Minnesota Agri-Growth Council NEWSLETTER

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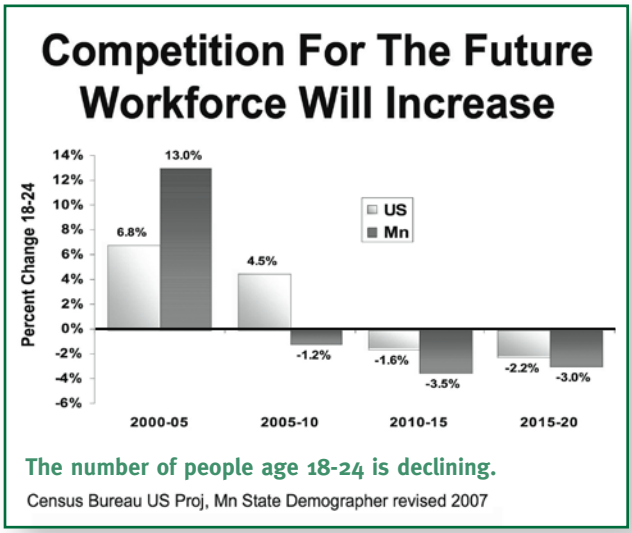
Immigrants are Key Ingredient for Minnesota's Economic Growth

Many Minnesota businesses rely on immigrant workers to fill a growing worker shortage. The growth rate of Minnesota's workforce is declining while our economy continues to grow. Thus, Minnesota is experiencing a shortfall of workers (both skilled and low-skilled).

"There is a huge increase in the number of people reaching retirement age while there is a sharp decline in the number of young people available to fill those positions," says **Tom Gillaspy**, state demographer, Minnesota Department of Administration. Beginning in 2008, Minnesota experienced a 30 percent jump in workers turning age 62. From 2005 to 2010 there will be a 1.2 percent decline in the population of 18 to 24-year-olds in Minnesota, with further declines projected over the next decade. This means competition for the future workforce will increase.

By 2020 the number of people 65 years and older will exceed the 5 to 17-year-old population in the state. The 65-plus population is already greater than the 18 to 24-year-old population. "This is unprecedented. We've never seen anything like this before," says Gillaspy. "In addition, Minnesota has the highest participation rate in the workforce of any state. This means that migration will be an increasingly important component of the Minnesota labor force. The migration can come from other states or countries, but since the same trends are occurring across the U.S., Europe and Canada most of the migration will likely come from Latin America, Africa and Asia."

He continues, "If we don't add enough people to the labor force we will need to add more per worker productivity to grow the economy at the same rate. That's going to get harder to do as the necessary per worker productivity increases get larger. Typically, two-thirds of economic growth comes from adding more people to the workforce and the other third comes from increases in productivity."



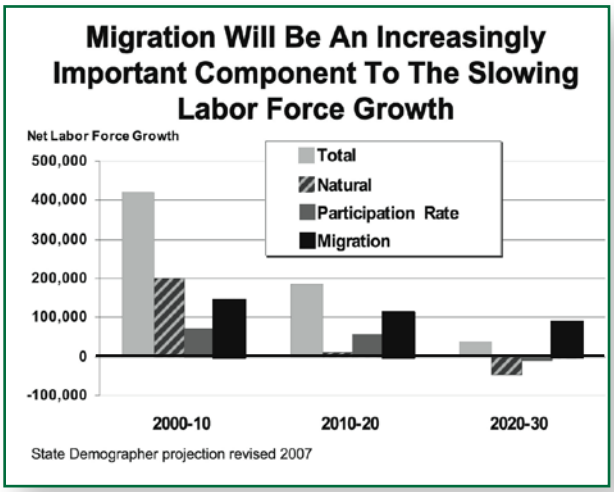
Agri-Growth, as part of the Business and Advocacy Immigration Coalition, hosted four meetings in June on *Immigration and the Economy*. The meetings were held in St. Cloud, Worthington, Minneapolis and Rochester. The coalition includes the Minnesota Agri-Growth Council, Minnesota Chamber of Commerce, **Minnesota Nursery & Landscape Association**, Hospitality Minnesota, **Minnesota Milk Producers Association**, Midwest Food Processors Association, Minnesota Restaurant Association, Minnesota Lodging Association and others. In total more than 100 stakeholders attended the meetings. Several members of anti-immigration reform groups showed up at the meetings serving as a strong reminder of the need for businesses to speak out constructively on the need for federal immigration reform.

