

Minnesota Department of Agriculture: Compensation Claims for Damage Caused by Elk

Performance Audit

November 2026

Financial Audit Division

Office of the Legislative Auditor

State of Minnesota

Financial Audit Division

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OLA | OFFICE OF THE LEGISLATIVE AUDITOR

Judy Randall, Legislative Auditor
State of Minnesota

November 24, 2026

Members
Legislative Audit Commission

Thom Petersen, Commissioner
Minnesota Department of Agriculture

This report presents the results of our performance audit of the *Minnesota Department of Agriculture: Compensation Claims for Damage Caused by Elk* for the period July 1, 2021, through June 30, 2025. The objective of this audit was to determine if the department complied with requirements we tested.

This audit was conducted by Kayla Borneman, CPA (Audit Director), and Ria Bawek (Auditor-in-Charge).

We received the full cooperation of the department's staff while performing this audit.

Sincerely,

Judy Randall
Legislative Auditor

Lori Leysen, CPA
Deputy Legislative Auditor

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Introduction

The Minnesota Legislature established the Compensation for Crop Damage Caused by Elk program (elk claims program) in 1987.[1] The Minnesota Department of Agriculture (MDA) administers the elk claims program, which provides up to $20,000 to eligible Minnesota producers for agricultural damage caused by elk in a given year.[2]

Auditors focus on internal controls as a key indicator of whether an organization is well managed. Internal controls are the policies and procedures management establishes to govern how an organization conducts its work and fulfills its responsibilities. A well-managed organization has strong controls across all of its internal operations. If effectively designed and implemented, controls help ensure, for example, that inventory is secured, computer systems are protected, laws and rules are complied with, and authorized personnel properly document and process financial transactions.

Minnesota Law Mandates Internal Controls in State Agencies

State agencies must have internal controls that:

- Safeguard public funds and assets and minimize incidences of fraud, waste, and abuse.
- Ensure that agencies administer programs in compliance with applicable laws and rules.

The law also requires the Commissioner of Minnesota Management and Budget to review OLA audit reports and help agencies correct internal control problems noted in those reports.

— *Minnesota Statutes* 2026, 16A.057

In this audit, we focused on whether MDA had adequate controls to ensure that it administered the elk claims program in compliance with state law.

[1] *Laws of Minnesota* 1987, chapter 373, sec. 2, codified as *Minnesota Statutes* 2026, 3.7371.

[2] *Minnesota Statutes* 2026, 3.7371, subd. 3(a).



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Report Summary

Conclusion

The Minnesota Department of Agriculture paid claimants accurately and followed its internal approval process; however, we have concerns about the lack of a contract with a third party, the absence of a focus on prevention, and the reporting timeline for elk claims.

Findings and Recommendations

Finding 1. The Minnesota Department of Agriculture did not enter into a contract with a third-party approved agent who investigated elk damage claims on behalf of the department for several years. (p. 13)

Recommendation

The Minnesota Department of Agriculture should enter into contracts with third-party approved agents prior to the commencement of elk damage investigation services.

Finding 2. As established in law, the elk claims program does not require preventive measures. (p. 14)

Recommendation

The Minnesota Department of Agriculture should work with the Legislature to incorporate preventive measures in the elk claims program.

Finding 3. The Minnesota Department of Agriculture paid claims that were not reported timely and did not always retain documentation of proof of timely reporting. (p. 16)

Recommendation

The Minnesota Department of Agriculture should not pay claimants for elk claims reported outside the timelines established in state law and should retain documentation that supports when claimants reported elk damage.

Finding 4. Neither the Minnesota Department of Agriculture nor the Legislature has defined a reporting window for claimants in the elk claims program. (p. 17)

Recommendations

- The Minnesota Department of Agriculture should clarify the meaning of the word "promptly" with respect to the elk claims program.
- The Minnesota Legislature should consider establishing a reporting window for claims submitted to the elk claims program.



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Background

Elk Claims Program Overview and History

The Minnesota Legislature established the elk claims program in 1987.[3] Under the program, Minnesota producers may submit a claim upon discovering damage caused by elk to their agricultural crop or pasture or fence surrounding the crop or pasture.[4]

Statutes limit the amount for which a claimant can be compensated for crop and fence damage claims. MDA may provide compensation of up to $20,000 annually to each claimant for approved claims made in any given fiscal year.[5] The minimum amount for which claimants may file a claim is $100. Also, each fiscal year, MDA must cap fence claims at $1,800 for each claimant. MDA applies these limitations according to the year in which the claimant reports the claim(s).

Program Involvement

Claimant:

- A person who **owns an agricultural crop or pasture** shall be compensated for an agricultural crop or pasture, or a surrounding fence, that has been damaged or destroyed by elk

Approved Agent:

- A person authorized to **determine if the damage was caused by elk** and assign a monetary value to the damage

— *Minnesota Statutes* 2026, 3.7371

In order to qualify for payment, claimants must meet eligibility requirements, and an approved agent must sign the claim.[6] An approved agent is "a person authorized by the Minnesota Department of Agriculture to determine if crop or fence damage was caused by elk and to assign a monetary value to the crop or fence damage."[7] The approved agent investigates the crop and fence damage listed by claimants and signs the claim form if they determine the evidence substantiates the claim.

