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Senator Putnam from the Committee on Agriculture, Broadband, and Rural Development, to which was referred

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S.F. No. 3955: A bill for an act relating to agriculture; increasing base funding for the agricultural growth, research, and innovation program; amending Laws 2023, chapter 43, article 1, section 2, subdivision 4.

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Reports the same back with the recommendation that the bill be amended as follows:

1.7

Delete everything after the enacting clause and insert:

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"ARTICLE 1  
APPROPRIATIONS

1.10

Section 1. APPROPRIATIONS.

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The sums shown in the columns marked "Appropriations" are added to or, if shown in parenthesis, subtracted from the appropriation in Laws 2023, chapter 43, or appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund or another named fund and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

		<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>	
		<u>2024</u>	<u>2025</u>
1.19			
1.20			
1.21			
1.22			
1.23	Sec. 2. <u>DEPARTMENT OF AGRICULTURE</u>	\$ <u>475,000</u>	\$ <u>1,650,000</u>
1.24	<u>(a) \$750,000 the second year is for home water</u>		
1.25	<u>treatment such as reverse osmosis treatment</u>		
1.26	<u>for private wells that are tested at or above the</u>		
1.27	<u>maximum contaminant level of 10 mg/L and</u>		
1.28	<u>located in Dodge, Fillmore, Goodhue,</u>		
1.29	<u>Houston, Mower, Olmsted, or Wabasha</u>		
1.30	<u>County. Priority must be given to households</u>		
1.31	<u>at or below 300 percent of the federal poverty</u>		
1.32	<u>guidelines and households with infants and</u>		
1.33	<u>pregnant individuals. This appropriation may</u>		
1.34	<u>also be used for education, outreach, and</u>		
1.35	<u>technical assistance to homeowners.</u>		
1.36	<u>Notwithstanding Minnesota Statutes, section</u>		

2.1 16B.98, subdivision 14, the commissioner may  
2.2 use up to 6.5 percent of this appropriation for  
2.3 administrative costs. This appropriation is  
2.4 available until June 30, 2027. This is a onetime  
2.5 appropriation.

2.6 By December 15 each year through 2027, the  
2.7 commissioner must report to the chairs and  
2.8 ranking minority members of the legislative  
2.9 committees with jurisdiction over agriculture  
2.10 and health detailing the use of this  
2.11 appropriation and the number of households  
2.12 served in each county.

2.13 (b) \$500,000 the second year is for the soil  
2.14 health financial assistance program under  
2.15 Minnesota Statutes, section 17.134, for  
2.16 projects located in Dodge, Fillmore, Goodhue,  
2.17 Houston, Mower, Olmsted, or Wabasha  
2.18 County. The commissioner may award no  
2.19 more than \$50,000 of the appropriation each  
2.20 year to a single recipient. Notwithstanding  
2.21 Minnesota Statutes, section 16B.98,  
2.22 subdivision 14, the commissioner may use up  
2.23 to 6.5 percent of this appropriation for costs  
2.24 incurred to administer the program.

2.25 Appropriations encumbered under contract on  
2.26 or before June 30, 2025, for soil health  
2.27 financial assistance grants are available until  
2.28 June 30, 2027. This appropriation is in  
2.29 addition to the appropriation in Laws 2023,  
2.30 chapter 43, article 1, section 2, subdivision 2,  
2.31 paragraph (b). This is a onetime appropriation.

2.32 (c) \$50,000 the first year is to convene a  
2.33 working group of interested parties, including  
2.34 representatives from the Department of  
2.35 Natural Resources, to investigate and

3.1 recommend options for addressing crop and  
3.2 fence destruction due to Cervidae. By  
3.3 February 1, 2025, the commissioner must  
3.4 submit a report on the findings and  
3.5 recommendations of the working group to the  
3.6 chairs and ranking minority members of the  
3.7 legislative committees with jurisdiction over  
3.8 agriculture policy and finance.  
3.9 Notwithstanding Minnesota Statutes, section  
3.10 16A.28, any unencumbered balance does not  
3.11 cancel at the end of the first year and is  
3.12 available in the second year. This is a onetime  
3.13 appropriation.  
  
3.14 (d) \$100,000 the second year is to develop and  
3.15 enhance farm-to-school markets by providing  
3.16 more fruits, vegetables, meat, poultry, grain,  
3.17 and dairy for children in schools and early  
3.18 childhood education centers, child care  
3.19 centers, and family child care programs,  
3.20 including, at the commissioner's discretion,  
3.21 providing grants to reimburse schools, early  
3.22 childhood education centers, child care  
3.23 centers, and family child care programs for  
3.24 purchasing equipment and agricultural  
3.25 products. This appropriation is for the  
3.26 agricultural growth, research, and innovation  
3.27 program under Minnesota Statutes, section  
3.28 41A.12. Any unencumbered balance at the  
3.29 end of the second year may be used for other  
3.30 purposes under the agricultural growth,  
3.31 research, and innovation program and is  
3.32 available until June 30, 2027. Notwithstanding  
3.33 Minnesota Statutes, section 16B.98,  
3.34 subdivision 14, the commissioner may use up  
3.35 to 6.5 percent of this appropriation for  
3.36 administrative costs. This appropriation is in

4.1 addition to the appropriation in Laws 2023,  
4.2 chapter 43, article 1, section 2, subdivision 4,  
4.3 paragraph (c). This is a onetime appropriation.

4.4 (e) \$300,000 the second year is for the  
4.5 protecting livestock grant program for  
4.6 producers to support the installation of  
4.7 measures to prevent the transmission of avian  
4.8 influenza. For the appropriation in this  
4.9 paragraph, a grant applicant must document  
4.10 a cost-share of 20 percent. An applicant's  
4.11 cost-share amount may be reduced up to  
4.12 \$2,000 to cover time and labor costs. This  
4.13 appropriation is for the agricultural growth,  
4.14 research, and innovation program under  
4.15 Minnesota Statutes, section 41A.12.

4.16 Notwithstanding Minnesota Statutes, section  
4.17 16B.98, subdivision 14, the commissioner may  
4.18 use up to 6.5 percent of this appropriation for  
4.19 administrative costs. This appropriation is  
4.20 available until June 30, 2027. This is a onetime  
4.21 appropriation.

4.22 (f) \$375,000 the first year is to provide grants  
4.23 to secondary career and technical education  
4.24 programs for the purpose of offering  
4.25 instruction in meat cutting and butchery. This  
4.26 appropriation is for the agricultural growth,  
4.27 research, and innovation program under  
4.28 Minnesota Statutes, section 41A.12.

4.29 Notwithstanding Minnesota Statutes, section  
4.30 16B.98, subdivision 14, the commissioner may  
4.31 use up to 6.5 percent of this appropriation for  
4.32 administrative costs. This is a onetime  
4.33 appropriation. Notwithstanding Minnesota  
4.34 Statutes, section 16A.28, any unencumbered  
4.35 balance does not cancel at the end of the first

5.1 year and is available in the second year. Grants  
5.2 may be used for costs, including but not  
5.3 limited to:  
5.4 (1) equipment required for a meat cutting  
5.5 program;  
5.6 (2) facility renovation to accommodate meat  
5.7 cutting; and  
5.8 (3) training faculty to teach the fundamentals  
5.9 of meat processing.  
5.10 A grant recipient may be awarded a grant of  
5.11 up to \$75,000 and may use up to ten percent  
5.12 of the grant for faculty training. Priority may  
5.13 be given to applicants who are coordinating  
5.14 with meat cutting and butchery programs at  
5.15 Minnesota State Colleges and Universities  
5.16 institutions or with local industry partners.  
5.17 By January 15, 2025, the commissioner must  
5.18 report to the chairs and ranking minority  
5.19 members of the legislative committees with  
5.20 jurisdiction over agriculture finance and  
5.21 education finance by listing the grants made  
5.22 under this paragraph by county and noting the  
5.23 number and amount of grant requests not  
5.24 fulfilled. The report may include additional  
5.25 information as determined by the  
5.26 commissioner, including but not limited to  
5.27 information regarding the outcomes produced  
5.28 by these grants. If additional grants are  
5.29 awarded under this paragraph that were not  
5.30 covered in the report due by January 15, 2025,  
5.31 the commissioner must submit an additional  
5.32 report to the chairs and ranking minority  
5.33 members of the legislative committees with  
5.34 jurisdiction over agriculture finance and

6.1 education finance regarding all grants issued  
6.2 under this paragraph by November 1, 2025.

6.3 (g) \$50,000 the first year is to prepare a report  
6.4 on agricultural land trends. For the purposes  
6.5 of this section, "agricultural land" means  
6.6 property classified as class 2a agricultural land  
6.7 or class 2b rural vacant land under Minnesota  
6.8 Statutes, section 273.13, subdivision 23. The  
6.9 report must include the following:

6.10 (1) information about agricultural land sales,  
6.11 including the price, number of acres, type of  
6.12 buyer, and type of financing used;

6.13 (2) information about agricultural land use,  
6.14 including differences among regions; and

6.15 (3) legislative recommendations for ensuring  
6.16 that agricultural land is available to farmers.

6.17 No data included in this report shall reveal  
6.18 personally identifiable information. The  
6.19 commissioner may contract with external  
6.20 experts to develop this report and may  
6.21 coordinate with the Department of Revenue,  
6.22 University of Minnesota Extension, and  
6.23 Minnesota State Colleges and Universities.

6.24 No later than January 3, 2025, the  
6.25 commissioner must submit the report to the  
6.26 chairs and ranking minority members of the  
6.27 legislative committees and divisions with  
6.28 jurisdiction over agriculture. Notwithstanding  
6.29 Minnesota Statutes, section 16A.28, any  
6.30 unencumbered balance does not cancel at the  
6.31 end of the first year and is available in the  
6.32 second year. This is a onetime appropriation.

6.33 **EFFECTIVE DATE.** This section is effective the day following final enactment.

7.1       Sec. 3. Laws 2023, chapter 43, article 1, section 2, subdivision 1, is amended to read:

7.2			<del>92,025,000</del>	<del>72,223,000</del>
7.3	Subdivision 1. <b>Total Appropriation</b>	\$	<u>88,025,000</u>	\$ <u>76,643,000</u>

7.4	Appropriations by Fund			
7.5		2024	2025	
7.6		<del>91,626,000</del>	<del>71,824,000</del>	
7.7	General	<u>87,626,000</u>	<u>76,244,000</u>	
7.8	Remediation	399,000	399,000	

7.9       The amounts that may be spent for each  
7.10      purpose are specified in the following  
7.11      subdivisions.