"It's very important that businesses speak out on immigration reform because anti-immigration groups are very vocal, active and they promote fear-mongering," says **Stacia Smith**, lobbyist with the Minnesota Chamber of Commerce. "Our elected officials are hearing 100 to 1 from anti-immigration groups compared to businesses. Business leaders need to talk to their neighbors and their elected officials about the importance of immigrant labor in their businesses."

The Business and Advocacy Immigration Coalition plans to meet one on one with all members of the Congressional delegation to express the business view on comprehensive immigration reform. The Coalition also plans a letter-writing campaign to members of Congress, a symposium, more local meetings and public relations efforts with media.

Agri-Growth is stepping up to change the tone of the immigration debate. "This issue is filled with hyperbole and emotion. We want to cut through that by speaking with facts that demonstrate the need for immigration reform and the current deficiencies of federal policies," says **Daryn McBeth**,

Immigration reform continued on page 3



This bar graph shows that natural growth (young people entering the workforce to replace older workers leaving the workforce) is declining as is any gain in the participation rate, leaving migration as an important source of growth.

Inside:

- Member in Focus — Gislason & Hunter LLP
- Sheehan is New Intern
- Immigration Reform Principles
- Legislative Wrap-Up

MINNESOTA AGRI-GROWTH COUNCIL

The Minnesota Agri-Growth Council is a unique trade association whose mission is the promotion of Minnesota agriculture with elected officials, the general public, media, and the farm community. The Agri-Growth Council's 200 members represent the entire food and agriculture sector, from agribusinesses and processors to producer-based commodity organizations. The Council is based in St. Paul and has been working to promote Minnesota agriculture since 1968.

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Web site: www.gislason.com
History:

The Law Firm was founded in 1937 by **Sidney P. Gislason**. Since that time, the Firm has grown to include a roster of more than 40 lawyers who serve the legal needs of clients across the Midwest as well as nationally. Besides the Firm's commitment to the practice of law, present and former partners have also served the public in various capacities; to include: state and federal judgeships; elective/appointive office; and on the boards of directors of several prominent corporations. It is the goal of Gislason & Hunter to be a progressive force in support of the needs of Minnesota's agribusiness community, both in the practice of law and in the arena of public policy.

Business Description:

In terms of the day-to-day business of Gislason & Hunter, the representation of clients engaged in agriculture and agribusiness is an integral part of the Firm's practice.

Representative clients in the area of agribusiness include: several of the nation's largest hog producers; prominent Midwest dairy producers; leaders in beef cattle production; and top poultry producers. Gislason & Hunter represents significant stakeholders in the food processing industry, and counts among its clients, major processors of milk and dairy, poultry, and swine products. The Firm is also regularly engaged by financial institutions and other businesses which provide financing and other support to agriculture producers and ag-related industries.

Work for clients involves transactional and regulatory matters of almost every kind and description. It has also involved many of the most complex and important of commercial litigation cases bought before courts in the Midwest in recent years.

Q & A With Gary W. Koch, Partner Practicing in the Agricultural Law Group

What's new with your company?

Probably the most exciting new development for our Firm has been the increasing number of talented young lawyers seeking to practice law in the agribusiness area. Any company is only as good as its human capital. We, at Gislason, feel fortunate to have so many outstanding young attorneys who are making a career of helping our agribusiness clients.

What are key trends in Ag Law?

If I were to pick key trends in agricultural law, I would identify four general areas: First, the speed at which opportunities come and go in the ag marketplace require that legal services be efficient and decisive in order to support clients who need to be nimble in their decisions. Second, the heightened level of scrutiny that the public has placed upon the production of food – to include areas such as animal welfare, environmental law, and antibiotic usage – requires increasingly greater specialization regarding regulatory and administrative law matters that may affect our agribusiness clients. Third, increasing volatility of commodity prices – at all levels of the food production chain – is challenging our clients in the management of their longer term business prospects. Finally, the increasing interdependence of parties in the food production chain has required rethinking of the traditional legal business models in order to bring the lowest priced goods of the highest quality to the marketplace. All of these trends challenge traditional thinking by lawyers who practice in the area of agricultural law. In order to capture value for our clients, it is necessary to understand these trends and be able to adapt to them.

