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ARTICLE 1

APPROPRIATIONS

Section 1. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

		APPROPRIATIONS Available for the Year Ending June 30	
		2024	**2025**
Sec. 2. **DEPARTMENT OF AGRICULTURE**			
Subdivision 1. **Total Appropriation**	**$**	**96,089,000**	**$ 74,253,000**

Appropriations by Fund	2024	2025
General	95,690,000	73,854,000
Remediation	399,000	399,000

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

Subd. 2. **Protection Services**

Appropriations by Fund	2024	2025

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ARTICLE 1

APPROPRIATIONS

Section 1. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2024" and "2025" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2024, or June 30, 2025, respectively. "The first year" is fiscal year 2024. "The second year" is fiscal year 2025. "The biennium" is fiscal years 2024 and 2025.

		APPROPRIATIONS Available for the Year Ending June 30	
		2024	**2025**
Sec. 2. **DEPARTMENT OF AGRICULTURE**			
Subdivision 1. **Total Appropriation**	**$**	**90,969,000**	**$ 73,029,000**

Appropriations by Fund	2024	2025
General	90,570,000	72,630,000
Remediation	399,000	399,000

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

Subd. 2. **Protection Services**

Appropriations by Fund	2024	2025

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General	24,400,000	23,350,000
Remediation	399,000	399,000

(a) $399,000 the first year and $399,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

(b) $1,000,000 the first year and $1,000,000 the second year are for the soil health financial assistance program under Minnesota Statutes, section 17.134. The commissioner may award no more than $50,000 of the appropriation each year to a single recipient. This is a onetime appropriation. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2025, for soil health financial assistance grants are available until June 30, 2027.

(c) $375,000 the first year and $375,000 the second year are for transfer to the noxious weed and invasive plant species assistance account in the agricultural fund to award grants to local units of government and Tribal Nations under Minnesota Statutes, section 18.90. The base for this appropriation is $225,000 for fiscal year 2026 and thereafter.

(d) $215,000 the first year and $215,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2023. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The

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General	29,666,000	17,610,000
Remediation	399,000	399,000

(a) $399,000 the first year and $399,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

(b) $250,000 the first year and $250,000 the second year are for the soil health financial assistance program. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. This is a onetime appropriation. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Appropriations encumbered under contract on or before June 30, 2025, for soil health financial assistance grants are available until June 30, 2027.

(c) $2,500,000 the first year is for transfer to the pollinator research account established under Minnesota Statutes, section 18B.051.

(d) $400,000 the first year and $400,000 the second year are for transfer to the noxious weed and invasive plant species assistance account established under Minnesota Statutes, section 18.89, to award grants to local units of government and Tribal Nations under Minnesota Statutes, section 18.90.

(e) $175,000 the first year and $175,000 the second year are for compensation for destroyed or crippled livestock under Minnesota Statutes, section 3.737. The first year appropriation may be spent to compensate for livestock that were destroyed or crippled during fiscal year 2023. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base for this appropriation is $175,000 for fiscal year 2026 and thereafter.

(e) $190,000 the first year and $190,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to $20,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. The base for this appropriation is $155,000 for fiscal year 2026 and thereafter.

commissioner may use up to $5,000 each year to reimburse expenses incurred by university extension educators to provide fair market values of destroyed or crippled livestock. If the commissioner receives federal dollars to pay claims for destroyed or crippled livestock, an equivalent amount of this appropriation may be used to reimburse nonlethal prevention methods performed by federal wildlife services staff.

(f) $155,000 the first year and $155,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year. The commissioner may use up to $10,000 of the appropriation each year to reimburse expenses incurred by the commissioner or the commissioner's approved agent to investigate and resolve claims, as well as for costs associated with training for approved agents. The commissioner may use up to $40,000 of the appropriation each year to make grants to producers for measures to protect stored crops from elk damage. If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

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(f) $825,000 the first year and $825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory. The base for this appropriation for fiscal year 2026 and thereafter is $825,000.	(h) $825,000 the first year and $825,000 the second year are to replace capital equipment in the Department of Agriculture's analytical laboratory.
(g) $75,000 the first year and $75,000 the second year are to support a meat processing liaison position to assist new or existing meat and poultry processing operations in getting started, expanding, growing, or transitioning into new business models.	(i) $75,000 the first year and $75,000 the second year are to support a meat processing liaison position to assist new or existing meat and poultry processing operations in getting started, expanding, growing, or transitioning into new business models.
(h) $950,000 the first year and $950,000 the second year are additional funding to maintain the current level of service delivery for programs under this subdivision. The base for this appropriation is $1,388,000 for fiscal year 2026 and thereafter.	
(i) $975,000 the first year and $975,000 the second year are for grants to the Board of Regents of the University of Minnesota to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota's farmers by incorporating perennial and winter-annual crops into existing agricultural practices. By February 1 each year, the dean of the College of Food, Agricultural and Natural Resource Sciences must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy and higher education detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to.	(6) $690,000 the first year and $690,000 the second year are to fund the Forever Green Initiative and protect the state's natural resources while increasing the efficiency, profitability, and productivity of Minnesota farmers by incorporating perennial and winter-annual crops into existing agricultural practices. The base for the allocation under this clause is $630,000 in fiscal year 2026 and thereafter; (7) $1,000,000 the first year is to purchase and maintain equipment and physical infrastructure to support breeding, agronomic research, and food science activities of the Forever Green Initiative. The allocation in this clause is onetime; and
(j) $1,250,000 the first year and $250,000 the second year are for grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous-living cover crops and cropping systems in the early stages of commercial development. For the	(j) $500,000 the first year and $500,000 the second year are for grants to organizations in Minnesota to develop enterprises, supply chains, and markets for continuous living cover crops and cropping systems in the early stages of commercial development. For the

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purposes of this paragraph, "continuous-living cover crops and cropping systems" refers to agroforestry, perennial biomass, perennial forage, perennial grains, and winter-annual cereal grains and oilseeds that have market value as harvested or grazed commodities. By February 1 each year, the commissioner must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance and policy detailing uses of the funds in this paragraph, including administrative costs, and the achievements these funds contributed to. Of the amount in the first year, $1,000,000 must be used to support markets for Kernza perennial grain, winter camelina, hybrid hazelnut, and elderberry, and is available until June 30, 2027. The commissioner may use up to 6.5 percent of this appropriation for administrative costs.

