

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

S.F. No. 5027

(SENATE AUTHORS: KUPEC)

DATE
04/09/2026

D-PG
7935

OFFICIAL STATUS
Introduction and first reading
Referred to Agriculture, Veterans, Broadband, and Rural Development

1.1 A bill for an act
1.2 relating to agriculture; modifying eligibility for the agricultural growth, research,
1.3 and innovation program; amending Laws 2025, chapter 34, article 1, section 2,
1.4 subdivision 3, as amended.

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

1.6 Section 1. Laws 2025, chapter 34, article 1, section 2, subdivision 3, as amended by Laws
1.7 2025, First Special Session chapter 11, section 11, is amended to read:

1.8 **Subd. 3. Agricultural Marketing and**
1.9 **Development** 23,551,000 23,301,000

1.10 (a) \$634,000 the first year and \$634,000 the
1.11 second year are for the continuation of the
1.12 dairy development and profitability
1.13 enhancement program, including dairy
1.14 profitability teams and dairy business planning
1.15 grants under Minnesota Statutes, section
1.16 32D.30.

1.17 (b) The commissioner may use funds
1.18 appropriated in this subdivision for annual
1.19 cost-share payments to resident farmers or
1.20 entities that sell, process, or package
1.21 agricultural products in this state for the costs
1.22 of organic certification. The commissioner
1.23 may allocate these funds for assistance to

2.1 persons transitioning from conventional to
2.2 organic agriculture.

2.3 (c) \$100,000 the first year and \$100,000 the
2.4 second year are for mental health outreach and
2.5 support to farmers, ranchers, farm workers
2.6 and employees, and others in the agricultural
2.7 community and profession and for farm and
2.8 farm worker safety grant and outreach
2.9 programs under Minnesota Statutes, section
2.10 17.1195. Mental health outreach and support
2.11 may include a 24-hour hotline, stigma
2.12 reduction, and education. Notwithstanding
2.13 Minnesota Statutes, section 16A.28, any
2.14 unencumbered balance does not cancel at the
2.15 end of the first year and is available in the
2.16 second year. The base for this appropriation
2.17 is \$50,000 in fiscal year 2028 and each year
2.18 thereafter.

2.19 (d) \$700,000 the first year and \$700,000 the
2.20 second year are for the local food purchasing
2.21 assistance grant program under article 3,
2.22 section 35. Notwithstanding Minnesota
2.23 Statutes, section 16A.28, any unencumbered
2.24 balance does not cancel at the end of the first
2.25 year and is available in the second year.

2.26 (e) \$18,257,000 the first year and \$18,007,000
2.27 the second year are for the agricultural growth,
2.28 research, and innovation program under
2.29 Minnesota Statutes, section 41A.12. The base
2.30 for this appropriation is \$17,449,000 in fiscal
2.31 year 2028 and each year thereafter.

2.32 (f) Except as provided in paragraph (g), the
2.33 commissioner may allocate the appropriation
2.34 in paragraph (e) each year among the
2.35 following areas: facilitating the startup,

3.1 modernization, improvement, or expansion of
3.2 livestock operations, including beginning and
3.3 transitioning livestock operations with
3.4 preference given to robotic dairy-milking
3.5 equipment; assisting value-added agricultural
3.6 businesses to begin or expand, to access new
3.7 markets, or to diversify, including aquaponics
3.8 systems, with preference given to hemp fiber
3.9 processing equipment; facilitating the startup,
3.10 modernization, or expansion of other
3.11 beginning and transitioning farms, including
3.12 by providing loans under Minnesota Statutes,
3.13 section 41B.056; sustainable agriculture
3.14 on-farm research and demonstration; the
3.15 development or expansion of food hubs and
3.16 other alternative community-based food
3.17 distribution systems; enhancing renewable
3.18 energy infrastructure and use; crop research,
3.19 including basic and applied turf seed research;
3.20 Farm Business Management tuition assistance;
3.21 supporting the commercialization of an
3.22 innovative material additive utilizing
3.23 agricultural coproducts or waste streams to
3.24 produce fiber-based barrier packaging to
3.25 reduce perfluoroalkyl and polyfluoroalkyl
3.26 substances (PFAS) and plastics in packaging
3.27 products; assisting value-added businesses to
3.28 process agricultural commodities into
3.29 alternative protein food products; and good
3.30 agricultural practices and good handling
3.31 practices certification assistance.
3.32 Notwithstanding Minnesota Statutes, section
3.33 16B.98, subdivision 14, the commissioner may
3.34 use up to 7.5 percent of the appropriation in
3.35 paragraph (e) for costs incurred to administer
3.36 the program.

4.1 (g) Of the amount appropriated for the
4.2 agricultural growth, research, and innovation
4.3 program under Minnesota Statutes, section
4.4 41A.12:

4.5 (1) \$1,000,000 the first year and \$1,000,000
4.6 the second year are for distribution in equal
4.7 amounts to each of the state's county fairs to
4.8 preserve and promote Minnesota agriculture;

4.9 (2) \$3,000,000 the first year and \$3,000,000
4.10 the second year are for incentive payments
4.11 under Minnesota Statutes, sections 41A.16,
4.12 41A.17, 41A.18, and 41A.20. If this
4.13 appropriation exceeds the total amount for
4.14 which all producers are eligible in a fiscal
4.15 year, the balance of the appropriation is
4.16 available for other purposes under this
4.17 paragraph;