What are the Firm's legislative priorities?

Legislative priorities at Gislason & Hunter are primarily focused on providing information and support to legal and public policy matters that support preservation of rights of individual enterprises to make their own business decisions; that those decisions should be primarily directed by the marketplace; and that government's best efforts are generally in development and preservation of necessary infrastructure and maintaining a playing field in which participants in the marketplace get a fair opportunity for equal reward and risk.

Immigration Reform ...continued from page 1

Agri-Growth president. (See box on page 3 for the Coalition's reform principles.)

Many Minnesota industries such as food, agriculture, landscaping and hospitality depend on immigrants to fill a growing worker shortage. In 2006, Minnesota's foreign-born workforce was about 8 percent of the total workforce.

"Immigration reform is vital for our industry," says **Bob Fitch**, executive director, Minnesota Nursery and Landscape Association. "It's increasingly difficult to find native-born workers who want to do hard physical field work. Guest and immigrant workers have done an awesome job for our industry."

He describes how one Minnesota nursery grower needed 400 seasonal workers in the spring. The grower placed ads in all the local newspapers and got less than a half dozen applicants. "Our association has been working for immigration reform for a dozen years. The system is broken. It is difficult, bureaucratic and it doesn't allow for enough immigrants of all sorts," says Fitch.

He notes the H-2A program for seasonal agricultural workers is bureaucratic and extremely expensive. Small growers don't have the human resource capability to deal with that program, he says. The H-2B temporary non-agricultural visa program works and functions well for the service industry but allows a ridiculously small number of visas. "There is a limit of 66,000 visas for the entire country. Those are typically gone in one day," he says. The situation is similar for H-1B highly-skilled worker visas.

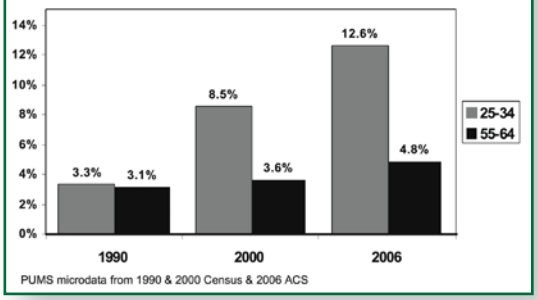
Mitch Davis with **Davisco Foods** and Davis Family Dairies contends if our country lived a month without immigrant labor, everyone would be begging them to come back. "We need immigration reform. If we don't do something, the participants in our workforce are at risk, which compromises the security of our food production, as well as the cost, structure and efficiency of the food chain," says Davis. "In milk and many other food products, immigrant labor is a key part of production and processing. We need to give the undocumented immigrant workers who are already here a way to become legal workers. They are hard-working and reliable and they are doing jobs that were going unfilled by American workers."

Bob Lefebvre, executive director Minnesota Milk Producers Association, agrees, "Dairy producers need quality people to care for and milk cows. Unfortunately there is a shortage of quality people locally to perform those jobs. Right now there is no guest worker program that's suitable for the dairy industry. We need a long-term guest worker program."

Lefebvre, Davis and Fitch note that the jobs immigrants are filling in their industries typically pay 30 to 40 percent above the minimum hourly wage. Entry level milkers at Davis Family Dairies can earn more than $30,000 per year and have access to 401(k) accounts and health insurance. Fitch says most seasonal nursery and landscaping jobs pay $8 to $18 per hour.

As Minnesota's immigrant population is growing so is its buying power. In 2007, Latino's and Asian's purchasing power accounted for six percent of Minnesota's retail sales. The number of immigrant-owned businesses is growing, too. Latino-owned and Asian-owned businesses in the state account for eight percent of all Minnesota businesses.

