



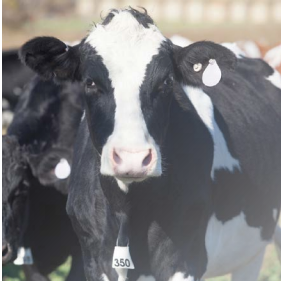
# Agricultural Growth, Research, and Innovation

Fiscal Year 2015  
Legislative Report

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Agricultural Growth,  
Research, and Innovation

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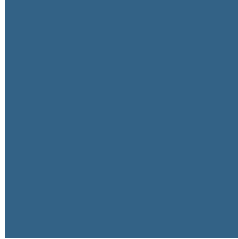
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## FY 2015

# Agricultural Growth, Research, and Innovation

## Executive Summary

The Agricultural, Growth, Research, and Innovation (AGRI) Program, established at the Minnesota Department of Agriculture in Minn. Stat. 41A.12, advances Minnesota’s agricultural and renewable energy industries. In FY15, the third year of the program, we awarded \$11.1 million to farmers, agricultural businesses, and schools through Livestock Investment Grants, Value Added Agriculture Grants, Farm to School Grants, Good Agricultural Practices/Good Handling Practices (GAP/GHP) Certification Cost Share, Trade Show Assistance, NextGen Bioenergy, Biochemical, and Biothermal Grants, Blender Pump Cost Share, Crop Research Grants, Beginning Farmer Assistance, County Fair Grants, and Sustainable Agriculture Demonstration Grants. Significant immediate economic impacts have been realized in increased production and new products for sale, increased employment, entry into new markets, and increased efficiency of production and processing.

FY15 investments resulted in:

- \$60 million of private investment, leveraging nearly \$6 for every \$1 of state investment;
- 1,025 new jobs (full/part-time) on livestock farms;
- 61 new full-time jobs and 58 new part-time jobs in value added businesses;
- 20 schools increasing their purchases of Minnesota grown food for school food service; and
- 14 meat processors expanding the number of livestock they process and/or improving efficiency.

The AGRI Program appropriation for FY16 and FY17 is \$20.47 million. In addition to the \$11.1 million awarded in FY15, \$5.7 million has been awarded to date in FY16. Requests for proposals remain open for applications to the Value Added Agriculture Grants, County Fair Grants, Beginning Farmer Assistance, and GAP/GHP Certification Cost Share programs.



Pursuant to Minn. Stat. 3.197, the cost of preparing this report was approximately \$3000.

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## Introduction

The Agricultural Growth, Research and Innovation (AGRI) Program was established at the Minnesota Department of Agriculture (MDA) in Minn. Stat. 41A.12 in 2009. Funds for this program were made available after the state fulfilled its ten year commitment to support the ethanol industry. The Commissioner of Agriculture is authorized to issue grants, loans, and other forms of financial assistance for activities including, but not limited to, grants to livestock producers under the Livestock Investment Grant Program (Minn. Stat. 17.118), bioenergy awards made by the NextGen Energy Board (Minn. Stat. 41A.105), cost share grants for the installation of biofuel blender pumps, and financial assistance to support other rural economic infrastructure activities.

Funds were first available to the AGRI Program in FY13 when \$641,422 in excess funds from the FY12 ethanol producer payments appropriation were combined with \$2.301 million appropriated by the Legislature for FY13 (Laws of Minnesota 2011 Ch. 14 sec. 3 subd. 4). Beginning in FY14 the AGRI Program's annual authorization grew to \$10.235 million.

The goal of the AGRI Program is to generate agricultural jobs and profitable businesses by focusing on areas of opportunity and potential economic impact. The Commissioner has implemented programs in the following areas:

- **Livestock Investment Grants** – to initiate or expand livestock production and processing;
- **Value Added Agriculture Grants** – to purchase equipment in order to create, upgrade, or modernize value added businesses, including meat processing;
- **Farm to School Grants** – to help schools purchase more Minnesota grown food by investing in processing equipment and storage;
- **Crop Research Grants** – to catalyze research that will improve quality, quantity, and value of crops grown in Minnesota;
- **NextGen Bioenergy and Biochemical Grants** – to foster research and development in renewable energy technologies;
- **NextGen Biothermal Grants** – for the installation of woody biomass heating equipment;
- **Blender Pump Cost Share** – to increase availability of renewable liquid fuels;
- **New Market Development** – to help Minnesota's small to medium-sized food businesses and value added agriculture producers explore new markets and expand their market reach;
- **Beginning and Transitioning Farmer Assistance** – to support beginning farmers and facilitate the intergenerational transfer of farmland;
- **Sustainable Agriculture Demonstration Grants** – to enhance the environmental, economic, and social sustainability of Minnesota farms through farmer-led on-farm research;
- **GAP/GHP Certification Cost Share** – to increase the number of farms and food processors that were food certified under GAP/GHP; and
- **County Fair Arts Access and Cultural Heritage Grants** – to enhance arts access and education and to preserve and promote Minnesota's history and cultural heritage at county fairs;

Each program is described in the following sections. Details about recipients are provided in the appendices.

## Livestock Investment Grants

The Livestock Investment Grant Program's (LIG) goal is to increase the competitiveness and long-term development of Minnesota's livestock sector. Minnesota livestock farmers may apply for grants to purchase, construct, or improve buildings or facilities or purchase fencing, feeding, and waste management equipment. Awards cover 10 percent of qualifying purchases with a maximum award of \$25,000 and a lifetime cap of \$50,000 per operation.

Grants are awarded competitively. A panel of MDA and external reviewers evaluated applications based on the entry or transition of an operation to the next generation, impact on the environment, number of employment opportunities, natural disaster consequences, and improvements in efficiency or profitability of the operation.



The FY15 target for LIG awards was \$2 million. We received 167 grant applications requesting \$2.8 million and awarded 118 grants totaling \$2.2 million. Participating farmers invested \$52 million in private funding, a 24 to 1 return on the state's investment. Awards were made across many livestock species and ranged from \$297 to \$25,000, with an average award of \$18,324. A list of awardees and a map of their locations are available in Appendices 1 and 2, respectively.

Livestock producers made improvements such as building barns and fences, purchasing robotic milking equipment, waterbeds, and trailers, and improving biosecurity through improved ventilation. For example, Ryan and Betsy Goblirsch of Redwood Falls, who are new farmers, built a hog finishing barn to improve the profitability of the operation. The barn will give them cash flow to begin taking over the farm from his father and will provide fertilizer to improve the quality of the soil under his crops.

Of the grants awarded:

- 94% addressed an environmental issue;
- 86% of the farmers had a conservation plan;
- 85.5% were awarded to applicants who were either entering farming or helping to transition the operation to the next generation; and
- 78% of recipients had ten years of farming experience or less.

We estimate that 215 construction jobs and 810 full or part-time jobs on the farm were created as a result of LIG.



### Paul Zimmerman of Woodville Pork

used a Livestock Investment Grant to build a new farrowing barn that included high quality ventilation equipment and biosecurity filters. Woodville Pork expects that the project will help them support nine new full-time employees.

## Value Added Agriculture Grants

The Value Added Agriculture Grant Program aims to increase sales of Minnesota agricultural products by diversifying markets, increasing market access, and improving food safety. Eligible businesses or individuals must be involved in the production, processing, or marketing of Minnesota agricultural products.

Grants were available for equipment or physical improvements (25 percent of the cost up to \$150,000). In FY15, projects involving meat processing, Farm to School (or other institution) market access, or implementing components of a food safety plan were given priority, and these priorities remain in place for FY16. The target for the FY15 Value Added Agriculture Grant Program was \$2 million. We received 112 applications requesting a total of \$5.8 million. Grants were awarded competitively and applications were ranked by a panel of MDA and external reviewers. The evaluation criteria focused on the project's potential to increase sales of Minnesota agricultural products and measureable outcomes. A total of \$2.1 million was awarded for 54 projects. The range of awards was \$1,310 to \$150,000 with an average of \$40,369. Private investment of \$7 million resulted in a 3.5 to 1 return on the state's investment.

A list of FY15 awardees is located in Appendix 3. Projects were located in 33 Minnesota counties (see map in Appendix 4).



### Sweetland Orchard co-owners Gretchen and Mike Perbix

purchased a bottle labeler for their cider operation. They reported that it increased labeling efficiency by 500 percent.

