

1.1 Anderson, P. H., and Hansen, R., from the Committee on Agriculture Finance and Policy
1.2 to which was referred:

1.3 H. F. No. 2446, A bill for an act relating to state government; establishing a budget for
1.4 the Department of Agriculture, the Board of Animal Health, and the Agricultural Utilization
1.5 Research Institute; making policy and technical changes to agriculture provisions; modifying
1.6 and establishing fees; requiring reports; providing civil penalties; transferring money;
1.7 appropriating money; amending Minnesota Statutes 2024, sections 17.1017; 17.1018; 17.117,
1.8 subdivisions 1, 3; 17.118, subdivisions 1, 2, 3; 17.133, subdivision 1; 18B.26, subdivision
1.9 8; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06;
1.10 18J.07, subdivisions 3, 4, 5; 18J.09; 21.111; 21.112, by adding a subdivision; 21.113; 21.115;
1.11 21.117; 21.119; 21.1195; 21.1196, subdivision 2; 21.891, subdivision 2; 28A.03, subdivision
1.12 7, by adding subdivisions; 28A.04; 28A.05; 28A.06; 28A.07; 28A.0753, subdivision 3;
1.13 28A.08; 28A.085, subdivision 1; 28A.14; 28A.17; 32D.01, by adding a subdivision; 41B.039,
1.14 subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b;
1.15 41B.045, subdivision 2; 41B.047, subdivision 3; 41B.056, subdivision 1; 41B.057,
1.16 subdivisions 1, 3; 223.17, subdivision 3; 232.22, subdivision 3; proposing coding for new
1.17 law in Minnesota Statutes, chapters 21; 28A; 32D; repealing Minnesota Statutes 2024,
1.18 sections 21.116; 21.118; 21.1196, subdivision 3; 21.121; 21.122; Minnesota Rules, parts
1.19 1510.2300; 1510.2305; 1510.2310; 1510.2315; 1510.2320; 1510.2325; 1510.2330;
1.20 1510.2335; 1510.2340; 1510.2345; 1510.2350; 1510.2355, subparts 1, 2, 3a, 4, 5, 6, 7.

1.21 Reported the same back with the following amendments:

1.22 Delete everything after the enacting clause and insert:

1.23 **"ARTICLE 1**

1.24 **APPROPRIATIONS**

1.25 Section 1. **AGRICULTURE APPROPRIATIONS.**

1.26 The sums shown in the columns marked "Appropriations" are appropriated to the agencies
1.27 and for the purposes specified in this article. The appropriations are from the general fund,
1.28 or another named fund, and are available for the fiscal years indicated for each purpose.
1.29 The figures "2026" and "2027" used in this article mean that the appropriations listed under
1.30 them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.
1.31 "The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium"
1.32 is fiscal years 2026 and 2027.

2.1				
2.2				
2.3				
2.4				
				<u>APPROPRIATIONS</u>
				<u>Available for the Year</u>
				<u>Ending June 30</u>
				<u>2026</u> <u>2027</u>

2.5 **Sec. 2. DEPARTMENT OF AGRICULTURE**

2.6 **Subdivision 1. Total Appropriation** \$ **61,342,000** \$ **58,358,000**

2.7 Appropriations by Fund

2.8 2026 2027

2.9 General 60,943,000 57,959,000

2.10 Remediation 399,000 399,000

2.11 The amounts that may be spent for each
 2.12 purpose are specified in the following
 2.13 subdivisions. Notwithstanding Minnesota
 2.14 Statutes, section 16B.98, subdivision 14,
 2.15 unless otherwise specified in this section, the
 2.16 commissioner of agriculture may use up to ten
 2.17 percent of money appropriated for costs
 2.18 incurred to administer the Department of
 2.19 Agriculture's grant programs.

2.20 **Subd. 2. Protection Services**

2.21 Appropriations by Fund

2.22 General 21,385,000 21,538,000

2.23 Remediation 399,000 399,000

2.24 (a) \$399,000 the first year and \$399,000 the
 2.25 second year are from the remediation fund for
 2.26 administrative funding of the voluntary
 2.27 cleanup program.

2.28 (b) \$319,000 the first year and \$319,000 the
 2.29 second year are for the soil health financial
 2.30 assistance program under Minnesota Statutes,
 2.31 section 17.134. The commissioner may award
 2.32 no more than \$50,000 of the appropriation
 2.33 each year to a single recipient.

2.34 Notwithstanding Minnesota Statutes, section
 2.35 16B.98, subdivision 14, the commissioner may

3.1 use up to 6.5 percent of this appropriation for
3.2 costs incurred to administer the program. Any
3.3 unencumbered balance does not cancel at the
3.4 end of the first year and is available in the
3.5 second year. Appropriations encumbered
3.6 under contract on or before June 30, 2027, for
3.7 soil health financial assistance grants are
3.8 available until June 30, 2029.

3.9 (c) \$293,000 the first year and \$293,000 the
3.10 second year are for compensation for livestock
3.11 destroyed or crippled by a wolf under
3.12 Minnesota Statutes, section 3.737. The first
3.13 year appropriation may be spent to compensate
3.14 for livestock that were destroyed or crippled
3.15 during fiscal year 2025. If the amount in the
3.16 first year is insufficient, the amount in the
3.17 second year is available in the first year. The
3.18 commissioner may use up to \$5,000 each year
3.19 to reimburse expenses incurred by university
3.20 extension educators to provide fair market
3.21 values of destroyed or crippled livestock. If
3.22 the commissioner receives federal money to
3.23 pay claims for destroyed or crippled livestock,
3.24 an equivalent amount of this appropriation
3.25 may be used to reimburse nonlethal prevention
3.26 methods performed by federal wildlife services
3.27 staff.

3.28 (d) \$280,000 the first year and \$280,000 the
3.29 second year are for compensation for crop or
3.30 fence damage caused by elk under Minnesota
3.31 Statutes, section 3.7371. If the amount in the
3.32 first year is insufficient, the amount in the
3.33 second year is available in the first year. The
3.34 commissioner may use up to \$10,000 of the
3.35 appropriation each year to reimburse expenses

4.1 incurred by the commissioner or the
4.2 commissioner's approved agent to investigate
4.3 and resolve claims, as well as for costs
4.4 associated with training for approved agents.
4.5 The commissioner may use up to \$40,000 of
4.6 the appropriation each year for grants to
4.7 producers for measures to protect stored crops
4.8 from elk damage. If the commissioner
4.9 determines that claims made under Minnesota
4.10 Statutes, section 3.737 or 3.7371, are
4.11 unusually high, amounts appropriated for
4.12 either program may be transferred to the
4.13 appropriation for the other program.

4.14 (e) \$825,000 the first year and \$825,000 the
4.15 second year are to replace capital equipment
4.16 in the Department of Agriculture's analytical
4.17 laboratory.

4.18 (f) \$850,000 the first year and \$850,000 the
4.19 second year are for additional meat and poultry
4.20 inspection services. The commissioner is
4.21 encouraged to seek inspection waivers, match
4.22 federal money, and offer more online
4.23 inspections for the purposes of this paragraph.

4.24 (g) \$750,000 the first year and \$750,000 the
4.25 second year are for grants to counties to
4.26 support county agricultural inspectors. The
4.27 commissioner may use up to three percent of
4.28 the appropriation each year for administration.
4.29 County agricultural inspectors and
4.30 county-designated employees must annually
4.31 submit an application, on a form approved by
4.32 the commissioner, to be eligible for funding
4.33 during a given year. The commissioner must
4.34 equally divide available grant money among
4.35 eligible counties. To be eligible for grants

5.1 under this section, a county must employ a
5.2 county agricultural inspector or a
5.3 county-designated employee who:

5.4 (1) has attended training for new county
5.5 agricultural inspectors offered by the
5.6 commissioner;

5.7 (2) coordinates with the commissioner to
5.8 review applicable laws and enforcement
5.9 procedures;

5.10 (3) compiles and submits to the commissioner
5.11 local weed inspector annual report data;

5.12 (4) conducts an annual meeting and training
5.13 for local weed inspectors; and

5.14 (5) assists the commissioner with control
5.15 programs and other agricultural programs
5.16 when requested under Minnesota Statutes,
5.17 section 18.81, subdivision 1b, as directed by
5.18 the county board.

