

State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. **3607**

03/24/2016 Authored by Persell, Gunther and Bly

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 rural economic development; creating an organic agriculture financing  
1.3 program; appropriating money; proposing coding for new law in Minnesota  
1.4 Statutes, chapter 41A.

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

1.6 Section 1. **[41A.0355] ORGANIC AGRICULTURE FINANCING.**

1.7 (a) The Minnesota Agricultural and Economic Development Board may guarantee  
1.8 loans under section 41A.03 or participate in loans under section 41A.035.

1.9 (b) Loans guaranteed or participated in by the Minnesota Agricultural and Economic  
1.10 Development Board under paragraph (a) must be to a borrower that is:

1.11 (1) eligible to own and operate farmland under section 500.24 to purchase, expand,  
1.12 or operate a farm of 80 acres or less for the production of certified organic agricultural  
1.13 resources. Eligible loans are for the purchase of land, equipment, or seed or other inputs  
1.14 used for organic production, as defined in section 31.92, subdivision 3a; or

1.15 (2) a cooperative, incorporated under chapter 308A or 308B, for construction or  
1.16 expansion of an agricultural resource project that acquires and processes certified organic  
1.17 agricultural resources.

1.18 Sec. 2. **APPROPRIATION.**

1.19 \$2,000,000 is appropriated in fiscal year 2017 from the general fund to the  
1.20 commissioner of employment and economic development for purposes of section 1.