Anticipated results from FY15 grants include:

- Increasing value added sales of \$11 million;
- Increasing processing of livestock by 1952 head;
- Increasing production of value added businesses by 12.5 million pounds; and
- Assisting value added agriculture businesses in entering 1411 additional markets, including retail establishments, out of state markets, schools and institutions, and community supported agriculture accounts.

A survey of FY13 and FY14 grantees was conducted in 2015 and showed that:

- 85% improved food safety;
- 75% were able to sell more than baseline projections, increasing annual sales by more than \$1.5 million;
- 70% were able to hire new employees (22 full-time and 56 part-time);
- 79% were able to expand into one or more new markets, including retail establishments, wholesale accounts, direct sales, schools and institutions, and farmers' markets.

The FY16 target for Value Added Agriculture grants is \$2 million. Two requests for proposals will be issued. In the first round, the MDA received 42 applications requesting \$2,135,481 and is in the process of awarding \$946,055 to 24 applicants. Those grant recipients will invest \$2,849,681 in matching funds – a 3 to 1 return on the state's investment.

## Farm to School Grants

The Farm to School Grant Program's (F2S) goal is to increase the sales of Minnesota agricultural products by enhancing the ability of schools and other institutions to purchase, store, and serve Minnesota grown products. Public and private schools that are a part of the National School Lunch Program and certain child care centers that participate in the Child and Adult Care Food Program were eligible applicants. Two types of projects were eligible for awards:

- Equipment purchases or physical improvements to allow schools to purchase, prepare, and serve more Minnesota grown food. Awards cover up to 50 percent of expenditures, with a maximum award of \$50,000.
- Feasibility studies to determine product availability and cost or the specific equipment, tools, training, or policies that a school or school district needs to increase the purchase of Minnesota grown food. Awards cover up to 75 percent of the cost of the study, with a maximum award of \$30,000.

Grants were awarded competitively. A panel of MDA and external reviewers evaluated the applications based on the capacity to increase the amount of Minnesota grown food used.

The FY15 target for F2S grant awards was \$500,000. We received 32 applications totaling \$633,179 and awarded \$476,942 for 22 projects. Awards ranged from \$1,688 to \$50,000, with an average of \$24,679. The Center for Prevention at Blue Cross and Blue Shield of Minnesota (Blue Cross) contributed \$125,952 to help schools meet



match requirements. This funding is part of Blue Cross' long-term commitment to improve the health of all Minnesotans by tackling the leading root causes of preventable disease: tobacco use, lack of physical activity and unhealthy eating. A list of awardees and a map are located in Appendices 5 and 6, respectively.

Schools purchased coolers, salad bars, food processors, steamers, ovens, serving trays, and miscellaneous small kitchen tools. For example, Dover-Eyota Public Schools purchased a food processor, vegetable peeler, mixer, and tilting kettle, and will install equipment in a newly full-cook elementary kitchen. The peelers and processors will enable them to use carrots and potatoes from a local farm. The school district is also known for their catering program in the community, and the project will help them to source more local foods that will be used throughout the community.

We conducted a follow-up survey of all FY15 grantees.

- All recipients reported that the grant funds helped make their project possible.
- Schools reported they bought products from over 16 “new” farmers during the grant year, and increased the amount they purchased from existing farmer business partners.
- Nearly all schools surveyed reported an increase in Minnesota purchases in the year following their grant and that students eat more produce when it’s procured locally. Minneapolis Public Schools wrote, “We are most proud of the fact that students at sites with salad bars eat more local produce, understand the concept of local/fresh produce, and waste less than counterparts offered pre-portioned bagged or wrapped produce.” Eastern Carver County Schools added, “People eat with their eyes. Having the ability to display fruits and vegetables in an attractive manner influences how much students will consume.”
- Of the 14 schools responding to a survey, they reported that they expect to increase Minnesota purchases by a combined \$300,000 in the first year following the grant.

In FY16, we received 42 proposals requesting \$682,595 and we are in the process of awarding about \$500,000 through 33 grants to 31 applicants. Blue Cross committed funds again in FY16 to help schools with their match requirement.

## New Market Development

The New Market Development Program helps Minnesota’s small to medium-sized food businesses and value added agriculture producers explore new markets and expand their market reach. The program helps these businesses gain a competitive advantage in local, regional, national, and international markets through two initiatives.

We coordinate Minnesota Pavilions at local, regional, national, and international trade shows. This exposure helps participating companies put their best food forward in new markets. We secure exhibit space at selected trade events and then offer it at reduced rates (usually 50 percent of the cost) to Minnesota companies and agricultural producers.



### Bemidji Area Schools

received grants in FY 14 and 15 to purchase new ovens and coolers, allowing them to use more Minnesota foods throughout their school cafeteria, including on salad bars.



## Captain Ken's

from Saint Paul exhibits at the 2015 National Restaurant Association Show.

Sales relationships spurred at trade events can sometimes take more than a year to develop. We survey participants of every Minnesota Pavilion event to track results up to a year after the event and help determine future trade show options.

In FY15, we hosted Minnesota Pavilions at the following domestic trade events:

- Americas Food and Beverage Show (Miami);
- Winter Fancy Food Show (San Francisco);
- Natural Products Expo West (Anaheim);
- Food Marketing Institute (Chicago);
- National Restaurant Association (Chicago);
- Summer Fancy Food Show (New York City); and
- Natural Products Expo East (Baltimore).

The 40 participating Minnesota food companies in FY15 projected \$2.9 million in sales for all seven domestic events. The average cost of participation for companies that attended those events was \$4,000, which resulted in a return on investment of \$17.31 to \$1 for those events. We are planning nine domestic and five international Minnesota Pavilions for FY16.

The Trade Show and Demo Support Program (TSP) helped Minnesota companies exhibit at wholesale food events without a Minnesota Pavilion option. It also underwrote some of the cost of in-store demos for companies that were trying to introduce products into new markets and stores. Eligible

costs for a 50 percent reimbursement included mileage and staff time for in-store demos and booth space rental, shipping, and new signage for wholesale food shows.

In FY15, we reimbursed \$157,000 of eligible expenses to 94 companies including: Alemar Cheese Company (Mankato), Bare Honey (St. Paul), Bongards Premium Cheese (Chanhassen), Bubba's Foods (Rochester), Clover Valley Farms (Duluth), Dutch House Confections (Alexandria), JonnyPops (St. Louis Park), Locust Lane Vineyards (Little Canada), North Aire Market (Shakopee), Poorboy Candy (Stillwater), Punk Rawk Labs (Minneapolis), Redhead Creamery (Brooten), Smude Enterprises (Pierz), Stony Creek Dairy (Melrose), and many more.

In a survey conducted of FY15 participants, 72 responded. Through these responses, we discovered the following impacts of TSP funding:

- Over \$9.3 million in projected new sales, an average of \$141,600 per company;
- 159 new markets were entered due to TSP, an average of two new markets per company; and
- 88 new distributor relationships were formed, an average of one relationship per company.

## Crop Research Grants

Crop Research Grants were intended to improve the quality, quantity and/or value of crops grown in Minnesota. Awards of up to \$250,000 were made on a competitive basis for applied crop research that will result in near term benefits to farmers. Projects create public, transferable information and include a robust outreach component.

In FY15, we received 38 applications requesting \$7.66 million. A panel of MDA and external evaluators reviewed the applications and 14 projects were awarded a total of \$2.83 million. A list of projects is provided in Appendix 7.

In FY16, we received 27 applications totaling \$5.6 million and expect to award \$1.9 million for nine projects.



## NextGen Bioenergy & Biochemical, and Biothermal Grants

The NextGen Bioenergy and Biochemical Grant Program provided competitive grants for research, technical assistance, equipment, or development of business plans and structures related to community ownership of bioenergy facilities. Eligible recipients included:

- Owners of Minnesota facilities producing bioenergy, biobased content, or a biobased formulated product;
- Organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems; and certain nongovernmental entities.

Grants provided up to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy, biobased content, or biobased formulated product production, with a maximum grant award of \$500,000. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together were limited to \$150,000. In both cases, grantees had to provide a 25 percent cash match. In FY15, five NextGen biomass thermal projects were awarded a total of \$522,135. A list of awardees is available in Appendix 8.

There is no funding for this program in FY16.

## Blender Pump Cost Share

In FY15 we allocated \$500,000 for infrastructure to store and dispense renewable liquid fuels such as E15 and/or E85. The Minnesota Corn Research and Promotion Council (MCRPC) matched state funds with an additional \$1 million. A committee evaluated grant applications and made recommendations of awards based on project scope.