5.19 (h) \$609,000 the first year and \$608,000 the
5.20 second year are appropriated to establish and
5.21 administer the biofertilizer innovation and
5.22 efficiency program under Minnesota Statutes,
5.23 section 18C.113. The commissioner may use
5.24 up to 6.5 percent of this appropriation for costs
5.25 incurred to administer the program.

5.26 Notwithstanding Minnesota Statutes, section
5.27 16A.28, any unencumbered balance at the end
5.28 of fiscal year 2026 does not cancel and is
5.29 available until June 30, 2027. The base for this
5.30 appropriation is \$1,050,000 in fiscal year 2028
5.31 and each year thereafter.

5.32 (i) \$100,000 the first year is to conduct a study
5.33 with the commissioner of the Pollution Control
5.34 Agency, the commissioner of health, the

6.1 Metropolitan Council, a representative of a
6.2 major wastewater facility located outside the
6.3 seven-county metropolitan area, and a
6.4 technical panel of scientific experts on the
6.5 impact of biosolids contaminated with
6.6 perfluoroalkyl and polyfluoroalkyl substances
6.7 (PFAS) on farm families and consumers. The
6.8 study must include recommendations to the
6.9 legislature and be submitted to the chairs and
6.10 ranking minority members of the legislative
6.11 committees and divisions with jurisdiction
6.12 over agriculture policy and finance by June 1,
6.13 2027. The commissioner may contract with
6.14 an independent third party to conduct the
6.15 study.

6.16 (j) \$100,000 the first year is to conduct an
6.17 evaluation of the practice performance and
6.18 economic performance of the Olmsted County
6.19 groundwater protection and soil health
6.20 initiative, including the cover crop program,
6.21 alternative crops program, and haying,
6.22 grazing, and pasture enhancement program.
6.23 The evaluation must look at environmental
6.24 outcomes, include a cost-benefit analysis, and
6.25 be submitted to the chairs and ranking
6.26 minority members of the legislative
6.27 committees and divisions with jurisdiction
6.28 over agriculture policy and finance by June 1,
6.29 2027. The commissioner may contract with
6.30 an independent third party to conduct the
6.31 evaluation.

6.32 (k) \$150,000 the first year is to update and
6.33 modify the restricted use pesticide plan.

6.34 (l) \$420,000 the first year and \$924,000 the
6.35 second year are to support current services.

7.1 **Subd. 3. Agricultural Marketing and**
 7.2 **Development**

24,529,000

24,526,000

7.3 (a) \$634,000 the first year and \$634,000 the
 7.4 second year are for the continuation of the
 7.5 dairy development and profitability
 7.6 enhancement program, including dairy
 7.7 profitability teams and dairy business planning
 7.8 grants under Minnesota Statutes, section
 7.9 32D.30.

7.10 (b) The commissioner may use funds
 7.11 appropriated in this subdivision for annual
 7.12 cost-share payments to resident farmers or
 7.13 entities that sell, process, or package
 7.14 agricultural products in this state for the costs
 7.15 of organic certification. The commissioner
 7.16 may allocate these funds for assistance to
 7.17 persons transitioning from conventional to
 7.18 organic agriculture.

7.19 (c) \$100,000 the first year and \$100,000 the
 7.20 second year are for mental health outreach and
 7.21 support to farmers, ranchers, farm workers
 7.22 and employees, and others in the agricultural
 7.23 profession and for farm and farm worker
 7.24 safety grant and outreach programs under
 7.25 Minnesota Statutes, section 17.1195. Mental
 7.26 health outreach and support may include a
 7.27 24-hour hotline, stigma reduction, and
 7.28 education. Notwithstanding Minnesota
 7.29 Statutes, section 16A.28, any unencumbered
 7.30 balance does not cancel at the end of the first
 7.31 year and is available in the second year.

7.32 (d) \$19,935,000 the first year and \$19,932,000
 7.33 the second year are for the agricultural growth,
 7.34 research, and innovation program under
 7.35 Minnesota Statutes, section 41A.12.

8.1 (e) Except as provided in paragraph (f), the
8.2 commissioner may allocate the appropriation
8.3 in paragraph (d) each year among the
8.4 following areas: facilitating the start-up,
8.5 modernization, improvement, or expansion of
8.6 livestock operations, including beginning and
8.7 transitioning livestock operations with
8.8 preference given to robotic dairy-milking
8.9 equipment; assisting value-added agricultural
8.10 businesses to begin or expand, to access new
8.11 markets, or to diversify, including aquaponics
8.12 systems, with preference given to hemp fiber
8.13 processing equipment; facilitating the start-up,
8.14 modernization, or expansion of other
8.15 beginning and transitioning farms, including
8.16 by providing loans under Minnesota Statutes,
8.17 section 41B.056; sustainable agriculture
8.18 on-farm research and demonstration; the
8.19 development or expansion of food hubs and
8.20 other alternative community-based food
8.21 distribution systems; enhancing renewable
8.22 energy infrastructure and use; crop research,
8.23 including basic and applied turf seed research;
8.24 Farm Business Management tuition assistance;
8.25 and good agricultural practices and good
8.26 handling practices certification assistance.
8.27 Notwithstanding Minnesota Statutes, section
8.28 16B.98, subdivision 14, the commissioner may
8.29 use up to 6.5 percent of the appropriation in
8.30 paragraph (d) for costs incurred to administer
8.31 the program.

8.32 (f) Of the amount appropriated for the
8.33 agricultural growth, research, and innovation
8.34 program under Minnesota Statutes, section
8.35 41A.12:

9.1 (1) \$1,000,000 the first year and \$1,000,000
9.2 the second year are for distribution in equal
9.3 amounts to each of the state's county fairs to
9.4 preserve and promote Minnesota agriculture;

9.5 (2) \$3,000,000 the first year and \$3,000,000
9.6 the second year are for incentive payments
9.7 under Minnesota Statutes, sections 41A.16,
9.8 41A.17, 41A.18, and 41A.20. If this
9.9 appropriation exceeds the total amount for
9.10 which all producers are eligible in a fiscal
9.11 year, the balance of the appropriation is
9.12 available for other purposes under this
9.13 paragraph;

9.14 (3) \$3,000,000 the first year and \$3,000,000
9.15 the second year are for grants that enable retail
9.16 petroleum dispensers, fuel storage tanks, and
9.17 other equipment to dispense biofuels to the
9.18 public in accordance with the biofuel
9.19 replacement goals established under
9.20 Minnesota Statutes, section 239.7911. A retail
9.21 petroleum dispenser selling petroleum for use
9.22 in spark ignition engines for vehicle model
9.23 years after 2000 is eligible for grant money
9.24 under this clause if the retail petroleum
9.25 dispenser has no more than 20 retail petroleum
9.26 dispensing sites and each site is located in
9.27 Minnesota. The grant money must be used to
9.28 replace or upgrade equipment that does not
9.29 have the ability to be certified for E25. A grant
9.30 award must not exceed 65 percent of the cost
9.31 of the appropriate technology. A grant award
9.32 must not exceed \$200,000 per station. The
9.33 commissioner must cooperate with biofuel
9.34 stakeholders in the implementation of the grant
9.35 program. The commissioner, in cooperation

