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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. **701**

02/04/2021 Authored by Lippert, Vang, Stephenson, Acomb, Lee and others
The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy
02/22/2021 Adoption of Report: Re-referred to the Committee on Judiciary Finance and Civil Law
03/04/2021 Adoption of Report: Amended and re-referred to the Committee on Environment and Natural Resources Finance and Policy

1.1 A bill for an act
1.2 relating to agriculture; establishing soil-healthy farming goals; creating financial
1.3 incentives for soil-healthy farming; requiring data collection; classifying data;
1.4 appropriating money; amending Minnesota Statutes 2020, section 13.643, by
1.5 adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter
1.6 103C.

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

1.8 Section 1. Minnesota Statutes 2020, section 13.643, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 6a. **Soil-healthy farming data.** (a) Farmer names, locations, and contact
1.11 information collected and maintained by the Board of Water and Soil Resources, the
1.12 University of Minnesota, or Soil and Water Conservation Districts that are associated with
1.13 soil health data collected under section 103C.703 are classified as private or nonpublic.
1.14 Farmer names, locations, and contact information collected and maintained by the Board
1.15 of Water and Soil Resources, the University of Minnesota, or Soil and Water Conservation
1.16 Districts that are associated with grant applications or payments under section 103C.702
1.17 are public data.

1.18 (b) The Board of Water and Soil Resources, the University of Minnesota, and Soil and
1.19 Water Conservation Districts may disclose data under paragraph (a) if the Board of Water
1.20 and Soil Resources, the University of Minnesota, or a Soil and Water Conservation District
1.21 determines that there is a substantive threat to human health and safety or to the environment,
1.22 to aid in the law enforcement process, or with written consent of the subject of the data.

2.1 Sec. 2. [103C.701] SOIL-HEALTHY FARMING GOALS.

2.2 To increase farm income, build soil health, prevent or minimize erosion and runoff,
2.3 retain and clean water, increase vegetation on the landscape, sequester carbon, and foster
2.4 healthier rural residents and pollinators and other wildlife, the state of Minnesota's
2.5 soil-healthy farming goals are that:

2.6 (1) at least 50 percent of Minnesota farmers implement cover crops, perennial crops,
2.7 no-till, or managed rotational grazing by 2030;

2.8 (2) 100 percent of Minnesota farmers implement cover crops, perennial crops, no-till,
2.9 or managed rotational grazing by 2035; and

2.10 (3) 100 percent of the state's tillable and grazeable acres employ cover crops, perennial
2.11 crops, no-till, or managed rotational grazing by 2040.

2.12 Sec. 3. [103C.702] SOIL-HEALTHY FARMING PROGRAM.

2.13 Subdivision 1. Definitions. (a) For the purposes of sections 103C.701 to 103C.703, the
2.14 following terms have the meaning given.

2.15 (b) "Cooperative" means a group of less than 100 producers who work together to plan,
2.16 produce, and market their agricultural products.

2.17 (c) "Cover crop mix" means a planted seed mix of at least three species of cover crop.

2.18 (d) "Cover cropping" means producing annual or perennial grasses, nonlegume
2.19 broad-leaves, or legumes to provide food or cover for a variety of wildlife on agricultural
2.20 land in conjunction with or after cash crops.

2.21 (e) "Disability" has the meaning given in section 363A.03.

2.22 (f) "Diverse rotations" means a rotation of at least three different crops on the same acre.

2.23 (g) "Eligible farmer" means an individual, household, partnership, or producer-member
2.24 of a cooperative who is eligible to own or operate farmland under section 500.24.

2.25 (h) "Farm-generated compost" means feedlot manure and bedding pack composted to
2.26 a pile temperature between 131 and 160 degrees Fahrenheit for at least 15 days and turned
2.27 at least five times.

2.28 (i) "Household" means a person; the person's spouse or unmarried partner; dependents
2.29 and children of the person, spouse, or partner; and all others who live with the person.

2.30 (j) "Individual" means a person at least 18 years of age who cannot be claimed as a
2.31 dependent, is the only member of their household, and is not a partner in a partnership.