(k) $225,000 the first year and $225,000 the second year are appropriated for wolf-livestock conflict-prevention grants. The commissioner may use up to $125,000 from each year to reimburse nonlethal prevention work performed by federal wildlife services. This is a onetime appropriation.

(l) $50,000 the first year is to convene a working group of interested parties, including representatives from the Department of Natural Resources, to investigate and recommend measures to protect crops, stored crops, and forage from destruction due to white-tailed deer. Membership of the working group is at the discretion of the commissioner. The commissioner or the commissioner's

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purposes of this paragraph, "continuous living cover crops and cropping systems" refers to agroforestry, perennial biomass, perennial forage, perennial grains, and winter annual cereal grains and oilseeds that have market value as harvested or grazed commodities. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. This is a onetime appropriation.

(k) $1,126,000 the first year and $562,000 the second year are to identify and regulate pesticides containing perfluoroalkyl or polyfluoroalkyl substances.

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designated representative must convene and facilitate the working group. No later than February 1, 2024, the commissioner must submit a report on the working group's recommendations to the legislative committees with jurisdiction over agriculture policy and finance. This is a onetime appropriation.					
			(l) $100,000 the first year is to regulate systemic pesticide-treated seed.		
			(m) $65,000 the first year is for transfer to the commissioner of natural resources for a report on feral pigs and mink.		
Subd. 3. **Agricultural Marketing and Development**	4,815,000	4,815,000	Subd. 3. **Agricultural Marketing and Development**	4,365,000	4,365,000
(a) $150,000 the first year and $150,000 the second year are to expand international trade opportunities and markets for Minnesota agricultural products.			(a) $150,000 the first year and $150,000 the second year are to expand international trade opportunities and markets for Minnesota agricultural products. The base for this appropriation is $75,000 in fiscal year 2026 and $75,000 in fiscal year 2027.		
(b) $186,000 the first year and $186,000 the second year are for transfer to the Minnesota Grown account and may be used as grants for Minnesota Grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2025, for Minnesota Grown grants in this paragraph are available until June 30, 2027.			(b) $186,000 the first year and $186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion established under Minnesota Statutes, section 17.102. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2025, for Minnesota grown grants in this paragraph are available until June 30, 2027.		
(c) $634,000 the first year and $634,000 the second year are for the continuation of the dairy development and profitability enhancement programs, including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.			(c) $634,000 the first year and $634,000 the second year are for continuation of the dairy development and profitability enhancement programs including dairy profitability teams and dairy business planning grants under Minnesota Statutes, section 32D.30.		

(d) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

(e) $450,000 the first year and $450,000 the second year are to maintain the current level of service delivery. The base for this appropriation is $550,000 for fiscal year 2026 and thereafter.

(f) $100,000 the first year and $100,000 the second year are for mental health outreach and support to farmers, ranchers, and others in the agricultural community and for farm safety grant and outreach programs under Minnesota Statutes, section 17.1195. Mental health outreach and support may include a 24-hour hotline, stigma reduction, and education. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(g) $100,000 the first year and $100,000 the second year are to award and administer grants to facilitate the start-up or expansion of aggregation and food hub services at farmers markets. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available in the second year. This is a onetime appropriation.

(e) The commissioner may use funds appropriated in this subdivision for annual cost-share payments to resident farmers or entities that sell, process, or package agricultural products in this state for the costs of organic certification. The commissioner may allocate these funds for assistance to persons transitioning from conventional to organic agriculture.

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Subd. 4. **Agriculture, Bioenergy, and Bioproduct Advancement**	36,232,000	30,732,000	Subd. 4. **Agriculture, Bioenergy, and Bioproduct Advancement**	34,982,000	33,982,000

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(a) $9,800,000 the first year and $9,800,000 the second year are for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3. Of these amounts: at least $600,000 the first year and $600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2); $2,500,000 the first year and $2,500,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to enhance agricultural education with priority given to Farm Business Management challenge grants; $450,000 the first year and $450,000 the second year are for projects, programs, and research associated with the preservation and production of wild rice in collaboration with Minnesota Tribal governments as defined in Minnesota Statutes, section 10.65, subdivision 2, paragraph (a), clause (4); and $350,000 the first year and $350,000 the second year are for potato breeding. The commissioner shall transfer the remaining funds in this appropriation each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. Of the amount transferred to the Board of Regents, up to $1,000,000 each year is for avian influenza prevention measures and research on avian influenza, salmonella, and other turkey-related diseases. Funds may be used for researching avian influenza prevention measures, including but not limited to measures to prevent transmission of avian influenza from wild birds to domestic turkeys. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1,

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(a) $11,740,000 the first year and $10,740,000 the second year are for the agriculture research, education, extension, and technology transfer program under Minnesota Statutes, section 41A.14. Except as provided below, the appropriation each year is for transfer to the agriculture research, education, extension, and technology transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the commissioner shall transfer funds each year to the Board of Regents of the University of Minnesota for purposes of Minnesota Statutes, section 41A.14. To the extent practicable, money expended under Minnesota Statutes, section 41A.14, subdivision 1, clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.