10.1 with any economic or community development
10.2 financial institution and any other entity with
10.3 which the commissioner contracts, must
10.4 submit a report on the biofuels infrastructure
10.5 financial assistance program by January 15
10.6 each year to the chairs and ranking minority
10.7 members of the legislative committees and
10.8 divisions with jurisdiction over agriculture
10.9 policy and finance. The annual report must
10.10 include but not be limited to a summary of the
10.11 following metrics: (i) the number and types
10.12 of projects financed; (ii) the amount of dollars
10.13 leveraged or matched per project; (iii) the
10.14 geographic distribution of financed projects;
10.15 (iv) any market expansion associated with
10.16 upgraded infrastructure; (v) the demographics
10.17 of the areas served; (vi) the costs of the
10.18 program; and (vii) the number of grants to
10.19 minority-owned or female-owned businesses;
10.20 (4) \$250,000 the first year and \$250,000 the
10.21 second year are for grants to facilitate the
10.22 start-up, modernization, or expansion of meat,
10.23 poultry, egg, and milk processing facilities. A
10.24 grant award under this clause must not exceed
10.25 \$200,000;
10.26 (5) \$2,294,000 the first year and \$2,294,000
10.27 the second year are for providing more fruits,
10.28 vegetables, meat, poultry, grain, and dairy for
10.29 children in school and early childhood
10.30 education settings, including, at the
10.31 commissioner's discretion, providing grants
10.32 to reimburse schools and early childhood
10.33 education and child care providers for
10.34 purchasing equipment and agricultural
10.35 products. Of the amount appropriated,

- 11.1 \$150,000 each year is for a statewide
11.2 coordinator of farm-to-institution strategy and
11.3 programming. The coordinator must consult
11.4 with relevant stakeholders and provide
11.5 technical assistance and training for
11.6 participating farmers and eligible grant
11.7 recipients;
- 11.8 (6) \$2,000,000 the first year and \$2,000,000
11.9 the second year are for grants to facilitate the
11.10 development of urban agriculture, including
11.11 projects related to youth education, community
11.12 and economic development, value-added
11.13 processing, and vocational training;
- 11.14 (7) \$1,000,000 the first year and \$1,000,000
11.15 the second year are for the good food access
11.16 program under Minnesota Statutes, section
11.17 17.1017;
- 11.18 (8) \$200,000 the first year and \$200,000 the
11.19 second year are for cooperative development
11.20 grants under Minnesota Statutes, section
11.21 17.1016;
- 11.22 (9) \$425,000 the first year and \$425,000 the
11.23 second year are to award grants under the
11.24 AGRI works program. Agriculture-related
11.25 institutions and nonprofits may apply for
11.26 grants up to \$20,000. Grantees must submit
11.27 their most recent tax documents and complete
11.28 an application in the form and manner
11.29 prescribed by the commissioner to be eligible
11.30 for grants under this appropriation. The base
11.31 for this clause is \$366,000 in fiscal year 2028
11.32 and each year thereafter;
- 11.33 (10) \$928,000 the first year and \$925,000 the
11.34 second year are to award grants under the

12.1 AGRI support program. Agriculture-related
12.2 institutions and nonprofits may apply for
12.3 grants over \$20,000 but not more than
12.4 \$200,000. Grantees must submit their most
12.5 recent tax documents and complete an
12.6 application in the form and manner prescribed
12.7 by the commissioner to be eligible for grants
12.8 under this appropriation. If the commissioner
12.9 determines that application demand for AGRI
12.10 works or AGRI support are unusually high,
12.11 amounts appropriated for either program may
12.12 be transferred to the appropriation for the other
12.13 program. The base for this clause is \$865,000
12.14 in fiscal year 2028 and each year thereafter;
12.15 and

12.16 (11) \$225,000 the first year and \$225,000 the
12.17 second year are for the protecting livestock
12.18 grant program for producers to support the
12.19 installation of measures to prevent the
12.20 transmission of avian influenza. For the
12.21 appropriation in this paragraph, a grant
12.22 applicant must document a cost-share of 20
12.23 percent. An applicant's cost-share amount may
12.24 be reduced up to \$2,000 to cover time and
12.25 labor costs. Notwithstanding Minnesota
12.26 Statutes, section 16B.98, subdivision 14, the
12.27 commissioner may use up to 6.5 percent of
12.28 this appropriation for administrative costs.

12.29 (g) Notwithstanding Minnesota Statutes,
12.30 section 16A.28, the appropriation in paragraph
12.31 (d) does not cancel at the end of the second
12.32 year and is available until June 30, 2029.
12.33 Appropriations encumbered under contract on
12.34 or before June 30, 2029, for agricultural

13.1 growth, research, and innovation grants are
13.2 available until June 30, 2032.

13.3 (h) The base for the agricultural growth,
13.4 research, and innovation program is
13.5 \$20,038,000 in fiscal year 2028 and each year
13.6 thereafter.

13.7 **Subd. 4. Administration and Financial**
13.8 **Assistance**

15,029,000

11,895,000

13.9 (a) \$474,000 the first year and \$474,000 the
13.10 second year are for payments to county and
13.11 district agricultural societies and associations
13.12 under Minnesota Statutes, section 38.02,
13.13 subdivision 1. Aid payments to county and
13.14 district agricultural societies and associations
13.15 must be disbursed no later than July 15 each
13.16 year. These payments are the amount of aid
13.17 from the state for an annual fair held in the
13.18 previous calendar year.

13.19 (b) \$400,000 the first year and \$400,000 the
13.20 second year are for grants to the Minnesota
13.21 Agricultural Education and Leadership
13.22 Council for programs of the council under
13.23 Minnesota Statutes, chapter 41D.

13.24 (c) \$1,050,000 the first year and \$1,050,000
13.25 the second year are to award and administer
13.26 farm down payment assistance grants under
13.27 Minnesota Statutes, section 17.133, with
13.28 priority given to eligible applicants with no
13.29 more than \$100,000 in annual gross farm
13.30 product sales and eligible applicants who are
13.31 producers of industrial hemp, cannabis, or one
13.32 or more of the following specialty crops as
13.33 defined by the United States Department of
13.34 Agriculture for purposes of the specialty crop
13.35 block grant program: fruits and vegetables,

14.1 tree nuts, dried fruits, medicinal plants,
14.2 culinary herbs and spices, horticulture crops,
14.3 floriculture crops, and nursery crops.
14.4 Notwithstanding Minnesota Statutes, section
14.5 16A.28, any unencumbered balance at the end
14.6 of the first year does not cancel and is
14.7 available in the second year and appropriations
14.8 encumbered under contract by June 30, 2027,
14.9 are available until June 30, 2029. The base for
14.10 this appropriation is \$1,400,000 in fiscal year
14.11 2028 and each year thereafter.

14.12 (d) \$850,000 the first year and \$850,000 the
14.13 second year are for the purchase of milk for
14.14 distribution to Minnesota's food shelves and
14.15 other charitable organizations that are eligible
14.16 to receive food from the food banks. Milk
14.17 purchased with grant money must be acquired
14.18 from Minnesota milk processors and based on
14.19 low-cost bids. The milk must be allocated to
14.20 each Feeding America food bank serving
14.21 Minnesota according to the formula used in
14.22 the distribution of United States Department
14.23 of Agriculture commodities under The
14.24 Emergency Food Assistance Program. The
14.25 commissioner may enter into contracts or
14.26 agreements with food banks for shared funding
14.27 or reimbursement of the direct purchase of
14.28 milk. Each food bank that receives funding
14.29 under this paragraph may use up to two
14.30 percent for administrative expenses.

14.31 Notwithstanding Minnesota Statutes, section
14.32 16A.28, any unencumbered balance the first
14.33 year does not cancel and is available the
14.34 second year.

