

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

**S.F. No. 1955**

**(SENATE AUTHORS: PUTNAM)**

| <b>DATE</b> | <b>D-PG</b> | <b>OFFICIAL STATUS</b>  |
|-------------|-------------|---|
| 02/20/2023  | 921         | Introduction and first reading<br>Referred to State and Local Government and Veterans |
| 02/27/2023  | 1149        | Withdrawn and re-referred to Agriculture, Broadband, and Rural Development            |
| 04/03/2023  | 2959a       | Comm report: To pass as amended and re-refer to Finance                               |
|             | 3001        | Rule 12.10: report of votes in committee  |
| 04/12/2023  |             | Comm report: To pass as amended<br>Second reading                                     |

1.1 A bill for an act

1.2 relating to state government; establishing a budget for the Department of

1.3 Agriculture, the Board of Animal Health, the Agricultural Utilization Research

1.4 Institute, and the Office of Broadband Development; making policy and technical

1.5 changes to agriculture provisions; making policy and technical changes to

1.6 broadband provisions; providing civil penalties; appropriating money; requiring

1.7 reports; transferring money to the border-to-border broadband fund account;

1.8 creating the grain indemnity account; transferring money to the grain indemnity

1.9 account; amending Minnesota Statutes 2022, sections 17.1016, subdivision 2;

1.10 17.133, subdivision 2; 28A.152, subdivision 2; 41A.14, subdivision 2; 41A.19;

1.11 116J.395, subdivision 7; 116J.396, subdivision 2; 223.16, by adding a subdivision;

1.12 223.17, subdivisions 6, 7, 7a; 223.175; 223.19; 232.22, subdivision 5; Laws 2021,

1.13 First Special Session chapter 3, article 1, section 2, subdivision 5, as amended;

1.14 Laws 2022, chapter 95, article 2, section 29, subdivision 6; proposing coding for

1.15 new law in Minnesota Statutes, chapters 17; 116J; 223; repealing Minnesota

1.16 Statutes 2022, sections 17.055, subdivision 2; 41A.12, subdivision 4; 41A.21;

1.17 223.17, subdivisions 4, 8; 232.22, subdivisions 4, 6, 6a, 7.

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

1.19 **ARTICLE 1**

1.20 **APPROPRIATIONS**

1.21 Section 1. **AGRICULTURE APPROPRIATIONS.**

1.22 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.23 and for the purposes specified in this article. The appropriations are from the general fund,

1.24 or another named fund, and are available for the fiscal years indicated for each purpose.

1.25 The figures "2024" and "2025" used in this article mean that the appropriations listed under

1.26 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.

1.27 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"

1.28 is fiscal years 2024 and 2025.

|      |  | <b><u>APPROPRIATIONS</u></b>         |                             |
|------|--|--------------------------------------|-----------------------------|
|      |  | <b><u>Available for the Year</u></b> |                             |
|      |  | <b><u>Ending June 30</u></b>         |                             |
|      |  | <b><u>2024</u></b>                   | <b><u>2025</u></b>          |
| 2.1  |  |                                      |                             |
| 2.2  |  |                                      |                             |
| 2.3  |  |                                      |                             |
| 2.4  |  |                                      |                             |
| 2.5  | <b><u>Sec. 2. DEPARTMENT OF AGRICULTURE</u></b>          |                                      |                             |
| 2.6  | <b><u>Subdivision 1. Total Appropriation</u></b>         | <b><u>\$ 96,089,000</u></b>          | <b><u>\$ 74,253,000</u></b> |
| 2.7  | <u>Appropriations by Fund</u>                            |                                      |                             |
| 2.8  |  | <u>2024</u>                          | <u>2025</u>                 |
| 2.9  | <u>General</u>   | <u>95,690,000</u>                    | <u>73,854,000</u>           |
| 2.10 | <u>Remediation</u>                                       | <u>399,000</u>                       | <u>399,000</u>              |
| 2.11 | <u>The amounts that may be spent for each</u>            |                                      |                             |
| 2.12 | <u>purpose are specified in the following</u>            |                                      |                             |
| 2.13 | <u>subdivisions.</u>                                     |                                      |                             |
| 2.14 | <b><u>Subd. 2. Protection Services</u></b>               |                                      |                             |
| 2.15 | <u>Appropriations by Fund</u>                            |                                      |                             |
| 2.16 |  | <u>2024</u>                          | <u>2025</u>                 |
| 2.17 | <u>General</u>   | <u>24,400,000</u>                    | <u>23,350,000</u>           |
| 2.18 | <u>Remediation</u>                                       | <u>399,000</u>                       | <u>399,000</u>              |
| 2.19 | <u>(a) \$399,000 the first year and \$399,000 the</u>    |                                      |                             |
| 2.20 | <u>second year are from the remediation fund for</u>     |                                      |                             |
| 2.21 | <u>administrative funding for the voluntary</u>          |                                      |                             |
| 2.22 | <u>cleanup program.</u>                                  |                                      |                             |
| 2.23 | <u>(b) \$1,000,000 the first year and \$1,000,000</u>    |                                      |                             |
| 2.24 | <u>the second year are for the soil health financial</u> |                                      |                             |
| 2.25 | <u>assistance program under Minnesota Statutes,</u>      |                                      |                             |
| 2.26 | <u>section 17.134. The commissioner may award</u>        |                                      |                             |
| 2.27 | <u>no more than \$50,000 of the appropriation</u>        |                                      |                             |
| 2.28 | <u>each year to a single recipient. This is a</u>        |                                      |                             |
| 2.29 | <u>onetime appropriation. Any unencumbered</u>           |                                      |                             |
| 2.30 | <u>balance does not cancel at the end of the first</u>   |                                      |                             |
| 2.31 | <u>year and is available in the second year.</u>         |                                      |                             |
| 2.32 | <u>Appropriations encumbered under contract on</u>       |                                      |                             |
| 2.33 | <u>or before June 30, 2025, for soil health</u>          |                                      |                             |
| 2.34 | <u>financial assistance grants are available until</u>   |                                      |                             |
| 2.35 | <u>June 30, 2027.</u>                                    |                                      |                             |

3.1 (c) \$375,000 the first year and \$375,000 the  
3.2 second year are for transfer to the noxious  
3.3 weed and invasive plant species assistance  
3.4 account in the agricultural fund to award  
3.5 grants to local units of government and Tribal  
3.6 Nations under Minnesota Statutes, section  
3.7 18.90. The base for this appropriation is  
3.8 \$225,000 for fiscal year 2026 and thereafter.

3.9 (d) \$215,000 the first year and \$215,000 the  
3.10 second year are for compensation for  
3.11 destroyed or crippled livestock under  
3.12 Minnesota Statutes, section 3.737. The first  
3.13 year appropriation may be spent to compensate  
3.14 for livestock that were destroyed or crippled  
3.15 during fiscal year 2023. If the amount in the  
3.16 first year is insufficient, the amount in the  
3.17 second year is available in the first year. The  
3.18 commissioner may use up to \$5,000 each year  
3.19 to reimburse expenses incurred by university  
3.20 extension educators to provide fair market  
3.21 values of destroyed or crippled livestock. If  
3.22 the commissioner receives federal dollars to  
3.23 pay claims for destroyed or crippled livestock,  
3.24 an equivalent amount of this appropriation  
3.25 may be used to reimburse nonlethal prevention  
3.26 methods performed by federal wildlife services  
3.27 staff. Notwithstanding Minnesota Statutes,  
3.28 section 16A.28, any unencumbered balance  
3.29 does not cancel at the end of the first year and  
3.30 is available in the second year. The base for  
3.31 this appropriation is \$175,000 for fiscal year  
3.32 2026 and thereafter.

3.33 (e) \$190,000 the first year and \$190,000 the  
3.34 second year are for compensation for crop  
3.35 damage under Minnesota Statutes, section

4.1 3.7371. If the amount in the first year is  
4.2 insufficient, the amount in the second year is  
4.3 available in the first year. The commissioner  
4.4 may use up to \$10,000 of the appropriation  
4.5 each year to reimburse expenses incurred by  
4.6 the commissioner or the commissioner's  
4.7 approved agent to investigate and resolve  
4.8 claims, as well as for costs associated with  
4.9 training for approved agents. The  
4.10 commissioner may use up to \$20,000 of the  
4.11 appropriation each year to make grants to  
4.12 producers for measures to protect stored crops  
4.13 from elk damage. If the commissioner  
4.14 determines that claims made under Minnesota  
4.15 Statutes, section 3.737 or 3.7371, are  
4.16 unusually high, amounts appropriated for  
4.17 either program may be transferred to the  
4.18 appropriation for the other program.  
4.19 Notwithstanding Minnesota Statutes, section  
4.20 16A.28, any unencumbered balance does not  
4.21 cancel at the end of the first year and is  
4.22 available in the second year. The base for this  
4.23 appropriation is \$155,000 for fiscal year 2026  
4.24 and thereafter.

4.25 (f) \$825,000 the first year and \$825,000 the  
4.26 second year are to replace capital equipment  
4.27 in the Department of Agriculture's analytical  
4.28 laboratory. The base for this appropriation for  
4.29 fiscal year 2026 and thereafter is \$825,000.

4.30 (g) \$75,000 the first year and \$75,000 the  
4.31 second year are to support a meat processing  
4.32 liaison position to assist new or existing meat  
4.33 and poultry processing operations in getting  
4.34 started, expanding, growing, or transitioning  
4.35 into new business models.

5.1 (h) \$950,000 the first year and \$950,000 the  
5.2 second year are additional funding to maintain  
5.3 the current level of service delivery for  
5.4 programs under this subdivision. The base for  
5.5 this appropriation is \$1,388,000 for fiscal year  
5.6 2026 and thereafter.

5.7 (i) \$975,000 the first year and \$975,000 the  
5.8 second year are for grants to the Board of  
5.9 Regents of the University of Minnesota to  
5.10 fund the Forever Green Initiative and protect  
5.11 the state's natural resources while increasing  
5.12 the efficiency, profitability, and productivity  
5.13 of Minnesota's farmers by incorporating  
5.14 perennial and winter-annual crops into existing  
5.15 agricultural practices. By February 1 each  
5.16 year, the dean of the College of Food,  
5.17 Agricultural and Natural Resource Sciences  
5.18 must submit a report to the chairs and ranking  
5.19 minority members of the legislative  
5.20 committees with jurisdiction over agriculture  
5.21 finance and policy and higher education  
5.22 detailing uses of the funds in this paragraph,  
5.23 including administrative costs, and the  
5.24 achievements these funds contributed to.

5.25 (j) \$1,250,000 the first year and \$250,000 the  
5.26 second year are for grants to organizations in  
5.27 Minnesota to develop enterprises, supply  
5.28 chains, and markets for continuous-living  
5.29 cover crops and cropping systems in the early  
5.30 stages of commercial development. For the  
5.31 purposes of this paragraph, "continuous-living  
5.32 cover crops and cropping systems" refers to  
5.33 agroforestry, perennial biomass, perennial  
5.34 forage, perennial grains, and winter-annual  
5.35 cereal grains and oilseeds that have market

6.1 value as harvested or grazed commodities. By  
6.2 February 1 each year, the commissioner must  
6.3 submit a report to the chairs and ranking  
6.4 minority members of the legislative  
6.5 committees with jurisdiction over agriculture  
6.6 finance and policy detailing uses of the funds  
6.7 in this paragraph, including administrative  
6.8 costs, and the achievements these funds  
6.9 contributed to. Of the amount in the first year,  
6.10 \$1,000,000 must be used to support markets  
6.11 for Kernza perennial grain, winter camelina,  
6.12 hybrid hazelnut, and elderberry, and is  
6.13 available until June 30, 2027. The  
6.14 commissioner may use up to 6.5 percent of  
6.15 this appropriation for administrative costs.

6.16 (k) \$225,000 the first year and \$225,000 the  
6.17 second year are appropriated for  
6.18 wolf-livestock conflict-prevention grants. The  
6.19 commissioner may use up to \$125,000 from  
6.20 each year to reimburse nonlethal prevention  
6.21 work performed by federal wildlife services.  
6.22 This is a onetime appropriation.

6.23 (l) \$50,000 the first year is to convene a  
6.24 working group of interested parties, including  
6.25 representatives from the Department of  
6.26 Natural Resources, to investigate and  
6.27 recommend measures to protect crops, stored  
6.28 crops, and forage from destruction due to  
6.29 white-tailed deer. Membership of the working  
6.30 group is at the discretion of the commissioner.  
6.31 The commissioner or the commissioner's  
6.32 designated representative must convene and  
6.33 facilitate the working group. No later than  
6.34 February 1, 2024, the commissioner must  
6.35 submit a report on the working group's

7.1 recommendations to the legislative committees  
 7.2 with jurisdiction over agriculture policy and  
 7.3 finance. This is a onetime appropriation.

7.4 **Subd. 3. Agricultural Marketing and**  
 7.5 **Development**

4,815,000

4,815,000

7.6 (a) \$150,000 the first year and \$150,000 the  
 7.7 second year are to expand international trade  
 7.8 opportunities and markets for Minnesota  
 7.9 agricultural products.

7.10 (b) \$186,000 the first year and \$186,000 the  
 7.11 second year are for transfer to the Minnesota  
 7.12 Grown account and may be used as grants for  
 7.13 Minnesota Grown promotion under Minnesota  
 7.14 Statutes, section 17.102. Notwithstanding  
 7.15 Minnesota Statutes, section 16A.28, the  
 7.16 appropriations encumbered under contract on  
 7.17 or before June 30, 2025, for Minnesota Grown  
 7.18 grants in this paragraph are available until June  
 7.19 30, 2027.

