

2.1 (a) \$399,000 the first year and \$399,000 the
2.2 second year are from the remediation fund for
2.3 administrative funding for the voluntary
2.4 cleanup program.

2.5 (b) \$1,000,000 the first year and \$1,000,000
2.6 the second year are for the soil health financial
2.7 assistance program under Minnesota Statutes,
2.8 section 17.134. The commissioner may award
2.9 no more than \$50,000 of the appropriation
2.10 each year to a single recipient. This is a
2.11 onetime appropriation. Any unencumbered
2.12 balance does not cancel at the end of the first
2.13 year and is available in the second year.

2.14 Appropriations encumbered under contract on
2.15 or before June 30, 2025, for soil health
2.16 financial assistance grants are available until
2.17 June 30, 2027.

2.18 (c) \$375,000 the first year and \$375,000 the
2.19 second year are for transfer to the noxious
2.20 weed and invasive plant species assistance
2.21 account in the agricultural fund to award
2.22 grants to local units of government and Tribal
2.23 Nations under Minnesota Statutes, section
2.24 18.90.

2.25 (d) \$215,000 the first year and \$215,000 the
2.26 second year are for compensation for
2.27 destroyed or crippled livestock under
2.28 Minnesota Statutes, section 3.737. The first
2.29 year appropriation may be spent to compensate
2.30 for livestock that were destroyed or crippled
2.31 during fiscal year 2023. If the amount in the
2.32 first year is insufficient, the amount in the
2.33 second year is available in the first year. The
2.34 commissioner may use up to \$5,000 each year
2.35 to reimburse expenses incurred by university

3.1 extension educators to provide fair market
3.2 values of destroyed or crippled livestock. If
3.3 the commissioner receives federal dollars to
3.4 pay claims for destroyed or crippled livestock,
3.5 an equivalent amount of this appropriation
3.6 may be used to reimburse nonlethal prevention
3.7 methods performed by federal wildlife services
3.8 staff. Notwithstanding Minnesota Statutes,
3.9 section 16A.28, any unencumbered balance
3.10 does not cancel at the end of the first year and
3.11 is available in the second year. The base is
3.12 \$175,000 for fiscal year 2026 and thereafter.

3.13 (e) \$190,000 the first year and \$190,000 the
3.14 second year are for compensation for crop
3.15 damage under Minnesota Statutes, section
3.16 3.7371. If the amount in the first year is
3.17 insufficient, the amount in the second year is
3.18 available in the first year. The commissioner
3.19 may use up to \$10,000 of the appropriation
3.20 each year to reimburse expenses incurred by
3.21 the commissioner or the commissioner's
3.22 approved agent to investigate and resolve
3.23 claims, as well as for costs associated with
3.24 training for approved agents. The
3.25 commissioner may use up to \$20,000 of the
3.26 appropriation each year to make grants to
3.27 producers for measures to protect stored crops
3.28 from elk damage. If the commissioner
3.29 determines that claims made under Minnesota
3.30 Statutes, section 3.737 or 3.7371, are
3.31 unusually high, amounts appropriated for
3.32 either program may be transferred to the
3.33 appropriation for the other program.

3.34 Notwithstanding Minnesota Statutes, section
3.35 16A.28, any unencumbered balance does not
3.36 cancel at the end of the first year and is

4.1 available in the second year. The base is
4.2 \$155,000 for fiscal year 2026 and thereafter.

4.3 (f) \$825,000 the first year and \$825,000 the
4.4 second year are to replace capital equipment
4.5 in the Department of Agriculture's analytical
4.6 laboratory. The base for fiscal year 2026 and
4.7 thereafter is \$825,000.

4.8 (g) \$75,000 the first year and \$75,000 the
4.9 second year are to support a meat processing
4.10 liaison position to assist new or existing meat
4.11 and poultry processing operations in getting
4.12 started, expanding, growing, or transitioning
4.13 into new business models.

4.14 (h) \$950,000 the first year and \$950,000 the
4.15 second year are additional funding to maintain
4.16 the current level of service delivery for
4.17 programs under this subdivision. The base is
4.18 \$1,388,000 for fiscal year 2026 and thereafter.

4.19 (i) \$975,000 the first year and \$975,000 the
4.20 second year are for grants to the Board of
4.21 Regents of the University of Minnesota to
4.22 fund the Forever Green Initiative and protect
4.23 the state's natural resources while increasing
4.24 the efficiency, profitability, and productivity
4.25 of Minnesota's farmers by incorporating
4.26 perennial and winter-annual crops into existing
4.27 agricultural practices. By February 1 each year
4.28 the dean of the College of Food, Agricultural
4.29 and Natural Resource Sciences must submit
4.30 a report to the chairs and ranking minority
4.31 members of the legislative committees with
4.32 jurisdiction over agriculture finance and policy
4.33 and higher education detailing uses of the
4.34 funds in this paragraph, including

5.1 administrative costs, and the achievements
5.2 these funds contributed to.

5.3 (j) \$1,250,000 the first year and \$250,000 the
5.4 second year are for grants to organizations in
5.5 Minnesota to develop enterprises, supply
5.6 chains, and markets for continuous-living
5.7 cover crops and cropping systems in the early
5.8 stages of commercial development. For the
5.9 purposes of this section, "continuous-living
5.10 cover crops and cropping systems" refers to
5.11 agroforestry, perennial biomass, perennial
5.12 forage, perennial grains, and winter-annual
5.13 cereal grains and oilseeds that have market
5.14 value as harvested or grazed commodities. By
5.15 February 1 each year the commissioner must
5.16 submit a report to the chairs and ranking
5.17 minority members of the legislative
5.18 committees with jurisdiction over agriculture
5.19 finance and policy detailing uses of the funds
5.20 in this paragraph, including administrative
5.21 costs, and the achievements these funds
5.22 contributed to. Of the amount in the first year,
5.23 \$1,000,000 must be used to support markets
5.24 for Kernza perennial grain, winter camelina,
5.25 hybrid hazelnut, and elderberry, and is
5.26 available until June 30, 2027. The
5.27 commissioner may use up to 6.5 percent of
5.28 this appropriation for administrative costs.

5.29 (k) \$225,000 the first year and \$225,000 the
5.30 second year are appropriated for
5.31 wolf-livestock conflict-prevention grants. The
5.32 commissioner may use up to \$125,000 from
5.33 each year to reimburse nonlethal prevention
5.34 work performed by federal wildlife services.
5.35 This is a onetime appropriation.

6.1 (l) \$50,000 the first year is to convene a
 6.2 working group of interested parties, including
 6.3 representatives from the Department of
 6.4 Natural Resources, to investigate and
 6.5 recommend measures to protect crops, stored
 6.6 crops, and forage from destruction due to
 6.7 white-tailed deer. Membership of the working
 6.8 group is at the discretion of the commissioner.
 6.9 The commissioner or his designated
 6.10 representative must convene and facilitate the
 6.11 working group. No later than February 1,
 6.12 2024, the commissioner must submit a report
 6.13 on the working group's recommendations to
 6.14 the legislative committees with jurisdiction
 6.15 over agriculture policy and finance. This is a
 6.16 onetime appropriation.

6.17 **Subd. 3. Agricultural Marketing and**
 6.18 **Development**

4,815,000

4,815,000

6.19 (a) \$150,000 the first year and \$150,000 the
 6.20 second year are to expand international trade
 6.21 opportunities and markets for Minnesota
 6.22 agricultural products.

6.23 (b) \$186,000 the first year and \$186,000 the
 6.24 second year are for transfer to the Minnesota
 6.25 Grown account and may be used as grants for
 6.26 Minnesota Grown promotion under Minnesota
 6.27 Statutes, section 17.102. Notwithstanding
 6.28 Minnesota Statutes, section 16A.28, the
 6.29 appropriations encumbered under contract on
 6.30 or before June 30, 2025, for Minnesota Grown
 6.31 grants in the paragraph are available until June
 6.32 30, 2027.

6.33 (c) \$634,000 the first year and \$634,000 the
 6.34 second year are for continuation of the dairy
 6.35 development and profitability enhancement

7.1 programs, including dairy profitability teams
7.2 and dairy business planning grants under
7.3 Minnesota Statutes, section 32D.30.

7.4 (d) The commissioner may use funds
7.5 appropriated in this subdivision for annual
7.6 cost-share payments to resident farmers or
7.7 entities that sell, process, or package
7.8 agricultural products in this state for the costs
7.9 of organic certification. The commissioner
7.10 may allocate these funds for assistance to
7.11 persons transitioning from conventional to
7.12 organic agriculture.

7.13 (e) \$450,000 the first year and \$450,000 the
7.14 second year are to maintain the current level
7.15 of service delivery. The base is \$550,000 for
7.16 fiscal year 2026 and thereafter.

7.17 (f) \$100,000 the first year and \$100,000 the
7.18 second year are for mental health outreach and
7.19 support to farmers, ranchers, and others in the
7.20 agricultural community and for farm safety
7.21 grant and outreach programs under Minnesota
7.22 Statutes, section 17.1195. Mental health
7.23 outreach and support may include a 24-hour
7.24 hotline, stigma reduction, and education.

7.25 Notwithstanding Minnesota Statutes, section
7.26 16A.28, any unencumbered balance does not
7.27 cancel at the end of the first year and is
7.28 available in the second year. This is a onetime
7.29 appropriation.

7.30 (g) \$100,000 the first year and \$100,000 the
7.31 second year are to award and administer grants
7.32 to facilitate the start-up or expansion of
7.33 aggregation and food hub services at farmers
7.34 markets. This is a onetime appropriation.
7.35 Notwithstanding Minnesota Statutes, section

8.1 16A.28, any unencumbered balance does not
 8.2 cancel at the end of the first year and is
 8.3 available in the second year. This is a onetime
 8.4 appropriation.