Of the amount appropriated for the agriculture research, education, extension, and technology transfer grant program under Minnesota Statutes, section 41A.14:

(1) $600,000 the first year and $600,000 the second year are for the Minnesota Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes, section 41A.14, subdivision 1, clause (2);

(2) up to $1,000,000 the first year and up to $1,000,000 the second year are for research on avian influenza, salmonella, and other turkey-related diseases;

(3) $2,250,000 the first year and $2,250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council to

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clauses (1) and (2), must supplement and not supplant existing sources and levels of funding. By January 15 each year, the entities receiving grants under this paragraph are requested to submit a report on the expenditures under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The commissioner may use up to one percent of this appropriation for costs incurred to administer the program.	enhance agricultural education with priority given to Farm Business Management challenge grants; (4) $450,000 the first year and $450,000 the second year are for the cultivated wild rice breeding project at the North Central Research and Outreach Center to include a tenure track/research associate plant breeder; (5) $350,000 the first year and $350,000 the second year are for potato breeding; (8) $500,000 each year is for farm-scale winter greenhouse research and development coordinated by University of Minnesota Extension Regional Sustainable Development Partnerships. The allocation in this clause is onetime. (b) The base for the agriculture research, education, extension, and technology transfer program is $10,180,000 in fiscal year 2026 and $10,180,000 in fiscal year 2027.
(b) $26,432,000 the first year and $20,932,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.	(c) $23,242,000 the first year and $23,242,000 the second year are for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12. Except as provided below, the commissioner may allocate this appropriation each year among the following areas: facilitating the start-up, modernization, improvement, or expansion of livestock operations, including beginning and transitioning livestock operations with preference given to robotic dairy-milking equipment; assisting value-added agricultural businesses to begin or expand, to access new markets, or to diversify, including aquaponics systems; facilitating the start-up, modernization, or expansion of other beginning and transitioning farms, including by providing loans under Minnesota Statutes, section 41B.056; sustainable agriculture on-farm research and demonstration; the

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	development or expansion of food hubs and other alternative community-based food distribution systems; enhancing renewable energy infrastructure and use; crop research, including basic and applied turf seed research; Farm Business Management tuition assistance; and good agricultural practices and good handling practices certification assistance. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.
Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:	Of the amount appropriated for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12:
(1) $1,000,000 the first year and $1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;	(1) $1,000,000 the first year and $1,000,000 the second year are for distribution in equal amounts to each of the state's county fairs to preserve and promote Minnesota agriculture;
(2) $6,000,000 the first year and $6,000,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025, and the second year appropriation is available until June 30, 2026. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base under this clause is $6,125,000 in fiscal year 2026 and thereafter;	(2) $6,750,000 the first year and $6,750,000 the second year are for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20. Of the amount allocated each year, $1,000,000 is to pay prior claims that were not fully paid. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025, and the second year appropriation is available until June 30, 2026. If this appropriation exceeds the total amount for which all producers are eligible in a fiscal year, the balance of the appropriation is available for other purposes under this paragraph. The base under this clause is $5,750,000 in fiscal year 2026 and thereafter and does not include funding to pay prior claims that were not fully paid;
(3) $4,500,000 the first year and $4,500,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel	(3) $3,000,000 the first year and $3,000,000 the second year are for grants that enable retail petroleum dispensers, fuel storage tanks, and other equipment to dispense biofuels to the public in accordance with the biofuel

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replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses. The base under this clause is $3,375,000 for fiscal year 2026 and thereafter;

(4) $1,500,000 the first year and $1,500,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed

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replacement goals established under Minnesota Statutes, section 239.7911. A retail petroleum dispenser selling petroleum for use in spark ignition engines for vehicle model years after 2000 is eligible for grant money under this clause if the retail petroleum dispenser has no more than 10 retail petroleum dispensing sites and each site is located in Minnesota. The grant money must be used to replace or upgrade equipment that does not have the ability to be certified for E25. A grant award must not exceed 65 percent of the cost of the appropriate technology. A grant award must not exceed $200,000 per station. The commissioner must cooperate with biofuel stakeholders in the implementation of the grant program. The commissioner, in cooperation with any economic or community development financial institution and any other entity with which the commissioner contracts, must submit a report on the biofuels infrastructure financial assistance program by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The annual report must include but not be limited to a summary of the following metrics: (i) the number and types of projects financed; (ii) the amount of dollars leveraged or matched per project; (iii) the geographic distribution of financed projects; (iv) any market expansion associated with upgraded infrastructure; (v) the demographics of the areas served; (vi) the costs of the program; and (vii) the number of grants to minority-owned or female-owned businesses;

(5) $1,250,000 the first year and $1,250,000 the second year are for grants to facilitate the start-up, modernization, or expansion of meat, poultry, egg, and milk processing facilities. A grant award under this clause must not exceed

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$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. The base under this clause is $250,000 in fiscal year 2026 and thereafter;	$200,000. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. The base under this clause is $250,000 in fiscal year 2026 and thereafter;
(5) $1,150,000 the first year and $1,150,000 the second year are for providing more fruits, vegetables, meat, poultry, grain, and dairy for children in school and early childhood education centers, including, at the commissioner's discretion, providing grants to reimburse schools and early childhood education centers for purchasing equipment and agricultural products. Of the amount appropriated, $150,000 each year is for a statewide coordinator of farm-to-institution strategy and programming. The coordinator must consult with relevant stakeholders and provide technical assistance and training for participating farmers and eligible grant recipients. The base under this clause is $800,000 in fiscal year 2026 and thereafter;	(6) $1,000,000 the first year and $1,000,000 the second year are to develop and enhance farm-to-school markets for Minnesota farmers by providing more fruits, vegetables, meat, grain, and dairy for Minnesota children in schools and early childhood education centers, including, at the commissioner's discretion, reimbursing schools and early childhood education centers for purchases from local farmers;
(6) $5,500,000 the first year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants to Minnesota dairy farmers who enroll in coverage under a federal dairy risk protection program and produced no more than 25,000,000 pounds of milk in 2022. The commissioner must award DAIRI grants based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating producer, at a rate determined by the commissioner within the limits of available funding. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph. This is a onetime appropriation;	(o) $3,000,000 the first year is for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants to Minnesota dairy farmers who enroll in coverage under a federal dairy risk protection program and produced no more than 25,000,000 pounds of milk in 2022. The commissioner must award DAIRI grants based on the amount of milk produced in 2022, up to 5,000,000 pounds per participating producer, at a rate determined by the commissioner within the limits of available funding. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available the second year and any unencumbered balance at the end of the second year is available until June 30, 2026. The commissioner may use up to 6.5 percent of