For each claim investigation, the approved agent is responsible for documenting their determination of whether the claim is valid. State law requires the approved agent to document (1) the condition of the crop or fence, (2) the presence of elk tracks, (3) the geographic area of the damage, (4) sightings of elk in the area, and (5) any other information relevant to the claim.[8] Once the approved agent has completed the investigation, MDA reviews the claim and ultimately makes the determination to pay the claimant according to the investigation findings and the limits in law. Exhibit 1 shows an overview of the elk claim process.

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[3] *Laws of Minnesota* 1987, chapter 373, sec. 2, codified as *Minnesota Statutes* 2026, 3.7371.

[4] *Minnesota Statutes* 2026, 3.7371, subd. 1.

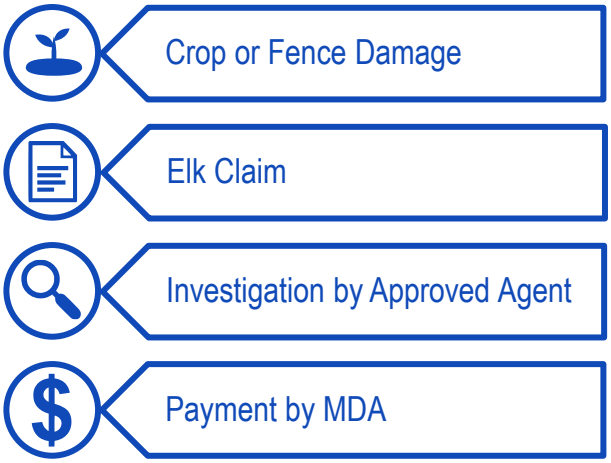
[5] *Minnesota Statutes* 2026, 3.7371, subds. 1, 2, and 3(a).

[6] *Minnesota Statutes* 2026, 3.7371, subd. 2b. Prior to Fiscal Year 2025, the approved agent role was known as a "federal crop adjuster" or a "county extension agent." We refer to this role as an approved agent throughout the report.

[7] *Minnesota Statutes* 2026, 3.7371, subd. 1a(b).

[8] *Minnesota Statutes* 2026, 3.7371, subd. 2a(a).

Exhibit 1
Elk Claim Process



Source: Office of the Legislative Auditor.

Three people have held the approved agent position over the past five years. From July 2021 through fall 2024, a trained third-party individual served as the approved agent. After that, the approved agent role was vacant for approximately two months. A federal employee assumed the investigative duties in January 2025. In summer 2025, MDA reassigned an employee to learn and perform the approved agent tasks; the federal employee provided on-the-job training to the MDA employee. Exhibit 2 displays who filled the role of the approved agent from July 2021 through October 2026.

Exhibit 2
Approved Agent Role, July 2021 Through October 2026

Time Frame	Approved Agent
July 2021[a] to fall 2024	Trained third-party individual
Fall 2024 to December 2024	Vacant
January 2025 to fall 2025	Federal employee
Summer 2025[b] to October 2026	MDA employee

[a] July 2021 is the beginning of the four-year time frame we audited. This trained third-party individual began providing services in August 2017.

[b] The MDA employee did not assume decision-making responsibilities until fall 2025.

Source: Office of the Legislative Auditor, based on data provided by MDA.

