

Agricultural Growth, Research, and Innovation

Fiscal Year 2016
Legislative Report

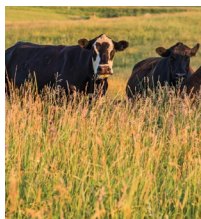


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Executive Summary

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 FY16, the fourth year of the program, we awarded \$8 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, New Market Development, Minnesota Biofuels Infrastructure Partnership 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 increases in efficiency of production and processing.

FY16 investments resulted in:

- \$51 million of non-state investment leveraging \$6.40 for every \$1 of state investment;
- 256 new jobs (full/part-time) on livestock farms;
- 82 new full-time jobs and 45 new part-time jobs in value added businesses;
- 31 schools increasing their purchases of Minnesota grown food for school food service; and
- 14 meat processors improving efficiency and/or expanding the number of livestock they process.

The AGRI Program appropriation for FY16 and FY17 is \$20.47 million. In addition to the \$8 million awarded in FY16, \$3.29 million has been awarded as of January 1, 2017 in FY17. Proposals and applications remain open for Value Added Agriculture Grants, New Market Development, County Fair Grants, Beginning Farmer Assistance, and GAP/GHP Certification Cost Share programs. Livestock Investment and Crop Research proposals are under review.

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

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.¹

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. In FY16, the Commissioner 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 investing in processing equipment and storage;
- Crop Research Grants – to catalyze research that will improve quality, quantity, and value of crops grown in Minnesota;
- Minnesota Biofuel Infrastructure Partnership 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 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 Fairs – to support development and activities 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.

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

The FY16 target for LIG awards was \$2 million. We received 289 grant applications requesting \$5 million and awarded 104 grants totaling \$2 million. Participating farmers invested \$43 million in private funding, a 21.5 to 1 return on the state's investment. Awards were made across many livestock species and ranged from \$948 to \$25,000, with an average award of \$19,100. 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, Jeff Statz of Richmond is a young farmer who remodeled his current dairy barn and installed automatic calf feeders to increase efficiency. The project supports generational transition of the dairy farm from his parents to Statz and his brother.

Of the grants awarded:

- 95% addressed an environmental issue;
- 97% of the farmers had a conservation plan;
- 93% were awarded to applicants who were either entering farming or helping to transition the operation to the next generation; and
- 87% of recipients had ten years of farming experience or less.

We estimate that 989 construction jobs and 256 full or part-time jobs on the farm were created as a result of LIG.

Proposals for FY17 Grants were due on December 16, 2016. We received 179 applications requesting \$3,145,823 with \$2 million available for funding of new projects. Grants are set to be awarded in late February.

Value Added Agriculture Grants

The Value Added Agriculture Grant Program (VAG) 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 are available for equipment or physical improvements (25 percent of the cost up to \$150,000). In FY16, priority was given to projects involving meat processing, Farm to School (or other institution) market access, or implementing components of a food safety plan, and these priorities remain in place for FY17. The target for the FY16 VAG was \$2 million. We received 109 applications requesting a total of \$4.85 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 \$1.8 million was awarded for 47 projects. The range of awards was \$845 to \$150,000 with an average of \$38,302. Private investment of \$6.92 million resulted in a 3.8 to 1 return on the state's investment.



Shea Dairy in Viola, Minnesota,

received their Livestock Investment Grant check following an extensive remodel of milking facilities. Dairy producers have embraced the state-funded incentive program in bringing new technology onto the farm and transitioning their operations to the next generation.



Big Steer Meats in St. Paul

used an AGRI Value Added Grant to expand their facility and added new equipment including a new packaging machine. Their products use a variety of Minnesota products including beef, pork, cheese, wild rice, and apples.

A list of awardees and a map of their locations are available in Appendices 3 and 4, respectively. Anticipated results from FY16 grants include:

- Increased value added sales of \$21 million;
- Increased processing of Minnesota livestock by 4,260 head;
- Increased processing of Minnesota grown agricultural products by 15 million pounds;
- Increased production of value added businesses by 49 million pounds; and
- Increased access to 922 additional markets for value added businesses, including retail establishments, schools and institutions, to wholesalers or distributors and direct sales.

A survey of 49 FY14 and FY15 grantees was conducted in 2016 and showed that:

- 98% improved food safety;
- 84% were able to sell more than baseline projections, increasing annual sales by more than \$2.03 million;
- 82% were able to increase production of value added products by 19.48 million pounds as a result of the grant project;
- 73% were able to hire new employees (96 full-time and 133 part-time);

- 69% were able to increase the use of Minnesota agricultural products above baseline projections by 4.52 million pounds worth \$2.99 million;
- 86% were able to expand into one or more new markets, including retail establishments, wholesale and distributor accounts, direct marketing, schools and institutions, out of state markets, and restaurants.

The FY17 target for VAG is \$2 million. Two requests for proposals are issued each fiscal year. In the first round, we received 40 applications requesting \$2,645,771 and are in the process of awarding \$1 million to 20 applicants. Those grant recipients will invest \$10.2 million in matching funds – a 10 to 1 return on the state’s investment.

Farm to School Grants

The Farm to School (F2S) Grant Program’s 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% of expenditures, with a maximum award of \$50,000.
- Feasibility studies to determine product availability and cost of 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% 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 FY16 target for F2S Grant awards was \$500,000. We received 42 applications totaling \$682,595 and awarded \$500,667 for 33 projects. Awards ranged from \$1,021 to \$50,000, with an average of \$15,172. The Center for Prevention at Blue Cross and Blue Shield of Minnesota (Blue Cross) contributed \$125,000 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 awards 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, Playhouse Child Care Center used an equipment grant to make upgrades to their kitchens at sites in Monticello and St. Cloud. They're also partnering with the Agricultural Utilization Research Institute and Renewing the Countryside to conduct a feasibility study focusing on preparing baby food with local products and creating menu plans for early child care. They hope to share their results with child care providers throughout the state.

We conducted a follow-up survey of all FY16 grantees.

- All recipients reported that the grant funds helped make their project possible.
- Schools reported they formed 30 new relationships with 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. Pam Haupt, Director of Food and Nutrition at Richfield Schools, said "I am proud that we were able to purchase this equipment for our high school and to be able to provide all our students with higher quality meal offerings featuring more local products. It is exciting to see the changes that we have been able to make with our menus and menu offerings this fall."
- Of the 24 schools and child care providers responding to a survey, they reported that they expect to increase Minnesota purchases by a combined \$130,000 in the first year following the grant. FY15 and 16 grantees combined reported \$1.2 million increase in local procurement between School Year 2014-2015 and School Year 2016-2017. It often takes schools a full year to get their projects up and running because of the demanding school year calendar.