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	this appropriation for costs incurred to administer the program.
(7) $250,000 the first year and $250,000 the second year are for grants to support hemp processing. This is a onetime appropriation;	(9) $1,000,000 the first year and $1,000,000 the second year are to award and administer hemp fiber processing equipment grants under Minnesota Statutes, section 18K.10. The allocation in this clause is onetime.
(8) up to $600,000 the first year and $600,000 the second year are for urban youth agricultural education or urban agriculture community development;	(7) $1,000,000 the first year and $1,000,000 the second year are for urban youth agricultural education or urban agriculture community development;
(9) up to $450,000 the first year and $450,000 the second year are for the good food access program under Minnesota Statutes, section 17.1017;	(8) $500,000 the first year and $500,000 the second year are for the good food access program under Minnesota Statutes, section 17.1017; and
(10) $1,500,000 the first year and $1,500,000 the second year are for the livestock investment grant program under Minnesota Statutes, section 17.118. Any unencumbered balance at the end of the second year does not cancel until June 30, 2026, and may be used for other purposes under this paragraph;	
(11) $1,150,000 the first year and $1,150,000 the second year are for value-added grants;	
(12) $340,000 the first year and $340,000 the second year are for the New Markets Program; and	
(13) $450,000 the first year and $450,000 the second year are for beginning farmer farm business management scholarships.	
By January 15 each year, the commissioner must submit a report on the grants awarded under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is	Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.

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available for the second year, and appropriations encumbered under contract on or before June 30, 2025, for agricultural growth, research, and innovation grants are available until June 30, 2028.					
			(4) $100,000 the first year and $100,000 the second year are for grants to facilitate the start-up, modernization, or expansion of copacking facilities, commercial kitchens, and other key supply chain infrastructure, such as shared cold-chain capacity. Money appropriated in this clause may also be used to assist value-added processors with food safety and environmental sustainability guideline planning and third-party certification services;		
The base for the agricultural growth, research, and innovation program is $17,582,000 in fiscal year 2026 and thereafter, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.			(d) The base for the agricultural growth, research, and innovation program is $16,079,000 in fiscal year 2026 and $16,079,000 in fiscal year 2027, and includes funding for incentive payments under Minnesota Statutes, sections 41A.16, 41A.17, 41A.18, and 41A.20.		
Subd. 5. **Administration and Financial Assistance**	30,243,000	14,957,000	Subd. 5. **Administration and Financial Assistance**	21,557,000	16,673,000
(a) $474,000 the first year and $474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations must be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.			(a) $474,000 the first year and $474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations must be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.		
(b) $375,000 the first year and $375,000 the second year are for grants to the Minnesota Agricultural Education and Leadership			(b) $350,000 the first year and $350,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council		

Council for programs of the council under Minnesota Statutes, chapter 41D.

(c) $2,000 the first year is for a grant to the Minnesota State Poultry Association. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year.

(d) $18,000 the first year and $18,000 the second year are for grants to the Minnesota Livestock Breeders Association. This is a onetime appropriation.

(e) $60,000 the first year and $60,000 the second year are for grants to the Northern Crops Institute to purchase equipment.

(f) $34,000 the first year and $34,000 the second year are for grants to the Minnesota State Horticultural Society. This is a onetime appropriation.

(g) $75,000 the first year and $75,000 the second year are appropriated from the general fund to the commissioner of agriculture for grants to the Minnesota Turf Seed Council for basic and applied research on: (1) the improved production of forage and turf seed related to new and improved varieties; and (2) native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. Any unencumbered balance does not cancel at the end of the first year and is available in the second year. The Minnesota Turf Seed Council must prepare a report outlining the use of the grant money and related accomplishments. No later than January 15, 2025, the council must submit the report to the chairs and ranking minority members of the legislative

for programs of the council under Minnesota Statutes, chapter 41D.

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committees and divisions with jurisdiction over agriculture finance and policy.	
(h) $200,000 the first year and $200,000 the second year are for grants to GreenSeam for assistance to agriculture-related businesses to support business retention and development, business attraction and creation, talent development and attraction, and regional branding and promotion. These are onetime appropriations. No later than December 1, 2024, and December 1, 2025, GreenSeam must report to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture and rural development with information on new and existing businesses supported, number of new jobs created in the region, new educational partnerships and programs supported, and regional branding and promotional efforts.	
(i) $1,950,000 the first year and $1,950,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following purposes:	(d) $1,950,000 the first year and $1,950,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:
(1) at least $850,000 each year must be allocated to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of	(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding

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milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available the second year;	under this clause may use up to two percent for administrative expenses;
(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and	(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or be sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers, processors, and food hubs. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and
(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.	(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors, producers, and food hubs.
Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the	Of the amount appropriated under this paragraph, at least $850,000 each year must be allocated under clause (1) and at least $100,000 each year must be used to purchase eligible items from food hubs that aggregate food produced by emerging farmers. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the

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organizations to which this food was distributed. By January 15 each year, the commissioner must submit a report on the grants awarded under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The base for this appropriation is $1,700,000 for fiscal year 2026 and thereafter.	second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed.
(j) $25,000 the first year and $25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.	(f) $25,000 the first year and $25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.
(k) $300,000 the first year and $300,000 the second year are for grants to The Good Acre for the Local Emergency Assistance Farmer Fund (LEAFF) program to compensate emerging farmers for crops donated to hunger relief organizations in Minnesota. This is a onetime appropriation.	(e) $100,000 the first year and $100,000 the second year are for grants to The Good Acre for the Local Emergency Assistance Farmer Fund program to compensate emerging farmers for crops donated to hunger relief organizations in Minnesota. This is a onetime appropriation.
(l) $550,000 the first year and $550,000 the second year are for services to beginning and emerging farmers to increase connections between farmers and market opportunities throughout the state. This appropriation may be used for grants, translation services, training programs, or other purposes in line with the recommendations of the Emerging Farmer Working Group established under Minnesota Statutes, section 17.055, subdivision 1. By January 15 each year, the commissioner must submit a report on the grants awarded under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and	(g) $400,000 the first year and $400,000 the second year are to expand the Emerging Farmer Office. The Emerging Farmer Office must engage and support emerging farmers regarding resources and opportunities available through the Department of Agriculture and throughout the state. For purposes of this paragraph, "emerging farmer" has the meaning given in Minnesota Statutes, section 17.055, subdivision 1. Of the amount appropriated each year, $25,000 is for translation services.

