

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

**S.F. No. 2226**

(SENATE AUTHORS: WESTROM and Weber)

DATE	D-PG	OFFICIAL STATUS
03/11/2019	759	Introduction and first reading
04/03/2019	2093	Referred to Agriculture, Rural Development, and Housing Finance
04/04/2019	2175a	Author added Weber Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to agriculture; establishing a budget for the Department of Agriculture,

1.3 the Board of Animal Health, and the Agricultural Utilization Research Institute;

1.4 amending Laws 2015, First Special Session chapter 4, article 1, section 2,

1.5 subdivision 4, as amended; Laws 2017, chapter 88, article 1, section 2, subdivisions

1.6 2, 4.

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

1.8 Section 1. AGRICULTURE APPROPRIATIONS.

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

1.10 and for the purposes specified in this act. The appropriations are from the general fund, or

1.11 another named fund, and are available for the fiscal years indicated for each purpose. The

1.12 figures "2020" and "2021" used in this act mean that the appropriations listed under them

1.13 are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively. "The

1.14 first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium" is

1.15 fiscal years 2020 and 2021.

	<u>APPROPRIATIONS</u>	
	<u>Available for the Year</u>	
	<u>Ending June 30</u>	
	<u>2020</u>	<u>2021</u>

1.20 Sec. 2. DEPARTMENT OF AGRICULTURE

1.21	<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>56,165,000</u>	<u>\$</u>	<u>55,760,000</u>
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	<u>Appropriations by Fund</u>		
	<u>2020</u>	<u>2021</u>	
1.22			
1.23			
1.24	<u>General</u>	<u>55,766,000</u>	<u>55,361,000</u>
1.25	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

2.1 The amounts that may be spent for each  
 2.2 purpose are specified in the following  
 2.3 subdivisions.

2.4 **Subd. 2. Protection Services**

	<u>Appropriations by Fund</u>	
	<u>2020</u>	<u>2021</u>
<u>General</u>	<u>19,985,000</u>	<u>19,905,000</u>
<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

2.9 (a) \$399,000 the first year and \$399,000 the  
 2.10 second year are from the remediation fund for  
 2.11 administrative funding for the voluntary  
 2.12 cleanup program.

2.13 (b) \$175,000 the first year and \$175,000 the  
 2.14 second year are for compensation for  
 2.15 destroyed or crippled livestock under  
 2.16 Minnesota Statutes, section 3.737. The  
 2.17 appropriation for fiscal year 2020 may be  
 2.18 spent to compensate for livestock that were  
 2.19 destroyed or crippled during fiscal year 2019.

2.20 If the amount for fiscal year 2020 is  
 2.21 insufficient, the amount in fiscal year 2021 is  
 2.22 available in fiscal year 2020. The  
 2.23 commissioner may use up to \$5,000 each year  
 2.24 to reimburse expenses incurred by university  
 2.25 extension agents to provide fair market values  
 2.26 of destroyed or crippled livestock.

2.27 (c) \$155,000 the first year and \$155,000 the  
 2.28 second year are for compensation for crop  
 2.29 damage under Minnesota Statutes, section  
 2.30 3.7371. If the amount in the first year is  
 2.31 insufficient, the amount in the second year is  
 2.32 available in the first year. The commissioner  
 2.33 may use up to \$30,000 of the appropriation  
 2.34 each year to reimburse expenses incurred by  
 2.35 the commissioner or the commissioner's

3.1 approved agent to investigate and resolve  
3.2 claims.

3.3 If the commissioner determines that claims  
3.4 made under Minnesota Statutes, section 3.737  
3.5 or 3.7371, are unusually high, amounts  
3.6 appropriated for either program may be  
3.7 transferred to the appropriation for the other  
3.8 program.

3.9 (d) \$1,110,000 the first year and \$1,030,000  
3.10 the second year are to replace capital  
3.11 equipment in the Department of Agriculture's  
3.12 analytical laboratory.

3.13 (e) \$625,000 the first year and \$300,000 the  
3.14 second year are for agriculture emergency  
3.15 preparedness and response. Of this amount,  
3.16 \$325,000 in the first year is for transfer to the  
3.17 agricultural fund to increase the balance of the  
3.18 agricultural emergency account. This amount  
3.19 is a onetime appropriation. The base for fiscal  
3.20 years 2022 and 2023 is \$300,000 and is for  
3.21 supporting the Department of Agriculture's  
3.22 emergency preparedness and response  
3.23 activities.

3.24 **Subd. 3. Agricultural Marketing and**  
3.25 **Development**

4,096,000

4,096,000

3.26 (a) \$186,000 the first year and \$186,000 the  
3.27 second year are for transfer to the Minnesota  
3.28 grown account and may be used as grants for  
3.29 Minnesota grown promotion under Minnesota  
3.30 Statutes, section 17.102. Grants may be made  
3.31 for one year. Notwithstanding Minnesota  
3.32 Statutes, section 16A.28, the appropriations  
3.33 encumbered under contract on or before June  
3.34 30, 2021, for Minnesota grown grants in this  
3.35 paragraph are available until June 30, 2023.

