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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-EIGHTH SESSION

H. F. No. 2110

02/25/2014 Authored by Clark and Kahn

The bill was read for the first time and referred to the Committee on Agriculture Policy

1.1 A bill for an act
1.2 relating to sustainable agriculture; modifying certain programs and grants;
1.3 amending Minnesota Statutes 2012, sections 17.115, subdivisions 2, 3; 17.116;
1.4 17.1161.

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

1.6 Section 1. Minnesota Statutes 2012, section 17.115, subdivision 2, is amended to read:

1.7 Subd. 2. **Loan criteria.** (a) The shared savings loan program must provide loans
1.8 for purchase of new or used machinery, urban agriculture development in cities with
1.9 populations greater than 60,000 people, and installation of equipment for projects that
1.10 make environmental improvements and enhance farm profitability. Eligible loan uses do
1.11 not include seed, fertilizer, or fuel.

1.12 (b) Loans may not exceed \$40,000 per individual or organization applying for a loan
1.13 and may not exceed \$160,000 for loans to four or more individuals or to two or more
1.14 organizations on joint projects. The loan repayment period may be up to seven years as
1.15 determined by project cost and energy savings. The interest rate on the loans must not
1.16 exceed six percent.

1.17 (c) Loans may only be made to residents and organizations of this state engaged in
1.18 farming.

1.19 Sec. 2. Minnesota Statutes 2012, section 17.115, subdivision 3, is amended to read:

1.20 Subd. 3. **Awarding of loans.** (a) Applications for loans must be made to the
1.21 commissioner on forms prescribed by the commissioner.

1.22 (b) The applications must be reviewed, ranked, and recommended by a loan review
1.23 panel appointed by the commissioner. The loan review panel shall consist of two

2.1 lenders with agricultural experience, two resident farmers of the state using sustainable
 2.2 agriculture methods, two resident farmers of the state using organic agriculture methods,
 2.3 a farm management specialist, two residents of the state practicing urban agriculture, a
 2.4 representative from a postsecondary education institution, and a chair from the department.

2.5 (c) The loan review panel shall rank applications according to the following criteria:

2.6 (1) realize savings to the cost of agricultural production;

2.7 (2) reduce or make more efficient use of energy or inputs;

2.8 (3) increase overall farm profitability; and

2.9 (4) result in environmental benefits.

2.10 (d) A loan application must show that the loan can be repaid by the applicant.

2.11 (e) The commissioner must consider the recommendations of the loan review panel
 2.12 and may make loans for eligible projects.

2.13 Sec. 3. Minnesota Statutes 2012, section 17.116, is amended to read:

2.14 **17.116 SUSTAINABLE AGRICULTURE DEMONSTRATION GRANTS.**

2.15 Subdivision 1. **Establishment.** The commissioner shall establish a grant program
 2.16 for sustainable agriculture methods that demonstrates best management practices,
 2.17 including farm input reduction or management, urban agriculture development in cities
 2.18 with populations greater than 60,000 people, enterprise diversification including new crops
 2.19 and livestock, farm energy efficiency or production, or the transfer of technologies that
 2.20 enhance the environment and farm profitability. The commissioner shall use the program
 2.21 to demonstrate and publicize the energy efficiency, environmental benefit, and profitability
 2.22 of sustainable agriculture techniques or systems from production through marketing,
 2.23 and to assist eligible organizations and individuals in qualifying urban cities address
 2.24 fresh food access including access to affordable organic foods to reduce food deserts, as
 2.25 defined by the United States Department of Agriculture, through the development of urban
 2.26 agriculture projects. The grants must fund research or demonstrations on farms consistent
 2.27 with the program objectives.

2.28 Subd. 2. **Eligibility.** (a) Grants may only be made to farmers, educational institutions,
 2.29 individuals at educational institutions, or nonprofit organizations residing or located in the
 2.30 state for research or demonstrations on farms in the state or organizations and individuals
 2.31 in qualifying urban cities that address fresh food access including access to affordable
 2.32 organic foods to reduce food deserts through the development of urban agriculture projects.

2.33 (b) Grants may only be made ~~for projects that show:~~

2.34 (1) for projects that demonstrate:

2.35 (i) the ability to maximize direct or indirect energy savings or production;

3.1 ~~(2)~~ (ii) a positive effect or reduced adverse effect on the environment; and
 3.2 ~~(3)~~ (iii) increased profitability for the individual farm by reducing costs or improving
 3.3 marketing opportunities; or

3.4 (2) for projects that address fresh food access including access to affordable organic
 3.5 foods to reduce food deserts through the development of urban agriculture projects.

3.6 Subd. 3. **Awarding of grants.** (a) Applications for grants must be made to the
 3.7 commissioner on forms prescribed by the commissioner.