4.18 (3) \$2,750,000 the first year and \$2,750,000
4.19 the second year are for grants that enable retail
4.20 petroleum dispensers, fuel storage tanks, and
4.21 other equipment to dispense biofuels to the
4.22 public in accordance with the biofuel
4.23 replacement goals established under
4.24 Minnesota Statutes, section 239.7911. A retail
4.25 petroleum dispenser selling petroleum for use
4.26 in spark ignition engines for vehicle model
4.27 years after 2000 is eligible for grant money
4.28 under this clause if the retail petroleum
4.29 dispenser has no more than 20 retail petroleum
4.30 dispensing sites and each site is located in
4.31 Minnesota. The grant money must be used to
4.32 replace or upgrade equipment that does not
4.33 have the ability to be certified for E25. A grant
4.34 award must not exceed 65 percent of the cost
4.35 of the appropriate technology. A grant award

5.1 must not exceed \$200,000 per station. The
5.2 commissioner must cooperate with biofuel
5.3 stakeholders in the implementation of the grant
5.4 program. The commissioner, in cooperation
5.5 with any economic or community development
5.6 financial institution and any other entity with
5.7 which the commissioner contracts, must
5.8 submit a report on the biofuels infrastructure
5.9 financial assistance program by January 15
5.10 each year to the chairs and ranking minority
5.11 members of the legislative committees and
5.12 divisions with jurisdiction over agriculture
5.13 policy and finance. The annual report must
5.14 include but not be limited to a summary of the
5.15 following metrics: (i) the number and types
5.16 of projects financed; (ii) the amount of dollars
5.17 leveraged or matched per project; (iii) the
5.18 geographic distribution of financed projects;
5.19 (iv) any market expansion associated with
5.20 upgraded infrastructure; (v) the demographics
5.21 of the areas served; (vi) the costs of the
5.22 program; and (vii) the number of grants to
5.23 minority-owned or female-owned businesses;

5.24 (4) \$350,000 the first year and \$250,000 the
5.25 second year are for grants to facilitate the
5.26 startup, modernization, or expansion of meat,
5.27 poultry, egg, and milk processing facilities. A
5.28 grant award under this clause must not exceed
5.29 \$200,000;

5.30 (5) \$1,594,000 the first year and \$1,544,000
5.31 the second year are for providing more fruits,
5.32 vegetables, meat, poultry, grain, and dairy for
5.33 children in school and early childhood
5.34 education settings, including, at the
5.35 commissioner's discretion, providing grants

6.1 to reimburse schools and early childhood
6.2 education and child care providers for
6.3 purchasing equipment and agricultural
6.4 products. Of the amount appropriated,
6.5 \$150,000 each year is for a statewide
6.6 coordinator of farm-to-institution strategy and
6.7 programming. The coordinator must consult
6.8 with relevant stakeholders and provide
6.9 technical assistance and training for
6.10 participating farmers and eligible grant
6.11 recipients. The base for this appropriation is
6.12 \$1,636,000 in fiscal year 2028 and each year
6.13 thereafter. At the commissioner's discretion,
6.14 for state administration of federal cooperative
6.15 agreements for purchasing Minnesota grown
6.16 and raised foods for schools, child care
6.17 providers, food banks, and other institutions,
6.18 the commissioner may use an amount of state
6.19 funds equal to no more than 7.5 percent of the
6.20 total federal funds awarded to the state. The
6.21 commissioner shall expend any available
6.22 federal administrative funds awarded for this
6.23 purpose before using state funds;

6.24 (6) up to \$1,750,000 the first year and up to
6.25 \$1,750,000 the second year are for grants to
6.26 facilitate the development of urban agriculture,
6.27 including projects related to youth education,
6.28 community and economic development,
6.29 value-added processing, and vocational
6.30 training;

6.31 (7) \$1,000,000 the first year and \$1,000,000
6.32 the second year are for the food retail
6.33 improvement and development program under
6.34 Minnesota Statutes, section 17.1017;

7.1 (8) up to \$200,000 the first year and up to
7.2 \$200,000 the second year are for cooperative
7.3 development grants under Minnesota Statutes,
7.4 section 17.1016;

7.5 (9) \$250,000 the first year and \$150,000 the
7.6 second year are for the protecting livestock
7.7 grant program for producers to support the
7.8 installation of measures to prevent the
7.9 transmission of avian influenza. For the
7.10 appropriation in this clause, a grant applicant
7.11 must document a cost-share of 20 percent. An
7.12 applicant's cost-share amount may be reduced
7.13 up to \$2,000 to cover time and labor costs.

7.14 This is a onetime appropriation; and

7.15 (10) up to \$525,000 the first year and up to
7.16 \$525,000 the second year are to award AGRI
7.17 Works grants to institutions and organizations
7.18 to provide regional and statewide services.

7.19 Preference shall be given to legislatively
7.20 created entities and organizations that enhance
7.21 agricultural, horticultural, or rural community
7.22 and economic development, marketing, and
7.23 promotion, and research and education. A
7.24 grant award under this clause must not exceed
7.25 \$200,000. Grants made under this paragraph
7.26 are subject to the requirements in Minnesota
7.27 Statutes, sections 16B.98 and 16B.981. This
7.28 is a onetime appropriation.

7.29 (h) Notwithstanding Minnesota Statutes,
7.30 section 16A.28, the appropriation in paragraph
7.31 (e) does not cancel at the end of the second
7.32 year and is available until June 30, 2029.

7.33 Appropriations encumbered under contract on
7.34 or before June 30, 2029, for agricultural
7.35 growth, research, and innovation grants are

8.1 available until June 30, 2032. At the end of
8.2 fiscal year 2027, the commissioner must
8.3 prioritize any money resulting from canceled
8.4 contracts to be used for AGRI Works grants
8.5 under paragraph (g), clause (10).

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