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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4908

1.1 A bill for an act

1.2 relating to agriculture; defining limited-resource farmer; modifying reporting

1.3 requirements for farm down payment assistance grants; modifying eligibility and

1.4 priority for a beginning farmer tax credit and certain grants; modifying the definition

1.5 of social equity applicants for purposes of cannabis licensing; amending Minnesota

1.6 Statutes 2022, section 17.133, subdivision 1; Minnesota Statutes 2023 Supplement,

1.7 sections 17.055, subdivision 3; 17.133, subdivision 3; 41B.0391, subdivisions 1,

1.8 2, 4, 6; 342.17; Laws 2023, chapter 43, article 1, section 2, subdivision 5.

1.9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.10 Section 1. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended

1.11 to read:

1.12 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner

1.13 may award and administer equipment and infrastructure grants to beginning farmers. The

1.14 commissioner shall give preference to applicants who are ~~emerging~~ limited-resource farmers

1.15 as defined in section 17.133, subdivision 1. Grant money may be used for equipment and

1.16 infrastructure development.

1.17 (b) The commissioner shall develop competitive eligibility criteria and may allocate

1.18 grants on a needs basis.

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

1.20 Sec. 2. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

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

1.22 the meanings given.

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

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

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

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

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

2.8 (d) "Limited land access" means farming under a lease or other rental arrangement of  
2.9 no more than three years in duration when the person leasing or renting the land is not  
2.10 related to the lessee or renter by blood or marriage.

2.11 (e) "Limited market access" means the majority of a farmer's annual farm product sales  
2.12 are direct sales to the consumer.

2.13 (f) "Limited-resource farmer" means a farmer experiencing limited land access or limited  
2.14 market access.

2.15 Sec. 3. Minnesota Statutes 2023 Supplement, section 17.133, subdivision 3, is amended  
2.16 to read:

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

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

2.25 (2) the number and amount of grants;

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

2.27 (4) the number of grant recipients who are emerging farmers and the number of grant  
2.28 recipients who are limited-resource farmers;

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

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

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

3.3 Sec. 4. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 1, is amended  
3.4 to read:

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

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

3.9 (c) "Beginning farmer" means an individual who:

3.10 (1) is a resident of Minnesota;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.19 (h) "Limited-resource farmer" has the meaning given in section 17.133, subdivision 1.

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

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

4.30 ~~(j)~~ (k) "Share rent agreement" means a rental agreement in which the principal  
4.31 consideration given to the owner of agricultural assets is a predetermined portion of the

5.1 production of farm products produced from the rented agricultural assets and which provides  
5.2 for sharing production costs or risk of loss, or both.

5.3 Sec. 5. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 2, is amended  
5.4 to read:

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

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

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

5.13 (3) 15 percent of the cash equivalent of the gross rental income in each of the first,  
5.14 second, and third years of a share rent agreement, up to a maximum of \$10,000 per year.

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

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

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

5.32 (e) The credit is limited to the liability for tax as computed under chapter 290 for the  
5.33 taxable year. If the amount of the credit determined under this section for any taxable year

6.1 exceeds this limitation, the excess is a beginning farmer incentive credit carryover according  
6.2 to section 290.06, subdivision 37.

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

6.9 (1) the owner of the agricultural land; or

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

6.11 (g) For a sale to ~~an emerging~~ a limited-resource farmer, the credit rate under paragraph  
6.12 (a), clause (1), is twelve percent rather than eight percent.