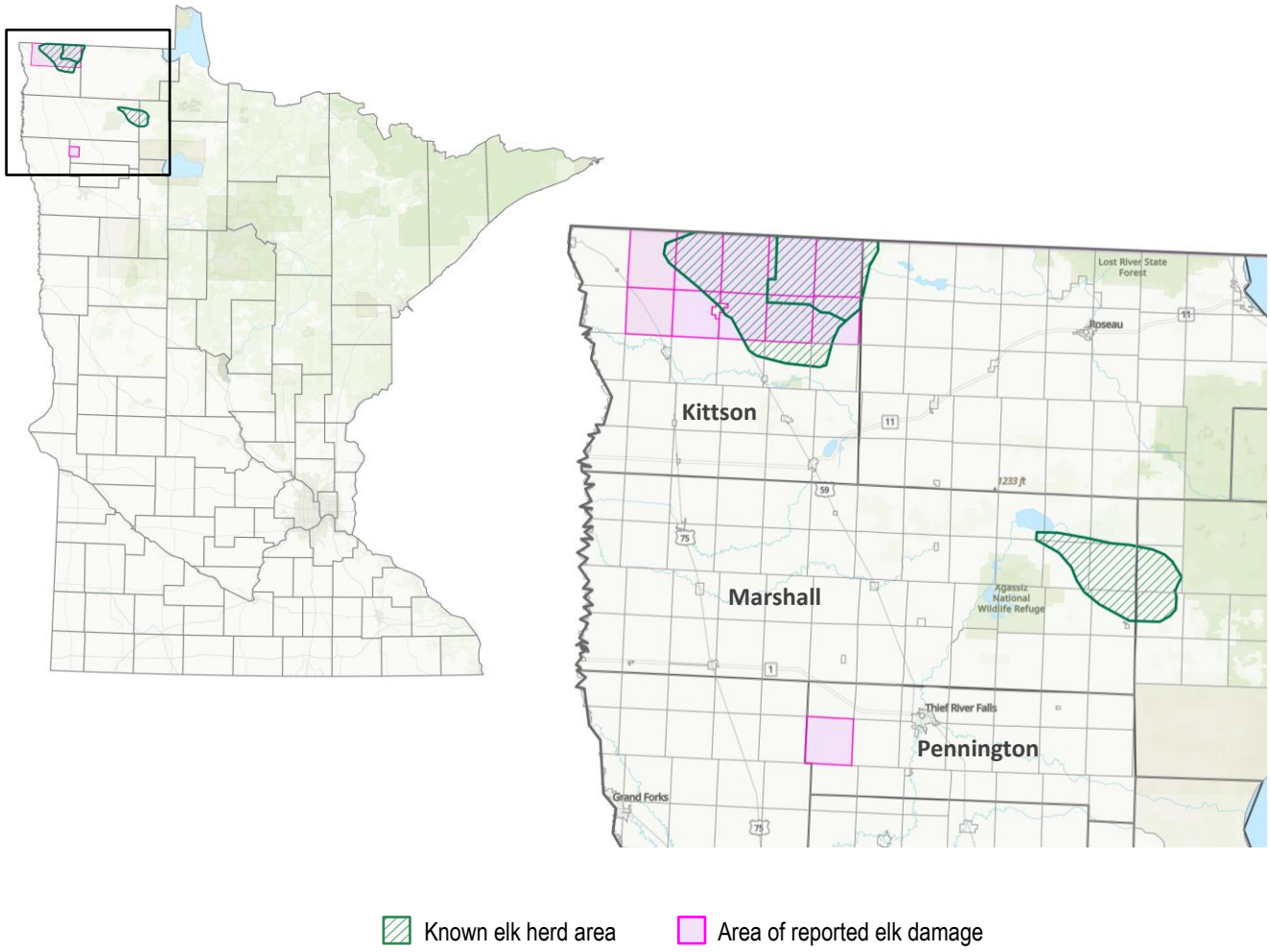
Location of Elk Claims

Based on the locations identified in submitted claims, elk damage has occurred in Kittson and Pennington counties. According to a survey conducted by the Department of Natural Resources (DNR) in 2026, elk are located in northwestern Minnesota.[9] DNR also receives reports of elk sightings from the public. While elk claims are not always in the areas where elk herds have been identified through the DNR survey, the public has reported sightings in all areas of the claims.

Exhibit 3 shows the areas where claimants reported elk damage during the four-year period we audited, as well as the areas identified as having elk herds through the DNR survey.

Exhibit 3

Reported Elk Damage, 2022 Through 2025, and Identified Elk Herd Locations, 2026



Source: Office of the Legislative Auditor, based on data in MDA's claims system and DNR's elk herd map.

[9] Minnesota Department of Natural Resources, *Monitoring Population Trends of Elk in Northwestern Minnesota – 2026* (2026), 1–3.



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Audit Scope, Objectives, and Methodology

We conducted this audit to determine whether MDA complied with the criteria we tested. The audit scope included claims reported by claimants between July 1, 2021, and June 30, 2025.[10] During this time, the elk claims program was funded by a state appropriation of $155,000 each fiscal year.[11] Following the audit scope, the appropriation for the elk claims program increased to $255,000 for Fiscal Year 2026, which MDA used, in part, to pay some claimants for claims they reported in Fiscal Year 2025.[12]

State law allows MDA to transfer funds, as needed, from a separate appropriation, known as the animal claims appropriation, in order to compensate claimants for elk claims.[13] Similarly, MDA may reciprocally transfer funds from the elk claims program to the animal claims program. MDA exercised its authority and made multiple transfers between the two programs during the audit scope.

Exhibit 4 displays the elk claims program appropriations and expenditures for elk claims, approved agent costs, transfers, and other financial activity for fiscal years 2022 through 2025. The exhibit also includes the appropriation for Fiscal Year 2026.

Exhibit 4

Elk Claims Program Financial Activity, Fiscal Years 2022 Through 2026

Type of Activity	2022	2023	2024	2025	2026[c]	Total
Appropriations	$ 155,000	$ 155,000	$ 155,000	$ 155,000	$ 255,000	$ 875,000
Elk Claims[a]	(118,665)	(266,287)	(184,324)	(131,419)	(221,518)	(922,213)
Fiscal Year 2021 Claims[b]	(6,334)	–	–	–	–	(6,334)
Approved Agent Costs	(4,677)	(3,978)	(4,138)	(4,050)	–	(16,843)
Transfers (Net)	–	89,944	33,462	(19,531)	–	103,875
Canceled	–	(3)	–	–	–	(3)
Roll Forward	(25,324)	25,324	–	–	–	–
Total	$ –	$ –	$ –	$ –	$ 33,482	$ 33,482

[a] These amounts represent the compensation that MDA paid to claimants in the respective fiscal year for claims they reported during the audit scope. Claims may be reported in one fiscal year and paid the following fiscal year.