7.20 (c) \$634,000 the first year and \$634,000 the  
 7.21 second year are for the continuation of the  
 7.22 dairy development and profitability  
 7.23 enhancement programs, including dairy  
 7.24 profitability teams and dairy business planning  
 7.25 grants under Minnesota Statutes, section  
 7.26 32D.30.

7.27 (d) The commissioner may use funds  
 7.28 appropriated in this subdivision for annual  
 7.29 cost-share payments to resident farmers or  
 7.30 entities that sell, process, or package  
 7.31 agricultural products in this state for the costs  
 7.32 of organic certification. The commissioner  
 7.33 may allocate these funds for assistance to  
 7.34 persons transitioning from conventional to  
 7.35 organic agriculture.

8.1 (e) \$450,000 the first year and \$450,000 the  
 8.2 second year are to maintain the current level  
 8.3 of service delivery. The base for this  
 8.4 appropriation is \$550,000 for fiscal year 2026  
 8.5 and thereafter.

8.6 (f) \$100,000 the first year and \$100,000 the  
 8.7 second year are for mental health outreach and  
 8.8 support to farmers, ranchers, and others in the  
 8.9 agricultural community and for farm safety  
 8.10 grant and outreach programs under Minnesota  
 8.11 Statutes, section 17.1195. Mental health  
 8.12 outreach and support may include a 24-hour  
 8.13 hotline, stigma reduction, and education.

8.14 Notwithstanding Minnesota Statutes, section  
 8.15 16A.28, any unencumbered balance does not  
 8.16 cancel at the end of the first year and is  
 8.17 available in the second year. This is a onetime  
 8.18 appropriation.

8.19 (g) \$100,000 the first year and \$100,000 the  
 8.20 second year are to award and administer grants  
 8.21 to facilitate the start-up or expansion of  
 8.22 aggregation and food hub services at farmers  
 8.23 markets. This is a onetime appropriation.

8.24 Notwithstanding Minnesota Statutes, section  
 8.25 16A.28, any unencumbered balance does not  
 8.26 cancel at the end of the first year and is  
 8.27 available in the second year. This is a onetime  
 8.28 appropriation.

8.29 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**  
 8.30 **Advancement**

36,232,000

30,732,000

8.31 (a) \$9,800,000 the first year and \$9,800,000  
 8.32 the second year are for transfer to the  
 8.33 agriculture research, education, extension, and  
 8.34 technology transfer account under Minnesota  
 8.35 Statutes, section 41A.14, subdivision 3. Of



9.1 these amounts: at least \$600,000 the first year  
9.2 and \$600,000 the second year are for the  
9.3 Minnesota Agricultural Experiment Station's  
9.4 agriculture rapid response fund under  
9.5 Minnesota Statutes, section 41A.14,  
9.6 subdivision 1, clause (2); \$2,500,000 the first  
9.7 year and \$2,500,000 the second year are for  
9.8 grants to the Minnesota Agricultural Education  
9.9 Leadership Council to enhance agricultural  
9.10 education with priority given to Farm Business  
9.11 Management challenge grants; \$450,000 the  
9.12 first year and \$450,000 the second year are  
9.13 for projects, programs, and research associated  
9.14 with the preservation and production of wild  
9.15 rice in collaboration with Minnesota Tribal  
9.16 governments as defined in Minnesota Statutes,  
9.17 section 10.65, subdivision 2, paragraph (a),  
9.18 clause (4); and \$350,000 the first year and  
9.19 \$350,000 the second year are for potato  
9.20 breeding. The commissioner shall transfer the  
9.21 remaining funds in this appropriation each  
9.22 year to the Board of Regents of the University  
9.23 of Minnesota for purposes of Minnesota  
9.24 Statutes, section 41A.14. Of the amount  
9.25 transferred to the Board of Regents, up to  
9.26 \$1,000,000 each year is for avian influenza  
9.27 prevention measures and research on avian  
9.28 influenza, salmonella, and other turkey-related  
9.29 diseases. Funds may be used for researching  
9.30 avian influenza prevention measures, including  
9.31 but not limited to measures to prevent  
9.32 transmission of avian influenza from wild  
9.33 birds to domestic turkeys. To the extent  
9.34 practicable, money expended under Minnesota  
9.35 Statutes, section 41A.14, subdivision 1,  
9.36 clauses (1) and (2), must supplement and not

10.1 supplant existing sources and levels of  
10.2 funding. By January 15 each year, the entities  
10.3 receiving grants under this paragraph are  
10.4 requested to submit a report on the  
10.5 expenditures under this paragraph to the chairs  
10.6 and ranking minority members of the  
10.7 legislative committees and divisions with  
10.8 jurisdiction over agriculture policy and  
10.9 finance. The commissioner may use up to one  
10.10 percent of this appropriation for costs incurred  
10.11 to administer the program.

10.12 (b) \$26,432,000 the first year and \$20,932,000  
10.13 the second year are for the agricultural growth,  
10.14 research, and innovation program under  
10.15 Minnesota Statutes, section 41A.12. The  
10.16 commissioner may use up to 6.5 percent of  
10.17 this appropriation for costs incurred to  
10.18 administer the program.

10.19 Of the amount appropriated for the agricultural  
10.20 growth, research, and innovation program  
10.21 under Minnesota Statutes, section 41A.12:

10.22 (1) \$1,000,000 the first year and \$1,000,000  
10.23 the second year are for distribution in equal  
10.24 amounts to each of the state's county fairs to  
10.25 preserve and promote Minnesota agriculture;

10.26 (2) \$6,000,000 the first year and \$6,000,000  
10.27 the second year are for incentive payments  
10.28 under Minnesota Statutes, sections 41A.16,  
10.29 41A.17, 41A.18, and 41A.20. Notwithstanding  
10.30 Minnesota Statutes, section 16A.28, the first  
10.31 year appropriation is available until June 30,  
10.32 2025, and the second year appropriation is  
10.33 available until June 30, 2026. If this  
10.34 appropriation exceeds the total amount for  
10.35 which all producers are eligible in a fiscal

11.1 year, the balance of the appropriation is  
11.2 available for other purposes under this  
11.3 paragraph. The base under this clause is  
11.4 \$6,125,000 in fiscal year 2026 and thereafter;  
11.5 (3) \$4,500,000 the first year and \$4,500,000  
11.6 the second year are for grants that enable retail  
11.7 petroleum dispensers, fuel storage tanks, and  
11.8 other equipment to dispense biofuels to the  
11.9 public in accordance with the biofuel  
11.10 replacement goals established under  
11.11 Minnesota Statutes, section 239.7911. A retail  
11.12 petroleum dispenser selling petroleum for use  
11.13 in spark ignition engines for vehicle model  
11.14 years after 2000 is eligible for grant money  
11.15 under this clause if the retail petroleum  
11.16 dispenser has no more than 10 retail petroleum  
11.17 dispensing sites and each site is located in  
11.18 Minnesota. The grant money must be used to  
11.19 replace or upgrade equipment that does not  
11.20 have the ability to be certified for E25. A grant  
11.21 award must not exceed 65 percent of the cost  
11.22 of the appropriate technology. A grant award  
11.23 must not exceed \$200,000 per station. The  
11.24 commissioner must cooperate with biofuel  
11.25 stakeholders in the implementation of the grant  
11.26 program. The commissioner, in cooperation  
11.27 with any economic or community development  
11.28 financial institution and any other entity with  
11.29 which the commissioner contracts, must  
11.30 submit a report on the biofuels infrastructure  
11.31 financial assistance program by January 15 of  
11.32 each year to the chairs and ranking minority  
11.33 members of the legislative committees and  
11.34 divisions with jurisdiction over agriculture  
11.35 policy and finance. The annual report must  
11.36 include but not be limited to a summary of the

12.1 following metrics: (i) the number and types  
12.2 of projects financed; (ii) the amount of dollars  
12.3 leveraged or matched per project; (iii) the  
12.4 geographic distribution of financed projects;  
12.5 (iv) any market expansion associated with  
12.6 upgraded infrastructure; (v) the demographics  
12.7 of the areas served; (vi) the costs of the  
12.8 program; and (vii) the number of grants to  
12.9 minority-owned or female-owned businesses.  
12.10 The base under this clause is \$3,375,000 for  
12.11 fiscal year 2026 and thereafter;  
12.12 (4) \$1,500,000 the first year and \$1,500,000  
12.13 the second year are for grants to facilitate the  
12.14 start-up, modernization, or expansion of meat,  
12.15 poultry, egg, and milk processing facilities. A  
12.16 grant award under this clause must not exceed  
12.17 \$200,000. Any unencumbered balance at the  
12.18 end of the second year does not cancel until  
12.19 June 30, 2026, and may be used for other  
12.20 purposes under this paragraph. The base under  
12.21 this clause is \$250,000 in fiscal year 2026 and  
12.22 thereafter;  
12.23 (5) \$1,150,000 the first year and \$1,150,000  
12.24 the second year are for providing more fruits,  
12.25 vegetables, meat, poultry, grain, and dairy for  
12.26 children in school and early childhood  
12.27 education centers, including, at the  
12.28 commissioner's discretion, providing grants  
12.29 to reimburse schools and early childhood  
12.30 education centers for purchasing equipment  
12.31 and agricultural products. Of the amount  
12.32 appropriated, \$150,000 each year is for a  
12.33 statewide coordinator of farm-to-institution  
12.34 strategy and programming. The coordinator  
12.35 must consult with relevant stakeholders and

13.1 provide technical assistance and training for  
13.2 participating farmers and eligible grant  
13.3 recipients. The base under this clause is  
13.4 \$800,000 in fiscal year 2026 and thereafter;  
13.5 (6) \$5,500,000 the first year is for Dairy  
13.6 Assistance, Investment, Relief Initiative  
13.7 (DAIRI) grants to Minnesota dairy farmers  
13.8 who enroll in coverage under a federal dairy  
13.9 risk protection program and produced no more  
13.10 than 25,000,000 pounds of milk in 2022. The  
13.11 commissioner must award DAIRI grants based  
13.12 on the amount of milk produced in 2022, up  
13.13 to 5,000,000 pounds per participating  
13.14 producer, at a rate determined by the  
13.15 commissioner within the limits of available  
13.16 funding. Any unencumbered balance does not  
13.17 cancel at the end of the first year and is  
13.18 available in the second year. Any  
13.19 unencumbered balance at the end of the second  
13.20 year does not cancel until June 30, 2026, and  
13.21 may be used for other purposes under this  
13.22 paragraph. This is a onetime appropriation;  
13.23 (7) \$250,000 the first year and \$250,000 the  
13.24 second year are for grants to support hemp  
13.25 processing. This is a onetime appropriation;  
13.26 (8) up to \$600,000 the first year and \$600,000  
13.27 the second year are for urban youth  
13.28 agricultural education or urban agriculture  
13.29 community development;  
13.30 (9) up to \$450,000 the first year and \$450,000  
13.31 the second year are for the good food access  
13.32 program under Minnesota Statutes, section  
13.33 17.1017;

- 14.1 (10) \$1,500,000 the first year and \$1,500,000  
14.2 the second year are for the livestock  
14.3 investment grant program under Minnesota  
14.4 Statutes, section 17.118. Any unencumbered  
14.5 balance at the end of the second year does not  
14.6 cancel until June 30, 2026, and may be used  
14.7 for other purposes under this paragraph;
- 14.8 (11) \$1,150,000 the first year and \$1,150,000  
14.9 the second year are for value-added grants;
- 14.10 (12) \$340,000 the first year and \$340,000 the  
14.11 second year are for the New Markets Program;  
14.12 and
- 14.13 (13) \$450,000 the first year and \$450,000 the  
14.14 second year are for beginning farmer farm  
14.15 business management scholarships.
- 14.16 By January 15 each year, the commissioner  
14.17 must submit a report on the grants awarded  
14.18 under this paragraph to the chairs and ranking  
14.19 minority members of the legislative  
14.20 committees and divisions with jurisdiction  
14.21 over agriculture policy and finance.
- 14.22 Notwithstanding Minnesota Statutes, section  
14.23 16A.28, any unencumbered balance does not  
14.24 cancel at the end of the first year and is  
14.25 available for the second year, and  
14.26 appropriations encumbered under contract on  
14.27 or before June 30, 2025, for agricultural  
14.28 growth, research, and innovation grants are  
14.29 available until June 30, 2028.
- 14.30 The base for the agricultural growth, research,  
14.31 and innovation program is \$17,582,000 in  
14.32 fiscal year 2026 and thereafter, and includes  
14.33 funding for incentive payments under

15.1 Minnesota Statutes, sections 41A.16, 41A.17,  
 15.2 41A.18, and 41A.20.

15.3 **Subd. 5. Administration and Financial**  
 15.4 **Assistance**

30,243,000

14,957,000

15.5 (a) \$474,000 the first year and \$474,000 the  
 15.6 second year are for payments to county and  
 15.7 district agricultural societies and associations  
 15.8 under Minnesota Statutes, section 38.02,  
 15.9 subdivision 1. Aid payments to county and  
 15.10 district agricultural societies and associations  
 15.11 must be disbursed no later than July 15 of each  
 15.12 year. These payments are the amount of aid  
 15.13 from the state for an annual fair held in the  
 15.14 previous calendar year.