To date, 39 stations have been awarded \$985,000 over FY 2014-15. Of these, 36 are now open and selling E15, E30, and other higher blends of ethanol. Before October 2013, E15 had not been available for sale as a gasoline in Minnesota for vehicles 2001 and newer.

In FY16, \$1.525 million of AGRI funds, along with E15 infrastructure funds appropriated during the 2015 Special Legislative Session and contributions from biofuel industry partners, is being used to leverage an \$8 million grant from the USDA's Biofuel's Infrastructure Program (BIP). The Minnesota BIP will assist with ethanol infrastructure throughout the 2016 calendar year. Proposals are due on February 5, 2016.

## Beginning and Transitioning Farmer Assistance

The MDA and numerous public and nonprofit partners recognize that support for beginning farmers is critical to the future of Minnesota's agricultural sector. The AGRI Program provided important funds for a number of activities, including the creation of Minnesota Farm Link, a web-based tool designed to link farmers with farmland. Minnesota Farm Link includes all types of farming – ranging from small fruit and vegetable farms to large grain and livestock operations. Whether it's helping someone find a farm, matching an experienced or retiring farmer with a beginning farmer, or exploring mentoring opportunities, the goal is to connect people. In addition, we created a website featuring a directory of beginning and transitioning farmer information. The directory is a clearinghouse of programs and services for all types of farmers, which includes a database of available land and farmers, financial assistance and loans, farmer education, legal services, multi-cultural programs, networking, mentoring and transitioning and succession planning.

Another major beginning farmer initiative at the MDA was the development of the Farm Business Management (FBM) Scholarship Program. FBM helps farm operators learn good business management strategies that will lead to profitable and satisfying farming operations. The program teaches farmers how to use their own farm records to make sound business decisions. Instruction is offered by Minnesota State Colleges and Universities campuses statewide; instructors meet with students 1:1 and/or in small group settings.

<sup>1</sup> The NextGen Energy statute, Minn. Stat. Chap.. § 41A.105, that created the NextGen Energy Board and authorized NextGen grants expired on June 30, 2015.

The program defines a beginning farmer as a person who has owned or operated a farm or ranch, wholly or in partnership with others, for ten years or fewer. As owner/operator, a person must have a financial interest in the farm, must participate in making some or all management decisions, and must participate in the operation of the farm on a regular basis.

The FBM Scholarship Program pays 50 percent of the cost for beginning farmers to enroll in up to ten credits of FBM education per year until the student earns 40 credits. In FY15, the program awarded scholarships to 397 beginning farmers, disbursing a total of \$307,393. As of January 11, 2016, we had awarded scholarships to 381 beginning farmers, for a total of \$309,507.

At the end of the FBM Scholarship Program's first year, FBM instructors reported strong satisfaction with program design and administration, as well as positive impacts on students and positive feedback from administrators at their colleges.

## **Sustainable Agriculture Demonstration Grants**

Since 1989, the Sustainable Agriculture Demonstration Grant Program (Minn. Stat. 17.116) has encouraged farmers, nonprofit groups, agricultural researchers, and educators to explore ways to enhance the sustainability of a wide range of farming systems. Originally funded through a dedicated biennial appropriation, beginning in FY13, funding is now provided as part of the AGRI Program.

Projects can last for up to three years and may receive a maximum award of \$25,000. Projects must research or demonstrate the energy efficiency, environmental benefit, and/or profitability of sustainable agriculture techniques or systems from production through marketing on Minnesota farms.

The FY15 target for Sustainable Agriculture Demonstration grants was \$250,000. We received 28 applications requesting \$608,190 and made 13 awards totaling \$236,659. Grants were awarded competitively and applications were ranked by a panel comprised of MDA and external reviewers. Appendix 9 contains a list of the projects funded.

Proposals for FY16 grants were due on December 15, 2015. We received 30 applications requesting \$604,078 with \$250,000 available for funding of new projects. Grants are set to be awarded in late February.

## **GAP/GHP Certification Cost Share**

The Good Agriculture Practices (GAP)/Good Handling Practices (GHP) Certification Cost Share program defrays farmer and processor costs for GAP/GHP certification for food safety, a certification that is increasingly required to sell produce to schools and institutions, and through retail markets.

GAP/GHP certification focuses on improving the safety and quality of produce in the field and during handling. It requires a food safety plan and independent audits to verify that farmers and processors are producing, packing, handling, and storing fruits and vegetables in the safest manner possible.

GAP/GHP certified farmers and handlers certified to the USDA standards by an accredited certifier were eligible to receive a reimbursement of 75 percent of their certification costs up to \$2,500.

For FY15, we received 37 applications and funded all of them, disbursing a total of \$24,477. On average, farmers and processors spent \$892 on certification costs, and we reimbursed 75 percent of these expenses.

According to the USDA, there are currently 53 Minnesota GAP/GHP certified entities, an increase of six compared to the previous year. To date in FY16, we have received 18 applications for the \$25,000 available again this year.

## **County Fair Arts Access and Cultural Heritage Grants**

The County Fair Arts Access and Cultural Heritage Grants enhanced arts access and education and preserve and promoted Minnesota's history and cultural heritage at county fairs. In FY15, \$1.251 million was available and each of Minnesota's 93 county fairs was eligible for up to \$13,456. The program distributed \$1.227 million to 92 county fairs.

For FY16, this grant opportunity is being replaced by the County Fair Grants designed to preserve and promote Minnesota agriculture. \$1 million is available in equal amounts to the 93 active county fairs.



## Livestock Investment Grant Recipients

Name	City	County	Category
Anthony Adams	Cambridge	Isanti	Beef
Kevin Anderson	Lester Prairie	McLeod	Dairy
Dustin Arndt	Owatonna	Steele	Swine
Brian Aschenbrenner	Sleepy Eye	Brown	Beef
Michael Bakker	Sacred Heart	Renville	Dairy
Scott Balzer	Owatonna	Steele	Dairy
Justin Below	Waseca	Waseca	Swine
Tanner Bergstrom	Austin	Mower	Swine
Andrew Brandl	Springfield	Brown	Dairy
Greg Brandt	Luverne	Rock	Beef
Craig Breuer	Lake City	Wabasha	Swine
Jordan Dahl	Montevideo	Chippewa	Swine
Lucas deNeui	Chokio	Stevens	Fallow Deer
Dana and Thor Didrikson	Badger	Roseau	Beef
Bradley Durow	Hastings	Dakota	Dairy
Matthew Eischen	Comfrey	Brown	Swine
Crystal Enberg	Kenyon	Goodhue	Swine
Brian Engles	Lake Crystal	Blue Earth	Swine
Nathan Erlandson	Adrian	Nobles	Swine
Jason Felling	Sauk Centre	Stearns	Dairy
Tammie R. Friborg	Gully	Polk	Dairy
Gary S. Geise	Freeport	Stearns	Dairy
John Gessell	Little Falls	Morrison	Poultry
Benjamin Glende	Altura	Winona	Dairy
Ryan Goblirsch	Redwood Falls	Redwood	Swine
Lester Golombiecki	Morris	Stevens	Dairy
Luke Gregoire	Cottonwood	Lyon	Swine
Patrick G. Gregor	Waseca	Waseca	Beef
Joe Grote	Kenyon	Goodhue	Swine
Brandon Gruis	Adrian	Nobles	Beef
Michael S. Haase	Lake City	Wabasha	Beef
Curtis Hanenburg	Milaca	Mille Lacs	Dairy
Josh Hauer	Clarissa	Todd	Dairy
Matthew Haugen	Appleton	Swift	Beef
Christopher Hedtke	Mayer	Carver	Dairy
Jacob Hemmesch	Owatonna	Steele	Dairy
Ronald Hengemuhle	Long Prairie	Todd	Dairy
Andy Henning	Adrian	Nobles	Dairy
Jim and Dave Hillesheim	Springfield	Brown	Beef