4.1 (b) \$634,000 the first year and \$634,000 the  
4.2 second year are for continuation of the dairy  
4.3 development and profitability enhancement  
4.4 and dairy business planning grant programs  
4.5 established under Laws 1997, chapter 216,  
4.6 section 7, subdivision 2, and Laws 2001, First  
4.7 Special Session chapter 2, section 9,  
4.8 subdivision 2. The commissioner may allocate  
4.9 the available sums among permissible  
4.10 activities, including efforts to improve the  
4.11 quality of milk produced in the state, in the  
4.12 proportions that the commissioner deems most  
4.13 beneficial to Minnesota's dairy farmers. The  
4.14 commissioner must submit a detailed  
4.15 accomplishment report and a work plan  
4.16 detailing future plans for, and anticipated  
4.17 accomplishments from, expenditures under  
4.18 this program to the chairs and ranking minority  
4.19 members of the legislative committees with  
4.20 jurisdiction over agriculture policy and finance  
4.21 on or before the start of each fiscal year. If  
4.22 significant changes are made to the plans in  
4.23 the course of the year, the commissioner must  
4.24 notify the chairs and ranking minority  
4.25 members.

4.26 (c) The commissioner may use funds  
4.27 appropriated in this subdivision for annual  
4.28 cost-share payments to resident farmers or  
4.29 entities that sell, process, or package  
4.30 agricultural products in this state for the costs  
4.31 of organic certification. The commissioner  
4.32 may allocate these funds for assistance for  
4.33 persons transitioning from conventional to  
4.34 organic agriculture.

5.1 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**  
 5.2 **Advancement**

23,600,000

23,600,000

5.3 (a) \$9,300,000 the first year and \$9,300,000  
 5.4 the second year are for transfer to the  
 5.5 agriculture research, education, extension, and  
 5.6 technology transfer account under Minnesota  
 5.7 Statutes, section 41A.14, subdivision 3. Of  
 5.8 these amounts: at least \$600,000 the first year  
 5.9 and \$600,000 the second year are for the  
 5.10 Minnesota Agricultural Experiment Station's  
 5.11 agriculture rapid response fund under  
 5.12 Minnesota Statutes, section 41A.14,  
 5.13 subdivision 1, clause (2); \$2,000,000 the first  
 5.14 year and \$2,000,000 the second year are for  
 5.15 grants to the Minnesota Agriculture Education  
 5.16 Leadership Council to enhance agricultural  
 5.17 education with priority given to Farm Business  
 5.18 Management challenge grants; \$350,000 the  
 5.19 first year and \$350,000 the second year are  
 5.20 for potato breeding; and \$450,000 the first  
 5.21 year and \$450,000 the second year are for the  
 5.22 cultivated wild rice breeding project at the  
 5.23 North Central Research and Outreach Center  
 5.24 to include a tenure track/research associate  
 5.25 plant breeder. The commissioner shall transfer  
 5.26 the remaining funds in this appropriation each  
 5.27 year to the Board of Regents of the University  
 5.28 of Minnesota for purposes of Minnesota  
 5.29 Statutes, section 41A.14. Of the amount  
 5.30 transferred to the Board of Regents, up to  
 5.31 \$1,000,000 each year is for research on avian  
 5.32 influenza, including prevention measures that  
 5.33 can be taken.

5.34 To the extent practicable, money expended  
 5.35 under Minnesota Statutes, section 41A.14,  
 5.36 subdivision 1, clauses (1) and (2), must

6.1 supplement and not supplant existing sources  
6.2 and levels of funding. The commissioner may  
6.3 use up to one percent of this appropriation for  
6.4 costs incurred to administer the program.

6.5 (b) \$14,275,000 the first year and \$14,275,000  
6.6 the second year are for the agricultural growth,  
6.7 research, and innovation program in  
6.8 Minnesota Statutes, section 41A.12. Except  
6.9 as provided below, the commissioner may  
6.10 allocate the appropriation each year among  
6.11 the following areas: facilitating the start-up,  
6.12 modernization, or expansion of livestock  
6.13 operations including beginning and  
6.14 transitioning livestock operations; developing  
6.15 new markets for Minnesota farmers by  
6.16 providing more fruits, vegetables, meat, grain,  
6.17 and dairy for Minnesota school children;  
6.18 assisting value-added agricultural businesses  
6.19 to begin or expand, access new markets, or  
6.20 diversify; providing funding not to exceed  
6.21 \$250,000 each year for urban youth  
6.22 agricultural education or urban agriculture  
6.23 community development; providing funding  
6.24 not to exceed \$250,000 each year for the good  
6.25 food access program under Minnesota  
6.26 Statutes, section 17.1017; facilitating the  
6.27 start-up, modernization, or expansion of other  
6.28 beginning and transitioning farms including  
6.29 by providing loans under Minnesota Statutes,  
6.30 section 41B.056; sustainable agriculture  
6.31 on-farm research and demonstration;  
6.32 development or expansion of food hubs and  
6.33 other alternative community-based food  
6.34 distribution systems; enhancing renewable  
6.35 energy infrastructure and use; crop research;  
6.36 Farm Business Management tuition assistance;

