



Down Payment Assistance Grant

Fiscal Year 2025 Legislative Report

12/1/2025

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Background

In Fiscal Year (FY) 2025, the [Down Payment Assistance Grant](#) offered \$15,000 awards for first-time farm buyers in Minnesota. The grant is administered by the Minnesota Department of Agriculture's (MDA) Rural Finance Authority (RFA) with the intent to help beginning and emerging farmers invest in farm ownership.

With the average age of a Minnesota farmer being 57 years old, farm succession and legacy planning is increasingly important to the sector. At the same time, land access is one of the most noted barriers for new farmers to succeed. As written in the [MDA's Emerging Farmers' Working Group 2022 Legislative Report \(PDF\)](#),

“Land ownership and agricultural professions are a key pathway to building inter-generational wealth, both for family units and within communities. Opening pathways for emerging farmers can also revitalize rural communities and increase economic activities in Greater Minnesota.”

Definitions

Beginning farmers

Beginning farmers are defined by the MDA and the United States Department of Agriculture (USDA) as farmers who have entered farming in the last 10 years. According to the [2022 USDA Census of Agriculture](#), there are 114,868 farmers in Minnesota, and 29,586 (26%) of them are considered beginning farmers.

Emerging farmers

For the round of Down Payment Assistance Grant funding that this report covers (FY 2025), statute defined emerging farmers as women, veterans, persons with disabilities, American Indian or Alaskan Native, members of communities of color, LGBTQIA+, young (under 35 years old), and urban (live or farm in a city with a population over 5,000). The USDA census does not use the term “emerging farmer,” but it does have data related demographic groups (Table 1).

Table 1: Demographics of Minnesota Farms and Producers from the 2022 USDA Census of Agriculture

Identity	Minnesota Farms	Percent	Minnesota Producers	Percent
Total	65,531	100	114,868	100
American Indian or Alaska Native	401	< 1	467	< 1
Asian	294	< 1	373	< 1
Beginning	18,914	29	29,586	26
Black or African American	75	< 1	95	< 1
Female	32,729	50	35,623	31
Hispanic, Latino, or Spanish	607	< 1	754	< 1
Military Service	8,801	13	9,265	8
Native Hawaiian or Other Pacific Islander	67	< 1	94	< 1
Young	8,554	13	11,274	10

Limited land access

Limited land access is defined as farming without ownership of land and: (1) the individual or the individual's child rents or leases the land, with the term of each rental or lease agreement not exceeding three years in duration, from a person who is not related to the individual or the individual's spouse by blood or marriage; or (2) the individual rents the land from an incubator farm. (Laws of Minnesota 2024, chapter 126, article 2, section 8—see amendments to MINN. STAT. 17.133, subd. 1(e), adding definitions of “Limited land access.”)

Limited market access

Limited market access is defined as grossing sales of no more than \$100,000 per year from the sale of farm products. (Laws of Minnesota 2024, chapter 126, article 2, section 8—see amendments to MINN. STAT. 7.133, subd. 1(f), adding definitions of “Limited market access.”)

Applications & Awardees

Number and amount of grants

The Minnesota Legislature appropriated \$1 million for each year of this program for fiscal years 2024 and 2025 (which run July 1 to June 30) with the unused balance of \$416,000 from FY24 available to use in FY25. The RFA awarded these grants using a random lottery process developed with consultants from the Minnesota State Lottery. The application window was open from August 1 to September 15, 2024.

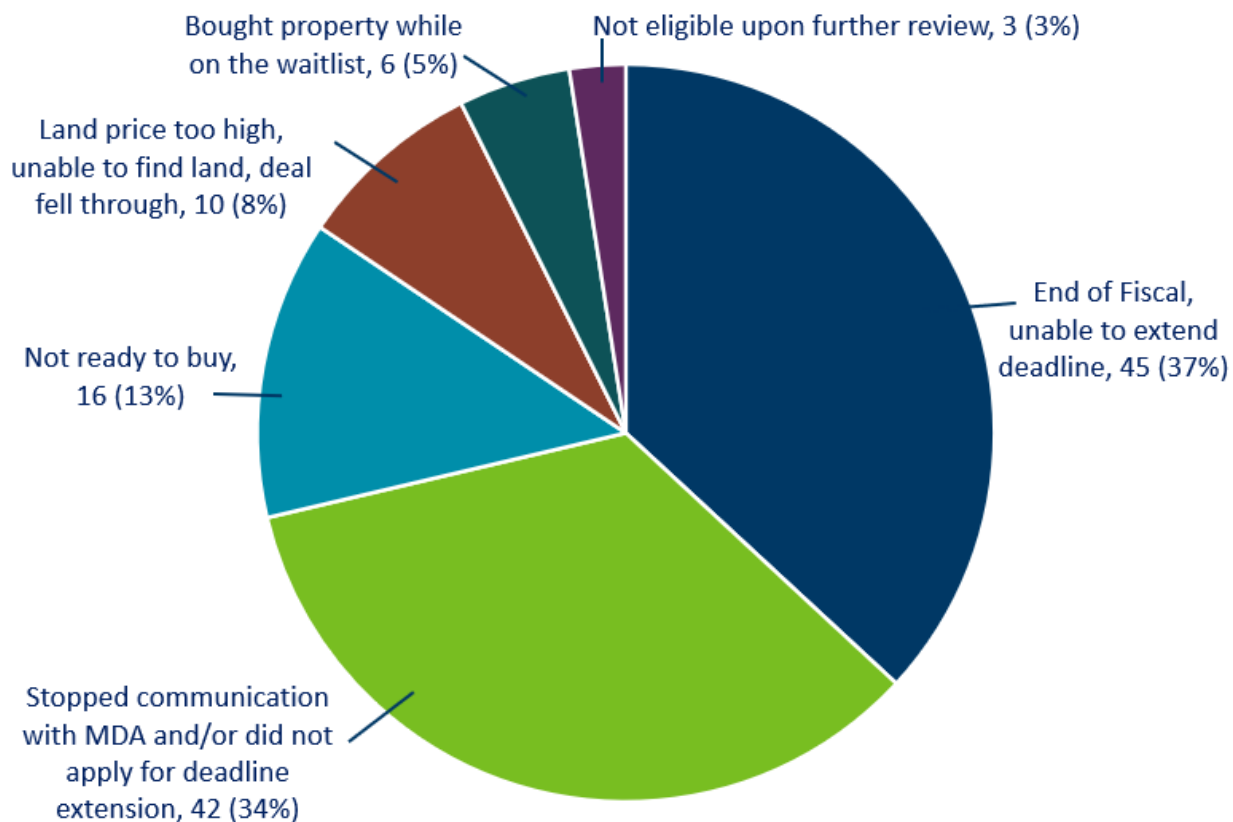
The RFA received 160 eligible applications and ultimately awarded 41 grants, totaling \$615,000. The balance of funds could not be awarded in-time and was returned to the State General Fund. Many applicants apply for this grant before they have selected a piece of farmland to buy. Awardees also mention the lack of availability and affordability of farmland, as well as the limited timeline to make their purchases, as reasons for not utilizing their grants. The grant award is valid for six months before a grantee must make their purchase or forfeit their grant to someone on the waitlist. An extension to the six-month deadline is available for grantees who can provide a valid purchase agreement or written confirmation from an approved technical assistance provider that they are financially prepared and actively looking to buy farmland. The timeline is in place to ensure the RFA can encumber grant appropriations under contract by the dates set in state statute.