In FY17, we received 23 proposals requesting \$453,836 and we are in the process of awarding about \$377,000 through 20 grants to 19 applicants. Blue Cross committed funds again in FY17 to help schools and child care providers meet their match requirement.



Eden Prairie Public Schools

Eden Prairie Public Schools received a grant in FY16 to purchase rotisserie ovens, enabling them to prepare locally raised chickens from Gold'n Plump, a Minnesota company. The chickens are used served in their Campus Cuisine line featuring rotisserie chicken with mashed potatoes and gravy with fresh steamed vegetables and fresh orchard fruit and milk.



ACME Organics

exhibited in the Minnesota Pavilion at Natural Products Expo West.

New Market Development

The New Markets Program helps small to medium-sized Minnesota food companies (including value added agriculture producers) explore new markets and expand their market reach. The program assists startups/entrepreneurs with business development advice and resources, and helps scaling companies gain a competitive advantage in regional, national, and international markets. In FY16, more than 164 food companies from across the state participated in either a Minnesota Pavilion at a trade event or benefitted from cost sharing provided by the Tradeshow and Demo Support Program (TSP).

The combined impact of these AGRI-supported New Markets Program initiatives was \$12.4 million in new sales as projected by participating companies.

We coordinate Minnesota Pavilions at 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, offer it at reduced rates to Minnesota companies, and then add significant value to these events on behalf of participants by adding staff and on-ground support, providing branded hardware, booth furnishings, and on-site services, coordinating shipping, and other services depending upon the needs of each show. In FY16, 58 food companies participated in the following events:

- Americas Food and Beverage Show (Miami);
- Winter Fancy Food Show (San Francisco);
- Natural Products Expo West (Anaheim);
- National Restaurant Association/American Food Fair Pavilion (Chicago);
- Gulfood (Dubai);
- BAR 16 @ NRA (Chicago);
- Sweets & Snacks Expo (Chicago);
- Summer Fancy Food Show (New York City); and
- Natural Products Expo East (Baltimore).

The 58 Minnesota food companies that participated in a Minnesota Pavilion in FY16 projected \$6.7 million in sales as a result of those events. The average cost of participation for companies that attended those events was \$6,500, which indicates a return on investment of \$19.77 for every dollar invested by participating companies.

TSP reimbursed \$206,000 in eligible expenses to 106 Minnesota companies in FY16. These companies collectively reported projected sales of more than \$5.7 million as a result of their participation. TSP helps companies exhibit at wholesale food events where there is not a Minnesota Pavilion option, and shares some of the high cost for small companies to execute in-store demos, where they can introduce products into new markets and stores. Costs that are eligible for reimbursement include mileage and labor for in-store demos, and items such as booth space rental, shipping, and new signage at wholesale food shows.

In a survey of all 106 FY16 TSP participants, 98 responded. Through these responses, we discovered the following impacts of AGRI funds invested by the MDA through TSP:

- 375 new markets were explored as a result of their participation (4 per company average);
- Sales to more than 4,800 new stores were added by participants (50 per company average); and
- 143 new distributor relationships were formed, an average of 1.5 per company.

In FY17, we are planning nine domestic and five international Minnesota Pavilions. At three or more of these events, Minnesota will have the largest state pavilion. Participation in Minnesota Pavilions is projected to grow from only 26 companies in FY14 to more than 68 in FY17. Projected sales grew from \$2.1 million to \$6.7 million during the same period. TSP has grown from 8 participants in FY13 to 106 companies in FY16.

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.

One researcher is characterizing and developing a sustainable, local source of protein from alfalfa for indoor production of fish. The study also includes research on feed intake, growth and utilization of fish fed diets containing alfalfa. If successful, this research would result in a new value added market for alfalfa and improve the profitability of aquaponics. Another research project is using new marker assisted breeding technology to identify insect resistance in cold-hardy wine grape cultivars to reduce yield loss and pesticide use. A third project is developing fine fescue seed production best management practices as part of an effort to increase production of this turf grass seed in Minnesota, adding a new high value crop in Northwest Minnesota.

In FY16, we received 27 applications totaling \$5.6 million. A panel of MDA and external evaluators reviewed the applications and nine projects were awarded a total of \$1.9 million. A list of projects is provided in Appendix 7.

In FY17, we received 31 applications totaling \$5.9 million and expect to award \$2 million.

Minnesota Biofuel Infrastructure Partnership Cost Share

In September 2015, we received an \$8 million United States Department of Agriculture Biofuel Infrastructure Partnership (BIP) Program grant to fund infrastructure to store and dispense renewable liquid fuels such as E15 and E85, with the goal of increasing the use of ethanol in Minnesota. These funds were leveraged by \$3.05 million in FY16 and FY17 AGRI funding. An additional \$3.06 million was contributed by the Minnesota Corn Research and Promotion Council, 17 of Minnesota's ethanol plants, and a separate fund for E15 infrastructure created by the Minnesota Legislature. Projects were solicited through a competitive RFP. A team comprised of MDA and American Lung Association in Minnesota staff evaluated grant proposals and recommended awards based on projects' scope and potential to meet the goal of the BIP program.

To date, 43 stations have been awarded contracts over FY16 and FY17. Of these, 26 are now open and selling E15, E85, and possibly other blends of ethanol. Before October 2013, E15 had not been available for sale as a gasoline in Minnesota for vehicles 2001 and newer. Today, over 50 stations are in operation selling the new ethanol blend as gasoline.

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 is the continuation 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.

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 FY16, the program awarded scholarships to 494 beginning farmers, disbursing a total of \$400,388. In FY17, we have awarded scholarships to 406 beginning farmers, for a total of \$370,485 as of January 1, 2017.

Sustainable Agriculture Demonstration Grants

Since 1989, the Sustainable Agriculture Demonstration 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. The program was originally funded through a dedicated biennial appropriation with funding being shifted to the AGRI program in FY13.

Projects can last two to three years and 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 FY16 target for Sustainable Agriculture Demonstration Grants was \$250,000. We received 30 applications requesting \$604,078 and made 11 awards totaling \$177,030. Grants were awarded competitively and applications were ranked by MDA and external reviewers. Appendix 8 contains a list of the projects funded.

Proposals for FY17 Grants were due on December 13, 2016. We received 16 applications requesting \$300,640 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 FY16, we received 36 applications and funded 35 of them, disbursing a total of \$22,082. On average, farmers and processors spent \$841 on certification costs, and we reimbursed 75 percent of these expenses.

According to the USDA, there are currently 55 Minnesota GAP/GHP certified entities, an increase of 2 compared to the previous year. As of January 1, 2017, we have received 20 applications for the \$25,000 available again this year.