15.15 (b) \$375,000 the first year and \$375,000 the  
 15.16 second year are for grants to the Minnesota  
 15.17 Agricultural Education and Leadership  
 15.18 Council for programs of the council under  
 15.19 Minnesota Statutes, chapter 41D.

15.20 (c) \$2,000 the first year is for a grant to the  
 15.21 Minnesota State Poultry Association. This is  
 15.22 a onetime appropriation. Notwithstanding  
 15.23 Minnesota Statutes, section 16A.28, any  
 15.24 unencumbered balance does not cancel at the  
 15.25 end of the first year and is available for the  
 15.26 second year.

15.27 (d) \$18,000 the first year and \$18,000 the  
 15.28 second year are for grants to the Minnesota  
 15.29 Livestock Breeders Association. This is a  
 15.30 onetime appropriation.

15.31 (e) \$60,000 the first year and \$60,000 the  
 15.32 second year are for grants to the Northern  
 15.33 Crops Institute to purchase equipment.

16.1 (f) \$34,000 the first year and \$34,000 the  
16.2 second year are for grants to the Minnesota  
16.3 State Horticultural Society. This is a onetime  
16.4 appropriation.

16.5 (g) \$75,000 the first year and \$75,000 the  
16.6 second year are appropriated from the general  
16.7 fund to the commissioner of agriculture for  
16.8 grants to the Minnesota Turf Seed Council for  
16.9 basic and applied research on: (1) the  
16.10 improved production of forage and turf seed  
16.11 related to new and improved varieties; and (2)  
16.12 native plants, including plant breeding,  
16.13 nutrient management, pest management,  
16.14 disease management, yield, and viability. The  
16.15 Minnesota Turf Seed Council may subcontract  
16.16 with a qualified third party for some or all of  
16.17 the basic or applied research. Any  
16.18 unencumbered balance does not cancel at the  
16.19 end of the first year and is available in the  
16.20 second year. The Minnesota Turf Seed Council  
16.21 must prepare a report outlining the use of the  
16.22 grant money and related accomplishments. No  
16.23 later than January 15, 2025, the council must  
16.24 submit the report to the chairs and ranking  
16.25 minority members of the legislative  
16.26 committees and divisions with jurisdiction  
16.27 over agriculture finance and policy.

16.28 (h) \$200,000 the first year and \$200,000 the  
16.29 second year are for grants to GreenSeam for  
16.30 assistance to agriculture-related businesses to  
16.31 support business retention and development,  
16.32 business attraction and creation, talent  
16.33 development and attraction, and regional  
16.34 branding and promotion. These are onetime  
16.35 appropriations. No later than December 1,



17.1 2024, and December 1, 2025, GreenSeam  
17.2 must report to the chairs and ranking minority  
17.3 members of the legislative committees with  
17.4 jurisdiction over agriculture and rural  
17.5 development with information on new and  
17.6 existing businesses supported, number of new  
17.7 jobs created in the region, new educational  
17.8 partnerships and programs supported, and  
17.9 regional branding and promotional efforts.

17.10 (i) \$1,950,000 the first year and \$1,950,000  
17.11 the second year are for grants to Second  
17.12 Harvest Heartland on behalf of Minnesota's  
17.13 six Feeding America food banks for the  
17.14 following purposes:

17.15 (1) at least \$850,000 each year must be  
17.16 allocated to purchase milk for distribution to  
17.17 Minnesota's food shelves and other charitable  
17.18 organizations that are eligible to receive food  
17.19 from the food banks. Milk purchased under  
17.20 the grants must be acquired from Minnesota  
17.21 milk processors and based on low-cost bids.  
17.22 The milk must be allocated to each Feeding  
17.23 America food bank serving Minnesota  
17.24 according to the formula used in the  
17.25 distribution of United States Department of  
17.26 Agriculture commodities under The  
17.27 Emergency Food Assistance Program. Second  
17.28 Harvest Heartland may enter into contracts or  
17.29 agreements with food banks for shared funding  
17.30 or reimbursement of the direct purchase of  
17.31 milk. Each food bank that receives funding  
17.32 under this clause may use up to two percent  
17.33 for administrative expenses. Notwithstanding  
17.34 Minnesota Statutes, section 16A.28, any

18.1 unencumbered balance the first year does not  
18.2 cancel and is available the second year;  
18.3 (2) to compensate agricultural producers and  
18.4 processors for costs incurred to harvest and  
18.5 package for transfer surplus fruits, vegetables,  
18.6 and other agricultural commodities that would  
18.7 otherwise go unharvested, be discarded, or be  
18.8 sold in a secondary market. Surplus  
18.9 commodities must be distributed statewide to  
18.10 food shelves and other charitable organizations  
18.11 that are eligible to receive food from the food  
18.12 banks. Surplus food acquired under this clause  
18.13 must be from Minnesota producers and  
18.14 processors. Second Harvest Heartland may  
18.15 use up to 15 percent of each grant awarded  
18.16 under this clause for administrative and  
18.17 transportation expenses; and  
18.18 (3) to purchase and distribute protein products,  
18.19 including but not limited to pork, poultry, beef,  
18.20 dry legumes, cheese, and eggs to Minnesota's  
18.21 food shelves and other charitable organizations  
18.22 that are eligible to receive food from the food  
18.23 banks. Second Harvest Heartland may use up  
18.24 to two percent of each grant awarded under  
18.25 this clause for administrative expenses. Protein  
18.26 products purchased under the grants must be  
18.27 acquired from Minnesota processors and  
18.28 producers.  
18.29 Second Harvest Heartland must submit  
18.30 quarterly reports to the commissioner and the  
18.31 chairs and ranking minority members of the  
18.32 legislative committees with jurisdiction over  
18.33 agriculture finance in the form prescribed by  
18.34 the commissioner. The reports must include  
18.35 but are not limited to information on the

19.1 expenditure of funds, the amount of milk or  
19.2 other commodities purchased, and the  
19.3 organizations to which this food was  
19.4 distributed. By January 15 each year, the  
19.5 commissioner must submit a report on the  
19.6 grants awarded under this paragraph to the  
19.7 chairs and ranking minority members of the  
19.8 legislative committees and divisions with  
19.9 jurisdiction over agriculture policy and  
19.10 finance. The base for this appropriation is  
19.11 \$1,700,000 for fiscal year 2026 and thereafter.

19.12 (j) \$25,000 the first year and \$25,000 the  
19.13 second year are for grants to the Southern  
19.14 Minnesota Initiative Foundation to promote  
19.15 local foods through an annual event that raises  
19.16 public awareness of local foods and connects  
19.17 local food producers and processors with  
19.18 potential buyers.

19.19 (k) \$300,000 the first year and \$300,000 the  
19.20 second year are for grants to The Good Acre  
19.21 for the Local Emergency Assistance Farmer  
19.22 Fund (LEAFF) program to compensate  
19.23 emerging farmers for crops donated to hunger  
19.24 relief organizations in Minnesota. This is a  
19.25 onetime appropriation.

19.26 (l) \$550,000 the first year and \$550,000 the  
19.27 second year are for services to beginning and  
19.28 emerging farmers to increase connections  
19.29 between farmers and market opportunities  
19.30 throughout the state. This appropriation may  
19.31 be used for grants, translation services,  
19.32 training programs, or other purposes in line  
19.33 with the recommendations of the Emerging  
19.34 Farmer Working Group established under  
19.35 Minnesota Statutes, section 17.055,

20.1 subdivision 1. By January 15 each year, the  
20.2 commissioner must submit a report on the  
20.3 grants awarded under this paragraph to the  
20.4 chairs and ranking minority members of the  
20.5 legislative committees and divisions with  
20.6 jurisdiction over agriculture policy and  
20.7 finance. The base for this appropriation is  
20.8 \$350,000 for fiscal year 2026 and thereafter.

20.9 (m) \$337,000 the first year and \$337,000 the  
20.10 second year are for farm advocate services.  
20.11 Of these amounts, \$50,000 the first year and  
20.12 \$50,000 the second year are for the  
20.13 continuation of the farmland transition  
20.14 programs and may be used for grants to  
20.15 farmland access teams to provide technical  
20.16 assistance to potential beginning farmers.  
20.17 Farmland access teams must assist existing  
20.18 farmers and beginning farmers with  
20.19 transitioning farm ownership and farm  
20.20 operation. Services provided by teams may  
20.21 include but are not limited to mediation  
20.22 assistance, designing contracts, financial  
20.23 planning, tax preparation, estate planning, and  
20.24 housing assistance.

20.25 (n) \$260,000 the first year and \$260,000 the  
20.26 second year are for a pass-through grant to  
20.27 Region Five Development Commission to  
20.28 provide, in collaboration with Farm Business  
20.29 Management, statewide mental health  
20.30 counseling support to Minnesota farm  
20.31 operators, families, and employees, and  
20.32 individuals who work with Minnesota farmers  
20.33 in a professional capacity. Region Five  
20.34 Development Commission may use up to 6.5

- 21.1 percent of the grant awarded under this  
21.2 paragraph for administration.
- 21.3 (o) \$1,400,000 the first year is for transfer to  
21.4 the agricultural emergency account established  
21.5 under Minnesota Statutes, section 17.041. This  
21.6 is a onetime transfer.
- 21.7 (p) \$1,084,000 the first year and \$1,500,000  
21.8 the second year are to support IT  
21.9 modernization efforts, including laying the  
21.10 technology foundations needed for improving  
21.11 customer interactions with the department for  
21.12 licensing and payments. This is a onetime  
21.13 appropriation.
- 21.14 (q) \$1,425,000 the first year and \$1,425,000  
21.15 the second year are transferred to the  
21.16 agricultural and environmental revolving loan  
21.17 account established under Minnesota Statutes,  
21.18 section 17.117, subdivision 5a, for low-interest  
21.19 loans to farmers, rural landowners, and  
21.20 agricultural businesses through the agriculture  
21.21 best management practices loan program in  
21.22 Minnesota Statutes, section 17.117.
- 21.23 (r) \$150,000 the first year and \$150,000 the  
21.24 second year are for administrative support for  
21.25 the Rural Finance Authority.
- 21.26 (s) \$14,000,000 the first year is for transfer to  
21.27 the grain indemnity account established in  
21.28 Minnesota Statutes, section 223.24. This is a  
21.29 onetime transfer.
- 21.30 (t) \$500,000 the first year and \$500,000 the  
21.31 second year are to maintain the current level  
21.32 of service delivery. The base for this  
21.33 appropriation is \$600,000 in fiscal year 2026  
21.34 and thereafter.

- 22.1 (u) \$250,000 the first year is for a grant to the  
22.2 Board of Regents of the University of  
22.3 Minnesota to purchase equipment for the  
22.4 Veterinary Diagnostic Laboratory to test for  
22.5 chronic wasting disease, African swine fever,  
22.6 avian influenza, and other animal diseases.  
22.7 This is a onetime appropriation.
- 22.8 (v) \$1,250,000 the first year and \$1,250,000  
22.9 the second year are to award down payment  
22.10 assistance grants under Minnesota Statutes,  
22.11 section 17.133. Of the amount appropriated  
22.12 each year, at least \$375,000 is for down  
22.13 payment assistance grants to emerging  
22.14 farmers. If the commissioner has not awarded  
22.15 \$375,000 to emerging farmers by March 1  
22.16 each year, the commissioner may award  
22.17 remaining funds to any eligible farmer. By  
22.18 January 15 each year, the commissioner must  
22.19 submit a report on the grants awarded under  
22.20 this paragraph to the chairs and ranking  
22.21 minority members of the legislative  
22.22 committees and divisions with jurisdiction  
22.23 over agriculture policy and finance.
- 22.24 Notwithstanding Minnesota Statutes, section  
22.25 16A.28, the first year appropriation is  
22.26 available until June 30, 2025, and the second  
22.27 year appropriation is available until June 30,  
22.28 2026. The base for this appropriation is  
22.29 \$750,000 for fiscal year 2026 and thereafter.
- 22.30 (w) \$222,000 the first year and \$322,000 the  
22.31 second year are appropriated for grants to meat  
22.32 and poultry processors to reimburse costs for  
22.33 training and retention of employees. A meat  
22.34 processor with 100 full-time equivalent  
22.35 employees or fewer is eligible for grant money

23.1 under this section. Grants may be used for  
23.2 tuition reimbursement at Minnesota State  
23.3 Colleges and Universities, child care stipends,  
23.4 retention bonuses, and other related expenses.  
23.5 A grant award may not exceed \$5,000 per  
23.6 employee. By January 15 each year, the  
23.7 commissioner must submit a report on the  
23.8 grants awarded under this paragraph to the  
23.9 chairs and ranking minority members of the  
23.10 legislative committees and divisions with  
23.11 jurisdiction over agriculture policy and  
23.12 finance. The commissioner may use up to 6.5  
23.13 percent of the appropriation each year for  
23.14 administration. This is a onetime  
23.15 appropriation.

23.16 (x) \$250,000 the first year and \$250,000 the  
23.17 second year are appropriated from the general  
23.18 fund to the commissioner of agriculture to  
23.19 award cooperative grants under Minnesota  
23.20 Statutes, section 17.1016. The commissioner  
23.21 may use up to 6.5 percent of the appropriation  
23.22 each year to administer the grant program.  
23.23 This is a onetime appropriation.