## Livestock Investment Grant Recipients

Name	City	County	Category
Cory Hinrichs	Red Wing	Goodhue	Beef
Joshua Holt	Grey Eagle	Todd	Dairy
Kevin J. Horihan	Lanesboro	Fillmore	Beef
Jaren Howe	Hutchinson	McLeod	Dairy
Brady Hulstein	Chandler	Murray	Dairy
Adam Husfeldt	Glencoe	McLeod	Dairy
Troy Hutchinson	Medina	Hennepin	Sheep/Goats
Michael Jaeger	Claremont	Dodge	Swine
Joseph Jans	Grove City	Meeker	Dairy
Jeremiah Javens	Cottonwood	Lyon	Swine
Steve Kasella	Royalton	Morrison	Poultry
Brendan Kazemba	Round Lake	Jackson	Swine
Joseph Klaphake	Albany	Stearns	Dairy
Alan and Jessica Klimek	Alexandria	Douglas	Dairy
Jordan Kramer	Hector	Renville	Swine
Tanner Kramer	Hayfield	Dodge	Swine
Robert Kreidermacher	Altura	Winona	Dairy
Matt Kruger	Kellogg	Wabasha	Swine/Dairy
Larry J. Lahr	Cold Spring	Stearns	Dairy
Greg Laleman	Currie	Murray	Beef
John Lanoue	Tracy	Lyon	Beef
Paul Lanoue	Marshall	Lyon	Beef
Jeffrey Lee	Lake City	Wabasha	Dairy
Travis Lehnertz	Plainview	Wabasha	Dairy
Christopher Long	Cottonwood	Lyon	Swine
Brad Lonneman	Adrian	Nobles	Swine
Derek Louwagie	Cottonwood	Lyon	Beef
Brad Luettel	Adrian	Nobles	Dairy
Benjamin Mergen	Albany	Stearns	Dairy
Brent Mergen	Albany	Stearns	Dairy
Carla Mertz	Princeton	Mille Lacs	Poultry
Isaac Miller	Spring Valley	Fillmore	Beef
Brian Montag	Sauk Rapids	Benton	Dairy
Michael Morris	Renville	Renville	Sheep/Goats
Justin Moss	Luverne	Rock	Dairy
Chelsey Nelson	Hanska	Brown	Swine
Lindsey Nelson	Hanska	Brown	Swine
Randy Ness	Spring Valley	Fillmore	Dairy
Trent Olson	Lewiston	Winona	Dairy
Elinor Opitz Hopfer	Maple Lake	Wright	Dairy

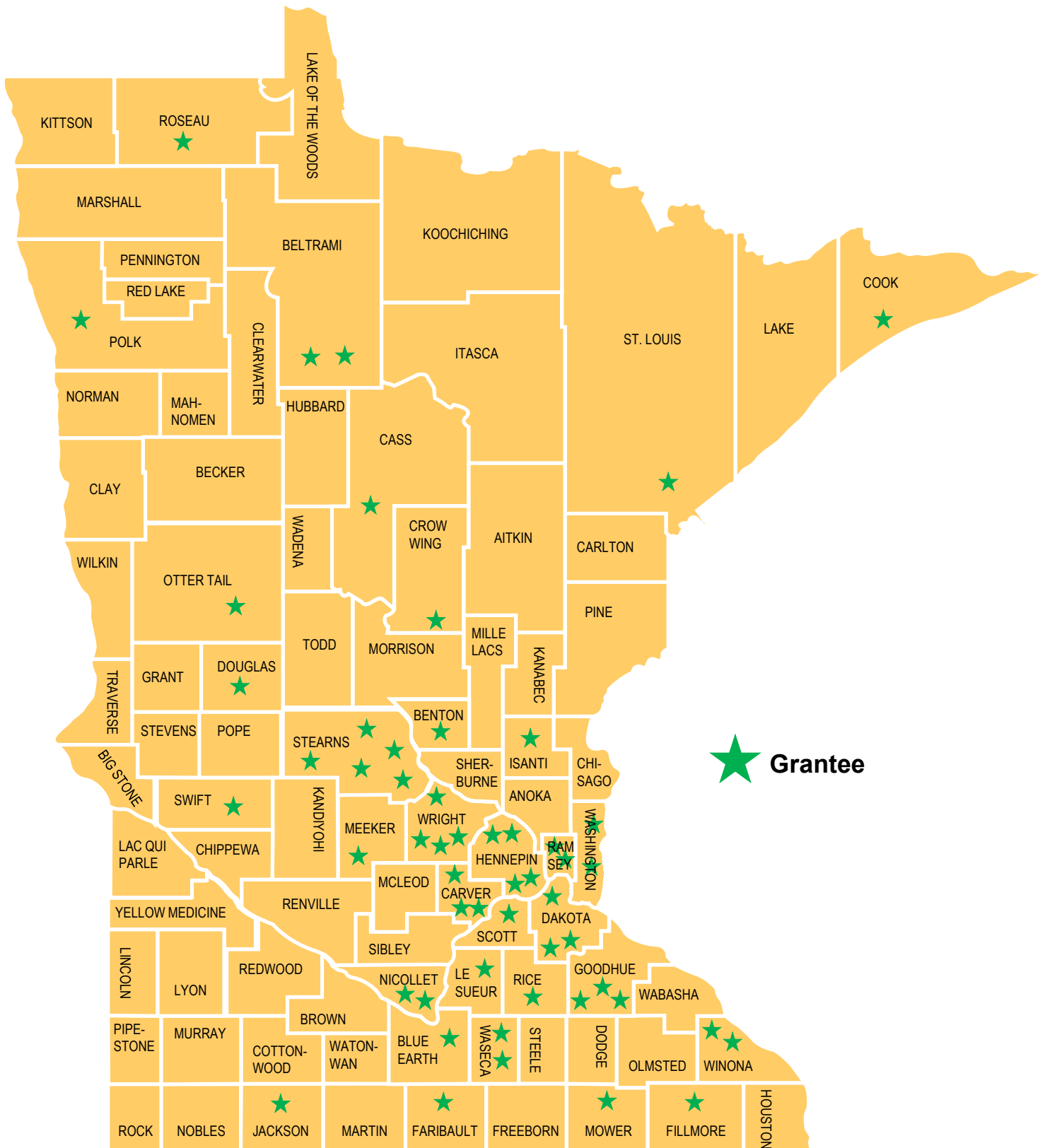
## Livestock Investment Grant Recipients

Name	City	County	Category
Levi Ossefoort	Edgerton	Pipestone	Swine
Elene Pawlu	Pierz	Morrison	Swine
Bruce and Jane Pederson	Westbrook	Cottonwood	Dairy
Tim Poortvliet	Prinsburg	Kandiyohi	Dairy
Adam Popowski	Ivanhoe	Lincoln	Dairy
Chris Popp	Pierz	Morrison	Dairy
Nicole Portner	New Ulm	Brown	Swine
Keith Pundsack	Freeport	Stearns	Dairy
Aaron Radermacher	Brooten	Pope	Dairy
Craig Roerick	Swanville	Morrison	Dairy
Stephen Roerick	Swanville	Morrison	Dairy
Matthew Rohlik	Renville	Renville	Beef
Adam Ryswyk	Luverne	Rock	Swine
Cory Salzl	Litchfield	Meeker	Dairy
Peter Salzl	Albany	Stearns	Dairy
Eric Schaap	Chandler	Murray	Swine
Ken Schentzel	Farmington	Dakota	Sheep/Goats
John G. Scherber	Rogers	Hennepin	Dairy
Clayton Schilling	Ellsworth	Nobles	Swine
Kevin Siewert	Lake City	Wabasha	Dairy
Mark Skroch	Rice	Benton	Dairy
Eric Sonnek	Foreston	Mille Lacs	Dairy
Brittany Springer	Henning	Otter Tail	Sheep/Goats
Nathan J. Stoel	Edgerton	Pipestone	Dairy
Erik Stonestrom	Wood Lake	Yellow Medicine	Swine
Mark Strom	McIntosh	Polk	Beef
Stephanie Talberg	Holdingsford	Stearns	Dairy
Brian and Joshua Timmerman	Minneota	Lyon	Swine
Travis M. Tumberg	New York Mills	Otter Tail	Dairy
Douglas Van Zuilen	Claremont	Dodge	Swine
Kevin Vetsch	Burtrum	Todd	Dairy
Mitchell Vetsch	Paynesville	Stearns	Dairy
Joel Welle	Freeport	Stearns	Dairy
Seth Williams	Russell	Lyon	Beef
Ryan Wittnebel	Bellingham	Lac qui Parle	Swine
Frank M. Yost	Lafayette	Nicollet	Beef
Brandon Zemke	Zumbrota	Goodhue	Dairy
Paul Zimmerman	Waseca	Waseca	Swine
Timothy Zweber	Elko	Scott	Swine



