



Governor Walz and Lieutenant Governor Flanagan's 2025 Budget Proposal

Deputy Commissioner Andrea Vaubel

Minnesota Department of Agriculture

"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."



General Fund Budget Request

Maintain Current Service Levels

- **Funding:** \$557,000 in Fiscal Year (FY) 2026 and \$1,127,000 in each subsequent year from the General Fund
- **Proposal:** Maintain the current level of service delivery at the Minnesota Department of Agriculture.

Food Licensing Modernization

- **Funding:** No funding change
- **Proposal:** Amend MINN. STAT. Chapters 28A and 31 to modernize the MDA's food licensing framework to:
 - Simplify the administrative system for food licensing to allow for business evolution and innovation
 - Create a new licensing category for home food processors
 - Increase food license fees to maintain regulatory service levels in FY 2026 to 2029

Livestock Investment Grant Expansion

- **Funding:** No funding change
- **Proposal:** Changes to the Livestock Investment Grant statute:
 - Expanding the eligibility of the Livestock Investment Grant to include Tribal governments and local units of government
 - Broadening the definition of livestock
 - Updating the match requirement

AGRI Admin Allowance

- **Funding:** No funding change
- **Proposal:** Increase the maximum administrative allowance for the Agricultural Growth, Research, and Innovation (AGRI) Program (MINN. STAT. 41A.12) to 7.5% from 6.5%.

Grain License Fees Update

- **Funding:** No funding change
- **Proposal:** Adjusts the fee schedule for entities licensing as grain buyers (MINN. STAT. 223) or grain storage facilities (MINN. STAT. 232).

AGRI Biofuels Infrastructure Grant

- **Funding:** No funding change
- **Proposal:** Modifies the eligibility requirements for the AGRI Biofuels Infrastructure Grant Program by increasing the maximum number of retail petroleum dispensing sites owned by a prospective grantee from 10 to 20.

AGRI Urban Agriculture Expansion

- **Funding:** No funding change
- **Proposal:** Broadens the eligible uses of grant funds to include agriculture-based trainings, acceleration, and employment programs and urban agriculture processing. Current grant eligibility focuses only on urban youth agricultural education or urban agriculture community development projects.

Good Food Access Program Update

- **Funding:** No funding change
- **Proposal:** Changes the Good Food Access Program (GFAP) statutes (MINN. STAT. 17.1017 and 17.1018) to better equip the program to fulfill its mission “to increase the availability of and access to affordable, nutritious, and culturally appropriate food, including fresh fruits and vegetables, for underserved communities.”

Seed Potato Certification Statute Modernization

- **Funding:** No funding change
- **Proposal:** Modifies several provisions of MINN. STAT. 21 which will be cumulatively budget neutral.

Milk Marketing Modernization

- **Funding:** No funding change
- **Proposal:** Modernizes the requirements for licensing entities that purchase milk directly from Minnesota dairy producers to provide more accountability to these entities.

Seed Tonnage Reporting Frequency Reduction

- **Funding:** No funding change
- **Proposal:** Reduces the number of times seed labeling permit holders report and pay tonnage fees from four per year to two per year.

PFAS Language Alignment

- **Funding:** No funding change
- **Proposal:** Aligns PFAS language in MINN. STAT. 18B with MINN. STAT. Chapter 116 regarding product prohibitions for certain categories. This proposal may result in a small number of products (>150) that may be prohibited from registering (or renewing).

Rural Finance Authority Program Updates

- **Funding:** No funding change
- **Proposal:** Focuses on several programs under the Rural Finance Authority
 - Changes the encumbrance timeline from two years to six months and defining “family member” for Down Payment Assistance Grants.
 - Updates the Farm Opportunity Loan Program.
 - Sets a qualifying net worth limit for the Disaster Loan Program
 - Requires that Rural Finance Authority applications for bond-funded programs be for at least \$50,000.
 - Updates the Pilot Agricultural Microloan Program by removing the word “pilot” and adding land as eligible for financing.