Percent of Minnesota Labor Force Born in Another Country



Business and Advocacy Immigration Coalition's Guiding Principles for Federal Immigration Reform

Goal: We support comprehensive reform including secure borders. Successful reform will modify immigration policies without creating more obstacles for workers to connect with employers along the way. Thus, the following must occur simultaneously:

- Reform should include a timely and affordable way for current immigrants and their families, regardless of status, to become documented legal participants in our society. We support a path to permanent residency for all immigrants residing in the U.S. who are not otherwise excludable for reasons such as criminal convictions. We also support a timely reduction of backlogs where family and professional workers have been waiting to emigrate for many years.
- Reform should include a simple and accurate status verification that is affordable and accessible, especially so for small businesses. Reforms should protect those meeting their obligations from liability.
- Reform should include a simple and timely approach to the future flow of immigration, including permanent and temporary status. New rules should allow sufficient immigration that meets the needs of the business community and continues current workplace standards as our economy continues to grow. Currently there is not a temporary immigration program that works for several industries that are important to Minnesota (i.e. dairy and nursery industries). Companies that cannot use the existing H-2A or H-2B visa programs need a solution.

Sheehan Selected as Agri-Growth Intern

Agri-Growth announces **Chris Sheehan** of Watkins, Minn., as its summer intern. He will assist the Minnesota Agri-Growth Council with preparing and executing summer events, communication efforts and other special projects. Sheehan will also work with the planning team for AgNite, a celebration of America's food and agricultural industry, Sept. 2, during the Republican National Convention.

"Chris has strong organization, communication and leadership skills that will be a great asset for our organization," says **Daryn McBeth**, president of Agri-Growth. "We're excited to have him work with us this summer."

Sheehan is entering his senior year at the University of Minnesota-Twin Cities studying agricultural education with a teaching emphasis and a minor in leadership studies. He brings experience as a recruitment intern for the Minnesota FarmHouse Association and has worked with the University of Minnesota's Admissions Office and the **College of Food, Agricultural and Natural Resource Sciences** Alumni Office.

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Address Service Requested

UPCOMING EVENTS

September
2 .... AgNite Gala Event
19.... Board Meeting
October
30 ... Annual Meeting

Save the Date
Annual Meeting

Thursday, October 30, 2008
St. Paul RiverCentre

Watch for more details and a registration form to be included in next month's newsletter.

Policy Experts Share Minnesota Legislative Session Hits and Misses

Marking the end of the 2008 Legislative Session, the Minnesota Agri-Growth Council hosted its annual Legislative Wrap-Up, June 3, in St. Paul. Nearly 70 attended the program, which featured:

- Senate Majority Whip **Dan Skogen**, DFL-Wadena, vice chair of the Environment and Natural Resources Committee and member of the Agriculture and Veterans Committee
- Sen. **Ellen Anderson**, DFL-St. Paul, chair of the Finance – Environment, Energy and Natural Resources Budget Division
- Rep. **Al Juhnke**, DFL-Willmar, chair of the Agriculture, Rural Economies and Veterans Affairs Finance Division
- **Jerry Schoenfeld**, lobbyist for the **Minnesota Soybean Growers**, Minnesota Biodiesel Council, **Minnesota Pork Producers** and other organizations

Panelists discussed the major accomplishments and missed opportunities during the recent legislative session.

Panelists discuss the recent session at Agri-Growth's Legislative Wrap-Up.

While the Agriculture Committee has always been bipartisan, state lawmakers, all around, worked effectively to get more done this year, said Juhnke. He noted legislation passed early, such as the transportation and bonding bills. Speakers also discussed the Omnibus Ag Bill, bovine tuberculosis, property tax relief, energy issues and a potential Midwest cap and trade agreement.

The Minnesota Agri-Growth Council thanks this year's program speakers and sponsors, CropLife America, **Monsanto** and **First District Association**.

Members Enjoy AgPAC Golf Tourney

Hormel Foods won this year's Minnesota AgPAC Golf Tournament, June 16, at the Valley View Golf Club in Belle Plaine, Minn. More than 80 golfers played, raising more than $3,500 for the AgPAC, an increase over the previous year's fundraising outing.