6.13 Sec. 6. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 4, is amended  
6.14 to read:

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

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

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

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

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

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

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

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

7.3 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority  
7.4 must not allocate more than \$6,500,000 for taxable years beginning after December 31,  
7.5 2022, and before January 1, 2024, and \$4,000,000 for taxable years beginning after December  
7.6 31, 2023. The authority must allocate credits on a first-come, first-served basis beginning  
7.7 on January 1 of each year, except that recertifications for the second and third years of  
7.8 credits under subdivision 2, paragraph (a), clauses (1) and (2), have first priority. Any  
7.9 amount authorized but not allocated for taxable years ending before January 1, 2023, is  
7.10 canceled and is not allocated for future taxable years. For taxable years beginning after  
7.11 December 31, 2022, any amount authorized but not allocated in any taxable year does not  
7.12 cancel and is added to the allocation for the next taxable year. For each taxable year, 50  
7.13 percent of newly allocated credits must be allocated to emerging owners of agricultural  
7.14 assets that sell or rent agricultural assets to beginning farmers who are also limited-resource  
7.15 farmers. Any portion of a taxable year's newly allocated credits that is reserved for emerging  
7.16 sales or rentals to limited-resource farmers that is not allocated by September 30 of the  
7.17 taxable year is available for allocation to other credit allocations beginning on October 1.

7.18 Sec. 7. Minnesota Statutes 2023 Supplement, section 41B.0391, subdivision 6, is amended  
7.19 to read:

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

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

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

7.31 (1) the number and amount of credits issued under each clause;

7.32 (2) the geographic distribution of credits issued under each clause;

7.33 (3) the type of agricultural assets for which credits were issued under clause (1);

8.1 (4) the number and geographic distribution of beginning farmers whose purchase or  
8.2 rental of assets resulted in credits for the seller or owner of the asset;

8.3 (5) the number and amount of credits disallowed under subdivision 2, paragraph (d);

8.4 (6) data on the number of beginning farmers by geographic region in calendar years  
8.5 2017 through 2023, including:

8.6 (i) the number of beginning farmers by race and ethnicity, as those terms are applied in  
8.7 the 2020 United States Census; and

8.8 (ii) the number of beginning farmers who are limited-resource farmers and, to the extent  
8.9 available, the number of beginning farmers who are emerging farmers; and

8.10 (7) the number and amount of credit applications that exceeded the allocation available  
8.11 in each year.

8.12 (d) For credits issued under subdivision 3, the report must include:

8.13 (1) the number and amount of credits issued;

8.14 (2) the geographic distribution of credits;

8.15 (3) a listing and description of each approved financial management program for which  
8.16 credits were issued; and

8.17 (4) a description of the approval procedure for financial management programs not on  
8.18 the list maintained by the authority, as provided in subdivision 3, paragraph (a).

8.19 Sec. 8. Minnesota Statutes 2023 Supplement, section 342.17, is amended to read:

8.20 **342.17 SOCIAL EQUITY APPLICANTS.**

8.21 (a) An applicant qualifies as a social equity applicant if the applicant:

8.22 (1) was convicted of an offense involving the possession or sale of cannabis or marijuana  
8.23 prior to May 1, 2023;

8.24 (2) had a parent, guardian, child, spouse, or dependent who was convicted of an offense  
8.25 involving the possession or sale of cannabis or marijuana prior to May 1, 2023;

8.26 (3) was a dependent of an individual who was convicted of an offense involving the  
8.27 possession or sale of cannabis or marijuana prior to May 1, 2023;

8.28 (4) is a service-disabled veteran, current or former member of the national guard, or any  
8.29 military veteran or current or former member of the national guard who lost honorable status  
8.30 due to an offense involving the possession or sale of marijuana;



9.1 (5) has been a resident for the last five years of one or more subareas, such as census  
 9.2 tracts or neighborhoods, that experienced a disproportionately large amount of cannabis  
 9.3 enforcement as determined by the study conducted by the office pursuant to section 342.04,  
 9.4 paragraph (b), and reported in the preliminary report, final report, or both;

9.5 (6) is ~~an emerging a limited-resource~~ farmer as defined in section ~~17.055, subdivision~~  
 9.6 ~~17.133, subdivision 1~~; or

9.7 (7) has been a resident for the last five years of one or more census tracts where, as  
 9.8 reported in the most recently completed decennial census published by the United States  
 9.9 Bureau of the Census, either:

9.10 (i) the poverty rate was 20 percent or more; or

9.11 (ii) the median family income did not exceed 80 percent of statewide median family  
 9.12 income or, if in a metropolitan area, did not exceed the greater of 80 percent of the statewide  
 9.13 median family income or 80 percent of the median family income for that metropolitan  
 9.14 area.

