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H. F. No. **2446**

**H. F. No.**

2.1	<u>Appropriations by Fund</u>		
2.2		<u>2026</u>	<u>2027</u>
2.3	<u>General</u>	<u>60,943,000</u>	<u>57,959,000</u>
2.4	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

2.5 The amounts that may be spent for each  
2.6 purpose are specified in the following  
2.7 subdivisions. Notwithstanding Minnesota  
2.8 Statutes, section 16B.98, subdivision 14,  
2.9 unless otherwise specified in this section, the  
2.10 commissioner of agriculture may use up to ten  
2.11 percent of money appropriated for costs  
2.12 incurred to administer the Department of  
2.13 Agriculture's grant programs.

2.14 Subd. 2. **Protection Services**

2.15	<u>Appropriations by Fund</u>		
2.16	<u>General</u>	<u>21,385,000</u>	<u>21,538,000</u>
2.17	<u>Remediation</u>	<u>399,000</u>	<u>399,000</u>

2.18 (a) \$399,000 the first year and \$399,000 the  
2.19 second year are from the remediation fund for  
2.20 administrative funding of the voluntary  
2.21 cleanup program.

2.22 (b) \$319,000 the first year and \$319,000 the  
2.23 second year are for the soil health financial  
2.24 assistance program under Minnesota Statutes,  
2.25 section 17.134. The commissioner may award  
2.26 no more than \$50,000 of the appropriation  
2.27 each year to a single recipient.

2.28 Notwithstanding Minnesota Statutes, section  
2.29 16B.98, subdivision 14, the commissioner may  
2.30 use up to 6.5 percent of this appropriation for  
2.31 costs incurred to administer the program. Any  
2.32 unencumbered balance does not cancel at the  
2.33 end of the first year and is available in the  
2.34 second year. Appropriations encumbered  
2.35 under contract on or before June 30, 2027, for

3.1 soil health financial assistance grants are  
3.2 available until June 30, 2029.

3.3 (c) \$293,000 the first year and \$293,000 the  
3.4 second year are for compensation for livestock  
3.5 destroyed or crippled by a wolf under  
3.6 Minnesota Statutes, section 3.737. The first  
3.7 year appropriation may be spent to compensate  
3.8 for livestock that were destroyed or crippled  
3.9 during fiscal year 2025. If the amount in the  
3.10 first year is insufficient, the amount in the  
3.11 second year is available in the first year. The  
3.12 commissioner may use up to \$5,000 each year  
3.13 to reimburse expenses incurred by university  
3.14 extension educators to provide fair market  
3.15 values of destroyed or crippled livestock. If  
3.16 the commissioner receives federal money to  
3.17 pay claims for destroyed or crippled livestock,  
3.18 an equivalent amount of this appropriation  
3.19 may be used to reimburse nonlethal prevention  
3.20 methods performed by federal wildlife services  
3.21 staff.

3.22 (d) \$280,000 the first year and \$280,000 the  
3.23 second year are for compensation for crop or  
3.24 fence damage caused by elk under Minnesota  
3.25 Statutes, section 3.7371. If the amount in the  
3.26 first year is insufficient, the amount in the  
3.27 second year is available in the first year. The  
3.28 commissioner may use up to \$10,000 of the  
3.29 appropriation each year to reimburse expenses  
3.30 incurred by the commissioner or the  
3.31 commissioner's approved agent to investigate  
3.32 and resolve claims, as well as for costs  
3.33 associated with training for approved agents.  
3.34 The commissioner may use up to \$40,000 of  
3.35 the appropriation each year for grants to

4.1 producers for measures to protect stored crops  
4.2 from elk damage. If the commissioner  
4.3 determines that claims made under Minnesota  
4.4 Statutes, section 3.737 or 3.7371, are  
4.5 unusually high, amounts appropriated for  
4.6 either program may be transferred to the  
4.7 appropriation for the other program.

4.8 (e) \$825,000 the first year and \$825,000 the  
4.9 second year are to replace capital equipment  
4.10 in the Department of Agriculture's analytical  
4.11 laboratory.

4.12 (f) \$850,000 the first year and \$850,000 the  
4.13 second year are for additional meat and poultry  
4.14 inspection services. The commissioner is  
4.15 encouraged to seek inspection waivers, match  
4.16 federal money, and offer more online  
4.17 inspections for the purposes of this paragraph.

4.18 (g) \$750,000 the first year and \$750,000 the  
4.19 second year are for grants to counties to  
4.20 support county agricultural inspectors. The  
4.21 commissioner may use up to three percent of  
4.22 the appropriation each year for administration.

4.23 County agricultural inspectors and  
4.24 county-designated employees must annually  
4.25 submit an application, on a form approved by  
4.26 the commissioner, to be eligible for funding  
4.27 during a given year. The commissioner must  
4.28 equally divide available grant money among  
4.29 eligible counties. To be eligible for grants  
4.30 under this section, a county must employ a  
4.31 county agricultural inspector or a  
4.32 county-designated employee who:

4.33 (1) has attended training for new county  
4.34 agricultural inspectors offered by the  
4.35 commissioner;

5.1 (2) coordinates with the commissioner to  
5.2 review applicable laws and enforcement  
5.3 procedures;

5.4 (3) compiles and submits to the commissioner  
5.5 local weed inspector annual report data;

5.6 (4) conducts an annual meeting and training  
5.7 for local weed inspectors; and

5.8 (5) assists the commissioner with control  
5.9 programs and other agricultural programs  
5.10 when requested under Minnesota Statutes,  
5.11 section 18.81, subdivision 1b, as directed by  
5.12 the county board.

5.13 (h) \$609,000 the first year and \$608,000 the  
5.14 second year are appropriated to establish and  
5.15 administer the biofertilizer innovation and  
5.16 efficiency program under Minnesota Statutes,  
5.17 section 18C.113. The commissioner may use  
5.18 up to 6.5 percent of this appropriation for costs  
5.19 incurred to administer the program.

5.20 Notwithstanding Minnesota Statutes, section  
5.21 16A.28, any unencumbered balance at the end  
5.22 of fiscal year 2026 does not cancel and is  
5.23 available until June 30, 2027. The base for this  
5.24 appropriation is \$1,050,000 in fiscal year 2028  
5.25 and each year thereafter.

5.26 (i) \$100,000 the first year is to conduct a study  
5.27 with the commissioner of the Pollution Control  
5.28 Agency, the commissioner of health, the  
5.29 Metropolitan Council, a representative of a  
5.30 major wastewater facility located outside the  
5.31 seven-county metropolitan area, and a  
5.32 technical panel of scientific experts on the  
5.33 impact of biosolids contaminated with  
5.34 perfluoroalkyl and polyfluoroalkyl substances

6.1 (PFAS) on farm families and consumers. The  
 6.2 study must include recommendations to the  
 6.3 legislature and be submitted to the chairs and  
 6.4 ranking minority members of the legislative  
 6.5 committees and divisions with jurisdiction  
 6.6 over agriculture policy and finance by June 1,  
 6.7 2027. The commissioner may contract with  
 6.8 an independent third party to conduct the  
 6.9 study.