County Fair Grant – Equal Share

The AGRI County Fair Grant enhances access to the preservation and promotion of Minnesota's agriculture at county fairs. In FY16, \$1 million was available to each of Minnesota's 94 county fairs. Each fair was eligible for up to \$10,638. The program distributed \$968,085 to 91 county fairs. Fairs used the funding in a variety of ways, such as purchasing sound equipment for judging in their livestock barns, making structural repairs or updating outdated electrical in livestock barns, and creating displays for agricultural education.

For FY17, this grant opportunity will continue and focus on the preservation and promotion of Minnesota agriculture. \$1 million is available in equal amounts to the 94 active county fairs.

Livestock Investment Grant Recipients

Name	City	County	Category
Randy Anderson	Starbuck	Pope	Dairy
Donna Anderson	Lester Prairie	McLeod	Beef
Wade Bauer	Foley	Morrison	Poultry
Marshall Bjorklund	Saint Peter	Nicollet	Swine
Todd Carlson	Glenwood	Pope	Beef
Matthew Chicos	New Richland	Freeborn	Beef
Kyle Chirpich	Fairmont	Martin	Swine
Shane Christensen	Alden	Freeborn	Swine
Chad Crowley	La Crescent	Winona	Dairy
Brent Czech	Rice	Benton	Dairy
Michael Dennis	Stanchfield	Isanti	Beef
Sean Driessen	Canby	Yellow Medicine	Dairy
Traves Duerksen	Fairmont	Cottonwood	Swine
Troy Duerksen	Mountain Lake	Cottonwood	Swine
Matthew Feldmeier	Rushford	Houston	Beef
Joshua Fick	Luverne	Rock	Beef
Scott Fier	Porter	Lincoln	Beef
Jared Franke	Hayfield	Dodge	Beef
Ryan Franta	Lafayette	Nicollet	Swine
Tim Garry	Fairmont	Martin	Swine
Doug Garry	Blue Earth	Martin	Swine
Kevin Gengler	Adrian	Nobles	Dairy
Joshua Green	Morgan	Redwood	Swine
Luke Gregoire	Cottonwood	Lyon	Swine
Brandon Gruis	Adrian	Nobles	Beef
Tyler Gulden	Pierz	Morrison	Swine
David Hanson	Goodridge	Pennington	Dairy
Matthew Hanson	Goodridge	Pennington	Dairy
Nicholas Harris	Granada	Martin	Swine
Keith Hartmann	Gibbon	Nicollet	Swine
Joel Hendrickson	Cannon Falls	Goodhue	Sheep/Goat
Steven Herdina	Olivia	Renville	Swine
Lennea Heymer	Princeton	Isanti	Poultry
Eric Hoese	Mayer	Carver	Dairy
Jered Hokenson	Watertown	Carver	Beef
Jaren Howe	Hutchinson	McLeod	Dairy
Brady Hulstein	Chandler	Murray	Beef

Livestock Investment Grant Recipients

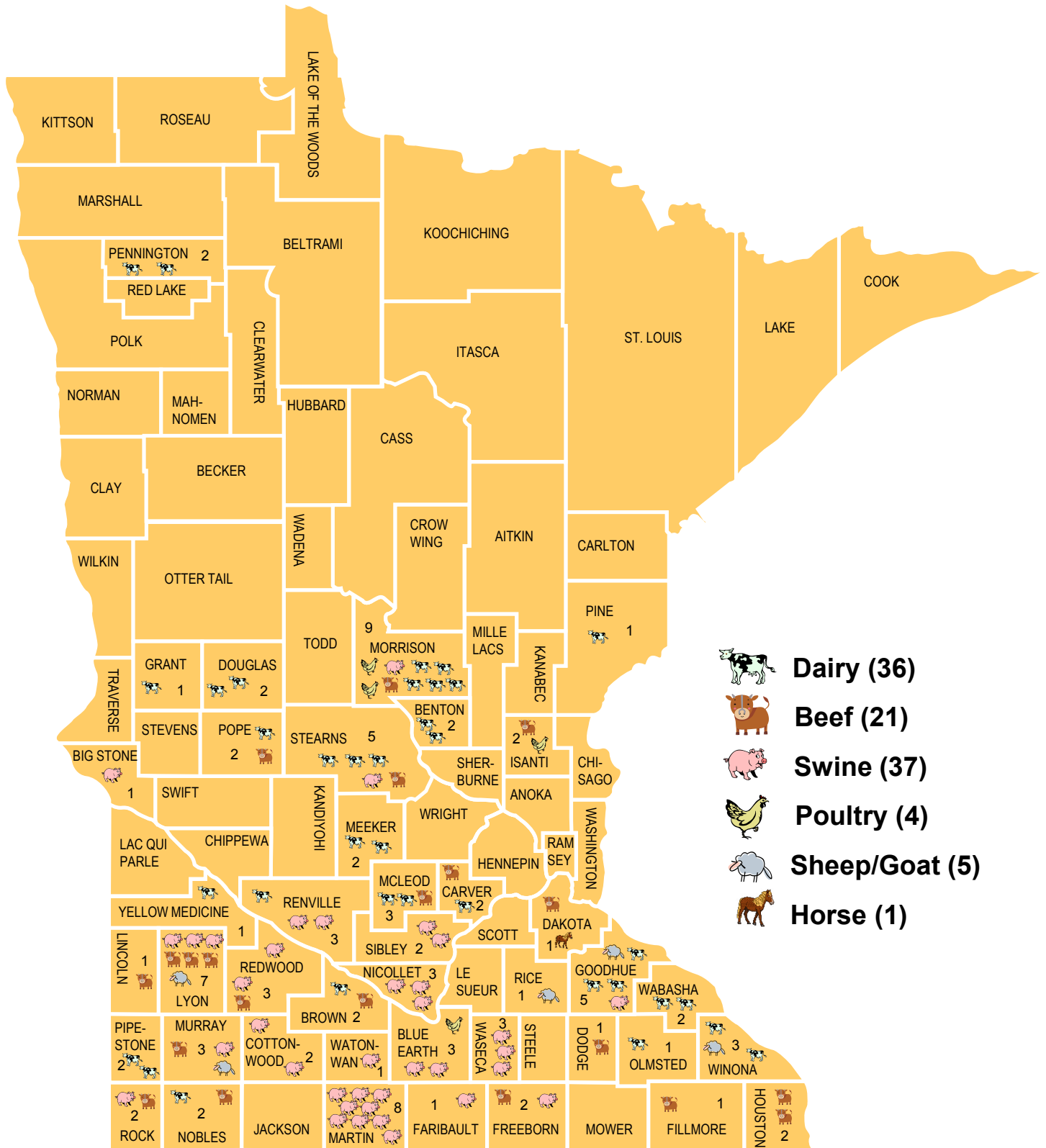
Name	City	County	Category
Trent Johnson	Woodstock	Murray	Swine
Gregory Johnson	Nerstrand	Rice	Sheep/Goat
Riley Jones	Mankato	Blue Earth	Poultry
Matthew Jones	Mankato	Waseca	Swine
Andrew Kolander	Vesta	Redwood	Beef/Dairy
Robert Kreidermacher	Altura	Winona	Dairy
Amanda Kruger	Wabasha	Wabasha	Dairy
Dawn Lanning	Hastings	Dakota	Horse
Paul Lanoue	Marshall	Lyon	Beef
Michael Laue	Fairmont	Martin	Swine
Jesse & Erin Lohmann	Zumbrota	Goodhue	Dairy
William Lund	Brandon	Douglas	Dairy
Justin Luthens	Hutchinson	McLeod	Dairy
Tyler Maertens	Wabasso	Redwood	Swine
Scott Matvick	Foley	Morrison	Poultry
Donald McKenzie	Braham	Pine	Dairy
Amber Mielke	Little Falls	Morrison	Beef
Elizabeth Miller	Spring Valley	Fillmore	Beef
Joshua & Alex Moen	Ellendale	Waseca	Swine
Jay Moldan	Comfrey	Brown	Dairy
Garrett Moorse	Minneota	Lyon	Sheep/Goat
Grant Moorse	Minneota	Lyon	Beef/Dairy
Lorne Nadgwick	Hoffman	Grant	Dairy
Matthew Peters	Goodhue	Goodhue	Swine
Justin Prins	Edgerton	Rock	Swine
Benjamin Raasch	Goodhue	Goodhue	Dairy
Linda Rieke	Franklin	Renville	Dairy
Daniel Roberts	Madelia	Blue Earth	Swine
Robert Roelofs	Mankato	Blue Earth	Swine
Michael Roers	Brandon	Douglas	Dairy
Guy Rudolph	Truman	Martin	Swine
Cory Salzl	Litchfield	Meeker	Dairy
Patrick Scapanski	Sauk Rapids	Benton	Dairy
Joyce Schaffer	Hampton	Dakota	Beef/Dairy
Joshua Schaible	Delavan	Faribault	Swine
Anthony Scheffler	Zumbrota	Goodhue	Dairy
Chad Schlaak	New Richland	Waseca	Swine