7.1 and good agricultural practices/good handling  
7.2 practices certification assistance. The  
7.3 commissioner may use up to 6.5 percent of  
7.4 this appropriation for costs incurred to  
7.5 administer the program.

7.6 Of the amount appropriated for the agricultural  
7.7 growth, research, and innovation program in  
7.8 Minnesota Statutes, section 41A.12:

7.9 (1) \$1,000,000 the first year and \$1,000,000  
7.10 the second year are for distribution in equal  
7.11 amounts to each of the state's county fairs to  
7.12 preserve and promote Minnesota agriculture;  
7.13 and

7.14 (2) \$1,500,000 the first year and \$1,500,000  
7.15 the second year are for incentive payments  
7.16 under Minnesota Statutes, sections 41A.16,  
7.17 41A.17, and 41A.18. Notwithstanding  
7.18 Minnesota Statutes, section 16A.28, the first  
7.19 year appropriation is available until June 30,  
7.20 2021, and the second year appropriation is  
7.21 available until June 30, 2022. If this  
7.22 appropriation exceeds the total amount for  
7.23 which all producers are eligible in a fiscal  
7.24 year, the balance of the appropriation is  
7.25 available for the agricultural growth, research,  
7.26 and innovation program.

7.27 The commissioner may use up to \$2,000,000  
7.28 per year of the funds appropriated under this  
7.29 subdivision to award value-added agriculture  
7.30 grants of between \$200,000 and \$1,000,000  
7.31 per grant for new or expanding agricultural  
7.32 production or processing facilities that provide  
7.33 significant economic impact to the region.

8.1 Appropriations in clauses (1) and (2) are  
 8.2 onetime. Any unencumbered balance does not  
 8.3 cancel at the end of the first year and is  
 8.4 available for the second year. Notwithstanding  
 8.5 Minnesota Statutes, section 16A.28,  
 8.6 appropriations encumbered under contract on  
 8.7 or before June 30, 2021, for agricultural  
 8.8 growth, research, and innovation grants are  
 8.9 available until June 30, 2024.

8.10 The base budget for the agricultural growth,  
 8.11 research, and innovation program is  
 8.12 \$14,275,000 for fiscal years 2022 and 2023  
 8.13 and includes funding for incentive payments  
 8.14 under Minnesota Statutes, sections 41A.16,  
 8.15 41A.17, 41A.18, and 41A.20.

8.16 \$25,000 the first year and \$25,000 the second  
 8.17 year are for grants to the Southern Minnesota  
 8.18 Initiative Foundation to promote local foods  
 8.19 through an annual event that raises public  
 8.20 awareness of local foods and connects local  
 8.21 food producers and processors with potential  
 8.22 buyers.

8.23 **Subd. 5. Administration and Financial**  
 8.24 **Assistance**

8,085,000

7,760,000

8.25 (a) \$474,000 the first year and \$474,000 the  
 8.26 second year are for payments to county and  
 8.27 district agricultural societies and associations  
 8.28 under Minnesota Statutes, section 38.02,  
 8.29 subdivision 1. Aid payments to county and  
 8.30 district agricultural societies and associations  
 8.31 shall be disbursed no later than July 15 of each  
 8.32 year. These payments are the amount of aid  
 8.33 from the state for an annual fair held in the  
 8.34 previous calendar year.

