

296.18 **ARTICLE 18**
 296.19 **AGRICULTURE AND RURAL DEVELOPMENT APPROPRIATIONS**

296.20 Section 1. **APPROPRIATIONS.**

296.21 The sums shown in the columns marked "Appropriations" are added to the appropriations
 296.22 in Laws 2017, chapter 88, or appropriated to the agencies and for the purposes specified in
 296.23 this article. The appropriations are from the general fund, or another named fund, and are
 296.24 available for the fiscal year indicated for each purpose. The figures "2018" and "2019" used
 296.25 in this article mean that the addition to the appropriations listed under them are available
 296.26 for the fiscal year ending June 30, 2018, or June 30, 2019, respectively. "The first year" is
 296.27 fiscal year 2018. "The second year" is fiscal year 2019. Appropriations for fiscal year 2018
 296.28 are effective the day following final enactment.

296.29	<u>APPROPRIATIONS</u>	
296.30	<u>Available for the Year</u>	
296.31	<u>Ending June 30</u>	
297.1	<u>2018</u>	<u>2019</u>

297.2 Sec. 2. **DEPARTMENT OF AGRICULTURE.** \$ \$

297.3 (a) \$200,000 the second year is for additional
 297.4 statewide mental health counseling support to
 297.5 farm families and business operators. This
 297.6 amount is added to the appropriation in Laws
 297.7 2017, chapter 88, article 1, section 2,

3.15 **ARTICLE 1**
 3.16 **AGRICULTURE APPROPRIATIONS**

3.17 Section 1. Laws 2017, chapter 88, article 1, section 2, subdivision 1, is amended to read:

3.18				<u>53,148,000</u>
3.19	Subdivision 1. Total Appropriation	\$	53,096,000	\$ <u>53,395,000</u>

3.20 Appropriations by Fund

3.21		2018	2019
3.22			<u>\$2,751,000</u>
3.23	General	52,703,000	<u>52,998,000</u>
3.24	Remediation	393,000	397,000

3.25 The amounts that may be spent for each
 3.26 purpose are specified in the following
 3.27 subdivisions.

12.3 (h) \$113,000 the first year and ~~\$113,000~~
 12.4 \$330,000 the second year are for transfer to
 12.5 the Board of Trustees of the Minnesota State
 12.6 Colleges and Universities for statewide mental
 12.7 health counseling support to farm families and

297.8 subdivision 5, paragraph (h), and to the
297.9 department's base budget.

12.8 business operators through the Minnesota State
12.9 Agricultural Centers of Excellence. South
12.10 Central College and Central Lakes College
12.11 shall serve as the fiscal ~~agent~~ agents.

297.10 (b) \$200,000 the second year is a reduction to
297.11 the administration and financial assistance
297.12 division.

297.13 Sec. 3. Laws 2017, chapter 88, article 1, section 2, subdivision 2, is amended to read:

3.28 Sec. 2. Laws 2017, chapter 88, article 1, section 2, subdivision 2, is amended to read:

297.14 Subd. 2. **Protection Services** 17,821,000 17,825,000

3.29 Subd. 2. **Protection Services** 17,821,000 17,825,000

297.15 Appropriations by Fund

3.30 Appropriations by Fund

297.16	2018	2019
297.17 General	17,428,000	17,428,000
297.18 Remediation	393,000	397,000

3.31	2018	2019
3.32 General	17,428,000	17,428,000
3.33 Remediation	393,000	397,000

297.19 (a) \$25,000 the first year and \$25,000 the
297.20 second year are to develop and maintain
297.21 cottage food license exemption outreach and
297.22 training materials.

3.34 (a) \$25,000 the first year and \$25,000 the
3.35 second year are to develop and maintain
3.36 cottage food license exemption outreach and
3.37 training materials.

297.23 (b) \$75,000 the first year and \$75,000 the
297.24 second year are to coordinate the correctional
297.25 facility vocational training program and to
297.26 assist entities that have explored the feasibility
297.27 of establishing a USDA-certified or state
297.28 "equal to" food processing facility within 30
297.29 miles of the Northeast Regional Corrections
297.30 Center.

4.1 (b) \$75,000 the first year and \$75,000 the
4.2 second year are to coordinate the correctional
4.3 facility vocational training program and to
4.4 assist entities that have explored the feasibility
4.5 of establishing a USDA-certified or state
4.6 "equal to" food processing facility within 30
4.7 miles of the Northeast Regional Corrections
4.8 Center.