6.10 (j) \$100,000 the first year is to conduct an  
 6.11 evaluation of the practice performance and  
 6.12 economic performance of the Olmsted County  
 6.13 groundwater protection and soil health  
 6.14 initiative, including the cover crop program,  
 6.15 alternative crops program, and haying,  
 6.16 grazing, and pasture enhancement program.  
 6.17 The evaluation must look at environmental  
 6.18 outcomes, include a cost-benefit analysis, and  
 6.19 be submitted to the chairs and ranking  
 6.20 minority members of the legislative  
 6.21 committees and divisions with jurisdiction  
 6.22 over agriculture policy and finance by June 1,  
 6.23 2027. The commissioner may contract with  
 6.24 an independent third party to conduct the  
 6.25 evaluation.

6.26 (k) \$150,000 the first year is to update and  
 6.27 modify the restricted use pesticide plan.

6.28 (l) \$420,000 the first year and \$924,000 the  
 6.29 second year are to support current services.

6.30 **Subd. 3. Agricultural Marketing and**  
 6.31 **Development**

24,529,000

24,526,000

6.32 (a) \$634,000 the first year and \$634,000 the  
 6.33 second year are for the continuation of the  
 6.34 dairy development and profitability  
 6.35 enhancement program, including dairy

7.1 profitability teams and dairy business planning  
7.2 grants under Minnesota Statutes, section  
7.3 32D.30.

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

7.13 (c) \$100,000 the first year and \$100,000 the  
7.14 second year are for mental health outreach and  
7.15 support to farmers, ranchers, farm workers  
7.16 and employees, and others in the agricultural  
7.17 profession and for farm and farm worker  
7.18 safety grant and outreach programs under  
7.19 Minnesota Statutes, section 17.1195. Mental  
7.20 health outreach and support may include a  
7.21 24-hour hotline, stigma reduction, and  
7.22 education. Notwithstanding Minnesota  
7.23 Statutes, section 16A.28, any unencumbered  
7.24 balance does not cancel at the end of the first  
7.25 year and is available in the second year.

7.26 (d) \$19,935,000 the first year and \$19,932,000  
7.27 the second year are for the agricultural growth,  
7.28 research, and innovation program under  
7.29 Minnesota Statutes, section 41A.12.

7.30 (e) Except as provided in paragraph (f), the  
7.31 commissioner may allocate the appropriation  
7.32 in paragraph (d) each year among the  
7.33 following areas: facilitating the start-up,  
7.34 modernization, improvement, or expansion of  
7.35 livestock operations, including beginning and

8.1 transitioning livestock operations with  
8.2 preference given to robotic dairy-milking  
8.3 equipment; assisting value-added agricultural  
8.4 businesses to begin or expand, to access new  
8.5 markets, or to diversify, including aquaponics  
8.6 systems, with preference given to hemp fiber  
8.7 processing equipment; facilitating the start-up,  
8.8 modernization, or expansion of other  
8.9 beginning and transitioning farms, including  
8.10 by providing loans under Minnesota Statutes,  
8.11 section 41B.056; sustainable agriculture  
8.12 on-farm research and demonstration; the  
8.13 development or expansion of food hubs and  
8.14 other alternative community-based food  
8.15 distribution systems; enhancing renewable  
8.16 energy infrastructure and use; crop research,  
8.17 including basic and applied turf seed research;  
8.18 Farm Business Management tuition assistance;  
8.19 and good agricultural practices and good  
8.20 handling practices certification assistance.  
8.21 Notwithstanding Minnesota Statutes, section  
8.22 16B.98, subdivision 14, the commissioner may  
8.23 use up to 6.5 percent of the appropriation in  
8.24 paragraph (d) for costs incurred to administer  
8.25 the program.

8.26 (f) Of the amount appropriated for the  
8.27 agricultural growth, research, and innovation  
8.28 program under Minnesota Statutes, section  
8.29 41A.12:

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

8.34 (2) \$3,000,000 the first year and \$3,000,000  
8.35 the second year are for incentive payments



9.1 under Minnesota Statutes, sections 41A.16,  
9.2 41A.17, 41A.18, and 41A.20. If this  
9.3 appropriation exceeds the total amount for  
9.4 which all producers are eligible in a fiscal  
9.5 year, the balance of the appropriation is  
9.6 available for other purposes under this  
9.7 paragraph;

9.8 (3) \$3,000,000 the first year and \$3,000,000  
9.9 the second year are for grants that enable retail  
9.10 petroleum dispensers, fuel storage tanks, and  
9.11 other equipment to dispense biofuels to the  
9.12 public in accordance with the biofuel  
9.13 replacement goals established under  
9.14 Minnesota Statutes, section 239.7911. A retail  
9.15 petroleum dispenser selling petroleum for use  
9.16 in spark ignition engines for vehicle model  
9.17 years after 2000 is eligible for grant money  
9.18 under this clause if the retail petroleum  
9.19 dispenser has no more than 20 retail petroleum  
9.20 dispensing sites and each site is located in  
9.21 Minnesota. The grant money must be used to  
9.22 replace or upgrade equipment that does not  
9.23 have the ability to be certified for E25. A grant  
9.24 award must not exceed 65 percent of the cost  
9.25 of the appropriate technology. A grant award  
9.26 must not exceed \$200,000 per station. The  
9.27 commissioner must cooperate with biofuel  
9.28 stakeholders in the implementation of the grant  
9.29 program. The commissioner, in cooperation  
9.30 with any economic or community development  
9.31 financial institution and any other entity with  
9.32 which the commissioner contracts, must  
9.33 submit a report on the biofuels infrastructure  
9.34 financial assistance program by January 15  
9.35 each year to the chairs and ranking minority  
9.36 members of the legislative committees and

10.1 divisions with jurisdiction over agriculture  
10.2 policy and finance. The annual report must  
10.3 include but not be limited to a summary of the  
10.4 following metrics: (i) the number and types  
10.5 of projects financed; (ii) the amount of dollars  
10.6 leveraged or matched per project; (iii) the  
10.7 geographic distribution of financed projects;  
10.8 (iv) any market expansion associated with  
10.9 upgraded infrastructure; (v) the demographics  
10.10 of the areas served; (vi) the costs of the  
10.11 program; and (vii) the number of grants to  
10.12 minority-owned or female-owned businesses;  
10.13 (4) \$250,000 the first year and \$250,000 the  
10.14 second year are for grants to facilitate the  
10.15 start-up, modernization, or expansion of meat,  
10.16 poultry, egg, and milk processing facilities. A  
10.17 grant award under this clause must not exceed  
10.18 \$200,000;  
10.19 (5) \$2,294,000 the first year and \$2,294,000  
10.20 the second year are for providing more fruits,  
10.21 vegetables, meat, poultry, grain, and dairy for  
10.22 children in school and early childhood  
10.23 education settings, including, at the  
10.24 commissioner's discretion, providing grants  
10.25 to reimburse schools and early childhood  
10.26 education and child care providers for  
10.27 purchasing equipment and agricultural  
10.28 products. Of the amount appropriated,  
10.29 \$150,000 each year is for a statewide  
10.30 coordinator of farm-to-institution strategy and  
10.31 programming. The coordinator must consult  
10.32 with relevant stakeholders and provide  
10.33 technical assistance and training for  
10.34 participating farmers and eligible grant  
10.35 recipients;

11.1 (6) \$2,000,000 the first year and \$2,000,000  
11.2 the second year are for grants to facilitate the  
11.3 development of urban agriculture, including  
11.4 projects related to youth education, community  
11.5 and economic development, value-added  
11.6 processing, and vocational training;