Livestock Investment Grant Recipients

Name	City	County	Category
Andrew Schmidt	Ceylon	Martin	Swine
Christopher Schmidt	Garvin	Murray	Sheep/Goat
Bradley Schmidt	Ceylon	Martin	Swine
Christopher Schreiber	Taunton	Lyon	Beef
Peter Schwagerl	Browns Valley	Big Stone	Swine
Staci Sexton	Millville	Wabasha	Dairy
Darren Solbrack	Caledonia	Houston	Beef/Dairy
Juan Solorzano	St. James	Watonwan	Swine
Nicholas Stalboerger	Belgrade	Stearns	Dairy
Jeff Statz	Richmond	Stearns	Dairy
Nick Steffel	Olivia	Renville	Swine
Kerrie Strandberg	Swanville	Morrison	Dairy
Timothy Strandberg	Swanville	Morrison	Dairy
Isaiah Tews	Dover	Olmstead	Dairy
Bradley Trapp	Pierz	Morrison	Dairy
Cole Truesdell	Sherburn	Martin	Swine
Eric Vandendriessche	Marshall	Lyon	Swine
Jordan Vandeputte	Marshall	Lyon	Swine
John Vander Wal	Pipestone	Pipestone	Dairy
Kevin Vetsch	Burtrum	Morrison	Dairy
Michael Viere	Freeport	Stearns	Swine
Justin Wagner	Litchfield	Meeker	Dairy
Chadwick Waltman	Little Falls	Morrison	Dairy
Scott Wassink	Edgerton	Pipestone	Dairy
Adam Weckwerth	Arlington	Sibley	Swine
Michael Welle	Freeport	Stearns	Dairy
Matthew Wendinger	New Ulm	Brown	Beef
Chad Wendinger	Arlington	Sibley	Swine
Katherine Wiste	Altura	Winona	Sheep/Goat
Kathy Yamry	Albany	Stearns	Beef

Livestock Investment Grants by County

Fiscal Year 2016



-  Dairy (36)
-  Beef (21)
-  Swine (37)
-  Poultry (4)
-  Sheep/Goat (5)
-  Horse (1)

Value Added Agriculture Grant Recipients

Business Name	County	Summary of Grant Project
Alemar Cheese	Blue Earth	Purchase a new vat and refrigerated truck, and make facility improvements to expand markets.
Askegaard Organic Farm	Clay	Purchase equipment and make electrical upgrades to mill the flaxseed on farm and improve packaging efficiency.
Bakers' Acres, LLC	Stearns	Purchase a brush washer to increase efficiency and expand wholesale sales, including to schools.
Bergen Meat Processors	Jackson	Build expansion and purchase equipment for meat processing and retail areas to increase number of product lines.
Bio Wood Processing, LLC	Rice	Purchase a Rotochopper and colorizer to produce mulch and enter new markets.
Bongard's Creameries	Carver	Construct a refrigerated warehouse and connect it to the processing plant to improve efficiency and productivity to increase co-op's cheese production for USDA commodity programs and schools.
Burt's Meats and Poultry, LLC	Olmsted	Build a large expansion with a cooler and freezer to improve processing efficiency and capacity.
Butcher Block	Martin	Retrofit a building and purchase equipment to initiate a custom meat processing business that complies with food and meat safety regulations and serves local hog producers.
Carl's Lefse, Inc.	Clay	Purchase equipment to increase storage space, handling efficiency, and processing capacity.
Chickenhead Farm	McLeod	Purchase equipment, including a refrigerated truck, and make facility improvements to initiate an inspected goat and sheep slaughtering business.
Edel's Meat Market	Le Sueur	Purchase deli cases and new flooring to be compliant with food code.
French Lake Butcher Shop	Wright	Purchase a slicer to produce new meat products and increase efficiency and number of retail outlets.
French Lake Butcher Shop	Wright	Purchase and install a walk-in freezer to increase efficiency and enable continued growth of production and sales.
Hmong American Farmers Association	Dakota County	Construct an aggregation facility for growers in their Alternative Markets Program, which will increase food safety and access to additional markets, including retailers and schools.
Hugh's Gardens	Norman	Purchase and install a potato washer to increase profitability and product quality and begin processing carrots.
James Jirik	Rice	Construct and equip a maple syrup processing facility to increase production and syrup quality.
Jazzy Foods, LLC	Ramsey	Build custom pans and shaper tool to increase the efficiency of production and profitability of a new frozen pork appetizer production business.