9.15 (b) The qualifications described in paragraph (a) apply to each individual applicant or,  
 9.16 in the case of a business entity, every cooperative member or director, manager, and general  
 9.17 partner of the business entity.

9.18 Sec. 9. Laws 2023, chapter 43, article 1, section 2, subdivision 5, is amended to read:

9.19 **Subd. 5. Administration and Financial**  
 9.20 **Assistance** 16,618,000 14,287,000

9.21 (a) \$474,000 the first year and \$474,000 the  
 9.22 second year are for payments to county and  
 9.23 district agricultural societies and associations  
 9.24 under Minnesota Statutes, section 38.02,  
 9.25 subdivision 1. Aid payments to county and  
 9.26 district agricultural societies and associations  
 9.27 must be disbursed no later than July 15 of each  
 9.28 year. These payments are the amount of aid  
 9.29 from the state for an annual fair held in the  
 9.30 previous calendar year.

9.31 (b) \$350,000 the first year and \$350,000 the  
 9.32 second year are for grants to the Minnesota  
 9.33 Agricultural Education and Leadership

10.1 Council for programs of the council under  
10.2 Minnesota Statutes, chapter 41D. The base for  
10.3 this appropriation is \$250,000 in fiscal year  
10.4 2026 and each year thereafter.

10.5 (c) \$2,000 the first year is for a grant to the  
10.6 Minnesota State Poultry Association. This is  
10.7 a onetime appropriation. Notwithstanding  
10.8 Minnesota Statutes, section 16A.28, any  
10.9 unencumbered balance does not cancel at the  
10.10 end of the first year and is available for the  
10.11 second year.

10.12 (d) \$18,000 the first year and \$18,000 the  
10.13 second year are for grants to the Minnesota  
10.14 Livestock Breeders Association. This is a  
10.15 onetime appropriation.

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

10.20 (f) \$34,000 the first year and \$34,000 the  
10.21 second year are for grants to the Minnesota  
10.22 State Horticultural Society. This is a onetime  
10.23 appropriation.

10.24 (g) \$25,000 the first year and \$25,000 the  
10.25 second year are for grants to the Center for  
10.26 Rural Policy and Development. This is a  
10.27 onetime appropriation.

10.28 (h) \$75,000 the first year and \$75,000 the  
10.29 second year are appropriated from the general  
10.30 fund to the commissioner of agriculture for  
10.31 grants to the Minnesota Turf Seed Council for  
10.32 basic and applied research on: (1) the  
10.33 improved production of forage and turf seed  
10.34 related to new and improved varieties; and (2)

11.1 native plants, including plant breeding,  
11.2 nutrient management, pest management,  
11.3 disease management, yield, and viability. The  
11.4 Minnesota Turf Seed Council may subcontract  
11.5 with a qualified third party for some or all of  
11.6 the basic or applied research. Any  
11.7 unencumbered balance does not cancel at the  
11.8 end of the first year and is available in the  
11.9 second year. The Minnesota Turf Seed Council  
11.10 must prepare a report outlining the use of the  
11.11 grant money and related accomplishments. No  
11.12 later than January 15, 2025, the council must  
11.13 submit the report to the chairs and ranking  
11.14 minority members of the legislative  
11.15 committees and divisions with jurisdiction  
11.16 over agriculture finance and policy. This is a  
11.17 onetime appropriation.

11.18 (i) \$100,000 the first year and \$100,000 the  
11.19 second year are for grants to GreenSeam for  
11.20 assistance to agriculture-related businesses to  
11.21 support business retention and development,  
11.22 business attraction and creation, talent  
11.23 development and attraction, and regional  
11.24 branding and promotion. These are onetime  
11.25 appropriations. No later than December 1,  
11.26 2024, and December 1, 2025, GreenSeam  
11.27 must report to the chairs and ranking minority  
11.28 members of the legislative committees with  
11.29 jurisdiction over agriculture and rural  
11.30 development with information on new and  
11.31 existing businesses supported, number of new  
11.32 jobs created in the region, new educational  
11.33 partnerships and programs supported, and  
11.34 regional branding and promotional efforts.