3.8 (b) The applications must be reviewed, ranked, and recommended by a technical
 3.9 review panel appointed by the commissioner. The technical review panel shall consist of a
 3.10 soil scientist, an agronomist, a representative from a postsecondary educational institution,
 3.11 an agricultural marketing specialist, two resident farmers of the state using sustainable
 3.12 agriculture methods, two resident farmers of the state using organic agriculture methods,
 3.13 two residents of the state practicing urban agriculture, and a chair from the department.

3.14 (c) The technical review panel shall rank applications according to the following
 3.15 criteria:

- 3.16 (1) direct or indirect energy savings or production;
 3.17 (2) environmental benefit;
 3.18 (3) farm profitability;
 3.19 (4) the number of farms able to apply the techniques or the technology proposed;
 3.20 (5) the effectiveness of the project as a demonstration;
 3.21 (6) the immediate transferability of the project to farms; ~~and~~
 3.22 (7) the ability of the project to accomplish its goals; ₂
 3.23 (8) the ability to address fresh food access including access to affordable organic
 3.24 foods to improve both local and regional food security through the development of urban
 3.25 agriculture projects; and
 3.26 (9) the ability to address health disparities related to food access.

3.27 (d) The commissioner shall consider the recommendations of the technical review
 3.28 panel and may award grants for eligible projects. Priority must be given to applicants who
 3.29 are farmers or groups of farmers.

3.30 (e) Grants for eligible projects may not exceed \$25,000 unless the portion above
 3.31 \$25,000 is matched on an equal basis by the applicant's cash or in-kind land use
 3.32 contribution. Grant funding of projects may not exceed \$50,000 under this section, but
 3.33 applicants may utilize other funding sources. A portion of each grant must be targeted for
 3.34 public information activities of the project.

4.1 (f) A project may continue for up to three years. Multiyear projects must be
4.2 reevaluated by the technical review panel and the commissioner before second or third
4.3 year funding is approved. A project is limited to one grant for its funding.

4.4 Sec. 4. Minnesota Statutes 2012, section 17.1161, is amended to read:

4.5 **17.1161 SUSTAINABLE DEVELOPMENT OF MINNESOTA**
4.6 **AGRICULTURE PROGRAM.**

4.7 Subdivision 1. **Establishment; framework.** The Minnesota Institute for Sustainable
4.8 Agriculture shall establish a framework for participatory problem-solving in local
4.9 communities throughout rural and urban Minnesota that will strengthen the connection
4.10 between local communities, identified food deserts, as defined by the United States
4.11 Department of Agriculture, and deficient affordable fresh and organic food access zones in
4.12 urban communities, regions, and the land-grant university; invest research, education, and
4.13 outreach dollars to meet agreed-upon local and regional needs; and foster the development
4.14 of integrated agricultural systems that are profitable, enhance environmental quality, and
4.15 support healthy rural and urban communities. The framework must include regional,
4.16 community-controlled agricultural sustainable development centers located at University
4.17 of Minnesota regional experiment stations. At each center, the Minnesota Institute for
4.18 Sustainable Agriculture shall facilitate the development of a leadership team comprised
4.19 of farmers, researchers, public agencies, and other local community representatives to
4.20 identify problems, chart trends in problems over time, and develop an understanding of
4.21 the agricultural system as a whole, common goals for development of the system, and
4.22 five-year action plans to address those goals. The Minnesota Institute for Sustainable
4.23 Agriculture shall appoint a statewide oversight group of persons with a thorough
4.24 knowledge of agriculture-related issues, including farmers' organizations, commodity
4.25 groups, rural economic development groups, the Department of Agriculture and other
4.26 public agencies, academic personnel, the Agricultural Utilization Research Institute, the
4.27 Minnesota Extension Service, and representatives from each regional leadership team.
4.28 The oversight group shall review and comment on the regional centers' action plans and
4.29 integrate them into a comprehensive agenda for long-term basic and applied research,
4.30 education, and outreach activities. The oversight group shall use this agenda to make
4.31 recommendations on the allocation of funds for regional or statewide use. The Minnesota
4.32 Institute for Sustainable Agriculture board of directors shall review and give final approval
4.33 of the allocation of funds after consultation with the dean of the College of Agricultural,
4.34 Food, and Environmental Sciences at the University of Minnesota.

- 5.1 Subd. 2. **Program areas.** Long-term research and education activities must be
5.2 focused in ~~four~~ five program areas:
- 5.3 (1) sustainable cropping systems;
- 5.4 (2) development of markets and agriculture-related businesses;
- 5.5 (3) sustainable livestock systems; ~~and~~
- 5.6 (4) improving access to high-quality fresh fruits and vegetables and increasing local
5.7 food security in very low to moderate income communities; and
- 5.8 (5) intergenerational transfer in agriculture.