8.5 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**
 8.6 **Advancement**

36,232,000

30,732,000

8.7 (a) \$9,800,000 the first year and \$9,800,000
 8.8 the second year are for transfer to the
 8.9 agriculture research, education, extension, and
 8.10 technology transfer account under Minnesota
 8.11 Statutes, section 41A.14, subdivision 3. Of
 8.12 these amounts: at least \$600,000 the first year
 8.13 and \$600,000 the second year are for the
 8.14 Minnesota Agricultural Experiment Station's
 8.15 agriculture rapid response fund under
 8.16 Minnesota Statutes, section 41A.14,
 8.17 subdivision 1, clause (2); \$2,500,000 the first
 8.18 year and \$2,500,000 the second year are for
 8.19 grants to the Minnesota Agricultural Education
 8.20 Leadership Council to enhance agricultural
 8.21 education with priority given to Farm Business
 8.22 Management challenge grants; \$450,000 the
 8.23 first year and \$450,000 the second year are
 8.24 for projects, programs, and research associated
 8.25 with the preservation and production of wild
 8.26 rice in collaboration with Minnesota Tribal
 8.27 governments as defined in Minnesota Statutes,
 8.28 section 10.65, subdivision 2, paragraph (a),
 8.29 clause (4); and \$350,000 the first year and
 8.30 \$350,000 the second year are for potato
 8.31 breeding. The commissioner shall transfer the
 8.32 remaining funds in this appropriation each
 8.33 year to the Board of Regents of the University
 8.34 of Minnesota for purposes of Minnesota
 8.35 Statutes, section 41A.14. Of the amount
 8.36 transferred to the Board of Regents, up to

9.1 \$1,000,000 each year is for avian influenza
9.2 prevention measures, and research on avian
9.3 influenza, salmonella, and other turkey-related
9.4 diseases. Funds may be used for researching
9.5 avian influenza prevention measures,
9.6 including, but not limited to, measures to
9.7 prevent transmission of avian influenza from
9.8 wild birds to domestic turkeys. To the extent
9.9 practicable, money expended under Minnesota
9.10 Statutes, section 41A.14, subdivision 1,
9.11 clauses (1) and (2), must supplement and not
9.12 supplant existing sources and levels of
9.13 funding. By January 15 each year, the entities
9.14 receiving grants under this paragraph are
9.15 requested to submit a report on the
9.16 expenditures under this paragraph to the chairs
9.17 and ranking minority members of the
9.18 legislative committees and divisions with
9.19 jurisdiction over agriculture policy and
9.20 finance. The commissioner may use up to one
9.21 percent of this appropriation for costs incurred
9.22 to administer the program.

9.23 (b) \$26,432,000 the first year and \$20,932,000
9.24 the second year are for the agricultural growth,
9.25 research, and innovation program under
9.26 Minnesota Statutes, section 41A.12. The
9.27 commissioner may use up to 6.5 percent of
9.28 this appropriation for costs incurred to
9.29 administer the program.

9.30 Of the amount appropriated for the agricultural
9.31 growth, research, and innovation program
9.32 under Minnesota Statutes, section 41A.12:

9.33 (1) \$1,000,000 the first year and \$1,000,000
9.34 the second year are for distribution in equal

10.1 amounts to each of the state's county fairs to
10.2 preserve and promote Minnesota agriculture;
10.3 (2) \$6,000,000 the first year and \$6,000,000
10.4 the second year are for incentive payments
10.5 under Minnesota Statutes, sections 41A.16,
10.6 41A.17, 41A.18, and 41A.20. Notwithstanding
10.7 Minnesota Statutes, section 16A.28, the first
10.8 year appropriation is available until June 30,
10.9 2025, and the second year appropriation is
10.10 available until June 30, 2026. If this
10.11 appropriation exceeds the total amount for
10.12 which all producers are eligible in a fiscal
10.13 year, the balance of the appropriation is
10.14 available for other purposes under this
10.15 paragraph. The base under this clause is
10.16 \$6,125,000 in fiscal year 2026 and thereafter;
10.17 (3) \$4,500,000 the first year and \$4,500,000
10.18 the second year are for grants that enable retail
10.19 petroleum dispensers, fuel storage tanks, and
10.20 other equipment to dispense biofuels to the
10.21 public in accordance with the biofuel
10.22 replacement goals established under
10.23 Minnesota Statutes, section 239.7911. A retail
10.24 petroleum dispenser selling petroleum for use
10.25 in spark ignition engines for vehicle model
10.26 years after 2000 is eligible for grant money
10.27 under this clause if the retail petroleum
10.28 dispenser has no more than 10 retail petroleum
10.29 dispensing sites and each site is located in
10.30 Minnesota. The grant money must be used to
10.31 replace or upgrade equipment that does not
10.32 have the ability to be certified for E25. A grant
10.33 award must not exceed 65 percent of the cost
10.34 of the appropriate technology. A grant award
10.35 must not exceed \$200,000 per station. The

11.1 commissioner must cooperate with biofuel
11.2 stakeholders in the implementation of the grant
11.3 program. The commissioner, in cooperation
11.4 with any economic or community development
11.5 financial institution and any other entity with
11.6 which it contracts, must submit a report on the
11.7 biofuels infrastructure financial assistance
11.8 program by January 15 of each year to the
11.9 chairs and ranking minority members of the
11.10 legislative committees and divisions with
11.11 jurisdiction over agriculture policy and
11.12 finance. The annual report must include but
11.13 not be limited to a summary of the following
11.14 metrics: (i) the number and types of projects
11.15 financed; (ii) the amount of dollars leveraged
11.16 or matched per project; (iii) the geographic
11.17 distribution of financed projects; (iv) any
11.18 market expansion associated with upgraded
11.19 infrastructure; (v) the demographics of the
11.20 areas served; (vi) the costs of the program;
11.21 and (vii) the number of grants to
11.22 minority-owned or female-owned businesses.
11.23 The base under this clause is \$3,375,000 for
11.24 fiscal year 2026 and thereafter;
11.25 (4) \$1,500,000 the first year and \$1,500,000
11.26 the second year are for grants to facilitate the
11.27 start-up, modernization, or expansion of meat,
11.28 poultry, egg, and milk processing facilities. A
11.29 grant award under this clause must not exceed
11.30 \$200,000. Any unencumbered balance at the
11.31 end of the second year does not cancel until
11.32 June 30, 2026, and may be used for other
11.33 purposes under this paragraph. The base under
11.34 this clause is \$250,000 in fiscal year 2026 and
11.35 thereafter;

12.1 (5) \$1,150,000 the first year and \$1,150,000
12.2 the second year are for providing more fruits,
12.3 vegetables, meat, poultry, grain, and dairy for
12.4 children in school and early childhood
12.5 education centers, including, at the
12.6 commissioner's discretion, providing grants
12.7 to reimburse schools and early childhood
12.8 education centers for purchasing equipment
12.9 and agricultural products. Of the amount
12.10 appropriated, \$150,000 each year is for a
12.11 statewide coordinator of farm-to-institution
12.12 strategy and programming. The coordinator
12.13 must consult with relevant stakeholders and
12.14 provide technical assistance and training for
12.15 participating farmers and eligible grant
12.16 recipients. The base under this clause is
12.17 \$800,000 in fiscal year 2026 and thereafter;

12.18 (6) \$5,500,0000 the first year is for Dairy
12.19 Assistance, Investment, Relief Initiative
12.20 (DAIRI) grants to Minnesota dairy farmers
12.21 who enroll in coverage under a federal dairy
12.22 risk protection program and produced no more
12.23 than 25,000,000 pounds of milk in 2022. The
12.24 commissioner must award DAIRI grants based
12.25 on the amount of milk produced in 2022, up
12.26 to 5,000,000 pounds per participating
12.27 producer, at a rate determined by the
12.28 commissioner within the limits of available
12.29 funding. Any unencumbered balance does not
12.30 cancel at the end of first year and is available
12.31 in the second year. Any unencumbered balance
12.32 at the end of second year does not cancel until
12.33 June 30, 2026 and may be used for other
12.34 purposes under this paragraph. This is a
12.35 onetime appropriation;

- 13.1 (7) \$250,000 the first year and \$250,000 the
13.2 second year are for grants to support hemp
13.3 processing. This is a onetime appropriation;
13.4 (8) up to \$600,000 the first year and \$600,000
13.5 the second year are for urban youth
13.6 agricultural education or urban agriculture
13.7 community development;
13.8 (9) up to \$450,000 the first year and \$450,000
13.9 the second year are for the good food access
13.10 program under Minnesota Statutes, section
13.11 17.1017;
13.12 (10) \$1,500,000 the first year and \$1,500,000
13.13 the second year are for the livestock
13.14 investment grant program under Minnesota
13.15 Statutes, section 17.118. Any unencumbered
13.16 balance at the end of the second year does not
13.17 cancel until June 30, 2026, and may be used
13.18 for other purposes under this paragraph;
13.19 (11) \$1,150,000 the first year and \$1,150,000
13.20 the second year are for value-added grants;
13.21 (12) \$340,000 the first year and \$340,000 the
13.22 second year are for the New Markets Program;
13.23 and
13.24 (13) \$450,000 the first year and \$450,000 the
13.25 second year are for beginning farmer farm
13.26 business management scholarships.
13.27 By January 15 each year, the commissioner
13.28 must submit a report on the grants awarded
13.29 under this paragraph to the chairs and ranking
13.30 minority members of the legislative
13.31 committees and divisions with jurisdiction
13.32 over agriculture policy and finance.
13.33 Notwithstanding Minnesota Statutes, section
13.34 16A.28, any unencumbered balance does not

14.1 cancel at the end of the first year and is
 14.2 available for the second year, and
 14.3 appropriations encumbered under contract on
 14.4 or before June 30, 2025, for agricultural
 14.5 growth, research, and innovation grants are
 14.6 available until June 30, 2028.

14.7 The base for the agricultural growth, research,
 14.8 and innovation program is \$17,582,000 in
 14.9 fiscal year 2026 and thereafter, and includes
 14.10 funding for incentive payments under
 14.11 Minnesota Statutes, sections 41A.16, 41A.17,
 14.12 41A.18, and 41A.20.

14.13 **Subd. 5. Administration and Financial**
 14.14 **Assistance**

30,243,000

14,957,000

14.15 (a) \$474,000 the first year and \$474,000 the
 14.16 second year are for payments to county and
 14.17 district agricultural societies and associations
 14.18 under Minnesota Statutes, section 38.02,
 14.19 subdivision 1. Aid payments to county and
 14.20 district agricultural societies and associations
 14.21 shall be disbursed no later than July 15 of each
 14.22 year. These payments are the amount of aid
 14.23 from the state for an annual fair held in the
 14.24 previous calendar year.

14.25 (b) \$375,000 the first year and \$375,000 the
 14.26 second year are for grants to the Minnesota
 14.27 Agricultural Education and Leadership
 14.28 Council for programs of the council under
 14.29 Minnesota Statutes, chapter 41D.

14.30 (c) \$2,000 the first year is for a grant to the
 14.31 Minnesota State Poultry Association. This is
 14.32 a onetime appropriation. Notwithstanding
 14.33 Minnesota Statutes, section 16A.28, any
 14.34 unencumbered balance does not cancel at the

15.1 end of the first year and is available for the
15.2 second year.

15.3 (d) \$18,000 the first year and \$18,000 the
15.4 second year are for grants to the Minnesota
15.5 Livestock Breeders Association. This is a
15.6 onetime appropriation.

15.7 (e) \$60,000 the first year and \$60,000 the
15.8 second year are for grants to the Northern
15.9 Crops Institute to purchase equipment. This
15.10 is a onetime appropriation.

15.11 (f) \$34,000 the first year and \$34,000 the
15.12 second year are for grants to the Minnesota
15.13 State Horticultural Society. This is a onetime
15.14 appropriation.