- 15.1 (e) \$260,000 the first year and \$260,000 the
15.2 second year are for a pass-through grant to
15.3 Region Five Development Commission to
15.4 provide, in collaboration with Farm Business
15.5 Management, statewide mental health
15.6 counseling support to Minnesota farm
15.7 operators, families, and employees, and
15.8 individuals who work with Minnesota farmers
15.9 in a professional capacity. Region Five
15.10 Development Commission may use up to 6.5
15.11 percent of the grant awarded under this
15.12 paragraph for administration.
- 15.13 (f) \$1,000,000 the first year and \$1,000,000
15.14 the second year are to expand the Emerging
15.15 Farmers Office and provide services to
15.16 beginning and emerging farmers to increase
15.17 connections between farmers and market
15.18 opportunities throughout the state. This
15.19 appropriation may be used for grants,
15.20 translation services, training programs, or
15.21 other purposes in line with the
15.22 recommendations of the emerging farmer
15.23 working group established under Minnesota
15.24 Statutes, section 17.055, subdivision 1.
- 15.25 (g) \$137,000 the first year and \$203,000 the
15.26 second year are to support current services.
- 15.27 (h) \$337,000 the first year and \$337,000 the
15.28 second year are for farm advocate services.
15.29 Of these amounts, \$50,000 the first year and
15.30 \$50,000 the second year are for the
15.31 continuation of the farmland transition
15.32 programs and may be used for grants to
15.33 farmland access teams to provide technical
15.34 assistance to potential beginning farmers.
15.35 Farmland access teams must assist existing

16.1 farmers and beginning farmers with
16.2 transitioning farm ownership and farm
16.3 operation. Services provided by teams may
16.4 include but are not limited to mediation
16.5 assistance, designing contracts, financial
16.6 planning, tax preparation, estate planning, and
16.7 housing assistance.

16.8 (i) \$3,100,000 the first year is for a grant to
16.9 First District Association for a wastewater
16.10 treatment project.

16.11 (j) \$1,000,000 the first year and \$1,000,000
16.12 the second year are to award grants to eligible
16.13 applicants for participation in the local food
16.14 purchasing assistance grant program. Selected
16.15 applicants must use grant money to procure
16.16 and distribute food to communities. Eligible
16.17 applicants include but are not limited to
16.18 individuals, nonprofit organizations, for-profit
16.19 businesses, Tribal governments, government
16.20 entities, agricultural cooperatives, economic
16.21 development organizations, and educational
16.22 institutions. When awarding grants, the
16.23 commissioner must give preference to
16.24 applicants that:

16.25 (1) source 100 percent of food from
16.26 Minnesota;

16.27 (2) source at least 70 percent of food from
16.28 farmers who are experiencing limited land
16.29 access or limited market access as defined in
16.30 Minnesota Statutes, section 17.133,
16.31 subdivision 1; and

16.32 (3) distribute food at no cost to communities
16.33 that have low supermarket access in
16.34 census-designated food deserts or low- or

17.1 moderate-income areas with substantial
 17.2 subpopulations, such as the aging population
 17.3 or people with disabilities.

17.4 (k) \$100,000 the first year is to be awarded as
 17.5 a grant to an entity that is not a for-profit entity
 17.6 to conduct a study of market and workforce
 17.7 factors that may contribute to the incorrect
 17.8 marking for the installation of underground
 17.9 telecommunications infrastructure that is
 17.10 located within ten feet of existing underground
 17.11 utilities or that crosses the existing
 17.12 underground utilities. The study must include
 17.13 recommendations to the legislature and be
 17.14 submitted to the chairs and ranking minority
 17.15 members of the legislative committees and
 17.16 divisions with jurisdiction over agriculture
 17.17 policy and finance by June 1, 2027.

17.18 (l) The commissioner shall continue to
 17.19 increase connections with ethnic minority and
 17.20 immigrant farmers to farming opportunities
 17.21 and farming programs throughout the state.

17.22	Sec. 3. <u>BOARD OF ANIMAL HEALTH</u>	<u>\$</u>	<u>6,767,000</u>	<u>\$</u>	<u>6,767,000</u>
17.23	<u>\$357,000 the first year and \$357,000 the</u>				
17.24	<u>second year are to maintain the current level</u>				
17.25	<u>of service delivery.</u>				

17.26	Sec. 4. <u>AGRICULTURAL UTILIZATION</u>				
17.27	<u>RESEARCH INSTITUTE</u>	<u>\$</u>	<u>4,388,000</u>	<u>\$</u>	<u>4,434,000</u>
17.28	<u>\$45,000 the first year and \$91,000 the second</u>				
17.29	<u>year are to maintain the current level of service</u>				
17.30	<u>delivery.</u>				

17.31 **Sec. 5. TRANSFERS.**

17.32 (a) \$4,000,000 in fiscal year 2026 is transferred from the general fund to the agricultural
 17.33 emergency account established under Minnesota Statutes, section 17.041.

18.1 (b) Of the amount transferred to the agricultural emergency account under Minnesota
18.2 Statutes, section 17.041, up to \$2,000,000 may be used for the following purposes:

18.3 (1) to test milk, milk products, poultry products, and pet food before retail sale for the
18.4 presence of avian influenza;

18.5 (2) to transfer funds to the commissioner of health for biomonitoring for the presence
18.6 of avian influenza for agricultural workers, farm workers, and poultry or livestock processing
18.7 employees that volunteer to participate; and

18.8 (3) to transfer funds to the Board of Regents of the University of Minnesota to develop
18.9 rapid testing, quantification, and human exposure risk assessment models for avian influenza
18.10 in urban wastewater and drinking water treatment processes and public and private wells.

18.11 Prior to utilizing or transferring money under this paragraph, the commissioner must
18.12 communicate the intended usage and the estimated amount of the money to the chairs and
18.13 ranking minority members of the house of representatives and senate committees with
18.14 jurisdiction over agriculture finance.

18.15 (c) \$153,000 in fiscal year 2026 and \$100,000 in fiscal year 2027 are transferred from
18.16 the general fund to the pollinator research account established under Minnesota Statutes,
18.17 section 18B.051. This transfer is \$100,000 in fiscal year 2028 and each year thereafter.

18.18 (d) \$186,000 in fiscal year 2026 and \$186,000 in fiscal year 2027 are transferred from
18.19 the general fund to the Minnesota grown account and may be used as grants for Minnesota
18.20 grown promotion under Minnesota Statutes, section 17.102. Notwithstanding Minnesota
18.21 Statutes, section 16A.28, the appropriations encumbered under contract on or before June
18.22 30, 2027, for Minnesota grown grants in this paragraph are available until June 30, 2029.
18.23 This transfer is \$186,000 in fiscal year 2028 and each year thereafter.

18.24 (e) \$10,699,000 in fiscal year 2026 and \$10,352,000 in fiscal year 2027 are transferred
18.25 from the general fund to the agriculture research, education, extension, and technology
18.26 transfer account under Minnesota Statutes, section 41A.14, subdivision 3, and the
18.27 commissioner shall transfer funds each year to the Board of Regents of the University of
18.28 Minnesota for purposes of Minnesota Statutes, section 41A.14, subdivision 1, clauses (1)
18.29 and (2), and must supplement and not supplant existing sources and levels of funding. The
18.30 commissioner may use up to one percent of this transfer for costs incurred to administer
18.31 this program.