7.12      Sec. 4. Laws 2023, chapter 43, article 1, section 2, subdivision 2, is amended to read:

7.13      Subd. 2. **Protection Services**

7.14	Appropriations by Fund			
7.15		2024	2025	
7.16			<del>18,743,000</del>	
7.17	General	32,034,000	<u>18,818,000</u>	
7.18	Remediation	399,000	399,000	

7.19      (a) \$399,000 the first year and \$399,000 the  
7.20      second year are from the remediation fund for  
7.21      administrative funding for the voluntary  
7.22      cleanup program.

7.23      (b) \$625,000 the first year and \$625,000 the  
7.24      second year are for the soil health financial  
7.25      assistance program under Minnesota Statutes,  
7.26      section 17.134. The commissioner may award  
7.27      no more than \$50,000 of the appropriation  
7.28      each year to a single recipient. The  
7.29      commissioner may use up to 6.5 percent of  
7.30      this appropriation for costs incurred to  
7.31      administer the program. Any unencumbered  
7.32      balance does not cancel at the end of the first  
7.33      year and is available in the second year.

7.34      Appropriations encumbered under contract on

8.1 or before June 30, 2025, for soil health  
8.2 financial assistance grants are available until  
8.3 June 30, 2027. The base for this appropriation  
8.4 is \$639,000 in fiscal year 2026 and each year  
8.5 thereafter.

8.6 (c) \$800,000 the first year is for transfer to the  
8.7 pollinator research account established under  
8.8 Minnesota Statutes, section 18B.051. The base  
8.9 for this transfer is \$100,000 in fiscal year 2026  
8.10 and each year thereafter.

8.11 (d) \$150,000 the first year and \$150,000 the  
8.12 second year are for transfer to the noxious  
8.13 weed and invasive plant species assistance  
8.14 account established under Minnesota Statutes,  
8.15 section 18.89, to award grants under  
8.16 Minnesota Statutes, section 18.90, to counties,  
8.17 municipalities, and other weed management  
8.18 entities, including Minnesota Tribal  
8.19 governments as defined in Minnesota Statutes,  
8.20 section 10.65. This is a onetime appropriation.

8.21 (e) \$175,000 the first year and \$175,000 the  
8.22 second year are for compensation for  
8.23 destroyed or crippled livestock under  
8.24 Minnesota Statutes, section 3.737. The first  
8.25 year appropriation may be spent to compensate  
8.26 for livestock that were destroyed or crippled  
8.27 during fiscal year 2023. If the amount in the  
8.28 first year is insufficient, the amount in the  
8.29 second year is available in the first year. The  
8.30 commissioner may use up to \$5,000 each year  
8.31 to reimburse expenses incurred by university  
8.32 extension educators to provide fair market  
8.33 values of destroyed or crippled livestock. If  
8.34 the commissioner receives federal dollars to  
8.35 pay claims for destroyed or crippled livestock,



9.1 an equivalent amount of this appropriation  
9.2 may be used to reimburse nonlethal prevention  
9.3 methods performed by federal wildlife services  
9.4 staff.

9.5 (f) \$155,000 the first year and ~~\$155,000~~  
9.6 \$230,000 the second year are for compensation  
9.7 for crop damage under Minnesota Statutes,  
9.8 section 3.7371. If the amount in the first year  
9.9 is insufficient, the amount in the second year  
9.10 is available in the first year. The commissioner  
9.11 may use up to \$10,000 of the appropriation  
9.12 each year to reimburse expenses incurred by  
9.13 the commissioner or the commissioner's  
9.14 approved agent to investigate and resolve  
9.15 claims, as well as for costs associated with  
9.16 training for approved agents. The  
9.17 commissioner may use up to \$40,000 of the  
9.18 appropriation each year to make grants to  
9.19 producers for measures to protect stored crops  
9.20 from elk damage. If the commissioner  
9.21 determines that claims made under Minnesota  
9.22 Statutes, section 3.737 or 3.7371, are  
9.23 unusually high, amounts appropriated for  
9.24 either program may be transferred to the  
9.25 appropriation for the other program. The base  
9.26 for this appropriation is \$155,000 in fiscal year  
9.27 2026 and each year thereafter.

9.28 (g) \$825,000 the first year and \$825,000 the  
9.29 second year are to replace capital equipment  
9.30 in the Department of Agriculture's analytical  
9.31 laboratory.

9.32 (h) \$75,000 the first year and \$75,000 the  
9.33 second year are to support a meat processing  
9.34 liaison position to assist new or existing meat  
9.35 and poultry processing operations in getting

10.1 started, expanding, growing, or transitioning  
10.2 into new business models.

10.3 (i) \$2,200,000 the first year and \$1,650,000  
10.4 the second year are additional funding to  
10.5 maintain the current level of service delivery  
10.6 for programs under this subdivision. The base  
10.7 for this appropriation is \$1,925,000 for fiscal  
10.8 year 2026 and each year thereafter.

10.9 (j) \$250,000 the first year and \$250,000 the  
10.10 second year are for grants to organizations in  
10.11 Minnesota to develop enterprises, supply  
10.12 chains, and markets for continuous-living  
10.13 cover crops and cropping systems in the early  
10.14 stages of commercial development. For the  
10.15 purposes of this paragraph, "continuous-living  
10.16 cover crops and cropping systems" refers to  
10.17 agroforestry, perennial biomass, perennial  
10.18 forage, perennial grains, and winter-annual  
10.19 cereal grains and oilseeds that have market  
10.20 value as harvested or grazed commodities. By  
10.21 February 1 each year, the commissioner must  
10.22 submit a report to the chairs and ranking  
10.23 minority members of the legislative  
10.24 committees with jurisdiction over agriculture  
10.25 finance and policy detailing uses of the funds  
10.26 in this paragraph, including administrative  
10.27 costs, and the achievements these funds  
10.28 contributed to. The commissioner may use up  
10.29 to 6.5 percent of this appropriation for  
10.30 administrative costs. This is a onetime  
10.31 appropriation.

10.32 (k) \$45,000 the first year and \$45,000 the  
10.33 second year are appropriated for  
10.34 wolf-livestock conflict-prevention grants. The  
10.35 commissioner may use some of this

11.1 appropriation to support nonlethal prevention  
11.2 work performed by federal wildlife services.  
11.3 This is a onetime appropriation.

11.4 (l) \$10,000,000 the first year is for transfer to  
11.5 the grain indemnity account established in  
11.6 Minnesota Statutes, section 223.24. This is a  
11.7 onetime transfer.

11.8 (m) \$125,000 the first year and \$125,000 the  
11.9 second year are for the PFAS in pesticides  
11.10 review. This is a onetime appropriation.

11.11 (n) \$1,941,000 the first year is for transfer to  
11.12 the food handler license account. This is a  
11.13 onetime transfer.

11.14 Sec. 5. Laws 2023, chapter 43, article 1, section 2, subdivision 3, is amended to read:

11.15 Subd. 3. **Agricultural Marketing and**  
11.16 **Development**

5,165,000

4,985,000

11.17 (a) \$150,000 the first year and \$150,000 the  
11.18 second year are to expand international trade  
11.19 opportunities and markets for Minnesota  
11.20 agricultural products.

11.21 (b) \$186,000 the first year and \$186,000 the  
11.22 second year are for transfer to the Minnesota  
11.23 grown account and may be used as grants for  
11.24 Minnesota grown promotion under Minnesota  
11.25 Statutes, section 17.102. Notwithstanding  
11.26 Minnesota Statutes, section 16A.28, the  
11.27 appropriations encumbered under contract on  
11.28 or before June 30, 2025, for Minnesota grown  
11.29 grants in this paragraph are available until June  
11.30 30, 2027.

11.31 (c) \$634,000 the first year and \$634,000 the  
11.32 second year are for the continuation of the  
11.33 dairy development and profitability

- 12.1 enhancement programs, including dairy  
12.2 profitability teams and dairy business planning  
12.3 grants under Minnesota Statutes, section  
12.4 32D.30.
- 12.5 (d) The commissioner may use funds  
12.6 appropriated in this subdivision for annual  
12.7 cost-share payments to resident farmers or  
12.8 entities that sell, process, or package  
12.9 agricultural products in this state for the costs  
12.10 of organic certification. The commissioner  
12.11 may allocate these funds for assistance to  
12.12 persons transitioning from conventional to  
12.13 organic agriculture.
- 12.14 (e) \$600,000 the first year and \$420,000 the  
12.15 second year are to maintain the current level  
12.16 of service delivery. The base for this  
12.17 appropriation is ~~\$490,000~~ \$510,000 for fiscal  
12.18 year 2026 and each year thereafter.
- 12.19 (f) \$100,000 the first year and \$100,000 the  
12.20 second year are for mental health outreach and  
12.21 support to farmers, ranchers, and others in the  
12.22 agricultural community and for farm safety  
12.23 grant and outreach programs under Minnesota  
12.24 Statutes, section 17.1195. Mental health  
12.25 outreach and support may include a 24-hour  
12.26 hotline, stigma reduction, and education.  
12.27 Notwithstanding Minnesota Statutes, section  
12.28 16A.28, any unencumbered balance does not  
12.29 cancel at the end of the first year and is  
12.30 available in the second year. This is a onetime  
12.31 appropriation.
- 12.32 (g) \$100,000 the first year and \$100,000 the  
12.33 second year are to award and administer grants  
12.34 ~~for infrastructure~~ and other forms of financial  
12.35 assistance to support EBT, SNAP, SFMNP,

13.1 and related programs at farmers markets.

13.2 Grants may be used for staff costs associated

13.3 with program administration, compliance, and

13.4 reporting. The commissioner may use up to

13.5 6.5 percent of the appropriation each year to

13.6 administer the grant program. Notwithstanding

13.7 Minnesota Statutes, section 16A.28, any

13.8 unencumbered balance does not cancel at the

13.9 end of the first year and is available in the

13.10 second year. This is a onetime appropriation.

13.11 (h) \$200,000 the first year and \$200,000 the

13.12 second year are to award cooperative grants

13.13 under Minnesota Statutes, section 17.1016.

13.14 The commissioner may use up to 6.5 percent

13.15 of the appropriation each year to administer

13.16 the grant program. Notwithstanding Minnesota

13.17 Statutes, section 16A.28, any unencumbered

13.18 balance does not cancel at the end of the first

13.19 year and is available in the second year. This

13.20 is a onetime appropriation.

13.21 **EFFECTIVE DATE.** This section is effective the day following final enactment.

