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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 3548

02/19/2026 Authored by Anderson, P. H., 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 the farm down payment assistance program;

1.3 amending Minnesota Statutes 2025 Supplement, section 17.133, subdivisions 1,

1.4 2; Laws 2025, chapter 34, article 1, section 2, subdivision 4, as amended.

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

1.6 Section 1. Minnesota Statutes 2025 Supplement, section 17.133, subdivision 1, is amended

1.7 to read:

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

1.9 the meanings given.

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

1.11 (1) is a resident of Minnesota who intends to acquire farmland located within the state

1.12 and provide the majority of the day-to-day physical labor and management of the farm;

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

1.14 (3) has not, and whose spouse has not, at any time had a direct or indirect ownership

1.15 interest in farmland; ~~and~~

1.16 (4) is not, and whose spouse is not, a family member of the owner of the farmland that

1.17 the individual intends to acquire. "Family member" has the meaning given in section

1.18 267(c)(4) of the Internal Revenue Code; and

1.19 (5) has adequate farming experience or demonstrates knowledge in the type of farming

1.20 for which the farmer seeks assistance from the commissioner.

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

2.3 (d) "Incubator farm" means a farm where:

2.4 (1) individuals are given temporary, exclusive, and affordable access to small parcels  
2.5 of land, infrastructure, and often training, for the purpose of honing skills and launching a  
2.6 farm business; and

2.7 (2) a majority of the individuals farming the small parcels of land grow industrial hemp,  
2.8 cannabis, or one or more of the following specialty crops as defined by the United States  
2.9 Department of Agriculture for purposes of the specialty crop block grant program: fruits  
2.10 and vegetables, tree nuts, dried fruits, medicinal plants, culinary herbs and spices, horticulture  
2.11 crops, floriculture crops, and nursery crops.

2.12 (e) "Limited land access" means farming without ownership of land and:

2.13 (1) the individual or the individual's child rents or leases the land, with the term of each  
2.14 rental or lease agreement not exceeding three years in duration, from a person who is not  
2.15 related to the individual or the individual's spouse by blood or marriage; or

2.16 (2) the individual rents the land from an incubator farm.

2.17 (f) "Limited market access" means the individual has gross sales of no more than  
2.18 \$100,000 per year from the sale of farm products.

2.19 **EFFECTIVE DATE.** This section is effective July 1, 2026.

2.20 Sec. 2. Minnesota Statutes 2025 Supplement, section 17.133, subdivision 2, is amended  
2.21 to read:

2.22 Subd. 2. **Grants.** (a) The commissioner may award farm down payment assistance grants  
2.23 of up to \$20,000 per eligible farmer purchasing two to 75 acres of farmland, and up to  
2.24 \$40,000 per eligible farmer purchasing more than 75 acres of farmland. Each award must  
2.25 be matched with at least \$8,000 of other funding. Grants under this subdivision may be  
2.26 awarded by a randomized selection process after applications are collected over a period  
2.27 of no less than 30 calendar days. An eligible farmer must commit to own and farm the land  
2.28 purchased with assistance provided under this section for at least five years. For each year  
2.29 that a grant recipient does not own and farm the land during the five-year period, the grant  
2.30 recipient must pay a penalty to the commissioner equal to 20 percent of the grant amount.

2.31 (b) Farmland is not eligible for the farm down payment assistance grant program if the  
2.32 farmland is in an area zoned for residential use. If the farmland is located in an area zoned

3.1 for commercial use, the eligible farmer must submit a business plan with the application.  
 3.2 If the farmland is located within the boundaries of a statutory or home rule charter city, the  
 3.3 eligible farmer must earn an annual revenue of at least \$1,000.

3.4 **EFFECTIVE DATE.** This section is effective July 1, 2026.

3.5 Sec. 3. Laws 2025, chapter 34, article 1, section 2, subdivision 4, as amended by Laws  
 3.6 2025, First Special Session chapter 11, section 12, is amended to read:

3.7 **Subd. 4. Administration and Financial**  
 3.8 **Assistance**

	14,179,000	11,145,000
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3.9 (a) \$474,000 the first year and \$474,000 the  
 3.10 second year are for payments to county and  
 3.11 district agricultural societies and associations  
 3.12 under Minnesota Statutes, section 38.02,  
 3.13 subdivision 1. Aid payments to county and  
 3.14 district agricultural societies and associations  
 3.15 must be disbursed no later than July 15 each  
 3.16 year. These payments are the amount of aid  
 3.17 from the state for an annual fair held in the  
 3.18 previous calendar year.

3.19 (b) \$300,000 the first year and \$300,000 the  
 3.20 second year are for grants to the Minnesota  
 3.21 Agricultural Education and Leadership  
 3.22 Council for programs of the council under  
 3.23 Minnesota Statutes, chapter 41D. The base for  
 3.24 this appropriation is \$250,000 in fiscal year  
 3.25 2028 and each year thereafter.