On the next page, Table 2 shows the number and dollar amount of requests and grant awards for each year RFA has administered this grant. Chart 1 shows reasons why FY25 grantees were unable to utilize their grant award and thus had to forfeit their award to someone on the waitlist.

Table 2: Applicants and Awardees by Year

	FY 2023	FY 2024	FY 2025
Number of applications	105	174	160
Total funds requested	\$1,573,000	\$2,602,000	\$2,400,000
Total funds available	\$500,000	\$1,000,000	\$1,416,000
Number of grant awards	32	39	41
Amount of total awards	\$478,500	\$584,000	\$615,000

Chart 1: Reasons Grantees Forfeit Award, FY25



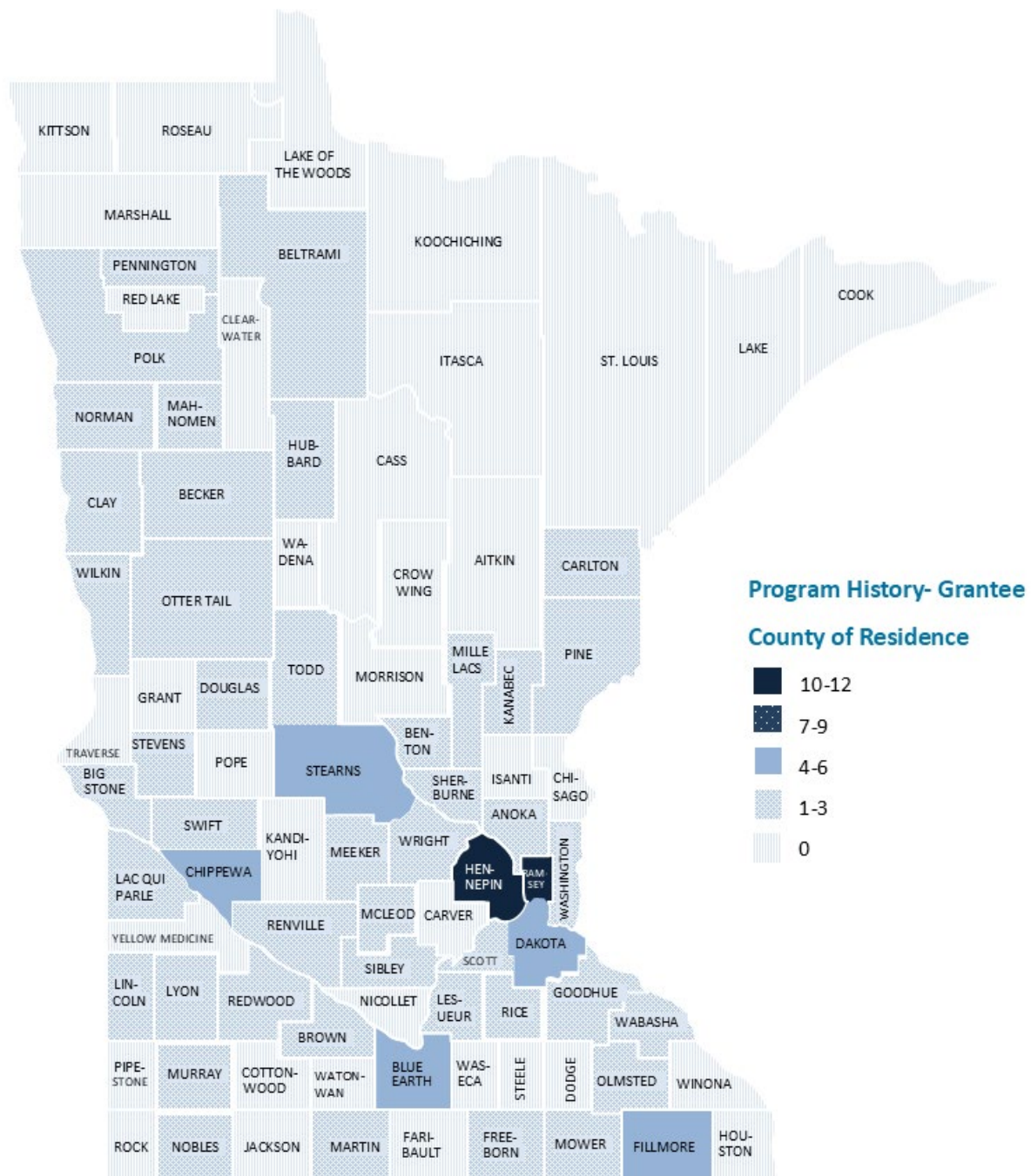
Geographic distribution

Applicants and awardees were spread throughout the state. In the maps on pages 3-4, we have outlined the 41 awardees and awardees in all past rounds of this grant program by county of residence (at time of application) and the counties in which they purchased farms using this grant. The information in these maps can also be found in [Appendix A](#) of this report.

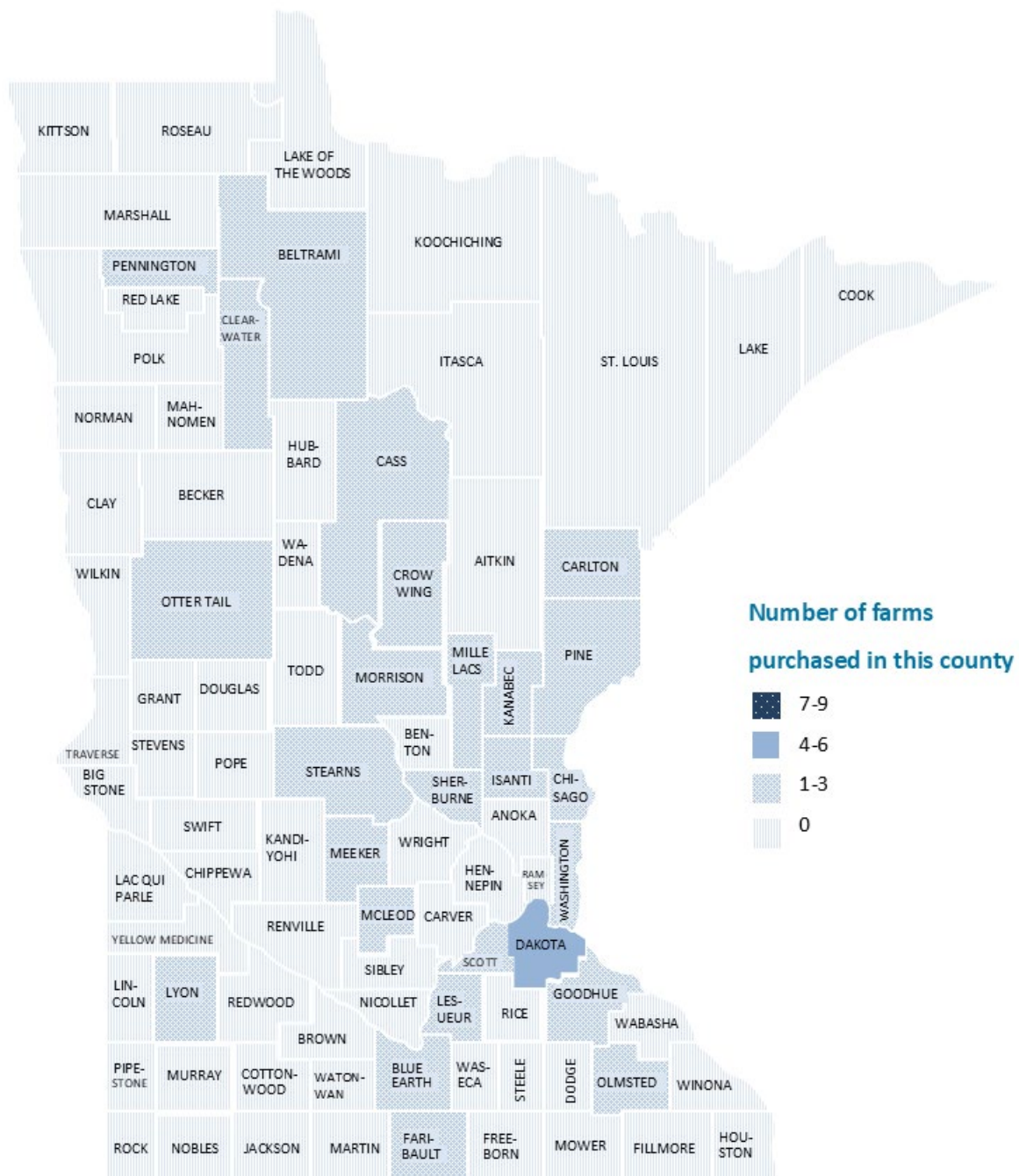
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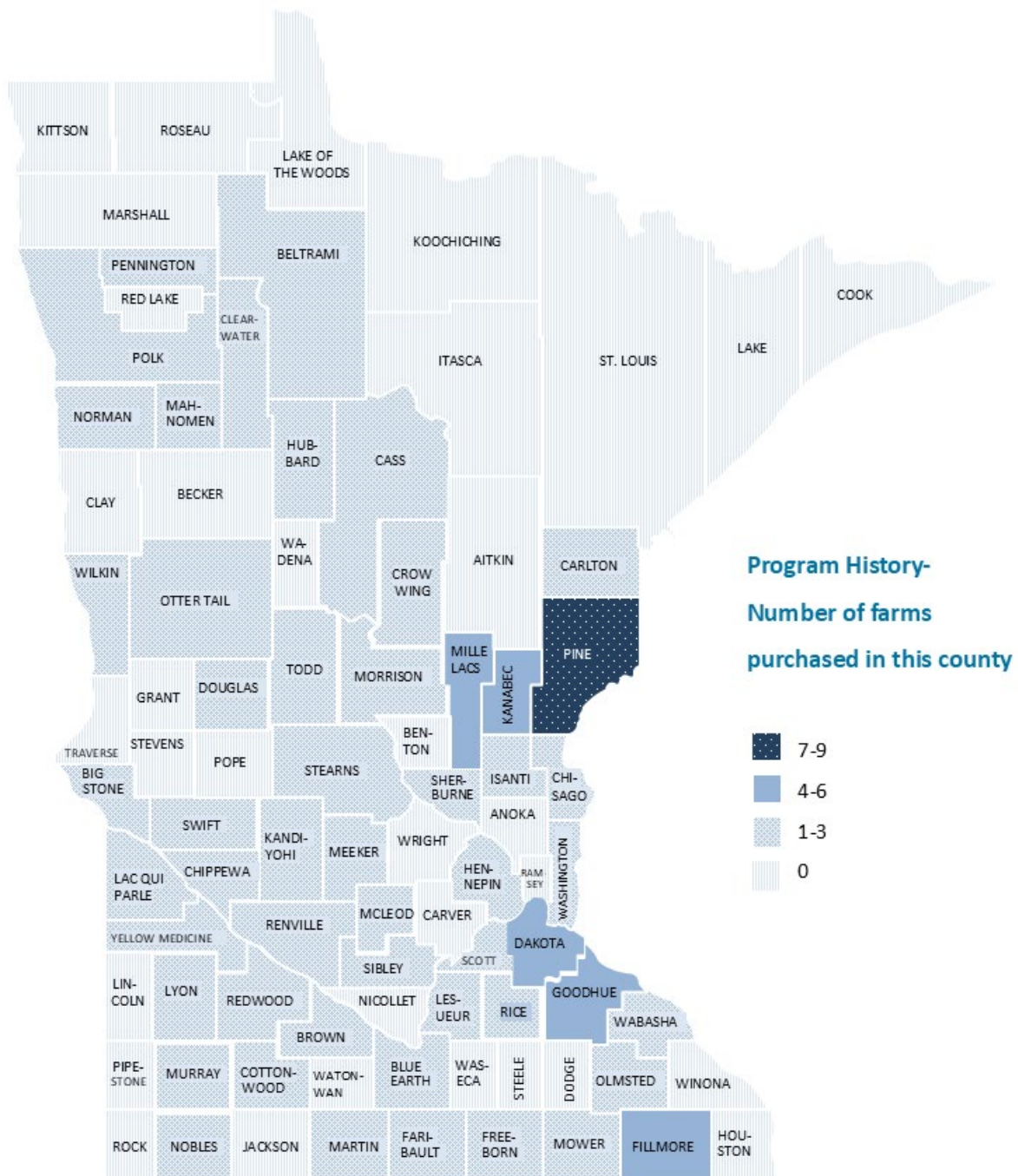
Map 2: Awardee County – Historic Program Total, FY23 to FY25