15.15 (g) \$75,000 the first year and \$75,000 the
15.16 second year are appropriated from the general
15.17 fund to the commissioner of agriculture for
15.18 grants to the Minnesota Turf Seed Council for
15.19 basic and applied research on: (1) the
15.20 improved production of forage and turf seed
15.21 related to new and improved varieties; and (2)
15.22 native plants, including plant breeding,
15.23 nutrient management, pest management,
15.24 disease management, yield, and viability. The
15.25 Minnesota Turf Seed Council may subcontract
15.26 with a qualified third party for some or all of
15.27 the basic or applied research. Any
15.28 unencumbered balance does not cancel at the
15.29 end of the first year and is available in the
15.30 second year. The Minnesota Turf Seed Council
15.31 must prepare a report outlining the use of the
15.32 grant money and related accomplishments. No
15.33 later than January 15, 2025, the council must
15.34 submit the report to the chairs and ranking
15.35 minority members of the legislative

16.1 committees and divisions with jurisdiction
16.2 over agriculture finance and policy.

16.3 (h) \$200,000 the first year and \$200,000 the
16.4 second year are for grants to GreenSeam for
16.5 assistance to agriculture-related businesses to
16.6 support business retention and development,
16.7 business attraction and creation, talent
16.8 development and attraction, and regional
16.9 branding and promotion. These are onetime
16.10 appropriations. No later than December 1,
16.11 2024, and December 1, 2025, GreenSeam
16.12 must report to the chairs and ranking minority
16.13 members of the legislative committees with
16.14 jurisdiction over agriculture and rural
16.15 development with information on new and
16.16 existing businesses supported, number of new
16.17 jobs created in the region, new educational
16.18 partnerships and programs supported, and
16.19 regional branding and promotional efforts.

16.20 (i) \$1,950,000 the first year and \$1,950,000
16.21 the second year are for grants to Second
16.22 Harvest Heartland on behalf of Minnesota's
16.23 six Feeding America food banks for the
16.24 following purposes:

16.25 (1) at least \$850,000 each year must be
16.26 allocated to purchase milk for distribution to
16.27 Minnesota's food shelves and other charitable
16.28 organizations that are eligible to receive food
16.29 from the food banks. Milk purchased under
16.30 the grants must be acquired from Minnesota
16.31 milk processors and based on low-cost bids.
16.32 The milk must be allocated to each Feeding
16.33 America food bank serving Minnesota
16.34 according to the formula used in the
16.35 distribution of United States Department of

17.1 Agriculture commodities under The
17.2 Emergency Food Assistance Program. Second
17.3 Harvest Heartland may enter into contracts or
17.4 agreements with food banks for shared funding
17.5 or reimbursement of the direct purchase of
17.6 milk. Each food bank that receives funding
17.7 under this clause may use up to two percent
17.8 for administrative expenses. Notwithstanding
17.9 Minnesota Statutes, section 16A.28, any
17.10 unencumbered balance the first year does not
17.11 cancel and is available the second year;
17.12 (2) to compensate agricultural producers and
17.13 processors for costs incurred to harvest and
17.14 package for transfer surplus fruits, vegetables,
17.15 and other agricultural commodities that would
17.16 otherwise go unharvested, be discarded, or
17.17 sold in a secondary market. Surplus
17.18 commodities must be distributed statewide to
17.19 food shelves and other charitable organizations
17.20 that are eligible to receive food from the food
17.21 banks. Surplus food acquired under this clause
17.22 must be from Minnesota producers and
17.23 processors. Second Harvest Heartland may
17.24 use up to 15 percent of each grant awarded
17.25 under this clause for administrative and
17.26 transportation expenses; and
17.27 (3) to purchase and distribute protein products,
17.28 including but not limited to pork, poultry, beef,
17.29 dry legumes, cheese, and eggs to Minnesota's
17.30 food shelves and other charitable organizations
17.31 that are eligible to receive food from the food
17.32 banks. Second Harvest Heartland may use up
17.33 to two percent of each grant awarded under
17.34 this clause for administrative expenses. Protein
17.35 products purchased under the grants must be

18.1 acquired from Minnesota processors and
18.2 producers.

18.3 Second Harvest Heartland must submit
18.4 quarterly reports to the commissioner and the
18.5 chairs and ranking minority members of the
18.6 legislative committees with jurisdiction over
18.7 agriculture finance in the form prescribed by
18.8 the commissioner. The reports must include
18.9 but are not limited to information on the
18.10 expenditure of funds, the amount of milk or
18.11 other commodities purchased, and the
18.12 organizations to which this food was
18.13 distributed. By January 15 each year, the
18.14 commissioner must submit a report on the
18.15 grants awarded under this paragraph to the
18.16 chairs and ranking minority members of the
18.17 legislative committees and divisions with
18.18 jurisdiction over agriculture policy and
18.19 finance. The base is \$1,700,000 for fiscal year
18.20 2026 and thereafter.

18.21 (j) \$25,000 the first year and \$25,000 the
18.22 second year are for grants to the Southern
18.23 Minnesota Initiative Foundation to promote
18.24 local foods through an annual event that raises
18.25 public awareness of local foods and connects
18.26 local food producers and processors with
18.27 potential buyers.

18.28 (k) \$300,000 the first year and \$300,000 the
18.29 second year are for grants to The Good Acre
18.30 for the Local Emergency Assistance Farmer
18.31 Fund (LEAFF) program to compensate
18.32 emerging farmers for crops donated to hunger
18.33 relief organizations in Minnesota. This is a
18.34 onetime appropriation.

19.1 (l) \$550,000 the first year and \$550,000 the
19.2 second year are for services to beginning and
19.3 emerging farmers to increase connections
19.4 between farmers and market opportunities
19.5 throughout the state. The appropriation may
19.6 be used for grants, translation services,
19.7 training programs, or other purposes in line
19.8 with the recommendations of the Emerging
19.9 Farmer Working Group established under
19.10 Minnesota Statutes, section 17.055,
19.11 subdivision 1. By January 15 each year, the
19.12 commissioner must submit a report on the
19.13 grants awarded under this paragraph to the
19.14 chairs and ranking minority members of the
19.15 legislative committees and divisions with
19.16 jurisdiction over agriculture policy and
19.17 finance. The base is \$350,000 for fiscal year
19.18 2026 and thereafter.

19.19 (m) \$337,000 the first year and \$337,000 the
19.20 second year are for farm advocate services.
19.21 Of these amounts, \$50,000 the first year and
19.22 \$50,000 the second year are for the
19.23 continuation of the farmland transition
19.24 programs and may be used for grants to
19.25 farmland access teams to provide technical
19.26 assistance to potential beginning farmers.
19.27 Farmland access teams must assist existing
19.28 farmers and beginning farmers on transitioning
19.29 farm ownership and farm operation. Services
19.30 provided by teams may include but are not
19.31 limited to mediation assistance, designing
19.32 contracts, financial planning, tax preparation,
19.33 estate planning, and housing assistance.

19.34 (n) \$260,000 the first year and \$260,000 the
19.35 second year are for a pass-through grant to

20.1 Region Five Development Commission to
20.2 provide, in collaboration with Farm Business
20.3 Management, statewide mental health
20.4 counseling support to Minnesota farm
20.5 operators, families, and employees, and
20.6 individuals who work with Minnesota farmers
20.7 in a professional capacity. Region Five
20.8 Development Commission may use up to 6.5
20.9 percent of the grant awarded under this
20.10 paragraph for administration.

20.11 (o) \$1,400,000 the first year is for transfer to
20.12 the agricultural emergency account established
20.13 under Minnesota Statutes, section 17.041. This
20.14 is a onetime transfer.

20.15 (p) \$1,084,000 the first year and \$1,500,000
20.16 the second year are to support IT
20.17 modernization efforts, including laying the
20.18 technology foundations needed for improving
20.19 customer interactions with the department for
20.20 licensing and payments. This is a onetime
20.21 appropriation.

20.22 (q) \$1,425,000 the first year and \$1,425,000
20.23 the second year are transferred to the
20.24 agricultural and environmental revolving loan
20.25 account established under Minnesota Statutes,
20.26 section 17.117, subdivision 5a, for low-interest
20.27 loans to farmers, rural landowners, and
20.28 agricultural businesses through the agriculture
20.29 best management practices loan program in
20.30 Minnesota Statutes, section 17.117.

20.31 (r) \$150,000 the first year and \$150,000 the
20.32 second year are for administrative support for
20.33 the Rural Finance Authority.

21.1 (s) \$14,000,000 the first year is for transfer to
21.2 the grain indemnity account established in
21.3 Minnesota Statutes, section 223.24. This is a
21.4 onetime transfer.

21.5 (t) \$500,000 the first year and \$500,000 the
21.6 second year are to maintain the current level
21.7 of service delivery. The base is \$600,000 in
21.8 fiscal year 2026 and thereafter.

21.9 (u) \$250,000 the first year is for a grant to the
21.10 Board of Regents of the University of
21.11 Minnesota to purchase equipment for the
21.12 Veterinary Diagnostic Laboratory to test for
21.13 chronic wasting disease, African swine fever,
21.14 avian influenza, and other animal diseases.
21.15 This is a onetime appropriation.

21.16 (v) \$1,250,000 the first year and \$1,250,000
21.17 the second year are to award down payment
21.18 assistance grants under Minnesota Statutes,
21.19 section 17.133. Of the amount appropriated
21.20 each year, at least \$375,000 is for down
21.21 payment assistance grants to emerging
21.22 farmers. If the commissioner has not awarded
21.23 \$375,000 to emerging farmers by March 1
21.24 each year, the commissioner may award
21.25 remaining funds to any eligible farmer. By
21.26 January 15 each year, the commissioner must
21.27 submit a report on the grants awarded under
21.28 this paragraph to the chairs and ranking
21.29 minority members of the legislative
21.30 committees and divisions with jurisdiction
21.31 over agriculture policy and finance. The base
21.32 is \$750,000 for fiscal year 2026 and thereafter.

21.33 (w) \$222,000 the first year and \$322,000 the
21.34 second year are appropriated for grants to meat
21.35 and poultry processors to reimburse costs for

22.1 training and retention of employees. A meat
22.2 processor with 100 full-time equivalent
22.3 employees or fewer is eligible for grant money
22.4 under this section. Grants may be used for
22.5 tuition reimbursement at Minnesota State
22.6 Colleges and Universities, child care stipends,
22.7 retention bonuses, and other related expenses.
22.8 A grant award may not exceed \$5,000 per
22.9 employee. By January 15 each year, the
22.10 commissioner must submit a report on the
22.11 grants awarded under this paragraph to the
22.12 chairs and ranking minority members of the
22.13 legislative committees and divisions with
22.14 jurisdiction over agriculture policy and
22.15 finance. The commissioner may use up to 6.5
22.16 percent of the appropriation each year for
22.17 administration. This is a onetime
22.18 appropriation.

