

Subject Farm down payment assistance program

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Overview

H3548DE4 makes several changes to the farm down payment assistance program administered by the Minnesota Department of Agriculture (MDA). Under this program, MDA awards grants up to \$20,000 to eligible farmers that intend to purchase farmland. Eligible farmers commit to own and farm the land for at least five years. This act would be effective July 1, 2026.

Summary

Section	Description
1	Definitions. Amends the definition of “eligible farmer” to require farming experience or knowledge.
2	Grants. Determines that grant amounts may not exceed 40% of the farm’s purchase price and are capped at \$30,000. Requires recipients to verify at least \$1,000 in farm income or investment in the farm. Adds the following additional constraints based on farmland location: (1) if the farmland is zoned commercial, the eligible farmer must include a business plan with application; and (2) if the farmland is within boundaries of a statutory or home rule charter city, the eligible farmer must earn at least \$1,000 in annual farm revenue.
3	Administration and financial assistance. Modifies the fiscal year 2027 farm down payment assistance appropriation to require MDA to reserve 25% of the appropriation for applicants who have a purchase agreement at the time of application. Changes the priority applicant annual gross farm product sale range from \$0 – \$100,000 to \$1,000 – \$100,000. Allows the unencumbered balance to remain available until June 30, 2030.



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