Map 3: Farm County – FY25



Map 4: Farm County – Historic Program Total, FY23 to FY25



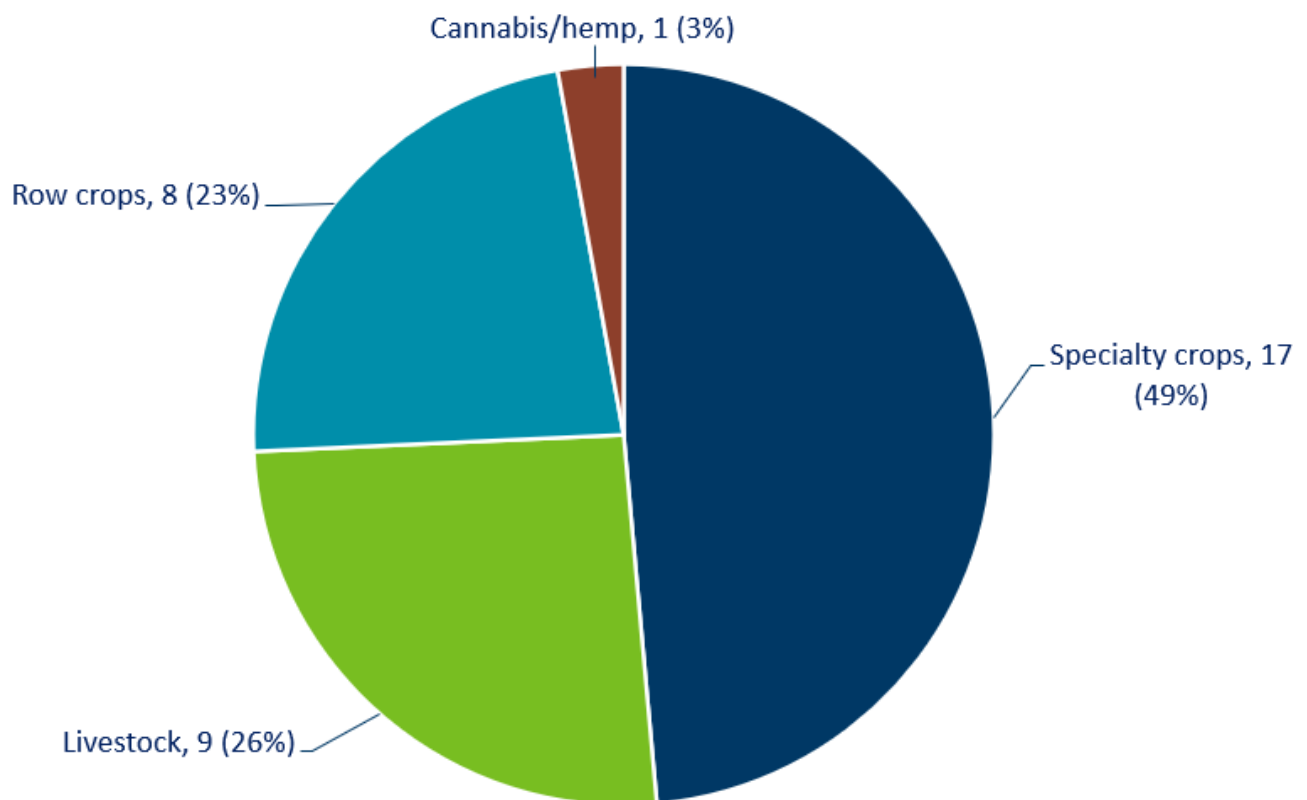
Farm information

In addition to farm location, we know the average size of a farm purchased with the grant in FY25 was 35 acres (ranging from a 2-acre sweet corn field to a 166-acre grain and livestock operation). The average sale price, excluding residential value, was \$277,551. This makes the average price per acre \$7,930 and \$15,000 down payment grant 5% of the average purchase amount.

The type of farm that the awardees operate is indicated in Chart 2 below. Specialty crops include vegetables, fruit, flowers, nursery products, and other horticultural crops (excluding cannabis, which is tracked on its own). Row crops include field corn, soybeans, wheat, sugar beets, small grains, and other commodity crops. Livestock includes cattle, hogs, sheep, goats, poultry, and honeybees.

None of the awardees have ceased to own their farmland since their award; doing so would result in payment of a penalty. The RFA will continue to track ownership for five years after their purchase.