# Livestock Investment Grants by County

## Fiscal Year 2015



## Value Added Agriculture Grant Recipients

Business Name	County	Summary of Grant Project
11 Wells Spirits Company, LLC	Ramsey	Purchase fermenters and bottling and grain handling equipment to enter the Canadian market and build a cocktail tasting room to enter a new type of market.
Apple Jack Orchards, LLC	Wright	Install upgrades to make all apple bakery products on-farm and increase profitability.
Autumn Woods Farm, LLC	Washington	Construct a loading dock and add a second pasteurizer to increase production of value added products.
Backus Locker, LLC	Cass	Install a compressor and upgrade the floor to improve safe food handling safety and increase the amount of meat processed.
Badger Seed, LLC	Roseau	Purchase and install palletizer for packaging turf grass seed in order to access markets.
Bakers' Acres, LLC	Stearns	Expand and improve packaging room for food safety and traceability during field harvest and purchase washing equipment to expand CSA, farm to school, and wholesale markets.
Bemidji Brewing Company, LLC	Beltrami	Purchase equipment to triple production and purchase more Minnesota sourced or grown barley, malts, and hops.
Bemidji Downtown Meats Inc.	Beltrami	Construct a new facility to process and sell more retail and wholesale products as an equal-to meat processing facility and meet the growing demand for locally raised meat.
Big Steer Meats	Ramsey	Expand facility and purchase meat processing equipment in order to increase efficiency and capacity and to enter new markets and improve food safety.
Blue Earth Locker	Faribault	Purchase smokehouse and temperature probes to produce more ready-to-eat products, expand markets, and improve food safety.
Bluebird Gardens	Otter Tail	Purchase refrigerated trucks and crates to increase market access and enable entrance into the farm to institution market.
Brandt Gardens & Greenhouse, LLC	Jackson	Purchase a walk in cooler, freezer, and scale to increase food safety, marketability and to diversify farm business.
Carlos Creek Winery	Douglas	Increase efficiency, processing capacity, food safety, and access to new markets through the modernization and expansion of a wine processing facility.
Clover Valley Farms, LLC	St. Louis	Build dry and heated storage rooms, produce washing/packing areas, and improve labeling to increase efficiency and marketing of value added products.
Dehmer's Meats, Inc.	Wright	Purchase three scales to enable access to wholesale and private label accounts for home-style sausages and increase sales.
ENKI Brewing Company	Carver	Purchase equipment for brewing, quality control, packaging and cold and ambient storage to triple production capacity and purchase more Minnesota grown ingredients.
Falk's Seed Farm	Swift	Purchase a seed color sorter to improve the quality and food safety of cleaned seeds and retain customers and access new markets.
Featherstone Fruits and Vegetables, LLC	Fillmore	Purchase conveyors, pallet scale, and refrigerated delivery van to increase sales by improving efficiency, food safety, and market access.
Foley Locker, Inc.	Benton	Acquire smoke houses, meat packaging machine, and temperature data loggers to increase efficiency, production, food safety, and to diversify markets.
Four Daughters Vineyard & Winery, LLC	Mower	Purchase bottling line, tanks, keg washer, and filler to expand distribution of hard cider to more retail outlets.

## Value Added Agriculture Grant Recipients

Business Name	County	Summary of Grant Project
French Lake Butcher Shop	Wright	Purchase a utensil washer to improve efficiency and food safety to help meet increasing custom processing and retail customer demand.
Greg's Meat Processing	Dakota	Purchase a ventilation hood, meat tumbler, labeling system, and moisture tester to diversify markets and to comply with new food safety requirements.
Greg's Meats	Dakota	Purchase a blast freezer, label making scale system, and traceability equipment to process more cattle and hogs for local farmers and address food safety.
Idle Acres	Wright	Expand and upgrade current facilities by purchasing a truck scale and equipment to process alfalfa and grass into a Total Mixed Ration food biscuit.
Isanti Spirits, LLC	Isanti	Purchase distillation and processing equipment to increase market access to a regional and international distribution level.
K & K Dairy	Goodhue	Establish a creamery to make dairy products and a restaurant to sell pizzas using their mozzarella cheese and beef products.
Lau's Meats, LLC	Waseca	Repair floor in current meat processing facility and purchase retail sale equipment for a second location to expand market access and increase sales.
Lorentz Etc., Inc. dba Lorentz Meats	Goodhue	Remodel the cutting floor area, including installation of a conveyor system, to optimize space and increase processing capacity.
Mankato Brewery	Nicollet	Purchase fermenters, brite tanks, and upgraded water system to increase production capacity and beer quality and upgrade the taproom to increase market access.
McDougall's Apple Junction	Washington	Increase storage capacity and extend the sales season of apples through construction of a refrigerated cooler.
Metz's Hart-Land Creamery	Winona	Purchase a power cheese curd mill, service counter scale, refrigerated delivery truck, flash freezer, and retail refrigeration to make the creamery more efficient, food safe and increase market access.
Metz's Hart-Land Creamery	Winona	Purchase a second cheese vat to increase efficiency, production capacity, and sales through access to additional markets with different cheeses.
Minnesota Elderberry Cooperative	Hennepin	Purchase a mobile de-stemmer, stainless steel sinks and baskets, and food grade buckets to safely process and store elderberries for commercial and retail markets.
Minnesota Valley Business Development	Blue Earth	Purchase processing equipment and additional refrigeration to expand the sale of locally grown produce to institutions.
Mississippi Topsoils, Inc.	Stearns	Install a climate-controlled storage warehouse to increase production throughout the year and enable access to the new greenhouse grower market.
Norseman Distillery, LLC	Hennepin	Purchase fermenter tanks and a hammer mill grinder to triple production and increase their purchases of locally grown grains.
Open Hands Farm, LLC	Dakota	Build a root vegetable storage facility and purchase refrigeration equipment and storage bins to improve food safety, extend the marketing season, and access to new markets.
Prairie Drifter Farm	Meeker	Purchase fencing, pack shed sorting surfaces, containers, a brush washer, and improvements to the pack shed to increase food safety and efficiency of post-harvest handling operations.