297.31 (c) \$125,000 the first year and \$125,000 the
297.32 second year are for additional funding for the
298.1 noxious weed and invasive plant program.
298.2 These are onetime appropriations.

4.9 (c) \$125,000 the first year and \$125,000 the
4.10 second year are for additional funding for the
4.11 noxious weed and invasive plant program.
4.12 These are onetime appropriations.

298.3 (d) \$250,000 the first year and \$250,000 the
 298.4 second year are for transfer to the pollinator
 298.5 habitat and research account in the agricultural
 298.6 fund. These are onetime transfers.

298.7 (e) \$393,000 the first year and \$397,000 the
 298.8 second year are from the remediation fund for
 298.9 administrative funding for the voluntary
 298.10 cleanup program.

298.11 (f) \$200,000 the first year and \$200,000 the
 298.12 second year are for the industrial hemp pilot
 298.13 program under Minnesota Statutes, section
 298.14 18K.09. These are onetime appropriations.

298.15 (g) \$175,000 the first year and \$175,000 the
 298.16 second year are for compensation for
 298.17 destroyed or crippled livestock under
 298.18 Minnesota Statutes, section 3.737. This
 298.19 appropriation may be spent to compensate for
 298.20 livestock that were destroyed or crippled
 298.21 during fiscal year 2017. If the amount in the
 298.22 first year is insufficient, the amount in the
 298.23 second year is available in the first year. The
 298.24 commissioner may use up to \$5,000 of this
 298.25 appropriation the second year to reimburse
 298.26 expenses incurred by university extension
 298.27 agents to provide fair market values of
 298.28 destroyed or crippled livestock.

298.29 (h) \$155,000 the first year and \$155,000 the
 298.30 second year are for compensation for crop
 298.31 damage under Minnesota Statutes, section
 298.32 3.7371. If the amount in the first year is
 298.33 insufficient, the amount in the second year is
 298.34 available in the first year. The commissioner
 299.1 may use up to \$30,000 of the appropriation
 299.2 each year to reimburse expenses incurred by
 299.3 the commissioner or the commissioner's
 299.4 approved agent to investigate and resolve
 299.5 claims.

4.13 (d) \$250,000 the first year and \$250,000 the
 4.14 second year are for transfer to the pollinator
 4.15 habitat and research account in the agricultural
 4.16 fund. These are onetime transfers.

4.17 (e) \$393,000 the first year and \$397,000 the
 4.18 second year are from the remediation fund for
 4.19 administrative funding for the voluntary
 4.20 cleanup program.

4.21 (f) \$200,000 the first year and \$200,000 the
 4.22 second year are for the industrial hemp pilot
 4.23 program under Minnesota Statutes, section
 4.24 18K.09. These are onetime appropriations.

4.25 (g) \$175,000 the first year and \$175,000 the
 4.26 second year are for compensation for
 4.27 destroyed or crippled livestock under
 4.28 Minnesota Statutes, section 3.737. This
 4.29 appropriation may be spent to compensate for
 4.30 livestock that were destroyed or crippled
 4.31 during fiscal year 2017. If the amount in the
 4.32 first year is insufficient, the amount in the
 4.33 second year is available in the first year. The
 4.34 commissioner may use up to \$5,000 of this
 5.1 appropriation each year to reimburse expenses
 5.2 incurred by university extension educators to
 5.3 provide fair market values of destroyed or
 5.4 crippled livestock.

5.5 (h) \$155,000 the first year and \$155,000 the
 5.6 second year are for compensation for crop
 5.7 damage under Minnesota Statutes, section
 5.8 3.7371. If the amount in the first year is
 5.9 insufficient, the amount in the second year is
 5.10 available in the first year. The commissioner
 5.11 may use up to \$30,000 of the appropriation
 5.12 each year to reimburse expenses incurred by
 5.13 the commissioner or the commissioner's
 5.14 approved agent to investigate and resolve
 5.15 claims.

299.6 If the commissioner determines that claims
 299.7 made under Minnesota Statutes, section 3.737
 299.8 or 3.7371, are unusually high, amounts
 299.9 appropriated for either program may be
 299.10 transferred to the appropriation for the other
 299.11 program.

299.12 (i) \$250,000 the first year and \$250,000 the
 299.13 second year are to expand current capabilities
 299.14 for rapid detection, identification, containment,
 299.15 control, and management of high priority plant
 299.16 pests and pathogens. These are onetime
 299.17 appropriations.