Chart 2: Type of farm operated by awardee

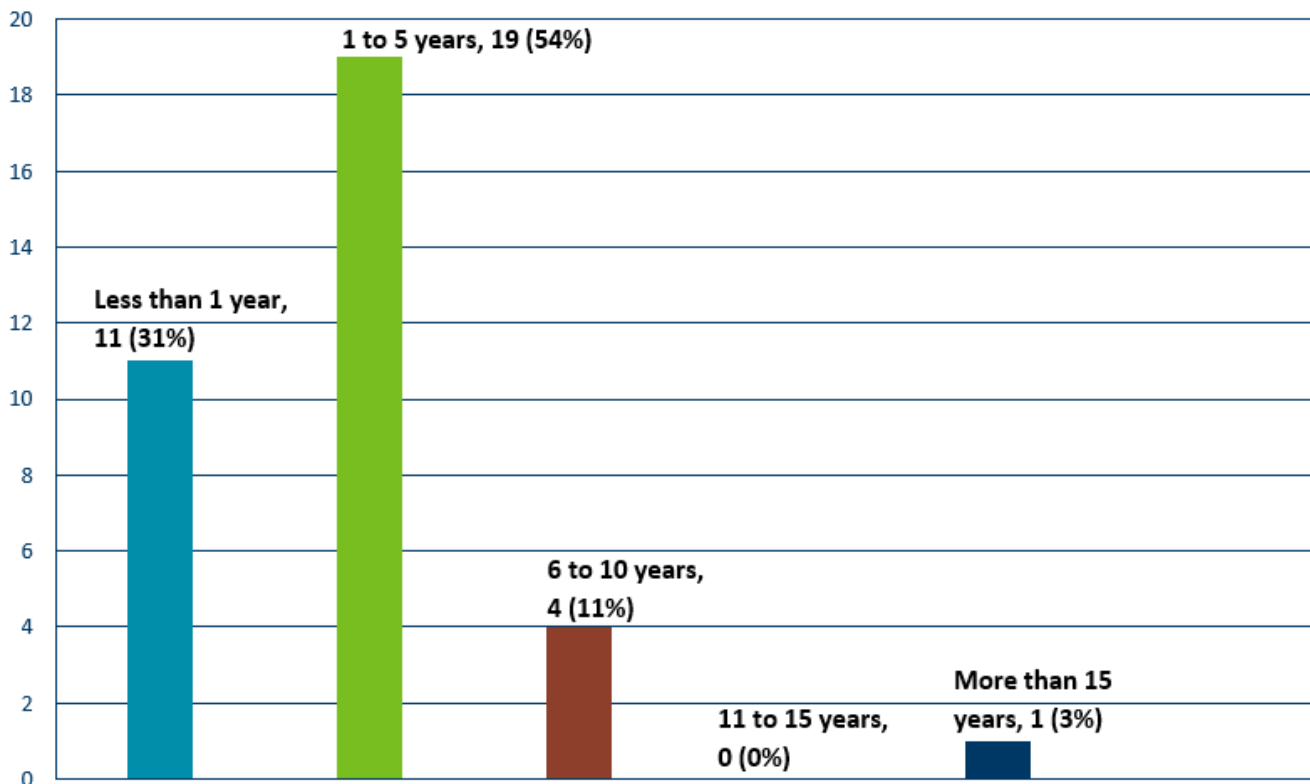


Awardee demographics

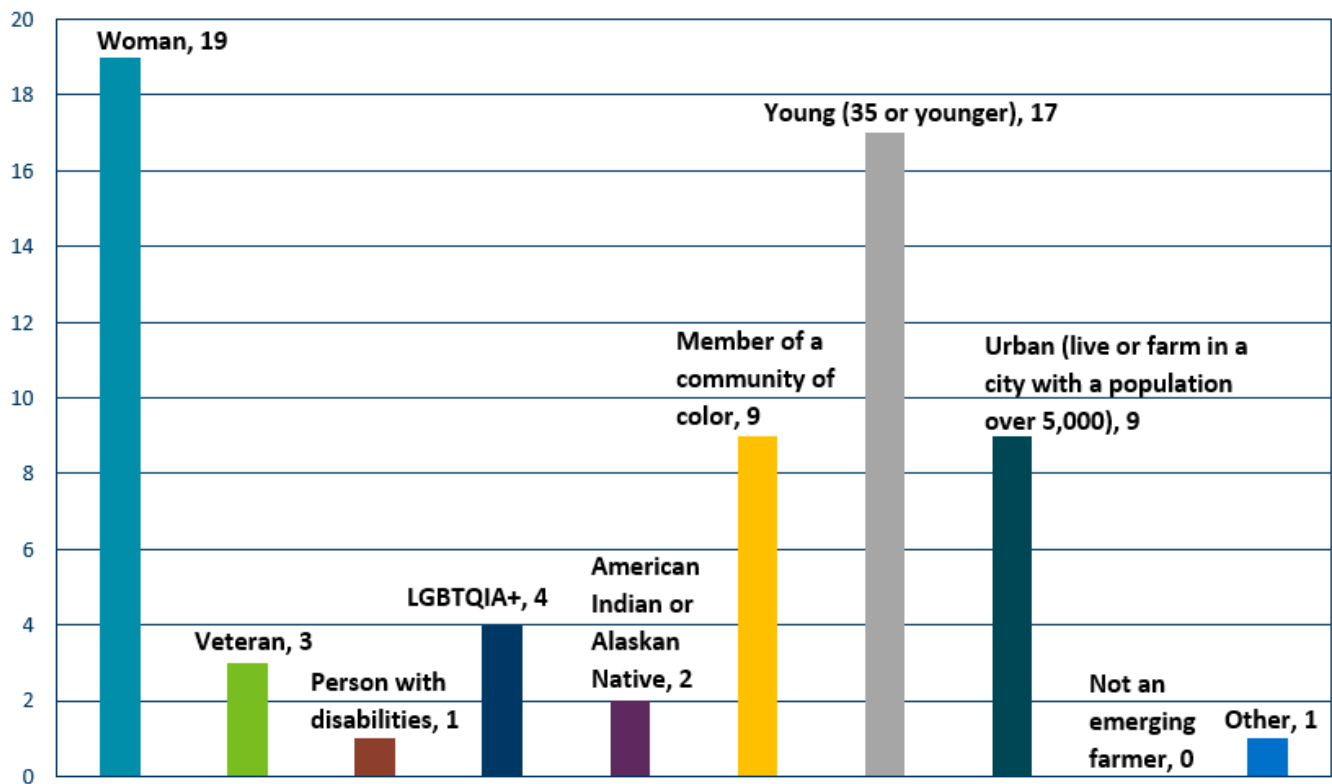
Based on application data, FY25 awardees were on average 32 years old. Using the definitions on page 1 of this report, 100% of awardees (39 total) were limited market access and limited land access.

