



Developing Markets for Continuous Living Cover Grant

2023 Minn. Laws Chap. 43 Art. 1 Sec. 2 Subd. 2(j)

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Minnesota Department of Agriculture
Pesticide and Fertilizer Management Division
625 Robert Street North
Saint Paul, MN 55155
Phone: 651-201-6488
Margaret.Wagner@state.mn.us
www.mda.state.mn.us

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Introduction

In 2023, the Minnesota Legislature awarded a one-time appropriation of \$500,000 for grants to organizations to develop enterprises, supply chains, and markets for continuous-living cover crops and cropping systems in the early stages of commercial development. A total of \$250,000 was available in Fiscal Year (FY)24 and \$250,000 in FY25. For purposes of this grant, “continuous-living cover crops and cropping systems” refers to agroforestry, perennial biomass, perennial forage, perennial grains, and winter-annual cereal grains and oilseeds that have market value as harvested or grazed commodities.

Legislative Language

This is a mandated report per: 2023 Minn. Laws Chap. 43 Art. 1 Sec. 2 Subd. 2(j)

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

Background

Continuous-living cover (CLC) crops have been shown to enhance water and soil quality, sequester carbon, build soil health, and provide greater biodiversity and pollinator habitat. Significant environmental benefits of these crops will result from widespread production, which requires robust value chains and markets.

The goal is to provide grants to CLC crops and cropping systems value chain enterprises for equipment infrastructure and business and market development. The intended outcome is supply chain and market development that can increase CLC crops and cropping systems on agricultural lands in Minnesota.

Summary

Two requests for proposals have been completed, 10 projects are underway, and one is pending a contract. The first request for proposals (RFP) was posted September 11, 2023, and closed October 2, 2023. Applicants could apply for up to \$50,000 per grant. The Minnesota Department of Agriculture (MDA) received 15 applications requesting a total of \$637,230 in grant funding. An evaluation team comprised of two MDA staff, one University of Minnesota Extension staff, and one staff from the Agricultural Utilization Research Institute (AURI) signed a conflict-of-interest form and reviewed the applications. Five projects were selected and awarded - four at \$50,000 each, and one at \$48,000 (this represents 39% of the requested amount in the request for proposal

process). Contract start and end dates vary; the earliest contract began December 20, 2023. End dates range from September 30, 2024, through June 30, 2025.

The second RFP was posted June 10, 2024, and closed July 15, 2024. A total of \$251,865 was available and each applicant could apply for up to \$45,000. The MDA received 19 applications requesting a total of \$804,917 in grant funding. An evaluation team comprised of two MDA staff, one University of Minnesota Extension staff, and one staff from the Friends of the Mississippi River signed a conflict-of-interest form and reviewed the applications. Six projects were selected and awarded a total of \$251,865 (this represents 31% of the requested amount in the request for proposal process). Contract start and end dates vary; all contracts end by June 30, 2025. Each grant recipient is responsible for meeting project deliverables and submitting quarterly progress reports. Project summaries for each grantee are included in Table 1.

The Developing Markets for Continuous Living Cover grant is popular, and the funds provided are filling a critical need. The activities, equipment, and services included in this grant are not covered by other funding opportunities; this grant is unique. The funded projects are improving different stages of processing and product development for multiple cover and perennial crops, all of which are building the foundation to further scale up the production of these crops. The funding has been competitive, and the project proposals have demonstrated a need. The grant has supported a small percentage of the larger project costs presented in each proposal.

Table 1 Summary of projects funded

Organization Name	Contract Dates	Funds Awarded	Summary
Gertens	1/1/2024-5/31/2025	\$50,000	Propagate up to 10,000 farm-ready hybrid hazelnut plants. The development of tissue culture clones of hybrid hazelnut plants has been slow. Gertens, while working under a contract with the University of Minnesota, developed unique and successful commercial greenhouse protocols for hybrid hazelnut plant propagation. By applying these protocols, Gertens will accelerate the availability of farm-ready plants for early commercial farm trials.
MSX Nexgen Inc.	2/19/2024-5/31/2025	\$50,000	Supply a regional location to preclean, dry, and store winter camelina and Kernza®, and other CLC crops as needed. Current options for the precleaning and drying of these crops in Minnesota are very limited. Having regional, smaller scale cleaning and drying sites will clear a major roadblock in the supply chain and will open the door for growers unable to haul the grain hundreds of miles to be cleaned.
Perennial Promise Growers Cooperative	12/28/2023-5/31/2025	\$48,000	Expand marketing to existing customers and sales of Kernza® grain to new customers. Growing sales will create opportunities for current and future Minnesota producers to effectively participate in the supply chain.
River Rock Kitchen & Baking Co.	12/20/2024-5/31/2025	\$50,000	Incorporate Kernza® into at least 75% of their baked goods. The project aims to serve as a case study for the widespread adoption of Kernza® in products to increase the market and promote environmental sustainability.

Organization Name	Contract Dates	Funds Awarded	Summary
Rookie Farmers, LLC	1/1/2024-9/30/2024	\$50,000	Purchase a winter camelina cleaning trailer. Camelina taken straight from the combine hopper and placed in bins will not dry down properly, which can lead to spoiling. A portable cleaning solution to clean the camelina in the field or at the bin site prior to loading it into the grain bins will prevent loss. It will allow the grower to use camelina as a cover crop and help meet the growing demand for camelina products.
Perennial Pantry	10/9/2024-6/30/2025	\$50,000	Hire a director of sales to sell CLC products and create marketing content, enhancing capacity to expand CLC marketing and increase sales. Perennial Pantry built a dedicated CLC processing plant to produce Kernza® crackers for retail sales and Kernza®, Hazelnut, Elderberry, and other CLC pantry staples for online sales and our monthly subscription box. With systems in place, they aim to grow the impact through increased marketing and sales.
SUN Consulting	10/9/2024-6/30/2025	\$36,000	Replicate and update the engineering required to build a self-propelled, mound bed cutter, which is used to sever the new woody stem below the new root base, while not cutting so deep as to disrupt the perennial crown below.
Perennial Promise Growers Cooperative	4/8/2024-5/31/2025	\$45,000	Contract with one or more professional marketing consultants/firms to continue market expansion for Kernza® and related value-added products. The consultant(s) will play the lead roles in customer lead generation/qualification/cultivation; provision of samples to prospective users; placement and fulfillment of orders; post-sale customer service; and coordination with value-added partners with a goal of doubling 2024 annual sales in 2025.
Regenerative Agriculture Alliance	10/1/2024-6/30/2025	\$35,865	Purchase and distribute improved Midwest Hazelnut LLC plant material from the Upper Midwest Hazelnut Development Initiative (UMHDI) directly to growers involved with the Poultry-Centered Regenerative Agroforestry (PCRA) ecosystem. And fund training opportunities to help growers implement PCRA systems and bring their CLC crops to market, while providing outreach to connect with new growers and support their involvement with agroforestry.
Tree Range Farms	11/15/2024-6/30/2025	\$45,000	Increase operational capacity at Tree-Range farms to market the silvopasture poultry to Minnesota schools, communities, retailers, and restaurants.
Waiting for contract	-	\$45,000	More details to come once contract process begins.

Note: The MDA cannot share the vendor name or details for contracts that have not yet been executed. More information will be available as contract materials are finalized.

For more information: [Developing Markets for CLC Crops \(www.mda.state.mn.us/developing-markets-clc-crops\)](http://www.mda.state.mn.us/developing-markets-clc-crops)