18.32 (f) Of the amount transferred for the agriculture research, education, extension, and
18.33 technology transfer grant program under Minnesota Statutes, section 41A.14:

19.1 (1) \$600,000 in fiscal year 2026 and \$600,000 in fiscal year 2027 are for the Minnesota
19.2 Agricultural Experiment Station's agriculture rapid response fund under Minnesota Statutes,
19.3 section 41A.14, subdivision 1, clause (2);

19.4 (2) up to \$1,000,000 in fiscal year 2026 and up to \$1,000,000 in fiscal year 2027 are for
19.5 research on avian influenza, salmonella, and other turkey-related diseases and disease
19.6 prevention measures;

19.7 (3) \$2,250,000 in fiscal year 2026 and \$2,250,000 in fiscal year 2027 are for grants to
19.8 the Minnesota Agricultural Educational Leadership Council to enhance agricultural education
19.9 with priority given to Farm Business Management challenge grants. The transfer is
19.10 \$3,000,000 in fiscal year 2028 and each year thereafter;

19.11 (4) \$350,000 in fiscal year 2026 and \$350,000 in fiscal year 2027 are for potato research;

19.12 (5) \$802,000 in fiscal year 2026 and \$802,000 in fiscal year 2027 are to fund the Forever
19.13 Green Initiative and protect Minnesota's natural resources while increasing the efficiency,
19.14 profitability, and productivity of Minnesota farmers by incorporating perennial and winter
19.15 annual crops into existing agricultural practices. By February 1 each year, the dean of the
19.16 College of Food, Agricultural, and Natural Resources Sciences must submit a report to the
19.17 chairs and ranking minority members of the legislative committees with jurisdiction over
19.18 agriculture finance and policy and higher education detailing uses of the money in this
19.19 paragraph, including administrative costs, and the achievements this money contributed to;

19.20 (6) \$200,000 in fiscal year 2026 and \$200,000 in fiscal year 2027 are for research on
19.21 natural stands of wild rice;

19.22 (7) \$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are for the cultivated
19.23 wild rice forward selection project at the North Central Research and Outreach Center,
19.24 including a tenure track or research associate plant scientist; and

19.25 (8) \$347,000 in fiscal year 2026 is for the Board of Regents of the University of
19.26 Minnesota for purposes of research on crop contamination and exposure to prions deposited
19.27 by animals infected with chronic wasting disease.

19.28 The transfer for the agricultural research, education, extension, and technology transfer
19.29 program is \$11,373,000 in fiscal year 2028 and each year thereafter.

19.30 (g) \$250,000 in fiscal year 2026 and \$250,000 in fiscal year 2027 are transferred to the
19.31 Board of Regents of the University of Minnesota to evaluate, propagate, and maintain the
19.32 genetic diversity of oilseeds, grains, grasses, legumes, and other plants, including flax,
19.33 timothy, barley, rye, triticale, alfalfa, orchard grass, clover, and other species and varieties

20.1 that were in commercial distribution and use in Minnesota prior to 1970, excluding wild
 20.2 rice. This money must also be used to protect traditional seeds brought to Minnesota by
 20.3 immigrant communities. This transfer includes funding for associated extension and outreach
 20.4 to small farmers and farmers who are Black, Indigenous, and People of Color. This transfer
 20.5 is \$250,000 in fiscal year 2028 and each year thereafter.

20.6 (h) \$1,425,000 in fiscal year 2026 and \$1,425,000 in fiscal year 2027 are transferred
 20.7 from the general fund to the agricultural and environmental revolving loan account
 20.8 established under Minnesota Statutes, section 17.117, subdivision 5a, for low-interest loans
 20.9 under Minnesota Statutes, section 17.117. This transfer is \$1,425,000 in fiscal year 2028
 20.10 and each year thereafter.

20.11 **Sec. 6. CANCELLATIONS.**

20.12 (a) \$3,000,000 of the appropriation in fiscal year 2024 from the general fund for green
 20.13 fertilizer production facilities under Laws 2023, chapter 60, article 10, section 4, is canceled
 20.14 to the general fund by June 30, 2025.

20.15 (b) \$500,000 of the fiscal year 2025 general fund appropriation for the agricultural
 20.16 growth, research, and innovation program under Minnesota Statutes, section 41A.12, that
 20.17 was allocated for Dairy Assistance, Investment, Relief Initiative (DAIRI) grants under Laws
 20.18 2024, chapter 126, article 1, section 1, subdivision 4, paragraph (d), clause (6), is canceled
 20.19 to the general fund by June 30, 2025.

20.20 **EFFECTIVE DATE.** This section is effective the day following final enactment.

20.21 **Sec. 7.** Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended by Laws
 20.22 2024, chapter 126, article 1, section 1, subdivision 4, is amended to read:

20.23	Subd. 4. Agriculture, Bioenergy, and Bioproduct	34,034,000	38,159,000
20.24	Advancement		

20.25 (a) \$10,702,000 the first year and \$10,702,000
 20.26 the second year are for the agriculture
 20.27 research, education, extension, and technology
 20.28 transfer program under Minnesota Statutes,
 20.29 section 41A.14. Except as provided below,
 20.30 the appropriation each year is for transfer to
 20.31 the agriculture research, education, extension,
 20.32 and technology transfer account under
 20.33 Minnesota Statutes, section 41A.14,

21.1 subdivision 3, and the commissioner shall
21.2 transfer funds each year to the Board of
21.3 Regents of the University of Minnesota for
21.4 purposes of Minnesota Statutes, section
21.5 41A.14. To the extent practicable, money
21.6 expended under Minnesota Statutes, section
21.7 41A.14, subdivision 1, clauses (1) and (2),
21.8 must supplement and not supplant existing
21.9 sources and levels of funding. The
21.10 commissioner may use up to one percent of
21.11 this appropriation for costs incurred to
21.12 administer the program.

21.13 Of the amount appropriated for the agriculture
21.14 research, education, extension, and technology
21.15 transfer grant program under Minnesota
21.16 Statutes, section 41A.14:

21.17 (1) \$600,000 the first year and \$600,000 the
21.18 second year are for the Minnesota Agricultural
21.19 Experiment Station's agriculture rapid
21.20 response fund under Minnesota Statutes,
21.21 section 41A.14, subdivision 1, clause (2);

21.22 (2) up to \$1,000,000 the first year and up to
21.23 \$1,000,000 the second year are for research
21.24 on avian influenza, salmonella, and other
21.25 turkey-related diseases and disease prevention
21.26 measures;

21.27 (3) \$2,250,000 the first year and \$2,250,000
21.28 the second year are for grants to the Minnesota
21.29 Agricultural Education Leadership Council to
21.30 enhance agricultural education with priority
21.31 given to Farm Business Management
21.32 challenge grants;

21.33 (4) \$450,000 the first year is for the cultivated
21.34 wild rice breeding project at the North Central

22.1 Research and Outreach Center to include a
22.2 tenure track/research associate plant breeder;
22.3 (5) \$350,000 the first year and \$350,000 the
22.4 second year are for potato breeding;
22.5 (6) \$802,000 the first year and \$802,000 the
22.6 second year are to fund the Forever Green
22.7 Initiative and protect the state's natural
22.8 resources while increasing the efficiency,
22.9 profitability, and productivity of Minnesota
22.10 farmers by incorporating perennial and
22.11 winter-annual crops into existing agricultural
22.12 practices. The base for the allocation under
22.13 this clause is \$802,000 in fiscal year 2026 and
22.14 each year thereafter. By February 1 each year,
22.15 the dean of the College of Food, Agricultural
22.16 and Natural Resource Sciences must submit
22.17 a report to the chairs and ranking minority
22.18 members of the legislative committees with
22.19 jurisdiction over agriculture finance and policy
22.20 and higher education detailing uses of the
22.21 funds in this paragraph, including
22.22 administrative costs, and the achievements
22.23 these funds contributed to;
22.24 (7) \$350,000 each year is for farm-scale winter
22.25 greenhouse research and development
22.26 coordinated by University of Minnesota
22.27 Extension Regional Sustainable Development
22.28 Partnerships. The allocation in this clause is
22.29 onetime;
22.30 (8) \$200,000 the second year is for research
22.31 on natural stands of wild rice; and
22.32 (9) \$250,000 the second year is for the
22.33 cultivated wild rice forward selection project
22.34 at the North Central Research and Outreach

23.1 Center, including a tenure track or research
23.2 associate plant scientist.

23.3 (b) The base for the agriculture research,
23.4 education, extension, and technology transfer
23.5 program is \$10,352,000 in fiscal year 2026
23.6 and \$10,352,000 in fiscal year 2027.

