

**SENATE  
STATE OF MINNESOTA  
NINETY-THIRD SESSION**

**S.F. No. 1256**

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DATE  
02/06/2023

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Introduction and first reading  
Referred to Agriculture, Broadband, and Rural Development

OFFICIAL STATUS

1.1 A bill for an act  
1.2 relating to agriculture; modifying eligibility for a cooperative grant program;  
1.3 appropriating money; amending Minnesota Statutes 2022, section 17.1016,  
1.4 subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2022, section 17.1016, subdivision 2, is amended to read:

1.7 Subd. 2. **Grant program.** (a) The commissioner may establish and implement a grant  
1.8 program to help farmers finance new cooperatives that organize for purposes of operating  
1.9 an agricultural product processing facility or marketing an agricultural product or agricultural  
1.10 service.

1.11 (b) To be eligible for this program, a grantee must:

1.12 (1) be a cooperative organized under chapter 308A or 308B;

1.13 (2) certify that all control ~~and equity in~~ of the cooperative is from farmers, family farm  
1.14 partnerships, family farm limited liability companies, or family farm corporations as defined  
1.15 in section 500.24, subdivision 2, who are actively engaged in agricultural commodity  
1.16 production;

1.17 (3) be operated primarily to process agricultural commodities or market agricultural  
1.18 products or services produced in Minnesota; ~~and~~

1.19 (4) receive agricultural commodities produced primarily by shareholders or members  
1.20 of the cooperative; and

1.21 (5) not allow nonpatron voting rights.

2.1 (c) The commissioner may receive applications and make grants up to \$50,000 to eligible  
2.2 grantees for feasibility, marketing analysis, assistance with organizational development,  
2.3 financing and managing new cooperatives, product development, development of business  
2.4 and marketing plans, and predesign of facilities, including site analysis, the development  
2.5 of bid specifications, preliminary blueprints and schematics, and the completion of purchase  
2.6 agreements and other necessary legal documents.

2.7 (d) Grants must be matched dollar-for-dollar with other money or in-kind contributions.

2.8 Sec. 2. **APPROPRIATION.**

2.9 \$400,000 in fiscal year 2024 and \$400,000 in fiscal year 2025 are appropriated from the  
2.10 general fund to the commissioner of agriculture to award cooperative grants under Minnesota  
2.11 Statutes, section 17.1016. The commissioner may use up to six percent of the appropriation  
2.12 each year to administer the grant program.