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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4547

03/04/2024 Authored by Vang
The bill was read for the first time and referred to the Committee on Agriculture Finance and Policy

1.1 A bill for an act
1.2 relating to agriculture; modifying eligibility and applicant priority for farm down
1.3 payment assistance grants; amending Minnesota Statutes 2022, section 17.133,
1.4 subdivision 1; Laws 2023, chapter 43, article 1, section 2, subdivision 5.

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

1.6 Section 1. Minnesota Statutes 2022, section 17.133, subdivision 1, is amended to read:

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.8 the meanings given.

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

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

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

1.13 (3) has not, and whose spouse has not, at any time had a direct or indirect ownership
1.14 interest in farmland; and

1.15 (4) is not, and whose spouse is not, related by blood or marriage to an owner of the
1.16 farmland that the individual intends to acquire.

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

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

2.2 **Subd. 5. Administration and Financial**
2.3 **Assistance**

16,618,000

14,287,000

2.4 (a) \$474,000 the first year and \$474,000 the
2.5 second year are for payments to county and
2.6 district agricultural societies and associations
2.7 under Minnesota Statutes, section 38.02,
2.8 subdivision 1. Aid payments to county and
2.9 district agricultural societies and associations
2.10 must be disbursed no later than July 15 of each
2.11 year. These payments are the amount of aid
2.12 from the state for an annual fair held in the
2.13 previous calendar year.

2.14 (b) \$350,000 the first year and \$350,000 the
2.15 second year are for grants to the Minnesota
2.16 Agricultural Education and Leadership
2.17 Council for programs of the council under
2.18 Minnesota Statutes, chapter 41D. The base for
2.19 this appropriation is \$250,000 in fiscal year
2.20 2026 and each year thereafter.

2.21 (c) \$2,000 the first year is for a grant to the
2.22 Minnesota State Poultry Association. This is
2.23 a onetime appropriation. Notwithstanding
2.24 Minnesota Statutes, section 16A.28, any
2.25 unencumbered balance does not cancel at the
2.26 end of the first year and is available for the
2.27 second year.

2.28 (d) \$18,000 the first year and \$18,000 the
2.29 second year are for grants to the Minnesota
2.30 Livestock Breeders Association. This is a
2.31 onetime appropriation.

2.32 (e) \$60,000 the first year and \$60,000 the
2.33 second year are for grants to the Northern

3.1 Crops Institute that may be used to purchase
3.2 equipment. This is a onetime appropriation.

3.3 (f) \$34,000 the first year and \$34,000 the
3.4 second year are for grants to the Minnesota
3.5 State Horticultural Society. This is a onetime
3.6 appropriation.

3.7 (g) \$25,000 the first year and \$25,000 the
3.8 second year are for grants to the Center for
3.9 Rural Policy and Development. This is a
3.10 onetime appropriation.

3.11 (h) \$75,000 the first year and \$75,000 the
3.12 second year are appropriated from the general
3.13 fund to the commissioner of agriculture for
3.14 grants to the Minnesota Turf Seed Council for
3.15 basic and applied research on: (1) the
3.16 improved production of forage and turf seed
3.17 related to new and improved varieties; and (2)
3.18 native plants, including plant breeding,
3.19 nutrient management, pest management,
3.20 disease management, yield, and viability. The
3.21 Minnesota Turf Seed Council may subcontract
3.22 with a qualified third party for some or all of
3.23 the basic or applied research. Any
3.24 unencumbered balance does not cancel at the
3.25 end of the first year and is available in the
3.26 second year. The Minnesota Turf Seed Council
3.27 must prepare a report outlining the use of the
3.28 grant money and related accomplishments. No
3.29 later than January 15, 2025, the council must
3.30 submit the report to the chairs and ranking
3.31 minority members of the legislative
3.32 committees and divisions with jurisdiction
3.33 over agriculture finance and policy. This is a
3.34 onetime appropriation.