299.18 (j) \$300,000 the first year and \$300,000 the
 299.19 second year are for transfer to the noxious
 299.20 weed and invasive plant species assistance
 299.21 account in the agricultural fund to award
 299.22 grants to local units of government under
 299.23 Minnesota Statutes, section 18.90, with
 299.24 preference given to local units of government
 299.25 responding to Palmer amaranth or other weeds
 299.26 on the eradicate list. These are onetime
 299.27 transfers.

299.28 (k) \$120,000 the first year and \$120,000 the
 299.29 second year are for wolf-livestock conflict
 299.30 prevention grants under article 2, section 89.
 299.31 The commissioner must submit a report to the
 299.32 chairs and ranking minority members of the
 299.33 legislative committees with jurisdiction over
 299.34 agriculture policy and finance by January 15,
 299.35 2020, on the outcomes of the wolf-livestock
 300.1 conflict prevention grants and whether
 300.2 livestock compensation claims were reduced
 300.3 in the areas that grants were awarded. These
 300.4 are onetime appropriations.

300.5 Sec. 4. Laws 2017, chapter 88, article 1, section 2, subdivision 4, is amended to read:

5.16 If the commissioner determines that claims
 5.17 made under Minnesota Statutes, section 3.737
 5.18 or 3.7371, are unusually high, amounts
 5.19 appropriated for either program may be
 5.20 transferred to the appropriation for the other
 5.21 program.

5.22 (i) \$250,000 the first year and \$250,000 the
 5.23 second year are to expand current capabilities
 5.24 for rapid detection, identification, containment,
 5.25 control, and management of high priority plant
 5.26 pests and pathogens. These are onetime
 5.27 appropriations.

5.28 (j) \$300,000 the first year and \$300,000 the
 5.29 second year are for transfer to the noxious
 5.30 weed and invasive plant species assistance
 5.31 account in the agricultural fund to award
 5.32 grants to local units of government under
 5.33 Minnesota Statutes, section 18.90, with
 5.34 preference given to local units of government
 5.35 responding to Palmer amaranth or other weeds
 6.1 on the eradicate list. These are onetime
 6.2 transfers.

6.3 (k) \$120,000 the first year and \$120,000 the
 6.4 second year are for wolf-livestock conflict
 6.5 prevention grants under article 2, section 89.
 6.6 The commissioner must submit a report to the
 6.7 chairs and ranking minority members of the
 6.8 legislative committees with jurisdiction over
 6.9 agriculture policy and finance by January 15,
 6.10 2020, on the outcomes of the wolf-livestock
 6.11 conflict prevention grants and whether
 6.12 livestock compensation claims were reduced
 6.13 in the areas that grants were awarded. These
 6.14 are onetime appropriations.

