIONAL POWERS OF COUNCIL.** In addition to the other duties and powers of the council, as herein set forth, it may:

- (1) Assess growers and provide a procedure for the collection of funds to finance promotional orders;
- (2) Collect such necessary information and data as the commissioner and council may deem necessary to the proper administration of sections 21A.01 to 21A.19;
- (3) Prepare and submit to the commissioner an annual estimated budget for the operation of the promotional order;
- (4) Prepare an annual report on the programs of the order, said report to be made available to the producers concerned;
- (5) Provide for an annual audit of funds to be made by a qualified auditing entity;
- (6) Expend the funds collected pursuant to provisions of sections 21A.01 to 21A.19 and appropriated for its administration;
- (7) Accept donations of funds, property, services, or other assistance from public or private sources for the purposes of furthering the objectives of sections 21A.01 to 21A.19;
- (8) Investigate and prosecute in the name of the state of Minnesota any action or suit to enforce the collection or insure payment of the fees authorized by the provisions of sections 21A.01 to 21A.19 and to sue and be sued in the name of the council; and
- (9) Do all other things necessary to the administration and implementation of sections 21A.01 to 21A.19.

[ 1969 c 277 s 12; 1976 c 149 s 62 subd 3; 1977 c 28 s 7 ]

**21A.13 MEETINGS, QUORUM.** A majority of the voting members of the council shall constitute a quorum for the transaction of all business in carrying out the

duties of the council.

[ 1969 c 277 s 13; 1976 c 149 s 62 subd 3 ]

**21A.14 RECORDS OF COUNCIL.** All of the records of the council shall be public records and shall be available for the inspection of any person for any lawful purpose, provided however, that the council shall be empowered to make reasonable rules concerning the inspection of such records and the time or place of such inspection, or the manner in which the information shall be made available.

[ 1969 c 277 s 14; 1976 c 149 s 62 subd 3; 1977 c 28 s 8 ]

**21A.15 MISDEMEANOR TO VIOLATE PROVISIONS OF SECTIONS 21A.01 TO 21A.19.** Any person who violates any provision of sections 21A.01 to 21A.19 or rule of the commissioner promulgated pursuant hereto, is guilty of a misdemeanor.

[ 1969 c 277 s 15; 1977 c 28 s 9 ]

**21A.16 SUSPENSION OR TERMINATION OF SOYBEAN PROMOTIONAL ORDER.** Subdivision 1. The commissioner, after consultation with the council, shall suspend or terminate a promotional order whenever he finds, after a public hearing, that an order is contrary to or does not tend to effectuate the declared purposes or provisions of sections 21A.01 to 21A.19, provided that such suspension or termination shall not become effective until the expiration of the current marketing year.

Subd. 2. If the commissioner finds that termination of any promotional order is requested in writing by more than 500 growers, the commissioner shall, after consultation with the council, conduct a referendum to determine whether or not the promotional order shall be continued. He shall terminate the promotional order if a majority of the growers voting in the referendum vote in favor of termination. The referendum shall be conducted in such manner as the commissioner, after consultation with the council, deems fair and reasonable.

Subd. 3. Any funds remaining with the council after the termination of an order under this section shall be expended to meet existing legal obligations of the council. Any surplus remaining shall be expended for soybean market research purposes in Minnesota, or other lawful purposes under sections 21A.01 to 21A.19, at the discretion of the council.

[ 1969 c 277 s 16; 1973 c 406 s 4; 1976 c 149 s 62 subd 3; 1977 c 28 s 10,11 ]

**21A.17 REFUND OF FEE.** Any grower may, by the use of forms provided by the commissioner and upon presentation of a sworn statement that no security interest in that particular soybean crop remains unsatisfied and such other proof as the commissioner may require by rule, have the fee paid pursuant to sections 21A.01 to 21A.19 refunded to him. A lienholder, secured party or pledgee, or assignee of a lienholder, secured party or pledgee may, by use of the forms provided by the commissioner and upon presentation of a sworn statement that such party has taken title to that particular soybean crop through the exercise of a legal right or that such party has himself paid the required fee and such other proof as the commissioner may by rule or regulation require, have the fee paid pursuant to sections 21A.01 to 21A.19 refunded to him. Any request for refund must be received in the office of the commissioner or the council within 60 days following the payment of such fee. Refund shall be made by the commissioner within 30 days after receipt of the request for refund provided that the fee sought to be refunded has been received.

[ 1969 c 277 s 17; 1976 c 149 s 62 subd 3; 1977 c 28 s 12 ]

**21A.18** [ Repealed, 1977 c 28 s 14 ]

**21A.19 NONLIABILITY OF STATE; SEVERABILITY.** Subdivision 1. No liability shall be imposed upon the state of Minnesota for any acts or omissions of the commissioner or of the council established pursuant to sections 21A.01 to 21A.19.

Subd. 2. If any section, subdivision or other portion of sections 21A.01 to 21A.19 shall be adjudged unconstitutional by a court of competent jurisdiction, such adjudication shall not impair the validity of the remaining sections, subdivisions or portions of sections 21A.01 to 21A.19.

[ 1969 c 277 s 19; 1976 c 149 s 62 subd 3; 1977 c 28 s 13 ]