23.24 (y) \$100,000 the first year is for grants or other  
23.25 forms of technical assistance to meat and  
23.26 poultry processors to reimburse the cost of  
23.27 attending courses or training and receiving  
23.28 technical assistance in fiscal year 2024 that  
23.29 supports developing sanitation standard  
23.30 operating procedures, hazard analysis and  
23.31 critical control points plans, or business plans.  
23.32 A meat processor with 50 full-time equivalent  
23.33 employees or fewer is eligible for grant money  
23.34 under this section. This is a onetime  
23.35 appropriation.





25.1 year. These payments are the amount of aid  
25.2 from the state for an annual fair held in the  
25.3 previous calendar year.

25.4 (b) \$387,000 the first year and \$337,000 the  
25.5 second year are for farm advocate services.  
25.6 Of these amounts, \$100,000 the first year and  
25.7 \$50,000 the second year are for a pilot  
25.8 program creating farmland access teams to  
25.9 provide technical assistance to potential  
25.10 beginning farmers. The farmland access teams  
25.11 must assist existing farmers and beginning  
25.12 farmers on transitioning farm ownership and  
25.13 operation. Services provided by teams may  
25.14 include but are not limited to providing  
25.15 mediation assistance, designing contracts,  
25.16 financial planning, tax preparation, estate  
25.17 planning, and housing assistance. Of this  
25.18 amount for farm transitions, up to \$50,000 the  
25.19 first year may be used to upgrade the  
25.20 Minnesota FarmLink web application that  
25.21 connects farmers looking for land with farmers  
25.22 looking to transition their land.

25.23 (c) \$47,000 the first year and \$47,000 the  
25.24 second year are for grants to the Northern  
25.25 Crops Institute that may be used to purchase  
25.26 equipment. These are onetime appropriations.

25.27 (d) \$238,000 the first year and \$260,000 the  
25.28 second year are for a pass-through grant to  
25.29 Region Five Development Commission to  
25.30 provide, in collaboration with Farm Business  
25.31 Management, statewide mental health  
25.32 counseling support to Minnesota farm  
25.33 operators, families, and employees, and  
25.34 individuals who work with Minnesota farmers  
25.35 in a professional capacity. Region Five

26.1 Development Commission may use up to 6.5  
26.2 percent of the grant awarded under this  
26.3 paragraph for administration. The base for this  
26.4 appropriation is \$260,000 in fiscal year 2024  
26.5 and later.

26.6 (e) \$1,700,000 the first year and \$1,700,000  
26.7 the second year are for grants to Second  
26.8 Harvest Heartland on behalf of Minnesota's  
26.9 six Feeding America food banks for the  
26.10 following:

26.11 (1) to purchase milk for distribution to  
26.12 Minnesota's food shelves and other charitable  
26.13 organizations that are eligible to receive food  
26.14 from the food banks. Milk purchased under  
26.15 the grants must be acquired from Minnesota  
26.16 milk processors and based on low-cost bids.  
26.17 The milk must be allocated to each Feeding  
26.18 America food bank serving Minnesota  
26.19 according to the formula used in the  
26.20 distribution of United States Department of  
26.21 Agriculture commodities under The  
26.22 Emergency Food Assistance Program. Second  
26.23 Harvest Heartland may enter into contracts or  
26.24 agreements with food banks for shared funding  
26.25 or reimbursement of the direct purchase of  
26.26 milk. Each food bank that receives funding  
26.27 under this clause may use up to two percent  
26.28 for administrative expenses;

26.29 (2) to compensate agricultural producers and  
26.30 processors for costs incurred to harvest and  
26.31 package for transfer surplus fruits, vegetables,  
26.32 and other agricultural commodities that would  
26.33 otherwise go unharvested, be discarded, or  
26.34 sold in a secondary market. Surplus  
26.35 commodities must be distributed statewide to

27.1 food shelves and other charitable organizations  
27.2 that are eligible to receive food from the food  
27.3 banks. Surplus food acquired under this clause  
27.4 must be from Minnesota producers and  
27.5 processors. Second Harvest Heartland may  
27.6 use up to 15 percent of each grant awarded  
27.7 under this clause for administrative and  
27.8 transportation expenses; and

27.9 (3) to purchase and distribute protein products,  
27.10 including but not limited to pork, poultry, beef,  
27.11 dry legumes, cheese, and eggs to Minnesota's  
27.12 food shelves and other charitable organizations  
27.13 that are eligible to receive food from the food  
27.14 banks. Second Harvest Heartland may use up  
27.15 to two percent of each grant awarded under  
27.16 this clause for administrative expenses. Protein  
27.17 products purchased under the grants must be  
27.18 acquired from Minnesota processors and  
27.19 producers.

27.20 Of the amount appropriated under this  
27.21 paragraph, at least \$600,000 each year must  
27.22 be allocated under clause (1). Notwithstanding  
27.23 Minnesota Statutes, section 16A.28, any  
27.24 unencumbered balance the first year does not  
27.25 cancel and is available in the second year.  
27.26 Second Harvest Heartland must submit  
27.27 quarterly reports to the commissioner and the  
27.28 chairs and ranking minority members of the  
27.29 legislative committees with jurisdiction over  
27.30 agriculture finance in the form prescribed by  
27.31 the commissioner. The reports must include  
27.32 but are not limited to information on the  
27.33 expenditure of funds, the amount of milk or  
27.34 other commodities purchased, and the

28.1 organizations to which this food was  
28.2 distributed.

28.3 (f) \$250,000 the first year and \$250,000 the  
28.4 second year are for grants to the Minnesota  
28.5 Agricultural Education and Leadership  
28.6 Council for programs of the council under  
28.7 Minnesota Statutes, chapter 41D.

28.8 (g) \$1,437,000 the first year and \$1,437,000  
28.9 the second year are for transfer to the  
28.10 agricultural and environmental revolving loan  
28.11 account established under Minnesota Statutes,  
28.12 section 17.117, subdivision 5a, for low-interest  
28.13 loans under Minnesota Statutes, section  
28.14 17.117. The base for appropriations under this  
28.15 paragraph in fiscal year 2024 and thereafter  
28.16 is \$1,425,000. The commissioner must  
28.17 examine how the department could use up to  
28.18 one-third of the amount transferred to the  
28.19 agricultural and environmental revolving loan  
28.20 account under this paragraph to award grants  
28.21 to rural landowners to replace septic systems  
28.22 that inadequately protect groundwater. No  
28.23 later than February 1, 2022, the commissioner  
28.24 must report to the legislative committees with  
28.25 jurisdiction over agriculture finance and  
28.26 environment finance on the results of the  
28.27 examination required under this paragraph.  
28.28 The commissioner's report may include other  
28.29 funding sources for septic system replacement  
28.30 that are available to rural landowners.

28.31 (h) \$150,000 the first year and \$150,000 the  
28.32 second year are for grants to the Center for  
28.33 Rural Policy and Development. These are  
28.34 onetime appropriations.

29.1 (i) \$150,000 the first year is to provide grants  
29.2 to Central Lakes College for the purposes of  
29.3 designing, building, and offering credentials  
29.4 in the area of meat cutting and butchery that  
29.5 align with industry needs as advised by local  
29.6 industry advisory councils. Notwithstanding  
29.7 Minnesota Statutes, section 16A.28, any  
29.8 unencumbered balance does not cancel at the  
29.9 end of the first year and is available for the  
29.10 second year. The commissioner may only  
29.11 award a grant under this paragraph if the grant  
29.12 is matched by a like amount from another  
29.13 funding source. The commissioner must seek  
29.14 matching dollars from Minnesota State  
29.15 Colleges and Universities or other entities.  
29.16 The appropriation is onetime and is available  
29.17 until June 30, 2024. Any money remaining on  
29.18 June 30, 2024, must be transferred to the  
29.19 agricultural growth, research, and innovation  
29.20 program under Minnesota Statutes, section  
29.21 41A.12, and is available until June 30, 2025.  
29.22 Grants may be used for costs including but  
29.23 not limited to:

- 29.24 (1) facility renovation to accommodate meat  
29.25 cutting;
- 29.26 (2) curriculum design and approval from the  
29.27 Higher Learning Commission;
- 29.28 (3) program operational start-up costs;
- 29.29 (4) equipment required for a meat cutting  
29.30 program; and
- 29.31 (5) meat handling start-up costs in regard to  
29.32 meat access and market channel building.

29.33 No later than January 15, 2023, Central Lakes  
29.34 College must submit a report outlining the use

30.1 of grant money to the chairs and ranking  
30.2 minority members of the legislative  
30.3 committees and divisions with jurisdiction  
30.4 over agriculture and higher education.

30.5 (j) \$2,000 the first year is for grants to the  
30.6 Minnesota State Poultry Association. This is  
30.7 a onetime appropriation. Notwithstanding  
30.8 Minnesota Statutes, section 16A.28, any  
30.9 unencumbered balance does not cancel at the  
30.10 end of the first year and is available for the  
30.11 second year.

30.12 (k) \$17,000 the first year and \$17,000 the  
30.13 second year are for grants to the Minnesota  
30.14 State Horticultural Society. These are onetime  
30.15 appropriations.

30.16 (l) \$18,000 the first year and \$18,000 the  
30.17 second year are for grants to the Minnesota  
30.18 Livestock Breeders Association. These are  
30.19 onetime appropriations.

30.20 (m) The commissioner shall continue to  
30.21 increase connections with ethnic minority and  
30.22 immigrant farmers to farming opportunities  
30.23 and farming programs throughout the state.

30.24 (n) \$25,000 the first year and \$25,000 the  
30.25 second year are for grants to the Southern  
30.26 Minnesota Initiative Foundation to promote  
30.27 local foods through an annual event that raises  
30.28 public awareness of local foods and connects  
30.29 local food producers and processors with  
30.30 potential buyers.

30.31 (o) \$75,000 the first year and \$75,000 the  
30.32 second year are for grants to Greater Mankato  
30.33 Growth, Inc., for assistance to  
30.34 agriculture-related businesses to promote jobs,

31.1 innovation, and synergy development. These  
31.2 are onetime appropriations.

31.3 (p) \$75,000 the first year and \$75,000 the  
31.4 second year are for grants to the Minnesota  
31.5 Turf Seed Council for basic and applied  
31.6 research. The Minnesota Turf Seed Council  
31.7 may subcontract with a qualified third party  
31.8 for some or all of the basic or applied research.  
31.9 No later than January 15, 2023, the Minnesota  
31.10 Turf Seed Council must submit a report  
31.11 outlining the use of the grant money and  
31.12 related accomplishments to the chairs and  
31.13 ranking minority members of the legislative  
31.14 committees with jurisdiction over agriculture.  
31.15 These are onetime appropriations. Any  
31.16 unencumbered balance does not cancel at the  
31.17 end of the first year and is available for the  
31.18 second year.

31.19 (q) \$150,000 the first year and \$150,000 the  
31.20 second year are to establish an emerging  
31.21 farmer office and hire a full-time emerging  
31.22 farmer outreach coordinator. The emerging  
31.23 farmer outreach coordinator must engage and  
31.24 support emerging farmers regarding resources  
31.25 and opportunities available throughout the  
31.26 Department of Agriculture and the state. For  
31.27 purposes of this paragraph, "emerging farmer"  
31.28 has the meaning provided in Minnesota  
31.29 Statutes, section 17.055, subdivision 1. Of the  
31.30 amount appropriated each year, \$25,000 is for  
31.31 translation services for farmers and cottage  
31.32 food producers.

31.33 (r) \$222,000 the first year and \$286,000 the  
31.34 second year are to maintain the current level  
31.35 of service delivery.

- 32.1 (s) \$827,000 the second year is to award and  
32.2 administer grants to:
- 32.3 (1) organizations to provide technical and  
32.4 culturally appropriate services to emerging  
32.5 farmers and related businesses;
- 32.6 (2) organizations to help emerging farmers  
32.7 pay for up to 65 percent of premium expenses  
32.8 each year up to two years under the federal  
32.9 micro farm insurance program; and
- 32.10 (3) The Good Acre for the Local Emergency  
32.11 Assistance Farmer Fund (LEAFF) program to  
32.12 compensate emerging farmers for crops  
32.13 donated to hunger relief organizations in  
32.14 Minnesota.
- 32.15 This is a onetime appropriation and is  
32.16 available until June 30, 2024.
- 32.17 (t) \$750,000 the second year is to support the  
32.18 IT modernization efforts, including laying the  
32.19 technology foundations needed for improving  
32.20 customer interactions with the department for  
32.21 licensing and payments. The base for this  
32.22 appropriation is \$584,000 in fiscal year 2024  
32.23 and \$0 in fiscal year 2025.
- 32.24 (u) \$1,500,000 the first year is for transfer to  
32.25 the agricultural emergency account established  
32.26 under Minnesota Statutes, section 17.041. This  
32.27 is a onetime transfer. This transfer is in  
32.28 addition to the appropriations made in Laws  
32.29 2022, chapter 47, section 2.
- 32.30 Notwithstanding Minnesota Statutes, section  
32.31 17.041, the commissioner may use the amount  
32.32 to be transferred for the purposes identified  
32.33 under Laws 2022, chapter 47, section 2,



33.1 paragraph (b). This paragraph expires on  
33.2 December 31, 2022.