13.22 Sec. 6. Laws 2023, chapter 43, article 1, section 2, subdivision 4, is amended to read:

13.23	Subd. 4. <b>Agriculture, Bioenergy, and Bioproduct</b>	<del>37,809,000</del>	<del>33,809,000</del>
13.24	<b>Advancement</b>	<u>33,809,000</u>	<u>38,154,000</u>

13.25 (a) \$10,702,000 the first year and \$10,702,000

13.26 the second year are for the agriculture

13.27 research, education, extension, and technology

13.28 transfer program under Minnesota Statutes,

13.29 section 41A.14. Except as provided below,

13.30 the appropriation each year is for transfer to

13.31 the agriculture research, education, extension,

13.32 and technology transfer account under

13.33 Minnesota Statutes, section 41A.14,

13.34 subdivision 3, and the commissioner shall

14.1 transfer funds each year to the Board of  
14.2 Regents of the University of Minnesota for  
14.3 purposes of Minnesota Statutes, section  
14.4 41A.14. To the extent practicable, money  
14.5 expended under Minnesota Statutes, section  
14.6 41A.14, subdivision 1, clauses (1) and (2),  
14.7 must supplement and not supplant existing  
14.8 sources and levels of funding. The  
14.9 commissioner may use up to one percent of  
14.10 this appropriation for costs incurred to  
14.11 administer the program.

14.12 Of the amount appropriated for the agriculture  
14.13 research, education, extension, and technology  
14.14 transfer grant program under Minnesota  
14.15 Statutes, section 41A.14:

14.16 (1) \$600,000 the first year and \$600,000 the  
14.17 second year are for the Minnesota Agricultural  
14.18 Experiment Station's agriculture rapid  
14.19 response fund under Minnesota Statutes,  
14.20 section 41A.14, subdivision 1, clause (2);

14.21 (2) up to \$1,000,000 the first year and up to  
14.22 \$1,000,000 the second year are for research  
14.23 on avian influenza, salmonella, and other  
14.24 turkey-related diseases and disease prevention  
14.25 measures;

14.26 (3) \$2,250,000 the first year and \$2,250,000  
14.27 the second year are for grants to the Minnesota  
14.28 Agricultural Education Leadership Council to  
14.29 enhance agricultural education with priority  
14.30 given to Farm Business Management  
14.31 challenge grants;

14.32 (4) \$450,000 the first year is for the cultivated  
14.33 wild rice breeding project at the North Central

15.1 Research and Outreach Center to include a  
15.2 tenure track/research associate plant breeder;  
15.3 (5) \$350,000 the first year and \$350,000 the  
15.4 second year are for potato breeding;  
15.5 (6) \$802,000 the first year and \$802,000 the  
15.6 second year are to fund the Forever Green  
15.7 Initiative and protect the state's natural  
15.8 resources while increasing the efficiency,  
15.9 profitability, and productivity of Minnesota  
15.10 farmers by incorporating perennial and  
15.11 winter-annual crops into existing agricultural  
15.12 practices. The base for the allocation under  
15.13 this clause is \$802,000 in fiscal year 2026 and  
15.14 each year thereafter. By February 1 each year,  
15.15 the dean of the College of Food, Agricultural  
15.16 and Natural Resource Sciences must submit  
15.17 a report to the chairs and ranking minority  
15.18 members of the legislative committees with  
15.19 jurisdiction over agriculture finance and policy  
15.20 and higher education detailing uses of the  
15.21 funds in this paragraph, including  
15.22 administrative costs, and the achievements  
15.23 these funds contributed to; ~~and~~  
15.24 (7) \$350,000 each year is for farm-scale winter  
15.25 greenhouse research and development  
15.26 coordinated by University of Minnesota  
15.27 Extension Regional Sustainable Development  
15.28 Partnerships. The allocation in this clause is  
15.29 onetime;,  
15.30 (8) \$200,000 the second year is for research  
15.31 on natural stands of wild rice; and  
15.32 (9) \$250,000 the second year is for the  
15.33 cultivated wild rice forward selection project  
15.34 at the North Central Research and Outreach

16.1 Center, including a tenure track or research  
16.2 associate plant scientist.

16.3 (b) The base for the agriculture research,  
16.4 education, extension, and technology transfer  
16.5 program is \$10,352,000 in fiscal year 2026  
16.6 and \$10,352,000 in fiscal year 2027.

16.7 (c) ~~\$27,107,000~~ \$23,107,000 the first year ~~and~~  
16.8 ~~\$23,107,000 the second year are~~ is for the  
16.9 agricultural growth, research, and innovation  
16.10 program under Minnesota Statutes, section  
16.11 41A.12. Except as provided below, the  
16.12 commissioner may allocate this appropriation  
16.13 ~~each year~~ among the following areas:  
16.14 facilitating the start-up, modernization,  
16.15 improvement, or expansion of livestock  
16.16 operations, including beginning and  
16.17 transitioning livestock operations with  
16.18 preference given to robotic dairy-milking  
16.19 equipment; assisting value-added agricultural  
16.20 businesses to begin or expand, to access new  
16.21 markets, or to diversify, including aquaponics  
16.22 systems, with preference given to hemp fiber  
16.23 processing equipment; facilitating the start-up,  
16.24 modernization, or expansion of other  
16.25 beginning and transitioning farms, including  
16.26 by providing loans under Minnesota Statutes,  
16.27 section 41B.056; sustainable agriculture  
16.28 on-farm research and demonstration; the  
16.29 development or expansion of food hubs and  
16.30 other alternative community-based food  
16.31 distribution systems; enhancing renewable  
16.32 energy infrastructure and use; crop research,  
16.33 including basic and applied turf seed research;  
16.34 Farm Business Management tuition assistance;  
16.35 and good agricultural practices and good



17.1 handling practices certification assistance. The  
17.2 commissioner may use up to 6.5 percent of  
17.3 this appropriation for costs incurred to  
17.4 administer the program.

17.5 Of the amount appropriated for the agricultural  
17.6 growth, research, and innovation program  
17.7 under Minnesota Statutes, section 41A.12:

17.8 (1) \$1,000,000 the first year ~~and \$1,000,000~~  
17.9 ~~the second year are~~ is for distribution in equal  
17.10 amounts to each of the state's county fairs to  
17.11 preserve and promote Minnesota agriculture;

17.12 (2) \$5,750,000 the first year ~~and \$5,750,000~~  
17.13 ~~the second year are~~ is for incentive payments  
17.14 under Minnesota Statutes, sections 41A.16,  
17.15 41A.17, 41A.18, and 41A.20. Notwithstanding  
17.16 Minnesota Statutes, section 16A.28, the first  
17.17 year appropriation is available until June 30,  
17.18 2025, ~~and the second year appropriation is~~  
17.19 ~~available until June 30, 2026~~. If this  
17.20 appropriation exceeds the total amount for  
17.21 which all producers are eligible in a fiscal  
17.22 year, the balance of the appropriation is  
17.23 available for other purposes under this  
17.24 paragraph. ~~The base under this clause is~~  
17.25 ~~\$3,000,000 in fiscal year 2026 and each year~~  
17.26 ~~thereafter;~~

17.27 (3) \$3,375,000 the first year ~~and \$3,375,000~~  
17.28 ~~the second year are~~ is for grants that enable  
17.29 retail petroleum dispensers, fuel storage tanks,  
17.30 and other equipment to dispense biofuels to  
17.31 the public in accordance with the biofuel  
17.32 replacement goals established under  
17.33 Minnesota Statutes, section 239.7911. A retail  
17.34 petroleum dispenser selling petroleum for use  
17.35 in spark ignition engines for vehicle model

18.1 years after 2000 is eligible for grant money  
18.2 under this clause if the retail petroleum  
18.3 dispenser has no more than ~~10~~ 20 retail  
18.4 petroleum dispensing sites and each site is  
18.5 located in Minnesota. The grant money must  
18.6 be used to replace or upgrade equipment that  
18.7 does not have the ability to be certified for  
18.8 E25. A grant award must not exceed 65  
18.9 percent of the cost of the appropriate  
18.10 technology. A grant award must not exceed  
18.11 \$200,000 per station. The commissioner must  
18.12 cooperate with biofuel stakeholders in the  
18.13 implementation of the grant program. The  
18.14 commissioner, in cooperation with any  
18.15 economic or community development  
18.16 financial institution and any other entity with  
18.17 which the commissioner contracts, must  
18.18 submit a report on the biofuels infrastructure  
18.19 financial assistance program by January 15 of  
18.20 each year to the chairs and ranking minority  
18.21 members of the legislative committees and  
18.22 divisions with jurisdiction over agriculture  
18.23 policy and finance. The annual report must  
18.24 include but not be limited to a summary of the  
18.25 following metrics: (i) the number and types  
18.26 of projects financed; (ii) the amount of dollars  
18.27 leveraged or matched per project; (iii) the  
18.28 geographic distribution of financed projects;  
18.29 (iv) any market expansion associated with  
18.30 upgraded infrastructure; (v) the demographics  
18.31 of the areas served; (vi) the costs of the  
18.32 program; and (vii) the number of grants to  
18.33 minority-owned or female-owned businesses:  
18.34 ~~The base under this clause is \$3,000,000 for~~  
18.35 ~~fiscal year 2026 and each year thereafter;~~

19.1 (4) \$1,250,000 the first year ~~and \$1,250,000~~  
19.2 ~~the second year are~~ is for grants to facilitate  
19.3 the start-up, modernization, or expansion of  
19.4 meat, poultry, egg, and milk processing  
19.5 facilities. A grant award under this clause must  
19.6 not exceed \$200,000. Any unencumbered  
19.7 balance at the end of the second year does not  
19.8 cancel until June 30, 2026, and may be used  
19.9 for other purposes under this paragraph. ~~The~~  
19.10 ~~base under this clause is \$250,000 in fiscal~~  
19.11 ~~year 2026 and each year thereafter;~~

19.12 (5) \$1,150,000 the first year ~~and \$1,150,000~~  
19.13 ~~the second year are for~~ is to develop and  
19.14 enhance farm-to-school markets for Minnesota  
19.15 farmers by providing more fruits, vegetables,  
19.16 meat, poultry, grain, and dairy for children in  
19.17 ~~school and schools~~, early childhood education  
19.18 centers, child care centers, and family child  
19.19 care programs, including, at the  
19.20 commissioner's discretion, providing grants  
19.21 to reimburse schools ~~and~~, early childhood  
19.22 education centers, child care centers, and  
19.23 family child care programs, for purchasing  
19.24 equipment and agricultural products. Of the  
19.25 amount appropriated, \$150,000 each year is  
19.26 for a statewide coordinator of  
19.27 farm-to-institution strategy and programming.  
19.28 The coordinator must consult with relevant  
19.29 stakeholders and provide technical assistance  
19.30 and training for participating farmers and  
19.31 eligible grant recipients. ~~The base under this~~  
19.32 ~~clause is \$1,294,000 in fiscal year 2026 and~~  
19.33 ~~each year thereafter;~~

19.34 ~~(6) \$4,000,000 the first year is for Dairy~~  
19.35 ~~Assistance, Investment, Relief Initiative~~

20.1 ~~(DAIRI) grants and other forms of financial~~  
20.2 ~~assistance to Minnesota dairy farms that enroll~~  
20.3 ~~in coverage under a federal dairy risk~~  
20.4 ~~protection program and produced no more~~  
20.5 ~~than 16,000,000 pounds of milk in 2022. The~~  
20.6 ~~commissioner must make DAIRI payments~~  
20.7 ~~based on the amount of milk produced in~~  
20.8 ~~2022, up to 5,000,000 pounds per participating~~  
20.9 ~~farm, at a rate determined by the commissioner~~  
20.10 ~~within the limits of available funding. Any~~  
20.11 ~~unencumbered balance does not cancel at the~~  
20.12 ~~end of the first year and is available in the~~  
20.13 ~~second year. Any unencumbered balance at~~  
20.14 ~~the end of the second year does not cancel~~  
20.15 ~~until June 30, 2026, and may be used for other~~  
20.16 ~~purposes under this paragraph. The allocation~~  
20.17 ~~in this clause is onetime;~~

20.18 ~~(7) (6)~~ \$2,000,000 the first year and  
20.19 ~~\$2,000,000 the second year are~~ is for urban  
20.20 youth agricultural education or urban  
20.21 agriculture community development; and

20.22 ~~(8) (7)~~ \$1,000,000 the first year and  
20.23 ~~\$1,000,000 the second year are~~ is for the good  
20.24 food access program under Minnesota  
20.25 Statutes, section 17.1017.