22.19 (x) \$250,000 the first year and \$250,000 the
22.20 second year are appropriated from the general
22.21 fund to the commissioner of agriculture to
22.22 award cooperative grants under Minnesota
22.23 Statutes, section 17.1016. The commissioner
22.24 may use up to 6.5 percent of the appropriation
22.25 each year to administer the grant program.
22.26 This is a onetime appropriation.

22.27 (y) \$100,000 the first year is for grants or other
22.28 forms of technical assistance to meat and
22.29 poultry processors to reimburse the cost of
22.30 attending courses or training and receiving
22.31 technical assistance in fiscal year 2024 that
22.32 supports developing sanitation standard
22.33 operating procedures, hazard analysis and
22.34 critical control points plans, or business plans.
22.35 A meat processor with 50 full-time equivalent

24.1 subdivision 1. Aid payments to county and
24.2 district agricultural societies and associations
24.3 shall be disbursed no later than July 15 of each
24.4 year. These payments are the amount of aid
24.5 from the state for an annual fair held in the
24.6 previous calendar year.

24.7 (b) \$387,000 the first year and \$337,000 the
24.8 second year are for farm advocate services.
24.9 Of these amounts, \$100,000 the first year and
24.10 \$50,000 the second year are for a pilot
24.11 program creating farmland access teams to
24.12 provide technical assistance to potential
24.13 beginning farmers. The farmland access teams
24.14 must assist existing farmers and beginning
24.15 farmers on transitioning farm ownership and
24.16 operation. Services provided by teams may
24.17 include but are not limited to providing
24.18 mediation assistance, designing contracts,
24.19 financial planning, tax preparation, estate
24.20 planning, and housing assistance. Of this
24.21 amount for farm transitions, up to \$50,000 the
24.22 first year may be used to upgrade the
24.23 Minnesota FarmLink web application that
24.24 connects farmers looking for land with farmers
24.25 looking to transition their land.

24.26 (c) \$47,000 the first year and \$47,000 the
24.27 second year are for grants to the Northern
24.28 Crops Institute that may be used to purchase
24.29 equipment. These are onetime appropriations.

24.30 (d) \$238,000 the first year and \$260,000 the
24.31 second year are for a pass-through grant to
24.32 Region Five Development Commission to
24.33 provide, in collaboration with Farm Business
24.34 Management, statewide mental health
24.35 counseling support to Minnesota farm

25.1 operators, families, and employees, and
25.2 individuals who work with Minnesota farmers
25.3 in a professional capacity. Region Five
25.4 Development Commission may use up to 6.5
25.5 percent of the grant awarded under this
25.6 paragraph for administration. The base for this
25.7 appropriation is \$260,000 in fiscal year 2024
25.8 and later.

25.9 (e) \$1,700,000 the first year and \$1,700,000
25.10 the second year are for grants to Second
25.11 Harvest Heartland on behalf of Minnesota's
25.12 six Feeding America food banks for the
25.13 following:

25.14 (1) to purchase milk for distribution to
25.15 Minnesota's food shelves and other charitable
25.16 organizations that are eligible to receive food
25.17 from the food banks. Milk purchased under
25.18 the grants must be acquired from Minnesota
25.19 milk processors and based on low-cost bids.
25.20 The milk must be allocated to each Feeding
25.21 America food bank serving Minnesota
25.22 according to the formula used in the
25.23 distribution of United States Department of
25.24 Agriculture commodities under The
25.25 Emergency Food Assistance Program. Second
25.26 Harvest Heartland may enter into contracts or
25.27 agreements with food banks for shared funding
25.28 or reimbursement of the direct purchase of
25.29 milk. Each food bank that receives funding
25.30 under this clause may use up to two percent
25.31 for administrative expenses;

25.32 (2) to compensate agricultural producers and
25.33 processors for costs incurred to harvest and
25.34 package for transfer surplus fruits, vegetables,
25.35 and other agricultural commodities that would

26.1 otherwise go unharvested, be discarded, or
26.2 sold in a secondary market. Surplus
26.3 commodities must be distributed statewide to
26.4 food shelves and other charitable organizations
26.5 that are eligible to receive food from the food
26.6 banks. Surplus food acquired under this clause
26.7 must be from Minnesota producers and
26.8 processors. Second Harvest Heartland may
26.9 use up to 15 percent of each grant awarded
26.10 under this clause for administrative and
26.11 transportation expenses; and

26.12 (3) to purchase and distribute protein products,
26.13 including but not limited to pork, poultry, beef,
26.14 dry legumes, cheese, and eggs to Minnesota's
26.15 food shelves and other charitable organizations
26.16 that are eligible to receive food from the food
26.17 banks. Second Harvest Heartland may use up
26.18 to two percent of each grant awarded under
26.19 this clause for administrative expenses. Protein
26.20 products purchased under the grants must be
26.21 acquired from Minnesota processors and
26.22 producers.

26.23 Of the amount appropriated under this
26.24 paragraph, at least \$600,000 each year must
26.25 be allocated under clause (1). Notwithstanding
26.26 Minnesota Statutes, section 16A.28, any
26.27 unencumbered balance the first year does not
26.28 cancel and is available in the second year.
26.29 Second Harvest Heartland must submit
26.30 quarterly reports to the commissioner and the
26.31 chairs and ranking minority members of the
26.32 legislative committees with jurisdiction over
26.33 agriculture finance in the form prescribed by
26.34 the commissioner. The reports must include
26.35 but are not limited to information on the

27.1 expenditure of funds, the amount of milk or
27.2 other commodities purchased, and the
27.3 organizations to which this food was
27.4 distributed.

27.5 (f) \$250,000 the first year and \$250,000 the
27.6 second year are for grants to the Minnesota
27.7 Agricultural Education and Leadership
27.8 Council for programs of the council under
27.9 Minnesota Statutes, chapter 41D.

27.10 (g) \$1,437,000 the first year and \$1,437,000
27.11 the second year are for transfer to the
27.12 agricultural and environmental revolving loan
27.13 account established under Minnesota Statutes,
27.14 section 17.117, subdivision 5a, for low-interest
27.15 loans under Minnesota Statutes, section
27.16 17.117. The base for appropriations under this
27.17 paragraph in fiscal year 2024 and thereafter
27.18 is \$1,425,000. The commissioner must
27.19 examine how the department could use up to
27.20 one-third of the amount transferred to the
27.21 agricultural and environmental revolving loan
27.22 account under this paragraph to award grants
27.23 to rural landowners to replace septic systems
27.24 that inadequately protect groundwater. No
27.25 later than February 1, 2022, the commissioner
27.26 must report to the legislative committees with
27.27 jurisdiction over agriculture finance and
27.28 environment finance on the results of the
27.29 examination required under this paragraph.
27.30 The commissioner's report may include other
27.31 funding sources for septic system replacement
27.32 that are available to rural landowners.

27.33 (h) \$150,000 the first year and \$150,000 the
27.34 second year are for grants to the Center for

28.1 Rural Policy and Development. These are
28.2 onetime appropriations.

28.3 (i) \$150,000 the first year is to provide grants
28.4 to Central Lakes College for the purposes of
28.5 designing, building, and offering credentials
28.6 in the area of meat cutting and butchery that
28.7 align with industry needs as advised by local
28.8 industry advisory councils. Notwithstanding
28.9 Minnesota Statutes, section 16A.28, any
28.10 unencumbered balance does not cancel at the
28.11 end of the first year and is available for the
28.12 second year. The commissioner may only
28.13 award a grant under this paragraph if the grant
28.14 is matched by a like amount from another
28.15 funding source. The commissioner must seek
28.16 matching dollars from Minnesota State
28.17 Colleges and Universities or other entities.

28.18 The appropriation is onetime and is available
28.19 until June 30, 2024. Any money remaining on
28.20 June 30, 2024, must be transferred to the
28.21 agricultural growth, research, and innovation
28.22 program under Minnesota Statutes, section
28.23 41A.12, and is available until June 30, 2025.

28.24 Grants may be used for costs including but
28.25 not limited to:

28.26 (1) facility renovation to accommodate meat
28.27 cutting;

28.28 (2) curriculum design and approval from the
28.29 Higher Learning Commission;

28.30 (3) program operational start-up costs;

28.31 (4) equipment required for a meat cutting
28.32 program; and

28.33 (5) meat handling start-up costs in regard to
28.34 meat access and market channel building.

- 29.1 No later than January 15, 2023, Central Lakes
29.2 College must submit a report outlining the use
29.3 of grant money to the chairs and ranking
29.4 minority members of the legislative
29.5 committees and divisions with jurisdiction
29.6 over agriculture and higher education.
- 29.7 (j) \$2,000 the first year is for grants to the
29.8 Minnesota State Poultry Association. This is
29.9 a onetime appropriation. Notwithstanding
29.10 Minnesota Statutes, section 16A.28, any
29.11 unencumbered balance does not cancel at the
29.12 end of the first year and is available for the
29.13 second year.
- 29.14 (k) \$17,000 the first year and \$17,000 the
29.15 second year are for grants to the Minnesota
29.16 State Horticultural Society. These are onetime
29.17 appropriations.
- 29.18 (l) \$18,000 the first year and \$18,000 the
29.19 second year are for grants to the Minnesota
29.20 Livestock Breeders Association. These are
29.21 onetime appropriations.
- 29.22 (m) The commissioner shall continue to
29.23 increase connections with ethnic minority and
29.24 immigrant farmers to farming opportunities
29.25 and farming programs throughout the state.
- 29.26 (n) \$25,000 the first year and \$25,000 the
29.27 second year are for grants to the Southern
29.28 Minnesota Initiative Foundation to promote
29.29 local foods through an annual event that raises
29.30 public awareness of local foods and connects
29.31 local food producers and processors with
29.32 potential buyers.
- 29.33 (o) \$75,000 the first year and \$75,000 the
29.34 second year are for grants to Greater Mankato

30.1 Growth, Inc., for assistance to
30.2 agriculture-related businesses to promote jobs,
30.3 innovation, and synergy development. These
30.4 are onetime appropriations.

30.5 (p) \$75,000 the first year and \$75,000 the
30.6 second year are for grants to the Minnesota
30.7 Turf Seed Council for basic and applied
30.8 research. The Minnesota Turf Seed Council
30.9 may subcontract with a qualified third party
30.10 for some or all of the basic or applied research.
30.11 No later than January 15, 2023, the Minnesota
30.12 Turf Seed Council must submit a report
30.13 outlining the use of the grant money and
30.14 related accomplishments to the chairs and
30.15 ranking minority members of the legislative
30.16 committees with jurisdiction over agriculture.
30.17 These are onetime appropriations. Any
30.18 unencumbered balance does not cancel at the
30.19 end of the first year and is available for the
30.20 second year.