Value Added Agriculture Grant Recipients

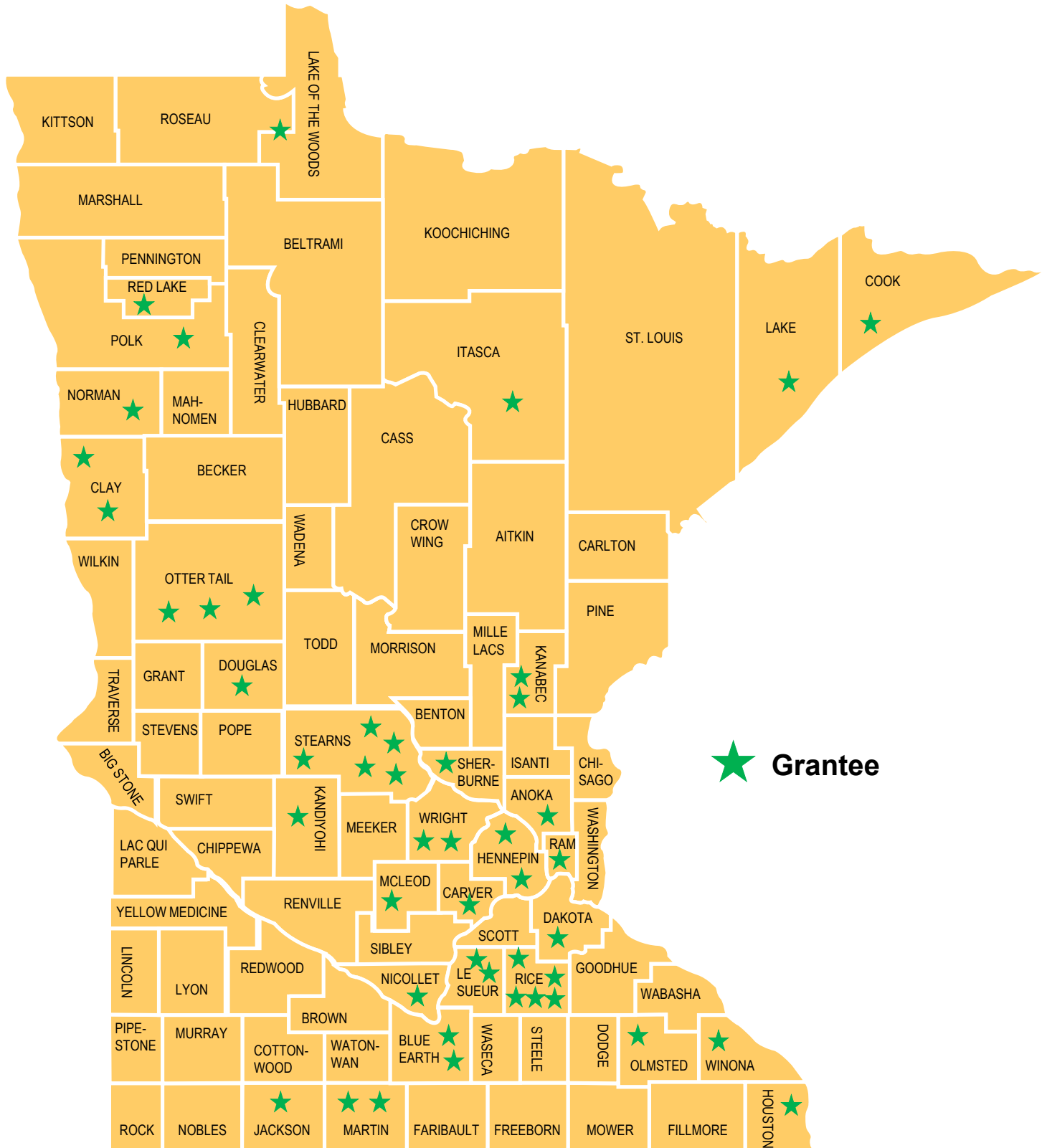
Business Name	County	Summary of Grant Project
Keepsake Cidery	Rice	Purchase a pasteurizer, construct a cooler, and upgrade HVAC system to extend marketing season and increase food safety and product quality.
Krenik's Meat Processing, Inc.	Rice	Purchase equipment to improve food safety and packaging efficiency, including convection ovens, temp logger, scale and vacuum packager.
Krenzke Meats	Winona	Install flooring in the cooler and cutting room to meet food safety regulations and maintain current markets.
Lakes Area Cooperative	Otter Tail	Install a large walk-in freezer, expand meat processing and packaging rooms, and purchase a roll stock packager to improve food safety, processing capacity, and efficiency.
L'Etoile du Nord Vineyard, LLC	Douglas	Purchase equipment and retrofit a building into a wine production facility to diversify markets and increase profitability.
Living Greens Farm, Inc.	Rice	Purchase flooring, walls, cooler and refrigerated truck to increase food safety, packaging, and distribution of aeroponically grown produce year-round.
Love Creamery	Lake	Purchase ice cream maker, hardening cabinet, and transportation freezer to increase production and food safety for wholesale distribution.
Mankato Brewery	Nicollet	Purchase fermenters and heating and cooling tanks, and renovate facility to increase production capacity.
Mariner Farms, LLC	Cook	Purchase and install a biomass furnace, LED lighting, electrical service, and nutrient water flow system to remodel and expand a greenhouse and start an aquaponics business.
McDonald's Meats, Inc.	Sherburne	Purchase a smokehouse, vacuum stuffer, double clipper, and packaging machine to increase production capacity expand private label accounts.
Minnesota Valley Business Development Co	Blue Earth	Purchase produce processing and traceability equipment and vehicles to increase efficiency, capacity and food safety.
Mississippi Topsoils, Inc.	Stearns	Purchase two in-vessel composting units, biofilter, and support equipment to serve larger volume compost-user markets.
Mixmi Brands, Inc.	Anoka	Purchase and install equipment and refrigeration to increase capacity to serve school and retail markets.
My Minnesota Farmer, LLC	Le Sueur	Construct a temperature-controlled packing house and produce warehouse to increase food safety, efficiency, and processing capacity to expand wholesale accounts and marketing season.
Nelson Grass Farm	Kanabec	Purchase an egg washing machine and other equipment to increase efficiency, food safety, and sales of eggs and enable expansion of customer base.