20.26 Notwithstanding Minnesota Statutes, section  
20.27 16A.28, any unencumbered balance does not  
20.28 cancel at the end of the first year and is  
20.29 available for the second year, and  
20.30 appropriations encumbered under contract on  
20.31 or before June 30, 2025, for agricultural  
20.32 growth, research, and innovation grants are  
20.33 available until June 30, 2028.

20.34 (d) \$27,452,000 the second year is for the  
20.35 agricultural growth, research, and innovation

21.1 program under Minnesota Statutes, section  
21.2 41A.12. Except as provided below, the  
21.3 commissioner may allocate this appropriation  
21.4 among the following areas: facilitating the  
21.5 start-up, modernization, improvement, or  
21.6 expansion of livestock operations, including  
21.7 beginning and transitioning livestock  
21.8 operations with preference given to robotic  
21.9 dairy-milking equipment; assisting  
21.10 value-added agricultural businesses to begin  
21.11 or expand, to access new markets, or to  
21.12 diversify, including aquaponics systems, with  
21.13 preference given to hemp fiber processing  
21.14 equipment; facilitating the start-up,  
21.15 modernization, or expansion of other  
21.16 beginning and transitioning farms, including  
21.17 by providing loans under Minnesota Statutes,  
21.18 section 41B.056; sustainable agriculture  
21.19 on-farm research and demonstration; the  
21.20 development or expansion of food hubs and  
21.21 other alternative community-based food  
21.22 distribution systems; enhancing renewable  
21.23 energy infrastructure and use; crop research,  
21.24 including basic and applied turf seed research;  
21.25 Farm Business Management tuition assistance;  
21.26 and good agricultural practices and good  
21.27 handling practices certification assistance. The  
21.28 commissioner may use up to 6.5 percent of  
21.29 this appropriation for costs incurred to  
21.30 administer the program.

21.31 Of the amount appropriated for the agricultural  
21.32 growth, research, and innovation program  
21.33 under Minnesota Statutes, section 41A.12:

21.34 (1) \$1,000,000 the second year is for  
21.35 distribution in equal amounts to each of the

22.1 state's county fairs to preserve and promote  
22.2 Minnesota agriculture;  
22.3 (2) \$5,750,000 the second year is for incentive  
22.4 payments under Minnesota Statutes, sections  
22.5 41A.16, 41A.17, 41A.18, and 41A.20.  
22.6 Notwithstanding Minnesota Statutes, section  
22.7 16A.28, this appropriation is available until  
22.8 June 30, 2027. If this appropriation exceeds  
22.9 the total amount for which all producers are  
22.10 eligible in a fiscal year, the balance of the  
22.11 appropriation is available for other purposes  
22.12 under this paragraph. The base under this  
22.13 clause is \$3,000,000 in fiscal year 2026 and  
22.14 each year thereafter;  
22.15 (3) \$3,375,000 the second year is for grants  
22.16 that enable retail petroleum dispensers, fuel  
22.17 storage tanks, and other equipment to dispense  
22.18 biofuels to the public in accordance with the  
22.19 biofuel replacement goals established under  
22.20 Minnesota Statutes, section 239.7911. A retail  
22.21 petroleum dispenser selling petroleum for use  
22.22 in spark ignition engines for vehicle model  
22.23 years after 2000 is eligible for grant money  
22.24 under this clause if the retail petroleum  
22.25 dispenser has no more than 20 retail petroleum  
22.26 dispensing sites and each site is located in  
22.27 Minnesota. The grant money must be used to  
22.28 replace or upgrade equipment that does not  
22.29 have the ability to be certified for E25. A grant  
22.30 award must not exceed 65 percent of the cost  
22.31 of the appropriate technology. A grant award  
22.32 must not exceed \$200,000 per station. The  
22.33 commissioner must cooperate with biofuel  
22.34 stakeholders in the implementation of the grant  
22.35 program. The commissioner, in cooperation

23.1 with any economic or community development  
23.2 financial institution and any other entity with  
23.3 which the commissioner contracts, must  
23.4 submit a report on the biofuels infrastructure  
23.5 financial assistance program by January 15 of  
23.6 each year to the chairs and ranking minority  
23.7 members of the legislative committees and  
23.8 divisions with jurisdiction over agriculture  
23.9 policy and finance. The annual report must  
23.10 include but not be limited to a summary of the  
23.11 following metrics: (i) the number and types  
23.12 of projects financed; (ii) the amount of dollars  
23.13 leveraged or matched per project; (iii) the  
23.14 geographic distribution of financed projects;  
23.15 (iv) any market expansion associated with  
23.16 upgraded infrastructure; (v) the demographics  
23.17 of the areas served; (vi) the costs of the  
23.18 program; and (vii) the number of grants to  
23.19 minority-owned or female-owned businesses.  
23.20 The base under this clause is \$3,000,000 for  
23.21 fiscal year 2026 and each year thereafter;  
  
23.22 (4) \$1,250,000 the second year is for grants  
23.23 to facilitate the start-up, modernization, or  
23.24 expansion of meat, poultry, egg, and milk  
23.25 processing facilities. A grant award under this  
23.26 clause must not exceed \$200,000. Any  
23.27 unencumbered balance at the end of the second  
23.28 year does not cancel until June 30, 2027, and  
23.29 may be used for other purposes under this  
23.30 paragraph. The base under this clause is  
23.31 \$250,000 in fiscal year 2026 and each year  
23.32 thereafter;  
  
23.33 (5) \$1,150,000 the first year is to develop and  
23.34 enhance farm-to-school markets for Minnesota  
23.35 farmers by providing more fruits, vegetables,

24.1 meat, poultry, grain, and dairy for children in  
24.2 schools, early childhood education centers,  
24.3 child care centers, and family child care  
24.4 programs, including, at the commissioner's  
24.5 discretion, providing grants to reimburse  
24.6 schools, early childhood education centers,  
24.7 child care centers, and family child care  
24.8 programs for purchasing equipment and  
24.9 agricultural products. Of the amount  
24.10 appropriated, \$150,000 each year is for a  
24.11 statewide coordinator of farm-to-institution  
24.12 strategy and programming. The coordinator  
24.13 must consult with relevant stakeholders and  
24.14 provide technical assistance and training for  
24.15 participating farmers and eligible grant  
24.16 recipients. The base under this clause is  
24.17 \$1,294,000 in fiscal year 2026 and each year  
24.18 thereafter;

24.19 (6) \$4,000,000 the second year is for Dairy  
24.20 Assistance, Investment, Relief Initiative  
24.21 (DAIRI) grants and other forms of financial  
24.22 assistance to Minnesota dairy farms that enroll  
24.23 in coverage under a federal dairy risk  
24.24 protection program and produced no more  
24.25 than 16,000,000 pounds of milk in 2022. The  
24.26 commissioner must make DAIRI payments  
24.27 based on the amount of milk produced in  
24.28 2022, up to 5,000,000 pounds per participating  
24.29 farm, at a rate determined by the commissioner  
24.30 within the limits of available funding. Any  
24.31 unencumbered balance on June 30, 2026, may  
24.32 be used for other purposes under this  
24.33 paragraph. The allocation in this clause is  
24.34 onetime;



25.1 (7) \$2,000,000 the second year is for urban  
25.2 youth agricultural education or urban  
25.3 agriculture community development; and  
25.4 (8) \$1,000,000 the second year is for the good  
25.5 food access program under Minnesota  
25.6 Statutes, section 17.1017.  
25.7 Notwithstanding Minnesota Statutes, section  
25.8 16A.28, this appropriation does not cancel at  
25.9 the end of the second year and is available  
25.10 until June 30, 2027. Appropriations  
25.11 encumbered under contract on or before June  
25.12 30, 2027, for agricultural growth, research,  
25.13 and innovation grants are available until June  
25.14 30, 2030.  
25.15 ~~(d)~~ (e) The base for the agricultural growth,  
25.16 research, and innovation program is  
25.17 ~~\$16,294,000~~ \$17,582,000 in fiscal year 2026  
25.18 and each year thereafter and includes \$200,000  
25.19 each year for cooperative development grants.  
25.20 Sec. 7. Laws 2023, chapter 43, article 1, section 2, subdivision 5, is amended to read:  
25.21 Subd. 5. **Administration and Financial**  
25.22 **Assistance**  
25.23 (a) \$474,000 the first year and \$474,000 the  
25.24 second year are for payments to county and  
25.25 district agricultural societies and associations  
25.26 under Minnesota Statutes, section 38.02,  
25.27 subdivision 1. Aid payments to county and  
25.28 district agricultural societies and associations  
25.29 must be disbursed no later than July 15 of each  
25.30 year. These payments are the amount of aid  
25.31 from the state for an annual fair held in the  
25.32 previous calendar year.  
25.33 (b) \$350,000 the first year and \$350,000 the  
25.34 second year are for grants to the Minnesota

16,618,000

14,287,000

26.1 Agricultural Education and Leadership  
26.2 Council for programs of the council under  
26.3 Minnesota Statutes, chapter 41D. The base for  
26.4 this appropriation is \$250,000 in fiscal year  
26.5 2026 and each year thereafter.

26.6 (c) \$2,000 the first year is for a grant to the  
26.7 Minnesota State Poultry Association. This is  
26.8 a onetime appropriation. Notwithstanding  
26.9 Minnesota Statutes, section 16A.28, any  
26.10 unencumbered balance does not cancel at the  
26.11 end of the first year and is available for the  
26.12 second year.