12.1 (j) \$1,950,000 the first year and \$1,950,000  
12.2 the second year are for grants to Second  
12.3 Harvest Heartland on behalf of Minnesota's  
12.4 six Feeding America food banks for the  
12.5 following purposes:

12.6 (1) at least \$850,000 each year must be  
12.7 allocated to purchase milk for distribution to  
12.8 Minnesota's food shelves and other charitable  
12.9 organizations that are eligible to receive food  
12.10 from the food banks. Milk purchased under  
12.11 the grants must be acquired from Minnesota  
12.12 milk processors and based on low-cost bids.  
12.13 The milk must be allocated to each Feeding  
12.14 America food bank serving Minnesota  
12.15 according to the formula used in the  
12.16 distribution of United States Department of  
12.17 Agriculture commodities under The  
12.18 Emergency Food Assistance Program. Second  
12.19 Harvest Heartland may enter into contracts or  
12.20 agreements with food banks for shared funding  
12.21 or reimbursement of the direct purchase of  
12.22 milk. Each food bank that receives funding  
12.23 under this clause may use up to two percent  
12.24 for administrative expenses. Notwithstanding  
12.25 Minnesota Statutes, section 16A.28, any  
12.26 unencumbered balance the first year does not  
12.27 cancel and is available the second year;

12.28 (2) to compensate agricultural producers and  
12.29 processors for costs incurred to harvest and  
12.30 package for transfer surplus fruits, vegetables,  
12.31 and other agricultural commodities that would  
12.32 otherwise go unharvested, be discarded, or be  
12.33 sold in a secondary market. Surplus  
12.34 commodities must be distributed statewide to  
12.35 food shelves and other charitable organizations

13.1 that are eligible to receive food from the food  
13.2 banks. Surplus food acquired under this clause  
13.3 must be from Minnesota producers and  
13.4 processors. Second Harvest Heartland may  
13.5 use up to 15 percent of each grant awarded  
13.6 under this clause for administrative and  
13.7 transportation expenses; and

13.8 (3) to purchase and distribute protein products,  
13.9 including but not limited to pork, poultry, beef,  
13.10 dry legumes, cheese, and eggs to Minnesota's  
13.11 food shelves and other charitable organizations  
13.12 that are eligible to receive food from the food  
13.13 banks. Second Harvest Heartland may use up  
13.14 to two percent of each grant awarded under  
13.15 this clause for administrative expenses. Protein  
13.16 products purchased under the grants must be  
13.17 acquired from Minnesota processors and  
13.18 producers.

13.19 Second Harvest Heartland must submit  
13.20 quarterly reports to the commissioner and the  
13.21 chairs and ranking minority members of the  
13.22 legislative committees with jurisdiction over  
13.23 agriculture finance in the form prescribed by  
13.24 the commissioner. The reports must include  
13.25 but are not limited to information on the  
13.26 expenditure of funds, the amount of milk or  
13.27 other commodities purchased, and the  
13.28 organizations to which this food was  
13.29 distributed. The base for this appropriation is  
13.30 \$1,700,000 for fiscal year 2026 and each year  
13.31 thereafter.

13.32 (k) \$25,000 the first year and \$25,000 the  
13.33 second year are for grants to the Southern  
13.34 Minnesota Initiative Foundation to promote  
13.35 local foods through an annual event that raises