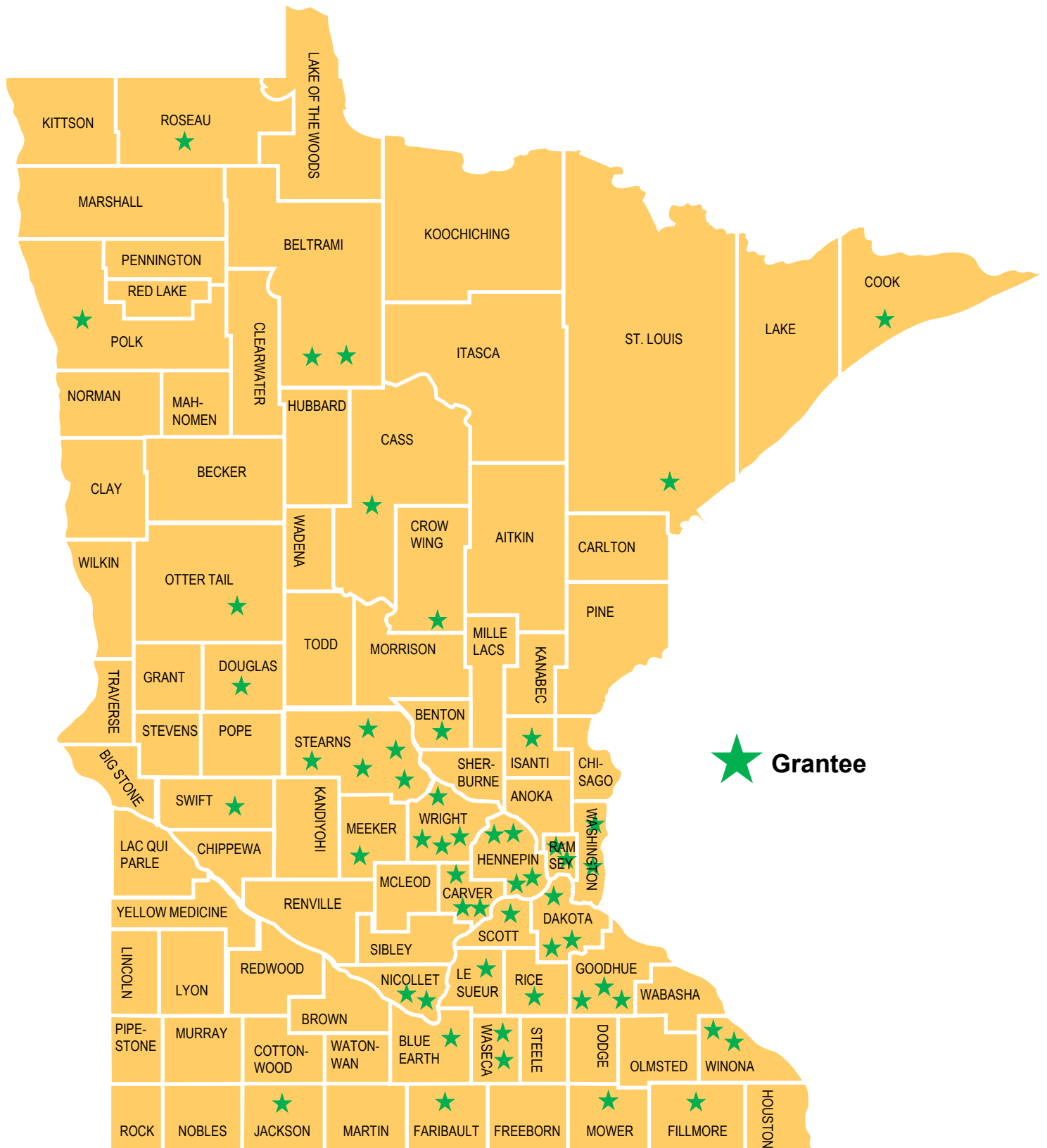


## Value Added Agriculture Grant Recipients

Business Name	County	Summary of Grant Project
Robin Brekken Farms, Inc.	Polk	Purchase a mobile grass pelletizing system including a mobile generator, trailer, and scale to diversify markets through marketing damaged grains.
Sawtooth Mountain Maple Syrup Company	Cook	Purchase and install reverse osmosis equipment to increase production capacity and efficiency, which will allow expansion into new markets.
Schmidt's Meat Market	Nicollet	Purchase a thermoforming packaging machine to address their food safety plan, increase efficiency, and increase custom meat processing for local farmers.
Schroeder Meats, LLC	Carver	Purchase Poly Clip System machine, data loggers and retail freezer case to produce more sausage and address efficiency and food safety concerns, including temperature control.
Seven Songs Organic Farm	Goodhue	Build a food-safe washing and packing shed and dry storage area to increase packaging efficiency, market access, and diversity of markets.
Singing Hills Dairy	Rice	Install equipment and a walk-in cooler to improve food safety, increase profitability, and access markets for value added goat dairy products.
Sojourner Farms, LLC dba Sojos	Hennepin	Replace manufacturing line and expand product lines to increase processing, efficiency, food quality, and comply with new regulatory requirements.
Sprout MN, LLC	Crow Wing & Morrison	Increase local producers' profitability and market access through purchasing food processing equipment and improving facilities for a food hub.
St. Joseph Meat Market, Inc.	Stearns	Expand and remodel meat processing space to process more local livestock as well as address employee safety and food safety.
Stickney Hill Dairy	Stearns	Expand and modernize goat cheese making facility to meet new food safety requirements, increase production, and diversify producer's markets.
Sweet Cheeks Honey	Le Sueur	Purchase food-grade equipment to create a more sanitary processing system, increase market access and implement a GAP food safety plan.
Sweetland Orchard, LLC	Scott	Purchase semi-automated packaging and labeling equipment, ultraviolet pasteurizer, and refrigerated delivery vehicle for greater market access and food safety.
Taylor Foods Inc dba Taylor Meats	Carver	Purchase and install walk-in freezer and cooler units and three phase compressors to increase production capacity, diversify markets, and improve food safety of meat products.
The Lone Grazer Creamery	Hennepin	Initiate a small creamery and cheese production facility using milk from grass-fed cows to produce specialty cheeses.
Wiste's Meat Market	Waseca	Expand the processing area and purchase a walk-in freezer and cooler, smokehouse and scales to increase efficiency, food safety, processing capacity, market access, and achieve equal-to status.
Xochiquetzal, LLC	Stearns	Improve facilities and purchase equipment to start a commercial kitchen for processing produce such as ginger, which will diversify markets and extend the sales season.

# Value Added Grants by County

Fiscal Year 2015



## Farm to School Grant Recipients

School	City	County	Summary
Bemidji Area Schools	Bemidji	Beltrami	Purchase combi-oven
Child Care Resource & Referral Head Start		Olmsted and Freeborn	Purchase steamer
Dover-Eyota Public Schools	Eyota	Olmsted	Purchase potato peeler, food processor, hand mixer, work table, cold food counter, spray rinse faucet, hot water dispenser, walk-in cooler, and tilting kettle
Eastern Carver County Schools	Chaska	Carver	Purchase hot and cold wells for serving lines
Ely Public Schools	Ely	St. Louis and Lake	Purchase steamer, food processor, electric slicer, under counter refrigerator, prep table, walk-in chiller, hot water heater, and dishwasher
Foley Public School	Foley	Benton, Mille Lacs, Morrison, and Sherburne	Purchase tilting braising pan and small utensils
Hastings School District	Hastings	Dakota	Purchase hot and cold wells, cutting boards, pairing knives, colanders, sheet pans, hotel pans, cold pans, dicers, serving utensils and tongs
Hastings School District	Hastings	Dakota	Conduct a study to assess interest and capacity of local farmers to provide local foods, and create pricing and costing strategies
Heron Lake-Okabena School District	Heron Lake	Jackson, Cottonwood, and Nobles	Purchase hot and cold wells, tray and utensil servers, and remodel existing service area
Hopkins Public Schools	Hopkins	Hennepin	Purchase stand mixers, immersion blenders, combi-oven, and braising pan
Lakes Country Service Cooperative	Fergus Falls	Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, and Wilkin	Purchase robot coupes and sectionizers
Lewiston-Altura Public Schools	Lewiston	Winona	Purchase expanded cooler and freezer
Minneapolis Public Schools		Hennepin	Purchase salad bars and utensils
Playhouse Child Care Center		Wright, Sherburne, Hennepin, and Anoka	Purchase refrigerator, microwave, blender, storage containers, and peeler
Playhouse Child Care Center	St. Cloud	Benton, Stearns, Sherburne, and Morrison	Purchase refrigerator, steam pans, food processor, knives, and peeler
Rochester Public Schools		Olmsted	Purchase cooler
Sartell-St. Stephen School District	Sartell	Stearns	Purchase rational ovens, salad bars, steamer, and hot water dispenser
St. John's Area School	Foley	Benton	Purchase walk-in freezer and kitchen equipment
Waconia Independent School District	Waconia	Carver and Hennepin	Purchase pasta, frozen yogurt, and popcorn machines

