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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 5069

1.1 A bill for an act

1.2 relating to agriculture; modifying the appropriation and eligibility criteria for farm

1.3 down payment assistance grants during fiscal year 2025; amending Laws 2023,

1.4 chapter 43, article 1, section 2, subdivision 5.

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

1.6 Section 1. Laws 2023, chapter 43, article 1, section 2, subdivision 5, is amended to read:

|     |  |            |                       |
|-----|--|------------|-----------------------|
| 1.7 | <b>Subd. 5. Administration and Financial</b> |            | <del>14,287,000</del> |
| 1.8 | <b>Assistance</b>                            | 16,618,000 | <u>14,887,000</u>     |

1.9 (a) \$474,000 the first year and \$474,000 the

1.10 second year are for payments to county and

1.11 district agricultural societies and associations

1.12 under Minnesota Statutes, section 38.02,

1.13 subdivision 1. Aid payments to county and

1.14 district agricultural societies and associations

1.15 must be disbursed no later than July 15 of each

1.16 year. These payments are the amount of aid

1.17 from the state for an annual fair held in the

1.18 previous calendar year.

1.19 (b) \$350,000 the first year and \$350,000 the

1.20 second year are for grants to the Minnesota

1.21 Agricultural Education and Leadership

1.22 Council for programs of the council under

1.23 Minnesota Statutes, chapter 41D. The base for

2.1 this appropriation is \$250,000 in fiscal year  
2.2 2026 and each year thereafter.

2.3 (c) \$2,000 the first year is for a grant to the  
2.4 Minnesota State Poultry Association. This is  
2.5 a onetime appropriation. Notwithstanding  
2.6 Minnesota Statutes, section 16A.28, any  
2.7 unencumbered balance does not cancel at the  
2.8 end of the first year and is available for the  
2.9 second year.

2.10 (d) \$18,000 the first year and \$18,000 the  
2.11 second year are for grants to the Minnesota  
2.12 Livestock Breeders Association. This is a  
2.13 onetime appropriation.

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

2.18 (f) \$34,000 the first year and \$34,000 the  
2.19 second year are for grants to the Minnesota  
2.20 State Horticultural Society. This is a onetime  
2.21 appropriation.

2.22 (g) \$25,000 the first year and \$25,000 the  
2.23 second year are for grants to the Center for  
2.24 Rural Policy and Development. This is a  
2.25 onetime appropriation.

2.26 (h) \$75,000 the first year and \$75,000 the  
2.27 second year are appropriated from the general  
2.28 fund to the commissioner of agriculture for  
2.29 grants to the Minnesota Turf Seed Council for  
2.30 basic and applied research on: (1) the  
2.31 improved production of forage and turf seed  
2.32 related to new and improved varieties; and (2)  
2.33 native plants, including plant breeding,  
2.34 nutrient management, pest management,

3.1 disease management, yield, and viability. The  
3.2 Minnesota Turf Seed Council may subcontract  
3.3 with a qualified third party for some or all of  
3.4 the basic or applied research. Any  
3.5 unencumbered balance does not cancel at the  
3.6 end of the first year and is available in the  
3.7 second year. The Minnesota Turf Seed Council  
3.8 must prepare a report outlining the use of the  
3.9 grant money and related accomplishments. No  
3.10 later than January 15, 2025, the council must  
3.11 submit the report to the chairs and ranking  
3.12 minority members of the legislative  
3.13 committees and divisions with jurisdiction  
3.14 over agriculture finance and policy. This is a  
3.15 onetime appropriation.

3.16 (i) \$100,000 the first year and \$100,000 the  
3.17 second year are for grants to GreenSeam for  
3.18 assistance to agriculture-related businesses to  
3.19 support business retention and development,  
3.20 business attraction and creation, talent  
3.21 development and attraction, and regional  
3.22 branding and promotion. These are onetime  
3.23 appropriations. No later than December 1,  
3.24 2024, and December 1, 2025, GreenSeam  
3.25 must report to the chairs and ranking minority  
3.26 members of the legislative committees with  
3.27 jurisdiction over agriculture and rural  
3.28 development with information on new and  
3.29 existing businesses supported, number of new  
3.30 jobs created in the region, new educational  
3.31 partnerships and programs supported, and  
3.32 regional branding and promotional efforts.