33.3 (v) \$250,000 in the second year is for a grant  
33.4 to the Board of Regents of the University of  
33.5 Minnesota to purchase equipment for the  
33.6 Veterinary Diagnostic Laboratory to test for  
33.7 chronic wasting disease, African swine fever,  
33.8 avian influenza, and other animal diseases.  
33.9 The Veterinary Diagnostic Laboratory must  
33.10 report expenditures under this paragraph to  
33.11 the legislative committees with jurisdiction  
33.12 over agriculture finance and higher education  
33.13 with initial reports completed by January 3,  
33.14 2023, and January 3, 2024, and a final report  
33.15 by ~~September 1, 2025~~ December 31, 2024.  
33.16 The reports must include a list of equipment  
33.17 purchased, including the cost of each item.  
33.18 The base for this appropriation is \$250,000 in  
33.19 fiscal year 2024 and \$0 in fiscal year 2025.

33.20 (w) \$141,000 the second year is for additional  
33.21 funding to administer the beginning farmer  
33.22 tax credit. The base for this appropriation is  
33.23 \$56,000 in fiscal year 2024 and later.

33.24 (x) \$750,000 the second year is for a grant to  
33.25 the Ag Innovation Campus to continue  
33.26 construction of a soybean processing and  
33.27 research facility. This is a onetime  
33.28 appropriation.

33.29 The commissioner shall submit a report on the  
33.30 utilization of the grants to the chairs and  
33.31 ranking minority members of the legislative  
33.32 committees and divisions with jurisdiction  
33.33 over agriculture policy and finance by  
33.34 February 1, 2024.

34.1 (y) \$50,000 is added to the base for fiscal year  
34.2 2024 and \$0 for fiscal year 2025 to provide  
34.3 technical assistance and leadership in the  
34.4 development of a comprehensive and  
34.5 well-documented state aquaculture plan. The  
34.6 commissioner must provide the state  
34.7 aquaculture plan to the legislative committees  
34.8 with jurisdiction over agriculture finance and  
34.9 policy by February 15, 2025.

34.10 (z) \$500,000 the second year is to award and  
34.11 administer down payment assistance grants  
34.12 under Minnesota Statutes, section 17.133. The  
34.13 base for this appropriation is \$750,000 in fiscal  
34.14 year 2024 and thereafter.

34.15 (aa) \$350,000 the second year is to provide  
34.16 grants to secondary career and technical  
34.17 education programs for the purpose of offering  
34.18 instruction in meat cutting and butchery. By  
34.19 January 15, 2023, the commissioner must  
34.20 report to the chairs and ranking minority  
34.21 members of the committees with jurisdiction  
34.22 over agriculture finance and education finance  
34.23 by listing the grants made under this paragraph  
34.24 by county and noting the number and amount  
34.25 of grant requests not fulfilled. The report may  
34.26 include additional information as determined  
34.27 by the commissioner, including but not limited  
34.28 to information regarding the outcomes  
34.29 produced by these grants. If additional grants  
34.30 are awarded under this paragraph that were  
34.31 not covered in the report due by January 15,  
34.32 2023, the commissioner must submit an  
34.33 additional report to the chairs and ranking  
34.34 minority members of the committees with  
34.35 jurisdiction over agriculture finance and

35.1 education finance regarding all grants issued  
 35.2 under this paragraph by November 1, 2023.  
 35.3 This is a onetime appropriation. Grants may  
 35.4 be used for costs, including but not limited to:  
 35.5 (1) equipment required for a meat cutting  
 35.6 program;  
 35.7 (2) facility renovation to accommodate meat  
 35.8 cutting; and  
 35.9 (3) training faculty to teach the fundamentals  
 35.10 of meat processing.  
 35.11 A grant recipient may be awarded a grant of  
 35.12 up to \$70,000 and may use up to ten percent  
 35.13 of the grant for faculty training.  
 35.14 Priority may be given to applicants who are  
 35.15 coordinating with meat cutting and butchery  
 35.16 programs at Minnesota State Colleges and  
 35.17 Universities system and local industry  
 35.18 partners.

## 35.19 ARTICLE 2

### 35.20 AGRICULTURE POLICY

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

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

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

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

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

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

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

36.5 (5) not allow nonpatron voting rights.

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

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

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

36.14 Subd. 2. **Grants.** The commissioner ~~must~~ may award farm down payment assistance  
36.15 grants of up to \$15,000 per eligible farmer. ~~An eligible farmer must match the grant with~~  
36.16 ~~at least an equivalent amount~~ Each award must be matched with at least \$5,000 of other  
36.17 funding. The commissioner must accept grant applications for at least 30 days. An eligible  
36.18 farmer must commit to own and farm the land purchased with assistance provided under  
36.19 this section for at least five years. For each year that a grant recipient does not own and  
36.20 farm the land during the five-year period, the grant recipient must pay a penalty to the  
36.21 commissioner equal to 20 percent of the grant amount.

36.22 Sec. 3. **[17.134] SOIL HEALTH FINANCIAL ASSISTANCE PROGRAM.**

36.23 Subdivision 1. **Establishment.** The commissioner must establish and administer a  
36.24 program to support healthy soil management practices in accordance with this section.

36.25 Subd. 2. **Eligible projects.** The commissioner may award a grant under this section for  
36.26 any project on agricultural land in Minnesota that will:

36.27 (1) increase the quantity of organic carbon in soil through practices, including but not  
36.28 limited to reduced tillage, cover cropping, manure management, precision agriculture, crop  
36.29 rotations, and changes in grazing management;

36.30 (2) integrate perennial vegetation into the management of agricultural lands;

37.1 (3) reduce nitrous oxide and methane emissions through changes to livestock, soil  
 37.2 management, or nutrient optimization;

37.3 (4) increase the usage of precision agricultural practices;

37.4 (5) enable the development of site-specific management plans; or

37.5 (6) enable the purchase of equipment, parts and materials, technology, subscriptions,  
 37.6 technical assistance, seeds, seedlings, or amendments that will further any of the purposes  
 37.7 in clauses (1) to (5).

37.8 Subd. 3. **Grant eligibility.** Any owner or lessee of farmland may apply for a grant under  
 37.9 this section. Local government units, including cities, towns, counties, soil and water  
 37.10 conservation districts, Tribal Nations, and joint powers boards, are also eligible for a grant.  
 37.11 A local government unit that receives a grant for equipment or technology must make those  
 37.12 purchases available for use by the public.

37.13 Subd. 4. **Report.** By January 15 each year, the commissioner must submit a report on  
 37.14 the grants awarded under this section to the chairs and ranking minority members of the  
 37.15 legislative committees and divisions with jurisdiction over agriculture policy and finance.  
 37.16 The report must include the number of grants awarded by county and the combined value  
 37.17 of those grants.

37.18 Subd. 5. **Administrative costs.** The commissioner may use up to five percent of any  
 37.19 funds appropriated for this program for costs incurred to administer the program.

37.20 Sec. 4. Minnesota Statutes 2022, section 28A.152, subdivision 2, is amended to read:

37.21 **Subd. 2. Direct sales to consumers.** (a) An individual qualifying for an exemption under  
 37.22 subdivision 1 may sell the exempt food:

37.23 (1) directly to the ultimate consumer, including but not limited to at a community event  
 37.24 or farmers' market;

37.25 (2) directly from the individual's home to the ultimate consumer, to the extent allowed  
 37.26 by local ordinance; or

37.27 (3) through donation to a community event with the purpose of fundraising for an  
 37.28 individual, or fundraising for an educational, charitable, or religious organization.

37.29 (b) If an exempt food product will be delivered to the ultimate consumer upon sale of  
 37.30 the food product, the individual who prepared the food product ~~must be the person who~~  
 37.31 ~~delivers the food product to the ultimate consumer~~ may deliver the food, and the food product  
 37.32 may be delivered by mail or commercial delivery.

38.1 (c) Food products exempt under subdivision 1, paragraph (a), clause (2), may not be  
38.2 sold outside of Minnesota.

38.3 (d) Food products exempt under subdivision 1 may be sold over the Internet ~~but must~~  
38.4 ~~be delivered directly to the ultimate consumer by the individual who prepared the food~~  
38.5 ~~product.~~ The statement "These products are homemade and not subject to state inspection."  
38.6 must be displayed on the website that offers the exempt foods for purchase.

38.7 Sec. 5. Minnesota Statutes 2022, section 41A.14, subdivision 2, is amended to read:

38.8 Subd. 2. **Advisory panel.** (a) In awarding grants under this section, the commissioner  
38.9 and a representative of the College of Food, Agricultural and Natural Resource Sciences at  
38.10 the University of Minnesota must consult with an advisory panel consisting of the following  
38.11 stakeholders:

38.12 (1) a representative of the Minnesota State Colleges and Universities system;

38.13 (2) a representative of the Minnesota Farm Bureau;

38.14 (3) a representative of the Minnesota Farmers Union;

38.15 (4) a person representing agriculture industry statewide;

38.16 (5) a representative of each of the state commodity councils organized under section  
38.17 17.54 and the Minnesota Pork Board;

38.18 (6) a person representing an association of primary manufacturers of forest products;

38.19 (7) a person representing organic or sustainable agriculture; ~~and~~

38.20 (8) a person representing statewide environment and natural resource conservation  
38.21 organizations; and

38.22 (9) a person representing the interests of Minnesota Tribal governments as defined in  
38.23 section 10.65, subdivision 2, paragraph (a), clause (4).

38.24 (b) Members under paragraph (a), clauses (1) to (3) and (5), shall be chosen by their  
38.25 respective organizations. The member under paragraph (a), clause (9), may be appointed  
38.26 by the Minnesota Indian Affairs Council at the council's discretion.

38.27 Sec. 6. Minnesota Statutes 2022, section 41A.19, is amended to read:

38.28 **41A.19 REPORT; INCENTIVE PROGRAMS.**

38.29 By January 15 each year, the commissioner shall report on the incentive programs under  
38.30 sections 41A.16, 41A.17, 41A.18, and 41A.20, ~~and 41A.21~~ to the legislative committees

39.1 with jurisdiction over environment and agriculture policy and finance. The report shall  
 39.2 include information on production and incentive expenditures under the programs.

39.3 Sec. 7. Minnesota Statutes 2022, section 223.16, is amended by adding a subdivision to  
 39.4 read:

39.5 Subd. 3c. **Failure.** "Failure" means a determination by the commissioner that a grain  
 39.6 buyer or grain warehouse has failed to pay for delivered grain, breached a contract, breached  
 39.7 more than one contract, or failed to redeliver stored grain to a producer.

39.8 Sec. 8. Minnesota Statutes 2022, section 223.17, subdivision 6, is amended to read:

39.9 Subd. 6. **Financial statements.** (a) Except as allowed in paragraph (c), a grain buyer  
 39.10 licensed under this chapter must annually submit to the commissioner a financial statement  
 39.11 prepared in accordance with ~~generally accepted accounting principles~~ national or international  
 39.12 accounting standards. The annual financial statement required under this subdivision must  
 39.13 also:

39.14 (1) include, but not be limited to the following:

39.15 (i) a balance sheet;

39.16 (ii) a statement of income (profit and loss);

39.17 (iii) a statement of retained earnings;

39.18 (iv) a statement of changes in financial position; and

39.19 (v) a statement of the dollar amount of grain purchased in the previous fiscal year of the  
 39.20 grain buyer;

39.21 (2) be accompanied by a ~~compilation~~ report of the financial statement that is prepared  
 39.22 by a grain commission firm or a management firm approved by the commissioner or by an  
 39.23 independent public accountant, in accordance with standards established by the American  
 39.24 Institute of Certified Public Accountants; and

39.25 (3) be accompanied by a certification by the chief executive officer or the chief executive  
 39.26 officer's designee of the licensee, and where applicable, all members of the governing board  
 39.27 of directors under penalty of perjury, that the financial statement accurately reflects the  
 39.28 financial condition of the licensee for the period specified in the statement;

39.29 ~~(4) for grain buyers purchasing under \$7,500,000 of grain annually, be reviewed by a~~  
 39.30 ~~certified public accountant in accordance with standards established by the American Institute~~

40.1 ~~of Certified Public Accountants, and must show that the financial statements are free from~~  
 40.2 ~~material misstatements; and~~

40.3 ~~(5) for grain buyers purchasing \$7,500,000 or more of grain annually, be audited by a~~  
 40.4 ~~certified public accountant in accordance with standards established by the American Institute~~  
 40.5 ~~of Certified Public Accountants and must include an opinion statement from the certified~~  
 40.6 ~~public accountant.~~

40.7 (b) Only one financial statement must be filed for a chain of warehouses owned or  
 40.8 operated as a single business entity, unless otherwise required by the commissioner. All  
 40.9 financial statements filed with the commissioner are private or nonpublic data as provided  
 40.10 in section 13.02.

40.11 (c) A grain buyer who purchases grain immediately upon delivery solely with cash; a  
 40.12 certified check; a cashier's check; or a postal, bank, or express money order is exempt from  
 40.13 this subdivision ~~if the grain buyer's gross annual purchases are \$1,000,000 or less.~~

40.14 (d) The commissioner shall annually provide information on a person's fiduciary duties  
 40.15 to each licensee. To the extent practicable, the commissioner must direct each licensee to  
 40.16 provide this information to all persons required to certify the licensee's financial statement  
 40.17 under paragraph (a), clause (3).