- 9.1 (b) \$1,000 the first year and \$1,000 the second  
9.2 year are for grants to the Minnesota State  
9.3 Poultry Association.
- 9.4 (c) \$18,000 the first year and \$18,000 the  
9.5 second year are for grants to the Minnesota  
9.6 Livestock Breeders Association.
- 9.7 (d) \$47,000 the first year and \$47,000 the  
9.8 second year are for the Northern Crops  
9.9 Institute. These appropriations may be spent  
9.10 to purchase equipment.
- 9.11 (e) \$267,000 the first year and \$267,000 the  
9.12 second year are for farm advocate services.
- 9.13 (f) \$17,000 the first year and \$17,000 the  
9.14 second year are for grants to the Minnesota  
9.15 Horticultural Society.
- 9.16 (g) \$228,000 the first year and \$228,000 the  
9.17 second year are for transfer to the Board of  
9.18 Trustees of the Minnesota State Colleges and  
9.19 Universities for statewide mental health  
9.20 counseling support to farm families and  
9.21 business operators. South Central College shall  
9.22 serve as the fiscal agent.
- 9.23 (h) \$550,000 the first year and \$550,000 the  
9.24 second year are for grants to Second Harvest  
9.25 Heartland on behalf of Minnesota's six  
9.26 Feeding America food banks for the purchase  
9.27 of milk for distribution to Minnesota's food  
9.28 shelves and other charitable organizations that  
9.29 are eligible to receive food from the food  
9.30 banks. Milk purchased under the grants must  
9.31 be acquired from Minnesota milk processors  
9.32 and based on low-cost bids. The milk must be  
9.33 allocated to each Feeding America food bank  
9.34 servicing Minnesota according to the formula

10.1 used in the distribution of United States  
10.2 Department of Agriculture commodities under  
10.3 The Emergency Food Assistance Program  
10.4 (TEFAP). Second Harvest Heartland must  
10.5 submit quarterly reports to the commissioner  
10.6 on forms prescribed by the commissioner. The  
10.7 reports must include, but are not limited to,  
10.8 information on the expenditure of funds, the  
10.9 amount of milk purchased, and the  
10.10 organizations to which the milk was  
10.11 distributed. Second Harvest Heartland may  
10.12 enter into contracts or agreements with food  
10.13 banks for shared funding or reimbursement of  
10.14 the direct purchase of milk. Each food bank  
10.15 receiving money from this appropriation may  
10.16 use up to two percent of the grant for  
10.17 administrative expenses. Any unencumbered  
10.18 balance does not cancel at the end of the first  
10.19 year and is available for the second year.  
10.20 (i) \$1,100,000 the first year and \$1,100,000  
10.21 the second year are for grants to Second  
10.22 Harvest Heartland on behalf of the six Feeding  
10.23 America food banks that serve Minnesota to  
10.24 compensate agricultural producers and  
10.25 processors for costs incurred to harvest and  
10.26 package for transfer surplus fruits, vegetables,  
10.27 and other agricultural commodities that would  
10.28 otherwise go unharvested, be discarded, or  
10.29 sold in a secondary market. Surplus  
10.30 commodities must be distributed statewide to  
10.31 food shelves and other charitable organizations  
10.32 that are eligible to receive food from the food  
10.33 banks. Surplus food acquired under this  
10.34 appropriation must be from Minnesota  
10.35 producers and processors. Second Harvest  
10.36 Heartland must report in the form prescribed



12.1 subdivision 1, clause (2). Of the amount  
12.2 appropriated in this paragraph, \$1,000,000  
12.3 each year is for transfer to the Board of  
12.4 Regents of the University of Minnesota for  
12.5 research to determine (1) what is causing avian  
12.6 influenza, (2) why some fowl are more  
12.7 susceptible, and (3) prevention measures that  
12.8 can be taken. Of the amount appropriated in  
12.9 this paragraph, \$2,000,000 each year is for  
12.10 grants to the Minnesota Agriculture Education  
12.11 Leadership Council to enhance agricultural  
12.12 education with priority given to Farm Business  
12.13 Management challenge grants. The  
12.14 commissioner shall transfer the remaining  
12.15 grant funds in this appropriation each year to  
12.16 the Board of Regents of the University of  
12.17 Minnesota for purposes of Minnesota Statutes,  
12.18 section 41A.14.

12.19 To the extent practicable, funds expended  
12.20 under Minnesota Statutes, section 41A.14,  
12.21 subdivision 1, clauses (1) and (2), must  
12.22 supplement and not supplant existing sources  
12.23 and levels of funding. The commissioner may  
12.24 use up to 4.5 percent of this appropriation for  
12.25 costs incurred to administer the program. Any  
12.26 unencumbered balance does not cancel at the  
12.27 end of the first year and is available for the  
12.28 second year.

12.29 \$10,235,000 the first year and \$9,541,000 the  
12.30 second year are for the agricultural growth,  
12.31 research, and innovation program in  
12.32 Minnesota Statutes, section 41A.12. No later  
12.33 than February 1, 2016, and February 1, 2017,  
12.34 the commissioner must report to the legislative  
12.35 committees with jurisdiction over agriculture