Value Added Agriculture Grant Recipients

Business Name	County	Summary of Grant Project
Northern Excellence Seed, LLC	Lake of the Woods, Roseau	Retrofit unused space and purchase cleaning, grain handling, storage, color sorter, and accessory equipment to increase quality and food safety of cleaned soybeans to expand markets and diversify producers' markets.
Red Table Meat Company, LLC	Hennepin	Purchase an oven to increase processing of hogs.
Redhead Creamery, LLC	Stearns	Purchase a cream separator, butter churn, and dip tank to initiate production of specialty butter and expand variety of products and increase profitability of on-farm creamery.
Sapsucker Farms	Kanabec	Purchase 12 oz. bottling and labeling machine and cold pasteurization system to increase efficiency and volume of hard cider produced to expand distribution.
Sno Pac Foods	Houston	Purchase and install UVC emitter systems in refrigerated storage and packaging areas to improve food safety and continue compliance with food safety regulations.
So Good Brand, Inc.	Hennepin	Purchase high pressure beverage juice processing equipment to expand sales from regional to national markets.
St Joseph Meat Market, Inc.	Stearns	Purchase a sausage stuffer and packaging and retail freezer equipment to increase efficiency, marketing, and food safety.
Stony Creek Dairy	Stearns	Purchase milk processing, monitoring and labeling equipment, and refrigerated trucks, and upgrade distribution facilities to increase efficiency and food safety.
Terroir Chocolate	Otter Tail	Purchase stone grinder, mill, grain separator, ice cream maker and refrigeration to increase production to capacity sell to more retail markets.
Timbersweet	Itasca	Expand the bottling room, syrup cold storage, and commercial kitchen to increase efficiency of bottling and number of product offerings
Union Pizza & Brewing Company	Otter Tail	Improve equipment and facility to start production and distribution of non-alcoholic craft beverages.
Vertical Malt	Polk	Purchase steeping tanks, malting chambers, HVAC and kiln needed to start commercial production of craft malt products.
Weiss Asparagus Farm	Red Lake	Construct a building and purchase processing and packaging equipment to increase efficiency and profits.
Welcome Meats, Inc.	Martin	Purchase a smokehouse and pellet generator with data logger system to improve meat product quality and increase product offerings.
Willmar Downtown Development, Inc.	Kandiyohi	Retrofit a historic building into a food hub and commercial kitchen that will be used to clean, store, process, and aggregate local products.

Value Added Grants by County

Fiscal Year 2016



Farm to School Grant Recipients

School	City	County	Summary
Alexandria Public Schools	Alexandria	Douglas	Remodel of kitchens to increase local purchasing, including through the Fresh Connect Food Hub. Major purchases include soak sinks, serving tables, gas counter top kettle, utility carts, reach in and walk in refrigerators, freezer, microwaves, robot coupe blades, and prep table.
Bluffview Montessori	Winona	Winona	Install a combination walk-in cooler/freezer.
Brooklyn Center Community Schools	Brooklyn Center	Hennepin	Purchase two combi-ovens.
Buffalo Lake-Hector-Stewart Schools	Buffalo Lake	Renville	Purchase salad bars, food processor, food pans, and knives. Will help the schools serve more fresh produce and prepare produce to be kept for the winter months.
Civic League Day Nursery	Rochester	Olmstead	Received both Feasibility and Equipment grants. Through feasibility study, develop purchase agreements with local farmers and create seasonal menus to focus on Minnesota grown items. Will jumpstart their program with the purchase of a Robot Coupe.
Dawson-Boyd Schools	Dawson	Lac qui Parle	Purchase a walk-in cooler, food processor, and slicer. The cooler would replace one that was installed in 1962!
Dilworth Glyndon Felton	Dilworth	Clay	Purchase a combi-oven and a Robot Coupe.
Eden Prairie School	Eden Prairie	Hennepin	Prepare Minnesota raised chickens using two new rotisserie ovens. The district anticipates being able to serve 1,600 pounds of chicken in the first year of implementation.
Foley Public School	Foley	Benton	Upgrade the elementary kitchen with the purchase of a rotating oven. The oven will improve baked, steamed, and roasted products. Cooler upgrades will help them store more products.
Hastings School District	Hasting	Dakota	Purchase hot and cold well carts for one elementary school. The rest of the elementary schools were upgraded using a previous grant, but this school could not be easily upgraded because of the height of the serving counters.
Healthy Northland	Duluth	St. Louis	Work with Duluth Public Schools to offer baked-good breakfast options. Purchase local foods such as apples, squash, carrots, and eggs to include in the breakfast items. Equipment grant will support purchase of mixing bowls, measuring cups, and muffin tins. Project will leverage a USDA Farm to School grant.
Jackson County Central School District	Jackson	Jackson	Purchase a two-door refrigerator to increase the amount of Minnesota grown produce they can purchase, store, and serve. Since installing a salad bar at an elementary school earlier this year, more storage capacity is needed.