30.21 (q) \$150,000 the first year and \$150,000 the
30.22 second year are to establish an emerging
30.23 farmer office and hire a full-time emerging
30.24 farmer outreach coordinator. The emerging
30.25 farmer outreach coordinator must engage and
30.26 support emerging farmers regarding resources
30.27 and opportunities available throughout the
30.28 Department of Agriculture and the state. For
30.29 purposes of this paragraph, "emerging farmer"
30.30 has the meaning provided in Minnesota
30.31 Statutes, section 17.055, subdivision 1. Of the
30.32 amount appropriated each year, \$25,000 is for
30.33 translation services for farmers and cottage
30.34 food producers.

31.1 (r) \$222,000 the first year and \$286,000 the
31.2 second year are to maintain the current level
31.3 of service delivery.

31.4 (s) \$827,000 the second year is to award and
31.5 administer grants to:

31.6 (1) organizations to provide technical and
31.7 culturally appropriate services to emerging
31.8 farmers and related businesses;

31.9 (2) organizations to help emerging farmers
31.10 pay for up to 65 percent of premium expenses
31.11 each year up to two years under the federal
31.12 micro farm insurance program; and

31.13 (3) The Good Acre for the Local Emergency
31.14 Assistance Farmer Fund (LEAFF) program to
31.15 compensate emerging farmers for crops
31.16 donated to hunger relief organizations in
31.17 Minnesota.

31.18 This is a onetime appropriation and is
31.19 available until June 30, 2024.

31.20 (t) \$750,000 the second year is to support the
31.21 IT modernization efforts, including laying the
31.22 technology foundations needed for improving
31.23 customer interactions with the department for
31.24 licensing and payments. The base for this
31.25 appropriation is \$584,000 in fiscal year 2024
31.26 and \$0 in fiscal year 2025.

31.27 (u) \$1,500,000 the first year is for transfer to
31.28 the agricultural emergency account established
31.29 under Minnesota Statutes, section 17.041. This
31.30 is a onetime transfer. This transfer is in
31.31 addition to the appropriations made in Laws
31.32 2022, chapter 47, section 2.

32.1 Notwithstanding Minnesota Statutes, section
32.2 17.041, the commissioner may use the amount
32.3 to be transferred for the purposes identified
32.4 under Laws 2022, chapter 47, section 2,
32.5 paragraph (b). This paragraph expires on
32.6 December 31, 2022.

32.7 (v) \$250,000 in the second year is for a grant
32.8 to the Board of Regents of the University of
32.9 Minnesota to purchase equipment for the
32.10 Veterinary Diagnostic Laboratory to test for
32.11 chronic wasting disease, African swine fever,
32.12 avian influenza, and other animal diseases.

32.13 The Veterinary Diagnostic Laboratory must
32.14 report expenditures under this paragraph to
32.15 the legislative committees with jurisdiction
32.16 over agriculture finance and higher education
32.17 with initial reports completed by January 3,
32.18 2023, and January 3, 2024, and a final report
32.19 by ~~September 1, 2025~~ December 31, 2024.

32.20 The reports must include a list of equipment
32.21 purchased, including the cost of each item.

32.22 The base for this appropriation is \$250,000 in
32.23 fiscal year 2024 and \$0 in fiscal year 2025.

32.24 (w) \$141,000 the second year is for additional
32.25 funding to administer the beginning farmer
32.26 tax credit. The base for this appropriation is
32.27 \$56,000 in fiscal year 2024 and later.

32.28 (x) \$750,000 the second year is for a grant to
32.29 the Ag Innovation Campus to continue
32.30 construction of a soybean processing and
32.31 research facility. This is a onetime
32.32 appropriation.

32.33 The commissioner shall submit a report on the
32.34 utilization of the grants to the chairs and
32.35 ranking minority members of the legislative

33.1 committees and divisions with jurisdiction
33.2 over agriculture policy and finance by
33.3 February 1, 2024.

33.4 (y) \$50,000 is added to the base for fiscal year
33.5 2024 and \$0 for fiscal year 2025 to provide
33.6 technical assistance and leadership in the
33.7 development of a comprehensive and
33.8 well-documented state aquaculture plan. The
33.9 commissioner must provide the state
33.10 aquaculture plan to the legislative committees
33.11 with jurisdiction over agriculture finance and
33.12 policy by February 15, 2025.

33.13 (z) \$500,000 the second year is to award and
33.14 administer down payment assistance grants
33.15 under Minnesota Statutes, section 17.133. The
33.16 base for this appropriation is \$750,000 in fiscal
33.17 year 2024 and thereafter. Any unspent funds
33.18 are available until the end of the following
33.19 fiscal year.

33.20 (aa) \$350,000 the second year is to provide
33.21 grants to secondary career and technical
33.22 education programs for the purpose of offering
33.23 instruction in meat cutting and butchery. By
33.24 January 15, 2023, the commissioner must
33.25 report to the chairs and ranking minority
33.26 members of the committees with jurisdiction
33.27 over agriculture finance and education finance
33.28 by listing the grants made under this paragraph
33.29 by county and noting the number and amount
33.30 of grant requests not fulfilled. The report may
33.31 include additional information as determined
33.32 by the commissioner, including but not limited
33.33 to information regarding the outcomes
33.34 produced by these grants. If additional grants
33.35 are awarded under this paragraph that were

34.1 not covered in the report due by January 15,
 34.2 2023, the commissioner must submit an
 34.3 additional report to the chairs and ranking
 34.4 minority members of the committees with
 34.5 jurisdiction over agriculture finance and
 34.6 education finance regarding all grants issued
 34.7 under this paragraph by November 1, 2023.

34.8 This is a onetime appropriation. Grants may
 34.9 be used for costs, including but not limited to:

34.10 (1) equipment required for a meat cutting
 34.11 program;

34.12 (2) facility renovation to accommodate meat
 34.13 cutting; and

34.14 (3) training faculty to teach the fundamentals
 34.15 of meat processing.

34.16 A grant recipient may be awarded a grant of
 34.17 up to \$70,000 and may use up to ten percent
 34.18 of the grant for faculty training.

34.19 Priority may be given to applicants who are
 34.20 coordinating with meat cutting and butchery
 34.21 programs at Minnesota State Colleges and
 34.22 Universities system and local industry
 34.23 partners.

34.24 **Sec. 6. EFFECTIVE DATE.**

34.25 Sections 1 to 4 are effective July 1, 2023. Section 5 is effective the day following final
 34.26 enactment.

34.27 **ARTICLE 2**

34.28 **AGRICULTURE POLICY**

34.29 Section 1. Minnesota Statutes 2022, section 17.1016, subdivision 2, is amended to read:

34.30 **Subd. 2. Grant program.** (a) The commissioner may establish and implement a grant
 34.31 program to help farmers finance new cooperatives that organize for purposes of operating

35.1 an agricultural product processing facility or marketing an agricultural product or agricultural
35.2 service.

35.3 (b) To be eligible for this program, a grantee must:

35.4 (1) be a cooperative organized under chapter 308A or 308B;

35.5 (2) certify that all control ~~and equity in~~ of the cooperative is from farmers, family farm
35.6 partnerships, family farm limited liability companies, or family farm corporations as defined
35.7 in section 500.24, subdivision 2, who are actively engaged in agricultural commodity
35.8 production;

35.9 (3) be operated primarily to process agricultural commodities or market agricultural
35.10 products or services produced in Minnesota; ~~and~~

35.11 (4) receive agricultural commodities produced primarily by shareholders or members
35.12 of the cooperative; and

35.13 (5) not allow nonpatron voting rights.

35.14 (c) The commissioner may receive applications and make grants up to \$50,000 to eligible
35.15 grantees for feasibility, marketing analysis, assistance with organizational development,
35.16 financing and managing new cooperatives, product development, development of business
35.17 and marketing plans, and predesign of facilities, including site analysis, the development
35.18 of bid specifications, preliminary blueprints and schematics, and the completion of purchase
35.19 agreements and other necessary legal documents.

35.20 (d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.

35.21 Sec. 2. Minnesota Statutes 2022, section 17.133, subdivision 2, is amended to read:

35.22 Subd. 2. **Grants.** The commissioner ~~must~~ may award farm down payment assistance
35.23 grants of up to \$15,000 per eligible farmer. ~~An eligible farmer must match the grant with~~
35.24 ~~at least an equivalent amount~~ Each award must be matched with at least \$5,000 of other
35.25 funding. The commissioner must accept grant applications for at least 30 days. An eligible
35.26 farmer must commit to own and farm the land purchased with assistance provided under
35.27 this section for at least five years. For each year that a grant recipient does not own and
35.28 farm the land during the five-year period, the grant recipient must pay a penalty to the
35.29 commissioner equal to 20 percent of the grant amount.

36.1 Sec. 3. **[17.134] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.**

36.2 **Subdivision 1. Establishment.** The commissioner must establish and administer a
36.3 program to support healthy soil management practices in accordance with this section.

36.4 **Subd. 2. Eligible projects.** The commissioner may award a grant under this section for
36.5 any project on agricultural land in Minnesota that will:

36.6 (1) increase the quantity of organic carbon in soil through practices, including but not
36.7 limited to reduced tillage, cover cropping, manure management, precision agriculture, crop
36.8 rotations, and changes in grazing management;

36.9 (2) integrate perennial vegetation into the management of agricultural lands;

36.10 (3) reduce nitrous oxide and methane emissions through changes to livestock, soil
36.11 management, or nutrient optimization;

36.12 (4) increase the usage of precision agricultural practices;

36.13 (5) enable the development of site-specific management plans; or

36.14 (6) enable the purchase of equipment, parts and materials, technology, subscriptions,
36.15 technical assistance, seeds, seedlings, or amendments that will further any of the purposes
36.16 in clauses (1) to (5).

36.17 **Subd. 3. Grant eligibility.** Any owner or lessee of farmland may apply for a grant under
36.18 this section. Local government units, including cities, towns, counties, soil and water
36.19 conservation districts, Tribal Nations, and joint powers boards, are also eligible for a grant.
36.20 A local government unit that receives a grant for equipment or technology must make those
36.21 purchases available for use by the public.

36.22 **Subd. 4. Report.** By January 15 each year, the commissioner must submit a report on
36.23 the grants awarded under this section to the chairs and ranking minority members of the
36.24 legislative committees and divisions with jurisdiction over agriculture policy and finance.
36.25 The report must include the number of grants awarded by county, and the combined value
36.26 of those grants.

36.27 **Subd. 5. Administrative costs.** The commissioner may use up to five percent of any
36.28 funds appropriated for this program for costs incurred to administer the program.