13.1 policy and finance regarding the  
13.2 commissioner's accomplishments and  
13.3 anticipated accomplishments in the following  
13.4 areas: facilitating the start-up, modernization,  
13.5 or expansion of livestock operations including  
13.6 beginning and transitioning livestock  
13.7 operations; developing new markets for  
13.8 Minnesota farmers by providing more fruits,  
13.9 vegetables, meat, grain, and dairy for  
13.10 Minnesota school children; assisting  
13.11 value-added agricultural businesses to begin  
13.12 or expand, access new markets, or diversify  
13.13 products; developing urban agriculture;  
13.14 facilitating the start-up, modernization, or  
13.15 expansion of other beginning and transitioning  
13.16 farms including loans under Minnesota  
13.17 Statutes, section 41B.056; sustainable  
13.18 agriculture on farm research and  
13.19 demonstration; development or expansion of  
13.20 food hubs and other alternative  
13.21 community-based food distribution systems;  
13.22 incentive payments under Minnesota Statutes,  
13.23 sections 41A.16, 41A.17, and 41A.18; and  
13.24 research on bioenergy, biobased content, or  
13.25 biobased formulated products and other  
13.26 renewable energy development. The  
13.27 commissioner may use up to 4.5 percent of  
13.28 this appropriation for costs incurred to  
13.29 administer the program. Any unencumbered  
13.30 balance does not cancel at the end of the first  
13.31 year and is available for the second year.  
13.32 Notwithstanding Minnesota Statutes, section  
13.33 16A.28, the appropriations encumbered under  
13.34 contract on or before June 30, 2017, for  
13.35 agricultural growth, research, and innovation  
13.36 grants are available until June 30, ~~2019~~ 2020.

14.1 The commissioner may use funds appropriated  
14.2 for the agricultural growth, research, and  
14.3 innovation program as provided in this  
14.4 paragraph. The commissioner may award  
14.5 grants to owners of Minnesota facilities  
14.6 producing bioenergy, biobased content, or a  
14.7 biobased formulated product; to organizations  
14.8 that provide for on-station, on-farm field scale  
14.9 research and outreach to develop and test the  
14.10 agronomic and economic requirements of  
14.11 diverse strands of prairie plants and other  
14.12 perennials for bioenergy systems; or to certain  
14.13 nongovernmental entities. For the purposes of  
14.14 this paragraph, "bioenergy" includes  
14.15 transportation fuels derived from cellulosic  
14.16 material, as well as the generation of energy  
14.17 for commercial heat, industrial process heat,  
14.18 or electrical power from cellulosic materials  
14.19 via gasification or other processes. Grants are  
14.20 limited to 50 percent of the cost of research,  
14.21 technical assistance, or equipment related to  
14.22 bioenergy, biobased content, or biobased  
14.23 formulated product production or \$500,000,  
14.24 whichever is less. Grants to nongovernmental  
14.25 entities for the development of business plans  
14.26 and structures related to community ownership  
14.27 of eligible bioenergy facilities together may  
14.28 not exceed \$150,000. The commissioner shall  
14.29 make a good-faith effort to select projects that  
14.30 have merit and, when taken together, represent  
14.31 a variety of bioenergy technologies, biomass  
14.32 feedstocks, and geographic regions of the  
14.33 state. Projects must have a qualified engineer  
14.34 provide certification on the technology and  
14.35 fuel source. Grantees must provide reports at  
14.36 the request of the commissioner.

15.1 Of the amount appropriated for the agricultural  
15.2 growth, research, and innovation program in  
15.3 this subdivision, \$1,000,000 the first year and  
15.4 \$1,000,000 the second year are for distribution  
15.5 in equal amounts to each of the state's county  
15.6 fairs to preserve and promote Minnesota  
15.7 agriculture.

15.8 Of the amount appropriated for the agricultural  
15.9 growth, research, and innovation program in  
15.10 this subdivision, \$500,000 in fiscal year 2016  
15.11 and \$806,000 in fiscal year 2017 are for  
15.12 incentive payments under Minnesota Statutes,  
15.13 sections 41A.16, 41A.17, and 41A.18. If the  
15.14 appropriation exceeds the total amount for  
15.15 which all producers are eligible in a fiscal  
15.16 year, the balance of the appropriation is  
15.17 available to the commissioner for the  
15.18 agricultural growth, research, and innovation  
15.19 program. Notwithstanding Minnesota Statutes,  
15.20 section 16A.28, the first year appropriation is  
15.21 available until June 30, 2017, and the second  
15.22 year appropriation is available until June 30,  
15.23 2018. The commissioner may use up to 4.5  
15.24 percent of the appropriation for administration  
15.25 of the incentive payment programs.

15.26 Of the amount appropriated for the agricultural  
15.27 growth, research, and innovation program in  
15.28 this subdivision, \$250,000 the first year is for  
15.29 grants to communities to develop or expand  
15.30 food hubs and other alternative  
15.31 community-based food distribution systems.