[b] This amount represents the compensation that MDA paid to claimants in Fiscal Year 2022 for claims reported in Fiscal Year 2021; we did not audit Fiscal Year 2021 claims.

[c] The Fiscal Year 2026 appropriation is listed to disclose the funding used to pay the elk claims reported in Fiscal Year 2025, as presented in the table; we did not audit Fiscal Year 2026 claims.

Source: Office of the Legislative Auditor, based on data in the state's accounting system and MDA's claims system.

[10] Claims reported in one fiscal year may have been paid in the following fiscal year.

[11] *Laws of Minnesota* 2021, First Special Session, chapter 3, art. 1, sec. 2, subd. 2(c); and *Laws of Minnesota* 2023, chapter 43, art. 1, sec. 2, subd. 2(f).

[12] *Laws of Minnesota* 2025, chapter 34, art. 1, sec. 2, subd. 2(d).

[13] *Laws of Minnesota* 2025, chapter 34, art. 1, sec. 2, subd. 2(d). The animal claims appropriation is for wolf claims. A livestock owner may file a claim with MDA if their livestock are destroyed by a wolf. *Minnesota Statutes* 2026, 3.737, subd. 1.

During the four-year period we audited, MDA paid a total of about $922,000 to 20 individuals through the elk claims program. Most claimants received payments multiple years. Exhibit 5 shows the expenditures for elk claims reported during the audit scope, by claimant and the fiscal year in which MDA paid the claims.

Exhibit 5

Elk Claims Reported Between July 1, 2021, and June 30, 2025, by Fiscal Year Paid

Claimant	2022[a]	2023[b]	2024	2025	2026[c]	Total
Claimant 1	$ 20,000	$ 20,000	$ 20,000	$ 7,367	$ 12,633	$ 80,000
Claimant 2	–	36,149	18,432	1,568	20,000	76,149
Claimant 3	14,979	20,000	–	20,000	23,581	78,560
Claimant 4	–	38,183	13,781	6,219	15,780	73,963
Claimant 5	133	39,867	20,000	–	–	60,000
Claimant 6	17,747	22,253	20,000	–	–	60,000
Claimant 7	20,000	–	9,236	10,764	20,000	60,000
Claimant 8	–	19,986	20,000	–	20,000	59,986
Claimant 9	–	40,000	14,558	–	–	54,558
Claimant 10	16,464	–	–	18,135	16,940	51,539
Claimant 11	9,342	9,849	1,800	–	20,744	41,735
Claimant 12	20,000	–	–	20,000	–	40,000
Claimant 13	–	20,000	20,000	–	–	40,000
Claimant 14	–	–	–	20,000	19,206	39,206
Claimant 15	–	–	11,819	7,366	12,634	31,819
Claimant 16	–	–	–	–	20,000	20,000
Claimant 17	–	–	–	20,000	–	20,000
Claimant 18	–	–	–	–	20,000	20,000
Claimant 19	–	–	10,340	–	–	10,340
Claimant 20	–	–	4,358	–	–	4,358
Total	$118,665	$266,287	$184,324	$131,419	$221,518	$922,213

[a] This column excludes the claims paid in Fiscal Year 2022 that were reported in Fiscal Year 2021.

[b] An amount more than $20,000 indicates the claimant received compensation for elk claims they reported in more than one fiscal year.

[c] This column includes only the claims paid in Fiscal Year 2026 that were reported in Fiscal Year 2025.

Source: Office of the Legislative Auditor, based on data in the state's accounting system and MDA's claims system.

We designed our work to determine whether MDA compensated claimants in compliance with the criteria we tested (as listed in the Appendix). We also assessed the adequacy of MDA's internal controls. Exhibit 6 lists the areas we tested related to elk claims, our methodology for testing those areas, and the results of our tests.

Exhibit 6

Elk Claims Program: Area Tested, Testing Methodology, and Result

Area Tested	Testing Methodology	Result
Approved Agent Contracts	We tested the existence of a contract for the approved agents.	See finding 1 on page 13.
Prevention	We analyzed the extent to which the elk claims program requires preventive measures.	See finding 2 on page 14.
Eligibility	We tested 87 of 89 claims with reported dates in the audit scope for the determination of the approved agent.[a]	No issues.
	We tested 87 of 89 claims with reported dates in the audit scope for the approval of MDA.	No issues.
	We tested all 89 claims with reported dates in the audit scope to ensure investigations included required elements.[b]	See findings 3 and 4 on pages 16 and 17, respectively.
Payment	We tested 87 of 89 claims with reported dates in the audit scope for payment accuracy.	No issues.

[a] MDA posted two claims after our testing was substantially complete. We expanded our testing from 87 claims to 89 claims for only the testing of required elements.

[b] For the testing of required elements, we reviewed the (1) timeliness of the claim submissions, (2) location of the elk damage, (3) compensation amounts and the application of limitations, and (4) evidence and supporting documentation.

Source: Office of the Legislative Auditor, based on data in MDA's claims system.