36.29 Sec. 4. Minnesota Statutes 2022, section 41A.14, subdivision 2, is amended to read:

36.30 **Subd. 2. Advisory panel.** (a) In awarding grants under this section, the commissioner
36.31 and a representative of the College of Food, Agricultural and Natural Resource Sciences at

37.1 the University of Minnesota must consult with an advisory panel consisting of the following
37.2 stakeholders:

37.3 (1) a representative of the Minnesota State Colleges and Universities system;

37.4 (2) a representative of the Minnesota Farm Bureau;

37.5 (3) a representative of the Minnesota Farmers Union;

37.6 (4) a person representing agriculture industry statewide;

37.7 (5) a representative of each of the state commodity councils organized under section
37.8 17.54 and the Minnesota Pork Board;

37.9 (6) a person representing an association of primary manufacturers of forest products;

37.10 (7) a person representing organic or sustainable agriculture; ~~and~~

37.11 (8) a person representing statewide environment and natural resource conservation
37.12 organizations; and

37.13 (9) a person representing the interests of Minnesota Tribal governments as defined in
37.14 section 10.65, subdivision 2, paragraph (a), clause (4).

37.15 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their
37.16 respective organizations. The member under paragraph (a), clause (9), may be appointed
37.17 by the Minnesota Indian Affairs Council at the council's discretion.

37.18 Sec. 5. Minnesota Statutes 2022, section 41A.19, is amended to read:

37.19 **41A.19 REPORT; INCENTIVE PROGRAMS.**

37.20 By January 15 each year, the commissioner shall report on the incentive programs under
37.21 sections 41A.16, 41A.17, 41A.18, and 41A.20, ~~and 41A.21~~ to the legislative committees
37.22 with jurisdiction over environment and agriculture policy and finance. The report shall
37.23 include information on production and incentive expenditures under the programs.

37.24 Sec. 6. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to
37.25 read:

37.26 Subd. 3c. **Failure.** "Failure" means a determination by the commissioner that a grain
37.27 buyer or grain warehouse has failed to pay for delivered grain, breached a contract, breached
37.28 more than one contract, or failed to redeliver stored grain to a producer.

38.1 Sec. 7. Minnesota Statutes 2022, section 223.17, subdivision 6, is amended to read:

38.2 Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer
38.3 licensed under this chapter must annually submit to the commissioner a financial statement
38.4 prepared in accordance with ~~generally accepted accounting principles~~ national or international
38.5 accounting standards. The annual financial statement required under this subdivision must
38.6 also:

38.7 (1) include, but not be limited to the following:

38.8 (i) a balance sheet;

38.9 (ii) a statement of income (profit and loss);

38.10 (iii) a statement of retained earnings;

38.11 (iv) a statement of changes in financial position; and

38.12 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the
38.13 grain buyer;

38.14 (2) be accompanied by a ~~compilation~~ report of the financial statement that is prepared
38.15 by a grain commission firm or a management firm approved by the commissioner or by an
38.16 independent public accountant, in accordance with standards established by the American
38.17 Institute of Certified Public Accountants; and

38.18 (3) be accompanied by a certification by the chief executive officer or the chief executive
38.19 officer's designee of the licensee, and where applicable, all members of the governing board
38.20 of directors under penalty of perjury, that the financial statement accurately reflects the
38.21 financial condition of the licensee for the period specified in the statement;

38.22 ~~(4) for grain buyers purchasing under \$7,500,000 of grain annually, be reviewed by a~~
38.23 ~~certified public accountant in accordance with standards established by the American Institute~~
38.24 ~~of Certified Public Accountants, and must show that the financial statements are free from~~
38.25 ~~material misstatements; and~~

38.26 ~~(5) for grain buyers purchasing \$7,500,000 or more of grain annually, be audited by a~~
38.27 ~~certified public accountant in accordance with standards established by the American Institute~~
38.28 ~~of Certified Public Accountants and must include an opinion statement from the certified~~
38.29 ~~public accountant.~~

38.30 (b) Only one financial statement must be filed for a chain of warehouses owned or
38.31 operated as a single business entity, unless otherwise required by the commissioner. All

39.1 financial statements filed with the commissioner are private or nonpublic data as provided
39.2 in section 13.02.

39.3 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a
39.4 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
39.5 this subdivision ~~if the grain buyer's gross annual purchases are \$1,000,000 or less.~~

39.6 (d) The commissioner shall annually provide information on a person's fiduciary duties
39.7 to each licensee. To the extent practicable, the commissioner must direct each licensee to
39.8 provide this information to all persons required to certify the licensee's financial statement
39.9 under paragraph (a), clause (3).

39.10 Sec. 8. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

39.11 Subd. 7. ~~Action on a bond~~ **Breach of contract.** A producer claiming to be damaged
39.12 by a breach of a contract for the purchase of grain by a ~~licensed~~ grain buyer may file a
39.13 written claim with the commissioner. The claim must state the facts constituting the claim.
39.14 ~~The claim must be filed with the commissioner within 180 days of the breach of the contract.~~
39.15 If a claim is valid, the commissioner may immediately suspend the license, in which case
39.16 the licensee shall surrender the license to the commissioner. Within 15 days the licensee
39.17 may request an administrative hearing subject to chapter 14 to determine whether the license
39.18 should be revoked. If no request is made within 15 days, the commissioner shall revoke the
39.19 license.

39.20 Sec. 9. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

39.21 Subd. 7a. ~~Bond requirements; claims.~~ For entities licensed under this chapter and
39.22 chapter 232, the bond requirements and ~~claims~~ actions against the bond are governed under
39.23 section ~~232.22, subdivision 6a~~ 223.28.

39.24 Sec. 10. Minnesota Statutes 2022, section 223.175, is amended to read:

39.25 **223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS;**
39.26 **FORM.**

39.27 A written confirmation required under section 223.177, subdivision 2, and a written
39.28 voluntary extension of credit contract must include those items prescribed by the
39.29 commissioner by rule. A contract shall include a statement of the legal and financial
39.30 responsibilities of grain buyers and sellers established in this chapter. A contract shall also
39.31 include the following statement in not less than ten point, all capital type, framed in a box
39.32 with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A

40.1 VOLUNTARY EXTENSION OF CREDIT. THIS CONTRACT IS NOT COVERED BY
 40.2 ~~ANY GRAIN BUYER'S BOND~~ MAY NOT BE COVERED COMPLETELY BY THE
 40.3 GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain
 40.4 is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath
 40.5 the statement. A transaction that does not meet the provisions of a voluntary extension of
 40.6 credit, including the issuance and signing of a voluntary extension of credit contract, is a
 40.7 cash sale.

40.8 Sec. 11. Minnesota Statutes 2022, section 223.19, is amended to read:

40.9 **223.19 RULES.**

40.10 The commissioner may make rules pursuant to chapter 14 to carry out the provisions of
 40.11 sections 223.15 to ~~223.23~~ 223.28.

40.12 Sec. 12. [223.24] GRAIN INDEMNITY ACCOUNT.

40.13 Subdivision 1. Establishment. The grain indemnity account is established in the
 40.14 agricultural fund. The grain indemnity account shall consist of grain indemnity premiums,
 40.15 money from any other source, and interest.

40.16 Subd. 2. Account; appropriation. (a) Money in the grain indemnity account, including
 40.17 interest, is appropriated to the commissioner to pay valid claims and to administer this
 40.18 section.

40.19 (b) The commissioner shall direct payments from the grain indemnity account only for
 40.20 the following purposes:

40.21 (1) the payment of valid claims;

40.22 (2) the payment of grain indemnity premium refunds;

40.23 (3) the payment of administrative expenses under paragraph (c);

40.24 (4) the payment of legal fees and legal expenses under subdivision 7; or

40.25 (5) the payment of a trustee appointed under subdivision 6.

40.26 (c) The commissioner shall allocate money from the grain indemnity account to a separate
 40.27 administrative expenses account to pay or reimburse the agency for grain indemnity account
 40.28 expenses. Administrative expenses under this paragraph include the actual cost of processing
 40.29 payments and refunds, enforcement, record keeping, ordinary management and investment
 40.30 fees connected with the operation of the grain indemnity account, and legal expenses.

41.1 Subd. 3. **Eligibility.** A producer is eligible to receive a grain indemnity payment from
41.2 the commissioner if the producer sold grain to a grain buyer as defined in this chapter or
41.3 stored grain with a public grain warehouse operator under chapter 232 and the producer is
41.4 damaged by the grain buyer's or public grain warehouse operator's failure to pay for or
41.5 redeliver grain.

41.6 Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file
41.7 a completed claim with the commissioner. The producer must state the facts constituting
41.8 the claim and all other information required by the commissioner.

41.9 (b) Upon receiving a claim, the commissioner must promptly determine the validity of
41.10 the claim and notify the claimant of the commissioner's determination.

41.11 (c) An aggrieved party may appeal the commissioner's determination by requesting,
41.12 within 15 days, that the commissioner initiate a contested case proceeding under chapter
41.13 14.

41.14 Subd. 5. **Payment limitation.** (a) For each failure as defined by section 223.16,
41.15 subdivision 3c, the commissioner must pay the eligible producer:

41.16 (1) the amount equal to the value of the grain sold on cash sale, grain assigned to
41.17 warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;

41.18 (2) the amount equal to the value of grain sold up to \$200,000, or the lesser of \$750,000
41.19 or 75 percent of the amount owed to the seller for a contract in excess of \$200,000 for a
41.20 deferred or delayed payment contract for which a price has been established when the
41.21 contract originated within 120 days of the breach of contract;

41.22 (3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary
41.23 extension of credit contract for which no price has been established when the contract
41.24 originated within 180 days of the breach of contract;

41.25 (4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary
41.26 extension of credit contract when the open storage assignment or contract originated between
41.27 181 days and 18 months from the failure; or

41.28 (5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary
41.29 extension of credit contract when the open storage assignment or contract originated between
41.30 19 months and 36 months from the failure.

41.31 (b) Claims filed more than 36 months from the failure are not eligible for payment.

42.1 (c) For the purposes of this subdivision, multiple breaches of contract with a single entity
42.2 constitute one failure.

42.3 (d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter
42.4 223, and a license with the United States Department of Agriculture (USDA) under the
42.5 United States Warehouse Act, a seller may only file a claim with the grain indemnity account
42.6 if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The
42.7 commissioner must deny any claims for stored grain from a seller that holds both a Minnesota
42.8 grain buyer license and a license with the USDA under the United States Warehouse Act.

42.9 (e) If valid claims exceed the amount of money available in the grain indemnity account,
42.10 the commissioner must pay claims to producers in the order that the claims were received.
42.11 When additional money becomes available, the commissioner must resume issuing grain
42.12 indemnity payments to each eligible producer until each producer receives the maximum
42.13 amount payable under paragraph (a).