3.26 (c) \$1,250,000 the first year and \$1,250,000  
 3.27 the second year are to award and administer  
 3.28 farm down payment assistance grants under  
 3.29 Minnesota Statutes, section 17.133, with  
 3.30 priority given to eligible applicants with no  
 3.31 more than \$100,000 in annual gross farm  
 3.32 product sales and eligible applicants who are  
 3.33 producers of industrial hemp, cannabis, or one  
 3.34 or more of the following specialty crops as

4.1 defined by the United States Department of  
4.2 Agriculture for purposes of the specialty crop  
4.3 block grant program: fruits and vegetables,  
4.4 tree nuts, dried fruits, medicinal plants,  
4.5 culinary herbs and spices, horticulture crops,  
4.6 floriculture crops, and nursery crops. In the  
4.7 second year, the commissioner must reserve  
4.8 half the appropriation for applicants who  
4.9 submit a purchase agreement with their  
4.10 applications. After half the appropriation is  
4.11 awarded to applicants with purchase  
4.12 agreements or all the applicants with purchase  
4.13 agreements have been awarded a grant,  
4.14 whichever occurs first, the commissioner may  
4.15 award grants to any eligible applicant.  
4.16 Notwithstanding Minnesota Statutes, section  
4.17 16A.28, any unencumbered balance at the end  
4.18 of the first year does not cancel and is  
4.19 available in the second year and appropriations  
4.20 encumbered under contract by June 30, 2027,  
4.21 are available until June 30, 2029. The base for  
4.22 this appropriation is \$1,000,000 in fiscal year  
4.23 2028 and each year thereafter.

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

5.1 The commissioner 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 paragraph may use up to two  
5.6 percent for administrative expenses.

5.7 Notwithstanding Minnesota Statutes, section  
5.8 16A.28, any unencumbered balance the first  
5.9 year does not cancel and is available the  
5.10 second year.

5.11 (e) \$260,000 the first year and \$260,000 the  
5.12 second year are for a pass-through grant to  
5.13 Region Five Development Commission to  
5.14 provide, in collaboration with Farm Business  
5.15 Management, statewide mental health  
5.16 counseling support to Minnesota farm  
5.17 operators, families, and employees, and  
5.18 individuals who work with Minnesota farmers  
5.19 in a professional capacity. Region Five  
5.20 Development Commission may use up to 7.5  
5.21 percent of the grant awarded under this  
5.22 paragraph for administration.

5.23 (f) \$1,000,000 the first year and \$1,000,000  
5.24 the second year are to expand the Emerging  
5.25 Farmers Office and provide services to  
5.26 beginning and emerging farmers to increase  
5.27 connections between farmers and market  
5.28 opportunities throughout the state. This  
5.29 appropriation may be used for grants,  
5.30 translation services, training programs, or  
5.31 other purposes in line with the  
5.32 recommendations of the emerging farmer  
5.33 working group established under Minnesota  
5.34 Statutes, section 17.055, subdivision 1.

- 6.1 (g) \$137,000 the first year and \$203,000 the  
6.2 second year are to support current services.
- 6.3 (h) \$337,000 the first year and \$337,000 the  
6.4 second year are for farm advocate services.  
6.5 Of these amounts, \$50,000 the first year and  
6.6 \$50,000 the second year are for the  
6.7 continuation of the farmland transition  
6.8 programs and may be used for grants to  
6.9 farmland access teams to provide technical  
6.10 assistance to potential beginning farmers.  
6.11 Farmland access teams must assist existing  
6.12 farmers and beginning farmers with  
6.13 transitioning farm ownership and farm  
6.14 operation. Services provided by teams may  
6.15 include but are not limited to mediation  
6.16 assistance, designing contracts, financial  
6.17 planning, tax preparation, estate planning, and  
6.18 housing assistance.
- 6.19 (i) \$3,000,000 the first year is for transfer to  
6.20 the Public Facilities Authority for a grant to  
6.21 First District Association to acquire land for  
6.22 and to design, engineer, construct, equip, and  
6.23 furnish a wastewater treatment project. This  
6.24 appropriation is in addition to the  
6.25 appropriation in Laws 2023, chapter 71, article  
6.26 1, section 15, subdivision 7. This appropriation  
6.27 is available until the project is completed or  
6.28 abandoned, subject to Minnesota Statutes,  
6.29 section 16A.642.
- 6.30 ~~(k)~~ (j) \$50,000 the first year is to be awarded  
6.31 as a grant in a competitive bid process to an  
6.32 entity that is not a for-profit entity to conduct  
6.33 a study of market and workforce factors that  
6.34 may contribute to the incorrect marking for  
6.35 the installation of underground

7.1 telecommunications infrastructure that is  
7.2 located within ten feet of existing underground  
7.3 utilities or that crosses the existing  
7.4 underground utilities. The study must include  
7.5 recommendations to the legislature and be  
7.6 submitted to the chairs and ranking minority  
7.7 members of the legislative committees and  
7.8 divisions with jurisdiction over agriculture  
7.9 policy and finance by June 1, 2027.

7.10 ~~(j)~~ (k) \$50,000 the first year is to conduct a  
7.11 study and develop recommendations for  
7.12 establishing an incentive-based program to  
7.13 support and encourage agricultural retailers  
7.14 in promoting 4R nutrient management  
7.15 practices. The 4R nutrient management  
7.16 practices include: the right source of nutrients,  
7.17 at the right rate and right time, in the right  
7.18 place.

7.19 (1) As part of the study, the department must  
7.20 evaluate strategies for leveraging cost-share  
7.21 programs, including the feasibility of  
7.22 coordinating with the Agricultural Water  
7.23 Quality Certification Program and other efforts  
7.24 related to the state's Nutrient Reduction  
7.25 Strategy.

7.26 (2) The commissioner must submit a report  
7.27 detailing its findings, including potential  
7.28 funding sources and proposal outlines for  
7.29 funding requests where appropriate. The  
7.30 commissioner must submit the report to the  
7.31 chairs and ranking minority members of the  
7.32 legislative committees with jurisdiction over  
7.33 agriculture and environment by March 15,  
7.34 2026.

- 8.1 ~~(s)~~ (l) The commissioner shall continue to
- 8.2 increase connections with ethnic minority and
- 8.3 immigrant farmers to farming opportunities
- 8.4 and farming programs throughout the state.

8.5 **EFFECTIVE DATE.** This section is effective July 1, 2026.