Farm to School Grant Recipients

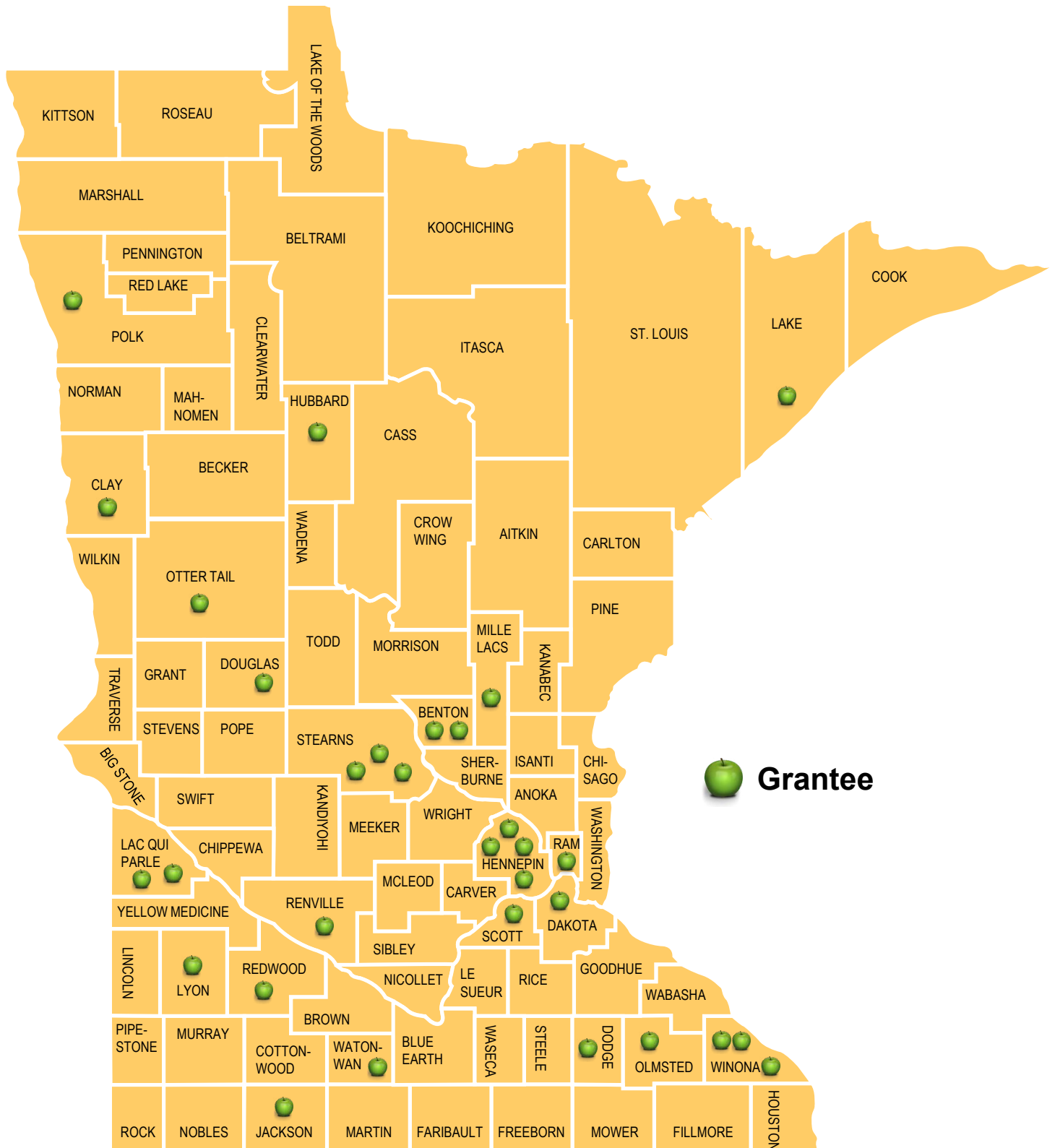
School	City	County	Summary
Kasson-Mantorville Public Schools	Kasson	Dodge	Purchase an apple corer, vegetable dicer for the Robot Coupe, prep table, and steamer. Will help them serve more Minnesota grown produce on salad bars and fruit and vegetable bars.
Lac qui Parle Valley Schools	Madison	Lac qui Parle	Upgrade their “grab and go” capacities and will start offering homemade soups each day. Equipment purchases will include display cases, a holding cabinet, Robot Coupe, and soup servers.
Lakes Country Service Cooperative	Fergus Falls	Otter Tail	The service cooperative, which operates the Fresh Connect Food Hub, will purchase a walk-in cooler.
Lewiston-Altura Public Schools	Lewiston	Winona	Install a combi-oven at the intermediate school and will add a salad bar to the high school. The district has recently doubled the number Farm to School partners and offers a variety of local options including produce and bison.
Madelia School District	Madelia	Watonwan	Purchase two combi-ovens to replace an old gas cooktop and convection oven.
Minneapolis Public Schools	Minneapolis	Hennepin	Work with a leading contractor to complete a feasibility study that would examine preparing whole produce in house, rather than needing to rely on a produce distributor/processor.
Onamia Public Schools	Onamia	Mille Lacs	Purchase dicing and dice cleaning kits for an existing Robot Coupe, and convert an old freezer into a cooler. Will help the school efficiently prepare more local foods and purchase produce in greater quantities.
Park Rapids Area Schools	Park Rapids	Hubbard	Purchase two combi-ovens, a pass-thru refrigerator, and a convection oven.
Playhouse Child Care Center	St. Cloud	Stearns	Received both Feasibility and Equipment grants Will remodel the small, inefficient kitchen areas and purchase microwaves/ steamers, stock pots, tongs, slicers/peelers, hand washing sinks, and oven. Includes locations in Monticello and St. Cloud. Determine logistics to increase local purchases, become knowledgeable about resources and supporting organizations, and identify strategies to provide additional Minnesota foods (including to infants).
Reach-Up Inc.	St. Cloud	Stearns	Beginning a Farm to School program. Small equipment purchases will help to use more Minnesota grown foods without adding to labor costs.
Richfield Public Schools	Richfield	Hennepin	Purchase hot and cold serving and holding equipment for the high school and mobile serving equipment for Richfield Dual Language Elementary School. Will allow them to purchase and prepare more Minnesota products and do more scratch cooking while also improving food safety.
Riverside Christian School	East Grand Forks	Polk	Purchase a 10-burner gas range and a steamer. Will replace unreliable equipment and help school use more fresh fruits and vegetables.

Farm to School Grant Recipients

School	City	County	Summary
Saint Paul Public Schools	Saint Paul	Ramsey	Purchase of "sous vide" machine for the Nutrition Center. Machine will allow the school to purchase local animal protein.
Shakopee Public Schools	Shakopee	Scott	Purchase milk coolers to increase purchases of Minnesota milk.
St. John's Area School	Foley	Benton	Purchase a convection oven, salad bar, shelving units, and kitchen prep equipment. They anticipate being able to offer Minnesota grown fruits and vegetables at least three times per week.
Tracy Area Public Schools	Tracy	Lyon	Purchase a combi-oven and a convection oven. School anticipates serving corn-on-the-cob and potatoes.
Westbrook Walnut Grove School	Walnut Grove	Redwood	Purchase an electric range, convection oven, and steamer.
Winona Area Public Schools	Winona	Winona	Purchase yogurt machines and breakfast carts to increase use of Minnesota milk-based products.
Wolf Ridge Environmental Learning Center	Finland	Lake	Purchase two cook and hold units and a stacked convection oven.

Farm to School Grants by County

Fiscal Year 2016



Crop Research Grant Recipients

Project Title	Organization Name	Principal Investigator	Crop
Laying the foundation for an applied, genomics-assisted oat breeding program at the University of Minnesota	University of Minnesota	Kevin Smith	Oats
Optimizing soil management to enhance potato yields & soil health in fumigated soil	University of Minnesota	Linda Kinkel	Potato Disease Control
Integrated disease management for cultivated wild rice	Minnesota Cultivated Wild Rice Council	Beth Nelson	Wild Rice, Fungal Foliar Disease
Barley breeding for the Minnesota craft brewing industry	University of Minnesota	Kevin Smith	Barley, Rahr Malting
New winter hardy perennial ryegrass to improve the profitability of grazing and haymaking	University of Minnesota	Nancy Ehlke	Perennial Ryegrass
Sustainable protein for aquaculture from alfalfa	USDA Agricultural Research Service	Deborah Samac	Alfalfa Protein, Aquaculture Food
Increasing adoption of cover cropping systems through research-based education	University of Minnesota	Scott Wells	Cover Crop
Investigating genetic resistance to foliar phylloxera in cold hardy hybrid grapes	University of Minnesota	Matthew Clark	Grapes, Disease Resistance
Fine fescue: a new grass seed crop for Minnesota	University of Minnesota	Eric Watkins	Fescue Turf Grass