3.33 (j) \$1,950,000 the first year and \$1,950,000  
3.34 the second year are for grants to Second  
3.35 Harvest Heartland on behalf of Minnesota's

4.1 six Feeding America food banks for the  
4.2 following purposes:

4.3 (1) at least \$850,000 each year must be  
4.4 allocated to purchase milk for distribution to  
4.5 Minnesota's food shelves and other charitable  
4.6 organizations that are eligible to receive food  
4.7 from the food banks. Milk purchased under  
4.8 the grants must be acquired from Minnesota  
4.9 milk processors and based on low-cost bids.  
4.10 The milk must be allocated to each Feeding  
4.11 America food bank serving Minnesota  
4.12 according to the formula used in the  
4.13 distribution of United States Department of  
4.14 Agriculture commodities under The  
4.15 Emergency Food Assistance Program. Second  
4.16 Harvest Heartland may enter into contracts or  
4.17 agreements with food banks for shared funding  
4.18 or reimbursement of the direct purchase of  
4.19 milk. Each food bank that receives funding  
4.20 under this clause may use up to two percent  
4.21 for administrative expenses. Notwithstanding  
4.22 Minnesota Statutes, section 16A.28, any  
4.23 unencumbered balance the first year does not  
4.24 cancel and is available the second year;

4.25 (2) to compensate agricultural producers and  
4.26 processors for costs incurred to harvest and  
4.27 package for transfer surplus fruits, vegetables,  
4.28 and other agricultural commodities that would  
4.29 otherwise go unharvested, be discarded, or be  
4.30 sold in a secondary market. Surplus  
4.31 commodities must be distributed statewide to  
4.32 food shelves and other charitable organizations  
4.33 that are eligible to receive food from the food  
4.34 banks. Surplus food acquired under this clause  
4.35 must be from Minnesota producers and

5.1 processors. Second Harvest Heartland may  
5.2 use up to 15 percent of each grant awarded  
5.3 under this clause for administrative and  
5.4 transportation expenses; and  
5.5 (3) to purchase and distribute protein products,  
5.6 including but not limited to pork, poultry, beef,  
5.7 dry legumes, cheese, and eggs to Minnesota's  
5.8 food shelves and other charitable organizations  
5.9 that are eligible to receive food from the food  
5.10 banks. Second Harvest Heartland may use up  
5.11 to two percent of each grant awarded under  
5.12 this clause for administrative expenses. Protein  
5.13 products purchased under the grants must be  
5.14 acquired from Minnesota processors and  
5.15 producers.

5.16 Second Harvest Heartland must submit  
5.17 quarterly reports to the commissioner and the  
5.18 chairs and ranking minority members of the  
5.19 legislative committees with jurisdiction over  
5.20 agriculture finance in the form prescribed by  
5.21 the commissioner. The reports must include  
5.22 but are not limited to information on the  
5.23 expenditure of funds, the amount of milk or  
5.24 other commodities purchased, and the  
5.25 organizations to which this food was  
5.26 distributed. The base for this appropriation is  
5.27 \$1,700,000 for fiscal year 2026 and each year  
5.28 thereafter.

5.29 (k) \$25,000 the first year and \$25,000 the  
5.30 second year are for grants to the Southern  
5.31 Minnesota Initiative Foundation to promote  
5.32 local foods through an annual event that raises  
5.33 public awareness of local foods and connects  
5.34 local food producers and processors with  
5.35 potential buyers.

6.1 (l) \$300,000 the first year and \$300,000 the  
6.2 second year are for grants to The Good Acre  
6.3 for the Local Emergency Assistance Farmer  
6.4 Fund (LEAFF) program to compensate  
6.5 emerging farmers for crops donated to hunger  
6.6 relief organizations in Minnesota. This is a  
6.7 onetime appropriation.