4.1 (i) \$100,000 the first year and \$100,000 the
4.2 second year are for grants to GreenSeam for
4.3 assistance to agriculture-related businesses to
4.4 support business retention and development,
4.5 business attraction and creation, talent
4.6 development and attraction, and regional
4.7 branding and promotion. These are onetime
4.8 appropriations. No later than December 1,
4.9 2024, and December 1, 2025, GreenSeam
4.10 must report to the chairs and ranking minority
4.11 members of the legislative committees with
4.12 jurisdiction over agriculture and rural
4.13 development with information on new and
4.14 existing businesses supported, number of new
4.15 jobs created in the region, new educational
4.16 partnerships and programs supported, and
4.17 regional branding and promotional efforts.

4.18 (j) \$1,950,000 the first year and \$1,950,000
4.19 the second year are for grants to Second
4.20 Harvest Heartland on behalf of Minnesota's
4.21 six Feeding America food banks for the
4.22 following purposes:

4.23 (1) at least \$850,000 each year must be
4.24 allocated to purchase milk for distribution to
4.25 Minnesota's food shelves and other charitable
4.26 organizations that are eligible to receive food
4.27 from the food banks. Milk purchased under
4.28 the grants must be acquired from Minnesota
4.29 milk processors and based on low-cost bids.
4.30 The milk must be allocated to each Feeding
4.31 America food bank serving Minnesota
4.32 according to the formula used in the
4.33 distribution of United States Department of
4.34 Agriculture commodities under The
4.35 Emergency Food Assistance Program. Second

5.1 Harvest Heartland may enter into contracts or
5.2 agreements with food banks for shared funding
5.3 or reimbursement of the direct purchase of
5.4 milk. Each food bank that receives funding
5.5 under this clause may use up to two percent
5.6 for administrative expenses. Notwithstanding
5.7 Minnesota Statutes, section 16A.28, any
5.8 unencumbered balance the first year does not
5.9 cancel and is available the second year;

5.10 (2) to compensate agricultural producers and
5.11 processors for costs incurred to harvest and
5.12 package for transfer surplus fruits, vegetables,
5.13 and other agricultural commodities that would
5.14 otherwise go unharvested, be discarded, or be
5.15 sold in a secondary market. Surplus
5.16 commodities must be distributed statewide to
5.17 food shelves and other charitable organizations
5.18 that are eligible to receive food from the food
5.19 banks. Surplus food acquired under this clause
5.20 must be from Minnesota producers and
5.21 processors. Second Harvest Heartland may
5.22 use up to 15 percent of each grant awarded
5.23 under this clause for administrative and
5.24 transportation expenses; and

5.25 (3) to purchase and distribute protein products,
5.26 including but not limited to pork, poultry, beef,
5.27 dry legumes, cheese, and eggs to Minnesota's
5.28 food shelves and other charitable organizations
5.29 that are eligible to receive food from the food
5.30 banks. Second Harvest Heartland may use up
5.31 to two percent of each grant awarded under
5.32 this clause for administrative expenses. Protein
5.33 products purchased under the grants must be
5.34 acquired from Minnesota processors and
5.35 producers.

6.1 Second Harvest Heartland must submit
6.2 quarterly reports to the commissioner and the
6.3 chairs and ranking minority members of the
6.4 legislative committees with jurisdiction over
6.5 agriculture finance in the form prescribed by
6.6 the commissioner. The reports must include
6.7 but are not limited to information on the
6.8 expenditure of funds, the amount of milk or
6.9 other commodities purchased, and the
6.10 organizations to which this food was
6.11 distributed. The base for this appropriation is
6.12 \$1,700,000 for fiscal year 2026 and each year
6.13 thereafter.

6.14 (k) \$25,000 the first year and \$25,000 the
6.15 second year are for grants to the Southern
6.16 Minnesota Initiative Foundation to promote
6.17 local foods through an annual event that raises
6.18 public awareness of local foods and connects
6.19 local food producers and processors with
6.20 potential buyers.