15.32 Of this amount, \$50,000 is for the  
15.33 commissioner to consult with existing food  
15.34 hubs, alternative community-based food  
15.35 distribution systems, and University of

16.1 Minnesota Extension to identify best practices  
16.2 for use by other Minnesota communities. No  
16.3 later than December 15, 2015, the  
16.4 commissioner must report to the legislative  
16.5 committees with jurisdiction over agriculture  
16.6 and health regarding the status of emerging  
16.7 alternative community-based food distribution  
16.8 systems in the state along with  
16.9 recommendations to eliminate any barriers to  
16.10 success. Any unencumbered balance does not  
16.11 cancel at the end of the first year and is  
16.12 available for the second year. This is a onetime  
16.13 appropriation.

16.14 \$250,000 the first year and \$250,000 the  
16.15 second year are for grants that enable retail  
16.16 petroleum dispensers to dispense biofuels to  
16.17 the public in accordance with the biofuel  
16.18 replacement goals established under  
16.19 Minnesota Statutes, section 239.7911. A retail  
16.20 petroleum dispenser selling petroleum for use  
16.21 in spark ignition engines for vehicle model  
16.22 years after 2000 is eligible for grant money  
16.23 under this paragraph if the retail petroleum  
16.24 dispenser has no more than 15 retail petroleum  
16.25 dispensing sites and each site is located in  
16.26 Minnesota. The grant money received under  
16.27 this paragraph must be used for the installation  
16.28 of appropriate technology that uses fuel  
16.29 dispensing equipment appropriate for at least  
16.30 one fuel dispensing site to dispense gasoline  
16.31 that is blended with 15 percent of  
16.32 agriculturally derived, denatured ethanol, by  
16.33 volume, and appropriate technical assistance  
16.34 related to the installation. A grant award must  
16.35 not exceed 85 percent of the cost of the  
16.36 technical assistance and appropriate

17.1 technology, including remetering of and  
 17.2 retrofits for retail petroleum dispensers and  
 17.3 replacement of petroleum dispenser projects.  
 17.4 The commissioner may use up to \$35,000 of  
 17.5 this appropriation for administrative expenses.  
 17.6 The commissioner shall cooperate with biofuel  
 17.7 stakeholders in the implementation of the grant  
 17.8 program. The commissioner must report to  
 17.9 the legislative committees with jurisdiction  
 17.10 over agriculture policy and finance by  
 17.11 February 1 each year, detailing the number of  
 17.12 grants awarded under this paragraph and the  
 17.13 projected effect of the grant program on  
 17.14 meeting the biofuel replacement goals under  
 17.15 Minnesota Statutes, section 239.7911. These  
 17.16 are onetime appropriations.  
 17.17 \$25,000 the first year and \$25,000 the second  
 17.18 year are for grants to the Southern Minnesota  
 17.19 Initiative Foundation to promote local foods  
 17.20 through an annual event that raises public  
 17.21 awareness of local foods and connects local  
 17.22 food producers and processors with potential  
 17.23 buyers.

17.24 **EFFECTIVE DATE.** This section is effective the day following final enactment.

17.25 Sec. 6. Laws 2017, chapter 88, article 1, section 2, subdivision 2, is amended to read:

17.26	Subd. 2. <b>Protection Services</b>	17,821,000	17,825,000
17.27	Appropriations by Fund		
17.28		2018	2019
17.29	General	17,428,000	17,428,000
17.30	Remediation	393,000	397,000

17.31 (a) \$25,000 the first year and \$25,000 the  
 17.32 second year are to develop and maintain  
 17.33 cottage food license exemption outreach and  
 17.34 training materials.

18.1 (b) \$75,000 the first year and \$75,000 the  
18.2 second year are to coordinate the correctional  
18.3 facility vocational training program and to  
18.4 assist entities that have explored the feasibility  
18.5 of establishing a USDA-certified or state  
18.6 "equal to" food processing facility within 30  
18.7 miles of the Northeast Regional Corrections  
18.8 Center.

18.9 (c) \$125,000 the first year and \$125,000 the  
18.10 second year are for additional funding for the  
18.11 noxious weed and invasive plant program.  
18.12 These are onetime appropriations.

18.13 (d) \$250,000 the first year and \$250,000 the  
18.14 second year are for transfer to the pollinator  
18.15 habitat and research account in the agricultural  
18.16 fund. These are onetime transfers.

18.17 (e) \$393,000 the first year and \$397,000 the  
18.18 second year are from the remediation fund for  
18.19 administrative funding for the voluntary  
18.20 cleanup program.

18.21 (f) \$200,000 the first year and \$200,000 the  
18.22 second year are for the industrial hemp pilot  
18.23 program under Minnesota Statutes, section  
18.24 18K.09. These are onetime appropriations.

18.25 (g) \$175,000 the first year and \$175,000 the  
18.26 second year are for compensation for  
18.27 destroyed or crippled livestock under  
18.28 Minnesota Statutes, section 3.737. This  
18.29 appropriation may be spent to compensate for  
18.30 livestock that were destroyed or crippled  
18.31 during fiscal year 2017. If the amount in the  
18.32 first year is insufficient, the amount in the  
18.33 second year is available in the first year. The  
18.34 commissioner may use up to \$5,000 of this

19.1 appropriation the second year to reimburse  
19.2 expenses incurred by university extension  
19.3 agents to provide fair market values of  
19.4 destroyed or crippled livestock.