We conducted this performance audit in accordance with generally accepted government auditing standards.[14] Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We assessed internal controls against the most recent edition of the internal control standards, published by the U.S. Government Accountability Office.[15] To identify compliance criteria for the activity we reviewed, we examined Minnesota state laws and state administrative rules.[16] We also contacted insurance agents and personnel administering similar programs in other states to identify criteria used to investigate crop and fence damage caused by elk.

[14] Comptroller General of the United States, Government Accountability Office, *Government Auditing Standards, 2024 Revision*.

[15] Comptroller General of the United States, Government Accountability Office, *Standards for Internal Control in the Federal Government* (2025). The State of Minnesota adopted these standards as its internal control framework for the executive branch.

[16] The Appendix displays the specific compliance requirements we tested.



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Findings and Recommendations

Approved Agent Contract

Approved agents perform professional services for the State of Minnesota: they conduct investigations that require a level of expertise in order to identify damage caused by elk. Minnesota statutes require the state to enter into a contract with vendors providing technical and professional services and for that contract to be in effect before services commence.[17]

FINDING 1

The Minnesota Department of Agriculture did not enter into a contract with a third-party approved agent who investigated elk damage claims on behalf of the department for several years.

An approved agent, who investigated elk claims from August 2017 through fall 2024, did not have a contract with MDA.[18] The other two approved agents who provided services during the audit scope were authorized to perform investigations. One was covered by a contract between MDA and the federal government, and the other was an MDA employee.

MDA did not recognize the need for a contract with the third-party approved agent. Instead, MDA believed it was implied by law that anyone in the approved agent role would be authorized to perform services without a contract. Minnesota rules and statutes established the need for an individual to conduct investigations but did not permit that individual to perform those services without a contract.[19]

From July 2021 through fall 2024, the third-party approved agent investigated 83 claims without an executed contract with MDA. These claims amounted to $857,888 in payments made by MDA, or approximately 93 percent of the total claim payments during the audit scope. MDA paid about $16,000 to the third-party approved agent for their services, which was the majority of the total approved agent costs for the audit scope.

Without a contract, MDA cannot define or enforce its expectations for the elk claim investigation services, the parameters around how timely the investigations should be completed, or the length of time the third-party approved agent will be expected to perform investigation services for MDA. In this case, the third-party approved agent ended their services before another approved agent's services began, causing a gap in services that lasted about two months. During that time, three claimants submitted

[17] *Minnesota Statutes* 2026, 16C.08, subd. 2(4).

[18] We did not verify the existence of a contract for any approved agent who provided investigative services prior to the audit scope.

[19] *Minnesota Rules* 2023, 1506 (repealed 2024), effective through June 30, 2024. *Minnesota Statutes* 2026, 3.7371, effective as of July 1, 2024.

claims. MDA decided whether to pay these three claims mostly based on claimant records, rather than on timely investigations.

RECOMMENDATION

The Minnesota Department of Agriculture should enter into contracts with third-party approved agents prior to the commencement of elk damage investigation services.

Prevention

Minnesota has two separate programs to address damage caused by elk. As we have discussed, MDA's elk claims program provides monetary compensation for damage to crops and fences. A second program, the Wildlife Damage Management Program (animal damage program), administered by DNR, receives reports from producers regarding damage to their stored forage or other agricultural crops suspected of being caused by wildlife, including elk. Through the animal damage program, DNR provides materials to producers, such as free-standing panels, to prevent further damage. The Legislature established the animal damage program in 1993.[20]

Through the elk claims program, MDA has the authority—but is not required—to provide grants to producers in order to fund elk damage prevention efforts for stored forage.[21] MDA has never granted money to producers for stored forage prevention efforts. Stored forage claims were about 8.4 percent of the total elk claims paid during the audit scope.

FINDING 2

As established in law, the elk claims program does not require preventive measures.

MDA continues to pay individuals' annual elk claims when preventive measures, such as installing panels to protect stored forage, may help decrease claims for any one producer. MDA has collaborated with DNR on matters related to elk damage; however, when it receives elk claims, MDA does not consult with DNR about its prevention-focused materials assistance, which could help reduce recurring payments to claimants.

Some other states with elk compensation programs require claimants to participate in prevention programs to deter elk from causing further damage.[22] Notably, the federal employee who served as the approved agent for the elk claims program from January to fall 2025 recommended that MDA implement prevention efforts.

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[20] *Laws of Minnesota* 1993, chapter 172, sec. 50, codified as *Minnesota Statutes* 2026, 97A.028.

[21] *Laws of Minnesota* 2024, chapter 126, art. 1, sec. 2, subd. 2(f).

[22] *Wisconsin Statutes* 2023–2024, 29.889(6)(d); and *Washington Administrative Code* 2025, 220-440-140.

Over 15 years, MDA paid 2 claimants more than $200,000 each.

We analyzed the amount MDA paid to claimants, dating back to Fiscal Year 2012, to determine the extent to which the same producers have received payments year after year and whether there could be an opportunity to emphasize preventive measures. Over the 15-year period we analyzed, MDA paid a total of about $1.6 million in claims; two claimants received more than $200,000 each for damage to standing crops and fencing. In an effort to help reduce recurring payments to claimants, in its 2025 report on deer and elk damage, MDA recommended adding a requirement to the elk claims program for preventive measures.[23] Currently, MDA does not have the authority to require preventive measures.