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finance. The base for this appropriation is $350,000 for fiscal year 2026 and thereafter.	
	(j) $250,000 the first year and $250,000 the second year are to award and administer beginning farmer equipment and infrastructure grants under Minnesota Statutes, section 17.055.
	(m) $50,000 the first year is to provide technical assistance and leadership in the development of a comprehensive and well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2025.
(m) $337,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $50,000 the first year and $50,000 the second year are for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.	(h) $337,000 the first year and $337,000 the second year are for farm advocate services. Of the amount appropriated each year, $50,000 is for the continuation of the farmland transition programs and may be used for grants to farmland access teams to provide technical assistance to potential beginning farmers. Farmland access teams must assist existing farmers and beginning farmers with transitioning farm ownership and farm operation. Services provided by teams may include but are not limited to mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance.
(n) $260,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5	(i) $260,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5

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percent of the grant awarded under this paragraph for administration.	percent of the grant awarded under this paragraph for administration.
(o) $1,400,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041. This is a onetime transfer.	(q) $1,000,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041.
(p) $1,084,000 the first year and $1,500,000 the second year are to support IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. This is a onetime appropriation.	(r) $1,584,000 the first year and $1,000,000 the second year are to support IT modernization efforts, including laying the technology foundations necessary to improve customer licensing and payment interactions with the department. This is a onetime appropriation.
	(p) $150,000 the first year and $150,000 the second year are for technical assistance grants to certified community development financial institutions that participate in United States Department of Agriculture loan or grant programs for small or emerging farmers, including but not limited to the Increasing Land, Capital, and Market Access Program. For purposes of this paragraph, "emerging farmer" has the meaning given in Minnesota Statutes, section 17.055, subdivision 1. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program.
(q) $1,425,000 the first year and $1,425,000 the second year are transferred to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans to farmers, rural landowners, and agricultural businesses through the agriculture best management practices loan program in Minnesota Statutes, section 17.117.	(c) $1,425,000 the first year and $1,425,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117.
(r) $150,000 the first year and $150,000 the second year are for administrative support for the Rural Finance Authority.	(k) $150,000 the first year and $150,000 the second year are for administrative support for the Rural Finance Authority.

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(s) $14,000,000 the first year is for transfer to the grain indemnity account established in Minnesota Statutes, section 223.24. This is a onetime transfer.	(g) $5,000,000 the first year is for transfer to the grain indemnity account established under Minnesota Statutes, section 223.24.
	(s) $150,000 the first year and $150,000 the second year are to coordinate climate-related activities and services within the Department of Agriculture and counterparts in local, state, and federal agencies and to hire a full-time climate implementation coordinator. The climate implementation coordinator must coordinate efforts seeking federal funding for Minnesota's agricultural climate adaptation and mitigation efforts and develop strategic partnerships with the private sector and nongovernment organizations.
(t) $500,000 the first year and $500,000 the second year are to maintain the current level of service delivery. The base for this appropriation is $600,000 in fiscal year 2026 and thereafter.	(u) $2,500,000 the first year and $2,500,000 the second year are to maintain the current level of service delivery. The base for this appropriation is $3,011,000 in fiscal year 2026 and $3,011,000 in fiscal year 2027.
(u) $250,000 the first year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. This is a onetime appropriation.	(t) $250,000 the first year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report expenditures under this paragraph to the legislative committees with jurisdiction over agriculture finance and higher education with a report submitted by January 3, 2024, and a final report submitted by September 1, 2025. The reports must include a list of equipment purchased, including the cost of each item.
(v) $1,250,000 the first year and $1,250,000 the second year are to award down payment assistance grants under Minnesota Statutes, section 17.133. Of the amount appropriated each year, at least $375,000 is for down	(l) $750,000 the first year and $750,000 the second year are to award and administer down payment assistance grants under Minnesota Statutes, section 17.133, to emerging farmers as defined in Minnesota Statutes, section

payment assistance grants to emerging farmers. If the commissioner has not awarded $375,000 to emerging farmers by March 1 each year, the commissioner may award remaining funds to any eligible farmer. By January 15 each year, the commissioner must submit a report on the grants awarded under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. Notwithstanding Minnesota Statutes, section 16A.28, the first year appropriation is available until June 30, 2025, and the second year appropriation is available until June 30, 2026. The base for this appropriation is $750,000 for fiscal year 2026 and thereafter.

(w) $222,000 the first year and $322,000 the second year are appropriated for grants to meat and poultry processors to reimburse costs for training and retention of employees. A meat processor with 100 full-time equivalent employees or fewer is eligible for grant money under this section. Grants may be used for tuition reimbursement at Minnesota State Colleges and Universities, child care stipends, retention bonuses, and other related expenses. A grant award may not exceed $5,000 per employee. By January 15 each year, the commissioner must submit a report on the grants awarded under this paragraph to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance. The commissioner may use up to 6.5 percent of the appropriation each year for administration. This is a onetime appropriation.

17.055, subdivision 1. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance at the end of the first year does not cancel and is available in the second year and appropriations encumbered under contract by June 30, 2025, are available until June 30, 2027.

(n) $500,000 the first year and $500,000 the second year are for meat processing training and retention incentive grants under section 6. The commissioner may use up to 6.5 percent of this appropriation for costs incurred to administer the program. This is a onetime appropriation.

(v) $1,000,000 the first year and $1,000,000 the second year are for transfer to the Board of Regents of the University of Minnesota to evaluate, propagate, and maintain the genetic

