

SF239 - 0 - Cell-Cultured Products Label Reqmt. Established

Chief Author: **Rich Draheim**
 Committee: **Agriculture, Veterans, Broadband, And Rural Development**
 Date Completed: **2/25/2025 8:01:00 PM**
 Agency: **Agriculture Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings		X
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	34	34	34	34	34
Federal Fund	-	-	-	-	-	-
Total	-	34	34	34	34	34
Biennial Total			68			68

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	.17	.17	.17	.17
Federal Fund	-	.16	.16	.16	.16
Total	-	.33	.33	.33	.33

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Karl Palm **Date:** 2/25/2025 8:01:00 PM
Phone: 651-296-6055 **Email:** karl.palm@lbo.mn.gov

State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2025	FY2026	FY2027	FY2028	FY2029
General Fund	-	34	34	34	34	34
Federal Fund	-	-	-	-	-	-
Total		-	34	34	34	34
Biennial Total				68		68
1 - Expenditures, Absorbed Costs*, Transfers Out*						
General Fund	-	34	34	34	34	34
Federal Fund	-	-	-	-	-	-
Total		-	34	34	34	34
Biennial Total				68		68
2 - Revenues, Transfers In*						
General Fund	-	-	-	-	-	-
Federal Fund	-	-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-

Bill Description

This bill makes minor corrections to labeling provisions for meat and poultry products and modifies the definition of meat and poultry products contained within 31A to include cell cultured meat and poultry products. This modification would bring such products under the regulatory purview of the Minnesota Meat and Poultry Inspection program, which is consistent with current Federal interpretations on where such products fall (USDA FSIS meat and poultry inspection). This means such establishments would be subject to the daily inspection provisions contained in these requirements and MDA would be required to assign inspection resources and cover all shifts during which applicable products are produced.

Assumptions

Initially MDA would expect to have one additional inspected establishment, with one additional added within three years (two establishments total). Because these establishments do not currently fall under meat inspection, MDA does not have a baseline from which to draw; MDA believes interest in such products is likely to be limited, but that it will exist. The absorption of such associated costs by the meat inspection program would depend upon when the establishment is added, and its location and proximity to an inspection and other inspected establishments. Because the MDA meat inspection program is unable to add new establishments due to funding constraints, these are included as additional program costs.

Such establishments would be meat processors and are likely to be frequent operators. Estimates were made using a plant that operates five days a week under inspection year-round; inspectors would have one daily shift at each establishment, averaging about an hour per inspection. Travel estimates could vary widely; calculations were made using a 50-mile roundtrip for each inspection visit (260 inspections/year).

Expenditure and/or Revenue Formula

Staff expenses: Salaries and fringe for the expected staff are calculated based on the following information.

Expenditure (Actual Dollars)	Amount	FY 2026	FY 2027	FY 2028	FY 2029	Notes
Salary & Fringe:		FTE	FTE	FTE	FTE	
\$124K Ag Advisor - MAPE 10L	124,000	0.13	0.13	0.13	0.13	Inspections would be spread between existing inspection staff, based on geographical locations, though assigned to one primary inspector in charge. FTE included here would be total expected, assuming 5 days/week inspection, for 1 hour each day, 52 weeks per year.
\$139K Ag Consultant - MAPE 14L	139,000	0.05	0.05	0.05	0.05	Food safety audits, training of staff
\$152K Food Inspection Supervisor MMA 20K	152,000	0.05	0.05	0.05	0.05	Oversee inspections, including managing inspection schedules
\$166K Agric Program Supervisor MMA 23K	166,000	0.05	0.05	0.05	0.05	Oversee program, outreach/education
\$139K Food Stndrds Compliance Officer - MAPE 14L	139,000	0.05	0.05	0.05	0.05	Address noncompliance operations during surveillance and responding to complaints, tips
	FTE	0.33	0.33	0.33	0.33	
	Subtotal	45,920	45,920	45,920	45,920	

Other:

IT Equipment: \$2,300 per year*.33 FTE= \$775

Travel: 260 inspections/year*50 miles*.70/mile=\$9,100/year

Mobile Phone: A portion of a mobile phone is included in accordance with the calculated \$630 per year * .33 FTE * = \$207

Subtotal: \$10,082

Total: \$56,002/year (56,000 estimate) FY 26, 27, 28, 29

Revenue: USDA FSIS Match (40%): 22,000/year

Net: \$34,000 expenditures/year

As a part of the Minnesota Equal To inspection program and as subject to the Federal Meat Inspection Act, these activities would be eligible for up to a 50% funding match from USDA FSIS. However, MDA is currently only receiving a 40% (or less) match, thus a reduced rate of revenue is projected.

Long-Term Fiscal Considerations

Depending upon interest in processing of cell cultured meat and poultry products, MDA’s expenses could remain relatively stable or could increase if more establishments join the program. This may impact the availability of inspection resources to both cell cultured meat and poultry plants and traditional meat processing plants requiring or desiring Minnesota Equal To inspection.

Local Fiscal Impact

N/A

References/Sources

N/A

Agency Contact: Nicole Neeser, 651-201-6225

Agency Fiscal Note Coordinator Signature: Julie Sis

Phone: 651-201-6412

Date: 2/25/2025 11:29:05 AM

Email: julie.sis@state.mn.us