23.7 (c) \$23,332,000 the first year is for the
23.8 agricultural growth, research, and innovation
23.9 program under Minnesota Statutes, section
23.10 41A.12. Except as provided below, the
23.11 commissioner may allocate this appropriation
23.12 among the following areas: facilitating the
23.13 start-up, modernization, improvement, or
23.14 expansion of livestock operations, including
23.15 beginning and transitioning livestock
23.16 operations with preference given to robotic
23.17 dairy-milking equipment; assisting
23.18 value-added agricultural businesses to begin
23.19 or expand, to access new markets, or to
23.20 diversify, including aquaponics systems, with
23.21 preference given to hemp fiber processing
23.22 equipment; facilitating the start-up,
23.23 modernization, or expansion of other
23.24 beginning and transitioning farms, including
23.25 by providing loans under Minnesota Statutes,
23.26 section 41B.056; sustainable agriculture
23.27 on-farm research and demonstration; the
23.28 development or expansion of food hubs and
23.29 other alternative community-based food
23.30 distribution systems; enhancing renewable
23.31 energy infrastructure and use; crop research,
23.32 including basic and applied turf seed research;
23.33 Farm Business Management tuition assistance;
23.34 and good agricultural practices and good
23.35 handling practices certification assistance. The

24.1 commissioner may use up to 6.5 percent of
24.2 this appropriation for costs incurred to
24.3 administer the program.

24.4 Of the amount appropriated for the agricultural
24.5 growth, research, and innovation program
24.6 under Minnesota Statutes, section 41A.12:

24.7 (1) \$1,000,000 the first year is for distribution
24.8 in equal amounts to each of the state's county
24.9 fairs to preserve and promote Minnesota
24.10 agriculture;

24.11 (2) \$5,750,000 the first year is for incentive
24.12 payments under Minnesota Statutes, sections
24.13 41A.16, 41A.17, 41A.18, and 41A.20.
24.14 Notwithstanding Minnesota Statutes, section
24.15 16A.28, the first year appropriation is
24.16 available until June 30, 2025. If this
24.17 appropriation exceeds the total amount for
24.18 which all producers are eligible in a fiscal
24.19 year, the balance of the appropriation is
24.20 available for other purposes under this
24.21 paragraph;

24.22 (3) \$3,375,000 the first year is for grants that
24.23 enable retail petroleum dispensers, fuel storage
24.24 tanks, and other equipment to dispense
24.25 biofuels to the public in accordance with the
24.26 biofuel replacement goals established under
24.27 Minnesota Statutes, section 239.7911. A retail
24.28 petroleum dispenser selling petroleum for use
24.29 in spark ignition engines for vehicle model
24.30 years after 2000 is eligible for grant money
24.31 under this clause if the retail petroleum
24.32 dispenser has no more than 10 retail petroleum
24.33 dispensing sites and each site is located in
24.34 Minnesota. The grant money must be used to
24.35 replace or upgrade equipment that does not

25.1 have the ability to be certified for E25. A grant
25.2 award must not exceed 65 percent of the cost
25.3 of the appropriate technology. A grant award
25.4 must not exceed \$200,000 per station. The
25.5 commissioner must cooperate with biofuel
25.6 stakeholders in the implementation of the grant
25.7 program. The commissioner, in cooperation
25.8 with any economic or community development
25.9 financial institution and any other entity with
25.10 which the commissioner contracts, must
25.11 submit a report on the biofuels infrastructure
25.12 financial assistance program by January 15 of
25.13 each year to the chairs and ranking minority
25.14 members of the legislative committees and
25.15 divisions with jurisdiction over agriculture
25.16 policy and finance. The annual report must
25.17 include but not be limited to a summary of the
25.18 following metrics: (i) the number and types
25.19 of projects financed; (ii) the amount of dollars
25.20 leveraged or matched per project; (iii) the
25.21 geographic distribution of financed projects;
25.22 (iv) any market expansion associated with
25.23 upgraded infrastructure; (v) the demographics
25.24 of the areas served; (vi) the costs of the
25.25 program; and (vii) the number of grants to
25.26 minority-owned or female-owned businesses;
25.27 (4) \$1,250,000 the first year is for grants to
25.28 facilitate the start-up, modernization, or
25.29 expansion of meat, poultry, egg, and milk
25.30 processing facilities. A grant award under this
25.31 clause must not exceed \$200,000. Any
25.32 unencumbered balance at the end of the second
25.33 year does not cancel until June 30, 2026, and
25.34 may be used for other purposes under this
25.35 paragraph;

26.1 (5) \$1,150,000 the first year is for providing
26.2 more fruits, vegetables, meat, poultry, grain,
26.3 and dairy for children in school and early
26.4 childhood education settings, including, at the
26.5 commissioner's discretion, providing grants
26.6 to reimburse schools and early childhood
26.7 education and child care providers for
26.8 purchasing equipment and agricultural
26.9 products. Organizations must participate in
26.10 the National School Lunch Program or the
26.11 Child and Adult Care Food Program to be
26.12 eligible. Of the amount appropriated, \$150,000
26.13 is for a statewide coordinator of
26.14 farm-to-institution strategy and programming.
26.15 The coordinator must consult with relevant
26.16 stakeholders and provide technical assistance
26.17 and training for participating farmers and
26.18 eligible grant recipients;

26.19 (6) \$2,000,000 the first year is for urban youth
26.20 agricultural education or urban agriculture
26.21 community development;

26.22 (7) \$1,000,000 the first year is for the good
26.23 food access program under Minnesota
26.24 Statutes, section 17.1017; and

26.25 (8) \$225,000 the first year is to provide grants
26.26 to secondary career and technical education
26.27 programs for the purpose of offering
26.28 instruction in meat cutting and butchery.
26.29 Notwithstanding Minnesota Statutes, section
26.30 16B.98, subdivision 14, the commissioner may
26.31 use up to 6.5 percent of this appropriation for
26.32 administrative costs. This is a onetime
26.33 appropriation. Grants may be used for costs,
26.34 including but not limited to:

27.1 (i) equipment required for a meat cutting
27.2 program;

27.3 (ii) facility renovation to accommodate meat
27.4 cutting; and

27.5 (iii) training faculty to teach the fundamentals
27.6 of meat processing.

27.7 A grant recipient may be awarded a grant of
27.8 up to \$75,000 and may use up to ten percent
27.9 of the grant for faculty training. Priority may
27.10 be given to applicants who are coordinating
27.11 with meat cutting and butchery programs at
27.12 Minnesota State Colleges and Universities
27.13 institutions or with local industry partners.

27.14 By January 15, 2025, the commissioner must
27.15 report to the chairs and ranking minority
27.16 members of the legislative committees with
27.17 jurisdiction over agriculture finance and
27.18 education finance by listing the grants made
27.19 under this paragraph by county and noting the
27.20 number and amount of grant requests not
27.21 fulfilled. The report may include additional
27.22 information as determined by the
27.23 commissioner, including but not limited to
27.24 information regarding the outcomes produced
27.25 by these grants. If additional grants are
27.26 awarded under this paragraph that were not
27.27 covered in the report due by January 15, 2025,
27.28 the commissioner must submit an additional
27.29 report to the chairs and ranking minority
27.30 members of the legislative committees with
27.31 jurisdiction over agriculture finance and
27.32 education finance regarding all grants issued
27.33 under this paragraph by November 1, 2025.

28.1 Notwithstanding Minnesota Statutes, section
28.2 16A.28, any unencumbered balance does not
28.3 cancel at the end of the first year and is
28.4 available for the second year, and
28.5 appropriations encumbered under contract on
28.6 or before June 30, 2025, for agricultural
28.7 growth, research, and innovation grants are
28.8 available until June 30, 2028.