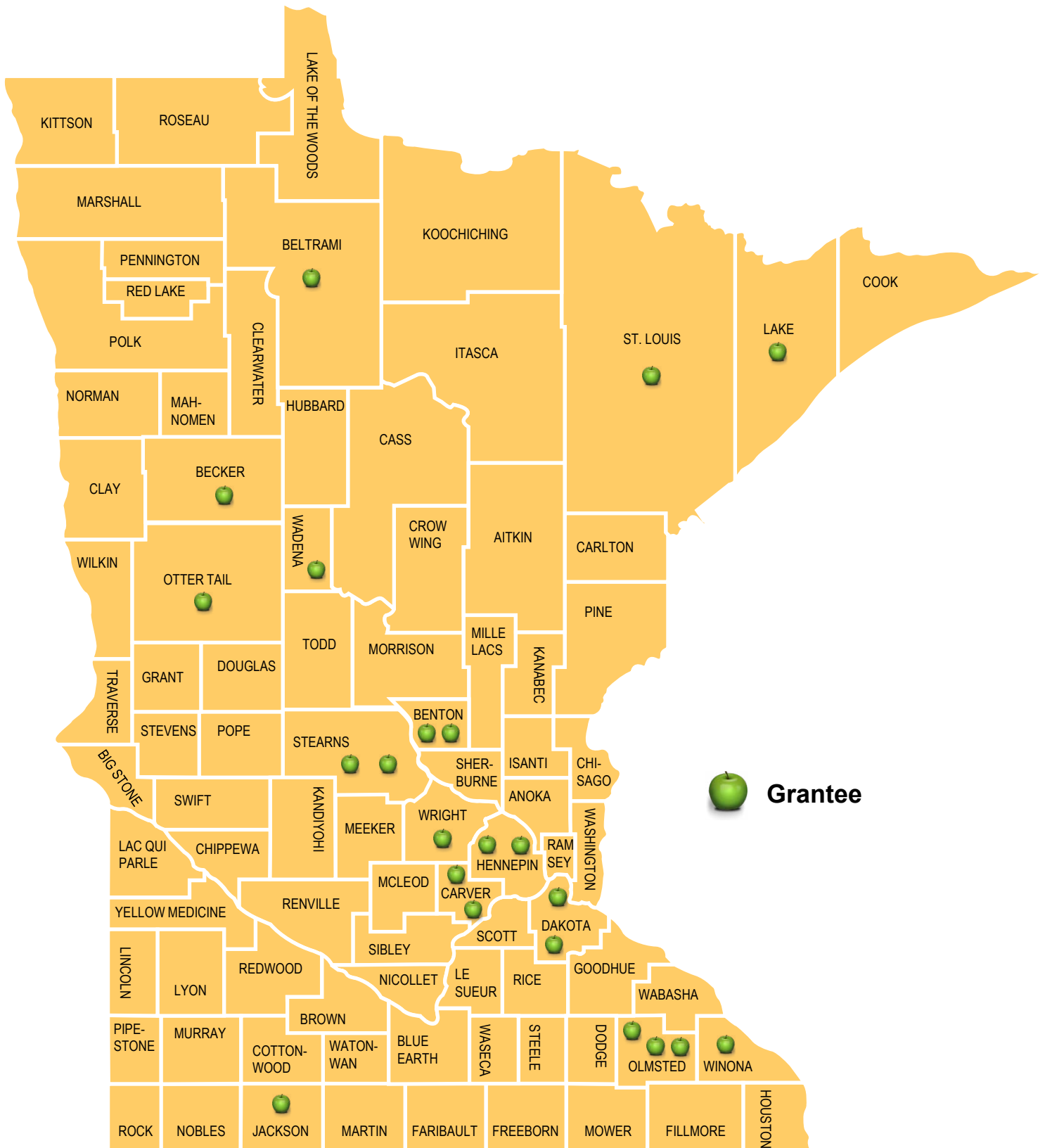


## Farm to School Grant Recipients

School	City	County	Summary
Wadena Deer Creek Schools	Wadena	Wadena, Otter Tail, and Todd	Purchase sheet pans, containers, lids, utility cart, spoodles, and other small equipment
White Earth Land Recovery Project	Callaway	Becker and Mahnomen	Purchase walk-in freezer, chest freezers, knives, peelers, salad bar, and freezer bags
Wolf Ridge Environmental Learning Center	Finland	Lake	Purchase walk-in freezer, stove, exhaust system, and work tables

# Farm to School Grants by County

## Fiscal Year 2015



## Crop Research Grant Recipients

Project Title	Organization Name	Principal Investigator	Crop
Using High Tunnels to Increase Crop Production, Market Access, and Vegetable Crop Diversity in Minnesota	University of Minnesota	Chris Phillips	Vegetables
Determining Best Agronomic Practices for Winter Barley Production in Minnesota	University of Minnesota	Brian Steffenson	Winter Barley
Spring and Winter Barley Variety Development and Production Practices	Busch Agricultural Resources	Joshua Butler	Spring and Winter Barley
Old Heirloom and English Hard Cider Apple Varieties for Minnesota	Wild River Vineyards	Irving Geary	Apples
Developing New Hairy Vetch Varieties for Winter Cover	University of Minnesota	Nancy Ehlke	Hairy Vetch
Evaluation of Processability and Storage Stability of Intermediate Wheatgrass for Food Applications	University of Minnesota	Baream Ismail	Intermediate Wheatgrass
Digital Imagery-Precision Agriculture	Northland Community & Technical College	Dave Grafstrom	All Crops
Improving Canola Yields and Quality through Best Management Practices for Diseases	Minnesota Canola Council	Beth Nelson	Canola
New Regionally-Adapted Heirloom Dry Beans for Organic Production	University of Minnesota	Thomas Michaels	Dry Beans
Proper Nitrogen Crediting from Cover Crop Species Grown Prior to Corn	University of Minnesota	Daniel Kaiser	Cover Crops
Hazelnut Micropropagation: Plant Acclimatization from Flask to Field	University of Minnesota	Jerry Cohen	Hazelnuts
Flavor/Sensory Analysis of Different Winter Rye for Distillery Industry	Far North Spirits	Michael Swanson	Winter Rye
Increasing the Availability and Adoption of Aphid-resistant Soybean for More Sustainable Soybean Production	University of Minnesota	Robert Koch	Soybean
Greening the Brown Period of the Corn and Soybean Rotation with Self-perpetuating Winter Annual and Perennial Cover Crop Systems	University of Minnesota	Don Wyse	Clover, Alfalfa, Pennycress, and Camelina

## NextGen Bioenergy, Biochemical, and Biothermal Grants Recipients

Name	City	County	Project Description
Fond du Lac Band of Lake Superior Chippewa	Cloquet	Carlton	Install a hot water system that will use wood chips to meet 88 percent of the heating requirements for Fond du Lac's Sawyer Community Center
Viking Company	Albany	Stearns	Install a wood chip-fired forced air furnace on a two-story broiler chicken facility to completely displace the barn's liquid propane consumption
Whitewater Gardens Farm	Altura	Winona	Install a biomass heating system to displace propane use in one or more of their greenhouses
Minnesota State University-Mankato	Mankato	Blue Earth	Conduct stack testing on each of the above three projects
Grand Marais Public Utilities Commission	Grand Marais	Cook	Complete critical tasks related to the proposed Grand Marais District Heating System that will use locally available, underutilized waste wood and sawmill waste to produce hot water for heating and domestic hot water in multiple buildings



## Sustainable Agriculture Demonstration Grant Recipients

Name	County	Project
David Abazs, Wolf Ridge Environmental Learning Center	Lake	Compare three methods to raise the pH of very acidic soil (pH 3.8): wood ash, biochar, and lime
Jerry and Nancy Ackermann	Jackson and Nobles	Partner with three other farms and evaluate the impact of cover crops on soil health and fertility on several Southwest Minnesota farms
Carmen Fernholz	La Qui Parle	Determine the optimum timing for Intermediate wheatgrass (IWG) grain harvest to maximize grain yield
Megan Henry	Douglas	Explore how to maximize vegetable profitability in a segmented, modular, moveable hoop house
John Jacobson, Minnesota Apple Growers Association	Washington, Dakota, and Rice	Evaluate an Internet-based weather network's ability to predict apple pests and diseases in Minnesota
Daniel Ley	Stearns	Compare spring yield and dairy forage quality of several winter small grain cover crops
Russell V. Martie	Wright	Evaluate water and fertilizer efficiency of sub-surface irrigation for corn and soybeans, compared to center pivot irrigation and a non-irrigated control
Robin Moore, Land Stewardship Project	Chippewa and Swift	Test whether deep-rooted cover crops can replace fall tillage in the Chippewa watershed
Darryl Patnode	Hennepin	Demonstrate planting cereal rye after corn silage and harvesting spring growth for forage before planting soybeans
Victoria Ranua	Scott and Hennepin	Investigate the potential of honeybee propolis production 1) as a new profit center for beekeepers and 2) to improve honeybee health
Ulrike Sorge, University of Minnesota	Rice	Improve animal behavior in the milking parlor and milker safety by handling heifers before they calve

## AGRI Investments

Since FY13



The Agricultural, Growth, Research and Innovation (AGRI) Program was established in Minn. Stat. 41A.12 to advance Minnesota’s agricultural and renewable energy industries. The program is funded through an annual general fund base appropriation of \$10.235 million to the Minnesota Department of Agriculture. Through June 2015, \$23 million has been awarded.

The AGRI Program focuses on the areas of greatest opportunity and potential economic impact to generate agricultural jobs and promote business expansion in the areas of livestock investment, value added business and market development, farm to school, and renewable energy.

### Livestock Investment

Invests in Minnesota’s livestock industry infrastructure which adds value to the crops grown in the state

The Livestock Investment Grant awards 10 percent of livestock equipment or facility expenses up to \$50,000 (lifetime). Funds are available to all Minnesota livestock farmers and are awarded competitively. Criteria for reviewing applications include: beginning farmer or transition to next generation; positive impact on the environment; increased efficiency or profitability of the operation; and job creation.