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	diversity of oilseeds, grains, grasses, legumes, and other plants including flax, timothy, barley, rye, triticale, alfalfa, orchard grass, clover, and other species and varieties that were in commercial distribution and use in Minnesota before 1970, excluding wild rice. This effort must also protect traditional seeds brought to Minnesota by immigrant communities. This appropriation includes funding for associated extension and outreach to small and Black, Indigenous, and People of Color (BIPOC) farmers. This is a onetime appropriation.
	(w) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.
(x) $250,000 the first year and $250,000 the second year are appropriated from the general fund to the commissioner of agriculture to award cooperative grants under Minnesota Statutes, section 17.1016. The commissioner may use up to 6.5 percent of the appropriation each year to administer the grant program. This is a onetime appropriation.	(d) $200,000 the first year and $200,000 the second year are to award cooperative grants under Minnesota Statutes, section 17.1016. The commissioner may use up to six percent of the appropriation each year to administer the grant program.
(y) $100,000 the first year is for grants or other forms of technical assistance to meat and poultry processors to reimburse the cost of attending courses or training and receiving technical assistance in fiscal year 2024 that supports developing sanitation standard operating procedures, hazard analysis and critical control points plans, or business plans. A meat processor with 50 full-time equivalent employees or fewer is eligible for grant money under this section. This is a onetime appropriation.	
Sec. 3. **BOARD OF ANIMAL HEALTH** $ 6,771,000 $ 6,931,000	Sec. 3. **BOARD OF ANIMAL HEALTH** $ 6,613,000 $ 6,779,000
(a) $170,000 the first year and $170,000 the second year are to cover increased costs	

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associated with importing companion animals from parts of the world with a high prevalence of animal diseases.	
(b) $560,000 the first year and $560,000 the second year are for agricultural emergency preparedness and response.	(a) $560,000 the first year and $560,000 the second year are for agricultural emergency preparedness and response. As part of the fiscal year 2024 and 2025 reports required under Minnesota Statutes, section 35.03, the Board of Animal Health must report the number of additional staff positions created under this paragraph, the number of full-time equivalent staff hired under this paragraph and their specific expertise and training, and the specific types of incidents and animal diseases for which the board is preparing.
	(b) $6,000 the first year and $6,000 the second year are for meeting expenses for the additional board members.
	(c) $166,000 the first year and $332,000 the second year are to maintain the current level of service delivery.
Sec. 4. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE** **$ 6,643,000 $ 4,343,000**	Sec. 4. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE** **$ 5,643,000 $ 4,343,000**
(a) $1,800,000 the first year is for equipment upgrades, equipment replacement, installation expenses, and laboratory infrastructure at the Agricultural Utilization Research Institute's laboratories in the cities of Crookston, Marshall, and Waseca. The is a onetime appropriation and is available until June 30, 2026.	(a) $300,000 the first year is for equipment upgrades, equipment replacement, installation expenses, and laboratory infrastructure at the Agricultural Utilization Research Institute's laboratories in the cities of Crookston, Marshall, and Waseca.
	(b) $1,000,000 the first year is to replace analytical and processing equipment and make corresponding facility upgrades at Agricultural Utilization Research Institute facilities in the cities of Marshall and Waseca. This is a onetime appropriation and is available until June 30, 2026.

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(b) $500,000 the first year is for renewable natural gas and anaerobic digestion projects. The is a onetime appropriation and is available until June 30, 2026.

Sec. 5. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 5, as amended by Laws 2022, chapter 95, article 1, section 1, subdivision 5, is amended to read:

Subd. 5. **Administration and Financial Assistance**	11,477,000	13,429,000

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

(b) $387,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $100,000 the first year and $50,000 the second year are for a pilot program creating farmland access teams to provide technical assistance to potential beginning farmers. The farmland access teams must assist existing farmers and beginning farmers on transitioning farm ownership and operation. Services provided by teams may include but are not limited to providing mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance. Of this amount for farm transitions, up to $50,000 the first year may be used to upgrade the Minnesota FarmLink web application that connects farmers looking for land with farmers looking to transition their land.

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(c) $300,000 the first year and $300,000 the second year are to maintain the current level of service delivery.

Sec. 5. Laws 2021, First Special Session chapter 3, article 1, section 2, subdivision 5, as amended by Laws 2022, chapter 95, article 1, section 1, subdivision 5, is amended to read:

Subd. 5. **Administration and Financial Assistance**	11,477,000	13,429,000

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

(b) $387,000 the first year and $337,000 the second year are for farm advocate services. Of these amounts, $100,000 the first year and $50,000 the second year are for a pilot program creating farmland access teams to provide technical assistance to potential beginning farmers. The farmland access teams must assist existing farmers and beginning farmers on transitioning farm ownership and operation. Services provided by teams may include but are not limited to providing mediation assistance, designing contracts, financial planning, tax preparation, estate planning, and housing assistance. Of this amount for farm transitions, up to $50,000 the first year may be used to upgrade the Minnesota FarmLink web application that connects farmers looking for land with farmers looking to transition their land.

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(c) $47,000 the first year and $47,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. These are onetime appropriations.

(d) $238,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration. The base for this appropriation is $260,000 in fiscal year 2024 and later.

(e) $1,700,000 the first year and $1,700,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses;

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(c) $47,000 the first year and $47,000 the second year are for grants to the Northern Crops Institute that may be used to purchase equipment. These are onetime appropriations.

(d) $238,000 the first year and $260,000 the second year are for a pass-through grant to Region Five Development Commission to provide, in collaboration with Farm Business Management, statewide mental health counseling support to Minnesota farm operators, families, and employees, and individuals who work with Minnesota farmers in a professional capacity. Region Five Development Commission may use up to 6.5 percent of the grant awarded under this paragraph for administration. The base for this appropriation is $260,000 in fiscal year 2024 and later.

(e) $1,700,000 the first year and $1,700,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Feeding America food banks for the following:

(1) to purchase milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Feeding America food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank that receives funding under this clause may use up to two percent for administrative expenses;

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(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.

Of the amount appropriated under this paragraph, at least $600,000 each year must be allocated under clause (1). Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the

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(2) to compensate agricultural producers and processors for costs incurred to harvest and package for transfer surplus fruits, vegetables, and other agricultural commodities that would otherwise go unharvested, be discarded, or sold in a secondary market. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this clause must be from Minnesota producers and processors. Second Harvest Heartland may use up to 15 percent of each grant awarded under this clause for administrative and transportation expenses; and

(3) to purchase and distribute protein products, including but not limited to pork, poultry, beef, dry legumes, cheese, and eggs to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Second Harvest Heartland may use up to two percent of each grant awarded under this clause for administrative expenses. Protein products purchased under the grants must be acquired from Minnesota processors and producers.