19.5 (h) \$155,000 the first year and \$155,000 the  
19.6 second year are for compensation for crop  
19.7 damage under Minnesota Statutes, section  
19.8 3.7371. If the amount in the first year is  
19.9 insufficient, the amount in the second year is  
19.10 available in the first year. The commissioner  
19.11 may use up to \$30,000 of the appropriation  
19.12 each year to reimburse expenses incurred by  
19.13 the commissioner or the commissioner's  
19.14 approved agent to investigate and resolve  
19.15 claims.

19.16 If the commissioner determines that claims  
19.17 made under Minnesota Statutes, section 3.737  
19.18 or 3.7371, are unusually high, amounts  
19.19 appropriated for either program may be  
19.20 transferred to the appropriation for the other  
19.21 program.

19.22 (i) \$250,000 the first year and \$250,000 the  
19.23 second year are to expand current capabilities  
19.24 for rapid detection, identification, containment,  
19.25 control, and management of high priority plant  
19.26 pests and pathogens. These are onetime  
19.27 appropriations.

19.28 (j) \$300,000 the first year and \$300,000 the  
19.29 second year are for transfer to the noxious  
19.30 weed and invasive plant species assistance  
19.31 account in the agricultural fund to award  
19.32 grants to local units of government under  
19.33 Minnesota Statutes, section 18.90, with  
19.34 preference given to local units of government  
19.35 responding to Palmer amaranth or other weeds

20.1 on the eradicate list. These are onetime  
 20.2 transfers.  
 20.3 (k) \$120,000 the first year and \$120,000 the  
 20.4 second year are for wolf-livestock conflict  
 20.5 prevention grants under article 2, section 89.  
 20.6 The commissioner must submit a report to the  
 20.7 chairs and ranking minority members of the  
 20.8 legislative committees with jurisdiction over  
 20.9 agriculture policy and finance by January 15,  
 20.10 2020, on the outcomes of the wolf-livestock  
 20.11 conflict prevention grants and whether  
 20.12 livestock compensation claims were reduced  
 20.13 in the areas that grants were awarded. These  
 20.14 are onetime appropriations.

20.15 **EFFECTIVE DATE.** This section is effective the day following final enactment.

20.16 Sec. 7. Laws 2017, chapter 88, article 1, section 2, subdivision 4, is amended to read:

20.17 **Subd. 4. Agriculture, Bioenergy, and Bioproduct**  
 20.18 **Advancement**

	22,581,000	22,636,000
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20.19 (a) \$9,300,000 the first year and \$9,300,000  
 20.20 the second year are for transfer to the  
 20.21 agriculture research, education, extension, and  
 20.22 technology transfer account under Minnesota  
 20.23 Statutes, section 41A.14, subdivision 3. Of  
 20.24 these amounts: at least \$600,000 the first year  
 20.25 and \$600,000 the second year are for the  
 20.26 Minnesota Agricultural Experiment Station's  
 20.27 agriculture rapid response fund under  
 20.28 Minnesota Statutes, section 41A.14,  
 20.29 subdivision 1, clause (2); \$2,000,000 the first  
 20.30 year and \$2,000,000 the second year are for  
 20.31 grants to the Minnesota Agriculture Education  
 20.32 Leadership Council to enhance agricultural  
 20.33 education with priority given to Farm Business  
 20.34 Management challenge grants; \$350,000 the

21.1 first year and \$350,000 the second year are  
21.2 for potato breeding; and \$450,000 the first  
21.3 year and \$450,000 the second year are for the  
21.4 cultivated wild rice breeding project at the  
21.5 North Central Research and Outreach Center  
21.6 to include a tenure track/research associate  
21.7 plant breeder. The commissioner shall transfer  
21.8 the remaining funds in this appropriation each  
21.9 year to the Board of Regents of the University  
21.10 of Minnesota for purposes of Minnesota  
21.11 Statutes, section 41A.14. Of the amount  
21.12 transferred to the Board of Regents, up to  
21.13 \$1,000,000 each year is for research on avian  
21.14 influenza, including prevention measures that  
21.15 can be taken.

21.16 To the extent practicable, funds expended  
21.17 under Minnesota Statutes, section 41A.14,  
21.18 subdivision 1, clauses (1) and (2), must  
21.19 supplement and not supplant existing sources  
21.20 and levels of funding. The commissioner may  
21.21 use up to one percent of this appropriation for  
21.22 costs incurred to administer the program.