42.14 (f) If the grain indemnity account balance is insufficient to pay refunds under section
42.15 223.26 and valid claims exist, once money is deposited into the grain indemnity account,
42.16 the commissioner must issue pending refunds for grain indemnity premium payments before
42.17 issuing payments to claimants.

42.18 Subd. 6. **Court order.** (a) The commissioner may apply to a district court for an order
42.19 appointing a trustee or receiver to manage and supervise the operations of a grain buyer or
42.20 public grain warehouse operator in default. The commissioner may participate in any
42.21 resulting court proceeding as an interested party.

42.22 (b) The commissioner may recover the cost of the appointed trustee using money
42.23 appropriated under subdivision 2.

42.24 Subd. 7. **Debt obligation; subrogated claim.** (a) Money paid by the commissioner to
42.25 satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse
42.26 operator in default. The commissioner may take action against the grain buyer or public
42.27 grain warehouse operator to recover the amount of any claim payment plus reasonable costs,
42.28 attorney fees, and interest computed at the rate provided in section 270C.40. The
42.29 commissioner must deposit any amount recovered under this subdivision in the grain
42.30 indemnity account.

42.31 (b) As a condition of payment from the commissioner, a producer must subrogate the
42.32 producer's interest in a voluntary extension of credit contract to the commissioner in an
42.33 amount equal to any claim payment or payments that the producer received under this
42.34 section.

43.1 (c) The commissioner may recover any debt to the grain indemnity account from a
43.2 member of the board or management who acted negligently or fraudulently.

43.3 Sec. 13. [223.25] GRAIN INDEMNITY PREMIUMS.

43.4 Subdivision 1. Charges. (a) Except as provided in subdivision 3, producers of grain
43.5 must be charged a grain indemnity premium as determined and published by the
43.6 commissioner not to exceed 0.2 percent of the price on all marketed grain that is sold to a
43.7 grain buyer as defined in chapter 223.

43.8 (b) The grain indemnity premiums required under this section are in addition to any
43.9 other fees or assessments required by law.

43.10 Subd. 2. Collection and submission of grain indemnity premiums. (a) Each producer
43.11 must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of
43.12 the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in
43.13 Minnesota. When a producer sells grain to a grain buyer, the grain buyer must deduct the
43.14 grain indemnity premium from the proceeds of the sale and pay the grain indemnity premium
43.15 to the commissioner on behalf of the producer.

43.16 (b) When purchasing grain from a producer, a grain buyer must deduct the grain
43.17 indemnity premium described in paragraph (a) from the proceeds of the sale and notify the
43.18 producer of the amount of the deduction in writing. The grain buyer must forward the grain
43.19 indemnity premium to the commissioner for deposit into the grain indemnity account on
43.20 behalf of the producer as described in this subdivision.

43.21 (c) A grain buyer must clearly indicate the grain indemnity premiums collected under
43.22 paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and
43.23 records containing the grain indemnity premiums for at least three years. A grain buyer
43.24 must make the grain buyer's books and records available for inspection by the commissioner
43.25 during regular business hours. The department must take steps reasonably necessary to
43.26 verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books
43.27 and records. Any record or portion thereof seized or copied by the commissioner is private
43.28 or nonpublic data as provided in section 13.02, except that the commissioner may disclose
43.29 data to aid in the law enforcement process.

43.30 (d) A grain buyer must submit grain indemnity premiums collected under paragraph (a)
43.31 to the commissioner for the purpose of financing or contributing to the financing of the
43.32 grain indemnity account by:

44.1 (1) January 31 for grain indemnity premiums collected during the months of July, August,
44.2 September, October, November, and December; and

44.3 (2) July 31 for grain indemnity premiums collected during the months of January,
44.4 February, March, April, May, and June.

44.5 **Subd. 3. Amount in grain indemnity account; basis for suspension and reinstatement**
44.6 **of grain indemnity premium collection.** (a) Except as provided in paragraph (b), the grain
44.7 indemnity premiums required under this section must be collected until the grain indemnity
44.8 account contains more than \$15,000,000 as of June 30 of any given year.

44.9 (b) The commissioner may not require the collection of additional grain indemnity
44.10 premiums until the amount in the grain indemnity account drops below \$9,000,000. In a
44.11 year when the commissioner determines that the grain indemnity account is at or below
44.12 \$9,000,000, the commissioner may reinstate the collection described in this section.

44.13 (c) The commissioner shall announce the intention to collect the premiums described
44.14 in this section by May 1 with collection to begin July 1 until the grain indemnity account
44.15 contains at least \$15,000,000. The commissioner must notify the public of the commissioner's
44.16 intent to reinstate collection of additional grain indemnity premiums through publication
44.17 in the State Register and by notifying each licensee of the licensee's obligation to collect
44.18 premiums.

44.19 **Sec. 14. [223.26] GRAIN INDEMNITY OPT OUT.**

44.20 (a) A producer that has paid a grain indemnity premium under section 223.25 may receive
44.21 a refund of that premium from the grain indemnity account by submitting a written demand
44.22 for a refund to the commissioner, delivered personally or by first-class mail within 12 months
44.23 after the producer paid the grain indemnity premium.

44.24 (b) The commissioner must prepare a poster and a distributable flyer explaining how a
44.25 producer can opt out of the grain indemnity program and must post these documents on the
44.26 Department of Agriculture website. The commissioner must provide printed copies of the
44.27 poster and flyer at no cost to all licensed grain buyers and warehouses. Upon receiving
44.28 printed copies of posters and flyers, the licensed businesses must post the poster in a
44.29 conspicuous location and must make the flyers available for anyone visiting the licensed
44.30 business.

44.31 (c) A producer must submit a demand for a refund of a grain indemnity premium under
44.32 paragraph (a) on a demand for refund form developed by the commissioner. The

45.1 commissioner must make the form available to a licensee, producer, or member of the public
45.2 upon request.

45.3 (d) If a producer is entitled to a refund of a grain indemnity premium under this section,
45.4 the commissioner must pay the refund within 90 days of receiving the demand for a refund.
45.5 If the grain indemnity account balance is insufficient to pay refunds under this subdivision
45.6 and valid claims exist, the commissioner must issue refunds for grain indemnity premium
45.7 payments before issuing payments to claimants once money is deposited into the grain
45.8 indemnity account.

45.9 (e) If the commissioner announces grain indemnity premiums as required under section
45.10 223.25, subdivision 3, by June 30, the commissioner must send a notice to each producer
45.11 who requested a refund of a grain indemnity premium during the previous three fiscal years.
45.12 The notice must inform the producer of the deadline for and method of submitting a demand
45.13 for a refund to the commissioner under paragraphs (a) and (c) and the method for reentering
45.14 the grain indemnity program under paragraph (f).

45.15 (f) A producer that receives a refund of a grain indemnity premium under paragraph (a)
45.16 is not entitled to participate in the grain indemnity program or to receive any payment under
45.17 this section unless the producer reenters the grain indemnity program by meeting all of the
45.18 following conditions:

45.19 (1) the producer must submit a request for reentry into the grain indemnity program to
45.20 the commissioner. The producer must submit the request on the form required by the
45.21 commissioner and must deliver the request to the commissioner;

45.22 (2) the producer's request must be approved by the commissioner; and

45.23 (3) the producer must pay into the grain indemnity account all grain indemnity premiums
45.24 that were refunded to the producer and interest on the refunds as determined by the
45.25 commissioner.

45.26 (g) A producer that reenters the grain indemnity program under paragraph (f) is eligible
45.27 to be reimbursed for claims under the grain indemnity program for any breach of contract
45.28 that occurs at least 90 days after (1) an application for reentry and (2) all required payments
45.29 have been made.

45.30 (h) A producer is not eligible for a refund of a grain indemnity premium under this
45.31 section if the producer has received payment from the grain indemnity account for a valid
45.32 claim within the preceding 36 months.

46.1 Sec. 15. [223.27] PENALTIES; ENFORCEMENT ACTION; COSTS AND
46.2 EXPENSES.

46.3 (a) In addition to any other penalty or remedy provided by law, a person who knowingly
46.4 or intentionally commits any of the following is subject to civil penalties under section
46.5 18J.10:

46.6 (1) refusing or failing to collect any grain indemnity premiums as required under section
46.7 223.25;

46.8 (2) refusing or failing to pay to the commissioner any grain indemnity premiums collected
46.9 under section 223.25;

46.10 (3) making a false statement, representation, or certification, or knowingly failing to
46.11 make a required statement, representation, or certification in a record, report, or other
46.12 document required under this chapter or filed with the commissioner; or

46.13 (4) resisting, preventing, impeding, or interfering with the commissioner in the
46.14 performance of the commissioner's duties under this chapter.

46.15 (b) In addition to the civil penalty described in paragraph (a), the commissioner in an
46.16 enforcement action for a violation described in paragraph (a), clause (1) or (2), must order
46.17 the grain buyer to pay into the grain indemnity account any grain indemnity premiums
46.18 collected by the grain buyer that the grain buyer owes to the grain indemnity account and
46.19 may order the grain buyer to pay interest on the amount that the grain buyer owes to the
46.20 grain indemnity account.

46.21 Sec. 16. [223.28] GRAIN BONDS; NEW LICENSE HOLDERS.

46.22 (a) Except as provided in paragraph (b), before the commissioner issues a grain buyer
46.23 or public grain warehouse operator license, a person who has not been licensed to buy grain
46.24 or operate a public grain warehouse in the previous licensing period must file with the
46.25 commissioner a grain bond in a penal sum of \$100,000. A grain bond must remain in effect
46.26 for the first three years of the license.

46.27 (b) A grain buyer who purchases grain immediately upon delivery solely with cash; a
46.28 certified check; a cashier's check; or a postal, bank, or express money order is exempt from
46.29 this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

46.30 (c) The commissioner may require a supplemental bond in an amount prescribed by the
46.31 commissioner based on the financial statements required in section 223.17, subdivision 6.

46.32 (d) A grain bond must be on a form provided by the commissioner.

47.1 (e) A grain bond required under paragraphs (a) and (c) must provide for the payment of
 47.2 any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss
 47.3 caused by the grain buyer's failure to pay within the time required. The grain bond must be
 47.4 conditioned upon the grain buyer being duly licensed.

47.5 (f) A grain bond required under paragraphs (a) and (c) that is obtained by a public grain
 47.6 warehouse operator must be conditioned that the public grain warehouse operator issuing
 47.7 a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade, and
 47.8 net quantity of grain called for by the receipt. A grain bond must be conditioned upon the
 47.9 operator being duly licensed.

47.10 (g) A grain bond must not be cumulative from one licensing period to the next. The
 47.11 maximum liability of the grain bond must be the grain bond's face value for the licensing
 47.12 period.