RECOMMENDATION

The Minnesota Department of Agriculture should work with the Legislature to incorporate preventive measures in the elk claims program.

Reporting Timeline

Timeliness

To be eligible to make a claim in fiscal years 2022 through 2024, state rules required a claimant to report damage caused by elk to an approved agent within 24 hours of discovery.[24] This language was repealed in 2024. Statutes now require claimants to "promptly" report the damage, which the law does not define.[25]

Other states with elk compensation programs establish specific reporting timelines. For example, Washington requires claimants to report the damage within 72 hours of discovery and at least 72 hours before harvest.[26] Wisconsin requires claimants to report the damage within 14 days.[27] Similarly, insurance agents we spoke with who cover crop damage in Minnesota stated that their insurance policies require notification within 72 hours, or up to 15 days, of discovering the damage, as instructed by federal guidelines.[28]

Exhibit 7 outlines the various timelines for reporting elk damage, as required by Minnesota, Washington, Wisconsin, and select insurance agencies and corresponding federal guidance.

[23] Minnesota Department of Agriculture, *Cervidae Depredation to Minnesota Farms* (2025), 18–19.

[24] *Minnesota Rules* 2023, 1506.0020 (repealed 2024).

[25] *Minnesota Statutes* 2026, 3.7371, subd. 2(b).

[26] *Washington Administrative Code* 2025, 220-440-150.

[27] *Wisconsin Statutes* 2023–2024, 29.889(6)(c).

[28] "Insurance Cycle," Risk Management Agency, United States Department of Agriculture, accessed October 9, 2026, https://www.rma.usda.gov/about-crop-insurance/managing-your-farm-risk/insurance-cycle.

Exhibit 7
Reporting Timelines

Authority	Reporting Requirement
Minnesota Rules 2023	Within 24 hours of discovery
Minnesota Statutes 2026	"Promptly"
Washington	Within 72 hours of discovery and 72 hours prior to harvest
Wisconsin	Within 14 days of damage
Select Insurance Agencies based on Federal Guidance	Within 72 hours, or up to 15 days, of discovery

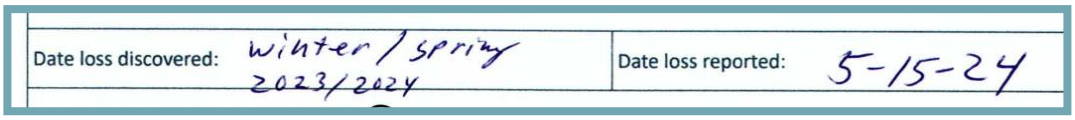
Source: Office of the Legislative Auditor, based on data from *Minnesota Rules* 2023, 1506.0020 (repealed 2024); *Minnesota Statutes* 2026, 3.7371, subd. 2(b); *Washington Administrative Code* 2025, 220-440-150; *Wisconsin Statutes* 2023–2024, 29.889; several insurance agencies covering crop claims in Minnesota; and "Insurance Cycle," USDA Risk Management Agency.

FINDING 3

The Minnesota Department of Agriculture paid claims that were not reported timely and did not always retain documentation of proof of timely reporting.

During the audit scope, many claimants reported that they discovered their losses over a season, rather than on an exact date. Between fiscal years 2022 through 2024, when Minnesota rules required claimants to report claims within 24 hours of discovery, claimants reported 45 out of 70 (64.3 percent) claims late. Exhibit 8 shows an example of a claim where the claimant disclosed that they discovered the damage in "winter/spring 2023/2024" but reported the damage on May 15, 2024. The reported date was not within 24 hours of discovery, based on the discovery period beginning in winter 2023.

Exhibit 8
Example of Untimely and Unclear Reporting



Source: Office of the Legislative Auditor, based on data in MDA's claims system.

For an additional 24 of the 70 (34.3 percent) claims submitted during fiscal years 2022 through 2024, claimants listed seasons or months for the date the loss was discovered and reported the damage on dates that could not be confirmed as being within the 24-hour reporting window.[29] For example, one claimant listed a discovery date of "summer/fall 23" and a reported date of September 20, 2023. We could not determine whether the claimant reported this damage within 24 hours of discovery.

[29] The remaining claim we tested met the 24-hour reporting requirement.

Over the first three fiscal years of the audit scope, MDA paid $384,650 to 14 claimants for the 45 claims they reported after the 24-hour window. MDA explained that the 24-hour reporting requirement was impractical because the damage often occurs over a period of time, rather than on one particular date. MDA also stated that claimants might have reported their losses to the approved agent prior to the date on the form; however, MDA was unable to provide any documentation to support this position.

Without timely reporting of the damage, investigations may not sufficiently conclude the damage was caused by elk. As a result, MDA risks paying ineligible claims.

RECOMMENDATION

The Minnesota Department of Agriculture should not pay claimants for elk claims reported outside the timelines established in state law and should retain documentation that supports when claimants reported elk damage.

