

**SENATE**  
**STATE OF MINNESOTA**  
**EIGHTY-NINTH SESSION**

**S.F. No. 1599**

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DATE	D-PG	OFFICIAL STATUS
03/11/2015	677	Introduction and first reading Referred to Jobs, Agriculture and Rural Development
03/19/2015	1053	Author added Dziezic

1.1 A bill for an act  
1.2 relating to sustainable agriculture; modifying certain programs and grants;  
1.3 amending Minnesota Statutes 2014, sections 17.115, subdivisions 2, 3; 17.116.  
1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. Minnesota Statutes 2014, section 17.115, subdivision 2, is amended to read:

1.6 Subd. 2. **Loan criteria.** (a) The shared savings loan program ~~must~~ may provide  
1.7 loans for purchase of new or used machinery, urban agriculture development in cities with  
1.8 populations greater than 60,000 people, and installation of equipment for projects that  
1.9 make environmental improvements and enhance farm profitability. Eligible loan uses do  
1.10 not include seed, fertilizer, or fuel.

1.11 (b) Loans may not exceed \$40,000 per individual or organization applying for a loan  
1.12 and may not exceed \$160,000 for loans to four or more individuals or to two or more  
1.13 organizations on joint projects. The loan repayment period may be up to seven years as  
1.14 determined by project cost and energy savings. The interest rate on the loans must not  
1.15 exceed six percent.

1.16 (c) Loans may only be made to residents and organizations of this state engaged in  
1.17 farming.

1.18 Sec. 2. Minnesota Statutes 2014, section 17.115, subdivision 3, is amended to read:

1.19 Subd. 3. **Awarding of loans.** (a) Applications for loans must be made to the  
1.20 commissioner on forms prescribed by the commissioner.

1.21 (b) The applications must be reviewed, ranked, and recommended by a loan review  
1.22 panel appointed by the commissioner. The loan review panel shall consist of two  
1.23 lenders with agricultural experience, two resident farmers of the state using sustainable

2.1 agriculture methods, two resident farmers of the state using organic agriculture methods,  
 2.2 a farm management specialist, two residents of the state practicing urban agriculture, a  
 2.3 representative from a postsecondary education institution, and a chair from the department.

2.4 (c) The loan review panel shall rank applications according to the following criteria:

2.5 (1) realize savings to the cost of agricultural production;

2.6 (2) reduce or make more efficient use of energy or inputs;

2.7 (3) increase overall farm profitability; and

2.8 (4) result in environmental benefits.

2.9 (d) A loan application must show that the loan can be repaid by the applicant.

2.10 (e) The commissioner must consider the recommendations of the loan review panel  
 2.11 and may make loans for eligible projects.

2.12 Sec. 3. Minnesota Statutes 2014, section 17.116, is amended to read:

2.13 **17.116 SUSTAINABLE AGRICULTURE DEMONSTRATION GRANTS.**

2.14 Subdivision 1. **Establishment.** The commissioner shall establish a grant program  
 2.15 for sustainable agriculture methods that demonstrates best management practices,  
 2.16 including farm input reduction or management, urban agriculture development in cities  
 2.17 with populations greater than 60,000 people, enterprise diversification including new crops  
 2.18 and livestock, farm energy efficiency or production, or the transfer of technologies that  
 2.19 enhance the environment and farm profitability. The commissioner shall use the program  
 2.20 to demonstrate and publicize the energy efficiency, environmental benefit, and profitability  
 2.21 of sustainable agriculture techniques or systems from production through marketing,  
 2.22 and to assist eligible organizations and individuals in qualifying urban cities address  
 2.23 fresh food access including access to affordable organic foods to reduce food deserts, as  
 2.24 defined by the United States Department of Agriculture, through the development of urban  
 2.25 agriculture projects. The grants must fund research or demonstrations on farms consistent  
 2.26 with the program objectives.

2.27 Subd. 2. **Eligibility.** (a) Grants may only be made to farmers, educational institutions,  
 2.28 individuals at educational institutions, or nonprofit organizations residing or located in the  
 2.29 state for research or demonstrations on farms in the state or organizations and individuals  
 2.30 in qualifying urban cities that address fresh food access including access to affordable  
 2.31 organic foods to reduce food deserts through the development of urban agriculture projects.

2.32 (b) Grants may only be made for projects that show:

2.33 (1) for projects that demonstrate:

2.34 (i) the ability to maximize direct or indirect energy savings or production;

2.35 (2) (ii) a positive effect or reduced adverse effect on the environment; and

3.1 ~~(3)~~ (iii) increased profitability for the individual farm by reducing costs or improving  
3.2 marketing opportunities; or

3.3 (2) for projects that address fresh food access including access to affordable organic  
3.4 foods to reduce food deserts through the development of urban agriculture projects.

3.5 Subd. 3. **Awarding of grants.** (a) Applications for grants must be made to the  
3.6 commissioner on forms prescribed by the commissioner.

3.7 (b) The applications must be reviewed, ranked, and recommended by a technical  
3.8 review panel appointed by the commissioner. The technical review panel shall consist of a  
3.9 soil scientist, an agronomist, a representative from a postsecondary educational institution,  
3.10 an agricultural marketing specialist, two resident farmers of the state using sustainable  
3.11 agriculture methods, two resident farmers of the state using organic agriculture methods,  
3.12 two residents of the state practicing urban agriculture, and a chair from the department.

3.13 (c) The technical review panel shall rank applications according to the following  
3.14 criteria:

3.15 (1) direct or indirect energy savings or production;

3.16 (2) environmental benefit;

3.17 (3) farm profitability;

3.18 (4) the number of farms able to apply the techniques or the technology proposed;

3.19 (5) the effectiveness of the project as a demonstration;

3.20 (6) the immediate transferability of the project to farms; ~~and~~

3.21 (7) the ability of the project to accomplish its goals; ~~2~~

3.22 (8) the ability to address fresh food access including access to affordable organic  
3.23 foods to improve both local and regional food security through the development of urban  
3.24 agriculture projects; and

3.25 (9) the ability to address health disparities related to food access.

3.26 (d) The commissioner shall consider the recommendations of the technical review  
3.27 panel and may award grants for eligible projects. Priority must be given to applicants who  
3.28 are farmers or groups of farmers.

3.29 (e) Grants for eligible projects may not exceed \$25,000 unless the portion above  
3.30 \$25,000 is matched on an equal basis by the applicant's cash or in-kind land use  
3.31 contribution. Grant funding of projects may not exceed \$50,000 under this section, but  
3.32 applicants may utilize other funding sources. A portion of each grant must be targeted for  
3.33 public information activities of the project.

3.34 (f) A project may continue for up to three years. Multiyear projects must be  
3.35 reevaluated by the technical review panel and the commissioner before second or third  
3.36 year funding is approved. A project is limited to one grant for its funding.