47.13 (h) A grain bond must be continuous until canceled. To cancel a grain bond, a surety
 47.14 must provide 90 days' written notice of the grain bond's termination date to the licensee and
 47.15 the commissioner.

47.16 (i) Upon the commissioner's determination that a claim is valid, the surety for any claims
 47.17 against the grain bond must make payments to the grain indemnity account.

47.18 Sec. 17. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

47.19 **Subd. 5. Statement of grain in storage; reports.** ~~(a) All public grain warehouse operators~~
 47.20 ~~must by February 15 of each year file with the commissioner on a form approved by the~~
 47.21 ~~commissioner a report showing the annual average liability of all grain outstanding on grain~~
 47.22 ~~warehouse receipts, open storage, and grain stored for feed processing that occurred during~~
 47.23 ~~the preceding calendar year. This report shall be used for the purpose of establishing the~~
 47.24 ~~penal sum of the bond.~~

47.25 ~~(b) Warehouse operators that are at a maximum bond and want to continue at maximum~~
 47.26 ~~bond do not need to file this report.~~

47.27 ~~(c) It is a violation of this chapter for any public grain warehouse operator to fail to file~~
 47.28 ~~the report required in paragraph (a).~~

47.29 ~~(d)~~ (a) Every public grain warehouse operator shall keep in a place of safety complete
 47.30 and accurate records and accounts relating to any grain warehouse operated. The records
 47.31 shall reflect each commodity received and shipped daily, the balance remaining in the grain
 47.32 warehouse at the close of each business day, a listing of all unissued grain warehouse receipts
 47.33 in the operator's possession, a record of all grain warehouse receipts issued which remain

48.1 outstanding and a record of all grain warehouse receipts which have been returned for
48.2 cancellation. Copies of grain warehouse receipts or other documents evidencing ownership
48.3 of grain by a depositor, or other liability of the grain warehouse operator, shall be retained
48.4 as long as the liability exists but must be kept for a minimum of three years.

48.5 ~~(e)~~ (b) Every public grain warehouse operator must maintain in the grain warehouse at
48.6 all times grain of proper grade and sufficient quantity to meet delivery obligations on all
48.7 outstanding grain warehouse receipts.

48.8 Sec. 18. **BIOINCENTIVE REPORT.**

48.9 The commissioner of agriculture, in consultation with the commissioners of commerce
48.10 and employment and economic development, must prepare a report on alternative methods
48.11 to pay past claims filed under the bioincentive program under Minnesota Statutes, sections
48.12 41A.16, 41A.17, and 41A.18, and provide for adequate and sustainable funding to pay
48.13 current and future claims under those sections. The report must be submitted to the chairs
48.14 and minority members of the legislative committees and divisions with jurisdictions of any
48.15 proposed funding source and administration of the bioincentive program by January 15,
48.16 2024.

48.17 Sec. 19. Laws 2022, chapter 95, article 2, section 29, subdivision 6, is amended to read:

48.18 Subd. 6. **Expiration.** This section expires ~~June 30~~ December 31, 2024.

48.19 Sec. 20. **WOLF-LIVESTOCK CONFLICT-PREVENTION PROGRAM.**

48.20 (a) The commissioner of agriculture may award grants to livestock producers to prevent
48.21 wolf-livestock conflicts. Livestock producers located in Minnesota are eligible to apply for
48.22 reimbursement for the cost of practices to prevent wolf-livestock conflicts. The commissioner
48.23 may establish a cap on the amount of grant money that a recipient is eligible to receive
48.24 annually.

48.25 (b) To be eligible for a grant under this section, a livestock producer must raise livestock
48.26 within Minnesota's wolf range or on property determined by the commissioner to be affected
48.27 by wolf-livestock conflicts.

48.28 (c) A grant applicant must document a cost-share of 20 percent for activities covered
48.29 by a grant under this program. A grant applicant's cost-share amount may be reduced up to
48.30 \$2,000 to cover the time and labor costs of wolf-livestock conflict prevention activities.

48.31 (d) Eligible wolf-livestock conflict-prevention activities include but are not limited to:

- 49.1 (1) the purchase of guard animals;
- 49.2 (2) payment of veterinary costs for guard animals;
- 49.3 (3) the installation of wolf barriers, which may include pens, fladry, and fencing necessary
- 49.4 to protect livestock;
- 49.5 (4) the installation of wolf-detering lights and alarms; and
- 49.6 (5) the installation of calving or lambing shelters.
- 49.7 (e) Eligible grant recipients must:
- 49.8 (1) make a good faith effort to avoid wolf-livestock conflicts;
- 49.9 (2) make a good faith effort to care for guard animals paid for under this section;
- 49.10 (3) retain proper documentation of expenses;
- 49.11 (4) report annually to the commissioner on the effectiveness of the nonlethal methods
- 49.12 employed; and
- 49.13 (5) allow follow-up evaluations and monitoring by the commissioner.
- 49.14 (f) Grant recipients shall continue to be eligible for depredation payments under
- 49.15 Minnesota Statutes, section 3.737.

49.16 **Sec. 21. REPEALER.**

49.17 Minnesota Statutes 2022, sections 17.055, subdivision 2; 41A.12, subdivision 4; 41A.21;

49.18 223.17, subdivisions 4 and 8; and 232.22, subdivisions 4, 6, 6a, and 7, are repealed.

49.19 **Sec. 22. EFFECTIVE DATE.**

49.20 This article is effective July 1, 2023.

49.21 **ARTICLE 3**

49.22 **BROADBAND**

49.23 **Section 1. BROADBAND DEVELOPMENT APPROPRIATIONS.**

49.24 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

49.25 and for the purposes specified in this article. The appropriations are from the general fund,

49.26 or another named fund, and are available for the fiscal years indicated for each purpose.

49.27 The figures "2024" and "2025" used in this article mean that the appropriations listed under

49.28 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

50.1 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"
 50.2 is fiscal years 2024 and 2025.

50.3		<u>APPROPRIATIONS</u>	
50.4		<u>Available for the Year</u>	
50.5		<u>Ending June 30</u>	
50.6		<u>2024</u>	<u>2025</u>
50.7	<u>Sec. 2. DEPARTMENT OF EMPLOYMENT</u>		
50.8	<u>AND ECONOMIC DEVELOPMENT</u>	<u>\$</u>	<u>75,350,000</u>
		<u>\$</u>	<u>50,350,000</u>

50.9 (a) \$350,000 each year is for the Office of
 50.10 Broadband Development.

50.11 (b) \$55,000,000 the first year and \$30,000,000
 50.12 the second year are transferred from the
 50.13 general fund to the border-to-border broadband
 50.14 fund account established in Minnesota
 50.15 Statutes, section 116J.396. These transfers are
 50.16 onetime.

50.17 (c) \$20,000,000 the first year and \$20,000,000
 50.18 the second year are appropriated to the
 50.19 commissioner for the lower population density
 50.20 grant program to award grants to provide
 50.21 broadband service to unserved and
 50.22 underserved areas of the state where a 50
 50.23 percent match formula is not adequate to make
 50.24 a business case for the extension of broadband
 50.25 facilities. Grants awarded under this paragraph
 50.26 may fund up to 75 percent of the total cost of
 50.27 a project and must otherwise adhere to
 50.28 Minnesota Statutes, section 116J.395,
 50.29 subdivisions 1 to 6; subdivision 7, paragraph
 50.30 (b); and subdivision 8. These appropriations
 50.31 are onetime.

50.32 Sec. 3. Minnesota Statutes 2022, section 116J.395, subdivision 7, is amended to read:

50.33 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50
 50.34 percent of the total cost of a project.

51.1 (b) Grants awarded to a single project under this section must not exceed \$5,000,000
 51.2 \$10,000,000.

51.3 **Sec. 4. [116J.3952] LOWER POPULATION DENSITY GRANT PROGRAM.**

51.4 Subdivision 1. **Establishment.** A lower population density grant program is established
 51.5 in the Department of Employment and Economic Development. The purpose of the lower
 51.6 population density grant program is to provide broadband service to unserved and
 51.7 underserved areas of the state where a 50 percent match formula is not adequate to make a
 51.8 business case for the extension of broadband facilities.

51.9 Subd. 2. **Grants.** Grants awarded under this section may fund up to 75 percent of the
 51.10 total cost of a project and must otherwise adhere to section 116J.395, subdivisions 1 to 6
 51.11 and subdivision 7, paragraph (b).

51.12 Sec. 5. Minnesota Statutes 2022, section 116J.396, subdivision 2, is amended to read:

51.13 Subd. 2. **Expenditures.** Money in the account may be used only:

51.14 (1) for grant awards made under sections 116J.395 ~~and to 116J.3951~~ 116J.3952, including
 51.15 costs incurred by the Department of Employment and Economic Development to administer
 51.16 that section;

51.17 (2) to supplement revenues raised by bonds sold by local units of government for
 51.18 broadband infrastructure development; or

51.19 (3) to contract for the collection of broadband deployment data from providers and the
 51.20 creation of maps showing the availability of broadband service.

51.21 **Sec. 6. EFFECTIVE DATE.**

51.22 This article is effective July 1, 2023."

51.23 Delete the title and insert:

51.24 "A bill for an act
 51.25 relating to state government; establishing a budget for the Department of
 51.26 Agriculture, the Board of Animal Health, the Agricultural Utilization Research
 51.27 Institute, and the Office of Broadband Development; making policy and technical
 51.28 changes to agriculture provisions; making policy and technical changes to
 51.29 broadband provisions; providing civil penalties; appropriating money; requiring
 51.30 reports; transferring money to the border-to-border broadband fund account;
 51.31 creating the grain indemnity account; transferring money to the grain indemnity
 51.32 account amending Minnesota Statutes 2022, sections 17.1016, subdivision 2;
 51.33 17.133, subdivision 2; 41A.14, subdivision 2; 41A.19; 116J.395, subdivision 7;
 51.34 116J.396, subdivision 2; 223.16, by adding a subdivision; 223.17, subdivisions 6,
 51.35 7, 7a; 223.175; 223.19; 232.22, subdivision 5; Laws 2021, First Special Session

52.1 chapter 3, article 1, section 2, subdivision 5, as amended; Laws 2022, chapter 95,
 52.2 article 2, section 29, subdivision 6; proposing coding for new law in Minnesota
 52.3 Statutes, chapters 17; 116J; 223; repealing Minnesota Statutes 2022, sections
 52.4 17.055, subdivision 2; 41A.12, subdivision 4; 41A.21; 223.17, subdivisions 4, 8;
 52.5 232.22, subdivisions 4, 6, 6a, 7."

52.6 And when so amended the bill do pass and be re-referred to the Committee on Finance.

52.7 Amendments adopted. Report adopted.



52.8
 52.9 (Committee Chair)

52.10 March 29, 2023.....
 52.11 (Date of Committee recommendation)