11.7 (7) \$1,000,000 the first year and \$1,000,000  
11.8 the second year are for the good food access  
11.9 program under Minnesota Statutes, section  
11.10 17.1017;

11.11 (8) \$200,000 the first year and \$200,000 the  
11.12 second year are for cooperative development  
11.13 grants under Minnesota Statutes, section  
11.14 17.1016;

11.15 (9) \$425,000 the first year and \$425,000 the  
11.16 second year are to award grants under the  
11.17 AGRI works program. Agriculture-related  
11.18 institutions and nonprofits may apply for  
11.19 grants up to \$20,000. Grantees must submit  
11.20 their most recent tax documents and complete  
11.21 an application in the form and manner  
11.22 prescribed by the commissioner to be eligible  
11.23 for grants under this appropriation. The base  
11.24 for this clause is \$366,000 in fiscal year 2028  
11.25 and each year thereafter;

11.26 (10) \$928,000 the first year and \$925,000 the  
11.27 second year are to award grants under the  
11.28 AGRI support program. Agriculture-related  
11.29 institutions and nonprofits may apply for  
11.30 grants over \$20,000 but not more than  
11.31 \$200,000. Grantees must submit their most  
11.32 recent tax documents and complete an  
11.33 application in the form and manner prescribed  
11.34 by the commissioner to be eligible for grants  
11.35 under this appropriation. If the commissioner

12.1 determines that application demand for AGRI  
12.2 works or AGRI support are unusually high,  
12.3 amounts appropriated for either program may  
12.4 be transferred to the appropriation for the other  
12.5 program. The base for this clause is \$865,000  
12.6 in fiscal year 2028 and each year thereafter;  
12.7 and  
  
12.8 (11) \$225,000 the first year and \$225,000 the  
12.9 second year are for the protecting livestock  
12.10 grant program for producers to support the  
12.11 installation of measures to prevent the  
12.12 transmission of avian influenza. For the  
12.13 appropriation in this paragraph, a grant  
12.14 applicant must document a cost-share of 20  
12.15 percent. An applicant's cost-share amount may  
12.16 be reduced up to \$2,000 to cover time and  
12.17 labor costs. Notwithstanding Minnesota  
12.18 Statutes, section 16B.98, subdivision 14, the  
12.19 commissioner may use up to 6.5 percent of  
12.20 this appropriation for administrative costs.  
  
12.21 (g) Notwithstanding Minnesota Statutes,  
12.22 section 16A.28, the appropriation in paragraph  
12.23 (d) does not cancel at the end of the second  
12.24 year and is available until June 30, 2029.  
12.25 Appropriations encumbered under contract on  
12.26 or before June 30, 2029, for agricultural  
12.27 growth, research, and innovation grants are  
12.28 available until June 30, 2032.  
  
12.29 (h) The base for the agricultural growth,  
12.30 research, and innovation program is  
12.31 \$20,038,000 in fiscal year 2028 and each year  
12.32 thereafter.

13.1 Subd. 4. **Administration and Financial**  
13.2 **Assistance**

15,029,000

11,895,000

13.3 (a) \$474,000 the first year and \$474,000 the  
13.4 second year are for payments to county and  
13.5 district agricultural societies and associations  
13.6 under Minnesota Statutes, section 38.02,  
13.7 subdivision 1. Aid payments to county and  
13.8 district agricultural societies and associations  
13.9 must be disbursed no later than July 15 each  
13.10 year. These payments are the amount of aid  
13.11 from the state for an annual fair held in the  
13.12 previous calendar year.

13.13 (b) \$400,000 the first year and \$400,000 the  
13.14 second year are for grants to the Minnesota  
13.15 Agricultural Education and Leadership  
13.16 Council for programs of the council under  
13.17 Minnesota Statutes, chapter 41D.

13.18 (c) \$1,050,000 the first year and \$1,050,000  
13.19 the second year are to award and administer  
13.20 farm down payment assistance grants under  
13.21 Minnesota Statutes, section 17.133, with  
13.22 priority given to eligible applicants with no  
13.23 more than \$100,000 in annual gross farm  
13.24 product sales and eligible applicants who are  
13.25 producers of industrial hemp, cannabis, or one  
13.26 or more of the following specialty crops as  
13.27 defined by the United States Department of  
13.28 Agriculture for purposes of the specialty crop  
13.29 block grant program: fruits and vegetables,  
13.30 tree nuts, dried fruits, medicinal plants,  
13.31 culinary herbs and spices, horticulture crops,  
13.32 floriculture crops, and nursery crops.  
13.33 Notwithstanding Minnesota Statutes, section  
13.34 16A.28, any unencumbered balance at the end  
13.35 of the first year does not cancel and is

14.1 available in the second year and appropriations  
14.2 encumbered under contract by June 30, 2027,  
14.3 are available until June 30, 2029. The base for  
14.4 this appropriation is \$1,400,000 in fiscal year  
14.5 2028 and each year thereafter.

14.6 (d) \$850,000 the first year and \$850,000 the  
14.7 second year are for the purchase of milk for  
14.8 distribution to Minnesota's food shelves and  
14.9 other charitable organizations that are eligible  
14.10 to receive food from the food banks. Milk  
14.11 purchased with grant money must be acquired  
14.12 from Minnesota milk processors and based on  
14.13 low-cost bids. The milk must be allocated to  
14.14 each Feeding America food bank serving  
14.15 Minnesota according to the formula used in  
14.16 the distribution of United States Department  
14.17 of Agriculture commodities under The  
14.18 Emergency Food Assistance Program. The  
14.19 commissioner may enter into contracts or  
14.20 agreements with food banks for shared funding  
14.21 or reimbursement of the direct purchase of  
14.22 milk. Each food bank that receives funding  
14.23 under this paragraph may use up to two  
14.24 percent for administrative expenses.

14.25 Notwithstanding Minnesota Statutes, section  
14.26 16A.28, any unencumbered balance the first  
14.27 year does not cancel and is available the  
14.28 second year.

14.29 (e) \$260,000 the first year and \$260,000 the  
14.30 second year are for a pass-through grant to  
14.31 Region Five Development Commission to  
14.32 provide, in collaboration with Farm Business  
14.33 Management, statewide mental health  
14.34 counseling support to Minnesota farm  
14.35 operators, families, and employees, and

- 15.1 individuals who work with Minnesota farmers  
15.2 in a professional capacity. Region Five  
15.3 Development Commission may use up to 6.5  
15.4 percent of the grant awarded under this  
15.5 paragraph for administration.
- 15.6 (f) \$1,000,000 the first year and \$1,000,000  
15.7 the second year are to expand the Emerging  
15.8 Farmers Office and provide services to  
15.9 beginning and emerging farmers to increase  
15.10 connections between farmers and market  
15.11 opportunities throughout the state. This  
15.12 appropriation may be used for grants,  
15.13 translation services, training programs, or  
15.14 other purposes in line with the  
15.15 recommendations of the emerging farmer  
15.16 working group established under Minnesota  
15.17 Statutes, section 17.055, subdivision 1.
- 15.18 (g) \$137,000 the first year and \$203,000 the  
15.19 second year are to support current services.
- 15.20 (h) \$337,000 the first year and \$337,000 the  
15.21 second year are for farm advocate services.  
15.22 Of these amounts, \$50,000 the first year and  
15.23 \$50,000 the second year are for the  
15.24 continuation of the farmland transition  
15.25 programs and may be used for grants to  
15.26 farmland access teams to provide technical  
15.27 assistance to potential beginning farmers.  
15.28 Farmland access teams must assist existing  
15.29 farmers and beginning farmers with  
15.30 transitioning farm ownership and farm  
15.31 operation. Services provided by teams may  
15.32 include but are not limited to mediation  
15.33 assistance, designing contracts, financial  
15.34 planning, tax preparation, estate planning, and  
15.35 housing assistance.