6.15 Sec. 3. Laws 2017, chapter 88, article 1, section 2, subdivision 4, is amended to read:

<p>300.6 Subd. 4. Agriculture, Bioenergy, and Bioproduct</p> <p>300.7 Advancement 22,581,000 22,636,000</p> <p>300.8 (a) \$9,300,000 the first year and \$9,300,000</p> <p>300.9 the second year are for transfer to the</p> <p>300.10 agriculture research, education, extension, and</p> <p>300.11 technology transfer account under Minnesota</p> <p>300.12 Statutes, section 41A.14, subdivision 3. Of</p> <p>300.13 these amounts: at least \$600,000 the first year</p> <p>300.14 and \$600,000 the second year are for the</p> <p>300.15 Minnesota Agricultural Experiment Station's</p> <p>300.16 agriculture rapid response fund under</p> <p>300.17 Minnesota Statutes, section 41A.14,</p> <p>300.18 subdivision 1, clause (2); \$2,000,000 the first</p> <p>300.19 year and \$2,000,000 the second year are for</p> <p>300.20 grants to the Minnesota Agriculture Education</p> <p>300.21 Leadership Council to enhance agricultural</p> <p>300.22 education with priority given to Farm Business</p> <p>300.23 Management challenge grants; \$350,000 the</p> <p>300.24 first year and \$350,000 the second year are</p> <p>300.25 for potato breeding; and \$450,000 the first</p> <p>300.26 year and \$450,000 the second year are for the</p> <p>300.27 cultivated wild rice breeding project at the</p> <p>300.28 North Central Research and Outreach Center</p> <p>300.29 to include a tenure track/research associate</p> <p>300.30 plant breeder. The commissioner shall transfer</p> <p>300.31 the remaining funds in this appropriation each</p> <p>300.32 year to the Board of Regents of the University</p> <p>300.33 of Minnesota for purposes of Minnesota</p> <p>300.34 Statutes, section 41A.14. Of the amount</p> <p>300.35 transferred to the Board of Regents, up to</p> <p>301.1 \$1,000,000 each year is for research on avian</p> <p>301.2 influenza, including prevention measures that</p> <p>301.3 can be taken.</p> <p>301.4 To the extent practicable, funds expended</p> <p>301.5 under Minnesota Statutes, section 41A.14,</p> <p>301.6 subdivision 1, clauses (1) and (2), must</p> <p>301.7 supplement and not supplant existing sources</p> <p>301.8 and levels of funding. The commissioner may</p> <p>301.9 use up to one percent of this appropriation for</p> <p>301.10 costs incurred to administer the program.</p>	<p>6.16 Subd. 4. Agriculture, Bioenergy, and Bioproduct</p> <p>6.17 Advancement 22,581,000 22,636,000</p> <p>6.18 (a) \$9,300,000 the first year and \$9,300,000</p> <p>6.19 the second year are for transfer to the</p> <p>6.20 agriculture research, education, extension, and</p> <p>6.21 technology transfer account under Minnesota</p> <p>6.22 Statutes, section 41A.14, subdivision 3. Of</p> <p>6.23 these amounts: at least \$600,000 the first year</p> <p>6.24 and \$600,000 the second year are for the</p> <p>6.25 Minnesota Agricultural Experiment Station's</p> <p>6.26 agriculture rapid response fund under</p> <p>6.27 Minnesota Statutes, section 41A.14,</p> <p>6.28 subdivision 1, clause (2); \$2,000,000 the first</p> <p>6.29 year and \$2,000,000 the second year are for</p> <p>6.30 grants to the Minnesota Agriculture Education</p> <p>6.31 Leadership Council to enhance agricultural</p> <p>6.32 education with priority given to Farm Business</p> <p>6.33 Management challenge grants; \$350,000 the</p> <p>6.34 first year and \$350,000 the second year are</p> <p>6.35 for potato breeding; and \$450,000 the first</p> <p>7.1 year and \$450,000 the second year are for the</p> <p>7.2 cultivated wild rice breeding project at the</p> <p>7.3 North Central Research and Outreach Center</p> <p>7.4 to include a tenure track/research associate</p> <p>7.5 plant breeder. The commissioner shall transfer</p> <p>7.6 the remaining funds in this appropriation each</p> <p>7.7 year to the Board of Regents of the University</p> <p>7.8 of Minnesota for purposes of Minnesota</p> <p>7.9 Statutes, section 41A.14. Of the amount</p> <p>7.10 transferred to the Board of Regents, up to</p> <p>7.11 \$1,000,000 each year is for research on avian</p> <p>7.12 influenza, including prevention measures that</p> <p>7.13 can be taken.</p> <p>7.14 To the extent practicable, funds expended</p> <p>7.15 under Minnesota Statutes, section 41A.14,</p> <p>7.16 subdivision 1, clauses (1) and (2), must</p> <p>7.17 supplement and not supplant existing sources</p> <p>7.18 and levels of funding. The commissioner may</p> <p>7.19 use up to one percent of this appropriation for</p> <p>7.20 costs incurred to administer the program.</p>
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301.11 (b) \$13,256,000 the first year and \$13,311,000
 301.12 the second year are for the agricultural growth,
 301.13 research, and innovation program in
 301.14 Minnesota Statutes, section 41A.12. Except
 301.15 as provided below, the commissioner may
 301.16 allocate the appropriation each year among
 301.17 the following areas: facilitating the start-up,
 301.18 modernization, or expansion of livestock
 301.19 operations including beginning and
 301.20 transitioning livestock operations; developing
 301.21 new markets for Minnesota farmers by
 301.22 providing more fruits, vegetables, meat, grain,
 301.23 and dairy for Minnesota school children;
 301.24 assisting value-added agricultural businesses
 301.25 to begin or expand, access new markets, or
 301.26 diversify; providing funding not to exceed
 301.27 \$250,000 each year for urban youth
 301.28 agricultural education or urban agriculture
 301.29 community development; providing funding
 301.30 not to exceed \$250,000 each year for the good
 301.31 food access program under Minnesota
 301.32 Statutes, section 17.1017; facilitating the
 301.33 start-up, modernization, or expansion of other
 301.34 beginning and transitioning farms including
 301.35 by providing loans under Minnesota Statutes,
 302.1 section 41B.056; sustainable agriculture
 302.2 on-farm research and demonstration;
 302.3 development or expansion of food hubs and
 302.4 other alternative community-based food
 302.5 distribution systems; enhancing renewable
 302.6 energy infrastructure and use; crop research;
 302.7 Farm Business Management tuition assistance;
 302.8 good agricultural practices/good handling
 302.9 practices certification assistance; establishing
 302.10 and supporting farmer-led water management
 302.11 councils; and implementing farmer-led water
 302.12 quality improvement practices. The
 302.13 commissioner may use up to 6.5 percent of
 302.14 this appropriation for costs incurred to
 302.15 administer the program.

