

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

**S.F. No. 4495**

(SENATE AUTHORS: WESTROM, Lang, Draheim, Dornink and Weber)

<b>DATE</b>	<b>D-PG</b>	<b>OFFICIAL STATUS</b>
04/19/2022	6953	Introduction and first reading Referred to Agriculture and Rural Development Finance and Policy

1.1 A bill for an act

1.2 relating to agriculture; appropriating money for livestock processing facilities

1.3 grants; amending Laws 2021, First Special Session chapter 3, article 1, section 2,

1.4 subdivisions 1, 4.

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

1.6 Section 1. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 1,

1.7 is amended to read:

1.8				<b><u>59,410,000</u></b>
1.9	Subdivision 1. <b>Total Appropriation</b>	\$	<b>59,303,000</b>	\$ <b><u>60,110,000</u></b>

1.10	Appropriations by Fund			
1.11		2022	2023	
1.12			<del>59,011,000</del>	
1.13	General	58,904,000	<u>59,711,000</u>	
1.14	Remediation	399,000	399,000	

1.15 The amounts that may be spent for each

1.16 purpose are specified in the following

1.17 subdivisions.

1.18 Sec. 2. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 4, is

1.19 amended to read:

1.20	Subd. 4. <b>Agriculture, Bioenergy, and Bioproduct</b>		<del>25,357,000</del>
1.21	<b>Advancement</b>	25,343,000	<u>26,057,000</u>

1.22 (a) \$9,300,000 the first year and \$9,300,000

1.23 the second year are for transfer to the

2.1 agriculture research, education, extension, and  
2.2 technology transfer account under Minnesota  
2.3 Statutes, section 41A.14, subdivision 3. Of  
2.4 these amounts: at least \$600,000 the first year  
2.5 and \$600,000 the second year are for the  
2.6 Minnesota Agricultural Experiment Station's  
2.7 agriculture rapid response fund under  
2.8 Minnesota Statutes, section 41A.14,  
2.9 subdivision 1, clause (2); \$2,000,000 the first  
2.10 year and \$2,000,000 the second year are for  
2.11 grants to the Minnesota Agriculture Education  
2.12 Leadership Council to enhance agricultural  
2.13 education with priority given to Farm Business  
2.14 Management challenge grants; \$350,000 the  
2.15 first year and \$350,000 the second year are  
2.16 for potato breeding; and \$450,000 the first  
2.17 year and \$450,000 the second year are for the  
2.18 cultivated wild rice breeding project at the  
2.19 North Central Research and Outreach Center  
2.20 to include a tenure track/research associate  
2.21 plant breeder. The commissioner shall transfer  
2.22 the remaining funds in this appropriation each  
2.23 year to the Board of Regents of the University  
2.24 of Minnesota for purposes of Minnesota  
2.25 Statutes, section 41A.14. Of the amount  
2.26 transferred to the Board of Regents, up to  
2.27 \$1,000,000 each year is for research on avian  
2.28 influenza, salmonella, and other turkey-related  
2.29 diseases. By January 15, 2023, entities  
2.30 receiving grants for potato breeding and wild  
2.31 rice breeding are requested to report to the  
2.32 chairs and ranking minority members of the  
2.33 legislative committees with jurisdiction over  
2.34 agriculture and higher education regarding the  
2.35 use of the grant money and to provide an

3.1 update on the status of research and related  
3.2 accomplishments.

3.3 To the extent practicable, money expended  
3.4 under Minnesota Statutes, section 41A.14,  
3.5 subdivision 1, clauses (1) and (2), must  
3.6 supplement and not supplant existing sources  
3.7 and levels of funding. The commissioner may  
3.8 use up to one percent of this appropriation for  
3.9 costs incurred to administer the program.

3.10 (b) ~~\$16,028,000~~ the first year and ~~\$16,028,000~~  
3.11 \$16,728,000 the second year are for the  
3.12 agricultural growth, research, and innovation  
3.13 program under Minnesota Statutes, section  
3.14 41A.12. Except as provided below, the  
3.15 commissioner may allocate the appropriation  
3.16 each year among the following areas:  
3.17 facilitating the start-up, modernization,  
3.18 improvement, or expansion of livestock  
3.19 operations including beginning and  
3.20 transitioning livestock operations with  
3.21 preference given to robotic dairy-milking  
3.22 equipment; providing funding not to exceed  
3.23 \$800,000 each year to develop and enhance  
3.24 farm-to-school markets for Minnesota farmers  
3.25 by providing more fruits, vegetables, meat,  
3.26 grain, and dairy for Minnesota children in  
3.27 school and child care settings including, at the  
3.28 commissioner's discretion, reimbursing  
3.29 schools for purchases from local farmers;  
3.30 assisting value-added agricultural businesses  
3.31 to begin or expand, to access new markets, or  
3.32 to diversify, including aquaponics systems;  
3.33 providing funding not to exceed \$600,000  
3.34 each year for urban youth agricultural  
3.35 education or urban agriculture community

4.1 development of which \$10,000 each year is  
4.2 for transfer to the emerging farmer account  
4.3 under Minnesota Statutes, section 17.055,  
4.4 subdivision 1a; providing funding not to  
4.5 exceed \$450,000 each year for the good food  
4.6 access program under Minnesota Statutes,  
4.7 section 17.1017; facilitating the start-up,  
4.8 modernization, or expansion of other  
4.9 beginning and transitioning farms including  
4.10 by providing loans under Minnesota Statutes,  
4.11 section 41B.056; sustainable agriculture  
4.12 on-farm research and demonstration;  
4.13 development or expansion of food hubs and  
4.14 other alternative community-based food  
4.15 distribution systems; enhancing renewable  
4.16 energy infrastructure and use; crop research;  
4.17 Farm Business Management tuition assistance;  
4.18 and good agricultural practices and good  
4.19 handling practices certification assistance. The  
4.20 commissioner may use up to 6.5 percent of  
4.21 this appropriation for costs incurred to  
4.22 administer the program.