40.18 Sec. 9. Minnesota Statutes 2022, section 223.17, subdivision 7, is amended to read:

40.19 Subd. 7. ~~Action on a bond~~ **Breach of contract.** A producer claiming to be damaged  
 40.20 by a breach of a contract for the purchase of grain by a licensed grain buyer may file a  
 40.21 written claim with the commissioner. The claim must state the facts constituting the claim.  
 40.22 ~~The claim must be filed with the commissioner within 180 days of the breach of the contract.~~  
 40.23 If a claim is valid, the commissioner may immediately suspend the license, in which case  
 40.24 the licensee shall surrender the license to the commissioner. Within 15 days the licensee  
 40.25 may request an administrative hearing subject to chapter 14 to determine whether the license  
 40.26 should be revoked. If no request is made within 15 days, the commissioner shall revoke the  
 40.27 license.

40.28 Sec. 10. Minnesota Statutes 2022, section 223.17, subdivision 7a, is amended to read:

40.29 Subd. 7a. ~~Bond requirements; claims.~~ **Bond requirements; claims.** For entities licensed under this chapter and  
 40.30 chapter 232, the bond requirements and ~~claims~~ actions against the bond are governed under  
 40.31 section ~~232.22, subdivision 6a~~ 223.28.



41.1 Sec. 11. Minnesota Statutes 2022, section 223.175, is amended to read:

41.2 **223.175 WRITTEN VOLUNTARY EXTENSION OF CREDIT CONTRACTS;**  
41.3 **FORM.**

41.4 A written confirmation required under section 223.177, subdivision 2, and a written  
41.5 voluntary extension of credit contract must include those items prescribed by the  
41.6 commissioner by rule. A contract shall include a statement of the legal and financial  
41.7 responsibilities of grain buyers and sellers established in this chapter. A contract shall also  
41.8 include the following statement in not less than ten point, all capital type, framed in a box  
41.9 with space provided for the seller's signature: "THIS CONTRACT CONSTITUTES A  
41.10 VOLUNTARY EXTENSION OF CREDIT. ~~THIS CONTRACT IS NOT COVERED BY~~  
41.11 ~~ANY GRAIN BUYER'S BOND~~ MAY NOT BE COVERED COMPLETELY BY THE  
41.12 GRAIN INDEMNITY ACCOUNT." If a written contract is provided at the time the grain  
41.13 is delivered to the grain buyer, the seller shall sign the contract in the space provided beneath  
41.14 the statement. A transaction that does not meet the provisions of a voluntary extension of  
41.15 credit, including the issuance and signing of a voluntary extension of credit contract, is a  
41.16 cash sale.

41.17 Sec. 12. Minnesota Statutes 2022, section 223.19, is amended to read:

41.18 **223.19 RULES.**

41.19 The commissioner may make rules pursuant to chapter 14 to carry out the provisions of  
41.20 sections 223.15 to ~~223.23~~ 223.28.

41.21 Sec. 13. [223.24] GRAIN INDEMNITY ACCOUNT.

41.22 Subdivision 1. Establishment. The grain indemnity account is established in the  
41.23 agricultural fund. The grain indemnity account shall consist of grain indemnity premiums,  
41.24 money from any other source, and interest.

41.25 Subd. 2. Account; appropriation. (a) Money in the grain indemnity account, including  
41.26 interest, is appropriated to the commissioner to pay valid claims and to administer this  
41.27 section.

41.28 (b) The commissioner shall direct payments from the grain indemnity account only for  
41.29 the following purposes:

41.30 (1) the payment of valid claims;

41.31 (2) the payment of grain indemnity premium refunds;

42.1 (3) the payment of administrative expenses under paragraph (c);

42.2 (4) the payment of legal fees and legal expenses under subdivision 7; or

42.3 (5) the payment of a trustee appointed under subdivision 6.

42.4 (c) The commissioner shall allocate money from the grain indemnity account to a separate  
 42.5 administrative expenses account to pay or reimburse the agency for grain indemnity account  
 42.6 expenses. Administrative expenses under this paragraph include the actual cost of processing  
 42.7 payments and refunds, enforcement, record keeping, ordinary management and investment  
 42.8 fees connected with the operation of the grain indemnity account, and legal expenses.

42.9 Subd. 3. **Eligibility.** A producer is eligible to receive a grain indemnity payment from  
 42.10 the commissioner if the producer sold grain to a grain buyer as defined in this chapter or  
 42.11 stored grain with a public grain warehouse operator under chapter 232 and the producer is  
 42.12 damaged by the grain buyer's or public grain warehouse operator's failure to pay for or  
 42.13 redeliver grain.

42.14 Subd. 4. **Application.** (a) A producer asserting eligibility under subdivision 3 must file  
 42.15 a completed claim with the commissioner. The producer must state the facts constituting  
 42.16 the claim and all other information required by the commissioner.

42.17 (b) Upon receiving a claim, the commissioner must promptly determine the validity of  
 42.18 the claim and notify the claimant of the commissioner's determination.

42.19 (c) An aggrieved party may appeal the commissioner's determination by requesting,  
 42.20 within 15 days, that the commissioner initiate a contested case proceeding under chapter  
 42.21 14.

42.22 Subd. 5. **Payment limitation.** (a) For each failure as defined by section 223.16,  
 42.23 subdivision 3c, the commissioner must pay the eligible producer:

42.24 (1) the amount equal to the value of the grain sold on cash sale, grain assigned to  
 42.25 warehouse receipt, or grain assigned to open storage less than 180 days from the deposit;

42.26 (2) the amount equal to the value of grain sold up to \$200,000, or the lesser of \$750,000  
 42.27 or 75 percent of the amount owed to the seller for a contract in excess of \$200,000 for a  
 42.28 deferred or delayed payment contract for which a price has been established when the  
 42.29 contract originated within 120 days of the breach of contract;

42.30 (3) the lesser of \$750,000 or 75 percent of the amount owed to the seller for a voluntary  
 42.31 extension of credit contract for which no price has been established when the contract  
 42.32 originated within 180 days of the breach of contract;

43.1 (4) the lesser of \$500,000 or 50 percent for an open storage assignment or a voluntary  
43.2 extension of credit contract when the open storage assignment or contract originated between  
43.3 181 days and 18 months from the failure; or

43.4 (5) the lesser of \$250,000 or 25 percent for an open storage assignment or a voluntary  
43.5 extension of credit contract when the open storage assignment or contract originated between  
43.6 19 months and 36 months from the failure.

43.7 (b) Claims filed more than 36 months from the failure are not eligible for payment.

43.8 (c) For the purposes of this subdivision, multiple breaches of contract with a single entity  
43.9 constitute one failure.

43.10 (d) If a grain buyer holds both a Minnesota grain buyer license, as defined in chapter  
43.11 223, and a license with the United States Department of Agriculture (USDA) under the  
43.12 United States Warehouse Act, a seller may only file a claim with the grain indemnity account  
43.13 if the seller sold grain as a cash sale or under a voluntary extension of credit contract. The  
43.14 commissioner must deny any claims for stored grain from a seller that holds both a Minnesota  
43.15 grain buyer license and a license with the USDA under the United States Warehouse Act.

43.16 (e) If valid claims exceed the amount of money available in the grain indemnity account,  
43.17 the commissioner must pay claims to producers in the order that the claims were received.  
43.18 When additional money becomes available, the commissioner must resume issuing grain  
43.19 indemnity payments to each eligible producer until each producer receives the maximum  
43.20 amount payable under paragraph (a).

43.21 (f) If the grain indemnity account balance is insufficient to pay refunds under section  
43.22 223.26 and valid claims exist, once money is deposited into the grain indemnity account,  
43.23 the commissioner must issue pending refunds for grain indemnity premium payments before  
43.24 issuing payments to claimants.

43.25 Subd. 6. **Court order.** (a) The commissioner may apply to a district court for an order  
43.26 appointing a trustee or receiver to manage and supervise the operations of a grain buyer or  
43.27 public grain warehouse operator in default. The commissioner may participate in any  
43.28 resulting court proceeding as an interested party.

43.29 (b) The commissioner may recover the cost of the appointed trustee using money  
43.30 appropriated under subdivision 2.

43.31 Subd. 7. **Debt obligation; subrogated claim.** (a) Money paid by the commissioner to  
43.32 satisfy a valid claim constitutes a debt obligation of the grain buyer or public grain warehouse  
43.33 operator in default. The commissioner may take action against the grain buyer or public

44.1 grain warehouse operator to recover the amount of any claim payment plus reasonable costs,  
44.2 attorney fees, and interest computed at the rate provided in section 270C.40. The  
44.3 commissioner must deposit any amount recovered under this subdivision in the grain  
44.4 indemnity account.

44.5 (b) As a condition of payment from the commissioner, a producer must subrogate the  
44.6 producer's interest in a voluntary extension of credit contract to the commissioner in an  
44.7 amount equal to any claim payment or payments that the producer received under this  
44.8 section.

44.9 (c) The commissioner may recover any debt to the grain indemnity account from a  
44.10 member of the board or management who acted negligently or fraudulently.

44.11 **Sec. 14. [223.25] GRAIN INDEMNITY PREMIUMS.**

44.12 Subdivision 1. **Charges.** (a) Except as provided in subdivision 3, producers of grain  
44.13 must be charged a grain indemnity premium as determined and published by the  
44.14 commissioner not to exceed 0.2 percent of the price on all marketed grain that is sold to a  
44.15 grain buyer as defined in chapter 223.

44.16 (b) The grain indemnity premiums required under this section are in addition to any  
44.17 other fees or assessments required by law.

44.18 Subd. 2. **Collection and submission of grain indemnity premiums.** (a) Each producer  
44.19 must pay to the commissioner a grain indemnity premium of not more than 0.2 percent of  
44.20 the net proceeds from all grain sold by the producer to a grain buyer purchasing grain in  
44.21 Minnesota. When a producer sells grain to a grain buyer, the grain buyer must deduct the  
44.22 grain indemnity premium from the proceeds of the sale and pay the grain indemnity premium  
44.23 to the commissioner on behalf of the producer.

44.24 (b) When purchasing grain from a producer, a grain buyer must deduct the grain  
44.25 indemnity premium described in paragraph (a) from the proceeds of the sale and notify the  
44.26 producer of the amount of the deduction in writing. The grain buyer must forward the grain  
44.27 indemnity premium to the commissioner for deposit into the grain indemnity account on  
44.28 behalf of the producer as described in this subdivision.

44.29 (c) A grain buyer must clearly indicate the grain indemnity premiums collected under  
44.30 paragraph (b) in the grain buyer's books and records. A grain buyer must retain books and  
44.31 records containing the grain indemnity premiums for at least three years. A grain buyer  
44.32 must make the grain buyer's books and records available for inspection by the commissioner  
44.33 during regular business hours. The department must take steps reasonably necessary to

45.1 verify the accuracy of the grain indemnity premiums as recorded in the grain buyer's books  
45.2 and records. Any record or portion thereof seized or copied by the commissioner is private  
45.3 or nonpublic data as provided in section 13.02, except that the commissioner may disclose  
45.4 data to aid in the law enforcement process.

45.5 (d) A grain buyer must submit grain indemnity premiums collected under paragraph (a)  
45.6 to the commissioner for the purpose of financing or contributing to the financing of the  
45.7 grain indemnity account by:

45.8 (1) January 31 for grain indemnity premiums collected during the months of July, August,  
45.9 September, October, November, and December; and

45.10 (2) July 31 for grain indemnity premiums collected during the months of January,  
45.11 February, March, April, May, and June.

45.12 Subd. 3. **Amount in grain indemnity account; basis for suspension and reinstatement**  
45.13 **of grain indemnity premium collection.** (a) Except as provided in paragraph (b), the grain  
45.14 indemnity premiums required under this section must be collected until the grain indemnity  
45.15 account contains more than \$15,000,000 as of June 30 of any given year.

45.16 (b) The commissioner may not require the collection of additional grain indemnity  
45.17 premiums until the amount in the grain indemnity account drops below \$9,000,000. In a  
45.18 year when the commissioner determines that the grain indemnity account is at or below  
45.19 \$9,000,000, the commissioner may reinstate the collection described in this section.

45.20 (c) The commissioner shall announce the intention to collect the premiums described  
45.21 in this section by May 1 with collection to begin July 1 until the grain indemnity account  
45.22 contains at least \$15,000,000. The commissioner must notify the public of the commissioner's  
45.23 intent to reinstate collection of additional grain indemnity premiums through publication  
45.24 in the State Register and by notifying each licensee of the licensee's obligation to collect  
45.25 premiums.

45.26 Sec. 15. **[223.26] GRAIN INDEMNITY OPT OUT.**

45.27 (a) A producer that has paid a grain indemnity premium under section 223.25 may receive  
45.28 a refund of that premium from the grain indemnity account by submitting a written demand  
45.29 for a refund to the commissioner, delivered personally or by first-class mail within 12 months  
45.30 after the producer paid the grain indemnity premium.

45.31 (b) The commissioner must prepare a poster and a distributable flyer explaining how a  
45.32 producer can opt out of the grain indemnity program and must post these documents on the  
45.33 Department of Agriculture website. The commissioner must provide printed copies of the

46.1 poster and flyer at no cost to all licensed grain buyers and warehouses. Upon receiving  
46.2 printed copies of posters and flyers, the licensed businesses must post the poster in a  
46.3 conspicuous location and must make the flyers available for anyone visiting the licensed  
46.4 business.

