



Governor's 2023 Ag Budget Recommendations

January 2023

"Our mission is to enhance all Minnesotans' quality of life by equitably ensuring the integrity of our food supply, the health of our environment, and the strength and resilience of our agricultural economy."

Healthy Soil Grant Program

- **\$4M total in FY24-25**
- **Summary:** This proposal builds on the new Soil Health Financial Assistance Program (SHFAP) that began as a pilot last year with a \$500,000 appropriation. It supports the state's Healthy Soil Management Plan through the voluntary implementation of soil health management practices by awarding funds to access specialized equipment and machinery.

AgBMP Revolving Loan Increase

- **\$4M total (FY24-25) and \$3M per year ongoing**
- **Summary:** This proposal seeks to increase lending capacity for the AgBMP Loan program to address its funding shortfall and support projects and practices that help our state's air and water quality.

AGRI Sunset Extension

- **\$17,582,000 per year ongoing**
- **Summary:** This proposal extends the Agricultural Growth, Research, Innovation (AGRI) program sunset date from June 30, 2025, to June 30, 2035, through a change to MINN. STAT. 41A.12, subd. 4.

Biofuels Infrastructure Grants

- **\$1.5M per year ongoing**
- **Summary:** This proposal seeks to continue the AGRI Biofuels Infrastructure Financial Assistance Program. These grants help service stations upgrade their equipment (fuel dispensers, underground tanks, and associated equipment) to be able to sell blends of gasoline containing 15% or more of ethanol. Grants are to be made to service stations in Minnesota that are independently owned or belong to chains of 10 stations or less.

AGRI Meat Processing Grants

- **\$250,000 per year ongoing**
- **Summary:** This proposal seeks to expand the AGRI appropriation by increasing the funding available specifically for grants to meat, poultry, egg, and milk processors.

Beginning Farmer Equipment Grants

- **\$200,000 per year ongoing**
- **Summary:** This proposal seeks to support a grant program specifically for new and emerging farmers to increase market access and sales. This is part of the Department's Value-Added Grant Program. The funds will be used for grants to individuals and operating costs, including engagement and outreach work associated with grant program development, execution, and administration.

Services to Immigrant & BIPOC Producers & Businesses

- **\$250,000 per year ongoing**
- **Summary:** This proposal seeks to support organizations that will provide culturally appropriate services to immigrant and BIPOC ag producers and food-system related businesses.

Emerging Farmers Office Expansion

- **\$700,000 (FY24-25) and \$625,000 per year ongoing**
- **Summary:** These funds will support the additional staff needed to provide services for emerging farmers throughout Minnesota, specifically in the areas of grant management, oversight, coordination, communication and technical support, administration and logistics, overall office management, and Tribal consultations. These positions are in addition to the existing position in the office - the Emerging Farmer Outreach & Engagement Coordinator.

This proposal connects to two additional proposals for Beginning Farmer Equipment and Infrastructure Grants, and Services to Immigrant and BIPOC producer and food-system businesses. Staff within the Emerging Farmers Office are needed to develop and manage services identified in these proposals.

This proposal also includes the elimination of the sunset for the EFWG.

Minnesota Grown Expansion

- **\$75,000 per year ongoing**
- **Summary:** This proposal expands the Minnesota Grown Program's ability to promote locally raised and processed meat and poultry by increasing the annual appropriation from \$186,000 to \$261,000. The additional \$75,000 will be administered with existing program staffing levels and will allow the agency to invest in paid advertising, social media promotion, public relations activities, and significantly expanded content on the popular www.minnesotagrown.com website.

Farm Safety, Health, and Wellness Grants

- **\$250,000 per year ongoing**
- **Summary:** This proposal seeks to support farm safety outreach and equipment cost-share payments to farmers; stress and mental health outreach, promotion, and support to farmers and others in the agricultural community; and, a pass-through grant to the Minnesota FFA Foundation to engage FFA chapters in creating innovative education, training, or outreach projects that respond to community needs to mitigate stress and promote mental health.

Ag Emergency Account

- **\$1.5M one time**
- **Summary:** This proposal seeks to replenish the MDA's Ag Emergency Account to ensure the agency is ready to respond to ag-related emergencies in a timely manner.

The Good Acre LEAFF Program

- **\$100,000 per year ongoing**
- **Summary:** This proposal seeks to support The Good Acre's Local Emergency Assistance Farmer Fund (LEAFF) which provides underserved farmers with new market channels by paying market-rate prices for their produce, all of which is then donated to hunger-relief organizations across Minnesota.

- Additional budget recommendations will be announced on Tuesday, January 24
- Please join us for a presentation via Teams at 8:45 a.m. on January 24

Thank You!

Questions?

Director of Gov Relations, Michelle Medina

Michelle.medina@state.mn.us