16.1 (i) \$3,100,000 the first year is for a grant to  
16.2 First District Association for a wastewater  
16.3 treatment project.

16.4 (j) \$1,000,000 the first year and \$1,000,000  
16.5 the second year are to award grants to eligible  
16.6 applicants for participation in the local food  
16.7 purchasing assistance grant program. Selected  
16.8 applicants must use grant money to procure  
16.9 and distribute food to communities. Eligible  
16.10 applicants include but are not limited to  
16.11 individuals, nonprofit organizations, for-profit  
16.12 businesses, Tribal governments, government  
16.13 entities, agricultural cooperatives, economic  
16.14 development organizations, and educational  
16.15 institutions. When awarding grants, the  
16.16 commissioner must give preference to  
16.17 applicants that:

16.18 (1) source 100 percent of food from  
16.19 Minnesota;

16.20 (2) source at least 70 percent of food from  
16.21 farmers who are experiencing limited land  
16.22 access or limited market access as defined in  
16.23 Minnesota Statutes, section 17.133,  
16.24 subdivision 1; and

16.25 (3) distribute food at no cost to communities  
16.26 that have low supermarket access in  
16.27 census-designated food deserts or low- or  
16.28 moderate-income areas with substantial  
16.29 subpopulations, such as the aging population  
16.30 or people with disabilities.

16.31 (k) \$100,000 the first year is to be awarded as  
16.32 a grant in a competitive bid process to an  
16.33 entity that is not a for-profit entity to conduct  
16.34 a study of market and workforce factors that



17.1 may contribute to the incorrect marking for  
17.2 the installation of underground  
17.3 telecommunications infrastructure that is  
17.4 located within ten feet of existing underground  
17.5 utilities or that crosses the existing  
17.6 underground utilities. The study must include  
17.7 recommendations to the legislature and be  
17.8 submitted to the chairs and ranking minority  
17.9 members of the legislative committees and  
17.10 divisions with jurisdiction over agriculture  
17.11 policy and finance by June 1, 2027.

17.12 (l) The commissioner shall continue to  
17.13 increase connections with ethnic minority and  
17.14 immigrant farmers to farming opportunities  
17.15 and farming programs throughout the state.

17.16 Sec. 3. **BOARD OF ANIMAL HEALTH**                   \$        6,767,000 \$        6,767,000  
17.17 \$357,000 the first year and \$357,000 the  
17.18 second year are to maintain the current level  
17.19 of service delivery.

17.20 Sec. 4. **AGRICULTURAL UTILIZATION**  
17.21 **RESEARCH INSTITUTE**                                   \$        4,388,000 \$        4,434,000  
17.22 \$45,000 the first year and \$91,000 the second  
17.23 year are to maintain the current level of service  
17.24 delivery.

17.25 Sec. 5. **TRANSFERS.**

17.26 (a) \$4,000,000 in fiscal year 2026 is transferred from the general fund to the agricultural  
17.27 emergency account established under Minnesota Statutes, section 17.041.

17.28 (b) Of the amount transferred to the agricultural emergency account under Minnesota  
17.29 Statutes, section 17.041, up to \$2,000,000 may be used for the following purposes:

17.30 (1) to test milk, milk products, poultry products, and pet food before retail sale for the  
17.31 presence of avian influenza;

(2) to transfer funds to the commissioner of health for biomonitoring for the presence of avian influenza for agricultural workers, farm workers, and poultry or livestock processing employees that volunteer to participate; and

(3) to transfer funds to the Board of Regents of the University of Minnesota to develop rapid testing, quantification, and human exposure risk assessment models for avian influenza in urban wastewater and drinking water treatment processes and public and private wells.

Prior to utilizing or transferring money under this paragraph, the commissioner must communicate the intended usage and the estimated amount of the money to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance.

(c) \$153,000 in fiscal year 2026 and \$100,000 in fiscal year 2027 are transferred from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$100,000 each year from the general fund to the pollinator research account established under Minnesota Statutes, section 18B.051, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(d) \$186,000 in fiscal year 2026 and \$186,000 in fiscal year 2027 are transferred from the general fund 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, 2027, for Minnesota grown grants in this paragraph are available until June 30, 2029. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$186,000 each year from the general fund to the Minnesota grown account established under Minnesota Statutes, section 17.102, subdivision 4, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(e) \$10,699,000 in fiscal year 2026 and \$10,352,000 in fiscal year 2027 are transferred from the general fund 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, subdivision 1, clauses (1) and (2), and must supplement and not supplant existing sources and levels of funding. The

19.1 commissioner may use up to one percent of this transfer for costs incurred to administer  
19.2 this program.

19.3 (f) Of the amount transferred for the agriculture research, education, extension, and  
19.4 technology transfer grant program under Minnesota Statutes, section 41A.14:

19.5 (1) \$600,000 in fiscal year 2026 and \$600,000 in fiscal year 2027 are for the Minnesota  
19.6 Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes,  
19.7 section 41A.14, subdivision 1, clause (2);

19.8 (2) up to \$1,000,000 in fiscal year 2026 and up to \$1,000,000 in fiscal year 2027 are for  
19.9 research on avian influenza, salmonella, and other turkey-related diseases and disease  
19.10 prevention measures;

19.11 (3) \$2,250,000 in fiscal year 2026 and \$2,250,000 in fiscal year 2027 are for grants to  
19.12 the Minnesota Agricultural Educational Leadership Council to enhance agricultural education  
19.13 with priority given to Farm Business Management challenge grants. The transfer is  
19.14 \$3,000,000 in fiscal year 2028 and each year thereafter;

19.15 (4) \$350,000 in fiscal year 2026 and \$350,000 in fiscal year 2027 are for potato research;

19.16 (5) \$802,000 in fiscal year 2026 and \$802,000 in fiscal year 2027 are to fund the Forever  
19.17 Green Initiative and protect Minnesota's natural resources while increasing the efficiency,  
19.18 profitability, and productivity of Minnesota farmers by incorporating perennial and winter  
19.19 annual crops into existing agricultural practices. By February 1 each year, the dean of the  
19.20 College of Food, Agricultural, and Natural Resources Sciences must submit a report to the  
19.21 chairs and ranking minority members of the legislative committees with jurisdiction over  
19.22 agriculture finance and policy and higher education detailing uses of the money in this  
19.23 paragraph, including administrative costs, and the achievements this money contributed to;

19.24 (6) \$200,000 in fiscal year 2026 and \$200,000 in fiscal year 2027 are for research on  
19.25 natural stands of wild rice;

19.26 (7) \$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are for the cultivated  
19.27 wild rice forward selection project at the North Central Research and Outreach Center,  
19.28 including a tenure track or research associate plant scientist; and

19.29 (8) \$347,000 in fiscal year 2026 is for the Board of Regents of the University of  
19.30 Minnesota for purposes of research on crop contamination and exposure to prions deposited  
19.31 by animals infected with chronic wasting disease.