Reporting Window

For the last year in the audit scope, Fiscal Year 2025, state law simply required a claimant to "promptly" report damage caused by elk to an approved agent.[30]

While the word "promptly" is written in statute, it is not defined. MDA has not established a reporting window that clarifies prompt reporting requirements.

FINDING 4

Neither the Minnesota Department of Agriculture nor the Legislature has defined a reporting window for claimants in the elk claims program.

In Fiscal Year 2025, two claimants reported claims within 24 hours of discovering the damage, which clearly met the prompt reporting requirement. However, we could not determine whether the remaining 17 claims reported by claimants during Fiscal Year 2025 met the prompt reporting requirement because the claimants listed vague ranges of time.

Exhibit 9 summarizes the reporting timeliness of the 89 claims we tested.

Exhibit 9
Results of Reporting Requirement Testing, Fiscal Years 2022 Through 2025

Reporting Requirement	Did Not Meet	Met	Could Not Determine	Total Claims
24-Hour Reporting Requirement (FY22–FY24)	45	1	24	70
Prompt Reporting Requirement (FY25)	–	2	17	19
Total Claims	45	3	41	89

Source: Office of the Legislative Auditor, based on data in MDA's claims system.

[30] *Minnesota Statutes* 2026, 3.7371, subd. 2(b).

During Fiscal Year 2025, MDA paid $231,927 to 13 claimants for the 17 claims they reported over a season; we were unable to confirm whether the reporting requirements were properly enforced by MDA for these claims. MDA explained that the language change in law, which changed the 24-hour requirement to the "promptly" requirement, occurred because damage caused by elk often happens over a period of time.

Current statutes requiring a claimant to "promptly" report the damage do not provide a clear enough definition of the reporting window for elk claims.[31] In contrast, the reporting window established in previous state rules—and in the laws of other states—is clear. If the reporting window is not defined, "promptly" may be interpreted inconsistently. Additionally, MDA may pay ineligible claims because delayed reporting makes it difficult to determine, with certainty, that elk caused the reported damage.

RECOMMENDATIONS

- **The Minnesota Department of Agriculture should clarify the meaning of the word "promptly" with respect to the elk claims program.**
- **The Minnesota Legislature should consider establishing a reporting window for claims submitted to the elk claims program.**

[31] *Minnesota Statutes* 2026, 3.7371 subd. 2(b).

Appendix – Criteria

Area Tested	Criteria
Elk Claims Program	• *Laws of Minnesota* 1987, chapter 373, sec. 2 • *Laws of Minnesota* 2024, chapter 126, art. 1, sec. 2, subd. 2(f) • *Minnesota Rules* 2023, 1506 (repealed 2024) • *Minnesota Statutes* 2018, 3.7371 • *Minnesota Statutes* 2026, 3.7371 • *Minnesota Statutes* 2026, 16C.08, subd. 2(4) • *Minnesota Statutes* 2026, 97A.028 • *Washington Administrative Code* 2025, 220-440-140 and 220-440-150 • *Wisconsin Statutes* 2023–2024, 29.889

Source: Office of the Legislative Auditor.



OLA

DEPARTMENT OF AGRICULTURE

November 20, 2026

Judy Randall, Legislative Auditor
Office of the Legislative Auditor
140 Centennial Office Building
658 Cedar Street Saint Paul, MN 55155

Dear Auditor Randall:

Thank you for the opportunity to review and respond to the performance audit examining the Minnesota Department of Agriculture's (MDA) Elk Crop Damage Compensation program. We appreciate this thorough review of our program and are happy to address the report's recommendations for improvement.

The Elk Crop Damage Compensation program was enacted (MS 3.7371) in 1987 and provides an opportunity for agricultural producers to be compensated for damage by elk to agricultural fields, stored forage, or fences surrounding these things. Elk can do substantial damage to agricultural landscapes and although only a small part of the state is affected, the impact can be very large for producers in this area.

Even though this is a very small program, it is important for the producers that it serves, and we will make every effort to address the report findings to improve this program.

Response to the OLA's Findings and Recommendations

The OLA has reported the following audit findings and recommendations related to Minnesota Department of Agriculture: Compensation Claims for Damage Caused by Elk.

OLA Finding 1

The Minnesota Department of Agriculture did not enter into a contract with the third-party approved agent who investigated elk damage claims on behalf of the department of several years.

OLA Recommendations pertaining to Finding 1

- The Minnesota Department of Agriculture should enter into contracts with third-party approved agents prior to the commencement of elk damage investigation services.

Agency Response to Finding 1

- **Narrative Response:** The MDA agrees that a contract should be utilized if third-party agents are used to investigate claims in the future. However, it is unlikely that the MDA will return to using third-party agents now that an MDA staff person has taken on this work.

  Until 2016, elk damage investigations were performed by a local University of Minnesota Extension educator. When that option unexpectedly ended, producers were not able to submit damage claims for a number of months until local crop insurance adjusters offered to help.

  MS 3.7371 was revised in the 2017 legislative session to allow the MDA to utilize "approved agents" to investigate claims. The MDA arranged specific training regarding elk crop damage from USDA Animal and Plant Health Inspection Service (APHIS) Wildlife Services for five area crop insurance adjusters who became approved agents for the department.