The RFA administered an anonymous survey to obtain disaggregated data regarding the gender, race, ethnicity, and limited land access status of grant recipients. Thirty-five of the 41 awardees took to the survey, which is an 85% response rate. See the graphs and charts below for results. This data is also available in [Appendix B](#).

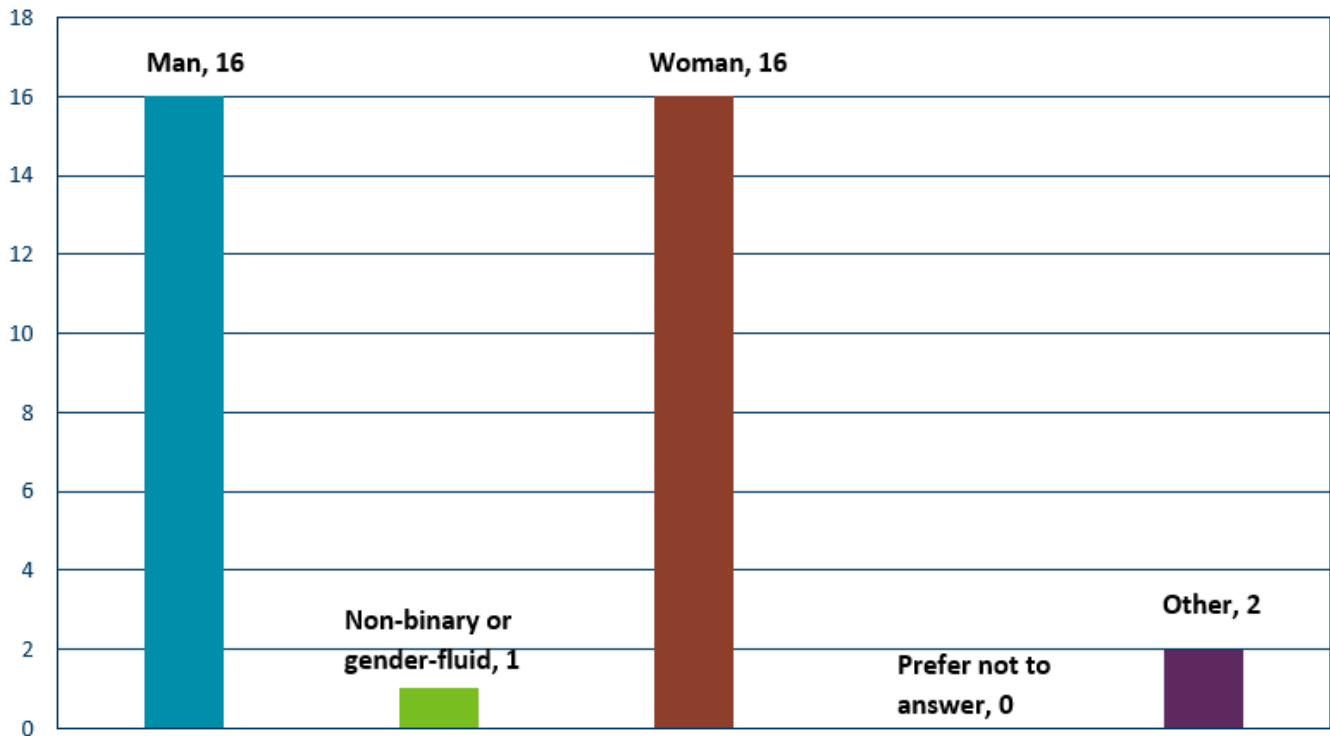
Graph 1: Answers to survey question, “How many years have you been farming?”



