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State of Minnesota
HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 4701

03/07/2024

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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 workforce development; establishing the next generation farmer
1.3 development program; requiring reports; appropriating money; proposing coding
1.4 for new law in Minnesota Statutes, chapter 116L.

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

1.6 Section 1. CITATION.

1.7 This act may be cited as the "Next Generation Minnesota Farmer Act."

1.8 Sec. 2. [116L.58] NEXT GENERATION FARMER DEVELOPMENT PROGRAM.

1.9 Subdivision 1. Establishment; definitions. (a) The commissioner must establish and
1.10 administer a next generation farmer development program to provide competitive grants to
1.11 eligible farms.

1.12 (b) For purposes of this section, the following terms have the meanings given:

1.13 (1) "commissioner" means the commissioner of employment and economic development;

1.14 (2) "qualified agricultural business" means a business with gross revenue of at least
1.15 \$10,000 and not more than \$1,000,000 that is engaged in the growth, cultivation, or raising
1.16 of crops, livestock, poultry, flowers, herbs, honey, dairy products, or poultry products, but
1.17 not a facility primarily engaged in processing agricultural products;

1.18 (3) "qualified fellow" means an individual who:

1.19 (i) is at least 18 years of age;

1.20 (ii) has lived in Minnesota for at least 12 months;

2.1 (iii) has a demonstrable interest in pursuing a career in Minnesota agriculture; and

2.2 (iv) has no more than five years experience as an employee in an agricultural role in
2.3 either a full-time or part-time capacity; and

2.4 (4) "qualified nonprofit organization" means a nonprofit corporation that is tax exempt
2.5 under section 501(c)(3) of the Internal Revenue Code, in good standing with the secretary
2.6 of state under chapter 317A, and, unless exempt under section 309.515, registered and in
2.7 good standing with the attorney general under chapter 309.

2.8 Subd. 2. **Competitive grants and targeted development activities.** (a) The
2.9 commissioner must contract with, and award program funding to, one or more qualified
2.10 nonprofit organizations. A qualified nonprofit organization must accept applications and
2.11 award grants of up to \$20,000 per qualified agricultural business. A participating qualified
2.12 agricultural business must provide qualified fellows:

2.13 (1) hands-on experience with:

2.14 (i) the growth, cultivation, or raising of crops, including the process of planting, tending,
2.15 and harvesting;

2.16 (ii) the raising of livestock or poultry; or

2.17 (iii) the production of dairy or poultry products;

2.18 (2) an understanding of the day-to-day operations of the qualified agricultural business,
2.19 including issues related to workforce, regulatory compliance, and general operations;

2.20 (3) an understanding of the market economics impacting the portion of the agricultural
2.21 economy in which the qualified fellow is employed; and

2.22 (4) any other elements of farm operation necessary to prepare the qualified fellow for a
2.23 career in Minnesota agriculture.

2.24 (b) A qualified nonprofit organization may use up to five percent of any money received
2.25 from the commissioner under this section for administrative costs incurred by the organization
2.26 to administer grants to qualified agricultural businesses.

2.27 Subd. 3. **Priority.** (a) When selecting qualified agricultural businesses for grant funding
2.28 under this section, the commissioner must give preference to businesses owned by persons
2.29 with an annual household income of less than \$50,000 per household member and businesses
2.30 owned by persons who are Black, Indigenous, or People of Color (BIPOC); lesbian, gay,
2.31 bisexual, transgender, queer, intersex, or asexual (LGBTQIA+); women; veterans; or people
2.32 with disabilities.

(b) When hiring qualified fellows under this section, a participating agricultural business must give preference to persons with annual household income of less than \$50,000 per household member and persons who are Black, Indigenous, or People of Color (BIPOC); lesbian, gay, bisexual, transgender, queer, intersex, or asexual (LGBTQIA+); women; veterans; or people with disabilities.

Subd. 4. General terms and conditions of grants. (a) Notwithstanding the state minimum wage required under section 177.24, a qualified agricultural business must pay a qualified fellow an hourly wage of no less than the federal minimum wage. The grant awarded under this section must compensate a qualified fellow for the difference between \$25 per hour and the hourly wage paid by the qualified agricultural business. In addition to supplementing a qualified fellow's pay, a qualified agricultural business may also use grant funds received under this section to offset a qualified fellow's reasonable transportation costs.

(b) The qualified agricultural business must pay any overtime or other compensation required by law and maintain the necessary workers' compensation and other insurance coverages as provided by law.

(c) The term for a grant issued under this section is 12 months.

(d) A qualified agricultural business may receive no more than two grants per calendar year. The grant amount for any qualified agricultural business may not exceed \$20,000.

(e) A qualified agricultural business may use up to 25 percent of a grant for time spent supporting a qualified fellow.

Subd. 5. Agricultural business reporting requirements. (a) In addition to any standard reporting requirements imposed upon grantees under sections 16B.97 to 16B.991 or by the commissioner, a participating agricultural business must submit to the commissioner:

(1) at least one progress report each year; and

(2) a final written report on the project.

(b) A grantee may submit additional information in the final report under paragraph (a), clause (2), but the report must include the following information:

(1) an assessment regarding the completion of project objectives and work tasks as well as the results achieved, written, to the extent possible, in measurable and quantifiable terms;

(2) an assessment of further experience that may be necessary with respect to the objectives of the fellowship, based on the experience gained during the fellowship; and

4.1 (3) a complete financial statement accounting for all expenditures of grant funds.

4.2 Subd. 6. **Biennial report required.** No later than March 15 of each odd-numbered year,
4.3 the commissioner must report program outcomes and recommendations to the legislative
4.4 committees with jurisdiction over workforce development and agriculture policy and finance.

4.5 Sec. 3. **APPROPRIATION.**

4.6 \$1,000,000 in fiscal year 2025 is appropriated from the general fund to the commissioner
4.7 of employment and economic development for the purposes of section 2. This is a onetime
4.8 appropriation. Any amount encumbered under contract on or before June 30, 2025, is
4.9 available until June 30, 2027.