46.5 (c) A producer must submit a demand for a refund of a grain indemnity premium under  
46.6 paragraph (a) on a demand for refund form developed by the commissioner. The  
46.7 commissioner must make the form available to a licensee, producer, or member of the public  
46.8 upon request.

46.9 (d) If a producer is entitled to a refund of a grain indemnity premium under this section,  
46.10 the commissioner must pay the refund within 90 days of receiving the demand for a refund.  
46.11 If the grain indemnity account balance is insufficient to pay refunds under this subdivision  
46.12 and valid claims exist, the commissioner must issue refunds for grain indemnity premium  
46.13 payments before issuing payments to claimants once money is deposited into the grain  
46.14 indemnity account.

46.15 (e) If the commissioner announces grain indemnity premiums as required under section  
46.16 223.25, subdivision 3, by June 30, the commissioner must send a notice to each producer  
46.17 who requested a refund of a grain indemnity premium during the previous three fiscal years.  
46.18 The notice must inform the producer of the deadline for and method of submitting a demand  
46.19 for a refund to the commissioner under paragraphs (a) and (c) and the method for reentering  
46.20 the grain indemnity program under paragraph (f).

46.21 (f) A producer that receives a refund of a grain indemnity premium under paragraph (a)  
46.22 is not entitled to participate in the grain indemnity program or to receive any payment under  
46.23 this section unless the producer reenters the grain indemnity program by meeting all of the  
46.24 following conditions:

46.25 (1) the producer must submit a request for reentry into the grain indemnity program to  
46.26 the commissioner. The producer must submit the request on the form required by the  
46.27 commissioner and must deliver the request to the commissioner;

46.28 (2) the producer's request must be approved by the commissioner; and

46.29 (3) the producer must pay into the grain indemnity account all grain indemnity premiums  
46.30 that were refunded to the producer and interest on the refunds as determined by the  
46.31 commissioner.

46.32 (g) A producer that reenters the grain indemnity program under paragraph (f) is eligible  
46.33 to be reimbursed for claims under the grain indemnity program for any breach of contract

47.1 that occurs at least 90 days after (1) an application for reentry, and (2) all required payments  
47.2 have been made.

47.3 (h) A producer is not eligible for a refund of a grain indemnity premium under this  
47.4 section if the producer has received payment from the grain indemnity account for a valid  
47.5 claim within the preceding 36 months.

47.6 Sec. 16. **[223.27] PENALTIES; ENFORCEMENT ACTION; COSTS AND**  
47.7 **EXPENSES.**

47.8 (a) In addition to any other penalty or remedy provided by law, a person who knowingly  
47.9 or intentionally commits any of the following is subject to civil penalties under section  
47.10 18J.10:

47.11 (1) refusing or failing to collect any grain indemnity premiums as required under section  
47.12 223.25;

47.13 (2) refusing or failing to pay to the commissioner any grain indemnity premiums collected  
47.14 under section 223.25;

47.15 (3) making a false statement, representation, or certification, or knowingly failing to  
47.16 make a required statement, representation, or certification in a record, report, or other  
47.17 document required under this chapter or filed with the commissioner; or

47.18 (4) resisting, preventing, impeding, or interfering with the commissioner in the  
47.19 performance of the commissioner's duties under this chapter.

47.20 (b) In addition to the civil penalty described in paragraph (a), the commissioner in an  
47.21 enforcement action for a violation described in paragraph (a), clause (1) or (2), must order  
47.22 the grain buyer to pay into the grain indemnity account any grain indemnity premiums  
47.23 collected by the grain buyer that the grain buyer owes to the grain indemnity account and  
47.24 may order the grain buyer to pay interest on the amount that the grain buyer owes to the  
47.25 grain indemnity account.

47.26 Sec. 17. **[223.28] GRAIN BONDS; NEW LICENSE HOLDERS.**

47.27 (a) Except as provided in paragraph (b), before the commissioner issues a grain buyer  
47.28 or public grain warehouse operator license, a person who has not been licensed to buy grain  
47.29 or operate a public grain warehouse in the previous licensing period must file with the  
47.30 commissioner a grain bond in a penal sum of \$100,000. A grain bond must remain in effect  
47.31 for the first three years of the license.

48.1 (b) A grain buyer who purchases grain immediately upon delivery solely with cash; a  
48.2 certified check; a cashier's check; or a postal, bank, or express money order is exempt from  
48.3 this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

48.4 (c) The commissioner may require a supplemental bond in an amount prescribed by the  
48.5 commissioner based on the financial statements required in section 223.17, subdivision 6.

48.6 (d) A grain bond must be on a form provided by the commissioner.

48.7 (e) A grain bond required under paragraphs (a) and (c) must provide for the payment of  
48.8 any loss caused by the grain buyer's failure to pay upon the owner's demand, including loss  
48.9 caused by the grain buyer's failure to pay within the time required. The grain bond must be  
48.10 conditioned upon the grain buyer being duly licensed.

48.11 (f) A grain bond required under paragraphs (a) and (c) that is obtained by a public grain  
48.12 warehouse operator must be conditioned that the public grain warehouse operator issuing  
48.13 a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade, and  
48.14 net quantity of grain called for by the receipt. A grain bond must be conditioned upon the  
48.15 operator being duly licensed.

48.16 (g) A grain bond must not be cumulative from one licensing period to the next. The  
48.17 maximum liability of the grain bond must be the grain bond's face value for the licensing  
48.18 period.

48.19 (h) A grain bond must be continuous until canceled. To cancel a grain bond, a surety  
48.20 must provide 90 days' written notice of the grain bond's termination date to the licensee and  
48.21 the commissioner.

48.22 (i) Upon the commissioner's determination that a claim is valid, the surety for any claims  
48.23 against the grain bond must make payments to the grain indemnity account.

48.24 Sec. 18. Minnesota Statutes 2022, section 232.22, subdivision 5, is amended to read:

48.25 **Subd. 5. Statement of grain in storage; reports.** ~~(a) All public grain warehouse operators~~  
48.26 ~~must by February 15 of each year file with the commissioner on a form approved by the~~  
48.27 ~~commissioner a report showing the annual average liability of all grain outstanding on grain~~  
48.28 ~~warehouse receipts, open storage, and grain stored for feed processing that occurred during~~  
48.29 ~~the preceding calendar year. This report shall be used for the purpose of establishing the~~  
48.30 ~~penal sum of the bond.~~

48.31 ~~(b) Warehouse operators that are at a maximum bond and want to continue at maximum~~  
48.32 ~~bond do not need to file this report.~~



49.1 ~~(e) It is a violation of this chapter for any public grain warehouse operator to fail to file~~  
 49.2 ~~the report required in paragraph (a).~~

49.3 ~~(d)~~ (a) Every public grain warehouse operator shall keep in a place of safety complete  
 49.4 and accurate records and accounts relating to any grain warehouse operated. The records  
 49.5 shall reflect each commodity received and shipped daily, the balance remaining in the grain  
 49.6 warehouse at the close of each business day, a listing of all unissued grain warehouse receipts  
 49.7 in the operator's possession, a record of all grain warehouse receipts issued which remain  
 49.8 outstanding and a record of all grain warehouse receipts which have been returned for  
 49.9 cancellation. Copies of grain warehouse receipts or other documents evidencing ownership  
 49.10 of grain by a depositor, or other liability of the grain warehouse operator, shall be retained  
 49.11 as long as the liability exists but must be kept for a minimum of three years.

49.12 ~~(e)~~ (b) Every public grain warehouse operator must maintain in the grain warehouse at  
 49.13 all times grain of proper grade and sufficient quantity to meet delivery obligations on all  
 49.14 outstanding grain warehouse receipts.

49.15 Sec. 19. Laws 2022, chapter 95, article 2, section 29, subdivision 6, is amended to read:

49.16 Subd. 6. **Expiration.** This section expires ~~June 30~~ December 31, 2024.

49.17 Sec. 20. **BIOINCENTIVE REPORT.**

49.18 The commissioner of agriculture, in consultation with the commissioners of commerce  
 49.19 and employment and economic development, must prepare a report on alternative methods  
 49.20 to pay past claims filed under the bioincentive program under Minnesota Statutes, sections  
 49.21 41A.16, 41A.17, and 41A.18, and provide for adequate and sustainable funding to pay  
 49.22 current and future claims under those sections. The report must be submitted to the chairs  
 49.23 and minority members of the legislative committees and divisions with jurisdiction over  
 49.24 any proposed funding source and administration of the bioincentive program by January  
 49.25 15, 2024.

49.26 Sec. 21. **WOLF-LIVESTOCK CONFLICT-PREVENTION PROGRAM.**

49.27 (a) The commissioner of agriculture may award grants to livestock producers to prevent  
 49.28 wolf-livestock conflicts. Livestock producers located in Minnesota are eligible to apply for  
 49.29 reimbursement for the cost of practices to prevent wolf-livestock conflicts. The commissioner  
 49.30 may establish a cap on the amount of grant money that a recipient is eligible to receive  
 49.31 annually.

50.1 (b) To be eligible for a grant under this section, a livestock producer must raise livestock  
 50.2 within Minnesota's wolf range or on property determined by the commissioner to be affected  
 50.3 by wolf-livestock conflicts.

50.4 (c) A grant applicant must document a cost-share of 20 percent for activities covered  
 50.5 by a grant under this program. A grant applicant's cost-share amount may be reduced up to  
 50.6 \$2,000 to cover the time and labor costs of wolf-livestock conflict prevention activities.

50.7 (d) Eligible wolf-livestock conflict-prevention activities include but are not limited to:

50.8 (1) the purchase of guard animals;

50.9 (2) payment of veterinary costs for guard animals;

50.10 (3) the installation of wolf barriers, which may include pens, fladry, and fencing necessary  
 50.11 to protect livestock;

50.12 (4) the installation of wolf-deterring lights and alarms; and

50.13 (5) the installation of calving or lambing shelters.

50.14 (e) Eligible grant recipients must:

50.15 (1) make a good faith effort to avoid wolf-livestock conflicts;

50.16 (2) make a good faith effort to care for guard animals paid for under this section;

50.17 (3) retain proper documentation of expenses;

50.18 (4) report annually to the commissioner on the effectiveness of the nonlethal methods  
 50.19 employed; and

50.20 (5) allow follow-up evaluations and monitoring by the commissioner.

50.21 (f) Grant recipients shall continue to be eligible for depredation payments under  
 50.22 Minnesota Statutes, section 3.737.

50.23 Sec. 22. **REPEALER.**

50.24 Minnesota Statutes 2022, sections 17.055, subdivision 2; 41A.12, subdivision 4; 41A.21;  
 50.25 223.17, subdivisions 4 and 8; and 232.22, subdivisions 4, 6, 6a, and 7, are repealed.

50.26 **ARTICLE 3**

50.27 **BROADBAND**

50.28 Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

51.1 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
 51.2 and for the purposes specified in this article. The appropriations are from the general fund,  
 51.3 or another named fund, and are available for the fiscal years indicated for each purpose.  
 51.4 The figures "2024" and "2025" used in this article mean that the appropriations listed under  
 51.5 them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively.  
 51.6 "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium"  
 51.7 is fiscal years 2024 and 2025.

| 51.8  | <b><u>APPROPRIATIONS</u></b>                   |                          |
|-------|--|--------------------------|
| 51.9  | <b><u>Available for the Year</u></b>           |                          |
| 51.10 | <b><u>Ending June 30</u></b>                   |                          |
| 51.11 | <b><u>2024</u></b>                             | <b><u>2025</u></b>       |
| 51.12 | <b><u>Sec. 2. DEPARTMENT OF EMPLOYMENT</u></b> |                          |
| 51.13 | <b><u>AND ECONOMIC DEVELOPMENT</u></b>         |                          |
|       | <b><u>\$</u></b>                               | <b><u>\$</u></b>         |
|       | <b><u>75,350,000</u></b>                       | <b><u>50,350,000</u></b> |

51.14 (a) \$350,000 each year is for the Office of  
 51.15 Broadband Development.

51.16 (b) \$55,000,000 the first year and \$30,000,000  
 51.17 the second year are transferred from the  
 51.18 general fund to the border-to-border broadband  
 51.19 fund account established in Minnesota  
 51.20 Statutes, section 116J.396. These transfers are  
 51.21 onetime.

51.22 (c) \$20,000,000 the first year and \$20,000,000  
 51.23 the second year are appropriated to the  
 51.24 commissioner for the lower population density  
 51.25 grant program to award grants to provide  
 51.26 broadband service to unserved and  
 51.27 underserved areas of the state where a 50  
 51.28 percent match formula is not adequate to make  
 51.29 a business case for the extension of broadband  
 51.30 facilities. Grants awarded under this paragraph  
 51.31 may fund up to 75 percent of the total cost of  
 51.32 a project and must otherwise adhere to  
 51.33 Minnesota Statutes, section 116J.395,  
 51.34 subdivisions 1 to 6; subdivision 7, paragraph  
 51.35 (b); and subdivision 8. These appropriations  
 51.36 are onetime.

52.1 Sec. 3. Minnesota Statutes 2022, section 116J.395, subdivision 7, is amended to read:

52.2 Subd. 7. **Limitation.** (a) No grant awarded under this section may fund more than 50  
52.3 percent of the total cost of a project.

52.4 (b) Grants awarded to a single project under this section must not exceed ~~\$5,000,000~~  
52.5 \$10,000,000.