Sustainable Agriculture Demonstration Grant Recipients

Name	County	Project Description
Cannon River Watershed Partnership	Rice, Goodhue	Evaluate cover crops establishment into standing corn (V5-V7) in June on eight farms and broadcasting cover crops/mixtures selected by each farmer.
Central Lakes College	Todd, Chisago, McLeod	Test Juneberries as rootstock for pears to increase winterhardiness in Minnesota.
Four Seasons Apiaries, LLC	Hennepin, Carver	Reduce varroa mites by interrupting bees' brood cycle.
Hiawatha Valley RC&D	Rice	Determine if grazing goats during winter will reduce feed costs and control invasive species without harming desirable native plants.
Hoch Orchard	Winona	Evaluate economic effect of integrating hogs into an apple orchard and compare with the economics of other systems.
Jorgenson Family Farm	Big Stone	Evaluate establishment, production, quality, and harvest of perennial wheatgrass (new)/legume intercrops.
Keith Hartmann	Nicollet, Sibley	Establish cover crops and apply liquid nitrogen simultaneously into V4-V6 stage corn in June.
Lighthouse Farm	Mille Lacs	Evaluate feed value, animal gain, and soil/pasture improvements from bale grazing purchased hay.
Paradox Farm	Otter Tail, Becker	Grow and test nutrient profile and palatability of novel corn varieties for poultry.
Stone's Throw Urban Farm	Hennepin	Determine if worm composting on an urban farm will result in a high quality, economical greenhouse potting product the farm can use or sell.
Wholesome Harvest	Fillmore	Evaluate hazelnut woodchips (by-product of nut orchard management) for potential as substrate for growing winecap and shiitake mushrooms.

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 2016, \$30.67 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	1,257 applications/\$21.02 million
Applications Funded/Amount Awarded	442 projects/\$7.66 million
Estimated Leveraged Private Investment	\$178.4 million
Estimated Jobs Created	2,561 during construction/1,131 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 2017 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	443 applications/\$17.5 million
Applications Funded/Amount Awarded	200 applications/\$6.26 million
Leveraged Private Investment	\$21.69 million
Estimated Jobs Created	136 full-time and 186 part-time (FY13-15)
Additional Agricultural Product Processed/ Value of Additional Product Processed	11.81 million pounds/\$2.99 million (based on 119 survey respondents up to 24 months post award)
Additional Value-Added Product Produced/ Additional Annual Sales	25.84 million pounds/\$3.22 million (based on 119 survey respondents up to 24 months post award)

FY 2017 Update: The MDA awarded \$1.02 million to 20 applicants in the first round of funding. We received 40 applications requesting \$2.65 million in grant awards. Private investments of \$10.2 million will result in a 10 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	140 applications/\$2.68 million
Applications Funded/Amount Awarded	83 projects/\$1.46 million
Estimated Leveraged Private Investment	\$1.69 million
Estimated Farmer/School Relationships	173 (based on 34 survey respondents up to 24 months post award)
Estimated Sales of Minnesota Foods in Schools in School Year 2016-2017	\$4.1 million (based on 34 survey respondents up to 24 months post award)

FY 2017 Update: The MDA is in the process of awarding \$377,000 for 20 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 in TSP	\$818,000
Number of Companies Participating in TSP and Minnesota Pavilions (sum of each fiscal year)	402
Projected New Sales from TSP and Minnesota Pavilions	\$27.65 million and over 9,900 new relationships with stores and distributors

FY 2017 Update: \$100,000 is available for TSP cost sharing and \$100,000 for Minnesota Pavilions. A tradeshow with a Minnesota Pavilion was held in Beijing, and tradeshow are scheduled in San Francisco, Anaheim, Chicago, Manhattan, Shanghai, and Dubai.

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	87 projects/\$16.9 million
Applications Funded/Amount Awarded	33 projects/\$6 million

FY 2017 Update: The MDA received 31 applications totaling 5.9 million and expects to make awards in early February.

NextGen Bioenergy and Biochemicals

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

Awards were 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 plan construction for biochemical production; and research for advanced drop-in biofuel production. This program was discontinued in FY 2016.

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

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. This program was discontinued in FY 2016.

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

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 \$1.5 million and a committee convened by the American Lung Association of Minnesota oversaw the grants.

Applications Received/Amount Requested	39 proposals/\$985,000
Projects Completed	36 service stations/\$950,000
Projects in Progress	1 service station/\$10,000

FY 2017 Update: There is no funding for this program in FY 2017.

Minnesota Biofuel Infrastructure Partnership Cost Share

Leverages a Federal award to provide funding to service stations for flexible fuel pumps, and compatible infrastructure to deliver renewable liquid fuels such as E15 or E85 and other blends of ethanol

The MDA received \$8 million from United States Department of Agriculture Biofuel's Infrastructure Partnership (BIP) Program for this project. About \$1 million in FY 2016 AGRI funding was carried forward into FY 2017 to help fund the State's contribution to the program. An additional \$3.06 million was contributed by the Minnesota Corn Research and Promotion Council, 17 of Minnesota's ethanol plants, and a separate fund for E15 infrastructure created by the Minnesota Legislature. Projects were solicited through a competitive RFP and awards were made in summer 2016.

Applications Funded/AGRI Investment	3 proposals/\$55,075
Leveraged Investment	\$1,568,191

FY 2017 Update: Contracts were awarded to 40 additional stations and included \$443,475 in AGRI funding.

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	891 applications
Scholarships Awarded	891 applications/\$707,781

FY 2017 Update: As of January 1, 2016, the MDA had awarded scholarships to 406 beginning farmers, for a total of \$370,485.

Sustainable Agriculture

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	117 projects/\$2.2 million
Applications Funded/Amount Awarded	43 projects/\$1.28 million

FY 2017 Update: The MDA received 16 applications requesting \$300,639 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	124 farmers and handlers/\$77,741
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FY 2017 Update: \$25,000 is available for cost share; applications are being accepted through May 31, 2017. To date, 20 applications have been received.

County Fairs

Supports development and activities at county fairs

Funding is offered on an equal share basis to each of the 94 county fairs. In Fiscal Years 2014-2015, investments focused on increasing public access and knowledge of the arts, Minnesota history and cultural heritage. Beginning in Fiscal Year 2016, funding supports the preservation and promotion of agriculture.

Applications Received/Amount Awarded	272 projects/\$3.15 million
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FY 2017 Update: The MDA anticipates awarding \$1 million to the 94 active county fairs. Proposals are due on February 21, 2017.