AgBMP Program Updates

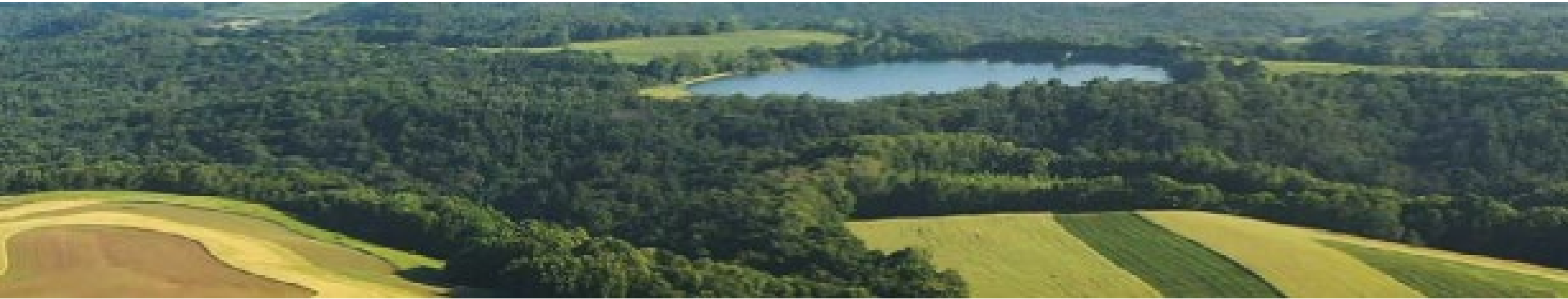
- **Funding:** No funding change
- **Proposal:** Focuses on several aspects of the Agricultural Best Management Practices (AgBMP) Program
 - Increases the allowable amount the AgBMP Program is allowed to appropriate and administer from \$140 million to \$280 million.
 - Deletes “rural” from the AgBMP loan eligibility requirement (MINN. STAT. 17.117). This is not a request for additional equipment, supplies, administration cost, or a change of use from previous years.

Green Fertilizer Reduction

- **Funding:** \$3 million reduction
- **Proposal:** Reduces the Green Fertilizer Grant Program from \$7 million to \$4 million. Applications are open through March 18. The minimum grant award is \$250,000 and the maximum grant amount is the full funding amount – minus administrative costs.

Sustainable Aviation Fuel

- **Funding:** \$5.3 million in FY26 and FY27, and \$2.1 million in each fiscal year thereafter
- **Proposal:** A funding and policy package that includes the following:
 - Establishment of a supplemental tax credit rate for ultra-low carbon SAF
 - A statutory clarification on the eligibility of CO2 as a SAF feedstock
 - A technical correction allowing the carryforward of unallocated FY 2025 funds
 - Additional funding for the existing SAF tax credit
- Will be carried by Dept. of Revenue



Clean Water Budget Request

Clean Water Funding Proposals

- Forever Green Initiative - FY 2026-27 appropriation of \$6 million
- Irrigation Water Quality Protection - FY 2026-27 appropriation of \$310,000
- Monitoring for Pesticides in Surface Water and Groundwater - FY 2026-27 appropriation of \$740,000
- Nitrate in Groundwater - FY 2026-27 appropriation of \$6.2 million
- Pesticide Testing of Private Wells - FY 2026-2027 appropriation of \$1 million
- Technical Assistance - FY2026-27 appropriation of \$3.2 million

Clean Water Funding Proposals

- Expand Minnesota Ag Weather Station Network - FY2026-27 appropriation of \$2.5 million
- AgBMP Loan Program - Transfer of \$4 million in FY 2026-27 from the Clean Water Fund to the AgBMP Loan Program account in the Miscellaneous Special Revenue Fund
- Conservation Equipment Grants - FY 2026-2027 appropriation of \$3.5 million
- Research Inventory Database - FY 2026-2027 appropriation of \$100,000
- Minnesota Agriculture Water Quality Certification Program - FY 2026-2027 appropriation of \$7 million

Thank you!

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