- 14.1 public awareness of local foods and connects  
14.2 local food producers and processors with  
14.3 potential buyers.
- 14.4 (l) \$300,000 the first year and \$300,000 the  
14.5 second year are for grants to The Good Acre  
14.6 for the Local Emergency Assistance Farmer  
14.7 Fund (LEAFF) program to compensate  
14.8 ~~emerging~~ limited-resource farmers for crops  
14.9 donated to hunger relief organizations in  
14.10 Minnesota. This is a onetime appropriation.
- 14.11 (m) \$750,000 the first year and \$750,000 the  
14.12 second year are to expand the Emerging  
14.13 Farmers Office and provide services to  
14.14 beginning and emerging farmers to increase  
14.15 connections between farmers and market  
14.16 opportunities throughout the state. This  
14.17 appropriation may be used for grants,  
14.18 translation services, training programs, or  
14.19 other purposes in line with the  
14.20 recommendations of the Emerging Farmer  
14.21 Working Group established under Minnesota  
14.22 Statutes, section 17.055, subdivision 1. The  
14.23 base for this appropriation is \$1,000,000 in  
14.24 fiscal year 2026 and each year thereafter.
- 14.25 (n) \$50,000 the first year is to provide  
14.26 technical assistance and leadership in the  
14.27 development of a comprehensive and  
14.28 well-documented state aquaculture plan. The  
14.29 commissioner must provide the state  
14.30 aquaculture plan to the legislative committees  
14.31 with jurisdiction over agriculture finance and  
14.32 policy by February 15, 2025.
- 14.33 (o) \$337,000 the first year and \$337,000 the  
14.34 second year are for farm advocate services.  
14.35 Of these amounts, \$50,000 the first year and

15.1 \$50,000 the second year are for the  
15.2 continuation of the farmland transition  
15.3 programs and may be used for grants to  
15.4 farmland access teams to provide technical  
15.5 assistance to potential beginning farmers.  
15.6 Farmland access teams must assist existing  
15.7 farmers and beginning farmers with  
15.8 transitioning farm ownership and farm  
15.9 operation. Services provided by teams may  
15.10 include but are not limited to mediation  
15.11 assistance, designing contracts, financial  
15.12 planning, tax preparation, estate planning, and  
15.13 housing assistance.

15.14 (p) \$260,000 the first year and \$260,000 the  
15.15 second year are for a pass-through grant to  
15.16 Region Five Development Commission to  
15.17 provide, in collaboration with Farm Business  
15.18 Management, statewide mental health  
15.19 counseling support to Minnesota farm  
15.20 operators, families, and employees, and  
15.21 individuals who work with Minnesota farmers  
15.22 in a professional capacity. Region Five  
15.23 Development Commission may use up to 6.5  
15.24 percent of the grant awarded under this  
15.25 paragraph for administration.

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

15.29 (r) \$1,084,000 the first year and \$500,000 the  
15.30 second year are to support IT modernization  
15.31 efforts, including laying the technology  
15.32 foundations needed for improving customer  
15.33 interactions with the department for licensing  
15.34 and payments. This is a onetime appropriation.

16.1 (s) \$275,000 the first year is for technical  
16.2 assistance grants to certified community  
16.3 development financial institutions that  
16.4 participate in United States Department of  
16.5 Agriculture loan or grant programs for small  
16.6 or ~~emerging~~ limited-resource farmers,  
16.7 including but not limited to the Increasing  
16.8 Land, Capital, and Market Access Program.  
16.9 For purposes of this paragraph, "~~emerging~~  
16.10 limited-resource farmer" has the meaning  
16.11 given in Minnesota Statutes, section ~~17.055~~,  
16.12 ~~subdivision 1~~ 17.133, subdivision 1. The  
16.13 commissioner may use up to 6.5 percent of  
16.14 this appropriation for costs incurred to  
16.15 administer the program. Notwithstanding  
16.16 Minnesota Statutes, section 16A.28, any  
16.17 unencumbered balance does not cancel at the  
16.18 end of the first year and is available in the  
16.19 second year. This is a onetime appropriation.

16.20 (t) \$1,425,000 the first year and \$1,425,000  
16.21 the second year are for transfer to the  
16.22 agricultural and environmental revolving loan  
16.23 account established under Minnesota Statutes,  
16.24 section 17.117, subdivision 5a, for low-interest  
16.25 loans under Minnesota Statutes, section  
16.26 17.117.

16.27 (u) \$150,000 the first year and \$150,000 the  
16.28 second year are for administrative support for  
16.29 the Rural Finance Authority.