26.13 (d) \$18,000 the first year and \$18,000 the  
26.14 second year are for grants to the Minnesota  
26.15 Livestock Breeders Association. This is a  
26.16 onetime appropriation.

26.17 (e) \$60,000 the first year and \$60,000 the  
26.18 second year are for grants to the Northern  
26.19 Crops Institute that may be used to purchase  
26.20 equipment. This is a onetime appropriation.

26.21 (f) \$34,000 the first year and \$34,000 the  
26.22 second year are for grants to the Minnesota  
26.23 State Horticultural Society. This is a onetime  
26.24 appropriation.

26.25 (g) \$25,000 the first year and \$25,000 the  
26.26 second year are for grants to the Center for  
26.27 Rural Policy and Development. This is a  
26.28 onetime appropriation.

26.29 (h) \$75,000 the first year and \$75,000 the  
26.30 second year are appropriated from the general  
26.31 fund to the commissioner of agriculture for  
26.32 grants to the Minnesota Turf Seed Council for  
26.33 basic and applied research on: (1) the  
26.34 improved production of forage and turf seed

27.1 related to new and improved varieties; and (2)  
27.2 native plants, including plant breeding,  
27.3 nutrient management, pest management,  
27.4 disease management, yield, and viability. The  
27.5 Minnesota Turf Seed Council may subcontract  
27.6 with a qualified third party for some or all of  
27.7 the basic or applied research. Any  
27.8 unencumbered balance does not cancel at the  
27.9 end of the first year and is available in the  
27.10 second year. The Minnesota Turf Seed Council  
27.11 must prepare a report outlining the use of the  
27.12 grant money and related accomplishments. No  
27.13 later than January 15, 2025, the council must  
27.14 submit the report to the chairs and ranking  
27.15 minority members of the legislative  
27.16 committees and divisions with jurisdiction  
27.17 over agriculture finance and policy. This is a  
27.18 onetime appropriation.

27.19 (i) \$100,000 the first year and \$100,000 the  
27.20 second year are for grants to GreenSeam for  
27.21 assistance to agriculture-related businesses to  
27.22 support business retention and development,  
27.23 business attraction and creation, talent  
27.24 development and attraction, and regional  
27.25 branding and promotion. These are onetime  
27.26 appropriations. No later than December 1,  
27.27 2024, and December 1, 2025, GreenSeam  
27.28 must report to the chairs and ranking minority  
27.29 members of the legislative committees with  
27.30 jurisdiction over agriculture and rural  
27.31 development with information on new and  
27.32 existing businesses supported, number of new  
27.33 jobs created in the region, new educational  
27.34 partnerships and programs supported, and  
27.35 regional branding and promotional efforts.

28.1 (j) \$1,950,000 the first year and \$1,950,000  
28.2 the second year are for grants to Second  
28.3 Harvest Heartland on behalf of Minnesota's  
28.4 six Feeding America food banks for the  
28.5 following purposes:

28.6 (1) at least \$850,000 each year must be  
28.7 allocated to purchase milk for distribution to  
28.8 Minnesota's food shelves and other charitable  
28.9 organizations that are eligible to receive food  
28.10 from the food banks. Milk purchased under  
28.11 the grants must be acquired from Minnesota  
28.12 milk processors and based on low-cost bids.  
28.13 The milk must be allocated to each Feeding  
28.14 America food bank serving Minnesota  
28.15 according to the formula used in the  
28.16 distribution of United States Department of  
28.17 Agriculture commodities under The  
28.18 Emergency Food Assistance Program. Second  
28.19 Harvest Heartland may enter into contracts or  
28.20 agreements with food banks for shared funding  
28.21 or reimbursement of the direct purchase of  
28.22 milk. Each food bank that receives funding  
28.23 under this clause may use up to two percent  
28.24 for administrative expenses. Notwithstanding  
28.25 Minnesota Statutes, section 16A.28, any  
28.26 unencumbered balance the first year does not  
28.27 cancel and is available the second year;

28.28 (2) to compensate agricultural producers and  
28.29 processors for costs incurred to harvest and  
28.30 package for transfer surplus fruits, vegetables,  
28.31 and other agricultural commodities that would  
28.32 otherwise go unharvested, be discarded, or be  
28.33 sold in a secondary market. Surplus  
28.34 commodities must be distributed statewide to  
28.35 food shelves and other charitable organizations

29.1 that are eligible to receive food from the food  
29.2 banks. Surplus food acquired under this clause  
29.3 must be from Minnesota producers and  
29.4 processors. Second Harvest Heartland may  
29.5 use up to 15 percent of each grant awarded  
29.6 under this clause for administrative and  
29.7 transportation expenses; and

29.8 (3) to purchase and distribute protein products,  
29.9 including but not limited to pork, poultry, beef,  
29.10 dry legumes, cheese, and eggs to Minnesota's  
29.11 food shelves and other charitable organizations  
29.12 that are eligible to receive food from the food  
29.13 banks. Second Harvest Heartland may use up  
29.14 to two percent of each grant awarded under  
29.15 this clause for administrative expenses. Protein  
29.16 products purchased under the grants must be  
29.17 acquired from Minnesota processors and  
29.18 producers.

29.19 Second Harvest Heartland must submit  
29.20 quarterly reports to the commissioner and the  
29.21 chairs and ranking minority members of the  
29.22 legislative committees with jurisdiction over  
29.23 agriculture finance in the form prescribed by  
29.24 the commissioner. The reports must include  
29.25 but are not limited to information on the  
29.26 expenditure of funds, the amount of milk or  
29.27 other commodities purchased, and the  
29.28 organizations to which this food was  
29.29 distributed. The base for this appropriation is  
29.30 \$1,700,000 for fiscal year 2026 and each year  
29.31 thereafter.

29.32 (k) \$25,000 the first year and \$25,000 the  
29.33 second year are for grants to the Southern  
29.34 Minnesota Initiative Foundation to promote  
29.35 local foods through an annual event that raises

30.1 public awareness of local foods and connects  
30.2 local food producers and processors with  
30.3 potential buyers.

30.4 (l) \$300,000 the first year and \$300,000 the  
30.5 second year are for grants to The Good Acre  
30.6 for the Local Emergency Assistance Farmer  
30.7 Fund (LEAFF) program to compensate  
30.8 emerging farmers for crops donated to hunger  
30.9 relief organizations in Minnesota. This is a  
30.10 onetime appropriation.

30.11 (m) \$750,000 the first year and \$750,000 the  
30.12 second year are to expand the Emerging  
30.13 Farmers Office and provide services to  
30.14 beginning and emerging farmers to increase  
30.15 connections between farmers and market  
30.16 opportunities throughout the state. This  
30.17 appropriation may be used for grants,  
30.18 translation services, training programs, or  
30.19 other purposes in line with the  
30.20 recommendations of the Emerging Farmer  
30.21 Working Group established under Minnesota  
30.22 Statutes, section 17.055, subdivision 1. The  
30.23 base for this appropriation is \$1,000,000 in  
30.24 fiscal year 2026 and each year thereafter.

30.25 (n) \$50,000 the first year is to provide  
30.26 technical assistance and leadership in the  
30.27 development of a comprehensive and  
30.28 well-documented state aquaculture plan. The  
30.29 commissioner must provide the state  
30.30 aquaculture plan to the legislative committees  
30.31 with jurisdiction over agriculture finance and  
30.32 policy by February 15, 2025.

30.33 (o) \$337,000 the first year and \$337,000 the  
30.34 second year are for farm advocate services.  
30.35 Of these amounts, \$50,000 the first year and

31.1 \$50,000 the second year are for the  
31.2 continuation of the farmland transition  
31.3 programs and may be used for grants to  
31.4 farmland access teams to provide technical  
31.5 assistance to potential beginning farmers.  
31.6 Farmland access teams must assist existing  
31.7 farmers and beginning farmers with  
31.8 transitioning farm ownership and farm  
31.9 operation. Services provided by teams may  
31.10 include but are not limited to mediation  
31.11 assistance, designing contracts, financial  
31.12 planning, tax preparation, estate planning, and  
31.13 housing assistance.

31.14 (p) \$260,000 the first year and \$260,000 the  
31.15 second year are for a pass-through grant to  
31.16 Region Five Development Commission to  
31.17 provide, in collaboration with Farm Business  
31.18 Management, statewide mental health  
31.19 counseling support to Minnesota farm  
31.20 operators, families, and employees, and  
31.21 individuals who work with Minnesota farmers  
31.22 in a professional capacity. Region Five  
31.23 Development Commission may use up to 6.5  
31.24 percent of the grant awarded under this  
31.25 paragraph for administration.

31.26 (q) \$1,000,000 the first year is for transfer to  
31.27 the agricultural emergency account established  
31.28 under Minnesota Statutes, section 17.041.

31.29 (r) \$1,084,000 the first year and \$500,000 the  
31.30 second year are to support IT modernization  
31.31 efforts, including laying the technology  
31.32 foundations needed for improving customer  
31.33 interactions with the department for licensing  
31.34 and payments. This is a onetime appropriation.

32.1 (s) \$275,000 the first year is for technical  
32.2 assistance grants to certified community  
32.3 development financial institutions that  
32.4 participate in United States Department of  
32.5 Agriculture loan or grant programs for small  
32.6 or emerging farmers, including but not limited  
32.7 to the Increasing Land, Capital, and Market  
32.8 Access Program. For purposes of this  
32.9 paragraph, "emerging farmer" has the meaning  
32.10 given in Minnesota Statutes, section 17.055,  
32.11 subdivision 1. The commissioner may use up  
32.12 to 6.5 percent of this appropriation for costs  
32.13 incurred to administer the program.  
32.14 Notwithstanding Minnesota Statutes, section  
32.15 16A.28, any unencumbered balance does not  
32.16 cancel at the end of the first year and is  
32.17 available in the second year. This is a onetime  
32.18 appropriation.

32.19 (t) \$1,425,000 the first year and \$1,425,000  
32.20 the second year are for transfer to the  
32.21 agricultural and environmental revolving loan  
32.22 account established under Minnesota Statutes,  
32.23 section 17.117, subdivision 5a, for low-interest  
32.24 loans under Minnesota Statutes, section  
32.25 17.117.

32.26 (u) \$150,000 the first year and \$150,000 the  
32.27 second year are for administrative support for  
32.28 the Rural Finance Authority.

32.29 (v) The base in fiscal years 2026 and 2027 is  
32.30 \$150,000 each year to coordinate  
32.31 climate-related activities and services within  
32.32 the Department of Agriculture and  
32.33 counterparts in local, state, and federal  
32.34 agencies and to hire a full-time climate  
32.35 implementation coordinator. The climate



33.1 implementation coordinator must coordinate  
33.2 efforts seeking federal funding for Minnesota's  
33.3 agricultural climate adaptation and mitigation  
33.4 efforts and develop strategic partnerships with  
33.5 the private sector and nongovernment  
33.6 organizations.