4.23 Of the amount appropriated for the agricultural  
4.24 growth, research, and innovation program  
4.25 under Minnesota Statutes, section 41A.12:

4.26 (1) \$1,000,000 the first year and \$1,000,000  
4.27 the second year are for distribution in equal  
4.28 amounts to each of the state's county fairs to  
4.29 preserve and promote Minnesota agriculture;

4.30 (2) \$4,500,000 the first year and \$4,500,000  
4.31 the second year are for incentive payments  
4.32 under Minnesota Statutes, sections 41A.16,  
4.33 41A.17, 41A.18, and 41A.20. Notwithstanding  
4.34 Minnesota Statutes, section 16A.28, the first  
4.35 year appropriation is available until June 30,

5.1 2023, and the second year appropriation is  
5.2 available until June 30, 2024. If this  
5.3 appropriation exceeds the total amount for  
5.4 which all producers are eligible in a fiscal  
5.5 year, the balance of the appropriation is  
5.6 available for other purposes under this  
5.7 paragraph;

5.8 (3) \$3,000,000 the first year and \$3,000,000  
5.9 the second year are for grants that enable retail  
5.10 petroleum dispensers, fuel storage tanks, and  
5.11 other equipment to dispense biofuels to the  
5.12 public in accordance with the biofuel  
5.13 replacement goals established under  
5.14 Minnesota Statutes, section 239.7911. A retail  
5.15 petroleum dispenser selling petroleum for use  
5.16 in spark ignition engines for vehicle model  
5.17 years after 2000 is eligible for grant money  
5.18 under this clause if the retail petroleum  
5.19 dispenser has no more than 10 retail petroleum  
5.20 dispensing sites and each site is located in  
5.21 Minnesota. The grant money must be used to  
5.22 replace or upgrade equipment that does not  
5.23 have the ability to be certified for E25. A grant  
5.24 award must not exceed 65 percent of the cost  
5.25 of the appropriate technology. A grant award  
5.26 must not exceed \$200,000 per station. The  
5.27 commissioner must cooperate with biofuel  
5.28 stakeholders in the implementation of the grant  
5.29 program. The commissioner, in cooperation  
5.30 with any economic or community development  
5.31 financial institution and any other entity with  
5.32 which it contracts, must submit a report on the  
5.33 biofuels infrastructure financial assistance  
5.34 program by January 15 of each year to the  
5.35 chairs and ranking minority members of the  
5.36 legislative committees and divisions with

6.1 jurisdiction over agriculture policy and  
6.2 finance. The annual report must include but  
6.3 not be limited to a summary of the following  
6.4 metrics: (i) the number and types of projects  
6.5 financed; (ii) the amount of dollars leveraged  
6.6 or matched per project; (iii) the geographic  
6.7 distribution of financed projects; (iv) any  
6.8 market expansion associated with upgraded  
6.9 infrastructure; (v) the demographics of the  
6.10 areas served; (vi) the costs of the program;  
6.11 and (vii) the number of grants to  
6.12 minority-owned or female-owned businesses;

6.13 (4) \$750,000 the first year and ~~\$750,000~~  
6.14 \$1,450,000 the second year are for grants to  
6.15 facilitate the start-up, modernization, or  
6.16 expansion of meat, poultry, egg, and milk  
6.17 processing facilities. A grant award under this  
6.18 clause must not exceed \$200,000. Any  
6.19 unencumbered balance at the end of the second  
6.20 year does not cancel until June 30, 2024, and  
6.21 may be used for other purposes under this  
6.22 paragraph. The appropriations under this  
6.23 clause are onetime; and

6.24 (5) \$1,400,000 the first year and \$1,400,000  
6.25 the second year are for livestock investment  
6.26 grants under Minnesota Statutes, section  
6.27 17.118. Any unencumbered balance at the end  
6.28 of the second year does not cancel until June  
6.29 30, 2024, and may be used for other purposes  
6.30 under this paragraph. The appropriations under  
6.31 this clause are onetime.

6.32 Notwithstanding Minnesota Statutes, section  
6.33 16A.28, any unencumbered balance does not  
6.34 cancel at the end of the first year and is  
6.35 available for the second year, and

7.1 appropriations encumbered under contract on  
7.2 or before June 30, 2023, for agricultural  
7.3 growth, research, and innovation grants are  
7.4 available until June 30, 2026.

7.5 The base amount for the agricultural growth,  
7.6 research, and innovation program is  
7.7 \$16,053,000 in fiscal year 2024 and  
7.8 \$16,053,000 in fiscal year 2025, and includes  
7.9 funding for incentive payments under  
7.10 Minnesota Statutes, sections 41A.16, 41A.17,  
7.11 41A.18, and 41A.20.

7.12 (c) \$15,000 the first year and \$29,000 the  
7.13 second year are to maintain the current level  
7.14 of service delivery.