3.1 (k) "Interseeding" means planting a cover crop on the same field as a cash crop in
3.2 vegetative growth stage.

3.3 (l) "Managed rotational grazing" means dividing pastures, cover cropped fields, or
3.4 perennial fields into smaller paddocks utilizing lightweight, portable fencing where animals
3.5 are moved frequently and grazed vegetation maintains a minimum height of four inches to
3.6 allow adequate regrowth. Managed rotation grazing includes mob or flash grazing where
3.7 animals are kept in smaller areas for short periods of time to supercharge soil biology and
3.8 control invasive species.

3.9 (m) "No-till" means planting seeds into soil that has not been plowed or otherwise
3.10 disturbed since the previous crop was harvested.

3.11 (n) "Organic production" has the meaning given in section 31.92.

3.12 (o) "Partnership" means a married or unmarried couple or a partnership, corporation, or
3.13 other legal entity eligible to own or operate farmland under section 500.24.

3.14 (p) "Perennial cropping" means producing a crop that grows for at least three consecutive
3.15 years without being reseeded or replanted each year.

3.16 (q) "Racial minorities" means persons who are Black, Hispanic, Asian, Indigenous,
3.17 Pacific Islander, or Alaskan Native.

3.18 (r) "Roll crimping" means flattening a high-biomass cover crop to produce a thick,
3.19 uniform mat of mulch before no-tilling a cash crop into the mulch.

3.20 (s) "Soil health" has the meaning given in section 103C.101.

3.21 (t) "Soil-healthy farming" means farming that improves soil health by integrating one
3.22 or more of the following practices:

3.23 (1) no-till;

3.24 (2) cover cropping;

3.25 (3) perennial cropping;

3.26 (4) interseeding;

3.27 (5) organic production;

3.28 (6) roll crimping; and

3.29 (7) managed rotational grazing.

4.1 (u) "Total acres" or "farm size" means all agricultural acres managed or operated by an
4.2 eligible farmer. For a producer-member of a cooperative, total acres means only those acres
4.3 managed or operated by the producer-member.

4.4 Subd. 2. **Program.** (a) To achieve the goals in section 103C.701, the Board of Water
4.5 and Soil Resources must administer a soil-healthy farming program to provide technical
4.6 assistance and award funding to soil and water conservation districts that provide:

4.7 (1) grants that partially cover upfront costs incurred by eligible farmers to implement
4.8 new soil-healthy farming practices, including transitioning cropland to managed rotational
4.9 grazing and transitioning conventional land to certified organic land; and

4.10 (2) direct payments to eligible farmers for up to five years to support implementation
4.11 and long-term maintenance of soil-healthy farming practices.

4.12 (b) Applications for grants and direct payments must be simple and accessible.

4.13 Subd. 3. **Upfront cost grants.** (a) Participating soil and water conservation districts
4.14 must award upfront cost grants to eligible farmers. Eligible upfront costs include technical
4.15 assistance or education, seed, equipment, fencing, and organic certification costs incurred
4.16 to implement a new soil-healthy farming practice. Grants must equal the portion of the total
4.17 project cost provided below, not to exceed \$15,000 in the lifetime of an eligible farmer:

4.18 (1) 90 percent for farmers who farm zero to 160 total acres;

4.19 (2) 75 percent for farmers who farm 161 to 500 total acres;

4.20 (3) 60 percent for farmers who farm 501 to 1,000 total acres; and

4.21 (4) 30 percent for farmers who farm more than 1,000 total acres.

4.22 (b) Grant recipients must provide districts with documentation of eligible upfront costs
4.23 incurred, which may include labor. If the cost of the project is larger than initially anticipated,
4.24 the district must increase the grant amount to reflect the recipient's total documented cost,
4.25 subject to available funding and the limits in paragraph (a).