7.21 (b) \$13,256,000 the first year and \$13,311,000
 7.22 the second year are for the agricultural growth,
 7.23 research, and innovation program in
 7.24 Minnesota Statutes, section 41A.12. Except
 7.25 as provided below, the commissioner may
 7.26 allocate the appropriation each year among
 7.27 the following areas: facilitating the start-up,
 7.28 modernization, or expansion of livestock
 7.29 operations including beginning and
 7.30 transitioning livestock operations; developing
 7.31 new markets for Minnesota farmers by
 7.32 providing more fruits, vegetables, meat, grain,
 7.33 and dairy for Minnesota school children;
 7.34 assisting value-added agricultural businesses
 7.35 to begin or expand, access new markets, or
 8.1 diversify; providing funding not to exceed
 8.2 \$250,000 each year for urban youth
 8.3 agricultural education or urban agriculture
 8.4 community development; providing funding
 8.5 not to exceed \$250,000 each year for the good
 8.6 food access program under Minnesota
 8.7 Statutes, section 17.1017; facilitating the
 8.8 start-up, modernization, or expansion of other
 8.9 beginning and transitioning farms including
 8.10 by providing loans under Minnesota Statutes,
 8.11 section 41B.056; sustainable agriculture
 8.12 on-farm research and demonstration;
 8.13 development or expansion of food hubs and
 8.14 other alternative community-based food
 8.15 distribution systems; enhancing renewable
 8.16 energy infrastructure and use; crop research;
 8.17 Farm Business Management tuition assistance;
 8.18 good agricultural practices/good handling
 8.19 practices certification assistance; establishing
 8.20 and supporting farmer-led water management
 8.21 councils; and implementing farmer-led water
 8.22 quality improvement practices. The
 8.23 commissioner may use up to 6.5 percent of
 8.24 this appropriation for costs incurred to
 8.25 administer the program.

302.16 Of the amount appropriated for the agricultural
302.17 growth, research, and innovation program in
302.18 Minnesota Statutes, section 41A.12:

302.19 (1) \$1,000,000 the first year and \$1,000,000
302.20 the second year are for distribution in equal
302.21 amounts to each of the state's county fairs to
302.22 preserve and promote Minnesota agriculture;
302.23 and

302.24 (2) \$1,500,000 the first year and \$1,500,000
302.25 the second year are for incentive payments
302.26 under Minnesota Statutes, sections 41A.16,
302.27 41A.17, and 41A.18. Notwithstanding
302.28 Minnesota Statutes, section 16A.28, the first
302.29 year appropriation is available until June 30,
302.30 2019, and the second year appropriation is
302.31 available until June 30, 2020. If this
302.32 appropriation exceeds the total amount for
302.33 which all producers are eligible in a fiscal
302.34 year, the commissioner must issue incentive
302.35 payments under Minnesota Statutes, section
303.1 41A.17, to facilities that otherwise satisfy the
303.2 criteria and requirements in that section but
303.3 began producing renewable chemical from
303.4 forestry biomass between January 1, 2013,
303.5 and January 1, 2015, and any remaining
303.6 balance of the appropriation is available for
303.7 the agricultural growth, research, and
303.8 innovation program.

303.9 The commissioner may use funds appropriated
303.10 under this subdivision to award up to two
303.11 value-added agriculture grants per year of up
303.12 to \$1,000,000 per grant for new or expanding
303.13 agricultural production or processing facilities
303.14 that provide significant economic impact to
303.15 the region. The commissioner may use funds
303.16 appropriated under this subdivision for
303.17 additional value-added agriculture grants for
303.18 awards between \$1,000 and \$200,000 per
303.19 grant.