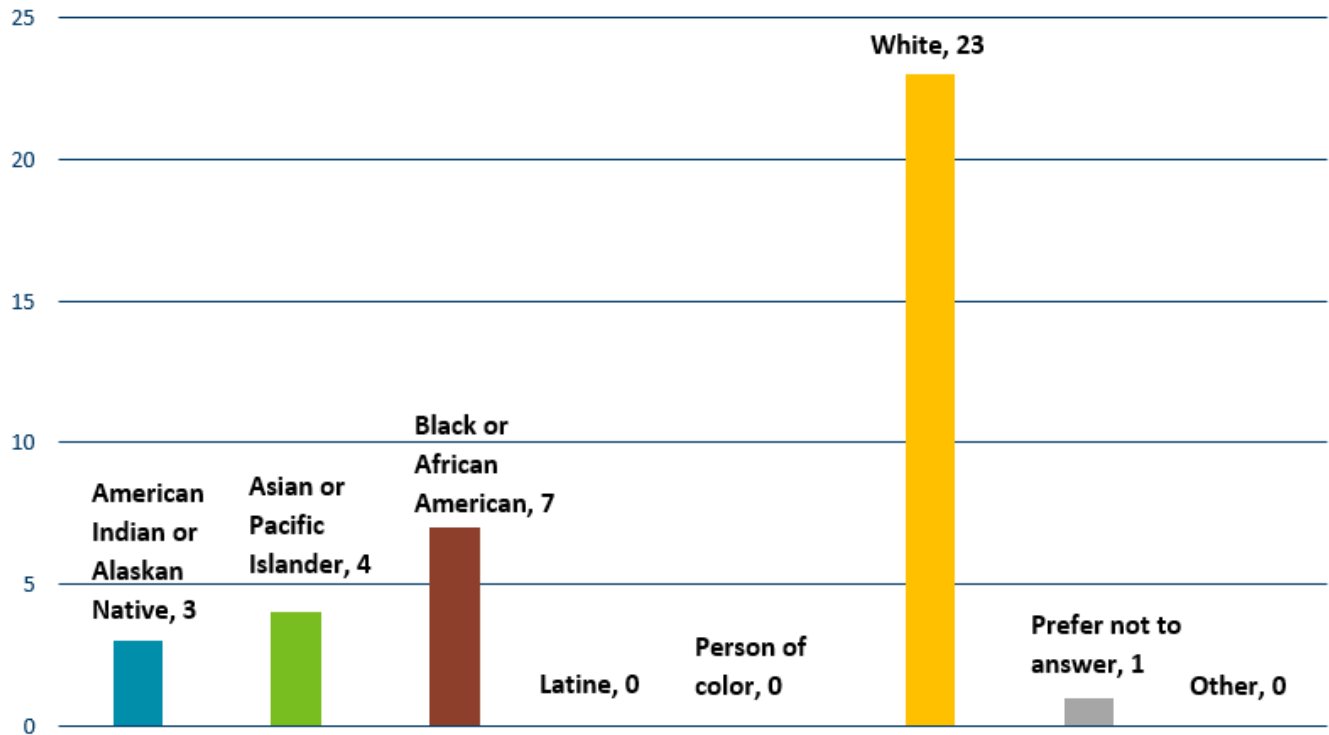
Graph 2: Answers to survey question, “The MDA defines an emerging farmer as a farmer or aspiring farmer who is one or more of the following. If you’re an emerging farmer, please select all that apply:”



Graph 3: Answers to survey question 2, “How do you describe your gender?”



Graph 4: Answers to survey question 3, “How do you describe your race/ethnicity? (Select all that apply)”



Looking Ahead

The Minnesota Legislature appropriated \$1,250,000 for the next round of this grant, which is currently in-progress through June 30, 2026 (applications for this round were accepted from August 5 to September 15, 2025). The MDA is continuing to evaluate this program and listen to the community to improve the grant for all aspiring farm owners. This includes updates that have already been made, listed below.

Program updates

- Continuous annual funding increased from \$1,000,000 to \$1,250,000.
- Grant award size increased from \$15,000 to \$20,000.
- Random lottery awards that prioritize applicants with less than \$100,000 in gross farm sales or who grow cannabis, hemp, and specialty crops.
- Purchasing farmland from family members is no longer eligible.
- Awards are valid for purchases that close within six months of approval, but applicants may apply for an extension to this deadline if they have a purchase agreement or are working with an approved technical assistance provider.
- Land access information sessions, including a four-part [“Buying a Farm” YouTube series](#) and awardee Zoom meetings and one-on-one phone calls to review grant timelines, expectations, and resources.