19.32 For fiscal years 2028 through 2031, the commissioner of management and budget must  
19.33 include a transfer of \$11,373,000 each year from the general fund to the agriculture research,

education, extension, and technology transfer account established under Minnesota Statutes, section 41A.14, subdivision 3, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(g) \$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are transferred from the general fund to the Board of Regents of the University of Minnesota to evaluate, propagate, and maintain the genetic 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 prior to 1970, excluding wild rice. This money must also be used to protect traditional seeds brought to Minnesota by immigrant communities. This transfer includes funding for associated extension and outreach to small farmers and farmers who are Black, Indigenous, and People of Color. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$250,000 each year from the general fund to the Board of Regents of the University of Minnesota, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

(h) \$1,425,000 in fiscal year 2026 and \$1,425,000 in fiscal year 2027 are transferred from the general fund 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. For fiscal years 2028 through 2031, the commissioner of management and budget must include a transfer of \$1,425,000 each year from the general fund to the agricultural and environmental revolving loan account established under Minnesota Statutes, section 17.117, subdivision 5a, when preparing each forecast from the effective date of this section through the February 2027 forecast, under Minnesota Statutes, section 16A.103.

Sec. 6. **CANCELLATIONS.**

(a) \$3,000,000 of the appropriation in fiscal year 2024 from the general fund for green fertilizer production facilities under Laws 2023, chapter 60, article 10, section 4, is canceled to the general fund by June 30, 2025.

(b) \$500,000 of the fiscal year 2025 general fund appropriation for the agricultural growth, research, and innovation program under Minnesota Statutes, section 41A.12, that was allocated for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants under Laws 2024, chapter 126, article 1, section 1, subdivision 4, paragraph (d), clause (6), is canceled to the general fund by June 30, 2025.

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

21.1 Sec. 7. Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended by Laws  
21.2 2024, chapter 126, article 1, section 1, subdivision 4, is amended to read:

21.3	Subd. 4. <b>Agriculture, Bioenergy, and Bioproduct</b>	34,034,000	38,159,000
21.4	<b>Advancement</b>		

21.5 (a) \$10,702,000 the first year and \$10,702,000  
21.6 the second year are for the agriculture  
21.7 research, education, extension, and technology  
21.8 transfer program under Minnesota Statutes,  
21.9 section 41A.14. Except as provided below,  
21.10 the appropriation each year is for transfer to  
21.11 the agriculture research, education, extension,  
21.12 and technology transfer account under  
21.13 Minnesota Statutes, section 41A.14,  
21.14 subdivision 3, and the commissioner shall  
21.15 transfer funds each year to the Board of  
21.16 Regents of the University of Minnesota for  
21.17 purposes of Minnesota Statutes, section  
21.18 41A.14. To the extent practicable, money  
21.19 expended under Minnesota Statutes, section  
21.20 41A.14, subdivision 1, clauses (1) and (2),  
21.21 must supplement and not supplant existing  
21.22 sources and levels of funding. The  
21.23 commissioner may use up to one percent of  
21.24 this appropriation for costs incurred to  
21.25 administer the program.

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

21.30 (1) \$600,000 the first year and \$600,000 the  
21.31 second year are for the Minnesota Agricultural  
21.32 Experiment Station's agriculture rapid  
21.33 response fund under Minnesota Statutes,  
21.34 section 41A.14, subdivision 1, clause (2);

22.1 (2) up to \$1,000,000 the first year and up to  
22.2 \$1,000,000 the second year are for research  
22.3 on avian influenza, salmonella, and other  
22.4 turkey-related diseases and disease prevention  
22.5 measures;

22.6 (3) \$2,250,000 the first year and \$2,250,000  
22.7 the second year are for grants to the Minnesota  
22.8 Agricultural Education Leadership Council to  
22.9 enhance agricultural education with priority  
22.10 given to Farm Business Management  
22.11 challenge grants;

22.12 (4) \$450,000 the first year is for the cultivated  
22.13 wild rice breeding project at the North Central  
22.14 Research and Outreach Center to include a  
22.15 tenure track/research associate plant breeder;

22.16 (5) \$350,000 the first year and \$350,000 the  
22.17 second year are for potato breeding;

22.18 (6) \$802,000 the first year and \$802,000 the  
22.19 second year are to fund the Forever Green  
22.20 Initiative and protect the state's natural  
22.21 resources while increasing the efficiency,  
22.22 profitability, and productivity of Minnesota  
22.23 farmers by incorporating perennial and  
22.24 winter-annual crops into existing agricultural  
22.25 practices. The base for the allocation under  
22.26 this clause is \$802,000 in fiscal year 2026 and  
22.27 each year thereafter. By February 1 each year,  
22.28 the dean of the College of Food, Agricultural  
22.29 and Natural Resource Sciences must submit  
22.30 a report to the chairs and ranking minority  
22.31 members of the legislative committees with  
22.32 jurisdiction over agriculture finance and policy  
22.33 and higher education detailing uses of the  
22.34 funds in this paragraph, including

23.1 administrative costs, and the achievements  
23.2 these funds contributed to;

23.3 (7) \$350,000 each year is for farm-scale winter  
23.4 greenhouse research and development  
23.5 coordinated by University of Minnesota  
23.6 Extension Regional Sustainable Development  
23.7 Partnerships. The allocation in this clause is  
23.8 onetime;

23.9 (8) \$200,000 the second year is for research  
23.10 on natural stands of wild rice; and

23.11 (9) \$250,000 the second year is for the  
23.12 cultivated wild rice forward selection project  
23.13 at the North Central Research and Outreach  
23.14 Center, including a tenure track or research  
23.15 associate plant scientist.

23.16 (b) The base for the agriculture research,  
23.17 education, extension, and technology transfer  
23.18 program is \$10,352,000 in fiscal year 2026  
23.19 and \$10,352,000 in fiscal year 2027.

23.20 (c) \$23,332,000 the first year is for the  
23.21 agricultural growth, research, and innovation  
23.22 program under Minnesota Statutes, section  
23.23 41A.12. Except as provided below, the  
23.24 commissioner may allocate this appropriation  
23.25 among the following areas: facilitating the  
23.26 start-up, modernization, improvement, or  
23.27 expansion of livestock operations, including  
23.28 beginning and transitioning livestock  
23.29 operations with preference given to robotic  
23.30 dairy-milking equipment; assisting  
23.31 value-added agricultural businesses to begin  
23.32 or expand, to access new markets, or to  
23.33 diversify, including aquaponics systems, with  
23.34 preference given to hemp fiber processing

24.1 equipment; facilitating the start-up,  
24.2 modernization, or expansion of other  
24.3 beginning and transitioning farms, including  
24.4 by providing loans under Minnesota Statutes,  
24.5 section 41B.056; sustainable agriculture  
24.6 on-farm research and demonstration; the  
24.7 development or expansion of food hubs and  
24.8 other alternative community-based food  
24.9 distribution systems; enhancing renewable  
24.10 energy infrastructure and use; crop research,  
24.11 including basic and applied turf seed research;  
24.12 Farm Business Management tuition assistance;  
24.13 and good agricultural practices and good  
24.14 handling practices certification assistance. The  
24.15 commissioner may use up to 6.5 percent of  
24.16 this appropriation for costs incurred to  
24.17 administer the program.