8.26 Of the amount appropriated for the agricultural
8.27 growth, research, and innovation program in
8.28 Minnesota Statutes, section 41A.12:

8.29 (1) \$1,000,000 the first year and \$1,000,000
8.30 the second year are for distribution in equal
8.31 amounts to each of the state's county fairs to
8.32 preserve and promote Minnesota agriculture;
8.33 and

8.34 (2) \$1,500,000 the first year and \$1,500,000
8.35 the second year are for incentive payments
9.1 under Minnesota Statutes, sections 41A.16,
9.2 41A.17, and 41A.18. Notwithstanding
9.3 Minnesota Statutes, section 16A.28, the first
9.4 year appropriation is available until June 30,
9.5 2019, and the second year appropriation is
9.6 available until June 30, 2020. If this
9.7 appropriation exceeds the total amount for
9.8 which all producers are eligible in a fiscal
9.9 year, the balance of the appropriation is
9.10 available for the agricultural growth, research,
9.11 and innovation program-; however, the
9.12 commissioner must first issue incentive
9.13 payments under Minnesota Statutes, section
9.14 41A.17, to facilities that otherwise satisfy the
9.15 criteria and requirements in that section but
9.16 began producing renewable chemical from
9.17 forestry biomass between January 1, 2013,
9.18 and January 1, 2015.

9.19 The commissioner may use funds appropriated
9.20 under this subdivision to award up to two
9.21 value-added agriculture grants per year of up
9.22 to \$1,000,000 per grant for new or expanding
9.23 agricultural production or processing facilities
9.24 that provide significant economic impact to
9.25 the region. The commissioner may use funds
9.26 appropriated under this subdivision for
9.27 additional value-added agriculture grants for
9.28 awards between \$1,000 and \$200,000 per
9.29 grant.

303.20 Appropriations in clauses (1) and (2) are
 303.21 onetime. Any unencumbered balance does not
 303.22 cancel at the end of the first year and is
 303.23 available for the second year. Notwithstanding
 303.24 Minnesota Statutes, section 16A.28,
 303.25 appropriations encumbered under contract on
 303.26 or before June 30, 2019, for agricultural
 303.27 growth, research, and innovation grants are
 303.28 available until June 30, 2021.

303.29 The base budget for the agricultural growth,
 303.30 research, and innovation program is
 303.31 \$14,275,000 for fiscal years 2020 and 2021
 303.32 and includes funding for incentive payments
 303.33 under Minnesota Statutes, sections 41A.16,
 303.34 41A.17, 41A.18, and 41A.20.

304.1 The commissioner must develop additional
 304.2 innovative production incentive programs to
 304.3 be funded by the agricultural growth, research,
 304.4 and innovation program.

304.5 The commissioner must consult with the
 304.6 commissioner of transportation, the
 304.7 commissioner of administration, and local
 304.8 units of government to identify parcels of
 304.9 publicly owned land that are suitable for urban
 304.10 agriculture.

304.11 (c) \$25,000 the first year and \$25,000 the
 304.12 second year are for grants to the Southern
 304.13 Minnesota Initiative Foundation to promote
 304.14 local foods through an annual event that raises
 304.15 public awareness of local foods and connects
 304.16 local food producers and processors with
 304.17 potential buyers.

9.30 Appropriations in clauses (1) and (2) are
 9.31 onetime. Any unencumbered balance does not
 9.32 cancel at the end of the first year and is
 9.33 available for the second year. Notwithstanding
 9.34 Minnesota Statutes, section 16A.28,
 9.35 appropriations encumbered under contract on
 10.1 or before June 30, 2019, for agricultural
 10.2 growth, research, and innovation grants are
 10.3 available until June 30, ~~2021~~ 2022.

10.4 The base budget for the agricultural growth,
 10.5 research, and innovation program is
 10.6 \$14,275,000 for fiscal years 2020 and 2021
 10.7 and includes funding for incentive payments
 10.8 under Minnesota Statutes, sections 41A.16,
 10.9 41A.17, 41A.18, and 41A.20.

10.10 The commissioner must develop additional
 10.11 innovative production incentive programs to
 10.12 be funded by the agricultural growth, research,
 10.13 and innovation program.

10.14 The commissioner must consult with the
 10.15 commissioner of transportation, the
 10.16 commissioner of administration, and local
 10.17 units of government to identify parcels of
 10.18 publicly owned land that are suitable for urban
 10.19 agriculture.