28.9 (d) \$27,457,000 the second year is for the
28.10 agricultural growth, research, and innovation
28.11 program under Minnesota Statutes, section
28.12 41A.12. Except as provided below, the
28.13 commissioner may allocate this appropriation
28.14 among the following areas: facilitating the
28.15 start-up, modernization, improvement, or
28.16 expansion of livestock operations, including
28.17 beginning and transitioning livestock
28.18 operations with preference given to robotic
28.19 dairy-milking equipment; assisting
28.20 value-added agricultural businesses to begin
28.21 or expand, to access new markets, or to
28.22 diversify, including aquaponics systems, with
28.23 preference given to hemp fiber processing
28.24 equipment; facilitating the start-up,
28.25 modernization, or expansion of other
28.26 beginning and transitioning farms, including
28.27 by providing loans under Minnesota Statutes,
28.28 section 41B.056; sustainable agriculture
28.29 on-farm research and demonstration; the
28.30 development or expansion of food hubs and
28.31 other alternative community-based food
28.32 distribution systems; enhancing renewable
28.33 energy infrastructure and use; crop research,
28.34 including basic and applied turf seed research;
28.35 Farm Business Management tuition assistance;
28.36 and good agricultural practices and good

29.1 handling practices certification assistance. The
29.2 commissioner may use up to 6.5 percent of
29.3 this appropriation for costs incurred to
29.4 administer the program.

29.5 Of the amount appropriated for the agricultural
29.6 growth, research, and innovation program
29.7 under Minnesota Statutes, section 41A.12:

29.8 (1) \$1,000,000 the second year is for
29.9 distribution in equal amounts to each of the
29.10 state's county fairs to preserve and promote
29.11 Minnesota agriculture;

29.12 (2) \$5,750,000 the second year is for incentive
29.13 payments under Minnesota Statutes, sections
29.14 41A.16, 41A.17, 41A.18, and 41A.20.

29.15 Notwithstanding Minnesota Statutes, section
29.16 16A.28, this appropriation is available until
29.17 June 30, 2027. If this appropriation exceeds
29.18 the total amount for which all producers are
29.19 eligible in a fiscal year, the balance of the
29.20 appropriation is available for other purposes
29.21 under this paragraph. The base under this
29.22 clause is \$3,000,000 in fiscal year 2026 and
29.23 each year thereafter;

29.24 (3) \$3,375,000 the second year is for grants
29.25 that enable retail petroleum dispensers, fuel
29.26 storage tanks, and other equipment to dispense
29.27 biofuels to the public in accordance with the
29.28 biofuel replacement goals established under
29.29 Minnesota Statutes, section 239.7911. A retail
29.30 petroleum dispenser selling petroleum for use
29.31 in spark ignition engines for vehicle model
29.32 years after 2000 is eligible for grant money
29.33 under this clause if the retail petroleum
29.34 dispenser has no more than ten retail
29.35 petroleum dispensing sites and each site is

30.1 located in Minnesota. The grant money must
30.2 be used to replace or upgrade equipment that
30.3 does not have the ability to be certified for
30.4 E25. A grant award must not exceed 65
30.5 percent of the cost of the appropriate
30.6 technology. A grant award must not exceed
30.7 \$200,000 per station. The commissioner must
30.8 cooperate with biofuel stakeholders in the
30.9 implementation of the grant program. The
30.10 commissioner, in cooperation with any
30.11 economic or community development
30.12 financial institution and any other entity with
30.13 which the commissioner contracts, must
30.14 submit a report on the biofuels infrastructure
30.15 financial assistance program by January 15 of
30.16 each year to the chairs and ranking minority
30.17 members of the legislative committees and
30.18 divisions with jurisdiction over agriculture
30.19 policy and finance. The annual report must
30.20 include but not be limited to a summary of the
30.21 following metrics: (i) the number and types
30.22 of projects financed; (ii) the amount of money
30.23 leveraged or matched per project; (iii) the
30.24 geographic distribution of financed projects;
30.25 (iv) any market expansion associated with
30.26 upgraded infrastructure; (v) the demographics
30.27 of the areas served; (vi) the costs of the
30.28 program; and (vii) the number of grants to
30.29 minority-owned or female-owned businesses.
30.30 The base under this clause is \$3,000,000 for
30.31 fiscal year 2026 and each year thereafter;
30.32 (4) \$1,250,000 the second year is for grants
30.33 to facilitate the start-up, modernization, or
30.34 expansion of meat, poultry, egg, and milk
30.35 processing facilities. A grant award under this
30.36 clause must not exceed \$200,000. Any

31.1 unencumbered balance at the end of the second
31.2 year does not cancel until June 30, 2027, and
31.3 may be used for other purposes under this
31.4 paragraph. The base under this clause is
31.5 \$250,000 in fiscal year 2026 and each year
31.6 thereafter;

31.7 (5) \$1,275,000 the second year is for providing
31.8 more fruits, vegetables, meat, poultry, grain,
31.9 and dairy for children in school and early
31.10 childhood education settings, including, at the
31.11 commissioner's discretion, providing grants
31.12 to reimburse schools and early childhood
31.13 education and child care providers for
31.14 purchasing equipment and agricultural
31.15 products. Organizations must participate in
31.16 the National School Lunch Program or the
31.17 Child and Adult Care Food Program to be
31.18 eligible. Of the amount appropriated, \$150,000
31.19 is for a statewide coordinator of
31.20 farm-to-institution strategy and programming.
31.21 The coordinator must consult with relevant
31.22 stakeholders and provide technical assistance
31.23 and training for participating farmers and
31.24 eligible grant recipients. The base under this
31.25 clause is \$1,294,000 in fiscal year 2026 and
31.26 each year thereafter;

31.27 (6) \$4,000,000 the second year is for Dairy
31.28 Assistance, Investment, Relief Initiative
31.29 (DAIRI) grants and other forms of financial
31.30 assistance to Minnesota dairy farms that enroll
31.31 in coverage under a federal dairy risk
31.32 protection program and produced no more
31.33 than 16,000,000 pounds of milk in 2022. The
31.34 commissioner must make DAIRI payments
31.35 based on the amount of milk produced in

32.1 2022, up to 5,000,000 pounds per participating
32.2 farm, at a rate determined by the commissioner
32.3 within the limits of available funding. Any
32.4 unencumbered balance on June 30, 2026, may
32.5 be used for other purposes under this
32.6 paragraph. The allocation in this clause is
32.7 onetime;

32.8 (7) \$2,000,000 the second year is for urban
32.9 youth agricultural education or urban
32.10 agriculture community development;

32.11 (8) \$1,000,000 the second year is for the good
32.12 food access program under Minnesota
32.13 Statutes, section 17.1017; and

32.14 (9) \$225,000 the second year is for the
32.15 protecting livestock grant program for
32.16 producers to support the installation of
32.17 measures to prevent the transmission of avian
32.18 influenza. For the appropriation in this
32.19 paragraph, a grant applicant must document
32.20 a cost-share of 20 percent. An applicant's
32.21 cost-share amount may be reduced up to
32.22 \$2,000 to cover time and labor costs.

32.23 Notwithstanding Minnesota Statutes, section
32.24 16B.98, subdivision 14, the commissioner may
32.25 use up to 6.5 percent of this appropriation for
32.26 administrative costs. This appropriation is
32.27 available until June 30, 2027. This is a onetime
32.28 appropriation.

32.29 (e) Notwithstanding Minnesota Statutes,
32.30 section 16A.28, ~~this~~ the appropriation in
32.31 paragraph (d) does not cancel at the end of the
32.32 second year and is available until June 30,
32.33 2027. Appropriations encumbered under
32.34 contract on or before June 30, 2027, for

33.1 agricultural growth, research, and innovation
 33.2 grants are available until June 30, 2030.
 33.3 ~~(e)~~ (f) The base for the agricultural growth,
 33.4 research, and innovation program is
 33.5 \$17,582,000 in fiscal year 2026 and each year
 33.6 thereafter and includes \$200,000 each year for
 33.7 cooperative development grants.