24.18 Of the amount appropriated for the agricultural  
24.19 growth, research, and innovation program  
24.20 under Minnesota Statutes, section 41A.12:

24.21 (1) \$1,000,000 the first year is for distribution  
24.22 in equal amounts to each of the state's county  
24.23 fairs to preserve and promote Minnesota  
24.24 agriculture;

24.25 (2) \$5,750,000 the first year is for incentive  
24.26 payments under Minnesota Statutes, sections  
24.27 41A.16, 41A.17, 41A.18, and 41A.20.

24.28 Notwithstanding Minnesota Statutes, section  
24.29 16A.28, the first year appropriation is  
24.30 available until June 30, 2025. If this  
24.31 appropriation exceeds the total amount for  
24.32 which all producers are eligible in a fiscal  
24.33 year, the balance of the appropriation is  
24.34 available for other purposes under this  
24.35 paragraph;



25.1 (3) \$3,375,000 the first year is for grants that  
25.2 enable retail petroleum dispensers, fuel storage  
25.3 tanks, and other equipment to dispense  
25.4 biofuels to the public in accordance with the  
25.5 biofuel replacement goals established under  
25.6 Minnesota Statutes, section 239.7911. A retail  
25.7 petroleum dispenser selling petroleum for use  
25.8 in spark ignition engines for vehicle model  
25.9 years after 2000 is eligible for grant money  
25.10 under this clause if the retail petroleum  
25.11 dispenser has no more than 10 retail petroleum  
25.12 dispensing sites and each site is located in  
25.13 Minnesota. The grant money must be used to  
25.14 replace or upgrade equipment that does not  
25.15 have the ability to be certified for E25. A grant  
25.16 award must not exceed 65 percent of the cost  
25.17 of the appropriate technology. A grant award  
25.18 must not exceed \$200,000 per station. The  
25.19 commissioner must cooperate with biofuel  
25.20 stakeholders in the implementation of the grant  
25.21 program. The commissioner, in cooperation  
25.22 with any economic or community development  
25.23 financial institution and any other entity with  
25.24 which the commissioner contracts, must  
25.25 submit a report on the biofuels infrastructure  
25.26 financial assistance program by January 15 of  
25.27 each year to the chairs and ranking minority  
25.28 members of the legislative committees and  
25.29 divisions with jurisdiction over agriculture  
25.30 policy and finance. The annual report must  
25.31 include but not be limited to a summary of the  
25.32 following metrics: (i) the number and types  
25.33 of projects financed; (ii) the amount of dollars  
25.34 leveraged or matched per project; (iii) the  
25.35 geographic distribution of financed projects;  
25.36 (iv) any market expansion associated with

26.1 upgraded infrastructure; (v) the demographics  
26.2 of the areas served; (vi) the costs of the  
26.3 program; and (vii) the number of grants to  
26.4 minority-owned or female-owned businesses;

26.5 (4) \$1,250,000 the first year is for grants to  
26.6 facilitate the start-up, modernization, or  
26.7 expansion of meat, poultry, egg, and milk  
26.8 processing facilities. A grant award under this  
26.9 clause must not exceed \$200,000. Any  
26.10 unencumbered balance at the end of the second  
26.11 year does not cancel until June 30, 2026, and  
26.12 may be used for other purposes under this  
26.13 paragraph;

26.14 (5) \$1,150,000 the first year is for providing  
26.15 more fruits, vegetables, meat, poultry, grain,  
26.16 and dairy for children in school and early  
26.17 childhood education settings, including, at the  
26.18 commissioner's discretion, providing grants  
26.19 to reimburse schools and early childhood  
26.20 education and child care providers for  
26.21 purchasing equipment and agricultural  
26.22 products. Organizations must participate in  
26.23 the National School Lunch Program or the  
26.24 Child and Adult Care Food Program to be  
26.25 eligible. Of the amount appropriated, \$150,000  
26.26 is for a statewide coordinator of  
26.27 farm-to-institution strategy and programming.  
26.28 The coordinator must consult with relevant  
26.29 stakeholders and provide technical assistance  
26.30 and training for participating farmers and  
26.31 eligible grant recipients;

26.32 (6) \$2,000,000 the first year is for urban youth  
26.33 agricultural education or urban agriculture  
26.34 community development;

27.1 (7) \$1,000,000 the first year is for the good  
27.2 food access program under Minnesota  
27.3 Statutes, section 17.1017; and

27.4 (8) \$225,000 the first year is to provide grants  
27.5 to secondary career and technical education  
27.6 programs for the purpose of offering  
27.7 instruction in meat cutting and butchery.

27.8 Notwithstanding Minnesota Statutes, section  
27.9 16B.98, subdivision 14, the commissioner may  
27.10 use up to 6.5 percent of this appropriation for  
27.11 administrative costs. This is a onetime  
27.12 appropriation. Grants may be used for costs,  
27.13 including but not limited to:

27.14 (i) equipment required for a meat cutting  
27.15 program;

27.16 (ii) facility renovation to accommodate meat  
27.17 cutting; and

27.18 (iii) training faculty to teach the fundamentals  
27.19 of meat processing.

27.20 A grant recipient may be awarded a grant of  
27.21 up to \$75,000 and may use up to ten percent  
27.22 of the grant for faculty training. Priority may  
27.23 be given to applicants who are coordinating  
27.24 with meat cutting and butchery programs at  
27.25 Minnesota State Colleges and Universities  
27.26 institutions or with local industry partners.

27.27 By January 15, 2025, the commissioner must  
27.28 report to the chairs and ranking minority  
27.29 members of the legislative committees with  
27.30 jurisdiction over agriculture finance and  
27.31 education finance by listing the grants made  
27.32 under this paragraph by county and noting the  
27.33 number and amount of grant requests not  
27.34 fulfilled. The report may include additional

28.1 information as determined by the  
28.2 commissioner, including but not limited to  
28.3 information regarding the outcomes produced  
28.4 by these grants. If additional grants are  
28.5 awarded under this paragraph that were not  
28.6 covered in the report due by January 15, 2025,  
28.7 the commissioner must submit an additional  
28.8 report to the chairs and ranking minority  
28.9 members of the legislative committees with  
28.10 jurisdiction over agriculture finance and  
28.11 education finance regarding all grants issued  
28.12 under this paragraph by November 1, 2025.

28.13 Notwithstanding Minnesota Statutes, section  
28.14 16A.28, any unencumbered balance does not  
28.15 cancel at the end of the first year and is  
28.16 available for the second year, and  
28.17 appropriations encumbered under contract on  
28.18 or before June 30, 2025, for agricultural  
28.19 growth, research, and innovation grants are  
28.20 available until June 30, 2028.