10.20 (c) \$25,000 the first year and \$25,000 the
 10.21 second year are for grants to the Southern
 10.22 Minnesota Initiative Foundation to promote
 10.23 local foods through an annual event that raises
 10.24 public awareness of local foods and connects
 10.25 local food producers and processors with
 10.26 potential buyers.

10.27 Sec. 4. Laws 2017, chapter 88, article 1, section 2, subdivision 5, is amended to read:

10.28	Subd. 5. Administration and Financial Assistance	8,698,000	8,691,000
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8,938,000

- 10.30 (a) \$474,000 the first year and \$474,000 the
- 10.31 second year are for payments to county and
- 10.32 district agricultural societies and associations
- 10.33 under Minnesota Statutes, section 38.02,
- 10.34 subdivision 1. Aid payments to county and
- 11.1 district agricultural societies and associations
- 11.2 shall be disbursed no later than July 15 of each
- 11.3 year. These payments are the amount of aid
- 11.4 from the state for an annual fair held in the
- 11.5 previous calendar year.

- 11.6 (b) \$1,000 the first year and \$1,000 the second
- 11.7 year are for grants to the Minnesota State
- 11.8 Poultry Association.

- 11.9 (c) \$18,000 the first year and \$18,000 the
- 11.10 second year are for grants to the Minnesota
- 11.11 Livestock Breeders Association.

- 11.12 (d) \$47,000 the first year and \$47,000 the
- 11.13 second year are for the Northern Crops
- 11.14 Institute. These appropriations may be spent
- 11.15 to purchase equipment.

- 11.16 (e) \$220,000 the first year and ~~\$220,000~~
- 11.17 \$250,000 the second year are for farm
- 11.18 advocate services.

- 11.19 (f) \$17,000 the first year and \$17,000 the
- 11.20 second year are for grants to the Minnesota
- 11.21 Horticultural Society.

- 11.22 (g) \$108,000 the first year and \$108,000 the
- 11.23 second year are for annual grants to the
- 11.24 Minnesota Turf Seed Council for basic and
- 11.25 applied research on: (1) the improved
- 11.26 production of forage and turf seed related to
- 11.27 new and improved varieties; and (2) native
- 11.28 plants, including plant breeding, nutrient

- 11.29 management, pest management, disease
11.30 management, yield, and viability. The grant
11.31 recipient may subcontract with a qualified
11.32 third party for some or all of the basic or
11.33 applied research. Any unencumbered balance
11.34 does not cancel at the end of the first year and
12.1 is available for the second year. These are
12.2 onetime appropriations.
- 12.12 (i) \$550,000 the first year and \$550,000 the
12.13 second year are for grants to Second Harvest
12.14 Heartland on behalf of Minnesota's six
12.15 Feeding America food banks for the purchase
12.16 of milk for distribution to Minnesota's food
12.17 shelves and other charitable organizations that
12.18 are eligible to receive food from the food
12.19 banks. Milk purchased under the grants must
12.20 be acquired from Minnesota milk processors
12.21 and based on low-cost bids. The milk must be
12.22 allocated to each Feeding America food bank
12.23 serving Minnesota according to the formula
12.24 used in the distribution of United States
12.25 Department of Agriculture commodities under
12.26 The Emergency Food Assistance Program
12.27 (TEFAP). Second Harvest Heartland must
12.28 submit quarterly reports to the commissioner
12.29 on forms prescribed by the commissioner. The
12.30 reports must include, but are not limited to,
12.31 information on the expenditure of funds, the
12.32 amount of milk purchased, and the
12.33 organizations to which the milk was
12.34 distributed. Second Harvest Heartland may
12.35 enter into contracts or agreements with food
13.1 banks for shared funding or reimbursement of
13.2 the direct purchase of milk. Each food bank
13.3 receiving money from this appropriation may
13.4 use up to two percent of the grant for
13.5 administrative expenses. Any unencumbered
13.6 balance does not cancel at the end of the first
13.7 year and is available for the second year.
- 13.8 (j) \$1,100,000 the first year and \$1,100,000
13.9 the second year are for grants to Second

