

17.101 PROMOTIONAL ACTIVITIES.

Subdivision 1. **Departmental duties.** For the purposes of expanding, improving, and developing production and marketing of products of Minnesota agriculture, the commissioner shall encourage and promote the production and marketing of these products by means of:

- (a) advertising Minnesota agricultural products;
- (b) assisting state agricultural commodity organizations;
- (c) developing methods to increase processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;
- (d) investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;
- (e) evaluating livestock marketing opportunities;
- (f) assessing and developing national and international markets for Minnesota agricultural products;
- (g) studying the conversion of raw agricultural products to manufactured products including ethanol;
- (h) hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;
- (i) assisting Minnesota agricultural businesses desiring to sell their products;
- (j) conducting research to eliminate or reduce specific production or technological barriers to market development and trade; and
- (k) other activities the commissioner deems appropriate to promote Minnesota agricultural products, provided that the activities do not duplicate programs or services provided by the Minnesota Trade Division.

Subd. 2. **Agricultural development grants and contracts.** In order to carry out the duties in subdivision 1, the commissioner, in addition to whatever other resources the department may commit, shall make grants and enter into contracts to fulfill the obligations of subdivision 1. The commissioner may enter into partnerships or seek gifts to carry out subdivision 1. The commissioner may contract with, among others, agricultural commodity organizations, the University of Minnesota, and agriculture related businesses to fulfill the duties. The commissioner shall make permanent rules for the administration of these grants and contracts. The rules shall specify at a minimum:

- (a) eligibility criteria;
- (b) application procedures;
- (c) provisions for application review and project approval;
- (d) provisions for program monitoring and review for all approved grants and contracts; and
- (e) other provisions the commissioner finds necessary.

Contracts entered into by the commissioner pursuant to this subdivision shall not exceed 75 percent of the cost of the project supported by the commissioner's grant. In any year, no organization shall receive more than \$70,000 in grants from the commissioner.

Subd. 3. **Audits.** The books, records, documents, and accounting procedures and practices of any organization receiving a grant or contract from the commissioner under the provisions of subdivision 2 shall be subject to examination by the department. The commissioner may prescribe uniform methods of accounting to be used by grant or contract recipients.

Subd. 4. **Advisory group.** The commissioner may establish an ad hoc advisory group to assist in evaluating grant requests made under subdivision 2.

Subd. 5. **Value-added agricultural product processing and marketing grant program.**

(a) For purposes of this section:

(1) "agricultural commodity" means a material produced for use in or as food, feed, seed, or fiber and includes crops for fiber, food, oilseeds, seeds, livestock, livestock products, dairy, dairy products, poultry, poultry products, and other products or by-products of the farm produced for the same or similar use, except ethanol; and

(2) "agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agricultural commodities produced in Minnesota.

(b) The commissioner shall establish and implement a value-added agricultural product processing and marketing grant program to help farmers finance new cooperatives that organize for the purposes of operating agricultural product processing facilities, forming marketing cooperatives, and marketing activities related to the sale and distribution of processed agricultural products.

(c) To be eligible for this program a grantee must:

(1) be a cooperative organized under chapter 308A;

(2) certify that all of the control and equity in the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations as defined in section 500.24, subdivision 2, who are actively engaged in agricultural commodity production;

(3) be operated primarily for the processing of agricultural commodities produced in Minnesota;

(4) receive agricultural commodities produced primarily by shareholders or members of the cooperative; and

(5) have no direct or indirect involvement in the production of agricultural commodities.

(d) The commissioner may receive applications from and make grants up to \$50,000 for feasibility, marketing analysis, assistance with organizational development, financing and managing new cooperatives, product development, development of business and marketing plans, and predesign of facilities including site analysis, development of bid specifications, preliminary blueprints and schematics, and completion of purchase agreements and other necessary legal documents to eligible cooperatives. The commissioner shall give priority to applicants who use the grants for planning costs related to an application for financial assistance from the United States Department of Agriculture, Rural Business - Cooperative Service.

Subd. 6. Livestock development. The commissioner shall establish a process, including criteria and standards, to recognize and assist efforts by counties to maintain or expand their livestock sector.

A county that meets the criteria may apply to the commissioner to be designated a "livestock friendly" county.

History: 1963 c 486 s 1; 1983 c 293 s 29; 1984 c 640 s 32; 1986 c 444; 1987 c 312 art 1 s 12; 1987 c 396 art 10 s 2; 1995 c 233 art 2 s 56; 1997 c 216 s 19; 1998 c 401 s 14; 2000 c 260 s 9; 2000 c 477 s 1; 1Sp2001 c 2 s 19; 2002 c 373 s 1; 2003 c 128 art 13 s 2; 2007 c 45 art 1 s 9