6.21 (l) \$300,000 the first year and \$300,000 the
6.22 second year are for grants to The Good Acre
6.23 for the Local Emergency Assistance Farmer
6.24 Fund (LEAFF) program to compensate
6.25 emerging farmers for crops donated to hunger
6.26 relief organizations in Minnesota. This is a
6.27 onetime appropriation.

6.28 (m) \$750,000 the first year and \$750,000 the
6.29 second year are to expand the Emerging
6.30 Farmers Office and provide services to
6.31 beginning and emerging farmers to increase
6.32 connections between farmers and market
6.33 opportunities throughout the state. This
6.34 appropriation may be used for grants,
6.35 translation services, training programs, or

7.1 other purposes in line with the
7.2 recommendations of the Emerging Farmer
7.3 Working Group established under Minnesota
7.4 Statutes, section 17.055, subdivision 1. The
7.5 base for this appropriation is \$1,000,000 in
7.6 fiscal year 2026 and each year thereafter.

7.7 (n) \$50,000 the first year is to provide
7.8 technical assistance and leadership in the
7.9 development of a comprehensive and
7.10 well-documented state aquaculture plan. The
7.11 commissioner must provide the state
7.12 aquaculture plan to the legislative committees
7.13 with jurisdiction over agriculture finance and
7.14 policy by February 15, 2025.

7.15 (o) \$337,000 the first year and \$337,000 the
7.16 second year are for farm advocate services.
7.17 Of these amounts, \$50,000 the first year and
7.18 \$50,000 the second year are for the
7.19 continuation of the farmland transition
7.20 programs and may be used for grants to
7.21 farmland access teams to provide technical
7.22 assistance to potential beginning farmers.
7.23 Farmland access teams must assist existing
7.24 farmers and beginning farmers with
7.25 transitioning farm ownership and farm
7.26 operation. Services provided by teams may
7.27 include but are not limited to mediation
7.28 assistance, designing contracts, financial
7.29 planning, tax preparation, estate planning, and
7.30 housing assistance.

7.31 (p) \$260,000 the first year and \$260,000 the
7.32 second year are for a pass-through grant to
7.33 Region Five Development Commission to
7.34 provide, in collaboration with Farm Business
7.35 Management, statewide mental health

8.1 counseling support to Minnesota farm
8.2 operators, families, and employees, and
8.3 individuals who work with Minnesota farmers
8.4 in a professional capacity. Region Five
8.5 Development Commission may use up to 6.5
8.6 percent of the grant awarded under this
8.7 paragraph for administration.

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

8.11 (r) \$1,084,000 the first year and \$500,000 the
8.12 second year are to support IT modernization
8.13 efforts, including laying the technology
8.14 foundations needed for improving customer
8.15 interactions with the department for licensing
8.16 and payments. This is a onetime appropriation.

8.17 (s) \$275,000 the first year is for technical
8.18 assistance grants to certified community
8.19 development financial institutions that
8.20 participate in United States Department of
8.21 Agriculture loan or grant programs for small
8.22 or emerging farmers, including but not limited
8.23 to the Increasing Land, Capital, and Market
8.24 Access Program. For purposes of this
8.25 paragraph, "emerging farmer" has the meaning
8.26 given in Minnesota Statutes, section 17.055,
8.27 subdivision 1. The commissioner may use up
8.28 to 6.5 percent of this appropriation for costs
8.29 incurred to administer the program.

8.30 Notwithstanding Minnesota Statutes, section
8.31 16A.28, any unencumbered balance does not
8.32 cancel at the end of the first year and is
8.33 available in the second year. This is a onetime
8.34 appropriation.

9.1 (t) \$1,425,000 the first year and \$1,425,000
9.2 the second year are for transfer to the
9.3 agricultural and environmental revolving loan
9.4 account established under Minnesota Statutes,
9.5 section 17.117, subdivision 5a, for low-interest
9.6 loans under Minnesota Statutes, section
9.7 17.117.

9.8 (u) \$150,000 the first year and \$150,000 the
9.9 second year are for administrative support for
9.10 the Rural Finance Authority.