28.21 (d) \$27,457,000 the second year is for the  
28.22 agricultural growth, research, and innovation  
28.23 program under Minnesota Statutes, section  
28.24 41A.12. Except as provided below, the  
28.25 commissioner may allocate this appropriation  
28.26 among the following areas: facilitating the  
28.27 start-up, modernization, improvement, or  
28.28 expansion of livestock operations, including  
28.29 beginning and transitioning livestock  
28.30 operations with preference given to robotic  
28.31 dairy-milking equipment; assisting  
28.32 value-added agricultural businesses to begin  
28.33 or expand, to access new markets, or to  
28.34 diversify, including aquaponics systems, with  
28.35 preference given to hemp fiber processing

29.1 equipment; facilitating the start-up,  
29.2 modernization, or expansion of other  
29.3 beginning and transitioning farms, including  
29.4 by providing loans under Minnesota Statutes,  
29.5 section 41B.056; sustainable agriculture  
29.6 on-farm research and demonstration; the  
29.7 development or expansion of food hubs and  
29.8 other alternative community-based food  
29.9 distribution systems; enhancing renewable  
29.10 energy infrastructure and use; crop research,  
29.11 including basic and applied turf seed research;  
29.12 Farm Business Management tuition assistance;  
29.13 and good agricultural practices and good  
29.14 handling practices certification assistance. The  
29.15 commissioner may use up to 6.5 percent of  
29.16 this appropriation for costs incurred to  
29.17 administer the program.

29.18 Of the amount appropriated for the agricultural  
29.19 growth, research, and innovation program  
29.20 under Minnesota Statutes, section 41A.12:

29.21 (1) \$1,000,000 the second year is for  
29.22 distribution in equal amounts to each of the  
29.23 state's county fairs to preserve and promote  
29.24 Minnesota agriculture;

29.25 (2) \$5,750,000 the second year is for incentive  
29.26 payments under Minnesota Statutes, sections  
29.27 41A.16, 41A.17, 41A.18, and 41A.20.

29.28 Notwithstanding Minnesota Statutes, section  
29.29 16A.28, this appropriation is available until  
29.30 June 30, 2027. If this appropriation exceeds  
29.31 the total amount for which all producers are  
29.32 eligible in a fiscal year, the balance of the  
29.33 appropriation is available for other purposes  
29.34 under this paragraph. The base under this

30.1 clause is \$3,000,000 in fiscal year 2026 and  
30.2 each year thereafter;

30.3 (3) \$3,375,000 the second year is for grants  
30.4 that enable retail petroleum dispensers, fuel  
30.5 storage tanks, and other equipment to dispense  
30.6 biofuels to the public in accordance with the  
30.7 biofuel replacement goals established under  
30.8 Minnesota Statutes, section 239.7911. A retail  
30.9 petroleum dispenser selling petroleum for use  
30.10 in spark ignition engines for vehicle model  
30.11 years after 2000 is eligible for grant money  
30.12 under this clause if the retail petroleum  
30.13 dispenser has no more than ten retail  
30.14 petroleum dispensing sites and each site is  
30.15 located in Minnesota. The grant money must  
30.16 be used to replace or upgrade equipment that  
30.17 does not have the ability to be certified for  
30.18 E25. A grant award must not exceed 65  
30.19 percent of the cost of the appropriate  
30.20 technology. A grant award must not exceed  
30.21 \$200,000 per station. The commissioner must  
30.22 cooperate with biofuel stakeholders in the  
30.23 implementation of the grant program. The  
30.24 commissioner, in cooperation with any  
30.25 economic or community development  
30.26 financial institution and any other entity with  
30.27 which the commissioner contracts, must  
30.28 submit a report on the biofuels infrastructure  
30.29 financial assistance program by January 15 of  
30.30 each year to the chairs and ranking minority  
30.31 members of the legislative committees and  
30.32 divisions with jurisdiction over agriculture  
30.33 policy and finance. The annual report must  
30.34 include but not be limited to a summary of the  
30.35 following metrics: (i) the number and types  
30.36 of projects financed; (ii) the amount of money

31.1 leveraged or matched per project; (iii) the  
31.2 geographic distribution of financed projects;  
31.3 (iv) any market expansion associated with  
31.4 upgraded infrastructure; (v) the demographics  
31.5 of the areas served; (vi) the costs of the  
31.6 program; and (vii) the number of grants to  
31.7 minority-owned or female-owned businesses.

31.8 The base under this clause is \$3,000,000 for  
31.9 fiscal year 2026 and each year thereafter;

31.10 (4) \$1,250,000 the second year is for grants  
31.11 to facilitate the start-up, modernization, or  
31.12 expansion of meat, poultry, egg, and milk  
31.13 processing facilities. A grant award under this  
31.14 clause must not exceed \$200,000. Any  
31.15 unencumbered balance at the end of the second  
31.16 year does not cancel until June 30, 2027, and  
31.17 may be used for other purposes under this  
31.18 paragraph. The base under this clause is  
31.19 \$250,000 in fiscal year 2026 and each year  
31.20 thereafter;

31.21 (5) \$1,275,000 the second year is for providing  
31.22 more fruits, vegetables, meat, poultry, grain,  
31.23 and dairy for children in school and early  
31.24 childhood education settings, including, at the  
31.25 commissioner's discretion, providing grants  
31.26 to reimburse schools and early childhood  
31.27 education and child care providers for  
31.28 purchasing equipment and agricultural  
31.29 products. Organizations must participate in  
31.30 the National School Lunch Program or the  
31.31 Child and Adult Care Food Program to be  
31.32 eligible. Of the amount appropriated, \$150,000  
31.33 is for a statewide coordinator of  
31.34 farm-to-institution strategy and programming.  
31.35 The coordinator must consult with relevant

32.1 stakeholders and provide technical assistance  
32.2 and training for participating farmers and  
32.3 eligible grant recipients. The base under this  
32.4 clause is \$1,294,000 in fiscal year 2026 and  
32.5 each year thereafter;

32.6 (6) \$4,000,000 the second year is for Dairy  
32.7 Assistance, Investment, Relief Initiative  
32.8 (DAIRI) grants and other forms of financial  
32.9 assistance to Minnesota dairy farms that enroll  
32.10 in coverage under a federal dairy risk  
32.11 protection program and produced no more  
32.12 than 16,000,000 pounds of milk in 2022. The  
32.13 commissioner must make DAIRI payments  
32.14 based on the amount of milk produced in  
32.15 2022, up to 5,000,000 pounds per participating  
32.16 farm, at a rate determined by the commissioner  
32.17 within the limits of available funding. Any  
32.18 unencumbered balance on June 30, 2026, may  
32.19 be used for other purposes under this  
32.20 paragraph. The allocation in this clause is  
32.21 onetime;

32.22 (7) \$2,000,000 the second year is for urban  
32.23 youth agricultural education or urban  
32.24 agriculture community development;

32.25 (8) \$1,000,000 the second year is for the good  
32.26 food access program under Minnesota  
32.27 Statutes, section 17.1017; and

32.28 (9) \$225,000 the second year is for the  
32.29 protecting livestock grant program for  
32.30 producers to support the installation of  
32.31 measures to prevent the transmission of avian  
32.32 influenza. For the appropriation in this  
32.33 paragraph, a grant applicant must document  
32.34 a cost-share of 20 percent. An applicant's  
32.35 cost-share amount may be reduced up to



33.1 \$2,000 to cover time and labor costs.  
33.2 Notwithstanding Minnesota Statutes, section  
33.3 16B.98, subdivision 14, the commissioner may  
33.4 use up to 6.5 percent of this appropriation for  
33.5 administrative costs. This appropriation is  
33.6 available until June 30, 2027. This is a onetime  
33.7 appropriation.