Additional review

In addition to the changes that have already been made, the MDA is reviewing feedback on the program, making improvements to supporting programs like the [Beginning Farmer Tax Credit](#) and [Farm Advocates](#), and considering more ways we can improve this new and first-of-its-kind state grant program.

Awardee feedback

“The grant allowed me some breathing room to invest back into the farm right away rather than delaying projects I would've otherwise had to save up for over longer period of time.”

“As a young farmer cash is hard to come by, this grant was a blessing to my family. Thanks again!”

“It would be helpful if retiring farmers would participate and seriously consider connecting their land with a potential emerging farmer for future purchase. [...] One of the biggest challenges when I approached retiring farmers was that they were going to keep their land till they passed away and leave it for their kids to inherit. The sad reality is that their kids were not intending to farm it and just sell it for a higher price for development – thereby removing more farmland from production forever and driving up the costs of land.”

“I am overjoyed for this opportunity, and I hope to be successful with it. As a person who came from nothing and had nothing to begin this, I will continue to work hard so that my farm grows.”

Appendix A: Geographic Distribution

Table 3. By county, the number of awardees and farms bought with this grant in FY25 and throughout the program history.

Minnesota county	FY25 – Awardees	Program History – Awardees	FY25 Farms bought	Program History – Farms bought
Aitkin	0	0	0	0
Anoka	1	3	0	0
Becker	0	1	0	0
Beltrami	1	1	1	1
Benton	0	1	0	0
Big Stone	0	1	0	1
Blue Earth	3	4	2	2
Brown	0	1	0	1
Carlton	1	1	2	2
Carver	0	0	0	0
Cass	0	0	1	1
Chippewa	0	4	0	2
Chisago	0	0	0	2
Clay	0	1	0	0
Clearwater	0	0	1	1
Cook	0	0	0	0
Cottonwood	0	0	0	1
Crow Wing	0	0	1	2
Dakota	4	6	5	6
Dodge	0	0	0	0
Douglas	0	1	0	1
Faribault	0	0	1	1
Fillmore	0	5	0	5
Freeborn	0	2	0	2
Goodhue	0	1	3	4
Grant	0	0	0	0
Hennepin	6	11	0	1
Houston	0	0	0	0
Hubbard	1	3	0	2
Isanti	0	0	1	1
Itasca	0	0	0	0
Jackson	0	1	0	0
Kanabec	0	1	3	6
Kandiyohi	0	0	0	1
Kittson	0	0	0	0
Koochiching	0	0	0	0

Minnesota county	FY25 – Awardees	Program History – Awardees	FY25 Farms bought	Program History – Farms bought
Lac qui Parle	0	1	0	1
Lake	0	0	0	0
Lake of the Woods	0	0	0	0
Le Sueur	2	3	2	3
Lincoln	1	1	0	0
Lyon	1	1	1	2
Mahnomen	0	1	0	3
Marshall	0	0	0	0
Martin	0	2	0	3
McLeod	1	2	1	2
Meeker	1	1	1	1
Mille Lacs	1	1	3	4
Morrison	0	0	1	2
Mower	0	2	0	2
Murray	0	1	0	1
Nicollet	0	0	0	0
Nobles	0	2	0	3
Norman	0	1	0	1
Olmsted	1	2	1	2
Otter Tail	1	2	1	2
Pennington	1	1	1	1
Pine	0	2	3	8
Pipestone	0	0	0	0
Polk	0	3	0	3
Pope	0	0	0	0
Ramsey	6	10	0	0
Red Lake	0	0	0	0
Redwood	0	1	0	1
Renville	0	3	0	2
Rice	1	2	0	1
Rock	0	0	0	0
Roseau	0	0	0	0
Scott	0	1	1	2
Sherburne	1	1	1	1
Sibley	0	1	0	1
St. Louis	0	0	0	0
Stearns	1	4	1	3
Steele	0	0	0	0
Stevens	0	1	0	0
Swift	0	1	0	2

Minnesota county	FY25 – Awardees	Program History – Awardees	FY25 Farms bought	Program History – Farms bought
Todd	0	2	0	3
Traverse	0	0	0	0
Wabasha	1	2	0	1
Wadena	0	0	0	0
Waseca	0	0	0	0
Washington	2	2	1	1
Watonwan	0	0	0	0
Wilkin	0	1	0	1
Winona	0	0	0	0
Wright	2	2	0	0
Yellow Medicine	0	0	0	2

Appendix B: Awardee Demographic Data

Table 4. Responses to question, "How many years have you been farming?"

Answer	Number responding
Less than 1 year	11
1 to 5 years	19
6 to 10 years	4
11 to 15 years	0
More than 15 years	1

Table 5: Responses to question, "The MDA defines an emerging farmer as a farmer or aspiring farmer who is one or more of the following. If you're an emerging farmer, please select all that apply:"

Identity	Number responding
Woman	19
Veteran	3
Person with disabilities	1
LGBTQIA+	4
American Indian or Alaska Native	2
Member of a community of color	9
Young (35 and under)	17
Urban	9
Not an emerging farmer	0
Other	1

Table 6. Responses to question, "How do you describe your gender?"

Gender	Number responding
Man	16
Non-binary or gender-fluid	1
Woman	16
Other	0
Prefer not to answer	2

Table 7. Responses to question, "How do you describe your race/ethnicity? (Select all that apply)"

Race/Ethnicity	Number responding
American Indian or Alaska Native	3
Asian or Pacific Islander	4
Black or African American	7
Latine	0
Person of color	0
White	23
Prefer not to answer	1
Other	0