6.8 (m) \$750,000 the first year and \$750,000 the  
6.9 second year are to expand the Emerging  
6.10 Farmers Office and provide services to  
6.11 beginning and emerging farmers to increase  
6.12 connections between farmers and market  
6.13 opportunities throughout the state. This  
6.14 appropriation may be used for grants,  
6.15 translation services, training programs, or  
6.16 other purposes in line with the  
6.17 recommendations of the Emerging Farmer  
6.18 Working Group established under Minnesota  
6.19 Statutes, section 17.055, subdivision 1. The  
6.20 base for this appropriation is \$1,000,000 in  
6.21 fiscal year 2026 and each year thereafter.

6.22 (n) \$50,000 the first year is to provide  
6.23 technical assistance and leadership in the  
6.24 development of a comprehensive and  
6.25 well-documented state aquaculture plan. The  
6.26 commissioner must provide the state  
6.27 aquaculture plan to the legislative committees  
6.28 with jurisdiction over agriculture finance and  
6.29 policy by February 15, 2025.

6.30 (o) \$337,000 the first year and \$337,000 the  
6.31 second year are for farm advocate services.  
6.32 Of these amounts, \$50,000 the first year and  
6.33 \$50,000 the second year are for the  
6.34 continuation of the farmland transition  
6.35 programs and may be used for grants to

7.1 farmland access teams to provide technical  
7.2 assistance to potential beginning farmers.  
7.3 Farmland access teams must assist existing  
7.4 farmers and beginning farmers with  
7.5 transitioning farm ownership and farm  
7.6 operation. Services provided by teams may  
7.7 include but are not limited to mediation  
7.8 assistance, designing contracts, financial  
7.9 planning, tax preparation, estate planning, and  
7.10 housing assistance.

7.11 (p) \$260,000 the first year and \$260,000 the  
7.12 second year are for a pass-through grant to  
7.13 Region Five Development Commission to  
7.14 provide, in collaboration with Farm Business  
7.15 Management, statewide mental health  
7.16 counseling support to Minnesota farm  
7.17 operators, families, and employees, and  
7.18 individuals who work with Minnesota farmers  
7.19 in a professional capacity. Region Five  
7.20 Development Commission may use up to 6.5  
7.21 percent of the grant awarded under this  
7.22 paragraph for administration.

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

7.26 (r) \$1,084,000 the first year and \$500,000 the  
7.27 second year are to support IT modernization  
7.28 efforts, including laying the technology  
7.29 foundations needed for improving customer  
7.30 interactions with the department for licensing  
7.31 and payments. This is a onetime appropriation.

7.32 (s) \$275,000 the first year is for technical  
7.33 assistance grants to certified community  
7.34 development financial institutions that  
7.35 participate in United States Department of

8.1 Agriculture loan or grant programs for small  
8.2 or emerging farmers, including but not limited  
8.3 to the Increasing Land, Capital, and Market  
8.4 Access Program. For purposes of this  
8.5 paragraph, "emerging farmer" has the meaning  
8.6 given in Minnesota Statutes, section 17.055,  
8.7 subdivision 1. The commissioner may use up  
8.8 to 6.5 percent of this appropriation for costs  
8.9 incurred to administer the program.

8.10 Notwithstanding Minnesota Statutes, section  
8.11 16A.28, any unencumbered balance does not  
8.12 cancel at the end of the first year and is  
8.13 available in the second year. This is a onetime  
8.14 appropriation.

8.15 (t) \$1,425,000 the first year and \$1,425,000  
8.16 the second year are for transfer to the  
8.17 agricultural and environmental revolving loan  
8.18 account established under Minnesota Statutes,  
8.19 section 17.117, subdivision 5a, for low-interest  
8.20 loans under Minnesota Statutes, section  
8.21 17.117.

8.22 (u) \$150,000 the first year and \$150,000 the  
8.23 second year are for administrative support for  
8.24 the Rural Finance Authority.