33.8 **EFFECTIVE DATE.** This section is effective the day following final enactment.

33.9

ARTICLE 2

33.10

AGRICULTURE STATUTORY CHANGES

33.11 Section 1. Minnesota Statutes 2024, section 17.133, subdivision 2, is amended to read:

33.12 Subd. 2. **Grants.** The commissioner may award farm down payment assistance grants
 33.13 of up to ~~\$15,000~~ \$20,000 per eligible farmer. Each award must be matched with at least
 33.14 \$8,000 of other funding. Grants under this subdivision may be awarded by a randomized
 33.15 selection process after applications are collected over a period of no less than 30 calendar
 33.16 days. An eligible farmer must commit to own and farm the land purchased with assistance
 33.17 provided under this section for at least five years. For each year that a grant recipient does
 33.18 not own and farm the land during the five-year period, the grant recipient must pay a penalty
 33.19 to the commissioner equal to 20 percent of the grant amount.

33.20 Sec. 2. Minnesota Statutes 2024, section 18B.01, subdivision 1d, is amended to read:

33.21 Subd. 1d. **Application or use of a pesticide.** "Application or use of a pesticide" includes:

33.22 (1) the dispersal of a pesticide on, in, at, or directed toward a target site; and

33.23 ~~(2) preapplication activities that involve the mixing and loading of a restricted use~~
 33.24 ~~pesticide; and~~

33.25 ~~(3)~~ (2) other restricted use pesticide-related activities, including but not limited to
 33.26 transporting or storing pesticide containers that have been opened; mixing; loading; cleaning
 33.27 equipment; and disposing of excess pesticides, spray mix, equipment wash waters, pesticide
 33.28 containers, and other materials that contain pesticide.

34.1 Sec. 3. Minnesota Statutes 2024, section 18B.01, is amended by adding a subdivision to
34.2 read:

34.3 Subd. 10c. **Handler.** "Handler" means an individual who meets all the requirements for
34.4 noncertified applicator specified in Code of Federal Regulations, title 40, section 171.201,
34.5 and engages in preapplication activities that involve the mixing, loading, and transporting
34.6 of a restricted use pesticide under the supervision of a licensed pesticide applicator.

34.7 Sec. 4. Minnesota Statutes 2024, section 18B.30, is amended to read:

34.8 **18B.30 PESTICIDE USE LICENSE REQUIREMENT; INTERNET SALES**
34.9 **PROHIBITED; RESTRICTED USE PESTICIDES.**

34.10 (a) A person may not use a restricted use pesticide without a license or certification
34.11 required under sections 18B.29 to 18B.35 and the use may only be done under conditions
34.12 prescribed by the commissioner, except that a handler may engage in preapplication activities
34.13 that involve the mixing, loading, and transporting of a restricted use pesticide under the
34.14 supervision of a licensed pesticide applicator.

34.15 (b) A person shall not sell any pesticide labeled for restricted use over an Internet website
34.16 to a Minnesota resident who is not a licensed or certified pesticide applicator. A person
34.17 selling a pesticide labeled for restricted use over an Internet website to a Minnesota resident
34.18 must verify that the purchaser is a licensed or certified pesticide applicator under sections
34.19 18B.29 to 18B.35.

34.20 Sec. 5. **[18C.113] BIOFERTILIZER INNOVATION AND EFFICIENCY PROGRAM.**

34.21 Subdivision 1. **Program established.** In consultation with the commissioner of natural
34.22 resources and soil and water conservation districts in Minnesota, the commissioner of
34.23 agriculture must develop and administer a biofertilizer innovation and efficiency program
34.24 to address water quality by incentivizing Minnesota farmers to improve nitrogen management
34.25 and incorporate innovative technologies into the farmers' crop nutrient management plans.
34.26 The commissioner must determine which products qualify for the program, including soil
34.27 amendments, fertilizers with nitrogen-fixing properties, biological sources of nitrogen, and
34.28 other biofertilizers.

34.29 Subd. 2. **Payments to qualified farmers.** (a) In consultation with farmers and the
34.30 fertilizer industry, the commissioner must establish a per-acre payment rate, not less than
34.31 \$5 per acre, for payments provided to a qualifying farmer. The program must provide an
34.32 annual per-acre incentive payment to a qualifying farmer who verifies through documentation

35.1 that the farmer has reduced commercial nitrogen fertilizer rates by using a qualifying product
35.2 in the farmer's crop nutrient management plans by the lesser of:

35.3 (1) 15 percent; or

35.4 (2) 30 pounds per acre.

35.5 (b) The Department of Agriculture must annually review and may adjust the per-acre
35.6 payment rate based on inflation and emerging fertilizer technology.

35.7 Subd. 3. **Qualifications.** To qualify for the biofertilizer water preservation program, a
35.8 farmer must:

35.9 (1) be a Minnesota resident operating farmland located in Minnesota;

35.10 (2) submit documentation to the commissioner, including a crop nutrient management
35.11 plan that will reduce the use of commercial nitrogen fertilizers at the reduction rate required
35.12 under subdivision 2 by using a qualifying product determined by the commissioner under
35.13 subdivision 1; and

35.14 (3) enroll a minimum of 40 eligible acres.

35.15 Subd. 4. **Review required.** Every two years, the commissioner must review:

35.16 (1) the program's required minimum commercial nitrogen fertilizer reduction rate under
35.17 subdivision 2 and determine whether an increase in the minimum reduction rate is necessary;
35.18 and

35.19 (2) additional qualifying products that may be used by farmers in the program. When
35.20 making this determination, the commissioner must consider newly available technologies
35.21 and products capable of reducing commercial nitrogen fertilizer applications.

35.22 Subd. 5. **Rulemaking required.** The commissioner must adopt rules using rulemaking
35.23 authority under section 18C.121, subdivision 1, to implement this section.

35.24 Subd. 6. **Program study.** The commissioner must conduct an evaluation of the practice
35.25 performance and economic performance of the biofertilizer innovation and efficiency
35.26 program. The evaluation must look at environmental outcomes, include a cost-benefit
35.27 analysis, and be submitted to the chairs and ranking minority members of the legislative
35.28 committees and divisions with jurisdiction over agriculture policy and finance by June 1,
35.29 2027. The commissioner may contract with an independent third party to conduct the
35.30 evaluation.

36.1

ARTICLE 3

36.2

BROADBAND

36.3

Section 1. **BROADBAND DEVELOPMENT APPROPRIATIONS.**

36.4

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose.

36.5

36.6

36.7

The figures "2026" and "2027" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2026, or June 30, 2027, respectively.

36.8

36.9

"The first year" is fiscal year 2026. "The second year" is fiscal year 2027. "The biennium" is fiscal years 2026 and 2027.

36.10

36.11

APPROPRIATIONS

36.12

Available for the Year

36.13

Ending June 30

36.14

2026

2027

36.15

Sec. 2. DEPARTMENT OF EMPLOYMENT

36.16

AND ECONOMIC DEVELOPMENT

\$

1,001,000

\$

1,001,000

36.17

\$1,001,000 each year is for the Office of

36.18

Broadband Development."

36.19

Delete the title and insert:

36.20

"A bill for an act

36.21

relating to state government; establishing a budget for the Department of Agriculture, the Board of Animal Health, the Agricultural Utilization Research Institute, and the Office of Broadband Development; making policy and technical changes to agricultural provisions; requiring reports; transferring money; appropriating money; amending Minnesota Statutes 2024, sections 17.133, subdivision 2; 18B.01, subdivision 1d, by adding a subdivision; 18B.30; Laws 2023, chapter 43, article 1, section 2, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 18C."

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With the recommendation that when so amended the bill be re-referred to the Committee on Ways and Means.

36.31

This Committee action taken April 9, 2025

36.32

....., Co-Chair

36.33

....., Co-Chair