  Over time, interest from agents dwindled until 2024 when the last agent stopped providing this service. There was a short period during the fall of 2024 when no agent was available to investigate claims. The MDA then received interim assistance from USDA APHIS Wildlife Services beginning in January 2025 and reassigned an MDA staff person shortly after to handle these investigations.

  Although the cost to MDA is much greater without utilizing local third parties, the need to have this service reliably available makes it unlikely that we will return to using third-party agents in the future. Moreover, the potential for elk to be relocated to different areas of the state in the future increases the importance of not relying on third-party agents based in northwest Minnesota.

- **Current Status:** Resolved
- **Corrective Action:** We do not anticipate using third-party agents again in the future but if we do, we will use a contract for the service.
- **Completion Date:** January 2025
- **Person Responsible:** Mark Abrahamson, Plant Protection Division Director

OLA Finding 2

As established in law, the elk claims program does not require preventative measures.

OLA Recommendations pertaining to Finding 2

- The Minnesota Department of Agriculture should work with the Legislature to incorporate preventative measures in the elk claims program.

Agency Response to Finding 2

- **Narrative Response:** There are little to no good options available to prevent elk from damaging standing agricultural crops, which comprises the vast majority (~85%) of compensation payments made during the scope of this audit. That is important context for considering the role of damage prevention in this program.

  However, the MDA does agree there should be a prevention component to this program for stored forage claims. In a 2025 legislative report on cervid damage to crops, the department recommended

that participation in prevention activities be required for producers submitting damage claims for stored forage.

The department sought and received authority beginning in 2021 to grant funds to producers to protect stored forage using fencing or other barriers. However, the MDA has not received any applications for this grant to date. One complication is that grant funds would be sourced from the same appropriation as compensation payments, which have been overspent in recent years.

The MDA considers the Department of Natural Resources an important partner for this program and is committed to continuing to work with them on opportunities to prevent damage to stored forage as well as other aspects of the program.

- **Current Status:** Unresolved
- **Corrective Action:** The MDA will work with the Legislature to further incorporate preventative measures into the elk claims program.
- **Potential Barriers to Resolution:** Minnesota Statute 3.7371 will need to be amended to incorporate a prevention requirement.
- **Completion Date:** 2028
- **Person Responsible:** Mark Abrahamson, Plant Protection Division Director

OLA Finding 3

The Minnesota Department of Agriculture paid claims that were not reported timely and did not always retain documentation of proof of timely reporting.

OLA Recommendations pertaining to Finding 3

- The Minnesota Department of Agriculture should not pay claimants for elk claims reported outside the timelines established in state law and should retain documentation that supports when claimants reported elk damage.

OLA Finding 4

Neither the Minnesota Department of Agriculture nor the Legislature has defined a reporting window for claimants in the elk claims program.

OLA Recommendations pertaining to Finding 4

- The Minnesota Department of Agriculture should clarify the meaning of the word “promptly” with respect to the elks claims program.
- The Minnesota Legislature should consider establishing a reporting window for claims submitted to the elk claims program.

Agency Response to Findings 3 and 4

- **Narrative Response:** We feel Findings 3 and 4 are closely linked, and the department agrees that it would be beneficial to include a timeline requirement in the statute. However, the language prior to 2024, which required reporting within 24 hours, was not practical. Producers may see elk in and around their crops on a regular basis throughout the growing season. This makes the timing of when to report

somewhat of a subjective decision. One producer may choose to report damage the first time they see an elk in their crop field, while another may not report until they are ready to harvest and realize that enough damage has occurred to warrant a claim.

For these reasons, we have not placed an emphasis on specific dates of when producers witnessed and reported what they considered damage. Instead, our focus has been on emphasizing the importance of a field inspection before harvest and trying to capture the entirety of damage sustained by the claimant.

However, an issue with conducting investigations is the logistical difficulty of scheduling field visits. It is critical that producers contact us early enough to permit an investigation before a crop is harvested so that we can document damage from elk and assess how much damage has occurred.

We have denied payments for claims where we did not have an opportunity to make a field visit before harvest, which could be considered a reporting deadline inherent to the department's implementation of the program. However, it may be beneficial for both producers and the MDA to define a minimum number of days before crop harvest so that a field inspection can be scheduled and completed. This type of reporting requirement would recognize the regularity of which producers are seeing elk in their crops and the importance of having a field investigation done while evidence is available.

- **Current Status:** Unresolved
- **Corrective Action:** The MDA will work with the Legislature to clarify reporting timelines for the elk claims program.
- **Potential Barriers to Resolution:** Minnesota Statute 3.7371 will need to be amended to update reporting requirements.
- **Completion Date:** 2028
- **Person Responsible:** Mark Abrahamson, Plant Protection Division Director

We appreciate the constructive and professional manner you and your staff conducted this evaluation. I am certain that this review and the improvements we make in response will make the Elk Crop Damage Compensation program stronger. Once again, thank you for the opportunity to respond to the OLA's report.

Sincerely,



Thom Petersen
Commissioner

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