33.7 (w) \$1,200,000 the first year and \$930,000 the  
33.8 second year are to maintain the current level  
33.9 of service delivery. The base for this  
33.10 appropriation is ~~\$1,085,000~~ \$1,065,000 in  
33.11 fiscal year 2026 and ~~\$1,085,000~~ \$1,065,000  
33.12 in fiscal year 2027.

33.13 (x) \$250,000 the first year is for a grant to the  
33.14 Board of Regents of the University of  
33.15 Minnesota to purchase equipment for the  
33.16 Veterinary Diagnostic Laboratory to test for  
33.17 chronic wasting disease, African swine fever,  
33.18 avian influenza, and other animal diseases.  
33.19 The Veterinary Diagnostic Laboratory must  
33.20 report expenditures under this paragraph to  
33.21 the legislative committees with jurisdiction  
33.22 over agriculture finance and higher education  
33.23 with a report submitted by January 3, 2024,  
33.24 and a final report submitted by December 31,  
33.25 2024. The reports must include a list of  
33.26 equipment purchased, including the cost of  
33.27 each item.

33.28 (y) \$1,000,000 the first year and \$1,000,000  
33.29 the second year are to award and administer  
33.30 down payment assistance grants under  
33.31 Minnesota Statutes, section 17.133, with  
33.32 priority given to ~~emerging~~ farmers  
33.33 experiencing limited land access as defined in  
33.34 Minnesota Statutes, section ~~17.055~~,  
33.35 ~~subdivision 1~~ 17.133, subdivision 1, or farmers

34.1 who had a net farm profit of \$100,000 or less  
34.2 the previous year. Notwithstanding Minnesota  
34.3 Statutes, section 16A.28, any unencumbered  
34.4 balance at the end of the first year does not  
34.5 cancel and is available in the second year and  
34.6 appropriations encumbered under contract by  
34.7 June 30, 2025, are available until June 30,  
34.8 2027.

34.9 (z) \$222,000 the first year and \$322,000 the  
34.10 second year are for meat processing training  
34.11 and retention incentive grants under section  
34.12 5. The commissioner may use up to 6.5  
34.13 percent of this appropriation for costs incurred  
34.14 to administer the program. Notwithstanding  
34.15 Minnesota Statutes, section 16A.28, any  
34.16 unencumbered balance does not cancel at the  
34.17 end of the first year and is available in the  
34.18 second year. This is a onetime appropriation.

34.19 (aa) \$300,000 the first year and \$300,000 the  
34.20 second year are for transfer to the Board of  
34.21 Regents of the University of Minnesota to  
34.22 evaluate, propagate, and maintain the genetic  
34.23 diversity of oilseeds, grains, grasses, legumes,  
34.24 and other plants including flax, timothy,  
34.25 barley, rye, triticale, alfalfa, orchard grass,  
34.26 clover, and other species and varieties that  
34.27 were in commercial distribution and use in  
34.28 Minnesota before 1970, excluding wild rice.  
34.29 This effort must also protect traditional seeds  
34.30 brought to Minnesota by immigrant  
34.31 communities. This appropriation includes  
34.32 funding for associated extension and outreach  
34.33 to small and Black, Indigenous, and People of  
34.34 Color (BIPOC) farmers. This is a onetime  
34.35 appropriation.

35.1 (bb) The commissioner shall continue to  
35.2 increase connections with ethnic minority and  
35.3 immigrant farmers to farming opportunities  
35.4 and farming programs throughout the state.

35.5 Sec. 8. COMMISSIONER OF HEALTH; APPROPRIATIONS.

35.6 (a) \$2,000,000 in fiscal year 2025 is appropriated from the general fund to the  
35.7 commissioner of health to establish a mitigation program for contaminated wells, including  
35.8 testing, repairing, and replacing wells and providing home water treatment, such as reverse  
35.9 osmosis treatment, for private wells that are tested at or above the maximum contaminant  
35.10 level of 10 mg/L located in Dodge, Fillmore, Goodhue, Houston, Mower, Olmsted, or  
35.11 Wabasha County. This appropriation is available until June 30, 2027. This is a onetime  
35.12 appropriation. Notwithstanding Minnesota Statutes, section 16B.98, subdivision 14, the  
35.13 commissioner may use up to 6.5 percent of this appropriation for administrative costs.

35.14 (b) By December 15 each year through 2027, the commissioner must report to the chairs  
35.15 and ranking minority members of the legislative committees with jurisdiction over agriculture  
35.16 and health detailing the use of the appropriation in this section and the number of households  
35.17 served in each county.

35.18 **ARTICLE 2**

35.19 **AGRICULTURE POLICY**

35.20 Section 1. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended  
35.21 to read:

35.22 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner  
35.23 may award and administer equipment and infrastructure grants to beginning farmers. The  
35.24 commissioner shall give preference to applicants who are ~~emerging~~ farmers experiencing  
35.25 limited land access as defined in section 17.133, subdivision 1. Grant money may be used  
35.26 for equipment and infrastructure development.

35.27 (b) The commissioner shall develop competitive eligibility criteria and may allocate  
35.28 grants on a needs basis.

35.29 (c) Grant projects may continue for up to two years.

Sec. 2. Minnesota Statutes 2022, section 17.116, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** (a) Grants may ~~only~~ be made to farmers; and organizations such as farms, agricultural cooperatives, educational institutions, individuals at educational institutions, or nonprofit organizations, Tribal governments, or local units of government residing or located in the state for research or demonstrations on farms in the state.

(b) Grants may only be made for projects that show:

(1) the ability to maximize direct or indirect energy savings or production;

(2) a positive effect or reduced adverse effect on the environment; or

(3) increased profitability for the individual farm by reducing costs or improving marketing opportunities.

Sec. 3. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible farmer" means an individual who at the time that the grant is awarded:

(1) is a resident of Minnesota who intends to acquire farmland located within the state and provide the majority of the day-to-day physical labor and management of the farm;

(2) has participated in the business operation of a farm for at least three years;

~~(2)~~ (3) grosses no more than \$250,000 per year from the sale of farm products; and

~~(3)~~ (4) has not, and whose spouse has not, at any time had a direct or indirect ownership interest in farmland.

(c) "Farm down payment" means an initial, partial payment required by a lender or seller to purchase farmland.

(d) "Incubator farm" means a farm where people are given temporary, exclusive, and affordable access to small parcels of land, infrastructure, and often training, for the purposes of honing skills and launching farm businesses.

(e) "Limited land access" means farming without ownership of land and:

(1) under a lease or other rental arrangement of no more than three years in duration when the person leasing or renting the land is not related to the lessee or renter by blood or marriage;

(2) farming by renting land from an incubator farm as defined in this section;

37.1 (3) farming with no current lease or other rental arrangement; or

37.2 (4) farming where access to land is constrained by Tribal land ownership patterns,  
37.3 treaties, or federal and Tribal laws and regulations.

37.4 Sec. 4. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended  
37.5 to read:

37.6 Subd. 3. **Report to legislature.** No later than December 1, 2023, and annually thereafter,  
37.7 the commissioner must provide a report to the chairs and ranking minority members of the  
37.8 legislative committees having jurisdiction over agriculture and rural development, in  
37.9 compliance with sections 3.195 and 3.197, on the farm down payment assistance grants  
37.10 under this section. The report must include:

37.11 (1) background information on beginning farmers in Minnesota and any other information  
37.12 that the commissioner and authority find relevant to evaluating the effect of the grants on  
37.13 increasing opportunities for and the number of beginning farmers;

37.14 (2) the number and amount of grants;

37.15 (3) the geographic distribution of grants by county;

37.16 (4) the number of grant recipients who are ~~emerging~~ farmers experiencing limited land  
37.17 access or who have a net farm profit of \$100,000 or less the previous year;

37.18 (5) disaggregated data regarding the gender, race, and ethnicity of grant recipients;

37.19 (6) the number of farmers who cease to own land and are subject to payment of a penalty,  
37.20 along with the reasons for the land ownership cessation; and

37.21 (7) the number and amount of grant applications that exceeded the allocation available  
37.22 in each year.

37.23 Sec. 5. Minnesota Statutes 2023 Supplement, section 18C.425, subdivision 6, is amended  
37.24 to read:

37.25 Subd. 6. **Payment of inspection fee.** (a) The person who registers and distributes in the  
37.26 state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall  
37.27 pay the inspection fee to the commissioner.

37.28 (b) The person licensed under section 18C.415 who distributes a fertilizer to a person  
37.29 not required to be so licensed shall pay the inspection fee to the commissioner, except as  
37.30 exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay the inspection fee set under paragraph (e), and until June 30, ~~2024~~ 2034, an additional 40 cents per ton, of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Notwithstanding section 18C.131, the commissioner must deposit all revenue from the additional 40 cents per ton fee in the agricultural fertilizer research and education account in section 18C.80. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

(e) By commissioner's order, the commissioner must set the inspection fee at no less than 39 cents per ton and no more than 70 cents per ton. The commissioner must hold a public meeting before increasing the fee by more than five cents per ton.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2022, section 18C.70, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires June 30, ~~2025~~ 2035.

Sec. 7. Minnesota Statutes 2022, section 18C.71, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires June 30, ~~2025~~ 2035.

Sec. 8. Minnesota Statutes 2022, section 18C.80, subdivision 2, is amended to read:

Subd. 2. **Expiration.** This section expires June 30, ~~2025~~ 2035.

Sec. 9. Minnesota Statutes 2022, section 28A.10, is amended to read:

**28A.10 POSTING OF LICENSE; RULES.**

All such licenses shall be issued for a period of one year and shall be posted or displayed in a conspicuous place at the place of business so licensed. ~~Except as provided in sections 29.22, subdivision 4 and 31.39, all such license fees and penalties collected by the commissioner shall be deposited into the state treasury and credited to the general fund.~~  
The commissioner may adopt such rules in conformity with law as the commissioner deems necessary to effectively and efficiently carry out the provisions of sections 28A.01 to 28A.16.

39.1 Sec. 10. Minnesota Statutes 2022, section 31.94, is amended to read:

39.2 **31.94 ORGANIC AGRICULTURE; COMMISSIONER DUTIES.**

39.3 (a) In order to promote opportunities for organic agriculture in Minnesota, the  
39.4 commissioner shall:

39.5 (1) survey producers and support services and organizations to determine information  
39.6 and research needs in the area of organic agriculture practices;

39.7 (2) work with the University of Minnesota and other research and education institutions  
39.8 to demonstrate the on-farm applicability of organic agriculture practices to conditions in  
39.9 this state;

39.10 (3) direct the programs of the department so as to work toward the promotion of organic  
39.11 agriculture in this state;

39.12 (4) inform agencies about state or federal programs that support organic agriculture  
39.13 practices; and

39.14 (5) work closely with producers, producer organizations, the University of Minnesota,  
39.15 and other appropriate agencies and organizations to identify opportunities and needs as well  
39.16 as ensure coordination and avoid duplication of state agency efforts regarding research,  
39.17 teaching, marketing, and extension work relating to organic agriculture.