9.11 (v) The base in fiscal years 2026 and 2027 is
9.12 \$150,000 each year to coordinate
9.13 climate-related activities and services within
9.14 the Department of Agriculture and
9.15 counterparts in local, state, and federal
9.16 agencies and to hire a full-time climate
9.17 implementation coordinator. The climate
9.18 implementation coordinator must coordinate
9.19 efforts seeking federal funding for Minnesota's
9.20 agricultural climate adaptation and mitigation
9.21 efforts and develop strategic partnerships with
9.22 the private sector and nongovernment
9.23 organizations.

9.24 (w) \$1,200,000 the first year and \$930,000 the
9.25 second year are to maintain the current level
9.26 of service delivery. The base for this
9.27 appropriation is \$1,085,000 in fiscal year 2026
9.28 and \$1,085,000 in fiscal year 2027.

9.29 (x) \$250,000 the first year is for a grant to the
9.30 Board of Regents of the University of
9.31 Minnesota to purchase equipment for the
9.32 Veterinary Diagnostic Laboratory to test for
9.33 chronic wasting disease, African swine fever,
9.34 avian influenza, and other animal diseases.
9.35 The Veterinary Diagnostic Laboratory must

10.1 report expenditures under this paragraph to
10.2 the legislative committees with jurisdiction
10.3 over agriculture finance and higher education
10.4 with a report submitted by January 3, 2024,
10.5 and a final report submitted by December 31,
10.6 2024. The reports must include a list of
10.7 equipment purchased, including the cost of
10.8 each item.

10.9 (y) \$1,000,000 the first year and \$1,000,000
10.10 the second year are to award and administer
10.11 down payment assistance grants under
10.12 Minnesota Statutes, section 17.133, with
10.13 priority given to ~~emerging farmers as defined~~
10.14 ~~in Minnesota Statutes, section 17.055,~~
10.15 ~~subdivision 1~~ eligible applicants with no more
10.16 than \$100,000 in annual gross farm product
10.17 sales, and producers of industrial hemp,
10.18 cannabis, or one or more of the following
10.19 specialty crops as defined by the United States
10.20 Department of Agriculture for purposes of the
10.21 specialty crop block grant program: fruits and
10.22 vegetables, tree nuts, dried fruits, medicinal
10.23 plants, culinary herbs and spices, horticulture
10.24 crops, floriculture crops, and nursery crops.
10.25 Notwithstanding Minnesota Statutes, section
10.26 16A.28, any unencumbered balance at the end
10.27 of the first year does not cancel and is
10.28 available in the second year and appropriations
10.29 encumbered under contract by June 30, 2025,
10.30 are available until June 30, 2027.

10.31 (z) \$222,000 the first year and \$322,000 the
10.32 second year are for meat processing training
10.33 and retention incentive grants under section
10.34 5. The commissioner may use up to 6.5
10.35 percent of this appropriation for costs incurred

11.1 to administer the program. Notwithstanding
11.2 Minnesota Statutes, section 16A.28, any
11.3 unencumbered balance does not cancel at the
11.4 end of the first year and is available in the
11.5 second year. This is a onetime appropriation.

11.6 (aa) \$300,000 the first year and \$300,000 the
11.7 second year are for transfer to the Board of
11.8 Regents of the University of Minnesota to
11.9 evaluate, propagate, and maintain the genetic
11.10 diversity of oilseeds, grains, grasses, legumes,
11.11 and other plants including flax, timothy,
11.12 barley, rye, triticale, alfalfa, orchard grass,
11.13 clover, and other species and varieties that
11.14 were in commercial distribution and use in
11.15 Minnesota before 1970, excluding wild rice.
11.16 This effort must also protect traditional seeds
11.17 brought to Minnesota by immigrant
11.18 communities. This appropriation includes
11.19 funding for associated extension and outreach
11.20 to small and Black, Indigenous, and People of
11.21 Color (BIPOC) farmers. This is a onetime
11.22 appropriation.

11.23 (bb) The commissioner shall continue to
11.24 increase connections with ethnic minority and
11.25 immigrant farmers to farming opportunities
11.26 and farming programs throughout the state.