21.23 (b) \$13,256,000 the first year and \$13,311,000  
21.24 the second year are for the agricultural growth,  
21.25 research, and innovation program in  
21.26 Minnesota Statutes, section 41A.12. Except  
21.27 as provided below, the commissioner may  
21.28 allocate the appropriation each year among  
21.29 the following areas: facilitating the start-up,  
21.30 modernization, or expansion of livestock  
21.31 operations including beginning and  
21.32 transitioning livestock operations; developing  
21.33 new markets for Minnesota farmers by  
21.34 providing more fruits, vegetables, meat, grain,  
21.35 and dairy for Minnesota school children;

22.1 assisting value-added agricultural businesses  
22.2 to begin or expand, access new markets, or  
22.3 diversify; providing funding not to exceed  
22.4 \$250,000 each year for urban youth  
22.5 agricultural education or urban agriculture  
22.6 community development; providing funding  
22.7 not to exceed \$250,000 each year for the good  
22.8 food access program under Minnesota  
22.9 Statutes, section 17.1017; facilitating the  
22.10 start-up, modernization, or expansion of other  
22.11 beginning and transitioning farms including  
22.12 by providing loans under Minnesota Statutes,  
22.13 section 41B.056; sustainable agriculture  
22.14 on-farm research and demonstration;  
22.15 development or expansion of food hubs and  
22.16 other alternative community-based food  
22.17 distribution systems; enhancing renewable  
22.18 energy infrastructure and use; crop research;  
22.19 Farm Business Management tuition assistance;  
22.20 good agricultural practices/good handling  
22.21 practices certification assistance; establishing  
22.22 and supporting farmer-led water management  
22.23 councils; and implementing farmer-led water  
22.24 quality improvement practices. The  
22.25 commissioner may use up to 6.5 percent of  
22.26 this appropriation for costs incurred to  
22.27 administer the program.

22.28 Of the amount appropriated for the agricultural  
22.29 growth, research, and innovation program in  
22.30 Minnesota Statutes, section 41A.12:

22.31 (1) \$1,000,000 the first year and \$1,000,000  
22.32 the second year are for distribution in equal  
22.33 amounts to each of the state's county fairs to  
22.34 preserve and promote Minnesota agriculture;  
22.35 and

23.1 (2) \$1,500,000 the first year and \$1,500,000  
23.2 the second year are for incentive payments  
23.3 under Minnesota Statutes, sections 41A.16,  
23.4 41A.17, and 41A.18. Notwithstanding  
23.5 Minnesota Statutes, section 16A.28, the first  
23.6 year appropriation is available until June 30,  
23.7 2019, and the second year appropriation is  
23.8 available until June 30, 2020. If this  
23.9 appropriation exceeds the total amount for  
23.10 which all producers are eligible in a fiscal  
23.11 year, the balance of the appropriation is  
23.12 available for the agricultural growth, research,  
23.13 and innovation program.

23.14 The commissioner may use funds appropriated  
23.15 under this subdivision to award up to two  
23.16 value-added agriculture grants per year of up  
23.17 to \$1,000,000 per grant for new or expanding  
23.18 agricultural production or processing facilities  
23.19 that provide significant economic impact to  
23.20 the region. The commissioner may use funds  
23.21 appropriated under this subdivision for  
23.22 additional value-added agriculture grants for  
23.23 awards between \$1,000 and \$200,000 per  
23.24 grant.

23.25 Appropriations in clauses (1) and (2) are  
23.26 onetime. Any unencumbered balance does not  
23.27 cancel at the end of the first year and is  
23.28 available for the second year. Notwithstanding  
23.29 Minnesota Statutes, section 16A.28,  
23.30 appropriations encumbered under contract on  
23.31 or before June 30, 2019, for agricultural  
23.32 growth, research, and innovation grants are  
23.33 available until June 30, ~~2021~~ 2022.

23.34 The base budget for the agricultural growth,  
23.35 research, and innovation program is

24.1 \$14,275,000 for fiscal years 2020 and 2021  
24.2 and includes funding for incentive payments  
24.3 under Minnesota Statutes, sections 41A.16,  
24.4 41A.17, 41A.18, and 41A.20.

24.5 The commissioner must develop additional  
24.6 innovative production incentive programs to  
24.7 be funded by the agricultural growth, research,  
24.8 and innovation program.

24.9 The commissioner must consult with the  
24.10 commissioner of transportation, the  
24.11 commissioner of administration, and local  
24.12 units of government to identify parcels of  
24.13 publicly owned land that are suitable for urban  
24.14 agriculture.

24.15 (c) \$25,000 the first year and \$25,000 the  
24.16 second year are for grants to the Southern  
24.17 Minnesota Initiative Foundation to promote  
24.18 local foods through an annual event that raises  
24.19 public awareness of local foods and connects  
24.20 local food producers and processors with  
24.21 potential buyers.

24.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.