39.18 (b) By November 15 of each year that ends in a zero or a five, the commissioner, in  
39.19 conjunction with the task force created in paragraph (c), shall report on the status of organic  
39.20 agriculture in Minnesota to the legislative policy and finance committees and divisions with  
39.21 jurisdiction over agriculture. The report must include available data on organic acreage and  
39.22 production, available data on the sales or market performance of organic products, and  
39.23 recommendations regarding programs, policies, and research efforts that will benefit  
39.24 Minnesota's organic agriculture sector.

39.25 (c) A Minnesota Organic Advisory Task Force shall advise the commissioner and the  
39.26 University of Minnesota on policies and programs that will improve organic agriculture in  
39.27 Minnesota, including how available resources can most effectively be used for outreach,  
39.28 education, research, and technical assistance that meet the needs of the organic agriculture  
39.29 sector. The task force must consist of the following residents of the state:

39.30 (1) three organic farmers;

39.31 (2) one wholesaler or distributor of organic products;

39.32 (3) one representative of organic certification agencies;

- 40.1 (4) two organic processors;
- 40.2 (5) one representative from University of Minnesota Extension;
- 40.3 (6) one University of Minnesota faculty member;
- 40.4 (7) one representative from a nonprofit organization representing producers;
- 40.5 (8) two public members;
- 40.6 (9) one representative from the United States Department of Agriculture;
- 40.7 (10) one retailer of organic products; and
- 40.8 (11) one organic consumer representative.

40.9 The commissioner, in consultation with the director of the Minnesota Agricultural Experiment  
 40.10 Station; the dean and director of University of Minnesota Extension and the dean of the  
 40.11 College of Food, Agricultural and Natural Resource Sciences, shall appoint members to  
 40.12 serve three-year terms.

40.13 Compensation and removal of members are governed by section 15.059, subdivision 6.  
 40.14 The task force must meet at least twice each year and expires on June 30, ~~2024~~ 2034.

40.15 (d) For the purposes of expanding, improving, and developing production and marketing  
 40.16 of the organic products of Minnesota agriculture, the commissioner may receive funds from  
 40.17 state and federal sources and spend them, including through grants or contracts, to assist  
 40.18 producers and processors to achieve certification, to conduct education or marketing  
 40.19 activities, to enter into research and development partnerships, or to address production or  
 40.20 marketing obstacles to the growth and well-being of the industry.

40.21 (e) The commissioner may facilitate the registration of state organic production and  
 40.22 handling operations including those exempt from organic certification according to Code  
 40.23 of Federal Regulations, title 7, section 205.101, and accredited certification agencies  
 40.24 operating within the state.

40.25 **EFFECTIVE DATE.** This section is effective the day following final enactment.

40.26 Sec. 11. Minnesota Statutes 2022, section 32D.30, is amended to read:

40.27 **32D.30 DAIRY DEVELOPMENT AND PROFITABILITY ENHANCEMENT.**

40.28 Subdivision 1. **Program.** The commissioner must implement a dairy development and  
 40.29 profitability enhancement program consisting of a dairy profitability enhancement ~~teams~~  
 40.30 and program, dairy business planning grants, and other services to support the dairy industry.



Subd. 2. **Dairy profitability enhancement ~~teams~~ program.** (a) The dairy profitability enhancement ~~teams~~ program must provide ~~one-on-one~~ information and technical assistance to dairy farms of all sizes to enhance their financial success and long-term sustainability. ~~Teams~~ The program must assist dairy producers in all dairy-producing regions of the state ~~and~~. Assistance to producers from the program may consist of be provided individually, as a team, or through other methods by farm business management instructors, dairy extension specialists, and other dairy industry partners. ~~Teams~~ The program may engage in activities ~~including such as~~ comprehensive financial analysis, risk management education, enhanced milk marketing tools and technologies, ~~and~~ facilitating or improving production systems, including rotational grazing and other sustainable agriculture methods, and value-added opportunities.

(b) The commissioner must make grants to regional or statewide organizations qualified to manage the various components of the ~~teams~~ program and serve as program administrators. Each regional or statewide organization must designate a coordinator responsible for overseeing the program and submitting periodic reports to the commissioner regarding aggregate changes in producer financial stability, productivity, product quality, animal health, environmental protection, and other performance measures attributable to the program. The organizations must submit this information in a format that maintains the confidentiality of individual dairy producers.

Subd. 3. **Dairy business planning grants.** The commissioner may award dairy business planning grants of up to \$5,000 per producer or dairy processor to ~~develop comprehensive business plans~~ use technical assistance services for evaluating operations, transitional changes, expansions, improvements, and other business modifications. Producers and processors must not use dairy business planning grants for capital improvements.

Subd. 4. **Funding allocation.** Except as specified in law, the commissioner may allocate dairy development and profitability enhancement program dollars ~~among~~ for the permissible uses specified in this section and other needs to support the dairy industry, including efforts to improve the quality of milk produced in the state, in the proportions that the commissioner deems most beneficial to the state's dairy farmers.

Subd. 5. **Reporting.** No later than July 1 each year, the commissioner must submit a detailed accomplishment report and work plan detailing future plans for, and the actual and anticipated accomplishments from, expenditures under this section to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. If the commissioner significantly modifies a submitted work

42.1 plan during the fiscal year, the commissioner must notify the chairs and ranking minority  
42.2 members.

42.3 Sec. 12. Minnesota Statutes 2023 Supplement, section 35.155, subdivision 12, is amended  
42.4 to read:

42.5 Subd. 12. **Importation.** (a) A person must not import live Cervidae into the state from  
42.6 a state or province where chronic wasting disease has been detected in the farmed or wild  
42.7 cervid population in the last five years unless the animal has tested not detected for chronic  
42.8 wasting disease with a validated live-animal test.

42.9 (b) Live Cervidae or Cervidae semen must originate from a herd that has been subject  
42.10 to a state-, federal-, or provincial-approved chronic wasting disease herd certification program  
42.11 and that has reached a status equivalent to the highest certification.

42.12 (c) Cervidae imported in violation of this section may be seized and destroyed by the  
42.13 commissioner of natural resources.

42.14 (d) This subdivision does not apply to the interstate transfer of animals between two  
42.15 facilities accredited by the Association of Zoos and Aquariums.

42.16 (e) Notwithstanding this subdivision, the commissioner of natural resources may issue  
42.17 a permit allowing the importation of orphaned wild cervid species that are not susceptible  
42.18 to chronic wasting disease from another state to an Association of Zoos and Aquariums  
42.19 accredited institution in Minnesota following a joint risk-based assessment conducted by  
42.20 the commissioner and the institution.

42.21 (f) Notwithstanding this subdivision, the state veterinarian may issue a permit to a zoo  
42.22 that is a United States Department of Agriculture-licensed exhibitor of regulated animals  
42.23 to import live Cervidae from another state if the Cervidae are part of a herd that is:

42.24 (1) in the United States Department of Agriculture Herd Certification program; or

42.25 (2) subject to similar equivalent disease surveillance at the discretion of the state  
42.26 veterinarian.

42.27 Sec. 13. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 1, is amended  
42.28 to read:

42.29 Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have  
42.30 the meanings given.

43.1 (b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and  
43.2 machinery used for farming in Minnesota.

43.3 (c) "Beginning farmer" means an individual or LLC owned by an individual who:

43.4 (1) is a resident of Minnesota;

43.5 (2) is seeking entry, or has entered within the last ten years, into farming;

43.6 (3) intends to farm land located within the state borders of Minnesota;

43.7 (4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a  
43.8 family member of the owner of the agricultural assets from whom the beginning farmer is  
43.9 seeking to purchase or rent agricultural assets;

43.10 (5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a  
43.11 family member of a partner, member, shareholder, or trustee of the owner of agricultural  
43.12 assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;  
43.13 and

43.14 (6) meets the following eligibility requirements as determined by the authority:

43.15 (i) has a net worth that does not exceed the limit provided under section 41B.03,  
43.16 subdivision 3, paragraph (a), clause (2);

43.17 (ii) provides the majority of the day-to-day physical labor and management of the farm;

43.18 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates  
43.19 knowledge in the type of farming for which the beginning farmer seeks assistance from the  
43.20 authority;

43.21 (iv) demonstrates to the authority a profit potential by submitting projected earnings  
43.22 statements;

43.23 (v) asserts to the satisfaction of the authority that farming will be a significant source  
43.24 of income for the beginning farmer;

43.25 (vi) is enrolled in or has completed within ten years of their first year of farming a  
43.26 financial management program approved by the authority or the commissioner of agriculture;

43.27 (vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility  
43.28 requirements within the three-year certification period, in which case the beginning farmer  
43.29 is no longer eligible for credits under this section; and

43.30 (viii) has other qualifications as specified by the authority.

44.1 The authority may waive the requirement in item (vi) if the participant requests a waiver  
44.2 and has a four-year degree in an agricultural program or related field, reasonable agricultural  
44.3 job-related experience, or certification as an adult farm management instructor.

44.4 (d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055,  
44.5 subdivision 1.

44.6 (e) "Family member" means a family member within the meaning of the Internal Revenue  
44.7 Code, section 267(c)(4).

44.8 (f) "Farm product" means plants and animals useful to humans and includes, but is not  
44.9 limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,  
44.10 poultry and poultry products, livestock, fruits, and vegetables.

44.11 (g) "Farming" means the active use, management, and operation of real and personal  
44.12 property for the production of a farm product.

44.13 (h) "Limited land access" has the meaning given in section 17.133, subdivision 1.

44.14 ~~(h)~~ (i) "Owner of agricultural assets" means an individual, trust, or pass-through entity  
44.15 that is the owner in fee of agricultural land or has legal title to any other agricultural asset.  
44.16 Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined  
44.17 in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of  
44.18 selling agricultural assets for profit and that is not engaged in farming as its primary business  
44.19 activity. An owner of agricultural assets approved and certified by the authority under  
44.20 subdivision 4 must notify the authority if the owner no longer meets the definition in this  
44.21 paragraph within the three year certification period and is then no longer eligible for credits  
44.22 under this section.

44.23 ~~(i)~~ (j) "Resident" has the meaning given in section 290.01, subdivision 7.

44.24 ~~(j)~~ (k) "Share rent agreement" means a rental agreement in which the principal  
44.25 consideration given to the owner of agricultural assets is a predetermined portion of the  
44.26 production of farm products produced from the rented agricultural assets and which provides  
44.27 for sharing production costs or risk of loss, or both.