4.26 Subd. 4. **Direct payments.** (a) Participating soil and water conservation districts must
4.27 award ongoing direct payments to eligible farmers based on farm size, soil-healthy farming
4.28 practice, and other factors as provided in this subdivision. Payments must be made for each
4.29 acre farmed with a soil-healthy farming practice, up to 1,000 total acres per eligible farmer
4.30 and subject to the other limits provided in this subdivision.

4.31 (b) Participating districts must award direct payments based on farm size as follows:

5.1 (1) for eligible farmers who farm zero to 160 total tillable and grazeable acres, payments
5.2 of 125 percent of the amount awarded to farmers under clause (2);

5.3 (2) for eligible farmers who farm 161 to 500 tillable and grazeable acres, payments of
5.4 125 percent of the amount awarded to farmers under clause (3); and

5.5 (3) for eligible farmers who farm 501 to 1,000 tillable and grazeable acres, payments of
5.6 125 percent of the amount awarded to farmers who operate more than 1,000 tillable and
5.7 grazeable acres.

5.8 (c) Participating districts must award larger direct payments for soil-healthy farming
5.9 practices in the following priority order:

5.10 (1) managed rotational grazing of perennial pasture;

5.11 (2) managed rotational grazing of perennial crops;

5.12 (3) managed rotational grazing of cover crop mixes;

5.13 (4) perennial cropping;

5.14 (5) interseeding and roller crimping;

5.15 (6) cover crop mix;

5.16 (7) cover cropping; and

5.17 (8) no-till.

5.18 (d) Participating districts must award an additional \$5 per acre for each of the following
5.19 practices:

5.20 (1) organic production;

5.21 (2) diverse rotations; and

5.22 (3) applying farm-generated compost.

5.23 (e) Participating districts must award payments based on eligible farmers' cost to integrate
5.24 the practice, the amount required to incentivize eligible farmers to integrate the practice,
5.25 and the benefits the soil-healthy farming practice provides to ecosystems and people.

5.26 (f) An eligible farmer may receive cropping and managed rotational grazing payments
5.27 up to the applicable annual limit for each category. The lifetime limits per eligible farmer
5.28 are up to five times the annual limit. The annual limits per eligible farmer are as follows:

5.29 (1) for cropping practices, \$12,500 regardless of farm size; and

5.30 (2) for managed rotational grazing practices, \$17,500 regardless of farm size.

6.1 Subd. 5. **Equity.** Participating districts must prioritize upfront cost grants and direct
6.2 payments to socially disadvantaged, small-, and mid-sized farmers. Districts must approve
6.3 eligible applicants in the following priority order:

6.4 (1) racial minorities farming up to 160 total acres;

6.5 (2) people with a disability and women farming up to 160 total acres;

6.6 (3) other eligible farmers farming up to 160 total acres;

6.7 (4) racial minorities farming up to 500 total acres;

6.8 (5) people with a disability and women farming up to 500 total acres;

6.9 (6) other eligible farmers farming up to 500 total acres;

6.10 (7) racial minorities farming up to 1,000 total acres;

6.11 (8) people with a disability and women farming up to 1,000 total acres;

6.12 (9) other eligible farmers farming up to 1,000 total acres;

6.13 (10) racial minorities farming more than 1,000 total acres;

6.14 (11) people with a disability and women farming more than 1,000 total acres; and

6.15 (12) other eligible farmers farming more than 1,000 total acres.

6.16 Sec. 4. [103C.703] SOIL HEALTH DATA COLLECTION.

6.17 To advance emerging soil science, the Board of Water and Soil Resources must coordinate
6.18 to measure how soil health indicators change based on the geology of and practices
6.19 implemented on various fields for which a payment was received under section 103C.702.
6.20 The board may coordinate or contract with the Minnesota Office of Soil Health, Soil and
6.21 Water Conservation Districts, and the Institute on the Environment. Data collected under
6.22 this section must be reported once every five years.

6.23 Sec. 5. APPROPRIATION.

6.24 \$2,750,000 in fiscal year 2022 and \$2,750,000 in fiscal year 2023 are appropriated from
6.25 the general fund to the Board of Water and Soil Resources for purposes of this act.