33.8 (e) Notwithstanding Minnesota Statutes,  
33.9 section 16A.28, ~~this~~ the appropriation in  
33.10 paragraph (d) does not cancel at the end of the  
33.11 second year and is available until June 30,  
33.12 2027. Appropriations encumbered under  
33.13 contract on or before June 30, 2027, for  
33.14 agricultural growth, research, and innovation  
33.15 grants are available until June 30, 2030.

33.16 ~~(e)~~ (f) The base for the agricultural growth,  
33.17 research, and innovation program is  
33.18 \$17,582,000 in fiscal year 2026 and each year  
33.19 thereafter and includes \$200,000 each year for  
33.20 cooperative development grants.

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

## 33.22 **ARTICLE 2**

### 33.23 **AGRICULTURE STATUTORY CHANGES**

33.24 Section 1. Minnesota Statutes 2024, section 17.133, subdivision 2, is amended to read:

33.25 Subd. 2. **Grants.** The commissioner may award farm down payment assistance grants  
33.26 of up to ~~\$15,000~~ \$20,000 per eligible farmer. Each award must be matched with at least  
33.27 \$8,000 of other funding. Grants under this subdivision may be awarded by a randomized  
33.28 selection process after applications are collected over a period of no less than 30 calendar  
33.29 days. An eligible farmer must commit to own and farm the land purchased with assistance  
33.30 provided under this section for at least five years. For each year that a grant recipient does  
33.31 not own and farm the land during the five-year period, the grant recipient must pay a penalty  
33.32 to the commissioner equal to 20 percent of the grant amount.

34.1 Sec. 2. Minnesota Statutes 2024, section 18B.01, subdivision 1d, is amended to read:

34.2 Subd. 1d. **Application or use of a pesticide.** "Application or use of a pesticide" includes:

34.3 (1) the dispersal of a pesticide on, in, at, or directed toward a target site; and

34.4 ~~(2) preapplication activities that involve the mixing and loading of a restricted use~~  
34.5 ~~pesticide; and~~

34.6 ~~(3)~~ (2) other restricted use pesticide-related activities, including but not limited to  
34.7 transporting or storing pesticide containers that have been opened; mixing; loading; cleaning  
34.8 equipment; and disposing of excess pesticides, spray mix, equipment wash waters, pesticide  
34.9 containers, and other materials that contain pesticide.

34.10 Sec. 3. Minnesota Statutes 2024, section 18B.01, is amended by adding a subdivision to  
34.11 read:

34.12 Subd. 10c. **Handler.** "Handler" means an individual who meets all the requirements for  
34.13 noncertified applicator specified in Code of Federal Regulations, title 40, section 171.201,  
34.14 and engages in preapplication activities that involve the mixing, loading, and transporting  
34.15 of a restricted use pesticide under the supervision of a licensed pesticide applicator.

34.16 Sec. 4. Minnesota Statutes 2024, section 18B.30, is amended to read:

34.17 **18B.30 PESTICIDE USE LICENSE REQUIREMENT; INTERNET SALES**  
34.18 **PROHIBITED; RESTRICTED USE PESTICIDES.**

34.19 (a) A person may not use a restricted use pesticide without a license or certification  
34.20 required under sections 18B.29 to 18B.35 and the use may only be done under conditions  
34.21 prescribed by the commissioner, except that a handler may engage in preapplication activities  
34.22 that involve the mixing, loading, and transporting of a restricted use pesticide under the  
34.23 supervision of a licensed pesticide applicator.

34.24 (b) A person shall not sell any pesticide labeled for restricted use over an Internet website  
34.25 to a Minnesota resident who is not a licensed or certified pesticide applicator. A person  
34.26 selling a pesticide labeled for restricted use over an Internet website to a Minnesota resident  
34.27 must verify that the purchaser is a licensed or certified pesticide applicator under sections  
34.28 18B.29 to 18B.35.

34.29 Sec. 5. **[18C.113] BIOFERTILIZER INNOVATION AND EFFICIENCY PROGRAM.**

34.30 Subdivision 1. **Program established.** In consultation with the commissioner of natural  
34.31 resources and soil and water conservation districts in Minnesota, the commissioner of

35.1 agriculture must develop and administer a biofertilizer innovation and efficiency program  
35.2 to address water quality by incentivizing Minnesota farmers to improve nitrogen management  
35.3 and incorporate innovative technologies into the farmers' crop nutrient management plans.  
35.4 The commissioner must determine which products qualify for the program, including soil  
35.5 amendments, fertilizers with nitrogen-fixing properties, biological sources of nitrogen, and  
35.6 other biofertilizers.

35.7 Subd. 2. **Payments to qualified farmers.** (a) In consultation with farmers and the  
35.8 fertilizer industry, the commissioner must establish a per-acre payment rate, not less than  
35.9 \$5 per acre, for payments provided to a qualifying farmer. The program must provide an  
35.10 annual per-acre incentive payment to a qualifying farmer who verifies through documentation  
35.11 that the farmer has reduced commercial nitrogen fertilizer rates by using a qualifying product  
35.12 in the farmer's crop nutrient management plans by the lesser of:

35.13 (1) 15 percent; or

35.14 (2) 30 pounds per acre.

35.15 (b) The Department of Agriculture must annually review and may adjust the per-acre  
35.16 payment rate based on inflation and emerging fertilizer technology.

35.17 Subd. 3. **Qualifications.** To qualify for the biofertilizer water preservation program, a  
35.18 farmer must:

35.19 (1) be a Minnesota resident operating farmland located in Minnesota;

35.20 (2) submit documentation to the commissioner, including a crop nutrient management  
35.21 plan that will reduce the use of commercial nitrogen fertilizers at the reduction rate required  
35.22 under subdivision 2 by using a qualifying product determined by the commissioner under  
35.23 subdivision 1; and

35.24 (3) enroll a minimum of 40 eligible acres.

35.25 Subd. 4. **Review required.** Every two years, the commissioner must review:

35.26 (1) the program's required minimum commercial nitrogen fertilizer reduction rate under  
35.27 subdivision 2 and determine whether an increase in the minimum reduction rate is necessary;  
35.28 and

35.29 (2) additional qualifying products that may be used by farmers in the program. When  
35.30 making this determination, the commissioner must consider newly available technologies  
35.31 and products capable of reducing commercial nitrogen fertilizer applications.

Subd. 5. **Rulemaking required.** The commissioner must adopt rules using rulemaking authority under section 18C.121, subdivision 1, to implement this section.

Subd. 6. **Program study.** The commissioner must conduct an evaluation of the practice performance and economic performance of the biofertilizer innovation and efficiency program. The evaluation must look at environmental outcomes, include a cost-benefit analysis, and be submitted to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance by June 1, 2027. The commissioner may contract with an independent third party to conduct the evaluation.

ARTICLE 3  
BROADBAND

Section 1. **BROADBAND DEVELOPMENT 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 "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively. "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

APPROPRIATIONS			
Available for the Year			
Ending June 30			
	2026		2027
Sec. 2. <b>DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT</b>	\$	<b>1,001,000</b>	\$ <b>1,001,000</b>
\$1,001,000 each year is for the Office of Broadband Development.			

APPENDIX  
Article locations for H2446-2

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ARTICLE 2 AGRICULTURE STATUTORY CHANGES..... Page.Ln 33.22

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