16.30 (v) The base in fiscal years 2026 and 2027 is  
16.31 \$150,000 each year to coordinate  
16.32 climate-related activities and services within  
16.33 the Department of Agriculture and  
16.34 counterparts in local, state, and federal  
16.35 agencies and to hire a full-time climate



17.1 implementation coordinator. The climate  
17.2 implementation coordinator must coordinate  
17.3 efforts seeking federal funding for Minnesota's  
17.4 agricultural climate adaptation and mitigation  
17.5 efforts and develop strategic partnerships with  
17.6 the private sector and nongovernment  
17.7 organizations.

17.8 (w) \$1,200,000 the first year and \$930,000 the  
17.9 second year are to maintain the current level  
17.10 of service delivery. The base for this  
17.11 appropriation is \$1,085,000 in fiscal year 2026  
17.12 and \$1,085,000 in fiscal year 2027.

17.13 (x) \$250,000 the first year is for a grant to the  
17.14 Board of Regents of the University of  
17.15 Minnesota to purchase equipment for the  
17.16 Veterinary Diagnostic Laboratory to test for  
17.17 chronic wasting disease, African swine fever,  
17.18 avian influenza, and other animal diseases.  
17.19 The Veterinary Diagnostic Laboratory must  
17.20 report expenditures under this paragraph to  
17.21 the legislative committees with jurisdiction  
17.22 over agriculture finance and higher education  
17.23 with a report submitted by January 3, 2024,  
17.24 and a final report submitted by December 31,  
17.25 2024. The reports must include a list of  
17.26 equipment purchased, including the cost of  
17.27 each item.

17.28 (y) \$1,000,000 the first year and \$1,000,000  
17.29 the second year are to award and administer  
17.30 down payment assistance grants under  
17.31 Minnesota Statutes, section 17.133, with  
17.32 priority given to ~~emerging~~ limited-resource  
17.33 farmers as defined in Minnesota Statutes,  
17.34 section ~~17.055, subdivision 1~~ 17.133,  
17.35 subdivision 1. Notwithstanding Minnesota

18.1 Statutes, section 16A.28, any unencumbered  
18.2 balance at the end of the first year does not  
18.3 cancel and is available in the second year and  
18.4 appropriations encumbered under contract by  
18.5 June 30, 2025, are available until June 30,  
18.6 2027.

18.7 (z) \$222,000 the first year and \$322,000 the  
18.8 second year are for meat processing training  
18.9 and retention incentive grants under section  
18.10 5. The commissioner may use up to 6.5  
18.11 percent of this appropriation for costs incurred  
18.12 to administer the program. Notwithstanding  
18.13 Minnesota Statutes, section 16A.28, any  
18.14 unencumbered balance does not cancel at the  
18.15 end of the first year and is available in the  
18.16 second year. This is a onetime appropriation.

18.17 (aa) \$300,000 the first year and \$300,000 the  
18.18 second year are for transfer to the Board of  
18.19 Regents of the University of Minnesota to  
18.20 evaluate, propagate, and maintain the genetic  
18.21 diversity of oilseeds, grains, grasses, legumes,  
18.22 and other plants including flax, timothy,  
18.23 barley, rye, triticale, alfalfa, orchard grass,  
18.24 clover, and other species and varieties that  
18.25 were in commercial distribution and use in  
18.26 Minnesota before 1970, excluding wild rice.  
18.27 This effort must also protect traditional seeds  
18.28 brought to Minnesota by immigrant  
18.29 communities. This appropriation includes  
18.30 funding for associated extension and outreach  
18.31 to small and Black, Indigenous, and People of  
18.32 Color (BIPOC) farmers. This is a onetime  
18.33 appropriation.

18.34 (bb) The commissioner shall continue to  
18.35 increase connections with ethnic minority and

- 19.1 immigrant farmers to farming opportunities
- 19.2 and farming programs throughout the state.

19.3 Sec. 10. **EFFECTIVE DATE.**

19.4 Sections 1 to 9 are effective July 1, 2024.