52.6 Sec. 4. **[116J.3952] LOWER POPULATION DENSITY GRANT PROGRAM.**

52.7 Subdivision 1. **Establishment.** A lower population density grant program is established  
52.8 in the Department of Employment and Economic Development. The purpose of the lower  
52.9 population density grant program is to provide broadband service to unserved and  
52.10 underserved areas of the state where a 50 percent match formula is not adequate to make a  
52.11 business case for the extension of broadband facilities.

52.12 Subd. 2. **Grants.** Grants awarded under this section may fund up to 75 percent of the  
52.13 total cost of a project and must otherwise adhere to section 116J.395, subdivisions 1 to 6  
52.14 and subdivision 7, paragraph (b).

52.15 Sec. 5. Minnesota Statutes 2022, section 116J.396, subdivision 2, is amended to read:

52.16 Subd. 2. **Expenditures.** Money in the account may be used only:

52.17 (1) for grant awards made under sections 116J.395 ~~and to 116J.3951~~ 116J.3952, including  
52.18 costs incurred by the Department of Employment and Economic Development to administer  
52.19 that section;

52.20 (2) to supplement revenues raised by bonds sold by local units of government for  
52.21 broadband infrastructure development; or

52.22 (3) to contract for the collection of broadband deployment data from providers and the  
52.23 creation of maps showing the availability of broadband service.

52.24 Sec. 6. **EFFECTIVE DATE.**

52.25 This act is effective July 1, 2023.

**17.055 EMERGING FARMERS.**

Subd. 2. **Expiration.** This section expires August 1, 2025.

**41A.12 AGRICULTURAL GROWTH, RESEARCH, AND INNOVATION PROGRAM.**

Subd. 4. **Sunset.** This section expires on June 30, 2025.

**41A.21 ORIENTED STRAND BOARD PRODUCTION INCENTIVE.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Commissioner" means the commissioner of agriculture.

(c) "Forest resources" means raw wood logs and material primarily made up of cellulose, hemicellulose, or lignin, or a combination of those ingredients.

(d) "Oriented strand board" or "OSB" means a material manufactured into panels using forest resources.

Subd. 2. **Eligibility.** (a) A facility eligible for payment under this section must source at least 80 percent of its forest resources raw materials from Minnesota. The facility must be located in Minnesota; must begin construction activities by December 31, 2023, for a specific location; must have produced at least one OSB square foot on a 3/8-inch nominal basis at a specific location by June 30, 2026; and must not begin operating before January 1, 2022. Eligible facilities must be new OSB construction sites with total capital investment in excess of \$250,000,000. Eligible OSB production facilities must produce at least 50,000,000 OSB square feet on a 3/8-inch nominal basis of OSB each quarter. At least one product produced at the facility should be a wood-based wall or roof structural sheathing panel that has an integrated, cellulose-based paper overlay that serves as a water resistive barrier.

(b) No payments shall be made for OSB production that occurs after June 30, 2036, for those eligible producers under paragraph (a).

(c) An eligible producer of OSB shall not transfer the producer's eligibility for payments under this section to a facility at a different location.

(d) A producer that ceases production for any reason is ineligible to receive payments under this section until the producer resumes production.

Subd. 3. **Payment amounts; limits.** (a) The commissioner shall make payments to eligible producers of OSB. The amount of the payment for each eligible producer's annual production is \$7.50 per 1,000 OSB square feet on a 3/8-inch nominal basis of OSB produced at a specific location for ten years starting after the first calendar year in which production begins.

(b) Total payments under this section to an eligible OSB producer in a fiscal year may not exceed the amount necessary for 400,000,000 OSB square feet on a 3/8-inch nominal basis of OSB produced. Total payments under this section to all eligible OSB producers in a fiscal year may not exceed the amount necessary for 400,000,000 OSB square feet on a 3/8-inch nominal basis of OSB produced. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make the payments on a pro rata basis.

(c) For purposes of this section, an entity that holds a controlling interest in more than one OSB facility is considered a single eligible producer.

Subd. 4. **Forest resources requirements.** Forest resources that are purchased to be used at the facility must be in compliance with one or more of the following: the Sustainable Forestry Initiative Fiber Sourcing Standard, the Forest Stewardship Council Chain of Custody Standard, or the Forest Stewardship Controlled Wood Standard. For forest resources that come from land parcels greater than 160 acres, all efforts must be made to procure from land that is certified by one or more of the following: the Forest Stewardship Council Forest Management Standard, the Sustainable Forestry Initiative Forest Management Standard, or the American Tree Farm System.

Subd. 5. **Claims.** (a) By the last day of October, January, April, and July, each eligible OSB producer shall file a claim for payment for OSB production during the preceding three calendar months. An eligible OSB producer that files a claim under this subdivision shall include a statement of the eligible producer's total board feet of OSB produced during the quarter covered by the claim. For each claim and statement of total board feet of OSB filed under this subdivision, the board feet of OSB produced must be examined by a certified public accounting firm with a valid permit to

APPENDIX  
Repealed Minnesota Statutes: S1955-2

practice under chapter 326A, in accordance with Statements on Standards for Attestation Engagements established by the American Institute of Certified Public Accountants.

(b) The commissioner must issue payments by November 15, February 15, May 15, and August 15. A separate payment must be made for each claim filed.

Subd. 6. **Appropriation.** (a) In fiscal year 2025, a sum sufficient to make the payments required by this section, not to exceed \$1,500,000, is appropriated from the general fund to the commissioner. This is a onetime appropriation.

(b) From fiscal year 2026 through fiscal year 2034, a sum sufficient to make the payments required by this section, not to exceed \$3,000,000 in a fiscal year, is annually appropriated from the general fund to the commissioner.

**223.17 LICENSES; BONDING; CLAIMS; DISBURSEMENTS.**

Subd. 4. **Bond.** (a) Except as provided in paragraphs (c) to (e), before a grain buyer's license is issued, the applicant for the license must file with the commissioner a bond in a penal sum prescribed by the commissioner but not less than the following amounts:

- (1) \$10,000 for grain buyers whose gross annual purchases are \$100,000 or less;
- (2) \$20,000 for grain buyers whose gross annual purchases are more than \$100,000 but not more than \$750,000;
- (3) \$30,000 for grain buyers whose gross annual purchases are more than \$750,000 but not more than \$1,500,000;
- (4) \$40,000 for grain buyers whose gross annual purchases are more than \$1,500,000 but not more than \$3,000,000;
- (5) \$50,000 for grain buyers whose gross annual purchases are more than \$3,000,000 but not more than \$6,000,000;
- (6) \$70,000 for grain buyers whose gross annual purchases are more than \$6,000,000 but not more than \$12,000,000;
- (7) \$125,000 for grain buyers whose gross annual purchases are more than \$12,000,000 but not more than \$24,000,000; and
- (8) \$150,000 for grain buyers whose gross annual purchases exceed \$24,000,000.

(b) The amount of the bond shall be based on the most recent gross annual grain purchase report of the grain buyer.

(c) A first-time applicant for a grain buyer's license shall file a \$50,000 bond with the commissioner. This bond shall remain in effect for the first year of the license. Thereafter, the licensee shall comply with the applicable bonding requirements contained in paragraph (a), clauses (1) to (8).

(d) In lieu of the bond required by this subdivision the applicant may deposit with the commissioner of management and budget an irrevocable bank letter of credit as defined in section 336.5-102, in the same amount as would be required for a bond.

(e) A grain buyer who purchases grain immediately upon delivery solely with cash; a certified check; a cashier's check; or a postal, bank, or express money order is exempt from this subdivision if the grain buyer's gross annual purchases are \$1,000,000 or less.

(f) Bonds must be continuous until canceled. To cancel a bond, a surety must provide 90 days' written notice of the bond's termination date to the licensee and the commissioner.

Subd. 8. **Bond disbursement.** (a) The bond required under subdivision 4 shall provide for payment of loss caused by the grain buyer's failure to pay, upon the owner's demand, the purchase price of grain sold to the grain buyer in the manner provided by subdivision 5, including loss caused by failure to pay within the time required. The bond shall be conditioned upon the grain buyer being duly licensed as provided herein.

(b) The commissioner shall promptly determine the validity of all claims filed and notify the claimants of the determination. An aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety

APPENDIX  
Repealed Minnesota Statutes: S1955-2

company shall issue payment promptly to those claimants entitled to payment. The commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain buyer in default. The commissioner may participate in any resulting court proceeding as an interested party.

(c) If a grain buyer has become liable to more than one producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay the entire liability to all producers entitled to the protection of the bond, the proceeds of the bond shall be apportioned among the bona fide claimants.

(d) The bond shall not be cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

(e) The bond disbursement shall occur 200 days from the date the commissioner publishes a public notice of a claim. At the end of this time period, the commissioner shall initiate bond payments on all valid claims received by the commissioner.

**232.22 LICENSES, BONDING CLAIMS, DISBURSEMENTS.**

Subd. 4. **Bonding.** (a) Before a license is issued, except as provided under paragraph (c), the applicant for a public grain warehouse operator's license shall file with the commissioner a bond in a penal sum prescribed by the commissioner based on the annual average storage liability as stated on the statement of grain in storage report or on the gross annual grain purchase report, whichever is greater, and applying the following amounts:

(1) \$10,000 for storages with annual average storage liability of more than \$0 but not more than \$25,000;

(2) \$20,000 for storages with annual average storage liability of more than \$25,001 but not more than \$50,000;

(3) \$30,000 for storages with annual average storage liability of more than \$50,001 but not more than \$75,000;

(4) \$50,000 for storages with annual average storage liability of more than \$75,001 but not more than \$100,000;

(5) \$75,000 for storages with annual average storage liability of more than \$100,001 but not more than \$200,000;

(6) \$125,000 for storages with annual average storage liability of more than \$200,001 but not more than \$300,000;

(7) \$175,000 for storages with annual average storage liability of more than \$300,001 but not more than \$400,000;

(8) \$225,000 for storages with annual average storage liability of more than \$400,001 but not more than \$500,000;

(9) \$275,000 for storages with annual average storage liability of more than \$500,001 but not more than \$600,000;

(10) \$325,000 for storages with annual average storage liability of more than \$600,001 but not more than \$700,000;

(11) \$375,000 for storages with annual average storage liability of more than \$700,001 but not more than \$800,000;

(12) \$425,000 for storages with annual average storage liability of more than \$800,001 but not more than \$900,000;

(13) \$475,000 for storages with annual average storage liability of more than \$900,001 but not more than \$1,000,000; and

(14) \$500,000 for storages with annual average storage liability of more than \$1,000,000.

(b) Bonds must be continuous until canceled. To cancel a bond, a surety must provide 90 days' written notice of the bond's termination date to the licensee and the commissioner.

(c) In lieu of the bond required by this subdivision, the applicant may deposit with the commissioner of management and budget an irrevocable bank letter of credit as defined in section 336.5-102, in the same amount as would be required for a bond.

APPENDIX  
Repealed Minnesota Statutes: S1955-2

Subd. 6. **Bond claims.** A person claiming to be damaged by a breach of the conditions of a bond of a licensed public grain warehouse operator may file a written claim with the commissioner stating the facts constituting the claim. The claim must be filed with the commissioner within 180 days of the breach of the conditions of the bond. If the commissioner has reason to believe that a claim is valid, the commissioner may immediately suspend the license of the public grain warehouse operator and the licensee must surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 14 to determine whether the license should be revoked. If no request is made within 15 days the commissioner shall revoke the license.

Subd. 6a. **Bond determinations.** If a public grain warehouse operator is licensed under both this chapter and chapter 223, the warehouse shall have its bond determined by its gross annual grain purchase amount or its annual average grain storage value, whichever is greater. For those entities licensed under this chapter and chapter 223, the entire bond shall be available to any claims against the bond for claims filed under this chapter and chapter 223.

Subd. 7. **Bond disbursement.** (a) The bond of a public grain warehouse operator must be conditioned that the public grain warehouse operator issuing a grain warehouse receipt is liable to the depositor for the delivery of the kind, grade and net quantity of grain called for by the receipt.

(b) Upon notification of default, the commissioner shall determine the validity of all claims and notify all parties having filed claims. Any aggrieved party may appeal the commissioner's determination by requesting, within 15 days, that the commissioner initiate a contested case proceeding. In the absence of such a request, or following the issuance of a final order in a contested case, the surety company shall issue payment to those claimants entitled to payment. If the commissioner determines it is necessary, the commissioner may apply to the district court for an order appointing a trustee or receiver to manage and supervise the operations of the grain warehouse operator in default. The commissioner may participate in any resulting court proceeding as an interested party.

(c) For the purpose of determining the amount of bond disbursement against all valid claims under a condition one bond, all grain owned or stored in the public grain warehouse shall be sold and the combined proceeds deposited in a special fund. Payment shall be made from the special fund satisfying the valid claims of grain warehouse receipt holders.

(d) If a public grain warehouse operator has become liable to more than one depositor or producer by reason of breaches of the conditions of the bond and the amount of the bond is insufficient to pay, beyond the proceeds of the special fund, the entire liability to all valid claimants, the proceeds of the bond and special fund shall be apportioned among the valid claimants on a pro rata basis.

(e) A bond is not cumulative from one licensing period to the next. The maximum liability of the bond shall be its face value for the licensing period.

(f) The bond disbursement shall occur 200 days from the date the commissioner publishes a public notice of a claim. At the end of this time period, the commissioner shall initiate bond payments on all valid claims received by the department.