

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

S.F. No. 5049

(SENATE AUTHORS: PUTNAM)

DATE
03/18/2024

D-PG

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

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to agriculture; defining limited-resource farmer; modifying reporting
1.3 requirements for farm down payment assistance grants; modifying eligibility and
1.4 priority for a beginning farmer tax credit and certain grants; modifying the definition
1.5 of social equity applicants for purposes of cannabis licensing; amending Minnesota
1.6 Statutes 2022, section 17.133, subdivision 1; Minnesota Statutes 2023 Supplement,
1.7 sections 17.055, subdivision 3; 17.133, subdivision 3; 41B.0391, subdivisions 1,
1.8 2, 4, 6; 342.17; Laws 2023, chapter 43, article 1, section 2, subdivision 5.

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

1.10 Section 1. Minnesota Statutes 2023 Supplement, section 17.055, subdivision 3, is amended
1.11 to read:

1.12 Subd. 3. **Beginning farmer equipment and infrastructure grants.** (a) The commissioner
1.13 may award and administer equipment and infrastructure grants to beginning farmers. The
1.14 commissioner shall give preference to applicants who are ~~emerging~~ limited-resource farmers
1.15 as defined in section 17.133, subdivision 1. Grant money may be used for equipment and
1.16 infrastructure development.

1.17 (b) The commissioner shall develop competitive eligibility criteria and may allocate
1.18 grants on a needs basis.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2.25 (2) the number and amount of grants;

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

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

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

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

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

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

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

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

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

3.10 (1) is a resident of Minnesota;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8.14 (2) the geographic distribution of credits;

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

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

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

8.20 **342.17 SOCIAL EQUITY APPLICANTS.**

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

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

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

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

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

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

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

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

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

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

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

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

9.19 **Subd. 5. Administration and Financial**
 9.20 **Assistance**

	16,618,000	14,287,000
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9.21 (a) \$474,000 the first year and \$474,000 the
 9.22 second year are for payments to county and
 9.23 district agricultural societies and associations
 9.24 under Minnesota Statutes, section 38.02,
 9.25 subdivision 1. Aid payments to county and
 9.26 district agricultural societies and associations
 9.27 must be disbursed no later than July 15 of each
 9.28 year. These payments are the amount of aid
 9.29 from the state for an annual fair held in the
 9.30 previous calendar year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14.1 public awareness of local foods and connects
14.2 local food producers and processors with
14.3 potential buyers.

14.4 (l) \$300,000 the first year and \$300,000 the
14.5 second year are for grants to The Good Acre
14.6 for the Local Emergency Assistance Farmer
14.7 Fund (LEAFF) program to compensate
14.8 ~~emerging~~ limited-resource farmers for crops
14.9 donated to hunger relief organizations in
14.10 Minnesota. This is a onetime appropriation.

14.11 (m) \$750,000 the first year and \$750,000 the
14.12 second year are to expand the Emerging
14.13 Farmers Office and provide services to
14.14 beginning and emerging farmers to increase
14.15 connections between farmers and market
14.16 opportunities throughout the state. This
14.17 appropriation may be used for grants,
14.18 translation services, training programs, or
14.19 other purposes in line with the
14.20 recommendations of the Emerging Farmer
14.21 Working Group established under Minnesota
14.22 Statutes, section 17.055, subdivision 1. The
14.23 base for this appropriation is \$1,000,000 in
14.24 fiscal year 2026 and each year thereafter.

14.25 (n) \$50,000 the first year is to provide
14.26 technical assistance and leadership in the
14.27 development of a comprehensive and
14.28 well-documented state aquaculture plan. The
14.29 commissioner must provide the state
14.30 aquaculture plan to the legislative committees
14.31 with jurisdiction over agriculture finance and
14.32 policy by February 15, 2025.

14.33 (o) \$337,000 the first year and \$337,000 the
14.34 second year are for farm advocate services.
14.35 Of these amounts, \$50,000 the first year and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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