- 13.10 Harvest Heartland on behalf of the six Feeding
 13.11 America food banks that serve Minnesota to
 13.12 compensate agricultural producers and
 13.13 processors for costs incurred to harvest and
 13.14 package for transfer surplus fruits, vegetables,
 13.15 and other agricultural commodities that would
 13.16 otherwise go unharvested, be discarded, or
 13.17 sold in a secondary market. Surplus
 13.18 commodities must be distributed statewide to
 13.19 food shelves and other charitable organizations
 13.20 that are eligible to receive food from the food
 13.21 banks. Surplus food acquired under this
 13.22 appropriation must be from Minnesota
 13.23 producers and processors. Second Harvest
 13.24 Heartland must report in the form prescribed
 13.25 by the commissioner. Second Harvest
 13.26 Heartland may use up to 15 percent of each
 13.27 grant for ~~matching~~ administrative and
 13.28 transportation expenses. Any unencumbered
 13.29 balance does not cancel at the end of the first
 13.30 year and is available for the second year.
- 13.31 (k) \$150,000 the first year and \$150,000 the
 13.32 second year are for grants to the Center for
 13.33 Rural Policy and Development.
- 13.34 (l) \$235,000 the first year and \$235,000 the
 13.35 second year are for grants to the Minnesota
 14.1 Agricultural Education and Leadership
 14.2 Council for programs of the council under
 14.3 Minnesota Statutes, chapter 41D.
- 14.4 (m) \$600,000 the first year and \$600,000 the
 14.5 second year are for grants to the Board of
 14.6 Regents of the University of Minnesota to
 14.7 develop, in consultation with the
 14.8 commissioner of agriculture and the Board of
 14.9 Animal Health, a software tool or application
 14.10 through the Veterinary Diagnostic Laboratory
 14.11 that empowers veterinarians and producers to
 14.12 understand the movement of unique pathogen
 14.13 strains in livestock and poultry production
 14.14 systems, monitor antibiotic resistance, and

14.15 implement effective biosecurity measures that
 14.16 promote animal health and limit production
 14.17 losses. These are onetime appropriations.

14.18 (n) \$150,000 the first year is for the tractor
 14.19 rollover protection pilot program under
 14.20 Minnesota Statutes, section 17.119. This is a
 14.21 onetime appropriation and is available until
 14.22 June 30, 2019.

14.23 (o) \$400,000 the first year is for a grant to the
 14.24 Board of Trustees of the Minnesota State
 14.25 Colleges and Universities to expand and
 14.26 renovate the GROW-IT Center at Metropolitan
 14.27 State University. This is a onetime
 14.28 appropriation.

14.29 By January 15, 2018, the commissioner shall
 14.30 submit a report to the chairs and ranking
 14.31 minority members of the legislative
 14.32 committees with jurisdiction over agricultural
 14.33 policy and finance with a list of inspections
 14.34 the department conducts at more frequent
 14.35 intervals than federal law requires, an
 15.1 explanation of why the additional inspections
 15.2 are necessary, and provide recommendations
 15.3 for eliminating any unnecessary inspections.

15.4 Sec. 5. **RURAL FINANCE AUTHORITY.**

15.5 Subdivision 1. **Appropriation.** \$35,000,000 is appropriated from the bond proceeds
 15.6 fund to the Rural Finance Authority for the purposes set forth in the Minnesota Constitution,
 15.7 article XI, section 5, paragraph (h), to purchase participation interests in or to make direct
 15.8 agricultural loans to farmers under Minnesota Statutes, chapter 41B. This appropriation is
 15.9 from the bond proceeds account in the rural finance administration fund and is for the
 15.10 beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring
 15.11 program under Minnesota Statutes, section 41B.04; the seller-sponsored program under
 15.12 Minnesota Statutes, section 41B.042; the agricultural improvement loan program under
 15.13 Minnesota Statutes, section 41B.043; and the livestock expansion loan program under
 15.14 Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance
 15.15 this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes,
 15.16 section 16A.643. Loan participations must be priced to provide full interest and principal
 15.17 coverage and a reserve for potential losses. Priority for loans must be given first to basic

15.18 beginning farmer loans, second to seller-sponsored loans, and third to agricultural
15.19 improvement loans.

15.20 Subd. 2. **Bond sale expenses.** \$35,000 is appropriated from the bond proceeds fund to
15.21 the commissioner of management and budget for bond sale expenses under Minnesota
15.22 Statutes, section 16A.641, subdivision 8.

15.23 Subd. 3. **Bond sale.** To provide the money appropriated in this section from the bond
15.24 proceeds fund, the commissioner of management and budget shall sell and issue bonds of
15.25 the state in an amount up to \$35,035,000 in the manner, upon the terms, and with the effect
15.26 prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota
15.27 Constitution, article XI, sections 4 to 7.

15.28 **EFFECTIVE DATE.** This section is effective the day following final enactment.