Applications Received/Amount Requested	968 applications/\$16.1 million
Applications Funded/Amount Awarded	338 projects/\$5.67 million
Estimated Leveraged Private Investment	\$136 million
Estimated Jobs Created	1,113 during construction/1,497 post construction
Awards to Beginning/Transitioning Farmers	84% of grantees have been farming for less than 10 years; 93% of grantees are entering or transitioning the farm to the next generation
Projects Addressing Environmental Issues	97%

**FY 2016 Update:** The MDA anticipates awarding \$2 million. Review committees are currently evaluating proposals.

### Value Added

Supports Minnesota agricultural producers and processors to expand markets for Minnesota products

The goal of the Value Added Agriculture Grant Program is to increase sales of Minnesota agricultural products by diversifying markets, increasing market access, and increasing food safety. Grant awards fund 25 percent of equipment purchases or building modification expenses up to \$150,000. Priorities for funding are meat processors, farm to school market access, and projects that address components of a food safety plan.

Applications Received/Amount Requested	334 applications/\$12.6 million
Applications Funded/Amount Awarded	153 applications/\$4.46 million
Leveraged Private Investment	\$14.69 million
Estimated Jobs Created	102 full-time and 118 part-time
Additional Product Processed/Additional Revenue	10 million pounds/\$1.22 million (based on 76 projects, 12 months post award)

**FY 2016 Update:** The MDA awarded \$946,055 to 24 applicants in the first round of funding. We received 42 applications requesting \$2.14 million in grant awards. Private investments of \$4.46 million will result in a 3.3 to 1 return on the state’s investment. The MDA anticipates awarding \$1 million in the second round of applications this fiscal year.

## Farm to School

Enhances schools' ability to purchase, store, and serve locally grown products, increasing sales of Minnesota agricultural products

School districts that are part of the National School Lunch Program or the Child and Adult Care Food Program are eligible to apply. Farm to School awards cover 50 percent of an equipment project, up to \$50,000, and 75 percent of a feasibility study, up to \$30,000. The Center for Prevention at Blue Cross and Blue Shield of Minnesota has annually contributed up to \$150,000 to help schools meet the matching requirement. In recent surveys of awardees, nearly all schools indicated grant funding made a major impact on the success of their projects.

Applications Received/Amount Requested	98 applications/\$2 million
Applications Funded/Amount Awarded	50 projects/\$1 million
Estimated Leveraged Private Investment	\$1.22 million
Estimated Farmer/School Relationships	189
Estimated Sales of Minnesota Foods in Schools	\$3.4 million

**FY 2016 Update:** The MDA is in the process of awarding \$500,000 for 33 projects.

## New Market Development

Helps small food and agriculture companies explore regional and international markets

The MDA coordinates “Minnesota Pavilions” at trade events worldwide to help companies stand out in a very competitive marketplace and to enter new markets. The Tradeshow Support Program (TSP) provides cost sharing for retail sampling events and can help offset the high costs of exhibiting at wholesale food shows.

State Funds Invested	\$612,000
Participating Companies	145 companies
Projected New Sales	\$16.2 million and over 1263 new distributor relationships
Return on Investment	26:1 for domestic events

**FY 2016 Update:** \$100,000 is available for TSP cost sharing and \$100,000 for Minnesota Pavilions. Tradeshows with Minnesota Pavilions were held in Miami, Cologne, and Baltimore. Additional tradeshows are scheduled in Dubai, Anaheim, Montreal, Chicago, and New York.

## Crop Research

Supports applied crop research projects that will result in near term benefits to farmers and the agricultural economy by improving agricultural product quality, quantity, and value

Projects create public, transferable information and include a robust outreach component. Examples of eligible projects include research to increase crop yield and production efficiency; improve traits for market or climate; and develop new crops, cover crops, and specialty crops. Grants of up to \$250,000 per project are awarded on a competitive basis and may pay 100 percent of project costs.

Applications Received/Amount Requested	60 projects/\$11.3 million
Applications Funded/Amount Awarded	24 projects/\$4.1 million

**FY 2016 Update:** The MDA received 27 applications totaling 5.6 million and expects to award \$1.9 million to nine grantees.

## NextGen Bioenergy and Biochemicals

Provides for research, technical assistance, equipment, or development of business plans and structures related to community ownership of bioenergy and biochemical facilities

Awards are made by the Commissioner of Agriculture after consultation with the NextGen Energy Board. Examples of projects include ethanol plant retrofit engineering for butanol production; pilot plant construction for biochemical production; and research for advanced drop-in biofuel production.

Applications Received/Amount Requested	35 projects/\$12.3 million
Applications Funded/Amount Awarded	5 projects/\$1.7 million
Leveraged Private Investment	\$3.6 million

**FY 2016 Update:** There is no funding for this program in FY 2016.

## NextGen Biothermal Energy

Provides for financial assistance for the installation of woody biomass heating equipment used for propane fuel replacement in regions lacking natural gas infrastructure

This program was a separate allotment from the NextGen Bioenergy and Biochemicals grant fund. These projects support the deployment and evaluation of existing commercial biothermal technology, address the critical barrier of financing propane/fuel oil heating switch-over projects, and support wood energy market development across the supply chain from fuel, to heating equipment, to installation capacity.

Applications Received/Amount Requested	6 proposals/\$632,000 requested
Applications Funded/Amount Awarded	5 projects/\$522,135
Leveraged Private Investment	\$515,000

**FY 2016 Update:** There is no funding for this program in FY 2016.

## Blender Pump Cost Share

Provides funding to service stations for flexible fuel pumps, and compatible infrastructure to deliver renewable liquid fuels such as E15 or E85 and other flexible fuel ethanol blends with gasoline

The Minnesota Corn Growers matched the State fund with \$1 million and a committee convened by the American Lung Association of Minnesota oversees the grants. Applications are taken continuously until funds are exhausted.

Applications Received/Amount Requested	39 proposals/\$985,000
Projects Completed	36 service stations/\$950,000
Projects in Progress	3 service stations/\$35,000

**FY 2016 Update:** In FY16, \$1.525 million, along with E15 infrastructure funds appropriated during the 2015 Special Legislative Session and contributions from biofuel industry partners, is being used to leverage an \$8 million grant from the USDA's Biofuel's Infrastructure Program (BIP). The Minnesota BIP will assist with ethanol infrastructure throughout the 2016 calendar year. Proposals are due on February 5, 2016.



## Beginning and Transitioning Farmers

Supports Minnesota farmers by making Farm Business Management education more affordable

Scholarships pay 50 percent of Farm Business Management tuition (after financial aid and any other grants) until a farmer/student reaches 40 credits.

Scholarship Applications Received	397 applications
Scholarships Awarded/Amount Awarded	397 applications/\$307,393

**FY 2016 Update:** As of January 11, 2016, the MDA had awarded scholarships to 381 beginning farmers, for a total of \$309,507 in FY16.

## Sustainable Agriculture Demonstration

Provides an opportunity for farmers, nonprofit groups, agricultural researchers, and educators to explore ways to improve the sustainability of a wide range of farming systems

The Sustainable Agriculture Demonstration Grant Program moved to AGRI in FY 2013. The maximum grant amount is \$25,000 for on-farm demonstration and research to improve farm energy efficiency, environmental benefits, and profitability.

Applications Received/Amount Requested	87 projects/\$1.6 million
Applications Funded/Amount Awarded	32 projects/\$1.1 million

**FY 2016 Update:** The MDA received 30 applications requesting \$604,078.14 with \$250,000 available for funding of new projects. Grants are set to be awarded in late February.

## GAP/GHP Certification Cost Share

Assists producers to become GAP certified, a requirement to sell produce to schools, institutions, and through retail markets

Good Agricultural Practices (GAP)/Good Handling Practices (GHP) certification focuses on improving the safety and quality of produce at the farm and at the processor. A food safety plan is required for this third-party certification. Farmers and handlers certified to the USDA standards by an accredited certifier are eligible to receive a reimbursement of 75 percent of their GAP/GHP certification costs up to \$2,500.

Applications Funded /Amount Awarded	88 farmers and handlers/\$55,328
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**FY 2016 Update:** \$25,000 is available for cost share; applications are being accepted through May 31, 2016. To date, 18 applications have been received.

## County Fairs

Enhances arts access and education, preserves and promotes Minnesota's history and cultural heritage at county fairs

Funding is offered on an equal share basis to each of the 93 county fairs. Projects must benefit the public by increasing access to and knowledge of the arts, Minnesota history, and cultural heritage.

Applications Received/Amount Requested	181 projects/\$2.18 million
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**FY 2016 Update:** This grant opportunity is being replaced by the County Fair Grants designed to preserve and promote Minnesota agriculture. \$1 million is available in equal amounts to the 93 active county fairs.