8.25 (v) The base in fiscal years 2026 and 2027 is  
8.26 \$150,000 each year to coordinate  
8.27 climate-related activities and services within  
8.28 the Department of Agriculture and  
8.29 counterparts in local, state, and federal  
8.30 agencies and to hire a full-time climate  
8.31 implementation coordinator. The climate  
8.32 implementation coordinator must coordinate  
8.33 efforts seeking federal funding for Minnesota's  
8.34 agricultural climate adaptation and mitigation  
8.35 efforts and develop strategic partnerships with



9.1 the private sector and nongovernment  
9.2 organizations.

9.3 (w) \$1,200,000 the first year and \$930,000 the  
9.4 second year are to maintain the current level  
9.5 of service delivery. The base for this  
9.6 appropriation is \$1,085,000 in fiscal year 2026  
9.7 and \$1,085,000 in fiscal year 2027.

9.8 (x) \$250,000 the first year is for a grant to the  
9.9 Board of Regents of the University of  
9.10 Minnesota to purchase equipment for the  
9.11 Veterinary Diagnostic Laboratory to test for  
9.12 chronic wasting disease, African swine fever,  
9.13 avian influenza, and other animal diseases.  
9.14 The Veterinary Diagnostic Laboratory must  
9.15 report expenditures under this paragraph to  
9.16 the legislative committees with jurisdiction  
9.17 over agriculture finance and higher education  
9.18 with a report submitted by January 3, 2024,  
9.19 and a final report submitted by December 31,  
9.20 2024. The reports must include a list of  
9.21 equipment purchased, including the cost of  
9.22 each item.

9.23 (y) \$1,000,000 the first year and ~~\$1,000,000~~  
9.24 \$1,600,000 the second year are to award and  
9.25 administer down payment assistance grants  
9.26 under Minnesota Statutes, section 17.133, ~~with~~  
9.27 ~~priority given to emerging farmers as defined~~  
9.28 ~~in Minnesota Statutes, section 17.055,~~  
9.29 ~~subdivision 1.~~ The commissioner must use the  
9.30 second year appropriation to award down  
9.31 payment assistance grants to all qualified  
9.32 applicants that applied for, but were not  
9.33 approved to receive, a grant during the fiscal  
9.34 year 2024 round. Notwithstanding Minnesota  
9.35 Statutes, section 16A.28, any unencumbered

10.1 balance at the end of the first year does not  
10.2 cancel and is available in the second year and  
10.3 appropriations encumbered under contract by  
10.4 June 30, 2025, are available until June 30,  
10.5 2027.

10.6 (z) \$222,000 the first year and \$322,000 the  
10.7 second year are for meat processing training  
10.8 and retention incentive grants under section  
10.9 5. The commissioner may use up to 6.5  
10.10 percent of this appropriation for costs incurred  
10.11 to administer the program. Notwithstanding  
10.12 Minnesota Statutes, section 16A.28, any  
10.13 unencumbered balance does not cancel at the  
10.14 end of the first year and is available in the  
10.15 second year. This is a onetime appropriation.

10.16 (aa) \$300,000 the first year and \$300,000 the  
10.17 second year are for transfer to the Board of  
10.18 Regents of the University of Minnesota to  
10.19 evaluate, propagate, and maintain the genetic  
10.20 diversity of oilseeds, grains, grasses, legumes,  
10.21 and other plants including flax, timothy,  
10.22 barley, rye, triticale, alfalfa, orchard grass,  
10.23 clover, and other species and varieties that  
10.24 were in commercial distribution and use in  
10.25 Minnesota before 1970, excluding wild rice.  
10.26 This effort must also protect traditional seeds  
10.27 brought to Minnesota by immigrant  
10.28 communities. This appropriation includes  
10.29 funding for associated extension and outreach  
10.30 to small and Black, Indigenous, and People of  
10.31 Color (BIPOC) farmers. This is a onetime  
10.32 appropriation.

10.33 (bb) The commissioner shall continue to  
10.34 increase connections with ethnic minority and

- 11.1 immigrant farmers to farming opportunities
- 11.2 and farming programs throughout the state.