Of the amount appropriated under this paragraph, at least $600,000 each year must be allocated under clause (1). Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance the first year does not cancel and is available in the second year. Second Harvest Heartland must submit quarterly reports to the commissioner and the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture finance in the form prescribed by the commissioner. The reports must include but are not limited to information on the expenditure of funds, the amount of milk or other commodities purchased, and the organizations to which this food was distributed.

(f) $250,000 the first year and $250,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

(g) $1,437,000 the first year and $1,437,000 the second year are for transfer to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans under Minnesota Statutes, section 17.117. The base for appropriations under this paragraph in fiscal year 2024 and thereafter is $1,425,000. The commissioner must examine how the department could use up to one-third of the amount transferred to the agricultural and environmental revolving loan account under this paragraph to award grants to rural landowners to replace septic systems that inadequately protect groundwater. No later than February 1, 2022, the commissioner must report to the legislative committees with jurisdiction over agriculture finance and environment finance on the results of the examination required under this paragraph. The commissioner's report may include other funding sources for septic system replacement that are available to rural landowners.

(h) $150,000 the first year and $150,000 the second year are for grants to the Center for Rural Policy and Development. These are onetime appropriations.

(i) $150,000 the first year is to provide grants to Central Lakes College for the purposes of designing, building, and offering credentials in the area of meat cutting and butchery that align with industry needs as advised by local industry advisory councils. Notwithstanding Minnesota Statutes, section 16A.28, any

organizations to which this food was distributed.

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(i) $150,000 the first year is to provide grants to Central Lakes College for the purposes of designing, building, and offering credentials in the area of meat cutting and butchery that align with industry needs as advised by local industry advisory councils. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year. The commissioner may only award a grant under this paragraph if the grant is matched by a like amount from another funding source. The commissioner must seek matching dollars from Minnesota State Colleges and Universities or other entities. The appropriation is onetime and is available until June 30, 2024. Any money remaining on June 30, 2024, must be transferred to the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12, and is available until June 30, 2025. Grants may be used for costs including but not limited to:

(1) facility renovation to accommodate meat cutting;

(2) curriculum design and approval from the Higher Learning Commission;

(3) program operational start-up costs;

(4) equipment required for a meat cutting program; and

(5) meat handling start-up costs in regard to meat access and market channel building.

No later than January 15, 2023, Central Lakes College must submit a report outlining the use of grant money to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture and higher education.

(j) $2,000 the first year is for grants to the Minnesota State Poultry Association. This is a onetime appropriation. Notwithstanding Minnesota Statutes, section 16A.28, any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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Senate Language S1955-2

(k) $17,000 the first year and $17,000 the second year are for grants to the Minnesota State Horticultural Society. These are onetime appropriations.

(l) $18,000 the first year and $18,000 the second year are for grants to the Minnesota Livestock Breeders Association. These are onetime appropriations.

(m) The commissioner shall continue to increase connections with ethnic minority and immigrant farmers to farming opportunities and farming programs throughout the state.

(n) $25,000 the first year and $25,000 the second year are for grants to the Southern Minnesota Initiative Foundation to promote local foods through an annual event that raises public awareness of local foods and connects local food producers and processors with potential buyers.

(o) $75,000 the first year and $75,000 the second year are for grants to Greater Mankato Growth, Inc., for assistance to agriculture-related businesses to promote jobs, innovation, and synergy development. These are onetime appropriations.

(p) $75,000 the first year and $75,000 the second year are for grants to the Minnesota Turf Seed Council for basic and applied research. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. No later than January 15, 2023, the Minnesota Turf Seed Council must submit a report outlining the use of the grant money and related accomplishments to the chairs and ranking minority members of the legislative committees with jurisdiction over agriculture. These are onetime appropriations. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

House Language UES1955-2

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(q) $150,000 the first year and $150,000 the second year are to establish an emerging farmer office and hire a full-time emerging farmer outreach coordinator. The emerging farmer outreach coordinator must engage and support emerging farmers regarding resources and opportunities available throughout the Department of Agriculture and the state. For purposes of this paragraph, "emerging farmer" has the meaning provided in Minnesota Statutes, section 17.055, subdivision 1. Of the amount appropriated each year, $25,000 is for translation services for farmers and cottage food producers.

(r) $222,000 the first year and $286,000 the second year are to maintain the current level of service delivery.

(s) $827,000 the second year is to award and administer grants to:

(1) organizations to provide technical and culturally appropriate services to emerging farmers and related businesses;

(2) organizations to help emerging farmers pay for up to 65 percent of premium expenses each year up to two years under the federal micro farm insurance program; and

(3) The Good Acre for the Local Emergency Assistance Farmer Fund (LEAFF) program to compensate emerging farmers for crops donated to hunger relief organizations in Minnesota.

This is a onetime appropriation and is available until June 30, 2024.

(t) $750,000 the second year is to support the IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. The base for this

(q) $150,000 the first year and $150,000 the second year are to establish an emerging farmer office and hire a full-time emerging farmer outreach coordinator. The emerging farmer outreach coordinator must engage and support emerging farmers regarding resources and opportunities available throughout the Department of Agriculture and the state. For purposes of this paragraph, "emerging farmer" has the meaning provided in Minnesota Statutes, section 17.055, subdivision 1. Of the amount appropriated each year, $25,000 is for translation services for farmers and cottage food producers.

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(3) The Good Acre for the Local Emergency Assistance Farmer Fund (LEAFF) program to compensate emerging farmers for crops donated to hunger relief organizations in Minnesota.

This is a onetime appropriation and is available until June 30, 2024.

(t) $750,000 the second year is to support the IT modernization efforts, including laying the technology foundations needed for improving customer interactions with the department for licensing and payments. The base for this appropriation is $584,000 in fiscal year 2024 and $0 in fiscal year 2025.

(u) $1,500,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041. This is a onetime transfer. This transfer is in addition to the appropriations made in Laws 2022, chapter 47, section 2.

Notwithstanding Minnesota Statutes, section 17.041, the commissioner may use the amount to be transferred for the purposes identified under Laws 2022, chapter 47, section 2, paragraph (b). This paragraph expires on December 31, 2022.