44.28 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
44.29 31, 2024.

Sec. 14. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 2, is amended to read:

**Subd. 2. Tax credit for owners of agricultural assets.** (a) An owner of agricultural assets may take a credit against the tax due under chapter 290 for the sale or rental of agricultural assets to a beginning farmer in the amount allocated by the authority under subdivision 4. An owner of agricultural assets is eligible for allocation of a credit equal to:

(1) eight percent of the lesser of the sale price or the fair market value of the agricultural asset, up to a maximum of \$50,000;

(2) ten percent of the gross rental income in each of the first, second, and third years of a rental agreement, up to a maximum of \$7,000 per year; or

(3) 15 percent of the cash equivalent of the gross rental income in each of the first, second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

(b) A qualifying rental agreement includes cash rent of agricultural assets or a share rent agreement. The agricultural asset must be rented at prevailing community rates as determined by the authority.

(c) The credit may be claimed only after approval and certification by the authority, and is limited to the amount stated on the certificate issued under subdivision 4. An owner of agricultural assets must apply to the authority for certification and allocation of a credit, in a form and manner prescribed by the authority.

(d) An owner of agricultural assets or beginning farmer may terminate a rental agreement, including a share rent agreement, for reasonable cause upon approval of the authority. If a rental agreement is terminated without the fault of the owner of agricultural assets, the tax credits shall not be retroactively disallowed. In determining reasonable cause, the authority must look at which party was at fault in the termination of the agreement. If the authority determines the owner of agricultural assets did not have reasonable cause, the owner of agricultural assets must repay all credits received as a result of the rental agreement to the commissioner of revenue. The repayment is additional income tax for the taxable year in which the authority makes its decision or when a final adjudication under subdivision 5, paragraph (a), is made, whichever is later.

(e) The credit is limited to the liability for tax as computed under chapter 290 for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this limitation, the excess is a beginning farmer incentive credit carryover according to section 290.06, subdivision 37.

(f) For purposes of the credit for the sale of agricultural land only, the family member definitional exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply. For a sale to a family member to qualify for the credit, the sales price of the agricultural land must equal or exceed the assessed value of the land as of the date of the sale. For purposes of this paragraph, "sale to a family member" means a sale to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a family member of:

(1) the owner of the agricultural land; or

(2) a partner, member, shareholder, or trustee of the owner of the agricultural land.

(g) For a sale to ~~an emerging~~ a farmer experiencing limited land access, the credit rate under paragraph (a), clause (1), is twelve percent rather than eight percent.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2024.

Sec. 15. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 4, is amended to read:

Subd. 4. **Authority duties.** (a) The authority shall:

(1) approve and certify or recertify beginning farmers as eligible for the program under this section;

(2) approve and certify or recertify owners of agricultural assets as eligible for the tax credit under subdivision 2 subject to the allocation limits in paragraph (c);

(3) provide necessary and reasonable assistance and support to beginning farmers for qualification and participation in financial management programs approved by the authority;

(4) refer beginning farmers to agencies and organizations that may provide additional pertinent information and assistance; and

(5) notwithstanding section 41B.211, the Rural Finance Authority must share information with the commissioner of revenue to the extent necessary to administer provisions under this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority must annually notify the commissioner of revenue of approval and certification or recertification of beginning farmers and owners of agricultural assets under this section. For credits under subdivision 2, the notification must include the amount of credit approved by the authority and stated on the credit certificate.

(b) The certification of a beginning farmer or an owner of agricultural assets under this section is valid for the year of the certification and the two following years, after which

47.1 time the beginning farmer or owner of agricultural assets must apply to the authority for  
47.2 recertification.

47.3 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority  
47.4 must not allocate more than \$6,500,000 for taxable years beginning after December 31,  
47.5 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning after December  
47.6 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning  
47.7 on January 1 of each year, except that recertifications for the second and third years of  
47.8 credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any  
47.9 amount authorized but not allocated for taxable years ending before January 1, 2023, is  
47.10 canceled and is not allocated for future taxable years. For taxable years beginning after  
47.11 December 31, 2022, any amount authorized but not allocated in any taxable year does not  
47.12 cancel and is added to the allocation for the next taxable year. For each taxable year, 50  
47.13 percent of newly allocated credits must be allocated to ~~emerging farmers~~ owners of  
47.14 agricultural assets who sell or rent agricultural assets to beginning farmers who are  
47.15 experiencing limited land access. Any portion of a taxable year's newly allocated credits  
47.16 that is reserved for ~~emerging sales or rentals to farmers~~ experiencing limited land access  
47.17 that is not allocated by September 30 of the taxable year is available for allocation to other  
47.18 credit allocations beginning on October 1.

47.19 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
47.20 31, 2024.

47.21 Sec. 16. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 6, is amended  
47.22 to read:

47.23 Subd. 6. **Report to legislature.** (a) No later than February 1, 2024, the Rural Finance  
47.24 Authority, in consultation with the commissioner of revenue, must provide a report to the  
47.25 chairs and ranking minority members of the legislative committees having jurisdiction over  
47.26 agriculture, economic development, rural development, and taxes, in compliance with  
47.27 sections 3.195 and 3.197, on the beginning farmer tax credits under this section issued in  
47.28 tax years beginning after December 31, 2017, and before January 1, 2024.

47.29 (b) The report must include background information on beginning farmers in Minnesota  
47.30 and any other information the commissioner and authority find relevant to evaluating the  
47.31 effect of the credits on increasing opportunities for and the number of beginning farmers.

47.32 (c) For credits issued under subdivision 2, paragraph (a), clauses (1) to (3), the report  
47.33 must include:

- 48.1 (1) the number and amount of credits issued under each clause;
- 48.2 (2) the geographic distribution of credits issued under each clause;
- 48.3 (3) the type of agricultural assets for which credits were issued under clause (1);
- 48.4 (4) the number and geographic distribution of beginning farmers whose purchase or
- 48.5 rental of assets resulted in credits for the seller or owner of the asset;
- 48.6 (5) the number and amount of credits disallowed under subdivision 2, paragraph (d);
- 48.7 (6) data on the number of beginning farmers by geographic region in calendar years
- 48.8 2017 through 2023, including:
- 48.9 (i) the number of beginning farmers by race and ethnicity, as those terms are applied in
- 48.10 the 2020 United States Census; and
- 48.11 (ii) the number of beginning farmers who are experiencing limited land access and, to
- 48.12 the extent available, the number of beginning farmers who are emerging farmers; and
- 48.13 (7) the number and amount of credit applications that exceeded the allocation available
- 48.14 in each year.
- 48.15 (d) For credits issued under subdivision 3, the report must include:
- 48.16 (1) the number and amount of credits issued;
- 48.17 (2) the geographic distribution of credits;
- 48.18 (3) a listing and description of each approved financial management program for which
- 48.19 credits were issued; and
- 48.20 (4) a description of the approval procedure for financial management programs not on
- 48.21 the list maintained by the authority, as provided in subdivision 3, paragraph (a).
- 48.22 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December
- 48.23 31, 2024.
- 48.24 Sec. 17. Minnesota Statutes 2022, section 41B.047, subdivision 1, is amended to read:
- 48.25 Subdivision 1. **Establishment.** The authority shall establish and implement a disaster
- 48.26 recovery loan program to help farmers:
- 48.27 (1) clean up, repair, or replace farm structures and septic and water systems, as well as
- 48.28 replace seed, other crop inputs, feed, and livestock;
- 48.29 (2) purchase watering systems, irrigation systems, ~~and~~ other drought mitigation systems
- 48.30 and practices, and feed when drought is the cause of the purchase;



(3) restore farmland;

(4) replace flocks or livestock, make building improvements, or cover the loss of revenue when the replacement, improvements, or loss of revenue is due to the confirmed presence of a highly contagious animal disease in a commercial poultry or game flock, or a commercial livestock operation, located in Minnesota; or

(5) cover the loss of revenue when the revenue loss is due to an infectious human disease for which the governor has declared a peacetime emergency under section 12.31.

Sec. 18. **SUPERSEDING EFFECT.**

The amendment to Minnesota Statutes, section 35.155, subdivision 12, in section 12 of this article is intended to supersede the amendment in article 1, section 18, in S.F. No. 4225.

Sec. 19. **REPEALER.**

Minnesota Statutes 2022, section 34.07, is repealed.

**ARTICLE 3**  
**BROADBAND**

Section 1. Minnesota Statutes 2022, section 116J.396, is amended by adding a subdivision to read:

Subd. 4. **Transfer.** The commissioner may transfer up to \$5,000,000 of a fiscal year appropriation between the border-to-border broadband program, low density population broadband program, and the broadband line extension program to meet demand. The commissioner must inform the chairs and ranking minority members of the legislative committees with jurisdiction over broadband finance in writing when this transfer authority is used. The written notice must include how much money was transferred and why the transfer was made. The written notice must also be filed with the Legislative Reference Library in compliance with Minnesota Statutes, section 3.195.

Sec. 2. **BROADBAND DEVELOPMENT; APPLICATION FOR FEDERAL FUNDING; APPROPRIATION.**

(a) The commissioner of employment and economic development must prepare and submit an application to the United States Department of Commerce requesting State Digital Equity Capacity Grant funding made available under Public Law 117-58, the Infrastructure Investment and Jobs Act.

50.1 (b) The amount awarded to Minnesota pursuant to the application submitted under  
50.2 paragraph (a) is appropriated to the commissioner of employment and economic development  
50.3 for purposes of the commissioner's Minnesota Digital Opportunity Plan."

50.4 Delete the title and insert:

50.5 "A bill for an act

relating to state government; authorizing supplemental agriculture appropriations; modifying appropriations; providing broadband appropriation transfer authority; making policy and technical changes to agriculture provisions; establishing and modifying agriculture programs; requiring an application for federal broadband aid; requiring reports; appropriating money; amending Minnesota Statutes 2022, sections 17.116, subdivision 2; 17.133, subdivision 1; 18C.70, subdivision 5; 18C.71, subdivision 4; 18C.80, subdivision 2; 28A.10; 31.94; 32D.30; 41B.047, subdivision 1; 116J.396, by adding a subdivision; Minnesota Statutes 2023 Supplement, sections 17.055, subdivision 3; 17.133, subdivision 3; 18C.425, subdivision 6; 35.155, subdivision 12; 41B.0391, subdivisions 1, 2, 4, 6; Laws 2023, chapter 43, article 1, section 2, subdivisions 1, 2, 3, 4, 5; repealing Minnesota Statutes 2022, section 34.07."

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

50.19 Amendments adopted. Report adopted.

50.20 .....  
50.21 (Committee Chair)

50.22 April 17, 2024.....

50.23 (Date of Committee recommendation)