(v) $250,000 in the second year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report expenditures under this paragraph to the legislative committees with jurisdiction over agriculture finance and higher education with initial reports completed by January 3, 2023, and January 3, 2024, and a final report by ~~September 1, 2025~~ December 31, 2024. The reports must include a list of equipment purchased, including the cost of each item. The base for this appropriation is $250,000 in fiscal year 2024 and $0 in fiscal year 2025.

(w) $141,000 the second year is for additional funding to administer the beginning farmer tax credit. The base for this appropriation is $56,000 in fiscal year 2024 and later.

(x) $750,000 the second year is for a grant to the Ag Innovation Campus to continue construction of a soybean processing and research facility. This is a onetime appropriation.

appropriation is $584,000 in fiscal year 2024 and $0 in fiscal year 2025.

(u) $1,500,000 the first year is for transfer to the agricultural emergency account established under Minnesota Statutes, section 17.041. This is a onetime transfer. This transfer is in addition to the appropriations made in Laws 2022, chapter 47, section 2.

Notwithstanding Minnesota Statutes, section 17.041, the commissioner may use the amount to be transferred for the purposes identified under Laws 2022, chapter 47, section 2, paragraph (b). This paragraph expires on December 31, 2022.

(v) $250,000 in the second year is for a grant to the Board of Regents of the University of Minnesota to purchase equipment for the Veterinary Diagnostic Laboratory to test for chronic wasting disease, African swine fever, avian influenza, and other animal diseases. The Veterinary Diagnostic Laboratory must report expenditures under this paragraph to the legislative committees with jurisdiction over agriculture finance and higher education with initial reports completed by January 3, 2023, and January 3, 2024, and a final report by September 1, 2025. The reports must include a list of equipment purchased, including the cost of each item. The base for this appropriation is $250,000 in fiscal year 2024 and $0 in fiscal year 2025.

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(x) $750,000 the second year is for a grant to the Ag Innovation Campus to continue construction of a soybean processing and research facility. This is a onetime appropriation.

Senate Language S1955-2	House Language UES1955-2
The commissioner shall submit a report on the utilization of the grants to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by February 1, 2024.	The commissioner shall submit a report on the utilization of the grants to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by February 1, 2024.
(y) $50,000 is added to the base for fiscal year 2024 and $0 for fiscal year 2025 to provide technical assistance and leadership in the development of a comprehensive and well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2025.	(y) $50,000 is added to the base for fiscal year 2024 and $0 for fiscal year 2025 to provide technical assistance and leadership in the development of a comprehensive and well-documented state aquaculture plan. The commissioner must provide the state aquaculture plan to the legislative committees with jurisdiction over agriculture finance and policy by February 15, 2025.
(z) $500,000 the second year is to award and administer down payment assistance grants under Minnesota Statutes, section 17.133. The base for this appropriation is $750,000 in fiscal year 2024 and thereafter.	(z) $500,000 the second year is to award and administer down payment assistance grants under Minnesota Statutes, section 17.133. The base for this appropriation is $750,000 in fiscal year 2024 and thereafter. Notwithstanding Minnesota Statutes, section 16A.28, appropriations encumbered under contract by June 30, 2023, are available until June 30, 2025.
(aa) $350,000 the second year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. By January 15, 2023, the commissioner must report to the chairs and ranking minority members of the committees with jurisdiction over agriculture finance and education finance by listing the grants made under this paragraph by county and noting the number and amount of grant requests not fulfilled. The report may include additional information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are awarded under this paragraph that were not covered in the report due by January 15, 2023, the commissioner must submit an	(aa) $350,000 the second year is to provide grants to secondary career and technical education programs for the purpose of offering instruction in meat cutting and butchery. By January 15, 2023, the commissioner must report to the chairs and ranking minority members of the committees with jurisdiction over agriculture finance and education finance by listing the grants made under this paragraph by county and noting the number and amount of grant requests not fulfilled. The report may include additional information as determined by the commissioner, including but not limited to information regarding the outcomes produced by these grants. If additional grants are awarded under this paragraph that were not covered in the report due by January 15, 2023, the commissioner must submit an

additional report to the chairs and ranking minority members of the committees with jurisdiction over agriculture finance and education finance regarding all grants issued under this paragraph by November 1, 2023. This is a onetime appropriation. Grants may be used for costs, including but not limited to:

(1) equipment required for a meat cutting program;

(2) facility renovation to accommodate meat cutting; and

(3) training faculty to teach the fundamentals of meat processing.

A grant recipient may be awarded a grant of up to $70,000 and may use up to ten percent of the grant for faculty training.

Priority may be given to applicants who are coordinating with meat cutting and butchery programs at Minnesota State Colleges and Universities system and local industry partners.

additional report to the chairs and ranking minority members of the committees with jurisdiction over agriculture finance and education finance regarding all grants issued under this paragraph by November 1, 2023. This is a onetime appropriation. Grants may be used for costs, including but not limited to:

(1) equipment required for a meat cutting program;

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A grant recipient may be awarded a grant of up to $70,000 and may use up to ten percent of the grant for faculty training.

Priority may be given to applicants who are coordinating with meat cutting and butchery programs at Minnesota State Colleges and Universities system and local industry partners.

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

Sec. 6. **GRANTS FOR MEAT PROCESSING TRAINING AND RETENTION INCENTIVES.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Partner organizations" include:

(1) foundations engaged in economic development;

(2) community development financial institutions;

(3) federally recognized economic development districts; and

(4) community development corporations.

(c) "Small- to medium-sized meat and poultry processor" means a meat and poultry processor licensed by the state of Minnesota or the federal government that has fewer than 150 employees.

Subd. 2. **Grants.** (a) The commissioner of agriculture must provide grants to partner organizations to assist small- to medium-sized meat and poultry processors with hiring and training new employees. New employees at eligible meat and poultry processing plants may receive up to $10,000 in the form of tuition reimbursement for programs at Minnesota State Colleges and Universities, sign-on bonuses, relocation assistance, retention incentives, child care stipends, and other related expenses. Employees at any one meat or poultry processor may not receive more than $50,000 under this paragraph.

(b) Up to 20 percent of a grant to a partner organization may be used for direct services to employees, including but not limited to translation services.

(c) Priority must be given to applications from partner organizations working in partnership with Minnesota State Colleges and Universities.